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Congressional Record

PROCEEDINGS AND DEBATES OF THE 87th CONGRESS, FIRST SESSION

SENATE

THURSDAY, MARCH 16, 1961

The Senate met at 12 o'clock meridian, and was called to order by the Vice President.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

Gracious God, our Father, Thou searcher of men's hearts, from whom no secrets are hid, we would turn aside from the feverish ways of the world, knowing that only in Thee can we find the strength to endure.

Amid the draining duties of these demanding days, only by the spiritual resources that are found in Thee may our jaded spirits be refreshed and our souls restored.

In this dear land of our love and prayer, may we close our national ranks in a new unity, as sinister powers without Thee in awe plot to destroy the birthright of our liberty of worship, and of speech, and the sanctity of the individual.

We pledge our hopes, our faith, our lives,
That freedom shall not die;
We pray Thy guidance, strength, and grace,
Almighty God on high.
Amen.

REPORT OF A COMMITTEE SUBMITTED DURING ADJOURNMENT

Under authority of the order of the Senate of March 15, 1961, Mr. BYRD of Virginia, on March 15, 1961, from the Committee on Finance, to which was referred the bill (H.R. 4806) to provide for the establishment of a temporary program of extended unemployment compensation, to provide for a temporary increase in the rate of the Federal unemployment tax, and for other purposes, reported it favorably, with amendments, and submitted a report (No. 69) thereon, which report was printed.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, March 15, 1961, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

REPORT ON FEDERAL ASSISTANCE TO STATE AND LOCAL GOVERNMENTS IN MAJOR DISASTERS—MESSAGE FROM THE PRESIDENT (H. DOC. NO. 111)

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read and, with the accompanying report, referred to the Committee on Public Works:

To the Congress of the United States:

I have the honor to transmit herewith a report of activity under authority of Public Law 875, 81st Congress, as amended, and required by section 8 of such law.

Funds which have been appropriated to accomplish the Federal assistance determined eligible under this authority are specifically appropriated to the President for purposes of disaster relief.

JOHN F. KENNEDY.

THE WHITE HOUSE, *March 16, 1961.*

REPORT OF SURGEON GENERAL OF PUBLIC HEALTH SERVICE—MESSAGE FROM THE PRESIDENT (H. DOC. NO. 110)

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read and, with the accompanying report, referred to the Committee on Labor and Public Welfare:

To the Congress of the United States:

Under the provisions of title VII of the Public Health Service Act, as amended by Public Law 835, 84th Congress, and further amended by Public Law 777, 85th Congress, I transmit herewith for the information of the Congress the fifth annual report of the Surgeon General of the Public Health Service summarizing the activities of the health research facilities program.

JOHN F. KENNEDY.

THE WHITE HOUSE, *March 14, 1961.*

AMERICAN AGRICULTURE — MESSAGE FROM THE PRESIDENT (H. DOC. NO. 109)

The VICE PRESIDENT. The Chair lays before the Senate a message from the President of the United States, which has been read in the House; and, without objection, it will be printed in the RECORD, without being read, and will be referred to the Committee on Agriculture and Forestry.

To the Congress of the United States:

In recent times, it has become customary to speak of American agriculture in terms of distress and failure, as a burden on the taxpayers and a depressant on the economy. But this is only one part of the picture. As the provider of our food and fiber, American agriculture is a highly successful and highly efficient industry. In no other country, and at no other time in the history of our own farm economy, have so many people been so well provided with such abundance and variety at such low real cost.

Nor is this bounty confined to our own people. We are today the world's largest exporter of food and fiber. Seventy percent of these exports are sales for dollars, one of the principal bulwarks of our export trade. The other 30 percent is made available under special programs to promote economic development abroad and to relieve hunger and suffering—efforts that are fundamental to our world leadership and security.

In short, our farmers deserve praise, not condemnation; and their efficiency should be a cause for gratitude, not something for which they are penalized. For their very efficiency and productivity lies at the heart of the distress in American agriculture which—while it represents only a part of the picture—constitutes that part to which our efforts must be devoted. The steady and continuing decline in income has been most serious for the 7 million people engaged in farming operations, and substandard conditions on the farms—which are so important to our economy—lead directly to substandard conditions in all segments of the national economy. Farming remains our largest industry—it employs 12 times as many people as work in steel and 9 times as many as in the automobile industry. It employs, in fact, more people than steel, automobiles, public utilities, and the transportation industry combined. The farmer is a consumer as well as a producer, and other economic groups are affected by the continued drop in farm purchasing power. Some $40 billion is spent each year for production goods and services needed on our farms and for the consumer goods used by farm families. Six million people are employed in the manufacture and distribution of the supplies that farmers use. Each year farm families spend from $2.5 to $3.0 billion for new automobiles, trucks, tractors and other farm machinery; and $3.5 billion for fuel, lubricants, and maintenance of motor vehicles and machinery. It is deeply in the interest of all Americans that

our agriculture be not only progressive but prosperous.

Yet as our farm families enter the 1960's, their incomes are lower relative to the rest of our population than at any time since the 1930's. Although there has been a continuous rise in consumer prices during the past 10 years, farm income has steadily declined. Abundant production has filled our bins and warehouses, but 1 out of 10 American households have diets so inadaquate that they fall below two-thirds of the standard nutrition requirements.

These paradoxes are of concern to all of us—the farmer, the taxpayer, and the consumer. They affect the vitality of our Nation, the strength of our most basic industry, agriculture, and the economic health of every community in the land.

Much of the current problem results from four factors:

First. The inability of millions of separate procedures to control either output or price of their products. Acting individually the farmer can neither plan his production to meet modern requirements, and shift away from commodities for which there is limited demand, nor bargain effectively for a fair return.

Second. A technological revolution in agricultural production, which is still underway, that has resulted in generally increased yield from a reduced input of acreage and manpower—so that today each farmer produces the food and fiber necessary for 25 people, while at the turn of the century each farmer produced the food and fiber for only 7 people.

Third. A faulty system of distribution, which allows one-half of the people of the free world to suffer from malnutrition at the very same time our surpluses have reached a point where the availability of adequate storage facilities has become a real problem.

Fourth. The steady and continued increase in farm costs. The average farm requires an investment of $36,000. The farmer's interest costs have increased over 300 percent in the past decade. His equipment costs have increased 75 percent.

The solution lies not so much in severe restrictions upon our talent to produce as upon proper channeling of our abundance into more effective and expanded uses. American agricultural abundance can be forged into both a significant instrument of foreign policy and a weapon against domestic hardship and hunger. It is no less our purpose to insure that the farm family that produced this wealth will have a parity in income and equality in opportunity with urban families—for the family farm should be protected and preserved as a basic American institution.

Our intention is to accomplish these goals while eventually reducing the cost of our programs to the taxpayer. This can be accomplished in part because it is cheaper to use our agricultural products than to store them. Present storage costs total over $500 million a year or $1.4 million every day.

But it must also be our purpose to see that farm products return a fair income because they are fairly priced. No farm program should exploit the consumer. But neither can it subsidize the consumer at the cost of subnormal incomes to the farmer. We cannot tolerate substandard conditions on the farm any more than we can in industry. A fair return is a necessity for labor, capital and management in industry. It is equally necessary for those who produce our food and fiber.

It must be our purpose to provide an agricultural program that will eventually eliminate the vast farm surpluses that overhang the market and overburden the economy; that will permit effective economies of administration; that will recognize the right of the consumer to fair prices; and that will permit the farmer to receive a fair return for his labor. This will be neither simple nor easy. It will require the cooperation and effort of the farmer, government, and the urban dweller. But the alternative is not alone a substandard rural economy—it is a weakened nation.

I. A WIDER RANGE OF TOOLS TO BOOST FARM INCOME

This administration's studies to date on how to meet our responsibilities in agriculture have led us to the following conclusions:

There is no single farm problem, and no single solution. Each commodity requires a somewhat different approach.

Swift and frequent changes in weather, acreage, yield, and international market conditions require Federal programs alert and sensitive to change.

The Secretary of Agriculture is now equipped with broad responsibilities for the maintenance of farm income. In order to fully and effectively meet these responsibilities he has had authority to set and adjust the level of support prices, set the level and terms of loans, prescribe acreage allotments, specify conservation payments, establish marketing agreements and orders, and take other steps to adjust supplies and protect the prices and incomes of farmers. But these powers have not been fully employed in recent years; and neither are they sufficiently flexible for all contingencies.

I am deeply concerned—and I believe the Congress shares that concern, along with most of our consumers, taxpayers, and the farmers themselves—that our farm program is drifting into a chaotic state, piling up surpluses, penalizing efficiency, rewarding inertia and noncompliance, and constantly being torn and weakened by disputes and conflicting pressures. This is not a situation that can be ended by any one sweeping act of magic. It will require diligent study, hard work, imaginative initiative, and sound, constructive leadership. But I believe that the decline in farm income and the drift in farm policy can both be gradually reversed by the program I recommend.

This will require that the Secretary of Agriculture make full and effective use of all the responsibilities now reposed in him; and that the Congress establish guidelines to enable the administration to exercise responsible leadership in consultation with those farmers most concerned in establishing sound programs for each commodity for which they are needed.

A generation ago, Congress enacted the Reciprocal Trade Agreements Act to place in the executive branch the authority for a tariff-by-tariff approach that could be more effectively and equitably handled there instead of in the Halls of Congress. The Reorganization Act similarly shifted the initiative in that complex field to the executive branch. Now agriculture needs a commodity-by-commodity approach, fitting each program to the pertinent problems, initiated by the Secretary of Agriculture under Presidential direction, subject to the approval of the farmers voting in referendums and to final review by the Congress.

The authority Congress has previously granted to the Secretary for the management of farm supply and the stabilization of farm income requires additional adjustment. A variety of gaps must be filled before all necessary administrative tools are available for every commodity. I am therefore asking the Congress to enact legislation to be submitted shortly and to be known as the Agricultural Enabling Amendments Act of 1961, covering the following matters:

1. The Agricultural Marketing Agreement Act of 1937, which now authorizes marketing orders for milk, certain fruits and vegetables, tobacco, soybeans, and some specialized crops, should be amended to permit marketing orders to be used for a wider range of commodities, to make it more flexible in dealing with commodities for which a national or area program may be devised, and to permit, subject to the approval of producers and acceptance of the Congress as noted below, the establishment of quotas and allotments for individual producers. This will enable the valuable tool of the marketing order to be extended and combined with effective production control where the latter is essential.

2. The Agricultural Adjustment Act of 1938 should be amended to permit supply adjustment through marketing quotas for any agricultural commodity for which quotas might be most effective in achieving our goals and subject to affirmative approval by producers and acceptance of the Congress as indicated below. Quotas should be authorized either in quantitative terms—pounds, bushels, or bales—or in terms of production for individual farm acreage allotments. This will insure effective supply adjustment where this is indicated under proper safeguards. Such adjustment in turn is our best assurance against excessive costs to the taxpayers.

3. The Agricultural Act of 1949 should be modified to permit, subject to similar producer approval and congressional acceptance, the method of supporting producer income that is most appropriate to the competitive and international position of the commodity, the nature of the supply adjustment needed, and economy to the taxpayer. There should be authorization of compensatory payments as well as commodity loans, commodity purchases, diversion programs,

incentive payments, and export payments as circumstances require. All of these measures, properly safeguarded as to use, have proven their value in practice and are essential if the programs are to be adjusted to needs of individual commodities. As a part of payment programs the Secretary of Agriculture should be authorized to make payments in kind in cases where producers prefer such payments and where the Secretary determines that the goal of reduction of available stocks makes such payments feasible.

4. The Soil Conservation and Domestic Allotment Act of 1936 should be amended to provide for the establishment of national farmer advisory committees for every commodity or group of related commodities for which a new supply adjustment program is planned. Members of the committees would be elected by the producers of the commodities involved or their appropriate representatives. In consultation with the Secretary of Agriculture, they would be charged with the responsibility for considering and recommending individual commodity programs. To make it possible for farmers to participate in the work and consultation necessary for the development and implementation of sound proposals, the bill should authorize the payment of expenses for the members of these farmer committees.

In order to insure effective farmer participation in the administration of farm programs on the local level, the Secretary of Agriculture is being directed to revitalize the county and local farmer committee system and to recommend such amendments as may be necessary to safeguard such farmer participation.

5. Programs formulated in accordance with the enabling legislation here proposed and involving controls over production and marketing should not go into effect until approved by a majority of two-thirds of the producers voting under regularly authorized voting procedures and there should be legislation to this end. Such voting will be after full opportunity for debate and discussion and will insure that the producers of no commodity will be asked to accept programs to which they have not given strong affirmative approval.

6. All comprehensive programs prepared under existing and requested authority will be duly submitted to the Congress of the United States not less than 60 days before taking effect. If within the 60-day period the program is rejected by either House of the Congress, the program will not go into effect. Thus no agricultural program will be adopted if it is regarded adversely by a majority of either House of the Congress.

Agricultural programs must always involve an effort to take the best of the available alternatives. Our task, building on past experience and present authority, is to find a simple and rapid accommodation to changing circumstances which is both effective and consistent with our democratic traditions. I believe that the present proposals will go a long way toward achieving these goals.

II. EXPANDING THE USE OF OUR FARM ABUNDANCE

A. To improve distribution and nutrition at home:

We have already taken a number of steps toward greater utilization of our agricultural abundance at home as well as abroad. I have directed the Secretary of Agriculture to increase both the quantity and quality of our surplus food distribution to the needy, and under this program the amount of food going to each needy family has already been doubled. In addition, pilot food stamp programs are being launched in eight areas to provide emergency aid where the distress is particularly acute. These pilot plans will furnish operating experience necessary for our determination of the most effective kind of food allotment program.

To improve further our system of distribution I recommend:

1. An expansion of the school lunch program, with the increase going to those schools providing a high proportion of free lunches because of the high level of unemployment in their localities, and with a change in the allocation formula to include, in addition to school age population and per capita income, the number of children who actually receive school lunches. In this way the best possible nutrition will be made available to every schoolchild, regardless of the economic condition of his family or his local school district.

2. Extension and improvement of the special school milk program. Existing authorization for this program expires June 30. No lapse should be permitted.

B. To improve nutrition among needy peoples abroad:

We have barely begun to explore the ways in which our abundance can advance the cause of peace and freedom around the world, and contribute to the well-being and stability of undeveloped nations whose peoples eye our storage stockpiles with hungry dissatisfaction. I have already dispatched a series of missions to such areas to ascertain how we can best use our food in a helpful fashion. In addition, I ask the Congress:

1. As previously requested, to authorize an additional $2 billion for this calendar year under title I of the Agricultural Trade Development and Assistance Act of 1954, which permits the sale for local currencies of our surplus agricultural products. The need for this legislation is urgent, for the funds now available under this title are virtually exhausted. Until Congress acts we will be unable to process new requests now coming in from friendly governments.

2. To extend and expand the Agricultural Trade Development and Assistance Act of 1954 for a period of 5 years. Unless there is some assurance of a continuing program we can neither make the advance plans best suited to an effective instrument of foreign policy nor gage its long-term effect upon our domestic program. Title I sales should be authorized at a higher level; and our contributions of food and fiber to voluntary agencies such as CARE for use abroad should be liberalized.

C. Improved research:

We should not only continue our research activities directed toward better production and lower costs, but we must expand research into marketing, nutrition and especially utilization. Today approximately two-thirds of our agricultural research is directed toward improved production and only one-third toward utilization. Yet these small expenditures have resulted in the past in developing such items as frozen orange juice, potato flakes, and other foods which have vastly increased food demand and made possible the use of an estimated 500 million pounds of additional animal fats in livestock feed, an additional 250 million pounds of additional animal fats in the manufacture of plastics, and an additional 800,000 bales of cotton for washable cotton fabrics. The proportion of our effort directed at food and fiber utilization should be increased.

In addition, I am directing the Secretary of Agriculture to survey the nutritional needs of our Nation and to formulate plans for helping achieve optimum nutrition goals for all Americans. The Secretary and the Food for Peace Director have already initiated a study of the food and fiber needs of other free countries. With completion of these studies we will be in a position to press forward vigorously to eliminate malnutrition and starvation as a common experience.

D. Expanded exports:

I am directing the Secretary of Agriculture and all other appropriate departments and agencies of the Government to intensify our efforts to expand dollar sales of agricultural products. The Foreign Agricultural Service's assignment of market promotion specialists and agricultural attachés to critical areas will be encouraged. This will strengthen our oversea programs of trade fair exhibits and trade centers, improve information services and market news to the U.S. trade, and supply us with vitally needed information about agricultural developments abroad and the competition our products face in world markets.

In our progress toward a trade liberalization program, there has been a marked lag in convincing other nations to reduce barriers on agricultural products. Especially at this time, it is important that we redouble our efforts to gain access for more of our agricultural products to the markets of foreign countries.

III. ENCOURAGEMENT OF COOPERATIVES

One of the methods by which farmers can increase their bargaining power and thus remedy to some extent their weakness in the marketplace is through the effective operation of their own cooperatives.

To this end I recommend legislation to reaffirm and protect the right of farmers to act together through their cooperatives in the processing and marketing of their products, the purchasing of supplies, and the furnishing of necessary services. This legislation should specifically permit farmers' cooperatives to purchase, acquire, and build processing plants and related facilities and to

merge with other cooperatives so long as such activities do not tend to create a monopoly or substantially lessen competition.

IV. LOW-INCOME FARMS

In those areas where farms are predominantly in the lowest income group, entire rural communities have suffered severe economic damage. The small businesses are liquidating, the community facilities are deteriorating, and community institutions are weakened. These present a special problem.

The area redevelopment bill now under consideration by the Congress is needed by farmers as urgently as it is needed in cities and towns. I reiterate my urgent recommendation for the speedy enactment of this bill, and thus enhance the resources available to the Secretary of Agriculture as he mobilizes all the services available to him, such as FHA, REA, Forest and Extension Services, to assist in the development of better levels of living, better income opportunities, and better communities in our rural depressed areas.

V. FARM CREDIT AND REA

One of the features of modern agriculture that poses an increasing problem to farmers, especially during periods of low income, is the need for increased capital investment, accompanied by the high cost of credit.

I am directing the Secretary of Agriculture to liberalize and extend the lending operations of the Farm Home Administration so that any needy farmer can obtain loans for operating capital and for farm home improvements at low cost, and I recommend that the present legislation be amended to permit farm improvement loans to be secured either by mortgages or by other acceptable forms of security.

I have further directed the Secretary of Agriculture to initiate two measures that will encourage the storage of grain on the farm and strengthen economic activity in farming areas:

(a) Modifying present farm credit regulations to permit farmers to borrow up to 95 percent (instead of the present 80 percent limit) of the cost of materials for building farm storage facilities and equipment; and

(b) Guaranteeing that farmers will be able to earn 2 full years' storage payments for continuing to store 1960 crop wheat, corn and grain sorghum, and at least 1 year's storage payments for continuing to store other 1960 crops.

The loans are for 5 years at an interest rate of 4 percent. The effect of this directive will be to increase the demand for steel, wood, and other building materials, to procure the additional farm storage needed for 1960 crops, and to place an estimated $40 million in credit funds in the rural economy in the months ahead.

I have also directed that the Rural Electrification Act be administered in accordance with the original intent and purpose of that program, which has done so much to advance agriculture throughout the Nation. Over 95 percent of our farms now have electricity. But much remains to be done. There are constantly increasing demands for additional power. Only one-third of our farms have modern telephone installations. The cooperatives which so successfully brought light and power to the farm can make an enormous contribution to the continued development of our rural communities.

VI. FOREST RESOURCES

One of our most important natural resources, and one of our most neglected, is our forest land.

We need to give special emphasis to the improvement of the 256 million acres of small, privately owned farm woodlands and other small forests. This is an important sector of our agricultural economy in which the rate of progress and production is far from satisfactory. Yet here is a crop which is not in surplus and to which many farmers should turn, for their benefit and the Nation's. If our grandchildren are to have only the same continuous supply of timber products as we now have, growth of timber on these farm woodlots and other small holdings will have to be doubled within the next 40 years. To insure adequate forest resources in the future by sound, effective programs relating to privately owned woodlands as well as our national forests, the following administrative and legislative measures are needed:

1. Rejuvenate the Forest Service's long-range program for the development and improvement of our national forests—a program already returning substantial revenues to the Treasury and designed eventually to return $500 million a year. Accompanying measures were requested in my earlier messages on resources.

2. Accelerate, through a larger Federal grant, the present Federal-State cooperative assistance program to farm and small forest owners for the application of scientific forestry techniques.

3. Expand tree planting funds, in order to make productive 40 million acres that will not restock naturally within a reasonable time, and to increase the timber stand on another 100 million acres.

4. Increase protection against losses caused by fire, forest insects, and tree diseases. The Federal Government's share of the burden in preventing and controlling forest fires has not been met, even though the States contribute the greater share.

5. Emphasize our incentive cost-sharing programs with owners for tree planting, timber stand improvement, and certain other practices under the agricultural conservation program.

6. Expand forestry research, too long neglected.

7. Encourage the establishment of management and marketing forest cooperatives.

VII. SOIL AND WATER CONSERVATION

We have so taken soil conservation for granted in this generation that we forget it is a task which is barely underway. By June 30, 1960, the Soil Conservation Service had helped 1,301,450 farmers and ranchers to complete basic conservation plans and an additional 500,000 were being assisted. But this represents only 27 percent of all farms and ranches in soil conservation districts. Nearly three-fourths of this important job remains to be done.

I am requesting the Congress to provide the funds necessary to accelerate this program for permanent soil conservation practices and to increase our efforts for small watersheds as well. These smaller projects, now being planned and developed, may well hold the key to our future water and soil requirements at a time of rapidly growing population.

CONCLUSION

The measures I have recommended are not directed solely to the purpose of aiding the farmer. Nor are they simple prescriptions for Federal assistance to a harried segment of our population. Rather they are directed toward broad goals of achieving agricultural production geared to meet needs for food and fiber at home and in the free world under programs that will enable the farmers of this Nation to earn a fair income.

We cannot expect to solve the farm problem in a day or in a year, or perhaps even in this administration. But we can and must adopt a new approach based on a clear recognition of the goals we seek, a realistic appraisal of the problems involved, and a firm determination to solve these problems and attain these goals.

The bills I have suggested will be debated and discussed in terms of general administration policies and powers. Various portions will undoubtedly be challenged as restrictive upon the farmer or inconsistent with complete freedom in the market. But I am convinced that the objectives of these programs will, when accomplished, provide for a reasonable balance between supply and demand. They will eliminate the hardship and suffering which inadequate returns force upon so many of our farm families; they will reduce our surpluses to manageable proportions; they will relieve the taxpayer of the unnecessary drain upon the Federal budget; they will spur our national economy, and they will assure the consumer of stable price levels.

Responsibility must be accompanied by the authority to accomplish these goals. If we move forward along the lines I have recommended, the entire Nation will benefit. The farmer can join the city dweller in the march toward economic health.

JOHN F. KENNEDY.

THE WHITE HOUSE, *March 16, 1961.*

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed, without amendment, the bill (S. 451) to authorize the distribution of copies of the CONGRESSIONAL RECORD to former Members of Congress requesting such copies.

The message also announced that the House had agreed to the following concurrent resolutions of the Senate:

S. Con. Res. 7. Concurrent resolution to print as a Senate document a compilation of studies of U.S. foreign policy; and

S. Con. Res. 15. Concurrent resolution to print as a Senate document, with additional copies, "A Report on U.S. Foreign Operations," submitted by Senator ALLEN J. ELLENDER.

The message further announced that the House had passed a joint resolution (H.J. Res. 176) to provide for the reappointment of Dr. Jerome C. Hunsaker as Citizen Regent of the Board of Regents of the Smithsonian Institution, in which it requested the concurrence of the Senate.

The message also announced that the House had agreed to the following concurrent resolutions, in which it requested the concurrence of the Senate:

H. Con. Res. 51. Concurrent resolution to print as a House document the publication "Facts on Communism—Volume II, the Soviet Union, From Lenin to Khrushchev," and to provide for the printing of additional copies;

H. Con. Res. 81. Concurrent resolution to provide for the printing of a House document; and

H. Con. Res. 142. Concurrent resolution authorizing the printing of additional copies of the report "Communist Target—Youth—Communist Infiltration and Agitation Tactics."

HOUSE JOINT RESOLUTION REFERRED

The joint resolution (H.J. Res. 176) to provide for the reappointment of Dr. Jerome C. Hunsaker as Citizen Regent of the Board of Regents of the Smithsonian Institution, was read twice by its title and referred to the Committee on Rules and Administration.

HOUSE CONCURRENT RESOLUTIONS REFERRED

The concurrent resolution (H. Con. Res. 51) to print as a House document the publication "Facts on Communism—Volume II, the Soviet Union, From Lenin to Khrushchev," and to provide for the printing of additional copies, was referred to the Committee on Rules and Administration, as follows:

Resolved by the House of Representatives (the Senate concurring), That the publication entitled "Facts on Communism—Volume II, the Soviet Union, From Lenin to Khrushchev" prepared by the Committee on Un-American Activities, House of Representatives, Eighty-Sixth Congress, second session, be printed as a House document; and that there be printed fifty thousand additional copies of said document of which fifteen thousand shall be for the use of said committee and thirty-five thousand copies to be prorated to the Members of the House of Representatives for a period of ninety days after which time the unused balance shall revert to the Committee on Un-American Activities.

The concurrent resolution (H. Con. Res. 81) to provide for the printing of a House document, was referred to the Committee on Rules and Administration, as follows:

Resolved by the House of Representatives (the Senate concurring), That the brochure entitled "How Our Laws Are Made", by Doctor Charles J. Zinn, law revision counsel of the House of Representatives Committee on the Judiciary, as set out in House Document 156 of the Eighty-sixth Congress, be printed as a House document, with emendations by the author and with a foreword by Honorable Edwin E. Willis; and that there be printed one hundred and thirty-two thousand additional copies to be prorated to the Members of the House of Representatives for a period of ninety days after which the unused balance shall revert to the Committee on the Judiciary.

The concurrent resolution (H. Con. Res. 142) authorizing the printing of additional copies of the report "Communist Target—Youth—Communist Infiltration and Agitation Tactics," was referred to the Committee on Rules and Administration, as follows:

Resolved by the House of Representatives (the Senate concurring), That there be printed for the use of the Committee on Un-American Activities one hundred thousand additional copies of the report "Communist Target—Youth—Communist Infiltration and Agitation Tactics", Eighty-sixth Congress, second session.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. MANSFIELD. Mr. President, under the rule, there will be the usual morning hour for the transaction of routine business. I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

COMMITTEE MEETING DURING SENATE SESSION

Upon request of Mr. MANSFIELD, and by unanimous consent, the Subcommittee on Internal Security of the Committee on the Judiciary was authorized to meet during the session of the Senate today.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of executive business, to consider the nominations on the calendar.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGE REFERRED

The VICE PRESIDENT laid before the Senate a message from the President of the United States submitting the nomination of Thomas D'Alesandro, Jr., of Maryland, to be a member of the Renegotiation Board, which was referred to the Committee on Finance.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. MANSFIELD, from the Committee on Rules and Administration:

James L. Harrison, of the District of Columbia, to be Public Printer.

By Mr. HILL, from the Committee on Labor and Public Welfare:

Dr. Worth Bagley Daniels, of the District of Columbia, to be a member of the Board of Regents of the National Library of Medicine, Public Health Service.

The VICE PRESIDENT. If there be no further reports of committees, the nominations on the calendar will be stated.

RENEGOTIATION BOARD

The Chief Clerk read the nomination of Herschel C. Loveless, of Iowa, to be a member of the Renegotiation Board.

Mr. MUSKIE. Mr. President, I rise in support of a man who needs no support. He is more than capable of standing on his own fine record of public service.

The President has submitted to us the nomination of the Honorable Herschel C. Loveless, former Governor of Iowa, to be a member of the Renegotiation Board. Membership on this Board carries with it the tremendous responsibility of protecting the interests of the United States in contracts with private firms. The members of the Board must be vigilant in their actions, while maintaining a fair position in relation to the companies involved.

Herschel Loveless' record as Governor of his State has been marked by a dedication to the public interest, an abiding fairness, and a rigid adherence to the highest standards of Government service. I welcome this nomination, and I commend the President on his selection.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

DEPARTMENT OF AGRICULTURE

The Chief Clerk read the nomination of Charles S. Murphy, of Maryland, to be Under Secretary of Agriculture.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of James T. Ralph, of California, to be an Assistant Secretary of Agriculture.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

FEDERAL TRADE COMMISSION

The Chief Clerk read the nomination of Paul Rand Dixon, of Tennessee, to be a Federal Trade Commissioner for the unexpired term of 7 years from September 26, 1960.

Mr. KEFAUVER. Mr. President, I speak in sincere and hearty support of the nomination of Paul Rand Dixon for the chairmanship of the Federal Trade Commission.

I know of no one with a more wide and substantial background in antitrust law. In his work with me as chief counsel of the Senate Antitrust and Monopoly Subcommittee, Mr. Dixon demonstrated this knowledge time and time again. His integrity and ability are of the highest, and these characteristics, coupled with devotion to fairness and to the principles of free enterprise, upon which our Nation are founded, make his nomination, in my opinion, one of the finest which our new administration has made.

It is with the greatest confidence in his many outstanding qualities and with the knowledge of these qualifications

from personal association that I recommend without hesitation the unanimous confirmation of his nomination by the Senate of the United States.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

U.S. ATTORNEYS

The Chief Clerk proceeded to read sundry nominations of U.S. attorneys.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the nominations of U.S. attorneys be considered en bloc.

The VICE PRESIDENT. Without objection, these nominations will be considered en bloc; and, without objection, they are confirmed en bloc.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of these nominations.

The VICE PRESIDENT. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

BIRTHDAY CONGRATULATIONS TO SENATOR MANSFIELD

Mr. AIKEN. Mr. President, I wish to take just a minute to refer to a significant date in history.

Of course, as all of us know, tomorrow will be the 17th of March, and is celebrated by the Irish as St. Patrick's Day. But at this time I wish to point out how fortunate that a day earlier has not been chosen as St. Patrick's Day, because he would have had difficulty, if not insurmountable competition, in finding a place in history, had he been eulogized on the 16th of March, instead of the 17th of March.

At this time I think I should inform the Senate that the competition would come from no one less than our own "St. Michael," the senior Senator from Montana [Mr. MANSFIELD], the majority leader of the Senate. I wish to congratulate him on having survived another year. I hope I shall be able to congratulate him, at the end of this session, on having survived this year in his new and not always easy position, as the Vice President well knows.

Certainly, all of us are very glad that after having lost the majority leader of last year—although I do not know that I use advisedly the word "lost"—we are fortunate enough to have the Senator from Montana take his seat.

Again I say St. Patrick was fortunate, too, because he receives more publicity for having encomiums paid to him a day later. [Laughter.]

Mr. DIRKSEN. Mr. President, I think the distinguished Senator from Vermont does indeed advisedly use the term "St. Michael," because nothing short of a tribute which is coextensive with the space age would account for the fact that the distinguished majority leader somehow got himself into the United States Navy at age 14. If that is not a significant achievement, I never saw one in this day and age.

Today, I wish to join in the observance of Senator MANSFIELD'S birth anniversary. He is by all odds one of the most gracious and one of the most kindly men I have ever encountered; and it is already manifest how that dissolving charm and that persuasive force have made a great and a significant impact upon the operations of this great deliberative body.

May he live long, and may his years be many, and all of them as rich and as fruitful as the years which already have gone by.

So I felicitate him on his natal day.

The VICE PRESIDENT. The Chair would like to associate himself with the very fine tributes which have been paid to the Senator from Montana by the Senator from Vermont [Mr. AIKEN] and the minority leader [Mr. DIRKSEN].

In the 30 years the Chair has served in Washington—this year will be his 30th anniversary—the Chair has known a number of good men and a number of great men; but the Chair thinks the distinguished majority leader of this body, MIKE MANSFIELD, is one of the good, great men of this century.

Mr. METCALF. Mr. President, I, too, wish to associate myself with the remarks made by my colleagues in regard to our distinguished majority leader, MIKE MANSFIELD. It gives me a great deal of vicarious satisfaction to be a Montanan and to hear the Members of this body speak such praise about Montana's first and most distinguished citizen.

I know that all of Montana joins me in wishing the senior Senator from Montana, our distinguished majority leader, a very happy birthday and many more successful birthdays such as the one he is having today; and I take great pride in joining my colleagues in the Senate in wishing him success in the years ahead.

Mr. HUMPHREY. Mr. President, I would not wish to miss this happy and joyful opportunity to pay my respects to the senior Senator from Montana, MIKE MANSFIELD, our majority leader, on the occasion of his birthday.

This remarkable man has most unique qualities. He is always young in spirit, always vital and vigorous in mind, and always very purposeful in his efforts.

Since the Senator from Montana is a very modest man, I do not suppose he is going to share with us all of the many happy experiences of his birthday, but permit me to say to him, without becoming a messenger boy for Western Union, "Happy birthday, Senator."

Mr. WILEY. Mr. President, it was my privilege to write a letter to the distinguished majority leader congratulating him upon the anniversary of his birth.

I have heard the remarks this morning, and I wish to join in all the fine things said about the majority leader. I think he and his wife make a wonderful team. There is no better in the Senate. I say this, first, because they are genuinely friendly people. Second, they have a potentiality for good. Wherever they go, they do not create friction but they create a condition of harmony.

The work in the Senate done by the majority leader is truly marvelous, in the sense that he gets things done. I join with his many friends and the friends of his wife in congratulating both of them upon the happy fact that the two of them entered into such a happy union.

Mrs. NEUBERGER. Mr. President, I join my fellow Senators in congratulating the majority leader on his birthday anniversary today. However, I hope this is not carried to its ultimate conclusion. I will accept in advance the congratulations of my colleagues in the Senate on any birthday anniversaries I may have during the next 6 years.

Mr. LAUSCHE. Mr. President although the majority leader is not in the Chamber, I would feel it amiss if I were not to extend felicitations to the majority leader on his birthday anniversary. I have been enriched by my association with him. He has spiritual qualities which are overpowering. His mind is extraordinarily keen, and his views can never be challenged from the standpoint of not being sincere. I can only say to him that I have become stronger from the moral standpoint and from the spiritual and educational standpoints through my association with him.

Mr. JAVITS. Mr. President, I wish to join in felicitating MIKE MANSFIELD on his birthday. He has been my very good friend. He and I served together on the House Foreign Affairs Committee, and he has been a most valued colleague in the Senate. One of the best things that can be said of him is that he is one of the fairest human beings who ever lived. One need never call to his attention what would be fair to one; he thinks of it first. I enjoy very much congratulating him and wishing a happy birthday to him and his family.

Mr. YOUNG of North Dakota. I join in congratulating the majority leader on his birthday. Senator MANSFIELD is one of the most liked and ablest Members whom I have ever served with in the Senate, and that service goes back for 16 years. His judgment, particularly on international matters, has won for him the admiration and respect of millions of people everywhere. He is very well liked in my State of North Dakota.

Mr. KEATING. Mr. President, I had intended to devote my 3 minutes to another subject, but I certainly wish to join in these tributes to our distinguished majority leader. His fairness to the Members of the minority and his continuous courtesy in all of our dealings are deeply appreciated.

We had a predecessor, who now occupies the chair, with whom we enjoyed most cordial relations, who was always very kind and considerate of the views and wishes of the minority. He must look to his laurels now, because we have as majority leader a man who had much of his training with the present Vice President. The present majority leader may even exceed the Vice President, if that were possible, in his dealings with

those of us with whom he might from time to time find himself in disagreement on issues, but for whom he has unfailingly shown great kindness. I wish him well.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

SUPPLEMENTAL REPORT OF SECRETARY OF AGRICULTURE ON 1960 SOIL BANK CONSERVATION RESERVE PROGRAM

A letter from the Secretary of Agriculture, transmitting, pursuant to law, a supplemental report on the 1960 soil bank conservation reserve program, dated March 1961, enlarging the preliminary report of January 13, 1961 (with an accompanying report); to the Committee on Agriculture and Forestry.

REPORT ON INSTALLATIONS AND FACILITIES REQUIRED FOR ADVANCED RESEARCH PROJECTS

A letter from the Deputy Secretary of Defense, reporting, pursuant to law, a report on the establishment and development of installations and facilities required for advanced research projects, covering the period June 30, 1960, to December 31, 1960; to the Committee on Armed Services.

REPORT ON ACTIVITIES OF, EXPENDITURES BY, AND DONATIONS TO LIGNITE RESEARCH LABORATORY, GRAND FORKS, N. DAK.

A letter from the Assistant Secretary of the Interior, reporting, pursuant to law, on the activities of, expenditures by, and donations to the Lignite Research Laboratory, Grand Forks, N. Dak., for the calendar year 1960; to the Committee on Interior and Insular Affairs.

FINAL REPORT OF BOSTON NATIONAL HISTORIC SITES COMMISSION

A letter from the Secretary of the Interior, transmitting, pursuant to law, the final report of the Boston National Historic Sites Commission (with an accompanying report); to the Committee on Interior and Insular Affairs.

SUSPENSION OF DEPORTATION OF A CERTAIN ALIEN

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, a copy of the order suspending deportation in the case of Yee Houy, together with a statement of the facts and pertinent provisions of law pertaining to the alien, and the reason for ordering such suspension (with accompanying papers); to the Committee on the Judiciary.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

A joint resolution of the Legislature of the State of Nevada; to the Committee on Banking and Currency:

"SENATE JOINT RESOLUTION 2

Joint resolution endorsing the action of the 50th session of the legislature memorializing the Congress and the President of the United States to cause to be issued silver coins commemorating the centennial of the admission of the State of Nevada into the Union

"Whereas by act of Congress Nevada was admitted to the Union October 31, 1864; and

"Whereas during the year 1964, the people of the State of Nevada expect to celebrate, with creditable pageantry and commemoration, the 100th anniversary of the admission of the State of Nevada into the Union; and

"Whereas Nevada was one of the richest and most famous silver-producing areas of all time; and

"Whereas the revenues resulting from such silver production aided materially in maintaining the integrity of the Union and in the great industrial expansion of the entire country; and

"Whereas Nevada is known as the Silver State; and

"Whereas Congress has many times previously authorized the issuance by the U.S. Treasury of commemorative coins for other States; and

"Whereas the members of the 50th session of the Legislature of the State of Nevada adopted a resolution memorializing the Congress of the United States to enact such legislation, and the President of the United States to take such action as necessary to issue commemorative silver coins commemorating the 100th anniversary of the admission of the State of Nevada into the Union: Now, therefore, be it

"*Resolved by the Senate and Assembly of the State of Nevada, jointly,* That the Legislature of the State of Nevada endorses the action of the 50th session of the legislature memorializing to the Congress and the President of the United States to take such action as may be necessary to issue commemorative silver coins commemorating the 100th anniversary of the admission of the State of Nevada into the Union; and be it further

"*Resolved,* That such coins be delivered to the Nevada Centennial Commission upon payment therefor, and that such commission be, and it hereby is, authorized to sell and distribute such coins; and be it further

"*Resolved,* That certified copies of this resolution be prepared and transmitted forthwith by the legislative counsel to the President and Vice President of the United States, the President pro tempore of the Senate, the Speaker of the House of Representatives, and each Senator and the Representative from the State of Nevada in the Congress of the United States.

"Passed by the assembly February 7, 1961.

"CHESTER S. CHRISTIANSEN,
"Speaker of the Assembly.
"NATHAN T. HURST,
"Chief Clerk of the Assembly.

"Passed by the senate January 31, 1961.

"REX BELL,
"President of the Senate.
"LEOLA H. ARMSTRONG,
"Secretary of the Senate.
"GRANT SAWYER,
"Governor of the State of Nevada."

Resolutions of the General Court of the Commonwealth of Massachusetts; to the Committee on Finance:

"RESOLUTION MEMORIALIZING CONGRESS ON THE QUESTIONS OF FEDERAL QUOTAS ON IMPORTS OF RESIDUAL FUEL OIL AND END-USE CONTROL OF THE VARIOUS FUELS SERVING THE COMMONWEALTH

"Whereas the current Federal quotas on the imports of residual fuel oil discriminate greatly against the New England area, including the Commonwealth; and

"Whereas such restriction on fuel oil imports poses an economic hardship on both the consumers of fuel oil in the Commonwealth and on the industrial community, already being responsible for higher fuel oil costs in the New England area; and

"Whereas a continuation of the current trend to limit fuel oil imports further augurs even higher fuel oil prices; and

"Whereas any study of the various fuels used in Massachusetts markets which has as its objective the promotion of the end-use control of such fuels would be contrary to the basic economic law of supply and demand and not in consonance with the operation of a free competitive economy, thereby causing higher prices to consumers of such fuels: Therefore, be it

"*Resolved,* That the General Court of Massachusetts hereby requests the Members of the U.S. Congress from the Commonwealth to use their prestige and influence to terminate said quotas on the imports of residual fuel oil; and be it further

"*Resolved,* That the General Court of Massachusetts hereby requests the Massachusetts congressional delegation to make its voice heard against any attempt to promote the end-use control of the various fuels used in the Commonwealth; and be it further

"*Resolved,* That copies of these resolutions be forwarded by the Secretary of the Commonwealth to each Member of the U.S. Congress serving from Massachusetts.

"Adopted by the senate, February 28, 1961.

"IRVING N. HAYDEN,
"Clerk.

Adopted by the house of representatives in concurrence, March 3, 1961.

"LAWRENCE R. GROVE,
"Clerk.

"Attest:

"KEVIN H. WHITE,
"Secretary of the Commonwealth."

A resolution adopted by the Common Council of the City of Buffalo, N.Y., favoring the enactment of House bill 3647, to repeal the 10 percent excise tax on automobiles; to the Committee on Finance.

A copy of a bill (S. 105) enacted by the Legislature of the State of Idaho, ratifying the Columbia Interstate Compact, relating to the division, apportionment and use of the waters of the Columbia River system, entered into by the States of Idaho, Washington, Oregon, Montana, Wyoming, Nevada, and Utah; to the Committee on Interior and Insular Affairs.

A resolution adopted by the Ohio Society, Daughters of the American Revolution, protesting against the ratification of the treaty proposing the establishment of the Organization for Economic Cooperation and Development (OECD); ordered to lie on the table.

JOINT RESOLUTION OF WISCONSIN LEGISLATURE—LETTER

Mr. WILEY. Mr. President, I received today a letter from Charles A. O'Neill, executive secretary of the Society of St. Vincent De Paul of Milwaukee. With the letter he enclosed a joint resolution passed by the Senate of the State of Wisconsin. I ask unanimous consent that the letter be printed in the RECORD and that the resolution be printed in the RECORD following it, and referred to the appropriate committee.

The VICE PRESIDENT. Without objection, it is so ordered.

The letter presented by Mr. WILEY is as follows:

SOCIETY OF ST. VINCENT DE PAUL,
Milwaukee, Wis., March 14, 1961.

Hon. ALEXANDER WILEY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR: Our friend, Con Eklund, very kindly sent me a clipping from the March 9 issue of the CONGRESSIONAL RECORD. I note, with pleasure, your excellent remarks regarding aid to dependent children. I understand that many counties in Wisconsin have adopted resolutions on this matter similar to the ones you cite from Milwaukee, Kenosha, Longlade, and Vilas. Others include: Chippewa, Iron, Pepin, and Wood. Enclosed herewith please find a copy of

Joint Resolution 39, so kindly forwarded to me by one of its authors, Senator Jerris Leonard.

I wondered, Senator WILEY, if you could sponsor an amendment to the "jobless bill" to accomplish the purposes set forth in the resolution.

With many thanks for your constant cooperation and wonderful service to the Nation, I remain,

Sincerely,

CHARLES A. O'NEILL,
Executive Secretary.

The joint resolution presented by Mr. WILEY was referred to the Committee on Labor and Public Welfare, as follows:

JOINT RESOLUTION 39

Joint resolution memorializing Congress to enact legislation permitting localities to demand an accounting from recipients of cash payments under the aid to dependent children categorical aid program administered by the Federal Department of Health, Education and Welfare, and also permitting distribution of such aid in commodity or voucher form in appropriate cases

Whereas a news item appearing in the Milwaukee Journal on Sunday, October 16, 1960, reported the fact that in August of this year 10,571 Wisconsin families with 27,660 children received financial help through the aid to dependent children program, which is partially financed by contributions from the Federal Government under the laws relating to aid to dependent children categorical aid program administered by the Federal Department of Health, Education, and Welfare; and

Whereas, the Federal Government contributes funds for such aid to dependent children program, which is commonly known both as "mothers' aid" and as "State aid," only upon the condition that such aid be disbursed in cash payments, and that no accounting be demanded of individual recipients thereof as to how such cash is spent; and

Whereas the 1959 annual report of the Milwaukee County Department of Public Welfare has disclosed that in that year said department disbursed over $5,500,000 in aid to dependent children payments, of which the Federal Government contributed 48.28 percent and the State government contributed 33.05 percent; and

Whereas the same annual welfare report revealed that in December of that year 2,888 women in Milwaukee County were receiving cash payments for themselves and their children under the aid to dependent children program, and that of such women 32 percent were divorcees, 24.2 percent were unmarried mothers, and 16.7 percent were wives abandoned by their husbands (or a total of 72.9 percent), which figures tend to show that the vast majority of aid recipients under this assistance program are women in rather unfortunate circumstances; and

Whereas another recent news item in the daily press on the subject of such aid has indicated that according to records in the office of the clerk of Milwaukee County circuit court, about one-third of the women and their children involved in the 10,000 current support and alimony cases on file in that office are getting public assistance (from which it can be assumed that most of these women are receiving aid to dependent children); and

Whereas it would be beneficial to the public interest to permit local authorities to exercise such discretion and control in cases where the recipients of such aid either manage their money unwisely, or conduct themselves improperly, or care for their children inadequately; Now, therefore, be it

Resolved by the senate (the assembly concurring), That the Wisconsin Legislature respectfully request the Congress of the United States to consider and enact legislation in 1961 amending the laws relating to aid to dependent children categorical aid program administered by the Federal Department of Health, Education, and Welfare to grant discretionary authority to local governing bodies and public welfare directors to enable them to demand an accounting from recipients of cash payments under the aid to dependent children program, and also to enable them to distribute such aid in the form of commodities or vouchers for the same in lieu of direct cash payments, as such local governing bodies of public welfare directors may deem appropriate in individual cases; and be it further

Resolved, That authenticated copies of this resolution be transmitted to the Wisconsin Members of the Congress of the United States; and be it further

Resolved, That such Wisconsin Members of Congress be requested to take joint action to insure that this resolution be spread upon the CONGRESSIONAL RECORD for the purpose of making known the contents thereof to all Members of the Congress of the United States.

RESOLUTION OF THE MEDICAL SOCIETY OF THE COUNTY OF CHEMUNG, N.Y.

Mr. KEATING. Mr. President, I ask unanimous consent to have printed in the RECORD a copy of a resolution of the Medical Society of the County of Chemung submitted to me by Mr. F. H. Clark, executive secretary of the society.

This resolution urges making self-employed physicians eligible for social security benefits. This has long been a controversial aspect of the social security system. In the event that this matter will come before the Congress again this year, I want to have the Chemung County Medical Society position clearly recorded in order that it will receive the attention which it deserves when this matter is before the appropriate committees.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

A RESOLUTION BINDING STATE SOCIETY MEMBERS OF THE AMA HOUSE OF DELEGATES TO VOTE FOR SOCIAL SECURITY COVERAGE AT AMA MEETINGS

Whereas results of polls by State medical societies and independent organizations clearly demonstrate that a substantial majority of the Nation's self-employed physicians desire to be included under the social security program; and

Whereas members of the house of delegates of the AMA have continued to oppose social security coverage at AMA annual and clinical meetings despite the overwhelming evidence that a majority of the medical profession wants it; and

Whereas Congress has been reluctant to enact a law to include physicians under social security in view of the house of delegates' opposition to such legislation; and

Whereas unless the house of delegates changes its attitude and begins to reflect the real wishes of the majority of physicians on this issue, physicians and their families will continue to be the only professional group in the Nation that is deprived of the protection and benefits of the social security program: Therefore be it

Resolved, That the Chemung County Medical Society hereby instructs its delegates to the New York State Society annual meeting to introduce a resolution in that body, making it binding on all elected members of the AMA house of delegates from our State to vote for social security coverage at the national AMA meetings.

IMPORTATION OF RUSSIAN CRABMEAT—RESOLUTION AND TELEGRAMS

Mr. GRUENING. Mr. President, the people of Alaska were very much distressed last week at the announcement in the press that it was likely that the 10-year-old ban on the importation of Russian crabmeat would be lifted. As a result of my protest, the President has very kindly suspended this order, which was to have been issued at noon last Saturday, and the entire matter is now under review.

In this connection, I have received many telegrams of protest, and also a resolution adopted by the Legislature of the State of Alaska protesting the lifting of the ban.

Mr. President, I ask unanimous consent that the resolution and telegrams be printed at this point in the RECORD.

There being no objection, the resolution and telegrams were ordered to be printed in the RECORD, as follows:

SENATE RESOLUTION 22

Be it resolved by the senate in second legislature (first session assembled):

Whereas it has been reliably reported that the United States is considering the lifting of the ban on the importation of crabmeat from the Soviet Union; and

Whereas Alaska king crab is the outstanding and only example of a new development in the Alaska fisheries which otherwise have been sadly depleted largely due to Federal mismanagement while Alaska was a territory and now requires gigantic and costly efforts to rebuild; and

Whereas this fishery depletion has created a grave unemployment situation all along Alaska's coast where the population's livelihood has been and is wholly dependent on the fisheries; and

Whereas the development of the king crab fishery is the only happy exception in this otherwise dark picture and if it is now to face the competition of imported Russian crab, produced by cheap if not slave labor, effects in Alaska will be disastrous; and

Whereas the situation is further aggravated by the fact that the Russians have been fishing extensively in the Bering Sea and have given indications of extending their fishing farther along the Alaskan coast; be it

Resolved by the senate in second legislature (first session assembled), That any proposal for the lifting of the ban on the importation of Russian crabmeat is protested and that it is respectfully requested that the State of Alaska be consulted before any action is taken by the U.S. Government; and be it further

Resolved, That copies of this resolution be sent to the Honorable John F. Kennedy, President of the United States; the Honorable Dean Rusk, Secretary of State; the Honorable C. Douglas Dillon, Secretary of the Treasury; the Honorable Luther H. Hodges, Secretary of Commerce; and the Members of the Alaska delegation in Congress.

JUNEAU, ALASKA, *March 11, 1961.*

Senator ERNEST GRUENING,
Senate Office Building,
Washington, D.C.:

Strong resolution re crab today adopted unanimously by State senate. Full text telegraphed to President Kennedy. Copies reso-

lution being airmailed each of you. Strong protest also sent President by myself with request he confer with delegation.

WILLIAM A. EGAN,
Governor of Alaska.

KODIAK, ALASKA, *March 11, 1961.*

Senator ERNEST GRUENING,
Senate Office Building,
Washington, D.C.:

Following wires sent today to Secretaries of State and Commerce quote work received indicating lifting of ban on imports of Russian produced king crab. We as one of the major producers of domestic king crab strongly protest this action. The economy of all king crab producing areas as well as investment in plants, facilities, boats, gear, etc., would be jeopardized by this type of competition utilizing cheap labor as well as methods of catching crab denied American fishermen. Strongly urge reconsideration.

Respectfully,

KING CRAB, INC.,
R. J. SPRINGHILL.

KODIAK, ALASKA, *March 12, 1961.*

Hon. Senator GRUENING,
Senate Office Building,
Washington, D.C.:

The local post urges you to vigorously oppose the lifting of the ban on importation of Russian crabmeat.

CARL RODLI,
Adjutant, American Legion Post No. 17.

KODIAK, ALASKA, *March 12, 1961.*

Senator ERNEST GRUENING,
Washington, D.C.:

Our 600 members emphatically protest lifting of any ban of Russian crab imports to the United States.

UNITED FISHERMAN'S MARKETING ASSOCIATION, INC.

SEATTLE, WASH., *March 15, 1961.*

Hon. ERNEST GRUENING,
U.S. Senate,
Washington, D.S.:

As a major producer of Alaskan king crabmeat we urgently request your effort to prevent lifting of existing embargo on any import of Russian seafood products, particularly king crabmeat.

Alaskan and Washington State economic health would be seriously impaired were embargo to be lifted due to violent spread of raw product and labor costs in favor of Russians.

Our industry resents Russian method of fishery which destroys U.S. coastal fishery preservation. Further, U.S. industry feels entirely capable of supplying U.S. quality king crabmeat needs in an orderly, dignified and profitable manner.

We repeat, your utmost efforts are needed to prevent this action. May we request your reply as to action taken?

Respectfully,

PAN ALASKA FISHERIES, INC.,
W. A. RITTER, *President.*

KODIAK, ALASKA, *March 12, 1961.*

Hon. ERNEST GRUENING,
Senator of State of Alaska,
Washington, D.C.:

The following wire was sent to Dean Rusk and Mr. Hodges:

"Kodiak Area Chamber of Commerce implores reconsideration of recent action by State Department lifting ban of Russian imports of king crab. Southwestern Alaska cannot compete with Government-subsidized Russian crab industry and is dependent upon this industry for its livelihood. Such subsidized competition endorsed by the State Department would ruin the economy of this area affecting thousands of people."

BOB JOHNSON,
President, Kodiak Area Chamber of Commerce.

KODIAK, ALASKA, *March 12, 1961.*

Senator GRUENING,
Washington, D.C.:

Vigorously protest lifting of the ban on import of Russian crab.

Precinct Chairman PATRICIA CANNON.

PORT WAKEFIELD, ALASKA.

ERNEST GRUENING,
U.S. Senate,
Washington, D.C.:

Your continued concern for the problems of the Alaska king crab industry and your request that the administration delay permission to import crabmeat from the U.S.S.R. is deeply appreciated by Howard and myself and also I am sure by the thousands of other Alaskans so dependent on this fishery. We are airmailing more detailed comments.

LOWELL WAKEFIELD.

REPORT OF A COMMITTEE

The following reports of a committee were submitted:

By Mr. ELLENDER, from the Committee on Agriculture and Forestry, with an amendment:

S. 1028. A bill to amend the transitional provisions of the act approved August 7, 1959, entitled "Nematocide, Plant Regulator, Defoliant, and Desiccant Amendment of 1959"; (Rept. No. 74).

By Mr. HOLLAND, from the Committee on Agriculture and Forestry, without amendment:

H.R. 1822. An act to adjust the amount of funds available for farm operating loans made pursuant to section 21(b) of the Bankhead-Jones Farm Tenant Act, as amended; (Rept. No. 73).

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. METCALF:

S. 1362. A bill to designate the Lincoln Air Force Base at Lincoln, Nebr., as George W. Norris Air Force Base; to the Committee on Armed Services.

S. 1363. A bill to amend the Small Business Act to provide that the program under which Government contracts are set aside for small-business concerns shall not apply in the case of contracts for maintenance, repair, or construction; to the Committee on Banking and Currency.

S. 1364. A bill to provide for the establishment of cooperative outdoor recreation research centers; to the Committee on Labor and Public Welfare.

By Mr. HUMPHREY:

S. 1365. A bill to incorporate the Indoor Sports' Club, Inc.; to the Committee on the Judiciary.

(See the remarks of Mr. HUMPHREY when he introduced the above bill, which appear under a separate heading.)

By Mr. KEATING:

S. 1366. A bill to amend title II of the Social Security Act so as to relax the severity of existing provisions with respect to deductions from benefits on account of earnings; to the Committee on Finance.

(See the remarks of Mr. KEATING when he introduced the above bill, which appear under a separate heading.)

By Mr. KUCHEL:

S. 1367. A bill to add certain public lands in California to the Pala Indian Reservation, the Pauma Indian Reservation, and the Cleveland National Forest, and for other purposes; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. KUCHEL when he introduced the above bill, which appear under a separate heading.)

By Mr. YARBOROUGH:

S. 1368. A bill to amend the Shipping Act, 1916, to provide for licensing independent ocean freight forwarders, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. YARBOROUGH (for himself and Mr. METCALF):

S. 1369. A bill to extend the operation of the National Wool Act of 1954, as amended; to the Committee on Agriculture and Forestry.

(See the remarks of Mr. YARBOROUGH when he introduced the above bill, which appear under a separate heading.)

By Mr HARTKE:

S. 1370. A bill to amend the Internal Revenue Code of 1954, as amended; to the Committee on Finance.

(See the remarks of Mr. HARTKE when he introduced the above bill, which appear under a separate heading.)

By Mr. MAGNUSON (by request):

S. 1371. A bill to amend subsection (e) of section 307 of the Communications Act of 1934, as amended, to permit the Commission to renew a station license in the safety and special radio services more than 30 days prior to expiration of the original license; to the Committee on Interstate and Foreign Commerce.

(See the remarks of Mr. MAGNUSON when he introduced the above bill, which appear under a separate heading.)

By Mr. SPARKMAN (for himself and Mr. HILL):

S. 1372. A bill to authorize the temporary release and reapportionment of pooled acreage allotments; to the Committee on Agriculture and Forestry.

RESOLUTIONS

PRINTING OF ADDITIONAL COPIES OF SYMPOSIUM ENTITLED "LEGAL ASPECTS OF SPACE EXPLORATION"

Mr. KERR submitted the following resolution (S. Res. 108), which was referred to the Committee on Rules and Administration:

Resolved, That the symposium entitled "Legal Aspects of Space Exploration," prepared for the use of the Committee on Aeronautical and Space Sciences, United States Senate, by the Legislative Reference Service, Library of Congress, shall be printed with illustrations as a Senate document. There shall be printed eight hundred forty additional copies of such Senate document which shall be for the use of the Senate Committee on Aeronautical and Space Sciences.

UNIFICATION OF IRELAND

Mr. JAVITS (for himself, Mr. KEATING, Mr. KUCHEL, and Mr. BUSH) submitted a resolution (S. Res. 109) expressing the sense of the Senate that the people of all Ireland should have an opportunity to express their will for union by an election under the auspices of a United Nations Commission, which was referred to the Committee on Foreign Relations.

(See the above resolution, printed in full, when submitted by Mr. JAVITS, which appears under a separate heading.)

INCORPORATION OF INDOOR SPORTS' CLUB, INC.

Mr. HUMPHREY. Mr. President, there is a dramatic story of individual

courage being written every day in every corner of this Nation by thousands who are leading productive and satisfying lives despite physical handicaps. Many thousands of these men and women are not only personally independent but are supporting families and have as well extraordinary records of community service.

The physically handicapped seek opportunity to prove themselves on their own abilities. Industry after industry across the Nation has testified with open admiration of the contributions of physically handicapped employees to the production and the morale of their organizations.

The Indoor Sports' Club is an example of the determination and ability of the physically handicapped to help themselves despite seemingly overwhelming odds. The club is an international club for the physically handicapped which was founded in 1930 in California as a nonprofit, cooperative organization to create educational, economic, and social opportunities for its members.

The Indoor Sports' Club now has grown into an organization of more than 3,000 members in the United States, Canada, and Great Britain. The club works through all civic, religious, social, and fraternal organizations to bring about a better understanding and acceptance of the abilities and the needs of the physically handicapped.

Working together, with limited resources, using their ingenuity to overcome all sorts of handicaps, the Indoor Sports' Club is an excellent example of the dramatic change in the situation of the physically handicapped—largely through their own determination—during the past few years.

Mr. President, because of the very real contribution of the Indoor Sports' Club to the present and future of our Nation, I introduce for appropriate reference a bill to federally charter the Indoor Sports' Club.

A companion measure, H.R. 347, has been offered in the House by the gentleman from California, Representative DOYLE.

I ask unanimous consent that a brief résumé on this club's background, purpose, activities, and qualifications for membership entitled "Meet the Indoor Sports," be printed at this point in the RECORD.

The PRESIDING OFFICER (Mr. METCALF in the chair). The bill will be received and appropriately referred; and, without objection, the résumé will be printed in the RECORD.

The bill (S. 1365) to incorporate the Indoor Sports' Club, Inc., introduced by Mr. HUMPHREY, was received, read twice by its title, and referred to the Committee on the Judiciary.

The résumé presented by Mr. HUMPHREY is as follows:

MEET THE INDOOR SPORTS—AN INTERNATIONAL CLUB FOR THE PHYSICALLY HANDICAPPED

Founded in California in 1930 as a nonprofit organization and incorporated in the State of California in 1936, the Indoor Sports, Club started primarily as a small local organization for the seriously physically handicapped. Within the past 8 years it has grown into a club of more than 3,000 members in all sections of the United States, Canada, and Great Britain. Its purpose is to encourage and provide opportunities for an active social and business life for the physically disabled. It believes in cooperation between all civic, religious, social, and fraternal organizations to bring about a better understanding and acceptance of the seriously physically handicapped by the able bodied.

It pledges to support all legislation which gives the disabled better opportunities for adequate rehabilitation and employment and at the same time supports programs which would raise the present submarginal welfare benefits now generally given to the forgotten minority, those citizens whose total and permanent disabilities are of such a serious nature that they cannot now, and never will be, employable. It actively encourages a greater number of disabled to become gainfully employed citizens, taking part in all phases of community life. It has shown to the heads of the Nation's businesses that physically handicapped persons make better than average employees and can be productive, taxpaying citizens if given a fair opportunity.

Membership is composed of all seriously disabled persons of any age and of all types of disabilities: Illness, war and accident victims, blind, disease, congenital handicaps, etc. Their main purpose is to prove that the physically handicapped, through association, can achieve happiness and a full and useful life, even after seemingly insurmountable tragedy has struck.

In the recent past, most so-called shut-ins were only folks who were shut out, because either they themselves or their families do not realize that practically all of the social and business activities of the able bodied are open to them. The scope and importance of the club, based upon "ability, not disability," has given its thousands of members a new start. They do not say for charity, only an opportunity to prove themselves. Besides helping each other, they volunteer for community services in many ways.

The club's individual member's greatest desire is to be treated as a person, not as a poor, dear cripple. Many are no longer content to sit on the sidelines, accepting outmoded labels such as shut-ins, unfortunates, cripples. Carrying forward this program is the club's twofold purpose: (1) To prove that physically handicapped persons are fully capable of leading a productive and full life; (2) to educate the public that the disabled can, if given a fair chance, compete with others toward a goal of economic self-sufficiency.

HOW CHAPTERS OPERATE

Each individual chapter of the club is a self-governing unit, both financially and in determining its own social activities. Working under the framework of bylaws approved by the district and national organizations, the number of members in different chapters varies, from 15 to 20 in smaller groups up to 150 and more.

The various chapters elect their own officers, hold meetings, plan social activities, promote jobs for handicapped, and take part in community life. The Indoor Sports' Club is really a way of life for its members, for they do care what happens to others. The comradeship they offer each other has paid off in many ways.

The success of the Indoor Sports' Club is due mainly to the untiring efforts of national, district, and chapter officers and other members, all of whom give their services without monetary compensations. In many cases, this proves to be a full-time job. The club has no paid employees, rents no offices (the homes of members serve for this purpose). Nonetheless, the club is a project for disabled the country over, a project which is becoming more and more important with each passing year.

MEMBERSHIP QUALIFICATIONS

Membership in the Indoor Sports' Club, Inc., and the chapters thereof shall be confined to physically disabled persons who have been so disabled for at least 6 months.

The term "physically disabled person" shall be defined as persons who—

1. Are confined to bed or wheelchair the majority of the time or require the use of a mechanical aid.
2. Require the assistance of at least one other person to get about.
3. Have lost, or lost the use of, a limb or the major part thereof.
4. Have a severe visible physical disability to the extent that they feel out of place in an able-bodied world.

PROPOSAL TO MODIFY THE SOCIAL SECURITY EARNINGS LIMITATION

Mr. KEATING. Mr. President, several weeks ago I introduced a bill in the Senate (S. 12) to eliminate the so-called social security earnings limitation. I fully believe that this should be done. As long as I have been in Congress I have urged that such action be taken. It is my deep conviction that persons over 65 should be encouraged to continue to do useful work. They certainly should not be penalized for doing so.

A distinguished constituent of mine, Mr. Dwight S. Sargent, personnel director of Consolidated Edison Co. of New York, has done some very important research on the effect of the earnings limit upon incentives for older workers to continue work. Mr. Sargent played an active part in last year's White House Conference on Aging, at which time he urged that we permit and, in fact, urge older people to take care of themselves as long as they are able to do so and as long as they want to do so. Mr. Sargent recently submitted a proposal to me which would further modify the earnings test. While not as expensive as the complete elimination of this test, it would hopefully encourage more older workers to continue working.

Last year, several changes were made in the social security earnings limitation which would benefit persons over 65 who continue to work. However, that legislation did not go far enough.

The new law establishes the so-called two-for-one plan. For every $2 earned between $1,200 and $1,500, the individual involved would lose only $1 in social security benefits.

Over $1,500, he would lose $1 in benefits for every $1 in additional earnings. Thus, in the new law, there still is little if any real incentive to earn over $1,500.

Mr. Sargent's proposal is fairly simple. He would extend the "two for one" principle up to $2,400. For income over $2,400, the beneficiary would lose $1 in benefits for every $1 in additional earnings.

Mr. President, I introduce for appropriate reference a bill along the lines just described, which would provide for the deduction of $1 in social security benefits for every $2 in earnings over $1,200 and up to $2,400 for persons over 65 years of age and under 72 years of age.

I urge that this proposal be given the careful and serious consideration which it deserves. Although I still strongly

favor the complete repeal of the social security earnings test, I recognize that this bill may be the next and most logical step which we should take in seeking to avoid having the social security earnings test serve as a deterrent to persons over 65 who are willing and able to continue working.

Mr. President, in order to make this proposal clear, I ask unanimous consent that the proposed bill and a table illustrating the effect of present law be printed at this point in the RECORD.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill and table will be printed in the RECORD.

The bill (S. 1366) to amend title II of the Social Security Act so as to relax the severity of existing provisions with respect to deductions from benefits on account of earnings, introduced by Mr. KEATING, was received, read twice by its title, referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) paragraph (3) of section 203(f) of the Social Security Act is amended by striking out "$300" wherever it appears and inserting in lieu thereof "$1,200."

(b) The amendments made by subsection (a) shall be effective, in the case of any individual, with respect to taxable years of such individual ending after the month in which this Act is enacted.

The table presented by Mr. KEATING is as follows:

EXAMPLES OF THE EFFECT EARNINGS HAVE ON SOCIAL SECURITY BENEFITS AND TOTAL INCOME UNDER THE PRESENT AND PROPOSED SECURITY EARNINGS TEST PROVISION [1]

Present earnings test law

For the first $300 of earnings above $1,200, $1 of social security is given up for each $2 of earnings. Above this $1,500 figure, $1 of social security is given up for each $1 of earnings.

Annual earnings	Social security received	Total income
0	$2,214	$2,214
$1,200	2,214	3,414
$1,500	2,064	3,564
$2,000	1,564	3,564
$3,564	0	3,564

PROPOSED EARNINGS TEST LAW

For the first $1,200 of earnings above $1,200 $1 of social security is given up for each $2 of earnings. Above this $2,400 figure, $1 of social security is given up for each $1 earnings.

Annual earnings	Social security received	Total income
0	$2,214	$2,214
$1,200	2,214	3,414
$1,500	2,064	3,564
$2,000	1,814	3,814
$2,400	1,614	4,014
$3,000	1,014	4,014
$3,500	514	4,014
$4,014	0	4,014

[1] Assume man and wife are both age 65 and eligible for maximum social security benefit.

CONSOLIDATION OF INDIAN AND NATIONAL FOREST LANDS IN CALIFORNIA

Mr. KUCHEL. Mr. President, I introduce, for appropriate reference, a bill to add certain public lands in California to the Pala Indian Reservation, the Pauma Indian Reservation, and the Cleveland National Forest. This was recommended by the last administration and is concurred in by the present one.

Mr. President, I ask unanimous consent that as a part of my remarks the letter from former Assistant Secretary of the Interior Abbott, of January 5, 1961, be printed in the RECORD at the conclusion of my remarks. This provides an explanation of how the proposed bill would straighten out the existing land pattern and clarify, consolidate, and better provide for the administration of the two reservations and the Cleveland National Forest.

On March 3, Secretary of the Interior Stewart Udall, on behalf of the present administration, wrote the chairman of the Senate Committee on Interior and Insular Affairs that his staff had completed a review of the legislation submitted by the outgoing administration and that "we concur in the comments made by the prior administration" with respect to the bill I now introduce and other measures.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the letter will be printed in the RECORD.

The bill (S. 1367) to add certain public lands in California to the Pala Indian Reservation, the Pauma Indian Reservation, and the Cleveland National Forest, and for other purposes, introduced by Mr. KUCHEL, was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., January 5, 1961.

Hon. RICHARD M. NIXON,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed is a draft of a proposed bill to add certain public lands in California to the Pala Indian Reservation, the Pauma Indian Reservation, and the Cleveland National Forest, and for other purposes.

We suggest that the bill be referred to the appropriate committee for consideration, and we recommend that it be enacted.

Secretarial Order dated April 8, 1903, directed the Commissioner of the General Land Office as follows: "* * * that all unoccupied public lands in the south half of Township 9 South, Range 1 West, S.B.M., California, be withdrawn from entry and settlement temporarily until the same can be formally set aside for said (Mission) Indians if found necessary so to do." The acreage totaled 9,270.82 acres.

Of this land, 8,262.71 acres lie within the exterior boundaries of the Cleveland (San Jacinto) National Forest. By the terms of the Presidential Proclamation dated February 14, 1907, this land is excepted from the national forest as long as the Secretarial Order of April 8, 1903, remains in effect. Upon revocation of the Secretarial Order, the land will become a part of the national forest. This Department intends to revoke the order as soon as the proposed legislation is enacted.

In 1954, the 1,008.11 acres that are located outside the Cleveland National Forest were examined in detail for the purpose of determining their proper disposition. Our recommendations relate to these 1,008.11 acres and also to a 40-acre tract in sec. 6, T. 10 S., R. 1 W., San Bernardino meridian, which is presently vacant public domain.

The 1,008.11 acres (all in T. 9 S.) are located in San Diego County, between the towns of Pala and Pauma Valley. In general, the land is rough, rocky, and hilly, and lies on the southwestern slope of Palomar Mountain. The 543.20 acres in section 19 are mostly steep, rocky, and brush covered, but they have some grazing value. The 80 acres in section 30 are crossed by a truck trail and would provide some building sites. The 125.35 acres in section 31 are composed of three separate tracts; one is on a steep hillside, but the other two are crossed by a State highway and have considerable acreage of good level ground which can be used for agricultural and homesite purposes. The 259.56 acres in section 32 have about 4 acres in the southern tip which are relatively flat and have been used by an adjoining landowner for agricultural purposes.

The 40 acres of vacant public domain in T. 10 S are immediately adjacent to the Pala Indian Reservation. The proposed legislation will add 708.55 of these 1,048.11 acres to the Pala Indian Reservation, 136.53 acres to the Pauma Indian Reservation, and 203.03 acres to the Cleveland National Forest. In addition, the proposed legislation provides for the Indians to continue their customary use of the 8,262.71 acres that are now within the exterior boundaries of the Cleveland National Forest, and the 203.03 acres that are added to the forest, subject to such regulations as may be mutually determined by the Secretary of Agriculture and the Secretary of the Interior.

The land in the south half of T. 9 S., lying both within and outside the exterior boundaries of the Cleveland National Forest, has been used over a long period of time by many Indian families. They visit and camp in the area, mostly in the fall, to gather acorns, hunt deer, cut posts, and just to enjoy the out-of-doors. Some Indians have grazed livestock in the area. The right to continue their customary use of the area is important to the Indians. The Department of Agriculture is not able to give the Indians exclusive use privileges without enabling legislation, and a provision for that purpose has been included in the bill.

The land proposed to be added to the two Indian reservations is either adjacent to or in close proximity to the present land of the Indians and can be used advantageously by them. The land proposed to be added to the national forest is adjacent to present forest lands and would serve to straighten the exterior boundaries thereof.

The small tract of land (5 acres or less) which is proposed for allotment to a Santa Ysabel Indian has been occupied by her since 1945. She also uses a house and several sheds that were constructed on the land by the county highway department.

The Bureau of the Budget on December 30, 1960, advised that there is no objection to the submission of this proposed legislation to the Congress.

Sincerely yours,

GEORGE W. ABBOTT,
Assistant Secretary of the Interior.

EXTENSION OF NATIONAL WOOL ACT OF 1954, AS AMENDED

Mr. YARBOROUGH. Mr. President, I introduce, for appropriate reference, a bill to extend the operation of the National Wool Act of 1954, as amended.

Mr. President, the bill would run for a period of 4 years. It has been extended before for a period of 3 years. There are a number of bills pending—and I am the coauthor of one of them—to extend the National Wool Act for 3 years.

The program has been tested so well and has been so successful that I see no reason why we should keep on with temporary extensions of the act. It should be made a part of permanent legislation. If the time ever came that it did not work, it could be amended or repealed.

The National Wool Act, which uses tariff receipts on imported wool as incentive payments to American producers to boost national wool production, has proved one of the most workable agricultural programs ever legislated. This is one agricultural program which has worked. It has worked well, and it is successful.

Texas ranchers particularly have needed this program during the past few years to help rebuild their flocks after severe 7-year droughts covering the early 1950's forced heavy cutbacks of sheep population. That was the period from 1950 to 1957. The most severe drought in our history forced heavy cutbacks in the sheep population in my State, which is the largest producer of wool in the Union.

Because Texas has been for many years the leading wool producing State, and because the Nation's wool production had failed to meet the national need, this special tariff financed incentive program was formed as both an aid to agricultural economic growth and as a security measure.

Under this program, national wool production has increased almost annually until it reached a 14-year peak of 266 million pounds in 1960. Texas wool production last year climbed to 51,980,000 pounds, which was 19.5 percent of the national crop.

Texas sheep ranchers received a total of $32,227,200 for their 1960 crop, which included $22,351,000 at the market place and $9,876,000 in incentive payments collected through the wool import tariffs under the National Wool Act.

This program has been highly successful. It has resulted not only in strengthening the ranching economy of Texas and the Nation, but it has also been a vital factor in permitting our ranchers to increase production. At the last count, in 1960, Texas had a sheep population of 6,074,000 head, the greatest number in 8 years, with an estimated total value of $87,727,000. It is obvious the National Wool Act of 1954 should be made permanent legislation.

I point out that this legislation does not prevent the importation of foreign wool. We produce only a fragment of our national need. The act, on the other hand, has helped to prevent the utter dissemination of our flocks and has helped to keep some wool production in our country.

The Presiding Officer, the Senator from Montana [Mr. METCALF] is a cosponsor of the bill, and I am introducing it on behalf of the junior Senator from Montana and myself. I ask unanimous consent that the bill may lie on the table until Tuesday of next week, so that other Senators may cosponsor it if they wish.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will lie on the desk, as requested by the Senator from Texas.

The bill (S. 1369) to extend the operation of the National Wool Act of 1954, as amended, introduced by Mr. YARBOROUGH (for himself and Mr. METCALF), was received, read twice by its title, and referred to the Committee on Agriculture and Forestry.

AMENDMENT OF INTERNAL REVENUE CODE OF 1954, AS AMENDED

Mr. HARTKE. Mr. President, during the 2d session of the 86th Congress, I introduced S. 3765, to amend the Internal Revenue Code of 1954 so as to authorize any railroad, subject to part I of the Interstate Commerce Act, in computing its reasonable allowance for depreciation, provided by the code, to elect, under regulations prescribed by the Secretary of the Treasury or his delegate, first, to treat any property other than rolling stock acquired on or after January 1, 1959, as having a maximum useful life of 15 years, and second, to treat any property other than rolling stock acquired before January 1, 1959, as having a remaining useful life of 20 years, and rolling stock as having a remaining useful life of 15 years.

My action in introducing this bill was in harmony with a recommendation made by the Committee on Interstate and Foreign Commerce in its report No. 1647, June 3, 1958, page 25, wherein it said:

> As it is now, extremely long service lives, ranging in some cases from 50 to 100 years, are assigned to depreciable railway property of the railroads. These long lives attributed to railroad property for tax purposes are wholly unrealistic and constitute a severe handicap.

It is now generally recognized that there is great need for more realistic treatment of depreciable property for tax purposes. In the railroad industry, this need is particularly acute. Its low rate of return has precluded equity financing for capital improvements. To augment funds derived from meager earnings and from depreciation charges, the railroads have resorted to the sale of equipment trust obligations. Not too long ago, funds from this source could be procured at a cost of from 2 to 3½ percent. Today, however, even the most prosperous roads are required to pay from 4 to 5 percent, and others between 5 and 6 percent. For an industry earning only 2.13 percent on its net investment, these rates for money for investment in new equipment are very real deterrents.

Relatively little free cash is available from present depreciation rates, due to the unusually long lives of railroad depreciable property. Lives up to 35 years have been used generally in respect of rolling stock and lives of 50 to 100 years on other depreciable properties. The average overall rate for depreciable property is but little more than 2.64 percent. The average rate for equipment is about 3.65 percent. It is thus obvious that this meager flow of free cash is inadequate in the light of obsolescence by reason of advances in technology. Inflation and slow recovery of investment leave no room in our depreciation rate for any reflection of this factor. Present depreciation policy is neither equitable nor realistic and does not contribute to the necessary modernization of the railroad plant.

Accordingly, I introduce, for appropriate reference, a bill identical with S. 3765, except that its coverage is extended to private owners of rolling stock used or intended for use in the transportation by railroads, subject to Part I of the Interstate Commerce Act, of persons or property. It is to be noted also that the provisions of this bill apply with respect to elections made from and after January 1, 1961.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 1370) to amend the Internal Revenue Code of 1954, as amended, introduced by Mr. HARTKE, was received, read twice by its title, and referred to the Committee on Finance.

AMENDMENT OF SECTION 307 OF COMMUNICATIONS ACT OF 1934, AS AMENDED

Mr. MAGNUSON. Mr. President, by request of the Federal Communications Commission, I introduce for appropriate reference, a bill to amend subsection (e) of section 307 of the Communications Act of 1934, as amended, to permit the Commission to renew a station license in the safety and special radio services more than 30 days prior to expiration of the original license. I ask unanimous consent to have printed in the RECORD a letter from the Chairman of the Commission requesting the proposed legislation, together with an explanation of the bill.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the letter and explanation will be printed in the RECORD.

The bill (S. 1371) to amend subsection (e) of section 307 of the Communications Act of 1934, as amended, to permit the Commission to renew a station license in the safety and special radio services more than 30 days prior to expiration of the original license, introduced by Mr. MAGNUSON, by request, was received, read twice by its title, and referred to the Committee on Interstate and Foreign Commerce.

The letter and explanation presented by Mr. MAGNUSON are as follows:

FEDERAL COMMUNICATIONS COMMISSION,
Washington, D.C., March 8, 1961.

The VICE PRESIDENT,
U.S. Senate,
Washington, D.C.

DEAR MR. VICE PRESIDENT: The Commisison has adopted as a part of its legislative program for the 87th Congress, a proposal to amend the Communications Act of 1934 to authorize the Federal Communications Com-

mission to limit the prohibition against renewing existing station licenses more than 30 days prior to the expiration of the original license to the broadcast and common carrier services. As a consequence, if this proposal were adopted, the Commission could then grant renewals of station licenses in the field of safety and special radio services more than 30 days prior to the expiration of the original license. The Communications Act currently provides that no renewal of an existing station license shall be granted more than 30 days prior to the expiration of the original license (47 U.S.C. 307(e)).

The Commission's draft bill to accomplish the foregoing objective was submitted to the Bureau of the Budget for its consideration. We have now been advised by the Budget Bureau that, from the standpoint of the administration's program, there would be no objection to the presentation of the draft bill to the Congress for its consideration.

Accordingly, there are enclosed six copies of our draft bill on this subject and six copies of an explanatory statement with reference thereto.

The consideration by the Senate of the proposed amendment to the Communications Act of 1934 would be greatly appreciated. The Commission would be most happy to furnish any additional information which may be desired by the Senate or by the committee to which this proposal is referred.

Sincerely yours,

NEWTON N. MINOW,
Chairman.

EXPLANATION OF PROPOSED AMENDMENT TO SUBSECTION (e) OF SECTION 307 OF THE COMMUNICATIONS ACT OF 1934, AS AMENDED, TO PERMIT THE COMMISSION TO RENEW A STATION LICENSE IN THE SAFETY AND SPECIAL RADIO SERVICES MORE THAN 30 DAYS PRIOR TO EXPIRATION OF THE ORIGINAL LICENSE

The Commission recommends that section 307(e) of our act be amended so that the 30-day restriction on renewal of licenses would be deleted so far as the safety and special radio services are concerned (47 U.S.C. 307(e)). Language for the suggested amendment is attached hereto.

Section 307(e) now prohibits the granting of any renewal license more than 30 days prior to the expiration of the original license. This 30-day restriction creates an obstacle to the Commission's constant effort to timely process the ever-increasing number of applications for authorization in the various safety and special radio services.[1]

In many cases, a needless duplication of effort could be avoided if an application for license modification could also be treated as a renewal application. Since no renewal can be granted more than 30 days prior to the expiration of the original license under the law as now written, the Commission, in those cases where it is considering an application for the modification of a license which has an expiration date occurring more than 30 days later, must act solely on the modification notwithstanding that the same license will thereafter come up for renewal. Such a practice seems inefficient and needlessly burdensome, especially when, as in all of these safety and special radio type cases, applications for license modification contain all information needed for renewal consideration. Also, such licenses are not mutually exclusive so the rights of others are not prejudiced by a grant.

The magnitude of the problem may be illustrated by examining some statistics in the amateur radio service which is just one of the numerous safety and special radio services. During the fiscal year 1959, 10,500 modified licenses were issued. Eventually, each of these 10,500 licenses must be processed again on renewal, even though all the information necessary for renewal was at hand when the modifications were granted.

Amendment of section 307(e), as recommended herein, would permit the Commission to consider such applications for modification as applications for modification and renewal. Accordingly, the Commission could then issue such modified licenses for a regular license term, thus eliminating most of the duplicate effort. A similar reduction of workload in relation to the over-all application processing activities in this area would be a great advantage to the public and the Commission, without any reduction in the Commission's current fulfillment of its public interest obligations.

The 30-day limit also causes burdensome and needless repetition in processing renewal applications which are prematurely received by the Commission. In the fiscal year 1959, for example, approximately one-half of the 15,000 renewal applications received in the amateur radio service were submitted prematurely and had to be sorted and set aside until ripe for processing. An amended section 307(e) would eliminate this problem.

Moreover, it would appear that the restriction in section 307(e) is more appropriately applied exclusively to applications for broadcast licenses and common carrier services. Since these applications are often granted on a comparative basis, and the nature of the service offered affects a major segment of the population in the area proposed to be served, the 30-day limit would seem to have a useful purpose. On the other hand, the private, noncompetitive nature of the safety and special radio services would seem to make such a 30-day limit unnecessary.

[1] During the fiscal year 1959, the Commission received 250,000 applications for stations in the safety and special radio services.

UNIFICATION OF IRELAND

Mr. JAVITS. Mr. President, on behalf of myself, the Senator from Connecticut [Mr. BUSH], my colleague, the junior Senator from New York [Mr. KEATING], and the Senator from California [Mr. KUCHEL], I submit a resolution (S. Res. 109) expressing the sense of the Senate that the people of all Ireland should have an opportunity to express their will for union by an election under the auspices of a United Nations Commission.

This is a resolution I have sponsored for many years, and is particularly appropriate in view of the observance of St. Patrick's Day tomorrow. I believe the resolution expresses the feeling of many Americans on this subject. What better way is there to solve the problem than by giving all the people of Ireland an opportunity to choose their own form of government. Plebiscites held in the past under League of Nations or United Nations auspices have been successful in peacefully solving international disputes. The doctrine of self-determination is a basic free world tenet. It is time we applied it to the Irish unification problem.

The PRESIDING OFFICER. The resolution will be received and appropriately referred.

The resolution (S. Res. 109) was referred to the Committee on Foreign Relations, as follows:

Resolved, That it is the sense of the Senate of the United States that the maintenance of international peace and security requires settlement of the question of the unification of Ireland and that the people of all Ireland, including the people of Eire and the people of Northern Ireland, should have a free opportunity to express their will for union and that this be attained by an election of the people of all Ireland under the auspices of a United Nations Commission for Ireland, to be designated by the General Assembly pursuant to articles 11 and 35 of the charter, which shall establish the terms and conditions of such election.

PROTECTION OF HAWAIIAN NENE GOOSE—ADDITIONAL COSPONSOR OF BILL

Mr. LONG of Hawaii. Mr. President, on February 20, 1961, I introduced S. 997 for the protection of the Hawaiian Nene Goose. In my remarks on page 2345 of the RECORD, I explained that my colleague, Senator FONG, was a cosponsor of the legislation. By error, however, Senator FONG's name was omitted from the printing of the bill. I ask unanimous consent that his name be added to the bill at its next printing.

The PRESIDING OFFICER. Without objection, it is so ordered.

FEDERAL AID TO EDUCATION—ADDITIONAL COSPONSOR OF BILL

Mr. LONG of Hawaii. Mr. President, I am confident that this is the year in which the Nation will meet one of the greatest challenges of our times—the need for better educational opportunities. President Kennedy has laid out a forward-looking program which, in general, I wholeheartedly support. One major part of the President's program, aid to higher education, is embodied in the bill (S. 1241) to authorize assistance to public and other nonprofit institutions of higher education in financing the construction, rehabilitation, or improvement of needed academic and related facilities, and to authorize scholarships for undergraduate study in such institutions, introduced on March 7 by the distinguished senior Senator from Alabama [Mr. HILL].

I ask unanimous consent that I may join Senator HILL as a cosponsor of S. 1241 and that at the next printing of that bill, my name may be added to it.

The PRESIDING OFFICER. Without objection, it is so ordered.

ELIMINATION OF CATEGORY "WHEAT UNFIT FOR HUMAN CONSUMPTION" FOR CERTAIN PURPOSES—AMENDMENT OF FEDERAL SEED ACT, RELATING TO SCREENINGS OF SEED—ADDITIONAL COSPONSOR OF BILLS

Mr. YOUNG of North Dakota. Mr. President, I ask unanimous consent that on any future prints of S. 1313 and S. 1314 that the name of the Senator from South Dakota [Mr. CASE] be added as a cosponsor. Through a mistake on my part his name was not originally added.

The PRESIDING OFFICER. Without objection, it is so ordered.

NOTICE OF HEARING ON NOMINATION OF RICHARD J. MURPHY TO BE ASSISTANT POSTMASTER GENERAL, BUREAU OF PERSONNEL

Mr. JOHNSTON. Mr. President, on behalf of the Committee on Post Office

and Civil Service, I desire to give notice that a public hearing has been scheduled for Friday, March 17, 1961, at 11 a.m., in room 6202 New Senate Office Building on the nomination of Richard J. Murphy to be Assistant Postmaster General, Bureau of Personnel.

Persons wishing to be heard on the nomination may make arrangements to do so by calling CApitol 4-3121, extension 5451.

Following the public hearing the committee will meet in executive session to consider the nomination of Mr. Murphy and that of Ralph W. Nicholson to be Assistant Postmaster General, Bureau of Finance, on which hearings were held at an earlier date.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. HRUSKA:

Article entitled "The Congress Will Respond," written by Senator KARL E. MUNDT, of South Dakota, and published in the Kiwanis magazine for February 1961.

VOLUNTARY WEATHER OBSERVERS

Mr. CARLSON. Mr. President, I wish to pay tribute to the 12,000 voluntary weather observers who make and record weather observations for the U.S. Weather Bureau every day of the year. This is a voluntary and cooperative work which means much to the everyday life of the American citizen.

Most of these observers serve without pay. Therefore, it can be stated that it is truly a dedicated service in the interest of our people.

Dr. F. W. Reichelderfer, Chief of the Weather Bureau, U.S. Department of Commerce, recently published a history of the work of the voluntary cooperative weather observers. This cooperative weather observer service has an interesting historical background, in that it goes back to the very beginning of the Nation's history.

The very first weather observations known to have been made in the New World were those of Rev. John Camanius Holm, a Swedish chaplain in the Swedes' Fort Colony, near what is now Wilmington, Del. It is stated that Reverend Holm made daily observations, without any instruments of any kind, during 1644 and 1645, over 300 years ago.

The chronology following the beginning of this work constitutes, in reality, a progressive improvement in weather reporting and weather studies that is in keeping with the growth and development of our Nation.

In the early days, men such as Benjamin Franklin, Thomas Jefferson, and James Madison were voluntary cooperative weather observers.

While I am paying tribute to the cooperative weather observers of the U.S. Weather Bureau, I also wish to pay tribute to the Chief of the Bureau, its personnel in Washington, and those stationed in every section of the Nation.

Weather plays an important part in the operations of our agricultural economy and our industrial economy. The operations of both are planned largely on the advice and information from the Weather Bureau. In this day of radio, television, and the press, the weather has come ever closer to the individual citizen. Hardly anyone makes a move without consulting the weather man. Those of us who depend on air transportation, particularly in the great Middle Western areas, depend solely on information we get through the Federal Aviation Agency and the Weather Bureau.

Dr. Reichelderfer, Chief of the Bureau, recently paid a very fine tribute to the members of the Weather Bureau cooperative service, which is as follows:

To you, the voluntary cooperative observers, the Weather Bureau owes its sincere thanks. You have devoted yourselves unselfishly to the task of observing the weather at your home towns daily throughout the years.

In contrast to the many quickly perishable things in our lives, weather data gain in value with every observation that is added to the record. A long series of them determines the climate. Without the efforts of the cooperative observers our knowledge of the many climates of the United States would be very incomplete indeed.

For agriculture, business, and commerce the intimate knowledge of climate is essential. Your records enable us to provide an effective climatological service to the Nation—in fact, one of the finest in the world. Your data also serve many phases of weather research.

The publication of "The Cooperative Weather Observer," which places into the public record some of your accomplishments, gives me a welcome opportunity to commend all of you for your splendid public service.

During the past many years a large number of our Kansas citizens have participated as cooperative weather observers. In Dr. Reichelderfer's report he gives the background and information regarding these observers; and I ask unanimous consent that this information be made a part of these remarks.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

Ashland, Kans.: Mr. M. G. Stevenson of Ashland holds the unique distinction of receiving his 25-year length of service emblem at the age of 96. Mr. Stevenson, still active as a funeral director, has kept the weather records at Ashland since March 1933, with a prior service of 2 years from 1925 to 1927.

Burlington, Kans.: Mrs. Mabel Hunt recently completed 30 years as cooperative observer at Burlington. She was hospitalized at the time Mr. A. D. Robb, State climatologist for Kansas, made the award of her 30-year pin. She arranged for an assistant to maintain the record while she was hospitalized. Her mind was on the continuity of the record, so when the assistant also became hospitalized, Mrs. Hunt requested a nurse to call another neighbor who then took the rainfall measurements and the nurse phoned the amounts to the proper Weather Bureau River District Office. Mrs. Hunt's father, Mr. O. E. Sanford, had maintained the station from August 31, 1909, until his death in 1928 at which time Mrs. Hunt became the observer.

Mrs. Hunt died in November 1958. Almost 50 years of excellent weather records were compiled by this father and daughter.

Council Grove, Kans.: Mrs. A. H. Prater continued the observations begun by her husband in 1916. He suffered a stroke in 1920 and from then until his death in 1945 she took the observations and he recorded the data on the forms. Mrs. Prater continued the observations until May 1956. About the only missing observations during the whole time occurred when the Neosho River occasionally overspread the lower side of the yard where the instruments were located.

Leoti, Kans.: Mrs. L. E. Gorsuch, observer at Leoti since September 1912, reported that the first 3 days of record for August 1923 were lost when the house was blown away in a tornado at 5 p.m., August 4. In spite of this the regular 6 p.m. observation on the 4th was taken and recorded as usual.

Lincoln, Kans.: Rockwell N. Greene, observer at Lincoln since December 1955, became familiar with weather observations during the time that his father, Rockwell W. Greene, served. The senior Mr. Greene was observer from April 1912 until near the end of 1955.

Oberlin, Kans.: Mr. Edwin W. Coldren, observer at Oberlin since November 1919, reports the following incident at his station:

"On June 19, 1930 between the hours of 10:30 p.m. and one-half hour after midnight, Oberlin experienced an extra heavy thunderstorm of rain. At that time Oberlin did not have drainage facilities as it now does, also the rain gage was located across Hall Street from my residence, on a vacant lot not much higher than the street level. The downpour caused water from the storm to flow over the dike at the street west of my home to the depth of 2 feet or more; and the vacant lot on which the rain gage was located was covered to a depth of nearly 3 feet.

"The wooden support of the rain gage was loosened by the strong current and the gage and support were carried two blocks toward the center of town, where I found both gage and support the next morning. The rainfall amount was ascertained by averaging the amount shown by unofficial gages (three of them). That accounts for the 3.01 record I reported. Many of the basements of the town were filled with water."

Ulysses, Kans.: Mrs. H. F. McCall of Ulysses succeeded her husband (who had served 1 year) in April 1917, and except for 2 months has observed the weather at Ulysses ever since.

She recalls one time in the "dirty thirties" when she went out in the afternoon to take the observation, and also to feed her white chickens. It was so dusty this day that although she could see the hens and hear the baby chicks she could not see the chicks and had to be very careful not to step on them.

Wakeeney, Kans.: Judge A. S. Peacock, observer at Wakeeney from August 1905 to March 1944 asked "Is the making of these records considered worthwhile?" Then he went on to say (Monthly Weather Review, vol. 63, November 1935, p. 315): "It would seem so; these records are frequently used in the trial of cases in various courts. It would further seem so if we may judge by the number of inquiries for weather facts. Within the past 10,957 days we have answered at least that many questions concerning the weather. And that would be a rather low average—only one question per day.

Mr. CARLSON. Dr. Reichelderfer also mentioned the known observers, living and dead, who served 50 or more years as of the close of 1959.

In Kansas, we have had a number of people who have rendered this outstanding service for 50 years or more; and I ask unanimous consent to include as a

part of these remarks their names and information concerning them.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

Alton, Kans.: Hugh A. Storer, cooperative observer at Alton, Kans., was born in 1889, and has lived his entire life on the farm homesteaded by his father. He has served as cooperative weather observer since March 1908. He has also served 24 years on the local school board, was secretary-treasurer of the Osborne County Farmers Union Cooperative for 18 years, served in the Kansas Legislature from 1937 to 1945, and was county commissioner for the third district from 1953 to 1957.

Healy, Kans., Jennison family: Observations at Healy have been taken by the Jennisons since 1901. Observers have been H. S. Jennison; the father, and C. M. Jennison, Miss Dorothea Jennison, and the present observer, Robert H. Jennison.

McPherson, Kans.: Mr. Edward F. Haberlein took observations at McPherson from October 1890 to May 1920 and his son, Edward M., from then until October 1955, 65 years. The McPherson record is very complete. Typical of the care given to the observations and equipment is the use of one instrument shelter at this location for over 50 years.

Norton 8 SSE, Kans.: Three generations of the Sieffel family have kept weather records at Norton 8 SSE from August 1903. They are H. A. Sieffel, Sim Sieffel, and the present observer, Cale A. Sieffel. Records made by the Sieffels have all been good, consistent, and creditable.

Oswego and Parsons, Kans.: James M. Currigan was cooperative observer at Oswego from January 1899 to October 1917 and then again at Parsons from January 1925 to April 1939. At that time his son, Francis M. Currigan, took over the observations and has continued them until the present. This is a family record of some 52 years.

Toronto, Kans.: Mr. Malcolm A. Webb took observations for 54 years at Toronto, from February 1900 to June 1954, with only rarely a missing day in his records.

Mr. CARLSON. One of the families with an outstanding record of service in this field is the Adams-Davis family; and I ask unanimous consent to include in the RECORD information concerning this family.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

Adams-Davis family: The following is taken from a letter from Mrs. Ellen Adams Davis, cooperative observer at McIntosh 4 NW, N. Mex.

"My father, D. M. Adams, began as a voluntary observer at Troy, Ohio, soon after the Civil War, under the War Department and Signal Service Corps. Calls were made for volunteers and father responded. He furnished his own rain gage and thermometer. The former made of copper by a tin smith using the ratio of the funnel 10 times the diameter of the tube. The thermometer was tested in melting ice for accuracy. The Government furnished envelopes with Government stamps affixed and probably the report blanks. In 1881 he moved to Indiana (Miami) and again took up the reporting. Not long after, the Government furnished him a fine thermometer and rain gage. In 1884 he again moved, this time to Kansas (Cowley County), again secured the appointment. The copper gage was again used and a locally purchased thermometer, reporting to Topeka. In February of 1886 (the year I was born) the family moved to Sumner County, Kans., and soon the State furnished him with Government instruments. The following is of my own recollection. I can just remember the homemade gage. The thermometer was placed outside of a north window so as to be seen from indoors. Was read three times daily—early a.m., about 2 p.m., and at bedtime in order to get the 3 readings daily. About 1900 he received the self registering. About that time I began as his assistant if he couldn't attend the instruments himself for any reason. He continued up to the time of his demise in February of 1920 when my younger brother Lewis took over. (I was before that married and living here in New Mexico.)

"He continued until in August of 1922 when he moved to Estancia, N. Mex., and received the appointment for Estancia. He continued until the first of 1928, in the meantime moving a few miles to near McIntosh. He returned to Kansas in early 1928 and had the instruments turned over to me. It has been a pleasure for me to continue from there and hope I may for some time to come when my son will probably take over. Thus the span of years since my father began, up to now, has been at least 90 years.

"Nothing unusual has occurred during my term in office. Once during father's in Ohio he was called into court to determine if there had been a frost on a certain date, and in 1910 he was contacted by a representative of the A.T. and S.F. R.R. in regard to his highest recorded amount of rainfall in 24 hours in connection with an unusual flood in Wellington, Kans., caused by a 14 inch rain, which was stopped by a railroad fill, causing loss of life and property damage."

Mr. CARLSON. I also ask unanimous consent to have printed in the RECORD the names and addresses of those presently serving in Kansas, with 25 to 50 years of service.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

KANSAS

Ashland: Myron G. Stevenson, March 1933.
Centralia: A. E. Myers, August 1932.
Florence: Ralph W. Smith, October 1925.
Hudson: Clyde E. Durham, August 1922.
Junction City No. 2: Leslie W. Sargent, April 1925.
Leoti: L. E. Gorsuch, September 1912.
McFarland: C. H. Forinash, December 1927.
Oberlin: E. W. Coldren, November 1919.
Overbrook 2 WSW: Floyd C. Butel, July 1925.
Sedgwick: Ernest Koch, March 1934.
Tribune 1 W: Thomas B. Stinson, April 1924.
Ulysses: Mrs. H. F. McCall, April 1917.
Worden: Walter Schwarz, October 1932.

WITHDRAWAL OF UNION OF SOUTH AFRICA FROM BRITISH COMMONWEALTH

Mr. JAVITS. Mr. President, I deeply believe Americans will salute the courage of the 10 heads of government of the British Commonwealth of Nations while they view with regret the withdrawal of the Union of South Africa from the Commonwealth. For the other Commonwealth prime ministers have rendered to us all an historic service and have tremendously aided the cause of freedom by their determination not to yield—even at the cost of South Africa's withdrawal—on the fundamental issue of equality and freedom posed for all the world by the South African Government's stubborn adherence to the practice of apartheid.

History will record this courageous devotion of the other Commonwealth nations to the principle of equality of the races. It is a moment of crisis for the Commonwealth, a moment when I hope the U.S. Government will assure the other Commonwealth members—India, Pakistan, Ceylon, Ghana, Malaya, Nigeria, Cyprus, Canada, Australia, and New Zealand—of our backing and support. The moral cement which binds the Commonwealth together on this issue is also the moral cement essential to bind the free world together.

And it is the integration of the free world morally, as well as economically, politically, and culturally, that will bring about ultimately the decisive victory of freedom over all forms of totalitarianism, of which communism is the current manifestation.

Nations like individuals have their faults and inconsistencies, and it would be difficult for any nation or group of nations to marshal evidence of a wholly consistent record of obedience to the high principles of equality before the law. But when morality is demonstrated in an hour of great and historic trial, it has a historic validity and establishes the character of nations. It is in this perspective that we must judge and highly approve the action of our colleagues, the other Commonwealth nations, in the struggle for freedom.

PRESIDENT KENNEDY'S FARM MESSAGE

Mr. HUMPHREY. Mr. President, I wish to thank the President of the United States for his splendid message to the Congress today known as the farm message. It has crystallized the thinking, hopes, and goals of the Nation's farmers into one, clear call for action. It is sensible, practical, and responsible. It will improve farm income, and sharply reduce Government farm expenditures.

His program represents the best ideas and the most realistic proposals of those who have studied and worked on agricultural affairs for the past decade. I am pleased that the President's program incorporates the basic proposals of my 1959 bill, the Family Farm Program Development Act, and similar proposals by Representative W. R. POAGE of Texas, in the House of Representatives.

For the first time in years, we have an administration which emphasizes American agriculture as a success story, and not as a burden. The President fully recognizes the blessings and oportunities of our farm abundance, instead of complaining only of the problems of surplus.

The President properly recognizes that we need a variety of tools to restore economic health to the Nation's farmers and to utilize our food and fiber fully for domestic and international needs. He has broken away from the approach that there is a single farm problem, and the unrealistic quest for a magic, single answer.

He has recognized that the variety of answers to the problems of various agricultural commodity producers can best come from the administration's working with national farmer advisory committees for each commodity.

The farm message reveals that we have a President who pursues a policy

to insure the farm family a parity of income and equality of opportunity with urban families—a policy to protect and preserve the family farm as a basic American institution. The President has emphasized the important role of our farm cooperatives and urged their strengthening.

Above all, the President recognizes that the strength and economic health of the United States cannot be secure unless economic health is restored to American agriculture. He sees agriculture as a vital and integral part of our entire economy and society, not as a separate problem to be endured.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. SYMINGTON. I should like to associate myself with the remarks just made by the able Senator from Minnesota, one of the foremost authorities in this body on the subject of agriculture. I commend him for his laudatory remarks about the farm message of President Kennedy.

At this time I ask unanimous consent to have printed at this point in the RECORD the reply of President Kennedy in yesterday's press conference to a question about agriculture. His answer again proves the President's thorough understanding of the problem. It proves he knows the two major problems. The first is how to get rid of the surpluses; the second, the necessity to give the Secretary of Agriculture the necessary leverage by which to prevent these depressing surpluses from returning.

There being no objection, the question and answer were ordered to be printed in the RECORD, as follows:

FARM BILL

Question. Mr. President, in connection with the farm bill now in conference in Congress, the principal fight seems to be over the section which would allow the Secretary of Agriculture to sell grain into the market to hold the market price. Do you feel that this enforcement feature is an absolute requirement in connection with the bill?

Answer. I am hopeful that the conference will reach a decision which will give the Secretary powers in this area, if not the specific language of title III, at least the language which will protect, provide protection for the bill.

If we don't—if the Secretary lacks the power—this bill isn't going to be successful, and a good many people from the urban areas who voted for the program with title III in it in the House of Representatives have a right, it seems to me, to expect that the Secretary will be given sufficient powers to protect the program from noncompliers who, if they are—who may use the program, if title III is out, for speculative and exploitive purposes.

So that I consider it most important that title III remain in or otherwise some alternate language which will give the Secretary substantial powers provided in title III should be provided by the Congress. Otherwise, we are not going to have any relief.

And I am sorry to see the important agricultural leaders opposing giving us the protection which is required. You cannot have the Federal Government supporting agriculture in important ways unless there is some control over production and if there is some limitation, some provision for cross-compliance. Otherwise, the program will continue to cost a lot of money, the farmers' income will continue to drop, and we will have a gradual deterioration of agriculture in this country.

The program that we suggested and sent to the Hill in my opinion was one that was well balanced, and I am hopeful that a well-balanced program will come out of the consideration of the House.

UNITED STATES EYES SEAWAY PROMOTION

Mr. WILEY. Mr. President, the St. Lawrence Seaway, completed in 1959, offers one of the great opportunities of our time to improve and expand trade and commerce for the United States. Naturally, the Great Lakes region, for which the seaway provides a new economic lifeline, would benefit substantially from an improvement of traffic. These benefits, however, will flow veinlike to a great many other areas of the country.

Now that the seaway is completed, at a substantial investment by the American taxpayer, I believe we have a responsibility for assuring maximum flow of trade and commerce, as well as persons, through the newly developed deep-sea waterway.

Regrettably, an adequate effort, in my judgment, is not now being made to promote such traffic.

However, the Congress, I believe, has a responsibility and obligation to the American people now, and to future generations, to take the necessary steps to assure that the great potential of this improved and expanded waterway may bring its maximum benefits to the country.

I would sincerely hope, therefore, that efforts, now shamefully almost nonexistent, could be greatly expanded for promotional activities for the seaway.

On March 1, the Journal of Commerce published an informative article entitled "United States Eyes Seaway Promotion." The article constructively touches upon a serious challenge in making this economic lifeline more beneficial to the economy of the country. This is particularly essential in these troublesome times of unemployment and economic slowdowns.

I believe the article merits the attention of Congress, and I request unanimous consent to have it published in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

UNITED STATES EYES SEAWAY PROMOTION

WASHINGTON.—The Kennedy administration is taking a long look at the St. Lawrence Seaway Development Corporation's budget, a move which could lead to an expansion of the agency's virtually nonexistent promotional activities.

Commerce Department officials say the President and the Budget Bureau are studying in particular a recommendation from Great Lakes interests that increased funds be made available to expand the Corporation's traffic development program.

The proposal came from the Great Lakes Commission, a joint State agency with advisory responsibilities on Great Lakes development and programs, which apparently believes that only through promotion at a top level like the agency can the new waterway reach its full potential.

PROGRAM CALLED LIMITED

Marvin Fast, the commission's executive director, in a letter to the President earlier this month, pointed out that the present seaway traffic development program is extremely limited, almost nonexistent.

Noting the statutory requirement that the seaway is to be self-liquidating, Mr. Fast said additional funds for such activities are needed "to permit the Corporation to assist in the achievement of the maximum usage of the seaway's navigation facilities on which self-liquidation depends."

Mr. Fast mentioned as another reason for enlarging the Corporation's traffic developmental program the present efforts to increase U.S. exports as a means of reducing the outflow of U.S. gold.

"The seaway," he said, "was intended to create new exports, commerce which would not move in the foreign trade of the United States without the seaway.

"It therefore would appear especially in the national interest at this time to promote such new trade, and, it follows, to permit the Seaway Corporation to engage in traffic development to a greater degree."

TOLLS WOULD BEAR COST

Cost of the developmental activities, he said, would ultimately be borne not by taxpayers but by users of the seaway paying tolls for its direct benefits.

The present restrictive policy of the Federal Government is based on its view that tax funds should not be used to promote the seaway in competition with other alternative routes, an argument which Mr. Fast feels is fallacious.

The budget submitted by former President Eisenhower for fiscal year 1962, which begins July 1, allotted only $11,000 for seaway promotion, although, it is understood, the Corporation had asked for about $100,000. The latter amount is close to that spent by the Corporation's Canadian entity, the St. Lawrence Seaway Authority.

Lack of promotion by the St. Lawrence Seaway Corporation has long been a touchy issue with Great Lakes and seaway boosters. The Corporation's public relations department originally consisted of a director and secretary, who were allotted $4,000 annually for promotional material and $500 annually for photographs for newspaper and magazine circulation. Since last March, the work has been done by an acting director, whose main promotional effort has been publication of a monthly traffic statistical report.

THE STRUGGLE OF THE PEOPLE OF LITHUANIA

Mr. WILEY. Mr. President, on the 16th day of last month thousands of Americans of Lithuanian descent celebrated a very important day in the history of Lithuania—the 43d anniversary of modern Lithuania's declaration of independence.

In historic times Lithuania long served as a political and cultural center for Eastern Europe. Yet, despite the courageous struggle of the Lithuanian people for self-government they have in recent centuries been under the dominion of the Russian czars.

After the First World War, modern Lithuania finally gained its independence. But this was a short-lived freedom, because the new Russian imperialism, in the form of international communism, soon deprived the Lithuanian people of the right for national existence. In 1940, Lithuania was conquered by Soviet troops. Since that time its people have been deprived of the right for

an independent national and cultural life. In fact, Soviet occupation has been so repressive that the population of Lithuania has dwindled in numbers.

On February 26, 1961, there was held in Kenosha, Wis., a mass meeting of American Lithuanians to commemorate the 43d anniversary of Lithuanian independence. At this meeting, a resolution was adopted asking the people and the Government of the United States to help the unfortunate freedom-loving people of Lithuania. In this resolution it is brought out that while Soviet Russia is accusing the West of imperialism in Africa and Central America it is the Soviets who are the main offenders against self-government and national independence.

I ask unanimous consent that a letter sent to me by the American Lithuanian Council of Kenosha, and the resolution adopted at the Kenosha meeting of February 26, 1961, be printed in the RECORD at this point of my remarks.

There being no objection, the letter and resolution were ordered to be printed in the RECORD, as follows:

AMERICAN LITHUANIAN COUNCIL,
Kenosha, Wis., March 6, 1961.

Hon. ALEXANDER WILEY,
U.S. Senate,
Washington, D.C.

MY DEAR SENATOR: Please accept the enclosed resolution unanimously accepted in Kenosha on February 26, 1961, at a mass meeting of Lithuanians commemorating the 43d anniversary of Lithuania's declaration of independence. The Lithuanian people trustingly entreat you to exert your powerful influence in championing Lithuania's fight for her freedom.

With kindest personal regards, I remain

Very truly yours,

A. MICIUNAS, M.I.C.

RESOLUTION UNANIMOUSLY ADOPTED BY A MEETING OF LITHUANIAN AMERICANS OF KENOSHA, WIS., ON FEBRUARY 26, 1961

Whereas 43 years ago, the Lithuanian nation, through its representatives gathered in Vilnius, the historical capital city of Lithuania, proclaimed the restoration of national and political independence of Lithuania.

Whereas subsequent to this proclamation, a sovereign state of Lithuania, in the form of a democratic republic, has been established, and this independent Republic of Lithuania was recognized by Germany, Soviet Russia, and practically, all important nations of the world, including the United States of America, and was admitted to the full membership in the League of Nations;

Whereas, in 1940, without any provocation on her part, Lithuania was invaded by the Red army and, by direction from Moscow, a hateful Communist regime has been forced upon her people, in flagrant violation of the treaty of peace signed by the two nations and of several other valid treaties between them: Therefore be it

Resolved, That the United States, by its words and actions, continue to give hope to these valiant people that they may again enjoy that freedom which is so close to their hearts; and be it

Resolved, To urge the Government of the United States to use the forum of the United Nations General Assembly at its forthcoming session in March, to expose the hypocrisy and duplicity of the Soviets who loudly condemn colonialism in Asia and Africa and demand complete independence for every nationality of those continents without any conditions and reservations, while at the same time they practice colonialism of the most inhuman kind in the Central and Eastern Europe; and be it

Resolved, To appeal to the President of the United States and to the Secretary of State for help to the unfortunate people of Lithuania and for an active and effective support of their desire to regain freedom; and finally be it

Resolved, That the United States adhere to its position of refusing to recognize the alien rule of Lithuania and other captive nations, for such an agreement would be a defeat far greater than battles in actual war and the loss of at least 100 million persons behind the Iron Curtain who despise communism and who hate their Soviet overlords.

MORE EXAMPLES OF WASTE IN THE DEPARTMENT OF DEFENSE

Mr. SYMINGTON. Mr. President, here is some more of the record, a record that continues to prove that the present obsolete organization of the Department of Defense is wasting annually many billions of dollars of your and my money as taxpayers.

The bad management which is the inevitable result depreciates the tax dollar much more rapidly than any possible inflation; and the people have the right to know this fact.

During the past 2 weeks I presented to the Senate various documented examples of waste and mismanagement in the Defense Department.

Here are additional facts along that line.

A study of the management of electronic supplies and equipment within this Department, completed last year, brings out the fact that lack of centralized control in this area has added heavy unnecessary cost.

This study found that $2½ million of electronic equipment was being repaired at a cost of $680,000. But the same items were in oversupply in other services.

Another case: One service had large surpluses of a certain type of radio. At the same time, however, another service was placing orders for $77 million of the same radio.

And another: An aircraft carrier went to sea with only 78 percent of its requirement of an essential piece of electronic equipment. But a nearby depot of another service had on hand excess quantities of that same equipment.

These are but a very few illustrations of what is going on. As evidence, let the Senate and the taxpayers remember that in the management of 675,000 such electronic type items, the various services handle annually an inventory exceeding $2½ billion.

Six organizations in the Department of Defense act independently in performing the same or similar stock-management functions. The opportunities for further waste of this character, therefore, are obvious.

The General Accounting Office states that unification of policy and management in this area alone would reduce administrative costs $25 million a year.

In another study, 14 cases of contracts that had been entered into by one service, the Navy, were examined and it was found that prices were arrived at without either adequate evaluation, or verification of costs. Due to the failure to examine carefully cost estimates involved in negotiations, millions of dollars of excesses were discovered in these 14 examinations.

As example, in one case, contractor costs were misstated in the amount of $4,419,000.

In another, the contractor included costs not related to the contract. That resulted in excess payment of $2,596,900.

Other contracts in this group showed a total of $5.3 million in excess payments.

In other studies—all issued this year, 1961—individual contracts were examined in some detail. Waste and mismanagement were revealed in each case.

For example, the Air Force negotiated a fixed-price incentive contract with a private contractor. The initial target price was subject to adjustment at the completion of a specified number of engines. Then a firm target price of $23,542,176 was negotiated. This price allowed for a target profit of 10 percent on cost.

Later it was found that the contractor did not use current prices in estimating his costs; and also failed to use the latest available pricing data in estimating the cost of items not yet on order. As a result, the cost estimates were far out of line.

In addition, unless the target price is adjusted, the Government may well incur added heavy cost.

In another Air Force contract, a price of $58,985,520 for aircraft engines was negotiated between that service and a private contractor. This price included excessive estimated costs of $1,480,000.

In another contract for a 5,000-gallon capacity semitrailer, the Army gave the research and development contract to the low bidder. But when it came to the actual purchase of 509 of these vehicles, the service found that it had failed to obtain suitable drawings from the original contractor; therefore was unable to open the quantity order to competitive building. It is estimated that in this case the extra cost to the Government was about $875,000.

In another study it was found that the Navy continued to overstate its requirements for equipment by millions of dollars, this because of deficient procedures for computing needs; also, according to the study, because of an unsatisfactory accounting control of equipment on hand.

In this case, $7½ million of equipment was found held in a reserve status for extended periods. Due to inadequate procedures, this equipment was prevented from being used when needed.

In addition, large quantities of high cost electronic equipment were, in effect, "lost" in the supply system because of inadequate management controls. As a result, the Navy purchased additional material of the same type in the amount of $2,105,640. The study notes that when the "lost" equipment was "found," the excess orders were not canceled.

Another study showed that policies established for short-run fiscal objectives actually resulted in much higher costs.

In 1957 the Department of Defense established as policy that contractors themselves should maintain an investment of 20 percent of the costs incurred for work in process under cost-reimbursement contracts. Previously contractors had been reimbursed for the entire amount of allowable costs on work in process.

This directive was established in an effort to cut down on expenditures in order to comply with current expenditure ceilings. While it afforded the Government temporary relief from the pressure of its obligations, the net result was that the Government incurred increased costs for the additional fees eventually paid the contractors.

In illustration, an examination of 26 contracts showed that this Department of Defense directive had increased cost to the Government by $8,700,000 on those 26 contracts alone.

In summary, here are further illustrations of the vast amount of savings which would accrue to the taxpayers under a sound and proper organization structure in the Defense Department.

Again, I express appreciation to the Comptroller General and his staff for their fine factual studies, which can only help to point the way toward more efficient government.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, I wish to make a unanimous-consent request, which I have discussed with the distinguished minority leader, the Senator from Illinois [Mr. DIRKSEN].

I ask unanimous consent that beginning at 3 o'clock the Senate go into executive session to consider Executive C, the Columbia River Treaty, and that a half hour be allocated to consideration of that treaty, 15 minutes to a side. I believe that there will be debate on only one side.

Furthermore, I ask unanimous consent that at 3:30 the Senate consider Executive E, Convention on the Organization for Economic Cooperation and Development, and that an hour be allocated to consideration of that treaty, a half hour to each side.

Mr. JAVITS. Mr. President, reserving the right to object, I wish to be heard on the OECD Convention, and I should like to speak for not less than 10 or 15 minutes. I do not believe 30 minutes to a side is adequate.

Mr. MANSFIELD. How about one hour and a half? There will not be much said on this side of the aisle. The convention was reported unanimously by the committee.

Mr. JAVITS. An hour would be satisfactory to me if the Senator would give me half of it. I did not want to sound hoggish.

Mr. MANSFIELD. We will give the Senator from New York plenty of time. We shall not take much time on this side.

Mr. JAVITS. Whatever the Senator from Montana desires, I wish to make clear my intention to speak for 15 minutes on the convention. If I may have 15 minutes for my side, that is all I ask.

Mr. MANSFIELD. We can conclude in an hour.

Mr. JAVITS. I believe the Senator from Illinois [Mr. DIRKSEN] suggested that other Senators have problems also.

Mr. SPARKMAN. Mr. President, may I ask whether the convention about which the Senator from New York is speaking would be considered first, or second?

Mr. MANSFIELD. The Convention on the Organization for Economic Cooperation and Development would be considered at the conclusion of the consideration of the Columbia River Treaty.

Mr. SPARKMAN. I was thinking about time for a yea-and-nay vote in between.

Mr. LAUSCHE. Mr. President, I should like to talk about the significance of the Columbia River Treaty as it relates to the Chicago River diversion proposal. I wish 15 minutes at the most to speak on that subject.

Mr. MANSFIELD. Mr. President, I wish to change my request in order to accommodate the Senators from New York and Ohio to the extent that at 3 o'clock the Senate begin discussion on the Columbia River Treaty, that discussion to last for 45 minutes. Of that 45 minutes, the Senator from Ohio [Mr. LAUSCHE] will have 15 minutes.

At the conclusion of consideration of the Columbia River Treaty, I ask unanimous consent that an hour and a half be designated to consider the Convention on the Organization for Economic Cooperation and Development, and that the time be equally divided.

The PRESIDING OFFICER. The Chair asks the majority leader to suggest who will control the time.

Mr. MANSFIELD. The majority and minority leaders, or whoever they may designate, will control the time. So far as I am concerned, the Senator from Alabama [Mr. SPARKMAN], the acting chairman of the Committee on Foreign Relations, will control the time on this side.

Mr. JAVITS. Mr. President, is 45 minutes agreeable to my leader?

Mr. DIRKSEN. Yes.

Mr. JAVITS. I thank the Senator.

The PRESIDING OFFICER. Is there objection to the request? The Chair hears none and it is so ordered.

LIGHT OF FREEDOM STILL BURNS FOR BRAVE HUNGARIANS

Mr. YOUNG of Ohio. Mr. President, yesterday, March 15, was the 113th anniversary of the 1848 Hungarian revolution. By all rights, this should have been a day of great rejoicing for the Hungarian people and their friends throughout the world.

Unhappily, it has instead become in this grim period of international anarchy a day of sad contemplation and concern over the plight of freedom-loving people in bondage to a foreign tyranny.

We of the free world can observe this day only with solemnity and the hope that someday freedom will return to a great freedom-loving people now under the iron heel of despotism.

It was in 1848, under the brave leadership of the famed and great Louis Kossuth, that the patriots of Hungary boldly bid for liberation from Austria. They won freedom and independence and Hungarians flourished in an atmosphere of self-determination.

Then, nearly a century later, in 1945, Hungary found its freedom crushed through occupation by the armies of Soviet Russia. Yet, the cruel yoke of communism could not smash the desires and aspirations of the Hungarian people for a free and independent national destiny. In their hearts and in their minds, this hope burned steadily.

In the tragic fall of 1956, the people of Hungary rose against the tyrants who oppressed them, and in sacrifice and blood they testified anew to the human truth that despotism may shackle the body but it cannot enslave the mind.

Once again they demanded freedom and independence and fought with courage and determination for it. Small arms and courageous hearts, however, were not enough against Soviet tanks and artillery.

Although ruthlessly crushed, the patriots of Hungary gave enduring proof that their yearning for freedom remains unquenchable.

As we commemorate an earlier era of Hungarian freedom, we honor the gallant people who have the courage and tenacity to keep burning the light of freedom which once shone brightly throughout their beloved land.

Now enslaved, these brave people have taught us well the price of freedom.

Mr. WILLIAMS of New Jersey. Mr. President, most peoples in Eastern and Central Europe have had to struggle and fight for their freedom during a good part of their modern history. This is true in the case of peoples in the Baltic countries, in Poland and Czechoslovakia, and in the Balkans. This has also been true in the case of the Hungarian people.

These doughty descendants of asiatic migrants had settled in today's Hungary early in the 11th century, and there they had constituted a powerful kingdom during the late Middle Ages. Early in modern times they waged more than one fierce battle against Ottoman Turks, and they played an important role in confining the Turkish advances in Europe to the Balkan peninsula. Late in the 17th century their country was merged with the Austrian Empire, and from then on for more than 200 years they lived in their homeland as restless subjects of the Hapsburg monarchy. Time and again they tried to cast off the Austrian yoke, but all their attempts ended in failure; they simply could not, by themselves alone, take on the then most powerful empire in Europe with much hope of success. But in the year 1848, both the revolutionary temper and the international turn of events seemed to be in their favor, and under favorable circumstances, they succeeded in regain-

ing, for a brief period at least, their freedom.

The revolutionary wave of 1848 which began early in Western Europe, soon spread to all parts of the Continent. In many capitals autocratic and monarchical governments sensed the threat to their existence. In Vienna, where Metternich had ruled with an iron hand for more than three decades, the government was shaken and Metternich himself had gone into hiding. The entire governmental structure in Vienna was tottering. Austrian agents in Budapest were no more sure of their fate, though they clung to their power there. In the meantime, Hungarian leaders were preparing to reap the benefit of these revolutionary movements, and in this they were successful. Early in March they staged a demonstration in Budapest. At the same time they presented a list of their just grievances and demanded freedom and autonomy. The government, weakened and shaky as it was, could not refuse these demands, and so granted freedom and autonomy to the Hungarian people on March 15. That historic event of 113 years ago has become the Hungarian national holiday, their Freedom Day, and as such it has been celebrated during the last 113 years.

Today on the observance of the anniversary of that stirring event we cannot help but recall another equally stirring and historic event in the contemporary history of the Hungarian people, the revolution of October 1956, which these daring, dauntless, and almost defenseless people staged against the most ruthless of their oppressors. Yes, they rose against their Communist totalitarian tyrants, and in defiance of Soviet Russia, regained their freedom, only to lose it again in a few weeks. The Hungarian revolution of 1956 clearly showed that the spirit of March 15, 1848, was very much alive in Hungary. On its 113th anniversary celebration, let us hope that it will continue to live until Hungarians again attain their freedom and independence.

THE CONSUMER NEEDS A VOICE AT THE FEDERAL LEVEL

Mrs. NEUBERGER. Mr. President, it has long been my feeling and experience that the consumers of this Nation often receive too little consideration. One of the reasons for this is that there is no organized voice of the consumer at the Federal level. Sometimes this failure of consideration occurs because a proposed regulation change is made without the proper investigation and public hearing.

I think a case in point is the Department of Agriculture's change in its meat inspection regulations permitting the addition of water to ham.

I am hopeful that the Department soon will announce that this regulation has been corrected.

Rather than detail the specifics in this particular instance, I ask unanimous consent that part of an advertisement wich appeared in the Washington Post, Thursday, March 16, 1961, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CO-OP NEWS LETTER—WATER IN SMOKED HAMS DRAWS CONSUMER FIRE—ADULTERATION HAS USDA'S O.K.

The U.S. Government, through the Food and Drug Administration, recently seized a shipment of Atlantic Ocean water being sold at $3.75 per gallon as a "fountain of youth" and cure-all for an assortment of serious illnesses. The distributor—an Ohio promoter—now faces court action on charges that the labeling made false and misleading therapeutic claims.

But the U.S. Government, through its Agricultural Research Service, has legalized the sale of water as ham and other smoked pork products—and no labeling is required. The cost of this water will, in many instances, make $3.75 a gallon appear like a reasonable figure.

It all came about December 23d of last year when the Agricultural Research Service of the U.S. Department of Agriculture amended its meat inspection regulation to permit the addition of "ten percent added moisture" to smoked hams, smoked pork shoulders, smoked pork shoulder picnics, and smoked pork shoulder butts.

Prior to that time, water used in the curing of these pork products was minimized by proper smoking and drying which removes water and brings these products back to uncured weight. Overpumped hams had to carry the label "imitation ham" if they carried the insignia of Federal inspection.

Under the amended order as it has been interpreted for enforcement, ham may legally weigh about 116 percent of the green or uncured weight, thus in effect permitting a 16 percent addition of water.

Last week, we purchased a watered butt half of ham from a competitor. At its cost of 69 cents a pound, the water in it carried the price tag of $5.52 a gallon (equal to 8 pounds had the ham been big enough to accommodate that much water). This butt actually weighed five and one half pounds, and assuming it contained 10 percent of water, cost its purchaser about 36 cents for slightly over a half pound of water.

In a discussion with Dr. John R. Scott, chief staff officer for labels and standards of identity in the Meat Inspection Division, it was learned that the justification for the amended regulation was mainly based on representations from packers and processors (represented by the American Meat Institute) to the effect that 50 percent of all hams sold were being cured in small processing plants whose products did not cross State lines and therefore did not come under USDA regulation. Since it is possible to inject up to 60 percent of the original weight of pickle (chiefly water) in the ham, processors of products moving into interstate commerce complained that they found themselves at a severe price disadvantage. Dr. Scott also pointed out that unsupervised small plants might be unsanitary, use phosphate and sodium nitrate above the legal tolerance, and, finally, that a lengthy curing process robs the ham of some nutrients (chiefly fat).

But there is no record of an effort made to educate consumers in the advantages of federally inspected smoked meat products and those which are not.

The processors asked the USDA to waive all legal limitations on the injections of water.

The Agricultural Research Service, in response, appointed a task force to review the validity of the requirement for smoked meats from the standpoint of consumer protection and current production and marketing practices.

Fifteen consumer organizations were contacted to submit within 60 days their comments and supporting information in writing. But the release failed to indicate that a change in water content was contemplated or the background of that change, and the consumer groups did not reply both because they failed to realize the significance of the USDA release and because of the time limitation. Consumers' Union, technically best equipped to testify, was not contacted. In this unusual procedure, no public hearings were held. As of now, public disclosures of testimony providing basis for the change was withheld.

The consumer interest was represented solely by testimony from the Packinghouse Workers Union of the CIO and the Meat Cutters' Union who favored the change. Dr. Scott somewhat reluctantly concedes these two groups might have had an inherent interest.

Proper labeling of the watered hams for consumer guidance was apparently not considered on the basis that USDA lacks jurisdiction beyond the packing plant. But the Federal Trade Commission does have jurisdiction for proper labeling at the retailer-to-consumer level.

Pete Caruso, Co-op's meat buyer, views the new regulation with genuine dismay. He says it will be a rare housewife who will be able to detect a watered ham from that reduced to green weight. This means that packers will most likely all water their product to the legal limit to be competitive. Ham prices are already churning and uncertain, with the spread between smoked and fresh hams narrowing, thus even further increasing the cost of watered hams.

Dr. Scott, asked if the question of the watered hams might be reopened, replied that this is possible, if new evidence is supplied. Since no objective evidence from bona fide consumers was received initially, this appears to be easy.

In the meantime, Pete Caruso will endeavor to concentrate his buying on hams containing minimum water as has always been Co-op's policy. Whether this will continue to be possible in the face of market developments remains a question unless the USDA regulation is revised.

THE ARMY CORPS OF ENGINEERS

Mr. LONG of Hawaii. Mr. President, the U.S. Army Corps of Engineers is the world's largest engineering body of importance to every part of our Nation. The Honolulu Star-Bulletin in an editorial of February 25 paid tribute to the great work of the Army Engineers. I ask unanimous consent that the editorial entitled "The Structure of Greatness," be included in the CONGRESSIONAL RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE STRUCTURE OF GREATNESS

The American story could not be told without reciting the history of its engineering genius. National Engineers Week, observed this week, stimulates a remembrance of historic feats in man's conquest over nature and, in particular, the work of an organization whose scope too often is underestimated.

The U.S. Army Corps of Engineers is the largest engineering body in the world, with responsibilities ranging far beyond its military commitments for the Army, the Air Force and, occasionally, the Navy. Its civil works projects deal with river and harbor navigation, flood control and the development of natural resources.

The corps' first Chief, Col. Richard Gridley, fortified the American positions on

Bunker Hill. After the Revolution, it organized and operated the Military Academy at West Point until the Civil War period and for many years this was where all American engineers were trained.

Its interest in roads, waterways and harbors began during the War of 1812, and in 1824 Congress directed the corps to plan a national transportation system that would weld the Nation together.

Army Engineers surveyed the routes for the early railroads, made rivers and streams navigable.

During the 1840's, Army Engineers sent missions out to explore, survey and map the West and to record for the first time the resources it contained.

At the turn of the century the corps' Gen. George W. Goethals was given the job of completing the Panama Canal, and Army Engineers still serve as Governors of the Canal Zone.

Between World War I and II, the Engineers embarked upon a vast water resources development and flood control program in our great river basins.

It was one of the French engineers recruited by George Washington—Maj. Pierre L'Enfant—who laid out the city of Washington, and the Army Engineers built, completed or improved such notable structures as the Capitol dome, the Washington Monument, the Lincoln Memorial, the Library of Congress and Washington National Airport.

In time of war, the Engineers have been in the forefront of the fighting and Gen. Douglas MacArthur, himself a former Army engineer, described World War II as an engineer's war.

The Manhattan project, which developed the atomic bomb, was headed and manned by Army engineers.

In peace as in war, the Corps of Engineers has helped to give the United States the structure of greatness, to help create the mobility which is so much a characteristic of Americans and, in keeping with the 1824 congressional mandate, to "weld the Nation together."

THE FOURTH NATIONAL ASSEMBLY OF CIVIL WAR CENTENNIAL COMMISSIONS

Mr. JAVITS. Mr. President, I wish to commend my colleague, the Senator from New Jersey [Mr. CASE], for his recent action in urging the National Civil War Centennial Commission to seek a change in the site of the meeting of the fourth national assembly of Civil War Centennial Commissions from Charleston, S.C., to a site where segregation does not obtain. I also wish to associate myself with his request to the head of the Commission, Gen. Ulysses S. Grant III in that same respect.

In so acting, the Senator from New Jersey was supporting the decision of the New Jersey Civil War Centennial Commission to withdraw from the assembly because a member of the New Jersey Commission is a Negro who, while attending the assembly, would be faced with South Carolina's segregation laws.

In my own State of New York a centennial commission has not been organized, so we are not participating, and I have not been faced with this problem. However, I wish to applaud the Senator from New Jersey and to support him. I am sure it was difficult for the New Jersey Commission to decide to forgo participation in the assembly which is timed to coincide with the 100th anniversary of the firing on Fort Sumter in Charleston Harbor, for we all know of the tremendous zeal and enthusiasm which Civil War buffs bring to their evocation.

I regret that the National Commission has not made the same difficult decision that the New Jersey Commission has made. While I recognize the historic significance of Fort Sumter in commemorating this centennial, I believe that there are broad underlying issues so much concerned with the outbreak of the Civil War, which dictate against meeting now under conditions which are in my opinion contrary to the principles of equality and freedom which were established a hundred years ago at the cost of so much blood and sacrifice by the brave men on both sides.

NEBRASKA BECOMES 32D STATE TO RATIFY DISTRICT OF COLUMBIA VOTING AMENDMENT

Mr. HRUSKA. Mr. President, it is with pride that I call the attention of the Senate to the fact that Nebraska yesterday became the 32d State to ratify the so-called District of Columbia voting amendment. This is the amendment to our Constitution which would permit residents of the Capital City of Washington to vote for electors for the President and Vice President of the United States.

A resolution of ratification was adopted by Nebraska's unicameral legislature yesterday by an overwhelming vote of 40 to 1. This means that if six additional States follow suit, the residents of the District of Columbia will have the long-merited privilege of casting votes for President and Vice President for the first time since the District was established in 1800.

I hope indeed that the legislatures of the required number of States will soon follow Nebraska's course.

CHANGE IN U.S. POLICY ON COLONIALISM

Mr. MORSE. Mr. President, I ask unanimous consent to have printed at this point in the RECORD an article entitled "U.S. Shifts on Colonialism; Backs U.N. Angola Inquiry," published in the New York Times for today, March 16, 1961.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

U.S. SHIFTS ON COLONIALISM; BACKS U.N. ANGOLA INQUIRY

(By Kathleen Teltsch)

UNITED NATIONS, N.Y., March 15.—The United States joined Asian and African states today in opposing Portugal's handling of its West African territory of Angola. A surprise speech by Adlai E. Stevenson, chief U.S. delegate in the Security Council, marked a departure by the Kennedy administration from the Eisenhower administration's policies in past debates on colonialism.

The development tended to overshadow the immediate business at hand—a resolution by Liberia, Ceylon and the United Arab Republic calling for an inquiry into racial disorders that took place in Angola last month.

The resolution was rejected by a vote of 5 in favor, 0 against and 6 abstentions. The United States and the Soviet Union joined the three sponsors in supporting the resolution.

A resolution requires seven affirmative votes for adoption in the Security Council, although a negative vote by any of the five permanent members—the United States, the Soviet Union, Britain, France and China—serves as a veto.

STEVENSON SPEECH HAILED

After the Stevenson speech, a jubilant Liberian delegate hailed it, predicting that it would "reverberate throughout Africa and through the world."

Mr. Stevenson spoke after Britain, Nationalist China, Ecuador and Chile had said they could not support the three-power inquiry thereby insuring its rejection. They argued that it had not been proved that a threat to peace and security existed.

The U.S. delegate, however, took the position that unless remedial measures were taken, more disorders would occur with dangerous consequences.

Citing the former Belgian Congo as an example, Mr. Stevenson declared that the important thing was to insure that similar conditions do not exist for the Angola of tomorrow.

In recent months the United States had come under heavy fire from Asian and African states for its record of voting with the colonial powers on resolutions effecting the new African states.

The peak of anti-U.S. feeling was reached after the Republican administration last December would not support a resolution in the Assembly calling for immediate steps to give independence to non-self-governing territories. The measure was passed without opposing votes but the United States abstained, along with Portugal and other colonial powers and South Africa and the Dominican Republic.

The U.S. decision to differ with its traditional allies Britain and France and to support the African and Asian case on Angola was reported to have been made known to the delegation only a few hours before the Council met today.

At that time the Soviet Union was the only member certain to support the sponsors, while it was clear that Britain and France would take Portugal's view that the Council had no legal basis to intervene in Angola. Portugal regards the territory, with its 4 million people, as an overseas province.

Mr. Stevenson's remarks were made in a Council chamber crowded with African delegates attending as spectators. His audience grew noticeably more attentive as he went along.

He declared that the United States, as a friend of Portugal would be remiss if it did not stress that step-by-step planning in the Portuguese territories must be accelerated for the political, social and economic advancement of all inhabitants toward full self-determination.

"The best course of action for Portugal and the best course of action to promote the interests of the people of Portuguese territories seem to be through cooperation with the United Nations," Mr. Stevenson added.

Turning to the three-power resolution, he appealed to Portugal to work toward the Charter aims of developing self-government in all territories not yet independent, and to assist in the progressive development of free institutions.

Mr. MORSE. Mr. President, the article sets forth the position taken yesterday by the great Adlai Stevenson, who is the head of our delegation in the United Nations Security Council. From the floor of the Senate today, I extend my congratulations and high commendation not only to our Ambassador but also to the State Department and the White House,

because, having served in the United Nations, I know that Adlai Stevenson would not have made the statements he made yesterday if they were in conflict with the position taken by this administration.

Mr. Stevenson took a position yesterday on the so-called Angola or Portuguese question exactly contrary to the position which the United States has been taking in the United Nations. It was a position which, unfortunately, our delegation had to take last year under the direct instructions of the previous administration in the State Department and the previous occupant of the White House.

It is interesting to note that the position in support of the Portuguese in the Security Council was upheld by the United Kingdom, Nationalist China, Ecuador, and Chile. But for once, the United States got on the side of the angels in the United Nations, because Mr. Stevenson made it perfectly clear that the colonial policies of Portugal threatened peace in Africa and threatened peace elsewhere in the world. Stevenson made it clear yesterday that he would not go along with the legal fiction of Portugal that Portugal does not have any colonies; all they have are oversea metropolitan provinces, by its own definition.

It is very easy to show that Portugal has territories within the meaning of sections 73 and 74 of the United Nations Charter, because we put to them once again, as I did in the United Nations last fall, these three questions:

First, do they rule and exercise domination, dominion, control, and subjugation over millions of indigenous people in foreign territories?

The PRESIDING OFFICER. The time of the Senator from Oregon has expired.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the Senator from Oregon may be granted 2 more minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MORSE. Does Portugal exercise dominion and control over an indigenous population? We took judicial notice that the answer is "Yes."

Second, is that indigenous population a population of high tension in the world? We took judicial notice that the answer is "Yes."

Third, does that high tension threaten the peace of the world, or at least peace in that area of the world in which the indigenous population lives?

We took judicial notice that the answer is "Yes."

The result is that no matter what Portugal administers as territorial policy, she has territories, and the indigenous population in those territories is becoming a threat to the peace of the world.

The clear duty of the United Kingdom, which is the leader, unfortunately, in the world today, is to recognize that a continuation of the colonial policy of Portugal, Spain, the Union of South Africa, Belgium, and France threatens the peace of the world.

I say to the United Kingdom, from the floor of the Senate today, as I said in the United Nations last fall, that the United Kingdom has a duty now, in the maintenance of peace in the world, to change its attitude toward colonialism, and to recognize United Nations jurisdiction over those areas of high tension in the world, so that peace can be maintained.

Mr. President, I thank my God that at long last the United States has taken a position in the United Nations in support of the principle of self-determination, of which we have boasted throughout our glorious history, but on which we have turned our backs in the United Nations during the last 8 years of administration in this country.

Mr. LAUSCHE. Mr. President, I feel certain the Senator from Oregon will agree with me that while we are calling upon the United Kingdom, France, and other nations among our allies to give consideration to the liberation of colonies, it would be a rank travesty if we forgot to call upon the Soviet Union to liberate the captive nations of Europe and the people who live within the borders of the Soviet Union.

Everyone knows there are captive nations in Europe which are subject to the domination of the Soviet Union. Everyone knows that there are people within the boundaries of the Union of Socialist Soviet Republics who are dominated by the Soviet Government. They are an indigenous population; they are subject to exploitation.

The Hungarians, of whom I spoke yesterday, and who yesterday were celebrating their 113th anniversary of independence, also fall in that category.

Moreover, I should say that we would be remiss unless we recognized the fact that the United Kingdom has followed a course under which 16 nations have been given independence since 1945, and that France has given independence to 15 nations.

I join with the Senator from Oregon in the hope that a transition will take place. I am sure the Senator from Oregon, likewise, will agree with me that independence simply cannot be granted. Belgium granted independence to the Congo when more properly a trusteeship should have been established. All these questions must be explored before a course can be followed.

Mr. MORSE. Mr. President, will the Senator from Ohio yield?

Mr. LAUSCHE. I am glad to yield.

Mr. KUCHEL. Mr. President, reserving the right to object—and I shall not object—there has been somewhat of an agreement reached by the leadership on both sides of the aisle that the morning hour will be confined to morning hour business. Having said that, I have no objection.

Mr. MORSE. Mr. President, I desire to tell the distinguished Senator from Ohio that in a speech I made in behalf of my Government at the United Nations last year, I deplored the shocking colonialism of the Soviet Union in Hungary. I put the Soviet Union in the same class with Portugal, France, Spain, the Union of South Africa, and Belgium so far as the domination and subjugation of indigenous people are concerned.

I am proud to report to the Senate, as I did in the official report I filed with the Senate, that as a result of the position we took in my speech in the United Nations against the colonialism of the Soviet Union, with particular reference to Hungary, we received the highest majority vote the United States received on any issue last fall in the United Nations.

In passing, I wish to say this about what my friend said about the gradualism of getting into the matter of independence: No one is proposing that independence be obtained overnight. But we propose that countries be prepared for independence That is why I have urged, in the Foreign Relations Committee, that we increase the number of United Nations trusteeships before independence is granted.

But we cannot excuse the complete failure of the Belgians to prepare the Congolese for independence. The record of Belgium in the Congo is a shocking one; and the record of Belgium in Ruanda-Urundi, which will be the next hotspot in Africa, is a shocking record of failure to live up to responsibilities to indigenous people.

That is why I want the United Nations to exercise close control over areas in Africa to which independence has not been granted.

But I cannot escape recognition of the fact that, as regards colonialism, the policy of the United Kingdom is one which has been favorable to the British exchequer; and those who eventually received their independence received it from the British Crown long after it was due; and the maintenance of the British Crown over them for decades was to the economic advantage of the British Crown.

But after saying that, I pay my high respects for the training of the indigenous populations that the British have followed as a matter of national policy, so that when independence was granted, there would be among the indigenous population, leaders who could take over the administration of government.

France and Belgium, on the other hand, have done an exceedingly poor job in that respect, as have Portugal and the other countries which should proceed to give support to the United States on the issue of United Nations trusteeship for indigenous people, rather than oppose the United States on that issue.

Mr. HUMPHREY. Mr. President, I shall have to request the regular order at this time.

Mr. GRUENING. Mr. President, I dislike to find myself in disagreement with my good friend, the Senator from Oregon [Mr. MORSE], with whose enlightened views on most subjects I agree and which I thoroughly applaud.

But in his recent statement on the United Kingdom, I think he has been a little harsh.

I believe that on the contrary, the United Kingdom has adopted a very enlightened policy toward its former colonies. It has liberated them, given independence to India, Ceylon, Malaya, the West Indies Federation, Nigeria, Ghana, and is in the process of liberating others, after giving them an admirable tutelage in government as a preparation for self-rule.

In that connection, I may say that at the present time Australia, part of the British Commonwealth, is making plans to give independence to Western Samoa.

So the question of colonialism is not so simple.

I may say that once I occupied a uniquely favorable position to become aware of the multiple aspects of colonialism, in that I was the head of the U.S. agency which had supervision of our Federal relations with the then Territories of Alaska and Hawaii, of Puerto Rico, the Virgin Islands, and for a time, the Philippines. Certainly the United States was slow in elevating some of those areas to the status in which they belong.

I am frank to state that the Senator from Oregon was an early champion of the course the United States somewhat belatedly followed. But in this instance, I feel he has been unduly harsh on our good friends, the British. I believe the British have done very well, and have set a fine example to other colonial powers.

As we look throughout the world, I think we can understand why "colonialism" has become a bad word, but colonialism, properly conducted, is very important in training peoples for independence. We see the tragic effects of ending colonialism before the former colonials are ready. The Congo is a striking example, and there are others. I do not see how the United Kingdom can be held responsible for Portugal's continuing colonialism and alleged misdeeds, to which the Senator from Oregon has referred.

Mr. MORSE. Mr. President, will the Senator from Alaska yield?

Mr. GRUENING. I yield.

Mr. MORSE. Does the Senator from Alaska approve of the votes of the United Kingdom cast in the United Nations on the colonialism issue?

Mr. GRUENING. Not all of them, no.

Mr. MORSE. Does the Senator from Alaska approve of any of them? If so, I wish he would name one.

In the United Nations the United Kingdom voted in line with the position which has been taken by Portugal, Belgium, France and the Union of South Africa.

Mr. GRUENING. I think if we set our own house in order, we shall be in a better position to criticize others. For many years we, ourselves, were living in a glass house. We are now getting out of it, and we should forbear to throw stones.

Mr. LAUSCHE. Mr. President, I ask unanimous consent that I be permitted to make a statement on this subject. I cannot remain silent and seemingly give acquiescence to the denunciation which has been made of our allies.

The PRESIDING OFFICER. Let the Chair state that, according to the understanding of the Chair, under the unanimous-consent agreement, statements in the morning hour are limited to 3 minutes. Until morning business is concluded, a Senator who is recognized is entitled to speak for not more than 3 minutes, although subsequently he can be recognized for a second time or for a third time.

At this time the Senator from Ohio is recognized for 3 minutes.

Mr. LAUSCHE. Mr. President, I recognize that when the first shot of the Revolution was fired in our country, it sounded throughout the world as a signal for free people to seek independence; and I recognize the yearning of people.

But I also recognize that our historic friends have been the French, the British, the Belgians, and the Netherlands, and I think they have tried to do a decent job. I certainly cannot put them in the same category with Communist Russia; if I were to attempt to put them in the same category with Communist Russia, I would have to twist my mind and make an artificial grouping. So I cannot stand idly by and not state my position on that matter.

The PRESIDING OFFICER. Is there further morning business?

AMENDMENTS TO THE BACON-DAVIS ACT

Mr. KUCHEL. Mr. President, I am honored to join the distinguished majority whip, the Senator from Minnesota [Mr. HUMPHREY], in introducing legislation (S. 1360) to amend the Davis-Bacon Act.

Almost a third of a century ago, Congress wisely determined that where Federal tax dollars were to be used for construction, the prevailing wages of the area for the same class of labor on similar work in the locality should apply to that construction. Congress by this action sought to prevent cheap labor from being imported, and thus undercutting the employment opportunities available for local citizens.

I have long advocated this approach by the Federal Government and I am glad to recall that I helped, in 1956, to attain the adoption of an amendment to the multibillion-dollar 40,000-mile interstate highway program which applied the Davis-Bacon principle to that construction. In urging that amendment almost 5 years ago, I said that the application of the prevailing wage law meant to the people of my State:

> Our local working people will be given the statutory assurance by the Congress that, in working on a public construction job, they would have the same level of income or salary which they would have if they are working in similar enterprises in that locality. It also means that the local contractor who had local people working for him would not be subject to the hazard that some contractor from another part of the country might underbid him on the basis that he could import cheap labor into that area and could underbid the local contractor, and depress the local economy.

When the Davis-Bacon Act became law in 1931, almost all of our wage-earning population worked solely for wages. As we all know, the tendency, especially in the postwar period, under our collective bargaining system is not merely to negotiate for wage increases but also for such fringe benefits as welfare and pension funds. These funds provide special benefits for hospitalization, sickness, accident, and disability insurance as well as supplementary unemployment compensation, life insurance, and apprenticeship and training programs. This growing trend began during the Second World War when there was a freeze on wages and increases were permitted only for the so-called "fringes." They are now a basic fact of our industrial life agreed upon at the bargaining table.

When these plans began, 10 cents per hour per man as an employer contribution was uncommon. Now, over 15 years later, it is not out of the ordinary for employers to contribute as much as 25 cents per hour per man to these welfare and pension funds. Indeed, in some parts of the construction industry, these payments are now almost 50 cents per hour per man. Thus, a substantial part of employee earnings consist of these benefits, whether employer or employee provided.

In the construction industry alone, there are over 4,800 welfare and pension funds. Most of these are of the welfare variety and almost 2,200 of the 4,800 are based solely on employer contributions. Another one-third of these plans is built up by joint contributions by both employer and employee. Almost 700 are dependent on employee contributions alone. Still others are based on a sharing arrangement with general union funds and employer contributions.

The U.S. Department of Labor estimates that almost 70 percent of the workers in the building and construction industry are covered by negotiated contracts which provide for some welfare and pension benefits. Yet, under the present interpretation of the Davis-Bacon law, these benefits which in most cases come to over one-tenth of a worker's hourly earnings are not considered in determining the prevailing wage. This means that contractors who do not have such programs for their employees can come into an area and, with their cost of labor greatly reduced, successfully underbid already established firms which do provide such benefits. This is unfair and unreasonable. Such a situation was the reason for the original passage of the Davis-Bacon Act. It is the reason why Congress on several occasions has applied the provisions of this worthwhile legislation to succeeding Federal construction programs, such as airports, housing, and highways.

The amendment to the Davis-Bacon Act which I have jointly coauthored would rectify this inequity by requiring the Secretary of Labor to take into account in his determination of the prevailing wage the contractor payments to health and welfare, retirement, and apprenticeship funds. Mr. President, I think it is imperative that this Congress bring the Davis-Bacon provisions into conformity with the practices of modern labor-management relations.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. KUCHEL. I yield to my distinguished colleague and friend.

Mr. HUMPHREY. I consider it a rare privilege to work on the legislation with the Senator from California. We have joined together before in an effort to improve the Bacon-Davis Act. We are

going to do everything we can this time to bring about prompt action by the Congress.

The amendments which we have suggested are amendments which have met with the approval of experts in labor-management relations; and I am confident they will be of benefit to the country.

I thank the Senator from California for his leadership on the other side of the aisle. I only hope I may do as well on this side of the aisle.

CHANNEL ISLANDS A HISTORIC NAME

Mr. KUCHEL. Mr. President, from time to time it is, I support, desirable, and, on occasion, necessary to break with the past and to change practices and habits, in the interest of making progress.

But, as a Californian, I vigorously object to any willy-nilly, off-with-the-old-on-with-the-new concept of discarding honored and long standing names by which areas in our State have been known over many, many generations.

Each State and each nation, all around the globe, take great pride in their heritage. Historical sites are carefully marked. With reverence do they observe the symbols of the past which live on. With pride do they seek to preserve them. Descendants of pioneers, and newcomers too, respect the shrines which tie today with yesterday. It would be, I think, a desecration to change the names by which they have ever been known.

California has done honor to fearless explorers, to the intrepid Spanish priests who trod our soil before the United States was born, and who left behind them the treasured missions which grace our State. We have honored early traders and business entrepreneurs, the discoverers of gold, and many others of other eras.

Across the channel from the beautiful city of Santa Barbara are the equally beautiful Channel Islands. By that name they have been known for centuries.

Now, regrettably some propose to change the name of the Channel Islands. Some now assert that the chain should be renamed for Juan Rodriguez Cabrillo.

Mr. President, they are wrong. A few weeks ago a distinguished Californian, a true lover of our State's history, the publisher of one of our most respected newspapers, a former able U.S. Senator from our State, spoke out against such a tampering with history. Former Senator Thomas M. Storke published, a few weeks ago, in the Santa Barbara News-Press, an editorial in which it was stated:

> The Channel Islands have borne their name since 1603, when Sebastian Vizcaino sailed through the wild passage which he called the Santa Barbara Channel in honor of the saint's day, December 4. There is no good reason now, any more than there was 3 years ago, to abandon more than 350 years of usage to accommodate an individual's whim.

Mr. President, I agree. We ought to devote our time to better things than attempts to change the names by which historic areas in California—or anywhere else, for that matter—for centuries have been known.

THE POSTAL SERVICE

Mr. CARLSON. Mr. President, as the ranking Republican member of the Senate Post Office and Civil Service Committee, I was much interested in the remarks on the postal service made March 7 by my distinguished colleague, the senior Senator from South Carolina [Mr. JOHNSTON], chairman of the Post Office and Civil Service Committee.

I was not only interested, but more than a little surprised, that former Postmaster General Summerfield was accused, in this speech, of throwing tinsel into the eyes of Congress. This, to me, seems a downgrading of Congress, for surely there must be some discerning members of the majority Democratic Party who would not be bedazzled by the tinsel, if tinsel there were.

My distinguished colleague refers also to what he termed a snow job having been perpetrated on Congress and the people by the former Postmaster General. I am wondering if he is not being confused by the record snow which buried so much of the eastern seaboard this past winter. Having been through this, especially the night before the recent inaugural, perhaps he thought that the Postmaster General was in some way to blame.

Of course, Mr. President, we in Kansas are accustomed to some mighty snowstorms, and I believe we can recognize a snow job if we see one. It is my personal belief that the snow job is the one that is being done now.

OBJECTIVES

Mr. President, our friend, the senior Senator from South Carolina, quotes President Eisenhower on the objectives he laid down to the Postmaster General when he assumed office. There were three objectives or goals set up by Mr. Eisenhower to the Postmaster General. I quote them:

> First, give the American people the kind of postal service they must have in a growing economy.
>
> Second, reduce the postal deficit through economies and application of modern management techniques.
>
> Third, persuade the Congress to complete the job of balancing the postal deficit by relieving the Department of subsidy burdens, by reimbursing us for charges for services to other agencies, and by adjusting postal rates to offset postal costs.

Let me call particular attention, Mr. President, to that third point:

> Persuade the Congress to complete the job of balancing the postal deficit by relieving the Department of subsidy burdens, by reimbursing us for charges to other agencies, and by adjusting postal rates to offset postal costs.

Mr. President, postal deficits are not something new. They will not end overnight. Nothing can or will happen unless Congress takes some action. I will be very much interested to see what this Democratic administration will recommend and what action will be taken by the Democratic majority in each House to rectify this longstanding problem.

TREMENDOUS OPERATION

The Post Office Department has a tremendous job. It handles more mail than all of the rest of the world combined.

In 1960, 64 billion pieces of mail flowed through some 41,000 postal facilities servicing practically every home and remote farm in our Nation.

When the Republican administration came into power in 1953, postal employees handled the mail in much the same fashion as when the Department was set up 185 years ago by Benjamin Franklin.

In 1953, the Department was handling 50 billion pieces of mail through its 41,000 postal installations, manned by some 520,000 employees. The total value of transactions amounted to $18 billion a year. The Department was limping along with its old-fashioned methods. Mechanization, as we know it in modern industrial processing plants, had not been applied to mail handling.

MODERNIZATION INSTALLED

Mr. President, my distinguished colleague, the senior Senator from South Carolina, had much to say about Operation Turnkey, an experiment in modern mechanized methods.

Would he, I ask, fail to install experimental modern methods? Would he, instead, keep on with the same old outmoded methods which found mail sorted on sidewalks and in alleys? Or would he try to speed operations by installing more modern methods which, when perfected, would not only give better service but save manpower and expenses?

Knowing him as I do, and working with him on postal problems, I know he is forward looking, and therefore will approve of more modern methods of operation.

As we must experiment with our various rockets and satellites until a perfect system is worked out, so, too, we must experiment with new postal machinery until the operation is a success.

I was much interested to read recently that the postal employees themselves believe in Operation Turnkey and are sure of its success. I may add that, when it is operating perfectly, as it will, this perfection will take place under the present Democratic administration, and they, no doubt, will then take credit for this improvement.

OTHER SUCCESSFUL INNOVATIONS

Mr. President, after 20 years of Democratic administrations, we found, in 1953, the Department's accounting system archaic. Many statements and reports essential to good management did not exist.

Mr. President, under the Eisenhower administration, public accountants were employed in financial operations for the first time. Centralized accounting functions were set up to permit preparation of payrolls, settlement of claims, and similar operations. The accounts are now on an accrual basis and up to date. Employees receive their paychecks on

time and in the right amounts. Payments to transportation companies and other suppliers are on a current basis. There are complete financial reports a few days after the end of each period.

And those are facts that can be verified—not a snow job.

MODERN PERSONNEL SYSTEM INSTALLED

The personnel system when the Republican administration took over was in a mess. Personnel costs currently absorb more than 80 percent of the Post Office Department budget.

In some cases, supervisors were paid less than their workers. There was no system for equating pay with responsibility. With the establishment of a Bureau of Personnel in 1953, it was possible to adopt a classification and compensation system which assured pay commensurate with responsibility.

The Bureau, as it is now constituted, creates employee training programs, safety education, the review of grievance appeals, and is making awards to employees for valuable suggestions for improving the service.

PHYSICAL PROPERTIES

Post offices, by 1953, had become generally too small to handle the mails. Mail had to be loaded and unloaded on sidewalks and other unprotected areas.

To correct these conditions, commercial leasing techniques were adopted. Through the leasing of new post office structures, built and owned by private capital, more than 5,600 new buildings were provided.

Better working conditions were provided and large new structures were designed for mail handling of the future—which will be by machines in one- or two-floor air-conditioned structures located away from the congested city areas, providing ample room for trucks to load and unload without causing, or suffering from, city traffic jams.

There are now electronic sorters on the production line of some post offices. Large conveyor systems are installed in about a dozen large facilities. Cullers are in operation. Some 75 high speed facer cancelers are being installed. The electronic reading and automatic coding of addresses is far advanced.

Mr. President, these are modern innovations which not only speed up postal operations, but save many man-hours of backbreaking work.

Decentralization of management, recommended by the Penrose-Overstreet Commission as long ago as 1909, and again in 1949 by the Hoover Commission, has been completed. This has contributed greatly to the efficient operation of the postal system.

Among other improvements is the airlifting of preferential mail by the Nation's commercial scheduled airlines on a space-available basis. Delivery of 2 billion pieces of mail each year is now advanced from 24 to 48 hours by this means. This, I may point out, was accomplished with no increase in cost to the Post Office Department.

Carrier service has been expanded to accommodate the 9,300,000 families who have made up the suburban growth around our cities, and carrier service was established in 1,000 new communities. In addition, some 900,000 additional business firms now have carrier service.

OTHER NEW SERVICES

Among other new services, there were added to the rural delivery 1,400,000 farm families along the more sparsely settled routes who had not heretofore enjoyed mail delivery to their homes.

Hours of mail window service in the post offices have been tailored to meet local requirements.

Certified mail was established to provide for a certified delivery service for mail of no intrinsic value at less costly rates than had been required for registered mail.

Combination mail now makes it possible to send related messages in the parcel post package.

The process of buying a money order has been made easier and quicker, and a new money order form has substantially reduced the possibility of fraud against our people and against the Government.

Stamp vending machines eliminate waiting lines and supply after-hour service.

Specialized campaigns have been made against mail frauds, thievery, and other offenses against postal laws. Arrests and convictions for these offenses in 1960 were 50 percent more numerous than in 1953.

The Post Office Department sought and obtained stronger laws to cope with the problem of obscenity through the mails, with the result that there were 130 percent more arrests and convictions for this offense in 1960 than in 1953.

During the past 8 years, the Department increased its participation in the activities of the Universal Postal Union, and the Postmaster General was designated as Chairman of the important Consultative Committee on Postal Studies of the Universal Postal Commission. The Department also participated in the activities of the Postal Union of the Americas and Spain. Through all these activities there was an increasing understanding and good will through the interchange of ideas between the postal services of all nations.

DEFICIT: MAJOR TASK

One of the major tasks and major objectives of the Postmaster General was to eliminate the postal deficit.

When the postal service was first established, and for the first 30 years of its operation, the Department enjoyed a 15 percent profit, and, since its beginning through World War II, the average annual loss amounted to less than $30 million.

Since 1946, the average annual loss increased to $556 million.

In 1952, the last fiscal year of the previous Democratic administration, the postal deficit was $720 million. Actions requested by the Post Office Department, which Congress approved, established reimbursement to the Department for free service rendered other Government agencies and removed airline subsidies as an element of postal costs. These actions, together with other major economies, reduced the annual deficit to a low point of $363 million by the end of fiscal year 1955.

Through operating efficiencies, 28 percent more mail was handled, with an increase of only 13 percent in man-hours.

Rates were raised for postal services in those areas where there was administrative authority to do so, producing $300 million in additional revenues annually. In 1958, Congress granted general rate increases to the extent of $600 million annually.

These increases, however, have not kept pace with the increases in costs, such as the pay increases and employee fringe benefits, totaling $900 million annually, and the railroad rate increases of more than $100 million annually.

Those, Mr. President, are the facts, easily verified.

The only "snow" is that of continuing deficits which have snowed under other Postmaster Generals ever since World War II. The only tinsel here is the tarnished tinsel of unfounded criticism.

Mr. President, the distinguished chairman of the Post Office and Civil Service Committee, at the conclusion of his statement on March 7, also stated that he expected to introduce legislation in the near future which would require that all appointments in the Post Office Department to positions, the pay of which is $10,000 or more, be submitted to the U.S. Senate for confirmation.

This would be a violation of what I believe to be the basis of our civil service system and the opening of the old political spoils system.

Our Nation has for years been building a merit system for our Federal employees, and it is essential that it be kept without regard to politics.

I can assure the chairman and our Federal employees, if and when this matter is up for consideration, I shall oppose it with all the vigor at my command.

THE B–70 STATUS REPORT

Mr. GOLDWATER. Mr. President, the President's assurance that he would develop modern weapons came happily to the ears of us who have heard that he might yield to the urgings of those who see no future for the manned aircraft. The B–70 is the only really new weapon now being developed by our country. I refer to it as the only one because of its new concept of design, speed, and carrying capacity. Added to these highly desirable features we add the ultimate one—the human brain. Black boxes, computers, transistors, and guidance systems all have their place, but for the maximum in the use of today's firepower man can best make the determinations which will bring success to the mission.

A lot has been said of the B–70, but I doubt that my colleagues realize the immensity of this project or the amount of planning, man-hours, and money which have gone into it. I have had compiled for me information which I feel will be of interest to my fellow Senators and I ask that this be printed at this point in my remarks.

There being no objection, the information was ordered to be printed in the RECORD, as follows:

SYNOPSIS OF B–70 STATUS REPORT

The B–70 is a mach 3 intercontinental bomber capable of flying four times faster and two times higher than the B–52, which it will replace as the principal U.S. manned air weapon.

The research and development program for the B–70 bomber was commenced in 1955, when study contracts were awarded to North American and Boeing for design of the weapons systems and to International Business Machines for design and development of the bombing-navigation system. A contract was also awarded to General Electric for engine development.

In December 1957, North American was designated the prime contractor for the weapons systems and awarded a development contract. During the next 2 years—up to the time the B–70 program was redirected to a single prototype program—the following program was accomplished:

1. The objectives of the program (a mach 3 bomber force capable of intercontinental missions without refueling) were established, and the effort necessary to achieve them was defined and scheduled.

2. The industry team had been selected and the subcontractors were operating under definitive or letter contracts (for list, please see app. A). Many of the second- and third-tier suppliers had been selected.

3. Conceptual design of the complete weapon system, including airframe, engine, and subsystems, was finished and the mock-up board review had taken place.

4. The major engineering problems affecting the feasibility of the B–70 as a mach 3-cruising intercontinental strategic bomber had been solved to the satisfaction of the Air Force. While more engineering work remained, no inventions were required.

5. Nine test engines had been fabricated and had accumulated more than 1,000 hours of test stand operation.

6. A manufacturing development program for the required steel airframe structures was well advanced. New techniques had been developed in the essential areas of brazing and welding stainless steel, and test panels had been manufactured.

7. New principles had been developed in all the subsystems where required, and applications were in various stages of fabrication and test.

8. Detailed design of the airframe and most subsystems was underway, release of engineering drawings for the airframe had been started, and fabrication of tooling had commenced for the manufacture of test parts and components.

From the beginning of the B–70 design competition to the redirection of the program on December 1, 1959, an accumulative total of $334,800,000 was spent on the B–70. This figure includes funds spent by North American and its subcontractors, by Boeing Airplane Co. during the design competition phase up to December 1957 and by General Electric for development of the engine. It also includes the amount spent by International Business Machines Corp. on development of the bombing-navigation subsystem prior to its being made a subcontractor to North American during the 1958 Air Force fiscal year. Up to that time IBM held a contract directly with the Air Force.

A summary of the annual funding and expenditures under the B–70 program through the 1960 fiscal year is shown in the following table:

B–70 funding and expenditures through 1960 Government fiscal year

[In thousands of dollars]

Government fiscal year	1956	1957	1958	1959	1960	Cumulative total through 1960 fiscal year
Appropriated by Congress or otherwise made available to program	12,500	48,500	70,500	236,300	150,000	517,800
Funded by U.S. Air Force	9,500	29,600	64,200	214,100	183,400	500,800
Expended by contractors	7,900	27,400	41,600	153,700	208,700	[1] 439,300

[1] Cumulative contractors expenditures through Nov. 30, 1959, totaled $334,800,000, including $195,800,000 spent by North American and its subcontractors, $96,700,000 by General Electric, and $42,300,000 by International Business Machines and Boeing under direct contracts with the Air Force.

Thus the development of the B–70 weapon system was well underway and engineering drawing release for the air vehicles was just commencing, when the B–70 program was redirected to a single air vehicle XB–70 program in December 1959. The XB–70 is defined as a complete airframe with all subsystems necessary for flying and airworthiness testing, but without those subsystems necessary for a bombing weapon system. All major air vehicle subsystem programs were reoriented to the XB–70 requirements, and the military subsystems were canceled. However, under an Air Force contract, IBM continued to carry on development of the bombing-navigation system at a reduced rate.

The effort under the redirected (XB–70) program may be summarized as follows:

1. The objective was changed to that of providing (within the greatly reduced funding) a single prototype air vehicle capable of mach 3 cruise, but without those subsystems necessary for a bombing weapon system. The programing and scheduling were revised accordingly, and the first flight date was slipped approximately 1 year.

2. The subcontract team previously built up prior to redirection was substantially changed; some contracts were canceled, while others were narrowed in scope (for details, please see app. B).

3. Developmental effort on the airframe structure continued.

4. Because the military requirement had been deleted, many of the related airframe subsystems and components were greatly reduced in performance and scope and Government-furnished equipment was substituted where feasible. For example, the environmental control system was cut down and altered because it was no longer required to air-condition the military electronic equipment.

5. Development of the engine and the bombing-navigation system continued at reduced levels under direct Air Force contracts with General Electric and IBM.

6. The other military subsystems (defensive and mission and traffic control) were canceled.

7. In September 1960, when the B–70 was reinstated as a full weapon system being developed for operational use, total release of engineering drawings for manufacture of the prototype airframe was approaching completion (date of completion, December 2, 1960).

During the period December 1, 1959, to October 1, 1960, the program contractors spent $145,800,000. This includes the costs of terminating contracts and redirecting the effort on the subcontracts affected.

From the beginning of design competition in the 1956 fiscal year to the reinstatement of the weapon system program, the cumulative expenditures by the contractors on the B–70 program totaled $480,600,000.

Additional funding and expenditures under the B–70 program for the 1961 fiscal year are shown in the following table:

B–70 funding and expenditures through 1961 Government fiscal year

[In thousands of dollars]

Government fiscal year	Cumulative through 1960 fiscal year	1961	Cumulative total through 1961 fiscal year
Appropriated by Congress or otherwise made available to program	517,800	[1] 265,000	782,800
Funded by U.S. Air Force	500,800	[2] 265,000	765,800
Expended by contractors	439,300	[3] 270,500	[4] 709,800

[1] Does not include an additional $100,000,000 earmarked for fighter aircraft which, if not used for that purpose, was to be available for the B–70.

[2] Of the amount funded by the Air Force in 1961, $209,000,000 is to North American and its subcontractors, and the remainder is to associate contractors.

[3] Expenditures by contractors in 1961 will exceed the amount funded by the Air Force in 1961 because of unliquidated commitments made in prior years.

[4] Contractors expenditures for the restricted (XB–70) period Dec. 1, 1959–Oct. 1, 1960, totaled $145,800,000. This amount includes $87,900,000 spent by North American and its subcontractors, $48,100,000 spent by General Electric, and $9,800,000 spent by International Business Machines under direct Air Force contract. Cumulative contractor expenditures from beginning of design competition in the 1956 fiscal year to Oct. 1, 1960, totaled $480,600,000.

On September 13, 1960, the B–70 was reinstated to full weapon system development status when the Air Force ordered North American to proceed with scheduling for the design, development, fabrication, and test of a number of aircraft, including development of the major systems needed for an operational mach 3 bomber. On October 31, additional funds were made available for this reinstated program by the Department of Defense. At the time of reinstatement, the B–70 development program involved the following effort to completion:

1. Manufacture and flight test of one XB–70 test vehicle, minus military subsystems and with GFE in place of most airframe subsystems.

2. Completion of development work on the subsystems (both airframe and military) for the YB–70 (comparable to the full B–70 weapon system).

3. Manufacture and flight test of a number of YB–70's. Subsequently these are to be retrofitted to combat aircraft.

4. Supply of spare parts and service, as required to support the contractor and Air Force flight-test programs.

With the reinstatement of the B–70 program to full weapon system development status, it was decided to return, with few exceptions, to the major subsystem subcontractors chosen before the 1959 redirection. The current subcontractors are listed in appendix C.

Release of engineering drawings for the manufacture of the prototype airframe was completed on December 2, 1960.

On December 9, 1960, a schedule for the reinstated B–70 weapon system program was agreed upon and designated the W–27R schedule. It called for the first flight date of the XB–70 prototype in late 1962, and first flight of the initial YB–70 air vehicle with full military equipment a few months later. Owing to unforeseen technical problems and to necessary and desirable changes in specifications (chiefly in the XB–70 work), the program required a total of $45 million in additional funds. Due to budget limitations the Air Force directed that this

amount be drawn from the YB–70 program. Consequently, a revised W–27R schedule was agreed upon February 23, 1961, holding firm on the XB–70 schedule but slipping the YB–70 first flight date by 4 months.

Contractor expenditures for the remainder of the program (from the 1962 fiscal year through the 1967 fiscal year) are estimated at $1,847 million, according to the revised W–27R schedule dated Febraury 23, 1961. A breakdown of this amount, which covers one XB–70 and a number of YB–70's, is shown in the following table:

Government fiscal year:	*Expenditures plus commitments*
1962	[1] $586,700,000
1963	608,300,000
1964	382,700,000
1965	189,200,000
1966	63,700,000
1967	16,400,000
Total	1,847,000,000

[1] The Eisenhower administration's 1962 budget for the B–70 program is $354,000,000 or $232,700,000 below the estimated expenditures needed to maintain the revised W–27R schedule.

At the end of the Government's 1961 fiscal year, expenditures by contractors under the B–70 program will total $709,800,000. In addition to this amount, unliquidated commitments at the end of the Government's 1961 fiscal year are expected to total $56 million. Total contractor expenditures since the 1956 fiscal year, plus commitments, through the Government's 1961 fiscal year, will amount to $765,800,000, or the same amount funded by the Air Force through the same period.

Cost of the entire program from 1956 to 1967 would then total $2,612,800,000.

This programed effort is based on a plan of equipping Strategic Air Command units with additional operational B–70's, but this phase of the program is not yet scheduled.

APPENDIX A

SUBCONTRACTING PROGRAM AT TIME OF REDIRECTION, DECEMBER 1, 1959

Prior to redirection of the B–70 to a single prototype air vehicle status, major subcontracts had been awarded to the following companies:

Air induction control system: Hamilton Standard Division of United Aircraft Corp. (Connecticut).

Alert pod: Beech Aircraft Corp. (Kansas).

Automatic flight control system: Autonetics Division of North American (California).

Auxiliary gyro platform: Sperry Gyroscope Co. Division of Sperry Rand Corp. (New York).

Bombing-navigation and missile guidance system: Federal Systems division of International Business Machines Corp. (New York).

Central air data system: AiResearch Manufacturing Division of the Garrett Corp. (California).

Defensive system: Westinghouse Electric Corp. (Pennsylvania).

Engine extraction air ducting system: Solar Aircraft Co. (California).

Environmental control system: Hamilton Standard Division of United Aircraft Corp. (Connecticut).

Fuselage, upper intermediate: Lockheed Aircraft Corp. (Georgia).

Horizontal stabilizer: Chance Vought Aircraft, Inc. (Texas).

Landing gear system: Cleveland Pneumatic Industries, Inc. (Ohio).

Mission and traffic control system: Motorola, Inc. (Arizona).

Powerplant instrumentation system: John Oster Manufacturing Co. (Wisconsin).

Radome: Zenith Plastics (California).

Secondary power system: Sundstrand Aviation Division of Sundstrand Machine Tool Co. (Illinois).

Vertical stabilizer: Chance Vought Aircraft, Inc. (Texas).

Wing: Boeing Airplane Co. (Washington).

Of the work conducted in-house at North American's Los Angeles division, a large portion involved assembly, installation, and testing. The manufacture of certain critical air vehicle detail parts also was scheduled within the company's own plants, while other less critical parts were to be subcontracted to other companies. It has been estimated that nearly 10,000 companies would be involved in the complete B–70 program, including companies in all tiers of subcontracting.

APPENDIX B

SUBCONTRACTING PROGRAM UNDER PROTOTYPE XB–70 PROGRAM DECEMBER 1, 1959, TO SEPTEMBER 13, 1960

Redirection of the B–70 to a prototype program required considerable realining of the original subcontracting plan. Reduction in quantity from a number of test and operational vehicles down to a prototype, and simplification of the vehicle from a complete weapon system to a flight-test article, reduced the program to an estimated 12 percent of its former size. Under the prototype plan, the three military subsystems—bombing-navigation, defense, and mission and traffic control—were eliminated.

Upon notice of the redirection, airframe subcontracts with Boeing, Lockheed, and Chance Vought were terminated, and an interdivisional contract with the Columbus division of North American was ended. These steps were taken primarily because the more limited scope of the program, both in number of articles and simplification of subsystems, made it unnecessary to distribute the workload through subcontracting. Moreover, whereas the larger program had permitted the economical use of specialized subcontractor capabilities, the restricted program placed an undue premium on this factor and required a simpler administrative structure.

Certain other critical parts of the program were returned to North American in the interest of economy, and to permit close coordination during the prototype development period.

The effect on the subcontracting structure of redirecting the B–70 weapon system to a prototype air vehicle is outlined as follows:

Subcontracts terminated

Alert pod: Beech.
Bombing-navigation: IBM.
Auxiliary gyro platform: Sperry.
Defensive: Westinghouse.
Mission and traffic control: Motorola.
Central air data system: AiResearch.
Powerplant instrumentation: John Oster.
Radome: Zenith Plastics.
Fuselage, upper intermediate: Lockheed.
Horizontal and vertical stabilizer: Chance Vought.
Wing: Boeing.

Subcontracts redirected to XB–70 requirements

Air induction control: Hamilton Standard.
Automatic flight control: Autonetics.
Engine extraction air ducting: Solar.
Environmental control: Hamilton Standard.
Landing gear: Cleveland Pneumatic.
Secondary power: Sundstrand.

Subsystems deleted (subcontractors not selected)

Programer-comparator.
Takeoff monitor
Trainer-bombing, navigation.
Trainer-defense operator.
Trainer-flight simulator.

SUBCONTRACTING PROGRAM FROM SEPTEMBER 13, 1960

When the program was reinstated it was decided to return for the most part to the major subsystem contractors selected before the 1959 redirection of the weapon system to a prototype air vehicle. This was because of the subcontractors' familiarity with the technical aspects of the weapon system and its subsystem requirements, the communication lines and operating procedures established with them by North American, and, in many instances, the subsystem integration effort that had been established with other subcontractors.

Moreover, considerable effort had been expended on the original selection of subcontractors. By returning, by and large, to the same subcontractors, this earlier work was utilized without adding undue risk to the YB–70 delivery schedule. Furthermore, maximum advantage is taken of the dollars already spent on the subsystem programs, and the industry is saved the additional cost of preparing new bid proposals.

To assure that this was the best course, most of the original subcontractors were surveyed late in 1960 to determine whether or not they still had the capacity and facilities in terms of space, equipment, and personnel, and whether they had maintained their technical position in the industry.

Since reinstatement of the B–70 to a full weapons system development status, major subcontracts have been awarded to the following companies:

Air induction control system: Hamilton Standard Division of United Aircraft Corp. (Windsor Locks, Conn.).

Alert pod: Beech Aircraft Corp. (Wichita, Kans.).

Automatic flight control system: Autonetics Division of North American (Downey, Calif.).

Auxiliary gyro platform: Sperry Gyroscope Co. division of Sperry Rand Corp. (Great Neck, N.Y.).

Bombing-navigation and missile guidance system: Federal Systems Division of International Business Machines Corp. (Owega, N.Y.).

Central air data system: AiResearch Manufacturing Division of the Garrett Corp. (Los Angeles, Calif.).

Defensive system: Westinghouse Electric Corp. (Baltimore, Md.).

Elevons: Rohr Aircraft Corp. (Chula Vista, Calif.).

Engine extraction air ducting system: Solar Aircraft Co. (San Diego, Calif.).

Environmental control system: Hamilton Standard Division of United Aircraft Corp. (Windsor Locks, Conn.).

Fuselage, aft upper: Avco Corp. (Nashville, Tenn.).

Fuselage, upper intermediate: Lockheed Aircraft Corp. (Marietta, Ga.).

Horizontal stabilizer: Chance Vought Aircraft, Inc. (Dallas, Tex.).

Landing gear system: Cleveland Pneumatic Industries, Inc. (Cleveland, Ohio).

Main wing box: Convair Division of General Dynamics Corp. (Fort Worth, Tex.).

Mission and traffic control system: Motorola, Inc. (Phoenix, Ariz.).

Secondary power system: Sundstrand Aviation Division of Sundstrand Machine Tool Co. (Rockford, Ill.).

Vertical stabilizer: Chance Vought Aircraft, Inc. (Dallas, Tex.).

Wing leading edges: Rohr Aircraft Corp. (Chula Vista, Calif.).

Wing box structures: Aeronca Manufacturing Corp. (Middletown, Ohio).

Wing fold actuator: Curtiss-Wright Corp. (Caldwell, N.J.).

General Electric of Evendale, Ohio, is associate contractor on the B–70 program, providing the J–93 engines.

Due to funding restrictions, both existing and proposed, the B–70 faces the possibility

of a schedule slippage totaling 26 months. This possible slippage is divided into two parts—the first (4 months) caused by existing fund limitations in the 1961 fiscal year, and the second (22 months) resulting from a proposed budget reduction in the 1962 fiscal year.

Fiscal year 1961

The revised W–27R schedule dated February 23, 1961, is now in effect. While it holds firm on the XB–70 flight date of late 1962, it slips all elements of the YB–70 schedule by 4 months.

The decision to make this revision was precipitated by a cost increase of approximately $45 million in the program—nearly all of it in the current XB–70 program. Nearly $30 million of this amount is a cost overrun on the 2-year contract beginning August 1, 1959. This overrun is due to unforeseen technical problems involved in developing new materials and components of unprecedented performance for use in extreme and unfamiliar environments, and represents 15.5 percent of the current XB–70 contract value. B–70 contracts preceding the present contract showed either underruns or considerably smaller overruns. Most of the remaining $15 million increase is the result of desirable and necessary engineering changes in the XB–70 specifications or requirements, made by agreement between the Air Force and the contractor.

Due to fiscal restrictions, the Air Force directed that the additional funds required should be drawn from the YB–70 funds. This means a 4-month schedule slippage for the YB–70 aircraft.

Although this new schedule has been put into effect, if the needed funds were made available now to relieve the draft on the YB–70 funds, something less than 3 months of the slippage could be recovered. Funds for this purpose are available in the additional $100 million allowed by Congress for the B–70 program if not used in the fighter program (and they were not so used).

Fiscal year 1962

A far more drastic slippage is implicit in the B–70 budget proposed by the Eisenhower administration for the 1962 fiscal year. This figure is $354 million, or $232,700,000 less than the $586,700,000 expenditures estimated as necessary to maintain the revised W–27R schedule. This means a slippage of 22 additional months. The slippage may be prevented by a 1962 appropriation large enough to support the $586,700,000 expenditures needed to maintain scheduled progress.

According to Air Force testimony before Congress early in 1960, the B–52 will become obsolete, even with all additional improvements, at any time in the mid-1960's, and the B–70 is planned to replace the B–52. Redirection of the B–70 to a single prototype program in the period from December 1959 to September 1960 caused a schedule slippage of approximately 1 year. A 26-month additional delay caused by the funding limitations now facing the B–70 in 1961 and 1962 would create a bomber gap of as much as 3 years.

The PRESIDING OFFICER. Is there further morning business? If not, morning business is concluded.

ORDER OF BUSINESS

Mr. HUMPHREY. Mr. President, I shall suggest the absence of a quorum, but before I do so, I wish to state that following the quorum call, instead of asking the Chair to lay before the Senate the temporary unemployment compensation measure, the Senator from Ohio [Mr. LAUSCHE] will address himself to one of the treaties. I thought I would let our colleagues know.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that further proceedings under the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

TEMPORARY EXTENDED UNEMPLOYMENT COMPENSATION ACT OF 1961

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 66, H.R. 4806.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H.R. 4806) to provide for the establishment of a temporary program of extended unemployment compensation, to provide for a temporary increase in the rate of the Federal unemployment tax, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the bill which was reported from the Committee on Finance, with amendments, on page 4, after line 20, to strike out:

REIMBURSEMENT

SEC. 4. The United States shall reimburse any State, with which an agreement has been entered into under section 7 which includes the provisions specified in subsection (a)(2) thereof, for any State unemployment compensation paid by it to an individual with respect to a week of unemployment beginning in the covered period specified in section 6, to the extent that the sum of such payment, plus the State unemployment compensation paid by such State for prior weeks of unemployment in the compensation period and not reimbursed under this section, exceeds 26 times the weekly benefit amount (including allowances for dependents) for total unemployment which was payable to such individual pursuant to State law or title XV in such compensation period.

On page 5, at the beginning of line 13, to change the section number from "5" to "4"; in line 14, after the word "any", to strike out "individual, plus the State unemployment compensation paid to such individual with respect to which any State is entitled to reimbursement under this Act (or would be entitled to such reimbursement but for the fact that such compensation is paid under title XV), shall" and insert "individual shall"; on page 6, line 5, after the word "compensation", to strike out "(and reimbursement of State unemployment compensation)"; after line 15, to strike out:

(1) The term "first compensation period" means—

(A) in the case of any individual whose first claim under this Act is for a week of unemployment before his first reimbursement week, the compensation period in which he last exhausted his rights to State unemployment compensation before making such first claim, or

(B) in the case of any other individual, the compensation period in which his first reimbursement week occurs.

(2) In the case of any individual, the term "first reimbursement week" means the first week with respect to which any State is entitled to reimbursement under section 4 (or would be entitled to such reimbursement but for the fact that the compensation was paid under title XV).

And, in lieu thereof, to insert:

(1) The term "first compensation period" means the compensation period in which an individual last exhausted his rights to State unemployment compensation before making his first claim under this Act.

On page 7, at the beginning of line 11, to strike out "(3)" and insert "(2)"; at the beginning of line 17, to change the section number from "6" to "5"; in line 18, after the word "in", to strike out "sections 3 and 4" and insert "section 3"; in line 24, after the word "section", to strike out "7 or 8" and insert "6 or 7"; on page 8, line 7, after the word "section", to strike out "3, reimbursement was payable under section 4, or reimbursement would have been so payable but for the fact that the unemployment compensation was payable under title XV" and insert "3"; after line 12, to strike out:

SEC. 7. (a) The Secretary is authorized on behalf of the United States to enter into an agreement with a State, or with the agency administering the State law, which shall include the provisions described in paragraphs (1) and (2) or in either of them.

(1) Such State agency will make, as agent of the United States, payments of temporary extended unemployment compensation to the individuals referred to in section 3 on the basis provided in this Act, and will otherwise cooperate with the Secretary and with other State agencies in making payments of temporary extended unemployment compensation under this Act.

(2) The United States will reimburse the State for State unemployment compensation paid under the conditions specified in section 4.

And, in lieu thereof, to insert:

SEC. 6. (a) The Secretary is authorized on behalf of the United States to enter into an agreement with a State, or with the agency administering the State law, under which such State agency will make, as agent of the United States, payments of temporary extended unemployment compensation to the individuals referred to in section 3 on the basis provided in this Act, and will otherwise cooperate with the Secretary and with other State agencies in making payments of temporary extended unemployment compensation under this Act.

On page 9, line 14, after the word "be", to strike out "paid and reimbursement under section 4 shall be made," and insert "paid"; on page 10, after line 10, to insert:

LIMITATION ON PAYMENTS OF COMPENSATION TO INDIVIDUALS ENTITLED TO RETIREMENT BENEFITS

(e) Any such agreement shall provide that temporary extended unemployment compensation payable to an individual with respect to a week shall be reduced by the amount of the following payments received with respect to such week: (1) a primary insurance benefit under title II of the Social Security Act, (2) a retirement annuity (other than a survivor annuity) under the United States Civil Service Retirement Act of 1930, (3) any other retirement system

established by or pursuant to State or Federal law, if the employer contributes to such system, or (4) a retirement pension under a private retirement plan provided, or contributed to, by an employer. A payment for a period other than a week shall be prorated by weeks in accordance with regulations prescribed by the Secretary. Notwithstanding the foregoing provisions of this subsection, no reduction shall be made from the temporary extended unemployment compensation to which any individual is entitled if (1) the entitlement of such individual to any such insurance benefit, pension, annuity, or other retirement benefit is based on disability or (2)(i) such individual is at least 65 years of age and (ii) the benefit to which he is entitled is payable under laws administered by the Veterans' Administration and such pension is based on service performed by such individual.

On page 11, at the beginning of line 14, to change the section number from "8" to "7"; in line 18, after the word "section", to strike out "7" and insert "6"; on page 14, at the beginning of line 7, to strike out "7(d) and 8(c)" and insert "6(d) and 7(c)"; at the beginning of line 15, to change the section number from "10" to "9"; in line 18, after the word "Act", to insert "Such information shall include data (which may be procured on a sampling basis) relating to the personal characteristics, family situation, employment background, and experience under this Act of individuals found to be entitled to temporary extended unemployment compensation."; on page 15, at the beginning of line 3, to change the section number from "11" to "10"; in the same line, after "(a)", to strike out "(1) Except as provided in paragraph (2), there" and insert "There"; after line 15, to strike out:

(2) Any payments to a State pursuant to section 4 shall be by way of reimbursement, and shall be used only for the payment of cash benefits to individuals with respect to their unemployment, exclusive of expenses of administration.

On page 16, line 2, after the word "under", to strike out "paragraphs (1) and (2) of"; in line 6, after the word "account", to strike out "Sums payable to a State under paragraph (2) of subsection (a) shall be paid by transfers from the Federal extended compensation account to the account of such State in the Unemployment Trust Fund."; on page 17, at the beginning of line 22, to change the section number from "12" to "11"; on page 18, at the beginning of line 5, to change the section number from "13" to "12"; in line 17, after the word "and", to strike out "8" and insert "7"; in line 18, after "1961", to strike out "and the reimbursements provided by section 4 of such Act."; at the beginning of line 24, to strike out "and reimbursements."; on page 19, line 2, after the word "and", to strike out "8" and insert "7"; in line 14, after the word "years", to strike out "1963 and 1964)" and insert "1962 and 1963)"; on page 20, after line 5, to strike out:

"(c) (1) The Secretary of the Treasury shall transfer (as of December 31, 1964), from the Federal extended compensation account to the accounts of the States in the Unemployment Trust Fund, the balance in the Federal extended compensation account as of such date. Such balance shall be determined by deducting from the amount in the account on December 31, 1964, the amount of the outstanding advances made to such account pursuant to subsection (a).

"(2) Each State's share of the balance to be transferred under this subsection—

"(A) shall be determined by the Secretary of Labor and certified by him to the Secretary of the Treasury before that date on the basis of reports furnished by the States to the Secretary of Labor before December 1, 1964, and

"(B) shall bear the same ratio to the balance in such account as of December 31, 1964, as (i) the amount of wages subject to contributions under such State's unemployment compensation law during 1962 and 1963 which have been reported to the State before May 1, 1964, bears to (ii) the total of wages subject to contributions under all State unemployment compensation laws during 1962 and 1963 which have been reported to the States before May 1, 1964.

"TERMINATION OF ACCOUNT

"(d) Except as provided by subsection (c), no transfer to or from the Federal extended compensation account shall be made after December 31, 1964."

And, in lieu thereof, to insert:

(c)(1) The Secretary of the Treasury shall transfer (as of December 31, 1963) from the Federal extended compensation account to the State account in the Unemployment Trust Fund of each State an amount equal to the excess, if any, of (A) that portion of the total amount transferred to the Federal extended compensation account pursuant to subsection (b) which the Secretary of the Treasury (after advising and consulting with the Secretary of Labor) determines to be attributable to wages (as defined in section 3306(b) of the Federal Unemployment Tax Act) paid in such State during the calendar years 1961 and 1962 over (B) the amounts used within such State to make the payments of compensation provided by section 3 of the Temporary Extended Unemployment Compensation Act of 1961 (not counting any such amounts paid to individuals who exhausted their unemployment compensation until title XV prior to making their first claims under the Temporary Extended Unemployment Compensation Act of 1961).

(2) If the balance in the Federal extended compensation account is insufficient for the purpose of making the transfers provided for by paragraph (1), then there are authorized to be appropriated to such account such amounts as may be necessary for the purpose of making such transfers, and such amounts shall be treated as advances repayable to the general fund of the Treasury in the manner provided in subsection (a).

On page 22, after line 10, to insert:

REPAYMENT

(d)(1) If, as of December 31, 1963, the amounts used within any State to make payments of compensation provided by section 3 of the Temporary Extended Unemployment Compensation Act of 1961 (not counting any such amounts paid to individuals who exhausted their unemployment compensation under title XV prior to making their first claims under this Act) exceed that portion of the total amount transferred to the Federal extended compensation account pursuant to subsection (b) which the Secretary of the Treasury (after advising and consulting with the Secretary of Labor) determines to be attributable to wages (as defined in section 3306(b) of the Federal Unemployment Tax Act) paid in such State during the calendar years 1961 and 1962, then the total credits allowed under section 3302(c) of the Federal Unemployment Tax Act to taxpayers with respect to wages attributable to such State for the taxable year beginning January 1, 1964, and for each taxable year thereafter, shall be reduced in the same manner as that provided by section 3302(c)(2) of the Federal Unemployment Tax Act for the repayment of advances made under title XII, unless or until the Secretary of the Treasury finds that before November 10 of the taxable year there have been collected by reason of the provisions of this paragraph amounts equal to the amounts so used.

(2) All amounts credited to the employment security administration account attributable to taxes received by reason of the reduced credits provided for in paragraph (1) shall be transferred to the Federal extended compensation account as of the beginning of the month succeeding the month in which the moneys are credited to the employment security administration account. Whenever the aggregate amount of the additional tax transferred to the Federal extended compensation account pursuant to the preceding sentence with respect to wages which are attributable to a State exceeds the sum of the amounts used within such State as described in paragraph (1), there shall be transferred at the earliest practicable date from such account for crediting to the account of such State within the Unemployment Trust Fund an amount equal to such excess.

(3) If, after completion of all transfers provided in this section and after repayment of all advances from the general fund of the Treasury, there remains any balance in Federal extended compensation account, then such balance shall be transferred to the general fund of the Treasury. After the transfer of such balance to the general fund of the Treasury, no further transfers to or from such account shall be made.

On page 24, at the beginning of line 11, to change the section number from "14" to "13"; in line 15, after the word "years", to strike out "1962 and 1963" and insert "1961 and 1962"; in line 24, after the word "years", to strike out "1962 and 1963" and insert "1961 and 1962"; and, at the top of page 25, to insert a new section, as follows:

SEC. 14. Notwithstanding the limitation contained in subparagraph (A) of paragraph (1) of subsection (c) of section 901 of the Social Security Act, the Congress may make available for grants to States under such paragraph (1), for fiscal years ending June 30, 1961, and June 30, 1962, an amount which shall not exceed $425,000,000 for each such fiscal year.

Mr. BYRD of Virginia. Mr. President, citing recent official reports on unemployment, the administration within the past month requested immediate enactment of emergency legislation for a temporary self-supporting extension of unemployment compensation under State and Federal laws.

Complying with this request, the House of Representatives, on March 1, passed H.R. 4806. The Senate Finance Committee has expedited its consideration of the House bill. Committee action could have been taken a day earlier if official information had been supplied more promptly.

As the bill is now before the Senate, it provides the temporary emergency payments precisely to the extent requested by the administration; and the principal committee amendment is designed and calculated to preserve the basic State-Federal concept of the program.

Under the bill as reported by the Finance Committee, the extended benefits would be paid under existing State for-

mulas, but financed exclusively under Federal taxing power. Expert advice to the committee holds that no State legislation would be necessary for participation.

Mr. President, I ask unanimous consent to insert in the RECORD at this point as a part of my remarks a statement by Colin F. Stam, chief of staff of the Joint Committee on Internal Revenue Taxation, which gives his opinion that there will be no necessity for any such action.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

CONGRESS OF THE UNITED STATES,
JOINT COMMITTEE ON INTERNAL REVENUE TAXATION, HOUSE OFFICE BUILDING,
Washington, D.C., March 16, 1961.

Hon. HARRY F. BYRD,
U.S. Senate,
Washington, D.C.

DEAR SENATOR BYRD: You inquired as to whether the Finance Committee amendment to H.R. 4806 would compel State legislatures to act in order to pay the temporary extended benefits to their unemployed workers.

The present bill does not require any action by the State legislature in making a reduction of the 90 percent Federal unemployment tax credit allowable to employers in a State. The benefits under H.R. 4806 are financed solely through the exercise of the Federal taxing power. If tax collections attributable to wages paid in a State in calendar years 1961 and 1962 are less than the amounts advanced to that State for the purpose of paying the temporary extended unemployment compensation authorized by the bill, the reduction in the 90 percent credit against the Federal unemployment tax would become operative after 1963 and would continue to apply until the full amount of such advance has been repaid.

Unlike the 1958 act, this bill does not permit any State to avoid the credit reduction allowable to employers therein by voluntarily repaying advances through transfers from its account in the unemployment trust fund or by an appropriation from its general fund.

Under this bill, no action by State legislatures is required to authorize payment of temporary extended unemployment compensation to exhaustees in any State.

This, I believe, is an important feature of the bill because of the constitutional requirements of the various States, some State constitutions would have to be amended to permit the State to incur debt, and the different period of time in which the State legislatures meet.

Sincerely yours,

COLIN F. STAM,
Chief of Staff.

Mr. BYRD of Virginia. Mr. President, the committee adopted six amendments to the House bill, and as amended the bill was reported by the committee by unanimous vote. The amendment preserving State responsibility in the program, which I have described as the principal amendment, was adopted 11 to 2.

My use of the word "principal" in describing one amendment is not intended to underrate any of the other committee amendments. All of them are important and well considered. I doubt if I personally could support the bill without most of them.

I refer to this one as the principal amendment simply because, without it, under the administration proposal and the House bill, 39 of 50 States would pay into a Federal trust fund more than they could ever get back to pay their unemployed persons. Two States would break even.

In other words, through imposition of a Federal tax, employers in 39 States would be required to contribute to the benefits paid to unemployed in 9 States where, in violation of the program's principles, employers and States are not taking care of their own.

In short, without the Senate Finance Committee amendment, the administration proposal and the House bill provisions would be a long step—and perhaps one which could not be withdrawn or retraced—toward federalization of the financing of this program.

There is every reason to expect that the next proposal, which is scheduled shortly—that is to say, with permanent legislation which will be presented to Congress—would be the federalization of standards in the program. With federalization of financing, federalization of standards would be inevitable. The combination would complete federalization.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD, a State-by-State summary of estimated additional taxes and expenditures under the administration proposal and the House bill.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

ESTIMATED ADDITIONAL TAX COLLECTIONS COMPARED WITH EXPECTED BENEFIT PAYMENTS BY STATES, UNDER H.R. 4806 AS PASSED BY THE HOUSE OF REPRESENTATIVES (SHOWING STATE BALANCES IN THE REGULAR TRUST FUND RESERVES AS OF DECEMBER 31, 1960)

Alabama: The new additional tax collections would total $12.2 million; payments under the administration and House proposals would total $10 million; the excess would be $2.2 million. (The State's balance in the regular trust fund reserves as of December 31, 1960, was $54 million.)

Alaska: The new additional tax collection would total $1.2 million; payments under the administration and House proposals would total $2.2 million; the deficit would be $1 million. (The State's balance in the regular trust fund reserves was $4.9 million as of December 31, 1960, including advances from Federal unemployment account totaling $3,765,000.)

Arizona: The new additional tax collections would total $5.7 million; payments under the administration and House proposals would total $2.1 million; the excess would be $3.6 million. (The State's balance in the regular trust fund reserves as of December 31, 1960, was $62.4 million.)

Arkansas: The new additional tax collections would total $5.3 million; payments under the administration and House proposals would total $4.7 million; the excess would be $0.6 million. (The State's balance in the regular trust fund reserves as of December 31, 1960, was $36.8 million.)

California: The new additional tax collections would total $99.4 million; payments under the administration and House proposals would total $80 million; the excess would be $19.4 million. (The State's balance in the regular trust fund reserves as of December 31, 1960, was $801.5 million.)

Colorado: The new additional tax collections would total $8.3 million; payments under the administration and House proposals would total $2 million; the excess would be $6.3 million. (The State's balance in the regular trust fund reserves as of December 31, 1960, was $61.9 million.)

Connecticut: The new additional tax collections would total $18.5 million; payments under the administration and House proposals would total $18.2 million; the excess would be $0.3 million. (The State's balance in the regular trust fund reserves as of December 31, 1960, was $168.6 million.)

Delaware: The new additional tax collections would total $3.2 million; payments under the administration and House proposals would total $2 million; the excess would be $1.2 million. (The State's balance in the regular trust fund reserves as of December 31, 1960, was $12 million.)

District of Columbia: The new additional tax collections would total $5.5 million; payments under the administration and House proposals would total $2.2 million; the excess would be $3.3 million. (The D.C. balance in the regular trust fund reserves as of December 31, 1960, was $62.4 million.)

Florida: The new additional tax collections would total $21.4 million; payments under the administration and House proposals would total $9.5 million; the excess would be $11.9 million. (The State's balance in the regular trust fund reserves as of December 31, 1960, was $102.5 million.)

Georgia: The new additional tax collections would total $16.7 million; payments under the administration and House proposals would total $12 million; the excess would be $4.7 million. (The State's balance in the regular trust fund reserves as of December 31, 1960, was $144.6 million.)

Hawaii: The new additional tax collections would total $3.1 million; payments under the administration and House proposals would total $0.7 million; the excess would be $2.4 million. (The State's balance in the regular trust fund reserves as of December 31, 1960, was $25.3 million.)

Idaho: The new additional tax collections would total $2.5 million; payments under the administration and House proposals would total $1.6 million; the excess would be $0.9 million. (The State's balance in the regular trust fund reserves as of December 31, 1960, was $28.4 million.)

Illinois: The new additional tax collections would total $68.6 million; payments under the administration and House proposals would total $40 million; the excess would be $28.6 million. (The State's balance in the regular trust fund reserves as of December 31, 1960, was $356 million.)

Indiana: The new additional tax collections would total $28 million; payments under the administration and House proposals would total $26 million; the excess would be $2 million. (The State's balance in the regular trust fund reserves as of December 31, 1960, was $168.2 million.)

Iowa: The new additional tax collections would total $10.8 million; payments under the administration and House proposals would total $3.5 million; the excess would be $7.3 million. (The State's balance in the regular trust fund reserves as of December 31, 1960, was $115.5 million.)

Kansas: The new additional tax collections would total $8.5 million; payments under the administration and House proposals would total $3.5 million; the excess would be $5 million. (The State's balance in the regular trust fund reserves as of December 31, 1960, was $72.1 million.)

Kentucky: The new additional tax collections would total $10.6 million; payments under the administration and House proposals would total $15 million; the deficit would be $4.4 million. (The State's balance in the regular trust fund reserves as of December 31, 1960, was $104.1 million.)

Louisiana: The new additional tax collections would total $13.1 million; payments under the administration and House proposals would total $12.9 million; the excess would be $0.2 million. (The State's balance

in the regular trust fund reserves as of December 31, 1960, was $121 million.)

Maine: The new additional tax collections would total $4.5 million; payments under the administration and House proposals would total $2 million; the excess would be $2.5 million. (The State's balance in the regular trust fund reserves as of December 31, 1960, was $28.5 million.)

Maryland: The new additional tax collections would total $15.8 million; payments under the administration and House proposals would total $10 million; the excess would be $5.8 million. (The State's balance in the regular trust fund reserves as of December 31, 1960, was $67.7 million.)

Massachusetts: The new additional tax collections would total $34.2 million; payments under the administration and House proposals would total $30 million; the excess would be $4.2 million. (The State's balance in the regular trust fund reserves as of December 31, 1960, was $221.3 million.)

Michigan: The new additional tax collections would total $46.6 million; payments under the administration and House proposals would total $93 million; the deficit would be $46.4 million. (The State's balance in the regular trust fund reserves as of December 31, 1960, was $220.1 million, including advance from Federal unemployment account of $113 million.)

Minnesota: The new additional tax collections would total $16 million; payments under the administration and House proposals would total $14.4 million; the excess would be $1.6 million. (The State's balance in the regular trust fund reserves as of December 31, 1960, was $63.8 million.)

Mississippi: The new additional tax collections would total $5.7 million; payments under the administration and House proposals would total $2.2 million; the excess would be $3.5 million. (The State's balance in the regular trust fund reserves as of December 31, 1960, was $32.7 million.)

Missouri: The new additional tax collections would total $23.6 million; payments under the administration and House proposals would total $11 million; the excess would be $12.6 million. (The State's balance in the regular trust fund reserves as of December 31, 1960, was $201.7 million.)

Montana: The new additional tax collections would total $2.6 million; payments under the administration and House proposals would total $1.1 million; the excess would be $1.5 million. (The State's balance in the regular trust fund reserves as of December 31, 1960, was $26.1 million.)

Nebraska: The new additional tax collections would total $5.2 million; payments under the administration and House proposals would total $0.5 million; the excess would be $4.7 million. (The State's balance in the regular trust fund reserves as of December 31, 1960, was $40.3 million.)

Nevada: The new additional tax collections would total $2 million; and payments under the administration and House proposals would total $2 million. (The State's balance in the regular trust fund reserves as of December 31, 1960, was $17.7 million.)

New Hampshire: The new additional tax collections would total $3.4 million; payments under the administration and House proposals would total $0.4 million; the excess would be $3 million. (The State's balance in the regular trust fund reserves as of December 31, 1960, was $24 million.)

New Jersey: The new additional tax collections would total $39.7 million; payments under the administration and House proposals would total $51.2 million; the deficit would be $11.5 million. (The State's balance in the regular trust fund reserves as of December 31, 1960, was $337.2 million.)

New Mexico: The new additional tax collections would total $3.9 million; payments under the administration and House proposals would total $2.3 million; the excess would be $1.9 million. (The State's balance in the regular trust fund reserves as of December 31, 1960, was $42.3 million.)

New York: The new additional tax collections would total $119.9 million; payments under the administration and House proposals would total $170 million; the deficit would be $50.1 million. (The State's balance in the regular trust fund reserves as of December 31, 1960, was $999 million.)

North Carolina: The new additional tax collections would total $19.9 million; payments under the administration and House proposals would total $7.9 million; the excess would be $12 million. (The State's balance in the regular trust fund reserves as of December 31, 1960, was $186.6 million.)

North Dakota: The new additional tax collections would total $1.6 million; payments under the administration and House proposals would total $0.9 million; the excess would be $0.7 million. (The State's balance in the regular trust fund reserves as of December 31, 1960, was $7.4 million.)

Ohio: The new additional tax collections would total $62.4 million; payments under the administration and House proposals would total $85 million; the deficit would be $22.6 million. (The State's balance in the regular trust fund reserves as of December 31, 1960, was $310.5 million.)

Oklahoma: The new additional tax collections would total $8.9 million; payments under the administration and House proposals would total $5.8 million; the excess would be $3.1 million. (The State's balance in the regular trust fund reserves as of December 31, 1960, was $37 million.)

Oregon: The new additional tax collections would total $9.6 million; payments under the administration and House proposals would total $10.6 million; the deficit would be $1 million. (The State's balance in the regular trust fund reserves as of December 31, 1960, was $47.5 million.)

Pennsylvania: The new additional tax collections would total $70.7 million; payments under the administration and House proposals would total $82 million; the deficit would be $11.3 million. (The State's balance in the regular trust fund reserves as of December 31, 1960, was $174.5 million, including advances from Federal unemployment account totaling $102 million.)

Puerto Rico: The new additional tax collections would total $3.2 million; and payments under the administration and House proposals would total $3.2 million.

Rhode Island: The new additional tax collections would total $5.5 million; and payments under the administration and House proposals would total $5.5 million. (The State's balance in the regular trust fund reserves as of December 31, 1960, was $33 million.)

South Carolina: The new additional tax collections would total $9.1 million; and payments under the administration and House proposals would total $7.3 million; the excess would be $1.8 million. (The State's balance in the regular trust fund reserves as of December 31, 1960, was $76.5 million.)

South Dakota: The new additional tax collections would total $1.6 million; payments under the administration and House proposals would total $0.2 million. The excess would be $1.4 million. (The State's balance in the regular trust fund reserves as of December 31, 1960, was $15.2 million.)

Tennessee: The new additional tax collections would total $15 million; payments under the administration and House proposals would total $8 million; the excess would be $7 million. (The State's balance in the regular trust fund reserves as of December 31, 1960, was $74.5 million.)

Texas: The new additional tax collections would total $42.1 million; payments under the administration and House proposals would total $30 million; the excess would be $12.1 million. (The State's balance in the regular trust fund reserves as of December 31, 1960, was $249.9 million.)

Utah: The new additional tax collections would total $4.1 million; payments under the administration and House proposals would total $2 million; the excess would be $2.1 million. (The State's balance in the regular trust fund reserves as of December 31, 1960, was $38 million.)

Vermont: The new additional tax collections would total $1.7 million; payments under the administration and House proposals would total $0.6 million; the excess would be $1.1 million. (The State's balance in the regular trust fund reserves as of December 31, 1960, was $13.7 million.)

Virginia: The new additional tax collections would total $16.1 million; payments under the administration and House proposals would total $5.5 million; the excess would be $10.6 million. (The State's balance in the regular trust fund reserves as of December 31, 1960, was $88.6 million.)

Washington: The new additional tax collections would total $15.4 million; payments under the administration and House proposals would total $8.9 million; the excess would be $6.5 million. (The State's balance in the regular trust fund reserves as of December 31, 1960, was $202.2 million.)

West Virginia: The new additional tax collections would total $8.4 million; payments under the administration and House proposals would total $9.5 million; the deficit would be $1.1 million. (The State's balance in the regular trust fund reserves as of December 31, 1960, was $35.4 million.)

Wisconsin: The new additional tax collections would total $21.5 million; payments under the administration and House proposals would total $16 million; the excess would be $5.5 million. (The State's balance in the regular trust fund reserves as of December 31, 1960, was $216.1 million.)

Wyoming: The new additional tax collections would total $1.5 million; payments under the administration and House proposals would total $1.1 million; the excess would be $0.4 million. (The State's balance in the regular trust fund reserves as of December 31, 1960, was $12.4 million.)

Mr. BYRD of Virginia. Mr. President, Members of the Senate will recall that this program was originated in 1935. It was founded on the principle that a combination of special State and Federal taxes on employers in each State would make the program self-supporting within the respective States.

Proceeds from these combined taxes go into accounts for the respective States set up in a trust fund held under Federal custody. States spend out of their respective accounts for payments, over specified periods, to qualified unemployed persons within their borders.

The Senate amendment preserves this fundamental principle of State responsibility; the administration proposal and the House bill, in all probability, would destroy it, after more than 25 years of successful operation in the vast majority of the States.

In summary, with respect to this particular amendment, it merely continues the 25-year-old policy that the cost of the temporarily extended unemployment compensation paid to employees in each State would be borne by employers in such State.

As in the House bill, an additional temporary tax of 0.4 percent is imposed on employers in all States to finance the temporary provisions of the bill; and the proceeds of this temporary additional

tax would go into a special trust fund account.

Under the administration proposal and the House bill, this special account would be established as a common "kitty" to be drawn on by States paying in less than they take out, as well as by States paying in more than they take out.

It would naturally follow that such a federalized account would be a license for deficit States to exercise less care over their expenditures and encourage surplus States to relax the efficiency which has been established in their practices.

On the contrary, the Finance Committee amendment provides that any excess receipts resulting from the new additional Federal tax imposed on employers within a State will be credited to such State's regular account in the trust fund as of December 31, 1963.

On the other hand, the same amendment provides that if the additional taxes do not equal temporary benefit payments in any State, the difference would be paid to the Federal Treasury by employers in such State through reductions in their employment tax credits beginning in 1964.

The Finance Committee amendment would advance the payment of the additional 0.4 percent Federal tax to make it effective for calendar years 1961 and 1962. Under the House bill it would have been applied for calendar years 1962 and 1963.

There were two reasons for this change: It was felt that the additional tax should run concurrently with the additional benefits; and that under the House provisions multiple layers of employment tax credit reductions would be imposed on some employers at the end of this temporary program.

The committee felt that its approach to the financing of the extended payments eliminated the necessity for the House provisions relating to reimbursing States where payments over periods in excess of 26 weeks are already provided by law. For this reason the reimbursement provisions were deleted from the bill.

Under another substantial committee amendment persons qualifying under the bill, who also receive pensions under employer-contributory-retirement plans, would not be permitted to draw the full amount of both benefits. Payments under the bill would be reduced by the amount received under the other plan. But, this would not apply to pensions based on disability or pensions received by veterans 65 years of age or more.

In response to representations in behalf of State administrators, the committee adopted an amendment designed to provide for the development of better information relating to personal characteristics, family situations, employment background, and so forth, with respect to persons qualifying under the bill.

The final amendment temporarily raised the limitation on amounts which may be credited to States for the administration of their respective unemployment compensation systems. The present limit is $350 million; the amendment raises the limit to $425 million for fiscal years ending June 30, 1961, and June 30, 1962.

As in the House bill, the bill before the Senate authorizes temporary advances from the general fund of the Treasury to the unemployment trust fund in order that the additional benefits may be started immediately. These advances, estimated at from more than $800 million to nearly $1 billion, would be repaid generally from the proceeds of the additional tax levied in the bill.

Under the Senate bill the additional benefits provided for persons under State unemployment compensation systems would total $827 million. Extended benefits for Federal employees and ex-servicemen, to be paid for by the Federal Government out of general fund revenue, are estimated to cost $63 million.

In general, the bill would provide extended benefits up to 13 weeks to unemployed workers who have exhausted their rights under the State unemployment compensation programs and under Federal unemployment compensation programs for ex-servicemen and Federal employees.

The weekly benefit amount would be the same as the individual worker was drawing under his State law. These payments would be made only in those States which choose to enter into an agreement with the Secretary of Labor providing for such payments.

The unemployed worker could receive 50 percent of the number of weeks provided under the State program, up to the maximum of 13 weeks, to be paid for with funds raised under the additional temporary Federal tax imposed in the bill. The weekly benefits would be determined by the various existing State formulas.

The temporary additional 0.4 percent Federal tax would be added to the existing 3.1-percent rate which is applied to the first $3,000 paid to each employee. However, employers are allowed to credit against the Federal tax up to 90 percent of the State unemployment taxes they pay.

If the additional 0.4-percent Federal tax is not sufficient to cover the temporary benefits of the bill in any State, the difference would be made up through a reduction in the 90 percent credit provided under existing law commencing in 1964.

The Committee on Finance has recommended that the bill, as amended, be passed, and I hope action by the Senate may be prompt.

Mr. MORTON. Mr. President, will the Senator from Virginia yield?

Mr. BYRD of Virginia. I yield to the Senator from Kentucky.

Mr. MORTON. I enjoyed the chairman's very accurate and informative explanation of the amendments adopted by the Committee on Finance.

As I understand, no unemployed man or woman will receive 1 cent less under the amended Senate version than under the House or administration version.

Mr. BYRD of Virginia. The Senator is correct.

Mr. MORTON. So the end benefits are the same. As I understand, the difference is that the Senate maintains the traditional philosophy of the unemployment insurance program: That is, that the employers of the several States pay for their own unemployed. Is that correct?

Mr. BYRD of Virginia. The Senator is exactly correct.

Mr. MORTON. In the case of my own State, the summary shows that according to the estimates of Kentucky officials $15 million will be expended and $10.6 million will be collected from Kentucky. The employers of my State, then, would make up the difference by having a reduction in the credit which they now get from the present Federal tax over the years.

Mr. BYRD of Virginia. The Senator is correct.

Mr. MORTON. As the economy recovers, as many of us hope and believe it will, the estimates which have been made by the State officials could well be high.

Mr. BYRD of Virginia. I think that is a correct statement.

Mr. MORTON. If a State such as New York, which, according to these figures, would gain some $50 million, elected to pay in whatever excess they had paid out during the 2 years, they could take it from their reserve, which, as I understand, in the case of New York, today is $999 million.

Mr. BYRD of Virginia. The Senator is correct.

Mr. HOLLAND. Mr. President, will the Senator from Virginia yield?

Mr. BYRD of Virginia. I yield.

Mr. HOLLAND. I am interested in two points. One has been covered, I believe, by a question asked by the distinguished Senator from Kentucky. I understood the Senator from Virginia to reply to the Senator from Kentucky that the amended bill, as reported by the Senate committee, will not change in any respect the amount received by any worker.

Mr. BYRD of Virginia. That is correct.

Mr. HOLLAND. But, in addition, I am also interested in the timeliness of the payments. Do I correctly understand that the speed of the payments and the time of the payments will be exactly the same under the reported and amended bill as it would have been under the original bill?

Mr. BYRD of Virginia. Exactly the same. There is a difference in the collection of the taxes. The Senate Finance Committee has voted to speed up the collection of the taxes imposed in the States, in order to put them on a pay-as-you-go basis.

Mr. HOLLAND. I understand that, and I commend the committee for wishing to balance the books in connection with this matter more quickly than would have been done under the House version of the bill.

But the point of my questioning is twofold, and I believe I understand that these two questions have been affirmatively answered by the Senator from Virginia: first, that the periodic amounts

to be received by any unemployed worker under the two versions of the bill are identical; second, that the time of the receipt of those amounts is exactly the same, under either version of the bill.

Mr. BYRD of Virginia. That is exactly correct.

Mr. HOLLAND. I thank the Senator from Virginia.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator from Virginia yield to me?

Mr. BYRD of Virginia. I yield.

Mr. WILLIAMS of Delaware. First, I wish to join my colleagues in complimenting the chairman of the committee on his presentation of the bill.

Then I wish to ask a question: Is it not true that under the House version of the bill a substantial amount of the money raised in the form of taxes would be used to reimburse the States for what they have already paid out under their own laws, rather than be used for an extension of benefits of the unemployed?

Mr. BYRD of Virginia. Yes.

Mr. LAUSCHE. Mr. President, will the Senator from Virginia yield?

Mr. BYRD of Virginia. I yield.

Mr. LAUSCHE. What was the provision of the House version of the bill concerning the time when the new payroll tax would be imposed; and what is the corresponding provision in the Senate committee version of the bill?

Mr. BYRD of Virginia. The Senate committee version calls for beginning in the present year. The House version of the bill would have the beginning come 1 year later. In other words, the Senate committee version of the bill calls for beginning in the calendar year 1961–62; and the House version of the bill calls for beginning in the calendar year 1962–63.

Mr. LAUSCHE. Why did the Senate committee feel that the tax should be imposed immediately, rather than be delayed for a year?

Mr. BYRD of Virginia. That was in order to put the fund on a pay-as-you-go basis. This money will be paid out of the General Treasury, by grants from the Treasury. We thought it better to pay as we go—to let the collection of the tax be coincidental with the payment of the benefits.

Mr. LAUSCHE. In other words, the House version of the bill would bring about a delay in imposing the tax, would it?

Mr. BYRD of Virginia. Yes.

Mr. LAUSCHE. But the Senate committee version calls for paying now, in the same form as that proposed by the House, but to begin collecting the tax concurrently with the making of the disbursements. Is that correct?

Mr. BYRD of Virginia. Yes. Under the House version of the bill, in 1963 there would still be payment of the tax, but there would not be any benefit to the employees in that year.

The Senate committee undertook to make the two identical—in other words, to have the tax collected, for payment to the employees collected in the same year that they receive the unemployment benefits.

Mr. WILLIAMS of Delaware. Is it not true that under both versions of the bill approximately $1 billion will be paid in benefits between now and June 30, 1962?

However, under the House version of the bill none of the taxes collected in order to pay for the benefits would be collected until 6 months after all the benefits had been paid—or in January, 1963?

By imposing the tax during the calendar year 1961–62, the Senate version of the bill will start these collections coming in next January, so the system will be on a sound financing basis.

Mr. BYRD of Virginia. Yes.

Mr. BUTLER. Mr. President, will the Senator from Virginia yield to me?

Mr. BYRD of Virginia. I yield.

Mr. BUTLER. Will the Senator from Virginia refer to the table of estimated additional tax collections, compared with the expected benefit payments by States; and will he take the State of Maryland as an instance? In the State of Maryland, the employers will pay into the fund $15,800,000. The unemployed workers in Maryland, if Maryland extends the period from 36 weeks to 39 weeks, will receive $10 million.

Under the House version of the bill, where would the other $5,800,000 go?

Mr. BYRD of Virginia. It would then be distributed to the deficit States. For instance, New York State would receive $50 million more than it would have paid in. I think Michigan would receive a similar amount.

Mr. BUTLER. In other words, the net effect would be to federalize the unemployment compensation system; and that would be a departure from the way it was originally created, would it not?

Mr. BYRD of Virginia. Yes. Under the House version of the bill, 39 States would pay more taxes than the amounts they would receive in benefits. For one State, the two would be equal, I believe. Ten States would receive more benefits than the amounts they would pay in taxes.

Mr. BUTLER. For instance, Michigan would pay $46,600,000, but would receive $93 million.

Mr. BYRD of Virginia. Yes.

Mr. BUTLER. So in Maryland the employers would pay approximately $5,800,000 more than the unemployed in Maryland would receive.

Mr. BYRD of Virginia. Yes; and, of course, that would destroy the original concept of the act, which was that the money collected in a State would be used to make payments to the unemployed in that State.

Mr. BUTLER. Yes; this new proposal would federalize the system.

Mr. BYRD of Virginia. Yes.

Mr. WILLIAMS of Delaware. Under the House version of the bill, would not the following situation be possible: The taxes collected from employers operating in a State where unemployment benefits are paid at the rate of $20 a week, would be used to pay benefits of $30 or $40 a week in another State, under that State's laws. Then again, an employer in one State where unemployment compensation is paid, say for 20 weeks under the laws of that State, could, under the House version, be taxed to pay unemployment benefits for 26 weeks in a neighboring State. I refer to the extended benefits or the 50-percent extension in each instance, as provided in the bill before us.

Mr. BYRD of Virginia. I think the Senator from Delaware is correct.

Mr. WILLIAMS of Delaware. And, as the Senator from Maryland pointed out, that would completely break down all of our previously established principles that this is a State fund and is supposed to be administered at the State level, under State law, and financed by payments made by employers in the respective States.

Mr. BYRD of Virginia. Yes. That law has been in operation for 26 years. The basic principle is that the employers and the employees of the State pay the tax, and the money is spent only in that particular State, with the sole exception of four-tenths of 1 percent, which is used to pay the administrative expenses in Washington.

Mr. WILLIAMS of Delaware. And under most State laws there is a so-called experience rating, whereby employers who have a good record of stable employment receive a lower tax rate. But even though a small businessman in Delaware, let us say, had demonstrated that he was one of the most stable sources of employment, the House version of the bill would ignore completely his experience rating because stable employers with such excellent records would be taxed at the Federal level to pay for seasonal employment in other industries and in other States.

For instance, the automobile industry operates rather spasmodically; when new models of automobiles are first coming on the market, the industry operates overtime, but later in the season the employment in that industry drops off. However, all the small businesses in the country would, under the House version of the bill, be taxed in order to pay for such gyrations in employment by a particular industry.

Mr. BYRD of Virginia. That is correct.

Mr. LAUSCHE. I understand that the substance of the House version of the bill embodies a sort of federalization approach to the handling of this matter. Is that correct?

Mr. BYRD of Virginia. Yes. In that sense, the taxes collected in one State could be used to pay the benefits received by the unemployed in another State. The House version of the bill would not federalize the program, so far as the number of weeks of benefits is concerned or so far as the amount paid to the unemployed is concerned; but I think the House version of the bill constitutes a long and a very vital step toward complete federalization of the program.

Mr. LAUSCHE. The Senate committee version of the bill is in conformity with the principle which has been applicable ever since the system was established; is it not?

Mr. BYRD of Virginia. Yes, for 26 years; this is the first time that an effort to change that has been made.

Mr. LAUSCHE. The tabulation shows that Ohio would collect $62.4 million in taxes, but under the House bill will re-

ceive benefits of $85 million. Under the bill as amended by the committee, it would collect $62.4 million and receive benefits of $62.4 million.

Complete federalization, however, as envisioned by the House bill, will produce the opposite effect, making Ohio pay out substantially more than the amount of benefits it will get?

Mr. BYRD of Virginia. That is cert..inly correct.

Mr. LAUSCHE. I thank the Senator very much.

Mr. GORE obtained the floor.

Mr. BURDICK. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. Does the Senator from Tennessee yield for that purpose?

Mr. GORE. I yield for that purpose.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GORE. Mr. President, I ask unanimous consent that the further proceedings under the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GORE. Mr. President, the bill before the Senate was drafted and presented to serve two primary purposes. First, for those who have been unemployed for so long a period that they have exhausted unemployment compensation benefits, the bill provides relief in the form of an extension of their eligibility. Such relief is direly needed to alleviate distress which exists on a widespread basis.

Second, the bill would provide a stimulant for the economy. Sadly, those who cannot buy food go hungry. But it is not the unemployed and their families alone who are adversely affected. The business of the farmer, the trucker, and the grocer suffers, too. They in turn reduce employment, adding to the number of unemployed and thus contributing to a worsening of the situation from which we seek to recover. The program encompassed in the bill is designed to spur the economy to renewed activity and vigor by providing sustenance purchasing power that will quickly go into the spending stream in the amount of approximately $1 billion.

If the committee amendment is adopted, however, neither of the primary purposes of the bill will be achieved.

Let us consider for a moment each of these primary purposes. Unemployment is one of the most fearful predicaments in which the head of a family can find himself in a modern industrial economy. He cannot go back to the family farm temporarily, in most cases. The farm is no longer in operation. He cannot live on his savings beyond the point of their exhaustion. He cannot secure livelihood from welfare agencies, since they are not equipped to care for these millions of unemployed.

Unemployment is truly the evil beast of the recession, and unemployment has been growing ever more critical in recent years, even in years of moderately high economic activity.

The Employment Act of 1946 speaks hopefully of full employment. Recognizing the mobility of the labor force, we knew that there must be at all times some people looking for work. So we began to talk of 2 percent of our people unemployed as being substantially full employment. As the years went on and unemployment seemed more persistent, became more chronic, we began to say that perhaps 3 percent, under present day conditions, was an irreducible minimum. Now, we seem to have lowered our sight another notch. The experts now tell us that 4 percent unemployment is substantially full employment, and perhaps we may have to settle for that, though I am entirely unwilling to do so. Surely, we should strive for a more worthy goal.

One thing is sure—unemployment has steadily worsened during recent years, whether we compare the top or the bottom of each succeeding business cycle. It has been characteristic of the postwar recessions that recovery has seen a larger and harder knot of the unemployd still with us. This was particularly true of the supposed recovery from the 1958 recession. We recovered from that recession with an extremely high unemployment rate still with us. In truth, our recovery actually was still incomplete when the current recession began.

Unemployment must be alleviated. We must find a way to do this on a permanent basis. A full employment economy is required for our own people and for our broader obligations. To this task we must proceed.

In the meantime, however, those who are unemployed now through no fault of their own require emergency, and, we hope, temporary, aid. That is one purpose of the pending bill.

So much for the first and primary consideration for the bill.

The second thing which the bill attempts, and this may in the long run be the more important, is to boost national income and production by injecting purchasing into the spending stream.

I do not wish to become too technical, but it appears to me we should make use of the tools which have been developed for us by our economists in attempting to understand and to correct recessionary conditions.

Unemployment compensation payments are known as transfer payments. When these dollars go into the hands of the unemployed, they will be spent. Hardly any of these dollars will be saved. They are, therefore, high velocity dollars and move into the spending stream at once and in full force. Having been spent almost in their entirety, these dollars then become income to still other persons who receive them in the normal course of our free enterprise business system. A large part of those dollars will, then, in turn, be spent again and again. Under current conditions, it has been estimated that each one of the approximately $1 billion which will be expended in this program will result in about $4 billion being added to the national income.

Now, for maximum relief to the unemployed as well as for maximum boost to the economy, this additional $4 billion of national income must be spread over the country as a whole, benefits distributed according to need. We would not like, nor would it be possible under our economic organization, to have this additional increment of national income confined to New York and Pennsylvania or a few other highly industrialized States. We would want, it seems to me, this benefit to accrue to the Nation as a whole and to be spread over all geographical portions of the country and throughout all economic and social segments of society. In this way—and only in this way—can we provide the maximum benefits both to the unemployed and to the economy.

Mr. President, consideration of this bill has been made necessary by an economic recession. It is true that the effects of the recession are more pronounced in some areas than in others. This fact, however, does not make it a local problem. Indeed, these focal points of distress demonstrate that it is national in character.

Recessions and depressions are phenomena of our modern, capitalistic, money-based economy. Although we have learned a great deal about them, and particularly about how to mitigate their effects on those who suffer most from them, they are likely to be with us for some time to come. The present recession, as is true with respect to all recessions and depressions, is national in scope. Solutions can only be accomplished by national programs, and determined ones at that.

The bill, as passed by the House, undertakes to make funds available to extend the period of eligibility for unemployment compensation benefits provided for by the various State laws. Under the bill, these benefits will be paid from Federal funds, and these Federal funds are to be recovered by a Federal tax. The burden of financing the program is placed squarely on the national economy.

The committee amendment, in practical effect, provides for differing rates of tax in the several States—not initially, but eventually. By the committee amendment, the burden of financing the program is placed upon each State individually.

The committee amendment is grounded on the philosophy that unemployment is a State or local problem and that State A need not be concerned with, and may not be affected by, what happens in State B. If this theory ever had any validity, it has none today when we have such a complex, interdependent economy which knows no State lines.

Mr. DOUGLAS. Mr. President, will the Senator yield for a question?

Mr. GORE. I yield.

Mr. DOUGLAS. I ask the Senator from Tennessee if it is not true that under the amendment presented by the committee the employers of each State would have to bear the full burden of the extra unemployment in the State caused by the recession.

Mr. GORE. The Senator is correct.

Mr. DOUGLAS. The amendment would then require that the employers of Michigan bear the full burden of the high unemployment in the automobile industry in the State of Michigan; is that not correct?

Mr. GORE. The committee amendment frankly requires each State to provide for its own unemployed, thereby fallaciously undertaking, it seems to me, to deal with a recession in our national economy on a State-by-State basis.

Mr. DOUGLAS. Is it not true that unemployment in Michigan is not caused by any failure of the employers in Michigan, but is caused by a decrease in the demand for automobiles in the Nation as a whole?

Mr. GORE. Indeed so. I can think of nothing that would make the employers in the automobile industry in Michigan, as well as the employees of the automobile industry, happier than for the people in Tennessee, Alaska, Oklahoma, Illinois, and Rhode Island to have the purchasing power and the desire to buy some new automobiles. Then profits would accrue and men would be called back to work.

Mr. DOUGLAS. But high unemployment has occurred because demand for automobiles in the rest of the Nation has fallen off; is that not correct?

Mr. GORE. The Senator is correct.

Mr. DOUGLAS. In other words, to put the question in technical language, the fact that the incidence of the recession has been severe, and more severe in certain States than in others, does not mean that the cause of the recession is confined within those States.

Mr. GORE. It does not at all mean that the cause is local. The cause is national.

Mr. DOUGLAS. The same situation exists in the steel industry, in that the increase in unemployment in the steel industry has been caused by a decrease of demand for steel all over the Nation.

Mr. GORE. Yes, indeed. In this recession, as in all recessions, the first heavy unemployment comes in heavy industry. Unless the recessionary conditions are corrected, soon the long and pinching hand of recession may grow into a depression, and it will surely reach Tennessee.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. PASTORE. In other words, what we would be actually saying is that when the United States follows certain policies in reciprocal trade and they are national policies, for example, with respect to textile mills and those policies close down a mill in the State of Rhode Island, thereby putting a thousand people out of work, the reasoning behind the committee amendment is that such condition is the business of nobody except the taxpayers of Rhode Island. Is that not what we would be saying?

Mr. GORE. By the committee amendment; the Senator is correct.

Mr. PASTORE. That is correct. We would be actually saying the people of the country that if unemployment exists in one State, it is the business of no one else but the taxpayers of that particular State.

Mr. GORE. The whole philosophy behind the committee amendment is that each State must care for its own unemployed. Indeed, the distinguished chairman said that the committee amendment would prevent the people of one State from contributing to the unemployed people of another State. If we follow that reasoning, then I wonder what we would do with the medical care bill which the Senate passed last year, reported by the same committee, on which it is my honor to serve, which contained a formula which provides that the Federal Government will pay up to 80 percent of hospital, doctor, and dental bills, and the nursing home care of elderly people in my State and other States not so fortunately situated. If we had tried to establish a principle in the medical care bill that the people of no State shall be taxed for the benefit of the people of another State, then I would say that approximately two-thirds of the States would suffer.

Mr. PASTORE. Mr. President, will the Senator yield further?

Mr. GORE. I yield.

Mr. PASTORE. Will the Senator not admit that it is nothing short of hypocrisy to say to the State that does not need this help, "We will let you collect the tax anyway, but we will fool the American people. We will give the money back to you at some later date." Is that not what is proposed to be done by the amendment? Is it not proposed to collect a tax that is not needed in order to make the bill look like a national policy, when it is not a national policy at all? The hypocrisy of the amendment is that, after the four-tenths of 1 percent is collected, we would place it in a reserve, and we would say to the people of the State, "If you do not need the money, and you do not use it, we will give it back to you." Is that not what the amendment provides?

Mr. GORE. Precisely; it means taxes collected from each State will be credited to the trust fund for each State, and if the trust fund grows beyond the needs of the States, then the States can reduce their own taxes, which in effect means exactly what the Senator has said.

Mr. PASTORE. Naturally. In other words, at some later date the amendment would give a discount that is comparable to the amount of money paid in. I do not care by what name it is called; it has an odor—and not like a rose.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. DOUGLAS. Is it not true that the States which would suffer under the committee amendment tend to be the great industrial and mining States, such as the States of Michigan, Pennsylvania, Ohio, West Virginia, Rhode Island, and California—a whole series of great industrial States? But what the other States in the Union are saying is that, "When hard times hit you through unemployment, we will not come to your help." As the Senator from Tennessee noticed in connection with other bills, when these other States wish to be on the receiving end, they want benefits not only for medical care for the aged but for old-age assistance and for dependent children, and in those cases taxes are paid by the industrial States. The money goes to the other States. In other words, the industrial States are asked to assume the national responsibility for helping conditions in the nonindustrial States, but when the industrial States are in trouble the nonindustrial States say, "You must shift for yourself. We disown you. This is not a national problem." Is that not true?

Mr. GORE. I have the honor to represent, in part, a State which is the beneficiary of programs, which the distinguished senior Senator from Illinois supports, such as Hill-Burton Medical Care, Public Assistance, and National Highway Acts. The formulas in those programs are favorable to my State. I think that we must act here as the U.S. Senate. We are not gathered into 50 compartments. However, by the committee amendment to this bill the dictum would be laid down that the people of one State should not be taxed to alleviate a depressing condition in another State. That is a denial of our entire concept of one Nation.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. PASTORE. I wish the RECORD to show that insofar as my State of Rhode Island is concerned, under the formula suggested even by the committee, we shall have to pay out for the proposed additional obligations perhaps $5.5 million. We shall collect about $5.5 million. I do not think it makes much difference one way or the other. But it is the principle that is involved. We are talking about helping people who are unemployed.

Yesterday we passed a distressed areas bill. A few days before that we passed a feed grains bill. Not too long ago we brought up again the sacred cow of agriculture. The taxpayers in Rhode Island are paying subsidy upon subsidy to support agricultural prices in the United States. Yet if we have 50,000 people out of work in the State of Rhode Island we will be told, "Let your taxpayers take care of them. We know nothing about that."

I say what is sauce for the goose is sauce for the gander. If we are going to pay out agricultural benefits to the State of Virginia for agricultural supports, and if we are going to pay them to the State of Wisconsin for their dairy products, then I say if Rhode Island happens to be a 96 percent manufacturing State, and because we are in a national recession and not a Rhode Island recession alone I hope—at least I hope we are talking about a U.S. recession.

Mr. GORE. Unless we correct the national recession, there may soon be a recession in Rhode Island, and a very serious one.

Mr. PASTORE. If I may continue with the Senator's permission——

Mr. GORE. Of course.

Mr. PASTORE. I submit that if there is one man out of work in the United States who needs a job but who cannot find it, he is a national problem. If there is one aged person in the United States, whether he lives in Tennessee, Rhode Island, Illinois, or Virginia, and he needs hospitalization care, but cannot afford to pay for it, he is a national

problem. People who need old-age pensions are national problems. Social security is a national problem just as national security is a national problem. Unemployment is a national problem. All national problems should be met on a national level. I thank the Senator from Tennessee.

Mr. GORE. I thank the Senator for his contribution, which has been expressed with his usual eloquence.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. CAPEHART. Is it a fact that under either bill, the House version or the Senate committee version, every unemployed person who is entitled to benefits will be paid the same amount regardless of which bill is enacted?

Mr. GORE. No; that is not the case. It depends entirely upon the participation by the States. We passed a similar bill 3 years ago. Only 17 of the States participated. The unemployed people in only 17 States received additional unemployment compensation benefits. I have no way of predicting accurately how many States will participate in this program. But I can judge the future by the past, and my guess is that less than half of the States would participate. Therefore the answer must be "No."

Mr. CAPEHART. Let me word the question a little differently. If the State does participate, then under either bill the unemployed will receive the same. Is that correct?

Mr. GORE. Well, in the first place, the premise is incorrect, because the level of benefits depends upon State legislation. There is no uniformity of standards as to the benefits.

Mr. CAPEHART. Let me word the question another way. Within each State that participates, will not every person who is entitled to benefits be paid exactly the same amount under either the House bill or the Senate committee version?

Mr. GORE. Assuming that each State participates, and assuming that each State has the financial capacity to do so, and assuming that the existing standards of benefits remain the same, then I would say the answer is "Yes."

Mr. CAPEHART. Is not the principle involved in the Senate committee bill the same principle that was involved in the original Unemployment Insurance Act?

Mr. GORE. No.

Mr. CAPEHART. It is not? Was not the principle in the original bill that each State would run its own unemployment insurance program, and that each employer would pay into the fund an amount that would be credited to his account, and if he had a good record the percentage he would pay would go up and down; and the principle involved was that it would be run by each State, and that each State would be credited with what it sent to Washington, with Washington handling the money as a trustee? Furthermore, are we not doing here exactly what was the underlying principle and the underlying purpose of the original act?

Mr. GORE. First let me say that this is a program with which I have had some personal experience. I set up the first organization and put into operation the unemployment compensation program in the State of Tennessee. It was administered by the commissioner of labor, which position I held. So I have some personal knowledge of the purposes of the unemployment compensation program in its inauguration. The unemployment compensation program was then and is now designed to alleviate the unemployment difficulties of people. We know many people are affected even in normal times. What we are following in the pending bill is not that principle. The bill before the Senate was drafted for the purpose of meeting an emergency situation. We have 6 million unemployed people in the country. There is a considerable difference.

Mr. CAPEHART. Is it not a fact that under the House bill New York would collect in taxes nearly a billion dollars, pay to the unemployed $119 million, and receive in benefits $170 million. Is it not a fact that all we are asking in the Senate version is that New York return $50 million? In other words, the State of New York at the moment has $900 million in reserve. It could pay the $119 million that is called for and still have about $750 million remaining. If we are going to pay out $170 million, why should not New York return $50 million from its $900 million reserve? That is the big question involved here.

Mr. GORE. The Senator has asked three questions, not one big question, and not one of them can be answered with a yes or no. I believe that all will require some treatment. To begin with, the answer to the first question is "Yes." According to the estimates furnished the committee, the unemployed in the State of New York will receive more benefits than the employers in the State of New York will be required to pay under the tax levied by this bill. That is the Senator's first question.

Mr. CAPEHART. The additional four-tenths of 1 percent for 2 years.

Mr. GORE. As I recall, the Senator's second question, coupled with the third, was, Why should not New York be required to deal with its employers on a strict State-by-State basis? Why should they not pay the money back? In answer to that question, if we arrive at that conclusion with respect to the State of New York, then how can we avoid arriving at the same conclusion with respect to the State of Oklahoma? How can we avoid arriving at the same conclusion with respect to highways in the Western States?

Our highway program is largely financed by highway user taxes. The bulk of the taxes is paid in the 12 industrial States where the heavy traffic exists, but the very long lines of highways into the open spaces are in other States. Indeed, because of the publicly owned lands, in some instances the cost of the highways is borne 95 percent by the Federal Government.

If we are to arrive at this conclusion, this yardstick, this national policy, this edict contained in the committee amendment, that this proposal must apply separately to Pennsylvania, to Michigan, or to New York, with respect to the unemployed, then I ask the Senator from Indiana—if I may answer his question with a question—why should we not apply the same yardstick, the same measure of equity or inequity, as the case may be, to the other States? Why should we proceed upon the basis that we are a Nation undivided?

Mr. CAPEHART. Let me ask one other question. There is no comparison between what the Senator is talking about and what I am talking about, for the simple reason—and that was the question I was about to ask the Senator—that New York State has $900 million in its fund.

Mr. GORE. The Senator from Indiana has dismissed my question by saying there is no comparison. I ask the Senator if he wishes to apply the formula, or the edict, or the principle that the citizens of no State shall be taxed to alleviate the suffering or the needs of citizens of another State. Does the Senator support that principle?

Mr. CAPEHART. No, I do not support it.

Mr. GORE. Does the Senator support the committee amendment?

Mr. CAPEHART. I support the committee amendment.

Mr. GORE. Then the Senator wishes to support that principle, so far as unemployed persons are concerned.

Mr. CAPEHART. No; I wish to support the principle under which unemployment insurance was established. I will give the Senator that principle.

Mr. GORE. But the Senator——

Mr. CAPEHART. Just a minute.

Mr. GORE. I have the floor. The junior Senator from Tennessee has the floor. I shall yield courteously. The Senator has asked me a pointed question. I wish to bring it to an issue.

The Senator from Indiana says he wishes to support a principle. He has not yet identified it. I will give him an opportunity to identify the principle. However, I submitted to him a question, namely, whether he supported the principle, with respect to the unemployed, that the citizens of no State shall be taxed in order to alleviate the suffering of citizens of another State.

Mr. CAPEHART. I do not believe that is the principle at all, because there have been Federal roads from the beginning of our country's history.

Mr. GORE. Does the Senator from Indiana favor that principle?

Mr. CAPEHART. Yes, I favor it. Of course. The Senator knows that.

Mr. GORE. Then with respect to the suffering of unemployed persons, the Senator wishes each State to look after its own, and no State to help another?

Mr. CAPEHART. Let me say this to the Senator: He does not seem to know it. He is a member of the committee. Under either proposal, the House bill or the Senate committee bill, every unemployed person in any State, under either bill, will be paid exactly the same amount.

Mr. GORE. The Senator is entirely correct when he says I did not know that. I am pleased to inform him that that is not the case.

Mr. WILLIAMS of Delaware. The Department of Labor said that that was the case.

Mr. DOUGLAS. Mr. President, will the Senator from Tennessee yield?

Mr. GORE. I yield.

Mr. DOUGLAS. Is it not true that that would be the case, first, only if all the States accepted the plan; and second, if the benefit systems, so far as duration is concerned, were uniform under the plan?

Mr. GORE. And if each State had sufficient funds to meet its obligations. I answered that earlier.

Mr. GRUENING. Mr. President, will the Senator from Tennessee yield?

Mr. GORE. I yield.

Mr. GRUENING. I wish to commend highly the Senator from Tennessee, who together with the distinguished Senator from Illinois [Mr. DOUGLAS] opposed the vote of the majority of the committee to report the amendment. The amendment proposed by the Committee on Finance to H.R. 4806, to put the payment of extended temporary unemployment compensation on a State-by-State basis, is not only disruptive of the basic concept underlying the unemployment compensation program but is disruptive, as the Senator from Tennessee is so well pointing out, of the basic concept underlying the Union.

Either the United States is one Nation, politically and economically bound together for the attainment of a common purpose, or it is a group of 50 separate entities, each striving for its own advantage, and the devil take the hindmost.

I pay particular tribute to the distinguished Senator from Rhode Island [Mr. PASTORE] for his very eloquent and forceful presentation of this issue.

If we adopt the committee's amendment, we will be adopting a principle of every State for and by itself only. That is not the way it has been in the past, as the distinguished Senator from Tennessee knows, and it is my sincere hope that we will not, through this bill, begin to dissolve the bonds which bind the Union.

It is my hope that we will not permit this bill to loosen those bonds.

It should be axiomatic by now that unemployment—or, for that matter, poverty, disease, and lack of education—in one part of the Nation adversely affects every other part of the Nation. Unemployment is not alone a State and local concern; it is a national concern, as the Senator from Rhode Island has forcefully pointed out. That principle was established more than 35 years ago with the enactment of the original Social Security Act. We affirmed then that the United States is one Nation acting in concert to correct common ills and for the benefit of all.

The committee amendment would end that concerted action. The committee amendment would announce that each State is on its own, to sink or swim by its own efforts—and in many cases, to sink.

Mr. President, together with the Senator from Tennessee [Mr. GORE], the Senator from Rhode Island [Mr. PASTORE], and the Senator from Illinois [Mr. DOUGLAS], I say we cannot look at the Union in that fashion. We cannot judge each bill by what it contains for our own State. We must act on the basis of what is good for the Nation as a whole.

The unemployed of Tennessee, Rhode Island, or Illinois are as much the concern of the people of Alaska as they are the concern of the people of Illinois, Tennessee, or Rhode Island. If the unemployed people of any State continue in that condition, they cannot afford to buy Alaska king crab or Alaska salmon; and putting it on a self-interest basis, those industries of Alaska will suffer. Similarly, the unemployed people of Alaska, if permitted to remain long in that condition, will not be able to purchase the products of the other States. On the basis of self-interest alone, therefore, the committee amendment is bad economics.

Alaska's unemployment rate is abnormally high. Its unemployment rate stood at 22.1 percent for the week ending March 4, 1961. I ask unanimous consent that a table prepared by the Alaska Department of Labor showing comparative unemployment figures be printed in the RECORD at the end of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. GRUENING. Mr. President, admittedly, in this instance, the State of Alaska would stand to benefit by the rejection of the Senate committee amendment. But I am opposing the committee amendment for reasons other than that.

I am opposing the Senate committee amendment because it involves a basic matter of principle involved in many of our Federal aid programs—in our programs of Federal aid to education—in our hospital construction program—in our vocational rehabilitation program—and in a host of other programs.

In none of those programs did we incorporate the principle of "to each State in accordance with its economic ability" and not in accordance with its needs.

Because the Senate committee amendment provides that if the additional tax exceeds the amount of temporary benefits in a State, the excess, after repaying the Federal Government, will be credited to such State's unemployment account, it would, in effect, be putting a premium upon the nonpayment of benefits.

I strongly urge my colleagues to reject this amendment as not in keeping with the basic concepts of unity upon which this Government was founded. If we are now to endorse the principle that each State will go its separate way in all matters then we shall ultimately lose the strength which comes from concerted action. Our Nation will then be only as strong as the weakest State. The United States will then have the strength not of 50 but of 1. That we must not permit to happen.

EXHIBIT 1

[From the Alaska Labor Market Bulletin, vol. III, No. 9, week ending Mar. 4, 1961]

Item	Mar. 4, 1961, this week	Feb. 25, 1961, last week	Feb. 18, 1961, 2 weeks ago	Feb. 11, 1961, 3 weeks ago	Mar. 5, 1960, year ago
1. Initial claims, total	558	536	528	549	396
State unemployment insurance	540	516	497	517	379
Unemployment compensation for Federal employees	18	20	31	32	17
2. Man-weeks of unemployment claimed, total	7,604	6,632	6,958	7,056	6,063
State unemployment insurance	6,901	6,035	6,314	6,381	5,439
Unemployment compensation for Federal employees	703	597	644	675	624
3. Insured unemployment rate, total [1]	16.0	13.9	14.6	14.8	13.0
State unemployment insurance	22.1	19.3	20.2	20.4	18.2
Unemployment compensation for Federal employees	4.3	3.6	3.9	4.1	3.7
4. Claimants exhausting benefits, total	47	59	53	63	77
State unemployment insurance	40	52	45	52	64
Unemployment compensation for Federal employees	7	7	8	11	13
5. Man-weeks of unemployment paid, total	7,423	6,606	8,403	7,096	6,820
State unemployment insurance	6,626	5,866	7,582	6,277	5,996
Unemployment compensation for Federal employees	797	740	821	819	824

[1] Unemployment rate is man-weeks of unemployment claimed as a percent of average employment for previous year. For the year ending June 30, 1960, State unemployment insurance covered employment was 31,209; Federal covered employment was 16,422.

EXHIBIT 1—Continued

[From the Alaska Labor Market Bulletin, vol. III, No. 9, week ending Mar. 4, 1961]

Item	Mar. 4, 1961, this week	Feb. 25, 1961, last week	Feb. 18, 1961, 2 weeks ago	Feb. 11, 1961, 3 weeks ago	Mar. 5, 1960, year ago
6. Amount of benefits paid, total	$279,549	$242,091	$296,843	$267,108	$252,731
State unemployment insurance	$244,318	$211,923	$261,358	$232,524	$219,453
Unemployment compensation for Federal employees	$28,913	$25,464	$29,917	$28,936	$29,123
Federal unemployment compensation for ex-servicemen	$6,318	$4,704	$5,568	$5,648	$4,155
7. Unemployment compensation for ex-servicemen:					
Initial claims	10	16	12	18	15
Weeks claimed	211	189	180	179	161
8. Workers involved in work stoppage	13	148	52	125	0

Private industry insured unemployment rates by administrative area and industry

	By administrative area							By industry						
	This week, Mar. 4, 1961		Last week, Feb. 25, 1961		Year ago, Mar. 5, 1960			This week, Mar. 4, 1961		Last week, Feb. 25, 1961		Year ago, Mar. 5, 1960		
	Weeks claimed	Insured unemployment rate	Weeks claimed	Insured unemployment rate	Weeks claimed	Insured unemployment rate		Weeks claimed	Insured unemployment rate	Weeks claimed	Insured unemployment rate	Weeks claimed	Insured unemployment rate	
State	6,901	22.1	6,035	19.3	5,439	18.2	Total	6,901	22.1	6,035	19.3	5,439	18.2	
Anchorage	3,274	19.0	3,063	17.8	3,040	18.0	Mining	409	34.8	299	25.5	396	33.3	
Fairbanks	1,685	27.0	1,388	22.2	1,391	24.4	Construction	2,619	49.3	2,262	42.6	2,483	40.1	
Juneau	662	23.7	341	12.2	340	12.0	Manufacturing	1,498	28.3	1,429	27.0	1,087	23.1	
Ketchikan	664	21.7	678	22.2	347	12.5	Transportation and utilities	607	10.7	562	9.9	555	11.2	
Petersburg	427	55.1	369	47.6	250	34.1	Trade	695	9.4	545	7.4	542	7.9	
Sitka	189	16.4	196	17.1	71	8.2	Finance	70	5.1	61	4.4	33	2.6	
							Service and other	1,003	20.2	877	17.7	343	7.4	

Mr. WILLIAMS of Delaware. Mr. President, will the Senator from Tennessee yield?

Mr. GORE. I yield.

Mr. WILLIAMS of Delaware. I think the record should be made clear. In the committee, as the Senator from Tennessee knows, in answer to a question from the chairman, the representative of the Secretary of Labor affirmed the fact that so far as either bill is concerned any unemployed worker who can qualify in any of the 50 States under the House bill is just as easily entitled to the same benefits under the Senate bill.

The difference is only in the method of financing as provided in the two bills. The main question is: Do we want to federalize unemployment insurance, or do we wish to continue it on a State basis? Let us make the record clear. We are not dealing with the question whether Mr. X is entitled to benefits or not. He will get the same benefits under either of the two bills.

Mr. GORE. I heard this question discussed 3 years ago. No unemployed person in the State of Tennessee drew 1 cent——

The PRESIDING OFFICER (Mr. METCALF in the chair). Under the previous unanimous-consent agreement, the Senator from Tennessee will yield the floor.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that at the conclusion of the action of the Senate on the two treaties, the Senator from Tennessee [Mr. GORE] be allowed to resume his speech.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

The PRESIDING OFFICER. Without objection, the Senate will now proceed to the consideration of executive business, to consider the two treaties.

The Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER. The two treaties—Executive E and Executive C—are now before the Senate, under the order previously entered.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. BURDICK in the Chair). Without objection, it is so ordered.

THE COLUMBIA RIVER TREATY

The PRESIDING OFFICER. Pursuant to the previous unanimous-consent agreement, the Chair lays before the Senate the Columbia River Basin Treaty.

Mr. SPARKMAN. Mr. President, I move that the Senate proceed to the consideration of Executive C, 87th Congress, 1st session, a convention between the United States of America and Canada.

The motion was agreed to; and the Senate, as in Committee of the Whole, proceeded to consider the treaty—Executive C, 87th Congress, 1st session—a treaty between the United States of America and Canada relating to cooperative development of the water resources of the Columbia River Basin, signed at Washington on January 17, 1961, which was read the second time, as follows:

TREATY BETWEEN THE UNITED STATES OF AMERICA, AND CANADA RELATING TO COOPERATIVE DEVELOPMENT OF THE WATER RESOURCES OF THE COLUMBIA RIVER BASIN

The Governments of the United States of America and Canada

Recognizing that their peoples have, for many generations, lived together and cooperated with one another in many aspects of their national enterprises for the greater wealth and happiness of their respective nations, and

Recognizing that the Columbia River basin, as a part of the territory of both countries, contains water resources that are capable of contributing greatly to the economic growth and strength and to the general welfare of the two nations, and

Being desirous of achieving the development of those resources in a manner that will make the largest contribution to the economic progress of both countries and to the welfare of their peoples of which those resources are capable, and

Recognizing that the greatest benefit to each country can be secured by cooperative measures for hydroelectric power generation and flood control, which will make possible other benefits as well,

Have agreed as follows:

ARTICLE I

Interpretation

(1) In the Treaty, the expression

(a) "average critical period load factor" means the average of the monthly load factors during the critical stream flow period;

(b) "base system" means the plants, works and facilities listed in the table in Annex B as enlarged from time to time by the installation of additional generating facilities, together with any other plants, works or facilities which may be constructed

on the main stem of the Columbia River in the United States of America;

(c) "Canadian storage" means the storage provided by Canada under Article II;

(d) "critical stream flow period" means the period, beginning with the initial release of stored water from full reservoir conditions and ending with the reservoirs empty, when the water available from reservoir releases plus the natural stream flow is capable of producing the least amount of hydroelectric power in meeting system load requirements;

(e) "consumptive use" means use of water for domestic, municipal, stock-water, irrigation, mining or industrial purposes but does not include use for the generation of hydroelectric power;

(f) "dam" means a structure to impound water, including facilities for controlling the release of the impounded water;

(g) "entity" means an entity designated by either the United States of America or Canada under Article XIV and includes its lawful successor;

(h) "International Joint Commission" means the Commission established under Article VII of the Boundary Waters Treaty, 1909, or any body designated by the United States of America and Canada to succeed to the functions of the Commission under this Treaty;

(i) "maintenance curtailment" means an interruption or curtailment which the entity responsible therefor considers necessary for purposes of repairs, replacements, installations of equipment, performance of other maintenance work, investigations and inspections;

(j) "monthly load factor" means the ratio of the average load for a month to the integrated maximum load over one hour during that month;

(k) "normal full pool elevation" means the elevation to which water is stored in a reservoir by deliberate impoundment every year, subject to the availability of sufficient flow;

(l) "ratification date" means the day on which the instruments of ratification of the Treaty are exchanged;

(m) "storage" means the space in a reservoir which is usable for impounding water for flood control or for regulating stream flows for hydroelectric power generation;

(n) "Treaty" means this Treaty and its Annexes A and B;

(o) "useful life" means the time between the date of commencement of operation of a dam or facility and the date of its permanent retirement from service by reason of obsolescence or wear and tear which occurs notwithstanding good maintenance practices.

(2) The exercise of any power, or the performance of any duty, under the Treaty does not preclude a subsequent exercise or performance of the power or duty.

ARTICLE II

Development by Canada

(1) Canada shall provide in the Columbia River Basin in Canada 15,500,000 acre-feet of storage usable for improving the flow of the Columbia River.

(2) In order to provide this storage, which in the Treaty is referred to as the Canadian storage, Canada shall construct dams:

(a) on the Columbia River near Mica Creek, British Columbia, with approximately 7,000,000 acre-feet of storage;

(b) near the outlet of Arrow Lakes, British Columbia, with approximately 7,100,000 acre-feet of storage; and

(c) on one or more tributaries of the Kootenay River in British Columbia downstream from the Canada-United States of America boundary with storage equivalent in effect to approximately 1,400,000 acre-feet of storage near Duncan Lake, British Columbia.

(3) Canada shall commence construction of the dams as soon as possible after the ratification date.

ARTICLE III

Development by the United States of America respecting power

(1) The United States of America shall maintain and operate the hydroelectric facilities included in the base system and any additional hydroelectric facilities constructed on the main stem of the Columbia River in the United States of America in a manner that makes the most effective use of the improvement in stream flow resulting from operation of the Canadian storage for hydroelectric power generation in the United States of America power system.

(2) The obligation in paragraph (1) is discharged by reflecting in the determination of downstream power benefits to which Canada is entitled the assumption that the facilities referred to in paragraph (1) were maintained and operated in accordance therewith.

ARTICLE IV

Operation by Canada

(1) For the purpose of increasing hydroelectric power generation in the United States of America and Canada, Canada shall operate the Canadian storage in accordance with Annex A and pursuant to hydroelectric operating plans made thereunder. For the purposes of this obligation an operating plan if it is either the first operating plan or if in the view of either the United States of America or Canada departs substantially from the immediately preceding operating plan must, in order to be effective, be confirmed by an exchange of notes between the United States of America and Canada.

(2) For the purpose of flood control until the expiration of sixty years from the ratification date, Canada shall

(a) operate in accordance with Annex A and pursuant to flood control operating plans made thereunder

(i) 80,000 acre-feet of the Canadian storage described in Article II(2)(a),

(ii) 7,100,000 acre-feet of the Canadian storage described in Article II(2)(b),

(iii) 1,270,000 acre-feet of the Canadian storage described in Article II(2)(c),

provided that the Canadian entity may exchange flood control storage under subparagraph (ii) for flood control storage additional to that under subparagraph (i), at the location described in Article II(2)(a), if the entities agree that the exchange would provide the same effectiveness for control of floods on the Columbia River at the Dalles, Oregon;

(b) operate any additional storage in the Columbia River basin in Canada, when called upon by an entity designated by the United States of America for that purpose, within the limits of existing facilities and as the entity requires to meet flood control needs for the duration of the flood period for which the call is made.

(3) For the purpose of flood control after the expiration of 60 years from the ratification date, and for so long as the flows in the Columbia River in Canada continue to contribute to potential flood hazard in the United States of America, Canada shall, when called upon by an entity designated by the United States of America for that purpose, operate within the limits of existing facilities any storage in the Columbia River basin in Canada as the entity requires to meet flood control needs for the duration of the flood period for which the call is made.

(4) The return to Canada for hydroelectric operation and the compensation to Canada for flood control operation shall be as set out in Articles V and VI.

(5) Any water resource development, in addition to the Canadian storage, constructed in Canada after the ratification date shall not be operated in a way that adversely affects the stream flow control in the Columbia River within Canada so as to reduce the flood control and hydroelectric power benefits which the operation of the Canadian storage in accordance with the operating plans in force from time to time would otherwise produce.

(6) As soon as any Canadian storage becomes operable Canada shall commence operation thereof in accordance with this Article and in any event shall commence full operation of the Canadian storage described in Article II(2)(b) and Article II(2)(c) within five years of the ratification date and shall commence full operation of the balance of the Canadian storage within nine years of the ratification date.

ARTICLE V

Entitlement to downstream power benefits

(1) Canada is entitled to one half the downstream power benefits determined under Article VII.

(2) The United States of America shall deliver to Canada at a point on the Canada-United States of America boundary near Oliver, British Columbia, or at such other place as the entities may agree upon, the downstream power benefits to which Canada is entitled, less

(a) transmission loss,

(b) the portion of the entitlement disposed of under Article VIII(1), and

(c) the energy component described in Article VIII(4).

(3) The entitlement of Canada to downstream power benefits begins for any portion of Canadian storage upon commencement of its operation in accordance with Annex A and pursuant to a hydroelectric operating plan made thereunder.

ARTICLE VI

Payment for flood control

(1) For the flood control provided by Canada under Article IV(2)(a) the United States of America shall pay Canada in United States funds:

(a) 1,200,000 dollars upon the commencement of operation of the storage referred to in subparagraph (a)(i) thereof,

(b) 52,100,000 dollars upon the commencement of operation and the storage referred to in subparagraph (a)(ii) thereof, and

(c) 11,100,000 dollars upon the commencement of operation of the storage referred to in subparagraph (a)(iii) thereof.

(2) If full operation of any storage is not commenced within the time specified in Article IV, the amount set forth in paragraph (1) of this Article with respect to that storage shall be reduced as follows:

(a) under paragraph (1)(a), 4,500 dollars for each month beyond the required time,

(b) under paragraph (1)(b), 192,100 dollars for each month beyond the required time, and

(c) under paragraph (1)(c), 40,800 dollars for each month beyond the required time.

(3) For the flood control provided by Canada under Article IV(2)(b) the United States of America shall pay Canada in United States funds in respect only of each of the first four flood periods for which a call is made 1,875,000 dollars and shall deliver to Canada in respect of each and every call made, electric power equal to the hydroelectric power lost by Canada as a result of operating the storage to meet the flood control need for which the call was made, delivery to be made when the loss of hydroelectric power occurs.

(4) For each flood period for which flood control is provided by Canada under Article IV(3) the United States of America shall pay Canada in United States funds:

(a) the operating cost incurred by Canada in providing the flood control, and

(b) compensation for the economic loss to Canada arising directly from Canada foregoing alternative uses of the storage used to provide the flood control.

(5) Canada may elect to receive in electric power, the whole or any portion of the compensation under paragraph (4)(b) representing loss of hydroelectric power to Canada.

ARTICLE VII

Determination of downstream power benefits

(1) The downstream power benefits shall be the difference in the hydroelectric power capable of being generated in the United States of America with and without the use of Canadian storage, determined in advance, and is referred to in the Treaty as the downstream power benefits.

(2) For the purpose of determining the downstream power benefits:

(a) the principles and procedures set out in Annex B shall be used and followed;

(b) the Canadian storage shall be considered as next added to 13,000,000 acre-feet of the usable storage listed in Column 4 of the table in Annex B;

(c) the hydroelectric facilities included in the base system shall be considered as being operated to make the most effective use for hydroelectric power generation of the improvement in stream flow resulting from operation of the Canadian storage.

(3) The downstream power benefits to which Canada is entitled shall be delivered as follows:

(a) dependable hydroelectric capacity as scheduled by the Canadian entity, and

(b) average annual usable hydroelectric energy in equal amounts each month, or in accordance with a modification agreed upon under paragraph (4).

(4) Modification of the obligation in paragraph (3)(b) may be agreed upon by the entities.

ARTICLE VIII

Disposal of entitlement to downstream power benefits

(1) With the authorization of the United States of America and Canada evidenced by exchange of notes, portions of the downstream power benefits to which Canada is entitled may be disposed of within the United States of America. The respective general conditions and limits within which the entities may arrange initial disposals shall be set out in an exchange of notes to be made as soon as possible after the ratification date.

(2) The entities may arrange and carry out exchanges of dependable hydroelectric capacity and average annual usable hydroelectric energy to which Canada is entitled for average annual usable hydroelectric energy and dependable hydroelectric capacity respectively.

(3) Energy to which Canada is entitled may not be used in the United States of America except in accordance with paragraphs (1) and (2).

(4) The bypassing at dams on the main stem of the Columbia River in the United States of America of an amount of water which could produce usable energy equal to the energy component of the downstream power benefits to which Canada is entitled but not delivered to Canada under Article V or disposed of in accordance with paragraphs (1) and (2) at the time the energy component was not so delivered or disposed of, is conclusive evidence that such energy component was not used in the United States of America and that the entitlement of Canada to such energy component is satisfied.

ARTICLE IX

Variation of entitlement to downstream power benefits

(1) If the United States of America considers with respect to any hydroelectric power project planned on the main stem of the Columbia River between Priest Rapids Dam and McNary Dam that the increase in entitlement of Canada to downstream power benefits resulting from the operation of the project would produce a result which would not justify the United States of America in incurring the costs of construction and operation of the project, the United States of America and Canada at the request of the United States of America shall consider modification of the increase in entitlement.

(2) An agreement reached for the purposes of this Article shall be evidenced by an exchange of notes.

ARTICLE X

East-West standby transmission

(1) The United States of America shall provide in accordance with good engineering practice east-west standby transmission service adequate to safeguard the transmission from Oliver, British Columbia, to Vancouver, British Columbia, of the downstream power benefits to which Canada is entitled and to improve system stability of the east-west circuits in British Columbia.

(2) In consideration of the standby transmission service, Canada shall pay the United States of America in Canadian funds the equivalent of 1.50 United States dollars a year for each kilowatt of dependable hydroelectric capacity included in the downstream power benefits to which Canada is entitled.

(3) When a mutually satisfactory electrical coordination arrangement is entered into between the entities and confirmed by exchange of notes between the United States of America and Canada the obligation of Canada in paragraph (2) ceases.

ARTICLE XI

Use of improved stream flow

(1) Improvement in stream flow in one country brought about by operation of storage constructed under the treaty in the other country shall not be used directly or indirectly for hydroelectric power purposes except:

(a) in the case of use within the United States of America with the prior approval of the U.S. entity, and

(b) in the case of use within Canada with the prior approval of the authority in Canada having jurisdiction.

(2) The approval required by this article shall not be given except upon such conditions, consistent with the Treaty, as the entity or authority considers appropriate.

ARTICLE XII

Kootenai River development

(1) The United States of America for a period of 5 years from the ratification date, has the option to commence construction of a dam on the Kootenai River near Libby, Montana, to provide storage to meet flood control and other purposes in the United States of America. The storage reservoir of the dam shall not raise the level of the Kootenai River at the Canada-United States of America boundary above an elevation consistent with a normal full pool elevation at the dam of 2,459 feet, United States Coast and Geodetic Survey datum, 1929 General Adjustment, 1947 International Supplemental Adjustment.

(2) All benefits which occur in either country from the construction and operation of the storage accrue to the country in which the benefits occur.

(3) The United States of America shall exercise its option by written notice to Canada and shall submit with the notice a schedule of construction which shall include provision for commencement of construction, whether by way of railroad relocation work or otherwise, within 5 years of the ratification date.

(4) If the United States of America exercises its option, Canada in consideration of the benefits accruing to it under paragraph (2) shall prepare and make available for flooding the land in Canada necessary for the storage reservoir of the dam within a period consistent with the construction schedule.

(5) If a variation in the operation of the storage is considered by Canada to be of advantage to it the United States of America shall, upon request, consult with Canada. If the United States of America determines that the variation would not be to its disadvantage it shall vary the operation accordingly.

(6) The operation of the storage by the United States of America shall be consistent with any order of approval which may be in force from time to time relating to the levels of Kootenay Lake made by the International Joint Commission under the Boundary Waters Treaty, 1909.

(7) Any obligation of Canada under this Article ceases if the United States of America, having exercised the option, does not commence construction of the dam in accordance with the construction schedule.

(8) If the United States of America exercises the option it shall commence full operation of the storage within seven years of the date fixed in the construction schedule for commencement of construction.

(9) If Canada considers that any portion of the land referred to in paragraph (4) is no longer needed for the purpose of this Article the United States of America and Canada, at the request of Canada, shall consider modification of the obligation of Canada in paragraph (4).

(10) If the Treaty is terminated before the end of the useful life of the dam Canada shall for the remainder of the useful life of the dam continue to make available for the storage reservoir of the dam any portion of the land made available under paragraph (4) that is not required by Canada for purposes of diversion of the Kootenay River under Article XIII.

ARTICLE XIII

Diversions

(1) Except as provided in this Article neither the United States of America nor Canada shall, without the consent of the other evidenced by an exchange of notes, divert for any use, other than a consumptive use, any water from its natural channel in a way that alters the flow of any water as it crosses the Canada-United States of America boundary within the Columbia River basin.

(2) Canada has the right, after the expiration of twenty years from the ratification date, to divert not more than 1,500,000 acre-feet of water a year from the Kootenay River in the vicinity of Canal Flats, British Columbia, to the headwaters of the Columbia River, provided that the diversion does not reduce the flow of the Kootenay River immediately downstream from the point of diversion below the lesser of 200 cubic feet per second or the natural flow.

(3) Canada has the right, exercisable at any time during the period commencing sixty years after the ratification date and expiring one hundred years after the ratification date, to divert to the headwaters of the Columbia River any water which, in its natural channel, would flow in the Kootenay River across the Canada-United States of America boundary, provided that the diversion does not reduce the flow of the Kootenay River at the Canada-United States of America boundary near Newgate, British Columbia, below the lesser of 2,500 cubic feet per second or the natural flow.

(4) During the last twenty years of the period within which Canada may exercise the right to divert described in paragraph (3) the limitation on diversion is the lesser of 1,000 cubic feet per second or the natural flow.

(5) Canada has the right:

(a) if the United States of America does not exercise the option in Article XII(1), or

(b) if it is determined that the United States of America, having exercised the option, did not commence construction of the dam referred to in Article XII in accordance therewith or that the United States of America is in breach of the obligation in that Article to commence full operation of the storage,

to divert to the headwaters of the Columbia River any water which, in its natural channel, would flow in the Kootenay River across the Canada-United States of America boundary, provided that the diversion does not reduce the flow of the Kootenay River at the Canada-United States of America boundary near Newgate, British Columbia, below the lesser of 1,000 cubic feet per second or the natural flow.

(6) If a variation in the use of the water diverted under paragraph (2) is considered by the United States of America to be of advantage to it Canada shall, upon request, consult with the United States of America. If Canada determines that the variation would not be to its disadvantage it shall vary the use accordingly.

ARTICLE XIV

Arrangements for implementation

(1) The United States of America and Canada shall each, as soon as possible after the ratification date, designate entities and when so designated the entities are empowered and charged with the duty to formulate and carry out the operating arrangements necessary to implement the Treaty. Either the United States of America or Canada may designate one or more entities. If more than one is designated the powers and duties conferred upon the entities by the Treaty shall be allocated among them in the designation.

(2) In addition to the powers and duties dealt with specifically elsewhere in the Treaty the powers and duties of the entities include:

(a) coordination of plans and exchange of information relating to facilities to be used in producing and obtaining the benefits contemplated by the Treaty,

(b) calculation of and arrangements for delivery of hydroelectric power to which Canada is entitled for providing flood control,

(c) calculation of the amounts payable to the United States of America for standby transmission services,

(d) consultation on requests for variations made pursuant to Articles XII(5) and XIII (6),

(e) the establishment and operation of a hydrometeorological system as required by Annex A,

(f) assisting and cooperating with the Permanent Engineering Board in the discharge of its functions,

(g) periodic calculation of accounts,

(h) preparation of the hydroelectric operating plans and the flood control operating plans for the Canadian storage together with determination of the downstream power benefits to which Canada is entitled,

(i) preparation of proposals to implement Article VIII and carrying out any disposal authorized or exchange provided for therein,

(j) making appropriate arrangements for delivery to Canada of the downstream power benefits to which Canada is entitled including such matters as load factors for delivery, times and points of delivery, and calculation of transmission loss.

(k) preparation and implementation of detailed operating plans that may produce results more advantageous to both countries than those that would arise from operation under the plans referred to in Annexes A and B.

(3) The entities are authorized to make maintenance curtailments. Except in case of emergency, the entity responsible for a maintenance curtailment shall give notice to the corresponding United States or Canadian entity of the curtailment, including the reason therefor and the probable duration thereof and shall both schedule the curtailment with a view to minimizing its impact and exercise due diligence to resume full operation.

(4) The United States of America and Canada may by an exchange of notes empower or charge the entities with any other matter coming within the scope of the Treaty.

ARTICLE XV

Permanent Engineering Board

(1) A Permanent Engineering Board is established consisting of four members, two to be appointed by Canada and two by the United States of America. The initial appointments shall be made within three months of the ratification date.

(2) The Permanent Engineering Board shall:

(a) assemble records of the flows of the Columbia River and the Kootenay River at the Canada-United States of America boundary;

(b) report to the United States of America and Canada whenever there is substantial deviation from the hydroelectric and flood control operating plans and if appropriate include in the report recommendations for remedial action and compensatory adjustments;

(c) assist in reconciling differences concerning technical or operational matters that may arise between the entities;

(d) make periodic inspections and require reports as necessary from the entities with a view to ensuring that the objectives of the Treaty are being met;

(e) make reports to the United States of America and Canada at least once a year of the results being achieved under the Treaty and make special reports concerning any matter which it considers should be brought to their attention;

(f) investigate and report with respect to any other matter coming within the scope of the Treaty at the request of either the United States of America or Canada.

(3) Reports of the Permanent Engineering Board made in the course of the performance of its functions under this Article shall be prima facie evidence of the facts therein contained and shall be accepted unless rebutted by other evidence.

(4) The Permanent Engineering Board shall comply with directions, relating to its administration and procedures, agreed upon by the United States of America and Canada as evidenced by an exchange of notes.

ARTICLE XVI

Settlement of differences

(1) Differences arising under the Treaty which the United States of America and Canada cannot resolve may be referred by either to the International Joint Commission for decision.

(2) If the International Joint Commission does not render a decision within three months of the referral or within such other period as may be agreed upon by the United States of America and Canada, either may then submit the difference to arbitration by written notice to the other.

(3) Arbitration shall be by a tribunal composed of a member appointed by Canada, a member appointed by the United States of America and a member appointed jointly by the United States of America and Canada who shall be Chairman. If within six weeks of the delivery of a notice under paragraph (2) either the United States of America or Canada has failed to appoint its member, or they are unable to agree upon the member who is to be Chairman, either the United States of America or Canada may request the President of the International Court of Justice to appoint the member or members. The decision of a majority of the members of an arbitration tribunal shall be the decision of the tribunal.

(4) The United States of America and Canada shall accept as definitive and binding and shall carry out any decision of the International Joint Commission or an arbitration tribunal.

(5) Provision for the administrative support of a tribunal and for remuneration and expenses of its members shall be as agreed in an exchange of notes between the United States of America and Canada.

(6) The United States of America and Canada may agree by an exchange of notes on alternative procedures for settling differences arising under the Treaty including reference of any difference to the International Court of Justice for decision.

ARTICLE XVII

Restoration of Pretreaty legal status

(1) Nothing in this Treaty and no action taken or foregone pursuant to its provisions shall be deemed, after its termination or expiration, to have abrogated or modified any of the rights or obligations of the United States of America or Canada under then existing international law, with respect to the uses of the water resources of the Columbia River basin.

(2) Upon termination of this Treaty, the Boundary Waters Treaty, 1909, shall, if it has not been terminated, apply to the Columbia River basin, except insofar as the provisions of that Treaty may be inconsistent with any provision of this Treaty which continues in effect.

(3) Upon termination of this Treaty, if the Boundary Waters Treaty, 1909, has been terminated in accordance with Article XIV of that Treaty, the provisions of Article II of that Treaty shall continue to apply to the waters of the Columbia River basin.

(4) If upon the termination of this Treaty Article II of the Boundary Waters Treaty, 1909, continues in force by virtue of paragraph (3) of this Article the effect of Article II of that Treaty with respect to the Columbia River basin may be terminated by either the United States of America or Canada delivering to the other one year's written notice to that effect; provided however that the notice may be given only after the termination of this Treaty.

(5) If, prior to the termination of this Treaty, Canada undertakes works usable for and relating to a diversion of water from the Columbia River basin, other than works authorized by or undertaken for the purpose of exercising a right under Article XIII or any other provision of this Treaty, paragraph (3) of this Article shall cease to apply one year after delivery by either the United States of America or Canada to the other of written notice to that effect.

ARTICLE XVIII

Liability for damage

(1) The United States of America and Canada shall be liable to the other and shall make appropriate compensation to the other in respect of any act, failure to act, omission or delay amounting to a breach of the Treaty or of any of its provisions other than an act, failure to act, omission or delay occurring by reason of war, strike, major calamity, act of God, uncontrollable force or maintenance curtailment.

(2) Except as provided in paragraph (1) neither the United States of America nor Canada shall be liable to the other or to any person in respect of any injury, damage or loss occurring in the territory of the other caused by any act, failure to act, omission or delay under the Treaty whether the injury, damage or loss results from negligence or otherwise.

(3) The United States of America and Canada, each to the extent possible within its territory, shall exercise due diligence to remove the cause of and to mitigate the

effect of any injury, damage or loss occurring in the territory of the other as a result of any act, failure to act, omission or delay under the Treaty.

(4) Failure to commence operation as required under Articles IV and XII is not a breach of the Treaty and does not result in the loss of rights under the Treaty if the failure results from a delay that is not wilful or reasonably avoidable.

(5) The compensation payable under paragraph (1):

(a) in respect of a breach by Canada of the obligation to commence full operation of a storage, shall be forfeiture of entitlement to downstream power benefits resulting from the operation of that storage, after operation commences, for a period equal to the period between the day of commencement of operation and the day when commencement should have occurred;

(b) in respect of any other breach by either the United States of America or Canada, causing loss of power benefits, shall not exceed the actual loss in revenue from the sale of hydroelectric power.

ARTICLE XIX

Period of Treaty

(1) The Treaty shall come into force on the ratification date.

(2) Either the United States of America or Canada may terminate the Treaty other than Article XIII (except paragraph (1) thereof), Article XVII and this Article at any time after the Treaty has been in force for sixty years if it has delivered at least ten years written notice to the other of its intention to terminate the Treaty.

(3) If the Treaty is terminated before the end of the useful life of a dam built under Article XII then, notwithstanding termination, Article XII remains in force until the end of the useful life of the dam.

(4) If the Treaty is terminated before the end of the useful life of the facilities providing the storage described in Article IV(3) and if the conditions described therein exist then, notwithstanding termination, Articles IV(3) and VI (4) and (5) remain in force until either the end of the useful life of those facilities or until those conditions cease to exist, whichever is the first to occur.

ARTICLE XX

Ratification

The instruments of ratification of the Treaty shall be exchanged by the United States of America and Canada at Ottawa, Canada.

ARTICLE XXI

Registration with the United Nations

In conformity with Article 102 of the Charter of the United Nations, the Treaty shall be registered by Canada with the Secretariat of the United Nations.

This Treaty has been done in duplicate copies in the English language.

In Witness Whereof the undersigned, duly authorized by their respective Governments, have signed this Treaty at Washington, District of Columbia, United States of America, this 17th day of January, 1961.

For the United States of America:

DWIGHT D. EISENHOWER
President
of the United States of America

CHRISTIAN A. HERTER
Secretary of State

ELMER F. BENNETT
Under Secretary of the Interior

For Canada:

JOHN G. DIEFENBAKER
Prime Minister of Canada

E. D. FULTON
Minister of Justice

A. D. P. HEENEY
Ambassador Extraordinary and Plenipotentiary of Canada to the United States of America

ANNEX A—PRINCIPLES OF OPERATION

GENERAL

1. The Canadian storage provided under Article II will be operated in accordance with the procedures described herein.

2. A hydrometeorological system, including snow courses, precipitation stations and streamflow gauges will be established and operated, as mutually agreed by the entities and in consultation with the Permanent Engineering Board, for use in establishing data for detailed programming of flood control and power operations. Hydrometeorological information will be made available to the entities in both countries for immediate and continuing use in flood control and power operations.

3. Sufficient discharge capacity at each dam to afford the desired regulation for power and flood control will be provided through outlet works and turbine installations as mutually agreed by the entities. The discharge capacity provided for flood control operations will be large enough to pass inflow plus sufficient storage releases during the evacuation period to provide the storage space required. The discharge capacity will be evaluated on the basis of full use of any conduits provided for that purpose plus one half the hydraulic capacity of the turbine installation at the time of commencement of the operation of storage under the Treaty.

4. The outflows will be in accordance with storage reservation diagrams and associated criteria established for flood control purposes and with reservoir-balance relationships established for power operations. Unless otherwise agreed by the entities the average weekly outflows shall not be less than 3,000 cubic feet per second at the dam described in Article II(2)(a), not less than 5,000 cubic feet per second at the dam described in Article II(2)(b) and not less than 1,000 cubic feet per second at the dam described in Article II(2)(c). These minimum average weekly releases may be scheduled by the Canadian entity as required for power or other purposes.

FLOOD CONTROL

5. For flood control operation, the United States entity will submit flood control operating plans which may consist of or include flood control storage reservation diagrams and associated criteria for each of the dams. The Canadian entity will operate in accordance with these diagrams or any variation which the entities agree will not derogate from the desired aim of the flood control plan. The use of these diagrams will be based on data obtained in accordance with paragraph 2. The diagrams will consist of relationships specifying the flood control storage reservations required at indicated times of the year for volumes of forecast runoff. After consultation with the Canadian entity the United States entity may from time to time as conditions warrant adjust these storage reservation diagrams within the general limitations of flood control operation. Evacuation of the storages listed hereunder will be guided by the flood control storage reservation diagrams and refill will be as requested by the United States entity after consultation with the Canadian entity. The general limitations of flood control operation are as follows:

(a) The dam described in Article II(2)(a): The reservoir will be evacuated to provide up to 80,000 acre-feet of storage, if required, for flood control use by May 1 of each year.

(b) The dam described in Article II(2)(b): The reservoir will be evacuated to provide up to 7,100,000 acre-feet of storage, if required, for flood control use by May 1 of each year.

(c) The dam described in Article II(2)(c): The reservoir will be evacuated to provide up to 700,000 acre-feet of storage, if required, for flood control use by April 1 of each year and up to 1,270,000 acre-feet of storage, if required, for flood control use by May 1 of each year.

(d) The Canadian entity may exchange flood control storage provided in the reservoir referred to in subparagraph (b) for additional storage provided in the reservoir referred to in subparagraph (a) if the entities agree that the exchange would provide the same effectiveness for control of floods on the Columbia River at The Dalles, Oregon.

POWER

6. For power generating purposes the 15,500,000 acre-feet of Canadian storage will be operated in accordance with operating plans designed to achieve optimum power generation downstream in the United States of America until such time as power generating facilities are installed at the site referred to in paragraph 5(a) or at sites in Canada downstream therefrom.

7. After at-site power is developed at the site referred to in paragraph 5(a) or power generating facilities are placed in operation in Canada downstream from that site, the storage operation will be changed so as to be operated in accordance with operating plans designed to achieve optimum power generation at-site in Canada and downstream in the United States of America and Canada, including consideration of any agreed electrical coordination between the two countries. Any reduction in the downstream power benefits in the United States of America resulting from that change in operation of the Canadian storage shall not exceed in any one year the reduction in downstream power benefits in the United States of America which would result from reducing by 500,000 acre-feet the Canadian storage operated to achieve optimum power generation in the United States of America and shall not exceed at any time during the period of the Treaty the reduction in downstream power benefits in the United States of America which would result from similarly reducing the Canadian storage by 3,000,000 acre-feet.

8. After at-site power is developed at the site referred to in paragraph 5(a) or power generating facilities are placed in operation in Canada downstream from that site, storage may be operated to achieve optimum generation of power in the United States of America alone if mutually agreed by the entities in which event the United States of America shall supply power to Canada to offset any reduction in Canadian generation which would be created as a result of such operation as compared to operation to achieve optimum power generation at-site in Canada and downstream in the United States of America and Canada. Similarly, the storage may be operated to achieve optimum generation of power in Canada alone if mutually agreed by the entities in which event Canada shall supply power to the United States of America to offset any reduction in the United States generation which would be created as a result of such operation as compared to operation to achieve optimum power generation at-site in Canada and downstream in the United States of America and Canada.

9. Before the first storage becomes operative, the entities will agree on operating plans and the resulting downstream power benefits for each year until the total of 15,500,000 acre-feet of storage in Canada becomes operative. In addition, commencing five years before the total of 15,500,000 acre-feet of storage is expected to become operative, the entities will agree annually on operating plans and the resulting downstream power benefits for the sixth succeeding year of operation thereafter. This procedure will continue during the life of the

Treaty, providing to both the entities, in advance, an assured plan of operation of the Canadian storage and a determination of the resulting downstream power benefits for the next succeeding five years.

ANNEX B—DETERMINATION OF DOWNSTREAM POWER BENEFITS

1. The downstream power benefits in the United States of America attributable to operation in accordance with Annex A of the storage provided by Canada under Article II will be determined in advance and will be the estimated increase in dependable hydroelectric capacity in kilowatts for agreed critical stream flow periods and the increase in average annual usable hydroelectric energy output in kilowatt hours on the basis of an agreed period of stream flow record.

2. The dependable hydroelectric capacity to be credited to Canadian storage will be the difference between the average rates of generation in kilowatts during the appropriate critical stream flow periods for the United States of America base system, consisting of the projects listed in the table, with and without the addition of the Canadian storage, divided by the estimated average critical period load factor. The capacity credit shall not exceed the difference between the capability of the base system without Canadian storage and the maximum feasible capability of the base system with Canadian storage, to supply firm load during the critical stream flow periods.

3. The increase in the average annual usable hydroelectric energy will be determined by first computing the difference between the available hydroelectric energy at the United States base system with and without Canadian storage. The entities will then agree upon the part of available energy which is usable with and without Canadian storage, and the difference thus agreed will be the increase in average annual usable hydroelectric energy. Determination of the part of the energy which is usable will include consideration of existing and scheduled transmission facilities and the existence of markets capable of using the energy on a contractual basis similar to the then existing contracts. The part of the available energy which is considered usable shall be the sum of:

(a) the firm energy,

(b) the energy which can be used for thermal power displacement in the Pacific Northwest Area as defined in Paragraph 7, and

(c) the amount of the remaining portion of the available energy which is agreed by the entities to be usable and which shall not exceed in any event 40% of that remainder.

4. An initial determination of the estimated downstream power benefits in the United States of America from Canadian storage added to the United States base system will be made before any of the Canadian storage becomes operative. This determination will include estimates of the downstream power benefits for each year until the total of 15,500,000 acre-feet of Canadian storage becomes operative.

5. Commencing five years before the total of 15,500,000 acre-feet of storage is expected to become operative, estimates of downstream power benefits will be calculated annually for the sixth succeeding year on the basis of the assured plan of operation for that year.

6. The critical stream flow period and the details of the assured plan of operation will be agreed upon by the entities at each determination. Unless otherwise agreed upon by the entities, the determination of the downstream power benefits shall be based upon stream flows for the twenty year period beginning with July 1928 as contained in the report entitled Modified Flows at Selected Power Sites—Columbia River Basin, dated June 1957. No retroactive adjustment in downstream power benefits will be made at any time during the period of the Treaty. No reduction in the downstream power benefits credited to Canadian storage will be made as a result of the load estimate in the United States of America, for the year for which the determination is made, being less than the load estimate for the preceding year.

7. In computing the increase in dependable hydroelectric capacity and the increase in average annual hydroelectric energy, the procedure shall be in accordance with the three steps described below and shall encompass the loads of the Pacific Northwest Area. The Pacific Northwest Area, for purposes of these determinations, shall be Oregon, Washington, Idaho and Montana west of the Continental Divide but shall exclude areas served on the ratification date by the California Oregon Power Company and Utah Power and Light Company.

STEP I

The system for the period covered by the estimate will consist of the Canadian storage, the United States base system, any thermal installation operated in coordination with the base system, and additional hydroelectric projects which will provide storage releases usable by the base system or which will use storage releases that are usable by the base system. The installations included in this system will be those required, with allowance for adequate reserves, to meet the forecast power load to be served by this system in the United States of America, including the estimated flow of power at points of inter-connection with adjacent areas, subject to paragraph 3, plus the portion of the entitlement of Canada that is expected to be used in Canada. The capability of this system to supply this load will be determined on the basis that the system will be operated in accordance with the established operating procedures of each of the projects involved.

STEP II

A determination of the energy capability will be made using the same thermal installation as in step I, the United States base system with the same installed capacity as in step I and Canadian storage.

STEP III

A similar determination of the energy capability will be made using the same thermal installation as in step I, and the United States base system with the same installed capacity as in step I.

8. The downstream power benefits to be credited to Canadian storage will be the differences between the determinations in step II and step III in dependable hydroelectric capacity and in average annual usable hydroelectric energy, made in accordance with paragraphs 2 and 3.

ANNEX B.—*Table—Base system*

Project	Stream	Stream mile above mouth	Usable storage, acre-feet	Normal elevation		Gross head, feet	Initial installation		Estimated ultimate installation	
				Pool, feet	Tailwater, feet		Number of units	Plant kilowatts (nameplate)	Number of units	Plant kilowatts (nameplate)
Hungry Horse	South Fork Flathead	5	[1] 3,161,000	3,560	3,083	477	4	285,000	4	285,000
Kerr	Flathead	73	1,219,000	2,893	2,706	187	3	168,000	3	168,000
Thompson Falls	Clark Fork	209	Pondage	2,396	2,336	60	6	30,000	8	65,000
Noxon Rapids	do	170	Pondage	2,331	2,179	152	4	336,000	5	420,000
Cabinet Gorge	do	150	Pondage	2,175	2,078	97	4	200,000	6	300,000
Albeni Falls	Pend Oreille	90	1,155,000	2,062	2,034	28	3	42,600	3	42,600
Box Canyon	do	34	Pondage	2,031	1,989	42	4	60,000	4	60,000
Grand Coulee	Columbia	597	[1] 5,232,000	[1] [3] 1,290	947	343	18	1,944,000	34	3,672,000
Chief Joseph	do	546	Pondage	946	775	171	16	1,024,000	27	1,728,000
Wells [2]	do	516	Pondage	775	707	68	6	400,000	10	666,700
Rocky Reach	do	474	Pondage	707	614	93	7	711,550	11	1,118,150
Rock Island	do	453	Pondage	[3] 608	570	38	10	212,100	10	212,100
Wanapum	do	415	Pondage	570	486	84	10	831,250	16	1,330,000
Priest Rapids	do	397	Pondage	486	406	80	10	788,500	16	1,261,600
Brownlee	Snake	285	974,000	2,077	1,805	272	4	360,400	6	540,600
Oxbow	do	273	Pondage	1,805	1,683	122	4	190,000	5	237,500
Ice Harbor	do	10	Pondage	440	343	97	3	270,000	6	540,000
McNary	Columbia	292	Pondage	340	265	75	14	980,000	20	1,400,000
John Day	do	216	Pondage	265	161	104	8	1,080,000	20	2,700,000
The Dalles	do	192	Pondage	160	74	86	[4] 16	1,119,000	[3] 24	1,743,000
Bonneville	do	145	Pondage	74	15	59	10	518,400	16	890,400
Kootenay Lake	Kootenay	16	673,000	1,745						
Chelan	Chelan	0	676,000	1,010	707	303	2	48,000	4	96,000
Coeur d'Alene Lake	Coeur d'Alene	102	223,000	2,128						
Total, 24 projects			[1] 13,313,000			3,128	166	11,598,800	258	19,476,650

[1] In determining the base system capabilities with and without Canadian storage the Hungry Horse reservoir storage will be limited to 3,008,000 acre-feet (normal full pool elevation of 3,560 feet) and the Grand Coulee project will not include the effect of adding flashboards, limiting the storage to 5,072,000 acre-feet (normal full pool elevation of 1,288 feet). The total usable storage of the base system as so adjusted will be 13,000,000 acre-feet.

[2] With flashboards.

[3] The Wells project is not presently under construction; when this project or any other project on the main stem of the Columbia River is completed, they will be integral components of the base system.

[4] Includes 2 13,500 kilowatt units for fish attraction water.

The PRESIDING OFFICER. Under the agreement, the debate is limited to 45 minutes, the time to be controlled by the majority leader and the minority leader.

Mr. SPARKMAN. Mr. President, I yield myself 10 minutes.

The PRESIDING OFFICER. The Senator from Alabama is recognized for 10 minutes.

Mr. SPARKMAN. Mr. President, it is an honor and a pleasure for me to speak for the Committee on Foreign Relations in recommending that the Senate give its approval to the Columbia River Treaty. This treaty is designated as Executive C, 87th Congress, 1st session.

The treaty was signed on January 17, 1961, and was sent to the Senate on the same day. Public hearings were held on March 8, 1961. During the hearings a number of Senators testified in support of this treaty; and detailed presentations were made by the Secretary of the Interior, Stewart Udall; by the Deputy Assistant Secretary of State, Ivan B. White; and by the Chief of the Army Corps of Engineers, Lt. Gen. Emerson C. Itschner. In addition, a number of private witnesses appeared in favor of the treaty. Communications received by the committee have been uniformly favorable. In light of that background, the committee voted unanimously, on March 14, to recommend the treaty favorably to the Senate.

Mr. President, I know that several Senators from States of the Northwest will wish to speak on the merits of the treaty; and, therefore, I shall confine my remarks to a brief summary of its main features. There is available in Executive C, in the hearing record, and in the committee report an abundance of information.

Perhaps the best way for the Senators to grasp the significance of the treaty is to look at the map which is to be found at the front of the hearing record and at the beginning of the committee report. One can see on that map what a vast area the Columbia River basin covers. The river drains and area touching six States of the United States and the Province of British Columbia, in Canada. This is a total area of 259,000 square miles, of which all but 15 percent is in the United States.

Senators can also readily obtain, from examining the map, the basic concept of the treaty. Three large storage dams will be built in Canada. These dams will double the present storage capacity for regulating the flow of the main part of the Columbia River. This increased storage capacity will be used for two primary purposes: for controlling floods, and for increased generation of electric power. The treaty also makes possible the construction, in Montana, of the great Libby Dam. Canadian consent for this construction is necessary, because the dam would cause water to back into Canada a distance of 42 miles.

The new electric power which will result from the new Canadian storage and Libby Dam are expected to result in the addition of nearly 2 billion kilowatts of power for the benefit of the people of Canada and the people of the United States. This power will be generated at very low cost—about half the cost of the power now being generated at Bonneville Dam, in Oregon.

The installation built under this treaty will make it possible to eliminate major floods on the lower Columbia River. The fact that the last major flood on the Columbia cost at least 34 lives and $100 million worth of property damage gives one some idea of the tremendous benefits to be derived from finally taming the Columbia River.

Mr. President, Senators will naturally ask how these great benefits under the Columbia River Treaty will be paid for. Canada is undertaking to build the new storage dams, at an estimated cost of $345 million. The United States is going to pay Canada, for flood-control benefits, sums, depending on the amount of flood-control service rendered, which will not exceed $72 million. The new electrical power generated in the United States as a result of the new Canadian storage will be shared 50–50 with Canada. In addition to these direct costs there will be some expense to the United States for additional power generation and transmission facilities, in order to take advantage of the increased flow of water. It is estimated that over the next 10 years this cost will approximate $150 million. I am not including in this estimate the cost of Libby Dam, which has been authorized by the Congress since 1950. Looking ahead beyond the next decade, it is also likely that further power generation facilities may be added along the river, in projects which have an estimated cost of $268 million.

Is this treaty with Canada, which the Senate is being asked to approve, a good bargain? President Eisenhower and Prime Minister Diefenbaker have said it is. They signed the treaty. Secretary of the Interior Udall, General Itschner of the Corps of Engineers, and Deputy Assistant Secretary of State White, speaking for the Kennedy administration, have testified in glowing terms on the benefits of the treaty, and have urged prompt ratification.

Mr. President, I have been stressing benefits of the treaty largely in economic terms. From the point of view of our relations with Canada, the treaty is also a great step forward. Without the cooperation of Canada, it is completely certain that the best use of the Columbia River resources could not be made. Independent development of the river would be much more costly, and it would be sure to lead to trouble. This treaty reflects hard negotiations and mutual concessions. It is the view of the Committee on Foreign Relations that its implementation will inevitably draw Canada and the United States closer together. I am sure that is what we all want.

Mr. LAUSCHE. Mr. President, I ask unanimous consent that I may proceed out of order and have my remarks printed in the RECORD as a part of the general debate on the Columbia River Treaty.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Ohio? The Chair hears none, and it is so ordered.

Mr. LAUSCHE. Mr. President, I support the treaty which is pending before the Senate this afternoon for action by the Senate. I think its drafting and its ultimate consummation will establish a milestone in the course governments ought to follow in an effort to develop common water basins.

The United States and Canada have had two common watersheds which have been under discussion, at some times with views which have been conflicting. One is the Columbia River basin, which has its beginning in Canada, flows into the United States, and finally empties into the Pacific Ocean. The other is the Great Lakes water basin, which drains a great area of land not only in Canada but also in the United States.

Based upon the similarity of the issues involved dealing with the disputes which existed with regard to the development of the Columbia River basin and of the Great Lakes basin, I wish to point out to my colleagues the lesson to be learned from the treaty now under consideration.

For about 20 years Canada had been talking about diverting the waters out of the Columbia River into the Fraser River. If that had been done, the water flow of the Columbia River in the United States would have been reduced to the point that there would have been damage to U.S. hydroelectric generation and a lowering of the amount of water available for irrigation.

Senators and Representatives from the Northwest viewed this ostensible threat by Canada as a great danger to the economies of Washington, of Oregon, and of Idaho, and of Montana especially, and they were gravely concerned that Canada might take unilateral action to divert those waters.

While the people of the Northwest were apprehensive about this threat, the people living in Ohio, in Pennsylvania, in New York, and in Indiana were concerned, as were the people of Canada, about the threat of the United States to divert waters out of the Great Lakes, through the Chicago Sanitation Canal, into the Mississippi River, and finally into the Gulf of Mexico.

I have served in the Senate 4 years. Each year there have been presented to this body bills to authorize Chicago to divert waters out of the Great Lakes and to lower the flow of water in the St. Lawrence and in four of the Great Lakes. The facts pertaining to the Great Lakes basin and those pertaining to the Columbia River basin are substantially similar. In each instance a diversion was intended. In the Columbia River basin, the diversion was to be to the Fraser River. In the Great Lakes basin, the diversion was to be to Chicago.

The diversion threatened was the cause of apprehension on the one hand to the United States, and on the other hand to Canada in respect to the Great Lakes basin.

Canada with the United States negotiated a settlement, and that negotiation was in progress for some time.

At this time I wish to give credit to the Senators from Oregon [Mr. MORSE and Mrs. NEUBERGER], the Senators from

Idaho [Mr. DWORSHAK and Mr. CHURCH], and the Senators from Washington [Mr. MAGNUSON and Mr. JACKSON], and the Senators from Montana [Mr. MANSFIELD and Mr. MURRAY], for their contributions toward a solution of the problem in the Columbia River basin, achieved bilaterally by Canada and the United States.

While bilateral cooperation was in progress in the Northwest, in the Great Lakes basin, Illinois was asking for a diversion of waters not on a bilateral basis of consent but on the basis that the United States on its own, disregarding the claims and the rights of Canada, would proceed to lower the waters in that basin.

The facts and the principles involved were nearly identical, but in one basin a solution was found through negotiation and a proposed treaty. In the Great Lakes basin the United States was urged to take one-sided action, disregarding the wishes of Canada completely about what should or should not be done.

There is no question that if the waters of the Great Lakes are diverted by Chicago, the level of the lakes below Chicago will be lowered and the navigation capacity of the lakes and the St. Lawrence River will be affected. In addition, the ability to generate hydroelectric power will be seriously impaired.

In spite of those facts, each session there has been submitted to the Congress a bill requesting the United States to take the unpardonable, indefensible, unilateral action of taking water which partly belongs to Canada.

In the hearing before the Committee on Foreign Relations with regard to the Columbia River Basin Treaty, as I pointed out earlier today, testimony was given by the Honorable Stewart L. Udall, Secretary of the Interior. I should like to quote from the Secretary's testimony and to make comments upon it.

The Secretary recited a number of things which were good, achieved through the treaty, and he said:

It will remove the potential of diversion of the upper Columbia River into the Fraser River which could have resulted in disastrous power losses in the United States estimated by the Corps of Engineers to be in excess of $50 million annually. * * *

I then asked Secretary Udall this question—

Canada contemplated diverting the upper Columbia River into the Fraser River; is that a correct understanding?

Secretary Udall replied—

At one time, Senator, studies were made, and this was something which was discussed and was contemplated.

We were talking about diverting the waters of the Columbia, and it is simple to see that anyone living in the United States in proximity to the Columbia River would have to become greatly distressed to know that the flow of water into the Columbia was to be lowered by a unilateral act up in Canada.

Continuing to read from page 11 of the transcript of the hearing—

Senator LAUSCHE. If that had been done, would it have seriously affected interests in the United States, especially those that were to be served by the Columbia River in the United States?

Secretary UDALL. Yes. It would have had a very heavy impact naturally because it would have meant interruption——

Senator LAUSCHE. Was there grave concern on the part of our Government that Canada might have taken that action and thus affected the normal flows of water in the Columbia River basin to the extent that the economy of the United States would be adversely impaired?

Secretary UDALL. That is correct, Senator.

As I have already stated, the same situation prevails in the Great Lakes basin.

Mr. Udall further went on to answer—

Well, this treaty, this agreement, I think, certainly bears out the point you make, that we finally have resolved this dispute by entering into an agreement on it rather than by unilateral action which might have resulted in a case, perhaps, which would have gone to court in international law.

Senator LAUSCHE. That is, our Government, if Canada had impounded waters that would have resulted in an adverse effect upon our right to use the normal flow of the Columbia River, would have challenged that right from a legal standpoint.

Secretary UDALL. Well, I daresay that this may have been the result, Senator. I cannot say for certain.

I direct attention now to the testimony of Mr. White, in which he proceeds in much the same manner to describe great achievements through the treaty, and especially to point out that by bilateral action, instead of unilateral action, the problem had been solved. Mr. White is the Deputy Assistant to the Secretary of State. I said to Mr. White—

Mr. White, in the second to the last paragraph of your prepared statement is contained this declaration:

"Finally, one of the most important objectives of the U.S. delegation was to remove the possibility, no matter how remote, that Canada, in the absence of an agreement for cooperative development of the Columbia River, might decide to divert the waters of the Columbia River into the Fraser River basin which empties into the sea at Vancouver. This objective has been achieved for at least the next 60 years"—

Which is the life of the treaty. Continuing to read from the transcript of the hearing, I asked Mr. White—

How long has that subject of diverting the waters of the Columbia into the Fraser River been under discussion?

Mr. WHITE. I do not know the exact period, but I think in one form or another it has been under discussion for more than a decade in Canada.

I asked a further question:

Now then, if the waters had been diverted out of the Columbia into the Fraser, it would have had a serious impact upon the irrigation and hydroelectric general projects that were built in our country?

Mr. WHITE. Yes, sir.

Subsequently, in my further examination of Mr. White, we entered into a discussion of what the international law was on this subject. He said he could not answer such questions, but his legal adviser, Mr. Kearney, would answer questions of that type which I put to him. These are the questions which I asked.

This treaty may be declared to confirm the opinion of some that there are legal rights of a neighboring country in the waters of an adjoining country and that, therefore, changes in flow, either lifting or lowering them, constitute a violation of a legal right, and can only be achieved legally through a treaty.

Mr. KEARNEY. Yes, sir. I think, Senator, that this treaty will be considered as adding to that body of law.

However, I would make this footnote: This treaty is a rather unusual situation because we do have the 1909 Boundary Waters Treaty with Canada, which sets up certain legal rules between our two countries and, therefore, we are in a somewhat different situation than two countries where there are no rules whatsoever.

However, I would say that the trend in international law is strongly toward the establishment of the principle that an upstream riparian state cannot deal with the waters within its borders which cross its boundary to a downstream riparian state in such a way as to seriously impair the rights or interests of the downstream riparian state.

Then followed a further question by me—

Now, Mr. White, do you feel that this treaty, in effect, declares what the principle of our Government is with respect to the use of waters that are in a common basin between our Government and Canada?

Mr. WHITE. Well, sir, as I stated, in this negotiation under our terms of reference we dealt solely with the question of the Columbia River basin.

I will defer to Mr. Kearney as to the extent to which that may constitute a precedent for other watersheds.

Senator LAUSCHE. Yes. But you thought this was one of your most important objectives; that is, to reach an understanding which, for at least 60 years, will prevent Canada from diverting the waters——

The answer of Mr. White was:

That is correct.

To conclude, there is pending in Congress another bill to approve unilaterally the diversion of waters out of Lake Michigan through the State of Illinois, into the Mississippi, and down to the Gulf Stream.

When that measure comes to the floor, if it does, and especially when it comes before the committee, I ask that the Columbia River Treaty be kept in mind. The effect of the Columbia River Treaty is to declare that one country cannot take the waters out of a common basin beginning in another country and divert them to the damage of the neighboring country.

Similarly, I say that Congress would be committing a serious and grave wrong against Canada and against international law if we attempted unilaterally to divert waters out of the Great Lakes basin for the benefit of Chicago and to the detriment of Canada, New York, Pennsylvania, Ohio, Indiana, and partly, Illinois below Chicago.

Mr. President, on Wednesday, March 8, the members of the Committee on Foreign Relations conducted a hearing with respect to the United States-Canada Columbia River Treaty. At the presentation of the evidence concerning the treaty there appeared the Honorable Stewart L. Udall, Secretary of the In-

terior, and Mr. Ivan B. White, Deputy Assistant Secretary of State for European Affairs, among others.

These witnesses testified about the great accomplishments to be derived as a result of the agreement reached as to how the Columbia River basin should be developed. I concur with the enthusiasm which these men manifested about the propriety and the goodness of the treaty.

However, each of the men in his testimony pointed out that one of the great achievements was that it was a treaty, dealing with a common waterway basin lying in adjoining nations, the United States and the Dominion of Canada, an agreement reached amicably as to how the river should be developed.

Involved in the Columbia River watershed was the threat of the possibility that Canada would divert the Columbia River from its normal channels into the Fraser River, thus impeding the flow of water into the United States, and harmfully affecting the generation of electricity and irrigation projects in the United States.

Claim for credit was made by these men, as they pointed out that a diversion and an impoundment of water in Canada might have affected prejudicially the interests of the United States, and that the problem was amicably worked out on a bilateral basis.

I questioned both of these men as to whether the goodness of what was achieved did not exemplify the need for bilateral action with respect to the Great Lakes basin, on the same principle that was applied to the Columbia River basin.

Mr. President, beginning on page 10 and ending on page 13 of the printed hearings appear questions and answers which were respectively propounded by me and answered by Secretary Udall. Beginning on page 36 and ending on page 39 of the printed hearings appear questions propounded by me and answers by Mr. White and his legal adviser, Mr. Richard D. Kearney.

Mr. President, I ask unanimous consent that the questions and answers referred to be printed in the RECORD, to reflect the fact that it would be an irreparable wrong if the United States, by unilateral action, should attempt to divert the waters out of Lake Michigan into the Chicago Sanitation Canal, thus harmfully affecting the generation of electricity in the Great Lakes basin.

There being no objection, the excerpts from the testimony were ordered to be printed in the RECORD, as follows:

Senator LAUSCHE. I am now looking at page 7 of your prepared statement, at the paragraph marked 5:

"It will remove the potential of diversion of the upper Columbia River into the Fraser River which could have resulted in disastrous power losses in the United States estimated by the Corps of Engineers to be in excess of $50 million annually. * * *"

Canada contemplated diverting the upper Columbia River into the Fraser River; is that a correct understanding?

Secretary UDALL. At one time, Senator, studies were made, and this was something which was discussed and was contemplated. I do not think it ever reached the point where a project was offered.

Senator LAUSCHE. It was a subject under discussion?

Secretary UDALL. Yes.

Senator LAUSCHE. If that had been done, would it have seriously affected interests in the United States, especially those that were to be served by the Columbia River in the United States?

Secretary UDALL. Yes. It would have had a very heavy impact naturally because it would have meant interruption——

Senator LAUSCHE. Was there grave concern on the part of our Government that Canada might have taken that action and thus affected the normal flows of water in the Columbia River basin to the extent that the economy of the United States would be adversely impaired?

Secretary UDALL. That is correct, Senator.

Senator LAUSCHE. Am I correct in understanding that our Government took the position that under international law Canada had no legal right either to increase or decrease the flow of the Columbia River by artificial obstacles, thus leaving an adverse impact on the economy served by the river?

Secretary UDALL. Well, this, Senator, is a question you might want to renew with Mr. White of the State Department.

It is my understanding that that is substantially the position that is taken, but I am not personally familiar with this aspect of it.

LAKE MICHIGAN WATER DIVERSION BILL

Senator LAUSCHE. But in any event, with respect to diversion of the waters out of the Great Lakes basin, through the Chicago Sanitation Canal, Canada argued that we had no legal right internationally to divert waters so that they would adversely impair the efficiency of producing hydroelectric energy or the economy of running ships on the Great Lakes; am I correct in that?

Secretary UDALL. Well, I believe you are, Senator. But I think what you are trying to point out is that these two are reciprocating positions, and that the Canadians took a similar position, perhaps, to what we had taken.

Senator LAUSCHE. That is exactly what I am trying to establish. Then, is it correct that our Government finally concluded that the only way that you can begin affecting the flows of water in a basin that serves two countries is by agreement?

Secretary UDALL. Well, this treaty, this agreement, I think, certainly bears out the point you make, that we finally have resolved this dispute by entering into an agreement on it rather than by unilateral action which might have resulted in a case, perhaps, which would have gone to court in international law.

Senator LAUSCHE. That is, our Government, if Canada had impounded waters that would have resulted in an adverse effect upon our right to use the normal flow of the Columbia River, would have challenged that right from a legal standpoint.

Secretary UDALL. Well, I daresay that this may have been the result, Senator. I cannot say for certain.

Senator LAUSCHE. Well, to say the least, the economic interests in our Northwest States were deeply concerned about any action that would be taken to impair the flow of that river.

Secretary UDALL. This certainly is very true.

Senator LAUSCHE. And out of it all there came this treaty under which there was agreement as to a certain development up in the Canadian area?

Secretary UDALL. Yes.

Senator LAUSCHE. Is that correct?

Secretary UDALL. Yes, that is quite right.

Senator LAUSCHE. In conjunction with the agreement that was reached, was the Great Lakes issue discussed?

Secretary UDALL. I think the correct answer would be, "No," Senator. You might want to ask Mr. White about it. But, as far as I know, it was not.

Senator LAUSCHE. Did any of the members of the State Department participate in the discussions relating to the drafting of this treaty?

Secretary UDALL. Oh, yes.

Senator LAUSCHE. Is the State Department representative here today?

Secretary UDALL. Yes, sir. The next witness will represent the State Department.

TREATY APPROACH TO DEVELOPMENT OF WATER RESOURCES

Senator LAUSCHE. Well, let me just ask one summarizing question.

Mr. Udall, you at least came to the conclusion that, inasmuch as international relations were vitally concerned, the solution of the problem such as was presented by these conflicting claims to the right to use the waters in the Columbia River, was by a common understanding which finally culminated in a treaty for the development of the river?

Secretary UDALL. That is quite right; and I think this is a very statesmanlike solution for both countries.

Senator LAUSCHE. You feel that is the way in which to handle it, rather than on the basis of unilateral action, completely disregarding the wishes of the other nation?

Secretary UDALL. Well, I think all of us who have participated, and the Senators who previously testified, they regard this as a very good solution.

Senator LAUSCHE. You understand that I am trying right now to find out what the principle is—whether this is being done on an ad hoc basis or whether there is a principle which will be uniformly applied.

Secretary UDALL. I think you make a very excellent record on that.

Senator LAUSCHE. Well, is it going to be a principle that will be applicable to similar situations?

Secretary UDALL. Senator, you would want to pursue that with the State Department people. I think the principle we have established here is a good principle of international relations and I would think wherever possible we ought to seek solutions of this kind.

Senator LAUSCHE. At least if there comes the question as to whether the political influence of Illinois or the political influence of Ohio is greater, it would be better to adhere to a principle that is founded in moral concepts.

Secretary UDALL. Well, I think this is a very sound principle, Senator.

Senator LAUSCHE. Well, I will be looking forward with great interest to see whether, when the next question comes before us, we will deal with it on principle or on the basis of what seems to be the expedient thing politically.

Senator MANSFIELD. Mr. Chairman, would the Senator yield there?

Senator LAUSCHE. Yes.

Senator MANSFIELD. I think that the Senator has raised a very important point which, at least in part, I believe has been adhered to, because, you will recall, the last time the Chicago water diversion matter was before the Senate it was referred to the Foreign Relations Committee. In other words, it was recognized as an international matter or a matter of international concern.

Senator LAUSCHE. I think that is the course that ought to be followed. I think this is an excellent arrangement, and it is obvious that in the Indus River development, through an understanding between Pakistan and India, the use of that common basin supplying both nations will be used by agreement and not by defiant unilateral action.

* * * * *

Senator LAUSCHE. Mr. White, in the second to the last paragraph of your prepared statement is contained this declaration:

"Finally, one of the most important objectives of the U.S. delegation was to remove the possibility, no matter how remote, that Canada, in the absence of an agreement for cooperative development of the Columbia River, might decide to divert the waters of the Columbia River into the Fraser River Basin which empties into the sea at Vancouver. This objective has been achieved for at least the next 60 years."

Mr. WHITE. That is right.

Senator LAUSCHE. How long has that subject of diverting the waters of the Columbia into the Fraser River been under discussion?

Mr. WHITE. I do not know the exact period, but I think in one form or another it has been under discussion for more than a decade in Canada.

Senator LAUSCHE. Yes, sir.

Now then, if the waters had been diverted out of the Columbia into the Fraser, it would have had a serious impact upon the irrigation and hydroelectric general projects that were built in our country?

Mr. WHITE. Yes, sir.

Senator LAUSCHE. It probably would have had a destructive impact.

Mr. WHITE. Well, it would have reduced the flow of the Columbia going down through the dams on the main stem of the Columbia in the United States. The actual amount of the reduction in hydroelectric production would depend on how much was diverted.

That gets into an engineering question, and General Itschner can comment in detail on that. But certainly it would greatly reduce the hydroelectric power production on the main stem of Columbia.

Senator LAUSCHE. After the proposal was recently made to divert the waters out of the Great Lakes, did this subject of diverting into the Fraser River become accentuated?

Mr. WHITE. It became related in the public discussion; yes, sir.

Senator LAUSCHE. And the relationship was that if the United States had the authority to lower the waters of the Great Lakes Basin, Canada would have the right to lower the flow of the waters in the Columbia River Basin.

Mr. WHITE. That view may have been advanced.

I believe the State Department's view, as expressed to the Congress over the past several years, was to the effect that a diversion might tend to set a precedent or act as a stimulus for Canada to do the same thing in the case of the Columbia.

Senator LAUSCHE. And were you very apprehensive about the development of that situation and, therefore, you feel that one of the most important objectives in the consummation of this treaty is to insure that, for at least 60 years, Canada will not be able to divert the waters out of the Columbia River?

Mr. WHITE. Yes, sir.

Senator LAUSCHE. Was there, in your negotiations, any discussion of the relationship of the Great Lakes Basin compared with the Columbia River?

Mr. WHITE. No, sir. There was not.

By mutual tacit understanding, we avoided discussion of any other transboundary water problems, which would include the problem of the Chicago diversion, the problem of the St. John River, the problem of the Yukon.

Our terms of reference confined us strictly to the question of joint development of the Columbia River Basin.

Senator LAUSCHE. Well, in your mind there undoubtedly existed the thought that if the United States had the authority to, or did, divert out of the Great Lakes Basin, correspondingly Canada would be justified both legally and morally to divert the Columbia into the Fraser.

Mr. WHITE. I would not put it that they would be justified. I would put it that it would have served as a stimulus for their giving more active consideration to diversion out of the Columbia River Basin.

LAKE MICHIGAN WATER DIVERSION BILLS

Senator LAUSCHE. Now, with regard to the Chicago water diversion bills, the State Department and the Foreign Relations Department of Canada have protested vigorously.

Mr. WHITE. They certainly have. The Minister of External Affairs consistently has taken a very strong position against the various Chicago diversion bills which have been before the Congress. There is quite a long record of that.

The position of the State Department in previous years has been one of opposition to Chicago diversion.

Senator LAUSCHE. Are you able to speak of what the view of the State Department is now?

Mr. WHITE. I am not, sir. I do not believe——

Senator LAUSCHE. For how many years has the State Department been opposed to the diversion of the Great Lakes waters on the basis that it did have a direct relationship to our association with Canada?

Mr. WHITE. Well, sir, I have with me Richard Kearney, who is our assistant legal adviser, and who has been working more directly and for a longer period of time than I have on the Chicago diversion matter, and if I may, I would like to defer to him.

Senator LAUSCHE. All right.

Mr. KEARNEY. To my recollection, Senator, I would say that at least in the past 4 to 5 years the Canadians have sent a protest to us regarding the bills for increasing the diversion at Chicago, and that the Department has, in general, supported the Canadian opposition on the ground that this would exacerbate our relationships with the Canadians.

Senator LAUSCHE. Yes; and the Canadian Government took the position that the diversion at Chicago would have lowered the level and thus impaired the navigational efficiency and the hydroelectric generation capacity.

Mr. KEARNEY. That is correct, Senator.

Senator LAUSCHE. Did the Canadian Government take the position that both from the standpoint of international law and a previously existing treaty the U.S. Government did not have the legal right to take any action that would adversely affect the quantity of water available for navigation and the generation of electricity?

Mr. KEARNEY. The Canadian Government in, you might call it, the legal brief which it prepared, based a considerable degree of opposition to the diversion on the ground that the reduction in the generation of hydroelectricity at the Niagara plants would not be in accordance with the Niagara Treaty provisions.

Objection was also made on the ground that the arrangements with respect to the St. Lawrence Seaway, which we have with Canada, would be adversely affected by any increased diversion at Chicago.

They did not specifically rely on the general language of the Boundary Waters Treaty of 1909. That is because the Boundary Waters Treaty of 1909 contains a specific exclusion of existing diversion.

However, to my recollection—and I have not looked at this paper for approximately a year, so I may be wrong—they did refer to the provisions on navigation in the Boundary Waters Treaty. I would have to check that, but that is my general recollection at the moment.

INTERNATIONAL LAW INVOLVED

Senator LAUSCHE. What is your own understanding of the international law governing the right of one country to affect the flow of waters in a manner that has an adverse impact on the natural flow in the adjoining country?

Mr. KEARNEY. Well, this is a branch of international law which is currently in the process of evolution. It is very active at the moment, and this treaty, for example, is going to be one of the major points of development for international law in this respect.

Senator LAUSCHE. All right. Let me stop you at this point.

This treaty may be declared to confirm the opinion of some that there are legal rights of a neighboring country in the waters of an adjoining country and that, therefore, changes in flow, either lifting or lowering them, constitute a violation of a legal right, and can only be achieved legally through a treaty.

Mr. KEARNEY. Yes, sir. I think, Senator, that this treaty will be considered as adding to that body of law.

However, I would make this footnote: This treaty is a rather unusual situation because we do have the 1909 Boundary Waters Treaty with Canada, which sets up certain legal rules between our two countries and, therefore, we are in a somewhat different situation than two countries where there are no rules whatsoever.

However, I would say that the trend in international law is strongly toward the establishment of the principle that an upstream riparian state cannot deal with the waters within its borders which cross its boundary to a downstream riparian state in such a way as to seriously impair the rights or interests of the downstream riparian state.

That, I think, is the developing international law on the point.

Senator LAUSCHE. All right.

Now, Mr. White, do you feel that this treaty, in effect, declares what the principle of our Government is with respect to the use of waters that are in a common basin between our Government and Canada?

Mr. WHITE. Well, sir, as I stated, in this negotiation under our terms of reference we dealt solely with the question of the Columbia River Basin.

I will defer to Mr. Kearney as to the extent to which that may constitute a precedent for other watersheds.

POTENTIAL DIVERSION OF COLUMBIA RIVER INTO FRASER RIVER

Senator LAUSCHE. Yes. But you thought this was one of your most important objectives; that is, to reach an understanding which, for at least 60 years, will prevent Canada from diverting the waters of the Columbia River into the waters of the Fraser River Basin.

Mr. WHITE. That is right. To those of us who have lived in the Northwest, the possibility of diversion was something, a shadow always over the whole question of the development of the Columbia.

Senator LAUSCHE. Well, if that was a shadow to you in the Northwest, would it not likewise be a shadow to the Canadians in the Great Lakes basin to think that the United States unilaterally was going to divert the waters?

Mr. WHITE. Sir, they have made it clear to us that they regard it as more than a shadow.

Senator LAUSCHE. Then there is similarity in the facts and in the principle that ought to be applied.

Mr. WHITE. There is similarity.

Senator LAUSCHE. All right. That is all.

Mr. MANSFIELD. Mr. President, will the Senator from Alabama yield me 2 minutes?

Mr. SPARKMAN. I yield 2 minutes to the Senator from Montana.

Mr. MANSFIELD. Mr. President, the Columbia River Basin Treaty represents the successful completion of many years of careful planning and negotiation between Canada and the United States, and the beginning of a highly important cooperative effort by our two countries in using and developing our joint natural resources.

Historic circumstances left the Columbia River under the control of two countries. This division of authority could have led to practices by one country which would have been against the interests of the other. For many years, for example, there has been talk in Canada of diverting water from the Columbia River into a Canadian river. If this diversion should have occurred, the results would have been seriously damaging to power production and other water uses in the United States.

Separate development by Canada and the United States of the Columbia River would also have resulted in a duplication of facilities, as well as inefficiency resulting from an unnecessary proliferation of facilities. Each country would have been forced to construct its own dams and reservoirs, of a size and on a scale less efficient than would be possible if both countries agreed on constructing a single set of facilities.

Fortunately, both the United States and Canada recognized the benefits for each country of solving the problem together.

Those who have labored so long and diligently to develop this concrete expression of the mutual benefits of joint action are to be congratulated for a job very well done. The agreement which they have designed is in many ways a model for river basin development between neighboring countries. Along with the Indus River Basin Treaty concluded recently between India and Pakistan, the Columbia River Basin Treaty can serve as a prototype for other similar agreements, and thereby help to promote world peace and progress through international riparian cooperation.

The Columbia River Basin Treaty is also a further demonstration of the excellent relationships which exist between the United States and Canada. We need only consider the conflict which a problem of this nature has often produced in countries in other parts of the world to appreciate what a good neighbor we have to the north. It signifies the fact not only that the United States and Canada share the same continent, but that our two countries share a great destiny as well, and can serve our separate interests only by serving our common interests.

As the Senate knows, the treaty was unanimously reported by the Foreign Relations Committee. There was no opposition expressed in the hearings, and the committee received no written communications opposing the treaty. I think this is a sign of the overwhelming support for the treaty which exists, not just in the Northwest, but throughout the Nation.

I should like to point out, Mr. President, that this is a very unusual situation, which, in fact, may be almost unique. We are accustomed to hearing about the conflict between public and private power, or between the interests of one region of the country as opposed to other regions.

The remarkable thing about the treaty is the lack of this kind of conflict.

There is no public power-private power conflict, because the treaty is in the interest of all parties concerned, including private power utilities.

There is no regional conflict, because it is widely recognized that the development of the Northwest through the Columbia River Treaty will be in the interest of the country as a whole. The entire Nation will benefit from the increased economic opportunity and growth of purchasing power which will result from full utilization of the Columbia River.

Besides its other benefits, the treaty will be highly beneficial in preventing costly floods. In the last 100 years there have been 13 major floods on the Columbia River. These floods cannot be prevented under a piecemeal approach to river development. They can be prevented only if there is general planning of the type provided by the treaty.

Prevention of floods on the Columbia River will save lives, prevent property damage, and reduce the senseless waste of natural resources.

When all storage dams contemplated by the treaty are completed, there will be no more major floods on the Columbia River. That, in itself, will be a historic achievement.

The State of Montana, Mr. President, has a particular interest, along with the State of Idaho, in the provision in the treaty concerning the construction of Libby Dam. This project which was authorized by the Senate in 1950, seeks to bring under control a river which is a part of the Columbia River system, and which, like the Columbia River, flows through both the United States and Canada. This is the Kootenai in northern Montana, a river which is responsible each year for severe flood damages in Idaho. The Libby Dam project will substantially eliminate floods on the Kootenai River. It will also provide large quantities of hydroelectric power, both at-site and downstream.

I am gratified that, after years of planning, another step has been taken toward the construction of this very important project. In northwestern Montana, where the project will be constructed, there is a chronic state of unemployment and underemployment, which will be alleviated, if not cured, by Libby Dam. Under the criteria of the depressed areas bill, this area may not qualify as a depressed area. But I can assure the Senate that it is a depressed area, and that it will remain a depressed area, despite the best efforts of the good people of that region, until the Libby Dam opens new economic opportunities.

I also want to express my appreciation for the request submitted to the Congress this week by President Kennedy for $350,000 in supplemental appropriations to resume planning for the construction of Libby Dam. Under the Columbia River Treaty, the United States has 5 years to begin construction of Libby Dam. This reason, together with the great need for the project, makes it important for planning funds to be appropriated as soon as possible so that the necessary work may be initiated this year. It is estimated that it will take 3 years before actual construction can begin, and this does not allow much time for resumption and completion of the planning requested by the President.

It is my hope, Mr. President, that this vital treaty will soon be ratified by Canada. Both our countries stand to gain greater benefits from the treaty than either could obtain separately. This is the meaning of the concept of interdependence, and it is the reason for favorable action by the Senate in completing the American part of this historic common effort.

Mr. President, I should like to ask the distinguished acting chairman of the Foreign Relations Committee a question, if I may. On page 6 of the report covering the hearings on the Columbia River Treaty, my distinguished colleague, the Senator from Montana [Mr. METCALF] makes the following statement:

> I have very little to add to what my colleagues have said, except Senator MANSFIELD and I insist on an at-site power allocation for Montana similar to the Hungry Horse formula.

It is the understanding of the senior Senator from Montana that, insofar as Libby Dam is concerned, if it is built, every effort will be made to see to it that, as in the Hungry Horse project, we will achieve a proportionate share of power from that dam to Montana for the use of the State of Montana. Is that correct?

Mr. SPARKMAN. The Senator is correct in his understanding.

Mr. MANSFIELD. I thank the Senator.

Mr. SPARKMAN. Mr. President, I yield to the junior Senator from Montana [Mr. METCALF] such time as he may desire.

The PRESIDING OFFICER. The Senator from Montana.

Mr. METCALF. Mr. President, I thank the Senator for yielding to me at this time. The treaty before the Senate is a very important one to the State of Montana.

I think the Senator from Ohio [Mr. LAUSCHE] made some very appropriate remarks, and he mentioned the Senators who were responsible for the accomplishment of the treaty. My predecessor, Senator Murray, had much to do with it; and the man who probably had done more than anybody else in the Senate of the United States to bring about the accomplishment of the treaty is the majority leader [Mr. MANSFIELD].

Mr. President, this treaty is an accomplishment of international comity and international friendship. I am not in complete agreement with the remarks of the Senator from Ohio when he said that international law is quite clear that, on riparian rights, the rights of the two nations are so involved that one nation cannot interfere with

the flow of the stream into another nation.

I investigated this matter a few years ago, when my colleague from Montana [Mr. MANSFIELD] and I were sponsoring legislation to provide for the building of a low level Libby Dam. I came to the conclusion that perhaps Canada did have the right to shut off the flow of the Columbia River.

What I want to point out at this time, and I wish to compliment the committee and the Senators who have worked for the treaty, and compliment those who negotiated it, is that, despite the international legal situation, we have accomplished a treaty in which certain benefits have been given to Canada and in which we have accepted certain benefits from Canada. We have arrived at a system of negotiations whereby we have before us a good treaty, a sound treaty. We have given away some of the power that we in Montana felt should come to Montana and the United States. At the same time, Canada has given away perhaps an international right to divert the flow of the river. So this treaty is in the finest traditions of relationships with our neighboring countries.

We have given Canada substantial power downstream. We have made substantial concessions. At the same time, we have received substantial concessions from Canada which will result in the development both of the resources of the State of Montana and the entire Northwest and of the resources of British Columbia and Canada.

I compliment and thank the committee for bringing before the Senate this treaty and suggesting its ratification.

Mr. SPARKMAN. Mr. President, before he yields the floor, will the Senator yield?

Mr. METCALF. I yield.

Mr. SPARKMAN. The Senator referred to the possible diversion of waters. It may be that not all Senators would understand what is meant by that statement. Is it not true that the Columbia and the Fraser Rivers, in their upper stretches, are very near each other, and that, by means of a very short tunnel, the Columbia could be diverted into the Fraser River?

Mr. METCALF. That is correct. It is what the Senator from Ohio was referring to. At the same time, a water diversion could have been made just across the border of Montana in the so-called canal flats area and could have been diverted into the Kootenai River, so that Libby Dam no longer would have been feasible. It is our hope that, with respect to the diversion of other rivers which rise in America and flow into Canada, or which rise in Canada and flow into the United States, we shall adopt this kind of international and negotiated approach, rather than rely on international water law as laid down by previous decisions.

Mr. SPARKMAN. I believe it was the feeling of every member of the Foreign Relations Committee that the first treaty had been one of the most fairly negotiated, give-and-take treaties that has ever come to their attention.

Mr. METCALF. I appreciate that statement.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. METCALF. I yield.

Mr. LAUSCHE. I take it that the Senator will agree with the statement which is contained in the report, which I shall paraphrase somewhat. In the questioning of several witnesses, there was pointed out the similarity of the principle in the protest by the United States against diversion by Canada of water from the Columbia River and the Fraser River and the Canadian protest against the diversion of Lake Michigan water by the city of Chicago into the Mississippi River. The principle of diversion is substantially identical.

Mr. METCALF. I am not sure whether the principle is identical, but I am convinced that the principle of international comity and equity as laid down by the treaty should be the principle that we follow in all our relations with our neighbors either on the northern or the southern border of the United States.

Mr. LAUSCHE. In the questioning, the legal counsel for the State Department stated that the treaty adds strength to the claims made by many persons that riparian rights do exist in States and nations. I do not know whether the Senator has read the transcript of the hearing.

Mr. METCALF. I have read the transcript, and I, of course, listened with interest to the discussion which the Senator from Ohio engaged in earlier today. In the first place, I am not sure whether the statement about riparian rights applies to the Western States where we do not have riparian rights on the rivers. In the second place, I would like to have western water law apply to all our rivers, whether they rise in Canada or in the United States, which means first come, first served—first in right, first in equity. So that if we had a right on a river, whether it was downstream in Canada or upstream in the United States, we would have fixed our right as a matter of international law.

I am not sure that is the present situation, but I believe it should be the situation, and as a matter of comity and equity the treaty will carry out the desired principle.

Mr. LAUSCHE. I should like to read from the statement of Mr. Kearney, assistant legal adviser for the Department of State:

> I would say that the trend in international law is strongly toward the establishment of the principle that an upstream riparian state cannot deal with the waters within its borders which cross its boundary to a downstream riparian state in such a way as to seriously impair the rights or interests of the downstream riparian state.

That is the view stated by the counsel. He subsequently said the treaty lent great strength to a latent belief that there are legal rights as between adjacent States which cannot be violated.

Mr. METCALF. I am not sure what is meant by "riparian rights" as they would apply to western rivers, but I hope that as they apply to other rivers flowing out of the States of Washington, Idaho, and Montana north into Canada, the principle laid down by the proposed treaty will be followed and that upstream rights in the United States and in Canada will not be violated.

Mr. LAUSCHE. I thank the Senator.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. METCALF. I yield.

Mr. SPARKMAN. I should like to make a statement, though I do not wish to engage in an argument.

I would seriously question that there exist riparian rights as between nations. I think the question of sovereignty would control.

If I may be permitted to reply to the Senator from Ohio, when the question of diversion of water from the Great Lakes is considered, we have a treaty with Canada in that regard. Therefore, we rely in both instances on treaties.

Mr. METCALF. I agree with the Senator from Alabama. I seriously question the theory propounded by the counsel of the Department, that there are riparian rights. I believe, in equity and comity, nations should carry out the provisions of a right analogous to the western water law, so that they will not interfere with each other, and this is what would be done under the terms of the treaty.

Mr. SPARKMAN. We should do it, as is proposed, by way of treaty.

Mr. METCALF. That is why I praise those who negotiated the treaty.

Mr. LAUSCHE. Mr. President, I should like to supplement what the Senator from Alabama has said. We have a treaty with Canada which deals with the Great Lakes Basin. To that extent the treaty applies, and, in my opinion, would prohibit diversion of water without an agreement.

I have taken a position one step beyond, that there is international law which affects riparian rights. There may be disagreement, but the trend is in that direction, as the counsel stated.

Mr. METCALF. I thank the Senator.

Mr. SPARKMAN. Mr. President, I yield to the junior Senator from Oregon [Mrs. NEUBERGER] such time as she may wish, within our time limitation.

Mrs. NEUBERGER. Mr. President, I shall be very brief. I wish to congratulate the Senators who held the hearings with respect to the treaty.

I was delighted, when I read the hearings, to find the references to my late husband and to the part he played in regard to the treaty. The people in the Northwest greatly appreciate it.

Mr. CAPEHART. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CAPEHART. How much time remains for each side?

The PRESIDING OFFICER. The proponents have 3 minutes remaining and the opponents have 20 minutes.

Mr. SPARKMAN. Mr. President, I yield to the junior Senator from Idaho [Mr. CHURCH] such time as he may wish to use from the time remaining.

Mr. CHURCH. Mr. President, the treaty which the Senate is now consider-

ing is part of a grand design for the development of one of the great water resources of the world. Forty percent of the potential hydroelectric development in the United States is to be found in the vast Columbia River system. When it is considered that the development of this resource requires the coordinated efforts of two countries, and of governmental agencies at all levels in each, as well as of both private and public power-producing entities, both the difficulty and the significance of the planning effort which now approaches its culmination are dramatically apparent.

The treaty itself is not without controversial features. Moreover, not every problem connected with the development of this vast water resource will be solved by its ratification. Yet I think it is appropriate at this point to take note of the giant strides which the treaty will, for the first time, make possible.

One of the great projects which has been necessarily held in abeyance pending conclusion of this treaty with our friends in Canada is the Libby Dam on the Kootenai River in Montana. The treaty authorizes its construction within a period of 5 years from the exchange of ratifications. Since the Congress of the United States has already authorized the project, and since Canada, under the treaty, assumes the obligation of furnishing and preparing that portion of the reservoir area which lies within its borders, the way will not be open for construction of the Libby Dam as rapidly as technical and financial considerations permit.

While I do not wish to take a parochial approach to a project which has immense value for the whole river basin, I cannot refrain from emphasizing to the committee the very special significance which it carries for my own State of Idaho.

Downstream from the Libby Dam site lies the Kootenai Valley of Idaho's far northern panhandle. It contains nearly 50,000 acres of valuable farmland, comprising some of the most productive agricultural acres to be found anywhere in the world. These acres lie along the flood plain of the Kootenai River. Year after year, the land has been ravaged by the river's raging waters. Prolonged and expensive efforts to contain these floodwaters by local works have proved unavailing. No one who has not experienced the anger and frustration which comes to a farming community confronted almost annually with a hazard of this proportion can appreciate the relief and gratitude with which the citizens of this valley now look forward to the time when the river will be their friend and peaceful companion rather than their brutal adversary.

In dollars and cents, the annual flood damages in this valley alone have sometimes approached the $2 million mark. They are calculated to average annually about $850,000. Although the flood control benefits of the Libby Dam will be even greater in the lower reaches of the Columbia River, downstream from The Dalles, they will nowhere be as dramatically apparent or as welcome as in the Kootenai Valley.

Realization of the long dream to tame this river has significance which reaches far beyond the Kootenai Valley and the great Columbia River Basin. It will demonstrate again that man is not powerless to control his environment. Wherever nature's destructive forces are harnessed to yield abundance—and especially when this good result is accomplished as a climax and reward for many years of patient effort and constructive planning—man's prospects brighten. For this reason, I am dedicated to the approval of the treaty and to the full realization of the benefits it will make possible.

Mr. President, if there is one Senator who deserves special recognition beyond anyone else, it is our late and great colleague, former Senator Neuberger of Oregon, whose writings alerted all in the Northwest and many throughout the country to the importance of coming to an accord with Canada which would provide for the beneficial development of the Columbia River Basin in such a way that both countries could profit from the waters of the river. That great effort is now being successfully culminated. So I think it appropriate at this time for the Senate to remember the very special service rendered by former Senator Neuberger to his State and to his country, in helping to bring this treaty to fruition.

The PRESIDING OFFICER. The time of the proponents has expired.

Mr. CAPEHART. Mr. President, in our consideration of the Columbia River treaty, it has occurred to me that appropriate recognition should be given to the consistent and valued efforts devoted to the successful negotiations by our former Secretary of the Interior and former Governor of the State of Oregon, the late Douglas McKay.

I am sure that no Member of this body would wish to omit from the record of these proceedings the fine work done by Secretary McKay during the 2 years he served as Chairman of the U.S. section of the Joint Commission. He served in that capacity from midsummer of 1957 until his death in August 1959.

It is now recognized that it was due in great measure to Governor McKay's efforts that agreement was finally reached in the two sections of the Joint Commission, and a fair, workable plan hammered out and presented to the diplomatic bodies of the two countries.

I am honored to have this opportunity to publicly recognize the outstanding value of Governor McKay's efforts to his country and particularly the Pacific Northwest.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. MANSFIELD. I wish to join in what the Senator from Indiana has said. Former Secretary McKay, while he headed the Department of the Interior, was always a stanch advocate of the Libby Dam, and I know he did everything in his power to try to bring about a successful conclusion to the negotiations with regard to the differences between Canada and the United States.

In all fairness, I wish to say that the negotiations culminating in the present treaty started under the preceding Republican administration and Secretary Seaton, of the Department of the Interior; Deputy Assistant Secretary White, of the Department of State; Under Secretary Bennett, of the Department of the Interior; General Itschner; and others made great contributions toward the culmination of this particular treaty.

Mr. CAPEHART. Mr. President, I yield 5 minutes to the able Senator from Idaho [Mr. DWORSHAK].

Mr. DWORSHAK. Mr. President, I was present in the White House on January 17 when the treaty currently before the Senate was signed by President Eisenhower and the Canadian Prime Minister, John D. Diefenbaker. That signing was the culmination of many years of negotiations by representatives of the Canadian Government and the United States to set up a program which would provide equitable distribution of the potential power which could be generated in the Columbia River Basin.

I was very happy to hear the distinguished majority leader comment that during the 8 years of the Eisenhower administration many of the officials charged with the direct responsibility of negotiating the treaty had persisted in their efforts, although they had on many occasions encountered many obstacles which delayed final consummation of the treaty negotiations. I particularly want to mention the work which was done by former Governor Len Jordan of Idaho, who recently served for about 2 years as Chairman of U.S. section of the International Joint Commission, attending many conferences to deal with this treaty.

Mr. President, recently the Christian Science Monitor published an article, from which I quote the following paragraph.

> The huge international Columbia River power scheme is in danger of long delay or collapse, the Canadian Government supposes, as a result of events in the British Columbia capital of Victoria.

I certainly hope that it will be possible to overcome some of the objections which apparently are causing some delay in the Province of British Columbia in the consideration and approval of this treaty. Over many years Canada and the United States have reflected willingness to cooperate to the highest degree, and comity has characterized all of our relations. I hope that it will be possible to work out a satisfactory arrangement for both countries involved in the treaty, and particularly in the Northwest, where it means so much to us to have the development of the Columbia River Basin expedited.

I wish to recall President Eisenhower's statement at the White House Conference when the treaty was signed on January 17 that he was very happy to be able to sign the treaty before he left the White House. He indicated that for several years he had been utilizing fully the influence and the authority of the

Presidency to have the treaty successfully negotiated and signed by both Canada and the United States.

Mr. President, I know that Senators from States in the Columbia River Basin have already called attention to the importance of the terms of the treaty affecting the future development of our great potential power resources in that basin. But I think we should emphasize more than ever that at a time when there is turmoil and dissention throughout the world, and the United States finds it difficult at times to maintain its prestige in the face of upheavals in many areas, we can point with pride to the successful result of negotiating this treaty.

At times we hear unverified reports that there is growing sentiment among some Canadian people that the United States is not willing to cooperate as it should in stimulating the development of Canada economically, industrially, and in a business sense. I do hope that the treaty will be the basis of developments in the future which will continue to emphasize that Canada and the United States are demonstrating in an impressive manner that they can cooperate in promoting the mutual welfare and security of our two great countries.

Mr. WILEY. Mr. President, there is pending before the Senate at this time the United States-Canada Columbia River Treaty. Prompt ratification of this treaty is vital in achieving optimum development of the water resources of the Columbia River Basin as a whole from which both the United States and Canada will receive benefits materially larger than either could obtain independently. We will secure a large block of very low-cost power, substantial flood control benefits and many benefits to irrigation, pollution abatement, and other water uses.

Canada will also receive a large block of power at low cost as well as flood control and other benefits resulting from the storage.

The benefits to the United States under the treaty may be summarized as follows:

First. It will bring about the degree of flood control over the next 10 years which has been a primary goal of the Corps of Engineers for the past several decades.

Second. It will increase and stabilize the flows of the Columbia River, thus improving the water supply for irrigation, municipal and industrial uses, navigation, recreation, and pollution abatement.

Third. It will provide over 2 million kilowatts of new salable firm power at a lower cost than by any other means.

Fourth. It will provide low-cost power in Canada by this development of the upper Columbia.

Fifth. It will remove the potential of diversion of the upper Columbia River into the Fraser River which could have resulted in disastrous power losses in the United States estimated by the Corps of Engineers to be in excess of $50 million annually even before the addition of Priest Rapids, Wanapum, and Rocky Reach Dams to the main stem of the Columbia.

Sixth. It will enable the use at an early time of capacity which is now available on the Federal system, thereby increasing the revenues of the Bonneville Power Administration and maintaining the present rate.

Seventh. Finally, it will demonstrate to the entire world the mutual benefits which can be achieved through cooperation between two countries of the free world.

Mr. President, this treaty represents a unique sharing of benefits. In the field of international relations, I believe the action taken by the United States and Canada in this instance will be an inducement to come to grips with many of the difficulties which nature presents us, so that other nations can learn from this exemplary action.

Mr. President, in the instant case, serious concern was felt in the United States that Canada might divert the waters of the Columbia River, thus adversely affecting the economics of the Northwestern States.

The approach of this treaty represents a change in the traditional attitude of national states toward the solution of problems with their neighbors. Unilateral action on this matter of diversion could have the most severe consequences to the United States. Thus, bilateral cooperation as an integral part in treaty negotiations of this type has been accepted.

And above all else, Mr. President, this treaty between the United States and Canada is but another example of the close links that bind our two peoples. We have our differences, and we are vigorously individualistic, but we have learned the great lesson of the ages, that we can be independent and cooperate with our neighbors to achieve desirable ends. This is the fruit of sympathetic understanding of each other's problems. This is the compensation of trust and good will.

Mr. President, I think it is a fine tribute to former President Eisenhower, that this treaty was one of his last official acts. It was a significant capstone to leadership of this Nation, under the former administration.

Mr. SPARKMAN. Mr. President, I yield back the remainder of our time.

Mr. CAPEHART. Mr. President, we yield back the remainder of our time.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Without objection, the convention will be considered as having passed through its various parliamentary stages up to the point of consideration of the resolution of ratification, which will be read for the information of the Senate.

The legislative clerk read as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the treaty between the United States of America and Canada concerning the cooperative development of the water resources of the Columbia River Basin, signed at Washington, January 17, 1961 (Executive C, 87th Cong., 1st sess.).

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays on the adoption of the resolution of ratification.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is: Will the Senate advise and consent to the resolution of ratification of the Columbia River Treaty, Executive C, 87th Congress, 1st session? On this question, the yeas and nays have been ordered; and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Alaska [Mr. BARTLETT], the Senator from Arkansas [Mr. FULBRIGHT], and the Senator from Utah [Mr. Moss] are absent on official business.

I also announce that the Senator from New Mexico [Mr. CHAVEZ] is absent because of illness.

I further announce that the Senator from Texas [Mr. BLAKLEY] and the Senator from Rhode Island [Mr. PELL] are necessarily absent.

I further announce that, if present and voting, the Senator from Alaska [Mr. BARTLETT], the Senator from Texas [Mr. BLAKLEY], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Arkansas [Mr. FULBRIGHT], and the Senator from Rhode Island [Mr. PELL] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from Colorado [Mr. ALLOTT] is absent because of death in his family.

The Senator from Vermont [Mr. PROUTY] is absent by leave of the Senate because of illness.

The Senator from Massachusetts [Mr. SALTONSTALL] is necessarily absent, and, if present and voting, would vote "yea."

The yeas and nays resulted—yeas 90, nays 1, as follows:

[Ex. No. 1]

YEAS—90

Aiken	Fong	Mansfield
Anderson	Goldwater	Metcalf
Beall	Gore	Miller
Bible	Gruening	Monroney
Boggs	Hart	Morse
Bridges	Hartke	Morton
Burdick	Hayden	Mundt
Bush	Hickenlooper	Muskie
Butler	Hickey	Neuberger
Byrd, Va.	Hill	Pastore
Byrd, W. Va.	Holland	Proxmire
Cannon	Hruska	Randolph
Capehart	Humphrey	Robertson
Carlson	Jackson	Russell
Carroll	Javits	Schoeppel
Case, N.J.	Johnston	Scott
Case, S. Dak.	Jordan	Smathers
Church	Keating	Smith, Mass.
Clark	Kefauver	Smith, Maine
Cooper	Kerr	Sparkman
Cotton	Kuchel	Stennis
Curtis	Lausche	Symington
Dirksen	Long, Mo.	Talmadge
Dodd	Long, Hawaii	Thurmond
Douglas	Long, La.	Wiley
Dworshak	McCarthy	Williams, N.J.
Eastland	McClellan	Williams, Del.
Ellender	McGee	Yarborough
Engle	McNamara	Young, N. Dak.
Ervin	Magnuson	Young, Ohio

NAYS—1

Bennett

NOT VOTING—9

Allott	Chavez	Pell
Bartlett	Fulbright	Prouty
Blakley	Moss	Saltonstall

The PRESIDING OFFICER. On this vote, the yeas are 90, the nays, 1; two-thirds of the Senators present having voted in the affirmative, the resolution of ratification is agreed to.

Mr. MANSFIELD. Mr. President, I move that the President be notified of the action just taken by the Senate.

The PRESIDING OFFICER. Without objection, the President will be immediately notified.

ORGANIZATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Executive E, 87th Congress, 1st session, the Convention on the Organization for Economic Cooperation and Development.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate, as in Committee of the Whole, proceeded to consider the convention—Executive E, 87th Congress, 1st session—a Convention on the Organization for Economic Cooperation and Development, together with two protocols relating thereto, signed at Paris on December 14, 1960, which was read the second time, as follows:

CONVENTION ON THE ORGANIZATION FOR ECONOMIC COOPERATION AND DEVELOPMENT

The Governments of the Republic of Austria, the Kingdom of Belgium, Canada, the Kingdom of Denmark, the French Republic, the Federal Republic of Germany, the Kingdom of Greece, the Republic of Iceland, Ireland, the Italian Republic, the Grand Duchy of Luxembourg, the Kingdom of the Netherlands, the Kingdom of Norway, the Portuguese Republic, Spain, the Kingdom of Sweden, the Swiss Confederation, the Turkish Republic, the United Kingdom of Great Britain and Northern Ireland, and the United States of America;

Considering that economic strength and prosperity are essential for the attainment of the purposes of the United Nations, the preservation of individual liberty and the increase of general well-being;

Believing that they can further these aims most effectively by strengthening the tradition of co-operation which has evolved among them;

Recognising that the economic recovery and progress of Europe to which their participation in the Organisation for European Economic Co-operation has made a major contribution, have opened new perspectives for strengthening that tradition and applying it to new tasks and broader objectives;

Convinced that broader co-operation will make a vital contribution to peaceful and harmonious relations among the peoples of the world;

Recognising the increasing interdependence of their economies;

Determined by consultation and co-operation to use more effectively their capacities and potentialities so as to promote the highest sustainable growth of their economies and improve the economic and social well-being of their peoples;

Believing that the economically more advanced nations should co-operate in assisting to the best of their ability the countries in process of economic development;

Recognising that the further expansion of world trade is one of the most important factors favouring the economic development of countries and the improvement of international economic relations; and

Determined to pursue these purposes in a manner consistent with their obligations in other international organisations or institutions in which they participate or under agreements to which they are a party;

Have therefore agreed on the following provisions for the reconstitution of the Organisation for European Economic Co-operation as the Organisation for Economic Co-operation and Development:

ARTICLE 1

The aims of the Organisation for Economic Co-operation and Development (hereinafter called the "Organisation") shall be to promote policies designed:

(a) to achieve the highest sustainable economic growth and employment and a rising standard of living in Member countries, while maintaining financial stability, and thus to contribute to the development of the world economy;

(b) to contribute to sound economic expansion in Member as well as non-member countries in the process of economic development; and

(c) to contribute to the expansion of world trade on a multilateral, non-discriminatory basis in accordance with international obligations.

ARTICLE 2

In the pursuit of these aims, the Members agree that they will, both individually and jointly:

(a) promote the efficient use of their economic resources;

(b) in the scientific and technological field, promote the development of their resources, encourage research and promote vocational training;

(c) pursue policies designed to achieve economic growth and internal and external financial stability and to avoid developments which might endanger their economies or those of other countries;

(d) pursue their efforts to reduce or abolish obstacles to the exchange of goods and services and current payments and maintain and extend the liberalisation of capital movements; and

(e) contribute to the economic development of both Member and non-member countries in the process of economic development by appropriate means and, in particular, by the flow of capital to those countries, having regard to the importance to their economies of receiving technical assistance and of securing expanding export markets.

ARTICLE 3

With a view to achieving the aims set out in Article 1 and to fulfilling the undertakings contained in Article 2, the Members agree that they will:

(a) keep each other informed and furnish the Organization with the information necessary for the accomplishment of its tasks;

(b) consult together on a continuing basis, carry out studies and participate in agreed projects; and

(c) cooperate closely and where appropriate take co-ordinated action.

ARTICLE 4

The Contracting Parties to this Convention shall be Members of the Organisation.

ARTICLE 5

In order to achieve its aims, the Organisation may:

(a) take decisions which, except as otherwise provided, shall be binding on all the Members;

(b) make recommendations to Members; and

(c) enter into agreement with Members, non-member States and international organisations.

ARTICLE 6

1. Unless the Organisation otherwise agrees unanimously for special cases, decisions shall be taken and recommendations shall be made by mutual agreement of all the Members.

2. Each Member shall have one vote. If a Member abstains from voting on a decision or recommendation, such abstention shall not invalidate the decision or recommendation, which shall be applicable to the other Members but not to the abstaining Member.

3. No decision shall be binding on any Member until it has complied with the requirements of its own constitutional procedures. The other Members may agree that such a decision shall apply provisionally to them.

ARTICLE 7

A Council composed of all the Members shall be the body from which all acts of the Organisation derive. The Council may meet in sessions of Ministers or of Permanent Representatives.

ARTICLE 8

The Council shall designate each year a Chairman, who shall preside at its ministerial sessions, and two Vice-Chairmen. The Chairman may be designated to serve one additional consecutive term.

ARTICLE 9

The Council may establish an Executive Committee and such subsidiary bodies as may be required for the achievement of the aims of the Organisation.

ARTICLE 10

1. A Secretary-General responsible to the Council shall be appointed by the Council for a term of five years. He shall be assisted by one or more Deputy Secretaries-General or Assistant Secretaries-General appointed by the Council on the recommendation of the Secretary-General.

2. The Secretary-General shall serve as Chairman of the Council meeting at sessions of Permanent Representatives. He shall assist the Council in all appropriate ways and may submit proposals to the Council or to any other body of the Organisation.

ARTICLE 11

1. The Secretary-General shall appoint such staff as the Organisation may require in accordance with plans of organisation approved by the Council. Staff regulations shall be subject to approval by the Council.

2. Having regard to the international character of the Organisation, the Secretary-General, the Deputy or Assistant Secretaries-General and the staff shall neither seek nor receive instructions from any of the Members or from any Government or authority external to the Organisation.

ARTICLE 12

Upon such terms and conditions as the Council may determine, the Organisation may:

(a) address communications to non-member States or organisations;

(b) establish and maintain relations with non-member States or organisations; and

(c) invite non-member Governments or organisations to participate in activities of the Organisation.

ARTICLE 13

Representation in the Organisation of the European Communities established by the Treaties of Paris and Rome of 18th April, 1951, and 25th March, 1957, shall be as defined in Supplementary Protocol No. 1 to this Convention.

ARTICLE 14

1. This convention shall be ratified or accepted by the Signatories in accordance with their respective constitutional requirements.

2. Instruments of ratification or acceptance shall be deposited with the Government of the French Republic, hereby designated as depositary Government.

3. This Convention shall come into force:

(a) before 30th September, 1961, upon the deposit of instruments of ratification or acceptance by all the Signatories; or

(b) on 30th September, 1961, if by that date fifteen Signatories or more have deposited such instruments as regards those Signatories; and thereafter as regards any other Signatory upon the deposit of its instrument of ratification or acceptance;

(c) after 30th September, 1961, but not later than two years from the signature of this Convention, upon the deposit of such instruments by fifteen Signatories, as regards those Signatories; and thereafter as regards any other Signatory upon the deposit of its instrument of ratification or acceptance.

4. Any Signatory which has not deposited its instrument of ratification or acceptance when the Convention comes into force may take part in the activities of the Organisation upon conditions to be determined by agreement between the Organisation and such Signatory.

ARTICLE 15

When this Convention comes into force the reconstitution of the Organisation for European Economic Co-operation shall take effect, and its aims, organs, powers and name shall thereupon be as provided herein. The legal personality possessed by the Organisation for European Economic Co-operation shall continue in the Organisation, but decisions, recommendations and resolutions of the Organisation for European Economic Co-operation shall require approval of the Council to be effective after the coming into force of this Convention.

ARTICLE 16

The Council may decide to invite any Government prepared to assume the obligations of membership to accede to this Convention. Such decisions shall be unanimous provided that for any particular case the Council may unanimously decide to permit abstention, in which case, notwithstanding the provisions of Article 6, the decision shall be applicable to all the Members. Accession shall take effect upon the deposit of an instrument of accession with the depositary Government.

ARTICLE 17

Any Contracting Party may terminate the application of this Convention to itself by giving twelve months' notice to that effect to the depositary Government.

ARTICLE 18

The Headquarters of the Organisation shall be in Paris, unless the Council agrees otherwise.

ARTICLE 19

The legal capacity of the Organisation and the privileges, exemptions, and immunities of the Organisation, its officials and representatives to it of the Members shall be as provided in Supplementary Protocol No. 2 to this Convention.

ARTICLE 20

1. Each year, in accordance with Financial Regulations adopted by the Council, the Secretary-General shall present to the Council for approval an annual budget, accounts, and such subsidiary budgets as the Council shall request.

2. General expenses of the Organisation, as agreed by the Council, shall be apportioned in accordance with a scale to be decided upon by the Council. Other expenditure shall be financed on such basis as the Council may decide.

ARTICLE 21

Upon the receipt of any instrument of ratification, acceptance or accession, or of any notice of termination, the depositary Government shall give notice thereof to all the Contracting Parties and to the Secretary-General of the Organisation.

IN WITNESS WHEREOF, the undersigned Plenipotentiaries, duly empowered, have appended their signatures to this Convention.

DONE in Paris, this fourteenth day of December, Nineteen Hundred and Sixty, in the English and French languages, both texts being equally authentic, in a single copy which shall be deposited with the depositary Government, by whom certified copies will be communicated to all the Signatories.

For the Federal Republic of Germany:
LUDWIG ERHARD
ALBERT HILGER VAN SCHERPENBERG

For the Republic of Austria:
BRUNO KREISKY
Dr. FRITZ BROCK

For the Kingdom of Belgium:
P. WIGNY
R. OCKRENT

For Canada:
DONALD M. FLEMING
GEORGE H. HEES

For the Kingdom of Denmark:
JENS OTTO KRAG

For Spain:
FERNANDO M. CASTIELLA
A. ULLASTRES

For the United States of America:
DOUGLAS DILLON
W. RANDOLPH BURGESSS

For the French Republic:
M. COUVE DE MURVILLE,
BAUMGARTNER.

For the Kingdom of Greece:
A. PROTOPAPADAKIS

For Ireland:
SEÁN Ó LOINSIGH

For the Republic of Iceland:
GYLFI TH. GISLASON

For the Italian Republic:
GIUSEPPE PELLA
CARLO RUSSO

For the Grand Duchy of Luxembourg:
E. SCHAUS

For the Kindom of Norway:
HALVARD LANGE

For the Kingdom of the Netherlands:
J. LUNS
STIKKER

For the Portuguese Republic:
J. G. CORREIA DE OLIVEIRA

For the United Kingdom of Great Britain and Northern Ireland:
SELWYN LLOYD

For the Kingdom of Sweden:
GUNNAR LANGE

For the Swiss Confederation:
MAX PETITPIERRE

For the Turkish Republic:
ALICAN

SUPPLEMENTARY PROTOCOL NO. 1 TO THE CONVENTION ON THE ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT

The signatories of the Convention on the Organisation of Economic Co-operation and Development;

Have agreed as follows:

1. Representation in the Organisation for Economic Co-operation and Development of the European Communities established by the Treaties of Paris and Rome of the 18th April 1951, and 25th March 1957, shall be determined in accordance with the institutional provisions of those Treaties.

2. The Commissions of the European Economic Community and of the European Atomic Energy Community as well as the High Authority of the European Coal and Steel Community shall take part in the work of that Organisation.

IN WITNESS WHEREOF, the undersigned Plenipotentiaries, duly empowered have appended their signatures to this Protocol.

DONE in Paris, this fourteenth day of December, Nineteen Hundred and Sixty, in the English and French languages, both texts being equally authentic, in a single copy which shall be deposited with the Government of the French Republic, by whom certified copies will be communicated to all the Signatories.

For the Federal Republic of Germany:
LUDWIG ERHARD
ALBERT HILGER VAN SCHERPENBERG

For the Republic of Austria:
BRUNO KREISKY
DR. FRITZ BOCK

For the Kingdom of Belgium:
P. WIGNY
R. OCKRENT

For Canada:
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GEORGE H. HEES

For the Kingdom of Denmark:
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For Spain:
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A. ULLASTRES

For the United States of America:
DOUGLAS DILLON
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STIKKER

For the Portuguese Republic:
J. G. CORREIA DE OLIVEIRA

For the United Kingdom of Great Britain and Northern Ireland:
SELWYN LLOYD

For the Kingdom of Sweden:
GUNNAR LANGE

For the Swiss Confederation:
MAX PETITPIERRE

For the Turkish Republic:
ALICAN

SUPPLEMENTARY PROTOCOL NO. 2 TO THE CONVENTION ON THE ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT

The signatories of the Convention on the Organisation for Economic Co-operation and Development (hereinafter called the "Organisation");

Have agreed as follows:

The Organisation shall have legal capacity and the Organisation, its officials, and representatives to it of the Members shall be entitled ot privileges, exemptions, and immunities as follows:

(a) in the territory of the Contracting Parties to the Convention for European Economic Co-operation of 16th April, 1948, the legal capacity, privileges, exemptions, and immunities provided for in Supplementary Protocol No. 1 to that Convention;

(b) in Canada, the legal capacity, privileges, exemptions, and immunities provided for in any agreement or arrangement on legal capacity, privileges, exemptions, and immunities entered into between the Government of Canada and the Organisation;

(c) in the United States, the legal capacity, privileges, exemptions, and immunities under the International Organisation Immunities Act provided for in Executive Order No. 10133 of 27th June, 1950; and

(d) elsewhere, the legal capacity, privileges, exemptions, and immunities provided for in any agreement or arrangement on legal capacity, privileges, exemptions, and immunities entered into between the Government concerned and the Organisation.

IN WITNESS WHEREOF, the undersigned Plenipotentiaries, duly empowered, have appended their signatures to this Protocol.

DONE in Paris, this fourteenth day of December, Nineteen Hundred and Sixty, in the English and French languages, both texts being equally authentic, in a single copy which shall be deposited with the Government of the French Republic, by whom certified copies will be communicated to all the Signatories.

For the Federal Republic of Germany:
LUDWIG ERHARD
ALBERT HILGER VAN SCHERPENBERG

For the Republic of Austria:
BRUNO KREISKY
Dr. FRITZ BOCK

For the Kingdom of Belgium:
P. WIGNY
R. OCKRENT

For Canada:
DONALD M. FLEMING
GEORGE H. HEES

For the Kingdom of Denmark:
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For Spain:
FERNANDO M. CASTIELLA
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For the United States of America:
DOUGLAS DILLON
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M. COUVE DE MURVILLE
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For the Kingdom of Sweden:
GUNNAR LANGE

For the Swiss Confederation:
MAX PETITPIERRE

For the Turkish Republic:
ALICAN

Mr. SPARKMAN. Mr. President, first let me inquire whether my understanding is correct that a unanimous-consent agreement has been entered into providing for a limitation of debate of one hour and a half, 45 minutes to a side?

The PRESIDING OFFICER. The Senator is correct.

Mr. SPARKMAN. Mr. President, I yield myself 10 minutes.

The convention before the Senate, if approved, will become an instrument of unsurpassed importance to the entire non-Communist world. The Organization for Economic Cooperation and Development—OECD—amounts to an historic recognition of the kind of world that has emerged from two world wars. It is a deeply divided and disturbed world.

The United States and the countries of Western Europe are bound together by similar institutions, interdependent economies, and an epochal challenge that faces them all quite impartially. Tied to this challenge is the breakdown and disappearance in many parts of the world—Asia, Africa, Latin America—of an old order, which has yielded up new and sovereign countries. The politically awakening peoples of these countries are committed to progress. All that can be safely said about them is that they will undergo profound change.

The OECD reflects the deep division and the swift changes that have transformed the world since the end of the last war. It is an acknowledgment of both the problems and opportunities that lie before its members.

The Organization will serve two major purposes. First, it will strengthen the economies of member countries by providing a forum in which economic problems can be reviewed and the resources of all of them can be brought to bear on these problems. Second, the OECD, through its Development Assistance Committee, will provide a means by which the burden of development assistance can be divided more equitably.

The need for the OECD has achieved bipartisan recognition. It is the product of an American initiative, first advanced by President Eisenhower in the fall of 1959. The proposal grew from a recognition that the 18 nation Organization for European Economic Cooperation—OEEC—had obviously achieved its goal of restoring Western Europe to economic health; that the economic problems and needs of today can best be served by a new organization in which the United States and Canada are participants.

In December 1959 the heads of government of the United States, France, Germany, and the United Kingdom, meeting in Paris, recommended an intensive study of the means by which they could deal with these problems and needs in a multilateral context. The result was a series of ministerial meetings, study groups, and reports. The product of this intensive 1-year effort is the convention now before the Senate.

It was signed in Paris on December 13 by the representatives of the 20 member governments. It was transmitted to the Senate on January 17 by President Eisenhower, and has been vigorously endorsed by President Kennedy. The Committee on Foreign Relations held a series of four hearings—two public and two executive. And the committee members, after fully satisfying themselves that nothing in the convention could affect in any way the division of authority between the Executive, the Congress, and the 50 States, reported the treaty favorably by a vote of 16 to 0.

The committee report concludes that the OECD will enable its members "to look above the crises of today to problems that lie ahead; to dispose of many problems in a systematic, orderly fashion, thus avoiding the harsh urgency that so often distorts bilateral efforts to solve problems that become critical overnight."

Just a few weeks ago the ranking officials of the Foreign Office of the Federal Republic of Germany visited Washington. On February 17, their delegation received an aide memoire from the new administration which is likely to become an historic document. A fragment of this aide memoire reads as follows:

> We are on the eve of creating a new phase in the history of the North Atlantic alliance. We have new tasks; and the recovery of Western Europe in the 1950's has given us new resources. Together the resources which we dispose are much larger than those we could command in the immediate postwar years and they are better distributed among us.
>
> To deal with these new tasks we must begin by recognizing that we are interdependent in all we do; and that our common burdens must be shared in a way that our peoples will recognize as fair.
>
> The economic questions now under discussion between the United States and Germany are not bilateral questions. The deficit of the United States arises wholly from its commitments and actions in the common defense of the free world. Without these freely assumed obligations the United States would now be running a heavy surplus in its balance of payments. These matters therefore must be approached in terms of a rebuilding of the alliance and in terms of the principles which should govern the effort over coming months and years.

Mr. President, the OECD is destined to become the instrument through which the burdens described in this aide memoire can be properly divided. It will allow needs to be measured against the capacities of the members to meet them. And it will permit the West, by mobilizing its vast economic, technological, and scientific resources, to cope more effectively with this swiftly changing and deeply challenging world.

Mr. President, I yield 10 minutes to the distinguished Senator from South Carolina.

Mr. THURMOND. Mr. President, it is difficult to conceive how any American citizen could quarrel with either of the three goals of the Organization for Economic Cooperation and Development stated in article 1 of the convention under consideration.

Within the concept of the first goal lies the ultimate solution to the maintenance of the economy of the free world which is essential to our eventual victory over communism. It also serves to emphasize the more specific purpose of providing at least a partial solution to the crisis brought about by the outflow of gold from the United States.

Within the scope of the second stated purpose of the Organization for Economic Cooperation and Development is included the goal of more active participation by our fellow nations in the free world in assisting the economic progress of undeveloped and underdeveloped nations.

Despite the numerous and undoubtedly well-intentioned efforts by this country and others, we have fallen far short of truly reciprocal and nondiscriminatory trade, the latter being the third stated goal of OECD. As an example, there are 22 countries which impose substantial restrictions on American textile products, and I ask unanimous consent that a list of countries and the amount of American textiles we exported to them in the first half of 1959 and the first half of 1960 be printed at this point in the RECORD.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

[In square yards]

	January–June 1959	January–June 1960
Ecuador	1,300,662	2,978,777
Bolivia	35,928	1,017,660
Mexico	381,646	562,609
Cuba	24,045,367	3,018,832
Colombia	393,313	290,506
Venezuela	9,780,379	6,220,530
Chile	174,216	432,315
Paraguay	43,302	66,770
Uruguay	17,897	8,850
Argentina	154,403	237,040
Iceland	566,853	388,104
Greece	190,365	210,910
West Germany	514,726	456,218
Syria	93,998	39,724
Iran	1,504,124	384,040
Vietnam	83,843	239,782
Indonesia	46,250	46,355
Philippines	18,264,643	18,848,733
Cambodia	4,221	129,110
French Morocco	1,272,276	1,491,816
Belgian Congo	1,973,736	1,477,535
Rhodesia	278,649	910,204

Mr. THURMOND. Mr. President, 52 other nations have raised insurmountable barriers against imports of American cotton textiles, and I ask unanimous consent that a list of these countries be printed at this point in the RECORD.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

Countries whose purchases of American cotton piece goods are negligible or nonexistent: Aden, Afghanistan, Albania, Algeria, Azores, Angola, Bahrein, Borneo, Bulgaria, Burma, Canary Islands, Communist China, Cyprus, Czechoslovakia, Dahomey, Ethiopia, Egypt, French Equatorial Africa, French Guiana, Formosa, Ghana, Hungary, India, Ivory Coast, Japan, Jordan, Korea, Kuwait, Laos, Libya, Madagascar, Mali Federation, Mauritius, Martinique, Mozambique, Nigeria, Okinawa, Oman, Pakistan, Poland, Portugal, Rumania, Saudi Arabia, Somaliland, Spain, Sudan, Tanganyika, Tunisia, Turkey, U.S.S.R., Yugoslavia, and Zanzibar.

Mr. THURMOND. Mr. President, the barriers against this particular American product graphically illustrate the lack of reciprocity in our trade program and the urgent need for achieving further reciprocity in the form of relaxation of restrictions against U.S. exports.

As laudable as are the goals of the Organization, proposed to be joined by the United States by the ratification of the convention, I cannot support ratification. If, as is urged upon us by the State Department and others who support the ratification of the convention, it would vest no real substantive power in the organization to which membership for the United States is proposed, then there is no real reason to believe that these goals might not just as well be obtained through independently and individually negotiated agreements.

I realize full well that the Foreign Relations Committee, which unanimously recommended ratification of this convention, neither believes nor intends that the convention empowers the Organization for Economic Cooperation and Development to bind the United States on decisions with regard to our international trade, or on questions of foreign aid, or on matters affecting our domestic economy. I realize also that the Foreign Relations Committee has gone to great lengths to explore this problem with State Department representatives, both in the hearings and among themselves. It is my sincere hope that the conclusion which they have reached is justified by future events, should the convention be ratified.

I, personally, however, am not satisfied that the interpretive language incorporated in the resolution of ratification proposed by the committee satisfactorily alleviates the inherent dangers of this convention.

I thoroughly concur in the opinion expressed in the memorandum submitted by the legal adviser of the State Department to the committee, to the effect that the ratification of this convention will give the Executive no additional powers in substantive matters. No on denies, however, that this organization would provide the means through which the Executive could implement whatever Executive powers he has in the field of foreign relations, for the aims and purposes of the Organization, however laudable, are most generally and broadly stated.

Going one step beyond the issue of whether Executive powers in substantive matters would be increased by ratification of this convention, we arrive at the issue which I consider to be most basic and most fundamental to the question of ratification of this convention. I refer, of course, to the definition of Executive powers in substantive matters, particularly with regard to the questions of foreign trade and foreign aid, and in addition, with regard to the power of the Executive to enter into agreements which affect and influence our domestic economy. In this context, I refer to Executive powers which may be exercised without the concurrence of Congress. It is obvious to me, from a study of previous Executive actions, and specifically, Executive agreements entered into, that my conception of the scope of the Executive's powers in substantive matters is considerably at odds with previous Executive determinations with regard thereto.

Mr. President, let me say at this point that my difference with the Executive determinations of the bounds of Executive authority pertains to no particular administration; and certainly we have had no opportunity to judge the present administration's concept of Executive powers in the field of foreign relations, foreign trade, or foreign aid.

Mr. President, I have no way of knowing what the judgment of other Senators and Members of the House of Representatives is, or might be in the future, as to the extensiveness of Executive power in substantive matters that come within the scope of the language included in article 1 of this convention. I realize that it is quite possible, and even probable, that a majority—perhaps even a constitutional majority—would concur in most cases in the Executive's judgment of his own power. There remains the probability that in a specific case arising from the actions of the Organization for Economic Cooperation and Development, a constitutional majority of the Senate might well not concur in the Executive's estimate of his own power; and there is a possibility that on some particular point, every Member of the Senate and every Member of the House of Representatives might emphatically disagree with the Executive's conclusion on this point, for the Congress is traditionally quite jealous of its own powers.

The PRESIDING OFFICER (Mr. HICKEY in the chair). The time yielded to the Senator from South Carolina has expired.

Mr. SPARKMAN. Mr. President, I yield 2 additional minutes to the distinguished Senator from South Carolina.

The PRESIDING OFFICER. The Senator from South Carolina is recognized for 2 more minutes.

Mr. THURMOND. I thank the Senator very much.

Mr. President, in the event of such a disagreement as I have envisaged, however, unless it were an instance in which appropriations were necessary for implementation, the Congress would be at a major disadvantage, if not altogether powerless—from a practical standpoint, to contest the excess by the Executive. Certainly the burden of an affirmative course would be very substantial. I must confess that, for a number of years, I have been quite unimpressed with interpretations of our Constitution and of the balance of powers between the Executive and the Congress, reached by our State Department, irrespective of the political party then holding sway in the executive branch. As an illustration of the credibility deserved by State Department judgments on our constitutional system, even within its own realm of foreign relations, I would call to the attention of the Senate a statement from the memorandum of the legal adviser to the State Department, printed as appendix 5 to the report of the Committee on Foreign Relations on this convention. This memorandum states in part—and I quote from page 21 of the report:

In this connection it should also be pointed out that treaties, like laws, are subordinate to the Constitution. They cannot violate the Constitution.

If, over the years, it had been Executive policy to adhere to the principle of that statement, I doubt seriously whether there would ever have been created an issue such as that which revolved—and I hope it still revolves—around the Bricker amendment. I would also imagine, judging from their decisions, that the members of the U.S. Supreme Court, past and present, living and dead, would find more than a little inconsistency in that opinion. Would that it were the prevailing rule under our constitutional system.

For these reasons, Mr. President, the ends so nobly stated as the aims for the Organization for Economic Cooperation and Development do not, in my opinion, justify the means; and I shall, therefore, vote against ratification.

Mr. ROBERTSON. Mr. President, will the Senator from Alabama yield for a question?

Mr. SPARKMAN. I yield.

Mr. ROBERTSON. I have received letters urging opposition to this treaty, on the ground that the treaty will take from the President and from the Congress constitutional rights with respect to tariffs. What decision was made by the Foreign Relations Committee when it passed on that issue and unanimously reported the treaty?

Mr. SPARKMAN. That question was thoroughly threshed out in the committee. We were assured by the legal representatives of the State Department that that matter was not affected by the treaty; and by referring to pages 18 to 21 of the committee's report, the Senator from Virginia will find legal opinion dealing in great detail with this matter.

However, we did not rest with that; we decided we would write a declaration in connection with the resolution ratifying the treaty. It may be found on page 13 of the committee's report; and I shall now read it—although quite hurriedly—to the Senate, if I may:

RESOLUTION OF RATIFICATION

Having regard to and in reliance on the statement in the letter of January 16, 1961, from Secretary of State Herter to President Eisenhower and transmitted by him to the Senate on January 17, 1961, that "the U.S. representative will not have any additional powers in substantive matters to bind the United States after the convention enters into force than now exist in the Executive, but that any act of the Organization outside the power of the Executive will require action by Congress or the Senate, as the case may be, before the United States can be bound," and having regard to and in reliance on the testimony of Secretary of the Treasury Dillon and Under Secretary of State Ball in behalf of the administration, and having regard to and in reliance on the Opinion of the Legal Adviser of the Department of State dated March 6, 1961, and quoted in the committee report on this convention:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Convention on the Organization for Economic Cooperation and Development, together with two protocols relating thereto, signed at Paris on December 14, 1960, by representatives of the United States of America, Canada, and the 18 member countries of the Organization for European Economic Cooperation (Executive E, 87th Congress, 1st session), with the interpretation and explanation of the intent of the Senate, that nothing in the convention, or the advice and consent of the Senate to the ratification thereof, confers any power on the Executive to bind the United States in substantive matters beyond what the Executive now has, or to bind the United States without compliance with applicable procedures imposed by domestic law, or confers any power on the Congress to take action in fields previously beyond the authority of Congress, or limits Congress in the exercise of any power it now has.

Mr. ROBERTSON. Is the effect of the language which has just been read by the Senator that the treaty neither adds to nor takes away from existing powers of the President and of Congress?

Mr. SPARKMAN. Exactly. I do not believe it could have been stated in stronger language.

Mr. ROBERTSON. Then the constitutional rights of the Congress and of the President are protected. Is that correct?

Mr. SPARKMAN. They remain the same.

Mr. SYMINGTON. Mr. President, will the Senator yield 2 minutes to me?

Mr. SPARKMAN. I yield 2 minutes to the distinguished Senator from Missouri.

Mr. SYMINGTON. Mr. President, as a member of the Foreign Relations Committee, I heard the testimony and studied the material relating to the OECD, and believe that membership of our country in this Organization will be in the national interest.

Two factors underscore the benefits to the United States.

First, membership in the OECD will enable the country to be a participant in, and not a recipient of, some of the decisions of the major European economic groupings, the Inner Six and the Outer Seven.

We often tend to ignore the fact that, in the past decade, the European nations have grown to a position of great economic strength, with the power to have significant influence on the American economy.

The recent drain on our gold supply underscores that fact.

American participation in an established forum for exchange of views and information with the economic powers of Western Europe, as provided in the OECD, will give us greater influence in the economic affairs of the trading blocs.

Beneficial solutions to mutual trade problems can be sought. The United States will, when our own interests are involved, not merely be on the receiving end of European decisions.

A second factor in the interests of our country is the role of the OECD in providing assistance to the underdeveloped countries.

For many years the United States has borne the major share of technical and economic assistance to the less fortunate countries of the world, and the need for such assistance will continue in the years ahead. No one nation will be able to provide all the funds.

The multilateral assistance program planned for initiation under OECD would lighten the relative burden of the United States. This program would make available a larger and more effective pool of capital funds for the developing, newly emerging nations of Africa, Asia, and South America.

In addition, adequate safeguards to maintain the relative powers of the President and the Congress have been built into this treaty, as has been pointed out by the able Senator from Alabama, and as reported in its final form by the Foreign Relations Committee.

Ratification of this treaty by the Senate will serve the long run interests of our country because it will bring all the nations of the world closer to the goal of a more prosperous and more peaceful world.

Mr. ERVIN. Mr. President, will the Senator from Alabama yield for a question?

Mr. SPARKMAN. Mr. President, I yield myself 2 minutes for that purpose.

Mr. ERVIN. Referring to the testimony taken before the Foreign Relations Committee and the study of the proposed resolution of ratification, am I correct in stating that the ratification of the convention by the Senate will not enable the Organization to impose any obligation upon the United States other than the obligation to study the problems?

Mr. SPARKMAN. Other than the obligations that are carried within the treaty itself. Of course, this country would have a representative at the meetings. But insofar as imposing any obligations or limitations or restrictions are concerned, nothing could be done beyond what can be done now.

Mr. ERVIN. I thank the Senator.

Mr. JAVITS. Mr. President——

Mr. SPARKMAN. I yield to the Senator from New York.

Mr. JAVITS. I have arranged for time to be yielded from this side of the aisle. Will the Senator from Iowa [Mr. HICKENLOOPER] yield me about 3 minutes in order to ask two or three questions?

Mr. HICKENLOOPER. Yes. I yield the Senator from New York such time as he may require.

Mr. JAVITS. If I may address these questions to the Senator from Alabama [Mr. SPARKMAN], who is handling the bill, in the first place, it is clear, is it not, from the deliberations of the committee, as a part of the legislative history, that what is recorded in the resolution of ratification as an interpretation or declaration is not a reservation?

Mr. SPARKMAN. It is not a reservation. It is termed by the State Department experts as a declaration. What it does is declare our understanding of its application to us internally. It has no effect on other countries.

Mr. JAVITS. I wish the Senator to confirm this statement, because I think it is very important from the standpoint of the operation of the treaty. It will not interefere with the right of other members of the Organization, under article 6, to take a decision if we abstain and to go through with that decision insofar as it affects them?

Mr. SPARKMAN. The Senator is correct.

Mr. JAVITS. Now I ask my final question. I am looking for the majority leader, who was present a moment ago. As I understand, the question of whether or not there should be an ambassador to the OECD, in view of the importance of the Organization, of the same type and nature as the Ambassador to NATO, whom we have already appointed, is a question which has not yet been decided. I ask now whether the committee has expressed any view or has any view upon that question, in view of the fact that the OEEC, to which the OECD will be the successor, is an organization in which we had a minister who served subordinate to and as a part of the staff of the

Ambassador to NATO. If we are to make the OECD a powerful organization, in terms of the ultimate effect, in order that our representative may be able to agree on what is being talked about, I feel there should be an ambassador of equal rank to Mr. Finletter. I should like to know whether the committee has given thought to that question.

Mr. SPARKMAN. If the Senator will refer to page 45 of the hearings, near the bottom of the page, he will see that subject was discussed. We were told by witnesses from the State Department that it had not been definitely decided whether or not there would be one.

I may say to the Senator from New York that OECD is an enlargement of OEEC, and it seems to me it might very well call for an ambassador. It would be my hope that one would be appointed.

Mr. JAVITS. I thank the Senator from Alabama, and I thank the Senator from Iowa for yielding me time.

Mr. HICKENLOOPER. Mr. President, the very clear statement with regard to the treaty made by the Senator from Alabama, who is handling the treaty on behalf of the Committee on Foreign Relations, needs no amplification by me. It is an excellent statement, both concise and expressive.

Mr. President, as a member of the Foreign Relations Committee who is very interested in the treaty, and was during its committee consideration, I wish to say that certain questions were raised, as has been pointed out heretofore, about what the treaty would do by way of enlarging, diminishing, extending, or altering powers which may be held by the President or by the Congress, and what effect the treaty may have on the actions of our representative or of the President in connection with the OECD, in regard to the internal legal situation in this country. That is a matter of very serious concern.

I shall declare for the record my opinion. If there is any disagreement on the part of any member of the Committee on Foreign Relations, I shall be glad to hear it.

In my opinion, I do not believe a single member of the Committee on Foreign Relations of the Senate would have voted in favor of the treaty if he had thought the treaty, as finally reported to the Senate with its interpretation and understandings, contained any provision which would in any way enlarge or alter the powers of the President of the United States over those which he already possesses, or would in any way alter, enlarge, or diminish the powers of the Congress of the United States, or make any change in the constitutional powers of the executive or of the legislative branches. I do not believe any member of the committee would have voted for the treaty if such were involved.

Mr. President, in the hearings, both open and executive, conducted by the committee, and in the discussions of the committee, Senators thoroughly canvassed that situation.

The basis upon which the treaty was submitted to the Senate by the committee I believe is contained in the report of the committee to this body in connection with the treaty. I think it is very important for the RECORD that a portion of the report be printed, so I ask unanimous consent that it be printed in the RECORD at this point in connection with my remarks.

There being no objection, the portion of the report was ordered to be printed in the RECORD, as follows:

Since the end of World War II, vast changes have swiftly transformed relations between the non-Communist industrial nations, as well as relations between these powers and the less developed but politically awakened areas of the world. The Organization for Economic Cooperation and Development (OECD) reflects these changes, and has been designed to cope with those that can determine economic stability and growth.

Structurally, the OECD consists of the 18 European members that comprised the OEEC (Organization for European Economic Cooperation), plus the United States and Canada. The OEEC was established in 1948 to help Europe recover from the war. It recommended allocations of Marshall plan aid to member countries, established the European Payments Union, and liberalized intra-European trade. The OECD amounts to a recognition that the objective of the predecessor organization has been attained, and has given way to another and equally urgent set of problems that can be adequately dealt with only by a remodeled organization, in which the United States and Canada are participants.

The OECD has two broad purposes. One is to promote economic stability and the orderly growth of the economies of member countries. The other is to devise more effective methods of assisting the less developed countries, and for arranging to distribute the aid burden more equitably. Thus, on the one hand, the OECD reflects the growing interdependence of the economies of its member countries. And, on the other, it acknowledges the urgent need to narrow the gap between the rich and the poor countries, yet in a form that will not tax the economic vitality of any one of its members.

The OECD concept—the need for such an institution—has been widely discussed here and abroad in recent years. In the fall of 1959, behind an American initiative, these discussions assumed an official character. Next, in December 1959, the heads of Government of the United States, France, Germany, and the United Kingdom, meeting in Paris, publicly recommended an intensive study of methods of promoting consultations on major economic problems. This was followed by a ministerial meeting of January 14, 1960, in which representatives of the 18 OEEC countries and the United States and Canada adopted a resolution establishing a group of 4 experts to determine means by which the 20 nations could improve their cooperation on economic problems and development assistance.

On April 7, 1960, the Group of Four published its report, which proposed that the OEEC be reconstituted as the OECD. On May 25, senior officials of the 20 nations presented their governments' views on the Group of Four report and established a working party to draw up a draft convention remodeling the OEEC and to begin reviewing the OEEC acts.

On July 23, a ministerial conference reviewed the status of the project and established a preparatory committee to complete the transformation of the OEEC into the OECD. The committee's report was adopted at the Paris ministerial meeting of December 13, 1960, and the convention with related protocols was signed the next day by the representatives of the 20 governments.

SUBSTANCE OF THE CONVENTION

The OECD Convention consists of 21 articles and 2 related protocols. The aims of the Organization, as well as the methods and provisions for achieving these aims, are set forth in articles 1–6. A comparison of these six articles with the OEEC Convention reveals the following: The objectives of the OECD are broader than those of the OEEC. But the obligations are fewer and considerably less demanding. The OECD Charter provides for consultation and voluntary cooperation. The OEEC embodied rules and obligations to which each of its members was bound. Although preoccupied at the start with the distribution of Marshall plan funds, the OEEC became generally concerned with intra-European trade and payments problems. For example, the OEEC countries developed a code of liberalization, which removed quantitative restrictions on member imports within a system of reciprocal commitments. As a concession to the United States, the OEEC's Code of Trade Liberalization has been discarded in its entirety. For some members, this was a major—and painful—concession.

Many of OEEC's other codes and obligations have also been allowed to lapse. None of those that will be carried over will apply to the United States. However, the United States has agreed to certain recommendations of the OEEC. The terms of these recommendations do not obligate the United States, or other members, to courses of action. Appendix No. 1 to this report is a memorandum of understanding which formally commits the 18 OEEC members to vote in the OECD Council for adoption of those OEEC acts that have been recommended by the preparatory committee. However, the United States and Canada are not similarly bound. Under paragraph 2 of this memorandum, the United States and Canada shall be released from the commitment to vote in the OECD Council for adoption of any acts in this category if appropriate notification is given no later than 10 days after the deposit of either country's instrument of ratification. The act then becomes applicable to all the other members, but not to an abstainee.

The OECD's basic purposes—to promote orderly economic growth within its 20 member community, and to assist more effectively the less developed countries—is embodied in article 1. Under article 2, the members agree to pursue these aims by promoting the development and most efficient use of their economic, scientific, and technological resources.

They also agree, under article 2 (c), to "pursue policies designed to achieve economic growth and internal and external stability and to avoid developments which might endanger their economies or those of other countries."

This language clearly reflects the rapid and sweeping postwar changes that have inspired the creation of the OECD. It acknowledges the growing and relentless interdependence of the economies of the member countries. These economies have together become an elaborate skein, the threads of which are the payments balances and economic policies of the member countries (and others, like Japan). The process of reaction and adjustment between them is a constant rhythm. Ideally, this process should also provide equilibrium, just as the free gold standard was once supposed to provide automatic equilibrium. Unfortunately, the tangled skein of

international economics lacks the element that would assure stability, or automatic equilibrium. The OECD, through its Economic Policy Committee, will provide advice and recommendations designed to protect each member from economic disequilibrium.

The Secretary of the Treasury, Mr. Dillon, in testifying before the Committee on Foreign Relations, illustrated the need for the OECD mechanism with this reference to the U.S. balance of payments difficulties of 1960:

"During the first half of 1960 our balance of payments deficit on an annual basis was $2.9 billion—down markedly from the level of $3.8 billion in 1959. Last spring our Federal Reserve discount rate was at 4 percent, the German Bundesbank rate was 4 percent, and the Bank of England rate was 5 percent. In other words, all those rates were close together. Then, as business began to slow in the United States, our Federal Reserve began to ease credit and reduced its rate first to 3½ percent, and later to 3 percent. Meanwhile, the German Bundesbank, with its eye on the domestic boom in Germany, and with the objective of controlling inflation at home, increased its discount rate to 5 percent in June. The Bank of England promptly followed suit and upped its rate to 6 percent.

"These actions brought about a sharp imbalance in short-term interest rates. The results were bad for all concerned. A flood of short-term funds left New York seeking the higher return in Frankfurt and London. This sharply increased our balance-of-payments deficit from an annual rate of $2.9 billion in the first 6 months to a rate of $4.7 billion in the second 6 months. This sudden and sharp increase shook confidence in the dollar and the result was a substantial increase in the outflow of gold. This, in turn, brought on the speculative outbreak in the private gold market in London last October when for a day or two gold sold at $40 an ounce.

"Meanwhile the large inflow of American funds frustrated the efforts of the German authorities to tighten up on investment in Germany. When this became clear, the German and British authorities both cut back their discount rates, the flow of short-term capital slowed and confidence was gradually restored.

"The lesson to be learned by all this is that in these days of convertible currencies there must be close cooperation and coordination between our financial and monetary authorities and those of the major industrialized countries of Western Europe. This is now recognized on all sides. The OECD is the forum in which this coordination can be worked out and through which we can avoid similar episodes in the future. As such, it is a vitally important element in our drive to right our payments deficit without infringing on the actions that must be taken to reinvigorate our economy here at home."

Development Assistance Committee: Under article 2(e), the OECD members have agreed to meet their development assistance responsibilities by providing capital and technical assistance to the less developed countries, as well as helping them to secure and expand export markets. The OECD instrument for this activity will be its Development Assistance Committee, successor to the development assistance group, which operated throughout 1960 on an interim basis. Appendix No. 2 to this report is a breakdown of official assistance provided by the OECD members and Japan to less developed countries. It should be noted that the French figures include assistance to Algeria, which in the past has been regarded by French governments as part of Metropolitan France.

The Development Assistance Committee (DAC) initially will consist of nine OECD members—Belgium, Canada, France, Germany, Italy, the Netherlands, Portugal, the United Kingdom, and the United States—and also Japan. The DAC will not of itself be an operating, or burden sharing, agency. Instead it will review aid programs, recommend levels and kinds of aid, as well as more efficient and equitable aid programing. It will be a clearinghouse for information concerning the needs of the less developed areas and a forum in which the capacities of the major industrialized nations of the West, along with Japan, can be measured against these needs. The DAC will thus enable nations which are meeting their responsibilities in this area to encourage laggard nations to assume their share of the burden.

Trade provisions: Articles 1(c) and 2(d) provide that the OECD members will "pursue their efforts" to expand world trade "on a multilateral, non-discriminatory basis in accordance with international obligations"; also to try to "reduce or abolish obstacles to the exchange of goods and services * * *." The OECD's concern will be the broad outlines of trade policy, not tariff negotiations, or trade rules. These matters are the concern of the GATT (General Agreement on Tariffs and Trade) of which all OECD members, excepting Iceland, are contracting parties. Congress has never approved the GATT, and approval of the OECD will not constitute approval of the GATT. Articles 1(c) and 2(d) do not obligate members to take any actions which they otherwise would not take. These articles do mean that the OECD, as an extension of its function of providing economic stability, will become a consultative forum in which members can deal with general trade problems of concern to some or all of them.

As an example, Western Europe has divided into two trade blocs. Leaving aside the unproductive competition inherent in such a division, other problems appear. On January 1, 1961, the Common Market "Six" scaled down its internal tariffs on industrial items and some agricultural goods. The effect of these first adjustments has created some discrimination against imports from countries outside the "Six." Obviously, the United States and others must encourage the "Six" and the "Seven" (European Free Trade Association) countries to adjust their general trade policies in a way that will avoid further discrimination against those who are members of neither bloc. The OECD will be a forum for such discussions, as well as for the larger question of ending the trade division in Europe in a manner that will protect every country's interests. The problem affects the rich and poor alike.

In Africa, those countries which formerly were French colonies have the privilege of association with the "Six." This means that they can—and do—sell their goods in a preferred market. It also means that neighboring African States—Nigeria, for example, which in 1959 sold 35 percent of its exports to the "Six"—must compete for this market against a rising tariff wall. Appendix No. 3 to this report contains two tables, (a) and (b), which show respectively the importance of OECD countries as a market for the less developed countries; and the proportion of export earnings of selected less developed countries derived from their primary products.

In article 2(d), one of the two trade provisions, the members also agree to try to "maintain and extend the liberalization of capital movements." At present, only Belgium-Luxembourg, Canada, the United States, and Germany, among the members, permit the unrestricted flow of capital from their countries. This is another example of a problem that can be discussed within the broad, multilateral framework of the OECD.

Other provisions: In article 3 the members agree (a), to "keep each other informed"; (b) to "consult together on a continuing basis"; and (c) to "cooperate closely and where appropriate take coordinated action."

The language "where appropriate" makes article 3(c) permissive rather than mandatory. Furthermore, article 6(3) provides that: "No decision shall be binding on any member until it has complied with the requirements of its own constitutional procedures. The other members may agree that such a decision shall apply provisionally to them."

Articles 7–14 are concerned with organization and procedural matters. Subsidiary bodies, such as the Economic Policy Committee and the DAC, would be established under the authority of article 9.

Article 15 concerns the status of OEEC acts that might be carried over. It provides that "* * * decisions, recommendations, and resolutions of the Organization for European Economic Cooperation shall require approval of the Council to be effective after the coming into force of this convention." Under article 6, each member shall have one vote on the Council, and "decisions shall be taken and recommendations shall be made by mutual agreement of all the members."

Article 17 allows any member to terminate membership in the convention by giving 12 months' notice of that intention to the depositary government.

Articles 18–21 cover the location of the OECD headquarters (Paris); budgetary procedure; and notification responsibilities of the depositary government.

Protocols: There are two supplementary protocols to the convention. The first gives the members of the European Economic Community the option of acting individually within the OECD, or jointly through one of their commissions, such as the High Authority of the Coal and Steel Community, or the European Atomic Energy Community. The second protocol covers the privileges, exemptions, and immunities of OECD officials and representatives.

COMMITTEE ACTION

The convention, with related protocols, was transmitted to the Senate by President Eisenhower on January 17, 1961. On February 14 and 15, the Committee on Foreign Relations examined the convention in public session. Witnesses from the executive branch, representing President Kennedy, were heard on February 14. They were the Secretary of the Treasury and the Under Secretary of State for Economic Affairs. On February 15, the committee heard testimony from all other persons who had asked to appear.

The Chairman, Mr. FULBRIGHT, asked whether article 6(1) endowed the individual members with a veto power over the decisions and recommendations of the OECD Council. Under Secretary Ball, answering in the affirmative, said, "A nation which opposes a particular proposal has the option either of voting against it, in which case the proposal is killed, or of abstaining, in which case the proposal does not apply to that country."

The chairman, in referring to Secretary Dillon's comment on the relationship between discount rates and capital outflows, asked whether the OECD's authority would "affect the power of the Federal Reserve Board to alter our discount rates." Secretary Dillon said "No". Senator MORSE carried the question a step further and asked whether the jurisdiction of the Federal Reserve Board might be enlarged by the creation of the OECD. Secretary Dillon replied, "* * * this convention will not in any way, shape, or form enlarge the authorities of the Executive

or of the Federal Reserve or any other organization in the U.S. Government to take actions which are not already provided for * * * under act of Congress."

OECD and GATT: Senator SPARKMAN asked whether this organization would, or could, perform any of the functions that had been contemplated for the ITO (International Trade Organization), or whether the OECD bears any relationship to the GATT.

Secretary Dillon said that there is no connection whatsoever. He added that during the OECD discussions some of the countries objected to the elimination of the code of trade liberalization, because they felt they drew a measure of protection from these trade rules. However, the American position was accepted at the July OECD ministerial meeting. It was stated then by Secretary Dillon as follows:

"In the U.S. Constitution it is * * * specified that foreign trade is within the competence of the Congress of the United States and not within the competence of the Executive. All the actions which the Executive takes in this field and has taken over the past years in the form of trade agreements and so forth have been taken on this specific authority which has been voted by the Congress of the United States through the original Trade Agreements Act and its various extensions, the last of which occurred in 1958. It is impossible for the United States to agree to anything which would infringe this competence of the Congress.

"One thing to which this happens to apply is the question of detailed and fixed procedures and rules which have to be approved by the Congress as part of our joining, working with, any new organization. We have suggested three times in the last 10 years to our Congress, once under the Democratic administration, and twice under the administration of President Eisenhower, that rules and procedures which had been worked out by experts, and which would help the functioning of the GATT, be specifically approved by the Congress. Three times the Congress has refused to do that, allowing us to continue to operate within the framework of the GATT, but saying that as a Congress they would not approve any specific rules which might have the effect of binding or making it more difficult for them to operate with freedom in the field of trade in the future. It is very clear that this same consideration applies to this convention. Any attempt to tie in rules of trade, rules of procedure that are fixed and definite, would not be acceptable to our Congress and that is the reason why the U.S. representatives have continually objected to such rules and regulations.

"It is not a question of substance, the substance of whether we wish to talk about things or do not wish to, but it is a very important question of procedure and the prerogative of our Congress, which we are bound to uphold. It would be no use for us to reach an agreement around this table that we know would not be acceptable to our Congress, and would be doing a disservice to all of us sitting here. That is why I have dwelt on this problem."

Senator AIKEN also sought a more precise understanding of the intent of articles 1(c) and 2(d), the trade provisions. And the following exchange occurred between him and Secretaries Dillon and Ball:

"Senator AIKEN. The Senator from Alabama asked what the relationship of OECD would be to GATT, and you said there would be no relationship whatsoever.

"But reading this pledge to pursue efforts to reduce or abolish obstacles to the exchange of goods and services and current payments, makes one wonder whether OECD intends to operate parallel to GATT. What is the purpose there?

"Secretary DILLON. Well, in the field of capital flow and money, the GATT does not operate, and in that field I think that OECD would operate.

"We have always had a completely free regime for the flow of our capital and investments overseas; since the war, certainly, and probably for quite some time before that, the European countries have not.

"Now that their currencies are becoming convertible, it is in our interest to press for a greater freedom of these capital flows so that European funds will come to the United States for investment with greater ease than is presently the case. This would be a forum through which this objective would be sought, and that is what I think is referred to here when they talk about current payments and liberalization of capital movements.

"Senator AIKEN. But GATT and OECD would perform parallel functions as they relate to removal of trade barriers.

"Secretary DILLON. Well, that is the specific policy of the GATT, and in OECD it is not its specific policy.

"However, the countries agree that they will pursue their efforts individually, that is, to reduce and abolish obstacles.

"Now, by obstacles to the exchange of goods, we do not mean tariffs.

"What is really meant there are discriminatory provisions such as the chairman was talking about, which we have a few of in the agricultural field, and of which the European countries have many more.

"This is a pledge to work toward reducing or abolishing these, but how quickly results will be achieved I do not know, and certainly this organization is not the primary form in which this will be discussed.

"Mr. BALL. Senator, I might add that this organization will not be an organization that makes trade rules or that enforces trade rules or that modifies existing trade rules.

"There is a very clear distinction between what is contemplated here and the operations of the GATT in Geneva.

"Senator AIKEN. It would simply make findings and, on the basis of those findings, make recommendations to its members or just release its findings?

"Mr. BALL. The major interest of the United States in this, as Secretary Dillon has said, is in relation to the resolution of the existing problems between the Six and Seven Our concern there is to see that in the consideration of this problem the interests of the United States are represented."

The chairman pursued this matter further and raised with the two executive branch witnesses some comments of the opposition to the OECD:

"The CHAIRMAN. Since I asked you my question about the opposition, I have sent for, and have received, this statement which is apparently the principal statement of the opposition to this treaty. I think it would be well for the record if you would comment on it.

"First the ITO and OTC (Organization for Trade Cooperation) are described and how they were defeated by the Congress. Then the statement says 'They both also sought to use the sanctity of an international agreement as a means of making permanently supreme the economic outlook of people then in the executive branch of the Government and especially in the State Department.'

"Do you think this is a true characterization of this agreement?

"Secretary DILLON. Not at all, Mr. Chairman.

"The other two agreements did provide a mechanism for establishing trade rules and, as such, they would have much more explicitly recognized the GATT.

"The executive branch, at that time, felt that this was advisable because it was thought that the GATT was a useful instrument to prevent discrimination.

"But the OECD has nothing whatsoever to do with trade rules at all. We have made that very clear. We would be glad to repeat it again. It does not reflect the philosophy of any particular group.

"It is a broad, bipartisan measure that is in the national interest, and it simply recognizes the new facts of this era of convertibility, that we have to have a forum for the interchange of economic information, and where we can develop closer coordination and exchange views on methods and means by which each of our countries is successful in pursuing the objectives, its own objectives, of greater economic growth.

"The CHAIRMAN. The statement says:

" 'While Congress has the constitutional authority and responsibility to regulate our foreign commerce, it could no longer do so without encountering and, perhaps running afoul, of provisions of the international agreement.'

"Do you think that is true?

"Secretary DILLON. No, sir.

"The CHAIRMAN. It says: 'Ratification of the agreement would, therefore, transfer some of the most meaningful aspects of the enumerated congressional powers into the hands of the Executive without bothering about a constitutional amendment. Surrender by Congress in this matter would mean breaking faith with the electorate and, in fact, betrayal of its trust.'

"Would you think it is a true statement?

"Secretary DILLON. It would not transfer one single thing from the Congress to the Executive.

"The CHAIRMAN. It states: 'How would this come about? It would come about through an authorization of membership in an international organization having aims which could not be carried out without entrenching upon the functions of Congress.'

"Mr. BALL. As has been pointed out repeatedly here, Mr. Chairman, the decisions of this Organization can only be carried out through the constitutional processes of the United States. It does not add, it does not detract one bit from the powers of Congress. It does not expand the powers of the Executive.

"Secretary DILLON. That was the very reason that that language was specifically written into the charter in subparagraph 3 of article 6, so that there could be no misunderstanding on this subject. We were afraid that otherwise some people would misinterpret this thing. But with that language in there there can be no misunderstanding.

"The CHAIRMAN. So it is very clear that any specific agreement must return to the Congress and follow the usual procedure. None is authorized in advance by this agreement?

"Secretary DILLON. That is correct."

Senator SPARKMAN suggested that a memorandum outlining the history of the GATT "from the standpoint of its consideration by Congress," along with some background on its activities, would be helpful to the committee. The Legislative Reference Service of the Library of Congress was asked to prepare such a memorandum. It appears on page 102 of the printed hearings.

Functions of DAC: Senator SPARKMAN was interested in whether the DAC would be an operating agency, and, if so, would there be any overlapping of its functions with those of other multilateral organizations, such as the International Bank for Reconstruction and Development (IBRD).

His question produced the following exchange:

"Mr. BALL. I would like to point out a distinction here which, I think, could be the

subject of some confusion. This is not going to be an operating agency in the area of foreign assistance. The OECD will provide a forum in which the problem of foreign assistance can be freely discussed among the nations which have the resources to contribute to that effort.

"Senator SPARKMAN. Is that true of the OECD and the DAC, both?

"Mr. BALL. Yes. The DAC is simply a committee established under the OECD in which the problems of assistance are going to be discussed, and in which the effort will be made to mobilize the greatest amount of effort and resources for the purpose. But it is not contemplated that this will be an agency which administers aid.

"Secretary DILLON. Senator, I might say that in the meetings that we had last year of this Development Assistance Group, which is the predecessor organization, the World Bank and some of the U.N. agencies participated as observers, and they worked very closely with this group.

"This group might lead to closer coordination of national efforts, but, as Secretary Ball says, it has nothing to do with operations and therefore would not interfere with these other agencies at all."

Secretary Dillon added to the committee's understanding of the purpose and function of the DAC with this observation:

"We found when we started to discuss this last year in the earlier meetings of the Development Assistance Group, which will be the predecessor of this committee, that there was not even agreement on the definition of what was foreign aid. Some countries were calling foreign aid ordinary exports, which they financed on a 2- or 3-year basis, and so there was a good deal of discussion on that. We are now discussing what is aid and what is simply ordinary exports that one is financing. Statistics are being gathered, and it will become clear whether one or more of the big industrialized countries is not doing what it is obviously supposed to be doing. For any country not carrying a fair share of the burden, there will be moral pressure on that country to do better.

"Now, certainly no one could expect the United States to do any more since we have been carrying the bulk of the load from the beginning with help from particularly the French and the British.

"So, therefore, the effect of this committee will be, from our point of view, since we are already doing what we should, to throw the spotlight on those who have not yet met their full responsibilities. In that way it is a very important financial tool and very helpful to the United States in seeing that the program is better shared."

Relationship to NATO: The chairman asked whether the OECD might have the effect of downgrading the importance of NATO. The opinion of the executive branch witnesses is that the two organizations will perform complementary functions. Senator MORSE pursued the matter further, and drew this comment from Secretary Dillon:

"I would like to say one thing about this. One field in which the OECD will be active, which is the responsibility of the Development Assistance Committee, is the coordination and discussion of policy for development assistance to underdeveloped countries throughout the world, many of which are neutral countries. This is a function which simply could not be carried out successfully by NATO, because NATO is looked upon as a military alliance, and a strong partisan of one side—our side—in the cold war.

"So these neutral countries of Asia and Africa would not feel comfortable if their aid was being coordinated by that sort of an organization. They have made that very clear. So that is the great advantage of having the OECD, which does not have that connotation and which does have all the neutral countries of Europe as members.

"Senator MORSE. Mr. Secretary, I could not agree with you more. That is why I pursue this matter a moment longer. Secretary Ball pointed out that Sweden and Switzerland will be members of OECD. They are not members of NATO."

Legal interpretation: Several committee members were especially interested in having a precise understanding of articles 5 and 6. Specifically, they were concerned with what, if anything, distinguishes the decisions of 5(a) from the recommendations of 5(b); also whether article 6(3) clearly and adequately protects the balance between the legislative and executive branches of the Government. In response to a committee request, the Legal Adviser to the Department of State prepared a memorandum addressed to these specific questions. It appears as Appendix 4 to this report. Under article 5(a), the Organization may "take decisions which, except as otherwise provided, shall be binding on all the members." The Legal Adviser says: "Thus, by the very terms of a decision, it may be restricted in its obligatory application to only certain of the members of the Organization."

Under 5(b), the Organization may "make recommendations to members * * *." The Legal Adviser says: "Recommendations may recommend a course of action by members, or study of a matter, or adherence to an international agreement drafted in an OECD committee, etc. For example, the OECD will normally deal with substantive problems such as economic policy and assistance to the less-developed countries by exchanging information and by informal discussions. To the extent that additional action were necessary, this would normally be taken by the OECD Council in the form of a recommendation to member governments. Thus, the OECD Council might follow a discussion of assistance to the less-developed countries by a recommendation to member governments that they increase the length of credits extended to the less-developed countries. In such cases, the member governments would not be legally bound by the recommendations, but they would endeavor to carry out the recomendations."

The Legal Adviser says that articles 1 and 2 are "void of any grant of power to the Executive, and the power, in any particular case, of the U.S. Executive to bind the United States must be sought and found in an independent source outside the [OECD] Convention."

His conclusion is that "paragraph 3 of article 6 allows for full compliance with U.S. constitutional procedure and the division of functions between the Executive and the Congress."

Other questions: Senator AIKEN asked about the anticipated size of the OECD staff and the cost of maintaining the Organization. The following exchange occurred between him and Secretary Dillon:

"Senator AIKEN. Mr. Secretary, how large an organization do you expect this to be in terms of personnel?

"Secretary DILLON. We have a feeling that this will be smaller than the present OEEC Organization because this Organization had a very considerable number of personnel engaged in certain functions which would probably not be continued.

"I think that the total effort in Paris will be several hundred.

"The figures, I think, on the OEEC now are somewhere under 1,000 people working in that Organization.

"Senator AIKEN. It may be 1,000. What was the estimated cost of maintaining the Organization a year?

"Secretary DILLON. Well, the OEEC's costs were approximately $4 million, so we thought that our share would be about $1 million, if we had the same assessment as our assessment in NATO, which is roughly 25 percent.

"Senator AIKEN. 25 percent.

"Secretary DILLON. We might have a smaller assessment here because this is a larger organization somewhat. In NATO our assessment is 24.2 percent. Here there are the few extra smaller countries, so it might be possible that we could negotiate something between 20 and 25 percent, which, I think, would be fair."

Senator MORSE asked whether consideration was given to inviting Japan to be a full-fledged member of the OECD. Secretary Dillon replied that the United States "would like to see that happen." However, the European countries, while agreeing to Japanese participation in the DAC, opposed a general membership for Japan. Secretary Dillon observed that this feeling might change and at some later date Japan could be invited into full OECD membership.

The chairman and Senator MORSE indicated that their further questions would be submitted in written form. The contents of their correspondence can be found in the appendix to the record of the OECD hearings. Among other things, their questions dealt with the balance of payments problems; discriminations against U.S. products; restrictions against capital movements in and out of the OECD countries; the U.S. tariff position and the benefit to the United States of GATT participation; examples of decisions that might be made by the OECD Council in regard to the aims set forth in article 1.

Among those who asked to bring their views on the OECD before the committee were three Members of Congress, Senator JACOB K. JAVITS, of New York; Representative W. J. BRYAN DORN, of South Carolina; and Representative JAMES C. DAVIS of Georgia. Senator JAVITS supports the convention. Congressmen DORN and DAVIS oppose it on the grounds that it could, in their view, expand the authority of the executive branch to regulate foreign commerce. They were followed by seven public witnesses, six of whom oppose the convention for reasons similar to those expressed by Congressmen DORN and DAVIS. The committee received over 600 communications concerning the OECD. There was an approximately even division between those who were for, and those who were against the convention.

Further committee action: On March 1, the committee met in executive session to hear further testimony from Secretaries Dillon and Ball. Senator LONG questioned the language of article 2(d), and the following explanation was offered by Secretary Dillon:

"What this means—the English text was construed by the people who drafted the language, and by those who signed it, to mean that they would pursue their efforts to reduce or abolish obstacles and to maintain and extend the liberalization of capital movements.

"In other words, the 'maintain and extend the liberalization of capital movements' follows after 'pursue their efforts to,' and therefore the agreement is to pursue efforts to maintain and extend the liberalization of capital movements. No flat commitment is made to maintain and extend them; in the French text, which is equally valid, that is made very clear, because the word 'to' is in there in the French text.

"There is a word 'to' before 'maintain.'"

The question arose again when Senator GORE asked this question of Secretary Ball

and the legal adviser to the Department of State, Mr. Chayes:

"If by this treaty we specifically agree to maintain and extend the liberation of capital movements, would a statutory enactment contrary to such liberalization of capital movement be in conflict with the treaty?"

Mr. Chayes responded and the following exchange ensued:

"Mr. CHAYES. Well, Senator, your hypothetical case depends upon reading article 2(d) as an absolute engagement to maintain and extend the liberalization of capital movements.

"I think the Secretary has already said that the article is to be construed as an engagement merely to pursue efforts to maintain and extend the liberalization of capital movement.

"Senator GORE. May I ask a question right there? Suppose that instead of the Secretary's interpretation, the Court should hold that, in fact, this is an agreement to maintain and extend the liberalization of capital movements; what would then be the confrontation?

"Mr. CHAYES. Well, with deference, Senator, I cannot conceive a court so holding in view of the fact that the French and English text have equal status, and any ambiguity that appears in the English text is fully clarified by the French text."

Senator GORE was specifically concerned with the meaning of the term "current payments" and the phrase "liberalization of capital movements" as they appear in article 2(d). The Department of the Treasury, in order to define these terms precisely, offered a memorandum that appears in the appendix of the printed hearings.

Several members sought further assurance that none of the provisions of the convention could endow the President with authority that he does not already have; these members also sought further clarification of the constitutional guarantees contained in article 6(3). The legal adviser, Mr. Chayes, responded with a memorandum dated March 6, which appears in appendix 5 to this report.

The committee met again in executive session on March 6. Under Secretary Ball and the legal adviser, Mr. Chayes, were present. Some members were interested in U.S. policies regarding most-favored-nation treatment. Upon request, the Department of State submitted one memorandum explaining American policy on this subject, and another which set forth provisions of the GATT that allow contracting parties to adopt discriminatory policies under certain circumstances. These memorandums may be found on page 245 of the hearings.

Senator WILLIAMS observed that the President's authority under the Trade Agreements Act is discretionary. He asked whether a decision by the OECD Council might compel the President to act within the scope of his authority, thus depriving him of his option not to act. This produced the following exchange between the Senator, Under Secretary Ball, and Mr. Chayes:

"Mr. BALL. No; he could not bind himself to do anything unless he has the power to do. I do not quite understand how this could possibly occur—do you, Mr. Chayes?

"Mr. CHAYES. Well, I do not think he could even bind himself to waive his discretion in the case of a subsequent escape clause proceeding since he does not have, I do not think, constitutional power to waive that subsequent discretion.

"Mr. BALL. You see, he has to make a finding.

"Senator WILLIAMS. That is right.

"Mr. BALL. We cannot waive his power to make the finding. He has to make the finding to comply with the statute. Otherwise he has no power.

* * * * *

"Mr. CHAYES. I do not know just what the terms of our arrangements in GATT are. But it is perfectly clear that in the case of any agreement in GATT, or any other agreement under the Trade Agreements Act—and notice when we are talking about the hypothetical case of an agreement under this convention, it is only an agreement carried out within the terms of the authority delegated by the Trade Agreements Act—no such agreement can be made until the President's discretion has been exercised in accordance with all the terms and conditions of the act."

Senator HICKENLOOPER asked whether any provision of the convention could give the President tariff-making authority and prevent the Congress from taking back that authority.

Under Secretary Ball and Mr. Chayes replied that this would not be possible.

The committee feels that in giving its advice and consent the Senate must emphasize, as an inherent part thereof, that it accepts and relies upon the assurances of the executive branch of the Government that nothing in the convention enlarges, diminishes, or alters the powers of the President or the Congress in respect to any substantive actions taken or that may be taken by the Organization for Economic Cooperation and Development and that a clear expression of such interpretation and understanding should be incorporated as an integral part of such advice and consent. The committee felt that the resolution of ratification should contain the relevant assurances that had been offered by Secretary of State Herter, Secretary of the Treasury Dillon, Under Secretary Ball, and the legal adviser of the Department of State. Secretary Herter's statement appears in his letter of January 16 to President Eisenhower, which can be found on page 2 of the message from the President transmitting the convention to the Senate (Ex. E, 87th Cong., 1st sess.). Statements of the other deponents may be found in this report and appendixes thereto. The full text of the resolution of ratification itself follows:

"RESOLUTION OF RATIFICATION

"Having regard to and in reliance on the statement in the letter of January 16, 1961, from Secretary of State Herter to President Eisenhower and transmitted by him to the Senate on January 17, 1961, that 'the U.S. representative will not have any additional powers in substantive matters to bind the United States after the convention enters into force than now exist in the Executive, but that any act of the Organization outside the power of the Executive will require action by Congress or the Senate, as the case may be, before the United States can be bound,' and having regard to and in reliance on the testimony of Secretary of the Treasury Dillon and Under Secretary of State Ball in behalf of the administration, and having regard to and in reliance on the opinion of the legal adviser of the Department of State dated March 6, 1961, and quoted in the committee report on this convention:

"Resolved (Two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Convention on the Organization for Economic Cooperation and Development, together with two protocols relating thereto, signed at Paris on December 14, 1960, by representatives of the United States of America, Canada, and the 18 member countries of the Organization for European Economic Cooperation (Executive E, 87th Congress, 1st session), with the interpretation and explanation of the intent of the Senate that nothing in the convention, or the advice and consent of the Senate to the ratification thereof, confers any power on the Executive to bind the United States in substantive matters beyond what the Executive now has, or to bind the United States without compliance with applicable procedures imposed by domestic law, or confers any power on the Congress to take action in fields previously beyond the authority of Congress, or limits Congress in the exercise of any power it now has."

CONCLUSION

The Committee on Foreign Relations believes that the OECD member countries are undergoing the gravest test of their collective history. To prevail will depend, as much as anything else, on their ability to promote stability and growth within their delicately balanced, interdependent economies. Yet even this will not be enough, if the product of this growth is not in sufficient measure devoted to programs that will encourage the development of less favored peoples in a way that is consonant with their best purposes. If the energies and resources of the aspirant and newly independent peoples were turned to uncongenial purposes, the consequences for Western civilization would ultimately be decisive.

This thesis is understood by the leaders of both the Soviet Union and the United States, and apparently by a majority of the people of the United States. It is also understood by some, but by no means all, of the leaders of West Europe. Many of them do not yet understand either the moral imperatives or the cold logic of foreign assistance. And what is true of these leaders can be safely said to apply, as well, to their constituents.

In that light, the OECD will be an educational forum. Terms can be defined. Foreign aid itself is a term that badly needs definition. To some, exports financed with short term, high interest credits, are foreign aid, and sums for this purpose are cited, not as investment, but as evidence of good faith. To others, funds invested in a colony fall within the definition of foreign aid. The American experience with foreign aid must be brought to bear upon the consciousness of other capital exporting countries. Bilateral talks, even if conducted at the White House level, are no substitute for the education that can be spread throughout the OECD membership by joint exposure to the same information, to the philosophy and the logic that have motivated American foreign aid from the beginning.

If Europeans have not developed a keen appreciation for foreign aid, it is also true that Americans have been laggard in acknowledging the economic interdependence of the Atlantic Basin countries. The truth is that the West can no longer tolerate economic disequilibrium. Too much depends on the vigor of its interdependent economy, greater by far than the sum of the individual parts.

More important than the collective GNP ($775.5 billion) of the OECD members are the scientific and technical resources upon which it is built. With the OECD, these resources can be mobilized and directed toward productive purposes. For the first time, a group of countries with common interests, beset by common problems, will be free to discuss their goals and problems within an organization designed for precisely that purpose.

This is a time of sweeping political, social, and technological change. History is being shaped within a swirl of events that often develop with bewildering speed. The committee believes that the OECD will enable its members to see these events in a broader and, hence, more relevant perspective. It

will enable them to look above the crises of today to problems that lie ahead; to dispose of many problems in a systematic, orderly fashion, thus avoiding the harsh urgency that so often distorts bilateral efforts to solve problems that become critical overnight. The committee, therefore (by a vote of 16 to 0), recommends that the Senate give its advice and consent to the ratification of the pending treaty.

APPENDIX 1

MEMORANDUM OF UNDERSTANDING ON THE APPLICATION OF ARTICLE 15 OF THE CONVENTION ON THE ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT

Article 15 of the Convention on the Organisation for Economic Co-operation and Development (hereinafter called the "Convention") provides that decisions, recommendations and resolutions (hereinafter called "acts") of the Organisation for European Economic Co-operation shall require approval of the Council of the Organisation for Economic Co-operation and Development (hereinafter called the "Council") to be effective after the coming into force of the Convention.

Pursuant to a Resolution adopted at the Ministerial Meeting of 22nd–23rd July, 1960, a Preparatory Committee has been established and instructed to carry further the review of the acts of the Organisation for European Economic Co-operation, to determine which acts should be recommended to the Council for approval, and to recommend, where necessary, the modifications required in order to adjust these acts to the functions of the Organisation for Economic Co-operation and Development.

At the said Ministerial Meeting it was agreed that there should be the maximum possible degree of certainty as regards approval by the Council of acts of the Organisation for European Economic Co-operation in accordance with the recommendations of the Preparatory Committee; it was also agreed that Canada and the United States, not being Members of the Organisation for European Economic Co-operation, should have a certain latitude with respect to the said recommendations.

Therefore the Signatories of the Convention have agreed as follows:

1. The representatives of the Signatories on the Council shall vote for approval of acts of the Organisation for European Economic Co-operation in accordance with the recommendations of the Preparatory Committee, except as otherwise provided hereinafter.

2. Any Signatory which has not been a Member of the Organisation for European Economic Co-operation shall be released from the commitment set out in paragraph 1 with respect to any recommendation or part thereof of the Preparatory Committee which it specifies in a notice to the Preparatory Committee no later than ten days after the deposit of its instrument of ratification or acceptance of the Convention.

3. If any Signatory gives notice pursuant to paragraph 2, any other Signatory, if in its view such notice changes the situation in regard to the recommendation or part thereof in question in an important respect, shall have the right to request, within fourteen days of such notice, that the Preparatory Committee reconsider such recommendation or part thereof.

4. (a) If a Signatory gives notice pursuant to paragraph 2 and no request is made pursuant to paragraph 3, or, if such a request having been made, the reconsideration by the Preparatory Committee does not result in any modification of the recommendation or part thereof in question, the representative on the Council of the Signatory which has given notice shall abstain from voting on the act or part thereof to which the recommendation or part thereof in question pertains.

(b) If the reconsideration by the Preparatory Committee provided for in paragraph 3 results in a modified recommendation or part thereof, the representative on the Council of the Signatory which has given notice may abstain from voting on the act or part thereof to which the modified recommendation or part thereof pertains.

(c) Abstention by a Signatory pursuant to subparagraph (a) or (b) of this paragraph with respect to any act or part thereof shall not invalidate the approval of that act or part which shall be applicable to the other Signatories but not to the abstaining Signatory.

5. The provisions of this memorandum relating to actions to be taken before the voting in the Council shall come into force upon its signature; the provisions relating to the voting in the Council shall come into force for each Signatory upon the coming into force of the Convention as regards that Signatory.

In witness whereof, the undersigned have appended their signatures to this memorandum.

Done in Paris, this fourteenth day of December, Nineteen Hundred and Sixty, in the English and French languages, both texts being equally authentic, in a single copy which shall be deposited with the Government of the French Republic, by whom certified copies will be communicated to all the Signatories.

APPENDIX 2

Official assistance to the less developed countries by OECD countries and Japan

[Dollars in millions]

	1956	1957	1958	1959	1956–59
Austria:					
GNP	$4,238	$4,665	$4,938	$5,264	$19,105
Aid	$2	$1	$6	$4	$13
Aid as percent of GNP	0.05	0.02	0.12	0.08	0.07
Belgium-Luxembourg:					
GNP	$10,860	$11,650	$11,616	$12,000	$46,126
Aid	$17	$24	$23	$52	$116
Aid as percent of GNP	0.16	0.21	0.20	0.43	0.25
Denmark:					
GNP	$4,461	$4,769	$4,918	$5,270	$19,418
Aid	$3	$1	$4	$5	$13
Aid as percent of GNP	0.07	0.02	0.08	0.09	0.07
France:					
GNP	$37,513	$41,867	$47,532	$51,000	$177,912
Aid	$487	$639	$787	$954	$2,867
Aid as percent of GNP	1.30	1.53	1.66	1.87	1.61
Germany:					
GNP	$46,048	$49,905	$52,929	$56,645	$205,527
Aid	$21	$46	$78	$107	$253
Aid as percent of GNP	0.05	0.09	0.15	0.19	0.12
Ireland:					
GNP	$1,510	$1,588	$1,630	$1,710	$6,438
Aid	----------	$1	$1	$1	$2
Aid as percent of GNP	----------	0.06	0.06	0.06	0.03
Italy:					
GNP	$23,414	$25,088	$26,638	$27,970	$103,110
Aid	$16	$16	$31	$17	$81
Aid as percent of GNP	0.07	0.06	0.12	0.06	0.08
Netherlands:					
GNP	$8,610	$9,315	$9,592	$10,175	$37,692
Aid	$33	$34	$41	$43	$151
Aid as percent of GNP	0.38	0.37	0.43	0.42	0.40
Norway:					
GNP	$3,725	$3,950	$3,894	$4,100	$15,669
Aid	$1	$2	$3	$4	$10
Aid as percent of GNP	0.03	0.05	0.08	0.10	0.06
Portugal:					
GNP	$1,945	$2,015	$2,071	$2,135	$8,166
Aid	$7	$5	$4	$21	$38
Aid as percent of GNP	0.36	0.25	0.19	0.98	0.47
Sweden:					
GNP	$9,470	$10,245	$10,623	$10,850	$41,188
Aid	$3	$12	$4	$10	$29
Aid as percent of GNP	0.03	0.12	0.04	0.09	0.07
Switzerland:					
GNP	$6,846	$7,355	$7,593	$8,000	$29,794
Aid	$1	$1	$3	$1	$5
Aid as percent of GNP	0.01	0.01	0.04	0.01	0.02
United Kingdom:					
GNP	$57,960	$61,328	$63,484	$65,700	$248,472
Aid	$208	$243	$264	$356	$1,070
Aid as percent of GNP	0.36	0.40	0.42	0.54	0.43
Total, above countries:					
GNP	$216,600	$233,740	$247,458	$260,819	$958,617
Aid	$799	$1,025	$1,247	$1,575	$4,648
Aid as percent of GNP	0.37	0.44	0.50	0.60	0.48
United States:					
GNP	$419,200	$442,500	$441,700	$478,000	$1,781,400
Aid	$2,144	$2,343	$2,415	$2,438	$9,340
Aid as percent of GNP	0.51	0.53	0.55	0.51	0.52
Canada:					
GNP	$30,182	$31,773	$32,509	$34,700	$129,614
Aid	$28	$46	$88	$57	$219
Aid as percent of GNP	0.09	0.14	0.27	0.16	0.17
Japan:					
GNP	$24,650	$28,050	$27,750	$30,000	$110,450
Aid	$16	$15	$205	$41	$277
Aid as percent of GNP	0.06	0.05	0.74	0.14	0.25

NOTES

1. GNP figures are at current market prices. The figures for 1959 are estimated.
2. Both the GNP and aid figures have been converted to dollars at current exchange rates.
3. Aid figures are based primarily on actual expenditures. For all the countries they include: (a) net official grants, (b) gross official bilateral loans of 5 years or over, (c) official contributions and subscriptions to international organizations paid during the period (i.e., net IBRD subscriptions, IFC capital contributions, contributions to the EEC Development Fund, net contributions to United Nations technical assistance and relief agencies). For the United States, the increase in U.S. holdings of local currencies derived from Public Law 480, title I sales is included to reflect the transfer of resources. For Japan, the yearly breakdown on gross official bilateral loans of 5 years or over is estimated. Reparations payments have not been included.
4. This definition of assistance has not been accepted by the countries involved and has no international standing.

APPENDIX 3

TABLE A.—*Importance of OECD countries as a market for less developed countries—Exports from less developed countries to OECD members by principal commodities, total exports, and proportion taken by OECD countries, 1959*

Imports from LDC's into—	Rubber	Tea	Cocoa	Coffee	Rice	Tobacco	Petroleum	Cotton [1]	Tin	Copper	All LDC exports
	Thousand long tons	*Metric tons*	*Thousand long tons*	*Thousand metric tons*	*Thousand metric tons*	*Thousand metric tons*	*Million metric tons*	*Thousand bales*	*Metric tons*	*Thousand metric tons*	*Millions*
Austria	11.3	534	10.0	9.8	1.6	1.9	0	48.6	0	2.6	$70
Belgium/Luxembourg	14.3	60	10.0	54.8	22.5	11.2	6.7	269.5	2,001	180.3	580
Canada	45.3	16,739	12.5	56.8	8.2	.3	15.8	201.2	967	0	440
Denmark	6.2	843	3.4	38.4	0	6.0	(2)	25.4	0	.5	80
France	120.4	1,496	55.3	197.0	82.4	12.2	28.8	686.2	339	53.8	1,880
Germany	143.9	6,965	102.3	136.7	45.4	18.3	16.5	889.9	50	219.3	1,710
Greece	1.9	109	2.4	7.2	1.3	0	1.3	1.1	88	.2	60
Iceland				1.6	0	0	0	0	0	0	(3)
Ireland	3.8	9,962	5.8	.4	0	.1	.9	13.9	0	0	80
Italy	56.1	1,315	26.2	83.6	.6	0	22.5	323.1	2,342	76.7	890
Netherlands	20.6	9,605	74.3	50.3	39.9	12.9	12.4	288.9	80	10.7	750
Norway	2.9	71	4.0	25.1	.5	.7	.1	12.0	0	0	120
Portugal	4.8	167	1.0	10.5	.7	.8	1.2	222.4	0	2.8	130
Spain	21.4	.57	21.4	.1	0	(2)	7.2	137.4	0	14.1	(3)
Sweden	21.3	1,040	6.7	68.0	0	.6	2.4	31.5	0	30.7	300
Switzerland	6.4	(2)	12.0	(2)	(2)	(2)	(2)	120.0	57	14.2	140
Turkey	3.8	5,912	.8	1.0	0	0	0	0	163	0	(2)
United Kingdom	167.3	228,272	77.2	52.9	23.2	57.6	46.2	777.2	0	336.2	3,920
United States	557.4	45,258	204.7	1,396.6	0	14.5	58.7	136.3	24,162	206.4	6,040
Total OECD imports from LDC's	1,200.0	328,402	630.0	2,240.9	226.1	137.0	220.9	4,184.7	30,249	1,148.6	17,150
Total world imports from LDC's	2,042.5	479,655	750.4	2,511.8	3,833.7	241.7	317.3	8,115.0	50,052	1,430.0	26,210
OECD imports as percentage of world imports from LDC's	59	68	84	89	6	57	70	52	60	80	65

[1] Cotton figures are for crop year 1958–59.
[2] Negative.
[3] Not available.

TABLE B.—*Proportion of export earnings of selected less developed countries derived from principal primary products, 1959*

[Percentages]

Countries	Cocoa	Coffee	Copper	Cotton	Petroleum	Rice	Rubber	Tea	Tin	Tobacco
Bolivia									69	
Brazil	5	57		2						
Chile			69							
Colombia		77			16					
Costa Rico	5	50								8
Dominican Republic	17	13								
Ecuador	13	3								
El Salvador		64		21						
Guatemala		71								
Haiti		55								
Honduras		24								
Mexico		9	4	26						
Nicaragua		21		45						
Panama	3									
Paraguay				7						
Peru			8	22	5					
Venezuela					87					
Egypt				71		1				
Iraq					93					
Sudan				60						
Syria				48						
Ethiopia		61								
Ghana	67									
Burma				2		71				
Ceylon							17	60		
India								20		
Indonesia					26		48		4	
Malaya							66		10	
Pakistan				12						
Thailand						34	31			
Vietnam						32	63			

APPENDIX 4

DEPARTMENT OF STATE,
February 27, 1961.

Hon. J. W. FULBRIGHT,
Chairman, Committee on Foreign Relations, U.S. Senate.

DEAR MR. CHAIRMAN: In the course of the hearings on the Convention on the Organization for Economic Cooperation and Development on Wednesday, February 15, 1961, before the Foreign Relations Committee a request was made for a memorandum setting forth the legal analysis of article 5 and article 6.

I attach such a memorandum and hope it will be helpful to your committee in the consideration of the convention. I wish to point out that the Department of Justice has been consulted in the preparation of this memorandum.

Sincerely yours,

ABRAM CHAYES,
The Legal Adviser.

MEMORANDUM

Article 5 of the Convention on the Organization of Economic Cooperation and Development reads as follows:

"In order to achieve its aims, the Organization may:

"(a) take decisions which, except as otherwise provided, shall be binding on all the members;

"(b) make recommendations to members; and

"(c) enter into agreements with members, nonmember States and international organizations."

Article 6 reads as follows:

"1. Unless the Organization otherwise agrees unanimously for special cases, decisions shall be taken and recommendations shall be made by mutual agreement of all the members.

"2. Each member shall have one vote. If a member abstains from voting on a decision or recommendation, such abstention shall not invalidate the decision or recommendation, which shall be applicable to the other members but not to the abstaining member.

"3. No decision shall be binding on any member until it has complied with the requirements of its own constitutional procedures. The other members may agree that such a decision shall apply provisionally to them."

It appears that the discussion in the committee which gave rise to the request for the present memorandum concerned in the main article 5 and article 6, paragraph 3.

Under article 5(a) the Organization may act by taking decisions. Such decisions are binding on all the members, except as otherwise provided. Thus, by the very terms of a decision, it may be restricted in its obligatory application to only certain of the members of the Organization.

Under article 5(b) the Organization may act by making recommendations. As the term signifies, these are not of an obligatory nature, but a member would be expected to endeavor to carry out such a recommendation, unless the member abstained from voting for it. Recommendations may recommend a course of action by members, or study of a matter, or adherence to an international agreement drafted in an OECD committee, etc. For example, the OECD will normally deal with substantive problems such as economic policy and assistance to the less-developed countries by exchanging information and by informal discussions. To the extent that additional action were necessary, this would normally be taken by the OECD Council in the form of a recommendation to member governments. Thus, the OECD Council might follow a discussion of assistance to the less-developed countries by a recommendation to member governments that they increase the length of the credits extended to the less-developed countries. In such cases, the member governments would not be legally bound by the recommendations, but they would endeavor to carry out the recommendations.

Under article 5(c) the Organization may enter into agreements with members, nonmembers, or international organizations. One such type of agreement is referred to in supplementary protocol No. 2, namely, an agreement by the Organization with Canada or a nonmember government regarding the legal capacity and privileges and immunities of the Organization on the territory of Canada or such nonmember government. Also

the Organization might enter into an agreement with another international organization, such as the International Monetary Fund, for participation of representatives of the IMF as observers in certain committees of the OECD.

The question was raised in the hearings before the committee whether the statement of the aims of the Organization in article 1 and the agreement in elaboration of such aims in article 2 could be construed assuming Senate ratification, to confer power upon the executive branch of the U.S. Government acting through its representative on the Council of the Organization, to bind the United States by participating in a decision of the Organization within the fields described in articles 1 and 2 which define the substantive scope of the Organization. As stated in the letter of January 16, 1961 of the Secretary of State to the President, which the President enclosed with his message to the Senate of January 17, 1961, and as reiterated by Government spokesmen at the hearings, it is not considered that by the convention the Executive will have any additional powers in substantive matters that now exist in the Executive. In short, articles 1 and 2 set forth the general agreement between the member nations and limit the proper scope of activities of the Organization; these articles are void of any grant of power to the Executive, and the power, in any particular case, of the U.S. Executive to bind the United States must be sought and found in an independent source outside the convention.

With this as background, consideration may now be given to article 6, paragraph 3. This important paragraph states that no decision shall be binding on a member until it has complied with the requirements of its own constitutional procedures.

Thus, if a decision were proposed to the Council for the establishment of a committee of representatives of member governments to study the promotion of tourism, the executive branch would consider it had power to agree to such a decision. Similarly, if a decision were proposed to the Council for the establishment of a fund for the period of a year, contributed to by all members, to encourage tourism in member countries, the U.S. executive would consider it had power to agree to such a decision, if the U.S. Congress had authorized and appropriated funds for the promotion of tourism to the United States. If no such congressional authorization and appropriation existed, the executive branch through its representative would either veto the decision, or abstain (thus permitting the decision to become binding as to other member countries) or approve, subject to compliance with U.S. constitutional procedures. In this last event, appropriate U.S. congressional action would have to be taken before the decision could be binding on the United States. Similarly, a decision might be proposed to the Council involving an international agreement of a type which would require Senate advice and consent under U.S. treaty procedure. In this case, again the U.S. representative could veto, abstain, or approve subject to compliance with U.S. constitutional procedures. In this last event, Senate advice and consent would need to be given before the decision could be binding on the United States. In conclusion, it is our view that paragraph 3 of article 6 allows for full compliance with U.S. constitutional procedures and the division of functions between the Executive and the Congress.

It may be noted that it is expected that most of the decisions taken by the OECD Council which will be binding on member governments will not pertain to substantive matters but will pertain to administrative matters, such as the establishment of committees and working parties. For example, the OECD Council will have to take decisions to establish the appropriate subsidiary bodies of the OECD. Council decisions will also be taken concerning the terms of reference of these committees. Later Council decisions will be taken covering the activities of these committees.

APPENDIX 5

MARCH 6, 1961.

OPINION OF THE LEGAL ADVISER

The Legal Adviser of the State Department is of the opinion that nothing in the Convention on the Organization for Economic Cooperation and Development confers any power on the Executive to bind the United States in substantive matters beyond what the Executive now has, or on the Congress to take action in fields previously beyond the authority of Congress. Conversely, nothing in the convention diminishes the power of the Executive or Congress in these respects.

The attached memorandum sets forth the reasoning underlying this opinion.

ABRAM CHAYES,
The Legal Adviser.

MEMORANDUM

1. There is nothing in the convention which expands or enlarges the power of the Executive in substantive matters.

Article 1 states the aims of the Organization and article 2 sets forth the general agreement of the members in elaboration of these aims. Then article 5 states that the Organization may take decisions and article 6 describes the process by which these decisions be taken. This process provides two safeguards for the United States. In the first place no decision may be imposed on it without its consent. Secondly, that consent must be given in compliance with the requirements of U.S. constitutional procedures before the decision becomes binding upon us.

The argument has been intimated that since the Organization under article 5 is authorized to take decisions and since the executive branch will be representing the United States in the Organization, the convention will operate to give the Executive power to agree on decisions in the substantive fields covered by articles 1 and 2. This argument is based on the erroneous assumption that the convention in any way concerns itself with the distribution of powers within the United States or any other member state. Properly viewed, articles 1 and 2 merely set forth a general agreement between the member nations on broad lines of public policy and define the area of concern of the Organization. Under article 5 the Organization may take decisions, but the convention is silent as to the process by which a member nation, within its own internal system, arrives at the point where it may cast an effective vote in favor of a particular decision. Articles 1 and 2 are void of any grant of power to the Executive. Thus, the power of the United States to cast a favorable vote and bind the United States in any particular case must be sought in a source outside the convention.

Paragraph 3 of article 6 was urged upon the other countries by the United States. The United States in the negotiations emphasized that under our constitutional system certain matters were in the purview of Congress and that the agreement of the United States to Council decisions on such matters even after the ratification of the convention would remain subject to further action by the Congress before being binding on the United States. Paragraph 3 of article 6 would have been unnecessary and meaningless if the mere ratification of the convention served to clothe the Executive with powers to take action in the fields covered by articles 1 and 2.

It may be pointed out that the view that the convention does not enlarge the power of the Executive in substantive matters (1) was stated in the letter of January 16, 1961, of Secretary of State Herter to President Eisenhower which he enclosed with his message to the Senate of January 17, 1961 (2) was repeated several times by Secretary Dillon and Under Secretary Ball at the hearings before the Foreign Relations Committee, and (3) was developed in some detail in a memorandum of the Legal Adviser of the State Department concurred in by the Department of Justice and enclosed with a letter of February 27, 1961, from the Legal Adviser to the chairman of the Foreign Relations Committee.

2. There is nothing in the convention which expands or enlarges the power of the Congress to take action in fields previously beyond the authority of the Congress.

The argument appears to have been made that the provisions of articles 1 and 2 may in some way serve as the source of authority for Congress to legislate in the future in fields which are reserved to the States by the 10th amendment. As was stated at the hearings by Government spokesmen, articles 1 and 2 define the broad aims and goals of the Organization. The language of article 2 is that of agreeing to "promote," "pursue policies," "pursue * * * efforts" and "contribute * * * by appropriate means." The concrete steps by which the broad aims and goals are to be effectuated remains in the complete discretion of each member nation. We wish to emphasize the point made in Under Secretary Ball's letter to the chairman of February 27, 1961, that such language in article 2 does not constitute a commitment to take any concrete action or refrain from any concrete action. We are merely bound to consult and exchange views and information in a regular and systematic manner on matters within the purview of the article. In our view this language cannot serve as any authorization to Congress to take any action it otherwise could not take.

In this connection it should also be pointed out that treaties, like laws, are subordinate to the Constitution. They cannot violate the Constitution.

Finally, reference is again made to paragraph 3 of article 6. This paragraph, on its face, defers to our constitutional system not only in its distribution of powers between the Executive and the Congress, but also in its distribution of powers between the Federal Government and the States.

3. Nothing in the convention diminishes the power of the Executive or Congress.

In the course of the hearings the question was raised whether provisions of article 2 might not override congressional actions or inhibit congressional actions on particular subjects. As stated before, the terms used in article 2 do not constitute commitments to take any concrete action or refrain from any concrete action. In this view, it is difficult to envisage any statute of Congress or any act of the Executive that could be inconsistent with the terms of article 2. We therefore conclude that the terms of article 2 will not diminish the powers of Congress or the Executive in the fields therein described.

Mr. HICKENLOOPER. Mr. President, I believe I am fully safe in saying that reliance upon the general information and specific opinions developed in the hearings, along the lines which I mentioned a moment ago, motivated the members of the committee to vote for the treaty.

Mr. President, in consideration of the record in regard to the treaty we must go beyond the specific summarized report of the Committee on Foreign Relations and must examine the detailed opinions and the detailed assurances given us in the hearings, both public and

executive, by the authorized representatives of the executive department of Government, which negotiated the treaty.

In connection with my short discussion, I wish to refer to the testimony in the hearings and to the positive assurances given by all those in an official capacity on the subject of the effect or the lack of effect of the treaty upon existing powers or authority vested in the President and in the Congress.

The reason for the care and for the meticulous examination, as well as for the assurances which we sought and received, stems from the fact that a treaty becomes, under the Constitution, a part of the supreme law of the land. It is entirely possible that in a treaty, unless proper safeguards are established, either the executive or the legislative branch of the Government, or the centralized Government itself in combination, will be given authorities flowing as a result of the treaty which did not exist prior to the adoption of the treaty.

For that reason, among others, the meticulous examination was made by the committee in regard to the treaty during the hearings.

Mr. President, the committee, after due deliberations, in complete reliance upon and in agreement with those assurances received from the State Department and the Treasury Department—both legal opinions and administrative opinions—recommended the ratification of the treaty with the interpretations and explanations of what the treaty means in connection with the powers of the executive and of the legislative branches of the Government.

I know of no stronger language or more expressive language which could be written into the advice and consent resolution than has been written into it. It was fully understood that the language was to give assurance in connection with the advice and consent procedure on the point that the Executive would have no alteration in the powers he now possesses, and that the representative to the OECD would have no power to bind the United States other than the Executive could already give any representative who would represent us in such a meeting, and that the Congress would not have its powers enlarged or diminished in respect to those it already possesses.

I dwell on this point, Mr. President, because it is a matter of considerable importance to me personally—that is, in accordance with my philosophy of government—and I wish to make doubly sure and to have it copper riveted without the slightest question, so that I can say to anyone, "Without doubt the treaty does not alter these powers."

Mr. President, without such an interpretation and understanding, which becomes inherent as a part of the resolution of ratification, I could not vote for the treaty, but with it I feel completely assured and I feel it is a complete safeguard against the danger which was considered by certain members of the committee and by other Senators in connection with the treaty.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I will yield to the Senator in a moment, after I finish the thought I am developing.

Mr. President, while I do not know what benefits will flow from the treaty, nevertheless I believe the treaty will create a vehicle which may provide a more stable and a more cooperative approach by the more prosperous nations of the world to the orderly settlement of economic problems which face us.

If we and other nations approach these problems with sincerity and determination, using such a vehicle as will be created by the treaty, there is indeed great hope that progress can be made toward the goals of better understanding and better cooperation in international economy and in international affairs of an economic nature.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield.

Mr. LAUSCHE. Is it not a fact that the committee tried to guard against the happening of any of the following four contingencies:

First, we did not want, by the treaty, to increase the powers now vested in the Congress.

Mr. HICKENLOOPER. That is correct.

Mr. LAUSCHE. Second, we did not want to diminish the existing power of Congress.

Mr. HICKENLOOPER. That is correct.

Mr. LAUSCHE. Third, we did not want to increase the existing powers of the President in international trade.

Mr. HICKENLOOPER. That is correct.

Mr. LAUSCHE. Fourth, we did not want to eliminate the procedural requirements which Congress has established by statute before the President can take any action on questions of tariff or quotas.

Mr. HICKENLOOPER. That is correct, as I understand, and according to the views of the members of the committee.

Mr. LAUSCHE. Another contingency could be visualized, and therefore we wrote into the resolution of ratification the following provision:

First, that nothing in the convention, or the advice and consent of the Senate to the ratification thereof, confers any power on the Executive to bind the United States in substantive matters beyond what the Executive now has.

Mr. HICKENLOOPER. That was the reason.

Mr. LAUSCHE. Second, or to bind the United States without compliance with applicable procedures imposed by domestic law.

Mr. HICKENLOOPER. The Senator is correct.

Mr. LAUSCHE. Third, or confers any power on the Congress to take action in fields previously beyond the authority of Congress.

Mr. HICKENLOOPER. The Senator is correct.

Mr. LAUSCHE. Fourth, or limits Congress in the exercise of any power it now has.

Mr. HICKENLOOPER. The Senator is correct.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. Yes, I yield.

Mr. SPARKMAN. The Senator from Iowa referred to correspondence printed in the report on pages 18 to 21, including the letter from Mr. Abram Chayes transmitting the memorandum, and the opinion of the Legal Adviser. I wonder if the Senator from Iowa would not deem it wise to have those letters and that memorandum set forth in the RECORD.

Mr. HICKENLOOPER. I asked unanimous consent to have the entire report printed in the RECORD, and was so authorized.

Mr. SPARKMAN. I did not realize that those letters and memoranda were included.

Mr. HICKENLOOPER. To assist in any future interpretation or examination of the treaty and its meaning, I also said that reference should be made to the full testimony as printed in the transcript of hearings of the committee to indicate the process of the Senate committee members in making up their minds.

Mr. SPARKMAN. The Senator said the committee had been cautious. I will add that the Senator from Iowa is certainly cautious.

Mr. HICKENLOOPER. When one deals with the question of the possible enlargement or diminution of the executive power or the congressional power of this country, or the power of the Central Government, I believe an overabundance of caution is merited.

Mr. SPARKMAN. I agree with the Senator from Iowa.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield.

Mr. GOLDWATER. I realize that the committee has worked to overcome some of the questions that many of us have had relative to the impact of the treaty on our own powers in the Senate and the powers of the Presidency. However, I have a question I should like to ask. There is a statement in the resolution as follows:

> The U.S. representative will not have any additional powers in substantive matters to bind the United States after the convention enters into force than now exist in the executive, but that any act of the Organization outside the power of the Executive will require action by Congress or the Senate, as the case may be, before the United States can be bound.

I wish to raise two points. First, if by the resolution of ratification it is meant that the treaty-making powers of Congress are reaffirmed, and it is up to Congress to make those decisions, why has the OECD been set up?

Mr. HICKENLOOPER. I am not sure that I understand the question.

Mr. GOLDWATER. If there is reaffirmation of the powers vested in this body, why is it necessary to have an organization outside this body to enter into these actions?

Mr. HICKENLOOPER. The Organization would bring together at the present time some 20 or 21 countries—I have forgotten the exact number—to attempt to amalgamate and unify basic

approaches, through agreement, understanding and through cooperation, to our general worldwide economic situation. All the treaty would do would be to give official sanction to the creation of such a body. But it would not give that body the authority to bind the United States in any way that does not already exist.

Mr. GOLDWATER. Is the Senator from Iowa satisfied that the reservation takes care of that possibility?

Mr. HICKENLOOPER. I am satisfied. I assure the Senator from Arizona that quite a number of us spent much time in drafting language which would make the point abundantly clear. I am thoroughly convinced—and I think that the members of the Committee on Foreign Relations are also convinced—that this interpretation and understanding that becomes an inherent part of the resolution of advise and consent will be fully protective against any enlargement or diminution of the powers of either the Executive or Congress.

Mr. GOLDWATER. I have a second point.

Mr. CARLSON. Mr. President, will the Senator yield at that point in order that we may question him as to the countries involved in the question asked?

Mr. HICKENLOOPER. I did not attempt to name the countries.

Mr. GOLDWATER. I ask unanimous consent that the list of countries involved may be printed at this point in the RECORD.

Mr. CARLSON. I think such printing would be helpful.

The PRESIDING OFFICER. Has not a list of those countries been printed in the statement of the Senator from South Carolina?

Mr. GOLDWATER. In all probability it was. I was asking that they appear at this point.

The PRESIDING OFFICER. Without objection, it is so ordered.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

The Governments of the Republic of Austria, the Kingdom of Belgium, Canada, the Kingdom of Denmark, the French Republic, the Federal Republic of Germany, the Kingdom of Greece, the Republic of Iceland, Ireland, the Italian Republic, the Grand Duchy of Luxembourg, the Kingdom of the Netherlands, the Kingdom of Norway, the Portuguese Republic, Spain, the Kingdom of Sweden, the Swiss Confederation, the Turkish Republic, the United Kingdom of Great Britain and Northern Ireland, and the United States of America;

Mr. GOLDWATER. The second point that comes to my mind is that the language of the resolution of ratification previously quoted would require action by the Senate to approve what the U.S. representative to the OECD has done. It seems to me that such requirement would put Congress in the position of having to go along with the statement of agreement or plan of action which our representative to the OECD has made prior to the problem coming to the attention of Congress. As a result, we shall go into this convention already obligated, if not in fact, at least by word of our representative.

How can Congress be free to act under those circumstances and withstand the terrific pressure which will be applied to back up agreements made by our representatives to the OECD?

Mr. HICKENLOOPER. I admit that any action of the Executive in connection with any proposed agreement with a foreign country which requires action either of the Senate through advice and consent, or action of Congress, through legislative approval, always runs up against the question whether or not the Executive or his representative may have gone forward under the powers which he already possesses that are not changed under the treaty. He can make a tentative proposal to these countries, with the understanding, of course, that that proposal cannot go into effect until if, as, and when it is approved by Congress. I do not understand that the treaty would change that situation.

Mr. GOLDWATER. The Senator means, then, that any agreement or plan of action which our representative might agree to would have to be further approved by the Senate. Is that correct?

Mr. HICKENLOOPER. I believe I state the feeling of the Foreign Relations Commitee when I say that without doubt this means that our representative or the Executive cannot do anything or commit the United States to anything after the proposed treaty goes into effect that he cannot do or commit us to do at the present time.

Therefore whatever he can do now he could do then. However, he could do no more—that is, either the Executive or our representative—after the treaty goes into effect to bind us or commit our country than he can already do now.

The Executive can say to a group of countries, "We will discuss this, and I will make a tentative agreement with you, subject to our constitutional process." That process may be ratification or legislative action. He can do that now. He would be bound to submit it. He could not bind us to ratify, and he could not bind the Congress to approve. It does not change his powers in the slightest. That is the full understanding of the committee. That is one of the bases on which the committee voted to report the treaty favorably to the Senate.

Mr. GOLDWATER. I thank the Senator for answering these questions. The question has been raised that the OECD would emphasize European interests rather than those of Mexico and Central and South America. The OECD was formerly called the Organization for European Economic Cooperation, a plan to help Europe recover from the war, which definitely indicates European interest in this protocol.

The United States has been criticized much in the past by our neighbors to the south for placing almost all our emphasis on the development of Europe and the Far Eastern countries to the neglect of Latin America.

The question that is raised is, Will not this protocol contribute even more to this unfortunate feeling which exists among our Latin American friends?

Mr. HICKENLOOPER. On the contrary, I believe it will alleviate that tension, and for this reason. We now have a combination of declarations and approaches. We are already committed both by the past administration and by the previous administration to a greater emphasis in cooperative action with Latin America, through bilateral and multilateral agreements and through other organizations.

OECD definitely contemplates vigorous cooperative action with Latin America as well as with southeast Asia and a worldwide organization. However, I believe the proposed organization, to which they can be a party if they desire, together with the specialized programs which we propose to devote to Latin America, should relieve that feeling.

As a collateral matter, I am not in agreement with many who say that we have completely neglected Latin American countries. I believe since the close of World War II, in one way or another, by way of loan or grant or technical assistance, we have made available approximately $4 billion to Latin America.

While perhaps we should have done more, and perhaps we can do more, I do not believe—and I do not mean that the Senator has accused us of it—we can be accused of neglecting Latin America. Those who say that should take a good look at the figures.

Mr. GOLDWATER. I have taken a good look at the figures, and they show that we have put $41,137 million into Europe and $3,840 million into Latin America. That does not seem to be consistent with the Senator's remarks that we have done a good job in Latin America. I admit that we have done something. The question was raised in my mind, at the time the President spoke out so well in favor of more help for Mexico and Central and South American countries, as to why, by this protocol, we should now be placing so much emphasis upon Europe, a portion of the world by which, in my estimation, we have done pretty well. I was wondering, therefore, if this would not contribute more to the feeling of unhappiness or unrest in South America as it relates to us.

Mr. HICKENLOOPER. Basically the treaty and the circumstances surrounding it contemplate that the more affluent nations—which means the nations of Western Europe and the United States and Canada—will be putting money into it and will be thus stabilizing the economies and the economic systems which affect less developed countries.

Therefore, while the greatest contributors will be Western European nations and the United States and Canada, and probably Japan, their contributions will be directly out of their own funds for the purpose of assisting less developed nations.

Mr. GOLDWATER. The Senator has indicated that there is a possibility existing in the minds of members of the committee that this Organization could be expanded to include other nations. Has the committee taken under consideration, during the development of the treaty, the matter of including South American and Central American companies?

Mr. HICKENLOOPER. Oh, yes; these countries can come in.

Mr. GOLDWATER. Were they approached in the drafting of this particular treaty?

Mr. HICKENLOOPER. I do not recall. I shall have to ask the Senator from Alabama [Mr. SPARKMAN].

The question is on the participation of Latin American nations in the treaty. The Senator from Arizona asks whether they were approached during the negotiations of the treaty.

Mr. SPARKMAN. I do not believe so. My recollection is that the original discussion was by the nucleus of the NATO powers plus the United States. Then it was enlarged to include the United States and Canada and the OEEC powers. Then there was brought up the question of Japan's participation. Japan was not taken in as a full member, but in a participating status. It was certainly felt by the committee that it would be advantageous to the operation of the plan.

Mr. HICKENLOOPER. Basically, the plan is that the more affluent nations would try to set up an organization into which they could draw these other nations for cooperative economic activities to progress. It would be open to all of them to come in. I believe they would.

Mr. MANSFIELD. Mr. President, I believe the Senate should be informed that the treaty was gone over with a fine tooth comb by the Senator from Iowa [Mr. HICKENLOOPER], the Senator from Vermont [Mr. AIKEN], the Senator from Tennessee [Mr. GORE], the Senator from Louisiana [Mr. LONG], the Senator from Indiana [Mr. CAPEHART], and other Senators.

They have asked a good many questions about the treaty. I think the end result is one which should be satisfactory, by and large, to every Member of this body. They are entitled to great credit. I think they brought up questions which the administration had not foreseen. The result was that the inquiry was educational in more ways than one, and the result, I believe, was very much worthwhile.

Mr. President, the Convention on the Organization for Economic Cooperation and Development is one of the most important matters to come before the Senate this year. I consider it a step which will contribute toward creating conditions of greater stability for freedom in a more orderly world.

I, therefore, welcome and support this measure and I congratulate those who have participated in its development. The distinguished Secretary of the Treasury, Mr. Dillon, is to be commended for his initiative which, significantly, he contributed in the previous administration, thereby illuminating the fact that the treaty has no partisan connotations whatsoever. I wish to note particularly the work of the distinguished Senator from Arkansas, the accomplished and farsighted chairman of the Foreign Relations Committee, the Senator from Arkansas [Mr. FULBRIGHT].

Other Senators have made significant contributions, not only to this particular act, but to the formation, over the years, of the attitudes which permitted this new institution to rise.

This proposal was made originally by the United States. It is an example of inventive leadership in foreign policy. It represents the kind of foresight which the world needs and expects from the United States. For it was the United States, Mr. President, which took the lead in reducing barriers to international trade through the reciprocal trade program. That program, which has made such a tremendous contribution to our own prosperity, is directly responsible for the conditions which now make possible this additional form of cooperation.

It was the United States, too, which took the initiative in proposing a program of economic assistance to Europe after the war. That action enabled Europe to rebuild and to forge the great institutions which now bridge the boundaries of participating nations.

It was the United States, finally, which took the lead after the war in advocating the greater integration of Europe, despite the unpopularity of this position in certain quarters. It is noteworthy to recall, for example, as we consider the present convention, that in the Economic Cooperation Act of 1948, the Congress expressly declared its support of a European free market, which has now been at least partially realized by the creation of the Common Market and the Free Trade Association.

It is with some satisfaction, too, that I look back to recommendations which were made in a speech in the Senate in July 1957, noting that:

> The interests of this country require that we stay abreast of these developments pointing toward unity in Western Europe, that we encourage them, that we seek mutually advantageous relationships with the institutions that are emerging from them.

And that—

> The time may be ripe for conferences among the NATO members.

We have had conferences such as were envisaged in those remarks almost 4 years ago and they have led to the treaty now before the Senate.

If this treaty becomes effective, we shall have created a mechanism for dealing with the problem of the two economic groupings, the Common Market and the Free Trade Association.

We shall have created a mechanism, too, for considering an even more urgent problem, that of the tariffs of the Common Market which is closely related to our domestic economic situation, including our balance-of-payments position. If these tariffs are not reduced, it is estimated that substantial trade will be diverted from American companies. This, in turn, will reduce dollar earnings from exports. It may also force further exports of capital from the United States into the member countries of the Common Market.

The creation of the OECD is a recognition of Europe's stake in the state of the economy of the United States. And the creation of the OECD is also a recognition of our need for Europe. For the first time in 30 years, we are living in a world which is not short of dollars. This is a far different world than that of 1945, or even of 1955. There is, for the first time in many years, full currency convertibility between most of the member nations of the OECD. This is a condition we welcome for it signals the recovery of Europe and marks the beginning of a new period of prosperity and economic progress. It signifies, at the same time, the beginning of a new relationship between Europe and the United States. There is now a situation in which economic cooperation, as expressed by this convention, is not just an abstract virtue, Mr. President; it is a practical necessity. Our own economy can continue to grow, and efforts to accelerate this growth can achieve success, only if the concert of economic interests with the Western European nations and Canada is institutionalized in a manner which will result in full and mutual consultation and cooperation on matters of common concern.

Besides cooperation, Mr. President, OECD is also being established for purposes of development, not just of the member nations, but of the underdeveloped countries as well. This is a matter of the greatest importance. The failure to help underdeveloped peoples to satisfy some of their material needs and desires would have serious consequences for the developed nations. Considerable assistance has already been provided by this Nation but the task is too great unless it is shared by all the developed nations. The OECD is designed to facilitate cooperation among a number of the developed nations and to mobilize and coordinate their aid programs. Let us not underestimate the significance of this function of the proposed organization. The last 15 years have been years of American economic advance and European economic resurgence. During the next 15 years, the OECD can contribute a great deal not only to the continuance of this process but also to its extension to those countries still struggling to satisfy basic human needs and aspirations with consequent benefit to the peace and stability of the entire world in which we must live.

Mr. President, in connection with the consideration of the OECD Treaty, I ask unanimous consent to have printed in the RECORD an article which was published in the Denver Post of recent date.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Denver Post]

SENATE SHOULD RATIFY OECD

Ever since World War II, the economic coordination of Western Europe has been moving forward at a rapid pace, with the aid and encouragement of the United States.

A major spur to this development came through the Marshall plan which was undertaken by the United States to help Europe get back on its feet again and repair the damages of war.

In response to the Marshall plan, 18 nations established the Organization for European Economic Cooperation (OEEC) and this in turn has helped to clear the way for other cooperative efforts.

But the United States, which helped to bring European economic cooperation into being, has not always found the fruits of its effort to be an unmixed blessing.

During a period of gold and dollar drain, increasing demands in the underdeveloped areas and a desperate need to expand U.S.

world trade, the United States has sometimes found itself out in the cold, while Europeans cooperated with each other to our disadvantage.

Our Government has concluded that economic cooperation must extend to both sides of the Atlantic, if it is to work to the mutual advantage of nations in the Western bloc.

In December in Paris, the United States, Canada, and the 18 OEEC nations signed a convention setting up a new organization to replace OEEC and promote a cooperative approach to economic problems on both sides of the Atlantic.

The convention setting up the new Organization for Economic Cooperation and Development (OECD) has been submitted to the Senate by the Kennedy administration for ratification.

We believe the Senate should ratify it without any hesitancy.

OECD can be helpful to the United States in at least three ways:

It can point the way to economic policies abroad that will cut down instead of increase the drain of gold and dollars from the United States.

It can bring increased participation by our European allies in the task of financing the development of the underdeveloped areas, relieving the United States of some of the burden.

It can lead to a reduction of barriers that hamper U.S. trade and, particularly, enable us to do business more easily with nations in the Common Market and the European Free Trade Association.

No decision of OECD would be binding on any member nation "until it has complied with the requirements of its own constitutional procedure." In the United States, that would mean approval by the Senate.

Secretary of the Treasury Douglas Dillon has been the major architect and champion of the OECD both in the Eisenhower and Kennedy administrations.

His efforts have reflected the best thinking of both administrations and the growing need of the United States to participate in cooperative economic policymaking with friendly nations across the Atlantic.

OECD is abundantly equipped with built-in safeguards to protect national sovereignty. It is free of major pitfalls and rich in potential benefits for member nations.

The Senate, by prompt ratification, can make clear that the principle of international economic cooperation has the full support of the United States.

Mr. HICKENLOOPER. Mr. President, I yield such time, up to 15 minutes or more, as the distinguished Senator from New York may desire to have.

Mr. JAVITS. Mr. President, my only reason for speaking today is that the genesis of the Organization for Economic Cooperation and Development was in a body to which I have the honor to belong by appointment of the Senate—the NATO Parliamentarians Conference. I am chairman of its Economic Committee, where this idea was given birth about 3 years ago.

I wish to impress upon the Senate one point which I learned there, and which I think is very important to all of us. That is that the OECD represents the expression of American leadership in respect to foreign economic policy, in which the European countries are interested. It represents the greatest single expression of American leadership in foreign policy since the Marshall plan. Let us not mistake it. I sit with the NATO parliamentary delegates in the Economic Committee, and that is their view. This Organization represents to them the intention of the United States to lead, and to lead very effectively, the economic struggle for freedom which is taking place in the world today. If we do not have that realization in mind, then I do not believe we will give adequate credit, as we should, to the assertion just made by the distinguished majority leader that he considers this convention to be one of the most important single measures, perhaps the most important, to come before Congress at this session.

The convention is a tribute to bipartisanship, because it was developed upon the initiative of Douglas Dillon in the Eisenhower administration. He picked up the ball, in a sense, from our work in the NATO Parliamentarians Conference and ran with it very effectively. The convention is now being implemented during the administration of President Kennedy, who has urged its ratification by the Senate.

The Organization for Economic Cooperation and Development was intended to be and is essentially a consultative body. The only new idea introduced into the convention, as I just mentioned to the distinguished Senator from Alabama, was the fact that the members in the OECD who agree upon something—and even if we do not agree, so long as we only abstain—could carry it through. This is very important to them. It is very important that we understand this action is permissible under the convention because these nations are now in a body called the Organization for Economic Cooperation and Development, consisting of the European members of NATO and the United States and Canada. The members have carried on a good many measures with respect to trade in that Organization. They would like to continue to carry on that trade. They do not want to be vetoed or stopped from doing so if we do not desire to participate.

So in the way the convention has been drawn, the concurring nations can carry on what they wish to carry on as long as we abstain and only as long as we do not stop them affirmatively by voting "No." If we wish to join with them, we can, of course, do so, subject to our constitutional processes. That is the negative side of the picture. We will not stop any other country from doing what it ought to do.

The second point relates to the neutrals in the Organization. For the first time, an opportunity will be given to get economic cooperation in respect to the Atlantic community from the neutral nations—Austria, Ireland, Spain, Sweden, and Switzerland. They are not members of NATO; they are members of the OECD. Their membership does not prejudice their neutral status. Therefore, their membership should not prejudice their neutral status when they act in the OECD.

What can the United States expect from the organization? I think it has an enormous amount to expect. I am delighted to see that the convention will be ratified without a struggle. I am proud of the excellent work done by the Committee on Foreign Relations in working out this interpretation, because it would be a shame to have a struggle over the convention, from which I think the United States will derive great benefits.

The 20 nations of the OECD have an annual gross national product in excess of $900 billion, with more than one-half of that by the United States. They have a total trade in excess of $150 billion a year, with the U.S. share nearly one-fourth of that amount. This great economic power is more than double the Soviet bloc's gross national product of $400 billion annually; Soviet bloc trade with the free world is only about $7 billion annually.

With these figures in mind, we can begin to realize how great is the economic power of the free world, and how decisive it can be.

It is extremely important for us to realize what is being marshaled in terms of economic resources, because these resources are the key to what happens to the new nations in Africa, and the nations in Latin America, the Middle East, and the Far East.

Forty-five of the new nations live on one or two primary commodities. This represents 60 percent of their foreign exchange income, whether nitrates, coffee, copper, or tea. This is the staff of life for every one of those countries.

In the membership of the OECD lies the overwhelming importing strength which determines the life of all those developing countries. The European members of the OECD imported about $11 billion worth of goods from the 45 primary-commodity countries, and the indications are that such imports will increase by 50 percent during 1960. What is significant is that this furnishes the newly developing areas with five or six times more foreign exchange than all the public and private development assistance combined.

The United States imports about $6 billion worth of products annually from those countries. As the years go on, we shall have to do a great deal more, and concern ourselves about a stabilization process and what these countries are able to sell to the free world, thus providing a basis for credit to develop.

But the OECD is a consultative agency which has the economic power to do this job, and so it can be decisive in our relations with a group of countries able to determine whether the program will be successful or will fail.

Another point: We are facing an enormous trade bloc in Europe, the European Economic Committee, a free trade association, which has a great potential for good, but also for harm. For instance, it is estimated that because of their greater integration in terms of tariff freedom, there is a diversion of $2 billion a year in trade, of which the United States represents 25 percent. If the standards of living of these nations improve, we can make that up in very short order. A difference of 1 percent in their gross national product can make up anything we lose in the way of diversion of our exports to them.

It is very interesting to observe that in the first 6 months of 1960 trade exports from the United States to the countries of the European Community

increased by 42 percent. So there is a potential inherent in this kind of activity. But we must be certain that it is benign so far as we are concerned, and the only way to make certain is by direct negotiations with them.

Certainly this new organization can give us support in solving our agricultural problems.

One other problem which should be mentioned, to show how the United States is likely to benefit from this organization, is the problem of Japan. We all agree that the viability of Japan economically presents a critical aspect of the struggle for freedom in the world. In the years 1958, 1959, and 1960, the United States provided a market for only one-third of Japan's exports. Japan, however, imports very largely from the European countries which will be members of the Organization for Economic Cooperation and Development. This is not important, very largely, to them now. For example, France and Germany consistently export twice as much to Japan as their small volume of imports from that nation.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD, as a part of my remarks, and as bearing out my view on this point, a table entitled "Japan's Trade With OECD Countries." The figures in the table are set forth both in absolute dollar terms and by area distribution. The table will illustrate another one of the things we can accomplish in connection with the matters I have been discussing.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE I.—*Japan's trade with OECD countries*

[In thousands of dollars]

	Imports from Japan			Exports to Japan				Imports from Japan			Exports to Japan		
	1958 [1]	1959 [1]	1960 [2] (7 months)	1958 [1]	1959 [1]	1960 [2] (7 months)		1958 [1]	1959 [1]	1960 [2] (7 months)	1958 [1]	1959 [1]	1960 [2] (7 months)
Austria	3,456	3,194	(3)	1,789	4,256	(3)	Norway	6,836	11,444	(3)	686	1,086	(3)
Belgium	17,056	20,839	13,501	10,464	14,561	7,378	Portugal	85	333	(3)	1,789	2,247	(3)
Canada	76,308	114,311	71,513	121,372	153,586	115,690	Sweden	20,028	21,608	15,012	8,572	10,223	6,275
Denmark	21,161	14,394	(3)	2,697	3,931	(3)	Switzerland	13,500	26,439		25,075	23,750	(3)
France	8,822	11,958	9,053	20,686	24,928	18,433	Turkey	1,050	2,644	(3)	195	2,706	(3)
Germany	43,831	47,164	32,939	90,281	103,617	73,648	United Kingdom	105,236	103,391	63,030	59,406	103,478	52,532
Greece	14,416	24,961	35,397	3,780	4,303	3,587							
Iceland	508	1,197	(3)	11	348	(3)	Total	391,879	464,171	[4] 321,044	374,152	488,509	[4] 329,233
Ireland	5,456	6,389	(3)	103	387	(3)	Estimated total, 1960			550,361			564,399
Italy	13,369	15,908	14,992	9,931	7,622	6,661	United States	673,951	1,017,893	[5] 1,139,471	829,480	930,822	[5] 1,275,551
Luxembourg	11	19	(3)	56	36	(3)							
Netherlands	40,780	37,978	21,325	17,289	27,444	17,845							

[1] Finance Ministry of Japan, "Annual Returns of Foreign Trade of Japan."
[2] MITI, "Monthly Foreign Trade Statistics."
[3] Not available.
[4] Arithmetic estimates.
[5] Estimated total, 1960.

TABLE II.—*Japan's foreign trade since 1950*

[In millions of dollars]

	Exports (f.o.b.)	Imports (c.i.f.)		Exports (f.o.b.)	Imports (c.i.f.)
1950	820	974	1955	2,011	2,471
1951	1,355	2,044	1956	2,501	3,230
1952	1,273	2,028	1957	2,858	4,284
1953	1,275	2,410	1958	2,877	3,033
1954	1,629	2,399	1959	3,457	3,600

Source: IMF, "International Financial Statistics," November 1960, pp. 38-39.

TABLE III.—*Japan's foreign trade—Area distribution*

[In percent]

	Exports					Imports				
	1955	1956	1957	1958	1959	1955	1956	1957	1958	1959
United States and Canada	25	25	23	27	34	36	38	42	39	35
Latin America	9	7	5	7	6	10	11	7	9	9
Western Europe	10	10	11	12	10	7	7	9	9	10
Rest of world	56	58	61	55	50	47	44	42	43	46
United Kingdom	3	3	3	4	3	2	2	2	2	3
Other sterling area	29	24	25	24	22	22	23	24	24	28

Source: IMF "International Financial Statistics," November 1960, p. 44.

Mr. JAVITS. Finally, Mr. President, the OECD offers tremendous assistance in connection with giving aid to the less developed areas. The overall planning of the OECD must also consider the importance of trade to the developing areas and to the newly industrialized nations of the free world. Germany can be expected to increase its direct governmental contributions by about twice what it is contributing today. It is now contributing approximately $500 million; and that amount should increase to approximately $1 billion a year, when negotiations are had in the OECD. That is one of the ways in which the OECD can aid our country.

Italy is also expected to increase its foreign economic aid program, while countries with great technical resources, such as Sweden and Switzerland, should contribute more of these talents to the development effort.

In addition, Mr. President, a major responsibility of the OECD will be to clarify the present situation with respect to what really constitutes development assistance. This is one of the tasks of the Development Assistance Committee of the OECD. That Committee was previously described by the Senator from Alabama; and during the past year it has functioned as the Development Assistance Group, with a membership of the 10 major capital exporting nations, including Japan, of the free world. In other words, it has served as somewhat of a corollary organization to coordinate economic and technical assistance throughout the world; and Japan could be a very important source in that connection.

In short, Mr. President, let me say that I have talked with Mr. Kristensen, Secretary General of the new Organization. He has appeared before the NATO Parliamentarians Economic Committee, of which I am chairman; and he has conferred with a great many distinguished and knowledgeable persons in New York. Everyone with whom I have conferred, who has heard him, is convinced that he will faithfully carry out the kind of mandate I am describing.

Therefore, Mr. President, I submit that the step now proposed offers one of the greatest initiatives in foreign policy ever undertaken by our country. It has been carried through in a completely bipartisan manner, and it will confer

upon our country the greatest benefits in economic terms which could possibly be conceived of.

Frankly, Mr. President, by this means we shall at long last be placing our feet upon the road which can lead us to decisive victory in the cold-war struggle. Our proper course in that connection is not to attempt to counter every move made by Communist Russia, or to attempt to issue a rejoinder immediately following each statement issued by that nation, or to attempt to send up another missile whenever Communist Russia sends up one. Instead, the way for us to proceed is by economic means, so as to enable the underdeveloped areas to proceed from their present state to a level approaching the modern nations in which the people can live under decent conditions. That road is the absolutely sure one which leads to the goal we seek.

Therefore, Mr. President, I view this treaty as the first major step in this direction that our country has taken since the Marshall plan.

Mr. President, I yield back the remainder of the time available to me.

Mr. SPARKMAN. Mr. President, I yield 8 minutes to the Senator from South Carolina [Mr. JOHNSTON].

The PRESIDING OFFICER (Mr. HICKEY in the chair). The Senator from South Carolina is recognized for 8 minutes.

Mr. JOHNSTON. Mr. President, I am opposed on basic principles to ratification of this treaty; but before I speak of these objections, I wish to say a few words about the treaty document itself.

We are told by proponents that this treaty is designed merely to establish a forum for discussion of international trade practices and policies and their examination and consideration. However, the powers bestowed by this document are much broader than this. Testimony by backers of the treaty given before the Foreign Relations Committee acknowledges that the power provided in this document is sufficient to allow subsidiary bodies of an operational nature to be set up for financing, investments, and similar purposes. Article 9 of the document states:

> The Council may establish an executive committee and such subsidiary bodies as may be required for the achievement of the aims of the Corporation.

Backers of the treaty agree that this clause leaves the field wide open for the Council to establish any agency it likes.

There is no protection against a vast spider web of international agencies arising out of the OECD in the future to further complicate and control international finance and trade. Proponents of the treaty suggest that because it is not the intent of the United States or the Council to create such a network, this is sufficient protection.

Mr. President, the intent of the present parties to this treaty is not what we are being asked to ratify. The subject of ratification is the document itself. It will be construed in the future from the four corners of the document. Twenty countries are now proposed for membership in the OECD; and the Council will have the right to admit as many more countries, of whatever political nature, as it sees fit. There is no requirement to consult the U.S. Senate.

I have no doubt that proponents of the treaty are sincere and have no intention to permit evolution of the Organization in the way I have described; but subsequent Secretaries and subsequent administrations may have no such compunctions. There is absolutely no reason why this power should be given to the OECD if there is no intention or desire to use it.

By the same token, the purpose of article 2(d), under which we agree to "pursue efforts to reduce or abolish obstacles to the exchange of goods and services and current payments and maintain and extend the liberalization of capital movements," is not clear.

When Senator LONG questioned in the committee the consistency of this clause with other current U.S. monetary policy, it was conceded by Mr. Dillon and by Under Secretary of State Ball that the language was unclear. It was necessary to resort to the French text in order to understand the meaning.

Mr. President, this treaty is of such import that all language should be absolutely clear in its meaning before the Senate even considers ratification. Again, it is not the intent of the present parties to this document that is important, because personalities will change in years to come, and under this document the parties themselves can be changed by the Council. Furthermore, once this treaty is ratified, the U.S. Senate will have nothing to say about it.

One other thing that concerns me is the reluctance of the proponents of the treaty to go along with the reservation that this treaty neither adds nor takes away powers of the President or the Congress. Instead of a reservation, the proponents suggested a "declaration" or "understanding." The resolution as reported apparently compromised on the phrase "interpretation and explanation" of intent, rather than "reservation."

Mr. President, we have been repeatedly told by witnesses who favor this treaty that it does not affect the current powers of Congress or the President. We have been assured that the other 19 nations have been fully informed of this and understand our situation.

If the other member nations fully understand we are not abridging any present powers, then I see no reason why we should not include the proposed reservation. The objections are that this is not really a reservation in that it does not reserve anything that would otherwise be a part of the agreement and that it might raise doubts in the minds of the other signatory powers. Subsequently, Mr. Ball asserts that this is really an interpretation of the language of the treaty—in his words—"an interpretation which we are persuaded is already understood by all the parties."

Mr. President, as I have already pointed out, there are going to be new and different parties to this treaty after the Senate has completed work on it. Consequently, if all of the present parties understand our position, they certainly should not contest such a reservation. Reservations are frequently used not only to remove something from an agreement, but to preclude something that might possibly have been misunderstood to be included. As was pointed out in the committee hearings, the Supreme Court of the United States has on occasion announced that language was so clear in a document that the intent of the parties would not be considered. Mr. President, there are a good many Members in this Senate who are just a little "gun shy" of the Supreme Court and some of its interpretations. Therefore, in the event this treaty were ratified, the reservation would certainly seem advisable.

The argument is made that under article (3) all OECD agreements are subject to the constitutional requirements of each individual nation. This reasoning loses much of its weight when the fact is faced that the decision as to what are our constitutional requirements will be made by the same people who are entering the agreement for the United States, and not by Congress. The very procedure followed in submitting this treaty to the Senate, instead of to both Houses, has caused protests from Members of the other body of this Congress that correct constitutional procedures are not being followed and that Members of the House of Representatives are being deprived of their right to consider executive agreements involving foreign commerce. Two previous international economic agreements which were properly submitted to the House did not survive. I wonder if that result is related to the State Department's interpretation that this matter is a treaty requiring ratification by the Senate only.

I believe the framers of our Constitution knew what they were doing when they placed control over foreign trade in the Congress, and I think the Congress should not have given it up. Under State Department control, our domestic producers must take a secondary position, subject, always, to what the State Department feels is best in the field of international relations. It is axiomatic that State Department personnel will think first of international relations and second of domestic producers. Under such a structure, our own people who seek relief from unfair foreign competition lose contact with the very people they elected to represent them, and must deal with appointed officials primarily concerned with international problems.

An excellent example of this is the General Agreements on Tariffs and Trade—GATT. While it has never been ratified by Congress, the agreement was entered into by the President's Office under the authority of the Trade Agreements Act, and has 38 contracting parties. Its parties conduct over 80 percent of the international trade of the world, and the tariff schedules of GATT cover 60,000 items.

Mr. President, this is a major portion of the international trade of the world carried on by the United States at least, under authority which is constitutionally vested in Congress, but which we have seen fit to delegate. I have long protested the free importation of goods from foreign countries which are in competition with our domestic industries. For years I protested our aid in building Japan's textile industry to compete with our own, to no avail. Now we have a troubled textile industry that has company in its protest. The ceramics industry, the pottery, glass, plywood, and even the automobile industries are hurt. Currently in the news is a possible boycott of electrical goods made in Japan, sponsored by one of our own electrical unions. This is only a fraction of the list.

The usual comment to a protesting union or company is a State Department admonition that these people have to think of the international ramifications of these domestic acts of boycott. By the same token, however, the people who make these agreements allowing virtually free access to our markets must consider the domestic problems they are creating with their international agreements.

A delegate, seated in a comfortable conference, does not have the excuse for being shortsighted that a man out of work with a hungry family has. These working people expect Congress to protect them and when Congress delegates its authority to an agency beyond congressional control, then it has failed in its duty and shirked its responsibility.

I have fought against free trade many times in the past, and I have seen nothing in the results of our relaxed barriers to change my mind. It has been stated many times that we must narrow the gap between the standard of living in the industrialized countries and the underdeveloped countries. There are two ways to do this. One is by raising their standard, the other by lowering our standard. I believe that we must look after our own first, and have a strong healthy American economy so that we can afford our foreign aid programs to lift up our friends.

For years we gave billions to rebuild the economies of proposed OECD countries that we now force our domestic companies to compete with; our people are beginning to wonder how wise it is to tax our industry, which raises the cost of goods, and then use the tax dollars to build competing economies, which, because of our aid and their cheap labor, can undersell us in a free market. A free market and convertible currency mean liquid money; and liquid money, like all liquids, runs downhill. We cannot raise our standard of living when we have to compete with manufacturers we are subsidizing. Our standard of living in a free market must be forced down to meet that of the other countries.

For these reasons, I oppose the ratification of the treaty.

Mr. HICKENLOOPER. On behalf of the distinguished Senator from Massachusetts [Mr. SALTONSTALL], I ask unanimous consent to have printed in the RECORD at this point a statement prepared by him.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR SALTONSTALL

The current phase of the cold war is characterized by intense economic competition, particularly in the so-called less developed areas of the world. It is also self-evident that the long-term economic strength and stability of the free world is critically important for the survival of freedom. It is difficult for me to understand how the free world can hope to combat international communism without acting in a unified way.

The Organization for Economic Cooperation and Development will provide a consultative forum to assist in coordinating policies for economic growth, to recommend solutions for international trade problems, and to act in concert for expanded economic aid for underdeveloped areas in Asia, Africa, and Latin America. OECD will be a successor to the very helpful Organization for European Economic Cooperation, reorganized in response to the changing conditions in the world. There is every reason to believe that the OECD will serve the broad purpose of promoting international economic growth and development on a sound and enduring basis.

There is, therefore, every reason why the United States should participate in this group. OECD will not interfere with GATT, will not conduct tariff negotiation and will not exist as a trade organization. Nor will it in any way usurp or bypass the authority of Congress. Outside of the paramount aim of keeping the free world economically strong, OECD will act in such a way as to help reduce the deficit in America's balance of payments, and will encourage other Western industrial nations to share the major burden of development assistance for some of the poorer peoples of the world.

There are several important benefits to be accrued by the United States by her agreement to and participation in this treaty. I strongly support the Senate's approval of the treaty.

Mr. WILEY. Mr. President, I will support the treaty on the Organization for Economic Cooperation and Development on ratification here in the Senate as I did in the Committee on Foreign Relations.

In the hearings I asked for a clarification by the Secretary of State on the extent to which normal procedures imposed by domestic law would be involved. I am satisfied that these questions were fully answered by the Secretary.

With regard to the policies to be promoted by the OECD, I believe the words of former Secretary of State Herter spell out the picture clearly. I quote:

The aims of the OECD, as provided for in article 1 of the convention, are to promote policies designed:

1. To achieve the highest sustainable economic growth and employment and a rising standard of living in member countries, while maintaining financial stability and thus to contribute to the development of the world economy;

2. To contribute to sound economic expansion in member as well as nonmember countries in the process of economic development; and

3. To contribute to the expansion of world trade on a multilateral, nondiscriminatory basis in accordance with international obligations.

Mr. President, the big word in the OECD will be "consultation." This will continue to be the great force for reaching agreement on mutual concerns between nations of the free world. The OECD will foster consultation and facilitate coordination among member countries concerning methods for making national resources available for assisting less developed countries.

Through the machinery of the OECD, a less restrictive practice on trade policy than existed in the OEEC will be operable, through the Trade Committee.

Mr. President, I do not wish to go into detail on this proposal, for that will be done by others. I do wish to point out, however, that the United States will in no way be giving away any authority or even sovereignty under this treaty. Any action of OECD would require approval of all member governments. And if a nation abstained from voting on an OECD decision, the decision would not be binding upon that country.

To continue the words of Secretary Herter:

Member countries will be protected from having decisions imposed on them by the provisions of article 6, which are as follows:

1. Unless the Organization otherwise agrees unanimously for special cases, decisions shall be taken and recommendations shall be made by mutual agreement of all the members.

2. Each member shall have one vote. If a member abstains from voting on a decision or recommendation, such abstention shall not invalidate the decisions or recommendations, which shall be applicable to the other members but not to the abstaining member.

3. Decisions shall not be binding on a member until it has complied with its constitutional procedures. The other members may agree that such a decision shall apply provisionally to them.

Mr. President, it should be noted that each decision taken by the United States in the OECD would have to comply with our constitutional procedures. Thus, there is no loss of authority for any branch of the U.S. Government.

The resolution adopted by the Senate Foreign Relations Committee in its last paragraph settled the question of rights to my satisfaction. It stated:

The Senate advises and consents to the ratification of said convention with the interpretation and explanation of the intent of the Senate that nothing in the convention, or the advice and consent of the Senate to the ratification thereof, confers any power on the Executive to bind the United States in substantive matters beyond what the Executive now has, or to bind the United States without compliance with applicable procedures imposed by domestic law, or confers any power on the Congress to take action in fields previously beyond the authority of Congress, or limits Congress in the exercise of any power it now has.

Mr. President, it is my hope that this administration will appoint as our representative to the OECD a statesman, a person whose understanding of the broad avenues of international economic affairs as well as domestic economic policy, will serve the best interests of our

Nation. To fail to do so could seriously jeopardize the interests of this country.

Mr. President, to my mind our trade interests in the OECD are fully protected. But through the agency of OECD, these trade interests will not only be protected, they will be extended. I am pleased to support this treaty on ratification.

I ask the treaty be printed in full following these remarks, together with testimony starting on page 204 of hearings where I interrogated the witness to page 207 at end of my questioning.

There being no objection, the treaty and testimony were ordered to be printed in the RECORD, as follows:

CONVENTION ON THE ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT

The Governments of the Republic of Austria, the Kingdom of Belgium, Canada, the Kingdom of Denmark, the French Republic, the Federal Republic of Germany, the Kingdom of Greece, the Republic of Iceland, Ireland, the Italian Republic, the Grand Duchy of Luxembourg, the Kingdom of the Netherlands, the Kingdom of Norway, the Portuguese Republic, Spain, the Kingdom of Sweden, the Swiss Confederation, the Turkish Republic, the United Kingdom of Great Britain and Northern Ireland, and the United States of America;

Considering that economic strength and prosperity are essential for the attainment of the purposes of the United Nations, the preservation of individual liberty and the increase of general well-being;

Believing that they can further these aims most effectively by strengthening the tradition of co-operation which has evolved among them;

Recognising that the economic recovery and progress of Europe to which their participation in the Organisation for European Economic Co-operation has made a major contribution, have opened new perspectives for strengthening that tradition and applying it to new tasks and broader objectives;

Convinced that broader co-operation will make a vital contribution to peaceful and harmonious relations among the peoples of the world;

Recognising the increasing interdependence of their economies;

Determined by consultation and co-operation to use more effectively their capacities and potentialities so as to promote the highest sustainable growth of their economies and improve the economic and social well-being of their peoples;

Believing that the economically more advanced nations should co-operate in assisting to the best of their ability the countries in process of economic development;

Recognising that the further expansion of world trade is one of the most important factors favouring the economic development of countries and the improvement of international economic relations; and

Determined to pursue these purposes in a manner consistent with their obligations in other international organisations or institutions in which they participate or under agreements to which they are a party;

Have therefore agreed on the following provisions for the reconstitution of the Organisation for European Economic Co-operation as the Organisation for Economic Co-operation and Development:

ARTICLE 1

The aims of the Organisation for Economic Co-operation and Development (hereinafter called the "Organisation") shall be to promote policies designed:

(a) to achieve the highest sustainable economic growth and employment and a rising standard of living in Member countries, while maintaining financial stability, and thus to contribute to the development of the world economy;

(b) to contribute to sound economic expansion in Member as well as non-member countries in the process of economic development; and

(c) to contribute to the expansion of world trade on a multilateral, non-discriminatory basis in accordance with international obligations.

ARTICLE 2

In the pursuit of these aims, the Members agree that they will, both individually and jointly:

(a) promote the efficient use of their economic resources;

(b) in the scientific and technological field, promote the development of their resources, encourage research and promote vocational training;

(c) pursue policies designed to achieve economic growth and internal and external financial stability and to avoid developments which might endanger their economies or those of other countries;

(d) pursue their efforts to reduce or abolish obstacles to the exchange of goods and services and current payments and maintain and extend the liberalisation of capital movements; and

(e) contribute to the economic development of both Member and non-member countries in the process of economic development by appropriate means and, in particular, by the flow of capital to those countries, having regard to the importance to their economies of receiving technical assistance and of securing expanding export markets.

ARTICLE 3

With a view to achieving the aims set out in Article 1 and to fulfilling the undertakings contained in Article 2, the Members agree that they will:

(a) keep each other informed and furnish the Organisation with the information necessary for the accomplishment of its tasks;

(b) consult together on a continuing basis, carry out studies and participate in agreed projects; and

(c) co-operate closely and where appropriate take co-ordinated act on.

ARTICLE 4

The Contracting Parties to this Convention shall be Members of the Organisation.

ARTICLE 5

In order to achieve its aims, the Organisation may:

(a) take decisions which, except as otherwise provided, shall be binding on all the Members;

(b) make recommendations to Members; and

(c) enter into agreements with Members, non-member States and international organisations.

ARTICLE 6

1. Unless the Organisation otherwise agrees unanimously for special cases, decisions shall be taken and recommendations shall be made by mutual agreement of all the Members.

2. Each Member shall have one vote. If a Member abstains from voting on a decision or recommendation, such abstention shall not invalidate the decision or recommendation, which shall be applicable to the other Members but not to the abstaining Member.

3. No decision shall be binding on any Member until it has complied with the requirements of its own constitutional procedures. The other Members may agree that such a decision shall apply provisionally to them.

ARTICLE 7

A Council composed of all the Members shall be the body from which all acts of the Organisation derive. The Council may meet in sessions of Ministers or of Permanent Representatives.

ARTICLE 8

The Council shall designate each year a Chairman, who shall preside at its ministerial sessions, and two Vice-Chairmen. The Chairman may be designated to serve one additional consecutive term.

ARTICLE 9

The Council may establish an Executive Committee and such subsidiary bodies as may be required for the achievement of the aims of the Organisation.

ARTICLE 10

1. A Secretary-General responsible to the Council shall be appointed by the Council for a term of five years. He shall be assisted by one or more Deputy Secretaries-General or Assistant Secretaries-General appointed by the Council on the recommendation of the Secretary-General.

2. The Secretary-General shall serve as Chairman of the Council meeting at sessions of Permanent Representatives. He shall assist the Council in all appropriate ways and may submit proposals to the Council or to any other body of the Organisation.

ARTICLE 11

1. The Secretary-General shall appoint such staffs as the Organisation may require in accordance with plans of organisation approved by the Council. Staff regulations shall be subject to approval by the Council.

2. Having regard to the international character of the Organisation, the Secretary-General, the Deputy or Assistant Secretaries-General and the staff shall neither seek nor receive instructions from any of the Members or from any Government or authority external to the Organisation.

ARTICLE 12

Upon such terms and conditions as the Council may determine, the Organisation may:

(a) address communications to non-member States or organisations;

(b) establish and maintain relations with non-member States or organisations; and

(c) invite non-member Governments or organisations to participate in activities of the Organisation.

ARTICLE 13

Representation in the Organisation of the European Communities established by the Treaties of Paris and Rome of 18th April, 1951, and 25th March, 1957, shall be as defined in Supplementary Protocol No. 1 to this Convention.

ARTICLE 14

1. This convention shall be ratified or accepted by the Signatories in accordance with their respective constitutional requirements.

2. Instruments of ratification or acceptance shall be deposited with the Government of the French Republic, hereby designated as depositary Government.

3. This Convention shall come into force:

(a) before 30th September, 1961, upon the deposit of instruments of ratification or acceptance by all the Signatories; or

(b) on 30th September, 1961, if by that date fifteen Signatories or more have deposited such instruments as regards those Signatories; and thereafter as regards any other Signatory upon the deposit of its instrument of ratification or acceptance;

(c) after 30th September, 1961, but not later than two years from the signature of

this Convention, upon the deposit of such instruments by fifteen Signatories, as regards those Signatories; and thereafter as regards any other Signatory upon the deposit of its instrument of ratification or acceptance.

4. Any Signatory which has not deposited its instrument of ratification or acceptance when the Convention comes into force may take part in the activities of the Organisation upon conditions to be determined by agreement between the Organisation and such Signatory.

ARTICLE 15

When this Convention comes into force the reconstitution of the Organisation for European Economic Co-operation shall take effect, and its aims, organs, powers and name shall thereupon be as provided herein. The legal personality possessed by the Organisation for European Economic Co-operation shall continue in the Organisation, but decisions, recommendations and resolutions of the Organisation for European Economic Co-operation shall require approval of the Council to be effective after the coming into force of this Convention.

ARTICLE 16

The Council may decide to invite any Government prepared to assume the obligations of membership to accede to this Convention. Such decisions shall be unanimous, provided that for any particular case the Council may unanimously decide the permit abstention, in which case, notwithstanding the provisions of Article 6, the decision shall be applicable to all the Members. Accession shall take effect upon the deposit of an instrument of accession with the depositary Government.

ARTICLE 17

Any Contracting Party may terminate the application of this Convention to itself by giving twelve months' notice to that effect to the depositary Government.

ARTICLE 18

The Headquarters of the Organisation shall be in Paris, unless the Council agrees otherwise.

ARTICLE 19

The legal capacity of the Organisation and the privileges, exemptions, and immunities of the Organisation, its officials and representatives to it of the Members shall be as provided in Supplementary Protocol No. 2 to this Convention.

ARTICLE 20

1. Each year, in accordance with Financial Regulations adopted by the Council, the Secretary-General shall present to the Council for approval an annual budget, accounts, and such subsidiary budgets as the Council shall request.

2. General expenses of the Organisation, as agreed by the Council, shall be apportioned in accordance with a scale to be decided upon by the Council. Other expenditure shall be financed on such basis as the Council may decide.

ARTICLE 21

Upon the receipt of any instrument of ratification, acceptance or accession, or of any notice of termination, the depositary Government shall give notice thereof to all the Contracting Parties and to the Secretary-General of the Organisation.

In witness whereof, the undersigned Plenipotentiaries, duly empowered, have appended their signatures to this Convention.

Done in Paris, this fourteenth day of December, Nineteen Hundred and Sixty, in the English and French languages, both texts being equally authentic, in a single copy which shall be deposited with the depositary Government, by whom certified copies will be communicated to all the Signatories.

For the Federal Republic of Germany:
LUDWIG ERHARD
ALBERT HILGER VAN SCHERPENBERG

For the Republic of Austria:
BRUNO KREISKY
DR. FRITZ BOCK

For the Kingdom of Belgium:
P. WIGNY
R. OCKRENT

For Canada:
DONALD M. FLEMING
GEORGE H. HEES

For the Kingdom of Denmark:
JENS OTTO KRAG

For Spain:
FERNANDO M. CASTIELLA
A. ULLASTRES

For the United States of America:
DOUGLAS DILLON
W. RANDOLPH BURGESS

For the French Republic:
M. COUVE DE MURVILLE
BAUMGARTNER

For the Kingdom of Greece:
A. PROTOPAPADAKIS

For Ireland:
SEÁN Ó LOINSIGH

For the Republic of Iceland:
GYLFI TH. GISLASON

For the Italian Republic:
GIUSEPPE PELLA
CARLO RUSSO

For the Grand Duchy of Luxembourg:
E. SCHAUS

For the Kingdom of Norway:
HALVARD LANGE

For the Kingdom of the Netherlands:
J. LUNS
STIKKER

For the Portuguese Republic:
J. G. CORREIA DE OLIVEIRA

For the United Kingdom of Great Britain and Northern Ireland:
SELWYN LLOYD

For the Kingdom of Sweden:
GUNNAR LANGE

For the Swiss Confederation:
MAX PETITPIERRE

For the Turkish Republic:
ALICAN

SUPPLEMENTARY PROTOCOL NO. 1 TO THE CONVENTION ON THE ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT

The signatories of the Convention on the Organisation for Economic Co-operation and Development;

Have agreed as follows:

1. Representation in the Organisation for Economic Co-operation and Development of the European Communities established by the Treaties of Paris and Rome of 18th April, 1951, and 25th March, 1957, shall be determined in accordance with the institutional provisions of those Treaties.

2. The Commissions of the European Economic Community and of the European Atomic Energy Community as well as the High Authority of the European Coal and Steel Community shall take part in the work of that Organisation.

In witness whereof, the undersigned Plenipotentiaries, duly empowered, have appended their signatures to this Protocol.

Done in Paris, this fourteenth day of December, Nineteen Hundred and Sixty, in the English and French languages, both texts being equally authentic, in a single copy which shall be deposited with the Government of the French Republic, by whom certified copies will be communicated to all the Signatories.

For the Federal Republic of Germany:
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ALBERT HILGER VAN SCHERPENBERG

For the Republic of Austria:
BRUNO KREISKY
DR. FRITZ BOCK

For the Kingdom of Belgium:
P. WIGNY
R. OCKRENT

For Canada:
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For the United Kingdom of Great Britain and Northern Ireland:
SELWYN LLOYD

For the Kingdom of Sweden:
GUNNAR LANGE

For the Swiss Confederation:
MAX PETITPIERRE

For the Turkish Republic:
ALICAN

SUPPLEMENTARY PROTOCOL NO. 2 TO THE CONVENTION ON THE ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT

The signatories of the Convention on the Organisation for Economic Co-operation and Development (hereinafter called the "Organisation");

Have agreed as follows:

The Organisation shall have legal capacity and the Organisation, its officials, and representatives to it of the Members shall be entitled to privileges, exemptions, and immunities as follows:

(a) in the territory of the Contracting Parties to the Convention for European Economic Co-operation of 16th April, 1948, the legal capacity, privileges, exemptions, and immunities provided for in Supplementary Protocol No. 1 to that Convention;

(b) in Canada, the legal capacity, privileges, exemptions, and immunities provided for in any agreement or arrangement on legal capacity, privileges, exemptions, and immunities entered int between the Government of Canada and the Organisation;

(c) in the United States, the legal capacity, privileges, exemptions, and immunities under the International Organisation Immunities Act provided for in Executive Order No. 10133 of 27th June, 1950; and

(d) elsewhere, the legal capacity, privileges, exemptions, and immunities provided for in any agreement or arrangement on legal capacity, privileges, exemptions, and immunities entered into between the Government concerned and the Organisation.

In witness whereof, the undersigned Plenipotentiaries, duly empowered, have appended their signatures to this Protocol.

Done in Paris, this fourteenth day of December, Nineteen Hundred and Sixty, in the

English and French languages, both texts being equally authentic, in a single copy which shall be deposited with the Government of the French Republic, by whom certified copies will be communicated to all the Signatories.

For the Federal Republic of Germany:
LUDWIG ERHARD
ALBERT HILGER VAN SCHERPENBERG

For the Republic of Austria:
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For the Kingdom of Sweden:
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MAX PETITPIERRE

For the Turkish Republic:
ALICAN

Senator WILEY. If you will turn to article 5(a) it says: "Take decisions which, except as otherwise provided, shall be binding on all the Members."

The phrase "except as otherwise provided," is covered in article 6, am I right?

Secretary DILLON. That is correct.

Senator WILEY. I refer particularly to subparagraph 3 of article 6: "No decision shall be binding on any Member until it has complied with the requirements of its own constitutional procedures."

I think that is very plain. Let us take a case. As I understand it, the President has authority to require that a certain percentage of all goods manufactured in this country and shipped abroad under mutual security—50 percent—be shipped in American bottoms; is that right?

Secretary DILLON. Yes.

Senator WILEY. My question is this: That is not in the Constitution; that is an authority that is lodged in him. Supposing, pursuant to article 2, which provides that the signatories agree to: "Pursue policies designed to achieved economic growth and internal and external financial stability and to avoid developments which might endanger their economies or those of other countries"; our representative signs an agreement, that only 25 percent need to be shipped in American bottoms. What would happen to that treaty?

Secretary DILLON. The U.S. representative could not enter into such an agreement, since it would be contrary to existing U.S. law. However, to continue your example, if the law were changed to give the President the power and if he had authorized the U.S. representative to enter into such an agreement, that would be a binding agreement. But you would not need this treaty to effect that result.

It is a fact that a number of the European countries, seven or eight of them, have been trying to persuade us to do that, or something like that, for the last 5 or 6 years.

They have come over and have had conferences where they have all come together and met with us. I myself argued with them at length.

We have always refused to do that, and we will continue to refuse to do it because of the existing law and because we think it is unfair to the American merchant marine, and the mere fact that this organization exists——

Senator WILEY. You mean it would be a valid agreement?

Secretary DILLON. It would be a valid agreement, sure.

Mr. BALL. Whether or not there was a treaty.

Senator WILEY. Yes.

Secretary DILLON. Whether or not there was a treaty. This treaty has nothing to do with its being a valid agreement.

PRESIDENT'S RELATIONSHIP TO U.S. REPRESENTATIVE TO OECD

Senator WILEY. In spite of the President's specific authority under the law of the country, this one individual representing us could sign such an agreement?

Secretary DILLON. No, this one individual could only sign an agreement of that nature at the direction and with the authority of the President. He could not just sign it on his own.

Senator WILEY. You are assuming that the President gave him the authority.

Secretary DILLON. That is right.

Senator WILEY. My hypothetical case did not have that assumption.

Secretary DILLON. I see.

Senator WILEY. My assumption was that our representative went contrary to the authority of the President.

Secretary DILLON. Oh, well, I do not think he would have any authority to act.

Mr. BALL. He would not have the authority to enter into any such agreement.

Secretary DILLON. That is right.

Mr. BALL. He has only the authority to carry out the directions of the President of the United States.

Senator HICKENLOOPER. Where do you find that in this treaty?

Mr. BALL. This is simply a matter of the way in which matters of this kind are conducted.

Senator WILEY. My point is this. We are living in a period where men, even acting under the authority, as you say, of the Executive, sometimes act contrary to what the Executive thinks. The Executive could probably remove him.

Secretary DILLON. It would be contrary to the constitutional processes of the United States for a fellow——

Senator WILEY. That is not what the treaty says.

Secretary DILLON. It would be contrary to our constitutional processes for someone to take an action that disobeyed the President of the United States when he was working for the President of the United States.

Senator WILEY. You interpret that, then, as meaning that any plenipotentiary of this Government who acts contrary to what you might say were the best interests of this Government is violating the constitutional provisions.

Secretary DILLON. No, contrary to the express direction of the President, because he gets all his authority——

Senator WILEY. You have used the words "expressed direction" there. Article 2 provides: "In the pursuit of these aims, the Members agree that they will, both individually and jointly * * * (d) pursue their efforts to reduce or abolish obstacles to the exchange of goods and services and current payments and maintain and extend the liberalisation of capital movements."

It seems to me that is a tremendously large delegation of authority. Article 2(e) adds that we agree to "contribute to the economic development of both Member and non-member countries." In this age men differ so much as to what is in the best interests of our country. A lot of people right now think that we should at times have quotas and at times impose duties to protect our interests. Agreements like that could be made under this provision, if I read it correctly.

STATUS OF U.S. REPRESENTATIVE TO OECD

Mr. BALL. Senator, it is my understanding, and we can supply the committee with a memorandum on this, if the committee would like, that the representative of the United States on the Council would act on instructions from the Executive. There is no possibility whatever of a situation in which he would act contrary to the wishes of the Executive. He would act pursuant to explicit instructions. The situation is really one where the Executive can act only if it has the powers, which exist regardless of the OECD convention, and the representative acts only when he is directed by the Executive.

So that as far as the possibility of the United States being bound in a situation like this, that situation is not affected at all by this convention.

Senator WILEY. I think there is another angle to this that we must consider. Assuming you are right, we are agreed now that there is delegated the authority to deal with the tariff, arrange quotas and do other things within the provisions of this language. I am not saying that our President would do it. I am simply saying that it is a pretty serious matter in this age when we are not sure where we are going. Is there authority to do that very thing—rearrange duties and import quotas? Am I wrong about that?

PRESIDENT'S POWER NOT ENLARGED

Mr. BALL. I would say this, sir: There are other indications of American policy along the lines of the aims expressed in article 2, including, of course, domestic legislation. There is nothing in article 2 which in any way enlarges the powers of the President of the United States.

There is nothing that gives him any powers which he does not already have, and there is no intention to utilize this convention for the purposes of tariff or quota negotiation or of any trade negotiations of that kind.

If the President wanted to conduct a tariff negotiation he could do so within the limits of the powers given him by the Reciprocal Trade Agreements Act without regard to this convention and without regard to the proceedings of the Council.

This does not in any way enlarge the possibility of the President's seeking to do that.

Senator WILEY. But it says here: "Pursue policies designed to achieve economic growth and internal and external financial stability

and to avoid developments which might endanger their economies or those of other countries."

That language is pretty broad, to me at least. As I say, in this particular period we want to stop, look, and listen; and that is my only purpose in bringing these questions to the fore. Thank you. I have to leave.

The CHAIRMAN. I just want to remind the Senator that this was negotiated under the authority of President Eisenhower and by his own agency. This is not a Democratic treaty.

Senator WILEY. I am glad you remind me, although I did know that. I want to be frank and say that no matter who it was in the first instance who gave birth to it, I want to be sure that we have got a healthy baby here who is not going to kick up a fuss in our economy; that is all.

The CHAIRMAN. The Senator from Tennessee, I believe.

Senator GORE. I wish, first, to inquire about the provisions of the treaty to which this country would agree.

Senator WILEY. Will you pardon me just a minute. I would like to make sure that we get this memorandum of interpretation.

Mr. BALL. Yes, surely.

Mr. KEFAUVER. Mr. President, it seems to me imperative that the United States become a member of the Organization for Economic Cooperation and Development. The free world nations must consult together and plan together on common scientific, technologic, and economic problems for their own good and the good of the developing nations we are trying to help. These problems cannot be solved by nations acting alone; working together, we can solve them.

Fortunately, there is a growing recognition within the free world that our security rests not alone upon military unity; it depends also upon good relationships involving money and trade. Indeed, it can be argued that the degree of strength we derive from military unity is directly related to our unity in these other important fields.

This principle underlay an important resolution adopted by the Atlantic Congress in London almost 2 years ago. At this meeting, which brought together people in all walks of life from the NATO countries, I was privileged to serve as cochairman of the U.S. committee and chairman of the political committee.

Our resolution pointed out the need for economic growth with stable prices and stable exchange rates, as well as the need for high levels of employment and living standards in all free world nations. We recommended that governments pursue policies designed to meet these needs and to promote greater freedom of trade and currencies by reducing tariffs and other trade barriers.

But at the same time we recognized that gaps exist in arrangements for collaboration in resolving these problems of the Atlantic Community. One of our proposals for bridging these gaps and achieving our other aims called for transforming an existing economic organization limited to some European nations into one which would span the Atlantic Ocean to include the United States and Canada.

Such an enlarged organization, we said, should be charged with:

First, giving immediate and urgent attention to unifying the European Economic Community with the other economies of Western Europe and the free world consistent with the provisions of the General Agreement on Trade and Tariffs and with the United Nations Charter.

Second, promoting coordinated fiscal, monetary, and other policies for expansion and stabilization of the North Atlantic economies.

And third, coordinating national policies and developing cooperative policies for speeding up the economic progress of the Atlantic Community and of the world.

That was 2 years ago. Now many of these aims have been embodied in the OECD Treaty before us. It is a treaty which, insofar as our Government is concerned, has received bipartisan support at the executive level: It was negotiated under the Eisenhower administration, and the Kennedy administration is asking that it be ratified. The same spirit of bipartisanship should be carried forward by this body.

Any fears that our participation in OECD would infringe on the sovereignty of the United States are, in my opinion, groundless. The treaty itself gives this country, as well as each other participant, a veto over any recommendation or decision by OECD. In addition, any such decision must conform to the constitutional procedures of a participating country before it can become binding upon that country. Finally, to remove all doubt, the proposal now before us expresses the intent of the Senate that our participation gives the President no powers beyond those he already has.

What this treaty does is to commit this Nation to consult with the 19 other OECD nations and them with us. Out of these consultations, I am certain, will come more harmonious relationships among the free world nations and a more equitable sharing of the burden of aid to the developing nations of the world.

I urge the Senate to ratify the treaty.

Mr. President a telegram from the U.S. sponsors of the Declaration of Atlantic Unity to Senator FULBRIGHT, and a column by Walter Lippmann in the New York Herald Tribune of March 8, are pertinent to the proposition we are discussing here today. I ask unanimous consent that they be printed at this point in the RECORD.

There being no objection, the article and telegram were ordered to be printed in the RECORD, as follows:

FEBRUARY 14, 1961.

Hon. J. W. FULBRIGHT,
U.S. Senator,
Senate Office Building,
Washington, D.C.:

We the undersigned U.S. sponsors of the Declaration of Atlantic Unity respectfully urge the Foreign Relations Committee to report favorably the Organization for Economic Cooperation and Development Convention. We believe such action will lead both to the improvement of the economy of this country, increased trade within the Atlantic Community and more effective assistance to the developing nations. This request is also supported by the following U.S. signers of the Declaration of Atlantic Unity:

Herbert Agar, Frank Altschul, Elliott V. Bell, William Benton, Jacob Blaustein, Robert Woods Bliss, Gov. Edmund G. Brown, Percival F. Brundage, Harry A. Bullis, Vannevar Bush, James F. Byrnes, James B. Conant, Norman Cousins, Gardner Cowles, Colgate W. Darden, Clifford Davis, F. Trubee Davison, Lewis W. Douglas, David Dubinsky, Mark Ethridge, Benjamin Fairless, Henry C. Flower, Jr., Henry Ford II, William C. Foster, John W. Gardner, W. St. John Garwood, Lincoln Gordon, Joseph C. Grew, Ernest A. Gross, Learned Hand, Albert J. Hayes, Wayne L. Hays, William R. Herod, Christian A. Herter, Henry W. Hobson, Ernest M. Hopkins, Palmer Hoyt, Senator Hubert Humphrey, Senator Jacob K. Javits, Leroy Johnson, Robert L. Johnson, Eric A. Johnston, Wilbur K. Jordan, Senator Estes Kefauver, Henry A. Kissinger, Herbert H. Lehman, Mrs. Oswald B. Lord, Senator Eugene McCarthy, John W. McCormack, Theodore R. McKeldin, Robert McKinney, George Meany, Mrs. Robert W. Patterson, Mundy I. Peale, Stuart D. Pearl, William Phillips, Philip D. Reed, Walter Reuther, Charles S. Rhyne, Elmo Roper, Harry Scherman, Adolph W. Schmidt, George N. Shuster, Charles M. Spofford, Robert G. Sproul, William H. Standley, Miss Anna Lord Strauss, Clarence K. Streit, Charles P. Taft, Harry S. Truman, Tracy S. Voorhees, Arthur K. Watson, Jerauld Wright, Quincy Wright, Henry M. Wriston, Owen D. Young, William Zeckendorf, Harold L. Zellerbach.

WILL L. CLAYTON.
WILLIAM H. DRAPER, Jr.
HUGH MOORE.
LITHGOW OSBORNE.
HANS CHRISTIAN SONNE.

AFTER MARSHALL AID

(By Walter Lippmann)

Except for Senator CAPEHART, who did not vote, the Foreign Relations Committee is unanimously in favor of the treaty which will make this country a member of OECD (the Organization for Economic Cooperation and Development). The Senate committee has, however, attached to its report an interpretation and explanation of the intent of the Senate. Nothing in the treaty gives the Executive any power beyond what the President now has. The interpretation is undoubtedly correct. It is surely quite harmless. It is also quite unnecessary, as a reading of the treaty, particularly article VI, will show.

Nothing can be recommended or decided by the Organization except by unanimous consent. That is to say, each member has a veto. Moreover, "no decision shall be binding on any member until it has complied with the requirements of its own constitutional procedures." The rights of Congress are wholly safeguarded.

Thus, in no sense of the word is the OECD a supranational organization which can override the sovereign power of any nation. What then is it? And why is it important?

The best way to get at what it is is to begin by noting that today, without the treaty, the President has the constitutional power to do all that the treaty proposes that he should do. The treaty commits 18 West European countries plus Canada and the United States to consult. They are to consult in order to cooperate for economic stability and growth and in assisting the underdeveloped countries. The President already has the power, if he chooses to use it, to consult with other governments on all of these subjects. If out of these consultations come proposals requiring specific actions, the President must go back to Congress unless the action has already been authorized. He can spend no money that is not appropriated, he can make no loans that are not authorized, he can change no tariff schedule except as authorized under the Trade Agreements Act.

Why then is it important to establish in a solemn treaty the commitment to con-

sult? It is important because in committing ourselves to consult, we receive the commitment of the 19 other nations which comprise all the great economic powers of the non-Communist world except for Japan. Japan is now a member of the Development Assistance group dealing with the underdeveloped countries and may join the OECD.

In return for our commitment to consult with them, we get the right to be consulted by them. This is a valuable right as has been shown by the still uncompleted negotiations with West Germany, as will be shown in the forthcoming discussions about the trade policies of the Common Market countries and the nations of the European free trade area.

It is highly significant that this treaty was negotiated and signed by the Eisenhower administration, and that it is being ratified under the Kennedy administration. This shows that before the change of administration the need which the treaty meets had become clear to President Eisenhower, Mr. Herter, and Mr. Dillon. It had become clear that with the phenomenal economic recovery of Western Europe, in which this country played a historic part, our relations with Western Europe were greatly altered.

At the time of the Marshall plan in 1948 the relations between West Europe and the United States were those of beneficiary and patron, protected and protector. With European recovery, though we are still the biggest economic power, the relationship is mutual as between equals. Instead of the patron and the protector, we are the partner, and to conserve and promote our interests, we need to have recognized, as this treaty does, our right to participate in the discussions, to be consulted, to be fully informed, and to be listened to in the field of high international economic policy.

In the time of the Marshall plan we had the power of the last word. Since the European recovery we shall have in an organization like the OECD the influence which stems from our size, our economic importance, and the enlightenment of our policy. It is a sign of the times, a very good sign, it seems to me, that we shall be ratifying this treaty not as a favor to our friends handed down from above, but because this treaty provides us with a respectable, a recognized, and an orderly instrument for defending our rights and promoting our interests.

Mr. SPARKMAN. Mr. President, I ask unanimous consent that certain memorandums which may be helpful to an understanding of the treaty be printed at this point in the RECORD.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

SOME OBSERVATIONS ON GATT AND HOW IT DIFFERS FROM OECD

The phrase "in accordance with international obligations" was included in article 1(c) to make it clear that the members of the OECD are not expected by virtue of the OECD Convention to take actions inconsistent with existing international obligations. The inclusion of this phrase in the OECD Convention neither strengthens or weakens the existing international obligations or in anyway commits the members to continue them. Nor does it in anyway bind any signatory of the OECD Convention to international obligations it has not undertaken elsewhere.

The OECD will not be a trade organization, and will neither establish nor administer trade rules. Such trade rules are in the GATT and the OECD will have nothing to do with them. Nor will the OECD have any of the functions which had been envisaged for the Organization for Trade Cooperation (OTC).

The GATT is an agreement on tariffs and trade. It establishes specific trade rules and sets up procedures for administering these rules. Signatories to the GATT have undertaken concrete obligations pertaining to tariffs and trade.

The U.S. participation in the GATT, which is pursuant to the Trade Agreements Act, will not be affected in any manner by the OECD. Throughout the year-long negotiations, the U.S. negotiators remained opposed to having any of the numerous OEEC acts in the trade field continued in the OECD. These efforts were successful and none of the trade acts will be carried forward.

Technically, the GATT is not an organization, but rather a trade agreement. Countries agreeing to its provisions are known as contracting parties, not members. Adherence to the general agreement on the part of the United States has not been approved by the U.S. Congress. In fact, in recent legislation approving extension of the Trade Agreements Act Congress has made it clear that in extending the power of the President to make reciprocal trade agreements with other countries it has no intention of signifying approval of the GATT.

The GATT, as it came into existence on January 1, 1948, was a provisional undertaking by eight important trading countries, including the United States.

Since then a number of other countries have agreed to apply the GATT until today 38 countries are contracting parties to the agreement and several other countries participate on an interim basis. The GATT is the most comprehensive international agreement ever concluded for the reduction of trade barriers. The 38 contracting parties, together, carry on more than 80 percent of the international trade of the world and the tariff schedules of the GATT include approximately 60,000 items covering more than half of the world's total international trade. The tariff concessions include reductions in import tariffs and commitments not to increase existing duty treatment. In some cases complete elimination of duties or the reduction, or elimination, of tariff references is provided for.

From the beginning the United States has taken leadership in the organization and activities of the GATT. With the progressive dismantling of discriminations and restrictions imposed during the past 10 years against U.S. exports for balance-of-payments reasons tariffs again have great significance. The present negotiations will give the United States a chance to bargain for tariff reductions abroad and thus strengthen the position of its exporters in an increasingly competitive world market. Of particular importance will be the negotiations with the European Economic Community in an endeavor to keep the external tariff on the Common Market as low as possible.

With a population approximately as large as that of the United States the six Common Market countries together comprise one of the most important markets in the world. It is of great importance to our export trade, therefore, that the common external tariff of the EEC be kept low.

Since the United States is the largest trading country in the world the power of the President to reduce U.S. tariffs and other trade barriers is vital to the success of the GATT. To the extent that the United States is willing to offer tariff concessions on imports from the European Common Market countries, for example, it can request corresponding concessions in the external tariff of the European Common Market. On the other hand, the present modest powers of the President in this regard, together with the avoidance-of-injury philosophy embodied in the escape clause and peril-point amendment, enables the U.S. delegates at Geneva to offer very little in the way of inducement.

Under the Trade Agreements Extension Act of 1958 the President is authorized to reduce U.S. tariffs in annual stages by not more than 20 percent of the rates existing on July 1, 1958.

Alternatively, he may reduce any rate by 2 percentage points ad valorem or he may reduce to 50 percent ad valorem any rate which is above that level. The law likewise authorizes him to agree to "bind" (i.e., continue) duty-free treatment for articles on the free list or to bind existing duties against increase. He must also, during the negotiation of trade agreements, seek information and advice from representatives of industry, agriculture, and labor.

In effect, the GATT is an international organization, not a supranational organization. It is important that these two concepts be carefully distinguished from each other. An international organization is more akin to a trade association than to government. An international organization can be no stronger than its members and it can do no more than its members permit it to do. In no sense does it have power to instruct its members as what they should, or should not do.

The GATT, like any other international organization, can do little more than provide a forum for the international discussion of common problems. It has no enforcement powers and the only obligation that the United States or any other contracting party assumes in acceding to it is to live up to the rules that it has, itself, voluntarily agreed to.

GOLD AND BALANCE OF PAYMENTS

EXPORTS

In 1960, exports reached (approximately) $19.4 billion, almost equaling the record of $19.5 billion set in 1957. Imports were about $14.7 billion. The resulting trade surplus of about $4.5 billion amounts to the third highest of the decade, surpassed only by the margins built up in the Suez-crisis years of 1956 and 1957. In spite of this strong gain in the commercial account over 1959 (the surplus that year was only $910 million), the balance of payments position remained weak, largely because of shifts in private capital transactions, as short-term investment sought higher interest rates abroad.

Through September 1960, Western Europe and Japan accounted for about three-fourths of both the rise in sales and the improvement in our trade surplus. Both areas increased purchases from the United States by more than 30 percent over the year ago 1959 totals. Imports from Western Europe declined slightly; those from Japan rose about 17 percent.

Since 1894, U.S. exports have consistently exceeded imports. Since World War II, finished manufactures have accounted for 60 percent or more of total exports. The percentage of imports of finished manufactures is still substantially lower.

INTERDEPENDENCE

The 1960 payments picture appears mainly to reflect comparative economic circumstances in the United States and in Western Europe and Japan. Slackened activity here, contrasted with boom conditions abroad, increased both the marketability of U.S. exports and the pressure on fluid capital to seek a foreign haven. Removal of restrictions on convertibility in Western Europe at the beginning of 1959 and more recently in Japan helped make the short-term capital market extremely sensitive to interest rate fluctuations. The Survey of Current Business noted:

"The outflow of short-term capital—and to some extent also of funds for longer term investments—was due, therefore, to the same economic forces which are also to a large extent responsible for the recent rise in exports and the slow decline in imports."

The rapid expansion of the industrial countries in recent years has been accompanied by growing interdependence of capital markets. These developments in turn have opened the door to transatlantic capital movements which play a considerable role in determining our payments balance.

U.S. RESERVES POSITION

U.S. gold reserves have declined from $22.8 billion at the end of 1957 to $17.8 billion as of December 31, 1960. Nevertheless, the United States still has nearly one-half of the free world's monetary gold stock. Liquid dollar liabilities in November were $18.7 billion, giving a ratio of U.S. gold to immediate foreign claims of approximately 0.95 to 1. In contrast, the United Kingdom's gold reserve amounts to between one-third and one-fourth of its foreign obligations.

Viewed from another angle, only $5.9 billion of U.S. reserves is "free" gold. The other $11.9 billion is set aside as a 25 percent minimum reserve against outstanding Federal Reserve notes and deposits. Thus, the ratio of free gold to liquid obligations is less than 1 to 3.

The IMF, in a study of international liquidity published in 1958, said this: "The ultimate financial strength of the United States rests on its strong international position and the fact that it is an extremely important market, a dominant supplier of economic and other kinds of aid, and a major source of long-term and short-term capital. It would, therefore, be natural for the rest of the world to maintain large holdings of dollars for working balances, investment, and other purposes."

And the First National City Bank of New York observed in its monthly letter of April 1960:

"What is needed most in appraising our balance of payments problem and prospects is a sense of perspective. As far ahead as can be seen, the dollar's basic worth and stability are beyond question. It would be most damaging not only to American prestige but also to the financial strength of the entire free world if Americans or foreigners should take fright of shadows."

AMERICAN INVESTMENT ABROAD

The net effect of direct foreign investment upon the U.S. balance of payments has been salutary. In the 2½ years ending last June the income returned from these investments exceeded the outflow of new capital by $2.6 billion.

We should regard rising levels of exports and imports as elements in a program for strengthening the U.S. economy. A domestic economy dynamic enough to attract increasing amounts of private capital would also minimize the flow of private capital in response to booming economic conditions and higher interest rates abroad.

Mr. JAVITS. Mr. President, will the Senator yield to me 30 seconds?

Mr. AIKEN. Mr. President, if there is any time remaining, I yield 30 seconds to the Senator from New York.

The PRESIDING OFFICER. All time for debate has expired.

Mr. MANSFIELD. Mr. President, has all time expired?

The PRESIDING OFFICER. All time has expired.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Without objection, the treaty will be considered as having passed through its various parliamentary stages up to the point of consideration of the resolution of ratification, which will be read for the information of the Senate.

The legislative clerk read as follows:

Having regard to and in reliance on the statement in the letter of January 16 1961, from Secretary of State Herter to President Eisenhower and transmitted by him to the Senate on January 17, 1961, that "the U.S. representative will not have any additional powers in substantive matters to bind the United States after the convention enters into force than now exist in the Executive, but that any act of the organization outside the power of the Executive will require action by Congress or the Senate, as the case may be, before the United States can be bound," and having regard to and in reliance on the testimony of Secretary of the Treasury Dillon and Under Secretary of State Ball in behalf of the administration, and having regard to and in reliance on the opinion of the Legal Adviser of the Department of State dated March 6, 1961, and quoted in the committee report on this convention:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Convention on the Organization for Economic Cooperation and Development, together with two protocols relating thereto, signed at Paris on December 14, 1960, by representatives of the United States of America, Canada, and the 18 member countries of the Organization for European Economic Cooperation (Executive E, 87th Cong., 1st sess.), with the interpretation and explanation of the intent of the Senate that nothing in the convention, or the advice and consent of the Senate to the ratification thereof, confers any power on the Executive to bind the United States in substantive matters beyond what the Executive now has, or to bind the United States without compliance with applicable procedures imposed by domestic law, or confers any power on the Congress to take action in fields previously beyond the authority of Congress, or limits Congress in the exercise of any power it now has.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the resolution of ratification?

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the resolution of ratification? On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Alaska [Mr. BARTLETT], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Utah [Mr. Moss], and the Senator from Oregon [Mr. MORSE] are absent on official business.

I also announce that the Senator from New Mexico [Mr. CHAVEZ] is absent because of illness.

I further announce that the Senator from Texas [Mr. BLAKLEY] is necessarily absent.

I further announce that, if present and voting, the Senator from New Mexico [Mr. CHAVEZ] and the Senator from Arkansas [Mr. FULBRIGHT] would each vote "yea."

On this vote the Senator from Alaska [Mr. BARTLETT] and the Senator from Oregon [Mr. MORSE] are paired with the Senator from Texas [Mr. BLAKLEY]. If present and voting, the Senators from Alaska and Oregon would vote "yea," and the Senator from Texas would vote "nay."

Mr. KUCHEL. I announce that the Senator from Colorado [Mr. ALLOTT] is absent because of a death in his family.

The Senator from Vermont [Mr. PROUTY] is absent by leave of the Senate because of illness.

The Senator from Kentucky [Mr. MORTON] and the Senator from Massachusetts [Mr. SALTONSTALL] are necessarily absent and, if present and voting, would each vote "yea."

The yeas and nays resulted—yeas 72, nays 18, as follows:

[Ex. No. 2]

YEAS—72

Aiken	Fong	McCarthy
Anderson	Gore	McGee
Beall	Gruening	McNamara
Bennett	Hart	Metcalf
Bible	Hartke	Miller
Boggs	Hayden	Monroney
Bridges	Hickenlooper	Muskie
Burdick	Hickey	Neuberger
Bush	Hill	Pastore
Cannon	Holland	Pell
Capehart	Hruska	Proxmire
Carlson	Humphrey	Robertson
Carroll	Jackson	Scott
Case, N.J.	Javits	Smathers
Case, S. Dak.	Keating	Smith, Mass.
Church	Kefauver	Smith, Maine
Clark	Kerr	Sparkman
Cooper	Kuchel	Stennis
Cotton	Lausche	Symington
Dirksen	Long, Mo.	Wiley
Dodd	Long, Hawaii	Williams, N.J.
Douglas	Long, La.	Williams, Del.
Eastland	Magnuson	Yarborough
Engle	Mansfield	Young, Ohio

NAYS—18

Butler	Ervin	Randolph
Byrd, Va.	Goldwater	Russell
Byrd, W. Va.	Johnston	Schoeppel
Curtis	Jordan	Talmadge
Dworshak	McClellan	Thurmond
Ellender	Mundt	Young, N. Dak.

NOT VOTING—10

Allott	Fulbright	Prouty
Bartlett	Morse	Saltonstall
Blakley	Morton	
Chavez	Moss	

The PRESIDING OFFICER. Two-thirds of the Senators present concurring therein, the resolution of ratification is agreed to.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be immediately notified of the action of the Senate on the treaties.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

NOMINATION OF JAMES L. HARRISON TO BE PUBLIC PRINTER

Mr. MANSFIELD. Mr. President, so long as the Senate is still in executive session, I would like to have laid before the Senate the nomination of James L.

Harrison, of the District of Columbia, to be Public Printer. A hearing on the nomination was held by the Committee on Rules and Administration this afternoon. The nomination of Mr. Harrison was reported unanimously by the committee, and it has been cleared by the minority leader. I ask unanimous consent for the immediate consideration of the nomination.

The PRESIDING OFFICER. Is there objection? The Chair hears none. The nomination will be stated.

The legislative clerk read the nomination of James L. Harrison, of the District of Columbia, to be Public Printer.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

NOMINATION OF DR. WORTH BAGLEY DANIELS TO BE A MEMBER OF THE BOARD OF REGENTS OF THE NATIONAL LIBRARY OF MEDICINE

Mr. HILL. Mr. President, I report favorably from the Committee on Labor and Public Welfare the nomination of Dr. Worth Bagley Daniels, of the District of Columbia, to be a member of the Board of Regents of the National Library of Medicine. After consultation with the majority leader and the minority leader, I ask unanimous consent that the Senate proceed to the consideration of the nomination.

The PRESIDING OFFICER. Is there objection? The Chair hears none. The nomination will be stated.

The legislative clerk read the nomination of Dr. Worth Bagley Daniels, of the District of Columbia, to be a member of the Board of Regents of the National Library of Medicine, Public Health Service, for the remainder of the term expiring August 3, 1962.

Mr. HILL. Mr. President, Dr. Daniels is not only one of the outstanding doctors of the country, but he is also the former chairman of the Board of Regents of the National Library of Medicine. No man has contributed more to bringing the library into being than has Dr. Daniels.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to this nomination?

The nomination was confirmed.

Mr. MANSFIELD. Mr. President, I move that the President be notified forthwith of the confirmation of both nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate return to legislative session.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate resumed the consideration of legislative business.

SALE OF CERTAIN CRITICAL MATERIALS

Mr. MANSFIELD. Mr. President, after consultation with the distinguished minority leader, I ask unanimous consent that the Senate temporarily lay aside the unfinished business and proceed to the consideration of Calendar No. 67, S. 1116.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 1116) to authorize the sale, without regard to the 6-month waiting period prescribed, of certain calcines and matte proposed to be disposed of pursuant to the Strategic and Critical Materials Stock Piling Act.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate proceeded to consider the bill.

Mr. DIRKSEN. Mr. President, I understand—and I address my statement to the Senator from Missouri—that these materials are quite in excess of the stockpiling needs and that the General Services Administration is very eager to dispose of them. Is that correct?

Mr. SYMINGTON. I assure the Senator from Illinois that that is correct. I ask unanimous consent that an excerpt from the report of the committee and the text of the bill be printed in the RECORD at this point.

There being no objection, the excerpt from the report and the bill were ordered to be printed in the RECORD, as follows:

PURPOSE

This bill would (1) authorize the disposal of surplus nickel-cobalt-copper calcines and matte from the national stockpile, and (2) permit such disposal to be accomplished before the expiration of 6 months after publication of notice of the proposed sale in the Federal Register.

EXPLANATION

On January 16, 1961, the General Services Administration gave notice of a proposed disposition of approximately 3,431 short tons of nickel-cobalt-copper calcines and approximately 87 tons of nickel-cobalt-copper matte now held in the national stockpile. This notice was based upon a revised determination by the Office of Civil and Defense Mobilization that there is no longer any need for stockpiling these calcines and matte because they are excess to stockpile needs and are of such quality as to be of little or no use in time of war.

Section 3(e) of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98b(e)) requires congressional approval of this proposed disposition. The law also requires, among other things, that the disposal may not be made until 6 months after publication of the disposal plan in the Federal Register.

Irrespective of whether the 6-month waiting period is waived, the General Services Administration desires authority to dispose of these materials from the stockpile. The objective in waiving the 6-month waiting period is to accelerate the possible sale and availability of these materials to an industrial plant in a distressed economic area.

During World War II the Federal Government operated a federally owned refinery in the area of Flat River, Mo., for the refining of lead and copper concentrates. This refining operation resulted in the accumulation of several thousand tons of byproducts known as calcines.

After the war the refinery was leased to the National Lead Co. which has continued to operate it in the refinement of nickel and cobalt from byproducts of the extraction of lead. Because of lowered prices of lead the lead-mining operation was discontinued in February 1961. With the ending of lead-mining operations there, no more calcines are being produced. The remaining calcines available there will sustain the refinery operation until March 30, 1961. If additional calcines are not made available the refinery will close on March 30, 1961, resulting in the discharge of 140 employees.

Enactment of this bill would not assure the sale of the surplus calcines and matte to any specific purchaser. The National Lead Co. would have to compete against other possible purchasers, but this company would at least have an opportunity to negotiate for the purchase of these materials, and if successful it would secure a sufficient quantity of the materials to permit continued operation of the refinery for a period of 6 additional months beyond March 30, 1961.

DEPARTMENTAL RECOMMENDATION

Printed below and hereby made a part of this report are (1) a letter from the then Administrator of the General Service Administration, dated January 16, 1961, giving notice of the proposed disposal of these materials and requesting congressional approval of the disposal; (2) a copy of the notice of the proposed disposal published in the Federal Register on January 25, 1961; and (3) a letter from the incumbent Administrator of the General Services Administration, dated March 10, 1961, indicating that the General Services Administration and the Bureau of the Budget have no objection to the enactment of S. 1116.

GENERAL SERVICES ADMINISTRATION,
Washington, D.C., January 16, 1961.

Hon. RICHARD B. RUSSELL,
Chairman, Armed Services Committee,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Enclosed is a notice of a proposed disposition of approximately 3,431 short tons of nickel-cobalt-copper calcines and approximately 87 tons of nickel-cobalt-copper matte now held in the national stockpile. This notice is being published in the Federal Register and is forwarded to the Congress and to the Armed Services Committee of each House thereof in accordance with the provisions of section 3(e) of the Strategic and Critical Materials Stock Piling Act (53 Stat. 811), as amended (50 U.S.C. 98b(e)).

The Office of Civil and Defense Mobilization has made a revised determination, pursuant to section 2(a) of the Strategic and Critical Materials Stock Piling Act, that there is no longer any need for stockpiling this grade and quantity of said nickel-cobalt-copper calcines and matte. The revised determination was made for the reason that said nickel-cobalt-copper calcines and matte are excess to stockpile needs and are of such quality as to be of little or no use in time of war.

Section 3(e) of the Strategic and Critical Materials Stock Piling Act provides that no material constituting a part of the stockpile may be disposed of without the express approval of Congress, except where the revised determination is by reason of obsolescence of the material for use in time of war. Since the revised determination in this case was not by reason of obsolescence, we request that the Congress approve the proposed disposition.

Sincerely yours,

FRANKLIN FLOETE, *Administrator.*

GENERAL SERVICES ADMINISTRATION NICKEL-COBALT-COPPER CALCINES AND MATTE HELD IN THE NATIONAL STOCKPILE—PROPOSED DISPOSITION

Pursuant to the provisions of section 3(e) of the Strategic and Critical Materials Stock Piling Act (53 Stat. 811), as amended (50 U.S.C. 98b(e)), notice is hereby given of a proposed disposition of approximately 3,431 short tons of nickel-cobalt-copper calcines and approximately 87 tons of nickel-cobalt-copper matte now held in the national stockpile.

The Office of Civil and Defense Mobilization has made a revised determination, pursuant to section 2(a) of the Strategic and Critical Materials Stock Piling Act, that there is no longer any need for stockpiling said nickel-cobalt-copper calcines and matte. The revised determination was based upon the finding of the Office of Civil and Defense Mobilization that said nickel-cobalt-copper calcines and matte are excess to stockpile needs and are of such quality as to be of little or no use in time of war.

Since the revised determination is not by reason of obsolescence of nickel-cobalt-copper calcines and matte for use in time of war, this proposed disposition is being referred to the Congress for its express approval, as required by section 3(e) of the Strategic and Critical Materials Stock Piling Act.

General Services Administration proposes to transfer said nickel-cobalt-copper calcines and matte to other Government agencies, or to offer them for sale on a competitive basis upon the express approval by the Congress of this proposed disposition or 6 months after the date of publication of this notice in the Federal Register, whichever is later.

This plan and the date of disposition have been fixed with due regard to the protection of producers, processors, and consumers against avoidable disruption of their usual markets as well as the protection of the United States against avoidable loss on disposal.

Dated January 16, 1961.

FRANKLIN FLOETE, *Administrator.*

GENERAL SERVICES ADMINISTRATION,
Washington, D.C., March 10, 1961.

Hon. RICHARD B. RUSSELL,
Chairman, Committee on Armed Services,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Your letter of March 1, 1961, requested the views of the General Services Administration on S. 1116, a bill to authorize the sale, without regard to the 6-month waiting period prescribed, of certain calcines and matte proposed to be disposed of pursuant to the Strategic and Critical Materials Stock Piling Act.

The principal purpose of S. 1116 is to avoid as to the nickel-cobalt-copper calcines and matte referred to in the notice of disposal published in the Federal Register on January 25, 1961, the 6 months' waiting period that section 3(e) of the Strategic and Critical Materials Stock Piling Act requires for a disposal thereunder. The bill would authorize the disposal of those materials by negotiated sale or otherwise. This would permit National Lead Co. to negotiate for the materials while it is still leasing the Government-owned plant at Fredericktown, Mo., for the refining of similar byproducts of lead production in that area. The bill, however, would not assure the sale of the materials to any particular purchaser.

National Lead Co. has advised that, unless it is successful in purchasing those calcines and matte in the immediate future, it would, because of a lack of raw materials, cease operations at the Fredericktown plant, which is located in the Flat River, Mo., area—a depressed labor area. The materials covered by S. 1116 would be sufficient for the continued operation of the Fredericktown plant for approximately 6 months.

The General Services Administration has no objection to the enactment of S. 1116.

The Bureau of the Budget has advised that there is no objection to the submission of this report to your committee from the standpoint of the Administration's program.

Sincerely yours,

JOHN L. MOORE, *Administrator.*

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Administrator of General Services is hereby authorized to dispose of, by negotiated sale or otherwise, approximately three thousand four hundred and thirty-one short tons of nickel-cobalt-copper calcines and approximately eighty-seven tons of nickel-cobalt-copper matte now held in the national stockpile. Such disposition may be made without regard to the provisions of section 3 of the Strategic and Critical Materials Stock Piling Act, relating to dispositions on the basis of a revised determination pursuant to section 2 of said Act, to the effect that no such disposition shall be made until six months after publication in the Federal Register and transmission to the Congress and to the Armed Services Committees thereof of a notice of the proposed disposition.

The PRESIDING OFFICER. The bill is open to amendment.

Mr. WILLIAMS of Delaware. Mr. President, may we have an explanation of the bill?

Mr. SYMINGTON. Mr. President, in reply to the question of the Senator from Delaware, it will have the effect of allowing 140 people to continue to work for 6 months more at the plant of the National Lead Co., where there is a cobalt refining program. If we do not pass the bill quickly, the plant will have to be closed. The General Services Administration normally cannot sell the ore, which is in surplus, or overstock, unless they wait 6 months. The plant employs 140 people, and if we pass the bill these people will remain at work, instead of being laid off at the end of March.

Mr. WILLIAMS of Delaware. I am sympathetic toward the proposal. I am wondering whether the General Services Administration produces the lead.

Mr. SYMINGTON. No; the material goes into the hands of the General Services Administration, and they will simply sell it. Then it will be owned by a private company. However, the material is at the plant of the National Lead Co., and is owned by the General Services Administration. So this bill would increase Government revenues and help dispose of a surplus and put it to constructive use.

Mr. WILLIAMS of Delaware. The proposal seems to do so many wonderful things. I am wondering whether the Senator would withhold action on the bill for a little while so that I may read it. Will the Senator withhold action on it for a few moments?

Mr. SYMINGTON. I merely wish to say that the subcommittee unanimously approved the measure, and the full committee reported it unanimously. The General Services Administration has agreed to it. The Bureau of the Budget has agreed to it. All it does is to afford employment.

Mr. WILLIAMS of Delaware. I am sympathetic with that objective. I may not have any objection to the bill once I have studied it. I did not know it was planned to bring it up at this time. I am asking the Senator to withhold it so that I may study it.

Mr. SYMINGTON. I discussed the matter with the leadership on both sides of the aisle. It was my impression that everyone had agreed to it. If the Senator from Indiana and the Senator from Delaware wish to withhold action on the bill, that is all right.

Mr. WILLIAMS of Delaware. If the Senator will withhold it temporarily, perhaps it can be brought up in a little while.

Mr. CAPEHART. I do not know why the Senator from Missouri includes me in his statement.

Mr. SYMINGTON. I beg the Senator's pardon. I meant the Senator from Delaware.

TEMPORARY EXTENDED UNEMPLOYMENT COMPENSATION ACT OF 1961

Mr. MANSFIELD. Mr. President, I move that the Senate resume the consideration of the unfinished business, H.R. 4806.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate resumed the consideration of the bill (H.R. 4806) to provide for the establishment of a temporary program of extended unemployment compensation, to provide for a temporary increase in the rate of the Federal unemployment tax, and for other purposes.

LEGISLATIVE PROGRAM

Mr. DIRKSEN. Mr. President, at this point I should like to ask the majority leader what is proposed by way of a schedule for the remainder of the day. Earlier in the day it was stated that the discussion of the pending bill would run into tomorrow. I know that Senators who had engagements have been concerned as to whether they should issue telegrams of cancellations. I am advised now that there is some hope that consideration of the bill can be completed today, if the Senate remains in session for not too long a period of time. I should like an expression from the majority leader on that subject.

Mr. MANSFIELD. It is the hope of the leadership that it may be possible to complete action tonight on the proposal before the Senate.

I suggest that Senators remain, so that if votes are to be had, they can be held with expedition. I advance the hope also that the chairman of the Committee on Finance will offer his amendments en bloc for consideration by the Senate. I hope that we can settle our arguments without wasting too much time and

words and arrive at a position at which action can be taken on the pending bill.

If we can complete action on the bill this evening—it is up to the membership of the Senate, of course—I hope that we will also complete action on the Railroad Retirement Extension Act.

That is the situation as it now stands. Many Senators, including the distinguished minority leader, have canceled longstanding engagements. Therefore, I hope that Senators who have had to make sacrifices of that kind will be repaid in full by action taken by the Senate tonight.

Mr. DIRKSEN. It is proposed, then, if action is consummated on the two tax bills, that the Senate adjourn until Monday?

Mr. MANSFIELD. With pleasure.

TEMPORARY EXTENDED UNEMPLOYMENT COMPENSATION ACT OF 1961

The Senate resumed the consideration of the bill (H.R. 4806) to provide for the establishment of a temporary program of extended unemployment compensation, to provide for a temporary increase in the rate of the Federal unemployment tax, and for other purposes.

Mr. MANSFIELD. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MANSFIELD. I believe that under the unanimous-consent agreement the Senator from Tennessee [Mr. GORE] is entitled to the floor. When the hour of 3 o'clock arrived, he was still in process of making his speech. On that basis I believe the RECORD will show that he is entitled to the floor. I apologize to the chairman of the committee because I did not realize that to be the fact.

Mr. BYRD of Virginia. Mr. President, I ask unanimous consent that the so-called Byrd amendments, which have some ramifications in the bill, be considered en bloc.

Mr. WILLIAMS of Delaware. Mr. President, reserving the right to object—and I shall not object—I wish to make certain what the parliamentary situation would be in the event the Byrd amendments should be rejected. Would the bill then be subject to amendment advancing the effective date of the tax? That is a provision of the Byrd amendment. Would it be in order at a subsequent time to offer an amendment to advance the effective date so as to make the tax effective for calendar year 1961?

The PRESIDING OFFICER. If the Byrd amendment should be rejected, that would have the effect of restoring the House text, and that would be subject to amendment.

Mr. WILLIAMS of Delaware. It would be subject to amendment as to the effective date of the tax.

The PRESIDING OFFICER. The Chair presumes that that would be true of any amendment.

Mr. WILLIAMS of Delaware. I have no objection.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Virginia?

Mr. MANSFIELD. Mr. President, before the request is agreed to, I should like to ask the Senator from Virginia if he will agree to a time limitation of 1 hour on the Byrd amendment or amendments, the time to be divided equally, at the end of which time the Senate would vote; the agreement to become effective after the Senator from Tennessee has had an opportunity to finish the remainder of his speech, which is very short.

Mr. WILLIAMS of Delaware. Mr. President, reserving the right to object, and I think I would have to object because I do not believe the debate will take very long, some Senators have not had an opportunity to say anything in favor of the Byrd amendment. I would be willing to enter into a unanimous-consent agreement to extend to Senators who favor the amendment an opportunity comparable to that which would be had on the other side if we add in the time which the Senator from Tennessee [Mr. GORE] has used. I would not want the Senator from Tennessee to use 2 or 3 hours speaking against the amendment and then exclude that time from the time limitation under which those who favor the amendment of the Senator from Virginia would speak.

Mr. MANSFIELD. That is agreeable. The Senator from Tennessee has spoken less than an hour. He has two or three pages of his statement remaining. I should say, generally speaking, that it would be another hour.

Mr. WILLIAMS of Delaware. The Senator from Tennessee would have another hour?

Mr. MANSFIELD. No; there would be another hour on the proposal.

Mr. WILLIAMS of Delaware. How much time would there be on that basis?

Mr. MANSFIELD. One hour.

Mr. WILLIAMS of Delaware. I should have to object to that, because the other side has already used a half hour on the amendment.

Mr. MANSFIELD. Suppose we limit the time to one-half hour on the side of the Senator from Tennessee, and an hour and a half on the other side.

Mr. JAVITS. Reserving the right to object, it is not only the Senator from Tennessee who is taking the position he is taking; other Senators take a similar position. For myself, a few minutes will do. Still, 10 minutes is important.

Mr. MANSFIELD. Mr. President, I withdraw my request.

Mr. BYRD of Virginia. Mr. President, I wish to make a brief statement concerning the so-called Byrd amendments.

These amendments provide that a State in which tax collections attributable to wages paid for 1961 and 1962 exceed the amount of temporary benefits paid in that State, will be entitled to have the excess amount credited to its account in the unemployment trust fund where it can be used only for the purpose of paying State unemployment compensation. In a State in which temporary benefit payments exceed tax collections, employers will be required to repay the difference to the Federal Treasury through a reduction in the 90-percent credit against the Federal unemployment tax commencing with respect to wages paid in that State after 1963. This amendment assures that each State will finance temporary benefits paid in that State and that taxes collected in a State will be used only for the purpose of paying benefits in that State. This is the concept which has been followed in the unemployment compensation field for more than 25 years.

The House bill contradicts that concept under which we have operated for all these years.

If these amendments are not adopted the House language would prevail and under the House bill, in violation of the concept that has been in effect since 1935, taxes collected in all States would be pooled in a common fund and from this fund certain States would draw out in benefits more than they contributed in taxes. It would naturally follow that such a federalized account would be a license for deficit States to exercise less care over their expenditures and encourage surplus States to relax the efficiency which has been established in their practices. It cannot be successfully denied that the House language would federalize the financing of payments provided under the bill. If the door is opened now, there is reason to expect that an effort will be made shortly to federalize the entire program—financing and standards—on a permanent basis. The Finance Committee language would preserve the established principles in this program and deter subsequent efforts to federalize. I hope the committee amendments will be adopted.

The Byrd amendments would in no way affect the payment of benefits to the unemployed. They would not change them one iota. The unemployed would get every cent which they would get under the House bill. The Byrd amendments simply provide that the money of one State, paid in not by general taxation, but by taxes paid by employers, should not be sent to another State. That is in accordance with the concept of the legislation which was adopted in 1935 and which has continued to this day.

Mr. GORE. Mr. President, a disagreement with the distinguished and lovable Senator from Virginia [Mr. BYRD] is not a source of pleasure. I do in this case respectfully disagree both with the purport and with the effect of the amendment which he has proposed and which the committee adopted, and I disagree also with the distinguished Senator's interpretation of the amendment.

First, I should like to answer the argument that the House bill would federalize unemployment compensation. In my opinion, this is not the case. This argument, in my opinion, does not comport with the provisions of the bill or its intent.

The pending bill does not change the basic unemployment compensation law.

It does not alter the cooperative relationship between the State officials and the Federal Bureau of Employment Security.

In my view, we are not now dealing with normal unemployment with which State unemployment compensation programs are designed to cope. As a result of a serious recession, the duration of unemployment experienced by individuals has been extended. If the States were in a position to solve this problem, there would be no need at all for such a bill. But the States are not equipped to do so, and their programs were not designed for the purpose of meeting deep, serious, and prolonged national recessions. Unless we have a national solution to provide unemployment compensation benefits for the millions of people who have exhausted their entitlements under the present State programs, and for the many more who soon will exhaust their entitlements, there will be no effective solution.

Mr. President, why do we have the pending bill before us? Its purpose is to provide an additional period of time during which the unemployed who have exhausted the benefits to which they are entitled under present law will be able to draw unemployment compensation benefits to the extent of up to 13 weeks.

Mr. President, this is a Federal program, and the bill calls for the levying of a Federal tax. The benefits under the House version of the bill would be distributed by the State agencies, as contracting agents for the Federal Government.

Now I yield to the Senator from Pennsylvania.

Mr. CLARK. I thank the Senator from Tennessee for yielding.

From his comments today, I gather that he is of the view that unemployment is a national problem in our country, and should be dealt with on a national basis. Is my understanding of this position correct?

Mr. GORE. Yes.

Mr. CLARK. I was happy to note that yesterday the Senator voted in support of the area redevelopment bill, which dealt on a national basis with the problem of chronic and persistent unemployment.

Does it seem consistent and logical for the Senate to vote for a State solution of the unemployment problem, just 24 hours after the Senate voted in favor of a national solution of another kind of unemployment problem?

Mr. GORE. It is not my view that, upon consideration of the problem, the Senate will adopt the principle that the taxpayers of one State shall not pay taxes to relieve hardship in another State.

For instance, in that connection consider the situation in regard to national disasters. There are many instances in which such a principle simply could not be allowed to operate.

Mr. CLARK. Reclamation projects would be another, would they not?

Mr. GORE. The State of New York does not have many irrigation and reclamation projects; neither are there many hydroelectric dam developments in the State of New York. The State of New York pays to the Federal Government more than $17 billion in taxes; but the State of Louisiana, which pays Federal taxes in an amount of less than $1 billion, receives 50 percent more Federal funds for old-age assistance than does the entire State of New York.

We simply must not adopt the ukase that the people of one State shall not be taxed in order to alleviate the hardships encountered by the people of another State; that is antediluvian and it is anti-Federal Union.

Mr. President, there has been distributed to Senators a mimeographed sheet which shows that several States will, under the provisions of this bill, make tax payments which will exceed the anticipated receipt of benefits by the citizens within those States. In that connection, I wish to refer to Pennsylvania. The sheet shows that the State of Pennsylvania will, according to estimates, pay $70 million in taxes under the provisions of this bill, but will receive, according to the terms of the bill, $85 million.

Mr. CLARK. I believe the correct figure is $82 million.

Mr. GORE. Regardless of whether the correct figure is $82 million or $85 million—the exact figure is immaterial to my point—Pennsylvania will be a net beneficiary. But we are told that this should not be permitted; it is said that only the State of Pennsylvania should contribute to the welfare of the unemployed in Pennsylvania. I say that this principle is wrong.

But let me point out that this estimate of benefit payments is an estimate of the unemployment benefits paid within only a very brief period of time—approximately 14 months; and it is estimated that the unemployment situation will then be approximately what it is at the present time.

However, let us consider a longer period; let us consider what Pennsylvania has paid over a period of 25 years. I do not know what the total payments have been; but the 10 percent which is set aside for administration has caused Pennsylvania to pay into the Federal fund $422 million, from which Pennsylvania has received, in return, only $302 million. So, Mr. President, during the operation of this program for 25 years, Pennsylvania has paid in $120 million more, for administrative costs, than the amount returned to Pennsylvania. Yet because we are in a recession and because there is heavy unemployment in Pennsylvania, we are told that it would be a horrible thing if the unemployed of Pennsylvania were now to be entitled to draw $12 million more in benefits than the people of Pennsylvania would pay during this brief period. Mr. President, I think that when we examine that argument, it cannot stand the light of day; it is without merit.

Mr. CLARK. Mr. President, will the Senator from Tennessee yield again to me?

Mr. GORE. I yield.

Mr. CLARK. I thank the Senator from Tennessee for including those references to Pennsylvania in his remarks.

I ask whether he would be willing to have me request unanimous consent to have printed at this point in the RECORD the official letter from the executive director of the Bureau of Employment Security of the Commonwealth of Pennsylvania, with an attached table.

Mr. GORE. Certainly.

Mr. CLARK. Then, Mr. President, I ask unanimous consent to have the letter and table printed at this point in the RECORD.

The PRESIDING OFFICER. Is there objection?

There being no objection, the letter and table was ordered to be printed in the RECORD, as follows:

COMMONWEALTH OF PENNSYLVANIA,
DEPARTMENT OF LABOR AND INDUSTRY,
BUREAU OF EMPLOYMENT SECURITY,
Harrisburg, March 15, 1961.

MR. JAMES SUNDQUIST,
Administrative Assistant to Senator Joseph Clark, Senate Office Building, Washington, D.C.

DEAR MR. SUNDQUIST: Secretary Batt called me from Washington regarding the amendments to the temporary unemployment compensation bill introduced by Senator BYRD. From scanty newspaper accounts I gather that the amendments provide for each State carrying its own tax in this area. If this is so Senator CLARK may be interested in the attached reprint for the last fiscal year which shows that there is already unequal apportionment of Federal grants for administration of the regular unemployment compensation program.

The Federal Government grants administrative funds to each State according to its need and not according to the amount of money collected from Federal employers in that State in the unemployment compensation program. The State of Wyoming, for example, during fiscal 1960 received $914,000 in administrative grants from the Federal Government for unemployment compensation although the Federal Government collected from Wyoming employers only $523,000. This difference was made up by other States where the collections exceeded grants. This has been so for 25 years.

For example, from fiscal 1936 to fiscal 1960 the Federal Government collected from Pennsylvania employers $422,606,000 while the State of Pennsylvania received in administrative grants only $302,067,000, a return of 71.5 percent. This means that $120 million plus collected from Pennsylvania employers in the last 25 years was used by the Federal Government to help other States for their administrative costs.

The attached shows the figures for the fiscal year 1960 as stated but the cumulative total for Pennsylvania is supported by documents in our possession as provided by the U.S. Department of Labor.

I am sure that I do not need to remind you or Senator CLARK that fragmenting the national interest for States as to who gets what would raise the question as to whether or not in a heavy taxpaying State, like Pennsylvania, should support atomic energy installations in Tennessee and Ohio and and missile construction in Florida or dams out west or whether Philadelphia Congressmen should ever vote for farm subsidizing considering the number of farms in Philadelphia.

I trust this material will add something to the picture from your standpoint.

Sincerely yours,

A. ALLEN SULCOWE,
Executive Director.

Estimated Federal unemployment tax receipts and Federal funds allocated to States for administration during fiscal year 1960

[Dollar amounts in thousands]

State	Federal unemployment tax collections [1]	Federal funds allocated to States (including postage)	Ratio of funds allocated to tax collections (percent) by fiscal year			State	Federal unemployment tax collections [1]	Federal funds allocated to States (including postage)	Ratio of funds allocated to tax collections (percent) by fiscal year		
			1960	1959	1958				1960	1959	1958
United States	$338,769	$319,570	94.3	98.[illegible]	88.7	Montana	$878	$1,670	190.2	199.9	165.1
						Nebraska	1,799	1,473	81.9	80.3	73.9
Alabama	4,191	4,322	103.1	107.3	98.1	Nevada	700	1,270	181.4	172.6	150.5
Alaska	394	1,448	367.5	342.2	292.8	New Hampshire	1,185	1,262	106.5	115.2	112.5
Arizona	1,972	3,775	191.4	198.3	193.6	New Jersey	13,654	12,527	91.7	93.1	85.6
Arkansas	1,807	3,219	178.1	211.5	194.9	New Mexico	1,342	1,996	148.7	145.8	139.3
California	34,447	34,105	99.0	105.5	103.3	New York	41,552	47,563	114.5	103.7	100.8
Colorado	2,861	3,070	107.3	112.5	101.9	North Carolina	6,830	5,723	83.8	90.4	85.1
Connecticut	6,397	5,054	79.0	95.7	77.0	North Dakota	555	1,150	207.2	206.7	190.4
Delaware	1,118	775	69.3	67.4	58.9	Ohio	21,507	14,460	67.2	74.9	62.8
District of Columbia	1,888	2,604	137.9	156.7	122.1	Oklahoma	3,079	3,792	123.2	128.6	118.1
Florida	7,372	6,174	83.7	87.2	78.9	Oregon	3,287	3,977	121.0	116.7	118.0
Georgia	5,756	4,356	75.7	80.5	75.0	Pennsylvania	24,531	24,248	98.8	106.3	96.3
Hawaii	1,070	1,029	96.2	113.2	118.6	Rhode Island	1,895	2,839	149.8	154.8	142.8
Idaho	871	2,038	234.0	389.6	201.6	South Carolina	3,126	3,184	101.9	111.6	107.6
Illinois	23,757	14,387	60.6	64.5	57.0	South Dakota	567	860	151.7	152.1	139.7
Indiana	9,639	5,182	53.8	63.4	53.3	Tennessee	5,148	4,134	80.3	87.8	86.4
Iowa	3,732	2,943	78.9	80.4	72.6	Texas	14,603	12,918	88.5	88.3	78.6
Kansas	2,938	2,414	82.2	80.8	75.2	Utah	1,399	2,401	171.6	181.6	162.4
Kentucky	3,645	3,751	102.9	107.4	88.6	Vermont	580	984	169.7	177.6	167.0
Louisiana	4,513	4,019	89.1	85.3	74.0	Virginia	5,523	2,896	52.4	53.7	49.5
Maine	1,555	1,576	101.4	109.6	97.0	Washington	5,282	6,270	118.7	114.6	106.1
Maryland	5,445	5,656	103.9	101.0	92.5	West Virginia	2,897	2,408	83.1	84.2	71.4
Massachusetts	11,872	11,822	99.6	104.5	97.0	Wisconsin	7,384	4,746	64.3	69.0	59.3
Michigan	16,113	15,354	95.3	96.6	86.1	Wyoming	523	914	174.8	184.4	167.5
Minnesota	5,492	4,686	85.3	87.1	78.9	Puerto Rico		1,167			
Mississippi	1,981	3,235	163.3	169.6	163.2	Virgin Islands		82			
Missouri	8,117	5,626	69.3	69.8	66.3	Guam		30			

[1] State distribution estimated on basis of data from the 1959 ES-202 reports, "Employment, Wages, and Contributions," and the accompanying certified report, the ES-202 "Taxable Wage Supplement" for calendar year 1959.

Mr. CLARK. Mr. President, will the Senator from Tennessee yield again to me?

Mr. GORE. I yield.

Mr. CLARK. I wish to commend the Senator from Tennessee and also the distinguished Senator from Illinois [Mr. DOUGLAS], who joined in the minority views, for their willingness to take a broad national view of this program. In both instances, the apparently short-range, selfish interest of the Senator from Illinois and the Senator from Tennessee would seem to indicate that they should support the committee bill. But they have risen above the approach of their short-range, selfish interest and have taken the national point of view. So I congratulate them.

Let me state, for the record, that I am not in so fortunate a position. In my judgment, the committee bill does grave injustice to the Commonwealth of Pennsylvania, so that the selfish interest of my State happens to be the opposite of that of Tennessee or Illinois.

I hope I would be equally broadminded and equally prepared to consider the national interest as are the Senator from Tennessee and the Senator from Illinois, and I commend them for it.

If the Senator from Tennessee will yield further, I should like to ask perhaps three questions, and then I shall be through, and it will not be necessary for me to seek the floor in my own right.

Mr. GORE. I yield.

Mr. CLARK. It is being argued that the system of unemployment compensation which was enacted into law during the days of the Roosevelt administration, in 1935, was a State system, and that we should not now disturb it.

I wonder if the Senator will agree with me that a strictly State system was wrong when it was put into law, it has been wrong every year, and it is wrong now. Surveyors have drawn State lines throughout our country, and the surveyors' lines have divided economic regions into halves, quarters, and tenths, and when we are dealing with economic problems, we should recognize mistakes made in the past and seek a national solution.

I am in favor of national minimum standards for unemployment compensation as pledged by the Democratic platform, and I shall support such a measure if we ever get it out of committee. I am afraid we cannot wait in the meantime. We have this opportunity to do something for the unemployed on the national level.

Again I commend the Senator for leading the fight. I ask him to what extent he disagrees with me.

Mr. GORE. Mr. President, I am hardly prepared to discuss in detail the basic structure of the whole unemployment compensation program. I think there is considerable merit in State responsibility. I think we may have taken it too far on occasion.

Moreover, it seems to me that we may have placed an undue burden upon employers in requiring employers alone, even in this instance, to bear the entire burden of unemployment relief. Nevertheless, this is the system we have, and I suppose there is a limit to what we can do in temporary legislation, the bill before us being temporary in character, designed to meet an emergency situation.

Mr. CLARK. Mr. President, will the Senator yield further?

Mr. GORE. I yield.

Mr. CLARK. Am I correct in my analysis, first, that the House bill is the Kennedy administration bill, strongly supported by the President? Is that statement correct?

Mr. GORE. Really, I am not qualified to answer the question. I suppose it is, but I am not sure.

Mr. CLARK. Will the Senator yield further?

Mr. GORE. Some changes were made by the House.

Mr. CLARK. I will make the categorical statement that the House bill represents the present thinking of the Kennedy administration.

I ask the Senator whether the committee amendment does not, in substance, although not in form, reinstate the principle and thinking of the Eisenhower temporary unemployment compensation act which we enacted 3 years ago, in that it requires each State to bear its own burden of unemployment benefits through reimbursing the Federal Government after the Federal payments have been made.

Mr. GORE. The mechanics of the pending bill are a little different, but, in a practical effect, the Byrd amendment is on all fours with the bill enacted 3 years ago, and in which, I may say, only 17 States participated.

Mr. CLARK. If the Senator will yield once more, I shall be through.

Mr. GORE. I yield.

Mr. CLARK. Let me say to the Senator and to my other colleagues that I am for the Kennedy program, and I am against the Eisenhower program, which I do not think worked for the reason just stated by the Senator from Tennessee.

In the last analysis, the rather technical issue involved in this debate is perfectly simple. It is the simple question of human rights against property rights. It is whether we want to protect the funds and the employers primarily, or whether we want the money to go—in all 50 States, not in only 17 States—to the people who are unemployed. It is

plutocracy against democracy; and I hope the Senate will conclude that it wants to support the President of the United States and help the unemployed people in this country, as opposed to being overly concerned that the employers of the country are able to build up huge reserves.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. GORE. I yield to the majority leader.

Mr. MANSFIELD. I should like to propound a unanimous-consent request, to the effect that there will be a limitation of 2 hours, 1½ on the side of Senators who are in favor of the Byrd amendments, and one-half hour on the side of Senators opposed to the Byrd amendments, and that the request be granted to go into effect immediately.

Mr. JAVITS. Mr. President——

The PRESIDING OFFICER. Is there objection?

Mr. KUCHEL. Mr. President, reserving the right to object, and I am acting in the absence of the minority leader, I wish to ask the majority leader if this proposal has been agreed to by the minority leader.

Mr. MANSFIELD. Yes, indeed.

Mr. KUCHEL. The minority whip has no objection.

The PRESIDING OFFICER. Is there objection?

Mr. CARLSON. Mr. President, reserving the right to object, I inquire whether the agreement means that the Senate would vote in 2 hours, or sooner if time were yielded back.

Mr. MANSFIELD. Yes. If time were yielded back, a vote would come sooner.

Mr. KEATING. Mr. President, reserving the right to object, may I ask whether it would be on this amendment?

Mr. MANSFIELD. On this amendment and amendments thereto, because all the Byrd amendments are scattered throughout the bill.

Mr. KEATING. There are other contested amendments.

Mr. MANSFIELD. Those are not to be considered at this time. They will come later, and will probably be considered then.

Mr. KERR. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. KERR. I should like to ask the majority leader if there are not a number of amendments to the bill.

Mr. MANSFIELD. Yes, but this request is only on the Byrd amendment, which I understand is scattered throughout different parts of the bill.

Mr. KERR. I do not see how one amendment could be scattered throughout different parts of the bill.

Mr. MANSFIELD. The proposal made by the Senator from Virginia was that his amendments be considered en bloc, and the request was agreed to by the Senate.

Mr. KERR. Then, what other amendment is there to the bill?

Mr. MANSFIELD. There is the Williams amendment. There is the amendment increasing the amount of money. I believe they are about all.

Mr. KERR. There is an amendment as to the time for payments.

Mr. MANSFIELD. That is included in the Byrd amendments.

Mr. KERR. I have one other reservation. Why does the Senator ask for 30 minutes for the opponents to the Byrd amendments, and an hour and a half for the proponents? Are the opponents that confident or that good, or have they already taken one hour's time?

Mr. MANSFIELD. The latter part of the Senator's statement is the reason for the difference.

Mr. KERR. If the RECORD shows that the difference in time is based on the fact that the opponents have already used that much time, I have no objection. It is satisfactory. Otherwise, we would not want to take advantage of the opponents.

Mr. MCNAMARA. Mr. President, reserving the right to object, I have been assured by the majority leader that I could have 4 or 5 minutes. I want the RECORD to show that.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana? The Chair hears no objection, and the agreement is entered.

Mr. GORE. Mr. President, I yield to my distinguished senior colleague.

Mr. KEFAUVER. Mr. President, we have all read in the newspapers and heard a great deal of discussion about the purpose and the meaning of the proposed legislation.

It is proposed to give some relief by way of extension of unemployment benefits to unemployed people in various States of the Union. That is the basic purpose of the proposed legislation.

Mr. GORE. That is the purpose for which the bill was introduced and reported to the Senate.

Mr. KEFAUVER. I heard my distinguished colleague say a few minutes ago—and I have read in the portion of the address the Senator has not yet given—that only 17 States participated in the program in 1958, a program along the same line as the Byrd amendments would provide; is that correct?

Mr. GORE. The Senator is correct. The State which my distinguished colleague and I have the honor and privilege of representing was not one of the 17. Therefore, not one unemployed person in the State of Tennessee, and not one unemployed person in many other States, benefited one iota from that program.

Mr. KEFAUVER. What would make anyone believe, if only 17 States participated in 1958, when the program was on the same basis as is provided in the Byrd amendments, that there will be a larger participation in a program at this time?

Mr. GORE. I do not know. I doubt that many more States would participate.

Mr. KEFAUVER. We face the real issue, then. If the Byrd amendments are agreed to there will be only a small measure of relief for unemployed people by way of the extension of benefits in a very few States of the Union.

Mr. GORE. That cannot be stated with certainty.

Mr. KEFAUVER. It can be stated based on experience. That is what happened the last time.

Mr. GORE. The Senator is correct.

Mr. KEFAUVER. That being the case, the purpose of the proposed legislation, which has been advocated so strongly by the President of the United States and which we know is so greatly needed in order to take care of the unemployed people in a very modest way, will not be achieved, and the end result, in a large measure, will be that nothing will be done for the people who are now unemployed.

Mr. GORE. That may be the case. The Byrd amendments, generally referred to as the committee amendments, would require that each State bear the financial responsibility for unemployment within the particular State. In other words, the taxpayers of State A will not be required, no matter how fortunate the State may be with reference to its economy, to make any contribution toward the unemployment distress in State B. This would be true with respect to each State. The amendments undertake to draw a line around each of the 50 States. Indeed, the amendments would do so with respect to the program, financially, and plainly would require that each State bear its own burden.

Mr. KEFAUVER. At the same time corporations, which come under the program in all the 50 States, will have to pay an increased tax for this purpose. The corporations will have to pay the tax even though a State does not come under the program and does not give to unemployed people in the State any additional entitlement in respect to benefits.

Mr. GORE. The tax would be levied on the employers in all States. It would remain for the States themselves to participate or not to participate in the program, so far as payment of benefits to the unemployed is concerned.

Mr. KEFAUVER. The tax would be levied on all employers, and it could not be returned to a State until 1963, which would not do the unemployed people any good during the present emergency.

Mr. GORE. Meanwhile, the States would be eligible to obtain advances from the Federal Government with which to make the payments for the extended period of benefits. However, that is true under present law. No new bill is needed to bring that about. Already there is authorization legislation for the making of an appropriation for this purpose. Already the Federal Government is authorized to make such loans. In that respect, the bill, if amended by the committee amendments, would provide no real improvement.

Mr. KEFAUVER. It appears to me, from the discussion I have heard, that if the Byrd amendments are agreed to a death blow will be death to one of the most urgent and most important parts of the Kennedy administration program; namely, the giving of some additional entitlement to the unemployed workers across the nation at the present time.

Mr. GORE. Let us make no mistake about it. If we follow the principle that each State is to pay for benefits to its own people, there is no need to pass the bill. Let us make no mistake about it.

Mr. KERR. Mr. President, will the Senator yield?

Mr. GORE. I will yield in a moment.

Let us make no mistake about it. If we adopt the principle of the committee amendments, then we shall not have a national solution for a national problem, but each State will have to bear the responsibility for the unemployed people within that State.

Mr. KEFAUVER. I compliment my colleague for the minority report and for the position he has taken. I think it is most important for our Nation, and particularly in order to get us back on the road to recovery, that we do something for the unemployed people today. The position of my colleague should be sustained, and I commend him highly.

Mr. GORE. I thank my distinguished colleague for his generosity.

Mr. KERR. Mr. President, will the Senator yield?

Mr. GORE. I yield to my distinguished friend and colleague the able senior Senator from Oklahoma.

Mr. KERR. As I understood the Senator, he said that if the States wished to have the program of benefits for the unemployed people, no new law was needed, either the House bill or the Senate committee bill. In other words, if the States desire to provide the program of benefits which would be possible under the Senate committee bill, the States would not need to have either the House bill or the Senate committee bill passed.

Mr. GORE. No State——

Mr. KERR. Did the Senator make that statement, or not?

Mr. GORE. Let me state it in my own way.

No State requires authority from the Congress to provide unemployment compensation benefits to the citizens of that State.

Mr. KERR. That was not the statement to which I referred or the principle to which I referred.

Mr. GORE. Very well.

Mr. KERR. The Senator from Tennessee was addressing himself to the Finance Committee bill.

Mr. GORE. That is correct.

Mr. KERR. As I understood the Senator, he said that if a State wished to give to unemployed people in the State the benefits available under the Senate Finance Committee bill, the State did not need to have any bill passed.

Mr. GORE. Why?

Mr. KERR. Did the Senator make that statement? Did I correctly understand the Senator?

Mr. GORE. An appropriation bill would be necessary. So would an appropriation bill be necessary to provide funds authorized by the pending bill, if enacted as amended by the committee amendments. It all depends upon what the Senator calls a bill.

Mr. KERR. I was only trying to quote the remarks of the Senator from Tennessee.

Mr. GORE. Let me state the situation as I understand it, and then we shall have no difficulty understanding each other.

I know of no Senator who can speak with greater clarity or one who can understand with more prescience than my distinguished friend from Oklahoma.

Mr. KERR. I thank the Senator.

Mr. GORE. Under present law the Federal Government is authorized to make loans to States with respect to its unemployment program.

Mr. KERR. Does the Senator refer to present law?

Mr. GORE. The basic act. I cannot give the code designation.

Mr. KERR. The Senator has not been referring to the 1958 act?

Mr. GORE. No, I am not referring to the 1958 act.

Mr. KERR. The Senator from Tennessee is referring to the basic act?

Mr. GORE. That is correct.

Mr. KERR. Does not the basic act provide a program of retention of certain portions of the unemployment taxes paid by employers to States in order to create a fund from which such loans can be made?

Mr. GORE. That is correct.

Mr. KERR. Is there any authorization in the basic law for loans other than those obtainable from the loan fund created by the basic law?

Mr. GORE. I am not sure that there is such.

Mr. KERR. Let us get the facts before us. Let us get the proper premise.

The Senator said that under existing law loans could be made to the States. I am trying only to have the RECORD show to what loans he refers and what the provisions of the law are.

Mr. GORE. I understand it is the basic Unemployment Compensation Act as amended. When it was amended I am not certain.

Mr. KERR. That question is immaterial. All the Senator from Oklahoma is endeavoring to do is to get the facts before us upon which we can agree as the premise.

Mr. GORE. The able Senator from Oklahoma went further and referred to the division of proceeds of taxes as between the Federal Government and the States. The loan program need not of necessity be concerned with such a division. The loan program is already authorized, as I understand, whereby the Federal Government can make a loan—an advance—to a State.

Mr. KERR. I believe if the Senator from Tennessee will advise with his consultant, he will find that the premise contained in the question of the Senator from Oklahoma was accurate.

Mr. GORE. As I tried to say, the authorization exists for the making of a congressional appropriation for the purpose of advancing funds to States for their unemployment compensation program, if the States wish, and do in fact extend the period of benefits to which their unemployed would be entitled. That is my understanding. Does the Senator from Oklahoma understand differently?

Mr. KERR. I do. I understand the situation very differently. I should like to have the staff member who is familiar with the exact division come over here so one of us can be able to substantiate his position. The Senator from Oklahoma understands that there is a provision of existing law for a loan fund that accumulates up to a certain amount in the orderly operation of the Unemployment Compensation Act.

Mr. GORE. Does the Senator not understand that there is an authorization for an appropriation to that fund which would add to it?

Mr. KERR. As I understand, the proceeds flow into the fund automatically under the existing law until the fund reaches a certain amount.

Mr. GORE. Yes; such is true as a consequence of the tax. But there is an authorization for an appropriation in addition to what the Senator has stated, as I understand.

Mr. KERR. Let us find if there is; and, if so, what it is.

Mr. KUCHEL. Mr. President, I wonder if the Senator from Tennessee will yield to me?

Mr. KERR. The Senator from California will get the Senator from Oklahoma farther off the track than he now is.

Mr. KUCHEL. That I would not wish to do.

Mr. KERR. I hope the Senator from California will not contribute to his already slight confusion.

Mr. KUCHEL. Such thought is farthest from my mind, although I have some questions I should like to ask.

Mr. RANDOLPH. Mr. President, will the Senator yield?

Mr. GORE. I yield.

A NATIONAL PROBLEM REQUIRES A NATIONAL RESPONSIBILITY—WEST VIRGINIA WOULD BE PENALIZED UNDER BYRD AMENDMENT

Mr. RANDOLPH. Mr. President, when the Senate Finance Committee, over the objections of the Senator from Illinois [Mr. DOUGLAS] and the Senator from Tennessee [Mr. GORE], amended the temporary unemployment compensation bill before us, a national problem was, in fact, turned back to the individual States for solution.

Mr. President, it has been my concept that the effort to solve a national problem requires the assumption of national responsibility.

But the amendment which would require that the additional tax to be paid by employers in each State will be credited to that State's reserve fund is one which will create deficits in the unemployment compensation funds of 10 States and surpluses in those of the 40 others, according to the most common interpretation.

West Virginia is not only one of the 10 States which, under the terms of this amendment, would suffer a deficit—it is one of only four States in which employers already are paying the maximum unemployment compensation tax rate of 2.7 percent because of the inordinately high degree of joblessness which has too long prevailed in our State.

In 1963, of course, our employers will have to begin repayment of the advances provided under the Temporary Unemployment Compensation Act of 1958—a total of $9 million.

Mr. GORE. Does not the Senator believe that if an additional burden is laid upon the employers and the business and the economy of his State at this

particular time of distress, the situation might be made worse, instead of better?

Mr. RANDOLPH. The Senator is certainly correct.

In addition to the base tax increase of this bill, the Senate Finance Committee proposes that—starting in 1964—West Virginia and the other nine deficit States will have to make up the decrement by paying another increased tax rate, if benefits paid exceed income, as most assuredly would be the case in our State if we participate in the program which this measure would establish.

I say this because it is estimated that the four-tenths of 1 percent tax increase provided under the pending bill will yield in the neighborhood of $8 million over a 2-year period in West Virginia. Estimated benefit payments to eligible unemployed would greatly exceed that income.

Now, Mr. President, in the light of these probabilities, I request permission to direct this inquiry to the chairman of the Finance Committee:

Do West Virginia and the other States said to be facing deficit status under the terms of the committee amendments have the right to stop benefit payments when they have used up the reserve fund to be created by the four-tenths of 1 percent base tax rate—in West Virginia's case a fund estimated to be in the neighborhood of $8 million?

Or, stated another way, is this so-called national legislation going to force West Virginia and other States to create a deficit if they sign an agreement with the Federal Government to participate in this program?

If so, I say this certainly is a peculiar form of national legislation.

Mr. President, if the principle that 40 States have no obligation to help equalize unemployment compensation problems over the whole Union of 50 States in a time of emergency, I say that a new philosophy is here being induced.

I point out that in West Virginia we have practically no eligiblity for Federal aid for education to so-called federally impacted areas, yet West Virginia taxpayers contribute to the National Treasury from which impacted area aid is paid to help the educational systems of other States. West Virginians in the Congress have, in the main, consistently supported this program as being in the national interest.

Furthermore, statistics doubtless will bear out, too, that West Virginia taxpayers pay to the Federal Government huge sums for the furtherance of the national defense effort, including the operation and maintenance of large defense installations which yield large payrolls to help the economies of numerous States other than West Virginia, not excepting our mother State, the Commonwealth of Virginia.

We are being shortchanged in West Virginia, insofar as distribution of the defense dollar is concerned, but we pay our portion of that defense dollar as a part of our obligation to the common defense of the Union of States.

I say again, Mr. President, that a strange new concept is being born in this amendment to a bill which is supposedly intended to be in the national interest.

Amendments of this nature, if enacted, will stand like tombstones over the prostrate forms of States which already have been bypassed by the last wave of national prosperity and which suffer in even greater degree when recession strikes or a so-called downturn of the economy develops.

Mr. GORE. I thank the able Senator for his contribution.

Mr. McNAMARA. Mr. President——

The PRESIDING OFFICER. How much time does the Senator from Tennessee yield to the Senator from Michigan?

Mr. GORE. I yield 4 minutes to the distinguished Senator from Michigan.

Mr. McNAMARA. Mr. President, the purpose of the pending bill is to provide a temporary program of extended unemployment compensation to workers who have exhausted their unemployment benefits under existing State and Federal laws.

In its report on the bill the Committee on Finance states:

> Such a program is necessary to help offset the effects of the current recession on unemployed workers and on the Nation's economy.

Let me emphasize here that the committee does not speak of offsetting the effects of the current recession on the unemployed workers in certain States, in a number of States, or even in a select group of States.

It speaks only of the unemployed workers—period. What is more, it also speaks of the Nation's economy and the effects of the recession on the Nation's economy.

One would suspect, on the basis of these words, that the committee has finally recognized what should have been obvious to everybody for many, many years—that these recurring recessions in our economy are not local problems, that they are not the problems of Michigan, Pennsylvania, or even New York. They are the problems of the Nation as a whole.

The administration bill that passed the House provided that the $827 million estimated cost of the program was to be financed by Treasury advances, to be repaid by a temporary increase in the Federal unemployment tax.

Under the bill as amended by the Finance Committee the cost of the program will be borne in each State by the employers in that State.

Thus, if the additional tax imposed by the bill exceeds the amount of temporary benefits in a State, the excess will be credited to the State's account in the unemployment trust fund.

If the additional tax is not sufficient for the payment of temporary benefits in any State, the difference will be repaid to the Federal Government by employers in such State beginning 1964.

The net effect of the committee amendment, then, is to plunge into deeper financial trouble those States that are the hardest hit by the national recession.

It is national recession, although the amendments of the Finance Committee seek to ignore that fact.

It is true, of course, that unemployment is heaviest in certain industrial States.

But the recession was not caused by anything these States may or may not have done.

The causes of the recession are national—a drop in the purchasing power of the Nation.

Is Michigan to be blamed because the demand for automobiles has fallen off? Is it the fault of the steelworkers of Pennsylvania that the steel mills operate at half their capacity rate?

Obviously not. The causes of these recurring recessions are national, and hence the burden of caring for the innocent victims of the recessions should also be national.

The President has recognized this fact. The House of Representatives has recognized this fact. But the Senate Finance Committee has not.

The Finance Committee wants us to look at our economy as a conglomeration of 50 different isolated economies in 50 different States.

The Finance Committee sheds crocodile tears over the fact that under the House bill some 40 States might help pay the cost of the extra burden of unemployment in the remaining 10 States.

But let us not forget that these 10 States are the industrial States which produce most of the wealth of this Nation.

These are the States which pay most of the taxes of this Nation.

These are the States which, in the past, have borne more—much more—than their proportionate share of the burden of our national existence.

Yet these States do not ask anything in return; they do not ask for alms; they do not even ask to be relieved from carrying, year after year, a more than proportionate share of the tax burden of the Nation.

All they ask for is that when through the operations of the oft-blind forces of national economy a recession hits us, the Nation stand by them and help them to recover their economic health, and thus the economic strength of the Nation.

Virginia will not long be prosperous if Pennsylvania is in a recession.

Alabama will soon suffer if the workers of Michigan stay idle. The Minnesota farmer will suffer too if the Ohio plants stay shut down.

There is no such thing as selective prosperity. We are all in the same boat, and the sooner we recognize it, the better off we shall be.

Michigan is one of the first States to be hard hit in this current recession.

The bill, if properly enacted, would provide a welcome and vital relief for some 300,000 of our workers.

It is important that we enact the bill with the utmost speed. But it is equally important that we do not penalize States like Michigan for having long been in the vanguard of our industrial civilization—for having produced, year after year, most of the automobiles, the steel,

and the machinery that has made this country strong and great.

It is not our fault that the demand for our goods fluctuates violently with the fluctuations of our economy. It is not our fault that our unemployment is higher in recessions than the unemployment of many other States.

But if it is not solely the fault of Michigan, then it is not solely the responsibility of Michigan to carry the whole burden of our recovery.

It is up to the Nation as a whole to regain prosperity in the entire Nation as well as in Michigan.

I would like to call to the attention of my colleagues who make their pious protests about taking on part of our burden in the bill that this is a two-edged sword.

There are many Federal programs which take our tax dollars from Michigan and the other industrial States to help support and strengthen the so-called poorer States.

As a Senator from Michigan, I am under continual pressures from those in my State who keep a balance sheet on Federal tax collections in Michigan and the eventual return of those tax dollars, and who express shock that sometimes more goes out than comes back in.

I dismiss these arguments as short-sighted, because I hold that we are one country, and not merely a collection of 50 States.

We are one people, whether we are born in Mississippi or Michigan.

If we help the people in one area, we help our Nation become stronger.

That is the philosophy behind the Tennessee Valley Authority.

That is the philosophy behind the equalization formulas in such programs as aid to dependent children, aid to the blind, and old age assistance, which gives the poorer States a greater proportionate share of the funds.

But if the representatives of those States seek to penalize us in Michigan when we seek needed help in the bill, then they cannot look for my assistance in the future when they seek subsidies for their people.

Mr. GORE. Mr. President, it is said that the only effect of the committee's amendment is to provide that each State will support its own program and no more. But let us examine the way in which the program would operate.

It must be remembered that the tax levied is a Federal tax. It will be paid by employers in each State whether or not that State elects to participate.

Let us suppose that State A elects not to participate in the program. Employers of that State will pay the tax but no unemployed person will receive any benefits at all from the revenues derived by that tax. The money will simply be credited to that State's trust fund account in December of 1963. Now, this would permit a reduction in payroll taxes levied in that State sometime after 1963, but it would do nothing in 1961 except to provide for a tax increase in time of economic recession, with no compensating benefits.

If we are to follow the principle that each State is to pay for its own benefits, there is no need for this bill. Existing law provides that a State may borrow from the Federal Government to increase benefits to unemployed workers in that State, with repayment to be made after 2 years. The terms of repayment are much more advantageous than those provided in the committee bill, under which repayment would be started immediately. In fact, for many States the committee bill would create a situation in which taxes would be paid in advance, to be recouped 2 years later. I hope, Mr. President, that the economic situation in 1964 will be better than it is today, but the purpose of this bill is to meet the problems of today.

The issue is simple. The Senate must decide whether we shall effectively fight recessions in our national economy with national programs or on a hit-or-miss, inadequate and inequitable State-by-State basis.

It is proposed by the committee amendment to let each State care for its own. This may have some appeal for those who like to hark back to the days when life in America was characterized by the westward march to the frontier and the typical American was the owner and operator of a family farm. Such conditions no longer prevail. Cincinnatus is no longer to be called from the plow but from the factory, the trades and businesses, from the halls of commerce, from industry.

This is an issue on which the frontiersmen of today may unite to meet the challenges of our time. Though the pending issue is not all-encompassing, vast portents ride with the ultimate outcome of this battle.

I now yield to the Senator from Oklahoma.

Mr. MONRONEY. Mr. President, I compliment the distinguished Senator from Tennessee on his address. He brings into being the lessons that we should have learned during the great depression of the 1930's. Having served in Congress through a part of that period, it is clear to me that when an infection strikes one part of the body, it can very quickly go through the rest of the body. If we try to treat this incipient recession as a purely local infection, as the Byrd amendments do, we ignore the lessons of history, and in effect are giving a do-it-yourself kit to each of the 50 States where the infection started.

Mr. GORE. Some States are equipped to do it themselves, and some are not.

Mr. MONRONEY. That is correct. Unemployment in Michigan or Massachusetts reduces gasoline consumption and in that way reduces the production of oil in Oklahoma. It reduces, likewise, the consumption of beef, whether it be white-faced Hereford or Angus, in those areas. A chain reaction is set up by pockets of great unemployment.

One man out of work in one State will at least statistically put a fraction of another man in another State out of work, because the unemployment lessens the market for a product.

I congratulate the distinguished Senator from Tennessee for moving on an overall basis to try to prevent what could grow into a national recession. A recession in Massachusetts is not a local problem, because it will finally affect the other States as well, including Oklahoma. If the taxing powers of the 50 States can be used to aid my State with old-age assistance, in public works, in soil conservation, in disaster relief, in small business loans, in farm programs——

Mr. GORE. Does not the Senator realize that the Federal contribution to old-age assistance in the State of Oklahoma far exceeds the Federal contribution for such purposes in the State of New York?

Mr. MONRONEY. I presume so.

Mr. GORE. I will show the figures to the senior Senator from Oklahoma. I will read from the table entitled "Grants to States for Public Assistance." It lists Oklahoma as receiving $51,773,476. It lists New York as receiving $46,732,734. I give my distinguished friend the record. If it is in error, then I am in error. I am reading from the table.

Mr. KERR. I am happy to have the Senator introduce the table into the RECORD. His statement was that the amount received by Oklahoma far exceeds what the State of New York receives. I believe the difference is about 10 percent.

Mr. GORE. I withdraw the word "far."

Mr. KERR. Then I agree with the Senator's statement.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. DOUGLAS. Is it not true that the population of New York is about eight times the population of Oklahoma?

Mr. GORE. If I must choose between New York and Oklahoma——

Mr. HUMPHREY. I suggest that the Senator take Minnesota.

Mr. GORE. If I must choose between New York and Oklahoma, I am afraid, with my good friends from Oklahoma here, my heart would lean a little toward Oklahoma.

Mr. MONRONEY. I merely mention some of these things because the larger States have been very much concerned by our problems in Oklahoma connected with disaster relief and with the floods and tornados that we have experienced in our part of the country.

They do not question whether we have paid in as much per capita as they have. We will have to pay in under the bill $8,900,000, and will receive $5,800,000. I am not ashamed to help contribute to the relief of a national depression by foregoing $3 million. It is our good fortune not to have the greatest amount of unemployment in the Nation and so we can assist our sister States. What may be a recession in New York today may be a major depression in Oklahoma tomorrow. It may be a major depression in Montana or Wyoming the day after tomorrow.

Mr. GORE. Unless we move effectively to correct current recessionary conditions, the recession may deteriorate into a national depression.

Mr. MONRONEY. In other words, we had better treat the cancer promptly.

Mr. GORE. Yes.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. KUCHEL. I seek information, and I direct the Senator's attention to page 4 of the bill. My State of California has a history of endeavoring to deal sympathetically with respect to the problems of the unemployed. The laws of the State of California provide for the maximum unemployment insurance benefits of 39 weeks. Provision was made in the bill as it came to the Senate from the House to provide for some reimbursement to those States which under their State laws treated beneficiaries of unemployment compensation more liberally and thus granted them 39 weeks, in an instance like that of my own State, instead of those which grant less.

Am I not correct in assuming that the provision commencing on line 21, page 4, was an attempt to provide for some equalization between those States, like my own, which grant more benefits and those States which grant less benefits?

Mr. GORE. Yes.

Mr. KUCHEL. Why, if the Senator from Tennessee can tell me, was that section stricken from the bill?

Mr. GORE. I would rather have Senators who wish to strike it from the bill explain the reasons therefor.

Mr. KUCHEL. Then I invite Senators on either side of the aisle to enlighten me—because I seek information—as to why that provision was deleted.

The PRESIDING OFFICER. The time of the Senator from Tennessee has expired.

Mr. KERR. I yield to the Senator from Tennessee 5 minutes from the other side of the time.

Mr. KUCHEL. I should like to ask one more question.

Mr. GORE. Then I promise to yield to the Senator from Ohio.

Mr. KUCHEL. I should like to have some Senator tell me what motivated the committee to delete that section. Under the bill as it came from the House, the fractional percentage of increase in the unemployment compensation tax would be paid for the calendar years 1962 and 1963. Is that not correct?

Mr. GORE. In the House bill.

Mr. KUCHEL. Under the law as it now stands, those payments would be made by business units on the first day of January 1963, or the first day of January 1964.

Mr. GORE. That is correct.

Mr. KUCHEL. Do I correctly understand the Senator from Tennessee to say that in the committee bill the taxable years are 1961 and 1962?

Mr. GORE. That is a part of the Byrd amendments.

Mr. KUCHEL. Am I to understand, therefore, that the tax would be retroactive to the first day of January 1961?

Mr. GORE. That is correct.

Mr. KUCHEL. Can any Senator enlighten the Senator from California as to the basis for that change?

Mr. GORE. The distinguished senior Senator from Virginia [Mr. BYRD] stated earlier his reasons for that. I did not support it. I think it is not desirable in antirecession legislation to impose a heavier payroll tax in 1961, when we are suffering from a recessionary condition from which we are trying to recover.

Mr. KUCHEL. The bill as it passed the House would impose the tax as of the coming January—1962?

Mr. GORE. It would impose the tax on 1962 payrolls.

Mr. KUCHEL. I thank the Senator from Tennessee.

Mr. GORE. Mr. President, I yield to the Senator from Ohio.

Mr. LAUSCHE. I have listened with great interest to the discussion about the alleged difference between the provisions of the House bill and those of the Senate dealing with the right of the unemployed to participate in the fund. I should like to have the Senator from Tennessee point out to me the language in the bill which establishes his claim that if the version of the Senate shall be adopted, certain States will not participate in the compensation.

Mr. GORE. I did not make the categorical statement that States would not participate. I said that we could at least judge the future by the past, and that when such a program was enacted 3 years ago, only 17 States participated, none of which has as yet repaid the advance made to it.

In practical effect, the Byrd amendment would encompass the same kind of program. I therefore drew the conclusion from past experience that a great many States would not participate now.

Mr. LAUSCHE. I would like to have the Senator point out the language.

Mr. GORE. I will yield to the Senator from Illinois, who can give us enlightenment on that subject.

Mr. LAUSCHE. The language that points out that under the House bill all the unemployed will participate, ipso facto, and that under the Senate bill they will not, unless an agreement is made with the Federal Government.

Mr. DOUGLAS. Mr. President, the Senator from Tennessee has treated this subject very well, but if I may be permitted to amplify it slightly, let me say that under the Byrd amendments there is a direct incentive for employers to put pressure upon their State governments not to participate, because if a State refuses to participate under the Byrd amendments, it will get the additional revenue from the added tax in any event.

Mr. GORE. And that can be used for a reduction of its own tax.

Mr. DOUGLAS. But no benefits will be paid to the unemployed. The result is that those sums will go into the State unemployment insurance fund. This will permit the contributions which the employers make under the universal merit rating system to be reduced. Therefore, this is a direct incentive to the employers in a given State to try to get their State not to accept the act and not to participate.

Mr. LAUSCHE. The tax will become mandatory on all employers.

The PRESIDING OFFICER. The time of the Senator from Tennessee has expired.

Mr. LAUSCHE. The Senator still has not pointed out the language.

Mr. KERR. Mr. President, I yield 3 more minutes to the Senator from Tennessee.

Mr. GORE. If the Senator will turn to page 4 of the bill, beginning on line 22, he will find stricken from the bill provisions running through line 10 on page 5. They are the provisions for reimbursement.

If the Senator will turn to page 21, beginning on line 10, he will find the additions to the bill by way of the committee amendment running from line 10 on page 21 through pages 22 and 23, and through line 8 on page 24.

There are other changes within the 25-page bill which are a part of the Byrd amendments; but I have called to the attention of the Senator from Ohio the particular provision about which he inquires.

Mr. LAUSCHE. Then it is the position of the Senator from Tennessee that the four-tenths of 1 percent tax will become mandatory upon all employers throughout the country; and that the payment of compensation will be made only in those States wherein the authorized agency enters into an agreement with the Federal Government to participate in the program?

Mr. GORE. That is correct.

Mr. LAUSCHE. Is it the Senator's contention that those provisions are contained in the House bill but are not in the Senate bill as it is now pending?

Mr. GORE. It is the other way around. The provisions for State participation are in both the bills to which the Senator has referred.

Mr. LAUSCHE. State participation is provided in both bills?

Mr. GORE. That is correct.

Mr. LAUSCHE. But is there any difference in the rights of the unemployed when one State participates and another State does not?

Mr. GORE. Under the House bill, the Federal Government will make advances to the States by an agreement—if the States so agree—but under the House bill there would not be the credit of the revenue from the taxpayers in each State to the account to which that particular State has entitlement.

On the contrary, under the Senate bill, the payments in each State would be credited to the account on which that State would be entitled to draw; and their entitlements would accrue whether benefits were paid or not.

Under the House bill——

The PRESIDING OFFICER. The time of the Senator from Tennessee has expired.

Mr. KERR. Mr. President, I yield myself five minutes.

I should like to address myself, first, to the reimbursement provision in the House bill, proposed to be taken out by the Senate bill.

Under the reimbursement provision in House bill, an unemployed person would not get a dollar of the amount of the tax which would be collected under the House bill. Actually, under the House bill, about $100 million of the tax imposed would be used to reimburse the States which had already paid 39 weeks under their program, for the amount they had paid beyond 26 weeks.

So, actually, in the States where this help is needed the most, in order to aid the employees who need it the most, the money would go back to the State fund, to reimburse the State, but not for the purpose of being paid to those who were unemployed and who had been out of work beyond the period of time during which benefits were provided by the State, if the benefits were paid for 39 weeks.

So the reimbursement provision which the Senate committee took out would have increased the flow of money to the unemployed, rather than decrease it, because all the money used to reimburse the State fund would be with reference to the benefits already paid by the State, and therefore would not be available for the payment of benefits to the unemployed in that State, to the extent of the money reimbursed to the State.

Mr. KUCHEL. Mr. President, will the Senator from Oklahoma yield?

Mr. KERR. First, Mr. President, I wish to set right, for the record, the other matter the Senator from Ohio was discussing with the Senator from Tennessee. No State has to accept this money and pay it to the unemployed—either under the House version or under the Senate committee version.

Mr. LAUSCHE. I should like to have one matter clarified. Let me ask whether the Senator from Tennessee has heard this statement.

Mr. KERR. Mr. President, I am glad to yield to the Senator from Ohio for a question, but not to ask questions of the Senator from Tennessee, although I wish to say there is no abler man on this floor—either in understanding or in debate—than the Senator from Tennessee.

Mr. GORE. Mr. President, will the Senator from Oklahoma yield at this time to me, so that I may thank him? [Laughter.]

Mr. KERR. If the Senator from Ohio wishes to obtain clarification from me, I shall be glad to provide it; but I shall not attempt to clarify the position taken by the Senator from Tennessee.

Mr. LAUSCHE. I thank the Senator from Oklahoma. Let me ask whether I correctly understand that it is the view of the Senator from Oklahoma that neither under the Senate committee version of the bill nor under the House version is a State mandatorily obliged to participate.

Mr. KERR. The Senator from Ohio is eminently correct.

Mr. LAUSCHE. Very well. I thank the Senator.

Mr. KERR. Under the provisions of the House version, the money is available if the State agency wants it. Under the Senate Finance Committee version, the money with which to pay the benefits would be available to the State, if the State wanted it.

Mr. DOUGLAS. Mr. President, will the Senator from Oklahoma yield?

Mr. KERR. In just a moment. The Senator from Illinois should not point his finger at me in that way; I shall yield without having him point his finger at me.

Mr. DOUGLAS. Why should not I point my finger at the Senator from Oklahoma? He frequently points his finger at me. Why should he not be willing to take what he gives?

Mr. KERR. Neither of us is willing to do that. [Laughter.]

My point is that under neither version of the bill is it mandatory that the State accept the money and use it to pay the benefits to the unemployed.

But there is this difference: Under the House version, the money could not be used by the State for payment to the unemployed, because the State would use the money to reimburse the fund for what the State had already paid out to the unemployed. So, actually, more money would be available for payment to the unemployed under the Senate committee version than under the House version.

Does that answer the question of the Senator from Ohio?

Mr. LAUSCHE. Yes, it does.

Mr. KUCHEL. Mr. President, will the Senator from Oklahoma yield to me?

Mr. KERR. I yield.

Mr. KUCHEL. Let us consider a State which has a State law which provides for unemployment compensation benefits for a maximum of 39 weeks. Let us assume that X has received unemployment compensation for a period of 30 weeks. Will the Senator from Oklahoma enlighten the Senate as to what the House version would do in such a case?

Mr. KERR. The House version would reimburse the State for 4 weeks and would give the State the money with which to make payments to the beneficiaries for an additional 9 weeks. But the Senate committee version would do identically the same.

Mr. KUCHEL. What would the Senate committee version do?

Mr. KERR. The Senate committee version provides the money with which to make the payments for an additional 9 weeks.

Mr. KUCHEL. In other words, the Senate committee version turns its back on States that have seen fit to treat this problem a little more liberally, does it?

Mr. KERR. Not at all. This bill does not provide for a general tax. It provides for a tax on employers, with reference to the employees they have; and it provides a system of benefits for the employees, out of the proceeds of the tax on the employers.

Furthermore—and I want all the States represented here to know this further thing that the House version does—the House version would collect between $50 million and $100 million more than enough to pay the benefits called for by the House version and more than enough to reimburse the States about $100 million, and have a fund further to enrich the trust funds of the States, not on the basis on which the States pay the money into the fund, but on the basis of the relationship between the total benefits in the State and the total benefits in the Nation.

So not only do 40 States pay out more money than they get back, with reference to the part of the money that is spent for the benefit of the unemployed; they get less than they have paid in, with reference to the balance left over after all the benefits under the bill are paid and after all the obligations created by the bill are honored and liquidated, because then the larger States get the lion's share of the money—without relation to what they have paid into it—that is left over, after all the benefits provided for are paid, and after the reimbursement is provided for and paid, and after the distribution of the balance is underway.

Mr. KUCHEL. Is it fair to take the position that since the Senate committee version eliminates the reimbursement section, it discriminates against the States which have more liberal compensation benefits?

Mr. KERR. Not at all.

The PRESIDING OFFICER. The time the Senator from Oklahoma has yielded to himself has expired.

Mr. KERR. Mr. President, I yield myself 5 more minutes.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized for an additional 5 minutes.

Mr. KERR. Mr. President, we have been talking about what the States will receive. I love the State of California, even as I reel under the knowledge that California receives 10 percent of every dollar allocated by the Federal Government for interstate highways, while the other 49 States get the remainder.

Mr. KUCHEL. Is my friend crying because of that fact?

Mr. KERR. Yes, I have to, in order to equal the crying the Senator from California does because of the fact that under this measure Oklahoma receives a little more money than California does.

Mr. KUCHEL. Oklahoma never had a better friend in this Chamber, for its projects in Oklahoma, than the Senator now speaking from his desk on this side of the aisle.

Mr. KERR. Mr. President, the Senator from California is correct; and the Senator from Oklahoma satisfies his great friend, the Senator from California, so long as he gives him back two for one. [Laughter.] And I shall continue to do so, because there are many Oklahomans in California.

Mr. KUCHEL. Mr. President, I shall now take the handkerchief from my pocket and tender it to my friend, because I can see the tears in his eyes.

Mr. KERR. Mr. President, the Senator from California is confused by the reflection from his own glasses.

Mr. KUCHEL. Mr. President, my friend, the Senator from Oklahoma, is dancing a little jig; he is trying to avoid answering my question.

I say again that, in my judgment, when a State which deals more liberally with unemployment than do some other States is penalized, I believe that fact should be made known to the Senate. I happen to believe that this problem is a national one, and I believe that the people of California should be—and are grateful to the Federal Government for what it has done for them, and, as a Senator, I want to deal fairly with unemployment, whether in the State of my friend, the Senator from Oklahoma,

or in my State of California, in the temporary, 2-year bill we now consider.

But I do not obtain a satisfactory answer from my friend, when he tries to explain away the elimination of the reimbursement features which the House of Representatives approved.

Mr. KERR. I can understand how the Senator from California would like to have Oklahoma employers reimburse California employers for the program California law has made available to the employees in California.

Mr. KUCHEL. What is the maximum number of weeks for which benefit payments are available to an unemployed person in the beloved State of my beloved friend?

Mr. KERR. Thirty-nine weeks.

Mr. GOLDWATER. Mr. President, will the Senator from Oklahoma yield to me?

Mr. KERR. I yield.

Mr. GOLDWATER. Is it not the opinion of my good friend, the Senator from Oklahoma, that it is the right of Oklahoma to determine that matter, and that it is not the business of California to say whether that period in Oklahoma will be 30 or 29 or 39 weeks?

Mr. KERR. The States have that right under the statutes enacted by the Congress.

First, let me take a moment to reply to the Senator from Arizona.

Mr. KUCHEL. I wish to speak, too.

The PRESIDING OFFICER. The additional time the Senator from Oklahoma has yielded to himself has expired.

Mr. KERR. Mr. President, I yield myself 3 minutes, so that I may visit with the Senator from Arizona.

Under the laws of Congress, the States are authorized to establish these programs. I did not intend to go into this subject at this time. I had intended to go into it a little later. I wanted to yield to the Senator from Delaware.

The Senator from Tennessee started his statement by saying, "This does not federalize unemployment compensation," and then he went on to say, repeatedly, "This is a Federal program."

I think the Senate should understand the accuracy of the latter statement. Both statements cannot be accurate. I submit that to the extent it is a Federal program, it does federalize the program.

Mr. GORE. Mr. President, will the Senator yield?

Mr. KERR. Which program are we talking about? We are talking about the unemployment compensation program; and therefore, to the extent that the bill makes it a Federal program, it does federalize the program; or else I do not understand the meaning of the word.

Mr. GORE. Mr. President, will the Senator yield?

Mr. KERR. I yield.

Mr. GORE. I shall be pleased to have the opportunity to state the meaning of the terms as I used them and as I intended them. The program under consideration is an emergency one to provide benefits for those who have exhausted the benefits to which they were entitled under the basic unemployment compensation program and their own State laws.

Mr. KERR. That is true of either version of the bill.

Mr. GORE. That is true of either version of the bill.

Mr. KERR. Either one.

Mr. GORE. Neither version of the bill would change the basic unemployment compensation law. The pending bill, whether amended by the committee amendments or unamended, superimposes for emergency purposes, for a limited period of time, the extension of benefits not provided by the regular program. That is why I say the emergency bill does not federalize the unemployment compensation program.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. KERR. I yield myself 1 more minute.

Mr. GORE. It does not federalize the unemployment compensation program. In making that statement I was referring, and do now refer, to the basic unemployment compensation program. When I say the pending bill is a Federal program, I say it is a Federal program because it levies a Federal tax, for a specified period, and makes available to the States, funds with which to pay additional benefits not provided for by the basic unemployment compensation law.

Mr. KERR. Mr. President, I yield myself 5 minutes.

So the statements of the Senator from Tennessee as of this moment are no different from the ones I referred to and quoted. The House bill does change the basic concept of the unemployment compensation program. The basic concept of the unemployment compensation program is of a collection by the Federal Government of a tax within each State from the employers of that State, which goes into a trust fund for the benefit of the employees of the State, and is not available to the employees of any other State. That is the basic concept of the basic, existing unemployment compensation law.

What does the House bill do? The House bill is a Federal program. It would levy a tax of four-tenths of 1 percent on the wages of the employees of every employer in the Nation. It would not bring the money into the several trust funds. Regardless of where the money came from, it would come to the Federal Government in Washington and be available to the States on a come-and-get-it basis, without regard to where it came from, without regard to the relationship as between the programs of the States. One State may have a program providing $70 a week. The money in the Federal fund will pay for those benefits. The proposal has all the evils of a Federal program, and none of the benefits.

If it is desired to implement a Federal program, it should be done on the basis of all the employees and all the States. The unemployed in Alaska should not be given $70 a week, and the unemployed in another State $12 a week.

This is a Federal program. It is a Federal tax across the board, on all the employers in the country, and there is then a distribution of the money by the Federal Government to the different States on the basis of the specifications of their own programs of benefits, without regard to the fact that the unemployed in one State may get five times as much as the unemployed in another State. So the bill would federalize the program. Every cent collected under the House bill would go into a Federal program. There is that basic difference between it and the existing law.

Certain Senators have been in favor of the concept of a federalized program; but under the worst condition that could result under a federalized program there should be equal benefits.

Why should employers in Oklahoma pay a four-tenths of 1 percent tax, and the employers of another State pay four-tenths of 1 percent, while, from a common fund, the unemployed of another State would get two, three, four, or five times as much as the unemployed in my State?

In other words, the proposal has all the evils which men have visualized in a federalized program, without the benefits we would look for under a federalized program, which would give the unemployed in Missouri just as much as the unemployed in Alaska, or the unemployed in Idaho just as much as the unemployed in Michigan, or the unemployed in Oklahoma just as much as the unemployed in Pennsylvania.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. KERR. I yield.

Mr. SYMINGTON. What is the fundamental difference between a Federal program for unemployment compensation benefits and a Federal program for water control or a Federal program for highways?

Mr. KERR. There is a difference. The Senator has referred to the highway program. The money the Government allocates for the highway program comes from the general fund made up of taxes imposed on everyone. The money in the fund provided under this bill would come from employers.

Mr. SYMINGTON. But there is a difference in the tax imposed on trucks and buses and others using the highways.

Mr. KERR. But there is no difference as to who receives the benefits, and highways are not built solely from taxes on trucks and buses. Perhaps operators of the latter think the highways are so built, and under the recent message, they would have some reason for believing that is so.

Mr. SYMINGTON. I have supported many Federal programs which my distinguished friend has advocated, so I was surprised to hear him say this program was wrong. I am not talking about what is to be paid State by State under the program; I am talking about a Federal program.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. KERR. Mr. President, I yield myself 5 minutes.

The Senator is correct when he says this is a Federal program. I was calling attention to the fact that the Senator from Tennesee had said it was not a federalized program.

I may say to the Senator from Missouri that, in the first place, all the people in the country participate alike on the basis of a Federal formula. In the assistances program, the per capita income in a State is a part of the formula, but any State with such specifications as are set forth in the formula participates on the basis of a national formula.

Second, the money to pay that benefit will come from a tax to be levied on everyone.

This Federal program which is proposed would not provide equal benefits. That is what I say to the Senator from Missouri. I do not believe the Senator would be in favor of a Federal program which discriminated against the beneficiaries in his State. I do not believe the Senator would be in favor of a Federal program which would provide one standard of benefits for Alaska, another for Michigan, another for Oregon, another for Idaho, another for Virginia, another for Oklahoma, and another for Missouri.

I believe any time the Senator from Missouri supports a Federal program, he will wish to make sure that the people from his State, in the first place, pay their pro-rata share and receive their pro-rata share. Neither would occur under this proposal.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. KERR. I yield.

Mr. SYMINGTON. Missouri is a great industrial State. We merchandise a great many commodities all over the United States. I believe the people of Missouri would be willing to make a temporary sacrifice in order to build up markets in other States for the commodities they produce.

Mr. KERR. I think if Missouri is going to do that, the people of Missouri should let the State legislature do it. I do not think the people of Missouri send representatives to Washington to impose a tax on the people of Missouri amounting to $23.6 million, when the people of Missouri will receive only $11 million.

Under the same provisions the people from the great State of New York will benefit. I love New York. I pray for her continued prosperity and progress. So long as New York continues to pay the great sum of taxes she does, I shall continue to be grateful to her. Oklahoma desires only a child's part.

However, under the terms of the proposal New York would pay $119.9 million and would receive $170 million.

I will tell Senators how much New York needs that money. New York has a billion dollars in her trust fund. There is $1 billion in the New York trust fund, yet Missouri is being asked to pay $12.6 million to help give New York a $50 million bonus to further enrich the trust fund.

Then New York would receive another item in the trust fund. There would be approximately $65 million remaining, of the $980 million, which would not be used for unemployed people anywhere. That would not be used to reimburse New York for what she had already paid out. It would not be used for expenses. It would be distributed to the States. In that connection, the adverse proportion as between New York and Missouri, or as between New York and Oklahoma, would prevail.

Mr. President, I yield 5 minutes to the Senator from Delaware [Mr. WILLIAMS].

The PRESIDING OFFICER. The Senator from Delaware is recognized.

Mr. WILLIAMS of Delaware. Mr. President, how much time remains in favor of the Byrd amendments?

The PRESIDING OFFICER. Approximately an hour.

Mr. KERR. Mr. President, I yield to the Senator from Delaware whatever time he wishes.

Mr. WILLIAMS of Delaware. I do not think this will take too long. I appreciate the time the Senator has yielded.

Mr. President, the Senator from California raised a question in regard to reimbursements. The reimbursement for the State of California, or for any other State which has benefit payments in excess of 26 weeks as of today, would be identical under both the Finance Committee bill and the House bill. The only difference is that the reimbursement under the Senate version would be in 1963, or after the program has been completed.

All of the money which had not been spent in the respective States would be returned under the committee bill.

A question was raised with respect to California. California would pay into the fund an estimated $99.4 million. It is estimated there would be $80 million in benefits paid back into the State of California under the Senate committee bill or under the House bill. If the Byrd amendment is retained at the end of the program $19.4 million would, in its entirety, go back to the State of California.

The Senator from Ohio [Mr. LAUSCHE] raised a question earlier as to whether there would be any difference in the agreements which would be required between the Federal Government and the States in order to implement the two bills. There would be no difference under the two bills in the agreements which would have to be entered into so for as utilizing the money is concerned. It would be automatic with both.

The State of Ohio or the State of Delaware, if it did not wish to do so, would not be forced to distribute the money to those people who had used all their employment benefits; but, on the other hand, if the State of Ohio, or any other State, under the Senate bill did not use the funds, at the end of the period the money would be returned. I cannot conceive of States not using the money, but that would be the responsibility of each State. We would not change the formula under the Senate committee bill, as the Senator from Tennessee pointed out. We would continue the same Federal-State relationships which has existed over the past 20 years; namely, the right and the responsibility of each State to set its own formula for payments.

I have discussed with the Senator from California the problem in his State. I believe California provides for 39 weeks of unemployment benefits. Under the House bill California would be reimbursed for the extra 13 weeks at the beginning. Under the Senate committee bill California would receive the reimbursement, but at a later date than would be the case under the bill as passed by the House.

Mr. KERR and Mr. LAUSCHE addressed the Chair.

Mr. WILLIAMS of Delaware. I will yield in a moment.

California would receive even more reimbursements under the Senate committee bill than under the House bill, because California would collect in its entirety the amount California is now paying in but which would not be utilized.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield first to the Senator from Oklahoma.

Mr. KERR. I thank the Senator from Delaware for clarifying the situation. My understanding, when I started my discussion, was that the Senate committee bill did not provide for reimbursement. I understood that the House bill did provide for reimbursement to begin with.

Let us assume there was reimbursement for 4 weeks. Then the beneficiary would have 9 weeks of entitlement.

Mr. WILLIAMS of Delaware. The Senator is correct.

Mr. KERR. Under the Byrd amendments the 13 weeks would be allowed for the benefit of the beneficiary until the program was completed. The employee could receive benefits for the entire 13 weeks. If he did not, the money would be reimbursed to the State.

Mr. WILLIAMS of Delaware. The Senator is corect. The reason we struck the reimbursement provision from the House bill, as shown on pages 4 and 5 of the bill, was that it was unnecessary under the Byrd amendments. That is taken care of beginning at line 10 on page 21 and continuing on to page 22. It is taken care of in that every State would get the same reimbursement as of the excess paid into the fund. In the case of California, the State would get a reimbursement of the $19 million more than would be allowed under the terms of the House bill.

Mr. LAUSCHE and Mr. DOUGLAS addressed the Chair.

Mr. WILLIAMS of Delaware. I yield first to the Senator from Ohio, because I referred to a question the Senator had asked earlier.

Mr. LAUSCHE. I think it is quite essential that there be a clarification of this point. The Senator from Tennessee and his colleague implied that under the committee amendments States could avoid participating in the program, and thus the unemployed people would be denied compensation.

Mr. WILLIAMS of Delaware. That is true, but the States can do that under the terms of the House bill. There is no difference on that point under the terms of either bill.

Mr. LAUSCHE. The Senator from Tennessee and his colleague said that could not be done under the terms of the House bill.

Mr. CURTIS. Mr. President, will the Senator yield to me on that point?

Mr. WILLIAMS of Delaware. I will yield in a moment.

Mr. LAUSCHE. Let me state the position.

Mr. WILLIAMS of Delaware. Yes.

Mr. LAUSCHE. Is it the position of the Senator from Delaware that an agreement is necessary between the Federal Government and the State, under both the House bill and the Senate committee bill?

Mr. WILLIAMS of Delaware. It is my position, and I have confirmed this with the counsel of the committee. He confirms the point that the same agreement is necessary in both cases, whether we approve the Senate committee bill or the House bill.

Mr. DOUGLAS and Mr. CURTIS addressed the Chair.

Mr. LAUSCHE. I have one further question.

Mr. WILLIAMS of Delaware. That is the basis on which we approved the bill in the committee. The staff member of the committee is in the Chamber. That is what we were told.

Mr. LAUSCHE. If there is a failure to make the agreement, the nonagreeing State cannot participate in the fund.

Mr. WILLIAMS of Delaware. The State would not participate under either of the bills, but under the Senate committee bill at the end of the program the State would get back the excess which it paid in over the amount of participation.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I will yield in a moment. I should like to reply, and I will yield first to the Senator from Nebraska.

The representatives of the Department of Labor appeared before our committee and, in answer to the question advanced to them by the chairman of the committee when most of the committee members were present, made it very clear, that under the Senate committee bill there would not be a single employee who had exhausted his or her employment benefits in any of the 50 States who could qualify under the House bill who could not qualify under the Senate committee bill. There would not be a single such person who could not get benefits under either the Byrd amendment or the House bill. In fact, as the Senator from Oklahoma has pointed out, the Senate bill provides an additional $100 million which could be used for proposed benefits.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. LAUSCHE. I wish the Senator from Tennessee [Mr. GORE] would listen to these words. After the dialog I had with him, I read on page 8 of the original bill the section pertaining to agreements with States. My reading of that language clearly demonstrates that both under the House bill and the Senate bill agreements are necessary in order to pay compensation to the unemployed.

Mr. GORE. I made that statement.

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. CURTIS. If I may have the attention of the distinguished Senator from Ohio, I should like to call to his attention the report of the Committee on Ways and Means of the House of Representatives, which clearly covers the question in two sentences. The report states the identical language to that in the Senate report with respect to the extension of benefits. Then reading further in the House report I found this statement:

> These payments would be made only in those States which choose to enter an agreement with the Secretary of Labor providing for such payments. It is anticipated that all States will enter into such agreements.

That procedure is the intention of the House, and is exactly the provision of the Senate bill also.

Mr. LAUSCHE. That statement makes the question very clear, but I respectfully submit that the senior Senator from Tennessee pointed out that in 1958 only 16 States participated. None of the other States paid compensation. The implication was that under the House bill States had to participate, and payments were guaranteed throughout the country.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. First, I should like to reply to the Senator from Ohio. The reason the 1958 act was not automatic to the extent of the bill before the Senate is that under this bill we would levy a four-tenths of 1 percent Federal tax to finance the program, and we would have the money automatically.

Under the 1958 act we authorized the appropriation of certain money which was available to the States if they wished to borrow it. The State legislatures then had to act to authorize the borrowing of that money. There is no comparison of the manner in which the financing took place in this instance and in the 1958 instance. In 1958 the State legislatures did have to act in order to participate. Many did not. But in this instance there is no difference in the manner in which they would enter into agreements, under the Senate bill, including the Byrd amendments and the House bill.

The major difference between the bills goes to the heart of the question, as suggested by the Senator from Illinois [Mr. DOUGLAS] in the committee: Do we wish to take the first step toward nationalization of a program which over the period of years has been operated as a State program?

The Senator from Tennessee gave the impression that we were departing on a new program. We are not. The Byrd amendment would maintain the same State relationship under the proposed program as has existed for the past 26 years. The program has worked well. As the Senator from Oklahoma [Mr. KERR] pointed out, why should we pass a bill levying a tax four-tenths of 1 percent against all the employers of America?

The small businessman who has a good experience rating and who should be getting a lower rate, as he does now, would be required to pay a tax of four-tenths of 1 percent, which would go to pay benefits in Alaska of $70 a week. Those benefits can be contrasted with the benefits in the employer's own State where his unemployed would be drawing perhaps $30 to $35.

I do not think we wish to nationalize this program. I point out that there is a vast difference between the program upon which we are voting tonight and many of these other national programs which have been mentioned, because at least there are straight benefits on the basis of equality throughout the States by some fixed formula.

No formula is provided here.

For instance, California, Delaware, Oklahoma, and Alaska have varying rates ranging $30 to $70 per week. Some States provide 20 weeks of unemployment benefits; such benefits can be extended only 10 additional weeks under either the House bill or the Senate bill. In another State with 26 weeks of normal payments such benefits can be extended 13 weeks. There is no uniformity of benefits. There is uniformity only of tax.

I believe the Byrd amendment would greatly strengthen the bill. The bill could go into effect the same day it is signed. A representative of the Labor Department testified before our committee most emphatically in answer to the question of the Senator from Virginia [Mr. BYRD] that there is not a single man in America, in any of the 50 States, who has exhausted his benefits who could not automatically qualify as rapidly under the Senate bill as he could under the provisions of the House bill.

That is an important point. I say there is not a single such man. Yet we would provide more money under the Byrd amendment because we would provide all the money that can be used for the employees, rather than levying a $100 million tax on employers all over the country to reimburse certain States for past payments. We would reserve the right of States such as California, Delaware, Oklahoma, and Vermont under this Byrd amendment to conduct their own programs in accordance with State laws.

I yield to the Senator from Vermont, and then I shall yield to the Senator from Oklahoma.

Mr. AIKEN. Mr. President, as the Senator from Delaware knows, the State of Vermont has been, I believe, the most liberal of States in the extension of unemployment benefits for an additional 13 weeks. Can the Senator from Delaware tell me what the comparative effect on the State of Vermont would be from the House bill and the Senate committee bill?

Mr. WILLIAMS of Delaware. Under the House bill and the Senate committee bill employers in Vermont would over the 2-year period pay a total of $1.7 million of tax into the Federal Treasury. Under both bills it is estimated that the unemployed of Vermont would receive $600,000 over the 2-year period. Under the House bill the remaining $1.1 million would go to make up the unemployment benefits which are being paid in Michigan, New York, and Alaska, whose unemployed are drawing more benefits than the unemployed in the State of Vermont. Under the provisions of the Senate bill that additional $1.1 million

would be returned to the unemployment compensation fund of Vermont.

Mr. AIKEN. Under the House bill the money which would otherwise be returned to the State of Vermont would be used to pay unemployment benefits in other States, some of which have perhaps 50 percent greater per capita income than Vermont.

Mr. WILLIAMS of Delaware. Yes, and States which in some instances are paying three or four times as much in benefits as are paid in the State of Vermont. The bill would depart completely from the principle under which unemployment insurance has been carried for the past 26 years. I cannot reemphasize too much the fact that there is no difference in the agreements which must be entered into between the Government and the States.

Mr. DOUGLAS. I have been trying to ask the Senator from Delaware a question on this very point for some time.

Mr. WILLIAMS of Delaware. I shall yield to the Senator from Illinois in a few minutes. He has previously spoken, and I have only started. I repeat that there is no difference between the benefits which are available here. That has been confirmed by our own counsel and the representative of the Department of Labor.

Mr. AIKEN. At the end of the 1963 period, under the Senate bill the State of Vermont would receive a credit of $1,100,000 which it would not receive under the provisions of the House bill?

Mr. WILLIAMS of Delaware. The Senator is correct.

Mr. AIKEN. I thank the Senator from Delaware. That sum would be money which our people of Vermont had paid into the fund?

Mr. WILLIAMS of Delaware. It would be money collected entirely from the employers in the State of Vermont.

Mr. AIKEN. It would be credited to our State instead of being used in certain other large States, some of which are wealthy States.

Mr. WILLIAMS of Delaware. That is correct. I yield to the Senator from Illinois.

Mr. DOUGLAS. Mr. President, of course, the agreement does not go into effect in any State unless the State legislature or the State agencies agree to it. Of course, that is true. Of course it is true that once the agreement has been made those who continue to be unemployed after the maximum duration of State benefits has been exhausted will be paid. But one question that has been ignored throughout the whole discussion, except for the comments of the Senator from Tennessee [Mr. GORE], is the question of what inducement there is for a State to accept or not to accept. That is the point. I should like to point out, as I tried to point out some minutes ago, that under the so-called Byrd amendments the employers in a given State will gain if the State does not participate and does not accept the agreement.

They will not be paying out benefits in that State, yet they will be receiving additional revenue which is produced by the tax. This will go into the fund, and, going into the fund under the so-called experience rating system, which is universal, this will diminish their future payments. This inducement not to participate is not present in the House act.

Mr. WILLIAMS of Delaware. There is this inducement. The money is available, and will be available under the Byrd amendment to pay those benefits. As a representative of one of those States I am willing to trust our States that they will use these benefits.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I cannot conceive of any State saying, "We have this money, but we will not help these unemployed." Any State can refuse to spend the money under either proposal.

Mr. BENNETT. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. BENNETT. I am surprised at my friend from Illinois, who seems to believe that the States will not take care of their unemployed without some kind of inducement. It seems to me that there is just as much responsibility in the States which are going to pay out more than they take in, and just as much interest in the welfare of the unemployed as there is inducement in some of the other States to get back more than they paid in. Is that what the Senator means?

Mr. WILLIAMS of Delaware. The Senator is correct. As I understand the Senator from Illinois is looking upon the fact that the House bill will tax a State, and if the State does not use the money it will lose it. He seems to think we need coercion. I do not believe we need coercion. The people of the country recognize the problem. We are dealing here with the problem of unemployed. I believe the States recognize it, and I have every confidence that they will take advantage of the program and that the unemployed will benefit.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield for a question.

Mr. DOUGLAS. I am glad the Senator has yielded to me. The Senator from Utah and the Senator from Delaware are playing table tennis and caricaturing my views. In 1957 we had the same problem. The Eisenhower administration proposed loans. Some of us said that a goodly number of States would not accept the loans because it might well be that they would have to make future payments.

Mr. WILLIAMS of Delaware. Well——

Mr. DOUGLAS. It is not true——

Mr. WILLIAMS of Delaware. Just a moment. I should like to answer the Senator's question.

Mr. DOUGLAS. Is it not true? I would like to ask several questions.

Mr. WILLIAMS of Delaware. No. I will not yield for a filibuster. I have been waiting 7 hours for an opportunity to explain this bill.

Mr. DOUGLAS. I have scarcely been on the floor this afternoon.

Mr. WILLIAMS of Delaware. I will answer the Senator's question. There is this difference. In 1958 the only way a State could benefit under the extended unemployment program was by the State legislature's authorizing the borrowing of the money. It did take action by the legislature of a State. Many States felt their debts were such that they could not do it. This time we provide the money by a tax of four-tenths of 1 percent on the payroll.

Mr. DOUGLAS. My good friend——

Mr. BENNETT. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I will yield to the Senator from Illinois later, or he can speak on his own time. I yield to the Senator from Utah.

Mr. BENNETT. I would like to ask the Senator from Delaware whether it is not true that the remaining time for debate is in the hands of the opponents of the bill?

Mr. WILLIAMS of Delaware. Yes.

Mr. BENNETT. The Senator from Utah——

Mr. WILLIAMS of Delaware. All the remaining time is in the hands of Senators who are in favor of the Byrd amendments.

Mr. BENNETT. Yes; in favor of the Byrd amendments.

Mr. WILLIAMS of Delaware. Yes.

Mr. BENNETT. Is it not true that the opponents of the Byrd amendments held the floor most of the day except while we were considering the treaties?

Mr. WILLIAMS of Delaware. Yes; they used all their time.

Mr. BENNETT. Is it not true that they had hours to talk before the unanimous-consent agreement was entered into, so that the total amount of time available to the supporters of the Byrd amendments has been in fact the time assigned to them?

Mr. WILLIAMS of Delaware. That is correct.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. Would the Senator, since he will speak on the other side of the issue, withhold his remarks unless he has a short question to ask?

Mr. KEATING. I want to find out if it is not true that representations were made to those who opposed the Byrd amendments that they would have at least 5 minutes?

Mr. WILLIAMS of Delaware. That is correct, although those who made the representation have since used it. I would prefer to make my remarks first; however, we will see that the Senator gets adequate time.

The major difference between the bill as approved by the Senate and the bill as approved by the House is in the method of financing.

Under both bills the benefits would be paid between the date of enactment of the bill and June 30, 1962. It is estimated that these benefits would be about $1 billion.

Both the Senate and the House versions of the bill provide for the payment of these benefits by increasing the employers' tax at the Federal level by four-tenths of 1 percent; however, under the

House version the first payment of these taxes would not be made until after January 1, 1963, being levied on the years 1962 and 1963, or 6 months after all the benefits have been paid out.

The Finance Committee approved bill accepts this four-tenths of 1 percent tax over a 2-year period but makes this tax effective immediately, or for 1961 and 1962 payrolls. This put the program on a pay-as-you-go basis.

Another difference is that under the House approved bill the tax collected under this four-tenths of 1 percent increase would be put into a fund and used to make payments of the extended unemployment benefits without regard as to the States in which it would be spent and without regard to the source of the collections.

Thus, under the House approved bill employers in many States could be taxed at this increased rate to finance unemployment benefits in other States at more liberal rates and on more lenient definitions of unemployment than those being approved for the unemployed in their own States.

The basic principle of unemployment insurance has always been that it was a State program, subject to administration by the State, with the eligibility requirements for unemployment benefits being fixed at the State level, and with the tax being raised solely by assessments against the employers of the respective States.

This has been true for the past 26 years, and it would be continued under the bill as reported by the Committee on Finance. The same principle is used that has been in effect for the past 26 years.

The House-approved bill would abandon this principle, and to that extent it would be an initial step toward the nationalization of the unemployment compensation program.

The Finance Committee rejected this proposal, and while it leaves the tax against all employers of all States for the 2-year period, the additional tax collected from the employers of each State would be recorded, the extended unemployment benefits paid out under this legislation would likewise be recorded by States, and at the end of the period if any State had paid into the fund more than the amount of the benefits returned under this program, the extra money would be reapportioned back to that State as an addition to its unemployment compensation fund.

This would maintain the principle that unemployment is a responsibility of each State, and any benefits paid thereon would be financed by a tax on the employers of that State.

It would prevent a legislature of one State in its generosity from paying out benefits to the unemployed of that State at the expense of taxes being levied on employers of other areas.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point a chart entitled "Estimated Additional Tax Collections Compared With Expected Benefit Payments by States."

There being no objection, the chart was ordered to be printed in the RECORD, as follows:

Estimated additional tax collections compared with expected benefit payments by States under H.R. 4806

[Amounts in millions]

State	Tax collections	Benefit payments[1]
Total	$984.0	$930.3
Alabama	12.2	10.0
Alaska	1.2	2.2
Arizona	5.7	2.1
Arkansas	5.3	4.7
California	99.4	80.0
Colorado	8.3	2.0
Connecticut	18.5	18.2
Delaware	3.2	2.0
District of Columbia	5.5	2.2
Florida	21.4	9.5
Georgia	16.7	12.0
Hawaii	3.1	.7
Idaho	2.5	1.6
Illinois	68.6	40.0
Indiana	28.0	26.0
Iowa	10.8	3.5
Kansas	8.5	3.5
Kentucky	10.6	15.0
Louisiana	13.1	12.9
Maine	4.5	2.0
Maryland	15.8	16.0
Massachusetts	34.2	30.0
Michigan	46.6	93.0
Minnesota	16.0	14.4
Mississippi	5.7	2.2
Missouri	23.6	11.0
Montana	2.6	1.1
Nebraska	5.2	.5
Nevada	2.0	2.0
New Hampshire	3.4	.4
New Jersey	39.7	51.2
New Mexico	3.9	2.3
New York	119.9	170.0
North Carolina	19.9	7.9
North Dakota	1.6	.9
Ohio	62.4	85.0
Oklahoma	8.9	5.8
Oregon	9.6	10.6
Pennsylvania	70.7	85.0
Puerto Rico	3.2	3.3
Rhode Island	5.5	5.5
South Carolina	9.1	7.3
South Dakota	1.6	.2
Tennessee	15.0	7.0 to 9.0
Texas	42.1	30.0
Utah	4.1	2.0
Vermont	1.7	.6
Virginia	16.1	5.5
Washington	15.4	8.9
West Virginia	8.4	9.5
Wisconsin	21.5	16.0
Wyoming	1.5	1.1

[1] Excludes payments to Federal civilian employees and ex-servicemen in all States except Pennsylvania.

Source: Estimates of tax collections furnished by Department of Labor and estimates of benefit payments furnished by State employment security agencies.

Mr. WILLIAMS of Delaware. Mr. President, the Committee on Finance also approved another amendment, which I shall discuss later. It is not a part of the Byrd amendment, but it deals with the method of the payment of unemployment compensation to those who are on retirement. It is not a part of the subject matter we are now asked to consider under the Byrd amendment. Therefore, I shall discuss that phase of the bill at a later time.

Mr. SCOTT. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. KERR. Mr. President, I suggest that the Senator from Pennsylvania has time of his own for a unanimous-consent request, without the time being charged to the proponents of the committee bill.

The PRESIDING OFFICER. Is there objection?

Mr. HUMPHREY. Mr. President, what was the unanimous-consent request?

Mr. KERR. The Senator from Pennsylvania asked time to make a unanimous consent request. I merely asked that such time not be charged to the time of the proponents of the committee bill.

Mr. HUMPHREY. That seems to be a reasonable request; but I thought perhaps the Senator wished to debate it for a moment.

Mr. KERR. No; the Senator from Minnesota seems to be the one who wishes to debate it.

Mr. HUMPHREY. Time will have to be charged to one side or the other. I gather that one side has lost its time.

Mr. KERR. It was not lost; good use was made of it.

Mr. SCOTT. Mr. President, may I inquire where I stand?

Mr. KERR. Close to the Senator's chair. How much time does the Senator request?

Mr. SCOTT. One minute.

Mr. KERR. I yield the Senator from Pennsylvania 1 minute.

Mr. SCOTT. Mr. President, President Kennedy in his letter of transmittal on a temporary extended unemployment compensation program said:

> Unemployment compensation provides unemployed workers with necessary purchasing power. When this compensation is exhausted the purchasing power ceases. This has a serious impact not only on the worker and his family, but on the economic health of the entire economy. The costs and effects of mass unemployment arising from a national recession clearly reach across State lines. The problem is national in scope, and the Federal Government has the responsibility for taking action as soon as possible to meet it.

If the President is correct that the present unemployment problem is national in scope than the amendment submitted by the Senate finance Committee does an injustice to those States that have been hard hit through no fault of their own.

Under the committee amendments a State such as Pennsylvania might very well find itself in the position, even after the additional four-tenths of 1 percent tax increase is imposed, that the amount collected is not sufficient to cover the payment of the extended benefits to the unemployed in its State.

If this was the case, the difference between the amount collected by the additional tax and the amount of extended benefits paid would be required to be paid by employers in my Commonwealth through reductions in the 90 percent credit commencing in 1964.

Mr. President, does this seem equitable in the light of the fact that the economy of Pennsylvania in turn affects the health of the national economy? Does not the unemployment problem cross State lines? Does not the purchasing power of the Pennsylvania employer, the Pennsylvania employee, cross State lines?

Is Pennsylvania to be put in the position of carrying the whole burden of paying for its economic recovery, while our Federal tax payments in every other area help carry the burdens of States paying less per capita in Federal taxes? If we should carry the burden here should the

taxpayers of Pennsylvania be expected to pay $46.6 million under the President's education program and receive only $26.9 million in return? I do not mean to imply that by making this point I am against Federal aid to education but is it equitable to have one philosophy for one program and another philosophy for a different program.

Mr. President, I would also be interested in knowing of the amount that the Pennsylvania taxpayer pays in the support of farm commodities throughout the Nation. If I am not mistaken nationally price support loans came to the grand total of $1,444 million on 1959 crops. Of that total Pennsylvania farmers received $941,000. This is not saying that our Commonwealth farmers would not have been eligible for more support loans but it is pointing out that the people of Pennsylvania through taxes support many, many programs that are national in character and not just limited to Commonwealth projects. So, Mr. President, it is for these reasons that I strongly oppose the committee amendments to the proposed extended unemployment compensation legislation which might subject my Commonwealth to extended taxes and additional burdens.

Mr. KERR. Mr. President, may I inquire how much additional time remains for the proponents of the committee bill?

The PRESIDING OFFICER. Twenty-eight minutes remain.

Mr. KERR. I yield 8 minutes to the two Senators from New York.

Mr. JAVITS. Mr. President, I shall yield 4 minutes to myself, so that an equal time may be used by my colleague from New York.

Mr. President, much has been said about New York. I call attention to the fact that this situation is most unusual. This is probably the first time within the memory of Senators who have been here much longer than I have that New York may be on the receiving end. For New York State, this is really a national emergency, for New York has an enormous roll of unemployed; hence New York is eligible for this dubious distinction. My State today has a higher rate of unemployment—7.3 percent—than the national average. The last reported number of unemployed persons was 557,000, over 400,000 of whom are eligible for unemployment compensation and an estimated 42,000 of whom have exhausted all benefits.

When we talk about the reserves in terms of New York, let us remember that New York taxes its employers heavily. When we talk about reserves, we must remember what the reserves are against.

New York has a wage bill of over $24 billion a year and well over $14 billion a year in taxable wages. So when one says "$1 billion" it sounds like a great deal of money. But not when it is compared with the largest wage bill, by far, of any State in the Nation.

It seems to me that Senators from States which have reclamation projects, which have large rolls of dependent children, which have large rolls of other recipients of Federal aid, while we in New York in our Federal tax payments pay out $1, $2, or $3 for every dollar we receive back, ought to be delighted for, and receptive to, the one day when New York is here asking for a little help, instead of once again being on the paying end.

I am frankly surprised. If this is to be a precedent, my colleague [Mr. KEATING] and I ought to be defending it, because we will make a great deal of money for our State's taxpayers in the process. But we know very well it will not be a precedent; and the very votes which could mow us down tonight may be the very votes which will ask us to pay, pay, and pay tomorrow. We know that very well. That is why we oppose the Byrd amendments.

Our reserves have not been going up; they have been going down, because New York has been suffering from a very serious unemployment situation. Our reserves have been reduced from $1,308 million on June 30, 1957, to closer to $900 million today, with an estimated minimum adequate reserve of about $860 million.

The only reason we have these reserves, as I say, is that we have taxed ourselves to produce them and are taxing ourselves more right now to try to restore these reserves. In addition, by every standard contained in these tables as to the soundness of the way of conducting a program of unemployment compensation, as to the taxes levied, the benefit paid, New York is about in the middle range. New York has not been a profligate State; it has not gone overboard. We have not yet reached the triggerpoint of unemployment which would give our unemployed 13 weeks more compensation under a law just adopted.

I respectfully submit to all Senators that we would be derelict in our duty tonight if we were willing to accept the argument which is being made that every State should be a receptacle unto itself, especially designed for unemployment compensation, but not for anything else. No one would think of it as to anything else, only for unemployment compensation, because it so happens that that might work out to help us in New York. It is not fair to consider New York simply for the role of being the largest taxpayer among the States. I do not believe the people in the States which are represented by those who would take this point of view would themselves take it. It has been my experience that the people throughout the country have an understanding of the emergencies in other States. The people in New York State have an understanding of the emergencies in other States and have been most generous and most bountiful, as has been demonstrated by their representatives in the Senate, whether represented by Senator Lehman, Senator Ives, my colleague [Mr. KEATING], or myself.

This is one night we of New York are on the firing line, asking for help. I hope very much that we will have it from the Senate of the United States.

Mr. KEATING. Mr. President, as my colleague has said, in terms of treatment by the Federal Government, New York State is ordinarily less equal than other States. The only difference in this case is that we are less equal—by more.

For years, we in New York State have accepted the proposition that we can and will pay taxes for programs to deal with national problems, even though in many instances the programs involved do not affect or aid New York State. The Nation as a whole has been the focus of our attention, wherever it is clear that this should be so.

We recognize that, within reasonable limits, New York has a responsibility and an obligation to contribute to the solution of problems which transcend our individual State interests. This proposition is as old as the Constitution and is basic to the form and scope of our Federal Government.

Today, we are asked to vote on a national emergency program which, as amended by the Committee on Finance, violates this premise. By an unfortunate and ironic set of circumstances, in this case New York stands to lose. New York has a 7.3 percent rate of unemployment and would need some $50 million more in benefits than would be obtained under the additional 0.4 percent Federal payroll tax levied under H.R. 4806.

Yesterday the Senate passed a distressed areas bill. My colleague [Mr. JAVITS] and I voted for it. New York State has nine small communities which will qualify. However, the real problem is not in New York. Inevitably this program will cost New Yorkers more than we will receive in the form of area redevelopment loans. That is true of a great many programs.

Today the tables are turned. The bill before the Senate deals with the present high rate of unemployment, which is more serious in New York than in the Nation as a whole. New York State has an unemployment rate of 7.3 percent. The national average is 6.8 percent.

I believe in State responsibility wherever the States wish to take the initiative and can handle the circumstances involved. This is certainly true of unemployment compensation. While I favor having this program administered ordinarily by the States, I maintain that under emergency circumstances, such as those which now prevail, some measure of Federal effort is warranted.

We in New York will tackle our own problems any time, if other Members of this body will not ask us to pay their bills. Yes; we will happily take on our own problems—any day in the week.

Mr. President, I believe in dealing as a nation with problems which are acute and are beyond the resources of individual States acting separately. This is the nature of the unemployment problem at the moment. This situation calls for action to help the jobless and their families.

Although we are now moving out of the mild recession of recent months, there are still too many Americans out of work. Until employment gets back to normal, they need help. Many have exhausted their unemployment benefits and are waiting for Congress—for the Nation—to act.

Unemployment is highest in the industrial States, such as West Virginia, Ohio, New Jersey, Pennsylvania, and New York. These States need help. Several of them cannot meet this dilemma by themselves. That is the reason for having Federal legislation. It is the only reason.

I hope the Senate will not sustain these committee amendments. They are entirely unfair to those States, like New York, which pay the bills of other States time after time.

I shall oppose these amendments. I hope they will be defeated.

I thank the distinguished senior Senator from Oklahoma [Mr. KERR] for yielding time to my colleague and myself.

MR. HUMPHREY. Mr. President, will the Senator yield me 1 minute?

Mr. KERR. We have only 20 minutes left. I have promised to yield time to the Senator from Nebraska and the Senator from Utah. I now yield 1 minute to the Senator from West Virginia.

Mr. BYRD of West Virginia. Mr. President, I am opposed to the pending amendments. When the Senate passed the Area Redevelopment Act, a first long step was taken toward curing unemployment and underemployment in many areas of our Nation. But while the wheels of bureaucracy grind on, even after the act is signed into law, the unemployed need a helping hand—a means of sustaining themselves until the economy demonstrates its inevitable resilience. They need an extension of unemployment compensation benefits on a temporary basis—a chance to hold on and to keep their families and themselves fit and healthy until new employment opportunities open.

In his message of February 6, concerning the extension of unemployment compensation benefits, President Kennedy stated:

> The problem is national in scope, and the Federal Government has the responsibility for taking action as soon as possible to meet it.

The President is absolutely right. The latest unemployment figures, announced on March 7 by Secretary of Labor Arthur J. Goldberg, showed that in February there were 5,705,000 people who were seeking work in these United States, but were unable to find any. This is the highest unemployment our Nation has had since before World War II.

H.R. 4806, as passed by the House, is a reasonable bill, and will alleviate a serious condition in our national economy. I have an intense interest in its passage by the Senate, because it is common knowledge that my own State of West Virginia has one of the severest unemployment problems of any State in the country.

Today, in West Virginia there are approximately 152,000 unemployed persons—or about 14.2 percent of the State's labor force. In some counties in my State, unemployment averages about 26 percent. In fact, in 42 percent of the counties in West Virginia there is one unemployed person out of every four in the labor force.

But insofar as unemployment compensation is concerned, I cannot feel that my responsibility to aid the unemployed in other States is any less than my responsibility to aid the unemployed in West Virginia. For this reason, Mr. President, I must oppose the pending amendments to H.R. 4806.

These amendments, if accepted by the Senate, would not accomplish the purposes for which the extended benefit program was designed. The bill as passed by the House would provide for dealing on a nationwide basis with our existing national unemployment problem. The proposed amendments would not do so.

Unemployment in individual States arises from causes which are interstate in character, since our laws today are nationwide and our commerce is interstate and interdependent. What happens in the automobile industry in Detroit affects the steel industry in the Ohio Valley; when the steel industry suffers an economic slump, our coal mines and our railroads suffer. When the rate of new construction declines, a whole gamut of industries suffers. Thus, any program for aiding the unemployed must be national in character.

The program cannot be financed on an individual State basis. States in which unemployment and underemployment have been chronic and long standing—as is the case in West Virginia—would be hard pressed to finance a temporary extension of unemployment.

Thus, the proposed amendments would be somewhat self-defeating. Certainly, if the financing is placed on a State-by-State basis, only States with the most severe unemployment would sign agreements with the Department of Labor to pay extended benefits under the Senate bill. They would do so, however, I fear, only if such benefits would cost no more than the tax receipts from that State's employers under the bill.

Mr. President, I urge Senators to reject the Byrd amendments. The unemployed should not be made victims of possible State fiscal and tax problems. Their distress is all too real—and in many instances, too grim.

Mr. CURTIS. Mr. President——

Mr. KERR. I yield 5 minutes to the Senator from Nebraska.

Mr. CURTIS. Mr. President, I believe it well that we keep in mind that we have before us a bill for a temporary program to meet a need, and that need is to provide additional unemployment compensation to the unemployed who have exhausted or who will exhaust their benefits under our State systems.

Under either version, that need is met. No one has a monopoly on compassion for the unemployed.

I call attention to the following language in the Senate committee report.

> Your committee's bill, like the House bill, would provide extended benefits for up to 13 weeks of total unemployment to workers who have exhausted their rights under State unemployment compensation programs and under Federal unemployment compensation programs for ex-servicemen and Federal employees. The weekly benefit amount would be the same as the individual worker was drawing under his State law.

Mr. President, in the House committee report we find identical language.

For years, individuals in this country have advocated the federalization of our unemployment systems. I totally disagree with that, but I say they are entitled to their day in court. However, they should come before our committees and, on that particular issue, should present their case, not try to slip such a provision into a temporary measure intended to meet a specific need.

To inject into this measure provisions for a Federal unemployment compensation system, without permitting the committees of both Houses to go fully into the pros and cons of a Federal system versus our State systems, is not the best way to enact legislation.

I do not believe we should federalize our unemployment compensation programs.

There are many reasons for that. As the system is now, it is closer to the people, and can be administered better, and there can be set up programs to encourage continuous employment, whereas with a national program there is a tendency—since it is paid for from Washington, a long way from the States—to say, "Let us get what we can."

I do not believe a Senator should vote for national legislation because under it his State will receive more than it pays; but, by the same token, I believe any disparity between the States should be reasonable.

Some States would be treated more favorably, but not because their unemployment problems are greater. Some States have been more liberal in regard to the benefits provided under their systems. Some States have been more lax in the administration of their unemployment benefit programs. Those matters should be taken into account.

It happens that under the House version—and without the Byrd amendments, I could not vote for the House version—Nebraska will pay $10 for every dollar Nebraska receives. Of all 50 of the States, Nebraska would thus be discriminated against to the greatest degree.

I do not contend that the mere fact that the program would not work out equally for all the States is a reason why we should withhold our support from such national legislation; but certainly a great disparity of this kind, in connection with such a program and formula, worked out in such a manner, shows that the bill has some fatal defect. The need can be met by the adoption of the Byrd amendments. They will preserve our State systems. Then let federalization be considered in the committees and debated on its merits.

The PRESIDING OFFICER. The time yielded to the Senator from Nebraska has expired.

Mr. KERR. Mr. President, I yield 5 minutes to the Senator from Utah [Mr. BENNETT].

The PRESIDING OFFICER. The Senator from Utah is recognized for 5 minutes.

Mr. BENNETT. I shall not use all of the 5 minutes.

Mr. President, as a member of the Finance Committee, I participated in the discussions on this bill.

My State is one which finds it would be called upon to tax its employers twice as much as would be used in our State.

I, too, am greatly disturbed by the fact that this bill, without presenting the problem openly for consideration, turns out to be a very important step toward the federalization of our programs.

I am disturbed because, as the Senator from Nebraska has pointed out, in some States which have what are called more liberal programs, in some States which make unemployment compensation easier to obtain than does my State, the unemployed will be treated, under either measure, more generously than will the unemployed in my State. I am disturbed because of the fact that the employers in my State will be called upon to pay for it.

There are two ways to deal with this matter: One is to liberalize the entire system and to provide a standard set of benefits for everyone in the United States. The other is to preserve the identity of the State programs until we decide definitely on the question of federalization and equalization of benefits.

Under this bill a tremendous windfall is given to States which under some circumstances have already approached the point where they are making unemployment a career.

Because of those great defects in this bill, personally, in representing the State of Utah, I could not in good conscience support the bill.

I hope the Senate will realize what it is doing tonight. I recognize the position of my two friends, the Senators from New York. I applaud them for it; and I point out that if every Member of this body would act on that basis and would vote in the interest of his State, rather than in the interest of some other State, the bill would be passed by an overwhelming vote, because under this bill more than two-thirds of the States will make substantial contributions for the benefit of the unemployed in the other less than one-third.

Mr. President, I yield back the remainder of the time available to me.

Mr. KERR. Mr. President, I yield 3 minutes to the Senator from Indiana [Mr. CAPEHART].

The PRESIDING OFFICER. The Senator from Indiana is recognized for 3 minutes.

Mr. CAPEHART. Mr. President, if the Byrd amendments are not agreed to, tonight, the Senate will be changing the fundamental, underlying principle which was adopted when the Unemployment Compensation Insurance Act was passed, years ago.

Let me point out that the amount of money every employer pays into the fund is recorded, and if he has a good record, the percentage he pays decreases. If he has a bad record, the percentage increases. Every State operates as an individual unit, and the Federal Government acts as the trustee for each employer and State. All the Federal Government does is hold the money for the respective States.

For example at the moment New York has a surplus or reserve of $900 million with the Federal Government. Yet, under the House version of the bill, New York would pay into the fund $119 million, and receive $170 million. It ought to pay the $50 million out of its reserve. That is the principle involved.

If we adopt the House version of the bill, and not the Senate version, we shall kill the underlying principle which was established. I know what I am talking about, because, as an employer, I have been paying into the fund for many years. I am glad to do so. I always have been in favor of unemployment insurance. However, if we adopt the House version of the bill, we shall be States should be put into one pile, or one fund and then the money should be drawn out of that fund. In so doing, we would take away from the States their incentive, and take away from individual employers their incentive to employ workers, keep them working, and keep their funds on a sound basis.

Please do not do so, because it does not make any difference to the unemployed whether we adopt the House version of the bill or the Senate version. They will get exactly the same, whichever we adopt. They will all be covered. They will get exactly what the respective States provide. Please do not change the underlying principle of the legislation, which has worked so well for so many years, because if we do change it, we shall regret it. We shall be federalizing unemployment compensation.

Mr. KERR. Mr. President, how much time is left to the proponents?

The PRESIDING OFFICER. Eight minutes.

Mr. KERR. I yield 1 minute to the Senator from Minnesota [Mr. HUMPHREY].

Mr. HUMPHREY. Mr. President, it seems to me much of this argument was settled back in 1789, when the Constitution was adopted and the several States were no longer a confederation, but the United States of America. Indeed, if we adopt the principle some Senators are now advocating, that each State should stand on its own feet, there is no longer a true Union of the States.

I might say that the principles involved in the House version of the bill make more sense to me in light of the integrated economy of the American free enterprise system. Unemployment in the iron mines of Minnesota is not due to any action on the part of Minnesota, and our employers should not be held responsible for it. Unemployment in the iron mines of Minnesota is due to international affairs, as well as to the national recession.

I have prepared a statement on this measure, and I ask unanimous consent that it may be incorporated in the RECORD following my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

PROGRAM FOR TEMPORARY EXTENSION OF UNEMPLOYMENT COMPENSATION, H.R. 4806

The purpose behind the President's request for a temporary extension of unemployment compensation was to relieve human suffering and bolster purchasing power in communities affected by unemployment during the current national recession. Specifically the proposal aimed to furnish additional unemployment insurance protection for workers who have been unemployed so long they have exhausted their regular State benefits. The House bill (H.R. 4806), passed by a 13-to-1 majority, accomplishes the President's objective. The bill reported out by the Senate Finance Committee has so altered the House bill that its basic purpose is defeated. Now here are the main arguments against the Senate committee's amendments of this bill.

1. SENATE COMMITTEE AMENDMENTS IGNORE NATIONAL CHARACTER OF PROBLEM

Today we find nearly 6 million workers totally unemployed. About 3½ million of them are drawing unemployment insurance; about another 700,000 of them have used up all of their benefits and have no place to turn. Between now and 1 year from now, another 3 million workers will have exhausted their benefits without having found jobs.

These facts depict a grim picture of our Nation's economy which cries out for urgent, effective action on a national scale. The committee's amendments ignore the fact that this country's unemployment at the present time is national in its causes and national in its effects. It is not a collection of State problems that they individually can resolve. State lines are no barrier to the growing menace of unemployment in periods of recession. The problem is national in scope and therefore requires a national solution. The committee amendments have exactly the opposite effect and prevent a national solution of the problem.

2. COMMITTEE AMENDMENTS REQUIRE STATE LEGISLATIVE ACTION

Under the temporary unemployment compensation program of 1958, 9 of the 17 States that participated found it necessary to obtain legislative authority to participate, while other States refrained from participation for lack of such authority. Attorney generals in 10 of these States wrote opinions that legislation would be required for their States to come into the program. This authority was needed since TUC entailed obligating the State to pay for benefits not provided for under State law.

The Senate committee's amendment altering the financing arrangements for TUC now places each State in the same potential position with respect to assuming financial obligation that they found themselves in in the 1958 program. The amendment stipulates that a State which pays out more in benefits than is raised in that State through the added 0.4 percent tax must obligate itself to repay the funds furnished by the U.S. Treasury to cover the excess benefit costs on the same basis as was specified in the temporary unemployment compensation program of 1958. Each State faces this eventuality since no State can be sure that future extended benefit costs will not exceed the additional tax revenue raised under the bill.

This being the case, no State which requires legislative authority for such obligation can safely proceed to participate in the program without first obtaining such authority. Thus the Finance Committee's amendment revives the very circumstances which led to delays and to restricted participation in the 1958 program. Similar delays and restriction in participation are sure to result under the Senate Finance Committee's bill and would defeat the basic aims of this measure: rapid and universal extension of unemployment benefits. Lost would be the necessary salutary effects of

speedy relief of considerable human suffering and broad substantial support for purchasing power at a critical stage in the economy's emergence from the recession.

3. COMMITTEE AMENDMENTS DISCOURAGE STATE PARTICIPATION

Besides inhibitions on participation by States requiring legislative authority, States are encouraged to limit or refrain from participation to assure a return of tax revenues not used for extended benefits, as provided by committee amendments. Many States will feel the pressures of employers to avoid participation so that a future rebate of tax revenues to the State funds may furnish a basis for future State tax reduction.

The House bill assures participation by all States by using excess tax revenues in some States to cover excess benefit costs in other States in keeping with a national approach to a national problem, thereby providing no incentives for individual States to avoid extending benefits.

4. COMMITTEE AMENDMENTS IMPOSE FEDERAL TAX WITHOUT ASSURING ACHIEVEMENT OF OBJECTIVE

Even the Senate committee version of the bill recognizes that the problem faced is a national one requiring a national remedy. It does so simply by establishing a Federal program and especially by imposing a nationwide uniform increase in the Federal unemployment tax.

But the Senate committee's amendments then, in effect, destroy the very purpose of this approach by permitting a State to obtain a rebate of the entire tax if it chooses not to extend benefits. Moreover, a participating State may obtain a rebate of its taxes not used for benefits or may have to raise additional taxes to pay for costs of benefits which exceed the 0.4 percent tax. In taking this approach, the Senate committee has eliminated the sense behind the imposition of a uniform nationwide increase in the Federal tax.

The House version of the bill assures that the purposes of the TEUC program will be achieved throughout the Nation since no State would be able to recover any of the taxes paid or derive any advantage except by extending benefits to unemployed workers who need them.

5. THE SENATE FINANCE COMMITTEE AMENDMENTS OVERLOOK PRECEDENT IN THE DISTRIBUTION OF FEDERAL UNEMPLOYMENT TAX COLLECTIONS

The Senate committee contends that each State should take care of its own unemployment problem. But there is precedent in the administration of the Federal-State employment security program to support a sharing of heavy unemployment benefit costs among the States.

The Department of Labor allocates Federal funds to the States for administration of their employment security programs out of the proceeds of the present Federal unemployment tax collections. The amount each State receives is based on its needs for efficient administration regardless of the amount of Federal taxes collected in the State. In fiscal year 1960, e.g., administrative costs exceeded Federal unemployment taxes in 26 States. Three States received administrative funds which were more than double the revenue collected in those States; nine others received administrative funds which exceeded tax collections by 50 percent or more. There were comparable variations in prior years.

The States where this happens are usually sparsely populated and not highly industrialized. It is sound policy to make allocations of administrative funds without regard to the amounts of Federal unemployment taxes collected from these States because it assures adequate machinery throughout the Nation to handle the important job done by the employment security system.

If this principle is accepted as sound for administrative financing, why should there be a sudden departure from this approach when allocating funds for Federal unemployment compensation payments to meet the serious national problem of recession unemployment.

6. COMMITTEE AMENDMENTS IGNORE SEVERE TAX BURDEN ON EMPLOYERS IN HARD-HIT STATES

Employers in the major industrial sections of our Nation face the stern prospect of extremely high State contribution rates through an accumulation of several factors. These include the effects of a gradually rising level of unemployment that has been in progress for some years, apart from recessions; the higher tax rates reflecting costs of the last recession; the still unpaid 1958–59 TUC obligations; and the increase in the Federal tax under this TEUC bill. These employers are then faced with the additional prospect of paying the even higher costs of extended benefits that will occur in these areas in the coming year—those exceeding four-tenths of a percent—under the amended version of the bill.

It is easy to see that an almost impossible burden on these employers will result in the future, possibly in the midst of another recession. Such a burden is inequitable because of the national character of the causes and effects of heavy unemployment in these areas. Toleration of such a burden on a particular group or area is counter to sound national policy.

7. SENATE COMMITTEE AMENDMENTS IMPOSE A FEDERAL STANDARD ON TREATMENT OF PENSIONERS

In requiring that the unemployment compensation of pensioners be reduced by the amount of pension received, the committee's amendment completely reverses the legislative policy underlying all federally financed unemployment compensation programs enacted since 1953. (Unemployment compensation for Federal employees enacted in 1954; the Temporary Unemployment Compensation Act in 1958; and unemployment compensation for ex-servicemen in 1958.) All of these programs made the payment of benefits subject to the terms and conditions of State laws. The Senate committee's bill, however, usurps the rights of the States to decide for themselves the action that should be taken.

The committee's amendment with respect to pensioners is also arbitrary and punitive in its effects. Studies show that most of the pensioners who are drawing unemployment compensation are in the labor market seeking employment; that they have been employed in work since retirement; and that they need to work to supplement their meager pension payments.

H.R. 4806 passed by the House excludes all of these objectionable features. These features defeat the purpose behind the President's request for a temporary extension of unemployment compensation. H.R. 4806, as passed by the House, supports this purpose and therefore, should be enacted.

Estimated Federal unemployment tax receipts and Federal funds allocated to States for administration during fiscal year 1960

[Dollar amounts in thousands]

State	Federal unemployment tax collections [1]	Federal funds allocated to States (including postage)	Ratio of funds allocated to tax collections (percent) by fiscal year			State	Federal unemployment tax collections [1]	Federal funds allocated to States (including postage)	Ratio of funds allocated to tax collections (percent) by fiscal year		
			1960	1959	1958				1960	1959	1958
United States	$338,769	$319,570	94.3	98.0	88.7						
Alabama	4,191	4,322	103.1	107.3	98.1	Montana	$878	$1,670	190.2	199.9	165.1
Alaska	394	1,448	367.5	342.2	292.8	Nebraska	1,799	1,473	81.9	80.3	73.9
Arizona	1,972	3,775	191.4	198.3	193.6	Nevada	700	1,270	181.4	172.6	150.5
Arkansas	1,807	3,219	178.1	211.5	194.9	New Hampshire	1,185	1,262	106.5	115.2	112.5
California	34,447	34,105	99.0	105.5	103.3	New Jersey	13,654	12,527	91.7	93.1	85.6
Colorado	2,861	3,070	107.3	112.5	101.9	New Mexico	1,342	1,996	148.7	145.8	139.3
Connecticut	6,397	5,054	79.0	95.7	77.0	New York	41,552	47,563	114.5	108.7	100.8
Delaware	1,118	775	69.3	67.4	58.9	North Carolina	6,830	5,723	83.8	90.4	85.1
District of Columbia	1,888	2,604	137.9	156.7	122.1	North Dakota	555	1,150	207.2	206.7	190.4
Florida	7,372	6,174	83.7	87.2	78.9	Ohio	21,507	14,460	67.2	74.9	62.8
Georgia	5,756	4,356	75.7	80.5	75.0	Oklahoma	3,079	3,792	123.2	128.6	118.1
Hawaii	1,070	1,029	96.2	113.2	118.6	Oregon	3,287	3,977	121.0	116.7	118.0
Idaho	871	2,038	234.0	389.6	201.6	Pennsylvania	24,531	24,248	98.8	106.3	96.3
Illinois	23,757	14,387	60.6	64.5	57.0	Rhode Island	1,895	2,839	149.8	154.8	142.8
Indiana	9,639	5,182	53.8	63.4	53.3	South Carolina	3,126	3,184	101.9	111.6	107.6
Iowa	3,732	2,943	78.9	80.4	72.6	South Dakota	567	860	151.7	152.1	139.7
Kansas	2,938	2,414	82.2	80.8	75.2	Tennessee	5,148	4,134	80.3	87.8	86.4
Kentucky	3,645	3,751	102.9	107.4	88.6	Texas	14,603	12,918	88.5	88.3	78.6
Louisiana	4,513	4,019	89.1	85.3	74.0	Utah	1,399	2,401	171.6	181.6	162.4
Maine	1,555	1,576	101.4	109.6	97.0	Vermont	580	984	169.7	177.6	167.0
Maryland	5,445	5,656	103.9	101.0	92.5	Virginia	5,523	2,896	52.4	53.7	49.5
Massachusetts	11,872	11,822	99.6	104.5	97.0	Washington	5,282	6,270	118.7	114.6	106.1
Michigan	16,113	15,354	95.3	96.6	86.1	West Virginia	2,897	2,408	83.1	84.2	71.4
Minnesota	5,492	4,686	85.3	87.1	78.9	Wisconsin	7,384	4,746	64.3	69.0	59.3
Mississippi	1,981	3,235	163.3	169.6	163.2	Wyoming	523	914	174.8	184.4	167.5
Missouri	8,117	5,626	69.3	69.8	66.3	Puerto Rico		1,167			
						Virgin Islands		82			
						Guam		30			

[1] State distribution estimated on basis of data from the 1959 ES–202 reports, "Employment, Wages, and Contributions," and the accompanying certified report, the ES–202 "Taxable Wage Supplement" for calendar year 1959.

THE NATIONAL CHARACTER OF THE PROBLEM

This country is in no position to view its present unemployment problem as 50 separate unemployment problems. When nearly 6 million workers are jobless throughout the country, as was the case in February, there is no time to spend waiting for particular States to decide whether or not they should or can take care of their own unemployed. Who can say who shall be responsible for the thousands of auto workers laid off in Michigan and Wisconsin because the cars they made are not selling well in New York, Kansas, Kentucky, or in dozens of the States? Who is to say that the thousands of steelworkers thrown off their jobs and now exhausting their unemployment compensation in Illinois, Ohio, and Pennsylvania are purely the responsibility of Illinois, Ohio, and Pennsylvania when this happens because the cut in auto production in Michigan and Wisconsin results in reduced demand for steel? Is it of no consequence to the farmers of Iowa and Nebraska, or the textile and garment manufacturers of the Carolinas that jobless workers in the Northeast or the Great Lakes area will no longer be drawing unemployment benefits to buy food and clothing for their families?

This is not a collection of State problems that we face; this is a national problem that requires a national solution. The administration bill offers a truly national approach; the committee's bill clearly does not. It imposes a national tax—that's true, but it turns around and says to a State, 'if you do not use this money to pay benefits, you can have it back."

If we fail to recognize the national character of this problem; if we fail to furnish an effective remedy for the pressing problem that exists across the land; if, as is certain to happen under the committee bill, many workers find themselves cut off from the added protection they need because their State would not or could not assume the burden on its own, then we here will have to face the responsibility for the continued hardship that will result.

If we do not recognize the national scope of this problem, we will in effect be saying to those States hardest hit by the recession, "You can go it alone." And, in effect, we will be saying at this crucial period in our history: "We are not a united nation."

The proponents of the amendments say that about 40 States will be contributing revenue in excess of the amount of benefits that will be paid in these States. While it is true that Federal revenue may exceed benefit payments in the majority of States, I am not so sure that the number will finally turn out so great as 40 or 35 or possibly even 30. I base my statement on the fact that the estimates of benefits and taxes for some States are so close as to put them on the doubtful list in this respect. For example, Connecticut and Louisiana are two of the States presumably included in the count of States with taxes exceeding benefits. But look at the closeness of the estimates for these States:

	Benefit cost (millions)	*Tax collections (millions)*
Connecticut	$18.2	$18.5
Louisiana	12.9	13.1

These are, after all, only estimates; the actual benefit cost for Connecticut could easily turn out to be $19 million and the cost in Louisiana $13.5 million or $14 million. There are others not quite so close but where a few plant shutdowns or failure of plants to reopen, not possible for any individual to foresee in making such estimates, could easily lower the count as I said to perhaps 30.

The important point, however, is not to look at the total of 40 States or even 30 States, if this number is more correct, but to think of the basic objective of this proposed legislation. The basic issue is simply this—are we going to attack a national unemployment problem which was caused by conditions that transcend State lines with a program that reflects vigorous national action or are we going to offer to the country a program that will never get underway.

And I suggest we look at the employer's side of this problem for a moment. If the Congress approves the recommendations of the Senate Finance Committee which would require each State to provide its share of the cost of additional benefits, employers in those States hardest hit by the recession will face a tremendous tax load in the years ahead.

The original administration bill, already adopted by the House, provided for all costs of the extended program to be met out of increased revenues from a proposed temporary increase of 0.4 in the tax rate under the Federal Unemployment Tax Act. This means that for the years 1962 and 1963 the Federal Government would collect 0.8 percent—0.4 for the administrative financing of the employment security program, and 0.4 percent to pay temporary extended benefits.

Now the amended bill would require employers in all States to pay an additional Federal unemployment tax of 0.4 percent for each of the taxable years 1961 and 1962. This amendment does two things: One—by making the due date for the increased tax 1961 instead of 1962, employers are denied a breathing space in a time of severe economic downturn. Secondly—this additional tax on employers in each State will be earmarked for the sole use of that State. This means that in States where unemployment is so severe that the additional temporary taxes are insufficient to finance the extended benefit costs, employers will be assessed additional taxes to make up the deficit.

If industries in the States hardest hit by the recession are forced to pay an accelerated tax on extended unemployment compensation far out of proportion to employers in more fortunate States, the depressed area employers have only one alternative—to pick up and move out.

We will be compounding an already deleterious employment situation. I urge you to consider carefully before accepting any recommendation which would impose even further hardship on the already hard-pressed employers in depressed areas.

Yes; the current unemployment situation makes it imperative that Congress act quickly to approve legislation paying additional unemployment insurance benefits to jobless workers who exhaust their benefit rights and cannot find employment. I know all of us want to get this program into action as promptly as possible. However, the committee amendment changing the arrangements for financing the temporary program would delay rather than speed up the payment of benefits. If we accept these amendments I believe we would be making the same mistake we made 3 years ago with the temporary unemployment compensation program of 1958.

The committee's amendment altering the financing arrangement for temporary extended unemployment compensation now places each State in the same possible position with respect to assuming a financial obligation in which they found themselves in the 1958 program. The amendment stipulates that a State which pays out more in benefits than it raises through the added four-tenths percent tax must obligate itself to repay the funds furnished by the U.S. Treasury to cover the excess benefit costs. Each State faces this eventuality since no State can be sure that future extended benefit costs will not exceed the additional tax revenue raised under the bill.

This being the case, no State which requires legislative authority for such an obligation can safely proceed to participate in the program without first obtaining such authority. Thus the committee's amendment revives the very circumstance which led to delays and to restricted participation in the 1958 program.

Similar delays and restriction in participation are sure to result under the committee's bill and would defeat the basic aims of this measure: rapid and universal extension of unemployment benefits. Lost would be the necessary salutary effects of speedy relief of considerable human suffering and broad substantial nationwide support for purchasing power at a critical stage in emerging from the recession.

SUMMARY

In conclusion, I am strongly opposed to adoption of the financing provisions which the Senate Finance Committee has incorporated in the Temporary Extended Unemployment Compensation Act of 1961. I am opposed to these provisions because their adoption would nullify many of the important advantages which would flow from the bill as approved by the House. The House bill represents a four-square nationwide approach to a nationwide problem—the problem of recession unemployment. The House bill would assure the participation of every State in a broad-gage attack on unemployment. Its passage would assure that all States would pay additional benefits to jobless workers exhausting their benefit rights under the permanent unemployment insurance programs administered by the Federal-State system. As a result the purchasing power of all jobless workers eligible to receive additional benefits would be increased. These benefits would be spent immediately for food and other necessities. The money spent by jobless workers would help to sustain local purchasing power. The cumulative effect of such payment on a nationwide scale would have a major impact on national purchasing power and make a strong contribution to economic recovery.

A nationwide attack on unemployment would be assured by the House bill because all States would be brought into the program. Thus, the House bill recognizes that the unemployment problem we face is a national, not simply a State problem.

Let us look at the proposed financing amendments to the House bill which are in the bill reported by the Senate Finance Committee. These amendments would provide no incentive for States to participate. Actually they provide an incentive against such participation.

The proposed amendments would impose an extra tax on all employers just as the House bill does and in the same amount. However, the taxes collected in an individual State would be earmarked for that State's use in the unemployment trust fund in the U.S. Treasury. If a State participated in the program the proceeds of the Federal tax on employers in that State would be available solely for paying extra benefits in that State while the temporary program was in effect. At the conclusion of the program these proceeds, if not used by the State in full, would be returned to that State's account in the unemployment trust fund. If the State did not participate in the program, the extra taxes collected from its employers would be held until the program terminated and transferred in full to the State's account in the trust fund. Under such conditions what incentive would there be for the State to participate?

However, if a State participated in the Federal temporary program as passed by the House and the proceeds from employer taxes in that State were insufficient to pay the additional benefits paid the State's workers, the employers in that State, beginning in 1964 would be subjected to an extra tax which would be continued until the deficit was paid. This would happen in States where

unemployment is the heaviest. As a result, employers in those States hardest hit by the current recession will be faced with a tremendous tax burden in the years ahead if the proposed amendments to the temporary extended unemployment compensation bill are enacted.

The House bill is actuarially sound. It provides a way to promptly finance the costs of the temporary benefits. The Senate version of the House bill would stretch out repayments in some States for years to come.

The House bill is more equitable because it deals with our unemployment crisis in a national manner and because it does not penalize employers located in States facing heavy unemployment.

Mr. KERR. Mr. President, I yield myself 3 minutes.

I thank the Senator from Minnesota for making the statement. It very clearly demonstrates that the purpose of the House version of the bill is to federalize unemployment compensation. If we are to federalize unemployment compensation, why should we do it on a basis that provides the unemployed in one State, two, three, or four times as much as it provides the unemployed in other States? I submit that we ought to have either a State program, as provided by the basic law, or a Federal program such as has just been advocated by the Senator from Minnesota. But if we are to have a Federal program, let us so arrange it that the unemployed in Minnesota get the same as the unemployed in Oklahoma, Kansas, Virginia, or Alaska.

That is the simple issue before the Senate. The unemployed in the Nation will get the same benefits under either of the two versions of the bill. Under the House version, everybody pays an equal amount, but the beneficiaries get different amounts. Under the Senate version of the bill, everybody pays the same amount, but the employers within each State get credit for what they pay against their future liabilities for their employees.

I submit that, on the basis of benefits, the unemployed get the same under either version; on the basis of equity, the Senate version should prevail.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. KERR. I yield.

Mr. PASTORE. Is it not a fact that the bill as it was reported to the Senate provides that, in case money is contributed by a particular State over and above the amount necessary for the temporary relief, or emergency relief, for certain employees, that particular State will later be given an allowance, or a reduction of the 2.7 percent contribution that now is required under the law?

Mr. KERR. A State, if it pays into the fund more money than its unemployed draw, will receive credit for that amount in the trust fund. As to the future amount, it will depend on the future operation of the fund.

Mr. PASTORE. Are we not, in fact, adding insult to injury? Insofar as competition or attracting industry to the various States may be concerned, and in view of the fact that in the future the prosperous States are going to be in a better fiscal position because their contribution will be below the 2.7 percent, as against another State, where, chances are, the contribution will be the 3 percent, are we not actually initiating a national emergency by making the situation better for the States that are well off, and worse for the States that are badly off?

Mr. KERR. No.

Mr. PASTORE. I submit we are.

Mr. KERR. Mr. President, I yield no further.

I yield back the remainder of our time.

Mr. PASTORE. Mr. President, is there any time left?

Mr. HUMPHREY. Mr. President, as I understand, the time of the opponents for the Byrd amendments has been used, and there is no time left. Is that correct?

The PRESIDING OFFICER. All time has been used.

Mr. HUMPHREY. Mr. President, I ask for the yeas and nays on the Byrd amendments.

The yeas and nays were ordered.

Mr. HUMPHREY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the so-called Byrd amendments, offered by the Senator from Virginia. The yeas and nays have been ordered, and the clerk will call the roll.

Mr. DIRKSEN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DIRKSEN. What is the specific matter presently pending before the Senate?

The PRESIDING OFFICER. The question is on agreeing to the various committee amendments designated as the Byrd amendments, which have been ordered to be considered en bloc.

Mr. DIRKSEN. A further parliamentary inquiry. Are they the amendments which have been referred to generally in the discussion as the Byrd amendments?

The PRESIDING OFFICER. That is the understanding of the Chair.

Mr. DIRKSEN. A further parliamentary inquiry. Those who are in favor of the Byrd amendments will vote "yea," and those who are opposed will vote "nay." Is that correct?

The PRESIDING OFFICER. The Senator is correct.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD (when his name was called). On this vote I have a pair with the senior Senator from Massachusetts [Mr. SALTONSTALL]. If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." I therefore withhold my vote.

Mr. METCALF (when his name was called). On this vote I have a pair with the Senator from Kentucky [Mr. MORTON]. If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." I therefore withhold my vote.

The rollcall was concluded.

Mr. HUMPHREY. I announce that the Senator from Alaska [Mr. BARTLETT], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Arizona [Mr. HAYDEN], the Senator from Oregon [Mr. MORSE], and the Senator from Utah [Mr. Moss] are absent on official business.

I further announce that the Senator from Texas [Mr. BLAKLEY], the Senator from Minnesota [Mr. MCCARTHY], and the Senator from Maine [Mr. MUSKIE] are necessarily absent.

On this vote, the Senator from Alaska [Mr. BARTLETT] is paired with the Senator from Texas [Mr. BLAKLEY]. If present and voting, the Senator from Alaska would vote "nay," and the Senator from Texas would vote "yea."

I further announce that, if present and voting, the Senator from Arizona [Mr. HAYDEN], the Senator from Minnesota [Mr. MCCARTHY], the Senator from Oregon [Mr. MORSE], the Senator from Maine [Mr. MUSKIE], and the Senator from Utah [Mr. Moss] would each vote "nay."

Mr. KUCHEL. I announce that the Senator from Colorado [Mr. ALLOTT] is absent because of death in his family.

The Senator from Vermont [Mr. PROUTY] is absent by leave of the Senate because of illness.

The Senator from Kentucky [Mr. MORTON] and the Senator from Massachusetts [Mr. SALTONSTALL] are necessarily absent.

The pair of the Senator from Massachusetts [Mr. SALTONSTALL] has been previously announced by the Senator from Montana [Mr. MANSFIELD].

The pair of the Senator from Kentucky [Mr. MORTON] has been previously announced by the Senator from Montana [Mr. METCALF].

The result was announced—yeas 42, nays 44, as follows:

[No. 16]

YEAS—42

Aiken	Dirksen	Miller
Beall	Dworshak	Mundt
Bennett	Eastland	Proxmire
Boggs	Ellender	Robertson
Bridges	Ervin	Russell
Bush	Fong	Schoeppel
Butler	Goldwater	Smathers
Byrd, Va.	Hickenlooper	Smith, Maine
Capehart	Holland	Stennis
Carlson	Hruska	Talmadge
Case, S. Dak.	Jordan	Thurmond
Cooper	Kerr	Wiley
Cotton	Lausche	Williams, Del.
Curtis	McClellan	Young, N. Dak.

NAYS—44

Anderson	Hart	McGee
Bible	Hartke	McNamara
Burdick	Hickey	Monroney
Byrd, W. Va.	Hill	Neuberger
Cannon	Humphrey	Pastore
Carroll	Jackson	Pell
Case, N.J.	Javits	Randolph
Chavez	Johnston	Scott
Church	Keating	Smith, Mass.
Clark	Kefauver	Sparkman
Dodd	Kuchel	Symington
Douglas	Long, Mo.	Williams, N.J.
Engle	Long, Hawaii	Yarborough
Gore	Long, La.	Young, Ohio
Gruening	Magnuson	

NOT VOTING—14

Aiott	Mansfield	Moss
Bartlett	McCarthy	Muskie
Blakley	Metcalf	Prouty
Fulbright	Morse	Saltonstall
Hayden	Morton	

So the amendments of Mr. BYRD of Virginia were rejected.

Mr. MANSFIELD. Mr. President, I move to reconsider the vote by which the Byrd amendments were rejected.

Mr. HUMPHREY. Mr. President, I move to lay that motion on the table.

The motion to lay on the table the motion to reconsider was agreed to.

Mr. BUTLER. Mr. President, may I address an inquiry to the Senator from Illinois [Mr. DOUGLAS]? I should like to know where the "holy alliance" has gone.

Mr. DOUGLAS. The "unholy alliance" is still operating.

The PRESIDING OFFICER. The clerk will state the next committee amendment.

The LEGISLATIVE CLERK. On page 10, after line 10, it is proposed to insert:

LIMITATION ON PAYMENTS OF COMPENSATION TO INDIVIDUALS ENTITLED TO RETIREMENT BENEFITS

(e) Any such agreement shall provide that temporary extended unemployment compensation payable to an individual with respect to a week shall be reduced by the amount of the following payments received with respect to such week: (1) a primary insurance benefit under title II of the Social Security Act, (2) a retirement annuity (other than a survivor annuity) under the United States Civil Service Retirement Act of 1930, (3) any other retirement system established by or pursuant to State or Federal law, if the employer contributes to such system, or (4) a retirement pension under a private retirement plan provided, or contributed to, by an employer. A payment for a period other than a week shall be prorated by weeks in accordance with regulations prescribed by the Secretary. Notwithstanding the foregoing provisions of this subsection, no reduction shall be made from the temporary extended unemployment compensation to which any individual is entitled if (1) the entitlement of such individual to any such insurance benefit, pension, annuity, or other retirement benefit is based on disability or (2) (i) such individual is at least sixty-five years of age and (ii) the benefit to which he is entitled is payable under laws administered by the Veterans' Administration and such pension is based on service performed by such individual.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 10, after line 10.

Mr. HUMPHREY. Mr. President, I request an explanation of the amendment.

Mr. WILLIAMS of Delaware. Mr. President, I can explain the amendment very briefly. The amendment would correct a situation that was called to the attention of the Congress by the Comptroller General. There are those who were drawing unemployment compensation and who at the same time were drawing substantial retirement benefits, either as retirees from private industry or as retirees from the Federal Government.

This amendment would provide that the unemployment compensation of such people would be reduced by the amount of their pensions. In other words, if retirees are drawing a retirement pension in a greater amount than would be available under the unemployment compensation provisions, they would not receive their unemployment compensation.

The amendment would not reduce unemployment compensation because of any regular veterans' pensions which are being paid to veterans over 65, nor would the compensation be reduced by any pension which is being received by any individual as a result of disability.

However, the amendment would eliminate an abuse called to our attention by the Comptroller General. The Comptroller General made a survey of the District of Columbia for 1 month and out of 1,610 former Federal employees—and the survey involved mostly Federal employees, although the situation exists in cases involving private pension plans—there were 298 voluntary retirees in the District who were drawing two or more benefits from the Federal Government, including their unemployment compensation.

Mr. CASE of South Dakota. Mr. President, will the Senator yield for a question?

Mr. WILLIAMS of Delaware. Yes, I yield.

Mr. CASE of South Dakota. Will the Senator from Delaware repeat those figures? Am I to understand that out of 1,600 retirees from Government employment in the District of Columbia, over 200 are drawing both retirement pay and unemployment compensation?

Mr. WILLIAMS of Delaware. The Senator is correct. Out of that number, 45 of those claimants, or 15 percent, as disclosed by the survey of the Comptroller General, were drawing three or more types of Federal benefits. Five claimants, or 2 percent, were receiving four or more types of Federal benefits concurrently, and one of those individuals was receiving five types of Federal benefits concurrently.

I ask unanimous consent that there be printed at this point in the RECORD a report furnished by the Comptroller General, in which he shows the various pensions which are being paid under this system, along with the compensation payments.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

LABOR DEPARTMENT, BES, TEST OF UNEMPLOYMENT COMPENSATION PAYMENTS TO VOLUNTARY FEDERAL RETIREES WHO ARE RECEIVING RETIREMENT ANNUITIES AND OTHER FEDERAL BENEFITS CONCURRENTLY

The attached schedule shows the results of a test of unemployment payments to individuals in the District of Columbia who had voluntarily retired from Federal employment and were receiving retirement annuities, and who were also receiving other Federal benefits.

The test involved the 1,610 former Federal employees who received unemployment compensation in the District of Columbia during the week ended February 7, 1959. As already reported to the Congress in a report of April 26, 1960 (B–133285), 298 of the 1,610 claimants were voluntarily retired Federal employees who were receiving retirement annuities. Further tests were made to ascertain whether these 298 voluntary retiree claimants were also receiving any other Federal benefits. The number of cases checked and the results of the test are summarized below:

Type of benefit Feb. 7, 1959	Number of cases checked	Number of claimants receiving benefits	
		Number	Percent
Unemployment compensation	298	298	100
Civil service retirement	298	298	100
Social security [1]	240	27	11
Railroad retirement	298	2	1
Veterans compensation [1]	[2] 171	9	5
Veterans pension [1]	[2] 171	13	8
Military retirement	[2] 171	1	1

[1] Several claimants have been awarded benefits after Feb. 7, 1959, but these were excluded from the results shown.

[2] Checked males only.

The review of the 298 voluntary retiree cases shows that 45 claimants, or 15 percent, were receiving 3 or more types of Federal benefits concurrently. Five claimants, or 2 percent, were receiving four or more types of Federal benefits concurrently, and one was receiving five types of Federal benefits concurrently.

Federal unemployment compensation paid to voluntarily retired Federal employees who were receiving a Federal retirement annuity and also receiving other Federal benefits

Case No.	Age January 1959	Unemployment compensation received after retirement		Other Federal benefits received concurrently							
				Civil service retirement monthly benefit	Social security and railroad retirement			Veterans' compensation or pension			Military retirement
		Number of weeks	Total received		SS or R	Monthly benefit	Date began	C or P	Monthly benefit	Date began	Monthly benefit	Date began
3	68	60	$1,800	$141				P	$78.75	May 1957		
13	66	21	630	37	SS	$105.00	October 1958					
14	65	34	1,021	79	SS	49.00	September 1958					
15	68	34	1,020	119	SS	33.00	July 1958					
33	62	13	390	281							$57.20	December 1958.
39	65	25	750	141				P	78.75	June 1958		
49	57	38	1,140	213				C	67.00	August 1952		
54	66	34	1,020	200				P	78.75	April 1958		
74	67	34	1,020	114	SS	33.00	December 1957					

Federal unemployment compensation paid to voluntarily retired Federal employees who were receiving a Federal retirement annuity and also receiving other Federal benefits—Continued

Case No.	Age January 1959	Unemployment compensation received after retirement		Other Federal benefits received concurrently								
				Civil service retirement monthly benefit	Social security and railroad retirement			Veterans' compensation or pension			Military retirement	
		Number of weeks	Total received		SS or R	Monthly benefit	Date began	C or P	Monthly benefit	Date began	Monthly benefit	Date began
75	65	34	$1,020	$142				P	$78.75	May 1958		
76	68	43	1,290	76	SS	$54.00	December 1957					
93	67	60	1,800	145				P	78.75	May 1958		
100	62	34	1,020	103	SS	41.40	June 1958					
102	70	22	660	137	SS	52.00	August 1958					
103	64	39	1,170	83	SS	38.90	January 1958					
104	66	60	1,800	78				P	78.75	September 1957		
112	62	25	750	159				C	30.00	July 1916		
127	65	60	1,800	173				P	78.75	June 1958		
138	66	21	630	139	SS	61.00	December 1957					
142	63	60	1,800	223	SS	67.50	July 1958					
149	71	55	1,364	188	SS (W)	33.00 13.00	January 1959	P	78.75	July 1957		
150	61	58	1,740	234				C	55.00	1928		
153	67	47	1,404	210				C	29.00	October 1919		
154	71	62	1,833	266				P	78.75	October 1957		
175	66	60	1,800	164	SS	45.00	January 1957					
177	71	29	870	99	SS	33.00	September 1954					
178	60	26	780	320				C	28.00	September 1931		
179	62	43	1,273	86	SS	27.70	November 1958					
182	67	60	1,800	136				P	78.75	September 1957		
183	69	34	1,020	72	SS	55.00	February 1954					
184	63	33	983	113	SS	33.00	January 1958					
192	63	26	779	268	SS (W)	33.00 16.50	May 1960	C	39.00	January 1932		
193	66	52	1,552	110	SS	33.00	April 1958	P	78.75	August 1958		
199	63	33	794	245	SS	39.60	July 1958					
202	66	60	1,750	172	SS	33.00	November 1957	P	78.75	October 1957		
203	65	64	1,892	244	SS	33.00	October 1958					
207	65	34	1,020	141	SS	46.00	December 1958					
215	65	34	1,020	148				P	78.75	September 1958		
259	65	21	630	119	SS R	72.00 86.90	December 1958	C	25.00	March 1932		
260	64	34	1,020	278	R	64.80	March 1959					
268	66	57	1,710	98	SS	62.00	April 1957					
271	69	57	1,697	122	SS	33.00	May 1954					
278	62	34	1,020	437				C	226.00	March 1958		
287	67	65	1,950	215				C	133.80	July 1919		
289	66	34	1,013	333	SS	33.00	January 1958					

Mr. WILLIAMS of Delaware. These cases are stated by number rather than by name because we did not think it was fair to publish the names. As a specific example I call attention to the case of one individual who retired voluntarily from the Government at the age of 62. He was drawing $437 a month civil service retirement pension. He was drawing a veteran's pension of $226 a month. In addition to that amount, he drew 34 weeks of unemployment, of $1,020. Other individuals are listed who were drawing as many as five different checks.

Mr. LAUSCHE. Mr. President, may I ask that the Senator from Delaware repeat those figures? I did not hear them.

The PRESIDING OFFICER. The Senate will be in order.

Mr. WILLIAMS of Delaware. I said that the Comptroller General's report refers to case No. 278. The individual involved was 62 years of age. He voluntarily retired from the Government. He drew $437 a month in civil service retirement pension. He was drawing $226 a month veteran's benefits and, in addition, he was awarded 34 weeks of unemployment compensation, or a total of $1,020. There were other cases such as that.

Mr. CASE of South Dakota. Mr. President, I doubt if those figures were heard by all Senators. I think the case he stated points up the need for the amendment offered by the Senator from Delaware. If I understood correctly, a man retired at the age of 62 voluntarily. He received $437 in civil service retirement, $226 additional in veteran's benefits, and then he drew 34 weeks of unemployment compensation. Is that statement correct?

Mr. WILLIAMS of Delaware. That statement is correct. The Comptroller General called to our attention in this survey that of the 1,610 former Federal employees who were retired Federal employees, 298 voluntary retirees were receiving a retirement annuity during this period and, in addition, were receiving unemployment compensation; 45 of those individuals were drawing 3 or more types of Federal benefits concurrently; 5 were drawing 4 or more types of Federal benefits concurrently; and one was drawing 5 benefits concurrently.

Mr. CASE of South Dakota. So the report of the Comptroller General indicates that 298 of the 1,600 retirees were drawing unemployment compensation, and that many of them were drawing several forms of Federal benefits?

Mr. WILLIAMS of Delaware. Two hundred and ninety-eight of them were drawing one or more in addition to unemployment compensation.

Mr. CASE of South Dakota. The statement of the Senator from Delaware certainly points up the need for a corrective amendment, and I hope that the amendment of the Senator from Delaware will be agreed to.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I shall, but I should like first to yield to the Senator from Kentucky [Mr. COOPER], to whom I promised to yield.

Mr. DIRKSEN. I shall take only 30 seconds.

Mr. WILLIAMS of Delaware. I yield to the Senator from Illinois.

Mr. DIRKSEN. I believe the Senate should pass judgment on this frightful abuse. I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. COOPER. Mr. President, I should like to ask a question.

Mr. HUMPHREY. Mr. President, we would like to hear the Senator's question. We would like to hear what the Senator from Kentucky has to say. He is always very informative.

The PRESIDING OFFICER. The Senate will be in order.

Mr. COOPER. I would like to ask whether the Senator's amendment would take away any veteran's pension.

Mr. WILLIAMS of Delaware. The amendment exempts veterans' pensions. If the Senator will read the amendment, he will see that veterans over 65 are excepted; and also it exempts all disability benefits.

Mr. COOPER. Is there anything in the amendment which would reduce the compensation of a pension or a benefit paid to a veteran?

Mr. WILLIAMS of Delaware. Not on his veteran's pension.

Mr. COOPER. There is no case at all of that kind involved here?

Mr. WILLIAMS of Delaware. Only if it is a military pension. It would affect

a general, for example, because his pension would run pretty high.

Mr. COOPER. But it would not affect anyone else. Is that correct?

Mr. WILLIAMS of Delaware. The Comptroller General listed these cases. There are veterans' pensions for privates, and so forth. Then there are the military retirements, which are pensions paid to the regular military personnel. The latter would be included.

Mr. COOPER. The reason I ask the question is that it seems to me that any individual who receives a pension or compensation because of his war service ought not to have it taken away by virtue of the Senator's amendment. If the Senator assures me that there is no such case in which a veteran's benefit or compensation payment is affected——

Mr. WILLIAMS of Delaware. I cannot say of any kind, because, as I said before, there are the military retirees who are not disabled, who would be affected. Some of the military pensions run to $8,000, $10,000, and $15,000 a year. I am speaking of the so-called veterans' pension plan. Those are not affected.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. KEATING. What the Senator is referring to is not truly a veterans' pension.

Mr. WILLIAMS of Delaware. No. The Senator from Kentucky, however, referred to a veteran under any circumstances. Regular veterans' benefits are exempt, but certain types of military benefits are not.

Mr. KEATING. If a veteran were receiving retirement pay, it would affect the retirement pay.

Mr. WILLIAMS of Delaware. I am sure the point the Senator is interested in is protected. I wish to close the debate, because I think the situation is clear now. I emphasize that I am not directing any criticism against Government employees. There are many similar cases in private industry throughout the States. There is a case of one individual who is drawing more than $9,000 from a company. He retired and then was awarded unemployment compensation. That is the kind of situation we want to correct.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. PASTORE. We in Rhode Island pay a cash disability benefit to which an employee himself exclusively contributes, without any assistance from the employer. Would the amendment affect that situation in any way?

Mr. WILLIAMS of Delaware. Did I correctly understand the Senator to say disability?

Mr. PASTORE. Yes; disability.

Mr. WILLIAMS of Delaware. The amendment would not affect such a case.

Mr. PASTORE. We have a situation in Rhode Island of a person becoming incapacitated, and for that reason is unemployed, and there are certain marginal cases, in which there is justification for the collection of both, for the simple reason that in such instances it is more or less insurance, because the person himself pays for it without any contribution from the employer. Would the amendment affect that situation in anyway?

Mr. WILLIAMS of Delaware. I will answer that question in two sections. If the benefit which he is receiving is paid for by the employee and is not a company-contributing plan, it is not at all affected by the amendment. The amendment deals only with those instances in which there is a company contribution or employer contribution.

Mr. PASTORE. May I ask another question?

Mr. WILLIAMS of Delaware. There is another part to the Senator's question. Even if it is a beneficiary company pension plan in which the employer is a contributor or an employee of the U.S. Government under which the Government is a contributor, and that pension results from disability, it is likewise not affected. The amendment exempts such pensions. It exempts also those pension plans which are paid in full by the employee, because that is just the same as the case of an employee buying an insurance policy. The amendment has nothing to do with that type of plan.

Mr. PASTORE. So that we may properly establish a legislative history of this situation, I understand the Senator to say that under any circumstances when an employee makes a contribution on his own, without any assistance from the employer, on any plan of cash disability, or any hospital plan, that is not included in his amendment. Is that correct?

Mr. WILLIAMS of Delaware. That is correct. The amendment affects only those pension plans which are employer-contributed plans.

Mr. PASTORE. Will the Senator yield for one more question?

Mr. WILLIAMS of Delaware. I yield.

Mr. PASTORE. Was the amendment proposed to the committee?

Mr. WILLIAMS of Delaware. Yes; and it was approved in the committee. I would not want to say for certain, but I do not believe there was any objection to it in committee. The Secretary of Labor helped to draft the amendment to get in a form which would be workable. The Secretary of Labor said he recognized the problem. He thought it was one with which we should deal. However, I do not want to create any misunderstanding. He opposed the amendment on the bill because he was opposed to any amendments. In other words, he was not endorsing any amendments. I do not recall any objection to it in committee.

Mr. PASTORE. Is it fair for me to assume that all the amendment does is to eliminate an abuse?

Mr. WILLIAMS of Delaware. That is all it is intended to do.

Mr. PASTORE. I would like to help the Senator. I fought him as hard as I could for the elimination of previous amendments. I was happy that they were rejected. I believe that if we are to maintain the integrity of this program, it behooves all of us to remove this abuse. I shall support the Senator in his amendment.

Mr. WILLIAMS of Delaware. I thank the Senator.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. AIKEN. I would like to ask whether the Senator's amendment applies to a person who is drawing retirement benefits——

Mr. HUMPHREY. Mr. President, we cannot hear the Senator from Vermont. May we have order in the Senate?

The PRESIDING OFFICER. The Senate will be in order.

Mr. AIKEN. Would the Senator's amendment apply where the retirement pay was not adequate to live on, and where a person had taken a job?

Mr. WILLIAMS of Delaware. A man who is drawing retirement compensation, let us say, of $20 a week in a State which is paying $40 a week unemployment compensation, under my amendment would continue to draw the $20 retirement compensation. His unemployment compensation would be reduced by the amount of the retirement. So he would get the $20 in unemployment compensation, or in the difference. The reason we drafted it in this way was because we did not want to repeal any of the retirement benefits. We therefore provided for a reduction. In the case of a person drawing $60 a week in retirement, if the State were paying $45 in unemployment compensation, that person would not be eligible for unemployment compensation.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. CASE of South Dakota. What the Senator has just said, as I understood it, is that if the retirement benefit is less in amount than the unemployment compensation, the retirement compensation will not be reduced, but the unemployment compensation will be reduced, so that the total amount would be equal to the maximum that he could receive under unemployment compensation.

Mr. WILLIAMS of Delaware. That is correct. I conclude by just citing two more cases. I believe we have established the case. The Comptroller General called attention to two particular situations.

One case involved a single man. His take-home pay, while he was working, was $3,451 a year. That was his take-home pay before retirement. After retirement, and as a result of the additional tax benefits to which he was entitled, his take-home pay was $4,416, or $965 more income a year after he quit work and began to receive unemployment benefits than when he was working.

The second case was that of a married couple, both of whom were qualified for employment in the labor force and thus were entitled to unemployment benefits. While they were working, their combined take-home pay was $6,453 a year. After they retired, they had take-home pay of $7,418.

As the Senator from Rhode Island pointed out awhile ago, the Comptroller General emphasized that such cases are far in the minority; but they are abuses, and they act to discredit what should be

recognized as a useful and good program. I think it is important that we clean it up and close the loophole at this time.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. KUCHEL. I do not attempt to justify the type of example which has been read. However, suppose a person in the Senator's State or mine has retired, is over the age of 65, and is getting $60 or $70 a month. Under the law, he is permitted to engage in outside employment to the extent of $1,200 a year. Suppose he works sufficiently long to be able to build up some credits, so that he would be entitled to some unemployment compensation benefits. Would the amendment which the Senator now offers prevent him from getting the benefits he would have earned by his outside employment?

Mr. HUMPHREY. Yes, indeed.

Mr. WILLIAMS of Delaware. If the benefits he would earn outside would exceed the amount of his unemployment benefits, it would.

The amendment provides that the temporary extended unemployment compensation payable to an individual shall be reduced by the amount of the pension payments. If the pension to which he was entitled was $40 a week, and if California were paying him $45 a week in unemployment compensation, he could collect the $5 differential. If his pension were $30 a week, he could collect the $15 differential.

Mr. KUCHEL. What is wrong with a person who receives retirement benefits under social security, which are modest, taking advantage of his right to work each year to the extent of earning an additional $1,200 a year income, and then, becoming unemployed from that temporary additional work, receiving what I assume would be modest unemployment compensation benefits based upon the $1,200 a year extra compensation, without penalizing him? What is the theory behind that?

Mr. WILLIAMS of Delaware. If that were done where would it stop? How would the Senator from California propose to correct the situation of the individual to whom I previously referred, who was drawing approximately $750 a month in Government pensions from two different sources, but who voluntarily quit his job and at the same time made a claim for unemployment insurance?

Mr. KUCHEL. Why not make a distinction between a person who is receiving social security retirement benefits, on the one hand, and a person who receives retirement benefits from another system, above a certain level?

Mr. WILLIAMS of Delaware. The level is established by the unemployment compensation. After talking with the Comptroller General, we decided that this was the best kind of provision that we were able to draft. The first proposal was that the person should have an election. That approach was dropped.

Mr. KUCHEL. He could not draw $60 a week under social security.

Mr. WILLIAMS of Delaware. No; $60 a month. I suppose a change such as you propose could be made, but we do not want to amend the social security law, or the pension plans of various companies and of the Federal Government.

The only way in which the drafters of the amendment were able to prepare it was to provide that unemployment compensation in the respective States should be reduced by the amount of the pension which is received from an employer-contributed plan, with consideration being given in the compensation to veterans' pensions for those over 65, or any pension, even an employer-contributed pension, which comes as a result of disability.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. AIKEN. Does the Senator's amendment make any distinction between those who, as in the cases he has cited, retire voluntarily in order to get their fingers into several pies at the same time, and those who retire involuntarily, who wish they could keep on working and earning a living at their usual work?

Mr. WILLIAMS of Delaware. There is no legal way in which a distinction can be made, we were told, in such case. Presumably even those who, the Comptroller General said, had retired on a voluntary basis had to say when they applied for unemployment compensation that they were willing to accept another job, if it were available.

But how can the vice president of a company who is drawing $9,000 a year pension be assigned to another comparable job? How can a Government employee who has established eligibility for $470 a month civil service benefits—he must have had a top-level job—qualify to remain in the work force which he has quit?

The committee and the staff decided that this was the only way in which the problem could be approached, and this is the amendment they recommended.

Mr. AIKEN. I hope the Senator from Delaware catches the malefactors, who, as he has indicated, retire voluntarily and then try to collect several thousand dollars a year to which they are not entitled. However, I would not want to commit injustices on those who retire involuntarily on an income of $75 a month, and can hardly live on that sum, but are desirous of getting the little unemployment compensation to which they think they are entitled.

Mr. WILLIAMS of Delaware. They would get some. They could collect the differential during the actual period of time they were unemployed.

Mr. CASE of South Dakota. Mr. President, will the Senator from Delaware yield for a question?

Mr. WILLIAMS of Delaware. I yield.

Mr. CASE of South Dakota. It is a little difficult for me to understand the hypothetical case posed by the senior Senator from California. If I understood him correctly, the unemployment entitlement in California is $45 a week. If it is $45 a week, a person would be better off unemployed.

Mr. KUCHEL. The Senator from South Dakota is talking about the ceiling. That is not what a person who has been earning $100 a month will get.

Mr. CASE of South Dakota. When he works for $100 a month, he is getting only $25 a week.

Mr. KUCHEL. I am talking about a man who cannot make more than $1,200 a year in employable income after he retires. His benefits from unemployment compensation will be only a few dollars a month.

Mr. WILLIAMS of Delaware. The Senator from California has referred to an individual who under social security is making only $1,200 a year. Even if he is making $1,200, he is not unemployed.

Mr. KUCHEL. But when that man is out of a job, the Senator's amendment would prevent him from working.

Mr. WILLIAMS of Delaware. If he is working he is not unemployed.

Mr. KUCHEL. A person who makes $100 a month under the law of California is not entitled to $15 a week. A man who builds up some credit for unemployment compensation and then loses his job is entitled to only a few dollars a month in unemployment compensation.

Mr. WILLIAMS of Delaware. I have explained the amendment and have cited the abuses which it is sought to correct. At least a year ago the Comptroller General called this situation to the attention of Congress in one of his reports. He described it as a glaring abuse. It was called to the attention of the committee again this year. This amendment was accepted by the committee. I believe it is the nearest we can come to an amendment which would correct the abuse and not do injustice to any of the individuals concerned.

Mr. PASTORE. Mr. President, will the Senator yield for a question?

Mr. WILLIAMS of Delaware. I yield for a question.

Mr. PASTORE. The Senator keeps repeating "where a person voluntarily leaves his employment." I understand it is basic in the law that there must have been a compulsory discharge. In other words, if a person voluntarily leaves his job, under the concept of this law he is not unemployed.

Mr. WILLIAMS of Delaware. The Senator from Rhode Island is partially correct.

Mr. PASTORE. Will the Senator from Delaware show me where I am partially incorrect?

Mr. WILLIAMS of Delaware. The Comptroller General was speaking, in connection with the case before the committee, of voluntary retirement from the Federal Government.

Mr. PASTORE. When a person voluntarily retired, under this law he would not be entitled to receive unemployment compensation.

Mr. WILLIAMS of Delaware. No, Mr. President, the Comptroller General referred to persons who retired voluntarily, who quit their jobs with the Federal Government, and he cited 298 cases in which such persons had done just that. They voluntarily retired at permissible age; they elected to take their civil service retirement benefits. Then they

would go to the Unemployment Compensation Board and would say they had decided to go to work again. Naturally they could not get their old jobs back. In that event they were, by their own election, back in the labor force. In the District of Columbia, in many such instances, payments are withheld for 4 or 5 weeks for what is called a waiting period, and then they can draw unemployment compensation because they say, after voluntarily retiring, that they have elected to go back to work. Those were cases in the District of Columbia.

Mr. HUMPHREY. Mr. President, if ever there was a time when this body should not legislate Federal standards—and that is what is proposed right now—it is tonight. But that is exactly what the amendment proposes to do—namely, to change the State laws of 28 States. Twenty-two States have laws which relate somewhat to the question of adjusting the unemployment compensation benefits, on the basis of the pensions received. There are 28 States which do not have such laws.

The Senator from Delaware has cited as evidence the cases of a number of Federal employees covered by the inspection of the Comptroller General—Federal employees who voluntarily retired after earning their benefits under laws established by the Congress, and who may have retired because of a desire to take other employment. Perhaps they needed employment which would be more gainful; perhaps they had sickness in their family, or had some other family problem which required greater income. So they retired, and took a partial pension—which can be done under what may be called the accelerated retirement plan. Then the employee got a job—which undoubtedly was needed, because I do not find that most people are so much under a compulsion neurosis to work themselves to death that if they have an adequate pension, they will search for work, just for the love of working.

So that person took a job. But later he lost his unemployment compensation benefits because, as the Senator pointed out, in private employment one is not qualified to receive unemployment compensation unless he loses his job either because of a failure to have enough work or because the employer dismisses him.

The Senator from Delaware has said he has been able to dig up a few such cases. He cited two of them, and then he cited two more. But millions of people in the country today draw pensions, most of which are inadequate. Let me say that certainly the employees are not overburdened with pension funds. If such persons were caught up in the present unemployment situation, some of them, who would be entitled to receive temporary unemployment compensation, up to a maximum of 13 weeks, would—under this proposal—have that unemployment compensation reduced by the amount of their pension payments, unless they were payments for disability or for veteran's pensions.

I submit that such a step would rewrite State law; and all the "States righters" should stop and think what they are doing.

A moment ago there was a big hue and cry about Federal standards; but now, when there is proposed a Federal standard which would downgrade the program, some would vote for it.

I submit that if anyone can show me 100 cases, out of the 180 million Americans, in which the persons involved are getting rich out of unemployment compensation, I will apologize publicly to the Senate.

What kind of nonsense is this?

Mr. PASTORE. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield.

Mr. PASTORE. I submit to the Senator from Minnesota that it is not nonsense at all. The one thing which will destroy the program is the abuse perpetrated on the part of the few, which makes matters extremely difficult for the many.

First of all, we acted on the amendment which we have already defeated, tonight—with my help, and I am glad of it—which would have made this a State affair. But it should not be a State affair; and that is why I voted as I did.

Now it is proposed that we have this big reservoir from which all may draw, because otherwise it is an inequitable hardship to adding insult to injury to a State which already is suffering from widespread unemployment.

The point is that if a person is not entitled to receive these benefits, which are being contributed exclusively by the employers—the employees not having made any contribution to them—if we are to allow personal expropriation and profiteering by a few and if we allow those few thus to reduce the fund and make it unstable, then I am afraid we are laying the foundation for destruction of the nobility of the program.

No one has worked harder for liberalization of unemployment compensation than I did when I was Governor of my State. But at the same time I fought hard to eliminate all abuse.

I say to the Senator from Minnesota that if such an abuse exists, I do not think we should attempt to dress it up in a lot of fancy phrases. An abuse is an abuse; and if a person is receiving more than he is entitled to, he is taking that money out of the pocket of someone else; and that is absolutely unfair.

Mr. HUMPHREY. Mr. President, the Senator from Rhode Island makes a very persuasive argument; and because he is a man of fact and of deep conviction, no Member of this body would contest the work he has done either as Governor or as Senator. But if, to correct 500 cases of abuse, 1 million or 100,000 or 200,000 persons will be hurt, it seems to me that is very poor equity.

A while ago the Senator from California brought up a very plausible case, but the figures were a little inaccurate. Some talked of $60-a-week old-age pensions. Where? Up with sputnik? And there was talk of $40-a-week old-age pensions. Where? In America?

We are talking about people who are lucky if they get $70 a month, or people who, if they get $100 a month, are said by some persons to be on the gravy train.

If those people get a pension, and then qualify for unemployment compensation, under this amendment they would have their employment compensation reduced by a proportion of the pension.

I submit that I could not agree more with the Senator from Rhode Island. I do not want to see someone ride a gravy train and receive $900 a month if he is not supposed to, or receive $400 a month, and then get unemployment compensation. But for every case of that sort which might be shown, I can show, out in the States, many, many cases in which those who are receiving old age assistance payments and old age pensions—I refer to those who have gained new jobs and have qualified under the credit system in their States—would, under this proposal, have their unemployment compensation reduced, and they would be made second-class citizens.

I have been told many times that the States know best; they have a better idea. There have been 25 years of experience under this program.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. MANSFIELD. I took it on myself to ask the Secretary of Labor, Mr. Arthur Goldberg, about the amendment. This is what he has to say, and it applies to what the Senator from Minnesota has been saying about the matter:

> The amendment to reduce from the Federal benefits provided by the bill amounts of retirement payments to workers imposes a Federal standard in a temporary bill. It has always been the accepted principle that any temporary Federal payments should follow the eligibility and disqualification provisions of the State laws. The amended bill is in this respect a departure from this principle. Moreover it introduces noninsurance features in an insurance program, and as the figures I presented at the hearings show, the problem is so small as not to justify the amendment proposed.

That is the end of the quotation from the letter written by Secretary of Labor Goldberg insofar as his opinion on this particular proposal is concerned.

Mr. HUMPHREY. One final word. I know my colleagues are tired and want to come to a vote. The information I received on this subject—and I checked into the question last night and today—is this: I do not claim to be an expert on it. I do not assert that there are not abuses under existing law. There are other abuses under the law. It is pretty hard for people to live on the little amount received under unemployment compensation benefits. Some of my colleagues are willing to impose uniformity so far as pensions are concerned, but are unwilling to impose Federal standards on benefits or duration, asking that every State have the same standards as California or New York, or other States. They will not do that. Now that the Senator from Delaware is able to obtain from the Comptroller General examples of abuses in cases of Federal employees who have retired. I call attention to the fact that Senators increased the pension allowances.

They are the pensions the Congress put those employees under. At age 62

they voluntarily retire. Then at age 62 and 1 month, they get a private job, and qualify under the law for unemployment compensation benefits, and it is found that they are receiving $400 pension from the Government, and, in addition, receiving unemployment compensation benefits after they have lost their private jobs. What some Senators are saying is, "We are going to get that fellow. He is hurting the system." But, in the meantime, while we are hurting him, we are going to get somebody else who may receive a pension from his former company, or under social security, and we are going to see to it that his unemployment compensation is reduced proportionately.

Mr. President, I do not deny that there are violations or weaknesses under the law. I suggest to Senators who believe the States ought to establish standards that they permit them to do so, unless they want to start federalizing the program. After 25 years of experience, we have found that fewer than half of the unemployment compensation laws have disqualified beneficiaries or have reduced unemployment compensation benefits to them. I remind my colleagues tonight that, in 25 years' practice, less than half the States have imposed the principle which is being asked for tonight by the Senator from Delaware.

Furthermore, of the less than half of the States that do impose some disqualifications, in half of those States the reduction applies only to unemployment compensation based on employment from which the pensioner has retired.

Mr. President, my case is quite simple. In order to correct an abuse which can be revealed, I do not think we wish to throw out not only the wash water, but also the baby. That is in a sense what we would be doing.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. AIKEN. First let me say I wish the Senator from Minnesota had been as right on the last amendment as he is on this one.

Mr. HUMPHREY. I thank the Senator.

Mr. AIKEN. When a person retires after 30 years' employment, his retirement benefits are in the form of deductions from his earnings over the period of 30 years. I think the deduction for Federal employees is 6 percent now. That amount of money does not belong to anybody else but the retired employee.

Mr. HUMPHREY. The Senator is surely correct in that statement. May I add that, under social security, the employee has to pay into that fund.

Mr. HOLLAND. Mr. President, in the first place I call attention to the fact that the General Accounting Office, and not the Senator from Delaware, not even the committee, which has unanimously voted this amendment into the bill, is the one that first called the Senate's attention to the abuses which even the Senator from Minnesota has stated to be existing abuses. There is not any question that they do exist. I cannot see, from a reading of the legislation as proposed in the amendment, how it will affect any person unless it can be shown, as to him, that the abuse exists.

Having established the General Accounting Office as an arm of the legislative branch, to advise us when it finds matters going wrong in connection with the expenditure of public money, I wonder whether we are going to be deaf to its report.

Next, Mr. President, I thought it was interesting to hear the Senator from Minnesota talk about States rights. We do not change any aspect of the States rights situation by the amendment, because any State, including the District of Columbia, which can pay under its law, can continue to pay under its law. We do not undo that law. We do not affect a single person who is brought under that law, in any respect. We simply say that, as to tax money raised in other States and from employers in other States, we do not think it is fair or equitable or just to ask them to pay taxes to be paid out to persons who are abusing the legal objectives of the law in their own States. That is all there is to it.

I think we are indebted to the committee and to the Senator from Delaware and to the General Accounting Office for having called our attention to this matter.

I close by saying we are not interfering, in the slightest jot or tittle, with a State or District law. Insofar as the amendment operates, under its own fund, as to its own people, it will continue to operate. We are only saying that we should heed the advice and warning coming from the General Accounting Office that there are abuses, as indicated even by the Senator from Minnesota, and that wherever abuses exist, we do not think money raised from employers in other States where the problem does not exist should be paid to persons who are practicing those abuses.

That is how simple the question is. I think the amendment should be adopted.

Mr. HUMPHREY. Mr. President, I merely wish to say that the distinguished Senator from Florida would have made a much more eloquent argument if he had made the argument at the time of the consideration of the Federal unemployment compensation bill of 1954, when this issue was before us. Such conditions were not imposed in that act at all. Nor were they imposed in 1958.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. HOLLAND. Was there any question at that time of the Federal Government's considering the raising of tax money from other States to be used to meet the inability of any State to pay its own unemployment compensation?

Mr. HUMPHREY. The Federal Government was imposing the tax. I also say to the Senator from Florida that when the Federal Government imposes a tax, it is a Federal tax. I add further that there is nothing whatsoever which compels any State under this bill, if the amendment is taken out, to abuse the legal rights of any citizen or its own law. There are 22 States that have decided to impose qualifications. Twenty-eight States disagree. If we want to rewrite the law for 28 States, States that are represented by Senators in this Chamber, I think this temporary unemployment compensation measure gives us the opportunity to do tonight.

Mr. WILLIAMS of Delaware. Mr. President, I point out to the Senator from Minnesota that the reason why this proposal was not considered in 1954 and 1958 was that many Members of the Senate, including myself, did not know about it. The General Accounting Office called attention to it on January 20, 1960. This is the first time we heard of it. Before we drown in the crocodile tears of the Senator from Minnesota over the matter of States rights or work standards, I call attention to the fact that the proposal is applicable only to the extent benefits provided in the bill the Senate is considering tonight will be financed by Federal funds.

Mr. HUMPHREY. Mr. President, will the Senator agree with me that it applies to those persons who receive old-age insurance?

Mr. WILLIAMS of Delaware. The amendment will apply——

Mr. HUMPHREY. Will the amendment apply to those who are recipients of old-age insurance?

Mr. WILLIAMS of Delaware. Surely.

Mr. HUMPHREY. Very well. If Senators wish to cut down people receiving the old-age insurance, I say to my colleagues, let that rather dubious responsibility rest on their shoulders.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 10, after line 10. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll, and Mr. AIKEN voted in the negative when his name was called.

Mr. DOUGLAS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DOUGLAS. What is the precise question before the Senate?

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 10, after line 10, to insert language relating to "limitation on payments of compensation to individuals entitled to retirement benefits."

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk resumed and concluded the call of the roll.

Mr. HUMPHREY. I announce that the Senator from Alaska [Mr. BARTLETT], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Oregon [Mr. MORSE], the Senator from Utah [Mr. MOSS], the Senator from Georgia [Mr. RUSSELL], and the Senator from Alaska [Mr. GRUENING] are absent on official business.

I further announce that the Senator from Texas [Mr. BLAKLEY] is necessarily absent.

I further announce that, if present and voting, the Senator from Texas [Mr.

BLAKLEY], the Senator from Georgia [Mr. RUSSELL], and the Senator from Arkansas [Mr. FULBRIGHT] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from Colorado [Mr. ALLOTT] is absent because of death in his family.

The Senator from Vermont [Mr. PROUTY] is absent by leave of the Senate because of illness.

The Senator from Kentucky [Mr. MORTON] and the Senator from Massachusetts [Mr. SALTONSTALL] are necessarily absent. If present and voting, would each vote "yea."

The result was announced—yeas 51, nays 38, as follows:

[No. 17]

YEAS—51

Anderson	Dirksen	Miller
Beall	Dworshak	Monroney
Bennett	Eastland	Mundt
Boggs	Ellender	Pastore
Bridges	Ervin	Pell
Bush	Fong	Proxmire
Butler	Goldwater	Robertson
Byrd, Va.	Hickenlooper	Schoeppel
Byrd, W. Va.	Holland	Smathers
Cannon	Hruska	Smith, Maine
Capehart	Johnston	Stennis
Carlson	Jordan	Talmadge
Case, S. Dak.	Keating	Thurmond
Church	Kerr	Wiley
Cooper	Lausche	Williams, Del.
Cotton	Long, La.	Yarborough
Curtis	McClellan	Young, N. Dak.

NAYS—38

Aiken	Hayden	McGee
Bible	Hickey	McNamara
Burdick	Hill	Metcalf
Carroll	Humphrey	Muskie
Case, N.J.	Jackson	Neuberger
Chavez	Javits	Randolph
Clark	Kefauver	Scott
Dodd	Kuchel	Smith, Mass.
Douglas	Long, Mo.	Sparkman
Engle	Long, Hawaii	Symington
Gore	Magnuson	Williams, N.J.
Hart	Mansfield	Young, Ohio
Hartke	McCarthy	

NOT VOTING—11

Allott	Gruening	Prouty
Bartlett	Morse	Russell
Blakley	Morton	Saltonstall
Fulbright	Moss	

So the amendment was agreed to.

Mr. DIRKSEN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. WILLIAMS of Delaware. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The clerk will state the next committee amendment.

The LEGISLATIVE CLERK. On page 14, line 18, it is proposed to insert the language down to and including line 22, as follows:

Such information shall include data (which may be procured on a sampling basis) relating to the personal characteristics, family situation, employment background, and experience under this Act of individuals found to be entitled to temporary extended unemployment compensation.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next committee amendment.

The LEGISLATIVE CLERK. At the top of page 25, it is proposed to insert section 14, as follows:

SEC. 14. Notwithstanding the limitation contained in subparagraph (A) of paragraph (1) of subsection (c) of section 901 of the Social Security Act, the Congress may make available for grants to States under such paragraph (1), for fiscal years ending June 30, 1961 and June 30, 1962, an amount which shall not exceed $425,000,000 for each such fiscal year.

Mr. BYRD of Virginia. Mr. President, this amendment was requested by the Secretary of Labor in order to increase the ceiling on administrative expenses from $350 million to $425 million.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. WILLIAMS of Delaware. Mr. President, have all the committee amendments been disposed of?

The PRESIDING OFFICER. All the committee amendments have been disposed of.

Mr. WILLIAMS of Delaware. Mr. President, I offer an amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 19, lines 14 and 15, strike out "1963 and 1964", and insert in lieu thereof "1962 and 1963".

On page 20, line 7, strike out "(as of December 31, 1964)" and insert in lieu thereof "(as of December 31, 1963)".

On page 20, line 12, strike out "December 31, 1964" and insert in lieu thereof "December 31, 1963".

On page 20, line 23, strike out "1964" and insert in lieu thereof "1963".

On page 20, line 25, and page 21, line 1, strike out "1962 and 1963" and insert in lieu thereof "1961 and 1962".

On page 21, line 4, strike out "1962 and 1963" and insert in lieu thereof "1961 and 1962".

On page 21, line 9, strike out "1964" and insert in lieu thereof "1963".

On page 24, line 24, strike out "1962 and 1963" and insert in lieu thereof "1961 and 1962".

Mr. WILLIAMS of Delaware. Mr. President, the amendment merely proposes to change the effective date of the tax. The bill before us, with the Byrd amendment defeated, proposes to start the tax levied at four-tenths of 1 percent for the calendar years 1962 and 1963. Under the House bill the tax would be paid on an annual basis, or after the close of the calendar year. Thus under the House bill none of the tax would be paid into the Federal Treasury until after January 1963. Under the proposed amendment we would advance that date to make the tax effective immediately for this calendar year, and half of the tax would then go into the Federal Treasury next January.

Under the bill as it is now before us, there is provision for approximately $1 billion for extended unemployment benefits. Approximately $1 billion in benefits would be paid out prior to June 30, 1962. If the amendment is not adopted we shall have passed a bill authorizing the payment of $1 billion in benefits by June 1962, and we shall not have collected one dime in tax to repay the amount paid out until 6 months after all the benefits under the bill have been paid. Certainly, if Senators favor the proposed program, they are ready to place a price tag on it. If we voted for the measure let us go back home and say that we voted for the benefits but we also voted for the tax. Let us not have any deferred payment proposal in the measure.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. DIRKSEN. Could the amendment properly be called a pay-as-you-go amendment?

Mr. WILLIAMS of Delaware. That is exactly what the amendment is. It is a pay-as-you-go amendment. I cannot conceive of any objection to the amendment, but if there is objection I wish a yea-and-nay vote. If we could agree to the amendment without such a vote, I would be perfectly willing.

I emphasize that the amendment would not affect the bill in any way, shape, or form, except that it would advance the tax so that it would be effective immediately. Of course, it likewise advances the refund basis by 1 year, because that would be available 1 year sooner under the proposed amendment.

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield to the Senator from Louisiana.

Mr. LONG of Louisiana. Can the Senator from Delaware tell me on what date the first tax payment for a year falls due?

Mr. WILLIAMS of Delaware. Does the Senator refer to the provision of the amendment?

Mr. LONG of Louisiana. Under the amendment.

Mr. WILLIAMS of Delaware. Under existing law there is a 3.1 percent tax, of which 0.4 of 1 percent is a Federal tax. The 0.4 of 1 percent Federal tax is due at the close of each fiscal year. So the remainder of the tax which is 2.7 percent, is payable quarterly, but the 0.4 of 1 percent increase which is provided in the bill as an increased tax to finance the bill is attached to the present 0.4 of 1 percent Federal tax. Therefore, if the House bill were not amended, no tax would be collected for the Federal Treasury until after 1963, or 6 months after all the benefits had been paid out.

Mr. LONG of Louisiana. When would the amendment of the Senator from Delaware cause the money to be due?

Mr. WILLIAMS of Delaware. Employers would pay the money starting next January on their payroll for the calendar year 1961.

Mr. LONG of Louisiana. As a Senator who runs for office next year, my reaction is, as I stated when this suggestion was discussed in the committee,

that we ought either to make the payment effective immediately or make it effective after the next election.

If I were proposing the amendment, I might make the payments effective before the election, preferably 2 months; but if I could not hit it exactly on that date, I would try to make it effective as close to that date as possible. I will say that the Senator has not missed that date very far.

Mr. WILLIAMS of Delaware. The amendment would apply to the full payroll of the calendar year 1961 and would be payable before the 1962 elections.

Mr. MANSFIELD. Mr. President, it is with great reluctance that I take the position on this bill which I now do. I have the greatest respect for the fiscal acumen of the distinguished members of the Finance Committee and their able chairman, the Senator from Virginia [Mr. BYRD]. These men know their arithmetic, their bookkeeping. They are the financial experts of the Senate.

But I must most respectfully suggest to the Senate that the problem of unemployment which is the subject of the bill before us is not solely an unfettered question of arithmetic. It is not solely a problem of bookkeeping.

It is also a problem of human hardship, of human anxiety on a massive scale. This problem exists not in some faraway land, not in India or Korea or Formosa or elsewhere abroad, for which we have voted billions upon billions of dollars in the past. This is a problem of human hardship, human anxiety, here in our own midst. It is real hardship; well-founded anxieties affecting millions, in Detroit, in Pittsburgh, in Butte, in West Virginia, in California, in every State of the Union.

When we talk about the pending bill, we are not talking solely about equalization formulas, or whatever, or about retroactive payments which will be imposed on businessmen under the pending amendment if it is agreed to. We are also talking about American breadwinners out of work, American women wondering where the rent money is coming from or the children the next meal. That is the situation which stares millions of Americans directly in the face and all of us indirectly even though we may be less aware of it in the comparative insulation of this depression-proof city. That situation, that human situation is not going to express itself in one mathematic formula or another over which we may argue. But it is there, nevertheless. It is at the very heart of the problem. It is urgently and immediately involved. All over the Nation, Americans are running out of the right to the small benefit which they now draw from the unemployment insurance system. And all over the land, States are running out of funds with which to continue these benefits.

That is one part of the question which is not reflected in the Finance Committee's draft of this bill: its urgency. There is another: How shall this Nation react to a crisis which affects most immediately and most severely a great body of its citizens in only a scattering of the States? We can answer this question best, I believe, by asking other questions. What do we say when the Mississippi overflows its banks? Do we say that the suffering which follows is a matter solely for the States along the river edge or do we act swiftly as a Nation—a Nation of 50 parts, intimately concerned, one with the other, to rush help through the Federal Government to the stricken area? What do we do when a runaway production of corn, cotton, or peanuts or feed grains or whatever overwhelms the capacities of any single State? Do we say—the rest of us—that is a problem for Iowa or Kansas or California or Wisconsin or Georgia or South Carolina and turn our backs on it? Or do we, as Americans, recognize the problem as national and take money from California, New York, Pennsylvania, Washington, and all the States to deal with it?

Is there a Member of the Senate who would say that the problem is less acute, less national in its dimensions, when the crisis is one of men cut adrift by economic forces rather than houses torn loose from their moorings in a flood? When the surpluses are human muscles and brains, unused in unemployment, rather than corn or peanuts or wheat which go unconsumed?

Is there a Member of the Senate who believes that the rest can go on supremely indifferent to an economic crisis in the automobile industry, the steel industry or in mining or in textiles because they do not have these industries in their States? Are we a nation, for better or worse, for the good as well as bad or are we not? Let each State individually seek only the good, only the better for itself and turns its back on the situations of the others and it will not be long before all shall suffer the bad, the worst. I repeat the quotation I read to the Senate when the President first sent a message to the Congress on the problem of unemployment, when he made it the most urgent matter of business of the new administration:

> Never send to know for whom the bell tolls; it tolls for thee.

The point, Mr. President, which I have tried to make is that the problem of persisting unemployment and how to deal with it is not mere arithmetic. It is that, to be sure, for the money we pay to the unemployed has to come from somewhere. But the House version of the bill provides for that no less than the Senate and it provides for it in a form closer to that which the President has sought. To be sure, there are problems of equity in financing and other subjects which the Senate Committee version touches upon and with which the President has promised to deal in full in the near future.

There will be time enough, when the President proposes basic revisions, for the Committee on Finance to reshape the mathematics of the unemployment system in a more effective and equitable fashion. That time is not now. The circumstances are not now. We are in an emergency in the matter of unemployment and I hope that the Senate will recognize it and act on it.

I hope also, in view of the urgency which confronts us at this time, that there will be no serious delays. I assure the Senate that if the bill is passed, and agreed to by both Houses and presented to the President, it will not be long before these people, 700,000, at least, who have now run out of unemployment benefits, will be given the help and succor which in this modern day and age are not only their due, but also their right.

Mr. WILLIAMS of Delaware. Mr. President, I will take only a moment to say that the adoption of the amendment would not delay the enactment of the bill. The bill will go to conference anyway; that was a foregone conclusion. There was a Senate amendment which was requested by the Secretary of Labor which was necessary in order to finance the administrative costs of the bill. The Senate has just unanimously adopted that amendment. Of course it did not adopt my first amendment unanimously, but it did adopt the other amendment unanimously.

The adoption of the pending amendment therefore has nothing whatever to do with delaying the enactment of the bill. Therefore, the point of the Senator from Montana is not very well taken. Why do Senators want to postpone the payment of the billion dollars in benefits? Why do they want to delay the payment of the tax until after the 1962 election?

Mr. President, surely the pending bill is not being presented as a pump priming operation. If it is, let the administration label it in that way. Let us have the RECORD clear on that point. However, if the bill is for the benefit of the unemployed in America, as it is intended to be and as it should be, then let us vote the tax effective the same day. Let those who go back home and say, "We have given you these benefits," also go back home and say, "We have raised your taxes."

We will be paying out $1 billion in benefits between now and next June 30 if the pending amendment is not adopted. The only way in which we can get the money with which to make a single payment is by borrowing it.

I say we do not have the surplus in the Treasury. We are already operating under a deficit which is increasing every day. If the Congress does not want to pay for these benefits we should stop advocating them and stop voting for them.

I say that the pending amendment should be adopted. I say we should start paying for these benefits now because if we do not adopt this amendment we will be paying out a billion dollars in benefits without putting up a single dime until 1963, or 6 months after the benefits are supposed to be paid.

I ask the Senator from Montana where he is going to get the money to finance the program contemplated in the bill if he is not willing to accept this amendment.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. CASE of South Dakota. The Senator from South Dakota may be facing the voters in 1962, and he would like to say to them that we have put this

program on a pay-as-you-go basis. I would like to ask for the yeas and nays.

Mr. DIRKSEN. Before that is done——

The PRESIDING OFFICER. Is the request sufficiently seconded?

The yeas and nays were ordered.

Mr. DIRKSEN. Mr. President, I was tearfully touched and deeply impressed by the eloquent speech of my beloved friend from Montana. He did not mention the amendment. Is he going to vote for the amendment?

Mr. MANSFIELD. I am not. I did mention the amendment. I think the amendment would place an imposition on the businessmen of the country by making it retroactive.

Mr. WILLIAMS of Delaware. Under the amendment we would be telling the businessmen about the cost. Sure, we would be putting a tax on them, but they are going to have to pay this bill. The only difference is the Senator from Montana wants to postpone the tax until after the next election. The proponents would be paying out the benefits and bragging about them, but at the same time kidding the businessmen that it is not going to cost them anything.

Mr. DIRKSEN. We have fallen into the Christmas habit of fiscal irresponsibility of buy now and pay later. The amendment has no impact on the benefits of the bill. All it does is to provide that we will pay as we go.

Mr. WILLIAMS of Delaware. If we do not adopt the amendment there will be no money provided in the bill with which to pay for the benefits. The only way the Secretary of the Treasury can get the money is by borrowing it. We will have to increase the national debt, and we will have to borrow the money and pay interest on it.

If the purpose is to charge employers, and if this is an employment tax, let us impose it and be honest about it. Let those who go home and boast that we voted a billion dollars of benefits also tell about the billion dollars in taxes.

Mr. DWORSHAK. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. DWORSHAK. If we have reached the point where we admit our insolvency and are unable to finance these programs, which admittedly are very desirable, is it not possible that we can invoke a reverse foreign aid program and ask the nations which have been the beneficiaries of our largess during the past decade to step in during this emergency and help us to finance our needs of the hour?

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Delaware [Mr. WILLIAMS]. The yeas and nays have been ordered.

Mr. GORE. Mr. President, I am one who feels that the condition of our economy is not such that we should enact a general tax reduction. Many economists, many leaders, many businessmen, think that it would be wise and advisable to provide a general tax reduction now. Indeed, the President of the United States has said he will reconsider the question after April 1. For whatever my opinion is worth, I have advised against a general tax reduction.

What is being proposed by the amendment is to take $450 million or $500 million out of the economy in the year 1961. As a small businessman, I know what the businessmen do. The distinguished Senator from North Carolina knows what businessmen do with respect to their tax liabilities. They begin to set them aside. Yet, during the very year when under a new and vigorous leadership we are trying to break the back of this recession, it is suggested that we impose a repressive tax on the very men who must provide the jobs.

Mr. ERVIN. Mr. President, will the Senator from Tennessee yield?

Mr. GORE. I yield.

Mr. ERVIN. I do not know whether the Senator was referring to me or to my colleague from North Carolina, who knows much more about matters of finance. However, is it not a fact that if we do not impose a tax and start to collect the tax at the earliest possible moment, instead of doing a favor to the businessman, we shall be imposing on them, in addition to the amount of the outlay for unemployment compensation, the burden of paying interest on the money that we expend before we start to collect the taxes?

Mr. BRIDGES. That is correct.

Mr. GORE. If the Senator from North Carolina asks me if it is fair and equitable to require those who employ people to bear the full burden of unemployment relief, I must say to him, in all candor, that I do not think it is fair. I think we go too far in that regard. This is an obligation of the entire society. But that is not the question here. The question here is whether we will apply the tax for the year 1961, one quarter of which has just about passed, therefore making the tax retroactive in character; or whether we will begin the application on January 1, 1962, when we hope that the condition of our economy will be greatly improved.

I am not posing as an economist, but I say that if we take from the spending stream approximately as much as we expect in benefits, then economically it seems that we have pretty well washed the situation out in the year 1961 as an antirecession measure.

Mr. MANSFIELD. Mr. President, will the Senator from Tennessee yield?

Mr. GORE. I yield.

Mr. MANSFIELD. What the Senator has said is correct.

Will the Senator tell the Senate just how much, for example, the automobile dealers, the automobile manufacturers, and other businessmen in the State of Michigan have to pay?

Mr. GORE. I have not the figures as to a particular State, but I am advised by the staff that the overall total take from employers by the Williams amendment for the year 1961 would be from $450 million to $500 million. That is a very heavy burden in a year when we are trying to break the back of a recession.

Indeed, the President of the United States has said he will soon submit to Congress recommendations for a tax incentive or some tax relief for businessmen, to enable them to expand and improve their production facilities. Yet we have before us tonight an amendment—which, incidentally, we have already voted down once; it was a part of the Byrd amendments—to add a burden of approximately half a billion dollars on the businessmen of the country.

Mr. MANSFIELD. It is my impression that business in general in Michigan is probably taxed higher than business in any other State in the Union; and taxation has just about reached the limit of possibility.

I point out that the administration agreed to go along with the method of financing proposed by the House Committee on Ways and Means in the interest of reducing the area of controversy concerning the bill and to assure the prompt passage of the much needed program.

The bill as passed by the House and agreed to by the Administrator met generally the suggestions made by representatives of the employer groups who testified at the hearings before the House committee, and seemed acceptable to all interested groups at that time.

Mr. BUTLER. Mr. President, will the Senator from Tennessee yield?

Mr. GORE. I yield.

Mr. BUTLER. Does not the bill itself contain a retroactive provision? Does it not levy a tax to reimburse States which have already paid out their money?

Mr. GORE. The tax under the bill as it is now before the Senate would be levied as of January 1, 1962.

Mr. BUTLER. But the purpose of the tax is to reimburse some of the States for payments which have been made.

Mr. GORE. Mostly for the payments we hope will be made.

Mr. BUTLER. But it does contain that feature. Some of the States which have already made payments will be reimbursed under the tax. So we are levying a tax beginning a year from now to reimburse States for payments which were made last year.

Mr. GORE. The Senator's statement is correct.

Mr. BUTLER. So the bill already contains a retroactive provision. Therefore, why gag at retroactivity so as to make the plan a pay-as-you-go plan?

Mr. GORE. The Senator is correct as to payments, but he is incorrect in his statement about the retroactivity of the tax provision.

Mr. BUTLER. If we do not levy the tax, the simple question is, where are we to get the money?

Mr. GORE. I suppose that is a question which every Senator must ask himself in connection with every bill which comes before Congress.

Mr. BUTLER. I think it would be well if we did.

Mr. GORE. Here is a provision for unemployment relief. The recommendation is that the tax apply not last January, but next January, and that it be paid fully. This provision is not pay as you go; it is pay before you go.

Mr. BUTLER. It is my understanding that no payment will be paid under either version of the bill—the House

bill or the Senate bill—which would require any payment of tax prior to January of 1963. Is that correct?

Mr. GORE. It is not correct.

Mr. BUTLER. It is correct, is it not?

Mr. BYRD of Virginia. That is correct.

Mr. GORE. As the bill now reads, the tax on payrolls begins in 1962.

Mr. BUTLER. It starts in January 1962, and is collected in January 1963.

Mr. GORE. I think we agree if we understand each other. The liability would begin as of January 1, 1962. The payment of that liability would be on January 1, 1963.

Under the WILLIAMS amendment, the liability would begin with the wages that have already been paid as of January 1, 1961, and payment would be due on January 1, 1962. So there is a difference of 12 months in this amendment.

Mr. BUTLER. It is proposed to tax the employer for payments made 6 months ago.

Mr. BYRD of Virginia. This tax dates back to July 1 of last year, for those who had exhausted their benefits.

Mr. GORE. Does the Senator mean the payments?

Mr. BYRD of Virginia. Yes. The Senator from Maryland is absolutely right about that.

Mr. GORE. I agree about that.

Mr. BYRD of Virginia. No payment is proposed to be made until January 1, 1963. It will not be a payment in advance.

Mr. GORE. There is no disagreement about the facts. I concur in the statement the Senator from Maryland made about the payments.

Mr. BYRD of Virginia. The Senator from Tennessee said it started on January 1 of this year. But it actually goes back to January 1 of last year, for those who had exhausted their benefits.

Mr. GORE. I think the Senator understands, as I do——

Mr. BYRD of Virginia. I am speaking of the payments.

Mr. GORE. Very well. We understand about the payments. I agree with the Senator. Now let us speak of the tax.

Mr. BYRD of Virginia. There must be a tax, in order to be able to provide the payments.

Mr. GORE. Will the Senator state when, under the bill, as it is now before the Senate, the wages paid by employers will be subject to the added tax?

Mr. BYRD of Virginia. When the benefits are exhausted, beginning the first of last July.

Mr. GORE. No, I am speaking of the taxes.

Mr. BYRD of Virginia. The taxes will not be paid, under the present bill, until January 1, 1963. The Williams amendment provides for payment on January 1, 1962.

Mr. GORE. So there is a 12-month difference.

Mr. BYRD of Virginia. That is right; but the money will already have been paid out.

Mr. GORE. Then the question before the Senate is whether the tax will be applied to the wages paid in the calendar year 1961 or whether the tax will begin to be applied to the wages paid in 1962. Those are the facts, and we are agreed.

I say it is very questionable—in fact, I go further, and say that in my humble opinion it is unwise—to place an additional $450 million or $500 million burden in the year 1961, when we hope soon to break out of the present recession condition. I hope that by 1962 business will have improved and businessmen will be able month by month to set aside funds in accordance with their liability for unemployment compensation, without the repressive influence which the proposed arrangement surely would have at this time.

Mr. ERVIN. Mr. President, under this bill, payment of the unemployment compensation authorized by it will begin 15 days after the bill is signed into law by the President. Under the bill, the expenditure of the money will begin 15 days after the bill is signed into law by the President. Under the bill, although the payments will begin 15 days after the bill becomes law, the tax with which to replace the money expended under the bill will not begin until January 1, 1962; but the tax will not be payable until January 1, 1963—which means that either the employers who will be subject to the tax or the taxpayers of the Nation will have to begin paying interest on these expenditures beginning 15 days after the enactment of the bill, and will have to continue to pay interest on all the funds thus expended until January 1, 1963.

I submit that if we wish to do something for business in the Nation, we shall avoid as much as possible the useless expenditure of interest; and that would require beginning at as early a moment as convenient the payment of the tax called for by this bill.

I believe we should start the payment of the tax before the next general election. I think the businessmen who will have to pay the tax ought to realize that fact when they go to vote. In November 1962, they will be paying the tax.

Mr. President, I am willing to vote for the bill, despite the fact that I thought it unfair to convert the State of North Carolina—which has managed in a prudent manner its affairs in this respect—into an eleemosynary institution, and make it pay $10 million more than it will receive under this bill.

I believe that the best thing the Senate and the Congress can do for American business, and to enable us to get out of the unfortunate economic situation in which the country finds itself today, is to convince the American people that the Congress is willing to put the country on a pay-as-you-go basis and is determined to stop spending money which it does not have.

In my judgment, we would strike one of the worst blows which could be struck at American business, American labor, and American taxpayers, if we were to say that we are not going to start collecting any tax under this bill until after the next general election, and that we are going to make someone pay interest on the money from 15 days after the bill becomes law until the 1st of January, 1963.

I, for one, am willing to face the issue squarely. I am willing to vote for this bill; but I also desire to vote for a pay-as-you-go method which will convince the American taxpayers that we are willing to impose upon them sufficient taxes to pay for the funds we appropriate.

The Federal Government is now paying approximately $9 billion in interest. Why add to it?

Mr. CAPEHART. Mr. President, will the Senator from North Carolina yield?

The PRESIDING OFFICER (Mr. BYRD of West Virginia in the chair). Does the Senator from North Carolina yield to the Senator from Indiana?

Mr. ERVIN. I yield.

Mr. CAPEHART. Do I correctly understand that 15 days after the bill becomes law, the employers must start accounting for one-tenth of one percent of their wage payments?

Mr. ERVIN. No. Fifteen days after the bill becomes law, the expenditure of the money will begin. As I understand, the sum will approximate, in its totality, $1 billion.

But those who have to pay the tax will not even become liable to make the payments until January 1, 1962—that is when the tax will start; and they will not have to pay the tax until January 1, 1963.

Mr. CAPEHART. Let me see whether I correctly understand the situation. On January 1, 1962, the employers will begin to account for and to set up, as a credit or indebtedness to the Federal Government four-tenths of 1 percent of their payrolls. Is that correct?

Mr. ERVIN. Yes. The tax liability will begin on January 1, 1962.

Mr. CAPEHART. But the employers will hold on to that money—which they will collect or will set aside, each month—until January 1, 1963?

Mr. ERVIN. The tax for that calendar year will become payable on January 1, 1963.

Mr. CAPEHART. I have never heard of anything quite so ridiculous. Why not provide—as is now the case—that the payments shall be made monthly or quarterly to the Federal Treasury, as is the case in connection with the present unemployment compensation insurance—in that case, each quarter.

Mr. ERVIN. Because of the unfortunate way the original bill was phrased. We specify that right here.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield on that point?

The PRESIDING OFFICER. Does the Senator from North Carolina yield?

Mr. ERVIN. I do not know what interest would be paid, but I assume the interest rate would be 4 percent, and on $40 million a year that is a great deal of money.

Mr. BUTLER. Mr. President, will the Senator yield?

Mr. ERVIN. I yield to the Senator from Maryland.

Mr. BUTLER. Does the Senator believe, as has been stated here, that would

be a regressive tax on the employers to pay as they go? It has been suggested that the new tax on employers may be regressive.

Mr. ERVIN. There may be something to that argument. I think all taxes are regressive. I think they are more regressive when interest has to be paid on them, or the cost of the interest has to be passed on to the taxpayers.

Mr. CAPEHART. I can think of nothing worse than to impose on little businesses the burden of setting aside four-tenths of 1 percent each month, and then holding it and paying it 12 months later. They will spend it. It will be gone. There will be many deficiencies. It is unfair to ask businesses to do that. I am sure industry would prefer to pay quarterly, starting with the first quarter of 1962. I have never listened to anything quite as impractical or unrealistic as holding up payment for a year. The employer has to set the amount on his books as a liability month by month, and he will do so during the entire year. He will keep the money, but set it up as a liability on his books, and then he will have to pay the money all at one time, instead of quarterly. It will work a hardship on the businessmen of America.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. ERVIN. I yield to the Senator from Delaware.

Mr. WILLIAMS of Delaware. I think the Senator from Indiana is somewhat confused on this point. Under the existing law, the tax on payroll is 3.1 percent. Four-tenths of 1 percent of that amount under existing law is a Federal tax. The 2.7 percent that is paid reverts directly back to the States. The 2.7 percent is paid by the employer and sent to the Treasury on a quarterly basis. The four-tenths of 1 percent is computed by the employer annually and is sent in after the close of the calendar year.

This particular tax, since it is a Federal tax, is added to the four-tenths of 1 percent, rather than added to the 2.7 percent. That matter was decided in the preceding vote.

For 26 years, since the unemployment tax has been in effect, that is the way it has been operating. We are merely continuing that operation under this proposal. We are changing it to make it an eight-tenths of 1 percent Federal tax.

We are not now faced with the question of whether an employer should pay on a quarterly or annual basis. That arrangement is already fixed in the existing law, and neither the House nor the Senate version of the bill proposes to change that factor. All we are proposing is that the additional four-tenths of 1 percent tax will be payable on the payroll of 1961, which will mean it will be turned in to the Government after January 1962.

It puts this program on a pay-as-you-go basis.

In rejecting the Byrd amendments, the Senate has voted for about $100 million in retroactive payments, payments retroactive to a time prior to the enactment of the bill. So there is provided payment of $100 million retroactively. The question here is, Do we want to put up the money to finance the program, or merely go back home and brag about what we are giving them, not telling them about the tax? Under the bill without the amendments there is no provision to get a single dollar to pay for the extended benefits until January 1963. The money would be borrowed by the Secretary of the Treasury, who would issue the Government notes, and the employers would then be paying a minimum of 4 percent interest on $1 billion dollars being paid out.

If Senators do not like the bill they should vote against it; but if they are for it let them at least finance it, and not put it in the pump-priming class.

Why saddle the employers with an unnecessary $40 million in interest charges merely because the administration wants to postpone the tax until after the 1962 elections?

Mr. ERVIN. Mr. President, my understanding is that the tax which is imposed on employers for unemployment compensation is payable quarterly, whereas the additional tax which will be imposed for the emergency purpose under the bill will be paid annually.

Mr. WILLIAMS of Delaware. The Senator is correct. This amendment merely puts this program on a pay-as-you-go basis.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. ERVIN. I yield.

Mr. CLARK. I should like to ask the Senator from North Carolina, with the state of our economy as it is at the present time, with an inevitable deficit coming up in the current fiscal year, and with the likelihood that we shall have a deficit in the next fiscal year, if he would be in favor of increasing Federal taxes in order to balance the budget.

Mr. ERVIN. The Senator from North Carolina has noticed that in this country, for more than a quarter of a century, Congress has been appropriating money, and virtually always it has been said, "We are in a depression; we cannot afford to levy taxes sufficient to cover all these appropriations." I think the budget has been balanced about five times in the last 28 years.

Mr. CLARK. Did I correctly understand the answer of the Senator from North Carolina to be "Yes"? Does the Senator believe taxes should be imposed to balance the budget under the present condition of our economy?

Mr. ERVIN. Yes. I think people would have greater confidence in the fiscal condition of our Government.

Mr. CLARK. But the Senator thinks we should impose taxes to balance the budget in this period of recession?

Mr. ERVIN. I say Congress ought not to make appropriations of money unless it has the political and moral courage to impose taxes to cover the costs of the appropriations.

Mr. CLARK. I thought the economic theory that the budget must be balanced each year, rather than over the entire period of the business cycle, went out with Herbert Hoover. I think it has gone out in every college of the country. I regret it has not in the Senate.

I think the Senator from Tennessee made the case earlier when he said if we want to do something to ease the recession, we had better postpone payment of those taxes.

Mr. ERVIN. I think this country would be in a far better position if business and labor and the taxpayers of this country would see to it that Congress, in Washington, did not make appropriations unless it exercised the political and moral courage to levy taxes sufficient to cover the cost of the appropriations.

Congress has not had the moral and political courage to do that for a long period of time, and as a consequence we have a national debt of $290 billion, the biggest national debt on the face of the earth, and we are, in effect, spending money for all kinds of purposes, but we are leaving the payment for the money we are spending to be made out of the unearned incomes of unborn generations of Americans.

I think Members of Congress who vote for appropriations ought to levy taxes upon our living constituents, who have the right to vote, and let those living constituents say, at the ballot boxes, whether expenditures they require should be paid for by taxes. Instead of doing that, Members of Congress all too often are acting like the member of the British Parliament, according to the old story. There was a proposal to issue a vast amount of bonds, but the payment for those bonds was not to start for 50 years.

The member of Paliament rose and said, "Gentlemen of the House, the bond issue which is proposed is not fair to posterity."

Another member of Parliament rose and said, "Well, I am for the bonds. I am in favor of starting repayment 50 years from now. Posterity has never done anything for me, and I don't expect to do anything for posterity; and, furthermore, posterity can't vote at the next election." [Laughter.]

Mr. BUTLER. Mr. President, the remarks of the Senator from Pennsylvania [Mr. CLARK] remind me of a television program about a week ago, when one of the presidential economists was being interviewed. The economist was asked what he thought would be good for this country, and his answer, surprisingly enough, was "a $5 billion deficit."

Does the Senator from Pennsylvania subscribe to that thought?

Mr. CLARK. Mr. President, will the Senator yield?

Mr. BUTLER. I have yielded. I have asked the Senator a question.

Mr. CLARK. Not yet. If the policies my friend from Maryland advocates were to prevail in the future, as they have in the past, it might be necessary to take so drastic a step in order to restore our country to well being and to prosperity. The Senator from Maryland belongs to the ancient and honorable school of economics which I think went out about 40 years ago.

Mr. BUTLER. I ask the Senator whether he subscribes to the need for a $5 billion deficit. Does the Senator

think that would be a good thing for the country?

Mr. CLARK. I believe almost every modern economist thinks that probably it is necessary to have a deficit in a time of recession, while in times of prosperity one should have a surplus. There should be a balancing over a period of time.

I think hardly an economist anywhere in the world today would disagree with that.

Mr. ERVIN. Mr. President, will the Senator yield so that I may make an observation?

Mr. DIRKSEN. Mr. President——

The PRESIDING OFFICER. The Senator from Illinois is recognized.

Mr. DIRKSEN. Mr. President, I should like to ask the majority leader whether he can obtain a 10-minute time limitation with respect to the amendment, 5 minutes on either side. It is nearly half past 10 o'clock. I understand the distinguished majority leader desires to finish this bill and the extension of the railroad unemployment insurance benefits bill tonight.

Mr. MANSFIELD. Yes, indeed. If the Senator will permit, I should like to make a unanimous-consent request that the Senate vote on the pending amendment at the end of 10 minutes, the time to be divided 5 minutes to a side.

Mr. BUSH. Mr. President, I should like to have 2 minutes.

Mr. MANSFIELD. That is satisfactory.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

Mr. LONG of Louisiana. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. THURMOND. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. BUSH. Mr. President, I shall be very brief.

I think this is a very significant vote we are about to take tonight. It relates to other problems which face the Congress, and problems with respect to which the Congress is facing the world.

I have in mind the balance-of-payments problem. Mr. President, what the United States will do this month, next month, and in the few months immediately ahead will be watched very carefully by people all over the world. It all relates to the balance-of-payments problem. The balance-of-payments problem is going to be resolved on the basis of confidence. If the Congress does not conduct itself in a way to inspire the confidence of our friends all over the world, we shall adversely affect the balance of payments, and shall interfere with our efforts to change the direction of the balance of payments and to stop the outflow of gold.

Fiscal responsibility is at issue in the vote we are about to take. We are being asked by the opponents of the amendment to defer for a year or two an obligation which is current. We are asked to postpone the payment for money which will be paid from the Treasury immediately after we pass the amendment.

Mr. President, that is wrong. There are times when longer term loans are thoroughly justified, especially with respect to benefits which come with a longer term, but in a case such as this, immediate expenditures for immediate relief, there is no justification for postponing the collection of the money.

Mr. President, I hope the amendment of the Senator from Delaware will prevail.

Mr. GOLDWATER. Mr. President, I shall not detain the Senate more than a few moments. We have listened tonight to the same kind of talk that has gotten our economy in the trouble it is in. Now the chickens are coming home to roost. This time let us shoot them, let us not build another roost.

We have listened to the philosophy of Keynes, as we have listened to it for 28 years. We have not given the free enterprise system of America a chance in 28 years. We tried these same shopworn ideas back in the 1930's, and it took World War II to get us out of the depression. Now we are dabbling around again with the symptoms. I ask, "Have we the courage to get at the disease?" The disease is wrapped up in high taxation, in fiscal irresponsibility, and in inflation.

We should give our free private enterprise system an opportunity, and it will then put to work every man who is unemployed who wishes to go to work again.

We are listening to stupidity tonight, if Senators do not mind my saying so, in the realm of economics. We are talking about pulling the country out of a depression, and are talking about $500 million. That represents one-half of one day's business in this country. We are talking about being fearful of applying taxes, as we should, on a pay-as-you-go system. These taxes represent one-tenth of 1 percent of the taxes which will be collected in this country this year. We are not even talking about peanuts, we are merely talking about the shells which fall on the floor.

If this philosophy is good, let us go "whole hog." Let us spend about $10 billion we do not have. According to Mr. Keynes, we can do it. According to the school of economic thought of which my friend from Pennsylvania [Mr. CLARK] so thoroughly disapproves, we should not be engaging in deficit spending and we should not be engaging in inflation. We should be putting the economy to work.

I am one Republican who is waiting patiently—but my patience is wearing thin—for the new President to stand up, with courage, and tell the people of this country what they have to sacrifice and what they must do——

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. GOLDWATER. In order to bring the U.S. economy out of the recession it has been in; a recession, I suggest, that nothing which has been suggested so far will ameliorate.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. GOLDWATER. I yield the floor.

Mr. SYMINGTON. Mr. President, I often respect the thinking of the Senator from Arizona. He talked about the President exhibiting courage. Now there can be honest differences of opinion about philosophies incident to the subject we are discussing tonight.

But based on my years of service in the Senate, it is my opinion that the present President of the United States has shown more courage in the last 2 months from the standpoint of facing up to the realities of this country's problems in the world as it is today, than was shown in the previous administration in the previous 8 years.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Delaware [Mr. WILLIAMS]. On this question the yeas and nays have been ordered, and the clerk will call the roll.

Mr. LONG of Louisiana. Mr. President——

The PRESIDING OFFICER. The Senator from Louisiana is recognized.

Mr. LONG of Louisiana. Mr. President, the amendment at the desk is in handwritten form. It is not available to Senators who will be required to vote on it. I assume the Senator from Delaware has given careful consideration to the amendment and that he has placed his figures where he wishes them to be, and that they will be where we would like to see them in the bill.

As one Member of this body, of course, I am in no position to know that the figures are in the correct places, because the amendment is not in print. The amendment is written out by hand, and is at the desk.

I regret that something has been said about interest rates in regard to the bill. If we take a few more months to put the proposal into effect, we shall have to pay interest. I had hoped we were not going to get into that. I have spent 8 years criticizing the fact that the Republican administration doubled the interest rate on the national debt and that it cost us an extra $5 billion a year, a total of about $40 billion. I am glad somebody is going to be responsible about a bill which is going to cost a billion dollars.

If interest at 2½ percent, which is the current rate for short-term loans, runs for a year, the amount would run into about $125 million. It seems strange to see those who can accept $40 billion, and swallow that sum like a camel, straining at gnats. We are considering $125 million against the $40 billion that was imposed on the national debt through high interest rates with which I, as one Senator, disagreed.

When I first ran for office I was known as something of a tax expert, because I had advocated a tax program to pay for many benefits. It was embarrassing to run for office while people were paying taxes but waiting for the benefits. It is difficult to be elected under those circumstances. Having been through that experience, I learned what an effective date means. I am not going to state the name of the Senator with whom I spoke, but I looked at the provisions of the bill and said, "Do not tell me the tax bill will go into effect on January 1. Why do we not make the effective date July 1, or tomorrow, because the sooner we get the bill into effect, the easier it will be on

people's minds, and the more they become accustomed to the tax by the time the election occurs."

If the effective date is postponed to the eve of election, the measure becomes more of a factor politically. That sort of factor makes a difference.

I favored moving up the effective date until I learned that the proposed effective date occurred after the election. A very logical basis for the date was stated, because the tax would be payable on a calendar year basis. That is the way it has always been. If the tax is payable on a calendar year basis, the only way it can be logically handled is to start with the first calendar year after the tax is levied. Such reasoning makes all the sense on earth, if that is how the tax is presently being collected.

My Republican friends have voted for retroactive taxes on occasion, but they do not like to do so. I do not like to vote for retroactive taxes. No one likes to vote for any tax.

I have heard a great amount of dispute on the question of whether we can spend our way out of a recession or depression. I have yet to hear a single economist contend that we can tax our way out of a depression. Herbert Hoover made a small effort to do so, but as fast as he raised taxes, the national income went down. He could not raise taxes fast enough to meet the Nation on its way down. Everything he did in an effort to tax us out of a recession pushed us further down. From an economic point of view, that is what we have heard tonight.

The bill has a well considered effective date. It was considered in the House. It was carefully studied. It was advised by the President's Economic Council. Considering the bill a measure to relieve a recession or to meet the problems of recession, those elements were carefully considered by economists for whom we have appropriated money to advise us in problems such as the one we are considering. Some of those economists I believe are as well qualified as is my friend the Senator from Illinois [Mr. DOUGLAS] who, from an economist's point of view, agrees with what I am now saying about economics. I am not a Ph. D. on this subject, though on occasion I once majored in it.

Here is a problem that has been considered, the advice of economists secured, and all the economic factors have been taken into consideration.

I do not go to a lawyer to learn my economics, and I do not go to an economist to learn my law. But here is a subject upon which economists agree. We cannot tax ourselves out of a recession. We have before us a bill in which all those factors have been taken into consideration, plus the logical fact that if a tax is proposed on a calendar year basis, the tax is applied as it has been in the past. We start with a liability accruing at the beginning of the tax year and pay it at the end of the tax year.

I must say to my Republican friends that, unfortunately, from the point of view of the Republican Party, it does not work out too well, because the public will feel better satisfied if they must pay on January 1, 1963, than if they must pay on the eve of election.

If I were a Republican, I would wish the public to feel as dissatisfied as possible at the next election. As a Democrat, I would wish the public to feel as contented as possible. It is that simple.

I do not blame the Senator from Delaware for offering his amendment. He is a great Senator. He will be chairman of the Finance Committee when the Republicans take charge. If we heed his advice, Republicans will be in power a little sooner than if we refuse to accept his amendment.

I hope the Senate recognizes that this is a carefully considered bill. The House carefully considered it. We rejected the Byrd committee amendments, which contained the Williams amendment. I admit that it was a close vote, but I do not think we should now agree to the Williams amendment, which is at the desk. It is a handwritten mandate. This is a carefully written bill. It should be passed in the form in which it has come to us.

Mr. WILLIAMS of Delaware. Mr. President, the tax is not retroactive. The Senator from Louisiana makes the point that the amendment is not printed. It is printed. It is on the desk, and he voted for it when he voted to report the bill from the committee. The amendment merely restores to the bill that portion of the Byrd amendments which was stricken out on the floor of the Senate, and which the Senator from Louisiana voted for in committee.

Mr. LONG of Louisiana. Mr. President, will the Senator yield for a correction?

Mr. WILLIAMS of Delaware. I yield.

Mr. LONG of Louisiana. I did not vote to report the bill. I was not there on that day.

Mr. WILLIAMS of Delaware. I thought the Senator was present.

Mr. SCOTT. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. SCOTT. I support the amendment. It does not take much courage to see what we can do for ourselves and to ask what we can do for ourselves and what we can do for our constituents, but when it comes to asking what we can do for the country, I suggest that one thing we can do for the country is to pay our bills when we incur them, and to have the courage to meet our debts, and not to provide the benefits now and postpone the accounting for those benefits until after future elections.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Delaware. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DODD (when his name was called). On this vote I have a pair with the Senator from Alaska [Mr. BARTLETT]. If he were present and voting he would vote "nay." If I were permitted to vote, I would vote "yea." I therefore withhold my vote.

The rollcall was concluded.

Mr. HUMPHREY. I announce that the Senator from Alaska [Mr. BARTLETT], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Alaska [Mr. GRUENING], the Senator from Oregon [Mr. MORSE], the Senator from Utah [Mr. MOSS], and the Senator from Georgia [Mr. RUSSELL] are absent on official business.

I also announce that the Senator from New Mexico [Mr. CHAVEZ] is absent because of illness.

I further announce that the Senator from Texas [Mr. BLAKLEY] is necessarily absent.

On this vote, the Senator from Texas [Mr. BLAKLEY] is paired with the Senator from New Mexico [Mr. CHAVEZ]. If present and voting, the Senator from Texas would vote "yea," and the Senator from New Mexico would vote "nay."

On this vote, the Senator from Georgia [Mr. RUSSELL] is paired with the Senator from Oregon [Mr. MORSE]. If present and voting, the Senator from Oregon would vote "nay," and the Senator from Georgia would vote "yea."

I further announce that, if present and voting, the Senator from Alaska [Mr. GRUENING] and the Senator from Utah [Mr. MOSS] would each vote "nay."

Mr. KUCHEL. I announce that the Senator from Colorado [Mr. ALLOTT] is absent because of death in his family.

The Senator from Vermont [Mr. PROUTY] is absent by leave of the Senate because of illness.

The Senator from Kentucky [Mr. MORTON] and the Senator from Massachusetts [Mr. SALTONSTALL] are necessarily absent, and, if present and voting, would each vote "yea."

The result was announced—yeas 45, nays 42, as follows:

[No. 18]

YEAS—45

Aiken	Curtis	McClellan
Beall	Dirksen	Miller
Bennett	Dworshak	Monroney
Boggs	Ervin	Mundt
Bridges	Fong	Proxmire
Bush	Goldwater	Robertson
Butler	Hickenlooper	Schoeppel
Byrd, Va.	Holland	Scott
Cannon	Hruska	Smith, Maine
Capehart	Javits	Stennis
Carlson	Jordan	Talmadge
Case, N.J.	Keating	Thurmond
Case, S. Dak.	Kerr	Wiley
Cooper	Kuchel	Williams, Del.
Cotton	Lausche	Young, N. Dak.

NAYS—42

Anderson	Hayden	McNamara
Bible	Hickey	Metcalf
Burdick	Hill	Muskie
Byrd, W. Va.	Humphrey	Neuberger
Carroll	Jackson	Pastore
Church	Johnston	Pell
Clark	Kefauver	Randolph
Douglas	Long, Mo.	Smathers
Eastland	Long, Hawaii	Smith, Mass.
Ellender	Long, La.	Sparkman
Engle	Magnuson	Symington
Gore	Mansfield	Williams, N.J.
Hart	McCarthy	Yarborough
Hartke	McGee	Young, Ohio

NOT VOTING—13

Allott	Fulbright	Prouty
Bartlett	Gruening	Russell
Blakley	Morse	Saltonstall
Chavez	Morton	
Dodd	Moss	

So the amendment of Mr. WILLIAMS of Delaware was agreed to.

Mr. DIRKSEN. Mr. President, I move that the Senate reconsider the

vote by which the amendment was adopted.

Mr. WILLIAMS of Delaware. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Are there any further amendments to be offered to the bill? If not, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

Mr. THURMOND. I wish to say only a word about the bill before it is passed. If the Byrd amendment had been adopted, I would have voted for the bill. I do not object to having each State make its own determination. I believe that is the way it should be. However, I do not believe it is fair for five of the largest States in the Nation to receive aid from some of the smallest and poorest States in the Nation.

I wish to give a few figures. Nine States will be benefited. They are Alaska, Kentucky, Michigan, New Jersey, New York, Ohio, Oregon, Pennsylvania, and West Virginia. The other 41 States will be penalized. Five of the biggest and richest and most powerful States of the Union will be benefited.

How are they being benefited? They are being benefited with funds which must come from the weaker and poorer States. For example, consider Michigan. The benefits to Michigan are $93 million, and the additional tax assessment is $46.6 million. That makes a gain for Michigan, which is a rich State—or was—of $46.4 million.

New Jersey gains $11½ million. New York, the largest and certainly one of the richest States, gains $51 million. Ohio gains $22.6 million. Pennsylvania gains $14.3 million.

What happens to the weaker States in the Nation? My State is about 48th in per capita income in the Nation. What happens to us? We contribute $1.8 million. What happens to Mississippi, one of the poorest States in the Nation? It contributes $3½ million. What happens to New Hampshire, a very small State? It contributes $3 million. Nebraska, a very small State, contributes $4.7 million. Utah, a small State, contributes $2.1 million. Wyoming, a very small State, having only one Representative in the House of Representatives, contributes four-tenths of a million dollars.

Mr. President, is that the kind of bill we will pass? In my opinion, we shall make a great mistake this evening by passing this bill, not only from the standpoint of making the little, poor States—41 of them—contribute to the other 9 States, 5 of which are the richest States in the Nation. These 5 States have 138 electoral votes, which is more than one-fourth of the electoral votes of all the States in the Union. Yet the little States will have to contribute in order that this fund may operate. I do not think that is right, just, or equitable. If the experts had studied the matter carefully, or if the Members of this body had examined the subject very carefully, I do not see how they could vote for the bill.

Mr. CASE of South Dakota. Mr. President, will the Senator from South Carolina yield?

Mr. THURMOND. I yield.

Mr. CASE of South Dakota. I understood the Senator to say that Michigan is or was a rich State. Would the Senator enlighten me by saying when Michigan was a rich State?

Mr. THURMOND. I understand it was a rich State some years ago, but that in recent years it has not been in quite such good shape. But it is still a rich State in the Nation.

I simply wish to ask Senators from the other 41 States in the Nation, Is it right or just for us to have to support 5 of the richest States in the Nation and send as much to 1 State as the $51 million that will be sent to New York?

I shall not take up any more of the Senate's time. I think I know the temper of the Senate. I think I can feel the atmosphere here. I have felt it throughout the debate. I have seen the maneuvering. I have seen people called into the offices of others, and I know of the lobbying which has been taking place. I know of the terrific pressure which is being brought to bear here. I do not believe the Byrd amendment would have been defeated if there had not been such terrific pressure brought upon this body. I make that statement, and I challenge anyone to deny it, unless he wants some names to be called.

Mr. President, it seems to me that we ought to begin to think a little about the welfare of the country. We have just agreed to an amendment on which a hard fight was made. It was adopted by a small margin, but I am very glad to say it was adopted. But there should not have been any question about adopting it.

The philosophy of the Senator from Pennsylvania [Mr. CLARK] about not collecting money as we go along is perfectly ridiculous. In 24 of the last 30 years, the Government has had deficits. The budget has been balanced in only 6 years out of the last 30. We owe $291 billion. The interest runs about $11 billion. Some persons want to blame the increased debt on defense. It cannot all be blamed on defense. From 1953 to 1961, defense expenditures went down about $4 billion, while nonsecurity cash expenditures rose about $25 billion.

I think it is time we paused a little. I think it is time we began to think about the fiscal condition of the country. Some persons seem to think that any money the States get from Washington is like manna from heaven. They are eagerly grabbing at it. I think we show a lack of courage when we do not stand up and say to them, "You, the taxpayers, only get back the same money you pay in." The taxpayers who get money from the Federal Government are the same ones who pay it.

Mr. President, we are building the Federal Government larger and larger every year. We are centralizing more power here. One thing I fear from the action being taken by the Senate tonight is the precedent which will be set. In my opinion, we are providing the opening wedge to federalize, to nationalize, the entire unemployment compensation program.

By defeating the Byrd amendment, we have taken a step this evening which, in my opinion, will bring on a proposal to federalize the entire system. In other words, are we going to take away from the States the right of those States which are conservative, which are economical, which handle their funds properly, as we have had to do in South Carolina, and make them conform; and make us, one of the poorest States in the Nation, put in almost $2 million to send to a rich State like New York? Are we to follow that kind of policy?

By refusing to adopt the Byrd amendments this evening, I think we have laid the foundation and have set the stage for federalizing the entire unemployment program before this year is out. Then there will be grab, grab; we will see taxes going up and up. We will see industry suffer in this country. It is my opinion that if we will only be reasonable and fair to business, private enterprise will provide jobs. It is my opinion that if we will show some consideration to the people who have money, they will invest it to create jobs. But I do not believe they will invest and take a chance or take a risk when they are taxed and taxed and do not know how much more to expect.

We talk about trying to instill confidence in the Nation. One of the best ways in which we can instill confidence is to let people know that the Government will let them alone. We are not letting them alone tonight. We are putting them in hot water, and more hot water. Furthermore, we are forcing the employers in my State and every other little State to contribute money to pay to New York and every other big State. I do not like it. I know we can be outvoted. We do not have the votes. The majority party will stick together with, perhaps, some Senators from the other party to pass the bill. I can sense the feeling. I simply say that it will be a great mistake. I believe the people of the country will ultimately regret the action we are about to take this evening.

I wish the Senate would delay this decision and think a little about it. I do not know how Senators from the little States can go back home and explain why they sent money to the rich States. At any rate, aside from that, there is a bigger principle involved. We are opening the door to enable the Federal Government, with its great power and strength, to pounce down and take charge of the whole program. And that may be the end of it.

Mr. HART. Mr. President——

Mr. DIRKSEN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Illinois will state it.

Mr. DIRKSEN. It seemed to me that the question on the passage of the bill was put, and I believe the gavel fell. Has the measure been passed?

Mr. HART. Mr. President, as the Senator from South Carolina indicated, we in the back row were not able to hear what was said.

The PRESIDING OFFICER. The Senator from Michigan was on his feet seeking recognition.

Mr. HART. I thank the Chair.

As is true of each Senator, my senior colleague, Mr. McNAMARA, and I are proud of the State from which we come. If anyone who reads the RECORD attempts to evaluate the bill on the basis of "What is in it for me?" let the RECORD show that over the years, under this program, Michigan has contributed in taxes more than $285 million and has received back less than $185 million. We will continue to support the poorer States with that $100 million.

We regularly return home to answer the question I heard asked, "How can you explain sending more money to Washington than you get back?" We explain it on the basis that we are in one boat. We are one people and one Nation. If we have an opportunity to improve the economy of five or six States now, those States will be stronger, too. We believe that. That is the way we vote in this body, and have voted historically. I am sure we shall continue in that way.

Mr. LAUSCHE. Mr. President, I concur in the views expressed tonight that if we spend, we ought to have the moral courage to tax. I cannot concur in the views of those modern economists who argue that we ought to spend but not tax.

Moreover, I do not agree with the idea that the responsibility of taxing ought to be put beyond election day.

I listened to the argument made by the Senator from South Carolina, and Ohio was included among the States which are to receive more than they pay. Under the House version of the bill, Ohio would impose taxes in the amount of $62 million, and would receive $85 million in return. So, Mr. President, by the enactment of the House version of the bill, Ohio would supposedly profit in the sum of $23 million.

I voted against the House version. I did so because I know that the $23 million was "carried by a Greek" who, today, is making a gift to the State of Ohio; but when the final federalization comes, the payment made by Ohio each year will be many times in excess of the $23 million.

And I think I would be somewhat delinquent if I did not state that—to my great disappointment and shock—in the 4 years that I have been here, I have discovered that there is great ingenuity and there is great skill in the drafting of bills in a manner which supposedly will provide gifts to certain States, so that the Senators from those States will be persuaded to vote for the bills. I learned that 1 year ago, when I found that the formula of the school bill was so written—deliberately—that it would give certain States more money than they would have to pay. One Senator came to me and said, "If the formula is changed in accordance with the way you suggest, my State will receive less money than it will have to pay; and, therefore, I will have to vote against it."

Tonight, I had quite a decision to make. I recognize that someone will ask me, "How is it that you voted for the Byrd amendments, although the bill without those amendments will give Ohio $23 million more than Ohio will have to pay?"

Mr. President, to my fellow Ohioans I merely wish to state that when the final nationalization and federalization come, they will pay on the basis of a burden far greater than the benefit of the $23 million that would come under the House version of the bill.

I believe that I would be confessing a deep limitation in reason unless I stated tonight that the signs show that federalization will be proposed. The proponents of this bill will try to make the duration of payments and the amounts of payments uniform, everywhere in the country, regardless of the difference between the economy in one section and the economy in another. I wish to say to the Senate that we cannot by legislative fiat make things equal if they are not equal; we cannot by legislative fiat make the cost of living in New York equal to the cost of living in Mississippi, nor can we by legislative fiat make the cost of living in Ohio equal to the cost of living in South Carolina. Those who will bring in the bill, supposedly with innocence, will find that that is a fact, when in truth it is not.

Mr. President, we already see the signs which indicate what will be proposed: Uniformity, straitjacketing, no difference anywhere, a monolith. It sounds rather close to the philosophy of monolithic government that has dominated nations in Eastern Europe and Middle Europe—the peoples under the control of Russia: Nothing different; all must be identical; and if they are not equal by nature, the Congress will make them equal.

I will vote for the bill, because I believe we should provide help to the unemployed. But I now serve notice that I will not go along with the proposition of trying to make all men look alike, or the proposition of trying to make all men act alike, or the proposition of trying to make all men pray alike, or the proposition of trying to make all men speak alike, even though the Lord created them to be individual and dignified and with the right to think for themselves. The direction is toward a monolithic government, with Washington telling the people how they should think, how they should speak, what they should do; and that though economics vary, the Federal Government by legislation will declare that the cost of living in Alaska is identical with that in New Mexico. Red will be declared to be green; truth to be false. With these things in prospect, I announce now my opposition to this obvious program of federalization.

The PRESIDING OFFICER. The bill has been read the third time. The question now is, Shall the bill pass?

Those in favor of passage of the bill will say "aye"——

Mr. LAUSCHE. Mr. President, I ask that a yea-and-nay vote be taken on this question. We want our position on this question to be shown.

The PRESIDING OFFICER. Is the demand for the yeas and nays sufficiently seconded?

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is, Shall the bill pass? On this question, the yeas and nays have been ordered; and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Alaska [Mr. BARTLETT], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Alaska [Mr. GRUENING], the Senator from Oregon [Mr. MORSE], the Senator from Utah [Mr. Moss], and the Senator from Georgia [Mr. RUSSELL] are absent on official business.

I also announce that the Senator from New Mexico [Mr. CHAVEZ] is absent because of illness.

I further announce that the Senator from Texas [Mr. BLAKLEY] is necessarily absent.

I further announce that, if present and voting, the Senator from Alaska [Mr. BARTLETT], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Alaska [Mr. GRUENING], the Senator from Oregon [Mr. MORSE], the Senator from Utah [Mr. Moss], the Senator from Georgia [Mr. RUSSELL], the Senator from New Mexico [Mr. CHAVEZ], and the Senator from Texas [Mr. BLAKLEY] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from Colorado [Mr. ALLOTT] is absent because of death in his family.

The Senator from Vermont [Mr. PROUTY] is absent by leave of the Senate because of illness.

The Senator from Kentucky [Mr. MORTON] and the Senator from Massachusetts [Mr. SALTONSTALL] are necessarily absent.

The Senator from Kentucky [Mr. MORTON], the Senator from Vermont [Mr. PROUTY], and the Senator from Massachusetts [Mr. SALTONSTALL] would each vote "yea."

The result was announced—yeas 84, nays 4, as follows:

[No. 19]

YEAS—84

Aiken	Fong	McGee
Anderson	Goldwater	McNamara
Beall	Gore	Metcalf
Bennett	Hart	Miller
Bible	Hartke	Monroney
Boggs	Hayden	Mundt
Bridges	Hickenlooper	Muskie
Burdick	Hickey	Neuberger
Bush	Hill	Pastore
Butler	Holland	Pell
Byrd, W. Va.	Hruska	Proxmire
Cannon	Humphrey	Randolph
Capehart	Jackson	Robertson
Carlson	Javits	Schoeppel
Carroll	Johnston	Scott
Case, N.J.	Jordan	Smathers
Church	Keating	Smith, Mass.
Clark	Kefauver	Smith, Maine
Cooper	Kerr	Sparkman
Cotton	Kuchel	Stennis
Dirksen	Lausche	Symington
Dodd	Long, Mo.	Talmadge
Douglas	Long, Hawaii	Wiley
Dworshak	Long, La.	Williams, N.J.
Eastland	Magnuson	Williams, Del.
Ellender	Mansfield	Yarborough
Engle	McCarthy	Young, N. Dak.
Ervin	McClellan	Young, Ohio

NAYS—4

Byrd, Va.	Curtis	Thurmond
Case, S. Dak.		

NOT VOTING—12

Allott	Fulbright	Moss
Bartlett	Gruening	Prouty
Blakley	Morse	Russell
Chavez	Morton	Saltonstall

So the bill (H.R. 4806) was passed.

Mr. MANSFIELD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. HUMPHREY. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BYRD of Virginia. Mr. President, I move that the Senate insist upon its amendments and request a conference with the House on the disagreeing votes thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. BYRD of Virginia, Mr. KERR, Mr. LONG of Louisiana, Mr. SMATHERS, Mr. WILLIAMS of Delaware, and Mr. CARLSON conferees on the part of the Senate.

SALE OF CERTAIN CRITICAL MATERIALS

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 67, Senate bill 116.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 1116) to authorize the sale, without regard to the 6-month waiting period prescribed, of certain calcines and matte proposed to be disposed of pursuant to the Strategic and Critical Materials Stock Piling Act.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. MANSFIELD. Mr. President, the bill was brought up earlier today. Consideration of it was held up at the request of a Senator. That Senator has had an opportunity to look it over. It has been cleared by the minority leadership.

I ask unanimous consent that extracts from the report accompanying the measure may be incorporated in the RECORD at this point.

There being no objection, the extracts were ordered to be printed in the RECORD, as follows:

This bill would (1) authorize the disposal of surplus nickel-cobalt-copper calcines and matte from the national stockpile, and (2) permit such disposal to be accomplished before the expiration of 6 months after publication of notice of the proposed sale in the Federal Register.

EXPLANATION

On January 16, 1961, the General Services Administration gave notice of a proposed disposition of approximately 3,431 short tons of nickel-cobalt-copper calcines and approximately 87 tons of nickel-cobalt-copper matte now held in the national stockpile. This notice was based upon a revised determination by the Office of Civil and Defense Mobilization that there is no longer any need for stockpiling these calcines and matte because they are excess to stockpile needs and are of such quality as to be of little or no use in time of war.

Section 3(e) of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98b(e)) requires congressional approval of this proposed disposition. The law also requires, among other things, that the disposal may not be made until 6 months after publication of the disposal plan in the Federal Register.

Irrespective of whether the 6 months' waiting period is waived, the General Services Administration desires authority to dispose of these materials from the stockpile. The objective in waiving the 6-month waiting period is to accelerate the possible sale and availability of these materials to an industrial plant in a distressed economic area.

During World War II the Federal Government operated a federally owned refinery in the area of Flat River, Mo., for the refining of lead and copper concentrates. This refining operation resulted in the accumulation of several thousand tons of byproducts known as calcines.

After the war the refinery was leased to the National Lead Co. which has continued to operate it in the refinement of nickel and cobalt from byproducts of the extraction of lead. Because of lowered prices of lead the lead-mining operation was discontinued in February 1961. With the ending of lead-mining operations there, no more calcines are being produced. The remaining calcines available there will sustain the refinery operation until March 30, 1961. If additional calcines are not made available the refinery will close on March 30, 1961, resulting in the discharge of 140 employees.

Enactment of this bill would not assure the sale of the surplus calcines and matte to any specific purchaser. The National Lead Co. would have to compete against other possible purchasers, but this company would at least have an opportunity to negotiate for the purchase of these materials, and if successful it would secure a sufficient quantity of the materials to permit continued operation of the refinery for a period of 6 additional months beyond March 30, 1961.

DEPARTMENTAL RECOMMENDATION

Printed below and hereby made a part of this report are (1) a letter from the then Administrator of the General Services Administration, dated January 16, 1961, giving notice of the proposed disposal of these materials and requesting congressional approval of the disposal; (2) a copy of the notice of the proposed disposal published in the Federal Register on January 25, 1961; and (3) a letter from the incumbent Administrator of the General Services Administration, dated March 10, 1961, indicating that the General Services Administration and the Bureau of the Budget have no objection to the enactment of S. 1116:

GENERAL SERVICES ADMINISTRATION,
Washington, D.C., January 16, 1961.

Hon. RICHARD B. RUSSELL,
Chairman, Armed Services Committee,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Enclosed is a notice of a proposed disposition of approximately 3,431 short tons of nickel-cobalt-copper calcines and approximately 87 tons of nickel-cobalt-copper matte now held in the national stockpile. This notice is being published in the Federal Register and is forwarded to the Congress and to the Armed Services Committee of each House thereof in accordance with the provisions of section 3(e) of the Strategic and Critical Materials Stock Piling Act (53 Stat. 811), as amended (50 U.S.C. 98b(e)).

The Office of Civil and Defense Mobilization has made a revised determination, pursuant to section 2(a) of the Strategic and Critical Materials Stock Piling Act, that there is no longer any need for stockpiling this grade and quantity of said nickel-cobalt-copper calcines and matte. The revised determination was made for the reason that said nickel-cobalt-copper calcines and matte are excess to stockpile needs and are of such quality as to be of little or no use in time of war.

Section 3(e) of the Strategic and Critical Materials Stock Piling Act provides that no material constituting a part of the stockpile may be disposed of without the express approval of Congress, except where the revised determination is by reason of obsolescence of the material for use in time of war. Since the revised determination in this case was not by reason of obsolescence, we request that the Congress approve the proposed disposition.

Sincerely yours,

FRANKLIN FLOETE,
Administrator.

GENERAL SERVICES ADMINISTRATION NICKEL-COBALT-COPPER CALCINES AND MATTE HELD IN THE NATIONAL STOCKPILE PROPOSED DISPOSITION

JANUARY 16, 1961.

Pursuant to the provisions of section 3(e) of the Strategic and Critical Materials Stock Piling Act (53 Stat. 811), as amended (50 U.S.C. 98b(e)), notice is hereby given of a proposed disposition of approximately 3,431 short tons of nickel-cobalt-copper calcines and approximately 87 tons of nickel-cobalt-copper matte now held in the national stockpile.

The Office of Civil and Defense Mobilization has made a revised determination, pursuant to section 2(a) of the Strategic and Critical Materials Stock Piling Act, that there is no longer any need for stockpiling said nickel-cobalt-copper calcines and matte. The revised determination was based upon the finding of the Office of Civil and Defense Mobilization that said nickel-cobalt-copper calcines and matte are excess to stockpile needs and are of such quality as to be of little or no use in time of war.

Since the revised determination is not by reason of obsolescence of nickel-cobalt-copper calcines and matte for use in time of war, this proposed disposition is being referred to the Congress for its express approval, as required by section 3(e) of the Strategic and Critical Materials Stock Piling Act.

General Services Administration proposes to transfer said nickel-cobalt-copper calcines and matte to other Government agencies, or to offer them for sale on a competitive basis upon the express approval by the Congress of this proposed disposition or 6 months after the date of publication of this notice in the Federal Register, whichever is later.

This plan and the date of disposition have been fixed with due regard to the protection of producers, processors, and consumers against avoidable disruption of their usual markets as well as the protection of the United States against avoidable loss on disposal.

FRANKLIN FLOETE, *Administrator.*

GENERAL SERVICES ADMINISTRATION,
Washington, D.C., March 10, 1961.

Hon. RICHARD B. RUSSELL,
Chairman, Committee on Armed Services,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Your letter of March 1, 1961, requested the views of the General Services Administration on S. 1116, a bill to authorize the sale, without regard to the 6-month waiting period prescribed of certain calcines and matte proposed to be disposed of pursuant to the Strategic and Critical Materials Stock Piling Act.

The principal purpose of S. 1116 is to avoid, as to the nickel-cobalt-copper calcines and matte referred to in the notice of disposal published in the Federal Register on January 25, 1961, the 6 months' waiting period that section 3(e) of the Strategic

and Critical Materials Stock Piling Act requires for a disposal thereunder. The bill would authorize the disposal of those materials by negotiated sale or otherwise. This would permit National Lead Co. to negotiate for the materials while it is still leasing the Government-owned plant at Fredericktown, Md., for the refining of similar byproducts of lead production in that area. The bill, however, would not assure the sale of the materials to any particular purchaser.

National Lead Co. has advised that, unless it is successful in purchasing those calcines and matte in the immediate future, it would, because of a lack of raw materials, cease operations at the Fredericktown plant, which is located in the Flat River, Mo., area—a depressed labor area. The materials covered by S. 1116 would be sufficient for the continued operation of the Fredericktown plant for approximately 6 months.

The General Services Administration has no objection to the enactment of S. 1116.

The Bureau of the Budget has advised that there is no objection to the submission of this report to your committee from the standpoint of the administration's program.

Sincerely yours,

JOHN L. MOORE,
Administrator.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, and was read the third time.

Mr. DWORSHAK. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. DWORSHAK. Mr. President, may we have the assurance of the Senator that "Soapy" Williams, and Reuther, and Meany are in favor of the bill?

Mr. MANSFIELD. I cannot speak for them, but the Senator from Delaware [Mr. WILLIAMS] is in favor of it. [Laughter.]

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

The bill (S. 1116) was passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Administrator of General Services is hereby authorized to dispose of, by negotiated sale or otherwise, approximately three thousand four hundred and thirty-one short tons of nickel-cobalt-copper calcines and approximately eighty-seven tons of nickel-cobalt-copper matte now held in the national stockpile. Such disposition may be made without regard to the provisions of section 3 of the Strategic and Critical Materials Stock Piling Act, relating to dispositions on the basis of a revised determination pursuant to section 2 of said Act, to the effect that no such disposition shall be made until six months after publication in the Federal Register and transmission to the Congress and to the Armed Services Committees thereof of a notice of the proposed disposition.

EXTENSION OF RAILROAD UNEMPLOYMENT INSURANCE BENEFITS

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 68, House bill 5075.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 5075) to provide temporary extended railroad unemployment insurance benefits, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. BURDICK. Mr. President, the bill before the Senate was passed unanimously by the House on March 6, 1961, and is identical to S. 1196, introduced on March 3, 1961, by myself and other Senators.

It provides for railroad workers temporary unemployment insurance benefits similar to those provided in H.R. 4806 for workers in industry generally.

The benefits provided in the bill would go to those unemployed railroad men who, after June 30, 1960, and before April 1, 1962, exhausted their rights to unemployment benefits ordinarily provided by the Railroad Unemployment Insurance Act.

The maximum number of additional days for which these new benefits would be payable would be 65, or 13 weeks.

The bill was referred to the committee, and unanimously reported without amendments.

It is a bill that provides benefits for railroad workers similar to benefits provided to workers in industry generally as provided in the bill just passed by the Senate.

The PRESIDING OFFICER. The bill is open to amendment.

If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill (H.R. 5075) was ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BURDICK. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UTILIZATION OF TELEVISION FACILITIES FOR EDUCATIONAL PURPOSES

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 65, Senate bill 205, and that it be made the unfinished business.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 205) to expedite the utilization of television transmission facilities in our public schools and colleges, and in adult training programs.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Interstate and Foreign Commerce, with an amendment, on page 4, after line 5, to insert a new section, as follows:

SEC. 8. (a) Each recipient of assistance under section 3 of this Act shall keep such records as the Commissioner shall prescribe including records which fully disclose the amount and the disposition by such recipient of the proceeds of such assistance, the total cost of the project or undertaking in connection with which such assistance is given or used, and the amount and nature of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit.

(b) The Commissioner and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purpose of audit and examination to any books, documents, papers, and records of the recipient that are pertinent to assistance received under section 3 of this Act.

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That there is hereby authorized to be appropriated such amounts as may be necessary to assist the States and certain organizations therein to establish or improve television broadcasting for educational purposes, in accordance with the provisions of this Act, by providing for the establishment and improvement of television broadcasting facilities.

SEC. 2. Any agency or officer, or organization in a State, described in clause (b)(2) of this section, which is establishing or improving television broadcasting facilities, may receive a grant as authorized in this Act to cover the cost of such establishment or improvement by—

(a) making application therefor in such form as is prescribed by the United States Commissioner of Education; and

(b) providing assurance satisfactory to the Commissioner of Education—

(1) that the necessary funds to operate and maintain such facilities will be available;

(2) that the operation of such facilities will be under the control of (a) the agency or officer primarily responsible for the State supervision of public elementary and secondary schools, (b) a nonprofit foundation, corporation, or association organized primarily to engage in or encourage educational television broadcasting, (c) a duly constituted State educational television commission, or (d) a State controlled college or university; and

(3) that such facilities will be used only for educational purposes.

SEC. 3. Upon determining that an agency or officer of an organization has satisfied the requirements of section 2 of this Act, the Commissioner of Education is authorized to make a grant to such agency, officer, or organization in such amount as is determined by the Commissioner to be reasonable and necessary to cover the cost of such establishment or improvement of facilities. An agency or officer or an organization may receive one or more grants under the provisions of this Act, but the total amount of such grants for television broadcasting facilities in any State shall not exceed $1,000,000. Such grants shall be made out of funds appropriated for the purposes of this Act, and may be made in such installments as the Commissioner deems appropriate.

SEC. 4. As used in this Act the term "establishing or improving television broadcasting facilities" means the acquisition and installation of transmission apparatus necessary for television (including closed-circuit television) broadcasting, and does not include the construction or repair of structures to house such apparatus, and the term "State" means the several States and the District of Columbia.

SEC. 5. The Federal Communications Commission is authorized to provide such assistance in carrying out the provisions of

this Act as may be requested by the Commissioner of Education.

SEC. 6. Nothing in this Act shall be deemed (a) to give the Commissioner of Education any control over television broadcasting, or (b) to amend any provision of, or requirement under, the Federal Communications Act.

SEC. 7. No application for any grant under this Act may be accepted by the Commissioner of Education after the day which is 5 years after the date of enactment of this Act.

SEC. 8. (a) Each recipient of assistance under section 3 of this Act shall keep such records as the Commissioner shall prescribe, including records which fully disclose the amount and the disposition by such recipient of the proceeds of such assistance, the total cost of the project or undertaking in connection with which such assistance is given or used, and the amount and nature of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit.

(b) The Commissioner and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purpose of audit and examination to any books, documents, papers, and records of the recipient that are pertinent to assistance received under section 3 of this Act.

LEGISLATIVE PROGRAM

Mr. DIRKSEN. Mr. President, I should like to query the majority leader as to what time the Senate will adjourn and what the business is likely to be next week if we adjourn until Monday.

Mr. MANSFIELD. Mr. President, in answer to the question raised by the distinguished minority leader, there is on the calendar only one bill, S. 205, which has been made the unfinished business. I assume that on Monday or Tuesday we shall also have the conference report on the feed grains bill. I hope the committees will continue, as expeditiously as possible, hearings on the various measures before them.

I expect that perhaps, from the committee headed by the distinguished Senator from Virginia [Mr. BYRD], the bill with respect to aid to dependent children will be forthcoming for speedy and prompt consideration.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. HOLLAND. What was the bill which was made the unfinished business?

Mr. MANSFIELD. The educational TV bill, S. 205.

Mr. HOLLAND. Not the bill for aid to education?

Mr. MANSFIELD. No.

Mr. HOLLAND. I thank the Senator.

ORDER FOR ADJOURNMENT UNTIL MONDAY NEXT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate concludes its deliberations tonight, it stand in adjournment until 12 o'clock noon on Monday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

ST. PATRICK'S DAY

Mr. MANSFIELD. Mr. President, March 17, 1961, marks the 1,500th anniversary of the death of St. Patrick, famed patron of Ireland and the Irish. Throughout the world, wheresoever the Irish have traveled, the story of Patrick has been told and retold in story and song.

Through the length and breadth of Ireland special celebrations will be held during the present year, which has been dedicated to St. Patrick as the Patrician Year. Cardinal McIntyre of Los Angeles has been named papal legate to represent Pope John in the inauguration of the year in special ceremcnies to be held at Armagh, the primatial see of Ireland, established by St. Patrick, the first bishop of Ireland.

It is fitting today that we join with the Irish in celebrating this great anniversary and to extend to them our sincere wishes for every happiness throughout the year. We pray that the economic development of the country may continue to prosper and that this outstanding democratic nation may continue to be a shining example to all the smaller nations of the world, especially the newly emerging nations.

As has been the custom over the years, we are privileged to bedeck ourselves in green, the symbolic color of Ireland. The green carnations we have received today have been presented to us through the courtesy of the national board of the Ancient Order of Hibernians, a national organization of Americans of Irish descent, dedicated to fostering the glorious culture and traditions of the Irish and promoting the well-being of this small island country. We extend to the national board and to all Hibernians our gratitude for their kindness in supplying us each year with these carnations and we wish them all success and happiness, especially on the occasion of this magnificent anniversary of their patron, St. Patrick.

COMMEMORATION OF THE 100TH ANNIVERSARY OF THE UNIFICATION OF ITALY

Mr. DIRKSEN. Mr. President, today the Ambassador of Italy in the United States and the American Honorary Committee for the Italian Centennial commemorated the 100th anniversary of the unification of Italy in the auditorium at the State Department at 10:30 with a large delegation of public officials and guests. The centennial celebration is under the patronage of the President of the United States and the President of the Republic of Italy, the Honorable Giovanni Gronchi.

Mr. President, the history of Italy is basic to our civilization. From the early Roman Empire on through to today, the Italian leaders and people have presented to the world much of the civilization as we know it. The language, the arts, the religion, and the law have become a significant part of peoples throughout the world. One hundred years ago, in March of 1861, the cradle of Italian unity was founded in the city of Turin. In recognition of the progress and achievements of the people of Italy during the past century, the Congress of the United States expressed itself with a concurrent resolution stating it is the sense of Congress that the President of the United States should extend official greetings from the United States to the people of Italy on the occasion of their centennial anniversary of the unity of Italy.

Mr. President, on this occasion I should also like to point out the great contributions which the Americans of Italian descent have made to the greatness of America. The best evidence of the record of the Americans of Italian extraction is the fact that we have such outstanding statesmen and leaders as our colleague JOHN O. PASTORE, of Rhode Island, numerous Representatives and four Governors. I extend my personal greetings to the people of Italy and to the Americans of Italian descent in this country on the occasion of the 100th anniversary of the unification of Italy.

Mr. President, in order that the readers of the CONGRESSIONAL RECORD may be fully aware of the history behind the unification of Italy, I ask unanimous consent that the extension of remarks of the Honorable VICTOR L. ANFUSO of New York, which appeared in the CONGRESSIONAL RECORD, volume 105, part 9, pages 11690–11691, be printed in full at this point in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

"ONE HUNDREDTH ANNIVERSARY OF UNIFICATION OF ITALY"—EXTENSION OF REMARKS OF HONORABLE VICTOR L. ANFUSO, OF NEW YORK, IN THE HOUSE OF REPRESENTATIVES, TUESDAY, JUNE 23, 1959

Mr. ANFUSO. Mr. Speaker, I am today introducing a concurrent resolution which expresses the sense of Congress that the President extend official greetings from the United States to the people of Italy on the occasion of the centennial anniversary of the unity of Italy, which occurs in March of 1961. In connection with the celebration that is to be held that year in the city of Turin, the cradle of Italian unity, the resolution provides for official participation by the United States in the celebration in recognition of the progress and achievements of the people of Italy during the past century.

The centennial anniversary of the unification of Italy and its emergence as a free and united nation capable of shaping its own destiny is a great event in the history of the Western World. I believe it would be of invaluable benefit to the whole free world to participate in this celebration, in order to demonstrate to nations all over the globe what a free and determined people can achieve. I am informed that a major international exhibit will be held in connection with this anniversary celebration which will stress the achievements of human labor and the human mind over the last 100 years. In that case, the free world will have much to gain by this exhibit, while the neutral and the anti-Western nations will have much to learn from it.

One hundred years ago this month, in June 1859, the troops of the Kingdom of Sardinia were victorious over the forces of the Austro-Hungarian Empire in battles at San Martino and Solferino in northern Italy. They were supported by the French Army, their ally in the war against a nu-

merically superior enemy. When the smoke of battle had subsided and the short war of 1859 had ended, it was clear that the decisive struggle for the unification of Italy under an Italian ruler had been won. Although Austria still held Venice, its grip on the rich Po Valley had been broken loose and a great nationalistic tide surged forward with increasing speed.

The goal of the unity of Italy, the dream of the creation of a single nation out of a myriad of small states, many of them under foreign domination, but all of them maladministered and economically unbalanced, was now moving forward. The small kingdom of Piedmont and Sardinia, under the liberal King Victor Emmanuel II, had become the guiding force behind the unity movement which became known in history as "Risorgimento Italiano," a new political renaissance. Victor Emmanuel was fortunate in his choice of a Prime Minister, the celebrated Camillo Benso di Cavour, one of the outstanding statesmen of the 19th century.

Following the retreat of the Austrians from Milan and Lombardy, the latter regions accepted the rule of King Victor Emmanuel. A few bold political strokes in 1859 and 1860 resulted in the annexation of the many small states, following plebiscites expressing the will of the people. It is in this period that we learn of the exploits of Garibaldi and his volunteers in the expedition which culminated in the downfall of the Bourbon dynasty in the campaign of 1860. Garibaldi's name has since become legendary and is known to millions of schoolchildren the world over. There were, however, many other able and patriotic Italian leaders who labored for years to help make Italy what it is today—one of our most trusted allies and a dependable friend.

The Risorgimento was truly a national movement and a great magnetic force that was forging a strong nation out of small and weak states. Their citizens were all of common blood, common language, and common national aspirations, yet they were subject to different laws, different rulers, and different destinies. The patriots, who were condemned as conspirators, were jailed and tortured. They were the Italian counterpart of the Paul Reveres and the Benjamin Franklins in America, of Washington, Jefferson, Adams, and the others who fought in the American Revolution and gained the independence of our Nation.

In post-Napoleonic Europe of the 19th century it was difficult to introduce innovations to the people stressing the principles of freedom as proclaimed by the victory of the American Revolution and embodied in the U.S. Constitution. The United States was a new nation, comprised of people who settled on a new continent and shaping their own history as they went along, but free from any historical bondage once they were successful in casting off British domination. This was not true, however, in the case of Italy and Germany. In the aftermath of the Napoleonic era, these two nations suffered from the old bondages of feudalistic practices and the absolute rule of too many and inept hereditary princes and kings.

Centuries of political divisions had created barriers which seemed insurmountable. Forces totally alien to Italy had become entrenched over the years, such as Austrian domination in the north, the Bourbon dynasty in the south and in Tuscany, and others. If a new nation had to be created, it required a truly national movement with concomitant forces working in each region toward a common goal. It also required as leader one of the small States active in the national movement. The kingdom of Piedmont and Sardinia was the logical leader, since it took the lead in granting to its subjects a liberal constitution in 1848 and in forming a constitutional government along democratic lines. It had the necessary leaders, the administrative organization and a willing ruler to accept this challenge.

Over the coming 2 years, between now and 1961, the people of Italy will relive the events and the experiences associated with the struggle for unity a century ago. It is to be hoped that they will find renewed strength to tighten the bonds of their national unity in order to enable Italy to emerge unscathed from the ideological struggle of today, which threatens to undo from within what has been achieved over the past century. There will be many celebrations as the events of 100 years ago are relived in ceremonies in all parts of the country.

The major national celebration, however, will take place in the city of Turin, the capital of Piedmont and the recognized cradle of Italian unification in 1861. There, in the austere Baroque palace which housed the first Parliament of the delegates of Italy, where modern Italy was proclaimed a unified nation in March 1861, solemn ceremonies will be held to observe this centennial anniversary.

From March to October 1961 a series of spectacular events will reenact those fateful years of Italian history and three major exhibitions will bear witness to the progress of Italy and of world civilization over the last century. Two of these exhibitions are to be devoted strictly to Italy, its history and its achievements. The third exhibition is to be international in character and scope, and all nations have been invited to participate. The organizing committee, which is presided over by the Premier of Italy, the Honorable Antonio Segni, intends to honor at these exhibits the accomplishments of human labor in the various nations, their well-being, their cultural progress, and their efforts to improve the standard of living of their people.

U.S. participation in the celebration has been officially presented to the U.S. Government by the "Comitato Per Le Celebrazioni Del Primo Centenario Dell'Unita d'Italia"—Committee for the Celebration of the First Century of the Unification of Italy—through the good offices of the Italian Embassy in Washington. The above-mentioned committee is represented here by the America-Italy Society, a private nonprofit organization whose offices are located in New York. Mr. Peter Grimm is president of the society and Mr. Peter G. Treves is treasurer.

No doubt this initiative will have also the full support of all the organizations of Americans of Italian extraction, and of all of the associations, agencies, and individuals in this country who care for the development of intimate relations of friendship existing between Italy and the United States.

Mr. Speaker, I am happy to introduce this concurrent resolution designed to express the friendly feelings of the people of the United States toward the people of Italy as they approach their centennial anniversary as a unified and independent nation. I trust that we shall participate, together with other nations, in the great celebrations scheduled in 1961 as a token of our esteem and our moral support of Italy's unity and independence in this crucial period in world affairs.

COMMENDATION OF THE SENATE

Mr. MANSFIELD. Mr. President, I wish to take this opportunity to commend the entire Senate for a week of real progress.

We have, this week, given our approval to a vitally needed program of assistance to areas having prolonged unemployment, by passing the area redevelopment bill. I particularly wish to pay tribute to the great work done by the Senator from Illinois [Mr. DOUGLAS] in leading the fight for the bill, and to others, like the Senators from West Virginia [Mr. RANDOLPH and Mr. BYRD], the Senator from Pennsylvania [Mr. CLARK], the Senator from Maine [Mr. MUSKIE], and the distinguished majority whip, the Senator from Minnesota [Mr. HUMPHREY], who worked tirelessly to make and to keep S. 1 a strong bill. We have, in passing the bill, taken a step toward making future recessions less severe and toward providing the means by which many communities and rural areas can get on their feet again economically.

Also this week the Senate has passed the measure extending temporary unemployment compensation benefits for an additional period to those unemployed men and women who have exhausted their entitlement to them. The same kind of extension of benefits has been provided in the case of the railroad unemployment insurance benefits. The President requested these measures out of a humanitarian concern for those who have been out of work for a prolonged period of time. It has also been pointed out that passage of these bills will give a measure of purchasing power to areas of severe unemployment.

The Senate also this week has passed a feed grains bill, which seeks to increase farm income, and at the same time to reduce the mounting surpluses of corn and other feed grains going into Government stocks. The Senator from Louisiana [Mr. ELLENDER] and the Senator from Minnesota [Mr. HUMPHREY], worked swiftly and well to produce a bill which will help us prevent a complete disaster in the feed grains program.

Finally, the Senate has approved, by overwhelming majorities, two major treaties—the Columbia River Basin Treaty, by which the United States agrees to cooperate with Canada in the development of that great river system; and the OECD treaty, by which we hope to make some headway in meeting common economic problems with various nations whose economies are closely allied to our own.

The Senate Committee on Foreign Relations gave these treaties an intense and searching examination, raising many questions which illuminated certain results which may flow from their ratification.

So, Mr. President, I think all Members of the Senate may take pride in the accomplishments of this week. Again, as the agent of the Senate, I express my thanks for the courtesy and cooperation given to me by all my colleagues.

WHAT MAKES GOOD GOVERNMENT?

Mr. CASE of South Dakota. Mr. President, on February 20 it was my pleasure and honor to participate in the program of the American Legion Student Government Day at Yankton, S. Dak.

On this occasion, Roy Shoemaker, the Student Government Day mayor of the city of Yankton, a city which 100 years

ago this summer became the capital city of Dakota Territory, delivered a short talk entitled "What Makes Good Government?"

This presentation of a student mayor, Mr. President, is demonstrative of the American Legion's purpose in sponsoring student government activities. A responsible concern for providing our young citizens with a realistic understanding of the processes of representative government provides the fundamental impetus in this activity.

Roy Shoemaker's address testifies that this American Legion program does successfully stimulate, among the young people it affects, serious reflections on civic responsibilities.

The South Dakota Department of the American Legion has rendered an outstanding service and influence for good citizenship in the United States.

It was the South Dakota department which initiated American Legion sponsorship of the Student Government Day program, the Yankton post being the originating unit.

It was the Milbank, S. Dak., post which initiated the American Legion junior baseball program. This program has for years occupied a highly valued and now deeply institutionalized status nationwide.

Such programs for our youth as these can work only in ways beneficial for our society.

Mr. President, because of its very high quality, I shall make the Student Government Day address made by Roy Shoemaker, student mayor of Yankton, S. Dak., so that it may appear in the CONGRESSIONAL RECORD as it would if this young man were a Member of the Senate and delivered it here:

Mr. President, What makes a good government?

Is it the big businessman downtown? Is it the mighty industrialist who furnishes the Nation's steel? Is it the Government official in Washington or the Government employees at Cape Canaveral? Is it the ambassador to foreign countries or the brainy scientist who makes rockets that go faster and faster?

Is it the farmer or the butcher in the store? Is it the schoolteacher or the minister? Is it the bank owner or the bank depositor? Is it the citizen who earns $3,000 a year or the citizen who makes $10,000 a year?

Is it the straight "A" student or the average student? Is it little 4-year-old Johnny who dreams of becoming President some day, or is it 4-year-old Judy who plans to be a housewife?

All these different kinds of people, whether big or small, make up good government.

Everybody has a part to play in making government good. The big businessman is nothing unless the people buy his wares. The steel industrialist would not be there were it not for the people who mine the iron and run the smelting machines.

The Government official owes his position and power to the people. The foreign ambassador represents the people of the United States. The scientist owes his talents to none other than the people who gave him his opportunities. The farmer raises the wheat that the people eat. The butcher sells the meat which he got from the farmer. The bank owner is penniless unless the people trust and cooperate with him.

The straight "A" student would acquire little knowledge without the people's money that pays for the books and the teachers. Four-year-old Johnny wants to become President, but Judy has the power to see whether he makes it or not. Government depends on all persons no matter how big or small a position this person occupies. It is the people that make a government and the people that can make it or break it. The interest and participation that the people take in their government can make either a strong and powerful government or a very weak one.

Millions of Americans are being awakened from their complacent lives and many more are yet to be awakened. They are beginning to realize that government is a tool to be used by the people. And tools have to be kept in good running order and repairs have to be made. A tool that is used poorly or carelessly can lead to disaster. As the world now stands, participation and correct use of this tool can never be a matter of choice, but rather a matter of necessity.

The younger generation are an important part of the people. We will be the future farmers, businessmen, bankers, government employees, butchers, and housewives. We will determine the outcome of the Government of the United States of America. Soon it will be our turn to face the many, many problems of keeping this tool running properly.

It is through programs such as Student Government Days that we gain interest, knowledge, and foresight as to the running of government. Many of us have encountered the problems of government today and we have learned much. I am sure this program will bear good fruit in the future for us, the students of Yankton High School. Thank you.

Mr. President, that is the address of the student mayor, Roy Shoemaker of Yankton, S. Dak., delivered by him on February 20, 1961, concluding the activities of Student Government Day.

AMENDMENT OF HOUSING ACT OF 1950—ADDITIONAL COSPONSORS OF BILL

Mr. SPARKMAN. Mr. President, I ask unanimous consent that, at the next printing of the bill (S. 1245) to amend title IV ("Housing for educational institutions") of the Housing Act of 1950, as amended, introduced by me on March 7, 1961, the names of Senators DOUGLAS, ANDERSON, and KEATING may be added as additional cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADJOURNMENT TO MONDAY

Mr. CASE of South Dakota. Mr. President, I move, pursuant to the order previously entered, that the Senate adjourn until 12 o'clock Monday.

The motion was agreed to; and (at 11 o'clock and 29 minutes p.m.) the Senate adjourned, under the order previously entered, until Monday, March 20, 1961, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate March 16, 1961:

RENEGOTIATION BOARD

Thomas D'Alesandro, Jr., of Maryland, to be a member of the Renegotiation Board.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 16, 1961:

RENEGOTIATION BOARD

Herschel C. Loveless, of Iowa, to be a member of the Renegotiation Board.

DEPARTMENT OF AGRICULTURE

Charles S. Murphy, of Maryland, to be Under Secretary of Agriculture.

James T. Ralph, of California, to be an Assistant Secretary of Agriculture.

FEDERAL TRADE COMMISSION

Paul Rand Dixon, of Tennessee, to be a Federal Trade Commissioner for the unexpired term of 7 years from September 26, 1960.

U.S. ATTORNEYS

Lawrence Gubow, of Michigan, to be U.S. attorney for the eastern district of Michigan for the term of 4 years.

James P. O'Brien, of Illinois, to be U.S. attorney for the northern district of Illinois for the term of 4 years.

U.S. GOVERNMENT PRINTING OFFICE

James L. Harrison, of the District of Columbia, to be Public Printer.

PUBLIC HEALTH SERVICE

Dr. Worth Bagley Daniels, of the District of Columbia, to be a member of the Board of Regents of the National Library of Medicine, Public Health Service, for the remainder of the term expiring August 3, 1962.

HOUSE OF REPRESENTATIVES

THURSDAY, MARCH 16, 1961

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

I Thessalonians 3: 12: *The Lord make you to increase and abound in love one toward another, and toward all men.*

O Thou who art the Creator and Companion of our souls may we daily feel the touch of Thy spirit renewing our faith, cleaning our minds and hearts and kindling in them a pure flame of insight and aspiration.

We pray that all who have been entrusted with leadership in the various branches of government may be the honored servants of the Lord in directing our Nation in the ways that are well pleasing unto Thee.

May our hope and confidence in the coming of Thy kingdom of righteousness and peace never be eclipsed by the dark clouds of cynicism and defeatism.

Show us how we may help to make life more sacred and significant for some who have a contempt for it; happier for those whose days are filled with sorrow and loneliness; less difficult for the many

for whom life is a tremendous struggle; and more full of meaning and worth for all of us.

Hear us in Christ's name. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 1. An act to establish an effective program to alleviate conditions of substantial and persistent unemployment and underemployment in certain economically distressed areas.

S. 900. An act to provide for the striking of medals in commemoration of the 250th anniversary of the founding of Mobile, Ala.

The message also announced that, pursuant to law, the Vice President made the following appointments:

The Senator from Nevada, Mr. BIBLE; the Senator from Minnesota, Mr. MCCARTHY; and the Senator from Idaho, Mr. DWORSHAK, members of the Board of Visitors to the U.S. Military Academy.

The Senator from Mississippi, Mr. STENNIS; the Senator from New Jersey, Mr. WILLIAMS; and the Senator from South Dakota, Mr. MUNDT, members of the Board of Visitors to the U.S. Naval Academy.

The Senator from Oklahoma, Mr. MONRONEY; the Senator from North Dakota, Mr. YOUNG; and the Senator from Nevada, Mr. CANNON, members of the Board of Visitors to the U.S. Air Force Academy.

The Senator from West Virginia, Mr. BYRD, member of the Board of Directors of Gallaudet College.

The Senator from Iowa, Mr. MILLER, member of the Outdoor Recreation Resources Review Commission.

The message also announced that the Vice President had appointed Mr. JOHNSTON and Mr. CARLSON members of the Joint Select Committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the U.S. Government," for the disposition of executive papers referred to in the report of the Archivist of the United States No. 61–4.

ADJOURNMENT UNTIL MONDAY, MARCH 20, 1961

Mr. MCCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

CALENDAR WEDNESDAY BUSINESS

Mr. MCCORMACK. Mr. Speaker, I ask unanimous consent that the business in order on Calendar Wednesday of next week be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

COMMITTEE ON RULES

Mr. MCCORMACK. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tomorrow night to file certain reports.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

ST. PATRICK'S DAY

Mr. KIRWAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. KIRWAN. Mr. Speaker, once again we join with all our Irish friends in celebrating the feast day of St. Patrick. We have been presented with these fine green carnations through the generosity of the national board of the Ancient Order of Hibernians. For many years we have been presented with these carnations through the kindness of the Hibernians and we wish to assure them of our sincere appreciation of their thoughtfulness and hope that they may continue to prosper through the years ahead.

The celebration of St. Patrick's Day this year has special significance in that it is the 1,500th anniversary of the death of St. Patrick, apostle of Ireland and its first bishop. This year is being dedicated in Ireland as the Patrician Year, and there will be special commemorations and celebrations throughout the country this year.

The Patrician Year is being inaugurated this St. Patrick's Day in ceremonies at Armagh, the primatial see of Ireland. James Cardinal McIntyre of Los Angeles has been designated by Pope John as his papal legate for the occasion, and he will officiate at the special religious ceremonies.

We wish the people of Ireland every happiness throughout this anniversary year and hope that this island Republic, a true democracy, may continue to grow and prosper economically and spiritually. We join with the people of Ireland and with all her sons and daughters in America, particularly with the members of the Ancient Order of Hibernians, and with the Irish throughout the world in celebrating this great Irish feast day and commemorating this 1500th anniversary.

Mr. MCCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and further that all Members who desire to do so may extend their remarks at this point in the RECORD on the subject of St. Patrick's Day.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. MCCORMACK. Mr. Speaker, the great St. Patrick, patron and apostle of Ireland, died and entered into everlasting glory almost 15 centuries ago, but his day is kept with increasing enthusiasm and devotion the world over. The life of St. Patrick, the words of St. Patrick, and the heroic spirit of St. Patrick inspire the world today as much as they inspired the non-Christian inhabitants of Ireland in the days of his mission.

The spirit of St. Patrick, evidenced by his word, deeds, and accomplishments, lives with vigor in the world of today, not only in the minds of those of Irish blood, but in the minds of countless of millions of persons of non-Irish blood, and of religions other than Catholic, because he was truly a man of God. St. Patrick will never die in the minds of good persons everywhere, now and in the future.

The spirit of St. Patrick is the spirit of dedication to God, mankind and country. In the troubled world of today, we need the spirit of St. Patrick animating, influencing, and inspiring the minds of millions everywhere to constructively meet the deadly forces of atheistic communism.

It is well that we pause to honor the memory of this great saint whose God-loving influence has been and will continue to be among the greatest in the known history of man.

Mr. OLSEN. Mr. Speaker, as March 17 comes around each year, the thoughts of millions of Irish descent, whether still living in the old country or far across the seas, turn toward their patron and ever beloved St. Patrick, the one-time slave boy who rose to be one of the greatest of Christian missionaries; whose name for 1,500 years has been one to conjure with; whose luster fades not with the centuries.

So it is with pleasure that I greet you on this glad day which is so justly held in reverence by the Irish people and their myriad descendants in the United States. It is a day on which men and women of true Irish descent foregather to renew their allegiance to a noble past and to reaffirm their loyalty to the great traditions of their race as they have been handed down through countless generations. Of this past, of these traditions, St. Patrick must ever remain the supreme and unchanging symbol. The time has long since elapsed—oh, a thousand years ago—when ever saint or missionary, however miraculous, however holy, could, by any stretch of the imagination, replace him: he shines in the Irish sky, a star without compare. Every race of high culture has its own special folk hero in whom, surrounded though he be by clouds of mythology, are summed up what the nation feels embody its noblest virtues and aspirations. Whether he be partly or wholly legendary does not greatly matter; so long as he symbolizes in his own life and personality what his countrymen feel to be their own peculiar heritage woven out of the deeds and exploits, the hopes, yearnings, and fears that constitute the national folklore, he is taken to their hearts as their own peculiar possession. Thus, Norway has her St. Olaf, England has her King Arthur, Wales her St. David, Scotland her Robert the

Bruce, France her Joan of Arc, Switzerland her William Tell, the Slavs their Sts. Cyril and Methodius, and so forth. And Ireland has her St. Patrick. So well does he, through his works and character, personify to the Irish what they most revere that, to paraphrase the French philosopher, if there were no St. Patrick it would have been necessary to invent him. But he was—is—very real. Before we examine his wonderful story, let us cast a brief glance into the ancient cultured heritage of Ireland and of the Ireland Patrick left behind him.

It has been estimated that hunters and fishermen, arriving by way of Scotland, settled on the northeast coasts of Ireland some 10,000 years ago, and were the first human beings to find a home in Ireland. Certainly their relics are the earliest to be found there today, belonging to the transition period between the early and late stone ages. This period, it is held, was preceded by intense glacial conditions, covering the whole of Ireland and extending over Britain as far south as the estuaries of the Severn and the Thames. There followed the Neolithic and Copper periods, which are well represented in Ireland, although their relics belong to archeology rather than to history. The Bronze Age in Ireland, however, although it has no documents, has nevertheless left evidences sufficiently abundant and characteristic to be termed historical. To it belongs the massive tombs surmounted by great tumuli, or mounds, of earth or stones. The latter are sometimes carved with designs, symbolic or ornamental, which proves them to be products of a settled civilization. While there were rich copper mines, there was no tin, necessary to make bronze, in Ireland, so that the tin must have been imported—without doubt from the mines of adjacent Cornwall, as did the ancient Phoenicians of the Mediterranean area. The distinctive feature of this early period was gold, which was mined from deposits in the Wicklow Mountains district. Irish artisans gained the reputation for skilled craftsmanship and Irish gold ornaments have been found in many places in Britain and in the western part of the European Continent.

About 1000 B.C., according to such archeological evidence as we have, the Celts commenced to infiltrate Ireland. Just who they were, we do not know; no one in the literate world saw them, and there is no indirect evidence since they cremated their dead. It was they who introduced iron into Ireland. They established small states whose chiefs were called kings; these states were gradually separated into five groups whose names, under modernized spelling, still figure in Irish geography, names such as Ulster, Leinster, Munster, et cetera.

About the beginning of the Iron Age, during the great population movements which spread throughout Western Europe at that time, groups speaking Celtic dialects, from which Irish and Welsh derive, broke in a series of waves through France, thence south into Spain, and north into Britain and Ireland. These tribes, mingling with the older inhabitants, form the basis of the society revealed when history proper begins with the introduction of Christianity in the fifth century. By then that society had been long established.

This society on which the curtain rises with the arrival of the first Christian missionaries, who were able to read and write and hence record what they saw, was an elaborate one. The political structure was that of a heptarchy, with semi-independent rulers in seven coordinate kingdoms, all acknowledging the overlordship of the Árd Ri, or High King, whose court was held at Tara, as head of the confederacy. It was apparently a most splendid court that these High Kings held; but only mounds of green earth mark today the site which 14 centuries later led to the poet's famous lament on "The harps that once through Tara's halls."

Throughout the entire country, in these pre-Christian days, an involved legal system governed almost all relations, from the conduct of doctors, judges, teachers, and builders to the duties of foster parents and foster children. The same Gaelic language, uniform in the preserved literature, was spoken throughout Ireland, and also in Scotland, which was colonized from Ireland. The conditions of our knowledge of this culture are such that we see it from the beginning, with its original pagan structure profoundly modified by Christian and classical influences. But it was a harmonious, and for a time glorious, adaptation. Christianity and classical learning were implanted in Ireland not by force of arms—for Ireland was never invaded and conquered by the Roman legions—but by the willing and peaceful reception of the message of the slave boy who become St. Patrick. This Christian culture, superimposed upon an earlier pagan civilization, led to a wonderful flowering—a veritable sunburst, which became Ireland's golden age where for a few centuries she dispersed light and learning in what would otherwise have become almost total darkness. The great age paled, the sun went out, but not before Ireland had kindled the flame of Christian culture on the Continent; kept learning and letters alive in those very dark ages. Many, many weary centuries of grinding poverty and brutal tyranny were to follow until in the 20th century of the Christian era the Isle of the Saints came once more into its own, with freedom to learn, to worship, and to develop its own resources. Meanwhile, if we recall that in the history of our own country the great host of Irish immigrants who for 2 centuries have landed on our shores have been largely poor and of primitive learning, let us remind ourselves at the same time that at the most critical juncture in the history of European Christianity, Ireland, and Ireland alone, held the torch aloft. To quote an eloquent paragraph in the elaborate brochure issued by the Irish Ministry of External Affairs in 1950:

> On her alone, from the sixth to the ninth centuries, fell the main burden of preserving European civilization and of propagating the Christian faith on which that civilization depended. Her people did not shrink from that tremendous task, in all appearances absurdly disproportionate to the resources of the remote little island. Her monks went to every part of the then known world and perhaps beyond it. They brought Christianity as far north as Iceland and as far east as Kiev. They founded monasteries in Scotland—St. Columba's Foundation of Iona was made 50 years before St. Augustine came to Kent—and St. Aidan at Lindisfarne introduced reading and writing to the English: the only extant MS. of the earliest English epic Beowulf is written in the Irish lettering. On the Continent St. Columbanus' monasteries at Luxeuil, in France, and Bobbio, in Italy, became the principal centers of the reconversion and education of a Europe lapsed into barbarism. St. Fridolin at Strasburg, St. Fearghal among the Bavarians, St. Gall in Switzerland labored at the same task. The schools of Ireland naturally attracted students from all over Europe and they produced great men—among them John Scotus Erigena, probably the most learned man of his day and the first great philosopher to arise since the fall of Rome. The German scholar Zimmer has said that these Irish were the possessors and bearers of a higher culture than was to be found anywhere on the Continent, and therefore instructors in every known branch of the science and learning of their time. They laid, he says the cornerstone of Western culture on the Continent.

Thus the background.

Today Irishmen all over the world will celebrate the traditional birthday of their patron saint. The year of his birth is as obscure as his birthplace itself. The dates of his birth have been assigned to years as widely at variance as 373 to 396; his death, anywhere from 461 to 493. As for his birthplace, one tradition places it in either Kilpatric or Dumbarton, in Scotland; still another, on the southwest coast of Britain, and so on. Patrick's Celtic name was Sucat to which was later added Patricius. His father, apparently a Christian, is said to have been a municipal councilor; his grandfather was a presbyter, an officer in the Christian church of his community. According to the familiar story, Patrick was captured, when a lad of about 16, by an Irish raiding party and carried off into slavery, in the words of the story, in a region "near to the western sea"—possibly the present County Antrim. After 6 years he managed to escape; the period of slavery, however, had not been spent in vain for in his years of bondage Patrick had learned to speak the Irish tongue and to understand the Irish character thoroughly. Thus, through the mysterious workings of providence, the captive youth gained an insight into the minds and hearts of his captors which was to fit him, at the proper time, to become one of the greatest of Christian missionaries; indeed, there has been none greater since apostolic times.

He took refuge after his escape in a French monastery where, after 14 years of arduous study, he was ordained a priest. It was during those years of retirement and contemplation, as he tells us in his "Confessions," written toward the close of his life, that he had a vision in which as the Macedonians besought St. Paul, the Irish besought Patrick to come over and help them. Henceforth

the pattern of his life was set. Consecrated bishop of Ireland, in the year 432 the former slave boy turned his face toward the land he had seen in his vision calling to him to lead it forth from darkness into light.

Although it cannot be known for certain, it is probable that Patrick landed at the mouth of the River Vartry in the present County Wicklow at a place called Inverdea. Proceeding into east Ulster, he began his missionary work on the southwest side of Strangford Lough in a wooden barn given him for religious purposes by a convert named Dichu, a chief and a man of importance in that part of the island. Patrick quickly revealed himself a statesman as well as a missionary, for he grasped the importance of winning the favor of the kings and chieftains and soon appeared before the high king and the Druid priests on the royal hill of Tara. It is to this period of his life that many of the legends and traditions, mostly of a miraculous nature, are ascribed. Whatever we may believe as to the saint's driving the snakes from Ireland—and no true Irishman for a moment doubts it—and many other miracles, Patrick proved a most formidable foe of paganism to which, especially in the persons of the Druids, he dealt a death blow. Personally, he appears to have been a man of iron will as well as of very considerable executive ability. He must also have been considerable of a diplomat to have achieved such success in the midst of warring factions and in the face of Druidism which had long been firmly entrenched in the land. Whatever may be doubtful concerning his personal life, there can be no doubt whatever that he was a very great organizer, a man of tireless energy. We are told that before he laid down his work he had founded 360 churches, baptized with his own hands some 12,000 people, and ordained countless priests. At his death, so runneth the ancient tale, "so great was the glory that there was no night for 12 days."

To his spiritual sons the great apostle to the Irish bequeathed a wonderful heritage which, like profitable stewards, they did not dissipate nor hide under a napkin but vastly increased. As has been previously pointed out, during the intellectual night of what has been aptly termed the Dark Ages of Europe, when all cultural knowledge but bare literacy itself was on the point of extinction, the early Irish missionaries kept the torch aloft. From northern Scotland to southern Italy, all over the face of a darkened continent, these indefatigable crusaders wandered, bearing the light of learning, shoring up and preserving not only the sacred writings of their own faith, but the rich heritage of pagan antiquity. As the German scholar Zimmer said, these Irish of old, the spiritual heirs of St. Patrick, were the possessors and bearers of a higher culture than was to be found anywhere on the Continent, and therefore instructors in every known branch of the science and learning of their times. They laid, indeed the cornerstone of Western culture on the Continent.

Our Western, Christian civilization can never repay the debt we owe to these intrepid spirits who lived so many centuries ago yet whose labors are made manifest every hour of our daily lives.

The spirit of St. Patrick was early felt in our own midst, here in a New World of which he and St. Iona and St. Columba never dreamed. The story of Irish immigration to these shores forms one of the most significant chapters of our national history. The earliest American celebration of St. Patrick's Day, of which written record has been found, occurred so early as 1737. On the traditional March 17 of that year the Charitable Irish Society was organized in Boston. The preamble of the instrument of organization reads, in part, as follows:

> Whereas, several gentlemen, merchants and others, of the Irish nation residing in Boston in New England, from an affectionate and compassionate concern for their countrymen in these parts, who may be reduced by sickness, shipwreck, old age and other infirmities and unforeseen accidents, have thought fit to form themselves into a charitable society, for the relief of such of their poor and indigent countrymen, without any design of not contributing toward the provision of the town poor in general as usual.

Thus did St. Patrick arrive in America.

The hospitality extended on these shores to Irish immigrants has been from the start richly repaid, both in mass and by individual contributions to American history. The very first skirmish in what was to be the opening of the Revolution memorializes the name of Gen. John Sullivan. Born at Somersworth, N.H., he was the son of an immigrant from Limerick. Elected a delegate to the First Continental Congress in 1774, he was back in New Hampshire in time to receive Paul Revere's warning of a British threat, whereupon he rallied a band of local patriots which assailed and captured Fort William and Mary at the entrance of Portsmouth Harbor and seized 100 barrels of gunpowder. Elected a Member of the Second Continental Congress, in July 1775, he was commissioned brigadier general.

His career in the Revolution was long and distinguished. A member of Washington's staff in the siege of Boston, he took part in the ill-fated expedition to Quebec. Promoted major general, he joined the Union Army and in the Battle of Long Island August 27, 1776, was captured and taken before the British commander, Lord Howe, who wished to send him back to his own lines with peace overtures. With Washington's permission, Sullivan went to Philadelphia, where Congress was sitting, to present the British overtures. The overtures were not accepted, but in the course of the negotiations Sullivan was exchanged for a British general of corresponding rank—a fortunate exchange for the Americans, who needed him badly. Sullivan shared in the retreat across the Jerseys, led the right column at Trenton, and pursued the British to Princeton. His spirited conduct and Irish temper had meanwhile made him enemies in Congress who demanded a court of inquiry on Sullivan's failure to capture Staten Island and for alleged failure at the Brandywine. Washington, however, stood immovably behind his spirited subordinate and investigation fully exonerated Sullivan's conduct. He was with Washington during the terrible winter at Valley Forge and in the spring was ordered north to Rhode Island to make a junction with the French Fleet under D'Estaing. This failed, owing to the French withdrawal, and Sullivan, although he severely repulsed the British near Newport, was obliged to withdraw because of greatly inferior forces.

We last see him during the war in a raid on western New York where he thoroughly crushed a Loyalist and Indian threat, performing perhaps his most valuable single service for his country during the war for its independence. Ill health compelled him to resign from the Army, and in 1780–81 he reappeared in Congress as a delegate from his State. In 1782 he sat as a member of the New Hampshire Constitutional Convention and later served as attorney general of the State and speaker of the assembly. In 1786 he was elected president; that is, Governor of New Hampshire and his tenure was marked by the firmness and moderation with which he suppressed the paper money riots. Reelected president, he served as chairman of the New Hampshire convention which ratified the Federal Constitution; served again as speaker of the assembly and yet again as State president. In September 1789, his old friend and commander, President Washington, appointed him U.S. district judge of New Hampshire in which capacity he served until his death in 1795. Descriptions of this fighting Irishman, as they come down to us, leave us the picture of a fearless soldier; hotheaded, sensitive, generous to a fault, like so many of his race, usually out of money—also not uncommon among the sons of the Emerald Isle—and a born political organizer—that, too, a role not unknown to those who bear such names as Sullivan, and the like. Whatever else he was, or was not, he was a most devoted, intrepid patriot—this descendant of the Sullivans of County Limerick, the first to win an engagement in our War for Independence. What more appropriate day than March 17 to recall his name and fame?

Then on the naval side of the Revolution, there was the redoubtable Commander Barry, born in County Wexford, and a fighting Irishman if there ever was one. He is often called the founder of the American Navy, and if he was not exactly that, he undoubtedly shares with the great John Paul Jones the credit for the glorious naval victories which launched the American Navy on the oceans of the world. In the yard at Philadelphia, directly in front of Independence Hall, stands the vigorous representation of the doughty Irishman who was once the terror of his foes as he trod his quarterdeck. Every line of the virile, heroic figure proclaims the fighter: even memorial bronze cannot stifle an Irishman's instinct for the dramatic, and so the Irish commander,

as he was fondly called, stands on perpetual guard in front of the shrine which saw the birth of the American Independence Barry helped so mightily to insure. On December 2, 1783, General Washington sent an address to the members of the volunteer association and other inhabitants of the Kingdom of Ireland who have lately arrived in the city of New York, which I cannot refrain from reading to you:

NEW YORK, *December 2, 1783.*

GENTLEMEN: The testimony of your satisfaction at the glorious termination of the late contest, and your indulgent opinion of my agency in it, affords me singular pleasure and merit my warmest acknowledgment.

If the example of the Americans successfully contending in the cause of freedom, can be of any use to other nations; we shall have an additional move for rejoicing at so prosperous an event.

It was not an uninteresting consideration, to learn that the Kingdom of Ireland, by a bold and manly conduct had obtained the redeess of many of its grievances; and it is much to be wished that the blessings of equal liberty and unrestrained commerce may yet prevail more extensively; in the mean time, you may be assured, gentlemen, that the hospitality and beneficence of your countrymen, to our brethren who have been prisoners of war, are neither unknown, or unregarded.

The bosom of America is open to receive not only the opulent and respectable stranger, but the oppressed and persecuted of all nations and religions; whom we shall welcome to a participation of all our rights and privileges, if by decency and propriety of conduct they appear to merit the enjoyment.

I cannot pause to single out all the Irishmen who have borne their gallant parts in the various wars of the United States; whether they rose to lasting fame like General Sheridan of the Union Army in the Civil War, whose parents had immigrated from County Cavan, or whether they were merely "in the ranks," you may be sure that Pat and Mike and Terence were always to be found in the forefront of the fight—after all, a good fight is an Irishman's greatest luxury and his basic concept of good breeding is to restrain himself only so far as to inquire whether it is a private row or whether anybody can join in. Nor will the Irishman be the last to leave—unless, indeed, he is left stretched out on the field.

> There were three cats of Kilkenny;
> They fit an' they fit
> Until there weren't enny.

There is glory enough for all. No American of Irish descent need ever be ashamed of the long and illustrious roll of soldiers and sailors who have distinguished themselves in every war in which the United States has been engaged from the Revolution through World War II. As Bishop Sheen once remarked, "Since an Irishman loves more than anyone else, he fights more than anyone else." Let me give you a few famous firsts of Irish-Americans during the last conflict:

The first American bombardier to sink a Jap ship was Colin Kelly.

The first American to kill a Jap was Michael Murphy.

The first American flyer to bag five planes was Edward O'Hare.

The first American to be eulogized for bravery by the President was John Patrick Powers.

The first American coastguardsman to catch a spy was John Patrick Cullin.

The first American to make himself a human torpedo was Richard O'Rourke.

The War Department does not give out information regarding nationality of service personnel, but the Irish War Veterans, USA, have estimated that during World War II, 3,500,000 persons of Irish or part-Irish descent served in the Armed Forces.

Several Irishmen have influenced my life greatly. One, Jeremiah J. Lynch, first in influence upon me—like his breed in this country, rose from obscurity as an immigrant to position of eminence in the field of law in Montana. He influenced many, like me, new law graduates. Jeremiah J. Lynch, a kindly district judge of the second judicial district of Montana, lectured and tutored me in my early practice of the law in Butte. I shall always cherish his memory.

Out of respect for him and his family, Mr. Speaker, I recount briefly of his biography.

Jeremiah J. Lynch was born in Ballycrovane, County Cork, Ireland, January 9, 1871. He was educated in the so-called National Schools from the age of 4 to 18½ years. Mathematics, grammar, geography, English composition, euclid, algebra, and mensuration were the chief subjects taught. It was what equaled a good high school education.

On May 25, 1890, he arrived in the United States. For 4 months he lived in Fall River, Mass. Three of the four months were spent working as a deckhand on the *Puritan* sidewheeler. Late in September 1890, he came to Butte. From October 1890 to April 1891, he worked in the mines. He then went to Utah where he worked in the Ontario drain tunnel and in the Keystone mine until later in September 1891. He returned to Butte and worked in the Anaconda and St. Lawrence mines from September 1891 until July 4, 1897. In 1895 he was admitted to citizenship. He entered the Kent College of Law in September 1897, and graduated from it in June 1899, with the bachelor of law degree. In June 1899, he returned to Butte and was admitted to the bar of Montana in December 1899.

From April 26, 1898, until it mustered out on order of President McKinley in October 1898, he served as private and corporal in the 7th Illinois Volunteer Infantry.

In May 1901 he was appointed deputy county attorney and held that office until August 1904. In January 1907 he was elected district judge and held that office for 26 years until 1933. He was appointed assistant attorney general in January 1933 and held it until January 1937. He was returned to the bench in January 1937 and held it for an additional 12 years. Early in 1949 he retired from active practice of the law, but he still attends to probate work when offered.

He still counsels all people who seek his advice—especially does he continue to aid the novices and the learned in the law. Judge Lynch is a living example of the Irish citizen in America and in my old hometown of Butte, Mont.

I am exceedingly proud of all the proud Irish of my friendship and acquaintance. In this tribute to St. Patrick and to Judge Lynch, I render sincere tribute to all the Irish of my western Montana district and of the Nation.

And so we round out another day of St. Patrick. Whether his sacred dust has reposed there 1,500 years under the great boulder at Downpatrick, or elsewhere, we may be sure that his spirit rejoices as he looks down to behold, every 17th of March, the group of his devoted admirers gather together all over the earth to refresh themselves in good green remembrance.

Erin go bragh. Which, for your information, means Ireland forever.

Mr. CONTE. Mr. Speaker, it is always a pleasure to join my colleagues on this particular day, to address this distinguished body in tribute to St. Patrick of Armagh. For 1,500 years this great and good man has been remembered on March 17 and, as the years pass, the meaning of this feast becomes more apparent and important.

The Irish nation owes its introduction into Western civilization to this great churchman. With the establishment of Christianity on the Emerald Isle and the subsequent development of the abilities and talents of the Irish people, contributions of inestimable value were made to the rest of Europe. Knowledge and culture, preserved in the monasteries of Ireland, were spread across the continent of Europe, and there to influence the roots of Western civilization itself. Because we are the heirs to this tradition and culture, we are indebted to the early Irish monastics who, during a dark period in history, preserved and handed down the great treasury of man's noblest efforts, to enhance the cornerstones of the civilization to which we belong.

In the United States, St. Patrick has become a symbol of the brotherhood of man. Men of all faiths seem to find in this celebration another instance of the common ground upon which all mankind must stand if lasting peace is ever to be achieved in this world. Because in commemorating the memory of St. Patrick, in the joyous and festive air of the occasion, we seem to be prompted to consider our fellow men from an attitude of understanding, mutual trust, and respect. If such is the only good to come from this feast, then I am sure that St. Patrick would agree that his message has indeed spanned the years of time but, more important, that it is just as vibrant and alive among men today as when it was first enunciated.

I think that in this sense St. Patrick belongs not only to those in Ireland or of Irish descent around the world, but to all men who understand the universal language of brotherhood, goodness, and charity.

Mr. TOLL. Mr. Speaker, St. Patrick is beloved the world over, and his day is observed, year after year, with more universal enthusiasm. I believe this is because his life and his writings embody

the principles of fundamental importance in this time of world unrest and danger, of oppression and violence. It was no easy and peaceful world that St. Patrick grew up in. Captured by piratical raiders, serving long years in slavery, he learned what it is to be ruled by violence and force—to exist without any rights that stronger people are bound to respect.

Out of this experience, and out of his prayers and meditations, St. Patrick developed a harmonious combination of apparently contradictory qualities. He was a peaceful man of fiery courage and determination. He was a humble man who stood defiantly before kings and chieftains, and braved their anger. He loved the oppressed and enslaved, and devoted his energies to their liberation and protection; but his love for their enslavers and oppressors was no less, and he preached to them with a persuasive warmth of affection that came from his deep realization of the harm their violence and injustice was doing to themselves.

Today St. Patrick is recognized the world over as a champion of steadfast faith, of the human rights of minorities and individuals, and of the right of small nations to their national independence. On his feast day, I salute St. Patrick and all who share the Irish blood or the Irish spirit.

Mr. RODINO. Mr. Speaker, tomorrow we celebrate the anniversary of the death of St. Patrick, for, according to tradition, it was on March 17, more than 400 years ago, at Saul in Ulster, that the great apostle of Ireland breathed his last.

Yet it takes no such event as this to arouse interest in St. Patrick. For centuries the Christian world has commemorated his feast day with an enthusiasm rarely bestowed upon that of any other saint.

One explanation for this is the deep and abiding love of the Irish people for their patron saint, a love they carried with them when the sad misfortunes of their native land forced them to emigrate to the four corners of the earth a century ago.

But the real answer lies deeper, for the keen and perceptive sense of the Irish does not readily permit them to give their hearts to a man unless they see something in him that especially recommends him as an object of affection.

What, then, was it that the Irish saw in Patrick which made them conceive for him so lasting a love—a love passed on from generation to generation, as one of their most cherished traditions? Not only has it shone for 1,500 years among their own descendants but also among men of all nationalities who have come to know Patrick and to appreciate something of the significance of his life.

The answer to the question can, I think, be found only in the character of the saint himself. Born about A.D. 385 in Roman Britain, he was captured by Irish raiders at the age of 16 and taken as a slave to Ireland, where for 6 years he tended the flocks of a pagan master. It was during his time of servitude that he discovered the secrets of God's love.

There, he heard in his dreams the heavenly voice that directed him to the seacoast, and to an escape from slavery on a ship carrying Irish hounds to shores of Burgundy.

A brief sojourn in Britain with his family did not still the voice, which kept repeating that Patrick's mission in life was the conversion of the pagan Irish. Once more he crossed the channel, to train for the ministry. And upon his return he was ready to begin his mission. When the bishop of Ireland died, Patrick was chosen his successor.

From the day he reappeared in Ireland, in A.D. 432, until the day of his death nearly 30 years later Patrick worked ceaselessly to uproot paganism and to plant the cross of Christ.

When he passed away, Patrick could do so in the knowledge that his efforts had accomplished more than he ever dared to dream.

There is an old proverb that says, "Words move, example draws." It was Patrick's example that proved the sincerity of his words. And not only that. From the moment of his youthful conversion among his flocks, his entire energies were devoted to fulfilling the laws of Christ and to promoting them wherever he went.

His writings and a study of his deeds show how splendidly St. Patrick met the test of true greatness. In the face of the fiercest opposition from the pagan Druids, he boldly declared:

> Regardless of danger, I must spread everywhere the name of God so that after my decease I may leave a bequest to my brethren and sons whom I have baptized in the Lord.

Such was the courage and the will of this saint we honor today, whose spirit is illustrated so clearly in an ancient prayer attributed to himself:

> Christ in the heart of every man who thinks of me. Christ in the mouth of every man who speaks of me.

Mr. ADDABBO. Mr. Speaker, it is a singular privilege to join with the House membership in its annual observance of St. Patrick's Day. I feel that the word "celebration" may be better employed than "observance" because all my memories of March 17 are occasions of festivities, wit, and wholesome merriment. I boast the friendship of hundreds of friends—men and women of Irish descent. From them I have also learned their true inner feelings—of how their ancestors, who loved their native land, experienced centuries of tragedy and suffering in defense of their inborn freedom of spirit. Success crowned their efforts when eventually most of the Emerald Isle was released from colonial status, and the Irish people were rewarded with the rights of government through democratic principle. This little country stands as a splendid example today, stimulating hope in the hearts of small nations of the world imprisoned under Communist rule.

Many glowing words, in song and story, will be heard this weekend, wherever people stop to pay tribute to Ireland's patron saint. I will enjoy hearing them because Paddy's Day is of great significance in New York City. For my own part, I would like to conclude my statement by reading the words of Ireland's National Anthem. It is a stirring song, and as you hear its words you will detect a similarity to our own beloved anthem, which was inspired by the deeds of a fighting little band of Americans who were dedicated to breaking their own colonial shackles. I am grateful to Mr. J. J. Bolger, an attaché at the Irish Embassy, for his courtesy in furnishing me this grand "Soldier's Song," which follows:

THE SOLDIER'S SONG

We'll sing a song, a soldier's song,
With cheering, rousing chorus.
As round our blazing fires we throng,
The starry heavens o'er us;
Impatient for the coming fight,
And as we wait the morning's light,
Here in the silence of the night,
We'll chant a soldier's song.

(Chorus)

Soldier's are we, whose lives are pledged to Ireland;
Some have come from a land beyond the wave,
Sworn to be free, no more our ancient sireland,
Shall shelter the despot or the slave;
Tonight we man the gap of danger, in Erin's cause come woe or weal;
'Mid cannon's roar and rifle's peal, we'll chant a soldier's song.

In valley green on towering crag
Our fathers fought before us,
And conquered 'neath the same old flag
That's proudly floating o'er us.
We're children of a fighting race
That never yet has known disgrace,
And as we march the foe to face
We'll chant a soldier's song.

(Repeat chorus)

Sons of the Gael! Men of the Pale!
The long-watched day is breaking;
The serried ranks of Innisfail
Shall set the tyrant quaking.
Our campfires now are burning low,
See in the East a silv'ry glow,
Out yonder waits the Saxon foe,
So chant a soldier's song.

(Repeat chorus)

Mr. BOLAND. Mr. Speaker, no unofficial holiday, whether in America or elsewhere, is celebrated with more wholehearted and spontaneous enthusiasm than that day on which we observe the anniversary of the birth of the patron saint of Ireland. How much the name evokes, to be sure. It embodies the emergence from paganism of the fair and legend-laden isle which for a few centuries was to be the very center and spark of Christian learning; it recalls the notable missionary zeal which, like the leaven that leavens the whole lump, went forth with quenchless zeal in those Dark Ages after the collapse of the Roman Empire, tirelessly preaching the Gospel of Christ.

Of all the great missionaries who shine through their works in those darkling years, the name of Patrick figures gloriously in that triumphant band which went forward to conquer in the sign of the cross. For 1,500 years his star has twinkled steadfastly in the constellation of the saints; among all the early Christian missionaries who followed the Apostolic Age none is greater than that of the great apostle to the Irish. The slave boy, kidnapped by the wild band of

Gaelic invaders and carried off to Ireland, escaping from his captors in the course of time, returned many years later to "lead captivity captive" in the bonds of Christ.

Tomorrow, on many an Irish breast, in many a pot set in the windows of humble thatched cottages, will be evident the tiny trifoiled plant which is the emblem of St. Patrick.

Surely we have all heard the lovely story of the shamrock. It was from this humble little plant with its three tiny leaves, we are told, that St. Patrick drew his illustration of the doctrine of the Trinity. It is one of those traditions so entirely fitting, so eminently right, that it is safer to believe than to disregard it. When a proud and ancient people have for 1,500 years handed down from generation to generation without a break, or shadow of doubt, a previous story enshrining one of their most revered figures, he would be a rash person indeed who would presume loftily to wave it aside as a mere myth, a bit of folklore of the imagination.

May the sons of Erin long cherish the green shamrock and the beautiful legend it yearly recreates for them. May the Irish people and their descendents, who have settled long since in other lands across the seas, honor by their recollection and their works, their incomparable saint from the Isle of the Saints.

Mr. CAREY. If a man will not rejoice in the wisdom of his forebears who else will honor them? I am proud not only in the knowledge that my grandparents had the intelligence and foresight to be born in the County Galway, Ireland, but exhibited even greater wisdom in making the hazardous crossing to the United States to settle in the county of Kings, in the borough of Brooklyn and I would be remiss if I did not extend a similar compliment to the ancestors of the gentleman whose lineage traces itself to County Wexford and whose peregrinations have led by way of Boston to the residence at 1600 Pennsylvania Avenue. I will be among the first to scout and scotch any notion that the color of his gracious mansion should ever be any but white. However, by reason of his presence there I believe that what I saw today it seemed to take on just the slightest tinge of green, for this day we celebrate the 1,500th anniversary of Ireland's great St. Patrick and open the patrician year to commemorate his legendary elevation from slavery to eternal freedom.

The fame of St. Patrick is hard to explain, in one sense, yet completely comprehensible in another. He is the patron saint of Ireland, a small land of comparatively small population and yet his name is world renowned and hailed on the anniversary of his birth, not by Irishmen alone, but by millions of others in every corner of the earth.

The reasons for this may be many, yet by no means the least are a universal respect for knowledge and admiration for the teacher who goes among the uninformed to sow the seeds of wisdom.

Such a man was St. Patrick, who returned to the land of his captivity to preach the gospel of our Lord Jesus Christ. Malice was absent from Patrick's nature and he therefore sought not to punish those among whom he had once served as a slave. Rather, he sought to bestow on them the eternal light inherent in the teachings of Jesus. That he succeeded is apparent today, as for centuries past, in the devout nature of the Irish people.

When we contemplate conditions in Ireland at the time of Patrick's service, we well may wonder at the immensity of his accomplishments. For this was a stronghold of the Druid religion, and few there were who expected Christianity to prevail in so solid a heathen citadel. Yet the power of Christ is mighty in the hands of a teacher, and Patrick was that. In short time he was able to banish heathen notions in his own vicinity and convert the local multitude to Christian views.

Elsewhere it was necessary to send out other priests, ordained by Patrick, and these, in turn, were to aid in the final Christianizing of the land.

In consequence of this, Ireland stands forth today as an enlightened Christian nation and a glorious tribute to the efforts of their patron.

To all who respect the power of intellect, the power of love, and the power of truth, Patrick will ever remain a figure of importance in the annals of history.

No longer an Irish hero alone, he stands for light in a world eternally in need of light: as strength in a world praying daily for strength. No wonder, then, that his fame is great and his memory blessed not only to those who live in Erin but throughout the world on this 17th day of March when all are beloved of the Irish and the Irish beloved of all.

Mr. HALPERN. Mr. Speaker, it is not often that we have the opportunity to pay tribute to an individual who has touched the imagination and heart of so many of divergent creeds and nationalities, and has by his example brought about closer and more harmonious ties among men. I am speaking of St. Patrick, a figure strong both in legend and literature, who decided to go to Ireland at the head of an Irish mission, after a dream in which a man appeared before him with a letter, the opening lines of which read: "The voice of the Irish." As he read he seemed to hear the voices of individuals who were near his place of slavery crying out: "We beseech thee holy youth to come and walk once more among us." As history tells us, he pursued his mission with singleness and dedication to purpose, espousing the highest principles of justice, kindness and charity to all men no matter who they be or from whence they sprang. Be of good cheer, temperate in your manner, humble but firm as to purpose, and above all, tolerant as to the feelings and thoughts of another. It is these principles which still guide us in our relationships to our fellow men, yet there are some who wish us to abandon our allegiance to these high ideals and fall into the morass of deceit and criminality, without which they could not exist.

What could be a more appropriate symbol for St. Patrick than the color green, warm and gay to the eye, reminding some of the lush fields and hills of Ireland, and to others, that spring with all its freshness and beauty is not far away.

We are grateful that a nationality which has contributed so much to the American ideal allows us the opportunity to share in the celebration which commemorates a man dear to their heart and history, and now to ours.

Mr. GALLAGHER. Mr. Speaker, the story of St. Patrick is the story of captive peoples everywhere, throughout the history of mankind. Moreover, it stands as a symbol of hope to all the captive peoples of the present day. For Patrick was not simply a local hero with the ability to cope with local problems. Indeed, his problems were those of civilization, itself, and his solutions applicable not only to Ireland, but to nations of every description, in every time and place.

Carried into slavery in his youth, Patrick was transported to Ireland around 400 A.D., and was not to retain his liberty for 6 long years. In the time that elapsed this saintly man gave no thought to revenge, for that was far from being his nature. Instead, as a Christian, he came to understand the heathen weakness of his Irish captors, and determined that some day he would come among them as a Christian teacher, to spread the Gospel to those so sorely in need.

Escaping his bonds, he fled to France, where he entered upon the study of missionary work, and in the year 432 he returned to Ireland in the role of a bishop.

History and tradition record many wondrous acts by St. Patrick during his service in Ireland. Three hundred and sixty churches are said to have been built under his auspices, and 12,000 people baptised at his own hand. As an able administrator he knew no peer, and in the time that he stayed in Ireland he was to ordain so many priests and convert so many heathen that the Druid religion—the religion of his persecutors—was shocked out of existence in the land.

Through fables and folk tales we are told that he did many wondrous things to win the confidence of the people. It is said that he drove the snakes and toads from Ireland, for instance; that in contests with the Druid priests he was known to have performed many miracles; that he was able to confound his enemies by bringing darkness upon them, and that at his death, the sun shone steadily for 12 days.

Be that as it may, there is no denying the persevering and noble qualities of the man, who entered the land of his captivity to bring the love of Christ to those who knew it not; to spread the light of Christianity among those that had dwelt for years in veritable darkness.

Nor can anyone with knowledge of the Irish people fail to consider the fact that they radiate a Christian spirit unsurpassed by any other nation on earth today.

In the period embracing Patrick's lifetime, Ireland was but a conglomeration

of municipalities ruled over by a score of self-designated kings. By singling them out, one by one, Patrick managed to win over most of the kings to the Christian cause. His knowledge of the Irish language was of course a great benefit to him in all his undertakings among the Irish people; and his experience of 6 years in the country had given him an insight into the character of the people that he could probably not have learned as well in any other way.

In such a manner did Patrick profit by his captivity and in time was able to turn against his captors the forces of righteousness. So it has ever been in the case of captive peoples, and so it is again today.

The spirit of Patrick radiates today beyond the confines of Ireland and beyond the Irish in other lands, to serve as a promise of truth and justice to all who are denied those rights in their own country.

As a symbolic enemy of slavery, St. Patrick looms larger today than ever before; and, as always, the slave master trembles at the sound of his name.

Truly, St. Patrick will stand as a hero of mankind, so long as Christianity prevails.

SUBCOMMITTEE ON GENERAL EDUCATION

Mr. BRADEMAS. Mr. Speaker, I ask unanimous consent that the Subcommittee on General Education be permitted to sit today during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

SUBCOMMITTEE ON IRRIGATION AND RECLAMATION

Mr. ROGERS of Texas. Mr. Speaker, I ask unanimous consent that the Subcommittee on Irrigation and Reclamation be permitted to sit during general debate this afternoon.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

HAILING THE FTC DECISIONS IN THE TBA CASES

Mr. ROOSEVELT. Mr. Speaker, I ask unanimous consent to extend my remarks in the body of the RECORD at this point.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ROOSEVELT. Mr. Speaker, on March 15, 1961, the Federal Trade Commission announced that it had issued final cease and desist orders in two cases of great importance to gasoline service station operators. I refer to the proceedings involving, in one case, FTC Docket No. 6486, the Atlantic Refining Co. and the Goodyear Tire & Rubber Co., and in the other, FTC Docket No. 6487, Shell Oil Co. and the Firestone Tire & Rubber Co.

Over 206,000 service stations are vitally interested in this matter. Therefore, as chairman of Subcommittee No. 5 of the Select Committee on Small Business of the House of Representatives, I hail and welcome the fact that there is now a final adjudication by the Federal Trade Commission declaring that contracts between the Nation's two largest manufacturers of rubber products and two major petroleum corporations under which the latter are paid so-called override commissions on the sale of TBA items made by these manufacturers to the lessee-dealers who operate service stations are illegal as being violative of the antimonopoly laws. I believe that these two decisions will serve as landmark cases hereafter.

I noted with considerable interest that the Federal Trade Commission upheld the hearing examiner's findings that the petroleum companies have coerced their retail dealers to buy sponsored TBA, thus giving credence to the testimony of the many witnesses who appeared before Subcommittee No. 5 of the House Small Business Committee at its public hearings over the past few years. During the subcommittee's hearings, testimony was received from representatives of the retail and wholesale segments of the petroleum industry, who came from every section of the United States, and who charged that certain major oil companies, through pressure and through coercive means, forced and compelled its retail gasoline dealers to handle only those TBA items in their stations which are sponsored by the petroleum companies.

In this connection, it is worthy of note that the sales representative is the one who contacts the service station operators in connection with lease renewals as well as with the sale of his company's products. An examination of the various leases for such service stations discloses that the matter of the renewal of such leases is optional only with the oil companies. In that respect, such agreements are unilateral. Thus, in having the sales representative who regularly calls on the service stations, being at the same time in a position to tell the service station operator that he, the oil company's salesman, could decide whether or not the lease for a service station would be renewed, is indeed an unfair arrangement.

From this it can readily be gathered that the operator of a service station is under a tremendous pressure to comply with the demand, whether expressed or implied, of such sales representative that he handle the petroleum company's sponsored TBA items exclusively. Nor should it be forgotten that such small and independent service station operator has a considerable investment in his business which the petroleum company could wipe out with either cancellation of the lease or refusal to renew. It is, therefore, apparent that the dealer operating his station under a lease from the oil company supplier is not in fact independent and is subject to control by the oil company supplier. The freedom of choice of the dealer with respect to the manner in which he operates his station is circumscribed by the economic power and might of his oil company supplier whether or not such power is specifically exercised against him.

The tremendous inequality of economic bargaining power between the major oil companies and their small retail service station operators can be gaged from the fact that these corporations rank among the largest and most powerful in the world. It is, therefore, abundantly clear that the petroleum companies hold the means of economic life or death of countless members of this segment of our small business economy.

Recently, the U.S. Court of Appeals for the Fourth Circuit decided the case of Osborn against Sinclair Refining Co. in favor of a service station operator whose lease was canceled because he did not buy enough of his petroleum company's sponsored TBA. That court, reversing the district court, pointed out that the perniciousness of the tie-in between the petroleum and rubber companies is aggravated by the fact that the petroleum companies are not even in the business of selling TBA. This important case was cited by the Federal Trade Commission in support of its decisions and prior thereto received considerable publicity by being included in the record of the hearings of the subcommittee.

During the 86th Congress, I introduced in the House, H.R. 9894, which would have prohibited oil companies from acting as agents and receiving commissions for the sale of tires, batteries, and accessories. It did not surprise me in the least that the top officials of the prior administration of the Department of Justice, Bureau of the Budget, and Department of Commerce were opposed to this measure on behalf of small business. Fortunately, a more favorable climate prevails in all executive departments now.

Now, we not only have an adjudication by a U.S. Appellate Court, but also have clear rulings of the Federal Trade Commission in the two cases mentioned.

The Federal Trade Commission is to be commended for being mindful of the economic implications involved and furnishing further evidence that it adheres to the rulings enunciated by the U.S. Supreme Court to the effect that the heart of our national economic policy has long been faith in the value of competition.

The decisions of the Federal Trade Commission, plus the ruling in the Osborn case, should go a long way toward alleviating the many problems faced by over 206,000 gasoline retailers in the service station industry, and the relief afforded is welcome news to this vital segment of the American economy.

I wish, nevertheless, to point out the quite obvious fact that the decision in the Osborn case and the final cease and desist orders of the FTC are res judicata only as to the particular parties involved. Of course, these decisions furnish a valuable precedent for future action, but they are binding only on the parties to the proceedings. An enactment by the Congress, on the other hand, has the effect of promulgating a rule for the future and, hence, acts prospectively to govern future actions.

I shall watch with considerable interest what effect these decisions of the Federal Trade Commission and the Osborn case will have on petroleum companies which will guide me as to the necessity for considering the introduction of legislation on behalf of the small businessmen engaged in the service station industry.

AMERICAN CRAB FISHERMEN TO PAY PRICE OF BANNING MACHINERY EXPORT TO SOVIET UNION

Mr. PELLY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. PELLY. Mr. Speaker, I read the other day where some one woke up to the fact that we were sending Communist Russia some precision machine tools which would not have been in the best interest of our national security. The shipment was stopped, but under a policy of being kind to Khrushchev and placating the feelings of the Soviets, an announcement was quickly forthcoming saying that our Government planned to lift a ban on importation of Russian crabmeat into the United States.

In order to build good will, we have allowed foreign fish products to flood the American market. Take the case of the New England fish industry. It has been ruined by such imports, and tariff relief has been repeatedly denied. The Pacific Northwest fishermen have been called upon to sacrific year after year in the interest of conservation. Yet the Japanese take American-spawned salmon without any regard for conservation and then flood our market.

Now again the fishing industry is discriminated against. The crab processors and fishermen of America will be ruined if this latest move to admit Russian crab is true.

I have strongly protested to the State Department and have, likewise, asked the House Committee on Merchant Marine and Fisheries to investigate.

THE RUG-GED NEW FRONTIER

Mr. DEROUNIAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York.

There was no objection.

Mr. DEROUNIAN. Mr. Speaker, the leader of the New Frontier and his colleagues in the executive department have unanimously cited the peril to America from recession, unemployment, depressed areas, and balance of payments. They have pledged themselves not only to talk about these things but to correct these things by positive action.

For the welfare of America I sincerely hope that the action I read about in the press is not typical of the New Frontier idea of positive action. The Washington Evening Star for March 15, 1961, reports from Lille, France, as follows:

WHITE HOUSE CARPET ORDER

LILLE, FRANCE, March 15.—A New York firm has ordered 200 meters (a little more than 600 feet) of Tourcoing carpet from a local factory, stating it is needed for use at the White House in Washington. The design of the carpet chosen is of oriental inspiration with red, green and gold on a white and black background.

Will this carpet purchase abroad help end the administration's recession? Will this purchase of foreign rugs help eliminate unemployment in the United States? Will it bring industrial activity to a depressed area? Will it help solve our balance-of-payments deficit? How much more or less will it cost than the $200,000 that was to be spent for a recreational facility for military personnel serving overseas that was recently canceled on the order of the intrepid leader of the New Frontier? Is this rug purchase typical of what Mr. Hodges meant when he assured the southern textile manufacturers prior to the November 8 election that the Kennedy administration would be aware of their need for help against imports?

Mr. Speaker, it is my suggestion that the textile industry representatives not be caught napping when the White House attempts to pull the rug out from under them.

PROGRAM FOR WEEK OF MARCH 20, 1961

Mr. HALLECK. Mr. Speaker, I ask unanimous consent to proceed for 1 minute in order to inquire of the majority leader what the program will be for tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Indiana.

There was no objection.

Mr. McCORMACK. On Monday the Consent Calendar will be called and there will be seven suspensions, as follows:

H.R. 5463. Extend and amend the Sugar Act.

H.J. Res. 124. Puerto Rico, debt limitation deleted.

H.R. 5189. Income of foreign central banks.

H.R. 848. Veterans, provide vocational rehabilitation.

H.R. 4538. Veterans, special dividends, national service.

H.R. 1258. Amend Longshoremen's and Harbor Workers' Compensation Act.

S. 307. Erosion control, San Diego County, Calif.

If time remains following the consideration of the above-mentioned suspensions and if a rule is granted on it from the Committee on Rules, we will take up H.R. 5000, the armed services military construction bill.

On Tuesday the Private Calendar will be called and following the call of the Private Calendar if the consideration of H.R. 5000 has not been finished it will be the continuing order of business.

Following the disposition of the military construction bill, we will take up H.R. 3935, the Fair Labor Standards Amendments of 1961.

I make the usual reservation that any further program will be announced later and that conference reports may be brought up at any time. I would remind the gentleman that the emergency farm bill is now in conference. We want to dispose of that as soon as possible after they report it out.

Mr. HALLECK. As I understand the feed grain bill is still in conference and it is not anticipated there will be any action on it this week.

Mr. McCORMACK. No, but should they agree it will be brought up on Monday.

CHINESE REPRESENTATION IN THE UNITED NATIONS

Mr. JOHANSEN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. JOHANSEN. Mr. Speaker, a press report from Formosa discloses that President Kennedy's administration has repudiated a public statement made last week by Mrs. Eleanor Roosevelt.

Our delegate to the United Nations General Assembly told a university audience that "the vote in the last session of the General Assembly pointed to the fact that we would not be able much longer to keep up the fiction that Nationalist China represents the whole of China."

I rejoice that the administration rejects this view—very similar to one which U.N. Ambassador Adlai Stevenson has been repeating publicly.

However, I must add that this administration obviously has one censorship rule for Mrs. Roosevelt and Ambassador Stevenson and quite another one for Adm. Arleigh Burke and the household help at the White House.

Or is it that the administration is able to gag the Joint Chiefs of Staff, but cannot silence A.D.A. spokesmen at the U.N.?

IN THE EVENT OF AN ALL-OUT THERMONUCLEAR ATTACK ON THE UNITED STATES

Mr. MINSHALL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. MINSHALL. Mr. Speaker, a blood-chilling war game was played at the Pentagon last fall. The score reached by electronic computors was 100 million dead Americans, in the event of an all-out thermonuclear attack on U.S. cities.

Pentagon top brass fed into the mechanical brains top-secret facts and estimates of United States against Soviet weapons systems, in a variety of strategies. The computers clicked out the grim information that most of our population would be incinerated, or be cas-

ualties of radiation fallout, in missile warfare aimed at our cities.

It is a horrifying picture.

As a member of the Department of Defense Appropriations Subcommittee, I am doing all in my power to see to it that such a doomsday never arrives.

As a Member of Congress, I am investigating every avenue of thinking that might lead to genuine, lasting disarmament, with ironclad controls.

As a private citizen, I feel it is my responsibility to provide for all Americans as much protection as I possibly can from nuclear blast and its death-dealing aftermath of fallout.

The same electronic computers that ground out the ghastly estimates also reported that more than half those Americans would survive if vigorous civil defense measures are taken—and chief among those measures the computers checked off construction of home fallout shelters.

Accordingly, I have today reintroduced my bill to stimulate citizen participation in such a constructive program.

My home city of Rocky River, in the 23d District of Ohio, which I have the honor to serve, pioneered in home shelter construction. My State of Ohio was the first in the Union to grant tax exemptions to citizens who construct such shelters, or who improve existing facilities which would provide such protection.

Such legislation on the national level is highly appropriate, and completely in line with my philosophy of resolving as many problems as possible on the local level. The Minshall bill would permit amortization over a 60-month period of certain civil defense facilities. It does not burden the Federal Government with new or vast expenditures.

At a time when we are spending $42 billion a year on national defense, and another $88 million on civil defense, it is little enough to offer private citizens the encouragement of a tax deduction in providing fallout protection.

A DEPARTMENT OF SMALL TOWNS AND RURAL AFFAIRS

Mr. CUNNINGHAM. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. CUNNINGHAM. Mr. Speaker, I must rise to state my opposition to a recent administration proposal to create a Cabinet-rank Department of Housing and Urban Affairs.

While we all appreciate the problems of metropolitan areas, I think we are already overfeeding such sections with liberal doses of Federal money. I would like to see less Federal aid for urbania, despite the lure to the politicians of the hundreds of thousands of voters assembled in such centers.

We are already building city expressways with 90 percent Federal money; we are advancing the urban renewal program with huge Federal grants and loans; we are contributing mightily to the home-building industry in urban areas through Federal housing programs; we furnish aid to the city airports, hospitals, and sewage treatment plants; we subsidize virtually every phase of urban existence and the way things are going I fear that city government will someday be used merely to process applications for Federal aid and dole out the checks sent back from Washington. We face endless growth of metropolitan areas spurred by Federal assistance programs at the expense of other sections.

Now, I do have an alternate suggestion. I propose that we spend a little time and money studying what needs to be done for the small towns and cities and for the rural sections of the country. I do not have any grandiose scheme in mind, but rather than give Cabinet rank to big cities it might be the better part of wisdom to create a Cabinet-rank Department of Small Towns and Rural Affairs, and I would favor such a move. I have in mind some studies and surveys by Federal agencies and departments to see what can be done for the small towns of America.

Small towns are truly wonderful places. They are green and pleasant. You can drive a few minutes and be in the country for a picnic, hunting or fishing. Or you may want to buy something that is really "farm-fresh," not "farm-fresh" in the mind of some advertising copywriter.

There is little or no juvenile delinquency in small towns, except for some hooliganism on Halloween. There is no crime to speak of, except when a visiting hoodlum from the city pays his respects. There is a delightful life at a pace much more conducive to long life than all the medical care bills passed by Congress.

And think of our national leaders—where did they come from? Small towns, in most cases. For instance, our Speaker is from Bonham, Tex. Our colleague and former Speaker, the gentleman from Massachusetts [Mr. MARTIN] is from North Attleboro. Look at our committee chairmen: Mr. CANNON is from Elsberry, Mo., Mr. VINSON from Milledgeville, Ga., Mr. COOLEY from Nashville, N.C., Mr. SPENCE from Fort Thomas, Ky., Mr. ASPINALL from Palisade, Colo., Mr. HARRIS from El Dorado, Ark., Mr. MURRAY from Jackson, Tenn., Mr. SMITH from Broad Run, Va., and so forth. Only five are from larger cities.

President Eisenhower grew up in Abilene, Kans.; President Truman in Independence, Mo. Vice President Nixon was from Whittier, Calif., and Vice President JOHNSON from Johnson City, Tex. Of course, President Kennedy is from a big city, but it is remarkable that so many national leaders are from smaller towns.

Now my suggestion is that some of the survey experts we have in the Federal Government go out and run some surveys in the small towns. Nothing too fancy would be needed, but I am sure we could turn up some interesting information as to how the small towns could play a more important role in national affairs and in our national economy.

We might even find out that it is smart business to locate small manufacturing plants in small cities and towns. We might find that there is plenty of housing available in small towns to house workers for small manufacturing plants. We might even find that there is no critical need for schools, highways, and sewage-treatment plants, to say nothing or airports, jetports, and heliports. We might find that some of the unemployed who seek work fruitlessly in urban areas could find regular jobs awaiting them in small towns.

I do not know what such surveys would disclose. But as an alternative to billions of dollars for the already highly subsidized urban areas, may I suggest that we take a look at the small towns that have been the backbone of the Nation for a century and a half and see if they may not offer at least a partial solution for the housing gap, the employment gap, the airport gap, highway gap, and other problems we hear so much about.

If America is to remain free, healthy, and independent, we must give our time and attention to the preservation of our towns and villages lest we end up with vast, sprawling, metropolitan areas and lose that individuality and independence which our forefathers fought so hard to preserve.

THE TRUTH IS ALL-IMPORTANT

Mr. FORD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. FORD. Mr. Speaker, on March 12, 1961, the Office of Assistant Secretary of Defense, Public Affairs, issued the following statement:

> The report that General Lemnitzer has protested to Secretary McNamara that the Chiefs are being bypassed or edged out of crucial military decisions by the Kennedy administration is simply without foundation.

This statement was carried on Monday, March 13, in many of the newspapers and other news media of the United States and probably in many of the newspapers throughout the world. This statement was issued by the Office of Assistant Secretary of Defense, Public Affairs, because the public charge had been made previously that Gen. L. L. Lemnitzer, Chairman of the Joint Chiefs of Staff, had protested the transfer of control of space development to the Air Force.

The aforementioned statement issued by the Office of Assistant Secretary of Defense, Public Affairs, is, to say the least, a half truth. The Assistant Secretary of Defense for Public Affairs knew or should have known the facts and he should not now try to cover them up. General Lemnitzer as Chairman of the Joint Chiefs did submit a statement dated March 2, 1961, in opposition to the draft directive on assignment of space

systems development. In General Lemnitzer's reply to the Department of Defense draft directive he stated that the Joint Chiefs did not have a full opportunity to study this matter which according to him has far-reaching military implications.

General Lemnitzer's reply or memorandum also strongly protested the Department of Defense draft directive on the basis that such a move would result in an overall loss of effectiveness through the failure to utilize the full potential of our total defense resources.

The Office of Assistant Secretary of Defense, Public Affairs, by semantics is seeking to deny to the public the facts: facts the public is entitled to know. The release of Sunday, March 12, by the Office of Assistant Secretary of Defense Sylvester is a clear-cut distortion.

This deliberate attempt to gloss over the true facts is difficult to understand when on Tuesday, March 14, Mr. Edward R. Murrow, the new Director of the U.S. Information Agency, categorically stated the United States must tell the truth both to Americans and to the world. On this date Mr. Murrow lectured Members of the Senate on complete frankness both at home and abroad. I suggest that this honorable approach be conveyed or transmitted to the Assistant Secretary of Defense, Public Affairs. He should follow the same guidelines in the future even though his Office did not do so in this specific case.

A TRIBUTE TO RAMON MAGSAYSAY

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. ZABLOCKI. Mr. Speaker, on March 17, 1957, President Magsaysay of the Philippines was killed when his airplane crashed in the Province of Cebu. Because the House will not be in session tomorrow I rise at this time to pay tribute to President Magsaysay who was a strong supporter of close United States-Philippine ties, a firm believer in the democratic process, and an outstanding leader of free Asia.

In these days when the course of world history is clouded by inflamed passions and false dogma, it is therefore fitting that we pause for a moment and pay tribute to a man of our time who saw his way clearly. Ramon Magsaysay pursued the twin goals of freedom and independence with a vision and a valor that entitles him to a special place in the hearts of freemen everywhere.

It was 4 years ago that a stunned and shocked world learned of the tragic death of the great Philippine leader. On March 17, 1957, the plane carrying him on one of his many missions crashed into a mountainside in Cebu. The loss was felt everywhere. But most especially, the loss was felt by those who had learned from personal experience the value of liberty.

Ramon Magsaysay will be remembered because he championed liberty by identifying himself with the masses of his people. He was convinced that only a people liberated from ignorance, poverty, and abuse are a people able to enjoy a real freedom. In the words of Carlos Romulo, "he championed liberty, not with words, but in flaming action," risking his life in war as a guerrilla leader. Later, as a Secretary of Defense he fought an alien ideology in the swamps and in the hills of the Philippines.

Ramon Magsaysay's greatest achievement, it has been said, was the establishment of the Republic of the Philippines as a respected member of the community of nations. Like the great leaders of all time, in whatever land, he managed to transmit his own passion for work and sacrifice to his people. A true son of the barrios, he understood the ambitions and aspirations of the humblest of his countrymen. He did his utmost to better this way of life. Resettlement programs, land reform, agricultural credit facilities, community development, education, and social security were some of the measures he advanced during his brief tenure as President of the Philippines.

But Ramon Magsaysay was more than a tireless administrator and great patriot. In his view, liberty was a need of all men. It is worth remembering that it was in Manila, under his auspices, that the Southeast Asia Treaty was signed and the Pacific Charter proclaimed. Again, when the Republic of Vietnam was consolidating its hard-won independence, the Philippine people, under President Magsaysay, launched Operation Brotherhood, a program designed by Asians to help Asians.

National independence is variously defined these days, but I'd like to read now a definition that Magsaysay gave in a memorable speech delivered on the 10th anniversary of Philippine independence. The words are often quoted, but I think they bear repetition. He said:

> On several occasions in recent months I have urged our people toward greater expression of what I have called positive nationalism. Actually, I could just as accurately say true nationalism. For example, I see no real patriotic or constructive contribution from those who resurrect buried enemies or revive dead issues, from those who sneer at the worth or validity of our national institutions or culture, from those who try to imprison us behind a wall of suspicion, distrust, and hatred of the outside world, from those who would have us follow a policy of synical expediency. Honest and fearless criticism should be welcomed as a healthy manifestation of democracy, but we should insist that it be presented soberly, based upon evidence, and accompanied by a constructive alternative.
>
> True nationalism—

He concluded—

> is that which seeks, discloses, and cultivates what is good in the community and the nation, knowing that the stronger growth of what is good will choke out the weeds of what is bad.

These are the words of a great man and a great leader. He was, it seems to me, the champion of the free individual in a free society. The liberty that he espoused and defended was that to which all of us aspire.

AMERICAN AGRICULTURE—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 109)

The SPEAKER laid before the House the following message from the President of the United States, which was read, referred to the Committee on Agriculture, and ordered to be printed:

To the Congress of the United States:

In recent times, it has become customary to speak of American agriculture in terms of distress and failure, as a burden on the taxpayers and a depressant on the economy. But this is only one part of the picture. As the provider of our food and fiber, American agriculture is a highly successful and highly efficient industry. In no other country, and at no other time in the history of our own farm economy, have so many people been so well provided with such abundance and variety at such low real cost.

Nor is this bounty confined to our own people. We are today the world's largest exporter of food and fiber. Seventy percent of these exports are sales for dollars, one of the principal bulwarks of our export trade. The other 30 percent is made available under special programs to promote economic development abroad and to relieve hunger and suffering—efforts that are fundamental to our world leadership and security.

In short, our farmers deserve praise, not condemnation; and their efficiency should be a cause for gratitude, not something for which they are penalized. For their very efficiency and productivity lies at the heart of the distress in American agriculture which—while it represents only a part of the picture—constitutes that part to which our efforts must be devoted. The steady and continuing decline in income has been most serious for the 7 million people engaged in farming operations, and substandard conditions on the farms—which are so important to our economy—lead directly to substandard conditions in all segments of the national economy. Farming remains our largest industry—it employs 12 times as many people as work in steel and 9 times as many as in the automobile industry. It employs, in fact, more people than steel, automobiles, public utilities and the transportation industry combined. The farmer is a consumer as well as a producer, and other economic groups are affected by the continued drop in farm purchasing power. Some $40 billion is spent each year for production goods and services needed on our farms and for the consumer goods used by farm families. Six million people are employed in the manufacture and distribution of the supplies that farmers use. Each year farm families spend from $2.5 to $3 billion for new automobiles, trucks, tractors and other farm machinery; and $3.5 billion for fuel, lubricants, and

maintenance of motor vehicles and machinery. It is deeply in the interest of all Americans that our agriculture be not only progressive but prosperous.

Yet as our farm families enter the 1960's, their incomes are lower relative to the rest of our population than at any time since the 1930's. Although there has been a continuous rise in consumer prices during the past 10 years, farm income has steadily declined. Abundant production has filled our bins and warehouses, but 1 out of 10 American households have diets so inadequate that they fall below two-thirds of the standard nutrition requirements.

These paradoxes are of concern to all of us—the farmer, the taxpayer, and the consumer. They affect the vitality of our Nation, the strength of our most basic industry, agriculture, and the economic health of every community in the land.

Much of the current problem results from four factors:

First. The inability of millions of separate producers to control either output or price of their products. Acting individually the farmer can neither plan his production to meet modern requirements, and shift away from commodities for which there is limited demand, nor bargain effectively for a fair return.

Second. A technological revolution in agricultural production, which is still underway, that has resulted in generally increased yield from a reduced input of acreage and manpower—so that today each farmer produces the food and fiber necessary for 25 people, while at the turn of the century each farmer produced the food and fiber for only 7 people.

Third. A faulty system of distribution, which allows one-half of the people of the free world to suffer from malnutrition at the very same time our surpluses have reached a point where the availability of adequate storage facilities has become a real problem.

Fourth. The steady and continued increase in farm costs. The average farm requires an investment of $36,000. The farmer's interest costs have increased over 300 percent in the past decade. His equipment costs have increased 75 percent.

The solution lies not so much in severe restrictions upon our talent to produce as upon proper channeling of our abundance into more effective and expanded uses. American agricultural abundance can be forged into both a significant instrument of foreign policy and a weapon against domestic hardship and hunger. It is no less our purpose to insure that the farm family that produced this wealth will have a parity in income and equality in opportunity with urban families—for the family farm should be protected and preserved as a basic American institution.

Our intention is to accomplish these goals while eventually reducing the cost of our programs to the taxpayer. This can be accomplished in part because it is cheaper to use our agricultural products than to store them. Present storage costs total over $500 million a year or $1.4 million every day.

But it must also be our purpose to see that farm products return a fair income because they are fairly priced. No farm program should exploit the consumer. But neither can it subsidize the consumer at the cost of subnormal incomes to the farmer. We cannot tolerate substandard conditions on the farm any more than we can in industry. A fair return is a necessity for labor, capital, and management in industry. It is equally necessary for those who produce our food and fiber.

It must be our purpose to provide an agricultural program that will eventually eliminate the vast farm surpluses that overhang the market and overburden the economy; that will permit effective economies of administration; that will recognize the right of the consumer to fair prices; and that will permit the farmer to receive a fair return for his labor. This will be neither simple nor easy. It will require the cooperation and effort of the farmer, government, and the urban dweller. But the alternative is not alone a substandard rural economy—it is a weakened nation.

I. A WIDER RANGE OF TOOLS TO BOOST FARM INCOME

This administration's studies to date on how to meet our responsibilities in agriculture have led us to the following conclusions:

There is no single farm problem, and no single solution. Each commodity requires a somewhat different approach.

Swift and frequent changes in weather, acreage, yield, and international market conditions requires Federal programs alert and sensitive to change.

The Secretary of Agriculture is now equipped with broad responsibilities for the maintenance of farm income. In order to fully and effectively meet these responsibilities he has had authority to set and adjust the level of support prices, set the level and terms of loans, prescribe acreage allotments, specify conservation payments, establish marketing agreements and orders, and take other steps to adjust supplies and protect the prices and incomes of farmers. But these powers have not been fully employed in recent years; and neither are they sufficiently flexible for all contingencies.

I am deeply concerned—and I believe the Congress shares that concern, along with most of our consumers, taxpayers, and the farmers themselves—that our farm program is drifting into a chaotic state, piling up surpluses, penalizing efficiency, rewarding inertia and noncompliance, and constantly being torn and weakened by disputes and conflicting pressures. This is not a situation that can be ended by any one sweeping act of magic. It will require diligent study, hard work, imaginative initiative, and sound constructive leadership. But I believe that the decline in farm income and the drift in farm policy can both be gradually reversed by the program I recommend.

This will require that the Secretary of Agriculture make full and effective use of all the responsibilities now reposed in him, and that the Congress establish guidelines to enable the administration to exercise responsible leadership in consultation with those farmers most concerned in establishing sound programs for each commodity for which they are needed.

A generation ago Congress enacted the Reciprocal Trade Agreements Act to place in the executive branch the authority for a tariff-by-tariff approach that could be more effectively and equitably handled there instead of in the Halls of Congress. The Reorganization Act similarly shifted the initiative in that complex field to the executive branch. Now agriculture needs a commodity-by-commodity approach, fitting each program to the pertinent problems, initiated by the Secretary of Agriculture under Presidential direction, subject to the approval of the farmers voting in referenda and to final review by the Congress.

The authority Congress has previously granted to the Secretary for the management of farm supply and the stabilization of farm income requires additional adjustment. A variety of gaps must be filled before all necessary administrative tools are available for every commodity. I am therefore asking the Congress to enact legislation to be submitted shortly and to be known as the Agricultural Enabling Amendments Act of 1961, covering the following matters:

1. The Agricultural Marketing Agreement Act of 1937, which now authorizes marketing orders for milk, certain fruits and vegetables, tobacco, soybeans, and some specialized crops, should be amended to permit marketing orders to be used for a wider range of commodities, to make it more flexible in dealing with commodities for which a national or area program may be devised, and to permit, subject to the approval of producers and acceptance of the Congress as noted below, the establishment of quotas and allotments for individual producers. This will enable the valuable tool of the marketing order to be extended and combined with effective production control where the latter is essential.

2. The Agricultural Adjustment Act of 1938 should be amended to permit supply adjustment through marketing quotas for any agricultural commodity for which quotas might be most effective in achieving our goals and subject to affirmative approval by producers and acceptance of the Congress as indicated below. Quotas should be authorized either in quantitative terms—pounds, bushels, or bales—or in terms of production for individual farm acreage allotments. This will insure effective supply adjustment where this is indicated under proper safeguards. Such adjustment in turn is our best assurance against excessive costs to the taxpayers.

3. The Agricultural Act of 1949 should be modified to permit, subject to similar producer approval and congressional acceptance, the method of supporting producer income that is most appropriate to the competitive and international position of the commodity, the nature of the supply adjustment needed, and economy to the taxpayer. There should be authorization of compensatory payments as well as commodity loans, commodity

purchases, diversion programs, incentive payments, and export payments as circumstances require. All of these measures, properly safeguarded as to use, have proven their value in practice and are essential if the programs are to be adjusted to needs of individual commodities. As a part of payment programs the Secretary of Agriculture should be authorized to make payments in kind in cases where producers prefer such payments and where the Secretary determines that the goal of reduction of available stocks makes such payments feasible.

4. The Soil Conservation and Domestic Allotment Act of 1936 should be amended to provide for the establishment of national farmer advisory committees for every commodity or group of related commodities for which a new supply adjustment program is planned. Members of the committees would be elected by the producers of the commodities involved or their appropriate representatives. In consultation with the Secretary of Agriculture, they would be charged with the responsibility for considering and recommending individual commodity programs. To make it possible for farmers to participate in the work and consultation necessary for the development and implementation of sound proposals, the bill should authorize the payment of expenses for the members of these farmer committees.

In order to insure effective farmer participation in the administration of farm programs on the local level, the Secretary of Agriculture is being directed to revitalize the county and local farmer committee system and to recommend such amendments as may be necessary to safeguard such farmer participation.

5. Programs formulated in accordance with the enabling legislation here proposed and involving controls over production and marketing should not go into effect until approved by a majority of two-thirds of the producers voting under regularly authorized voting procedures and there should be legislation to this end. Such voting will be after full opportunity for debate and discussion and will insure that the producers of no commodity will be asked to accept programs to which they have not given strong affirmative approval.

6. All comprehensive programs prepared under existing and requested authority will be duly submitted to the Congress of the United States not less than 60 days before taking effect. If within the 60-day period the program is rejected by either House of the Congress, the program will not go into effect. Thus no agricultural program will be adopted if it is regarded adversely by a majority of either House of the Congress.

Agricultural programs must always involve an effort to take the best of the available alternatives. Our task, building on past experience and present authority, is to find a simple and rapid accommodation to changing circumstances which is both effective and consistent with our democratic traditions. I believe that the present proposals will go a long way toward achieving these goals.

II. EXPANDING THE USE OF OUR FARM ABUNDANCE

A. TO IMPROVE DISTRIBUTION AND NUTRITION AT HOME

We have already taken a number of steps toward greater utilization of our agricultural abundance at home as well as abroad. I have directed the Secretary of Agriculture to increase both the quantity and quality of our surplus food distribution to the needy; and under this program the amount of food going to each needy family has already been doubled. In addition, pilot food stamp programs are being launched in eight areas to provide emergency aid where the distress is particularly acute. These pilot plans will furnish operating experience necessary for our determination of the most effective kind of food allotment program.

To improve further our system of distribution I recommend:

1. An expansion of the school lunch program, with the increase going to those schools providing a high proportion of free lunches because of the high level of unemployment in their localities, and with a change in the allocation formula to include, in addition to school age population and per capita income, the number of children who actually receive school lunches. In this way the best possible nutrition will be made available to every school child, regardless of the economic condition of his family or his local school district.

2. Extension and improvement of the special school milk program. Existing authorization for this program expires June 30. No lapse should be permitted.

B. TO IMPROVE NUTRITION AMONG NEEDY PEOPLES ABROAD

We have barely begun to explore the ways in which our abundance can advance the cause of peace and freedom around the world, and contribute to the well-being and stability of undeveloped nations whose peoples eye our storage stockpiles with hungry dissatisfaction. I have already dispatched a series of missions to such areas to ascertain how we can best use our food in a helpful fashion. In addition, I ask the Congress:

1. As previously requested, to authorize an additional $2 billion for this calendar year under title I of the Agricultural Trade Development and Assistance Act of 1954, which permits the sale for local currencies of our surplus agricultural products. The need for this legislation is urgent, for the funds now available under this title are virtually exhausted. Until Congress acts we will be unable to process new requests now coming in from friendly governments.

2. To extend and expand the Agricultural Trade Development and Assistance Act of 1954 for a period of 5 years. Unless there is some assurance of a continuing program we can neither make the advance plans best suited to an effective instrument of foreign policy nor gage its long-term effect upon our domestic program. Title I sales should be authorized at a higher level; and our contributions of food and fiber to voluntary agencies such as CARE for use abroad should be liberalized.

C. IMPROVED RESEARCH

We should not only continue our research activities directed toward better production and lower costs, but we must expand research into marketing, nutrition, and especially utilization. Today approximately two-thirds of our agricultural research is directed toward improved production and only one-third toward utilization. Yet these small expenditures have resulted in the past in developing such items as frozen orange juice, potato flakes, and other foods which have vastly increased food demand and made possible the use of an estimated 500 million pounds of additional animal fats in livestock feed, an additional 250 million pounds of additional animal fats in the manufacture of plastics, and an additional 800,000 bales of cotton for washable cotton fabrics. The proportion of our effort directed at food and fiber utilization should be increased.

In addition, I am directing the Secretary of Agriculture to survey the nutritional needs of our Nation and to formulate plans for helping achieve optimum nutrition goals for all Americans. The Secretary and the Food for Peace Director have already initiated a study of the food and fiber needs of other free countries. With completion of these studies we will be in a position to press forward vigorously to eliminate malnutrition and starvation as a common experience.

D. EXPANDED EXPORTS

I am directing the Secretary of Agriculture and all other appropriate departments and agencies of the Government to intensify our efforts to expand dollar sales of agricultural products. The Foreign Agricultural Service's assignment of market promotion specialists and agricultural attachés to critical areas will be encouraged. This will strengthen our overseas programs of trade fair exhibits and trade centers, improve information services and market news to the United States trade, and supply us with vitally needed information about agricultural developments abroad and the competition our products face in world markets.

In our progress toward a trade liberalization program, there has been a marked lag in convincing other nations to reduce barriers on agricultural products. Especially at this time, it is important that we redouble our efforts to gain access for more of our agricultural products to the markets of foreign countries.

III. ENCOURAGEMENT OF COOPERATIVES

One of the methods by which farmers can increase their bargaining power and thus remedy to some extent their weakness in the marketplace is through the effective operation of their own cooperatives.

To this end I recommend legislation to reaffirm and protect the right of farmers to act together through their cooperatives in the processing and marketing of their products, the purchasing

of supplies, and the furnishing of necessary services. This legislation should specifically permit farmers' cooperatives to purchase, acquire, and build processing plants and related facilities and to merge with other cooperatives so long as such activities do not tend to create a monopoly or substantially lessen competition.

IV. LOW INCOME FARMS

In those areas where farms are predominantly in the lowest income group, entire rural communities have suffered severe economic damage. The small businesses are liquidating, the community facilities are deteriorating, and community institutions are weakened. These present a special problem.

The area redevelopment bill now under consideration by the Congress is needed by farmers as urgently as it is needed in cities and towns. I reiterate my urgent recommendation for the speedy enactment of this bill, and thus enhance the resources available to the Secretary of Agriculture as he mobilizes all the services available to him, such as FHA, REA, Forest and Extension Services, to assist in the development of better levels of living, better income opportunities, and better communities in our rural depressed areas.

V. FARM CREDIT AND REA

One of the features of modern agriculture that poses an increasing problem to farmers, especially during periods of low income, is the need for increased capital investment, accompanied by the high cost of credit.

I am directing the Secretary of Agriculture to liberalize and extend the lending operations of the Farmers Home Administration so that any needy farmer can obtain loans for operating capital and for farm home improvements at low cost, and I recommend that the present legislation be amended to permit farm improvement loans to be secured either by mortgages or by other acceptable forms of security.

I have further directed the Secretary of Agriculture to initiate two measures that will encourage the storage of grain on the farm and strengthen economic activity in farming areas:

(a) Modifying present farm credit regulations to permit farmers to borrow up to 95 percent (instead of the present 80 percent limit) of the cost of materials for building farm storage facilities and equipment; and

(b) Guaranteeing that farmers will be able to earn 2 full years' storage payments for continuing to store 1960 crop wheat, corn, and grain sorghum, and at least 1 year's storage payments for continuing to store other 1960 crops.

The loans are for 5 years at an interest rate of 4 percent. The effect of this directive will be to increase the demand for steel, wood, and other building materials, to procure the additional farm storage needed for 1960 crops, and to place an estimated $40 million in credit funds in the rural economy in the months ahead.

I have also directed that the Rural Electrification Act be administered in accordance with the original intent and purpose of that program, which has done so much to advance agriculture throughout the Nation. Over 95 percent of our farms now have electricity. But much remains to be done. There are constantly increasing demands for additional power. Only one-third of our farms have modern telephone installations. The cooperatives which so successfully brought light and power to the farm can make an enormous contribution to the continued development of our rural communities.

VI. FOREST RESOURCES

One of our most important natural resources, and one of our most neglected, is our forest land.

We need to give special emphasis to the improvement of the 256 million acres of small, privately owned farm woodlands and other small forests. This is an important sector of our agricultural economy in which the rate of progress and production is far from satisfactory. Yet here is a crop which is not in surplus and to which many farmers should turn, for their benefit and the Nation's. If our grandchildren are to have only the same continuous supply of timber products as we now have, growth of timber on these farm woodlots and other small holdings will have to be doubled within the next 40 years. To insure adequate forest resources in the future by sound, effective programs relating to privately owned woodlands as well as our national forests, the following administrative and legislative measures are needed:

1. Rejuvenate the Forest Service's long-range program for the development and improvement of our national forests—a program already returning substantial revenues to the Treasury and designed eventually to return $500 million a year. Accompanying measures were requested in my earlier message on resources.

2. Accelerate, through a larger Federal grant, the present Federal-State cooperative assistance program to farm and small forest owners for the application of scientific forestry techniques.

3. Expand tree planting funds, in order to make productive 50 million acres that will not restock naturally within a reasonable time, and to increase the timber stand on another 100 million acres.

4. Increase protection against losses caused by fire, forest insects, and tree diseases. The Federal Government's share of the burden in preventing and controlling forest fires has not been met, even though the States contribute the greater share.

5. Emphasize our incentive cost-sharing programs with owners for tree planting, timber stand improvement, and certain other practices under the agricultural conservation program.

6. Expand forestry research, too long neglected.

7. Encourage the establishment of management and marketing forest cooperatives.

VII. SOIL AND WATER CONSERVATION

We have so taken soil conservation for granted in this generation that we forget it is a task which is barely underway. By June 30, 1960, the Soil Conservation Service had helped 1,301,450 farmers and ranchers to complete basic conservation plans and an additional 500,000 were being assisted. But this represents only 27 percent of all farms and ranches in soil conservation districts. Nearly three-fourths of this important job remains to be done.

I am requesting the Congress to provide the funds necessary to accelerate this program for permanent soil conservation practices and to increase our efforts for small watersheds as well. These smaller projects, now being planned and developed, may well hold the key to our future water and soil requirements at a time of rapidly growing population.

CONCLUSION

The measures I have recommended are not directed solely to the purpose of aiding the farmer. Nor are they simple prescriptions for Federal assistance to a harried segment of our population. Rather they are directed toward broad goals of achieving agricultural production geared to meet needs for food and fiber at home and in the free world, under programs that will enable the farmers of this Nation to earn a fair income.

We cannot expect to solve the farm problem in a day or in a year, or perhaps even in this administration. But we can and must adopt a new approach based on a clear recognition of the goals we seek, a realistic appraisal of the problems involved, and a firm determination to solve these problems and attain these goals.

The bills I have suggested will be debated and discussed in terms of general administration policies and powers. Various portions will undoubtedly be challenged as restrictive upon the farmer or inconsistent with complete freedom in the market. But I am convinced that the objectives of these programs will, when accomplished, provide for a reasonable balance between supply and demand. They will eliminate the hardship and suffering which inadequate returns force upon so many of our farm families; they will reduce our surpluses to manageable proportions; they will relieve the taxpayer of the unnecessary drain upon the Federal budget; they will spur our national economy, and they will assure the consumer of stable price levels.

Responsibility must be accompanied by the authority to accomplish these goals. If we move forward along the lines I have recommended, the entire Nation will benefit. The farmer can join the city dweller in the march toward economic health.

JOHN F. KENNEDY.

THE WHITE HOUSE, *March 16, 1961.*

FIFTH ANNUAL REPORT OF THE SURGEON GENERAL, PUBLIC HEALTH SERVICE — MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 110)

The SPEAKER laid before the House the following message from the President of the United States, which was

read, and, together with the accompanying papers, referred to the Committee on Interstate and Foreign Commerce and ordered to be printed:

To the Congress of the United States:

Under the provisions of title VII of the Public Health Service Act, as amended by Public Law 835, 84th Congress, and further amended by Public Law 777, 85th Congress, I transmit herewith for the information of the Congress the fifth annual report of the Surgeon General of the Public Health Service summarizing the activities of the health research facilities program.

JOHN F. KENNEDY.

THE WHITE HOUSE, *March 14, 1961.*

ACTIVITY UNDER AUTHORITY OF PUBLIC LAW 875, 81ST CONGRESS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 111)

The SPEAKER laid before the House the following message from the President of the United States, which was read and, with accompanying papers, referred to the Committee on Public Works and ordered to be printed:

To the Congress of the United States:

I have the honor to transmit herewith a report of activity under authority of Public Law 875, 81st Congress, as amended, and required by section 8 of such law.

Funds which have been appropriated to accomplish the Federal assistance determined eligible under this authority are specifically appropriated to the President for purposes of disaster relief.

JOHN F. KENNEDY.

THE WHITE HOUSE, *March 16, 1961.*

COMMITTEE ON AGRICULTURE

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture may have until midnight Saturday night to file a conference report on the feed grain bill, H.R. 4510.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

SUGAR QUOTAS

The SPEAKER. Under previous order of the House, the gentleman from Florida [Mr. SIKES] is recognized for 20 minutes.

Mr. SIKES. Mr. Speaker, it is increasingly apparent that the Congress will continue in force for the time being sugar legislation which is substantially the same as that passed last fall. One or two safeguards will be added which will provide greater control over the disposition of sugar formerly allotted to the Republic of Cuba. I concur in this policy. Obviously there is not now time to draft a completely new bill to cover this complicated and important subject before the expiration of current laws. The extension of the laws presently in force will give the Congress and the administration additional time with which to cope with the permanent solution to the complexities of sugar quota legislation in a proper manner.

For the immediate future, it is my hope that the administration will take a highly realistic look at the sugar quota problem and that it will promptly move to help deserving friends, particularly in Latin America. We have there a number of stanch friends who are in position to produce sugar profitably and whose economy can materially benefit if they are permitted to sell on the American market. There is no more important way to demonstrate friendship than through trade.

In the interim administration policies, and in the permanent legislation which the Congress enacts, it would be remembered that the Sugar Act affects many different legitimate interests at home and abroad. But chiefly, it affects the American consumer and the American taxpayer.

I come from a district where no sugar is produced but this is an important commodity and an important subject in every district. Sugar production, sugar availability, and sugar prices all have a profound impact on the American economy.

The fact that we have paid a premium on sugar adds to the complications and heightens the interest of the American consumer in the action our Nation takes. Since sugar produced for the United States commands a 2-cent-per-pound premium over the world market, there are international ramifications. Sugar quotas have been pretty largely a closed issue. This has been disappointing to many good friends who are anxious to produce sugar for the American market. Obviously, the payment of a premium for sugar imports has a bearing on our dwindling gold reserves and our foreign trade balance. The American consumer and taxpayer are footing the bill and they too need a new deal on sugar.

We operated for a long time under the complicated and involved program which existed prior to last September. In fact, that program worked so smoothly that the average housewife was not aware of the fact that there is or has been a sugar problem or that she has had to pay a premium for the sugar which her family needs.

The lion's share of the premium payments on sugar has gone to Cuba. But, as everyone well knows, a very different set of circumstances now prevails in Cuba. At the hub of this different set of circumstances is a bearded beatnik, the Red dominated dictator of Cuba, Fidel Castro. He upset the applecart for all the quota producers who have been subsidized in one form or another for sugar production since 1934 when our quota system was made law. In varying amounts since that time the cost has been up to $5 million a week. Last year the bounty paid to foreign producers allowed to sell raw sugar in the United States amounted to $250 million. Chief recipient of this bounty was the Republic of Cuba, whose 1960 quota had been set at 3,119,655 tons. Still confiscating U.S.-owned property and hardly skipping a beat in his stepped-up "hate America" campaign, this Cuban dictator in 1959 scooped up $150 million and demanded more. The answer of the United States was to cut Cuba's sugar quota and finally, to eliminate trade with that country almost altogether.

As usual in such circumstances, the Kremlin jumped eagerly and readily into this tangled situation and recognized that in sugar quotas they held an explosive weapon with which to club the United States. Sugar became a weapon in the cold war. We then wound up with a strange set of circumstances facing us—Castro at one end, and his opposite at the other end, Generalissimo Trujillo, denouncing the United States for economic aggression in juggling the sugar quotas—the latter resulting from action taken by the Organization of American States. Castro's cries were audible in Moscow, and the Soviet Union promptly announced that it would be happy to buy the tonnage rejected by the United States—mainly in barter. Red China followed suit with a pledge to buy 500,000 tons and Castro redoubled his efforts to make Cuba the bridgehead for world communism in the Western Hemisphere and hailed the half-price, soft-money deals with the Communists with wild exuberance.

This is the situation in which we now find ourselves. Speaking before the House of Representatives on September 1, 1960, the distinguished chairman of the Committee on Agriculture said this:

> There is not a man in this House who can go back to his constituents and explain the sugar situation in detail; not one. I have lived with it for 25 years and I know I couldn't do it. It is a complicated problem.

Upon the recommendation of his committee, the Congress put over until January 1 our problem of sugar quotas. Well, January has come and gone and it is now March. The expiration date of present legislation is rapidly approaching and we must now come to grips with this problem. Spirited by the elimination of Castro's quota, there are those who seek a larger share of the American sugar market. First, of course, are our own producers. Both sugarcane and beet sugar producers in the United States seek to expand their production. Certainly this should be a major consideration to us. Next in importance is the fact that we have close and loyal friends in this hemisphere who could and should be given an opportunity to share in the American sugar market.

Vitally intertwined with our consideration of this subject is the question of our relations with Latin America. My own position is clear: I want the American consumer and the American producer to be given top priority and consideration. However, if the American sugar producers cannot provide the necessary demands to meet the needs of an ever-growing America and we must turn to foreign producers for needed sugar, I, for one, wish to see our real friends in Latin America, who are capable of supplying sugar to us, be given a fair opportunity to sell raw sugar on the American market.

Let me be more specific. Guatemala is acknowledged to be a country around whose leadership the anti-Castro forces

are rallying and well it might, for this is the only nation which has ever successfully thrown off the Communist yoke. Can you imagine the repercussions throughout Latin America if the former Communist President of Guatemala, Jacobo Arbenz, should succeed in returning from his exile in Castro's island Red citadel to the presidential palace in Guatemala? Guatemala has proved that she is a good, loyal, and courageous friend of the United States. I remind you, my colleagues, that the United States recently sent its fleet to help protect the sovereignty of this country and we do not send the fleet unless we consider the well-being of another country to be essential to the preservation of peace and security of the Western Powers. Guatemala, among other nations in Latin America, deserves special consideration.

Colombia is yet another friend of the United States. We had its distinguished President address us here during the last session of Congress. In a report from Cali, Colombia, the President of Colombia's National Association of Sugar Cane Growers is quoted as saying:

> If the United States wants to improve relations with Colombia, it should grant us a sugar quota. That would be far better than all your big loans.

Mr. Speaker, the distinguished chairman of the House Committee on Agriculture speaking from this floor last June when we were debating the Sugar Act, gave his own views on this very matter and expressed his deep interest in Latin America. At that time the committee chairman gave views favorable to the inclusion within the specific quota system of the smaller sugar producing countries like Guatemala, El Salvador, Colombia, and Ecuador. The chairman reemphasized these views later during the same session when we were debating the conference report. This expression of views gave much hope to the small producing countries involved.

As a matter of fact, much of the area of Latin America is suitable for the production of sugar cane from which sugar can be manufactured. By singling out some nations, I do not intend to exclude the legitimate claims of others. All nations in Latin America who produce raw sugar in excess of their domestic needs and who wish to sell on the American market should be considered. Brazil, for example, is a large producer of sugar and it is important that Brazil and the United States reach a closer understanding on many matters of mutual concern. Other nations in Latin America which have a genuine interest in this problem are Haiti, Argentina, Peru, and the soon to be established Republic of the West Indies.

Last year as a result of the Cuban deficit, four nonquota nations, Guatemala, Colombia, El Salvador, and Ecuador were granted purchase authorizations. These authorizations probably will be allowed to stand and should be, but uncertainty does not allow these friendly producers to operate properly and economically. Nations with established quotas can plan their production while others must make a hit-or-miss estimate. Sugar growing is a labor-intensive industry with a major portion of the costs, as I understand it, estimated to be labor costs. Given a reasonable certainty that these friendly producers of sugar in Latin America can find a market for their product, they can plan production and with it will come a certainty of employment and needed help in stabilizing the economies of these countries—especially in the rural areas where it is needed most.

I feel, Mr. Speaker, that we cannot continue to say to these nonquota nations, as we have in the past, "Well, be patient, the act will be extended and we will take care of you in good time." Unless we act now we shall fail our friends and miss important opportunities to build sturdy fences of good will, not through foreign aid and development loans, but through mutually beneficial dealings on a basis of equality, dignity, and self-respect. As one who for many years has striven for better relations in inter-American affairs, I can state emphatically that there is no lack of opportunity for the United States to blaze new trails in helping Latin America in its quest for peace, freedom, security, and dignity. This we must do now and not next time. This I think is in keeping with the spirit of the Kennedy program for the sound and strong development of the Western Hemisphere.

UNITED STATES-CANADA INTERPARLIAMENTARY GROUP MEETING

The SPEAKER pro tempore. Under previous order of the House, the gentleman from New Jersey [Mr. GALLAGHER] is recognized for 60 minutes.

Mr. GALLAGHER. Mr. Speaker, I wish to take this opportunity to thank you for appointing me as Chairman of the Canada-United States Interparliamentary Group. I have asked for this opportunity to present to the House a short report on these meetings.

I would like to name those members who served on this Canada-United States Interparliamentary Group. They served conscientiously and made an outstanding contribution to our Nation.

One measure of the interest and conscientiousness of the participants can be found in the fact that in our meetings whether they were plenary sessions or committee meetings, we had perfect attendance. I would like to thank each and every one for his participation and contribution.

First, I would like to name the individuals who accompanied me. From the Committee on Foreign Affairs there was the gentlewoman from New York [Mrs. KELLY], the gentleman from Massachusetts [Mr. CURTIS] and the gentleman from Michigan [Mr. BROOMFIELD]. We four members constituted the steering group of the House delegation. In addition there were the gentleman from Massachusetts [Mr. PHILBIN], the gentleman from New York [Mr. DULSKI], the gentleman from Massachusetts [Mr. DONOHUE], the gentleman from Illinois [Mr. MURPHY], the gentleman from New York [Mr. STRATTON], the gentleman from Nebraska [Mr. CUNNINGHAM], the gentleman from Michigan [Mr. HARVEY], and the gentleman from Maine [Mr. TUPPER]. I should add that until this year the gentlewoman from New York [Mrs. KELLY] headed the House delegation. She has done a splendid job in building this organization into an effective instrument of international cooperation. I only hope that I can approximate the contribution she has made.

From the Senate we were fortunate to have Senator GEORGE D. AIKEN as head of the Senate delegation. I believe I express the unanimous views of the American delegation that Senator AIKEN combined splendid leadership with a warm and understanding personality that made for easy cooperation with our Canadian friends. Other members of the Senate delegation were the Senator from Colorado [Mr. ALLOTT], the Senator from Texas [Mr. YARBOROUGH], the Senator from North Carolina [Mr. JORDAN], the Senator from Connecticut [Mr. DODD], the Senator from Indiana [Mr. HARTKE], the Senator from Hawaii [Mr. FONG], the Senator from Delaware [Mr. BOGGS], and the Senator from Montana [Mr. METCALF].

It will be readily apparent that the U.S. delegation represented both parties from both Houses and Members who encompassed divergent viewpoints. In short the delegation was a really representative group. The participation of each of these individuals in the work of the meetings is a matter of intense pride to me. To each of them I extend my thanks for a job well done.

The Canadian delegation comprised some of the most able individuals in Canadian public life. The cochairmen were Hon. Mark R. Drouin, speaker of the senate, and Hon. Roland Michener, speaker of the house of commons. Both of these gentlemen have attended these meetings since the group was organized. Along with their colleagues from the senate and the house of commons they presented the Canadian viewpoint with clarity, conciseness, and courtesy. In addition to the formal sessions the Canadian cochairmen and the Prime Minister were our hosts at luncheons and dinners that gave all of us an opportunity to enlarge our understanding of each other's country in an informal way.

We sat in the gallery of the house of commons where the usual proceedings were interrupted to allow the Prime Minister, Rt. Hon. John G. Diefenbaker, Hon. Lester B. Pearson, leader of the opposition, and Mr. Hazen Argue, to address the house on the importance which all political segments of Canada attach to these meetings. In the senate, where the delegation was accorded the privilege of the senate floor, various senators spoke in a similar vein. There was never any doubt about our welcome in Canada.

These meetings started in 1959 pursuant to authority voted by Congress. They arose out of a recognition that our good neighbor to the north had been accepted as a fact of history and geography but not much more. Our country was besieged with so many more pressing problems abroad that differences and problems between Canada and ourselves

were not always accorded the priority they deserved. Some of these differarose from plain misunderstanding, misences had a degree of validity; others information, or frustration. It was the more distressing that any problems should ever have arisen since I know of no two countries that have easier and freer association with each other. Every day thousands of citizens of the two countries move across the border. Nowhere else in the world is there a boundary of almost 3,000 miles that is undefended. Our common heritage and traditions have given us a common devotion to human freedom and from it a sense of obligation to preserve a forum from which freedom can grow.

The Canada-United States Interparliamentary Group was created to provide an additional link between the two countries. I must make clear that it has never been the intention in either country that the group would intrude upon the executive prerogative of conducting foreign relations. The efforts of the group have been directed to making easier the job of the diplomat by reducing areas of misunderstanding and by maintaining a high level of understanding between legislators on issues that call for legislative action in pursuit of common objectives.

While these meetings did have their origin in 1959 they were preceded during the war years by a visit of Senators and Representatives to Canada to discuss mutual wartime problems. The Canadians have given recognition to this earlier meeting as well as to the current series by arranging for the hanging of a commemorative plaque in room 16 of Parliament Building. This is a historic room in the history of the Canadian Parliament. It is planned that the plaque will hang over the fireplace in that room and will provide a suitable reminder to the generations ahead of the significance of these legislative meetings.

Mr. Speaker, it is possible to cite many areas of mutual interest and concern between the two countries. I shall content myself with mentioning at this time only one that looms large; namely, defense. Looking at the old-fashioned mercator projection map it would appear that Canada leads only to the North Pole. But the air age has taught us that Canada lies on the shortest route between the United States and the western Pacific. Jets and missiles intended for our country must cross Canada. In recognition of this fact Canada and the United States have embarked upon several cooperative programs. One is a series of alert lines that run from the Atlantic to the Pacific. The most northerly of these is the distant early warning line, commonly called the DEW line, that was built, and is maintained, by the United States. The mid-Canada line was built, and is operated, by Canada. The most southerly is the Pine Tree line, jointly operated, that runs along the border with installations in both countries. The two countries have established a combined continental defense system, called NORAD, with headquarters in Colorado Springs. Officers and men from both countries serve in this command.

For my part I am convinced that these and other defense arrangements must be maintained and strengthened. Yet I must report that there is discussion in Canada—in Parliament, in the press and in public forums—of a more neutral role for Canada. There are some Canadians who argue that Canada, with only one-tenth the population of the United States and less than one-tenth of this country's wealth, is carrying a disproportionate load of the defense effort. Others offer the view that Canada is treated as something less than an equal partner in defense planing. The advent of nuclear weapons has suggested to still others that Canada's best defense is one of neutralism.

I can understand the basis of some of these criticisms; with others I cannot agree. Whatever the merit of these criticisms, nothing would give greater heart to the Communist world than to have two old neighbors embroiled in a dispute on how best to defend themselves. There is too much at stake in both countries to allow an attitude of this kind to develop. A responsibility rests upon our leaders, civilian and military, to give greater consideration to Canadian sensibilities and problems in making our defense plans. The two delegations noted in the press statement issued at the conclusion of their deliberations that continuing efforts should be made both by government and by industry in the two countries to encourage a broader public understanding of the interdependent character of the common defense effort in its economic as well as military aspects.

In these brief remarks I have tried to convey something of the spirit and attitude that marked the meetings with our Canadian friends. I have returned from Canada convinced that there are no insurmountable problems between our countries. On both sides I found a willingness to expose, to explore, and to remove irritants before they develop into problems.

It is natural to think of these meetings in the context of relations between Canada and the United States. On reflection I find a larger value. Elsewhere in the world, neighboring states perpetuate or magnify differences between themselves because of inadequate means of communication between themselves except at the highest level. I would commend to them the creation of a level of exchange comparable to that of the Canada-United States Interparliamentary Group. We are not diplomats in the professional sense. But as representatives of our people we talked with frankness, with a sense of responsibility by virtue of our position, and with due appreciation of the views expressed by our Canadian colleagues who reflect the sentiments of their people.

In conclusion I will advise the House that a complete report of the meeting is in preparation and will, along with a financial statement, be made available to the House.

Mr. Speaker, I would like to, at this time, yield to the gentleman from Illinois [Mr. MURPHY].

Mr. MURPHY. Mr. Speaker, I would like to add my personal endorsement to the remarks made by the gentleman from New Jersey [Mr. GALLAGHER]. I find nothing in them with which I can take issue except that his modesty did not permit him an opportunity to dwell on his own contributions to the success of the meetings. I will presume to do that. As all of us can attest, we were tremendously proud when NEIL GALLAGHER spoke. His remarks were to the point and characterized by a plain sincerity that we so much admire in him.

This was my first opportunity to participate in the meetings of the Canada-United States Interparliamentary Group. It did not take me long to realize that these were not just another round of meetings but a serious endeavor to deal with matters of mutual interest in an atmosphere of informality. It is difficult to visualize any other two neighboring nations able to carry on discussions with the amiability and understanding that marked these sessions. As a lesson in what I may call direct diplomacy it was an enlightening experience.

It was my good fortune to serve on Committee III that dealt with matters of boundary waters, tourism, and foreign policy. Every one of these items is a matter of intense interest to the people in my district. I listened attentively to the expressions of concern by the Canadian delegation over the Chicago diversion plan and welcomed the chance to explain the views of my people. Certainly if that issue comes before the House, I feel that I will be better able to participate in the debate.

Tourism is one of Canada's important dollar earners. It is understandable therefore that President Kennedy's request to reduce the duty-free entry privileges of returning Americans from $500 to $100 is a matter of real importance in that country. The U.S. delegation explained this proposal in terms of this country's worldwide balance of payments difficulties, taking care to emphasize that it was not directed against Canada. I think our Canadian friends had a better picture of the problem faced although admittedly they would hope that other solutions would be found.

Perhaps the most heated, but I stress friendly, discussions centered around the issue of the admission of Communist China into the United Nations. Some segments of Canadian opinion are pressing this matter. I think the U.S. delegates made clear the reasons for our country's continued opposition to this proposal. This particular subject opened up the larger one of relations with the Communist bloc and what measures might be pursued to reduce tensions. I found the Canadians very strong in their support of the United Nations.

I have taken these few minutes to lay before the House my personal reaction to the meetings held recently in Canada. It also provides me an occasion to make a public acknowledgment to our Canadian hosts for the warmth of their reception and their unfailing and continuing hospitality at all times.

Mr. GALLAGHER. Mr. Speaker, I wish to thank the gentleman from Illinois [Mr. MURPHY] for his remarks and

for the great contribution he made to the success of this parliamentary group.

Mr. CUNNINGHAM. Mr. Speaker, will the gentleman yield?

Mr. GALLAGHER. I yield to the gentleman from Nebraska [Mr. CUNNINGHAM].

Mr. CUNNINGHAM. Mr. Speaker, first of all I should like to express my deep appreciation to the distinguished gentleman from New Jersey [Mr. GALLAGHER], who was the chairman of our delegation. I think he set the tone for the entire conference so far as we were concerned. Each and every one of us was mighty proud of the way he carried out his responsibilities as the chairman on the House side. Also I want to express my appreciation to the other members of the delegation from the House particularly and also from the other body who I know worked hard and long and took their assignment with a great deal of seriousness. Also I think we should pay tribute to the wonderful staff of our House Committee on Foreign Affairs, Mr. Westphal and Miss O'Brien and others who made the many fine arrangements and worked out so many of the details that were connected with our meeting.

So far as I am concerned, after spending several days in Ottawa, I do not think we have any really serious problem between our two countries. We do have some differences of opinion or differences in our views as we approach the problems of our two countries in national affairs. But I think it is mighty good that the Congress in its wisdom established this relationship between these two great countries because sometimes even though we do not have any major difficulties, as I have suggested, in the sense that we think of them, just by getting together and talking these things over we can forestall any major differences that may lead to unhappy consequences. I think if we could have gotten together with other nations before their problems and differences with us became serious we might not have as many problems in the world as we have today.

Mr. Speaker, I enjoyed my participation as a member of one of the committees. I learned a great deal about what the people of Canada are thinking. I hope I was able to convey to them some of our thinking. I certainly want to pay tribute to the Canadians. They were perhaps the friendliest people I have ever had the pleasure of meeting and working with.

Actually there is an imaginary line that divides us, but in all reality our country and theirs are just one great people. We have similar aims, philosophies, and goals.

I hope that when the officials from Canada come down to Washington next year to participate in the next session we can take care of all of their needs and be as friendly to them as I found them to be with us.

I hope that our colleagues will study this presentation today because it is mighty important that those of us who had the privilege of attending be able to communicate the results of the meeting and the impressions we gained, because we will have problems that will concern both this country and Canada. It does not do too much good for just a few of us to go up there and understand these problems. So I hope that all of our colleagues will take time to read our remarks in the RECORD, as many of them are here listening today, so that when these problems come up we can settle them with the thought in mind that we are two great neighbors, we have the same philosophies, interests, and goals, and that we can as a result of the action we take on proposed legislation remain true and fast friends.

I would conclude my presentation by just one reference to a matter that came up in our committee. I think this is something we could all consider very carefully. We are considering proposals relative to the farm problem. We have a problem of surpluses in this country, and Canada also has a problem of surpluses. As a matter of fact, most of our problems result from surpluses which, even though they are ugly and bad, at least are something that can be solved if we take into consideration each other's views.

The problem I mentioned is that, as I recall it, about 25 percent of all Canadian exports are in wheat. The Canadians are hard bargainers. They sell their wheat on the world market at the world price. This 25 percent of their total exports is very important to the Canadian economy. I think they are a little bit apprehensive that this great Nation of ours often subsidizes our sales of wheat to other countries and perhaps has, now is, or will be giving it away. So I was impressed with their views on this matter, because if we continue to subsidize the price of wheat exported to other countries or give the wheat away, you can see the vast effect it would have on the Canadian economy for the reason that, as I mentioned, they sell at the world price, and if we subsidize the price of wheat or give it away that of course undermines the world price.

May I say again that I was deeply impressed with the kindness and the consideration the Canadians gave us. Again, may I reiterate how proud we all were of the gentleman from New Jersey, our chairman, and the other Members who participated. I hope that I added something that might be helpful.

Mr. GALLAGHER. I thank the gentleman for his remarks. I thank him also for the conscientious job he performed, the knowledge he brought to our meeting, and the quality he gave us in bringing about a very successful conference.

Mrs. KELLY. Mr. Speaker, will the gentleman yield?

Mr. GALLAGHER. I yield to the gentlewoman from New York.

Mrs. KELLY. I take this opportunity to pay tribute to the chairman of the United States-Canadian Parliamentary Group, representing the House side of the group, in this his first year as chairman. I had the honor to serve as chairman during the past 2 years. There is much work involved. He handled himself so beautifully in the work he did that Speaker Michener of the House of Commons, Speaker Drouin of the Senate, and Prime Minister Diefenbaker wrote me personal letters stating how delighted they were to have as the new chairman on the House side the gentleman from New Jersey [Mr. GALLAGHER].

They put special emphasis on his address at the dinner given to us by the Prime Minister.

Mr. Speaker, I do want to bring out one point. The Canadians were very much upset over what appeared in the press of the United States relative to the new agreement between Canada and Cuba on trade negotiations. When that particular issue was before Committee II, dealing in the trade and economic matters, it was brought out very clearly that the new agreement between Cuba and Canada dealt with a small amount of trade in proportion to what our own U.S. businessmen were shipping to Cuba. We, in America, are under the impression generally that when there is an embargo placed on a country by our Government, such as is the case with reference to Cuba, that that immediately cuts off all trade with that nation. It does not.

Mr. Speaker, the President's order specifically exempted nonsubsidized foodstuffs, medicine, and medical supplies. These are broad designations under which it is possible to ship a wide array of commodities. My point is that the concern created in this country over Canada's trade with Castro's Cuba was unwarranted. This leads me to the observation that one of the solid accomplishments of these meetings, as the gentleman from New Jersey stated, is to clear up misunderstandings.

Others of my colleagues have advised this House of the value they attach to the meetings with our Canadian friends. I endorse those views. I think it well to inform this House that the Canadians too hold this association in high regard. May I quote from the remarks made on the floor of the House of Commons by the Right Honorable John G. Diefenbaker, Prime Minister of Canada, upon the occasion of our visit to the gallery of the house. Speaking to his colleagues on the floor, he stated in part:

> Our interdependence cannot be achieved without mutual awareness. There will be problems. There have been problems. We solve them through the instrumentality of discussion and agreement. The removal of misunderstandings is a continuing task with us. We do this in the broad and harmonious perspective of understanding. Unofficial though this organization is, it has already contributed much to understanding between our countries and the solution of problems which have risen, and I know that that function will continue in the years ahead.

These views were endorsed by the leader of the opposition, Hon. Lester B. Pearson, and by Mr. Hazen Argue.

I can only express the hope, Mr. Speaker, that other nations would follow the example that our two countries have developed of discussion and calm reasoning in the matters that divide them. Certainly the world can learn much from the spirit of the deliberations that we had with our Canadian friends.

Mr. GALLAGHER. I thank the gentlewoman from New York for her kind remarks. I believe the conference has been a success due to the great foundation which the gentlewoman provided through her work in the past. It has been my pleasure to serve on the subcommittee chairmaned by the gentlewoman from New York. She makes a great contribution through her understanding in the great field of foreign affairs. I believe if there is any success as a result of the Canadian-United States Interparliamentary Conference, it is because of the great work done by Mrs. KELLY in the past.

Mr. HARVEY of Michigan. Mr. Speaker, will the gentleman yield?

Mr. GALLAGHER. I yield to the gentleman from Michigan.

Mr. HARVEY of Michigan. Mr. Speaker, it was my privilege also to be one of those attending the fourth meeting of the United States-Canadian Interparliamentary Group. I was proud to be a Representative of our U.S. Congress on this occasion for many reasons. First, of course, the citizens of both our countries have every reason to be proud that United States-Canadian relations for almost 150 years have set an example for the rest of the world to follow. It is difficult to imagine that these harmonious relations have been equaled or surpassed by any other two countries in recent world history. Second, however, I was proud to participate in this Interparliamentary Group, for all of its members, both from the United States and Canada, took seriously their responsibility, and as a result, a better understanding, a greater feeling of mutual respect, and much good will between the elected representatives of both countries were created. I was proud also of the leadership of our delegation, of Senator GEORGE D. AIKEN, of Vermont, and of Congressman CORNELIUS E. GALLAGHER, of New Jersey, who so very ably represented all of us on many occasions.

The purpose of these meetings was not to establish policy, nor to reach conclusions, but rather to provide a forum for discussion. It was, in effect, a means of ironing out differences which are bound to occur between any groups of persons who lived side by side with each other. We know that the international situation increases daily the need for complete understanding between our people.

I had the opportunity to participate with the committee discussing trade and economic problems. The citizens of both of our countries should be grateful of one thing for certain, that so many of the economic problems between us come about because both of our countries have an economy of abundance with the creation of surpluses rather than an economy of scarcity. I feel certain that the representatives of both countries came away with a greater respect for the rights of their neighbor and a greater awareness of his problems.

The members of our committee also discussed trade and relations with Communist countries. I feel certain that our Canadian neighbors better understand the feeling of the Members of our Congress toward Red China. They appreciate, I am sure, that we will utterly resist the entry of Red China into the United Nations. On the other hand, the members of our delegation left with a real sense of appreciation for the declared policy of Canada to prohibit the bootlegging of United States goods to Cuba.

In another area of discussion, although not on a prepared agenda, I appreciated the opportunity to discuss with our neighbors the many factors which have contributed to the growth of the Canadian economy in the last decade. For some time, I have been interested in the bracket system of depreciation for plant equipment and machinery which has been used so effectively in Canada since 1949. The Canadians have wisely considered useful life rather than physical life in their depreciation policies, and this has been a tremendous factor in the growth of Canadian industry. It was gratifying to read only recently that President Kennedy recognizes that too much of our industrial equipment in the United States is too old, and that our economy would benefit from a faster writeoff of investments in plant machinery and equipment.

Mr. Speaker, when I arrived in Ottawa for these conferences, I was well aware of the common historical background of our two countries. I was aware, for example, that the first Canadian post office was opened in 1763 by none other than our own Ben Franklin. After the conferences were over, I came away from Ottawa even more impressed with the mutual understanding, respect, and good will that so characterizes the fine relations between our two countries. All of us on the delegation are grateful to our neighbors in Canada for their hospitality and friendship, which made our stay so pleasant and our discussions so productive.

Mr. GALLAGHER. I thank the gentleman from Michigan for his kind remarks. Actually the success of our mission was due to the wonderful spirit of the entire delegation, the gentleman from Michigan, the gentlewoman from New York, and the others who so well represented the intelligence and the wisdom of the Congress and who did so much to assure 100-percent attendance at the subcommittee meetings and who so well expressed the purposes of the delegation to our Canadian counterparts.

Mr. MONAGAN. Mr. Speaker, will the gentleman yield?

Mr. GALLAGHER. I yield.

Mr. MONAGAN. Mr. Speaker, when we think of the foreign relations of this country we seldom think of our great neighbor to the north as being foreign, yet the fact remains that technically Canada is a foreign country. It is a great tribute to the mutual confidence which has existed between these two great countries over the years that we in this country do not think of Canada as foreign but think of this great nation as practically a 51st State of the United States. Unfortunately this attitude to some degree leads us to forget that there are very real, very basic, and very important questions of concern to both countries, questions on which there can be and have been differences of opinion, questions which require consultation and conferences; which require conversations and discussions.

Mr. Speaker, that is the reason why this conference which is the subject of this special order today is of such particular importance at this particular time when the Canadian people with some justice feel that our preoccupation with questions in other parts of the world has led us to disregard the importance of questions that exist between our two countries. So that I would like to congratulate the gentleman from New Jersey and Members of the other body and of this body who served on this conference for taking part in a very vital and important, and I think productive work and also to congratulate the gentleman from New Jersey himself for his leadership in these vital discussions. I am sure they bode well for the future of our relations between our two countries.

Mr. GALLAGHER. I thank the gentleman, who is a member of the Committee on Foreign Affairs of the House, the gentleman from Connecticut, for his very kind remarks.

Mr. STRATTON. Mr. Speaker, will the gentleman yield?

Mr. GALLAGHER. I yield to the gentleman from New York.

Mr. STRATTON. Mr. Speaker, one of the difficulties of being the final speaker in a series is that usually all of the wise and penetrating remarks have already been made. I find myself in that position today. But I would like nevertheless to join with my colleagues in paying tribute to the gentleman from New Jersey, not only for having taken this time today so that we who were privileged to be a part of the delegation on the part of the House to the Canadian-American Interparliamentary Conference might have an opportunity to report to the membership of the House on what transpired there, but also for the leadership which he exercised as chairman of our delegation in making this Conference a success and in contributing very greatly to the achievements which I am sure have flowed and will continue to flow from the informal and very productive sessions which were held in Ottawa and in Quebec as a part of this Conference.

Mr. Speaker, as one member of the delegation, I would like to express, as other members have done before me, my personal appreciation to the Canadians for the most gracious hospitality which they extended to us on this visit. As the gentleman from Nebraska [Mr. CUNNINGHAM] said a moment ago, I do not know of anyone who could be more polite and more hospitable than were the Members of the Canadian House of Commons and the Canadian Senate in receiving us and keeping us busy and in extending to us all of the courtesies that were possible. In fact, Mr. Speaker, they even gave us an opportunity to sample some of the rugged winter atmosphere which has contributed so much, I understand, to the building of the great, rugged

Canadian physique and the strong Canadian spirit, by snowing us in at Quebec with the most serious snowstorm experienced up there in some 18 years. Still, I can't think of a better place to be snowbound than in the historic Hotel Chateau-Frontenac in Quebec where we concluded our deliberations.

Mr. Speaker, while we in this country have always enjoyed the extremely close relationships which have already been referred to with the Canadian people and the Canadian Government, and while we take pride in the unarmed frontier which separates our two countries, in recent years there has been a tendency on our part, I believe, to take these relationships a little too much for granted, particularly in the years since World War II, when we were joined together in fighting against nazism and against totalitarian aggression from the East. In the years since World War II, as we have focused our attention on the threat of communism in Europe, there has been a tendency to take too much for granted the solidity of our traditional relationships both with Canada and with our sister republics to the south. But I think in recent months we have finally begun to realize we cannot take these relationships too much for granted, that there can be festering sores which could have grave consequences. And so it is extremely beneficial that we in America and in Canada should have these opportunities to meet together and discuss the points of difference between us, as we did in this conference; and indeed there are, as has already been pointed out, some differences between us.

But, after all, we found a warm understanding with the Canadian people which makes it possible for us to sit down and talk—I was going to say we talk the same language, but we discovered that our Canadian friends do have a habit in their parliamentary body of relapsing into the second official language of Canada, which is French, of course, and which some of us found a little bit more difficult to follow than English. In fact, they have a number of rather interesting customs in the Canadian House of Commons, Mr. Speaker, and perhaps some might wish to suggest that they be considered for this body. For example, instead of applauding to express their appreciation, they pound on the desk. Of course, we do not have as many desks available for that kind of thing here in this House, which is perhaps desirable, but we were pleased, indeed, and somewhat startled at first at the thumping that took place when our group was introduced to the House of Commons, and also to the Canadian Senate.

Mr. Speaker, as one who had the privilege of serving on the committee dealing with defense problems, I would like simply to say this, that there is no question about the fact that our defense of the North American Continent, our defense of our own country, and ultimately, because we are such an important part of the defense of the free world, the defense of the free world as a whole, does depend on the solidity of the relationship that now exists between Canada and the United States. Looking at a Mercator projection, it appears as if the Communist aggressors are to the east or west of us. But when you look at the globe you realize that the line of attack is to the north, over the pole, and so unless we can have a solid defense arrangement between ourselves and our friends to the north, we will never be able to provide ourselves with protection, the necessary early warning, and some of the other defensive elements vital to the United States. So, for that reason, among others, we must certainly keep the close structure which has existed in the past.

As has already been said, there are differences of opinion. The Canadians feel, for example, and rightly so, that they should have a defense production base in their own country and that this has got to be kept alive, and perhaps there is some responsibility on our part to help them maintain their industrial base. Because of the unemployment situation here in America, this could have repercussions in our own country, but it does seem to me we must recognize the validity of the Canadian feeling in this regard and recognize the overall defense interest that is at issue here.

Reference has already been made to the question of Red China and our attitude toward Red China, and I think, as I have already said on this floor, that that probably is the major issue that could separate our two countries in the future. But, again, I think the opportunity to meet with our friends to the north and the opportunity to express to them as we did in this session our very strong feeling in this body and in the other body against any admission of Red China to the United Nations or any recognition of Red China, is something that is bound ultimately to have an impact on the Canadian point of view as well.

I would like to pay particular tribute to the Senator from Hawaii [Mr. FONG], and the Senator from Connecticut [Mr. DODD], who in a sense took the leadership in trying to present to the Canadians the point of view of the Members of this and the other body on the issue of Red China. I think it was particularly gratifying that an American Senator of Chinese ancestry should have been the one who spoke out most eloquently against the suggestion that we could not even begin to discuss the question of disarmament without recognizing the Red Chinese and including them in our discussion.

I know that Senator FONG's remarks had a profound impact on our Canadian friends who were privileged to hear them.

There is one thing we need to do, as far as these possible areas of difference are concerned, Mr. Speaker. It is to make sure that in the future we in this country sell our ideas to our allies and make sure they understand our point of view. I cannot think of any type of session which would contribute more to that kind of mutual understanding and give us a better opportunity to sell our point of view to our friends to the north, as we in turn can get the opportunity to understand their point of view, than the sessions which we were privileged to attend.

So, Mr. Speaker, I want to express my appreciation for having had the opportunity to take part in these sessions, and again to commend the gentleman from New Jersey [Mr. GALLAGHER] on his distinguished leadership and the eloquent way in which he spoke on our behalf in Canada on the various occasions when he was called upon to speak; and to express again my deep appreciation to our Canadian friends for their courtesy and their hospitality.

Mr. GALLAGHER. Mr. Speaker, I thank the distinguished gentleman from New York [Mr. STRATTON] not only for his remarks but for the great contribution he made in the Subcommittee on Defense, bringing the great knowledge that he has and the experience that he has acquired as a member of the House Armed Services Committee to our Conference.

I would also like to thank our staff, on behalf of all my colleagues; I would like to thank Mr. Westphal, Miss O'Brien, Colonel Lynch, and all those who did all of the work in the background, made sure of the subcommittee meeting on time, and making arrangements for the Conference itself to be successful.

Mr. Speaker, I think one of the things all of us are reminded of as we travel in various countries, perhaps specifically to Canada where they understand us so much better than anyone else, is the fact that regardless of what rank we may have or what our position may be, everyone is an ambassador of the United States. People in some way know that we are Americans, whether it be by our dress, our manner, or our speech. And, Mr. Speaker, you would be surprised how our country is judged on the individual performance of the traveling Americans. I think it is a lesson we can learn from our meetings up there, so that everyone who travels should be conscious of the fact that he is an American and should be conscious of the fact that he is being judged by those people, of other nations, some of whom maybe are in a less fortunate position than we are. It does not take a great deal of knowledge to recognize the fact that our adversary plays up every display of bad conduct that any American may show when he is out of the country. All of us should recognize, as our President has said, that it is not what we can take from our country but what we can put in, that will enable us to survive. All of us in our travels abroad, being Americans, can bring not only character to our job, but make sure we are conscientious in our effort to bring friendship and good will. We want to make it plain that our country wants nothing more for other peoples than that they possess freedom of opportunity and the privileges that we, ourselves, have.

So if we can learn one lesson from our trip it is that Canadians as well as others judge our country by the performance of our country's individuals.

Mr. Speaker, I would like to thank all of the Members who participated in this Conference. I thank the Speaker for the appointment which he made. I thank everyone who made it possible

for us to meet with our Canadian counterparts, to eliminate what misunderstandings might arise, to learn what problems we have and to seek solutions to these problems.

I think on this basis of measurement, all of our Members who participated in the Conference brought to it a conscientiousness which made for a great advancement and for better communication and understanding between our two nations.

As has already been said, our Canadian counterparts could not have been more gracious or more understanding of our problems. I look forward to meeting with them again. Again I thank my colleagues for the great contributions they made to the Conference, and for their kind remarks.

Mr. Speaker, I ask unanimous consent that all Members who desire to do so may have 5 legislative days in which to extend their remarks in the RECORD on the subject matter we have just been discussing.

The SPEAKER pro tempore (Mr. ALBERT). Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. TUPPER. Mr. Speaker, as a new Member of the House, it was an unexpected and great privilege to be named to the Canada-United States Interparliamentary Group that met in Ottawa and Quebec City, February 22 through 26.

I have long been aware of the mutual advantages that have accrued over the years to both countries as a result of the friendly regard citizens of the United States and Canada have for each other.

When I was 21 years of age, as a U.S. border patrol inspector, I was assigned to duty in Derby Line, Vt.; and my wife and I resided in Rock Island, Province of Quebec, just across the international border. The border patrol worked closely with the Royal Canadian Mounted Police on many occasions in a spirit of cooperation which would be difficult for two enforcement agencies to duplicate.

The Second Congressional District, which I represent, borders on the Province of Quebec, and quite possibly there are more people of Canadian extraction in my district than any other district in the country.

Maine's tourist business depends to a very large extent upon Canadian vacationists. The Maine Department of Economic Development in cooperation with the Maine Publicity Bureau staff a full-time office in Montreal for the purpose of attracting more tourists.

Many Maine people visit the Canadian provinces of New Brunswick, Nova Scotia, and Quebec each summer and this number is increasing.

It can readily be seen why I am particularly interested in our relationship with Canada.

The cochairmen of the U.S. delegation, Senator GEORGE AIKEN, of Vermont, and Representative CORNELIUS GALLAGHER, of New Jersey, did an outstanding job at this Conference.

Senator AIKEN has attended several similar conferences since 1959 and is held in very high esteem by Canadian Members of Parliament. Congressman GALLAGHER was a credit to the House of Representatives; during the several times he was called upon for remarks, he responded with dignity, wisdom, and a sense of humor that everyone appreciated.

Our meetings for the most part were held in the Canadian Parliament Buildings in Ottawa. The U.S. delegation was greeted in the House of Commons by Prime Minister John Diefenbaker and liberal leader, Lester Pearson. The Prime Minister said that the group was contributing much to understanding between the two countries and to solution of common problems. Pearson, speaking for his party, said that the group was playing an increasingly useful part in "keeping neighborhood fences in good repair." Each member of the U.S. delegation was introduced on the floor of the Canadian Senate.

We were divided into three subcommittees; I was assigned to the group discussing boundary matters, cultural relations, and foreign policy. Among the subjects discussed were the Richelieu-Champlain Waterway, tourist trade between the two countries, Canadian and United States participation in the United Nations, foreign policy problems facing both countries, and United States-Canada relations with other countries in the Western Hemisphere.

There is clearly and understandably a greater spirit of nationalism in Canada than ever before. Canada has tremendous natural resources, much of which has not been tapped. Canadians want to see more industrialization in their country by their own companies.

Canada presently purchases more from the United States than all of Europe combined purchases from our country, or all of South America put together. Canada is our best customer for consumer goods. Although there are approximately the same number of tourists entering the United States from Canada as entering Canada from the United States (about 30 million per year), Canadians spend about $100 million more each year in the United States than Americans spend in Canada. Our State of Maine certainly knows the great value of Canadian tourists to our economy.

There is some disagreement in Parliament as to the role the North American Air Defense Command—NORAD—should perform.

The Progressive Conservative Party believes in the status quo in NORAD. The opposition Liberal Party recently recommended that Canada's role in continental defense be limited to detection, identification, and warning. The minority Commonwealth Federation Party at their last convention called for Canadian withdrawal from both NORAD and NATO. Most Canadians that I talked with feel much the same as most Americans in respect for the need to maintain military superiority while negotiating for international disarmament.

Curiously, there is a great deal of sentiment in all three Canadian parties for admission of the Chinese People's Republic to the United Nations. It was expressed many times that we were not facing the unpleasant facts of life in resisting seating of Red China, and discussions on disarmament are futile without 650 million Chinese being represented. Some of us in the United States delegation pointed out that Red China has not renounced the use of force to accomplish her objectives and, as a matter of fact, looks upon disarmament as a mirage. Also, that Red China would not sit in the United Nations with the Nationalist Chinese on Formosa, in any event.

Canadians generally feel that the United States will be faced with vetoing admission of Red China, and they believe this will embarrass the United States and hurt the cause of the free world more than allowing her to be seated.

The Canadians denied that trade with Cuba was being encouraged from their end—they are not seeking advantage from the break in United States-Cuba relations. They insist that no materials of a military or strategic nature were being licensed for sale to Cuba and say increased volume of trade with Cuba is unlikely.

There are interesting differences between the United States Congress and the Canadian Parliament. In Canada, all Senators are appointed for life—the party in power, through the Prime Minister, fills all vacancies. By removing Senators from political considerations, it is thought that they can take a long second look at legislation without political pressures. All Ministers, corresponding to our Cabinet, must hold a seat in the House of Commons. All Members of the House of Commons are elected. Each day the Prime Minister and all Ministers must at a given time submit to questions from Members of the House of Commons. This is a real departure from anything we find in Washington. I daresay far fewer politicians of either of our political parties would aspire to Cabinet posts if they had to appear daily before the Congress and explain their policy decisions, et cetera. It would no doubt increase attendance in Congress as well. I must confess it would be helpful on occasion to throw a question or two to Cabinet members in a place where equivocation would be difficult.

I talked with a great many Canadians outside of government in Ottawa and Quebec City without identifying myself as a U.S. legislator, and I found no resentment against our Government, or people, in these cities.

The welcome we received officially could not have been warmer. There are obviously many areas where the two countries have differences of opinion. We cannot expect to always agree upon solutions to common problems.

No one can question that there is a more pronounced pro-Canada feeling, but it could only be injurious to confuse this for an anti-United States feeling.

THE TRAGEDY OF HUNGARY

Mr. PRICE. Mr. Speaker, I ask unanimous consent to revise and extend my

remarks in the body of the RECORD, following the special orders for today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. PRICE. Mr. Speaker, March 15 is a day of celebration and of memory for the people of Hungary and for those of Hungarian ancestry who remember the land of their fathers. On this day more than 150 years ago the Hungarian people rose in the revolution of 1848 against the tyranny of their rulers of the time, the Hapsburg dynasty. The Hapsburgs are gone and have been replaced by a new tyranny. The spirit of freedom still burns in the minds and hearts of the people.

In our own time we have seen the evidences of this spirit. The Hungarians rose again in 1956, seeking once again the privilege of creating their own government. They cast out the intruders from the east. In the end, their rebellion was crushed by a massive invasion of a foreign army, and a new regime was imposed from outside.

The whole world watched with horror and fascination as the Hungarians fought their battle, and the rising was finally broken by tanks. The world saw the leaders of the rising destroyed or driven into exile.

The General Assembly of the United Nations has recognized the realities by resolutions calling for removal of Soviet troops from Hungary and the restoration to the people of basic political freedoms. These resolutions have not been implemented. The designated representatives of the United Nations have not been allowed entrance.

Such an anniversary as this should not be allowed to go unmarked in this House, nor should we neglect the record of the immediate past.

For practical purposes there may be little the U.N. can do to aid and assist the Hungarian people. But in this House we have a right to speak up for freedom. At a time when former colonial empires are breaking up, when western nations are swiftly acknowledging the practical right of all peoples to self-determination and self-government, we have a right to note that Hungary remains a captive of a regime imposed by force of arms by the Soviet Union.

The diplomats of the Soviet Union declare themselves the friends of freedom in Asia and Africa. The record shows they are not friends of freedom in Hungary.

Freedom is not divisible into compartments labeled according to the names of continents. Freedom and self-determination are not values to be granted in one area and denied in another by self-proclaimed champions.

The tragedy of Hungary is a reproach to the masters of that land, and it cannot be believed that the situation will remain forever hopeless. We can do our small part today by paying tribute to the people, by celebrating with the Hungarians the great moments in their history, even including the day in which in another century they struck out for themselves for freedom.

HUNGARIAN FREEDOM DAY

Mr. LANGEN. Mr. Speaker, I ask unanimous consent that the gentleman from New Jersey [Mr. WALLHAUSER] may extend his remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. WALLHAUSER. Mr. Speaker, it is most fitting at this time each year we join in the observance of Hungarian Freedom Day. It proves conclusively to the world that we are solidly in the corner of the freedom-loving people of Hungary.

Yesterday was the 113th anniversary of Hungarian Freedom Day. It should have been a day of great rejoicing, but unfortunately it was not because of the cruel tyrants of Soviet Russia who have placed Hungary and its people under their yoke. They have taken from the Hungarians all of the rights that are inherently theirs.

Yes, the Communist rulers have made it a solemn day and one of sad contemplation rather than one of rejoicing. And, in our observance of Hungarian Freedom Day, it is well to relate some of the history of Hungary so none will ever forget the ruthlessness of the Soviet and its ultimate aim—the placing of the entire world behind the Iron Curtain and making all people of the world its captives and servants.

It was on March 15, 1848, under the leadership of the famed Louis Kossuth, that the patriots of Hungary boldly bid for freedom after being tied to Austria for centuries. It brought freedom and national autonomy to Hungary. Then, in 1945, Hungary found its freedom crushed through occupation by the crawling octupus called Soviet Russia.

Yet, the occupation of its nation by the Communists has not crushed the desires of the Hungarian people for freedom and an independent nation. It burns steadily in their hearts and in their minds. There are many evidences of it.

In the tragic fall of 1956, the Hungarians rebelled against Soviet rule. They demanded freedom and independence and they fought courageously for it. Sadly, the freedom day victory of 1848 was not repeated. Soviet tanks and artillery proved too much for these inspired and dedicated people.

The shocking end of the Hungarian bid for freedom in 1956 cannot and must not be forgotten. Although physically and ruthlessly crushed by Russia's hideous disregard for human rights and the fundamental aspirations and rights of mankind, the patriots of Hungary gave enduring proof that their desire for freedom remains unquenchable.

As we commemorate an earlier era of Hungarian freedom, we honor all Hungarians for their gallant and tenacious longing for liberty and pray together that the day soon will come when the light of freedom and independence again will be burning brightly in their beloved land.

ITALY'S CENTENNIAL—LANDMARK OF FREEDOM

Mr. GALLAGHER. Mr. Speaker, I ask unanimous consent that the gentleman from New Jersey [Mr. ADDONIZIO] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. ADDONIZIO. Mr. Speaker, the impressive ceremonies at the State Department auditorium this morning were a fitting observance of the 100th anniversary of Italian unification. The celebration, honored by the presence of the President and Vice President and other dignitaries of our Government symbolized the strong ties that link the United States and Italy. Between the ancient land and the new world exist bonds of affection and understanding that have strengthened the cause of freedom in this critical era.

The history of the Italian people goes far into antiquity. The accomplishments of Rome and its empire are known to every civilized person. The Roman Empire declined and fell although its image survived as a symbol of European unity. Although Rome declined politically her heritage prevailed in Europe all through the Middle Ages. The Italian peninsula was subdivided into small city-states seeking alliances among the strong nations of Europe in order to remain independent.

The fact that the city-states of Italy in the middle ages were small did not stop them from becoming the terminus whence commerce developed and spread all over Europe. Italian commercial cities such as Venice, Florence, Naples, and Genoa were the areas from which the new era of Western civilization began in the 15th century. This new era is known to history as the Renaissance—which means the rebirth—of intellectual and artistic thought in Europe.

The Renaissance of Europe was the beginning of an awakening out of which the age of reason and scientific investigation, or study of the nature of things, came about, with the result that what we today call progress and Western civilization developed. Italian cities, during this period, became the seats of learning for the whole of Europe. The creations of men like Michelangelo and Da Vinci are eternal inspirations to persons with a sense of beauty and harmony.

Although the city-states of Italy contributed so much in bringing about the revival of scientific thought and study, the area remained a geographic expression of many small units fighting petty political battles for the purpose of retaining power and control.

Nevertheless, the spirit and zeal for unity among the Italian people, who had a sense of common nationality, had never ceased to exist. From the middle ages, beginning with Dante, down to the 19th century when the drive for Italian unity finally culminated, there are found men who had tried to bring about this end. Unfortunately for the Italian people, the forces of reaction motivated by selfish

interest of petty monarchs had blocked Italian unification.

The events that popularized the ideas of the rights of man fell upon fertile soil in the Italian peninsula. Patriotic organizations during this period sprang up all over Italy.

The unification of Italy was the accomplishment of its people who after centuries of effort finally realized their dream of seeing their homeland emerge as a national state. Although the unification of Italy was the accomplishment of millions of its people, three men stand out in the minds of all Italians and in the minds of the people all over the world where freedom and democracy are cherished. The men were Cavour, the statesman; Mazzini, the intellectual; and Garibaldi, the fighter.

The struggle for Italian unification amounted to a war of independence. Foreign overlords as well as foreign nations had to be fought against and expelled from the Italian soil.

The first phase of the struggle ended in 1861 when the greatest portion of the Italian peninsula was liberated and united under the royal House of Savoy.

The period of the struggle for Italian unification is filled with patriotic deeds. Battles fought by the Italian regulars such as the battle of Palestro of May 30, 1859, and the exploits of Garibaldi and his volunteers have become legends in the history of Italy's struggle for unification.

Although parts of Italian territory were destined to remain outside of the politically organized state, the new Italian nation was an accomplished fact in 1861, and it took its place among the great nations of Europe.

A 1,500-year-old dream had become a reality.

When one speaks of Italian unification his thoughts are immediately captivated by the role played by one man. The man is Cavour, who as prime minister of Piedmont devoted his whole talents and energies to the cause.

A prominent historian sums up Cavour's work as follows:

On June 6, 1861, he died, worn out in the service of Italy. Italy as a nation is the legacy, the life-work of Cavour. * * * Others have been devoted to the cause of national liberation; he knew how to bring it into the sphere of possibilities; he made it pure of any factious spirit; he led it away from barren Utopias; kept it clear of reckless conspiracies; steered straight between revolution and reaction; and gave it an organized force, a flag, a government, and foreign allies.

This quotation gives a picture of Cavour's abilities and skills as statesman but it does not tell the political beliefs by which he was motivated in his lifelong project. In a letter to the Countess of Circourt, in 1860, Cavour gives his views and his philosophy of government:

I still hope, that we will be able to found our nation on the solid principles of order and liberty. For my part, I have no confidence in dictatorships, I believe that one can do things with a parliament which are impossible with absolute power. Experience of 13 years has convinced me that a ministry which is honest and energetic has everything to gain from parliamentary battles. I have never felt myself weak, except when parliament is closed. Moreover, I am not able to betray my background or to deny the principles of my whole life. If a veil has to be drawn over the statue (of Liberty) it is not for me to do so.

Such are the Italian heritage and traditions in regard to patriotism and political institutions.

These statements of Cavour as to democracy and liberty are prevalent today among the Italian people who are working on the side of the democracies for a better Europe and a progressive world.

SMOKING

Mr. GALLAGHER. Mr. Speaker, I ask unanimous consent that the gentleman from Utah [Mr. KING] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. KING of Utah. Mr. Speaker, because of the grave concern which I have for the health of the American people, and for the adverse impact upon that health of many habits and practices which have now become a way of our national life, I am constrained to raise my voice again, as I have in the past, against the tobacco evil. The commitment which I have made to my constituency is to do everything reasonably possible to call to the attention of the American people the fact that the tobacco habit is robbing us of our health and virility, and is seriously undermining our power to maintain our supremacy among the great nations of the world. Pursuant to this commitment, I should like to call attention to all who read these remarks, some passages from a recent speech made by Dr. Michael Shimkin before the Fourth National Cancer Conference, Minneapolis, Minn. Dr. Shimkin gave these same remarks to a joint meeting for general surgeons and urologists at the American College of Surgeons in Philadelphia on March 8, 1961.

Dr. Shimkin is an associate director of the National Cancer Institute of Health under the Department of Health, Education, and Welfare. He was editor of the Journal of National Cancer Institute for many years. He is one of the foremost authorities in the United States on the subject of cancer. The excerpts from his speech follow:

Our opponent is tough and elusive. Our victories are uncomfortably small and our progress is painfully slow. But there have been indubitable victories, and there is continued progress. Our steps forward empower us to maintain our optimism.

One manifestation of our progress is that our concepts regarding cancer have not remained static. A whole series of changed and changing ideas and approaches has occurred during the past few years, many since the last National Cancer Conference in Detroit in 1956.

This, of course, is not surprising. All of medicine shares in the technological revolution of our times. Discoveries and opportunities are upon us at a rate that exceeds available resources of men, space and time to exploit them. Cancer research certainly is not an exception.

During the 3 days of our conference you will be listening to papers and to discussions that will bring into focus the new additions to our knowledge that underlie our changing, evolving concepts about cancer. Scientific progress, however, depends not only on the acquisition of new knowledge but also on the correction of errors, no matter how authoritative and traditional these errors may be. And progress against cancer requires not only research, but the application of the research findings.

If there exist areas in which our concepts are not changing as rapidly as the facts warrant, and where the application of research findings is lagging, these also deserve our serious attention.

For this conference, every panel has been asked to orient the discussion along the line of four questions: (1) Are our beliefs regarding the subject based on firm facts, or are they only cherished opinions; (2) what are the facts, especially in long-term end results; (3) what new data require modification of our presently accepted concepts; and (4) if we do not possess data that allow us to formulate an answer, what research should be initiated to generate such data?

To these questions I would like to add two more: (5) Are we doing all we can to advance research findings from the laboratory to the clinic, and from the clinic to the whole community; and (6) if not, why not?

SOCIAL ASPECTS OF CANCER

Laboratory research on cancer is sterile unless eventually some of its results can be applied to man. Clinical research also has not been fully developed until its fruits are applied to the whole population. These applications in turn generate problems that need be brought back to the laboratories and clinics. Furthermore, problems of public health, sociology, and economics are as relevant to some aspects of cancer as the chromosomal structure of neoplastic cells, and equally demanding of the use of the scientific method.

Cancer research has made a number of advances for which the dramatic word "breakthrough" is entirely appropriate. But a breakthrough is only potential unless it is exploited. I would like to discuss with you two such areas, in which significant results in the control of cancer could be achieved if our knowledge were more fully utilized.

The second unexploited breakthrough in cancer research is the established fact that tobacco smoking causes a significant proportion of malignant neoplasms of the lung, larynx and oral cavity.

Figure 5 presents data of the classical Hammond and Horn study on the relationship of smoking to mortality among 180,000 men. It is taken from a recent paper by Joseph Berkson that forms a part of a valuable Mayo Clinic symposium on the effects of tobacco smoking in man. His interpretations of the findings, however, are somewhat at a variance with mine. The many statistical investigations, all coming to the conclusion of the association of smoking and lung cancer, the extensive laboratory experiments that establish the presence in tobacco smoke of at least 10 chemicals with carcinogenic activity in animals, the careful pathologic observations of human material and the pathophysiologic studies on the effect of

tobacco smoke on the bronchial epithelium have been so thoroughly reviewed and analyzed by so many national and international committees that it would take another half hour just to recite their unanimous conclusions that smoking causes lung cancer.

It all adds up to this: if tobacco smoking, at least in the form of cigarettes, were terminated, the annual mortality from lung cancer could be reduced by more than 60 percent, a saving of at least 20,000 lives in the United States alone.

Tobacco is considered neither a food nor a drug, and appears to be immune from all regulations except taxation. Therefore, apparently more can be done to protect the population from rat goiterogens in berries and from hepatomas in fish, where the dangers for man are at most theoretical, than from a product with demonstrably deleterious effects for man. Accepting the theory that it is a constitutional right to choose one's poison, does this right extend to children?

The problem is immense, with social and economic ramifications that require the judicious consideration of many elements of our society in addition to the medical profession. But first it requires that it be recognized by physicians and scientists concerned with health to be a serious public health problem and not a stale joke. Our convictions are known by the actions they manifest: not smoking in public and before youngsters may be as important as not driving Cadillacs, and prohibiting smoking in hospitals and clinics, including doctor's lounges, may be powerful medicine.

Tobacco smoking, a one-man self-induced smog cloud, is of course but one component of the many carcinogens in our environment. J. R. Heller will lead a discussion on this topic tomorrow evening. I trust that the speakers will devote consideration to the complex social ramifications that many of the situations generate and that form an integral part of the problems.

The social and economic problems of the cancer patients, however, remain much the same. Two-thirds of all patients diagnosed as having cancer die of or with their disease, after long, expensive treatments that debilitate the purses and the hearts of their families. The lingering death of a cancer patient at home leaves unhealing psychological wounds. The topic of terminal care is important but unglamorous, and requires more attention than it receives.

One approach that would help to alleviate the inevitable problem is the greater use of such patients in research. Perhaps this would also hasten the fulfillment of the promise made by that time-tested prophet, H. G. Wells in 1927: "The disease of cancer will be banished from life by calm, unhurrying, persistent men and women, working with every shiver of feeling controlled and suppressed, in hospitals and laboratories, and the motive that will conquer cancer will not be pity nor horror; it will be curiosity to know how and why."

Our present concepts concerning cancer must remain fluid, susceptible to responsive modification on the basis of new information. Cancer research has no place for fixed concepts, for vested interests, for orthodoxy. But we can stand firm on this: Cancer is a solvable problem, within the capabilities of human intelligence using a human thought and action process we call scientific research.

LATIN AMERICAN POLICY

Mr. GALLAGHER. Mr. Speaker, I ask unanimous consent that the gentleman from Virginia [Mr. HARDY] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. HARDY. Mr. Speaker, I applaud President Kennedy's new policy toward our Latin American friends. In his statement of Monday night, he has brought into critical focus the thoughts which many of us have had who have been intimately concerned with this problem. He has outlined a framework within which freedom and dignity can become more meaningful, while the people of the Western Hemisphere achieve maximum economic and social development.

The President's statement is novel in its boldness only to those who have forgotten the American heritage, for the principles he enunciated are the same as those for which our forefathers in both continents fought and died. They echo the high principles of Washington and Bolivar. Inertia, or rejection of these principles as standards for the development of the Americas, can only lead to engulfment of these areas by the Communist doctrine of freedom through slavery.

I am fully aware of the gigantic effort which will be required to translate the architect's drawing into achieved aspirations. The United States cannot, and should not, do it alone. We have not created the problems that exist in Latin America and, although it is both fitting and in our own interest that we should assist in their solution, the major impetus must come from the countries and peoples themselves.

I am particularly pleased to note the emphasis which the President has placed on careful planning in all sectors of the program as a condition precedent to the commitment of U.S. resources. Often in the past the lack of such planning, accompanied by premature commitment and expenditure, has promoted waste and defeated objectives.

I sincerely believe that in the President's plan, properly executed, lies hope for the preservation of our heritage and for the expansion and enrichment of freedom and human dignity throughout the Western Hemisphere.

CAPTIVE NATIONS

The SPEAKER pro tempore. Under previous order of the House, the gentleman from New York [Mr. HALPERN] is recognized for 15 minutes.

Mr. HALPERN. Mr. Speaker, on March 8th of this year I was privileged to join my esteemed colleague from Pennsylvania, DANIEL FLOOD, in the cosponsorship of legislation to create a special committee to deal with the captive nations now in the grip of Red tyranny. Because I feel that the need for this measure is immediate and great I would like to emphasize the arguments in favor of this proposal.

Under the terms of the legislation Congress would set up a committee authorized to deal exclusively with the problems of captive nations now under the yoke of Communist suppression, with a view to ultimately restoring them to freedom and sovereignty.

Surely there is no question but that we are helping ourselves when we look to the interests of these captive nations. They are a potent factor in deterring the Kremlin from the outright aggression that could provoke a nuclear war. Khrushchev realizes he rules over a very unstable and sensitive empire. He knows only too well that the cohesiveness of the Soviet Union is purely a political fiction, a forced alliance of many peoples with past histories of independence, glorious cultures and their own rich folk ways.

Khrushchev knows better than anyone else the repressive measures Russia is required to use to keep the people of the captive nations prisoners. In not one of these countries did the Communists gain control of the government with the consent of the majority nor was the path to power marked by anything but human misery, privation, and death.

The very existence of the captive nations gives the lie to the pretensions of the Communists about the benefits of their brutal system. Stripped of their treasure and forced to bow to military and economic tyranny, the captive nations present a tragic exhibit of what the rest of the world can expect from Communist domination. Their story is a grim warning to the free nations, but it is also a challenge. We cannot let others become captives of the Communists and we must offer every hope to the already enslaved to encourage their adherence to freedom, that they will eventually regain their independence. Just as we undertake to plan strategy to counter Communist efforts here at home and to prevent its expansion abroad, so we must likewise consider how we can best assist the captive nations in their deep seated desire to reachieve their freedom.

I strongly feel that in their hearts the peoples of captive nations are on the side of the free world. Imagine what havoc such a force could inflict on Communist military installations, transportation, and food supplies in an emergency. As strong independent allies the captive nations could be both a deterrent to war and a decisive military sword at the underbelly of the Soviet Union.

The creation of a Captive Nations Committee can serve as a staging area for congressional action. Its main function would be to inform the American people on the state of affairs within the Communist world and to assist the National Government in the general formulation of policy. The investigation and study thus made can be of immeasurable benefit to future policy formulation and provide all of us with a deeper knowledge of the problems and conditions with which the peoples of these nations must cope and the road we must pursue to restore them to freedom and independence.

Let us give heart to the captive peoples and demonstrate to them that they

have not been forgotten and thereby encourage elements within the Communist world to resist their rulers and build up a credit within the fortress of the Communist bloc itself in the event of some future contingency.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. HALPERN (at the request of Mr. LANGEN), for 15 minutes, today.

Mr. ROBISON (at the request of Mr. LANGEN), for 30 minutes, on Monday, March 20, 1961.

Mr. MAGNUSON (at the request of Mr. GALLAGHER), for 20 minutes, on Monday, March 20, 1961.

Mr. GALLAGHER (at the request of Mr. TOLL), for 1 hour today.

Mr. HEMPHILL (at the request of Mr. TOLL), for 1 hour on Wednesday next.

Mr. DENT (at the request of Mr. TOLL), for 1 hour on Wednesday next.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. BAKER and to include an address by A. S. HERLONG, JR.

Mr. WILSON of Indiana and to include remarks made before the Committee on Ways and Means on the new highway program.

Mr. DULSKI.

(The following Members (at the request of Mr. LANGEN) and to include extraneous matter:)

Mr. VAN ZANDT.

Mr. SPRINGER.

(The following Members (at the request of Mr. GALLAGHER) and to include extraneous matter:)

Mr. MOELLER.

Mr. HOLTZMAN.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 1. An act to establish an effective program to alleviate conditions of substantial and persistent unemployment and underemployment in certain economically distressed areas; to the Committee on Banking and Currency.

S. 900. An act to provide for the striking of medals in commemoration of the 250th anniversary of the founding of Mobile, Ala.; to the Committee on Banking and Currency.

ADJOURNMENT

Mr. GALLAGHER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 33 minutes p.m.), under its previous order, the House adjourned until Monday, March 20, 1961, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

682. A letter from the Deputy Secretary of Defense, transmitting the semiannual report for the establishment or development of installations and facilities required for advanced research projects for the period July 1 through December 31, 1960, pursuant to Public Law 85–685; to the Committee on Armed Services.

683. A letter from the Assistant Secretary of the Interior, transmitting a draft of a proposed bill entitled "A bill to include within the boundaries of Joshua Tree National Monument, in the State of California, certain federally owned lands used in connection with said monument, and for other purposes"; to the Committee on Interior and Insular Affairs.

684. A letter from the Assistant General Manager, U.S. Atomic Energy Commission, relative to reporting that the Atomic Energy Commission had no activities to report for calendar year ending December 31, 1960, pursuant to Public Law 85–804; to the Committee on the Judiciary.

685. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting a copy of the order suspending deportation in the case of Yee Houy, A3112318, pursuant to the Immigration and Nationality Act of 1952; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. COLMER: Committee on Rules. House Resolution 227. Resolution for the consideration of H.R. 5000, a bill to authorize certain construction at military installations, and for other purposes; without amendment (Rept. No. 169). Referred to the House Calendar.

Mr. COOLEY: Committee of conference. Conference report on H.R. 4510. A bill to provide a special program for feed grains for 1961 (Rept. No. 170). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BROYHILL (by request):

H.R. 5654. A bill to amend the District of Columbia Teachers' Salary Act of 1955, as amended; to the Committee on the District of Columbia.

By Mr. CELLER:

H.R. 5655. A bill to amend the Administrative Procedure Act with respect to the compensation of hearing examiners, and for other purposes; to the Committee on the Judiciary.

H.R. 5656. A bill to provide for reasonable notice of applications to the U.S. courts of appeals for interlocutory relief against the orders of certain administrative agencies; to the Committee on the Judiciary.

By Mr. CHAMBERLAIN:

H.R. 5657. A bill to amend the Budget and Accounting Act, 1921, to provide for the retirement of the public debt by setting aside the first 3 percent of the budget receipts of the United States for each fiscal year for the sole purpose of retirement of obligations counted as part of the public debt; to the Committee on Government Operations.

H.R. 5658. A bill to amend the Internal Revenue Code of 1954 to allow an individual to deduct, for income tax purposes, the expenses incurred by him for transportation to and from work; to the Committee on Ways and Means.

By Mr. DENT:

H.R. 5659. A bill to amend the Housing Act of 1959 to provide a 1-year moratorium on Federal Housing Administration insured and certain other guaranteed and insured mortgages, with the Federal Government assuming the mortgage payments (both principal and interest) and certain other mortgage costs, for mortgagors in areas of substantial unemployment who are unemployed and unable to make such payments through no fault of their own, and for other purposes; to the Committee on Banking and Currency.

By Mr. DEROUNIAN:

H.R. 5660. A bill to amend the Internal Revenue Code of 1954 to provide that certain tuition payments be treated as charitable contributions; to the Committee on Ways and Means.

H.R. 5661. A bill to amend the Internal Revenue Code of 1954 to provide a 30 percent credit against the individual income tax for amounts paid as tuition or fees to certain public and private institutions of higher education and high schools; to the Committee on Ways and Means.

By Mr. DULSKI:

H.R. 5662. A bill to amend the National Labor Relations Act in order to permit supervisors to be considered as employees under the provisions of such act, and for other purposes; to the Committee on Education and Labor.

By Mr. FASCELL:

H.R. 5663. A bill relating to documentation and inspection of vessels of the United States; to the Committee on Merchant Marine and Fisheries.

By Mr. FULTON:

H.R. 5664. A bill to authorize the retraining of persons displaced from their jobs by automation or other technological development, foreign competition, relocation of industry, shifts in market demands, or other change in the structure of the economy; to the Committee on Education and Labor.

H.R. 5665. A bill to amend the Classification Act of 1949 to place in grade 18 of the general schedule the positions of hearing examiners of the Social Security Administration in the Department of Health, Education, and Welfare; to the Committee on Post Office and Civil Service.

By Mr. GIAIMO:

H.R. 5666. A bill to amend section 501 of title 38, United States Code, to provide that under certain conditions, service on the Mexican border before World War I may be included in determining whether a veteran meets the service requirements applicable to the payment of pension; to the Committee on Veterans' Affairs.

By Mr. HALPERN:

H.R. 5667. A bill to amend the Internal Revenue Code of 1954 to provide a deduction from gross income for contributions and gifts to civic organizations; to the Committee on Ways and Means.

H.R. 5668. A bill to amend title 38, United States Code, to provide for the payment of pensions to veterans of World War I; to the Committee on Veterans' Affairs.

By Mr. HARSHA:

H.R. 5669. A bill to increase rates of wartime compensation payable for disability statutory awards by amending section 314 (K) through (s) of title 38, United States

Code; to the Committee on Veterans' Affairs.

H.R. 5670. A bill to increase rates of wartime disability compensation by amending section 314 (a) through (j) of title 38, United States Code; to the Committee on Veterans' Affairs.

By Mr. HOLTZMAN:

H.R. 5671. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to provide that full benefits thereunder, when based upon the attainment of retirement age, will be payable to men at age 60 and women at age 55; and to provide that an individual's entitlement to child's insurance benefits shall continue, after he attains age 18, for so long as he is regularly attending school; to the Committee on Ways and Means.

By Mr. KEARNS:

H.R. 5672. A bill to establish a national merit scholarship program; to the Committee on Education and Labor.

H.R. 5673. A bill to amend the Internal Revenue Code of 1954 to provide funds for educational purposes by providing increased incentives for private giving through the allowance of a tax credit for charitable contributions to educational institutions, and to allow a deduction for tuition and other expenses incurred by the taxpayer or his spouse or dependent at an institution of higher education; to the Committee on Ways and Means.

By Mr. LESINSKI:

H.R. 5674. A bill to extend to employees subject to the Classification Act of 1949 the benefits of salary increases in connection with the protection of basic compensation rates from the effects of downgrading actions, to provide salary protection for postal field service employees in certain cases of reduction in salary standing, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. McSWEEN:

H.R. 5675. A bill to amend the Civil Service Retirement Act to increase from 2 to 2½ percent the retirement multiplication factor used in computing annuities of certain employees engaged in hazardous duties; to the Committee on Post Office and Civil Service.

By Mr. MARSHALL:

H.R. 5676. A bill to authorize the sale of inherited interests in trust and restricted allotted lands and restricted purchased allotted lands in the State of Minnesota, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. MINSHALL:

H.R. 5677. A bill to amend the Internal Revenue Code of 1954 to permit the amortization over a 60-month period of certain civil defense facilities; to the Committee on Ways and Means.

By Mr. MULTER:

H.R. 5678. A bill to amend the District of Columbia Alcoholic Beverage Control Act to prohibit certain advertising with respect to price; to the Committee on the District of Columbia.

By Mr. MURPHY:

H.R. 5679. A bill to amend the act to promote the education of the blind, approved March 3, 1879, as amended, so as to authorize wider distribution of books and other special instruction materials for the blind, and to increase the appropriations authorized for this purpose, and to otherwise improve such act; to the Committee on Education and Labor.

By Mrs. PFOST (by request):

H.R. 5680. A bill to amend section 2 of the Small Tract Act of June 1, 1938, as amended by the act of June 8, 1954 (68 Stat. 239; 43 U.S.C., sec. 682b); to the Committee on Interior and Insular Affairs.

By Mr. SMITH of Virginia:

H.R. 5681. A bill to amend the District of Columbia Unemployment Compensation Act to make individuals ineligible for unemployment compensation if they are receiving retirement benefits from the United States or the District of Columbia; to the Committee on the District of Columbia.

By Mr. STAGGERS:

H.R. 5682. A bill to authorize a 5-year program of grants and scholarships for collegiate education in the field of nursing, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 5683. A bill to provide for a program of civil works in economically distressed areas; to the Committee on Public Works.

H.R. 5684. A bill to amend section 103(d) of title 23 of the United States Code so as to authorize the construction of an additional 1,000 miles of interstate highways to be constructed in economically depressed areas; to the Committee on Public Works.

By Mr. BROYHILL:

H.J. Res. 317. Joint resolution designating the week of May 14–20, 1961, as Police Week and designating May 15, 1961, as Peace Officers Memorial Day; to the Committee on the Judiciary.

By Mr. CURTIN:

H.J. Res. 318. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. DIGGS:

H.J. Res. 319. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. STAGGERS:

H.J. Res. 320. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. VAN PELT:

H.J. Res. 321. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. WEAVER:

H.J. Res. 322. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. FALLON:

H. Con. Res. 198. Concurrent resolution designating the week of May 21–27, 1961, as National Highway Week; to the Committee on the Judiciary.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By Mr. CONTE: Memorial of the Commonwealth of Massachusetts memorializing Congress on the questions of Federal quotas on imports of residual fuel oil and end-use control of the various fuels serving the Commonwealth; to the Committee on Ways and Means.

By the SPEAKER: Memorial of the Legislature of the State of Idaho memorializing the President and the Congress of the United States relative to ratifying and approving the Columbia Interstate compact, relating to the division, apportionment, and use of the waters of the Columbia River system; to the Committee on Interior and Insular Affairs.

Also, memorial of the Legislature of the State of Massachusetts, memorializing the President and the Congress of the United States on the questions of Federal quotas on imports of residual fuel oil and end-use control of the various fuels serving the Commonwealth; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of Oklahoma, memorializing the President and the Congress of the United States not to change the present exemption from Federal income taxes of interest paid on State and local indebtedness; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BATTIN:

H.R. 5685. A bill for the relief of Alexandros Dascalakis; to the Committee on the Judiciary.

By Mrs. BLITCH:

H.R. 5686. A bill for the relief of Mrs. Willie Mae Brown; to the Committee on the Judiciary.

By Mr. COHELAN (by request):

H.R. 5687. A bill for the relief of Benjamin C. Ayag; to the Committee on the Judiciary.

H.R. 5688. A bill for the relief of Manuel Padaong; to the Committee on the Judiciary.

By Mr. CONTE:

H.R. 5689. A bill for the relief of Felicja Saulevicz; to the Committee on the Judiciary.

By Mr. CURTIS of Massachusetts:

H.R. 5690. A bill for the relief of Amalia Seresli; to the Committee on the Judiciary.

By Mr. DERWINSKI:

H.R. 5691. A bill for the relief of Libero Colacino; to the Committee on the Judiciary.

By Mr. McSWEEN:

H.R. 5692. A bill for the relief of Nicholas Phillon; to the Committee on the Judiciary.

By Mr. PETERSON:

H.R. 5693. A bill to authorize the Secretary of the Interior to lease certain lands in the State of Utah to Joseph A. Workman; to the Committee on Interior and Insular Affairs.

By Mr. POAGE:

H.R. 5694. A bill for the relief of Elias N. Guillermo; to the Committee on the Judiciary.

By Mr. TOLLEFSON:

H.R. 5695. A bill for the relief of Forrest L. Gibson; to the Committee on the Judiciary.

By Mr. WRIGHT:

H.R. 5696. A bill for the relief of Mrs. Everett Edward Boyd; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

97. By Mr. McCULLOCH: Petition of Bernard Ribley, president, local 1211, UAW-CIO, Lima, Ohio, and members thereof, for the inclusion of the State of Ohio in the experimental food stamp plan, and for the permanent substitution of the food stamp plan for the present plan of distribution of surplus commodities for poor relief; to the Committee on Agriculture.

98. By Mr. STRATTON: Resolution of the City Council of Schenectady, N.Y., favoring the adoption of legislation and administrative rules and regulations which will vest in cities the same rights and privileges now vested in school districts and other nonprofit organizations, with respect to the acquisition of Federal surplus property; to the Committee on Government Operations.

EXTENSIONS OF REMARKS

Increased Appropriation for Forest Service Research

EXTENSION OF REMARKS
OF
HON. WALTER H. MOELLER
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 16, 1961

Mr. MOELLER. Mr. Speaker, several official and unofficial statements have recently been made on the subject of this Nation's vital natural resources. These statements—The Final Report of the Kennedy-Johnson Natural Resources Advisory Committee, the President's Special Message to Congress on Natural Resources and the President's Message to Congress on the American Economy, among others—have all acknowledged the urgency of revitalizing our national forestry programs.

I agree wholeheartedly with these statements. To emphasize the necessity for prompt action in this field, I would like to insert in the RECORD a statement I made before the Appropriations Subcommittee this past Monday in support of additional appropriations for Forest Service research.

My statement follows:

INCREASED APPROPRIATION FOR FOREST SERVICE RESEARCH

Mr. Chairman and members of the subcommittee, I am WALTER MOELLER, of Ohio's 10th District. More than three-fourths of my district lies in the hilly southeastern part of Ohio. My appearance here is to discuss briefly my interest in Senator STENNIS' statement before the Senate on January 31, 1961, regarding the "Program for National Forests," as approved by Congress 2 years ago. According to my information, and to Senator STENNIS, some $8 million will be needed to bring the research part of the program up to the goal set for next fiscal year. This extra financing certainly is needed nationwide to place the management of our forest resources on a sounder basis through application of research results.

The situation in my district well illustrates the need for a really adequate national forestry research program. Many of the leading citizens of my district and I have a special interest in the development of our forests because they are the chief renewable resource in some 20 counties of southeastern Ohio's sharply rolling country. Forest improvement is moving ahead as a result of increasing protection against destructive agents and application of cultural practices developed by Forest Service Research. But a depressed economy exists and needs immediate attention. I believe that an investment in a research program designed to increase the output of timber and other forest resources, in perpetuity, is one of the best assurances against a recurrence of present economic conditions.

Early settlers found southeastern Ohio fully covered with some of the finest hardwoods. Now only some 50 to 60 percent of the land remains in forest cover; mostly it is of generally low quality. Much of the land cleared for farm crops has deteriorated and no longer has such value. Progress in the forestation of idle land with pines has been rapid; but the problem of successfully planting deteriorated soils to a valuable hardwood such as walnut is still troublesome.

Other major problems, in the rebuilding of the forests, involve both the establishment of timber stands and the management of them for increased volume and quality. For example, we must have better knowledge of soil characteristics and their relation to the occurrence and growth of our best tree species. This is the very heart of maximum forest use of land, as it is for the best use of farm cropland. When relations between soils and the distribution and growth of different kinds of our best native trees are determined, guidelines will have been established for planting trees in the proper places and managing forests to assure maximum yield and regeneration of new stands.

A further immediate problem is related to production of pulpwood. The hardwood pulp industry is rapidly expanding in the Midwest and increasing its drain on timber stands. There are 19 woodpulp plants in the Midwest; 6 of them are in Ohio. This drain is mostly on good quality trees that are too small for sawtimber. If continued without the guidance that can come from research, pulpwood cutting can be a hazard to our future sawtimber stands. Research is needed to determine suitable methods of managing our forests for production of pulpwood alone, as a special product, and for production of both pulpwood and sawtimber in the same stand. And we need to find the costs and returns available from growing hardwoods for pulp and sawtimber.

The Forest Service is conducting research in my district and in other parts of southeastern Ohio. This work has already made many fine contributions, such as improved forest management methods, better ways to plant trees on old fields, and tree planting methods for coal stripped land. But the program is entirely too small. It ought to be enlarged immediately just as this work should be strengthened in many other parts of our Nation.

I appreciate the time you have given me to review forestry research needs in my district as an example of national needs. Funds appropriated for forestry research are investments that will help, in a constructive way, the economy of depressed areas and assure a more abundant supply of forest resources for the Nation's people and economy. Finally, I want to approve the statements of Senator STENNIS and recommend that we in the House equal his leadership by appropriating an $8 million increase for Forest Service research in fiscal year 1962.

The Constructive Opposition

EXTENSION OF REMARKS
OF
HON. ROMAN L. HRUSKA
OF NEBRASKA
IN THE SENATE OF THE UNITED STATES
Thursday, March 16, 1961

Mr. HRUSKA. Mr. President, there has been much discussion in recent weeks of the role of Republican Members of Congress as the "loyal opposition." I believe a more descriptive phrase is "constructive opposition." All of us, I am sure, feel a strong responsibility as minority Members of the National Legislature to find the most effective means of presenting the views of the constituents who elected us to office. We seek to present those views in a positive manner, in the best interest of our constitutents, and the country as a whole. Despite charges to the contrary, this represents no form of obstructionism but rather is a presentation of what we believe to be the convictions of the majority of the people of our part of the country in the way of Federal programs.

The February issue of the Kiwanis magazine, the publication of Kiwanis International and one of the finest of all service organization periodicals, contains an editorial setting forth this point in thought-provoking and forthright language. It is written by the distinguished Senator from South Dakota [KARL MUNDT]. I ask unanimous consent that the article be printed in the CONGRESSIONAL RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE CONGRESS WILL RESPOND

(By Hon. KARL E. MUNDT, U.S. Senator from South Dakota, past governor, Minnesota-Dakotas District of Kiwanis International)

The 87th Congress is the first in many years to begin operations with a so-called undivided Government. It finds the Democratic Party enjoying control over both legislative Houses and the White House. This fact brings to mind a number of significant questions, not the least of which are: Will this bring about more responsible government? Will it reduce the role of the Republican Party to that of a negative, nagging, antagonistic opposition, and thereby subvert the direction of our national purpose to petty squabbles along party lines?

In attempting to answer these questions, one must, it seems to me, appeal to history. In our own history, the history of America, we find that both systems of government—divided and undivided—have been made to work effectively. Then, too, there have been instances where each has failed. In my own experience of 22 years in the U.S. Congress, I have found that successful government has been attained because of—and not in spite of—sound, responsible party politics.

There can be no doubt that both parties want a better America, a prosperous America, one that continues to move ahead. The differences between the two parties do not really concern goals, but how best to attain these goals; it is a difference not of ends but of means. And, more often than not, much of our national legislation is the result of working out these differences through debate and compromise to achieve good government and a productive, free America.

The key to disagreement in majority-and-minority government is responsibility. When accepted and practiced, responsibility brings to the Nation united effort working for the national good. And responsibility in Government has a peculiar way of making itself felt. It is for this reason that, as the 87th Congress opens with a new President in the White House, I am not seriously alarmed at the prospect of congressional divisiveness along party lines. For when the chips are down on issues of major significance, responsibility will, as it always has in the past, emerge. And it is my conviction that, as usual, it will cross party lines.

This is not to say that there will be no major differences over the role Government

is to play in the future. But, at the same time, these differences do not stand in the way of progressive programs, for responsibility rests with the President as well as with Congress. A President cannot afford to launch programs that are not, so to speak, "in tune with the times." This has, of course, happened, and it has usually been accompanied with a resultant change in the White House. It has also happened in Congress. But here, too, the American voter asserted his responsibility—when the politician has not asserted his—by stepping into the polling booth and removing from public office those officials who trifled with the national interest by playing politics in the legislature.

And here is the main reason why I expect the 87th Congress to be a typical Congress, a Congress that will be responsible. I refer to the voter. Responsibility begins and ends with the voter. It is still the greatest system devised for successful and productive government. For in our renowned check system of government, the voter is the final check. If responsibility is not exercised where laws are made, then it will surely be exercised by private citizens on the home-front where lawmakers are made.

Liberalizing Social Security Act

EXTENSION OF REMARKS
OF
HON. LESTER HOLTZMAN
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 16, 1961

Mr. HOLTZMAN. Mr. Speaker, I am today introducing in the House of Representatives a bill liberalizing the Social Security Act and providing an essential package break for our older citizens.

The bill provides for three major changes in the act: First, removal of the present limitation on outside income that can be earned by recipients of social security benefits; second, lowering of the retirement age for men to 60 and women to 55 years of age; Third, continued payments to dependent children after age 18 provided the dependent child is actually attending full-time school.

The first revision is the removal of the present limitation on outside income that can be earned by individuals who are receiving social security benefits. We are all well aware of the fact that the cost of living has continued to spiral upward, and it is almost impossible for the majority of our older citizens to live on savings, small pensions, or their social security. Pensions and social security are not that generous, and whatever savings might have been accumulated over the years have been for the most part dispersed for various reasons. In many instances the older folks are forced to become dependent to some degree on relatives or friends, or on the various welfare agencies for the additional help they need. To remove this restriction on the amount of income which they can earn would correct a great inequity in the law and would most assuredly make it easier for them and their families. Wage earners, for whom the act was originally intended, would then be on a par with those who have trust funds, real estate, and other investments, against whom there is no limitation whatsoever.

The second provision would give full benefits to men and women at age 60 and 55, respectively. Early retirement of our older workers has been advocated and encouraged to make way for younger employees who are coming on the labor market in greater numbers each year. After working for a period of 30 to 40 years an individual is certainly entitled to some rest and a relaxation of pace. The fact that he has retired from active full-time employment would not necessarily mean that the benefit of his qualifications and years of experience would be lost and unused. However, his responsibility would be lessened and his burden lightened; yet he would be free to continue to contribute his ideas and know-how, but on a more limited basis.

With regard to provision 3, for many years we have been mindful of a great deficiency in our approach to the educational needs of our people. Literally thousands of young men and women are obliged to forego a full education because of the need to contribute to the maintenance of their home. This provision, if enacted into law, will be a real step forward, not only from the viewpoint of our educational needs, but also from the viewpoint of a parent who has only an average income and wants to provide his child with additional schooling.

The Congress has a substantial responsibility for the welfare of all our citizens. If we are to be practical and realistic we must at this time revise this program to meet the challenge of the times.

Legislation To Give Foremen a Voice and a Vote in Affairs Affecting Their Welfare

EXTENSION OF REMARKS
OF
HON. THADDEUS J. DULSKI
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 16, 1961

Mr. DULSKI. Mr. Speaker, because I feel that the foremen in American industry are presently captives in the "no man's land" of collective bargaining in American industry due to definitions and restrictions contained in the Taft-Hartley Act, I am today introducing legislation which is designed to once more restore to the foremen class of people the status of first-class citizens, or an equal status, with all the rights and privileges of the rank and file worker, with all the protection of the laws of the land, and will be able to take their rightful place at the bargaining table, and have a voice and a vote in affairs affecting their welfare.

In modern industry today, we have strong representation for management at the top level—at the bottom level we have strong representation for the rank and file worker. In the middle, we find a vast number of people called foremen with no representation whatsoever operating in a vacuum as a buffer, and sometimes a whipping boy, between management and union in the economic struggle for survival.

I contend that these people, the foremen of America, have a natural right of association which should not and cannot be taken away from them by administrative definition and interpretation of legal verbiage. I contend that the foremen of America have a natural right to band together to process grievances, protect their job security, safeguard their working conditions, and be human beings—the same as any other group of workers. At the present time, neither the law nor company policy provides proper protection for the foremen class of people, although a foreman in American industry speaks for and acts for management. At the same time, in his personal capacity, he is an employee subject to terms and conditions of employment imposed upon him from above—a matter over which he has no control or no voice.

I find no basis for the argument that foremen, through enjoyment of the benefits and fruits of the collective bargaining process, would impair the effective performance of their duties in behalf of management.

On the claim of divided loyalties, we cannot assume that self-organization for collective bargaining would prove incompatible with the foreman's faithful performance of his duties. Such an assumption has never been proved.

Many foremen groups throughout the Nation have been organized, but not recognized, without detriment to their loyalty or efficiency to management goals. Management's disciplinary powers are adequate to insure faithful and efficient job performance by all of its employees, regardless of title.

The basic argument of the foremen concerns the denial by their employers of the right to participate in the decisions which affect their welfare as employees.

A foreman does not lose his right to serve himself in matters fixing his own wages, hours, seniority rights, or working conditions because he serves his master in others. The foreman is caught in the squeeze between a gigantic mechanized system that can turn the human element, including foremen, into robots—unless the fundamental and basic human principles, one of which is the right of association, are completely respected and tolerated.

My bill proposes to free the shackles that bind the foremen of America in managerial bondage and restore to them their natural rights and privileges to which they are entitled as a matter of plain, simple, common justice.

At this point I wish to include one of many letters that I have received concerning the foremen's situation:

Realizing your interest in the welfare of the working people of your district and being aware of your previous attempts to assist us through legislative channels, we are again bringing our case to your attention.

We are an organization of foremen, employed by a local industry, nameless for our

protection, unable to bargain collectively with our firm's management because of the Taft-Hartley Act. We are hourly paid foremen, not salaried, and are raised in pay only when the rank and file local union negotiates a pay increase, for their members, through collective bargaining. A percentage differential separates us from the top represented employee. Yet management insists that we are supervisors and a part of management.

The following quotes from our company's supervisory training and development manual are illuminating:

"The timing of pay adjustments for supervisory employees has been a subject of discussion by management in our company for many years and there are many different opinions and practices in the industry. Fundamentally, pay increases for supervisory personnel are considered as merit increases, whereas pay increases for represented personnel are negotiated in the light of any and all other benefits that are granted. In order to disassociate the two, it has been the policy at * * * to grant pay adjustments at different times during the year. This should not be construed as meaning that the increases for represented people are not deserved or merited but rather that the cost to the company of other benefits that are granted, must be considered in determining the amount of any general wage increase for the organized force. It should be understood that wage adjustments for the two groups are unrelated and are not dependent on one another."

Clearly management has drawn a sharp line between the hourly represented employees and the salaried supervisors. No mention has been made of the foremen, who are in between the two groups herein discussed, being a part of neither one.

The Taft-Hartley Act bars foremen from collective bargaining, but our employers have put us in the van with the represented or rank and file union worker as far as wage increases and other benefits are concerned. On the other hand they refuse to allow us to bargain collectively, claiming that we are supervisors and thus a part of management.

Therefore, our only hope of ever attaining collective bargaining lies in amending the Taft-Hartley Act to permit the first line of supervision to organize and bargain collectively. We are firmly convinced that our best interest will be served by a separate and distinct organization of foremen, not connected to, or a part of any rank-and-file union.

I trust that early action will be taken on this legislation.

The Power To Tax Is the Power To Destroy

EXTENSION OF REMARKS
OF

HON. EARL WILSON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 16, 1961

Mr. WILSON of Indiana. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statement made by me before the House Committee on Ways and Means on March 15, 1961:

Mr. Chairman and members of the committee, I am Congressman EARL WILSON, of the Ninth Indiana District.

First, I would like to thank the members of this committee for the opportunity to appear here today. I am happy to appear here on behalf of the Cummins Engine Co., of Columbus, Ind. This industry is vital to our Nation's progress and safety, essential for the forward movement of our transportation industry, and a fundamental factor in the economic progress of my district.

I hope to be able to acquaint this committee with many of the facts pertinent to this proposal which tends to discriminate against an industry through the raising of tax on diesel fuel.

I am sure you gentlemen have heard this quotation by Chief Justice John Marshall many times in the past—"The power to tax is the power to destroy."

Tax proposals contained in the President's highway message would, if enacted, verify the truth of that statement. A vibrant, growing, efficient American industry stands to be seriously harmed if not destroyed once the proposed diesel fuel tax increase is approved.

A very unjust economic hardship will be imposed on the diesel engine industry if the tax raise of 75 percent is enacted. This industry has prospered; not through Government favoritism; but, through its own enterprise and ingenuity. To tax the efficiency and economy achieved by this industry's product, is a direct contradiction of our American principles and is, in fact, an attack against a fundamental idea of American life.

This proposed tax poses the threat of crushing the diesel engine industry if enacted. Furthermore, by placing a penalty on the success of private enterprise we will stifle further diesel development and serve notice that the future success of private enterprise will always be in danger of tax penalties. Actually, diesel motored trucks represent only 2 percent of the entire trucking industry.

This Nation's progress depends upon preservation of historic principles of freedom and private enterprise which have made our country the "land of the free." Any other course is another step toward discouragement of individual initiative, toward socialism and communism.

This proposed tax is a proposal to tax efficiency, industry, and initiative, and discourage development of new and better products, as well as work a hardship on a vital American industry.

For your consideration I summarize below my findings on the subject of the proposed discriminatory fuel differential tax.

1. Taxing diesel fuel at a higher rate than gasoline would result in taxing only 15 percent of the heavy duty trucks, i.e., 26,000 pounds registered gross vehicle weight and above.

2. Differential tax on diesel fuel in effect is a tax on the efficiency of the diesel engine and therefore discriminates solely against the diesel engine industry as compared to its major competitor the gasoline engine industry.

3. The proposed diesel fuel tax increase from 4 cents per gallon to 7 cents per gallon amounts to a 75-percent increase, yet the Bureau of Public Roads, in its own exhaustive studies (table 5, p. 14, H. Doc. 91, third progress report of the highway cost allocation study), found only a 5-percent to 18-percent advantage of diesel trucks over gasoline trucks, making this proposed tax clearly discriminatory.

4. Development of the diesel engine to its present state of superior efficiency has been accomplished by private industry, without Government subsidy in any form.

5. Diesel-powered truckowners already pay substantially higher Federal taxes in the form of excise taxes on new trucks and on engines and repair parts than do the owners of gasoline-powered trucks of equivalent carrying capacity.

6. Federal differential taxation on diesel fuel would encourage every State to apply similar taxation with the inevitable result that diesel engines could be taxed off the highways.

7. Our military defense vehicle dieselization program would be adversely affected through restricting the ability of the diesel engine industry to continue its privately financed research and development programs. (Department of the Army 1960 policy calls for dieselization of all vehicles over 150 horsepower.)

8. The proposed diesel fuel tax would have a primary effect on one company—Cummins Engine Co., in my home district of Indiana, which produces 60 percent of all highway truck diesel engines. Cummins' average employment in 1960 was approximately 4,100, with a total payroll of $29,866,796. In addition raw material and finished products of $27,720,100 were obtained from Indiana suppliers in 1960.

In addition to presenting to this committee the preceding eight major arguments against the proposed diesel differential tax, I wish to comment upon an important point that was raised during the first day's hearing on this subject. You will recall that the Department of Commerce was asked if any studies had been made to determine what effect the proposed tax program would have upon the trucking industry. Their answers indicated that studies of the effect of the taxes on the profits of the industry had not been analyzed.

It was quite surprising to learn that this fundamental question had not been studied prior to recommending this tax program to the Congress. Had the Commerce witnesses been prepared to answer this question, I believe this committee would have been amazed at the unjust discrimination contained therein.

The success of many manufacturers and businesses depends upon efficient and economical truck freight transportation. To continue to provide such services to its many customers the trucking industry must be able to carry out its operations in a profitable manner. American Trucking Association figures indicate the proposed tax program would add $44.1 million per year to the total operating costs of the 1,076 class I and class II common carriers of general freight. Had the proposed tax increases been in effect in 1960, the added cost would have entirely eliminated the $43.7 million before tax net income of these carriers.

This significant fact demonstrates quite clearly that the trucking industry will be unable to absorb any portion of the proposed tax increases. This readily available information answers, at least in part, the earlier question raised by this committee.

Supposedly, the proposed taxes are aimed at the heavy duty trucks (26,000 pounds registered gross vehicle weight and over). Yet when we look into the makeup of this vehicle classification we find that only 135,000 (or 15 percent) of these 900,000 heavy duty trucks are powered with diesel engines. Since the proposed diesel differential tax affects such a small portion of the heavy duty trucks, this tax feature discriminates against a minority of those trucks. This fact is even more clearly emphasized when you consider that diesel trucks use between 13,000 and 18,000 gallons of fuel per year. Under the proposed tax increase their annual fuel costs will be increased by $390 to $540 per truck, with no corresponding increase in the costs of operating competitive gasoline engine powered trucks.

Another key point is that over 43 percent of the 135,000 heavy-duty diesel trucks are located in the mountain and Pacific regions. Yet, only 26 percent of the 40,943 miles of Federal highways will be located in these two regions—and an even smaller percentage of the total program dollars are to be expended in this western area. One can only

conclude that the geographical distribution of this tax burden is unequal and does not follow the fair-share concept.

I am even more concerned about the effect the proposed tax increase program will have upon the suppliers of major components to the trucking industry. In this category, the Cummins Engine Co., the world's largest independent manufacturer of high-speed diesel truck engines, produces 60 percent of all highway truck diesel engines built in the United States. This company, through its own resources, inventiveness, and initiative, has been a leading pioneer in developing the diesel engine to its present state of operating efficiency.

During the past year Cummins has spent about $5 million on research to improve the efficiency of its engines about 4 percent. An additional $7 million is currently being spent for facilities to produce this improved engine. Each 1 cent increase in the differential price of diesel fuel over gasoline decreases the efficiency of the diesel nearly 5 percent. The total proposed tax increase on diesel fuel will have the same effect as decreasing the efficiency of the diesel engine by 14 percent—or nullifying almost fourfold the latest research efforts of this company. Taxing this type of ingenuity and inventiveness is about as logical as placing a penalty tax on the compact car for its superior fuel economy.

In conclusion, I am firmly convinced from my study of this matter that had the justification and effects of the proposed diesel differential tax been adequately studied beforehand, you would not find this feature in the tax program now before this committee. We are not opposed to taxes on motor fuels but we propose that all such taxes be placed across the board. The unjust, discriminatory aspects of this specific tax proposal will be most detrimental to the trucking industry, selected areas of our country, the consumer public, and the diesel engine industry.

Address by Hon. A. S. Herlong, Jr., of Florida, at the 16th Annual Convention of the National Limestone Institute, Washington, D.C., January 18, 1961

EXTENSION OF REMARKS
OF

HON. HOWARD H. BAKER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 16, 1961

Mr. BAKER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address by my colleague, Congressman A. S. HERLONG, JR., of Florida, at the 16th Annual Convention of the National Limestone Institute, Inc., January 18, 1961, Washington D.C.:

As a member of the Ways and Means Committee of the House of Representatives it is our responsibility to provide the revenue to meet the spending needs of the U.S. Government. Not only must we do this, but we must do it in such a manner as will be as fair as possible to the greatest number of taxpayers, and without following tax policies that will stifle incentive or hold back economic growth.

Too frequently in the past when the need for money arose, Congress simply took the easy way and raised tax rates.

Because of the fact that there are fewer people in the upper brackets it has been the natural tendency of the man in politics to shift the burden to these few because in so doing there is less fear of political reprisal from great numbers of the people.

It has been pointed out by the chairman of our committee that of all the money presently raised in taxes by the Federal Government, only $4½ billion is raised by surtaxes—that is, personal income taxes on taxable income over $2,000 for a single person and $4,000 for a married couple. Yet the present rates are so steeply progressive that the tax rate on taxable income in the $16,000 to $18,000 bracket is 50 percent and it climbs rapidly from there to 91 percent.

Our country is in the midst of a tremendous population growth. It is estimated that by 1975 the population will be in excess of 225 milion. This means that there will necessarily have to be some 20 million additional jobs provided for these new people. It is further estimated that it costs between $14,000 and $17,000 of investment capital to provide one job. If we are to provide jobs for these new people, we must make more capital available for investment.

The avenue of bond issues and extensive borrowing, or the issuing of stock, is open to the very large business in order that that business might expand. Unfortunately, these same avenues are not open to the small- and medium-size businessman who would like, and who is entitled to, the privilege of expanding his enterprise. There is no justifiable reason why a person whose business is relatively small should be prevented from getting larger.

In my judgment, the only sound and fair way we can provide this capital for people and businesses all up and down the income tax scale is to permit them to retain a larger portion of their earnings. To do this, it would necessarily mean a reduction in our income tax rates from top to bottom.

Your natural question in this regard is: How can we who are so concerned about our national budget being balanced afford to reduce taxes when we have before us an $80-plus-billion spending budget?

Of course, the first answer to this question is that our spending budget doesn't have to be $80-billion-plus. I earnestly hope we will be able to hold it below that figure. In this connection I don't need to remind you that the revenue demands of the U.S. Government are gaged by the amount of money we in the Congress spend. How much we spend is triggered by the demands of you, the people, for Government services, and of course by the requirements of the National Defense Establishment. Until these demands and needs are appreciably reduced, it would be unrealistic to say that we were not going to have to continue to take large sums from our people in taxes.

The answer to the question, then, as to how we can afford to reduce tax rates when we are confronted with this situation is, in my judgment, that the expansion of our economy which would be brought about by the making of additional capital available for investment and creation of more jobs would more than make up the difference in net revenue to the Government. The point I mean to make is that we have reached the point of diminishing returns taxwise. It is a historical fact that in the past when tax rates have been reduced, net income to the Federal Government in succeeding years increased, rather than decreased. It's the old story of the merchant who needs to raise cash. He doesn't raise his prices. He has a sale and lowers them and takes in more money—and, of course, in the process, more net profit. He has created incentive for people to want to buy. The Government can likewise create an incentive for people to want to invest, and can also through reduction in tax rates help provide them with the money to invest.

If this incentive for expansion and the growth which it generates isn't enough to "take up the slack," there is also this fact: Our gross national product normally increases about 3 percent a year. It has been shown that every percentage point increase in our gross national product brings in about a billion dollars in internal revenue. We could, therefore, feel safe in reducing tax rates to a point which would equal $3 billion a year and still, because of our natural growth, not have a deficit. This single factor, however, is contingent, and the contingency is a pretty big "if." We would not have a deficit with such a tax cut if Congress held down expenditures. We cannot continue to spend in the same lavish way we have been spending—increasing our spending budget each year even more than the increase in our revenue—and expect to have a balanced budget. It is important that Congress exercise some restraint. For Congress to exercise this restraint, it will be necessary to the people back home to lower their demands of the Federal Government.

The next question that arises is, is there a comprehensive plan for the accomplishment of this reduction in income tax rates which will result in a rebirth of incentive to invest and expand, and which will promote the growth of our economy without inflation? The answer is in a bill which Representative HOWARD H. BAKER, of Tennessee, and I introduced the other day. I understand we have since that time been joined by a number of other Members of Congress who have also introduced identical legislation.

The basic principle involved in this legislation is a gradual reduction in tax rates over a period of 5 years. Individual income tax rates would be brought down, by the end of the 5th year, from a top rate of 91 percent to 47 percent. The first bracket would be reduced from 20 percent to 15 percent, and there would be a corresponding reduction in all the rates in between.

The top corporate of 52 percent would be reduced from 52 percent to 47 percent by an annual reduction of 1 percent over the 5 years. Almost 85 percent of our total business population, as you well know, is composed of unincorporated firms, and surely they should not be taxed at higher rates than corporations.

There are predictions that by tax rate reform we can raise the annual average family income of the American people from $6,500 annually to $11,500 annually in the next decade and without inflation.

It is my conviction that these steps can be taken without creating deficit spending or a net loss in revenue, even if we are to be saddled with Federal spending at the current level—but no higher—in the foreseeable future. But we must, as I have said, hold down our spending.

I am convinced that we need not continue to spend what we are spending; but even if circumstances compel us to do so, the proposed legislation has a built-in safety valve to protect us against deficit spending, which is so highly inflationary, by the simple formula of postponing rate reductions in any year when an unbalanced budget is threatened. This could stretch out the 5-year reduction period by not more than 4 additional years.

The revenue effect of the Herlong-Baker bill would average less than 3½ billion annually, or the equivalent of a 3.5 percent rate of economic growth.

With new funds for investment and job creating, in this country, we can foresee as much as 5 percent average rate of growth over the next 5 years, with a revenue increase rather than decrease of more than $1 billion annually, above the direct effect of the scheduled reductions and reforms in our legislation.

I believe also that our bill has a built-in virtue that will help convince the American people that tax reform is essential to their future.

Many of you undoubtedly participate in incentive and profit-sharing plans in your plants. Some of you may use a bonus system in creating stable labor forces and loyal workers. I hope that you have found that such plans also reduce waste and costs, for this is one of the pillars on which our tax reform legislation is based.

By promising our 60 million income taxpayers a forward-scheduled tax reduction—where they have a clear choice between a tax reduction or no tax cuts because of increased Federal spending—we will enlist them as individual participants in the war against excess spending and waste.

We offer them a partnership in economy and saving on a national level. If they exercise their right of petition and insist on Federal spending only for those services which are essential at the moment, they will profit during the 5 years in which we propose to establish tax reform. If not, an annual tax saving will not accrue.

This will, as a byproduct, in my judgment have a salutary effect on appropriations, for it will take a brave man in the legislative branch to deny a tax reduction to an anticipating constituency by a last-minute, budget-upsetting spending spree.

We must not lose sight of the fact that tax reduction proposals short of thorough tax rate reform will fail to provide the competitive forces we need in the Nation today to put the brakes on Federal spending.

There is a critical urgency about this business of tax reform. Capital-destroying tax rates are a luxury we can no longer afford. Our excesses in spending and in taxing are producing wrinkles in our economy, just as the excesses of individuals produce their telltale signs on those individuals.

Moderation is good for all of us. It is good in the field of tax reform, which provides for both individual and corporate tax relief.

Our potential for growth is nurtured by the spirit which created our freedom in the first place.

Our pioneer with his wooden plow ventured into the unknown forests and left his monument to courage.

We have improved the tools of our progress vastly since then. The means to build them still better, for the future of the land must not be denied the bold and adventurous today.

Our failure to free the means whereby any one of you can build on your dream of a better missile, a bigger steam shovel, a more tamed atom, could well be catastrophic.

Let us not make that mistake, or allow our Government to make it for us, as we march together toward a new realism in America and the highly competitive world in which we live.

H.R. 5637 Would Protect the General Public and the Transportation Companies in the Event of Accidents Resulting From the Transportation of Nuclear or Other Unusually Hazardous Products and Materials

EXTENSION OF REMARKS

OF

HON. JAMES E. VAN ZANDT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 16, 1961

Mr. VAN ZANDT. Mr. Speaker, on March 15 I introduced a bill (H.R. 5637) that would authorize the Department of Defense to extend protection to the public by indemnifying transportation companies against public liability arising from the risks involved in the transportation of nuclear or other unusually hazardous products and materials and to limit the liability of transportation companies so indemnified. Before commenting on the provisions of my bill, it seems to me that it is worth while to address myself to some prior legislation dealing with the general subject of indemnification with respect to unusually hazardous risks. Such indemnification is in some instances already provided by law with respect to some governmental agencies and in others has been suggested for governmental agencies.

In an act of July 16, 1952 (66 Stat. 726), a bill was enacted to facilitate the performance of research and development work by and on behalf of the Army, the Navy, and the Air Force. One section of that statute provided that contractors who entered into agreements for research, development, or test facilities could be indemnified, first, against liability on account of claims by third persons, including employees of the contractor, for death, bodily injury, or loss of or damage to property arising as the result of a risk defined in the contract to be unusually hazardous or, second, for loss of or damage to property of the contractor arising as the result of a risk defined in the contract to be unusually hazardous. The act of July 16, 1953, was slightly amended by an act of August 10, 1956 (70A Stat. 134), but the general principles contained in the 1952 act are still applicable.

By an act of September 2, 1957 (71 Stat. 576), the Atomic Energy Act of 1954, was amended to provide protection to the public by providing that the Atomic Energy Commission could indemnify its contractors and licensees to the extent of $500 million in order to indemnify such licensees and contractors against public liability arising out of a nuclear incident. A nuclear incident was defined in the statute as meaning any occurrence within the United States causing bodily injury, sickness, disease or death, loss of or damage to property or for loss of use of property arising out of or resulting from the radioactive, toxic, explosive or other hazardous properties of source, special nuclear, or byproduct materials. The persons indemnified under the amendment to the Atomic Energy Act were to be those with whom an indemnification agreement had been executed and any other person who might be liable for public liability.

In the last Congress the Secretary of Defense submitted to the Speaker of the House of Representatives a bill which would broaden the scope of the indemnification authority contained in the 1952 act to which I have already referred. In submitting that bill to the Speaker, the Secretary of Defense accompanied it with a memorandum in which he stated that the items and materials which in 1952 were in a research or developmental status have now advanced beyond that status. He added that nevertheless the unusually hazardous risks remain, and the Department of Defense would be unable to enter into many supply or construction contracts involving atomic energy systems or weapons, missiles, special propellants, and other projects involving unusually hazardous risks unless it could provide indemnification to its contractors where such unusually hazardous risks were involved. He said that contractors in extrahazardous fields were hesitant about contracting with the Government because of the risk that unexpected accidents in this type of activity might cause them enormous liability and loss and only by assumption of this extra risk, that is, indemnification of such contractors, could Government assure itself of a continuing willingness of defense contractors to participate in such projects. The bill submitted to the Speaker was introduced and carried the number H.R. 4103. It provided that the Secretary of Defense and the secretaries of the military departments would be authorized to enter into agreements of indemnification with contractors and subcontractors of the Department of Defense up to an aggregate obligation of $500 million with respect to any one accident. Indemnification could be provided against liability to third persons including employees of the contractor for death, bodily harm, or loss of or damage to property and loss of or damage to property of the contractor arising from risks which the agreement defines as nuclear or other unusually hazardous risks. Congress took no action with respect to H.R. 4103 and the Defense Department has this year again asked for favorable consideration of such a bill.

I, of course, do not know whether Congress will see fit to pass a bill such as has been suggested by the Department of Defense but I do know that there is at least one area in which prompt action should be taken by Congress. Congress should see to it that the general public and the transportation companies are protected in the event of an accident arising out of the transportation by such carriers of nuclear and other materials which can result in unusually hazardous risks. Obviously, a contractor manufacturing nuclear and other unusually hazardous materials will be doing such manufacturing at a fixed site. That contractor will have full knowledge of the materials he is manufacturing but a transportation company that carries similar materials will, in the normal course of events, have no specific information as to what it is carrying. Further, a manufacturing process carried on at a fixed site obviously permits, to an extent not possible in the area of transportation, establishment of safety practices and precautions designed to reduce the degree of hazard and the possibility of accident. In addition, it is obvious that the general public will be less exposed to an accident involving nuclear or other unusually hazardous materials if those materials are at a fixed site rather than being transported by a carrier. What I mean by that is this: a contractor manufacturing hazardous materials is at one location and the only

portion of the public that could possibly be injured or damaged by an accident involving those materials is that group of people immediately adjacent to the manufacturing plant. On the other hand, when carriers, whether they be trucks, railroads, water carriers, or airlines, transport such hazardous materials, they may carry them for thousands of miles and through many communities, towns, and cities thereby making a much larger portion of the general public exposed to an accident involving such materials. These are the reasons I have introduced a bill that would protect the general public and the transportation companies in the event of accidents resulting from the transportation of such hazardous materials.

I am sure it is well known that transportation companies are now and will in the future be expected to carry nuclear and other materials which involve unusually hazardous risks. It seems clear to me that in order to protect the public and to permit the orderly development, production, and deployment of defense weapons in the interest of the general welfare and the common defense and security the Department of Defense should be given the authority to idemnify the transportation companies in order to limit their liability and to make funds available for the damages suffered by the public as the result of any accident arising out of the dangerous properties of nuclear or other unusually hazardous products or materials. That is precisely what my bill would do. It would define the term "public incident" as meaning any occurrence causing bodily injury, sickness, disease, or death, or loss or damage of property or for loss of use of property arising out of or resulting from the radioactive, toxic, explosive, or other dangerous properties of nuclear or other unusually hazardous products or materials. The Secretary of Defense would define and designate the meaning of the term "nuclear or other unusually hazardous products or materials." The bill would give the Secretary the authority to enter into agreements of indemnification with transportation companies, such indemnification protecting those companies against public liability arising out of or resulting from the occurrence of a "public incident" during the transportation of nuclear or other hazardous materials for the Department of Defense or contractor thereof. The limit of the Government's liability would be in the amount of $500 million for each public incident.

As I have said, the transportation companies of this country are going to transport for the Department of Defense nuclear and other dangerous materials. We are all aware of the so-called Minuteman mobile missile program. It is my firm view that in the event of an accident the public should be protected and the transportation company should be indemnified by the United States. It is my hope that the Committee on Armed Services, to which my bill is being referred, will consider the measure at an early date and take favorable action with respect to it.

The Decatur, Ill., Story

EXTENSION OF REMARKS
OF
HON. WILLIAM L. SPRINGER
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES

Thursday, March 16, 1961

Mr. SPRINGER. Mr. Speaker, this week Look magazine in conjunction with the National Municipal League announced the selection of 10 cities and one county as recipients of this year's All-America Cities awards. The story of the awards, with pictures, will appear in the next issue of Look magazine, to reach the newsstands March 28. The city of Decatur, Macon County, Ill., was awarded the honor of being known as an "All-America City" for 1961. I am proud of Decatur, in the heart of the congressional district I represent. America has grown great and will continue to remain great through individual ingenuity and initiative, self-reliance, and determination, and devotion to community and country. I can think of nowhere where these attributes have been more clearly demonstrated than in the city of Decatur, and I am sure the editors and publishers of Look magazine, and the jury that decided upon the 11 awards from over 100 U.S. cities considered, realized this in making the award to Decatur.

The story of Decatur, the "All-America City" nestled in the Land of Lincoln, is the story of America. It is not only the story of America past and present, but the story of America tomorrow and in all the tomorrows which lie ahead. It is the story of agriculture, of industry, of education, of religious freedom, of culture. It is the story of God-fearing industrious men and women adhering to the high ideals of the past to serve their community in carrying out constructive plans for the physical, spiritual, and cultural advancement of themselves, in their day, and those who have followed after them. And it is the story of the people and leaders of Decatur today following in the same great purposes that those who follow—their children and their children's children and their children—continue to live and work and prosper, in peace.

Perhaps Decatur is a shade more imbued with the high principles that have led America from a hodge podge of 13 Colonies to the world's greatest Nation of 50 States. I say this because the early history of Decatur is intimately a part of the early history of the immortal Lincoln, more than any other man responsible for the might and right of our country, and the spirit of the Great Emancipator has ever been part and parcel of living in this community near the geographic center of Illinois, and today but 100 miles from the center of U.S. population. When one walks the streets of this busy yet friendly city today, one cannot help but feel the impact of its history, the aura of dignity, of majesty humble but real, that is the heritage left by Lincoln.

A tall, gangling young man of 21 brought his ox team to a halt in a muddy clearing surrounded by log cabins, in central Illinois, in March of 1830. This was Lincoln, and the hamlet he had entered was that which has grown into today's city of Decatur, with a population now exceeding 78,000. The spot where Abe then halted is now called Lincoln Square. During the next 30 years, Lincoln became a familiar figure in the area as he and the town grew. And it was in Decatur, in 1860, with Republicans meeting in a tent called the Wigwam, where the city's Millikin Bank now stands, that the railsplitter was first proposed for the Presidency.

But Decatur is not just Abraham Lincoln. Like Abe, the community saw hard times and good times; and like Abe, from the crucible of the changing years, Decatur has emerged strong, resolute, thriving, one whose great purposes augur well for the future not only of itself, its county, its State, but its Nation.

Incorporated as a town in 1836, it now ranks 8th among the cities of Illinois, and 176th in the United States. It ranks 80th in per capita income in the United States and 161st in retail sales. It is a great farm center, the heart of Macon County where farming is big business. Crop production in Macon County is bountiful. Average yields for corn, soybeans, wheat, and oats are above the State averages. Livestock inventories are high and dairy production compares with the best. This is all reflected in the economic pattern of Decatur, the county's chief trade center.

Decatur has its industry, too. While grain milling provides the largest employment, there is heavy employment in metalworking and in the railroad industry. Five railroads serve the city, with a network of over 25,000 miles of track which connect the community with all parts of the country, with division shops where locomotives and freight cars are repaired and rebuilt. The railroads have enabled Decatur manufacturers to develop trade with all parts of the world. Significantly, this has contributed to the growth of the milling and processing plants which depend on the surrounding farmland for soybeans and corn which they turn into hundreds of valuable products, shipped to every corner of the free world's trade, bringing to Decatur the deserved title of "soybean capital of the world."

While Decatur has been growing rapidly during much of its life, it has never forsaken cultural interests. The growth of those things which make life worth while has kept pace. Schools, churches, libraries, recreation facilities, art, drama and music facilities, all these continue to contribute toward making Decatur a more pleasant city in which to live.

Mr. Speaker, too many individuals, too many communities today have forgotten how to think and to act for themselves. Rather do they look toward a paternal Federal Government to think and to act for them. They have lost somewhere the knowledge that the "do-it-yourself" principle is that which has

made and will keep America great. Decatur has never been in this category. The history of this progressive and truly American city speaks for itself, and I submit that history for the Congress and all the country to know.

Before that, however, I want to reiterate that Decatur's citizens of today have not departed from the ways of their forebears. Today's sons follow the example of their forefathers, giving expression to their ambitions and ideals that Decatur remain a busy, livable city and an example to all of America. While adhering to the tried traditions of the past, Decatur does not stand on past accomplishments. It knows that the future, the "great purposes" of tomorrow, can only be one of progress through the meeting and solving of the problems of today.

Today Decatur, as all America, is on the threshold of a new era. There are new industrial and agricultural developments. With these new developments come new responsibilities. I am happy to say that Decatur is facing, and meeting, every responsibility that has come with the past years of its growth, with those of today and those it can foresee in the coming years. Homes are being built, new schools are being built, churches and hospital facilities are being enlarged and new ones built, new factories are going up and additions are being made to many of those that have been long established, improvements are being made in public services, and community and civic problems such as those of water supply, traffic safety, sewage, and others are being met.

Mr. Speaker, we are facing one of the most critical times in our national history. That we may meet the crisis, that we may in solving it, maintain our American system of government and our American way of life. I feel sure that all of our people must reaffirm their faith, rededicate themselves to truly American principles. That this can be accomplished, millions of Americans must be shown the way; they must be told over and over again. And the best way to tell the American story is by example, by the example of Decatur, and her sister cities whose community integrity and devotion, through trial and tribulation, through the long hard pull, have led us from a noble past and, if followed, into an even nobler future.

The path to the fulfillment of "great purposes" and a world at peace is that which Decatur treads and on which in the days ahead must be heard the footsteps of all America.

Yes, Mr. Speaker, Decatur is truly an "All-America City," not just for 1961, for it has been in the past and will continue to be for long years to come.

Mr. Speaker, as quoted in the issue of Look magazine which will carry the All-America Cities Awards, Dr. George H. Gallup, foreman of the All-America Cities jury, states:

> The citations are not given for good government or efficient municipal administration, but rather on the basis of energetic, purposeful citizen effort.

Within this concept, Look magazine says of Decatur, in naming it an All-America City:

> Middle age came early to Decatur. The city's downtown section was traffic clogged. Parking space was scarce. Slums choked the city's choicest sections. Industry grew, but outside city limits. Even worse, water reserves were low.
>
> In 1958, a citizen group campaigned for and won a council-manager government. Later, the reformers elected a mayor and five out of six councilmen. Meanwhile, a $2.5 million street program had been adopted, augmented by State and Federal funds, along with a $5 million plan to raise the reservoir level. Merchants purchased parking sites, and urban-renewal funds were obtained to clear a blighted area of 50 acres. Today, Decatur is a rejuvenated city.

SENATE

MONDAY, MARCH 20, 1961

The Senate met at 12 o'clock meridian, and was called to order by the Vice President.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

God of all grace and glory, unto whom all hearts are open, and from whom no secrets are hid, teach us to pray, for we are keenly conscious that the world in which our common days are spent is poor preparation for communion with Thee. Yet, we need Thee; every hour we need Thee.

We are disturbed by the public menace of our times, burdened by many anxieties, tempted to be cynical because of human evil, and of faint hope because of human folly. We confess that too often we are fretted by small problems and blown off our course by great storms that sweep the earth.

We pray, today, for our divided and violent world, and for ourselves in the midst of it, that we may not increase its dissension by our ill temper and prejudice, but may widen every area of good will our influence can reach.

Give us the strength to carry on, whatever the future may hold, knowing that nothing can befall us as a nation and as individuals that as laborers together with Thee we cannot withstand and master.

So make our hearts strong in the spirit of Christ. Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, March 16, 1961, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, and withdrawing the nomination of U. Alexis Johnson, to be an Assistant Secretary of State, which nominating messages were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 451. An act to authorize the distribution of copies of the CONGRESSIONAL RECORD to former Members of Congress requesting such copies; and

H.R. 5075. An act to provide temporary extended railroad unemployment insurance benefits, and for other purposes.

The message communicated to the Senate the intelligence of the death of Hon. B. CARROLL REECE, late a Representative from the State of Tennessee, and transmitted the resolutions of the House thereon.

ORDER DISPENSING WITH CALL OF THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the call of the Calendar be dispensed with.

The VICE PRESIDENT. Without objection, it is so ordered.

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. MANSFIELD, and by unanimous consent, the Subcommittee on Housing of the Committee on Banking and Currency was authorized to meet during the session of the Senate today.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. MANSFIELD. Mr. President, under the rule, there will be the usual morning hour for the transaction of routine business. I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

LEGISLATIVE PROGRAM

Mr. KUCHEL. Mr. President, will the Senator from Montana yield?

Mr. MANSFIELD. I am delighted to yield.

Mr. KUCHEL. Will the distinguished majority leader indicate what the program of business today is, and will he

be able to indicate what we may expect during the week?

Mr. MANSFIELD. In response to the question asked by the distinguished acting minority leader, I wish to state that the unfinished business is the so-called educational TV bill, S. 205. There may be some debate on it today, but we shall really get underway with its consideration tomorrow. It is not anticipated that any votes will be taken today.

If the conference report on the feed grains bill is reported to the Senate, it is anticipated that it will be brought up for consideration on tomorrow.

If the Senate is agreeable, it might be possible to consider today Calendar No. 69, House bill 1822, a bill to adjust the amount of funds available for farm operating loans made pursuant to section 21(b) of the Bankhead-Jones Farm Tenant Act, as amended; and Calendar No. 70, Senate bill 1028, a bill to amend the transitional provisions of the act approved August 7, 1959, entitled "Nematocide, Plant Regulator, Defoliant, and Desiccant Amendments of 1959," provided there is no controversy over them. I assure the distinguished Senator that, so far as I am concerned, no votes will be taken today, and Senators can govern themselves accordingly.

APPOINTMENTS BY THE VICE PRESIDENT

The VICE PRESIDENT. Under the authority of Public Law 650 of the 86th Congress, the Chair appoints the following Senators to serve on the United States Constitution One Hundred and Seventy-fifth Anniversary Commission: Senator CLARK, Senator ERVIN, and Senator SCOTT.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

REPORT ON STOCKPILE PROGRAM

A letter from the Director, Office of Civil and Defense Mobilization, Executive Office of the President, transmitting, pursuant to law, a secret report on the stockpile program, for the period ended December 31, 1960 (with an accompanying report); to the Committee on Armed Services.

REPORT OF NATIONAL TRUST FOR HISTORIC PRESERVATION

A letter from the Secretary, National Trust for Historic Preservation, Washington, D.C., transmitting, pursuant to law, a report of that organization, for the calendar year 1960 (with accompanying papers); to the Committee on Interior and Insular Affairs.

REPORT OF CONTRACTUAL ACTIONS TAKEN TO FACILITATE THE NATIONAL DEFENSE

A letter from the Assistant Secretary of Defense (Installations and Logistics), transmitting, pursuant to law, a report on contractual actions taken to facilitate the national defense, for the calendar year 1960 (with accompanying papers); to the Committee on the Judiciary.

REPORT OF ATOMIC ENERGY COMMISSION

A letter from the Assistant General Manager, U.S. Atomic Energy Commission, Washington, D.C., reporting, pursuant to law, that the Commission had no activities to report for the calendar year ended Demember 31, 1960, relating to Public Law 85–804; to the Joint Committee on Atomic Energy.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

A resolution of the General Assembly of the State of Rhode Island; to the Committee on the Judiciary:

"HOUSE RESOLUTION 1309

"Resolution memorializing the Congress of the United States to enact legislation which would allow those people who are not able to speak or read English to apply for American citizenship

"Whereas many of our good citizens who have migrated from other lands found refuge in America fleeing from the yoke of tyranny and oppression; and

"Whereas these people have contributed much to the educational, cultural, and economic structure of our country; and

"Whereas the sons and daughters of these people have served bravely and commendably in the military service of their country; and

"Whereas these many people, as a result of economic need were unable to provide for formal education; and

"Whereas the Congress of the United States has recognized this and the Immigration Act provides that those citizens who have been in this country for 20 years and who have attained the age of 50 are eligible to make application for citizenship regardless of their ability to read or write; and

"Whereas these people have an earnest desire to become citizens of the United States: Now, therefore, be it

"Resolved, That the General Assembly of the State of Rhode Island earnestly urge the Congress of the United States to abolish these limitations in the Immigration Act and to enact legislation which would allow those people who are not able to speak or read English to apply for American citizenship; and be it further

"Resolved, That duly certified copies of this resolution be transmitted forthwith by the secretary of state to the Vice President of the United States, to the Speaker of the House of Representatives of the United States, and to each of the Senators and Representatives from Rhode Island in the Congress of the United States, earnestly requesting that each use his best efforts to enact legislation which would carry out the purposes of this resolution."

By Mr. SCHOEPPEL:

A concurrent resolution of the Legislature of the State of Kansas; to the Committee on Public Works:

"HOUSE CONCURRENT RESOLUTION 5

"Concurrent resolution notifying the U.S. Army Chief of Engineers of the desire of the Kansas Legislature relative to water supply features in Milford Reservoir and other authorized reservoir projects

"Whereas the Federal Water Supply Act of 1958 authorizes the inclusion of water supply storage in reservoirs constructed by the Corps of Engineers and the Bureau of Reclamation to meet future needs, provided the Federal Government receives reasonable assurances from the States or their political subdivisions that the water will be needed sometime in the future and that the non-Federal financial obligations for the water supply features will be fulfilled; and

"Whereas the Kansas constitution was amended in 1958 to authorize the State to participate in works for the conservation and development of water resources; and

"Whereas the Kansas Water Resources Board, after thorough deliberation and study, has requested the inclusion of 300,000 acre-feet of water supply storage in the Milford Reservoir on the Republican River, 150,000 acre-feet in Perry Reservoir on the Delaware River, and 34,900 acre-feet in John Redmond Reservoir on the Neosho River to meet future anticipated needs; and

"Whereas the Kansas Water Resources Board has also supported requests by the cities of Independence, Coffeyville, Emporia, and Council Grove for inclusion of water supply features in the Elk City Reservoir on the Elk River and Council Grove Reservoir on the Neosho River; and

"Whereas the U.S. Senate, in its consideration of the public works bill passed by the 86th Congress, recommended that none of the fiscal year 1961 appropriation of $500,000 for Milford Reservoir be used to commence construction until the Chief of Engineers has been furnished a resolution or declaration of policy by the Kansas Legislature recognizing the non-Federal repayment obligation and stating intent to fulfill same at the proper time; and

"Whereas the special report to the 1961 legislature prepared by the Kansas Water Resources Board shows clearly that State assumption of responsibility for obtaining needed conservation storage in Federal reservoirs would be in the best interests of the State of Kansas as a means of making more of the natural water supply available for beneficial future use within the State: Now, therefore, be it

"Resolved by the House of Representatives of the State of Kansas (the Senate concurring therein): That the legislature concurs in the recommendations made by the Kansas Water Resources Board for inclusion of water supply storage in Milford, Perry, and John Redmond Reservoirs, and concurs in the requests made by the cities named in the preamble hereof, which requests have been supported by the Kansas Water Resources Board, for inclusion of water supply in the Elk City and Council Grove projects; and be it further

"Resolved, That the legislature recognizes the non-Federal repayment obligations required relative to the development of water supply features in federally financed projects and does hereby assure the Chief of Engineers that the State or its political subdivisions will fulfill such obligations, prior to the use of the water, as they relate to the above-named projects and as the obligations are described in Public Law 534, 78th Congress (the Flood Control Act of 1944), title III of Public Law 85–500 (the Water Supply Act of 1958), and such acts as may be supplemental or amendatory thereto; and be it further

"Resolved, That the secretary of state is directed to transmit enrolled copies of this resolution to the Chief of Engineers of the U.S. Army Corps of Engineers, each member of the Kansas congressional delegation, the President of the U.S. Senate, the Speaker of the U.S. House of Representatives, the chairmen of the U.S. Senate and House Appropriations Committees, and the Governor of Kansas.

"_____ _____,
"Speaker of the House.
"A. E. ANDERSON,
"Chief Clerk of the House.
"Adopted by the senate March 9, 1961.
"HAROLD M. CHASE,
"President of the Senate.
"RALPH E. ZARKER,
"Secretary of the Senate."

The VICE PRESIDENT laid before the Senate a concurrent resolution of the Legislature of the State of Kansas, identical with the foregoing, which was referred to the Committee on Public Works.

RECREATIONAL FACILITIES IN NORTHERN WISCONSIN—JOINT RESOLUTION OF WISCONSIN LEGISLATURE

Mr. WILEY. Mr. President, the economic crisis confronting the country requires a new look by the people of local, State, and Federal governments for better ways to utilize potential economic resources.

Wisconsin, like other States, is faced with serious problems. The situation is especially acute in our northern areas with unemployment ranging up to 18 percent.

The drastic repercussions of such conditions affect not only the jobless but the economy of whole communities dependent upon the buying power of local people.

In northern Wisconsin, however, we have splendid all-year-round opportunities for recreation.

Currently, these communities, as well as the State government, are trying to find ways to capitalize upon this promising resource. Insofar as it properly can, Uncle Sam, I believe, should lend a hand. The Small Business Administration, as well as other agencies, can, I believe, provide useful assistance to these communities attempting bootstrap operations to improve the economy. Recently, I received a joint resolution adopted by the Wisconsin Legislature on the need for additional Federal help to resolve economic problems. I am bringing this to the attention of the appropriate agencies. In addition, the will of the legislature on this matter deserves the attention of Congress.

I request unanimous consent to have the resolution printed at this point in the RECORD, and appropriately referred.

There being no objection, the joint resolution was referred to the Committee on Banking and Currency, and, under the rule, was ordered to be printed in the RECORD, as follows:

JOINT RESOLUTION 40 A

Joint resolution relating to the need for economic assistance in the winter recreational area of northern Wisconsin

Whereas during the past two decades northern Wisconsin has built a strong reputation as a winter recreational area; and

Whereas during the winter of 1959–60 more than 40,000 people visited a single recreational area in northern Wisconsin; and

Whereas it is estimated that more than a million dollars is expended in that area by visitors during a booming winter season; and

Whereas residents of the northern area have invested thousands of dollars to improve the facilities and attract more visitors; and

Whereas the fickle hand of fortune has, during the current season, disrupted the economic opportunities of the area by shunting all the snow to other parts of the Nation, leaving only a token layer as an attraction to the winter sports enthusiasts; and

Whereas the lack of snow has seriously affected the economic opportunities of those engaged directly in the recreational business and also a larger group of residents who are indirectly concerned: Now, therefore, be it

Resolved by the assembly (the senate concurring), That the legislature recognize that through no fault of their own, the residents of northern Wisconsin have been gravely affected by the peculiarity of the weather, that the snow drought has had as serious consequences to northern Wisconsin as the absence of rain has had to various agricultural areas of this Nation in the past, and that northern Wisconsin is truly in the throes of a disaster; and be it further

Resolved, That the legislature urge the Administrator of the Small Business Administration of the Federal Government to declare the recreational area of northern Wisconsin a disaster area and make available to the residents thereof the financial assistance which is authorized; and, be it further

Resolved, That copies of this resolution be submitted to the Members of the Wisconsin delegation in Congress in order that they may lend their assistance to secure such aid.

D. J. BLANCHARD,
Speaker of the Assembly.
ROBERT G. MAROTZ,
Chief Clerk of the Assembly.
W. D. KNOWLES,
President of the Senate.
LAWRENCE R. LARSEN,
Chief Clerk of the Senate.

ESTABLISHMENT OF A NATIONAL PARKWAY IN UTAH—RESOLUTION

Mr. BENNETT. Mr. President, I present for appropriate reference a resolution adopted by the Five-County Organization of the State of Utah, endorsing the Utah park bill which I introduced some time ago. I ask unanimous consent that the resolution be printed in the RECORD.

There being no objection, the resolution was referred to the Committee on Interior and Insular Affairs, and ordered to be printed in the RECORD, as follows:

Resolved by the Five-County Organization, an association of county commissioners and other county and city officials and officers of civil groups of the counties of Beaver, Garfield, Iron, Kane, and Washington, in southwestern Utah, in regular meeting assembled, at Cedar City, Utah, this 3d day of March, A.D. 1961, That we heartily endorse U.S. Senate bill S. 808, introduced by Hon. WALLACE F. BENNETT, of Utah, on February 6, 1961, which bill, if enacted, would authorize the Secretary of the Interior to establish a national parkway in the State of Utah; and be it further

Resolved, That we, the officers and members of the Five-County Organization, hereby pledge our full support and effort for said measure; and be it further

Resolved, That a copy of this resolution be spread on the minutes of this association, and that copies of same be sent to the office of Gov. George D. Clyde, the Utah State Road Commission, to the Ogden office of the Bureau of Public Roads, and to each member of the Utah congressional delegation in Washington, D.C., after this resolution has been signed and executed by the officers of this organization.

Done at Cedar City, Utah, this 3d day of March A.D. 1961.

MERRILL R. MACDONALD,
President.

Attest:

D. WAYNE ROSE,
Secretary.

REPORT OF A COMMITTEE

The following report of a committee was submitted:

By Mr. ROBERTSON, from the Committee on Banking and Currency, without amendment:

S. 712. A bill authorizing the Secretary of the Treasury to coin and sell duplicates in bronze of a gold medal presented to Robert Frost by the President of the United States (Rept. No. 75).

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. JOHNSTON, from the Committee on Post Office and Civil Service:

Richard James Murphy, of Maryland, to be an Assistant Postmaster General; and

Ralph W. Nicholson, of New York, to be an Assistant Postmaster General.

By Mr. JOHNSTON, from the Committee on the Judiciary:

Joseph D. Tydings, of Maryland, to be U.S. attorney for the district of Maryland.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SCHOEPPEL:

S. 1373. A bill for the relief of Giuseppa Lanza Lascuola; to the Committee on the Judiciary.

By Mr. BEALL:

S. 1374. A bill to provide for the advancement on the retired list of certain medical officers of the uniformed services who have served as surgeons general for 5 or more years; to the Committee on Armed Services.

S. 1375. A bill to permit unmarried annuitants under the Civil Service Retirement Act of May 29, 1930, as amended, to elect survivorship annuities upon subsequent marriage; to the Committee on Post Office and Civil Service.

By Mr. BENNETT:

S. 1376. A bill to impose additional individual and corporate income taxes when necessary in order to offset deficits and to provide for systematic reduction of the public debt; to the Committee on Finance.

(See the remarks of Mr. BENNETT when he introduced the above bill, which appear under a separate heading.)

By Mr. BRIDGES:

S. 1377. A bill to authorize the award posthumously of an appropriate medal to Dr. Thomas A. Dooley III; to the Committee on Banking and Currency.

(See the remarks of Mr. BRIDGES when he introduced the above bill, which appear under a separate heading.)

By Mr. BARTLETT:

S. 1378. A bill to provide for transferring from the Secretary of the Navy to the Secretary of the Interior jurisdiction over lands of the United States within the boundaries of Naval Petroleum Reserve No. 4, and abolishing such naval petroleum reserve; to the Committee on Armed Services.

(See the remarks of Mr. BARTLETT when he introduced the above bill, which appear under a separate heading.)

By Mr. SPARKMAN (for himself, Mr. JAVITS, Mr. LONG of Louisiana, Mr. HUMPHREY, Mr. SMATHERS, Mr. MORSE, Mr. BIBLE, Mr. RANDOLPH, Mr. ENGLE, Mr. BARTLETT, Mr. WILLIAMS of New Jersey, Mr. MOSS, Mr. SALTONSTALL, Mr. SCHOEPPEL, Mr. COOPER, Mr. SCOTT, Mr. PROUTY, Mr. CASE of New Jersey, and Mr. KEATING):

S. 1379. A bill to encourage and promote the expansion through private enterprise of domestic exports in world markets; to the Committee on Banking and Currency.

(See the remarks of Mr. SPARKMAN when he introduced the above bill, which appear under a separate heading.)

By Mr. KEATING (for himself and Mr. HARTKE):

S. 1380. A bill to amend section 801 of the act entitled "An act to establish a code of

law for the District of Columbia," approved March 3, 1901; to the Committee on the District of Columbia.

(See the remarks of Mr. KEATING when he introduced the above bill, which appear under a separate heading.)

By Mr. SYMINGTON (for himself and Mr. LONG of Missouri):

S. 1381. A bill to authorize the establishment and development of the Ozark Rivers National Monument in the State of Missouri, and for other purposes; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. SYMINGTON when he introduced the above bill, which appear under a separate heading.)

By Mr. JOHNSTON (by request):

S. 1382. A bill to correct the inequities of the Postal Field Service Compensation Act of 1955; to the Committee on Post Office and Civil Service.

By Mr. KEATING:

S. 1383. A bill to amend section 1073 of title 18, United States Code, the Fugitive Felon Act;

S. 1384. A bill to amend section 3731 of title 18 of the United States Code relating to appeals by the United States;

S. 1385. A bill to amend section 1621 of title 18 of the United States Code to provide for degrees of perjury and for other purposes; and

S. 1386. A bill to amend section 3486(c) of title 18, United States Code; to the Committee on the Judiciary.

(See the remarks of Mr. KEATING when he introduced the above bills, which appear under a separate heading.)

By Mr. MORSE:

S. 1387. A bill to amend section 8(b)(4) of the National Labor Relations Act, as amended; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. MORSE when he introduced the above bill, which appear under a separate heading.)

RESOLUTIONS

AMENDMENT OF RULE XXV, TO CREATE A STANDING COMMITTEE ON VETERANS' AFFAIRS

Mr. SCHOEPPEL (for himself, Mr. BRIDGES, and Mr. WILLIAMS of Delaware) submitted the following resolution (S. Res. 110), which was referred to the Committee on Rules and Administration:

Resolved, That rule XXV of the Standing Rules of the Senate (relating to standing committees) is amended by—

(1) striking out parts 10 through 13 in subparagraph (h) of paragraph (1);

(2) striking out parts 16 through 19 in subparagraph (1) of paragraph (1); and

(3) inserting in paragraph (1) after subparagraph (p) the following new subparagraph:

"(q) Committee on Veterans' Affairs, to consist of thirteen Senators, five who are also members of the Committee on Finance, four who are also members of the Committee on Armed Services, and four who are also members of the Committee on Labor and Public Welfare. All proposed legislation, messages, petitions, memorials, and other matters relating to the following subjects shall be referred to the Committee on Veterans' Affairs:

"1. Veterans' measures, generally.

"2. Pensions of all wars of the United States, general and special.

"3. Life insurance issued by the Government on account of service in the Armed Forces.

"4. Compensation of veterans.

"5. Vocational rehabilitation and education of veterans.

"6. Veterans' hospitals, medical care, and treatment of veterans.

"7. Soldiers' and sailors' civil relief.

"8. Readjustment of servicemen to civil life."

SEC. 2. Paragraph 4 of rule XXV of the Standing Rules of the Senate is amended by striking out "and Committee on Aeronautical and Space Sciences" and inserting in lieu thereof "Committee on Aeronautical and Space Sciences, and Committee on Veterans' Affairs".

SEC. 3. The Committee on Veterans' Affairs shall as promptly as feasible after its appointment and organization confer with the Committee on Finance and the Committee on Labor and Public Welfare for the purpose of determining what disposition should be made of proposed legislation, messages, petitions, memorials, and other matters theretofore referred to the Committee on Finance and the Committee on Labor and Public Welfare during the Eighty-seventh Congress which are within the jurisdiction of the Committee on Veterans' Affairs.

ENLARGEMENT OF MEMBERSHIP OF SPECIAL COMMITTEE ON AGING

Mr. MANSFIELD submitted the following resolution (S. Res. 111), which was referred to the Committee on Rules and Administration:

Resolved, That the first section of S. Res. 33, Eighty-seventh Congress, agreed to February 13, 1961, is amended (1) by striking out "nine" and inserting in lieu thereof "twenty-one", (2) by striking out "six" and inserting in lieu thereof "fourteen", and (3) by striking out "three" and inserting in lieu thereof "seven".

DEATH OF THE LATE REPRESENTATIVE B. CARROLL REECE, OF TENNESSEE

Mr. MANSFIELD (for Mr. KEFAUVER and Mr. GORE) submitted a resolution (S. Res. 112) relative to the death of the late Representative B. CARROLL REECE, of Tennessee, which was considered and agreed to.

(See the above resolution printed in full when submitted by Mr. MANSFIELD, which appears under a separate heading.)

TAX ADJUSTMENT AND DEBT RETIREMENT ACT OF 1961

Mr. BENNETT. Mr. President, I introduce a bill called "The Tax Adjustment and Debt Retirement Act of 1961."

The purpose of the bill is to provide a practical, self-enforcing method by which the Federal debt may be reduced at a steady rate of at least $3 billion per year in normal peacetime years.

The practical operation of the bill will be to stimulate demands at the grassroots level for fiscal restraint by Congress. Otherwise, the constituents of our national lawmakers will be faced with increased tax burdens—not at some indefinite future time, but now. If a deficit seems likely with a tax increase sure to result, pressure on Congress to prevent or minimize it can be very effective. This is the kind of discipline we often need.

The basic idea behind the bill is simple. It sets as the goal of our fiscal policy not merely a balanced budget, but an annual surplus of $3 billion; and if in any fiscal year we fail to meet that goal, it provides for special 1-year additional personal and corporate income taxes in an amount necessary to make up the difference.

The pattern of the determination and imposition of the tax is also simple, and grows out of the relation of the Federal fiscal year to the calendar year. The existence and amount of any deficit below the desired surplus of $3 billion can be determined soon after July 1, and the amount of the special tax can then be calculated and collected with other taxes due the following April for the taxable year which began, in most cases, with the preceding January. In the case of corporations and individuals with taxable years other than the calendar year, the makeup tax would be payable when the regular income taxes are payable.

In order to calculate this new tax and distribute its burden fairly among all taxpayers, the bill provides that the amount needed to make up the deficit in any fiscal year shall be calculated and announced by the Treasury as a percentage of the total collections from personal and corporate taxes in that same fiscal year.

Of course, the amount thus calculated would never exactly match the previous deficit, because of the difference of the end of the Government's fiscal year and the taxable year of most taxpayers, and because of swings in income. But since our economy is growing, it would tend to exceed the deficit slightly over a span of years. This is good, because any excess would automatically reduce the debt that much more, and this is our essential purpose anyway.

To provide a simple and practical way in which each taxpayer can figure his own 1-year tax, the bill would apply the official percentage to the next tax due as figured under present law. Two extra lines could be added to the tax forms—one showing the percentage to be used for that year with space for the resulting dollar figure of new tax, and on the other the final total of the regular tax plus the 1-year special makeup tax would be shown.

If such a plan were adopted, there would be no need to change the present law with respect to rates, exemptions, exclusions, requirements for withholding, or the present ceiling on the effective rate of tax on a persons' total income—currently 87 percent—and, therefore, no changes in the body of rulings and regulations would be required. Nor would the cost of examination or verification of returns be materially increased.

Another feature of the bill is that it provides for a limit to the makeup tax of 10 percent in any one year, so that if we ever have another large deficit year like fiscal 1959, its effects can be spread forward for a few years and not concentrated into one.

I realize that there are potential variations of the application of this idea which the committees of the House and Senate might like to study, and there may be times when the automatic imposition of the makeup tax would be unwise. Obviously, I have not attempted

to write these into the bill, but such as have occurred to me might well be briefly stated here.

One obvious type of variation might be in the target itself. At the minimum, the target of the bill might be set merely to create a balanced budget with no surplus to apply on the debt. The variations above that point are unlimited. One would be to authorize automatic tax reductions equivalent to the amount of any surplus above $3 billion. I selected the figure of $3 billion because it is slightly more than 1 percent of the debt, though even at this rate it will require at least 96 years of such a surplus to pay off the present debt, to say nothing of the stretchout that will be caused by inevitable additions to the deficit in years of war, or in sterile years when for one reason or another it seems wise to suspend the plan. In war years deficits are probably inevitable, and in recession years they are probably desirable. The bill provides that Congress can suspend the program for any year by an affirmative act signed by the President.

To look at this another way, the fifth generation of our descendants, our great-great-great-grandchildren, would still be paying on this debt, even if there were no additional deficits.

The need for some such program is evident when we look at the record of the past 30 years. In that time we have had only 6 surplus years. In the prewar decade of the thirties, we had a deficit every year, at an average of $3 billion per year. In the post World War II years, our deficits have exceeded our surpluses by a total of $17.5 billion, or an average of $1¼ billion per year. Moreover, never once in this time have we balanced the budget over a business cycle. If we can reverse the process, and pay off $3 billion per year, it will take 5½ years to pay for the debt which had accumulated up to the 1930's, 11 years to pay for the deficits of the thirties up to the World War II, 6 years to pay for our excess spending since 1946. The wartime deficits will require 73 years to repay.

It is encouraging to realize that both Members of Congress and the folks back home are becoming increasingly concerned with our national debt, and are beginning to try to do something about it. In the last Congress 50 bills were introduced, and already this year 27 bills have been introduced whose purpose is to provide a program to reduce the debt. Unfortunately, none of the ideas in these bills are self-enforcing and, therefore, the proposals are little more than expressions of pious hope.

My bill seeks to put a positive force behind the proposal. Either Congress resists excessive spending or its constituents must pay the consequences in higher taxes. The potential effects of this are obvious.

No legal device can ever be a complete substitute for self-control and no program can long operate without support at every level. Debt reduction at a steady rate must become a definite national policy. The President's budget must be planned to produce the necessary annual surplus. Congress must regard it as an obligation to be met by providing adequate revenue by wise taxation, by control of appropriations, and by restraint in legislation creating new programs which require new spending. Most of all, the American people must discipline themselves as to their demands on government and must impose similar discipline on every unit and function of government.

I hope the ideas contained in this bill can prove to be useful steps in that direction and they are offered in that spirit.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 1376) to impose additional individual and corporate income taxes when necessary in order to offset deficits and to provide for systematic reduction of the public debt, introduced by Mr. BENNETT, was received, read twice by its title, referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Income Tax Adjustment and Debt Reduction Act of 1961".

TITLE I—DETERMINATION OF ADDITIONAL INCOME TAXES

SEC. 101. (a) The Secretary of the Treasury shall, on or before September 1 of each year, beginning with 1961, determine—

(1) the amount of the annual surplus (as defined in subsection (b)) or of the annual deficit (as defined in subsection (c)) for the fiscal year which ended on June 30 of such year;

(2) the total amount of revenue collected during such fiscal year from all taxes imposed by chapter 1 of the Internal Revenue Code of 1954 (other than the taxes imposed by sections 5 and 12 of such Code); and

(3) the percentage which the annual deficit for such fiscal year is of the total amount of revenue described in paragraph (2).

(b) For purposes of subsection (a), the annual surplus for any fiscal year is the amount (if any) by which—

(1) the total receipts of the Government during such fiscal year (other than revenue collected from the taxes imposed by sections 5 and 12 of the Internal Revenue Code of 1954), exceeded

(2) the total expenditures of the Government during such fiscal year, plus $3,000,000,000.

(c) For purposes of subsection (a), the annual deficit for any fiscal year is the amount (if any) by which—

(1) the total expenditures of the Government during such fiscal year, plus $3,000,000,000, exceeded

(2) the total receipts of the Government during such fiscal year (other than revenue collected from the taxes imposed by sections 5 and 12 of the Internal Revenue Code of 1954).

(d) If the annual deficit for any fiscal year exceeds an amount equal to 10 percent of the total amount of revenue collected during such fiscal year from all taxes imposed by chapter 1 of the Internal Revenue Code of 1954 (other than the taxes imposed by sections 5 and 12 of such Code), then—

(1) for purposes of subsection (a)(3), the annual deficit for such fiscal year shall be treated as an amount equal to 10 percent of the total amount of revenue so collected, and

(2) for purposes of subsections (b) and (c), the amount of such excess shall be taken into account as an expenditure for the fiscal year following such fiscal year.

SEC. 102. The percentage determined under section 101 (a)(3) for any fiscal year, or if applicable, the percentage prescribed under section 101(d) for such fiscal year, shall be the rate of tax to be imposed under sections 5 and 12 of the Internal Revenue Code of 1954 for the taxable year in which such fiscal year ended.

TITLE II—IMPOSITION OF ADDITIONAL INCOME TAXES

SEC. 201. (a) Part I of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to tax on individuals) is amended by redesignating section 5 as 6, and by inserting after section 4 the following new section:

"SEC. 5. ADDITIONAL TAX IMPOSED.

"There is hereby imposed, with respect to the taxable income of each individual, for each taxable year in which ends a fiscal year in which there is an annual deficit as determined under section 101 of the Income Tax Adjustment and Debt Reduction Act of 1961, a tax equal to the percentage prescribed by section 102 of such Act for such taxable year of the amount of the tax imposed by this chapter (without regard to this section) on the taxable income of each such individual."

(b) The table of sections for such part is amended by striking out

"Sec. 5. Cross references relating to tax on individuals."

and inserting in lieu thereof

"Sec. 5. Additional tax imposed.

"Sec. 6. Cross references relating to tax on individuals."

(c) Section 6015(c) of the Internal Revenue Code of 1954 (relating to declaration of estimated income tax by individuals) is amended by inserting after "imposed by chapter 1" the following "(not including the tax imposed by section 5)".

SEC. 202. (a) Part II of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to tax on corporations) is amended by redesignating section 12 as 13, and by inserting after section 11 the following new section:

"SEC. 12. ADDITIONAL TAX IMPOSED.

"There is hereby imposed, with respect to the taxable income (or its equivalent) of each corporation, for each taxable year in which ends a fiscal year in which there is an annual deficit as determined under section 101 of the Income Tax Adjustment and Debt Reduction Act of 1961, a tax equal to the percentage prescribed by section 102 of such Act for such taxable year of the amount of the tax imposed by this chapter (without regard to this section) on the taxable income (or its equivalent) of each such corporation."

(b) The table of sections for such part is amended by striking out

"Sec. 12. Cross references relating to tax on corporations."

and inserting in lieu thereof

"Sec. 12. Additional tax imposed.

"Sec. 13. Cross references relating to tax on corporations."

SEC. 203. The Congress reserves the power to suspend, by appropriate action, the application of sections 5 and 12 of the Internal Revenue Code of 1954 (as added by sections 201 and 202 of this Act) with respect to any taxable year.

POSTHUMOUS AWARD OF MEDAL AND CERTIFICATE TO DR. THOMAS A. DOOLEY III

Mr. BRIDGES. Mr. President, I introduce, for appropriate reference, a bill to authorize the President to award posthumously an appropriate medal and certificate to Dr. Thomas A. Dooley III.

The outstanding work of this fine young American physician is so well known that it is unnecessary for me to make any lengthy remarks at this time in support of the bill.

I feel certain that any Member of Congress who has had the pleasure of meeting Dr. Dooley, as I have, would support this measure with enthusiasm. During his lifetime he brought to the peoples of many underdeveloped countries, and principally to those disease ridden persons in the jungles of Laos, an image of a kind and merciful America.

It is fairly well known that Dr. Dooley conducted this work with full knowledge of the probable consequences to his own health. As a result, death came to him last January at the age of 34.

Mr. President, I submit that the recognition of Dr. Dooley's selfless devotion to his fellow man provided by this bill is worthy of expeditious and favorable consideration.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 1377) to authorize the award posthumously of an appropriate medal to Dr. Thomas A. Dooley III, introduced by Mr. BRIDGES, was received, read twice by its title, and referred to the Committee on Banking and Currency.

TRANSFER OF JURISDICTION OVER NAVAL PETROLEUM RESERVE NO. 4

Mr. BARTLETT. Mr. President, I introduce, for appropriate reference, a bill to transfer from the Department of the Navy to the Department of the Interior jurisdiction over the public land area within the boundaries of Naval Petroleum Reserve No. 4.

Pet 4, which is the short name for this withdrawal of northwestern Alaska lands, has been continuously reserved from all forms of public entry since 1923. Ordered withdrawn by President Harding, the area remained virtually unexplored until the last 2 years of World War II. Between 1944 and 1953 approximately $50 million was spent to develop the area by the Department of the Navy. As a result of naval efforts no commercial deposits of oil and gas were discovered.

In recent years there has been no important effort to renew military exploration of the petroleum reserve. To the contrary, the Department of Defense has expressed a desire to relinquish control of the area in order to allow further exploration through private investment by the oil industry.

During the last session of Congress I introduced proposed legislation similar to that which I offer today. Although there was no Senate action on my bill, S. 434, the Armed Services Committee was informed that the Department of Defense favored its enactment. The departmental report stated in part:

> Naval Petroleum Reserve No. 4 is located on the Arctic coast of Alaska in the area surrounding Point Barrow. Extremely difficult conditions of weather and terrain prevail in this region. Test drillings have been conducted in the reserve by the Department of the Navy at considerable expense, but no oil or gas pools of commercial value were located. However, these tests in no respect disprove the potential of the area for oil and gas. If the area were opened for leasing, a commercially integrated industry might eventually be created in northern Alaska. The availability of supply from an active oil industry in this area would be of value to the military departments.

The Armed Services Committee also received reports from the Office of Civil and Defense Mobilization and the Department of the Interior. Neither of these reports raised any objection to the enactment of S. 434, but certain changes were suggested by the Interior Department. Some of the Interior Department recommendations are incorporated in the language of the bill I now introduce.

Mr. President, when I introduced S. 434 on January 17, 1959, I briefly summarized the history of Naval Petroleum Reserve No. 4. In order to make this summary readily available to the Senate I ask unanimous consent that my introductory statement be reprinted in the RECORD immediately following my remarks.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the remarks will be printed in the RECORD.

The bill (S. 1378) to provide for transferring from the Secretary of the Navy to the Secretary of the Interior jurisdiction over lands of the United States within the boundaries of Naval Petroleum Reserve No. 4, and abolishing such naval petroleum reserve, introduced by Mr. BARTLETT, was received, read twice by its title, and referred to the Committee on Armed Services.

The remarks presented by Mr. BARTLETT are as follows:

TRANSFER OF JURISDICTION OVER LANDS WITHIN NAVAL PETROLEUM RESERVE NO. 4

Mr. BARTLETT. Mr. President, I introduce, for appropriate reference, a bill for the purpose of turning back to the public lands of the United States a vast area in Alaska now withdrawn and set apart as a naval petroleum reserve.

This withdrawal, known as Naval Petroleum Reserve No. 4—Pet 4, for short—was set aside by President Harding by Executive Order No. 3797–A on February 27, 1923, at a time when his administration was under a searching investigation by a committee of this body for its handling of the then existing naval petroleum reserves. These are the Elk Hills reserve—Naval Petroleum Reserve No. 1—and the Buena Vista Hills reserve—Naval Petroleum Reserve No. 2—both in California, and Teapot Dome—Naval Petroleum Reserve No. 3—in Wyoming.

Criticism of the administration's action in leasing the California and Wyoming reserves obviously was responsible for setting aside of the Alaska reserve which embraces some 37,000 square miles in the great basin lying north of the Brooks Range and extending from the crest of the mountains on the south to the Arctic Ocean on the north and from the Colville River on the east to approximately the 162d meridian of longitude on the west. Point Barrow, the northernmost point of land in Alaska and Barrow Village, the northernmost inhabited settlement in the United States, is approximately in the center of the northern boundary of the reserve.

When set aside in 1923 virtually nothing was known of the geology of the region or of the lithology of the sediments and a great part of the lands had never been explored. The only evidence of the presence of oil or gas was a single seepage near Cape Simpson, where a small amount of oil seeped from a hummock of ice and ran down to cover a small lake with a scum of oil.

I am further advised that in the opinion of informed persons in the Department of the Navy the area is not suitable under present day conditions for a naval petroleum reserve, even if large quantities of oil were known to exist there, primarily because of its location, climate, lack of transportation, and the great expense of exploration and development. In view of the high costs involved it would not be practicable to drill a large number of wells in a proven field in this region and maintain them in a standby status pending potential future need as has been done in the Elk Hills reserve. In Elk Hills, I am told, the Navy by merely turning the valves on suspended wells can turn into the existing pipelines to refineries at San Francisco and Los Angeles in excess of 150,000 barrels daily of additional oil whenever the Congress by joint resolution authorizes its production. This is a real and valuable reserve for the military.

It is well known that the Navy, from 1944 to 1953, endeavored to determine the potential value of its portion of this vast sedimentary basin lying north of the Brooks Range—Pet 4—and expended nearly $50 million in exploration for oil. After drilling 36 test wells and 40 core holes the Navy suspended operations and although no large oilfields were discovered, this meager amount of drilling in an area so large did not disprove the possible existence of large oil and gas fields in the many mammoth geologic structures disclosed by both its geological and geophysical exploration. The Navy did determine the presence of both oil and gas in this geologic basin in which the sediments exceed 20,000 feet in thickness in the deeper parts. Due to budget limitations the Department of the Navy is reluctant to supply funds from naval appropriations for the further development of its naval petroleum reserves and neither the Navy or the Congress has, at this time, any plans for further exploration or use of the lands in this petroleum reserve. A naval petroleum reserve to be of use in time of emergency must be fully developed and ready, as is the Elk Hills reserve, in order to serve its purpose. To hold a vast tract of land, such as that covered by this bill, idle and unused constitutes a waste and serves no useful purpose to the Government.

At the present time there is a great interest by the petroleum industry in the petroleum possibilities of several large sedimentary basins known to exist in Alaska and large areas in each have been leased for oil and gas exploration. Private interests appear now to be interested in the Barrow Basin and ready to carry on the work of exploration so ably begun by the Navy.

The Alaska Petroleum & Gas Co., Inc., has recently obtained leases on the Gubik gas structure, a structure in which the Navy indicated commercial gas reserves may be developed. If further drilling proves that adequate gas reserves exist in the Gubik structure, a gasline will be built to furnish gas to Fairbanks, including the military installations in the area, with the result that great savings can be made in the present fuel costs in the area, both by civilians and the military. High cost of fuel is one of the principal reasons for high costs of living in Alaska, and particularly in the Arctic regions.

At the present time the only region in Alaska which enjoys the use of natural gas for fuel is at Point Barrow, where the Navy discovered the small South Barrow field, which supplies gas to its camp and to other Government installations in the area.

Drilling in this field has not been sufficient to determine accurately the gas reserves.

On the Umiat structure, some 25 miles southwest of the Gubik structure, the Navy found a field of high gravity oil at shallow depth. While the five productive wells drilled in this field did not produce oil in quantities sufficient to warrant its development as a naval reserve, it may well be that further drilling would develop enough oil to warrant laying a pipeline to Fairbanks—particularly if it could be constructed in connection with a gasline from the Gubik field.

This bill is very important to the people of the new State of Alaska, and when passed and approved will enable the petroleum industry to take over and continue the exploration started by Navy. It will enable private interests to develop that part of the Gubik structure within Pet 4 which cannot now be leased and developed; it will permit further exploration of the South Barrow gesfield to the end that it may be possible to furnish gas therefrom to the citizens of Barrow Village and adjacent thereto; it will permit the industry to utilize fully the vast amount of information developed by the Navy in a further search for oil north of the Brooks range. This bill is important to the future economy of the State of Alaska and any oil or gas discoveries made in the region it will open up will add to both the resources of the State and the United States.

In closing my remarks, I want to call the attention of the Senate to a bill, H.R. 298, recently introduced by the Honorable CARL VINSON, chairman of the Committee on Armed Services of the House, which has for its purpose establishment of Naval Petroleum Reserve No. 5 by setting aside for the Navy the islands of San Nicolas, San Miguel, and Prince lying off the coast of southern California. These islands, if found productive of petroleum, can be developed at a reasonable cost and will be far better suited for an oil reserve for the military than is the area which is covered by the bill. Should the bill H.R. 298 ever come before this body for its consideration it will be strongly supported by me and will have my vote.

ENCOURAGEMENT OF EXPORTS BY SMALL BUSINESS

Mr. SPARKMAN. Mr. President, I introduce, for appropriate reference, on behalf of all of the members of the Senate Small Business Committee, a bill designed to encourage and expand the participation of American small business in exporting. This bill is intended to meet and, we hope, solve some of the problems that were presented to the committee at its hearings on "Small Business Exports and the World Market." Those hearings were held last November and December in New York, New Orleans, and San Francisco. I expect to have the privilege of filing the committee's report on its study of small business exports within the next few days.

The bill I am introducing today implements several recommendations that are contained in the draft report now nearing final approval of the full Small Business Committee. It is an amended and amplified version of S. 852, the National Export Policy Act, which was introduced on February 9, 1961, by the committee's distinguished member from the State of New York [Mr. JAVITS]. The present bill, which I think may fairly be called the committee's bill, since all of our 17 members are cosponsors, adds important small business provisions to the proposals for export promotion that were contained in the earlier Javits bill. The Senator from New York [Mr. JAVITS], who served with Senator WILLIAMS of New Jersey as cochairman of the committee's hearings in New York City on November 17, 1960, has welcomed the additions the committee has made to this legislation, and certainly the committee is much indebted to him for the leadership and scholarship that he has given to our work in this important area.

The suggestion made most frequently by the witnesses who testified at the committee's hearings in the Nation's three greatest ports last year was for an improved and expanded program of export credit guarantees, competitive in all respects with the guarantee programs available to exporters of other great trading nations, our competitors in the world market, from their governments, or from private enterprise. Accordingly, the committee's bill will authorize and encourage the Export-Import Bank of Washington to add important new kinds of coverage, including short-term commercial risk guarantees, to its export-credit-guarantee program. I am personally persuaded that the Bank has the statutory authority now to set up the improved and expanded export credit guarantee facilities contemplated by this bill, and it is my hope that it will not await the passage of new legislation to exercise the authority. But the Export Policy Act will make unmistakably clear for all time that Congress intends for the Export-Import Bank to provide this country's exporters with export credit guarantees, against both commercial and political risks in both short- and medium-term transactions, which are competitive in all regards with the best of the foreign credit guarantee facilities.

Second, the bill would establish within the Small Business Administration a new division, the Foreign Trade Division, to be headed by a Deputy Administrator. This provision of the bill is the principal substantive addition to S. 852 made at my suggestion and with the assistance of the Small Business Committee. A Foreign Trade Division in SBA, the small businessman's own agency, would be an invaluable aid, in my opinion, in the urgent job of expanding American exports by expanding the number of American exporters. The division could render explicit services to the small businessman newly entering or considering the entry of foreign markets. In addition, the bill would authorize the Administrator of SBA, through the Deputy Administrator for the Foreign Trade Division, to represent the interests of the small and independent businesses of the United States on interagency committees and at international trade negotiations.

Thirdly, the National Export Policy Act of 1961 would authorize and direct the Department of State to undertake market surveys and other commercial research in foreign countries and to disseminate the information gained thereby to American businesses; to insert institutional advertising for American exports, general and specific, in foreign media; and, in cooperation with the Department of Commerce, to set up U.S. trade information centers at permanent and temporary trade fairs in other countries.

Fourth, the committee's bill would authorize and direct the Department of Commerce to expand export services in its field offices and increase the number of field offices; to insert export promotion advertising in American media; to set up, in cooperation with the State Department, permanent trade centers abroad for the exhibition of U.S. goods; to build warehouses and other support facilities abroad in aid of American exporters; and to increase the number of trade missions sent abroad annually.

Fifth, the bill would create a Council for Export Promotion, made up of sub-Cabinet officers and heads of independent Federal agencies, including the Small Business Administration, to coordinate governmental export services.

And finally, the National Export Policy Act would create an Advisory Committee on Export Promotion, made up of representatives of various sectors of the private business community, to consult with and advise the Council for Export Promotion.

Hence, it will be seen that the bill would expand and accelerate export promotion services on several fronts—by setting up new or expanded programs in the Export-Import Bank, the Small Business Administration, and the Departments of State and Commerce, programs which will benefit small business and all business. In addition, it seeks improved coordination of Government programs through the proposed interagency Council for Export Promotion, which would carry on the work and carry out some of the recommendations of the Interagency Export Promotion Task Force of the last administration. And finally, the bill seeks to keep the entire program close to the needs and desires of the business community through the Advisory Committee.

Within a very few days I expect to file for the committee a report on our study of "Small Business Exports and the World Market." In that document will be found recommendations and conclusions bearing upon the problems with which the bill I am introducing today is concerned. There will also be other recommendations which may furnish a basis for later legislation.

I am proud to announce that every member of the Small Business Committee is cosponsoring this legislation: Senators JAVITS, LONG, HUMPHREY, SMATHERS, MORSE, BIBLE, RANDOLPH, ENGLE, BARTLETT, WILLIAMS of New Jersey, MOSS, SALTONSTALL, SCHOEPPEL, COOPER, SCOTT, and PROUTY.

In addition to committee members, these Senators are on the bill: Senators CASE of New Jersey and KEATING.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD at the conclusion of my remarks and those of other Senators concerning the bill.

I also ask that remarks by the Senator from New York [Mr. JAVITS] on this bill be printed in the RECORD, as well as a section-by-section analysis of the legislation.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the text of the bill, together with the remarks of the Senator from New York [Mr. JAVITS] and a section-by-section analysis of the bill, will be printed in the RECORD.

The bill (S. 1379) to encourage and promote the expansion through private enterprise of domestic exports in world markets, introduced by Mr. SPARKMAN (for himself and Senators JAVITS, LONG of Louisiana, HUMPHREY, SMATHERS, MORSE, BIBLE, RANDOLPH, ENGLE, BARTLETT, WILLIAMS of New Jersey, MOSS, SALTONSTALL, SCHOEPPEL, COOPER, SCOTT, PROUTY, CASE of New Jersey, and KEATING), was received, read twice by its title, referred to the Committee on Banking and Currency, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Export Policy Act of 1961."

POLICY AND PURPOSE

SEC. 2. The Congress finds and declares that foreign trade represents a strong and vital element in the economic leadership of the United States in the free world. Further, the expansion of exports by and through private enterprise is the most effective and positive answer to the current balance of payments deficit experienced by the United States, and is assuming increasing importance to the economic welfare of this Nation. The largest potential for the rapid expansion of exports resides in opening to smaller manufacturers and businessmen in the United States the great opportunities which exist in foreign markets for United States products and services. It is the purpose of this Act to provide a coordinated and augmented program of Government action to assist United States manufacturers and businessmen to recognize and to develop export markets.

COUNCIL FOR EXPORT PROMOTION

SEC. 3. (a) There is hereby established a Council for Export Promotion (hereinafter referred to as the "Council") which shall consist of the following members, all ex officio: The Under Secretary of Commerce, who shall serve as Chairman of the Council; the Under Secretary of State; the Under Secretary of Agriculture; the Under Secretary of the Treasury; the President of the Export-Import Bank of Washington; the Director of the International Cooperation Administration; the Chairman of the Council of Economic Advisers; and the Administrator of the Small Business Administration.

(b) The Council shall appoint an Advisory Committee on Export Promotion which shall consist of nine members as follows: Two members who are representative of manufacturing industry; two members who are representative of the field of export operations; two members who are experts in international economics and business administration; one member who is representative of the field of banking and finance; one member who is representative of labor; and one member who is representative of agriculture. From the members appointed to such committee the Council shall designate a chairman. Such committee shall meet at the call of the chairman, and shall, from time to time, make recommendations to the Council relative to the carrying out of its duties under this section. The members of such committee shall receive no compensation by reason of their service on the committee, but, while away from their homes or regular places of business may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5 of the Administrative Expenses Act of 1946 (5 U.S.C. 73b–2) for persons in the Government service intermittently.

(c) It shall be the duty and function of the Council—

(1) to coordinate the export services provided to domestic concerns by the various departments and agencies of the Government which are engaged in the promotion of the export trade of the United States, and to promote the speedy and direct extension of the services of such departments and agencies to domestic concerns engaged in the export trade;

(2) to provide for the implementation of pertinent recommendations of the interagency export promotion task force established in 1959, and to review, revise, and augment such recommendations from time to time in the light of changing conditions and needs; and

(3) to undertake a study of the services provided by the Government which are designed to assist or encourage export operations of United States businessmen and manufacturers. For the purpose of carrying out such study the Council may contract with such private groups or organizations as it shall determine without regard to section 3709 of the Revised Statutes of the United States (41 U.S.C. 5) or any other provision of law requiring competitive bidding. Such study shall include specific recommendations for such legislative and administratoive action as may be deemed necessary in furtherance of the policy and purposes of this Act.

(d) The Council is authorized to utilize the facilities, information, and personnel of the departments and agencies of the executive branch of the Government which it deems necessary to carry out its duties under this Act; and each such department and agency is authorized to furnish such facilities, information, and personnel to the Council upon request made by the Chairman.

(e) The Council shall make a report to the Congress, not later than January 31 of each year, on its operations under this section setting forth therein such recommendations as it deems advisable in furtherance of the purpose of this Act.

AMENDMENT TO EXPORT-IMPORT BANK ACT OF 1945

SEC. 4. Section 2 of the Export-Import Bank Act of 1945, as amended (12 U.S.C. 635), is amended by adding at the end thereof a new subsection as follows:

"(d)(1) In furtherance of the policy and purpose of the National Export Policy Act of 1961, the Export-Import Bank of Washington is authorized, in addition to and not in replacement of any other authority conferred by this Act, to guarantee, in the manner and to the extent herein specified, the payment of money due residents of the United States (including corporations, partnerships, and associations organized under the laws of the United States or of any State) from foreign customers for the export-sale of goods or commodities.

"(2) Guarantees under this subsection may be made directly or in participation with others, on such terms and conditions as the Board of Directors of the Bank shall prescribe, subject to the following conditions:

"(A) the person or firm in whose behalf the guarantee is made shall retain a substantial interest (as determined by the Board) in the discourse by his foreign customer of the terms of the contract of sale;

"(B) guaranteeing against the risk of nonpayment by reason of (i) the imposition by a foreign government of an exchange block or other exchange control, or (ii) war, hostilities, rebellion, or civil commotion, preventing the foreign purchaser from transferring funds to the United States to make payment in accordance with the contract of sale, or preventing the delivery of goods, the guarantee assumed by the Bank shall not extend to more than 90 per centum of the total contract price;

"(C) in guaranteeing against the risk of nonpayment for any reason other than the reasons specified in paragraph (B), the guarantee assumed by the Bank shall not extend to more than 85 per centum of the total contract price;

"(D) the aggregate amount of guarantees outstanding at any one time under this subsection shall not exceed $500,000,000; and

"(E) the terms of coverage of guarantees issued hereunder and the fees or charges required in connection therewith shall be established from time to time by the Board of Directors of the Bank with a view to making such guarantees available on a short- and medium-term basis, insofar as practicable, to domestic exporters of all types of goods or commodities on reasonable terms and with a minimum of delay.

"(3) In carrying out the provisions of this subsection the President of the Bank shall, in consultation and cooperation with the Secretary of State, consult with representatives of other countries doing a major export business with respect to export-guarantee programs which are in effect in such countries. The President of the Bank shall also consult with representatives of the private banking and insurance industries and with exporters to assure that the program to be established pursuant to this subsection shall utilize to the utmost extent practicable the facilities of private financial institutions, and that export credit guarantees may be made available to exporters in their own communities, at one place, without requiring in each instance direct correspondence or communication between the exporter and the Bank.

"(4) The Bank shall include in any report submitted to the Congress under section 9 of this Act a complete and detailed summary of operations under this subsection including, whenever practicable, an evaluation of such operations in terms of programs of a similar nature which are being carried out by other countries doing major export business.

"(5) As used in this subsection—

"(A) the term 'State' means any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, or any possession of the United States; and

"(B) the term 'contract price' includes any insurance, freight, or other charge paid or to be paid by the exporter, and any charge for services furnished by the exporter as an incident of an export sale."

EXPANSION OF SERVICES BY DEPARTMENT OF STATE

SEC. 5. (a) In furtherance of the policy and purpose of this Act, the Secretary of State is authorized and directed—

(1) to undertake such market surveys and other commercial research in foreign market areas as he determines to be most useful, on a long- or short-term basis, in connection with the expansion of United States export trade, and for such purpose may contract with such private firms or organizations (either domestic or foreign) as he may determine without regard to section 3709 of the Revised Statutes of the United States (41 U.S.C. 5) or any other provision of law requiring competitive bidding:

(2) to disseminate, by direct mail from the Department of State or from other departments or agencies, or by publication, the results of such surveys and research in such form as may be most useful;

(3) to cause such notices or advertisements to be placed in foreign informational media as he determines will be in furtherance of the policy and purpose of this Act,

including institutional advertising of United States products and descriptions of the services and facilities available at United States embassies, consulates, or other Foreign Service posts; and

(4) to establish, in consultation and cooperation with the Secretary of Commerce, on a permanent basis trade information centers in the principal international trade fairs of the world, and on a temporary basis in other trade fairs, whenever he determines this to be advisable in the furtherance of the policy and purpose of this Act.

(b) 39 United States Code, sec. 4154, is hereby amended—

(1) by striking out the word "or" at the end of subsection (b)(7);

(2) by striking out the period at the end of subsection (b)(8) and inserting in lieu thereof a semicolon followed by the word "or"; and

(3) by adding a new clause (9) to subsection (b) as follows: "(9) the results, in such form as may be most useful of market surveys and research conducted pursuant to section 5(a)(1) of the National Export Policy Act of 1961."

EXPANSION OF SERVICES BY DEPARTMENT OF COMMERCE

SEC. 6. In furtherance of the policy and purpose of this Act, the Secretary of Commerce is authorized and directed—

(1) to undertake a program for the expansion of the number of, and the variety of export services provided by, field offices of the Department of Commerce in the commercial centers of the United States;

(2) to cause such notices or advertisements to be placed in the informational media of this country as he determines will be most helpful to domestic manufacturers and businessmen in maximizing their foreign trade opportunities and in utilizing the commercial services available to them through the various departments and agencies of the Government;

(3) to establish, in consultation and cooperation with the Secretary of State, permanent trade centers for the exhibition of goods produced in the United States, in major foreign trade centers, when he determines this to be advisable in the furtherance of the policy and purpose of this Act;

(4) to establish, in consultation and cooperation with the Secretary of State, a limited number of pilot projects in foreign market areas to provide warehousing and other permanent, basic support facilities to aid the export operations of United States businessmen and manufacturers, and to provide for the eventual sale of such facilities to United States business concerns, or to associations of such concerns as authorized by the Act of April 10, 1918 (the Webb-Pomerene Act (40 Stat. 516)), for private operation; and

(5) to increase the level of trade missions to twenty-five or more so that such missions will cover annually, biennially, or triennially, all of the important export markets of the world.

EXPANSION OF SERVICES BY SMALL BUSINESS ADMINISTRATION

SEC. 7. (a) In furtherance of the policy and purpose of this Act, there is hereby established in the Small Business Administration a division to be known as the Foreign Trade Division. The Division shall be headed by a Deputy Administrator who shall be appointed by the Administrator, and shall receive compensation at the rate provided by law for other deputy administrators of the Small Business Administration. The Administrator, acting through the Deputy Administrator in charge of the Foreign Trade Division, is authorized and directed—

(1) to undertake a program for the expansion of the number of, and the variety of export services provided by, regional and branch offices of the Small Business Administration;

(2) to cause such notices or advertisements to be placed in the informational media of this country as he determines will be most helpful to small business in maximizing its foreign trade opportunities and in utilizing the commercial services available to it through the various departments and agencies of the Government;

(3) to cooperate with the President of the Export-Import Bank of Washington, the Secretary of State and the Secretary of Commerce in obtaining for American small businesses the full benefits of, and encouraging the fullest possible participation by American small businesses in, the programs established by sections 4, 5 and 6 of this Act, such cooperation to include, when deemed desirable by the Secretary of State and the Secretary of Commerce, the assignment of personnel of the Foreign Trade Division to permanent or temporary trade fairs and trade centers in the United States and abroad and to advise in the planning of or to accompany trade missions;

(4) to represent the interests of the smaller and independent businesses of the United States at international commercial treaty and other trade negotiations in which the United States Government participates, and on interagency committees, boards or other organizations established within the executive branch to deal with foreign-trade matters;

(5) to revise, prepare, publish and republish directories of private business concerns involved in various aspects of foreign trade, for the purpose of aiding small businesses to find and obtain the most competent assistance in developing and expanding their exporting operations: *Provided, however,* That publications prepared in accordance with the program authorized by this paragraph shall be sold at prices calculated to produce revenues equal to at least one-half the total cost of the program: *Provided further,* That, for the purpose of carrying out the program authorized by this paragraph the Administrator may contract with such private groups or organizations as he shall determine to be best qualified, including but not limited to the making of grant contracts under section 7(d) of the Small Business Act, as amended (15 U.S.C. 636(d)), without regard to section 3709 of the Revised Statutes of the United States (41 U.S.C. 5) or any other provision of law requiring competitive bidding; and

(6) generally, and without any limitation by the foregoing paragraphs of this subsection, to establish, maintain, and operate a program calculated to promote the continued expansion of exports by American small business.

(b) Section 4(b) of the Small Business Act, as amended (15 U.S.C. 633(b)), is amended by striking the word "three" in the final sentence of such subsection and inserting in lieu thereof the word "five."

USE OF FOREIGN CURRENCIES

SEC. 8. Section 104 of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1704), is amended (1) by striking out the colon at the end of paragraph (r) and inserting in lieu thereof a semicolon, and (2) by adding after paragraph (r) a new paragraph as follows:

"(s) For financing, in such amounts as may be specified from time to time in appropriation Acts, programs and projects to be undertaken in foreign countries in accordance with sections 5 and 6 of the National Export Policy Act of 1961:".

AUTHORIZATION FOR APPROPRIATIONS

SEC. 9. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

The statement and analysis presented by Mr. SPARKMAN are as follows:

STATEMENT OF SENATOR JACOB K. JAVITS—REMARKS ON NATIONAL EXPORT POLICY ACT OF 1961

I am very pleased that all members of the Small Business Committee have seen fit to join Senator SPARKMAN and me in sponsoring this legislation which is designed to provide the United States with a smoothly functioning and coordinating export promotion program. The Small Business Committee has added provisions, directed toward improving the machinery for small business, participation in our export drive, to the bill which I originally introduced on February 9. These provisions are in line with the findings of both the original and the present bill which state that "the largest potential for the rapid expansion of exports resides in opening to smaller manufacturers and businessmen in the United States the great opportunities which exist in foreign markets for U.S. products and products and services."

I should like to add briefly to the able presentation of the chairman of the Small Business Committee whose broad grasp and detailed knowledge of the export problems facing U.S. businesses are largely responsible for the promising action we are taking today. This legislation meets the growing awareness of the business and financial community of this Nation that our international economic position as well as our domestic economic needs require a massive effort for expansion of exports.

A prime example of this awareness is the proposal made by Mr. David Rockefeller at the Economic Club in New York on March 7, 1961. This proposal would set up expert credit organizations, privately financed, in the major financial centers of the United States. These organizations would facilitate about $1 billion worth of exports annually, principally in capital goods. This represents about 25 percent of our current annual capital goods exports. These export credit organizations would require the backing of the kind of comprehensive guaranty program under the Export-Import Bank, specifically authorized in the National Export Policy Act being introduced today.

Further proof of this growing awareness of the need for export expansion is found in the testimony at the hearing on "Small Business Exports and the World Market" held last year by the Senate Small Business Committee, and the hearings by the Interstate and Foreign Commerce Committee. Many of the provisions of the instant legislation are drawn from the experience of these hearings which brought us into firsthand contact with the problems faced by the U.S. businessmen in the export field.

Finally, I wish once more to express my gratitude to my respected chairman for the valuable help he has rendered in working out this bill which we join in filing today, and to the other members of the committee who share with me high hopes for this export program.

SECTION-BY-SECTION ANALYSIS OF THE NATIONAL EXPORT POLICY ACT OF 1961

Section 2 finds and declares that foreign trade represents a strong and vital element in the economic leadership of the United States, and that the expansion of exports by and through private enterprise is the most positive means of meeting the balance-of-payments deficit as well as of increasing importance to the domestic economy. Proposes to provide a coordinated and augmented program of Government action designed to assist U.S. manufacturers and businessmen in recognizing and developing the opportunities in export markets.

Section 3 establishes a Council for Export Promotion, under the chairmanship of the Under Secretary of Commerce, and including the Under Secretaries of State, Treasury, and Agriculture, the President of the Export-Import Bank, the Director of the International Cooperation Administration, the Chairman of the Council of Economic Advisers, and the Administrator of the Small Business Administration. Establishes an Advisory Committee on Export Policy, whose nine members are representative of industry, export operations, banking and finance, labor, and agriculture, and includes experts in international economics and business administration.

Provides that the functions of the Council for Export Promotion are to coordinate the export services of the U.S. Government, to promote the speedy and direct extension of these services to U.S. private business, to implement, review, revise, and augment the pertinent recommendations of the Interagency Export Promotion Task Force which was established in 1959, and to undertake a thorough study of the export services provided by Government with a view to making specific recommendations for legislative and administrative action to improve these services. The Council is to make a yearly report to Congress.

Section 4 amends section 2 of the Export-Import Bank Act of 1945, to give specific and detailed authorization to the Export-Import Bank to engage in a program of short and medium term export credit guarantees against both commercial and political risks, giving coverage of up to 80 and 90 percent respectively, with the total amount of guarantees outstanding not to exceed $500 million at any one time. Emphasizes the desirability of participation by private banking and financial institutions at the local level in this program.

(NOTE.—The Export-Import Bank has during the past year instituted a program of short term export credit guarantees against political risks and has implemented its program of medium term credit guarantees against commercial risks. (Medium term guarantees against political risk, now made available by the Bank on an individual basis only, have had little response from the export community. The need is for a general program fully backed by the Congress of complete guarantees for all classes of export credit.) This legislation (the National Export Policy Act of 1961) specifically authorizes the Bank to extend short term guarantees against commercial risks and medium term guarantees against political risks, showing the clear intent of Congress that the Bank round out its present program, thus reenforcing the general authority which the Bank has under the Export-Import Bank Act of 1945.)

The President of the Bank shall undertake a continuous comparison of the operations and effectiveness of the U.S. export credit guarantee program with the programs pursued by other leading exporting nations, and include his findings in his annual report to Congress.

The President is directed to consult with the private banking and insurance industries and with exporters to assure maximum utilization of the possibilities of private financial institutions in local communities.

Section 5 authorizes and directs the Department of State to expand and augment its export services to U.S. businessmen by:

(a) Undertaking market surveys and other commercial research activities in foreign countries and, when necessary, hiring private U.S. or foreign firms for the purpose;

(b) Placing advertisements in foreign news media, in order to provide institutional advertising for U.S. products and in order to describe the services available to potential foreign buyers at U.S. foreign service posts; and

(c) Establishing, with the Department of Commerce, permanent or temporary trade information centers at international trade fairs.

Section 6 authorizes and directs the Department of Commerce to expand and augment its export services to U.S. businessmen by:

(a) Undertaking an expansion of the export services provided by its field offices in the United States.

(b) Placing advertisements in U.S. news media to advertise foreign trade opportunities and export services available to U.S. businessmen.

(c) Establishing, with the Department of State, a limited number of pilot projects in foreign market areas to provide warehousing and other basic support facilities for private U.S. export operations. (These facilities would be permanent and designed for eventual purchase by private U.S. firms or export associations.)

(d) Increasing the number of trade missions going overseas in order to provide for a more thorough coverage of foreign market areas.

Section 7 establishes a Foreign Trade Division, to be headed by a Deputy Administrator, in the Small Business Administration, in order to:

(a) Expand the export services provided by regional and branch offices of the Small Business Administration.

(b) Cooperate with the Departments of State and Commerce, and the Export-Import Bank to assure full benefit from their programs for the small businessman, through active participation in trade fairs and trade missions.

(c) Represent the interests of small business at trade negotiations and governmental interagency committees dealing with foreign trade matters.

(d) Revise, prepare, and publish directories of business concerns involved in the various aspects of foreign trade for the information of small businessmen.

Section 8 amends section 104 of the Agricultural Trade Development and Assistance Act of 1954 to authorize the use of foreign currencies held by the United States for the implementation of the programs in sections 5 and 6 of the National Export Policy Act of 1961.

Section 9 authorizes the appropriation of funds necessary to carry out the purpose of this act.

ABOLITION OF MANDATORY CAPITAL PUNISHMENT IN DISTRICT OF COLUMBIA

Mr. KEATING. Mr. President, on behalf of the Senator from Indiana [Mr. HARTKE] and myself, I introduce for appropriate reference a bill to abolish mandatory capital punishment in the District of Columbia.

Under the provisions of this bill, juries could recommend life imprisonment in first degree murder cases by unanimous vote. This recommendation would be binding on the court. If the jury was unable to agree as to a recommendation, however, the court could sentence the defendant either to death, or life imprisonment. The bill specifically provides that any person sentenced to life imprisonment in a first degree murder case shall be eligible for parole only after the expiration of 20 years from the date he commences to serve his sentence.

Our bill would do away, at long last, with the requirement under the present District of Columbia Code that defendants in all first degree murder cases, regardless of the circumstances involved, be sentenced to death by electrocution. The District of Columbia is the only remaining jurisdiction in the United States with such a nondiscretionary death penalty provision. Enactment of this legislation will close the book, insofar as the American judicial system is concerned, on this rigid, archaic relic of another age.

It should be made clear that this legislation would not abolish capital punishment as such. All it would do is to remove the inflexible, inexorable, unalterable requirement of the present law that every defendant convicted of first-degree murder be sentenced to death. This is not only justice blindfolded—it is justice without judgment. No man's life should be snuffed out by the State without an opportunity to consider all the factors involved in a particular crime.

This measure would not weaken law enforcement in any way. As a matter of fact, the bill is strongly supported by the District of Columbia Law Enforcement Council. It is recognized that the present inflexible laws are self-defeating. First degree murder convictions are rare and are very difficult to sustain on appeal because of the mandatory death provisions. By permitting consideration of mitigating circumstances, this bill should avoid acquittals of guilty offenders for whom something less than the death penalty would be appropriate.

Personally, I believe capital punishment should be retained for those cases in which the reflective moral judgment of the community would be shocked by any lesser penalty, and for those cases in which no other sanction is possible. Such cases fortunately are rare, but they are not nonexistent. Under this measure, all of the aggravating, as well as mitigating circumstances could be given consideration by the judge and jury in passing sentence. I believe that this approach answers the capital punishment problem better than any provisions for automatic death penalties or any provisions for absolute death bars. I have tremendous respect for our jury system and for the judges who serve us, and I have confidence that they would administer this law in a manner which would do credit to the reform it seeks.

Other procedures could be suggested for coping with this problem. Last year I recommended a bill which would permit the court to either accept or reject a jury's recommendation of life imprisonment. Others have suggested that only the death penalty be reviewed by the court. The bill we are offering today, however, is the bill that won the approval of the other body and the Senate District of Columbia Committee during the last session of Congress. This is a tremendous practical advantage. Almost all agree that the present provisions of the District of Columbia Code

are intolerable. Under these circumstances, no one should insist on a particular formula for change at the risk of blocking any change at all.

Mr. President, I ask unanimous consent that the text of the bill be printed at this point in the RECORD.

Mr. President, I also ask unanimous consent that the bill be on the table for 1 week to permit other interested Senators to join as cosponsors.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD, and lie on the desk, as requested by the Senator from the New York.

The bill (S. 1380) to amend section 801 of the act entitled "An act to establish a code of law for the District of Columbia," approved March 3, 1901, introduced by Mr. KEATING (for himself and Mr. HARTKE), was received, read twice by its title, referred to the Committee on the District of Columbia, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 801 of the Act entitled "An Act to establish a code of law for the District of Columbia", approved March 3, 1901 (31 Stat. 1189, 1321), is amended to read as follows:

"SEC. 801. PUNISHMENT.—The punishment of murder in the first degree shall be death by electrocution unless the jury by unanimous vote recommends life imprisonment; or if the jury, having determined by unanimous vote the guilt of the defendant as charged, is unable to agree as to punishment it shall inform the court and the court shall thereupon have jurisdiction to impose and shall impose either a sentence of death by electrocution or life imprisonment.

"Notwithstanding any other provision of law, a person convicted of first degree murder and upon whom a sentence of life imprisonment is imposed shall be eligible for parole only after the expiration of twenty years from the date he commences to serve his sentence.

"Whoever is guilty of murder in the second degree shall be imprisoned for life or not less than twenty years.

"The provisions of this legislation shall be applicable to all defendants sentenced following the effective date hereof. Cases tried prior to the effective date of this Act and which are before the court for the purpose of resentence shall be governed by the provisions of law in effect prior to the effective date of this Act: *Provided,* That the judge may, in his sole discretion, consider circumstances in mitigation and in aggravation and make a determination as to whether the case in his opinion justifies a sentence of life imprisonment, in which event he shall sentence the defendant to life imprisonment. Such a sentence of life imprisonment shall be in accordance with the provisions of this Act.

"In any case tried under this Act as amended where the penalty prescribed by law upon conviction of the defendant is death except in cases otherwise provided, the jury returning a verdict of guilty may fix the punishment at life imprisonment; and thereupon the court shall sentence him accordingly; but if the jury shall not thus prescribe the punishment the court shall sentence the defendant to suffer death by electrocution unless the jury by its verdict indicates that it is unable to agree upon the punishment, in which case the court shall sentence the defendant to death or life imprisonment."

OZARK RIVERS NATIONAL MONUMENT, MO.

Mr. SYMINGTON. Mr. President, on behalf of my colleague, the junior Senator from Missouri [Mr. LONG], and myself, I introduce, for appropriate reference, a bill to authorize the establishment and development of the Ozark Rivers National Monument in the State of Missouri.

The monument would be comprised of not to exceed 113,000 acres of land along the Current and Eleven Point Rivers in the southeastern part of the State. This is one of the most beautiful and unique areas in the country, still in its natural state, with clear, spring-fed rivers coursing among the Ozark hills. The bill we are introducing today recognizes that the area is an asset that should be preserved and developed for the enjoyment of all Americans.

Today's bill represents the efforts of many persons in the State of Missouri and throughout the country who have been working, over the past decade, to evolve a plan that would best serve the interests of the people of the Current-Eleven Point area and the people of Missouri and the Nation.

In 1950, the State of Missouri urged that steps be taken to preserve the rivers as free-flowing streams, and in 1955 this recommendation was supported by the Arkansas-White-Red Basin Interagency Committee. The following year, the National Park Service prepared a recreational resources plan, recommending that a national recreation area be designated within the watersheds of the rivers. The plan was published by the Missouri Division of Resources and Development, and in January 1959 the Missouri State House and Senate indicated support of this general objective.

At a meeting of State and National officials here in Washington in February 1959, it was decided that further study by the National Park Service would be needed before definite action could be taken. The Congress made funds available for the study during fiscal year 1960, and in January 1960, the Department of the Interior issued a proposal for establishment of the Ozark Rivers National Monument.

The bill we are introducing today is the result of consultation and exchange of views with a wide range of local, State, and National officials and private citizens. The plan has two major objectives: first, to preserve in its natural state one of the most beautiful sections of our country; and second, to develop the recreational opportunities and stimulate the economy of the Ozark rivers area.

Last month President Kennedy stated in his natural resources message:

> America's health, morale, and culture have long benefited from our national parks and forests, and our fish and wildlife opportunities. Yet these facilities and resources are not now adequate to meet the needs of a fast-growing, more mobile population—and the millions of visitor-days which are now spent in federally owned parks, forests, wildlife refuges, and water reservoirs will triple well before the end of the century.

The Ozark Rivers National Monument will help to meet this national need, preserve a magnificent part of our State for the benefit of generations to come, and bring growth and development to the southeastern part of Missouri.

Mr. President, I ask unanimous consent that the text of the bill, the proposal of the Department of the Interior, "Ozark Rivers National Monument," January 1960, the press release issued yesterday announcing introduction of the bill, and House Resolution 19 of the Missouri House of Representatives, January 1959, be inserted at this point in the RECORD.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the bill, proposal, press release, and resolution will be printed in the RECORD.

The bill (S. 1381) to authorize the establishment and development of the Ozark Rivers National Monument in the State of Missouri, and for other purposes, introduced by Mr. SYMINGTON (for himself and Mr. LONG of Missouri), was received, read twice by its title, referred to the Committee on Interior and Insular Affairs, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purpose of conserving and interpreting unique scenic and other natural values and objects of historic interest, including preservation of portions of the Current and Eleven Point Rivers in Missouri as freeflowing streams, preservation of springs and caves, protection of wildlife, and provision for use and enjoyment thereof by the people of the United States, the Secretary of the Interior (hereinafter referred to as the "Secretary") shall designate an area not to exceed one hundred and thirteen thousand acres being generally depicted in the publication by the United States Department of Interior, National Park Service, entitled "Ozark Rivers National Monument," dated January 1960, including submerged land along, near, or beneath the Current River in Missouri, the Jacks Fork of the Current River, and the Eleven Point River, for establishment and development as the Ozark Rivers National Monument (hereinafter referred to as "such area"): *Provided,* That no lands shall be designated within two miles of the municipalities of Eminence, Van Buren, and Doniphan, Missouri.

SEC. 2. The Secretary of the Interior may, within such area, acquire lands and waters, or interests therein, by such means as he may deem to be in the public interest; except that any parcel of land containing not more than five hundred acres, which borders either of the rivers referred to in the first section of this Act, and which is being used primarily for agricultural purposes, shall be acquired by the Secretary in its entirety unless the owner of any such parcel consents to the acquisition of a part thereof. Lands and waters owned by the State of Missouri within such area may be acquired only with the consent of the State. Federally owned lands or waters lying within such area shall, upon establishment of the monument pursuant to section 4 hereof, be transferred to the administrative jurisdiction of the Secretary, without transfer of funds, for administration as part of the monument.

SEC. 3. Any owner or owners, including beneficial owners (hereinafter in this section referred to as "owner"), of improved property on the date of its acquisition by the Secretary may, as a condition to such acquisition, retain the right of use and occupancy of the improved property for noncommercial residential purposes for a term

ending at the death of such owner, or the death of his spouse, or at the death of the survivor of either of them. The owner shall elect the term to be reserved. The Secretary shall pay to the owner the fair market value of the property on the date of such acquisition less the fair market value on such date of the right retained by the owner.

SEC. 4. When the Secretary determines that lands and waters, or interests therein, have been acquired by the United States in sufficient quantity to provide an administrable unit, he shall establish the Ozark Rivers National Monument and shall declare such establishment and designate the boundaries thereof by publication of notice in the Federal Register. The Secretary may thereafter alter such boundaries from time to time, except that the total acreage in the monument shall not exceed one hundred and thirteen thousand.

SEC. 5. (a) In order to provide compensation for tax losses sustained by counties in the State of Missouri as a result of certain acquisitions by the Secretary of privately owned real estate and improvements thereon pursuant to the provisions of this Act, payments in lieu of taxes shall be made to each such county in which such real estate is located, and which has been authorized, under the laws of Missouri, to assess taxes upon real estate to the person who is in possession thereof and to assess taxes upon any present interest in real estate to the owner of such interest, in accordance with the following schedule: For the calendar year in which the real estate is acquired in fee simple absolute, an amount which bears the same proportion to the full amount of tax assessed thereon in such year as the number of days remaining in such year after the date of acquisition bears to the number of three hundred and sixty-five. In any case where an amount in excess of the difference between such proportionate amount and such full amount has already been paid to the county by or on behalf of the owner or owners from whom the real estate was so acquired, payment of such excess amount shall be made as reimbursement to such owner or owners out of such proportionate amount and only the balance remaining of such proportionate amount shall be paid to the county. For the two succeeding calendar years there shall be paid on account of such real estate an amount equal to the full amount of tax assessed thereon in the year of acquisition.

(b) No payments in lieu of taxes shall be made on account of real estate and improvements thereon in which the Secretary has ever acquired less than a fee simple absolute under this Act.

(c) As soon as practicable after real estate taxes have been assessed by such counties in each calendar year, the Secretary shall compute and certify the amount of payments in lieu of taxes due to each of such counties, and such amounts shall be paid to the respective counties by the Secretary of the Treasury out of any money in the Treasury not otherwise appropriated.

(d) The provisions of this section shall not apply to any property acquired by the Secretary after December 31 of the twenty-fifth year following the date of enactment of this Act.

SEC. 6. (a) In furtherance of the purposes of this Act, the Secretary is authorized to cooperate with the State of Missouri, its political subdivisions, and other Federal agencies and organizations in formulating comprehensive plans for the monument and for the related watershed of the Current and Eleven Point Rivers in Missouri, and to enter into agreements for the implementation of such plans. Such plans may provide for land use and development programs, for preservation and enhancement of the natural beauty of the landscape, and for conservation of outdoor resources in the watersheds of the Current and Eleven Point Rivers.

(b) The Secretary shall permit hunting and fishing on lands and waters under his jurisdiction within the monument under such regulations as he may prescribe. The Secretary shall, prior to the issuance of any such regulations, consult with those officials of the State of Missouri and of any political subdivision thereof who, with respect to any lands or waters acquired by the Secretary under this Act, exercised jurisdiction over hunting and fishing conducted thereon prior to such acquisition by the Secretary.

SEC. 7. (a) There is hereby established an Ozark Rivers National Monument Commission (hereinafter referred to as the "Commission"). The Commission shall terminate ten years after the date the monument is established pursuant to section 4 of this Act.

(b) The Commission shall be composed of eleven members each appointed for a term of two years by the Secretary as follows:

(1) Seven members to be appointed from recommendations made by the members of the county court in each of the counties in which the Ozark Rivers National Monument is located (Carter, Dent, Howell, Oregon, Ripley, Shannon, and Texas), one member from the recommendations made by each such court;

(2) Three members to be appointed from recommendations of the Governor of the State of Missouri; and

(3) One member to be designated by the Secretary.

(c) The Secretary shall designate one member to be Chairman. Any vacancy in the Commission shall be filled in the same manner in which the original appointment was made.

(d) A member of the Commission shall serve without compensation as such. The Secretary shall reimburse members of the Commission for travel, subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the Commission.

(e) The Secretary or his designee shall, from time to time, consult with the members of the Commission with respect to matters relating to the development of the Ozark Rivers National Monument, and shall consult with the members with respect to carrying out the provisions of this Act.

(f) It shall be the duty of the Commission to render advice to the Secretary from time to time upon matters which the Secretary may refer to it for its consideration.

SEC. 8. The Ozark Rivers National Monument, when established pursuant to this Act, shall be administered in accordance with the provisions of the Act of August 25, 1916 (39 Stat. 535), and laws supplementary thereto and amendatory thereof.

SEC. 9. There are hereby authorized to be appropriated such sums as may be needed to carry out the purposes of this Act, of which not more than $6,000,000 shall be expended for the purpose of acquiring lands, interests in lands, and improvements thereon.

SEC. 10. If any provision of this Act or the application of such provision to any person or circumstance is held invalid, the remainder of this Act or the application of such provision to any person or circumstance other than that to which it is held invalid, shall not be affected thereby.

The proposal, press release, and resolution presented by Mr. SYMINGTON are as follows:

A PROPOSAL FOR OZARK RIVERS NATIONAL MONUMENT

(By U.S. Department of Interior National Park Service, January 1960)

FOREWORD

Those who know the beauty of the Current-Eleven Point country of southeast Missouri and have seen its clear, spring-fed rivers winding among quiet hills have long cherished the hope that these streams would remain unchanged.

It was encouraging therefore when, in 1950, the State of Missouri took a position urging that certain rivers, including the Current and Eleven Point, be preserved as free flowing streams. The Arkansas-White-Red Basins Inter-Agency Committee supported this recommendation in its report of June 1955.

As followup, the National Park Service under authority contained in the Park, Parkway, and Recreational Survey Act of 1936, and with the cooperation of the interested State agencies, prepared a plan for the preservation and development of the recreation resources of the two rivers. This plan, published in 1956 by the Missouri Division of Resources and Development, recommended that a national recreation area be designated within the watersheds of the Current and Eleven Point Rivers. The Missouri State Legislature recently indicated its support of this general objective. In January 1959, it requested the Congress of the United States to enact legislation which would establish a national recreation area so that these great scenic and recreational values would be perpetually protected from destruction by man-made encroachments.

At a meeting in Washington, D.C., during February of 1959, between representatives of the State of Missouri and the National Park Service, it was decided that a further study of the Current-Eleven Point Rivers country was needed before definite action should be initiated on the proposal. Funds were subsequently appropriated to the National Park Service for the study, the results of which are presented in this report.

THE STUDY IN BRIEF

Only a few miles by today's standards from St. Louis or Kansas City or Memphis lies a portion of the Ozarks still relatively wild and natural. The Ozarks are old—mellow with the beauty of great age—remnants of an ancient mountain range. Uplift and water have molded them. Climate has influenced them.

Today, this particular area houses a unique complex of springs and rivers, caves and sinks, plants and animals. Here are many springs—some giant, some small. Here are spring-fed rivers, the Current, the Jacks Fork, and the Eleven Point—cold, clear, abounding with bass and goggle-eye.

Here are caves created by waters of the past, many containing an unusual variety of multicolored formations, some still uncharted. Here are interesting sinks—ground surface reminders of cave roof fall-ins below. Here are found the shortleaf pine, oaks of many names, the redbud, the red wolf, the osprey, and the pileated woodpecker—overall, a surprisingly varied ecology.

Nearly 10,000 years ago, early man lived beside these same waters. He too must have marveled at the springs and the rivers flowing from them. More recently, the Indian, the Frenchman, the Spaniard, the logger each had his day. Descendants of settlers who came mainly from the Appalachians now people the area. Much of the folk culture and character of early American society remains with them.

For years—largely because of this unusual combination of natural values—there has been interest in preservation of parts of this scene. Four State parks have been established—three along the Current River and one along the Jacks Fork. Two wildlife areas have been set aside by the Missouri Conservation Commission.

As early as 1950, the State of Missouri recognized a need to preserve the natural qualities of the Current and Eleven Point Rivers. As recently as January 1959, the Missouri Legislature asked the Congress of the United States to establish a national recreation area to preserve the free-flowing qualities of these very rivers.

Here in the heart of the Ozark Plateau, lies a unique opportunity to set aside an outstanding type of area—one not now represented in the national park system. Here, too, is the opportunity to preserve still unspoiled rivers with many miles of shoreline.

To preserve this area, establishment of an Ozark Rivers National Monument, as part of the national park system, is now proposed. The monument, consisting of approximately 113,000 acres, would be located along some 190 miles of the Current, Jacks Fork, and Eleven Point Rivers. This area would contain the most important portion of these scenic rivers as well as some 13 named caves, 11 geological sites, more than 40 archeological sites, several fine ecological sites, and many springs and sinks.

Natural concentration of these features in the river valleys makes possible their preservation for public enjoyment in relatively narrow strips of land. It would be difficult to find an area where so much beauty and variety can be preserved by setting aside so little. A sizable block along the Current River has been included to allow preservation of a significant example of typical Ozark topography. Preservation of the area's fragile qualities, while allowing its use, would be the basic objective of all planning, development, and administration.

Here would be an area preserved for use of people—an opportunity to float the Current or the Jacks Fork or the Eleven Point, to watch the osprey at work, to try camping on a gravel bar, to test the boater's or fisherman's skill, to watch the Ozarks renowned fall colors pass by, or perhaps even just to loaf. Hiking along the riverbank or to some remote cave, sink, or site where man of yesterday lived; wandering through little known Powder Mill Cave or into spectacular Jam Up Cave; climbing down a shaded trail to magnificent Greer Spring—all of these and many other opportunities would be available to the visitor. A carefully developed interpretive program would add to his enjoyment and understanding of the area.

Sixteen percent of the land in the proposed Ozark Rivers National Monument is now publicly owned, with administration divided between the Missouri Conservation Commission and the U.S. Forest Service. The remainder is privately owned. Acquisition of this private land might cost in the neighborhood of $5,500,000.

Based on certain premises, the University of Missouri estimated that within 5 years of the monument's establishment, and assuming adequate development, annual tourist expenditures would increase $5,500,000. Applying information contained in the university's report, the National Park Service estimates that assessed valuation on local tax rolls would increase by $8,700,000, and the annual tax return by $300,000. This would more than compensate for the taxes lost due to removal of monument lands from the tax rolls.

THE AREA

Within the most scenic section of the Ozarks of southeastern Missouri lies the area under consideration. Crossed or skirted by several highways, it is readily accessible, and within an easy day's drive for more than 20 million people. It lies only 175 miles from St. Louis, or 250 from Kansas City, yet it remains "off the beaten path."

Here the Current and Eleven Point Rivers flow unimpeded, within a forested landscape. Giant springs, caves, and sinkholes accent an outstanding geological story. Wildlife roams the oak-hickory forest. Here, ancient and modern man have added special color.

Nature's story

Superficially, the Ozarks are a land of rolling hills, rivers, and forests. But more, they tell a complex and fascinating story of interrelated phenomena.

Geology is a basic chapter. The oldest rocks in the area were formed in Precambrian time, more than half a billion years ago. The newest deposits are the sands and gravels of today. For hundreds of millions of years in between, the land was submerged under ancient seas and then raised above them time and time again. Sediments laid down under these ancient seas, now consolidated into sandstones and limestones, form the bluffs rimming the rivers.

Streams played the major roll in wearing down these rocks to form the rolling country of today. Limestone dissolved and great series of underground caverns formed. Water trickling into these caverns joined with other waters, to emerge eventually as huge springs—thence rivers again.

The countryside is mostly rolling with forested hills rising up to 400 feet above the streams. Its surface is irregular, the eroded remnant of an ancient upland. The most rugged areas border the rivers. Valleys are usually narrow, but occasionally widen into alluvial plains. Tributaries cut smaller ravines and valleys throughout the area.

In relief, elevations above sea level vary from 1,320 feet at Thorny Mountain to 300 feet where the Current River enters Arkansas. The Current itself falls 690 feet between Montauk Springs, its source, and the Arkansas line, an airline distance of about 80 miles.

The two major rivers under study—the Current and Eleven Point—are strong, and alive, and clean. Their waters are transparent, varying in color by depth and according to the hour of the day, from sapphire blue through many shades of green. Quiet waters alternate with chutes or rapids. They meander through mile after mile of scenic beauty, for long stretches under towering rocky bluffs.

The Current is the largest of these rivers. It rises at Montauk State Park in southern Dent County and flows 140 miles southeasterly through Shannon, Carter, and Ripley Counties to the Arkansas line. Born of Montauk Springs, it is fed by other giants along the way. Even during the severe drought of 1936, the Current maintained an average flow of 611 million gallons a day past Doniphan. Its major tributary is the Jacks Fork which rises in southeast Texas County and flows easterly about 70 miles into Shannon County, where it joins the Current. Here along the Jacks Fork is perhaps the finest scenery, with a special wild yet intimate quality.

The Eleven Point River with headwaters in the vicinity of Willow Springs in northwest Howell County flows generally southeasterly across Howell and Oregon Counties, thence south, crossing the Arkansas State line to join the Black River about 15 miles below its junction with the Current. Its mean flow, even during 1936, was 130 million gallons a day past Riverton.

The springs are wonderful in themselves. Many are world famous for the immense volume and regularity of their flow. Some issue from rocky recesses; some well up from gravelly beds; some rush forth from caverns; others boil gently up from unknown depths. Their settings often are places of rare beauty.

Of 11 springs in the Missouri Ozarks having an average flow of 65 million or more gallons per day, 6 are in the Current-Eleven Point country—Big Spring, Welch Spring, and Blue Spring on the Current—Alley Spring on Jacks Fork—Greer Spring and Blue Spring on the Eleven Point.

Big Spring is the largest. It has flowed as much as 840 million gallons a day, and for more than 20 years has averaged better than 250 million gallons every 24 hours the year around. The third largest spring in Missouri is Greer. Its two outlets, about 300 feet apart, are located in a beautiful, wild and forested gorge. A mile and a quarter away and 60 feet lower, it enters the Eleven Point River. For over 20 years it has flowed an average of 214 million gallons a day.

Four State parks in this area have been established to preserve large springs and related scenic or historical values. Each bears the name of the spring involved—Big, Alley, Round, and Montauk.

Extensive dissolving of the limestone widespread in this country led to the formation of a vast series of underground chambers. Caves and caverns, springs, sinks, and other associated features all are dramatic demonstrations of the dynamic solution power of underground water.

Scattered throughout the area are numerous caves. They are of varied character—some quite extensive and magnificently decorated with dripstone. Possessing an even temperature, caves are delightfully cool in the summer, and pleasantly warm in the winter.

Some of these caves, such as Jam Up Cave, have no decoration, but the majority exhibit nearly every type of flowstone decoration to be found anywhere in the world. Round Spring Cavern ranks highest among all these. While smaller than Carlsbad Caverns and Mammoth Cave, both preserved in national parks, it equals them in the variety and color of their formations. It is the largest charted cave in the area having over 6,000 feet of passageways. Throughout the cavern are domes, stalactites, columns, and stalagmites of every conceivable form.

Associated with this system of caverns is a large number of sinks and potholes dotting the uplands between the major stream valleys. Some are large elliptical depressions possibly caused by collapse of cavern roofs. Other sinks are funnel-shaped holes resulting from the dissolving of limestone around an opening in the rock, as surface water trickles to the caverns below. They range in size and form from chimneylike shafts 300 feet or more deep, to representative funnel-shaped holes up to 400 feet in diameter and as much as 75 feet deep.

A striking example of sinkhole topography can be seen in "The Sunkland." Here is a great hollow several hundred feet across and nearly a mile long, produced by the successive fall-in of several interconnected underground chambers. It is an almost classic example of this phenomenon.

The "shut-ins" are in great contrast to the general landscape dominated by limestone features. "Shut-ins" are numerous in the Current River Valley east of Eminence. Rocky Creek Falls, a delightfully attractive cascade, is an excellent example. Here masses of ancient dark-pink, granitelike rocks are exposed through which Rocky Creek has cut rugged gorges. The valley is wider above and below, where the stream cut through softer sedimentary rock. Oftentimes where these ancient rocks occur, they appear as relatively flat surfaces. But here the later sedimentary rocks surround, but did not completely bury, knocks of ancient rock that once stood as islands in now-vanished seas hundreds of millions of years ago.

About three-fourths of the land is covered with forest. This forest is almost entirely immature hardwoods, with oaks and hickories predominating. Here and there are a few scattered patches of nearly mature pines, but nowhere similar to the stands of 75 years ago.

Because of variations in soil, microclimate, slope, and exposure within the area, a proper analysis of plant relationships is extremely difficult. For example, within a relatively limited area, such as a sink, marshy pond communities exist within a relatively dry oak-hickory forest.

Despite these fairly complex relationships, four forest types are recognized. The oak-hickory type is the dominant upland forest of the Ozark Plateau. Within the four gen-

eral types, there are other plant associations, each quite different. The above-mentioned marshy pond is one good example. Another distinctive association grows on the drier limestone bluffs. The "shut-ins" contain a still different assortment of plants. Besides the oaks and hickories, other common trees of the forest are maple, shortleaf pine, tulip tree, black tupelo, sweetgum, and birch. Others notable for their flowers or fruit are hawthorn, bittersweet, dogwood, redbud, rose azalea, and bush hydrangea.

In all, 1,500 different kinds of plants are reportedly found here. This great variety is due to several factors, one of the most important being the long period of time that the Ozarks have stood free as land masses. Glaciation, too, brought climatic changes which induced northern plants to migrate south. With the retreat of the ice sheet, southern plants moved northward.

Likewise, due to the area's central location on the continent, plants spread here from both the East and West. Thus cool bluffs contain plants characteristic of the Appalachians; marshes around potholes contain plants similar to those of the South; and dry sites contain plants with a southwestern affinity. The combination of all these characteristics make this an outstanding area botanically.

The forests provide homes for many mammals and birds. White-tailed deer, gray and fox squirrels, raccoon, opossum, and skunk are quite plentiful. Less common are red and gray foxes, bobcat, mink, muskrat, and cottontail rabbit. Badgers are occasionally seen. The rare red wolf is still found here.

Birdlife is abundant. The more common birds to be seen along the waterways are the kingfisher and the little green heron. Numerous songbirds make this area their summer home. Teal and wood duck nest here. Wild turkeys are making a comeback. Perhaps the most spectacular bird of the area is the crow-sized, pileated woodpecker. Many other birds are visitors, pausing here on their northward and southward migrations.

The Current, the Jacks Fork, and the Eleven Point Rivers are among the best smallmouth bass streams left in Missouri. Ninety-three species of fish have been reported from these rivers. Rock and smallmouth bass are the most abundant native game species. Largemouth bass, walleyed pike, and chain pickerel are fairly common. Ozark blindfish would possibly be found if further studies were made in caves where they were once reported.

Man's story

In general, river valleys the world over were logical locations for the development of prehistoric cultures. The valleys under consideration are no exception.

The ever-flowing streams, the springs, and the forests, with their ready abundance of drink, fuel, and food, were irresistible attractions to the prehistoric hunters, fishers, and gatherers. The fertile bottoms attracted those who grew maize, beans, and squash. Here they established camps on the level terraces of the valleys, and sometimes they occupied the inviting caves. Some erected earthen mounds over their dead.

Prehistoric man was living in the Ozarks well before the Christian era, in fact, nearly 10,000 years ago. Limited investigations by archeologists reveal that Indians continuously occupied some sites from about 8000 B.C. down to historic times—running the whole gamut of Mississippi Valley archeology from paleo-Indian (early man) through archaic, woodland, and Mississippi cultures, to historic tribes first seen by De Soto in 1541.

The Ozark Plateau culture, with special manifestations in the Current-Eleven Point region, developed at a crossroads between the Arkansas and the Mississippi valleys, by borrowing some traits from various cultural centers of both areas. This culture is an especially unique expression, combining cultural traits from such sources as the great Cahokia Center of East St. Louis, Ill., yet developing its own variations, such as distinctive serrated spearpoints.

Four prehistoric sites are of special interest. Pigman Mound, by its shape, size, and surface indications, was a ceremonial center of the Mississippian culture. Ashley Cave shows special development of a more northerly culture. Morgan Mound and associated sites provide evidence of early inhabitants. At Round Spring, in Round Spring State Park, Middle Mississippian burials have been found and weapons and tools of early man have been washed to the surface.

The modern history of the region is similar to that of the Ozark country as a whole. This area was originally claimed by the French and Spanish. However, neither left much of an impact on the Ozarks. The region was settled primarily by Anglo-Saxon groups from the eastern uplands. Lumbermen later exploited the region.

No nationally significant historic sites are known. The self-sufficient economy of the people from the mountain sections of the east which readily adapted itself to the Ozarks, has left a dominating imprint on the culture and economy of the region. Other influences such as the recovery of nitrates during the War of 1812, have played their part in the country's development.

Certain features help tell this story—Ashley Cave, with its relationship to nitrate mining, Snider House, which served as a temporary hospital during the Civil War; Turner's Mill, Falling Spring Mill, an interesting overshot type, and Greer Mill operated remotely by a system of long shafts and gears; and the three current-propelled ferries. The Red Mill at Alley Spring State Park has been restored.

The four seasons

Four marked seasons occur, spring—short with delightfully crisp clear days; summer—hot, with occasional extremes but cooler in the hills; fall—a pleasant season, with a gradual decline from the summer highs; winter—cold, with an occasional zero temperature, but with many sunny days.

Weather Bureau records indicate that the Current-Eleven Point River country is warmer during the winter months than either St. Louis or Kansas City, and, except for the lower portion of the Current around Doniphan, cooler during July and August.

Most summer rains come as heavy thundershowers of short duration. Spring rains are lighter and longer. The heaviest snowfall occurs in February. The major source of this precipitation is the result of warm, moisture-laden air from the Gulf of Mexico coming into contact with cold arctic air masses.

In summer, this area is the coolest part of southern Missouri, but periods of high relative humidity make the area uncomfortable at times. On some winter days, temperatures remain below freezing while on many others, they stay above.

THE OPPORTUNITY

Within the last few years, the urgency for setting aside in public ownership portions of rivers still unspoiled and shoreline, whether ocean, lake or river, has received increasing attention. The Current and Eleven Point Rivers represent an outstanding opportunity. These stream valleys contain an unusual variety of features which collectively are of outstanding quality and in some respects unique. Springs, waterfalls, caves, sinks, forests, and wildlife along with the rivers tell a wonderfully diversified story within an area of modest size. A wealth of prehistoric evidence and colorful history add interest.

Surprisingly here in the eastern half of the United States, this area and in particular the rivers and outstanding formations are still relatively unspoiled. The whole setting, in fact, retains an unusual feeling of naturalness and, in places, the quality of wilderness.

This combination of characteristics related as it is to attractive water, a matter of increasing interest, is clearly a resource of value to the country at large. It is judged to be of national significance—a complex not now represented in the national park system. Preservation of these values in public ownership while the opportunity still exists would be in the public interest.

This area now, by modern standards, is within a comfortable 1 day's drive of over 20 million people. It represents a resource rapidly being lost and increasingly needed. It could represent a wonderful heritage for added millions in future generations.

THE PROPOSAL

To preserve outstanding portions of this area, it is proposed that an Ozark Rivers National Monument be established as a part of the national park system.

The objective, under the 1916 act establishing the National Park Service, would be preservation for the public enjoyment of this and future generations, of scenic, scientific, and historical values which are sufficiently outstanding or unique to be of interest to the country as a whole.

The proposal contemplates setting aside in public ownership as one administrative unit approximately 113,000 acres. These are disposed generally as narrow strips along the Current and Eleven Point Rivers and Jacks Fork, with minor extensions to include important features. One centrally located larger block incorporates a fine section of typical Ozark County. It recognizes preservation as basic and proposes a zoned approach, to that end, for public use, management, and development.

Certain planning considerations stand out in arriving at the basic proposal and in considering preliminary ideas for public use and development.

The still relatively unspoiled character of the area, the definite feeling of wilderness in part, and the unusual diversity of outstanding natural features, including some of the finest remaining free-flowing streams, lead straight to preservation as the important consideration.

In determining what should be included, the rivers themselves as the physical, emotional, and recreational backbone of the area carry major weight. Also, by the very nature of geologic processes, springs, caves, rock formations, even the better scenery are concentrated along the major streams. As a result relatively narrow strips can be proposed—sufficient only to protect important values and features and minimize undesirable encroachments. One larger central block to round out the picture of typical Ozark hills is the only exception found necessary. Breaks are left at Van Buren and Eminence to allow elbow room for growth. Montauk, Round Spring, Alley Spring, and Big Spring State Parks, though contiguous to the monument, are not included. These would continue to play a complementary part in providing for public enjoyment and in preserving fine areas and features.

There is increasing need to consider quality of experience in providing for the public's likes and interests. The existing situation, natural and manmade, points to the logic of a zoned planning approach. The distribution of natural values, the degree to which they now remain unspoiled, the ability of the rivers to stand public use without damage to their particular qualities, the distribution of population, towns and highways, all support the soundness of this conclusion. Jacks Fork and portions of the upper Current River, for example, have the wild, intimate,

and fragile qualities suitable for wilderness-type experience with a minimum of intrusive development. Between Van Buren and Doniphan, in contrast, the Current, grown much larger though still very attractive, could absorb greater and more diversified use and development.

"Floating" and "float fishing" will continue to have a special appeal for some. To a degree it will set a pattern of relaxed and pleasant river use.

Public ownership of lands within the national monument is found to be essential to this proposal. This is based on the need to protect important features, exercise reasonable scenic control, guard against possible encroachments, and provide the type and quality of experience the public should have a right to expect now and in the future.

Consistent with National Park Service policy, anticipated developments within the area would be limited to those required for access, for the various types of activity, for a fuller understanding and enjoyment by the public through interpretive programs, plus those needed for control and management. It is anticipated that normal overnight, eating, and shopping facilities would be provided through private enterprise in the nearby communities.

The plan

Shown on the accompanying plate is a preliminary land-use and development plan for the proposed national monument. While the boundaries are tentative, they define the shape and size of an area on the Current and Eleven Point Rivers necessary for the protection of natural values, and adequate for anticipated development.

The proposed monument comprises approximately 113,000 acres of land. Of this, about 16 percent is now owned by either the State or Federal Governments; the other 84 percent is in private ownership. About 190 miles of river are included. Of this, 117 miles would be on the Current—84 miles of it in one continuous stretch—39 miles on Jacks Fork and 34 miles on the Eleven Point. Within these boundaries, would be 13 named caves, 11 interesting geological sites, more than 40 archeological sites, 4 of which may prove important, a number of fine ecological sites, and a great many springs. Six springs, having a flow of 65 million gallons or more per day, are included within the proposed monument boundaries or in adjacent State parks. There are 13 others of considerable size and many smaller ones.

The selection and development of areas for public use and enjoyment will be governed by a number of factors. As tentatively designated on the accompanying drawings, weight was given primarily to the locations of important points of interest—some to be developed for public use, others to be left undisturbed—to river use which might normally be expected to develop, and to an analysis of the distribution of areas which would affect zoning for preservation and use.

As a general pattern, developed areas are distributed about 15 to 20 miles apart. A somewhat heavier concentration is suggested in the central Cardareva section where, because of its location, size and variety of attractions, heavier public use and more diversified development would be logical.

These developed areas would vary in size and scope. Each would probably contain interpretive facilities, campgrounds, picnic areas, boating facilities, and possibly concessions for meals and supplies. Each would probably be served by trails for hiking and perhaps horseback riding. One, perhaps at centrally located Owls Bend, might represent the center for the interpretive program and contain, therefore, a visitor center plus necessary administrative facilities.

Additional access points, in effect minor developed areas in most cases, are scattered generally with an average spacing of 7 or 8 miles. In the more primitive sections, they would be farther apart and with less refinement. In the more heavily used sections, they might be closer together and with simple development providing access, parking, and perhaps for boat landing and picnicking. They would serve also as access to trail systems.

For convenience, more detailed discussion of the plan follows, by section, as covered in the accompanying drawings.

Upper Current Section

This section at the headwaters of the Current River would contain approximately 21,000 acres. It, together with Cardareva section, would provide an uninterrupted publicly owned 90 miles of river from Montauk State Park to a point near Van Buren on the Current and up Jacks Fork to a point near Eminence. The preservation of outstanding scenery and a fine feeling of wilderness would be paramount here. Developments would be kept few and simple. This section incorporates also a number of very fine features—Round Spring Cavern, Ashley Cave, Welch Spring, the Sunkland and Sink, Devils Well, and the Sinks. Each of these would be points of public interest and would require access by trail or road and at least minor interpretive developments. Existing Montauk and Round Spring State Parks, not part of the monument but contiguous to it, would continue to serve the public as major developed areas. Additional development is suggested at Akers Ferry and access at Boyds Creek, possibly with minor facilities.

Cardareva Section

This centrally located section contains the largest block of land for inclusion in the proposed monument, amounting to some 49,800 acres. Here Jacks Fork joins the Current, offering a natural center for river boating. Here too are a variety of interesting sites and the space and topography suitable for more concentrated use—Blue Spring, Rocky Falls, Cardareva Mountain, Paint Rock, Big Creek, and Chilton Creek. Tentatively it appears that major use and development might be at Owls Bend, serving as interpretive and administrative center for the monument. Junction Ferry and Blue Spring are also suggested for development. From these sites also would radiate major trail systems along the rivers and through the wooded hills themselves. Access and minor development as needed would serve the other points of interest—possibly at Big Creek, Cardareva, Paint Rock, and Chilton Creek.

Lower Current Section

Below Van Buren, the Current River broadens into a wider stream and the valley through which it flows for 32 miles takes on a more open character though still highly attractive. For much of this distance, the proposed monument area lies within Clark National Forest in an area where the U.S. Forest Service, recognizing its value for recreation, has zoned it for that purpose. Running between Van Buren and Doniphan as it does, this section offers a natural opportunity for float or boat trips readily accessible and of a length which should prove popular. Because of these characteristics, the river could stand more public use than in the upper reaches and, as a result, would serve in part to relieve pressures on those more fragile and primitive areas. One of the major and well-developed State parks, Big Spring, lies at the northern end of this section and would continue to serve as a major center for public use and enjoyment. An additional development area is suggested near the southern end of the section in the vicinity of float camp No. 7, now developed and managed by the U.S. Forest Service. A third area might be located at Phillips Bay. An existing float camp nearby provides limited picnic and camping facilities. These several areas, plus access and possibly minor development at Cave Spring, Colvin Bay, and Dark Bay would provide a flexible variety of recreation opportunities for large numbers of people.

Jacks Fork Section

Approximately 39 miles of river in 17,160 acres would be contained in this section. Jacks Fork, a branch of the Current River, is probably the wildest and least accessible country within the proposed monument and includes outstanding scenery and a number of fine features. Development in this section should be limited to providing a minimum number of access points necessary for river use plus a few minor-day use areas. In fact, no development of any great consequence would be considered above Alley Spring State Park. The latter will continue to provide for a variety of activities along with preservation of Alley Spring and related Red Mill, now restored. Jam Up Cave, one of the most striking and unique features of the monument, would be a point of considerable public interest. Access and interpretive aids would be provided to make it available to the public. Minor developments are suggested for Blue Spring and near the Highway 17 crossing. Access is suggested in the vicinity of Rymer Ranch-Bunker Hill and at one other point which might serve as a float camp. Preservation of the fragile wilderness quality of this stream and its beautiful setting would be paramount in planning for both public use and facilities.

Eleven Point Section

This section is somewhat separated from the other four, lying in a different drainage which joins the Black River farther south in Arkansas. Upstream, it is quite similar to the Jacks Fork and upper Current and of nearly the same quality. Approximately 34 miles of river and 14,000 acres of land are included extending from a point several miles above Greer Spring downstream to Highway 142. Roughly two-thirds, by river miles, lies within Clark National Forest. No existing facilities for public use have been provided; however, as in the case of the lower Current, the U.S. Forest Service has zoned a stretch along the river for recreation, recognizing that as the primary value.

The Eleven Point section includes a number of interesting spots and features—extremely attractive Greer Spring and Mill, historically interesting Turners Mill about midpoint, and Blue Spring at the southern end not far from the Arkansas line. Development is suggested at Turners Mill because of its location and the surrounding open and relatively level land. The general locations of Greer and Blue Springs also appear logical for development. Minor areas where access and simple development may be desirable, primarily in connection with float trips, include Panther Spring Hollow, a location near Riverton where U.S. Highway 160 crosses the river, and one additional float campsite. Indian mounds at Blue Spring and Pigman Ranch may prove to be of considerable archeological significance. On further investigation, provision of onsite interpretive facilities where this story can be told may be desirable.

Effect on other public areas

The national monument as proposed includes or adjoins certain lands now administered by State agencies or the U.S. Forest Service.

Portions of the lower Current and Eleven Point sections lie within the boundary of Clark National Forest. A total of approximately 2,600 acres in these sections are in Federal ownership and administered by the U.S. Forest Service. Located as they are along or near the rivers, the Forest Service recently gave recognition to recreation as the dominant value of these lands. Under this designation, or zoning, no timber harvest for

commercial purposes would be allowed within 1,000 feet of the river bank.

The corner of Clark National Forest also overlaps the proposed monument along the upper Current; however, no lands in Federal ownership and administered by the Forest Service are involved.

No State park land is included within the proposed boundary; however, Round Spring State Park is surrounded by the monument and three others are contiguous to it—Big Spring, Alley Spring, and Montauk. The Federal and State areas, in this situation, should complement and supplement each other to good advantage in the public interest. Cooperative planning in their respective development, management, and interpretive programs would effectively further this opportunity.

The State conservation commission would be more affected, in a sense, since approximately 15,000 acres of lands they administer are included. These are managed for forestry purposes and comprise a crazy quilt pattern of scattered tracts in the Cardareva section. Peck Wildlife Management Area lies just outside the proposed boundary south of the central Cardareva section. Of the Deer Run Refuge, now administered by the commission for forest management purposes, approximately 200 acres bordering the Current River lies within the proposed monument.

Economic effect

The Current-Eleven Point River country was settled largely in the third and fourth decades of the 19th century, mostly by people of English ancestry from the mountain regions of Kentucky, Tennessee, Virginia, and North Carolina. They hunted, fished, and raised corn on small tracts of land in the river valleys, and were undisturbed by the main stream of westward migration which bypassed them. During the Civil War, the people were divided in their loyalties. As a result, their settlements were plundered by guerilla bands and by Union and Confederate forces alike.

After the eastern forests were depleted, lumber interests turned to the Ozarks for new and untouched sources of timber. Railroads were built, great lumber mills established and the exploitation of the last frontier in Missouri began. Lumbering flourished from 1875 to 1915, but by 1919 the land had been so cut over that the Ozark lumber industry died and with it the economy it supported.

Some people then turned to cutting immature trees and farming the hill lands. Neither of these provided more than mere subsistence. Hill farming was unsuccessful because the topsoil soon eroded away after cultivation, leaving gravelly, droughty soil low in nutrients. Even now, farming is difficult on the bottomlands because mechanical farming equipment just can't be used efficiently in the narrow valleys. As farming becomes more mechanized, the farmers in the Current and Eleven Point River Valleys find themselves in an increasingly poor competitive position. In 1955, the cash income of 40 percent of farm families in this area was less than $1,000. Even so, agriculture is still the major source of income for Carter, Oregon, Ripley, and Shannon Counties. Data from the 1950 census show that the median family income in this area is only 42 percent of the average for the State of Missouri.

Forests cover approximately three-fourths of the land within Carter, Oregon, Ripley, and Shannon Counties. Their quality is somewhat less in the Ozarks than in the remainder of the State, primarily because of the lower productivity of land. Since the establishment of Clark National Forest in 1934 and the State conservation commission's division of forestry in 1938, gradual rehabilitation of the forest has been occurring. As a result of new practices, annual growth rate in the Clark National Forest has increased from 36 board feet per acre in 1946 to 93 in 1956. Cutting timber on a sustained yield basis from large land tracts may be profitable; however, the income farmers get from timber and timber products is negligible. Less than 3 percent of the total farm income in the area is derived from the sale of forest products.

Up to the present time, very little industry has moved into this area. In June 1959, Carter, Oregon, Ripley, and Shannon Counties, containing 97 percent of the monument area, had a total of 27 firms employing 585 persons. Employment opportunities in industry appear limited at the present time.

The population peak for this area occurred in 1910 during the lumber boom. Since then, there has been a steady decline except during the depression years when some unemployed city workers returned to their former homes in the Ozarks. The population now is only about 70 percent of what it was 50 years ago. Also relatively few people of working age live here, having gone to places where employment opportunities are better.

The National Park Service secured the services of the University of Missouri to make an economic study of the current Eleven Point River country and to determine the effect of the proposed national monument upon the local and regional economies. This study was based upon certain premises such as size of area, number of visitors, and time required for development.

Major conclusions resulting from the university study are that 5 years after establishment of proposed monument, assuming adequate development, over 800,000 additional visitors would be attracted to the region annually and they would spend $5,500,000; that new motels, hotels, and other tourist facilities costing $33 million would be required to accommodate the increased number of visitors; and that $10 million of assessed value would be added to the county tax rolls assuming current assessments on urban property in the area are about 30 percent of actual value.

Current assessed valuation of lands within the proposed monument is estimated at $1,300,000. The conclusions of the university, therefore, indicate the tax base for the counties involved would gain approximately $8,700,000, and the annual tax return might increase by $300,000 if the national monument were established.

These estimates appear reasonable after reviewing information developed by the University of Wyoming for the Jackson Hole Chamber of Commerce. It reveals that Teton County depends in large part upon tourists who began visiting in great numbers after Grand Teton National Park was enlarged. Acquisition of lands for the National Park did not destroy the tax base; in fact, additional tourist facilities more than made up for the loss of park lands from the tax rolls.

Lands proposed for inclusion in the monument total approximately 113,000 acres. Of these, 84 percent, or about 95,400 acres are in private ownership. Appraisal sampling indicates a considerable variation in cost. Considerations such as severance values add to the difficulty in making close estimates at this stage. In round figures, a total in the neighborhood of $5,500,000 might be anticipated.

Related planning recommendations

The national monument contemplates one administrative unit and proposes no administrative jurisdiction outside its boundaries. At the same time, obviously, the monument would play one part in the total public land management programs, Federal, State, and local, operating in this general region. Collectively, they have a common goal in sound stewardship of public interests. Clearly therefore, cooperation could pay dividends.

Specifically, for example, at Eminence, Van Buren, and above Doniphan, sections of the river were purposely excluded from the monument proposal to provide space for the growth of towns. In these excluded sections, it is recommended that, through enforced local zoning, river frontage be protected from unsightly or otherwise undesirable developments and from land practices which might cause erosion.

Anticipating increased tourist travel through this region and public enjoyment of travel through the Ozarks, special roadside treatment is considered desirable. It is recommended therefore that the State highway department and other public agencies administering land adjacent to highways give consideration to certain roads connecting units of the monument—State Route 19 between a point 10 miles north of Round Spring State Park and the town of Alton; State Route 106 from a point 5 miles west of Alley Spring State Park to a point 5 miles east of the proposed monument; and U.S. Highway 60 between its intersections with State Highways 17 and 21. This could take the form of widening rights-of-way to minimize unsightly developments, clearing for vista purposes and provision of overlooks at certain vantage points.

CONGRESSMAN ICHORD OF MISSOURI AND SENATORS SYMINGTON AND LONG OF MISSOURI INTRODUCE OZARK RIVERS BILL

WASHINGTON, March 19.—Congressman RICHARD H. ICHORD, of the Eighth District, and Senators STUART SYMINGTON and EDWARD V. LONG today announced introduction of a bill to establish the Ozark Rivers National Monument in southern Missouri. Identical legislation will be introduced in the House and Senate tomorrow.

The Ozark Rivers National Monument would, under the terms of the bill, be comprised of not more than 113,000 acres along the 190 miles of Current, Eleven Point and Jack's Fork Rivers, in Carter, Dent, Howell, Oregon, Ripley, Shannon, and Texas Counties.

The monument will be administered by the Secretary of the Interior "for the purpose of conserving and interpreting unique scenic and other natural values and objects of historic interest," including preservation of the rivers as freeflowing streams.

Sixteen percent of the land in the proposed Ozark Rivers National Monument is now publicly owned, with administration divided between the Missouri Conservation Commission and the U.S. Forest Service. The remainder is privately owned.

An economic survey by the University of Missouri estimated that within 5 years of the establishment of the monument, with adequate development, annual tourist expenditures in the area would increase by $5,500,000.

The Park Service estimated that assessed valuation on local tax rolls in the seven-county area would show a net increase by $8,700,000 in the same 5-year period and the annual tax return would increase by $300,000.

ICHORD, SYMINGTON, and LONG issued the following joint statement:

"We believe establishment of the Ozark Rivers National Monument, which would be authorized by this bill, will mark an important step forward for our State and Nation, with significant growth and economic development for the Ozarks.

"Our purpose is twofold: (1) To preserve in its natural state one of the most beautiful sections of our country, and (2) to develop, in the most effective way, the economy of the Ozark Rivers area.

"With well-planned, intelligent development, the Ozark Rivers section of Missouri can become one of the finest scenic and recreational areas in our country.

"The bill is the result of the joint consultation and exchange of views among the three of us, local and State officials, and citizens of the area involved.

"The Ozark rivers area is one of the great natural scenic and recreation assets of Missouri. Establishment of a national monument, under our bill, will assure its preservation and development for the enjoyment of all Americans."

A section-by-section outline of the Ichord-Symington-Long bill is as follows:

Section (1) authorizes establishment of the Ozark Rivers National Monument, consisting of not more than 113,000 acres along the Current, Eleven Point, and Jack's Fork Rivers. No land within 2 miles of Eminence, Van Buren, and Doniphan, Mo., is to be within the monument.

Section (2) authorizes the Secretary of the Interior to acquire lands for establishment of the monument. Limitations on the power of the Secretary are as follows:

(a) If the Secretary desires to acquire a part of a farm of less than 500 acres, lying along the river banks, he must acquire the entire farm, unless the owner agrees to the acquisition of less.

(b) Lands held by the State must be acquired with the consent of the State.

Section (3) allows an owner of property within the national monument to retain the right to use such land for noncommercial residential purposes for the life of the owner or his spouse.

Section (4) provides that the Secretary of the Interior shall establish the monument whenever sufficient lands have been acquired to provide an administrable unit.

Section (5) compensates for tax losses sustained by the counties in Missouri where land is taken off tax rolls for establishment of the monument. Payments in lieu of taxes are to be made for a 2-year period.

Section (6) provides for cooperation with the State of Missouri and local authorities in evolving plans for development of the monument. It also authorizes hunting and fishing on lands within the monument under regulations to be prescribed by the Secretary of the Interior, in consultation with such representatives of the State of Missouri as the conservation commission and the State park department.

Section (7) establishes the Ozark Rivers National Monument Commission, composed of 11 members appointed for 2-year terms. Seven members are to be appointed by the Secretary of the Interior on recommendation from each county court in the seven counties where the monument is to be established (Carter, Dent, Howell, Oregon, Ripley, Shannon, and Texas); three members to be appointed from recommendations made by the Governor of Missouri; and one member to be designated by the Secretary of the Interior.

The commission is to consult with and render advice to the Secretary of the Interior on matters relating to the monument.

Section (9) authorizes the appropriation of $6 million to carry out the provisions of the act.

Sections (8) and (10) are technical provisions on administration and constitutionality.

HOUSE RESOLUTION 19

Memorializing the Congress of the United States to establish a national recreational area on the Current and Eleven Point Rivers as proposed by the National Park Service and the U.S. Forest Service and to declare the Current and Eleven Point Rivers national streams and to provide for the acquisition of the necessary land without exercising the power of eminent domain.

Whereas there exists, in the Valleys of the Current and Eleven Point Rivers in Missouri, five springs of the first magnitude and many hundreds of smaller springs which provide a constant supply of clear, cold, sparkling water for these rivers; and

Whereas the phenomenon of such large volumes of clear, cold water issuing as springs amid rustic and picturesque surroundings, make places of wonder and rare natural beauty, which offer a lure and inspiration to those who come to view these extraordinary manifestations of nature, and to play, rest, and to refresh themselves in a peaceful and inspiring environment; and

Whereas these springs make a valuable contribution to fishlife in these streams by providing favorable sites for fish hatcheries, and by discharging large quantities of crystal clear water, they become the controlling factor favorable to the propagation and maintenance of game fish and other aquatic life natural to both streams; and

Whereas the State of Missouri and the U.S. Forest Service own vast acreage adjacent to these streams suitable for recreational development and other improvements for the public use; and

Whereas the Current and Eleven Point Rivers are nationally famous for their *John Boat* float fishing trips through this Ozark scenic wonderland; and

Whereas the Arkansas-White-Red Basins interagency committee, recognizing the unique natural qualities of the Current and Eleven Point Rivers of Missouri, and their importance to present and future generations, recommended that appropriate State and Federal agencies prepare a plan to preserve and enhance the natural qualities of this region; and

Whereas a plan was prepared by the National Park Service in cooperation with Missouri State agencies, and was published by the Division of Resources and Development, to preserve and develop the Current and Eleven Point River country, without the exercise of the power of eminent domain; and

Whereas the U.S. Forest Service has indicated a similar interest in the preservation and development of lands adjacent to these streams by recommending the creation of a national forest recreation area in a national recreation plan prepared and adopted in 1936: Now, therefore, be it

Resolved, That the Missouri House of Representatives, in its 70th General Assembly, request of the Congress of the United States, that it establish a national recreation area along the Current and Eleven Point Rivers of Missouri, and that it declare the Current and Eleven Point Rivers as national streams; and be it further

Resolved, That this assembly request that the Congress enact the necessary legislation providing for the purchase and development of the national recreation area as heretofore described, lest the great scenic and recreational values of the Current and Eleven Point Rivers in Missouri, be lost forever to public use by manmade encroachments, and be it further

Resolved, That the chief clerk of the house be instructed to send copies of this memorial to the President of the U.S. Senate, to the Speaker of the U.S. House of Representatives, and to the Missouri Members of the House and Senate.

Mr. LONG of Missouri. Mr. President, I am happy to join with the senior Senator from Missouri in introducing a bill to establish the Ozark River National Monument in southern Missouri.

As Senator SYMINGTON has said, the Ozark River National Monument would be comprised of not more than 113,000 acres along the 190 miles of Current, Eleven Point and Jack's Fork Rivers in Carter, Dent, Howell, Oregon, Ripley, Shannon, and Texas Counties.

I would like to further point out that 16 percent of the land in the proposed Ozark River National Monument is now publicly owned, with the administration divided between the Missouri Conservation Commission and the U.S. Forest Service. The remainder is privately owned.

In addition to preserving the natural state of one of the most beautiful sections of our country, the establishment of the monument will play a big part in the economy of the Ozark River area.

The University of Missouri has estimated that within 5 years of the estabnet increase of $8,700,000 and the annual tourist expenditures in the area would increase by $5½ million. During the same 5-year period, the Park Service estimated that assessed valuation on local tax rolls in the area would show a net increase of $8,700,000 and the annual tax return would increase by $300,000.

But instead of talking in figures, let me emphasize the scenic value of the Ozark River section. This section of Missouri is one of the great natural scenic and recreation assets of our Nation. Establishment of a national monument will assure its preservation and development for the enjoyment of all Americans.

PROPOSED ANTICRIME LEGISLATION

Mr. KEATING. Mr. President, in my opinion, there are too many legislative gaps in our efforts to mount a concerted offensive against organized crime. Despite repeated pleas and overwhelming evidence of need, Congress has failed to respond to the necessity of modernizing our anticrime laws. No serious domestic problem has been neglected more than the constantly increasing menace of crime.

Since this session began I have introduced a number of bills designed to close this Federal law enforcement gap. The most important of these bills is one to punish the use of interstate commerce in furtherance of organized crime. The Department of Justice has been asked for its comments on this and some of the other measures I have proposed.

Today I want to introduce a number of other bills to deal with specific problems which have arisen in connection with our efforts to combat the underworld.

First. The first of these is a general immunity statute permitting the Attorney General with the approval of a court to compel the production of incriminating evidence in exchange for a promise of immunity from prosecution.

Under the present provisions of section 3486(c) of title 18, the Attorney General can only obtain immunity for witnesses in cases involving the national security. My proposal would broaden the provisions of the present law so that in any case or proceeding before a grand jury or court of the United States the U.S. attorney on approval by the Attorney General can apply for an order to compel a witness to testify. The provisions of the present law granting a witness immunity from prosecution after

giving the compelled testimony would be applicable to the broadened scope of my proposal.

In my opinion, this additional authority is essential if we are to successfully combat all of the nefarious activities of national criminal syndicates.

Such a law would have been of tremendous assistance in the prosecution of the participants at the infamous Apalachin meeting held in my State. If the U.S. attorney had been able to grant immunity to some of these underworld lords, there might have been a different outcome to the Apalachin episode. There are many other cases where the grant of immunity would have aided in the apprehension and conviction of racketeers and kingpins of the criminal world.

Two. My second bill would permit an appeal by the Government from lower court decisions suppressing the introduction of evidence. The absence of such a right of appeal under present court rulings has enabled many defendants to escape a trial on the merits of their alleged crimes. The disposition of such motions is almost always based on a question of law before the defendant actually is placed in jeopardy. Appellate review of such decisions before the defendant is permitted to go scot free strikes me as entirely reasonable.

The trial of cases should not be conducted as a game of wits. If the defendant's constitutional rights have been violated then the community must suffer the consequences. But the community certainly has the right to insist that such a determination be made by a court of appeals in controversial cases.

Three. My third bill would establish degrees of perjury under the Federal criminal code. This would make the perjury law applicable to all cases of false swearing in courts or before congressional committees. I believe that perjury should be more severely punished when the false testimony goes to a material issue. But I do not believe that the absence of materiality should relieve a witness from all prosecution for false swearing. This bill would cure the present condition by continuing the felony provisions for giving false testimony on a material issue by adding a misdemeanor penalty for other cases of lying before duly instituted tribunals.

No person who lies under oath should go completely unpunished. Such conduct cannot be condoned without causing serious injury to the integrity and prestige of our trial and hearing processes. This legislation would preclude such challenges to lawful inquiries.

Fourth. My bill would broaden the scope of the existing Fugitive Felon Law—title 18, United States Code, section 1073—by making it applicable to all felonies.

I know of no reason for precluding Federal assistance in any case of flight across State lines. This is a commonsense expansion of a cooperative Federal-State law enforcement activity and it would be very useful in bringing fugitives from justice to trial.

Mr. President, these measures would greatly enhance the effectiveness of Federal law enforcement. They would remove unjustified impediments to the fight against crime without in any way violating constitutional rights.

A concerted drive against crime in America is grievously overdue. There are signs that our official agencies are awakening to the challenge. The Attorney General has indicated that he will recommend new crime legislation in a couple of weeks. This is a job that needs the right tools. Congress has the duty to act, and to act promptly, against this daily threat to the security and welfare of the public.

I hope that the Senate Committee on the Judiciary will bring the record up to date in a new full-scale probe against organized crime. Exposure is not enough, however. The time for action is upon us, and we must not close our eyes to our obligations.

I hope that there will be early hearings on my proposals.

Mr. President, I introduce the bills and request that they be appropriately referred.

I ask unanimous consent that the text of these bills be printed at this point in the RECORD.

The VICE PRESIDENT. The bills will be received and appropriately referred; and, without objection, the bills will be printed in the RECORD.

The bills introduced by Mr. KEATING were received, read twice by their titles, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

S. 1383. A bill to amend section 1073 of title 18, United States Code, the Fugitive Felon Act.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first paragraph of section 1073 of title 18 of the United States Code is amended to read as follows:

"Whoever moves or travels in interstate or foreign commerce with intent either (1) to avoid prosecution, or custody or confinement after conviction, under the laws of the place from which he flees, for a crime, or an attempt to commit a crime, punishable by death or imprisonment for a term exceeding one year under the laws of the place from which the fugitive flees, or (2) to avoid giving testimony in any criminal proceedings in such place in which the commission of an offense punishable by imprisonment in a penitentiary is charged, shall be fined not more than $5,000 or imprisoned not more than five years, or both."

S. 1384. A bill to amend section 3731 of title 18 of the United States Code relating to appeals by the United States.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3731 of title 18 of the United States Code is amended by inserting after the fifth paragraph of such section (relating to appeal by the United States from the district courts to a court of appeals) the following new paragraph:

"From a decision sustaining a motion to suppress evidence."

S. 1385. A bill to amend section 1621 of title 18 of the United States Code to provide for degrees of perjury and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1621 of title 18 of the United States Code is amended to read as follows:

"(a) Whoever, having taken an oath before a competent tribunal, officer, or person, in any case in which a law of the United States authorizes an oath to be administered, that he will testify, declare, depose, or certify truly, or that any written testimony, declaration, deposition, or certificate by him subscribed, is true, willfully and contrary to such oath states or subscribes any material matter which he does not believe to be true, is guilty of perjury in the first degree, and shall except as otherwise expressly provided by law, be fined not more than $2,000 or imprisoned not more than five years, or both.

"(b) Whoever, having taken an oath before a competent tribunal, officer, or person, in any case in which a law of the United States authorizes an oath to be administered, that he will testify, declare, depose, or certify truly, or that any written testimony, declaration, deposition, or certificate by him subscribed, is true, willfully and contrary to such oath states or subscribes any matter which he does not believe to be true, is guilty of perjury in the second degree, and shall be fined not more than $500 or imprisoned not more than one year, or both."

S. 1386. A bill to amend section 3486(c) of title 18, United States Code.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3486(c) of title 18, United States Code, is amended to read as follows:

"(c) Whenever in the judgment of a United States attorney the testimony of any witness, or the production of books, papers, or other evidence by any witness, in any case or proceeding before any grand jury or court of the United States is necessary to the public interest, he upon the approval of the Attorney General, shall make application to the court that the witness shall be instructed to testify or produce evidence subject to the provisions of this section, and upon order of the court such witness shall not be excused from testifying or from producing books, papers, or other evidence on the ground that the testimony or evidence required of him may tend to incriminate him or subject him to a penalty or forfeiture. But no such witness shall be prosecuted or subjected to any penalty or forfeiture for or on account of any transaction, matter, or thing concerning which he is compelled, after having claimed his privilege against self-incrimination, to testify or produce evidence, nor shall testimony so compelled to be used as evidence in any criminal proceeding (except prosecution described in subsection (d) hereof) against him in any court."

THE ON-SITE PICKETING ISSUE

Mr. MORSE. Mr. President, last year the Building and Construction Trades Department of the AFL–CIO published an explanation of the so-called on-site picketing issue.

The explanation reads as follows:

It has been generally recognized that the Taft-Hartley Act requires amendment in those areas where the experience of the last 12 years shows need for improvement. The administration of the act in the building and construction industry has disclosed that many of the provisions of the act, which were drafted with the facts of manufacturing and similar industry in mind, do not fit the complex pattern of the building and construction industry.

A principal defect of the act is the inequitable restriction of the economic activity of building and construction unions at the site of building and construction jobs. There

is a solid legislative history dating back to 1954 supporting proposals to correct this injustice by reversing the rule laid down in the case of *Denver Building and Construction Trades Council* (341 U.S. 675).

During the consideration of the Labor-Management Reporting and Disclosure Act of 1959 in the last session of Congress, the House Committee on Education and Labor reported the proposal favorably. The conference committee discussed fully the merits of the reversal of the Denver Building Trades rule but did not include the proposal in the conference report only because a procedural point of order was raised under the House rules. This omission from the conference report was accompanied by a commitment on the part of the majority and minority leaders of the Senate and the Speaker and minority leader of the House that S. 2643 and H.R. 9070 would come to the floor of the House and Senate in the early part of 1960. This commitment was spread on the CONGRESSIONAL RECORD, volume 105, part 14, page 17901, by Senator Kennedy.

The justification for this legislative proposal can be described simply and briefly: The employees of a factory can engage in peaceful picketing in a labor dispute. Construction workers are effectively denied this basic freedom because of a technicality in the law which did not take into account the special facts of the building and construction industry. Section 8(b)(4) of the act forbids, among other things, concerted economic activity by a union where an object thereof is "forcing or requiring any employer to cease doing business with any other person." The typical job in the building and construction industry is not carried forward by a single employer with different departments for different types of work. There are numerous contractors on the single jobsite performing the different types of work required to complete the building or project. Consequently, if the electricians' union pickets a building jobsite because of a dispute with the electrical contractor and the carpenters employed by another contractor concertedly refuse to cross the picket line, it has been held, in the Denver Building Trades case, that section 8(b)(4) is violated because the picketing is said to have as an object the inducement of the contractors on the jobsite to cease doing business with each other. Yet the employees in the electrical department of a factory can picket the factory site, even though the carpenters employed in another department concertedly refuse to cross the picket line. Picketing at a construction jobsite does not constitute a true secondary boycott.

President Eisenhower first recommended the reversal of the Denver Building Trades rule in his message of January 11, 1954. The President stated:

"The true secondary boycott is indefensible and must not be permitted. The act must not, however, prohibit legitimate concerted activities against other than innocent parties. I recommend that the act be clarified by making it explicit that concerted action against an employer on a construction project who, together with other employers, is engaged in work on the site of the project, will not be treated as a secondary boycott."

President Eisenhower repeated this recommendation to reverse the Denver Building Trades rule in his message of January 23, 1958. He urged the Congress to remove certain ambiguities and inequities in the Taft-Hartley Act, including the amendment of "the secondary boycott provisions to make it clear that they do not prevent activity against secondary employers engaged in work on a construction project with the primary employer."

A similar recommendation was made in the Presidential message of January 28, 1959.

Secretary of Labor Mitchell reaffirmed the position of the administration in support of the proposal to recommend the reversal of the Denver Building Trades rule in his telegram of August 31, 1959, addressed to President Gray of the building and construction trades department and in the Secretary's press conference of January 14, 1960.

The broad language of section 8(b)(4) is not consistent with the economic facts of the building and construction industry. These facts have been described in Senate Report No. 1211, 83d Congress, 2d session (1954), as follows:

"Where two or more employers are engaged in operations on the site of a single construction project, each performing some phase of the work necessary for the completion of the project, be it a building, a bridge, a tunnel, or some other structure it cannot be justifiably maintained that they stand in a strictly neutral relationship to each other. Rather, despite their existence as legally independent entities, they must be regarded realistically as partners in a single joint or common enterprise in which the individual interests of each are necessarily dependent on the success of the undertaking as a whole. In such a situation the committee believes that a labor dispute originating between one of these employers and his employees in fact constitutes a dispute with all of the employers just as if all were copartners in the legal sense in a single business enterprise."

The above report of Senate Committee on Labor and Public Welfare, which was filed by Chairman Alexander Smith, of New Jersey, also recommended the reversal of the Denver Building Trades rule.

There have been a number of hearings before Senate and House Labor Committees on this subject. The representatives of the 3 million building tradesmen in the United States have come to Washington each year to petition the Congress for relief. Their case for relief has been presented on the merits of the issue with supporting facts and reasons. The quotations set forth above show the wide measure of agreement that the case has been proved. It is respectfully urged that relief should no longer be denied and that S. 2643 and H.R. 9070 should be enacted.

Because no action was taken last year on this matter, despite pledges of support from both political parties, I am reintroducing the on-site picketing bill, and ask that it be appropriately referred.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 1387) to amend section 8(b)(4) of the National Labor Relations Act, as amended, introduced by Mr. MORSE was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

POSTHUMOUS AWARD OF MEDAL TO DR. THOMAS ANTHONY DOOLEY III—ADDITIONAL COSPONSORS OF JOINT RESOLUTION

Under authority of the order of the Senate of March 10, 1961, the names of Senators SYMINGTON, PELL, LONG of Missouri, and CARROLL were added as additional cosponsors of the joint resolution (S.J. Res. 64) to authorize the President of the United States to award posthumously a medal to Dr. Thomas Anthony Dooley III, introduced by Mr. HUMPHREY on March 10, 1961.

NOTICE OF HEARING ON NOMINATIONS OF THEODORE JAFFE, AND EDWARD D. RE, TO BE MEMBERS OF FOREIGN CLAIMS SETTLEMENT COMMISSION OF THE UNITED STATES

Mr. JOHNSTON. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Tuesday, March 28, 1961, at 10:30 a.m., in room 2300, New Senate Office Building, on the nominations of Theodore Jaffe, of Rhode Island, and Edward D. Re, of New York, to be members of the Foreign Claims Settlement Commission of the United States.

At the indicated time and place persons interested in the hearings may make such representations as may be pertinent.

The subcommittee consists of the Senator from Mississippi [Mr. EASTLAND], as chairman, the Senator from South Carolina [Mr. JOHNSTON], and the Senator from Nebraska [Mr. HRUSKA].

NOTICE CONCERNING CERTAIN NOMINATIONS BEFORE THE COMMITTEE ON THE JUDICIARY

Mr. JOHNSTON. Mr. President, the following nominations have been referred to and are now pending before the Committee on the Judiciary:

Robert E. Maxwell, of West Virginia, to be U.S. attorney, northern district of West Virginia, for a term of 4 years, vice Albert M. Morgan;

D. Jeff Lance, of Missouri, to be U.S. attorney, for the eastern district of Missouri, for a term of 4 years, vice William H. Webster, resigned; and

F. Russell Millin, of Missouri, to be U.S. attorney, for the western district of Missouri, for a term of 4 years, vice Edward L. Scheufler.

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in these nominations to file with the committee, in writing, on or before Monday, March 27, 1961, any representations or objections they may wish to present concerning the above nominations, with a further statement whether it is their intention to appear at any hearings which may be scheduled.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. ROBERTSON:

Brief description of the principal displays of the numismatic collection, prepared by Dr. Vladimir Clain-Stefanelli, curator of numismatics of the Smithsonian Institution.

TEMPORARY EXTENDED UNEMPLOYMENT COMPENSATION ACT OF 1961—TECHNICAL AMENDMENTS

Mr. BYRD of Virginia. Mr. President, during the consideration of the Tempo-

rary Extended Unemployment Compensation Act of 1961, House bill 4806, on Thursday, March 16, 1961, the Senate adopted an amendment, proposed by the Senator from Delaware [Mr. WILLIAMS], changing the effective date for the four-tenths of 1 percent tax increase, so as to apply with respect to wages paid in the calendar years 1961 and 1962. Through inadvertence, four corresponding changes were omitted in the draft of the amendment sent to the desk. I ask unanimous consent that the bill be further amended by including in the Senate engrossed amendments those four items, so as to make the bill uniform and consistent.

The VICE PRESIDENT. Is there objection to the request of the Senator from Virginia?

Mr. KUCHEL. Mr. President, reserving the right to object—although I shall not object—let the record show that members of the minority on the committee are in complete agreement with what the distinguished chairman of the committee proposes.

Mr. BYRD of Virginia. They are merely technical changes.

The VICE PRESIDENT. Is there objection? The Chair hears none. Without objection, it is so ordered.

GEN. CARLOS ROMULO'S BOOK "I WALKED WITH HEROES"

Mr. COOPER. Mr. President, I ask unanimous consent to have printed in the RECORD three reviews of the book entitled "I Walked With Heroes," written recently by Gen. Carlos P. Romulo, Ambassador of the Republic of the Philippines to the United States. One was written, for the February 19 issue of the Washington Post, by Adm. Raymond H. Spruance, former Ambassador of the United States to the Philippines. The second was written for the New York Times issue of the same day, by Mr. Thomas J. Hamilton, chief of the New York Times United Nations bureau; and the third was written for the Washington Star, by Earl H. Voss.

I hope very much that many persons in the United States will read this remarkable book, which adds a great deal to our knowledge of the history of the Philippines, and at the same time is an autobiography of General Romulo. The reviews state truly that it is difficult to single out for special notice the activities and achievements of General Romulo, for, as Mr. Hamilton says:

> As college professor, newspaper editor, soldier, lecturer, and diplomat, Carlos Romulo has crammed the activity of a dozen men into his 62 years.

We in the United States know and admire General Romulo for many reasons. We know him as an able Ambassador of his country to the United States; as a brave soldier in World War II, when he served as aide to Gen. Douglas MacArthur; and when he was President of the General Assembly of the United Nations, in 1949, the world recognized that he presided over the General Assembly with great fairness, with firm authority, and with the purpose—arising from his work in the United Nations, dating from its formation—that it should be a forum for all countries, both the small and the large, and an instrument against force and for steady progress toward the rule of law and world peace.

General Romulo has been a friend of the United States in the best sense, working for better relationships between the Philippines and our country, and yet a true representative of the interests of his own country. His book should cause us to remember that although the United States kept its promise of independence for the Philippines, the relationships between the two countries are nevertheless not one sided. The early days of our occupation of the Philippines are not happy ones in our history; but no record of valor, of loyalty, of devotion to freedom, and of true friendship for the United States surpasses that of the people of the Philippines. That was notably true during World War II, in which General Romulo served with great bravery; and it has been manifested for 60 years.

In the United Nations, the role of the Republic of the Philippines has not always been an easy one. The Republic of the Philippines has been criticized at times by its Asian neighbors as being too close a friend of the United States; yet the Republic of the Philippines has stood with us against aggression and against Communist subversion. But, Mr. President, at the same time the Republic of the Philippines and its people have adhered to their principles and their dignity, in their fight for true independence, and against colonialism.

In that demonstration of true independence and of loyalty to freedom, General Romulo has been an inspired leader of his own country and for the countries of Asia and other continents seeking equality, independence, and economic progress; and he has been a constructive force in both the United Nations and the world.

We should listen a great deal more to Gen. Carlos Romulo and to the people of the Philippines. On the basis of equality, the United States should make even greater efforts to be of assistance to a true friend, the Republic of the Philippines, and to enlarge the understanding, the friendship, and the associations which have characterized our relationships with the Republic of the Philippines.

Mr. MANSFIELD. Mr. President, will the Senator from Kentucky yield?

Mr. COOPER. I yield.

Mr. MANSFIELD. I wish to join the distinguished senior Senator from Kentucky in the remarks he has just now made about the Ambassador of the Philippines to the United States, Gen. Carlos Romulo.

I had the honor and the privilege—and it was a privilege—of serving with Ambassador Romulo in the House of Representatives. He is the only member of the ambassadorial corps who still has the privilege of the floor of the House and of the Senate—a right which, incidentally, he has never used, because of his recognition of the position he occupies.

He is an outstanding Philippine patriot. He has a great love of his own country, but at the same time he is a great friend of the United States.

We are extremely fortunate to have a man in the middle, so to speak, who can represent his own country so capably and so well, and at the same time understands our country, for which he has much affection and love.

I have read all of Ambassador Romulo's books. I think they will and they can add and give to us a great deal of solace and a great deal of wisdom and sagacity.

On this occasion I am happy to join my distinguished colleague in expressing my admiration of General Romulo and in extending my felicitations and thanks to him for the great work he has done during the years in his own country and in the United Nations and in representing the Philippine Republic in this country.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. COOPER. I yield to the Senator from Wisconsin.

Mr. WILEY. I desire to join the distinguished Senators who have spoken about General Romulo. I became acquainted with him years ago, and for many years served with him in the United Nations. His wife and he are among the loveliest persons in Washington.

I remember speaking with him in relation to his service in the Philippines when he served with the Americans. He is a man of great ability, and not only can use his own language, but speaks fluently the English tongue.

He is a man who has given of his heart and soul in the interest of peace in the Orient. He is, in a great sense, a dedicated individual, because he believes that with America holding the line, in the East, so to speak, we can stop the third world war from bursting into being.

I have not had the privilege of reading his book, but my good friend, the Senator from Kentucky [Mr. COOPER] has told me about it.

I think the Senator from Kentucky has done us a great service today in bringing this whole matter to the attention of the Senate.

Mr. KEATING. Mr. President, I ask unanimous consent that these brief remarks be printed in the RECORD following the tributes to Ambassador Carlos Romulo made earlier today.

The PRESIDING OFFICER. Is there objection to the request of the Senator from New York? The Chair hears none, and it is so ordered.

Mr. KEATING. Mr. President, it is with the deepest sense of personal pleasure that I bring to the attention of the Senate the outstanding success which has greeted the recent publication of "I Walked With Heroes," a work written by one of the acknowledged great men of our time, Ambassador Carlos Romulo. To millions of Americans Carlos Romulo is a symbol of the patriotism, the valor, and the friendship of our traditional and esteemed allies, the nation and people of the Philippines. Above and beyond this role, however, Ambassador Romulo is one of the preeminent protagonists of human freedom on the

broader stage of the entire world community. In particular, he has acted to expose the menace of communism and to alert the free world to the urgent need to fight the creeping attack of the Red armies of infiltration and propaganda with the counterfire of positive action in defense of freedom. The new book he has written is entitled "I Walked With Heroes." Those heroes may well say in return that they, too, walked with a hero when Carlos Romulo was at their side.

The VICE PRESIDENT. Is there objection to the request of the Senator from Kentucky?

There being no objection, the reviews were ordered to be printed in the RECORD, as follows:

[From the Washington Post, Feb. 19, 1961]

THE DAYS AND YEARS OF ROMULO

("I Walked With Heroes," by Gen. Carlos P. Romulo; reviewed by Raymond A. Spruance)

This is General Romulo's most recent book and his autobiography. It is easy to read and interesting from cover to cover.

Romulo was born in January 1901 in a small town in Tarlac Province, north of Manila, of an excellent but not wealthy family. His birth coincided with the ending of the Spanish-American War and our entry into the Philippines.

This period saw the beginning of many changes in the Philippines, among which may be numbered the decline in the use of Spanish by the educated elite and the introduction of the use of English for all through the newly established public school system.

Since the young Romulo was endowed with energy, ambition, a phenomenal memory, and a great talent for language, spoken and written, he early added a mastery of English to his Spanish. This led to a career in journalism, which started in his teens while he was attending college in Manila, expanded later to editorships of newspapers and brought him into politics as a devoted follower of Quezon.

In his autobiography, Romulo discusses at some length the question which is variously known as imperialism or colonialism—a very live topic in the world today. In his work with the United Nations, he argued long and hard for the use of independence instead of self-government in the Charter. In the end, both terms were used.

There are so many things of interest in a life as full of activity and achievements as General Romulo's that it is difficult in a brief review of his autobiography to single them out. For example, his life in New York as a student at Columbia University; his courtship and marriage in the Philippines, conducted under the old Spanish conventions; his part in World War II, starting with Bataan and Corregidor, then evacuation, and finally return with General MacArthur to Leyte; the parts played at various times in Philippine public life and politics, and in Washington.

His career is a fine example of what energy, character, and ability can do for a man who is given the opportunity to develop and use his natural talents.

[From the New York Times, Feb. 19, 1961]

A DIPLOMAT'S OWN STORY

("I Walked With Heroes," by Gen. Carlos P. Romulo; reviewed by Thomas J. Hamilton)

As college professor, newspaper editor, soldier, lecturer, and diplomat, Carlos Romulo has crammed the activities of a dozen men into his 62 years. Before reaching his 31st birthday he was made editor-in-chief of the most important newspaper group in Manila, and for good measure was head of the English department and a regent of the University of Manila.

General Romulo became known to millions of Americans during the early years of World War II, when he crossed the country many times over to tell the story of Corregidor and Bataan, where he was MacArthur's aid.

At the United Nations another career opened up, and his great services to the organization were recognized in 1949, when he was elected President of the General Assembly. The prominent role that the Philippines then played in the organization was a direct result of General Romulo, and in particular his limitless vigor in advancing the cause of peace.

For the time being, General Romulo is comparatively idle, and the only job he now has is that of Ambassador to Washington. There he is in charge of negotiations over unsettled war claims, American bases in the Philippines, and other problems that are enough for at least two men. But they have left him the time and energy to write this engrossing autobiography.

General Romulo has some good stories to tell about the United Nations; for instance, the time when Andrei Y. Vishinsky denounced "this small man Romulo with the big voice who spreads noise wherever he goes * * * who represents an insignificant country like the Philippines and dares to attack Russia." The "small man" replied with the story of David and Goliath.

The author continued to hunt "for the glimmer of humanity" in the Russian delegates, and he found it in Vishinsky, who was a different sort from the monolithic Gromyko. When General Romulo took Vishinsky to the Metropolitan Opera it developed that Vishinsky, who happened to be a violinist himself, knew every aria in "La Bohème."

A diplomat's discretion prevents General Romulo from going very deeply into the celebrated events at the United Nations in which he played a leading part. However, the autobiography tells an equally significant story, of the Philippines' fight for independence and the circumstances that led the author to devote his career to advancing mutual understanding between his native country and the United States.

General Romulo was born and brought up in the small town of Camiling, in Luzon, which in those days lacked a bathtub or a telephone or a piece of machinery. His father fought under Aguinaldo against the United States after Dewey's victory had wiped out Spanish control of the Philippines. But after the suppression of the nationalist movement the Romulo family was won over by the schools and other improvements carried out by the United States and by the promise of independence, which was made good in 1946.

Looking back over his busy career, General Romulo writes that the driving force of his life was the determination "to prove I was capable not in spite of having been born a Filipino but because I was a Filipino." He felt that it was up to his generation to demonstrate that everything the Americans were doing for the Filipinos, and what they were doing for their own self-development, was worthwhile.

In pursuit of this goal General Romulo has rendered valuable service to both countries. He has also helped interpret the United States to other Asian countries, and vice versa. Not that he is an uncritical admirer of the United States: On the contrary, he deplores the lack of knowledge in this country of the Philippines, and he feels that race prejudice is our Achilles heel.

General Romulo's own career, however, has done much to counteract such feelings. It is to be hoped that he will long continue as the able representative of the Philippines in Washington.

GENERAL ROMULO'S LIFE IS PLEA FOR PHILIPPINES

("I Walked With Heroes," the autobiography of Gen. Carlos P. Romulo; reviewed by Earl H. Voss)

Carlos P. Romulo is one of those noble men who enrich their environment. Washington has profited from his long, active residence here, and his contributions to world diplomacy.

His autobiography is a masterpiece of charm, pathos, bitterness, and fierce Filipino pride. Of his early years as a skyrocketing student, reporter, playwright, adolescent, lover, he writes with great charm. Of his tempestuous second and third decades in Manila journalism he writes with pathos and understandable pride. Of America's never-quite-suppressed racism, he speaks with sorrow and bitterness.

Of his self-sacrifice of working with Filipino interests in Washington, a devotion which he believes cost him the presidency of his nation, and of his subsequent election as President of the United Nations General Assembly ("President of the world"), he writes with passion and pride.

OUR PROMISES

The scars from his postwar bouts with congressional appropriations committees are bared for all to see. Ambassador Romulo believes the United States welshed on its promises to help the Philippines recover from the Japanese war. He cannot accept our willingness to take Manila for granted while Tokyo and New Delhi are courted with lavish aid.

Americans' occasional expressions of race prejudice against the Filipinos enrage him. "I have another brief memory," he writes, "of a battlefield on Bataan among the dead and dying of hearing an American stretcher bearer call to another, who was about to give aid to a wounded Filipino: 'Hey, take this one first, he's white.' * * * the thoughtless words were spoken under stress, but I remember the hurt in them and the look on the face of the wounded soldier who was left on the ground."

FRIEND OF UNITED STATES

In spite of all these offenses, however, General Romulo, who stood with General MacArthur in Corregidor, marshaled American support for the Philippines in this country in war and peace, and rose to the heights of world diplomacy in the United Nations, remained a passionate friend of the United States who aches for us to be faithful to ideals and to submerge our baser instincts.

He writes of an intention soon to leave public service but disclaims any desire to retire. After six decades of action-packed living he could not if he tried.

LAUNCHING OF FRONTIER I

Mr. BRIDGES. Mr. President, at a period in our history when missiles and rockets are commonplace, a very significant launching has taken place with nary a whisper of recognition.

This vehicle left the pad a few days ago with greater thrust than we have ever witnessed before, and I understand that, once aloft, its capabilities are limitless.

We have seen the launching of Frontier I. And it was unique in the annals of missiles and rocketry.

The launching pad was the Congress of the United States, and the blockhouse which contained the controls and buttons was located 16 city blocks away on Pennsylvania Avenue.

The Frontier I is a three-stage, solid-fuel missile with countless booster rock-

ets which can be fired on command at any given moment.

The first-stage rocket took the form of a feed grains bill which will allow the Federal Government to further subsidize the farmers of the Midwest.

Then the second-stage rocket took over with the passage of an area redevelopment bill which will allow the Federal Government to subsidize the so-called depressed areas of West Virginia, Illinois, and several other States.

Finally, the third-stage thrust which placed Frontier I into orbit was supplied by an unemployment compensation extension bill which will allow the Federal Government to subsidize such States as Michigan, New York, Ohio, New Jersey, and others.

Now that Frontier I is in orbit, adjusting to the usual problems of weightlessness and going around in circles, it can expect periodic jolts from any one of many booster rockets labeled "minimum wage," "urban renewal," "medical care for the aged," "public housing," and so on.

At this point, I might add parenthetically that a Senator from New Hampshire has some explaining to do when asked by his constituents why the Senate, in the space of 1 week, passed three bills which will, first, raise feed grain prices for our dairy and poultry farmers; second, utilize Federal revenues to place other States in a better bargaining position for new industry; and third, take some $3 million of New Hampshire tax money and arbitrarily distribute it in other areas.

Of course, there can only be one answer.

If we continue in this direction long enough, we may drain New Hampshire's economy so much that the Granite State can qualify as a supercolossal, A–1 deluxe, chronically distressed, deficit-employment area. Then all the citizens of New Hampshire will be able to sit back and be subsidized while the Federal Government turns around and soaks other States for our support.

At first this theory is difficult to get accustomed to. But all one has to do is completely reverse his traditional objectives. Instead of striving to get ahead, one must try to get behind in order to qualify for Federal giveaways which will be paid for by individuals and States which stubbornly cling to the old theories of sound progress.

But I should return to the discussion of the Frontier I.

I merely wish to touch upon two more aspects of the flight of this spectacular vehicle.

The first of these is fuel. I have already mentioned that the Frontier I is powered by a solid propellant; namely, great amounts of cold hard cash. But, where this fuel was once very reliable, it has shown signs of marked weakness of late. The fact is that some experts now refuse to place this fuel in the solid classification.

The one remaining problem is that of reentry.

What happens when we try to get it back down to earth? I am afraid the whole business will crumble like so much tinsel.

In the meantime, those of us who wish to keep our feet on the ground and our hands out of our neighbor's pocket will continue, despite repeated defeats in the Congress, to express the feelings of the slim minority with a prayerful hope that our efforts will bear some fruit.

We might feel terribly lonely at times when we appeal for less Federal control and more confidence in the American free-enterprise system. But the loneliness cannot be as severe as the frustration to be experienced eventually by those aboard Frontier I when it develops inevitable malfunctions and starts to flounder in outer space with no signposts to point the way back to earth.

I have stated the situation with which we are confronted in the section in which I live, and the questions which I am being asked every day. For that reason, I think it wise that the people of that section, and the people of the country as a whole, reflect upon the questions.

DEATH OF REPRESENTATIVE B. CARROLL REECE, OF TENNESSEE

Mr. KEFAUVER. Mr. President, it becomes my sad duty to announce the untimely passing of Representative B. CARROLL REECE, of the First Congressional District of Tennessee. Representative REECE passed away yesterday at the naval hospital, in Bethesda, Md. I wish to pay tribute to the life, character, and public service of that great American.

Representative REECE served in the House, beginning in 1920, for more than 36 years, with only two short interruptions.

Representative CARROLL REECE was a man of great courage. In the defense of his country, as a young lieutenant, he commanded the 3d Battalion of the 122d Infantry Regiment in France. He was decorated with the Distinguished Service Cross, Distinguished Service Medal, Purple Heart, and Croix de Guerre with Palm for bravery.

He was also a man of great courage when it came to legislation that would strengthen the defenses of the United States and on issues in which he was interested. In matters affecting the welfare of the United States, and problems concerning the benefit and welfare of Tennessee, he knew no political sides, even though, as we all know, he was a partisan Republican, having served as chairman of the Republican National Committee.

It was my pleasure, over a period of more than 20 years, to work with Mr. REECE on many projects for the welfare of our State; and on all occasions our service together was very pleasant.

Representative REECE had a host of friends, of both political parties, throughout the United States, in the district he served in Tennessee, and both in the House of Representatives and in the Senate.

In 1923, CARROLL REECE married Louise Despart Goff, daughter of the late Senator Guy P. Goff. We all know of the beautiful and delightful companionship which existed between Representative REECE and his wife, Louise.

Representative REECE is survived by Mrs. Reece and also by a daughter, Mrs. George W. Marthens II.

I extend to them and to other members of his family my sincere and deep sympathy.

I feel that the Nation has lost a fine public servant, a man who always kept his word, and a man of exemplary character; and we in Tennessee have lost one of our very best and distinguished citizens.

Mr. GORE. Mr. President, will the Senator yield?

Mr. KEFAUVER. I yield to my colleague from Tennessee.

Mr. GORE. Mr. President, it is with sadness that I join my colleague in commenting upon the passing of the late Representative B. CARROLL REECE. I join with him also in extending sympathy to the family.

CARROLL REECE contributed an unusual life and a career of distinguished service which was patriotic, able, devoted and dedicated, both with respect to military matters and governmental matters.

As my senior colleague has said, CARROLL REECE had a distinguished and heroic military record. I believe he was one of the most decorated men of World War I.

Over a span of years he brought to the Congress education, enlightenment, and astuteness given to few men. As national chairman of his party he became a national leader. He was a leader in the Congress of those with kindred views.

The ruggedness of his character and the integrity which was at the core of CARROLL REECE endeared him to many, even to many who, upon occasion, disagreed with his political views.

His passing is a matter of sadness not only to those of us who have served with him but also particularly to his family and to his host of friends. In east Tennessee he has long been regarded as an institution of service.

Mr. KEFAUVER. Mr. President, I should like to yield to the distinguished Senator from New Hampshire, and perhaps to other Senators.

The VICE PRESIDENT. The Chair will recognize any Senator who wishes to speak on the subject in his own right. Ordinarily a resolution is received from the House of Representatives, and any Senator who wishes to be recognized can be recognized.

Mr. BRIDGES. Mr. President, I join the two distinguished Senators from Tennessee in paying tribute to a very able son of Tennessee and a very distinguished Representative, CARROLL REECE, who passed away yesterday. He was a great public servant. He was one of those men who served in the Congress over a long span of years.

I am now serving my 25th year in the Senate. CARROLL REECE was one of those who were in the Congress when I came, and he was one of the first men I met in the Congress.

I personally feel the loss, and I know what a great loss it is to our country and to his native State, particularly to eastern Tennessee, which he has represented so ably and so well.

I join the Senators from Tennessee in paying tribute, and I express my sympathy to his bereaved widow and his daughter.

Mr. KEATING. Mr. President, I join with my colleagues from Tennessee in expressing to the family of CARROLL REECE the sympathy of the rest of us for the great loss which Tennessee has suffered in the death of this outstanding American.

CARROLL had a great capacity for friendship. I have been in his congressional district in eastern Tennessee. The devotion felt by the people for him was quite unusual. It was something which I am sure will remain a cherished memory for his family.

It was my pleasure to serve with CARROLL in the House of Representatives. Frim time to time we would disagree with respect to some issue before the House, but he was one with whom a person could disagree and stil remain a firm and fast friend. He will be deeply missed by all of us in both Houses of Congress. He has had a distinguished career which has served well his district, his State, and his Nation. CARROLL REECE has built a monument of respect and affection in the hearts of all whose lives he has touched.

Mr. CARLSON. Mr. President, I rise to pay tribute to a distinguished citizen who has passed on to his reward. I join my colleagues from Tennessee and other Senators in paying tribute to and expressing sadness at the passing of CARROLL REECE.

I had the privilege of serving in the House of Representatives for six terms with CARROLL REECE. He and I were very close friends. His was a life of service to his State and to the Nation. He rendered outstanding service in the Republican Party. All of us on this side of the aisle worked with him and were closely associated with him for many years. His service was exemplary in this field.

I believe one of the outstanding achievements which will cause us to remember CARROLL REECE is the fact that, as president of the Robert A. Taft Memorial Foundation, he was instrumental in the building of a memorial on the Capitol Grounds.

His was a life of faithful service. He was interested in the problems of his State and interested in the problems of the Nation. The State of Tennessee and our Nation will miss his service.

I express my sympathy to Mrs. Reece and other members of his family.

Mr. COOPER. Mr. President, the news of the death of the Honorable CARROLL REECE, Congressman for the First Congressional District of Tennessee, has saddened all of us. His career, stretching nearly 50 years, was a wonderful one in the service of his country. Born on a farm in eastern Tennessee, one of a large family, he became a great leader of the Republican Party in Tennessee and the United States. But he was also a great servant of his country and his State. CARROLL REECE was an outstanding legislator and leader in the House of Representatives for years. There he fought hard for his principles, because he was a man of conviction.

There were many other sides to CARROLL REECE. Around him was an aura of heroism as an infantry officer in World War I, when he won many decorations of our country and other countries for gallantry and bravery, and suffered serious wounds.

Well educated, he was a man of intellectual quality. But, with all of his experience in national affairs he never lost the warmth, the kindliness, and the understanding which caused the people of Tennessee, and all others who knew him, to hold him in respect and affection. I had the pleasure of knowing CARROLL REECE for 20 years. I shall miss him as a friend. I know that thousands in Kentucky who knew him will feel as I do—that we have lost a great and true friend. I join my colleagues in expressing our sadness today, and in sending sympathy to Mrs. Reece, to his daughter, and other members of the family, and to his many friends.

Mr. SCHOEPPEL. Mr. President, I rise to join in the statements made by the distinguished senior and junior Senators of the great Commonwealth of Tennessee in behalf of their late native Tennessean, CARROLL REECE, who has passed to his great reward. Since I have been in the United States Senate, I have known no man with whom I have been privileged to serve and to be associated and for whom I have had more profound respect and admiration than CARROLL REECE. As has been pointed out, he was a distinguished patriot, soldier, and, above all, a statesman of rare ability and qualification, which he demonstrated in so many ways, not only in the great State of Tennessee, but very far beyond its borders. It was my privilege to serve with him in the political area. No man with whom I have ever served in that respect was fairer to his adversaries and more dedicated in service to his country. Our great Nation and the State of Tennessee have lost one of its great characters. I share with other Senators who have known him the sadness of his passing, and I wish to to extend to the members of his family our deep sympathy.

EARL WARREN, CHIEF JUSTICE OF THE UNITED STATES

Mr. KUCHEL. Mr. President, yesterday the Chief Justice of the United States, Earl Warren, celebrated his 70th birthday, unswervingly dedicated to the preservation of our unique American constitutional system and to the protection of individual liberties which our fundamental charter guarantees to all Americans, however high or low their station. The Chief Justice has brought to the highest judicial office in the land what the Washington Post accurately assesses as a blend of commonsense, compassion, and ardor.

The Chief Justice has termed the Supreme Court the "interpreter and defender of the Constitution."

The Washington Star states:

If through the years the Court's work is well done, he said, "the home of every American will always be his castle—every human life will have dignity and there will forever be one law for all men."

Here is a public servant who is able, honorable, thorough and painstaking, and who has demonstrated over the years an innate dignity in public service that he has rendered to the American people. Americans join in wishing the Chief Justice many, many happy returns of the day.

I ask unanimous consent that there be printed in the RECORD at this point in my remarks an editorial from the Washington Post of yesterday, a column from the Washington Post of yesterday, and a column from the Washington Star also of yesterday.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Post, Mar. 19, 1961]

HAIL TO THE CHIEF

When Earl Warren quit the governorship of California in 1953 to become Chief Justice of the United States, he left behind him every vestige of political partisanship and political ambition. But he brought with him, as the product of nearly a quarter century of robust participation in the lively politics of his State, an intimate knowledge of American political institutions and a ripened understanding of human nature, human needs, and the patterns of human adjustment.

He came to the Supreme Court at a moment when it had peculiar need of his harmonizing skills and his political wisdom. Divided internally, the Court faced one of the most dramatic decisions in its history—a recognition that contemporary sociological and psychological insights forbade further reliance on the fiction of half a century that racially segregated public schools can be said to offer equal educational opportunity. The time had come when the Court had to rule that such segregation amounted to a denial of the equal protection of the laws.

Manifestly, the decision demanded a major social readjustment in the United States. That readjustment was fostered by the fact that the Supreme Court was unanimous. The new Chief Justice spoke for the Court in an opinion as simple and comprehensible in language as it was firm and resolute in meaning. Surely the Court's unanimity was a product, at least in part, of his judicial statesmanship; surely his leadership has had much to do with maintaining that unanimity.

On many other matters that come before it, the Court is sharply divided—composed, as it is, of men with strong convictions. The Chief Justice has alined himself for the most part with those of his colleagues who think that the Court should serve as an active champion of individual liberty against the sometimes overbearing power of the state. A tough and vigorous public prosecutor in his younger years, the Chief Justice has always recognized that strict adherence to the rules of fair procedure is an indispensable condition of a free society. His concern for individuals reflects not sentimentality but a conviction that freedom affords the key alike to public welfare and to national security.

Today marks Mr. Chief Justice Warren's 70th birthday. We congratulate him warmly on the occasion and on the vigor with which he faces the useful years that lie ahead. And we congratulate the country on the blend of commonsense, compassion and ardor which he brings to its highest judicial office.

[From the Washington Post, Mar. 19, 1961]

ON DESEGREGATION: HISTORIC OPINION IS WARREN STAMP

(By James E. Clayton)

When Chief Justice Earl Warren was chatting informally with a group of newsmen a

few weeks ago, someone asked him what one thing he has done for which he would like most to be remembered.

"I'd just like to be remembered, now and hereafter, as having done the best I could in the offices I have held," he replied.

It is more likely, however, that in American history, one event will overshadow the quality of all that Earl Warren did in his long political career before he was appointed to the Supreme Court and all else that he has done or may do as Chief Justice.

WROTE DESEGREGATION DECISION

That event came on May 17, 1954, when he announced the decision of the Court in the school desegregation cases. By the chance of fate that the school cases came for decision during his first year on the Court and that he wrote the Court's opinion, Earl Warren has gained a unique place in American history.

No other single decision of the Court in this century has so aroused the Nation. It is unlikely that the Chief Justice will again be involved in so historic a decision regardless of how long he remains on the Court.

How much longer he will be there is, of course, a matter of conjecture. Today is Earl Warren's 70th birthday, but he is still the big, hearty, healthy Californian that newsmen were mentioning as a likely Republican candidate for President as long ago as 1942.

RETIREMENT UNLIKELY

When a reporter asked him last month if he had thought of retiring, the Chief Justice said, "I have given no thought to retirement," and he shook his head emphatically to emphasize what he had said.

This June, Justice Warren will begin his eighth term as Chief Justice. Seven of the thirteen other men who have been Chief Justice served longer than that. All of them left an impress on history of one kind or another; many of them have been the center of vigorous criticism.

At the moment, the Chief Justice is in the middle of a stream of violent criticism. Stanch segregationists have charged that he, and the other members of the Court, are stooges for the NAACP. Some rightwing groups, a few of which are now circulating petitions headed "To Impeach Earl Warren," charge that he is a Communist sympathizer.

The complaint of the segregationists was set off by his opinion in the school cases, an opinion in which all his fellow Justices joined. That decision held that separate school systems for white and Negro children denied the children equal protection of the law.

The criticism of Warren from rightwing groups has come because of his opinions in three cases and because his vote is most often cast on the side of individual liberty when the other side is Government regulation.

THREE OPINIONS NETTLE

The three opinions which have been singled out for criticism, however, are those the Chief Justice delivered for the Court in the Greene, Nelson, and Watkins cases.

In the Greene case, the Court struck down the industrial security program of the Armed Forces as being unauthorized by either Congress or the President, but the Chief Justice's opinion went beyond that to criticize the procedures and attitudes of loyalty investigators.

In the Nelson case the Court said that Congress had taken over the field of prosecuting Communists for sedition, thus outlawing State sedition laws.

In the Watkins case the Court upset a contempt of Congress conviction on narrow grounds, but the Chief Justice went on in his opinion to sharply criticize the activities and methods of the House Un-American Activities Committee.

SOKOLSKY DEFENDS HIM

These opinions plus his general attitude in other cases have brought so violent an attack from the far right that George E. Sokolsky, a columnist representing a deeply conservative position, has spoken out on Warren's behalf several times. Sokolsky disagrees with many of Warren's opinions, but he challenges those who question Warren's motives and integrity.

This controversy, however, seems to affect the Chief Justice not at all. He still regularly walks almost 3 miles down Connecticut Avenue every morning on his way to work despite threats to his life 2 years ago.

AVOIDS SOCIETY

He apparently finds the cloistered life of the Court a pleasant change after 28 years in the political bustle of California. He avoids most of Washington's social life, preferring to spend his evenings with Mrs. Warren in their apartment at the Sheraton Park Hotel.

"I find you either have to stay out of social activities in Washington or go over your head," he explains. "I just can't do this kind of work and be out a number of nights a week at social affairs."

The other reason he avoids them is the embarrassing questions which people ask. The Justices will not talk about their work. "If you went to all these affairs, you'd be in trouble," Warren says. "I don't go."

He did take an active part in the inaugural, swearing in Mr. Kennedy as President and staying to the bitter end in the reviewing stand as the long parade went past.

He said he was "very happy" to be in on the change in administrations but that he has no nostaglic desire to return to politics. "After I had been Governor of California for 11 years, I was ready to do something else," he said.

Before he was appointed to the Court in 1953, the Chief Justice had been Governor and attorney general of California, a district attorney there for 13 years, a candidate for the Republican presidential nomination in 1948 and 1952, and the nominee for Vice President in 1948. That, he indicated, was enough politics for any man.

[From the Washington Star, Mar. 19, 1961]

CHIEF JUSTICE WARREN AT 70: A PORTRAIT OF A MAN WHO DOES HIS BEST

(By Miriam Ottenberg)

The silver-haired Chief Justice of the United States celebrates his 70th birthday today.

For Earl Warren, self-made son of a Norwegian-born railway car inspector, it will be a day like any other Sunday—a day of morning rest, afternoon walk, visiting with friends, an early bedtime.

Other men might think of 70 as a turning point, but not the Chief Justice. He says he has given no thought to the possibility of retiring in 1963, when he will have completed 10 years on the Supreme Court and be eligible for retirement at full pay.

His intention to stay on the job will be greeted with mixed feelings. In the years of his stewardship as Chief Justice, the Court has been under a steady barrage of criticism. Much of the attack has been against him personally since he wrote the 1954 school desegregation decision and subsequent controversial opinions.

Although his political fortunes thrived in California on his easy ability to win friends, in Washington he has scrupulously avoided any public discussion in defense of the Court's positions. He refuses to discuss Court business with any member of the press—not because he wants to stand aloof but because he feels he couudn't do it without involving the Court and himself in discussions which wouldn't help the Court.

When he came to the Court, he termed his brand of liberalism "progressive conservatism." He has been called a "Socialist" and identified with the liberal wing of the Court. A colleague, shying away from labels, said the Chief Justice approaches his work with "basic humanity" and a deep concern for the "predicament of human beings."

PHILOSOPHY OF THE COURT

He stated his own goals in his farewell address to Californians when he called the Supreme Court the "interpreter and the defender of the Constitution." If through the years the Court's work is well done, he said, "the home of every American will always be his castle—every human life will have dignity and there will forever be one law for all men."

To achieve his goal and keep the Court's business running smoothly, he works long hours—but not as long as he did when he was three-time Governor of California.

"It's a hard life to be in politics for a quarter of a century," he commented recently. "I now wonder how I got through some of those years. I'd work until 4:30 p.m., than fly to Los Angeles for a night meeting. I'd get home at 3 a.m. and do the same thing the next day."

In less than a week, his whole life changed. President Eisenhower called him on a Tuesday night and asked him if he could go on the bench the following Monday for the opening of the term. He worked day and night but he reached Washington on Sunday night and went on the bench Monday, October 5, 1953.

ADJUSTING TO A NEW ROUTINE

He admits he found it difficult at first to live as sedentary a life as he now faced. His solution was exercise. He takes some pride in the fact that he weighs almost exactly what he weighed when he came to Washington—currently 202 pounds for his 6-feet-1 height.

Here's his daily routine:

He wakes about 7 a.m. He always sets the alarm but usually wakes ahead of it. He works for an hour and a half to 2 hours before breakfast—the kind of work he can do in bed, reading and studying.

He gets up a little before 9 a.m. and spends 10 minutes on setting up and stretching exercises. Then, he's ready for a light breakfast.

He usually walks downtown with Justice Tom Clark. The conversation deals generally with current events rather than Court business. The Justices stride down Connecticut Avenue from the Sheraton Park Hotel, where the Chief Justice lives, to 17th Street and Constitution Avenue. There, the Warren chauffeur picks them up and drives them on to the Court.

The Chief Justice usually stays at the Court until 6:15 p.m., finding he can get home in 15 minutes at that time and avoid traffic jams.

He and Mrs. Warren have dinner in their apartment and 2 or 3 nights a week look at television. Usually he gets in another hour and a half of work or reading akin to his work before going to bed at 11:30 p.m.

The Chief Justice also works every Saturday, going over correspondence, reading reports on the Judicial Conference and dictating to his secretary.

A FOOTBALL FAN, TOO

On Saturday afternoons, he takes his law clerks to lunch, often at the University Club. If there's a good football game on television, the Chief Justice and his clerks watch it. He is a devoted fan of both baseball and football, with an occasional interest in basketball.

On Sunday mornings, he stays in bed to read the newspapers and go over the work

he had brought home for weekend study. After a noon breakfast, he walks for a couple of hours in the afternoon and visits with friends.

The Warrens go out very little socially.

"I find that either you have to be almost entirely out of social activities in Washington or you must be in almost over your head," the Chief Justice explains. "I can't do this work and be out every night at social affairs."

The Chief Justice, however, thoroughly enjoyed the inaugural festivities and his role in the swearing in ceremonies.

"A change in administration is always an exciting thing for the American people—certainly it is for one who has always been as interested in government as I have been throughout my life. I found it very exciting and I was very happy to do the swearing in."

He acknowledged that "no one could have a background like mine without occasionally having a nostalgic feeling for it, especially when exciting things are happening in the country and in the world." On the other hand, he emphasized that "I'm not one who feels I'm missing out on politics, because I had a great many years of it. After being Governor of California for 11 years, I felt ready to do something else."

DOES SOME TRAVELING

The Warrens have been doing a lot of traveling in the past few years and the Chief Justice expects to be out of the country part of this summer but the rest of the summer he will spend with the Warren children and 10 grandchildren in California.

"We no longer can have them move to us," the Chief Justice explained. "There are so many little ones, so we move to them."

A devoted family man, the Chief Justice is keenly interested in young people.

The Chief Justice is known also as a man of humor who can tell a joke on himself. A colleague recalled this bit of reminiscing: When the Chief Justice was district attorney he came to Washington to argue a case before the Supreme Court. Before he got back to California, Justice Oliver Wendell Holmes retired. His friends kidded him that Justice Holmes had heard him argue and had immediately given up and retired.

His colleagues at the Court rate him a good administrator. He is credited with building up the Court's police force, now at 30-man strength, and insisting that all members of the force go through the Metropolitan Police Training School or the FBI Police Academy.

EFFICIENT AND FAIR

In presiding over the conferences of the Justices, he is considered highly efficient but fair in assuring that each justice has a full opportunity to express himself even though the Justice's opinions may be completely opposed to those of the Chief Justice. He is described as thoroughly objective as presiding officer without retreating from any strong views he may entertain himself on a given issue.

As spokesman for the Court, he welcomes lawyers gaining admission to practice before the Supreme Court. Although he has made the welcoming speech hundreds of times, he still has the ability to say it with meaning and warmth, conveying the impression to the newly admitted lawyers that they are being personally welcomed.

On the bench, whether or not he takes part in the questioning, he always makes a point of expressing the gratitude of the Court to the Court-appointed attorneys who appear without compensation. When he does that, he always thanks the opposing attorneys, too.

This thoughtfulness and consideration is gratefully recalled by one of his younger colleagues. The Chief Justice had his secretary call the new appointee to find out when he was coming to Washington. The secretary explained that the Chief Justice would like to send his car and chauffeur to meet the new Justice and his family. The offer was declined with thanks because the train was due to arrive so early in the morning.

When the sleepy-eyed family tumbled off the train at 6:45 a.m. on a gray October morning, Chief Justice Warren was there to greet the newcomers and welcome them to Washington.

CONSIDERATION FOR OTHERS

His consideration for others has long been a hallmark of his personality and one of the secrets of his long-time political success. His efficiency as an administrator also dates back to his years as Governor and, before that, attorney general of his State.

But Court observers have found some of his attitudes puzzling in view of his past. Early in his career in public life, he attracted statewide recognition as the racket-busting district attorney of Alameda County.

None of his convictions during 13 years as a prosecutor was ever reversed on appeal. But on the Supreme Court Bench, he has often joined such liberal colleagues as Justices Hugo Black and William Douglas in voting to upset convictions particularly in search and seizure cases.

Was this a major psychological transformation for an ex-prosecutor whose own father was a murder victim? Some say yes, but he once made a statement that could be considered a clue.

"Although I fought vigorously in the cases I prosecuted," he once commented, "I invariably felt nauseated when the jury brought in a verdict of guilty."

IN THE LONG RUN

How will his term on the Court be remembered?

Opinions differ, depending on who does the talking. Some observers have noted an increase in judicial legislation—new law created by Court decisions. Some comment on an apparent increase in the number of 5-to-4 decisions, the bitter conflicts reflected in dissenting opinions.

There is a difference of opinion on whether the Chief Justice has done the influencing or been the influenced one. There is considerable agreement that he must have done a great deal of moral persuasion to get a unanimous decision in the school segregation cases.

He knows how he wants to be remembered.

"I'd like to be remembered, now and hereafter," he said, "as having done the best I could in the offices I have held."

JOHN BIRCH SOCIETY

Mr. YOUNG of North Dakota. Mr. President, on March 8, 1961, I had inserted in the CONGRESSIONAL RECORD an article appearing in the Chicago Daily News and one from Time magazine with reference to the John Birch Society. The comments I made with respect to these insertions and the articles themselves caused widespread interest. Some of the members of the John Birch Society were quite irate. I do want to make one apology and that is for referring to the local chapters or units, or whatever they call them, as cells. It was my understanding at the time that this was a term used by this secret or semisecret society in referring to their local units. Apparently this is not the case. This is one of the problems one encounters with an organization operating in a secret manner. The general public is not supposed to know who is the head of this organization in each State, the head of each chapter or unit, any of its members, or how they operate. All this information, I understand, is available to prospective members.

It is generally understood in my State that Mr. J. Blaine Miller, a representative of one of the major oil companies, is head of all John Birch Society units or chapters in North Dakota. I ask unanimous consent to have inserted as a part of my remarks a letter which Mr. Miller had published in the March 15, 1961, issue of the Grand Forks Herald of Grand Forks, N. Dak.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JOHN BIRCH SOCIETY

BISMARCK, N. DAK.—The John Birch Society in North Dakota will welcome an investigation by Senator YOUNG or anyone else. We would suggest that this investigation be thorough and complete and that the results be made public. I sincerely hope that every loyal American will investigate the John Birch Society, for nothing could possibly expand our membership faster.

The purpose of the John Birch Society, as officially stated, is to promote less government; more responsibility and a better world. As unofficially stated and discussed among our members, the purpose is exactly the same. There is no more.

Due to the seriousness and imminence of the threat from the international Communist criminal conspiracy, a great deal of our time is spent fighting anything and everything that will forward the Communist conquest of America. If the fact that an increasing number of North Dakotans are becoming dedicated to these principles is to be deplored, as stated by Senator YOUNG, then God help us all.

J. BLAINE MILLER.

Mr. YOUNG of North Dakota. Mr. President, it will be noted from this letter that Mr. Miller states:

The John Birch Society in North Dakota will welcome an investigation by Senator YOUNG or anyone else. We would suggest that this investigation be thorough and complete and that the results be made public.

Mr. President, I may say in reply to Mr. Miller's challenge, that no committee of Congress, so far as I know, has made an investigation of this society, but several newspapers have. Two of the most thorough investigations of the John Birch Society that have come to my attention are those of the Los Angeles Times, of Los Angeles, Calif.,—a conservative Republican newspaper—and the Santa Barbara News-Press published at Santa Barbara, Calif.—a reputable Democrat newspaper. Mr. President, I ask unanimous consent to have inserted as a part of my remarks an editorial appearing in the Los Angeles Times for March 12, followed by an editorial from the Santa Barbara News-Press for February 26. Following this, I ask unanimous consent that investigations by these respective newspapers be printed as a part of my remarks.

There being no objection, the editorials and articles were ordered to be printed in the RECORD, as follows:

[From the Los Angeles Times, Mar. 12, 1961]

PERIL TO CONSERVATIVES

The Times published last week a heavily documented series of articles which defined

the nature and methods of the John Birch Society in the words of its absolute master.

The quotations from Robert Welch, and from some of his lieutenants, nail down the treacherous fallacy that an honorable or noble objective justifies any means to achieve it.

Our fear of the John Birch Society is based on our own findings, on the meticulously researched articles written by Gene Blake. In them it can be read, within quotation marks, that Communists must be fought with their own weapons, smear for smear. Even—and the quotations are brutal—with sedition.

Every conservative must adhere to the general purpose of the society as it is stated by Robert Welch: "to promote less government, more responsibility and a better world."

Every loyal American must agree devoutly with the society's immediate intention of "stopping the Communists and destroying their conspiracy, or at least breaking its grip on our Government and shattering its power within the United States."

And every informed American must agree with the society's tenet that the United States is actually now engaged with Soviet Russia in a struggle for the survival of our system.

With all honorable Americans, this newspaper looks with disgust and dread upon the godless materialism and blood-soaked tyranny of the Communist conspiracy. It is because of our people's disgust and dread that the Communists must seek their ends by secret subversion, by seducing officials, by discrediting our institutions, sowing distrust among us, aggravating union and racial disputes, entering without conscience into any course that will serve the purpose of Moscow.

Then what is likely to happen to the member of the John Birch Society who abandons all the rules by which he has lived his decent life, and adopts instead the techniques and the rules of conspiracy to fight Communists in Communist fashion?

If the John Birchers follow the program of their leader, they will bring our institutions into question exactly as the Communists try to do. They will sow distrust, and aggravate disputes, and they will weaken the very strong case for conservatism.

What are we to think when our last three Presidents, Roosevelt, Truman, and Eisenhower, are accused either of being Communists or Communist dupes?

What are we to think when these charges are leveled against Secretary of State John Foster Dulles, against his brother Allen who heads our vital Central Intelligence Agency, against the Chief Justice of our Supreme Court?

What are to think when the honor and integrity of the Vice President of the United States, the Republican Party's nominee for President, are questioned?

What are we to think when we are told that our Nation's press almost without exception is Communist infiltrated and inspired?

What are we to think when we are told that our churches almost without exception are corroded with active agents of Moscow?

What is happening to us when all loyal Americans are accused of being Communist dupes unless they subscribe to the radical and dictatorial direction of one self-chosen man?

All sincere conservatives must ask themselves these questions. And they must answer them.

The Times believes implicitly in the conservative philosophy. It has challenged all these men and most of these institutions on the soundness of one or more issues. But the Times does not believe that the argument for conservatism can be won—and we do believe it can be won—by smearing as enemies and traitors those with whom we sometimes disagree.

Subversion, whether of the left or the right, is still subversion.

OTIS CHANDLER,
Publisher, the Times.

[From the Santa Barbara (Calif.) News-Press, Feb. 26, 1961]

AN EDITORIAL

During recent weeks, the News-Press has sought to enlighten its readers about a semi-secret organization called the John Birch Society.

We believe that the News-Press has performed a public service by bringing the activities of the society to the attention of the community. Hundreds of our readers have agreed. But a newspaper would be derelict in its duty if it did not express its opinion of the way the society is organized and the tactics it employs.

First, let there be no mistake about this: Communism must be opposed vigorously. Its gains throughout vast areas of the world are shocking. Every American must be alert for Red infiltration. But that does not lead logically to the conclusion that to fight communism at home we must throw democratic principles and methods into the ashcan and adopt the techniques of the Communists themselves, as the John Birch leaders would have us do.

The News-Press condemns the destructive campaign of hate and vilification that the John Birch Society is waging against national leaders who deserve our respect and confidence.

How can anyone follow a leader absurd enough to call former President Eisenhower "a dedicated, conscious agent of the Communist conspiracy"? Those are the words of the national leader of the John Birch Society, Robert Welch, in a manuscript entitled "The Politician," of which photostatic copies are available.

The News-Press condemns the dictatorial, undemocratic structure of the society.

The News-Press condemns the tactics that have brought anonymous telephone calls of denunciation to Santa Barbarans in recent weeks from members of the John Birch Society or their sympathizers. Among victims of such cowardly diatribes have been educational leaders, including faculty members of the University of California at Santa Barbara, and even ministers of the gospel.

The News-Press condemns the pressures on wealthy residents, who fear and abhor communism, to contribute money to an organization whose leader has said that "for reasons you will understand, there can be no accounting of funds."

In the Blue Book, the society's "bible," leader Welch said that the organization needed 1 million members. He also said that the dues are "whatever the member wants to make them, with a minimum of $24 per year for men and $12 for women."

One million members, divided equally between men and women, would bring him $18 million a year. Quite a sum to play with without accountability.

The News-Press challenges members of the society to come into the open and admit membership. A local enrollment in the hundreds is claimed, but so far only a few of those who have joined the organization have been unashamed enough to admit it.

The News-Press challenges the responsible local leaders of the society to make themselves known.

The News-Press challenges them to tell their fellow citizens exactly what they are up to and specifically what program they have in mind for Santa Barbara.

The John Birch Society already has done a grave disservice to Santa Barbara by arousing suspicious and mutual distrust among men of good will. The organization's adherents, sincere in their opposition to communism, do not seem to understand the dangers of the totalitarian dynamite with which they are tampering.

The News-Press challenges them: Come up from underground.

And if they believe that in being challenged they have grounds for suit—let them sue. The News-Press would welcome a suit as a means of shedding more light on the John Birch Society.

[From the Los Angeles Times, Mar. 5, 1961]

CORRECTED QUOTATION IN SERIES

Through a typographical error in Sunday's first installment of the John Birch Society series, a quotation from Robert Welch's "The Politican" was given incorrectly.

The quotation, from page 267 of Welch's manuscript, should have read as follows:

"While I too think that Milton Eisenhower is a Communist, and has been for 30 years, this opinion is based largely on general circumstances of his conduct.

"But my firm belief that Dwight Eisenhower is a dedicated, conscious agent of the Communist conspiracy is based on an accumulation of detailed evidence so extensive and so palpable that it seems to put this conviction beyond any reasonable doubt."

[From the Los Angeles Times, Mar. 5, 1961]

THE JOHN BIRCH SOCIETY: WHAT ARE ITS PURPOSES?

(By Gene Blake)

On a wintry day a little over 2 years ago, a dozen men gathered in Indianapolis at the invitation of a retired Massachusetts candy manufacturer, Robert Welch.

They were influential, busy men. One came from Oregon, one from Kansas, one from Missouri, two from Wisconsin, one from Illinois, one from Indiana, one from Tennessee, one from Virginia, and two from Massachusetts.

These men weren't exactly sure why they were there, except that they all shared the same concern over the menace of international communism, its influence in America and the fate of this Nation.

TWO-DAY EXPLANATION

For 2 full days they listened to Robert Welch set forth his views of the problem and what he thought should be done about it. Out of that meeting of December 8 and 9, 1958, came the John Birch Society.

Within a year there were working chapters in New Hampshire, Massachusetts, Connecticut, New York, Virginia, South Carolina, Florida, Tennessee, Michigan, Illinois, Wisconsin, Iowa, Louisiana, Texas, California, and Washington. There were also members of the home chapter—sort of at large members—in about 40 States.

Now, after another year, the list of States with from 1 to more than 100 working chapters has grown to 34, plus the District of Columbia, and there are home chapter members in all 50 States.

MAKES VOICE HEARD

Organized and developed quietly at first—almost secretly—the society is now making its voice heard and no longer shuns the spotlight. By the end of the year the national membership is expected to reach 100,000. The goal is a million.

There are several thousand members in scores of chapters throughout southern California today, according to Paul H. (Tex) Talbert, Beverly Hills insurance executive who is a member of the society's national council.

They are hard at work attacking the Communist menace as they see it on the home front, either directly or through other organizations—PTA's, social and civic groups, study clubs, church societies.

Talbert won't hazard a guess as to how many working, hard-core, live Communists

there are in southern California. But he and his fellow John Birchers do not believe that is the crux of the problem.

TAKES ONLY A FEW

"Even though there are relatively only a few Communists," Talbert said, "for every one there are 10 people standing behind ready to do their bidding and for each of these there are another 10—the do-gooder type—willing to go along with them.

"It would take only a few hundred Communists to upset the balance from a political standpoint. In Russia, less than 3 percent of the 200 million people are Communists and in any country they have taken over there have been no more."

Talbert sees Communist influences working directly here in front organizations, infiltrating political organizations and college campuses. But more than that he sees Communist objectives being furthered by certain newspaper writers, in motion pictures, in church pulpits and in all levels of government.

AIMS ARE SAME

"It is sometimes necessary to differentiate between socialism and communism, although their aims are the same—leading to the destruction of our Constitution and private enterprise," Talbert said.

"There are a lot of things going on in city, county, State and Federal Government that are certainly driving us into the arms of socialism. If we continue on the road to socialism, it will be just an overnight shift to communism."

John Birchers in southern California and throughout the country are trying to alert the public, according to Talbert, through concentrated letterwriting campaigns, circulating petitions, speaking before various groups, showing anti-Communist films and distributing anti-Communist literature—under the overall leadership of founder Robert Welch.

POINT TO BOOK

Who is the man who brought this about and what is his purpose?

Detractors are quick to point out that Robert Welch is the man who wrote several years ago, in a manuscript called "The Politician" by some and the "Black Book" by others, that former President Eisenhower and top members of his administration were Communists or tools of the Communists.

"While I too think that Milton Eisenhower is a Communist and has been for 30 years," Welch wrote on page 267, "this opinion is based largely on an accumulation of detailed evidence and so palpable that it seems to put this conviction beyond any reasonable doubt."

Welch also wrote of Dwight Eisenhower on page 268 in "The Politician":

"There is only one possible word to describe his purpose and actions. That word is 'treason.'"

"HIS BOSS"

And on page 210:

"In my opinion the chances are very strong that Milton Eisenhower is actually Dwight Eisenhower's superior and boss within the Communist Party. For one thing, he is obviously a great deal smarter."

Others listed by Welch in "The Politician" as part or tools of the Communist conspiracy included former Presidents Roosevelt and Truman, Chief Justice Warren, the late Secretary of State John Foster Dulles, and his brother Allen, head of the Central Intelligence Agency.

"The Politician," distributed confidentially to a limited number, has caused some discomfort among members—but by no means all of them.

Some obviously agree with it, or at least feel there is sufficient evidence to believe that Welch's charges might be true. Others may temper the charges by stating that Mr. Eisenhower and some of the others were or are merely unwitting tools of the Communists.

CLUE TO PROGRAM

At any rate, this gives a clue to the general tenor of the society's charges: Communists have been and still are in control of high places in the U.S. Government, the Armed Forces, the courts, the schools and universities, the press, radio, television and motion pictures, unions, the United Nations, the private foundations and the churches.

Unless the public wakes up, the society fears, it is only a question of time before the United States falls without a struggle into worldwide Communist dominion ruled from the Kremlin.

Welch, of course, is just one of many who have preached this doctrine of imminent Communist domination to some degree for years. One was the late Senator Joseph McCarthy, who has become almost a patron saint of the John Birch Society.

But Welch appears to have had success greater than any other man in welding his followers into a cohesive force with a program of action. It is a program of fighting fire with fire, openly using some of the tactics that have proved successful for the enemy.

FARMER ANCESTRY

Welch was born in 1899 on a North Carolina farm. His ancestry, mainly farmers and Baptist preachers, is traceable to one Miles Welch, who came to this country from Wales in 1720.

He was educated for 4 years at the University of North Carolina, 2 years at the U.S. Naval Academy, and 2 years at Harvard Law School. He moved to Boston in 1919 and has been in the candy manufacturing business all his adult life.

For many years he was vice president in charge of sales and advertising of James O. Welch Co., with factories in Cambridge and Mansfield, Mass., and in Los Angeles, as well as its subsidiary sales corporations in Atlanta, Pittsburgh, Chicago, Los Angeles, and Seattle.

WAS NAM DIRECTOR

He has served as a director of a bank and several other business corporations. He was a member of the board of directors of the National Association of Manufacturers 7 years, regional NAM vice president 3 years, and chairman of its educational advisory committee 2 years.

Welch also has been an extensive world traveler, speaker, author, editor, and publisher. His books include "The Road to Salesmanship" (1941), "May God Forgive Us" (1952), and "The Life of John Birch" (1954).

For 5 years he has edited and published a monthly magazine, American Opinion. In 1957 he gave up most of his other business responsibilities to devote nearly all his time and energy to the anti-Communist cause.

Welch chose the subject of one of his books as the name for his society because he felt this young man symbolized all that the society should stand for.

John Birch was a fundamentalist Baptist preacher from Georgia who became a missionary in China and then an intelligence officer with Gen. Claire Chennault's forces during World War II. He helped Gen. James Doolittle escape from China after the famous raid on Tokyo.

But 10 days after V–J Day, Captain Birch was shot and killed in a Chinese village near Hsuchow. Five years later, former Senator Knowland charged in a Senate speech that he was murdered in cold blood by Chinese Communists.

AIMS AT EXPOSÉ

Welch's book purports to be a documentation of that charge, as well as an exposé of a "coverup" by the U.S. Government in a policy of appeasement toward Red China.

"It is clear that the Communists, high and low, recognized John Birch as standing for America, for Christianity, and as the very embodiment of those qualities and forces which were in their way," Welch wrote.

"He was the first, or very nearly the first, casualty in American uniform in a war still being waged. * * * With his death and in his death the battlelines were drawn, in a struggle from which either communism or Christian-style civilization must emerge with one completely triumphant and the other completely destroyed."

[From the Los Angeles Times, Mar. 5, 1961]

A REPORT TO THE PUBLIC

Any national organization with a political purpose is of paramount interest to the general public.

Any such organization, methodically yet semisecretly organizing to influence public opinion, is the public's business.

The John Birch Society is such an organization.

On this page the Times publishes the first of five articles reporting on the founding, the purposes, and the operations of the John Birch Society. These articles quote verbatim from the writings of Robert Welch, founder of the John Birch Society, including his manuscript, "The Politician," of which photostatic copies are available although it was distributed confidentially to a limited number. The articles also quote extensively from the society's Blue Book, currently used as the society's guide for action, and from leaders of the organization here in Los Angeles.

At the conclusion of this series of articles the Times will publish its editorial opinion of the purposes and activities of the John Birch Society. We suggest in the meantime that each of you, as a free American citizen, read these articles carefully.

NICK B. WILLIAMS,
Editor, the Times.

[From the Los Angeles Times, Mar. 6, 1961]

BLUE BOOK GUIDES ANTI-RED SOCIETY—REQUIRED READING FOR MEMBERS OF BIRCH GROUP MINCES NO WORDS

(By Gene Blake)

Communism has Karl Marx's "Communist Manifesto," nazism had Adolf Hitler's "Mein Kampf," and the John Birch Society has Robert Welch's "Blue Book."

This 182-page booklet, a transcript of Welch's 2-day presentation when he and 11 men founded the society in Indianapolis a little more than 2 years ago, is required reading before anyone can join.

And well it should be, for Welch did not mince words about the authoritative control he would impose and the loyalty he would demand.

"The John Birch Society is to be a monolithic body," he said. "A republican form of government or of organization has many attractions and advantages, under certain favorable conditions. But under less happy circumstances it lends itself too readily to infiltration, distortion, and disruption.

DECEPTIVE PHRASE

"And democracy, of course, in government or organization, as the Greeks and Romans both found out, and as I believe every man in this room clearly recognizes—democracy is merely a deceptive phrase, a weapon of demagogery and a perennial fraud."

Here are a few more excerpts:

"The John Birch Society will operate under completely authoritative control at all levels, it is imperative that all the strength we can muster be subject to smoothly functioning direction from the top.

"The men who join the John Birch Society during the next few months or few years are going to be doing so primarily be-

cause they believe in me and what I am doing and are willing to accept my leadership anyway.

"We are not going to be in the position of having the society's work weakened by raging debates. We are not going to have factions developing on the two-sides-to-every-question theme.

"Those members who cease to feel the necessary degree of loyalty can either resign or will be put out before they build up any splintering following of their own inside the society."

Several thousand southern Californians have joined the society on these terms and it anticipates that the national membership will reach 100,000 by the end of this year. They are organized into scores of small chapters throughout the Southland.

It isn't just a matter of fighting hard-core Communists who may be relatively few in number in southern California, explains Paul H. (Tex) Talbert, Beverly Hills insurance executive and member of the society's national council.

"It is the society's aim to expose and counteract what it believes to be forces at work in almost every phase of community life and government which are furthering the Communist cause and leading this Nation steadily toward domination by the Kremlin," Talbert said.

Evidence of this right here in southern California can be seen, according to Talbert, in the motion picture industry, the newspapers, the schools and universities, churches, political organizations, and local government.

In the belief that we are in a war for survival on the homefront, members of the John Birch Society attend monthly meetings, engage in concentrated letterwriting campaigns, circulate petitions and anti-Communist literature, speak and show anti-Communist films to various groups, exert influence whenever they can in other organizations.

In doing so, they are carrying out a program laid down by Welch in his Blue Book or in the the monthly bulletins he sends from his Massachusetts headquarters.

HAS VISITED HERE

Welch himself has visited here to speak to society members or other groups. On December 8, 1959—the first anniversary of the society—he addressed the Freedom Club of the First Congregational Church, 535 South Hoover Street.

The Freedom Club was founded in 1952 by the church minister, Dr. James W. Fifield, Jr., and has grown to several thousand members. It now has chapters in churches, civic groups and veterans organizations in many cities throughout the country.

Many nationally known speakers have addressed the club. Its declared purpose is devotion to the promotion of world peace, liberty, honesty in government, the principles of free enterprise and exposure of forces that work against freedom.

The purpose of the John Birch Society, as stated in Welch's Blue Book to be both the official one and the one unofficially described and discussed among members, is "to promote less government, more responsibility, and a better world."

Its immediate objective is described in the Blue Book as "stopping the Communists and destroying their conspiracy, or at least breaking its grip on our Government and shattering its power within the United States."

Few could quarrel with those aims.

"We are out to get a million members truly dedicated to the things in which we believe," Welch said in the Blue Book. "For we need disciplined pullers at the oars, and not passengers in the boat."

Welch himself admitted this is reminiscent of the Communist principle of "the dedicated few" as enunciated by Lenin.

"And we are, in fact, willing to draw on all successful human experience in organizational matters," he said, "so long as it does not involve any sacrifice of morality in the means used to achieve an end.

WHERE THEY DIFFER

"But the Communists have asked their followers to devote to the cause 'the whole of their lives.' We assuredly do not. That is exactly the kind of collectivism, of submerging the individual in the whole, against which we are fighting."

Almost half of Welch's Blue Book is devoted to his appraisal of the growth of the international Communist conspiracy, the rise of collectivism in this country, the loss of faith by Americans and a statement of his own religious faith.

"Unless we can reverse forces which now seem inexorable in their movement," he said, "you have only a few more years before the country in which you live will become four separate provinces in a worldwide Communist dominion ruled by police-state methods from the Kremlin."

Welch charged then—in 1958—that the Communists were one-fourth of the way toward achieving their third and final step—the takeover of the United States—and therefore were two-thirds of the way toward carrying out their total program—the takeover of the world.

ACCUSES OFFICIALS

This has been accomplished, he said, with the deliberate and treasonable help of officials of our Government and of almost every phase of American life. Some highlights:

"The first great break for the Communist conspiracy came in 1933, with our formal recognition of Stalin's regime. * * * Their second break came with the beginning of World War II, which was largely brought on through the worldwide diplomatic conniving of Stalin agents.

"At the time of Pearl Harbor * * * it would have been absolutely fatal to Franklin D. Roosevelt and George Catlett Marshall for the part they had played in bringing on that catastrophe to have become known to the American people. * * * For the real facts * * * constituted plain unadulterated treason on the part of both Marshall and himself * * *

"* * * there are at least 30 huge Communist espionage rings operating in this country today against the only 2 or 3 that have been only partly exposed * * * but scores of known Communist sympathizers have been restored, by Supreme Court rulings, to their former jobs within our Federal Government.

"Communist sympathies and even actual Communist subversion are daily made more respectable by the actions of our Government, our great universities, much of our press, and by the complacency of our people.

"The unions which control our shipping and many vital parts of our economy are Communist-ruled or Communist-dominated.

NUMBERS LESSEN

"The true fundamentalists in our midst, whether Catholics, Protestants or Jews, are the moral salt of the earth but their number grows smaller every year; fully one-third of the services in at least the Protestant churches of America are helping that trend; some actually use their pulpits to preach outright communism.

"For years we have been taken steadily down the road to communism by steps supposedly designed, and presented to the American people, as ways of fighting communism. The whole foreign aid program is an excellent example.

"Although our danger remains almost entirely internal, from Communist influences right in our midst and treason right in our Government, the American people are being persuaded that our danger is from the outside, is from Russian military superiority.

"The directive under which some of the very largest American foundations have been secretly but visibly working for years, is so to change the economic and political structure of the United States that it can be comfortably merged with Soviet Russia.

"Until the intended Communist internationale now called the United Nations has been wiped out or made over from the bottom up, our attitude toward so-called internationalism is made clear and uncompromising by the stated purpose of the society.

"The only thing which can possibly stop the Communists is for the American people to learn the truth in time, the domination of our press, television, and radio by Communist influences is now so great that you simply are not allowed to learn or be reminded of the real nature of the beasts to whom we are losing."

[From the Los Angeles Times, Mar. 7, 1961]

BIRCH SOCIETY'S PROGRAM OUTLINED—MEMBERSHIP OF MILLION SET AS GOAL IN PLANS OF ORGANIZATION

(By Gene Blake)

When Robert Welch of Massachusetts offered himself 2 years ago "with great humility" for the dynamic personal leadership needed to direct the John Birch Society's war on communism, he also laid down a 10-point program of action.

The program is set forth in the Blue Book, the 182-page "bible" and manual for the society's thousands of members throughout the country. They are hard at work putting it into action.

Required reading before anyone can join the society, the Blue Book is a transcript of Welch's 2-day discussion at the organizational meeting of 12 men in Indianapolis December 8 and 9, 1958.

Tape recordings and films of Welch's eloquent presentation also are made available for chapter meetings.

MEMBERSHIP GOAL

Welch has set a goal of a million members organized at the local level into small chapters under tight control and direction from above.

And in his program of action, he admittedly has adopted a trick or two of the Communists. Here is the program:

1. Establish small and inexpensive reading rooms, which also would serve as rental libraries, stocked with a nucleus of 100 approved anti-Communist books and the best anti-Communist periodicals.

RIGIDLY CONTROLLED

"They would be extremely selective instead of exhaustive as to the books available," he said. "How many books each of these reading rooms would have, especially which books, and under what arrangements, would of course have to be tightly controlled from headquarters."

2. Expand the circulation of the conservative periodicals, particularly Welch's own monthly magazine American Opinion.

"With the metropolitan press and big circulation general periodicals not only largely denied to us, but in many cases either consciously or blindly promoting the Communist line, we need to use every feasible channel to get more of the truth over to more of the American people," he said.

Welch suggested putting the National Review in every college library and fraternity house, the Dan Smoot report in every doctor's office, Human Events and American Opinion in every barbershop.

WIDEN AUDIENCE

3. Support, maintain, increase the number of stations used and widen the audience of such radio programs as those of Fulton

Lewis, Clarence Manion and dozens of local broadcasters.

4. Institute organized planning and control to make full and effectively coordinated use of the powerful letterwriting weapon.

"There should be a continuous overwhelming flood of letters, not just to legislators or the executive departments in Washington, but to newspaper editors, television and radio sponsors, educators, lecturers, State legislators and politicians, foundation heads, and everybody else whose opinions, action, and decisions count for anything in the ultimate total actions and decisions," Welch said.

"It should be definitely planned, ordered, and the amount and promptness of participation constantly checked and evaluated by a central headquarters or director. It is the leadership that is most demanding, most exacting of its followers, not the one which asks the least and is afraid to ask more, that achieves really dedicated support."

5. Organize fronts—little fronts, big fronts, temporary fronts, permanent fronts, all kinds of fronts.

"We are surfeited with organizations which have the general purpose of fighting communism," Welch said. "They will never stop the Communists."

FRONTS PROPOSED

He suggested such fronts as a Committee for Withdrawal of Recognition (of Russia), a Committee To Protest the Firing of Medford Evans (reportedly fired from a southern college for his anti-Communist stand), a petition to impeach Earl Warren, a Committee To Investigate Communist Influences at Vassar College and Women Against Labor Union Hoodlumism.

Petitions on "everything under the sun," such as one headed, "Please, Mr. President, Don't Go"—to protest summit meetings were advocated.

6. Start shocking the American people into a realization of what is happening.

BEST WAY

"The best way to do this is by exposure, which is why the Communists just had to get rid of McCarthy, and went to such extreme lengths to do so," Welch said.

He suggested that his magazine could be used for this purpose, using the technique of putting devastating questions to suspected Communists, and talked hopefully of building his circulation to 200,000.

"The question technique, when skillfully used in this way, is mean and dirty," Welch admitted. "But the Communists we are after are meaner and dirtier, and too slippery for you to put your fingers on them in the ordinary way."

NUISANCE SUITS

Welch also mentioned the risk of nuisance libel suits, and, as "our courts have by no means been immune to Communist infiltration," they might have more than nuisance value. But he said the publicity value might outweigh the risk.

7. Silence Communist speakers masquerading as anti-Communists by using the question technique before audiences.

8. Line up a large group of speakers to carry a strong anti-Communist message to small audiences such as church clubs, and PTA groups, although talking on other specific subjects.

9. Extend the society into other countries eventually, but in the meantime set up revolutionary committees and governments-in-exile out of the anti-Communist refugees from the satellite nations.

REVERSE SURRENDER

10. Reverse by political action the gradual surrender of the United States to communism.

On the last point, Welch argued that it could not be done by the Republican Party alone, nor merely under the political leadership of someone like Senator GOLDWATER, whom he hailed as the most acceptable candidate for President.

"It [the party] cannot win unless it has strong help and backing from forces outside of the straight political organization—such as the Democratic Party has on the other side in Walter Reuther's Committee on Political Education (COPE)," he said.

NIXON EVALUATION

Speaking of presidential candidates (this was 1958), Welch had this to say about Richard Nixon:

"He is one of the ablest, shrewdest, most disingenuous and slipperiest politicians that ever showed up on the American scene * * *

"He can use the tremendously overrated and overpublicized but actually highly cautious part he played in the Alger Hiss exposure, to hang onto the hopeful loyalty of the vigorous anti-Communists, at the very time when he is insinuating to put Warren on the Supreme Court as part of the deal, Taft would have been nominated at Chicago in 1952.

"It is almost certain that Taft would then have been elected President by a far greater plurality than was Eisenhower, that a grand rout of the Communists in our Government and in our midst would have been started, that McCarthy would be alive today, and that we wouldn't even be in this mess that we are supposed to look to Nixon to lead us out of.

"And in appraising Richard Nixon's character, nobody should overlook the vicious undercover knifing of Bill Knowland by Nixon's men in California in the campaign just finished (1958).

"I think Nixon could become a very patriotic anti-Communist if we could create circumstances in which it would be smart politics to be one; whereas I think Nelson Rockefeller would fight for further movement toward the internationalist left under any and all circumstances.

ONE-WORLD PLAN

"I think Nelson Rockefeller is definitely committed to trying to make the United States a part of a one-world Socialist government, while I don't think Nixon is committed to anything other than the career of Richard Nixon."

And could anyone mistake the subject of this passage by Welch about the "amoral man" he considers the greatest danger?

"You will usually find him in church on Sunday morning, maybe even a Catholic Church," Welch said.

NOMINATION CHANCE

"But as a Member of the United States Senate, running for the Presidency, and smart enough to know the strong Communist support behind the scenes which he will have to get in order to have any chance of being nominated in 1960, such an amoral man can do a tremendous amount of ball carrying on behalf of the Communist aims here in the United States; and he can do an almost equal amount of damage to anti-Communist morale in other parts of the world, by his well-publicized speeches against Chiang Kai-shek or in favor of the Algerian rebels.

"Or an amoral man, as head of a great so-called Republic, may have no slightest scruples or concern about getting himself into the good graces of the left by quietly knifing McCarthy.

"He has been a rider of waves, so far as public support was concerned, without caring whether the particular wave at any given time was moving left or right; and a manipulator, of uncanny skill, behind the scenes.

"But for the dirtiest deal in American political history, participated in if not actually engineered by Richard Nixon in order to make himself Vice President (and its fate or the fate of other nations, in the face of Communist conquest and of the cruel tyranny of their rule).

"And any similarity of characters in this story to any living persons is not coincidental."

[From the Los Angeles Times, Mar. 7, 1961]

BIRCH PROGRAM IN LOS ANGELES OUTLINED—THOUSANDS REPORTEDLY BELONG TO CHAPTERS IN SOUTHLAND

(By Gene Blake)

Members of the John Birch Society—reportedly several thousand strong in southern California—are busily at work on a myriad of activities which may not necessarily bear their own label.

They are organized into small local chapters of from 12 to 20 members each—8 in Pasadena, Los Angeles, Beverly Hills, Santa Barbara, and scores of other communities. If a chapter gets too large, a new one is formed.

The chapters meet monthly, usually in the chapter leader's home, to discuss the program for the ensuing month.

PHASE OF PROGRAM

This usually is some phase of the 10-point program laid down by founder-leader, Robert Welch in his Blue Book 2 years ago, or specific projects outlined in the monthly bulletin he sends out from his Massachusetts headquarters.

But John Birchers may also be members of 1 or more of the 139 other specifically anti-Communist organizations, although the society is not officially connected with any of them.

And in many instances they are members of organizations which do not specifically bear an anti-Communist label—PTA's, social and civic groups, study clubs, church societies. Many John Birch Society projects thus may be undertaken in the name of some other organization.

PTA TAKEOVER

For example, in his bulletin for last September, Welch urged society members to take over the PTA's.

"Join your local PTA at the beginning of the school year, get your conservative friends to do likewise and go to work to take it over," he wrote.

"You will run into real battles against determined leftists who have had everything their way. But it is time we went on the offensive to make such groups the instruments of conservative purposes, with the same vigor and determination that the liberals have used with the opposite aims.

"When you and your friends get the local PTA group straightened out, move up the ladder as soon as you can to exert a wider influence. And don't let the dirty tactics of the opposition get you down."

SOCIETY HAS HIERARCHY

The John Birch Society also has a hierarchy above the chapter leaders consisting of volunteer coordinators, salaried staff coordinators, major coordinators and a national council of nearly 30 substantial citizens from all parts of the country.

Council members from southern California include Paul H. Talbert, Beverly Hills insurance executive; Ralph E. Davis, president of General Plant Protection Corp., Los Angeles; and Dr. Granville F. Knight, Santa Barbara physician.

Among the nationally known council members are T. Coleman Andrews, former U.S. Commissioner of Internal Revenue; Spruille Braden, former Assistant Secretary of State and Ambassador to several Latin American countries; Clarence Manion, former dean of Notre Dame Law School; and Col. Laurence E. Bunker, former personal aide to General MacArthur.

"These are men of good standing with lots of courage and they have been attacked miserably," Talbert told the Times in a recent interview.

Talbert would not disclose the number of chapters or members in southern California—Welch has laid down a rule against giving out such information.

SEVERAL THOUSAND HERE

But he said there are "several thousand" members in the Southland and the national membership is expected to reach 100,000 by the end of the year. After that, he added, the goal of a million should be attained in short order.

"The chapters are growing rapidly," Talbert said. "We have a growing-pains problem. A coordinator is coming from Massachusetts to go into the matter of getting districts set up and distribution of authority.

"We've grown too fast. In the Houston area they've had to call a halt.

RUGGED INDIVIDUALISM

"All conservatives are rugged individualists. This is the nearest they've come to coordinating their activities."

Talbert, who was head of the Americans for Goldwater movement here last year said the society is nonpolitical and there is no direction as to which candidates to vote for.

"It is 100 percent anti-Communist, along the line that we are in a fight for survival," he said. "It is tied in very much with Christianity—atheists and agnostics are not welcome—but we are not excluding Judaism or any religion."

What, specifically, does Talbert believe to be the nature and scope of the Communist menace in southern California?

The items he ticks off could be classified roughly under the headings of direct action by Communist or Communist fronts, the fellow travelers, the "do-gooders" and the "dupes."

"One of the biggest Communist fronts in this area is the Citizens Committee To Preserve American Freedoms, at 617 North Larchmont Boulevard," Talbert said. "That's where Frank Wilkinson directed his campaign to abolish the House Committee on Un-American Activities."

Talbert said Robert W. Kenny, former State attorney general, also is associated with the committee. Wilkinson, former city housing authority official, last week lost his fight in the U.S. Supreme Court to escape a jail term for contempt for refusing to testify before the Un-American Activities Committee.

After attending a meeting of the American Civil Liberties Union here, Talbert said he came away feeling that "they are for everything the Communists are for."

Talbert said the best example of direct Communist action was the riot of so-called students at the House Un-American Activities Committee hearing in San Francisco last May. He said the FBI has developed incontrovertible proof the riot was inspired, directed, and participated in by known Communists.

UCLA PAPER ARTICLE

He next referred to an article in the UCLA Daily Bruin about a Marxist study group formed by students at the Westwood campus to "clear up rumors spread by the capitalist press." (The article later was branded inaccurate and the study group was dissolved for lack of a faculty sponsor.)

At Santa Monica City College, Talbert said, a teacher asked students to turn in a paper on "Why I am against the loyalty oath." When a student objected, he said, the teacher told him he would be flunked if he did not comply.

Questionnaires given school pupils, Talbert continued, contain such questions as, "Is it worse to spit on the Bible than on the American flag?

INFILTRATION CHARGED

"I have been told that Communists have infiltrated the Democratic clubs and I understand orders have gone out to infiltrate all clubs, including Republican," Talbert said.

"There is no question about Communists at work in the churches here," he continued.

"Episcopal Bishop James A. Pike opened a diocesan convention by warning against the 'revival of McCarthyism.' He named 'smallfry, would-be leaders' as Fulton Lewis Jr., Gerald L. K. Smith, William F. Buckley Jr. and Representative Francis E. Walter, chairman of the House Un-American Activities Committee.

CHURCH REQUEST

"The National Council of Churches has stated that Red China should be recognized and admitted to the United Nations and that we should do away with atomic testing."

Talbert's criticism of the motion picture industry was centered on the movie "Spartacus," based on a book by Howard Fast, produced and starred in by Kirk Douglas and scripted by Dalton Trumbo, one of the "Hollywood 10" convicted of contempt for refusing to testify before the House Un-American Activities Committee.

"The City Council of Los Angeles gave an award to Kirk Douglas based on the fact that he had the courage to make a picture in the United States instead of Europe," Talbert said.

FILMED IN SPAIN

"The fact is that a large part of the picture was made in Spain and Kirk Douglas has made other pictures in Israel, Spain, Norway, France and Italy. This one was written by a Communist and rewritten for the movie by a Communist.

"The Beverly Hills Chamber of Commerce gave its Will Rogers Memorial Award of the Year for the outstanding person in entertainment to Kirk Douglas. It should have been given posthumously to Ward Bond or to someone like John Wayne."

Asked about influences of which he disapproves in newspapers here, Talbert said one has only to look at the editorial pages of the Times.

WRITERS COMPARED

"While Barry Goldwater, Morrie Ryskind, Holmes Alexander, and Raymond Moley are all right, look at some of the others whose writings indicate a sympathy toward one-world collectivism—Max Lerner, James Reston, and Walter Lippmann," he said. "Lippmann is a Socialist from 'way back."

These are just a few examples, Talbert said, of the dangerous forces at work right here in southern California which the John Birch Society feels are giving aid and comfort to the Communists and leading this country steadily into the camp of the Kremlin.

On the national scene, the society's principal targets are Chief Justice Warren and his "pro-Communist" Supreme Court decisions, the "soft" foreign policy toward Communist nations, summit meetings, internationalism, the United Nations and big spending, big government in general.

LETTERWRITING

One of the most potent ways in which the society has made its voice heard in southern California has been through the organized and directed letterwriting campaigns urged by Welch in his Blue Book. His monthly bulletins suggest topics and source material.

Scathing missives on a particular subject from the Network of Patriotic Letter Writers descend like a horde on newspaper editors, Government officials, and anyone who might have some effect on decisions and actions.

Mrs. Joseph Crosby who founded the first South Pasadena chapter of the John Birch Society and is starting the fifth there says the Network of Patriotic Letter Writers has no official connection with the society.

HOW IT STARTED

Her explanation of how it started, however, gives some insight into how the society works.

Mrs. Crosby is also a member of the Tuesday Morning Study Club which she says was formed only for the purpose of informing members. Some of the women wanted to get busy and do something actively, she said, and out of that stemmed the Network of Patriotic Letter Writers.

The network has branched out through southern California and now includes hundreds—perhaps thousands—of members who loose a bombardment of letters simultaneously.

CIRCULATED PETITION

It was the Network of Patriotic Letter Writers that circulated the recent petition to impeach Chief Justice Earl Warren—a petition that was suggested by Welch when he founded the John Birch Society more than 2 years ago.

Another project of society members, Mrs. Crosby said, has been a campaign to discourage patronage of motion pictures such as "Spartacus" and "Exodus," both scripted by Dalton Trumbo.

GREATEST SUCCESS

As a result partially of the Tuesday Morning Study Club's campaign, C. C. Trillingham, county superintendent of schools, has called the box office promotion of "Spartacus" linked to schools to the attention of all school districts in the county.

Talbert said he believes the concentrated letterwriting technique had its greatest success when Congress was considering repeal of the Connally reservation to U.S. participation in the World Court. A "flood of mail," he said, kept the measure in committee.

But the project that is really hitting the target, he declared, is the showing to various groups of the film "Operation Abolition," depicting the alleged Communist riots to disrupt the House Un-American Activities Committee meeting in San Francisco last May.

"That is communism in action," Talbert said.

In line with Welch's Blue Book instructions, the society is working to broaden the audience of such commentators as Manion, Dan Smoot and, locally, Ed Delaney.

Smoot, a former FBI agent with headquarters in Dallas, also publishes weekly reports which are circulated by society members in support of the rightwing viewpoints.

Delaney, who says he is not a member of the society, is sponsored on a small Burbank radio station by the Pasadena Anti-Communist League. He was a broadcaster on Berlin radio for the Nazi Foreign Office early in World War II and was indicted for treason in this country, although the indictment later was dismissed.

He says he was only a factual broadcaster and quit as soon as the United States entered the war against Germany.

In keeping with Welch's program to make approved anti-Communist literature available in reading rooms and rental libraries is Poor Richard's bookshop at 5403 Hollywood Boulevard. Talbert said it has been doing a business of $150 to $200 a day.

[From the Los Angeles Times, Mar. 7, 1961]

BIRCH MEMBERS REPLY TO CRITICS—FOUNDER'S EARLY WRITINGS CALLED NOT CONNECTED WITH SOCIETY

(By Gene Blake)

Many charges have been leveled against the purposes of the John Birch Society, charges which have been branded by society members as part of an organized "smear" campaign apparently Communist inspired.

Foremost among attacks has been publications of excerpts from founder-leader Robert Welch's "The Politician" in which he labels former President Eisenhower and top members of his administration as Communists and traitors.

The manuscript was confidential and had limited circulation. But Paul H. Talbert, Beverly Hills insurance executive who is a member of the society's national council, says he has read it and admits such charges were made.

WRITTEN BEFORE FORMATION

He deplores the fact that it is being linked to the John Birch Society, pointing out that it was written long before the society was formed and has no connection.

On the other hand, he says "The Politician" also contained a wealth of evidence on Mr. Eisenhower's conduct which might lead anyone to wonder about him.

"I'm not going to debate publicly whether Mr. Eisenhower is a Communist," Talbert said, "but he's sure done them a lot of good turns."

SIX-PAGE REPLY

Dr. Granville F. Knight, Santa Barbara physician who also is a member of the society's national council, has issued a six-page reply to criticism made in that city.

"Robert Welch's alleged statement that high Government officials, including former Presidents, were tools of the Communist conspiracy, deserves comment," he said.

"This analysis was made 7 years ago in a confidential communication with limited circulation, 4 years before the J.B.S. was formed. It was not for publication.

"RIGHT TO OPINION

"Neither Mr. Welch's letter, nor his opinion form any part of the materials or opinions of the John Birch Society. While it is difficult to accept some of his conclusions, Mr. Welch has a right to his opinion, and an analysis of the events of the past 30 years leaves no doubt that something is radically wrong with the policies pursued by top echelons of our Government."

Another charge heard is that the authoritative control at all levels of the society indicates it is a "Fascist" organization bent on setting up a Nazi-type dictatorship in this country.

"The charge of fascism is perfectly silly," replied Dr. Knight. "The John Birch Society stands for less government, more individual responsibility, and a better world. This is the antithesis of fascism, as typified by Hitler and Mussolini.

"DEDICATED LEADER

"Robert Welch is a dedicated and dynamic leader, but no dictator. He works closely with a five-man executive committee, in addition to a council. The latter is composed of many prominent men whose backgrounds are above reproach and whose names are well known.

"Since members carry out only suggestions of which their consciences approve, and since they may resign at any time, the charge of fascism is ridiculous. The society has been so designed as to prevent infiltration by Communists or fellow travelers, who always attempt to destroy anti-Communist organizations. Such precautions are essential.

"Welch's definition of democracy was quoted to suggest that he is a Fascist. Here it is: 'Democracy is merely a deceptive phrase, a weapon of demogogery and a perennial fraud.' And so it is.

"MIND CONDITION

" 'Democracy' is a slogan that has been used to condition the minds of people. To most Americans it means the ideal form of government and brings to mind the thought of fairplay, government by the people, regard for the common man.

"This word has been repeated so often that few citizens are aware that the word 'democracy' does not appear in our Constitution. Nor do they remember that our Government is a constitutional republic and not a democracy.

"A pure democracy, through majority rule by pressure groups which are easily swayed by propaganda, can become just as cruelly oppressive as a dictatorship. Those who are interested should investigate further.

"BASED ON WRITTEN LAWS

"A republic is based on written laws such as our Constitution. Elected representatives are relied upon to use their best judgment for the good of the Nation as a whole. A democracy simply responds to the will of the majority. Pure democracy has worked successfully only for small homogeneous groups. New England town meetings are an example."

Dr. Knight points out that the Communist Manifesto of December 6, 1960, states that "whatever form of the dictatorship of the proletariat is established, it will always signify an extension of democracy."

"This is a battle for men's minds," Dr. Knight said. "There is no 'behind the front' any more. The facts are incontrovertible. The only question is whether or not we shall be brainwashed into cooperating in our own destruction."

MEMBERS ON OWN

Talbert also ridicules the idea that the society is monolithic or Fascist, pointing out that many projects are undertaken by members on their own not necessarily under direction from Welch.

"Welch says if this is against your conscience, don't do it," Talbert points out. "If you get to the point where you don't want to do anything suggested, get out."

Mrs. Joseph Crosby, organizer of society chapters in South Pasadena, agrees.

"We're all in it because we think it's right," she said. "The minute we think it's not, we can get out."

While some vague suspicions that the society is anti-Semitic have been voiced, there is absolutely nothing in any of the society's available literature or in the utterances of its members to bear this out.

The Anti-Defamation League of the B'nai B'rith has found no such evidence. On the contrary, while Christianity is stressed, the emphasis is on belief in some spiritual ideal and members of any religion—including specifically Jews and Catholics, are welcome.

"Far from founding a religion," Welch said in his "Blue Book" 2 years ago, "we are merely urging Protestant, Catholics, Jews, or Moslems to be better Christians, better Jews, or better Moslems, in accordance with the deepest and most humanitarian promptings of their own religious beliefs."

OPPOSING CONSPIRACY

"We are not beginning any revolution, nor even a counterrevolution, in any technical sense; because, while we are opposing a conspiracy, we are not ourselves making use of conspiratorial methods. Yet our determination to overthrow an entrenched tyranny is the very stuff out of which revolutions are made."

In his reply to the criticism, Dr. Knight listed 23 questions "in an attempt to get people thinking and wondering whether or not something is not radically wrong high in our Government."

The questions pertained to what the society believes has been a step-by-step surrender to the international Communist conspiracy. It is to the reversal of this trend and the defeat of the Communists with every moral means at its disposal that the society professes to be dedicated.

Talbert said the danger was summed up by FBI Director J. Edgar Hoover in a recent speech, something like this:

"We are at war, we are invaded, we are losing."

[From the Santa Barbara (Calif.) News-Press, Feb. 26, 1961]

THE NEWS-PRESS STAND ON JOHN BIRCH SOCIETY

The editor and publisher of the News-Press is in his 85th year. His entire life has been spent in this community. His memory takes him back many years and his reading even further. He lived when conditions were rugged. When West was West and men were men. He lived during periods when if a man or a group of men openly by word of mouth, or the printed word, called our President, our Vice President, our Secretary of State, the President's brother, members of the Supreme Court, and others at the head of our Government, traitors, they were made to answer. Such slanders often called for a visit from a courageous and irate group which brought with them a barrel of tar and a few feathers. And such instances were particularly likely to occur if the slanderer came from New England. He lived when men were considered cowards when they hid behind their women's skirts and clothed their identity through anonymity.

It is in the light of this background that the News-Press tells where it stands on the John Birch Society.

[From the Santa Barbara (Calif.) News-Press, Jan. 22, 1961]

JOHN BIRCH SOCIETY: WHAT IS IT, WHY?

(By Hans Engh)

The John Birch Society, whose self-appointed leader called President Eisenhower "a dedicated, conscious agent of the Communist conspiracy," was formed in Indianapolis December 9, 1958. It began its semi-secret existence in Santa Barbara about a year ago.

What is this organization, which has become established in many parts of the country and whose members, among other things, are urged to "take over the PTA's"? In Santa Barbara, questions about it are being asked with mounting frequency. Literature about the society is being circulated. Rumors are flying.

STUDY GROUPS

Locally, the society is reported to have several chapters with the membership running into "the hundreds." The chapters meet once a month in private homes as study groups. Members hear tape recordings, view motion pictures, discuss aspects of the "Communist conspiracy," listen to book reviews, discuss tactics, and in general make themselves better equipped, so they believe, to meet what they term the challenge of communism.

That meeting in Indianapolis was called by Robert Welch of Belmont, Mass., a retired candy manufacturer, who in January 1957 left the business world, he said, to devote his time, money, and energy to the anti-Communist cause.

He told the 11 men present that the society, which would function almost entirely through small local chapters usually of from "10 to 20 dedicated patriots," would promote "less government, more responsibility, and a better world."

The statement that Welch considers Eisenhower an agent of the Communist Party is contained in a 302-page manuscript called "The Politician." Originally written as a letter in 1954 and added to from time to time, it was intended as a confidential document outlining Welch's opinions regarding the progress of communism, particularly in the United States.

Welch told the Boston Herald that he "added to it every time I got requests for it." He said: "By 1956 it had grown to 6,000 words. By 1958 it was up to 80,000. At that point I decided to reproduce it by offset."

Copies of the book were distributed to some of the top leaders of the John Birch

Society, but Welch said that he is trying to withdraw each copy, and "get it out of circulation as quickly as possible."

MILTON TOO

In "The Politician," Welch said: "While I too think that Milton Eisenhower is a Communist, and has been for 30 years, this opinion is based largely on general circumstances of his conduct. But my firm belief that Dwight Eisenhower is a dedicated, conscious agent of the Communist conspiracy is based on an accumulation of detailed evidence so extensive and so palpable that it seems to me to put this conviction beyond any reasonable doubt." He also said of Eisenhower that "there is only one word to describe his purposes and actions. That word is 'treason.'"

"The Politician" also describes former Presidents Roosevelt and Truman as tools of international communism, along with the Dulles brothers and various other high Government officials, including Chief Justice Earl Warren.

Dr. Granville Knight, Santa Barbara physician and a member of the 28-man national council of the society, said in an interview that he has read "The Politician." He said that the book is a confidential document, that it contains Welch's personal opinions, that it was written before the formation of the society, and that it now has been withdrawn.

DON'T AGREE

Asked whether the statement about the President appears in the book, Dr. Knight answered: "I don't say whether it does or not. It is unfortunate if it does." Other local society members who also were asked about the book said that they have not read it, and that they do not agree with Welch that Eisenhower is a Communist.

Attorney General Stanley Mosk said in Santa Barbara recently that "from the nature of this organization, as reported to me and as indicated by the press, I would consider it to be clearly subversive in nature. Certainly, the indication that the President of the United States is a Communist, and the assertions that his purpose and actions are treasonable, would constitute criminal libel under the laws of California. If such an organization is attempting to gain foothold in this State, I would urge prosecution under our criminal libel statutes by local law enforcement agencies."

TAKEOVER

In his bulletin for September of last year, one of the many publications put out by Welch, he urged the members to take over the PTA's. "Join your local PTA at the beginning of the school year, get your conservative friends to do likewise, and go to work to take it over," he said.

"You will run into real battles against determined leftists who have had everything their way. But it is time we went on the offensive to make such groups the instruments of conservative purposes, with the same vigor and determination that the liberals have used the opposite aims. When you and your friends get the local PTA group straightened out, move up the ladder as soon as you can, to exert a wider influence. And don't let the dirty tactics of the opposition get you down," he said.

Believing that the war between communism and the free world is being fought on the political and educational level and alleging that democracy is merely a deceptive phrase, a weapon of demagoguery and a perennial fraud, Welch in his "Blue Book," has outlined areas of endeavor for society members.

He urges the establishment of reading rooms which also can serve as rental libraries. He suggests that the circulation of various publications be expanded, that members embark upon letter-writing campaigns, that they organize fronts assigned to certain purposes, that they start shocking the American people, and that they obtain and feature appropriate speakers.

Welch was born December 1, 1899, on a farm in Chowan County, N.C. He attended the University of North Carolina for 4 years, the Naval Academy at Annapolis for 2 years, and Harvard Law School for 2 years. He moved to Boston from North Carolina in 1919, and has lived in Belmont for the past 20 years. He has been active in Republican politics in Massachusetts.

CHINA ACCOUNT

He took the name for his society from John Birch, a Christian missionary from a farm near Macon, Ga. Birch, according to Welch, was in China when the United States entered World War II. On July 4, 1942, he officially joined Chennault's forces in Chungking as a volunteer, and rose to the rank of captain in the U.S. Army.

Ten days after V–J Day, while in uniform and reportedly on a peaceful mission for the U.S. Government, he was killed by the Chinese Communists. Welch calls him the first casualty in the third world war, between the Communists and the ever-shrinking free world.

[From the Santa Barbara (Calif.) News-Press, Feb. 26, 1961]

STATEMENT OF PRINCIPLES

We recognize that communism's advance threatens democratic institutions throughout the world.

We believe—

That democratic institutions can be endangered as much by extremists of the right as by those of the left.

That democracy can be strengthened only through open discussion of issues, in the spirit of the Constitution and Bill of Rights—that secret or semisecret political organizations have no place in our society.

That our democratic institutions are sound enough to withstand the give and take of open political discussion and examination of all ideological beliefs.

That democracy suffers when fear of communism leads to irresponsible, unsubstantiated charges of treason or evil connivance against our political, religious, educational or cultural leaders.

That traitors should be dealt with by the courts, not by vigilante groups.

We condemn—

The adoption of totalitarian organization or tactics to fight the Communist danger, for as totalitarianism flourishes, democracy dies.

The spreading of slanderous generalities, without basis in specific fact, to cast suspicion on the loyalty or character of citizens whose views differ from those of the majority.

Let us keep our balance in what we do. Let us not, in the intensity of our convictions, nullify the rights of others to hold and voice their own beliefs.

[From the Santa Barbara (Calif.) News-Press, Feb. 26, 1961]

THOUGHTS ON THE BIRCH SOCIETY

(EDITOR'S NOTE.—This well-reasoned sermon on the John Birch Society was delivered last Sunday by the Reverend John A. Crane, minister of the Unitarian Church of Santa Barbara. The News-Press commends it to its readers.)

(By John A. Crane)

"Communist influences are now in almost complete control of our Federal Government."

"When an elected government succeeds in attracting an overwhelming majority behind it for any length of time, its mob instincts make it the most tyrannical of all forms of social organization."

"I am proposing the formation of the John Birch Society under completely authoritative control at all levels. We mean business every step of the way."

"We are out to get a million members truly dedicated to the things in which we believe."

"Future history is always determined by minorities who really know what they want."

These are scattered quotations from the writings of a man named Robert Welch, who lives in Massachusetts, and who 2 years ago organized a semisecret group called the John Birch Society. It appears to have grown rather rapidly in size, spread and influence throughout the country.

It is hard to say exactly how large the society is now, for the group is vague in speaking about the size of its membership. However, in August of last year, the Boston Herald reported Welch as saying that the society then had organizations in some 20 States, with about 25 chapters in the Boston area alone. He went on to say that membership is strongest in Tennessee, Texas, and southern California. The Herald guessed that membership must have been then "in the low hundreds of thousands."

We here in Santa Barbara seem to be in a fairly unique position to observe the work of the John Birchers, for it apparently is more open here. We are recognized around the country as being one of its seats of power, so much so indeed that two national magazines have asked two of our local writers to do articles on the society.

We ought, I think, to try to understand the movement as well as we can, for it is hard at work in our community, pressing our acts and thoughts in the direction the society feels they ought to move. The Birch group represents, I think, the most extreme form of the violently anti-Communist school of thought.

To develop some acquaintance with the outlook of the Birch Society, let us consider a book written by Welch called "The Politician." The Blue Book (the society's Bible, the wellspring of its inspiration) can be had easily enough from the society's bookshops, but it is almost impossible to find a copy of "The Politician" now. It was distributed only to top leaders in the movement. However, the Milwaukee Journal gave some quotes from it.

In the book, Welch charged that Presidents Roosevelt and Truman were extensively used by the Communists, Mr. Truman knowingly so. Then, on page 268, Welch made an observation that has caused his society considerable embarrassment. He said that "in my opinion, the Communists have one of their own actually in the Presidency. For this third man, Eisenhower, there is only one possible word to describe his purposes and actions. That word is treason."

Birch group leaders in Wisconsin had copies of "The Politician," and when questioned would not disavow its contents. One leader, when asked directly if he really thought Mr. Eisenhower was a Communist, replied, "I only know that if he is not he might as well be. The results of his administration are the same." Later on he contradicted himself somewhat when he added that "I don't think Eisenhower is bright enough to be permitted to be one of the party."

This sentiment was echoed by Welch himself, when questioned by the Boston Herald last August. When asked if he thought Ike was a Communist, Welch replied in some confusion: "I never felt that way enough to say it in print. Now I don't know what to think. Eisenhower may be too dumb to be a Communist." This suspicion of Mr. Eisenhower's loyalty also appears in the Blue Book, where, on page 65, Welch begins to discuss "the millions who either are, or pretend to be, non-Communist,"

among whom you find what he calls "the amoral man," one of the greatest dangers to our survival. The paragraph concludes with an only slightly veiled allusion to Mr. Eisenhower, when Welch says that "an amoral man, as the head of a great so-called Republic, may have no slightest scruples or concern about its fate or the fate of other nations, in the face of Communist conquest and of the cruel tyranny of their rule. And," Mr. Welch adds, "any similarity of characters in this story to any living persons is not coincidental." In short, the Birch Society leader concludes here, that whether or not Mr. Eisenhower is a Communist, he is at best an amoral man, unconcerned about the spread of Communist influence. Welch doesn't say exactly that Ike is a Communist, but on the other hand he cannot affirm that Ike is not a Communist. This, incidentally, is a fairly typical example of Welch's logic.

Another outstanding example cropped up in this month's issue of the Birch Society Bulletin. Under the heading, "Agenda for the Month," you find yourself engulfed in these muddy waters. "Our major demand on your time and energy," the article begins, "is still in support of the movement to impeach Earl Warren." Mr. Welch points out that in the campaign last summer to have the summit meeting called off, the society "put a total of some six hundred thousand pieces of mail into the effort." This, he thought, was a good showing, and helped save America from further steps of surrender. Now, he goes on, we are asking you to send a barrage of letters to your Congressmen urging the impeachment of Chief Justice Warren.

Welch confesses that there has been some opposition to this movement. He cites as an example the syndicated column of George Sokolsky, which on January 14 charged that the movement to impeach Warren was nonsense. Mr. Welch found this quite hard to take, for he had always regarded Sokolsky as a friend: Did he not stand all the way with Joe McCarthy? Nevertheless, while Sokolsky may think the Warren movement nonsense, Welch just bet that Earl Warren won't think so by the time the movement is over.

Sokolsky is quoted as saying that "no matter what can be said of Earl Warren, it cannot be said * * * that he has been subversive." Surely, comments Mr. Welch, Sokolsky can't be "as innocent or ignorant as he sounds." Welch said he carefully avoided accusing Warren of subversion or treason. "We thought—and still do—that the development of any such charges was unnecessary and would merely complicate what is basically a very simple issue of misbehavior in office." Besides, he adds, plenty of well informed people have labeled the Warren Court subversive—the Legislature of the State of Georgia, for example.

Furthermore, "Communist influences are now in almost complete control of our Federal Government." If we are going to stop them, there must be a showdown. "What better time, or place, or issue could we have than the impeachment of Earl Warren? Warren's decisions and actions, however he may have sugarcoated his own purposes for his own conscience, have definitely become a most important part of the whole advancing Communist front." By working to impeach Warren, we can meet the Communist influences behind him head on.

Hence, Chief Justice Warren both is and is not a Communist. He may not exactly be a Communist, but by stopping him we can stop communism. Welch shows real genius at this shifty logical technique. So racy is his rhetoric that he can, at the same time, affirm that a statement is both true and untrue.

Now you may be inclined to think, on the basis of the examples I have so far given of Welch's work, that the man is so completely irrational as to be absurd and harmless, that his chances are so wild and baseless as to be beneath our notice. This, in fact, was my own feeling until this past week, when I spent a good deal of time poring over the Birch Society's literature. I will confess that I was deeply impressed—and disturbed. When you hear Welch's charges out of context, as you have heard them here, their absurdity is plain enough; but when you come upon them in the publications of the society, surrounded and supported by Welch's rich, flowing language and ideas, their absurdity is well concealed.

The man is a marvelously gifted demagog, a natural speaker and writer with, I think, a strong lust for power and leadership; and he is convinced that it is his mission to save the world from the ravages of communism. He will go to any lengths to achieve this mission. He openly confesses that he will even use the very methods of the Communist to defeat them. He means business.

There is another factor apart from the magic of Robert Welch that lends power to the movement. One thing we ought to be entirely clear about is that both Welch and his people are genuinely afraid. They are driven by an almost wild fear of a persistent and pervasive sort. Because of the peculiar nature of their understanding of what it means to be an American, everywhere they look, in our society, they see signs of an incredibly devious subversion. Even the President of the United States, even the Chief Justice of the Supreme Court is not above suspicion. The only thing they can really place their trust in is the John Birch Society itself. Everywhere else there is treachery—in the highest places. Communists are on every hand, disguised, looking, just like anybody else, like a friend or a brother or a teacher.

It is their understanding Americanism that twists the perceptions of the society's members so seriously, I think. It is the key to an understanding of their philosophy. Welch outlines this powerfully in the early sections of the Blue Book.

Perhaps his most fundamental premise is that democracy has nothing to do with the real essence of Americanism. It is, he says, not democracy that made America great, that defines her nature. Indeed, it is not the form of a government that matters, but its quality. In reality, what led to America's greatness was the fact that in the early years of its development it had so little, so weak a government. That government is best which governs least. This is the important quality.

However, as our country grew in size and wealth, the Government began to intervene in more and more areas of the Nation's life, and as it did so it moved inevitably down the road toward collectivism and communism. Hence, as Welch and his people see the world, every act of the Federal Government carries with it the menacing threat of communism. When the Government forced integration in the South, this was clearly communism at work. Or consider the social security system—obviously Communist. Likewise the income tax. Such a view makes it easy for Welch to say in the introduction to the Blue Book: "The Communists are much further advanced and more deeply entrenched than is realized by even most serious students of the danger among anti-Communists."

Democracy has nothing to do with the real essence of Americanism. Accept this fundamental premise, and the rest of the Birch-type logic follows nicely. Now this premise may sound absurd to you, but as a matter of fact it reflects the deep feelings of a great many of our people. They can't seem to escape feeling that there is something un-American about the ideals of equality and freedom, something dangerous and destructive. Anybody who talks much about them is suspect. Anybody who insists upon them is a radical. Robert Welch, in his genius, got hold of something big here. He managed to articulate, in vigorous language, the dumb feelings of large numbers of our people.

Democracy has nothing to do with Americanism. This is the mainspring that drives the John Birch Society. It is what makes the society so tragically, so fearfully un-American. It is what makes it at least as serious a menace to our way of life as the Communist Party itself.

Consider Welch's answer to what he sees as our country's gravest problems. In section 4 of the Blue Book, he sets out to answer the question, what can be done to meet the frightening spread of communism in America? First, he points out that the threat is not so much military as political and educational. Then he poses a striking hypothetical possibility. Suppose, he says, that I was chosen to be the savior, the "man on the white horse," and suppose I had plenty of resources and over a million dedicated supporters; and suppose I could coordinate this mass of material into a force as positive and efficient as the Communist machine; and suppose, even though I was recognized as undisputed leader of this dedicated organization, that I had the advice and help of an executive council made up of the ablest anti-Communists in the country. If all this were so, what would I then do to fight communism?

Set up reading rooms all over the country stocked with carefully selected anti-Communist literature: the selection would of course have to be tightly controlled from headquarters. Then I would expand the circulation of conservative magazines such as American Opinion and National Review and the Dan Smoot Report. I would increase the radio audience of speakers like Fulton Lewis and Clarence Manion and others of their sort. I would instigate massive letter-writing campaigns to influence government and private agencies, both local and national. I would organize dozens of front organizations, one after the other, such as the Committee of One Million which has helped a great deal in keeping Red China out of the U.N.: another possibility here is a petition to impeach Earl Warren, or the Organization for the Repeal of the Income Tax, or the Committee To Investigate Communist Influences at Vassar College. Then I would set about making Americans aware of subversion by exposing Communists. (How would I know who to expose? Well, there wouldn't be time or money to do a complete research job on every suspect, but enough material could be gathered to make a good guess in any case. The charges could be leveled in our magazines, and if done often and forcefully, would create wonder and doubt in the entire population. To be sure, these are drastic steps, but this is no cream-puff war we are in. It's not a pillow fight. We could expect to get a lot of smearing in return, and a lot of nuisance libel suits; but even this would help, for it would mean further publicity.)

Then I would "line up a large list of speakers" who would talk to small audiences on strong anti-Communist topics; and I would set up a list of churches, PTA's and the like for speaking engagements. They are always looking for speakers. Finally, I would use political action to reverse the trend of America toward communism, I would "move in on the elections," and get our kind of men in office.

This was the program that Welch proposed to a group of 11 businessmen who met at his request in Indianapolis on December 9, 1958. This is the program that is now in operation all over the country. This is the work of the John Birch Society.

"I am not suggesting any ephemeral organization of loose ties and uncertain loyalties," Welch said at the first meeting. "The John Birch Society is to be a monolithic body." A republican form of organization or government "lends itself too readily to infiltration, distortion and disruption. Democracy is merely a deceptive phrase, a weapon of demagoguery, and a perennial fraud. The John Birch Society will operate under completely authoritative control at all levels. We mean business every step of the way." I have a sensitive and accurate nose for smelling out Communists. I will locate them. The society will not be frustrated by indecision in this area. Those who join the society will do so "primarily because they believe in me and what I am doing and are willing to accept my leadership."

Consequently, Welch concluded in the Blue Book, you must either join the John Birch Society, and give freely of yourself to it, or in a few years you will be devoting all of the maintenance of a Communist slave state.

Finally, on page 169 of the Blue Book there comes this dreadfully sinister example of Welch's logical squirming, the kind that allows him to say that a statement is both true and not true. He says passionately that although the Birch Society is not really starting a revolution, yet our determination to overthrow an entrenched tyranny is the very stuff out of which revolutions are made.

All this, I think, suggests that the John Birch Society is an unmistakable menace to America. It is frankly, even blatantly antidemocratic. Such movements crop up from time to time in the best of countries, for they seem somehow to have a profound appeal to the blacker side of our human nature. It's a great pity. It means that good men must turn themselves to the task of containing the eruption. But human nature is not perfect. It will, I fear, continue to break out in boils like this occasionally for a long time to come. When this happens, it is important that we rise quickly to check the infection.

We will, I suppose, have to depend upon our law enforcement agencies and our magazines and newspapers to carry the main burden of meeting the menace of the Birch Society. I hope they will be alert. I hope they will watch closely for the first overt steps toward action. Still, we must remember that even people like Robert Welch have civil rights here. He is free to speak, even to speak his un-American message; but his ambitions apparently have created in him a vision far beyond merely speaking. He dreams of something that is and is not revolution. Our officials must watch for the first signs of it.

Meanwhile, we private citizens also have a job to do. There are no doubt many good, earnest people in the John Birch Society. We may well find that some of our friends and acquaintances are among them. This is awkward. It poses an ethical question. How shall we respond to them? Shall we order them out of our homes, cut ourselves off from them? I think not, I think it is important, though it will be trying, to keep the lines of communication open between us.

We ought to try not to hate them, be disgusted with them, shout and snarl at them, for this will only drive them deeper into their relation with the group, for there they will find acceptance and confirmation.

We ought to be as patient as we can, realizing that the people are doing what they feel they must do. They are as much to be pitied as censured. They are terribly frightened. Everywhere they look they see Communists. They don't know whom to trust, to depend on.

Don't condemn them. Don't threaten them. Let them talk about their views. Question them closely. Sometimes just hearing their own words spoken in the presence of someone who is calm and rational will help them to feel their absurdity.

Be patient. Be firm. This too will pass, if we are alert and watchful.

[From the Santa Barbara (Calif.) News-Press, Jan. 23, 1961]

BIRCH SOCIETY MEMBERS DISCUSS ANTI-RED AIMS

(By Hans Engh)

Even though Dr. Granville Knight, Santa Barbara member of the 28-man national council of the John Birch Society, declined to divulge the identity of the local leader as well as other society members, some of the members themselves discussed their participation in its activities.

Mrs. Rose H. Bradbury, 2 Rosemary Lane, said, "I think it's a very fine organization. I've never missed a meeting." The first local chapter was formed a little over a year ago after Robert Welch, founder and president of the national organization, spoke at a meeting for specially invited persons at the Biltmore Hotel.

Mrs. Bernard R. Foy of San Marcos Trout Club said that she is a member. Asked whether she had been informed that the society is secret, she answered "No," but that it is "not too public either."

EXCELLENT PLAN

Saying that she highly approves of the society, Miss M. B. Phillips, 209 W. Micheltorena Street, said that she has been a member for nearly a year. She said that she believes that Welch has an excellent plan, but that she does not necessarily agree with every statement he has made.

Mr. and Mrs. Henry C. Goodnow, 700 Park Lane, said that they are proud to be associated with such an organization. Asked if they subscribe to Welch's opinion that President Eisenhower is a dedicated agent of international communism, they said that they would not call him (the President) a Communist. "If he is one, he doesn't know it," they said.

Kirke Connor, 4395 Via Esperanza, also said that he is a member, describing the society as a "fine movement." However, he said that he could hardly believe that Welch had called Eisenhower a Communist, and that he would not agree with that sort of statement. When contacted, other persons believed to be active in the society said that they had no comment to make.

The semisecret structure of the society is shown in one instance by a San Marcos high school teacher who is known to have passed around among other teachers a question-and-answer letter on why the John Birch Society is what responsible citizens have been waiting for. Yet when asked about his interest in the society, he said that he had no comments about it. He said that he had been to one meeting and that he was planning to attend another.

Dr. Knight said that the society has not sought publicity, and that membership is by invitation only. In addition, since study groups are part of the organization's setup, the presence of antagonistic members could completely disrupt such meetings, he said. "The society has been criticized for not making public the names of members," he said. "This is to protect those who do not wish to be disturbed by nuisance tactics." He said that the membership here runs into "the hundreds."

In his Blue Book, the society's "bible," Welch not only discusses what he believes are communistic leanings of high Government officials. Writing about the Nation's clergy, he says that "one-third of the ministers are not true believers in the divine names or the divine history and divine teachings to which they give lipservice as they go through their conventional motions on Sunday morning." He claims that some of them are using their pulpits to preach outright communism.

WORD ABOUT PRESS

He also has a word or two about the press, saying in one of his bulletins, circulated among society members, that "a well-intentioned management has no conception of how far the termites have crept into the solid-looking framework of their news gathering and newswriting."

Welch told the men attending the organizational meeting in Indianapolis 2 years ago that the time had come for this country to get out of the bed of a Europe that is dying with the cancer of collectivism, and breathe "our own healthful air of opportunity, freedom, and enterprise." Then, he said, the cancer that we already have, even though it is of considerable growth, can be cut out.

He told the group that his society would operate under complete, authoritative control at all levels. Describing himself as a hard-boiled, dictatorial, and dynamic boss, Welch said that "the men who join the society are going to do so because they believe in me and are willing to accept my leadership." He said:

"Whenever differences of opinion become translated into a lack of loyal support, we shall have shortcuts for eliminating both without going through any congress of so-called democratic processes."

COUNCIL MEMBERS

In addition to Dr. Knight, the following are some of the members of the national council: Dr. N. E. Adamson, Jr., a Boston surgeon; Thomas J. Anderson, editor and publisher of Farm and Ranch; T. Coleman Andrews, former Commissioner of Internal Revenue; Spruille Braden, former U.S. Ambassador; Col. Lawrence E. Bunker, former personal aid to Gen. Douglas MacArthur; James Simpson, Jr., former Congressman, several businessmen, and Adolphe Menjou, the actor.

The purpose of the council is to give "your founder the benefit of the council's advice and guidance, both in procedural and organizational matters, and in substantive matters of policy" and "to select, with absolute and final authority, a successor to myself as head of the John Birch Society, if, and when, an accident, suicide or anything sufficiently fatal is arranged, for me by the Communists—or I simply die in bed of old age and a cantankerous disposition."

Regarding the organization of local chapters, Welch says in the Blue Book that each shall have a chapter leader, appointed by headquarters, which is in Belmont, Mass., or appointed through officers of the society, in the field, who have themselves been duly appointed by headquarters.

Stressing that it takes money "to do wonders in adding new courage and new confidence to the anti-Communist fight," and that $1 million and 1 million members are needed, Welch said that the dues are "whatever the member wants to make them, with a minimum of $24 per year for men and $12 for women." A life membership may be bought for $1,000, which may be paid in two installments of $500.

[From the Santa Barbara (Calif.) News-Press]

OUR READERS' COMMENT

PROUD OF HIS NEWSPAPER

EDITOR, NEWS-PRESS: You are to be commended for the forthright stand you have taken on the Birch Society issue which clouds our fair city. The first time we came to Santa Barbara for an interview at Raytheon 15 months ago, we liked the city, but after reading your paper, I was sold. We tell friends in New York, Phoenix, and San Diego about your fine newspaper.

All I can say is what my mother would say to those she liked and respected: "God bless you, and may you have many more fruitful years."

RALPH SANDHAUS.

GAVE GREAT SATISFACTION

EDITOR, NEWS-PRESS: I have never had anything give me greater satisfaction than your stand on the John Birch Society in your News-Press of this morning.

My husband and I are 100 percent in agreement with you and very thankful for your courage.

ROSAMOND EDDY.

COVERAGE HAS BEEN FAIR

EDITOR, NEWS-PRESS: Congratulations on your courageous stand on the John Birch Society. Your entire coverage has been fair and your editorial in Sunday's paper was magnificent.

MARGARET R. BENHAM.

MORE BOMBS ARE URGED

EDITOR, NEWS-PRESS: Bravo. Bravo. Bravo.

Just a line to say congratulations and a sincere thank you for your stand on the John Birch Society. I only hope you will continue to bombard this repulsive menace right out of existence.

S. S. FRANKLIN.

A SERIOUS, HONEST JOB

EDITOR, NEWS-PRESS: I read today's issue and was happy to see your stand on the John Birch Society. I believe you are doing a serious and honest job in reporting news and opinions on matters concerning the defining of constitutional rights. Your coverage of the issues related to the House Committee on Un-American Activities continues to be honest and forthright.

Your stand in today's paper has convinced me that I must subscribe to the News-Press. My $2 is enclosed.

DONALD O. JOHNSON.

SMEARING IS DEPLORABLE

EDITOR, NEWS-PRESS: May I express my accord and congratulate you on your courageous and forceful statement regarding the John Birch Society.

The smearing of our officials, churches, and institutions with unproved charges is deplorable.

I believe that your timely statement will do much to cause all thinking people to demand proven facts and to restore confidence.

Your leadership in a campaign to bring this into the open is appreciated.

DON W. WOODS.

OUR HEARTY CONCURRENCE

EDITOR, NEWS-PRESS: We wish to congratulate you on your positive "Statement of Principles," and heartily concur with your editorial on the John Birch Society.

Dr. and Mrs. CHARLES M. CAMPBELL.

COMPLIMENTS NEWS-PRESS

EDITOR, NEWS-PRESS: Re Sunday's issue about John Birch Society. Wonderful, wonderful, wonderful. Thank you.

SPENCER BLICKENSTAFF.

LET HUAC PROBE BIRCH

EDITOR, NEWS-PRESS: I would say from a rather careful reading of the record that it is high time the John Birch Society was investigated by the House Un-American Activities Committee.

CAMPBELL GRANT.

CONTRIBUTION FOR JUSTICE

EDITOR, NEWS-PRESS: My warm and sincere congratulations upon your magnificent editorial in yesterday's News-Press with the added emphasis of publishing the superb sermon by the Reverend John A. Crane on the John Birch Society.

In the interest of freedom and justice, you have made a big contribution, for which you will always be remembered by all who share your deep concern over our country's safety and future.

With deep admiration and appreciation.

MYRA P. GALLERT.

STATEMENT MASTERPIECE

EDITOR, NEWS-PRESS: Thank you for your terrific, complete and illuminating coverage on your John Birch story of Sunday. I have been saying these very things these past 2 months when asked about the Birch Society, and cannot understand the thinking of an ex-Notre Dame law school dean and a New England cardinal.

Everyone should follow my example and frame your "Statement of Principles." It is a masterpiece.

To me, this is your outstanding accomplishment of the decade and I would like to see every newspaper in the country copy it.

EDWARD TOBIN.

EYES OPENED TO DANGER

EDITOR, NEWS-PRESS: I wish to thank you for your stand on John Birch Society. You have opened the eyes of many loyal Americans.

Some may say Robert Welch is just another crackpot, but they can be dangerous. His insidious way of calling some of the finest leaders in our country Communists is not only evil but leaves a stigma on their characters for the rest of their lives.

Is Robert Welch carrying on where the late Joe McCarthy left off? It is so true that "the evil that men do lives after them."

We are trying hard to find peace for the world, while men like Robert Welch are doing their best to divide our Nation. What grist for the Communist mill.

(Mrs.) MARGARET LORD.

CHALLENGE WELL PUT

EDITOR, NEWS-PRESS: Congratulations on your editorial in this morning's paper.

Good for you. Let them come forth and say what they mean. The idea of trying to smirch the reputation of a man like General Eisenhower and afraid to sign their names.

Many thanks for your fine editorial and challenge.

LECIA R. PORTER.

Mr. YOUNG of North Dakota. Mr. President, I ask unanimous consent to have printed as a part of my remarks an Associated Press story appearing in the Washington Star for March 18 entitled "Nixon Assails Birch Society."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Evening Star, Mar. 18, 1961]

NIXON ASSAILS BIRCH SOCIETY

LOS ANGELES, March 18.—Former Vice President Nixon, in a letter to the Los Angeles Times, has endorsed the newspaper's editorial stand against political techniques advocated by the John Birch Society, an anti-Communist organization.

Mr. Nixon wrote in part:

"I can well understand how many well-intentioned people, who are justifiably concerned about the threat which subversive groups present to our free institutions, tend to reach the conclusion that the only effective way to fight such organizations is to use the same evil methods they employ. * * *

"But there could be no more dangerous fallacy. One of the most indelible lessons of human history is that those who adopt the doctrine that the end justifies the means inevitably finds the means become the end."

The Times, in a front-page editorial March 12, said, "Every loyal American must agree devoutly with the (John Birch) society's immediate intention of 'stopping the Communists and destroying their conspiracy, or at least breaking its grip on our Government and shattering its power within the United States.'"

But, the Times said, it could not go along with the methods of the society to fight Communists in Communist fashion.

The editorial described Robert Welch as the society's "absolute master" and said quotations from Mr. Welch and his lieutenants "nail down the treacherous fallacy that an honorable or noble objective justifies any means to achieve it."

Reached at his home in Belmont, Mass., Mr. Welch said he had not yet seen Mr. Nixon's comments, but said he had no comment anyway.

The society is named after an American priest executed as a spy a few years ago by the Red Chinese. The society, which says it seeks to stop the spread of communism, has attracted some adherents of the late Senator Joseph McCarthy, Republican, of Wisconsin. Opponents claim it is using totalitarian methods to fight communism.

Mr. YOUNG of North Dakota. Mr. President, among many good letters I have received from members of the John Birch Society is one from Mr. Robert D. Love, a Wichita, Kans., businessman. Enclosed in his letter was one he had written to Mrs. George Angle, of Wichita, Kans., in which he outlined his views as a member of the John Birch Society. I have received many letters from supporters of the John Birch Society, but I believe this letter of Mr. Love's gives more detailed information in support of the society than any. I ask unanimous consent that this letter be printed as a part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

LOVE BOX CO.,
November 1, 1960.

MRS. GEORGE ANGLE,
70 Stratford,
Eastborough, Wichita, Kans.:

Mrs. Angle, the tone of your letter to the editor was such that it deserves an answer. Most letters to the editor are so violent or full of complete untruths, that to answer them would be a waste of time. You have indicated, however, a desire to learn the truth and this you will have, if it is in my power to give it to you.

I have known Mr. Robert Welch for 8 years. I have more confidence in his knowledge and ability than any man in the United States, with the exception of J. Edgar Hoover. Of course, Mr. Hoover is not available for consultation. Back in 1954, Mr. Welch wrote a letter to a friend; in that letter, he laid down certain facts which could not be disputed. He spent some time in outlining the background on how we had arrived at such a dangerous position with the Communist menace. Then, in the last portion of his letter, he came to the conclusion that President Eisenhower must have known what the Communists were up to; because the President did know and did not arouse people to the dangers, he must be involved in some way, Mr. Welch concluded. At the outset, I must say that very few people have ever read this particular letter and Mr. Welch's confidence was betrayed when the story was made public. It was never intended to be made public and was strictly a private opinion held by Mr. Welch. I am sure you would agree with me that we are all entitled to our own opinion, no matter how wrong someone may think we are.

Personally, I disagreed with this conclusion at the time I read the letter in 1955. Many people will remember I worked for President Eisenhower's election in 1956 and I was chairman of the Eisenhower appreciation dinner here in Wichita in February of 1960.

I am sure this will show you my background in supporting President Eisenhower. I have disagreed with Mr. Welch on various occasions, but, I repeat, I know of no one better informed on the tactics of the Communists and the actual espionage and insidious inside attack they are now carrying on.

The fact that Mr. Welch wrote a personal letter to a friend should not, in my opinion, eliminate this man's usefulness to us in combating the forces of the conspiracy. The John Birch Society was started in late 1959, and it has absolutely nothing to do with Mr. Welch's conclusions on President Eisenhower. The society operates by a manual called the Blue Book, which is available to you at your request. There is nothing secret about it, and anyone who is truly interested in fighting communism is a welcome member. We do not solicit members in the sense of other organizations, because we do not want people in the organization who are not convinced there is a problem. We do not have time in our meetings to debate whether or not there is an international conspiracy by the Communists to take over the world. The charge that John Birch is a disbeliever in the democratic form of government and we are all ruled by Mr. Welch from Massachusetts, is too ridiculous to be given credibility. These statements have been pulled completely out of context and made to smear something which could help to inform people of the true dangers of communism.

Regarding "Communism on the Map," it again has no connection whatsoever with the John Birch Society, except that some of us who are John Birch members have used this film presentation as an ideal way to acquaint people with some of the problems of communism and what we face in the world. The film was originally brought to Wichita by people other than John Birch members, and the John Birch Society, as such, does not take an official stand one way or the other on the film. I personally have shown the film many times and I personally am a member of the John Birch Society. This is as far as the connection goes. I do not know whether Mr. Welch and the governing board of the society would agree with everything in the film, or whether they would make some correction.

I would say to you that we had better make a few mistakes on the side of overestimating the Communists than to sit around and be completely uninformed, because we will not get a second chance with this insidious conspiracy. We have never faced anything so completely deadly as the intrigue, the deception, and the overpowering nature of international communism.

Those who have been most critical of the John Birch Society are those who are completely uninformed. For instance, I might ask how many books have you read in the last 10 years since Senator Joe McCarthy and others brought up the true facts concerning Communist infiltration in this country? Have you read J. Edgar Hoover's statement of May 1960, "Exposé of Soviet Espionage?" Have you read General Wedemeyer's report on China? Have you read General MacArthur's stories? Did you read how our State Department and others have betrayed us in South Korea, Poland, et cetera? Did you know that it was our Government who insisted that Hungary, Rumania, Czechoslovakia and others all admit Communists to their cabinets so there would be a coalition government? And, did you know in each of the cases where our Government insisted this happen, the Communists have finally taken over?

Someday there will be a good many people in this country tried for treason, if we still have courts by that time. The Supreme Court has riddled our internal security laws to the point that you cannot convict a man of being a Communist. It is impossible. Therefore, we are allowing the Communists to operate against our ideologies without fear of successful prosecution.

The Communist is using our Constitution, our freedoms, our very democracy to subvert us. He has no intention of ever allowing freedom of religion, freedom of speech, and our other great American heritages to exist after he takes over. These are not just my thought; these are facts. As the great French philosopher said as he spoke of the totalitarian and how he tries to operate, "When I am the weaker, I will cry freedom from you, because freedom is one of your principles. But when one day I am the stronger, I will strip you of your freedom, because stripping people of their freedom is one of my principles." This is exactly what the Communists are saying to you today. There are many people in high Government offices who should be tried for treason. Maybe they are unwitting dupes. Maybe they are part of the conspiracy. The question is a moot one, however, because the results speak for themselves. We have lost practically every battle with the Communists since 1945. More and more people are going behind the Iron Curtain. We are in the process of losing Africa and South America, and it appears to many of us who have endeavored to astutely observe and study the encroachment of communism, that we will lose more ground there shortly. The experts are predicting the Dominican Republic will go Communist within 6 months, when it has been one of our strongest allies for a good many years. Why has our State Department and our President, as well as our other elected officials, failed to inform the American people?

Mrs. Angle, if you and your friends will become really informed you will come to some very startling conclusions on what has been happening in your country during the last 15 years. But, without this background information, it is not possible for anyone to understand Mr. Welch's conclusions. Most assuredly and certainly, I refuse to blindly follow anyone without careful study.

To conclude; I disagreed with Mr. Welch's conclusion in 1954, and I worked for President Eisenhower in 1956 and 1959. However, I still say I have confidence that Mr. Welch is better informed than any of us and, for that reason, I want to be a part of the John Birch Society. It would be impossible for us to locally have the information which Mr. Welch has available—material he has spent a lifetime studying. We could only stumble around in confusion, without some form of ligated, well informed leadership. The John Birch Society is a voluntary organization of people banded together to fight communism. We do not restrict anyone else by our activities. We do not intend to have a mass movement of any kind. But, we are spending our time getting ourselves better informed so that we can recognize communism and its infiltration when we see it. There would be those who would call us American patriots. After all, communism will not come as communism. It comes in the form of ever increasing centralized government and control being taken away from the individual.

Please feel free to give me a ring any time.

ROBERT D. LOVE.

THE EAST-WEST CENTER

Mr. LONG of Hawaii. Mr. President, Mr. Peter Edson, of the Scripps-Howard newspapers, recently wrote about the most exciting story in Hawaii today—the new East-West Cultural Center. I feel that Members of the Senate would be interested in reading Mr. Edson's observations on this exciting project. I ask unanimous consent that the article be printed in the body of the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HAWAII'S EAST-WEST CENTER

(By Peter Edson)

HONOLULU.—The most exciting story in Hawaii today is not the building boom that is turning Waikiki into another Miami Beach or the new Honolulu office building with the one-complete-revolution-per-hour restaurant built like a mushroom penthouse.

It is the new East-West Center at University of Hawaii.

It has only 100 foreign students enrolled now. Its projection is to have 2,000 by 1965–66, with 1,000 new students admitted every year for 2-year courses of study.

There will be 1,600 from as many countries of Asia as possible. Mixed with them will be 400 from the United States.

For the purpose of the center is not just to teach Asiatics the American way of life. Equally important will be teaching the Americans the Asiatic way of life—language, customs, problems, solutions—in a real, two-way interchange.

In this respect the center here will differ greatly from Moscow's Friendship University, whose purpose is to sell the Communist way of life.

At the East-West Center, there will be no segregated international students' house. They will all be thrown together to create an international community.

In the final 3 to 9 months of the course, the plan is to have the Asian students come to the American mainland for a look around in their fields of special interest. And the American students will be sent to Asia for the same purpose.

The center is so new it doesn't as yet have a head. Dr. Ralph Bunche is being suggested for the job. Dr. Murray Trumbull of University of Hawaii is acting head, and has done much to get it started. The faculty isn't complete, but it is being recruited from all over the world.

Policies for the center will be developed by University of Hawaii's board of regents, which has just been reconstituted with new and younger blood, brains, and ideas.

Idea for the center was born in Hawaii about 3 years ago. Hawaii put up 40 percent of its cash surplus—about a million dollars—to get it started.

But the idea was too big for one State to handle.

Right out of the blue, in 1959, Democratic Senator LYNDON JOHNSON, of Texas, picked up the idea and made a speech in favor of the East-West Center for Hawaii. Whatever else Mr. JOHNSON has done or hasn't in his political career, this idea could well be his greatest monument.

Congress appropriated $10 million to get it on its feet and send it on its way.

The plan now is for three main programs:

First is the undergraduate student program, outlined briefly above. Each scholarship will be for about $9,500 a year. This will cover everything—travel, tuition, living.

Second will be a senior scholar program organized on the ratio of one Asian to one Westerner. They will be recruited to train teachers for new courses, to think, to plan educational development, and to do multinational research on such problems as birth control.

This research may be conducted at other universities—London School of Economics, Leyden, Tokyo, or wherever a job can best be done.

The third program will be technical training of specialists, and here Hawaii has unique advantages to offer.

It is a rural State. Its development and underdelevopments are assets. It is highly mechanized in sugar and pineapple culture fieldwork. But it also has many "mud"

farmers, tilling small tracts of an acre or two, as in Asia.

This is the place where Peace Corps recruits can best be trained.

Hawaii is like a small country. It can show how to combat tuberculosis or organize police forces, or collect statistics and study the effects of particular reforms.

Asiatic students can be made to feel at home in multiracial Hawaii, where they might be lost in Stanford, Wisconsin, Harvard, or MIT.

THE PIONEER SPIRIT OF AMERICA

Mr. WILEY. Mr. President, there has come to my desk a letter from Mr. Hilbert S. Kleeber, of Reedsburg, Wis., which enclosed a clipping from the Capital Times, of Madison, Wis., relating how the people at Reedsburg took hold of the situation when the woolen mill in that town was about to be shut down. In these days of Government aid and assistance, it is good to see instances of the old pioneer spirit where people get on their own feet and do things.

The article I am referring to has one complaint, and that is that "President Wirth feels that the Government has gone too far in furnishing the latest textile machinery to competitors in Germany, Italy, and Japan."

The article mentions that there are three woolen mills left in Wisconsin—in Reedsburg, Rock River, and my hometown, Chippewa Falls.

As I read of this incident, it brought to my mind something which happened in my own life. When I was a young man, just graduated from law school, I went back to my hometown of Chippewa Falls. There we had a logging industry, in which about 600 men were employed, in two mills, the planing mill and the other mill. The old lumber mill was on its last legs because there was no timber left in the State. All over town we heard people say, "The old town is going to the dogs."

The mill went out, but not the town. Why? Because there were a couple of Polish boys in that town, named Andrejeski and Piotrowki, who were shoe peggers. In other words, they were shoe repairers. The people of the town got together and started a shoe factory. Pretty soon there were three shoe factories. All of that was the result of the personal initiative, or, as it has been called, some "go-getism" which those people had. The town grew and grew, and it has been better than ever. No money was provided by the Government. No money was forthcoming from the State. It was a situation in which the pioneer spirit got into action. The people were the sons and daughters of pioneers, who had learned to help themselves. No one furnished the money.

From these two incidents a lesson can be learned all over America. The clipping from the Capital Times clearly indicates what the people of Reedsburg did. They dug down into their pockets. They did not run out and say, "Uncle Sam, you must do something for us." The same thing happened in my hometown.

The result was, as is now apparent in Reedsburg, that the old town is going places. Perhaps in these two instances there is a lesson to be learned all over America, not the lesson of the New Frontier, of "letting George do it," but the lesson that we need a rebirth of spirit that says, as it said in our father's day. "We can do it. We will rebuild. We will break through the barriers that seem to exist."

I ask unanimous consent to have printed in the RECORD at this point the article from the Capital Times to which I have referred.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SLUGGISH WOOLEN MARKET WORRIES REEDSBURG FOLKS—EMPLOYEES AIDED IN SAVING FIRM

(By Harry Johnson)

REEDSBURG.—There's something heroic about the struggle of the old woolen mill here to survive despite stiff competition from modern automated plants down south and in foreign lands.

The Reedsburg Woolen Mills is one of three in the State still making woolen cloth. The others are at Rock River and Chippewa Falls.

This mill was rescued from complete breakup 8 years ago. That's when the parent company, the Appleton Woolen Mills, decided to close it down.

But the employees, the community, and President Ralph Wirth raised $235,000 to buy the plant and keep it going.

Profits have been used to purchase more efficient machinery and to build additions to the plant.

Average employment was 165 in 1953 but was increased to 220 under the new setup and production grew from 700,000 yards of cloth a year to over a million yards. The annual payroll was $700,000 over a 5-year period.

But the entire textile industry has been in a deep depression during the past year and the Reedsburg Woolen Mills has had to lay off more than 30 employees. The management hopes for a pickup in a couple of weeks that will put everyone back to work. The whole community is watchfully waiting.

Local industry seems more important than ever now with the growth of distressed areas elsewhere in the country and the return of young men who formerly worked at Kenosha, West Allis, Janesville, and Racine.

"We can buy foreign fabric delivered in Reedsburg for 40 to 50 cents less per yard than what it would cost us to make it," says President Wirth, who feels that the Government has gone too far in furnishing the latest textile machinery to competitors in Germany, Italy, and Japan.

He adds that the new trade policy of the administration seems to show more consideration for fabrics manufactured in the United States and that those mills still operating should be greatly benefited. Prospects are considerably brighter now, he thinks, than they were last fall.

He hopes that the new tariff on low cost woolen imports that went into effect January 1, 1961, will help. But it is the high quality of their cloth and individual attention to styling for their regular customers that brings the business to Reedsburg.

Wirth is not only a trained textile engineer who knows every phase of the plant operation—he is also a designer and stylist. Cloth from the Reedsburg mill is usually a little ahead of the latest style. It is rushed by air to clothing manufacturers in big cities throughout the United States.

Right now they are busy turning out material in new designs that will be seen in ladies' sportswear next spring.

Ralph Wirth learned his trade during 4 years as an apprentice and at the Textile College of Cottbus in Germany near Frankfurt am Main.

His first job in the United States was with the Knight Woolen Mills in Utah and he later worked for the original Utah Woolen Mills at Salt Lake City.

Wirth came to Reedsburg in 1930 and married the former Ruth Reuter, a teacher in the Reedsburg schools. A daughter, Louise, a registered nurse, is now Mrs. Ernest Eckelman, Columbus, Ohio. Another daughter, Susanne, attends St. Olaf's College, Northfield, Minn.

Wirth was president and superintendent of the Reedsburg mill for the Appleton company until he was elected to represent the new stockholders from the community who took over in 1953.

Once upan a time almost every city of any size in Wisconsin had its own woolen mills.

With so many closed down—even the Merrill mill has quit making garments—the few that remain hope to have a better chance for survival.

The Reedsburg mill has built a new brick front, along the main street where their goods are carefully inspected in a well-lighted room before shipment to their many customers. The old mill was put up in 1876.

President Wirth's office is still a cubbyhole in the old building where he worries about conditions and phones customers in New York, Chicago, and San Francisco for the immediate orders needed to keep the mill operating.

He shares the room with Walter Pieplow, plant manager, and Emanuel Link, chemist and plant engineer. A retail store adjoins the office where area women come to buy skirt material and woolen remnants.

If employee effort, community support, and management know-how can determine the future of Reedsburg's biggest industry, then the town has nothing to worry about.

But with storm clouds gathing on the horizon everyone wonders when the laid-off employees will be called back to work.

High hopes predominate, however, for Reedsburg's own woolen mills.

PROVIDING SURPLUS GOVERNMENT EQUIPMENT FOR VOLUNTEER FIRE DEPARTMENTS

Mr. WILEY. Mr. President, across the Nation, one of the outstanding examples of selfless public service—protecting property and life—is the work of our volunteer fire departments.

In Wisconsin, we have over 700 such departments, with more than 22,000 volunteer firemen.

Day and night, these volunteers respond to calls of distress from their friends and neighbors.

I feel it is important that, insofar as possible, we try to be of all possible assistance in enabling them to carry out their tasks.

Over the years, the volunteer fire departments have felt they should be entitled to Government surplus equipment—such as is now made available to schools, hospitals, forest protection services, and others.

Personally, I feel that Congress should give sympathetic consideration to their request for eligibility for such materials.

Currently, measures are pending in the House of Representatives before the Donable Property Subcommittee of the House Government Operations Committee. As yet, no action has been scheduled on them. Congress, I believe, should take expeditious action on this legislation.

Today, I received a letter from President Lawrence Larkin, of the West Central Wisconsin Firemen's Association, urging enactment of legislation for providing such equipment to volunteer firemen.

I ask unanimous consent to have the letter printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

WEST CENTRAL WISCONSIN
FIREMEN'S ASSOCIATION,
Black River Falls, Wis. March 14, 1961.

Hon. ALEXANDER WILEY,
Senate Office Building,
Washington, D.C.

DEAR SENATOR WILEY: We of the volunteer fire service have in the past 2 years asked the Senate to pass bill S. 1210, companion to bill H.R. 3733 sponsored by Senator HUBERT HUMPHREY and passed by Congress last year.

Each year this bill has never been brought up for a vote, which I am sure would pass if given any consideration. We believe the volunteer fire departments should be entitled to such Government surplus as well as schools, hospitals, Forest Protection Service, and many others. Many items of firefighting equipment and accessories are declared surplus by the armed services each year and are of no value to any other of the qualified agencies.

Congressman LESTER JOHNSON has assured us that he will again sponsor this bill in the House as has been done in the past 2 years and passed by a large majority, and then to receive no action in the Senate.

In our State of Wisconsin we have nearly 800 fire departments. Of this number, 700 or more are volunteer and in most cases not too well equipped. Wisconsin has over 22,000 volunteer firemen. We are asked to be a part of civil defense, which, in case of disaster, would require equipment for suppression of fires of many types of flammable liquids, gases, etc. No area is safe from these hazards even in peacetime as these liquids and gases are transported daily over our highways by truck tankers in every direction.

I have had the privilege of working with fire safety men in several States in the past years and recently attended the 4 days of meetings of the Fire Department Instructors Conference at Memphis, Tenn., where we were told of the many new dangers confronting the fire service. This seminar was well attended by firemen from large and small departments from 46 States—over 3,000 men.

I do hope the Senate will give our request some consideration.

Respectfully yours,

LAWRENCE LARKIN,
President.

EXPANSION OF SOCIAL SECURITY COVERAGE

Mr. WILEY. Mr. President, the task of providing our citizens with economic security in their senior years continues to be a serious problem confronting the country.

For this purpose the social security program, as well as private retirement plans, have been created and are now serving the people.

Unfortunately, these programs—even though they are many—do not serve all the people; nor in many cases do they meet even what should be considered minimal needs of our citizens. Consequently, we need to continually reexamine and attempt to revise and improve such programs, as well as the overall needs of the more than 16½ million people over 65 in the country.

Recently, I was privileged to receive a letter from the Kenosha County Deputy Sheriffs' Association outlining recommendations for lowering eligibility requirements under the social security program.

This fine association recommends that individuals engaged in protective occupations, such as law enforcement, personnel, firemen, game wardens, and others, be given an opportunity to receive full benefits at an age less than 65—recommended in the message as 60.

Why? Because age and physical vigor in such occupation are so important they often present difficult problems for continued employment.

The concern of the association, I believe, deserves the consideration of the Senate, particularly of our colleagues on the Senate Finance Committee, who will soon be considering the revision of the social security laws.

I ask unanimous consent to have a copy of the letter printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

KENOSHA COUNTY DEPUTY
SHERIFFS' ASSOCIATION,
Kenosha, Wis., March 14, 1961.

To the Honorable SENATOR ALEXANDER WILEY:

The Kenosha County Deputy Sheriffs' Association, after a thorough study of the protective agencies in our State, feel that a revision should be made in the OASI (social security) for all individuals working in the protective occupations, not only in Wisconsin, but throughout the United States. This is a momentary thought, but only after listening to many groups involved in the study of retirement problems. It is our studied opinion that the OASI should be changed so that individuals engaged in protective occupations throughout our country should be able to receive full benefits at age 60, rather than 65.

The reason that personnel in the protective occupations presents a special problem in providing retirement benefits, is that the duties of protective agencies require that employees in such agencies maintain a standard of physical and mental vigor which enables them to meet emergency conditions. There is an age beyond which such standards of physical and mental vigor cannot be maintained. To retain personnel in these organizations beyond the age of required physical and mental vigor is to jeopardize the public interest.

Our department and many, many other departments cannot, and do not, have available the positions to absorb the personnel on regular patrol duties into an office position. No informed person believes that employment of any major fraction of the personnel in these agencies should be continued to age 65.

These agencies exist for the sole purpose of providing safety for the public. The nature of their work requires physical vigor at all times. When an employee in the agencies, because of age or other cause, no longer meets the accepted standard of physical vigor he must of necessity, in the public interest, be retired.

That the corroding effect of time is not uniform among men cannot be denied, still age is in general a significant qualifying factor in these protective agencies.

Therefore, we as a group of officers involved in this type of work, believe that the age for full benefits under OASI for these agencies should be 60.

We also realize it is a waste of valuable experience to retire some of our officers and men at an early age when they could do so much good in an office position or in a supervisory position. We again stress, our department and many, many others cannot and do not have available the positions to absorb the personnel. So we feel these, or at least some of them, should be given the opportunity to retire at an earlier age.

We would appreciate any comments pro or con on this subject. Feel free to question us if you wish.

ROBERT L. WALLACE.

PROPOSED SALE OF CALCINES UNDER SENATE BILL 1116

Mr. LONG of Missouri. Mr. President, due to the lateness of the hour last Thursday, March 16, and not desiring to further delay the adjournment of the Senate, I did not make a statement in favor of S. 1116 at the time it was passed by the Senate. I have prepared a short statement in support of this bill, and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR LONG OF MISSOURI

On February 28, I joined the senior Senator from Missouri in the introduction of S. 1116 to authorize the sale, without regard to the 6-month waiting period prescribed, of certain calcines and matte proposed to be disposed of pursuant to the Strategic and Critical Materials Stockpiling Act.

During World War II, the Federal Government owned a refinery for lead and copper concentrates near Flat River, Mo. Several thousand tons of byproducts known as calcines accumulated from this refining process.

After the war, the National Lead Co. leased this refinery from the Government, and continued to operate it in the refinement of nickel and cobalt from byproducts of the extraction of lead. The lead mining operation was discontinued in February 1961, and without lead mining, no more calcines are being produced.

The National Lead Co. has enough calcines to sustain operation until March 30, 1961. Unless calcines are secured between now and that date, 140 employees will lose their jobs. Flat River, Mo., is an area of chronic unemployment where the personal sufferings and hardships recall too vividly the conditions that existed during the days of the depression.

The passage of S. 1116 does not guarantee the sale of the surplus calcines to the National Lead Co. The company would have to compete against any other possible purchasers. If the National Lead Co. is successful in acquiring these materials, it will permit them to operate for a period of 6 months beyond March 30, 1961.

I am grateful to the Armed Services Committee and to the Senate itself for the expeditious manner in which this matter was handled. All of us in Missouri are thankful for anything to stop further unemployment.

Mr. KUCHEL. Mr. President, is there further morning business?

The VICE PRESIDENT. Is there further morning business?

ADJUSTMENT OF FUNDS AVAILABLE FOR FARM OPERATING LOANS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate

proceed to the consideration of Calendar No. 69, H.R. 1822.

The VICE PRESIDENT. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 1822) to adjust the amount of funds available for farm operating loans made pursuant to section 21(b) of the Bankhead-Jones Farm Tenant Act, as amended.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. HOLLAND. Mr. President, this is a very simple bill. It would merely change the figures in the second sentence of section 21(b) of the Bankhead-Jones Farm Tenant Act, as amended, by striking out "10 percent" and inserting in lieu thereof "25 percent." I think a brief explanation of the bill should suffice, because the bill comes to the Senate by a unanimous report of the Committee on Agriculture and Forestry.

Section 21(b) of the Bankhead-Jones Farm Tenant Act, as amended, provides that not to exceed 10 percent of the funds appropriated annually for operating loans under that act may be used for making loans to borrowers whose operating loan indebtedness would exceed $10,000. The amendment made by the bill would increase that limitation to 25 percent.

The cost of farming has increased rapidly and substantially in recent years and, as a result, there are more and more farmers whose operating credit needs exceed $10,000. Whereas the 10-percent limitation on the use of funds for these larger loans was adequate when the law was enacted, it is inadequate for present farming operations and credit needs. In 1960, the limit was reached in early May and, although general loans funds were available, no further loans of this size could be made for the balance of the fiscal year. The Department of Agriculture reports that for the current year the 10-percent limit was reached about March 1st so that the need for an amendment permitting a larger percentage of the loan fund to be used for loans of this type is urgent.

Mr. President, I wish to read one paragraph from the approving letter of the Secretary of Agriculture, as follows:

> As of December 31, 1959, only 33 percent of the amount of funds available within this limitation had been used, whereas on December 31, 1960, approximately 71 percent of the funds available under the limitation had been used. It is anticipated that the 10-percent ceiling prescribed by the present act will be reached within a few weeks. Unless the proposed legislation is enacted, many present borrowers and applicants for initial loans will be unable to obtain the credit needed for the operation of farms this year. The enactment of this proposed legislation would enable the Farmers Home Administration to assist many worthy applicants with funds available for such loans during the remainder of this fiscal year.

A question was raised in the committee as to whether or not the Farm Credit Administration felt that the passage of the bill would in any way interfere with its operations. We inquired of the Farm Credit Administration and received the affirmative statement from them that, in their judgment, the passage of the bill would not interfere with the normal function of the Farm Credit Administration.

I ask that the bill be passed.

Mr. SYMINGTON. Mr. President, Senate approval of H.R. 1822 is a recognition of the rapid and substantial increase in the cost of farming in recent years.

Today's amendment to the Bankhead-Jones Farm Tenant Act will provide that not to exceed 25 percent of the sum made available by the annual appropriation for operating loans may be used for making loans to borrowers whose operating loan indebtedness would exceed $10,000.

The present ceiling is 10 percent, and all loans allowable under the present law were made by March 1 of this year.

Passage of this amendment permits the Farmers Home Administration to make further loans during the current fiscal year to many farmers who are otherwise eligible and in need.

Mr. MANSFIELD. Mr. President, I urge the passage of the bill.

The VICE PRESIDENT. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading and passage of the bill.

The bill (H.R. 1822) was ordered to a third reading, read the third time, and passed.

REGISTRATION OF CERTAIN NEMATOCIDES, PLANT REGULATORS, DEFOLIANTS, AND DESICCANTS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 70, S. 1028.

The VICE PRESIDENT. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 1028) to amend the transitional provisions of the act approved August 7, 1959, entitled "Nematocide, Plant Regulator, Defoliant, and Desiccant Amendment of 1959."

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Agriculture and Forestry, with amendments, on page 2, at the beginning of line 6, to strike out the comma and "if an extension to March 5, 1961, has been granted for such product under this paragraph (a)", so as to make the bill read:

> *Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That paragraph (a) of section 3 of the Nematocide, Plant Regulator, Defoliant, and Desiccant Amendment of 1959 (Public Law 86-139, 73 Stat. 286, 287) is amended by deleting the comma and the word "or" appearing at the end of clause (1) and adding at the end of such clause a colon and the following: *"Provided,* That with respect to any nematocide, plant regulator, defoliant, or desiccant whose use results in residue remaining in or on a food at the time of introduction into interstate commerce and which use had commercial application prior to January 1, 1958, the Secretary may prescribe a date beyond March 5, 1961, on the basis of a determination that such action will not be unduly detrimental to the public interest and is necessary to avoid hardships: *Provided further,* That such date shall not be extended beyond (i) the date on which an order with respect to the use of such product under section 408 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 346a) becomes effective or (ii) the date on which any extension granted under paragraph (b) of this section is terminated, or".

Mr. HOLLAND. Mr. President, I think a brief explanation of the bill would be in order. The chairman of the Committee on Agriculture and Forestry, the distinguished Senator from Louisiana [Mr. ELLENDER], had expected to make a statement, but was called from the Senate Chamber a few minutes ago. He asked the Senator from Florida to make a statement about the bill in the event he had not returned by the time the bill was called up.

The Committee on Agriculture and Forestry unanimously passed upon the measure, reported it favorably, and asked that it be approved with a small amendment, which will be stated at the proper time.

The bill would extend the time within which certain nematocides, plant regulators, defoliants, and desiccants may be continued exempt from certain provisions of the Federal Insecticide, Fungicide, and Rodenticide Act until such time as the Pesticide Chemicals Amendment to the Federal Food, Drug, and Cosmetic Act is made fully applicable to such products. It was requested by the Department of Agriculture and, with the committee amendment, is identical to H.R. 4662, as reported by the House Committee on Agriculture.

In 1959, when the original act was passed, bringing nematocides, plant regulators, defoliants, and desiccants under the Insecticide Act, and under the Pesticide Chemicals Amendment of the Federal Food, Drug, and Cosmetic Act, provision was made deferring certain effects of the Insecticide Act until tolerances could be established under the Pesticide Chemical Amendment. As to many of the new chemicals, the act is already applicable, because the research has been completed, and the tolerances have been declared by the Food and Drug Administration, and have been applied to those particular chemicals. However, as to other chemicals, the research has not yet been completed, and the passage of the bill would permit the Secretary of Agriculture to defer certain effects of the Insecticide Act until a determination of the facts by the Food and Drug Administration has been made, so that the particular chemicals which are now being used, and have been used without any serious results to anybody, could continue to be used, provided that the Secretary of Agriculture must in each case determine that such action will not be unduly detrimental to the public interest and is necessary to avoid hardship.

Industry studies to obtain residue and toxicological data necessary in obtaining registration of some of these products

under the Federal Insecticide, Fungicide, and Rodenticide Act are now underway, but were not completed by March 5, 1961, which was the terminal date of the present exemption. The bill would authorize the Secretary of Agriculture to extend beyond March 5, 1961, the effective date of the registration and enforcement provisions of the Federal Insecticide, Fungicide, and Rodenticide Act with respect to these particular products.

Under the bill, extensions would be authorized for any products only upon a determination by the Secretary of Agriculture that such action would not be unduly detrimental to the public interest and is necessary to avoid hardships and upon extension by the Secretary of Health, Education, and Welfare of the time within which such products are not fully subject to the pesticide chemicals amendment. Such extension by the Secretary of Health, Education, and Welfare depends upon the enactment of additional legislation now pending before the Congress. Thus the bill would allow the continued use of these products only where no substantial public health risk is involved, by making it possible to provide additional time to complete the the necessary scientific investigations, which, by the way, are underway in the most urgent fashion and manner possible.

I know of no objection to the bill. I think it would be administered with due regard to the health of all the people of the United States and with fair treatment to the manufacturers of the chemicals in question.

I ask that the committee amendment be considered and agreed to, and that the bill as amended be passed.

The VICE PRESIDENT. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The VICE PRESIDENT. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 1028) was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I move the Senate reconsider the vote by which the bill was passed.

Mr. HOLLAND. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

PRESIDENT KENNEDY IS PRAISED; REPLY IS GIVEN TO REPUBLICAN CRITICISM

Mr. RANDOLPH. Mr. President, yesterday the Washington Post published an article containing remarks by a Republican Party spokesman. Those remarks rank among the least informed and most partisan political statements I have ever read.

I refer to an attack by Republican District of Columbia Chairman Carl L. Shipley characterizing the Kennedy administration as showing "promise of being the greatest 'do nothing' administration in the history of our Republic."

I ask unanimous consent that the article entitled "Shipley Slaps 'Do Nothing' of Kennedy," published in yesterday's Washington Post, be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SHIPLEY SLAPS "DO NOTHING" OF KENNEDY

District Republican Chairman Carl L. Shipley said yesterday the Kennedy administration "has been losing the cold war on all fronts."

He made the charge at a convention of the District Young Republican College Federation at American University.

"The sober truth" is how he characterized his statement that the President "is exercising no leadership, he is doing nothing, and the Kennedy administration gives promise of being the greatest 'do nothing' administration in the history of our Republic."

Shipley said that college students should constructively criticize the administration and "I will tell you a good place to start today.

"A few days ago President Kennedy launched another of his schemes in the great Kennedy giveaway sweepstakes, which seeks to solve every problem by creating a new Government bureau and asking Congress for more money to launch another program. His latest is a request for $500 million for Latin America."

Shipley apparently was referring to the President's request for $500 million for the Inter-American Fund for Social Progress. Most of the money will be handled by the Inter-American Development Bank, created by the Act of Bogota during the Eisenhower administration.

Mr. McGEE. Mr. President, will the Senator from West Virginia yield?

Mr. RANDOLPH. I yield to the Senator from Wyoming.

Mr. McGEE. Is it not conceivable that Mr. Shipley wanted to get such a statement into the RECORD this early because the Kennedy administration has begun to act so fast that he was afraid that if he waited any longer his statement would be so completely out of reality that there would be no point in issuing it?

Mr. RANDOLPH. The Senator from Wyoming makes a cogent observation. There is much truth in what he says.

I suggest that Mr. Shipley's party zeal is matched only by his disregard for events. Whatever criticisms may be fairly leveled against President Kennedy and his administration—and there are precious few to date—that of being a do-nothing administration is certainly not one of them.

President Kennedy has been in office just 2 months. During that time, he has sent to Congress—according to the count of our esteemed colleague, Senator BRIDGES, who is chairman of the Senate minority policy committee—29 messages on legislative matters. I consider my friend from New Hampshire a much more authoritative source of information on the level of activity of this administration than some local Republican Party official who is unduly biased.

It is worth observing also, Mr. President, since Senator Kennedy's campaign remarks were blamed for the outflow of American gold, that the flow ceased and the international market for gold was stabilized within 6 weeks of President Kennedy's inauguration. In all fairness to the campaigner, Senator Kennedy, and now to President Kennedy, this happier state of affairs must be attributed in large measure to the restoration of confidence in the American economy which has emerged from the actions of this administration.

Without emphasizing any invidious comparison between the actions of this administration and those of the preceding one, I would invite the Members of this body—and Mr. Shipley—to note the difference between the most recent negotiations with West Germany regarding the relationship between the dollar and the deutche mark, and the unfortunate results of the highly publicized Anderson mission to Bonn in the twilight hours of the Eisenhower administration. Both administrations had essentially the same instruments at their disposal, but there was a world of difference between their use of these instruments.

Finally, Mr. President, Mr. Shipley's rancor seems to have been particularly reserved for what he terms "the great Kennedy giveaway sweepstakes—his latest is a request for $500 million for Latin America." Presumably Mr. Shipley refers to the $500 million authorized by the 86th Congress—at the request of President Eisenhower—for the Inter-American Fund for Social Progress.

On March 14, President Kennedy sent to the Congress his message asking for the appropriation of the previously authorized $500 million and the $100 million which at the same time was authorized for the rehabilitation of southern Chile. However, I would emphasize that President Kennedy set forth in explicit terms in his message the conditions for a new approach to foreign aid, one which establishes self-help, progress, and social reform as the goals which American foreign aid will seek to achieve.

Under the conditions set forth in this message and in President Kennedy's companion remarks on the general topic of foreign aid, I have no hesitancy in asserting that there will be less waste and undirected giveaway activity on the part of this administration's foreign aid program than at any time in the past decade.

Mr. President, we are accustomed to the claim, from the other side of the aisle, that the Republican tent is large enough to admit all views. While I admire such genial hospitality, it would not seem to be asking too much to request that those who seek admission to the tent must register some fidelity to the facts of life. I do not believe such fidelity has been maintained in Mr. Shipley's comments, which border on carping criticism.

While I must confess to some difficulty in recognizing the world I know as the same one portrayed on the popular weekly serial telecast under the name of the "Ev and Charlie Show," I find the portrayal at least entertaining and spiced with humor. Although our esteemed colleagues who preside on that

occasion sometimes blur the lines between fact and fiction, they are eventually brought back to reality by the discipline of the legislative process itself.

Unfortunately, this discipline does not operate on some of their party colleagues outside the Congress. Yet, the position of a State or District of Columbia party chairman carries its own responsibilities; and the first of these, even before one's adherence to his party, is the understanding of the democratic process itself and commitment to the rules of reason.

The record is clear, Mr. President, that although the present administration is entering only its third month, it has moved on every front—in domestic and in foreign affairs—with vigor and effectiveness.

Mr. McGEE. Mr. President, I wish to commend the Senator from West Virginia for his forthright comments in regard to the shallowness and the irresponsibility of some attacks which have appeared in the press. I believe it would be appropriate if we would include at this point in the RECORD the observations, not of a District of Columbia Republican chairman, but of a foreign observer, who is interested, regardless of party in passing along his judgment in regard to the new American scene.

So, Mr. President, I ask unanimous consent to have printed at this point in the RECORD a very excellent article by James Morris, of the Manchester Guardian. The article is entitled "An English View: Kennedy Rekindles the Fires of Purpose."

In the course of the article, Mr. Morris states:

John Kennedy has restored some of the decency to patriotism, regenerated some warmth in our reluctant alliance, and, above all, for all our poor sakes, revived a little of the romance of America.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Chicago Sun-Times, Mar. 19, 1961]

AN ENGLISH VIEW: KENNEDY REKINDLES THE FIRES OF PURPOSE

(Here is a look at the New Frontier in Washington from the shrewdly perceptive viewpoint of a noted British journalist. James Morris is a world-roving correspondent for the Guardian of Manchester, England.)

(By James Morris)

WASHINGTON.—I met an acquaintance of mine in Washington the other day, looking distinctly haggard in an elevator, and asked him what the trouble seemed to be. He gave me a wan brave smile, like an arthritic cowboy. "It's just these New Frontiers, I guess," he replied with a sigh "I'm getting too old for the Injun country."

For Mr. Kennedy's capital flaunts, after only a few buoyant weeks of the new administration, a punishing new sense of gusto, flair, and enthusiasm.

The frontier climate that he demands for the new America already exists, with a tang, a string, and a hat held on. The temper of the President's approach to office, the novelty and apparent frankness of his character, the scholarly distinction of his advisers, the sex-appeal of his wife, the frilly charm of his daughter Caroline, tricycling through the White House—all these fresh, young, eager phenomena have wonderfully revivified Washington, au fond perhaps the most ineffably boring city on the planet.

Already the fading image of Mamie Eisenhower, with her homely tastes and comfortable shoes, seems wildly out of context, and all the old bumbleheads of Eisenhower's last years, with their lame excuses and their prickly hackles, seem to have vanished into the limbo of ignominy.

Today's Washington is like a woman who has switched from horn rims to contact lenses: there is a new gleam in her eye, but whether it is gaiety or glass only the optician can say.

HOW LONG WILL IT LAST?

How lasting? How genuine? How deep-rooted? Only an oaf or a Government spokesman would proclaim this a Nation rejuvenated overnight. The notorious fickleness of the American reputation will still depress you, as you remember the undying loyalties of yesteryear; the most forlorn figure in the United States today is Adlai Stevenson, who once commanded a devotion almost fanatic, but can now scarcely put a foot or a phrase right.

The absurd snobbery and sycophancy of the Americans will still make you squirm, as you wade through the adulatory gossip columns, observe the Jacqueline hairdo's following each other down the sidewalk, or hear yet again about dinner with the President up at Joe's house. The national streak of the catty and corrupt will still wrinkle your nose when they whisper the secret love lives of the newly great. The bluster and flagwagging of the American way seem more tiresome and old fashioned than ever at this moment of national catharsis.

Yet even the world-weary European, shrugging his shoulders on the edge of neutralism, can hardly escape some prods of stimulation upon Mr. Kennedy's New Frontiers. Today the arteries of American thought feel loosened again, the springs of innovation are released. There is tolerance and flexibility in the air. You can talk without a qualm about State medicine, the recognition of China, Chiang Kai-shek, homosexuality, the Germans—all subjects which, a year or two ago, were all too often armored in taboo and bigotry.

EGGHEAD IN HIS OWN AGAIN

The egghead, Stevenson's forlorn underdog, has come striding into his own again, wiping the steam from his spectacles, so that nearly every new official seems to be a kind of Ivy League existentialist or a prizeman from Harvard Law School.

You have to go to Washington to grasp the degree and nature of the change, the most convulsive of the democratic processes. It is not merely that the administration stems from a different party and appoints its own servants; even the jokes of the Capital seem new, the gossip, the cut of the cocktail suits, the very face and flavor, and pith of the place.

It is not, I suspect, an administration of style. The President, seen at least from an inquisitive distance, is extremely personable, highly intelligent, very ambitious, probably rather ruthless, with a nice wry humor, and a comforting touch, or perhaps affection, of shyness.

He does not in the least express, for all his hatless informality, the perennial simplicity of America that was reflected so exactly, and sometimes so pathetically, in Eisenhower's good but groping personality. Nor has he the magic of a Roosevelt, the command of a De Gaulle, the earth of a Churchill.

He looks to me the kind of a man who does not age much, does not experience that wrinkling and shading of the spirit that partners less calculating minds toward senility: The Kennedy we see now, I feel, is more or less the Kennedy we shall always see, until at last he topples, full of years and dignities, into the family mausoleum. He seems to me like a skilled technician, a plumber come to stop the leaks, with his able and openminded company of mates, his eclecticism, his stamina, and his persuasive eyes; but instinct tells me (for what that old imposter's hints are worth) that his stamp upon American history, though it will unquestionably be of honor and value, will not be ineffaceable.

A FRESH START OFFERED

This is, though, an impertinent quibble. A genius or a visionary is not what the Presidency needs just at the moment. What is wanted is a clean sheet and a fresh start, and these John Kennedy has bravely offered. Whatever you may think of the new administration's profundity, you can certainly never patronize or snigger at it, as the world sheepishly sniggered at Mr. Eisenhower and his Hagerty.

There can be few governments on earth to equal it in energy, youth, and education; indeed, with its new sense of serious dedication, its preoccupations with Asia and Africa, its correspondence courses in quick reading, Swahili and the diffuse nebulae, its sudden spate of intellectuals and Presidential portraits, Washington today reminds me disconcertingly of a brighter and breezier Moscow. (Though even the irreverent young Russians would hardly nickname a proposed national shrine, as the Washington wits have dubbed the monolithic design for a Roosevelt memorial, "instant Stonehenge.")

Nor is this an irresponsible comparison, though I say it myself. The Soviet Union, for all its fustian horrors, remains an exciting country, because it is working to an idea, transforming a nation, always on the move. The United States, too, sprang to greatness upon the wings of a notion, an ideology if you like, but lately she has lost her sense of purposeful idealism and floundered miserably from one confusion to another.

It is Mr. Kennedy's first, and brilliant, claim to admiration that in a few short weeks of office he has done so much to revive the sense of American mission. I do not know who writes his speeches, but since his inauguration they have glowed to a discernible inspiration with their clear calls to duty, comradeship, and generosity.

I do not know how long his New Frontiers will last or whether my friend in the elevator will ever be able to retire again into his muffled retreats of apathy; but for one skeptical alien at least, John Kennedy has restored some of the decency to patriotism, regenerated some warmth in our reluctant alliance, and, above all, for all our poor sakes, revived a little of the romance of America.

RESPONSE TO PEACE CORPS REFLECTS AMERICAN SPIRIT OF SERVICE

Mr. YOUNG of Ohio. Mr. President, the tremendous response among Americans to the newly organized Peace Corps disputes the frequently expressed belief that selfishness and grasping greed have supplanted the spirit of service in our Nation. It proves that Americans are still a vital people, still receptive to creative new ideas, still, as always, deeply concerned with the welfare of less fortunate people.

I assert that the widespread enthusiasm for President Kennedy's Peace Corps plan embodies the spirit that moved this country to greatness. The pioneering spirit of America still prevails.

Mr. President, no right-minded person can question the sincere motives which inspire this completely new venture in

international relations. It was proposed by a President of the United States who recognizes the deep importance of person-to-person contacts among peoples of different lands.

It is enlisting Americans of all ages who properly feel the obligation of the well fed to the hungry, the skilled to the unskilled, the comfortable to the needy.

Americans will go to distant lands, not in condescension, but in concern. They will go, not only to teach, but also to be taught, for the Peace Corps is not one-sided. In the lands where they are welcomed, Peace Corps volunteers will learn to respect and appreciate cultures different from our own. They will spread that respect to other Americans.

They will learn by living among their host people, eating what they eat, living as they live, speaking their language.

Surely, Mr. President, for the understanding and mutual respect it will foster, the cost will be small and the achievement for good will and enhanced prestige for America might be great.

Mr. President, reaction to the Peace Corps plan has not been unanimous. It has its detractors. They feel, apparently, that we are "rushing in blind" without adequate planning. I feel confident that a great deal of sober planning has been done—and more will be done before the Peace Corps becomes operable.

The plan's detractors—some of them, anyway—are trying to make it appear that grandiose claims have been made for the potential of the Corps which were, in fact, never made.

No one has suggested that in the Peace Corps we have found the answers to the deep, tangled problems that complicate our position in the world in this grim period of cold war and aggression. No one has hinted that any group of hundreds of Americans in Latin America and in Africa or the Far East can replace economic aid, military readiness, and normal diplomatic negotiations of this Nation.

All that has been claimed for it is that the Peace Corps will give opportunity to hundreds of Americans to serve their Nation in a new, exciting, and constructive way, in the spirit and tradition of our American missionaries, and that, in a limited but important way, these dedicated Americans will help people in other lands who need help.

Those, I assert, are reasons enough for the Peace Corps.

Mr. MANSFIELD. Mr. President, is morning business concluded?

The PRESIDING OFFICER (Mr. HICKEY in the chair). Is there further morning business? If not, morning business is closed.

UTILIZATION OF TELEVISION FACILITIES FOR EDUCATIONAL PURPOSES

Mr. MANSFIELD. Mr. President, I move that the Chair lay before the Senate Order No. 65, S. 205, and that it be made the unfinished business.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 205) to expedite the utilization of television transmission facilities in our public schools and colleges, and in adult training programs.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate resumed the consideration of the bill (S. 205) to expedite the utilization of television transmission facilities in our public schools and colleges, and in adult training programs.

ORDER FOR ADJOURNMENT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate concludes its deliberations today, it stand in adjournment until 12 o'clock noon tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, March 20, 1961, he presented to the President of the United States the enrolled bill (S. 451) to authorize the distribution of copies of the CONGRESSIONAL RECORD to former Members of Congress requesting such copies.

DEATH OF THE LATE REPRESENTATIVE B. CARROLL REECE OF TENNESSEE

The PRESIDING OFFICER. The Chair lays before the Senate a message from the House of Representatives which the clerk will read.

The legislative clerk read as follows:

H. RES. 228

Resolved, That the House has heard with profound sorrow of the death of the Honorable B. CARROLL REECE, a Representative from the State of Tennessee.

Resolved, That a committee of twelve Members of the House, with such Members of the Senate as may be joined, be appointed to attend the funeral.

Resolved, That the Sergeant at Arms of the House be authorized and directed to take such steps as may be necessary for carrying out the provisions of these resolutions and that the necessary expenses in connection therewith be paid out of the contingent fund of the House.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

Resolved, That as a further mark of respect the House do now adjourn.

Mr. MANSFIELD. Mr. President, on behalf of the Senators from Tennessee [Mr. KEFAUVER and Mr. GORE], I submit a resolution and ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER. The resolution will be read for the information of the Senate.

The resolution (S. Res. 112) was read, considered by unanimous consent, and unanimously agreed to, as follows:

Resolved, That the Senate has heard with profound sorrow the announcement of the death of the Honorable B. CARROLL REECE, late a Representative from the State of Tennessee.

Resolved, That a committee of two Senators be appointed by the Presiding Officer to join the committee appointed on the part of the House of Representatives to attend the funeral of the deceased Representative.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

The PRESIDING OFFICER, under the second resolving clause, appointed the Senators from Tennessee [Mr. KEFAUVER and Mr. GORE] the committee on the part of the Senate to attend the funeral of the deceased Representative.

ADJOURNMENT

Mr. MANSFIELD. Mr. President, as a further mark of respect to the memory of the late Representative B. CARROLL REECE, I move that the Senate stand in adjournment until 12 o'clock noon tomorrow.

The motion was unanimously agreed to; and (at 1 o'clock and 25 minutes p.m.) the Senate adjourned, under the previous order, until tomorrow, Tuesday, March 21, 1961, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate March 20, 1961:

COAST AND GEODETIC SURVEY

Subject to qualifications provided by law, the following for permanent appointments to the grades indicated in the Coast and Geodetic Survey:

To be lieutenant commanders

Edwin K. McCaffrey
Richard H. Houlder

To be lieutenants

Robert W. Franklin
Sidney C. Miller
Ronald M. Buffington

To be lieutenants (junior grade)

Clifford W. Randall	Arthur H. Goldberg
David F. S. Galloway, III	Paul D. Montjoy, Jr.
	Charles H. Nixon
Renworth R. Floyd	Melvin E. Jones
Richard I. Greene	John T. Maldari
Richard F. Dudley	Melvin J. Umbach
Joe P. Pennington	Ernest E. Brown
Robert L. Sandquist	Meinrade H. Schilly
Jerome M. Slackman	Anthony J. DeLuzio
James S. Midgley	Jim L. Piter
Claude B. Carter, Jr.	J. Austin Yeager
James G. LaBastie	W. Paul Yeager
John M. Doherty	John D. Bossler
Larry L. Wilkerson	James H. Blumer
Billy M. Keltner	Charles W. Mathisson

To be ensigns

Richard P. Bertocchi	William C. Page
Paul A. Chernoff	Palmer W. Randall
Jimmy D. Clark	Richard L. Sampson
Albert T. Fulco	Dewaine Seets
Frederick P. Kapinos	Horstas A. Uzpurvis
George Mavridis	

IN THE NAVY

The following-named (Naval Reserve Officers Training Corps candidates) to be permanent ensigns in the line of the Navy, subject to the qualifications therefor as provided by law:

Richard V. Aamodt	Elwyn G. Allyn
Lawrence I. Abrams	Charles E. Alsip
Joseph H. Adams	Robert A. Amann
James C. Adkins	David H. Anderson
Anson B. Albree, Jr.	Eugen C. Andres III
Robert W. Aldinger	John W. Andrews
Frank L. Alexander	James R. Armstrong
John L. Alexanderson	Melvin R. Armstrong

William K. Arnold, Jr.
Robert I. Ash
Charles F. Ashurst
Robert B. Atwater
James D. Austraw
Andrew W. Bachofen
Vernon W. Bacot
Robert S. Badgett
Norris R. Bagley
David L. Bailey
Henry A. Bailey, Jr.
James P. Bailey, Jr.
David C. Baker
John G. Baker, Jr.
John L. Baker
John T. Baker
Marvin C. Baker
Stephen K. Ballard
Jeffrey N. Ball
John I. Bandy, Jr.
Keith A. Barnes
Roger W. Barnett
Gary L. Barr
Thomas H. Barr
Robert W. Barrett
Franklyn S. Barry, Jr.
Avery W. Bates
Jack E. D. Batson, Jr.
Douglas C. Bauer
David J. Bauhs
Patrick M. Beatie
Troy Beatty
Eugene L. Beaulieu
Thomas T. Beeson
James F. Bell, Jr.
John W. Benepe
Charles W. Bennett
Richard D. Bennington
Paul C. Berkebile, Jr.
Harold I. Berliner
Philip G. Berndt
Charles L. Berry, Jr.
Robert K. Best
Grant L. Bigelow
Richard A. Bina
Jon A. Bird
Lloyd L. Bird
Karl T. Bjorn
William J. Blackmon
Douglas D. Blaha
Robert D. Blake
William D. Blake
David G. Blaker, Jr.
Alan F. Blanchard
John W. Blatt
Peter A. Bleyler, Jr.
Verne E. Blodgett
William G. Blunt
Francis X. Boes, Jr.
Francis W. Boufford
Thomad D. Bounds, Jr.
John V. Bowers
Alfred E. Bowman, Jr.
Paul D. Bowman
James S. Boyd
Jack W. Boykin
John S. Bradford
Steven D. Bradish
William J. Brady
Thomas P. Bragg
Robert B. Brainard
Dale H. Bramble
Robert B. Briscoe
William A. Brodie
Larry C. Brooks
Charles M. Brown, Jr.
Harry E. Brown
James P. Brown, Jr.
Lawrence N. Brown
Lorin "W" Brown
Michael T. Brown
George P. Browske
Rolland H. Brunnworth
Jon J. Bryan
James L. Buck
Craig A. Bullock
Robert T. Bunnell
John E. Burget
James A. Burgett
Kenneth Bygler
Richard T. Burcroff, Jr.
Robert W. Byrns, Jr.
Thomas J. Cable
Alan F. Cain
Byron E. Calame
Robert M. Callahan
Nicholas Cannistraro, Jr.
Peter A. Cargen
Hardy A. Carl
Churchill Carmalt
James E. Carnes
Stephen M. Case
Carl J. Cassel
William Cavanaugh III
Bruce A. Chappell
Anthony W. Chessick
James C. Child
Harry J. Chris
Boake W. Christensen
Eric Christofferson
John C. Clarke
Richard W. Clemens
David G. Clements
Roger D. Coates
Ira H. Coen, Jr.
Fred S. Coffey
Andrew M. Cohen
James J. Collins
John J. Collins
Rhodes T. Corbett
James G. Cosby
Bennett A. Cozadd
Charles E. Craig
Philip E. Craighead
Lee H. Craiglow, Jr.
Thomas H. Cramer
Milton H. Creek
Lee P. Croke
Gene M. Cunningham
Charles R. Cyr
Marvin J. Dainoff
Edward P. Daly
Frederic S. Dalzell
Harvey Danielson
Robert P. Dannaker
Walter W. Darran, Jr.
Frank P. D'ascensio
Carl "S" Davis
John R. Davis
David M. Dawson
Ronald L. Day
Thomas R. Debuhr
Alexander H. Decker
Robt F. Degnon
Louis R. Demattheis, Jr.
Thomas L. Derry
Paul Di Bono, Jr.
Edwin H. Dickey, Jr.
Edward M. Diener
James A. Divis
Carlysle A. Douglas
Alfred B. Downs III
Lynn A. Dreeszen
Edward J. Duckworth
David G. Dudley
Charles D. Dukes
Lawrence W. Dunaway
Jimmie D. Duncan
John D. Duncan
William T. Dusseau
William Dwyer
Stuart S. Dye
Charles E. Easley
Murray Edelberg
Lee H. Ehman
Gerald L. Ehrens
Stephen D. Eitelman
Thomas S. Ellis III
Wright H. Ellis
Charles R. English
Neil O. Eriksen
James L. Eriksson
Peter F. Erlin
Richard L. Evans
Jerry D. Everman
James L. Ewing
James F. Falco
Everett H. Falk
David C. Farley
Wilson W. Farrell
Ernest E. Fava
Daniel G. Felger
Thomas L. Ferrier
Edward J. Field
Marvin R. Fields
Paul F. Finch
James S. Finucane
Herbert E. Fish III
Timothy C. Flanagan
John F. Fleischauer
John M. Fleming, Jr.
Robert Fletcher
Richard J. Floreani
Robert H. Floyd
John J. Flynn
Richard P. Flynn
John C. Foster, Jr.
John H. Foster
John W. Foster
Thomas A. Foster
Lee H. Frame, Jr.
Arthur H. Franklin
Frank M. Freeman, Jr.
Thomas A. French
Robert D. Fromm
John C. Frothingham
Michael S. Fry
George A. Frye
Vincent E. Furey, Jr.
Harry L. Galles
John M. Gardner
Joseph Gardner III
John L. Geroux
James R. Geurts
James T. Gibbons
Edward W. Gieselman III
William C. Gilbert
Thomas E. Gill II
Daniel R. Gilmore, Jr.
David R. Gissell
David E. Glasgow
Douglas W. Glover
Robert W. Gobel
Ernest L. Goff
Francis M. Golden, Jr.
Howard R. Gonding, Jr.
Fred L. Gowers
Michael F. Graham
Robert W. Graham III
George E. Gray
Paul E. Greene
Michael C. Gregg
Lee S. Greenwood II
Harold E. Griffin
John L. Grunert
Donald L. Gustafson
Douglas M. Hackett
Harley Hagen, Jr.
Barry L. Haley
Richard H. Hall
Ted A. Hamilton
Edwin S. Hammond
Peter T. Hansen
Richard C. Hansen
Donald E. Hanson
William H. Hardesty III
Richard M. Hardy
Douglas W. Harold, Jr.
Don S. Harper, Jr.
John A. Harrell, Jr.
James W. Harrington
Robert W. Harris
Gary W. Hartman
William C. Harwi
Thomas L. Haskell
William H. Hassinger
Richard W. Hastings
William J. Hayne
Gordon L. Haynes, Jr.
Thomas M. Healy
John C. Heath
Kip W. Heimendinger
Philip J. Held
Douglas R. Henley
Ronald D. Henriksen
Billy W. Herbert
Donald J. Hickey
Gerald D. Hicks
Thomas A. Hill
Thomas E. Hodge
Edward "A" Hodges
David J. Hoffman
John J. Holas
Robert S. B. Holmes, Jr.
Stacy V. Holmes
Robert D. Hortin
Edward R. Hotelling
Robert S. Howard
Larry L. Howe
Frederick J. Howlett
Elwood D. Howse, Jr.
Richard G. Hubbard
Melville P. Hughes II
John I. Hulse IV
Clarence M. Hurt
William O. Iams
Richard F. Ingram
George R. Isely
Warren B. Jackson, Jr.
George L. Jahelka
Milton D. Jantzen
Faber D. Jenkins, Jr.
Frederick P. Jenkins
Richard N. Johannes
Dale G. Johnson
Gary C. Johnson
Gary K. Johnson
Ralph B. Johnson, Jr.
Roy W. Johnson
Gordon R. Jones
Kenneth A. Jones
Gerald R. Jordan, Jr.
Joseph B. Juhasz
Peter Kalkus
Robert D. Kaplan
Benedikt K. Karalius
Stephen S. Karp
Richard X. Kauffmann, Jr.
Kevin R. Keating
Everett T. Keech
Thomas J. Keefer
Paul T. Keeslar
David C. Kehl
Kenneth H. Kerns
Dennis G. Keith
Gregory P. Kelley
Howard J. Kennedy
Alfred W. Kettenring, Jr.
Michael J. Killien
David C. Klinger
Matthew W. Klocek
Herbert A. Klukas
Charles W. Knaup
Euodias F. Knight, Jr.
Harold A. Knott
Marshall W. Knox
David J. Koehler
John S. Kolodziej
John J. Krall
Joseph P. Kramer III
Ralph H. Kratz
Rodney A. Krebs
Philip C. Kreitner
Kenneth M. Kreutziger
Eugene Kudla
William F. Kuhhirte
John M. Kyne
Dennis R. Laack
Stanton B. Lamb
Walter O. Lambeth, Jr.
Robert M. Langley
David R. Langlois
Stephen M. Latimer
Albert M. Lawler
Robert A. Lawson, Jr.
David R. Layton
Paul L. Leardi
Thomas J. Leary
Carl B. Lee
Joseph B. Lehn
Irve C. LeMoyne
Harold E. Lenbergs
John E. LeRoy
James W. L. Lewis
Lee M. Lipscomb, Jr.
Ralph H. Locklin
James L. Logan, Jr.
Philip R. Loggins
Andrew T. Longo
Lionel L. Lucchesi
David A. Ludtke
David M. Lum
Ronald H. W. Lum
Thomas A. Lunneberg
Larry G. Lutz
Jerome P. Lynch
Terrence P. Lynch
Roger W. McAlpin
Wilford D. McCann
David W. McClanahan
James W. McClellan
Stephen C. McCluskey
Charles E. McCormick, Jr.
Francis E. McCormick
Rob A. McCutcheon
Jackson L. McDaniel
Thomas J. McDonough
Frank J. McGinity, Jr.
William M. McGuigan
Edward J. McIntosh
James M. McLain
David J. McLaren
Bernard F. McMahon, Jr.
Tommy E. McPherson
Edgar G. McQueen
Frank McQuoid III
John E. McStay, Jr.
Gerald T. Magee
John E. Magee
Robert G. Mahan
Stephen L. Mahannah
Frank J. Malinski
Philip D. Mandelkorn
David S. Mann
John E. Mann
John A. Markworth
James I. Marrone
Donald L. Martinson
Henry P. Massey, Jr.
Lawrence P. Maucher
Adrian C. May, Jr.
Roderick L. Mayer
John B. Meek, Jr.
Russell V. Meloche
Morris B. Mellion
Karl A. Meyer, Jr.
John H. Mickel
Clarence A. Miller
Stephen K. Miller
Leo R. Mitchell
Richard F. Mitchell
Thomas J. Moakley
Paul J. Mode, Jr.
John H. Moore
Henry V. Morgan
Paul C. Morgan
Brendan T. Moroney
John W. Morris
Vance H. Morrison
Lester R. Morss
Robert T. Mosher
Roy W. Mothershed, Jr
Albert L. Mouns
Henry W. Moyer, Jr.
Michael L. Mulford
Francis W. Murphy
John K. Murphy III
James W. Murray, Jr.
Thomas D. Murtaugh
Frank W. Naylor, Jr.
George C. Nebel
James E. Neibauer
William J. Nelson, Jr.
Roy L. Nersesian
Ralph B. Neubauer
Richard E. Newby
James K. Nicholas
Ronald E. Nichols
Michael S. Nickell
John A. Niebauer
Warren J. Nokleberg
James J. Nolan, Jr.
Walter E. Nolte, Jr.
Donald N. Norris
Lafayette F. Norton
Karl W. Nuechterlein
Frederick W. Oberin
William J. O'Brien, Jr.
John H. O'Brion, Jr.
Richard L. O'Bryan
Michael E. O'Byrne, Jr.
Shamus J. O'Hare
Harold E. Old, Jr.
David A. Olsen
Stephen R. O'Neil
Charles L. Orman
Walter J. O'Tooie, Jr.
Richard P. Oubre
James T. Owen, Jr.
Randall W. Pack
Theodore J. Panayotoff
Brian V. Pape
Ralph C. Parady
Charles L. Parham
Ellis E. Patterson, Jr.
Robert T. Patton
Gaylord O. Paulson
Gerald L. Payne
Harold Payson, III
George W. Peak
Richard J. Pearson
Paul E. Pedisich
David A. Pellett
Robert A. Persell, Jr.
William J. Perkins
Carl J. Peterson
Ross W. Peterson
Stuart M. Pindell, Jr.
Douglas A. Pinnow
Henry C. Phillips
David P. Pilmer
George W. Playdon, Jr.
Eugene H. Polleys
George C. Porter
William H. Pope
John C. Postlewaite
Don G. Powell
Gerry L. Preston
Richard A. Price
Gary L. Pritchett
Donald O. Quest
Simon R. Quint
Edwin L. Raines
Warren A. Rathbun
Gordon S. Rather, Jr.
William J. Raup
John M. Rector
Andrew K. Reed
Larry A. Reed
Robert F. Reed
William E. Reichard
Thomas J. Reilly
Hugh B. Replogle
Alan C. Reynolds
Chester L. Reynolds
Fredrick M. Richardson
Charles Rippin
Lawren B. Rittenhouse, Jr.
Charles P. Roberts
John C. Roberts
Lawrence W. Roberts
Gary L. Robinson
Joe L. Roby
Peter B. Rodenbeck
George R. W. Rogers
James C. Rogers, Jr.
Robert C. Rohlfs
Victor H. Romley
Waldo B. Rose
Bernard L. Rosenbach
James A. Rosenstein
Steven F. Rosing
Raymond A. Rossman
Jay A. Rottier
Peyton Rowan, Jr.

Thomas Q. Rowe
Duncan B. Rushing
Thomas D. Ryan
Clarke E. Ryder
Robert B. Ryland
John W. St. Andre
Arne R. Salvesen
Ronald L. Sampson
Louis F. Sander, Jr.
Stephen A. Scharfenberg
John R. Schiffer, Jr.
Lester M. Schlanger
Charles R. Schlegelmilch
Walter C. Schlieman, Jr.
William C. Schmidt, III
Louis A. Schmitt, Jr.
Ralph T. Schmitt, Jr.
James L. Schoonover
Kurt C. Schroeder
Charles D. Schroyer
Gerald Schubert
Richard D. Schulman
Richard A. Schultz
Joseph R. Schwartz
Ronald L. Segerblom
Theodore Sekula
Roger A. Shaffer
Gary A. Shaner
Gene B. Shelton
Raymond T. Shepherd
Herbert K. Shera
Ronald T. Shigeta
John L. Shrum
John T. Siegel
Clark D. Silliman
Marvin W. Sims
Vernon P. Simmons
Samuel W. Simpson
Frederick A. Skidmore III
William H. Skok
Gary L. Slaughter
Roy E. Smillie
Dewey C. Smith
Francis G. Smith
Fred B. Smith, Jr.
Gary F. Smith
George P. Smith
Lynn H. Smith
Ronald E. Smith
Thomas E. Smith
Vane G. Smith, Jr.
William A. Smith
Everrettee V. Snotherly, Jr.
Charles R. Snyder
Larry G. Snyder
Robert S. Soltys
Donald T. Spangenberg, Jr.
Donald A. Spaugy
Havard L. Staggs
George F. Stallos
Allen J. Standish
John B. Starr
Charles E. Steerman
William E. Stepp
Arthur E. Stevens
David G. Stevens, Jr.
Kenneth H. Stimeling, Jr.
Philip L. Stone
Gary E. Stoos
Jonas V. Strimaitis
Peter F. Stuart
Ronald E. Sturgeon
William J. Suffich, Jr.
Edward F. Sullivan
Donald W. Summerside
Warren K. Sumner
Donald H. Swan
Norman L. Swanson
James N. Sweet
Ralph J. Talbott
Robert H. Tate
Luther I. Tatum, Jr.
Robert A. Ternus
Adrian W. Tewksbury
Edward L. Therrien
Richard R. Thiel
Edward P. Thomas, Jr.
David A. Thompson
Frank M. Thweatt, Jr.
Ralph L. Tindal II
Joseph W. Tisler
Richard V. Tobin
Robert W. Tomlinson
Charles T. Tonkin III
James D. Torres
Brooke G. Townsend
David K. Tozier
Fred E. Tracy
Wallace D. Tweden
James F. Twohy III
Raymond H. Unger, Jr.
John L. Upthegrove
Carl R. Valentino
Francis J. Vangeli
James L. VanFleet
John W. Varner, Jr.
Paul C. Venti
James A. Vester, Jr.
Walter R. Vickery
Neil J. Volwieder
William H. Wallgren
Walter J. Wallis
David H. Walsh
Raymond M. Walsh
Charles E. W. Ward
William A. Ward
Robert C. Waters
Jack W. Watkins
Edward H. Weaver
Gene L. Weaver
Robert T. Webb
James P. Webster, Jr.
David Wechsler
James J. Weinert
Rolf E. Weingardt
Michael F. Weisbach
Stephen J. Weiser
Robert L. Wenz
John W. Wharton
John W. White
John W. Whitney
John B. Whitsett
Chester H. Wilkinson
Robert B. Wilkinson, Jr.
Lowell K. Williams
Robert F. Williams
Ronald B. Williams, Jr.
Thomas B. Williams
Charles R. Wilson
Robert L. Wilson
William B. Wilson
Robert D. Woehl
Thomas F. Womack
James E. Wood III
Howard B. Woods
Robert J. Woods
Joseph M. Woody
Donald R. W. Wulfinghoff
Charles J. Yaeger, Jr.
Kenneth A. Youndstrom
Stephen G. Young
William W. Youngblood
George D. Zally
Michael P. Zaveruka
Leo V. Zayauskas
Clyde D. Zinn

The following-named (Naval Reserve Officer's Training Corps candidates) to be permanent ensigns in the Supply Corps of the Navy, subject to the qualifications therefor as provided by law:

James C. Belleson
Loren R. Ceder
Richard L. Cluever
David J. Cozart
John J. Davis
David N. Edwards
William B. Folsom
Joseph T. Goldenson
Kenneth P. Haus
Norman W. Hensley
David N. Hull
Leo P. Kendall
Robert A. Lingenbrink
Richard G. Looney
Robert R. Love
David A. Lunde
John D. Luey
Joseph Meyer, Jr.
Kenneth W. R. Mielke
James E. Miller
Gary A. Morse
Dennis C. Nelson
Wilbert E. Noel
Wayne A. Pitner
Frederick B. Putney
Neil A. Ray
Andre M. Rubenstein
Leroy J. Runey, Jr.
Sidney "H" Smith III
Robert B. Stipe
Clifford W. Tait, Jr.
Lynn C. Taylor
Julian H. Tolbert
Theodore P. Trampe
Charles V. Trubl III
Jack Wilson
Michael J. Wons

James F. Scott (Naval Reserve officer) to be a permanent lieutenant in the Dental Corps of the Navy, subject to the qualifications therefor as provided by law.

Morris F. Skinner, Jr. (civilian college graduate) to be a permanent lieutenant (junior grade) and temporary lieutenant in the Medical Corps of the Navy, subject to the qualifications therefor as provided by law.

Laurence H. Blackburn, Jr. (Naval Reserve officer) to be a permanent lieutenant and a temporary lieutenant commander in the Medical Corps of the Navy, subject to the qualifications therefor as provided by law.

The following-named (Naval Reserve officers) to be permanent lieutenants in the Medical Corps of the Navy, subject to the qualifications therefor as provided by law:

Donald R. Hauler
Ernest H. Meese
Theodore J. Trumble
Harry W. Wilhelm

The following-named (Naval Reserve officers) to be permanent lieutenants (junior grade) and temporary lieutenants in the Medical Corps of the Navy, subject to the qualifications therefor as provided by law:

Edgar J. Anderson
James W. Bland, Jr.
Jack Bocher
Garry O. Boyer
William M. Bradford
Frank W. Budd, Jr.
Jerry L. Case
Robert C. Cochran
Gerald L. Davis
Robert J. Davis
Lary S. Dobbs
Calvin B. Early
Eldon E. Fitch
Robert Fomalont
James S. Godwin
John W. Gruber
Laurus W. Lehwalder
Irwin E. Librot
Floyd L. Lummus
Donald E. Roy
Jerome R. Ryan
Paul J. Schneider
Donald D. Smith
Headley S. White, Jr.
Peter R. Whitis
George M. Young

Milton W. Kirkpatrick, Jr. (civilian college graduate) to be a permanent lieutenant (junior grade) in the Navy, for the performance of special duty only, law, subject to the qualifications therefor as provided by law.

William R. Medlin (officer candidate) to be a permanent lieutenant (junior grade) in the Navy, for the performance of special duty only, law, subject to the qualifications therefor as provided by law.

Peter R. Regal (Naval Reserve officer) to be a permanent lieutenant (junior grade) in the Navy, for the performance of special duty only, law, subject to the qualifications therefor as provided by law.

The following-named graduates from naval enlisted scientific educational program to be permanent ensigns in the line of the Navy, subject to qualifications therefor as provided by law:

Edmond L. Allen
George R. Almasi
William E. Armstrong
Jerry L. Belveal
Carl O. Brady
David H. Buell
Dudley E. Cass
Donald P. Covill
Jimmie "K" Coward
Charles C. Cox
Milton E. Davis
Robert B. Desens
Lawrence E. Erickson
Thomas D. Eubanks, Jr.
David E. Farlow
Ernest E. Gehrdes
Gerard W. Guerin
Harold M. Heggestad
Mark P. Horst, Jr.
Kenneth M. Johnson
George R. Johnston
Charles D. Judy
William D. Kisch
William E. Knight
Roy E. Lawton
Billy J. Leming
Gordon R. Mansfield
Gene C. Michael
Granval L. Morrow
James R. Nagel
Eugene D. Newton
Roger A. Nichols
Ronald G. Patterson
Lonnie J. Perry
Carl E. Poulsen
Ernest E. Ross
Frank J. Silvey
William A. Stinson
Douglas E. Story
Frank H. Taylor
William C. Trimble
George W. Uffmann
Miles E. Walborn
Donald E. Waltman
Carl E. Willman

The following-named officer candidates to be permanent ensigns in the line of the Navy, subject to the qualifications therefor as provided by law:

Albright, Robert E.
Anderson, Chase D.
Bortis, Jon H.
Burke, Gary L.
Capie, Donald J.
Challender, Jack L.
Clemenger, John W.
Cook, Roy H.
Cowart, John M.
Diehl, Robert W. J.
Fields, Billy J.
Frick, Frederick M.
Gaines, William A.
Hardy, James C.
Harper, Francis A.
Harris, Robert H.
Haskins, Toner C., Jr.
Howell, Robert L.
Hurley, Robert F., Jr.
Jackle, Rudolph E.
Kunsky, David A.
Lee, Joe R.
Lombardo, Stephen W.
Martin, Edward F., III
Mason, Henry B.
Massanari, Gerald J.
Mikolajczyk, Ronald J.
Pierce, Sidney R.
Reynolds, Franklin E.
Riess, Joseph R., Jr.
Schenck, William H.
Short, Travis E.
Siemer, John R.
Stevens, Paul L.
Streit, Dennis N.
Sutphen, Patricia C.
Van Allman, Alfred C.
Wallace, James J.
Wernert, Lawrence A.
Wilbur, Robert E.

The following-named officer candidates to be permanent ensigns in the Supply Corps of the Navy, subject to the qualifications therefor as provided by law:

Davee, Francis W.
Grim, James W.
Helmuth, Robert A.
Hunt, George A.
Johnson, Thomas L.
King, William D.
Morris, John D., III
Quinn, Kenneth J.
Rittenhouse, Ferness L.
Voyles, Clyde W.

The following-named enlisted personnel to be lieutenants (junior grade) in the Navy, limited duty only, for temporary service, in the classification indicated, subject to the qualifications therefor as provided by law:

DECK

Andersen, Olaf C., Jr.
Bagley, Aaron M.
Brewer, Ralph P.
Brodigan, Harold V.
Bryan, George B.
Burns, William C.
Bussell, Delmer H.
Byrne, Edward J.
Carr, John C.
Chew, William C.
Christopher, John R.
Delaney, Carl R.
Fee, Milton O.
Fulbright, Robert H.
Gideons, Linwood
Gosnell, James B.
Hamilton, William E.
Harris, Rex H.
Heebner, Newell G.
Hill, Oscar A.
Holsclaw, Charlie B.
Jones, Matthew E.
Joplin, Dock W.
Martin, Robert H.
Maxwell, James E.
Maxwell, Wayne P.
McCarthy, William J.
Murphy, James Michael P.
O'Donnell, Francis X.
Page, Gilbert G.
Richmond, Norman W.
Schiavone, Augelo A.
Sharples, Charles T.
Shealy, Paul L.
Solomon, Donald L.
Stuski, Benjamin J.
Styles, Harold J.
Swann, Oscar

OPERATIONS

Bednarek, Bernard B.
Biard, Andrew C., Jr.
Binkerd, Dale A.
Durham, Hollis M.
Gillespie, Owen L.
Klopfenstein, Ervin J.
Martinovich, Frank J.
Meadows, Elliott O.
Newland, James E.
Newton, Marple
Peters, Earl H.
Sturtevant, Richard E.
Williams, Ralph Z.
Wixom, Barney D.

ORDNANCE SURFACE

Allen, Richard
Bland, Joe R.
Blue, John D.
Callaghan, Roy P.
Carr, Denham L.
Clerico, Leo F.
Crawford, Jack
Cummings, James E.
Evans, Harry H.
Feldthouse, Harry W.
Gonsiewski, John
Griffin, John R., Jr.
Hailey, Russell E.
Henderson, Keith A.

Jagoditsch, Harold L.
Mahaffey, Joseph D.
Marinello, Anthony J.
Nelson, Grady L.
Nickerson, Ellis L.
Stierwalt, Charles A.

ORDNANCE CONTROL

Cook, Herman W.
Emerich, Wilbur P.
Ertl, Albert R.
Jazwienski, Theodore
Keene, Maurice E., Jr.
Kelley, John J., Jr.
Knapp, Charles E.
Milhorn, Harvey H.
Scruggs, James M.
Sheekey, Francis S.
Shortell, Gerald A.

ORDNANCE UNDERWATER

Chalecki, Stanley J.
Dornberg, Paul G.
Jones, Roger E.
Main, Elwin N.
Moon, Lester C.
Seaton, Billy L.

ADMINISTRATION

Bailey, Harry T.
Bardtman, Robert J.
Bobbitt, Heber B.
Borges, Robert P.
Bost, Darrell A.
Brien, George L., Jr.
Cole, William L.
Coleman, M. R.
Cox, James A.
Edmisten, Edgar H.
Eidson, Clyde D.
Eparvier, Norbert C.
Jones, Joseph F.
Knight, George K.
Knox, Joe B.
Kreher, William J.
Mahne, Lloyd J.
McElroy, Robert W.
Nicholls, Stanley K.
Roberts, George A.
Stout, Chester B., Jr.
Vanveen, Francis A.

ENGINEERING

Bailey, Eric P.
Baker, Leland W.
Bakewell, Wesley E.
Blomquist, Richard O.
Boyd, Leo H.
Britton, William R.
Brown, Elmer
Burkett, Wayne C.
Burnett, Albert A.
Burres, Morland E.
Cain, Norris F.
Christian, Ernest F.
Crockett, William J.
Dimpsey, Carbon P.
Dutrow, Arthur N.
Ellison, Melvin R.
Gavin, William H., Jr.
Geitz, Melvin L.
Griggs, Otis, Jr.
Hannan, Victor R.
Harbin, William W.
Harney, Walter J.
Harris, Lloyd T., Jr.
Henry, Hugh L.
Hoffman, Jesse W.
Hopkins, Richard G.
Isreal, Livingston B.
Jacobson, Jerome B.
Janas, Edward S.
Kitts, William F.
Kronberger, Robert S.
Lanini, Harold M.
Lewis, William
MacNeil, William R.
Malone, Herbert L.
Manly, Harold P., Jr.
Mansfield, William D.
Mason, Jesse G.
McGrath, James G.
Michelsen, Lane R.
Millikan, Keith E.
Ramborger, James K.
Reck, Richard L.
Reddy, Joseph P.
Ryan, Robert M.
Saner, Donald E.
Sedoris, Louis M.
Sessions, John F.
Skewes, Frank A.
Staszak, Richard S.
Swadley, Raymond C.
Taber, David C.
Tingle, Andrew J.
Vanheusen, Lewis J.
Verheijen, Gerrit J., Jr.
Warmunde, Aubrey H., Jr.
White, Robert E.
Wilhelm, George C.
Williams, Ronald E.
Wilson, Henry
Wiseman, Aaron D., Jr.
Wishchuk, John L.
Witzke, Bernard W.
Zimmerman, Francis H.
Zimmerman, Harold W.

HULL

Cloninger, John W.
Crowe, Norman H.
Dugas, Henry J.
Engel, Nathaniel J.
Goslin, Ellis
Harker, William P.
Hatchett, Monroe T.
Hazelwood, James R.
Johnson, Clayton J.
Keck, Abner W., Jr.
Lutes, Charles W.
Marbach, Louis R.
Odell, Delbert W.
Phillips, Robert G.
Riddle, Homer C.
Roberts, Thomas M.
Sorensen, Thomas S.
Stanfield, Marcus K.
Stout, James C.
Threadgill, Carl G.
Tiller, Frank
White, Arlie R.

ELECTRICIAN

Brannan, Harold D.
Briggs, Robert P.
Carlson, Jack J.
Coppersmith, John D.
Finney, Ivan K.
Fix, James E.
Hammer, Robert W.
Kooistra, Robert W.
Kshimetski, John J.
Kurtz, Clarence L.
Larose, Elliott F.
Massie, Branch R.
Matthews, James R.
Melville, Karl W.
Peterson, James A.
Pietras, Fred J.
Pino, Joseph A.
Plantz, Ernest V.
Ray, Charles R.
Sutter, Henry E.
Tahamont, David
Vaughn, Carl E.
Walton, Martin H.
White, Bob P.

ELECTRONICS

Allen, Earl A.
Blevins, Edward A.
Blevins, Richard S.
Buckley, Daniel L., Jr.
Bunte, Louis F.
Burnette, Ray E.
Catcher, Charles W.
Charlton, Fredrick E.
Elliott, Fred
Estes, Eugene H.
Eyman, Dale W.
Fox, Dale
Gilliland, Richard E.
Goans, George P.
Hayes, Marvin L.
Hibler, John F.
Ingram, Earl L.
Keinrath, Frank C.
Kirkwood, Billy M.
Larson, Donovan C.
Lindgren, Carl L.
Luna, Fred A.
Mason, Frank V.
Murray, William F., Jr.
Nole, Leonard J.
Olney, Warren M., Jr.
Pickle, Roy F.
Richardson, Arthur O.
Rollins, Robert L.
Smoak, Robert M.
Stephens, Kensel E.
Supek, Louis R.
Thursby, Cecil H.
Tobin, James D.
Waddell, Jean C.
Waidley, William E.
Weathers, Warren O.
Weaver, Woodrow W.
Wilcox, Arden J.
Williams, Chester W., Jr.
Wilson, William R.
Winegar, Winfield H.
Wortman, George E.

CRYPTOLOGY

Clancy, Robert J.
Ferguson, John T., Jr.
Finley, Thomas M., Jr.
Malloy, Bernard A.
Moses, Albert O.
Murray, Francis W.
Myers, Karl
Place, John E.
Scherrer, Roy S.
Steele, Maurice D.
Summerlin, Ben F.
Sutton, Troy J.
Walker, Harley E., Jr.

AVIATION OPERATIONS

Ashby, Robert
Bakko, Douglas E.
Barrett, Lewis E.
Boberg, Lloyd A.
Carr, Paul W.
Dunbar, John P.
Enochs, Jack M.
Garrigan, Kenneth J.
Gilbert, Charles W.
Hamel, Albert A.
Heckart, Harold
Honsaker, Herschel M.
Karr, Odie L.
McCann, Gerald L.
McCubbins, Marvin B.
Mullin, Carl V.
Olson, William A.
Sampson, William J.
White, Henry M., Jr.

PHOTOGRAPHY

Lawhead, Walter
Schmidt, Frederick D.
Sikes, Arthur D.
Smith, Robert P.
Temple, James W.
Wagner, Robert C.

AEROLOGY

Dean, Robert J., Jr.
Ivie, Francis M.
O'neill, William F.

AVIATION ORDNANCE

Alberghine, Peter
Baker, Hobart R.
Barnes, Charles L.
Bollenberg, Elmer F.
Brackin, Charles A.
Davis, Oscar B., Jr.
Griffith, Nelson L.
Holcomb, William D.
Honcharuk, John P.
Jolley, R. V.
Jones, Delbert C.
Jones, Orville D.
Karnes, Allen O.
Levesque, Bertrand H.
Logan, Bartlett W.
Marlin, Melvin C.
McEvers, James E.
Ray, Courtney D.
Redburn, Billie H.
Swafford, William T.
Wheeland, Paul P.

AVIATION ELECTRONICS

Bransom, Frank H.
Coleman, Donald E.
Dahl, Donald E.
Gromyko, Alexander F.
Hammond, Carl W.
Hudson, Robert D.
Johnson, Armer W.
Kline, Frank E.
Knepp, Henry W., Jr.
Kohler, Donald L.
Lagerman, James C.
Rivest, Omer E.
Rosander, Roger E.
Welsh, Joseph W.
Wireman, Paul H.
Wojcik, Richard W.

AVIATION MAINTENANCE

Ballard, Wallace L., Jr.
Barber, Clyde C.
Bartlett, William D.
Beddard, John R.
Bruce, Jack.
Campbell, Ernest R.
Choate, Stephen L.
Cooper, Finis E., Jr.
Cornell, Henri V.
Davis, John E.
Deel, Wallace M.
Demoret, Russell W.
Domanski, Leonard
Dougard, Peter F.
Duggan, Thomas H.
Earle, George G.
Gates, Joseph D.
Gurnon, Paul J.
Hawkins, William J.
Kallstrom, Lawrence W.
Kaszycki, Charles J.
Keegan, Joseph J.
Kline, Norman S.
Kuiper, Lammert, Jr.
Lee, Robert R.
Leyden, John J.
McClurg, Theodore H., Jr.
Montgomery, Morris
Norman, William F.
Prescott, Ronald G.
Sikes, John B.
Steed, Tom B.
Walker, Leo F.
Wilson, Herbert C.
Workman, Russell E.

SUPPLY CORPS

Corbett, Vergie E.
Rush, William G.
Scruggs, Claude P.
Weinsteger, Robert R.

The following-named warrant officers to be lieutenants in the Navy, limited duty only, for temporary service, in the classifications indicated, subject to the qualifications therefor as provided by law:

DECK

Joseph S. Cone
Billy G. Lyons

ENGINEERING

Winfield S. Skallet

CIVIL ENGINEER CORPS

Virgil W. Watkins

The following-named warrant officers to be lieutenants (junior grade) in the Navy, limited duty only, for temporary service, in the classifications indicated, subject to the qualifications therefor as provided by law:

DECK

Norman E. Goldsmith
Milford I. Gordon
Jerry J. Jacob
James W. Quick

ORDNANCE, SURFACE

Kenneth H. Broomhead

ADMINISTRATION

Alfred S. Kelley
John C. Lordan

ENGINEERING

Boyd A. Brown
Paul E. Gould
Delous R. Sparkman

HULL

Albert M. Aspenwall
Sidney L. Getz

ELECTRICIAN

Charles W. Bland
Harold L. Boone
John T. Norris
Irwin W. Popp
Jack A. Roberts
Richard L. Robinson
Frederick A. Slemp

ELECTRONICS

William R. Alverson
Harland D. Anderson
Thomas M. Applegate
William E. Blizzard
Norman D. Blotz
Jack Lancaster
Louis M. Laterza
Relle L. Lyman
Edward F. McLarney, Jr.
Tracy R. Mixon

CRYPTOLOGY

James D. Flaningam
Richard F. Litzinger
Clair B. White

AEROLOGY

Raymond Brykczynski

AVIATION ELECTRONICS

Bobby R. Pharis

SUPPLY CORPS

Allen F. Ashbacher
Lind B. Blackwell
William H. Crabtree
John Fedora
Earl W. Graves
James A. Hults
Warren E. Lindberg
Robert A. McClure
Robert L. Schlenker
Carmen N. Stigliano
Cecil J. Talbot
Adrian R. Young

The following-named personnel to be ensigns in the Navy, limited duty only, for temporary service, in the classification indicated, subject to the qualifications therefor as provided by law:

DECK

Baker, Charlie R.
Best, Jimmie M.
Brann, James G.
Brown, Thomas L.
Carrow, Robert S.
Casey, Terry
Cassanova, Edgar G.
Courtney, William R.
Dew, Thomas E.
Driver, Harry W.
Eichman, Thurman E.
Farrell, William J.
Goodin, William F.
Hawley, Raymond M.
Holcomb, Charles E.
Hollingsworth, Donald L.
Horton, Leslie E.

Horvatic, Thomas L.
Jones, Eldridge L., Jr.
Jones, Paul F.
Karwoski, Daniel A.
Kent, Joseph F.
Lachance, Ralph R.
Lockhart, Howard
Locklear, Edsel
Lonnon, Lawrence W.
Maurath, Mervyn D.
McColgan, John F.
Melton, John W.
Morris, Carlton M., Jr.
Murphy, Dennis J., Jr.
Myers, Elvyn L., Jr.
Owens, Robert H.
Peck, Bert L.
Pierce, Roy, Jr.
Porter, Bud E.
Schafer, Kenneth R.
Sheffield, George A., Jr.
Sherer, Cecil W., Jr.
Smith, Edward J.
Staggs, James C.
Stanley, Jay L.
Stemrich, Patrick J.
Swickey, James N.
Trinka, Anton J.
Truesdell, Gordon K.
Vadinsky, George
Walker, Marion E.
Waters, Gordy W.
Wheaton, James H., Jr.
Zaruba, Robert J.
Zogg, Raymond J.

OPERATIONS

Bopp, Stanley O.
Brenton, George W.
Byerley, Ray M.
Charette, Alfred A., Jr.
Chicoine, Eugene P.
Conjura, John E.
Debuzna, Joseph A.
Hewitt, Robert E.
Ingram, Kenneth K.
Ivanoff, George R.
Johnson, Arnold G.
Lamont, Robert F.
Mazzi, Arnold O.
McMahon, James T.
McNeece, John O.
Milacek, Emil C., Jr.
Morgan, James L.
Murtha, William P.
Ohler, Herman
Paulson, Leonard W.
Reilly, Leo J.
Richards, Stewart W.
Schindler, Richard B.
Stalter, James E.
Stubbs, Leslie E.
Taylor, Delbert J.
Thomas, David D.
West, William A.
Wiltgen, Donald G.
Wright, Eugene

ORDNANCE SURFACE

Baker, Deforest
Blakeslee, Jay D.
Cotter, Thomas J.
Dolezal, Raymond E.
Foster, Donald E.
Kelly, Thomas E.
Kosiak, Leonard J.
Kuhn, William A.
McGuire, George F.
Nall, Franklin D.
Richards, Alva G.
Sharps, Alfred R.
Tew, Glider C.
Tuck, Gordon L.
Weeks, Charles E.
Young, Willie A.

ORDNANCE CONTROL

Bacon, Earl L., Jr.
Downing, Robert M.
Hamilton, Wayne E.
Kolb, William W.
Levasseur, Camille J.
McMurrin, Donald L.
Olds, Harry M.
Olson, Laverne C.
Paddock, George R.
Powell, Robert H.
Pugh, Rex A.
Regnier, Donald L.
Schrope, John R.
Watts, Malcolm G.
Wilkey, Larry J.

ORDNANCE UNDERWATER

Bays, Robert
Benintende, Bob
Billings, Richard A.
Blaske, William D.
Boreen, Allen R.
Buckley, William C.
Burtram, Roderick
Decrona, Donald A.
Draper, Francis A.
Elston, Harold E.
Faust, Charles E.
Kreusch, Bernard A.
McGee, James H.
Olsen, Richard A.
Patterson, Wilbur R.
Poore, Alfred M.
Ronan, Lawrence E.
Sexton, George R.
Walraven, Leonard W.
Winsor, Robert A., Jr.

ADMINISTRATION

Anderson, Bael L.
Bailey, Artise G., Jr.
Beach, Robert R.
Becker, Richard T.
Bernier, Gerald A.
Bolin, Edmund G.
Charette, Francis W.
Craft, James H.
Cross, Hobart W.
Daly, Edward L.
Demarra, Gilbert J.
Donnelly, William K.
Dougherty, Thomas G.
Dunton, Lloyd W., Jr.
Ellis, Joseph L.
Elwell, Royce G.
Feeney, Thomas F., Jr.
Hammerton, George A.
Huchko, William A.
Hutchinson, Jack G.
Jacobs, Lawrence R.
Jones, Robert D.
Keadle, Alvin O.
Kemp, Edward E.
Kohler, Robert W.
Krivy, Albert
Kuhn, Frank R.
Lapeter, Alfred, Jr.
Lloyd, Albert E., Jr.
Lombard, Dorn R.
McQuaig, Clarence M.
Mings, William C.
Murray, Gilbert C.
Murray, William M.
Osburn, William H.
Schofield, Roger F.
Seeber, Lauren
Shirk, Robert L., Jr.
Smith, Owen R.
Wade, Jack W.
Werling, Donald F.
Williams, Charles W.
Winslow, Donald E.

BANDMASTERS

Patterson, Donald D.
Weir, Glendon H.

ENGINEERING

Anderson, Earl N. J.
Angel, Arnold
Arner, Raymond T.
Austin, Thomas F.
Bailey, Ralph G.
Bass, Julius P., Jr.
Billeaudeau, Donald J.
Bovat, Lawrence B.
Boyes, Edward T.
Bradley, William H.
Brown, William H.
Brunner, Robert F.
Burford, Ronald E.
Chittenden, Eldon F.
Clark, Menzo T.
Conner, Joseph D.
Corbaley, Leonard H.
Corley, Charles E.
Cornia, Howard
Crawford, Gerald R.
Crayton, Johnny L.
Curry, Harry G.
Darrah, Paul F.
Davis, Robert J.
Denton, William H.
Dibble, John P.
Dix, Paul G.
Doran, George W.
Duncan, Glenn L.
Durkee, Albert W.
Eggar, Mathew C.
Einspruch, Henry, Jr.
Fiasco, Joseph R.
Fleenor, Harold E.
Friedman, Paul D.
Fuchs, Robert E.
Geis, Neil F.
Gregg, John J.
Haff, Edwin W., Jr.
Hallead, William C.
Hatfield, Richard E.
Hensley, Andrew J.
Herrmann, John S.
Hinkel, Harold J.
James, Robert N.
Johns, Constantine A.
Jones, James R.
Kathan, Robert H.
Keith, Robert S.
Kelsey, Thomas P.
Kirchner, John
Kirkland, David O.
Kozel, George J.
Krenn, Roger W.
Kurrus, John B.
Lahaszow, John S.
Leboeuf, Lovencie A.
Lemmer, Karl F.
Leonard, William J.
Levi, George E.
Livendale, George W.
Lubinski, Roman R.
Mason, Thomas E.
McAfee, Harry M.
McDaniel, Lonnie W.
McGarry, John J.
Merlino, Emidio J.
Metcalfe, Charles E.
Moore, Daniel W.
Moore, Lawrence B.
Moshenrose, Charles A.
Moyle, Robert K.
Odle, Billy F.
Pass, Rosendo J.
Pemp, Joseph J., Jr.
Pennington, Donald E.
Regan, John F.
Richey, John M.
Robbins, Robert C., Jr.
Robinson, William L.
Self, George H.
Shackelford, Arlo C.
Shipp, Eugene H.
Smith, George B.
Steward, Mobray W.
Storms, Kenneth J.
Suckow, Wayne W.
Thibeault, Frederick L.
Thoman, Kenneth P.
Thompson, Eugene C.
Tipps, Robert L.
Tobias, Charles E.
Walker, James F.
Ward, Thomas V.
Weeks, Letcher G.
Wern, Robert O.
Werst, Paul L.
Wertz, Edward J.
Willett, D. G.
Wolfe, Charles J.
Wolfgang, Paul W.
Wood, Gerald W.
Wood, Richard A.

HULL

Bardsley, Ralph L.
Barr, Robert K., Jr.
Bennett, Howard G.
Branch, Melvin B.
Burris, Richard E.
Denney, James R.
Eater, Charles H.
Felhofer, Richard D.
Finotti, Donald G.
Foret, Minest J.
Freeman, George A.
French, Stanley L.
Graham, Billy M.
Gressett, Otho C., Jr.
Horais, Antone E.
Jones, Iver L.
Kowalski, August C.
Kuepker, Donald L.
Lawler, Edward J.
Lee, Kenneth S.
Logue, John F.
Marley, Percy F.
Matyasovics, John V.
McIntyre, James E.
Miner, James R.
Naquin, John C.
Peterman, David N.
Pfahler, Richard N.
Phillips, Ernest E., Jr.
Phillips, Gerald D.
Pratte, Roy J.
Provaznik, Clarence E.
Rich, David R.
Ruch, Werner F.
Storey, Albert C.
Taylor, Bruce A., Jr.
Thomson, Alexander
Tremblay, Maurice U.
Trombly, Edgar G.
Valiant, Vernon F.
Vesseliza, Robert R.
Vincent, Chester
Whitcomb, David H.

ELECTRICIAN

Bailey, Jerold D.
Baker, Garrett E.
Bauldin, Elmer L.
Blake, Charles L., Jr.
Bobbitt, Bert A.
Bond, Duane A.
Bost, Donald W.
Briggs, Edward
Briggs, Robert H.
Bucholz, Albert A., Jr.
Carroll, Charles C.
Clark, Donald D.
Cromwell, Dale G.
Curry, Edward M., Jr.
Devine, Thomas A.
Dombrowski, Walter, Jr.
Draper, John F.
Dryden, William T.
Eason, Spencer C., III
Everett, Sherley J.
Glivings, Rudolph
Henderson, Thomas S.
Hoard, Mahlon J
Hoffman, Richard P.
Hovey, Cecil C.
Howle, Charles E.
Howser, Charles R.
Hroneck, William R.
Jacobsen, Ronald D.
Lefaver, Ralph J.
Lucas, Edward
Mackay, John G., Jr.
Maynard, William T.
McElhiney, Ivan G.
McQuaig, Mack A.
Monroe, Ira T.
Oaks, Eugene W.
Olson, Carl G.
Olson, Leray
Parise, Merle J.
Parnell, Charles E., Jr.
Pearson, Raymond T.
Rakiewicz, Theodore W., Jr.
Reese, Francis B.
Regan, James J., Jr.
Reichenberger, Donovan L.
Schwaderer, Darwin L.
Senkiw, Frank
Smith, John W.
Stryker, Phillip C., Jr.
Victor, Edward G.
Walker, Thomas L.
Waterfield, Russell J.
Webb, Jack K.
Williams, Anthony J.
Woods, Ralph H.
Wright, William E.
Young, James L.

ELECTRONICS

Alderete, Joe
Amaya, Norval G.
Andes, Robert C.
Atwood, Charles H.
Ball, Robert L.
Ballard, Duane C.
Ballew, William C.
Barnett, Donald C.
Bartel, Roger R.
Belile, Curtis E.
Bell, William D.
Bergo, John T.
Bibb, Irvin R.
Blackmer, Richard L.
Booth, Russell L.
Bozarth, Jack E.
Bramble, Keith K.
Britt, Joel H.
Butler, Joseph M.
Carroll, Norman L.
Chandler, Fred G.
Chubboy, Louis M.
Clark, James W.
Cole, Jasper F.
Cook, Richard P.
Deisinger, Robert A.
Derr, Donald A.
Ditmore, Kenneth J.
Drewett, James E.
Drumm, Gerald
Dudley, Nicholas L.
Dunn, Anthony T.
Dunn, Edward D., Jr.
Eberth, Raymond L.
Emmons, Ernest E.
Eubank, Garl L., Jr.
Ewald, Herman E.
Ferguson, Billy J.
Fitzsimon, John P., Jr.
Foley, John H.
Goodman, Gene L.
Hames, William J.
Hawley, Myron S.
Holland, Samuel T.
Johnson, Jesse H.
Johnson, Rolland D.
Karcher, Bruce P.
Keck, Alvin D.
Kirkwood, William W.
Knowles, John T.
Krause, Lawrence C.
Landers, Fordyce R.
Lane, James B.
Livernois, Omer A., Jr.
Lott, Lawrence E.
Lulchuk, Daniel
Macdonald, Kay L.
McCall, William D.
McCarthy, David J.
McCarthy, Jack R.
McCusker, Arthur E.
McGuire, John F.
McKeon, Guy R.
McVey, Robert E.
Mitchell, George E.
Mitchell, James B.
Munger, Don F.
O'Brien, Arthur J.
O'Brien, Jack W.
O'Rourke, William G.
Pennington, Donald R.
Press, Charles G.
Pritchard, Donald G.
Pullen, Ellis M.
Purcell, Raymond R.
Richardson, Malcolm E.
Robinson, Arnold
Rolow, Melford D.
Setser, Beve W.
Sheldon, Richard P.
Smith, Wayne R.
Stephenson, Max O.
Stott, Gerald R.
Tatom, Charles H.
Teal, Robert G.
Tolson, Arthur G.
Truesdell, Charles L.
Wallen, James D.
White, Harold D., Jr.
White, Walter E.
Wigley, Duane L.
Wilcox, Everett E.
Willis, Irving E.
Wolf, Theodore
Wooster, Robert G.
Young, Harry M.

AVIATION OPERATIONS

Acree, Paul G.
Aeder, Marvin H.
Anderson, John L.
Barnes, Frank
Brauer, Gordon R.
Burns, Herbert W.
Chastain, Raymond T.
Clyncke, Donald R.
Connor, Ernie E.
Diselrod, John E.
Drake, George H., Jr.
Gregor, John T.
Groth, Richard R.
Groves, Frank
Harvey, Marvin T., Jr.
Hathaway, Clifford D.
Hilton, Washington C.
Hockman, Robert E.
Hult, Robert A.
Hutton, Kenneth L.
Johnson, Daryl D.
Kanes, James C.
King, Walter, Jr.
Kupfer, John B.

Lantz, Stephen P.
Lindmark, Bruce W.
Lound, Herbert D.
Morley, Thomas D.
Norris, Richard D.
Palmer, Shirley R.
Pelkey, Frank D.
Perna, Gerald M.
Porter, Kennard L.
Powell, Millard E.
Pulver, William D.
Scott, Barry R.
Snyder, Harold S., Jr.
Snyder, Paul A.
Stickney, Paul T.
Story, Edward R.
Weller, Edward E.
White, Arthur I., Jr.
Wiggins, Gilbert
Williamson, Robert V.
Young, Robert L.

CRYPTOLOGY

Backus, Richard
Black, Herbert L.
Conners, Kenneth, Jr.
Curran, Lawrence A.
Fink, Raymond C., Jr.
Gidusko, John E.
Hands, Donald D.
Jacob, Daniel J.
Keenum, Guy
Kopanski, John W.
Meyer, Donald R.
Mishico, Charles G., Jr.
Moore, Jerry R.
Newcomb, John E.
Petkiewicz, Joseph M.
Poulin, Norman R.
Rash, John R.
Rivett, Stanley E.
Rummel, Harold L.
Stephan, Roland C.
Strunk, Bernard
Thompson, Robert L.
Vinson, Walter D.
Westcoat, William C., II

PHOTOGRAPHY

Clark, William L.
Claypool, Robert G.
Coffman, James C.
Econie, L. R.
Gaal, Robert L.
Glockner, Herman O.
Hemphill, Harold S.
Hubbard, George D., Jr.
Hursh, Learmel
Johnston, Robert S.
Kemp, William R.
Kennedy, Michael J.
Larsen, Calvin L.
Liles, Paul E.
Madonia, Vincent
Mattson, Peter A.
Moffatt, Walter S.
Murphy, Robert S.
Nelson, Leonard M.
Noss, Edward A.
Olson, Waldemar M.
O'Reilly, Robert F.
Tellas, Robert F.
Tibbetts, Phillip H.

AEROLOGY

Ames, Laverne A.
Baillie, Frank A., Jr.
Colaw, Kenneth S.
Freeman, Robert F.
Hennessy, Raymond W.
Leonard, Robert L.
Mills, Duane A.
Snell, Alfred W.
Tyrrel, Norman L.

AVIATION ORDNANCE

Backlund, Robert A.
Bagshaw, George F.
Chaney, William H.
Fleming, Charles W.
Foster, Claud A., Jr.
French, Robert L.
Guest, Robert E.
Hagerup, Jack E.
Halenza, Hal R.
Haney, Paul I., Jr.
Hesch, Arthur A., Jr.
Hovious, Richard A.
Jahr, Gerald A.
Jennings, Benjamin F.
Kennebeck, Donald F.
Lamoureux, George J.
Leach, Edward E.
Lowas, Emil P.
Ludena, Roy
Lyons, Arvid F.
Norcross, William G.
O'Brien, Charles V., Jr.
Ordway, Eugene C.
Perreault, Joseph E.
Porter, William S., Jr.
Smith, Robert E.
Sullivan, John L.
Teeter, Ivan O.
Webb, Walter V.
White, John K.

AVIATION ELECTRONICS

Ballew, Robert D.
Baum, James F.
Burgess, James M.
Carder, William H.
Carver, Donald B.
Ellis, William C., Jr.
Farnsworth, Blaine K.
Flanagan, Walter B.
Fusco, Charles
Haag, Robert L.
Hall, Allan M.
Healy, James B.
Heckman, Robert J.
Hite, Thomas H.
Johnson, Perry E. J.
Kent, Bennie R.
Lehman, Harry
Mattis, James B.
McDaniels, Joseph E.
McIntosh, Paul B.
Miller, Henry E.
Mimms, James L.
Moore, Charles D.
O'Borne, Laurence E.
Oliver, Richard J.
O'Shea, Joseph P.
Paul, Gerald E.
Ragan, James E.
Rosenthal, Joseph E.
Schlicht, Edward J.
Schmidt, Harold C.
Scott, Wilfred E.
Sehorn, Donald D.
Shoop, Donald A.
Singleton, Harold L.
Smith, Charles T.
Stokes, Paul A.
Thomas, Charles J.
Thomas, William C.
Todd, Edwin H.
West, Gary G.
Williams, John A.
Wolfe, Clarence H., Jr.

AVIATION MAINTENANCE

Alka, Richard L.
Bledsoe, John F.
Butler, Vernon R.
Chasteen, Jerry S.
Chuhran, Patrick J.
Conners, Joseph K.
Dalzell, William J.
Deberry, John M.
Donham, Harry J., Jr.
Dyer, Robert D.
Edmondson, Donald M.
Heald, George F.
Huwe, Clarence T. O.
Johnson, Arthur L.
Kennedy, James J.
King, Harold W.
Lefevers, Jerry D.
Lowe, Forrest D.
Magann, Archie R.
Maher, Thomas M., Jr.
McGoon, Douglas J.
Minahan, Martin W.
Nelson, Edward J.
Newcomb, Milton E.
Norris, James R.
Oliver, Richard L.
Patterson, Donald F.
Provine, John A.
Rodriguez, Alfonse B.
Sanders, George W.
Shiller, Alfred T.
Simmons, Roger B.
Sirmans, Vernon R.
Starnes, Glenn M.
Steiner, Morris W.
Stewart, Douglas R.
Stuart, George L.
Whiting, Clinton T.
Yost, James A.
Yunker, Orland W.

SUPPLY CORPS

Amacker, Jesse D.
Aten, Raymond L.
Basham, Carman L.
Bianco, Thomas A., Jr.
Blankenfeld, Emmitt E.
Burkley, Richard J.
Burks, Leroy
Burns, Norman H.
Burns, Robert T.
Butler, Wesley E.
Caudle, Allen D., Jr.
Chappell, Richard G.
Clark, Robert H.
Conner, Robert J.
Contreras, Paulino
Conway, James D.
Cook, Herman T.
Corbin, Earl L.
Crane, Wilborn G.
Craun, Alfred D.
Cullerton, Gerald M.
Deinzer, William A.
Dominy, Wilbur D.
Duncan, Francis E.
Evans, Albert F.
Evans, Charles E.
Fisher, Orville L., Jr.
Fussell, John D., Jr.
Gabel, Robert J.
Germann, William J.
George, Leon
Gibbs, Elton L.
Gibson, Robert E.
Gilliland, Paul E.
Hale, John A.
Hardwick, Curtis L.
Hart, Donald L.
Haynes, William M., Jr.
Hoppe, Robert C.
Howell, James P.
James, Robert C.
Jeffries, Ray L.
Klaus, Milford E.
Kueck, Clarence F.
Leon, Albert
Lines, Donald P.
Lyons, Donald J.
McCollough, Wesley L.
Moore, Charles T.
Moran, Thomas A.
Mutchler, Jack R.
Poling, Harold A.
Powell, Jack W.
Prelosky, Richard N.
Quirk, Thomas M.
Sadler, David H.
Sardella, Leo J.
Sauvage, Harley P.
Schmitt, Edmund V.
Sheehan, Gene F.
Smith, Charles E.
Smith, Leo L., Jr.
Tallant, Arnold
Thomas, Watson W.
Traaen, Lloyd H.
Vaughan, George F.
Walker, Charles K.
Wilkinson, Billie B.
Wolstencroft, Fred, Jr.
Wood, Leonard L.
Woody, Robert W.
Young, Kirk M., Jr.
Zellmer, Darrel F.

CIVIL ENGINEER CORPS

Armentrout, Harlan W.
Bates, Ronald G.
Bookhardt, Edward L., Jr.
Bradfield, Phillip P.
Chapman, Charley L.
Gruhn, Gordon G.
Roberts, Ray D.
Wadsworth, Robert W.

The following-named enlisted personnel selected as alternates to be lieutenants (junior grade) in the Navy, limited duty only, for temporary service, in the classifications indicated, subject to the qualifications therefor as provided by law:

DECK

Edwards, Z. T.
Wilson, Eugene J.
Mustain, Kenneth A.
Milas, Forrest M.
Taft, James R.
Trimbur, Arthur F.
Economides, Lester J.
Reason, James E.
Vogt, John F.
Runyan, James H.
Gwinn, Cornelius B., Jr.
Johnston, George D., Jr.
Hughes, Audra L.
Ware, James R., Jr.
Watson, James D.
Green, Robert B.
Sullivan, Francis J.
Riegel, Norman W., Sr.
Continelli, Joseph A.
Williams, Ersel M.
Hall, Charles E.
Adamson, William F.
Withers, John H.
Jordan, Floyd R.
Guest, Frederick H.
Sellers, Gurley N., Jr.
Baker, Robert J.
Newton, Carlos F.
Paladino, Vincent T.
Zanoni, Angelo J.
Dye, Dale F.
Wilson, Homer C.
Cobb, Loren H.
Cole, Okey, Jr.
Gay, Joseph V.
Larrabee, Walter I.
Hamilton, Donald A.
Havey, John J.
Emerson, Fred C.
Berke, Lewis W.
Jeffreys, Robert L.
Kehr, John H.

OPERATIONS

Nave, Lincoln D., Jr.
Glendon, Bernard P.
Christenson, Edward O., Jr.
Seredynski, John F.
Mihelic, Toney
Peters, Billy P.
Green, Floyd A.
Jones, Frank, Jr.
MacDougall, Donald B.
Hamilton, Maynard L.
Moore, Gerald R.
Walters, Jimmy C.
Purpura, Frank F.
Johnston, Bruce E.
Whitemore, William F.
McDaniel, Joe H.
Fey, Edwin C.
Tussing, Jearold A.
Gilliam, Warren P.
Beye, Fred L.
Boyles, Aubrey L.
Cheek, William H.
Bridges, Jack H.
Wallace, Eddie H.
Perry, Chester A.
Rees, Robert L.
Bassett, Melvin E.
Sims, James A.
Benninger, James E.
Johnston, Silas G., Jr.
Ellis, Floyd W.
Vaughan, Ishamel W.
Youmans, Grenville
Previto, Leonard R.
Nagel, Howard A.
Jones, Eugene F.
Vaughn, Thurman H.

ORDNANCE SURFACE

Gibson, Harry O., Jr.
Burau, Charles E.
Wiley, Bill B.
Davis, Robert C.
Cochran, Melvin A.
Wondolowski, Alexander A.
Dortch, Edwin B.
Risch, Philip A., Jr.
Hutchelson, Henry L.
Bearden, Jay L.
West, Norris R.
Smith, Clarence T.
Reagan, Virgil B.
Tighe, Jack L.
Gibson, Eugene E.
Morrow, Benjamin H.
Poole, William W., Jr.
Kozlowski, Charles C.
Carter, Robert W.
Dean, Francis J.
Trainor, John J.
Leroy, Charles W.
Malfer, Mario A.
Dale, Kenneth L.
Fouts, Alan A.
Guthrie, Richard J.
Bradley, Marlon D.
Brandon, William R.
Dellagiacoma, John
Lowey, Michael E.
Skinner, Melvyn R.
Snyder, Jack J.
Polson, C. L.
Grace, John P.
Milanowski, Edward J.
Burston, Robert
Snow, Walter A.

ORDNANCE UNDERWATER

Larch, Lynus J.
Mack, Norman
Banasky, Albert J.
Moons, Joseph F.
Nisonger, Bliss E.
Malone, Charles D.
Cunningham, William M.
Smith, John G.
Phelps, Leeman H.

ADMINISTRATION

McMasters, James A.
Nagy, Joseph F.
Quinley, Charles W.
Galyon, Thurlow A.
Beshears, James O.
Tiller, Richard J.
Allen, Kenneth H.
Carter, James W.
McCarthy, Edward H., Jr.
Chiriac, Mark B.
Lozano, Johnnie B., Jr.
Bruce, Geary A.
Nadeau, Joseph R. D.
Hayden, Robert P.
Starnes, Charles M.
Burroughs, Joseph G.
Seeley, Orland C., Jr.
Salrin, Orvis D., Jr.
Kimmons, Carl E.
Uriell, Harlan F.
Cusick, Roland R.
Hepner, Fred D.
Schneider, Jack L. C.
Davis, James T.
Wice, Leroy P.

ENGINEERING

Barker, Fred J.
Hoeft, Max D.
Morrison, George H.
Cunningham, Derwood D.
Ives, Charles O.
Lakin, Charles R.
Childress, Howard R.
Spencer, Oscar M.
Lair, Graham P.
Powell, Bernard N.
Duncan, Gilbert L.
Barker, Donald R.
Green, Raymond M.
Morgan, Alva E.
Paulk, Cyrus M.
Eskildsen, Leo A.
Young, David S.
Kloster, Orville D.
Cordy, Dalice W.
Wheeler, Herbert C.
Watkins, William R.
Sorrie, James
Ritchie, Doyle E.
Hatton, Samuel F.
Longtin, Frank J.
Reefe, Clarence E.
Adcock, John M., Jr.
Arch, Wilbur R.
Delaura, John
Hawkins, Henry B.
Bass, Deward F.
Krieger, Elmer H., Jr.
Logan, Russell A., Jr.

Salerni, Paul N.
Brown, Donald P.
Deangelo, Joseph J.
Dilloway, Joseph E.
Atwood, Lewis H.
Kubilus, Edward J.
Smith, Stanley R.
Rose, Guy M.
Fredricksen, George J.
Bacon, Herbert C.
Summerson, Richard B.
Johnson, Manley L.
Richardson, Albert J.
McBride, William F.
Armstrong, James K.
Goldsmith, James B.
Leshon, Angelo, Jr.
Stimpson, Mark A.

HULL

Beadle, Lee C.
Cave, George P.
Smith, Gordon M.
Robinette, Jack C.
Fagan, Christopher M.
Perry, Albert H.
Miner, Dale L.
Smith, Gavin E.
Casebolt, John H., Jr.
Young, Carroll J.
Carrier, Milton F.
Merkling, Joseph R.
Rice, Leonard
Smith, Arthur H.
Campbell, Hubert R.

ELECTRICIAN

Henderson, Harold J., Jr.
Kaluza, Theodore A.
Geddes, Donald R.
Hight, Jim T.
Soals, Woodrow W.
Andrews, Dennis A.
Teeters, Wilbur E.
Atkins, James L.
Tripoli, Cosmo M.
Damon, Richard W. H.
Riden, Harold W.

CRYPTOLOGY

Pierce, James C.
Cajthaml, Frank
Courtney, John J., Jr.
Haizlip, Jack
Strickland, Robert L.
Williams, Gerald E.
Taylor, Forrest T.

AVIATION OPERATIONS

Pye, Horace L.
Fife, Robert R.
Matticks, Basil F.
Pick, James D.
Clontz, Clarence E.
West, Douglas R.
Fahlstrom, Edward J.
Mullen, Lawrence G.
Scott, John P.
Claar, Harry L.
Spille, Samuel J.
Hanggeli, William H.
Juber, Clarence W.
Fehr, John W.
Ittner, Robert H.
Williamson, Varnadore M.

PHOTOGRAPHY

McKinney, Robert F.
Yeaman, Myrl A.
Hufner, Frederick G., Jr.
King, Charles T.

AEROLOGY

Zeller, Louis S.
Taylor, Richard I.

AVIATION ORDNANCE

Gardner, Frank M., Jr.
Forsythe, Daniel H.
Adams, Homer
Gillette, Raymond N.
Dionne, Edgar W.
May, Kenneth E.
Lovett, Irvin E.
Oneal, Herbert E.
Swearingen, Howard W.
Black, Oscar T.
Edwards, Linier L.
Dean, William L.
Miller, Carl V., Jr.
Jones, Bennie C.
Hollandsworth, Robert D.
Smith, Joseph T.
Giddens, Robert G.
Stobbs, Emmett E.
Links, William E.

AVIATION ELECTRONICS

Coussens, Paul H.
Kelton, Allan H.
Martin, William P.
Peloquin, Alfred E.
Mullvain, Harold E.
Hicks, Jack D.
Cummins, Melvin B.
Seefried, Kenneth J.
Browne, Walter L., Jr.
Vance, Earl D.
Brewton, Burt
McCoy, Raymond H.
Hakenewerth, Herbert P.
Maschinski, Bernard A.
Beyers, Paul H.

AVIATION MAINTENANCE

Schatz, Fred G.
Calder, James H.
Landon, Walter E.
Brown, John J.
Edmonds, James L.
Kelley, Thomas D.
Lorang, Alphonse J.
Beatty, Arthur, Jr.
O'Hearn, David W., Jr.
Lee, Rodney B.
Anton, Anthony A., Jr.
Chance, John M.
McCarter, Hilliard M.
Schneck, Don O.
Shealy, Tirey D.
Stafford, Earl A.
Reagan, Stanley D.
Wilson, Clyde C.
Wofford, Thomas M.
Watson, Robert F.
Meyers, Clement R., Jr.
Britt, John R.
Clement, Robert M.
Crawford, Franklin E.
Matthews, Duran H.
Bolin, Norman C.
Ballou, Thomas B.
Earner, Stephen J.
Cook, Morgan
Clark, James C.

SUPPLY CORPS

Sharron, Richard O.

The following-named enlisted personnel selected as alternates to be ensigns in the Navy, limited duty only, for temporary service, in the classifications indicated, subject to the qualifications therefor as provided by law:

OPERATIONS

Tull, Lloyd W.
King, Edward L.
Kleinlein, Louis E.

ADMINISTRATION

Keller, Paul P.
Moore, Ralph S.
Swanson, Charles E.
Logsdon, Charles F.
Hoover, John L., Jr.

HULL

Hatton, Lester W., Jr.
Lehman, Jack E.
McCool, James J.
Collins, Ralph E.
Schneider, Herbert P., Jr.

ELECTRICIAN

Iobst, Paul H., Jr.
Herda, George F.
Abbey, Clifton R.
McDonald, John L., Jr.
Degnan, Joseph E.

ELECTRONICS

Lynch, Daniel W.
Hughes, Carl D.
Craig, Dean W.
Loggans, Albert M.
Adams, Paul E.
Ungerman, William E.
Hascall, Winton R.
Evans, John K.

CRYPTOLOGY

Anderson, James D.
Lewis, Graydon A.
Miller, Beryl C.

AVIATION OPERATIONS

Fullerton, John P.
Journey, Robert J.
Sanders, Charles T.
Haley, Joseph R.

AEROLOGY

Bare, Robert J.

AVIATION ORDNANCE

Wilson, Earl T.
Ryan, Richard C.
Rising, Richard E.

AVIATION MAINTENANCE

Daymude, John O.
Wright, James R.
Jacobs, Aaron K.
Stumpe, Clarence H.

SUPPLY CORPS

Dupes, James L.
Bergeron, Wilfred J., Jr.
Hall, George T.
Tripp, Donald E.

Lt. Harry J. Buck, U.S. Navy, for permanent promotion to the grade of lieutenant (junior grade), subject to qualification therefor as provided by law. Officer never confirmed for permanent promotion to the grade of lieutenant (junior grade).

Lt. (jg.) Donald L. Moore, U.S. Navy, for temporary promotion to the grade of lieutenant in the Supply Corps of the U.S. Navy, subject to qualification therefor as provided by law.

The following-named officers for temporary promotion to the grade of lieutenant in the Civil Engineer Corps of the U.S. Navy, subject to qualification therefor as provided by law:

Boyce, Heyward E., III
Gawarkiewicz, Joseph J., III
Knauf, Richard H., Jr.
Lewis, Edmund F.

The following-named (Naval Reserve Officers Training Corps) for permanent appointment to the grade of second lieutenant in the Marine Corps, subject to the qualifications therefor as provided by law:

John E. Dukes
Richard V. Hall
Jack "J" James
James M. McKnight
James O. Sampson, Jr.
Charles C. Taylor

The following-named (Naval Reserve Officers Training Corps) for permanent appointment to the grade of second lieutenant in the Marine Corps, subject to the qualifications therefor as provided by law:

Waverly E. Sykes

The following-named (Army Reserve Officers Training Corps) for permanent appointment to the grade of second lieutenant in the Marine Corps, subject to the qualifications therefor as provided by law:

William R. Hart

The following-named officers of the Marine Corps for permanent appointment to the grade of first lieutenant, subject to the qualifications therefor as provided by law:

Donald E. Miller
Raymond C. Paulson
Charles L. Daugherty, Jr.

The following-named officers of the Marine Corps for temporary appointment to the grade of first lieutenant, subject to the qualifications therefor as provided by law:

Charles E. Harbison
Robert M. Pennell
Thomas P. Swedenborg
Robert T. Gale
Clifford E. Roberson
Mel J. Swanborn

COMMODITY CREDIT CORPORATION

The following-named persons to be members of the Board of Directors of the Commodity Credit Corporation:

Charles S. Murphy, of Maryland.
John P. Duncan, Jr., of Georgia.
Frank J. Welch, of Kentucky.
James T. Ralph, of California.
Horace Godfrey, of North Carolina.
Willard Cochrane, of Minnesota.

U.S. ATTORNEYS

F. Russell Millin, of Missouri, to be U.S. attorney for the western district of Missouri for a term of 4 years, vice Edward L. Scheufler.

D. Jeff Lance, of Missouri, to be U.S. attorney for the eastern district of Missouri for a term of 4 years, vice William H. Webster, resigned.

DEPARTMENT OF STATE

U. Alexis Johnson, of California, a Foreign Service officer of the class of career minister, to be Deputy Under Secretary of State.

WITHDRAWAL

Executive nomination withdrawn from the Senate March 20, 1961:

The nomination of U. Alexis Johnson, of California, a Foreign Service officer of the class of career minister, to be an Assistant Secretary of State, which was sent to the Senate on February 28, 1961.

HOUSE OF REPRESENTATIVES

MONDAY, MARCH 20, 1961

The House met at 12 o'clock noon.

Rabbi Israel Gerstein, Passaic Park Jewish Center, Passaic, N.J., offered the following prayer:

Our gracious Father in heaven, for the privilege of witnessing another spring we thank Thee, and for the faith that it inspires in us that the world is not old and worn, headed for decline and oblivion, but that under Thy kind providence it is undergoing perpetual rebirth and renewal, and that the most glorious chapters of man's life are in the days ahead.

May this season of renewal move these chosen spokesmen of the people to renew their fervor and rekindle their sense of mission so that they will labor ever more zealously for a world in which

hurts will be healed, hopes sustained, the weak and the worn assisted, human dignity and decency upheld, the blight of war and the specter of annihilation banished, and peace in freedom prevail among all Thy children everywhere, with none to make them afraid.

We praise Thee for the services of one of our consecrated colleagues who has been recalled to Thee. Send the healing balm of Thy consolation to the members of his family, and may his memory ever inspire us to noble living. Amen.

THE JOURNAL

The Journal of the proceedings of Thursday, March 16, 1961, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 5075. An act to provide temporary extended railroad unemployment insurance benefits, and for other purposes.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 4806. An act to provide for the establishment of a temporary program of extended unemployment compensation, to provide for a temporary increase in the rate of the Federal unemployment tax, and for other purposes.

The message also announced that the Senate insists on its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. BYRD of Virginia, Mr. KERR, Mr. LONG of Louisiana, Mr. SMATHERS, Mr. WILLIAMS of Delaware, and Mr. CARLSON to be the conferees on the part of the Senate.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 1116. An act to authorize the sale, without regard to the 6-month waiting period prescribed, of certain calcines and matte proposed to be disposed of pursuant to the Strategic and Critical Materials Stock Piling Act.

LEGISLATIVE PROGRAM

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that business in order under the rules today may be in order on tomorrow.

Mr. ROGERS of Texas. Mr. Speaker, reserving the right to object, may I ask the majority leader if that includes the sugar bill?

Mr. McCORMACK. Yes.

Mr. ROGERS of Texas. Mr. Speaker, I regret that I am in the position that I have been put in. We have been refused the right to be heard before the Committee on Agriculture on this bill. The Committee on Rules has been circumvented on it. It places me in the position where I have no choice except to object.

Mr. McCORMACK. Mr. Speaker, will the gentleman reserve the right to object?

Mr. ROGERS of Texas. Yes.

Mr. McCORMACK. That presents the leadership with this problem: When a sitting Member dies, the House always adjourns out of respect for that Member.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I am glad to yield to the gentleman.

Mr. HALLECK. I do not know who has the floor, whether the gentleman from Massachusetts or the gentleman from Texas, under the reservation, but the Speaker called me this morning, as was perfectly proper, and spoke to me about having these matters go over until tomorrow. The gentleman from Texas knows that one of our most esteemed and respected Members has passed away. For a long time it has been the custom for the House of Representatives to adjourn out of respect to the memory of a departed colleague. That is what is being proposed at this time. I do not know what may transpire, if the gentleman insists on this objection. It might be that the majority leadership might find it necessary to see fit to go ahead with the business today.

I am sure the gentleman from Texas would not want that to happen.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. ROGERS of Texas. I yield.

Mr. McCORMACK. May I say if the gentleman insists on his objection I shall offer a motion to suspend the rules and make in order on tomorrow the business under the rules today.

Mr. HALLECK. Frankly, I would vote for that motion, but again I do not think even that sort of action should be had on the floor ahead of the things that will be said about the life and character of our departed colleague.

So I respectfully ask the gentleman to withdraw his reservation of objection.

Mr. ROGERS of Texas. No one regrets the position I have been placed in more than the gentleman from Texas. I realize the situation with which we are faced today, but the matter that I am addressing myself to is a matter that could have been brought up before the Rules Committee. It could have had hearings in the Committee on Agriculture. We were denied a hearing in both committees. However, in view of the situation that has developed out of respect to my good friend, CARROLL REECE, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts [Mr. McCORMACK]?

There was no objection.

SPECIAL ORDERS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the special orders heretofore entered for today be transferred to tomorrow and be put at the head of the list.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

RULES COMMITTEE

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file a report.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

FEED-GRAINS PROGRAM

Mr. COOLEY submitted a conference report and statement on the bill (H.R. 4510) to provide a special program for feed grains for 1961.

GENERAL LEAVE TO EXTEND REMARKS

Mr. McCORMACK. Mr. Speaker, without establishing a precedent, I ask unanimous consent that all Members who may desire to do so may be permitted to extend their remarks in the CONGRESSIONAL RECORD and include therewith extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

ENROLLED BILL SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 5075. An act to provide temporary extended railroad unemployment insurance benefits, and for other purposes.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 451. An act to authorize the distribution of copies of the CONGRESSIONAL RECORD to former Members of Congress requesting such copies.

BILL PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H.R. 5075. To provide temporary extended railroad unemployment insurance benefits, and for other purposes.

THE LATE HONORABLE B. CARROLL REECE

The SPEAKER. The Chair recognizes the gentleman from Tennessee [Mr. BAKER].

Mr. BAKER. Mr. Speaker, it is with deep sadness and profound sorrow that I inform the House that our beloved colleague, CARROLL REECE, departed this life

on yesterday, Sunday, March 19, 1961, at 7 a.m.

BRAZILLA CARROLL REECE was born at Butler, Tenn., December 22, 1889, and was reared on a farm in a big family. His initial education began in the public schools and Carson Newman College of Tennessee, and was continued in New York University and the University of London. He holds honorary degrees from a number of institutions of higher learning, including Cumberland University, Tusculum College, and Lincoln Memorial University.

He was first elected to the 67th Congress and was its youngest Member. He was subsequently elected to the 68th, 69th 70th, 71st, 73d, 74th, 75th, 76th, 77th, 78th, and 79th Congresses, when he retired from Congress to serve as chairman of the Republican National Committee. After relinquishing his post as national chairman, he was elected to the 82d, 83d, 84th, 85th, 86th, and 87th Congresses, in all of which sessions he served with loyalty and untiring zeal.

He served his country with honor and gallantry in World War I, being decorated with the Distinguished Service Cross, Distinguished Service Medal, Purple Heart, Croix de Guerre with Palm, and cited for bravery by Marshal Petain, General Pershing, General Edwards, General Hale, and Colonel Lewis.

CARROLL REECE's life was filled with achievements in public service, and he served with marked distinction in many other fields as a humanitarian and industrialist.

In recent years he has been a member of the Rules Committee of the House.

At the time of his passing he was Republican national committeeman and State chairman of the Republican Party in Tennessee.

CARROLL had a heart of gold, filled with understanding, wit, and humor. He will long be remembered and his memory cherished by each of us.

He married Louise Despard Goff, whose father and grandfather served in the U.S. Senate. His only daughter, Louise, is married to Col. George W. Marthens of the U.S. Air Force. They have four children. CARROLL REECE was a devoted husband, father, grandfather.

I know that each of you join in extending to Mrs. Reece and the daughter, Louise, and all members of his family, our deepest sympathy in their great loss in which we share.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. BAKER. I yield to the distinguished minority leader.

Mr. HALLECK. Mr. Speaker, the death of B. CARROLL REECE has taken from the congressional scene a man of truly remarkable character.

The story of his achievements may well serve as an inspiration for future generations of Americans.

Certainly few men it has been my privilege to know have made more of their God-given talents than did CARROLL REECE.

Early in life the bulldog tenacity that was so characteristic, was reflected in CARROLL's determination to get for himself a fine education in spite of financial handicaps.

The tremendous personal courage we associate with our departed colleague was reflected in his magnificent combat record during World War I.

The keenness of his intellect was reflected in the success he enjoyed as a lawyer, banker, journalist, and legislator.

My friendship with CARROLL REECE goes back to my earliest days in this body.

I came to know him well as a fellow member of the great Committee on Interstate and Foreign Commerce, on which we both served some 20 years ago.

Later, we worked together in the cause of the Republican Party, he as chairman of the national committee and I as chairman of the congressional committee.

As has been reported, it was under CARROLL's leadership that we won control of the 80th Congress, a further testimonial to his energy and genius.

CARROLL REECE was an honest conservative who believed wholeheartedly in the virtues that have made this the great country it is today.

His career was a personification of the success story that is still the birthright of every American willing to meet the challenges of life with courage and determination.

I feel a deep sense of personal loss in the death of this wonderful friend.

In offering my heartfelt sympathy to his family, I hope they may find some consolation in their bereavement from the distinguished record of service CARROLL REECE performed for his party, his district, and his native land.

He will be sorely missed by all of us.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. BAKER. I yield to the distinquished majority leader.

Mr. McCORMACK. Mr. Speaker, the death of CARROLL REECE is a sad loss to the House and to his countless friends and admirers everywhere. He was profoundly respected for the fine qualities he possessed.

CARROLL REECE was an outstanding and dedicated legislator; he was a great Congressman, a man of firm convictions and of intellectual honesty. He courageously served his district, his State, and the Nation in this body in accordance with his judgment and his conscience. He served the people of his district in a manner that reflected great credit upon them.

We shall miss CARROLL REECE very much.

To Mrs. Reece and her daughter and their loved ones I extend my deep sympathy in their great loss and sorrow.

Mr. BAKER. Mr. Speaker, I yield to the gentleman from Massachusetts [Mr. MARTIN].

Mr. MARTIN of Massachusetts. Mr. Speaker, it is with infinite sadness I join in these services for a great American, B. CARROLL REECE, whose friendship I have been privileged to enjoy for 40 years.

CARROLL REECE won distinction as a dedicated, courageous, and able American leader in many fields of activity.

As a young man, he joined the American Expeditionary Forces in France in World War I. From the hills of Tennessee, which have contributed many talented persons to the Nation, he went into action with the 26th Division, the so-called Yankee Division, which was composed of troops largely from New England. When the war was most intense, he commanded the 3d Battalion of the 102d Regiment, which was a part of the Yankee Division. He was a young lieutenant who had risen from the ranks. Among the high general officers who cited Lieutenant REECE for bravery was Gen. Clarence R. Edwards, who commanded the 26th Division and who was known affectionately to his troops as "Daddy" Edwards.

CARROLL's charm, persuasiveness, courage, and resourceful leadership won him the admiration and lasting respect of his soldier comrades from New England.

In the field of politics, through his talent, and ability, he climbed the ladder until he was Republican national chairman in 1946. He was the inspiring leader of that campaign. I can never forget his efforts because they resulted in the election of the first Republican Congress since 1928, and my selection as Speaker of the House in the 80th Congress.

That campaign, fought as it was with very limited funds, marked the beginning of a new era in American political life. This campaign was but one instance of CARROLL's contribution to the Republican Party. He long served as the Republican leader of Tennessee and as its member of the national committee.

He was an outstanding Member of the Congress and contributed greatly to our legislative deliberations. He was first elected to Congress in 1920 and that service was interrupted on only two occasions; first by a party division in 1930 and again upon his election as Republican national chairman, he retired for 2 years.

Long interested in the veterans of our country, he was the author of the legislation which created the Veterans' Committee of the House. He was an early advocate of the establishment of the Army Air Corps and he served with great ability in wrestling with national problems as a member of the Interstate and Foreign Commerce Committee, foreign affairs, and armed services. At his death, he was a member of the Rules Committee.

He was a conservative in politics and yet he had the vision to embrace whatever policies he thought would be helpful to the Nation. To him, what he believed to be best for America came first. In the field of business, CARROLL made notable contributions as a publisher, as a banker, and businessman.

He was married to Louise Goff, daughter of Senator Guy Goff, of West Virginia, and granddaughter of Nathan Goff, Secretary of the Navy in the Harrison Cabinet. His devoted wife, intensely interested in the political life of the country, was a wise counselor and constant coworker in all his endeavors.

The death of CARROLL REECE is a distinct loss to the Congress, his State of Tennessee, and the Nation. He contributed greatly to the enrichment of

American life and we are all better off for his able service.

Although he has departed from this life, his works and deeds will long linger in the memories of his associates in Congress; his comrades in arms; and the people of the State he loved and served so well.

Personally, his death comes as the loss of one of my closest and most beloved friends.

To his good wife and family, I join with all of you in extending my deepest sorrow in this hour of their bereavement.

Mr. BAKER. Mr. Speaker, I yield to the gentleman from Tennessee [Mr. DAVIS], the dean of the Tennessee delegation.

Mr. DAVIS of Tennessee. Mr. Speaker, many of us knew that CARROLL REECE was dangerously ill, but none of us was prepared for his sudden passing. His district has lost a splendid representative; this House an outstanding legislator, and the country a very useful citizen. He was highly respected and esteemed in the State of Tennessee. Each member of the Tennessee delegation has lost a warm personal friend.

Mr. BAKER. Mr. Speaker, I yield to the gentleman from Ohio [Mr. BROWN].

Mr. BROWN. Mr. Speaker, it is with a heavy and a very sad heart I rise to join in the tributes being paid to my old friend and beloved colleague, CARROLL REECE. I knew, of course, of the seriousness of his illness. CARROLL knew, too, because he told me so. I shall always cherish the talks we had in the last 2 or 3 months since he was stricken, because again I saw demonstrated during those crucial hours the courage and character that came as his birthright from the mountains of Tennessee, and the strength he drew from those mountains. One of 13 children in a poor but a proud family, he went forth into the world from those mountains to become nationally, yes, even internationally, known for he proved his valor, his courage, and his patriotism on the field of battle as few men have ever proven theirs, and was decorated for heroism by his own and many foreign governments.

Our lives, CARROLL'S and mine, have been intermingled for more than a third of a century. We served together for many years on the House Committee on Interstate and Foreign Commerce. We also sat next to each other on the Committee on Rules for a long, long time. Both of us have been members of the Republican National Committee for many years. We worked together in the past campaigns of Senator Taft for he was one of the Senator's warmest friends.

During his national chairmanship—and I had the pleasure and the honor of nominating him for that position—I served as chairman of the executive committee of our party. I worked with CARROLL during the 1946 campaign as the campaign director of that year. Somehow or other our lives have been closely tied together all these years.

Mr. Speaker, I knew, as I said in the beginning, of the seriousness of CARROLL'S illness, yet when word came to me early yesterday that he had passed on—and I am thankful that he slept away—I was not prepared for the shock which came from the news.

CARROLL REECE has proven to all of us that a man from lowly beginnings can reach the highest place in life; that he can contribute in many ways to the welfare of his beloved State, of his party, and of his country.

He leaves behind him to his wife, his daughter, and his grandchildren the priceless heritage of a good name. He leaves to those of us who knew him and called him friend many precious memories which will live as long as we live.

My sympathy, my condolences, go out to his wife, Louise, to his daughter, and to the grandchildren. It is my hope and prayer that divine providence may sustain them in the great loss that has been theirs.

Mr. ARENDS. Mr. Speaker, will the gentleman yield?

Mr. BAKER. I yield to the distinguished gentleman from Illinois, the minority whip.

Mr. ARENDS. Mr. Speaker, once again we stand on this floor in sorrow to pay our respects to a departed colleague—a true, loyal, and loving friend of many years. At times like these, words seem meaningless and empty; but the words spoken today I know come from the hearts of those of us who were privileged to know CARROLL REECE, our friend.

In the many, many years of my association with him in the House, this bond of friendship grew and grew. Not only did this friendship grow in a political way, for our political views coincided so much, but rather sincere and warm personal friendship developed, which I shall forever cherish.

CARROLL REECE was an extraordinary man in many respects. There was a depth of sincerity about him that everyone did not know or appreciate. Not only did he have intense loyalty to his country, as proven by his brilliant service in World War I, but this loyalty carried on to an unblemished and outstanding record during his many years of service in Congress. Not only did he serve well his district, his State, and his party, but from early manhood to death he nobly served the Nation he loved.

He will be missed by those of us who served with him from day to day. His counsel and friendly advice was so much appreciated by those of us who worked with him. He was a man of great character and integrity, a devoted family man, and a public-spirited citizen, who has indeed left his footprints on the sands of time.

To his devoted wife and family, all of us extend our heartfelt sympathy.

As emphasized in the poem I am about to read, CARROLL REECE was a stepping-stone for his fellow men. So much of his life was devoted to helping those who needed help. For all this, he will never be forgotten:

A BAG OF TOOLS

Isn't it strange
That princes and kings,
And clowns that caper
In sawdust rings,
And common people
Like you and me
Are builders for eternity?
Each is given a bag of tools,
A shapeless mass,
A book of rules;
And each must make,
Ere life is flown
A stumbling-block
Or a stepping-stone.

—*R. L. Sharpe.*

Mr. AUCHINCLOSS. Mr. Speaker, will the gentleman yield?

Mr. BAKER. I yield to the distinguished gentleman from New Jersey.

Mr. AUCHINCLOSS. Mr. Speaker, the Members of the House of Representatives have lost a great friend and the country an outstanding citizen in the death of CARROLL REECE, of Tennessee. The impact of his devoted service to his country; his loyalty to what was true and honest and of good report will endure for a long time to come. He was a man with a big heart that won him many friends.

It was my privilege to have known CARROLL REECE pretty well, especially in the past few years. He served for 3 years as president of the Capitol Hill Club and under his guidance and inspiration the club prospered. He had a wonderful sense of humor and there was no bitterness ever in his heart toward those who did not agree with him. If there was ever a gentleman in the truest sense of the word, it was CARROLL REECE. The charm of his manner, the warmth of his friendship and his simple, straightforward character inspired confidence and courage. He gave of himself without reserve and he was unafraid.

CARROLL REECE was a man of many attainments in addition to his being a legislator of no mean ability. He was a student and teacher, holding a number of honorary degrees; a banker and newspaper publisher; a lawyer and soldier with a most distinguished record of combat service. And he was an administrator of outstanding merit, trusted and respected by all.

Together with many others, I have lost a dear friend and though he will be missed his influence over our lives will be present always. We can face the future stronger and braver because of his example and his strong spirit.

My most sincere sympathy goes to his loved ones. His death leaves a great void in their hearts and I pray that the good God of love and compassion may give them His blessing and bring them peace.

Mr. BAKER. Mr. Speaker, I yield to the gentleman from Mississippi [Mr. COLMER].

Mr. COLMER. Mr. Speaker, I am one of those Members of this House who had the privilege of not only the acquaintance but the friendship of CARROLL REECE. We all recognize, I am sure, that in the busy schedule that Members of this House have to maintain we have very little opportunity to know, really know, and understand our colleagues, unless we have the opportunity and the privilege to serve with them on a committee. I was doubly blessed in this capacity, because CARROLL REECE and I have served on the Committee on Rules for many years. In addition to that, he served on the Postwar Economic Policy Committee, on which I served.

I got to know him very, very well. The more I knew him, the more I appreciated him. He was a party man, but without partisanship. He always had the best interest of his country at heart. I got to know him in the capacity of a legislator. I admire his record as a soldier and as a statesman. Beyond that, I had an affection for him as a true friend. CARROLL REECE's death is a distinct personal loss.

This House, Tennessee, and the Nation have lost a truly great servant. I join my colleagues in extending to the surviving members of his family, and particularly his devoted wife, my deepest sympathy.

Mr. HOEVEN. Mr. Speaker, the sudden passing of our good friend and colleague B. CARROLL REECE comes as a shock to Members of the House of Representatives, especially to those of us who have known CARROLL for so many years.

There are only seven Members in the House of Representatives today who have served longer than CARROLL REECE, he having first become a Member of the House at the beginning of the 67th Congress. Throughout his long service, CARROLL REECE distinguished himself for his honesty and integrity and his devotion to those fundamental principles of real Americanism which have kept this country on an even keel. CARROLL REECE believed in the Constitution and his oath of office to preserve and protect the Constitution of the United States was not taken lightly. There was never any doubt as to where CARROLL REECE stood on legislation. He never played both ends against the middle.

A sturdy oak has fallen in the untimely passing of our beloved colleague. His passing is a great loss to the State of Tennessee and the congressional district which he served so ably and well for so long a time. We who remain behind shall miss him too. We take much consolation in the fact that CARROLL REECE served well his day and generation. I extend my deepest sympathy to Mrs. Reece and all members of the family.

Mr. BAKER. Mr. Speaker, I yield to the gentleman from Tennessee [Mr. BASS].

Mr. BASS of Tennessee. Mr. Speaker, the great State of Tennessee has had her share of men who have left their marks in political circles. Many of her sons have served with distinction and honor in the great body, the House of Representatives. In the passing of CARROLL REECE, one has departed from the scene who served with great distinction in this body, one who has served longer in the House of Representatives than any other man in history from the State of Tennessee. As a Tennessean, he was known as Mr. Republican because of his outstanding work in his party, his devotion to his party, and his keen interest in its development. He was also known as Mr. East Tennessee because, throughout the years, he took a great interest in the political developments as well as the historical development of east Tennessee. As a member of his party, probably no man in the history of the State of Tennessee, with the exception of Andrew Johnson, has been any better known than CARROLL REECE. In his passing from the scene at this time, his State and his Nation have lost an able soldier, statesman, and a great political figure. I extend my sincere condolences and sympathy to his wife and to the other members of the family.

Mr. BAKER. Mr. Speaker, I yield to the distinguished gentleman from Virginia [Mr. SMITH].

Mr. SMITH of Virginia. Mr. Speaker, I served for many years in this House with CARROLL REECE. I did not come to know him well until I came in close contact with him in the years that we both served on the Committee on Rules of the House. Then I came to know him as a great man and a great character. He was a person who was modest, retiring, and unassuming, one who never pressed himself on other people or on the House itself. But, when you came to know CARROLL REECE, you came to know him as a lovable character, one who never had a mean thought—one who never did a small act. He was a great legislator because he thought deeply and patriotically. He was a man who stood by the things he believed in, and had the courage to advocate them out in the open. I know the committee on which he served so faithfully has lost a valiant member and a sound counselor in its deliberations. The House has lost one of its outstanding Members. I extend my sympathy to his bereaved family in this hour of their great trial.

Mr. BAKER. Mr. Speaker, I yield to the gentlewoman from New York [Mrs. ST. GEORGE].

Mrs. ST. GEORGE. Mr. Speaker, it was my privilege to know our late colleague, Congressman CARROLL REECE, long before I came to the Congress. I also knew him when he was the national chairman of my political party. He was indeed a man of courage, as has been said. He was also a man of the people, who knew the people. He knew the people in all walks of life. He helped a candidate with loyalty and again with courage. His superb record in war and in peace will remain with us all as a memory, a challenge, and an inspiration.

To his devoted wife—Mr. and Mrs. Reece were married for 37 long and happy years—I extend my heartfelt sympathy. Also to his daughter and to all of his loving family. They were a devoted family, a typical American family.

As they go back to those hills of Tennessee where they are going, as they think of the strength that was given to him, they can say in the words of the psalmist, "I will lift up mine eyes unto the hills from whence cometh my strength."

Mr. BAKER. Mr. Speaker, I yield to the gentleman from Tennessee [Mr. EVINS].

Mr. EVINS. Mr. Speaker, it is said that as men grow older they look with equanimity upon the approach of death—I do not know whether this is true but, if true, I certainly have not reached that stage in my own life where I can look with equanimity upon it, insofar as I am concerned or insofar as my friends are concerned.

I was shocked and saddened to hear of the passing of our esteemed colleague and friend, Congressman REECE, of Tennessee.

Although we knew that he was ill I could not look but with expectation that he would be back here with us in the House.

Only last week I received a letter from him in which he said:

> I will be seeing you when I get down on the Hill for the votes.

And so, Mr. Speaker, I say we are saddened by the news of his passing.

CARROLL REECE was eighth Member in point of seniority of service of the entire membership of this House—only seven Members have served longer. He was elected 18 times by the people of his beloved First District of east Tennessee. His constituency elected and returned him to Congress for 36 years of service—and they would have elected him again had he lived for other elections—for CARROLL REECE knew and had a hold on the hearts and affections of his people—as few Members have with their constituencies.

I had occasion to be in his district last fall visiting, while my mother was hospitalized, for a time in Johnson City in CARROLL REECE's hometown.

And, everywhere there I met people, who loved CARROLL REECE—not only in the banks and in the business community, but with people in the shops and stores—the barbershops and the man on the street—each spoke of their neighbor and friend with genuine affection—and admiration.

His people admired him as a man who arose from humble beginnings to heights of success in business and politics and in many endeavors.

He received many honors in his lifetime, but none of which I believe he particularly appreciated more than the dedication of a post-office building in his hometown which the Department designated "The Carroll Reece Branch of the United States Post Office."

Congressman REECE gave generously of his means to many charities and many worthy causes. He was especially interested in Carson-Newman and Tusculum Colleges in his district, which he supported.

One only has to read the brief recital of facts in the Congressional Directory to realize the breadth of the talents, interests, and activities of our late colleague and friend.

Farmer, schoolteacher, lawyer, businessman, banker, newspaper publisher, philanthropist, party leader and GOP committeeman, delegate to many Republican conventions and national chairman of his party, lecturer and legislator, distinguished Congressman, and soldier with a distinguished war record.

And with all his attainments he was a devoted father, husband, and family man. He possessed a warm and friendly personality.

Through service in World War I and service in Congress during World War II, he fought and labored for the ideals and principles of government in which he believed with devotion.

He was a stalwart member of his party, yet a partisan in the finest sense

of the term because he knew how to work and cooperate with others.

He was always kindly and courteous and behind his unfailing courtesy was a strength and astuteness few men possess.

Commonsense was his prime counselor and the Constitution his unfailing lamp.

His party faith was reflected in the many honors given him by his party, including the chairmanship of the Republican National Committee during the years immediately preceding the Republicans' returning to power in 1952 with the election of General Eisenhower as President.

With all his attainments he remained as friendly and as considerate a soul as ever gave gentle companionship to his fellow man.

One who did not know our colleague, CARROLL REECE, might have thought of him, because of his business and financial success in business and political life, as an aloof and austere man—but such was not the case. CARROLL REECE was a warm and friendly person. He was never lured from the realities of human fellowship.

Like Kipling's lines, he talked with crowds and walked with kings but never lost the common touch.

The Republican Party has lost a faithful and effective leader—Tennessee and the Nation a devoted and distinguished son, and I humbly add, that I have lost a cherished friend.

I extend my deepest sympathy to Mrs. Reece and members of his family.

Sunset and evening star,
And one clear call for me.
And may there be no moaning of the bar
When I put out to sea.
But such a tide as moving seems asleep,
Too full for sound and foam,
When that which drew from out the boundless deep
Turns again home.
Twilight and evening bell
And after that the dark.
And may there be no sadness of farewell,
When I embark;
For tho' from out our bourne of time and place
The flood may bear me far,
I hope to see my Pilot face to face
When I have crost the bar.

Mr. BAKER. Mr. Speaker, I yield to the gentlewoman from Ohio [Mrs. BOLTON].

Mrs. BOLTON. Mr. Speaker, years back when I was the wife of a Congressman, it was my privilege to know CARROL REECE in the give and take of social understanding. He was always gracious; he had what we northerners had come to feel to be the chivalry of the South, and he was delightful in every respect. Then, when I came into the House he welcomed me warmly as the wife of an old friend, and I have always deeply appreciated it. I have always wished I might have seen more of him and known him better.

May I read something from James Martineau:

We seem to have given him back to Thee, dear God, who gavest him to us. Yet, as Thou did'st not lose him in the giving, so we have not lost him by his return.

Not as the world giveth, giveth Thou, O Lover of Souls. What Thou givest, Thou takest not away. For what is Thine is ours always, for we are Thine. And life is eternal; and love is immortal; and earth is only a horizon; and a horizon is nothing save the limit of our sight.

I send my heartfelt understanding sympathy to his wife and family.

Mr. BAKER. Mr. Speaker, I yield to the gentleman from Tennessee [Mr. FRAZIER].

Mr. FRAZIER. Mr. Speaker, it was with a distinct feeling of loss that I was informed yesterday morning of the death of our colleague, CARROLL REECE.

I was privileged to know CARROLL for many years before I came to this House. I knew him better after I was elected and had the privilege of serving with him.

CARROLL REECE was a courageous soldier. Almost immediately after his return from his service in World War I he was elected to this body, and for practically 35 years, with two short exceptions, he had continuously served as a Member of this House. To me that demonstrates the appreciation his constitutents had for him and the great service he rendered to the people of the First Congressional District of Tennessee. He was a great legislator, a loyal friend, and one who served not only his district but also his State of Tennessee and the Nation. He was an outstanding Member of this great body. His death is a great loss to Tennessee and the Nation.

I extend my deepest sympathy to his beloved wife and daughter.

Mr. BAKER. Mr. Speaker, I yield to the gentleman from Ohio [Mr. AYRES.]

Mr. AYRES. Mr. Speaker, in life many tributes and honors were bestowed on CARROLL REECE. Today in death those tributes and honors are being continued.

A great man once said: He who remains humble in glory shall be great in his eternal reward. This I believe to be true regarding CARROLL REECE. He was good to me.

It must be gratifying to Mrs. Reece that those who knew her husband will feel that the earth has lost a visitor and the Heavens have gained a permanent guest. We shall miss him, but those he joins shall greet him.

Mr. BAKER. Mr. Speaker, I yield to the gentleman from Tennessee [Mr. EVERETT.]

Mr. EVERETT. Mr. Speaker, it is with deep regret that I appear here today to make my first remarks since becoming a Member of this body to pay tribute and honor to the late CARROLL REECE. When I first came to Washington in 1945 as an administrative assistant to Senator Tom Steward, of Tennessee, I came to know CARROLL REECE and in working with him on projects that affected his congressional district in the State of Tennessee I have never seen a man with more loyalty to his congressional district, to his State, and to the Nation.

When I served as administrative assistant to the Governor of Tennessee I had other dealings with Mr. REECE in connection with projects on the State level that he was interested in.

Since I have been a Member of Congress for the past 3 years he has certainly been an inspiration to me in knowing the people of his congressional district, in knowing what they think of him for his loyalty and for his honesty. It has been said he knew how to talk to anybody, how to give aid and assistance to them in whatever problem they might have.

We in our congressional district have a heavy heart today at his passing. Truly our congressional district has lost a great friend, the State of Tennessee has lost a valued friend, and the Nation as well.

To Mrs. Reece, the daughter, the grandchildren, and the son-in-law I extend my condolences and say that he by coming our way has meant much to all of us.

Mr. BAKER. Mr. Speaker, I now yield to the distinguished chairman of the Committee on Interstate and Foreign Commerce [Mr. HARRIS].

Mr. HARRIS. Mr. Speaker, it was with deep sorrow I learned yesterday morning of the passing of our beloved colleague and friend, CARROLL REECE; the grim reaper has again visited this great body.

It was my good fortune and privilege to come to know CARROLL REECE very soon after I came to this body in 1941. When I became a member of the Committee on Interstate and Foreign Commerce, CARROLL REECE was a member. He became a member of the committee, I believe, at the time that our beloved Speaker assumed the chairmanship of the committee in 1933. He served continuously on the committee until the 79th Congress and the records of the committee show the great contributions he has made to the welfare of the country as a member of the Committee on Interstate and Foreign Commerce during the 14 years he served on it.

It was from that committee and the House that he left and became chairman of the Republican National Committee, I recall very well that even though we, as Democrats and Republicans alike, regretted to see him leave the committee, we did have a degree of pride in the fact that a man who had served on the committee so long and faithfully was being recognized by his own party for the highest position within the party's power to give.

It is rather interesting that during the time CARROLL REECE was a member of the committee, the Committee on Interstate and Foreign Commerce after considerable discussion, hearings, and long consideration, reported to this body, and the Congress approved, an amendment to the Public Health Act providing for cancer research.

Now we find that our colleague, who had given so much of his time to a program that would try to solve the mysteries of this dreaded disease, was stricken by it himself.

Yes, Mr. Speaker, for CARROLL REECE it is finished, but his life and character will continue to live, particularly with those of us who knew him so long and among his many faithful friends here, as well as the United States itself, and certainly the great State of Ten-

nessee. Certainly, we know it can be truly said "Well done, thou good and faithful servant."

To his beloved wife and the other members of the family I join in extending for Mrs. Harris and myself our deepest sympathy in their bereavement.

Mr. BAKER. Mr. Speaker, I yield to the gentleman from North Carolina [Mr. JONAS].

Mr. JONAS. Mr. Speaker, it is always sad to lose a colleague, and we have now suffered the loss of three in the last few weeks. But it is especially distressing to lose not only a colleague but a warm personal friend.

I first came to know CARROLL REECE many years ago when he and my father served together in Congress. That friendship quickened over the years when they served together as members of the Republican National Committee, and it became a close and personal one during the years we served together as Members of this House since 1953.

It so happens that two counties of North Carolina's 10th District which I have the honor of representing here in Congress, adjoin the 1st District of Tennessee which was so ably represented by CARROLL REECE for 36 years. This means that CARROLL and I had many interests in common and we had many, many mutual friends. I have visited frequently in his district and he in mine. It has been a privilege and a pleasure for me to work closely with him over the years on problems common to both of our districts, and during this intimate association I came to regard him not only as a friend but also as a counselor.

It would be difficult, Mr. Speaker, to think of anything to say on this sad occasion that has not already been so well said by the many colleagues who have preceded me today. I would simply say this, in addition to associating myself with all of the remarks that have been made, that the privilege is not often given to one man to carve out for himself so many distinguished and outstanding careers. We have heard today, and indeed I have known for years, of the courage and patriotism CARROLL REECE displayed so well on the combat battlefields of France. His brilliant record as combat soldier was recognized when he was awarded the Distinguished Service Cross, Distinguished Service Medal, the Purple Heart, and the Croix de Guerre with Palm for bravery.

CARROLL REECE compiled an equally outstanding record in the business life of east Tennessee, and for years has been one of the most respected and admired business leaders of that great section of our country. His outstanding service to the Republican Party has been referred to by almost every speaker today. Mere mention of the fact that he served for many years on the national committee from Tennessee and then as chairman of the national committee when the Republicans gained control of Congress for the first time in 16 years speaks for itself. Few men in our time can claim credit for such accomplishments. And we are all familiar with the outstanding and distinguished record he made for himself here in the House of Representatives.

CARROLL REECE was not only a distinguished American in war and peace, but he was a man of strong political convictions with the intellectual honesty and courage to proclaim them on all occasions. The old saying that a prophet is not without honor except in his own country certainly did not apply to him. Repeated victories at the polls is indicative of the esteem and affection he enjoyed at home in his beloved east Tennessee hill country.

In the untimely passing of CARROLL REECE, east Tennessee has lost one of her finest sons, our country has lost a distinguished statesman, this House has lost one of its most useful and respected leaders, and I have lost a warm and personal friend.

I hope that it may be of some comfort to his bereaved widow and daughter to know that thousands of his countrymen today are mourning with them over the passing of this great man. I should like to be included among that number.

Mr. RAYBURN. Mr. Speaker, will the gentleman yield to me?

Mr. BAKER. I yield to the distinguished Speaker of the House.

Mr. RAYBURN. Mr. Speaker, the passing of CARROLL REECE touches me very deeply. He and I were real personal friends. He came from those pine-clad and rugged hills of east Tennessee where I was born, in the district of the distinguished gentleman from Tennessee [Mr. BAKER]. It has always seemed to me that there was something in the elements there, in those hills of east Tennessee, that caused men to grow into rugged stature. The soil and its vegetation put something in the flesh and bones of the people of those hills that is found in few other places.

CARROLL REECE and I had a lot of fun together. We were alumni of a great Tennessee institution, Tusculum College; I think the oldest one west of the Allegheny Mountains. Degrees were conferred upon us that we had fun about, saying that if we had taken an examination we would not have passed, but the generosity of that great college made us both proud in conferring upon us each an honorary degree.

I have been in his district quite a lot. Of course, the Democrats there knew they could not defeat him, and some of the most distinguished Democrats of that section were among those who were most enthusiastic about CARROLL REECE; because he had the elements in him that made people love him, that made people trust him. He gave friendship freely and he received it in great amount. So today I wanted to say this word in tribute to a friend, a real personal friend, a splendid legislator, a great citizen of the hill country of Tennessee, a great citizen of that State, and a great citizen of our beloved country.

To his family I express my deepest and sincerest sympathy, because I think the papers back in east Tennessee today will probably say that the body of CARROLL REECE is coming home to stay.

Mr. BAKER. Mr. Speaker, I yield to the gentleman from Tennessee [Mr. LOSER].

Mr. LOSER. Mr. Speaker, it is a great privilege to me to join my colleagues here in the House in paying tribute to the memory of one of Tennessee's most distinguished sons. While I do not come from the hill country, I know of its many stalwart sons, and CARROLL REECE stood among those at the top of that long list of men and women from Tennessee who have contributed so much to the welfare of that great State and of the Nation.

I was privileged to know CARROLL REECE for many years, but during my tenure here in the House I came to love and admire and respect him for his forthrightness. I am sure that CARROLL REECE, as he entered the portals of the Great Beyond, heard the welcome words of the Judge who sitteth as the Judge Supreme, "Well done, good and faithful servant. Enter thou into the joys of thy Lord."

I join my colleagues here today in extending to the wife and family of CARROLL REECE my deepest sympathy.

Mr. BAKER. Mr. Speaker, I yield to the gentleman from Colorado [Mr. CHENOWETH].

Mr. CHENOWETH. Mr. Speaker, I am sure all of us were moved by the eloquent tribute just paid to our departed colleague by our beloved Speaker, Mr. RAYBURN. I was deeply saddened yesterday when I first learned of the passing of CARROLL REECE. I join my colleagues in extending our sympathy to the members of the Tennessee delegation. Not only the State of Tennessee, but the entire Nation has suffered an irreparable loss in the passing of CARROLL REECE. I knew he had been critically ill, but I was hoping he would recover.

I first knew CARROLL REECE when I came to the House some 20 years ago. At that time he was one of the most beloved and outstanding Members of the House. Everyone had great affection for CARROLL REECE, and everyone liked him. He always had the same gracious disposition and spread happiness and good will wherever he went.

I had the great pleasure of serving on the House Committee on Rules with CARROLL REECE, and I know of his devotion to his duties and his work in the House. He made a most valuable contribution to the deliberations of this body, and his judgment was always respected.

When CARROLL REECE was chairman of the Republican National Committee he made several trips to the State of Colorado. I know that I speak for the people of our State when I express their sympathy here today. The people he met in Colorado had great affection for CARROLL REECE. He was always given a warm welcome when he came to our State. We were most happy to see Mrs. Reece and CARROLL whenever they could find time for a visit.

Mr. Speaker, the passing of CARROLL REECE is a grievous loss to this body, I feel that I have lost a most valued friend and the House will not be the same without CARROLL REECE. We need more men like CARROLL REECE in public life today. It is not possible to replace a man like CARROLL REECE, with his distinguished background and long experience in Congress. We know of the

high esteem in which he was held by the Members of this House on both sides of the aisle.

Mr. Speaker, I recall that CARROLL REECE was active in organizing the Robert A. Taft Memorial Foundation, and that it was largely through his efforts that the Robert A. Taft Memorial was erected. He presided at the dedication ceremonies in April 1959. I shall never hear the carillon bells in this memorial without being reminded of CARROLL REECE, and of the great privilege of serving with him in this body.

Mrs. Chenoweth joins me in extending our deep personal sympathy to Mrs. Reece and the daughter, and to the other members of the family

Mr. BAKER. Mr. Speaker, I yield to the gentleman from Ohio [Mr. McCULLOCH].

Mr. McCULLOCH. Mr. Speaker, my heart is filled with sorrow at the loss of my good longtime, loyal friend, B. CARROLL REECE. He was a courageous soldier and a brilliant young officer. He was a constructive, convincing, and successful newspaper publisher. He was an able businessman-banker who has left his mark on the State he knew and loved so well.

CARROLL REECE was a resourceful and inspiring party leader, and an able, constructive, and effective legislator. While he left us far too soon, the good that he has done will live long after the return of his body to those rugged hills he loved so well. His entire family has our deepest sympathy.

Mr. BAKER. Mr. Speaker, I yield to the gentleman from West Virginia [Mr HECHLER].

Mr. HECHLER. Mr. Speaker, I join in paying tribute to the late Honorable CARROLL REECE, a great soldier, teacher, banker, businessman, newspaper publisher, political leader, statesman, colleague, and friend.

West Virginia was a second home for CARROLL REECE. Our beloved Speaker has mentioned the strength which comes from the hills of east Tennessee. One measure of CARROLL REECE'S wisdom is the fact that he married a lovely, wonderful, and gracious West Virginia girl, Louise Despard Goff, whose father and grandfather served in the U.S. Senate from the State of West Virginia. So he showed great political acumen and became that much greater by joining the strength of the hills of West Virginia with his own hills of Tennessee.

Congressman REECE and his gracious wife frequently attended functions of the West Virginia State Society, and they have a host of friends in the Mountain State who mourn the passing of a great and good man.

I also recall something else about my longtime friendship with CARROLL REECE which has not yet been mentioned. He was once a teacher, as I was. Many times I would bring groups of students to Washington to visit him at the Republican National Committee while he was chairman. He inspired young people to think more clearly and to take a more active part in public life.

America has lost a towering political figure, and also a great human being and a sincere friend of all of us.

Mr. BAKER. Mr. Speaker, I yield to the gentleman from Ohio [Mr. ASHBROOK].

Mr. ASHBROOK. Mr. Speaker, I consider it an honor to associate myself with the statements that have been made regarding our great friend, the late CARROLL REECE. I am particularly happy that the gentleman from West Virginia [Mr. HECHLER] brought out a point on which I want to amplify, and that is about Mr. REECE'S interest in young people. It is certainly appropriate that we leave the eulogies as to his great public service to those who knew him so much longer than I did. Our good colleague, the gentleman from Massachusetts [Mr. MARTIN], spoke of 40 years of close friendship. My distinguished senior colleague from Ohio [Mr. BROWN], spoke of a third of a century, and our Speaker spoke of a lifetime of personal friendship. For my part, I can speak of but 5 years of close personal friendship with Mr. REECE. However, in that time I believe I became an expert and an authority on at least one facet of this great man's life and that is his genuine concern and interest in young people. Those of us in politics who are among the young know quite often we find very few friends, very few who will give encouragement such as he gave. We had no one—no champion on our side, and, of course, Mr. REECE was a party man—we had no champion who so encouraged young people as did this great man. Many of us will recall in 1948, it was Mr. REECE who, through his own energy and through his own efforts, succeeded in having a resolution passed at the national convention at Philadelphia which made the Young Republican National Federation a distinct and an integral part of our Republican Party. Up to that time for one reason or another, there had been a rather loose connection and young people were not a real part of the party organization. Mr. REECE did this because he truly believed in young people. He truly believed they belonged in politics, and that their participation was important. Those of us on both sides of the aisle know that those who labor in behalf of party politics are actually working in the public service, because we so believe in our two-party system.

Mr. Speaker, it was my honor in 1957 to 1959 to serve as chairman of the Young Republican National Federation, the very organization to which I referred a moment ago, which was made an official part of our party in 1948.

I know Mr. REECE took personal pride in the fact that one of his secretaries, Miss Jerrie Kent, who also lives in Johnson City, Tenn., was from 1957–59 the cochairman of the federation, which now possesses a membership of some 500,000 young people in the United States. During those 2 years I came to know Mr. REECE to a greater degree than before. I learned of the many efforts he made in behalf of the young people. I can say that most of us in politics in the "young" category find very few champions and very few friends that would equal the late CARROLL REECE. I know I had a personal relationship with him which was more like father and son; not so much as colleague and personal friend, as others have mentioned, but in that category of people to whom Mr. REECE gave so much time and effort.

To his family I shall speak for the many thousands of young people throughout the country whom he aided and encouraged, that we have truly lost a champion and friend.

Mr. BAKER. Mr. Speaker, I yield to the gentleman from New York [Mr. DEROUNIAN].

Mr. DEROUNIAN. Mr. Speaker, 8 years ago when I first came to this House, one of the few men I went to for advice was CARROLL REECE. I shall be eternally grateful for his wisdom. He was a true Christian, whose charitable contributions were quietly donated. One never read of his gifts in the newspapers. He was a man dedicated to principle. I know we all recall that a month and a half ago he left a sickbed, which we now know was his deathbed, to come to the floor of this House to vote against what he thought was an assault on the independence of this House. He was not a man of political expediency which is becoming such a bad habit today.

The Nation has truly lost one of the great soldiers of the old frontier.

I offer my sympathy to his family.

Mr. BAKER. Mr. Speaker, I yield to the gentleman from Florida [Mr. CRAMER].

Mr. CRAMER. Mr. Speaker, it was with a heavy heart that I learned of the untimely death of CARROLL REECE and it is with a feeling of deep sorrow that, on this occasion marking his passing, I join with the remarks of my colleagues concerning the truly outstanding and highly significant service that CARROLL REECE rendered to the people of his district, State, and Natiion.

There is little I can add to the fine tributes made by other Members of this body who knew him much longer than I. There stands in my memory, however, a landmark of deep gratitude and grateful appreciation for the help and support given my first victorious election to Congress by CARROLL REECE. There are few men who contributed more to my victory than did he.

And, it followed, that when I first came to Congress he was the Member I called upon most often for help and advice. He gave it freely, for one of the outstanding characteristics of CARROLL REECE was his willingness to give of his time and his efforts to his friends, to the people of his district, and to the Nation.

Likewise, my district has felt a close friendship for CARROLL REECE and his family for a number of years. His brother has resided in my district for many years, and CARROLL REECE and his wife, on many occasions, visited Clearwater and St. Petersburg on the west coast of Florida. His passing, therefore, will be considered a great personal loss to the people of my district as well as to his own. I am certain, also, that his passing is considered a great loss to the people of the entire Nation for never was there a more dedicated man than CARROLL REECE, nor a more valiant fighter for the things in which he believed.

I join in the expressions of sympathy to his wife, his daughter, his brother, and to his family.

GENERAL LEAVE TO EXTEND

Mr. BAKER. Mr. Speaker, I ask unanimous consent that all Members may have 3 legislative days within which to extend their remarks at this point in the RECORD in honor of the memory, life, and public service of the late Congressman REECE.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. CONTE. Mr. Speaker, I join my colleagues of the saddened body, to pay tribute to one of its most outstanding and distinguished Members, the late BRAZILLA CARROLL REECE of Tennessee. By his passing, the Nation has lost a great citizen and a dedicated legislator.

During World War I, he distinguished himself for bravery and gallantry on the field of battle, with the same fervor and spirit of noble sacrifice which were to mark his long career in public life.

The many years, as legislator, attest to his devotion to our great Nation and to the well-being of its citizenry. He was motivated by the highest principles of representative government of which he was a part. He translated his firm belief in the basic tenets of democracy into actions which benefited the Nation, his State, and constituency. To this great legislative body, he gave completely of his great personal wisdom and of the balanced reasoning born of his long experience as a public servant.

To the Republican Party, whose principles and philosophy he represented so well, he gave the same unstinting efforts and great abilities which characterized all of his activities, during his term as its chairman.

The long public life of this great legislator is marked by the exemplary virtues of personal integrity, dedication to the highest principles, and unselfish motivation. Indeed, this House and our Nation are grateful for the devoted service of this great patriot.

While we mourn his irreplaceable loss, it is well to remember that he has bequeathed examples which shall remain as his monument in the history of our Nation and of this body, always.

To his family, I join my distinguished colleagues in an expression of profound sympathy and sincere condolences in this moment of bereavement.

Mr. LIBONATI. Mr. Speaker, the death of Representative B. CARROLL REECE marks the passing of an American who cultivated the chivalric virtues of public life—love of combat in statesmanship, practical acceptance of the standards of party loyalty, high sense of honor, and acceptance of political life as a game to be played according to the rules.

His early life, steeped in the trying problems of financial adversity, presented a challenge to him. He knew no compromise. He developed a strong moral standard for reasoned justice. He fought against liberal and precise doctrines, regardless of popular acceptance. His only change was in judging the plight of the poor and the needy.

His instincts and reasoning pitted him against the beneficent proposals of his fellow statesmen that the world could be redeemed from chaos, or saved through the indiscriminate expenditures of American dollars.

His life experiences, as lawyer, banker, and statesman, dictated an ultraconservative approach to relieve the economic ills of depressed nations of the world.

He advocated reforms within the national economic structures of these ailing nations themselves that would stimulate the creative talents of the people to thus realize their own economic salvation through the realistic development of the principles of freedom of enterprise. People must accomplish these things through their own efforts. He was highly critical of open charity. He asserted that this type of aid breeds indolence and kills individual ambition.

Mr. REECE became a Republican leader with power and authority. He was the last word in the acceptance of party decisions—his policy of conservatism was stamped on every national platform. He was the recipient of appointments to every high office within the inner circle of the party. His every act or utterance personified the principles of true republicanism.

We have lost a great patriot, honored by his Government in battles—World War I—with many decorations.

He authored much of the legislation affecting veterans' interests, that is, the resolution creating the House Committee on Veterans' Affairs. As a member of the powerful Rules Committee, he functioned as a leader of his party.

His work, now done, can be emblazoned upon the significant historical records of our time.

We, his colleagues from the State of Illinois, extend to his dear wife, Louise, and to his family, our heartfelt condolences with our prayers—the Nation, the Congress, and the great State of Tennessee have lost a dedicated statesman, leader, and patriot.

Mr. HEMPHILL. Mr. Speaker, I join with my distinguished colleagues from Tennessee, and other Members of the 87th Congress, in paying my respects to the memory of Congressman REECE, and saluting the exemplary life that he led.

Mr. REECE was of an older generation than I, and our paths did not cross so often as to make our association intimate, or channel our efforts in such similar directions as would cement a close or strong friendship. Therefore, like many other Members here, I know him for what he was, the example he set, the integrity of his statue and image as a Member of Congress.

Mr. REECE brought to the Congress a life of example and inspiration. All of us admire a man who has served in battle, and earned such high recognition as the Distinguished Service Cross. All of us admire success in business, and what greater asset can a man bring to Congress than the fact that he has been successful in his business and profession and then bring that pattern of successful application to the Congress? All of us admire education and knowledge and no one could hear Mr. REECE debate without admiring the wealth of education and the strength of knowledge that he tapped so freely for his country.

My association with him, except in one or two matters in which we were both vitally interested, were as Members of Congress, but in those matters in which we were vitally interested, I found him to be untiring, dedicated, and a man of leadership and ability.

The Congress of the United States, and the Nation, has suffered a loss in the passing of this man.

To his family I extend my deepest sympathy.

Mr. PELLY. Mr. Speaker, again the flag is at half mast over the Capitol. Another Member of the House of Representatives has been permanently retired by the Almighty from public service.

Those of us who were serving with CARROLL REECE are sorely grieved, not alone because this Nation has suffered a grievous loss, but personally because an effective and lovable friend is gone. CARROLL was one of those leaders in this House one could always turn to for help and you knew it would be forthcoming.

I admired CARROLL REECE as a Republican leader long before I had the honor to serve with him. He served his political party well and under our system that is public service to all. It is a contribution to all the people—not just those of us who were on his side of the political fence.

It is sad that our friend has been taken away. He was so much himself—his normal cheerful self—when he came away from the hospital and was here on the floor the other day. I had heard he would not recover, but I kept hoping against hope because his loss to the Nation and Congress and his friends was not easy to contemplate.

All I can say now, Mr. Speaker, is the Lord's will be done—and that in the face of stern and unchangeable fact I am grateful for the more than 8 years of friendly association. I am thankful for that and a lasting recollection of an able and honorable leader.

Finally, I extend for my wife and myself deepest sympathy to the wife and family of our beloved friend and colleague CARROLL REECE.

Mr. TAYLOR. Mr. Speaker, I join with my colleagues in this great Representative body in paying tribute to the memory of the late Honorable B. CARROLL REECE, whose untimely death yesterday deprived this House and our country of the services of a devoted and outstanding public servant.

His district in Tennessee joins my district in North Carolina and though I have been in Congress less than 1 year, Congressman REECE and I have shared an interest in several projects, especially projects concerning the development of the Great Smoky Mountains National Park which means so much to North Carolina, Tennessee, and the Nation.

Despite his grave illness, Congressman REECE in his latter days often disregarded his personal well-being and left his sickbed to be present for important House and committee votes.

Truly, the State of Tennessee, as well as the Nation, has lost a distinguished citizen of courage and conviction.

I extend my sincere condolences to his family on their great loss.

Mr. BRAY. Mr. Speaker, this body relies greatly on the experience and wisdom of some of our most senior Members. Those who have the honor of serving for long periods of time frequently help to put us on the right track and assist us from their extensive legislative background.

Such a man was B. CARROLL REECE, loved and respected on both sides of the aisle for his keen ability to get to the heart of matters. His contributions to the work of this body were many and will long be remembered.

His life was distinguished not only in the Congress, but also in his remarkable military record—as great as that of any Member of the House, and also his record in the fields of politics, business, and civic leadership was outstanding in our Nation. However, despite his great responsibilities and positions of leadership, he was alway most considerate, kind, and helpful to anyone who came to him for consultation regarding problems of government, legislation, or politics. It was these qualities, among many others, which led the people of his district to return him to the House so many times.

I served with him briefly on the Committee on Armed Services, and in this body for the past 10 years. I deeply valued his friendship. I realize the loss to his country and to his party is great.

Mr. TRIMBLE. Mr. Speaker, I join with the delegation from Tennessee and others in deep sorrow at the passing of CARROLL REECE from our membership. He was a devoted legislator, a loyal friend, and a great American. We served on the Committee on Rules together. He will be greatly missed in this Chamber.

To Mrs. Reece and their daughter I extend my sincere sympathy.

Mr. ROONEY. Mr. Speaker, I was saddened this morning when I learned of the passing of our distinguished colleague the Honorable B. CARROLL REECE, of Johnson City, Tenn.

I had been aware, of course, of CARROL REECE's recent illness but somehow had the impression he would recover since he had always impressed me as being a very rugged and healthy person. His rapid decline and death only added to the shock I received.

During his long career in this body, CARROLL REECE enjoyed the admiration and respect of his colleagues on both sides of the aisle. He spared neither time nor effort in endeavoring to serve the people of his district and State. He will be sadly missed.

I extend my deepest sympathy to his wife and daughter.

Mr. FISHER. Mr. Speaker, the Grim Reaper has taken from our ranks a friend and colleague whose loss will be felt not only by the Members of this body but by the entire Nation.

During my 18 years of service in this body, I can hardly think of a man with whom I have served who exceeded in patriotism and devotion to his country the life that was lived by CARROLL REECE.

He was one of those statesmen who always put the country first. He was a great defender of the free enterprise system. His voting record in Congress speaks loudly in favor of good government and the preservation of our democratic institutions.

CARROLL REECE was the sort of person who was guided by principal rather than expediency. His courage was equalled by few. He is one man who seemed to never falter in following a consistent course of moderation and dedication to his beliefs. I only wish this Congress could have the service of more men like CARROLL REECE. The country would be better off, its future would be more secure, and its survival as a democracy more certain.

Mr. HORAN. Mr. Speaker, I wish to join with my colleagues in paying tribute to our departed Member, B. CARROLL REECE, who was one of our Nation's stalwart men.

I was shocked to learn of his passing. I had had a very nice visit with CARROLL in his room at the Bethesda Naval Center just 2 weeks ago. He looked well, and I am sure was looking forward to returning to the Congress where he had served so well and so faithfully for nearly 40 years.

We all will miss him, for CARROLL REECE meant a great deal to this country. His approach to every consideration in the Congress was unaffected by provincial considerations and the influence of local considerations. We shall miss his great abilities on the Rules Committee, and the Nation will suffer his passing.

Mrs. Horan and I wish to join with others in paying our respects and in expressing our sincere sympathy to Mrs. Reece and their devoted daughter.

Mr. MEADER. Mr. Speaker, I want to join with those who have expressed their deep sense of loss and have extended their condolences to the family of our late colleague, the Honorable B. CARROLL REECE, of Tennessee.

It was my privilege to serve briefly with CARROLL REECE on the Committee on Government Operations and its Subcommittee on Foreign Operations under the chairmanship of the Honorable PORTER HARDY, JR., of Virginia. Both in that service and in our other contacts in the House of Representatives I developed a high regard for CARROLL'S gracious manner, his sunny disposition, his wit and friendly humor and his steadfastness to the political and economic principles and institutions which are the pillars of our American system.

CARROLL REECE'S career in public service was a healthy contribution to American progress during the 3½ decades of our rapidly changing times through which he served. We are grateful for his contribution and will miss him sorely in the difficult decisions which lie before us.

Mr. HOFFMAN of Michigan. Mr. Speaker, others have spoken of the helpful, constructive record made by our colleague who left us Sunday morning.

Not only did he serve his country with distinction in war as well as in peace, but he was an able, faithful servant to his district and his State.

In addition, he rendered loyal, effective service to the party of his choice.

While he was with us in the Congress, it was my privilege to serve under him. He was always helpful, always kind, always courteous, always forbearing, especially of unjustifiable criticism which came to him when serving as chairman of a special committee.

When I was at Bethesda last Thursday morning, in his wheelchair he came to the office of the doctor I was consulting. He was cheerful and, although he had been confined to the hospital for several weeks, he gave no visible indication either in his appearance or by his talk that the end was near. He was his usual cheerful, encouraging self, and expressed hope for my comparatively minor physical trouble.

His passing once more gives us notice of the uncertainty of when or how we shall be called.

Mr. DORN. Mr. Speaker, CARROLL REECE was a loyal, true American. He was a national figure in the traditions of Andrew Johnson, Cordell Hull, Speaker Joe Byrns, Andrew Jackson, and other distinguished sons of Tennessee.

CARROLL REECE was as rugged and courageous as the great Smoky Mountain area he represented. He was truly one of the great statesmen of our times. Our free enterprise, opportunity system had no greater champion than this forthright statesman from Tennessee.

Those of us who served in Congress with him regardless of party, admired and loved him. His integrity, warm personality, and patriotism will influence those of us who served with him for many years to come.

Mrs. Dorn and the people of South Carolina join in my deepest sympathy to Mrs. Reece and the family.

Mr. HARVEY of Indiana. Mr. Speaker, our loss in the passing of my colleague from Tennessee, CARROLL REECE, is real and sincere. He was not only an able Congressman, he was also a great patriot and defender of his country. To my own expression of sorrow I would like to include the remarks of our mutual friend, ex-Governor Gates, of Indiana, who asked that his sentiments also be incorporated expressing his sympathy and sorrow:

COLUMBIA CITY, IND.,
March 20, 1961.

HON. RALPH HARVEY,
State House, Washington, D.C.:

The many friends of Hon. B. CARROLL REECE in Indiana are deeply grieved by his death. During his public service of more than a third of a century he demonstrated his great devotion to the fundamentals of our Nation, his loyalty to Senator Robert A. Taft. His ideals endeared him to all of us. America has lost a great leader and splendid American.

RALPH F. GATES,
Republican National Committeeman.

Mr. MADDEN. Mr. Speaker, all Members of the House were grieved to learn of the passing of B. CARROLL REECE. I have enjoyed his friendship during my 18 years as a Member of this body, and especially over the last 12 years while we both served on the Rules Committee.

Congressman REECE possessed an outstanding personality, and an ability to emphatically state his opinions on legislative problems, and at the same time, respect the views of others who disagreed with him. He was held in high esteem and liked by all Members of Congress on

both sides of the aisle. His congressional district, State, and Nation have lost an outstanding and experienced legislator.

The Members of the Rules Committee will certainly miss the pleasant and optimistic remarks of Congressman REECE during its future hearings on various matters before the committee.

I wish to extend to his wife and family my deepest sympathy in their bereavement.

Mr. VAN ZANDT. Mr. Speaker, I was shocked and grieved on Sunday evening when I learned of the death of my good friend, B. CARROLL REECE.

Years ago when I was commander in chief of the Veterans of Foreign Wars of the United States it was my privilege to meet and become acquainted with the gentleman from Tennessee, whom I learned to know as a quiet, kindly man but at the same time a dedicated individual and a very capable legislator.

CARROLL REECE was not only a great American but an outstanding soldier, having served his country in the U.S. Army during World War I. As a young lieutenant, he commanded the 3d Battalion of the 122d Infantry Regiment in France and was decorated with the Distinguished Service Cross and the Distinguished Service Medal for bravery in action against the enemy. In addition, he was awarded a Purple Heart, having been wounded in action, and finally the French Government decorated him with the Croix de Guerre.

In 1920 our late colleague was first elected to the House of Representatives and from that time until his death he could always be found among those striving to make America a better place to live, as well as protecting his country against our enemies without and within.

As a Member of the House of Representatives, he authored much important legislation, including the resolution creating the House Committee on Veterans' Affairs as well as the bill which helped to establish the Army Air Corps.

CARROLL, as he was commonly known, loved his favorite game of politics and many of us recall when he resigned his seat in the House of Representatives to serve the Republican Party as its national chairman for the period from 1946 to 1949. Under his keen and able direction, the Republican Party captured control of the Congress in 1946. From the time of his reelection to the House until his death, his interest in his party was always a subject of conversation with his many friends.

I mourn his great loss and offer my heartfelt condolences to Mrs. Reece and their daughter, as I pray to God for His blessing and deliverance to everlasting life.

Mr. MICHEL. Mr. Speaker, all of us are saddened today as we pay tribute to our departed colleague, CARROLL REECE. I cannot help but recall my days in school when I first heard and read about CARROLL REECE as a most distinguished Member of this House and as a former chairman of our Republican National Committee.

It was a memorable day for me when I came to Washington for the first time and had the privilege of meeting CARROLL. I remember so distinctly how disarming he was and how much time he was willing to give me in conversation on the occasion of our first meeting. Subsequently, after I was elected to Congress, there were many more opportunities for me to talk with CARROLL and counsel with him. His was always a wise and considered judgment, and I know of no one who was so gifted with the ability to see the good in people rather than their faults. He was always quick with a quip or an anecdote if the occasion called for it, and likewise he could be so forceful and stirring if need be.

I will never forget one of my first public appearances here in Washington after being elected to Congress and sharing the speaking honors with CARROLL. My remarks for the occasion were so inadequate, while his were so profound and appropriate. Nevertheless, he asked me to come to Tennessee to make several speeches there, and regardless of where it may have been in the State of Tennessee everyone knew and spoke most highly of CARROLL. While I respected him from the very first meeting, I learned to love him as well. He had such a vast reservoir of experience and I learned much from him.

We will miss CARROLL so much on the floor of this House, and I would want his wife and family to know this heavy burden of sorrow is being borne and shared by a host of us who have come to know CARROLL REECE as a dear friend. This House loses one of its most fearless and yet gentle Members, and the country suffers the loss of a great soldier and patriot.

Mr. PHILBIN. Mr. Speaker, I was greatly shocked and very deeply grieved by the passing of our dear friend, beloved and esteemed colleague, Congressman CARROLL REECE, of Tennessee.

Few, if any, of the men I have met in or out of the public service, in my journey through life, could compare with him, and none could excel this noble son of Tennessee.

In his basic integrity, he was as rugged and solid as the hills of his beloved, native State, and in his broad, active mind only noble thoughts found lodgement. In his alert brain, great ability moved this proud Tennessean into many orbits of constructive interest and action for his district, State, and country.

In his great heart, there abided feelings of brotherhood, tolerance, and compassion for all men, especially for those who were less favored and less fortunate in coping with the vicissitudes of life.

A man of vital and sterling patriotism, who demonstrated on the battlefields in one of the Nation's greatest wars, his superb courage, his personal bravery, his complete fearlessness of danger, and his consuming love of country. CARROLL REECE was truly in the vanguard of great fighting heroes.

While he was a most highly decorated soldier and received many plaudits and honors throughout his career that might have changed the outlook of one less rugged and real.

CARROLL REECE was known for his humility, his modesty, and his down-to-earth personality, a man who never lost the common touch.

A successful businessman of genius and foresight, he well understood the financial business and economic problems of the Nation, and was greatly concerned about them. But he never swerved from his fundamental purpose of serving his country in the broadest sense with all his heart. When he passed on, this House lost one of its greatest, most distinguished, most famous Members, and those of us who knew and loved him lost one of our dearest, most loyal friends.

Obviously, it will not be possible to fill the great void which has been left by the untimely passing of this great American. The memory of his beaming personality, genial nature, high exploits, and splendid contributions to the Nation and people of America will long be remembered here and wherever the name of CARROLL REECE is known.

He was truly one of God's noblemen, one of America's first citizens, and his name will go down in history honored and revered for his heroism, his magnificent, unselfish service, his noble character, and his greatness of heart.

I express my deepest and most heartfelt sympathy to his devoted, gracious wife, his loving daughter and all of his family, his friends and constituents for the irreparable loss which they have sustained. With a sad heart, indeed, I join them in mourning his passing and extend to them from the very bottom of my heart sincerest condolences and prayers that the good Lord may lighten their heavy burden of sorrow and out of the consciousness of his great life, good works, and generous heart, bring them assuaging comfort and resignation.

The memory of CARROLL REECE will long live in these halls and in this Nation. It is my devout prayer that he may find peace, rest, and eternal reward in his heavenly home.

Mr. MILLER of New York. Mr. Speaker, I am sure that the immense personal loss I feel at the passing of our beloved colleague from Tennessee, CARROLL REECE, is shared not only by the Members of the House and those who, in the past, were privileged to serve with him, but by all Americans who are concerned with the welfare of our Nation to which he was so dedicated.

For more than 40 years, Mr. REECE served his country—on the battlefields of France in World War I, as a Member of Congress, and as leader of the Republican Party. Although he was the most decorated Member of Congress, CARROLL REECE'S wartime awards are more than matched by the accolades from literally thousands of persons whom he helped personally or as a Member of the House of Representatives. His generosity, kind understanding, personal courage, and willingness to give his immense personal energies and thought to the problems of all men, both great and small, made him unique in this age of cynicism and self-interest.

For he was more than just a soldier and a statesman. CARROLL REECE was a

humanitarian, a gracious and courteous gentleman whose kindness was extended in many forms to all who required it. His wisdom was as freely imparted as it was sought and his generosity was unbounded. But even more important, he was a friend whose loyalty brought him the reverence of all with whom he came into contact. Those of us who have had the arduous political task of campaigning for Republican candidates for Congress can appreciate fully his magnificent accomplishments as chairman of the Republican National Committee from 1946 to 1949 when he did perhaps more than anyone else to gain for his party the majority in this House.

The void he leaves in the Congress and on the American scene cannot be filled through the simple application of the electoral process, but will remain for years to come as a reminder to us all of the true qualities of Christian charity and kindness.

I am sure I am joined by everyone here and all other Americans in saying to the bereaved family of our beloved colleague: "Your loss is shared and your grief is, in part, our grief. Although we cannot return that which has been taken by the Almighty, our heartfelt sympathy is given you as freely as your husband and father gave of himself to others. The stature he attained in life cannot but become greater in death, as the humane acts he so long shielded in anonymity at last come to light.

Mr. WIDNALL. Mr. Speaker, the Nation has lost one of its great men, with the passing of our colleague B. CARROLL REECE, distinguished Representative of the First Congressional District of Tennessee.

CARROLL REECE's long career of public service is well known to all of us. It spanned nearly 40 years and included an outstanding World War I record, followed by some 36 years of selfless service in the House of Representatives.

CARROLL REECE was a happy man because he was a good man. He possessed a rare blend of strength of character and gentleness. He was firm in pleading his convictions, but always temperate in his dealings with others. He was truly a gentleman.

It was my privilege to serve with CARROLL REECE in the House for 10 years. During this time I grew to know, admire, and respect him as one of the outstanding Members of Congress. He will be sorely missed by his colleagues in both House and Senate, all of whom join in expressing profound sympathy to Mrs. Reece and the members of his family.

Mr. KEARNS. Mr. Speaker, I join all of my colleagues in the House in their grief over the loss of our friend, CARROLL REECE.

CARROLL REECE not only served his constituents well but all Republicans while national chairman of the Republican Party.

His passing will be felt keenly by his own State of Tennessee and by the entire country to which he gave so much of his time and ability as one of the ablest spokesmen of the conservative cause that this Nation has ever produced.

My heartfelt sympathy goes to Mrs. Reece and the family in their great personal loss.

Mr. BAKER. Mr. Speaker, I offer a resolution (H. Res. 228).

The Clerk read as follows:

Resolved, That the House has heard with profound sorrow of the death of the Honorable B. CARROLL REECE, a Representative from the State of Tennessee.

Resolved, That a committee of 12 Members of the House, with such Members of the Senate as may be joined, be appointed to attend the funeral.

Resolved, That the Sergeant of Arms of the House be authorized and directed to take such steps as may be necessary for carrying out the provisions of these resolutions and that the necessary expenses in connection therewith be paid out of the contingent fund of the House.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

The resolution was agreed to.

The SPEAKER. The Chair appoints as members of the funeral committee the following Members on the part of the House: Mr. HALLECK; Mr. ARENDS; Mr. DAVIS of Tennessee; Mr. MURRAY; Mr. EVINS; Mr. FRAZIER; Mr. BAKER; Mr. JONAS; Mr. BASS of Tennessee; Mr. LOSER; Mr. SMITH of California; and Mr. EVERETT.

The Clerk will report the remainder of the resolution.

The Clerk read as follows:

Resolved, That as a further mark of respect the House do now adjourn.

The resolution was agreed to.

ADJOURNMENT

Accordingly (at 1 o'clock and 21 minutes p.m.) the House adjourned until tomorrow, Tuesday, March 21, 1961, at 12 o'clock noon.

REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS INCURRED IN TRAVEL OUTSIDE THE UNITED STATES

Mr. BURLESON. Mr. Speaker, section 502(b) of the Mutual Security Act of 1954, as amended by section 401(a) of Public Law 86-472, approved May 14, 1960, and section 105 of Public Law 86-628, approved July 12, 1960, require the reporting of expenses incurred in connection with travel outside the United States, including both foreign currencies expended and dollar expenditures made from appropriated funds by Members, employees, and committees of the Congress.

The law requires the chairman of each committee to prepare a consolidated report of foreign currency and dollar expenditures from appropriated funds within the first 60 days that Congress is in session in each calendar year. The consolidated report is to be forwarded to the Committee on House Administration which, in turn, shall print such report in the CONGRESSIONAL RECORD within 10 days after receipt. Accordingly, there is submitted herewith, the consolidated report of the House Committee on Merchant Marine and Fisheries:

Report of expenditure of foreign currencies and appropriated funds of the Committee on Merchant Marine and Fisheries

[Expended between Jan. 1 and Dec. 31, 1960]

Name and country	Name of currency	Lodging		Meals		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
George P. Miller:											
Sweden	Swiss franc	425	97.50	270	67.50	108	25.00	197	40.00	1,000	230.00
France	French franc	250	50.00	260	53.00	151	30.80	189	36.20	850	170.00
Bob Casey:											
Sweden	Swiss franc	201.10	46.25	445	102.35	260	59.80	295	67.85	1,201.10	276.25
France	French franc	250.05	51.01	260	53.04	151	30.80	188.95	38.55	850	173.40
Thor C. Tollefson:											
Sweden	Swiss franc	213	49.02	85	19.25	90	20.88	30	10.56	418	99.61
France	French franc	600	120.00	350	70.00	250	50.00	455	91.00	1,655	331.00
William K. Van Pelt:											
Sweden	Swiss franc	105	24.26	151	34.88	100	23.10	644	148.76	1,000	231.00
France	French franc	65	13.00	40.65	8.13	75	15.00	214.35	42.87	395	79.00
William S. Mailliard: Sweden	Swiss franc	264.70	61.27	410	94.90	245	56.72	298	68.98	1,217.70	281.87
Total			512.21		503.05		312.10		544.77		1,872.13

RECAPITULATION

	Amount
Foreign currency (U.S. dollar equivalent)	$1,872.13

MARCH 16, 1961.

HERBERT C. BONNER,
Chairman, Committee on Merchant Marine and Fisheries.

REPORT OF EXPENDITURES OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS INCURRED IN TRAVEL OUTSIDE THE UNITED STATES

Mr. BURLESON. Mr. Speaker, section 502(b) of the Mutual Security Act of 1954, as amended by section 401(a) of Public Law 86-472, approved May 14, 1960, and section 105 of Public Law 86-628, approved July 12, 1960, require the reporting of expenses incurred in connection with travel outside the United States, including both foreign currencies expended and dollar expenditures made from appropriated funds by Members, employees and committees of the Congress.

The law requires the chairman of each committee to prepare a consolidated report of foreign currency and dollar expenditures from appropriated funds within the first 60 days that Congress is in session in each calendar year. The consolidated report is to be forwarded to the Committee on House Administration which, in turn, shall print such report in the CONGRESSIONAL RECORD within 10 days after receipt. Due to the fact that the former chairman of the Committee on Education and Labor is no longer in Congress, there has been some delay in the filing of the following report and its subsequent transmittal for printing in the CONGRESSIONAL RECORD:

Report of expenditure of foreign currencies and appropriated funds of the Committee on Education and Labor

[Expended between Jan. 1 and Dec. 31, 1960]

Name and country	Name of currency [1]	Lodging		Meals		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Ludwig Teller: [2]											
Italy	Lire	77,625	125.00	86,940	140.00	150,435	242.17	75,000	120.84	390,000	628.01
Israel	Pound	105	189.00	62	111.60	50	90.00	33	59.40	250	450.00
Spain	Peseta	8,795	146.58	6,270	104.50	10,850	180.83	4,062.50	67.71	29,977.50	499.62
France	Franc	2,265	462.24	1,900	387.75	2,620	534.70	715	145.92	7,500	1,530.61
Total			922.82		743.85		1,047.70		393.87		3,108.24
Herbert Zelenko:											
Japan	Yen	22,206	61	39,600	110	23,400	65	10,080	28	95,286	264
Hong Kong	Hong Kong dollar.	1,369.20	240	570	100	342	60	228	40	6,509.20	440
Total			301		210		125		68		704
Grand total			1,223.82		953.85		1,172.70		461.87		3,812.24

[1] Currency equivalents: $1=621 lire; $1=60 pesetas; $1=4.90 new French francs; 1 Israeli pound=$1.80.

[2] Attached is my report dealing with worker participation in business management as it is practiced in Europe, the extent to which European practices in this field are valid precedents for comparable practices to be followed in our country, the prevalence of Communist influences in European labor movements, and suggestions for improving our labor attaché program in Europe so as to make it a more efficient instrument of American policy.

RECAPITULATION

	Amount
Foreign currency (U.S. dollar equivalent)	$3,812.24

GRAHAM A. BARDEN,
Chairman, 86th Congress, Committee on Education and Labor.

MARCH 3, 1961.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

686. A letter from the Director, Office of Civil and Defense Mobilization, Executive Office of the President, transmitting copy No. 2 of the Statistical Supplement, Stockpile Report to the Congress, for the period ending December 31, 1960, pursuant to section 4 of the Strategic and Critical Materials Stock Piling Act, Public Law 520, 79th Congress; to the Committee on Armed Services.

687. A letter from the Secretary of the Army, transmitting a draft of a proposed bill entitled "A bill to authorize the Secretary of the Army to reconvey to the town of Malone, N.Y., certain real property heretofore donated by said town to the United States of America as an Army Reserve center and never used by the United States"; to the Committee on Armed Services.

688. A letter from the Under Secretary of the Navy, transmitting a draft of a proposed bill entitled "A bill to amend title 10, United States Code, to permit members of the Armed Forces to accept fellowships, scholarships, or grants"; to the Committee on Armed Services.

689. A letter from the Comptroller General of the United States, transmitting a report on a review of expenditures for selected maintenance and construction projects at the Army Chemical Center, Edgewood, Md.; to the Committee on Government Operations.

690. A letter from the Administrator, General Services Administration, transmitting a draft of a proposed bill entitled "A bill to repeal section 409 of the Public Buildings Act of 1949, requiring the submission of a report to the Congress concerning eligible public building projects"; to the Committee on Public Works.

691. A communication from the President of the United States, transmitting amendments to the budget for the fiscal year 1962, involving increases in the amount of $442,429,000 for the Department of Agriculture (H. Doc. No. 112); to the Committee on Appropriations and ordered to be printed.

692. A communication from the President of the United States transmitting amendments to the budget for the fiscal year 1962, involving an increase in the amount of $40,668,000 for the Department of the Interior (H. Doc. No. 113); to the Committee on Appropriations and ordered to be printed.

693. A communication from the President of the United States, transmitting amendments to the budget for the fiscal year 1962 involving an increase in the amount of $11 million for the U.S. Information Agency (H. Doc. No. 114); to the Committee on Appropriations and ordered to be printed.

694. A communication from the President of the United States, transmitting amendments to the budget for the fiscal year 1962 involving a decrease in the amount of $130,000 for the Department of State (H. Doc. No. 115); to the Committee on Appropriations and ordered to be printed.

695. A letter from the Assistant Secretary of Defense (Installations and Logistics), transmitting reports of contractual actions taken in calendar year 1960 to facilitate the national defense, pursuant to Public Law 85-804; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. RIVERS of South Carolina: Committee on Armed Services. H.R. 4349. A bill to place Naval Reserve Officers' Training Corps graduates (Regulars) in a status comparable with U.S. Naval Academy graduates; without amendment (Rept. No. 171). Referred to the Committee of the Whole House on the State of the Union.

Mr. RIVERS of South Carolina: Committee on Armed Services. H.R. 5400. A bill to provide for more effective participation in the Reserve components of the Armed Forces, and for other purposes; without amendment (Rept. No. 172). Referred to the Committee of the Whole House on the State of the Union.

Mr. McMILLAN: Committee on the District of Columbia; H.R. 258. A bill to amend the District of Columbia Sales Tax Act so as to increase the rate of tax imposed on gross receipts from certain sales, and for other purposes; with amendment (Rept. No. 173). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BARING (by request):

H.R. 5697. A bill to provide for the establishment of a national cemetery in the State of Nevada; to the Committee on Interior and Insular Affairs.

By Mr. BECKWORTH:

H.R. 5698. A bill to extend the apportionment requirement in the Civil Service Act of January 16, 1883, to temporary summer employment, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. BETTS:

H.R. 5699. A bill to amend section 584 of the Internal Revenue Code of 1954 to qualify certain types of charitable accounts for participation in common trust funds maintained by banks; to the Committee on Ways and Means.

By Mr. BYRNES of Wisconsin:

H.R. 5700. A bill to amend the Tariff Act of 1930 to permit contract carriers by motor vehicle to transport bonded merchandise; to the Committee on Ways and Means.

By Mr. CLARK:

H.R. 5701. A bill to amend title 38, United States Code, to provide for the payment of pensions to veterans of World War I; to the Committee on Veterans' Affairs.

By Mr. FINO:

H.R. 5702. A bill to extend benefits under the Federal Employees' Compensation Act to certain individuals injured while engaged in Federal civil defense activities during World War II, and for other purposes; to the Committee on Education and Labor.

By Mr. FOGARTY:

H.R. 5703. A bill to amend the Uniform Code of Military Justice; to the Committee on Armed Services.

H.R. 5704. A bill to establish standards for hours of work and overtime pay of laborers and mechanics employed on work done under contract for, or with the financial aid of, the United States, for any territory, or for the District of Columbia, and for other purposes; to the Committee on Education and Labor.

H.R. 5705. A bill to facilitate the unity of families, and for other purposes; to the Committee on the Judiciary.

By Mr. FOUNTAIN:

H.R. 5706. A bill to amend section 314 of the Public Health Service Act of 1944; to the Committee on Interstate and Foreign Commerce.

By Mrs. DWYER:

H.R. 5707. A bill to amend section 314 of the Public Health Service Act of 1944; to the Committee on Interstate and Foreign Commerce.

By Mr. GALLAGHER:

H.R. 5708. A bill to create a U.S. Academy of Foreign Service; to the Committee on Foreign Affairs.

By Mr. HALPERN:

H.R. 5709. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for expenses incurred by a taxpayer in making repairs and improvements to his residence, and to allow the owner of rental housing to amortize at an accelerated rate the cost of rehabilitating or restoring such housing; to the Committee on Ways and Means.

By Mr. HARRIS:

H.R. 5710. A bill to amend subsection (e) of section 307 of the Communications Act of 1934 to permit the Commission to renew a station license in the safety and special radio services more than 30 days prior to expiration of such license; to the Committee on Interstate and Foreign Commerce.

By Mr. HOLLAND:

H.R. 5711. A bill to amend the National Labor Relations Act, as amended; to the Committee on Education and Labor.

By Mr. ICHORD of Missouri:

H.R. 5712. A bill to authorize the establishment and development of the Ozark Rivers National Monument in the State of Missouri, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. KEOGH:

H.R. 5713. A bill to amend the Internal Revenue Code of 1954 with respect to exportation of imported distilled spirits, wines, and beer; to the Committee on Ways and Means.

By Mrs. MAY:

H.R. 5714. A bill to authorize the Secretary of Agriculture to grant easements for road rights-of-way over national forest lands and other lands under the jurisdiction of the Department of Agriculture, and for other purposes; to the Committee on Agriculture.

By Mr. PHILBIN:

H.R. 5715. A bill to provide for the issuance of a special postage stamp to commemorate the Military Order of the Purple Heart; to the Committee on Post Office and Civil Service.

By Mr. POWELL:

H.R. 5716. A bill to provide that the unincorporated territories of the Virgin Islands and Guam shall each be represented in Congress by a Territorial Deputy to the House of Representatives; to the Committee on Interior and Insular Affairs.

By Mr. RAINS:

H.R. 5717. A bill to amend, clarify, and make certain the applicability of section 4233 of the Internal Revenue Code of 1954, relating to exemptions from tax imposed under section 4231 of the Internal Revenue Code of 1954; to the Committee on Ways and Means.

By Mr. RIEHLMAN:

H.R. 5718. A bill to amend the Fair Labor Standards Act of 1938, as amended, to provide coverage for employees of interstate enterprises engaged in retail trade, to increase the minimum wage under the act to $1.15 an hour, and for other purposes; to the Committee on Education and Labor.

By Mr. ROBISON:

H.R. 5719. A bill to amend the Fair Labor Standards Act of 1938, as amended, to provide coverage for employees of interstate enterprises engaged in retail trade, to increase the minimum wage under the act to $1.15 an hour, and for other purposes; to the Committee on Education and Labor.

By Mr. SAYLOR:

H.R. 5720. A bill to amend part I of the Interstate Commerce Act to permit certain common carriers to give free transportation to their agents; and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. SPENCE:

H.R. 5721. A bill to amend the Federal Home Loan Bank Act and title IV of the National Housing Act; to the Committee on Banking and Currency.

By Mr. STAFFORD:

H.R. 5722. A bill to provide for denial of passports to supporters of the international Communist movement, for review of passport denials, and for other purposes; to the Committee on Foreign Affairs.

By Mr. TEAGUE of Texas:

H.R. 5723. A bill to extend the veterans' guaranteed and direct home loan program and to provide additional funds for the veterans' direct loan program; to the Committee on Veterans' Affairs.

By Mr. WATTS:

H.R. 5724. A bill to amend section 584 of the Internal Revenue Code of 1954 to qualify certain types of charitable accounts for participation in common trust funds maintained by banks; to the Committee on Ways and Means.

By Mr. WESTLAND:

H.R. 5725. A bill to provide for the assessing of Indian trust lands and restricted fee patent Indian lands within the Lummi Indian diking project on the Lummi Indian Reservation in the State of Washington, through drainage and diking district formed under the laws of the State of Washington; to the Committee on Interior and Insular Affairs.

By Mr. DOOLEY:

H.J. Res. 323. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. PELLY:

H.J. Res. 324. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. FARBSTEIN:

H. Con. Res. 199. Concurrent resolution expressing the sense of the Congress with respect to the establishment by the United Nations of an Economic Aid Coordinating Committee, which shall serve as a central clearinghouse of information concerning economic aid furnished other nations; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Kansas, memorializing the President and the Congress of the United States relative to notifying the U.S. Army Chief of Engineers of the desire of the Kansas Legislature relative to water supply features in Milford Reservoir and other authorized reservoir projects; to the Committee on Public Works.

Also, memorial of the Legislature of the State of Rhode Island, memorializing the President and the Congress of the United States to enact legislation which would allow those people who are not able to speak or read English to apply for American citizenship; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. FINO:

H.R. 5726. A bill for the relief of Isidor Margulies; to the Committee on the Judiciary.

By Mr. GIAIMO:

H.R. 5727. A bill for the relief of Antonio Giamei; to the Committee on the Judiciary.

By Mr. HUDDLESTON:

H.R. 5728. A bill for the relief of Konstantinos Stellaros; to the Committee on the Judiciary.

By Mr. KING of California:
H.R. 5729. A bill for the relief of Mrs. Chew Sheung Tai; to the Committee on the Judiciary.

By Mr. NORBLAD:
H.R. 5730. A bill for the relief of Masako Ishiguro; to the Committee on the Judiciary.

By Mr. PHILBIN:
H.R. 5731. A bill for the relief of Peter T. P. Sun; to the Committee on the Judiciary.

By Mr. SANTANGELO:
H.R. 5732. A bill for the relief of Vincenzo Leone; to the Committee on the Judiciary.

By Mrs. WEIS:
H.R. 5733. A bill for the relief of Bernard Heroux; to the Committee on the Judiciary.
H.R. 5734. A bill for the relief of Yung-sen Tseng; to the Committee on the Judiciary.

By Mr. WESTLAND:
H.R. 5735. A bill for the relief of Steven Mark Hallinan; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII:

99. The SPEAKER presented a petition of Joseph J. Cooley, city clerk, Buffalo, N.Y., petitioning consideration of his resolution with reference to requesting passage of H.R. 3647, relating to the Federal excise tax levied against motor vehicles, which was referred to the Committee on Ways and Means.

EXTENSIONS OF REMARKS

This May Be the Answer to the Problem of Federal Aid to Education

EXTENSION OF REMARKS
OF
HON. CARROLL D. KEARNS
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Monday, March 20, 1961

Mr. KEARNS. Mr. Speaker, on March 16, 1961, I introduced two bills, H.R. 5672 and H.R. 5673, which offer an eminently sound and fair solution to the growing controversy over loans to private education. These bills would: First, establish $1,000 a year scholarships in all fields for needy students winning a national competition; second, grant taxpayers an additional deduction from taxable income for expenses incurred by him, his spouse, or his dependent or dependents, while attending college; and third, provide an optional tax credit for contributions to education which may be chosen by the taxpayer in place of the deductions now allowed. This feature extends to all taxpayers the tax advantages now available only to taxpayers in the top-income brackets who make contributions to education.

H.R. 5672 and 5673 include many of the ideas and recommendations of the country's leading educational organizations. Increased private giving to education is supported by leaders in both public and private educational fields. Such powerful and respected organizations as the Association of American Colleges, which represents over 1,000 public and private colleges, the American Association for the Advancement of Science, the Council for Financial Aid to Education, and the U.S. Chamber of Commerce support private giving to education. Loans to private education may be the issue which defeats the administration's Federal aid to education proposals. But no one can honestly object to steps to encourage private giving to education.

A resolution adopted by the Association of American Colleges declares:

> The American people must give consideration to the more adequate support of higher education from both public and private funds. The traditional friendliness of government to education in America through its tax structures needs to be continued through the modernization of that tax structure.

H.R. 5673 would update and modernize the Internal Revenue Code of 1954.

The administration's program for American education ignores the fact that the Congress has taken a number of concrete steps in recent years with the support of all segments of American education to encourage private giving to education. It is remarkable that the Democratic administration has made no recommendations regarding the updating of the tax structure to encourage private giving to both public and private education, though its leaders surely know very well that such a step would have overwhelming support in the Congress, and throughout the country.

For many years I have been advocating—as have many others—that the tax dollar be kept at home where it does the most good. Many people are surprised when they learn what a large share of the tax dollar is required to administer it in Washington. My theory is that if private giving to education were increased, the pressure for huge appropriations by the Federal Government would be correspondingly reduced. Thus, the $6 billion Federal aid to education programs of this administration could easily be reduced by as much as 2 to 3 billions of dollars if private gifts of that amount were forthcoming.

The Congress obviously intended to encourage private giving to education when, in 1952, it raised allowable deductions of adjusted gross income from 15 to 20 percent, and in 1954 raised the allowable deductions to 30 percent for such purposes. These steps had bipartisan support in the Congress and were taken while President John F. Kennedy was a Member of the Congress. They had the support of leading Members of both parties in both Houses of the Congress at that time.

H.R. 5673 is based on the sound theory that private giving to education would greatly increase if the tax deductions for philanthropy now allowed persons in the top-income bracket were extended to all taxpayers. At the present time the taxpayer with a moderate income pays $80 out of his own pocket for each $100 he gives to education. At the same time, the wealthy taxpayer in the 91 percent bracket pays only $9 out of his pocket for each $100 gift he makes to education. The bill, H.R. 5673, ends this unfair treatment of the American taxpayer and makes it possible for everyone to make gifts to education.

Members of the House and Senate who believe in private giving to education, both public and private, and who are seriously interested in a sound legislative solution to the problems facing American education, may find the Kearns' proposals worthy of sponsorship and support. I would be pleased to hear from you.

America Loses a Distinguished Gentleman

EXTENSION OF REMARKS
OF
HON. JAMES F. BATTIN
OF MONTANA
IN THE HOUSE OF REPRESENTATIVES
Monday, March 20, 1961

Mr. BATTIN. Mr. Speaker, Zales Nelson Ecton, a former U.S. Senator from Montana from 1946 to 1953, passed away in Bozeman, Mont., in early March 1961.

Senator Ecton was born in Iowa and moved to Gallatin County, Mont., as a boy where he attended public schools, as well as Montana State College. He later attended the University of Chicago Law School.

During World War I he served as a private in the infantry, and from 1921 to 1946 he was a successful rancher in the Treasure State.

He had a useful and worthwhile career in public life, having served in the Montana House of Representatives from 1933 to 1937 and in the State senate from 1937 to 1946.

Senator Ecton was well liked by the people of Montana and by the Republican Party, for he served as chairman of the Republican Central Committee from 1940 to 1944.

Zales was a good father, a good husband, and a good American. He believed in the rights and dignity of man and during his career in public life he fought to preserve our American system.

Though I did not know him well personally, I did know him by reputation, and I am sure that his wife and family will have pleasure in knowing in the years to come that he was revered, not only by the people of Montana, but by his colleagues and friends in the Congress of the United States.

My wife and I join in extending our deep sympathy to his wife, Vera, and to his daughter and grandchildren.

Camp Fire Girls Birthday

EXTENSION OF REMARKS
OF
HON. HERBERT ZELENKO
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Monday, March 20, 1961

Mr. ZELENKO. Mr. Speaker, the week of March 19 to 25 has been designated as "Camp Fire Girls Birthday Week." Campfire Girls are to be congratulated on the observance of their golden jubilee celebration started last November. They are to be especially praised for their 2½ year golden jubilee conservation project which has been of inestimable value all across the Nation, not only to people living today, but to generations who will follow us in populating this great country.

Only recently President Kennedy appealed to Americans to develop and preserve the Nation's natural resources, as he dedicated the new building of the National Wildlife Federation, and only last month he outlined in a message to Congress his plans for protecting our natural resources. It is stimulating to know that we have a President who is vitally aware that "we draw our strength and sustenance from our earth." It is equally inspiring to know that 2½ years before these great addresses were delivered by President Kennedy, the Camp Fire Girls had launched a grassroots program which answered his appeal for help in protecting and developing the Nation's resources of water, power, forests, and wildlife.

The U.S. Department of Agriculture printed "Soil and Water Conservation Activities, a Guide for Leaders of Camp Fire Girls." And to guide the girls in their work, the Camp Fire Girls national headquarters published a beautifully illustrated book "Conservation," suggesting a program so flexible that each member could select an activity which appealed to her, while meeting the needs of her community. As a result, more than a million trees have been planted in the past 2 years, many raised from seeds by the girls themselves. Vast acres of burned over or abandoned areas have been reforested, with Camp Fire Girls working together in small teams to do the planting. A census of trees has been taken throughout entire cities, and diseased or dead trees replaced.

Recreational areas have been improved by the addition of many new parks and children's forests. In some cases, Camp Fire Girls raised money to purchase the land which they developed into parks and then turned over to the community. In other instances, the Government gave them land from which they created the parks. Tremendous cleanup campaigns have been undertaken to improve both rural and urban areas.

Conservation of wildlife has been achieved by participation in many activities which affect the soil, improve the quality of water, and foster better planning for land use. Ponds have been freed of choking vegetation. Cold water for trout has been supplied by a new deflector dam. Pheasant eggs have been hatched by chickens and raised by members for restocking. All forms of new wildlife housing have gone up, including 15,000 bluebird houses built by the Blue Birds, youngest members of the Camp Fire Girls family.

Camp Fire Girls have made speeches, conducted dedication ceremonies, designed display posters, and enacted plays to inform communities of the need for wise use of natural and human resources. In some States Camp Fire Girls restored historical monuments and sites as a part of the conservation program.

Significant as these facts are, they form only a partial picture of the Camp Fire Girls conservation program for the past 2½ years. The completed report will be made to the Nation at an early date following the close of the golden jubilee celebration.

Conservation, however, is not new to Camp Fire Girls who have made notable contributions in other years, including the planting of 700,000 trees throughout the Nation 34 years ago. It is a fine example of the law of the Camp Fire Girls in action, and has called into play all eight tenets of their law, which is: "Worship God, seek beauty, give service, pursue knowledge, be trustworthy, hold on to health, glorify work, be happy." Our hats are off to the Camp Fire Girls.

The Unification of Italy

EXTENSION OF REMARKS
OF
HON. EDNA F. KELLY
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Monday, March 20, 1961

Mrs. KELLY. Mr. Speaker, the liberation of Italy from the yoke of alien rulers and its unification in 1861 is one of the great events of 19th-century European history. It marked the culmination of the fight for freedom which the people of Italy had carried on for centuries against their foes. Until the historic and memorable year 1861, Italy was divided among her conquerors and lay prostrate at their feet. In the 1850's most of the country was under the Austrian monarchy, and all earlier efforts on the part of the people of Italy to free themselves from foreign domination had been unsuccessful. But when they renewed their war for freedom in 1859, they had France as their ally, and they were most ably led by three great Italians, Victor Emmanuel, Cavour, and Garibaldi.

In the war Italy was victorious, and in the subsequent peace her freedom assured and independence recognized. By early 1861 all liberated provinces had joined hands, and by proclaiming Victor Emmanuel as their king they founded the Kingdom of Italy. That was exactly 100 years ago, the centenary of which is being celebrated throughout Italy and in all parts of the free world. I am indeed happy in joining this great centenary celebration on the 100th anniversary of the unification of Italy.

Grants-in-Aid for Public Health Services

EXTENSION OF REMARKS
OF
HON. L. H. FOUNTAIN
OF NORTH CAROLINA
IN THE HOUSE OF REPRESENTATIVES
Monday, March 20, 1961

Mr. FOUNTAIN. Mr. Speaker, I have today introduced, for appropriate reference, a bill to implement recommendations made recently by the Advisory Commission on Intergovernmental Relations for the purpose of simplifying and improving the administration of Federal grants-in-aid for public health services. The gentlewoman from New Jersey [Mrs. DWYER], who represents the House so ably as my colleague on the Advisory Commission, joins me in this action.

The Advisory Commission was created by Congress in September 1958 as an instrument for bringing together public officials from all levels of government for the consideration of common problems, including feasible methods for achieving greater coordination and simplification in programs requiring intergovernmental cooperation. Earlier this month I introduced H.R. 5155 relating to the first of the Commission's legislative recommendations seeking to increase the coordination and effectiveness of Federal-State programs. That bill deals with Federal and State taxation of estates and inheritances.

The bill which I have introduced today is intended to accomplish two objectives. First, it would amend the Public Health Service Act of 1944 to permit States, at the discretion of the Governor concerned, to transfer up to one-third of the Federal funds granted in any one category to one or more of four other public health categories. It is proposed that this flexibility apply to the following five categorical grants: general health assistance, cancer control, heart disease control, tuberculosis control, and venereal disease control. The bill would not affect the remaining health categories of mental health, maternal and child health, and crippled children's services.

It is believed that the transfer provision would allow the States sufficient flexibility to apply the Federal funds to the categories of the greatest need within the particular State, while at the same time providing assurance to the Congress that in terms of the Nation as a whole the categorical areas would receive the relative emphasis placed upon them by the Congress in annual appropriations.

Second, the bill would establish a uniform allotment and matching formula for Federal grants to States in the special categories listed above. A number of differing formulas are now applicable to these five categories. The Advisory

Commission believes this diversity is of doubtful value and causes unnecessary complexity at both the National and State levels. It is the Commission's view that a combination of population, as a general indicator of relative program need among the States, and per capita income, as an indicator of financial ability, would be fair to all the States.

The Commission has not yet been able to study the general question of the extent to which Federal grants should be used to equalize variations in State fiscal resources. However, since the Hill-Burton formula has come into general use in other Public Health Service grant programs, such as the hospital construction program, the Commission recommends that a formula patterned generally along the lines of that formula be applied to the disease-control grants in place of the present diverse requirements.

Smithsonian Institution Numismatic Display

EXTENSION OF REMARKS
OF
HON. A. WILLIS ROBERTSON
OF VIRGINIA
IN THE SENATE OF THE UNITED STATES
Monday, March 20, 1961

Mr. ROBERTSON. Mr. President, we read in the Bible that the love of money is the root of all evil. That statement illustrates a historic fact as well as a grave human weakness. The historic fact is that more than 2,000 years ago money was used as a medium of exchange throughout the Roman Empire. The human weakness is the fact that even since King Midas struck off gold coins men have loved money, and some have loved it to the extent of losing their souls in its acquisition.

In a sense, the history of money is the history of civilization. Savages did not have money, and even today savage tribes of north Africa have no coinage of their own. The Romans were the first to mint coins with milled edges, which would easily indicate whether or not they had been defaced, because all money prior to that period represented so much in weight of gold, silver, copper, or iron, and ignorant people would be cheated by the moneychangers who would take a small portion of gold or silver from a coin before passing it on. Consequently, before the milled coin of the Romans, money was weighed by those who wished to be sure they were getting full value.

Even in our own country, money can tell us a lot about the history of a given period. One complaint of the colonists against the mother country was that the mother country would not permit the colonists to coin their own money, so in order to supplement an inadequate supply of British coins, tobacco was used for money in Virginia and beads and wampum in Massachusetts.

Mr. President, on last Saturday, the Smithsonian Institution opened to the public its new Hall of Monetary History and put on public display the most extensive and most historic display of ancient and modern coins and paper money the world has ever known. Not only is this exhibit of the greatest interest to those interested in numismatics, but it should be of interest to every citizen in our country, because whether we love money or not a certain amount of it is a necessity in our modern way of living. Indeed, if we seek the secluded happiness of the desert, boldly proclaimed by Omar Khayyam, we still must have the money with which to buy the loaf of bread and the jug of wine to be taken with us into our desert retreat.

In order that my Senate colleagues and all who read the CONGRESSIONAL RECORD may have a better understanding of the numismatic collection now on display at the Smithsonian Institution, I ask unanimous consent to publish in the CONGRESSIONAL RECORD a brief description of the principal displays prepared for me by Dr. Vladimir Clain-Stefanelli, Curator of Numismatics of the Smithsonian Institution.

There being no objection, the description was ordered to be printed in the RECORD, as follows:

The Smithsonian Institution's new Hall of Monetary History and Medallic Art opened to the public on Saturday, March 18, 1961, in the Arts and Industries Building.

The main display in the new hall is dedicated to monetary history and illustrates in a sequence of 19 specially designed cases the major aspects of the development of the units used in economic systems employing money from the beginning of primitive barter to the establishment of our modern monetary systems. The exhibits have been arranged to show the evolution of money as related to a sequence of significant historical events, and thus as an integral part of the cultural development of human society. The development of the various forms of currencies in colonial North America is traced and especial emphasis is given to the evolution of U.S. coins and paper money.

This new exhibit illustrating monetary history forms an important step in the Smithsonian's long-range program of exhibition modernization. Displays of coins, tokens, and paper currencies have been arranged in their historical and cultural contexts, rather than by conventional classifications. These exhibits are thus intended to give a new dimension to the visual record of history on display at the Smithsonian.

Several topical displays complete the basic monetary history exhibit. The themes of these displays are: "The Origin of Coin Names," "The Reformation," "Confederate Currencies," and "State Bank Notes." A reconstruction of a coin stamper designed by the renowned Italian artist and inventor Leonardo da Vinci—1452–1519—is also on view. It marks the introduction of mechanization in coining techniques.

"The New World" is the title of a special panel, recalling the first coins struck in the Western Hemisphere, in the Mexico City Mint at the beginning of the reign of Charles and Johanna of Spain—1536–56. It is followed by a display of the monetary history of North America which starts with "Barter on the Frontier," an illustration of the trade of the primitive Indians and the hardships of the white man on the advancing frontier, when only a few hundred years ago Dentalium and Mercenaria shells, wampum, skins of animals and many other articles were used in lieu of money.

"Colonial Money, 1607–1754" is an exhibit showing examples of English, Dutch, and French coins brought by the early settlers, and the first coins struck in Massachusetts in 1652 as well as early paper currency issues.

Other displays show paper bills issued by the States and by the Continental Congress, coins of the States struck after the Declaration of Independence, and the first national currency in relation to the organization of the national banks.

"Economic Adjustments, 1812–60" is the title of an exhibit reflecting a period marked by a series of financial crises and the institution of various banking systems intended to guarantee financial stability. The gold discoveries in Georgia, North Carolina and California resulting in a variety of private gold issues are also featured.

Another is "War and Reconstruction, 1860–73," depicting the different currencies and monetary intermediates, from cardboard money and encased postage stamps to the first U.S. greenbacks, as well as some of the Confederate issues of this troubled period.

A significant section of the hall is dedicated to the U.S. mint collection. This exhibit is of unusual importance since it represents the oldest collection of coins owned by the Government. In fact, it had its inception in 1792 at the U.S. mint in Philadelphia. That year and during the rest of his career the chief coiner, Adam Eckfeldt, set aside a specimen of each type and date of coin minted. The mint's collection was increased systematically through purchases made possible by Congress since 1839. This original collection was transferred to the Smithsonian after World War I and is known for the unique or extremely rare pieces it contains. One of its sections is devoted to the pattern or experimental pieces which were made at the mint as early as 1792 and continued until fairly recent years. Many of these designs were never adopted, but they served a useful purpose in helping our coin engravers arrive at designs that would be attractive as well as resistant to wear. The artistic merit of some of these patterns is indeed unusual. Others are notable for their historical import, particularly the $50 gold pieces dated 1877, designed by William Barber, and the so-called metric issues of 1879 and 1880.

The hall features also the world's largest collection of gold coins on public display, given to the Smithsonian by the late Paul A. Straub. It is a "type" collection consisting of 1850 gold coins of Europe and the Americas. Almost 4,000 silver coins of the world complete this series. Remarkable, among others, is the group of oversize multiple talers of the Brunswick duchies issued mainly during the 17th century. A study of the elaborately detailed mining landscapes on some of these coins led to new contributions to the knowledge of early mine-pumping devices.

On view also are outstanding specimens from the Willis H. du Pont donation of Russian coins and medals. It is an authoritative collection paralleled only by that of the Hermitage in Leningrad. The selections are displayed in two cases; one of them illustrates coinages issued between 1700 and 1740 by the Czars Peter the Great, Peter II, and Anna; the other one depicts the life and political aims of Peter the Great as shown on medals.

Another outstanding exhibit is the collection of rare Japanese gold coins presented in 1880 to General Grant, by the Japanese Government, on the occasion when a thoroughbred stallion was given by the General to the Emperor.

The completion of this hall would not have been possible without the assistance of many public and private institutions and organizations as well as most generous gifts from numerous private citizens of the United States. Notable contributors have been: The American Antiquarian Society, Mrs. Frederick C. C. Boyd, Mrs. Catherine E. Bullowa-Moore, Philip H. Chase, Willis H.

du Pont, Eric P. Newman Numismatic Education Society, First New Haven Bank, Mrs. Ulysses S. Grant, International Business Machines Corp., Hon. and Mrs. R. Henry Norweb, Mrs. Wayte L. Raymond, Joseph B. Stack, Morton Stack, Paul A. Straub, U.S. mint, William H. Vanderbilt, and many others.

The Curator of the Division of Numismatics, Dr. Vladimir Clain-Stefanelli of the Smithsonian, reports that the total number of coins, medals, and paper currencies has nearly doubled since 1957 and amounts today to approximately 120,000 cataloged items, not a few of which are unique.

Address by Hon. Jessica McC. Weis, of New York, Before the Federation of Citizens Associations of the District of Columbia

EXTENSION OF REMARKS
OF
HON. CARROLL D. KEARNS
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Monday, March 20, 1961

Mr. KEARNS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following speech of the Honorable JESSICA McC. WEIS, of New York, before the annual dinner of the Federation of Citizens Associations of the District of Columbia, Saturday, March 11, 1961, at the Mayflower Hotel:

TEXT OF SPEECH OF HON. JESSICA McC. WEIS, OF NEW YORK, A MEMBER OF THE HOUSE DISTRICT OF COLUMBIA COMMITTEE, BEFORE THE ANNUAL DINNER OF THE FEDERATION OF CITIZENS ASSOCIATIONS OF THE DISTRICT OF COLUMBIA, SATURDAY, MARCH 11, MAYFLOWER HOTEL

The District of Columbia is today confronted with a large variety of serious problems, some typical of all major metropolitan areas and some quite unique. These problems have been aired and studied and analyzed by House and Senate District committees, joint committees, congressional hearings, advisory committees, private study groups, car pool riders, businessmen at lunch, women at bridge parties—everybody discusses the District's problems, but it sometimes seems as Mark Twain once observed about the weather, "Everybody talks about it but nobody does anything about it."

In thinking about the District, I have found it useful to think in terms of the problems which are common to all large metropolitan areas in this country on the one hand, and those which seem unique to the District on the other. It is easy to forget, sometimes, that other areas are suffering the same stresses and strains with which we ourselves are confronted, but I can assure you that many of your civic vexations here are also being experienced and grappled with in my own home city of Rochester, N.Y., as well as in every urban center in the United States. Among these I would list at least the following:

The shift in population, which has produced a decline in total population within the District and an even greater relative decline in the productive, wage-earning portion of the population between ages 21 and 64. This has produced in the District the seeming paradox of declining population and rising welfare costs.

The increase in juvenile delinquency and in crimes of almost every kind. Washington has increased the size of its police force regularly—a force recognized for its dedication and efficiency—and still the crime rate moves upward at an alarming rate.

Then there is the traffic problem—enough to try the patience of a saint which I certainly am not as I fight my way back and forth to work every day. The crush of traffic has become insupportable, and I am convinced that the longer we wait the more it is going to cost to solve this Chinese puzzle. Some form of rapid transit, be it monorail, subway, freeway, or a combination of all of them would seem to be an absolute must. You are all familiar with the transit survey which was undertaken jointly by the National Capital Planning Commission and the National Capital Regional Planning Commission. In some ways the survey is startling, both in its scope and in its projected cost. Largely this is true because in recent decades not a single solitary step has been taken toward development of a mass transportation system for the metropolitan area, and as a result, the problem has become acute. No doubt the costs will be high, no one denies this, but the alternatives are equally unpleasant to contemplate. In my opinion, either we manage to pay the cost or we resign ourselves to further decay of many portions of the central city and the complete strangulation of traffic throughout the entire area.

Likewise common to metropolitan areas everywhere are the slum areas, the question of urban renewal, pollution control, which in Washington with the historic Potomac has esthetic as well as sanitary implications. Also, the problem of education, of adequate school facilities, of competent administrators and of adequately paid teachers. These matters are in the papers daily. We know the problems and in many cases we know the answers. Further than that, I am convinced that real progress is being made in some areas. These are among the metropolitan difficulties shared by all our cities. But, as I mentioned earlier, Washington has some unique situations which are extremely serious. At least three matters come to mind which fall into this category: the race question, the difficulties of dealing with an extremely unwieldy governmental structure, and the problem of a wholly inadequate tax base from which to generate the revenues needed to keep the city going. One could easily devote a doctor's thesis to any one of these, but tonight I can only comment on each of them briefly.

The race question in the District is one of serious proportion and its ramifications, both direct and indirect, are numerous. The white population has dropped 20 percent in 10 years, and while I am the first to admit that I am no expert on this subject, I do not believe it would be in the national interest, or in the best interests of the residents of the District, of whatever race or nationality they may be, for this trend to continue. In this connection, I might say that the adjacent neighborhoods and communities in the suburbs of Maryland and Virginia have an obligation to welcome Negro citizens and provide opportunities for housing and education comparable to those in the District, for the great bulk of the Negro population of the Washington metropolitan area is, in effect, now quarantined within the boundaries of the District. This is not, I know, a subject which it is popular to discuss, but it is with us and it must be not only discussed, but solved.

Another situation which I find extremely disturbing is that of the hopelessly confusing assortment of local governmental agencies through which the affairs of the District are handled. After 2 full years on the District Committee, I have yet to solve the mysteries of the labyrinth known collectively as the District Government. Four separate congressional committees exercise jurisdiction over District matters, a situation which is tailor-made to produce snafus and bottlenecks of all types, and if the organization of the Congress for dealing with District matters is less than desirable, and ineffective, the structure within the District Government is equally bad. Ever since 1874 the District has been administered by Commissioners, but their administrative function is often questioned and interfered with by the Congress—the result being that over the years a patchwork of legislation has created about 20 Federal agencies and local boards to operate independently of the Commissioners. Regardless of one's position on the question of complete home rule, surely the present situation could stand considerable improvement.

An incidental matter which concerns me is the fact that a high percentage of top jobs in the District government are held, not by District residents, but by residents of nearby States. This raises the question of whether their interest in the District is as great as actual residents might be presumed to have. I have not checked recently, but in March of 1959 all three assistants to the engineer commissioner were from outside the District, as were the chiefs of the Employment and Training Division and the Classification and Wage Administration Division in the Personnel Office. Other high ratios were noted in the Fire Department, in which only 9 of 20 battalion chiefs were local residents, the Department of Licenses and Inspections, with only 6 of 19 executives living in the District and the Motor Vehicles Department, in which 1 officer in 8 was a District resident. Is it too much to ask, I wonder, that high-ranking District employees make their homes in the District?

Finally, there is the toughest one of all—an inadequate tax base from which to generate the revenues to do the things which need to be done in the District. With 52 percent of the real estate in the District off the tax rolls, and with productive, income tax paying citizens migrating to the suburbs in increasing numbers, the burden is constantly being shifted to that property and those people who do remain. It is only a question of time before demand for tax dollars completely outdistances the sources of revenue available. The competition of neighboring jurisdiction places an economic ceiling on tax measures, and as a result District budget planners have found themselves virtually impaled on the horns of this dilemma of rising costs and dwindling revenue—and may I add that to date the Congress has contented itself on many occasions with watching them bleed.

But it's time to leave the wailing wall. Washington is a beautiful city and we all love it. But it seems to be the fashion to bemoan the plight of the District and to criticize the effort—or lack of it—which has been made to lift the District to a new plateau. I have perhaps been guilty myself, for it is extremely easy to be critical, but if so I want to balance the scales by referring to the encouraging trends which are clearly visible within the District, for certainly substantial progress has been made in the face of heavy odds.

And let me say, in this connection, that the activities of the citizens associations and the civic associations within the District have made a real contribution to finding solutions to the District's problems. In its magnitude and enthusiasm, the citizens movement in the District is to my knowledge absolutely unique. I am certain that there must be more citizens associations per square mile in the District than in any other place in the world and this is good. Your citizens associations meetings resemble the town meetings of our forefathers, at which residents of the community came together periodically to consider, discuss and make decisions on a tremendous variety of local problems. The citizens association movement presents an attempt to make democ-

racy work at the lowest grassroots level, and I commend you for what you have done and wish for you a long period of even greater service in the years ahead. I hope and trust that you will continue to maintain effective liaison with all civic-minded associations, and that all groups can work closely together in effecting solutions to all of the many problems of mutual concern to white and Negro alike, for it would be a great loss if the two groups served to drive a wedge between the two races rather than to build a bridge between them.

With reference to specific improvements which I have observed in the District, I am convinced that substantial progress is being made with the District school system, despite what some of my colleagues may say to the contrary, most of which is for home consumption. The important teacher-pupil ratio has been decreased, and Washington ranks with any of the major cities in this respect. Building of new schools is keeping pace with demand and slowly overcoming the schoolroom shortage. Salaries have achieved comparability with other metropolitan areas—though they are all a bit low. Advances are being made in scholastic attainment among children in the public schools, even though median achievements are still below national norms.

In the area of slum clearance and urban renewal, much remains to be done, but I made an extensive visit through the southwest redevelopment area on Thursday of this week and I was much impressed with what I could see there now and what I was assured would be there in the years immediately ahead. Solid progress has been made there, and I share with you the hope that the entire project can go forward to completion as quickly as possible. I can see the distinct possibility that completion of the southwest redevelopment could trigger off and serve as a magnet for a return from the suburbs, which is something that is drastically needed.

Despite its promise, however, I am distressed by the plight of some of the people whose homes have been literally torn out from under them in the southwest and for whom apparently inadequate provisions have been made elsewhere. Individual cases which have been discussed with me are nothing short of tragic, and I hope that every effort will be made to correct all of the injustices which exist in this regard.

Other accomplishments of potentially major significance are the establishment of the Washington Metropolitan Regional Conference, and the activities of local businessmen, typified by the organizations such as Downtown Progress, Inc., to revitalize the downtown shopping area.

The Washington Metropolitan Regional Conference, envisioning as it does close cooperation among an assortment of governmental units in the metropolitan area—including two States, six counties, two independent cities, and several Federal agencies—gives promise of developing into a most effective vehicle for coordinated multijurisdictional action. Downtown Progress, Inc., in a like manner gives promise of serving as a most productive self-help organization for attracting more trade to the downtown area.

I have discussed the problems of the District and some of the efforts which are being made to solve them. Let me look now for just a few minutes at what still needs to be done, and let me preface these final remarks by saying that adequate solutions to the District's problems are going to take the combined efforts—and the best efforts—of everyone concerned, including the citizens of the District themselves, the District Government and the Federal Government, both the Congress and the executive. To make the District what it should be, and could be—we are going to have to roll up our sleeves and do the job ourselves, and it will require a maximum amount of patience, tolerance, good will and plain hard work—and, I might add, a great deal of money—for rebuilding and breathing new life into a city cannot be done on a shoestring.

There are two items which seem of particular importance to me. One of these is the need for a concerted program to retain the well-educated productive citizens who still make their homes in the District, as well as a program specifically designed to bring similar type people back from the suburbs or into the District for the first time. Such a program will serve two important purposes: It will broaden the tax base, and it will provide the District with a valuable reservoir of new talent with which to cope with future problems. In the same way, more should be done to promote the location in Washington of the national headquarters of more of our trade associations, more stimulus for research and engineering firms to locate here, more encouragement for industry to set up offices in Washington. All of these things could be done without changing the character of the District appreciably, and all would, in my opinion, add to the economic vitality of the District.

A second item, which I have also touched on lightly, is the need for enlightened cooperation between Negroes and whites in the District. For many of us, and I do not exclude myself, the roots of racial prejudice are difficult to weed out. Many of you can remember a time when Washington was, at least as race relations go, a part of the Deep South, and memories linger long, but we have come to a different age, and unless we develop the tolerance and good sense to deal with this problem realistically, it will surely defeat us.

Finally, I come to what some of you will call the main course, those things which I think the Congress should be doing for the District, and may I say that not only as a Member of Congress, but as an American citizen with a deep and abiding interest in the American Government and in the Capital City in which that Government is situated, I am deeply concerned with the obligation of Congress to provide for the needs of the District of Columbia. I am only one Member among a very large number, but it seems to me that this responsibility is so clear and so plain that no reasonable and well-intentioned person could deny it.

Because Washington is our Capital City, it draws people here on business and also brings vast numbers of tourists as well, not only from this country, but from all over the world. It is, in a sense, a showcase of America for all the world to see. As such, it should be a model city, employing all the knowledge and professional skills of our civilization to make it beautiful, attractive, clean, and safe. This is important, not only to you and me who live here and work here, but to all Americans now and for all the years to come. And because it is the Nation's Capital, established specifically and solely for that purpose, and because the Constitution contains a specific mandate to the Congress to provide for its needs, it seems to me that the responsibility of the Congress is inescapable. Inescapable, too, is the fact that the Congress has not effectively discharged this responsibility to the District.

What is past is finished, but for the immediate future, it is my belief that the Congress must do at least the following things:

First, it should bear a more realistic portion of the costs of operating the District. A larger Federal payment can be justified on several grounds. It is my belief that the Congress has a responsibility to provide financial support over and above the moneys that can be collected from taxes comparable to those of surrounding communities, in the amount necessary to care adequately for the District's needs. For many years the Federal payment was 50 percent of District needs; today it is little over 10 percent and if the authorized payment were raised to $36 million, as requested by the Commissioners, the Federal Government would be contributing less than 15 percent of the estimated needs for 1962. An authorized Federal payment of $50 million would still be less than 20 percent of the District's overall budget for next year. With a total budget of $290 million, $50 million does not seem to me to be an unreasonable amount for the Federal Government to make available to the Nation's Capital when I consider the amounts which are being spent on other items.

Secondly, I think we should move quickly to provide the two additional juvenile court judges who are so desperately needed. The juvenile court is now 2,200 cases behind and the backlog is growing daily, while in the meantime the delinquency rate grows steadily worse. There is no excuse for this situation to continue.

Finally, I would hope that the new administration will take a long look at its responsibilities and that the President will move to exercise the positive leadership which he has talked so much about. His interest in District affairs might go a long way toward getting more sympathetic action in the Congress. With his Democratic Party in control of both the Congress and the White House, the responsibility for action is clear cut—and I might add that blame for lack of action is equally easy to assess. I sincerely hope and pray that the President will take an active interest in the District and that we can move ahead now with the steps which must be taken if we are to make of the District the splendid and beautiful central city of the Nation that it ought to be.

I pledge to you that as one member of the Congress, I shall do all that I can by my vote and through whatever influence I may possess, to see that this great national objective, so close to the minds and hearts of all of you, is realized.

Washington Report

EXTENSION OF REMARKS

OF

HON. BRUCE ALGER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 20, 1961

Mr. ALGER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following:

WASHINGTON REPORT

(By Congressman BRUCE ALGER, Fifth District, Texas)

MARCH 18, 1961.

Committee work exceeded House floor action this week. Legislation moves through committee hearings, executive sessions, amendment, and redrafting before going to the Rules Committee for a place on the House Calendar.

A resolution was steamrollered through by a voice vote (Members not desiring a record vote) to increase each Member's staff by one person and the base pay of $3,000 per year (equals approximately $6,700). This should enable each Member to do a more thorough job. Here is tangible evidence of the growth of the Federal Government, and as it grows, so grows the workload of the Members of Congress. The office of the Fifth District of Texas (Dallas County) this week received 2,000 letters from within the district and more than twice that from other areas of Texas. One thousand to one thousand five

hundred letters per week involve "casework," that is, Federal problems confronting citizens who then appeal to their Congressman. These require special attention and Government agency help before response. All letters must be answered. This workload is the nonpolitical daily effort, mostly unknown to the general public in appraising congressional routine. Of course, the inaction of Texas in the past to redistrict doubles the Fifth District's volume of work.

Federal highways are in trouble again. The problem—not enough money to finish the program by 1972 as planned and $200 million more needed per year. How to solve this problem is the current subject of hearings by the Ways and Means Committee. At this time, the issue is in doubt. Possible solutions include: (1) stretch out the time period for completion of the 41,000-mile Interstate Highway System; (2) cut back various building programs; (3) raise the Federal gasoline tax; (4) raise the truckers' tax 75 percent; (5) take the money from the General Treasury (thus cutting the money available for other Federal Government costs).

Here's a bird's-eye view of the testimony thus far: President Kennedy:

"Our Federal pay-as-you-go highway program is in peril. It is a peril that justifies a special message because of the vital contribution this program makes to our security, our safety, and our economic growth. Revised cost estimates require additional authorization of $11.56 billion or $900 million per year. I am wholly opposed to either stretching out or cutting back our highway program." The President then outlined two alternatives through the year 1972 of (1) a 1½-cent per gallon Federal gas tax on all motorists (adding one-half cent to the extension of the 1 cent due to expire July 1, making the total Federal taxes 4½ cents per gallon instead of 3 cents); or (2) continuation of the additional 1-cent gas tax plus an increase of the tax on trucks by upping diesel fuel 4 to 7 cents per gallon, trucks over 26,000 pounds use tax raised $1.50 per 1,000 pounds to $5, tires 8 to 10 cents per pound, inner tubes 9 to 10 cents per pound, retread rubber 3 to 10 cents per pound. Commerce Secretary Hodges, Treasury Department Head Dillon, and Budget Bureau Chief Bell then testified in support of the second alternative, which is President Kennedy's preference.

The American Association of State Highway Officials (AASHO) emphasized the need for the highways, but said, "we will not attempt to tell you how you should raise highway money at the Federal level." The diesel truck industry was strongly defended by Congressman WILSON of Indiana against the tax increase as an unequal distribution of the tax, putting diesels in an unfair competitive position; in short, a penalty on efficiency. The strongest protests came from the trucking industry as witness after witness vowed that such tax increase would force him out of business. At the least, employees would be laid off and reduced business produce less tax revenue to the Government. Further, that this cost could not be absorbed or passed on in higher prices but that other forms of transportation (railroads) would get the business. The Teamsters Union joined with management solidly to denounce the taxes as unfair and a death blow to the trucking industry.

So the outcome is still in doubt. Further hearings, executive sessions, and redrafting of compromises must be accomplished. Problems troubling me include: (1) Why was there a $12 billion increase in highway cost, culminating in our present lack of revenue to finish the job? (2) Why do we not await the findings of the Illinois road tests before seeking a permanent solution? (3) Should we live beyond our means in Government spending? (4) Do the people want taxes raised on all motorists, either 1 cent or 1½ cents per gallon of gas, to finish the program by 1972? (5) How much of the expense should come from the General Treasury as a defense measure? (6) Hasn't "pay as we go" for motorists and truckers actually become "pay before we go" since taxes are in effect well before the highways are built? These and others, * * * one thing is sure, we're a long way from the answer.

Other important legislation pending in committees or waiting action in the Senate, or House includes a proposed increase in the minimum wage and extension of coverage of the act; a depressed areas bill, new farm legislation, Federal aid to education, establishing a Peace Corps, plus the regular appropriation bills. All of which points up the importance of my questionnaire this year. It is now being prepared and will be in the mail early next month. I hope you will make a special effort this session to let me know your thinking on the questions on which I am seeking your advice.

A Tribute to Ireland and the Irish People

EXTENSION OF REMARKS

OF

HON. EDNA F. KELLY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 20, 1961

Mrs. KELLY. Mr. Speaker, to those who admire the characteristics of faith, of home, and of courage, the story of Ireland shall forever stand among the fascinating sagas of history. Never have a people been known to fight so long and so heroically in the name of freedom, for themselves and for the sake of the principle, itself.

Beginning with the Norse invasions of the eighth century A.D., the Irish revealed a fiery spirit against which the invader was powerless to triumph. This was the era of the Vikings, then the most powerful warlike force in the Western World, accustomed to sweeping the enemy aside at a single thrust. They came in fleets, sometimes large, sometimes small, landed suddenly in a bay or creek, despoiled the countryside and retired with booty to the safety of their ships. So long as that remained the pattern, the Irish were virtually powerless to resist. But in the year A.D. 837 the Norsemen sought permanent settlement on Irish soil and in so doing, sealed their own fate. Aroused to action, the Irish determined to resist the invader and waged relentless war against him, building up an army that in time would alter Irish history. In the end, so strong did the army become that it not only subdued the foreigners, but also secured for its commander the kingship of the Irish State of Munster. The hero of the occasion was Brian Boramha, who, in the Battle of Clontarf, in the year A.D. 1014, smashed the Norse army and drove it from the field. The victory, won at the cost of Brian's life, was the first of many in which the Irish were to show their determination to live in freedom, or die in the attempt. The Battle of Clontarf broke forever the power of the Norsemen in Ireland. In the next century, those who remained were to accept the Christian faith and submit to Irish laws.

Yet so inviting a prize was Ireland, so small her population and so greedy her neighbors, that the people no sooner overcame one enemy than another inevitably appeared.

In the 12th century it was the Norman knights, clad in armor from head to foot, armed with lances, mounted on horseback, and aided by rank upon rank of archers. Incomparably superior to the Irish in the matter of military might, the Normans swept to victory in a clattering wave of steel, and settled down to live as permanent lords of the land. But by the year 1300 their power had passed its peak and Irish recovery had begun. At the battle of Dundalk, in 1318, the Irish were again defeated in the field. But so fierce was their assault that from that point forward, the Norman power was to wane and in short order would disappear entirely.

Next, it was England with whom the Irish had to cope; the same England that was to extend her power to every corner of the earth and rise to dominance in every continent but one. Yet while all this was going on, the Irish were putting up a battle for independence wholly out of keeping with their political strength, and winning the admiration of the world.

From that day to this, the Irish have persistently fought for the right to self-government, in the fact of awe-inspiring odds. Nor has their struggle been limited to their own shores. In 1776, the American patriot cause was promoted by many an Irish immigrant, to the benefit of every American alive today. And as recently as the past decade, Irish volunteers could be found in the ranks of the gallant little army of Israel, fighting, as always, for the right of smaller nations to determine their own destinies.

The battle for Irish freedom is not yet over, and shall not be until the day when Ireland—all of Ireland—is free to rule itself in the manner of free men everywhere.

But even then, I doubt that the battle will be entirely over. For the Irish spirit requires, and the Irish conscience demands, that freedom encompass every inhabitable portion of the earth. And until that goal is reached, there will be no rest for the Irish.

Temporary Unemployment Compensation

EXTENSION OF REMARKS

OF

HON. JAMES B. UTT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 20, 1961

Mr. UTT. Mr. Speaker, H.R. 4806 is a bill to provide a temporary program of extended unemployment compensation and to increase the Federal unemployment taxes imposed on the employers in the respective States to finance that program. At the time this legislation was before the House of Representatives I opposed its passage and

joined in minority views to that effect. These minority views expressed opposition on the grounds that the bill first, did violence to the insurance principle of unemployment compensation; second, purported to impose $1 billion in additional taxes to meet a problem that had not been adequately defined; and, third, posed a threat to economic recovery by imposing higher costs on employment. These views pointed out how this legislation represented a backdoor approach to the imposition of Federal standards on the States and threatened the experience rating system which operates so successfully in the States to encourage employers to stability in employment opportunities.

Mr. Speaker, since expressing those views the legislation has passed the House of Representatives and has received approval in the other body. It now comes back to the House improved in some minor respects but still containing the basic defects that I criticized in the House version with respect to financing.

It is in regard to the financing features that I would like to comment further at this time.

In 1958 when the Eisenhower administration and the Congress considered that the economic situation required the enactment of a temporary unemployment compensation extension, legislation was then approved dealing with the situation. That legislation provided for a system of repayable advances to the States on a voluntary basis with the borrowing States having responsibility for the repayment of their respective advances.

The bill before the Congress today is markedly different. The benefit payments are voluntary with the States, but the Federal tax increase imposed on the employers in the States is mandatory and will be assessed against the employers in a particular State regardless of whether or not benefits are made available to the unemployed in the State. The anticipated consequence is that all States will make benefits available even though the responsible State officials may not consider that the economic situation in a particular State makes such an extended benefit program necessary. But the mere fact that benefit payments are to be made available in every State does not mean that the benefit payments in the State will equal tax collections in a State; it does not mean that the employers in a particular State will be taxed only to the extent that benefits are paid in the State. On this point we said the following in our minority views on this legislation:

> Those States that have responsibly administered their unemployment compensation programs today have the financial ability to deal effectively with existing unemployment conditions. However, the approach set forth in H.R. 4806 would tax the employers in those States to pay for the benefit needs in other States where perhaps less satisfactory administration of unemployment compensation programs has occurred.

Mr. Speaker, the Senate Finance Committee report contains a table setting forth on a State-by-State basis the estimated additional tax collections and the estimated benefit payments under H.R. 4806. I will include that table as a part of my remarks and urge my colleagues to examine this table for the purpose of ascertaining the patent inequity in the financing arrangement of this proposal.

Estimated additional tax collections compared with expected benefit payments by States under H.R. 4806

[Amounts in millions]

State	Tax collections	Benefit payments[1]
Total	$984.0	$928.2
Alabama	12.2	10.0
Alaska	1.2	2.2
Arizona	5.7	2.1
Arkansas	5.3	4.7
California	99.4	80.0
Colorado	8.3	2.0
Connecticut	18.5	18.2
Delaware	3.2	2.0
District of Columbia	5.5	2.2
Florida	21.4	9.5
Georgia	16.7	12.0
Hawaii	3.1	.7
Idaho	2.5	1.6
Illinois	68.6	40.0
Indiana	28.0	26.0
Iowa	10.8	3.5
Kansas	8.5	3.5
Kentucky	10.6	15.0
Louisiana	13.1	12.9
Maine	4.5	2.0
Maryland	13.8	10.0
Massachusetts	34.2	30.0
Michigan	46.6	93.0
Minnesota	16.0	14.4
Mississippi	5.7	2.2
Missouri	23.6	11.0
Montana	2.6	1.1
Nebraska	5.2	.5
Nevada	2.0	2.0
New Hampshire	3.4	.4
New Jersey	30.7	51.2
New Mexico	3.9	2.3
New York	119.9	170.0
North Carolina	19.9	7.9
North Dakota	1.6	.9
Ohio	62.4	85.0
Oklahoma	8.9	5.8
Oregon	9.6	10.6
Pennsylvania	70.7	82.0
Puerto Rico	3.2	3.2
Rhode Island	5.5	5.5
South Carolina	9.1	7.3
South Dakota	1.6	.2
Tennessee	15.0	8.0
Texas	42.1	30.0
Utah	4.1	2.0
Vermont	1.7	.6
Virginia	16.1	5.5
Washington	15.4	8.9
West Virginia	8.4	9.5
Wisconsin	21.5	16.0
Wyoming	1.5	1.1

[1] Includes about $100,000,000 in benefit payments in excess of 26 weeks made under State law, and excludes payments to Federal civilian employees and ex-servicemen.

Source: Estimates of tax collections furnished by Department of Labor and estimates of benefit payments furnished by State employment security agencies.

Mr. Speaker, that table reveals that there are 40 surplus States with tax collections exceeding benefit payments, 3 break-even States with the tax collection and benefit payments equal, and 9 deficit States in which the tax collections in the respective States will not equal their estimated benefit payments. A table showing a recapitulation of the three categories of States follows:

[Figures in millions of dollars]

	Tax collections	Benefit payments	Surplus or deficit
Surplus States (40)	604.2	399.0	+205.2
Break-even States (3)	10.7	10.7	
Deficit States (9)	369.1	518.5	−149.4
Total	984.0	928.2	+55.8

The employers in the 40 surplus States would pay in taxes $205.2 million more than would be paid in benefits in their respective States. The 9 deficit States would have $149.4 million more in benefit payments than the employers in these States paid in increased unemployment compensation taxes. There would be a net surplus of tax collections over benefit payments for all 52 States under this temporary program amounting to $55.8 million, and I will comment on the disposition of that surplus later.

Five of the deficit States—Michigan, New Jersey, New York, Ohio, and Pennsylvania—would account for $141.9 million of the $149.4 million total deficit incurred by the 9 deficit States. Mr. Speaker, this fact raises the obvious question: Are the employers in Michigan, New Jersey, New York, Ohio, and Pennsylvania so impoverished that they are unable to pay their respective State's own way in regard to their State unemployment compensation programs? And the second question follows: Are the employers in the other States so wealthy that they can afford to pay their State program costs and contribute to paying the way of the deficit States?

Now, Mr. Speaker, I would like to comment on the disposition of the $55.8 million surplus under the bill. The formula for distributing this surplus under the legislation provides that it should be allocated to each State in proportion to the taxable wages as defined under State law. This means that the deficit States would be participating in the distribution of this surplus and it is inevitable that the five States contributing the most in the way of deficits will be among the leaders in the amount of the surplus they will receive. In other words Michigan, New Jersey, New York, Ohio, and Pennsylvania, which created the lion's share of the deficit-State-total, will have a lion's share of the surplus created by the surplus States.

Mr. Speaker, I believe that if unemployment compensation is to be a State responsibility, it should be kept exactly that. I believe that the States have demonstrated their ability to manage their unemployment compensation programs responsibly and adequately. Therefore, I am opposed to this legislation.

Some of my colleagues who want to preserve State preeminence in regard to unemployment compensation do believe that a temporary program of extended unemployment compensation is necessary in view of the present economic conditions. I respect their viewpoint; however, I cannot understand how anyone can support the method of financing provided in this bill. Even those individuals who come from deficit States should be concerned that this financing pattern contains a strong inducement to loose administration which threatens the future of the unemployment compensation program. Those individuals who come from surplus States must determine whether or not the employers in their respective States should

be called on to pay for an unemployment compensation program in other States where the employers have no vote and no influence as to the character of the program in those other States.

Mr. Speaker, this legislation in its present form should not proceed one step further in the legislative process. If legislation is necessary, then we should start all over again to develop legislation that is equitable and proper in its conception and which does not endanger the continued existence of our State unemployment compensation programs.

Our People Are Looking to Congress To Carry Out the Promises Echoed by Fervent Candidates for Office Within Those Valleys of Depressed Economy Only a Few Short Months Ago

EXTENSION OF REMARKS
OF
HON. JAMES E. VAN ZANDT
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Monday, March 20, 1961

Mr. VAN ZANDT. Mr. Speaker, over the past 5 years volumes of evidence have been presented to Congress and relevant committees thereof on the need for depressed area legislation. Any long explanation of conditions in a specific surplus labor region would be superfluous. Time and again I have outlined the problem and its implications with respect to Pennsylvania's 20th District.

I need only assert at this time that conditions are worse than they were when a Senate subcommittee visited Pennsylvania several years ago; they are worse than when I reported to the House in subsequent years; they are worse than they were when spokesmen for the present administration were promising quick action in the windup of the general election campaigns.

Congress is a deliberate body which should and usually does study carefully all matters of consequence before setting the finishing legislative machinery into operation. For this reason it is on rare occasions that bills of major significance are finalized on short notice.

While the new Congress has been in session for less than 3 months, it would seem that there is a sufficient accumulation of testimony and statistics on the matter before us today to permit passage without further procrastination. Data assimilated and distributed by the Department of Labor provides ample substantiation of the need for expeditious action. Many thousands of residents of surplus labor areas have been subjected to the many misfortunes that walk with unemployment since the early 1950's. Our people are looking to this legislative body to carry out the promises echoed by fervent candidates for office within those valleys of depressed economy only a few short months ago.

I have introduced legislation to provide an avenue of quick relief to communities of chronic unemployment. I have indicated my willingness to support other measures which have not concurred precisely with my own ideas as respects the method of approach, the size of appropriations necessary on the part of the Federal Government, and the administration of the legislative product. I was highly optimistic about prospects in the 85th Congress. Failure of the 86th Congress to enact responsible legislation was even more alarming. Now the new Congress is faced with a dual responsibility. While we cannot compensate for what amounts to nothing less than a delinquency of responsibility that occurred during preceding sessions, we must nevertheless act promptly not only to make it possible for those citizens long deprived of employment opportunities to get back to work; we must preclude additional hardships that would come with further delay.

Unemployment nurtures unemployment. Families without income cannot purchase commodities whose sales provide work for other segments of the population. The incidence of poverty increases daily in a recessed economy. In my particular constituency, and I know that I speak for members of both parties from coal-producing States in the Appalachian range, a further impediment to recovery was cast here in Washington earlier this month with the remolding of the concept of the residual oil import control program. The revision added emphasis to the urgency for enactment of a distressed area bill.

Mr. Speaker, our district has experienced mine closings—one after another—since the tide of residual oil imports began to take its toll of coal markets on the east coast more than 10 years ago. Mine workers waited anxiously for Congress or the executive branch to correct what they assumed would be only a temporary situation. As American citizens, they felt confident that the Federal Government would not permit their sources of livelihood to be destroyed through the contemptuous machinations of an international business entente.

As shipments of bituminous coal to seaboard industry declined, railroad workers took their place alongside displaced miners seeking new jobs. General economic inertia set in. In ensuing years, those affected areas have been given top billing on the Department of Labor's listing of areas of chronic unemployment.

The recent order by the Department of Interior was another cruel blow. The administration has succumbed to the pressures of shipping companies determined to unload their surplus product anywhere, at any price, without regard to the welfare of America's citizenry. The impact of the increase in residual oil import quotas will be felt simultaneously with delivery of the alien product. Mines whose product will be preempted by that increase will be forced to cut work days accordingly. There will be less money for our mine workers and our railroaders. The mine workers' welfare fund will suffer proportionately.

To give precedence to the international oil crowd over our own working men is shortsighted and costly. I hope that the Department of Interior will reconsider its hasty decision and revise its order in keeping with the principle of the purposes of the program. Meanwhile we must be realistic. The economy of coal and railroad communities is faced with a turn for the worse. Distressed area legislation becomes even more necessary than it has been throughout the years of suffering to which our people have been subjected. I appeal to my colleagues to act quickly.

The Honorable Victor L. Anfuso, Member of Congress from New York, Chairman of the American Honorary Committee for the Italian Centennial

EXTENSION OF REMARKS
OF
HON. WILLIAM FITTS RYAN
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Monday, March 20, 1961

Mr. RYAN. Mr. Speaker, last Thursday, March 16, it was my pleasure to be present at a very impressive and significant ceremony at the Department of State on the occasion of the centennial celebration of the unification of Italy. An important part of the proceedings was the opening address by my respected colleague from New York [Mr. ANFUSO]. In his eloquent remarks he took note of the strong and lasting bonds of friendship between the people of Italy and the people of the United States.

Under leave to extend my remarks, I include the text of his address:

REMARKS BY HON. VICTOR L. ANFUSO, ITALIAN CENTENNIAL CELEBRATION, MARCH 16, 1961

It is a great honor for me to have been singled out by my colleagues on the American Honorary Committee to be the chairman of this historic event. It is my pleasure to welcome you.

It is of particular significance for me, since I came to this country as an immigrant from Italy at the tender age of 9. Little did I dream then that someday this immigrant boy would preside at a celebration of this sort in Washington, where the President and other great leaders of this Nation would gather to pay tribute to my ancestral homeland on the centennial anniversary of its unification as a single strong nation.

I am deeply grateful this morning, as never before, to this wonderful country of ours for the unlimited opportunities which I and millions of other Americans of Italian extraction have received. This is a feeling which only immigrants and the children of immigrants can fully appreciate.

The President of the United States has played a significant role in these celebrations. I have had the honor and the privilege to know the President ever since I first came to Congress in January 1951, when I served with him in the House of Representatives. I remember the kindly guidance he gave me then—and I shall never forget his encouraging assistance on several projects which I proposed to the Congress in those days.

This association continued also after he had moved over to the U.S. Senate, and it is best exemplified by the fact that after I had

introduced the resolution on the centennial observance of Italian unification and brought it to the attention of Mr. Kennedy, he immediately introduced it in the Senate. May I quote just a brief remark by Mr. Kennedy at the time he introduced the resolution on July 13, 1959, when he said:

"The concurrent resolution expresses our pleasure in receiving the invitation (to participate in the observance) and testifies to our admiration for the contributions this great Nation has made to our common ideals of freedom and independence. It is fitting and proper that we recognize in this fashion the progress and achievements of the people of Italy during the past century."

During this entire decade that I have been privileged to know Mr. Kennedy, I have always found him to be an admirer of Italy and of its achievements in the annals of culture and civilization. Likewise, he has a keen appreciation of the contributions of Americans of Italian descent toward the upbuilding of America and its way of life.

It is to a certain extent an irony of history that, as Italy was reborn as a united nation, the United States was on the threshhold of facing its greatest test for survival. As the guns were stilled in Italy, and Garibaldi was going back to his beloved island of Caprera with a bag of bean seeds on his shoulder, the guns of Fort Sumter on this side of the Atlantic were rumbling. Italy's Risorgimento, which means rebirth as a nation, was being accomplished.

And speaking of Garibaldi, I take particular pleasure in greeting here this morning the grandson of that great patriot, General Ezio Garibaldi, and also his granddaughter, Mrs. Giuseppina Ziluca. May I ask them to take a bow.

Today there exist strong bonds of friendship between the United States and Italy. The bonds joining our two nations are, in my estimation, stronger and deeper than those resulting from a military pact or an economic program. They are the bonds of faith and confidence in one another, of mutual respect and understanding between two great peoples, of genuine friendship and reciprocal contributions.

The bridge of understanding between the people of the United States and the people of Italy was not constructed overnight. It is a process which is at least as old as the United States, and in fact goes back to our earliest days when small but significant numbers of Italians joined the waves of early explorers and settlers who came to these shores. They and succeeding generations of Italian immigrants, who settled in this land, have made lasting contributions to our American heritage over the long centuries. The imprint of their contributions on American life and civilization is visible all around us.

We live in a crucial time in the annals of human affairs which requires utmost unity in the ranks of the free nations. The future survival of democratic America and of the whole free world depends, in large measure, on reinforcing our bonds of cooperation with nations like Italy, and on the creation of working partnerships with such nations in every endeavor which could serve the best interests of mankind.

It is not for me to spell out in detail how this partnership between our two nations is to be created, nor is this the time and the place to do so. Suffice it merely to indicate that we have the beginnings of it in several ways: the fact that Italy has been willing to give as much as she receives; the fact that Italy has made available to us areas for the establishment of military bases; Italy's significant role in NATO; Italy's strategic position in the Mediterranean in relation to Europe, Africa, and the Middle East; and Italy's ancestral ties in Latin America.

Our partnership can be extended and deepened in other ways through many new ideas and bold action. Instead of working alone in certain areas, where our help has been misunderstood, let us invite the participation of partnership—nations like Italy—if such participation will bring about better understanding and more fruitful results. The possibilities are unlimited. This, too, may in time prove to be a New Frontier in our international relations.

It is, therefore, only fitting and proper that we choose this occasion to rededicate ourselves to the same ideals which triumphed over a hundred years ago. In this era of the New Frontier, let us, in the words of our beloved President, pray that the future years will prove to be the years when the tide came in—when America, together with a strong and united Italy and a free world, moved forward again.

Taxing Freedom of Expression

EXTENSION OF REMARKS
OF

HON. THOMAS M. PELLY

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, March 20, 1961

Mr. PELLY. Mr. Speaker, I have recently introduced a bill (H.R. 5573) in which I join many of my colleagues in the House, which proposes a much-needed clarification of congressional policy on the right of freedom of expression without undue tax restraints. These tax restraints have arisen as a result of arbitrary administrative rulings interpreting our tax laws so as to impose a prior restraint on the right of our constituents to present their views on legislative matters at any level of the Government. The administrative interpretations to which I refer are embodied in Internal Revenue Service regulations which attempt to deny a tax deduction for lawful business expenditures which relate to lobbying, the promotion or defeat of legislation, or "propaganda relating thereto."

These sweeping terms are not defined in these administrative rules which places business taxpayers in the position of proceeding at their peril in exercising their right of petition to their Government and in determining whether or not their expenditures for activities on expressing their views may not be deemed proper deductions for Federal income tax purposes. This rule applies even though the legislation to which the business taxpayer may express his views and reactions can have a substantial economic impact on his business or his right to stay in business.

The Supreme Court of the United States, in my opinion, has compounded the confusion in this area in a series of cases in which the Court contends that in denying tax deductions to a taxpayer for expressing his views on matters which would have seriously affected or destroyed his business are not allowable as a tax deduction because of a sharply defined national policy against such deductions. However, upon reading the cases which set forth this purported rule of law one finds that the basis for this so-called national policy is predicated upon administrative interpretations rather than upon duly considered congressional enactments. In my opinion, Mr. Speaker, this is a highly questionable rule of law which is predicated upon an erroneous concept of what our national policy is and should be with respect to the tax status of business expenses for full expression of views on matters of vital economic importance.

To further demonstrate the confusion that exists in this area we find that for tax purposes there is a sharply defined national policy against the deduction for business purposes of such expenses. However, in a case decided by the U.S. Supreme Court just last month in connection with a determination of a violation of the Sherman Act, the Supreme Court noted:

> The right of petition is one of the freedoms protected by the Bill of Rights, and we cannot, of course, lightly impute to Congress an intent to invade these freedoms.

With this statement I would heartily concur and I would believe that my colleagues in the House would also heartily concur. The Supreme Court also noted in this same decision:

> The right of the people to inform their representatives in government of their desires with respect to the passage or enforcement of laws cannot properly be made to depend upon their intent in doing so. It is neither unusual nor illegal for people to seek action on law in the hope that they may bring about an advantage to themselves and a disadvantage to their competitors.

Thus our Supreme Court has created what to my mind is a double standard. For tax purposes the right of petition and presentation of views on matters governmental is restricted and impaired because of a purported sharply defined national policy. Yet the same Supreme Court with respect to an alleged violation of a punitive statute expressing the antitrust policy of the United States considers it the preservation of a basic freedom that under our system of government there is a right of the people to inform their representatives of their views on matters governmental. I cannot reconcile this double standard. I would doubt that my colleagues in the Congress of the United States could justify or reconcile such a double standard.

This then is the nature of the problem. The law demands an immediate clarification and the burden—the duty of clarification—is one of those responsibilities we accepted upon undertaking the solemn duty of representing those who chose to elect us to the high offices we now hold.

The bill which I have sponsored and which has been referred to the Committee on Ways and Means is an effective, realistic solution to the difficult legal dilemma now facing our taxpayers. I have no pride of authorship in this proposed legislation. I only heartily subscribe to the principles embodied in this bill. Who are the authors of this proposed legislation? Mr. Speaker, this bill to which I have put my name is very similar to the bill which was favorably reported and recommended by my distinguished colleagues on the Committee on Ways and Means during the second session of the last Congress, House

Report 2077. At the time the Committee on Ways and Means favorably reported on this legislation during the last session of the Congress, the committee noted:

It seemed to your committee that if an expenditure is ordinary and necessary to the conduct of a taxpayer's trade or business and is lawful, it is unfair for the deduction to be disallowed just because the expense is incurred to influence legislation.

Mr. Speaker, I believe that taxing the freedom of expression is to effectively impair one of the tenets of our form of government. With the ever-expanding scope of government—at all levels of government—it is more important than ever that we reconcile the effective impediments created by this legal situation and that we forthwith undertake to pass remedial legislation.

As I previously indicated, there are several proposals on this subject which have been introduced by many of my colleagues in the House from both sides of the aisle. This is not a partisan issue; it is a nonpartisan problem of fundamental importance and I urge that we undertake an immediate disposition. I earnestly solicit the support and cooperation of other Members of the House of Representatives and respectfully request that my colleagues on the Committee on Ways and Means immediately schedule this problem for discussion.

Mr. Speaker, an editorial which appeared in Advertising Age on March 6, 1961, points up the important issues involved in clarification by Congress of proper business expense for tax purposes. Under unanimous consent I include the editorial at this point:

AN IMPORTANT DECISION

The reversal by the U.S. Supreme Court of the judgments against Carl Byoir & Associates and 24 eastern railroads in the Pennsylvania trucking case is of major importance, not only to the public relations segment of business, but to advertising people as well.

The Court reached its decision unanimously, and as Advertising Age's reporter said, it wrapped lobbying in a "public interest" cloak of unprecedented grandeur, even though it sharply criticized the ethics of public relations operators on both sides of the railroad-truckers dispute.

The important point for our purposes is that the Court advanced in the strongest terms the opinion that representative government can't operate unless citizens can express their views freely, and that the Sherman Antitrust Act cannot be so construed as to act as a brake upon that freedom of expression.

Among other things, the Court's decision said:

"The right of the people to inform their representatives in government of their desires with respect to the passage or enforcement of laws cannot properly be made to depend upon their intent in doing so. It is neither unusual nor illegal for people to seek action on laws in the hope that they may bring about an advantage to themselves and a disadvantage to their competitors."

In the light of this and other language of the decision, it would appear difficult for the Internal Revenue Service or others to argue about the legality of advertising devoted to public interest messages, even though the point at issue in the recent advertising cases has not been action under the antitrust laws but in terms of allowances for taxes, determination of utility rates, etc. When the Supreme Court ruled on advertising cases not too long ago, it held that lobbying was not to be encouraged; now it seems to have changed its mind.

It is narrow legalism to argue that lobbying and discussing public issues are essential to the operation of our kind of society, and then, to restrain or hobble such discussion by penalizing it in terms of tax reprisals.

Farm Bureau's Golden Anniversary

EXTENSION OF REMARKS
OF
HON. HOWARD W. ROBISON
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Monday, March 20, 1961

Mr. ROBISON. Mr. Speaker, due to the unfortunate death of my distinguished and respected colleague, the Honorable B. CARROLL REECE, of Tennessee, it has been necessary to cancel a special order that I had for today for the purpose of bringing to the attention of this body the fact that today, March 20, 1961, marks the 50th anniversary of the founding of the American Farm Bureau Federation. Under leave to extend my remarks, I herewith include the address that I had prepared to mark this occasion:

This is a momentous day in the history of agriculture in the United States.

On this day, 50 years ago, in Broome County, N.Y.—one of the four counties in the district I have the honor to represent—the idea that brought forth the great American Farm Bureau Federation was conceived.

Not a single Member of this Chamber today is unaware of the activities of this vast organization, the largest and the only nationwide federation of farmers in the United States. Its membership today is more than 1,600,000 farm families in all States of the Union except Alaska and, in addition, in Puerto Rico.

A half a century ago today, on March 20, 1911, a pioneer, John H. Barron, one of the first county agents in northern United States, went to work in Binghamton in Broome County to open an office for what then was the farm bureau of the Binghamton Chamber of Commerce. The word "bureau" had its inception in the fact that the Binghamton Chamber of Commerce had other bureaus—a traffic bureau, a manufacturers bureau, and several other subdivisions similarly named. Thus, the farm bureau.

Back of this activity by the Binghamton Chamber of Commerce was the interest of its secretary of that day, Byers H. Gitchell, who had become convinced his organization should have a department or division devoted to the promotion of the interests of agriculture in surrounding areas.

Mr. Gitchell was motivated by a belief that farming is basic and very closely interrelated with urban and suburban areas. His vision and his agitation bore fruit.

He was joined by, among others, George A. Cullen, who then was traffic manager and industrial agent for the Delaware, Lackawanna & Western Railroad, now the Erie Railroad.

The original operation of the farm bureau was sponsored jointly by the chamber, the railroad, and the U.S. Department of Agriculture. At the time the New York State College of Agriculture was unable to contribute financially, but gave freely of advice and encouragement.

These were the horse-and-buggy days and Mr. Barron wheeled up and down the muddy roads of his district, acquainting himself with problems of farmers, helping, coordinating their interests and activities, giving farm demonstrations. When farmers began coming to his office, he appointed community leaders who then organized meetings in local farming communities. He organized study clubs.

From this sprung the largest farm organization in the Nation—representing three out of four organized farmers in the country.

Not long after Broome County became organized, other counties followed. Five more farm bureaus were organized in New York State in 1912. Thirteen more followed in 1913. Growth continued. By 1918, a total of 55 New York counties had farm bureaus.

Meanwhile, other areas of the country had become active. In middle 1912, Pettis County, Mo., organized a county group of farmers that was the forerunner there of the Missouri Farm Bureau Federation. In Illinois, the De Kalb County Soil Improvement Association was formed at about the same time.

By 1913, the Broome County Farm Improvement Association had been formed, taking over all of the farm activities previously centered within the chamber of commerce. The new organization took on the working name of the Broome County Farm Bureau. Friendly relations with the chamber continued, but henceforth farmers took over complete control of their affairs.

This pattern of greater local farm responsibility spread rapidly. The emergency of World War I, with its message of "Food Will Win the War" echoed throughout the land, and agriculture took on a renewed importance. The farm bureaus of the day responded magnificently.

As the county farm bureau evolved, the question of control received much thought and attention. So long as State and Federal funds made up a large portion of financial support, there remained a question of control by the State college of agriculture.

The aim was to advance farm bureau to the point that county appropriations and farm bureau membership dues would make up a larger and larger share of the expenses involved.

It is a tribute to the men and women of a half a century ago that they had the vision, the spirit of freedom and the will to recognize that only an organization free from government could indeed be a true representative of the farmer.

It is interesting to note that by 1917—only 6 short years after an idea had been born in Broome County—a State federation of farm bureaus was born in New York State. By 1918, the State Federation of the New York Farm Bureau had four standing committees—one on legislation, one on organization, another on education, and a fourth on markets and transportation. Problems of that year were the sale of wool, labor, power ditchers, the shipment of wheat, and liberty loans.

In 1919 the New York State Farm Bureau Federation took the initiative and called together farm bureau representatives of 12 States to meet at Ithaca, the home of Cornell University. The purpose of that conference was to advance a proposal that a National Farm Bureau Federation be organized.

The stated purpose of that first 12-State meeting is interesting:

"1. To provide the Nation with a strong farm bureau organization thoroughly representative of agriculture which might speak for the farmers of the entire country.

"(2) To develop and carry forward a program which would reach the entire country and which would bring into action the strongest farmers of the country."

An outgrowth of that Ithaca meeting was the appointment of a committee of five to push forward the idea of a national federation.

On November 13 and 14, in 1919, at Chicago, representatives of 31 States formed a temporary American Federation of Farm Bureaus. The original problems of a nationwide federation were obvious. Never before had all of the diverse elements of agriculture attempted to unite under one mantle.

Very properly, questions were deep and searching, but overshadowing all else was the real possibility of creating a great, new national farmers' organization on a basis different from anything which had been before. Here in their grasp delegates saw a degree of strength and solidarity never before possible. Here was a sleeping giant that might be awakened.

There were about 500 delegates at that first meeting in the red room of the La Salle Hotel in Chicago. The atmosphere was tense, expectant.

After much discussion and not little argument, the delegates decided to form a nationwide organization to be called the American Farm Bureau Federation. The first president was James R. Howard, of Marshall County, Iowa, a tall, angular man who knew well the problems of agriculture. He had been born on the same farm he then operated.

Nothing better illustrates the vision of American farm families than the membership report of the first annual meeting of the American Farm Bureau Federation at Indianapolis in 1920. At that meeting, the secretary reported a paid-up, voluntary membership of more than 800,000.

Since those early days, there has been a tremendous growth in this great federation, all of it under the leadership of the illustrious presidents who followed Mr. Howard: Oscar E. Bradfute, of Ohio; Sam H. Thompson, of Illinois; Ed. O'Neal, of Alabama; Allan B. Kline, of Iowa; and the current president, the sixth president, Charles B. Shuman, of Illinois.

All of these men played vigorous roles in leading agriculture, in giving it a voice that must be heard even as the number of farmers declines.

Along the line there have been many outstanding State farm bureau presidents, among them the present president of my own New York State Farm Bureau, Donald F. Green, fruitgrower of Chazy, N.Y. Much of the progress of the entire farm bureau effort can be traced to State leaders like Mr. Green. I am sure other Members of this Chamber can point with equal pride to their own State farm bureau presidents as men who represent the good and the solid in agriculture of these United States.

Over the last half century, a great organization has come to life and has developed as an independent, voluntary—and I stress the word "voluntary"—federation of farm and ranch families associated to safeguard and promote their enlightened self-interest in a manner consistent with the general welfare.

It is an organization that is typically American. Members join and pay dues voluntarily to finance the farm bureau program. Members develop the policies and program through democratic process and majority decisions. Members have equal rights to make proposals, discuss, debate, and vote on issues. Members elect leaders from their own group.

Farm bureau is local, national, and international in its scope and influence, and is nonpartisan, nonsectarian, and nonsecret in character. Its main offices are in Chicago and it has a Washington office. In addition, a foreign trade office has been opened in Rotterdam, the Netherlands, to promote the sale of American farm products overseas. This office is totally supported by membership dues.

Recently, the American Farm Bureau Federation has organized the Farm Bureau Trade Development Corp. to strengthen its private trade efforts. The farm bureau also has recently organized the American Agricultural Marketing Association, an organization designed to help farmers market their products.

Most of us here are familiar, I am sure, with the booklet of annual farm bureau policy resolutions. This booklet is the work of thousands upon thousands of farm families from nearly 2,700 counties in this Nation. Annually, these farm families start policy development at the county level. From there it moves up to the respective States and, finally, to the annual meeting in December of the American Farm Bureau Federation which regularly attracts more than 5,000 farm men, women, and young people. At this convention, the delegates, elected by farmers of their own States, thrash out issues, argue, give and take, much as we do here.

Finally, the policies emerge, hammered out in the most democratic way.

Perhaps the most succinct statement of the farm bureau position can be stated in the words of Mr. Shuman, the Illinois farmer who now heads this great organization:

"Our goal," he says, "is to serve the best interests of agriculture from an overall standpoint and to do so on a basis consistent with the national interest.

"A major objective of Farm Bureau policy is to create conditions which will make it possible for farmers to earn and get high per family real incomes in a manner which will preserve freedom."

If we listen carefully to Mr. Shuman's words we easily will see that he doesn't mean to try to make farmers prosperous by the use of tax money. He believes, and strongly, that the way to real prosperity for agriculture is not the control route, but the avenue of decisions freely made in a free atmosphere without the shackles and chains of a Federal bureaucracy.

I have, with pride, traced the history of a great organization whose birth was in Broome County, N.Y. It was a noble idea. It is being well executed.

During next November, the New York State Farm Bureau will observe the 50th anniversary year by holding its annual meeting in Binghamton, in Broome County. This will bring together many farm leaders to observe a half century of solid progress. It is an event to which I am looking forward with great pleasure and pride.

Immigration Quotas

EXTENSION OF REMARKS
OF
HON. JOHN E. FOGARTY
OF RHODE ISLAND
IN THE HOUSE OF REPRESENTATIVES
Monday, March 20, 1961

Mr. FOGARTY. Mr. Speaker, the bill I have introduced today has a twofold purpose. It is designed to facilitate the reunion of separated families and, at the same time, to benefit a considerable number of skilled immigrants whose services have been determined by the Attorney General to be urgently needed in the United States, but who cannot be issued a first preference visa solely because a quota number is unavailable. In recent years the Congress has attacked the problem of backlogged immigration quotas by enacting special legislation which afforded only nominal relief and provided no real remedy for the problem. Quotas of many countries continue to be heavily oversubscribed, while other countries, notably Great Britain, and Ireland, fail to use their allotted quotas year after year to a very substantial degree. It is estimated that approximately one-third of all authorized quota numbers remain unused at the end of each fiscal year, and are consequently discarded. One of the underlying principles of our immigration laws is the preservation of the family unit. The instant bill is intended to give meaning and reality to that principle.

The problem of backlogged quotas is attributable in large part to the great disparity between the size of quotas proclaimed for certain northern European countries and the size of quotas proclaimed for all other countries throughout the world. For example, three countries of northern Europe are assigned 70 percent of the overall annual quota of 155,000 and the other quota countries, about 100 in number, variously divide the remaining 30 percent of the overall quota. These quotas were computed under the national origins formula which Congress wrote into the Immigration Act of 1924 and carried forward in the Immigration and Nationality Act of 1952. They range from the minimum quota of 100 per annum to the maximum quota of 65,361 proclaimed for Great Britain and Northern Islands.

In addition to bringing families together and hastening the entry of hundreds of skilled aliens, this bill will tend to alleviate the hopeless predicament which faces many prospective immigrants whose chances of ever being reached on the waiting list are extremely remote, particularly the nonpreference immigrant. To the extent that the quota numbers now unused are made available for the issuance of visas to aliens within the preference classes, more numbers will become available for the issuance of visas to aliens in the nonpreference class. The vast majority of refugees fall in the nonpreference category.

The redistribution of unused quota numbers on a regional basis is not a new idea. It was first broached by President Eisenhower in his message of February 8, 1956, to the Congress and repeated on other occasions. This proposal does not increase the overall quota of 155,000 established for all quota countries nor does it relax in the slightest degree any of the substantive conditions which every alien must meet before he is issued an immigrant visa and admitted into the United States. The bill simply authorizes the use of the present quotas to the fullest extent possible within the framework of existing law except for the national origins concept.

Specifically, this bill authorizes the Secretary of State to create four regional quotas representing Europe, Africa, Asia, and Oceania, and to assign quota numbers unused at the end of each fiscal year to the appropriate regional quota. For example, unused numbers attributable to the quota for Great Britain and Northern Ireland would be assigned to the regional quota for Europe,

while unused numbers attributable to the quota of Vietnam would be assigned to the regional quota for Asia. The Secretary of State would then make these numbers available for the issuance of immigrant visas to qualified immigrants to whom a first, second, third or fourth preference status had been granted on the basis of a petition approved by the Attorney General. The first preference class consists of skilled aliens so classified because of their high education, technical training, specialized experience or exceptional ability, and because of the urgent need for their services in the United States. The second-preference class consists of the parents and the unmarried sons or daughters of citizens of the United States. The third-preference class consists of the spouses and the unmarried sons or daughters of aliens admitted to the United States for permanent residence. The fourth-preference class consists of the brothers, sisters, and married sons or daughters of U.S. citizens, including their accompanying spouses and children. The assigned numbers in each regional quota would be made available for the issuance of visas to these preference immigrants who were born within the respective region, regardless of their country of birth, and in the same chronological order in which quota numbers are now allotted and charged against the national quotas. Any regional quota not fully used within the period specified for allotment of quota numbers would expire automatically at the end of such period.

The Jewish Memorial Hospital and Its New Development Program

EXTENSION OF REMARKS
OF
HON. HERBERT ZELENKO
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Monday, March 20, 1961

Mr. ZELENKO. Mr. Speaker, in the district which I have the honor to represent is located the Jewish Memorial Hospital. This great institution dedicated to healing has never turned away anyone who has been ill or injured. It is a voluntary hospital supported by devoted humanitarians.

A long-treasured Jewish Memorial Hospital dream was brought several steps nearer to realization when Jesse H. Barkin, president of the hospital's board of trustees, released a public announcement on January 23, 1961, that Milton S. Heller has been named general chairman of a new development fund program that is already in action. The public announcement released to the press and to community, professional, and hospital publications and circularized to the medical staff, read as follows: Milton S. Heller, a director of the McCrory Corp. and Landers, Frary & Clark Co., and a partner in Heller Bros., has been named chairman of a $2 million development fund campaign to expand the bed facilities and other services of Jewish Memorial Hospital, a nonsectarian, voluntarily supported institution located at Broadway and 196th Street. Announcement of this appointment was made by Jesse H. Barkin, president of the hospital's board of trustees.

Mr. Heller, a trustee and vice president of the hospital, heads up a development fund campaign committee consisting of David Schwartz, chairman of the board of Jonathan Logan; Henry Kalman, of the R. & K. Dress Co.; Henry L. Schenk, president of the Trade Bank & Trust Co.; Marvin Kratter, of the Kratter Corp.; David Dawn, of Alice Stuart; and Drs. Walter Levy and Harry Wallerstein, of the hospital's medical board. Julius Israel, of Regal Knitwear Co., is chairman of special gifts.

Behind this announcement is the story of the earnest efforts by the board of trustees, the medical board, and the administration to evolve the ways and means that would enable the hospital, which has by now grown to the point where additional building is absolutely essential, to provide still more services and facilities for the use of the community. The founders of the hospital, back in 1905, and even those who later planned and brought to realization the present building, understandably could not foresee the growth of the institution that they had established. Nor could they forecast accurately the enormous expansion of the population of the areas that Jewish Memorial Hospital serves: Washington Heights, Inwood, Riverdale, and the Bronx. In terms of numbers, the estimated population of these communities totals approximately 300,000 people.

The result of this growth has been such that the hospital has for years had the recurring problem of how to enlarge its facilities to provide the necessary services called for by its growing importance in the community. After the research laboratory building was completed and other structural modifications made to keep up with the growing needs, there still remained the increasing need for more beds, more facilities, more hospital services.

For years, the board of trustees have been studying this problem. One plan after another was evolved, with each having to yield either because the requirements continued to grow or the costs seemed prohibitive. With every major step, approval was needed from city and State agencies. Consultations were held with architects and builders.

As a background to all of this effort, there was the ever-present phenomenon of steadily rising building and maintenance costs. In past years, a portion of the funds raised from the annual dinner and from the souvenir dinner journal could be set aside to be applied at a later date toward new construction. Today the steeply rising costs are such that the moneys now raised by the hospital barely cover the annual maintenance deficit.

During 1960 the board of trustees took the serious step of approving a building program that would take care of the hospital needs for the reasonable foreseeable future. Present plans, while not complete or definite, are designed to provide for 48 additional beds, 4 major operating rooms, anesthesia induction rooms, plaster and fracture operating room, cystoscopic X-ray operating suite, central supply and sterilization unit, new medical library and conference room, and an entire new integrated maternity unit. Also, 4 new nursery suites of 10 basinets each, a new suspect nursery, a 4-bed isolation nursery, a new formula preparation room, and a new circumcision room.

In addition there will be two patient-guest lounges, a doctor's rest and locker room, a doctor's conference lounge, two nurses' rest and locker rooms, and three new treatment and examining rooms. The plans provide for new and enlarged clinics in rehabilitation medicine and mental health. Also included is an obstetrician's lounge and sleeping quarters and many other auxiliary service units.

The cost of these additions is now estimated to be in the $2 million range.

To raise these funds, the board thought it desirable to approach first its own trustees and medical staff. From these sources there was pledged a total of close to $300,000. However, the anticipated costs are such that it now becomes absolutely indispensable to go beyond the confines of the Jewish Memorial Hospital family. It becomes imperative to appeal to the communities for their philanthropic support.

The development fund will be used to increase the inpatient facilities of the hospital by 45 beds, enlarge and integrate its maternity unit, add operating rooms, expand the rehabilitation department, provide additional library space, and increase the hospital's community and outpatient services particularly in its growing mental health and geriatric departments.

The development fund campaign is enlisting the community leadership of Washington Heights, Inwood, Riverdale, and the Bronx. These, among the most rapidly growing areas of New York City, are all served by Jewish Memorial Hospital as a community hospital.

Louis Miller is the hospital director. Seymour Ardam, formerly with the Albert Einstein College of Medicine, Yeshiva University, has been named as coordinator of the development fund campaign.

With this in mind, the development fund committee under the leadership of Milton S. Heller engaged a fundraiser and program coordinator. Seymour Ardam, the man selected for this important post, brings with him many years of experience with the Federation of Jewish Philanthropies, The United Jewish Appeal, and the Albert Einstein College of Medicine of Yeshiva University.

Along with the development fund committee of the board of trustees, a medical staff division of the development fund committee has been set up under the chairmanship of Drs. Harry Wallerstein and Walter Levy. Drs. Herman Cohen and Meyer Karsh, of Riverdale; Drs. Milton Klein and Sol Schifrin, of the Bronx; and Dr. Herbert Zerner, of Washington Heights, will

serve as cochairmen of their respective communities.

Also a general community division is being organized under the chairmanship of C. William Borchers, president of the North Side Savings Bank. Functional committees are now being set up in the Bronx, Riverdale, and Washington Heights. Through the efforts of Mr. Borchers, chairmen for these communities have been appointed. They are: for the Bronx, District Attorney Isidore Dollinger; for Riverdale, Commissioner Francis J. Bloustein, vice chairman of the New York City Planning Commission; and for Washington Heights, Floyd Cramer, president of the Washington Heights Savings & Federal Loan Association.

Many prominent civic and industrial leaders have indicated their interest and support of the program by enlisting as members of the development fund committee. The manner in which these civic-minded leaders have responded to Mr. Borchers' request indicates that the public realizes the need for the development and growth of the hospital as an absolute necessity. The campaign promises to be hard and demanding, but its goals are also challenging and inspiring.

Life Tenure of the Judges of the Court of Military Appeals

EXTENSION OF REMARKS
OF

HON. JOHN E. FOGARTY

OF RHODE ISLAND
IN THE HOUSE OF REPRESENTATIVES

Monday, March 20, 1961

Mr. FOGARTY. Mr. Speaker, the grant of life tenure to the judges of the Court of Military Appeals will accord that tribunal the judicial position demanded by its important functions and its many and heavy responsibilities.

When the Uniform Code of Military Justice was approved by the House of Representatives in 1950, section 67 thereof provided that the judges of the Court of Military Appeals should hold office during good behavior. As it originally passed the House, the bill also contained a further provision to the effect that the court's judges were entitled to enjoy the same powers, privileges, and rights of retirement possessed by the judges of the several U.S. Courts of Appeals. By subsequent action of the Senate, the House's life tenure provision was removed and a term of 15 years was substituted therefor. This term scheme, originating in the Senate, ultimately found its way into the legislation signed by the President.

Title 28, section 451, United States Code, defines "a court of the United States" as "any court created by act of Congress the judges of which are entitled to hold office during good behavior." A similar definition of "a judge of the United States" is contained in this legislation. It would seem to follow, therefore, that a judge of the Court of Military Appeals is not "a judge of the United States," and that the tribunal itself is not "a court of the United States." Thus it will be seen that the Senate's alterations exercised a far-reaching effect on the nature and position of the Court of Military Appeals. Reference to some of the results of this action will be made at subsequent points in this memorandum.

The U.S. Court of Military Appeals heads a judicial system which currently administers approximately one-ninth of the criminal trials of the entire Nation. On the basis of prior experience, it may be predicted with certainty that under total mobilization the military system will administer approximately one-third of such trials. The jurisdiction of the Court of Military Appeals is concerned not with mere property rights, but with the lives and liberties of Americans—principally young Americans—from all walks of life, all segments of society, and all sections of the land. It was the clear intent of Congress in enacting the Uniform Code to assimilate the administration of military justice as nearly as possible to that of the civilian community. All these factors argue strongly for a Court of Military Appeals which is firmly integrated into the Federal judicial system and which enjoys the authority and position of "a court of the United States."

Life tenure for the Court of Military Appeals will set at rest present doubts concerning the court's powers—and will enable it to perform all of the functions of a judicial tribunal.

As a result of changes in the Uniform Code of Military Justice effected after its initial adoption by the House, it is probable—as has been seen—that the Court of Military Appeals is not "a court of the United States." As a result, genuine doubt exists with respect to the body's power to punish for contempt, if necessary to subpena witnesses, to issue the several prerogative writs, and to perform other necessary judicial functions.

All these powers are enjoyed by "a court of the United States," and their exercise in proper cases by the Court of Military appeals is essential to its status as a Federal judicial tribunal with substantially final authority over the lives and liberties of literally hundreds of thousands of young men and women in the Armed Forces. It will be recalled that the Uniform Code provides for no appeal from the determinations of this court, with the result that—save as to jurisdictional questions—its dispositions are final. It is in every substantial sense a court of last resort in criminal cases, and should possess all of the authority of such a court.

The grant of life tenure to the judges of the Court of Military Appeals will free them from the danger of political and other pressures, regarded by many thoughtful persons as an inescapable peril under a term system.

This reason for a modification in the present tenure provision requires little elaboration. All Federal judges laboring under responsibilities even remotely comparable to those resting on members of the court under scrutiny hold office during good behavior. If, as has been said, a principal reason for this phenomenon lies in a desire to protect against clamor and the attempted use of influence—direct or the reverse—then it is applicable equally to the military system's highest judicial tribunal. In truth, it should be deemed to apply with even greater force—for in no other Federal court is the danger of pressure from organized blocs so great. Potential sources of this special danger are numerous and easily recognizable.

Nothing less than life tenure for the judges of the Court of Military Appeals is consistent with the overall intent of Congress as expressed in the Uniform Code of Military Justice.

It is manifest that, in enacting the Uniform Code, Congress intended to bring the administration of military criminal law into as complete accord as practicable with that obtaining in Federal civilian courts. Inescapable differences were recognized, of course—but it seems certain that the Congress was moved by no slightest purpose to approve their existence in the areas of quality and objectives. In other words, there can have been no wish to relegate to second-class citizenship the members of what is now predominantly a civilian—that is, a nonprofessional—Army, Navy, or Air Force.

The Federal criminal law applicable to nonmilitary people is, of course, administered and supervised by courts whose members enjoy life tenure—and thus have been placed in a climate favorable to the development of a proper independence and the highest sort of judicial integrity. Although the presence of minor differences cannot be denied, nothing in the nature of ultimate protections which are available to Mr. A can with safety be denied to Private B, Seaman C, or Airman D—if the basic objective of Congress in enacting the Uniform Code is to be supported and preserved.

This aim is demonstrated more specifically by the code's provision to the effect that the judges of the Court of Military Appeals shall enjoy the compensation of judges of the several U.S. courts of appeals. And the same legislation provides that if a judge of the former court is temporarily disabled, the vacancy thus created shall be filled by designation of a judge of one of the latter. These determinations would seem to indicate with force that Congress chose to assimilate the bench of the Court of Military Appeals to that of a U.S. court of appeals—the members of which, of course, hold office during good behavior.

Life tenure to judges of the Court of Military Appeals will provide for them retirement and survival-of-dependents benefits like those enjoyed by other judges of the Federal judiciary.

At present the judges of this bench are regarded as members of the Federal civil service, so far as retirement is concerned. Thus they are required personally to contribute toward such benefits—to the substantial reduction of their statutory compensation. If the court is to secure for the future personnel equal in professional capacity and standing to that from which other Federal judges are recruited, it is essential that the members of its bench enjoy similar treatment

in this particular. This result would be accomplished by assuring to the Court of Military Appeals recognition as a court of the United States.

Sufficient time has elapsed since establishment of the U.S. Court of Military Appeals to permit reliable evaluation of its contributions to the administration of military law.

Oaths of office were taken by the court's judges in June 1951, and thus the tribunal has been in existence for almost 10 years. During this period it has processed more than 15,000 records of trial by court-martial—and its three members have published written opinions in approximately 1,700 cases. The court has now completed the 11th bound volume of its reported decisions.

In addition, numerous articles dealing with the court and its work have appeared in professional journals, and many of its opinions have been the subject of comment and scholarly evaluation in recent case sections of these same periodicals. In short, there is every reason to suppose that sufficient data are now available to enable the Congress to reach a sound conclusion concerning the quality of the court's personnel and product, and in general the value of its contribution to the military justice scene.

There can be no doubt that the Court of Military Appeals has justified its existence. And if it is worthy of continuation at all as a judicial tribunal of the United States, it fully merits the protections, the powers, and the position enjoyed by comparable Federal courts. It is certain that, insofar as clarification of its powers is desirable, this critical need should be met without delay—and the most effective and economical means for accomplishing this result lie in action according to the body status as a court of the United States. This, in turn, may be accomplished readily by granting life tenure to its judges.

SENATE

TUESDAY, MARCH 21, 1961

The Senate met at 12 o'clock meridian, and was called to order by the Vice President.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

O thou God of truth, Father of our spirits, we thank Thee that Thou hast so fashioned our hearts that our deepest instincts anchor us to Thee, and that he who loves the truth can never miss Thee at the last.

In a mad and violent day, may we walk and work in the peace that the world cannot give, in the charity that thinketh no evil, in the good will that bridges all chasms.

In spite of the paganism that afflicts the world, grant us to dream great dreams and not to be disobedient to the heavenly vision. And though the hope betimes seems forlorn, may we be found ready to lead it. Without stumbling and without stain, may we follow the gleam until the day is over and our work is done.

We ask it in the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Monday, March 20, 1961, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. MANSFIELD. Mr. President, under the rule, there will be the usual morning hour for the transaction of routine business. I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

LEAVE OF ABSENCE

On request of Mr. DIRKSEN, and by unanimous consent, Mr. AIKEN was excused from attendance on the sessions of the Senate during the remainder of this week.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, with the concurrence of the distinguished minority leader, I move that the Senate proceed to the consideration of executive business, to consider the nominations on the Executive Calendar.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORT OF A COMMITTEE

The following favorable report of a nomination was submitted:

By Mr. FULBRIGHT, from the Committee on Foreign Relations:

Robert Sargent Shriver, Jr., of Illinois, to be Director of the Peace Corps.

The VICE PRESIDENT. If there be no further reports of committees, the nominations on the calendar will be stated.

U.S. ATTORNEY

The Chief Clerk read the nomination of Joseph D. Tydings, of Maryland, to be U.S. attorney for the district of Maryland for a term of 4 years.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

POST OFFICE DEPARTMENT

The Chief Clerk proceeded to read sundry nominations in the Post Office Department.

Mr. MANSFIELD. Mr. President, I move that these nominations be considered en bloc.

The VICE PRESIDENT. Without objection, the nominations will be considered en bloc; and, without objection, they are confirmed.

Mr. MANSFIELD. Mr. President, I ask that the President be immediately notified of the confirmation of these nominations.

The VICE PRESIDENT. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

REPORT OF NATIONAL ACADEMY OF SCIENCES

A letter from the President, National Academy of Sciences, Washington, D.C., transmitting, pursuant to law, a report of that organization, for the fiscal year ended June 30, 1960 (with an accompanying report); ordered to lie on the table.

RECONVEYANCE OF CERTAIN REAL PROPERTY TO TOWN OF MALONE, N.Y.

A letter from the Secretary of the Army, transmitting a draft of proposed legislation to authorize the Secretary of the Army to reconvey to the town of Malone, N.Y., certain real property heretofore donated by said town to the United States of America as an Army Reserve center and never used by the United States (with an accompanying paper); to the Committee on Armed Services.

AMENDMENT OF TITLE 10, UNITED STATES CODE, RELATING TO SCHOLARSHIPS FOR MEMBERS OF ARMED FORCES

A letter from the Under Secretary of the Navy, transmitting a draft of proposed legislation to amend title 10, United States Code, to permit members of the Armed Forces to accept fellowships, scholarships, or grants (with an accompanying paper); to the Committee on Armed Services.

PROPOSED TRANSFER BY NAVY DEPARTMENT OF WATER BARGE TO THE VIRGIN ISLANDS

A letter from the Assistant Secretary of the Navy (Installations and Logistics), reporting, pursuant to law, on the proposed transfer of a non-self-propelled water barge to the territory of the Virgin Islands; to the Committee on Armed Services.

REPORT ON PRIME CONTRACT AWARDS TO SMALL AND OTHER BUSINESS FIRMS

A letter from the Assistant Secretary of Defense (Installations and Logistics), transmitting, pursuant to law, a report on prime contract awards to small and other business firms, for the month of December 1960 (with an accompanying report); to the Committee on Banking and Currency.

REPORT ON AUDIT OF ABACA FIBER PROGRAM

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the audit of the abaca fiber program administered by General Services Administration, fiscal year 1960 (with an accompanying report); to the Committee on Government Operations.

REPORT ON REVIEW OF CERTAIN EXPENDITURES AT ARMY CHEMICAL CENTER, EDGEWOOD, MD.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the review of expenditures for selected maintenance and construction projects at the Army Chemical Center, Edgewood, Md., dated March 1961 (with an accompanying report); to the Committee on Government Operations.

REPORT ON REVIEW OF SUPPLY MANAGEMENT ACTIVITIES, MARINE CORPS AIR FACILITY, IWAKUNI, JAPAN

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the review of supply management activities of the Marine Corps Air Facility, Iwakuni, Japan, Department of the Navy, dated March 1961 (with an accompanying report); to the Committee on Government Operations.

ADDITIONAL ASSISTANT SECRETARY OF COMMERCE

A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to authorize an additional Assistant Secretary of Commerce (with an accompanying paper); to the Committee on Interstate and Foreign Commerce.

REGULATIONS AT WATER SUPPLY PROJECTS IN THE DISTRICT OF COLUMBIA

A letter from the Secretary of the Army, transmitting a draft of proposed legislation to authorize the making and enforcement of regulations at water supply projects in the District of Columbia and environs, and for other purposes (with an accompanying paper); to the Committee on Public Works.

REPEAL OF SECTION 409 OF PUBLIC BUILDINGS ACT OF 1949, RELATING TO REPORT TO CONGRESS

A letter from the Administrator, General Services Administration, Washington, D.C., transmitting a draft of proposed legislation to repeal section 409 of the Public Buildings Act of 1949, requiring the submission of a report to the Congress concerning eligible public building projects (with an accompanying paper); to the Committee on Public Works.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

A concurrent resolution of the Legislature of the State of Pennsylvania; to the Committee on Labor and Public Welfare:

"Pennsylvania is proud of the many beautiful forests that dot our countryside. No other State can boast of such preserves, but without conservation some day our beautiful woodlands will be a barren area.

"The same is true of our water supply. Today it is abundant but without care and conservation we might find ourselves faced with a shortage of water in the future.

"A way to solve these problems would be to reestablish the Civilian Conservation Corps which worked so well during the thirties. The creation of this force would not only help our forests and water supply, but it would also aid in the curbing of juvenile delinquency, and the problems of unemployment which we face today: Therefore be it

"*Resolved* (*the house concurring*), That the General Assembly of Pennsylvania memorialize Congress to establish a Civilian Conservation Corps; and be it further

"*Resolved*, That copies of this resolution be transmitted to the presiding officers of each House of the Congress of the United States and to each Senator and Representative from Pennsylvania in the Congress of the United States."

A concurrent resolution of the Legislature of the State of New York; to the Committee on Appropriations:

"SENATE RESOLUTION 31

"Concurrent resolution of the Legislature of the State of New York memorializing the President and Congress of the United States, to provide adequate funds to the U.S. Army Corps of Engineers for necessary surveys and plans for, and to initiate the construction of, a deep water canal linking Lakes Erie and Ontario

"Whereas the United States has assumed an obligation with its good neighbor, the Government of Canada, to contribute its full share toward the successful operation of the St. Lawrence Seaway-Great Lakes shipping route; and

"Whereas the only existing navigable facility connecting Lakes Erie and Ontario is the Welland Canal which has been sorely pressed to meet the increasing demands of shipping; and

"Whereas the construction of an alternate ship canal would make a major contribution to the security of the United States as well as Canada, because:

"1. In the event of breakdown or destruction of the existing Welland Canal, the commerce of the entire Great Lakes area of the United States and Canada west of Lake Ontario would be denied access by water transportation to the St. Lawrence Seaway and international shipping lanes;

"2. It would provide a more secure inland route for the movement of iron ore in the event of war;

"3. It would ease the strain on congested rail facilities and east coast ports in the time of emergency; and

"4. It would allow the construction and repair of oceangoing vessels in the more secure areas of the Great Lakes; and

"Whereas the construction of the canal would contribute greatly to the prosperity of commerce, industry, and agriculture, not only in those States bordering the Great Lakes, but throughout the entire Nation; and

"Whereas the commerce of the lake ports of New York State—Buffalo, Rochester, Oswego, and Ogdensburg—would be increased by the benefits accruing to the St. Lawrence Seaway-Great Lakes shipping route; and

"Whereas the construction of the canal would stabilize employment, provide job security and expand job opportunities: Now, therefore, be it

"*Resolved* (*if the assembly concur*), That the Legislature of the State of New York hereby respectfully memorializes the President and Congress of the United States immediately to provide adequate funds to the U.S. Army Corps of Engineers for the necessary surveys and plans for, and to initiate the construction of, the canal, as aforesaid; and be it further

"*Resolved* (*if the assembly concur*), That copies of this resolution be transmitted to the President of the United States; to the President of the Senate and the Speaker of the House of Representatives of the U.S. Congress, and to each Member thereof from the State of New York; to the Governor of the State of New York; to the commissioner of commerce of the State of New York; to the chairmen of the Port Authorities of Buffalo, Rochester, Oswego and Ogdensburg; and to the Governors and State legislative leaders of the States of Pennsylvania, Ohio, Michigan, Indiana, Illinois, Wisconsin, and Minnesota.

"By order of the senate.

"WILLIAM S. KING,
"Acting Secretary.

"Concurred in without amendment, by order of assembly.

"ANSLEY B. BORKOWSKI,
"Clerk."

Two concurrent resolutions of the Legislature of the State of Utah; to the Committee on Finance:

"SENATE CONCURRENT RESOLUTION 1

"Concurrent resolution memorializing the Congress of the United States to provide legislation designed to afford adequate protection for domestic industry in the field of international trade

"Whereas the sheep and cattle industry of the United States has for the 3 years past sought adequate protection from excessive imports from low-wage foreign countries; and

"Whereas livestock production, employment, and related business in the producing communities have been seriously curtailed and are threatened with further curtailment; and

"Whereas definite relief from the livestock industry was unanimously recommended by the National Wool Growers Association and American National Cattlemen's Association in accordance with the escape clause provisions of that act, which recommendation was preceded by a thorough investigation made by the U.S. Department of Agriculture upon the request of the industry, the Congress and administration officials; and

"Whereas the Wool Act was provided for the sheep industry by the President and the Congress in lieu of the recommended tariff relief; and

"Whereas the effectiveness of the Wool Act has been seriously hampered by excessive importations of wool fabrics and lambs selling at prices below our costs of production, which has resulted in a progressive decline in sheep production in many areas; and

"Whereas the livestock situation is simply an example of the serious difficulty which any domestic industry might experience under the present Trade Agreements Act or the extensions thereof; and

"Whereas the policies and practices in the field of international trade which have resulted in such harm to the domestic livestock industry and to the domestic economy present a threat to all domestic industry involved in international trade: Now, therefore, be it

"*Resolved by the Legislature of the State of Utah* (*the Governor concurring therein*), That we believe that it is fitting and proper for citizens of this State or of the United States to exercise the right of petition, if and when injury to their persons or property is actual or imminent. We, therefore, respectfully petition the high office of the President of the United States for drastic and immediate relief from the vast and ever increasing quantities of meat and meat products, hides, wool, woolen and any such other related products as have flooded our domestic markets to the point of ruin to

our own stockraising industry. As a means to this end we pray you, Mr. President, to act at once under the terms of the escape or peril point clause to the Trade Agreements Act. We further recommend that the Trade Agreements Act of 1934 be permitted to expire.

"We favor the enactment of quotas on imports of dressed and live animals as well as wool, woolens and other meat animal products until domestic prices are at an economic level. Such quotas would permit the domestic livestock industry to: Maintain adequate numbers for national security; compete with foreign imports produced in low-wage foreign countries; return to its former status of employment and production; retain its skilled livestock producing personnel; and engage in the development work vitally necessary to future availability of food and fiber; and be it further

"*Resolved,* That the secretary of the State of Utah be and is hereby authorized and directed, to send copies of this concurrent memorial to the President of the United States, to the Senate and House of Representatives of the United States, to the Committee of Ways and Means of the House of Representatives and the Finance Committee of the Senate, to the Senators and Congressmen representing the State of Utah in the National Congress and to the honorable Secretary of Agriculture."

"SENATE CONCURRENT RESOLUTION 5

"Concurrent resolution proposing to urge Congress to enact legislation regulating importing of lead and zinc

"Whereas the lead-zinc mining industry of Utah has suffered severe economic reverses over the past decade; and

"Whereas the principal cause of such reverses has been the importation of foreign produced lead and zinc far in excess of the amount needed to supplement domestic supplies; which importation have resulted in loss of markets and drastic reduction of metal prices to domestic producers; and

"Whereas the lead-zinc mining industry is an important segment of Utah's economy; particularly as to employment, related business and tax revenue; and

"Whereas the U.S. Tariff Commission has on three occasions in the past decade found the domestic lead-zinc mining industry to be suffering serious injury from excessive importations of lead and zinc resulting in part from the reduction of import duties on those metals made under the Trade Agreements Act; and

"Whereas on the occasion of each such finding of serious injury the Commission, has, under authority provided in the escape clause of the Trade Agreements Act, recommended relief for the industry by way of increased duties and other import controls; and

"Whereas such recommended relief has not been granted the industry, and

"Whereas the domestic lead-zinc mining industry, including the Utah lead-zinc mining industry, has prepared and has had legislation introduced in the 87th Congress designed to provide the relief sorely needed by the industry: Now, therefore, be it

"*Resolved by the Legislature of the State of Utah (the Governor concurring therein),* That the National Congress be urged to favorably consider and to pass the proposed legislation providing needed and reasonable import control; and be it further

"*Resolved,* That a copy of this resolution be conveyed to the President of the United States, the President of the U.S. Senate, the Speaker of the House of Representatives, the Secretary of the Interior, and to the congressional delegation for the State of Utah."

A concurrent resolution of the Legislature of the State of Utah; to the Committee on Interior and Insular Affairs:

"SENATE CONCURRENT RESOLUTION 6

"Concurrent resolution memorializing the Congress of the United States to oppose national preservation acts

"Whereas a bill (S. 174) in its original form was introduced in the Senate of the United States of America, 87th Congress, 1st session, to establish a National Wilderness Preservation System, and it is anticipated that an identical bill will be introduced in the House of Representatives of the United States of America during the same session; and

"Whereas said bills, each to be known as a wilderness act authorize the withdrawal of large acres of federally owned lands and the continued withdrawal of federally owned or controlled lands in the future, upon decision of Federal officials into a National Wilderness Preservation System to be so protected and administered as to preserve the wilderness character of the lands withdrawn and contained therein; and

"Whereas approximately 72 percent of the land in the State of Utah is owned and controlled by the Federal Government; and

"Whereas any development of lands withdrawn inconsistent with the preservation of said lands for the single purpose of wilderness area is prohibited by the act; and

"Whereas Utah stands at the threshhold of a new era of prosperity through the multiple development of mineral, water, agricultural, industrial, recreational and wilderness resources on its federally owned lands as presently permitted under law; and

"Whereas there was in fact legislation enacted in 1957 by the Congress of the United States establishing an Outdoor Recreation Resources Review Commission to inventory our wilderness resource and report to the Congress in 1961: Now, therefore, be it

"*Resolved by the 34th Legislature of the State of Utah (the Governor concurring therein),* That the 87th Congress of the United States of America be and is hereby memorialized to oppose and vote against S. 174 in its original form as inimical to the future development of the State of Utah and the prosperity of those U.S. citizens residing therein, and as premature and unnecessary legislation; and be it further

"*Resolved,* That certified copies of the above be transmitted to the President and Vice President of the United States, the President of the Senate of the Congress, the Speaker of the House of Representatives of the Congress, U.S. Senator WALLACE F. BENNETT, U.S. Senator FRANK E. MOSS, Representative DAVID S. KING, Representative M. BLAINE PETERSON, Senate Committee on Interior and Insular Affairs, and the Governors and legislatures of the following States: Arizona, California, Colorado, Idaho, Montana, Nevada, New Mexico, Oregon, Washington, and Wyoming."

A concurrent resolution of the Legislature of the State of Utah; to the Committee on Public Works:

"SENATE CONCURRENT RESOLUTION 7

"Concurrent resolution memorializing the Congress of the United States to provide adequate facility for the crossing of the Colorado River in the vicinity of Hite, Utah

"Whereas Utah State Highway Route No. 95, a Federal aid route upon which both State and Federal moneys have been spent, joins the southeastern section of the State of Utah with the remainder of the State through the facility of a ferry across the Colorado River at Hite, Utah; and

"Whereas said route and ferry constitute the only access to and crossing of the Colorado River for a distance of 154 miles in said section of the State; and

"Whereas as a result of the construction of the Glen Canyon Dam as a Federal project on the Colorado River, a portion of said highway route as it approaches Hite and the ferry facilities thereof will be inundated and the utility of said highway and ferry destroyed; and

"Whereas continuation of east-west traffic between areas of the State of Utah rich in natural resources and scenic wonder is in the public interest; and

"Whereas termination of such traffic and the facility therefor will greatly impede the development of southeastern Utah to the detriment of the public; and

"Whereas in fact access to and crossing of the Colorado River is necessary for utilization of the water recreational facilities contemplated as a result of the Glen Canyon Dam: Now, therefore, be it

"*Resolved by the Legislature of the State of Utah (the Governor concurring herein),* That the 87th Congress of the United States of America be and is hereby memorialized to promptly take the necessary and appropriate action to insure and provide adequate facility for vehicular crossing of the Colorado River in the general vicinity of Hite, Utah; and be it further

"*Resolved,* That certified copies hereof be promptly transmitted to the President and Vice President of the United States, the Speaker of the House of Representatives of the Congress, U.S. Senator Wallace F. Bennett, U.S. Senator Frank E. Moss, U.S. Representative David S. King, U.S. Representative M. Blaine Peterson, to the Secretary of the Interior Stewart L. Udall, to the Commissioner of Reclamation, the Upper Colorado River Commission, and to the Governors and legislatures of the following States: Utah, Colorado, Arizona, and New Mexico."

A joint resolution of the Legislature of the State of California; to the Committee on Banking and Currency:

"SENATE JOINT RESOLUTION 13

"Joint resolution relative to mass public transportation in metropolitan areas

"Whereas the Federal Government has historically pursued the policy of aiding and encouraging the development and maintenance of adequate public transportation throughout the country, including subsidies to railroads and airlines and financial grants for navigable rivers, harbors, interstate highways, farm-to-market roads, airports and other transportation facilities; and

"Whereas the Federal Government has been extremely active in encouraging the development of public highways for the use of motor vehicles through its Federal-aid highway program and other financial grants for highway purposes; and

"Whereas the development of interstate and other highways has encouraged greater and greater dependence upon motor vehicles for public transportation purposes; and

"Whereas the growing dependence upon motor vehicles, especially private passenger automobiles, is contributing greatly to the problem of traffic congestion in metropolitan areas and other centers of population, which in turn has allowed mass public transit and private commuter railroads to define in quality and quantity of service rendered; and

"Whereas the problem of growing traffic congestion is expected to become worse as the population of people and motor vehicles increases and approaches a doubling of the present level; and

"Whereas the recognized solution to the growing traffic congestion problem is the es-

tablishment of modern systems of rail rapid transit operating on grade-separated roadbeds which will not interfere with the movement of vehicular traffic on streets and highways, and which will move vast numbers of people efficiently and economically in a manner fully competitive with the attraction and convenience of individual passenger automobiles; and

"Whereas it is now evident that urban areas alone cannot assume their many pressing responsibilities in the field of education, social welfare, public health, police protection, public works and many others, and still provide the vast sums of money needed to build modern systems of public transportation for the mass movement of people; and

"Whereas there is pending in Congress legislation to encourage the States and their political subdivisions to plan, acquire, and/or construct facilities for mass public transportation in metropolitan areas, including financial grants and low-interest loans for such purposes: Now, therefore, be it

"Resolved by the Senate and Assembly of the State of California (jointly), That the Legislature of the State of California respectfully urges upon the Congress of the United States its favorable consideration of legislation providing Federal financial and other assistance to the States and their political subdivisions for mass public transportation purposes in metropolitan areas; and be it further

"Resolved, That the secretary of the senate be hereby directed to transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

A joint resolution of the Legislature of the State of California; to the Committee on Finance:

"SENATE JOINT RESOLUTION 7

"Joint resolution relating to imports of livestock and livestock products

"Whereas the sheep and cattle industry of the United States has for the 3 years past sought adequate protection from excessive imports from low-wage foreign countries; and

"Whereas livestock production, employment, and related business in the producing communities have been seriously curtailed and are threatened with further curtailment; and

"Whereas definite relief for the livestock industry was unanimously recommended by the National Wool Growers Association and American National Cattlemen's Association, which recommendation was preceded by a thorough investigation made by the United States Department of Agriculture upon the request of the industry, the Congress, and the administration officials; and

"Whereas the Wool Act was provided for the sheep industry by the President and the Congress in lieu of the recommended tariff relief; and

"Whereas the effectiveness of the Wool Act has been seriously hampered by excessive importations of wool fabrics and lambs selling at prices below our costs of production, which has resulted in a progressive decline in sheep production in many areas: Now, therefore, be it

"Resolved by the Senate and Assembly of the State of California (jointly), That the Legislature of the State of California respectfully memorializes the President and the Congress of the United States to provide immediate relief under the terms of the escape or peril point clause of the Trade Agreements Act, or by establishing import quotas or any other appropriate action to relieve the stockraising industry of the United States from the vast and ever increasing quantities of meat and meat products, hides, wool, woolens, and other related products flooding our domestic markets; and be it further

"Resolved, That the secretary of the senate is directed to transmit a copy of the resolution to the President and Vice President of the United States, the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

A joint resolution of the Legislature of the State of Montana; to the Committee on Interior and Insular Affairs:

"HOUSE JOINT MEMORIAL 12

"Joint memorial of the Senate and House of Representatives of the State of Montana, providing that the application for license to construct these projects is consistent with the orderly, integrated and comprehensive development of the Columbia River Basin as recommended under provisions of the Corps of Engineers' '308' report; and providing that an acceptable agreement is consummated with the Kootenai, Salish, and Flathead Indian Tribes for the use of said sites, otherwise this memorial shall be of no force and effect; urging that the Federal Power Commission grant the application of a taxpaying enterprise to construct, own, and operate the dams and hydroelectric facilities at Buffalo Rapids sites Nos. 2 and 4 in Lake County and Sanders County, Mont.

"Whereas, an investor-owned taxpaying enterprise has announced its intention of applying to the Federal Power Commission for permission to immediately construct, own, and operate dams and hydroelectric facilities at the Buffalo Rapids sites Nos. 2 and 4 in the Buffalo Rapids stretch of the Flathead River, located in and between Lake County and Sanders County, Mont.; and

"Whereas the construction of said dams and hydroelectric facilities at Buffalo Rapids sites Nos. 2 and 4 by a taxpaying enterprise would improve local economic conditions, would result in a minimum of economic dislocation and is highly acceptable to the people of the immediate area; and

"Whereas the construction of said Buffalo Rapids projects would broaden the tax base of Lake County and Sanders County and the resultant greatly increased tax collections every year would strengthen county government services and local school systems as well as to substantially increase payments of State and Federal corporation taxes; and

"Whereas the construction, development, and operation of said Buffalo Rapids projects would respect the treaty rights of the Flathead Indian Tribe and would result in substantial annual payments of rentals to said tribe for the use of tribal lands, an aspect not contemplated by other developments which have been proposed in the area; and

"Whereas the construction of said Buffalo Rapids projects would mean a tremendous investment in materials and labor in that area of western Montana near presently distressed areas, which would create remedial employment without expenditures of tax moneys during the period of construction and thereafter; and

"Whereas the only remaining major obstacle to this much needed development in western Montana is the issuance of the necessary license by the Federal Power Commission: Now, therefore, be it

"Resolved by the 37th session of the Legislative Assembly of the State of Montana (the senate and house of representatives concurring), That the application for license to construct these projects is consistent with the orderly, integrated and comprehensive development of the Columbia River Basin as recommended under provisions of the Corps of Engineers' '308' report which is finally adopted; and providing that an acceptable agreement is consummated with the Kootenai, Salish, and Flathead Indian Tribes for the use of said sites, otherwise this memorial shall be of no force and effect; that we respectfully urge that the Federal Power Commission act favorably upon the application of a taxpaying enterprise for a license to construct, own, and operate dams and hydroelectric facilities at Buffalo Rapids sites Nos. 2 and 4 in Lake County and Sanders County, Mont., when such application comes before it in order that western Montana can gain the benefits of investment and employment as soon as possible; and be it further

"Resolved, That copies of this resolution be forwarded by the secretary of state of the State of Montana to the President of the United States, to the President pro tempore of the Senate of the United States, to the Speaker of the House of Representatives of the United States, and to the Honorable MIKE MANSFIELD and the Honorable LEE METCALF, Senators from Montana, and the Honorable ARNOLD OLSEN and the Honorable JAMES BATTIN, Representatives in Congress from Montana, to the Secretary of the Interior, the chairmen of the Appropriations Committees of the U.S. Senate and House of Representatives, the U.S. Army Corps of Engineers, and the Federal Power Commission in Washington, D.C.

"CLYDE L. HAWKS,
"Speaker of the House.
"TIM BABCOCK,
"President of the Senate."

Resolutions adopted at the annual meeting of the delegates of Land O'Lakes Creameries, Minneapolis, Minn., relating to price support for milk, and so forth; to the Committee on Agriculture and Forestry.

A letter in the nature of a memorial from the East Asiatic Co., Inc., San Francisco, Calif., signed by H. Rainer, manager, relating to imports of lumber and lumber products; to the Committee on Finance.

A letter from the Coordinating Secretariat of National Unions of Students, Leiden, Netherlands, signed by Norman W. Kingsbury, administrative secretary, transmitting a resolution adopted by the Ninth International Student Conference, relating to the Chamorro-Bryan Treaty; to the Committee on Foreign Relations.

A resolution adopted by the City Council of the City of Pomona, Calif., urging support and approval of legislation to allow municipal corporations to acquire Federal surplus property; to the Committee on Government Operations.

A resolution adopted by the 31st assembly of the California Society of the Daughters of the American Colonists, favoring the continuance of the Un-American Activities Committee; to the Committee on the Judiciary.

A letter in the nature of a petition from J. L. F. Harrigan, of Brooklyn, N.Y., relating to Federal aid to education; to the Committee on Labor and Public Welfare.

RESOLUTION OF TOWN BOARD OF UNION, N.Y.

Mr. KEATING. Mr. President, the Town Board of Union, N.Y., has sent me a copy of a resolution urging increased Federal aid to assist in paying the costs of sewage disposal. I ask unanimous consent that this resolution be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Whereas the town of Union has heretofore established the following sewer districts, to wit: (1) The Endwell Sewer District; (2) the West Corners Sewer District; and (3) the North Endicott Sewer District; and

Whereas it is proposed to construct a sewage disposal plant to serve said Endwell Sewer District, the location of said sewage disposal site to be in the town of Vestal, Broome County, N.Y., and to be constructed and operated in such a manner as to serve not only the Endwell Sewer District of the town of Union, but also sewer district No. 4 of the town of Vestal, on a contractual basis, each to contribute its proportionate share of the cost of construction and maintenance; and

Whereas it is proposed to construct sewer lines in the said West Corners and North Endicott Sewer Districts and connect the same with the village of Endicott sewer system and share the cost thereof on a contractual basis with said village of Endicott; and

Whereas the costs of said sewer systems are excessive and will constitute an undue burden on the taxpayers in the respective sewer districts above mentioned; and

Whereas the President of the United States has stated in a message to Congress in February 1961, that the matter of pollution of the public waters are of great concern to the Federal Government and has requested the Congress to appropriate sufficient funds to assist the local governments to defray the expenses of constructing sewage disposal plants to preserve the water resources of the country; and

Whereas Representative BLATNIK has introduced H.R. 4036 and Senator HUMPHREY (for himself and Mr. MCCARTHY, Mr. MOSS, Mrs. NEUBERGER, Mr. CLARK, Mr. LONG, Mr. MORSE, Mr. WILLIAMS and Mr. PELL) has introduced S. 861, to provide for increasing the Federal grants to municipalities from a limit of $250,000 to a limit of $600,000, and to further provide that "in the case of a project which will serve more than one municipality (A) the Commissioner shall, on such basis as he determines to be reasonable and equitable, allocate to each municipality to be served by such project, its share of the estimated reasonable cost of such project, shall then apply the foregoing limitations in this clause to each such share as if it were a separate project to determine the maximum amount of any grant which may be made under this section with respect to such project and (B) for the purposes of the limitation in the last sentence of subsection (d), the share of each municipality so determined shall be regarded as a grant for the construction of treatment works"; and

Whereas it is the opinion of this town board that the passage of the foregoing legislation is of vital importance to the taxpayers of said Endwell, West Corners and North Endicott Sewer District: Therefore be it

Resolved, that this town board request Senators JAVITS and KEATING and Representative ROBINSON, to support the foregoing legislation, to the end that the taxpayers of said sewer districts in the town of Union, may be assisted in bearing the excessive costs of constructing and furnishing sewage disposal for said areas of the said town of Union; and be it further

Resolved, That the town clerk be and he hereby is directed to forward duly certified copies of this resolution to Senators JAVITS and KEATING, to Representative ROBINSON, and to Senators HUMPHREY, MCCARTHY, MOSS, NEUBERGER, CLARK, LONG, MORSE, WILLIAMS and PELL, and Congressman BLATNIK; also to the Department of Public Works of the State of New York and to the Water Pollution Control Board of the State of New York.

DONALD E. KITCHIN,
Town Clerk.

RESOLUTION OF BOARD OF SUPERVISORS OF OUTAGAMIE COUNTY, WIS.

Mr. PROXMIRE. Mr. President, the Board of Supervisors of Outagamie County, Wis., recently adopted a resolution asking that soil bank contracts require the establishment of fire prevention breaks. The resolution was submitted by the agriculture and conservation committee, and adopted by the whole board. Because of the importance of the subject with which it deals, I ask unanimous consent that it be printed in the RECORD and referred to the Committee on Agriculture and Forestry.

There being no objection, the resolution was referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

Whereas many soil bank acres, grown up into tall matured grass and other vegetative growth, present a fire hazard during the spring and fall months; and

Whereas many of the rural areas are not well equipped with firefighting equipment; and

Whereas human lives, many farm buildings, and fire equipment are endangered by fires from grass areas immediately adjacent to these buildings; and

Whereas considerable acreage of wildlife habitat and area, tree planted areas, and forest land are endangered by these potential fire hazards on soil bank lands: Therefore be it

Resolved, That—

1. A stipulation be included in soil bank contracts that would require the establishment of fire prevention breaks according to the following specifications:

(a) Areas shall be disked at least once between August 15 and September 15 of each year. All land that was considered cropland, at the time the farm was put into the soil bank, shall be protected by a disking firebreak at least 50 feet in width—this firebreak being on the outside perimeter of the land in the soil bank.

(b) A firebreak of at least 50 feet in width shall be maintained by disking around all buildings—irregardless whether these buildings are on land in the soil bank or on adjoining lands.

A firebreak shall also be maintained by disking of at least 50 feet in width around woodlots and woods, tree planted areas, or wildlife developed areas.

2. The county ASC committee be requested to contact all present owners of soil bank land, and ask them to comply with the above fire prevention measures.

3. That copies of this resolution be sent to the county agricultural stabilization and conservation committee, the State ASC office, all members representing this area in the State legislature, and all Wisconsin Senators and Congressmen in the U.S. Legislature.

Dated this 14th day of March 1961.

HAROLD SCHMEICHEL.
WALTER LAEDTKE.
GEORGE KROES.
RUSSEL DE LAHUNT.
ROLAND SONNLEITNER.

RESOLUTION OF CALUMET COUNTY, WIS., BOARD OF SUPERVISORS

Mr. PROXMIRE. Mr. President, I have received a letter from Mr. Roland E. Miller, clerk of Calumet County, Wis., transmitting a resolution unanimously adopted by the Calumet County Board of Supervisors, requesting fire prevention on soil bank land. I ask unanimous consent that Mr. Miller's letter and the resolution be printed in the RECORD and referred to the appropriate committee.

There being no objection, the resolution was referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

RESOLUTION 1

Resolution on fire prevention on soil bank land

Whereas many soil bank acres, grown up into tall, matured grass and other vegetative growth, present a fire hazard during the spring and fall months; and

Whereas many of the rural areas are not too well equipped with firefighting equipment; and

Whereas human lives, many farm buildings and fire equipment are endangered by fires from grass areas immediately adjacent to these buildings; and

Whereas considerable acreage of wildlife habitat and area, tree planted areas and forest land are endangered by these potential fire hazards on soil bank lands: Therefore, be it

Resolved, That—

1. A stipulation be included in future soil bank contracts that would require the establishment of fire prevention breaks according to the following specifications:

(a) Areas shall be disked at least once between August 15 and September 15 of each year. All land that was considered crop land, at the time the farm was put into the soil bank, shall be protected by a disked or fallowed firebreak at least 50 feet in width—this firebreak being on the outside perimeter of the land in the soil bank.

(b) A firebreak of at least 50 feet in width shall be maintained by disking around all buildings—irregardless whether these buildings are on land in the soil bank or on adjoining lands.

A firebreak shall also be maintained by disking of at least 50 feet in width around woodlots and woods, the tree planted areas of wildlife developed areas.

2. The county ASC committee be requested to contact all present owners of soil bank land, and ask them to comply with the above fire prevention measures.

3. That copies of this resolution be sent to the county agricultural stabilization and conservation committee, the State ASC office, all members representing this area in the State legislature, and all Wisconsin Senators and Congressmen in the U.S. Legislature.

Passed and adopted by the Calumet County Board of Supervisors on March 14, 1961.

ROLAND E. MILLER,
County Clerk.

REPORT ON DISPOSITION OF EXECUTIVE PAPERS

Mr. JOHNSTON, from the Joint Select Committee on the Disposition of Papers in the Executive Departments, to which was referred for examination and recommendation a list of records transmitted to the Senate by the Archivist of the United States, dated March 8, 1961, that appeared to have no permanent value or historical interest, submitted a report thereon, pursuant to law.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. MAGNUSON:

S. 1388. A bill for the relief of Neda Brajkovic; to the Committee on the Judiciary.

By Mr. McCARTHY (for himself and Mr. HUMPHREY):

S. 1389. A bill to enable producers to provide a supply of turkeys adequate to meet the needs of consumers, to maintain orderly marketing conditions and to promote and expand the consumption of turkeys and turkey products; to the Committee on Agriculture and Forestry.

(See the remarks of Mr. McCARTHY when he introduced the above bill, which appear under a separate heading.)

By Mr. JACKSON:

S. 1390. A bill to provide that an officer of the Army, Air Force, or Navy assigned to serve as Director of the Armed Forces Institute of Pathology shall hold the rank of not less than brigadier general or rear admiral, as the case may be, while so serving; to the Committee on Armed Services.

S. 1391. A bill relating to the election of certain business corporations not to be taxed as corporations in a community property State; to the Committee on Finance.

By Mr. CHURCH:

S. 1392. A bill relating to the Indian heirship land problem; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. CHURCH when he introduced the above bill, which appear under a separate heading.)

By Mr. HUMPHREY:

S. 1393. A bill to authorize a 10-year program of grants for construction of veterinary medical educational facilities, and for other purposes; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. HUMPHREY when he introduced the above bill, which appear under a separate heading.)

By Mr. HUMPHREY (for himself and Mr. KUCHEL):

S. 1394. A bill to establish standards for hours of work and overtime pay of laborers and mechanics employed on work done under contract for, or with the financial aid of, the United States, for any territory, or for the District of Columbia, and for other purposes; to the Committee on Labor and Public Welfare.

By Mr. McCLELLAN:

S. 1395. A bill to amend section 504 of the Labor-Management Reporting and Disclosure Act of 1959 so as to broaden the prohibition against certain persons holding union office; to the Committee on Labor and Public Welfare.

S. 1396. A bill to amend the act entitled "An act to provide for the registration and protection of trademarks used in commerce, to carry out the provisions of certain international conventions, and for other purposes," approved July 5, 1946, as amended; to the Committee on the Judiciary.

(See the remarks of Mr. McCLELLAN when he introduced the above bills, which appear under separate headings.)

By Mr. DOUGLAS:

S. 1397. A bill for the relief of Mate Ivan Jurasic (also known as Mike Jurasic); to the Committee on the Judiciary.

By Mr. BUTLER:

S. 1398. A bill for the relief of Erich Hoffinger; to the Committee on the Judiciary.

By Mr. HOLLAND (for himself and Mr. SMATHERS):

S. 1399. A bill to waive the application of section 142, title 28, United States Code, with respect to the holding of court at Fort Myers, Fla., by the District Court of the United States for the Southern District of Florida; to the Committee on the Judiciary.

By Mr. LONG of Louisiana (for himself and Mr. ELLENDER):

S. 1400. A bill to amend the Submerged Lands Act to establish the seaward boundaries of the States of Alabama, Mississippi, and Louisiana as extending three marine leagues into the Gulf of Mexico and providing for the ownership and use of the submerged lands, improvements, minerals, and natural resources, within said boundaries; to the Committee on Interior and Insular Affairs.

By Mr. FONG:

S. 1401. A bill to amend section 404 of the act of June 10, 1955, in order to establish a more equitable system of longevity grades in the field postal service; to the Committee on Post Office and Civil Service.

By Mr. CLARK:

S. 1402. A bill to provide for an effective system of personnel administration for the executive branch of the Government; to the Committee on Post Office and Civil Service.

By Mr. CARLSON:

S. 1403. A bill to repeal section 711(c) of title 39 of the United States Code, which provides for the exclusion of proceeds of certain postal rate increases in computing the gross receipts for purposes of determining classification of post offices and salary rates of postmasters; to the Committee on Post Office and Civil Service.

By Mr. CARROLL:

S. 1404. A bill for the relief of Boris Edelman; to the Committee on the Judiciary.

NATIONAL TURKEY MARKETING ACT

Mr. McCARTHY. Mr. President, at the request of the National Turkey Federation, I introduce for appropriate reference a bill to provide a supply of turkeys adequate to meet the needs of consumers, to maintain orderly marketing conditions, and to promote and expand the consumption of turkeys and turkey products.

I am joined in sponsorship of this bill by my colleague, the senior Senator from Minnesota [Mr. HUMPHREY]. I believe that Senators from other large turkey producing States may be interested in sponsoring this bill, and I therefore ask unanimous consent that the bill be held at the desk for 1 week to give an opportunity for other Senators to become sponsors.

Turkey production has become an important part of the Minnesota farm economy. In 1960 Minnesota producers raised the largest number of turkeys of any State in the Nation. Of the 82 million turkeys produced last year, 14.4 million came from Minnesota farms, nearly 14 million from California, and 7.7 million from Iowa. Other States in which farmers raised large numbers in 1960 were Virginia, with 4.4 million turkeys; Missouri, with 4.3 million; Texas, 3.9 million; Utah, Indiana, and Ohio, with almost 3 million each; and Arkansas with over 2 million.

The year-round demand for turkeys has increased steadily, and turkey is no longer limited to sales during the holiday seasons. However, the industry is troubled with marketing problems and with temporary surpluses. There is need for market development and for some stabilization measures. Turkey raising is also a highly specialized form of farming, involving many risks, and research is required to increase efficiency of production as well as development of markets.

The bill which I am introducing today is identical with the bill (S. 1395) introduced in the 86th Congress by my colleague [Mr. HUMPHREY] and sponsored by a bipartisan group of 15 Senators. The bill is the product of many years of study by members of the National Turkey Federation and of discussion with representatives of the various State turkey organizations. The bill has the endorsement of the Minnesota Turkey Growers Association and of most of the State turkey federations. I am informed that some turkey producers do not think the bill goes far enough since it does not provide for production and market controls by allotments, but they are not opposed to this bill.

The bill is called the National Turkey Marketing Act, but it is more clearly defined as an enabling act. It establishes a legal procedure through which the turkey producers can create a marketing board and set up a plan to raise funds on an equitable basis. These funds would be used for research, market development, and stabilization.

The bill permits turkey producers to develop their own program, within limits set by Congress and subject to hearings held by the Secretary of Agriculture. The Secretary also would have the power to terminate or suspend any marketing order if he finds it does not effectuate the declared policy of the bill and to call for a referendum. Any marketing order developed under terms of the act would have to have the approval of not less than 65 percent of the number of producers voting and who produce not less than 51 percent of the market turkeys, or vice versa.

Likewise, the bill includes provisions for safeguarding consumers. The Secretary of Agriculture would be required to suspend any order when the average price of turkeys equals or exceeds parity price for the marketing season.

Finally, this bill does not involve Government expenditures for price supports or Government imposed production or marketing allotments.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the bill will lie on the desk, as requested by the Senator from Minnesota.

The bill (S. 1389) to enable producers to provide a supply of turkeys adequate to meet the needs of consumers, to maintain orderly marketing conditions and to promote and expand the consumption of turkeys and turkey products, introduced by Mr. McCARTHY (for himself and Mr. HUMPHREY), was received, read twice by its title, and referred to the Committee on Agriculture and Forestry.

HEIRSHIP LAND PROBLEM ON AMERICAN INDIAN RESERVATIONS

Mr. CHURCH. Mr. President, for many years those of us directly involved in the legislative and administrative aspects of American Indian affairs have been aware of the so-called heirship

land problem on many reservations. From time to time, individual tribes have come before our committee asking that something be done to alleviate the fractionated ownership of individual Indian allotted lands.

Two years ago Senator James E. Murray, of Montana, then chairman of the Committee on Interior and Insular Affairs, instructed Mr. James H. Gamble, of the committee staff, to engage the assistance of Dr. William H. Gilbert and Mr. Stephen A. Langone, consultants in Indian affairs of the Library of Congress, to undertake a study of the Indian heirship problem.

It was decided that a series of questionnaires should be sent out to the various central office and field officials of the Government and officials of the Indian tribes asking for information and opinion relating to the issue of heirship lands. The questions were directed to the central office of the Indian Bureau, the area offices of the Indian Bureau, the agencies of the Indian Bureau, to the Solicitor's Office of the Interior Department, to the field examiners of inheritance, and to the various tribal councils.

The returns from these questionnaires were compiled into a volume of materials which have been issued as part I of "The Indian Heirship Land Survey." In part II of "The Indian Heirship Land Survey" there is presented an analysis by the committee staff of the materials presented in part I, together with an index of the two parts. These reports have been recently made available as a result of 2 years of diligent labor on the part of the committee staff.

Mr. President, I ask unanimous consent that the analysis may be printed in the RECORD at this point in my remarks.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

SUMMARY ANALYSIS: WHAT IS THE INDIAN HEIRSHIP LAND PROBLEM?

Heirship land is land owned by two or more Indians with the title held by the U.S. Government for them. This multiple ownership creates problems of administration and effective utilization of the land.

The Indian heirship land problem had its beginnings in the last century. Indian land was considered by the Indians as a tribal asset and when the Federal Government negotiated treaties, in deference to this point of view, the Indian land was always recognized by the Federal Government as belonging to the tribe as a whole. During 1887, the General Allotment Act (24 Stat. 388) was passed providing that tribal land (and in some cases Federal land) would be divided into tracts and given to individual Indians. It was thought that with land of his own the Indian would become more accustomed to the non-Indian's concept of private land ownership. The General Allotment Act provided that title to such allotments would be held in trust by the Federal Government for a period of 25 years. This was to protect the Indian until such time as he could assume full responsibility for the land.

It was obvious by 1906, however, that many allotted Indians were not then capable of managing the lands and an act was passed (34 Stat. 325) authorizing the President in his discretion to extend the period of trust. From time to time this trust period has been extended until at this time there remain 12,235,411 acres of individual Indian land with the title still held in trust by the Federal Government.

When the original allottee died his estate was probated and heirs were given a proportionate undivided interest in the tract, but the title was continued in trust. Through the years, successive probates affecting the same tract have taken place until at the present time it may have over 100 heirs holding various fractional undivided interests. One case brought to the attention of the committee serves as an excellent example of the compounding of this problem. This particular case (on the Wind River Reservation) involves 104 heirs and 7 estates not yet probated. Their heirs are described as both enrolled and nonenrolled Indians, resident and nonresident, non-Indians, minors, competent and incompetent Indians. The 7 unprobated estates are expected to add 22 additional heirs to the 104. One of the agency reports describes the effect of continuing fractionation on the utilization of Indian heirship lands as follows:

"The fact should be readily apparent that the probate problem is rapidly reaching an impossible situation, and if something is not done soon to reverse the trend of dividing and subdividing inherited interests in lands, it will clearly be impossible to sell, lease, or otherwise dispose of such allotted Indian land in the future."

The Comproller General, in his report to Congress, also made this point and discussed a particular case to substantiate it, as follows:

"On March 1, 1954, there were 66 heirs to one Winnebago allotment while on March 1, 1955, the heirs to this allotment had increased to 90, an increase of 24 heirs in 1 year."

STATISTICAL DATA ON HEIRSHIP LAND

The staff experienced great difficulty in using the statistics presented by the field offices of the Bureau of Indian Affairs. In some cases the statistics were contradictory and in others either incomplete or omitted entirely. Where possible, corrections have been made, but there remain unresolved conflicts in the statistical data. This is quite evident in attempting to prove totals by addition of subtotals.

There are about 12,235,411 acres of individual Indian land for which the Federal Government holds title in trust. Of this acreage about 6,222,754 acres, comprising 40,787 tracts, are already in heirship status. In an effort to determine how badly fractionated these lands are the number of heirs per tract was computed. We find that about half of the allotted land in heirship status is owned by five or less heirs, while the other half is owned by six or more. The area offices with the greatest amount of such lands are Aberdeen with 2,457,376 acres and Billings with 1,699,903 acres.

Of the lands in heirship status, there are approximately 211,344 acres irrigated, 869,037 dry farm, 4,381,109 grazing, 405,312 forest, and 309,225 classified as "other" types of land which include homesites, wasteland, etc. This analysis has established the best estimate of the value of heirship land (excluding timber and minerals) as $179,382,636. Over half of this heirship land (3,629,852 acres) is now being used by non-Indians, 541,305 acres are not used at all and 45,565 acres are used by the tribes. Of the 541,305 acres not used, 473,437 acres are not used because of the complicated heirship problem. The total loss to heirs as a result of such nonuse is estimated to be $417,868 per year.

The geographical location of heirship land, as reported, reveals that 711,992 acres are in public domain allotments, 1,239,554 acres adjoin tribal trust land, and 2,883,521 acres are within the reservation boundaries but not contiguous to tribal trust lands.

HOW DOES THE HEIRSHIP PROBLEM AFFECT THE INDIAN HEIRS?

One of the problems stated in the reports from various agencies was the difficulty in obtaining all heirs' signatures before leasing the land. As stated by the Secretary of the Interior to this committee:

"Under the existing law, a tract of trust or restricted Indian land that is held in multiple ownership can be sold or leased under most circumstances only with the consent of all of the owners of the undivided interests. This law for Indians is in marked contrast to the law that applies to non-Indians, because under the laws of the various States any one of the persons who owns an interest in land as a tenant in common forces a partition or sale of the land."

The staff notes, however, that the Bureau of Indian Affairs of the Department of the Interior interprets the law differently and states on page 8, part 1, of this report that—

"In the act of July 8, 1940 (56 Stat. 745), the Congress granted authority for the superintendents of the various reservations to lease restricted allotments when the heirs and devises had been determined and when such land was not in use by any of the heirs, in those cases where the heirs were not able to agree on a lease within a 3-month period by reason of their number, their absence from the reservation, or for any other cause."

Oftentimes, the owners cannot come to an agreement concerning what action should be taken to utilize the lands. As a result there is a stalemate which precludes any use or disposal of the land. A substantial amount of the land (due to this factor) is not leased and the heirs are losing up to a half million dollars yearly as a result. Because Indians, like other segments of our population, change their place of abode, they frequently cannot be located to ascertain what disposition they want to make of their land. Specifically, the heirs encounter the following problems:

1. Although the heir may own interests in several tracts of land, none can be used to live on or farm without approval of all other heirs.

2. Welfare assistance may be withheld because the heir owns an interest in such land. (This varies from State to State.)

3. Many times the land cannot be leased or sold due to difficulty in obtaining signatures, and the heir therefore loses income each year.

4. The heir cannot sell all his scattered interests in order to buy one consolidated unit.

5. Partitioning of the land is seldom feasible since it would result in subdividing tracts that are not now economic units.

6. Present procedures to sell the land are so complicated that an heir to a seriously fractionated estate encounters an all but impossible situation. In many instances the yearly income to an heir, and indeed, the entire value of his estate, may be only a few pennies.

The extent to which the heirs are interested in the administration of their lands is indicated by the varied number and kinds of requests made of agency personnel by the heirs. For example, during fiscal 1958, 1,723 heirs asked for immediate probates, 2,215 requested the tribe buy the land, 20,872 wanted it leased, 1,226 attempted to sell it to other heirs, and 12,835 requested it be disposed of in some way. In all a total of 38,871 requests were made of the agency personnel concerning their heirship interests during fiscal year 1958.

PROBLEMS OF ADMINISTRATION

The administration of heirship lands involves all levels of the Bureau of Indian Affairs—the central office at Washington, the 10 area offices and the field agencies—besides the Office of the Solicitor of the In-

terior Department and the 11 field examiners of inheritance.

The central office is affected by the problem in the following ways among others: (1) increase in the number of recordings required in maintaining official land records; (2) increase in the number of probate proceedings to be examined in determining current title status; (3) complicated computation of large common fractions in determining ownership of individual interests where common denominators have reached 54 trillion, billions are not uncommon, and millions are commonplace; and (4) increased work involved in answering inquiries concerning family histories in connection with the ownership of undivided interests in land.

The work of the area offices has been made more complicated and more costly by the heirship problem. For example, it was estimated at the Aberdeen area office that 40 percent of the realty work consisted of heirship matters and that by 1970 this would increase to 60 percent.

At many agencies the entire realty structure is affected by the tremendous workload of leasing, selling, and preparation of data for probate of estates. In addition, there is considerable recordkeeping that takes place after probate since there are new heirs for whom records must be made and kept. The cost of this work is rising every year and the administrative structure is often unable to keep up with this increase. Costs of leasing often exceed the returns to the Indians.

An additional complication is introduced into the administration of heirship land when subsurface rights are reserved to the owner at sale of the surface interests. The heirship problem continues so long as the subsurface interests remain in trust status.

One of the principal administrative problems at the agency level is in maintaining current mailing lists of heirs. When 100 percent concurrence of owners is necessary for a sale or lease and there are a large number of heirs, the problem of locating them often becomes insuperable. This was emphasized in many, if not most of the agency reports. In finding out what the heirs want done with their land, this is a primary stumbling block.

In fiscal year 1958, the Department of the Interior had 112 employees on the payroll at a cost of $675,387 who were engaged in the heirship problem. The Department estimates that by 1970 there will be 122 employees at a cost of $834,055. This is a minimal cost figure due to the complexities of the subject and the other Government agencies involved. The Interior Department in reporting on S. 311 of the 83d Congress stated that—

Thousands of such (heirship) allotments are subject to so many undivided interests that they cannot be effectively utilized by the Indian owners, and an enormous amount of Federal money is expended in the cumbersome mechanism required for the administration of these lands.

These totals included only the area offices and agencies of the Indian Bureau and the examiners of inheritance. The central office of the Indian Bureau and of the Solicitor's Office, could not provide such cost figures and this constitutes an unknown additional item for each year noted above. The estimated annual loss in 1958 of $417,868 to the Indians due to nonuse of heirship lands could be added to the total above making well over a million dollars in costs to the Federal Government and to the heirs themselves.

PREVIOUS HEIRSHIP REPORTS

Three recent studies of the Indian heirship land problem have been made. Two of the studies concern specific reservations and the third was an audit report by the Comptroller General to the Congress concerning the administration of Indian lands by the Bureau of Indian Affairs. The two studies of specific Indian reservations referred to are: Schoenfeld, William, "Oglala Sioux Trust Land Heirship Problem; Pine Ridge Reservation," July 1, 1955; Saunderson, Mont H., "Indian Heirship Lands; an Economic Study (Blackfeet Reservation)."

In the study by Mr. Schoenfeld it is pointed out that original allotments were not economic units and with the resulting fractionation are now totally inadequate to support an Indian family. Reference is made to the fact that income from these lands is "not frequently sufficient to warrant writing a Government check for the amount." Heirs are reluctant to sell because of mineral possibilities. If all the rangeland on the Pine Ridge Reservation were consolidated and divided into economic units they would support 600 of the current 2,200 families living there. In discussing the possibility of lending money to an Indian farmer or ranch operator, Mr. Schoenfeld states that there are very few cases on record where a 100-percent mortgage has resulted in success. Further, the point is made that at least $10,000 of the individual's own funds must be used and even then the chances of breaking even are "practically nil."

In the Saunderson report which was based on a study of the Blackfeet Reservation, the minimum capital for a stock ranch on consolidated heirship land would be $42,000, for a wheat farm $40,900, and for an irrigated farm $37,750. Emphasis is given to the point that if a ranch or farm is to pay off the debts it must "be considerably above the minimum in size and it must have better than average management." In discussing needed capital Saunderson states that "the small stock ranch could not make adequate financial progress with 50-percent equity" whereas wheat or irrigated farms could make acceptable progress with 50-percent equity.

The third report referred to is the audit report to the Congress of the United States; Administration of Indian Lands by Bureau of Indian Affairs, Department of the Interior, January 1956 by the Comptroller General of the United States. A typical heirship land case is cited where 40 acres of land earn an annual income of only $20, that must be divided among 75 heirs. Only 1 of the heirs receives more than a dollar, while 66 receive 25 cents or less. An extreme case is also cited where 1 heir receives only 3 cents. In discussing probate cases, mention is made of a probate action where of the 39 heirs, 14 received less than 10 cents each. The fractional shares in this estate ranged from 837/4,515,840 to 263,655/4,515,840.

In summing up the problem one of the recommendations made was as follows:

"Congress consider legislation to authorize the Secretary of the Interior to sell or partition inherited lands held under trust patent, without requiring the consent of all competent owners and without limiting that authority, as at the present time, to cases where one or more of the heirs is determined to be incompetent."

SOME LEGISLATIVE ATTEMPTS TO HELP SOLVE THE INDIAN HEIRSHIP LAND PROBLEM

Recent legislation (1956–58) has provided mechanics to help solve the heirship land problem at certain agencies. It was felt that a study of such legislation and its degree of success would be very pertinent to this analysis. The legislation referred to has concerned the following reservations: Tulalip (70 Stat. 290); Standing Rock (72 Stat. 1762); Crow Creek (72 Stat. 1766); and Lower Brule (72 Stat. 1773). Three different formulas were enacted: (1) At Tulalip any heir can bring an action in the State courts under State law for partition or sale of his heirship land; (2) at Standing Rock the heirs owning at least a 25-percent interest in the tract can request the Secretary of the Interior to sell or partition the land; and (3) at Lower Brule and Crow Creek the Secretary of the Interior can sell or partition heirship land at the request of heirs owning a 51-percent interest.

On September 12, 1960, the chairman of this committee requested the Secretary of the Interior to report on any progress in solving the heirship problem brought about by these acts.

Under the Tulalip legislation (70 Stat. 290) where a single heir can bring the action, 12 allotments have been sold. It is significant that 12 have been sold even though the heirs have had to pay court costs of $500 to $1,000. Were this cost not a factor, it would seem reasonable to assume that other heirs would avail themselves of this legislation. The effect of such sales on the reservation has been good, bringing about the location of industry on these lands. The Secretary points out that in the absence of such legislation this industrial development could not have taken place.

At Standing Rock, while the tribe is intending to purchase seven tracts and one heirship tract is to be partitioned, no heirship land has been removed from that status through use of this legislation. The Secretary's letter makes no specific comment concerning the use of this legislation at Crow Creek and it is therefore assumed that no progress has been made in the solution of the problem at that reservation.

The Secretary's letter states that the use of this legislation will accelerate "as the Indians and tribe become more familiar with the provisions of the law." It would seem that when such legislation is passed the Department of the Interior would feel an obligation to notify everyone concerned.

The Comptroller General in his report to the Congress on Indian lands discusses the problem of how many heirs should be needed to bring about a partition or sale and compares Indian and non-Indian law as follows:

"Although there appears to be no clear authority in Federal statutes for the sale or partition of undivided interests in Indian land without consent of the competent owners, the right of any owner of an undivided interest in land to force a partition or sale of land not under Federal jurisdiction is well settled by the courts. In this connection, section 27 of the title 'Partition,' volume 40 of American Jurisprudence, states that 'whenever persons interested in land as owners and cotenants cannot, by consent and agreement among themselves, make a division thereof, that is, have a voluntary partition, any one or more of them may apply for a partition by judicial proceedings—a compulsory partition—which takes place without regard to the wishes of one or more of the owners.' Section 83 of the same title states that 'the manifest hardship arising from the division of property of an impartable nature has been almost universally avoided by statutory provisions which give to a person entitled to partition the right to have the premises sold, if they are so situated that partition cannot be made.'"

The method of handling such estates for non-Indians has prevented such a situation from developing although all the basic ingredients were present. In both cases (Indian and non-Indian land ownership) the single owner, the probate, and the multiple heirs are present.

One of the factors that must be kept in mind concerning the Indian heirship land problem is that present laws make it difficult for an Indian heir to sell his interests and consequently make it difficult for any heir to consolidate and utilize his interests.

FINDINGS

Heirship land is a major problem for our Indian population. Resulting ramifications create other problems of administration and use that are themselves approaching the point of becoming insoluble.

1. Approximately 6 million acres of land is now in heirship status and another 6 million acres will become heirship land in the near future unless prompt action is taken.

2. The heirship problem is not only present in surface ownership of land but also in mineral ownership.

3. Requiring all heirs to sign lease or sale papers is one of the foremost obstacles to the American Indian in utilizing his heirship land, and to the Federal Government in administering it.

4. The heirs themselves have expressed an active interest in the problem as evidenced by the 38,871 requests for various actions made to Bureau of Indian Affairs officials during fiscal year 1958.

5. Most local jurisdictions of the Bureau feel that present authority is inadequate to solve the problem and are almost unanimous in recommending corrective legislation.

6. Some tribal councils have evidenced an interest in this problem as it relates to consolidation of the tribal land base.

7. Continuing to hold allotted Indian lands in trust or restricted status without any consideration given to the individual's ability to manage his own land without supervision is serving to intensify the heirship problem.

Mr. CHURCH. Mr. President, simultaneously with the Senate committee study of heirship the House committee has also been attacking the same subject but in a different way. Early in the 86th Congress the House Committee on Interior and Insular Affairs instructed Dr. J. L. Taylor, of the committee staff, to obtain the assistance of the Library of Congress consultants in Indian affairs, Mr. Stephen A. Langone and Dr. William H. Gilbert, to make a comprehensive study of the heirship problem and to prepare a thorough analysis of their findings.

In anticipation of the formulation of legislation on the subject, the House committee sought to determine the opinions of the Indian heirs who are directly concerned. It sought for answers to questions regarding individual experiences with heirship land, their particular problems with their land, what they think should be done about this matter and why. Since hearings would be physically impossible over so wide an area as the distribution of the heirs was extended, it was decided that all known heirs would be contacted by means of a questionnaire through the mail. House Committee Print No. 27, volumes I and II, issued December 31, 1960, contains the responses of the Indians to the questionnaire. It gives a complete picture of the range of opinions of Indian owners of heirship land.

Mr. President, the congressional committee staffs have compiled for us the most complete and up-to-date information on what the heirship problem is and where it exists. We now have adequate background material on which to frame a legislative solution to the multiple ownership of allotted land. Therefore, I instructed the staff to prepare a bill that would effectively and realistically aid in the alleviation of this long-standing and complex problem.

I wish to make it very clear that this proposal is a vehicle for the purpose of exploring further the viewpoints and wishes of the people most affected by this problem. We expect to hold hearings on the bill in the near future, and I am sure we will receive many valuable suggestions and recommendations which will aid us in our effort to enact effective heirship legislation.

This proposal is quite different from others which have come before us in recent years. It is the result of a prolonged and detailed investigation of the problem by the staffs of the Senate and House Committees on Interior and Insular Affairs. And, it is to the character of this investigation that I would most particularly like to draw attention. It was directed not only to the Government officials involved and the tribal officials but also to the Indians themselves, the owners of heirship land whose interests are most immediately involved in any legislative action on this subject.

Mr. President, I ask unanimous consent that the bill, and an accompanying explanatory statement prepared by the staff, be printed following my remarks.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the bill, together with the explanatory statement, will be printed in the RECORD.

The bill (S. 1392) relating to the Indian heirship land problem, introduced by Mr. CHURCH, was received, read twice by its title, referred to the Committee on Interior and Insular Affairs, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. That upon the request of any owner of an Indian interest in any tract of land in which any undivided interest is held by the United States in trust for an individual Indian or an Indian tribe, or in which any undivided interest is held by an individual Indian or an Indian tribe subject to a restriction against alienation imposed by the United States, the Secretary of the Interior is authorized and directed to partition or to sell all undivided Indian trust or restricted interests in the land, unless the Secretary finds that such a partition or sale would not be in the best interests of the Indian owners and reports annually to the Congress the basis for his finding in each case. Any interest in oil, gas, or other minerals that is reserved to an Indian owner in any sale made pursuant to this section shall be reserved in a nontrust and unrestricted status, unless the Secretary makes the determination referred to in subsection 10(b). The Secretary is authorized to execute all appropriate title documents for sales made pursuant to this section, and to distribute the proceeds of such sales in accordance with the regulations applicable to individual Indian moneys. No sale under the provisions of this section shall include any mineral estate that has been reserved to any Indian tribe by other provisions of law.

SEC. 2. The Secretary may, when he deems it in the best interests of the Indian owners, obtain a power of attorney from the owner of a non-Indian or unrestricted interest in the land to be sold authorizing the Secretary to sell and convey such interest.

SEC. 3. For the purposes of this Act, the Secretary may represent any Indian owner who is a minor, or who is non compos mentis, and after giving reasonable notice by publication of the proposed sale, he may represent an Indian owner who cannot be located.

SEC. 4. All sales of lands authorized by section 1 of this Act shall be by competitive bid, except that a sale may be made to one of the owners of an interest in the land, or to the tribe within whose reservation the land is located, at not less than the appraised value of the land if none of the owners after reasonable notice objects. If a timely objection is made, the sale shall be by sealed, competitive bid, subject, upon request made prior to the solicitation of bids, to the right of the tribe or any of the Indian owners to ask immediately after bids are opened that the land be sold at auction, in which event auction bidding shall be limited to persons who submitted sealed bids in amounts not less than 75 per centum of the appraised value of the land, the Indian owners, and the tribe. The highest sealed bid shall be considered the opening auction bid. No sale shall be made unless the price is substantially equal to the appraised value. Title to any land purchased by a tribe may be taken in trust for the tribe if it is located within the boundaries of the reservation. Title to any land purchased by an individual Indian, or by a tribe if the land is outside the boundaries of the reservation, shall be taken in the name of the purchaser without any restriction on alienation, control, or use, unless the Secretary makes the determination referred to in subsection 10(b) with respect to an individual Indian.

SEC. 5. (a) In order to assist tribes that wish to purchase land offered for sale under the provisions of this Act, the Secretary of the Interior is authorized to make a loan to any tribe under the conditions stated below, provided the tribe does not have funds available in an amount that is adequate to make the purchase and is unable to obtain a loan from other sources. Such loan shall be made from the revolving funds referred to in section 9 of this Act.

(b) The amount of the loan shall not exceed the appraised value of the land plus the value of any other property the tribe may mortgage or pledge as security for the loan.

(c) The tribe shall give to the United States a mortgage on the land purchased with the loan, and on any other tribal property which the Secretary deems necessary to secure the loan adequately.

(d) The loan shall be for a term of not to exceed twenty-five years, and shall bear interest at a composite rate consisting of (1) a rate equal to the current average market yield on outstanding marketable obligations of the United States of comparable maturities during the month preceding the month in which the loan is made, as such rate is determined by the Secretary of the Treasury, plus (2) a rate, to cover losses and administrative expenses, determined by the Secretary of the Interior, which rate shall be not less than one-half of 1 per centum and not more than 1 per centum. The loan need not require repayment in equal installments, but it shall require repayment according to a schedule that will fully amortize the loan within the time specified. In the event of a default in the repayment of the loan, the Secretary of the Interior shall take such action as he deems necessary to protect the interests of the United States. If during the period of repayment the tribe is awarded a money judgment against the United States in excess of the unpaid balance of the loan, the entire unpaid balance shall be collected from the appropriation to satisfy the judgment.

(e) Before a loan is made the tribe shall submit for approval of the Secretary of the Interior a master plan for the use of all lands to be purchased. Any tribe preparing a plan may call upon the Secretary for technical assistance and the Secretary shall

render such assistance as may be necessary. Such plan shall include provision for consolidation of holdings of the tribe, or acquisition of sufficient lands in conjunction with those held to permit reasonable economic utilization of the land and repayment of the loan. The Secretary shall not approve a tribal plan unless it is agreed to by a majority of adult tribal members, both on and off the reservation, who vote in a referendum for that purpose. Such plan may be revised from time to time with the approval of the Secretary, but without the need for a referendum.

(f) The cost of managing any land purchased by a tribe pursuant to this Act shall be borne by the tribe and not by the United States.

SEC. 6. Any tribe that adopts, with the approval of the Secretary of the Interior, a plan pursuant to subsection 5(e) of this Act, or any other plan that does not involve a loan from the United States but which provides for the consolidation, management, use, or disposition of tribal land, is hereby authorized, with the approval of the Secretary of the Interior, to sell any tribal land or other property in furtherance of such plan.

SEC. 7. The Secretary of the Interior shall approve no plan pursuant to this Act that contains any provision that will prevent or delay a termination of Federal trust responsibilities with respect to the land during the term of the plan.

SEC. 8. Nothing in this Act shall repeal any authority to sell trust or restricted land that is conferred by any other provisions of law.

SEC. 9. (a) All funds that are now or hereafter a part of the revolving fund authorized by the Act of June 18, 1934 (48 Stat. 986), the Act of June 26, 1936 (49 Stat. 1968) and the Act of April 19, 1950 (64 Stat. 44), as amended and supplemented, including sums received in settlement of debts of livestock pursuant to the Act of May 24, 1950 (64 Stat. 190), sums collected in repayment of loans heretofore or hereafter made, and sums collected as interest or other charges on loans made, shall hereafter be available for loans to organizations of Indians, Eskimos, and Aleuts (hereinafter referred to as Indians), having a form of organization that is satisfactory to the Secretary, and to individual Indians of one-quarter degree or more of Indian blood who are not members of or eligible for membership in an organization that is making loans to its members, for any purpose that will promote the economic development of such organizations and their members, or the individual Indian borrowers.

(b) The appropriation authorization in section 10 of the Act of June 18, 1934 (48 Stat. 986), is hereby amended by increasing it from $10,000,000 to $50,000,000.

SEC. 10. (a) In order to prevent the problem of multiple ownership of undivided interests in Indian trust and restricted land from growing as rapidly as it has grown in the past, and at the same time protect the land ownership interests of Indians who need special protection, the provisions of this section shall apply notwithstanding any other provision of law.

(b) In any case of transfer of title to Indian trust or restricted land or an interest therein by inheritance or devise, the title shall pass by operation of law in a nontrust and unrestricted status unless the Secretary of the Interior determines before the close of the probate proceedings that the Indian heir or devisee lacks ability, knowledge, experience, and judgment to manage his business affairs with such reasonable degree of prudence and wisdom as will be apt to prevent him from losing his property or the benefits thereof.

(c) The Secretary of the Interior shall not approve any acquisition by an Indian of title to land or an interest in land in a trust or restricted status unless he makes the determination referred to in subsection (b) of this section.

(d) The Secretary of the Interior shall not extend by a general order applicable to a class of Indians a trust period that would otherwise expire on or after January 1, 1964, and a trust period that expires prior to such date shall not be extended beyond that date by a general order. After January 1, 1964, a trust period shall be extended only by an order applicable to specified individual Indians and only on the basis of the determination referred to in subsection (b) of this section. Any extension of a trust period on an individual basis after January 1, 1964, may be for such term of years as the Secretary of the Interior deems appropriate, for the life of the individual, or until the individual reaches the age of 21, subject to the right to terminate the trust in accordance with the provisions of this Act or any amendment thereof or supplement thereto.

(e) Any trust or restrictions on the title of an individual Indian that do not extend for a stated number of years or for an ascertainable term shall terminate on January 1, 1964, unless extended by the Secretary of the Interior in accordance with subsection (d) of this section.

(f) The Secretary of the Interior shall review as rapidly as possible each trust or restriction on title to land or an interest in land that extends beyond January 1, 1964, and he shall terminate the trust or restriction on title unless he makes the determination referred to in subsection (b) of this section. Thereafter, the Secretary of the Interior shall continue to make such reviews in order to keep his determinations current.

(g) If the Secretary of the Interior terminates the trust or the restrictions on title to land or an interest in land owned by an Indian (and for this purpose a failure to extend a trust period shall not be regarded as a termination), the Indian may apply to the United States district court for the district in which the land is located for an order setting aside the Secretary's action and the court shall have jurisdiction to issue such order if in its judgment the Indian does not meet the standard referred to in subsection (b) of this section.

(h) The Secretary of the Interior is authorized to issue such orders, documents, or evidences of title as he may deem appropriate to carry out the provisions of this section.

SEC. 11. This Act shall become effective six months after the date of enactment. During this interim period, the Secretary of the Interior shall notify each Indian tribe of the rights afforded by this Act in order that the tribe may make its plan for consolidating Indian holdings. Upon the conclusion of each Indian probate proceeding after the date of this Act, the Secretary shall also notify each Indian heir of the rights afforded by this Act.

The explanatory statement presented by Mr. CHURCH is as follows:

EXPLANATORY STATEMENT OF A BILL RELATING TO THE INDIAN HEIRSHIP LAND PROBLEM

This particular bill is designed to provide an effective program to assist individual Indians and tribes in alleviating the heirship land problem and to prevent other lands from entering this status. It is difficult to arrive at the necessary balance needed between the indiscriminate disposal by Indians of their land as opposed to an effective solution to this problem. Such legislation must provide for partitionment of Indian interests if feasible, an opportunity for the heir to buy out other interests, an opportunity for the tribes to purchase the more important heirship tracts needed to strengthen their economy, and a realistic approach to the problem that will result in the more efficient and less costly administration of trust property. The legislation must also provide the Secretary of the Interior with sufficient authority to solve the problem and yet leave enough discretion on his part to protect the best interests of Indian owners in each case. This bill is based on thorough congressional studies of the problem through contact of Government officials directly concerned, the heirs themselves and the tribes.

Section 1: Provision is made for a single heir to bring about a partition or sale of an heirship tract. An examination of the various acts of Congress passed in recent years having to do with heirship land indicated that the most effective method in solving the heirship problem is that requiring only one heir to bring the action. The specific legislation referred to is the Tulalip (70 Stat. 290). That legislation would be even more effective if the Indians did not have to pay necessary court costs of such actions. This bill authorizes a single heir to bring an action without court costs to hamper him in these proceedings. The desire of the Indians themselves for such legislation is evident when we consider that 55 percent of the heirs answering a congressional questionnaire wanted all their heirship lands sold and another 13 percent wanted to sell some. One important point that was established in both congressional studies concerns the heirs living on heirship lands in which they own an interest. In many cases these individuals may not be financially able to move from the land should it be sold. Therefore, this bill provides that if partitionment is not feasible the Secretary may withhold approval of sales in cases where it would not be in the best interests of such Indian owners.

The bill is also tailored to meet the problem of mineral rights. Should an heir decide to sell the land and retain the mineral rights in trust, the heirship problem would continue. The Federal Government's responsibility for probating estates, posting interests, disbursing income, etc., would remain and the heirship problem with it. At the same time it is recognized that if the Indian does want to retain his mineral rights he should certainly have that opportunity. The studies of both the Senate and House Interior Committees have recognized this problem and section 1 of the bill was therefore drafted in such a way that this potential mineral heirship problem would not arise and yet the Indian is given the option of retaining the mineral interest.

One of the most important factors that must be kept in mind concerning this section is that it provides a device for the individual Indian and the tribe to sell scattered interests and buy one consolidated unit that he or they can use for either residential or commercial purposes.

Section 2: The Secretary of the Interior is given the authority to sell a non-Indian interest (with power of attorney) in heirship lands. Both congressional studies have noted this problem since there are non-Indians, Mexican Indians and Canadian Indians owning interests in heirship lands. A survey of their (alien Indian and non-Indian) opinion has been made and the majority want to sell their heirship interests and would therefore utilize this particular method. The Department itself in a report on H.R. 1150, 86th Congress, recognized this problem also. This particular section of the bill is designed to provide the opportunity for these people to sell their land and this in turn would be beneficial to those American Indians holding interests in the same tract.

Section 3: One of the greatest problems in the field of heirship land is that Indian owners are many times impossible to locate and as a result the land may lie fallow. Another problem is that the cost of guardianship for minors would in many cases exceed the income from the estate. Section 3 of this

bill authorizes the Secretary of the Interior to represent the non compos mentis, minors, and heirs who cannot be located.

To illustrate how widespread this problem is, the House Interior Committee attempted to contact heirs to survey their opinions on the subject. Many of the names on the mailing lists of heirs supplied by the Bureau of Indian Affairs had notations stating that addresses were not known. Of the 52,000 with addresses to whom the questionnaire was mailed, over 10 percent could not be delivered.

Section 4: Special preference is given to heirs and the tribe in purchase of heirship lands offered for sale. Many heirs expressed a desire to sell their interests either to another heir or the tribe, and others expressed a desire to purchase the other interests. In addition to the Senate and House studies calling attention to this situation, it was recognized in a report of the Interior Department to the Senate Interior Committee stating in part that "each of the tenants in common should be given a preferential right to buy the land that is to be sold and thus retain it in Indian ownership," and that "if none of the tenants in common wants to buy the land, the tribe should be given a right to buy the land either by negotiation at the appraised value, or by meeting the high competitive bids, or by participating in an auction." This bill, then, allows the individual or the tribe to purchase such lands with the consent of the other owners. There is need for a careful balance here between the preference rights of the purchaser and the right of the other heirs to a fair price for their interest. Therefore, the individual owners also have a right to object to this special preference if they feel it is not a fair price. The procedure for sealed bids and then an auction is a protective device for the heirs and the tribe, since some tribes do own interests in heirship tracts and they are given the right to protect such interests.

Any lands purchased by a tribe may be taken in trust if they are within reservation boundaries. Heirship lands purchased by a tribe or an heir that are outside of the reservation would not be taken in trust, except in the case of an individual Indian in need of continued supervision.

Section 5: Long-term loans are authorized to assist tribes not having adequate funds of their own to purchase needed heirship lands and to consolidate present holdings into more economic areas. This section is intended to implement the opportunity for tribes who have expressed interest in doing so to purchase needed heirship lands and to provide the Secretary of the Interior with authority to see that such programs are economically feasible for the tribe concerned. Loans would be made from the revolving credit loan fund. In order to assure that any plan involving the use of loans has the support of the Indians, the bill provides that the plan must be agreed to by a majority of adult tribal members voting in a referendum. This process would assure that any plan presented to the Secretary of the Interior would have been thoroughly discussed by the tribal members and they in turn would have an adequate understanding of the program and would have had an opportunity to express their views.

Section 6: Tribes are authorized to sell any tribal land to further their land consolidation programs. This particular section (6) is intended to assist any tribe that adopts an approved plan to have more flexibility in consolidating its holdings and purchasing needed heirship lands. A typical land consolidation program might very well provide for the sale of inferior land or land that cannot be effectively utilized in order to purchase other more desirable heirship land.

Section 7: In an effort to avoid any programs that might tend to confuse any termination activities, no plan can be approved that will prevent or delay such actions.

Section 8: All other authorities through which this problem can be solved or alleviated are not affected by this bill.

Section 9: All funds presently authorized for loans to Indians would be consolidated into one revolving fund. This is in keeping with a recommendation of the Senate Appropriations Committee. An additional $40 million is authorized for loans, making a total of more than $50 million in authorizations for this purpose and other requirements.

Section 10: The intent of this section is to provide the Secretary of the Interior with authority to determine whether an individual Indian is capable of controlling his land and if so, to give him a fee title to it. Many Indians have informed the Congress that they consider themselves fully capable of doing so. In the past there has been an extension of the trust period over land without any consideration given to whether the individual wants it or if continued trusteeship is needed. This has been one of the prime factors in compounding the heirship problem. There is, as brought out in both the Senate and House studies, a potential 6 million acres of land that will become heirship unless some action is taken, and as the Comptroller General stated in his report to the Congress, "All allotted lands will fall eventually into heirship status unless the land is removed from trust status before the death of the allottee." The Comptroller further recommended that "* * * the Congress consider legislation which would—without prejudicing any existing exemption from taxation constituting a vested property right—authorize the Secretary of the Interior to issue patents-in-fee, certificates of competency, or orders removing restrictions, whichever is appropriate, to all Indians holding restricted lands who have been determined by the Secretary to be competent, without requiring the application or authorization of the Indian, where such authority is not granted under existing legislation." This section incorporates the findings of Senate, House, and Comptroller studies on the subject by providing the Secretary with authority to take such actions and yet giving the Indian an opportunity to protect his interest.

Section 11: A period of delay is provided during which time the Secretary can notify the tribes and they can plan their programs. Provision is also made for notifying heirs of their rights under this legislation. This period can also be utilized by the Department to formulate necessary regulations, etc., to implement the program.

VETERINARY MEDICAL EDUCATION FACILITIES

Mr. HUMPHREY. Mr. President, I introduce for appropriate reference a bill to authorize a 10-year program of matching grants for construction of veterinary medical education facilities. It would provide:

First. For each of the next 4 years $5 million for expansion and improvement of existing schools of veterinary medicine, and

Second. For each of the next 10 years $1 million for construction of new schools of veterinary medicine.

The Federal Government's share of the cost would be limited to two-thirds. The program would be administered by the Surgeon General of the U.S. Public Health Service.

The proposed legislation is based on the fact that veterinary medical science plays a crucial role not only in the Nation's agriculture effort, but in human health as well. The cornerstone of all science—veterinary and other—is education. But today veterinary education faces a critical shortage of modern facilities comparable to the shortage which exists as regards other schools of medicine. The result is to seriously handicap the Nation.

The bill represents an effort to cope with but one phase of the overall problems of veterinary science. Other actions will also be necessary. There is a serious insufficiency of veterinarians today and far from being remedied, the manpower crisis will be growing more acute unless a comprehensive program—of which the bill being introduced today is but one part—is developed. This will require the fullest cooperation of the profession, the States, and municipalities with the Federal Government. This fact is elaborated upon in a committee print on veterinary science to be released next month by the Subcommittee on Reorganization and International Organizations, of which I am the chairman.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 1393) to authorize a 10-year program of grants for construction of veterinary medical educational facilities, and for other purposes, introduced by Mr. HUMPHREY, was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

AMENDMENT OF SECTION 504(a) OF LABOR - MANAGEMENT REPORTING AND DISCLOSURE ACT OF 1959

Mr. McCLELLAN. Mr. President, I introduce for appropriate reference a bill to amend section 504(a) of the Labor-Management Reporting and Disclosure Act of 1959.

In January 1961 the Permanent Subcommittee on Investigations, under its authority to investigate criminal and other improper activities in the labor-management field, held hearings on James R. Hoffa, provisional general president of the International Brotherhood of Teamsters, and the continued control of segments of the Teamsters organization by criminals and powerful underworld figures.

As I stated publicly at the conclusion of those hearings, the evidence received by the subcommittee clearly demonstrated the need for stronger laws to protect the rank-and-file workingman against the depredations of hoodlums and racketeers who continue to hold positions of authority and trust within the Teamsters Union.

Mr. President, section 504 of the Labor-Management Reporting and Disclosure Act of 1959 disqualifies persons from holding union office who have been convicted and imprisoned for certain specific crimes. I am convinced, on the basis of the recent hearings before the Investigation Subcommittee, that the section should be broadened to include other crimes which I shall discuss hereafter.

Mr. President, I should like to cite some of the more vivid examples which demonstrate clearly the need of amendatory legislation.

During the subcommittee hearings in January 1961, conclusive evidence was placed in the record relating to one Frank Matula, who is secretary-treasurer of local 396 of the Teamsters in Los Angeles, Calif. On May 11, 1957, he was convicted of perjury in connection with testimony he gave before a legislative committee of the California State Assembly. The committee was looking into alleged improper activities on the part of Matula in his capacity as a union official. It must be borne in mind, Mr. President, that the general president of the International Brotherhood of Teamsters, under the provisions of the international constitution, has ample authority to take action looking toward the removal of officers who have been convicted of crimes. However, President Hoffa, who assumed his present office not long after Matula's conviction and before his imprisonment, not only failed to take such action, but in face of a perjury conviction, a crime involving moral turpitude, Mr. Hoffa actually elevated Matula to the position of international trustee.

An international trustee has the responsibility of auditing the international's financial books and records on behalf of the rank-and-file members. Thus, it is a position involving the highest fiduciary responsibility.

Following his appointment by Hoffa as international trustee, Matula commenced serving a 6-month prison sentence and was actually temporarily released from prison by a county judge to proceed to Washington to perform his duties as trustee.

Another situation demonstrating the need for stronger legislation is that involving William Presser.

Presser is president of the Ohio Conference of Teamsters, president of Joint Council 41 of the Teamsters, Cleveland, Ohio, and president of local 555 of the Teamsters in Cleveland, Ohio.

On February 1, 1960, Presser was convicted of contempt of the U.S. Senate and on June 6, 1960, was convicted of obstruction of justice, both cases arising out of appearances of Presser before the select committee.

James Hoffa, in complete defiance, has refused to take any action with respect to Presser, who continues to occupy the aforementioned important positions in various Teamster bodies.

I strongly believe that such crimes as robbery, bribery, extortion, embezzlement, grand larceny, burglary, arson, violation of narcotics laws, murder, rape, kidnaping, perjury, obstruction of justice or a crime involving the misuse of the funds of a labor organization or a trust in which a labor organization is interested or attempts to commit any of the above crimes should act as a bar to the holding of responsible union positions.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 1395) to amend section 504 of the Labor-Management Reporting and Disclosure Act of 1959 so as to broaden the prohibition against certain persons holding union office, introduced by Mr. McCLELLAN, was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

AMENDMENT OF ACT TO PROVIDE FOR REGISTRATION AND PROTECTION OF TRADEMARKS USED IN COMMERCE

Mr. McCLELLAN. Mr. President, I introduce for appropriate reference a bill to amend the act entitled "An act to provide for the registration and protection of trademarks used in commerce," to carry out provisions of certain international conventions, and for other purposes.

I ask unanimous consent to have printed at this point in the RECORD a summary of the bill and its purposes.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the summary will be printed in the RECORD.

The bill (S. 1396) to amend the act entitled "An act to provide for the registration and protection of trademarks used in commerce, to carry out the provisions of certain international conventions, and for other purposes," approved July 5, 1946, as amended, introduced by Mr. McCLELLAN, was received, read twice by its title, and referred to the Committee on the Judiciary.

The summary presented by Mr. McCLELLAN is as follows:

THE PROVISIONS OF THE BILL

Summarily stated, the bill provides that the owner of a registered trademark, or of one sought to be registered, and persons permitted by such owner to use the mark on goods or services the quality of which is controlled by the trademark owner, may file an application with the Patent Office pursuant to which the users may be registered as "registered users" of the mark (secs. 5(a)(1), 5(b)). Authorization of registration is conditioned upon compliance with two main conditions:

(1) submission in the application to the Patent Office of information identifying the applicants and describing the relationship existing between them; the goods or services for which registration is sought; the control exercised by the owner of the mark over the nature and quality of the goods or services; the duration, mode, or place of the use that the registered user is permitted to make of the mark; and other conditions or restrictions that might be imposed by the owner of the mark with respect to its use by the registered user (sec. 5(b)); and

(2) satisfying the Commissioner that the permitted use of the mark by the proposed registered user "is not likely to cause confusion or mistake or deception" (sec. 5(d)).

Provision is made in the bill for protecting trademark owners and users from the unnecessary disclosure of their affairs (sec. 5(c)).

Upon authorization of registration of a registered user, notice thereof is given in writing to the trademark owner and the registered user, and to the public by publication in the Official Gazette of such particulars as the Commissioner considers proper (sec. 5(e)).

Subsequent to registration as a registered user, the Commissioner is empowered to modify or cancel the registration upon the joint request of the trademark owner and the registered user, or upon a showing by either or both, that the registration no longer reflects the facts of the relationship between them (sec. 5(f)(1)(2)). Registration as a registered user may be canceled by the Commissioner on his own motion in respect of goods or services for which the mark is no longer registered (sec. 5(f)(3)). Such registration may also be canceled by the Commissioner under section 5(g)(1), upon the verified application of any person who believes himself to be damaged by the registration and a finding by the Trademark Trial and Appeal Board or the Court of Customs and Patent Appeals, or upon final judgment of a court of competent jurisdiction that—

(i) The registered user has used the mark, otherwise than in accordance with the terms of his registration, or in such manner as to be likely to cause confusion or mistake or deception;

(ii) The applicants misrepresented or failed to disclose some material fact which, if accurately represented or disclosed, would have caused refusal of the registration;

(iii) Circumstances have materially changed since the date of registration as registered user and such registration does not reflect the true facts as of the present; or

(iv) The registration is inconsistent with superior rights of the person seeking cancellation.

Notice of cancellation will be given by publication in the Official Gazette (sec. 5(g)).

The use of the mark by the registered user in accordance with the registration is, from the legal standpoint, to be regarded as use by the registered owner of the mark; and registration as a registered user neither confers rights in the mark upon the registered user, nor gives him any transferable right to the use of the mark (sec. 5(j)).

Subject to agreement by the parties, the registered user may call upon the owner of the mark to institute proceedings for the infringement of the mark and, if the owner fails or refuses to do so within 3 months, may institute such proceedings in his own name (sec. 5(i)).

The bill provides that irrespective of any affiliation between a registrant and registered users, the registrant of a mark may impose conditions and restrictions as to mode and place of permitted use by each registered user of the mark.

CLARIFICATION OF APPLICATION OF ANTITRUST LAWS TO CERTAIN CONTRACTS ENTERED INTO BY STATE ALCOHOLIC BEVERAGE AGENCIES—ADDITIONAL COSPONSOR OF BILL

Mr. CLARK. Mr. President, I ask unanimous consent that my name may be added as a cosponsor of the bill (S. 1247) to clarify the application of the antitrust laws to certain contracts and agreements entered into by State alcoholic beverage agencies with suppliers of alcoholic beverages, and for other purposes, the next time it is printed.

The VICE PRESIDENT. Without objection, it is so ordered.

PROPOSED CIVIL RIGHTS LEGISLATION—ADDITIONAL COSPONSOR OF BILLS

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the name of the junior Senator from Michigan [Mr. HART] be added as a cosponsor of the following civil rights measures

which I introduced on March 8—S. 1253, S. 1254, S. 1255, S. 1256, S. 1257, and S. 1258.

The VICE PRESIDENT. Without objection, it is so ordered.

EXTENSION OF NATIONAL WOOL ACT OF 1954, AS AMENDED—ADDITIONAL COSPONSORS OF BILL

Under authority of the order of the Senate of March 16, 1961, the names of Senators KUCHEL, ALLOTT, CASE of South Dakota, CHAVEZ, CAPEHART, ENGLE, CARROLL, and MUNDT were added as additional cosponsors of the bill (S. 1369) to extend the operation of the National Wool Act of 1954, as amended, introduced by Mr. YARBOROUGH (for himself and Mr. METCALF) on March 16, 1961.

NOTICE OF HEARINGS ON S. 1154, THE MUTUAL EDUCATIONAL AND CULTURAL EXCHANGE ACT OF 1961

Mr. FULBRIGHT. Mr. President, as chairman of the Committee on Foreign Relations, I have today announced that the committee will hold public hearings on March 28 and 29, 1961, on S. 1154, a bill introduced by me to provide for the improvement and strengthening of the international relations of the United States by promoting better mutual understanding among the peoples of the world through educational and cultural exchanges. I ask unanimous consent that the announcement of the hearings be printed in the RECORD at this point.

There being no objection, the announcement was ordered to be printed in the RECORD, as follows:

ANNOUNCEMENT FROM THE U.S. SENATE, COMMITTEE ON FOREIGN RELATIONS

MARCH 21, 1961.

Senator J. W. FULBRIGHT, Democrat of Arkansas, chairman of the Committee on Foreign Relations, U.S. Senate, announced today that the committee has scheduled 2 days of public hearings on S. 1154, a bill to provide for the improvement and strengthening of the international relations of the United States by promoting better mutual understanding among the peoples of the world through educational and cultural exchanges. The hearings will take place on March 28 and 29 at 10:30 a.m. in room 4221, New Senate Office Building.

In introducing the bill on March 2, Senator FULBRIGHT described it as "designed to consolidate and improve the existing legislative base for the international educational and cultural exchange programs carried out and supported by the U.S. Government."

He further stated:

"The bill deals primarily—but far from exclusively—with academic and cultural exchange-of-persons programs of the kind now carried out or generally supervised by the Department of State and the U.S. Information Agency. It does not attempt to go deeply into the ICA activities in the education field which are authorized by the Mutual Security Act, although it should be remembered that such activities in the last analysis are under the direction of the Secretary of State. Moreover, though it is difficult to make concrete distinctions, the more strictly informational activities of the USIA have not been touched upon; the bulk of the Smith-Mundt Act therefore is left intact. Finally—and this also is particularly relevant to any possible accusations that we are seeking to show partiality in the tangled field of departmental jurisdiction—the bill grants authority to the President to determine the organizational structure needed to give it effect."

NOTICE OF HEARINGS BY SUBCOMMITTEE ON PUBLIC LANDS OF THE COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

Mr. BIBLE. Mr. President, as chairman of the Public Lands Subcommittee of the Committee on Interior and Insular Affairs, I should like to announce the scheduling of hearings on certain legislation which I believe to be of interest to the general public. The schedule is as follows:

March 28: S. 476, to establish the Point Reyes National Seashore in the State of California.

April 11: S. 4, to provide for the establishment of the Padre Island National Seashore in the State of Texas.

April 12: S. 77, to establish the Chesapeake and Ohio Canal National Historical Park in the State of Maryland.

Each hearing will be held at 10 a.m. in room 3110, New Senate Office Building. Individuals or organizations interested in testifying at such hearings or who desire to submit statements for the record should contact the committee at room 3108, New Senate Office Building.

NOTICE OF MEETING OF CONGRESSIONAL INTERPARLIAMENTARY UNION GROUP

Mr. MONRONEY. Mr. President, I desire to announce that the Congressional Interparliamentary Union Group will meet at 9 a.m. on Tuesday, March 28, 1961, in room F–39 of the Capitol.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. WILEY:

Excerpts of interview on communism, participated in by Senator WILEY and Senator DODD.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed, without amendment, the following bills of the Senate:

S. 307. An act to authorize certain beach erosion control of the shore in San Diego County, Calif.;

S. 449. An act to extend the time in which the Outdoor Recreation Resources Review Commission shall submit its final report;

S. 1028. An act to amend the transitional provisions of the act approved August 7, 1959, entitled "Nematocide, Plant Regulator, Defoliant, and Desiccant Amendment of 1959"; and

S. 1116. An act to authorize the sale, without regard to the 6-month waiting period prescribed, of certain calcines and matte proposed to be disposed of pursuant to the Strategic and Critical Materials Stock Piling Act.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4510) to provide a special program for feed grains for 1961.

The message further announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 4806) to provide for the establishment of a temporary program of extended unemployment compensation to provide for a temporary increase in the rate of the Federal unemployment tax, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. MILLS, Mr. KING of California, Mr. O'BRIEN of Illinois, Mr. MASON, and Mr. BYRNES of Wisconsin were appointed managers on the part of the House at the conference.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (H.R. 1822) to adjust the amount of funds available for farm operating loans made pursuant to section 21(b) of the Bankhead-Jones Farm Tenant Act, as amended, and it was signed by the Vice President.

ROBERT FROST MEDALS

Mr. MANSFIELD. Mr. President, again with the concurrence of the minority leader, I move that the Senate proceed to the consideration of Calendar No. 71, Senate bill 712, to authorize the Secretary of the Treasury to coin and sell duplicates in bronze of a gold medal presented to Robert Frost by the President.

The motion was agreed to; and the Senate proceeded to consider the bill (S. 712) authorizing the Secretary of the Treasury to coin and sell duplicates in bronze of a gold medal presented to Robert Frost by the President of the United States.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a statement in regard to the bill.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

This bill would amend Public Law 86–747, which authorized the presentation of a gold medal to Robert Frost. This bill would permit the Secretary of the Treasury to make duplicates in bronze of the Robert Frost Medal, to be coined and sold to the public at a price sufficient to cover their cost.

Public Law 86–747, approved September 13, 1960, authorized the President of the United States to present in the name of the Congress a gold medal to Robert Frost. It authorized the Secretary of the Treasury to strike the medal and it authorized the appropriation of $2,500 to cover the cost of the medal. The Bureau of the Mint is now en-

gaged in designing the medal and appropriations have been requested.

S. 712 would permit the Secretary of the Treasury to make bronze duplicates of the medal for sale to the public at cost.

The VICE PRESIDENT. The bill is open to amendment.

If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 712) was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first section of the Act entitled "An Act authorizing the President of the United States of America to present a gold medal to Robert Frost, a New England poet", approved September 13, 1960 (74 Stat. 883), is amended (1) by inserting "(a)" immediately after the word "That", and (2) by adding at the end thereof a new subsection (b) to read as follows:

"(b) The Secretary of the Treasury shall cause duplicates in bronze of such medal to be coined and sold, under such regulations as he may prescribe, at a price sufficient to cover the cost thereof (including labor), and the appropriations used for carrying out the provisions of this subsection shall be reimbursed out of the proceeds of such sale."

TRIBUTE TO SENATOR MANSFIELD

Mr. PASTORE. Mr. President, like thousands of others, I read in the Evening Star of Monday, March 20, a laudatory article entitled "Mansfield Makes Good as Majority Leader."

Probably the best and most concise comment I could make on this excellent article, written by the Star staff writer, J. A. O'Leary, is a firm and fervent "Amen."

It is thrilling to hear in the fine language of an experienced observer this estimate of our colleague—the calm, considerate, courageous MIKE MANSFIELD.

As one who has been soldier, sailor, and marine, Leader MANSFIELD is not one to be carried away by the sometimes apparently undisciplined self-determination that makes a Senate day the interesting phenomenon it can be.

MIKE MANSFIELD is not one to lose his head—or lose his headway. His experience as a teacher amid the diversions of the class, stands him in good stead. His experience as a miner in his beloved Montana must have inculcated a deep love for the very earth—the body and soul of this country—and the loyalty to lofty ideals, which make him the patriot and statesman all of us regard him in the privacy of our thoughts.

It seems fitting to seize this occasion to convert the privacy of our thoughts into a public expression of the appreciation, esteem and affection we hold for one who leads with sweet reasonableness—and even sweeter success.

Mr. President, I salute the man who wrote this article; and, in turn, I salute our majority floor leader, MIKE MANSFIELD.

I ask unanimous consent to have the article to which I have referred printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Star, Mar. 20, 1961]

MANSFIELD MAKES GOOD AS MAJORITY LEADER

(By J. A. O'Leary)

After nearly 3 months in the driver's seat, the Senate's new majority leader—quiet, low keyed MIKE MANSFIELD, of Montana—appears to be making good.

The six major bills and two treaties that have cleared the Senate since January 3 give him a fairly high batting average, considering the fact that the new administration could not even submit its program to Congress until after the January 20 inaugural ceremonies.

The Senate spent those preinaugural days holding hearings on the Kennedy Cabinet appointees. Since January 20 it has confirmed scores of Presidential appointees.

But Senator MANSFIELD himself has said many times that he hopes this Congress will be judged by the quality and not by the quantity of its legislation.

If adherence to the Kennedy New Frontier program is to be the yardstick for determining quality, then Senator MANSFIELD has achieved his goal thus far.

ROUGH ROAD STILL AHEAD

The roughest part of his road may still lie ahead, when such Kennedy-backed legislation as Federal aid to education, medical care for the aged under social security, a broader minimum wage law and the new Kennedy farm program come before the Senate.

But if he is as successful on those issues as he was during the past week in sustaining Mr. Kennedy's viewpoint on aid to depressed areas and emergency unemployment compensation, his first year as majority leader will be a noteworthy one.

Senator MANSFIELD said today he still intends to try to give the Senate another chance this year to consider a new antifilibuster rule.

He considers this the one roadblock to prevent Congress from completing its work by the end of July.

The Democrats were confronted by this controversial issue on January 3, the opening day of the session. Fearing that it would endanger the legislative program of the new administration by splitting the northern and southern Democrats, Senator MANSFIELD moved to send the proposed new rules to the Rules Committee, of which he is chairman.

WANTS RULES CHANGED

"I gave a promise that I would hold hearings and try to get a revision of the rules out of committee later," said the majority leader, making it clear he expects to keep that promise.

He added that he would support a reduction from two-thirds of those present to three-fifths as the number of votes required to curb Senate debate.

A three-fifths rule would allow 60 Senators to limit debate. Under the present rule, if all Senators were present, it would take 67 to apply the limitation.

Liberals want the rule changed partly to help obtain action on additional civil rights legislation. If a new rule should be reported from committee after the Kennedy program has been acted upon, it could keep the Senate in session all summer.

Senator MANSFIELD stepped into a large pair of shoes on January 3. His predecessor, Vice President JOHNSON, had built up an enviable record for getting things done.

KNACK OF GETTING THINGS DONE

Although the Vice President had to deal with a Republican President during most of his 8 years as Democratic Senate leader, he steered many controversial bills to passage, including the first civil rights law in 80 years.

During the past week Senator MANSFIELD demonstrated that he, too, can get things done. Watching him from the galleries, an observer gets the impression that the new leader is not pulling in very tightly on the reins, and that he leaves the whip in its socket as he coaxes his Democratic colleagues to pull together.

Even when he disagrees with some of his colleagues, as he did on the method of financing temporary unemployment compensation, he does it in terms that will leave no lasting sting, and that seem to recognize that there are two sides to every question.

His task undoubtedly has been helped by the presence in the White House of a Democratic President.

One change Senator MANSFIELD has tried to bring about has been to avoid night sessions. In recent years it was almost standard procedure to hold the Senate in session until 11 p.m. or later to bring major bills to a vote.

This year there has been only one late evening session, last Thursday, when the Senate ratified two treaties and passed two unemployment compensation bills.

PROPOSED ESTABLISHMENT OF SOIL MOISTURE CONSERVATION RESEARCH CENTER

Mr. CARLSON. Mr. President, the Great Plains Agricultural Council proposes the establishment at one of the experiment stations in the Great Plains of a research center for soil moisture conservation research.

The Kansas State University and the U.S. Department of Agriculture, working together during the past years, have conducted extensive experiments in this field; and I can truly state that Kansas has developed more material on this problem than has any other Great Plains State. Therefore, I am urging that the research center be located in our State.

Those of us who live in the Great Plains area realize that the underlying problem of agriculture and industrial development is a recurring deficiency of moisture. This deficiency in moisture reduces production and farm income, and increases wind erosion.

Despite the fact that most farmers in the Great Plains attempt to make efficient use of the rainfall they receive, a large portion of this rainfall is lost. Estimates indicate that about two-thirds of the rainfall in the Great Plains area is lost by evaporation, alone. The importance of this can be realized when attention is called to the fact that in a 20-inch rainfall area, a loss of 8 percent of the rainfall through evaporation is equivalent to a loss of 3 inches of precipitation. It is estimated that the saving of this moisture loss by evaporation in the Great Plains area would have a value of $400 million annually in crop production.

These figures stress the importance of additional research in this field. The proposed moisture conservation research laboratory would make further studies, with a view to recommending changes in our present methods of dealing with the problem of evaporation of water from the soil.

Those of us who are familiar with the Great Plains area realize that every effort must be made to control water runoff for use for beneficial purposes, and, in addition, to establish soil practices that will retain in the soil, for crop purposes, the rain that falls. I cannot stress too strongly the need for the establishment of this research laboratory.

My colleague, Senator SCHOEPPEL, and I are going to appear before the Subcommittee on Agricultural Appropriations, and we shall urge the establishment in our State of this soil moisture conservation research laboratory.

Following this opening statement, I hope to develop the reasons why this laboratory should be located in the State of Kansas.

Therefore, Mr. President, in cooperation with my colleague, Senator SCHOEPPEL, I urge and sincerely hope that consideration will be given to our recommendation that the proposed research laboratory be located in our State.

I ask unanimous consent to have printed at this point in the RECORD a memorandum and an attached list of outstanding soil conservationists and the studies they have made.

There being no objection, the memorandum and the list were ordered to be printed in the RECORD, as follows:

JUSTIFICATIONS FOR LOCATING A FEDERAL GREAT PLAINS SOIL MOISTURE CONSERVATION RESEARCH FACILITY IN KANSAS

A. KANSAS IS CENTRALLY LOCATED IN THE GREAT PLAINS

The Great Plains Soil Moisture Research Laboratory will conduct research to serve the entire Great Plains area. A portion of the function of the laboratory will be to conduct experiments at diverse locations over the Plains which will complement the fundamental research done at the central location. The laboratory will also have a board of collaborators representing land-grant institutions in each State in the region. These collaborators, together with other scientists in the States, will be frequent visitors to the main research facility. Thus, a location central to the Great Plains as is afforded by Kansas will have many advantages from the standpoint of efficiency in operation and convenience. This fact was recognized by the U.S. Department of Agriculture in its report on facility needs for soil and water conservation research, Senate Document No. 59 of the 1st session of the 86th Congress, where Kansas was listed first among the possible locations for this facility.

B. KANSAS IS THE LEADING STATE IN SOIL MOISTURE CONSERVATION RESEARCH

The combined efforts of Kansas State University and the U.S. Department of Agriculture, working hand in hand, have made Kansas the leading State in soil moisture conservation research. This research has been underway, on a limited scale, since 1906. I shall include a list of technical publications from Kansas which are concerned with soil moisture research as a part of these remarks.

Many important facts have been discovered and many practices developed in Kansas which have increased the efficiency of rainfall use. This may be illustrated by the fact that the drought of the 1950's had much less severe economic and social effects in Kansas than the drought of the 1930's, due, at least in part, to improved moisture conserving practices developed through research.

At the present time 10 research scientists are devoting their time in Kansas to problems of soil moisture conservation. Eight of these men are supported by the Kansas Agricultural Experiment Station and two by the U.S. Department of Agriculture. In addition, the USDA has located its wind erosion research laboratory at Manhattan in cooperation with Kansas State University. This laboratory has four scientists doing research on wind movement and erosion. Studies of the effects of wind on moisture losses will be an integral part of the research of the proposed soil moisture conservation laboratory.

The research which has been accomplished and the scientists now engaged in work on soil moisture conservation would be a great asset to the proposed Federal laboratory. These scientists would be available to assist the laboratory in its work and to apply its findings to field conditions.

C. OUTSTANDING FACILITIES ARE AVAILABLE TO SUPPLEMENT A FEDERAL LABORATORY

Kansas State University has many facilities, several of which cannot be found in other States, that would be important to and available for use by personnel of a Federal laboratory. These facilities include the following:

1. A nuclear reactor (to be constructed in 1961) which may be used to make short-lived isotopes of value in certain fundamental research studies.

2. An IBM 650 computer making possible the rapid solution of complex mathematical problems and the swift analysis of large volumes of statistical data.

3. A 3-by-3-by-70-foot operating wind tunnel to supplement one to be constructed as a part of the Federal laboratory.

4. Four walk-in type and several smaller plant growth chambers with controlled temperature, light, and humidity.

5. A large library with complete sets of volumes of all American and foreign publications of interest to science and technology, including all phases of agricultural science.

6. Many well-equipped research laboratories for studies in soil science, plant science, physics, chemistry, meteorology, engineering, and mathematics.

7. Land for experimental purposes at 18 locations in the State, including the main station at Manhattan, 5 branch experiment stations, and 12 experiment fields. At each location there is one or more professionally trained scientist. The total amount of land owned or leased at all locations is nearly 10,000 acres. This land would be available for field experimentation under diverse climatic conditions by laboratory personnel.

D. KANSAS HAS ONE OF THE MOST DISTINGUISHED LAND-GRANT UNIVERSITIES TO ASSIST THE LABORATORY

The land-grant university at which the proposed Federal laboratory will be located will be a very important factor in the success of the laboratory. Specialists in all phases of science will be available for ready consultation and exchange of ideas with laboratory personnel. Many specialized items of equipment can also be used by workers of the laboratory.

Kansas State University has an international reputation for its work in agricultural science. It was established in 1862 as the first land-grant institution. Strong departments are available in all phases of science, mathematics, engineering, and agriculture which could assist laboratory personnel. The Agronomy Department of Kansas State, with which the laboratory would be most closely associated, is one of the largest in the United States. A faculty of 41 full-time State employees and 8 USDA scientists is present in this department. The department also has 34 graduate students working for the M.S. and Ph. D degrees.

The presence of a strong graduate training program at the associated university will be a significant factor in attracting and holding a qualified research staff for the laboratory. Such a program makes possible employment of graduate students on a part-time basis and additional training of laboratory personnel. Four of the USDA employees located in the department of agronomy at Kansas State at the present time are doing advanced studies for the Ph. D degree. A strong graduate program also provides a supply of potential scientists for the laboratory staff.

Mr. CARLSON. As proof of the studies that have been made in this field in Kansas, I submit for the RECORD a listing of outstanding soil conservationists and the studies they have made:

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Henney, H. J.: "Estimation of Future Wheat Production From Rainfall." Monthly Weather Review, 63: 185–187; 1935.

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ALL AMERICA HONORABLE MENTION RECEIVED BY ABILENE, KANS.

Mr. CARLSON. Mr. President, Abilene, Kans., is one of four cities in the Nation to receive all America honorable mention in a study made by the National Municipal League and Look magazine.

The National Municipal League and Look magazine cited 11 cities for all-America honors, and 4 received honorable mention in the All America Cities Award contest for 1960.

The other three cities which received honorable mention citations are Clayton, Mo.; Skokie, Ill.; and Traverse City, Mich.

The awards were made on the basis of vigorous citizen action in bringing about major civic improvements within a community.

The winners were selected, from a total of nearly 300 original contestants, by a jury headed by Dr. George H. Gallup, director of the American Institute of Public Opinion.

We in Kansas are proud of this honor that has come to Abilene, the home of our No. 1 citizen, President Eisenhower.

The citizens of Abilene are entitled to much credit for the outstanding cooperative efforts they have made in civic accomplishments over the past few years. I want to extend my personal congratulations to the citizens of Abilene and to our State of Kansas for this signal honor.

I ask unanimous consent that an editorial entitled "A Real Abilene Honor," written by Henry B. Jameson, be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

A REAL ABILENE HONOR

(By Henry B. Jameson)

Abilene certainly should not be disappointed that it received honorable mention rating in the All America Cities contest instead of one of the top ranking citations.

We were in mighty fast competition.

Yet Abilene was recognized over such larger cities as Long Beach, Calif.; Galveston, Tex.; Baltimore, Md.; St. Petersburg, Fla., and Tucson, Ariz. These and others were among the 22 finalists which we beat out in the final judging.

It would have been nice to be among the top winners but that's the way the ball bounces. And it was a high honor to be selected among the 22 finalists and an even higher distinction to be given the honorable mention rating.

Four of this year's top winners were honorable mention cities during recent years.

Without knowing specific opinions of the judges, I would guess that the main reason Abilene was not selected as one of the winners was that our entry was not based on the sensational or crisis type of achievement.

Most of the cities named (see news story details) were where spectacular progress has been made in connection with either rapid growth expansion or "throw the rascals out" type of good-government cleanup campaigns.

This apparently held greater appeal for the jury of 12 judges representing various parts of the country. It must be admitted, however, they had a most difficult task. All 22 cities had been carefully screened down from a field of nearly 300. All had good stories to tell or they would not have been invited to participate in the finals. It's something like a basketball tournament. Everybody can't be a winner.

Without wanting it to sound like sour grapes, I would say that Abilene was "penalized," or at least handicapped, because its story of outstanding community achievement and progress was not based on a crisis situation. As the spokesman for Abilene in the finals contest at Phoenix, Ariz., last November, I had an opportunity to hear the testimony of most of the other cities.

No other city presented a story of community achievement just like that of Abilene—progress and development not necessarily born out of an emergency. Most of the others were.

The Abilene application for national honors was based on this city's program of civic accomplishments over a period of the past 10 years. These covered such things as the Mud Creek flood control project, new business and industry, new schools, courthouse, hospital, street and highway improvements, the Eisenhower Center development and others. Wih two exceptions, every presentation that I heard during the 2-day panel dealt with what the cities had done to combat crime, crooked city office holders and population explosions and the complex community problems related to them.

With this new honor Abilene can proudly keep moving forward.

CHIEF JUSTICE EARL WARREN

Mr. ENGLE. Mr. President, on Sunday an eminent American observed his 70th birthday. Chief Justice Earl Warren is a son of California, and we Californians take special pride in his long record of distinguished public service.

He has held the offices of district attorney of Alameda County and attorney general of our State, and was three times elected Governor of California. His service to the people of the Golden State is gratefully remembered by countless Californians, without regard to party adherence.

When Earl Warren became Chief Justice of the United States in the fall of 1953, he brought to the Supreme Court the strengths of a towering personality, a broad experience, and a deep devotion to the people's service. He has been at times a controversial figure on the High Court, as men who achieve great things are often controversial figures. The landmark unanimous decision of the Court in the segregation cases alone assures him a place in history, but his claim to such a place is not confined to that one momentous decision. He is the constant guardian of individual rights against the encroachments of government, and I believe that those rights are more secure because Earl Warren holds the highest judicial office in our land.

Earl Warren's life is a vividly American story—the son of a new American, a man who has sat in high places but never lost touch with the needs and the aspirations of his fellow man, the husband of a gracious lady, and the father of lovely children. Chief Justice Warren reaches three score and ten full of the vigor which has always been part of both his charm and his ability to do significant things. I am honored to call him my friend. I am happy to join the multitude of his admirers in saluting him on the 70th anniversary of his birth.

Mr. GRUENING. Mr. President, will the Senator from California yield?

Mr. ENGLE. I am glad to yield to the distinguished Senator from Alaska.

Mr. GRUENING. I wish to associate myself with the tribute which has been paid to the Chief Justice of the United States by our able colleague, the distinguished junior Senator from California. The tribute is well deserved. Earl Warren is one of our greatest Americans, not merely of our time, but of all time.

I believe that when history is written, it will record that one of the outstanding achievements of the Eisenhower administration was the appointment of Earl Warren to be Chief Justice of the United States.

THE VOTE ON ANGOLA

Mr. McGEE. Mr. President, I should like to call to the attention of my colleagues an article by Walter Lippmann which appeared in the press of this morning, in which he discusses the implications of the recent United Nations vote on the Angola question.

In this instance the United States voted with the Asian-African group to favor an inquiry into the question. This action indicates a significant departure in American policy. The implication of the vote, according to Mr. Lippmann, is that it demonstrates a turning point which is in sharp contrast to the previous position of the United States on African-Asian questions, a position which was epitomized by the refusal of this Government to vote for the anti-colonial resolution on December 15th last.

I ask unanimous consent that the Lippmann article be printed in the body of the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Mar. 21, 1961]

THE VOTE ON ANGOLA

(By Walter Lippmann)

In African affairs, two separate but parallel and similar historic events took place last week. One was the refusal of the Commonwealth nations to condone the racial policy of apartheid in order to keep the Union of South Africa in the Commonwealth. The other was the vote of the United States, differing openly with its NATO allies, for an inquiry by the U.N. into the Portuguese colonial policy in Angola.

In both cases the decision was a very hard one to take—whether to risk the unity of the Commonwealth, whether to risk the unity of NATO, on a question of principle. In both cases there was the same decision—by the eight nations that if the Commonwealth was to be preserved, it could not condone apartheid, by the United States that NATO and even the U.N. itself would be gravely jeopardized if the NATO nations alined themselves in support of colonialism.

There are some who think that the United States could have, and should have, avoided the decision. It could have abstained, that is it could have declined to vote, as it did under the Eisenhower administration last December. But could the United States have done that now? Is abstention, a refusal to vote in order to evade a hard issue, a workable policy for a great power which holds the place we hold in the leadership of the non-Communist world? The Eisenhower abstention of last December could at least be justified as a stopgap measure in the closing days of an administration. The new Kennedy administration could not take refuge in the evasion of an issue which involves the destiny of Africa and Asia, and affects profoundly the peace of the world.

When the issue is posed nakedly as it is in Angola where it is the policy of the colonial power not to prepare the colony for independence, how could the United States refuse to declare itself? Had we done that, we would by our abstention have abdicated our influence. For had we abstained, we would have identified NATO with colonialism, and the Soviet Union would have stood out as the only great power in the white man's world which took the other side. What is more, we would have supported Portuguese colonialism not boldly by voting against the resolution but timidly and apologetically by refusing to vote at all.

What an image that would have been of the leadership of the free world.

The question has been raised as to whether this American vote means that the development of Africa has now taken priority over the consolidation and stabilization of Europe. It is an understandable question, and undoubtedly there is a certain difference of emphasis between those who are preoccupied with European affairs and those who are preoccupied with African affairs. But the truth is that our concern with Europe and our concern with Africa are not competitive. They are complementary.

Unless Europe becomes a more powerful and flourishing community of nations, the resources cannot be found to finance the development of Africa. And unless the Europeans and the North Americans are able jointly and severally to promote the peaceful development of Africa, the future is very dangerous indeed. The unity of the West is gravely menaced by the convulsive problems of Africa, be it in Algeria, the Congo, South Africa, or Angola.

The American view, which is not sufficiently understood in Europe, is that the liquidation of empires is always a great danger to the peace. The seedbeds of the two World Wars were in the liquidation of the Turkish, the Austro-Hungarian, and the czarist empires. In the American view the liquidation of the African empires, which is very far from being completed, is in this age of nuclear armaments a very great threat to peace. Our view is that if we and the Europeans are to achieve a constructive influence in African affairs, it can be done only through the medium of the United Nations. That is the only forum in which the old colonial powers, the newly liberated nations, the Soviet Union and the United States can meet and deal with one another in the context of the law of the charter.

Our European allies must not underestimate the weight and the seriousness of the American judgment in this affair. It is not inspired by a cheap attempt to win votes in Harlem. Nor is it, though it is often expressed in the noble old phrases, the naive

liberal idealism of the old orators. This judgment, of which the vote on Angola is a symbol, comes not from a soft but from a hard judgment, a hard judgment based on two decades of responsibility for a worldwide coalition.

Mr. CHURCH. Mr. President, when the United States voted in the Security Council last Wednesday in favor of a resolution calling upon Portugal to account for its policies with respect to the territory of Angola, dramatic evidence was given that we will indeed support the "peaceful revolution of hope" to which President Kennedy referred in his inaugural address.

I welcome this clear and decisive demonstration that our basic African policies have been reversed. I agree with the Indonesian Ambassador, who said of this vote:

> The United States [in recent years] had lost its direction. Now it is going back to Jefferson. You are the pioneers.

Last Friday's Washington Post contained a short article, by its staff reporter Murrey Marder, explaining the significance of this vote in the Security Council. I ask that this article, and an Associated Press story on the same subject, may be printed at this point in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Post, Mar. 17, 1961]

AFRO-ASIANS PLEASED, LISBON ANGERED—VOTE AGAINST PORTUGAL ALINES UNITED STATES WITH REFORM

(By Murrey Marder)

In concrete terms which Afro-Asians—and America's own allies—can understand, the Kennedy administration has shown the United Nations it means business about aligning itself with world forces of independence and reform.

By voting to light a fire under Portugal's handling of its huge African territory of Angola, the Kennedy administration on Wednesday executed a complete reversal of the position taken by the Eisenhower administration.

The resolution, ironically, did not pass. The United States and the Soviet Union, for once, found themselves together on the losing side of a Security Council vote, only joined by Liberia, Ceylon, and the United Arab Republic.

Profoundly more important than the vote, however, was the evidence that the United States is determined to recapture its role in the vanguard of what President Kennedy in his inaugural address called the peaceful revolution of hope.

The news was a delight to many diplomats of the Afro-Asian countries, and a cause of dismay in Portugal.

In Lisbon, a government newspaper, Diaro da Manha, yesterday said the United States vote for the resolution challenging conditions in Angola was "an act of stupidity." A Portuguese Foreign Office spokesman, speaking in officialese which actually reflected the same indignation, said Portugal regards the American action with "the greatest apprehension."

As added evidence that its vote on Angola was no fluke, the United States yesterday voted in the U.N. General Assembly to censure South Africa for its policies in the territory of South-West Africa which it governs under a former League of Nations mandate.

Here again the United States voted contrary to five NATO allies—Britain, France, Belgium, Luxembourg and Portugal—who were among the abstainers on a 74-to-0 vote.

The key resolution reflecting the Kennedy administration's determination to associate itself with Afro-Asian sensibilities, was the Angola resolution.

Embodied in it was a direct endorsement of the anti-colonialism resolution of last December on which the United States abstained after British Prime Minister Harold Macmillan made a personal appeal to President Eisenhower.

That White House order to the American delegation to shift its position from "yes" to "abstain," caused internal turmoil at the time. In a celebrated example of open revolt, Zelma Watson George, a Negro member of the delegation, caused a sensation by applauding the resolution when it passed on an 89 to 0 vote, with the United States in a tiny group of abstainers.

By reversing that policy line now, the United States has won such accolades as this from Ambassador Wirjopranoto Sukardjo of Indonesia: "The United States (in recent years) had lost its direction. Now it is going back to Jefferson. You are the pioneers."

What the United States, on the other hand, has done to its relationship with countries like Portugal, remains to be seen.

Among other things, the United States holds important base rights in the Portugese Azores, in mid-Atlantic. It would not like to lose them—and does not think it will. The Kennedy adminstration, however, has made a conscious determination that in global policy it will not be frozen into immobility by following the pace of the slowest members in the allied fold, even if it means creating some antagonisms.

At the same time, it feels—although Portugal in this case hardly agrees—that it is operating in its allies' long-term interests as well.

U.S. support of the resolution which set Portuguese teeth on edge, was described by Ambassador to the United Nations Adlai E. Stevenson as "an invitation to Portugal to work with members of this Organization (the United Nations) to insure the more rapid progress of the peoples in Portuguese territories."

American officials regard the resolution as moderate—not punitive. They note that it is likely to be pressed in the General Assembly where it may emerge in harsher terms.

State Department Spokesman Lincoln White reiterated yesterday what Stevenson had told the Security Council: "We would be remiss in our duties as a close and long friend of Portugal if we failed to express honestly our belief" that "step-by-step planning for the political, economic and social advancement of all the inhabitants" of Angola is "now imperative."

This was intended as balm, but Portugal may regard it as salt in the wound.

[From the Washington Post, Mar. 17, 1961]

UNITED STATES AFFIRMS INDEPENDENT AFRICA POLICY

UNITED NATIONS, N.Y., March 17.—The United States confirmed today that it would pursue an independent policy on African problems while maintaining a deep and common interest with the Western allies.

The U.S. position was outlined in a statement to the press explaining the vote of U.S. Ambassador Adlai E. Stevenson in the Security Council Wednesday night on a proposal for reforms in Portuguese Angola.

On this issue, the United States voted along with the Soviet Union and three Asian-African countries. Britain, France and four other countries abstained.

Today's statement by Francis W. Carpenter, U.S. delegation spokesman, said the decision to vote for the Angola resolution was made only after Stevenson had consulted with State Department officials and after approval by Secretary of State Dean Rusk and President Kennedy.

"The policy decisions behind the vote, which were all reflected in Stevenson's speech before the Security Council," Carpenter said, "had been carefully considered."

"Our allies were informed in advance. We have a deep and continuing common interest with them. The difficulty and complexity of African questions are, however, such that there are and may continue to be differences in approach in some of them."

THE PRESIDENT'S VORACIOUS READING HABITS

Mr. McGEE. Mr. President, I ask unanimous consent to have printed in the RECORD an article by Hugh Sidey, Time-Life correspondent, entitled "The President's Voracious Reading Habits," in which he describes President Kennedy's intense interest in getting his mind wrapped around the issues of the day and the issues of the world, in the philosophical realm as well as in the realm of practical politics.

I ask unanimous consent that the article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From Life magazine, Mar. 17, 1961]

THE PRESIDENT'S VORACIOUS READING HABITS—HE EATS UP NEWS, BOOKS AT 1,200 WORDS A MINUTE

(By Hugh Sidey)

One morning recently President John F. Kennedy opened the door of his oval White House office and strode to the desk of his secretary, Mrs. Evelyn Lincoln.

"Mrs. Lincoln, where's my London Economist?" he asked in some agitation. The President was not inquiring about a delayed appointment with a distinguished visitor. He was asking about a British magazine that is crammed full of meaty reading about the state of the world, particularly economics.

Mrs. Lincoln suggested that the delivery system must have broken down and said she would check. But a few hours later the magazine still was not on the Presidential desk. "Mrs. Lincoln," said the President, sticking his head out of his office again, "where is that London Economist?"

Next morning as the President prepared to leave for his country estate in Middleburg, Va., staff members noticed that he finally had his Economist. It was rolled up, tucked under his arm, as he walked through the snow toward his helicopter.

John Kennedy is always a stubborn pursuer of reading matter. He is a reader of magazines, newspapers, books, Government reports, technical papers, and just about anything else he encounters on his cruises through White House corridors. He devours printed pages at an enormous rate and retains most of what he reads. He has caused a revolution in the reading habits of his staff members. For self-protection against the President's voracious appetite for information they have had to increase their own reading range.

Press Secretary Pierre Salinger now has his own White House chauffeur bring five newspapers when he picks him up at 8 a.m. each morning. This gives him a chance to scan the papers before facing the inevitable Presidential questions about the news.

NO ABBREVIATIONS

Recently Kennedy asked to see the entire official story of Castro and communism in Cuba. The massive State Department document arrived in three parts: a synopsis, a chronology, and a detailed account. The aid

suggested that the President read only the synopsis, but Kennedy waved him off. He did not want the abbreviated version. He pored through the entire chronology of events, began to browse around in the section of the report with the details, extracting what he wanted. Now in Government departments staff members labor hours over memorandums that used to be dashed off. The word is out: "The President may read them."

Kennedy's voluminous reading habits sometimes give him extra information about the activities of his own staff. When somebody decided to cut off the courtesy tours of the White House for constituents of Congressmen and Senators, Kennedy spotted the complaints of the legislators in a Washington Post and Times Herald story one morning and immediately called Salinger to reverse the decision. When he read, also in the Post, that Eisenhower's skeleton staff had inadequate quarters and help to take care of the mail pouring in to the ex-President, Kennedy jumped to the phone and ordered a change.

The Kennedy day begins with reading. He starts with five newspapers: the New York Times, the New York Herald Tribune, the Washington Post, the Baltimore Sun, and the Wall Street Journal. Usually he gets through two or three of them before he climbs out of bed, finishes the rest at breakfast or in his office, where he has the same papers put on a small table behind his desk along with the Atlanta Constitution, the Philadelphia Inquirer, and the St. Louis Post-Dispatch. In the afternoons he gets the Washington Evening Star, and News. Although this staggering pile is his regular newspaper diet, he does not limit himself to that. When he hears of a good story in another paper, he demands it, and when other papers are brought to him, he likes to search through them. In his campaign days his airplane looked like a traveling newsstand. He insisted that copies of all the local papers be picked up at each stop.

He is equally omnivorous about magazines. His staff has orders to keep him supplied regularly with Time, Life, Newsweek, U.S. News & World Report, Business Week, Nation's Business, Saturday Review, the New Yorker, Harper's, Atlantic Monthly, the Spectator, New Republic, History Today, Foreign Affairs, Manchester Guardian Weekly and, of course, the London Economist. Every issue of these gets his attention. He also sends for special features in other magazines, such as Stewart Alsop's recent article on the Congo in the Saturday Evening Post.

Kennedy does not by any means absorb every word in the newspapers and magazines. With the newspapers, the front page gets his first attention. He scans all headlines, flits through pieces of marginal interest, takes a moment or so longer with the vital stories. His next stop is usually the editorial page. He is almost as interested in comment on him and his activities as he is in the big news, but he likes columns better than editorials. He is a great admirer of Columnists Walter Lippmann and Joseph Alsop, but aids have noted that in the afternoon he hurries to check Doris Fleeson's tart column in the Star. "He wants to see who she's sticking the knife in today," explains a friend.

A READER OF REVIEWS

When he is through with newspaper opinion, Kennedy skims through the rest of the pages. He likes movie reviews, touches on drama, sports, and other features and takes a close look at the financial page. He passes by the comics and pays little attention to the society section. A reader of bylines, he will often compliment a reporter on a story or challenge him when he thinks the reporter wrong.

On an airport apron in Palm Beach one evening he thumped a magazine article and said to the reporter, "There's one item right in that, the rest are wrong." Then by the headlights of his car he pointed out the correct item. Before he got into presidential politics Kennedy used to fire off notes to offending newsmen or call them with his complaints, but since there is now such an avalanche of material about him in print, he takes most criticism with little flinching. In fact, though he may not like the criticism, he searches it out.

When he has time, he does not hesitate to quibble about usage. Recently the White House introduced a cocktail bar at a reception for new appointees, and there was great clucking in all the papers. The President said nothing about being criticized for serving drinks, but he did stop a newsman in the executive lobby to ask why the term "hard liquor" was used in his story. "That's a bad term," he said. "It makes it sound like we are sinning."

Last month a journalist met the President for the first time and was greeted in the doorway with: "Hello, Mr. ——— I've read your articles for a long while." The writer, with a dozen questions on his tongue, scarcely had a chance to ask them. Instead, Kennedy spent the time grilling the reporter about his previous stories. He is not only interested in writers but also knows a great deal about the editors of newspapers and magazines and on occasion he has astounded reporters by his familiarity with the inner workings of their publications. Once he detected, simply by noting a change in the line of a magazine, a switch in top editorial management.

The amount of stray information Kennedy collects through his reading has impressed everyone who knows him. Before his nomination for the Presidency he was flying from New York to Washington with a small group of journalists, all of the men riding together in the tourist section of a commercial airplane. While Kennedy was reading a paper, an unidentified passenger, stuck on a crossword puzzle, turned to the journalists and asked what famous book Lincoln Steffens had written other than his autobiography. One by one the reporters shrugged unknowingly. Then Kennedy looked up from his paper, said "Shame of the Cities" and went back to his reading.

One staff member says that the President takes an abnormal interest in what is written because he is really a "repressed journalist." The President himself says that if he had not gone into politics, he would have been a journalist. In his college days, he recalls, he thought the best thing of all would be to become a writer for Fortune. Since that time he has written two best-selling books ("Profiles in Courage" and "Why England Slept") and many special articles and book reviews.

Kennedy's reading is not limited to newspapers, magazines and reports, although this gets more of his time than it did a few years ago. The President loves books. No one knows how many books he has read or looked into during his first weeks in office, but those he has been seen reading or has asked his staff to get make a formidable list. He called for two books written by Chinese Communist leader Mao Tse-tung and a photostated translation of Cuban "Che" Guevara's 1960 book on guerrilla warfare. On a recent weekend to Middleburg he took with him Vannevar Bush's "Science, the Endless Frontier." Shortly after that he asked for another military book, "The Green Curve" by Sir Ernest Swinton.

RECENT CHOICES

In recent days he has been through Henry Kissinger's "The Necessity for Choice," completed the Elting Morison biography of Henry Stimson, read Cornelius Ryan's "The Longest Day," a story of D-day, and read John Kenneth Galbraith's "The Liberal Hour." Between times he has been dipping into a compendium on nuclear testing and arms control.

The other evening in the White House he spotted the New York Herald Tribune's Robert Donovan, author of "The Inside Story," a book about Eisenhower in the White House. Kennedy ran out in the lobby of the White House executive wing, calling to Donovan, "Come in here, I want to see you." Once in the office Kennedy took down Donovan's book and began to question him about it.

Kennedy has confined himself mostly to nonfiction, but like many of the world's leaders he has a weakness for detective stories, especially those of British Author Ian Fleming and his fictitious undercover man, James Bond. When CIA Director Allen Dulles learned about this, he told Fleming, and the next time Fleming came to the United States, Kennedy had him over for dinner.

On occasion in the past the President has had spurts of reading realistic historical novels and especially likes those by Mary Renault on ancient Greece. He has enjoyed several of Anthony Trollope's 19th century novels about England and, among current novels on contemporary themes, liked Allen Drury's "Advise and Consent." But his main interest is history and biography. Not long ago a friend gave the President John Plumb's 407-page biography, "Sir Robert Walpole; the Making of a Statesman." "He finished it in an evening," the friend said in awe.

Just how fast Kennedy reads has not been precisely determined, but his speed is at least 1,200 words per minute and sometimes more than that (the average person reads 250 words per minute). One adviser remembers seeing the President read a 26-page economics memorandum in just 10 minutes. Then he "asked 25 questions about it—intelligent questions."

VITAL QUESTIONS

Another staff member has seen Kennedy flip the pages of a report so fast that he appears to be merely skimming. Suddenly he looks up and begins to question the author closely. He has picked out the vital facts and may even recall exactly where certain statements were located on a page.

When Kennedy moved into the White House, one of his first acts in decorating the new quarters was to have an aid get some 200 books on the Presidency from the Library of Congress and put them in the empty shelves in the Cabinet room. Kennedy's own books from his former Georgetown home have been shipped to Glen Ora, his Middleburg estate. He is not a book collector as such and gets no special pleasure from possessing books or owning valuable editions. He seeks the contents.

James MacGregor Burns, who wrote "John Kennedy: a Political Profile," claims that the President's reading is strictly utilitarian. "He roots around in a book looking for what he wants," says Burns. "He might start in the back, then go to the parts that can help him." The President likes particularly to read things that have some specific value for him. "What good are ideas unless you make use of them?" he once asked a friend.

Burns recalls sitting on a restaurant stool during Kennedy's cold and weary campaigning a year ago in the Wisconsin primary. Suddenly Kennedy turned to Burns and asked, "What have you been reading?"

For the next few minutes they talked books. A reporter on the junket kept informal score as the two men discussed books, mostly early American history. The tally showed Kennedy had read more of the books discussed than Professor Burns.

The significance of reading in Kennedy's life is best summed up by the President himself. Not long ago he said to Burns, "Roosevelt got most of his ideas from talking to people. I get most of mine from reading."

In spite of its enormous quantity the President's book reading is quite specialized, being concentrated on political history and current events. His favorite American book is Samuel Flagg Bemis' biography of John Quincy Adams, and probably his favorite of all books is David Cecil's "Melbourne," a biography of Queen Victoria's first prime minister. He also admires Churchill's "Marlborough" ("It is the best thing he has done"). Kennedy's top aid, Ted Sorensen, fully believes that many of Kennedy's ideas about how to exert leadership come from his close study of history's great men.

The President appreciates skillful use of language. He admires the style of Harvard economics professor, John Kenneth Galbraith, whom he plans to name Ambassador to India. "Ken's memos are great," says the President. He considers memo writing an important governmental art and takes great pains with the memos he sends to his departments. He has studied Churchill's memos and says about him, "Churchill is very graceful at this." Secretary of State Dean Rusk and Paul Nitze, Assistant Secretary of Defense for International Security Affairs, made important headway with Kennedy when he was considering their appointments because their papers displayed a lucid style.

READING IN BED

Though Kennedy always has been interested in books, there have been three periods in his life of especially intensive reading. Each coincided with an illness. The first period was during his freshman year at Princeton when he became ill and eventually had to drop out, later enrolling at Harvard. Again in 1944–45, recuperating from his Navy duty in the Pacific, he read omnivorously. And in the years 1954–55, when he had the final bout with his ailing back, he read for hundreds of hours and conceived the idea for his Pulitzer prize-winning book, "Profiles in Courage."

Today Kennedy squeezes in reading whenever he can. A recent office visitor noticed the President buried in a magazine for the few seconds it took the man to walk from the door to the desk. Then the President jumped up and came around for the greeting. Kennedy reads at night when there is no social function, and he takes books and papers to his Middleburg retreat. If work flags for a moment during the day, he will pick a book off his desk. He always reads when he travels.

It is not safe to leave attractive reading in the open near Kennedy. "He reads what he encounters," says one staffer. As he passes a desk, he will pick up books and magazines that catch his eye—and the owners have only a 50–50 chance of getting them back.

Kennedy has no news digest system or daily briefing on highlights of the news. Occasionally Salinger will compile comment from across the Nation on a single event such as the inaugural address and put it in a scrapbook for Kennedy to read. But usually, says Salinger, "he gets it all himself." During one of their pre-inaugural meetings Kennedy was rather startled to hear President Eisenhower say that he read newspapers only on Sunday.

The fact that Kennedy is so great a reader, is, of course, immensely gratifying to a large number of people. Editors, writers, reporters and publishers are all delighted. Government officials, especially those who must write lengthy and detailed reports and memorandums, are particularly pleased. But the happiest man of all is probably a Republican named A. T. Schrot. Mr. Schrot owns the Cosmopolitan newsstand on Washington's 15th Street, only a block from the White House, and it is there that the White House staff buys most of its papers and magazines. Since John Kennedy took office, Mr. Schrot's business has increased 400 percent.

TEN KENNEDY FAVORITES

1. "Melbourne," by David Cecil.
2. "Montrose," by John Buchan.
3. "Marlborough," by Winston S. Churchill.
4. "John Quincy Adams," by Samuel Flagg Bemis.
5. "The Emergence of Lincoln," by Allan Nevins.
6. "The Price of Union," by Herbert Agar.
7. "John C. Calhoun," by Margaret L. Coit.
8. "Byron in Italy," by Peter Quennell.
9. "From Russia With Love," by Ian Fleming.
10. "The Red and the Black," by M. de Stendhal.

YOUTH CONSERVATION CORPS: A VALUABLE PROPOSAL BY PRESIDENT KENNEDY

Mr. GRUENING. Mr. President, I was most gratified to read in this morning's New York Times that President Kennedy will shortly propose a Youth Conservation Corps.

This is a most refreshing new look by the executive branch of the Government at a vital problem. It is the sponsorship of a program which is long overdue.

A bill to establish such a Corps was passed by the Senate last year. That bill was introduced by the distinguished senior Senator from Minnesota [Mr. HUMPHREY], and was cosponsored by a number of Senators, including myself. The able senior Senator from West Virginia [Mr. RANDOLPH] labored mightily and effectively for it. A similar bill, S. 404, is now pending before the Senate Committee on Labor and Public Welfare. I hope that speedy action will be taken on this bill, so that it can be enacted during this session of the Congress, and the contemplated Youth Conservation Corps becomes a reality before the end of the year.

This is not really a new proposal. It was tried and proven successful in the 1930's under President Franklin D. Roosevelt. Our land abounds with countless examples of the works of the old Civilian Conservation Corps. Its enrollees did splendid work in Alaska—needed work, but which without the existence of the Corps would not have been done. But more than that useful labor on desirable projects, there are countless thousands of our citizens who are today much better citizens for the training experiences they had as members of the CCC.

Time and conditions are today favorable for the establishment of a youth corps modeled after the CCC, even though not following its method of operation in every detail. Much in the way of natural resource development remains to be done. There are many youths in the Nation who could profit greatly by being taken from the city streets and put to work in rural surroundings doing useful work of benefit both to themselves and to the Nation.

I ask unanimous consent that the news article from the New York Times on this bold, vigorous program be printed in the CONGRESSIONAL RECORD at the conclusion of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, Mar. 21, 1961]

PRESIDENT PLANS NEW YOUTH CORPS FOR CONSERVATION—COMPANION TO PEACE CORPS WOULD RESEMBLE CCC OF DEPRESSION YEARS—FOR MALES OF 17 TO 19—PROGRAM IS AIMED TO HELP SCHOOL DROPOUTS, WHO FIND JOBS HARD TO GET

(By Peter Braestrup)

WASHINGTON, March 20.—The Kennedy administration will propose a Youth Conservation Corps of male teenagers to work on conservation projects across the Nation.

A Department of Labor study group has completed recommendations, which are under review by Secretary of Labor Arthur J. Goldberg. Other Cabinet officials will also be consulted. The proposals are expected to go to President Kennedy later this week.

The departmental report calls for a combined education-work program for 150,000 boys aged 17 through 19. Applicants would volunteer for 1 year's service as laborers, technician's helpers, and light construction workers.

The volunteers would draw token wages, live in special camps, and work under such conservation agencies as the National Park Service, the Forest Service, and the Bureau of Reclamation.

WOULD RESEMBLE CCC

The Youth Corps would most closely resemble the Civilian Conservation Corps of the depression-ridden 1930's. It would have no connection with the Peace Corps, an oversea aid program largely involving college graduates, which was created by President Kennedy on March 1.

According to the Labor Department report the new group would have two principal goals.

It would furnish useful work for a large share of the 200,000 male youths who have dropped out of school and cannot get jobs. Some 7,500,000 school dropouts are expected in the 1960's.

It is this group that suffers the highest unemployment rate, 20 percent, of any age category and it is this group that is much involved in juvenile delinquency.

It would also provide needed low-cost labor for a massive program to catch up with a $3 billion backlog of forest, water, park, and soil conservation projects.

"The program," the Department report said, "should not become something to lean on, but should rather be a stepping stone to normal participation in the labor force."

Initially, 80,000 volunteers would be recruited, with expansion over a 2-year period.

The total outlay would run about $2,700 a year for each volunteer, according to Labor Department estimates. Thus, a 150,000-member program would cost $405 million.

The Youth Corps idea has had considerable Democratic support in the recent past.

In a campaign speech at Scranton, Pa., on October 25, Mr. Kennedy urged creation of a Youth Conservation Corps, echoing the Democratic Party platform. Just before his inauguration, a Kennedy task force on natural resources recommended the corps' establishment.

Senator HUBERT H. HUMPHREY started the ball rolling in January 1959, when he introduced a Youth Corps bill.

Opposed by the Eisenhower administration, the Minnesota Democrat's bill narrowly passed the Senate in a 47–45 vote last August 18. A companion measure submitted in the House of Representatives by Representative JOHN A. BLATNIK, another Minnesota Democrat, never came to a vote.

This year, Senator HUMPHREY has submitted a new Youth Corps bill and 10 similar measures have been introduced in the House. One of the House bills, sponsored

by Representative CARL D. PERKINS, Democrat, of Kentucky, calls for an urban renewal youth work program in addition to conservation projects.

President Kennedy himself, in a television broadcast with Mrs. Franklin D. Roosevelt on March 6, said he hoped to use the Peace Corps concept in slum and depressed areas—another slightly different approach.

In its report, the Labor Department study group endorsed a separate public-service work program for both girls and boys in city areas.

This type of program is scheduled for discussion by the Department's Advisory Committee on Youth Employment, which meets here Thursday and Friday.

PROGRAM PONDERED

Although it made no hard recommendations on the city program, the Labor Department group suggested that this work-education effort should enlist volunteers who would live at home.

There might be part-time work for 16-year-olds still in school. The tasks assigned the volunteers would include furnishing unskilled help in hospitals, homes for the aged, and other nonprofit institutions.

"Care should be taken to avoid job placement which would be in competition with the regular labor force," the Labor Department report said.

Labor Department sources emphasized that in both types of program, the greatest care would be taken not to take jobs away from the building trades and other workers. These sources said the Youth Corps would necessarily involve added use of skilled craftsmen in a stepped-up conservation program.

The Youth Corps educational program, the Labor Department study group recommended, would involve roughly 20 percent of the workday plus 4 hours on Saturday. Small classes on a staggered schedule would be the rule.

The curriculum would include, where applicable, remedial reading, arithmetic and more advanced academic and job training. No extensive vocational or technical training would be attempted. Counseling, citizenship training, and calisthenics would be included. Able youths would be promoted to head groups, with pay increases.

NINE-YEAR PROGRAM

The Youth Corps' ancestor the Civilian Conservation Corps, was established by act of Congress in March 1933. It lasted until June 1942, 6 months after Pearl Harbor.

During its 9 year lifespan, the corps gave employment and work training to 3 million men, most of them joining up at the age of 17 or 18. But World War I veterans and Indians were admitted regardless of age.

BURNS CREEK DAM AND RESERVOIR

Mr. CHURCH. Mr. President, last week, the Subcommittee on Irrigation and Reclamation of the Senate Interior and Insular Affairs Committee held hearings on S. 66, a bill to authorize the construction of the Burns Creek Dam and reregulating reservoir on the Snake River in eastern Idaho. Legislation to authorize this project has twice passed the Senate. The project itself has overwhelming support from virtually all interests in the State of Idaho, other than the private utility companies. At last week's hearings, representatives of water-users groups in Idaho, of power consumers, of municipal governments, and of chambers of commerce again testified in its favor.

The only testimony offered in opposition was from representatives of private utility interests. These interests continue to oppose the project in spite of the fact that the authorizing legislation contains provisions which insure that power to be generated at the Burns Creek Dam, and additional power which will result at the existing Palisades Dam, as a consequence of the reregulating feature of the Burns Creek project, cannot invade the private utility market in the area.

Before the hearings were held, the Utah Power & Light Co. circulated, in its service area, a pamphlet labeling the Burns Creek project as a "$50 million white elephant." The charges contained in this pamphlet represented such a serious distortion of the facts that I felt it advisable for the Bureau of Reclamation to prepare an objective reply to them. The Bureau has furnished, in the form of a letter to me, signed by Commissioner Dominy, a statement designed to set the record straight. I ask unanimous consent, Mr. President, that the letter be printed in full at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION,
Washington, D.C., March 20, 1961.

Hon. FRANK CHURCH,
U.S. Senate, Washington, D.C.

DEAR SENATOR CHURCH: As requested in your letter of March 8, we have reviewed the pamphlet entitled "Burns Creek $50 Million White Elephant," and we present for your information the following detailed rebuttal of specific statements contained therein.

This, of course, is supplementary to the rather extensive discussion of some of these points during the hearings on S. 66 on March 15 before the Senate Interior and Insular Affairs Committee.

An urgent need exists for a reregulating dam and reservoir below Palisades. A reregulating project as planned by the Bureau of Reclamation would provide badly needed water conservation storage capacity and, in addition, would make possible the fluctuating of water releases from Palisades. Water releases from Palisades are now made in strict conformity with downstream beneficial uses and rights which follow a generally uniform pattern. With the reregulating reservoir, fluctuating releases can be made from Palisades and smoothed out in the reregulating reservoir so that the uniform pattern is moved downstream and released from Burns Creek. Thus a more efficient use is made of an existing powerplant, added conservation space is obtained, and a new resource, falling water through a new powerplant, is obtained.

The pamphlet infers that the Burns Creek project is not an irrigation project because it would not irrigate any new land. This is like saying that all irrigation projects must supply water to new lands despite existing needs for supplemental water for inadequately irrigated lands. Such a policy which is not followed by either the States or the Federal Government, would foster economic insecurity. It is only logical to first devote water supplies to filling out presently insufficient irrigation supplies to land already devoted to irrigated agriculture rather than to bring into production new irrigated lands. Some 650,000 acres are now irrigated in the Upper Snake River Basin in Idaho, and most of them are in need of more water to achieve optimum production.

The 100,000 acre-feet of storage space to be provided in Burns Creek Reservoir would help to satisfy that need, in addition to which the energy generated at Palisades and Burns Creek Dams could be sold during the irrigation season to encourage the development by private capital of wells and pumping plants to serve about 65,000 acres of new lands. The increased agricultural production, new farms, and supporting population which results will expand the general economy and tax base, both locally and nationally.

The pamphlet labels Burns Creek a flood control project that won't help control floods. The Bureau has made no claim of benefits or allocated any space or money to flood control. Because of this fact, 99.9 percent of the project cost is reimbursable, and the taxpayers of the Nation are not bearing the cost as they do for flood control throughout the country, particularly in the Eastern States.

The charge is made that the project would provide subsidized below-cost power to a favored few. The payout studies show that in accordance with accepted practices of operation and analysis the entire cost allocated to power is repaid with interest, in this case in 40 years. The costs and rates are determined, as a matter of fact, on the same basis as are rates in contracts for the sale of Government power to Utah Power & Light Co.

The reference to the "favored few" refers, of course, to the preference customers, such as REA's, cooperatives, and municipalities, which under Federal law have first call upon Federal power not needed for project purposes. All power not used for project purposes or sold to preference customers is available for purchase by the private utilities in the area. Between July 1, 1959, and June 30, 1960 (fiscal year 1960), these utilities purchased 44 percent of the total sales from the southern Idaho Federal power system.

The statement is made that efforts have been made to camouflage the true purpose of the Burns Creek project. The facts are clearly on the record through voluminous testimony and through the Bureau reports. It is not fiction that 42.7 percent of the reservoir capacity is for conservation space, and, when and if necessary, 92.7 percent of the reservoir capacity can be utilized to provide water for beneficial consumptive use, and that only 7.3 percent of the total capacity is not available for water conservation. The power function is, of course, vitally important to the financial feasibility of the project, as it is power revenues that assure repayment of the project.

About 97 percent of the project cost is allocated to power. This entire allocation, with interest, plus $554,000 of the irrigation allocation, will be returned to the Treasury from power revenues. It is not fiction that the water users need and want the water to be conserved by the reservoir. There can be no better proof of the need for, and value of, this function than the fact that applications are already on file for more space than will be available and that the water users are prepared to pay for the use of that space.

The fact that the majority of the cost of the project is allocated to power is no true measure either of its function or its worth. The Hoover Dam, a part of the Boulder Canyon project of the Bureau of Reclamation, one of the most famous of water conservation structures, has not one cent of its cost allocated to irrigation or to municipal or industrial water, or any purposes other than power and flood control. Yet, upon this structure hangs the lifeblood of many thousands of acres of irrigated land and the drinking water of thousands of people in Arizona, California, and Nevada. Incidentally, Hoover Dam was also labeled a "white elephant" during its authorization days; so, for that matter, was Grand Coulee Dam.

The project will be built by appropriations made by the Congress. These appropriations constitute an investment in the future and welfare of the United States. About 40 percent of the money will come from the reclamation fund, which is available only for the purpose of building reclamation projects and is not derived from taxation. The increase in investment in the Palisades project, because of adding Burns Creek, is 73 percent, while the power revenues are increased 94 percent. That the total allocation to power is an investment, and a good one, is also illustrated by the fact that after the entire power allocation is repaid with interest the investment produces an annual cash return of 4.4 percent in addition to the irrigation benefits that continue indefinitely.

Much space is devoted to an attack on the irrigation aspects of the project. The fact that the storage space provided will be needed infrequently merely points up the purpose of the storage, i.e., for long-term holdover. Existing storage provides the annual regulation needed to conserve normal flow fluctuations, but occasional years of abnormally high runoff do occur, when water desperately needed in normal and subnormal years now must be wasted.

The storage capacity provided in Burns Creek Reservoir would permit the conservation of such flows for release when needed. The value of such water is clearly evidenced by the water users' oversubscription of the potential storage space and their willingness to pay for it.

Burns Creek Dam, Reservoir, and powerplant would not remove 3,000 acres from production. The reservoir at maximum pool elevation would cover 4,190 acres, of which 1,400 acres are cultivated agricultural lands used primarily for hay and grain crops, the remainder being poor grazing land, rough and rocky hillsides, or river bottom and unclear riverbank and flood plain.

The pamphlet refers to reregulation as though that is a purpose separate and apart from other purposes. Reregulation, of course, is not a project purpose in and of itself. It is a method of operation by which the real purposes of the project are achieved. Therefore the costs incurred to reregulate releases are allocated to the purpose or purposes directly benefited. That such charges are bruited about are not only insults to the intelligence of every engineer, including those employed by the company, but also demonstrates the absurd lengths to which the company has gone in an effort to mislead the public and the Congress. In the case of Burns Creek Dam, this reregulating function serves a very constructive purpose. Palisades Dam cannot now be and is not being operated to optimum efficiency for power generation because the releases are dictated by other requirements. Addition of Burns Creek to the system would have the effect of essentially freeing Palisades Dam for short-term operation from the restrictive effect upon power generation imposed by riverflow requirements.

The quotation from Mr. Bennett's testimony in regard to peaking capacity is out of context. Mr. Bennett made his statement in connection with a question regarding a possible small reservoir at the Conant Valley site, which was investigated as one possible means of serving the reregulation function only. It is clear in the record that the statement made has nothing to do with the Burns Creek project and its relationship to Palisades.

Some of the power generated in the Federal system is sold to municipalities as preference customers, but the pamphlet is in error in ascribing more than half to such sale.

In determining what power is available, it must be borne in mind that the first call for power produced on reclamation projects is for project use. Under this criterion, there is first allocated to irrigation pumping 73,000 kilowatts out of a total of 155,000 kilowatts, or about 47 percent. Out of the remainder of about 82,000 kilowatts, three municipalities (Idaho Falls, Rupert, and Burley) receive 34,500 kilowatts, which is 22 percent of the total. The remainder, about 48,000 kilowatts, is allocated to REA's cooperatives, and several small towns. The statement in the pamphlet is based upon commercial sales only and hence ignores the important aspect of irrigation pumping power.

To say that incremental Burns Creek revenues must equal or exceed the annual costs, including interest chargeable to the specific project operating in a system, is like trying to say that each time you ride a fleet taxicab your fare in that cab must be related to the cost of purchase and operation of the particular car in which you are then riding. Obviously this would result in chaos. The Secretary is required to maintain power rates in a power system adequate to return the costs associated with that system and this is done by a uniform rate applicable to all power in the system. In the same manner the owner of the taxi fleet makes the same zone or meter charge regardless of which one of the cars in his fleet of cabs you ride in. No power company operates on the basis the company urges here.

The power company seems to feel that construction of Burns Creek would adversely affect coal mining for the thermal powerplant it is building at Kemmerer, Wyo. The president of the power company has stated that his company supported authorization of the Colorado River storage project. That project has an associated 1,168,000 kilowatts of hydroelectric power, but he did not here claim that this large amount of power had the same adverse effect on coal as the relative minor 90,000 kilowatts of Burns Creek power.

In view of these facts, the power company argument seems to be saying that its decision to construct the 500,000-kilowatt Kemmerer thermal plant hung upon the thin thread of serving some 10,000 average kilowatts of winter power and 23,000 average kilowatts of summer power in those portions of Idaho and Wyoming it now serves. Obviously, these responsible people made the decision to build such a large plant taking full account of load growth above that to be served by the Colorado River storage project and other outside sources.

To argue that the estimates of load growth are so delicately balanced that the comparatively small output of the Burns Creek proposal will upset the thermal production schedule is ridiculous.

The record does not show that the power company was solicitous of the coal miners when it built its own hydroplant on the Bear River. Neither does it show that the company expressed such solicitude over the hydro developments in the Hells Canyon reach of the river (i.e. Brownlee, Oxbow, and low Hells Canyon), nor over their own thermal plants that are fired with gas, and even pitch. The improvement in crop production on present lands, due to more water supply and private development of the new lands by ground-water pumping, will automatically increase markets for coal and coal products. The gains thus created will far offset any temporary questionable less use of coal in steam generating plants which might result from construction of Burns Creek.

The Burns Creek project proposal evolved from the water users' need for more storage capacity and from a Federal Power Commission analysis of hydropower potential. Water users oversubscribed for Palisades space, illustrating the need for more space. Wyoming was opposed to construction of any more reservoir space in that State on the Snake River, and the only remaining satisfactory site on the main stem of the Snake River in Idaho above points of water use was the Burns Creek site.

Burns Creek is a good project. It has a benefit-cost ratio of 1.65 to 1. In common terms this means the United States receives $1.65 of value for every $1 spent on the project. All reimbursable costs of the project will be repaid and 97 percent of that cost is repaid with interest.

All 650,000 acres of presently irrigated land in the valley can benefit from the conservation storage in the reservoir. Some 65,000 acres of new land can be privately developed by using summertime power produced on the project to pump ground water. The tax base of the counties, the State, and the Nation can thus be broadened materially.

The investment which the United States has made in the Palisades power facilities, plus that to be made in Burns Creek, will, after return of the reimbursable costs, produce net revenues annually equal to 4.4 percent on the investment. Not only does the United States thus receive back its capital with interest, but continues to receive an excellent return on the property it owns.

Burns Creek repaymentwise is comparable to, and in one respect better than, the total investment in reclamation facilities in the United States. These facilities, in contrast to many Government programs, are 92 percent reimbursable with 30 percent of the total being reimbursed with interest. Burns Creek cost is 97 percent reimbursable with interest.

Sincerely yours,

FLOYD E. DOMINY,
Commissioner.

EFFECT OF TEXTILE IMPORTS

Mr. WILEY. Mr. President, yesterday I spoke about the pioneer spirit of America. I illustrated my comment by two examples, one from my own experience as a boy, and the other the experience of a mill in Reedsburg, Wis. In those remarks I called attention to the fact that the manager of that mill said foreign fabrics delivered in Reedsburg can be bought for 40 to 50 cents a yard less than what it costs them to make the fabric.

Mr. Wirth, president of the mill, feels that the Government has gone too far in furnishing the latest textile machinery to competitors in Germany, Italy, and Japan.

One of the problems facing us in this country is the matter of imports. After the late war, of course, much of the resources of the world was depleted. Under the Marshall plan, we furnished many countries with a great deal of material that was needed. However, those countries have now reestablished their facilities, and are producing goods in competition with our own products.

In the letter I received today Mr. Wirth calls attention to the fact that the three mills which he mentions—

Are owned and managed by friends of mine, and it is heartbreaking to see these mills struggle against unscrupulous dumping of foreign goods into our market. It appears that we have Government officials who have taken it upon themselves to help liquidate and destroy an industry which has been built up in this country over hundreds of years just in order to stay in the good graces of some pressure groups from Japan, Italy, and Germany, and other countries. Our country is the only country in the world that will first of all worry and protect foreign industries before they pay heed or have

any understanding for problems of American industry. Is it not possible that you can help?

Mr. President, I wrote a letter to the Commission. I asked the Commission what was the situation and whether any relief was in sight. In my humble opinion, the woolen mills of this country must get together and must make application to the Commission for such relief as the Commission can give.

In this period we talk about unemployment. In my office today were 50 or 100 men speaking on that subject.

The PRESIDING OFFICER. The Chair regrets to inform the Senator from Wisconsin that his time has expired.

Mr. WILEY. Mr. President, I ask unanimous consent that I may have 1 additional minute.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Wisconsin? The Chair hears none, and it is so ordered.

Mr. WILEY. Mr. President, their position is the same as I have stated today.

Mr. President, I ask unanimous consent that the letter be printed in the RECORD following my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

REEDSBURG WOOLEN MILLS, INC.,
Reedsburg, Wis., March 17, 1961.

Senator ALEXANDER WILEY,
Senate Office Building,
Washington, D.C.

DEAR SENATOR WILEY: My name is Ralph Wirth. I am president of the Reedsburg Woolen Mills. I have been acquainted with you for many years, when you were governor of Kiwanis for the Wisconsin and upper Michigan districts, and made trips occasionally to meet with our group at the Hotel Huntly in Reedsburg. Since then I have followed your career with a great deal of interest, and only on one occasion did I write to you on a matter which is very important to me, as well as to the city of Reedsburg, and that is the condition of woolen industry, and also the textile industry in general in the United States.

You are no doubt aware of the fact that our industry has been hard hit by imports, especially from Japan and Italy, and because of such imports many mills had to close their doors and go out of business permanently over the last 4 or 5 years. It seems now with the yearly increase of foreign merchandise being dumped in the United States the death of these mills is increasing at a fantastic rate.

I have always voted Republican because I was under the mistaken presumption that the Republican Party would protect American industry and American workers against the encroachment of cheap foreign goods, but unfortunately I have been completely mistaken. Nothing has been done, and nothing is being done to stop foreign countries from destroying the great and important woolen textile industry in the United States. With the wage rates that are being paid by our industry compared to the wage rates paid in Italy and Japan we just do not have a ghost of a chance for survival, unless vigorous action is taken by the Government.

This is the reason I write to you, and appeal to you to help the woolen textile industry, especially to help such mills as the Reedsburg Woolen Mills in Reedsburg, Wis., the Chippewa Falls Woolen Mills in Chippewa Falls, Wis., and the Rock River Woolen Mills in Janesville, Wis.

There are others, but these three mills are owned and managed by friends of mine, and it is heartbreaking to see these mills struggle against unscrupulous dumping of foreign goods into our market. It appears that we have Government officials who have taken it upon themselves to help liquidate and destroy an industry which has been built up in this country over hundreds of years just in order to stay in the good graces of some pressure groups from Japan, Italy, and Germany, and other countries. Our country is the only country in the world that will first of all worry and protect foreign industries before they pay heed or have any understanding for problems of American industry. Is it not possible that you can help?

I would appreciate an answer to my letter, and if you feel that I should see you in Washington to discuss further this problem I will be happy to make an appointment with you, and see you at your convenience.

With kind personal regards, I am,

Yours very truly,

RALPH WIRTH,
President and General Manager.

HOW THE PEACE CORPS CAME TO BE

Mr. WILEY. Mr. President, on the subject of "How the Peace Corps Came To Be," there was published in the Sunday Washington Post and Times-Herald an article written by Drew Pearson which states that the Peace Corps idea came out of Russia. The article comments on how the idea was taken up by the Kennedy administration. I ask unanimous consent to have the article printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HOW THE PEACE CORPS CAME TO BE

(By Drew Pearson)

Here is the inside story of how President Kennedy happened to propose one of his most electrifying programs—the Peace Corps. It has aroused such response from American youth that its Director, Sargent Shriver, is swamped.

The Peace Corps was finally sold to Mr. Kennedy during the closing days of the election campaign by a Philadelphia businessman, M. J. Shapp, president of the Jerrold Electronics Corp. A further interesting fact is that Shapp got the idea from Moscow, where the Soviet Union is training a peace corps of young Russians for work in the underdeveloped countries.

Shapp had been in Moscow on a people-to-people friendship program and saw how the Soviet was giving intensive training to young people in foreign languages, foreign customs and the economic problems of Africa and Asia, for the purpose of spending part of their lives in these areas.

If the Russians could do this, Shapp decided, America could do likewise. He also was impressed with the fact that American dollars were not winning the battle of foreign aid, and that it needed more than dollars to win the cold war.

So during the recent election campaign he tried to see Bobby Kennedy in Philadelphia. Bobby was busy being monopolized by the henchmen of Representative BILL GREEN, Democrat, of Pennsylvania, so Shapp learned that Bobby was flying to Pittsburgh, got a ticket and sat beside him during the flight. During the trip he unfolded his idea of a peace corps.

FAST-MOVER KENNEDY

"Write me a memo about it," said Kennedy, "and I'll see what we can do."

This was on Tuesday, October 25. Shapp took the next plane back to Philadelphia and wrote Kennedy a memo that night.

"When I was in Moscow last year," Shapp wrote to Robert Kennedy, "I met a young couple who were studying Swahili at the Moscow Institute of Languages. He was a sanitation engineer; she was a nurse. They were also studying the native customs of African countries.

"They told me that upon completion of their special training they were going to move to Africa to live. They had the same zeal and outlook as I have found in many of our religious missionaries. It is this type of person that we must train and inspire to carry the message of American idealism to all parts of the world.

"The carrying of this message must be accomplished by service to the people in order that our way of life can prevail."

By Friday Shapp was in Washington conferring with Roger Tubby of Senator Kennedy's staff, and on Sunday he conferred further with Ted Sorensen, Senator Kennedy's right-hand adviser.

The Kennedys move fast. By Tuesday, November 1, candidate Kennedy had made the Peace Corps one of his most important campaign proposals.

(NOTE.—Shapp emphasizes that to be successful, Peace Corps members must have the same religious fervor as American missionaries. He also emphasizes that the Russians spend 3 years training their youth corps members and most of them have graduated from college before they join up. The American Peace Corps, therefore, cannot be a slapdash operation.)

APARTHEID IN THE UNION OF SOUTH AFRICA

Mr. JAVITS. Mr. President, the whole world will view with alarm and concern the headline news from the Union of South Africa that a race riot broke out on the return of the Prime Minister, with respect to the withdrawal of the Union of South Africa from the British Commonwealth. I had occasion to refer to this tragic event in the Senate last week.

Mr. President, the United States has an opportunity to take a very constructive role in respect to this problem. I do not see how the world can refrain from condemning apartheid in the Union of South Africa as being contrary to the Charter of the United Nations, to which the Union of South Africa is a party, and as being contrary to international law and international morality.

When we observe this kind of crisis developing, so dangerous not only to the Union of South Africa but also to the peace of the world—knowing, as we do, the revolutionary atmosphere throughout Africa, the Middle East, and the Far East in terms of the determination of people whose skins are yellow, black, or brown to be considered human beings of equal dignity with all others—I think it is important to consider the role the United States can play. It should be a very constructive and effective role.

An opportunity is afforded to us by reason of the fact that the special political committee of the General Assembly will be considering the same question this week. Our representative on that committee is Mr. Plimpton, recently appointed as deputy United States representative to the United Nations. The committee will be discussing discrimina-

tion against Indians in the Union of South Africa, and will also be discussing the whole problem of apartheid.

Mr. President, the United States, through Mr. Bingham, has joined in voting condemnation of South African apartheid policies as applied by the Union of South Africa in the trust territory of South-West Africa. This took place last week in ithe fourth commttee on the United Nations, the so-called Dependent Areas Committee, which asked the Union of South Africa to give effect to the resolution adopted by the United Nations General Assembly on this subject last December.

Mr. President, certainly the United States has a duty to engage in the greatest amount of moral suasion in helping marshal the whole public opinion of the world in respect to this very critical question. We must understand that what is going on in the Union of South Africa now will have an enormous effect upon world peace and upon racial tensions throughout the world.

Racial problems which we have experienced in the United States for very long are now international problems, and the highest order of international statecraft is required. The United States is called upon to play a constructive role in terms of the preservation of peace and the international implications of race relations and equal opportunities for all men, whatever may be their colors.

I express hope that the Congress will demonstrate that it fully supports the action of the President of the United States, a grave and serious action already taken in one committee of the United Nations, to be taken in another, and to be taken in the United Nations General Assembly. We should make clear, with all the moral and diplomatic force we have, that we are against apartheid not only because it is morally and legally wrong, but also because it is a threat to the peace of the world.

NEED FOR UNITED NATIONS PERMANENT FORCE

Mr. KEATING. Mr. President, I have read with great interest the speech of Secretary of State Dean Rusk delivered at the University of California's Charter Day exercises. Secretary Rusk made it clear that the United States must seriously consider the possibility of calling for a permanent United Nations police force to handle such situations as those occurring in the Congo. In order to meet the need for rapid action and to have enough troops available to meet the challenges arising in all corners of the globe, a permanent United Nations force with a unified direction is virtually a necessity.

Had such a force been ready and available in the Congo from the start, the ill-fated developments in that land might well have been averted, or at least minimized.

Mr. President, under the circumstances, I believe that the resolution submitted by the Senator from New Jersey [Mr. CASE] on February 22, of which I was a cosponsor, is particularly appropriate. We have called for the establishment of such a permanent force, to be under the permanent and effective control of the Secretary-General, or whomever else shall be designated as commander in chief. Moreover, it should be budgeted as a part of the regular United Nations budget so that every nation would be obligated to pay its share or lose its voting privileges.

Furthermore, Mr. President, there are two other points suggested by Secretary Rusk's statements. He stresses also the need for continued action in the field of disarmament. I believe it would be useful to explore the possibility of establishing a permanent United Nations force in connection with the disarmament talks now being studied anew. If the nations themselves disarm to any appreciable extent, the need for a permanent, ready United Nations force will be greater than ever.

Finally, Mr. President, I think we would do well to consider the possibility of urging that a United Nations force be sent to Laos where the Communists are moving forces in rapidly in an attempt to take over the country, or at the least to divide it in two, like Korea and Vietnam. A United Nations force in Laos would be invaluable in guaranteeing the genuine neutrality of the country and in preventing a forcible Communist takeover.

WORCESTER, MASS.—AN ALL AMERICA CITY

Mr. SMITH of Massachusetts. Mr. President, the city of Worcester, Mass., has just been cited by the National Municipal League and Look magazine as one of the country's "All America Cities."

Its citizens were given this recognition for the exceptional record which they have made in recent years in the field of civic improvement. This shows that local pride and local initiative are still the strongest weapons which our cities wield against the encroachments of blight and decay.

I ask unanimous consent to have these articles regarding Worcester printed in the RECORD.

There being no objection, the matters were ordered to be printed in the RECORD, as follows:

DEAR SENATOR SMITH: It is with great pleasure that we announce that Worcester, Mass., is being honored this month as an All America City.

The citizens of Worcester, by their outstanding action in bringing about major civic improvements, have earned the coveted title for their community, and will receive one of the annual All America City Awards presented under the joint sponsorship of the National Municipal League and Look magazine.

The citations are given each year to 11 U.S. communities selected by a jury of distinguished citizens and experts on government impaneled by the league. As cosponsor, Look is proud to announce the names of the winning cities, together with the story of why they won.

I feel sure you will be interested to know of this well-deserved honor which has come to the people of one of the fine cities in your State.

Cordially yours,

JANE DOUGLAS,
Coordinator of Civic Programs.

WORCESTER, MASS.—Citizens of New England's third largest city have a long record of civic achievement.

Leaders of this industrial city of 186,587 believe that a greater proportion of its residents participate in civic affairs than in any other city in the United States. Two reform-bent nonpartisan organizations, the Citizens Plan E Association and the League of Women Voters, have over 2,000 active members each. In 1947, they persuaded voters to adopt a council-manager government. Voters approved it again in 1959.

Another large group, Citizens for Neighborhood Improvement, has 53 neighborhood associations. An organization that grew from a slum survey by students of Worcester Polytechnic Institute, it has upgraded health, housing, traffic, and playground facilities. Yet another group, the Emergency League for School Construction, campaigned for the adoption of an $8.5 million school-building program. And a Committee on Aging last year established the first municipal information center for the aging in the United States to provide professional consultation service.

EFFECT OF MINIMUM WAGE LEGISLATION ON UNEMPLOYMENT

Mr. MILLER. Mr. President, I ask unanimous consent to have printed in the RECORD a letter I have received from the chairman of the legislative committee of the Mason City, Iowa, Chamber of Commerce. The letter sets forth information collected from a study and survey of the effect upon Mason City retailers of minimum wage legislation pending before Congress, and indicates the potential unemployment which this legislation entails. The chairman of this committee is one of our most respected Iowa lawyers, and I am sure his letter merits the attention of all who are concerned over our unemployment situation in this country.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MASON CITY, IOWA, *March 14, 1961.*

Re minimum wage bill, S. 895.

Hon. JACK MILLER,
Senate Office Building,
Washington, D.C.

DEAR SENATOR MILLER: I am writing as chairman of the legislative committee of the Mason City Chamber of Commerce which has recently completed a study and survey of the effect upon Mason City retailers of proposed Federal legislation increasing the minimum wage to $1.25 per hour and broadening the coverage to include in general retail and service businesses with volume of $1 million per year or those with $500,000 per year volume if half thereof is in interstate commerce. After considerable study of the proposed legislation, a subcommittee of the legislative committeee recommended that the committee as a whole oppose this proposed legislation and this recommendation has been approved by the legislative committee.

In connection with this study, the subcommittee sent out questionnaires to 120 retail establishments in Mason City and received returns from 37 thereof. I enclose to you herewith a copy of the questionnaire so that you may see the information sought.

The 37 reporting employers have a combined payroll in Mason City of 887 employees, of whom 385 are now being paid less than $1.25 per hour. In the event of the employer being affected by the minimum wage law, from 57 to 67 employees would

be discharged. Fifteen retailers reported that they would reduce or eliminate overtime work and 14 stated that they would increase prices immediately to cover any wage increase, with the price increase ranging from one-half of 1 percent to 15.7 percent.

Six of the reporting retail establishments indicated a volume of business between $20,000 and $100,000, nine indicated a volume between $100,000 and $250,000, five indicated a volume between $250,000 and $500,000, six reported volume between $500,000 and $1 million, four reported volume in excess of $1 million, and seven made no response to this part of the questionnaire. Fifteen of the questionnaires contained some additional comment at the bottom and all but one indicated opposition to the proposed legislation.

None of the retailers responding to this questionnaire reported as much as 50 percent of their business being interstate sales, although Mason City is a retail center for a considerable area and is relatively close to the Minnesota border.

At the meeting of the legislative committee which adopted the position of opposing this proposed legislation, several Mason City retailers who are not members of the committee were present. It seemed to be the consensus of the group that although a particular retailer may not be directly covered by the proposed legislation, the fact that other retailers in Mason City would be covered would tend to establish the minimum wage of the covered retailers as the minimum wage of the noncovered retailers.

Although I am not informed that you are on the committee considering this legislation, I thought you might be interested in the foregoing information. The 30 members of the legislative committee urge your opposition to the proposed minimum wage bill.

Very truly yours,

RAY E. CLOUGH.

GOVERNOR NELSON'S RESOURCE DEVELOPMENT MESSAGE TO WISCONSIN LEGISLATURE

Mr. PROXMIRE. Mr. President, on March 15 the Governor of Wisconsin, the Honorable Gaylord Nelson, delivered his resource development message to our State legislature. Governor Nelson's message is a thoughtful analysis of the resource needs and potential of our State, and it outlines a course of action to preserve and improve our wealth of scenic, recreational, forest, and other resource assets. To bring this statement to the attention of a wider audience, I ask unanimous consent that it be printed in the RECORD.

I may say, incidentally, the message has been very enthusiastically received by people throughout our State, in both parties, and by all economic groups.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATE OF WISCONSIN RESOURCE DEVELOPMENT MESSAGE TO THE LEGISLATURE, MARCH 15, 1961

(By Gov. Gaylord Nelson)

I want to talk to you today about Wisconsin's vast but endangered outdoor resources, and I want to urge dramatic and decisive action now.

Every thoughtful man and woman in Wisconsin realizes what these assets mean to us. They are a large part of the reason we live in Wisconsin, and why others travel hundreds of miles to share our heritage.

On the north and east, our State is bounded by two of the greatest fresh water bodies in the world, Lake Superior and Lake Michigan. On the west, our boundaries are marked by two great rivers, the St. Croix and the Mississippi. And within our borders, we have more than 9,000 lakes, 1,500 trout streams, and 5 million acres of publicly owned forests.

But these resources can no longer be taken for granted. We are losing them. We are losing them not by the inch and the ounce, but by the square mile and the ton.

We face a challenge that demands immediate action. This is not something that can be put off for 10 years. It cannot be put off for even 2 years without the permanent loss of some of our most vital assets. The choice we are faced with, quite simply, is now or never.

Wisconsin's entire recreational future will continue to be undercut, month by month, unless we start immediately on a program of wise and prudent investment in our outdoors assets, enhanced for future generations by careful planning and by multiple-use concepts.

As a result of the jet plane, more than 180 million Americans are now within a few hours' travel of Wisconsin's famous musky waters. Completion of the Interstate Highway System will bring most of our lakes, streams, parks, and forests within weekend reach of 6,560,000 people in the Chicago metropolitan area, which is 1½ times the entire population of Wisconsin.

State population has also increased an unprecedented 518,000 in the past 10 years, equivalent to all the people in Dane, Racine, and Waukesha Counties. Within Wisconsin alone, this has added 58 potential new users for each of our State's 9,000 lakes and more than 16,000 new people for each of our 32 State parks.

In addition, the vast majority of Americans have more cars, more boats, more motors, more leisure time, and more money to be spent on outdoor recreation. As just one startling example, the number of fishermen in the United States is increasing almost twice as fast as our national population. And as more of our State and National population is squeezed into vast urban centers, the urge to get out of the city and back to nature is multiplied many times over.

Beyond this, there is the massive subdivision of the surrounding countryside that once helped meet the recreational needs of our city people. In Wisconsin, experts say that urban expansion will eat up nearly 1 million acres of our remaining rural lands within the next 15 years. There is also the pressure of industrial expansion, with its new demands for land, water, and timber. And there is the constant striving of our hard-pressed farmers to increase their income by diverting additional water for irrigation and by putting new land under the plow.

I'm sure that each of us can recall a favorite picnic spot that is now a housing development, a wonderful duck marsh that has been drained for farming, a scenic highway stretch that is now cluttered with billboards and roadside stands, a once-secret trout stream that is no more, or a peaceful lake that has been encircled and closed off by private landowners, or overrun and heavily pressured by powerboats.

Many of these losses, however, occurred over several decades. In the face of today's huge and threatening pressures, the best of what is left can be lost for our children in a handful of years. This is the challenge we must meet, and meet now.

Our failure to act will do far more damage to Wisconsin's future than that inflicted by the lumber barons when they thoughtlessly destroyed our virgin stands of white pine and hardwood 75 years ago.

Let's look at a few harsh facts.

In the past 10 years, daytime use of our parks has increased 72 percent and camping has increased 246 percent, compared to a 15-percent rise in State population. At my request, the 1959 legislature approved a 50 percent increase in funds for these facilities, yet they are still at the breaking point. Last year, for the first time in Wisconsin history, we turned away campers at our State parks. Tents had become so jammed together that they created a major fire hazard; the ground had been worn bare in many areas and had been so tamped down that it was impossible to drive a tent spike.

While overcrowding thus threatens destruction of existing facilities, the cost of acquiring new parks and campgrounds is increasing about 10 percent a year, or more than 100 percent every 10 years that we allow to pass. But it is not just a question of cutting our buying power in half. It is also a question of the best sites being permanently lost to the public, since all this prime land will be subdivided for private use long before the 10 years are up. In 1970, we would pay more for remaining second- and third-rate sites than we would pay for first-rate sites today.

In this critical situation, Wisconsin is spending only 9 cents per park visitor, while Illinois spends 42 cents and Minnesota 28 cents.

Unless we take emergency action, our park and forest recreation system is destined to remain the weakest link in our entire conservation program, dependent largely on what can be spared from other conservation revenues and from the State's general tax funds. Even the park sticker fee proposal would fall far short of providing adequate funds.

Wisconsin's other outdoor assets face much the same dangers as our parks and camping sites. Carp now occupy lakes and streams that once belonged to game fish. Our native brook trout are slowly losing out. Most of the trout waters in southeastern Wisconsin are already destroyed, and the belt is moving steadily west and north. Even in central and northern Wisconsin, the platting of stream and river shorelines places both fish and game habitat in grave danger, as does the lack of public control of many headwaters.

Shoreline filling, sand blankets, dredging, drainage, subdivision, and pollution have already destroyed major spawning beds and nursery areas for muskellunge, northern pike, walleyes, and bass. In our more populated areas, up to 50 percent of the remaining northern pike spawning grounds face destruction in the next decade. And again, public control and management offers the only hope.

Public access to lakes and streams, as demanded by our State constitution, is also endangered, despite the new statewide access program we authorized in 1959. Private interests are buying the last segments of shoreline and closing lakes to the public at a rapid rate. In the far northern areas of Wisconsin, such as Vilas County, lake frontage prices have doubled and tripled within the last 5 years, and the situation is even worse in other parts of the State.

The same hard, cold facts apply to Wisconsin's remaining resources for wildlife habitat. Wetlands provide the main habitat and breeding grounds for many species of game, including snipe and woodcock, duck and deer, pheasant and rabbits, beaver, otter, mink, muskrat, raccoon, and wild birds of all kinds. In some counties, these damp pockets of vegetation furnish the last remaining wildlife habitat.

More than half of our original 5 million acres of wetlands have been drained in the past 60 years; and in southeastern Wisconsin, drainage of wetlands continues at the rate of almost 750 acres per county each year. With each acre drained, Wisconsin forever loses part of its potential for wildlife.

In brief, this is the pattern. In the face of massive and unprecedented pressures on our outdoor recreational resources, we are steadily losing ground—in scenic beauty, in parks and campsites, in fish and game, in fresh water assets and wilderness areas.

I believe the facts demand a crash program. I propose that we spend $50 million over the next 10 years on this program. I propose that first priority be given to securing for the public these vital assets that are fast disappearing, and that only secondary priority be given to their immediate development. I propose a 1-cent tax on cigarettes, which will pay for this program.

Of the $50 million total, $33 million would be spent for State parks and State forest recreation areas, $9 million for fish and game habitat, $2½ million for youth conservation camps, $2 million to protect scenic resources along our highways, $1½ million for creation of new lakes under the Federal small watershed program, $1 million in State aids to help metropolitan areas acquire rural recreation areas to meet the needs of their people, $392,000 for tourist information centers at key points of entry to Wisconsin, $270,000 for careful planning of future projects and priorities, and $50,000 for a survey of the Lake Superior region's recreational potential, including possible construction of a south shore scenic drive.

A 1-cent increase in the cigarette tax is expected to produce $9.7 million in the next biennium, and the revenue from this 1 cent is increasing $260,000 a year. Thus, in the 10-year period, the total revenue produced would be more than $50 million.

Except for restoration of all fish and game license funds now diverted to parks, all this money would be used to supplement present conservation activities. Even $50 million would fail to meet our needs, however, without one novel feature. In brief, I propose that a substantial share of these funds be spent for easement rights, rather than outright purchase of lands.

This easement program has operated with great success in such other States as New York. It has two distinct advantages. First, the land stays on the local tax rolls. Second, and more important, the State pays for only those rights it deems are essential to the public interest, and then only on the portion of the property considered necessary.

The Wisconsin Highway Commission already has a limited easement plan underway for purchase of scenic rights along the Great River Road, which follows the Mississippi River for almost 250 miles from the Illinois border to Pierce County. We have purchased scenic easements on 53 miles of this road, including State control of billboards, construction, tree removal, dumping, and subdivision. At a cost of less than $700 a mile, the public has been guaranteed protection of much of the finest scenery along the Mississippi for all time. Outright purchase of these lands would have cost us two to three times as much.

I propose that we use easements on a far broader scale, with a prospect of equal or even greater savings. In addition to scenic easements, I propose that we purchase public access rights, public hunting and fishing rights, use and alteration rights of headwaters and springheads, wetlands drainage rights, scenic overlook rights, fencerow rights for the protection of game cover, platting rights along trout streams, subdivision and timber cutting rights along lake shorelines, and development rights to protect lands adjacent to State parks and campgrounds from the clutter of billboards, taverns, and concessions. The right or combination of rights to be purchased would be determined case by case. But in each case, the State would pay only the difference between the market value of the land with and without the rights sought by the State. And in many cases, landowners would be willing to sell such rights, even though they have no intention of parting with their property.

In the 10-year program, I propose that about $7½ million of the $50 million total be reserved for these easements. I am convinced that this $7½ million will assure the public permanent preservation of outdoor assets that would cost Wisconsin between $15 and $20 million if we had to rely solely on outright purchase.

Of the total acreage to be put under public control, more than one-third will be covered solely by easement rights.

The 1-cent increase in the cigarette tax will produce $9.7 million in the 1961–63 biennium. I propose that we spend $5.6 million on parks and forest recreation areas, $2.7 million on fish and game lands, $525,000 on youth conservation camps, $293,000 for scenic easements along our highways, $200,000 to help metropolitan areas acquire rural recreation areas, $140,000 for tourist information centers, $90,000 for creation of lakes under the Federal watershed program, $52,000 for planning, and $50,000 for the Lake Superior recreational survey.

STATE PARK AND FOREST RECREATION AREAS

The $5.6 million in new funds that I propose for parks and forest recreation areas in 1961–63 includes $4 million for land acquisition, $1 million for development, $493,000 to restore all fish and game funds that otherwise would be used for parks, and $150,000 for added maintenance costs. Of the $4 million for land, $500,000 would be earmarked for easements and $3½ million for outright purchase.

This $4 million increase in appropriations would enable us to move with maximum speed to acquire 18,000 acres at four existing facilities and an additional 18,000 acres to establish nine new facilities. The four existing areas are Terry Andrae, Kettle Moraine, High Cliff, and Governor Dodge.

The new parks include Mirror Lake in Sauk County, Whitefish Bay and Europe Lake in Door County, Lake Wissota in Chippewa County, Sugar Creek in Walworth County, and Pike Lake in Washington County. The new parks also include three to be acquired in 1961–63 at key interchanges of the Interstate Highway System, thereby providing recreation, rest, and camping facilities for those traveling the new system. Final determination has not been made of the exact sites for these three parks, but at least one will be within easy range of the Milwaukee metropolitan area.

These 13 parks, involving 37,000 acres of new land, are the top priority projects listed by the Wisconsin Conservation Department for the next biennium. In addition, three other park projects will be included in the 1961–63 program if they are found feasible after further study. These are Lac du Flambeau Pines in Vilas County, Raspberry Bay on Lake Superior, and possible leasing of park facilities in the Menominee Indian Reservation. I also believe that engineers should study the possibility of creating a lake at Wildcat Mountain, and that this project should be included in the 1961–63 program if it proves feasible.

Over the 10 years of the proposed program, the State would spend—in addition to its normal budget for acquisition and development—$17 million on park and forest recreation lands, $13 million for development and $1 million for maintenance of these lands. A 10-year total of about $2½ million in hunting and fishing license fees would also be replaced so that these funds can be restored to the fish and game programs where they rightfully belong. A total of $493,000 in license fees would be restored in the next biennium alone.

This 10-year program will permit the State to acquire 145,000 additional acres of park and forest recreation area lands through easements or outright purchase. It will permit adding almost 5,000 camping units to our existing 2,900 individual campsites. And it will also permit development of 41 new or improved beaches, 35 bathhouses, 50 new electrical, sewage, and water distribution systems, 80 new picnic areas, and 304 miles of new or improved hiking trails. Under present limitations on funds, the State in the next 10 years could finance less than 13 percent of this land acquisition program and only 7 percent of the development program.

Major emphasis in this program is on development of an entire recreational complex in congested southeastern Wisconsin to serve the metropolitan populations of Milwaukee, Waukesha, Racine, and Kenosha counties. When this complex is complete in 10 years, it will extend northward from the proposed Sugar Creek Park in Walworth County to the southern Kettle Moraine unit, to the new park on the interstate highway system west of Milwaukee, to the new Pike Lake Park in Washington County, to the northern Kettle Moraine unit, and then east to Terry Andrae Park on Lake Michigan. The 10-year program also earmarks $1 million for acquisition and development of about 3,000 additional acres of recreational lands in southeastern Wisconsin at sites to be determined later. Along with the proposed $1 million in the State aids to help metropolitan areas acquire rural park facilities, this will give us a complete chain of public recreation areas in the most populated part of Wisconsin.

GAME HABITAT

In 1961–63, I propose a $1.7 million increase for preservation of game habitat, including $1.4 million for outright wetlands purchase and $300,000 for easement rights. This $1.7 million is in addition to the funds proposed for wetlands acquisition in the conservation budget, and would give us a total program of $2.4 million for the next biennium.

This is more than three times as much as we could spend using current sources of revenue. It will permit great acceleration in acquiring more than 94,000 acres of wetlands at 36 existing game management areas and 17 new areas, including a $208,000 purchase and development project on a portion of the abandoned Bong Air Base in southeastern Wisconsin if this area becomes available from the Federal Government. Nine of the major expansions, involving an average acquisition of 3,100 acres apiece, are at Mud Lake in Dodge County, Theresa Marsh in Dodge and Washington Counties, Eldorado Marsh in Fond du Lac County, Collins Marsh in Manitowoc County, the George W. Mead area in Marathon, Portage, and Wood Counties, Peshtigo Harbor in Marinette County, Avon Bottoms in Rock County, and Scuppernong and Vernon Marshes in Waukesha County. Together, these nine projects involve eventual control of 23,000 acres of new game lands at a cost of $1.3 million.

New game land projects include the Brillion Marsh in Calumet County, Wildcat Marsh in Dodge County, Silver Creek Marsh in Green Lake County, and the wetlands along the Wolf River in Outagamie County. These projects total 21,500 acres and will cost an estimated $720,000 for land purchase and easements. Significant starts will also be made on easement control of approximately 40,000 acres of small wetland areas scattered throughout 32 of our counties, at an eventual cost of $711,000.

The 10-year program for game lands includes purchase or easements on an additional 353,000 acres of prime game habitat at a total cost of $8.4 million, including $5 million in new funds from the 1-cent cigarette tax. Under present limits on funds, the conservation department estimates that it would carry out less than 30 percent of its total acquisition goal in the next 10 years.

Of the $8.4 million for game habitat, more than $1½ million would be reserved for easements. The easement program would include purchase of drainage rights on wetlands, subdivision rights, public hunting and trapping rights, and refuge rights.

FISH HABITAT

For the next biennium, I also propose a $1 million increase for land acquisition under the fish management program, including $750,000 for outright purchase and $250,000 for easements. With the existing $425,000 proposed for new lands for fish management in the conservation budget, this will give us a total program of $1.4 million for 1961–63.

This, again, is more than three times what we could spend using current revenues. It will permit the State to proceed as fast as possible in beginning outright ownership or easements on 41,000 new acres of shoreline property on lakes and streams in the next 2 years, including expansion of 32 existing projects. The eight largest expansions, involving an average of 2,500 acres apiece, are on the Upper Waubesa Marsh in Dane County, the Prairie River in Langlade and Lincoln Counties, Chaffee Creek in Marquette and Waupaca Counties, Turtle Creek in Rock and Walworth Counties, Radley Creek in Portage and Waupaca Counties, the Kinnickinnic River in St. Croix County, and Willow Creek and the Pine River in Waushara County. Together these eight projects involve eventual control of 20,000 additional acres of land which will cost $858,000.

The 10-year land program for fish management covers outright purchase or easement rights on 103,000 new acres at 57 existing projects and 46 new projects. It will also include preservation of wilderness areas along our most remote rivers. The total cost of this program would be $3.6 million, including $1½ million in new funds from the cigarette tax. Under present limits on funds and programs, the conservation department estimates that less than half this land could be secured by 1971.

In addition to the $6½ million in new land acquisition funds for fish and game management, I propose to earmark $2½ million for development of these lands during the later stages of the 10-year program. This brings the total in new funds for fish and game management to $9 million for the 10-year program.

YOUTH CONSERVATION CAMPS

I propose that we spend $525,000 in the next biennium and $2½ million in the next 10 years on conservation camps for young men between 16 and 19. These camps would be operated by the welfare department, with the conservation department providing personnel to supervise work projects. Each camp would be designed for about 100 boys. The camps would operate for 12 weeks during the summer months, with each group of boys staying for 6 weeks. The boys would work on fish, game, forest, and park projects, and would be paid $18 a week in addition to receiving room and board.

On the basis of priorities set by the Director of the Conservation Department, the first camp would be established at Interstate Park outside St. Croix Falls. Every effort would be made to have this camp constructed and in operation by the coming summer. The second camp would be constructed in the Rhinelander area and would be in operation in the summer of 1962. The third camp would be constructed and opened in the summer of 1963 and would be located in the Kettle Moraine region in southeastern Wisconsin. All Wisconsin boys between the ages of 16 and 19 would be eligible to apply to these youth conservation camps.

I believe that these camps present a marvelous opportunity for conservation education, as well as giving 600 young men a chance for healthy and constructive outdoor activity each summer. The conservation department informs me that it has a backlog of thousands of man-years in work projects which could be handled by young men based at the three locations selected by the department. Without added help, the department estimates that some of these projects will be delayed for more than 30 years.

In addition, there is a bill now pending in the U.S. Senate that would establish a national conservation camp program and would set up funds for matching State programs on a 50–50 basis. This bill passed the Senate in the last session, and has a good chance to pass both Houses in this session. If the legislature adopts this proposal, Wisconsin would become one of the very few States in the Nation that is prepared for immediate use of Federal aids for conservation camp activities.

SCENIC EASEMENTS

I also propose that we spend $293,000 in 1961–63 and $2 million in the next 10 years to acquire scenic easements along our State highways. On the basis of what it has cost the State to purchase easements on 53 miles of the Great River Road, this program should enable us to acquire scenic rights on 450 miles of Wisconsin highways in the next 2 years and more than 3,000 miles of highways in the next 10 years. I propose that top priority be given to completing scenic easements along the Great River Road. When this road is completed to the Gulf of Mexico, it will be the longest scenic highway in the Nation, and I believe that Wisconsin can show some real leadership on this project. I also propose to acquire scenic rights on highways along Lake Michigan, Lake Superior, and Green Bay, along the Chippewa, Wisconsin, Fox, Milwaukee, and Wolf Rivers, in the lake and forest country of northern Wisconsin, and through the Menominee Indian Reservation and the Kettle Moraine area.

CREATION OF NEW LAKES

I propose that we spend $90,000 in 1961–63 and a total of $1½ million in the next 10 years to help create as many as 25 to 30 new lakes scattered throughout southwestern Wisconsin. This is the only part of our State that is now totally devoid of lakes, and therefore deprived of the scenic, swimming, fishing, and boating pleasures that are afforded by such waters.

Under the National Small Watershed Act, the Federal Government pays for flood-control dams on approved small watershed projects, while local governments provide for other costs such as land, easements, and maintenance. But the Federal Government will also pay 50 percent of the cost of an improved dam that will create a permanent lake, as well as 50 percent of the cost of creating a lake that is not for flood control but is an integral part of a multipurpose watershed project.

My proposal, essentially, is that the State pay the other 50 percent of the added costs. This will permit us to create permanent lakes that will cost local governments very little more than the basic flood-control projects to which they are already committed on a total of 18 projects.

This program would be supervised by the State soil conservation committee, with applications for aid originating in local soil conservation districts and with approval required from the State conservation department.

Although detailed surveys have not yet been completed for the 18 projects, engineers, watershed technicians, and biologists agree that all 18 offer definite possibilities for creation of lakes. In view of the additional projects for which applications can be expected within the next few years, this State aid program envisions the possible creation of more than 1,000 acres of new lakes in southwestern Wisconsin by 1971.

Two of these projects can be constructed in 1961–63 if present estimates of their feasibility are borne out by final studies. These two projects are in the Bad Axe River watershed, 4 miles west of Viroqua in Vernon County. They would create lakes of 40 and 68 acres, of which the State's share of the added cost would be $90,000.

Another 16 projects with definite potential for lakes have been approved and are now in the planning stages. These projects include eight additional potential lakes in Vernon County, four in Iowa County, and one apiece in La Crosse, Pierce, Richland, and St. Croix Counties.

OPEN SPACE FOR METROPOLITAN AREAS

I propose that we spend $200,000 in the next biennium and $1 million in the next 10 years to help metropolitan areas acquire recreational land for our urban citizens. Wisconsin's largest cities and even some of the smaller cities in the nine most heavily populated counties have exhausted the open spaces within their borders. And as the rural land around them is rapidly consumed by suburban development, their people are isolated farther and farther from outdoor recreational areas.

Before another 1 million acres of rural land are completely urbanized, I recommend that the State help these communities by paying 50 percent of the costs of acquiring recreational land beyond the urban sprawl. I believe that this program will benefit not only the communities I have mentioned, but the suburbs that will be developed around them in the next few years, for it will provide large pockets of recreational space for these new suburbs as well.

Urban planners are convinced that this is one of the most pressing problems facing our State and Nation. They believe that we must act now to provide for the future outdoor needs of the low-mobility groups who live in the congested centers of our cities and find their recreational opportunities ever more limited. This plan is designed in large part for just such opportunities.

TOURIST INFORMATION CENTERS

I propose that we spend $140,000 in the next 2 years and $392,000 in the next 10 years to construct and operate tourist information centers at key points of entry to Wisconsin. Appropriating more than one-third of the total in the first 2 years would allow us to construct one permanent center and to purchase two mobile units in the immediate future.

The first permanent tourist center should be established near the Illinois border adjacent to the interstate highway between Chicago and Milwaukee, since this is the greatest point of entry to Wisconsin. The two mobile centers should be tried at various experimental locations near Hudson, which is on the Interstate System opposite Minneapolis-St. Paul, and near Beloit, which is on the other fork of the Interstate System between Illinois and Wisconsin. In the 10-year program, permanent tourist information centers could replace the mobile units at the locations that prove best near Beloit and Hudson, and the mobile units could then be used at such other points of entry as those near Superior, La Crosse, and opposite Dubuque, Iowa.

Province of Ontario officials have had great success with tourist information centers, and they have provided substantial help in designing this program. They report that more than 600,000 tourists used their information centers last year alone. Wisconsin could expect corresponding use. I believe that these centers can be of real help in directing out-of-State tourists to public facilities that can most easily stand the added pressure and to private facilities that can best meet their vacation requirements.

These information centers would thus promote the recreational enjoyment of our own citizens, as well as the interests of Wisconsin's vital vacation industry.

LAKE SUPERIOR REGION DEVELOPMENT

In addition to buying scenic rights along Lake Superior and possible acquisition of the new Raspberry Bay area in Bayfield County, I propose that we spend $50,000 in the next 2 years for a complete survey of the Lake Superior region's recreational potential. This magnificent region is Wisconsin's last great outdoor asset that remains relatively untapped. I think we should plan wisely and carefully for its development, preventing the thoughtless exploitation that has destroyed so many of our other outdoor resources. In the 10-year program, I also propose reserving $2.9 million for the later coordinated development of fish, game, forest, park, and scenic values in the Lake Superior region, as well as for preservation of scientific and wilderness areas in this region.

PLANNING AND COORDINATION

Finally, I propose that we spend $52,000 in the next 2 years and $270,000 in the next 10 years for planning and periodic reexamination of this entire $50 million program.

Many State agencies would participate in this program, including the conservation department, the attorney general's office, the highway commission, the department of resource development, the soil conservation committee, and the welfare department.

Coordination is essential. I therefore propose the creation of a State recreation committee to consist of one representative from each of the agencies named, with the Governor serving as chairman, and with adequate provision for staff.

The State recreation committee would refine all details of the 10-year plan and would prepare specific recommendations for the Governor and the legislature for each succeeding biennium.

To encourage action by participating agencies and to prevent accumulation of idle funds under any part of this program, all unspent moneys would revert to a special fund to be included in the committee recommendations for the next biennium.

CONCLUSION

I have offered you a $50 million program to save Wisconsin's finest outdoor resources. This program is the result of many weeks of intensive effort by many people, and represents the best thinking of the agencies involved.

Now is the time to move boldly to preserve our great heritage of scenic beauty, fresh water assets, and wilderness areas. Once this opportunity is lost, it is gone forever. No succeeding legislature will again have the same chance to make such a lasting mark in the field of conservation. Ten years from now will be too late. Two years from now will be too little, for each passing month we witness the permanent dissipation of some valuable asset.

This surely is an area of concern where bipartisan cooperation is a mark of responsibility and statesmanship. Whatever our differences in other matters, we stand together in our determination to preserve for posterity those gifts of nature that were here when our ancestors arrived.

If you adopt this program, whatever else you do this session, you will leave a permanent mark in history as the conservation legislature.

AGRICULTURE DEPARTMENT TO RECONSIDER WATERED HAM DECISION

Mr. PROXMIRE. Mr. President, there is good news for consumers and farmers in the announcement that the Department of Agriculture will reconsider the redefinition of Federal meat standards which permits ham and other pork products to contain substantial amounts of added moisture. Considerable concern has been expressed by consumer groups about the redefinition, which took effect December 30, 1960, under which ham could contain up to 10 percent added moisture, with no label indication that this was the case. Prior to the revision of standards, any ham which contained added moisture had to be labeled "imitation ham." In effect, the revision simply removed the adjective "imitation" from the label of the identical product.

According to Secretary of Agriculture Orville Freeman, the question of allowable water content in hams and other pork products will be reopened. Secretary Freeman said that public hearings would be held to give consumer groups a chance to present their recommendations to the Department. He commented:

> We shall seek the counsel of the housewife as avidly as we seek the opinion of the food processing industry. The content of the market basket is of vital importance to both, just as it is to the farmer.

Secretary Freeman observed that the action taken last year to revise ham standards did not include a public hearing.

The immediate consequence of the revision was that the ham on the meat counter today contains a significant amount of added water, while consumers continue to pay full ham prices. The decision to permit added moisture also hurts the farmer who sells hogs, because each extra pound of water added represents that much less ham sold.

The March 8, 1961, issue of the Co-op News Letter gave voice to the dismay that resulted from this revision. A front page article in the News Letter comments:

> It will be a rare housewife who will be able to detect a watered ham from that reduced to green weight. This means that packers will most likely all water their product to the legal limit to be competitive.

A picture accompanying the article showed a ham being weighed on a balance scale. According to the caption:

> As it warmed at room temperature, the water dripped copiously from its cut surface. If its water content was the USDA-OK'd limit of 10 percent, consumers will pay 35 cents for the half pound of added water a half ham like this contains.

Over the years careful shoppers have learned to rely on Federal grade and quality standards. These Federal standards help insure that consumers will get good value for their spending. Because they generally reflect accepted standards of quality and purity, they also aid honest farmers to market their produce with a minimum of difficulty, without haggling, at fair prices. The recent redefinition of ham was all the more alarming because it violates the faith which consumers and farmers alike have built up in Federal standards.

Widespread concern was expressed about the failure to hold public hearings in connection with the original announcement. The announcement by Secretary Freeman that hearings will be held is, therefore, most welcome. It will give all interested groups, including consumers and farmers, a chance to present their views.

It may prove to be the case that consumers prefer the "juicier" ham with extra added water. Even if this turns out to be so, it would not justify having changed the definition without a clear label indication. And it would not justify charging full ham prices for a product that is part water.

I ask unanimous consent that the announcement from the Department of Agriculture and the article from the Co-op News Letter be printed in the RECORD.

There being no objection, the announcement and article were ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF AGRICULTURE TO REOPEN HAM STUDY

U. S. DEPARTMENT OF AGRICULTURE,
Washington, D.C., March 17, 1961.

Secretary of Agriculture Orville L. Freeman said today that he is directing the Department's Agricultural Research Service to reopen the question of allowable water content in smoked hams and other pork products, and to conduct public hearings to gather additional information.

The USDA last December 30 issued an order which for the first time allowed federally inspected meatpackers to market smoked hams with up to 10-percent additional moisture over the original uncured weight.

Prior to the order, departmental regulations prohibited federally inspected packing plants from shipping smoked pork products which weighed more than the meat did in an uncured state.

Secretary Freeman said the action is being taken to allow fuller opportunity for consumer groups to present their recommendations to the Department. Under the Meat Inspection Act, the Department has the responsibility to establish standards for meat which moves in interstate and foreign commerce.

The Secretary said the hearings would be held in five major metropolitan areas and would be open to the public. Further announcements with details as to time and place of the hearings will be published in the Federal Register and released to the press.

"I wish to emphasize that this administration is strongly concerned with the needs and problems of the consumer, and that this Department shall constantly seek to serve the best interest of the public. In doing this we are serving the best interests of the Nation's farmers.

"We shall seek the counsel of the housewife as avidly as we seek the opinion of the food processing industry. The content of the market basket is of vital importance to both, just as it is to the farmer."

Secretary Freeman noted that the action taken last year to study possible revision of the standards for smoked pork products did not include public hearings.

The order was issued following a 60-day period when written recommendations were received by the Meat Inspection Division of USDA's Agricultural Research Service.

The review came as a result of a request by meatpackers who found that the development of a new curing process in the mid-1950's would permit faster curing and the addition of more weight to the ham.

The new process, which involves pumping pickling brine into the meat under pressure, allows the curing to take effect almost immediately. Prior to this development, hams were cured by a lengthy

procedure in which the solution slowly permeated the meat.

Secretary Freeman said the directive to hold public hearings would allow the meatpacking industry to present its case to the public, and give the Department the advantage of receiving more adequate consumer opinion.

He said the order of December 30 would remain in effect during the review period and the decision to suspend or continue the order would be made after the recommendations has been evaluated.

[From Co-op News Letter, Mar. 8, 1961]

WATER IN SMOKED HAMS DRAWS CONSUMER FIRE—ADULERATION HAS USDA'S O.K.

The U.S. Government, through the Food and Drug Administration, recently seized a shipment of Atlantic Ocean water being sold at $3.75 per gallon as a "fountain of youth" and cure-all for an assortment of serious illnesses. The distributor—an Ohio promoter—now faces court action on charges that the labeling made false and misleading therapeutic claims.

But the U.S. Government, through its Agricultural Research Service, has legalized the sale of water as ham and other smoked pork products—and no labeling is required. The cost of this water will, in many instances, make $3.75 a gallon appear like a reasonable figure.

It all came about December 23 of last year when the Agricultural Research Service of the U.S. Department of Agriculture amended its meat inspection regulation to permit the addition of "10 percent added moisture" to smoked hams, smoked pork shoulders, smoked pork shoulder picnics, and smoked pork shoulder butts.

Prior to that time, water used in the curling of these pork products was minimized by proper smoking and drying which removes water and brings these products back to uncured weight. Overpumped hams had to carry the label "imitation ham" if they carried the insignia of Federal inspection.

Under the amended order as it has been interpreted for enforcement, ham may legally weigh about 116 percent of the green or uncured weight, thus in effect permitting a 16 percent addition of water.

Last week, we purchased a watered butt half of ham from a competitor. At its cost of 69 cents a pound, the water in it carried the price tag of $5.52 a gallon (equal to 8 pounds had the ham been big enough to accommodate that much water). This butt actually weighed 5½ pounds, and assuming it contained 10 percent of water, cost its purchaser about 36 cents for slightly over a half pound of water.

In a discussion with Dr. John R. Scott, chief staff officer for labels and standards of identity in the Meat Inspection Division, it was learned that the justification for the amended regulation was mainly based on representations from packers and processors (represented by the American Meat Institute) to the effect that 50 percent of all hams sold were being cured in small processing plants whose products did not cross State lines and therefore did not come under USDA regulations. Since it is possible to inject up to 60 percent of the original weight of pickle (chiefly water) in the ham, processors of products moving into interstate commerce complained that they found themselves at a severe price disadvantage. Dr. Scott also pointed out that unsupervised small plants might be unsanitary, use phosphate and sodium nitrate above the legal tolerance, and—finally—that a lengthy curing process robs the ham of some nutrients (chiefly fat).

But there is no record of an effort made to educate consumers in the advantages of federally inspected smoked meat products and those which are not.

The processors asked the USDA to waive all legal limitations on the injections of water.

The Agricultural Research Service, in response, appointed a task force to review the validity of the requirement for smoked meats from the standpoint of consumer protection and current production and marketing practices.

Fifteen consumer organizations were contacted to submit within 60 days their comments and supporting information in writing. But the release failed to indicate that a change in water content was contemplated or the background of that change and the consumer groups did not reply both because they failed to realize the significance of the USDA release and because of the time limitation. Consumers' Union, technically best equipped to testify, was not contacted. In this unusual procedure, no public hearings were held. As of now, public disclosure of testimony providing basis for the change was withheld.

The consumer interest was represented solely by testimony from the Packinghouse Workers Union of the CIO and the Meat Cutters' Union who favored the change. Dr. Scott somewhat reluctantly concedes these two groups "might have had an inherent interest."

Proper labeling of the watered hams for consumer guidance was apparently not considered on the basis that USDA lacks jurisdiction beyond the packing plant. But the Federal Trade Commission does have jurisdiction for proper labeling at the retailer-to-consumer level. * * *

Pete Caruso, Co-op's meat buyer, views the new regulation with genuine dismay. He says it will be a rare housewife who will be able to detect a watered ham from that reduced to green weight. This means that packers will most likely all water their products to the legal limit to be competitive. Ham prices are already churning and uncertain, with the spread between smoked and fresh hams narrowing, thus even further increasing the cost of watered ham.

Dr. Scott, asked if the question of the watered hams might be reopened, replied that this is possible, "if new evidence is supplied." Since no objective evidence from bona fide consumers was received initially, this appears to be easy. * * *

In the meantime, Pete Caruso will endeavor to concentrate his buying on hams containing minimum water as has always been Co-op's policy. Whether this will continue to be possible in the face of market developments remains a question unless the USDA regulation is revised.

SMALL BUSINESS SUBCONTRACTING PROGRAM

Mr. PROXMIRE. Mr. President, last Thursday, Prof. Spencer M. Smith, Jr., of the Department of Economics at the University of Maryland, testified before the Small Business Subcommittee of the Banking and Currency Committee. He appeared in support of S. 836, a bill similar to the one which passed the Senate unanimously last year to establish a small business subcontracting program. The 1960 bill was blocked and died in a House conference.

Professor Smith is presently engaged in a study entitled "Potential Small Business Expansion in Electronic and Related Research Development Industries," in the area of Washington, D.C. Dr. Smith speaks for no group, no Government agency, nor any company or group of companies. He is an objective researcher. Big business, the Defense Department, and the Small Business Administration come in for a share of criticism.

The reasons why an effective small business procurement program, as established in S. 836, is essential is so well argued by Professor Smith that I ask unanimous consent to have this statement reprinted in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF MR. SPENCER M. SMITH, JR., PROJECT DIRECTOR, ECONOMICS DEPARTMENT, UNIVERSITY OF MARYLAND; ACCOMPANIED BY MR. MICHAEL BOAKE CARTER, RESEARCH ASSISTANT

Mr. SMITH. I know your interrogation of some other witnesses, Senator, and I should say here that I am speaking only for myself. This certainly is not the position, either of the Small Business Administration, obviously, to which we have a grant, nor is it the official position of the University of Maryland.

Mr. Chairman and members of the committee, I am Dr. Spencer M. Smith, Jr., assistant professor of economics at the University of Maryland.

I am presently engaged in a study entitled "Potential Small Business Expansion in Electronic and Related Research Development Industries in the State of Maryland and the Area of Metropolitan Washington, D.C." This study is being financed by the University of Maryland, through a grant from the Small Business Administration. I am being assisted in this study by Mr. Michael Boake Carter, research assistant in the Department of Economics, University of Maryland.

We have been asked to indicate to the committee some of the preliminary findings of our efforts to date. We must caution all concerned, however, that our project is not quite one-third completed and very little statistical data is available to lend quantitative substance to much of the analysis that follows.

The recent emphasis upon research and development in our society has caused new industries to take shape and has changed the character and dimensions of the established ones. A number of factors make it apparent that this area is one in which small business might play a major and more significant role.

After having been present at a national conference on small business in the research and development field at Omaha, Nebr., last year, and analyzing the information from the interviews, questionnaires, and exchanges of information with others, our analysis of the 160 or so research and development firms in the Washington D.C., area, is more than representative of the problems facing small businessmen generally. A common denominator in the field of research and development applying to firms in this area and elsewhere in the country is the reliance upon the Defense Department procurement dollar.

If our efforts are to be pertinent in appraising the limitations on the growth and development of small business, it is necessary to determine what factors are preventing small businesses from receiving their needed share of the defense procurement dollar. With this understanding, the results of our investigation and study to date leads us to the following tentative conclusions:

1. Small businesses have not participated in the overall economic expansion and have lost ground relatively.

2. The principal deterrents to maintaining their relative position have been:

(a) Inability to obtain sufficient capital for basic growth.

(b) Inability to obtain prime and subcontracts from the Government, primarily defense.

(c) Inability to obtain, maintain, or develop patents.

(d) Inability to have an agency of sufficient power consider Government procurement procedures.

Mr. Chairman, I notice that some of the witnesses have placed their statistics into the RECORD. It would seem to me to be somewhat redundant to read them here. I would appreciate it, however, if they would be included with my testimony in the RECORD, if that is possible.

Senator PROXMIRE. Without objection, so ordered. We are very happy to have the statistics. We need a lot more than we have so far.

(The material referred to is as follows:)

"I. SMALL BUSINESSES HAVE NOT PARTICIPATED IN THE RESEARCH EXPANSION FOSTERED ESSENTIALLY BY GOVERNMENT

"The share of Government procurement dollars secured by small business continues to decline. Statistics for the fiscal year 1960 show that the downward trend in the net value of military procurement actions awarded to small business since 1955 is endangering the health and welfare of small business and the country as a whole. In a report issued by the Department of Defense entitled "100 Companies and Subsidiary Corporations Listed According to Net Value of Military Prime Contract Awards for the Fiscal Year 1960," it is revealed that, in the year 1960, 73.4 percent of the prime contract awards have gone to 100 companies. These 100 companies can be classified in the category of big business. The report also shows that only 20 companies received 49.8 percent of the net value of all military prime contracts awarded. Total procurement from all business firms totaled $21.3 billion in fiscal 1960. Of this, small business received only $3.44 billion in prime contract awards, which was 16.1 percent of the total procurement from all business firms, as compared to 16.6 percent in fiscal 1959, 17.1 percent in 1958, 19.8 percent in 1957, 19.6 percent in 1956, and 21.5 percent in 1955. Awards for experimental, developmental, test, and research work to all business totaled $5.5 billion, of which $0.2 billion went to small business. This is 3.4 percent of total research work.

"Transactions in the category of only $10,000 or more totaled $19.7 billion in fiscal year 1960. (Contracts of less than $10,000 were $1.4 billion and only 7 percent of the total.) In other words, small businesses were excluded from 77.6 of the total which represented $15.3 billion. Of the remaining $4.36 billion, however, only $2.44 billion was actually awarded to small business. Only 12 percent of the total was awarded small business."

Mr. SMITH. There may be many of us who stand in awe of the probing of outer space, the miracle of nuclear energy, and the present day marvels of physical science and admittedly, we may have little to say as to their understanding and effect. Apparently, no one is similarly humbled by the diagnosis of small business problems or the urgency of their remedy. Everyone appears concerned about the plight of small business, but—paraphrasing Mark Twain's much quoted observation that everyone talks about the weather—nobody has been able to do much about it.

Perhaps part of the difficulty has been in the method of considering the problems of small business and part in insisting upon some one plan—one that will solve all known problems confronting small business.

If the aims and objectives of our economy are to be met, small business problems cannot be ignored. It should be freely admitted, however, that all small business problems are not necessarily amenable to or deserving of collective action. The identity and precise definition of small business must be looked upon as group concepts rather than descriptions of a firm typical of all firms.

Size concepts will, likewise, vary from industry to industry so that any classification must be flexible and still be meaningful. This fact is very apparent in our study. Because of the Small Business Administration's definition of a small business as having 500 or less employees, we must exclude from our study local firms like Melpar, Atlantic Research, and Vitro, to name just a few. If a flexible definition existed, the inclusion of these firms would add greatly to the knowledge of those who wish to enter small business because here are some firms who have grown despite some overwhelming problems.

Certainly, some small business problems cannot be solved, since to do so would alter seriously the adjustment process of our entire economy. Changes in technique of manufacturing, changes in product, or a new product that better meets the need than the old, abilities or lack of them by individual businessmen, are all variations that can be loosely described as small business problems.

Society should be reluctant, however, to interfere with efficient utilization of our country's resources even if this does work some hardship on some businesses. If society tried to stop change because of problems, then the harness shop would continue and the automobile would yet be an inventor's fancy. Neither should society seek to save the inefficient at the expense of the efficient.

If all of the problems of small business fell into the above classification, there would be no need for anyone to appeal to this committee for special consideration for small business. There are other compelling problems, however, that are not in conflict with society's most efficient use of its resources and which have nothing to do with an inefficient entrepreneur. On the contrary, the primary problem of many efficient small businesses is that they are being denied the opportunities for growth which were available to many of our most successful larger concerns in their formative years.

The present desperate need of small business is one of capital to expand. Small businesses must either grow or perish. This is their turning point. In many instances, we have counted on them for the stimulus and vigor essential to our economic system. This is not to say that they are automatically a success or that positive assurance exists that they will be a success.

The argument of many, however, that these businesses would expand if they were successfully operated begs the question. The test of their success or failure is whether they can continue as a going concern after digesting certain degrees of expansion. Many large firms of today would never have reached their present size if—to exist at all—they were forced to expand under the present circumstances.

The problem of credit for small businesses has not been as materially aided as many seem to think. It is easy to calculate loans made, but difficult to determine loans refused and the implications resulting. If a firm applies at a bank, due to the rate of risk, his interest may be 6 to 7 percent, or excessive in view of his opportunities. If he then applies for a loan under the Small Business Act of 1957, the SBA attempts to ascertain whether the applicant has been turned down by a bank, and upon learning he has not, finds its own directives and authorizations often preclude a loan being made.

Thus, being priced out of the market is not the equivalent of being turned down. If the small firm mentioned in the foregoing has a good product, the open arms policy of a large corporation will be available—this aid may take the form of an out-and-out sale with no strings, a sale contingent on particular employment of one or more of small business employees, a loan with rather rigid detail as to the conduct of the small businessman.

There are many more problems involved in capital financing confronting small business, such as the inability to shift the incidence of taxation; inability to enter the capital market by the sale of stocks and bonds, the inability to retain sufficient earnings, et cetera. But, in the interest of time, I will not try and expand on these, since they have only general relevance and the purpose here is of greater specificity.

The inability to obtain prime and subcontracts from the Government is illustrated by the figures mentioned earlier in this statement.

These figures tend to indicate that the Defense Department continues to award an overwhelming proportion of its procurement dollar to large corporations. Also, many of these awards are done by negotiations rather than by formal advertising. Formally advertised contracts accounted for only 14 percent of the total procurement from U.S. business firms in 1960. Sixty-seven percent were negotiated with one source. These figures are important because small business received 39 percent of all advertised awards, but only 12 percent of all negotiated awards.

Formal procedure has the Department of Defense, State Department, Department of Agriculture, the National Institutes of Health, and Health, Education, and Welfare list their intentions to contract actions, production goods, and/or research sources at monthly intervals. These contracts may be open bidding or selected bidding at the discretion of the agency. These contracts will be so described in their releases.

The difficulty with the bidding procedure is the approved list procedure. The open bid is open to the lists only and problems of obtaining a listing is one which often confronts many small businesses with an insurmountable obstacle. Obviously, in the case of Defense, security is a major problem, but even the kindest apologist for Defense procurement would not contend that the criterion is used for judgments other than security.

When taken together, a seemingly abnormal block of powerful restraints act upon small business participation. Some contracts are negotiated—small businesses are excluded. Some contracts are open for bids, but many small businesses cannot qualify for the bid list—hence they are excluded. Some contracts are of such size and magnitude small businesses are automatically excluded.

All of these factors, plus the usual reluctance of the contracting officer to place orders with other than name companies, present a formidable deterrent to small businesses in their efforts to participate in the defense program.

The above procedure applies to prime as well as to subcontracts, and on the basis of cursory observations of the figures, and from interviews we have had with small businessmen, it appears that not many small businesses received contracts through these formal channels. It does, however, appear that by far the largest majority of small business recipients of research and development contracts receive information by word of mouth or similar contacts within the industry, rather than by the formal procedures.

Actually, many contracts are awarded the day they are formally announced——

Senator PROXMIRE. Do you have any documentation or any substantiation on that. That is very interesting—the large majority of small businesses have knowledge of this through word of mouth associations or through an informal procedure.

Mr. SMITH. We have a questionnaire that has been out for a kind of select list to try and determine whether the questionnaire is going to be adequate, and we are mailing it out. As I indicated at the outset, much of this is by word of mouth, and much of our judgment is by certain experiences we have had.

I think that limits its effectiveness here, and I am sorry about it, but you can see a number of the great, overwhelming waves that come before this committee in support of this bill to give you some idea as to how important these small business people think it is. That is partly sarcasm, but it is quite obvious that no small businessman is going to come down here and testify in front of this committee very strongly if he has hopes of getting a subcontract which he has not realized. And no small businessman is going to come down here now as a result of the administration position, the Small Business Administration, yesterday.

In fact, one of them mentioned to me this morning. I asked him why he did not go down and testify on this bill. It is very simple, the reason he does not come down here. "I hope some day to have a contract, and if the administration is going to take the position that we are going to leave all of these things to the tender mercies of the Defense Department, then, you will pardon me, I am not going to get on record for anything."

I think this may be one of the reasons why a number of people who speak to us privately, begging us at the same time not to mention their names, "but we certainly hope to see some strong testimony for the bill."

I bring these things in, and I am unable to document them, except to say they are simply personal observations and we have no ax to grind one way or another. We are just trying to find out what the situation is. This is not going to make us very popular, and we are not going, probably, to be spearheading the majority as to this bill, but that should not make any difference to us.

Actually, many contracts are awarded the day they are formally announced, and often the subcontractor is named simultaneously. This situation has not improved the morale of many of the small businessmen.

The significance of this might be that for all practical purposes the decision to award the contract has been made at the time of formal announcement. The explanation often given for this trend away from competitive bidding is the complexities of new weapons, the exigencies of time and the reorders involved in previous commitments.

We feel, however, that far too many negotiated contracts are awarded without the benefit of competition. This is particularly true in the purchase of spare parts, in the area of electronic and other components. Then, too, basic research often involves no great plant and equipment outlay, and the automatic superiority of efficiency on the part of all big business enterprise cannot be assumed.

No credence is apparently given to the merits of competition in meeting this criterion. Many feel that delivery is stimulated, companies have incentives to provide better products, and results favor such an organization rather than the automatic assumption that big corporations can do it cheaper than small business.

No one is contending that small business is properly eligible to handle all or even the majority of contracts entered into by the Government, but the contention that small business can participate to a greater degree at many levels, appears to us, most difficult to rebut. Many small businesses can play an important role in subcontracting, even in connection with large complex contracts that must necessarily be awarded to large corporations.

The inability to obtain, maintain, or develop patents is a serious problem for small business and directly associated with the other factors mentioned heretofore. Many small businesses find upon reading the fine print in their subcontract that all discoveries, patentable inventions and innovations are the property of the prime contractor. Some subcontractors contend that they had verbal assurances of the contrary, but this, of course, did not hold in court. Many companies have candidly stated their position in this matter.

On December 31, 1959, the Martin Co., in response to a request for information from the Defense Department wrote the Secretary of Defense stating that "when Martin Co.'s own funds are involved, title to invention conceived or reduced to practice by subcontractors rests in the company."

Boeing Airplane Co. has a similar policy; the same is true of Western Electric, General Dynamics and General Motors. In fact, the general counsel of General Motors informed the Defense Department on January 21, 1960, "When the corporation finances research and development work to be performed by others in connection with its operations, it ordinarily expects to get all rights with respect to any inventions made in the course of the work."

Senator PROXMIRE. Supposing the Federal Government financed that?

Mr. SMITH. The next paragraph covers that. That is exactly what I say. It seems to me the prime contractor, Senator, takes the position it is his money, the Government is in a perfect position to take precisely that position. If it is awarded the prime contract, it could say, "You are doing this on our money. Therefore, we would retain patent rights."

If the Government retains patent rights, this has the challenging effect of making them available as it sees fit, or generally. The effect is when it retains patent rights to make them generally available, the thought being this would accelerate and provide incentive for competition.

It has been the Department of Defense policy for some time that they do not want to hold patent rights. They have, obviously, taken themselves out of it, and now it is between the prime contractor and the subcontractor. And that is hard to contest.

Senator PROXMIRE. If you push it back that far, it seems to me—I have the feeling—I could be wrong, and some Senators have spoken on the floor in disagreement—I have a feeling it would discourage research. In other words, if the Federal Government said, "You are going to do prime contract work for us and research on it and develop patentable processes and so forth, and it is public domain," you would lose a lot of incentive for taking some of these contracts. And you would not have as much research as you need at the time we desperately need research.

What you are saying is, therefore, the prime contractor should provide the same incentive to the subcontractor.

Mr. SMITH. I do, indeed, if that is going to be the effect. But I would quarrel pretty specifically with the idea they would not take it. I think some of the overhead contracts I have seen on research and percentage allowed for overhead, I think that is sufficient incentive. I do not think the retention of patents would be a determining thing here at all.

I think we have had some experiences with it in the past. I do not think it is a prime motivation of research on the part of these organizations. I think that they will naturally take this as long as they are operating anything in addition, but I think the funds themselves are sufficient to be a motivating or strong incentive.

The problems of defense of patent rights is most difficult for one with limited funds. Few can strive through the courts for a period of years to obtain ultimate justice. On the other hand, large corporations will deal with alleged patent infringements at the drop of a hat.

We know that this present bill does not provide for such a measure, but it does provide for the investigation of factors that will endanger competition, by the Attorney General and the Small Business Administration. This situation is a serious deterrent to competition. It is highly relevant to indicate that the awarding of subcontracts by a large corporation is left much to the descretion of the prime contractor. If the stimulus for a greater subcontracting program is to be provided by this bill, the situation of patents must not be overlooked.

The Small Business Administration has been greatly handicapped by the law they now administer. One critic indicated that this organization was excellent in that it did not offend big business because it did little for small business, but its very existence indicated a genuine interest in small business. This is not the best of two possible worlds. The Small Business Administration must have greater latitude in awarding loans and courageous enough leadership to use such latitude.

Some protection must be afforded small business as to their patent rights. The present attitude of the Defense Department to small business patent rights is a cross between Ivan the Terrible and Marie Antoinette and little effort to remove inequities will be forthcoming here.

Last, if not least, the Small Business Administration should be permitted to take a more active part in the awarding of the Defense Department dollar. As the situation exists now, the Defense Department is almost the sole judge and jury to what contracts shall be issued and to whom.

The Small Business Administration has what is called a set-aside program, in which the SBA tries to get the Defense Department to set aside certain contracts for the exclusive use of small business. However, this set-aside program has had dwindling success to the present. The figures for 1960 for the SBA set-aside program has shown a 27 percent decrease over the same period for 1959.

The total dollar value of the set-aside initiated by the SBA in 1960 was $600 million as compared to $1.2 billion in 1959, and the dollar value of those contracts actually awarded under this program was only $480 million compared with $600 million in 1959. This decline over 1959 is continuing in 1961, and if the present trend continues, it will be less significant than it is now—which is difficult to believe.

The SBA Administrator should have the authority and should use such authority in the screening of military purchases for potential set-aside. If small business is going to be able to survive and continue to grow, more power must be given to the Small Business Administration to oversee the awarding of the Defense Department dollar.

In analyzing the shift of our economy from small to large corporations, we have seemed to take it for granted that the small businesses still existing shall continue to survive in the little section of the competitive world that the large corporations have left to them to fight over. This little section, however, is slowly being tightened like a noose around the neck of small business. It is slowly dying and unless something is done, be it through legislation or other means, this small section of competition that is left will completely disappear and small business along with it.

S. 836 is a big step forward in the fight to help small business secure its fair share of the defense dollar. Section 5 of this bill will do much to strengthen competition by requiring the Attorney General to make sur-

veys and submit yearly reports to Congress on any activity of the Government which may affect small business, for the purpose of determining any factors which may endanger competition.

A most important point in section 5 is the reference "the Administrator of SBA may also request the Attorney General to make supplemental surveys and reports on any particular activities of the Government which may affect a small business."

Sections 6 and 7 further strengthen the SBA by encouraging a greater allocation of subcontracts to small business and allowing the SBA to have access to a more complete record of procurement actions.

Sections 8 and 9 of this act broaden the authority of the SBA as to subcontracting awards and improve the program for advertising Government contracts. It is much to be desired to have the bid lists and the criteria, therefore, revised. Also, the provisions requiring publication in the daily U.S. Department of Commerce, "Synopsis of U.S. Government Proposed Procurement, Sales, and Contract Awards" of all military procurement actions over $10,000 and all civilian actions over $5,000 will provide small business with a more complete list of what the Government is buying.

This provision of S. 836 will give small business a greater opportunity to compete with firms who have heretofore enjoyed a head start by virtue of the concentration of research contracts in the laboratories of large corporations.

This important segment of our economy is losing its position, and it will continue to lose its position if adjustments are not made in the Small Business Act of 1947 and the SBA itself, as proposed by S. 836. The area wherein small business can effectively compete must be widened and strengthened. This act takes a good firm step in the right direction.

There are one or two other things I would like to add, Senator, in light of some of the testimony of yesterday and today. It is that the bill would unnecessarily complicate the administrative procedure.

Senator PROXMIRE. The bill does what—unnecessarily complicates the administrative——

Mr. SMITH. The thought is that the bill would unnecessarily add to the administrative cost and unnecessarily complicate.

Senator PROXMIRE. You want to comment on that?

Mr. SMITH. I want to comment because I think the opposite would occur. In the first place, I defy anyone to greater complicate the procedure than it is today.

Secondly, it would occur to me that in many instances, they are unduly complicated. Some businesses cannot afford a bid when the specifications of the bid come out. In one instance, a medium-sized firm here in this area said it cost about $150,000 to bid on this particular product. I think I can visualize very definitely that some of these specifications may have to be very complex. We are dealing in complex properties, but others do not. And many of them are unnecessarily elaborate and have been unnecessarily elaborate for years and years.

Senator PROXMIRE. Is it your view that the SBA might, under this bill, play a role in persuading the procuring agencies to simplify their procurement policies?

Mr. SMITH. Absolutely. As anyone who has observed this over a period of time, I think it is difficult to criticize the Defense Department. This is like becoming a critic of God or motherhood, something like that. The Defense Department is involved in providing automatic weapons for our defense. And the tendency has been that if any criticism is made of it, No. 1, you do not understand; this is too complicated for the lay mind and please shut up.

The second thing is, when you do understand, you have not had the experience. Have you actually been an administrator and so forth? And, basically, the attitude of the public is to tend to go with the Defense Department. I was literally stunned when I saw the statement by the SBA Administrator on this bill. I do not know what happened.

I am just guessing, and this may not be the proper province for it. On the other hand, it may, but my guess would be that the Defense Department, with its flags flying, rushed screaming to the Budget Bureau, and the Budget Bureau said, "See here, we have got to make a decision." And the policy of the administration became, in a short time, that the SBA Administrator would say, "No, we do not want this bill." Maybe I am wrong. I cannot even prove that I am right, but I just suggest that the problem of interjecting any judgmental attitude other than the Defense Department itself over its procedure has always been called meddling, No. 1.

And No. 2, you are interfering with the defense effort. I do not think either one of these could be justified. I think some of the laymen ought to gird their loins, so to speak, and even without full knowledge, ask them very pointed questions and keep asking them until they get some respectable answers to them.

One of the first ones is the idea that these problems are too complex, and we just cannot handle things in little businesses. Yet, big businesses are decentralizing all over the place. The solution of some of these problems of research and development they are involved in requires smaller units and can be broken into many smaller component parts.

This is one of the big fields for development of small business research and development because much of this is paperwork. You don't have to have a steel plant or tremendous capital indicated here. And then, when a large contractor gets ahold of a contract, what happens? Quite often, he develops a situation and announces he is decentralizing. What is so specific and precious about having single ownership? It is one thing to have a big plant because he needed it on a mass basis to get low cost per unit, but what does single ownership contribute, necessarily, when this single owner will turn around and distribute out on a decentralized basis?

I suggest that in many instances, the area of small business participation can greatly accelerate, and the reason that they have not gotten more of it, I can understand in some instances. If I was a member of the Defense Department and had to undertake the responsibilities for some of these things and three firms came to my attention—and I am just picking this out of the air; I have no brief, for or against—but one happens to be General Motors and another XYZ and another ABC. If I give it to General Motors, and it comes up, probably nobody is going to jump on it. Maybe no one else could do it, but if I give it to the ABC Corporation and the thing does not work out, you all say, "Why did he not give it to the large company, and you will have demonstrated the ability to do this type of thing."

This is part of the difficulty of having the responsibility and having it diluted, or having the ability to meet this responsibility, I do not think is governing at all. And I think it ought to be vitiated.

Senator PROXMIRE. You think it would be a tendency on the part of the Defense Department without this bill or with the kind of proposal that was made by the three agencies when they were in here to be safe and make their determination for an established, blue-chip outfit?

Mr. SMITH. Sure.

Senator PROXMIRE. Whereas, with this bill, there would at least be a countervailing pressure for them to make a showing on small business where they could.

Mr. SMITH. Let me put it this way: It would take them at least 10 years to overcome the effects of this bill, and that would be somewhat helpful. I do not think that this bill, even as good as it is in the step that it has taken, it would take some time for them to overcome the effects, but I have great confidence in this administrator in overcoming legislative effects of almost any kind. And I think in all probability, this would happen here.

But I do say this: I am not so sanguine as to assume that the plans of the three administrative agencies are going to work. I can just see the Small Business Administration sitting between the Department of Defense and GSA and carrying the day. I would not like to look upon its chances at all.

I think unless you have some specific statutory authority that puts the onus squarely and directly and then places an administrative agency to carry that out that you are not going to have any kind of success. And I wish that the number of people who have expressed that to me would come here and express it to you because I am sure that there are significant amounts of them.

Senator PROXMIRE. We have one other factor involved here we did not have when this bill was introduced and up until a couple of days ago. That is the President of the United States has given orders to the Department of Defense to set a goal at least of an increase in prime contracts for small business of from 16 percent to 17.6 percent, or something like that. That is the way it has been interpreted this morning.

Do you think this can be done by administrative edict for effective——

Mr. SMITH. This has been more specific than we have had before, but if you recall, Mr. Truman urged the Defense Department to take into consideration small business. You recall on three different occasions, Mr. Eisenhower called upon the Defense Department to take this into consideration.

But I have seen the statistics, and they go straight down, and they have been going down in terms of these relative amounts, small business participation. Oddly enough, just the other day, it has come out that the Defense Department is going to spend an increase of $2 billion on conventional weapons.

It has also been announced that it is questionable as to how much this can be Small Business Administration activity or small businesses activity because it involves mass production. If we are talking about missiles, it is too complicated for them. Now, we are talking about conventional arms, not complicated any more. But the industry process is too big for them.

This reminds me of when I was a kid flipping nickels with the corner bully. If it came up heads, I got to keep it, but all the others went to him.

It seems to me that under the circumstances, unless you have certain specific descriptions, statutory provisions, nothing is going to take place. And I am sure that President Kennedy is just as sincere as he can be, but I do not think he can implement an administrative decision that way.

There is no way to check on it. Suppose 6 months from now, it shows there has been a further reduction? What recourse does the President have except calling in the Defense people and saying, "Do this." And, certainly, you would be reluctant to do that, at least under the administrative procedure that most executives operate on.

I do not think that is the solution. I do not think it is going to be effective.

Senator PROXMIRE. They can say that national defense must come first.

Mr. SMITH. Absolutely, and this will be the argument.

Interestingly enough, I was a bureaucrat at one time, and I do know that we were concerned at that time with the price control, and we were concerned about the voluntary methods by which the banking industry was working. This was when everyone took an oath and got a little pin, you know, for a member of a commercial bank if you would make only loans in terms of defense policy, no other loans unless you could prove to yourself that it was going to increase and enhance.

I know one commercial bank that made a loan who had a most interesting rationale. They made it for high priced steel kitchenware, and it was good for defense purposes because the morale of the housewife would be immeasurably improved. That was the classification.

I think you can sell almost anything or preclude almost anything on the basis it is good for defense. And I think it is time whether we have another Truman committee or whether it be this committee, I think it is time that the American people started looking pretty close at some of the activities. I know that the actions of General Electric took place only in an outside world. I know it is a thing that could never conceivably happen in Defense, but I think, to keep that record clear, we ought to just keep looking carefully.

I think small business ought to share more in it, and I would again say that much of the activity they contended they cannot do, they can do. I also guess that in many instances, especially in research and development, they will do a better job.

I think there is an excellent book out, Senator, on a study that has been going on since 1900 on 61 basic inventions in industry. The 61 basic inventions come without such benefit of great elaborate research. I am referring now to a book published by Macmillan Co. in 1958 by Jewkes, Sawers, and Stillerman, "The Sources of Invention." I think it is a pretty good analysis.

I think we have been brainwashed of the fact that all our inventions are coming out of these huge corporate laboratories. We mentioned nylon and a few others. I think a careful look at this indicates this is not quite a fact. And I think small businesses can and do an excellent job.

I am not worried about small businesses just for small businesses per se. I am thinking about the overall aspect of our economy. I am not thinking of small businesses, some little business in a musty fashion with simply walls around him, and the Government takes a commitment to support him for the rest of his life. That is not what I am thinking of.

I am thinking of the small businesses that provided the yeast for this economy in the past, the ones that have stuck their head up and challenged others. I would suggest to you that the big innovations that have occurred in the steel companies are not coming from the leaders of the steel companies. The inventions are coming from the small companies—the oxygen converter and various other things that are threatening right now to revolutionize steel.

Let me quote one of the most knowledgeable people I know, Mr. Fairless, who used to be president of the United States Steel. He said, "Unfortunately, bigness in industry also runs to the head." And I think it is extremely important that it does. And they have a tendency quite often to defend their committed capital and not be very representative on inventions.

I am thinking about the things that caused Sunbeam Corp. in electronics to take on Westinghouse and General Electric that everybody said could not be done. I think if we have these small businesses—and I am not interested in saying they will stay small—the same businesses, I hope they have opportunity for growth—will come up, provide new inventions and much of the vigor that our economy has had in the past.

I think one of the most and great paradoxes I have seen, I think more is probably said in behalf of the free enterprise system by the large businesses, and I think that they practice it less and create a climate less for it than any other institutions in the United States.

If the little businessman cannot come up with a patentable product that is a good article that can help, perhaps, and facilitate greatly defensibility and the welfare of society, cannot get money for it, cannot patent it, cannot get into operation himself, then, I think something has gone out of the country and something else is going to have to replace it. And I think the thing is going to replace it is greater and more vigorous Government activity.

And nobody seems to like it, but it seems to be ever increasingly necessary. And I think that is why it is necessary.

I did not mean to get wound up.

Senator PROXMIRE. I think it was wonderful. I was glad to hear it.

A number of witnesses have said that the cost of the defense program will be increased by this bill. What is your answer to that?

Mr. SMITH. It is another thing. Cost of the program, I suppose it could conceivably be increased, but——

Senator PROXMIRE. I am talking about the overall cost of defense.

Mr. SMITH. I think that if the effects of this bill, if both provisions we mentioned in our prepared statement—one, the Attorney General watching very carefully for the competitive action; the other the Small Business Administration who determines this bill, that the total cost of doing business on a dollar-for-dollar basis will be less and not greater.

I am convinced that the competition and the bidding for some of this material, that the lack of it has added to the cost. I am not questioning anybody's integrity. That is not the important thing, but two people can get together. These people have a budget to go by. They deal with one person. It is handy; it is easy; it is quick. They are interested in defense or not interested in all the hanky-panky or interested in this business of procurement. They want to get it over with. They want to get on with the program.

They are willing to pay a little more to expedite in that fashion. I think the cost will come down. I do not know how anybody can judge this, really, but all I am saying is we have just as much documentation on our side to suggest the cost will be less as they do on their side to suggest it will be more because I think the effect of competition is going to do more than offset some of these other dragons that have been raised in the last day or two.

Senator PROXMIRE. I just cannot see any significant increased cost except the usual kind of argument about more bureaucracy. But I can see specific savings and more competition. Just the section 9 alone would seem to me would provide a greater opportunity for more people to bid. And if more people bid, you are going to get somebody who is going to come in at a lower price.

Mr. SMITH. I think one of the things that is important here, too, it is automatically assumed if you get two bureaucrats together, you get a proliferation of bureaucracy. I do not mind a little quarrelsome attitude. I do not mean raging warfare, but I do not mind a little quarreling of two bureaucracies. There is a tendency to watch each other rather carefully.

Anybody talking about bureaucracy or worried about increasing bureaucracy, if this is the worry regarding the Defense Department, this concern should have been manifested many years ago. I do not think it is terribly important here now, the idea of the increased bureaucracy. I do not see that as offsetting the other obvious values that are involved.

Senator PROXMIRE. You say on page 2, "Small businesses have not participated in the overall economic expansion and have lost ground relatively." And under II D, you say, "Inability to have an agency of sufficient power consider Government procurement procedures."

How important do you think this is because this is, in my judgment, the most significant part of the bill, section A.

Mr. SMITH. Well, I think it is of crucial importance. And, by the way, I think the other things in the bill are nice, but I do not think they are crucial. I think if section A is knocked out of the bill, you might as well forget it. It is my judgment.

Senator PROXMIRE. My name would not be on it; I will tell you that.

Mr. SMITH. Godspeed, Senator. I am glad you feel that way because there is no particular reason to have the bill if section A comes out of it. I think this is important. As I said before, small business in its general posture in the economy is having its troubles.

Now, in some cases, it is not all due to the evil design of either Government or business. In some cases, it is inherent in the technological process. I grant you that. What I am saying is here is an area, just the area of research and development, plus other areas, too, for subcontracting, for participation, for small business. If there is ever going to be an opportunity for them to get their foot back on the rung of the ladder, this is it. And if they fail to do it herein, it is going to be a usual winnowing away of their effort and impact on society.

And I do not like the maturity aspect of our economic society in the sense of each significant industry being dominated to the extent that it is. I think it is an unhealthy situation. That is why, one of the reasons, I feel so strongly about the bill. Because I think this will—I do not look at it as a panacea at all. I think it is a step in the right direction. And I think some important results will flow from it. I would certainly like to see us be inventive enough to try it.

Senator PROXMIRE. On page 7, you give these figures that are pretty compelling on the difference between small business portion of advertised awards and of negotiated awards—39 percent compared to 12 percent. This seems to me a tremendously persuasive figure, but I am wondering if there are not some pretty good reasons for that discrepancy. And I think maybe we ought to put them in the record.

Mr. SMITH. I would imagine so. I think we have to remember that 67 percent of these are negotiated with one source. And when you have just one source involved on contract awards, I would imagine that some of that 67 percent, for example, should very definitely be one source.

I do not think there are many things that would come up there would be only one firm, perhaps, in the country that could handle it. I am not willing to put into the record that all the 67 percent being negotiated with one source could not have been opened up to greater bidding. I would agree that a percent very well normally could go into future bidding.

Senator PROXMIRE. Thank you very much.

Mr. CARTER. Senator PROXMIRE?

Senator PROXMIRE. Yes, Mr. Carter.

Mr. CARTER. I would like to inject and refer back to a statement or question that you had asked Dr. Smith about the Small Business Administration in section 8 of the bill.

In our interviews, and also I had the opportunity to attend a small business conference in Troy, N.Y., for small businesses that had been tied to the textile industry,

but had been cut loose and were floundering because the textile industry had moved—from them and from the small businessmen in this area and other men I have talked to, they have made the one statement, a one-sentence statement, that I think can adequately sum up their opinion.

They said, "What has the Small Business Administration done for us?"

I wanted to get this into the record because this is the feeling of many.

Senator PROXMIRE. Sounds like one of my constituents talking about me.

Mr. SMITH. Mr. Carter has done a lot of interviewing on the basis of a very elaborate questionnaire, and this is one of the things that has impressed him very much.

Senator PROXMIRE. I think that is a very useful observation because I have heard that in Wisconsin over and over and over again with the SBA. There is great feeling of disillusion and disappointment.

Frankly, it has not got much to do with this kind of thing—procurements—but it has everything to do with loans.

Mr. CARTER. For instance, on loans, Senator, in this conference in New York, a man from the Small Business Administration came up to address this conference on loans. He gave them a four-page statement and immediately after his statement, he said, "I have to fly back to Washington; I have important business. Therefore, we will cut the questioning short, and I have to leave."

And after he left, all the small businessmen who had problems with the loans, getting loans, said, "This is typical of the Small Business Administration." And they felt that the Small Business Administration needs more power and more administrative ability to award loans and to be able to have more latitude in loans.

Senator PROXMIRE. I just wanted to say at this point that I called this to the attention of the Small Business Administrator, Mr. Horne, and indicated that we urgently hoped he would correct that. While there are all kinds of restrictions on SBA and it is about as tough a job as you find, they have to take loans, after all, that the people cannot get from banks, at the same time, they have to be safe because, otherwise, they would get the dickens from the Congress. And it is very, very difficult to meet this combination.

Nevertheless, at least, they can be courteous and attentive and as helpful as they can be.

Mr. SMITH. I should say in behalf of them that all the operative people I know of in SBA are trying extremely hard and are very competent folks. I think the difficulty is the tremendous restrictions of that law. I do not think anyone really fully appreciates it until they get into trying to administer that law.

It started out as a good law. It has been amended pretty significantly, and I think, also, there was an attitude, whether it will continue now or not, that there were certain things and certain areas that SBA just could not get into. And they did not.

So, when you impose these restrictions on that group of people, you cannot expect very exciting results.

Senator PROXMIRE. I thought this was very, very compelling testimony. I thought you were devastating. I think it would be hard for anybody to argue with what you said. Your statement to begin with, explaining why you thought small business would not come down and testify was interesting and useful.

The fact is, we have small business representatives here for the bill. The New England Small Business Association represents many, many people and appeared to support the bill, as did others. We had fairly good balance. I think that by and large, we have had testimony which represents more small businessmen on the side of the bill than against, although there is vehemence and vigor and eloquence on the side of the people opposing it.

Mr. SMITH. I appreciate that, and I can understand why. I suppose if you have been successful under one circumstance, you have a tendency to feel that anyone who has not, it is his fault as well as anything.

Senator PROXMIRE. When I was in the Wisconsin Legislature, I found the strongest desire of those who came to us was to "fence me in; just let us have this all to ourselves." This is the attitude of chiropractors and others. They do not want competition, or as they might put it others butting into their business. They want it for themselves.

I am not charging it is the prime motive of the people appearing this morning, but it is certainly an understandable motive.

Mr. SMITH. It is one that has continued. I do feel, however, that some of the people who are testifying and some of the organizations, I would like to go back and try and find out what their attitudes have been about other measures such as—if I seem to recall, the Chamber of Commerce's testimony—when the Small Business Administration bill was up—didn't feel that it was very effective. I do not say that the Chamber of Commerce is precisely in league with the National Association of Manufacturers because I would not wish to place that brand on anyone, but I do feel that the chamber, in many instances, have taken a pretty strong line, which has not been, in my judgment, financially as——

Senator PROXMIRE. As you may know Senator BENNETT, a distinguished member of this committee, was formerly the national head of the National Association of Manufacturers.

Mr. SMITH. I know. I am aware of that.

Senator PROXMIRE. I want to thank you very much, Mr. Smith. This has been a pleasure. The hour is late, and I think this was a fitting climax to our testimony.

ORDER OF BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

Mr. MAGNUSON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. MAGNUSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UTILIZATION OF TELEVISION FACILITIES FOR EDUCATIONAL PURPOSES

Mr. MAGNUSON. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of S. 205, which is the pending business, but which under normal circumstances would not be laid before the Senate until 2 o'clock. I wish to proceed.

The PRESIDING OFFICER. The clerk will state the bill by title.

The LEGISLATIVE CLERK. A bill (S. 205) to expedite the utilization of television transmission facilities in our public schools and colleges, and in adult training programs.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Washington?

There being no objection, the Senate resumed the consideration of the bill.

Mr. MAGNUSON. Mr. President, under a prior arrangement, I yield to the Senator from Nevada [Mr. BIBLE].

Mr. DIRKSEN. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. DIRKSEN. I ask the Chair to state the unanimous-consent request previously made.

The PRESIDING OFFICER. The request was to resume the consideration of the bill.

Mr. DIRKSEN. Did the Chair say that the request was agreed to? I have not yet agreed, and the question was not put.

The PRESIDING OFFICER. The Chair is informed that the request had been agreed to.

Mr. DIRKSEN. It has not been agreed to, because I was on my feet.

Mr. MAGNUSON. No; the Senator from Illinois was speaking with the Senator from Idaho.

Mr. DIRKSEN. But the Senator from Washington yielded to the Senator from Idaho.

Mr. MAGNUSON. To save time, I repeat my unanimous-consent request.

Mr. DIRKSEN. Mr. President, reserving the right to object, first I should like to propound an inquiry to the distinguished Senator from Washington. The Senator from South Dakota [Mr. MUNDT] is vitally interested in the bill. I understand he is out of the city. He had expressed the hope that it would not be called up unless he were here. I recognize full well that the schedule of the Senate cannot be contingent upon the convenience of any one Senator. However, if there is no immediate urgency about the bill, it occurs to me that action should be deferred.

Mr. MAGNUSON. I have no objection to accommodating the Senator from South Dakota. I do not know what his interest is, or whether his interest is of such major proportion that we need postpone consideration of this very important bill. He did not appear before the committee on the bill. He never spoke to the chairman or any members of the Subcommttee on Communications regarding the bill; nor is there any amendment at the desk which bears the name of the Senator from South Dakota. Therefore, I do not know what his interest may be. It may be a great interest. However, I do not know whether we should postpone consideration of the bill. I am trying to accommodate the Senate, because there are no other measures on the calendar at the present time. Therefore, I thought we could begin the debate on the bill. If the Senator from South Dakota would like to postpone a vote on the bill, perhaps, or desires to submit an amendment, we could accommodate him, I am sure.

Mr. DIRKSEN. When the matter was under consideration before the Senate last year, I did oppose the bill. The then Secretary of Health, Education, and

Welfare felt it was unnecessary. I understand that new hearings have been held on the bill this year. Is that correct?

Mr. MAGNUSON. That is correct.

Mr. DIRKSEN. I would defer, of course, to the wishes of the ranking minority member of the committee. I would abide by his judgment in the matter. He tells me that he is favorable to the bill and will support it. I am willing to forgo the interest of the Senator from South Dakota, who is out of town, if the ranking minority member of the committee so suggests.

Mr. MAGNUSON. When will the Senator from South Dakota return to the city?

Mr. DIRKSEN. I believe he will return tomorrow.

Mr. MAGNUSON. If my colleague on the committee, the Senator from Kansas, wishes to accommodate the Senator from South Dakota, it is agreeable to me.

Mr. SCHOEPPEL. Inasmuch as I have heard stated here on the floor the interest of the distinguished Senator from South Dakota in the bill, I would like to accommodate him if it were at all possible to do so, especially if it is satisfactory to the chairman of our committee.

Mr. DIRKSEN. The matter is of no great urgency, so far as I know.

Mr. MAGNUSON. No.

Mr. DIRKSEN. Then I would respectfully suggest to my distinguished friend from Washington that he withdraw his request and let the bill go over. Tomorrow, if he cares to call it up, I will have no objection at all.

THE PEACE CORPS

Mr. BIBLE. Mr. President, I was heartened by the President's special message to the Congress seeking the establishment of a Peace Corps. I am even more encouraged by the overwhelming response of the American people to the bold and courageous approach to the unsettled and highly dangerous world situation.

Through this proposal, President Kennedy is demonstrating anew America's pioneering spirit that carved this great Republic from a wilderness. To those who harbor doubts that present-day Americans lack the spirit of their forefathers, let them watch the vigor and imagination of this new Peace Corps.

The President has called on all Americans—young and old alike—to accept the responsibility of helping their fellow men, and bringing about a true and everlasting peace.

In defining this responsibility, President Kennedy's vision and energy have created a new and powerful weapon in freedom's arsenal—one which will not only combat the Red plague, but one which will help eliminate the poverty and ignorance and disease that plagues so much of the world.

What he has proposed is a corps of young, and not so young, men and women who will go forth into the underdeveloped areas of this world—not to preach political doctrines and usurp personal freedom, but instead to take positive action in teaching the illiterate, demonstrating modern farming methods to primitive farmers, caring for the sick and building productive free countries which can take their rightful places in the community of nations.

The future growth of this country depends greatly on the growth and social progress of these underdeveloped nations. If we are to win this fight for survival, then we must lead the way in stamping out the ignorance and poverty which are great allies of our foes.

This is truly a new concept of foreign aid—foreign aid which utilizes American know-how, rather than American dollars.

There is a great deal of talk about the youth of America being soft. Daily, the newspapers relate statistics pointing to the growing rise in juvenile delinquency. Problems abound, of course, but one should never think that the youth of this Nation is soft and weak, and the slave of an overcreative television writer. They are young people, who realize their responsibilities and, given the chance, are willing and eager to participate in this war for freedom.

It is time many of us realized, as President Kennedy has, that the youth of this Nation has a great deal to contribute to our future, and the future of the world.

It is time we gave them the opportunity to participate in our domestic, as well as international, affairs.

Prior to the President's message, Thomas O'Brien, dean of the Graduate School, University of Nevada, outlined for me a proposal to train these young Peace Corps members—a plan created on the strength of President Kennedy's campaign speech alone.

I hope that the President, and those who will direct this bold new venture, will give full consideration to the University of Nevada when selecting the sites for training these young people. The university is well suited to handle such a program. Under the proposal submitted by Dean O'Brien, the university's outstanding faculty will be supplemented by personnel and aids from private industry. The university's small campus, and excellent facilities will give the trainees a better opportunity to know one another. The rugged terrain and open spaces will better suit those under training for the rigors of physical conditioning which will be so necessary in their assignments.

YOUTH CONSERVATION CORPS

Mr. HUMPHREY. Mr. President, this morning the New York Times published a front-page article reporting that a Department of Labor study group has completed recommendations for establishment of a Youth Conservation Corps which are expected soon to go to the President. I can only say that I am very much gratified by this announcement, because, as Senators know, I have been deeply interested in this program for some years.

As the Senate author of the Youth Conservation Corps bill, S. 404, I am naturally highly pleased that this proposal is being supported by the Department of Labor.

Senators will recall that in the last Congress the Senate passed my bill, S. 812, to establish a Youth Conservation Corps of 150,000 young men, ages 16 to 21, to work on Federal and State conservation projects. The bill which I have introduced in this Congress, S. 404, is identical with the measure we passed in 1959. I am proud to be able to state that joining as cosponsors of S. 404 are Senators RANDOLPH, BYRD of West Virginia, BURDICK, CANNON, CARROLL, CLARK, CHURCH, GRUENING, HART, JACKSON, LONG of Hawaii, LONG of Missouri, MAGNUSON, MCCARTHY, METCALF, MORSE, MOSS, NEUBERGER, PELL, WILLIAMS of New Jersey, and YARBOROUGH.

The purpose behind this Youth Conservation Corps proposal is to conserve both our human and natural resources. The bill represents a work-education program. It represents a genuine constructive effort.

A serious problem which we must face up to is the growing number of young men who are dropping out of school and finding it difficult, if not impossible, to find gainful employment. The highest level of unemployment is to be found in this group. And it is this group of young and idle men which is a natural breeding ground for juvenile delinquency.

In the next 10 years the number of men in this age bracket will boom by an estimated 30 percent as the "war babies" come of age. With this sharp rise in the number of young men and the growing difficulty of untrained youths to find steady employment, we are going to face a problem of ever growing magnitude.

What better way is there to put these idle young men, or at least some of them, to work on worthwhile, constructive work in the field of conservation—an area in which much more work should be done if we are to protect and preserve our God-given natural resources.

In fact, even today, as we drive through our great national forests, we see the living testimony of the splendid work of the CCC members and the fine public works created by young men who were idle until they were given the opportunity to obtain gainful employment.

Anyone who has talked with former members of the Civilian Conservation Corps of the 1930's knows how much that program did for millions of young men. When the Committee on Labor and Public Welfare held hearings on my YCC bill in 1959, it received testimony from scores of former CCC members attesting to how much that program did for them in equipping them for adult life. The training they received in learning to live with other people and to acquire disciplined work habits paid off in later life, and the work that these CCC members did in conservation and recreation work has served our country well.

Mr. President, I am confident that the President will be receptive to the recommendations being prepared by the Department of Labor for a Youth Conservation Corps. With the backing and

support of the President I am certain that we can obtain passage of the proposed legislation in this Congress.

It may be recalled that when the President of the United States was a Member of the Senate, he supported a similar measure. I am confident that the bill can be enacted and be a self-sustaining enterprise. In fact, the testimony before the Committee on Labor and Public Welfare 2 years ago demonstrated that the savings in dollars alone due to fire prevention and reforestation would more than pay for the cost of the program. This is, in other words, a sound investment.

Mr. President, I ask unanimous consent that the article entitled "President Plans New Youth Corps for Conservation," published in the New York Times of today, March 21, 1961, be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PRESIDENT PLANS NEW YOUTH CORPS FOR CONSERVATION—COMPANION TO PEACE GROUP WOULD RESEMBLE CCC OF DEPRESSION YEARS—FOR MALES OF 17 TO 19—PROGRAM IS AIMED TO HELP SCHOOL DROPOUTS, WHO FIND JOBS HARD TO GET

(By Peter Braestrup)

WASHINGTON, March 20.—The Kennedy administration will propose a Youth Conservation Corps of male teen-agers to work on conservation projects across the Nation.

A Department of Labor study group has completed recommendations, which are under review by Secretary of Labor Arthur J. Goldberg. Other Cabinet officials will also be consulted. The proposals are expected to go to President Kennedy later this week.

The departmental report calls for a combined education-work program for 150,000 boys aged 17 through 19. Applicants would volunteer for 1 year's service as laborers, technician's helpers and light construction workers.

The volunteers would draw token wages, live in special camps, and work under such conservation agencies as the National Park Service, the Forest Service and the Bureau of Reclamation.

WOULD RESEMBLE CCC

The Youth Corps would most closely resemble the Civilian Conservation Corps of the depression-ridden 1930's. It would have no connection with the Peace Corps, an overseas aid program largely involving college graduates, which was created by President Kennedy on March 1.

According to the Labor Department report the new group would have two principal goals.

It would furnish useful work for a large share of the 200,000 male youths who have dropped out of school and cannot get jobs. Some 7,500,000 school "dropouts" are expected in the 1960's.

It is this group that suffers the highest unemployment rate, 20 percent, of any age category and it is this group that is much involved in juvenile delinquency.

It would also provide needed low-cost labor for a massive program to catch up with a $3 billion backlog of forest, water, park and soil conservation projects.

"The program," the Department report said, "should not become something to lean on, but should rather be a stepping stone to normal participation in the labor force."

Initially, 80,000 volunteers would be recruited, with expansion over a 2-year period.

The total outlay would run about $2,700 a year for each volunteer, according to Labor Department estimates. Thus, a 150,000-member program would cost $405 million.

The Youth Corps idea has had considerable Democratic support in the recent past.

In a campaign speech at Scranton, Pa., on October 25, Mr. Kennedy urged creation of a Youth Conservation Corps, echoing the Democrat Party platform. Just before his inauguration, a Kennedy task force on natural resources recommended the corps establishment.

Senator HUBERT H. HUMPHREY started the ball rolling in January 1959, when he introduced a Youth Corps bill.

Opposed by the Eisenhower administration, the Minnesota Democrat's bill narrowly passed the Senate in a 47–45 vote last August 18. A companion measure submitted in the House of Representatives by Representative JOHN A. BLATNIK, another Minnesota Democrat, never came to a vote.

This year, Senator HUMPHREY has submitted a new Youth Corps bill and 10 similar measures have been introduced in the House. One of the House bills, sponsored by Representative CARL D. PERKINS, Democrat, of Kentucky, calls for an urban renewal youth work program in addition to conservation projects.

President Kennedy himself, in a television broadcast with Mrs. Franklin D. Roosevelt on March 6, said he hoped to use the Peace Corps concept in slum and depressed areas—another slightly different approach.

In its report, the Labor Department study group endorsed a separate public-service work program for both girls and boys in city areas.

This type of program is scheduled for discussion by the Department's Advisory Committee on Youth Employment, which meets here Thursday and Friday.

PROGRAM PONDERED

Although it made no hard recommendations on the city program, the Labor Department group suggested that this work-education effort should enlist volunteers who would live at home.

There might be part-time work for 16-year-olds still in school. The tasks assigned the volunteers would include furnishing unskilled help in hospitals, homes for the aged, and other nonprofit institutions.

"Care should be taken to avoid job placement which would be in competition with the regular labor force," the Labor Department report said.

Labor Department sources emphasized that in both types of program, the greatest care would be taken not to take jobs away from the building trades and other workers. These sources said the Youth Corps would necessarily involve added use of skilled craftsmen in a stepped-up conservation program.

The Youth Corps' educational program, the Labor Department study group recommended, would involve roughly 20 percent of the workday plus 4 hours on Saturday. Small classes on a staggered schedule would be the rule.

The curriculum would include, where applicable, remedial reading, arithmetic and more advanced academic and job training. No extensive vocational or technical training would be attempted. Counseling, citizenship training, and calisthenics would be included. Able youths would be promoted to head groups, with pay increases.

NINE-YEAR PROGRAM

The Youth Corps' ancestor, the Civilian Conservation Corps, was established by act of Congress in March 1933. It lasted until June 1942, 6 months after Pearl Harbor.

During its 9-year lifespan, the corps gave employment and work training to 3 million men, most of them joining up at the age of 17 or 18. But World War I veterans and Indians were admitted regardless of age.

Mr. HUMPHREY. Mr. President, I have discussed the bill with members of the Department of Labor, including technicians in the Department. My legislative counsel has collaborated on the details of the bill with members of the staff of the Wage and Hour Division. We are attempting to perfect proposed legislation which has already been introduced in line with some recommendations of the task force of the Department of Labor.

I am pleased to state that the distinguished Senator from Pennsylvania [Mr. CLARK], who is the chairman of the Subcommittee on Manpower Problems of the Committee on Labor and Public Welfare, has already indicated to me his desire to hold hearings. It is my understanding that the hearings will take place after the Easter recess.

I hope Senators will consider the bill with an understanding, yet favorable, eye, because it affords an opportunity for Congress to do something worthwhile for Americans. We talk about the great Peace Corps which is designed to help the people abroad. I suggest that the Youth Conservation Corps can help Americans at home and be a tremendous source of enrichment to our national economy.

UTILIZATION OF TELEVISION FACILITIES FOR EDUCATIONAL PURPOSES

Mr. MAGNUSON. Mr. President——

The PRESIDING OFFICER. The Senator from Washington has a request pending, so the Chair understands.

Is there objection to the request of the Senator from Washington?

Mr. DIRKSEN. Mr. President, we have pursued this matter, and I think I have ascertained the views of the distinguished Senator from South Dakota. We have no objection to having the Senate proceed with consideration of the bill.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Washington?

There being no objection, the Senate resumed the consideration of the bill (S. 205) to expedite the utilization of television transmission facilities in our public schools and colleges, and in adult training programs.

Mr. MAGNUSON. Mr. President, on January 6, 1961, Senate bill 205 was introduced. It is similar to a bill which was introduced last year and then passed by the Senate.

The pending bill was favorably reported by the members of the Committee on Interstate and Foreign Commerce who were present at the committee meeting and who have been associated for some time with this matter.

Hearings were held on March 1 and March 2. Printed copies of the hearings are on the desks of Senators. The hearings include testimony from some of the finest educators in the Nation, and also testimony from the Federal Communications Commission and its new Chairman, coupled with testimony submitted by other members of the Commission. It is interesting to note that the new FCC Chairman has had great experience in the educational TV field. All the testimony was strongly

in favor of the objectives and the provisions of the bill.

The president of Columbia Broadcasting System television network made a very fine statement in favor of the bill, and discussed the entire matter of educational television as did the president of Radio Corp. of America and other broadcasters. Statements were submitted not only by commercial broadcasters, but also by manufacturers, civic groups, and many other persons who for a long time have been much interested in this matter. Also the witnesses included representatives of local school groups.

S. 205 is intended to expedite and accelerate the use of television in our schools, colleges, and training programs in each of the several States and the District of Columbia.

The bill would authorize grants not in excess of $1 million to any State for establishing or improving educational television broadcasting facilities. Applicants would be required to provide assurance satisfactory to the Commissioner of Education that necessary funds would be available to operate and maintain such facilities.

Ten years ago, approximately 242 channels were set aside by the Federal Communications Commission for educational use. This number has been increased to 268. I believe that to date only 54 of those channels are in use. In other words, 214 very valuable educational channels in the spectrum have for 10 years been unused, and thus the Nation has lost the use of that large part of this brandnew medium of expression and communication—the greatest the world has ever known—in the field of education. In other words, two-thirds of a generation of schoolchildren could have had the advantage of educational programing if those educational television channels had been activated.

Applications for the assistance provided by this bill would be made to the U.S. Commissioner of Education and the applicants would be required to provide assurance that the operation of such facilities will be under the control of: First, the agency or officer primarily responsible for the State supervision of public elementary and secondary schools; second, a nonprofit foundation, corporation, or association organized primarily to engage in or encourage educational television broadcasting—which is the case in some of the great urban centers of the Nation; third, a duly constituted State educational television commission; fourth, a State-controlled college or university; and that such facility will be used for educational purposes.

Under the provisions of S. 205, the FCC is authorized to provide such assistance in carrying out the provisions of the bill as may be requested by the Commissioner of Education.

Of course, that will be in the field of engineering—to advise as to the channel to be used, and how it is to be used from an engineering point of view—advice which now is necessary in connection with the construction and use of all channels.

Furthermore, it is specifically provided that nothing in the bill shall be deemed to give the Commissioner of Education any control over television broadcasting.

I may say that when the educators appeared before the committee, the chairman of the committee was very particular to ask all of them to read the section of the bill which completely eliminates any Federal control of the program in education, and the chairman asked if that language was sufficiently strong. All of them said it was, and said it would accomplish our purpose.

Mr. HUMPHREY. Mr. President, will the Senator from Washington yield?

Mr. MAGNUSON. I yield.

Mr. HUMPHREY. Is this measure generally the same as the bill the Senate passed in the last Congress?

Mr. MAGNUSON. Yes.

Mr. HUMPHREY. So it has had not only the recent hearings, copies of which are on our desks at this time, in connection with Senate bill 205, but also the rather substantial and extended hearings which were held by the Senator's committee during the past 2 years; is that correct?

Mr. MAGNUSON. Yes. In fact, the Senate has twice passed the bill; this is the third go-around. Ample notice in advance was given in connection with the invitation for witnesses to attend the hearings. This year no witness who appeared at the hearing opposed the bill, in spite of the fact that witnesses from all over the Nation appeared to testify at the hearings.

Mr. HUMPHREY. The Senator from Washington is to be commended for his persistence in connection with this measure. As he knows, most of the great universities and schools are very much interested in programs of this type, in order to extend, expand, and improve our educational television.

I believe this program is long overdue; and I hope that instead of simply being a Senate bill, as the measure has been before, it will now become public law.

Mr. MAGNUSON. The Senator from Minnesota has always been a strong supporter of education. I say to him that we have found that, first, it should be clearly understood that television is not a substitute for classroom work.

Mr. HUMPHREY. Of course not.

Mr. MAGNUSON. It is merely a means of doing things that could not be done otherwise. The testimony received from witnesses from the smaller States, where the country schools have no chance to have all of the necessary teaching facilities—and even in the case of the one-room school, where some instruction by means of television could be given—was that they found that whenever television educational programs have been put into operation, there has been no suggestion from the State legislatures, the school board authorities, or civic leaders that they not be continued. Some way is always found to continue the service. The legislatures may provide for it and in others it was done on a community level. Some States have moved pretty well in this matter, but many others have not.

It was difficult to say how much should be provided. We proposed not in excess of $1 million. However, a plan, and a statement as to how it will operate, will have to be submitted, and the plan will have to be weighed.

Strangely enough, some of the States with smaller populations, but with wide expanses, such as Montana, are the States which need such a program the most. They have no educational TV. There is a closed circuit in one of the schools of the State of our distinguished majority leader.

Very few persons realize that in the Middle West and in the other parts of the West, including my own State, there are many one-room schoolhouses. It is difficult for one teacher to succeed in having 40 or 50 pupils learn subjects in the whole gamut of education.

Generally, where educational TV has been used, it has had marvelous results. In the State of Alabama, first-year college courses may be taken by means of educational TV. There has been enough experience in using the system to learn that certain students who come into college as sophomores may do better scholastically than do those who had been freshmen on the campus, because the former had the desire to do the hard work necessary.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. MANSFIELD. The Senator has made reference to Dr. Erling S. Jorgenson, director of the Montana educational television project at Missoula, Mont., who appeared before the committee of the Senator from Washington, along with my distinguished colleague [Mr. METCALF], and urged enactment of the legislation.

I note that Dr. Jorgenson made an excellent case in urging enactment of the legislation, and showed how many schools in Montana are isolated by rugged terrain and are located considerable distances from population centers.

I read from page 4 of the report:

> As an example, Missoula, Mont., a city of approximately 33,000 has a country high school with an enrollment of 2,000.

I think the RECORD should show that it is a county high school, and not a country high school. I trust that, as a result of the testimony of Dr. Jorgenson and others, and by reason of the activity of the distinguished chairman of the committee, the Senator from Washington [Mr. MAGNUSON], the bill will shortly be approved and sent to the House for action, because it is a worthwhile measure.

Mr. MAGNUSON. Dr. Jorgenson gave some excellent testimony on the problem as it affects a State like Montana, where there are great distances involved.

Paradoxically, States that are smaller in population, but which have the greatest number of square miles, need a measure such as is proposed more than do the States with larger population. In some States, cities have gone forward with such a program. The question is asked as to why the cities of the States cannot proceed with a program such as that proposed. In some cases they have, and in some cases they have not.

There was testimony that a very large city in this country is having difficulty in getting off the ground and on the air. It seems that perhaps, after a lot of work advantage will be taken of the channel available. It may take 15 years. Half a generation of schoolchildren will be involved in that time. We cannot afford to waste their talents.

I wish to say something about the networks. Senators ought to read the testimony they presented. I stated to them it was my hope that, if we can plant the seed corn, we shall have a fourth network in this country, an educational TV network, by means of which a school will be able to pick up a lecture by a great teacher, which would not be available to the school in any other way, and that a particular subject will be taught to pupils who otherwise would not have a teacher available.

The committee of which I am chairman has been in touch with representatives of the Federal Communications Commission about TV programs. It was the general consensus that progress in that direction had not been too good. I stated to the representatives of the networks that after the educational TV operators, the universities, and all concerned get together, the programs will have a tendency to be competitive with the commercial networks, and, being competitive, will have a tendency to raise the quality of network programs. The network officials agreed with me. They said they were in favor of it, because it would help them.

The new Chairman of the Federal Communications Commission has long been connected with a nonprofit group in this field in the State of the distinguished Senator from Illinois. Generally in that area, where there are country schools, the Ford Foundation has agreed to finance an experiment which would place an airplane 30,000 feet in the air, and have educational programs broadcast from the airplane under the auspices of Purdue University and a number of other educational groups. Two airplanes will be used. Two airplanes are going to broadcast educational TV programs during regular school hours, from 30,000 feet, which will cover 5,200,000 schoolchildren in that particular area, who otherwise would not have such facilities available.

People can take it or leave it, but the Ford Foundation was specific in having it understood that it could conduct such an operation only once, in order to test its operation. So far as I know, the program is proceeding very successfully.

In my hometown, the University of Washington has an educational TV station. It is the only one. It does not broadcast over the mountains to the eastern part of the State. It has been operating for 6 or 7 years. For 3 or 4 years, it could not get off the ground. The legislature meets only every 2 years. We lost 2 years in getting action from the legislature. It was a new idea. A very public spirited citizen, Mrs. A. Scott Bullitt, who owns a big TV station, and who was putting new equipment into her station KING, was told of the problem confronting the University of Washington, and she contributed the equipment. In this way the educational TV was given a boost to get off the ground.

That same slow process can happen in many places. I don't know whether it has happened in Montana or Illinois, but now the State legislature appropriates money for that program every year in my State. I suspect the program is off the ground by now, but we lost 4 or 5 years before it got underway.

The same thing is happening all over the United States. Two hundred and fourteen of the finest channels in the spectrum have been lying idle for 10 years. If we don't do something about it pretty soon, I ask my colleagues if they do not think the commercial TV interests will be looking for a possible use for those channels.

Mr. DIRKSEN. Mr. President, now that the Senator has got off the ground, I wonder if he can forebear me for a moment to make sure one observation gets into the RECORD?

Mr. MAGNUSON. I have no doubt the Senator from Illinois will get an observation into the RECORD, regardless, because he usually succeeds in doing so.

Mr. DIRKSEN. I have been very successful so far.

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Illinois?

Mr. MAGNUSON. I yield.

Mr. DIRKSEN. I have two observations. First, the distinguished Senator from Washington has referred to this proposal as seed corn. Believe me, $50 million is a lot of seed corn for States ranging all the way from Rhode Island to Texas or Alaska or Hawaii. Second, I fought a similar bill last year. The former Secretary of Health, Education, and Welfare was opposed to it; and, interestingly enough, the bill this year is identical with the bill of last year, and the Secretary of Health, Education, and Welfare is still opposing it, as appears on page 164 of the hearings.

Mr. MAGNUSON. I yielded to the Senator, but I was about to discuss that matter.

Mr. DIRKSEN. I thought I would put that statement into the RECORD, since I have had such difficulty getting the floor.

The Secretary discusses this in his letter written on St. Patrick's Day, March 17, 1961, to our illustrious and distinguished chairman of the committee, the Senator from the State of Washington.

Since these things always appear in the hearings in such small type that trifocal and bifocal men, like me, have difficulty reading the print, I ask unanimous consent that the letter to our distinguished chairman be printed in the body of the RECORD in the customary type as a part of my remarks, so that all who run may read.

Mr. MAGNUSON. I was going to read the letter to the Senate.

Mr. DIRKSEN. Good.

Mr. MAGNUSON. If I can proceed with my discussion.

Mr. DIRKSEN. If the Senator does not mind, I should like to have the letter printed as a part of my remarks.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Illinois?

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF HEALTH,
EDUCATION, AND WELFARE,
March 17, 1961.

HON. WARREN G. MAGNUSON,
Chairman, Committee on Interstate and Foreign Commerce, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This letter is in response to your request of January 12, 1961, for a report on S. 205, a bill to expedite the utilization of television transmission facilities in our public schools and colleges, and in adult training programs.

This bill would authorize the appropriation of such amounts as may be necessary to enable the Commissioner of Education during a 5-year period to make grants to State education agencies, nonprofit organizations, State educational television commissions, and State-controlled colleges and universities for acquisition and installation of transmission apparatus for educational television facilities. The aggregate of such grants could not exceed $1 million in any State.

S. 205 is identical to S. 12, 86th Congress, which passed the Senate on April 13, 1959. The purpose of the instant bill—to expedite the development of the educational uses of television—is one which this Department endorses. There is no necessity in this report to again review the progress in the development of educational television broadcasting. We recognize that, heartening as this progress has been, much more needs to be accomplished in order to take advantage of the enormous potential of television for the improvement and extension of educational opportunities in all parts of the country. We also recognize that a major obstacle to the accomplishment of this objective is the high initial cost of equipment and the shortage of funds for meeting such costs. Nevertheless, the Department feels that there needs to be additional consideration of the entire problem in order to determine the most effective methods of providing Federal assistance for this purpose.

As you know, President Kennedy has recommended legislation to provide additional Federal assistance in meeting the urgent needs of public elementary and secondary schools and of higher education. We believe that the enactment of this legislation should have priority in terms of new Federal programs in the field of education. Meanwhile, our Department will give thorough consideration to additional proposals of obvious merit, such as that embodied in the instant bill. In our judgment, a number of important matters need additional consideration with respect to accomplishing the objectives sought in S. 205.

First, the National Association of Educational Broadcasters is undertaking to design an allocation plan for a nationwide system of educational television for submission to the Federal Communications Commission for the Commission's consideration. It is expected that this plan will be completed shortly and we would like to have the benefit of this effort and the findings of the Commission on it in order to coordinate the recommendations of this Department with that work. Second, we believe that further attention should be given to the role of the State in formulating a plan for statewide development of educational television, and to the role of possible regional arrangements between States. For reasons of efficiency, economy, and effectiveness, we believe that the planning and activating of educational television installations at least should follow a State pattern, and may need to be regional in character. Third, we feel that more attention needs to be given to securing effective commitments for operating funds once an installation is completed. And, finally, the Department would like to consider

the Federal role in encouraging educational television in the broader context of measures designed to bring about more effective use of modern educational media and within the framework of more comprehensive Federal action to improve the quality of education.

This administration, under the leadership of President Kennedy, is deeply and forcefully committed to Federal action to help improve the quality of American education to the end of strengthening the whole fabric of our society. The administration's proposed Educational Assistance Act of 1961 provides for stimulating and facilitating new programs to meet special education problems. Such programs might include the use of new media such as television. In addition, the President has stated in his message to the Congress of February 20, 1961, that he will ask the Congress to amend and extend provisions of the National Defense Education Act. A portion of that act is designed to foster research and experimentation and to disseminate information in the development and evaluation of television and other educational media. This Department, which has the principal responsibility for carrying out the vital administration commitments in the field of education, will carefully consider an appropriate course of action to provide adequately for the development and stimulation of various types of modern educational media including educational television. For the reasons set forth, however, we are unable to recommend favorable consideration of the instant bill.

Accordingly, we recommend against enactment of S. 205.

We are advised by the Bureau of the Budget that there is no objection to the presentation of this report from the standpoint of the administration's program.

Sincerely yours,

ABRAHAM RIBICOFF,
Secretary.

Mr. MAGNUSON. I should like to say, as an aside——

Mr. DIRKSEN. I hope the Senator will permit me to conclude, in one sentence. The Secretary says:

Accordingly, we recommend against enactment of S. 205.

I find myself now holding up the hands of the new Secretary of the Department of Health, Education, and Welfare.

That is all I have to say.

Mr. MAGNUSON. I simply say, as an aside, I thoroughly agree with the Senator from Illinois concerning the fine print in all our reports. I think the fine print of letters from departments, in our reports which is always customary, and the telephone book have contributed more to forcing Senators to wear glasses than any other thing of which I know. I think the people who print them are in league with the optometrists.

I suggested at one time to the Joint Committee on Printing, that we should print the letters in even bolder type, but I was told it would cost too much. Again it was said, it would cost too much.

Mr. LAUSCHE and Mr. HUMPHREY addressed the Chair.

Mr. MAGNUSON. May I finish my opening statement?

Mr. LAUSCHE. I should like to pursue what the Senator from Illinois said.

Is the letter of the present Secretary of the Department of Health, Education, and Welfare included in the report?

Mr. DIRKSEN. It is on page 164.

Mr. LAUSCHE. Is it in the report?

Mr. DIRKSEN. No.

Mr. MAGNUSON. If the Senator from Ohio and the Senator from Illinois will bear with me a minute, I shall conclude my statement.

Mr. DIRKSEN. The letter is printed in the hearings.

Mr. MAGNUSON. The Secretary of the Department of Health, Education, and Welfare sent a letter on March 17, which was Friday.

Mr. LAUSCHE. Why was the letter not printed in the report?

Mr. MAGNUSON. Because the report was printed prior to that time.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. MAGNUSON. I have the letter, which I intend to read to the Senate, if I may proceed.

Mr. LAUSCHE. Did the committee report the bill without obtaining a recommendation from the Secretary of the Department of Health, Education, and Welfare?

Mr. MAGNUSON. We asked the Department, a long time ago, to appear. We asked the Department during the hearings to appear, and Department representatives did not appear because they had not formulated their position.

Mr. LAUSCHE. Then the bill was recommended favorably without the committee having had an opinion, before the recommendation was made, as to what was the judgment of the Secretary of the Department of Health, Education, and Welfare?

Mr. MAGNUSON. The bill was reported after the committee had written to the Secretary on two occasions. Apparently the Secretary did not wish to testify. He suggested to me that the Department would testify when the bill went to the House of Representatives. The letter was written March 17. I saw it only this morning, because it arrived this past weekend.

Mr. LAUSCHE. The report was filled March 14?

Mr. MAGNUSON. Yes.

Mr. LAUSCHE. The letter was written March 17?

Mr. MAGNUSON. Yes.

We asked the Department on January 12 to send us their position.

Mr. LAUSCHE. The point I am trying to make is that ordinarily we wait for the department of Government which is particularly concerned with a bill to express its opinion. In this case the committee recommended passage of the bill before it heard from the Secretary.

Mr. MAGNUSON. That is not an absolutely accurate statement of fact.

Mr. LAUSCHE. I thought the Senator said he received the letter on the 17th.

Mr. MAGNUSON. The committee ordinarily waits to get recommendations from the departments. We ask the department representatives to appear, and we ask for their comments. We wait a reasonable time, sometimes a long time.

On January 12 we asked the Department of Health, Education, and Welfare for an opinion. We waited almost 6 weeks. We assumed the Department representatives did not wish to appear.

The Department was later again asked to appear.

The committee often passes bills with respect to which executive departments have not made comments. When an executive department is asked to do so time and time again, and does not make comments, we assume that either the Department has no interest in the bill, or for some good reason does not wish to testify.

Any implication that the committee was trying to report the bill to the Senate because it had not heard from the Secretary of the Department of Health, Education, and Welfare is simply not the fact.

Mr. DIRKSEN. The Senator refers to the new Secretary of the Department of Health, Education, and Welfare.

Mr. LAUSCHE. Yes.

Mr. MAGNUSON. Yes.

Mr. DIRKSEN. Who had not answered by letter?

Mr. MAGNUSON. Mr. President, I call for the regular order.

The PRESIDING OFFICER. The Senator from Washington has the floor.

Mr. HUMPHREY. Mr. President——

Mr. LAUSCHE. Mr. President, will the Senator permit me to finish my colloquy?

Mr. MAGNUSON. I should like to finish my opening remarks.

Mr. LAUSCHE. I merely said it is rather abnormal for a committee to file a report without having in the report an opinion of the department of Government which is most vitally concerned. I do not think the Senator from Washington would challenge the correctness of that statement.

Mr. MAGNUSON. I can show the Senator hundreds of reports on bills, with respect to which there has been no communication.

The PRESIDING OFFICER. The Senator from Washington has the floor.

Mr. MAGNUSON. I think it would be abnormal and unusual if the committee filed a report without asking the Department representatives to appear, and without allowing the Department a reasonable time.

Mr. LAUSCHE. The hearings were conducted on March 1 and 2?

Mr. MAGNUSON. The Senator is correct. That is almost 2 months after the request went to the Department.

Mr. LAUSCHE. The report was filed on the 14th of March, and the letter was written on the 17th of March?

Mr. MAGNUSON. The Senator is correct.

Mr. LAUSCHE. I think it is very vital, at least for the people of the country, to know that the Secretary of the Department of Health, Education, and Welfare of the Kennedy administration says the bill should not be passed.

Mr. MAGNUSON. That is not quite the fact. I will read the letter, and the letter will speak for itself.

Mr. HUMPHREY. Mr. President, will the Senator yield to me on a more tranquil subject?

Mr. MAGNUSON. I yield to the Senator from Minnesota.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the Housing Subcommittee of the Committee on Banking and Currency be permitted to sit during the session of the Senate today.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, I also ask unanimous consent that the Internal Security Subcommittee of the Committee on the Judiciary be permitted to hold hearings away from the city of Washington, D.C., today.

The PRESIDING OFFICER. Without objection, it is so ordered.

UTILIZATION OF TELEVISION FACILITIES FOR EDUCATIONAL PURPOSES

The Senate resumed the consideration of the bill (S. 205) to expedite the utilization of television transmission facilities in our public schools and colleges and in adult training programs.

Mr. HUMPHREY. Mr. President, I thank the Senator from Washington for his courtesy. I assure the Senator that a degree of legislative independence on occasion is refreshing to the body and to the soul.

Mr. MAGNUSON. Yes. I hope we can maintain independence.

Mr. HUMPHREY. I compliment the Senator from Washington for his fine work in regard to the bill. It surely has my enthusiastic and wholehearted support.

When the letter is read I am sure it will be clear that the Secretary of the Department of Health, Education, and Welfare will be amenable to the many fine recommendations of the Senator from Washington, who is able to persuade even those who have deep doubts on most serious questions.

Mr. MAGNUSON. The Secretary says in his letter that this is a proposal with "obvious merit."

Mr. HUMPHREY. With "obvious merit"?

Mr. MAGNUSON. With "obvious merit," yes. On its face the proposal has obvious merit.

Mr. President, this is the same sort of letter which was sent to the Congress last year by the Department, in which the Department suggested it should study the proposal a little longer. It was said, in effect, "This is a good bill. Perhaps this ought to be done in some other way."

This is exactly what I am trying to do. Let us get started. We have now lost 10 years in regard to the proposal. The Department could study it for a long time. All the Department has to do is to read the testimony. There is not a single bit of testimony against the proposal by any witness who appeared in open hearing in three long hearings, after people were notified weeks in advance or months in advance of the hearings.

I do not know why Mr. Ribicoff sent the letter on St. Patrick's Day. [Laughter.] But that is what happened. The Secretary was invited to testify. We asked the Secretary to testify.

Frankly, it was my informal understanding with the Secretary, who was going to look into the proposal, since it was new to him, that the Department was going to look it over and perhaps testify before the committee of the House of Representatives. I suppose they are planning to do so. The House committee is starting hearings on the bill today.

Mr. LAUSCHE. Mr. President, I should like to hear what is in the letter. I have not seen the letter.

Mr. MAGNUSON. I shall put it in the RECORD in full. I was trying to finish my opening statement.

Mr. LAUSCHE. Will the Senator read the letter?

Mr. MAGNUSON. I have a very short statement.

The authority under this legislation will expire 5 years after the date of enactment of this bill.

Nine years have passed since the FCC originally set aside 242 TV channels—268 today—or approximately 12 percent of all TV channels in the United States for noncommercial educational use. In this period, only 54 educational stations have been constructed. These stations serve a wide area, but it is estimated that two-thirds of the population of the United States have no access to educational television. Yet, in the same period we have seen a rapid growth in the number of commercial television stations and in the number of homes that can be reached by it.

Of course, in 10 years the sale of television sets available to the people has increased. Not only would the educational programs be a great value to children, but also a great number of adults would benefit from them. We have no estimate of the number of such adults, and I suppose we never could get such an estimate.

It is apparent from the data supplied to the Senate Committee on Interstate and Foreign Commerce that the failure of the educators to utilize the unused educational reservations is not the result of a lack of interest, desire, planning, or zeal on their part. It is apparent that the largest problem facing the educators today in making use of television is the lack of funds to pay for the basic installation of the transmitting apparatus.

Experience demonstrates once a station has been built, State legislatures, local educational systems, and local communities raise the funds to produce the programing and operate the stations. It is indeed a credit to those people who have labored in this field to look back and view the remarkable progress that has been made in establishing the 54 stations that are now serving more than 50 million people.

This legislation would create, in a sense, a Federal-State cooperative matching fund program which would set a constructive tone in this most important field of education. At the time when the Nation's educational program is being severely taxed by a serious teacher shortage, rapidly rising enrollments, and inadequate facilities, it is imperative that every avenue and approach be tried in order to alleviate this problem.

The Federal Communications Commission, in furtherance of this educational program, should offer upon request assistance and advice to the State-approved agencies which receive these Federal funds. Such assistance and advice, it is felt, will enable the States to better utilize funds. However, it is to be understood the FCC is not to exercise any control of funds allotted under this program.

We all know that television is a powerful means of communications. This bill is intended to launch our country generally upon the path of bringing into our educational system the tremendous advantage and opportunity afforded by the television medium. Time is of the essence.

AMENDMENT

As a protection against waste or improper use of funds, the committee has adopted the amendment recommended by the General Accounting Office which requires recipients of the grants to keep records that would fully disclose the disposition of funds and authorize the Commissioner of Education and the Comptroller General or authorized representatives to have access to such records for the purpose of audit and examination. The amendment requires the grantees to establish proper accounting procedures and at the same time eliminates any doubt as to the authority of the GAO to audit the books.

No problem of whether the program would benefit private or public schools is involved. Anyone could take advantage of the program who wished to do so. Educational TV would go deeply into the education program of all types of schools, because children are children, and they need to be educated.

In urban centers, particularly in New York, Chicago, and other similar areas, adults would use the proposed facility for the study of languages and other subjects, and it is estimated that the number of such adult listeners would be greater than the number of listeners in schools, for obvious reasons. Some schools today have an enrollment of 6,000 or 7,000 adults. Adults have said, "We would like to receive this program and take the examination later."

Mr. COOPER. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. COOPER. I wish to join with the Senator from Washington in support of the bill. I am glad that I am a cosponsor. I think the Senator from Washington has brought out very clearly one of the strongest arguments in favor of the bill.

I have been very much interested in Federal aid to education. Sometimes in thinking of building needed schoolhouses and of the large sums of money needed if teachers' salaries are to be raised, we forget that the ultimate purpose of all the proposed expenditures is to raise the quality of education. Even if we pass a Federal aid to education bill, it may be years before the quality of teaching is raised.

As I see it, the great value of the bill which the Senator from Washington is so ably advocating today is that it would take an immediate and a giant step toward bringing quality of education into every classroom in the country which would take advantage of the proposed program.

In my own State there are 100 schoolhouses which have only 1 room, and 500 schoolhouses which have only 2 or 3 classrooms. Hundreds of teachers have not been adequately trained. Under the proposed program the best teachers in each State could teach the children in schools that do not now have the best teachers. Thus the quality of education in such schools would be immediately raised. Furthermore, the program would help us to raise the standards of teachers themselves. Beyond that, the program would reach many adults.

We owe a great debt to the Senator from Washington [Mr. MAGNUSON] and the Senator from Kansas [Mr. SCHOEPPEL] for advocating the bill. I am glad that I am a cosponsor, and I remind Senators that, even beyond the statements made, we must remember that the bill represents an actual advance toward a better quality of teaching and education.

Mr. MAGNUSON. What my friend from Kentucky [Mr. COOPER], who has always been a strong supporter in the passage of the last two bills, has said applies even in the big cities. In St. Paul educators have managed to get one of the channels into operation. They are trying to arrange a small network to the country schools. Here is the testimony of John Schwarzwalder, manager, station KTCA–TV, St. Paul, Minn.:

> I would like to illustrate what educational television can do by citing a program in my own station in which children at the fourth-grade level are taught Spanish by a highly capable instructor. Some 30,000 children in 1,000 different classrooms are being taught Spanish. They are being taught Spanish by a master teacher. And among other points that I wish to make on this is that the preceding year in those same fourth grade classrooms only 59 students had any instruction in any foreign language whatsoever.

Mr. COOPER. I do not know whether other cities in Kentucky would agree with my belief that Louisville probably has the best school system in Kentucky. It is our largest city, having a population of approximately 600,000. Even so, the Louisville school system has an educational television program. The school authorities recognize the value of such a program. If it is needed in a city like Louisville, in our best schools, certainly it would have great value in our less adequately financed schools.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. JAVITS. I, too, would like to congratulate the Senator from Washington and the Senator from Kansas for their espousal of the bill. I should like to make some legislative record on one or two subjects, if the Senator will bear with me. I do not think he will find any of these subjects trying for him.

First, though the distribution under the bill is not defined specifically as to what shall be its character or nature, is it not a fact that the Senator would intend that distribution under the bill should buttress areas which are not likely to be otherwise served by educational television?

Mr. MAGNUSON. The Senator is correct.

Mr. JAVITS. The program is a two-way street. In other words, there is proposed an effort to alleviate a classroom shortage through the modern means of extending the range of teaching and the locale of teaching; and there is also couped with that proposal the idea of extending to smaller, less accessible places, perhaps, a type of excellence of instruction which is now available only in the more congested areas. Is that statement correct?

Mr. MAGNUSON. The Senator is correct.

Mr. JAVITS. In other words, the Senator from Washington does not have in mind that every State would necessarily receive $1 million?

Mr. MAGNUSON. No. Each State would be required to submit a plan, and it would have to show that it would continue the program in operation. Each application would have to be passed upon.

There is another safeguard in the bill. We adopted an amendment by which the General Accounting Office would require the recipients of all grants to keep records, and the General Accounting Office would audit their books, so that there would not be any unnecessary waste.

I see the distinguished Senator from Rhode Island [Mr. PASTORE] in the Chamber. He may ask "Why should Rhode Island have $1 million, or no more than $1 million, and a large State such as New York have only the same amount?"

It is very difficult to establish a formula, because the development has been so piecemeal. But we have included also a provision for closed-circuit television. The Senator from Rhode Island knows that there are many schools in Rhode Island that would benefit greatly by a completely closed-circuit television operation in the area, and it could be provided very effectively. The State authorities would not necessarily be required to erect a tower to broadcast from the State of Rhode Island. Listeners could pick up broadcasts from Connecticut, Massachusetts, and New York.

The closed circuit is a very fundamental part of the bill, and it is being used in some school districts. Usually, once it is adopted, it is never discontinued.

Mr. JAVITS. I want to be sure that the Administrator will not help areas which are well able to help themselves, and should not seek an extension of television media where they can be better supplied through local and even nongovernmental sources.

Mr. MAGNUSON. That is correct.

Mr. JAVITS. I should like to give the Senator an example from my own State. A very distinguished group of New Yorkers is bidding now for station WNTA–TV in New York, entirely on the basis of public service, to make it an educational television station. In this connection I ask unanimous consent to have printed in the RECORD press reports dealing with this subject.

There being no objection, the press reports were ordered to be printed in the RECORD, as follows:

[From the New York Times, Mar. 21, 1961]

FIVE MILLION AND FIVE HUNDRED THOUSAND DOLLAR OFFER IS MADE FOR WNTA—CITIZENS GROUP INCREASES PRICE FOR TV STATION WHILE SUSSKIND ENTERS BID

(By Val Adams)

A local group of citizens interested in providing New York with an educational television station has submitted a new and increased bid of $5.5 million to purchase station WNTA–TV (channel 13). The group's initial offer of $4 million had been declined last month by National Telefilm Associates, owner of the station.

In another bidding development yesterday, David Susskind, independent TV producer, said he and "certain associates" had submitted a bid higher than any made earlier. Mr. Susskind, who declined to identify his associates, said the cash bid was submitted in writing to NTA yesterday afternoon.

The new bid by the educational group was confirmed by Howard E. Stark, a broker dealing in the purchase and sale of television stations.

"The bid was for $5.5 million in cash," Mr. Stark declared.

The broker represents a group of prominent New Yorkers working in conjunction with the National Educational Television and Radio Center. The group is headed by Howard C. Sheperd, board chairman of the Greater New York Fund and retired chairman of the First National City Bank.

DUE BACK IN APRIL

Mr. Sheperd said last month he would devote as much time as he could to help establish an educational TV station here. Currently vacationing in Honolulu, he will return here early in April.

The National Educational Television and Radio Center is a nonprofit organization that provides programs to stations throughout the country.

Mr. Susskind said his bid was delivered to Justin M. Golenbock, general counsel for NTA, in his office at 60 East 42d Street. The producer declared that his associates and financial backers were not identified in the letter.

In addition to the two known bids for WNTA–TV, there have been reports of one other by an unidentified party. Yesterday Mr. Golenbock declined to discuss any bids.

Ely A. Landau resigned as chairman of NTA last month and said he planned to make an offer for the station. At the same time NTA announced its board of directors had decided to sell the station and would entertain bids. The company said it planned to concentrate its full efforts on developing and distributing film and tape programs to television stations.

[From the New York Herald Tribune, Mar. 21, 1961]

FIVE AND ONE-HALF MILLION DOLLARS FOR CHANNEL 13—BID RAISED BY $1.5 MILLION FOR EDUCATIONAL TV HERE

(By Terry Ferrer)

A group of prominent New York City citizens has offered $5,500,000 to purchase television station WNTA–TV, channel 13, for use as an educational television station for the metropolitan area, it was learned yesterday. The city does not now have such a station.

A previous bid of $4 million from the same group, headed by Howard E. Shepherd, former chairman of the First National City Bank of New York, was rejected last month by the station's owner, National Telefilm Associates, Inc., as insufficient.

The group it was learned, includes John D. Rockefeller 3d, chairman of Lincoln Center for the Performing Arts; Arthur A. Houghton, Jr., President of Steuben Glass; Devereux C. Josephs, former board chairman of the New York Life Insurance Co., and Dr. George D. Stoddard, chancellor and executive vice president of New York University. Mr. Josephs and Mr. Houghton are vice chairmen of the board of Lincoln Center, and Dr. Stoddard is on the board.

Another member is John F. White, president of the National Television and Radio Center, 10 Columbus Circle, a nonprofit corporation that serves as national spokesman and network programing agency for the 54 educational television stations in operation. Mr. White said yesterday that plans call for basing the New York educational television station adjacent to Lincoln Center. WNTA–TV is now in Newark, N.J.

Howard E. Stark, broker who specializes in the sale of television stations, confirmed last night that the $5,500,000 cash bid had been made. Others who are reported to be bidding for the station are David Susskind, producer, and Ely A. Landau, former chairman of National Telefilm Associates.

A spokesman for NTA refused last night to say what bids had been received or when the station's directors would consider whatever bids may have been made. Oliver A. Unger, president and chairman of NTA, was out of town yesterday and could not be reached.

Mr. Josephs, who is serving as spokesman for the citizens' group in the absence of Mr. Shepherd, said yesterday that, if the bid were accepted, funds would be raised from interested citizens foundations and corporations.

Mr. White said: "Don't worry about the money, we'll get the money. It's the station. We're completely prepared to fight for this channel. We've just got to have it."

National Television Associates announced in February that WNTA–TV was for sale and that bids would be considered. Whatever the purchase price, the station, which syndicates TV programs, would use the funds to retire indebtedness. Net station losses last year were about $7 million. The station has won critical acclaim for such programs as "Play of the Week" and Mr. Susskind's "Open End" discussions.

If the citizens' group is able to purchase the station, itw ould serve as a permanent home for educational television activities of the board of education and the State board of regents during daytime hours. In the evening, it was expected, the cultural activities of Lincoln Center would be telecast.

In the past, Lincoln Center has expressed an interest in a close relationship with educational television in order to present the center's activities to as wide an audience as possible.

Mr. JAVITS. It would be pointless to think of the pending bill as supplementing any such effort. It would not be pointless, however, with respect to depressed areas, which will be helped by the depressed-areas bill, where localities, even in my home State of New York, may not be able to help themselves, and the United States could help with very fine programs which will be going over station WNTA, if that station should become an educational television station or programs over WPIX, and could send those programs into some areas which could otherwise not be serviced. Is that what the Senator has in mind?

Mr. MAGNUSON. That is definitely my feeling. The purpose would be in some cases to expand the coverage in an area. I hope that a fine program from such a station in the Senator's State someday will be shown to the schoolchildren of the State of the Senator from Kansas for example.

Mr. JAVITS. It would not be the purpose under the bill to take up any local responsibility or any nongovernmental responsibility that could otherwise be carried on. Is that correct?

Mr. MAGNUSON. The Senator from New York is correct.

Mr. JAVITS. Is it fair to have the legislative record read that one of the tests to be applied by those who disburse the money on behalf of the Government will be that their action either stimulates or does what would not otherwise be done, but what in the national interest should be done or should be stimulated?

Mr. MAGNUSON. The Senator has made a very clear and concise statement. He has expressed exactly my feelings.

Mr. JAVITS. I am glad to hear the Senator say that. It only fills in those interstices in connection with which the Federal Government can help without replacing other services. I know that my colleague [Mr. KEATING] has much the same idea. He is offering his amendment, and, of course, will speak for himself.

Mr. MAGNUSON. I believe it adds to the bill and strengthens it.

Mr. JAVITS. We are often accused of being behind the times and lagging behind developments of a technical or policymaking character which are considered advanced and forward looking. Therefore, it is refreshing to me and indeed refreshing to the country, I am sure, to note that we are not stick-in-the-muds. I do not believe $50 million is a great deal of money when we consider the fact that we may survive or go down depending upon the quality of the education which we are able to give to our young people in the next few decades.

Mr. MAGNUSON. The Senator knows that this is an authorization bill. It provides for a ceiling on the authorization. The Appropriations Committees will have to look at the subject very carefully.

Mr. JAVITS. The Senator from Washington should be congratulated for his wise handling of the bill. He has been of great help in seeing to it that the bill has been handled wisely and economically, within the requirements of its purpose, by what he has agreed to with me as the proper standard of judgment for the Administrator.

Mr. MAGNUSON. The Senator from Kansas and the Senator from Rhode Island and I are members of the Committee on Appropriations. We have a little pride in this matter and will try to make certain that it is not used in the wrong way.

Mr. JAVITS. I am glad to express my support of the bill, and I appreciate the Senator's handling of it.

Mr. PASTORE. I do not wish to prolong the debate. It may be important to point out, lest someone raise the question later, that fundamentally, of course, the operational expenses must be borne by the community itself. That in and of itself, of course, is a large item in the operation of a station.

All that the bill does, actually, is encourage more or less a partnership relationship between the Federal Government and the local community. The real restraint to a callous use of money—if anyone should feel that there is a likelihood of it—lies in the fact that every community must assume a tremendous burden of its own to operate the station once it is established.

Right there I believe we find the real restraint that is necessary to make certain that none of the taxpayers' money will be injudiciously or unwisely used.

Mr. MAGNUSON. I thank the Senator for his contribution. I had not thought of that point. However, I am sure that every community will consider these facts, because it will obligate itself to perhaps 10 times the amount that is involved from the standpoint of the Federal Government, and they will certainly look carefully at the whole proposal before they tie themselves to a heavy burden.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. JAVITS. It seems to me that this again is a built-in stabilizer in the program, as well as the exercise of discretion under the definition which the Senator has already given.

Mr. MAGNUSON. The Senator from Illinois said $50 million is a lot of seed corn. I say that the crop will be $500 million in the first years. It will be helpful in the general program of aid to education. It will alleviate some of the very pressing problems which would have to be met whether we pass the bill or not.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. JAVITS. I had another point in mind, which the Senator is now helping me make, and we should place it in the RECORD at this time. It is the point that the Administrator of the program will coordinate it closely with the program of Federal aid to education, upon which it has a direct influence, and that we do not expect the various programs to be operating in separate compartments unrelated one to another.

Mr. MAGNUSON. I have before me a letter addressed to me by the Secretary of Health, Education, and Welfare. In effect the letter states that something must be done along that line. They suggest that all this might be worked into a broad Federal aid to education bill. They also suggest that it could be added to an extension of the National Defense Education Act. If necessary that may be acceptable to the Senator from Kansas and me. We are glad if it can be worked out in that way. However, we want to get it going now, not 5 years from now.

Mr. JAVITS. The Senator does not expect—I know he does not, and I say this only to have it clear on the record—to have these programs operated separately, but that they are to be coordinated as a unit program, with the Federal Government helping education. The Senator certainly does not expect

the Department of Health, Education, and Welfare to operate the three programs in different receptables, one unrelated to another.

Mr. MAGNUSON. No. I certainly hope that will not be done. I ask unanimous consent to have printed in the RECORD at this point the letter from the Secretary of Health, Education, and Welfare to which I have referred.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF
HEALTH, EDUCATION, AND WELFARE,
Washington, D.C., March 17, 1961.

Hon. WARREN G. MAGNUSON,
Chairman, Committee on Interstate and Foreign Commerce, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This letter is in response to your request of January 12, 1961, for a report on S. 205, a bill "To expedite the utilization of television transmission facilities in our public schools and colleges, and in adult training programs."

This bill would authorize the appropriation of such amounts as may be necessary to enable the Commissioner of Education during a 5-year period to make grants to State education agencies, nonprofit organizations, State educational television commissions, and State-controlled colleges and universities, for acquisition and installation of transmission apparatus for educational television facilities. The aggregate of such grants could not exceed $1 million in any State.

S. 205 is identical to S. 12, 86th Congress, which passed the Senate on April 13, 1959.

The purpose of the instant bill—to expedite the development of the educational uses of television—is one which this Department endorses. There is no necessity in this report to again review the progress in the development of educational television broadcasting. We recognize that, heartening as this progress has been, much more needs to be accomplished in order to take advantage of the enormous potential of television for the improvement and extension of educational opportunities in all parts of the country. We also recognize that a major obstacle to the accomplishment of this objective is the high initial cost of equipment and the shortage of funds for meeting such costs. Nevertheless, the Department feels that there needs to be additional consideration of the entire problem in order to determine the most effective methods of providing Federal assistance for this purpose.

As you know, President Kennedy has recommended legislation to provide additional Federal assistance in meeting the urgent needs of public elementary and secondary schools and of higher education. We believe that the enactment of this legislation should have priority in terms of new Federal programs in the field of education. Meanwhile, our Department will give thorough consideration to additional proposals of obvious merit, such as that embodied in the instant bill. In our judgment, a number of important matters need additional consideration with respect to accomplishing the objectives sought in S. 205.

First, the National Association of Educational Broadcasters is undertaking to design an allocation plan for a nationwide system of educational television for submission to the Federal Communications Commission for the Commission's consideration. It is expected that this plan will be completed shortly and we would like to have the benefit of this effort and the findings of the Commission on it in order to coordinate the recommendations of this Department with that work. Second, we believe that further attention should be given to the role of the State in formulating a plan for statewide development of educational television, and to the role of possible regional arrangements between States. For reasons of efficiency, economy, and effectiveness, we believe that the planning and activating of educational television installations at least should follow a State pattern, and may need to be regional in character. Third, we feel that more attention needs to be given to securing effective commitments for operating funds once an installation is completed. And, finally, the Department would like to consider the Federal role in encouraging educational television in the broader context of measures designed to bring about more effective use of modern educational media and within the framework of more comprehensive Federal action to improve the quality of education.

This administration, under the leadership of President Kennedy, is deeply and forcefully committed to Federal action to help improve the quality of American education to the end of strengthening the whole fabric of our society. The Administration's proposed Educational Assistance Act of 1961 provides for stimulating and facilitating new programs to meet special education problems. Such programs might include the use of new media such as television. In addition, the President has stated in his message to the Congress of February 20, 1961, that he will ask the Congress to amend and extend provisions of the National Defense Education Act. A portion of that act is designed to foster research and experimentation and to disseminate information in the development and evaluation of television and other educational media. This Department, which has the principal responsibility for carrying out the vital administration commitments in the field of education, will carefully consider an appropriate course of action to provide adequately for the development and stimulation of various types of modern educational media including educational television. For the reasons set forth, however, we are unable to recommend favorable consideration of the instant bill.

Accordingly, we recommend against enactment of S. 205.

We are advised by the Bureau of the Budget that there is no objection to the presentation of this report from the standpoint of the administration's program.

Sincerely yours,

ABRAHAM RIBICOFF,
Secretary.

Mr. SCHOEPPEL. Mr. President, I appreciate the debate which has been had on the pending measure today. I am supporting it. It was a little over 2 years ago that I spoke on the floor in support of S. 12, in the 86th Congress, which was a bill almost identical to the educational TV bill now before us. I regret that S. 12 failed of passage in the House, as did S. 2119 in the 85th Congress.

I believe that 3 important years have been lost in putting into effect a program which is very vital to the American people and to my State of Kansas. The Senator from Washington, the chairman of the committee, has touched on this point.

The people of my State have been much interested in this subject. I said 2 years ago:

> The great tragedy in lost educational opportunity lies in the impossibility of retrievement.
>
> The hours and years doled out to each of us can be spent but once. If by inaction or inadequate plan, we give too thin a fare to those for whose learning we hold responsibility, we fail in a way that we cannot make up, for what is lost is learning time.

Of course, everything has not been lost by the delay, and I would not suggest that it has.

For example, my own State of Kansas has used the time profitably to work on a plan for a statewide educational television network.

You will find in the hearing on this bill a letter from Kansas State Senator Laurin W. Jones delineating the proposal for Kansas. In brief, these are its main points:

Six maximum power, high antenna transmitters would be erected, one each at Topeka, Hutchinson, Lincoln, Grainfield, Garden City, and Chanute.

With the exception of the one at Chanute, all would broadcast on VHF.

It is planned that major program production centers would be established at Wichita, Lawrence, and Manhattan. Minor program centers would be built at Emporia, Hays, Kansas City, Pittsburg, and Topeka.

The location of the transmitters would be such that 92 percent of the Kansas population could receive a good signal, and all of the transmitters would be linked together by microwave relay.

Any of the program centers could feed the entire network, or it could be broken into regional segments.

Much of the support for the Kansas plan has come from a Citizens Committee for Educational Television organized nearly 8 years ago.

The committee includes representatives of the various State and private colleges and universities, municipal universities, junior colleges, public school systems, and such existing organizations as the Kansas Congress of Parents and Teachers, the Kansas Medical Society, the American Association of University Women, the Kansas Council for Children and Youth, and major farm organizations. I mention this to show the interest which das developed in this important program.

In Kansas, as elsewhere, educational television is looked to as an attainable means of enriching and extending the school curriculum.

A great many of our smaller schools have found it impossible to develop a comprehensive curriculum.

Some of the subject areas found to be inadequately served throughout Kansas are these: Science, particularly chemistry and physics; elementary foreign langauges; elementary science; social studies; modern foreign languages in secondary schools; English and English literature; mathematics and biology.

The testimony before our committee, both in the hearings on S. 205 and its predecessor bills, makes abundantly clear that courses of this sort can be taught effectively through educational television. There is even a saving in money because of the joint use of materials and facilities.

I had the opportunity in my own State to observe what the Department of Defense did in cooperation with universities and other educational institutions in training men in the Military Establishment on technical subjects. The reception was marvelous, and the end results were excellent.

It is also felt that educational television would be most useful, not only in Kansas, but also in other States, particularly in the rural areas, in improving teaching training.

Additional benefits would flow through the availability of teaching to children who, for reasons of health, cannot leave their homes, and through courses for out-of-school youth and for adults.

The Kansas plan which I have here outlined is now pending in the Kansas Legislature.

It is being considered carefully because the program, once embarked upon, would take an annual capital appropriation of a million dollars for several years. I feel certain the people of my State would take the necessary financial interest in the program.

As against a Kansas outlay of about $7 million to get the network into operation, the Federal Government, under the terms of the bill before us, with certain specific requirements and in accordance with safeguards established by the Bureau of the Budget, would contribute $1 million, but it would come at a most helpful time and do much to get the Kansas network underway.

We who have been working on the bill in committee have had our minds particularly attuned to problems in educational TV.

For that reason, I noted with special attention the articles in the Washington newspapers which reported that the Superintendent of Schools in the District of Columbia is not at present willing to introduce educational TV into the District schools. I am sure many Senators read the same articles.

I urge them not to conclude that the Superintendent of the District Schools disapproves of educational TV as a teaching medium. As I understand, his position is simply that there are other things more important to do in the Washington schools at this time.

An example of what he has in mind is the experimental curriculum at Amidon school, which many of us have been happy to note returns in a large part to the fundamentals of the three R's which served so well in our own time.

Again, it must be recognized that the District of Columbia school system is a large one and rich in teaching resources that are not available in many of the schools in our home States.

It seems abundantly clear that postponement of introduction of educational TV into the District schools should not be taken as an argument against educational TV itself, especially when the program advanced by the Greater Washington Educational TV Association is being so eagerly embraced by school systems outside of the District proper.

A belated report on the bill submitted by the Secretary of Health, Education, and Welfare recommends against enactment of the proposed legislation.

I may say, in furtherance of the statement made by the chairman of the committee, the distinguished Senator from Washington [Mr. MAGNUSON], that the chairman of the committee gave the Secretary of Health, Education, and Welfare an ample, fair, and timely opportunity to report his views on the bill. A reading of the record of the hearings will disclose that at the late date it was made public, the Secretary did not represent that his statement related to a 100 percent investigation. The Department simply wishes to proceed in some other way. In fairness, I think an evaluation ought to be placed upon the Secretary's letter in that light, because I would hesitate to believe that a man of the character and ability which I know the Secretary to have would say "No" to this kind of program. That is not the case. To think otherwise would be unfair to the Secretary of that great Department.

The Department of Health, Education, and Welfare similarly recommended against S. 2119 of the 85th Congress and S. 12 of the 86th Congress, so I say frankly and kindly there is no surprise in finding that the political changes which took place at the top have not disturbed subterranean convictions within the Department.

I must note, however, that in addition to the old reasons for opposing educational TV, some new ones are advanced.

The old reasons basically were that more experience and more studies are needed before anyone can say that S. 205 is the best way in which the Federal Government can help expand educational TV.

It seems to me, however, that the language of Secretary Ribicoff's report on the bill conceals possibly a fear that if the Congress acts on an educational TV bill it would feel that it has done enough for education and so bypass the President's aid to education bill. I do not believe that would be the case. In my humble judgment, it is merely something which we should get underway, and it would be complementary in a practical way to what is now being done.

I for one—and I think other Senators will say the same—am ready to consider each of these bills on its own merits.

I can well understand why there might be apprehension about the impact on the budget of the total of $51 million that would be authorized by the bill.

However, not all of the authorized sum would be spent at one time, as has been brought out in the discussion and arguments presented by the distinguished Senator from New York [Mr. JAVITS] in his colloquy with the chairman of the committee.

There are many obstacles in the way that would make the actual spending a fairly long drawn-out process, even though applications for grants must be filed within 5 years after the effective date of the legislation.

The various types of applicants, as has been brought out earlier, and as I wish to state again, must first perfect their local plans and decisions and also satisfy the requirements to be enforced by the Commissioner of Education.

Then there will be additional delays in many instances in obtaining construction permits from the Federal Communications Commission for a reserved educational TV channel.

I hesitate to say when the greatest impact of the bill would be felt, but it will always be within the control of the appropriation process, as was indicated by the chairman of the committee this afternoon.

We have passed a similar bill twice before. The reasons for doing so are still valid.

We should pass it again and then do all possible to enlist the support of our colleagues across the Capitol.

I am glad to be one of the cosponsors of this measure and to support it.

Mr. COTTON. Mr. President, I do not desire to delay the action of the Senate on the bill, but I have been seeking recognition as one of the members of the committee and one of the sponsors of the bill.

I wish to make some brief remarks, and then I shall request the printing in the RECORD of a statement I have prepared on the bill.

Mr. President, I was a sponsor and a supporter of similar bills which were considered in previous Congresses. At that time I had a direct interest in those bills, because my own State was earnestly seeking means to avail itself of the channel reserved for educational television.

I am proud to say that during the period of delay which has occurred since the consideration of those bills, New Hampshire has, with its own resources and the resources of its citizens, established the facilities, and is now utilizing this channel.

The passage of this bill at this time can only indirectly and in small measure benefit my State. But my interest in the bill, as one which is of vital necessity to the future of education in our country, is still very real. Despite the fact that the motive of self-gain for my own State has been somewhat lessened, nonetheless I hope very earnestly that the bill will be passed, for reasons which have been thoroughly covered by previous speakers and for reasons which I touch on briefly in the statement I have prepared. I ask unanimous consent to have it printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR COTTON

EDUCATIONAL TELEVISION

There is no question that educational television can do for our schools what the power loom did for the weaver. It offers new opportunities for better teaching at a saving in both teachers and buildings. But much of this potential is going to waste today despite our urgent needs in education.

Twelve percent of the Nation's television channels have been reserved for noncommercial, educational use for the past 7 years. Only 54 of these 268 channels are now on the air, serving millions of people with a variety of education, information, and entertainment.

The bad side of the coin is that nearly 200 of these reserved channels are going begging. They have no takers. Two-thirds of the people of the Nation have no chance to see an educational TV station.

Not only is their potential being wasted, it is in danger of being lost because of the steady and increasing pressure to free these channels for regular commercial use. This is especially true of those in the VHF band

covering the keenly sought channels from 2 through 13. The Federal Communications Commission has steadfastly refused to throw open these channels for commercial TV, but they can't hold off indefinitely, allowing scarce channels to remain dark and vacant.

This bill offers a means of lighting up these channels and putting them to the best possible use. By making up to $1 million available to each State for the equipment and facilities needed for their ETV stations, it will be a galvanizing shock that can make the promise of ETV a down-to-earth reality.

It is one low-cost, high-yield, single-shot Federal spending program I can go for with enthusiasm.

Frankly, I haven't always felt this way about ETV. While I believed the channels should be used for the enlightenment of our people, young and old, and to relieve the monotony of the endless westerns on commercial TV, I had the mistaken idea that ETV was the frosting of education. I had the impression it provided the appetizer but not the main course—teaching current events, improving cultural backgrounds, and whetting the appetite of students and adults for the arts and sciences.

Hearings before our committee have left no doubts. The record is filled with specific examples of the benefits of educational TV. In Memphis 700 adults have learned to read and write; in Schenectady 4,000 are learning a foreign language at 6:30 in the morning; in Chicago 29,000 have enrolled and paid fees for a junior college course; in rural sections of Oklahoma science and mathematics are being brought to children in small schools who have never been taught them before; 1,200 classes in the Washington area have received a daily science lesson. The list is a long one.

The time has come to put ETV on a firm basis, and enactment of the pending bill will be a powerful and overdue move in that direction.

In my own State, the New Hampshire Educational Broadcasting Council, composed of representatives of 19 schools and colleges, the State Department of Education of the Catholic Diocese, and the Association of School Superintendents, has put an ETV station on the air.

New Hampshire's share of the funds provided by S. 205 will be available for such things as improving the facilities of WENH, increasing its power and range, and installing other devices to bring its benefits to a wider number of viewers, as well as for lighting the darkness of other channels in New Hampshire, and nearby States.

The PRESIDING OFFICER (Mr. HICKEY in the chair). The committee amendment will now be stated.

The LEGISLATIVE CLERK. On page 4, after line 5, it is proposed to insert a new section, as follows:

SEC. 8. (a) Each recipient of assistance under section 3 of this Act shall keep such records as the Commissioner shall prescribe including records which fully disclose the amount and the disposition by such recipient of the proceeds of such assistance, the total cost of the project or undertaking in connection with which such assistance is given or used, and the amount and nature of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit.

(b) The Commissioner and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purpose of audit and examination to any books, documents, papers, and records of the recipient that are pertinent to assistance received under section 3 of this Act.

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That there is hereby authorized to be appropriated such amounts as may be necessary to assist the States and certain organizations therein to establish or improve television broadcasting for educational purposes, in accordance with the provisions of this Act, by providing for the establishment and improvement of television broadcasting facilities.

SEC. 2. Any agency or officer, or organization in a State, described in clause (b)(2) of this section, which is establishing or improving television broadcasting facilities, may receive a grant as authorized in this Act to cover the cost of such establishment or improvement by—

(a) making application therefor in such form as is prescribed by the United States Commissioner of Education; and

(b) providing assurance satisfactory to the Commissioner of Education—

(1) that the necessary funds to operate and maintain such facilities will be available;

(2) that the operation of such facilities will be under the control of (a) the agency or officer primarily responsible for the State supervision of public elementary and secondary schools, (b) a nonprofit foundation, corporation, or association organized primarily to engage in or encourage educational television broadcasting, (c) a duly constituted State educational television commission, or (d) a State controlled college or university; and

(3) that such facilities will be used only for educational purposes.

SEC. 3. Upon determining that an agency or officer of an organization has satisfied the requirements of section 2 of this Act, the Commissioner of Education is authorized to make a grant to such agency, officer, or organization in such amount as is determined by the Commissioner to be reasonable and necessary to cover the cost of such establishment or improvement of facilities. An agency or officer or an organization may receive one or more grants under the provisions of this Act, but the total amount of such grants for television broadcasting facilities in any State shall not exceed $1,000,000. Such grants shall be made out of funds appropriated for the purposes of this Act, and may be made in such installments as the Commissioner deems appropriate.

SEC. 4. As used in this Act the term "establishing or improving television broadcasting facilities" means the acquisition and installation of transmission apparatus necessary for television (including closed-circuit television) broadcasting, and does not include the construction or repair of structures to house such apparatus, and the term "State" means the several States and the District of Columbia.

SEC. 5. The Federal Communications Commission is authorized to provide such assistance in carrying out the provisions of this Act as may be requested by the Commissioner of Education.

SEC. 6. Nothing in this Act shall be deemed (a) to give the Commissioner of Education any control over television broadcasting, or (b) to amend any provision of, or requirement under, the Federal Communications Act.

SEC. 7. No application for any grant under this Act may be accepted by the Commissioner of Education after the day which is 5 years after the date of enactment of this Act.

SEC. 8. (a) Each recipient of assistance under section 3 of this Act shall keep such records as the Commissioner shall prescribe, including records which fully disclose the amount and the disposition by such recipient of the proceeds of such assistance, the total cost of the project or undertaking in connection with which such assistance is given or used, and the amount and nature of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit.

(b) The Commissioner and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purpose of audit and examination to any books, documents, papers, and records of the recipient that are pertinent to assistance received under section 3 of this Act.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

Mr. KEATING. Mr. President, I call up an amendment which I have at the desk, and ask that it be stated.

The LEGISLATIVE CLERK. On page 2, line 16, beginning with "(b)" it is proposed to strike out all through "(c)" in line 19 and insert in lieu thereof "(b)."

On page 2, line 21, strike out "(d)" and insert in lieu thereof "(c)."

On page 2, line 21, before the semicolon insert the following:

except that any such agency, officer, commission, college or university may for the purposes of this Act distribute funds received under this Act to nonprofit foundations, corporations, or associations in the same State which are organized primarily to engage in or encourage educational television broadcasting if the operation of the facilities which such funds are used to establish or improve will be under the control of such nonprofit organization.

Mr. KEATING. Mr. President, in the letter from the Secretary of Health, Education, and Welfare, the second objection he makes to this measure reads as follows:

We believe that further attention should be given to the role of the State in formulating a plan for statewide development of educational television, and to the role of possible regional arrangements between States. For reasons of efficiency, economy, and effectiveness, we believe that the planning and activating of educational television installations should follow a State pattern, and may need to be regional in character.

Mr. President, the purpose of this amendment is to answer at least that objection, as raised by the Secretary of Health, Education, and Welfare, and to make the bill follow a State pattern.

As we know, the bill will permit each State to receive grants of up to $1 million for the development of educational television. That is a worthy objective. The bill will help improve and expand educational television facilities throughout the country. However, it seems to me that the bill as now worded would set up a procedure which has worried many here and which may possibly be in violation of the entire educational principle which we have come to know and to appreciate in this country.

STATE CONTROL SHOULD BE MAINTAINED

Mr. President, the bill S. 205, to permit each State grants up to $1 million apiece for the development of educational TV has a worthy objective. It

will help to improve and expand educational television facilities throughout the country. But it has come to my attention that in providing for this assistance the bill S. 205 sets up a procedure that seems to me to violate the whole principle of education in the United States.

What I mean is this: The U.S. Commission of Education has the full power and discretion to award funds either to State agencies applying or to nonprofit private groups primarily engaged in educational TV broadcasting.

This means the State agencies which have been set up and have operated for years in the area of education are competing on more or less equal terms with private groups for the right to get Federal funds for educational programs which will be broadcast in homes and schools throughout the State.

Do not mistake me. I know that private organizations can, and do, do a fine job along these lines. In the Buffalo-Niagara area of New York, for instance, educational television has been on the air for a little over a year. Although handicapped by financial needs, the Western New York Educational TV Association is steadily improving its performance. It was chartered by the board of regents of the University of the State of New York, and thus properly comes under the jurisdiction of the New York State Department of Education. Under the amendment I have proposed, there would be no danger of these organizations competing with State agencies. They would have to cooperate with and work through the State organizations, as is indeed the case with most private educational television associations today. Furthermore, the several States could still cooperate among themselves, where such cooperation is useful, by seeking the grants through State agencies.

What I do very strongly object to under the present legislation is the fact that the U.S. Commissioner of Education has the power to decide whether the duly constituted State agency shall handle this programing or whether a private group shall do so.

This amounts to Federal control, with the potentiality of completely bypassing legally constituted State and local bodies. The power to dispense funds should not be in the hands of an appointed commissioner of the Federal Government, most particularly when it concerns the programing of television projects.

The administration has already called for a massive aid to education program. Section 103 of this proposed legislation provides that "In the administration of this title no department, agency, officer, or employee of the United States shall exercise any direction, supervision, or control over the policy determination, personnel, curriculum, program of instruction, or the administration or operation of any school or school system."

Yet at the very same time, this bill would in effect hand all control of educational TV, which may ultimately become one of the principal media of education, over to the U.S. Commissioner of Education. I am sure that this is not the intent of the Committee on Interstate and Foreign Commerce. Even though section 6 provides that the Commissioner of Education shall not have any control over television broadcasting, in fact, he could not avoid exercising control if he has to choose between competing applicants.

Mr. President, I should like therefore to propose an amendment to this bill to the effect that only State agencies or officials may apply to the Commissioner of Education for funds, but that these State officials may, if they choose, delegate the operation of the facilities to the same kinds of nonprofit foundations, corporations, or associations organized primarily to engage in or encourage educational TV broadcasting as are mentioned in the present bill. My purpose, let me make it very clear, is not to discriminate against such organizations, but rather to insure that the power of selection stay, where it belongs, on the local level.

It is most important, in considering the field of education, to make sure that the Federal Government does not, one way or another, through the back door, if not through the front door, get control of educational policies and practices throughout the Nation. Although I realize that this is not the intent of the bill, I think that my amendment is necessary to prevent an ultimate Federal takeover in this area. I believe that my amendment might also improve the chances for House passage of the measure, which has been approved twice by the Senate but never been taken up on the floor of the other body.

Mr. PASTORE. Mr. President, will the Senator from New York yield?

Mr. KEATING. I am happy to yield to my friend, the Senator from Rhode Island.

Mr. PASTORE. In the absence of the Senator from Washington [Mr. MAGNUSON], the chairman of the committee, who is in charge of the bill here on the floor, and acting in his behalf, I am willing to assure the Senator from New York that the committee is willing to accept his amendment and to take it to conference.

Mr. KEATING. I appreciate that very much. I hope the other body will see the merit of the amendment.

Perhaps I should take my seat at this time, because one well trained in the law, as is the Senator from Rhode Island, does not proceed after he has won his case.

However, the minority leader has been required to leave the floor, and he had asked that there be a quorum call at this time, unless other Senators wish to speak.

Mr. PASTORE. Other Senators will speak on the bill, and a group of Senators who are interested in textiles are ready to proceed immediately thereafter.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New York.

The amendment was agreed to.

Mr. LAUSCHE. Mr. President, I cannot support Senate bill 205. The first reason for my opposing the bill is that it is rooted in the old proposition that, unless the U.S. Government provides the money, neither the local governments nor the States are in a financial position to establish and construct the television equipment needed to broadcast educational programs.

The objectives of the bill are good; to the extent television can be utilized for educational purposes, the Nation will be served. Educational television has been developed, I believe, through 55 facilities that have been adopted out of 268 available. In Ohio we have four of them. The city of Cleveland was in the process of constructing one, but deviated from the path on the ground that it needed the money for other purposes in the schools; $500,000 was made available. The Ford Foundation agreed to put up that amount of money, but then the $500,000 was utilized for an increase of teachers' salaries.

Primarily, the presentation of the bill before the Senate to the Congress is rooted in the claim that the local and State governments are too poor to finance this service. I do not believe, during my presence in the Senate, there has been a single time when I have ever heard from the proponents of Federal spending that a local government or a State government was in the financial position to perform the services contemplated by the particular bill then pending before the Senate.

The argument is also made that, unless the Federal Treasury does it, the local and State governments will not be able to render the service.

With regard to the bill and its laudable objective of providing educational television, I submit to my colleagues they cannot disregard the fact that the Secretary of Health, Education, and Welfare in the Eisenhower administration and the Secretary of Health, Education, and Welfare in the Kennedy administration both have written opposing the bill. That is the status under which the proposal comes to us.

I am a member of the committee that heard the testimony on the bill, and I heard at least a part of it. There were supporters of the program. A lady from Cleveland and interested manufacturers of television equipment testified in favor of it; but the fact remains that the persons most highly responsible for the development of education in our country both say that the bill should not be passed.

Mr. SALTONSTALL. Mr. President, will the Senator yield for a question?

Mr. LAUSCHE. I yield.

Mr. SALTONSTALL. The Senator has made a very emphatic statement that the two Secretaries are opposed to passage of the bill. Do the Secretaries make any reference to the amendment which has been agreed to, offered by the Senator from New York? In other words, the amendment would change the complexion of the bill quite materially.

Mr. LAUSCHE. I do not know that they did. In his letter, the present Secretary of the Department of Health, Education, and Welfare, Mr. Ribicoff stated that the President recommended a very large school-aid program and

that it would not be prudent to supplement the proposal at this time with educational television, because the entire program should be worked out.

I do not know whether the former Secretary of the Department of Health, Education, and Welfare, Mr. Fleming, dealt with the proposal offered by the Senator from New York.

Mr. SALTONSTALL. Mr. President, will the Senator yield for another question?

Mr. LAUSCHE. I yield.

Mr. SALTONSTALL. How does the Senator feel with respect to an act in which control is to be left completely in the State?

Mr. LAUSCHE. When I read the bill I had some misgivings about allowing a private nonprofit organization to be the direct recipient of Federal aid. My recollection is that the bill provides governmental units may receive the money, and private nonprofit corporations formed for the purpose of giving television education may receive the money. I had some misgivings about the funds being channelized to the private nonprofit organizations. Am I correct in saying that is what the amendment would cure?

Mr. SALTONSTALL. They are to be channeled through the State educational agencies.

Mr. LAUSCHE. Yes. I think that is the proper way to do it.

If this is a bill contemplated to help meet needs, let us consider the situation, to see if the purpose will be achieved.

The bill provides that there shall be given to each State a million dollars, and to the District of Columbia a million dollars. In effect that will mean the Congress declares conditions to be equal in the States, and that $1 million for each State will solve the problem.

Mr. MUSKIE. Mr. President, will the Senator yield?

Mr. LAUSCHE. I will yield in a moment.

The District of Columbia has a square mileage of 61, I think, and the population is approximately 1 million people. The District of Columbia will receive a million dollars.

Mississippi has a square mileage of 41,000. I think the per capita income is $1,100 in Mississippi, yet that State will receive $1 million.

Delaware, New Jersey, and Rhode Island have populations of approximately a million and square mileages of perhaps 1,000 to 2,000, yet those States will receive $1 million.

I believe North Dakota has 50,000 square miles of territory, and the per capita income of the State is $1,500. That State will likewise get a million dollars.

I cannot bring my reasoning to the conclusion that the District of Columbia is worthy of a million dollars, with 61 square miles, whereas Mississippi, let us say, with 41,000 square miles and a per capita income of $1,100, should also receive only $1 million.

I now yield to the Senator from Maine.

Mr. MUSKIE. I have listened to the Senator's argument with interest. I should like to ask a question for the purpose of clarification.

Under section 3 of the bill, on page 3, the language reads:

> The total amount of such grants for television broadcasting facilities in any State shall not exceed $1,000,000.

Mr. LAUSCHE. That is correct. The total shall not exceed $1 million.

That does not vary the soundness of my argument, when I say that the formula for distribution cannot be labeled as "reasonable" or "equitable."

In my opinion, there are three factors one would have to consider in fixing a formula for distribution. First is the population. Second is the square mileage of the area to receive the benefit. Third is the per capita income of the area.

If the bill is intended to help meet the needs of State and local governments, then I humbly submit the per capita income of the State becomes a most important factor.

Mr. MUSKIE. Mr. President, will the Senator yield further?

Mr. LAUSCHE. I yield.

Mr. MUSKIE. I am interested in the Senator's line of reasoning. I am not a sponsor of the bill and not a member of the committee. It strikes me, however, that the amount involved is geared not to the needs of the larger States but rather to the needs of the smaller and less wealthy States. It strikes me the basic assumption of the bill must be that the need exists primarily in the States in which the expenditure of up to $1 million would be important but that the need does not exist so much in the larger States, in which a much greater sum would be required.

In other words, the bill would, in effect, impose a greater portion of the responsibility upon other sources in the larger and more wealthy States, but the provision for up to $1 million could be of very real assistance to the smaller and more needy States. This strikes me as possibly a basic assumption in the bill.

Mr. LAUSCHE. I agree that the smaller and needy States would be served if there were a small and needy State. I point out, in regard to the small States, that Connecticut has an area of 4,899 square miles. The per capita income of Connecticut is $2,817. Delaware has a square mileage of 1,978. The per capita income of Delaware is $2,946. These small States would get the $1 million, though they are not in what one would call the low per capita income bracket.

Let us go a step further. The District of Columbia has 61 square miles and a per capita income of $2,943. On what grounds could we give the District of Columbia a million dollars, and yet give to Arkansas, which has 52,000 square miles and a per capita income of $1,322, the same amount? We simply cannot justify it.

Mr. MUSKIE. I again suggest to the Senator that the $1 million figure——

Mr. LAUSCHE. Will the Senator please ask me a question.

Mr. MUSKIE. Yes. Is it not true that the $1 million figure is not to be a flat amount, that the grant to any particular State may be something less?

Mr. LAUSCHE. That is true. If the testimony is read, however, Senators will find that the $1 million will be absorbed in each State, including Rhode Island.

I point out that Rhode Island has a square mileage of 1,058, according to the report from which I read. The per capita income of Rhode Island is $2,156.

Ohio, on the other hand, has a square mileage of 41,000 and a per capita income of $2,328.

I respectfully submit that though one may argue about the justification of the Federal Government getting into the program, one cannot argue that the formula of distribution chosen by the bill is sound.

I repeat, there are three factors which should be considered. First is the square mileage within the area. Second is the per capita income in the area. Third is the population.

Of the three, the square mileage and per capita income would be more important.

Texas, with 250,000 square miles, is put in the same category as the District of Columbia, with 61 square miles.

I should like to ask the committee chairman whether an effort has been made through an intensive study to work out a program that might give consideration to the square mileage, the per capita income, and the population of a State. Has any effort been made to devise a formula that would be related to those factors?

Mr. MAGNUSON. Yes; we discussed the possibility of a formula. As I said, there were three sessions of hearings on this subject. A formula based upon need would be almost impossible to administer in this area, because the proposal is not a permanent grant-in-aid. It is not a continuing grant, like the aid-to-education bill, for which appropriations would be made every year.

The bill is designed merely to get the program started and off the ground. We found that if we tried to supply actual need, the bill would have to provide 10 times as much in funds. Even then we would never have covered the subject.

In this particular case the square mileage would not mean a great deal because in a small State like Rhode Island much of the funds might be used for closed-circuit TV. For closed-circuit TV a tower would not necessarily have to be erected. The program in Rhode Island might be obtained from Connecticut or Massachusetts or a group of schools wired up for closed-circuit TV. This feature would be a part of the entire program.

In a State such as Montana, having large square mileage, the educational authorities might desire to use the funds for over-the-air TV. They would not have the problem of erecting towers. In some States, there would be problems because of terrain. A square mileage criterion would not work in such State. It would be a little different story.

We provided that a plan should be submitted in most cases. I do not mean that the State of Rhode Island has no plan. Rhode Island may have a plan

under which it would request only $200,000. We had to leave that provision flexible because this is a new field, with criteria undetermined.

Mr. LAUSCHE. Everything being equal from the standpoint of terrain and otherwise, and there being a difference only in square mileage, the fact is that the larger the square mileage the greater the problem of the State. Is that not correct?

Mr. MAGNUSON. Perhaps not with closed-circuit TV. However, there may be greater problems with towers.

Mr. LAUSCHE. Then does the Senator from Washington take the position that a difference in square mileage would not vary the need of a State?

Mr. MAGNUSON. Not necessarily, in this particular case.

Mr. LAUSCHE. If we accept as a fact that the District of Columbia, which contains 91 square miles of terrain, would be on an equality with Texas, which embraces 250,000 square miles, would the amount of money needed to supply services in those two areas be the same?

Mr. MAGNUSON. Such a result is possible, because the outlets in Texas might not be any more numerous than those in the District of Columbia. The question involved is the number of outlets in classrooms and type of system used.

Mr. LAUSCHE. Is the Senator serious in that statement?

Mr. MAGNUSON. Yes.

Mr. LAUSCHE. The Senator from Washington believes that a State containing 91 square miles would require——

Mr. MAGNUSON. A system might be provided in Texas which would cover 100, 150, or 200 square miles and have perhaps 20 outlets to 20 consolidated schools, and yet the cost would be approximately the same as a system in the District of Columbia that might cover a radius of half a mile with 100 outlets into 100 classrooms through closed circuit.

Mr. LAUSCHE. Perhaps the Senator will recall that a witness from Montana, whose testimony has been discussed today, testified that in the large State of Montana, with uneven terrain and the necessity of installing boosters or stations in the mountains, the cost would be greater. Does the Senator recall such testimony?

Mr. MAGNUSON. Yes. I listened to every page of the testimony. I was present every day. I listened to every witness. What the witness said was that the need for educational TV in a barren State with great square mileage was greater because in that State there were many one-room schoolhouses, and the problem of boosting signals over the terrain, much of which is mountainous, and carrying them on to the next station would be great.

For example, three booster translators to carry educational TV 500 miles in Montana need not cost any more than the cost to the State of Rhode Island, which might wish to install closed circuit TV with outlets to 300 classrooms.

What I am endeavoring to say is that every case is different. The question is relative. It is true that States with the largest areas probably need this facility more than do States of dense population that now have installations of this type. Some of the 54 stations are in the populated centers.

Mr. LAUSCHE. I understand that the State of Rhode Island has a population of approximately 800,000.

Mr. MAGNUSON. Montana has a population of about 500,000.

Mr. LAUSCHE. Rhode Island is a very thickly populated State.

Mr. PASTORE. It is the most thickly populated State in the Nation per square mile.

Are there any further questions?

Mr. LAUSCHE. In a State having a compact population distribution, does square mileage mean anything?

Mr. MAGNUSON. Mileage, of course, is a factor. But whether educational TV would reach certain areas would depend on the way the equipment is proposed to be used, whether transmission will be through tower or closed circuit, whether programs would be picked up on a closed circuit and transmitted into a classroom, and whether in the wide-open spaces of the West a station would be placed at each end of Montana, with boosters to cover the entire State.

Sometimes square mileage does not mean anything, or no more than would be required to pick up a broadcast on a closed circuit and transmit it to every classroom in the State of Rhode Island.

Mr. LAUSCHE. Let us try to compare identicals with identicals.

Mr. MAGNUSON. A comparison of identicals with identicals is no comparison.

Mr. LAUSCHE. By so doing I believe we will understand each other. If terrain and population density are equal, would square mileage mean anything?

Mr. MAGNUSON. It would mean something. It would depend on the method proposed to use the educational TV.

Mr. LAUSCHE. I am assuming that the use is identical.

Mr. MAGNUSON. Then the square mileage would mean something.

Mr. LAUSCHE. I am glad the Senator from Washington recognizes that square mileage would mean something.

Mr. President, I am opposed to the bill for the further reason that it is obvious to me that the program is a mere beginning. It will cost $51 million in the first 3 or 5 years. However, such expenditure is a mere beginning—$51 million will not begin to do the job. I recognize that local and State governments will be required to operate the stations. From that standpoint the Federal Government will be relieved of the responsibility. But $51 million will not do the job and we might as well face that fact at this time. If $1 million would be required to do the job in the District of Columbia, I submit that $51 million would not do the job in the entire country.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. LAUSCHE. I yield.

Mr. BUSH. In looking at the statement of the Secretary of Health, Education, and Welfare, Secretary Ribicoff, he states three points of objection to the bill.

The Senator has been discussing two of them. The third one reads:

> We feel that more attention needs to be given to securing effective commitments for operating funds once an installation is completed.

In other words, the Secretary does not feel—and I assume he is speaking for the President of the United States as well as for himself and the Department of Health, Education, and Welfare—that the bill is not definite enough concerning the fulfillment of the obligation on the part of the States. Would the Senator comment on that point?

Mr. LAUSCHE. Yes, very gladly. I discussed the subject yesterday with the staff adviser, and he said an understanding will be made with the States that they will operate these stations. That, of course, is a declaration that they will do so. There is nothing to prevent the States from later coming to Congress and saying, "We need help in the operation."

I do not recall that Mr. Ribicoff's letter contained the statement that the matter ought to be worked out from the standpoint of assuring that the States and local governments will subsequently be performing their duty of operating the stations.

The general objectives of the bill are good. The purpose of utilizing television for giving education must be admired. I have no question that service will be rendered to the youth and probably to the adults of the country if the plan is carried into effect.

However, I submit that it can be carried into effect through the 50 States and the District of Columbia and the various municipalities of the country. They have lagged behind. My judgment is that in part they have lagged behind because they have been led to believe that if they wait the Federal Government will take the ladle and dip it into the Treasury and benignly pour back money into the local communities.

That is the attitude which has been adopted in many places. This is not an argument on whether television education is good or bad. The argument is whether the Federal Government should enter the field.

Within my State, the city of Cleveland did not install a station. Cincinnati, Toledo, and two other cities did. Without boasting, I submit that the city of Cleveland is in better position financially to install a station than is the Federal Government.

That, in a substantial degree, is true practically everywhere in the country. It may not be true in some States like Mississippi and in the $1,300 or $1,400 per year income States. However, if they are to be helped, they ought to be helped directly, not by helping also those who can help themselves, and do it without any pain or discomfort at all.

On these grounds I respectfully submit that the bill ought to be defeated. I commend the Senator from Rhode Island [Mr. PASTORE] and the Senator from Washington [Mr. MAGNUSON] for their efforts in the matter. I know their

sincerity. I cannot agree with them, however.

Mr. YARBOROUGH. Mr. President, I speak in support of Senate bill 205, the so-called educational television bill. It is my firm belief that this bill has exceptional merit at this time for two reasons:

First, rapid advances in other nations in various fields of education make it mandatory that we improve our educational programs in every possible way.

Second, if we do not break the bottleneck choking off educational television station construction, mounting pressure to turn these channels to commercial use may be successful.

These two points, I believe, far more than justify the maximum apportionment of $1 million for each State contemplated under this proposal.

We must meet the growing need for 135,000 additional teachers and 140,000 more classrooms in the United States. Educational television can be a valuable supplement to present instructional procedures and of great benefit to adult education in the home. It offers the wonderfully clear feature of visual aid with direct discussion that may reach thousands of students at the same second. This is one place where, because of our technological advances, we are far ahead of any other nation, and we should seize this important advantage immediately.

The educational institutions of Texas are indeed fortunate that the Federal Communications Commission reserved 18 educational television channels in our State. That is more than the number reserved in any other State. With our large area and population of 9½ million, we need them.

As Senators know, one of these channels was put in use by the University of Houston on May 25, 1953. It was the Nation's first noncommercial television station. Its operation has been a marked success. It is making a real contribution to educational progress in the gulf coast area. Lubbock, Dallas, and San Antonio have also been granted educational applications.

Channel 13 is operated by the Area Educational Television Foundation in Dallas.

This leaves 14 educational television channel open for new education outlets. These are designated at Amarillo, Austin, Beaumont-Port Arthur, College Station, Corpus Christi, Denton, El Paso, Fort Worth, Galveston, Laredo, San Angelo, Texarkana, Wichita Falls, and Waco. All are needed.

TV will do for education what the automobile did for transportation. It broadens horizons, and calls millions of persons to intellectual travel who would otherwise have remained in one intellectual blind spot all their lives. In addition to being an invaluable adjunct to our present graded system of education, it will stimulate millions of adults to study, and will result in the greatest adult back-to-school movement in American history.

A number of Texas education leaders are very desirous of putting these channels to use, but thus far lobbyists representing commercial interests have managed to stop appropriations of State funds for this purpose. As more commercial television stations are put in operation, the pressure will mount upon the FCC and college officials to release these channels to private use. This is a race for time between the need for education and the desire for dollars.

Senate bill 205 would serve as a timely breakthrough to let at least some additional educational groups begin television operation.

Mr. PASTORE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LAUSCHE. Mr. President, I ask for the yeas and nays on the passage of the bill.

The yeas and nays were ordered.

The PRESIDING OFFICER. The bill is open to further amendment. If there are no further amendments to be proposed, the question is on the engrossment of the amendments and third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The question is on the passage of the bill.

Mr. DIRKSEN. Mr. President, I will take only a minute to reaffirm what I said earlier in the day. An identical bill was before the 86th Congress. I opposed it at that time; so did the then Secretary of Health, Education, and Welfare. The bill before the Senate this afternoon is identical in text with that bill. Anyone who wishes to look at the record will see that at page 164 of the hearings the Secretary of Health, Education, and Welfare, in a letter to the chairman of the committee, expresses his opposition to the bill for quite a number of reasons.

I do not believe that a case has been made for the bill, and I therefore express my opposition to it. I do not believe it is necessary for me to labor the verities or equities of the bill, because the Secretary's letter speaks for itself.

The distinguished chairman of the committee used a rather intriguing phrase in the debate when he said, "This is only seed corn." I remarked that $50 million is a lot of seed corn. Once we start down that road, we simply do not come back.

I know of no good reason why the States on their own cannot undertake this kind of responsibility in the educational field.

With that, Mr. President, I have done, and I am ready to record myself in opposition to the bill.

Mr. BUSH. Mr. President, I have listened with interest to the debate on the bill this afternoon. Like the senior Senator from Illinois, the minority leader [Mr. DIRKSEN], I find that a good case is lacking. I am indeed impressed with the letter, dated March 17, signed by the Secretary of Health, Education, and Welfare, in which he states the administration's opposition to the bill. I do not believe that the administration is opposed to Federal assistance or aid to education in some form. However, they say they are not ready for this bill. The Department of Education does not want the bill.

Nevertheless, we are about to vote on a $51 million proposal, without endorsement by the Department of Health, Education, and Welfare and the Secretary of that Department and the President of the United States. The bill should be voted down.

Mr. SALTONSTALL. Mr. President, I, too, shall vote against the bill. While I am aware of the benefits of television and of education through television, I do not think that at this time the money would be used as efficiently as it might be in the interest of television education. The bill provides $50 million for a period of 5 years, and the expenditures would be spread in such a way that they could not be used as efficiently as we would want to see the money used at this time for the purpose of education.

For the reasons stated by the distinguished Senator from Illinois [Mr. DIRKSEN] and the distinguished Senator from Connecticut [Mr. BUSH], I shall vote against the bill.

Mr. THURMOND. Mr. President, no one believes in education more than I, but I expect to vote against the bill for three reasons.

First, I know of no authority for the National Government to enter the field of education, even though it be in the form of financial grants to television education. In my opinion, one of the best ways to teach is through television, and many States, including my own State of South Carolina, are making tremendous progress along that line. There is no interstate commerce involved in the bill.

Second, I shall vote against the bill because I feel that the States are more financially able to perform the functions proposed by the bill than is the Federal Government. I think that is the responsibility of the States, and that they should fulfill this responsibility.

Third, the bill proposes a new Federal program. Because of the country's fiscal condition, due to the tremendous amount of money which we owe today, it is my feeling that we should not begin a new Federal program such as television education unless it is required by some emergency, which it is not.

Mr. RANDOLPH. Mr. President, we have reason to be grateful that the majority of the television facilities of our country are administered by citizens with a sense of civic responsibility. The control of broadcasting is not a right granted to all who desire it, but a privilege accorded only to those who, according to the Communications Act of 1934, can justify the claim that the public interest, convenience, and necessity would be served thereby.

Former President Herbert Hoover said that the grantee must prove that there is something more than naked commercial selfishness in his purpose. This, most assuredly, has been done. Management generally is to be commended for having gone well beyond the mini-

mal requirements of the law in the strong emphasis it is placing upon educational television. In West Virginia, through WJPB–TV, our colleges under the guidance of a committee of distinguished educators and the chairmanship of Dr. Perry Gresham, president of Bethany College and Dr. Duane Hurley, president of Salem College, real progress has been made.

Within our State, television and radio owners have been most cooperative with our public schools and institutions of higher learning.

This program, as embraced in S. 205, is being established at a unique moment in the history of the American television industry—at a time when the industry has been under widespread and critical examination. In the past there have been occasional sharp and pungent criticisms—from some members of the clergy, from academicians, from professional critics, and from individuals of taste and discrimination.

But following the congressional disclosures of rigged quiz shows, payola, and deceptive advertising, these voices have finally found the support of the general public. And there has been induced a healthy, and I hope, permanent process of self-examination within large segments of the television industry.

In essence, the events of the recent years have served to reassert the principle that power and privilege must be constantly attended by a sense of public responsibility. Those who occupy the airwaves and the television spectrum do not hold this space in fee simple. They keep it in trust for all the people. And they must justify this trust by serving the public interest, convenience, and necessity.

According to industry sources, as of March 1959, 44,462,000 of 51,500,000 households in the United States contained at least 1 television set, leaving only 7,038,000 households, or 13.7 percent without a set. It is maintained, further, that in the average home television is tuned in 5 hours a day, 7 days a week. Accepting the fact that no one can state with precision how much of that time the set is actually being viewed—or by how many members of the family—5 hours a day is certainly much more than the average family spends in combined reading time—exclusive of the children's schoolwork.

Thus, within less than two decades, the technology of communication has been revolutionized. And as a result of this revolution, an infinitesimally small segment of our population has acquired control of an instrument of tremendous power. As with any technological achievement, the instrument itself is neither good nor evil—it has neither mind nor will. But it can be used by men and women to accomplish either very great good or very great evil.

Though I, like some others, have occasionally looked upon the television programing with some misgivings, I believe educational TV can hold vast promise for the quality of American culture. The wider utilization of television will help to elevate the level of American educational progress. Passage of the bill, sponsored by Senator MAGNUSON and other Members of this forum, is worthwhile.

Mr. President, I embrace this opportunity to state that the best of television continues to be better. John Gielgud's production of "Hamlet," the NBC production of W. Somerset Maugham's "The Moon and Sixpence" with Sir Laurence Olivier, and the sensitive interpretation of Hemingway's masterpiece, "For Whom the Bell Tolls"—to name a few of the outstanding—these reached moments of high artistic excellence.

While, in the area of public information programs, the Friendly-Murrow production on missiles offered the average citizen insight into one of the most critical areas of modern American technology.

In these and other programs television has served well the aims and interests of a democratic society. But for each of the shows I have just mentioned there have been too many others which are tuned to the glorification of violence and sadism and debasement of the public weal.

The sanction invoked by the producers of such programs is that they are giving the public what it wants. But this is a violation of the public trust, not only because much of the public has not been consulted, but also because large groups of the people can become addicted to the stimulus of such false versions of life and lose their own sense of discrimination and judgment. We do not prescribe alcohol and narcotics for those who suffer from their addiction. Nor should we prescribe an almost unremitting diet of violence on TV.

The responsibility of those who control the programing of television is not fulfilled by pandering to the lowest common denominator of public taste and intelligence. They have an obligation to lead and to instruct—to use this powerful force to elevate rather than to downgrade our standards of value. Under the plan envisaged in the measure passed today this will result.

Norman Cousins, the editor of the Saturday Review, stated:

> The men who govern TV cannot have it both ways. They cannot lay claim to fabulous powers in affecting the sale of merchandise yet disclaim responsibility for affecting easy attitudes toward violence.

The Communications Act of 1934 sets forth the paramount concern of the public interest. All of us can recognize that certain practices of the television industry in matters of taste and propriety have not always served the public interest. To quote again from Cousins:

> No one expects television to become a ponderous, bloated, around-the-clock Sunday sermon. But neither do we expect it to be a mammoth school for sadists.

I have hope and confidence that events and disclosures have set in motion the development of a higher sense of social responsibility among those who govern television. And a proper emphasis on educational television can be of real benefit.

The PRESIDING OFFICER. The question is on the passage of the bill. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from North Dakota [Mr. BURDICK], the Senator from Connecticut [Mr. DODD], the Senator from Mississippi [Mr. EASTLAND], the Senator from Florida [Mr. SMATHERS], the Senator from Oklahoma [Mr. MONRONEY], and the Senator from Virginia [Mr. BYRD], are absent on official business.

I also announce that the Senator from New Mexico [Mr. CHAVEZ] is absent because of illness.

I further announce that the Senator from Texas [Mr. BLAKLEY], the Senator from Michigan [Mr. MCNAMARA], and the Senator from West Virginia [Mr. RANDOLPH], are necessarily absent.

I further announce that, if present and voting, the Senator from Texas [Mr. BLAKLEY], the Senator from North Dakota [Mr. BURDICK], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Connecticut [Mr. DODD], the Senator from Michigan [Mr. MCNAMARA], the Senator from Oklahoma [Mr. MONRONEY], the Senator from West Virginia [Mr. RANDOLPH], and the Senator from Florida [Mr. SMATHERS], would each vote "yea."

Mr. KUCHEL. I announce that the Senator from Vermont [Mr. AIKEN] is absent by leave of the Senate.

The Senator from Colorado [Mr. ALLOTT] is absent because of death in the family.

The Senator from New Hampshire [Mr. BRIDGES], the Senators from South Dakota [Mr. CASE and Mr. MUNDT], and the Senators from Nebraska [Mr. CURTIS and Mr. HRUSKA] are absent on official business.

The Senator from Kentucky [Mr. MORTON] is necessarily absent.

The Senator from Vermont [Mr. PROUTY] is absent by leave of the Senate because of illness.

The Senator from Arizona [Mr. GOLDWATER] is detained on official business. If present and voting, the Senator from South Dakota [Mr. MUNDT] would vote "yea."

The Senator from Arizona [Mr. GOLDWATER] is paired with the Senator from Kentucky [Mr. MORTON]. If present and voting the Senator from Arizona [Mr. GOLDWATER] would vote "nay," and the Senator from Kentucky [Mr. MORTON] would vote "yea."

The result was announced—yeas 67, nays 13, as follows:

[No. 20]

YEAS—67

Anderson	Ervin	Long, Mo.
Bartlett	Fong	Long, Hawaii
Beall	Fulbright	Long, La.
Bible	Gore	Magnuson
Boggs	Gruening	Mansfield
Byrd, W. Va.	Hart	McCarthy
Cannon	Hartke	McGee
Capehart	Hayden	Metcalf
Carlson	Hickenlooper	Miller
Carroll	Hickey	Morse
Case, N.J.	Hill	Moss
Church	Humphrey	Muskie
Clark	Jackson	Neuberger
Cooper	Javits	Pastore
Cotton	Johnston	Pell
Douglas	Jordan	Proxmire
Dworshak	Keating	Schoeppel
Ellender	Kefauver	Scott
Engle	Kuchel	Smith, Mass.

Smith, Maine	Talmadge	Young, N. Dak.
Sparkman	Wiley	Young, Ohio
Stennis	Williams, N.J.	
Symington	Yarborough	

NAYS—13

Bennett	Kerr	Saltonstall
Bush	Lausche	Thurmond
Butler	McClellan	Williams, Del.
Dirksen	Robertson	
Holland	Russell	

NOT VOTING—20

Aiken	Chavez	Monroney
Allott	Curtis	Morton
Blakley	Dodd	Mundt
Bridges	Eastland	Prouty
Burdick	Goldwater	Randolph
Byrd, Va.	Hruska	Smathers
Case, S. Dak.	McNamara	

So the bill (S. 205) was passed.

Mr. MANSFIELD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. MAGNUSON. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

FEED GRAINS PROGRAM, 1961—CONFERENCE REPORT

Mr. ELLENDER. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4510) to provide a special program for feed grains for 1961. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of today, pp. 4405–4406, CONGRESSIONAL RECORD.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

ORDER OF BUSINESS

Mr. PASTORE. Mr. President——

The PRESIDING OFFICER. The Chair recognizes the Senator from Rhode Island.

Mr. DIRKSEN. Mr. President, will the Senator from Rhode Island yield for an inquiry?

Mr. PASTORE. I yield.

Mr. DIRKSEN. The conference report on the feed grains bill was just laid before the Senate. I am under the impression that the distinguished Senator from Rhode Island is to discuss another subject matter besides the feed grains conference report. Am I correct?

Mr. PASTORE. The Senator is correct. The Senator from Rhode Island is willing to yield in the event there is no opposition to the report, but I have been waiting since 1:30 to make this speech.

Mr. DIRKSEN. I am afraid there will be some opposition, and I have been marshaling Senators who are interested in the conference report to be on hand. It was only for the purpose of having time to bring them here that I spoke.

Mr. PASTORE. I realize that. I thank the Senator.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. PASTORE. I yield.

Mr. ELLENDER. How long will the Senator take?

Mr. PASTORE. I do not suppose it will take more than half an hour, but I understand other Senators intend to speak on the substance of the subject matter. The subject is textiles.

Mr. ELLENDER. I would like to get the conference report acted on as soon as possible. The House has acted on the feed grains conference report, and I am very anxious to get the bill on the President's desk today, if I can.

Mr. PASTORE. I should not think we would take more than an hour or an hour and a half, all told, because in this particular case it is not the quantity, it is the quality, that will count. [Laughter.]

Mr. DIRKSEN. Mr. President, will the Senator yield for one other inquiry?

Mr. PASTORE. I yield.

Mr. DIRKSEN. I wonder if the Senator from Louisiana [Mr. ELLENDER] wishes to have the yeas and nays on the conference report.

Mr. ELLENDER. I do not ask for the yeas and nays.

Mr. DIRKSEN. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER (Mr. PELL in the chair). Does the Senator from Rhode Island yield for that purpose?

Mr. PASTORE. Yes; without losing my rights to the floor.

The PRESIDING OFFICER. The yeas and nays have been requested.

The yeas and nays were ordered.

SUPPLEMENTARY REPORT CONCERNING PROBLEMS OF THE DOMESTIC TEXTILE INDUSTRY

Mr. PASTORE. Mr. President, 2 years ago I rose in this body to discuss the findings of our first investigation of the problems of the domestic textile industry. At that time I pointed out that the domestic textile industry had been declining for a decade. While the impact on different segments of the industry was uneven, only one—that producing the newer manmade fiber fabrics—had registered a gain in production.

There had been a sharp drop in equipment in place, and a very substantial decline of 24 percent in textile employment. Hundreds of mills had been liquidated. And many thousands of textile workers were prematurely displaced from the labor force. Some of the displaced textile workers, to be sure, found new jobs. But a distressingly large percentage were unable to find continuous employment again.

Textile wages had been lagging behind other earnings in this country. And this was not due to failure of the textile industry to increase its productivity. Indeed, productivity in the textile industry had increased much more rapidly than in manufacturing industry generally.

I also noted then that, while the domestic textile industry was declining, imports had been rising during the 10-year period covering our survey.

We noted in our first report that rising imports could not be singled out as the sole cause of the contraction of the textile industry.

Many jobs in this industry were eliminated by technological change. But it was our conclusion, after review of all trends, that rising imports pose a threat to the future stability of the domestic textile industry, and that unless the rate at which imports entered the country was controlled there would be a further damage to the industry.

In February of this year the textile subcommittee held another set of hearings to bring the record up to date. Briefly stated, we found that the trends of the past decade have been continuing and in some cases have been accelerated.

Textile sales have continued to rise more slowly than the sale of manufactured products in general. Consumers continue to spend a declining share of their total consumption expenditures on clothing.

We also found that textile production rose modestly in 1959—a year of cyclical revival. But there was a sharp drop in 1960. Imports, however, increased substantially in both years.

There has been a further decline in textile machinery in place since 1957, and despite this contraction of machinery in place, that which remains is not utilized to full capacity.

Employment in the textile industry has continued to drop. Since 1957, there has been an additional decline of about 7.5 percent in the number of textile jobs in this country. The loss of jobs has varied from region to region, but all regions where textile-mill products are made have experienced some decline in employment.

As conditions worsened, more and more textile mills closed their doors. From 1947 through 1957, a total of 710 textile mills were liquidated in this country. These mills had formerly employed about 196,000 workers. From 1957 through 1960, an additional 128 mills closed their doors, displacing approximately 33,000 more workers.

Although the cost of living, as measured by the Bureau of Labor Statistics, has gone up about 28 percent since the base period 1947–49 textile prices have dropped almost 10 percent. As a consequence, mill margins—that is, the difference between the price of raw material and that of its approximate cost equivalent—have narrowed, and profit rates have remained very low.

In our first report we pointed out the anomaly of the two-price cotton system. Because of our agricultural price-support program, the price of domestically grown cotton is higher in this country than in the world at large. This adds to the competitive disadvantage of American mills which would be unable, under the best conditions, to meet the cost of production of foreign competitors given the wide spread in wages between underprivileged countries and the United States.

Unfortunately, the situation has not been altered since then. Indeed, the latest development has been an increase

in cotton price support. Unless some offsetting action is taken, this will place American mills at a further competitive disadvantage.

In spite of contraction in the industry, the downward pressure on textile prices, and shrinking profit margins, the domestic textile industry has made an effort to improve its efficiency by spending large sums on new equipment.

The textile industries of other nations have not been standing still, however. Indeed, since many textile mills in other countries have been built since the end of World War II, their machinery, on the average, is newer than ours. Ten years ago the U.S. textile industry enjoyed a considerable advantage in productivity over competing foreign nations. But the productivity gap has been narrowing steadily.

We cannot assume, as many evidently do, that higher production costs in this country are offset by greater productivity. This was partly true at one time, but it is no longer so. The textile industries of other nations have rapidly increased their productivity, and their costs—especially labor costs—continue to lag far behind those in this country. I wish to emphasize that this is not because textile wages in the United States have increased too fast. In our first investigation we found the textile earnings lagged behind those of other manufacturing workers.

And the gap has been widened even more since then. Three years ago textile earnings, on the average, were 15 percent below those of manufacturing workers in general. By the end of last year, this gap had widened to 30 percent.

I repeat, Mr. President: The gap today between earnings of textile workers and earnings of workers in other manufacturing industries is 30 percent. While textile wages in the United States are high, relative to those of other countries, they are low—quite low, indeed—relative to the wages earned by other manufacturing workers in the United States.

The major change in the textile situation since our first report was issued has been in the international market. Textile exports have continued to decline, while imports have gone up substantially. In 1954, for example, textile imports amounted to about 73 percent of textile exports. By the end of last year, however, textile imports amounted to 170 percent of textile exports.

While there has been a fairly uniform drop in textile exports, we find that there have been substantial increases in imports of virtually all categories of textile-mill products. Since 1958, imports of cotton cloth and madeup goods have gone up more than 130 percent. Wool imports have gone up 107 percent, and manmade fiber fabric imports have increased more than a hundred percent.

There have been somewhat smaller, but still substantial, percentage increases in imports of Wilton and velvet carpets, up 60 percent; and silk goods, in respect to which imports have gone up 35 percent. In brief, there has been an across-the-board increase in textile imports, but imports of some categories of fabrics have increased more rapidly than others.

There has also been a substantial shift in the source of imports in recent years.

Five years ago Japan was the principal exporter of many kinds of textile products to the United States. But in 1956 the Japanese textile industry agreed to limit its shipments to this country under a voluntary arrangement.

The limitation was originally 235 million square yards of cloth. Only a year or so ago, by negotiation, it was increased to 246 million square yards. It was thought at that time that this would ease the impact of textile imports on the domestic industry. Unfortunately, as the figures I have just given clearly reveal that this hope was not realized. All that has happened is a shift in the source of imports.

When Japan announced that it would voluntarily limit its shipments of cotton cloth to the United States, other nations which had formerly exported only modest quantities of this product stepped up their production for export purposes. As a consequence, Japan's share of our market has been cut at a time when total imports were rising strongly. In 1958, for example, Japan accounted for 60 percent of our cotton goods imports. By the end of last year, its share had dropped to 28 percent.

The point I wish to make—and I make it emphatically at this juncture—is that Japan is not sending less to the United States. Japan is sending as much and perhaps more, but Japan's percentage of the U.S. market has dropped from 60 percent to 28 percent. If Senators analyze those two percentage figures, they will come to the conclusion that other countries have increased production and are sending much more to the United States.

Mr. BUSH. Mr. President, will the Senator yield for a question?

Mr. PASTORE. I yield.

Mr. BUSH. I presume it is a fact that the arrangement made with Japan was on a voluntary unilateral basis, and other countries were not included in the arrangement at all. Is that correct?

Mr. PASTORE. That is correct. I am accentuating the fact that U.S. imports have been increasing since the unilateral agreement with Japan. Japan had 60 percent of the U.S. market, and in fact limited her own exports to the United States. However, today, even though Japan is shipping the same amount and quantity of cloth to the U.S. market, the percentage is quite different. Japan now controls only 28 percent of the U.S. market, instead of 60 percent, because other countries have entered the market.

Mr. BUSH. If the Senator will yield further, this would indicate that U.S. imports have really doubled, compared to 5 years ago, measured by the Japanese shipments to the United States.

Mr. PASTORE. They have gone up 250 percent.

Mr. JAVITS. Mr. President, will the Senator yield for another question?

Mr. PASTORE. I yield.

Mr. JAVITS. I hope the Senator, in the course of his important talk, will also develop the situation of textile exports, because the classic problem which assails people in New York, such as myself, is that we have both kinds of business, and that the opportunities for exports today are probably greater than ever. Various factors, such as the balance of international payments, and so forth, lead to the need for an export drive. Therefore, I think we ought to have—and the Senator from Rhode Island has performed a great amount of work on the subject—not only a general picture, but also a composite picture, which the rest of us can discuss. From the Senator's specialized knowledge, perhaps as he goes along he might tell us what has happened to textile exports.

Mr. PASTORE. I cannot give the figure as of today, but when we investigated the subject in 1959 we found that whereas prior to the last 10-year period about which we are talking our exports were 15 percent of our total production, the figure had dropped from 15 percent to 5 percent, and it is dropping every day.

The notion that as a result of our technology and productivity we can compete with our friends abroad is a fallacy in the textile industry, for the simple reason that their technology is as good as ours and their machinery is newer than ours. It is as simple as that.

If we compare wages, for example, of 30 cents an hour in France, 20 cents an hour in Italy, and 10 or 15 cents an hour in Japan or Hong Kong against $1.50 to $2 in the United States for the same type and quality of goods made by the same kind of machine and by 10 fingers of 2 hands, we find that we cannot compete. The situation is as simple as that.

Mr. JAVITS. Before the Senator concludes perhaps he can develop some facts and figures on the export-import picture. I shall not interrupt the Senator further at this time.

Mr. PASTORE. I refer the Senator to the committee report in which certain tables are printed. I will come to that subject in a short while.

Meanwhile, imports from Hong Kong, which had amounted to 14 percent in 1958, jumped to 27 percent by 1960. And there were even larger percentage increases in the case of other nations such as Portugal, Spain, Egypt, and France. These four countries combined accounted for only 1 percent of our cotton goods imports in 1958. By 1960, their shipments amounted to 23 percent of the total, which presents another glaring example of the astronomical rise in the imports of textile goods.

Other countries stepped up their shipments to us when Japan voluntarily curtailed her exports of cotton cloth. In 1958, Formosa, Pakistan, Korea, and India collectively accounted for only 2 percent of our imports. But this share increased to 11 percent by 1960.

Japan has increased her shipments of woolen cloth to the United States. Since 1958, imports of wool manufactures from Japan have gone up 68 percent. There has been an even sharper increase—of 371 percent—in wool imports from Italy.

Our first investigation was largely limited to that segment of the textile making broad-woven cloth. But in our hearings this year we also heard testimony from representatives of the carpet and rug industries. In 1958, imports of these textile-mill products, while rising, were not excessive. But there has been a phenomenal increase since then. Imports of carpets now amount to about one-fourth of our domestic production. While more than half of our carpet imports still come from Belgium, imports from Japan have been increasing.

Imports of manmade fiber fabrics have likewise been rising. Much of the increase has come in the form of made-up goods, mostly apparel. This raises another problem about which we heard relatively little in our first investigation.

Much of the increase in textile-mill product imports since 1958 has been in the form of made-up goods. Let me cite a few examples. In 1958, we imported about 3 million dozen cotton blouses.

By 1960 this figure had climbed to 5.9 million—a gain of 91 percent. In the same 2-year period, imports of cotton trousers rose from 1.7 million dozen to 4.4 million dozen, a rise of 159 percent. There has been a shift in the source of imports of cotton garments also. For example, in 1958 about 62 percent of all cotton garments shipped to the United States came from Japan, and in that year Hong Kong accounted for 38 percent. Last year, however, these percentages were almost reversed. Japan's share of cotton clothing imports had dropped to 34 percent while Hong Kong's share increased to 66 percent. As a result of this sharp jump in imports, it has been estimated that about 31,000 jobs in the garment industry, and related activities, have been lost.

Many of us have been disturbed by the news that leaders of the garment and apparel unions are contemplating boycotts of foreign fabrics in an effort to stem the rising tide of imports.

We must, of course, try to understand their motives. There are jobs involved. The garment industry is heavily concentrated in a relatively small number of cities where there are few alternative job opportunities for displaced garment workers. Or they are located in small and relatively isolated rural communities, where there are virtually no alternative job opportunities. The workers involved find it difficult to understand why they should sacrifice their employment as part of our broad international economic policy. They react instinctively to defend themselves. And the only solution which seems available to them is that of refusing to work on foreign-made fabrics.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. PASTORE. I yield.

Mr. SALTONSTALL. The Senator has spoken about wool cloth imports and their effect on the industry. I have before me the report of the National Association of Wool Manufacturers, which shows that wool cloth imports in 1946 were 3 million square yards, and that in 1960 they were 60 million square yards. Those figures indicate the importance of the effect of wool cloth imports on what the Senator from Rhode Island has just spoken about.

Mr. PASTORE. I thank the Senator. This is one point we must bear in mind. If the trend continues, the domestic wool industry in this country will become extinct. There is no question about that result in my mind. I believe the wool situation is much more serious than the cotton problem, which is bad enough. The textile industry has been characterized as second in importance only to steel in our national defense program.

Let us assume that we do away completely with the wool industry in this country, and that we do away completely with the woolen textile mills. God forbid that we do it. In an emergency or a war what would we put on the backs of our soldiers? What would we do about blankets? That is how important this matter has become.

As the Senator from Massachusetts has already mentioned, the increase in the imports of woolen goods and cloth has been phenomenal. I do not say that we must make this an impossible situation. However, if we allow this situation to persist, we may reach a point of no return, and that is one thing we must avoid. There is no question at all about the fact that the textile industry has been declared only second to steel in national defense importance.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. PASTORE. I yield.

Mr. BUSH. The Senator is making a very eloquent address, and he is very convincing. I should like to ask him this question: Does he not feel that the recommendations contained in the report which the Senator's special subcommittee has filed, for quotas in the manner outlined, could bring the situation under control?

Mr. PASTORE. Absolutely, and without doing anyone lasting injury. That is what we are up against, Mr. President. Let us face it. The first thing that a nonindustrial nation does when it industrializes is to go into the textile industry. That is the natural thing to do. That is the industry that a nation which industrializes goes into first. That is quite understandable. No one finds any fault with it. Unfortunately, the situation has been that these countries who are manufacturing cloth and textile fabrics have not been manufacturing them to put on the backs of their own people, but, rather, to export them to the United States.

As I have pointed out, Japan was exporting to the United States about 60 percent of the cotton goods, as against 28 percent out of Hong Kong. Then the figures reversed. While the quantity remains the same from Japan, percentagewise, Hong Kong has been sending in more than Japan. In the meantime, what has happened?

Japan is expanding her textile industry, in the hope of catching the American market. Hong Kong is doing the same thing. Then Portugal will do the same thing. Spain will do the same thing. Pakistan and India will do the same thing. One day they will find that they have overexpanded. Then they will find that the goose which laid the golden egg in the United States has died. Therefore, they cannot sell the cloth to the American consumers, because they are no longer consumers—they have lost their jobs. What happens? Well, instead of making a great many friends, we wind up with a lot of people who dislike us, and only because they overexpanded their industry, in the hope that they would sell their product to the United States.

They find they cannot sell it in the United States. They close down their mills. Their people are put out of work. Whom do they blame? Uncle Sam, of course. In that way we wind up making more enemies.

Now is the time to say to these people in a very nice, calm, judicious tone, in a reasonable fashion, "We can only afford to consume so much of your goods, because we make so much of it ourselves. We do not want to invoke any restrictions which are prohibitive. There is nothing protectionist in this approach. It is being done by other countries of the world."

We cannot do it by tariffs, because we are faced with a problem when we try to do it by tariffs. When we negotiate at GATT, we negotiate on the favored-nation philosophy, which means that when we set a tariff on velveteen or cotton or wool, we set that tariff to apply to all countries.

The tariff that we invoke when we consider the cloth which comes from England, where the wages are almost comparable with our own, as against the wages paid in France or Italy or Japan or India, as we go down in the wage scale, results in our shutting off some of the nations, and opening a door wide for other nations.

We cannot do it with tariff adjustments. The only reasonable answer is to impose a flexible quota. That is the recommendation we have made. We must use a quota that will be based upon American demand and American consumption and American production.

We are willing to share our markets with other countries, but in sharing them, we do not want to destroy them. In the past 10 years we have lost more than 400,000 jobs in the textile industry. Many of those jobs were lost because of the increase in productivity, due to technological improvements, but it has been estimated that approximately 225,000 of those jobs were lost because the mills had to close down because they could not compete with foreign imports.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. PASTORE. I yield.

Mr. SALTONSTALL. The Senator has made a very important contribution. Of the five recommendations which the Senator has made and which his committee has made in the report, the first recommendation, the recommendation he has just referred to, the flexible quotas, is very much the most important recommendation; is it not? Is not that the backbone of the committee's report?

Mr. PASTORE. That is correct.

Mr. SALTONSTALL. I should like to bring out one more point. The Senator has mentioned Hong Kong and Japan. I attended a luncheon last year given by the Senator from New York [Mr. KEATING], in which it was pointed out that even Japan was worried about the imports from Hong Kong of finished cloth, because those goods were coming not only into Japan, but also into the United States at reduced prices, much below anything at which Japan could produce its goods. Of course Japan had a voluntary quota system.

Mr. PASTORE. That voluntary agreement on the part of Japan expires this year. It was only a voluntary agreement. It was instituted for 5 years approximately 5 years ago. The sad situation is that it expires this year, because Japan knows Hong Kong is increasing its volume. Japan, in its turn, is going to increase its volume. In that way it becomes a race among our friends as to who can send in more to clog the American market. The minute that is achieved, we close down American mills. We have closed down more than 800 mills in the United States, at a time when we are experiencing a phenomenal growth in our national product. We closed down more than 800 mills in the United States when our national income was soaring. That is how real the situation is.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. PASTORE. I yield.

Mr. SALTONSTALL. The Senator refers to a flexible quota. It seems to me it is very important to distinguish between a flexible quota and a fixed quota. While many of us who are in favor of reciprocal trade and all it stands for in its broad sense, it is not going to increase trade if we put 196,000 people out of work because an industry has closed down for lack of a quota. Is that correct?

Mr. PASTORE. The Senator is absolutely correct. In our committee we were very careful on that point. We suggested flexible quotas because we think they should vary. I have heard the argument made, "How are you going to execute the program?"

It can be done. Other countries have done it. We have done it with Japan. Japan has made a voluntary quota work. If foreign countries can make it work against us or for us, why can we not get a good old-fashioned American quota to work for us?

Mr. BUSH. Mr. President, will the Senator yield?

Mr. PASTORE. I yield.

Mr. BUSH. I see no reason why we should not be able effectively to enforce a flexible quota system, just as we are able to enforce a tariff system. Actually, this must be done at the gate, at the port. I can see no reason why the Government cannot effectively administer a flexible quota system. I should like to ask the Senator one more question. I have been absorbed in this problem for many years, as the Senator has also. The Randall Commission devoted almost a year to this problem. The Senator from Rhode Island remembers that report, I am sure. One of the things that is not clear, it seems to me, is this. A tariff—and I would appreciate if the Senator would tell me if I am wrong—is designed to give some protection against imports, let us say, but if a tariff is high enough to give that protection, it will also forbid imports, because if it is high enough to protect, it is high enough also to keep out goods. Is that correct?

Mr. PASTORE. That is true, provided the costs were the same in every country of the world.

Mr. BUSH. I understand that. My point is that this is very different from a flexible quota, because a flexible quota is not designed to keep out goods or forbid trade, or even to curtail trade. It is designed to keep trade in pace with an agreed amount of imports from all the countries involved in the trade in that particular item. Is not that so?

Mr. PASTORE. That is correct. The Senator will remember when there was a great outcry in this country because Russia had unloaded a large amount of aluminum on the world market. That is precisely what has happened to the textile industry. What can be done with aluminum can be done with textiles. The reason for the destruction of the aluminum market was that with intent to beat the world price some years ago, the Soviet Union unloaded a large amount of aluminum on the world market. That action destroyed the stability of aluminum prices. That is precisely what will happen in the textile industry if something is not done to regulate the flow of imports.

Mr. BUSH. I acknowledge the leadership of the Senator from Rhode Island in the area of economic thought, and have for a good many years. I compliment him very highly on the report which he has submitted to the Senate today under the title "Problems of the Domestic Textile Industry." Similar problems involve other industries, some of which are located in the State of Connecticut. I am very much concerned about the whole problem. I am grateful to the Senator for his presentation today.

Mr. PASTORE. I thank the Senator from Connecticut.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. PASTORE. I yield to the Senator from Alabama.

Mr. SPARKMAN. First, I commend the Senator from Rhode Island and the Senators associated with him on the subcommittee for the excellent work they have done and for the very fine report they have made. Particularly, I commend the Senator from Rhode Island for the excellent presentation he has made today.

I have given much thought to this problem. The Senator may remember that this question was before the Committee on Foreign Relations about 6 years ago, when an amendment was offered to the mutual security program and the foreign aid program to impose quotas. It first carried in the committee, but later the action was reversed by a single vote, after representatives of the Department of State, the Department of Commerce, and the Department of Defense had appeared before us and assured us that they would establish a voluntary quota system.

Even then, the Senator may remember, the late Senator George offered an amendment on the floor of the Senate, and it failed of adoption by a single vote.

Then it was that Japan imposed upon herself the system of voluntary quotas, to which the Senator from Rhode Island has referred; and Japan has lived up to that system of quotas quite well.

During the past summer, I was in Japan. There I talked with the Prime Minister and the Foreign Minister. We discussed very carefully the question of textile shipments to the United States. That is a subject in which Japan is greatly interested; and the two Ministers, knowing that I myself come from a textile State, seemed to be eager to discuss the question. They indicated to me their willingness to continue the voluntary quotas, but pointed out the problem, which has been so well presented here, of the Hong Kong transshipments which threaten to break down any quota imposed simply by one country by its voluntary action.

I think the Senator from Rhode Island and his committee have reached the right solution in their recommendations. For a long time there was talk about raising the tariffs; but, as the Senator from Rhode Island has pointed out, the tariffs simply cannot be raised high enough to protect the American markets against the wage rates which are paid in many of the countries of the world. The Senator has touched upon the question of flexible quotas, quotas which will, I presume, be developed by agreements between the governments, or quotas which may be imposed voluntarily, as Japan has done.

I note with interest the statement at the end of the report that the President has agreed to appoint a Cabinet committee. I believe that Committee has already been created, has it not?

Mr. PASTORE. That is correct.

Mr. SPARKMAN. Secretary of Commerce Hodges is the Chairman of the Committee. Is that not correct?

Mr. PASTORE. That is true. As a matter of fact, the day after our subcommittee concluded its hearings, I asked for an invitation to the White House in order to talk the problem over with the President. I suggested to him a Cabinet-level committee. He was pleased to accept the suggestion. That Cabinet Committee has been appointed. It is comprised of Mr. Ball, of the Department of State; Secretary of Commerce Hodges, Secretary of the Treasury Dillon, and Secretary of Labor Goldberg. They, in turn, have appointed a subcommittee which is headed by Mr. Price, of the Department of Commerce. That subcommittee has held extensive hearings and, I understand, has already made a report to the Cabinet-level Committee. The Cabinet-level Committee is in the process of recommending to the President, who has the ultimate authority, to do something about the situation.

Mr. SPARKMAN. Mr. President, I believe the committee headed by the distinguished Senator from Rhode Island has done a wonderful job. I think we are on the right road, with the Cabinet Committee set up and functioning, as the Senator has stated on the floor and outlined in the report.

Mr. PASTORE. A question was raised about the Randall committee. I read from page 13 of the report:

> Industry spokesmen noted that even among advocates of more liberal trade, there is growing recognition that selective controls might be required to prevent undue damage to certain sectors of the economy. Dr. Alfred C. Neal, president of the Committee for Economic Development, and formerly research director of the Randall Commission on Foreign Economic Policy, was quoted as follows:
>
> This is very important:
>
> The explosive effects of advanced technology in a country with extremely low wages can be damaging to all—to the exporting country because it overexpands, and to importing countries because they cannot move people and resources out of damaged industries fast enough. Controlling the most serious of these cases by means of agreed quotas, which are temporary and expandible, may be the only reasonable alternative to the disruption of the whole trading system of the West.

That comes from a man whose ideas are not protectionist. It goes to prove how people are beginning to recognize more and more that we must start to review the whole subject of international trade, and what it is doing to domestic industry. We must not follow the policies of the dead hand of the past, but the new philosophy of the New Frontier.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. PASTORE. I yield.

Mr. CLARK. First, I express my appreciation to the distinguished Senator from Rhode Island and his colleagues for the very real contribution they have made in the supplemental report to the trade problems involving the domestic textile industry. It is a problem which is of the greatest concern to my State. Pennsylvania has had a dwindling textile industry for a number of years. Pennsylvania used to be the center of the carpet industry, so far as the United States, and probably the world, is concerned. That industry has now shrunk until very few firms making carpets are left in Pennsylvania. However, I am glad to say that several still remain in business.

There has been a diminution in the production of men's clothing and women's clothing. The knit goods industry has been particularly hit, not only by foreign competition, but also by lower costs of production in other parts of the country. So this is a problem in which we are very deeply interested.

Again, I congratulate the chairman upon the contribution which his special subcommittee has made. I associate myself very clearly with his second, third, fourth, and fifth recommendations. I have no strong views in opposition at all to his first and most important recommendation. It may well be that the only feasible way to solve the problem is through a flexible quota system. I would, however, like to have further time in which to make up my mind in that regard.

I should like the Senator from Rhode Island to tell me whether he anticipates, as a result of the studies by the President's Committee, that there will be submitted to Congress at this session recommendations from the executive branch as to how the problem of adequately protecting the domestic textile industry can be handled.

Mr. PASTORE. I would hope so. If the President of the United States sought the assistance of Congress, I think it would be readily given to him. I think the President has the power at present under the Trade Agreements Act of 1958. I think he has authority under the national security amendment to institute quotas if he deems that proper. Certainly he has enough authority under his directive powers to establish an agency to determine what the flexible quotas should be.

I repeat: If the President of the United States seeks the assistance of Congress, I think it will be given to him readily. Speaking for myself, and only for myself, I pledge this afternoon to give all the help I can in that regard.

Mr. CLARK. Mr. President, will the Senator further yield?

Mr. PASTORE. I yield.

Mr. CLARK. It is my understanding, then, that in the judgment of the senior Senator from Rhode Island there is at present no need for legislation in this field.

Mr. PASTORE. I would say there is not.

Mr. CLARK. I thank the Senator.

Mr. GOLDWATER. Mr. President, will the Senator from Rhode Island yield?

Mr. PASTORE. I yield.

Mr. GOLDWATER. I am sorry I was not able to be in the Chamber to hear the entire presentation which my friend, the Senator from Rhode Island, has made. I shall read it with great interest in the RECORD.

I believe the Senator from Rhode Island is doing a very great service by calling this competition to the attention of the Senate, and therefore to the attention of the people.

If I may do so, with the permission of the Senator from Rhode Island, I should like to point out some of the other areas of problems in this country, as regards foreign competition.

I may say that I know a little about the retailing end of the textile business; and from a quick glance at the report, I can substantiate the statements about the low prices at which manufactured and also yardage textile goods can be purchased abroad. Certainly that situation is affording ruinous competition to our industry.

I do not know whether my friend, the Senator from Rhode Island, has brought out the following facts:

First of all, that 2 million Americans—or 1 out of every 8 employed in manufacturing—owe their livelihood to the textile and apparel industries. Our imports of textile products have increased nearly 30 percent since 1956, while exports have remained static. In 1959, imports exceeded exports by over $200 million.

Imports of cotton textile products advanced by more than 30 percent in the period 1956–59.

In the same period, imports of woven wool cloth climbed by one-third to an alltime high level. But a new record was set in 1960, for imports of woolen cloth in the first 4 months of 1960 showed an increase of 104 percent over the comparable period of 1959. In fact, our imports of woolen cloth before the end of 1960 had already surpassed those during any full year on record prior to 1959.

At this point, perhaps I may touch on a few other areas to which I think the philosophy of the Senator from Rhode Island might also well be applied.

Mr. PASTORE. Mr. President, I am glad the Senator from Arizona is bringing up these points, because they bear precisely on a question which was asked of me by the Senator from New York. So I trust the Senator from New York has been listening to what the distinguished Senator from Arizona has been stating, because I believe his statements answer very concisely, clearly, and succinctly the question asked by the Senator from New York.

Mr. GOLDWATER. Let me say that even though this business has been the cne in which I have engaged all my adult life, it was a surprise to me to find that 2 million Americans—or 1 out of every 8 employed in manufacturing in our country—owe their livelihood to the textile and the apparel industries.

I was equally surprised to find that more than one-quarter of a million Americans produce metalworking machinery. Imports now claim 17 percent of the total domestic market for machine tools. Even worse, this market was cut in half—from $520 million to less than $250 million—in the period 1954–58. Exports of American machine tools, meanwhile, have dropped 50 percent in the last 4 years.

Over 1,300,000 Americans are employed in the electrical machinery industry. In 1959, imports of electrical equipment reached $246 million, against slightly less than $100 million 5 years ago.

Over 850,000 Americans are employed by iron and steel mills and foundries. Imports of iron and steel products—not counting machinery, and firearms, and other manufactures—advanced by 140 percent from 1956 to 1959, while exports declined by 80 percent.

Nearly 140,000 Americans are working in the cutlery, handtools, and hardware industry. Imports of hardware in 1956 amounted to $15 million; in 1959, $25 million. Imports of steel cutlery were $8 million in 1956, and $14 million in 1959; and exports last year amounted to $800,000, only one-third of their value 3 years earlier.

Nearly 900,000 Americans are employed in the chemical industry. Imports of chemicals have risen 27 percent since 1956.

Some 250,000 Americans are employed in the leather footwear industry. In

1956, the United States imported 5.3 million pairs of leather shoes, boots and slippers; in 1959, imports reached 13.8 million.

Some 23,000 Americans manufacture rubber footwear. In 1957, the United States imported from Japan alone, 6 million pairs of rubber footwear. By 1959, the figure had jumped to 53 million, still from Japan alone. And other foreign suppliers, particularly in Hong Kong, where wages in this industry range from 6 to 14 cents an hour, are stepping up their shipments to the United States.

The brass mill industry has been hard hit by mounting imports from low-cost countries. For some brass mill products, imports have captured over one-half of the domestic markets. In 1954, 34,000 workers were employed in brass mills. Employment is now somewhat above 32,000.

Lead and zinc mining is particularly vulnerable to imports from low-cost areas. I may say that those of us from the lead-producing and the zinc-producing areas of the United States tried, over a period of some 7 years, to have the import quotas changed; but in only 1 year were we successful. All other attempts in this area have failed. In fact, the situation was so acute at the time that Congress was considering the enactment of legislation to curb imports.

Mr. President, I think the Senator from Rhode Island and his committee have made a very important contribution. But I believe there are some others of which we can think; and, if I may do so, I should like to state briefly what some of them are, because I am sure that in the committee the Senator from Rhode Island can consider these, although they involve a problem under the jurisdiction of the Finance Committee.

According to a survey made by the McGraw-Hill Co., there is now in the United States approximately $90 billion worth of obsolete machinery—not old machinery, but obsolete machinery. I may state that in a southern city there is a wirepulling division of one of our large steel mills, and the machinery in that division was installed in 1892. It is no wonder that foreign competition is now supplying much of the wire used in the United States, particularly the barbed wire, which is used for fences in my part of the country.

I suggest to my friends on the other side of the aisle that they give very serious consideration to an immediate proposal by the President to the Congress to liberalize the depreciation allowances under our tax code to such an extent that a businessman will be able to buy or to place orders for new automated machinery. I believe that only by automation are we really going to be able to accomplish the cure of our economic ills of today.

I realize that there are important questions in regard to what to do about the men who are laid off as a result of the situation; but I believe that if all of us begin together—labor, management, and Government, but with a minimum of Government—we can solve the problem of the displaced persons.

I merely wished to add this suggestion to the excellent ones the Senator from Rhode Island has made, because this is a real problem. There are now more than 300,000 persons who have been laid off of work in the textile industry; and if the Senator's suggestions are not followed, the situation will get worse before it gets better.

I believe that the suggestions I have made—which I have heard the President has had some interest in—would, if followed, provide the real spark, as we might say, which would set the whole economy going and would answer these questions and other questions.

Mr. PASTORE. I thank the Senator from Arizona. I assure him that it has always been my feeling that we should approve accelerated depreciation. I suggest it now, although I shall give a reason which may not be the orthodox one. I say now that a particular rule should be made for textile machinery, because if it is to be productive, that machinery must be used around the clock, and thus it is really used three times as much as other industrial machinery is used. That fact should be taken into account in calculating the depreciation.

However, generally speaking, I agree with what the Senator from Arizona has said, because today our country is competing with countries that are highly industrialized and have keen minds, speedy and skillful workers, excellent equipment, and modern industrial methods and plants. The idea that by means of our ingenuity we can overcome all that is being rapidly revealed as a fallacy.

I do not say we should not improve our technology, our marketing techniques, our inventory techniques, and our salesmanship. We must do all these and all the other things that are necessary in order to sell abroad more of our American-made goods; and I believe we should do much more to more or less persuade these countries to remedy some of the limitations and restrictions they have imposed against our products. All these things need to be done; but in the meantime I do not believe we should allow ourselves to die on the vine.

Mr. McCLELLAN. Mr. President, will the Senator from Rhode Island yield to me?

Mr. PASTORE. I yield.

Mr. McCLELLAN. Mr. President, the Special Subcommittee to Study the Textile Industry, under the leadership of the distinguished senior Senator from Rhode Island [Mr. PASTORE], has done a very fine job in bringing up to date its earlier report on "Problems of the Domestic Textile Industry." The subcommittee's most recent findings and the remarks made here this afternoon by the able Senator from Rhode Island reveal a disturbing acceleration in imports of foreign-made goods and a depressing contraction in the domestic textile industry, resulting in the loss of jobs for thousands of our citizens.

Mr. President, something has to be done to regulate the flow of cloth and made-up goods into this country. I am pleased that President Kennedy has appointed a Cabinet Committee on Textiles to study the problem, and I am hopeful that the recommendations of the Senate special subcommittee—that flexible import quotas be established—will receive thorough consideration. If a system of quotas can be instituted, without endangering and disrupting our foreign relations, it may prove the means of preserving sources of livelihood for a large segment of our population and affording urgently needed protection for the tremendous investment in our domestic textile industries.

Apropos what has been said by the Senator from Arizona [Mr. GOLDWATER], I should like to point out that in the field of restricting imports, we can move only with the utmost caution. We can invite destructive retaliation. I would suggest that restriction of imports to any appreciable extent is not the full and final answer. There are factors that tremendously influence this problem that are not primarily within the scope of Government. I am persuaded that production cost is the decisive element; and that issue addresses itself to labor and management. We cannot in this or any other industry, price ourselves out of world markets, including our own, and expect our industries to survive. In such circumstances, import restrictions will not provide all of the answer, and such a remedy will not be adequate to wholly solve this problem.

Mr. PASTORE. Does the Senator feel we can price ourselves into the Hong Kong market?

Mr. McCLELLAN. No. I think the step we are moving toward is absolutely essential at this time. The thought I have is that the problem is not altogether a Government problem. We have been talking about automation. The problem involves more than would be met by any law Congress can enact, or any restrictions or tariffs we can impose. The problem is related to the contest in which we are engaged. We are involved in a contest for world markets, for competitive markets, and that fact is going ultimately to dominate and influence us, because if we place in effect too many restrictions, we shall be faced with restrictions in some other area.

I think the suggested approach is imperative at the present time. We have got to do it, but we also have to do it with a degree of caution. I hope the suggested approach gives some relief, and that in the meantime appropriate and diligent studies will be made in all areas by competent sources, in an effort to deal with the problem and to find an answer.

It is not only the textile industry that faces a problem. We have heard reports from representatives of other commodities and goods. They also are involved in the overall problem of exports and imports and bear on the question of sustaining a high level of economy in this country.

I thank the Senator for yielding to me.

Mr. PASTORE. I thank the Senator for his comments. I merely wish to reiterate what the report states, namely, that not all the ills of the textile industry are attributable to imports. Insofar as the comparison of wages is concerned, I have already pointed out that

wages in the textile industry are 30 percent lower than they are in other industries. The textile industry has made as great a contribution as it could to investing in new machinery. The margin of profit in the textile industry is smaller than in other industries. So the textile industry is in trouble.

I know other things must be done. I recognize, and the committee recognizes, that many other remedies have to be invoked. They may have to be along the lines the Senator from Arkansas has enumerated. The new committee is made up of 21 members, 5 members being from the public, and including the Secretary of Labor, the Secretary of Commerce, 6 representatives from industry, and 6 representatives from labor. I hope it will study the overall situation, so we will not price ourselves out of the market. However, I think actually it would be dreaming if we thought for 1 minute we could do something about our wages and productivity so that we could compete with Hong Kong. I think that would be going back to the Dark Ages, and we are not ready for it.

When it comes to other industrialized countries, there are many things we can do. This afternoon I am trying to point out that the bulk of imports of textiles is coming from countries like Japan. I have no bone to pick with Japan. Japan has a right to rehabilitate itself and compete with American markets. We must also consider Hong Kong. We must consider India, to which country we are constantly sending CARE packages and other commodities. We must consider Pakistan, Thailand, the Philippines, Portugal, Spain, and Egypt.

How can we price ourselves into that kind of market? It cannot be done. If we stay around waiting for that day, we shall perish in the meantime. It is one thing we must avoid. The time to act is now.

As I have pointed out, the increase in imports between 1955 and 1960 has become cataclysmic. There has been an increase in imports of two and a half times in that period. In the last 10 years we have lost 800 mills. In that period our gross national product has increased from two hundred to five hundred billion dollars. There has been an astronomical growth in our gross national product, while at the same time the production of the domestic textile industry has been going down.

It is true the textile industry is cyclical; but when something is going down, we should not give it a boot to make sure it goes down faster. This is the time to stop.

We are saying the restriction should not be complete. We should not make it a constant. We suggest it be flexible. It should be predicated upon American production and what is coming into this country from abroad. We should sit down with our friends and say, "Unless you limit yourself now, you will expand yourself out of existence, because the day will come when you will not be able to send us your products in excess any more, and then you will have to close down, as many American factories have closed down."

When that day comes, it will be a sad day for American friendship and security. Now is the time when these steps should be taken.

Mr. TALMADGE. Mr. President, will the Senator yield?

Mr. PASTORE. I yield to the Senator from Georgia.

Mr. TALMADGE. I desire to commend the able senior Senator from Rhode Island and his colleagues on the subcommittee for the excellent report they have submitted. I wish to commend the Senator for his able presentation today.

I know how he and the junior Senator from South Carolina [Mr. THURMOND] and also the junior Senator from New Hampshire [Mr. COTTON] have worked with the senior Senator from Rhode Island in this endeavor for more than 2 years. They are rendering a great and outstanding service to the country in this particular matter.

The textile industry is of vital importance to my State. The industry employs some 95,000 people. It is the largest industrial employer in the State of Georgia.

During this session of Congress, Mr. President, we have been giving priority to consideration of measures to relieve the recession in the United States. That is as it should be. I have supported such measures when I thought they were in the public interest, when it was clearly demonstrated they were needed, and when they came within all constitutional requirements in our country.

I regret that to date we have had no sense of urgency with respect to the textile industry, which has been partially liquidated and is being rapidly liquidated at the present time. Of all our basic industries, no other has been depressed as long or has suffered as widespread geographic dislocation as the textile industry. Anyone who doubts that fact should read the report of the able Senator and his able colleagues which is the basis of the discussion this afternoon in the Senate.

The American textile industry has been in the throes of a depression since 1949, since the first impact of our foreign aid billions began to come home in the form of cheap-labor goods manufactured in plants established and modernized by American tax dollars.

According to the figures in the report the able Senator has submitted—and I have no reason to believe they are not accurate—there have been liquidated 800 mills in the United States of America, and there have been liquidated 400,000 jobs. There are only 900,000 jobs remaining in the textile industry in this country.

The problem now is not conservation of our world markets, which have already been virtually lost. The problem now is conservation of the American market, which other countries are rapidly taking away from us.

Five years ago the situation became so desperate that this country worked with Japan and arranged a voluntary agreement to limit imports of Japanese textiles into this country by a quota. Only a few days ago, as I am sure the Senator is aware, the Japanese textile industry petitioned the Japanese Government to increase the quota in this country from 20 to 30 percent.

As the able Senator pointed out, the Japanese quota is now being seriously interfered with by other countries which are outproducing Japan and are producing cheaper than Japan can produce.

One thing which I do not think has been mentioned this afternoon in the discussion is the fact that in the United States of America the age limitations, the wages, and the hours of labor of all textile employees are rigidly enforced by law. This is not done in many of the countries which are shipping cheap textile goods to America. If the American textile manufacturer worked his employee at an age, for the same wage, and for the hours, that the laborers of the foreign competitor work to produce the goods coming to America, he would be put in the penitentiary for violating the law of this land. It seems to me that our Government, under such conditions, certainly ought to give protection to the industry and to the employees, since our laws make it mandatory that an employee be paid minimum wages, our laws make it mandatory that child labor be not employed, and our laws make it mandatory that laborers not work more than 40 hours a week without extra pay, and things of that nature.

I compliment and commend the President of the United States, who has appointed a Cabinet-level committee to study the problem and to recommend a solution. I hope the committee will approach its task with the same sense of urgency and realistic concern to put American interest first which characterized the deliberations of the committee of the able Senator from Rhode Island.

I think time is running out for the textile industry and for those employed in that industry. It is obvious that an effective solution must embrace at least two steps. First, I think we must have a mandatory system of quotas, as the Senator and the other Senators have pointed out. Second, I think we must give some thought to the fact that a bale of cotton produced in Georgia, in North Carolina, or in South Carolina can be purchased by a textile mill in Hong Kong, in the Philippines, in Portugal, in India, or anywhere else in the world at $42.50 cheaper than it can be purchased in the county which produced the cotton.

Those factors, Mr. President, make a problem which cannot be solved by automation, by improved industrial equipment, or by anything else of a reasonable nature. There is a comparison of 10 to 1 in the wage level. Raw material sells for a difference of 8½ cents a pound in a foreign country compared to the price in the county in which it was produced. It is an impossible competitive situation.

Again I commend the able Senator from Rhode Island and the members of the subcommittee. I pledge to them my wholehearted effort to help remedy a very bad situation.

Mr. PASTORE. I thank the Senator from Georgia.

Mr. HICKEY. Mr. President, will the Senator yield?

Mr. PASTORE. I yield to the Senator from Wyoming.

Mr. HICKEY. Mr. President, I commend the Senator from Rhode Island and the members of the subcommittee for the able report which has so clearly focused attention on this national problem. Those of us who come from the great public lands States of the West recognize clearly that the squeeze which is affecting the eastern seaboard States, the Southern States, and all the States east of the Mississippi River, likewise affects the western public lands States.

Since 1949 I have observed the sheep-growing or raising industry in the West die on the vine. Not only has the industry gone into the doldrums during that time, but suppliers of that industry in my part of the country have done the same. I have seen general stores close because people who have been in business for 60, for 70—yes, for 80 years—have been forced to go out of business. So many have gone out of business that the general store which supplied them closed its doors.

As I have read the report I have observed the conclusions succinctly stated by the Senator from Rhode Island and the other Senators. The report clearly indicates that imports of wool manufactures increased 67 percent between 1958 and 1959, and the problem is further emphasized in the paragraphs with which the Senator is so familiar.

The greatest market in the world is employed Americans. Employed Americans will continue to be the greatest market in the world.

We have a nation which, without doubt is a world leader. Our Nation, as a world leader, is certainly able to examine a national problem of this kind—which is so vital to many areas of the country, and which, in and of itself, affects so many people—and come forth with the correct solution.

At one time there existed what was called the Smoot-Hawley Tariff Act. That was in the days when our country was much less powerful and when our country lacked much of the technology it today possesses. When the act was seen to be archaic, by virtue of keeping in mind an expanded economy and by establishing what can be succinctly said to be a market of employed Americans, we found a way to solve the problem.

I am sure the suggestions made by the subcommittee, under the leadership of the able Senator from Rhode Island will aid us in our efforts toward the solution of this grave and, I reiterate, national problem.

I thank the Senator.

Mr. PASTORE. I thank the Senator from Wyoming. I am happy now to yield to the Senator from South Carolina.

Mr. JOHNSTON. Mr. President, first, I wish to thank the Senator from Rhode Island and his committee for their study of the problem about which we are now speaking.

I should like to state a little of the historical background of the problem for the benefit of many Senators who are present now but who were not present when the trouble first began.

I remember well that some 12 or 13 years ago the Manufacturers Association got together and sent a man from South Carolina to Japan to study the rehabilitation of the textile industry in Japan. He returned and spoke to Senators in the room which our Vice President is using at the present time. A recommendation was made at that time that Japan be given $250 million to rehabilitate its textile industry, because, it was claimed, something had to be done to rehabilitate the industry of Japan.

At that time I started to speak in opposition. I warned at that time of the threat of cheap labor in Japan and the problems which would arise through buying cotton on the world market at a cheaper price than our manufacturers could buy it. I warned that a Frankenstein monster was being erected which would return to haunt us in the future. I am sorry to say that my fears and predictions have come true.

I dislike at any time to suggest a quota, but viewing what has occurred to the present time, I believe that a quota is the only measure we can take which could relieve the situation a little.

Most of the products of our textile industry are used in the United States, for which we are thankful. We do not want the cheap goods that are coming into the United States to compete with our own textiles. About the only way in which we can protect our industry is by establishing quotas.

At this point I wish to thank the President of the United States for recently establishing a committee at the Cabinet level. Why am I happy to learn of the establishment of that committee? I am glad because heretofore only the Office of the Secretary of State has been advising the President, and if the President obtains his advice from the Office of the Secretary of State only, we know the kind of advice the President will receive. He will receive advice to take such action as is designed not to make any other country angry with the United States.

When the President appointed a committee composed of representatives of the Department of Labor, the Department of Commerce, and the Treasury Department, in addition to one appointed from the Office of the Secretary of State, he established a well-balanced committee.

Why is this committee important? I point out that the goods that are being imported into the United States are throwing many people out of employment. Many of the mills of the Nation are closing. Labor is affected, because there is more unemployment. When people are unemployed, they do not pay taxes, which affects the Treasury Department. When cotton mills are closed, commerce is affected. The Department of Commerce is charged with the responsibility of looking after the commerce of the United States and seeing to it that it keeps rolling.

The importance of this new committee, looking at the problem from the point of view of doing justice to the United States, is apparent.

Another reason why I am interested in the problem is that, although I have not examined recent figures, South Carolina manufactures approximately 28 percent of textiles in the United States, and North Carolina and South Carolina together have more than 50 percent of the production. Naturally, therefore, I am interested in the problem. One hundred and seventy-five thousand people are unemployed as a result of the competition that is going on. In a great many mills in South Carolina some men and women are working only 3 or 4 days a week. I venture to say that a good many of the mills of North Carolina are in the same condition as are those in South Carolina. In the last 7 years 74 mills in North Carolina and South Carolina have closed. Some of those mills have been operating with three shifts. The effect has been reduced production by the textile industry of this Nation.

Let us examine the problem for a minute from the standpoint of national defense. No one knows much better than I do what effect this problem has on our defense posture, because I have worked in the textile industry. I worked in the spinning room and in the weaving shop of cotton mills for 10 years. If a war should break out tomorrow, a great many of the mills would be immediately notified by the Government to start conversion to the kind of goods that are required in war. For example, a cotton mill is located within one-half mile of my home. When the Second World War broke out, the mill was requested to manufacture duck cloth for tents for the soldiers to sleep under.

We also know that other mills were immediately asked to manufacture cloth out of which suits could be made. Still other mills were immediately asked to make cloth out of which shirts, sheets, and underclothes for the soldier boys could be manufactured.

If we do not have such textile mills in America, we shall not have any place to go to obtain these necessities for our defense.

Therefore, from the standpoint of employment, taxes, and other important standpoints, the proposed program is far reaching.

During the past months we have talked a great deal in the Congress about Federal assistance to depressed areas. We just recently passed a bill appropriating millions of dollars to give assistance to unemployed persons in depressed areas of our land. This is something we must do to help unfortunate people who live under our flag. It is the humanitarian and only just thing under the circumstances.

However, there is much more that we can do in regard to these depressed areas than just appropriate money to help people who are out of work. We can, of course, give special effort and attention to finding these people a way of earning a living. Relief rolls are like some medicines: good for the moment as a cure, but dangerous in the long run because they could be habit forming.

We must find a preventive for these depressed areas. I rise today to speak in regard to one depressed area of our Nation which knows no individual State

particularly, but which stretches across the entire eastern part of our Nation and primarily in the New England area and in my own southeastern area.

What I speak of are the textile industries of the United States, and particularly the cotton textile industry. I know of no other single industry in America which is in a more depressed state, productionwise, profitwise, or employmentwise, than the cotton textile industries of America.

This was the first industry to feel depression, and the tragic thing about it is that this industry could have been helped long before relief rolls formed, and before the soup kitchens organized, by the simple stroke of a pen by the former President of our United States at any time during the 8 years the Republicans held the reins of the executive branch of Government.

This matter of concern over unfair foreign competition threatening to drive our textile mills out of business is nothing new to me. It was roughly 12 years ago that I rose to oppose at home, in the U.S. Senate, and elsewhere, proposals by Government people and business people to support a rejuvenation of the Japanese textile industry and the construction of textile plants in other nations around the world.

Of course, I was labeled a reactionist and an obstructionist by many. The fact is, I was almost a lone wolf on this matter 12 years ago.

I warned that a Japanese industry, manned by cheap labor, would drive Americans out of business and be capturing markets abroad. Little did I realize that not only would they be put into this type of competitive position abroad, but that our former administration at home would drop the barriers of protection to our domestic employees and mills, and allow these goods to come into the United States and put our people out of work and our mills out of business.

Prior to and during the Eisenhower administration I took the floor of the U.S. Senate to argue for relief for our cotton textile industries. I have written statements to committees, I have spoken before committees, I have appeared before the former President of the United States, I have written the former President of the United States; I have sent representatives to the State Department, to the Tariff Commission, and to the Agriculture Department; I have appealed to every known source in the U.S. Government under the past administrations for assistance—and all to no avail.

Every means of relief possible was placed before responsible officials in our Government under the Eisenhower administration, but without success. The only action that has ever come forth during the past 12 years to protect our industries has been the arrangement of voluntary quotas with one country, which has absolutely no effect because we have no such voluntary system with other countries.

Besides, I place little faith in voluntary quotas because they are always set by the other country, with the United States having nothing to do with the arrangement of the quotas. The only genuine relief that can be given our cotton textile industries and to those unemployed souls in this field is mandatory import quotas.

It is not so much the unfair import of material goods that places the United States at a disadvantage in this situation; it is the import of coolie labor—yes, near-slave labor.

What we are calling for, and what I am calling for is an import quota against the importation of the products of slave labor to the United States. What I am calling for is protection for the textile employees of this country. What I want to see is the unemployed put back to work. Certainly I am interested in the millowner, because he is a part and parcel of this great land of ours, and because labor and management need each other. But we are not importing cheap cotton; we are not importing cheap cloth; the cheapness of the foreign products lies in the slave labor which manufactures it.

As we all know, not long ago President Kennedy appointed a Cabinet-level advisory committee headed by Secretary of Commerce Luther Hodges to study the textile import situation. This committee is scheduled to file a report with the President upon which we anticipate he will act to help the textile industry.

In this connection I have been in touch with various members of this Advisory Committee, and even with the President. I sincerely hope that the efforts of those who have been engaged in this business will be climaxed by a recommendation from this Committee which will result in affirmative action by our President to give solid and lasting relief to the domestic textile industry.

Certainly there is no more fertile field in which our President can take a hand to bring relief to depressed people than in our textile industries. I shall not go into a great volume of statistics at this time because they have been on file, mounting, for the past 10 years in the Tariff Commission, the Agriculture Department, the White House, the Labor Department, and the Commerce Department, and especially in the State Department.

However, I think it is sufficient to mention at this time that during the past 9 years in North and South Carolina alone, 74 textile plants have closed down and 15,000 employees have been thrown out of work.

Is this not reason enough for action? Should this depressed area of our economy not get priority treatment? Does this not sound a warning that unless mandatory import quotas are invoked, the jobs of 350,000 more textile workers in North and South Carolina alone will be in jeopardy and the great textile mills in which they work stand under threat of being closed down?

I have cited figures concerning only North and South Carolina, because South Carolina is my native State, but I have included North Carolina because North and South Carolina, textilly speaking, are wedded today as one. We are sister States, and in textiles our economies are tied together. But there are areas of our Nation engaged in cotton textile manufacturing who stand under the same threats of unemployment and bankruptcy, as do the textile workers and the mills of North and South Carolina.

I earnestly and prayerfully hope that the words we are setting forth in the U.S. Senate today will not be heard in a moment of interest and lost in the rush of other business by those in responsible places where decisions are made on such matters. I hope that men in places of decision will concentrate and think hard about the thousands of unemployed men who distastefully step forward each week to pick up an unemployment check and a bag of surplus food.

Give us mandatory import quotas so that these men may go back to work, with their heads held high, and the great mills can once again hum at capacity.

This, in my opinion, will give our economy a great thrust, and will help a great part of America to move forward.

While I should like to speak at length on this subject, I realize that many other Senators wish to speak also. However, I point out that I am vitally interested in the problem, mostly for the welfare of the laboring people of my State.

Mr. PASTORE. I thank the Senator from South Carolina. I am happy now to yield to the Senator from Maine.

Mr. MUSKIE. Mr. President, I thank the distinguished Senator from Rhode Island for yielding to me. I compliment him and his subcommittee upon the excellence of the report. I particularly compliment him on his handling of the matter on the floor this afternoon. I think he has dealt with the domestic problem realistically, and has indicated its true dimension and depth. At the same time, he has discussed it in the context of our international trade requirements.

I think at the outset of my remarks this afternoon I ought to indicate my interest in the problem in terms of its impact upon my own State. In 1957 Maine was down to 16,500 workers in this key industry.

This represented a drop from 26,000 workers in 1949. In January of this year Maine's textile employment had dipped to 12,200. Many workers are employed part time.

According to estimates by the Federal Reserve Bank of Boston, a realistic projection of employment trends in the textile industry would result in a 40 percent decline in textile employment in Maine between 1957 and 1970. By 1970 we would have only 9,900 workers employed in our textile mills. This is not a pleasant prospect for those communities where textile plants are the backbone of the industrial economy.

To those not immediately concerned with the textile industry, the import figures may not seem too critical. When we read that total imports represented only 7.2 percent of domestic consumption in 1960, it is easy to say that this, after all, is a modest share of the market.

Unfortunately, this figure does not carry the full impact of the increase in imports. It is the rapid invasion of the domestic market which has demoralized a highly competitive and volatile industry.

In 1948, for example, imports of cotton cloth and made-up cotton goods amounted to less than 1 percent of domestic production. By 1958 this figure had reached 3.5 percent, and by 1960 it stood at 8 percent. The increase in total imports of textiles, from 131 million square yards in 1948 to 1.3 billion square yards in 1960, represents an increase of 905 percent. This is a figure which cannot be ignored.

In the mid-1950's we were primarily concerned with the imports of cotton goods from Japan. In the 10-year period between 1948 and 1958, annual cotton textile imports from that country increased from 14 million square yards to 260 million square yards. In 1957, our Government negotiated a voluntary import program with the Japanese which slowed down the rate of Japanese exports to the United States. As a result of this agreement, imports from Japan slowed to a rate of 282 million square yards in 1960. This represented an increase of 22 million square yards, or 8 percent, between 1958 and 1960.

Unfortunately, this program was undermined by increases in imports from other nations. In 1948, countries other than Japan exported 50 million square yards of cotton goods to the United States. In 1958, when Japan exported 260 million square yards to our country, other countries exported 171 million square yards. In 1960, imports from Japan totaled 282 million square yards, while imports from other nations had reached 797 million square yards. In other words, our agreement with Japan had served to restrict Japanese opportunities without solving our domestic problem.

I was pleased to note in the subcommittee's report a recommendation for a flexible and expandable import quota program for textiles and textile products. This recommendation parallels a suggestion I made in an address to the board of directors of the National Shoe Manufacturers Association, March 3, 1961.

I ask unanimous consent that the text of the speech be inserted in the RECORD as a part of my remarks.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

REMARKS BY SENATOR MUSKIE AT A MEETING OF THE BOARD OF DIRECTORS, NATIONAL SHOE MANUFACTURERS ASSOCIATION, INC., BILTMORE HOTEL, PALM BEACH, FLA., MARCH 3, 1961

No one who has spent even a brief sojourn in the Capitol can escape the truism that a program cannot be written on a clean slate. This is the most acute dilemma of the New Frontier, as it is the most vexing problem for any Senator or Representative. In preparing for my meeting with you I have been struck again and again by the complexity of the import problem, its interrelationship with a whole range of domestic and international policies, and the conflicting interests which surround any policy proposal. In short, the quest for a sensible trade policy is fraught with as many obstacles and hidden dangers as a voyage into space.

James Reston, the perceptive Washington observer for the New York Times, put the problem very neatly in a recent column:

"The more the Kennedy administration studies its new responsibilities the more conscious it becomes of the complexity and interconnection of its domestic and foreign problems.

"It cannot even think of balancing the budget without the cooperation of the industrial nations of Western Europe, whose defense policies and programs for the underdeveloped nations affect the level of expenditure in Washington.

"It cannot increase its sales of American goods abroad without thinking about the competitive cost of those goods. And this in turn brings it to the hard political question of restraining the wage demands of organized labor, which helped bring it to power in the first place.

"It cannot survey the challenges of the cold war without talking about the need for greater sacrifices. Yet, the slackness of the domestic economy forces it to concentrate for the time being not on sacrifices but on raising the minimum wage for workers, increasing medical assistance to the aged, pouring more money into the economically distressed areas, adding to the long-term unemployment benefits, adding to the profits of the construction industry, adding to the social security benefits, and increasing subsidies to the farmers."

Reston did not mention, although he might well have done so, the critical problem of imports in certain segments of our economy. To one who represents a State suffering from production losses in the textile and shoe industries, this is one of the supreme dilemmas. In my remarks to you I hope to suggest some ways in which we may resolve the question.

My comments are, of necessity, exploratory. I am not an expert on international trade, and I would not be helping you if I pretended to be one. I am not going to promise the ultimate panacea for your problem; this would not be honest or realistic. One of the most gratifying aspects of my discussions with representatives of this association has been the realistic and constructive attitude toward a problem which affects the economic survival of many of your members.

The dilemma of trade policy is one which confronts not only public officials; it is a perplexing problem with which every businessman must wrestle. He must recognize that in asking for action, or inaction, on this issue, he is asking the Federal Government to take a hand in determining economic and business policy. That policy will effect our domestic as well as our international economic structure.

Around the turn of the present century, when the trust problem loomed large, H. O. Havemeyer, the sugar magnate, said: "The tariff is the mother of trusts." If this were true today, and if the tariff were a stimulus to monopoly, the solution to the problem of protecting small business in its fight for survival would be simple, for then the easiest way to break the grip of monopoly and free the domestic economy for competition by smaller industry would be to allow imports to enter the country freely. Free trade would then be a logical policy for the United States to follow.

Import competition today is far from being the prime foe of monopoly. Indeed, the facts point to just the opposite conclusion. Most large businesses today are on the liberal side of the foreign trade issue. The annoying fact is that the incidence of import competition rests primarily on small business. The paradox of our economy is that import restrictions may be necessary to insure domestic competition.

The principle on which free trade arguments rest is that of comparative advantage. In the absence of governmental interference, countries export those goods in which they are relatively most efficient and import those goods which they cannot produce except at costs higher than those abroad. In the United States our traditional export advantage is in large industries such as office machinery, business machinery, various kinds of machine tools and other items produced on a mass basis.

At the other end of the scale are products that do not enjoy such advantage but which, usually because of their high labor content, can be produced more cheaply abroad in countries where unit labor costs are considerably lower than in the United States. Usually these are in our smaller industries. Previously, even in this area, our manufacturers enjoyed the advantages of more efficient plants and machinery, but in recent years economic recovery in these countries has included the installation of modern machinery.

Even a cursory examination of the list of applicants for relief under the escape clause of the present Tariff Act reveals that the problem is one of small business. Among the industries appealing for relief have not been the large mass-production industries. They have been, rather, the small producers of such products as handmade blown glassware, spring clothespins, wood screws, fluorspar, women's fur-felt hats and hat bodies, garlic, tobacco pipes and bowls, velveteen fabrics, and violins and violas. I do not need to remind you of the difficulties confronting the footwear industry.

The American public is rightly concerned over the problems of the small businessman. Even if there were no competition from abroad, competitive pressures from large-scale industries at home are making it ever more difficult for the little fellow to keep his head above water.

The trade problem, then, can be expressed as follows: We realize that imports are necessary in the light of the international political picture. It is necessary, for example that Japan maintain her exports at a high level even to maintain her present level of living. This means that she must export her goods somewhere. The products that she can export most effectively are the products that compete with the products of our own small businessman. The same story can be repeated in other comparable low-wage countries.

The problem is to find a formula that will make it possible for these nations to expand their trade in an orderly fashion, but not at the expense of the survival of our own small businessmen. The question is, "How?"

Imports, and hence exports (since exports and imports are two sides of the same coin) make our lives more abundant. If it were not for the importation of coffee, tin, tea, cocoa, and a number of other raw materials, our economy would be less efficient than it is, and our lives would be duller.

Obviously, as far as the products just named are concerned (they are on the free list and consequently may enter the country without restriction) there is no problem. Problems arise in connection with the importation of goods that are produced abroad more cheaply than in the United States but which can be produced in the United States at costs that are not unreasonably high.

The issue is not whether noncompetitive imports are necessary, because they obviously are. It is whether imports that are competitive with the products of American producers are necessary. The problem is particularly acute with respect to countries where the conditions of labor are vastly inferior to those in the United States.

Japan is an obvious illustration, because here is a country that is only a little larger than Montana in area, deficient in resources,

and with a population of over 92 million. Yet, with their modern machinery and with their outstanding managerial skills the Japanese are able to produce many manufactured goods far below the costs of producing similar goods in the United States, such as cotton textiles, footwear, hardwood plywood, silver-plated flatware, china tableware and, more recently, components for the electronics industry. Are such imports necessary? If not, a case might be made for restricting them for the sake of preserving wage standards in the United States.

However, the problem is not this simple. An independent, free Japan is strategically and militarily essential to the United States. Japan is at the very center of the arc of our defenses in the Far East. In a real sense Japan is one of the most critical outposts of the free world facing the Communist bloc. If she should ever be alienated from the free world alliance and become totalitarian, the result would be a major catastrophe for the United States.

The same point can be made for practically every one of the other nations providing the major sources of competition for our domestic footwear industry. They cannot maintain and expand their standards of living without adequate export markets. They cannot help pay the cost of protecting the free world without exports. Restrictive trade actions on our part must be considered in the light of these problems.

Does this mean that we shall have to open our doors wide to imports? I think not. We need to find a formula which will regularize such trade so that it will not have a disruptive effect on the American small businessman. The need is for a formula which will regularize imports and which, while allowing these nations to expand exports, will do so without putting the entire displacement cost on our small businesses. Again, the question is "how"?

There are several proposals pending before Congress to deal with the problem of competitive imports. Some involve restrictions on concessions under the General Agreement on Tariffs and Trade, some would curtail the power of the President on tariff determinations, some would transfer the President's powers to the Tariff Commission, and some would give relief to specific industries. These proposals are the least likely to gain approval, although present economic conditions have given proponents more strength than usual for strong protectionist recommendations.

Those proposals more likely to gain strong support are the "trade adjustment assistance" approach, the equalization of labor standards approach, and a possible voluntary quota system.

The trade adjustment assistance proposal would provide that when imports are deemed to be necessary in the national interest, domestic producers should be assisted in adjusting to such imports. "Adjustment" is at the very center of the philosophy of the individual enterprise system. It is because rigid protectionism interferes with economic adjustment that it can be so harmful to a free economy.

But, should the cost of economic adjustment be borne by those who are in the immediate line of impact? One of the saddest episodes in the industrial history of Great Britain was the failure of the Government to assist the hand-loom weavers who were thrown out of work in the latter part of the 18th century by the new power looms and other automatic textile machinery. Hundreds of workers whose livelihood depended on the old hand methods were allowed to starve to death in London and other British cities.

The trade adjustment proposals (one of which was introduced several years ago by President, then Senator, Kennedy) would provide that if it can be shown that domestic producers cannot adjust to import competition over a reasonable period of time the Government should assist them to adjust by such devices as stepped-up employment compensation, retraining of younger workers, early retirement of older workers, expanded services of the U.S. Employment Service to bring jobs and workers closer together, payment of moving costs of workers from one part of the country to another, and adjustment loans to employers at low interest rates, together with technical assistance to enable them to shift to new lines of products.

In the pending bill for aiding depressed areas there is a provision giving special attention to the problem of import competition.

Such assistance can be defended so long as the emphasis is on adjustment and not on mere relief. Mere relief does not get to the heart of the problem. Like the payment of subsidies, it would only aggravate the problem. Such an approach should not be considered as a complete answer, in any event, since it does not provide for an orderly transition within a given product line or group.

There are bills which would provide for the imposition of supplemental tariffs to equalize the differences between unit labor costs in the United States and in countries where they are considerably lower. Most proposals along this line are dangerous because they can easily incorporate the fallacy of equalizing unit costs of production here and abroad. If all costs were equalized trade would be shut off entirely, for it is differences in costs of production that make all trade possible.

It seems clear to most objective observers, however, that competition from a country where wage costs are a small fraction of what they are in the United States (allowing for differences in productivity) differs from competition from countries where wage costs are closer to costs in the United States.

At the present time a Committee on Market Disruption is wrestling with this problem in Geneva under the auspices of the General Agreement on Tariffs and Trade (GATT). What is sought here is not complete equalization of labor standards among countries, but rather some manner of dealing with the problem of the temporary demoralization of markets.

The major obstacle in the legislative field on this proposal is in determining comparable statistics and information on labor and production costs in the countries affected. Without accurate and comparable statistics, the fair labor trade standards approach tends to be meaningless.

An approach which has appealed to me is the voluntary export quota system, tied in with those areas where there is a wide differential in labor standards. We now have agreements with Japan, in connection with cotton textiles, plywood, and a few other products, whereby the Japanese have voluntarily imposed quotas on their shipments to the United States. This system has had a limited success which indicates a possible expansion into other fields on a mutually beneficial basis.

I am considering the introduction of legislation which would provide for a sliding-scale import quota system, through negotiated agreements, to solve troublesome problems of import competition. Under such a program, when it had been determined that a wide differential in wage costs was causing great difficulty to an American industry, the United States would enter into negotiations with foreign countries to establish voluntary quotas which would allow a base quota equal to the average level of imports for a given period, plus a proportion of any increase in the domestic market.

A fixed import quota is open to the criticism that it would place imports in a straitjacket. A sliding-scale arrangement, such as I have suggested, would have the advantage of sharing an expanding market with foreign producers on an orderly basis.

Such a sliding-scale arrangement could be based on either import quotas, or tariffs, or a combination of the two. It might also be possible to ease restrictions wherever it can be demonstrated that the foreign country with substandard labor conditions has succeeded in improving its wages and other working conditions.

The key to this proposal is its recognition of the opportunity of other manufacturers, foreign as well as domestic, to compete in our market on roughly equal terms. It would protect our own businesses from unfair competition, open the door for orderly competition from abroad, and exercise minimum interference with a free market.

We cannot turn the clock back to the Smoot-Hawley tariff, unless we are willing to say that the American economic system cannot compete under any circumstances. But this does not mean that we should turn our back on the critical trade problems which confront our own businessmen, particularly in the small business segment of our economy.

Our business community must take every opportunity to compete at home, and to compete abroad for growing markets in other countries. They must not assume that competition stops at the water's edge. At the same time, our Government must recognize the problems and take appropriate steps to insure a fair contest.

Mr. MUSKIE. Mr. President, that represents, I believe, a sound approach to our import problem. As the subcommittee states in its report, import quotas "should not be fixed for all time. They should be flexible. As the market in this country grows, imports should be allowed to increase. We are not proposing that the status quo be maintained."

In recent years there has been a tendency for positions on trade policy to become frozen. Those who support free trade have argued on an all or nothing basis. Protectionists have taken a similarly rigid position. I submit that neither extreme will meet the interests of this Nation or of the free world. The economies of nations are interrelated and independent. Trade between nations can no longer be left to chance. We must plan our trade policies. This, to me, is the great virtue of the Organization for Economic Cooperation and Development. It carries with it the recognition that expanded opportunities for all countries in the free world depend on sensible and sensitive attention to the needs of all economies, and that planning in this area may well result in greater free trade.

In my speech on March 3, I recommended a sliding-scale import quota system, provided through negotiated agreements, to solve troublesome problems of import competition. This recommendation was tied to our problems with low wage countries. As you know, this is a critical problem in the textile industry.

Under such a program, when it had been determined that a wide differential in wage costs was causing great difficulty to an American industry, the United States would enter into negotiations with foreign countries to establish voluntary quotas which would allow a base quota equal to the average level of

imports for a given period, plus a proportion of any increase in the domestic market.

The key to this proposal is its recognition of the opportunity for other manufacturers, foreign as well as domestic, to compete in our market on roughly equal terms. It would protect our own businesses from unfair competition, open the door for orderly competition from abroad, and exercise minimum interference with a free market.

I am encouraged, Mr. President, to see that others share my feelings on this question. The Subcommittee on Textiles has made a similar recommendation, and Dr. Alfred C. Neal, president of the Committee for Economic Development, has suggested a parallel approach. Dr. Neal's comments are worth quoting here:

> The explosive effects of advanced technology in a country with extremely low wages can be damaging to all—to the exporting country because it overexpands, and to importing countries because they cannot move people and resources out of damaged industries fast enough. Controlling the most serious of these cases by means of agreed quotas, which are temporary and expandable, may be the only reasonable alternate to the disruption of the whole trading system of the West.

These are encouraging signs of a more realistic approach to our trade problems which offer hope to the textile industry in dealing with its import problems. It encourages me as I continue my efforts to develop sound legislative language to implement my proposal and that of others who are concerned with this problem.

In closing, Mr. President, I wish to pay particular attention to one other important facet of the subcommittee report. The subcommittee has recommended that "appropriate Government agencies, including the Business and Defense Services Administration, expand, and initiate where necessary, textile research. This should include basic research to develop new industrial and consumer uses for fibers and fabrics, and an expansion of economic research on the textile industry as well."

In my remarks, this afternoon, I have stressed import control. I would not want to imply, by this, that we can solve our problems by reducing the problems of competition. An important part of the long-term solution to the problems of the textile industry is an aggressive research program. The industry has not done enough. The only major effort in this direction has been in the field of synthetic fibers and fabrics, where large corporations have been able to devote their considerable resources to the task. The textile industry is primarily a small business industry. Its profit margins have been narrow and erratic. Under the circumstances, and in view of the long delay in meeting conditions beyond the control of the industry, we have a responsibility as a nation to stimulate research.

Such research would have benefits reaching beyond the manufacturing operations to the producers of raw materials, including cotton and wool. Such a program would be important to agriculture as well as to industry. We have a precedent in the research now conducted by the Forest Products Laboratory under the U.S. Forest Service. This is a program which benefits the manufacturer and the raw material producer. I urge that strong efforts be made to provide a similar approach for the textile industry.

I wish to commend the chairman of the subcommittee, Senator PASTORE, his colleagues, and the staff for the well-balanced and substantial report they have produced. They have given us a sound list of recommendations, including flexible import controls, increased research, a more realistic depreciation allowance to encourage investment in new plant and equipment, and an end to the two-price cotton support program. I endorse these recommendations wholeheartedly, and I hope that they will receive the attention they deserve, in Congress, in the administration, and in the textile industry.

Mr. ERVIN. I commend the able and distinguished senior Senator from Rhode Island for a masterly presentation on the serious problem which affects the textile industry, and assure him that I share in full measure his views as to the remedies which should be prescribed to cure the lamentable condition in which the textile industry now finds itself.

Some months ago, the Business and Defense Services Administration of the Department of Commerce published a booklet entitled "Textile Outlook for the Sixties." In this booklet they made two very significant observations about the danger of judging the plight of the textile industry solely upon the basis of comparison of the imports of textiles and the exports of textiles.

I read from page 50. The first point is this:

> It can be commented, however, that in judging the importance of textile imports, pound for pound, or dollar for dollar, comparison between imported and domestically produced items tends to give a false picture. In many cases, the imported item is equal in value to domestically produced items selling at a higher price, and allowance should be made for this fact in any value comparisons. Import statistics show foreign value, which is much lower than value in the United States.

Then they point out the second effect of imports upon prices in the domestic market:

> In any given market, a relatively small percentage of an imported item priced well below the domestic price has a major effect in upsetting the price structure and the normal competitive relationships.

I should like to ask the distinguished senior Senator from Rhode Island if he agrees with those two observations made in this study by the Commerce Department.

Mr. PASTORE. I agree with them implicitly. This is one point we must bear in mind, and I am very happy the Senator from North Carolina has brought it out.

If we are dealing with a glass, such as I am holding in my hand, and the glass is made in a foreign country, but the same kind of glass is made in the United States, then if the one made in the United States costs twice as much as the one made abroad, it means, if we are measuring it in terms of dollars, the manufacturer abroad is sending in two glasses for every one that is made in the United States.

Therefore, the number of people who would be displaced in the United States would be twice as many as ordinarily, for the simple reason that the quantity would be greater, inasmuch as the price is lower. That is the first point that is being made.

The second point is also true, for the simple reason that if we measure this item in terms of what the imports are, percentagewise, with the total American production—and that happens to be 8 percent—the argument is made, "Why should it deflate the American market if what is coming in is only 8 percent of our total production?" It has a very depressing effect. When they are trying to job this glass to the American retailer they point out that the glass would be made abroad for one-half the cost in the United States. That has a tendency psychologically and otherwise to depress the American market. I agree with the examples which have been cited by the Senator from North Carolina.

Mr. ERVIN. I thank the Senator. I believe that the unfortunate situation in which the textile industry finds itself is due to a maladministration of the Reciprocal Trade Agreements Act. When Cordell Hull recommended that the United States enter into a reciprocal trade agreement with other nations, he said it was not contemplated by this concept that the United States would encourage the importation into the United States of articles which were produced in the United States in surplus quantities. He said to have true reciprocity the United States should make agreements with other nations whereby the United States would export to those other nations the goods which we produced in surplus quantity, and whereby the United States would import from those other nations the goods which the United States either did not manufacture or could not manufacture effectively.

The United States has been for many decades producing surplus quantities of textile products. When we encourage the importation into this country of products which we are producing in surplus quantities, we necessarily create a situation which deprives domestic industry of its domestic markets, or impairs domestic markets; it deprives investors in that industry of a fair return upon their investments; and deprives the workers in that industry of their jobs.

An article came to my desk a few weeks ago which shows the danger which the textile industry is suffering in attempting to meet the Japanese competition. The article relates that there were two boys, one a Japanese named Togo, and one an American named Smith, both of whom attended the same textile school approximately 50 years ago. The illustration continues:

> FIFTY YEARS HAVE NOW PASSED
>
> Togo who came from a wealthy Japanese family is now head of a textile mill in

Japan. This mill is using 30,000 bales of cotton a year and employs 1,000 Japanese workers. Strange as it may seem, Smith is manager of an American mill of the same size also using 30,000 bales of cotton a year and employing 1,000 American workers.

TOGO HAS THE ADVANTAGE

Last year the administration in Washington, D.C., sold Togo 30,000 bales of cotton at a price of 6 cents a pound less than the price Smith had to pay for his 30,000 bales in the U.S. market. This meant a saving for Togo's mill of $30 a bale or a total saving of $900,000 for the year as compared with what the U.S. mill paid.

There was another advantage even greater than this which Togo had over his American classmate and competitor. Togo pays each of his workers on the average $2,500 a year less than the American textile worker is paid. In other words wages paid workers by Togo was $2,500,000 less than Smith paid. Add these two items together, and it shows that the American mill paid out $3,400,000 more in 1 year than the Japanese mill.

There are other items such as supplies which cost the American mill much more than the Japanese mill paid which greatly increased the above figure.

Mr. President, North Carolina is deeply interested in this problem because approximately 230,000 North Carolina families earn their livelihood in textile plants. I think the subcommittee headed by the distinguished senior Senator from Rhode Island made a most significant contribution to the preservation of one of the basic American industries in the report which it has brought before the Senate and in the recommendations which it has made.

Under a system of flexible quotas by countries and by categories, we can deal with the situation in such a way as to give our friends in the foreign countries such reasonable proportion of our domestic market as they need to have, and at the same time preserve the investments of our local manufacturers in the domestic market, and also the jobs of our textile workers.

To my mind, from the figures pointed out in the subcommittee report and so ably expounded by the distinguished Senator from Rhode Island, showing the loss of more than 240,000 textile jobs since 1947, and the liquidation of approximately 839 textile plants in the same period, it is absolutely essential that action the special committee has recommended be taken at the earliest practical moment.

I thank the Senator from Rhode Island.

Mr. PASTORE. I thank the Senator from North Carolina.

Mr. President, I yield to the distinguished junior Senator from North Carolina.

Mr. JORDAN. Mr. President, first, I commend the distinguished senior Senator from Rhode Island for the fine report which he and his special subcommittee have made and brought before the Senate today. I commend him for his clear explanation of the report this afternoon.

Two years ago, when a similar report was before the Senate, I had the privilege of attending some of the hearings. At that time most useful work was performed. Two years have elapsed, and further studies have been made. I commend the Senator from Rhode Island for submitting the report today and making recommendations which are now up to date.

I commend the President, also, for appointing a top level, Cabinet-level committee to study the problem carefully and recommend what can be done to solve it. Furthermore, I commend the President for appointing former Governor Hodges, of North Carolina, to be chairman of the committee. I do not know of anyone in government today who knows more about the textile industry than Secretary Hodges. He has spent the major portion of his life in the textile industry. He is an able businessman in many other ways. I feel certain that he will be able to compile a report in a satisfactory manner and supply the President with the kind of information he wants.

I further commend the President for appointing Mr. Price as the head of the subcommittee, because he has done most able work in securing testimony to present to the full committee, in order that it may be transmitted to the President in the way it should be presented.

Mr. President, this is the first time I have seen any ray of hope since the beginning of our work on this problem. I think the Senator from Rhode Island will agree with me.

This problem is not new. We have been working on it ever since I have been a Member of the Senate. We have gotten nowhere whatsoever with it. We have made recommendations and all sorts of efforts to accomplish results. However, I believe President Kennedy and his associates are really serious about wanting to do something to help the textile industry, so perhaps something will be done about it now.

I have talked to a number of my friends in the Senate on this subject on numerous occasions. There seems to be a sort of widespread feeling that this problem is one which affects only the Southern States and the New England States. That is not true. The textile industry embraces practically all of the States in the Union, some in greater degree than others. Recently, at Atlantic City, at the largest textile machinery exposition ever held in the United States, 42 States were represented in which there was active participation in the textile business.

Not long ago it was said that California industry is not in the textile business. But in Los Angeles and in all the other parts of that area some of the finest garments ever made in this country are being produced. Furthermore, New York, Pennsylvania, and all the other States, right down the line, are also engaged to some extent in the textile business.

As my colleague the Senator from North Carolina [Mr. ERVIN] pointed out, the largest payrolls in North Carolina come from the textile industry; and the same is true in South Carolina and in other Southern States. But the large garment manufacturers and the clothing industry generally are not located in the South. Millions of persons in other States are engaged in the same business.

So the present most difficult situation applies to more than the textile industry itself; it has a great bearing on many other industries. For instance, the chemical industry is largely dependent on the textile industry. The manufacturers of rayon are today the largest consumers of textiles in the United States. Every yard of cloth that goes into the clothing I wear and into the clothing that other Senators wear is finished and dyed by means of the use of chemicals. That industry is a very large segment of the textile industry.

So there is no end to the ways in which the textile industry affects the entire Nation. In prior years, approximately half a billion dollars has gone into textile machinery. The textile machinery manufacturing industry in the United States employs thousands and thousands of persons, even though they are not directly connected with the textile industry. However, they certainly are dependent on the textile industry.

So I wish to associate myself with the remarks my colleagues have made. All of them have brought out very pertinent points which have a most important bearing on this situation; and I desire to commend all of them for what they have stated.

It has been brought out that the textile industry is second only to the steel industry as regards employment in the United States; and we have heard statements about the number of textile plants that have been liquidated. There is no use in repeating those statements.

However, in closing I wish to say that the American textile manufacturing industry is capable of providing by normal, full-time operation, every yard and every pound of textiles needed in the United States.

What really has happened to the textile industry is that the very great volume of imports has been imposed on top of the production in this country. Not only has that situation resulted in a very large surplus; it has also depressed the prices of the goods made in the United States. The American manufacturers have done everything within their power to meet the low prices of the imported goods, but they have not possibly been able to meet them; and that situation has depressed the American textile industry to a point where it must obtain some relief, or else soon there will not be any textile industry in the United States.

As was well brought out, regardless of how much advance our manufacturers make in technology or regardless of how much new machinery they use, they cannot compete with imports produced by 7-cent-an-hour labor or 15-cent-an-hour labor or 20-cent-an-hour labor or with the wages paid for the production of cotton cloth in other countries.

Until about 2 years ago, our textile industry was depressed largely by the imported yardage goods. But today, in addition to those imports, the very finest garments are being imported; and those imports include dresses, sweaters, underwear, socks—almost every conceivable item manufactured in our textile plants today. For instance, in 1950, $35 mil-

lion worth of apparel was imported; but last year $250 million worth of apparel was imported. That is an extremely large increase, and it is putting our garment manufacturers completely out of business. If that development is not curbed, soon the very finest garments will be imported, in addition to the imports of cloth.

Mr. PASTORE. On that point let me state that it is constantly said that the percentage of the imports is very small, when compared to the American production in the garment industry. But the fact is that this type of import is a new development; and if it continues, the apparel industry will experience exactly what has already been experienced by the broadcloth industry. In other words, if this development goes unchecked, it will grow and grow, and the gap will become narrower and narrower, and the situation will become much more serious.

So now is the time for this matter to be given the utmost attention, in order to make sure that only what can be absorbed without entirely disrupting our industry is imported.

It is true that in the apparel industry the percentage of imports now is small. But if it is permitted to go on, unchecked, it will grow and grow until the situation becomes disastrous.

Mr. JORDAN. Mr. President, I thoroughly agree with the Senator's statements. Furthermore, in the report he has also approached the matter in the proper way, because, as he has pointed out, in each country there are different wage scales, different hours, different manufacturing methods, and so forth.

I wish to commend the Senator from Rhode Island and his committee for their fine report. I thoroughly agree with the position they take.

Mr. PASTORE. Mr. President, in conclusion, in regard to the statements to the effect that the situation will be disastrous unless something is done in regard to the imports of apparel from Japan, let me state that I understand there has been an agreement reached by which Japan agrees to limit the amount of her imports of apparel into the United States. That arrangement bears on quotas, which is precisely what we are talking about.

I say that if that can be done on that score, similar steps can be taken by those in the United States, by completely analyzing this market and doing what is right under the circumstances. Such action is most important, because I am afraid that the threats not to cut foreign-made cloth and the threats to boycott foreign-made goods will cause much more injury than flexible quotas would.

Mr. JORDAN. Mr. President, I thank the Senator from Rhode Island for his remarks.

Mr. RUSSELL. Mr. President, will the Senator from Rhode Island yield to me?

The PRESIDING OFFICER (Mr. MUSKIE in the chair). Does the Senator from Rhode Island yield to the Senator from Georgia?

Mr. PASTORE. I am happy to yield to the Senator from Georgia.

Mr. RUSSELL. Mr. President, the debate this afternoon, so ably led by the distinguished Senator from Rhode Island, has most graphically illustrated the very grave situation which faces a basic and an essential industry—the textile industry. The present situation is most important, because this threat is posed not only to the mills that spin and weave the fabrics—whether the gray goods, the rough fabrics, or the finer products. In addition, this threat is posed to every segment of the textile industry—to every needle plant in the Nation, whether it is working on the finished fabrics and the most expensive dresses or whether it is working on overalls. I do not believe that any one of the 50 States does not have some industry and some workers who are living under the threat of losing their jobs and losing their plants, due to the mounting flood of imports.

I assert without the slightest fear of contradiction, Mr. President, that no fairminded man from any place on the globe could examine all the facts which affect this situation and fail to reach the conclusion that some immediate and drastic action must be taken if we are to preserve this industry.

I commend the Senator from Rhode Island and the Senator from South Carolina for their diligent services in ascertaining the facts and in providing them in concrete form to the Senate and to the country, so that any person who is able to read can understand the seriousness of this situation.

Mr. PASTORE. Mr. President, will the Senator from Georgia be so gracious—and I know he will be—as to include the Senator from New Hampshire [Mr. COTTON]?

Mr. RUSSELL. Of course I include him, too. I would not willingly omit his name from the list, because he is outstanding in his ability to convey in a few words the seriousness of the threat to any industry, including the textile industry. In that respect he has never completely recovered from the experience of his service in the House of Representatives. He uses few words to express his thoughts in a very clear way.

As a matter of fact, one of my great pleasures has been to read his statements. Two or three years ago I went to him and asked him to put my name on his mailing list, so that his statements would be sent to me; and ever since then they have been part of my "must" reading.

Mr. COTTON. Mr. President, I thank the Senator from Georgia and the Senator from Rhode Island for their glowing tributes.

Mr. RUSSELL. Mr. President, it is unnecessary for me to go further into this matter. The facts are set forth in the report made by the subcommittee headed by the Senator from Rhode Island, and they have been garnished and repeated today on the floor of the Senate.

I merely wish to state that it is high time that some action be taken. We cannot afford to leave the fate of this industry to the sense of fair play of foreign governments whose people are looking for employment and who are seeking means to export their goods, because if we do, we shall be exporting the remains of our industry. We must take some action.

Mr. President, I have been greatly heartened by the fact that the distinguished President of the United States, who has been so recently transplanted from this body to the most powerful and important office under the canopy of heaven, has a very keen awareness of the critical nature of this problem, and that he will proceed to take some steps that will preserve the industry.

There is nothing I can add to the facts which have been stated. I do wish to state that any movement which looks to preserving the remains of this all-important industry in these United States will have my wholehearted support.

I thank the Senator from Rhode Island for yielding to me.

Mr. PASTORE. I am glad now to yield to my colleague from Rhode Island.

Mr. PELL. Mr. President, as I read the report prepared by the Special Subcommittee To Study the Textile Industry under the chairmanship of my distinguished senior colleague from Rhode Island, I express publicly what I have expressed privately to him and that is my pride at being his junior colleague. I congratulate the Senator and the committee for it.

I notice the committee sought to emphasize the national aspects of the problem; but each of us is from a State, and the States involved are particularly hard hit. I think I am correct in stating that our State has been more hard hit than any other State. Does not my senior colleague agree?

Mr. PASTORE. Yes. As a matter of fact, I think that, as between the North and the South, if I may use that expression to delineate the regions of the country, the impact has been much more severe in New England, and particularly severe in the State of Rhode Island. When I was Governor of the State, between 1945 and 1950, practically 45 percent of our entire income came through the textile industry. Now it is down to about 15 percent, or even less. We have seen many mills close their doors. It is true that some of them have migrated to the South, but the fact of the matter is that, even with the migration, which has come to a halt to a large extent, the importation of foreign-made goods has had a disastrous effect. Only during the last recess of the Congress I was approached by members of the Rhode Island Textile Association, which gave impetus to the renewal of the investigation.

I may say to my colleague from Rhode Island it is true that in Rhode Island we have felt the impact much more so than practically any other State of the Union, with the possible exception of Massachusetts, or perhaps equally with Massachusetts.

Mr. PELL. Actually, to be more specific, and to pinpoint it to our city of Providence, there has been a decline of 500 percent, from 10,000 to 2,000, in jobs in the last 10 years.

Worry has been expressed that the suggested steps will interfere with our foreign relations, but I think this point

has also been covered by my senior colleague; namely, that the effect of boycotts in America upon the world as a whole will be more harmful than the effect of quotas. Quotas may have a short-term effect in individual foreign countries; but if the present calamitous conditions in our textile industry continue, so that labor and industrial organizations carry out their present threats of boycotts, I think we shall suffer more in the world as a whole.

This is an immediate problem, and the solution of flexible quotas is offered as an immediate short term solution. For the long term, the report covers the idea of enlarging the programs of Business and Defense Services, quicker depreciation of machinery, greater emphasis on research and development, and elimination of the two-price cotton system. These can, one believes, solve the problem in the future. What we have to do is face up to the problem now.

Mr. President, finally, I ask unanimous consent to insert in the RECORD an editorial from the Providence Journal of last Sunday.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

BRIGHTER PROSPECTS FOR AID FOR THE TEXTILE MILLS

Prospects that the Washington administration finally may do something to remove some of the weight of foreign competition from the already depressed textile industry appear brighter than they ever have been.

Senator PASTORE's Senate Textile Subcommittee has recommended action in tones more urgent than in the last report of this study group in 1959. Commerce Secretary Hodges has said that a Cabinet subgroup has been working night and day to turn out recommended action for the executive branch. The feeling in Washington is that these recommendations will be forthcoming soon, perhaps in a matter of days.

The Pastore committee's recommendations go straight to the heart of the textile problem. It recommended more spending by the industry on research and product development; a more liberal depreciation rate on machinery and equipment, permitting faster tax writeoff than at present; study and possible elimination of the two-price cotton system which favors foreign textile mills; and continued collection of research data by the Commerce Department.

All these steps are necessary, particularly elimination of the double price system, which makes no economic sense and is burdensome to domestic textiles, and the faster depreciation writeoff.

Another problem is foreign competition. Probably no one in the industry would say that this is the only problem. Textiles are suffering from internal ills that are the outgrowth of fiber technology and have nothing to do with foreign-made goods. Yet, the industry is depressed; it is fighting a rugged battle with costs as it tries at the same time to move into newer fibers and their products. The added weight of foreign competition has been enough to tip the scales for many a mill toward going out of business.

To cope with this problem, the Pastore committee urged that quotas be applied to foreign textiles, country by country and by specific category of goods all the way from yarns through woven fabrics to finished goods. The objective would be to prevent foreign competitors from concentrating on particular kinds of goods and demoralizing the market for those goods.

Perhaps such drastic action is needed to give the textile industry time to improve its competitive position along the lines suggested by the committee. But we would hope that such quotas, if now applied will not have to become permanent Government policy, and that they could be reduced or abolished once our textile plants in this country are in a better competitive position. For it should not be overlooked that quotas can be a two-edged sword. Once the United States begins applying them to aid domestic industries, no matter how hard pressed, other nations are likely to slap quotas on our own exports, and the net effect on the American economy as a whole might be very bad.

If the domestic textile industry can produce and sell in the domestic market without fear of reckless price cutting as a result of foreign imports; and if, also, machinery can be depreciated, as it is operated, on a three-shift instead of a one-shift basis, there need be little concern about the plowback of earnings into efficient plants and equipment. Although all mills will not do this, perhaps most will because the technology of textile competition today is such that modernization has become basic to competitive survival.

Rhode Island, with a heavy stake in the yarn as well as the woven fabric ends of the textile industry, hopes that the Cabinet subgroup will move quickly to recommend some more effective kind of at least temporary protection from cutthroat foreign competition, and to endorse the other constructive proposals of the Pastore committee. Then it will be up to the executive branch to move equally fast to implement the recommendations.

Mr. PASTORE. I thank my colleague.

Now I am happy to yield to my colleague from the adjoining State of Massachusetts, the junior Senator from Massachusetts.

Mr. SMITH of Massachusetts. Mr. President, I have listened with great interest to the discussion on the future of the textile industry. No subject is more important to New England. The first textile mill in America was built in my State in 1813. Massachusetts owes much of its growth to the textile industry. Even today it is one of our largest employers.

I was extremely impressed with the presentation of the Senator from Rhode Island [Mr. PASTORE] this afternoon. I commend him and the entire subcommittee on the fine work they have put into the report.

The facts show without a doubt that imports of certain textiles pose a definite threat to our domestic industry. These imports no longer come primarily from poor and undeveloped nations. In the last 2 years, the greatest percentage increase has come from nations of Western Europe.

I am sympathetic to the requirements of trade that are imposed by our foreign policy. I realize that to export, we must import, and that trade barriers provoke retaliation. However, it is not fair that the burden of such a policy be borne by a few industries or by one or two regions. Some additional protection is essential, until the fair labor standards we have in the United States are extended to other nations of the world. The textile industry deserves protection equal to its importance to our national security and to our region's economy.

I am confident that the administration will exercise its authority in this field wisely. The special committee the President has set up is a fine one, and indicates his interest in the problem.

But Congress also has a responsibility in this field, and there is no better way for us to exercise it than through the process of informed discussion, such as we have seen on this floor this afternoon. I am sure it will bear fruit.

Mr. PASTORE. I thank the Senator.

I yield now to the Senator from New Hampshire [Mr. COTTON].

Mr. COTTON. Mr. President, 3 years ago I submitted in the Senate the resolution which resulted in the creation of the special subcommittee whose report we are discussing today.

What I said in the Senate then, on April 14, 1958, is still true today:

The textile industry is a major segment of our national economy. It employs more than a million persons. Directly and indirectly, it provides the bread and butter for an estimated 15 million Americans. It is also important to our national defense. During World War II the Armed Forces required more than 10,000 different types of textile items.

However, despite its size, its essential nature, and its importance to our economy, the textile industry has long been in a depressed and declining state.

A great many of us have been deeply concerned about the developments in the textile industry for a number of years. We have seen employment drop sharply and steadily. Since the end of World War II, 345,000 textile jobs have disappeared, including more than 12,000 in my own State of New Hampshire. Since 1947, 717 textile mills have been liquidated in this country.

We have watched earnings drop.

We have watched exports drop.

We have watched imports rise.

As a Nation, we simply cannot afford to let this basic industry continue to decline.

The Senate unanimously approved my resolution, and the Textile Subcommittee got right to work under the leadership of the Senator from Rhode Island [Mr. PASTORE] and the Senator from South Carolina [Mr. THURMOND].

I take this opportunity to say to Senators: After listening to the able and analytic presentation by the distinguished Senator from Rhode Island, the chairman of the subcommittee, the Senate surely has some idea of the thoroughness, the efficiency, the zeal, and the dedication with which the Senator undertook the leadership of the subcommittee over the period of its work. It was a privilege and a pleasure to work under his leadership. He was fair; he was thorough; he has done a magnificent job. The report which is presented to the Senate is very largely the handiwork of the Senator from Rhode Island.

I cannot be too emphatic in expressing my appreciation of the work of the distinguished Senator from South Carolina [Mr. THURMOND], who has a thorough grasp of this problem because of its connection with his own State. The Senator from South Carolina has contributed greatly to the work of the subcommittee, and he will speak shortly.

I know all Senators will appreciate, after the Senator's remarks, what I have had the privilege of appreciating all the

time in respect to the work of these two men.

We held extensive hearings in Washington both in 1958 and in 1961. We held hearings in many of the important textile centers of the Nation. We have produced two unanimous reports on the problems of the industry.

But these detailed, fact-filled reports serve only as funeral orations for the textile industry unless prompt steps are taken by the executive branch of the Government.

The heart and soul of our reports has been an urgent recommendation for the establishment of quotas on the importation of textile and apparel products.

In no other way can the flood of imports be brought within the bounds of equity and safety.

Let me make it clear, as a member of the committee, that we are not trying to use quotas to build an insurmountable wall against imports. The quotas must recognize the vital role of the international trade in our national well-being, and its importance to other nations. At the same time, they must prevent the American market from being used as an international dumping ground for goods produced in countries where the wage rates are one-tenth of what they are here.

The facts are available for the development of country-by-country quotas for each category—I repeat, and emphasize—each category of textile products with the kind of flexibility that will do justice to all.

I hope, and I have faith to believe, that the President will establish import quotas before it is too late.

Mr. SCOTT. Mr. President, will the Senator yield?

Mr. PASTORE. I yield.

Mr. SCOTT. Mr. President, I would like to join my colleagues in endorsing the findings and recommendations of this special subcommittee report on the "Problems of the Domestic Textile Industry." As you know, Mr. President, this subcommittee was set up initially as the result of a resolution introduced by the junior Senator from New Hampshire [Mr. COTTON].

Although not a member of the subcommittee, I read with interest its report of March 14 and with this in view, I would like to comment briefly.

In the past 2 weeks this House has passed two major pieces of legislation. One, the area redevelopment program, and the other, the extended unemployment compensation proposal. Both of these bills I supported on final passage, although I had personally sponsored or cosponsored alternate proposals. These programs are necessary for not only the relief of our unemployed and their families, the firming up of our national economy—but the economic health of our Nation as well. These programs will cost our taxpayers and our business community a great deal, so it was with interest that I noted that in 1954 imports of major textile manufacturing amounted to about 73 percent of our exports. By 1960, I understand that our trading position in the international textile market had been reversed—that is—imports amounted to 170 percent of exports. This downward trend would have to have an adverse effect on our employment situation, and we find that industry representatives estimate that in the garment industry alone that imports have resulted in a direct loss of more than 23,000 jobs and an additional loss of more than 8,000 workers who were indirectly affected. Over the past decade textile mill employment in the Middle Atlantic States alone has declined 47 percent.

Mr. President, I feel that it is contradictory for the Congress to be passing legislation to alleviate the unemployment problem on one hand and on the other to allow a system to exist that creates or worsens the problem.

We surely must not attempt to solve this increasing problem with steps that would have an adverse effect on our relations with friendly nations, but we can and should take a course of action that is at once equitable to our foreign friends and that will avoid further losses to our domestic textile industry.

It is because of these reasons, Mr. President, that I wholeheartedly endorse the recommendations of the subcommittee in the hope that some immediate action in this field will be taken.

Mr. STENNIS. Mr. President will the Senator yield?

Mr. PASTORE. I yield.

Mr. STENNIS. Mr. President, I commend the Textile Subcommittee of the Senate Interstate and Foreign Commerce Committee for its recent splendid report on the problems of the domestic textile industry.

I have the privilege of representing one of the largest cotton-producing States in the Nation. Cotton production and the domestic textile industry are of the utmost importance, not only to my own State, but to the entire Nation. Imports which compete with our own domestic industries must be carefully watched and constantly reviewed and considered.

The report emphasizes the serious import problem facing the textile industry and points out the necessity for prompt action. Total textile-apparel imports into the United States increased rapidly to an all-time high in 1960. All divisions of the industry and all stages of manufacture from yarn through apparel are heavily involved. For example, in 1960, cotton yarn imports jumped to over 14 million pounds, having been over 1 million pounds as recently as 1958. Cotton cloth imports had an all-time high in 1959, but doubled that record in 1960. Total imports of textile manufactures were valued at nearly $1 billion in 1960.

For the most part, textile-apparel imports are simply low-wage-produced replacements for U.S.-made products. Such imports serve only to displace American jobs and aggravate the dollar drain.

The report of the Pastore committee sets forth its findings relating to these postwar trends in the textile industry. It reviews the scope of the international textile market with particular reference to the garment apparel industry and to the carpet and rug industry. It points out, for instance, that until 1951 imports of wilton velvet carpet amounted to about 5 percent or less of domestic production. This was true despite the fact that the 60 percent ad valorem duty on carpets, which had prevailed before World War II, had been reduced to 50 percent. The duty was further reduced to 25 percent in 1951 and imports began to increase. By 1956, these imports rose to more than 10 percent of domestic production. Further reductions in duty to the present level of 21 percent brought substantial increases in imports. By 1960 they amounted to more than 25 percent of textile production.

My particular concern over this arises from the fact, as I mentioned before, that Mississippi is one of the largest cotton producing States in the Nation. The welfare of the majority of its people is dependent on cotton. The astounding increase in importation of cotton in the form of yarn, cloth, apparel, carpets, and the like from about 80,000 bales in 1952, to approximately 600,000 bales in 1960, presents a most serious problem in our country. To the cotton farmers the elimination of 600,000 bales of cotton consumption, as a result of textile imports, means a reduction of 750,000 cotton acres, equivalent to the acreage of 45,000 family-size cotton farms, involving a quarter of a million people.

This means the loss of 42 million man-hours of work and the loss of $110 million in farm income.

Acreage reductions by our cotton farmers have brought the supply and demand for raw cotton roughly in balance here and abroad. The constantly increasing importation of textiles, unchecked, present a major problem for our cotton farmers.

The market here at home is the major outlet for U.S. cotton. With imports expanding, the U.S. textile industry will make a weak recovery for the current recession. With an effective textile imports control applied promptly, a vigorous recovery would be probable.

Mr. President, the need in the United States for prompt, effective import restrictions appears to have approached a level of world understanding that should make possible the use of such controls without serious worldwide implications. And the effective way to do this, of course, is to impose quotas on each country for each category. The time has come when we must meet this serious problem, and I sincerely hope that the administration will use existing authority to bring imports under control.

Mr. THURMOND and Mr. JAVITS addressed the Chair.

Mr. PASTORE. Mr. President, I yield to the Senator from South Carolina.

Mr. THURMOND. Mr. President, as a member of the subcommittee which studied the problems of the domestic textile industry, I should like to express my appreciation to the able chairman, the Senator from Rhode Island [Mr. PASTORE], for his leadership and for the splendid way in which the hearings were conducted.

I should like also to express my appreciation to the distinguished Senator from New Hampshire [Mr. COTTON], the original author of the resolution, on

which a number of us had the pleasure to join as cosponsors to establish the Textile Subcommittee. The Senator has done magnificent work on the subcommittee.

Mr. President, despite the efforts of many of us to bring to the attention of the National Government the drastic plight of the U.S. domestic textile industry, I fear that many still do not appreciate the plight of this segment of our economy, which is so essential to our military mobilization base.

I would recommend to each Member of Congress, and particularly to the members of the President's Cabinet Committee on Textiles, a study not only of the report of the special Senate Textile Subcommittee issued on March 14 but also the testimony taken by that committee in February. The evidence is conclusive that our domestic textile industry continues to contract at an alarming rate.

Between the period 1947–57, while sales of manufactured products were up 112 percent, the sales of textile mill products were up only 44 percent. Even this gain in sales of textile mill products somewhat surprising, for the per capita consumption of such products in the United States dropped from 30.9 pounds in 1950 to 23.8 pounds in 1960.

The continuing contraction of the domestic textile industry is apparent by whatever yardstick may be used, whether it be equipment in place, employment, mill liquidation, prices or profit.

In 1957 there were over 21 million cotton spindles in place in the United States; but by 1960 cotton spindles in place had declined to less than 20 million. In the short period between 1957 and 1959, woolen spindles in place declined 4.3 percent; worsted spinning spindles, not including those in carpet mills, declined 11.1 percent; and worsted spinning spindles in carpet mills was down 16 percent. The decline was even worse with regard to looms in place. Cotton looms in place decreased between 1957 and 1959 from 350,000 to 324,000, a decline of 7.4 percent; and woolen and worsted looms in place decreased in the same period by 12 percent.

The employment picture is the blackest of all. Between 1947 and 1957, 325,000 jobs in the textile industry disappeared—a loss of 24 percent. The employment decline continues at a drastic rate as shown by the fact that in the short interval between January 1957 and November 1960, another 75,000 jobs disappeared, which represented a further decline of 7.5 percent.

While there is no positive way to record all textile mill liquidations, 710 mill closings between 1947 and 1957, involving the loss of 196,000 textile jobs, were reported; and in the subsequent period between 1958 and 1960, there were an additional 128 mills which closed their doors and dissolved the jobs of 33,000 additional workers.

Since the base period of 1947–49, through January 1961, the cost of living in the United States has gone up 28 percent, while during the same period, the average price of textile products is down 10 percent; the average price of cotton products is down 8 percent, and the average price of manmade fiber products is down 20 percent. For the third quarter of 1960, textile profits, as a percentage of wages, were 2.4 percent, as contrasted to manufacturing generally, which was 4.3 percent. In December 1960, mill margins had narrowed for 5 consecutive months.

Although the narrow margins, low profits and declining prices, combined with the archaic and unrealistic equipment and machinery depreciation rates, have prevented the conversion to new equipment and the desired level of expenditures for research and development by the textile industry, the difficulties of the industry are in no measure due to failure of the industry to keep up a fast rate of increase in productivity. Between 1947 and 1957, although employment was down 40 percent, the production of broadwoven fabrics increased 2 percent. In 1947, 9 square yards of broadwoven fabrics were produced per man-hour, but by 1957, production had increased to 14.1 square yards per man-hour, an increase in productivity of 57 percent. Even in the short period since 1957, there has been a further increase in the productivity of broadwoven fabrics of 8.5 percent. Productivity in the basic textile industry has increased 70 percent since 1947, far more than the average increase for manufacturing generally.

While a number of factors—such as the decrease in per capita consumption of textiles, unrealistic depreciation rates and the decrease in exports because of the growth in productivity capacity and the trade barriers against American exports accompanying this increase—have played a part in the decline of the domestic textile industry, the basic difficulty lies in the astronomical upsurge of low-wage imports. The picture may be seen in a nutshell by considering the proportion of imports to exports of textile products. In 1954, imports expressed as a percentage of exports, were 73.5 percent; in 1956, 111.3 percent; in 1958, 118 percent; and in 1960, 170.3 percent.

Between 1950 and 1959, exports of cotton cloth were down 13.6 percent, while imports of cotton cloth were up 400 percent. Since 1948, total imports of textile manufactures are up more than 900 percent, there having been an increase of 100 percent since 1958.

Only a few years ago, the proportion of the quantity of imports as a percentage of domestic production stood at an insignificantly low percentage. Such is not the case today. In 1948, imports of cotton cloth were less than 1 percent of domestic products, but by 1958 were 3.5 percent of domestic production, and in 1960 were 8 percent.

Imports of wool cloth were only 1.7 percent of domestic production in 1948, but in 1960 were 16 percent of domestic production. Imports of manmade fibers in 1948 were only 1.2 percent of domestic production, but in 1960 were 5.4 percent. Imports of wilton and velvet carpets in 1948 were 3 percent of domestic production, but in 1960 were almost 26 percent.

At this point in my remarks, Mr. President, I ask unanimous consent to have inserted in the RECORD Special Report No. 17 of the United States-Japan Trade Council, dated March 6, 1961, on the subject of the "Tariff Commission Escape-Clause Investigation on Carpets and Rugs."

There being no objection, the report was ordered to be printed in the RECORD, as follows:

UNITED STATES-JAPAN TRADE COUNCIL
SPECIAL REPORT NO. 17

Subject: Escape-clause investigation; carpets and rugs.

The American Carpet Institute, Inc., on February 3, 1961, filed a new application for an investigation under the escape clause of carpets and rugs. The Commission on February 13 announced an investigation. Public hearings will be held on May 23.

In 1958 the Carpet Institute filed its first application, and on January 12, 1959, the Commission found by a 3-to-2 vote that imports were not causing or threatening serious injury. In June 1960, the Carpet Institute requested that article 28 of the GATT be invoked to modify previous concessions, but in December 1960 the request was denied since, "the industry's request for relief was basically a claim from injury resulting from increasing imports and that application for such relief could be made to the Tariff Commission under section 7 of the Trade Agreements Act as amended."

The basic claim of the domestic industry is that since the escape-clause proceedings in 1958 imports have increased dramatically and that domestic shipments have declined as shown in the following table taken from the application for relief:

[Thousands of square yards]

	Imports	Domestic shipments	Percentage of imports to domestic shipments
1957	4,686	34,180	13.7
1958	4,638	32,847	14.1
1959	7,011	39,351	17.8
1960	8,300	32,300	25.7
1960 (11 months)	7,540	29,658	25.5

The industry also alleged that Japanese imports as opposed to imports from Belgium and other countries have increased as shown by the following table taken from the application for relief:

Country of origin of current imports

	Belgium	Japan	Other	Japanese as percent of total imports
1955	3,377	109	521	2.7
1956	3,664	181	575	4.1
1957	3,627	355	704	7.6
1958	3,550	548	540	11.8
1959	4,948	1,459	604	20.8
1960 (11 months)	4,064	2,695	789	35.7

Upon these facts, it would appear that the domestic industry has a strong case for relief under the escape clause.

Mr. THURMOND. Mr. President, what this report shows is that the United States-Japan Trade Council, which would quite naturally be opposed to this escape-clause investigation, feels that our domestic wilton and velvet carpet industry has a strong case for relief under the escape clause.

As high as are the quantities of imports in proportion to domestic production, the rate of increase is even more alarming. Between 1948 and 1960, there was an increase in imports of cotton

manufactures of 1,477 percent, with an increase of 134 percent between 1958 and 1960. Between 1948 and 1960, there was an increase in imports of wool manufactures of 315 percent, with an increase of 107 percent between 1958 and 1960. Between 1948 and 1960, there was an increase in imports of Wilton and velvet carpets of 700 percent, with an increase of 60 percent between 1958 and 1960. Between 1948 and 1960, there was an increase in imports of manmade fibers of 1,150 percent, with an increase of 104 percent between 1958 and 1960.

The story with regard to garments and apparel paints the same woeful picture. In 1958, imports of various categories of apparel stood at 8.3 million dozen, and 2 years later in 1960, stood at 14.8 million dozen, an increase of 79 percent.

In view of these statistics, when viewed not as cold and impersonal economic statistics, but in terms of ever-increasing unemployment and as loss of essential war mobilization base—this vital industry being ranked second only to steel by the Defense Department—the recommendations of the special Textile Subcommittee are by no means drastic. Indeed, they are the bare necessities for implementation in order to correct this disastrous and distressing situation.

Briefly, the recommendations are as follows:

First. Flexible import quotas on textile mill products, and on garments and apparel, and on manmade fiber staple, filaments and filament yarn, by country and by category of product.

Second. Continuation and expansion where necessary, of the program of data collection and research by the Business and Defense Services Administration to shed increasing light on the problems of the domestic textile industry.

Third. Increased research by the textile industry itself and appropriate Government agencies.

Fourth. More realistic depreciation rates on equipment and machinery to permit more rapid writeoff for tax purposes in order to promote modernization.

Fifth. Elimination of the two-price cotton system, and if this be done gradually, then tariffs or fees should be imposed on cotton imports to make it possible for our domestic manufacturers to be more competitive with foreign manufacturers who can buy our own cotton under the present system at an 8-cent per pound advantage.

Mr. President, it is my hope, therefore, that no one, and particularly the President and his Cabinet Committee on Textiles, will underestimate the essentiality of implementing the recommendations of the Textile Subcommittee as a minimum for the corrective action that is demanded by the serious plight of the domestic textile industry.

Mr. PASTORE. I thank the Senator from South Carolina. I am happy to yield to my friend from New York.

Mr. KEATING. Mr. President, I wish to add my word of commendation to the distinguished Senator from Rhode Island and his fine committee for the hard work that they have put into this problem and for the excellent report that they have produced.

I believe also that the President of the United States should be commended for making one of his first decisions the creation of a Cabinet level committee to look into the problems of the textile and apparel industries. The problems now faced by a number of American industries due to low-wage imports are becoming more serious every single month. This is particularly true of the textile and apparel industries. Many of us have referred to our own States. The figures in my own State of New York are rather startling. In January of this year employment in the apparel industry was 303,000. In the same month Department of Labor figures showed that 81,568 apparel workers were drawing unemployment compensation checks.

That is a rate of unemployment for the industry of around 25 percent. Unemployment problems within the apparel industry have certainly become acute.

We all recognize that this is a complex issue and will not be resolved by resorting to extremes either one way or the other. However, I am afraid that if something is not done to provide needed and justified relief from excessive low-wage imports, an upsurge of protectionism will result which will not be good, in my judgment, with regard to the economy of the United States, our position in the world and with regard to all of the free world nations.

I have been very much interested in the work of the Pastore subcommittee. I have been following it closely. I note that the report which has been issued, and which has been so ably presented here today by the Senator from Rhode Island, covers the broad range of textile and apparel products, including for the first time manmade fibers, which are now facing low-wage import problems.

My study of this problem convinced me some time ago that something must be done to protect particularly hard-hit American businesses, their employees, their families and their communities. Last year, in cooperation with several of my colleagues, I introduced the Fair Labor Standards Trade Act. This bill has been refined and reintroduced this year as S. 675.

The bill is cosponsored by the Senator from Rhode Island [Mr. PASTORE], the Senator from Maryland [Mr. BEALL], the Senator from New Hampshire [Mr. BRIDGES], the Senator from Connecticut [Mr. BUSH], the Senator from New Hampshire [Mr. COTTON], the Senator from Connecticut [Mr. DODD], the Senator from Vermont [Mr. PROUTY], and the Senator from Wisconsin [Mr. WILEY].

This bill may not be the perfect instrument to achieve the desired ends—and I do not claim it is the perfect instrument—but it is my earnest conviction that it could go far to give relief to industries actually suffering from imports, while at the same time permitting us to maintain the policies and objectives encompassed in the Trade Agreements Act. It provides for a flexible import quota system, among other remedies, which can be put into effect in any given instance, always with the approval, of course, of the President.

Mr. President, this entire trade problem is becoming increasingly more widespread all of the time. Above, I referred to the new problems of the manmade fiber industry. But, there are many other industries involved, beyond textiles and apparel. In New York State, I have been in close touch with affected employers and workers from such industries as: kitchen utensils and various kinds of hand tools, small appliances, novelty items and toys, rugs, bicycles, umbrellas, light machinery, footwear, tile, china and ceramic products, athletic equipment, plumbing fixtures, steel, copper and brass, and optical equipment.

Unions too have expressed concern for the welfare and job security of their members. This is not a limited issue anymore.

I will not detain the Senate. Let me just call attention to several statements by labor leaders on the subject which appeared in the December 1960 issue of the New York State Department of Labor Industrial Bulletin. The views of these several key New York labor leaders warrant our serious attention.

Mr. President, I ask unanimous consent that there appear in the RECORD at this point the remarks of Mr. Jacob S. Potofsky, president of the Amalgamated Clothing Workers of America; Mr. Alex Rose, president of the United Hat, Cap and Millinery Workers Union; Mr. Paul Jennings, executive secretary, district 4, International Union of Electrical, Radio & Machine Workers; Mr. David Dubinsky, president of the International Ladies' Garment Workers Union; and Mr. Solomon Barkin of the Textile Workers of America.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

STATEMENT BY JACOB S. POTOFSKY

The effort to achieve fair labor standards on an international level is a natural outgrowth of the traditional opposition of the labor movement to competition based on the exploitation of labor. We strongly support this effort as a long range approach to assuring workers everywhere of a just share of their national product and of full participation in the fruits of industrial progress.

We do not view the international fair labor standards program as a method of dealing with the complex and pressing problems of market disruption and industrial dislocation resulting from the recent increase in international competition based on low labor costs. If the reciprocal trade program is to be preserved, more immediate and comprehensive action will have to be taken to meet these problems.

The apparel industry of the United States, for example, is threatened by a mounting tide of low labor cost imports from the Orient.

To forestall the destructive political, economic and social consequences of an intensification of unfair competition in this industry, prompt action is required, preferably on a multilateral basis, to safeguard historic levels of apparel production. At the same time, underdeveloped nations seeking to expand their garment industries to meet the apparel needs of their people should receive the necessary economic and technical assistance.

STATEMENT BY ALEX ROSE

The doctrine of free trade, like that of laissez-faire upon which it is based, dies hard. Sooner or later, though, our policymakers must recognize that we no longer live in a laissez-faire world, that the concept of the free market is as outdated as mercantilism.

No matter where hats are manufactured—in Italy, France or the United States—workers must use the same machinery, must get their raw materials from the same sources. The one constant, crucial variable is wages. Today, no nation can expect to keep its workforce going and its economy thriving by paying sweat shop wages. As the world of nations emerges from colonialism, competition becomes fiercer and fiercer; Japan is now bitterly moaning over the pressure from India, and India moans over the pressure from Hong Kong and Pakistan. Before long, the newly independent nations of Africa, armed with their Singer sewing machines, and paying even less wages, will be striving to sell men's suits, caps, and dresses to the American market.

Let us imagine for the moment that the free trade doctrine were extended to the outermost limits of logic and that all textile and apparel tariffs were eliminated. According to the figures of Howard Piquet, in "Aid, Trade and the Tariff," this would sacrifice the jobs of some 200,000 American workers. But India, with a population of more than 400 million people and a workforce of between 130 and 150 million would gain nothing by this drastic expedient, nor would any of the other newly emerging powers; the only ones to profit would be foreign sweatshop owners and operators.

If we were to rely solely upon the slow, natural evolution of free trade, the underdeveloped nations would have to wait some three centuries before their economies reached the point long since reached by Western Europe and the United States. In terms of simple humanity, in face of the Communist economic drive, the free world cannot, dare not permit them to wait so long.

Not trade, but substantial and sustained doses of aid are needed and needed now.

With technologies of the highest order, Western Europe and Japan can no longer justify low wages by citing the need to industrialize. Here are some 400 million potential customers for refrigerators, automobiles, television sets—and even hats. Our prime task is to increase their earning power. To that end, we should be lowering our tariffs where and when European manufacturers raise wages. We might well adopt the Federal Government's technique in 1936, when it stipulated, via the Walsh-Healy Act, that contractors and suppliers wishing to do business with the Government must pay a set minimum wage—40 cents an hour, at a time when the prevailing industry wage fell between 20 and 25 cents an hour.

This will not and need not happen overnight. Back in 1953, for example, Puerto Rico's minimum wage for our industry was 22 cents an hour; today it has climbed to 75 cents an hour. We might apply the same "escalator" scale to European and Japanese manufacturers seeking business with the United States. They could set up two basic minimum wage standards—one paid to those workers producing for the American market, the second to those who produce for other markets. Our high standard could serve as an incentive, spurring Europe and Japan to raise itself in the same "bootstrap" fashion as did Puerto Rico.

STATEMENT BY PAUL JENNINGS

Before commenting on the ICFTU economists' recommendations, we must consider these facts: (a) Relative industrial growth abroad has been growing at a faster rate than our own; (b) American corporations are investing heavily in new plants abroad. Products formerly made here for sale here and abroad are manufactured elsewhere—which means jobs are exported; (c) unemployment in some areas of the United States is substantial. Competitor countries, like Germany, Great Britain, and Switzerland, have serious labor shortages and import workers; (d) we must export more to reverse our negative balance of payments, yet quotas on American-made goods are still tight.

Specifically, with respect to the ICFTU economists' suggestions, I find them unsatisfactory because technologically, we no longer have an edge. In many industries, labor costs are now a major, if not decisive, factor in competition. Such costs range from 10 to 15 percent of ours to one-third as in Japan.

The proposed criteria, based on wage relationships in exporting countries, will prove complicated and, ultimately, ineffective. Wage rates should be brought at least to our national minimums within definite time limits.

As of now, there are too few consumers to absorb the world's output. Planned, long-range loan and investment programs on governmental and international bank levels can help to create them. Electrification of Latin America, Asia, and Africa, for example, would stimulate demand for electrical goods. And the same would be true for other basic programs.

STATEMENT BY DAVID DUBINSKY

The American labor movement has long recognized that international trade is a positive tool which can be of assistance in raising living standards of workers throughout the world. This is why it continues to support the reciprocal trade agreements.

Nonetheless, many unions are disturbed by the scramble for American markets which emanates from some countries where wages (even when combined with fringe benefits) are but a fraction of our own.

The development of sound trade relationships between nations does not mean that domestic labor standards and employment need to be jeopardized. Hence international trade while fostered and liberalized cannot remain unregulated.

This can be attained, in part, by safeguarding the levels of historical output of domestic industries while permitting imports, either under existing tariff rates or under lower tariffs negotiated under GATT (General Agreement on Tariffs and Trade), to satisfy domestic demand above the safeguarded levels. Such action should, of course, be supplemented by long range measures designed to foster a better climate for international trade relations—including the extension of fair labor standards throughout the world with due recognition of the state of economic development of the different countries and the productivity of their industries.

STATEMENT BY SOLOMON BARKIN

Advancing foreign labor standards through control of imports is desirable but not practical on a large international scale. Restrictions on imports made under substandard conditions in the exporting countries appear possible but such limitations will affect only a narrow range of goods. It is possible to prescribe minimum labor standards for the production of goods governed by international commodity agreements.

The problems of foreign competition for American industry, both at home and abroad, are intense because the most modern technology and advanced managerial methods have been adopted by foreign countries enjoying lower labor costs.

While higher costs of transportation and capital and lower efficiency and smaller total output handicap these countries in some instances, there are many foreign industries where the volume is sufficient to permit them to enjoy all the benefits of mass production and to achieve high efficiency. This is true of textiles and apparel.

The maintenance of the latter industries in this country in the face of growing foreign competition can be achieved only by safeguarding a basic level of domestic output and placing upon these industries the obligation of instituting the most modern and efficient procedures. Moreover, these industries need constantly to seek new uses and expanded domestic markets for their products. A program of safeguarding the physical volume of domestic production will help achieve these goals.

Mr. KEATING. Mr. President, I have always been a supporter of the Reciprocal Trade Agreements Act. I do not intend to depart from that position. I wish to continue to support it, and I shall continue to support it.

As has been pointed out by the distinguished Senator from Rhode Island, the move which is being made here is not a protectionist move. It is to avoid extremes. It envisions a moderate course of action. It provides flexibility to permit changes as conditions change. However unless we take some moderate and reasonable steps in this direction, I fear that we will be faced with extremes, either in the way of protectionism or in the way of a disruption of our economy and the world economy, the like of which we have not seen in a long time.

I again commend the Senator from Rhode Island and thank him for focusing our attention today on this problem. I take great heart in the support which he has received on the floor of the Senate in what he is seeking to accomplish.

Mr. PASTORE. I am now glad to yield to the Senator from New York.

Mr. JAVITS. Mr. President, I would prefer to speak on my own time, so the Senator from Rhode Island will not have to yield to me before he concludes his own remarks.

Mr. PASTORE. Very well.

When the Textile Subcommittee proposed in 1959 that an effort be made to control the rate of textile imports there was a considerable outcry. This would disrupt our relations with friendly nations, we were told. It would go against our basic policy of liberalizing trade.

And the American economy could absorb the workers displaced by imports in the declining industries. If these things were indeed true there would be no need for concern about rising imports. But observation shows that they are not.

And what could be more disruptive of friendly relations with other nations than effective boycotts? In terms of international economic policy, this is a form of anarchy. It is something which we in Government could not control. But we should not be too hasty in condemning the motives of those who suggest this solution to the problems which are very real and very urgent to them. In our first report the Textile Subcommittee recommended what we thought to be a reasonable and workable solution to this problem, namely, regulation of the rate at which imports enter the country. We did not propose that the level of imports be frozen. Indeed, we

recommended further study before the final determination of quotas should be made.

We recommended the establishment of a textile interagency committee, and suggested that perhaps this was the appropriate agency to administer a program of quotas.

A textile interagency committee was established, but its performance—to put it quite mildly—was disappointing. We recognize now that this form of organization will accomplish little, and are pleased to see that President Kennedy has seen fit to abolish this committee together with a number of others which appeared to be serving no useful purpose.

At the time we thought that flexible quotas would be a reasonable approach to this difficult problem. But, while there was a good deal of lipservice paid to this recommendation, nothing came of it.

After carefully reviewing the events of the past 3 years, the Textile Subcommittee reached the conclusion that positive action must be taken. To us it appears that the more orderly procedure of instituting quotas on textile mill products, by category, and by country, is far more desirable and in the long run better for all concerned, than the action of individual unions or others who might impose boycotts. Let us be clear on one thing, however. If our Government does not take reasonable steps to insure an orderly solution to this problem, others will take it into their own hands, and the consequences of this could be unfortunate indeed.

We have not spelled out in detail how we think these quotas should be determined, nor have we gone into the question of who should administer them. We have ideas on these things, of course, and these will be advanced at the appropriate time. Our first step has been to present the facts.

This has been done in our supplementary report, and some of them I have summarized today. To us it appears that we are rapidly approaching a turning point—a decision must be made.

Opponents of any form of regulation point out that we still import something less than 8 percent of total domestic production. But these are the same persons who a little more than 2 years ago were pointing out that imports amounted to less than 3 percent of domestic production. How high does this percentage have to go before there is recognition that imports are cutting down on employment in this country?

What we would like to stress is that the rate of imports is accelerating. The increase of the past 2 or 3 years has been more rapid than that of the 10 preceding years. It is this long-term trend which concerns us. It is not so much the present volume of imports.

If there were to be no further increase, the domestic textile and apparel industries could adjust to the present situation. All the evidence indicates that there will be further rapid increases unless we are willing to take action and take it now.

I would like to stress that we are not proposing to maintain the status quo. We recognize the economic interdependence of nations, and we accept the view that international trade must expand, not contract. We do feel, however, that the rate of expansion is important, and that we will be doing no one a favor if we permit imports to increase more rapidly than we are able to absorb them through the natural growth of our markets.

It is our sincere hope that the President's Cabinet Committee on Textiles, which was set up on the informal recommendation of our subcommittee, will agree with our view that flexible quotas will provide an orderly solution to the textile import problem. We see no other approach which can achieve this end.

We did not, of course, limit our investigation to the import problem. We recognize that there are other problems facing the domestic textile industry. We have repeated our recommendation made in the first report that the Internal Revenue Service revise its depreciation schedules as rapidly as possible. We urge again that the anomaly of a two-price system for cotton be eliminated as quickly as possible. We strongly support a program of textile research, and have recommended that an annual appropriation be made to the Textile and Clothing Division of the U.S. Department of Commerce to expand its program of data collection and research. All of these recommendations are important. But the key recommendation is the one dealing with the imposition of flexible quotas on textile mill products. If this is not done, if the industry continues to shrink, then the supporting recommendations will lose some of their force.

We feel that it is time for a careful reexamination of our entire approach to international economic policy. Many of us have been strong supporters of the reciprocal trade program. But things have not worked out exactly as many thought they would when this program was initiated. Our policy has been one of across-the-board liberalization of trade. But we also have the "no damage" rule. The question which concerns some of us is, Can we have both?

We recognize that our recommendation for quotas will not be well received in many quarters. But I would urge all members of the Senate to give it careful consideration. We cannot continue to debate this issue indefinitely while the affected industries continue to shrink, or until the workers in these industries decide to take matters into their own hands and to solve the import problem by boycotts. We feel that a reasonable and workable solution exists, and that an orderly approach to the problem of rising imports is both necessary and urgent.

Mr. President, the discussion today has been refreshing, indeed. It has been full satisfaction and compensation for the long hours that were spent by the members of the subcommittee and the members of its staff who have been making an exhaustive study of the textile industry, not only up to our report of February 4, 1959, but, indeed, to our most recent report of a few weeks ago.

We were particularly pleased when the President of the United States recognized the problem in the textile industry and created a high-level committee to make a further study.

It is my hope—I say this as a patriot, as an American, and as an internationalist—that we who are dependent upon one another in world affairs will preserve stability and world peace. I recognize all this, but I say that the best guarantee we have for peace is to keep strong our American economy, not in any foolhardy way, not in any frivolous fashion. It must be done in a sensible, reasonable, rational manner.

As I have pointed out this afternoon, many of the countries in the world are devoting themselves aggressively to the production of textile goods to be exported to the United States. The big question is, How far can we absorb imports before we render ourselves prostrate? I think flexible quotas are the reasonable answer. I hope the President of the United States will accept this recommendation and, in very orderly fashion, impress upon our allies the fact that we are engaged in this survey to see if we cannot, in a very sensible, judicious, calm and considered way, solve a very serious problem for them as well as for American textile workers and American millowners.

Mr. JAVITS. Mr. President, I should like to have the attention of the Senator from Rhode Island, because I wish to address myself for a few minutes to the fundamental thesis which he has espoused today. I am sorry that in the course of his discourse he did not find it possible to yield a little sooner, because I have been on the floor practically all afternoon. I think that illustrates, perhaps, the validity of the Senate rule that questions shall be the order of the day in terms of yielding to other Senators. However, I love the Senator from Rhode Island, so I shall make no point of that. I simply wish to make some observations on what he has said.

In my opinion, the one thing which has been missing from the whole discussion—and I would be derelict after 15 years of service in Congress if I did not speak of it precisely at this time, because there is nothing like speaking to a subject when it is an issue—is the idea that competitive factors must have an impact upon the American economy.

I yield to no one in my concern for the workers and businessmen who are affected, as I shall demonstrate in a moment. I have every desire to make certain that they shall be safeguarded as Americans and as the trustees of our valuable resources. At the same time, I think we must all realize that we are not living in a vacuum, and that what is done here will have a profound effect not only upon our foreign policy and our own prospects for business, but also, and very importantly, upon our pocketbooks, because right now we are showing an enormous surplus in trade, with exports accounting for something like $3.5 billion of income to the United States in excess of our imports. The looks of our international imbalance of payments will be much worse if we suffer any serious diminution of exports. In addition, the exports are on an upward curve right now, whereas our imports are holding relatively stable.

The reason for that, of course, is the renewed stimulation of the economic systems in many parts of the world, attributable to common markets, to trade associations, and to other similar activities of integration. In addition, there are many new countries starting, and they also are seeking opportunities to expand their trade.

Quotas have been fought against in all international affairs. In the main, in the negotiations with respect to the so-called reciprocal trade concessions, quotas probably have been the leading objectives, so far as the United States is concerned. They are fought against all over the world in terms of liberalizing trade.

Nonetheless, even I, notwithstanding my deep feelings about international trade, do not rule out the possibilities which the Senator from Rhode Island has suggested to us in his very interesting and very important presentation.

What I do point out—and I come now to my main point—is that there is a point at which two things will happen. First, at some point, factually, certain parts of American industry will be obsolescent. There are branches of the textile industry, as well as branches of every other industry in the United States, which at some particular point, due to the competitive factor, due to the overriding right of the consumer to have the highest efficiency in terms of production, may become obsolescent by the sheer force of competition or by the sheer force of the growth of technology. We cannot give an overriding guarantee to everyone that he will stay in business forever; otherwise there will not be a private economic system.

The second point, which I think is very important, and which was also not referred to by the Senator from Rhode Island, is the difficulty which lurks in the whole international trade picture. It may very well be that the overriding national interest will dictate to us a certain course in respect of international trade, perhaps under the reciprocal trade agreements program, which could be harmful. The Senator from Rhode Island has pointed out many areas which he feels very strongly are harmful. Certain sections of our domestic industry suffer in my own State of New York. As the Senator so properly said, imports have affected us. By imports, we are talking now about the concentration of imports of a particular kind at a particular time. Such imports have affected us adversely.

One type of textile imports in particular which has affected us, and about which the Senator from Rhode Island spoke, is in the carpet field. New York State has real problems in a number of areas. The imports of many other commodities have affected us, whether in the field of utensils, flatware, bicycles, or many other articles.

The important point is that where we find, as an absolute, urgent, national problem, that we cannot give protection—and I do not use that word as a word of art in the tariff field, but strictly as a word of common usage—to a particular industry in the United States, nonetheless there remains an obligation on the part of our Government to make certain that the workers are not harmed, but that the overriding national interest can permit us to safeguard them as we desire to safeguard them.

This is a grave problem, and I am delighted that the Senator from Rhode Island has discussed it. There are few Senators who can speak so eloquently and so well as does the Senator from Rhode Island. I have the deepest affection and regard for him, and those feelings, incidentally, are not in any way affected by the fact that this afternoon we had a little problem about yielding.

Mr. PASTORE. If the Senator from New York will yield on that point, I was presented with a most delicate and very difficult problem. Fifteen or 20 Senators were in a hurry to make their statements for the RECORD and then leave the Chamber. Frankly, I did not have to wait until they made their statements. I could have made my remarks first, and that would have taken only 20 minutes or so. Instead, I have been here for 3 hours or more, listening to their remarks, although I knew fairly well what they would say, because, in view of the investigation we have made, nothing new about this subject could possibly reach my ears.

So from time to time I looked toward the other side; but some Senators had gone to the cloakroom, and some had left the Chamber because it was necessary for them to meet some of their constituents in the reception room, or some Senators had to go to the telephone. But I did not wish to be discourteous. I was doing the best I could. If I injured the sensitivity of any Senator, I am very sorry, and I apologize. But certainly I did not do so deliberately.

Mr. JAVITS. The Senator from Rhode Island did not offend me. I merely was pointing out why I had to wait until now to make my statement. The Senator realizes that situation; and both he and I welcome the debate.

Mr. PASTORE. Certainly.

Mr. JAVITS. That was my point.

There are cases in which it will be necessary for our Government to do something other than proceed merely by way of quotas or higher tariffs. Other techniques, if some can be devised, may have to be used in order to deal with these problems. There are cases in which industries and, primarily the workers in them, may suffer adversely unless our Government in some way can enable them to be retrained or, if necessary, to be relocated, and perhaps to be financed, if possible, while they obtain technological training for other employment, until they can return to the mainstream of our economy.

It seems to me that unless we have some such program, to be a part of our total, overall approach to the grave problem of serious import competition, we shall not bring the situation into focus, because unless we have some such Federal Government program, I believe we shall be inclined to hold an umbrella over all—both the weak and the strong, both the efficient and the inefficient; and in that event we may encounter a grave problem of windfalls, which has developed in similar situations, with the result that those who do not deserve protection do receive it, nevertheless, because when an umbrella is held up, it is held over both the weak and the strong.

Therefore, in summary, I wish to say that as a part of whatever approach we make to this problem—and I could not agree more with the Senator from Rhode Island in regard to the urgent need to discuss the question and to come to firm solutions—and much as I know that the mainstream of all our postwar policy has been against the quota idea, nevertheless, we may even have to come to it; I do not rule it out, at all. I have too much respect for Senators who serve on the subcommittee to say categorically that we could not do that.

But in order to get the problem into focus—although perhaps this is not precisely the situation with which the subcommittee headed by the Senator from Rhode Island had to deal—I say we also must have some means by which, if we cannot satisfy a particular economic situation through quotas and through the tariff route or some other route which does not completely jeopardize our relationships with the rest of the world, when we are compelled to deal with a situation in a trade field in which some people will be put out of work by imports, we must have a Federal Government policy which will see them through in terms of Federal assistance. If we do not, and if we do not have a platform of that kind that will help an industry or a set of industries when faced with a situation similar to the one to which the Senator from Rhode Island has referred, an extremely grave situation will develop.

Mr. PASTORE. Mr. President, will the Senator from New York yield?

The PRESIDING OFFICER (Mr. PELL in the chair). Does the Senator from New York yield to the Senator from Rhode Island?

Mr. JAVITS. I yield.

Mr. PASTORE. Of course, I can agree generally with the cliches uttered and the academic observations made by my good friend, the Senator from New York. But he must take into account the fact that our subcommittee made a very specific investigation of a very specific situation in a very specific industry.

The fact is that in our investigation we found that the average worker in the textile industry is 50 years of age or older. It is not for us to say that those workers should be trained for other jobs. On the contrary, when a man 50 years of age is out of work, we must realize that he finds it very difficult to obtain another job; and thus we begin to realize how impossible it is to carry to fruition the retraining idea.

For instance, in some cities in Maine where the mills have been completely closed, we have found that those who had been unemployed were beginning to work in certain fly-by-night industries where advantage was taken of them, because after they had been out of work for so long a time and after they had exhausted their compensation payments, they finally reached a point where they

would work for $1 an hour, just to stay off the streets. That is precisely one of the situations we faced.

We made a very thorough investigation of the textile industry. We found that over a period of 10 years, while the gross national product of the Nation was zooming upward, and perhaps doubled in that period, the textile industry lost more than 800 mills. We were confronted with numerous problems of that sort.

I agree with the Senator from New York that we must consider the balance. But he will remember that in 1959 when the financial ministers met in Washington, D.C., we then first heard about the terrific imbalance in payments. Subsequently we heard, of course, a great deal about reciprocal trade.

The only reason why the President of the United States has recommended that we decrease from $500 to $100 the allowance for duty-free imports by Americans who travel abroad is that now he is beginning to realize that the situation has changed. I am not attempting to deal this afternoon with the entire international trade policy of our country. All I am talking about is the textile industry. It is the only industry our subcommittee investigated and on which our subcommittee reported.

I state that we found that in that industry, prices have declined 10 percent in the last 10 years, at the same time that prices generally in the United States have risen almost 30 percent. We found that there is a disparity of 30 percent, on the average, between wages in the textile industry and wages in other American industries. We found that more than 800 textile mills have closed, and we found that 225,000 jobs have been lost in this country, directly because of the import situation. We found that although in 1948 the imports of wilton and other carpets amounted to only 3 percent of the U.S. production, today the imports amount to more than 25 percent of the U.S. total production.

So we reached the conclusion that something must be done, not only to protect U.S. industry, but also to protect our friends abroad for we also found that mills in Japan were closing because they were overexpanded and because they did not think that Hong Kong production would enter the field. Next, mills in Hong Kong were closing because they had not thought that production in Portugal would enter the field; and mills in Portugal were closing because they had not thought that production in Spain would enter the field; and mills in Spain were closing because they had not thought that production in Egypt would enter the field; and mills in Egypt were closing because they had not thought that production in the Philippines would come into the field.

These developments are very real, not academic, and we have been talking about actual situations, not fiction.

Of course, we must meet the foreign competition, and, of course, we must consider the world situation, and, of course, we cannot raise a tariff or protection wall so high that it will crush us. I completely understand all that. But I say we must watch this situation very closely. The President understands it, or else he would not have appointed his Cabinet-level Committee.

I do not know what the President will recommend. But certainly the world market in textiles is overproduced. Unless all the nations of the world sit down around the same table we may begin to realize that we may soon encounter a situation of killing the goose that laid the golden egg. Unless all of us consider the import situation sensibly and practically, without regard to cliches and philosophic utterances, and unless we consider the impact on the textile industry and the recommendations made in regard to it by our subcommittee, we shall face a very sad situation.

The Senator from New York knows that he and I see eye to eye on the question of international problems, and our votes so indicate. I would not stand here and say he is in error when he says we sell $3 billion more worth of goods than we buy. But what do we sell and what do we buy? Why do we have an imbalance of payments? One reason why our exports are up, for example, is that we are selling jet motors to a greater extent than we did in the past. The whole prospect must be analyzed. That is what the committee did.

I am not recommending that we become protectionists. That is not my philosophy, and never will be. But the textile industry, which is considered important to national defense second only to steel, is wavering. I am not saying imports are the whole problem. I am saying imports are a part of the problem. I am not saying, "Shut out imports completely." I am not saying we should maintain the status quo. I am not saying we should have fixed quotas. All I am saying is that, as we move forward economically, with all the velocity and all the vicissitudes of our times, and the evolution of our day, we should watch the picture closely. Let us protect our friends abroad and ourselves, but let us do it by way of flexible quotas, because tariffs in this particular case will not do it.

Mr. JAVITS. I am sorry, but I do not think the Senator listened to me at all.

Mr. PASTORE. I heard every single word the Senator spoke.

Mr. JAVITS. Wait a minute, please. I was not talking in cliches and generalizations about foreign trade. I was talking about men and women who cannot hope to have decent futures, in terms of wages and security, in an industry which is having vicissitudes such as this one is. The complete solution of their problem will not come about by some kind of propping, with which I might go along. I have said I might go along with it.

I cannot accept the characterization as cliches or generalized philosophy. The American Government must put up its hard money, and the American taxpayer must back up some of the underwriting for support of industries that have been hurt by an overriding policy of American foreign trade, so they will stop being second to every other industry.

This is a problem faced by people who are 50 and older, and who have no better prospects than is the case in younger industries, which can shift for themselves.

If we are to accept the responsibility for a solution of the problem, I say we are accepting only a quarter or a third of the responsibility when we talk about what we are going to do about imports. We must establish a concrete base under every workingman, so that if he is hurt by our trade policy, he may be made whole. It will take money. I have introduced a bill on the subject. The President of the United States, who comes from a textile-producing area, when he was a Senator from Massachusetts, introduced a bill, along with other Senators, along the same lines.

I say there cannot be a complete approach to the problem, which has been so eloquently put before us today, unless the Federal Government provides some kind of Federal assistance for people adversely affected by the policy. Notwithstanding all the good will in the world, and notwithstanding how we may act on the proposal, in which I may join, as I have said, I do not think it is the full answer for the difficulties of the people who work in this industry or in any business similarly affected. That is the point I wanted to make concretely.

Mr. PASTORE. Mr. President——

Mr. JAVITS. Mr. President, I have not yielded the floor.

Mr. PASTORE. I am sorry.

Mr. JAVITS. I am glad to yield to the Senator.

Mr. PASTORE. No; I will take the floor in my own right.

Mr. RANDOLPH. Mr. President——

Mr. JAVITS. I yield to the Senator.

Mr. SALTONSTALL. Mr. President, will the Senator from West Virginia permit some remarks on this particular subject, since he is about to address himself to another subject?

Mr. RANDOLPH. I am going to address myself to this subject.

Mr. SALTONSTALL. Very well.

Mr. RANDOLPH. Mr. President, on several occasions I have had the privilege and responsibility of sharing with the Senator from New York extensive hearings, through our Select Committee on Small Business, mainly on the subject of imports and exports as they affect the independent business segment of our economy.

My colleague will recall, of course, that these hearings covered not only the impact of imports on business from the standpoint of smaller units of industry, but, also, we attempted to find if there were areas, as has been indicated by the Senator from Rhode Island, in which we might recommend balancing this program without doing violence to the program of world trade to which America is committed, regardless of the party in power.

As the Senator from New York also will recall, the hearings in his city were most productive of information which was helpful to the committee. Hearings also were conducted in New Orleans, Los Angeles, San Francisco, and Washington, D.C.

I should like to commend those Senators who, at this late hour, have been discussing the subject—the Senator from Rhode Island, the Senator from New York, the Senator from South Carolina, the Senator from Massachusetts—because, although there may be certain differences as we approach the problem as it affects our respective States, there is certainly on the part of all of us, a realization that we must face up to this problem to a greater degree than we have in the past months or years.

What the Senator from Rhode Island [Mr. PASTORE] has said with respect to the textile industry is repeated in the glass and pottery industries in the State of West Virginia. The figures of unemployment which he has set forth are the figures, percentagewise, which frankly, we understand and duplicate in a State like West Virginia. And so, I must repeat, the problem is not confined to one industry. It is a very real and vexing problem on many fronts.

I hope I have not spoken in too much generality. I sincerely compliment those Senators who are realistically discussing the problem.

I would invite the Senate's attention to the fact that in August 1960, from the Select Committee on Small Business, there was filed a report on the impact of imports on small business, and I trust those Senators who may not have had, as of this date, the opportunity of reading it will study the findings as set forth in that document.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. JAVITS. If the Senator from Rhode Island will let me keep the floor, I will yield. I still have the floor.

Mr. PASTORE. The Senator still has the floor?

Mr. JAVITS. I yield to the Senator.

Mr. PASTORE. Will the Senator yield to me so that I may make an observation to the distinguished Senator from West Virginia?

Mr. JAVITS. Of course.

Mr. PASTORE. If the Senator from Rhode Island has said it once, he has said a hundred times on the public platform and in this Chamber that, in his humble opinion, one of the most challenging problems of today is the question of international trade, it cannot be separated from the premises stated by the Senator from New York. We all want more trade, but everywhere we look, we find pockets of difficulty. We find people talking about boycotts. I think we cannot let the days long past guide our future. We must look at the problem from the standpoint of today, because, in my opinion, this is one of the challenges of the New Frontier. Nations all over the world are becoming industrialized. The idea that we in America have all the talent, technology, and means of mass production is fast being dissipated. It simply is not the fact.

I believe the Senator from North Carolina [Mr. JORDAN] visited a textile mill in Japan. It was a modern mill, all on one floor. The mill was air conditioned. Girls were dashing around on roller skates, so that they could get to the looms faster. The American industry is competing with that kind of operation.

There has been an idea that we make everything the best in the United States. I salute our high level of technology and productivity, but the fact is that we are competing in a very determined world. We must look around to buy the things we do not make. We have to sell things our friends need. We both can be a little more selective.

What happens? People get together at meetings of GATT. First, all the negotiators for the foreign countries have the leading businessmen standing right behind them to advise them. Up to now, we have forbidden our business leaders to advise our negotiators at such meetings. This, of course, is our first mistake. We have diplomats making economic decisions.

I am not saying that all such decisions are incorrect, but when we observe an industry like the textile industry dying on the vine it is time to do something. That is all I am saying. I do not say we should operate by a formula so fixed and so constant that we cannot move it. It must move. It must be flexible.

I say to the Senate today what I have said a hundred times before. This is the challenge of the 1960's. The challenge of the 1960's is, How shall we promote the leadership we possess? How shall we advance our economic well-being? How shall we promote progress in America? How can we keep our friends and still be economically stable?

These are big questions. I do not think we can settle them in one afternoon. I have never pretended we could. This is only the beginning. This is a way to start.

I say to the Senate, as respectfully as I can, if there is any Member of the Senate, or any other human being in the United States, who can make a better suggestion than we have made in the report, then I shall accept it, and I will raise my hat to him and salute him as a great American.

Mr. JAVITS. Mr. President, I now yield to my colleague from Massachusetts.

Mr. SALTONSTALL. Mr. President, I should like to ask the Senator from Rhode Island [Mr. PASTORE] a question.

Would it not be helpful, since the Senator has made a very eloquent, able, and thoughtfully prepared address on the subject, to have it all in the RECORD at one spot? The Senator has been very helpful this afternoon in yielding to other Senators.

Mr. President, I ask unanimous consent, with the Senator's approval—which I believe I have—to have the address by the Senator from Rhode Island printed in one spot prior to the close of this discussion, even though it means repeating something the Senator has said before.

Mr. PASTORE. I thank the Senator from Massachusetts.

The PRESIDING OFFICER. (Mr. PELL in the chair). Is there objection to the request of the Senator from Massachusetts?

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY SENATOR JOHN O. PASTORE ON THE SUPPLEMENTARY REPORT CONCERNING PROBLEMS OF THE DOMESTIC TEXTILE INDUSTRY

Two years ago I rose in this body to discuss the findings of our first investigation of the problems of the domestic textile industry. At that time I pointed out that the domestic textile industry had been declining for a decade. While the impact on different segments of the industry was uneven, only one—that producing the newer man-made fiber fabrics—had registered a gain in production.

There had been a sharp drop in equipment in place, and a very substantial decline of 24 percent in textile employment. Hundreds of mills had been liquidated. And many thousands of textile workers were prematurely displaced from the labor force. Some of the displaced textile workers, to be sure, found new jobs. But a distressingly large percentage were unable to find continuous employment again.

Textile wages had been lagging behind other earnings in this country. And this was not due to failure of the textile industry to increase its productivity. Indeed, productivity in the textile industry has increased much more rapidly than in manufacturing industry generally.

I also noted then that while the domestic textile industry was declining imports had been rising during the 10-year period covering our survey.

We noted in our first report that rising imports could not be singled out as the sole cause of the contraction of the textile industry. Many jobs in this industry were eliminated by technological change. But it was our conclusion, after review of all trends, that rising imports pose a threat to the future stability of the domestic textile industry, and that unless the rate at which imports entered the country was controlled there would be a further damage to the industry.

In February of this year the textile subcommittee held another set of hearings to bring the record up to date. Briefly stated, we found that the trends of the past decade have been continuing and in some cases have been accelerated.

The textile sales have continued to rise more slowly than the sale of manufactured products in general. Consumers continue to spend a declining share of their total consumption expenditures on clothing.

We also found that textile production rose modestly in 1959—a year of cyclical revival. But there was a sharp drop in 1960. Imports, however, increased substantially in both years.

There has been a further decline in textile machinery in place since 1957, and despite this contraction of machinery in place, that which remains is not utilized to full capacity.

Employment in the textile industry has continued to drop. Since 1957, there has been an additional decline of about 7.5 percent in the number of textile jobs in this country. The loss of jobs has varied from region to region, but all regions where textile-mill products are made have experienced some decline in employment.

As conditions worsened, more and more textile mills closed their doors. From 1947 through 1957, a total of 710 textile mills were liquidated in this country. These mills had formerly employed about 196,000 workers. From 1957 through 1960, an additional 128 mills closed their doors displacing approximately 33,000 workers.

Although the cost of living, as measured by the Bureau of Labor Statistics, has gone up 28 percent since the base period 1947–

49, textile prices have dropped almost 10 percent. As a consequence, mill margins, that is, the difference between the price of raw material and that of its approximate cost equivalent, have narrowed, and profit rates have remained very low.

In our first report we pointed out the anomaly of the two-price cotton system. Because of our agricultural price support program, the price of domestically grown cotton is higher in this country than in the world at large. This adds to the competitive disadvantage of American mills which would be unable, under the best conditions, to meet the cost of production of foreign competitors given the wide spread in wages between underprivileged countries and the United States.

Unfortunately, the situation has not been altered since then. Indeed the latest development has been an increase in cotton price support. Unless some offsetting action is taken, this will place American mills at a further competitive disadvantage.

In spite of contraction in the industry, the downward pressure on textile prices, and shrinking profit margins, the domestic textile industry has made an effort to improve its efficiency by spending large sums on new equipment.

The textile industries of other nations have not been standing still, however. Indeed, since many textile mills in other countries have been built since the end of World War II, their machinery, on the average, is newer than ours. Ten years ago the U.S. textile industry enjoyed a considerable advantage in productivity over competing foreign nations. But the productivity gap has been narrowing steadily.

We cannot assume, as many evidently do, that higher production costs in this country are offset by greater productivity. This was partly true at one time, but it is no longer so. The textile industries of other nations have rapidly increased their productivity, and their costs, especially labor cost, continue to lag far behind those in this country. I wish to emphasize that this is not because textile wages in the United States have increased too fast. In our first investigation we found the textile earnings lagged behind those of other manufacturing workers.

And the gap has been widened even more since then. Three years ago textile earnings, on the average, were 15 percent below those of manufacturing workers in general. By the end of last year, this gap had widened 30 percent. While textile wages in the United States are high, relative to those of other countries, they are low—quite low indeed—relative to the wages earned by other manufacturing workers in the United States.

The major change in the textile situation since our first report was issued has been in the international market. Textile exports have continued to decline, while imports have gone up substantially. In 1954, for example, textile imports amounted to about 73 percent of textile exports. By the end of last year, however, textile imports amounted to 170 percent of textile exports.

While there has been a fairly uniform drop in textile exports, we find that there have been substantial increases in imports of virtually all categories of textile-mill products. Since 1958, imports of cotton cloth and made-up goods have gone up more than 130 percent. Wool imports have gone up 107 percent, and manmade fiber fabric imports have increased more than 100 percent.

There have been somewhat smaller, but still substantial, percentage increases in imports of wilton and velvet carpets—up 60 percent—and silk goods where imports have gone up 35 percent. In brief, there has been an across-the-board increase in textile imports, but imports of some categories of fabrics have increased more rapidly than others.

There has also been a substantial shift in the source of imports in recent years.

Five years ago Japan was the principal exporter of many kinds of textile products to the United States. But in 1956 the Japanese textile industry agreed to limit its shipments to this country under a voluntary arrangement. It was thought at that time that this would ease the impact of textile imports on the domestic industry. Unfortunately—as the figures I have just given clearly reveal—this hope was not realized. All that has happened is a shift in the source of imports.

When Japan announced that it would voluntarily limit its shipments of cotton cloth to the United States, other nations, which had formerly exported only modest quantities of this product, stepped up their production for export purposes. As a consequence, Japan's share of our market has been cut at a time when total imports were rising strongly. In 1958, for example, Japan accounted for 60 percent of our cotton goods imports. By the end of last year, its share had dropped to 28 percent.

Meanwhile, imports from Hong Kong, which had amounted to 14 percent in 1958, jumped to 27 percent by 1960. And there were even larger percentage increases in the case of other nations such as Portugal, Spain, Egypt, and France. These four countries combined accounted for only 1 percent of our cotton-goods imports in 1958. By 1960, their shipments amounted to 23 percent of the total.

Other countries stepped up their shipments to us when Japan voluntarily curtailed her exports of cotton cloth. In 1958, Formosa, Pakistan, Korea, and India collectively accounted for only 2 percent of our imports. But this share increased to 11 percent by 1960.

Japan has increased her shipments of woolen cloth to the United States. Since 1958, imports of wool manufactures from Japan have gone up 68 percent. There has been an even sharper increase—of 371 percent—in wool imports from Italy.

Our first investigation was largely limited to that segment of the textile industry making broadwoven cloth. But in our hearings this year we also heard testimony from representatives of the carpet and rug industries. In 1958, imports of these textile-mill products, while rising, were not excessive. But there has been a phenomenal increase since then. Imports of carpets now amount to about one-fourth of our domestic production. While more than half of our carpet imports still come from Belgium, imports from Japan have been increasing.

Imports of manmade fiber fabrics have likewise been rising. Much of the increase has come in the form of made-up goods, mostly apparel. This raises another problem about which we heard relatively little in our first investigation.

Much of the increase in textile-mill products imports since 1958 has been in the form of made-up goods. Let me cite a few examples. In 1958, we imported about 3 million dozen cotton blouses.

By 1960 this figure had climbed to 5.9 million—a gain of 91 percent. In the same 2-year period, imports of cotton trousers rose from 1.7 million dozen to 4.4 million dozen, a rise of 159 percent. There has been a shift in the source of imports of cotton garments also. For example, in 1958 about 62 percent of all cotton garments shipped to the United States came from Japan, and in that year Hong Kong accounted for 38 percent. Last year, however, these percentages were almost reversed. Japan's share of cotton imports had dropped to 34 percent while Hong Kong's share increased to 66 percent.

As a result of this sharp jump in imports, it has been estimated that about 31,000 jobs in the garment industry, and related activities, have been lost.

Many of us have been disturbed by the news that leaders of the garment and apparel unions are contemplating boycotts of foreign fabrics in an effort to stem the rising tide of imports.

We must, of course, try to understand their motives. There are jobs involved. The garment industry is heavily concentrated in a relatively small number of cities where there are few alternative job opportunities for displaced garment workers. Or they are located in small and relatively isolated rural communities, where there are virtually no alternative job opportunities. The workers involved find it difficult to understand why they should sacrifice their employment as part of our broad international economic policy. They react instinctively to defend themselves. And the only solution which seems available to them is that of refusing to work on foreign-made fabrics.

When the Textile Subcommittee proposed in 1959 that an effort be made to control the rate of textile imports there was a considerable outcry. This would disrupt our relations with friendly nations, we were told. It would go against our basic policy of liberalizing trade.

And the American economy could absorb the workers displaced by imports in the declining industries. If these things were indeed true there would be no need for concern about rising imports. But observation shows that they are not.

And what could be more disruptive of friendly relations with other nations than effective boycotts? In terms of international economic policy, this is a form of anarchy. It is something which we in Government could not control. But we should not be too hasty in condemning the motives of those who suggest this solution to the problems which are very real and very urgent. In our first report the Textile Subcommittee recommended what we thought to be a reasonable and workable solution to this problem; namely, regulation of the rate at which imports enter the country. We did not propose that the level of imports be frozen. Indeed, we recommended further study before the final determination of quotas should be made.

We recommended the establishment of a textile interagency committee, and suggested that perhaps this was the appropriate agency to administer a program of quotas.

A textile interagency committee was established, but its performance—to put it quite mildly—was disappointing. We recognize now that this form of organization will accomplish little, and are pleased to see that President Kennedy has seen fit to abolish this committee together with a number of others which appeared to be serving no useful purpose.

At the time we thought that flexible quotas would be a reasonable approach to this difficult problem. But while there was a good deal of lipservice paid to this recommendation, nothing came of it.

After carefully reviewing the events of the past 3 years, the Textile Subcommittee reached the conclusion that positive action must be taken. To us it appears that the more orderly procedure of instituting quotas on textile mill products, by category, and by country, is far more desirable and in the long run better for all concerned, than the action of individual unions or others who might impose boycotts. Let us be clear on one thing, however, if our Government does not take reasonable steps to insure an orderly solution to this problem others will take it into their own hands, and the consequences of this could be unfortunate, indeed.

We have not spelled out in detail how we think these quotas should be determined, nor have we gone into the question of who should administer them. We have ideas on these things, of course, and these will be advanced at the appropriate time. Our first step has been to present the facts.

This has been done in our supplementary report, and some of them I have summarized today. To us it appears that we are rapidly approaching a turning point—a decision must be made.

Opponents of any form of regulation point out that we still import something less than 8 percent of total domestic production. But these are the same persons who a little more than 2 years ago were pointing out that imports amounted to less than 3 percent of domestic production. How high does this percentage have to go before there is recognition that imports are cutting down on employment in this country?

What we would like to stress is that the rate of imports is accelerating. The increase of the past 2 or 3 years has been more rapid than that of the 10 preceding years. It is this long-term trend which concerns us. It is not so much the present volume of imports.

If there is to be no further increase, the domestic textile and apparel industries could adjust to the present situation. All the evidence indicates that there will be further rapid increases unless we are willing to take action.

I would like to stress that we are not proposing to maintain the status quo. We recognize the economic interdependence of nations, and we accept the view that international trade must expand, not contract. We do feel, however, that the rate of expansion is important, and that we will be doing no one a favor if we permit imports to increase more rapidly than we are able to absorb them through the natural growth of our markets.

It is our sincere hope that the President's Cabinet Committee on Textiles, which was set up on the informal recommendation of our subcommittee, will agree with our view that flexible quotas will provide an orderly solution to the textile import problem. We see no other approach which can achieve this end.

We did not, of course, limit our investigation to the import problem. We recognize that there are other problems facing the domestic textile industry. We have repeated our recommendation made in the first report that the Internal Revenue Service revise its depreciation schedules as rapidly as possible. We urge again that the anomaly of a two-price system for cotton be eliminated as quickly as possible. We strongly support a program of textile research, and have recommended that an annual appropriation be made to the Textile and Clothing Division of the U.S. Department of Commerce to expand its program of data collection and research. All of these recommendations are important. But the key recommendation is the one dealing with the imposition of flexible quotas on textile-mill products. If this is not done, if the industry continues to shrink, then the supporting recommendations will lose some of their force.

We feel that it is time for a careful reexamination of our entire approach to international economic policy. Many of us have been strong supporters of the reciprocal trade program. But things have not worked out exactly as many thought they would when this program was initiated. Our policy has been one of across-the-board liberalization of trade. But we also have the no-damage rule. The question which concerns some of us is: Can we have both?

We recognize that our recommendation for quotas will not be well received in all quarters. But I would urge all members of the Senate to give it careful consideration. We cannot continue to debate this issue indefinitely while the affected industries continue to shrink, or until the workers in these industries decide to take matters in their own hands and to solve the import problem by boycotts. We feel that a reasonable and workable solution exists, and that an orderly approach to the problem of rising imports is both necessary and urgent.

Mr. SALTONSTALL and Mr. THURMOND addressed the Chair.

Mr. JAVITS. I yield further to my colleague from Massachusetts.

Mr. SALTONSTALL. Mr. President, I join many other Senators in commending the Senator from Rhode Island for the great effort he has made as chairman of the subcommittee in dealing with this subject. As one who has worked with respect to the textile problems in New England for all the years he has been in the Senate, I know that we must take action on the national level and on the international level in order to straighten out the problems.

In New England today, as the Senator has very well stated, the industry is reinvesting its money in the business, to obtain new machines and to modernize. Profits are being rolled back into business in this effort, and as a result there is a lack of money or resources to do the necessary research to work out the new problems which are constantly arising.

I agree with the Senator from New York [Mr. JAVITS], the Senator from Rhode Island [Mr. PASTORE], and the Senator from West Virginia [Mr. RANDOLPH] in respect to the international aspects of trade. As one who has always supported reciprocal trade, even before service in this body, I believe in reciprocal trade, but I also believe we can have reciprocal trade only if we make an effort to maintain our own industries, which we need in the United States for our own welfare and for our constant daily living. We must make it possible for industry to continue in its efforts. That can be done only if there can be operation at a profit, with modern machinery, and wages to employees comparable to wages in other industries in this country.

This is the great problem which faces us, as the Senator from Rhode Island has said. We must solve our problems in the 1960's, in a manner to maintain our trade and build up our international relations, while at the same time making it possible for our citizens to receive good wages and for our industries to earn reasonable profits.

Mr. JAVITS. Mr. President, I wish to make one observation, in fairness to the very fine discussion which has taken place.

I say to my colleague from Rhode Island [Mr. PASTORE] that, as always, he is at his best when we get into the actual give and take of debate. One point, however, should be made. The Senator from Rhode Island spoke of international action. International action, I think, is a very fruitful area to explore. I hope very much, considering the great prestige of the subcommittee, such action may be taken.

In the heat of debate the Senator spoke of all the nations producing textiles for export sitting down together to do something about the problem. This approach has been followed with respect to other commodities. It has been followed with respect to tin, for example. It is not at all beyond the realm of possibility in this field.

There is another thing we could do, which is to bring some pressure to bear, which I think is more than justified, through the International Labor Organization and through other means, to do something about the substandard wages which are paid in many competing countries, even with respect to the standards of those countries themselves, to say nothing of any international standards.

A third thing which could be done is to moderate somewhat the flow of imports into our country by voluntary agreements. We have had a voluntary agreement with the Japanese. There is no reason why we could not obtain voluntary agreements with other countries.

Each of these items is important. The Senator from Arizona [Mr. GOLDWATER] and the Senator from Massachusetts [Mr. SALTONSTALL] both made suggestions with respect to the need for urgently, and on a high priority basis, considering a better depreciation policy, to enable industry to mechanize faster.

Mr. PASTORE. We recommend that in our committee report.

Mr. JAVITS. Yes. I am simply pointing out the different areas of activity.

I also recommended today something I strongly urge upon my colleagues for consideration, with respect to the problem of the bedrock situation which cannot be assisted in any other way. In fairness to the consumers, who are bound to be affected by any quota or tariff, there should be recourse to some governmental program and some adjustment assistance, to take care of the bedrock cases without causing distress. In that way we give ourselves a better opportunity to deal with the problem, in my opinion, more equitably.

That is the range of suggestions which I hope very much may be of assistance in our thinking upon this problem, which is one of the vexing problems in international trade.

Mr. THURMOND rose.

Mr. JAVITS. Mr. President, I now yield to my colleague from South Carolina.

Mr. THURMOND. Mr. President, I thank the Senator from New York. I invite the attention of Senators to the fact that import quotas constitute only one of the five recommendations which were made. We think it is the most important.

The second recommendation was with respect to the continuation and expansion of the program of data collection and research.

The third recommendation was the one mentioned a moment ago, a more realistic depreciation rate on equipment and machinery.

The fourth recommendation was to increase research.

The fifth recommendation is the elimination of the two-price cotton system.

All these suggestions, I believe, have been discussed during the afternoon. There is no use in our going into further detail. The point is that the report does not hinge on any one of the recommendations, but recommends all five of the items, which we feel are important. We think the greater emphasis should be placed on the first; that is, the flexible import quotas.

If the Senator has time to read the testimony which was taken in February, I believe he will concur, and that his conclusion will probably be the same as ours after that.

Mr. JAVITS. I thank my colleague. Of course, I have seen the other recommendations. They are entitled to the greatest of respect. It seems to me at the very least those recommendations ought to be implemented.

In the debate my colleague now understands the point, I believe, I wished to get over, which is, first, that we cannot insulate this problem from the general trade problem; and, second, that there are many forms of action possible to be taken, some of which have not been dealt with in the report, which are well worthy of our consideration, in a sense to take the heat off us, in terms of what might prove to be really inimical to our total trade position.

Mr. President, I yield the floor.

LEGISLATIVE PROGRAM

During the delivery of Mr. PASTORE's speech:

Mr. MANSFIELD. Mr. President, after consultation with the distinguished minority leader and other interested Senators, I submit a proposed unanimous-consent agreement and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will read the proposed unanimous-consent agreement.

The legislative clerk read as follows:

UNANIMOUS-CONSENT AGREEMENT

Ordered, That, effective on March 22, 1961, at the conclusion of routine morning business, during the further consideration of the conference report on the bill (H.R. 4510) to provide a special program for feed grains for 1961, debate thereon be limited to 1½ hours, to be equally divided and controlled by the majority and minority leaders.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the agreement is entered.

Mr. MANSFIELD. Mr. President, I submit a further proposed unanimous-consent agreement, this one dealing with the conference report on unemployment benefits, and ask that it be read.

The PRESIDING OFFICER. The proposed unanimous-consent agreement will be read.

The legislative clerk read as follows:

UNANIMOUS-CONSENT AGREEMENT

Ordered further, That, effective after the disposition of the conference report on H.R. 4510, the Senate proceed to consider the conference report on the bill (H.R. 4806) the Temporary Extended Unemployment Compensation Act of 1961, if, in the meantime, the conference report has been approved by the House and received in the Senate, and that debate thereon be limited to 1 hour, to be equally divided and controlled by the majority and minority leaders.

The PRESIDING OFFICER. Is there objection?

Mr. WILLIAMS of Delaware. Mr. President, reserving the right to object, and I shall not object, I shall want some time to speak in connection with the conference report. I recognize the futility of trying to defeat the conference report; nevertheless, I desire an opportunity to call the attention of the Senate to the fact that if the Senate adopts the conference report it will be authorizing the expenditure of $1 billion in benefits to the unemployed covered by the bill, yet under the bill there is no provision whatever to finance any of the costs. There is a delayed tax increase supposedly to pay for the $1 billion in benefits; however, this tax increase will not become effective until 60 days after the 1962 elections whereas the $1 billion in benefits will all have been disbursed by June 30, 1962, or 4 months before the election.

It is the height of fiscal irresponsibility for the new administration, as they launch the New Frontier, to say to the unemployed, "We shall give you $1 billion in benefits, but we will not tax anybody anything until after the 1962 elections." This seems to be the pattern of many of the bills which are being sent to Congress by the White House.

I simply wish to have sufficient time to call the attention of the Senate to this fact. If I can be assured that I will have such time during the discussion, I shall have no objection to the proposed unanimous-consent agreement.

Mr. MANSFIELD. Mr. President, I shall be most happy to yield as much time to the Senator from Delaware as I possibly can from this side of the aisle.

Mr. DIRKSEN. And I shall be more than generous to my friend from Delaware.

Mr. WILLIAMS of Delaware. All right. With that understanding I have no objection.

The PRESIDING OFFICER. Is there objection to the unanimous-consent agreement? The Chair hears none, and the agreement is entered.

Mr. PASTORE. Mr. President, I ask unanimous consent that this colloquy come at the end of the discussion on the textile industry.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, the distinguished Senator from Rhode Island anticipated me, because I would not want the most interesting colloquy which is taking place this afternoon on a very vital subject interrupted by two unanimous-consent requests.

I thank the Senator from Rhode Island and other Senators for their generosity, and I am grateful to the distinguished minority leader for his understanding of the difficulty which confronts us.

I announce to the Senate that there will be no more votes today; but be on hand tomorrow.

ADJOURNMENT

Mr. RANDOLPH. Mr. President, I move that the Senate adjourn until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 6 o'clock and 35 minutes p.m.) the Senate adjourned until tomorrow, Wednesday, March 22, 1961, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate March 21, 1961:

DEPARTMENT OF STATE

Walter P. McConaughy, of Alabama, a Foreign Service officer of the class of career minister, to be an Assistant Secretary of State.

DIPLOMATIC AND FOREIGN SERVICE

William Attwood, of Connecticut, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Guinea.

Walworth Barbour, of Massachusetts, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Israel.

Anthony J. Drexel Biddle, of Pennsylvania, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Spain.

William McCormick Blair, Jr., of Illinois, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Denmark.

Aaron S. Brown, of New Hampshire, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Nicaragua.

J. Kenneth Galbraith, of Massachusetts, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to India.

G. Frederick Reinhardt, of California, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Italy.

Edwin O. Reischauer, of Massachusetts, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Japan.

John S. Rice, of Pennsylvania, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Kingdom of the Netherlands.

Edward G. Stockdale, of Florida, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Ireland.

Raymond Telles, of Texas, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Costa Rica.

Robert F. Woodward, of Minnesota, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Chile.

Kenneth Todd Young, of New York, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Thailand.

The following-named persons to the offices indicated:

DEPARTMENT OF THE INTERIOR

John M. Kelly, of New Mexico, to be an Assistant Secretary of the Interior.

PATENT OFFICE

David Lowell Ladd, of Illinois, to be Commissioner of Patents.

DEPARTMENT OF AGRICULTURE

John C. Bagwell, of South Carolina, to be General Counsel of the Department of Agriculture.

FEDERAL POWER COMMISSION

Joseph C. Swidler, of Tennessee, to be a member of the Federal Power Commission for the remainder of the term expiring June 22, 1965.

Howard Morgan, of Oregon, to be a member of the Federal Power Commission for the remainder of the term expiring June 22, 1963, vice Paul A. Sweeney.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 21, 1961:

U.S. ATTORNEY

Joseph D. Tydings, of Maryland, to be U.S. attorney for the district of Maryland for a term of 4 years.

POST OFFICE DEPARTMENT

Richard James Murphy, of Maryland, to be an Assistant Postmaster General.

Ralph W. Nicholson, of New York, to be an Assistant Postmaster General.

WITHDRAWALS

Executive nominations withdrawn from the Senate March 21, 1961:

FEDERAL POWER COMMISSION

Paul A. Sweeney, of Maryland, to be a member of the Federal Power Commission for the remainder of the term expiring June 22, 1963, which was sent to the Senate on January 13, 1961.

DEPARTMENT OF THE INTERIOR

George W. Abbott, of Nebraska, to be an Assistant Secretary of the Interior, which was sent to the Senate on January 10, 1961.

HOUSE OF REPRESENTATIVES

TUESDAY, MARCH 21, 1961

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Psalm 34: 4: *I sought the Lord, and He heard me and He delivered me from all my fears.*

Almighty God, as we turn to Thee in prayer, that ancient habit and adoring attitude of our human race, may Thy holy spirit enlarge our hearts with the warmth of Thy love and our minds with the wonder of Thy wisdom.

We are not asking Thee for escape from heavy responsibilities but for inspiration to meet them; and neither are we beseeching Thee to lift our burdens but for strength to bear them.

Grant that we may see clearly and interpret rightly the meaning of the events and experiences of each new day and always follow Thy divine leading.

Inspire us with a vision of Thy gracious purposes, working in ways that seem strange and mysterious, but which, however, assure us that Thy kingdom is being established with its larger and more abundant life for all mankind.

Hear us in Christ's name, Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 1822. An act to adjust the amount of funds available for farm operating loans made pursuant to section 21(b) of the Bankhead-Jones Farm Tenant Act, as amended.

The message also announced that the Senate had passed the following resolution:

S. RES. 112

Resolved, That the Senate has heard with profound sorrow the announcement of the death of Hon. B. CARROLL REECE, late a Representative from the State of Tennessee.

Resolved, That a committee of two Senators be appointed by the Presiding Officer to join the committee appointed on the part of the House of Representatives to attend the funeral of the deceased Representative.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

Resolved, That as a further mark of respect to the memory of the deceased, the Senate do now adjourn.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 1028. An act to amend the transitional provisions of the act approved August 7, 1959, entitled "Nematocide, Plant Regulator, Defoliant, and Desiccant Amendment of 1959."

MEMBERS OF THE U.S. CITIZENS COMMISSION ON NATO

The SPEAKER. Pursuant to the provisions of section 1, Public Law 86–719, the Chair appoints on the part of the House as members of the U.S. Citizens Commission on NATO the following members from private life: Mr. W. L. Clayton, Texas; Mr. George J. Feldman, New York; Mr. Hugh Moore, Pennsylvania; Mr. Ralph D. Pittman, District of Columbia; Mr. Donald G. Agger, Maryland; Mr. Eric Johnston, District of Columbia; Mr. Adolph W. Schmidt, Pennsylvania; Mr. Oliver C. Schroeder, Jr., Ohio; Mr. Burr S. Swezey, Sr., Indiana; and Mr. Morris Forgash, New York.

MEETING OF THE AMERICAN GROUP, INTERPARLIAMENTARY UNION

Mr. COOLEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. COOLEY. Mr. Speaker, I desire to announce that the American group of the Interparliamentary Union will hold a meeting on Tuesday, March 28, in room F–39 of the Capitol at 9 o'clock in the morning. All Members interested are urged to attend this meeting.

Mr. Speaker, I ask unanimous consent to insert in the RECORD the report which I prepared as president of the American group, and which I now submit to the House.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The matter referred to follows:

REPORT OF THE PRESIDENT, HON. HAROLD D. COOLEY, REPRESENTATIVE FROM NORTH CAROLINA, AND CHAIRMAN OF THE HOUSE COMMITTEE ON AGRICULTURE

The Interparliamentary Union is one of the most active and vigorous organizations existing in the world today as an instrument for international peace. It was formed in 1889 at a Paris conclave attended by official delegates from France, Great Britain, Belgium, Denmark, Hungary, Liberia, Spain, and the United States of America. These eight nations banded together under a compact which declared: "The conduct of governments, tending more and more to no longer be the expression of the ideas and feelings of the whole body of citizens, it is the responsibility of the electors, by exercising their choice, to direct the policies of their countries toward justice, war, and the brotherhood of nations." This high ideal, later to be expressed by Woodrow Wilson, in his formulation of the League of Nations and now expressed in the charter of the United Nations, was to be the guiding influence of the Interparliamentary Union during its entire history of 72 years. While its actions are not binding upon the countries represented in its membership, it has proved to be a moral force of tremendous benefit to peace and understanding in the world today.

Now numbering 59 nations, including the Soviet and those of its power orbit in Europe, it has never admitted the People's Republic of China nor any of the adjoining puppet states that constitute a constant threat to "the peace and tranquillity of order" as laid down by St. Augustine in the sixth century A.D. as a basis for international law. Through the years, it was the prime mover in the First and Second World Peace Conferences and has, through its influence, been instrumental in helping to organize and support both the League of Nations and the United Nations. It has been an instrument of foreign policy and in many countries, as well, since it has discussed every great issue presented to the world in the period of its existence. It has seen the climate change from the creation of a balance of power to open covenants openly arrived at and all the international problems discussed in free parliaments, by the responsible press, radio and television, and by the people themselves.

In my report to the Congress in 1959, I cited the history of the participation of the United States, through its appointed delegations, to the various conferences of the Interparliamentary Union through the years, and cited the distinguished Members of both Houses of Congress who represented our country at these successive meetings. In my present report I shall limit myself to the incidents and details of the past year, 1960, which now appear for current review.

The annual meeting of the U.S. group was held in the old Supreme Court Chamber in the Capitol of the United States on February 9, 1960, with the President in the chair. A complete report of the 48th Conference of the Interparliamentary Union held in Warsaw, August 27–September 4, 1959, was made by the President. A report was likewise made by the Permanent Executive Secretary, Dr. Franklin Dunham, on current Interparliamentary Union affairs. The

official Interparliamentary Bulletin was distributed and a review of the questions to be placed on the agenda of the 49th Conference of the Union to be held in Tokyo, September 29–October 7, 1960, was made. The delegates to the spring meeting of the standing committees and Council of the Union were selected as follows: Members of the Council—the Honorable HAROLD D. COOLEY and the Honorable A. S. MIKE MONRONEY; standing committees—the Honorable KATHARINE ST. GEORGE and the Honorable W. ROBERT POAGE. Inasmuch as all the officers and the Executive Committee of the U.S. group serve for an entire session of Congress, no elections were held nor called for until after the convening of the 87th Congress in 1961.

During the year, the U.S. group received delegations from Brazil, Peru, Finland, and Thailand. The Chairmen of these groups were introduced on the floor of the U.S. Senate and were also guests of the House of Representatives, during their stay in Washington. At the NATO Parliamentary Conference held in Washington the previous November, the U.S. group likewise received many members of the NATO groups who were also duly constituted members of the Interparliamentary Union.

At the spring meeting of the Council and standing committees held in Athens, April 19–24, 1960, the agenda of the forthcoming 49th Conference to be held in Tokyo was prepared. This meeting was attended by the Honorable Harold D. Cooley, president of the group and member of the IPU Executive Committee, Hon. A. S. Mike Monroney, member of the IPU Council, Congresswoman Katharine St. George, Congressman W. Robert Poage, Dr. Charles J. Zinn and Dr. Franklin Dunham, Permanent Executive Secretary of the U.S. group.

The subjects decided upon were: (1) "Methods of Improving the International Distribution System for Primary Products and Relation of Their Prices With Those of Manufactured Goods," (2) "Present Problems and Prospects of Disarmament," (3) "The Future of Parliamentary Democracy in Asia." The program of increasing the number of members of the IPU Executive Committee from 9 to 11 was approved and recommended by the Council. It was also decided to reduce the number of standing committees from eight to five. These committees are now organized as follows: (1) political, including international security and disarmament; (2) juridical, including parliamentary questions; (3) economic, including social questions; (4) cultural, including information and education; (5) non-self-governing territories, including ethnic questions.

The U.S. delegation returned on April 25, 1960, having served both in the capacity of delegates to the Council and members of the above-mentioned committees.

The 49th Interparliamentary Conference was called for Tokyo in September 1960. The House and Senate delegations left by plane for Japan in ample time to arrive for the opening of the sessions. The Honorable HAROLD D. COOLEY represented the United States at the Executive Committee sessions and the Honorable A. S. MIKE MONRONEY joined him as representative on the Council.

Inasmuch as the special session of Congress was in progress, the United States was represented by little more than half the usual number of delegates. Those in attendance, however, were in active participation on all committees and by doubling up on duty assignments, presented to the Conference the same strong leadership which has been characteristic of former years.

Japan, fast-moving leader of the Far East, was host to the 49th Conference of the Interparliamentary Union from September 29 to October 7, 1960. Tokyo was the setting for one of the most productive meetings of the Union held in its 71 years of existence. It was also the largest meeting ever held, with 50 nations represented from every part of the civilized world. Tokyo, completely rebuilt and still building, represents today the complete common meeting ground of East and West; a city of 10 million people, modernized and ready to assume its obligation as a mighty force for peace in the world.

It is only 4 years since the Union held its 45th Conference in Bangkok. Since then, it has met in London, Rio de Janeiro and Warsaw, and is now scheduled to meet in Brussels (1961), Buenos Aires (1962), and will probably return to the North American Continent in 1963 to meet in Ottawa.

The Union was founded in Paris in 1889 through the persistence and work of two great leaders, Sir William Cremer and Frederic Passy, who called together a meeting of seven European countries and the United States, after encouragement had been given them by President Cleveland. Cremer had headed a group of British trade unionists the previous year who importuned President Cleveland to apply arbitration to an old-time dispute between the United States and Britain. Although it took nearly a year to bring it about, Cleveland did it and thus strengthened the belief that members of parliaments could effectively work in the field of foreign affairs. On this belief, and with the ideal of permanent peace in their minds, the delegates to the first Conference organized. The Union grew rapidly. It was responsible for the First and Second Hague Conferences. It gained the unfailing support of Andrew Carnegie, then vice president of the American Peace Society, and was itself a supporter of the League of Nations, and today is a class A member of the United Nations, reporting through the Economic and Social Council.

However, a persistent effort is now being made to bring it in even closer harmony with the U.N. At the spring meeting of 1960 held in Athens, a resolution now known as the Monroney resolution was passed unanimously for the purpose of carrying on new negotiations with the U.N. to establish a relationship resembling in many ways, that of a specialized agency, yet maintaining an autonomy of action, respectful of parliamentary rights and privileges. Today, its position in the U.N. is that of a nongovernmental agency, which puts it in an anomalous position, in respect to the countries now represented within Union membership. The report on this new type of affiliation will be made at the spring meeting (1961) in Geneva.

The philosophy of the Union is based upon that of St. Robert Bellarmine and Suarez of the 16th century, government by consent of the governed, as opposed to the divine right of kings or the assumed power of a dictator. Up until 1955, any duly constituted parliament could, on its own choosing, become a member. Now, however, a parliament must operate on its own soil, represent a country recognized under international law and must be subject to the scrutiny of the Executive Committee as to its ability to meet these conditions and to carry out its obligations before it can be admitted to the Union. Applications from North Korea and Canada were thus acted upon at Tokyo. North Korea did not receive approval but Canada was admitted (or rather readmitted) by a unanimous vote of the Council. Canada actually returned to the Union after an absence of 20 years, having left the Union at the outbreak of World War II. Although the Union has not followed the U.N. in the wholesale admission of the 16 new African countries, it did invite Nigeria to join the Union in an official radiogram sent out on the first day of that country's independence, which day occurred during the deliberations in Tokyo. Ghana is already a member and Tunisia, too, is a vociferous proponent of the rights of people to govern themselves, a Wilsonian principle in our own foreign policy.

Those participating at Tokyo in 1960 included: Argentina, Austria, Belgium, Brazil, Bulgaria, Burma, Canada, Ceylon, Chile, Czechoslovakia, Denmark, Finland, France, Germany, Ghana, Great Britain, Greece, Hungary, India, Indonesia, Iran, Iceland, Israel, Italy, Japan, Laos, Lebanon, Libya, Luxembourg, Netherlands, New Zealand, Norway, Panama, Peru, Philippines, Poland, Rumania, Spain, Sweden, Switzerland, Thailand, Tunisia, United Arab Republic, U.S.S.R., Venezuela, Vietnam, and Yugoslavia. Thus 50 countries throughout the world, numbering over 500 delegates, many including members of families and secretariats, brought the total to more than 800 in attendance.

These countries presented a colorful spectacle, when the Conference opened in the Senate Chamber of the Diet Building. Emperor Hirohito and his lovely Empress officially welcomed the delegates, who, after the opening ceremonies, moved over to the house of representatives, where commodious arrangements had been made for seating the delegates by country on Thursday, September 29. The delegates from the United States had come in two planes, one which had crossed Europe, the Middle East and Asia, visiting delegate countries en route, and another, which had come by way of Alaska, the previous day. The delegation was headed by the Honorable HAROLD D. COOLEY, president of the U.S. group and member of the Union's Executive Committee. Congressman COOLEY from North Carolina is also chairman of the House Agricultural Committee. With Congressman COOLEY was the Honorable A. S. MIKE MONRONEY, Senator from Oklahoma, and member of the Council of the Union and the following Senators: The Honorable FRANCIS CASE, of South Dakota; the Honorable J. WILLIAM FULBRIGHT, of Arkansas; chairman of the Foreign Relations Committee of the Senate; the Honorable THOMAS H. KUCHEL, of California; the Honorable MIKE MANSFIELD, of Montana, also a member of the Foreign Relations Committee of the Senate; and the Honorable STROM THURMOND, of South Carolina. Representing the House were: The Honorable Hale Boggs, of Louisiana; the Honorable Henry A. Dixon, of Utah; the Honorable Michael A. Feighan, of Ohio; the Honorable Daniel K. Inouye, of Hawaii; the Honorable Paul C. Jones, of Missouri; the Honorable John L. McMillan, of South Carolina; and the Honorable W. Robert Poage, of Texas. Former Senator Homer Ferguson of Michigan also acted as delegate, being a former president of the group and honorary member of the Union. The delegation was accompanied by Dr. Franklin Dunham, Permanent Executive Secretary of the group, who acted as liaison with the Union Secretariat and with the American Ambassador, Douglas MacArthur II, during the Conference. Dr. Charles J. Zinn, counsel to the House Judiciary Committee, represented the Clerk of the House of Representatives at the meetings of the Autonomous Secretariat of Parliaments.

On recommendation of the Executive Committee, approval of the Council and action of the Conference the Executive Committee was increased to 11 members, ostensibly to recognize all the areas of the world now represented in the Union. The Chief Executive Office of the Union is the President of the Council. He is Dr. Giuseppi Codacci-Pisanelli, a leader of the Christian Democratic Party of Italy and member of the Italian Cabinet, as well as deputy. Dr. Pisanelli is also professor of international law at the University of Rome and a world

figure in international affairs. He was reelected to serve an additional 2 years beyond his normal term of 4 years which expired at the Tokyo Conference. Dr. Saturnino Braga of Brazil and David Hacohen of Israel retired from the Committee this year. Their places were taken by N. K. Fukunaga of Japan and M. A. Matine-Daftary of Iran. The two new places created on the Committee were filled by the election of Senator F. E. Tolbert of Liberia and R. A. Weidmann of Argentina; the Executive Committee is therefore now representative of all areas except Oceania, which will probably be recognized by election of either an Australian or New Zealander at the next Conference in Brussels.

The Tokyo Conference, opening on the morning of Thursday, September 29, proceeded immediately to the general debate on the Secretary General's report. Two speakers represented the United States in the proceeding. The Honorable DANIEL K. INOUYE, Congressman from Hawaii, himself of Japanese descent, opened the debate with a glowing speech on the position of the United States and closed his remarks, addressing his fellow compatriots in Japanese. The Honorable J. WILLIAM FULBRIGHT was the second speaker for the United States. Senator FULBRIGHT, chief foreign policymaker for the U.S. Senate, received an ovation from the delegates as he cautioned those present to indulge in no recriminations or attacks on the policies of other countries but the maintenance of arrival at peaceful solutions of the problems of the world. The climate suggested by the Senator set the stage for one of the most successful conferences ever in the history of the Union.

The first draft resolution was presented by the Economic and Social Committee on "Methods of Improving the International Distribution of Primary Products and the Relation of Their Prices to Those of Manufactured Goods." This question, analagous to our own farm problem, was responded to by the Honorable PAUL C. JONES and the Honorable W. ROBERT POAGE for the United States. Congressman POAGE is vice chairman of the House Agricultural Committee and Congressman JONES is a veteran member, so both were well equipped to represent the U.S. point of view on the subject. They both advocated and supported the draft resolution and agreed to the idea of holding an International Economic Conference under U.N. auspices as soon as it is possible to organize such a worldwide meeting.

The second draft resolution was on the perennial question of disarmament titled "Present Problems and Prospects of Disarmament." The Union has legislated on the subject for many years and the Committee on the Reduction of Armaments has a vast knowledge of the subject. In addition to the first resolution on the subject, an additional one was submitted by Dr. A. Matine-Daftary of Iran. The final resolution contained the major ideas of both versions and was passed unanimously. It stood for complete and thorough inspection, an important element of allied agreement, and represents the approval of the Soviet delegation and the satellite countries as well as the parliamentary representatives of the free world. Speaking on this question were the Honorable FRANCIS CASE, Senator from South Dakota, and Senator STROM THURMOND, of South Carolina. Both Senators have made lifetime studies of disarmament and became instrumental in bringing about the compromises which resulted in the final resolution. Evidently, where nations fail in disarmament conferences, parliamentarians can reach agreement, satisfactory to both captive nations and the free world. This resolution may easily become a model for international agreement.

The third resolution was on the subject, "The Future of Parliamentary Democracy in Asia." Supported by the Asian nations represented at Tokyo, the Honorable MICHAEL A. FEIGHAN, of Ohio, and the Honorable THOMAS H. KUCHEL, Senator for California, spoke on this question. The resolution as finally passed represents the unanimous voice of the assembled delegates and bespeaks the cause of self-government unaffected by foreign influence, through strong parliamentary controls.

A fourth resolution sponsored by the Tunisian group was introduced which would have condemned France, by name, in its broad solution of the Algerian problem, the burden of Premier de Gaulle in the present crises in Africa. Taken up in the Committee on Non-Self-Governing Territories, its claws were clipped to make it include all nations who commit injustices to former colonials and its strong language condemns acts of aggression upon any autonomous peoples who show a legitimate desire for self-government. This resolution passed, with the sole objection of the Tunisians and the United Arab Republic who supported the Tunisians in their efforts to condemn the conciliatory moves of the French community to give Algeria its independence while still remaining in the French sphere of influence. A similar effort was made by the United Arab Republic to condemn Israel's independent actions in the Middle East but this, too, failed of passage completely.

After the elections, which have been detailed in the opening paragraphs, the conference voted to meet in Brussels, September 10–18, 1961, to meet in Buenos Aires in 1962 and to meet possibly in Ottawa in 1963 or 1964. The Council meeting is scheduled for Geneva, Switzerland, from April 4–10, 1961, since conditions make it more desirable to meet in Geneva, headquarters city of the Union, at that time.

The Japanese group, acting as hosts, had been honored by having one of their number, Dr. K. Fukunaga, elected to the Executive Committee. They had demonstrated both efficiency and extraordinary hospitality in the arrangements of both the official and brilliant social programs. The American Embassy, headed by Ambassador Douglas McArthur II, had furnished the most solicitous aid and cooperation, both before and during the meeting. It was voted the best Conference ever held by the Union.

Following are the resolutions passed by the Conference:

"I. METHODS OF IMPROVING THE INTERNATIONAL DISTRIBUTION SYSTEM FOR PRIMARY PRODUCTS AND THE RELATION OF THEIR PRICES WITH THOSE OF MANUFACTURED GOODS

"The 49th Interparliamentarly Conference,

"Considering that, despite repeated initiatives taken by different international economic organizations, the economies of the less developed countries are seriously hampered by the continuing decrease of primary product prices in relation to those of manufactured goods and their excessive fluctuation, by the unwieldy distribution of agricultural products, and by uneven allocation leading to surpluses in some countries and shortages in others,

"Proposes

"1. Study of an indexing system, in the largest possible number of countries, for prices of primary products, so as to relate them to those of manufactured goods as far as practicable, with a view to increasing the standard of living of workers and the national income of less industrialized countries whose economies depend on the export of primary products;

"2. Cooperation by increased technical assistance, as given under United Nations programmes, and through financial aid from appropriate institutions—for example, an international fund for the stabilization of raw material prices—with a view to assisting those States which rely mainly on one or more primary products to ensure price equalization from one year to another, as well as to diversify and industrialize their economies as an effective means of improving regional employment and national income in the underdeveloped countries, thus increasing the general world demand for consumer and capital goods;

"3. Simplification of distributive processes by encouraging rapprochement between producers and consumers, through the elimination of as many intermediaries as possible; development of markets for primary products by increasing the potential demand for them, in particular by exploring the possibilities of markets for byproducts; expansion of trade among all countries of the world without any restrictions; and extension of such trade to a greater variety of goods and conclusion of long-term bilateral and multilateral trade agreements, designed to stabilize markets and prices of primary products;

"4. Adoption of measures, by those countries having large surpluses, to reduce these progressively, at the same time guarding against any resulting upset of world trade by consulting with all countries likely to be affected by such measures and taking into consideration the penury of undernourished peoples;

"5. Urgent accomplishment of tasks of solidarity vis-a-vis the underdeveloped countries, account being taken at the same time of each nation's sovereignty and of its full right to self-determination, in order that these nations may expand their capacity to consume, thus attaining effective international democracy not only in the political field but also in the economic field and in the distribution of creative opportunities;

"6. Increase of economic aid to underdeveloped countries in order to diminish the one-sided dependence of such countries on the export of certain primary products, by diversification of their production, promotion of industrial development and development of an expanding internal market for their products;

"Recommends, as a matter of urgency, the convocation, under the auspices of the United Nations, of a world economic conference with a composition including members of the major primary product producing countries which would be charged with promoting solutions of these and other problems, more particularly on the basis of the foregoing principles."

"II. PRESENT PROBLEMS AND PROSPECTS OF DISARMAMENT

"A

"The 49th Interparliamentary Conference,

"Believing that an immediate solution of the disarmament problem is a matter of vital interest to all peoples and that this will be a priceless contribution toward maintaining peace and security throughout the world,

"Believing also that peaceful uses of all productive capacity, including atomic energy, and multinational and bilateral assistance to the economically underdeveloped countries would improve considerably the social and economic standard of living of all mankind,

"Approving the resolution adopted by the XIVth General Assembly of the United Nations on universal and complete disarmament (1378/XIV),

"Considering that the continuance of nuclear weapons tests has had harmful effects upon the lives of mankind who long for peace and happiness on earth,

"Realizing that the development of good-neighborly relations among the nations on the basis of mutual understanding, mutual respect for sovereignty, equality of rights and territorial integrity, as well as nonintervention in one another's internal affairs, is the prerequisite for a relaxation of inter-

national tension and the maintenance and strengthening of international peace and security,

"Urgently calls upon the United Nations General Assembly to bring about the resumption of disarmament negotiations by representatives of great powers and of other States, the latter to be selected according to an equitable geographical and political distribution, and to request these States to seek an agreement leading to universal and complete disarmament under effective international control, and in particular:

"1. To enter into a treaty whereby it is agreed to ban permanently nuclear tests within and beyond the atmosphere, in the oceans, and underground, to the utmost extent to which control is now possible; and to establish joint research into methods of controlling small underground tests—the parties agreeing meanwhile to a moratorium upon such tests;

"2. To enter into a further treaty establishing a permanent international control organ for the inspection and supervision of disarmament which would function under a special status forming an integral part of the general disarmament treaty; this control organ would supervise the universal and complete disarmament of armed forces and of nuclear and conventional weapons by controlled stages agreed before and on each phase of disarmament;

"3. To establish immediately joint study of:

"(a) measures to insure that, after military bases have been abolished and armed forces withdrawn from foreign territory, no nation shall use outer space for war purposes;

"(b) measures to give protection against surprise attack; and

"(c) measures to control the manufacture and use of fissionable material;

"4. To invite all other nations to become parties to both these treaties.

"B

"The 49th Interparliamentary Conference,

"Considering that the crux of the disarmament problem is the organization of international security as provided for in the Charter of the United Nations,

"Considering that the section of the Charter concerning collective security has in practice not been applied by reason of the political climate brought into existence after the Second World War as a result of dissensions between the great powers.

"Believing that the establishment of an atmosphere of mutual respect, confidence and security, in accordance with the ideals that inspired the drafting of the Charter of the United Nations, and, above all, the cessation of the cold war, would promote agreement on disarmament,

"Addresses an earnest appeal to all nations to bring about a rebirth of the San Francisco spirit."

"III. THE FUTURE OF PARLIAMENTARY DEMOCRACY IN ASIA

"The 49th Interparliamentary Conference,

"Welcoming the progress already made by the independent nations in Asia and their contribution to the strengthening of democracy,

"Recognizing that full realization of self-government depends on the growth of democratic institutions according to the traditions and the economic and social environment of the people concerned, and also on the success attained in overcoming such obstacles to national unity as illiteracy, poverty, and differences of race, religion, and language,

"Trusting that political and constitutional development in Asia will be firmly based on social justice, the rule of law and the practice of tolerance, thus safeguarding human rights, both individual and minority, freedom of religion and freedom of expression,

"Proposes

"1. All possible technical and economic aid should be forthcoming from the more prosperous nations through the United Nations and other international agencies, thereby securing a stable and sound social and economic basis for democratic societies and democratic parliaments;

"2. International aid and regional cooperation should be made available on a larger scale for the training of personnel skilled in the administrative techniques required for solving the new social and economic problems arising in Asia, and that individual Governments and agencies be requested to increase training facilities;

"Invites members of the Union and interested international organizations to give due attention to these proposals for the maintenance and strengthening of parliamentary democracy."

"IV. THE PROBLEMS OF COLONIALISM AND RACIAL DISCRIMINATION

"The 49th Interparliamentary Conference,

"Considering the fundamental principles laid down in the United Nations Charter, namely, respect for equal rights of peoples and for their right to self-determination; respect for human rights and fundamental freedoms, without distinction of race, sex, language or religion; respect for the principles of justice and international law; as well as maintenance of international peace and security,

"Considering that colonialism continues to exist in different parts of the world—in Africa, Asia and elsewhere; that this system, by its very nature, deprives peoples of the right to self-determination and prevents them from exercising their right of sovereignty over their territories, which is one of the natural rights of peoples; that it is also an obstacle to the maintenance of stability in the world and increases the gravity of international conflicts, thereby constituting a permanent threat to international peace and security,

"Deeply concerned by the disregard for some of the main principles of the Universal Declaration of Human Rights,

"1. Condemns all forms of racial discrimination and colonialism, all forms of political and religious intolerance, all inhuman methods used in prisons and internment camps or against prisoners of war in whatever country they may be;

"2. Trusts that the governments and all other parties concerned will do everything in their power to observe the principles of the Universal Declaration of Human Rights and of international law;

"3. Calls on all national groups of the Interparliamentary Union—

"(a) To use their influence to insure the respect and observance of the Universal Declaration of Human Rights all over the world;

"(b) To urge governments which persist in their desire to perpetuate any form of colonialist regime that they cease to maintain a system which is inhuman and incompatible with the degree of evolution reached by mankind at present, so as to abolish colonialism by granting all peoples without delay the right to free self-determination without any pressure, restraint or maneuvering, which falsify the real will of the peoples;

"(c) To take joint action with a view to stopping colonialist wars, through recourse to referendums controlled by the United Nations, insuring that the decision of the people is being taken freely, especially when there is reason to fear that the prolongation of an armed struggle may lead to a general war;

"(d) To take all steps required for putting an end to racial discrimination of all kinds—political, economic and social—and for establishing absolute equality between all men in accordance with the principles of the Universal Declaration of Human Rights;

"4. Requests governments to limit intervention in internal disputes of those peoples who have newly acquired freedom from colonial rule to joint action through the United Nations or other recognized neutral international bodies in order to bring about a regime of political order and security, and to promote economic, social and political development;

"5. Expresses the utmost concern with regard to the denial of freedom and sovereignty to many peoples;

"6. Asks the representatives of all countries to promote laws or constitutional amendments with the object of reinforcing the severe repression of every form of racial, political or religious discrimination, so that in the educational institutions of every country, the principles of spiritual peace, human fraternity and respect for all racial groups in the world may be advocated in special lectures;

"7. Affirms the right of every country to full emancipation and control of its own destiny with the object of putting an end to every form of domination of countries through the use of force and of eliminating all kinds of imperialistic penetration."

TEMPORARY EXTENDED UNEMPLOYMENT COMPENSATION ACT OF 1961

Mr. MILLS. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 4806) to provide for the establishment of a temporary program of extended unemployment compensation, to provide for a temporary increase in the rate of the Federal unemployment tax, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

Mr. UTT. Mr. Speaker, reserving the right to object, and I assure the gentleman from Arkansas I will not object, I take this moment to state that yesterday I inserted in the CONGRESSIONAL RECORD at page 4310, a statement together with a table, which were not available before the Ways and Means Committee when that committee considered the unemployment compensation matter.

I urge the Members to examine that statement and that table which shows how much their contribution will exceed their benefits, and I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The SPEAKER. The Chair appoints the following conferees: Messrs. MILLS, KING of California, O'BRIEN of Illinois, MASON, and BYRNES of Wisconsin.

TEMPORARY EXTENDED UNEMPLOYMENT COMPENSATION ACT OF 1961

Mr. MILLS. Mr. Speaker, I ask unanimous consent that the conferees may have until midnight tonight to file a conference report on the bill H.R. 4806.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

COMMITTEE ON BANKING AND CURRENCY

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency may have until midnight tonight to file a report on the bill, S. 1.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

CONSENT CALENDAR

The SPEAKER. This is the day for the call of the Consent Calendar. The Clerk will call the first bill on the Consent Calendar.

EFFECTIVE DATE OF CERTAIN STATUTORY AWARDS

The Clerk called the bill (H.R. 861) to provide that no application shall be required for the payment of statutory awards for certain conditions which, prior to August 1, 1952, have been determined by the Veterans' Administration to be service connected.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. FORD. Mr. Speaker, reserving the right to object, I should like to ask the chairman of the Committee on Veterans' Affairs whether or not the opposition to this legislation by the Veterans' Administration is a new letter or is one of the previous administration.

Mr. TEAGUE of Texas. Mr. Speaker, I would say to the gentleman from Michigan that it is a letter from the new administration. I do not believe it is correct to say that it is an objection. It is a partial objection, one which could possibly set a precedent.

Mr. FORD. Mr. Speaker, I withdraw my reservation of objection. I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

U.S. MERCHANT VESSEL AND WATERFRONT SECURITY ACT OF 1960

The Clerk called the bill (H.R. 4469) to amend the Subversive Activities Control Act of 1950 so as to provide that no individual who willfully fails or refuses to answer, or falsely answers, certain questions relating to subversive activities, when summoned to appear before certain Federal agencies, shall be employed on any merchant vessel of the United States or within certain waterfront facilities in the United States.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. LINDSAY. Mr. Speaker, reserving the right to object, I would like to ask the author of the bill, the distinguished chairman of the Committee on Un-American Activities, if he has had a chance to consider the suggestion I made the last time I objected to the bill, that the subject matter was of sufficient importance as well as the constitutional questions that are raised by it, so that the matter really ought to be subjected to the scrutiny of full floor debate.

Mr. WALTER. Mr. Speaker, were it not for the fact that the Supreme Court of the United States passed on the constitutional questions the gentleman is talking about, I would agree with him. But the statute of the State of California which we followed exactly in drafting the bill under consideration went to the Supreme Court and the Supreme Court held that it was constitutional. I see no need to debate the question. I would be very glad to answer any questions the gentleman may ask, but as to constitutionality of the statute, that has already been passed on by the Supreme Court.

Mr. LINDSAY. As I read the cases in the courts, including the Supreme Court case of Green against McElroy, and the ninth circuit case of Parker against Lester, questions are raised by this bill that have not been passed on by the Supreme Court, to my satisfaction, at least. I should like the opportunity to examine the bill and debate it on the floor. I would be disposed to vote against this as it now stands. For that reason, and with all due deference to the distinguished chairman of the committee, Mr. Speaker, I object.

The SPEAKER. It requires three objectors. Is there further objection to the consideration of the bill?

Mr. RYAN. Mr. Speaker, reserving the right to object, I would like to say that I agree with the distinguished gentleman from New York [Mr. LINDSAY]. I think there are serious constitutional questions involved here which should be debated fully. Calling this bill on the Consent Calendar prevents thorough and deliberate consideration. Therefore, I also object.

The SPEAKER. Is there further objection?

There being no further objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "United States Merchant Vessel and Waterfront Security Act of 1960".

SEC. 2. The Subversive Activities Control Act of 1950 (64 Stat. 987) is amended by inserting, immediately preceding section 4 thereof, the following new section:

"EMPLOYMENT OF CERTAIN INDIVIDUALS AT WATERFRONT FACILITIES AND ABOARD MERCHANT VESSELS OF UNITED STATES

"SEC. 3B. (a) No individual who willfully fails or refuses to appear before any Federal agency, when subpenaed or ordered to appear, or to answer under oath before such Federal agency any question concerning—

"(1) the membership of such individual, or any other individual, in the Communist Party, Fascist Party, or other subversive party,

"(2) the activities of such individual, or any other individual, as a member of the Communist Party, Fascist Party, or other subversive party, or

"(3) the participation of such individual, or any other individual, in activities conducted by or under the direction of the Communist Party, Fascist Party, or other subversive party, or any member thereof,

shall be employed in any capacity aboard any merchant vessel of the United States or within any waterfront facility in the United States, nor shall any such individual be entitled to hold, or to be issued, any certificate, license, or other document (including any endorsement thereon) identifying him as an individual eligible to be employed in any capacity aboard any such merchant vessel or within any such waterfront facility. The prohibition against employment, and against the possession and issuance of any certificate, license, or other document (including any endorsement thereon), contained in the first sentence of this subsection shall also apply with respect to any individual who commits perjury in answering any question referred to in such first sentence.

"(b) The President of the United States shall institute such measures and issue such rules and regulations as he may deem necessary to carry out the provisions of this section and, for such purpose, he may utilize such departments, agencies, officers, and instrumentalities of the United States as he may deem appropriate. For the purpose of any investigation which, in the opinion of the department, agency, officer, or instrumentality utilized by the President to carry out the provisions of this section, is necessary and proper in carrying out the provisions of this section, such department, agency, officer, or instrumentality is empowered to subpena witnesses, administer oaths and affirmations, take evidence, and require the production of any books, papers, or other documents which are relevant or material to the matter under investigation. Such attendance of witnesses and the production of such books, papers, or other documents may be required from any place in the United States or any district, Commonwealth, or possession thereof, at any designated place of hearing. Witnesses summoned under authority of this subsection shall be paid the same fees and mileage that are paid witnesses in the courts of the United States. Upon failure of any person to obey a subpena issued under the subsection, the United States district court for the judicial district wherein such person resides or carries on business may, upon the petition of the department, agency, officer, or instrumentality of the United States utilized by the President to carry out the provisions of this section, issue an order requiring such person to appear and to produce books, papers, or other documents, if so ordered, or to give testimony touching the matter under investigation or in question. Any failure to obey such order of the court may be punished by such court as a contempt thereof. Any process in any such case may be served in the judicial district wherein such person resides or wherever he may be found.

"(c) As used in this section—

"(1) the term 'waterfront facility' means all piers, wharves, docks, and similar structures to which vessels may be secured, buildings on such structures or contiguous to such structures, and equipment and materials on such structures or in such buildings;

"(2) the term 'United States', when used in a territorial sense, includes all places and waters, continental or insular, subject to the jurisdiction of the United States;

"(3) the term 'Communist Party' means the Communist Party of the United States, or any successors of such party regardless of the assumed name, whose object or purpose is to overthrow the Government of the United States, or the government of any State, district, Commonwealth, or possession thereof, or the government of any political subdivision therein by force and violence, and includes subsidiary organizations of such party;

"(4) the phrase 'Fascist Party, or other subversive party' means any party, other than the Communist Party, regardless of the assumed name, whose object or purpose is to overthrow the Government of the United States, or the government of any State, district, Commonwealth, or possession thereof, or the government of any political subdivision therein by force and violence, and includes subsidiary organizations of such party; and

"(5) the term 'Federal agency' means any department, independent establishment, or other agency or instrumentality of the executive branch of the Government of the United States, and any congressional committee or subcommittee."

Mr. WALTER. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WALTER of Pennsylvania: On page 1, line 4, after "Act of" strike out "1960" and insert "1961".

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

OUTDOOR RECREATION RESOURCES REVIEW COMMISSION

The Clerk called the bill (H.R. 2204) to extend the time in which the Outdoor Recreation Resources Review Commission shall submit its final report.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. WEAVER. Reserving the right to object, Mr. Speaker, may I ask the gentleman from Colorado [Mr. ASPINALL] how much money was originally budgeted for this item and what the financial status is of this Commission?

Mr. ASPINALL. As I recall, it was authorized an appropriation of $2,500,000. The money has not been completely used. No other money has been requested in this legislation. All this bill now under discussion does is permit the extension by a few months of the time in which to file a report. That is all that is involved.

Mr. WEAVER. I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent that an identical Senate bill, S. 449, be considered in lieu of the House bill.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of section 6(c) of the Act entitled "An Act for the establishment of a National Outdoor Recreation Resources Review Commission to study the outdoor recreation resources of the public lands and other land and water areas of the United States, and for other purposes," approved June 28, 1958 (72 Stat. 238), is amended to read as follows: "The Commission shall present not later than January 31, 1962, a report of its review, a compilation of its data, and its recommendations on a State by State, region by region, and national basis to the President and to the Congress, and shall cease to exist not later than September 1, 1962."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H.R. 2204) was laid on the table.

AMENDMENT OF FEDERAL INSECTICIDE ACT

The Clerk called the bill (H.R. 4662) to amend the transitional provisions of the act approved August 7, 1959, entitled "Nematocide, Plant Regulator, Defoliant, Desiccant Amendment of 1959."

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

Mr. COOLEY. Mr. Speaker, I ask unanimous consent that a similar Senate bill, S. 1028, be considered in lieu of the House bill.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That paragraph (a) of section 3 of the Nematocide, Plant Regulator, Defoliant, and Desiccant Amendment of 1959 (Public Law 86-139, 73 Stat. 286, 287) is amended by deleting the comma and the word "or" appearing at the end of clause (1) and adding at the end of such clause a colon and the following: *"Provided,* That with respect to any nematocide, plant regulator, defoliant, or desiccant whose use results in residue remaining in or on a food at the time of introduction into interstate commerce and which use had commercial application prior to January 1, 1958, the Secretary may prescribe a date beyond March 5, 1961, on the basis of a determination that such action will not be unduly detrimental to the public interest and is necessary to avoid hardships: *Provided further,* That such date shall not be extended beyond (i) the date on which an order with respect to the use of such product under section 408 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 346a) becomes effective or (ii) the date on which any extension granted under paragraph (b) of this section is terminated, or".

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H.R. 4662) was laid on the table.

MUSTERING-OUT PAYMENTS

The Clerk called the bill (H.R. 859) to repeal chapter 43 of title 38, United States Code.

Mr. PELLY. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

SPECIAL DIVIDENDS FOR CERTAIN NSLI POLICYHOLDERS

The Clerk called the bill (H.R. 4539) to amend section 723 of title 38 of the United States Code to provide for immediate payment of dividends on insurance heretofore issued under section 621 of the National Service Life Insurance Act of 1940 which has been converted or exchanged for new insurance under such section, and for other purposes.

Mr. GROSS. Mr. Speaker, due to the fact this bill will come up later today under suspension of the rules, I ask unanimous consent that it be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

SALE OF CERTAIN CALCINES AND MATTE

The Clerk called the bill (H.R. 4435) to authorize the sale, without regard to the 6-month waiting period prescribed, of certain calcines and matte proposed to be disposed of pursuant to the Strategic and Critical Materials Stock Piling Act.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

Mr. ICHORD of Missouri. Mr. Speaker, I ask unanimous consent that a similar Senate bill, S. 1116, be considered in lieu of the House bill.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

Mr. GROSS. Reserving the right to object, may I ask the gentleman to explain briefly for the record the reason for this speedup? It is my understanding that notice has already been published in the Federal Register providing for the action set forth under this bill. Will the gentleman explain the reason for this legislation?

Mr. ICHORD of Missouri. Mr. Speaker, in reply to the gentleman from Iowa, notice has not been posted in the Register in reference to these materials. Briefly, this is the story behind the bill. The National Lead Co. closed down its lead mine mining operation in the small community of Fredericktown in the area of Flat River, Mo., about 6 weeks ago. Since it closed down the lead mining operation, it will also have to close down the refinery operations because the refinery runs on the waste materials remaining after the lead is extracted. These materials were accumulated by the Federal Government during the war when the Federal Government ran the refinery. They are waste materials remaining after the refining process. They are of no value to the Federal Government, but if the refinery can obtain these materials, it will be able to continue in operation and save the jobs of 140 men. If these calcines cannot be obtained, the refinery will have to be closed down because it is not economically feasible to mine materials for the refinery alone.

Mr. GROSS. This will in nowise disturb market conditions?

Mr. ICHORD of Missouri. It in nowise disturbs the market conditions. As a matter of fact, these are just waste materials piled outside of the refinery.

Mr. GROSS. I thank the gentleman. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the present consideration of the Senate bill?

There was no objection.

The Clerk read the Senate bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Administrator of General Services is hereby authorized to dispose of, by negotiated sale or otherwise, approximately three thousand four hundred and thirty-one short tons of nickel-cobalt-copper calcines and approximately eighty-seven tons of nickel-cobalt-copper matte now held in the national stockpile. Such disposition may be made without regard to the provisions of section 3 of the Strategic and Critical Materials Stock Piling Act, relating to dispositions on the basis of a revised determination pursuant to section 2 of said Act, to the effect that no such disposition shall be made until six months after publication in the Federal Register and transmission to the Congress and to the Armed Services Committees thereof of a notice of the proposed disposition.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill, H.R. 4435, was laid on the table.

AMENDING SECTION 3 OF THE PUERTO RICAN FEDERAL RELATIONS ACT

The Clerk called the joint resolution (H.J. Res. 124) to provide for amending section 3 of the Puerto Rican Federal Relations Act (64 Stat. 319), as amended (64 Stat. 458).

The SPEAKER. Is there objection to the present consideration of the joint resolution?

Mr. GROSS. Mr. Speaker, reserving the right to object, I should like to ask if there has been a vote by the people of Puerto Rico with respect to the proposed legislation.

Mr. ASPINALL. Mr Speaker, if the gentleman will yield to me, the resolution provides that the people of Puerto Rico must hold a plebiscite and a majority must vote for this legislation before the act would become enforceable.

Mr. GROSS. They must vote before the act can become effective?

Mr. ASPINALL. That is correct.

Mr. GROSS. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the present consideration of the joint resolution?

There was no objection.

The Clerk read the joint resolution as follows:

Whereas the Commonwealth of Puerto Rico by joint resolution of its legislative assembly (Joint Resolution Numbered 1, approved June 23, 1958) has requested the Congress of the United States to take such action as may be appropriate to amend section 3 of the Puerto Rican Federal Relations Act to the end that certain provisions thereof be deleted therefrom, said deletion to take effect upon the qualified electors of Puerto Rico having voted in a referendum, pursuant to section 1 of article VII of the constitution of the Commonwealth, to include provisions in the Commonwealth constitution in lieu of the pertinent provisions of section 3 of the Puerto Rican Federal Relations Act limiting the debt incurring capacity of the Commonwealth and of its municipalities; and

Whereas the Commonwealth of Puerto Rico is a self-governing body politic, created under a constitution adopted by the people of Puerto Rico, themselves, in accordance with the terms of compact embodied in Public Law 600, Eighty-first Congress, and it is appropriate that the debt incurring capacity of the Commonwealth of Puerto Rico and its municipalities be determined by the constitution of the Commonwealth of Puerto Rico, instead of the Puerto Rico Federal Relations Act: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3 of the Puerto Rican Federal Relations Act (64 Stat. 319), as amended (64 Stat. 458), is amended by deleting therefrom the following language: *"Provided, however,* That no public indebtedness of Puerto Rico and the municipalities of San Juan, Ponce, Arecibo, Rio Piedras and Mayaguez shall be allowed in excess of 10 per centum of the aggregate tax valuation of its property, and no public indebtedness of any other subdivision or municipality of Puerto Rico shall hereafter be allowed in excess of 5 per centum of the aggregate tax valuation of the property in any such subdivision or municipality," and "In computing the indebtedness of the people of Puerto Rico, municipal bonds for the payment of interest and principal of which the good faith of the people of Puerto Rico has heretofore been pledged and bonds issued by the people of Puerto Rico secured by bonds to an equivalent amount of bonds of municipal corporations or school boards of Puerto Rico shall not be counted but all bonds hereafter issued by any municipality or subdivision within the 5 per centum hereby authorized for which the good faith of the people of Puerto Rico is pledged shall be counted."

SEC. 2. Section 1 of this Act shall take effect upon the majority of the qualified electors of Puerto Rico having voted in a referendum pursuant to section 1 of article VII of the constitution of the Commonwealth of Puerto Rico, to include provisions in the Commonwealth constitution, in lieu of the provisions of section 3 of the Puerto Rican Federal Relations Act specified herein, limiting the debt-incurring capacity of the Commonwealth and of its municipalities (as proposed in the concurrent resolution of the legislative assembly of the Commonwealth).

The joint resolution was ordered to be engrossed.

The SPEAKER. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Strike out all of the preamble.

The committee amendment was agreed to.

The joint resolution was read a third time and passed.

A motion to reconsider was laid on the table.

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent that the Resident Commissioner from Puerto Rico [Mr. FERNÓS-ISERN], the gentleman from Pennsylvania [Mr. SAYLOR], the gentleman from New York [Mr. O'BRIEN], and I may be permitted to extend our remarks at this point in the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. FERNÓS-ISERN. Mr. Speaker, the Legislative Assembly of Puerto Rico by Joint Resolution No. 1, approved June 23, 1958, requested the Congress of the United States to take appropriate action to amend section 3 of the Puerto Rican Federal Relation Act by deleting therefrom certain provisions relative to the debt limitations of the Commonwealth and its municipalities, such deletion to take effect upon the qualified electors of Puerto Rico having voted in a referendum, pursuant to section 1, of article VII of the constitution of the Commonwealth of Puerto Rico, to approve an amendment to the constitution to limit the debt-incurring capacity of the Commonwealth and its municipalities.

On August 12, 1958, and on January 19, 1959, I introduced resolutions to accomplish the sense of the resolution referred to above, and on January 12, 1961, I again introduced House Joint Resolution 124 for the same purpose. House Joint Resolution 124 has received favorable reports from the Department of the Interior and the Bureau of the Budget, and finally, on March 14, 1961, was favorably reported by the Committee on Interior and Insular Affairs.

I think we can all agree that the matter of debt limitation is evidently a local matter, and it is more appropriate that it be provided for in the constitution of the Commonwealth rather than in the Puerto Rican Federal Relations Act. So that they can be included in the constitution of the Commonwealth of Puerto Rico it is necessary that provisions dealing with this matter be deleted from the Puerto Rican Relations Act.

The Federal Relations Act consists of certain sections of the old organic act for Puerto Rico which were not repealed upon the adoption of a constitutional government for Puerto Rico and the proclamation of the existence of the Commonwealth of Puerto Rico. It is the framework within which the Commonwealth exercises powers of self-government and the U.S. Government exercises its reserved powers with respect of Puerto Rico.

The Puerto Rican Federal Relations Act is an old document serving a new purpose. It is to be naturally expected that some amendments and modifications may be proposed by Puerto Rico to better adjust existing relationships to the needs and realities of the political life of Puerto Rico.

The placing of the responsibility for public debt in the Commonwealth of Puerto Rico is consistent with the self-governing nature of the Commonwealth, as conceived and created by the joint effort and mutual agreement of the people of Puerto Rico and the people of the United States.

Mr. SAYLOR. Mr. Speaker, House Joint Resolution 124 is a commendable piece of legislation and I give it my hearty support. It is in keeping with the congressional belief that the Puerto Ricans are competent and capable of managing their own affairs. For the past 9 years, since the Commonwealth was created, Puerto Rico has made strides in many fields of development, particularly in encouraging economic stability.

Interior and Insular Affairs Committee hearings in Puerto Rico during the

86th Congress gave evidence of the need for additional capital to keep pace with the growing population and new industries that are enabling the Commonwealth to enjoy a stable economy.

This resolution will assist the Governor and legislature to improve the educational program and highway system of the island through the increased sale of bonds in the mainland markets. House Joint Resolution 124 will remove the debt limitation restriction from the Puerto Rican Federal Relations Act providing the Commonwealth constitution is amended to add the delegated language. In the event that amended language is not forthcoming the restriction on debt limitation will remain in the Federal Relations Act. The citizens of Puerto Rico are protected because they must ratify the amendment before it becomes effective. There is little danger of saddling the Puerto Ricans with an unbearable debt burden. I am certain that the proposed amendment will be carefully analyzed before it is voted upon.

Mr. Speaker, I endorse this legislation and hope its enactment will be expedited.

Mr. ASPINALL. Mr. Speaker, as we all know, the Commonwealth of Puerto Rico has a unique relationship with the United States. Public Law 600, 80th Congress, also known as the Puerto Rican Federal Relations Act, created the Commonwealth status for the island. The terms of the act describe it as being "in the nature of a compact between Congress and the people of Puerto Rico." The terms also provide they—the people—"may organize a government pursuant to a constitution of their own adoption." This constitution was duly drafted and accepted by the people of Puerto Rico in 1951 and by the Congress of the United States in 1952.

Since its creation the Commonwealth has progressed rapidly under the competent guidance of Gov. Luis Munóz-Marín and our colleague, Resident Commissioner Fernós-Isern.

House Joint Resolution 124 is in keeping with the policy enunciated in 1952 for self-government for the Commonwealth. Congress anticipated that the Commonwealth would be progressive and dynamic and that from time to time amendments would be desirable to keep the Puerto Ricans in step with the changing times. Congress likewise set certain restrictions on the Commonwealth with the understanding that they could be lifted when occasion demanded.

Among the restraints imposed on the Puerto Rican government and citizens was a limitation on the amount of bonded indebtedness which might be incurred by the Commonwealth and its municipalities. Presently there is a statutory restriction which provides:

> That no public indebtedness of Puerto Rico and five named municipalities * * * shall be allowed in excess of 10 per centum of the aggregate tax valuation of its property, and no public indebtedness of any other municipality—than these five—shall be allowed in excess of 5 per centum of the aggregate tax valuation.

Under House Joint Resolution 124 this restriction will be removed from section 3 of the Federal Relations Act, effective upon the inclusion of debt limitations in the Commonwealth constitution, and after approval by qualified electors voting in a referendum pursuant to procedures established by the constitution.

Commonwealth officials plan to increase the debt limitations as a step toward securing funds to construct and improve educational facilities and a modern highway system on the island.

Mr. Speaker, I know of no objections to the resolution. It has the endorsement of the Commonwealth government and the approval of the Interior Department and the Bureau of the Budget.

INCREASED COMPENSATION FOR CERTAIN SERVICE-CONNECTED DISABLED VETERANS

The Clerk called the bill (H.R. 873) to amend section 314(k), title 38, United States Code, to provide an increased statutory rate of compensation for veterans suffering the loss or loss of use of an eye in combination with the loss or loss of use of a limb.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. FORD. Mr. Speaker, reserving the right to object, I note in the committee report a letter dated March 13, 1961, from the Administrator of Veterans' Affairs that the Veterans' Administration is in process of conducting a study on this and related problems. The Bureau of the Budget and the Veterans' Administration state in their opinion a deferral of such legislation is advisable pending the completion of this study. I wonder if the distinguished chairman of the Committee on Veterans' Affairs would care to comment on the views of Mr. Gleason, Administrator of the Veterans' Administration.

Mr. TEAGUE of Texas. I would say to the gentleman that my recollection is that this study may take 2 or 3 years. That is the reason for trying to pass the bill at this time.

Mr. FORD. If this study, which may take that long, comes to the conclusion that this kind of legislation is objectionable from the viewpoint of the executive branch, have we not taken a step which we cannot justify legislatively?

Mr. TEAGUE of Texas. I would say to the gentleman that this bill was reported unanimously from the committee and I do not think the conclusions by the executive branch would have any effect on what our committee would do in the future.

Mr. FORD. It is hard for me to understand why the Veterans' Administration would take 2 or 3 years to study a problem which, according to their own letter, involves only 450 veterans. Can the gentleman give me any answer to that question?

Mr. TEAGUE of Texas. I think it is more far reaching; that the committee is doing the same type of investigation. We hope later to bring a compensation bill before the House which will consider many of these matters, but which will involve more than 450 veterans.

Mr. FORD. In their report they say this legislation would involve 450 veterans. At the same time there is the forecast, that the additional cost per annum involving these veterans is about $200,000 for the first and each of the subsequent 4 years. They make no comment about any additional cost thereafter, but I presume the cost in some degree would continue beyond the first 4 years, once it became law. Does the chairman have any comment to make about that fact?

Mr. TEAGUE of Texas. I think what they are talking about is this particular phase of compensation, but this is nothing like what we will have to ask for. The compensation of these 450 veterans refers to this particular bill, but the whole compensation problem is much broader than that.

Mr. FORD. Well, if that is true, why do we go about it piecemeal if both the committee and the Veterans' Administration are making a comprehensive study of the entire problem of disability payments?

Mr. TEAGUE of Texas. Because we believe that any man who has a combination of an arm off or a leg off or an eye out is entitled to the additional $47 a month, and we would like to have him start drawing it as soon as possible.

This bill seeks to authorize the payment of a statutory award of $47 monthly for each anatomical loss, or loss of use of, in addition to the basic compensation, but in no event to exceed $309 monthly. Existing law does not permit each such loss to receive the $47 rate.

Specifically the bill would provide the rate of $47 monthly to be paid to veterans suffering the loss or loss of the use of an eye in combination with loss of the use of a limb.

The Veterans' Administration estimates that there are 450 veterans involved at an annual cost of approximately $200,000.

This bill was reported in the 83d Congress; in the 84th, 85th, and 86th Congress it was reported and passed by the House, but failed of approval in the other body.

It was introduced at the request of the Disabled American Veterans and other veterans' organizations support its enactment.

Mr. FORD. Mr. Speaker, I withdraw my reservation of objection, and I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

PROVIDING ADDITIONAL COMPENSATION FOR VETERANS HAVING SERVICE-CONNECTED DISABILITY OF DEAFNESS OF BOTH EARS

The Clerk called the bill (H.R. 846) to amend title 38 of the United States Code to provide additional compensation for veterans having the service-connected disability of deafness of both ears.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. TEAGUE of Texas. Mr. Speaker, the purpose of this bill is to provide a

statutory award of $47 per month for veterans who are suffering from total deafness. This would be in addition to their basic rate for total deafness in both ears, which is generally an 80 percent rating and amounts to $160 monthly.

Thus the veteran today who is totally deaf in both ears receives $160 monthly. If this bill were enacted it would mean he would receive $207 per month. A few years ago a person who suffered from this disability was rated at 100 percent, and would have received $225 monthly. This amount was reduced administratively.

The Veterans' Administration estimates that there are approximately 900 cases involved and this would mean an additional cost of $506,000 the first fiscal year.

Identical legislation passed the House in the 85th and 86th Congresses but did not receive approval of the other body.

Mr. Speaker, in regard to the two bills which the House has just considered, H.R. 846 and H.R. 873, I think it should be called to the attention of the House that recommendation No. 10 of the Commission on Veterans' Pensions, established by President Eisenhower and usually referred to as the Bradley Commission, is involved in this general picture.

That recommendation is a part of the report which was filed on April 23, 1956, and printed as Committee Print No. 236 of the Committee on Veterans' Affairs of the 84th Congress.

The text of that recommendation is as follows:

RECOMMENDATION NO. 10

(a) The Veterans' Administration schedule for rating disabilities should be revised thoroughly so that it will reflect up-to-date medical, economic, and social thinking with respect to rating and compensation of disability. This revision should be based on thorough factual studies by a broadly representative group of experts, including physicians, economists, sociologists, psychologists, and lawyers.

(b) The revised schedule should serve in the future as the guide for compensation in all cases. It should combine in a comprehensive scale with appropriate rates all the factors—economic, social, physical, and mental—which should be considered in determining compensation for various disabilities.

(1) The basic purpose of disability compensation is economic maintenance. The loss of earning capacity as the result of disability should therefore continue to be the primary factor in the determination of rating criteria.

(2) Human life, however, has values beyond the economic sphere. A loss of physical integrity which is not reflected in loss of earning capacity may still constitute a serious handicap. The rating schedule should, therefore, make allowance for purely physical impairment even though it is not manifested in economic impairment. Also, appropriate consideration should be given to factors resulting in social inadaptability. These factors, however, should be given much less weight than the economic element.

(3) Shortened life expectancy due to disability or impairment of physical vitality may result in loss of earning capacity. It is appropriate, therefore, to reflect in the compensation scale some allowance for reduced longevity among disabled veterans providing it is held to modest weight and account is taken of the fact that liberal benefits for survivors are provided by the Government.

(c) The schedule recommended above would recognize loss of physical integrity in all cases where it would merit consideration. The objective should be to accord equal treatment to all individuals with disabilities of different kinds, but of equal severity. The present statutory awards, however, result in uneven treatment of individuals with disabilities of equal severity. Under the proposed comprehensive schedule, special awards would no longer be necessary for selected conditions since the loss of physical integrity would be one of the factors considered in the basic percentage rating scale.

(d) Intensive research on all phases of disability rating and compensation should be carried out on a continuing basis by the various agencies so that disability rating procedures and criteria would be kept up to date.

It will be noted that the basic point of this recommendation is that the rating schedule should be thoroughly revised and, among other things, new weight should be given to shortened life expectancy. In this connection I may say parenthetically that the Committee on Veterans' Affairs has pending before it three bills (H.R. 863, H.R. 864, and H.R. 865) along this line and I hope to have action on them some time before the Congress finally adjourns.

The Bureau of the Budget in its report to the chairman of the Senate Finance Committee, on June 27, 1957, on the bill H.R. 52—which later became Public Law 85–168 and was the last general compensation increase—stated, among other things:

In 1955 the Veterans' Administration began a revision of the schedule for rating disabilities to assure that it would reflect the current level of medical, economic, and other scientific knowledge. This revision, based on the existing statutory standard of average impairment of earning capacity, is now proceeding with the President's approval. He is also directing the Administrator of Veterans' Affairs to develop, for submission to the Congress, a schedule of supplementary awards which will make equitable provision for such noneconomic factors as loss of physical integrity, social inadaptability, and shortened life expectancy.

The reports of the Veterans' Administration on identical bills in the 86th Congress and 87th Congress should be read in connection with the reports on the bills in this Congress:

H.R. 268, 86TH CONGRESS

The Veterans' Administration is in accord with the principle that basically the amount of compensation payable should be proportionate to the extent of average economic impairment. Any consideration of supplementary awards of compensation based on noneconomic factors should be approached on a uniform and equitable basis. Statutory awards on a piecemeal basis have discriminatory effects.

H.R. 283, 86TH CONGRESS

The Veterans' Administration is in accord with the principle that basically the amount of compensation payable should be proportionate to the extent of average economic impairment. Any consideration of supplementary awards of compensation based on noneconomic factors should be approached on a uniform and equitable basis. Statutory awards on a piecemeal basis have discriminatory effects. The Veterans' Administration is now making an extensive study to develop for submission to the Congress a schedule of supplemental awards which will make equitable provision for such noneconomic factors as loss of physical integrity, social inadaptability, and shortened life expectancy.

It is recommended, therefore, that favorable action not be taken at this time on bills such as H.R. 283 which by reason of their piecemeal nature may well create further inequities and distortions in the compensation structure.

H.R. 846, 87TH CONGRESS

The compensation authorized by subsection (k) is in the nature of a supplemental award which recognizes factors other than the economic loss involved. For some time the Veterans' Administration has been making an extensive study to develop for submission to the Congress a schedule of supplemental awards which will make equitable provision for such noneconomic factors as loss of physical integrity, social inadaptability and shortened life expectancy. Our Department of Veterans' Benefits has been concentrating on the shortened life expectancy phase of the project. Since completion of the entire study will require a considerable period of time, and since the immediate impact of this bill is limited, the Congress may wish to consider it notwithstanding the incompleteness of the data available.

H.R. 873, 87TH CONGRESS

The compensation authorized by subsection (k) is in the nature of a supplemental award which recognizes factors other than the economic loss involved. For some time the Veterans' Administration has been making an extensive study to develop for submission to the Congress a schedule of supplemental awards which will make equitable provision for such noneconomic factors as loss of physical integrity, social inadaptability, and shortened life expectancy. Our Department of Veterans' Benefits has been concentrating on the shortened life expectancy phase of the project. Since completion of the entire study will require a considerable period of time, and since the immediate impact of this bill is limited, the Congress may wish to consider it notwithstanding the incompleteness of the data available.

Members will readily note the difference in emphasis of the Veterans' Administration report. In effect, it seems to me the Veterans' Administration is saying it has no objection to the enactment of this proposal at this time and that the completed study on shortened life expectancy, for which the Bureau of the Budget suggests that we wait, may not be ready for some time, perhaps years. The same is true of the report of the Veterans' Administration on the bill of last year and the subject bill relating to each such anatomical loss.

I believe, in view of the history of these proposals and the limited application,

that it is wise to pass these measures at this time and enact them into law as soon as possible.

The situation is not without its amusing side. The Bureau of the Budget was very much, and still is, interested in the recommendation and findings of the President's Commission on Veterans' Pensions. Now that the Veterans' Administration has moved in the field of conducting a study of the rating schedule and other items mentioned in recommendation No. 10 above, it is finding that there is no reason why some of the bills that it has opposed in the past should not be favorably considered and enacted into law—this is my interpretation and might not be shared by the Veterans' Administration. In other words, the Bureau of the Budget is happy to have a study made but at the present time is rather unhappy with some of the findings and results of the study which the Veterans' Administration is in the process of completing.

Mr. FORD. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

AUTHORIZING CERTAIN BEACH EROSION CONTROL OF THE SHORE IN SAN DIEGO COUNTY, CALIF.

The Clerk called the bill (S. 307) to authorize certain beach erosion control of the shore in San Diego County, Calif.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. WEAVER. Mr. Speaker, it is my understanding that the first year's cost of this bill is in excess of a million dollars and it violates the rules of the Consent Calendar, and therefore I object.

DESIGNATING THE FIRST DAY OF MAY OF EACH YEAR AS LAW DAY, U.S.A.

The Clerk called the resolution (H.J. Res. 32) to designate the first day of May of each year as Law Day, U.S.A.

The Clerk read the title of the resolution.

The SPEAKER. Is there objection to the present consideration of the House joint resolution?

Mr. HOFFMAN of Michigan. Mr. Speaker, reserving the right to object, will the gentleman tell us how many days have been set apart as special days to observe some particular event.

Mr. CELLER. Many days have been adopted in the other body, and we members of the Judiciary Committee of the House have been endeavoring to hold down the number of those days. We have been striving with might and main to keep the number of those commemorative days at a minimum. Sometimes we have wounded the sensibilities of some of the Members who have sponsored those bills by not reporting them favorably. The problem of selection is difficult. I can assure the gentleman that we only accept those which have widespread approval, and which satisfy cultural, patriotic or industrial needs.

Mr. HOFFMAN of Michigan. I do not understand the gentleman's answer. This bill and the one to follow set aside days; in fact, one sets aside a week to be known as Transportation Week. Have you set aside for special observance more days than there are in the year?

Mr. CELLER. With reference to Law Day——

Mr. HOFFMAN of Michigan. No; my question is, Have you set aside more days for special observance than there are days in the year so there would have to be duplication of observance on some of them?

Mr. CELLER. We do not do that. I do not think the gentleman's characterization is very sound. We have been very careful not to have too many days. You do not find many of these bills coming to the floor. I can assure the gentleman that we have pending in the committee probably 70 or 80 bills for a like number of days for specific purposes. We are holding them down to a minimum and come here with only a few of them. It is rather difficult to do that. The House gets very few of these bills, due to the efforts of the Judiciary Committee to hold them down to discourage them as much as possible.

Mr. HOFFMAN of Michigan. The reason I am asking is that I have two or three similar requests, and I just wondered whether to send them over to the gentleman's committee and please those who made the requests, or just what kind of reply to send to some organization or individual asking some day or week be designated to hold a celebration.

Mr. CELLER. All the days have not been assigned. If the gentleman has a real cause embodied in his bill setting forth a particular day, let us have it and we will consider it on its merits.

Mr. HOFFMAN of Michigan. On its merits. But suppose it does not have any merit, that they just want a day.

Mr. CELLER. Then I am afraid we would have to reject it.

Mr. HOFFMAN of Michigan. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the present consideration of the resolution?

Mr. JONES of Missouri. Mr. Speaker, I object.

DESIGNATION OF NATIONAL TRANSPORTATION WEEK

The Clerk called the resolution (H.J. Res. 143) authorizing the President of the United States to proclaim the week in May of each year in which falls the third Friday of that month as National Transportation Week.

The SPEAKER. Is there any objection to the present consideration of the resolution?

Mr. JONES of Missouri. Mr. Speaker, I object.

STUDY OF STATE TAXATION OF INTERSTATE COMMERCE

The Clerk called the bill (H.R. 4363) to amend Public Law 86–272 relating to State taxation of interstate commerce.

There being no objection the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 201 of Public Law 86–272 (73 Stat. 556) is amended to read as follows:

"SEC. 201. The Committee on the Judiciary of the House of Representatives and the Committee on Finance of the United States Senate, acting separately or jointly, or both, or any duly authorized subcommittees thereof, shall make full and complete studies of all matters pertaining to the taxation of interstate commerce by the States, territories, and possessions of the United States, the District of Columbia, and the Commonwealth of Puerto Rico, or any political or taxing subdivision of the foregoing."

Mr. WILLIS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. WILLIS. Mr. Speaker, I should like to offer a brief background explanation of the bill which is now before the House, H.R. 4363. This bill would expand the scope of the study required by Public Law 86–272. In that statute, Congress required the Committee on the Judiciary of the House and the Committee on Finance of the Senate to—

make full and complete studies of all matters pertaining to the taxation by the States of income derived within the States from the conduct of business activities which are exclusively in furtherance of interstate commerce, or which are a part of interstate commerce.

The general problem of State taxation of interstate commerce, of which income taxation is but a part, is not a new one. It has been with us for as long as we have been a Nation. However, during recent years it has become particularly acute. Rightly or wrongly, people have come to expect more from their Government—Federal, State, or local—too much, in my opinion. In addition, the cost of those things which local government has traditionally supplied—roads, schools, various eleemosynary institutions—has increased enormously. It has been estimated that State expenditures today are 400 percent more than they were some 15 years ago. The result has been that in their quest to keep up with expenses, States and local governments have, during recent years, turned to new forms of taxation and have begun to enforce already existing forms with a new diligence and inspired ingenuity.

In 1959, the issue came to a head when the Supreme Court handed down its decision in Northwestern States Portland Cement Company against Minnesota and its companion case, Williams against Stockham Valves and Fittings. In those cases the Court upheld the constitutionality of a State tax on the net income of an out-of-State corporation even though the income was derived from activities exclusively in furtherance of interstate commerce.

Whether the Northwestern and Stockham decisions actually enlarged the authority of the States to tax out-of-State business has been and remains a matter of controversy. There were many who

felt that the broad language in the opinion created new uncertainties. These apprehensions were strengthened by the refusal of the Supreme Court to review the decision of a State court in Brown-Forman against Collector of Revenue.

In that case, the out-of-State business—the taxpayer—had no office, warehouse, or other place of business in the taxing State. Income was derived solely from the activities of representatives within the taxing State. Nevertheless, the company was held subject to a tax on income apportioned to the State.

If businessmen were concerned with the meaning of the Northwestern case, where the company actually operated at least a sales office within the taxing State, they were seriously disturbed by Brown-Forman. At least 35 States, the District of Columbia and at least 8 cities tax business income derived from interstate commerce. How many of them would now seek to exploit an area into which they had previously ventured with varying degrees of diligence? How many of them would now seek to collect taxes, penalties and interests which had accrued over a period of many years, as Minnesota did in the Northwestern case? Although States could probably tax an out-of-State business which did no more than solicit within the State, how many would seek to do so? How many would expect those who did a negligible amount of business in the State to file returns and pay taxes even though compliance would cost almost as much or more than the tax itself?

Thousands of letters flowed into congressional offices and in the summer of 1959 Congress enacted Public Law 86–272. That act sought to relieve the apprehensions of the business community while at the same time preserving for the States a broad area for taxation. The act provided that a State could not impose a tax on the net income derived within that State by an out-of-State business, if the only activity within the State was the solicitation of orders. In effect, Public Law 86–272 drew the line about where the majority in Northwestern had drawn it but short of the implications of the Brown-Forman case. While Congress tried to enact a fair and reasonable statute, it recognized that in this most complex area it would have been presumptuous to consider Public Law 86–272 a permanent or comprehensive solution to the problem. Indeed, the House bill would have limited the effectiveness of the statute to 2 years. And although the Senate version had no time limitation, the Senate report recognized the temporary or stopgap nature of the measure. In addition, both Houses called for studies of the entire problem of State taxation of income deprived from interstate commerce and this provision was enacted into law.

In the House the task of conducting the studies required by statute was given to the House Judiciary Committee and I had the great honor of being selected chairman of the special subcommittee charged with this responsibility. I might add that subsequently Senator BYRD proposed to defer to the House in this matter and, therefore, the study is now entirely the responsibility of my subcommittee.

If, after the enactment of Public Law 86–272, we were not all perfectly satisfied with our temporary solution to the problem, we at least felt that we had a breathing spell in which to think and study. But in the midst of our meditations the fire broke out again, this time in another area.

As you know, during recent years an increasingly large number of States and municipalities have turned to the sales tax as a source of revenue. To prevent evasion as well as to protect local businessmen from untaxed competition, they have also enacted use taxes. However, it is one thing to enact the use tax and another to collect it. A bright young man, some place, therefore, came up with the idea that since sellers are less numerous and easier to find than buyers, why not require out-of-State businesses selling within the State to collect use taxes from their customers and pay them over to the State. As you might expect, this was not received with universal joy unbounded by the public community.

The upshot was, of course, another battle in the courts and a decision by the Supreme Court of the United States. In 1960, in Scripto against Carson, the Court held that a State may require an out-of-State business to collect a use tax for it on sales within the State even though the company maintained no facilities there. The reaction was much the same as that which followed the Northwestern decision and once again Congress was importuned to preserve the country from alleged Balkanization by tax collection.

It appeared to many of us that this was another aspect of the same economic and general legal problem as that raised by the income tax in Northwestern. The conflict between our historic demand for an unobstructed flow of commerce among all the States was once again at loggerheads with the need of the States for revenue and their desire to protect local businesses from competitive disadvantage. This would be the basic framework of the problem regardless of the type of tax involved. This is a unitary problem—one which cannot be neatly compartmented into an income tax problem, a sales tax problem, a use tax problem, a franchise tax problem. It appeared that there could be neither a meaningful study nor a meaningful solution unless we looked at the entire picture. Accordingly, I introduced H.R. 4363, the bill which is now before the House. This bill would enlarge the scope of our study to cover "State taxation of interstate commerce," rather than just "income derived from interstate commerce." In this, I have the support of Senator BYRD, chairman of the Senate Committee on Finance. I hope that the bill will be favorably acted upon by both Houses.

The problems with which our special subcommittee will have to deal are numerous, complex, and large. We are faced with determining such questions as:

What is the extent of the Federal power in this area and, conversely, what is the extent of State power?

What is the validity of a minimum activities approach?

What is the validity of a solution based upon a uniform allocation and apportionment formula?

If such a solution is valid, what factors are to be used in the formula?

What are the economic effects of any proposed solution? Does it protect the unity of the Common Market while at the same time preserve an adequate source for State revenue?

Should intangibles as well as tangibles be included in any Federal statute?

Should provision be made for the problems of the interstate transportation business?

These are but a few of the serious and difficult issues which confront us. The problems are great but the opportunities are also great. For over 150 years we have wrestled with this dilemma. Up to now it has been the courts which have had to draw the lines. We have had to this date some 300 full-scale decisions in this general area by the Supreme Court of the United States alone, yet the problem remains with us. We have only now come to the realization that these are questions which are not susceptible of solution in the ad hoc manner in which cases are decided dependent as they are both on variations in fact and in changes in the personnel of the Court.

The need for congressional action was pointed out most clearly by Mr. Justice Frankfurter in his dissenting opinion in the Northwestern case when he stated that "Congress alone can formulate policies founded upon economic realities," and that "congressional committees can make studies and give the claims of the individual States adequate hearing before the ultimate legislative formulation of policy is made by the representatives of all the States."

This is the task we now have before us. It is a milestone in our economic and legal history.

Mr. DADDARIO. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. DADDARIO. Mr. Speaker, I want to compliment the Committee on the Judiciary for taking note of the burgeoning problems relating to State taxation. Like all of the members, I recognize the increasing demand at State levels for revenues to carry on vital programs, but I am concerned deeply with the effect that some actions are having or may have on interstate commerce.

Two years ago I supported the recommendations of the Committee on the Judiciary with respect to the right of the States to collect income tax on revenues collected within each State. Sub-

sequently, following the Scripto decision, I introduced legislation which would add to the study of the committee the question of whether States may require companies to collect and forward use taxes when sales of such products are made in other States.

It was too late to hold hearings on that legislation a year ago, I was advised, and I reintroduced such legislation in the form of H.R. 1148 in this session. I believe it should be made the subject of hearing at the earliest possible date, because we are seeing an increase in the problem that will make a future decision very hard on any State.

I may point out that the constitutional questions which arose concerning the collection of income tax do not arise in the case of H.R. 1148. It says nothing about the right of a State to collect a tax from a resident who makes a purchase within that State. It does seek to limit the power of the States to go roving throughout the other States to make business concerns pay levy to them.

This, I think, is a serious question. If we are to have a common market in this country—if we are to encourage full economic activity—if we are not to have taxes laid on articles exported from any State, as is directly forbidden in the Constitution—then I believe we ought to check this growth of Scripto-type taxes immediately until the Judiciary Committee completes the study it is now undertaking.

I may point out this fact. The present situation requires companies to maintain books and records on sales activities in 50 States, even though they have no sales offices in those States. Two years ago, only one or two States interpreted the law in the way upheld in the Scripto case. Today, more than five have, and others have such an application under consideration. If we delay in suspending this application of use tax laws until the question is studied and ironed out, more States will have begun to tap that revenue and incorporate it in their revenue base. Then a correction will prove a definite hardship.

I trust the Committee on the Judiciary, which, as I understood it from previous correspondence, already is given under the rules the right to handle measures affecting interstate taxation, will see fit to recommend shortly the suspension of collection of use taxes as it is described in H.R. 1148, before the situation is entirely out of hand.

All our States depend heavily on the growth of economic activity. They need a free and unfettered economy in which manufacturers and businessmen may develop markets across the country. The insistence that companies which may have no other connection with a State serve as a collection agent for such a State is an unnecessary harassment at a time when we should be encouraging business activity.

I hope, therefore, that this bill will not be regarded as a solution to the problem, and that we can have assurances from the distinguished chairman that steps will be taken to suspend taxation of interstate commerce until the studies which are herein authorized may be completed.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. McCULLOCH. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. McCULLOCH. Mr. Speaker, the passage of H.R. 4363 to expand the scope of the tax study authorized by Public Law 86–272 so as to include all aspects of State taxation of interstate commerce could easily become one of the most important legislative accomplishments of the 87th Congress.

After the Supreme Court decision in *Northwestern Cement Company* v. *Minnesota* (358 U.S. 450 (1959)), it became evident to many Members on both sides of the aisle that it would be necessary for Congress to establish a minimum standard to be followed in the State taxation of income derived from interstate commerce and that a comprehensive and objective study of the problems involved in this area of Federal-State relationship should be undertaken.

The result, as is now well known, was to include a study provision in the bill which became Public Law 86–272.

Since the enactment of Public Law 86–272 the Supreme Court rendered a decision in *Scripto, Inc.* v. *Dale Carson* (362 U.S. 207 (1960)), involving the imposition of a Florida State use tax on a commodity sold and shipped from Georgia. From this and from other recent decisions it has become evident that a study limited to State taxation of income derived from interstate commerce without at the same time considering the other aspects of State taxation of interstate commerce, such as sales and use taxes, would be of very limited value. In short, the problems in this entire area of State taxation are related and it is of the utmost importance that a practical, unified, and workable solution instead of a piecemeal solution be determined and enacted into law once the proposed study has been completed.

I might add that the problems presented are grave, that they touch on Federal-State relationships, and that I am particularly gratified that the study is going to be broadened.

FEED GRAIN PROGRAM, 1961

Mr. COOLEY. Mr. Speaker, I call up the conference report on the bill (H.R. 4510) to provide a special program for feed grains for 1961, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 170)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4510) to provide a special program for feed grains for 1961 having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "That section 105 of the Agricultural Act of 1949, as amended, is amended by adding the following new subsection:

"'(c) Notwithstanding any other provision of law—

"'(1) The level of price support for the 1961 crop of corn shall be established by the Secretary at such level not less than 65 per centum of the parity price therefor as the Secretary may determine. Price support for corn and grain sorghums shall be made available on not to exceed the normal production of the 1961 acreage of corn and grain sorghums of each eligible farm based on its average yield per acre for the 1959 and 1960 crop acreage.

"'(2) The Secretary shall require as a condition of eligibility for price support on the 1961 crop of corn, grain sorghums, and any other feed grain which he may designate that the producer shall participate in the special agricultural conservation program for 1961 for corn and grain sorghums to the extent prescribed by the Secretary.'

"SEC. 2. Section 16 of the Soil Conservation and Domestic Allotment Act, as amended, is amended by adding the following new subsection:

"'(c) Notwithstanding any other provision of law—

"'(1) The Secretary shall formulate and carry out a special agricultural conservation program for 1961, without regard to provisions which would be applicable to the regular agricultural conservation program, under which, subject to such terms and conditions as the Secretary determines, conservation payments in amounts determined by the Secretary to be fair and reasonable shall be made to producers who divert acreage from the production of corn and grain sorghums to an approved conservation use and increase their average acreage devoted in 1959 and 1960 to designated soil conserving crops or practices by an equal amount: *Provided, however,* That any producer may elect in lieu of such payment to devote such diverted acreage to castor beans, safflower, sunflower, or sesame, if designated by the Secretary. Such special agricultural conservation program shall require the producer to take such measures as the Secretary may deem appropriate to keep such diverted acreage free from insects, weeds, and rodents. The acreage eligible for payments in cash or in an equivalent amount in kind under such conservation program shall be an acreage equivalent to 20 per centum of the average acreage on the farm planted to corn and grain sorghums in the crop years 1959 and 1960 or up to twenty acres, whichever is greater. Such payments in cash or in kind at the basic county support rate may be made on an amount of corn and grain sorghums not in excess of 50 per centum of the normal production of the acreage diverted from corn and grain sorghums on the farm based on its average yield per acre for the 1959 and 1960 crop acreage. Payments in kind only may be made by the Secretary for the diversion of up to an additional 20

per centum of such corn and grain sorghum acreage. Payments in kind on such additional acreage may be made at the basic county support rate on an amount of corn and grain sorghums not in excess of 60 per centum of the normal production of the acreage diverted from corn and grain sorghums on the farm based on its average yield per acre for the 1959 and 1960 crop acreage. The Secretary may make such adjustments in acreage and yields for the 1959 and 1960 crop years as he determines necessary to correct for abnormal factors affecting production, and to give due consideration to tillable acreage, crop rotation practices, type of soil, and topography. The Secretary may make not to exceed 50 per centum of any payments to producers in advance of determination of performance.

"'(2) There are hereby authorized to be appropriated such amounts as may be necessary to enable the Secretary to carry out this section 16(c). Obligations may be incurred in advance of appropriations therefor and the Commodity Credit Corporation is authorized to advance from its capital funds such sums as may be necessary to pay administrative expenses in connection with such program during the fiscal year ending June 30, 1961, and to pay such costs as may be included in carrying out section 3 of the Act which added this subsection to this Act.

"'(3) The Secretary shall provide by regulations for the sharing of payments under this subsection among producers on the farm on a fair and equitable basis and in keeping with existing contracts.'

"SEC. 3. Payments in kind shall be made through the issuance of negotiable certificates which the Commodity Credit Corporation shall redeem for feed grains and, notwithstanding any other provision of law, the Commodity Credit Corporation shall, in accordance with regulations prescribed by the Secretary, assist the producer in the marketing of such certificates at such time and in such manner as the Secretary determines will best effectuate the purposes of the 1961 Feed Grain Program authorized by this Act. In the case of any certificate not presented for redemption within 30 days of the date of its issuance, reasonable costs of storage and other carrying charges, as determined by the Secretary, for the period beginning 30 days after its issuance and ending with the date of its presentation for redemption shall be deducted from the value of the certificate.

"SEC. 4. Not later than 90 days after the effective date of this Act the Secretary shall submit to the Congress a detailed report, including estimates where final figures are not available, setting forth but not limited to the number and percent of cooperators under this Act, the acreage retired from production by States, the cash payments made, the quantity and kind of feed grains made available under the payment-in-kind provisions of the Act and the value thereof, the overall cost of the program, the estimated savings compared with the program in effect before this Act became effective, and such other information as will indicate the progress, cost, and reduction of surpluses under this Act."

And the Senate agree to the same.

HAROLD D. COOLEY,
W. R. POAGE,
PAUL C. JONES,
Managers on the Part of the House.

ALLEN J. ELLENDER,
OLIN D. JOHNSTON,
SPESSARD L. HOLLAND,
HERMAN E. TALMADGE,
MILTON R. YOUNG,
Managers on the Part of the Senate.

STATEMENT OF MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4510) to provide a special feed grains program for 1961 submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The amendment of the Senate struck out all after the enacting clause of H.R. 4510 and inserted the language of a similar Senate bill (S. 993) as passed by the Senate. The conference has agreed on a substitute to the Senate amendment which follows in general the language of the House bill with the exception of the changes noted below. Other than technical changes, the differences between the bill as passed by the House and the substitute agreed to by the conferees are as follows:

SECTION 1

This retains the language of the House bill with some modifications. The level of price support for the 1961 crop of corn will be established by the Secretary "at such level not less than 65 per centum of the parity price therefore as the Secretary may determine" but the committee of conference understands that pursuant to this authority the support level for corn for the 1961 crop will be $1.20 per bushel.

The House bill required that soybean producers and producers of such other oilseed crops as might be designated by the Secretary would have to participate in the corn and grain sorghum acreage reduction program in order to be eligible for price supports on soybeans or such other designated oilseed crops. The conference substitute omits this requirement.

SECTION 2

Section 2 follows in general the language of the House bill. It authorizes the Secretary of Agriculture to formulate and carry out a special agricultural conservation program for corn and grain sorghums for 1961 and requires that an acreage equivalent to 20 percent of the average acreage on the farm of these two crops in the years 1959 and 1960 must be retired under the special conservation program in order for the producer to be eligible for price supports on corn or grain sorghums. An additional 20 percent may be retired at the producer's option. It requires that a corresponding increase must be made in the average acreage devoted in 1959 and 1960 to soil-conserving crops and practices and it is the understanding of the conference committee that the certification of the producer with respect to this acreage may be accepted as evidence of compliance.

The House bill contained the provision that any producer participating in the corn and grain sorghum acreage retirement program might elect, in lieu of any payment for such land retirement, to grow on the diverted acreage any crop not in surplus, not eligible for price supports, and not produced principally for livestock feed which might be designated by the Secretary. This provision has caused so much misunderstanding that the committee of conference has substituted for it a listing of the specific crops which may be designated by the Secretary. They are castor beans, sunflower, safflower, and sesame. The Secretary will designate which, if any, of these crops may be grown on diverted acreage.

Paragraph 2 of the committee substitute combines the provisions contained in paragraphs 2 and 3 of section 2 of the House bill. The authority for financing the program is virtually the same as that in the House bill except that the specific authorization for expenditure of $500 million for payments in cash in advance of appropriations is eliminated and the language makes it clear that CCC may pay the cost involved in carrying out the provisions of section 3 of the conference substitute.

Paragraph 3 of section 2 contains the Senate provision for a sharing of payments among producers on the farm on a fair and equitable basis and in keeping with existing contracts.

SECTION 3

Section 3 of the bill as passed by the House, which was its most controversial section, was modified and rewritten by the conference committee. The effect of this is to change the language and the procedures of section 3 but to leave to the Secretary the power to encourage participation in the program by releasing into the market the amount of feed grains represented by the certificates issued as payment in kind under the program authorized by the legislation. Under section 3 as passed by the House, the Commodity Credit Corporation would have been authorized to sell feed grains during the 1961 marketing year in unlimited quantities at prices not less than 17 percent below the 1961 support price, or about $1 per bushel for corn and a comparable price for grain sorghums. The new language of section 3 requires all certificates representing payments in kind to be redeemed for feed grains but a producer-certificate holder not desiring to take feed grains may obtain the assistance of the Commodity Credit Corporation in the marketing of his certificates for cash. The new language, however, gives the Secretary discretion as to when such certificates would be sold in order that the Secretary may have a measure of control over the rapidity with which the certificates may be placed on the market. The Secretary would be authorized, as a means of providing adequate assistance to producers in the marketing of their certificates, to direct the Commodity Credit Corporation to make an advance on the certificate to the producer. The Commodity Credit Corporation would then be reimbursed for such advance from the sale proceeds of the certificates. In this way, the Secretary would not be required, when he deemed such action contrary to the best interests of the program, to permit an undue quantity of grain to be put on the market. If a certificate is not presented for redemption within 30 days of its issuance reasonable storage and other charges as determined by the Secretary, beginning 30 days after issuance of the certificate and ending with its presentation for redemption, would be deducted from the value of the certificate. However, if the Department elected to hold producers' certificates off the market longer than 30 days after their issuance, producers would not have to bear storage and other charges, since the time of the marketing of the certificates would not be within their control, but would be wholly within the control of the Department. Under the language of section 3 the Secretary is required to deduct only such storage and other charges as he determines to be reasonable and this would give him ample authority to relieve the producer of storage and other charges under these circumstances.

SECTION 4

Section 4 of the conference substitute adds language which was not in the House bill. It provides that the Secretary shall submit to Congress, within 90 days after the effective date of this act, a detailed report on the progress, cost, and reduction of surpluses under the program, and other relevant information.

HAROLD D. COOLEY,
W. R. POAGE,
PAUL C. JONES,
Managers on the Part of the House.

Mr. COOLEY. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. POAGE], chairman of the subcommittee that handled this bill.

Mr. POAGE. Mr. Speaker, I believe the conference committee has been able

to bring back to the House a very satisfactory compromise with the Senate. Basically we have kept intact the major provisions of the bill as passed by this body.

The statement on the part of the managers which was just read gave you an outline of those differences and how they were composed. It was pointed out that the very basic provisions as to support prices were retained. We do retain the provision as to how the Secretary of Agriculture shall support feed grains produced by a cooperator, and while the House bill did not have any figure in dollars and cents in it, and the conference report does not have a figure, we do provide that the support price shall be not less than 65 percent of parity, and we have the assurance of the Secretary that it will be $1.20 a bushel on corn and other feed grains in proportion, so that we start out with a sound and understandable premise.

There was some wording in the House bill relating to the land which might be placed in soybeans or any crop not raised for feed and designated by the Secretary, and that was stricken out. We simply wrote in there that it might be devoted to "sunflowers," "castor beans," "safflower," or "sesame" if so designated by the Secretary, and in the event that the cooperator saw fit to forgo the payments per acre in order to grow the nonsurplus crop on this land.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. I think the conferees on the part of the House have upheld with dignity the position of the House in the conference that took place. I agree with the gentleman that the substance of the House bill has been preserved and maintained in the conference report. I can assure the gentleman that the President is satisfied with the conference report.

Mr. POAGE. I thank the gentleman.

Mr. ARENDS. Mr. Speaker, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Illinois.

Mr. ARENDS. In other words, if I understand the gentleman correctly, he feels that the House position has been maintained, even including section 3, which was maintained in the House bill?

Mr. POAGE. I do. I have not reached section 3 in my chronological discussion, but I think that is the section in which the House is primarily interested. While the language in section 3 is completely different from the language in the House bill, I think the results achieved are substantially the same, and those results are, to wit, to allow the Secretary of Agriculture, through the power to move in this case certificates rather than grain, to move certificates into the market. The Secretary retains the power to keep the market at substantially its present level. This is not a program, as some have described it, to break the market but rather to maintain the market at approximately $1 a bushel on corn, which is the market now, so that if there is any increase, as we anticipate there will be, in the market price of corn and feed grains as the result of this bill, that increase will inure to the benefit of the cooperators and the U.S. Government and not to the benefit of noncooperators who did nothing in the world to bring about the increase.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Iowa.

Mr. GROSS. But the ability to issue certificates carries a built-in limitation that section 3 previously did not carry; is that not correct?

Mr. POAGE. That is correct, and I do not think it is a bad feature. I think that feature is all right, because it does allow everyone to know the maximum amount of grain or grain equivalent which the Secretary may ever place on the market.

Mr. GROSS. But that is definitely a limitation that was not contained in section 3.

Mr. POAGE. That is definitely a limitation, which was not contained in the original bill.

Mr. ARENDS. Mr. Speaker, if the gentleman will yield further, under the provisions of section 3 in the House bill, whereby the Secretary would be permitted to sell corn at 17 cents below the support price, what would be the equivalent under this bill? You mentioned $1. Would that be the equivalent of $1, which is the market price today?

Mr. POAGE. One dollar is the market price today, and that is the goal toward which we are shooting. The House bill provided specifically that the Department could not go below that amount and the compromise does not have that limitation on it. The limitation mentioned by the gentleman from Iowa is as to the total amount, and we anticipate that with the lesser amount which can be offered in the market, the Secretary could not effect a greater depression which he could have with the 17-percent limitation which was effective under the original bill. So we did not figure that the 17-percent limitation was necessary at this time.

Mr. ARENDS. Let me put it another way. I am not quite clear. Assuming that the market might go up in a period of 3 months—that is, the market for corn—to $1.15 per bushel, would the Secretary under the provisions of the compromise have the right to sell corn at $1 a bushel?

Mr. POAGE. Yes, he would. He would have the right to sell certificates.

Mr. ARENDS. Certificates; yes.

Mr. POAGE. Which would be redeemable in corn, which would result in the buyer getting corn at $1 a bushel.

Mr. NELSEN. Mr. Speaker, will the gentleman yield?

Mr. POAGE. I yield to the gentleman.

Mr. NELSEN. I was interested in clearing up this point. Under the provisions of the bill as agreed to by the conferees, if part payment is made in cash or in kind on signing, immediately the Secretary would have available this certificate or commodities in like amount. Could he then dump that on the market now, which would affect the last year's crop of corn, and which would be really taking an unfair advantage of last year's crop? I wondered what the policy would be on the part of the Secretary.

Mr. POAGE. Under the bill he can clearly offer those certificates for sale whenever they are placed back in his hands by farmers. Of course, he cannot get any certificates until after somebody has signed up and has acquired the certificate. Then it does not involve breaking the market on the old corn. That was the point that I tried to make plain a while ago. I think that is the basic misunderstanding about this bill. There has been no desire at any time to break the market. The market on corn today is $1. Farmers are not getting $1.15 for their corn. Corn is not going to go up unless there is some restraint in the amount of plantings during the planting season. Everybody knows that. If we have a large number of noncooperators who plant too much, obviously the price is not going up in the market. On the other hand, if we have a large number of cooperators, the price will go up and it will go up because of the sacrifice of the cooperators. This bill—either the bill under the conference report or the original House bill—is intended simply to say that that increase in price shall come to the people who made that increase possible. By the wildest stretch of the imagination you cannot assume that anybody except the cooperator made that increase possible.

This report authorizes the Secretary if he finds that the price is going up as a result of this program, and if there is a big sign-up, the price will begin to go up—after the Secretary finds that that is going to be this result, he will recapture for the United States Government and for the cooperators the increase rather than allowing it to go to the noncooperators.

Mr. MAHON. Mr. Speaker, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Texas.

Mr. MAHON. The gentleman knows that many of us have some very serious reservations as to the desirability of this legislation. I am much concerned over the whole matter. Some of my concern over this measure was expressed when the bill was before us some time ago.

I would like to have the gentleman's own personal view on the following question: Does he presently think that if this bill is enacted into law, it will decrease the production of feed grains, that it will decrease the Government-held stocks of feed grains, that it will increase the income of the farmer and bring on a more wholesome and stable situation in agriculture?

Mr. POAGE. It is my view that it will do all three of those things.

Mr. FOGARTY. Mr. Speaker, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Rhode Island.

Mr. FOGARTY. It looks to me as though this was just a sop given to the Midwest farmers, because if they do not buy it, they are not going to have any

program. Then in the fall when prices go up, stimulated by the higher price supports, corn will go up to $1.20 a bushel. That is when my people in the Northeast are going to be hurt, because they are too far from the source of supply and as a result will feel the pressure in the increased prices on poultry and eggs and beef in those areas where we have it, and also, that price increase will be passed on to the consumer.

Mr. POAGE. Most of the people in the gentleman's area I have heard from have suggested they wanted the price of poultry to go up. It is disastrous today at the old levels, as the gentleman knows, at 12 or 13 cents, when it takes 17 or 18 cents to make any kind of profit.

I think this bill offers the greatest hope that has been offered the poultry growers any time I have known of, because it guarantees a stable feed price level for at least the next 6 months. Nothing can be better for the poultry growers than a stable feed price level, with the assurance that at the end of that time there would be an upward movement, which should strengthen the price of poultry during all of those months.

As to your consumers, they had a better deal when the farmer was getting 18 cents a pound for his poultry than they have today. The A. & P. and other stores in the gentleman's part of the country were selling dressed chickens at lower prices with the higher feed prices than they are selling them today with the cheaper feed prices. I will not guarantee that this will bring the price of chicken down, but I do assure the gentleman that the history of this thing is that you bought dressed chicken and dressed meat much more cheaply when we had higher feed grain prices than you do with the low prices here today.

Mr. FOGARTY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. FOGARTY. Mr. Speaker, I voted against this feed grain bill last week in the form in which it then was—and that was bad.

Today, I will vote against this conference committee report because it is even worse from the point of view of two groups in which I am most interested—consumers—and aren't we all—and the farmers of the defict areas of the Northeast who must buy their grain for milk and poultry production.

As the bill passed this Chamber last week, it had in it a provision under which the Secretary of Agriculture could have dumped mountains of grain onto the market. The Senate would not buy that provision. Accordingly, a so-called compromise was arrived at.

But, is it a compromise? I say "No." I say this conference version is more dangerous.

Under the terms of this conference version, the Secretary of Agriculture could depress the market price of grain, particularly corn, at planting time through a prepayment gadget. Let us not fool each other. This was written into the conference report to scare midwestern farmers into this program. Certainly, it takes no genius to understand that if a Government official has the right to depress prices at planting time, he will use that authority to intimidate farmers who might be naturally reluctant to take part.

So much for that.

But, next fall—when the huge corn crop, stimulated by the higher price supports, is harvested, the Secretary will artificially raise the market price to equal the support price, presumably $1.20 per bushel.

This is when the northeast poultry and dairymen will take it in the neck in the form of sharply higher feed prices. This is when consumers in our cities will find out what was done to them today.

All this means to me that the sponsors of this report are trying to fool some of us from the cities.

They tell us that prices will be lower pretty soon now—with the help of Government funds—but they do not tell us what the prices will be in the fall at harvesttime.

There is an old song that has this little ditty in it—"Will you love me in the springtime as you loved me in the fall?"—I would suggest we of the Northeast reverse that and ask if the sponsors of this bill will love us in the fall as they do right now.

Mr. HOEVEN. Mr. Speaker, I yield myself 10 minutes.

Mr. Speaker, the Senate and House conferees on H.R. 4510 have agreed on a feed grain bill which is now before you. This is a most controversial piece of legislation. The bill has many good features and some features which cause me a great deal of concern. My doubts about the bill, in fact, were serious enough so as to keep me from signing the conference report. Hence, it should be understood at the outset that I am not for one moment suggesting how anyone should vote on the conference report. Each one of you must exercise his own judgment.

You have already had the analysis of the conference report so I do not intend to be repetitious in that respect. The bill for all practical purposes fixes the support price on corn at $1.20 a bushel which is 74 percent of parity. Needless to say, I favor an adequate support level for corn and the bill is an improvement over the present law in that regard. I favor the provision in the bill for a voluntary agricultural conservation and land retirement program for 1961 for corn and grain sorghums. In fact, I feel that the retirement of acres is one of the best mediums for cutting down on our agricultural surplus of corn and feed grains. I have introduced bills in both the 86th and 87th Congresses to bring this about. Furthermore, I am heartily in favor of the payment-in-kind program which is authorized in the bill. Bills to carry out a pay in kind principle were introduced by me in both the 86th and 87th Congresses. Furthermore, land retirement and payment-in-kind were favored by the Eisenhower administration.

I am in favor of the cross-compliance features of the bill and concur in the requirement that producers of corn, grain sorghums, and any other feed grains designated by the Secretary must participate in the land retirement program for corn and grain sorghums in order to be eligible for price supports. In my judgment, if we had had such a provision in the law today we would have avoided a lot of the surplus difficulties in which we find ourselves at the present time.

The present version of the legislation in many respects is a great improvement over the bill which squeaked through the House quite recently by a vote of 209 to 202. The main objection to that bill was section 3 which would have established the worst kind of a precedent in setting up the Secretary of Agriculture as a virtual czar of the entire corn and feed grain market. The conference did strike section 3 in its entirety from the original bill and this fact on its face would seem to make the bill more palatable.

Let me point out, however, that the present section 3 in the bill now under consideration, for all practical purposes, still permits the Secretary of Agriculture to do indirectly the very things we prohibited him from doing directly when the conference eliminated section 3 from the original House bill. The only real practical difference is that the Secretary under the revised version of section 3 would not have as much grain at his command with which to manipulate the feed grain market.

I fear that the new section 3 will still authorize the Secretary of Agriculture to manipulate and control the corn and feed grain market through the medium of negotiable certificates which would be redeemable for feed grains notwithstanding any other provision of law. Instead of actually having control of all commodity credit stocks as provided for in the original House bill, the Secretary under the revised provision of section 3 would still have control of the feed grain market through the medium of giving him control of the feed grain certificates. You will note the provision in the new section 3 which says in substance that the Secretary may assist the producers in the marketing of such certificates at such time and in such manner as the Secretary determines will best effectuate the purposes of the feed grain program authorized by the act.

This new authority unquestionably would give the Secretary full authority to release commodity credit stocks almost at will whenever he had accumulated enough of the certificates to do an effective job. The most that can be said in favor of this provision is that the Secretary could release commodity credit grains in a lesser degree than he could under the provisions of the old section 3 of the House bill. Just how much grain the Secretary could release would depend upon the degree of compliance as far as the retirement of acres is concerned.

The bad precedent of setting up the Secretary as the major-domo of the feed-grain market would still be involved.

If the conference report is approved it is my sincere hope that the Secretary of Agriculture will take the necessary safeguards in administering section 3 in a sound and sensible manner so as not to demoralize the feed grain market at any time. The only redeeming feature of the whole operation of section 3 is that the bill only applies to the crop year of 1961. It is my opinion that the bill being operated only during such a limited period cannot do too much harm. By the same token, I doubt very much whether the legislation will do much good. Reports I have received from the Corn Belt seem to indicate that there is not going to be a very heavy compliance on the part of corn producers. I am sure such compliance will fall far short of the 70 percent compliance expected by the sponsors of the legislation. As far as I am personally concerned, the operation of section 3 giving the Secretary of Agriculture extraordinary powers over the feed grain market will in no sense of the word set a precedent for any subsequent legislation in this field. The operation of section 3, as far as I am concerned is strictly limited to the crop year 1961. I would most vigorously oppose giving the Secretary similar authority in any long-range feed grain legislation.

Please bear in mind that the current marketing year for 1960 started on October 1, 1960, and runs to September 30, 1961. We are now in the period of time when feed grain farmers will market their 1960 crop. In addition, farmers have the right under the law to place their 1960 production of feed grains under price support loan until May 31, 1961. In other words, when farmers planted last year's crop in the spring of 1960, they expected—and rightfully so—that the announced program would be in effect throughout the entire 1960 marketing year. If substantial quantities of surplus feed grain are released into the domestic market under the authority which the Secretary possesses in H.R. 4510, I feel the Secretary will be changing the rules in the middle of the game. This would be a serious breach of faith on his part.

In conclusion, I foresee many serious administrative problems involved in the enforcement of the provisions of H.R. 4510, many of which are not now anticipated. I fear that the sponsors of this legislation are going to be very much disillusioned and I predict that they are not going to make good on all their generous promises made to the American farmer. This of course is the responsibility of those who are pushing us so fast across the New Frontier. If the conference report is adopted, I sincerely hope the bill will be administered with a lot of commonsense. I also sincerely hope that if the bill becomes law, it will in some measure raise the farmer's income and that it will also save some money for the already overburdened taxpayers of the country. In view of the moral obligation that the Government has toward farmers on their 1960 production, if the conference report is adopted, I urge the Secretary to exercise the utmost integrity and care in administering this part of the program.

This legislation is the creature of the Democratic administration. If it cannot make good on it's promises, the farmers of the corn and feed-grain belt, will know where to place the responsibility.

I have given you the good features of the bill as well as the undesirable features. Now each of you will have to make up his own judgment. Representing one of the greatest corn and feed grain areas of the country and having carefully weighed both the pros and cons of this temporary legislation, I have concluded to give our corn and feed grain producers the benefit of the doubt. Hence I expect to vote for the conference report.

Mr. COOLEY. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois [Mr. FINDLEY].

Mr. FINDLEY. Mr. Speaker, I rise in opposition to the conference report.

The conference report on the feed grain bill has the same dangerous approach as in H.R. 4510. It would establish a bad precedent in giving the Secretary of Agriculture the authority to beat down market prices by releasing Commodity Credit Corporation stocks.

It reverses the healthy trend of recent years toward an expanding free market for corn.

It establishes a precedent for bushelage control, which ultimately means licensing—destruction of the free American's right to produce.

Artificial pricing in this bill would endanger our feed grains exports which last year reached an alltime high of 12 million tons.

The bill flies in the face of experience. American agriculture has become great because it has been free. The bill will be effective only if the Secretary uses dictatorial power over grain marketing. So, either way, it is a bad bill.

The crying need in farm legislation today is to get Government out of the grain business, and let farmers manage their own land.

Commodities free of Government interference are the healthiest and most profitable. Commodities controlled by Government are in trouble.

This bill is bad for the farmers. Like everything else that is bad for the farmers, it is also bad for America.

Mr. COOLEY. Mr. Speaker, I yield 5 minutes to the gentleman from Missouri [Mr. JONES].

Mr. JONES of Missouri. Mr. Speaker, having served on this conference committee, I would say that this bill that comes back here today is in a form that should not cause anyone who voted for the House bill to change his mind. I think you can safely vote for it, because it continues in effect to do the things that we felt would be helpful in bringing about a reduction in the supplies and would also have the effect of reducing production. Those are the two goals that we aimed at.

I say to those who voted against the bill because they felt it was giving the Secretary of Agriculture a blank check to take commodities from the Commodity Credit Corporation to sell on the open market to break the market; that that feature has been tied down to the extent that the grain that will flow into the market under this device by which the Secretary can stabilize the market, is restricted to the amount of certificates that will be paid to those who comply by removing not less than 20 percent of their acreage, under the bill.

I was sorry that the gentleman from Iowa [Mr. HOEVEN], brought politics into this bill by his reference to the fact that this was a Democratic creature. I think all of us should understand that the farm problem is not a partisan problem at all. I think Republicans should be just as interested as the Democrats in trying to set the stage where we can operate in an economy that will be healthy for all farmers. I think all of my friends on this side will agree that we cannot have that type of economy until we do reduce the great overabundance that we have. This bill will do that. For that reason I think you would be justified, with the changes that we accepted in the rewriting of section 3, to go along with it. Those who voted against it, perhaps on partisan grounds, now have an opportunity to reconsider their action, and vote to approve the conference report.

I am appealing to you that if you are trying to do something to help this feed grain situation you can vote for this bill.

In reference to its setting a precedent, this is an emergency. This is a plan to meet the emergency for 1 year only. If this does not do the job there is no reason why we should attempt to continue it further, but we will at least have proved that this one plan either is successful or is not successful. We have coasted along for about 8 years without doing anything and have seen our problem grow progressively worse.

I appeal to you who have been content to go along doing nothing at least to give us a chance this one year. If it fails then we can change the law to reduce production, but I believe this will reduce the overabundance and get us to the point where we set the stage for a firm, sound farm program.

Mr. Speaker, I yield back the balance of my time.

Mr. COOLEY. Mr. Speaker, I yield 5 minutes to the gentleman from Ohio [Mr. LATTA].

Mr. LATTA. Mr. Speaker, I take this time to clear up a couple of points. I would like to address a question to the chairman of the committee, the gentleman from North Carolina [Mr. COOLEY]. Am I to understand from the conference report that the cross-compliance feature between soybeans and corn has been stricken from this bill?

Mr. COOLEY. The gentleman is correct; that section was eliminated.

Mr. LATTA. I want to thank the gentleman and to compliment the conference committee on adopting this provision excluding soybeans from the bill. When the bill was before the House for consideration I offered an amendment to do exactly that, but it was turned down by the House. I am certainly glad that the conference committee in its infinite

wisdom adopted my amendment and that the soybean-corn cross-compliance feature is now out of this bill, that producers of soybeans do not now have to participate in the corn program to secure price supports.

I would also like to direct another question to the chairman of our committee, dealing with the first 20 percent. As this bill now stands, does the Secretary of Agriculture have the choice as to whether he will pay the first 20 percent in kind or in cash? Or is that left to the producer?

Mr. COOLEY. If I understand the gentleman's question correctly, the Secretary may make a determination as to what is to be paid in kind.

Mr. LATTA. On the first 20 percent.

Mr. COOLEY. That is right.

Mr. LATTA. Then if the Secretary so desires he can make all this payment in kind for the first 20 percent, also the second 20 percent.

Mr. COOLEY. That is right, and in that event he would not use the $500 million provided in the House bill.

Mr. LATTA. In the event the Secretary decides to make payment in kind, must it be universal for each of the 50 States? Or can he designate the State of Iowa, for example, to get cash, and the State of Ohio to get payment in kind? The question is, Can he discriminate between growers?

Mr. COOLEY. The Secretary has very broad discretionary powers granted to him in the bill, but I am quite certain he would make all regulations and provisions uniform throughout the Nation. Perhaps he could do what the gentleman has in mind, but certainly I could not believe that he would.

Mr. LATTA. It certainly was not the intent of the conference committee to give him the power to discriminate among growers in the United States.

Mr. COOLEY. It certainly was not.

Mr. LATTA. I thank the gentleman.

This bill still contains a very objectional feature; I have reference to the bushelage controls contained therein. As I pointed out when the bill was before the House, I am very much opposed to bushelage controls and I am still opposed to them and I was hopeful that the conference committee in its wisdom would strike this feature from the bill.

In my opinion, we are setting a very definite precedent, whether we say so or not, by going in this direction. It is progress in reverse for the American farmer. Certainly, American agriculture productionwise has progressed farther and better than any other segment of our economy. We are the envy of all the world in this field. Certainly we should not say to the American farmer, you have progressed far enough, you should not progress any farther.

Mr. COOLEY. Mr. Speaker, I yield 5 minutes to the gentleman from Minnesota [Mr. QUIE].

Mr. QUIE. Mr. Speaker, as the new feed grain bill as it was compromised in conference comes before us, we have a bill which is different from the one which passed the House and more closely allied with what came out of the Senate.

In looking over this legislation I have decided to support it for a number of reasons:

First. The bill provides that price supports on corn be set by the Secretary of Agriculture at any level over 65 percent of parity that he desires. We have heard many times during campaigns that if the Democratic administration was in power it would set price supports at 90 or 100 percent of parity. I would like to have the people of this country see that even Secretary Freeman is setting corn price support at 74 percent of parity, when the authority is given to him.

Second. The second reason why I am supporting this legislation is that it provides for voluntary retirement of acreage, the use of payment in kind, and price supports on these commodities contingent on compliance with this program. This follows the basic principles of the Farm Bureau program for feed grain. Their bill involves more crops than are involved in this bill. Also, they provide for a longer base history, but this has many of the basic aspects of their program.

Third. I believe there is an opportunity, if the Secretary of Agriculture administers the program correctly, cut down on the surpluses, cut down on costs to the taxpayer, and improve the income of some of the farmers in my part of the country.

In section 3, however, there has been a change. You can see that we cut off the stick by which the Secretary of Agriculture can force farmers into compliance. It is true we have cut off the stick on one end, but we lengthened it on the other. The only reason why I think we could take a chance on this unwarranted authority is that the amount of grain involved will have very little effect on the market price in case there is little compliance, since the Secretary would not have very much grain to manipulate the market with anyway. If there was a great deal of compliance there would not be any necessity for him to use his authority to sell below the support level. I would hope he would make these original payments in cash rather than in kind as first intended in order that he will not harm the market. If the Secretary of Agriculture should drive prices down this spring he would be breaking faith with every farmer who expected to sell his 1960 crop corn this spring and summer. If he would lower the price of corn he would also lower the income of farmers who have corn to sell now. I ask him to not allow that to happen but, rather, to stay away from manipulating the market and to allow the free market to function to the benefit of all farmers.

I think the people of this country should have an opportunity to see how this adminstration will administer a program of this nature.

The bill carries with it a requirement that 90 days after it goes into effect the Secretary must report back to the Congress in order that we may know how he did administer the program and the results thereof. If he does not conduct himself according to the way we think the bill should be administered, we will know it before we leave this Congress. If we find he has used unreasonable power over the market, we can remove this authority through legislation before we adjourn.

For these reasons, and since it is only a 1-year bill, I am willing to permit it to go into operation to see if it will be of any benefit and give us an opportunity to judge the administrative decisions and intentions of the Kennedy administration.

In order that you might know what the bill contains I might review the provisions.

It:

First. Authorizes the Secretary to set for 1961 the price support for corn at not less than 65 percent of parity. Price support in 1961 is limited to a volume of corn and sorghum equal to the normal 1959–60 production of these grains.

Second. Directs the Secretary to establish a voluntary special agricultural conservation and land retirement program for 1961 for corn and grain sorghum farmers. Under this program he would:

(a) Make payments to participating farmers in cash and/or in kind. Payments in cash and/or in kind on the first 20-percent reduction are calculated at the basic county support rate times 50 percent of normal production. Payments in kind on up to an additional 20-percent reduction are calculated at the basic county support rate times 60 percent of normal production.

(b) Require a 20-percent diversion of corn and grain sorghum acreage for payments in cash and/or in kind and authorize a 20-percent further diversion for payments in kind.

(c) Require in 1961 a net addition of acreage devoted to soil conserving practices in 1959–60.

(d) Require weed, insect, and rodent control on the retired acreage.

(e) Allow producers to meet the 20-percent land retirement requirement, in lieu of payments, by planting safflower, sunflower, sesame, and castor beans, if designated by the Secretary.

(f) Allow small corn-sorghum farmers—those planting 20 acres or less in 1959–60—to place their entire acreage in the program.

(g) Allow prepayment, of up to half of payments, before determination of compliance.

Third. Provides that certificates issued to farmers would be expressed in dollars and redeemable in CCC feed grains—corn, oats, rye, barley, grain sorghum—at current market prices. The Secretary may assist in marketing certificates. Redemption of certificates must be within 30 days or certificates discounted. Provision made for sharing of certificates among all producers on the farm.

Fourth. Requires that producers of corn, grain sorghum, and any other feed grain designated by the Secretary must participate in the land retirement program for corn and grain sorghum in order to be eligible for price supports.

Fifth. Authorizes a general appropriation and allows CCC to pay administrative expenses from its funds. Also authorizes the incurring of advance obligations, plus the payment-in-kind costs.

Sixth. Requires the Secretary to submit a report to Congress within 90 days showing the general operation and results of the program.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Iowa.

Mr. GROSS. May I ask the chairman of the Committee on Agriculture a question? Do I understand that the Secretary of Agriculture has stated that the enactment of this legislation will mean a 10-percent increase in farm income and a cut of between $400 million and $600 million in the cost of the program?

Mr. COOLEY. The Secretary estimates that that will take place. Of course, all of that depends upon the volume of participation in the program. As the gentleman knows, we will be getting off to a late start. This legislation should be passed and sent on to the White House. Action should have been taken 2 or 3 weeks ago, perhaps. But, his estimate is that it will probably save from $400 million to $600 million on the program during the current year.

Mr. GROSS. And increase the income of the farmers by 10 percent?

Mr. COOLEY. I will read what he says:

> First, it offers to farmers who wish to cooperate an opportunity to help bring feed grain supplies more nearly in line with demand while increasing their income by some 10 percent.

Mr. GROSS. I thank the gentleman.

The SPEAKER. The time of the gentleman from Minnesota has expired.

Mr. COOLEY. Mr. Speaker, I yield 3 minutes to the gentleman from Minnesota [Mr. NELSEN].

Mr. NELSEN. Mr. Speaker, may I ask the chairman of the committee a question in order to clear up a point? Am I correctly informed that under the terms of the bill the Secretary of Agriculture may require a 20 percent reduction in corn acres in order to qualify for feed grain support? Is that right? I mean, in all other feed grains, oats, barley, and so forth.

Mr. COOLEY. That is exactly right. The Secretary may name the other grains.

Mr. NELSEN. The point I wish to place in the RECORD is this concern that I have expressed for the type of farmers that live in my area. If a farmer is cut back 20 percent on his corn, he will be unable to fill his silo, and therefore he will be denied the opportunity of participating in any feed grain supports whatever. That is the concern I had of the silage provision. Now, silage does not come into competition in the feed grain market. It has been settled and the decision has been made. But, this has made it more difficult for the farmers in our area to participate, which means that you will not get the land retirement that we need in order to have this program work. Certainly, those of us who live on the farm want it to work, because the only way we can succeed is with land retirement.

Mr. COOLEY. I would remind the gentleman of the fact that we accepted the gentleman's amendment. We went to conference with it and we insisted that it be retained, but we were unable to convince the Members of the Senate.

Mr. NELSEN. I thank the gentleman. I wanted to bring this point to the attention of the House here today, and I do hope that the Secretary will use discretion with the certificates that he now gets, because if he does not, we could seriously affect the market price of the grain coming onto the market from last year's crop.

Mr. McSWEEN. Mr. Speaker, will the gentleman yield?

Mr. NELSEN. I yield to the gentleman from Louisiana.

Mr. McSWEEN. Is the gentleman's amendment still in the conference report?

Mr. NELSEN. No; silage has gone by the board.

Mr. COOLEY. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois [Mr. ARENDS].

Mr. ARENDS. Mr. Speaker, I would like to ask the chairman of the committee or the gentleman from Texas [Mr. POAGE] if I clearly interpret what we are doing here today in this conference report. Would you say that this conference report creates involuntary compulsion, and that our corn farmers find themselves in this position: That we are being told how much we can plant, how much we can sell, based on yields for the years 1959 and 1960 and then by the powers given to the Secretary of Agriculture what price we are going to get for corn? Is that a fairly accurate statement?

Mr. COOLEY. I do not see how by any stretch of the imagination the gentleman from Illinois could read such a proposition into this legislation. It has never been intended in that way, and there is nothing at all compulsory about this program.

The gentleman, as a farmer, can stay out of the program and have nothing to do with it. There is no force connected with it.

Mr. ARENDS. But the price of corn for any farmer who does not go into the program will be controlled by the Secretary of Agriculture.

Mr. COOLEY. That is right.

Mr. ARENDS. In other words, the Secretary of Agriculture through powers herein granted will say what the farmer is going to get for corn if not in the program. Now I would like to make one other statement; and I throw this out merely as a warning signal. What can we do about the statement made before the House Agriculture Committee by the Secretary of Agriculture to the effect that the support price on beans would be $2.30? Today we have a good price on beans in the free market. I have some figures given to me by a so-called student of the problem as to what the possibilities are with an increased acreage of beans.

The farmer who substantially reduces, say goes into the program with a required 20-percent reduction in corn or 40 percent, will then likely plant soybeans. At $2.30 a bushel, the proposed support price, he will do pretty well. But how are we going to compete in the world market with the price support of $2.30? So the end result may well be—and, as I say, I throw this out as a warning signal—we could have soybeans in surplus within a relatively short period of time. That, it seems to me, will follow just as surely as night follows day if the support price is put at $2.30 a bushel, as the Secretary said would be the case when he testified before the committee.

So, Mr. Speaker, I want to state to the Members of this House that this whole agriculture picture still presents a very troublesome problem and I am not at all sure that we are here curing the situation, as many of us hoped we might do.

Mr. Speaker, let me say this to the gentleman from Missouri [Mr. JONES], who spoke a moment ago on the floor; there is no inclination on the part of any of us on this side of the aisle, any more than there is on the other side of the aisle, to inject partisan politics into this matter. This is an economic question which affects the welfare of all the farmers of this country. I have repeatedly said so on the floor of this House. We are looking to the welfare of all the farmers of this country who today are in a price squeeze. And I should like to mention one other thing. While we are here attempting to increase the income of the farmer, tomorrow or the next day we are going to have a wage and hour bill before the House which in the end will have an adverse effect on the income of the farmer through raising the cost of his operation.

Mr. COOLEY. Mr. Speaker, I think the gentleman made the statement that the Secretary would under some circumstances control the price of corn.

Mr. ARENDS. Yes.

Mr. COOLEY. That is, under this bill. But the corn farmer does not have to participate at all. If he stays out he gives up the price support, and he can plant all the corn he wants to plant. There is nothing in the law that gives the Secretary any authority to hold down the price of that particular corn produced on that particular farm.

Mr. ARENDS. But I must say to the gentleman that we know what will happen when the Secretary has the certificates available and can throw the commodity onto the market.

Mr. COOLEY. I would not argue with the gentleman for 1 minute on that.

Mr. ARENDS. It would be indirect, of course, but he will be able to force down the price of corn in the open market. And so any farmer not in the program would in the end have to take for his corn exactly what the Secretary wanted to see paid.

Mr. COOLEY. Only by the sale of the certificates.

Mr. ARENDS. That is right.

Mr. COOLEY. By controlling the volume of the certificates he probably could do what the gentleman has in mind. But certainly we must trust him and I believe he will not disrupt the market.

Mr. ARENDS. I would hope so, too.

Mr. COOLEY. Mr. Speaker, I yield myself 3 minutes.

Mr. Speaker, I have a statement which I would like to read and which I hope the Members will listen to.

Mr. Speaker, as all of us know, this bill was very controversial when it was before the House. The final vote was favorable by a very narrow margin.

The most controversial section was section 3, which has been redrafted and I think now meets with general approval. It does meet with the approval of the Secretary of Agriculture who, after all, will administer this program provided for by the bill.

I have here a statement by the Secretary of Agriculture, Orville L. Freeman:

The compromise feed grain legislation approved late last week by the Senate-House conference committee, and scheduled to come before Congress for final approval shortly, offers new hope to farmers, consumers, and taxpayers. While not precisely in line with the administration's request, the program is workable. It will encourage participation in the effort to reduce feed grain stocks, and this is a vastly important step in the effort to restore order to the feed grain-livestock economy.

Specifically, this legislation will do these things:

First, it offers to farmers who wish to cooperate an opportunity to help bring feed grain supplies more clearly in line with demand while increasing their income by some 10 percent.

Second, it will assure consumers of this Nation fair and stable prices for the meat, milk, and poultry products.

Third, it will reduce the ultimate cost of the feed grain program for the 1961 crop by some $400–$600 million below that which would be incurred under existing law.

Fourth, it will mark a turning point in the buildup of Government-owned feed grain stocks and start us on the way toward bringing these stocks into manageable proportions.

All of us in the Department of Agriculture are grateful to the Congress and, particularly, to the members of the House and Senate Agriculture Committees on both sides of the aisle for their diligence and long hours in working on this legislation. The farmers of the Nation have already indicated their support for this forward step, and they are appreciative, first, to the President for his prompt action in proposing such legislation, and to the Congress for their favorable consideration of that legislation.

It seems to me this is a clear indication that the Secretary of Agriculture is prepared to accept the great responsibility which will rest upon him when this law is enacted. As I said a moment ago, it is a voluntary program. It has no element of compulsion in it. If a farmer wants to participate he can participate and receive the benefits. If he does not want to participate, he can do just as he pleases.

I should like to put another brief statement into the RECORD. This is on how the Department plans to use section 3, which is the controversial section of the bill:

1. A farmer will receive his payment in kind in the form of a negotiable certificate similar to a warehouse receipt which will be stated in terms of dollars. It will be worth so many dollars' worth of feed grains.

2. The amount of the certificate will be determined by taking 50 percent of the farmer's normal yield per acre for 1959 and 1960 (60 percent in the case of the additional 20 percent of acreage), and multiplying this by the county support rate for corn or grain sorghums.

3. When the farmer receives the certificate, there are three things he can do with it:

(a) Take it to a CCC warehouse and cash it in for grain.

(b) Sell it to another farmer, or someone else, who wants to cash it in for grain.

(c) Turn it in to the CCC to sell for him.

4. In the event the farmer decides to turn it in to the CCC for sale, he will probably take it to the county ASC office.

From there the certificate will be sent physically to Chicago, Kansas City, or some other CCC office in contact with large grain handlers. The certificates will then be sold to grain dealers who will present them and receive feed grains for them from CCC at market price.

5. The farmer, in the meantime, will probably have received an advance from CCC of part of the value of his certificate and the balance will be paid when the certificate is sold.

The farmer is the one who will have control of the certificate. The certificate will finally be cashed in and paid in grain.

Mr. QUIE. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Minnesota.

Mr. QUIE. In the last comment you made on the intentions of the Secretary, would he pay the farmer in advance less than the value of the certificate and then the remainder be paid after the Secretary has sold the grain involved in the certificate?

Mr. COOLEY. I think the gentleman is exactly right. The gentleman was a member of the conference committee and he will recall it was thought it would be beneficial to permit the Secretary to pay at least a downpayment so to speak—an advance on the certificate.

Mr. QUIE. Then if the Secretary sold the grain for less than the support level, the farmer would receive less money for his certificate than he expected to receive; is that correct?

Mr. COOLEY. No; after the farmer parts with it and turns it over to the CCC, it is worth so many dollars to him in the grain market and whenever it goes into the grain market, the CCC would sell it at the going price in the open market.

Mr. QUIE. Then the CCC would sell enough grain to cover the value of the certificate; is that correct?

Mr. COOLEY. That is correct.

Mr. HARVEY of Indiana. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HARVEY of Indiana. Mr. Speaker, I object to this conference report No. 170 on the feed grain bill for two major reasons.

First. It does not fix a ceiling on the price at which the Secretary, Mr. Freeman, may fix the price of corn and other feed grains.

Second. It contains the acreage allotment feature which is contrary to the approach the grain and livestock farmers approve.

While of course it may get widespread participation by the farmers in 1961 and few can disagree with the Secretary's avowed aims "to raise farm income," I believe we ought to undertake the long-range farm legislation as soon as possible.

Mr. JENSEN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. JENSEN. Mr. Speaker, I have long advocated higher supports for the six basic commodities—corn, wheat, cotton, tobacco, peanuts, and rice. This bill under consideration as adopted by the conferees provides for $1.20 supports for corn, for example, to those farmers who reduce their historical acres by at least 20 percent which is to be paid in cash or in kind with the privilege of reducing corn acres by an additional 20 percent of which all shall be paid in kind at the rate of the 60 percent of support price and 50 percent of the support price in cash of $1.20 per bushel, which in my studied opinion is far too little to bring about sufficient compliance to retire the necessary reduction especially in corn production. Nonetheless I shall vote for the bill mainly because I am willing to give the administrators of the law a chance to prove their contention that the law will raise farm income by 12 percent. I want to give the Secretary of Agriculture a chance to prove it, after the crops of 1961 have been harvested. In conclusion, Mr. Speaker, I must say that, had Congress last year made law the bill which 10 Republican Congressmen from the Grain Belt introduced, including myself, and which provided for not less than 80 percent of parity for corn and all other feed grains with payment in kind on negotiable certificates then compliance would be great enough to reduce the necessary acres.

Mr. COOLEY. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the conference report.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. PELLY. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 231, nays 185, not voting 15, as follows:

[Roll No. 17]

YEAS—231

Abbitt	Bass, Tenn.	Celler
Abernethy	Bennett, Fla.	Chelf
Addabbo	Berry	Clark
Addonizio	Blitch	Coad
Albert	Boggs	Cohelan
Alexander	Boland	Colmer
Andersen, Minn.	Bolling	Cook
	Bonner	Cooley
Andrews	Boykin	Corman
Anfuso	Brademas	Cunningham
Ashley	Breeding	Daddario
Ashmore	Brooks, Tex.	Daniels
Aspinall	Burke, Ky.	Davis, James C.
Avery	Burke, Mass.	
Bailey	Byrne, Pa.	Davis, John W.
Baring	Cannon	Davis, Tenn.
Barrett	Carey	Dawson

Denton	Karsten	Philbin
Diggs	Karth	Pilcher
Dingell	Kastenmeier	Poage
Dole	Kee	Price
Donohue	Kelly	Pucinski
Downing	Keogh	Quie
Doyle	Kilday	Rains
Edmondson	King, Calif.	Randall
Elliott	King, Utah	Reifel
Ellsworth	Kirwan	Reuss
Everett	Kitchin	Rhodes, Pa.
Evins	Kluczynski	Riley
Falion	Kornegay	Rivers, Alaska
Farbstein	Kowalski	Rivers, S.C.
Fascell	Kyl	Roberts
Finnegan	Landrum	Rodino
Flood	Lane	Rogers, Colo.
Flynt	Langen	Rogers, Tex.
Forrester	Lankford	Rooney
Fountain	Lennon	Roosevelt
Frazier	Lesinski	Rostenkowski
Friedel	Libonati	Rutherford
Garmatz	McCormack	Ryan
Gathings	McDowell	Santangelo
Giaimo	McFall	Saund
Gilbert	McMillan	Scott
Granahan	McSween	Selden
Grant	Machrowicz	Shelley
Gray	Madden	Sheppard
Green, Oreg.	Magnuson	Shipley
Green, Pa.	Mahon	Sikes
Griffiths	Marshall	Sisk
Gross	Matthews	Slack
Hagan, Ga.	May	Smith, Iowa
Hagen, Calif.	Miller, Clem	Smith, Miss.
Hansen	Miller, George P.	Spence
Harding	Mills	Springer
Hardy	Moeller	Steed
Harris	Monagan	Stephens
Healey	Moorhead, Pa.	Stubblefield
Hébert	Morgan	Sullivan
Hechler	Morrison	Taylor
Hemphill	Moss	Thomas
Henderson	Moulder	Thompson, N.J.
Hoeven	Multer	Thompson, Tex.
Holifield	Murphy	Thornberry
Holland	Natcher	Toll
Holtzman	Nelsen	Trimble
Huddleston	Nix	Ullman
Hull	O'Brien, Ill.	Vinson
Ichord	O'Brien, N.Y.	Walter
Ikard	O'Hara, Ill.	Watts
Inouye	O'Hara, Mich.	Weaver
Jarman	Olsen	Whitener
Jennings	O'Neill	Whitten
Jensen	Passman	Wickersham
Johnson, Calif.	Patman	Willis
Johnson, Md.	Perkins	Yates
Johnson, Wis.	Peterson	Young
Jones, Ala.	Pfost	Zablocki
Jones, Mo.		Zelenko

NAYS—185

Adair	Corbett	Herlong
Alford	Cramer	Hiestand
Alger	Curtin	Hoffman, Ill.
Anderson, Ill.	Curtis, Mass.	Hoffman, Mich.
Arends	Curtis, Mo.	Horan
Ashbrook	Dague	Hosmer
Auchincloss	Dent	Joelson
Ayers	Derounian	Johansen
Baker	Derwinski	Jonas
Baldwin	Devine	Judd
Barry	Dominick	Kearns
Bass, N.H.	Dooley	Keith
Bates	Dorn	Kilburn
Battin	Dowdy	Kilgore
Becker	Dulski	King, N.Y.
Beckworth	Durno	Knox
Beermann	Dwyer	Laird
Belcher	Feighan	Latta
Bell	Fenton	Lindsay
Bennett, Mich.	Findley	Lipscomb
Betts	Fino	Loser
Bolton	Fisher	McCulloch
Bow	Fogarty	McIntire
Bray	Ford	McVey
Brewster	Frelinghuysen	MacGregor
Bromwell	Fulton	Mack
Brooks, La.	Garland	Mailliard
Broomfield	Gary	Martin, Mass.
Brown	Gavin	Martin, Nebr.
Broyhill	Glenn	Mason
Bruce	Goodell	Mathias
Burleson	Goodling	Meader
Byrnes, Wis.	Griffin	Merrow
Cahill	Gubser	Michel
Casey	Haley	Miller, N.Y.
Cederberg	Halleck	Millikin
Chamberlain	Halpern	Minshall
Chenoweth	Harrison, Va.	Montoya
Chiperfield	Harrison, Wyo.	Moore
Church	Harsha	Moorehead, Ohio
Clancy	Harvey, Ind.	Morris
Collier	Harvey, Mich.	Morse
Conte	Hays	
Murray	Saylor	Teague, Calif.
Norblad	Schadeberg	Teague, Tex.
Nygaard	Schenck	Thomson, Wis.
Osmers	Scherer	Tollefson
Ostertag	Schneebeli	Tuck
Pelly	Schweiker	Utt
Pike	Schwengel	Vanik
Pillion	Scranton	Van Pelt
Pirnie	Seely-Brown	Van Zandt
Poff	Short	Wallhauser
Ray	Shriver	Weis
Rhodes, Ariz.	Sibal	Westland
Riehlman	Siler	Whalley
Robison	Smith, Calif.	Wharton
Rogers, Fla.	Smith, Va.	Widnall
Roudebush	Stafford	Williams
Rousselot	Staggers	Wilson, Ind.
St. George	Stratton	Winstead
St. Germain	Taber	Younger

NOT VOTING—15

Blatnik	McDonough	Rabaut
Buckley	Macdonald	Thompson, La.
Delaney	Mosher	Tupper
Gallagher	O'Konski	Wilson, Calif.
Hall	Powell	Wright

So the conference report was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Rabaut for, with Mr. Hall against.

Mr. Buckley for, with Mr. Wilson of California against.

Mr. Gallagher for, with Mr. McDonough against.

Mr. Delaney for, with Mr. Mosher against.

Mr. Thompson of Louisiana for, with Mr. O'Konski against.

Mr. Macdonald for, with Mr. Tupper against.

Mr. BARRY changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL EDUCATION SUBCOMMITTEE OF THE COMMITTEE ON EDUCATION AND LABOR

Mr. THOMPSON of New Jersey. Mr. Speaker, I ask unanimous consent that the General Education Subcommittee of the Committee on Education and Labor be permitted to sit during general debate today.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

EXTEND AND AMEND THE SUGAR ACT

Mr. COOLEY. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5463) to amend and extend the Sugar Act of 1948, as amended.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, effective March 31, 1961, section 412 of the Sugar Act of 1948 (relating to termination of the powers of the Secretary under the Act) is amended to read: "The powers vested in the Secretary under this Act shall terminate on December 31, 1962, except that the Secretary shall have power to make payments under title III under programs applicable to the crop year 1962 and previous crop years".

SEC. 2. (a) Section 4501(c) (relating to termination of taxes on sugar) of the Internal Revenue Code of 1954 is amended by striking out "September 30, 1961" in each place it appears therein and inserting in lieu thereof "June 30, 1963".

(b) Section 6412(d) (relating to refund of taxes on sugar) of the Internal Revenue Code of 1954 is amended by striking out "September 30, 1961" where it first appears therein and inserting in lieu thereof "June 30, 1963", and by striking out "September 30, 1961" where it appears therein the second time and inserting in lieu thereof "September 30, 1963".

SEC. 3. Effective March 31, 1961, section 408 of the Sugar Act of 1948, as amended (relating to suspension of quotas), is amended by striking out of subsection (b) "for the period ending March 31, 1961" and inserting "for the period ending December 31, 1962"; and by striking out of paragraph (b)(1) "for the balance of calendar year 1960 and for the three-month period ending March 31, 1961" and inserting "for the period ending December 31, 1962"; and by inserting immediately before the colon in subparagraph (2)(iii) of subsection (b) a semicolon and the words "except that any amount which would be purchased from any country with which the United States is not in diplomatic relations need not be purchased" and by inserting in the "provided" clause a comma after the phrase "additional amounts of sugar" and inserting immediately thereafter the phrase "including any amounts which would otherwise be purchased from any such country with which the United States is not in diplomatic relations,"; and by striking out the semicolon at the end of subparagraph (b)(2)(iii) and inserting "except that consideration shall be given to countries of the Western Hemisphere and to those countries purchasing United States agricultural commodities;".

The SPEAKER. Is a second demanded?

Mr. HOEVEN. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. COOLEY. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, certainly within the time now available to me it will not be possible to discuss in detail or with any satisfaction the sugar program as we have known it and as it has operated through all the years. I do want to say, however, that after many, many conferences, after hearings with the Secretary of State, and after several executive sessions, our committee decided to recommend to you the passage of the bill which is now before you, providing only for a 21-month extension of the Sugar Act. Unless this bill is enacted, the sugar program would expire at midnight on March 31, 1961. If that should happen, chaos would prevail in the sugar markets of America and perhaps in the sugar markets of the world. Many people engaged in the sugar industry would probably face bankruptcy and ruin because their inventories are now built up on sugar based upon the prevailing price in our domestic market which is, as you know, substantially above world market levels.

To the end that you might have an understanding as to the support which this bill has, I call your attention to a letter I have. After conferences were held by the representatives of the sugar industry from the Hawaiian Islands to Puerto Rico and all of the sugar areas of our mainland, I received on February 9,

1961, this letter, which I should like to read to you:

DEAR MR. CONGRESSMAN: This is a confirmation of our telephone conversation of last week.

All segments of the domestic sugar industry will heartily support your efforts promptly to obtain an extension of the Sugar Act for a period up to 21 months.

The industry believes, however, that a short-term extension of the Sugar Act should not delay an effort also to obtain long-range legislation at this session of Congress. It is our understanding that you concur in this view.

In the past, the industry has not felt qualified to pass upon any emergency Presidential power affecting the Dominican Republic which may be required in any extension of the act; nor does it now.

As you know the act expires on March 31 of this year. All who know the requirements of consumers of this country, whether by way of household packages or industrial products, know that the national sugar policy embodied in the Sugar Act should be extended by law well before this March 31 deadline.

We deeply appreciate the consideration which you and your colleagues on the committee have given to the problems of our industry.

Very sincerely yours,

For the Puerto Rican Sugar Producing Industry: Dudley Smith, Vice President, Association of Sugar Producers of Puerto Rico; for the Hawaiian Sugar Producing Industry: Sanford L. Platt, Vice President, Hawaiian Sugar Planters' Association; for the Louisiana and Florida Sugar Producing Industry: Josiah Ferris, Washington Representative; for the U.S. Cane Sugar Refining Industry: Irvin A. Hoff, Executive Director, U.S. Cane Sugar Refiners' Association; for the Domestic Beet Sugar Producing Industry: Loren S. Armbruster, Secretary, Farmers & Manufacturers Beet Sugar Association, Saginaw, Mich.; Richard W. Blake, Executive Secretary, National Beet Growers Federation, Greeley, Colo.; Gordon Lyons, Executive Manager, California Beet Growers Association, Ltd., Stockton, Calif.; E. W. Rising, Executive Vice President, Western Sugar Beet Growers Association, Washington, D.C.; Merrill E. Shoup, President, Holly Sugar Corp., Colorado Springs, Colo.; A. E. Benning, Executive Vice President and General Manager, the Amalgamated Sugar Co., Ogden, Utah; Frank A. Kemp, President, the Great Western Sugar Co., Denver, Colo.; Robert H. Shields, President and General Counsel, U.S. Beet Sugar Association, Washington, D.C.

In addition to these representatives of the domestic sugar industry, I have a letter dated February 20, 1961, signed by Mr. Joseph M. Creed for and on behalf of the industrial sugar users group.

Without reading the letter, which I will insert in the RECORD, I need only to tell you that these industrial users also agree to this 21 month extension and say they have no objection to it under the circumstances, and that they would urge prompt action on any such extension.

The letter is as follows:

AMERICAN BANKERS ASSOCIATION,
February 20, 1961.

Hon. HAROLD D. COOLEY,
Chairman, House Agriculture Committee, U.S. House of Representatives, Washington, D.C.

DEAR CONGRESSMAN COOLEY: The Industrial Sugar Users Group believes that your proposed extension of existing sugar legislation for a 21-month period through December 31, 1962, is a practical solution for a temporary disposition of sugar legislation.

We recognize that time is not available to develop a long range legislative sugar program prior to the expiration of the present law on March 31.

The proposed 21-month extension is not objectionable under the circumstances and we would urge prompt action on such an extension.

We are hopeful that the House Agriculture Committee will also move promptly to develop a long range sugar program to supersede the temporary extension.

With kind personal regards.

Sincerely,

JOSEPH M. CREED,
For and on behalf of the Industrial Sugar Users Group.

The following is a letter endorsing this legislation:

PHILIPPINE SUGAR ASSOCIATION,
Washington, D.C., February 15, 1961.

Hon. HAROLD D. COOLEY,
Chairman, Committee on Agriculture, U.S. House of Representatives, Washington, D.C.

MY DEAR MR. CHAIRMAN: I have read with interest the subject bill introduced by you on February 2, 1961.

The purpose of this note is to advise you that the Philippine sugar industry endorses this legislation wholeheartedly.

With personal regards and best wishes.

Sincerely yours,

JOHN A. O'DONNELL.

Mr. ALBERT. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Oklahoma.

Mr. ALBERT. The gentleman does know in the beet sugar growing area there is a lot of opposition to extending this act for a period of 21 months, and that there is no provision in this legislation for new American growers to participate so that mills can be built in those areas. Is that not an accurate statement?

Mr. COOLEY. I would like for all the people who are interested in expanding the production of sugar on the mainland of America to know there is nothing that will prevent any farmer from growing all of the sugar beets he wants to grow during the year 1961, and probably there will be no restrictions placed on his efforts in 1962.

Mr. ALBERT. That is not answering the question. The answer to the question is—you are not going to get a mill on the basis of what they can plant.

Mr. COOLEY. You are not ever going to get a mill based on Federal legislation because the Federal Government never in the history of the Republic has built a sugar mill.

Mr. ALBERT. No.

Mr. COOLEY. The only thing they can do is to make the acreage available to new areas and new growers. All this acreage is now available to the new areas and to the new growers. What else do you want?

Mr. ALBERT. But, they cannot depend on it—that is the whole point.

Mr. COOLEY. How can you ever depend on it? What is a new grower and what is a new area? Now you are not talking about new growers and new areas; you are talking about small growers and small growing areas. I have assured the gentlemen who are interested, and I am in sympathy with their problem, that probably early in May, just as soon as we can clear our decks in the Committee on Agriculture, we will start hearings and I will give them the very first opportunity to be heard. But there is no way by Federal law to guarantee to any area that a sugar mill will be built.

Mr. ROGERS of Texas. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Texas.

Mr. ROGERS of Texas. I hope the gentleman from North Carolina will explain to the House his statement that anybody can plant as many sugarbeets as he wants to—it does not mean anything. Is it not a fact that 45 percent of our sugar is brought in here from foreign countries and that 3 million tons formerly assigned to Cuba will all go to other foreign countries? American farmers are denied participation.

Mr. COOLEY. The growth provision provides 45 percent.

Mr. ROGERS of Texas. 45 percent of our domestic requirements come from foreign countries; is that not correct?

Mr. COOLEY. No, I do not think it is as much as 45 percent.

Mr. ROGERS of Texas. Well, how much is it? The record shows 45 percent. Surely the gentleman knows the answer to my question.

Mr. COOLEY. I am not arguing about the new grower provision. If you are not satisfied with the assurances given you that we will start the hearings early in May, you know what the situation is as well as I do.

Mr. ROGERS of Texas. Now the gentleman can tell how much sugar is imported from foreign countries into this country. Why will he not do it? Why are the facts being hidden from the American public?

Mr. COOLEY. We have about 9 or 10 million tons' consumption, and I do not know just exactly how much was imported. I believe about 55 percent is from domestic sources but what difference does it make?

Mr. ROGERS of Texas. It makes this difference. The American farmer is being required to foot the bill for foreign aid, yet he is denied the right to grow nonsurplus crops being produced by those countries.

Mr. COOLEY. What difference does it make?

Mr. ROGERS of Texas. The fact of the matter is that 3 million tons of the Cuban quota is being handed over to other foreign nations, and the American farmer is being denied the opportunity to produce even 1 pound more. A giant killing is being made at the expense of the American farmer.

Mr. COOLEY. It was 3,250,000 tons and, Mr. Speaker, I do not yield any further to the gentleman but I would like to discuss briefly this new grower proposition.

Texas has no monopoly on the desire to grow sugarbeets. There are at least 21 other States—all the way from Maine to Oregon—where there are new growers or new areas which would like to get into the sugar beet business.

Every proposal that has been made on behalf of these new growers would take something away from someone else. Their proposal that 75 percent of the domestic share of the increase in our annual consumption be assigned to new producers would have denied to Hawaii, Puerto Rico, and the Virgin Islands a share in our increased consumption which the law now gives them and would have changed the share of that consumption which now goes to mainland cane production.

There are no restrictions this year on the planting of sugarbeets and sugarcane in the United States and the committee has asked in its report that there be no acreage restrictions next year. Any farmer in the United States—in Texas or anywhere else—who wants to plant sugarbeets or sugarcane is free to do so and when acreage allotments are again placed into effect, his history of planting the commodity will be the basis of an allotment.

There is no restriction of any kind on the establishment of a new beet sugar factory—in Texas or anywhere else. If producers in Texas want to grow more sugarbeets and participate in the domestic beet sugar quota, they might follow the example of cane producers in Florida and build a sugar mill which would have to be taken into consideration in any future quota allotments.

An additional beet quota would be useless at this time. Beets fell 350,000 tons short of filling their quota in 1960.

Those asking for special consideration for farmers who would like to get into the sugarbeet business are making the unreasonable demand on the committee that it do something in a few days that affects every segment of the sugar industry and which can only be done after every interested party has had an opportunity to be heard.

Every major segment of the sugar industry has agreed to a 21-month extension of the law without change of its basic quota elements but if a change in these basic quota provisions were made at the request of new growers every one of these segments of the industry would want to be heard and would have a right to be heard—consumers, industrial users, the established domestic beet industry, the domestic cane industry, Hawaii, Puerto Rico, refiners, representatives of foreign sugar producers—and all the other people interested in the operation of our Sugar Act. Every one of these has agreed that the course the committee has chosen is the best one—to extend the Sugar Act temporarily for 21 months and to start hearings as early as possible on a more permanent revision of the basic provisions of the act.

Mr. O'NEILL. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Massachusetts.

Mr. O'NEILL. I have in my hands a copy of the Boston Daily Record of Saturday, February 25, 1961. The headline says "Canada Pours Cuban Sugar Into United States":

Cuban sugar is flowing into the United States legally from Canadian refineries at the expense of local ones, circumventing the Presidential order against sugar imports from Castro-land, the Daily Record learned yesterday.

About 7 million pounds of Cuban sugar has entered this country after being refined in Montreal, Toronto, and St. Johns, New Brunswick, since January.

I have in my area two sugar refineries and I met with both management and labor. They protested this. Presently, in the bonded warehouses in Boston, there are 10 million pounds of sugar being stored waiting for renewal of this sugar act so that this sugar will be released on April 1.

I vociferously and vigorously protest this. I think this is wrong. The protest was sent to Mr. Hoffman and to Mr. Louis Mayer, Director, U.S. Department of Agriculture. He sent a letter back saying:

The country of manufacture or production shall be considered the country of origin. Further work or material added to an article in another country must affect a substantial transformation in order to render such other country the country of origin. * * * The processing of raw sugar into refined sugar has been considered to affect a substantial transformation.

Mr. COOLEY. Will the gentleman permit me to interrupt him?

The SPEAKER pro tempore. The time of the gentleman from North Carolina has again expired.

Mr. COOLEY. Mr. Speaker, I yield myself 1 additional minute.

I have read all of this correspondence. The committee has decided to close up the loophole which I think the gentleman is complaining about. Certainly we do not intend to tolerate any circumvention of the clear intent or meaning of this law. We have put it into the report. The gentleman will find it on page 4 of the report under the heading "Transshipment of Cuban Sugar." We understand the Department will prevent sugar being shipped from Cuba and refined in Canada and then shipped into the United States.

It will be noted that the committee has indicated in this paragraph of its report that processed sugar made from Cuban raw sugars may not be hereafter imported into the United States. This is not intended to affect any processed sugar presently in the country under authorization for release by the Department of Agriculture. It is our understanding that there is a small quantity which has been brought in under existing regulations and it is not our intention to adversely affect that particular sugar. However, there is to be none brought in in the future which has been made from Cuban raw sugar.

I think the gentleman will be entirely satisfied with the provisions we have in our report.

Mr. Speaker, in response to several questions which I do not have the time to answer orally, I am placing in the RECORD at this point answers to some of these questions:

Question. Does the committee amendment mean that ex-quota purchases of sugar will be made only from Western Hemisphere countries?

Answer. No, it does not. The committee amendment must be read in the light of the overall purpose of the Sugar Act and of the amendment made to the Sugar Act in the law we passed last July. This overall purpose is to assure consumers in the United States an adequate supply of sugar. This is the overriding consideration which will guide procurement of sugar outside of our quota system to replace the sugar we are not getting from Cuba. Reference to the Western Hemisphere was put in the amendment because the committee is acutely aware of the fact that some of our smaller neighbors in the Western Hemisphere are not permitted to participate in our sugar program at this time and it felt that as long as we are buying sugar throughout the world to replace the Cuban drawback, we should take this opportunity to assist the economies of these friendly Western Hemisphere countries.

Question. Does the Western Hemisphere include the Islands of Martinique and Guadaloupe and the British West Indies?

Answer. On the map used by the committee it certainly does. I understand that the State Department does not consider some of the Caribbean Islands as part of the Western Hemisphere because they are territories of or affiliated with European countries. As far as the committee is concerned, we believe that any island or area or country in the physical area of the Western Hemisphere is part of the Western Hemisphere for purposes of this bill. That was the reason for putting the word "areas" in our amendment rather than confining it to just "countries."

Question. Does this emphasis on Western Hemisphere countries mean that a country outside the Western Hemisphere, which might also be friendly, and which might have a relatively small amount of sugar it would like to sell to the United States, will be excluded? Would this exclude the Fiji Islands, for example?

Answer. No, it would not. As I have already stated, the basic purpose of the Sugar Act and of all the amendments we have made to it is to assure U.S. consumers of an adequate supply of sugar and to protect the domestic sugar producing industry. There will be a rather substantial quantity of sugar to be obtained outside our quota system during this calendar year and I would assume that those in charge of carrying out this program will obtain that sugar wherever it can be found in the world.

Question. What is meant by the requirement that consideration is to be given those countries purchasing U.S. agricultural commodities? Does this mean that we will limit our ex-quota sugar purchases to those countries which are our best customers?

Answer. No, it does not. Here again, this provision must be read in the light of the overriding purpose of the act which is to provide us with adequate sugar supplies. It would obviously be silly to require that those in charge of obtaining this sugar should go down the foreign trade list and first try to obtain sugar supplies from those countries which the statistics show have purchased the most agricultural commodities from us. This is not the intent of this provision. On the contrary, the intent is that the administrators of the Sugar Act will use this authority when they find an opportunity to move additional American agricultural commodities on a quid pro quo basis in obtaining our ex-quota sugar and will give special consideration to such proposals.

It is likely that this authority will not be used very frequently but, on the other hand, the committee wants the President to have this authority, if there is an opportunity to use it and an indication of congressional approval of this type of transaction. It is anticipated that this consideration will come into operation only when some country which has some sugar it would like to sell the United States comes in with a specific proposal to take U.S. agricultural commodities

in return for our purchase of their sugar. It is an order to give the President the authority which those administering the program said he did not have last year when they turned down some proposals which were made on exactly this basis. For example, last year, Brazil was willing to take a very substantial quantity of our wheat in return for our purchase of some of their sugar. They came to the Department of Agriculture with this proposal and were told that there was no authority to make this kind of an arrangement. Subsequently, Brazil bought a large quantity of wheat from Communist Russia to fill their needs—the first such purchase they have ever made. It is in order to authorize the President to make this kind of a transaction that this language has been placed in the amendment.

Mr. COOLEY. May I say further that in considering this bill, the committee has not deemed it appropriate to go into any of the actions which may have been taken in the past and has dealt only with the urgent demands of the present administration that the President be granted the power to deal with this Dominican problem.

The SPEAKER pro tempore. The time of the gentleman from North Carolina has again expired.

Mr. HOEVEN. Mr. Speaker, I yield myself 10 minutes.

Mr. Speaker, it is of extreme importance that the Sugar Act be extended before the scheduled March 31, 1961, termination date. So time is of the essence.

I express the hope that we can suspend the rules and pass this bill promptly. The only other recourse, as I see it, would be to ask for a closed rule on the bill. I think it is quite understandable that we cannot write a sugar bill on the floor of the House of Representatives at this stage of the game any more than you can formulate foreign policy on the floor of the House.

This bill involves foreign policy. It involves the welfare of our country. The extension has been asked for by the administration which is concerned about the foreign policy involved as well as the extension of the Sugar Act. Reference has been made to the Dominican Republic. We are not here to decide whether or not we are in favor of Mr. Trujillo of the Dominican Republic or not. The sole question is, whether or not we shall extend the Sugar Act for 21 months.

I appreciate the concern of the new growers and people from the sugarbeet areas of this country. I want to do something to help them. I want to support their position in every way possible.

The chairman of the Committee on Agriculture has told the House that he expects to conduct full hearings on long-range legislation starting during the month of May. I daresay these will be prolonged hearings, covering every phase of the sugar situation. The sensible thing to do is to extend the Sugar Act for 21 months and then hold hearings on a long-range bill.

Mrs. MAY. Mr. Speaker, will the gentleman yield?

Mr. HOEVEN. I yield to the gentlewoman from Washington.

Mrs. MAY. You have been advised that the chairman of the committee will start hearings early in May so that we may have permanent legislation on this subject, but do you not think it would be possible to complete long-term legislation before the 21 months has passed? In other words, could we not complete our work on long-term extension of the Sugar Act in a period from 9 to 12 months?

Mr. HOEVEN. I am in no position to make any specific promise in that regard. The chairman of the Agriculture Committee has justified his position. I think it is the intention of the Agriculture Committee to conduct full hearings on a long-range sugar bill. It must be remembered, however, that the Committee on Agriculture is completely bogged down with important legislation. We still have to extend Public Law 480. We have the itinerant labor bill before us, and I understand we have to work on a wheat bill.

Mrs. MAY. Can the ranking minority member of the committee assure us that consideration of these particular issues will not hold up starting hearings in May on the bill so that the bill could be written this session?

Mr. HOEVEN. As far as it is in my power as ranking Republican member of the committee I shall insist that we have full and fair hearings on a long-range sugar bill at this session of Congress.

Mrs. MAY. One more question: I would like to point out that the wording of the letter from sugar organizations that the chairman of the committee referred to earlier as agreeing to a 21-month extension, was actually worded "up to 21 months' extension."

Mr. HOEVEN. That is correct; and it has been pointed out that every segment of the sugar industry in this country, as far as I am able to determine, is in favor of the 21-month extension.

Mrs. MAY. Up to 21 months.

Mr. HOEVEN. Up to 21 months if you prefer.

Mrs. MAY. Mr. Speaker, much as I would like to follow the leadership of my distinguished colleague from Iowa on voting to suspend the rules on this bill, I cannot in good conscience give him that support. If we vote to suspend the rules, this bill to extend the Sugar Act for 21 months will pass this House without further debate and without giving any Member an opportunity to offer an amendment that would shorten the extension time to 9 months or 1 year. Yet, I sincerely believe that a 1-year extension or less would give the Committee on Agriculture ample time to hold hearings starting early in May and write in the sound legislative changes that are so desperately needed in many areas. The changes needed will be pointed out briefly in debate today, but because of the limitations of debate on a motion to suspend the rules, this House is not going to be allowed to hear the real story of why the changes in this Sugar Act should be made as soon as possible, nor will we be able to point out how many inequities will remain status quo for Americans if no change is made in this act for 21 months. Particularly am I concerned that there is no language in this bill granting new beet areas enough tonnage to provide prospective new factories with sugar crops to process.

Within my district in the State of Washington is a potentially great sugarbeet area at the western end of the Columbia basin reclamation project. This is the Quincy district and the Quincy district presently is planted to about 2,000 acres of beets. The crop, however, is contracted to a processing company in another State, thus making it necessary to haul the raw beets great distances.

I would like to state that in the Committee on Agriculture I gladly joined with Mr. POAGE of Texas, as I have in past consideration of sugar legislation, in presenting an amendment to this bill which would have provided the incentive needed to lead to the construction of factories in these new areas. Since we lost the battle on the amendment, I supported committee consideration of extending the act for shorter periods, but these efforts did not prevail.

However, I am pleased that the committee, in the report on H.R. 5463, did agree to urge that the Secretary of Agriculture not reimpose beet quotas until after we have considered long-term legislation. As I pointed out in suggesting such language, the absence of quotas for another year would, to a degree, help new growers continue to establish a growing history, necessary under the present act.

I am very concerned about the deadline which is approaching us so fast that calls for the expiration of the Sugar Act on March 31. We must have an extension of this act. But, at this point I cannot support the motion before us to suspend the rules because in effect that would give support to passage of the bill without any opportunity to cut the extension time of 21 months to a more reasonable period. On the other hand, if we defeat the motion before us, this body will then have the opportunity to send the bill back to Rules Committee and this committee can then grant a rule on the bill that would bring the matter again before us this week in such a way that we would be allowed to offer the proper extension time amendment which I am sure every Member would be glad to support. Representations from the Senate indicate very strongly that their body would be much more willing to accept this legislation if the extension were less than 21 months. If we send this bill to them with a 21-month extension on it, and they make the change of time in that body, then we face the very grave hazard of time-consuming delay necessitated by a conference on the bill. The big question is: Can we then complete the processing of this legislation before we reach the deadline of March 31? For this reason, I shall vote against suspension of the rules on the floor today so that I may have the opportunity to support the extension for a shorter period and thus hasten action on the legislation.

Mr. ROGERS of Texas. Mr. Speaker, will the gentleman yield?

Mr. HOEVEN. I yield to the gentleman from Texas.

Mr. ROGERS of Texas. Can the gentleman from Iowa tell the House that on July 5 of last year when we extended the

Sugar Act to March 31 of this year efforts were being made to extend that act for 3 years, were they not?

Mr. HOEVEN. I think that was under consideration.

Mr. ROGERS of Texas. If this 21-month extension is granted now, the effect will be to extend the Sugar Act for the full 3 years that was desired last July, will it not?

Mr. HOEVEN. I will yield to the chairman of the committee to answer the gentleman's question.

Mr. COOLEY. We wanted a longer extension last year but had to accept a short extension in conference with the other body.

Mr. ROGERS of Texas. Mr. Speaker, will the gentleman yield further?

Mr. HOEVEN. For one short question.

Mr. ROGERS of Texas. The conference report that was brought back last year contained this statement. I would like to read it:

> As a part of the understanding reached at the conference it was agreed that the conferees on the part of the House would undertake to pass a sugar bill and transmit same to the Senate at the earliest possible date after reconvening of the House in August.

I say we have not kept faith with the American people.

Mr. COOLEY. And I say the gentleman from Texas has not read the record and does not know what he is talking about, exactly that.

Mr. ROGERS of Texas. Mr. Speaker, will the gentleman yield?

Mr. HOEVEN. I cannot yield further at this time; I would like to conclude my statement.

Regarding the provision in the bill relating to the Dominican Republic, that is entirely a matter of foreign policy. I said before, and I say again, that you cannot write foreign policy on the floor of the House of Representatives. Neither can you write an adequate long-range sugar bill in the short time remaining between now and the 31st day of March of this year.

The United States is a member of the Organization of American States which encompasses all of the nations of South America and Central America. The United States is a member of that organization. A great many of those republics have severed diplomatic relations with the Dominican Republic. We have a problem in Cuba, as you know, with the Castro government. We cannot act unilaterally in this respect. We have to act with our neighbors, the members of the Organization of American States, in standing together or falling together in our fight against communism and the Castro regime in Cuba. I do not think I am divulging any secrets when I say we want to get into a position in the Organization of American States whereby proper economic sanctions can be imposed on Mr. Castro and the Republic of Cuba. We must stop the infiltration of communism into that area. This, therefore, is a foreign policy decision.

We ought to stand behind the administration in what it is trying to do in preserving some semblance of peace in the area of the Caribbean. May I say in passing that this same position was taken by the previous Eisenhower administration so the matter is entirely divorced from partisan politics.

Mr. CEDERBERG. Mr. Speaker, will the gentleman yield?

Mr. HOEVEN. I yield to the gentleman from Michigan.

Mr. CEDERBERG. Mr. Speaker, I wish to associate myself with the remarks of the gentleman from Iowa. I believe that this extension up to 21 months makes a great deal of sense. To extend it for 9 months would, in my opinion, place the Committee on Agriculture in a position, recognizing the fact that Congress is going to adjourn sometime in July or August and the act would expire prior to when we come back in January, in a position that would be extremely unfortunate.

The gentleman has also raised the question of the foreign policy aspect of this matter. I share the concern of the gentleman from Massachusetts about the possibility of Cuban sugar coming in by a sort of back door. Our Government is going to be faced with another decision, and that is the fact that the Cuban Government has requested economic aid from the international United Nations fund, to which the U.S. Government contributes 40 percent. They have an application in there asking for a special economic project to assist them because of the fact they have been losing certain revenue due to the Sugar Act.

I want to associate myself with the gentleman from Iowa [Mr. HOEVEN], and I hope this act will be extended.

Mr. HOEVEN. I thank the gentleman for his contribution.

Mr. TEAGUE of California. Mr. Speaker, will the gentleman yield?

Mr. HOEVEN. I yield to the gentleman from California.

Mr. TEAGUE of California. I, too, would like to associate myself with the gentleman from Iowa and to compliment him on the splendid and clear explanation he has given of this problem. He has presented it in a statesmanlike way.

Mr. RHODES of Arizona. Mr. Speaker, will the gentleman yield?

Mr. HOEVEN. I yield to the gentleman from Arizona.

Mr. RHODES of Arizona. The American farmer is in a position again in which his interests are going to be sacrificed on the altar of international expediency. To some extent he has been in this position before. He has been in this position in connection with cotton and as far as sugar is concerned, too. I am sorry it becomes necessary for this act to be extended in this way. I wish it were possible for us to amend the act to provide that some of the areas to the west which grow beet sugar would be allowed to continue, as I say, so that American farmers in the West would be allowed to grow the sugarbeets which they are capable of growing. However, I recognize the mood of the House and I do recognize the international situation. I may say to the gentleman from Iowa that I am very pleased with his statement, as well as the statement of the chairman of the committee as to their intentions regarding full hearings for a full adjustment of this matter. I recognize it is complicated, that you cannot do it overnight. I am pleased with the good will behind it when they point to the fact this is going to be done in May. I hope it will not be delayed. I hope we will have a bill to vote on during this session of the Congress.

Mr. DOMINICK. Mr. Speaker, will the gentleman yield?

Mr. HOEVEN. I yield to the gentleman from Colorado.

Mr. DOMINICK. Mr. Speaker, I wish to associate myself with the gentleman from Iowa.

Mr. COLLIER. Mr. Speaker, will the gentleman yield?

Mr. HOEVEN. I yield to the gentleman from Illinois.

Mr. COLLIER. Can the gentleman tell me why or for what reason we could not write into this act itself a protection against the back-door entry of Cuban sugar through Canada or any other country?

Mr. HOEVEN. May I say to the gentleman that I concur with his views. The matter was thoroughly discussed in committee. We have been assured by the State Department that they are checking into that matter, and I hope some positive action will be undertaken by the administration without delay.

Mr. COLLIER. Coming back to my original question, is there any reason why it could not have been written into the act? That is all I want to know.

Mr. HOEVEN. The gentleman means in the original act?

Mr. COLLIER. That is right, sir.

Mr. HOEVEN. It could have been written into the act but it was not done.

Mr. DOMINICK. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. DOMINICK. Mr. Speaker and fellow colleagues, I am taking these few short minutes of your time to express my reasons for supporting the proposed extension of the Sugar Act for 21 months; namely, through December 31, 1962. As we are now aware, the present act unless extended will expire on March 31, 1961, only 10 days from this date. If the act should expire even for a few hours, it has been well established that there are speculators who have available large shipments of refined sugar which they will immediately ship into this country and demoralize the market and the industry. It is obvious, therefore, that Congress must take action before March 31 or risk the well justified charge that it has been negligent in its duty to the growers, the industry, and to the consumers.

Many of us here feel that a 9-month extension would be better than the proposed 21-month extension. Under a 9-month extension there would be an immediate necessity for holding hearings on a long-term extension designed to increase the quotas for domestic production and to create some reallocation of foreign import quotas. There are

many areas in this country which now have available to them acreage suitable for sugarbeet or sugarcane and growers in such respective areas willing to plant such crops provided that a refinery or processing plant is available—a modern beet-sugar plant of the size which could be economically operated costs in the neighborhood of $15 million. It is difficult, if not impossible, to obtain interest in financing such a plant unless there is reasonable assurance that a long-term extension of the sugar program will be in effect. For such reasons I heartily sympathize with those who are fundamentally in support of the bill which I introduced on January 6 asking for a 9-month extension so that hearings could be commenced immediately.

I recognize, however, that at this moment there is not sufficient time to revise the present bill, to get a new rule on a 9-month extension or to incorporate into either a 9-month or 21-month extension the provisions which many new, prospective growers would like to see. We must not only insure passage of this bill through the House but we can expect some hearings and perhaps some amendments from the Senate which could conceivably create the necessity of a conference to reconcile differences between the two Houses. Since it has already taken 2½ months to get the present bill before the House, it does not seem advisable to me to risk the possibility of not being able to enact some legislation before the present act expires. I feel that a most doubtful potage would be brewed by trying to write an extended sugar act in open House debate.

As I stated in my letter to the chairman of the Agriculture Committee [Mr. COOLEY], and in the copies of that letter sent to other Members, I feel that a 9-month extension with immediate hearings on a long-term extension is preferable, but that I will support the present bill because of the overriding needs of all segments of the industry at the present time.

Mr. COOLEY. Mr. Speaker, I yield 1 minute to the gentleman from New York [Mr. ANFUSO].

Mr. ANFUSO. Mr. Speaker, a pressing challenge in our time is to revitalize, to put new life and new vigor into the good neighbor policy of the Americas, as initiated by Franklin D. Roosevelt.

In this sugar bill before us here today we extend again the hand of friendship to our Latin American neighbors. In this bill we specifically emphasize that consideration shall be given to countries in the Western Hemisphere, in purchasing sugar according to our needs, beyond established quotas.

We invite expanding trade with our good neighbors. Trade among nations, as buyers and sellers on equal terms, makes friends among nations.

Extension of the Sugar Act is vital to our good neighbor policy.

Mr. Speaker, all of us regret that it has become necessary to embrace in this bill before us an amendment to the basic act which permits the denial of sugar purchases above basic quotas from countries with which the United States does not maintain diplomatic relations. Similarly, we deplore the tragic situation in Cuba which already has resulted in the cancellation of sugar purchases from that country of proud people who have come under the domination of a Communist orientated dictatorship.

In this situation, in this debate upon the Sugar Act extension, I want to applaud the efforts of President Kennedy, during his first days in the White House, to reseal the bond of friendship in the Americas. On March 13 he set forth a 10-point, 10-year economic and social development program for Latin America, to meet the challenge of "a future full of peril, but bright with hope."

He has given assurances that the United States is prepared to give financial aid "if the countries of Latin America are ready to do their part." He has made known that the economic development program he advocates for our neighbors to the southward looks toward modification of "social patterns so that all, and not just a privileged few, share the fruits of growth."

Mr. Speaker, I believe no other great and strong nation in all history has approached the record of the United States in championing the integrity and sovereignty of its neighboring nations. Now our Government is ready to aid in a substantial way the economic and social development of these neighboring nations.

It is my hope that when we again consider sugar legislation in the Congress, the good neighbor policy will have advanced the friendship of nations in this hemisphere in a way that we can deal freely and confidently with all our sister nations who share in our markets, that the conditions which have brought the breaking of diplomatic relations with any nation in this hemisphere will have been remedied and that democratic processes will then prevail in all these nations.

I appeal for approval of the legislation now before us as a step in this direction of friendship with the 200 million inhabitants of the good neighbors of Latin America.

Mr. COOLEY. Mr. Speaker, I yield such time as he may desire to the gentleman from Texas [Mr. MAHON].

Mr. MAHON. Mr. Speaker, I wish to be recorded as unalterably opposed to the present bill. I hope it will be defeated.

It is most regrettable that we have no chance to discuss the details of the problem or offer amendments to the bill. What we need is a 9-month extension and action before the adjournment of this Congress on a satisfactory long-range program. Early action is in our best interest internationally and in the best interest of domestic growers and prospective domestic growers.

Mr. COOLEY. Mr. Speaker, I yield such time as he may desire to the gentleman from Kansas [Mr. BREEDING].

Mr. BREEDING. Mr. Speaker, I am opposed to a 21-month extension of the Sugar Act. I am in favor of a 9-month extension of the Sugar Act. When the committee voted to extend the present program for 21 months, it failed to recognize the need for more acreage for our own growers. In an agreement that was reached last year, when the act was extended for a short period, it was agreed that the task of making major changes in the act would be taken up this year. It now appears that the whole concept has changed and it seems to be the position of the chairman and many members of the committee that the law should be extended at the present time for 21 months, which means it would be 3 years before domestic growers could be given consideration. I think the chairman of the House Committee on Agriculture is breaking faith with Members of Congress when he insists that the act be extended for 21 months, at this time. It is most urgent that the act be amended, to increase domestic production of sugarbeets. I believe our sugarbeet farmers should be permitted to produce more of the sugar the United States consumes. There will have to be a major shift, in the present sugar quota, since we can no longer do business with Cuba. My people are only asking for their fair share of this quota. I earnestly beseech this body not to extend this act for 21 months, at this time, so that more debate on the general revision of the act can be had, as it pertains to quota provisions.

Mr. COOLEY. Mr. Speaker, I yield such time as he may desire to the gentleman from Oklahoma [Mr. WICKERSHAM].

Mr. WICKERSHAM. Mr. Speaker, I am opposed to a 21-month extension of the Sugar Act. A group of Congressmen from Texas, Kansas, New Mexico, Oklahoma and other States requested permission to appear before the House Agricultural Committee and the Rules Committee in behalf of a 9-month extension only, but we were not afforded the opportunity of being heard.

The old song, "Sugar in the morning, sugar in the evening, and sugar at suppertime," may not be applicable if we continue to deny the American farmer, who is classified as a new grower, the right to grow sugarbeets and get them refined.

Many farmers are forced to reduce acreage formerly planted to cotton, wheat, grain sorghums and peanuts; consequently, they should be permitted to grow other crops. The growing of sugarbeets is profitable. It is unfair to permit Cuba and other foreign countries to receive all of the allotments, especially since the population is growing at a tremendous pace, and especially, in view of the existing international situation.

Mr. COOLEY. Mr. Speaker, I yield such time as he may desire to the gentleman from New Mexico [Mr. MORRIS].

Mr. MORRIS. Mr. Speaker, I hope that this House will turn down this 21-month extension; that a 9-month extension will be brought to this floor, and I think it will be passed unanimously.

Mr. Speaker, I want to point out to this House that, as far as know, there have not been any hearings held on this legislation. Now, what is going to be

the foreign policy answer when the countries of Latin America, who are importing Cuba's quota, acquire a $150 million a year vested interest in this quota? What is going to be your answer when you take this away from them? Mr. Speaker, I hope that this House will turn down this 21-month extension and bring out a bill we can all support—a bill for a 9-month extension. Then the House Committee on Agriculture can hold hearings and every citizen may have a chance to be heard. Then the people who now have a monopoly on the sugar industry in this country, on the importation of sugar into this country, will not be the only ones to have the chance to be heard.

At the present time there are only 12 firms that import all the sugar into this country.

The SPEAKER. The time of the gentleman from New Mexico [Mr. MORRIS] has expired.

Mr. COOLEY. Mr. Speaker, I yield 1 minute to the gentleman from Texas [Mr. ROGERS].

Mr. ROGERS of Texas. Mr. Speaker, I want to say this: I am very happy to get this minute. I have been trying to get time on this bill and have been denied it at every turn. There were no hearings held on this bill before the committee. I received a letter from the chairman telling me I would be scheduled to be heard. I was not given the opportunity to be heard. The Committee on Rules has been circumvented on this situation. What you are fixing to do by the passage of this bill at this time is to turn 3 million tons of sugar over to foreign nations and to deny the American farmer the right to grow 1 pound of it; and those 3 million tons of Cuban sugar can be transshipped into this country from other foreign countries and probably will.

If the Members of this House understood this bill, if hearings had been held on it, I think there would be a different air in this Chamber.

Mr. Speaker, I think we can do something against communism this afternoon if we vote down this bill and get the opportunity to debate this matter.

Mr. HOEVEN. Mr. Speaker, I yield 3 minutes to the gentleman from Minnesota [Mr. QUIE].

Mr. QUIE. Mr. Speaker, as we look at this legislation I think we are convinced that we should have a 9-month extension rather than a 21-month extension.

Mr. LANGEN. Mr. Speaker, will the gentleman yield?

Mr. QUIE. I yield to the gentleman.

Mr. LANGEN. I thank the gentleman for yielding. I take this time in order to express my concern as to the wisdom of a 21-month extension at this point.

Mr. Speaker, I do so because of the need for revisions in the law to allow for greater participation on the part of domestic growers. This need has been expressed over the past many years in terms of the great desire of our domestic farmers to grow beets, and by the fact that we have very substantial evidence of their ability to do so. In our own Red River Valley area of northwestern Minnesota farmers have for many years been making applications for beet allotments without success. The present beet industry which we do have in our area is ample proof of the many advantages of growing and processing beets in this area. All that has been lacking are additional allotments, and this is the case in several other domestic areas.

In the light of this great domestic potential and the need for putting it into operation in terms of a longer-term revision of the Sugar Act, a 21-month extension seems objectionable to me. Surely we have ample time in the remainder of this session to arrive at a revised act which will allow our domestic producers to participate in fulfilling a greater share of the sugar market. Therefore, a 9-month extension would seem to be very ample. And in addition, if such a revision could not be reached this session, it would be extremely simple to add another extension later. I believe our domestic producers deserve at least this opportunity to present their case.

Another undesirable aspect of extending the present act for 21 months is that it will tend to set a precedent for buying sugar from foreign countries who will then be dissatisfied if a part or all of their American market is closed. This would be much less of a problem under a 9-month extension.

It would be my hope that the Agriculture Committee might, in the near future, commence open hearings on the overall subject of sugar legislation. Its present procedure of dealing with sugar legislation almost exclusively in executive session certainly precludes domestic producers having an opportunity to present their case. I am sure with this opportunity that we would have a much better chance of achieving the increased domestic sugarbeet acreage which would contribute so much to a strengthening of American agriculture.

Mr. QUIE. Mr. Speaker, there is a great opportunity in southern Minnesota to raise sugarbeets. We just passed a bill to divert some acreage from feed grains. Higher domestic sugar beet quotas would divert acreage from feed grains in my part of the country. More important than that however, we should look at the decision that this Congress is making; we should consider the use of this Congress by the State Department and the administrative branch on a foreign policy decision. Some of us have serious reservations about the foreign policy ramifications involved in this bill, particularly in singling out one nation for censure.

It is our conviction that the Constitution of the United States has firmly fixed responsibility for the conduct of foreign policy upon the President and the executive branch of the Federal Government and not upon the Congress. We believe the Congress should provide such authority as is necessary for the President to meet this constitutional responsibility, but we do not believe that we should attempt in the Committee on Agriculture to provide in a farm bill specific authority to deal with one particular country on one particular commodity. Nor do we believe the Congress should take a specific foreign policy action when the Constitution reserves such action for the President using the offices of the Department of State. Our responsibility in sugar legislation is to assure the President sufficient authority to meet the foreign policy questions involved with all countries affected by the act.

The previous administration recognized this principle. On March 15, 1960, the Eisenhower administration in its formal request for sugar legislation stated as follows:

> The proposed bill accordingly authorizes the President, whenever such action is necessary to insure adequate supplies of sugar or is otherwise required in the national interest, to reduce the quota for a calendar year for any foreign country, other than the Republic of the Philippines, without the necessity of waiting for additional legislation or for a critical situation to develop. For the same reason, provision is also made for obtaining replacement sugar supplies from other sources.
>
> It is not known whether the need to exercise this authority will ever arise. If it does, each action would be with respect to a single year and would be made in a manner consistent with our international obligation. The circumstances under which the Presidential authority would be exercised cannot now be foreseen. For instance, early in a marketing year a large quantity of sugar might be needed and timing would be of secondary concern. Late in a marketing year timing of delivery might be of paramount importance, although only a small quantity might be involved. Accordingly, the Secretary is authorized to acquire replacement sugar in the manner he deems appropriate at the time such action may be taken.

The specific statutory language suggested by the Eisenhower administration provided in part as follows:

> (2) For the purposes of meeting the requirements of consumers in the United States, the Secretary is authorized to cause or permit to be imported into the United States, in such manner, from such sources, and subject to such terms and conditions as he deems appropriate under the prevailing circumstances, a quantity of raw sugar, not in excess of the sum of any reductions in quotas made pursuant to this subsection.

As I said last year, no matter whether the President is a Republican or a Democrat, he should make those decisions.

Mr. Speaker, I think we ought to take a serious look at this. In the Committee on Agriculture I supported an amendment offered by one of the members which would have given the President broad authority. I think if we let this bill go back to committee, we could bring it back in the right form and pass it early next week. We could take care of this before the March 31 deadline and with a 9-month extension so we would be insured of action to the benefit of domestic producers.

Mr. DEROUNIAN. Mr. Speaker, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from New York.

Mr. DEROUNIAN. Mr. Speaker, may I say to the gentleman that I do not like an Iron Curtain on any legislation in this House. I think there is one here. I think this is a steamroller. I do not like the smell of this bill and I am going to vote against it.

Mr. BRUCE. Mr. Speaker, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Indiana.

Mr. BRUCE. I should like to associate myself with the gentleman's remarks and go one step further, by saying that contrary to the statements that have been made that simply because the previous administration was for the restrictions we are literally bound to that, I disagree.

Mr. DERWINSKI. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. DERWINSKI. Mr. Speaker, this debate on the extension of the Sugar Act is displaying widespread disagreement not only on the part of members of the Agriculture Committee but the entire membership of the House. I join those who object to the 21-month extension as provided in the bill now being debated since I feel it creates a position of inflexibility which would be detrimental to the ability of Congress to write a new Sugar Act should circumstances affecting our purchases of sugar drastically change.

I feel that the Congress should meet this issue head on and that the Agriculture Committee should, as it has promised, commence hearings on the entire sugar production problem. Certainly, a 12-month extension would be ample time for the congressional committees to study this matter. I therefore will vote against the extension proposed today in the hope that we could instead approve the extension for a 12-month period which I feel would be a more realistic position.

May I also point out that the discussion this afternoon has been devoted mainly to generalized statements concerning foreign relation implications in the extension of sugar quotas. Numerous members have discussed the problems of the domestic sugarbeet industry and its indirect relationships to the acreage problems in other commodity areas. We should also take into account the problems facing the sugar producers of Puerto Rico and Hawaii in their long range interests in readjustment to the sugar quota.

But I am greatly disturbed by the complete indifference to the American consumer who, in effect, subsidizes the international sugar market. The historic subsidy paid to Cuban and other sugar producers comes from the pockets of the U.S. consumers. I trust the Members of Congress could appreciate the additional complication that deserves to develop should the public be accurately informed of the manipulations and machinery of the sugar quota system and the effect it has had in creating for them an artificially high price for the sugar they consume.

I am also disturbed at this apparent effort of Congress to evade responsibility in this field. Of necessity, we must make mention of the recent administration proposals to take away from Congress legislative power in the vast agriculture programs. At this time it would be well for Congress to reassess its authority in legislative fields and not weakly abdicate power to the legislative branch of Government which is already swollen with petty bureaucratic tyrants who administer the multitude of Federal agencies with disregard for our citizens in their capacity as taxpayers.

Mr. HOEVEN. Mr. Speaker, I yield 3 minutes to the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Speaker, I have been intrigued by the touchiness on the part of some Members of the House this afternoon on the subject of foreign policy. Why, bless your hearts and souls, you vote on foreign policy when you consider authorization bills and appropriations for the so-called implementation of foreign affairs. Why are you so touchy this afternoon about foreign policy, and why is there no prohibition in this bill against the back-door importation of sugar from Cuba?

I am opposed to this kind of procedure wherein it is impossible to offer an amendment prohibiting Cuban sugar from coming into the United States through the back doors of other countries.

Mr. COOLEY. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from North Carolina.

Mr. COOLEY. The committee believes that it is in the bill, and we believe that the administration has the authority to prevent a circumvention of the law.

Mr. GROSS. If this bill could be amended I could write a provision—and it would not take very long, either, so that there would not be any doubt about it.

Mr. COOLEY. We think it is in the bill, just what the gentleman is complaining about. We put it in the report to make our intent definite and clear.

Mr. GROSS. The report is not binding. A prohibition in the bill would be.

Mr. COOLEY. If we open up the consideration of this bill we will be here weeks. We must pass this bill or we will have chaos in the sugar industry.

Mr. GROSS. It is never good business to pass poor legislation. I am not for this bill for that reason.

On this matter of foreign policy, the gentleman from Michigan [Mr. CEDERBERG] said that negotiations are now underway through which the United Nations special fund would provide financial aid to Cuba's Communist Dictator Castro. I have here an editorial from a New York newspaper which states that Paul Hoffman, the director of the U.N. special fund, has already signed an agreement to give financial aid to Castro, and of course American taxpayers are putting up 40 to 50 percent of the money that goes into the United Nations special fund.

How silly can we get. On one hand, we break off diplomatic relations with Cuba and refuse to buy their sugar only to find it being transshipped from other foreign countries and sold in this country. On the other hand, Paul Hoffman, that great liberal with our tax dollars, has either engineered a deal or is trying to put one through that would help rescue Castro from the serious internal situation in Cuba.

I regret there is not more time to debate this ridiculous situation.

Mr. HOEVEN. Mr. Speaker, I yield myself the remainder of my time.

Mr. Speaker, there is a rule in law which says that equity never does a vain thing. You may turn down the suspension of the rules, if you desire. If you do so, I think you will be immediately confronted with a closed rule on this very same piece of legislation. Time is of the essense and you cannot possibly write a long-range sugar bill on the House floor between now and the 31st day of March when the present act expires. Let us be realistic about this thing. The entire sugar industry of the country is satisfied with the 21-month extension. Furthermore, the chairman of our committee has promised you that we will start hearings on a long-range program in the month of May. It seems to me that should suffice.

I do hope you will suspend the rules and pass the extension bill. You cannot afford to take a chance in letting the present extension lapse on the 31st of March. This might well happen if we keep on dillydallying along.

The SPEAKER. The time of the gentleman has expired.

Mr. COOLEY. Mr. Speaker, I yield 5 minutes of the remaining 6 minutes to the gentleman from Texas [Mr. POAGE].

Mr. POAGE. Mr. Speaker, not since that fateful day when the Puerto Rican terrorists shot up this House while we were discussing Mexican labor can I recall having taken the floor to oppose the position of my chairman on an agriculture bill. I hope our present disagreement is not a portent of violence. Today, however, I must express my opposition to the pending sugar bill on two counts. That there may be no misunderstanding as to my position, and that I may not say what I do not intend to say, I have reduced my statement to writing.

In the first place, this bill is, in my opinion, defective in that it makes no provision for the recognition of the rights of new growers and new areas. I think that as the American public uses more sugar—and we do each year—that more American farmers should be given the right to grow sugar. Last year we assured these farmers that we would give consideration to their plight this year. This bill does not keep faith with those farmers in new areas who want to grow sugarbeets. In my opinion, it would have been a simple matter to allocate a portion of the domestic growth factor to these new growers in new areas. Such a course would have taken nothing away which any grower—foreign or domestic—now has. It would have given these people a chance to begin some small development of the sugar industry. I anticipate that the other body may make such provision, but in my opinion, it was our duty to deal fairly with these people. This bill does not deal fairly with them, and I would be compelled to oppose it on that ground alone.

There is, however, in my opinion, a far more dangerous aspect of this bill. This

is not simply an agriculture bill. It is designed to be used as an instrumentality of power in our foreign relations. This bill makes provision for discrimination between the so-called full-duty countries which have in the past supplied a portion of our domestic market. It assures all but one of those countries of a new and continued preference in the American sugar market in direct proportion to the amount of sugar which each of these countries has heretofore supplied.

The one exception is the Dominican Republic. Here it is definitely intended, and the bill grants the power to apply a discriminatory treatment. Our committee was not advised just exactly what the State Department expected to attain by such treatment, but it is obvious that we are being called upon, through an agriculture bill, to impose a penalty on the cane producers of the Dominican Republic because either we or someone else does not like the Government of the Dominican Republic. We were told that that Government is a dictatorship. I assume it is. I assume it has been for more than 30 years. I don't like dictatorships. I would not like to live under a dictatorship, but clearly the United States of America has not set about to destroy all dictatorships.

I am advised that we have, since the close of the war, extended aid valued at more than a billion dollars to Mr. Tito in Yugoslavia. I don't believe anybody would suggest that Mr. Tito was President as a result of the type of democratic process which we recognize as such in this country. Nor can it be said that Mr. Franco's government in Spain differs very materially from General Trujillo's government. And yet, we support the Franco regime with vast sums of money. I am not trying to be critical of any government. I am merely saying that the United States is not dedicated to the principle of eradicating dictatorships throughout the world.

Whatever Dictator Trujillo's merits or demerits may be, he did take a bankrupt economy and paid its debts. He did take a country without a single public school and has established general primary education. He did take a country with no roads except those which had been built by the U.S. Marines and established a reasonably good system of domestic communication. He did bring the standard of living of the people of his island up from very close to the bottom to the third highest in the Caribbean. He has always respected American rights and has protected the property of all people. He has stood firm against communism.

Today we see the vast contrast between a Communist dictator in Cuba and an anti-Communist dictator in the Dominican Republic. Which do you prefer? As between the two, I have no hesitancy in saying that I prefer the anti-Communist type.

What is our policy of chastisement for General Trujillo intended to achieve? Are we trying to overthrow his government? If so, what can we expect in its place? If we succeed, I believe that every thinking American knows that the present Government of the Dominican Republic will be succeeded either by the direct agents of Mr. Castro or a Castro-type Communist government. And if the Dominican Republic becomes a second Communist outpost in the Caribbean, the Republic of Haiti also must fall. It could not remain on the same island without succumbing to communism. I know not what will then happen in the British Federation in the West Indies, but I am certain that a Communist stronghold in Hespanolia would certainly weaken democracy throughout that whole area. And suppose we do not succeed in overthrowing Mr. Trujillo? Does any reasonable man expect him to accept this abuse and retain his strong anti-Communist position? Indeed, will he not then be forced into the hands of Communism to support himself? Will not all the world be on notice that the United States is not seriously concerned with any other nation's attitude toward Communism?

I sought desperately to find what the State Department wanted the Dominican Republic to do to purge itself. But I have sought in vain. I have been unable to get any assurance that even the removal of General Trujillo from the island and the commitment of the existing ing government, of which he incidentally is not an official, to conduct elections at the regular election time and to even allow the Ford Foundation to observe the elections would be satisfactory to our Government. Just what does our Government want? Apparently, we want first to force General Trujillo out of the Dominican Republic under humiliating circumstances. Would we rather have the Communists take over the island than to handle the succession of government in an orderly and constitutional manner? I hope not.

I hope I misunderstand the policy of my own Government. But I must say with all charity and in all sincerity that so far I do not understand that policy, and I am sure that there is not a man on the Agriculture Committee who can explain that policy to you. Convinced as I am that this policy is bound to lead to another communistic government in the Caribbean, I cannot support this bill.

I know we need a sugar bill. I want a sugar bill, but I do not want one bad enough to vote for a bill which might actually encourage communism in another American Republic.

The SPEAKER. The time of the gentleman from Texas [Mr. POAGE] has expired.

Mr. COOLEY. Mr. Speaker, how much time have I remaining?

The SPEAKER. The gentleman has 1 minute remaining.

Mr. COOLEY. May I just make one statement to say that the outgoing administration of President Eisenhower recommended the position that the gentleman from Texas has just stated.

I know that this act is vital to the welfare of many of our own people, and I hope it will pass.

Mr. O'NEILL. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield briefly.

Mr. O'NEILL. Was it the intent of the Congress when the original bill was passed last year to permit Cuban sugar to be shipped to Canada or any other foreign country and refined and then sent to the United States, which is now condemned?

Mr. COOLEY. No, it was not the intent of Congress that Cuban sugar should come into this country after we refused to restore that quota.

The SPEAKER. The time of the gentleman has expired.

CALL OF THE HOUSE

Mr. BASS of Tennessee. Mr. Speaker, I suggest the absence of a quorum, and I make a point of order that a quorum is not present.

The SPEAKER. Evidently no quorum is present.

Mr. COOLEY. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 18]

Baker	Jones, Mo.	Thompson, La.
Blatnik	Lesinski	Thompson, N.J.
Brademas	McDonough	Tupper
Buckley	Mosher	Wilson, Calif.
Gallagher	O'Konski	Wright
Griffin	Rabaut	
Hall	Springer	

The SPEAKER. On this rollcall, 423 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

EXTEND AND AMEND THE SUGAR ACT

The SPEAKER. The question is, Will the House suspend the rules and pass the bill, H.R. 5463?

Mr. ROGERS of Texas. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 284, nays 129, not voting 18, as follows:

[Roll No. 19]

YEAS—284

Abbitt	Byrnes, Wis.	Durno
Abernethy	Cahill	Dwyer
Addabbo	Cannon	Elliott
Addonizio	Carey	Evins
Alexander	Cederberg	Fallon
Andrews	Celler	Farbstein
Anfuso	Chamberlain	Fascell
Arends	Chelf	Feighan
Ashley	Chenoweth	Finnegan
Aspinall	Church	Fino
Auchincloss	Clancy	Flood
Ayers	Clark	Fogarty
Baldwin	Coad	Ford
Barrett	Cohelan	Fountain
Bass, Tenn.	Conte	Frazier
Bates	Cook	Frelinghuysen
Battin	Cooley	Friedel
Becker	Corman	Garland
Beermann	Cramer	Garmatz
Bell	Cunningham	Gary
Bennett, Fla.	Curtis, Mass.	Gathings
Betts	Daddario	Giaimo
Boggs	Dague	Gilbert
Boland	Daniels	Glenn
Bolling	Davis, John W.	Granahan
Bonner	Dawson	Grant
Boykin	Delaney	Gray
Brademas	Dent	Green, Oreg
Brewster	Denton	Green, Pa.
Brooks, La.	Diggs	Griffiths
Brooks, Tex.	Dingell	Gubser
Broyhill	Dominick	Hagen, Calif.
Burke, Ky.	Donohue	Halleck
Burke, Mass.	Downing	Halpern
Byrne, Pa.	Doyle	Hansen

Hardy	McMillan	Rooney
Harrison, Va.	McSween	Roosevelt
Harrison, Wyo.	Macdonald	Rostenkowski
Harsha	Machrowicz	Rousselot
Harvey, Ind.	Mack	Ryan
Harvey, Mich.	Madden	St. Germain
Hays	Magnuson	Santangelo
Healey	Mailliard	Saund
Hébert	Marshall	Schenck
Hechler	Martin, Mass.	Scherer
Henderson	Martin, Nebr.	Schwengel
Herlong	Mathias	Scott
Hiestand	Matthews	Scranton
Hoeven	Meader	Selden
Holifield	Merrow	Shelley
Holland	Miller, George P.	Sheppard
Holtzman	Mills	Shipley
Hosmer	Monagan	Sibal
Huddleston	Moore	Sikes
Hull	Moorhead, Pa.	Siler
Inouye	Morgan	Sisk
Jarman	Morrison	Smith, Calif.
Jennings	Morse	Smith, Iowa
Joelson	Moss	Smith, Miss.
Johnson, Calif.	Moulder	Smith, Va.
Johnson, Md.	Multer	Spence
Johnson, Wis.	Murphy	Springer
Jonas	Murray	Stafford
Jones, Ala.	Natcher	Staggers
Jones, Mo.	Nix	Steed
Karsten	Norblad	Stratton
Karth	O'Brien, Ill.	Stubblefield
Kastenmeier	O'Brien, N.Y.	Sullivan
Kee	O'Hara, Ill.	Taylor
Keith	O'Hara, Mich.	Teague, Calif.
Kelly	Olsen	Thomas
Keogh	O'Neill	Thompson, N.J.
Kilburn	Osmers	Thompson, Tex.
Kilday	Passman	Thornberry
King, Calif.	Perkins	Toll
King, Utah	Peterson	Trimble
Kirwan	Philbin	Tuck
Kitchin	Pike	Ullman
Kluczynski	Pilcher	Utt
Knox	Pirnie	Vanik
Kornegay	Poff	Van Pelt
Kowalski	Powell	Van Zandt
Landrum	Price	Vinson
Lane	Pucinski	Wallhauser
Lankford	Randall	Walter
Latta	Reuss	Watts
Lennon	Rhodes, Pa.	Weaver
Lesinski	Riley	Whitener
Lindsay	Rivers, S.C.	Widnall
Lipscomb	Roberts	Willis
Loser	Robison	Yates
McCormack	Rodino	Young
McDowell	Rogers, Colo.	Younger
McFall	Rogers, Fla.	Zablocki
McIntire		Zelenko

NAYS—129

Adair	Edmondson	Moeller
Albert	Ellsworth	Montoya
Alford	Everett	Moorehead, Ohio
Alger	Fenton	Morris
Andersen, Minn.	Findley	Nelsen
Anderson, Ill.	Fisher	Nygaard
Ashbrook	Flynt	Ostertag
Ashmore	Forrester	Patman
Avery	Fulton	Pelly
Baring	Gavin	Pillion
Barry	Goodell	Poage
Bass, N.H.	Goodling	Quie
Beckworth	Griffin	Ray
Belcher	Gross	Reifel
Bennett, Mich.	Hagan, Ga.	Rhodes, Ariz.
Berry	Haley	Riehlman
Blitch	Harris	Rivers, Alaska
Bolton	Hemphill	Rogers, Tex.
Bow	Hoffman, Ill.	Roudebush
Bray	Hoffman, Mich.	Rutherford
Breeding	Horan	St. George
Bromwell	Ichord, Mo.	Saylor
Broomfield	Ikard, Tex.	Schadeberg
Brown	Jensen	Schneebeli
Bruce	Johansen	Schweiker
Burleson	Judd	Seely-Brown
Casey	Kearns	Short
Chiperfield	Kilgore	Shriver
Collier	King, N.Y.	Slack
Colmer	Kyl	Stephens
Corbett	Laird	Taber
Curtin	Langen	Teague, Tex.
Davis, James C.	Libonati	Thomson, Wis.
Davis, Tenn.	McCulloch	Tollefson
Derounian	McVey	Weis
Derwinski	MacGregor	Westland
Devine	Mahon	Whalley
Dole	Mason	Wharton
Dooley	May	Whitten
Dorn	Michel	Wickersham
Dowdy	Miller, Clem	Williams
Dulski	Miller, N.Y.	Wilson, Ind.
	Milliken	Winstead
	Minshall	

NOT VOTING—18

Bailey	Hall	Rabaut
Baker	Harding	Rains
Blatnik	McDonough	Thompson, La.
Buckley	Mosher	Tupper
Curtis, Mo.	O'Konski	Wilson, Calif.
Gallagher	Pfost	Wright

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Rabaut and Mr. Rains for, with Mr. Curtis of Missouri against.

Until further notice:

Mr. Blatnik with Mr. Mosher.
Mr. Wright with Mr. McDonough.
Mr. Thompson of Louisiana with Mr. Baker.
Mr. Buckley with Mr. Tupper.
Mr. Gallagher with Mr. Wilson of California.
Mrs. Pfost with Mr. Hall.
Mr. Bailey with Mr. O'Konski.

Messrs. CANNON and LOSER changed their vote from "nay" to "yea."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

AMENDING FAIR LABOR STANDARDS ACT OF 1938

Mr. MADDEN, from the Committee on Rules, reported the following privileged resolution (H. Res. 229, Rept. No. 182), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution, it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3935) to amend the Fair Labor Standards Act of 1938, as amended, to provide coverage for employees of large enterprises engaged in retail trade or service and of other employers engaged in commerce or in the production of goods for commerce, to increase the minimum wage under the Act to $1.25 an hour, and for other purposes. After general debate, which shall be confined to the bill and continue not to exceed seven hours, to be equally divided and controlled by the chairman and the ranking minority member of the Committee on Education and Labor, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider, without the intervention of any point of order, the substitute amendment recommended by the Committee on Education and Labor now in the bill, and such substitute for the purpose of amendment shall be considered under the five-minute rule as an original bill. At the conclusion of such consideration the Committee shall rise and report the bill to the House with such amendments as may have been adopted and any member may demand a separate vote in the House on any of the amendments adopted in the Committee of the Whole to the bill or committee substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

INCOME OF FOREIGN CENTRAL BANKS

Mr. MILLS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5189) to amend the Internal Revenue Code of 1954 to exempt from tax income derived by a foreign central bank of issue from obligations of the United States.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subpart C of part II of subchapter N of chapter 1 of the Internal Revenue Code of 1954 (relating to nonresident aliens and foreign corporations) is amended by adding at the end thereof the following new section:

"SEC. 895. INCOME DERIVED BY A FOREIGN CENTRAL BANK OF ISSUE FROM OBLIGATIONS OF THE UNITED STATES

"Income derived by a foreign central bank of issue from obligations of the United States owned by such foreign central bank of issue shall not be included in gross income and shall be exempt from taxation under this subtitle unless such obligations are held for, or used in connection with, the conduct of commercial banking functions or other commercial activities."

(b) The table of sections for such subpart C is amended by adding at the end thereof the following:

"Sec. 895. Income derived by a foreign central bank of issue from obligations of the United States."

(c) The amendments made by subsections (a) and (b) shall be effective with respect to income received in taxable years beginning after December 31, 1960.

The SPEAKER. Is a second demanded?

Mr. BYRNES of Wisconsin. Mr. Speaker, I demand a second.

Mr. MILLS. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. MILLS. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, the bill H.R. 5189 exempts certain foreign central banks from tax on any income they derive from investments in U.S. Government obligations but only to the extent such obligations are held for or are used in connection with their central banking functions. It would not exempt the income from such obligations if they are held for or used for commercial activities.

The President requested this legislation as one of various desirable steps intended to improve this country's ability to defend its gold reserves. A similar proposal was made by the administration last year but there was not sufficient time for its consideration by Congress. It is anticipated that the bill will have a negligible effect on revenues.

Mr. Speaker, under present law, foreign central banks which are an integral part of the government of the country in which they are located are exempt from tax on all U.S. investment income under section 892 of the code. If such banks are not a part of the government but are established as independent corporations, they are generally subject to tax on their U.S. investment income at a flat 30-percent rate or at a lesser rate under some tax treaties.

There are two exceptions to this where an exemption is now provided: First, interest on bank deposits—section 881—is also exempt for foreign depositors;

second, in the case of income derived from bankers' acceptances. An exemption is provided for these foreign central banks—section 861. Since no similar specific statutory exemption is provided with respect to income derived from U.S. Government obligations, such income is taxable to such banks when they are not an integral part of the foreign government.

The problem arises under present law because in a number of foreign countries—mostly the smaller ones—the central banks are not operated as an integral part of the government but are set up as separate corporations which are wholly owned by such governments, somewhat along the lines of our own Federal Reserve bank. Prior to 1946, the Internal Revenue Service had ruled that foreign central banks so organized were governmental entities and hence entitled to exemption from tax on all of their U.S. investment income. In 1946, this position was reversed. The most recent ruling on this subject holds such banks are not entitled to tax exemption as foreign governmental entities with the result that they are subject to tax on all U.S. investment income except bank deposit interest and income from bankers' acceptances. However, application of this ruling has been suspended pending the introduction of this proposed legislation.

The objective of this bill is to make investments by foreign central banks in U.S. Government obligations at least as attractive from a tax standpoint as investments made by them in domestic bank deposits or bankers' acceptances. It is also designed to alleviate our gold flow problem by providing a means of holding or attracting foreign dollar investments by such banks by providing an investment alternative superior to the holding of gold.

Mr. Speaker, I must say that this bill taken by itself, if nothing else is done, will not make the great material contribution to the defense of our gold reserves that all of us desire, but it should be borne in mind that this bill is only one part of an overall program suggested for that purpose. This part of the overall program was referred to the Committee on Ways and Means. We will consider during the coming days of this week another bill that is also a part of the overall program in the direction of helping us to better defend our gold reserves.

Mr. Speaker, I think this bill should pass without opposition because it very definitely works in the direction of improving our gold reserves.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from Iowa.

Mr. GROSS. Will the gentleman be a little more explicit as to what he means by "negligible effect" upon the revenue?

Mr. MILLS. The word "negligible" is used in our committee when it is not possible to give a specific dollar estimate of what the effect upon revenue will be, but only when it is believed the revenue effect will be less than a half million dollars a year. This is considered negligible in our committee in the relation of the half million dollars or less to the total receipts of many billions of dollars.

Mr. GROSS. Mr. Speaker, will the gentleman yield further?

Mr. MILLS. I yield.

Mr. GROSS. If a foreign bank holds Treasury bills or other U.S. securities, is interest now paid on them?

Mr. MILLS. If a foreign bank has Government obligations in any form and those obligations bear interest, the interest is paid to the foreign central bank.

Mr. GROSS. Under present law.

Mr. MILLS. Under present law, we pay interest to the holders of our obligations whether they be foreign central banks or whether they are other foreign banks.

Mr. GROSS. Would that be continued, or does this bill change that?

Mr. MILLS. No, it does not change it in any way. What we are trying to do in this legislation is to make it possible for a foreign central bank of issue, where that bank is not an integral part of the foreign government, to invest at least part of its monetary reserves in U.S. Government obligations instead of demanding gold and drawing down our gold reserves. The foreign central bank of issue is likely to prefer an investment in U.S. obligations since these pay interest. However, if we tax the interest income on these obligations the foreign central bank may be unwilling to make such an investment. This is only a problem where the foreign central bank is a separate corporation. Where it is an integral part of the foreign government it in no case pays U.S. tax on income from investments here.

Mr. GROSS. I have read this report and it seems unusual in this respect, that there is no statement on the part of the Secretary of the Treasury or the Internal Revenue Service, so far as I can see.

Mr. MILLS. There was no letter submitted to the committee from the Treasury Department. This was submitted by the President in his message on our gold reserves that came to us earlier this year and you will see that the President's position is indicated in the last paragraph of the summary of the committee report. I can assure the gentleman that this administration and the previous administration both recommended this proposition just as it is submitted to the House today.

Mr. BYRNES of Wisconsin. Mr. Speaker, I yield such time as he may desire to the gentleman from Michigan [Mr. KNOX].

Mr. KNOX. Mr. Speaker, I am opposed to this legislation. I opposed it in the Committee on Ways and Means.

Mr. Speaker, the bill now before us purports to deal with problems arising from experience in the past several years with our changing balance of payments position and its impact on our domestic gold supply. The bill, H.R. 5189, would amend our Federal tax code to exempt from income tax liability those amounts earned as interest by a foreign central bank of issue on U.S. Government obligations.

It has been argued in support of this measure that the bill would, first, grant tax treatment to eligible central banks incorporated separately from the governmental entity similar to that accorded to those banks separately incorporated; second, equalize the tax treatment of investments in Government obligations with that accorded to investments in U.S. bank deposits and bankers' acceptances acquired with reserve funds of foreign central banks of issue; third, encourage the holding of U.S. Government obligations by central banks of issue; and fourth, thereby, assist the United States in defending its gold reserves.

Mr. Speaker, this is at best a gesture to deal with a problem that needs much more than a gesture. It is an attempt to sweep under the rug our unpleasant fact of life that will not long remain concealed even though this legislation passes.

H.R. 5189 does for foreign central banks what I would like to do for our own citizens. It provides that the interest on Government bonds held by these banks shall be tax exempt. It is my view that before we exempt these foreign banks from tax liability, we should give some consideration to granting a similar exemption for the benefit of our citizens who hold Government bonds.

Mr. Speaker, many of our citizens bought bonds years ago as a patriotic duty—as a vote of confidence in the future of America—and they have held those bonds at the urging of their Government beyond the original maturity date. What has happened to the purchasing power of the dollars they used to acquire those bonds? In many cases the dollar value has been cut in half as a consequence of irresponsible fiscal policy by the Federal Government, with the result that these citizens at bond redemption time are getting back less purchasing power even with interest included than they originally invested—and yet these citizens must pay taxes on that interest income. Does it make sense to exempt interest income of foreign central banks from tax and require our citizens to pay tax on the same kind of income?

Mr. Speaker, we will be fooling ourselves, and only ourselves, if we think H.R. 5189 will be an effective means by itself in defending our declining gold reserves. Our gold reserves can be effectively defended only if we are willing to deal straightforwardly with the causes of our gold outflow, namely, inflation and excessive Government spending abroad. If we can demonstrate convincingly to people at home and abroad that we will not pursue an inflationary Government fiscal policy and if we will induce some semblance of sanity into our foreign economic aid policies, then we can expect confidence in the value of the dollar and a favorable balance of payments position to defend not only our gold supply but our economic strength as well.

It is said that this legislation will encourage foreign countries to hold U.S. obligations instead of seeking to convert their dollar holdings into gold. Mr.

Speaker, that contention is of doubtful validity because there are other means of holding dollars with tax-exempt interest being earned and those other means have not prevented a flight to gold when the world became uncertain about America's fiscal policy and the soundness of the dollar.

In the period 1946 through 1953, the United States transferred to the rest of the world in gifts and loans—exclusive of military items—approximately $30 billion of goods and services. Another $30 billion has been transferred in the subsequent period. In addition we have made $25 billion in military items available to the rest of the world since 1946. Thus a total of $85 billion has gone from the American taxpayers to help defend and restore the other countries of the world. Many countries who are the principal beneficiaries of this assistance have emerged as our principal competitors in world trade channels. Many of these countries are in better overall financial condition than we are but we hear of no reduction in the demands for American foreign aid.

In a memorandum referring to balance of payments officials of one of our free world allies recently received from our Under Secretary of State it is stated:

> The deficit of the United States arises wholly from its commitments and actions in the common defense of the free world. Without this freely assumed obligation the United States would now be running a heavy surplus in its balance of payments.

In spite of this frank acknowledgment in a diplomatic communique as to the basic causes of our present gold and balance-of-payment problems, there seems to be little disposition to deal with those causes. Instead, we are contenting ourselves with feeble and ineffectual measures such as the one before us today and other proposals which continue the policy of discriminating against our citizens so that we can continue as the world's extravagant benefactor.

Mr. Speaker, the Congress should deal realistically and thoroughly with the causes and resulting problems of our gold outflow and our adverse balance of payments. We are not doing so with this legislation.

Mr. BYRNES of Wisconsin. Mr. Speaker, I yield myself 9 minutes.

Mr. Speaker, as has been pointed out by the chairman of the Committee on Ways and Means the President requested this legislation as part of his so-called program to improve this country's ability to defend our gold reserves. The administration has listed the proposal as an important part of that program. At this time when every pronouncement from the White House of any program is hailed as some great new venture in the direction of solving problems, I think we might call attention to the fact that this legislation was requested by the prior administration as long ago as September 14, 1959.

Mr. Speaker, I ask unanimous consent to insert as part of my remarks the letter from the then Acting Secretary of the Treasury to the Speaker on that date requesting such legislation.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin [Mr. BYRNES]?

There was no objection.

(The matter referred to follows:)

THE SECRETARY OF THE TREASURY,
Washington, D.C., September 14, 1959.

Hon. SAM RAYBURN,
Speaker, House of Representatives,
Washington, D.C.

MY DEAR MR. SPEAKER: There is enclosed a draft of proposed legislation which would amend the Internal Revenue Code of 1954 to grant exemption from income tax to foreign central banks on interest derived from bonds or other obligations issued by the United States, provided such obligations are held in connection with the normal functions of a central bank and not for commercial banking purposes.

Under existing law, a foreign central bank is exempt from tax on two forms of income. It is exempt from tax on interest received on bank deposits in the United States, like any other foreign corporation not engaged in trade or business within the United States. In addition, it is exempt from tax on income from bankers' acceptances by virtue of a special provision in the law applicable to foreign central banks. Thus, the proposed bill would extend to the interest on Government obligations the same treatment now accorded these two types of income received by foreign central banks.

Prior to 1946, the Internal Revenue Service held that a foreign corporation that was wholly owned by a foreign government was exempt from income tax under the provisions of section 116(c) of the 1939 Revenue Code (sec. 892 of present law) which exempted a foreign government from tax on income from sources within the United States. In 1946 this position was reversed by I.T. 3789, in which it was held that the benefits of section 116(c) do not apply to a corporation, even though wholly owned by a foreign government, since it is an entity separate and distinct from the government. This reversal of position followed the rejection by the Joint Committee on Internal Revenue Taxation of a refund claim relating to taxes that had been paid by a corporation wholly owned by a foreign government. In 1950 the Tax Court handed down a decision in *Louis Vial v. Commissioner* (15 T.C. 403), bearing on this issue. The question in this case was whether employees of a foreign corporation, government owned, were exempt from U.S. income tax as employees of the foreign government. The court found that the corporation involved was unlike the ordinary type of U.S. corporation in that no stock was issued and the corporation was without stockholders. On this basis it held that the organization was a part of the foreign government. The Internal Revenue Service acquiesced in the decision, indicating that a corporation created by a foreign country under its laws and wholly owned by it would be considered part of the foreign government.

Applying this test, the Service ruled in 1955 that the Commonwealth Bank of Australia was entitled to tax exemption as part of the Australian Government. Upon review of the bank's claim for refund, the Joint Committee on Internal Revenue Taxation disagreed with the position of the Service and rejected the claim. It took the position that an entity with the attributes of a domestic corporation should not be considered a part of a foreign government even if organized under the laws of the foreign government and wholly owned by it. Thereupon the Service revoked the ruling, and revocation letters were mailed on August 8, 1956, to the Commonwealth Bank of Australia as well as other banks which had obtained similar rulings. Because of fiscal repercussions anticipated in connection with a shift of the U.S. investments of foreign central banks, the revocation was suspended after consultations between the joint committee and the Treasury and pending the introduction of amendatory legislation.

Foreign central banks have increasingly acquired dollar assets for their international monetary reserves. These have taken the form of bank deposits, bankers' acceptances and U.S. Government obligations, but the uncertain tax status of the interest on Government obligations has tended to discourage investment in the latter. Treasury bills are a desirable form of investment for liquid dollar assets of foreign central banks, and there would seem to be no sound reason to make bank deposits and bankers' acceptances more attractive to foreign central banks than Government securities. The proposed bill would achieve uniformity of treatment by restoring substantially the same conditions that prevailed prior to 1946, when no tax distinction was drawn on the basis of the form of organization of foreign central banks.

The exemption in the draft bill is applicable only to a "foreign central bank of issue." This is a term used in the law at present in connection with the exemption accorded income from bankers' acceptances, and is defined in existing regulations. It is a bank which is by law or Government sanction the principal authority, other than the Government itself, issuing instruments intended to circulate as currency, and generally is the custodian of the banking reserves of a country.

The exemption would apply to securities held in connection with central banking functions and not in connection with commercial banking. The objective of this differentiation is to avoid giving any preferential treatment to the commercial activities of a Government instrumentality as compared with a private enterprise carrying on similar activities. It is understood that those central banks holding the largest proportion of Treasury securities owned by foreign central banks do not engage in commercial banking activiities. Where they do, the commercial activities are often conducted by a separate department of the bank with separate accounts. Such separate accounting will often help to identify the nature of a bank's holdings of Government securities. Moreover, U.S. Government obligations owned by foreign central banks are ordinarily purchased and held for them by the Federal Reserve Bank of New York. Since the Federal Reserve Bank of New York does not engage in commercial banking activities, Government securities purchased and held by it for foreign central banks would not be used in connection with commercial banking activities.

Where securities are purchased and held by commercial banks in the United States, it is likely that the commercial bank will have information as to whether they are held in connection with the central bank's commercial activities in the United States or not. It is not intended to trace the holdings of a central bank to ascertain what connection, if any, they may have with its activities outside the United States. If the holding is not connected with a commercial transaction in the United States, as a pledge for commercial letters of credit, for example, then the exemption would apply.

The revenue effect of the proposed bill is minor. There are several reasons for this. The holdings of some banks are now exempt from tax, because the banks are either integral parts of a foreign government and qualify under section 892 of the code or are merely acting as agents for the foreign government which owns the securities. In other

cases, the interest is exempt from tax in accordance with a general reciprocal exemption provision of an income tax convention. Finally, a substantial portion of the dollar assets owned by foreign central banks is in a presently tax-exempt form such as time deposits and bankers' acceptances.

It would be appreciated if you would lay the proposed legislation before the House. A similar proposal has been submitted to the President of the Senate.

The Bureau of the Budget has advised the Treasury Department that there is no objection to the presentation of this bill.

Sincerely yours,

FRED C. SCRIBNER, Jr.,
Acting Secretary of the Treasury.

Mr. BYRNES of Wisconsin. Mr. Speaker, I would point out, as I suppose is pretty apparent, that this request of the previous administration dated September 14, 1959, for legislative action on this same proposal that is before us today was not honored. Bills were introduced. No action was taken. I introduced a bill to provide this authority. I would differ with the committee report and I would differ with my chairman, frankly, when it is stated that not sufficient time existed for the consideration of the proposal from the time the request was made on September 14, 1959, until we adjourned last year. There was certainly ample time; in fact, I think my chairman will admit that we did have executive session hearings on this matter.

We had before the committee various Treasury officials discussing this matter. We also discussed it within the committee. I think we also came to the general conclusion that this was one of the items on which there was no controversy really as to what should be done. But still we did not act.

Mr. MILLS. Mr. Speaker, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield to the gentleman from Arkansas.

Mr. MILLS. I agree with the gentleman's observation. When I used the expression "lack of time" I was thinking in terms of the overall legislation which the gentleman from Illinois [Mr. MASON] and I first introduced and which the gentleman from Wisconsin subsequently introduced. This was only one of the sections of that bill. There were some sections of that bill which were controversial, and I did not think we had sufficient time last year to cover all those sections.

Mr. BYRNES of Wisconsin. I would suggest to the chairman that he might have done the same thing then as he has done this year with respect to the two proposals in the original bill of this Congress that included this subject (H.R. 5077.) We divided the two proposals into separate bills because one element of the original bill is still subject to question and is now set forth in H.R. 5191 which is still before the committee.

I think something should be said here about how apparently there is a different attitude now as to whether measures which are in an administration's program should be given prompt consideration by the Congress. I am pleased to see that now all of a sudden it is listed as urgent and is a great part of the program this Nation must have to meet some of the problems and perils that confront the country. But I would underline that there is nothing new in this so-called new program of the New Frontier. I favored the proposal made by the past administration and I am for the proposal when it is made by the new administration. I introduced a bill at the last session to accomplish this objective. I joined with the chairman again this year in introducing a companion bill, H.R. 5190, in this session.

Let me, Mr. Speaker, speaking briefly to the merits of the legislation. It deals, of course, with the tax status of interest earnings of central banks of issue of foreign countries. There are presently in the law two discriminations: first, a discrimination between countries, and secondly, a discrimination between types of investment.

As far as the first discrimination is concerned, namely, between countries, your attention should be called to the fact that whether or not taxes are paid on the interest earnings depends to a large extent upon the organizational form that the central bank takes. If the central bank happens to be in the form of the Central Bank of the Soviet Union, which is an integral part of the Government, then it pays no taxes on the interest it earns. But if it is organized in some foreign country along a pattern similar to that which our Federal Reserve bank is organized as a separate entity—a separate corporation—then it would pay taxes on the interest it earns. So in existing law we have that discrimination between countries according to the organizational structures of the central banks in the respective countries.

Mr. JENSEN. Mr. Speaker, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield to the gentleman from Iowa.

Mr. JENSEN. Then as I understand it is presumed that this legislation will prevent the nations involved from calling on our gold reserve because they will not be forced to pay taxes as this bill provides. Is that not the way it is going to protect our gold reserves? Will the gentleman explain it?

Mr. BYRNES of Wisconsin. If the gentleman will permit me to get through the reference to the discriminations that exist in present law, I may be able to give the gentleman at least some of the feeling as to how this legislation does have some relationship to the outflow of gold.

Mr. Speaker, I was pointing out the discrimination that now exists in the law according to the way the central banks are organized in the different countries. If for instance interest is earned by a central bank of issue and the bank is a separate corporation, we tax it. If the country happens to have a central bank of issue that is not a corporation but is instead a direct and immediate government entity without separate corporate form then we do not subject that bank to tax.

I would point out the second discrimination that exists has to do with the type of investment. If the foreign central bank invests in this country in bank deposits or in bank acceptances, then the interest it earns as a result of that dollar holding is exempt from tax. But, if the foreign central bank which is a separate corporation invests in U.S. bonds, notes, or bills, then the interest earned is not tax exempt.

So, as I say, we in a sense have the combination of the two discriminations which exist. One of the purposes of this bill is to clear up that matter so that whether a central bank of issue—after this bill is passed and in its governmental capacity rather than in a commercial capacity—invests in Treasury bills or in bank deposits or bank acceptances, the interest thereon will be exempt from tax regardless of the form of organization of the central bank in the first instance.

I will next discuss the aspect of the matter that affects our gold situation, as mentioned by the gentleman from Iowa [Mr. JENSEN]. Your foreign central banks for the most part today must back up their currency issues to a degree with dollar holdings, and with bank credits. We are the international banker in the world today, and therefore the support of the currency of many of the countries, if not most of the countries, in the free world at least, is the American dollar. The question is whether we are going to have these foreign central banks holding Government bonds, or whether they are going to be holding gold, or whether they are going to be holding just a deposit in an American bank. It is the opinion of the proponents of this legislation that by encouraging more dollar holdings in the form of Government bonds, and by encouraging less holdings in gold itself, there will be less of a drain on our gold reserves. That is why this bill is considered as a move in the right direction. This is not going to cure the matter overnight or by itself, but I think it will be of some help.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield to the gentleman from Iowa.

Mr. GROSS. What about reciprocity?

Mr. BYRNES of Wisconsin. I would point out in response to the gentleman that in some cases we have today situations involving tax treaties under which we have given reductions in tax.

Mr. GROSS. What about in the absence of a treaty?

Mr. BYRNES of Wisconsin. Whether or not there is a treaty, you still have a situation where some foreign bank holdings in this country, if they are held in Treasury obligations will be taxable so far as the interest that is earned is concerned. But, if they are held in a bank deposit, or in bankers' acceptances, then the interest is not taxable. I would say to the gentleman that for the most part, the foreign central bank holdings in this country of dollar credits are important because we are the central banker for the free world.

Mr. GROSS. This legislation has the effect of improving the position of the central bank; does it not?

Mr. BYRNES of Wisconsin. I would say to the gentleman, that this bill has the effect of putting our Government bonds, notes, and bills on a par with bank deposits or bankers' acceptances insofar as U.S. tax treatment is concerned.

Mr. GROSS. But, it improves the position of the foreign central bank in that they do not have to pay taxes; is that correct?

Mr. BYRNES of Wisconsin. No, because all the foreign central banker has to do today is either to put his money in gold, or to put it in bank deposits and bankers' acceptances and he accomplishes the same objective.

Mr. MILLS. Mr. Speaker, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield to the gentleman from Arkansas.

Mr. MILLS. Mr. Speaker, in my opinion, this is the crux of the whole proposition that the gentleman from Iowa refers to.

We are not trying to do something for the foreign central bank of issue of a foreign country. What we are trying to do is to make it possible for a foreign central bank that issues currency to decide to back this currency up with reserves held in U.S. Government bonds, rather than coming to the United States and saying: "We want gold that we can use as reserves for our currency."

I ask my friend if that is not the crux of the matter.

Mr. BYRNES of Wisconsin. Certainly, we are seeking to eliminate the discrimination against the purchase of U.S. Government bonds.

Mr. GROSS. But the central bank, by virtue of this tax exemption——

Mr. BYRNES of Wisconsin. But they can be exempt today. That is why I pointed out in my earlier remarks that a discrimination exists as between the type of central banks. One central bank is exempt. If it is organized along the lines of our Federal Reserve System it is not exempt. So we are trying to treat them the same, regardless of organizational form.

The SPEAKER. The time of the gentleman from Wisconsin has again expired.

Mr. BYRNES of Wisconsin. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois [Mr. MASON].

Mr. MASON. Mr. Speaker, I join with the request of the chairman of the Committee on Ways and Means that the House vote to suspend the rules and pass the bill H.R. 5189. This legislation is intended to provide an inducement to foreign countries to hold U.S. obligations and not convert their dollar balances into gold.

The inducement to hold Government obligations arises from the tax exemption that would be granted under the bill on income derived by a foreign central bank of issue from U.S. obligations. Under existing law a foreign central bank is exempt from tax on interest received on bank deposits in the United States and on income from bankers' acceptances. This legislation would add a third category, namely, U.S. bonds to the type of holdings that would have tax-exempt interest.

This legislation was recommended in a message to the Congress by the President on February 6, 1961. This same legislation was also recommended to the Congress by the previous administration.

Mr. Speaker, while this legislation is proper legislation and deserves the approval of the membership of the House, I must in all candor point out to the membership of the House that the proposal taken by itself is more of a placebo than it is a meaningful panacea to deal with the problem of the outflow of gold. The foreign demand for gold instead of dollars comes from the lack of confidence in the stability and value of the dollar and comes from an uncertainty as to America's willingness to impose on itself the fiscal disciplines and regimens required of any nation that would be the world's banker. I am confident that if we could convince the world that America was no longer going to engage in unsound deficit financing so that we could avoid inflationary pressures and if we were to manage our affairs in such a way as to create a favorable balance of payments position, it would not be necessary for us to provide tax-free interest in order to induce foreign countries to hold dollars instead of gold.

Mr. Speaker, the distinguished chairman of the Ways and Means Committee and my esteemed colleague from Wisconsin [Mr. BYRNES] have provided an able description of the purpose of this legislation. Therefore I will not take further time in the debate this afternoon. I will merely reiterate that while it is appropriate that this legislation should be passed, we should not vote in favor of the proposal under the misapprehension that we are taking a major step to deal with the international monetary and gold problems that presently confront us.

Mr. MILLS. Mr. Speaker, I have no further requests for time.

The SPEAKER. The question is, Will the House suspend the rules and pass the bill H.R. 5189?

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

SPECIAL DIVIDENDS FOR CERTAIN NSLI POLICYHOLDERS

Mr. TEAGUE of Texas. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4539) to amend section 723 of title 38 of the United States Code to provide for immediate payment of dividends on insurance heretofore issued under section 621 of the National Service Life Insurance Act of 1940 which has been converted or exchanged for new insurance under such section, and for other purposes, as amended.

The Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 723 of title 38, United States Code, is amended by adding at the end thereof the following:

"(d) The Administrator shall determine the amount in the revolving fund referred to in subsection (a) of this section which is in excess of the actuarial liabilities of such fund including contingency reserves. Such excess shall be paid in cash as a special dividend, without interest, subject to the conditions provided in this subsection. The Administrator shall determine the administrative cost to the Veterans' Administration of paying such dividend, which cost shall be deducted from the excess and transferred to the appropriations "General operating expenses—Veterans' Administration". Insurance issued under section 621 of the National Service Life Insurance Act of 1940 or converted or exchanged under subsection (b) of this section, which was in force by waiver or timely payment of premiums or as paid-up or extended term insurance during one of the premium months beginning with the month of November 1960 and ending with the month of January 1961, may be eligible for the special dividend, subject to such conditions, other than specified in this subsection, as the Administrator shall determine to be reasonable and practicable. The dividend shall be paid as soon as practicable after whichever of the following dates is the latest:

"(1) the date of enactment of this subsection in case of insurance heretofore converted or exchanged under subsection (b) of this section;

"(2) the date insurance issued under section 621 is converted or exchanged under subsection (b) of this section if such conversion or exchange is made within two years after the date of enactment of this subsection; or

"(3) the date of death of the policyholder where insurance issued under section 621 is not converted or exchanged and such death occurs on or after the premium due date in November 1960 and before the expiration of two years after the date of enactment of this subsection.

"(e) After March 1, 1961, the Administrator shall from time to time transfer from the revolving fund referred to in subsection (a) of this section to general fund receipts in the Treasury such amounts as he determines are in excess of the actuarial liabilities of the fund including contingency reserves."

The SPEAKER. Is a second demanded?

Mr. ADAIR. Mr. Speaker, I demand a second.

By unanimous consent, a second was considered as ordered.

Mr. TEAGUE of Texas. Mr. Speaker, I yield myself such time as I may use.

Mr. Speaker, this bill seeks to authorize the payment of a special insurance dividend estimated at approximately $60 million, the average amount ranging between $100 and $150, to those holders of "RS" or "W" insurance—some dividends might be much more. This insurance was issued on and after April 25, 1951, and through December 31, 1956—covering service which began on June 27, 1950, the start of the Korean conflict.

Eligible individuals had to apply within 120 days after discharge to obtain this insurance. When this insurance was originally authorized, pursuant to Public Law 23, 82d Congress, it was made nonparticipating and placed on a modern mortality table basis. However, the premium payments have resulted in the accumulation of approximately $65 million, which are not legally available for dividends but which, in equity, should be paid to the policyholders who have made this accumulation possible. Thus, the necessity for this legislation.

The holders of "W" insurance, which is both permanent and term, would be eligible for receipt of a dividend im-

mediately upon the enactment of this legislation. The number in this group is approximately 420,000. The balance of approximately 220,000, who are holders of "RS" insurance, would be paid a dividend immediately also if they exchanged or converted their term policies within a 2-year period to the "W" type of insurance, either term or permanent. The reason for this requirement is to provide a safeguard against the retention of term insurance to such an advanced age as to make the premiums prohibitive, as some World War I veterans are presently experiencing.

Future excess funds after the 2 year period above the level needed for death claims would be covered into the Treasury. The VFW, DAV, and AMVETS support the proposal and the American Legion, having no mandate on the proposal, has expressed no objection to it.

This legislation requires no appropriation of Government funds for the expense to the Veterans' Administration of paying the dividend or for the dividend itself. The Veterans' Administration favors the enactment of this proposal.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. TEAGUE of Texas. I yield to the gentleman from Iowa.

Mr. GROSS. Is the gentleman saying that the dividend presently being paid is legal?

Mr. TEAGUE of Texas. It is legal. It was authorized in the original legislation. In the legislation that covers this particular insurance there was no authority given for the paying of dividends.

Mr. GROSS. This particular bill applies only to a certain group of veterans?

Mr. TEAGUE of Texas. That is true.

Mr. GROSS. Then these veterans are not getting the dividend payments that are going out now?

Mr. TEAGUE of Texas. They are not.

Mr. GROSS. May I ask the gentleman this question: Why are not these premiums more realistic? Why should we have these huge dividend payments going on? Why does not the Veterans' Administration or the Veterans' Committee reduce the premium payments so that there will not be these dividends going out every year?

Mr. TEAGUE of Texas. It would be up to Congress to write a law that would permit them to do that. It was set according to the mortuary tables, and we did not expect there would be any dividends, but there are.

Mr. GROSS. Does not the gentleman agree with me that when the dividend is half the cost or more of the annual premiums, that the premium rate ought to be cut?

Mr. TEAGUE of Texas. I do; but it is a contract which cannot be changed without further legislation.

I might say to the gentleman that I have before this session of Congress a bill that I hope to be able to bring out that will say that the insurance fund should pay for the cost of the insurance.

Mr. GROSS. I do not think the premium rate is at all realistic, in view of the dividends being paid.

Mr. TEAGUE of Texas. I will say that when this legislation was written an attempt was made to write into it a realistic rate.

Mr. GROSS. I want to ask the gentleman this question since we are on the subject of national service life insurance: The dividend presently being paid goes to those who hold term insurance as well as those who have other forms of insurance where they have an equity in their policies. Suppose a veteran has term insurance and drops or lapses his insurance upon receipt of his dividend check. How is the Federal Government going to collect for the unearned dividend that has been paid to him perhaps months in advance?

Mr. TEAGUE of Texas. Of course, the gentleman is aware that there is a notice sent out to each veteran warning that the policy will be dropped if the premium is not paid.

Mr. GROSS. But there are no reserves and no equity in his term insurance. How is the Federal Government going to collect?

Mr. TEAGUE of Texas. Unless there is a lien against the policy I do not know.

Mr. GROSS. There is no reserve, he has no equity.

Mr. TEAGUE of Texas. It will be up to the responsible department to try to collect.

Mr. GROSS. Does the gentleman know of any private insurance company that would operate on this basis?

Mr. TEAGUE of Texas. I do not.

Mr. GROSS. There is no way for the Government to collect except to go into court and sue the veteran, is there?

Mr. TEAGUE of Texas. That is correct.

Mr. GROSS. And I wonder what a judge would hold, because the veteran did not ask for this prematurely paid dividend; it was forced upon him; he did not ask for it. I wonder what a Federal court would hold.

Mr. TEAGUE of Texas. I could not tell the gentleman.

Mr. ADAIR. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this bill would authorize a special dividend on veterans' special life insurance. In 1951 the Congress authorized postservice term insurance which was nonparticipating and nonconvertible. In 1958 the law was amended to authorize the conversion or exchange of this term insurance to other plans at more attractive rates. However, because the premiums required by law on the term insurance were much higher than actuarially necessary there has accrued a substantial surplus of around $60 million in the revolving fund in the Treasury. Although the insureds have no present legal right under contract to this surplus it is only equitable that they be granted a right to share in this surplus that has developed for their excess premiums.

H.R. 4539 would authorize a one-time special dividend on this insurance payable at once to those who have converted or exchanged their insurance to the new plan and payable to the other term policyholders if they so convert or exchange within 2 years or die during that period. Administrative cost to the VA of paying the dividend would first come out of the surplus. The bill would also authorize the Administrator to transfer from time to time to the Treasury such surplus as may accrue to the fund in the future. The VA favors enactment of the bill as amended by the committee.

Mr. Speaker, I yield back the balance of my time.

Mr. TEAGUE of Texas. Mr. Speaker, I have no further requests for time.

The SPEAKER. The question is, Will the House suspend the rules and pass the bill H.R. 4539, as amended?

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

VOCATIONAL REHABILITATION TO CERTAIN VETERANS

Mr. TEAGUE of Texas. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 848) to amend section 1502 of title 38, United States Code, to provide vocational rehabilitation to certain veterans in need thereof to overcome the handicap of a disability incurred in or aggravated by active service after World War II and before the Korean conflict, or after the Korean conflict, as amended.

The Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 1502(a) of title 38, United States Code, is amended to read as follows:

"(a) Every veteran who is in need of vocational rehabilitation on account of a service-connected disability which is, or but for the receipt of retirement pay would be, compensable under chapter 11 of this title shall be furnished such vocational rehabilitation as may be prescribed by the Administrator, if such disability—

"(1) arose out of service during World War II or the Korean conflict; or

"(2) arose out of service after World War II, and before the Korean conflict, or after the Korean conflict, and is rated for compensation purposes as 30 per centum or more, if less than 30 per centum is clearly shown to have caused a pronounced employment handicap."

(b) The first sentence of section 1502(c)(3) of title 38, United States Code, is amended to read as follows:

"(3) Vocational rehabilitation may not be afforded to a veteran on account of post-World War II service after 9 years following his discharge or release; except vocational rehabilitation may be afforded to any person until—

"(A) August 20, 1963, if such person was discharged or released before August 20, 1954, or

"(B) Nine years after the date of the enactment of this subparagraph if such person is eligible for vocational rehabilitation by reason of a disability arising from service before such date of enactment, but either after World War II, and before the Korean conflict, or after the Korean conflict."

(c) Section 1502(c)(4) of title 38, United States Code, is amended (1) by striking out "Korean conflict service" and inserting in lieu thereof "post-World War II service"; and (2) by striking out "his service during the Korean conflict" and inserting in lieu thereof "such service".

(d) Section 1502(d) of title 38, United States Code, is repealed.

The SPEAKER. Is a second demanded?

Mr. ADAIR. Mr. Speaker, I demand a second.

The SPEAKER. Without objection a second will be considered as ordered.

There was no objection.

Mr. TEAGUE of Texas. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, this bill would make permanent the vocational rehabilitation program for World War II service-connected veterans which was originally enacted as Public Law 16, 78th Congress. It was specifically extended by Public Law 894, 81st Congress, to the Korean conflict group, and continued through January 31, 1955, when it was terminated by Presidential proclamation. Training is generally limited to 4 years. At the present time 128 World War II veterans are in training and approximately 6,000 Korean conflict veterans.

In making permanent this program, the bill also covers those individuals who had service-connected disabilities and service between July 25, 1947, and June 27, 1950—the period between World War II and the Korean conflict. Thus this bill covers the interim group and provides coverage for individuals serving on and after February 1, 1955.

The law provides for training only those veterans who are service connected and has been well administered and of great benefit to this deserving group. Over 615,000 World War II veterans were trained and approximately 66,000 Korean veterans.

The monthly subsistence allowance is set between $65 and $120 and, in addition, the veteran draws disability compensation which is subject to a guaranteed floor which is increased for dependents. The floor is as indicated:

First. If his service-connected disability is less than 30 percent, $115, plus the following amounts for additional dependents: (A) $10 for one child and $7 for each additional child, plus (B) $15 for a dependent parent; or

Second. If his service-connected disability is 30 percent or more, $135, plus the following amounts for additional dependents: (A) $20 for one child and $15 for each additional child, plus (B) $15 for a dependent parent.

Tuition costs for vocational rehabilitation in fiscal year 1960 averaged $706, while books and supplies amounted to $87. This represents a 42-percent increase since 1952 in the case of tuition and 99 percent for books and supplies. These sums are in addition, of course, to the subsistence allowance for the veterans.

The Veterans' Administration has indicated in the report of that agency that it favors enactment of this proposal and estimates that in the fiscal year 1962 the monthly average of trainees will be 3,900, with a total cost for that year of approximately $11,500,000. Costs will gradually rise through 1962 to $22,980,000.

Information has come to the attention of the committee that there has been some discussion in the executive branch of the Government concerning the possible transfer of this program to the Department of Health, Education, and Welfare. Speaking for myself, and I am sure for all members of the committee, I would oppose such a transfer as not being either in the best interests of the program, the veteran, or the Government.

The VFW, AMVETS, and DAV support the program, and I know of no opposition from the American Legion. I include herewith correspondence from the above-mentioned organizations:

AMVETS,
March 6, 1961.

Hon. OLIN E. TEAGUE,
Chairman, Veterans' Affairs Committee,
U.S. House of Representatives,
Washington, D.C.

DEAR MR. TEAGUE: Our attention has been invited to the fact that H.R. 848 and H.R. 4539 will soon be considered by the Committee on Veterans' Affairs. AMVETS endorse both of these measures and respectfully urge approval by your committee.

H.R. 848 extending the benefits of vocational rehabilitation to persons disabled while serving between the end of World War II and the beginning of the Korean conflict and those serving after the Korean conflict, is sound legislation. Persons serving in these periods serve under the compulsion of the draft and are subjected to hazards not normally encountered in the traditional concept of peacetime service. If disabled, thus creating an occupational handicap, it is our feeling that the Federal Government has a responsibility in retraining them for new occupational pursuits.

H.R. 4539, would provide for the payment of dividends on insurance issued under section 621 of the National Service Life Insurance Act of 1940. Inasmuch as the premiums collected have resulted in an accumulation of moneys that are surplus to the needs of the fund, we approve of the payment of a dividend. The precedent for such action is well established by the practice of continuing dividend payments to World War I and World War II policyholders under U.S. Government life and national service life insurance.

It has been indicated that one school of thought suggests the administrative costs should be deducted from the fund prior to the payment of dividends. We urge that this concept be rejected by your committee. The administrative costs of other Government insurance programs for veterans are not charged to the fund but are paid out of appropriations. There appears to be no valid reason for making an exception in this instance.

AMVETS respectfully requests that the committee report these measures favorably at the earliest possible date.

Sincerely yours,

JOHN R. HOLDEN,
National Legislative Director.

DISABLED AMERICAN VETERANS,
Washington, D.C., March 3, 1961.

Hon. OLIN E. TEAGUE,
Chairman, Committee on Veterans' Affairs,
House of Representatives, Washington, D.C.

DEAR MR. TEAGUE: This has reference to the information received from your committee staff that on March 7, 1961, H.R. 848 and H.R. 4539 will be taken up for consideration, and that the Disabled American Veterans and others interested may submit statements in lieu of a formal hearing.

H.R. 848 would amend section 1502 of title 38, United States Code, to provide vocational rehabilitation to certain veterans in need thereof to overcome the handicap of a disability incurrred in or aggravated by active service after World War II and before the Korean conflict, or after the Korean conflict.

In accordance with the legislative policies of this organization and the affirmative position taken in the past when substantially similar proposals were presented for consideration the DAV is in agreement with the provisions of H.R. 848 and desires to be recorded as endorsing this proposed legislation.

H.R. 4539 would amend section 723 of title 38, United States Code, to provide for immediate payment of dividends on insurance heretofore issued under section 621 of the National Service Life Insurance Act of 1940 which has been converted or exchanged for new insurance under such section. In view of the equitable objectives of this proposed legislation the DAV is favorable to its enactment.

The foregoing statement is submitted for the record with appreciation of your consideration.

Sincerely,

ELMER M. FREUDENBERGER,
National Director of Legislation.

VETERANS OF FOREIGN WARS
OF THE UNITED STATES,
Kansas City, Mo., March 7, 1961.

Hon. OLIN E. TEAGUE,
Chairman, House Veterans' Affairs Committee, House of Representatives, Washington, D.C.

DEAR MR. TEAGUE: This is in reference to two bills scheduled for consideration by your committee on March 7, namely, H.R. 848, which would provide vocational rehabilitation to certain veterans to overcome a handicap of a disability incurred in active service during peacetime, and H.R. 4539 which would provide for immediate payment of dividends on certain national service life insurance.

Respecting H.R. 848, the Veterans of Foreign Wars has always held that veterans disabled by service-incurred disabilities should receive the highest consideration. Consequently the VFW has long favored vocational rehabilitation for those veterans who have incurred a disability by virtue of active service which disability has left the veteran with a vocational handicap. It seems inconsistent to discharge post-Korean veterans with serious vocational handicaps and no program for rehabilitation similar to the vocational programs of World War II and the Korean conflict. This inequity will be eliminated by the approval of H.R. 848.

The Veterans of Foreign Wars does not have any official position with respect to H.R. 4539. In the absence, however, of any mandate it is believed, based on previous policy and nationally approved resolutions, that the VFW would favor such a proposal inasmuch as dividends represent overpayments in the form of premiums. The disbursement of these dividends represents paying back money that has been accumulated in this manner. Since the money would be returned to the veterans who paid it in it seems only logical that these same veterans policyholders should receive the dividends which is just what this bill proposes.

With these views in mind, the Veterans of Foreign Wars urges favorable consideration of this legislation with the hope that it will receive quick approval by the Congress.

Thanking you for this opportunity to express the views of the Veterans of Foreign Wars, I am,

Sincerely yours,

FRANCIS W. STOVER,
Director, National Legislative Service.

Mr. ADAIR. Mr. Speaker, I yield myself such time as I might require.

Mr. Speaker, this bill (H.R. 848) will provide comprehensive vocational rehabilitation services for persons seriously disabled by military service after the end of the Korean conflict. It also will afford eligibility for those few individuals who may need vocational rehabilitation aid as a result of a disability incurred during the period from the end of World War II to the beginning of the Korean conflict. The new program would be a modification of the program which has proved so satisfactory for disabled veterans of World War II and Korea. It will place responsibility on the Administrator of Veterans' Affairs to determine the need for vocational rehabilitation and to prescribe and provide the kind of training necessary to fit the veteran for employment consistent with his disability. It will authorize vocational counseling to assist in making sound determination.

The extensive training as well as subsistence allowance to a veteran will be borne by the Government. Like the war programs, a 9-year period following a discharge will generally be available during which the veteran may receive rehabilitation services. After the program has been underway for a few years, it is estimated that the cost will approximate $20 million annually for direct benefits.

The SPEAKER. The question is on suspending the rules and passing the bill.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

GENERAL LEAVE TO EXTEND REMARKS

Mr. TEAGUE of Texas. Mr. Speaker, I ask unanimous consent that all Members may have 3 legislative days in which to extend their remarks in the RECORD on the two bills just passed.

The SPEAKER. Is there objection to the request of the gentleman from from Texas?

There was no objection.

COMPENSATION UNDER LONGSHOREMEN'S AND HARBOR WORKERS' COMPENSATION ACT

Mr. ZELENKO. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1258) to amend the Longshoremen's and Harbor Workers' Compensation Act, as amended, to provide increased benefits in case of disabling injuries, and for other purposes.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (b) of section 6 of the Longshoremen's and Harbor Workers' Compensation Act, as amended (33 U.S.C. 906), is amended to read as follows:

"(b) Compensation for disability shall not exceed $70 per week and compensation for total disability shall not be less than $18 per week: *Provided, however,* That, if the employee's average weekly wages, as computed under section 10, are less than $18 per week, he shall receive as compensation for total disability his average weekly wages."

SEC. 2. Section 9(e) of the said Act is hereby amended to read as follows:

"(e) In computing death benefits the average weekly wages of the deceased shall be considered to have been not more than $105 nor less than $27 but the total weekly compensation shall not exceed the weekly wages of the deceased."

SEC. 3. Section 14(m) of the said Act is hereby amended to read as follows:

"(m) The total money allowance payable to an employee as compensation for an injury under this Act shall in no event exceed in the aggregate the sum of $24,000: *Provided,* That this limitation shall not apply to cases of permanent total disability or death: *And provided further,* That in applying this limitation there shall not be taken into account any amount payable under section 8(g) of this title for maintenance during rehabilitation or any amount of additional compensation required to be paid under this section for delay or default in the payment of compensation or any amount accruing as interest upon defaulted compensation collectible under section 18."

SEC. 4. The amendments made by the foregoing provisions of this Act shall become effective as to injuries or disability sustained on or after the date of enactment.

The SPEAKER. Is a second demanded?

Mr. AYRES. Mr. Speaker, I demand a second.

Mr. ZELENKO. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ZELENKO. Mr. Speaker, I yield myself such time as I might require.

Mr. Speaker, this bill will provide increased benefits in the case of the disability of longshoremen injured while at work. A similar bill passed the House unanimously last year but was tabled by the Senate because of insufficient time to consider it.

This bill was passed unanimously by the Committee on Education and Labor of the House during this present session. What it does is to make realistic the benefits for total disability for those longshoremen injured while on the job. It follows the classic compensation formula, which is two-thirds of the average weekly pay of the injured worker. Since the last legislation on this subject there has been a substantial increase in wages of longshoremen, so that at the present time the disability benefits are inadequate. This bill conforms the benefits to present-day wage levels and living costs. It is most necessary legislation for American workers in our most hazardous occupation.

Mr. KEARNS. Mr. Speaker, will the gentleman yield?

Mr. ZELENKO. I yield to the gentleman from Pennsylvania.

Mr. KEARNS. Mr. Speaker, in the 86th Congress we reported this bill out of the committee unanimously. In the 1st session of the 87th Congress our subcommittee passed it unanimously and the full committee did likewise. I recommend to the majority leader that we consider this bill in the light of all the ramifications of good legislation.

Mr. ZELENKO. I thank the gentleman.

Mr. Speaker I ask unanimous consent that the gentleman from New York [Mr. POWELL] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. POWELL. Mr. Speaker, I rise in support of the bill before us, H.R. 1258. This bill is identical to H.R. 12777 which was reported out unanimously by the full committee on August 29, 1960, and passed the House by unanimous consent on August 31, 1960. The bill was then referred to the Senate Committee on Labor and Public Welfare on September 1, 1960; however, no action was taken by the Senate.

On the 21st of February 1960, Mr. McCauley, Director of the Bureau of Workman's Compensation, Department of Labor, gave testimony in support of the bill. He stated that the then Secretary of Labor, Mitchell, endorsed the bill. H.R. 1258 is endorsed by the current Secretary of Labor, Arthur Goldberg.

THE PURPOSE OF THE BILL

The purpose of H.R. 1258 is to provide increased benefits for employees covered under the Longshoremen's and Harbor Workers' Act who have suffered disabling injuries and for their families in case of death of the employee. The increase in the benefits is designed to conform to present day wages and living costs and thereby bring the benefit structure into line with the original intent of the act. The bill raises the $54 maximum in the present law to $70. Under the present law death benefits are computed by considering the average weekly wages of the deceased to have been not less than $27 or more than $81. This bill provides for increasing the ceiling from $81 to $105. The present law restricts the amount paid in case of an injury to an employee to a total of $17,280. This bill would increase that total amount payable from $17,280 to $24,000.

Longshoremen and harbor workers are engaged in one of America's most hazardous occupations. Passage of this bill merely gives these workers a compensation rate generally received by workers throughout the country—two-thirds of their gross earnings.

Testimony given at the committee hearings clearly reveals that the average earnings of the longshoremen and harbor workers substantially exceed the $81 ceiling established in 1956. The increase of the aggregate compensation benefits from $17,280 to $20,400 results from the increase of the wage basis—$81 to $105.

Mr. Speaker, I believe this legislation is sound in principle, humane and just in purpose. And, therefore, I urge upon my colleagues that they accord this worthwhile legislation prompt and favorable consideration.

The SPEAKER. The question is on suspending the rules and passing the bill.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

AUTHORIZING CERTAIN BEACH EROSION CONTROL OF THE SHORE IN SAN DIEGO COUNTY, CALIF.

Mr. McFALL. Mr. Speaker, I move to suspend the rules and pass the bill (S. 307) to authorize certain beach erosion control of the shore in San Diego County, Calif.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the project for beach erosion control at Oceanside, San Diego County, California, is hereby authorized, in lieu of the existing Federal beach erosion control project, substantially in accordance with the recommendations of the Chief of Engineers in his report contained in House Document Numbered 456, Eighty-sixth Congress, at an estimated cost of $1,498,000.

SEC. 2. The Secretary of the Army is hereby authorized to reimburse local interests for such work done by them on the beach erosion project authorized in section 1, subsequent to the initiation of the authorized study which forms the basis for the project: *Provided,* That the work which may have been done on this project is approved by the Chief of Engineers as being in accordance with the project hereby adopted: *Provided further,* That such reimbursement shall be subject to appropriations applicable thereto or funds available therefor and shall not take precedence over other pending projects of higher priority for improvements.

SEC. 3. There is hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this Act.

The SPEAKER. Is a second demanded?

Mr. GROSS. Mr. Speaker, I demand a second.

Mr. McFALL. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. McFALL. Mr. Speaker, I yield myself such time as I may desire.

Mr. Speaker, the purpose of this bill is to authorize the modification of the existing beach erosion project at Oceanside, Calif. We find that the cost of beach restoration and subsequent nourishment to be borne by the United States in accordance with the recommendations of the Chief of Engineers is estimated at $1,498,000.

The River and Harbor Act of 1958 authorized beach erosion projects for Imperial Beach, Ocean Beach, and Oceanside, Calif. The project at Oceanside was authorized at a total cost of $540,000, with $360,000 being non-Federal and $180,000 being Federal cost.

The project for Oceanside, as authorized, provides for the construction of a protective beach.

The River and Harbor Act of 1958 directed a survey of Camp Pendleton Harbor and Oceanside, Calif., with a view to determining the extent of Federal aid which should be granted toward recommended beach erosion control measures at Oceanside, in equity, without regard to limitations of Federal law applicable to beach erosion control.

The report of the Chief of Engineers is printed in a House document and recommends that the measure before the House be adopted. The Chief of Army Engineers reports that an additional beach is necessary; that additional erosion work and additional cost is necessary and recommends that the Federal Government pay the entire first cost of it, with certain yearly maintenance to be borne by local interests. The reason for this departure from the usual beach erosion project is because of the construction at Camp Pendleton. Jetties were constructed at Camp Pendleton as a wartime measure, and the Chief of Engineers said that they are primarily responsible for the erosion problem at Oceanside where the shore had previously been stable.

Mr. Speaker, this bill was unanimously recommended by the committee; it is recommended by the Corps of Engineers, and the Bureau of the Budget advises that they have no objection to the presentation of this report to the Congress.

Mr. GROSS. Mr. Speaker, I yield myself such time as I may consume.

I ask the gentleman a question or two. The first cost to the Federal Government, as I understand the report, is $1,498,000; is that correct?

Mr. McFALL. That is correct. That is the total cost of the project.

Mr. GROSS. The total cost?

Mr. McFALL. As I understand, it is the total cost.

Mr. GROSS. Well, the report says the first cost. The first cost, then, is the last cost; is that correct?

Mr. McFALL. I think that it refers to the second cost as the maintenance cost, which is $1,000 a year.

Mr. GROSS. Is it $1,000 a year?

Mr. McFALL. Yes; $1,000 maintenance cost, which is to be borne by the local interests. But, the first and only primary cost is the amount that the gentleman quoted.

Mr. GROSS. Approximately $1,500,000.

Mr. McFALL. Yes.

Mr. GROSS. That is the only cost to the Federal Government aside from maintenance of $1,000 a year?

Mr. McFALL. That is right. The maintenance is local. There is no Federal maintenance.

Mr. GROSS. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN of Michigan. Mr. Speaker, the thing that bothers me is that when the Canadians changed the course of water that naturally flowed into Hudson Bay and shoved it down into Lake Superior and we had it on the east side of Michigan in Lake Huron and on the west side of Michigan in Lake Michigan where the high water, every time there was a storm, washed the lake banks out from under the cottages, we could not get the Engineers to do anything and we could not get your Committee on Public Works to do anything. Now, explain to me, if you can, if there is any explanation, why this favoritism all around the rest of the country when on the Great Lakes we cannot get any help when the Canadians turn that water down on us and cause that damage or at least contribute to the cause of the damages.

Mr. McFALL. I am informed that there was a survey made of the project to which the gentleman refers and that the Corps of Engineers did not recommend it.

Mr. HOFFMAN of Michigan. Sure they did not, and I want to know why; why it is that all this money goes somewhere else: east coast, west coast, Florida, California, all around but none to Michigan.

All up and down old Mississippi and the Ohio but never a look at Michigan.

Mr. McFALL. I would say to the gentleman that I have been on the Committee on Public Works now for 5 years. We have great confidence in the Corps of Engineers. We cannot go behind them, except infrequently. If they went into the project that the gentleman has, I am sure they did so in a completely impartial and engineerlike fashion and would have recommended something had it been necessary. I do not know of my own knowledge whether it is necessary or not. I do not know the specific project to which the gentleman refers.

Mr. HOFFMAN of Michigan. I know something about it, because we have had it for 15 or 20 or 30 years. Over there on the west side of Michigan, on the east side of Lake Michigan, at the lower end of the lake, we have a layer of clay, and below it we have a layer of sand and then above it some more sand and then another layer of clay. The Federal Government helped construct a highway right along the bank so that when the big trucks go along there, they shake the whole thing and that surface water seeps through and carries the sand out and lets the clay drop down. Then the houses—and I do not mean one or two, I mean a number of them—tip over into the lake.

The Engineers take a look at it, they make a survey, they take some pictures, the damage is there and in part it is caused by our own Government's permitting the Canadians to send that water which should go north down south, and the construction of a highway which causes this damage.

Is it because our project does not cost enough? Cannot the Engineers be bothered unless it costs a million or two dollars or more?

Mr. McFALL. The way the gentleman describes the project it sounds like a very serious problem. I would hope that the gentleman would introduce a bill which would be referred to our committee that would take care of this, and if he did I am sure the committee would be very glad to have hearings on the bill and ask the Corps of Engineers why they have not seen fit to authorize or recommend it, if such be the case; and I am so informed. We would be most happy to have the gentleman from Michigan take such action.

Mr. HOFFMAN of Michigan. It certainly has been serious. If you owned a fine, substantial home and it slipped into the lake it would be serious. If the gentleman will pardon me for interrupting, this has been running along for 20 or more years, yes 30 years, and we have not gotten anywhere. All the folks over there can do is to pay taxes. We do not get any relief from the Federal Govern-

ment and I want to know why the discrimination.

Mr. McFALL. I do not think there is any discrimination.

Mr. HOFFMAN of Michigan. There sure is. The only thing I can figure out is we do not put enough of a price on it, that the Engineers will not be bothered with little things costing less than a million dollars or 2 or 3 or 4 million dollars. Cannot the gentleman ask them and find out? I keep asking them and I do not get anywhere.

Mr. McFALL. If the gentleman would like me to, I certainly will find out.

Mr. HOFFMAN of Michigan. We are tired of being on the paying end all the time, with nothing coming back. I do not propose to be a dog in the manger but am growing weary of having the Engineers just pass us by. From here on perhaps I should just call for a record vote.

The SPEAKER. The question is, Will the House suspend the rules and pass the bill S. 307?

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

AUTHORIZING CONSTRUCTION FOR MILITARY DEPARTMENTS

Mr. COLMER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 227 and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5000) to authorize certain construction at military installations, and for other purposes. After general debate, which shall be confined to the bill, and shall continue not to exceed three hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. COLMER. Mr. Speaker, I yield the customary 30 minutes to the gentleman from Ohio [Mr. BROWN], and pending that I yield myself such time as I may consune.

Mr. Speaker, House Resolution 227 provides for the consideration of H.R. 5000, a bill to authorize certain construction at military installations, and for other purposes. The resolution provides for an open rule with 3 hours of general debate.

The purpose of H.R. 5000 is to provide construction and other related authority for the military departments and the Department of Defense within and outside the United States, and authority for construction of facilities for the Reserve components.

The military construction authorization requested this year for the Active Forces is approximately $708 million and is substantially less than the $998 million provided last year, the difference being approximately $290 million less.

This drastic reduction in military construction requirements points up the fact that a substantial portion of the new construction requirements have now been met.

Construction of Strategic Air Command dispersal bases and alert facilities and basic air defense installations will be virtually completed this year. However, decreases in these areas of military construction requirements have been partially offset by some increases for missile base construction.

The 1962 programs continue to provide for future Titan and Minuteman base construction and include authorizations for additional base construction to support the Polaris submarine fleet. Authorizations for the improvement of radar systems associated with the Nike-Hercules in this country and overseas and control facilities for Hawk air defense missiles overseas are also provided, as is additional construction of test facilities for the Nike-Zeus antimissile development program.

The construction program contained in H.R. 5000 is based on the forces which we plan to have over the next several years, during which time it is expected that the number of wings in the Air Force will decrease. However, it is expected that this decrease will be offset by an increase in missile-squadron strength.

In summary, the program contained in H.R. 5000 reflects the new construction authorization required by the military departments to maintain our current military posture.

Mr. Speaker, I urge the adoption of House Resolution 227.

Mr. BROWN. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, as the gentleman from Mississippi has explained, House Resolution 227, which is an open rule providing for 3 hours of general debate, makes in order the consideration of the bill H.R. 5000, from the Committee on Armed Services, better known as the military construction bill.

This measure carries in it authorization for the expenditure of slightly over $800 million for military construction not only within the United States but in other sections of the world as well. More than half the $800 million, I believe, $431 million, would be allocated to the use of the Air Force.

As I said a moment ago, these military construction items cover the waterfront pretty well. You will find in the bill and in the report that amounts are authorized for various construction expenditures in most of the States of the Union and in many of the various military installations, perhaps in your own district.

As I know from the number of individuals who have contacted me and others, there are some provisions in this bill which may come under discussion. There may be amendments offered to strike out or increase the amounts of certain authorization items.

May I inquire from the leadership on the other side of the aisle whether it is the intent and purpose of the chairman of the legislative committee to bring this bill up for debate tonight, or will the debate be postponed until tomorrow after the rule is adopted?

The SPEAKER. The bill will not be brought up for consideration today.

Mr. BROWN. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include a newspaper article, and to speak out of order.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN of Michigan. Mr. Speaker, whether the United Mine Workers' new policy is a part of the New Frontier or just the result of natural progress may be immaterial, but is encouraging.

Following is a telegram from John L. Lewis, then head of the United Mine Workers of America, to William Sneed, president of Subdistrict 10, District 13, UMWA, Herrin, Ill., dated June 19, 1922, and which, in part, read:

> We now find that this outlaw organization is permitting its members to act as strikebreakers at numerous pits in Ohio.
>
> We have through representatives officially taken this question up with the officers of the Steam Shovel Men's Union and have failed to secure any satisfaction.
>
> Representatives of our organization are justified in treating this crowd as an outlaw organization and in viewing its members in the same light as they do any other common strikebreaker.

President Lewis' telegram was posted in several places. Preparations for an attack on the strip mine were begun at once and at 2:30 p.m. on June 21, the attack began. The loyal workers and their guards surrendered.

The captives, in double file, were marched toward Herrin. McDowell, the mine superintendent, a cripple, could not keep up and, after a mile, the strikers shot him to death. Other workers were lined up against a wire fence, told to climb the fence and run. Thirteen of the prisoners were shot to death as they climbed the fence. A 14th lived until a newspaperman arrived. Four died of wounds on reaching the woods. Eight men who first escaped were caught. Two were hanged to trees and six were tied together on one rope which was attached to a motor car, dragged, and, after being exhibited in Herrin, taken to a cemetery and shot. The throats of three were cut. One of the six lived to tell the story—Washington Post, June 21, 1937; the New York Sun, June 21, 1937; and the Chicago Tribune, July 18, 1937, all put out articles on the 15th anniversary of the killings; CONGRESSIONAL RECORD, 76th Congress, 1st session, volume 84, part 5, May 18, 1939.

A NEW POLICY

But the Chicago Tribune of March 17, last Friday, shows some improvement.

Two United Mine Workers locals—9635 and 8878—have agreed not only not to hang a mineowner but to stop violence and threats of violence. Russell Freeburg, of the Chicago Tribune Press Service, gives us the story, which is as follows:

UNION AGREES NOT TO HANG MINEOWNER—DOUSES GUNS, CLUBS, AND ROCKS, TOO

(By Russell Freeburg)

WASHINGTON, March 17.—Two United Mine Workers locals agreed today to stop violence and threats of violence, including threatening to hang the owner of an Alabama coal mine.

The stipulations were part of a consent order entered by the National Labor Relations Board.

The miners, besides stopping threats of hanging the owner, agreed they would stop hurling rocks at his trucks, blocking mine entrances with fallen trees, and arming pickets with submachine guns.

GROWS OUT OF STRIKE

The NLRB case grew out of a strike at the Abston Construction Co. strip mine near Brookwood, Ala.

Mine workers locals 9635 and 8878, the order shows, threatened to hang C. L. Abston, owner partner of the mine, if he did not shut down his operations.

In the order, the miners agreed to cease blocking entrances and exits that employees of the mine use in going to and from work by massing pickets armed with rocks, clubs, and submachine guns and barricades of trucks and felled trees.

They said they would stop physically assaulting and inflicting bodily injury upon nonstriking employees when they attempt to cross the picket line. Restraining and coercing employees also was stopped.

RESTORES SLEEPY EMPLOYEE

The NLRB ordered the locals to post notices of their agreement in their business offices and meeting halls for 60 days. It warned against attempts to alter, deface, or cover the posters.

In a lighter decision, NLRB General Counsel Stuart Rothman ruled that a company may be able to deprive an employee of some sleep, but that is no reason to fire him. Rothman voided the discharge of an employee of a food manufacturing concern who failed to report for work at 6 a.m. as ordered rather than his usual starting time 2 hours later.

Would it not be well if, while spending so much thought, time, and sending aid to bring civilization and industry to other parts of the world, we would first set our own house in order?

Mr. COLMER. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

DISSENTING OPINIONS IN THE WILKINSON-BRADEN CASES

Mr. WALTER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. WALTER. Mr. Speaker, on February 27, the Supreme Court of the United States in 5-to-4 decisions affirmed the judgments of the court of appeals in the Frank Wilkinson and Carl Braden cases. Wilkinson and Braden had been convicted, after jury trials, and sentenced for contempt of Congress for refusal to answer certain questions pertaining to Communist activities. The questions had been posed at hearings conducted by the Committee on Un-American Activities.

My purpose in addressing the House today is to comment on the dissenting opinions in these cases, because they raise issues that are of serious consequences to our constitutional form of government. Now I will agree, that within the framework of our democratic institutions there is certainly room for expression of mere differences of opinion. If the dissenting opinions in the Wilkinson and Braden cases amounted to that only, I would not impose upon the time of the House to discuss them.

However, we are dealing in these cases with matters that drive more deeply into the body and very heart of our basic constitutional system. By the narrow margin of one vote on the Court was avoided the interesting spectacle of a head-on collision between the judiciary and the Congress—a result too close to pass without comment. By one vote was postponed a necessary resolution of the question whether the judiciary would be permitted to destroy a committee of the Congress, lawfully constituted by the Congress in the exercise of legislative power constitutionally delegated. The Wilkinson and Braden dissents suggest a determined challenge to the doctrine of separation of powers, a doctrine hitherto and long recognized as fundamental to our constitutional system and the maintenance of our liberties.

Of course this is not a new problem. Our forefathers nearly 200 years ago had directed their attention to this issue. They were early concerned with tyranny in any and all of its forms, whether that of the legislative and executive branches—or of the judicial branch, although it was perhaps least expected that a challenge to our legislative function and power would arise from the judicial branch. Alexander Hamilton suggested that the power of instituting impeachments, vested in the legislative body, would be a sufficient check and safeguard against the encroachments of the judiciary on legislative authority—"Federalist," Nos. 81 and 79.

I do not, by any means, advance the thought that we consider in this House any form of radical surgery, by way of impeachment, to curb this judicial aberration. Nor do I propose that we utilize the process of impeachment to discipline and contain those members of the Court who overstep—although repeatedly and ungracefully—the boundaries constitutionally set and fixed for the exercise of their duties.

Mr. Speaker, I would not have thought that the day would come when the judicial power would so boldly impinge upon the legislative power, in pronouncements of such dubious content as in the Wilkinson and Braden dissents, although we had been forewarned of the course there taken by these minority Justices in several recent decisions of the Supreme Court, of which I believe the entire country has taken note and at which most of us stand aghast. Nor have we before been subjected to such intemperate language in derogation of our legislative prerogatives and dignity, except perhaps in the cases of Watkins and Barenblatt.

What privilege inherent in the traditional judicial process authorizes these minority Justices to impose their personal prejudices upon the congressional power? As a lawyer, I see none. Does the minority wish to constitute itself as a third Chamber of the Congress? I would borrow the words of an eminent jurist, Learned Hand, and say, "If we do need a third Chamber it should appear for what it is, and not as the interpreter of inscrutable principles."[1] On the other hand, there are those who suppose that, somehow, by the moral radiation of its decision, a court may point the way to a resolution of social conflicts better than a legislature. Again joining Learned Hand, "I should indeed be glad to believe it, and it may be that my failure hitherto to observe it is owing to some personal defect of vision. Besides, for a judge to serve as communal mentor appears to me a very dubious addition to his duties and one apt to interfere with their proper discharge."[2]

In reading the dissenting opinions I can reach no other conclusion but that the dissenters have, in effect, determined to destroy this committee of Congress—not for any valid constitutional reason, but simply because they do not personally agree with its purpose and subject of investigation. They wish to work their personal will against the constitutional prerogatives of the Congress, to advance their own views as to proper subjects for legislative investigation, and the course the inquiry should take. These are matters for the Congress to evaluate. It is not judicial prerogative, but in fact judicial presumptuousness, in this way to interfere with the lawful course of congressional inquiry.

The effort of the minority of the Court seems particularly startling when we consider that the power of Congress to legislate in the field of Communist activity has never been doubted. As was said by Mr. Justice Harlan, speaking for the Supreme Court in *Barenblatt* v. *United States*, 360 U.S. 109, at page 127, which was a decision involving this committee:

> That Congress has wide power to legislate in the field of Communist activity in this country, and to conduct appropriate investigations in aid thereof, is hardly debatable. The existence of such power has never been questioned by this Court, and it is sufficient

[1] Learned Hand, "The Bill of Rights," Harvard University Press, 1960, p. 70.

[2] Ibid., p. 70f.

to say, without particularization, that Congress has enacted or considered in this field a wide range of legislative measures, not a few of which have stemmed from recommendations of the very Committee whose actions have been drawn in question here. In the last analysis this power rests on the right of self-preservation, "the ultimate value of any society," *Dennis* v. *United States* (341 U.S. 494, 509). Justification for its exercise in turn rests on the long and widely accepted view that the tenets of the Communist Party include the ultimate overthrow of the Government of the United States by force and violence, a view which has been given formal expression by the Congress.

So that the House might exercise its legislative function advisedly and effectively, in the domain of national security on the subject of Communist activities, the committee of which I am now chairman was established as a standing committee by the House rules, which in turn have their base in article I, section 5 (the rulemaking power) of the Constitution. By rule XI, express power was granted to this committee to make investigations and to exact testimony. It was pointed out in *McGrain* v. *Daugherty*, 273 U.S. 135, 161, that—

> In actual legislative practice power to secure needed information by such means has long been treated as an attribute of the power to legislate. It was so regarded in the British Parliament and in Colonial legislatures before the American Revolution; and the like view has prevailed and been carried into effect in both Houses of Congress and in most of the State legislatures.

Indeed, Thomas Jefferson points out that the House may proceed to inquiry even on the basis of "common fame," that is to say, common report or rumor—Thomas Jefferson, "Manual of Parliamentary Practice" at section XIII.

It would seem obvious that information, which is the object of investigation, is basic to the exercise of the lawmaking function, and necessarily precedes the adoption of specific legislation. In fact it would also seem obvious that investigation may properly be utilized to gather facts and information for the purpose of determining whether legislation should be proposed at all. It is entirely within the legislative province for the Congress to inform itself on any subject which appears of national concern and importance in relation to its general lawmaking powers. Accordingly Woodrow Wilson, a noted student of political science, later President of the United States, has said—paradoxically perhaps—that—

> The informing function of Congress should be preferred even to its legislative function.[3]

It is on this subject—of the Congress informing itself with regard to Communist activities—that I have been particularly perplexed by the minority justices. When dealing with contempt cases involving this committee, this minority seems hypnotized by the expression, "exposure for exposure's sake." Indeed, this phrase has been echoed and reechoed with such frequency between the Court and left-wing circles, that I am unable to determine its origin. Somehow in the process the word "exposure" has been downgraded. Rightly considered, the informing process involves exposure—when the truth is concealed. Exposure is education—the bringing forth of truth. We must not permit the incident of exposure, necessarily involved in our investigations for legislative purposes, to be debased by a name-calling which appears to have as its sinister purpose the suppression of understanding, and which is used, I believe, to erect ideological barriers to the extraction of information. The Congress is not so naive as to be brainwashed by such phrases. Need we assure the minority on the Court that we in the Congress do not "expose for exposure's sake" in any greater degree than that the Supreme Court "decides for decision's sake?"

If Wilkinson and Braden had pleaded the fifth amendment as a bar to congressional inquiry, these cases would not have been in the courts—or the subject of comment today. Such pleas would have operated as an absolute bar to inquiry. For obvious reasons this course was not pursued. Instead, they chose to rely on the first amendment, and contempt citations necessarily followed. The dissenting Justices would shield and support them on this plea, regarding it as sufficient justification for refusing pertinent information to the Congress relating to Communist propaganda activities. If this result were upheld, congressional inquiry into many matters of national concern, on such principle, could be completely frustrated by recalcitrant witnesses who had no other reason for rejecting their civic responsibilities than that they chose to remain silent. And needless to say, particularly this committee's mandate from Congress to pursue such inquiries as are here involved, would be rendered ineffectual.

Assuming the basic premise, namely, that Congress may legislate in the area of Communist activities—a premise the minority has not denied—it necessarily follows that pertinent congressional inquiry may be inhibited on the basis of acknowledged testimonial privileges, and none other. Is a witness in the criminal courts permitted to plead the first amendment to any question pertinent to the issue there being examined? Of course not. From the imperative demands of public policy—that the witness communicate his knowledge—he may shield himself by means of the fifth amendment only, or other well-recognized privileges, such as that of attorney-client, husband-wife, and the like. Nor may he adopt the extraordinary course of utilizing the first amendment to shield himself from the consequences of pleading the fifth amendment. Why does the minority thus misapply the historic rights of the first amendment, in the adoption of this sort of legal sleight-of-hand?

Mr. Speaker, this brings me to the heart of the matter. I suggest that the particular antipathy of the minority to what they term "exposure" in these cases is an act of sheer expediency—and rests upon no principle of law. Let us examine the facts.

Justice Douglas, writing for the minority, said this in the Braden case:

> History has amply proved the virtue of political activity by minority, dissident groups, who innumerable times have been in the vanguard of democratic thought and whose programs were ultimately accepted. Mere unorthodoxy or dissent from prevailing mores is not to be condemned. The absence of such voices would be a sympton of grave illness in our society.

Such sweeping generalities when applied to Communist activities is certainly astounding. They also apply with as much reason to former Nazi Bund activities. Were the Nazis in the vanguard of democratic thought? Indeed we cannot expect such voices to be absent from our society, but I fail to see the virtue of the disasters toward which such voices carry us. It is incredible that the minority should argue for this sort of undefined and lawless activity in the realm of speech and press. To give such activity undeserved respectability by describing it euphemistically as "discussion of political affairs," is totally unwarranted and a conception wholly inapplicable to Wilkinson and Braden, as likewise to the case of Yates.[4]

Indeed, in the Yates case, which reversed a conviction of leading Communists under the Smith Act, with the concurrence of Justice Douglas, Justice Black said:

> I believe that the first amendment forbids Congress to punish people for talking about public affairs, whether or not such discussion incites to action, legal or illegal.[5]

To say the least, this extraordinary language would have shocked Holmes and Brandeis, who, while recognizing that the rights of free speech and assembly are fundamental, declared that they are not in their nature absolute, and held that—

> Their exercise is subject to restriction, if the particular restriction proposed is required in order to protect the State from destruction or from serious injury, political, economic or moral.[6]

Of course, in the cases of Wilkinson, Braden, and Yates, Justices Black and Douglas were dealing with Communist activities. But what did they say when dealing with equivalent Nazi activities in the realm of speech and press? Let us see.

In the case of *Viereck* v. *United States*, 318 U.S. 236, the majority of the Court reversed the conviction of the petitioner, who had been convicted of a violation of the penal provisions of the Foreign Agents Registration Act of 1938[7] because of omission to state a material

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[3] Woodrow Wilson, "Congressional Government," 15th ed. (New York, 1900), p. 203.

[4] *Yates* v. *United States*, 354 U.S. 298.

[5] Ibid., p. 340.

[6] *Whitney* v. *California*, 274 U.S. 357, at p. 373, which upheld the conviction of Miss Whitney, charged with the felony of organizing the Communist Labor Party of California, of being a member of it, and of assembling with it. Justices Brandeis and Holmes concurred in a separate opinion.

[7] This act was expressly adopted to carry out the recommendation made in 1935 by the McCormack committee, which was a Special Committee To Investigate Un-American Activities, the predecessor of the present standing committee of that name. See *Viereck* v. *United States*, *supra*, p. 244.

fact required to be stated in a supplementary registration statement filed by him with, and under regulations of, the Secretary of State, by which Viereck was required to disclose information of his political activities which were wholly on his own behalf, and not on behalf of the Nazi government. The majority reversed the conviction because the requirements of the registration statement exceeded the prohibitions of the act, which related only to those persons acting as agents of a foreign principal, either as public relations counsel, publicity agent or representative.

Justices Black and Douglas dissented and would have sustained the conviction. Justice Black, in whose dissent Justice Douglas concurred, then said this:

> The general intent of the act was to prevent secrecy as to any kind of political propaganda activity by foreign agents. Both the House and Senate committees reporting the bill under consideration declared it to be their purpose to turn the spotlight of pitiless publicity upon the propaganda activities of those who were hired by foreign principals. Appreciating that propaganda efforts of such a nature are usually conducted in secrecy, they wanted to make full information concerning it available to the American public and sought by the passage of this bill to force propaganda agents representing foreign agencies to come out in the open in their activities, or to subject themselves to the penalties provided in said bill. They declared that the purpose of the bill was to require all such hired agents to register with the State Department and to supply information about their political activities, their employers, and the terms of their contracts.
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> What emerged from extended congressional investigations, hearings, and deliberations was this act, intended to provide an appropriate method to obtain information essential for the proper evaluation of political propoganda emanating from hired agents of foreign countries. As the House and Senate committees considering the bill said, it "does not in any way impair the right of freedom of speech, or of a free press, or other constitutional rights." Resting on the fundamental constitutional principle that our people, adequately informed, may be trusted to distinguish between the true and the false, the bill is intended to label information of foreign origin so that hearers and readers may not be deceived by the belief that the information comes from a disinterested source. Such legislation implements rather than detracts from the prized freedoms guaranteed by the first amendment. No strained interpretation should frustrate its essential purpose (p. 250 f).

Now what is the essential difference between the former "political" activities of the Nazis in the United States and the "political" activities of the Communist Party, that would yesterday qualify the first amendment in Viereck's case but today would render it absolute in the cases of Wilkinson and Braden? There is none. The justification for the Viereck dissent by Justices Black and Douglas was that the propaganda efforts of the Nazis were conducted in secrecy. That is precisely the situation in the case of Communist activities, both as to the party and its propaganda.

Evident in these dissents is the unabashed rejection of consistency and principle. It is entirely right that I should question this serious breach in the discipline of the common law, our ancient and noble heritage, which teaches respect for stare decisis, that is to say, adherence to principles of law or judgments established in prior decisions. For law is a standard of conduct. There must be some predictability in the law for those who must live by it, and equal treatment to those who must come before the same tribunal for judgment. This is no more than a demand of liberty—a government of laws, with its certainty, and not of men, with their caprices and prejudices.

Although in establishing the Supreme Court of the United States, our forefathers assumed that the Court would be composed of lawyers trained in, and with respect for, the traditional discipline of the profession—maintaining a reasonable adherence to consistency and the principle of stare decisis—the minority justices appear to me to have completely broken from this discipline. Chaos now reigns. And I do not think that Supreme Court opinions are improved by the inclusion within them of newspaper editorial comments and other hearsay, which have not been admitted in evidence, nor should such be the basis or authority for legal decision. May I venture to predict that in the forthcoming decisions involving the Subversive Activities Control Act, which is essentially an information statute, as is the Foreign Agents Registration Act, you will find Justices Black and Douglas complaining the the former act contravenes the first amendment simply because it deals with Communist activities, a result these justices did not reach under the latter act in the Viereck case because it dealt with Nazi activities?

I wish further to take issue with the assertion of these Justices, that this committee was putting questions to Wilkinson and Braden relating to their personal beliefs. Here again they have given an extremely careless misrepresentation of the facts. An examination of the questions asked of Wilkinson and Braden, for which they were charged with contempt of Congress, or put to them in the course of the hearings, in no instance bears out the assertion that they were questioned about their beliefs. Not one single question was asked of either Wilkinson or Braden whether either believed in this or that. The questions related solely to their activities in and on behalf of the Communist Party, a party which is now universally recognized as a secret criminal conspiracy composed of a small band of revolutionaries, controlled and directed by a foreign dictatorship, employing deceit, espionage, sabotage, and terrorism, having as its avowed objective, the early demise of our constitutional form of government, by force and violence, irrespective of the will of the majority. These are not questions of mere "beliefs," "dissent," or "unpopular views," but acts and conduct which no civilized and humane society can tolerate or survive.[3]

It may be that Communists should be permitted to talk—and believe me, they are doing just that, ad nauseam. But it does not follow that their talk, or activities, shall be unregulated, or that they should be privileged not to talk to Congress—on the specious basis of the first amendment. Is it not desirable—and necessary—to defend ourselves against espionage, sabotage, and terrorism? Is it not important to preserve the integrity of free speech, to insure the democratic process of full and open discussion, in a word, to make democracy workable? That was the purpose of the Foreign Agents Registration Act. Justices Black and Douglas thoroughly approved in the Viereck case, which dealt with Nazi talk.

But they would have you believe that there is something objectionable in the process of questioning a Communist about his activities, to which they refer as his "associations." By the magic of this phrase, "questioning about associations," we are expected at once to capitulate and with horror to withdraw from such practice, that is to say, like Pavlov's dog, to salivate at its mere sound. How are facts gathered, even in the criminal courts, which have the highest standards for the production of evidence? Let us take the case of the man charged with burglary. There are three general categories of proof:

First. An admission, confession, or plea of guilty.

Second. Direct or eyewitness testimony to the act of burglary.

Third. Circumstantial evidence.

The last category is none other than proof by association, and its validity or effect depends on how close the association may be. Association is, therefore, under proper circumstances, an entirely reliable and acceptable means of establishing facts. Of course, on this committee we do not prosecute, but gather facts by means of pertinent questions relating to the activities, not the associations, of the witness for the information of the Congress in relation to its lawmaking function.

Moreover, it is perfectly absurd for the minority Justices to complain be-

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[3] The minority Justices are confused by the fact that the Communst Party appears at times to advance liberal or reform causes, not realizing that reform is not the objective of the Communist Party but is used as the vehicle for creating and gaining mass support for its illegal objectives. Marx expressly stated, "For us the issue cannot be the alteration of private property but only its annihilation, not the smoothing over of class antagonisms but the abolition of classes, not the improvement of existing society but the foundation of a new one." (Quoted and cited in "Facts on Communism," col. I, H. Doc. Number 336, 86th Cong. 2d sess., p. 59.) It was pointed out by Stalin in analyzing the problems of Leninism: "To a revolutionary * * * the main thing is revolutionary work and not reforms * * *. That is why, with revolutionary tactics under the burgeois regime, reforms are naturally transformed into instruments for disintegrating this regime, into instruments for strengthening the revolution, into a base for further development of the revolutionary movement. The revolutionary will accept a reform in order to use it as an aid in combining legal work with illegal work * * *. That is what making revolutionary use of reforms and agreements under the conditions of imperialism means." (Ibid., p. 100f.)

cause the committee subpenaed Wilkinson, who had been engaged as an identified Communist in promoting in the South Communist propaganda to abolish this committee, when as a matter of fact the hearing held by this committee was for the express purpose of ascertaining Communist propaganda activities in the South. If this committee were to be restrained by the Supreme Court from questioning any Communist who had criticized this committee, it would be impossible to question any Communist on relevant subjects. I say that because it is the declared program of the Communist Party to abolish this committee, and by the discipline of the party all Communists are required to pursue this major propaganda effort to which the party is dedicated.

At the 17th National Convention of the Communist Party, U.S.A., secretly held commencing December 10, 1959, at a hotel in New York City, the party reiterated this objective in the adoption of its resolution on the 1960 elections which, in pertinent part reads as follows:

> To advance the cause of peace and progress, the Communist Party will enlist support of the following immediate program: Abolish the witchhunting House Un-American Activities Committee and the Senate Internal Security Committee.

Parenthetically, I ought to call attention to the use in this resolution of the words "peace" and "progress," which is typical Communist doubletalk. Our studies indicate that the Communists have a perverted language of their own. Such liberal terminology is employed here, as elsewhere by them, to deceive the ignorant and to make attractive the totalitarian objectives of the Communist Party. The "peace" to which they refer is the peace which they expect to ensue when they succeed in dominating the world. The "progress" to which they refer is progress in the adoption of Communist policy or doctrine. You will also observe the employment of the typical Communist smear phrase, "witchhunting,"[9] which is the language you will remember appears in the manifesto of the 81 Communist Parties that met in Moscow in November 1960, when speaking of anti-Communist activities, and at which they reaffirmed their adherence to Marxism-Leninism in the struggle for world domination. Of course, I need not state that the Salem witches were the product of imagination, but the Communist witches are very much alive today in all parts of the world. I believe it is quite possible that the minority on the Supreme Court may have been somewhat confused by this type of language, and could well employ some of their time in a study of our hearings and documents.

In expressing fear that anyone promiscuously called a Communist, or whoever criticizes this committee, may be interrogated by this committee, Justices Black and Douglas have ignored the evidence—a practice which is the basis of most fear. It is quite obvious that this committee has a sense of responsibility in conducting its work—a sense of responsibility perhaps sometimes absent in the work of the minority Justices. Our conduct has proved that such questions as are posed to Braden and Wilkinson are posed only after painstaking investigation into the identity, background, and activities of the witnesses by skilled investigators, some of whom are ex-FBI agents of long experience, and after prior committee consultation and action.

It must be understood that this committee proceeds discreetly in accordance with strict rules of procedure, long adopted and which have served as the model for the standing rules of the House, now governing all committees, and embodied in parts of rule XI. Indeed, this committee was the first committee of the House of Representatives to adopt written rules of procedure. We have been zealous to protect the civil rights of all persons, and we believe we have succeeded in this respect.

Moreover, we shall always welcome and consider constructive criticism, which is motivated by genuine interest to preserve our free society. We will oppose abolition, which is the objective of the Communist Party to destroy our security and to victimize our people. But we cannot guarantee to preserve the good will of Communist witnesses, or other Communists, or those in complicity, with any more success than the courts can preserve that of defendants charged and tried for crime, and for which reason no one would suggest that the criminal courts be abolished.

In this connection, I would like to note that the American Bar Association appointed a special committee on Communist tactics, strategy, and objectives, which made a very thorough review of the work of this House committee, including the reading by each member of that bar committee of hearings conducted by us over a period of at least 6 months. On February 25, 1952, that group of the American Bar Association made a report which included the following language:

> The congressional committees investigating communism, and in particular the House Un-American Activities Committee, have been attacked on the ground that they have engaged in smear campaigns and have invaded the constitutional rights of persons investigated. Your committee is impressed with the fairness with which hearings before that committee have been conducted during the period of time indicated by our study of the published testimony. We are satisfied that the witnesses called to testify before the committee are being treated fairly and properly in all respects and we also feel satisfied that each witness is accorded full protection so far as his constitutional or other legal rights are involved; moreover, the confidential communications between attorneys and clients have been fully respected.
>
> It is the view of your committee that current attacks on the House Un-American Activities Committee are unjustified. Whether deliberate, or misguided, such unwarranted attacks result in reducing the effectiveness of that committee's great service to the American people.

Since the above report was made, this House committee has continued to respect the civil rights of witnesses.

Mr. Speaker, this committee of the House is an instrumentality of the House constituted by it to probe the complex Communist conspiracy. We are meeting our responsibilities. We are in agreement as to the overriding necessity for preserving our form of government—and its constitutional freedoms which are now effectively misapplied by our enemies toward the dissolution of this free society. It is my fervent hope that this minority of the Supreme Court will meet its responsibilities by directing their attention to a study—and understanding—of the purposes and methods of this odious conspiracy. Thereby the occasion for review—or disagreement—in such cases as that of Wilkinson and Braden may well be diminished.

I believe it is in no small part due to the efforts of this committee of the Congress that we in America, within our borders, have been able to contain the Communist conspiracy to a degree unknown in any of the other remaining democracies of the world, all of which are now ominously threatened and agitated from within by its tentacles. The wisdom and understanding of our Congress is clearly reflected in this committee which is its creation, and which is employed as a democratic agency consistently with the procedures and ideals of our free institutions. And for that wisdom and understanding, I know that the vast numbers of our people and posterity are and will be forever grateful to the Congress.

ONLY QUOTAS WILL PROTECT OUR TEXTILE INDUSTRY FROM THE "INVASION" OF LOW-WAGE IMPORTS

Mr. LANE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, the American textile industry is fighting for its very survival. Every year since the end of World War II, mills have been closing and jobs have been wiped out, in spite of the fact that the domestic market for textile products has been increasing with the growth of our population.

What is the reason for this tragic contradiction? The invasion of the American market by low-wage foreign textiles has been gradually displacing our own textile industry. It has now reached the critical stage. Imports of textiles and textile products have doubled in the past 2 years, and have reached the dangerous total of more than 1,300 million square yards.

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[9] Lenin has set forth the standard method of Communist propaganda. His words are as follows: "The wording (of our press campaign against our political foe) is calculated to provoke in the reader hatred, disgust, contempt * * *. The phrasing must be calculated not to convince but to destroy the ranks (of the enemy)—not to correct the adversary's mistake, but to annihilate, to raze to the ground, his organization. This wording must really be of such a kind as to provoke the worst notions, the worst suspicions about the adversary; it must sow discord in the ranks of the proletariat and be the opposite of phrasing which would convince and correct."

Year after year, spokesmen for the industry have come to Washington seeking some reasonable protection from their Government, but have received none. Management and labor are united in trying to rouse the Government from its inertia. In desperation, the Garment Workers threaten to boycott all imports of foreign-made clothing.

My office has received many appeals for help from management. The president of a worsted top manufacturing company recently wrote to me stating that:

> Thousands of textile workers are among the unemployed, and there are more and more joining the ranks of unemployed, because we simply cannot withstand this overwhelming competition from low-wage countries.

Make no mistake about it. Textiles are basic to the economy and the security of the United States. From the growers of cotton and wool, and the manufacturers of manmade fibers, to the processors of these products for use by the apparel and other industries, there is woven an economic interrelationship of tremendous proportions. In the center of it are the textile and apparel industries that employ a total of over 2 million workers, with an annual payroll of $7 billion.

As recently as January 30, 1959, the Office of Civil and Defense Mobilization declared:

> On this point there need be no equivocation. The OCDM regards the textile industry as an essential industry and considers it an essential part of the Nation's mobilization base.

But the fact is that we have been standing by and watching the slow but steady strangulation of that industry by the overpowering pressure of low-wage imports without coming to its rescue. Italy, Japan, and the United Kingdom have been taking over an expanding share of our domestic market for some time, and now they have been joined by Hong Kong, India, Pakistan, Portugal, Spain, and Egypt. Imports of wool cloth jumped 25 percent between 1959 and 1960, reaching an all-time high.

Today, cotton goods imports are four times greater than in 1955, and over double those of 1958. Clothing of woven wool fabrics was imported in 1960 at more than three times the rate of 1958. All other categories reflect similar increases.

Between 1947 and 1958, and before the recent surge in imports, the U.S. wool textile industry was forced to close down 248 establishments, with a loss of 91,000 production jobs.

The plain, stark fact is that quotas are required because tariffs, under present policy, fail to offset low foreign wages. Compare the following hourly wool textile wage rates:

United States of America	$1.73
Britain	.54
Italy	.30
Japan	.14

Much as we want to raise the present Federal minimum wage in the United States from the present $1 per hour to $1.15, and then to $1.25, we must realize that our textile industry will be utterly ruined unless we provide a compensating protection against low-wage foreign imports.

The answer is simple, clear, and imperative: the Government of the United States must move swiftly and in the national interest to establish textile and apparel quotas for each country exporting these products to the United States, with the quotas divided into product categories to prevent concentration in any particular type of goods.

HON. BURR P. HARRISON

Mr. IKARD of Texas. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. IKARD of Texas. Mr. Speaker, it is with regret that we have learned of the decision of the Honorable BURR HARRISON to retire from public service at the end of this Congress. By his service here, BURR HARRISON, with his unusual energy, intelligence, and integrity, exemplifies the highest order of public service. Few Members of Congress have matched the standard set by him in his understanding and knowledge of the problems and challenges that face us.

Probably more than any other State, the Commonwealth of Virginia has from the very beginning of our Republic to the present sent leaders to the Congress. BURR HARRISON has maintained this great tradition and occupies a position in the front rank of the great Virginians who have served here.

Mr. Speaker, I am pleased to include here an editorial from the News-Virginian, Saturday, March 18, that evidences the esteem his constituents hold for our colleague, and I know expresses very well the feelings of all of us here.

RETIREMENT OF BURR HARRISON FROM WASHINGTON LOOMS AS A TRAGIC LOSS

(By Louis Spilman)

As of this moment it is apparent that BURR P. HARRISON, Representative in the U.S. Congress from Virginia's Seventh District, is serving his last term. This decision has been reached by Mr. HARRISON. It is wholly incompatible with the hopes, desires, and wishes of virtually his entire constituency in the Seventh District. Mr. HARRISON entered Congress as a Representative from the Seventh Virginia District in 1946. At that time he was elected to succeed the present junior Senator from Virginia, the Honorable A. WILLIS ROBERTSON.

Mr. HARRISON is now serving in his ninth consecutive Congress—filling out the unexpired term of Senator ROBERTSON in the 79th and being reelected to the 80th, 81st, 82d, 83d, 84th, 85th, 86th, and 87th. Mr. HARRISON was advised by his physician to retire prior to his election last November to the 87th Congress. Loyalty to his district and his country caused him to continue to offer for service. He was elected without opposition. His physician has now convinced Mr. HARRISON that it is to his best interest and to the best interest of his family, to remove himself from public life. Accordingly he has let it be known that he will not be a candidate to succeed himself in November 1962.

Few Members of Congress have served with greater distinction than Mr. HARRISON. Having served prior to his entrance into Congress as Commonwealth's attorney of Frederick County (1932–39); member of the Virginia Senate (1940–42); and from 1942 to 1948 as judge of the 17th Judicial District of Virginia, he brought a background of experience, a keen mind and a profound knowledge of public affairs to Washington. But his greatest distinction arises from his loyalty and dedication to his constituents and his sense of responsibility to his country at large.

He has worked zealously and indefatigably for good government in Washington and for the best interests of his constituents in the Seventh District. He has faithfully and regularly visited every one of the 14 counties and 5 cities he represents. There are nearly 300,000 persons in his district and he is personally known and beloved by most of them. Regardless of political party he has served those he represents with thoroughness and dispatch.

During these past 15 years Mr. HARRISON has grown immensely in stature, knowledge of national and international affairs and, particularly through his membership on the House Ways and Means Committee, in tax and fiscal matters. He is a friend. He is a respected member of the national administration. He is too important to the country and to his district to permit his retirement and far too young to have retirement thrust upon him by his physician. Actually his health is excellent but the toll of public life is keen. We want him to remain in Congress but we recognize fully his right to enjoy the remaining years of his life in comparative quiet and calm. Certainly he will carry with him into retirement the inner knowledge of having served ably, effectively and devotedly.

MEMBERS INVITED TO SUGGEST CONSTITUENTS AS WITNESSES FOR SMALL BUSINESS COMMITTEE HEARINGS

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, since the opening of the 87th Congress, the House Small Business Committee has received many requests from Members who desired assistance in resolving small business problems confronting their constituents. All of these requests are given priority consideration by the committee and they also receive my personal attention. At this time, I should like to announce once again that the Members' requests for assistance are welcome at all times, for the Small Business Committee considers that one of its most important functions is to serve and assist the Members in every way possible.

The committee has not as yet reached final decision regarding the places or dates that its hearings will be held during the 87th Congress. It appears to be reasonably certain, however, that after the Congress has adjourned this summer such hearings will be held in virtually all sections of the United States and that a wide variety of small business problems will be explored. Members of the House are invited to submit the names of any of their constituents whom they would like to be invited to appear as witnesses be-

fore the committee or one of its subcommittees.

Following is a listing of the subcommittees, their members, and jurisdictions:

HOUSE SMALL BUSINESS COMMITTEE, 87TH CONGRESS

SUBCOMMITTEE

Representative WRIGHT PATMAN, chairman of the full committee, and Representative WILLIAM M. MCCULLOCH, ranking minority member of the full committee, are ex officio members of each subcommittee.

Subcommittee No. 1, Organization and Operation of Small Business Administration: Representative JOE L. EVINS, chairman, Democrat, of Tennessee; Representative SIDNEY R. YATES, Democrat, of Illinois; Representative DALE ALFORD, Democrat, of Arkansas; Representative ARCH A. MOORE, Jr., Republican, of West Virginia; Representative WILLIAM H. AVERY, Republican, of Kansas.

Subcommittee No. 2, Small Business and Government Procurement: Representative ABRAHAM J. MULTER, chairman, Democrat, of New York; Representative SIDNEY R. YATES, Democrat, of Illinois; Representative TOM STEED, Democrat, of Oklahoma; Representative H. ALLEN SMITH, Republican, of California; Representative HOWARD W. ROBISON, Republican, of New York.

Subcommittee No. 3, Foreign Trade, Foreign Aid, and Basic Metals: Representative SIDNEY R. YATES, chairman, Democrat, of Illinois; Representative JOE L. EVINS, Democrat, of Tennessee; Representative ABRAHAM J. MULTER, Democrat, of New York; Representative ARCH A. MOORE, Jr., Republican, of West Virginia; Representative RALPH HARVEY, Republican, of Indiana.

Subcommittee No. 4, Taxation: Representative TOM STEED, chairman, Democrat, of Oklahoma; Representative ABRAHAM J. MULTER, Democrat, of New York; Representative JAMES ROOSEVELT, Democrat, of California; Representative H. ALLEN SMITH, Republican, of California; Representative RALPH HARVEY, Republican, of Indiana.

Subcommittee No. 5, Distribution Problems Affecting Small Business: Representative JAMES ROOSEVELT, chairman, Democrat, of California; Representative TOM STEED, Democrat, of Oklahoma; Representative DALE ALFORD, Democrat, of Arkansas; Representative ARCH A. MOORE, JR., Republican, of West Virginia; Representative WILLIAM H. AVERY, Republican, of Kansas.

Subcommittee No. 6, Advertising and Growth Opportunities for Small Business: Representative DALE ALFORD, chairman, Democrat, of Arkansas; Representative JOE L. EVINS, Democrat, of Tennessee; Representative JAMES ROOSEVELT, Democrat, of California; Representative WILLIAM H. AVERY, Republican, of Kansas; Representative HOWARD W. ROBISON, Republican, of New York.

Special Subcommittee on Small Business Problems in the Dairy Industry: Representative TOM STEED, chairman, Democrat, of Oklahoma; Representative JAMES ROOSEVELT, Democrat, of California; Representative DALE ALFORD, Democrat, of Arkansas; Representative HOWARD W. ROBISON, Republican, of New York; Representative RALPH HARVEY, Republican, of Indiana.

THE WALL STREET JOURNAL GIVES A GOOD DESCRIPTION OF HOW THE FEDERAL RESERVE MANAGES INTEREST RATES

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, I would like to commend to the Members' reading a feature article which appeared in the Wall Street Journal this morning, March 21, under the general title "Managing Money." It contains an excellent description of the operations of a little-known but most important feature of our Government. It also contains a good description of the peculiar problem the Federal Reserve is up against at the present time as a result of the recent run on our gold reserves.

Many people do not understand how interest rates are determined. In fact, we frequently hear statements, and read statements, to the effect that the interest rate is simply the price of money, and the price of money is determined by the supply of money and the demand for its use. Such statements are largely true; but they overlook the point that the Federal Reserve determines the supply, and, indeed, it adjusts the supply upward or downward almost every day of the year, and frequently from hour to hour within the day. Furthermore, factors other than supply and demand help determine interest rates.

The Federal Reserve has several means for influencing interest rates upward or downward without respect to changes in the supply-demand balance. And it has means of changing the relationship of the differential between long-term and short-term interest rates also without respect to changes in the supply-demand balance.

Why should the Members be concerned with what level of interest rates the Federal Reserve maintains in the American economy?

The question is important to every authorization, appropriation, and tax measure the Congress is considering. It determines which general course of policy we shall follow.

While we do not generally speak of the matter in the terms I am about to use, the fact is that one of the main functions of the Federal Government is to provide general economic regulation. In recent decades the Federal Government has followed either of two general means to try to achieve this regulation. We usually refer to this regulation as trying to maintain economic stability, avoiding both runaway booms and economic depressions.

One of the means we use for this purpose is our general fiscal policy. Thus in recession times, Federal spending is increased and tax revenues drop. In this way, the Federal Government goes deeper into debt to pump more purchasing power into the economy.

The other means of trying to achieve stability is through management of the money supply and interest rates. Thus in prosperous times, the Federal Reserve tightens the money supply and raises interest rates for the purpose of restraining investment in new productive plants, new houses, and so on. On the other hand, when recessions occur, the Federal Reserve eases the money supply and lowers interest rates for the purpose of trying to stimulate investment. That is to say, this is normally the case.

IN GOLD RECESSION

At the present time, although we are in a recession, the Federal Reserve is maintaining interest rates at a higher level than it has used in past periods of inflationary boom when it was imposing an interest rate calculated to suppress investment. The reason for this is, supposedly, that since the middle of last October, the Federal Reserve has lost its ability to prescribe interest rates purely on the basis of what it thinks the domestic economy requires. It must now keep short-term interest rates very high—or so it thinks—in order to prevent bank depositors and investors in short-term securities from moving their funds to Europe to take advantage of the high interest rates prevailing there. And the reason why this is thought to be necessary is, of course, that the more dollars going abroad, the more likely it is that some of these dollars will be used by foreign central banks to purchase some of the Treasury's gold. We feel that we cannot afford to sell the gold. We are, in short, in a gold recession. In an attempt to preserve the gold, the Federal Reserve is maintaining interest rates so high that these are causing a recession in the domestic economy. Whether under these circumstances the President will recommend, and the Congress will appropriate, a sufficient volume of deficit spending is another question.

I hope that those Members who are interested in the exact methods the Federal Reserve uses to manage interest rates will read the Wall Street Journal article by Arlen J. Large. The article is as follows:

MANAGING MONEY: U.S. BOND MARKET ROLE SPOTLIGHTED BY FED'S INTEREST RATE MOVES; RESERVE SYSTEM HITS SNAGS AS IT TRIES TO CUT COST OF LONG-TERM BORROWING; 17 DEALERS AND $150 BILLION

(By Arlen J. Large)

NEW YORK.—A little-known securities market here is involved in controversial experiment in managing money. The success or failure of the experiment could have a lot to do with the future of America's domestic economy and its holdings of gold.

This market consists of 17 dealers in Government securities, linked together by a network of private telephone wires, odd tribal customs and a clannish jargon. The market's annual volume of $150 billion or more is several times that of its more famous cousin and financial district neighbor, the New York Stock Exchange. Most of the Government securities market's business comes from such private customers as banks, insurance companies, and corporations seeking profitable investments, or wanting to turn their securities into cash. But the market's biggest single customer is the Federal Reserve System.

By careful planning of its purchases and sales of Treasury securities, the Federal Reserve now is trying to push down long-term interest rates. The purpose of this effort, which is suffering some setbacks, is to make long-term borrowing cheaper in the hope that more people then will decide to build homes and expand factories with borrowed funds.

BOLSTERING SHORT-TERM RATES

Simultaneously, the Federal Reserve is trying to keep short-term rates up, in the hope that fewer investors then will take money

from the United States to seek higher yields abroad. The United States for years has been spending, lending and investing more abroad than foreigners have been spending, lending and investing here. As a result, foreigners have piled up holdings of dollars, part of which they have used to buy gold from the United States; the U.S. store of gold in the past year alone has fallen by more than $2 billion.

No one questions the Federal Reserve's ability to influence interest rates. When the system buys Treasury securities, it puts more lendable funds into the banking system. When it sells Government securities, it causes buyers to take money out of banks. But many economists and Government securities dealers doubt whether the system can keep one type of rate up while depressing another.

In its efforts to do so, the Federal Reserve has altered its long-standing policy of trading almost exclusively in securities that mature in less than 1 year. In the 4 weeks since the change was announced, the system has added to its holdings $432 million of securities that mature in more than 1 year. Its aim is to push up the prices of such securities and thus depress their yields; such changes on Government issues would be likely to lead to similar shifts both on new and outstanding private, State and city securities.

A number of Government securities dealers wonder what will happen to the Federal funds received by the sellers of longer term Treasury securities. If much of the money is reinvested in short-term securities, partly because of uncertainty about success of the Federal Reserve's efforts to bolster long-term bond prices, short-term rates might tend to go down and long-term rates would get firmer. And the Federal Reserve System would have bought a lot of longer term issues without achieving its aims.

MARTIN AWARE OF DANGERS

Federal Reserve Chairman Martin, who resisted the technique for years, is aware of the dangers. But he has told Congress he believes the effort to nudge longer term rates lower will have some success. So far there's no statistical evidence to back him up.

On the last trading day before the Federal Reserve announced its change in policy a Treasury bond maturing in 1969 was being traded at a price yielding the buyer 3.69 percent. After edging higher for a while after that, the price recently has fallen, so that the bonds of 1969 yesterday were yielding 3.70 percent. Similar increases in yields have come in other longer term issues.

Its far too early, however, to declare that the Federal Reserve's program has failed. For the moment, the System's efforts are running into heavy counterforces. A strong stock market is attracting private investment funds that might otherwise have gone into bidding up bond prices. Heavy offerings of State and local bonds have built up the supply of debt securities; this also tends to depress prices of longer term issues.

These difficulties so far aren't deterring the System from pushing its program. The actual buying and selling is handled in a tightly guarded room on the ninth floor of the fortresslike Federal Reserve Bank of New York, three blocks north of Wall Street. The Federal Reserve bank officials in New York get their orders, in general terms from the Federal Reserve's Open Market Committee, which usually meets every 3 weeks in the System's white marble headquarters building in Washington. The traders' specific, day-to-day instructions are formulated by officials of the New York bank and Washington headquarters.

The Open Market Committee is composed of the Federal Reserve Board's 7 Governors, plus 5 of the 12 regional Federal Reserve bank presidents. The New York Reserve Bank's president, lanky, balding Alfred Hayes, is permanent vice chairman of the group; the other 11 presidents take turns serving on the committee. Chairman of the group is Mr. Martin.

The Committee gages the state of the economy and considers international developments. In the light of these factors, it decides whether to buy or sell Government securities—and what types to buy or sell—and passes on general instructions to the New York Reserve Bank.

These instructions must be interpreted in the light of day-to-day developments. To keep abreast of what's happening between the Washington meetings, officials at the New York bank operate an elaborate intelligence system. Between 9:30 and 11 o'clock each morning they talk in person and by phone with market dealers, and with Treasury officials in Washington. They also check all the latest statistics on interest rates, and figures on bank reserves which serve as a measure of bank lending power.

From all this probing, the bank's officers get a good notion about financial trends shaping up on any given day. By 11 o'clock, they're ready for a telephonic strategy conference with headquarters to plan that day's operation. At the New York end, the participants are usually Robert Rouse, manager of the System's open market account; Mr. Hayes, the bank's president, and perhaps a lesser officer or two. In Washington, officials interested in the "morning call" generally drift into the office of Woodlief Thomas, a Board economist, where the chatting is done on extension phones; participants usually include Mr. Thomas, at least one Governor and several other staff officials. In addition, the Federal Reserve switchboard operators plug in at least one district bank president talking from his home base in Chicago or San Francisco or elsewhere.

On any given day, the procedure decided upon can go directly counter to the committee's long-term credit policy. Suppose the Committee's standing instructions call for supplying plenty of bank reserves—as is now apparently the case. But suppose also that Mr. Rouse's morning sleuthing detects that vagaries of the financial pipelines today will dump heavy sums into bank reserves. This happens if heavy payments by checks between banks are delayed in transit, or if people simply deposit lots of cash in banks. If so, the New York Reserve Bank may today tighten the money market by selling securities, to absorb reserves that are deemed temporarily too great.

TESTING THE MARKET

Or Mr. Rouse might have another trick in mind for clearance during the 11 o'clock phone check with Washington. His own feel of the market, plus slight statistical hints, may indicate that loan funds have become a bit scarcer than before. It could represent the true beginning of a heavier business demand for money, or it could simply be a money market fluke. To find out which, Mr. Rouse could decide to pump some additional money into the market by buying a batch of bills from dealers with the explicit understanding that he'll sell them back a day or two later. This temporary cash injection will give him a chance to see whether money supplies remain tight—a sign that business demand may be real—or whether the extra funds tend to glut the money market.

Once the day's strategy has been fixed, Mr. Rouse passes the word to traders on the ninth floor trading desk. These men who'll do the actual buying or selling aren't told what Mr. Rouse and his headquarters colleagues are up to; they're merely told what to buy or sell.

Suppose the plan is to buy $10 million worth of bonds under the new policy directive. It's now time—usually about midday—for the go-around. Each Federal Reserve trader is assigned one or two dealers to call, and at a given signal they flick their direct-line telephone switches. At the private trader's position on the other end, a light labeled "Fed Res" blinks on.

The Federal Reserve trader asks, "How do you make the 4's of October 1969?" This is a request for a price at which the dealer will sell the 4 percent Treasury bonds which mature in October 1969. The dealer quickly makes a price for this and any other requested issues. The dealer is reminded to "stand on your market" for about 20 minutes, and the Federal Reserve trader hangs up.

The initial calls, made simultaneously to prevent any dealers from having exclusive knowledge of impending purchases that could affect prices, are completed in 5 minutes or less. The prices obtained from the dealers are listed on a single tally sheet, and the trading desk's boss decides which dealers will be called back and given the order.

OUTSIDERS ARE BARRED

To cloak its day-to-day purchases and sales, the Federal Reserve goes to some lengths. Outsiders are barred from the ninth-floor trading room in the Federal Reserve bank, where traders sit at 17 telephone positions around a big horseshoe-shaped desk. If a well-informed outsider were permitted to enter the trading room, it's conceivable that he might be able to gage the extent and direction of the Federal Reserve's operations. And that is something the Reserve System wants to avoid, because such an outsider might then have an advantage in the market.

No individual Government securities dealer during any given day knows how much the Federal Reserve is buying or selling. Each dealer will have been asked by the Reserve System to supply some prices and may have made some purchases or sales. But dealers do not exchange information on the extent of their dealings with the Federal Reserve. So each dealer, at best, will have only partial information during the trading day.

The Federal Reserve traders themselves are well known by voice to the private market traders, but off-the-job fraternizing is avoided. "There's no particular rule about social contacts," says one Federal Reserve official. "But it's hard to keep from talking shop when traders get together, and that makes it embarrassing for everyone." At the retirement party in 1956 for Mary Whelan, a Federal Reserve trader who was well known—by voice—to all the dealers, many of them met her in person for the first time.

A major aid to the Federal Reserve in preserving the secrecy of its operation: In addition to buying and selling for its own account, it handles Treasury securities transactions for Federal agencies and trust funds and foreign central banks. Reserve System officials are fairly satisfied that the dealers are kept in the dark about a given day's operations, and the dealers themselves tend to agree. "You never can be sure about the Federal Reserve," says an executive of one big dealer firm.

THE 17 DEALERS

Each Thursday, the Reserve System makes public a report showing changes in its portfolio during the week which ended on the previous day. This report is given wide distribution through newspapers, so that no single trader or investor gains any market advantage from it.

The Government securities market itself consists of 5 dealer firms that actually are banks, handling securities only on the side, plus 12 that are specialists in buying and selling the I O U's of the Government and business. Some of them, such as Discount Corp., deal mainly in securities of

the Federal Government; others, such as Salomon Bros. & Hutzler, offer a "department store" range of Federal, State, and private obligations.

The other nonbank dealers include Bartow, Leeds & Co.; Briggs, Schaedle & Co., Inc.; C. F. Childs & Co., Inc. (Chicago); C. J. Devine & Co.; First Boston Corp.; Aubrey G. Lanston & Co.; New York Hanseatic Corp.; Wm. E. Pollock & Co., Inc.; Chas. E. Quincey & Co.; and D. W. Rich & Co., Inc. Bank dealers are Bankers Trust Co.; Chemical Bank New York Trust Co.; Continental Illinois National Bank & Trust Co. (Chicago); First National Bank of Chicago, and Morgan Guaranty Trust Co. The Chicago-based firms have trading branches in New York.

All 17 dealer firms are recognized by the New York Federal Reserve Bank as outlets for its own money-managing operations. The field technically is open to newcomers, but the number of dealers remains fairly constant. "There seems to be a natural law about this," observes one Federal official. The law according to two Carnegie Institute professors who recently studied the market on behalf of Congress, appears to be the difficulty for any larger number of dealers to make a profit and find capital to finance their operations. The dealers try to make a profit by selling Government securities at prices higher than those which they pay.

The private traders buy and sell millions of dollars worth of securities on their telephonic word alone; they personally rarely see the pieces of paper they are trading. The actual transfer of the securities is handled by other employes of the dealer firms. When a dealer firm sells a Treasury bond to the Federal Reserve, for example, an employee of hte firm will deliver the bond to the New York Reserve Bank and pick up the Federal Reserve's check.

THE "FED" AND THE "FED'L"

An easy familiarity with big sums is only one mark of the exclusive dealer fraternity. Another is an intimate knowledge of the workings of the Federal Reserve System, with which they're in close daily contact. This familiarity is reflected in the market's language. A stockbroker who wants to appear sophisticated might talk about the "Fed" to indicate nickname familiarity with the Federal Reserve System. But a real insider on the Government securities market is more likely to refer to "the Fed'l." And it's a rare dealer firm executive who calls Chairman William McChesney Martin, Jr., anything but "Bill."

In their own operations, the 17 dealer firms do more than match up a prospective seller of securities with a prospective buyer. Most of them accumulate securities for their own inventory from which customers are supplied, much as a used car dealer stocks his sales lot. As with used cars, the trick in Government securities is to accumulate no more of a stock of a certain security than can be resold at a profit.

The Treasury has outstanding some $190 billion worth of I O U's that can be traded on the market. But dealers do more business in some issues than in others. Long-term bonds maturing in 20 to 30 years typically are held for long period by insurance companies, pension funds, and mutual savings banks. Because not many of these securities change hands often, a $500,000 transaction in such bonds is considered large.

In contrast, dealers buy and sell heavy volumes of short-term Treasury bills maturing in 6 months or less; these are bought by banks and corporations that don't want to leave spare funds idle without interest earnings even for short periods. These bills are sold when cash is needed to pay expenses. A sale involving less than $1 million is regarded by dealers as peanuts; not until a bill deal hits $25 million or more are you talking big money.

A $25 MILLION SALE

Say, for example, that United States Steel wants to sell $25 million of bills. Its treasurer will call a dealer firm and ask a man on the trading desk what price he's willing to pay. The trader will quote a price there and then, even though he often does not know the volume involved. If it's one of the larger dealers, he'll feel obliged to stand by his market and buy the whole $25 million worth. After that, it's up to the dealer firm to resell the bills to someone else at a higher price if it can.

Traders do not work entirely by intuition, of course. The trading rooms of most dealers have a quote board on the wall listing the dealers' own current prices for each traded issue. Also, dealers adjust their own inventories by trading with each other; some of the 17 firms do most of their business with other dealers. If a trader wants to know a competitor's prices, he flicks a private line switch on his telephone box and asks his counterpart for a run on prices.

Price-swapping aside, one of the distinguishing aspects of the market is its aura of great secrecy, of not letting other dealers know what you're doing. Dealers tend to brag about the competitiveness of their market, and they're backed up on this point by the Carnegie Institute professors who studied the market for Congress. Active competition seems to prevail when dealers are trading the heavy-volume short-term securities, their report said. There's less competition in long-term issues, but the Carnegie men say this is due to the small supply of such securities, and isn't the dealers' fault.

Secrecy is deemed especially necessary when a dealer gets a big order from a customer. The dealer perhaps can fill part of the order from his own inventory, and go shopping around for the rest. If other dealers know what's up, the price of the desired issue will be bid higher. To thicken the plot, dealers sometimes ask someone outside the market—perhaps a stock market broker—to do the telephoning, thus masking the identity of the real buyer.

SELECTING THE TRADERS

Traders selected for phone duty are a special breed of men, to hear their supervisors tell it. "A good trader must have the wisdom of Solomon, and the brass-nerve of an Irishman," says H. N. Repp, president of the Discount Corp. Executives also place high marks on quick thinking; in a busy market, a trader might handle up to 20 phone conversations an hour. The market in New York opens at 10 a.m. and runs straight through to 3:30 p.m.; some traders must lunch in their office.

Some of the dealer firms pride themselves on the freedom given trading desk men to commit heavy sums of the firm's money in hectic trading without checking first with the boss. One trading supervisor proclaims his own firm's freedom by contracting it with others: "In some outfits, you can't buy 10 bonds without running to Poppa."

Most elusive of the trading desk man's talents is a "feel of the market," being able to sense the strength of demand and the pressure of supply. "Sometimes," says a market veteran, "you have to decide whether a rush of sell orders means real market weakness, or whether there are still underlying elements of strength that could fool you." Traders who have a good market feel are highly prized, paid salaries ranging up to $50,000 and sometimes awarded a partnership in the firm.

ONE ACCOUNT OF THE WAY CHICAGO ASSISTS IN THE ELECTION OF A PRESIDENT

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD at this point and to include a newspaper article.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN of Michigan. Mr. Speaker, Chesly Manly's story in the Tribune of March 18, tells us something about fraudulent voting, and points to the necessity of constant vigilance and, it might be added, aggressive action by the National Department of Justice.

The story follows:

STORY OF BIG CITY VOTING FRAUDS AN OLD, SHOCKING ONE: METHODS REMAIN THE SAME AFTER 30 YEARS

(By Chesly Manly)

Thirty years ago on November 4, 1930, this reporter observed polling places in the flophouse district of South State Street, in Michael "Hinky Dinky" Kenna's first ward, and talked with dozens of "repeaters" who were paid 50 cents every time they voted.

"We're going along," explained a Republican precinct captain. "If we don't say anything they give us a few votes. They register these floaters by the hundreds, under any names. Then when a bum comes in to vote they instruct him. He can use any name on the precinct roll."

The procedure is the same in elections now, including Republican collusion in Democratic fraud, as will be shown later by a summary of court cases.

KANSAS CITY RECORD

Election stealing in New York City, Albany, Jersey City, Chicago, and other cities has reached shocking proportions at various times, but all records for grand larceny of ballots probably were broken by the Pendergast machine in Kansas City, of which President Harry S. Truman was a dues paying member and beneficiary.

In 1934 Tom Pendergast, the boss, chose Truman, then a county judge, to run for the Senate. In a three-way contest for the Democratic nomination, Truman's plurality was 41,000 votes. Jackson County and Kansas City, where it was estimated that Pendergast disposed of 60,000 ghost votes, gave Truman 138,423 and his two opponents 10,437.

Maurice Milligan, appointed U.S. attorney by President Roosevelt, obtained 259 convictions for frauds in the 1936 election and temporarily broke the Pendergast machine. Boss Pendergast himself went to prison for income tax fraud. In 1938 Sen. Truman unsuccessfully opposed confirmation of Milligan's appointment for a second term, and in 1940 he was repaid for his loyalty to the Pendergast machine. He won renomination for the Senate by 7,000 votes.

In 1946 Truman undertook to purge Representative Roger Slaughter, a conservative Democrat on the House Rules Committee, from the Kansas City district. Truman supported Enos Axtell, a political unknown, who defeated Slaughter by 2,300 votes in the August 6 primary.

The Kansas City Star said the election was as crooked as any ever held in the city. Charles Binaggio, a gangster ally of the Pendergast machine, sent flying squadrons of unregistered voters from precinct to precinct, voting them again and again. In many precincts Slaughter received no votes at all, and in four wards the count was 6 to 1 for Axtell.

FBI'S HANDS TIED

The Star collected affidavits from 1,400 witnesses of fraud and raised such a clamor that Attorney General (now Supreme Court Justice) Tom Clark had to do something about it but he assigned an assistant, T. Lamar Caudle, to the task and Caudle issued instructions which effectively tied the hands of FBI investigators.

Meanwhile, a county grand jury found evidence of "a deliberate and calculated plan to miscount votes and otherwise steal the election."

The Senate Judiciary Committee began an investigation of the Justice Department, but during the night before Attorney General Clark was to testify, the primary ballots were stolen from a vault in the election commissioners' office, which was blown open with nitroglycerin.

Seventy-one persons were indicted, but with the evidence missing prosecution was futile.

If LYNDON JOHNSON'S election as Vice President in 1960 was not stolen, there is little doubt among sophisticated Texans that his nomination for the Senate was stolen in 1948.

Several days after the polls had closed on August 28 it was announced that the ballots of precinct 13 in Jim Wells County gave JOHNSON a lead of 87 votes over former Gov. Coke Stevenson. The theft of that election was so flagrant that the State Democratic committee confirmed the result by a margin of only one vote, 29 to 28.

BALLOTS THROWN OUT

In the closest Texas election since 1948, John F. Kennedy and JOHNSON won that State's 24 electoral votes for President and Vice President in 1960 by an officially proclaimed majority of 46,233. Auditors employed by Texas Republicans found that 90,975 ballots, most of them marked for Richard Nixon and Henry Cabot Lodge, were thrown out in 208 of the State's 233 paper ballot precincts.

Under Texas law, voters in paper ballot precincts were required not only to put crosses after the names of candidates of their choice but also to cross out the others. Election judges, however, were authorized to give effect to the intent of the voter.

This ingenious arrangement permitted wholesale rejection of ballots in precincts with Nixon-Lodge majorities and acceptance of similarly defective ballots in precincts with Kennedy-Johnson majorities.

VOTE HERDING TACTICS

It was reported that Democratic bosses in Mexican border counties bought poll tax certificates in blocks of 300 to 3,000, at $1.75 a certificate, for use in vote herding operations.

In many Texas precincts there were overcasts—more votes than qualified voters, as shown by the poll tax lists. Texans who are over 60 are exempt from the poll tax, but the number in this category, according to the national average, is less than one-fourth of the total in the 21-to-60 age group.

In Fannin County, poll taxes were paid by 4,838 voters. If 25 percent of this number, or 1,209 voters were exempt from the poll tax, a total of 6,047 were eligible to vote. Yet 6,163 voted.

Fanning County is in the district of Representative SAM RAYBURN, Speaker of the House. The New Orleans Times-Picayune reported that poll taxes were paid by 43,175 voters in the eight counties of RAYBURN'S district, that not more than 53,966 were qualified (allowing a 25 percent increase for exemptions), and that 49,166 actually voted.

A 91-PERCENT TURNOUT

This would be 91 percent of the eligible votes, an unheard-of turnout for Texas or any other Southern State.

In the Federal District Court of Houston, Republicans sought a recount and an injunction against certification of the Texas vote, on the ground that Republicans as a class were deprived of their civil rights, in violation of Federal law. To nobody's surprise, the suit was dismissed by Judge Ben Connally, son of former Senator Tom Connally and a Truman appointee.

COMMUNITY BUSINESSMEN OPPOSE RAILROAD MERGER

The SPEAKER. Under previous order of the House, the gentleman from Washington [Mr. MAGNUSON] is recognized for 30 minutes.

Mr. MAGNUSON. Mr. Speaker, the financial pages of the newspapers in recent months have carried story after story reporting on the growing movement toward consolidations and mergers in the railroad industry. Since most of these articles have been based upon statements made by representatives of railroad managements or investors who have shaped and planned the proposed mergers, it is natural that they should tend to present the case for railroad consolidation only in the most favorable light.

Those spokesmen for the financial interests which control the railroads involved in the present nationwide movement for mergers and consolidations base their case solely on the grounds that through so-called economies that would be possible if the merger proposals are approved, the consolidated railroads would be able to earn a higher profit for their owners. That is not an undesirable goal, but certainly when it involves an industry which is as vital to the future economic growth and national security as the railroads, such a gain for railroad stockholders must be weighed against any possible adverse effects upon the public at large.

What are the so-called economies which railroad management is seeking to achieve through consolidation of railroad properties? Essentially, they come down to being an elimination of service. Nearly all of the proposed mergers involve the abandonment and tearing up of railroad tracks and roadbeds, the elimination of shop facilities for repair and maintenance, the running of fewer trains, and the laying off of thousands of railroad employees.

When thus analyzed, it is easily seen that the higher profits which railroad managements are seeking from merger would come from a shrinkage of our great national railroad network and a cutting back on the services it performs. Along with this cutback would come many adverse effects upon railroad communities, and upon the general geographic region in which the cutbacks in service are sustained.

To tell this side of the story, 67 public-spirited business firms and individuals in Auburn, Washington, have recently joined together to purchase a full-page advertisement in the Auburn Globe-News of February 22, 1961. These people set forth six reasons explaining why they are opposed to the merger of the Great Northern and Northern Pacific Railroads and urge Congress to undertake a searching inquiry into the effect of this proposal. The reasons they give for their position are as follows:

1. The merger could result in the loss of a $3,500,000 payroll in Auburn. The 482 employees of the Northern Pacific who live in Auburn and the 113 who live in the immediate surrounding area would be adversely affected by this merger. Many of them could be forced to move away from the Auburn area if they were to be maintained by the company.

2. The Auburn School District, if the merger were effected, could stand to lose tax support needed to cover the cost of 1 elementary school, 20 teachers, 1 principal, 1 custodian, and their payroll. This could mean serious curtailment of educational service for the district.

3. There has been no indication that if such a merger were effected there would be such gains in efficiency that there would be a substantial rate reduction in shipping costs. If the merger is justified in the public interest then one of the first things the railroads could have announced was a proposal to reduce freight rates. This has not been done.

4. Many cities and communities in Washington, Idaho, Montana, North Dakota, and Minnesota, most of them not to be affected as adversely as Auburn, have still taken strong, official positions against the merger. A large number of public officials in all States have spoken out opposing the merger. In Auburn, our city government and chamber of commerce are both officially opposed to the merger.

5. Merger of the two railroads could contribute seriously to the growing unemployment trend here and in all other communities where the two railroads are now operating. Wherever railroad mergers have taken place many longtime employees have been forced to retire or be transferred at substantial losses.

6. We have not been shown that this giant merger is genuinely necessary. It certainly cannot be justified in the interest of national defense and we question seriously how much it will increase the scope and efficiency of service to the whole Northwest. Most certainly it would have a drastic effect on the economy of our community.

These six reasons advanced by this group of businessmen and individuals in Auburn for opposing this railroad merger clearly indicate that there is another side to railroad consolidations than the one of anticipated higher railroad earnings that is given in the stories on the financial pages. Both the Great Northern and Northern Pacific Railroads are already highly profitable enterprises. As our Nation once again begins to move out of recession toward a new economic growth, these railroads can expect to become even more profitable from the increased transportation they will be called upon to provide the expanding Northwest region. The great Northwest is still one of the areas in our Nation which is undergoing tremendous economic growth, and it will have need for more—not less—railroad services in the years ahead.

We cannot allow any curtailment in railroad services, which would delay or hamper this expansion, to take place solely because of a desire to increase railroad profits. I agree fully with the public-spirited citizens of Auburn who have shown a commendable concern over the threat to the future of their community which has been raised by the Great Northern and Northern Pacific merger proposal. I support completely their view that the Congress should undertake a searching inquiry into the effect of this proposal.

Moreover, I believe that the threat to the future of railroad transportation throughout the country which is raised

by the present widespread movement toward consolidation of rail properties is so great that it is time that the Congress called a halt to the consummation of any further railroad mergers until a thorough study of their adverse effects upon the general public has been undertaken. We should not—we must not—allow a desire for higher profits by a comparatively small group of financial interests to so curtail our railroad transportation potential that the future economic growth and stability of our entire Nation is stunted and hamstrung.

Mr. Speaker, I believe that the action of these citizens and business firms of Auburn, Wash., in purchasing advertising space to tell their views about railroad merger is to be highly commended.

I ask unanimous consent to include a list of their names, as taken from the above-referred-to advertisement, in the RECORD at this point.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

The list of names referred to was ordered to be printed in the RECORD as follows:

Cugini Florists, Peckenpaugh Drug Co., Price Funeral Chapel, Geo. Bachus & Sons Chevron Service, Pfeiffer Glass Co., Brewer Motor & Equipment Co., Mike Wood Furniture & Appliances, Inc., Roberts Motors, Bothell Chevrolet-Cadillac, Inc., Ralph C. Berghuis, O.D., American Savings & Loan Association, Manson's Rexall Store, Weese Jewelry, Arndt's Richfield Service, Evans Drug Co., Stan Sorenson Heating Co., Dietzen's Thriftway, Larberg's Shoprite Food Store, Wakefield's Shoe Repair, Cottage Cleaners, Wilber Studio, Steiger's Union Service, Clifford Westby & Son, Insurance, Aaby Realty & Insurance, Armstrong Realty, Auburn Auto Parts, Auburn's Buick Center, Auburn Concrete Products, Auburn Dairy Products, Inc.

Also Beierlein's Men's Shop, Rainbow Cafe, Ruby's Variety, Scarff Motors, Gosney Motor Parts, Ken Schoenfeld Furniture, Shaughnessy & Co., Jack Sprenger Insurance, Sunset Laundry & Cleaners, Thornton's Men's Shop, Warren's Office Equipment, Weaver's TV & Appliances, Webster Automotive, Yourglich Bros. Chevron Service, Value Stores, Thriftime Drugs, Willner's Department Store, Auburn Industrial Committee, Ben Franklin Store, Cavanaugh Hardware, Claude's Sporting Goods, Massey's Food Center, Don's Repair, Doxon & Son, Earl's Broiler, Auburn Trailer Sales, Dr. C. A. Landgren, Harry O. Lieske, Lightle Funeral Home, Modern Cleaners, Nelson's Grocery, J. C. Penney Co., Pete's Service, Rail Cigar Store, Hoyt Motors, Kasper's, Kennedy's, and Robert E. Gaines General Refrigeration Co.

SUBMERGED LANDS ACT

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Louisiana [Mr. WILLIS] is recognized for 60 minutes.

Mr. WILLIS. Mr. Speaker, today members of the Louisiana delegation introduced legislation to correct the decision of the Supreme Court in the case of the *United States* v. *Louisiana, Texas, Mississippi, Alabama, and Florida,* handed down in May 1960 (80 Sup. Ct. 961), and to make it conform with the intent of Congress as expressed in the Submerged Lands Act of May 22, 1953. Identical bills have been introduced by members of the Alabama and Mississippi delegations.

In the case referred to the Court awarded a seaward boundary of three leagues, or approximately 10½ miles, to Texas on the west and to Florida on the east, but only 3 miles to the three States in between, Louisiana, Mississippi, and Alabama. It was like cutting off the three middle fingers of your right hand. Unless this decision is promptly corrected, it is bound to raise very troublesome questions and create all manner of domestic and foreign confusion.

The clarifying legislation we propose is very simple. It is simply an equal gulf boundary bill. It would do simple justice and establish a uniform boundary of 3 leagues for all five Gulf Coastal States. That is all there is to it. I have added a facsimile of our joint bills as an appendix to my remarks.

To lawyers the decision is very hard to read and understand. To everyone it is difficult to follow because it proceeds in the wrong direction; it cuts against the grain; it runs against commonsense.

In order to understand the broad problem, I think for the record it would be appropriate for me to review this whole controversy from the time of the decision of the Supreme Court in the California case in 1947 to the time of the decision of May 1960, above referred to. As is always the case with legislation, my views may have to be modified in some respects during and after the hearings. But let us begin, as President Kennedy so adroitly put it in his inaugural address.

1. THE FIRST DECISIONS

From the time of the founding of our Republic until the decision of the Supreme Court in the California case in 1947, the States, relying on numerous previous decisions of Federal and State courts, asserted ownership of the so-called tidelands. That they had the right so to do was frankly admitted by both the executive and judicial branches of our Government. For example, in his veto message of the second tidelands bill passed by Congress in 1952, President Truman acknowledged that "even so careful and zealous a guardian of the public interest as the late Secretary of the Interior, Harold Ickes, at first assumed that the undersea lands were owned by the States."

Senate Report No. 1592 states:

The facts are conclusive that at least prior to 1937 the policy of the executive departments of the Government has consistently been to recognize State ownership of the submerged lands, whether inland or not, within the territorial jurisdiction of the States.

And the Supreme Court itself, in the California case admitted that in previous decisions it had "used language strong enough to indicate that the Court then believed that States not only owned tidelands and soils under navigable inland waters but also owned soils under all navigable waters within their territorial jurisdiction, whether inland or not." It must be remembered at all times, however, that the Court did not undertake to say how far out the claims of the States extended, whether 3-miles, 10½ miles, or any other distance.

Nevertheless, the Court went on to say that as a matter of fact those previous decisions dealt only with ownership of lands beneath inland waters and not with ownership of lands beneath the open sea. The Court then said it had never passed on the last question before and held that the United States, rather than the individual States, possessed paramount rights to the soil beneath the open sea adjacent to the coast and to the mineral resources thereunder, as distinguished from the soil and minerals beneath inland waters.

It is needless to say that there was a widespread feeling that the decision was just as wrong as a 2-foot yardstick or to point out that the Court itself admitted later on that it had been "severely criticized" about it. The important thing is that Congress passed the Submerged Lands Act to correct the decision and I now propose to show that the Court failed to give effect to the act of correction.

2. THE SUBMERGED LANDS ACT

The pertinent parts of sections 3, 2, and 4, as finally agreed to, provide as follows:

SEC. 3. (T)itle to * * * the lands beneath navigable waters within the boundaries of the respective States * * * are hereby * * * vested in and assigned to the respective States.

SEC. 2. (T)he term "boundaries" includes the seaward boundaries of a State * * * as they existed at the time such State became a member of the Union, or as heretofore approved by Congress * * * (B)ut in no event shall the term "boundaries" * * * be interpreted as extending from the coastline more than 3 geographical miles into the Atlantic Ocean or the Pacific Ocean, or more than 3 marine leagues into the Gulf of Mexico.

SEC. 4. The seaward boundary of each original coastal State is hereby approved and confirmed as a line 3 geographical miles distant from its coastline * * * Any State admitted subsequent to the formation of the Union which has not already done so may extend its seaward boundaries to a line 3 geographical miles distant from its coastline * * * Any claim heretofore or hereafter asserted * * * so to extend its boundaries is hereby approved and confirmed, without prejudice to its claim, if any it has, that its boundaries extend beyond that line. Nothing in this section is to be construed as questioning or in any manner prejudicing the existence of any State's seaward boundary beyond 3 geographical miles if it was so provided by its constitution or laws prior to or at the time such State became a member of the Union, or if it has been heretofore approved by Congress.

It is most important to note at the outset, however, that several significant changes in draftsmanship were made before the final provisions above quoted were agreed to. For example, the primary concern of Congress all along was to restore the title of the States within their historic boundaries. It was not until the House hearings were closed that an amendment was made to define boundaries in terms of miles or leagues into the open seas.

(A) RESTORATION OF TITLE WITHIN STATE BOUNDARIES

The original plan was to restore title within historic State boundaries, without specifying any distance. For example, the House report on the bill, H.R. 5992, filed April 21, 1948, states:

[T]he aforementioned bills (were) introduced in the Congress to preserve the status quo as it was thought to be prior to the California decision * * * to confirm and establish the rights and claims of the 48 States, long asserted and enjoyed with the approval of the Federal Government, to the lands and resources beneath navigable waters within their boundaries.

Without spelling out the extent of State boundaries. And the Senate report on Senate Joint Resolution 13, filed March 27, 1953, states:

The purpose of this legislation is to write the law for the future as the Supreme Court believed it to be in the past—that the States shall own and have proprietary use of all lands under navigable waters within their territorial jurisdiction.

Again without fixing a specific limit.

(B) THE 3 MILES AND 3 LEAGUES PROVISION

Throughout the long hearings and debates Congress took the consistent view that all the Atlantic and Pacific Coast States had a boundary of three miles. Thus one of the first House reports on the subject—No. 927, 79th Congress, 1st session—said that the States' boundaries "in the case of the coastal States is in no instance less than 3 miles from the coast line." And Senator Cordon, one of the managers of the bill, said on the Senate floor, "There conceivably cannot be a State whose boundary did not go 3 miles at sea."

It was likewise recognized, however, that the Gulf Coast States were entitled to claim more than 3 miles. For instance, while dissenting on other grounds, Mr. Justice Douglas frankly said:

The gulf presents peculiar problems due to its shallow water. The shallowness of its waters is well documented and our Government was well aware of this condition.

And in the majority opinion the Court took notice of "repeated assertions" that "Congress had made exceptions to the 3-mile policy purportedly based on and shallowness of waters in the gulf and the alleged Spanish custom of claiming 3 leagues of territorial waters." Furthermore, the congressional reports and debates are replete with additional affirmative documentations along this line. Finally, Senator ANDERSON, an ardent opponent of the legislation, readily conceded that the historic boundaries along the gulf were different than those along the Atlantic and Pacific coasts.

The fact of the matter, as clearly shown in the hearings and debates, is that the opponents of the bill were fearful that Gulf Coastal States might be able to claim more than 3 leagues. And it was in the light of this situation that the opponents of the legislation proposed the above-quoted language of section 2 to the effect that:

[I]n no event shall the term "boundaries" . . . be interpreted as extending from the coastline more than 3 geographical miles into the Atlantic Ocean or the Pacific Ocean, or more than 3 marine leagues into the Gulf of Mexico.

Since 3 marine leagues is the equivalent of approximately 10½ miles, I will refer to distances in terms of 3 miles and 10½ miles, for the sake of easier reading.

(C) THE DUAL PURPOSE OF SECTION 4

As in the case of sections 2 and 3, important changes in draftsmanship were made in the course of the consideration of section 4 and before its final adoption, as quoted in full at the beginning of this discussion. For example, the original purpose of section 4 was to "approve and confirm" the title of all coastal States as a line 3 miles from coast, with the understanding, however, that the approval and confirmation was to be "without prejudice"—expressed in the third sentence—to the right of the Gulf Coastal States to establish their claim beyond 3 miles but not over 10½ miles.

Later on, however, the last sentence was added to section 4 in order to affirmatively establish the right of a Gulf Coastal State to a boundary of not over 10½ miles "if it was so provided by its constitution or laws prior to or at the time such State became a member of the Union," and so forth.

(D) PROPER CONSTRUCTION OF THE ACT

In light of this short legislative history, I think the following to be a proper construction of the act as a whole:

The purpose of sections 2 and 3 was to permit a Gulf State to establish a boundary of from 3 miles and up to 10½ miles if it can prove that such a boundary "existed at the time such State became a member of the Union or (was) heretofore approved by Congress."

On the other hand, the original purpose of section 4 was to "confirm" a 3-mile boundary to all coastal States. According to the third sentence of that section, if a Gulf State claimed more, the mere confirmation of 3 miles was without prejudice to its rights to establish its claim in accordance with the criteria of sections 2 and 3; that is, if it can prove that a greater boundary existed at the time of admission. Here the key word is "prejudice" and the idea was not to prejudice the rights of the Gulf States to prove their claim in accordance with section 2. Then the last sentence was added and the key word in that sentence is "questioning." The purpose was to enjoin everyone, including the courts, not to "construe" section 4 "as questioning or in any manner prejudicing the existence" of a gulf boundary of beyond 3 miles "if it was so provided by its constitution or laws prior to or at the time of admission, or if it has been heretofore approved by Congress." Stated differently, the "existence" of the boundary of a Gulf State beyond 3 miles was not to be questioned or in any manner prejudiced, and consequently was deemed ipso facto to be proven, "if it was so provided by its constitution or laws prior to or at the time of admission."

A careful reading of the statute clearly shows therefore, that the intent of Congress was to permit a Gulf Coastal State to establish a boundary of beyond 3 miles but not over 10½ miles, in three alternate ways. A Gulf Coastal State could establish such a boundary, first, if it "existed at the time such State became a member of the Union," or, second, if it was "heretofore approved by Congress", or third, "if it was so provided by its constitution or laws prior to or at the time such State became a member of the Union."

The basic purpose of the statute as a whole was to permit latitude in proving historic gulf coastal boundaries. The term "historic boundaries" was stressed throughout the hearings and debates and was used in the same breath with treaties, maps, various actions and acts of ownership and long usage by the States, and recognition of State title by the Federal Government. And the statute contemplated admission of all such evidence of historic events in support or as an aid to the construction of a State constitutional or statutory provision, as well as acts of Congress. As pointed out hereafter, however, in the decision handed down in May 1960, the Court rejected the third alternative provision of the Submerged Lands Act, above referred to, and not content with that, it refused to give effect to evidence of historic events of the type suggested later on under the subheading "Supporting Evidence."

(E) SYNOPSIS OF THE ACT

Accordingly, the Submerged Lands Act handled the tidelands problem and the Supreme Court decision in the original California, Texas, and Louisiana cases in the following manner:

1. The act provides for an outright confirmation to all the Coastal States (Pacific, Atlantic, and Gulf) of a boundary 3 geographical miles from their coastlines.

2. The 3-league provision was inserted for the benefit of and applies only to the Gulf Coastal States.

3. A Gulf Coastal State can establish a boundary of over 3 miles and up to 10½ miles if it "existed at the time such State became a member of the Union," or was "heretofore approved by Congress," or "if it was so provided by its constitution or laws prior to or at the time such State became a member of the Union."

4. Full effect must be given to historic events and evidence of the type suggested later under the subheading "Supporting Evidence" in support or as an aid to the construction of a State's constitutional or statutory provisions, as well as acts of Congress.

5. Gulf Coastal States cannot claim more than 10½ miles.

6. It must be kept in mind also that all State boundaries, whether 3 miles or 10½ miles, must be measured from coastlines, defined as follows:

"(c) The term 'coastline' means the line of ordinary low water along that portion of the coast which is in direct contact with the open sea and the line marking the seaward limit of inland waters."

7. Finally, special attention is called to the fact that the question of fixing or laying out of coastlines was not before the Court and remains an open one.

3. THE NEW DECISION

Shortly after the passage of the Submerged Lands Act in 1953, the United States filed suit against Louisiana, Texas, Mississippi, Alabama, and Florida. The suit was brought directly before the

Supreme Court instead of a district court. The United States asked the Supreme Court to decide that the Government is entitled to possession of and full dominion over the so-called tidelands outside of the 3-mile limit and that the Gulf States cannot claim ownership of anything beyond 3 miles, despite the provisions of the act. Louisiana moved to have the case transferred to a district court in order to enable it to present evidence of its claim to 10½ miles, as contemplated by the act, but the motion was denied. In May 1960 the Court rendered its decision awarding a gulf boundary of 10½ miles to Texas on the west and to Florida on the east, but only 3 miles to the States in between, Louisiana, Mississippi, and Alabama.

4. ANALYSIS OF THE DECISION AND ITS ERRORS

After reciting its conception of the issues and the position of the respective parties, the Court proceeded to examine the provisions of the statute on its face.

The Court started out by rejecting the contention that a Gulf State was entitled to a 3 leagues boundary by showing that such a boundary was so provided for by its constitution or laws prior to or at the time of admission. The effect was to wipe out the provisions of the last sentence of section 4. "Rather," said the Court, "the measure of the grant in excess of 3 miles is made to depend entirely upon the location of a State's original or later congressionally approved maritime boundary, subject only to the 3 leagues limitation of the grant."

Having struck down the third alternative requirement, the Court turned next to the question of how to satisfy the two alternative requirements of the act to the effect that in order to establish a boundary of 10½ miles a Gulf State must prove that such a boundary either existed at the time of admission or was heretofore approved by Congress. It made a critical analysis of the different contentions of the Government on the one hand and those of the States on the other concerning the meaning of the term "at the time" within the meaning of section 2. In my opinion, it is important to note that the Court actually rejected the suggested interpretations of both the Government and the States in this respect. As pointed out later, the chief and primary position of the Government was that upon admission to the Union all State boundaries had to conform to an alleged 3-mile foreign policy, and that irrespective of greater preadmission boundaries, no State boundary could exceed 3 miles subsequent to admission. It accordingly advanced the specious argument that the term "at the time" of admission should be construed to mean "subsequent to" that time. The Court's conclusion on this point was crisp and decisive:

> In short, if the term is to be given content it must be read as referring either to some time before or after the instant of admission, or to both times.

The Court then looked at section 4 but only as an aid to construction or as an explanation or clarification of the term "at the time" as used in section 2. It completely ignored or at least did not even refer to the sentence before last. And in this as in the above instance, the Court did not adopt the views of either the Government or the States but proceeded to announce its own interpretation of the provision of the last sentence as follows:

> It [the provision of the last sentence] does not define the grant, but at most describes the claims protected from prejudice by section 4 in terms of their most likely nature. A fair reading of the section does not point to the conclusion that claims of this nature were deemed to be self-proving.

The most likely nature theory was not discussed or even mentioned in any testimony, congressional report, debate, or argument before the Court. It was evidently evolved by the Court in chambers without giving either the Government or the States an opportunity to argue its fallacy. Certainly Congress meant something more than an expression of opinion as to the most likely way a case might be proved. The function of Congress is to make laws and not to express opinions, and by attributing such a function to Congress the Court rewrote the law of Congress.

In fact, as pointed out, the Court did not even construe the statute as a whole, but discussed only part of it, and the Court rejected the interpretation suggested by both the Government and the States. It must follow, therefore, that the construction placed by the Court on the statute as a whole necessarily came as a surprise to both the Government and the States. How then could the Government defend the decision at the new hearings?

(A) THE COURT'S OUTLINE OF LEGISLATIVE HISTORY

On the theory that the statute was inconclusive on its face in the above respects and in respect to our foreign policy, the Court proceeded to review the legislative history of the Submerged Lands Act. It indulged in a lengthy discussion of who had written and said what about the long controversy, instead of giving full effect to the act, as written, and divided the dissertation on legislative history into three parts:

First. Confirmation of all boundaries at 3 miles.

Second. Boundaries beyond 3 miles.

Third. The question of executive policy respecting the 3-mile limit.

The more I read the decision the more I become convinced that the last question—part 3 above—should have been disposed of at the very beginning of the decision and that by disposing of it at this point the Court put the cart before the horse. I am very serious about that contention and I would like to outline the reasons for my positon in this respect.

(B) THE GOVERNMENT'S TWO MAIN POINTS

The executive policy argument of the Government ran like this. A State's seaward boundary cannot be greater than our national boundary. Our national boundary was never greater than 3 miles. Therefore, no State boundary can exceed 3 miles, and if the act granted more it would raise international questions and would violate this country's consistent foreign policy.

Replying to the Government's argument, the States generally denied that our national boundary had ever been fixed or frozen at a rigid 3-mile limit. They pointed out, however, that any assumed adherence to a 3-mile limit along the Atlantic and Pacific did not apply to the gulf; that France and Spain had in fact claimed and held more along the gulf, and that such boundaries existed since preadmission times and continued to be the boundaries after admission.

The Government counted that upon admission State boundaries had to conform with our country's 3-mile limit, as a matter of foreign policy, and that, therefore, even assuming greater prior or preadmission boundaries under France and Spain, or as territories, or as a republic in the case of Texas, the Gulf States boundaries could not exceed 3 miles subsequent to admission. Accordingly, at the very outset of the case the whole thrust of the Government's position was that the term "at the time" of admission should be construed to mean "subsequent to" that time. In my opinion that argument was absurd and the Court said as much is a more polite way.

It was only after discussing collateral issues and delving into legislative history that the Court finally returned to and came to grips with the matter of alleged international questions and our country's alleged foreign policy. The Court should have disposed of that issue at the threshold, because legislative history had little if anything to do with it. The Court, however, finally and properly disposed of the proposition in the following language:

> The power to admit new States resides in Congress. * * * [F]rom [that power] springs the power to establish State boundaries. * * * [T]here is no question of Congress' power to fix State land and water boundaries as a domestic matter.

Here is the odd and startling result when the two-pronged argument of the Government is brought together in proper focus. The first main point of the Government was that the phrase "at the time" of admission meant "subsequent to" the time of admission. The Court sharply rejected that argument. The second main point was that to permit the establishment of a gulf boundary of anything over 3 miles would raise international questions and would violate our country's consistent foreign policy. The Court struck down that argument. This, of course, was a major blow to the Government's entire case.

If the Government's two main contentions had prevailed it would have won the entire case. But the Government lost out on both points. And the odd and startling result is that Louisiana, Alabama, and Mississippi lost, and Texas and Florida won, but on grounds other than those advanced by either the Government or the States.

(C) THE COURT'S FORMULA AND TREATMENT OF LEGISLATIVE HISTORY

I will now proceed to examine the ground rules established by the Court as the basis for its decision and to show that such ground rules are wholly out of

harmony and completely inconsistent with those established by the Congress itself, as expressed in the Submerged Lands Act.

The Court having held that the establishment of a gulf boundary of over 3 miles was a domestic matter, the only remaining question was the kind and character of evidence required in order to prove that such a boundary existed at the time of admission. The determination of the question depended on the provisions of sections 2, 3, and 4, and that in turn was a matter of statutory construction. In other words: What did Congress say, and what did the written language mean?

In discussing the statute on its face, the Court bypassed all legal issues and reserved or relegated them to a review of legislative history. In fact, I strongly emphasize that in discussing the act on its face the Court did not give effect to any of the provisions under review, as written by Congress. The upshot was that such meaning as the Court did give to each and every such provision was the result of its own interpretation of legislative history instead of a proper construction of the language employed by Congress.

Many divergent views are expressed in committee hearings, congressional reports and debates. To be sure, these may be consulted as an aid in arriving at the intent of Congress. But to overemphasize the practice or to use legislative history to give meaning to each major provision of an act of Congress is something else. I think that what was done in this case was both unusual and improper. As a precedent, it is a wide-open invitation for the courts not to construe but to make laws.

Well, what was the Court's idea of legislative history?

The first major premise was that the act did not fix any boundary in excess of 3 miles, but required that "a State would have to establish the existence of such a boundary in judicial proceedings." The act requires no such thing. For example, the Federal Government certainly could have agreed that the situation in any particular State satisfied the several alternative requirements of the act with respect to the existence of a boundary in excess of 3 miles at the time of its admission. The most that could be said was that Congress realized that litigation could, or even probably would, result. Of course, standing by itself this legislative interpretation was innocuous but one realizes its full import when it is tied down to what follows.

The second legislative finding was that "The Submerged Lands Act does not contain any formula to be followed in the judicial ascertainment of State boundaries." For the life of me I cannot see the need for any magical formula to prove the alternate requirements of the act concerning the existence of a boundary at the time of admission. I have never seen Congress pass a law and then spell out the rules of evidence to govern its interpretation in case of litigation. That presents simply a matter of the application of the rules of evidence. The rule is that the more ancient the ultimate fact to be proved, the more liberal the rules of evidence, especially where the memory of man runneth not to the contrary. Under this rule the courts, long ago, evolved the Ancient Documents Rule making it unnecessary to prove the authenticity of documents after a long period of time. The rule is especially applicable in boundary disputes. As pointed out by Justice Black in his dissenting opinion, the Senate committee report cited cases admitting collateral evidence, such as use and possession, to prove ancient boundaries. And so the legislative history of the Submerged Lands Act is the reverse of what the majority relied on. Here the Supreme Court first refused to transfer the case to a lower trial court for disposition in accordance with usual practice and procedure. It then held that a State boundary can only be established in judicial proceedings and finally it proceeded to develop its own formula and fashioned hidebound rules wrapped up in a package as tight as a boiled egg.

The third legislative finding was that "it could hardly be contended that congressional action surrounding the event of admission was not relevant to the determination of present boundaries." Indeed, it cannot but it will be seen that relevancy becomes something else when all the elements of the so-called formula are set along side of one another.

The fourth legislative finding was that "the event of admission is a vital circumstance in ascertaining the location of boundaries which existed 'at the time' of admission within the meaning of the Submerged Lands Act." Here we see that a relevant factor becomes a vital one; and still later it becomes the only relevant inquiry.

The fifth legislative finding was that "the States should be 'restored' to the ownership of submerged lands within their present boundaries determined, however, by the historic action taken with respect to them jointly by Congress and the State." There is no doubt that all the States involved relied on both State and congressional action, and in that sense the establishment of boundaries depended on joint State and congressional action, but only as part of their case.

All of the foregoing was bad enough but the clincher came in the actual application of the so-called formula or ground rules devised by the Court for reasons of its own in the interpretation of the Submerged Lands Act. At the very beginning of the decision of the particular case of Texas the Court said:

> For reasons already discussed, we consider that the only relevant inquiry is what boundary was fixed for the State of Texas by virtue of the congressional action admitting it to the Union in accordance with the terms of the joint resolution of [annexation].

And in deciding the Louisiana, Alabama, and Mississippi cases, the Court said that they "must be judged by the same standards." The deadly net result was that innumerable acts of ownership and possession, long acquiescence, as well as concessions and affirmative admissions of the title of the States by the Government in effect became irrelevant. This was not only contrary to jurisprudence in boundary disputes in general but in this particular case was in direct contradiction to both legislative history and intent of Congress, clearly contemplating the utmost relevancy of such evidence.

And such legislative history and congressional intent is spread throughout the testimony, congressional reports, and debates. In fact, part of it is to be found in the long footnote quotation by the Court from my own examination of Secretary of Interior McKay, and my statement on the floor. It will be seen from that footnote that I specifically brought out that just as in an examination of title by a lawyer every link in the chain must be considered, together with all maps and collateral material which help to interpret the deeds; so in connection with historic boundaries all treaties, maps, historic documents, claims, ownership and control of Spain and France, and so on, must be considered to help interpret joint State-Federal action in establishing such boundaries.

To be sure, the Court condescended to review some of the evidence of ownership, and so forth, relied on, but only after deciding against Louisiana, and only as an opportunity to obstinately and doggedly brush it all aside.

(D) ORIGINAL AND POST-CIVIL WAR CONSTITUTIONS

Louisiana, Mississippi, and Alabama, of course, relied on provisions of their State constitutions and congressional acts of admission. In the case of Louisiana, the Court did not consider the entire provision of our constitution of 1812, and the act of Congress admitting Louisiana to statehood and defining State boundaries. It only considered the closing part, winding up with, "thence, bounded by the said gulf, to the point of beginning, including all islands within 3 leagues of the coast."

As will be brought out at the new hearings, the entire provision of our 1812 constitution, our laws as they existed prior to and at the time of admission, and the act of admission, clearly established a 3-league boundary. And such a boundary becomes even more evident in the light of all supporting evidence.

Similar language was employed in the original admission statutes of Mississippi, Alabama, and Florida. The Southern States seceded from the Union at the commencement of the Civil War, and were readmitted after that conflict.

In adopting new constitutions as a condition of readmission, Louisiana, Mississippi and Alabama used their original admission boundary description. In Florida's new constitution, however, the original gulf boundary was more precisely described as being 3 leagues from land. In that connection the Court said:

> We cannot know for sure whether all or any of the Congressmen or Senators gave special attention to Florida's boundary description.

Nevertheless, Florida won her case on the specific ground that "Congress approved a 3-league boundary for Florida after its admission into the Union and before passage of the Submerged Lands Act."

It is interesting to note, however, that Florida, Louisiana, and Alabama came back into the Union pursuant to the same readmission act of June 25, 1868, and it is quite certain that if Louisiana, Alabama, and Mississippi had drawn their new constitutions as Florida did, their gulf boundary would have been approved by Congress following the Civil War, and thus would have won their present case, too.

Mr. Justice Harlan, who wrote the majority opinion in the Texas, Louisiana, Mississippi, and Alabama cases, dissented from the majority opinion written by Mr. Justice Black in the Florida case. His dissent was based on the fact that in his opinion the real purpose of the act of June 25, 1868, was to readmit the States to representation in Congress; that Congress had given no consideration to any change; actually did not change and consequently did not approve Florida's 3-league boundary. I think it would have been more accurate for him to say, and that he would have been on solid ground if he had said, at least for the purposes of this case, that while Florida's new constitution employed more precise language, the expression "bounded by the gulf, including islands 3 leagues from coast"—read in proper context and supported with abundant evidence of acts of ownership, possession, and so forth—meant the same thing as a boundary "3 leagues from coast," and that such was the reason that Congress paid so little attention to the boundaries of Florida, Louisiana, and Alabama in the Boundary Act of 1868. And, in my opinion, it was his failure so to read the original State constitutions and acts of admission, and to give effect to such evidence, that caused him to decide against Louisiana, Alabama, and Mississippi and forced him to dissent in the Florida case. Of course, some of the constitutions of the Gulf States, both before and after the Civil War, spoke in terms of 3 and others in terms of 6 leagues, measured either from coast or land, but that difference is now wholly unimportant because the Submerged Lands Act prohibits a gulf boundary of more than 3 leagues from coast.

(E) SUPPORTING EVIDENCE

And I am as sure as a lawyer can ever be that under a well-established and unbroken line of jurisprudence in boundary controversies that the Court erred in not giving effect and proper weight to the peculiar situation along the gulf and to acts of ownership and possession, long acquiescence, as well as concessions and admissions of the title of the States by the Government. These will be developed in full at the hearings but I give a brief resumé of some of them.

First. I have already pointed out that Senator ANDERSON and other ardent opponents of the legislation, and Mr. Justice Douglas, who dissented on other grounds, recognized that the pecular situation along the gulf coast, based on shallowness of waters and Spanish law and custom, and so forth, justified the position of the Gulf States that they were entitled to claim a boundary of over 3 miles. In fact, it is very interesting to note that the majority opinion not only recognizes the forceful "repeated assertions" of the Gulf States to that effect but did not affirmatively dispute them. Instead, basing the adverse ruling against Louisiana on the narrow construction of the act, as herein outlined, the majority opinion hedged on this point by saying, "We need not decide whether the United States ever claimed 3 leagues of territorial waters along the entire gulf coast, which could in a sense be considered to constitute a national boundary, or whether, if it did, Louisiana would have been entitled to extend its own boundary to that distance." This phase of the case will be fully developed at the new hearings.

Second. Numerous treaties, read in context with appropriate historic events, show beyond doubt that preadmission boundaries under France and Spain were not less than 3 leagues, and that such were the State's gulf boundaries at the time of admission. In Louisiana's case, instead of construing them as a whole in order to arrive at the true claims, foreign policy and custom of France and Spain the Court held in effect that, to be relevant, each treaty on its face had to refer specifically to gulf water boundary.

Third. Numerous old maps likewise show pre- and post-admission gulf boundaries at not less than 3 leagues.

Fourth. Predicated on their ownership at the time of admission, the Gulf States exercised exclusive civil and criminal jurisdiction and passed, administered and enforced laws and regulations affecting the life, liberty, and property of their citizens in these areas.

Fifth. Specifically, these States passed and enforced laws to regulate and conserve fish, shrimp, oysters, and wildlife in these areas. Some of the Louisiana laws in this respect go back almost 100 years.

Sixth. Louisiana was the first State in the Union to grant oil, gas, and mineral leases on submerged lands far out in the gulf, to develop a system of conservation laws and to encourage orderly development of these resources in offshore waters.

Seventh. Not only has the States' possession, dominion, and sovereignty over these areas been open and notorious, but it is coupled with the fact that for more than a century the Federal departments and agencies not only acquiesced in but unequivocally recognized the States' claims to such areas.

Eighth. Thus, in recognition of the rights of Louisiana and other States, the Federal Government took the position that it could not and would not grant such leases because it had no right, title, or interest in and to these areas.

Ninth. In many instances the Government itself deemed it necessary to acquire title from these States before attempting to exercise any power of its own.

Tenth. At the request of the Federal executive department, the States deeded to the United States portions of their submerged lands. And as early as 1855, at the request of the Federal Government, the Legislature of Louisiana passed an act to authorize the Governor in certain cases to relinquish to the United States title to and jurisdiction over sites for lighthouses far out into the gulf.

Eleventh. Many years ago the States of Texas, Louisiana, Mississippi, Alabama, and Florida, in their sovereign capacity and as owners of these areas, entered into the Gulf States marine fisheries compact for the purpose of promotion and better utilization of fisheries in the Gulf of Mexico. And the Federal Government, recognizing the claims of these States, gave congressional approval to this compact.

(F) INCONSISTENCIES AND CONTRADICTIONS

The Court not only failed to give effect to the foregoing supporting evidence but applied different rules of interpretation in the case of Texas, on the one hand, and those of Louisiana, Mississippi, and Alabama on the other.

For example, as above indicated, in the case of Louisiana the Court held that to be relevant each treaty had to refer to the specific Louisiana water boundary. On the other hand, 19 pages of the Texas decision are devoted to a discussion of background history and treaties, but this discussion centered around land boundaries and not water boundaries. Of course, it was highly proper to construe these treaties as a whole. Indeed, only a few paragraphs refer to water boundaries and then only to express these thoughts:

> We are unable to find in the congressional debates either on the 1844 treaty or the 1845 annexation resolution a single instance of significant advertence to the problem of seaward boundaries. Furthermore, a series of other events manifest a total lack of concern with the problem.
>
> The foregoing circumstances make it abundantly plain that at the time Texas was admitted to the Union, its seaward boundary, though expressly claimed at 3 leagues in the Texas 1836 Boundary Act, had not been the subject of any specific concern in the train of events leading to annexation.
>
> There is, indeed, a strong argument that the "properly," "rightfully," and "adjustment" clauses of that resolution (of annexation) should be read as applying only to the land boundaries disputed with Mexico.

The Court nevertheless concluded:

> However, in light of the fact that the language employed in the resolution is of general applicability, we should hesitate to limit its effect by reading into it such an additional unexpressed test respecting the extent of Texas' boundary. We think that its language must be taken as applying to Texas' maritime boundaries as well as to its land boundary.
>
> Being based on the 3-league provision of the 1836 Texas Boundary Act, which itself denotes a territorial boundary, the obvious and commonsense meaning of the analogous treaty (of Guadalupe Hidalgo) provision is that it separates the maritime territory of the United States and Mexico.

At another point in the decision the Court expressed a truism, applicable in this or in any other situation, that one factor standing alone is insufficient to make out a case. But it was the very failure of the Court to consider all appropriate factors in the light of the whole picture and its failure to use the same commonsense that it employed in the

Texas case that caused it to decide against Louisiana, Mississippi, and Alabama.

In his dissenting opinion in the Florida case, Mr. Justice Harlan properly cited jurisprudence to the effect that "a newly admitted State, in the absence of an expressed fixative of its boundary by a congressional act of admission or an articulated rejection of its preadmission boundary, may, I think, rely on a presumed congressional purpose to adopt whatever boundary the political entity had immediately prior to its admission as a State."

Again, it was his failure to apply that jurisprudence when speaking for the majority that caused him to decide against these States.

In deciding the Louisiana case, Mr. Justice Harlan undertook to read the mind of LaSalle when he first claimed Louisiana for France in 1862 and to say that this explorer's southward claim "as far as the Mississippi's mouth in the sea, or Gulf of Mexico, about the 27th degree" of parallel "did not indicate an intent to claim to that parallel." Yet, in his dissenting opinion in the Florida case he interpreted the case of *New Mexico* v. *Colorado* (267 U.S. 30) to mean that "The Court held that the location of the boundary was fixed by the events of admission in accordance with a survey of the 37th parallel which had been theretofore made, even though it might not have been a correct survey."

In deciding the Louisiana case, Mr. Justice Harlan went so far as to say that, "Taking—some of the foregoing circumstances—as proved, they do not have the effect urged by Louisiana." Yet, elsewhere in the opinion he cited a case to the effect that a statute construed "in the light of the Indians' historic use of these waters as fishing grounds" was sufficient to include "waters and waterbed, as well as the islands."

(G) THE WATER BOUNDARY

If there is one proposition that is certain beyond peradventure of doubt it is that all Gulf States always had some kind of water boundaries. That proposition was affirmatively stated by the legislative and executive branches, as well as by the judicial branch in the past, and by all Government agencies; by all witnesses, all congressional reports, all the debates, and all Members of Congress, both the proponents and the opponents of the legislation; by all facts of history, the conduct of all acts of foreign policy, in peace and in war, in periods of neutrality and belligerency, during times of blockades, embargoes, and at all other times.

For instance, in the Government's brief it is stated, "the United States, of course, has never denied that the boundary of Louisiana includes water areas." And in the case of *Louisiana* v. *Mississippi* (202 U.S. 1), it was, of course, recognized that Louisiana's south boundary is "a water boundary that extends to the open sea or Gulf of Mexico," and includes "the deep water sailing channel line as a boundary."

In order that there could be no question about it, the Court appended an illustrated diagram to the opinion itself. Look at it. Look at it and see for yourself.

The fact of the matter is that the real concern of the opponents of the legislation was the fact that the Gulf States, for reasons previously outlined, might be justified in claiming more than 3 leagues, and it was they who proposed a limitation to that distance.

Now, since the Louisiana constitution and act of admission spoke in terms of 3 leagues, and since the boundaries of the State and the United States must coexist, the Court found itself in a dilemma. And contrary to the arguments of both the State and the Government, the Court resolved the whole matter by throwing caution, history, statutes, jurisprudence and affirmative actions to the wind and holding that neither France, nor Spain, nor Louisiana, nor Mississippi, nor Alabama, nor the United States itself ever had an original gulf water boundary. This is fantastic.

5. THE PROPER RULING

I have already given my opinion on what the proper, fair, and reasonable ruling should have been. I now give the views of Mr. Justice Black and Mr. Justice Douglas.

Mr. Justice Black said the following:

In *United States* v. *California* (332 U.S. 19) and the cases which followed it, this Court held that the States of California, Texas, and Louisiana did not own or have title to the offshore lands they claimed. If we were now to hold that these States must prove technical title as of the early 1800's in order to satisfy the Submerged Lands Act and that they have succeeded in doing so, we would in effect be overruling our prior cases.

"The Gulf States, * * * were not satisfied with 3 miles but claimed that special circumstances entitled them to 3 leagues (about 10½ miles) or more. They urged, among other things, that claims of the Gulf States and their predecessors in title had always been more expansive than claims of coastal States in other parts of the country; that when admitted to the Union their constitutions contained definitions which, properly interpreted, described boundaries extending 3 to 6 leagues seaward; that the Gulf States had not only claimed these more expansive boundaries, but had always exercised possessory and ownership rights over these marginal lands and their products at will without regard to any 3-mile limitation; and that historically the United States had never questioned any of their claims until disputes arose regarding oil leases during the late 1930's. Moved by these arguments, strongly supported by evidence and concessions, Congress did not limit its grant to the Gulf States to 3 miles of submerged lands, but granted a belt extending all the way to each State's 'boundaries' * * * as they existed at the time such State became a member of the Union * * * but in no event * * * more than * * * 3 marine leagues into the Gulf of Mexico" (43 U.S.C. 1301(b)).

Congress has thus repeatedly emphasized its desire to have the States rights in these submerged lands determined not under technical rules but, as the Senate committee said, in accordance with equitable principles and high standards of justice. To point out specifically what it meant, that committee referred to three similar cases of this Court. One, which is illustrative, was *Indiana* v. *Kentucky* (136 U.S. 479). That case involved a boundary dispute between Indiana and Kentucky. The crucial question was the determination in 1890 of the location of the Kentucky boundary when Kentucky became a State in 1792. That same kind of backward-looking determination of boundaries is involved here with reference to the Gulf States. In the Indiana-Kentucky case, as here, there were no satisfactory markets, and testimony of living witnesses was deemed to be of little value. There was much evidence in the Indiana-Kentucky case, however, that Kentucky had exercised authority over the disputed territory since it first became a State and that Indiana had never challenged the boundary or the authority of Kentucky. Emphasizing the great value of that evidence this Court said: "This long acquiescence in the exercise by Kentucky of dominion and jurisdiction over the island is more potential than the recollection of all the witnesses produced on either side. * * * It is a principle of public law universally recognized, that long acquiescence in the possession of territory and in the exercise of dominion and sovereignty over it is conclusive of the Nation's title and rightful authority." 136 U.S., at 510. The Court went on to quote the following from *Rhode Island* v. *Massachusetts* (4 How. 591, 639), "For the security of rights, whether of States or individuals, long possession under a claim of title is protected. And there is no controversy in which this great principle may be invoked with greater justice and propriety than in a case of disputed boundary." 136 U.S., at 511.

Mr. Justice Douglas was of the opinion that the boundaries of all Gulf Coastal States should be limited to 3 miles. It is enlightening to point out, however, that Justice Douglas, who never lacks for language to express his ideas and who is recognized as a good word carpenter, strongly maintained that Louisiana, Alabama, and Mississippi had made out as good a case as had Texas and Florida. His views in that respect are as follows:

If we acted today with the precision and meticulous care which is demanded in title disputes, we could not, I think, say that the United States in the Treaty of Guadalupe Hidalgo recognized or approved the Texas claim that the territory of Texas extended 3 leagues from the shore.

Yet if we are to decide these cases by substandards (lessening the requirements of proof as we should do it, Congress intended to grant whatever the parties fairly claimed), then I agree with Mr. Justice Black that the discrimination in favor of Texas and against Louisiana, Alabama, and Mississippi is quite unjustified.

If the southeast corner of Texas was 3 leagues off shore, it is difficult for me to see how the southwest corner of Louisiana was not at the same point. From the beginning the United States and Spain fixed their corner west of the Mississippi "on the Gulf of Mexico, at the mouth of the River Sabine in the sea" (S. Stat. 252). If we move the Texas boundary out 3 leagues, it is hard to see why Louisiana's does not accompany it. It has long been recognized that a part of Louisiana's border is "a water boundary" that extends "to the open sea or Gulf of Mexico," *Louisiana* v. *Mississippi* (202 U.S. 1, 43), and includes "the deep water sailing channel line as a boundary" (Id. at 44).

If we were to require the degree of proof of ownership which is ordinarily required in title disputes I would agree that neither Louisiana, Alabama, or Mississippi has met the burden of proof. But if standards and requirements as lax as those used to grant Texas 3 leagues from shore are sufficient for her, they should be sufficient for those other three States.

The heart of the Texan claim is that the United States and Mexico recognized that there was a 3-league maritime belt which each would respect and that this was done in recognition of the validity of the claims contained in the 1836 statute of Texas. This belt was called a boundary; but as I have tried to demonstrate it was not a territorial claim but only a demarcation of zones where the parties' respective law enforcement activities would be recognized and approved. The gulf presents peculiar problems due to its shallow coast. The shallowness of its waters is well documented and our Government was well aware of this condition in 1848. These are the persuasive facts behind the creation of the 3-league belt by the Treaty of Guadalupe Hidalgo and by Mexico in the other treaties concerning the gulf which she negotiated with other nations.

If the policy of measuring the zone of the United States as 3 leagues into the gulf off the shore of Texas is to give Texas property rights to the submerged lands in that zone, the beneficiaries of that concern should be all our Gulf States. At best the language used to describe the seaward territories of Louisiana, Alabama, and Mississippi is ambiguous. The words "to the Gulf of Mexico * * * including all of the islands" within certain designated leagues of the shore can reasonably mean that the boundary line is marked by the islands. There is difficulty in that construction. Yet it is for me no more difficult than the method we use to give Texas a territorial claim in the same belt. All the States on the gulf should be given the same benefit of the doubts that have been resolved in favor of Texas.

I might point out that a plat prepared by the Commissioner of the General Land Office in 1844 does in fact delineate a Louisiana, Mississippi and Alabama gulf boundary line, commencing at the southeast corner of the Texas gulf boundary, thence proceeding east as contended for by these States and as suggested by Mr. Justice Douglas. I am informed that other maps along that line are probably in the possession of the Government, and I intend that they shall be made available at the hearings.

I am satisfied that the foregoing views, along with consideration of the supporting evidence to be adduced at the hearings will convince any reasonable Member of this body that Louisiana, Mississippi and Alabama are entitled to relief.

6. THE NARROW ISSUES AND PROPOSED LEGISLATION

Practically all of the serious and troublesome issues have now been eliminated. The concern of the opponents about so-called exaggerated gulf boundaries has been removed by the not-more-than-3-league provisions put in the bill at their suggestion. The fears of our Government about international questions and violation of foreign policy have been set at rest by the Supreme Court itself. Unfortunately, however, by awarding gulf boundaries of 10½ miles to Texas on the west and to Florida on the east and by reducing those of Louisiana, Mississippi, and Alabama to 3 miles in between, the decision itself is bound to raise very troublesome domestic and foreign questions and to create all manner of confusion; and all of which is additional reason for prompt corrective action by Congress.

The only remaining narrow issues were stated by Mr. Justice Black, as follows:

As Congress indicated, it is time that the problem be solved, the title be quieted and the controversy be stilled. In my judgment to interpret this act in a way which grants the land to Texas and Florida and withholds it from the other Gulf States simply prolongs this costly and disquieting controversy. It will not be finally settled until it is settled the way Congress believes is right, and I do not think Congress will believe it right to award these marginal lands to Texas and Florida and deny them to the other Gulf States.

Our proposal accomplishes that result and nothing more. In other words, we are proposing a simple and minor clarification of the Submerged Lands Act to carry out the original intent of Congress. And in view of the removal of all the original vexatious problems on the one hand, while creating new ones on the other, the narrowness of the issues, and justice of our cause, I think we have the right to expect the support of a fair Government.

A BILL TO AMEND THE SUBMERGED LANDS ACT TO ESTABLISH THE SEAWARD BOUNDARIES OF THE STATES OF ALABAMA, MISSISSIPPI, AND LOUISIANA AS EXTENDING THREE MARINE LEAGUES INTO THE GULF OF MEXICO AND PROVIDING FOR THE OWNERSHIP AND USE OF THE SUBMERGED LANDS, IMPROVEMENTS, MINERALS, AND NATURAL RESOURCES WITHIN SAID BOUNDARIES

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 4 of the Submerged Lands Act (43 U.S.C. 1312) is amended by inserting "(a)" immediately after "SEAWARD BOUNDARIES.—" and by adding at the end thereof the following new subsections:

"(b) Notwithstanding any other provision of this Act, the seaward boundaries of the States of Alabama, Mississippi, and Louisiana into the Gulf of Mexico are hereby approved and confirmed as a line three marine leagues distant from their coastlines.

"(c) The United States of America hereby conveys, releases, and relinquishes unto the States of Alabama, Mississippi, and Louisiana all right, title, and interest of the United States to the lands, improvements, minerals, and natural resources beneath navigable waters within their respective boundaries as herein established and vests in each of said States the right and power to manage, administer, lease, develop, and use the said lands, improvements, minerals, and natural resources within their respective boundaries."

SEC. 2. The amendment made by the first section of this Act shall take effect as of May 22, 1953.

PRESIDENT'S AGRICULTURAL MESSAGE OF MARCH 16, 1961

The SPEAKER pro tempore. Under the previous order of the House the gentleman from Iowa [Mr. SCHWENGEL] is recognized for 30 minutes.

Mr. SCHWENGEL. Mr. Speaker, because of my great interest in the farm economy and because I represent a farm area that believes in the fundamental American philosophy of freedom and because I represent a farm population that is alert to the modern trends and transitions of our times and because I represent a people who are not afraid of changes and new ideas, I have waited long with great interest for a report from the White House that might point the way to some solutions to the problems that are confronting us in this very difficult time for agriculture and, for that matter, for the entire population of our country.

On March 16, the President sent his message to us on the agriculture question and I had hoped that he would come forward with some brandnew ideas that were consistent with the pioneer traditions of any new frontier, with some new ideas on how to solve the surplus farm problem. But, to my almost complete amazement, I find that the President's message contains no new ideas on how to solve the farm problem.

As I read the message and as I studied the President's approach as outlined in his statement, I came to the very definite conclusion that it was basically the Poage supply control and direct payment scheme of last year, which you recall was soundly defeated in the House of Representatives with the help of at least 100 Democratic Members of the Congress.

The President's message seems to be suggestive of a broad supply management type of legislation that would contain many of the elements of the old discredited Brannan plan, including the compensatory payments idea.

The commodity by commodity approach envisioned by the President in his message, at least as I understood it, would involve national marketing orders, compensatory payments, comprehensive supply control management—and of all things, quotas in pounds, bushels, and bales.

The principle put forth by the President would allow each of some 200 commodity segments of agriculture to actually write legislation that might well disregard the rights of all other producers and the rights of the general public as well.

To me this seems like an amazing proposal to circumvent the Congress. And, if we adopt this philosophy, it could very well be a new idea in government but I would hesitate to want to put the title "New Frontier" with it, because it would not be consistent with anything I understand as the pioneer spirit that was so evident in the early frontier days as truly new frontiers.

If we adopt this philosophy of government for agriculture, Mr. Speaker, we must recognize it for labor, we must grant the same rights to commerce, and probably for that matter if we adopt this principle every trade association in America would have the claim or right to resolve their problems by this same method. We should remember that today there are recognized trade associations in the number of over 2,000. It is not hard to imagine what would happen if we adopted that philosophy. So I suggest to my colleagues that they think seriously on resolving our problems by using this approach.

The suggestion is that if the Congress does not like what the association has brought forward, we have a veto power and the proposal to give that veto power to only one branch of Congress is indeed

amazing. It might have some merit, but it certainly would not be consistent with the philosophy of government as we know it. The suggestion is that we give the veto power to only one branch of the Congress, and, as I think of this idea, I cannot imagine what the thinking was of those people who gave birth to that idea.

In my opinion, this would be abrogating our responsibility as Congressmen, as representatives of the people, because it has always been considered that we should represent the public interest first, the interest of the people we represent second, and the political party we represent third. That would be thrown out of the window. This, in my opinion, is a complete violation of all the concepts of the responsibility of Congress that have been established throughout the years of our Government and the history of our Nation.

It is clear as I read the recommendation and understand this approach that Congress would have absolutely no part in writing farm legislation. It seems to me, then, it would be reduced to a subject very little lower than that of a rubber stamp.

Mr. Speaker, this approach seems almost unbelievable and inconceivable. It is hard for me to think that agricultural leaders who have gained so many advantages through the years, who have helped in so many ways to add to the economic prosperity of our country, who have developed a capacity to produce beyond that of any other country and who have benefited so much under the freedoms and liberties that have been ours as Americans, would even ask for, to say nothing of applauding, this kind of approach to resolving the farm problem.

I might point out, Mr. Speaker, what the President asked for in his recommendation, has not been done for labor. In fact, the labor bill that was written by labor, which was passed upon and debated here in the Congress a couple of years ago, was soundly defeated, and I, along with most Members of this Congress, voted against that.

We have not granted this privilege to schoolteachers or to any other profession, and I am quite sure all of the great educators, especially those who are in the field of political science, would decry this kind of an approach to the problem.

Most certainly throughout history those words have had great influence on legislation. We have not granted them solutions for the problem as they saw it. And the President himself has made recommendations on taxes that are seriously being challenged by the truckers today, who would very much like to write their own version of legislation that they think is needed to resolve the interstate road problem and the financing of the interstate road problem. We certainly have not done this for the Armed Forces; in fact, we are very jealous of our own civil rights and our own responsibilities to control the Army rather than let the Army control us, and it is my contention that we should ever protect our own rights, our civil rights, to control the Army, and never let it have the power to control us and all Americans.

We have not done what is being asked for here for the postal clerks. We have taken the public interest into consideration in legislating for all the broad field of commerce, and this is the reason for the regulatory laws that deal with monopolies and utilities. We have not done this for our retired people who, I believe, have some real claim when they say to us that their position needs to be recognized by the Congress; rather, we have done for them what we felt could be done and was consistent with good fiscal policy.

So, Mr. Speaker, I think if we adopt this philosophy, we would be entering into a sort of class legislation that will get us into real trouble. And it is for that reason that I am taking the floor today to warn the Members of the Congress about the dangers of this kind of an approach to the solution of the farm problem.

Mr. Speaker, I am not so old but what I can remember the days when we had the old NIRA. This was an experiment which is very comparable to what is being suggested here, and so that the Members may better understand what I am talking about I have a brief summary that I ask unanimous consent be placed in the RECORD at this point.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

THE NATIONAL INDUSTRIAL RECOVERY ACT

(Quotations from Fainsod, Gordon, "Palamountain Government and the American Economy" third edition, 1959)

The national industrial recovery bill proposed by President Roosevelt on May 17, 1933, provided for the establishment of industry codes of fair competition by truly representative industrial groups or associations. Codes were to be approved by the President through a new agency constituted at his direction. He might modify code provisions in order to protect consumers, competitors, employees, or the public interest. Violations were to be punishable by fine, and also subject to FTC cease and desist orders, regardless of whether the firm concerned had participated in formulation of the code. If an industry failed to submit a code of its own accord, the President might impose one after notice and hearing. In extreme cases, he might subject an industry to a licensing requirement, no unlicensed firm being permitted to operate. The President might also enter into or approve voluntary agreements among industrialists, or labor organizations, or both.

Codes, licensing requirements, and agreements were all to be exempted from the antitrust laws for the 2-year duration of the act. Every code and agreement was to guarantee employees "the right to organize and bargain collectively through representatives of their own choosing" and to outlaw "yellow dog" contracts. There were also to be provisions concerning wages, hours, and working conditions; maximum hours and minimum wages were to be fixed by collective bargaining wherever possible, but otherwise could be prescribed by the President. All code provisions were to be subject to cancellation or modification at any time, again at the President's discretion.

Although "unfair competition" was undefined, and might presumably include any practices disfavored by the majority of an industry, it was generally agreed to include labor "sweating." In the eyes of labor leaders, the prize provision of the NIRA was section 7, which guaranteed the right of union organization. Once organized, they felt, labor would be assured of sharing in industry's gains from cartelization.

In the Senate, industry did gain one further concession in a new clause giving the President power to limit imports when necessary to render code provisions effective. Thus foreign as well as domestic competition could now be prevented. Special regulation for the oil industry was also provided.

President Roosevelt cast about for a speedier technique of promoting work sharing and wage increases than the necessarily elaborate formulation of semipermanent codes. A solution was found in the NIRA provision for voluntary agreements. At the end of July, under the impetus of a promotional campaign comparable only to a national election or a war-bond drive, over 2 million agreements were negotiated directly between the President and the individual employers.

This President's reemployment agreement (blanket code) protected labor standards and collective bargaining. Neither acceptance of the agreement nor compliance was required by law. Widespread acceptance, however, was secured by the distribution of "Blue Eagle" signs and labels and by a nationwide campaign for consumer boycotts of nonparticipating firms.

Code provisions were of two basic varieties. Those dealing with trade practices were drafted by trade associations or other industry representatives. But as a condition of approval, the NRA required not only the mandatory labor provisions of section 7(a), but also wage, hour, and child-labor regulations on the general lines of the PRA blanket code not to use child labor, to reduce the workweek to 40 hours for white-collar and 35 hours for other workers, to maintain specified wage minima ($12 to $15 per week for white-collar workers and 30 to 40 cents per hour for others).

Labor disputes and disagreements over section 7(a) were major factors in the decline of business confidence in the NRA in 1934–35. Although officially denominated codes of fair competition, NRA codes were, of course, not limited to outlawing trade practices previously considered unfair at common law or under the antitrust acts. They included anything an industry desired which it could persuade the NRA to grant * * * the basis for business support of the NRA was permission for market controls. Such controls generally took the form of direct or indirect limitations on pricing, with less frequent attempts at production control. As NRA officials slowly became hostile to these provisions, business as a whole lost interest in the act.

From the start, the NRA disfavored explicit price fixing. Nevertheless, most of the early codes limited individual firms' discretion in setting prices. In a few cases, machinery was authorized for the direct fixing of price minima. They included bituminous coal, lumber and timber products, and petroleum; in these cases conservation of natural resources was one alleged justification. In cleaning and dyeing, printing, and a few other localized industries with innumerable small units, similar provisions were established in order to outlaw ruinous competition. Over 200 codes also authorized temporary fixing of minimum prices.

Complete regulation of output, like direct minimum price fixing, was sanctioned by the NRA almost exclusively for natural resource industries. Some other codes sought to limit production indirectly by restricting inventories or weekly hours of plant operation. A larger group restricted long-term investment by forbidding acquisition of new machinery or entry of new units into the industry without special authorization. Other more or less common provisions affecting market condi-

tions included basing point systems, limitations of marketing areas, and attempts to favor one or another distributive channel.

The sudden and widespread reorganization of industrial habits engendered by the NIRA upset the preexisting balance of commercial advantage and disadvantage in thousands of individual cases. Complaints from the losers, and from those dissatisfied with their gains, flooded the NRA and Congress.

When Congress convened in 1935, it had to face squarely the question of NIRA extension * * * the legislative process was suddenly cut short by the Supreme Court's sweeping Schechter decision, handed down on May 25, 1935.

A unanimous Court declared the NIRA unconstitutional on two grounds: (1) That it delegated legislative power to the President without adequate standards to guide him in its exercise; and (2) that it invaded the field of intrastate commerce reserved to the States.

The act became law on June 16, 1933. The code-making process was completed by February 1934. NRA approved 557 basic codes, 189 supplementary, and 19 jointly with Agricultural Adjustment Administration.

Mr. SCHWENGEL. Mr. Speaker, this approach offered by the President seems to ask us to vote for a proposition that will recognize what is good for the commodity group, and that in this instance would be the farmer first, and what is good for the political party second and what is good for the country third, rather than the proposition that I referred to earlier, that is sound and consistent with good government, and that is that we consider here the welfare of our country first, the welfare of the people we represent second, and our political party third.

Now, Mr. Speaker, believing as I do that when we criticize we should also have some constructive suggestions, I want to point out that on the 16th of January I introduced a bill calling for a vastly expanded conservation reserve program. On January 3 I made a speech on that subject and pointed out that this program is in the public interest and good for all America, because conservation of our natural resources, especially the soil, is good for all of the people and because this bill authorizes taking out at least 80 million acres of land it will have a salutary effect on what is taking place in our farm economy today. Also it is a voluntary program and therefore consistent with the best traditions of American liberty and freedom as we know it.

I pointed out—and I reiterate for emphasis—that the philosophy of this approach was and is endorsed by every major farm organization in America. Further, I pointed out that the Republican Party in its convention in Chicago endorsed the idea; and, while the Democratic Party did not endorse it in their convention, there was no apparent opposition to this idea in any phase of their proposed program for agriculture for America. Indeed, there were many Democratic Members of the Congress and many other political leaders who privately and publicly endorsed the idea brought forward by my bill of January 16, H.R. 2736, and a refined version of this bill which I introduced later, H.R. 4267, which I introduced February 3.

Mr. Speaker, also I want to point out that every major farm organization in America has endorsed this approach to a solution, or at least a partial solution, of the very difficult but important farm problem that needs our attention.

Mr. Speaker, here is a positive approach. Here is a program that is good for America and for posterity. Here is a program—and I reiterate—that all farm organizations and every farmer I have talked to agree is a logical and a good solution for the farmer and for all of America.

MEDICAL RESEARCH

Mr. CAREY. Mr. Speaker, I ask unanimous consent that the gentleman from Rhode Island [Mr. FOGARTY] may extend his remarks at this point in the RECORD and may include extraneous matter and tables.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. FOGARTY. Mr. Speaker, it has been my pleasure to appear before the Congress on many occasions to discuss a variety of matters that are intimately related to improving the health and welfare of the people of America. During the 14 years that I have been deeply concerned with health and welfare matters, I have been privileged to observe substantial increases in the support of medical research. These were made possible by the broad appreciation held by the American people for the economic as well as the human gains that will accrue from adequately supported medical-research programs.

I might add that I think that these tax-supported research programs have certainly fulfilled the expectations which brought them into being. Research programs of the National Institutes of Health, and research and training activities supported in hundreds of institutions throughout the country through grants-in-aid, have accomplished a great deal and certainly have paved the way for many more future conquests of chronic disorders.

As a result of the gains in medical knowledge and techniques, many of our citizens are now surviving illnesses which once might have been inevitably fatal. Yet some of these illnesses still leave devastating effects that account for serious handicaps in speech and hearing for a large segment of our population. Some infections that medical science can now curb with antibiotics and other drug agents often take their toll in other ways, including deafness. More people are surviving certain forms of stroke, only to be robbed of their ability to speak. A reduction in infant mortality has produced an increasing number of children suffering with communication defects.

Just as it is a challenge to prolong life through greater medical knowledge, so must we marshal our efforts in the direction of widening opportunity for the disabled and the handicapped. Besides mobilizing the facilities of medical research to safeguard our citizens' health and welfare, we must acknowledge needs in related areas—rehabilitation and training.

I have introduced today a measure which is of increasing importance and urgency—a proposal which will insure that the growing proportion of persons handicapped by impaired hearing and speech receive the education and rehabilitation that is their right and that will allow them to be more productive members of our society. This legislation proposes the creation of a program of grants-in-aid to support the training of teachers of the deaf, and to supply advanced training to speech pathologists and audiologists. The importance of meeting these needs cannot be underestimated.

For a moment, I would like to direct your attention to this special group of our citizens—8 million in all—who suffer some degree of hearing or speech handicap. Many of these are children, who from birth have been unable to hear the voices of loved ones, or to communicate with others in meaningful speech. Other young people in need of help have been born with cleft palates, are stutterers, or have speech or hearing problems associated with cerebral palsy or mental retardation. Many adults have suffered speech losses as the result of laryngectomy, or have asphasia following a stroke. These impairments are naturally closely associated with severe problems of social isolation and communication for the affected. However, not all their problems are necessarily insurmountable.

Fortunately, about 80 percent of these 8 million are fully capable of education and rehabilitation if the necessary teachers and therapists were available. Yet, it has been estimated that at present not one in five children of school age who need the help of a speech correctionist or hearing therapist is at present receiving this attention. If these children are to attain their rightful places in society, our pitifully inadequate supply of teachers and specialists trained to work in the field of speech and hearing must be remedied. The bill which I am introducing would make this possible.

A recent report has estimated that we need at least 20,000 speech pathologists and audiologists to effectively diagnose, train, and aid in the rehabilitation of the millions handicapped by speech and hearing disorders. It is indeed disheartening to find that only 2,500 certified speech pathologists and audiologists are now available to cope with this growing national problem, just more than 10 percent of the number needed. The number of graduates last year in speech pathology and audiology totaled 563; this year 777 are expected to complete their academic preparation. Reliable sources estimate that to fill the pressing needs, we should have at least 1,500 adequately trained persons entering these fields each year.

The proposal before you represents an important step toward meeting these tremendous needs by making a minimum of funds available to aid in the training of specialized therapists and

teachers. The current deficit of personnel in these areas is so great, and the number of children and adults who desperately need their help is increasing so rapidly, that it will take at least 10 years of concerted action to even partially remedy the need. For this reason, the proposed legislation provides for a program of grants-in-aid to continue for 10 succeeding years, to be initiated at the beginning of the next fiscal year. For the first 2 years, the amount requested for these grants is only $2 million a year, certainly a small amount to remedy an urgent problem which has too long been neglected.

To support the training of teachers for the deaf, the bill calls for a program of grants-in-aid to be awarded to public and nonprofit institutions which are accredited for the training of teachers of the deaf. Such institutions would then use the grants to support the costs of courses and to establish and maintain scholarships. Approval of the grants will be the responsibility of an advisory committee, comprising 12 qualified members, established in the Office of Education. The committee members are to be appointed for 4-year terms by the Commissioner of Education with the approval of the Secretary of Health, Education, and Welfare.

To encourage and facilitate the training of speech pathologists and audiologists, the bill would establish a program of grants-in-aid to assist public and nonprofit institutions in providing such specialized education and in improving their present courses for training. These grants would be made only to institutions which offer programs enabling students to qualify for advanced certificates. The grants may be used to assist in covering the cost of courses of graduate training and study leading to the master's or doctor's degree, and in establishing and maintaining graduate fellowships. Such grants-in-aid would be approved by an advisory committee of 12 members, to be established in the Office of Vocational Rehabilitation.

The bill further provides that the operation of both of these programs be reviewed periodically by each of the advisory committees to insure that the programs are fulfilling their intended purposes. Recommendations relating to the operation and administration of the program, together with any recommendations for additional legislation, would be referred to the Secretary of Health, Education, and Welfare for transmittal to the Congress.

In presenting this legislation, I have attempted to focus attention on a serious problem which exists today and to show that it is a serious one. In my opinion, and in the opinion of those who work in this area, the need for persons who are adequately equipped to aid the audiologically handicapped is becoming critical. The lack of trained therapists is greatly hindering the rehabilitation of a large proportion of our handicapped but useful work force. With our help, a large number of these persons can become gainfully employed, taxpaying citizens. If no help is forthcoming, many must depend on our State and community agencies for support, and represent a never-ending financial burden to both family and community.

It may surprise you to consider that those afflicted with speech and hearing problems comprise 20 percent of our population. These handicapped people are not geographically limited to one section or region of the country—they come from all strata of our society and from all age groups. Their training and rehabilitation represents a national problem which can be dealt with only on a national level. Although many of the States have programs for rehabilitation and training of people with speech and hearing defects, they are unable to cope with the total problem. We can no longer avoid facing this serious issue, for the problem is becoming critical. The relatively small amount of money proposed to initiate a program which will benefit so many people is sure to pay dividends, both in human happiness and economic productivity.

Consider for a moment how essential the ability to communicate easily and quickly is to all of our activities of daily living. The loss of even some measure of these important sensory abilities represents a formidable handicap to the individual in his efforts to achieve a normal, satisfactory, and self-sufficient way of life. Certainly all of us have friends or relatives who are affected directly or indirectly by hearing or speech problems. The increasing proportion of those afflicted with speech and hearing handicaps will be prohibited from assuming their rightful roles in their communities if help is withheld. Can we afford to neglect them any longer? I think not.

I have mentioned that heartening research progress in these disorders has occurred in the past decade. However, a new consideration has arisen as a result of this progress. Specifically, we are becoming aware that our medical knowledge of the disorders of hearing and speech is progressing beyond our capacity for applying that knowledge at a level where the individual may benefit. To apply the fruits of research at the clinical level, the number of professionally trained teachers, speech pathologists, and audiologists must be immediately and substantially increased.

Fortunately, times have changed considerably since the days when handicapped children were looked upon as "marked" and shunned or mistreated. In talking with a number of therapists concerning their work, however, I have been told that a lag or inaccuracy in diagnosing children with hearing losses can sometimes have a disturbingly similar effect. Time and time again a child considered to have a behavior disorder or even to be mentally deficient—and treated accordingly—has, on careful examination, turned out to be suffering from a marked hearing or speech disorder. Other youngsters, regarded as shy or inattentive, are permitted to drift increasingly away from the world of reality. Prompt treatment of these helpless children by trained audiologists and speech pathologists is essential if they are to take their rightful places in a world of sound and hearing, rather than remain confined to their silent uncommunicative worlds.

Treated with understanding, fitted with rehabilitation aids, and enrolled in a course of training that will help him to develop or redevelop the ability to communicate, a deaf child or adult can develop happily and "roundly" as a person. One of the worst aspects of the handicap in the past—isolation through the inability to communicate—can be eased considerably through careful and sympathetic training. The success with which a handicapped child or adult is able to break down the barriers of isolation depends directly upon the skill, the understanding, and the professional training of his teacher.

I urge you to consider this problem carefully and to consider the solution which is now proposed. I urge you to think how these measures might lessen some of the painful social and emotional adjustments that befall those who cannot hear or speak. Their handicaps, understandably, foster feelings of helplessness, lack of equal employment opportunity, and lack of acceptance in other ways. Many more might win their rightful place in society as useful, happy citizens, through our willingness to make funds available to facilitate their education and training.

Today we are often reminded that our progress as a Nation is largely dependent on our progress in education. Surely every child who has the ability to learn has a right to an opportunity to learn. Unless a mental defect also exists, speech and hearing defects do not impair nor change a child's mental faculties. On the other hand, a handicapped child whose education is neglected is robbed of the opportunity to develop his mental capacities properly.

I sincerely hope that each of my colleagues will give this matter his fullest consideration and lend his voice to the insistence that the necessary steps be taken to remedy this situation. It is only just, it is only humane, and it is within the American democratic spirit that we help those handicapped by speech and hearing disorders to help themselves.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. MOSHER (at the request of Mr. HALLECK), for March 21, on account of official business representing Science and Astronautics Committee at inspection of Plum Brook Reactor Facility at Sandusky, Ohio.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. WILLIS, for 1 hour, today.

Mr. SCHWENGEL (at the request of Mr. LATTA), for 30 minutes, on March 21.

Mr. BOW (at the request of Mr. LATTA), for 30 minutes, on March 22.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. HOLIFIELD and to include extraneous matter.

Mr. MULTER (at the request of Mr. CAREY) and to include extraneous matter and tables.

Mr. MORRIS (at the request of Mr. CAREY) and to include extraneous matter and tables.

Mr. RODINO (at the request of Mr. CAREY) and to include extraneous matter, notwithstanding it will exceed two pages of the RECORD and is estimated by the Public Printer to cost $202.50.

(The following Members (at the request of Mr. CAREY) and to include extraneous matter:)

Mr. FISHER.

Mr. CELLER.

Mr. FALLON.

Mr. ZABLOCKI.

(The following Members (at the request of Mr. LATTA) and to include extraneous matter:)

Mr. WESTLAND.

Mr. BARRY.

Mr. ROUSSELOT.

Mr. LIPSCOMB.

ENROLLED BILL SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 1822. An act to adjust the amount of funds available for farm operating loans made pursuant to section 21(b) of the Bankhead-Jones Farm Tenant Act, as amended.

ADJOURNMENT

Mr. CAREY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 55 minutes p.m.), the House adjourned until tomorrow, Wednesday, March 22, 1961, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

696. A letter from the Secretary of the Air Force, transmitting a draft of a proposed bill entitled "A bill to validate certain payments in settlement of unused accrued leave heretofore made to certain members of the Army and the Air Force"; to the Committee on Armed Services.

697. A letter from the Assistant Secretary of Defense (Installations and Logistics), relative to the amount of funds appropriated to the Department of Defense which have been obligated or contracted to be spent with small business concerns and with other business firms for the month of December 1960, pursuant to Public Law 85–536; to the Committee on Banking and Currency.

698. A letter from the Comptroller General of the United States, transmitting a report on review of supply management activities of the Marine Corps Air Facility, Iwakuni, Japan, Department of the Navy; to the Committee on Government Operations.

699. A letter from the Assistant Secretary of the Navy (Installations and Logistics), relative to a proposal by the Department of the Navy to transfer a non-self-propelled water barge (YWN–72) to the territory of the Virgin Islands of the United States, pursuant to title 10, United States Code, section 7308; to the Committee on Armed Services.

700. A letter from the Comptroller General of the United States, transmitting a report on the audit of the abaca fiber program, administered by General Services Administration (GSA), for the fiscal year ended June 30, 1960 (H. Doc. No. 116); to the Committee on Government Operations and ordered to be printed.

701. A letter from the Attorney General, transmitting a draft of a proposed bill entitled "A bill to amend title 28, United States Code, with respect to fees of U.S. marshals"; to the Committee on the Judiciary.

702. A letter from the Secretary of Commerce, transmitting a draft of a proposed bill entitled "A bill to authorize an additional Assistant Secretary of Commerce"; to the Committee on Interstate and Foreign Commerce.

703. A communication from the President of the United States, relative to urging enactment of legislation for the proposed National Cultural Center in Washington so that the plans may proceed promptly; to the Committee on Public Works.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. THOMPSON of New Jersey: Joint Committee on the Disposition of Executive Papers. House Report No. 181. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

Mr. MADDEN: Committee on Rules. House Resolution 229. Resolution for consideration of H.R. 3935, a bill to amend the Fair Labor Standards Act of 1938, as amended, to provide coverage for employees of large enterprises engaged in retail trade or service and of other employers engaged in commerce or in the production of goods for commerce, to increase the minimum wage under the act to $1.25 an hour, and for other purposes; without amendment (Rept. No. 182). Referred to the House Calendar.

Mr. MILLS: Committee of conference. H.R. 4806. A bill to provide for the establishment of a temporary program of extended unemployment compensation, to provide for a temporary increase in the rate of the Federal unemployment tax, and for other purposes (Rept. No. 183). Ordered to be printed.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. LANE: Committee on the Judiciary. H.R. 1320. A bill for the relief of Edward P. Wall; with amendment (Rept. No. 174). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H.R. 1397. A bill for the relief of Arthur B. Tindell; with amendment (Rept. No. 175). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H.R. 1424. A bill for the relief of Benjamin E. Campbell; with amendment (Rept. No. 176). Referred to the Committee of the Whole House.

Mr. LIBONATI: Committee on the Judiciary. H.R. 1887. A bill for the relief of Helen Tilford Lowery; without amendment (Rept. No. 177). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H.R. 2354. A bill for the relief of Mr. Louis Fischer, Feger Seafoods, and Mr. and Mrs. Thomas R. Stuart; with amendment (Rept. No. 178). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H.R. 5178. A bill for the relief of the Reynolds Feal Corp., New York, N.Y., and the Lydick Roofing Co., Fort Worth, Tex.; without amendment (Rept. No. 179). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H.R. 2993. A bill to confer jurisdiction on the U.S. Court of Claims to hear, determine, and render judgment on the claim of Paul Bernstein against the United States; with amendment (Rept. No. 180). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ADDONIZIO:

H.R. 5736. A bill to amend section 9 of the Federal Reserve Act, as amended, section 18(d) of the Federal Deposit Insurance Act, and section 5155 of the Revised Statutes, as amended, and for other purposes; to the Committee on Banking and Currency.

H.R. 5737. A bill to provide that no member of the Board of Directors of the Federal Deposit Insurance Corporation shall hold any other public office or position and for other purposes; to the Committee on Banking and Currency.

By Mr. BERRY:

H.R. 5738. A bill to make permanent the temporary provisions of Public Laws 815 and 874, 81st Congress, which relate to Federal assistance in the construction and operation of schools in areas affected by Federal activities, and for other purposes; to the Committee on Education and Labor.

By Mr. BOW:

H.R. 5739. A bill to provide for a National Portrait Gallery as a bureau of the Smithsonian Institution; to the Committee on House Administration.

H.R. 5740. A bill to establish a National Armed Forces Museum Advisory Board of the Smithsonian Institution, to authorize expansion of the Smithsonian Institution's facilities for portraying the contributions of the Armed Forces of the United States, and for other purposes; to the Committee on House Administration.

By Mr. DENT:

H.R. 5741. A bill to amend the Federal Coal Mine Safety Act in order to remove the exemption with respect to certain mines employing no more than 14 individuals; to the Committee on Education and Labor.

By Mr. FASCELL:

H.R. 5742. A bill to further amend the Reorganization Act of 1949, as amended, so that such act will apply to reorganization plans transmitted to the Congress at any time before June 1, 1963; to the Committee on Government Operations.

By Mr. FOGARTY:

H.R. 5743. A bill to make available to children who are handicapped by deafness the specially trained teachers of the deaf needed to develop their abilities and to make available to individuals suffering speech and hearing impairments the specially trained speech pathologists and audiologists needed to help them overcome their handicaps; to the Committee on Education and Labor.

By Mrs. KEE:

H.R. 5744. A bill to provide for a program of civil works in economically distressed areas; to the Committee on Public Works.

By Mr. GEORGE P. MILLER:

H.R. 5745. A bill to provide for the disposition by the Secretary of the Interior of lands within abandoned and forfeited railroad rights-of-way, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. PERKINS:

H.R. 5746. A bill to provide that in determining the amount of retired pay, retirement pay, or retainer pay payable to any enlisted man, all service shall be counted which would have been counted for the same purposes if he were a commissioned officer; to the Committee on Armed Services.

H.R. 5747. A bill to amend the Civil Service Retirement Act to increase from 2 to 2½ percent the retirement multiplication factor used in computing annuities of certain employees engaged in hazardous duties; to the Committee on Post Office and Civil Service.

By Mr. RHODES of Pennsylvania:

H.R. 5748. A bill to provide for a National Portrait Gallery as a bureau of the Smithsonian Institution; to the Committee on House Administration.

By Mr. STRATTON:

H.R. 5749. A bill to provide for the filing of bonds by packers to secure the performance of their obligations with respect to purchases in commerce of livestock; to the Committee on Agriculture.

By Mr. WALTER:

H.R. 5750. A bill to amend section 1651 of title 28, United States Code, so as to require the concurrence of not less than five Justices in the granting of writs of certiorari by the Supreme Court; to the Committee on the Judiciary.

H.R. 5751. A bill to amend the Subversive Activities Control Act of 1950 so as to require the registration of certain additional persons disseminating political propaganda within the United States as agents of a foreign principal, and for other purposes; to the Committee on Un-American Activities.

By Mr. CAHILL:

H.R. 5752. A bill to provide that the Secretary of the Army shall acquire additional land for the Beverly National Cemetery, N.J.; to the Committee on Interior and Insular Affairs.

By Mr. CELLER:

H.R. 5753. A bill to provide that the district courts shall be always open for certain purposes, to abolish terms of court, and to regulate the sessions of the courts for transacting judicial business; to the Committee on the Judiciary.

H.R. 5754. A bill to carry into effect a provision of the Convention of Paris for the Protection of Industrial Property as revised at Lisbon, Portugal, October 31, 1958; to the Committee on the Judiciary.

H.R. 5755. A bill to amend title 10, United States Code, to authorize the Secretary of Defense, the Secretaries of the military departments, and the Secretary of the Treasury to settle certain claims for damage to, or loss of, property, or personal injury or death, not cognizable under any other law; to the Committee on the Judiciary.

By Mr. HARRISON of Wyoming:

H.R. 5756. A bill to amend title 23 of the United States Code to extend to July 1, 1963, the period within which certain agreements relating to outdoor advertisements may be entered into by the Secretary of Commerce and the States; to the Committee on Public Works.

By Mr. JOHNSON of California:

H.R. 5757. A bill to amend section 111, title 23 of the United States Code, relating to the use of and access to rights-of-way on the Interstate System; to the Committee on Public Works.

By Mr. LANKFORD:

H.R. 5758. A bill vesting in the American Battle Monuments Commission the care and maintenance of the original Iwo Jima Memorial on Mount Surabachi, Iwo Jima volcanic islands, Pacific Ocean area; to the Committee on Foreign Affairs.

By Mr. LIBONATI:

H.R. 5759. A bill to amend the Immigration and Nationality Act so as to provide that the base year for determining any quota shall be 1950, to provide that the unused annual quota of any quota area be made available for use in quota areas where the annual quota is oversubscribed, and for other purposes; to the Committee on the Judiciary.

By Mr. MARTIN of Nebraska:

H.R. 5760. A bill to revise the boundaries of the Scotts Bluff National Monument, Nebr., and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. MOORHEAD of Pennsylvania:

H.R. 5761. A bill to authorize the Administrator of the Housing and Home Finance Agency to assist State and local governments and their public instrumentalities in planning and providing for necessary community facilities to preserve and improve essential mass transportation services in urban and metropolitan areas, and for other purposes; to the Committee on Banking and Currency.

By Mr. MORRISON:

H.R. 5762. A bill vesting in the American Battle Monuments Commission the care and maintenance of the original Iwo Jima Memorial on Mount Surabachi, Iwo Jima volcanic islands, Pacific Ocean area; to the Committee on Foreign Affairs.

H.R. 5763. A bill to provide retirement eligibility for certain Federal employees serving in the Canal Zone whose rates of compensation are adversely affected due to any international commitment, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. MURPHY:

H.R. 5764. A bill to make available to children who are handicapped by deafness the specially trained teachers of the deaf needed to develop their abilities and to make available to individuals suffering speech and hearing impairments the specially trained speech pathologists and audiologists needed to help them overcome their handicaps; to the Committee on Education and Labor.

By Mr. TAYLOR:

H.R. 5765. A bill to authorize the purchase and exchange of land and interests therein on the Blue Ridge and Natchez Trace Parkways; to the Committee on Interior and Insular Affairs.

By Mr. WHALLEY:

H.R. 5766. A bill to amend the Fair Labor Standards Act of 1938, to increase the minimum wage provided for therein to $1.15 an hour; to the Committee on Education and Labor.

By Mr. ALFORD:

H.R. 5767. A bill to amend section 3574 of title 39, relating to night work compensation; to the Committee on Post Office and Civil Service.

By Mr. ANFUSO:

H.R. 5768. A bill to establish a Department of Public Relations; to the Committee on Government Operations.

By Mr. ASPINALL:

H.R. 5769. A bill to extend the purchase program for beryl ore under the Defense Production Act of 1950 to include other forms of beryllium ore; to the Committee on Banking and Currency.

By Mr. ROGERS of Colorado:

H.R. 5770. A bill to extend the purchase program for beryl ore under the Defense Production Act of 1950 to include other forms of beryllium ore; to the Committee on Banking and Currency.

By Mr. CHENOWETH:

H.R. 5771. A bill to extend the purchase program for beryl ore under the Defense Production Act of 1950 to include other forms of beryllium ore; to the Committee on Banking and Currency.

By Mr. BARING:

H.R. 5772. A bill to amend the Fair Labor Standards Act of 1938 to increase to 50 cents per hour the minimum wage applicable to physically handicapped workers employed in sheltered workshops and to provide for periodic increases beginning January 1, 1963; to the Committee on Education and Labor.

By Mr. BENNETT of Florida:

H.R. 5773. A bill to extend the temporary provisions of Public Laws 815 and 874, 81st Congress, for 4 years, and to amend Public Law 874 to provide for counting children of members of the Armed Forces for certain purposes, where such members are overseas; to the Committee on Education and Labor.

By Mr. DANIELS:

H.R. 5774. A bill to prevent the use of stopwatches, work measurement programs, or other performance standards operations as measuring devices in the postal service; to the Committee on Post Office and Civil Service.

By Mr. DAVIS of Tennessee:

H.R. 5775. A bill to provide tax equity through the taxation of cooperative corporations and to provide tax credits for recipients of dividends from genuine cooperatives; to the Committee on Ways and Means.

By Mr. DENT:

H.R. 5776. A bill relating to certain inspections and investigations in metallic and nonmetallic mines (excluding coal and lignite mines) for the purpose of obtaining information relating to health and safety conditions, accidents, and occupational diseases therein and for other purposes; to the Committee on Education and Labor.

By Mr. EVINS:

H.R. 5777. A bill to amend the Renegotiation Act of 1951 to provide for the recapture by the United States of excessive profits made under defense contracts with the Tennessee Valley Authority and the Federal Aviation Agency; to the Committee on Ways and Means.

By Mr. FULTON:

H.R. 5778. A bill to amend title 38 of the United State Code in order to provide a 1-year period during which certain veterans may be granted national service life insurance; to the Committee on Veterans' Affairs.

H.R. 5779. A bill to amend the Immigration and Nationality Act so as to provide that the base year for determining any quota shall be 1950, to provide that the unused annual quota of any quota area be made available for use in quota areas where the annual quota is oversubscribed, and for other purposes; to the Committee on the Judiciary.

By Mrs. GRANAHAN:

H.R. 5780. A bill to amend title 39 of the United States Code to establish certain promotion benefits for postal field service employees; to the Committee on Post Office and Civil Service.

H.R. 5781. A bill to amend title 39 of the United States Code to effect a change in organizational relationships of the key position of foreman, mails (KP-21)—level 7; to the Committee on Post Office and Civil Service.

H.R. 5782. A bill to provide an allowance for work clothing for certain postal field

service employees; to the Committee on Post Office and Civil Service.

H.R. 5783. A bill to amend title 39 of the United States Code to establish an improved system of longevity steps for postal field service employees, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. HORAN:

H.R. 5784. A bill to provide a program of tax adjustment for small business and for persons engaged in small business; to the Committee on Ways and Mean.

By Mr. HORAN (by request):

H.R. 5785. A bill to establish a national cemetery at Spokane, Wash., on lands which formerly constituted George Wright Air Force Base; to the Committee on Interior and Insular Affairs.

By Mr. KEITH:

H.R. 5786. A bill to provide for the establishment of Cape Cod National Seashore; to the Committee on Interior and Insular Affairs.

By Mr. MOORE:

H.R. 5787. A bill to amend the Fair Labor Standards Act of 1938, as amended, to provide coverage for employees of interstate enterprises engaged in retail trade, and to increase the minimum wage under the act to $1.25 an hour; to the Committee on Education and Labor.

By Mr. PERKINS:

H.R. 5788. A bill to amend section 9(b)(3) of the National Labor Relations Act so as to eliminate the provision thereof prohibiting the certification, as bargaining representative of persons employed as guards, of a labor organization which admits to membership, or is affiliated with an organization which admits to membership, employees other than guards; to the Committee on Education and Labor.

By Mr. ROGERS of Texas:

H.R. 5789. A bill to amend title 28 of the United States Code to require that all decisions of the Supreme Court shall be participated in by the full Court, and that any vacancies or absences in the membership of the Court shall be temporarily filled by circuit judges; to the Committee on the Judiciary.

By Mrs. ST. GEORGE:

H.R. 5790. A bill to establish a cropland adjustment program; to the Committee on Agriculture.

By Mr. WICKERSHAM:

H.R. 5791. A bill to amend title 38 of the United States Code in order to provide a 2-year period during which certain veterans may be granted national service life insurance; to the Committee on Veterans' Affairs.

By Mr. BOGGS:

H.R. 5792. A bill to amend the Submerged Lands Act to establish the seaward boundaries of the States of Alabama, Mississippi, and Louisiana as extending 3 marine leagues into the Gulf of Mexico and providing for the ownership and use of the submerged lands, improvements, minerals, and natural resources within said boundaries; to the Committee on the Judiciary.

By Mr. COLMER:

H.R. 5793. A bill to amend the Submerged Lands Act to establish the seaward boundaries of the States of Alabama, Mississippi, and Louisiana as extending 3 marine leagues into the Gulf of Mexico and providing for the ownership and use of the submerged lands, improvements, minerals, and natural resources within said boundaries; to the Committee on the Judiciary.

By Mr. McSWEEN:

H.R. 5794. A bill to amend the Submerged Lands Act to establish the seaward boundaries of the States of Alabama, Mississippi, and Louisiana as extending 3 marine leagues into the Gulf of Mexico and providing for the ownership and use of the submerged lands, improvements, minerals, and natural resources within said boundaries; to the Committee on the Judiciary.

By Mr. HÉBERT:

H.R. 5795. A bill to amend the Submerged Lands Act to establish the seaward boundaries of the States of Alabama, Mississippi, and Louisiana as extending 3 marine leagues into the Gulf of Mexico and providing for the ownership and use of the submerged lands, improvements, minerals, and natural resources within said boundaries; to the Committee on the Judiciary.

By Mr. MORRISON:

H.R. 5796. A bill to amend the Submerged Lands Act to establish the seaward boundaries of the States of Alabama, Mississippi, and Louisiana as extending 3 marine leagues into the Gulf of Mexico and providing for the ownership and use of the submerged lands, improvements, minerals, and natural resources within said boundaries; to the Committee on the Judiciary.

By Mr. PASSMAN:

H.R. 5797. A bill to amend the Submerged Lands Act to establish the seaward boundaries of the States of Alabama, Mississippi, and Louisiana as extending 3 marine leagues into the Gulf of Mexico and providing for the ownership and use of the submerged lands, improvements, minerals, and natural resources within said boundaries; to the Committee on the Judiciary.

By Mr. THOMPSON of Louisiana:

H.R. 5798. A bill to amend the Submerged Lands Act to establish the seaward boundaries of the States of Alabama, Mississippi, and Louisiana as extending 3 marine leagues into the Gulf of Mexico and providing for the ownership and use of the submerged lands, improvements, minerals, and natural resources within said boundaries; to the Committee on the Judiciary.

By Mr. WILLIS:

H.R. 5799. A bill to amend the Submerged Lands Act to establish the seaward boundaries of the States of Alabama, Mississippi, and Louisiana as extending 3 marine leagues into the Gulf of Mexico and providing for the ownership and use of the submerged lands, improvements, minerals, and natural resources within said boundaries; to the Committee on the Judiciary.

By Mr. ANFUSO:

H.R. 5800. A bill to authorize appropriations to the National Aeronautics and Space Administration for special research and development; to the Committee on Science and Astronautics.

By Mr. COAD:

H.R. 5801. A bill to extend rural mail delivery service; to the Committee on Post Office and Civil Service.

By Mr. HOFFMAN of Michigan:

H.R. 5802. A bill to amend chapter 53 of title 10, United States Code, to provide for the prompt notification to members of the Armed Forces of any indebtedness they may have to the United States arising out of overpayments of pay and allowances; to the Committee on Armed Services.

By Mr. KING of Utah:

H.R. 5803. A bill to authorize appropriations to the National Aeronautics and Space Administration for special research and development; to the Committee on Science and Astronautics.

By Mr. MULTER:

H.R. 5804. A bill to prescribe a national policy with respect to the acquisition and disposition of proprietary rights in scientific and technical information obtained and inventions made through the expenditure of public funds; to establish in the executive branch of the Government a Federal Inventions Administration to administer in the public interest the proprietary rights of the United States with respect to such information and inventions; to encourage the contribution to the United States of inventions of significant value for national defense, public health, or any national scientific program; and for other purposes; to the Committee on the Judiciary.

By Mr. POWELL:

H.R. 5805. A bill to amend the National Defense Education Act of 1958 to establish a program for training members of the Peace Corps; to the Committee on Education and Labor.

By Mr. RODINO:

H.R. 5806. A bill to make available to children who are handicapped by deafness the specially trained teachers of the deaf needed to develop their abilities and to make available to individuals suffering speech and hearing impairments the specially trained speech pathologists and audiologists needed to help them overcome their handicaps; to the Committee on Education and Labor.

H.R. 5807. A bill relating to the Italian American War Veterans of the United States, Inc., and the status of that organization under certain laws of the United States; to the Committee on Veterans' Affairs.

H.R. 5808. A bill to provide a deduction for income tax purposes, in the case of a disabled individual, for expenses of transportation to and from work; and to provide an additional exemption for income tax purposes for a taxpayer or spouse who is physically or mentally incapable of caring for himself; to the Committee on Ways and Means.

By Mrs. SULLIVAN:

H.R. 5809. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for income tax purposes of certain expenses incurred by the taxpayer for the education of a dependent; to the Committee on Ways and Means.

By Mr. ZABLOCKI:

H.R. 5810. A bill granting the consent of Congress to a Great Lakes Basin compact, and for other purposes; to the Committee on Foreign Affairs.

By Mr. DAVIS of Tennessee:

H.J. Res. 325. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. DOWDY:

H.J. Res. 326. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. DOWDY (by request):

H.J. Res. 327. Joint resolution designating the week of May 14–20, 1961, as Police Week and designating May 15, 1961, as Peace Officers Memorial Day; to the Committee on the Judiciary.

By Mr. EVINS:

H.J. Res. 328. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. FENTON:

H.J. Res. 329. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. RYAN:

H.J. Res. 330. Joint resolution proposing an amendment to the Constitution of the United States to repeal the 22d amendment thereto; to the Committee on the Judiciary.

By Mr. FULTON:

H.J. Res. 331. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. BARRY:

H. Con. Res. 200. Concurrent resolution to establish a date for adjournment of Congress; to the Committee on Rules.

By Mr. LANE:

H. Con. Res. 201. Concurrent resolution expressing the sense of Congress that all of our U.S. naval shipyards and facilities be maintained on a fully manned operational basis performing essential Navy or other Department of Defense work in the interest of our national defense, and that the President of the United States be urged to instruct the Secretary of Defense to take all necessary steps to insure this end, including the immediate cancellation and withdrawal of any and all instructions or orders issued or contemplated by the Department of the Navy incompatible with this purpose; to the Committee on Armed Services.

By Mr. GEORGE P. MILLER:

H. Con. Res. 202. Concurrent resolution expressing the sense of Congress that all of our U.S. naval shipyards and facilities be maintained on a fully manned operational basis performing essential Navy or other Department of Defense work in the interest of our national defense, and that the President of the United States be urged to instruct the Secretary of Defense to take all necessary steps to insure this end, including the immediate cancellation and withdrawal of any and all instructions or orders issued or contemplated by the Department of the Navy incompatible with this purpose; to the Committee on Armed Services.

By Mr. POFF:

H. Con. Res. 203. Concurrent resolution favoring action to exclude Cuban Government representatives from membership on the Inter-American Defense Board; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By Mr. BREEDING: Memorial of the Kansas State Legislature notifying the U.S. Army Chief of Engineers of the desire of the Kansas Legislature relative to water supply features in Milford Reservoir and other authorized reservoir projects; to the Committee on Public Works.

By the SPEAKER: Memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States relative to imports of livestock and livestock products; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of Georgia, memorializing the President and the Congress of the United States relative to a resolution requesting Congress to propose an amendment to the U.S. Constitution, and for other purposes; to the Committee on the Judiciary.

Also, memorial of the Legislature of the State of Montana, memorializing the President and the Congress of the United States relative to requesting the issuance of a license by the Federal Power Commission for the construction and operation of dams and hydroelectric facilities at Buffalo Rapids Sites Nos. 2 and 4 in Lake County and Sanders County, Mont.; to the Committee on Interstate and Foreign Commerce.

Also, memorial of the Legislature of the State of New York, memorializing the President and the Congress of the United States relative to the construction of a deepwater canal linking Lakes Erie and Ontario; to the Committee on Appropriations.

Also, memorial of the Legislature of the State of Pennsylvania, memorializing the President and the Congress of the United States relative to urging Congress to reestablish a Civilian Conservation Corps; to the Committee on Education and Labor.

Also, memorial of the Legislature of the State of Utah, memorializing the President and the Congress of the United States to oppose national preservation acts; to the Committee on Interior and Insular Affairs.

Also, memorial of the Legislature of the State of Utah, memorializing the President and the Congress of the United States to provide adequate facility for the crossing of the Colorado River in the vicinity of Hite, Utah; to the Committee on Public Works.

Also, memorial of the Legislature of the State of Utah, memorializing the President and the Congress of the United States relative to requesting the enactment of legislation regulating importing of lead and zinc; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of Utah, memorializing the President and the Congress of the United States to provide legislation designed to afford adequate protection for domestic industry in the field of international trade; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ABBITT:

H.R. 5811. A bill for the relief of Harry L. Watson; to the Committee on the Judiciary.

H.R. 5812. A bill for the relief of James E. Silver; to the Committee on the Judiciary.

By Mr. HEALEY:

H.R. 5813. A bill for the relief of Joseph A. Simon; to the Committee on the Judiciary.

By Mr. LESINSKI:

H.R. 5814. A bill for the relief of Bessie Kour; to the Committee on the Judiciary.

By Mr. McDONOUGH:

H.R. 5815. A bill for the relief of Tai Ju Seo and Il Ra Han Seo; to the Committee on the Judiciary.

By Mr. GEORGE P. MILLER:

H.R. 5816. A bill for the relief of Margaret Barker; to the Committee on the Judiciary.

By Mr. OLSEN:

H.R. 5817. A bill for the relief of Shi-Kuang Yao; to the Committee on the Judiciary.

By Mr. WALTER:

H.R. 5818. A bill for the relief of Mrs. Catherine M. Halenar; to the Committee on the Judiciary.

By Mr. FULTON:

H.J. Res. 332. Joint resolution to authorize the appointment of General of the Army Douglas MacArthur as General of the Armies of the United States; to the Committee on Armed Services.

PETITIONS, ETC.

Under clause 1 of rule XXII,

100. The SPEAKER presented a petition of L. B. Thomas, city clerk, Pomona, Calif., relative to urging support and approval of legislation to allow municipal corporations to acquire Federal surplus property, which was referred to the Committee on Government Operations.

EXTENSIONS OF REMARKS

Wiley-Dodd Interview on Communism

EXTENSION OF REMARKS
OF

HON. ALEXANDER WILEY

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Tuesday, March 21, 1961

Mr. WILEY. Mr. President, communism continues to be the No. 1 threat to our security. For the future, we can expect that the growing power, economically, as well as militarily, of the Soviet bloc, will present an even greater threat, not only to the security of the United States, but to the survival of freedom in the world.

To cope with such broad-scope dangers, we need realistic policies at home and abroad.

Recently, I was privileged to discuss highlights of the Communist challenge—particularly as these relate to our internal security—with the distinguished vice chairman of the Senate Internal Security Subcommittee, the Honorable THOMAS J. DODD, in a radio-television program. I ask unanimous consent to have excerpts of the interview printed in the CONGRESSIONAL RECORD.

There being no objection, the excerpts were order to be printed in the RECORD, as follows:

WILEY-DODD URGE GREATER CITIZEN ACTION PROGRAM TO COMBAT COMMUNISM

Senator WILEY. The Nation—now and in the future—must keep alert to guard against threats to its security at home and abroad. On global and domestic fronts the Communists—deadly enemies of freedom—pursue their goal of world conquest. How? By aggression, subversion, sabotage, infiltration. What tactics do they use? All kinds: Open and secret, legal and illegal, ethical and unethical, humanitarian and genocidal.

Confronted by this great, and growing, threat to our survival, we need a strong security system, internally and externally, to parry, and counter, the deadly thrusts of this enemy at the heart of America. In the face of a Red enemy, constantly probing for weak spots in our system, however, we need to further strengthen our internal security efforts, as well as to be better educated about, and armed against, overall Communist threats to our security.

At this time, we are privileged to welcome to the program the Honorable THOMAS DODD, vice chairman of the Internal Security Subcommittee of the U.S. Senate. Welcome, TOM.

Senator DODD. Thank you, Senator WILEY. I consider it a privilege to join you in a discussion of threats to our internal security. Only if the public is aware of, and alert to, these dangers, can we take the necessary steps to protect our Nation and way of life.

Senator WILEY. Is there any doubt in your mind that communism, at home and abroad, is the No. 1 threat to our security?

Senator DODD. None at all.

Senator WILEY. What about the U.S. Communist Party? According to estimates, it has a membership of about 25,000 members.

Senator DODD. In my judgment, that's an extremely rough estimate. The Reds, as you well know, operate in spy-like fashion. Consequently, it is extremely difficult to get a clear picture of the party and its activities. Organized in 1919, the Reds, working openly and secretly, have agitated for strikes, riots, social unrest, and demonstrations, such as

the riots last year against the House Un-American Activities Committee hearings in San Francisco. In addition, they have engaged in espionage, sabotage, subversion, and other acts that threaten our security.

Senator WILEY. In your judgment, are U.S. Communists closely tied to the apron strings of Moscow?

Senator DODD. In any sound assessment, the Communist Party U.S.A. must be considered an arm of world communism. Allied with this increasingly powerful international conspiracy, it is especially dangerous.

Senator WILEY. You feel, then, that the U.S. Reds, ready to take orders from Moscow, would rise up against the United States, if they might be successful?

Senator DODD. Yes. The evidence was best presented by Gus Hall, the No. 1 U.S. Communist. When asked the question: "And are you willing to take up arms and overthrow the constituted authorities?" he answered: "When the time comes, yes."

In these five simple words lie the deadly promise of communism.

Senator WILEY. Recognizing this grave threat, we, naturally, need to keep our laws up to date for greater security.

Senator DODD. As a member and former chairman of the Senate Judiciary Committee, Senator, you have long exhibited a deep concern about the Red dangers; and have forthrightly supported efforts to strengthen our laws, law enforcement agencies and judicial system.

You well recall, of course, the acts of Congress dealing with the Communist menace? These include:

1. The Voorhis Act of 1940, requiring that any organization in the United States engaged in political activity and subject to foreign control would be required to register with the Attorney General of the United States.

2. The Smith Act of 1940, prohibiting the teaching and advocacy of overthrowing the Government by force or violence, and also membership in such an organization with knowledge of this purpose; and

3. The Internal Security Act of 1950, requiring that any Communist organization or front register its members, disclose its finances, and label its propaganda as Communist.

Senator WILEY. Through the years, also several States—and rightly so—have established special committees to investigate subversive activities and recommend necessary legislation. This helps, I believe, to focus public attention on—and more effectively deal with—the dangers of communism at home.

Senator DODD. I am seriously concerned, however, with a serious shortcoming in our efforts to deal legally with this danger to our security. For the most part, laws relating to internal security are based on past experience, rather than on anticipation of future problems. The Communists—on the other hand—are long-range conspirators, planning far into the future. Consequently, we cannot always be sure that legislation, in itself, will guarantee the internal security of the Nation.

Senator WILEY. That is true. Recognizing this situation, we must make greater efforts to gear our laws—including the updating of existing statutes, and the writing of new ones—to the future, not the past.

Senator DODD. In addition to Federal and State action, there is also a real need for alertness, and a willingness to act, at the local community level. The private citizen—individually, and through his civic, labor, religious, education, business, cultural, and other organizations can do much to thwart the aims of communism and strengthen our free system.

Senator WILEY. I agree. The expulsion from the CIO in 1949 and 1950, of 11 Communist-dominated unions, for example, represents one of the worst setbacks ever inflicted on the United States Communist Party.

YOUTH—MAJOR TARGET OF REDS

We must be alerted to the great effort of communism, also, to reach, and convert the youth—not only of the United States, but of the world.

Senator DODD. Very definitely, Senator WILEY. The successful Communist exploitation and manipulation of youth and student groups throughout the world today is a major challenge which free world forces must meet and defeat. Recent events clearly reveal that world communism has launched a massive campaign to capture and maneuver youth and student groups.

The vigor and vitality of such groups constitutes an explosive force. Channeled into proper outlets, it can accomplish immeasurable good for a peace-and-progress world. Manipulated into destructive channels, however, this force can create chaos. Overall, the capture of the youth of the world is a major goal of Communist strategy. We must therefore, take more effective measures to prevent our youth from being taken in by innocent-looking, but often dangerous, lures thrown out by the Reds.

Senator WILEY. Overall, an effective security system requires teamwork—and dedicated cooperation efforts—between citizens and their local, State, and Federal law-enforcement agencies.

Let me say, however, that I don't believe in witch hunts; or in creating a climate of fear in which people jump at shadows. To the contrary: I am confident that by effective, vigilant law enforcement—and maximum cooperation of our citizens—we can minimize the Communist threat to our internal security, and catch and punish violators of laws.

Now, TOM, do you have any recommendations for more effective "citizen action" to combat the menace of communism?

Senator DODD. As an individualist—like yourself, Senator WILEY—I naturally respect the rights of each citizen to interpret his civic, patriotic responsibility according to his own conscience.

Nevertheless, I believe there are definite steps which would, if taken, better enable us to cope with the Red menace. These include greater efforts to (1) educate our citizens to the true nature, dangers, and tactics of United States and international communism; (2) dedicate ourselves more completely to the ideas and ideals of freedom; (3) support efforts to further improve our free society; (4) exercise the right to vote—electing representatives who would enable us to progress in the right direction, but also effectively fight against our enemies; (5) imbue in our citizens a great realization that we are in a battle of survival against communism; apathy could be fatal; and (6) strengthen our efforts to eliminate bigotry, prejudice, hate—all blights on our national integrity.

Senator WILEY. I concur wholeheartedly.

As vice chairman of the Senate Internal Security Subcommittee, you are doing a vigorous, splendid job.

Now, as we discussed earlier, communism in this country cannot be isolated from the world conspiracy. Would you give us a brief look—from your vantage point—at the global horizons on which communism threatens the survival of freedom.

Senator DODD. Currently, there are an estimated 36 million Communists working in 86 countries around the world. Overall, they control about 1 billion people, and vast land and natural resources. Witness the activity of the Communists in Cuba, Laos, Africa, South America, and elsewhere on this globe. Day by day, the Reds are attempting to further expand and mobilize this empire into a machine to take over the world.

As a ranking minority member on both the Judiciary and Foreign Relations Committees, you, Senator WILEY, have had long experience in fighting this menace to freedom at home and abroad. How do you evaluate the situation?

Senator WILEY. From experience—and the facts of life in the 1960's—I can say this: Winning the battle against communism will not be easy. The challenge will require a total effort by our own people—and those of our allies. The actions will involve further strengthening our jet-missile-nuclear-space defense—to serve as a deterrent against would-be aggressors; bolstering the free world alliances—economically and politically, as well as militarily; stepping up our offensive on the ideological battlefront; finding realistic solutions to our economic problems to better enable our free enterprise system to meet the production-line challenge of the Communist system; and, above all, revitalizing in our citizens the patriotic, moral, and spiritual dedication to the cause of freedom.

Even with an all-out effort to combat communism, however, we can expect a long, difficult struggle.

Senator DODD. You're right, Senator WILEY. Failing to alert our people and dedicate the necessary resources to protecting freedom would spell grave dangers for our future. If we mobilize—in effort, spirit, and resources—however, I am confident that we can, and will, win the battle.

Senator WILEY. Now, TOM, I want to express my gratitude for your taking time out of your busy schedule to join me in a discussion of a topic of deep interest to my home folks in Wisconsin. Thank you very much.

Byelorussian Independence Day

EXTENSION OF REMARKS

OF

HON. GLENARD P. LIPSCOMB

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1961

Mr. LIPSCOMB. Mr. Speaker, March 25 will be a day of deep significance and importance to Byelorussians and their friends everywhere. On that day, 43 years ago, Byelorussia was proclaimed an independent state.

Byleorussia's existence as an independent state unfortunately was short lived. However, the strong spirit of its people which won that independence goes on. This spirit has existed over the course of many centuries and it is still strong and firm today.

Byelorussians can proudly boast of their long and glorious history, which antedates the history of Russia. Though that country early in modern times became a part of Russia and many attempts were made to eradicate all Byelorussian tradition and distinctive national traits, the Byelorussian people have never been willing to forgo and forget their national and individual identity. They have always wanted to regain their freedom and independence, and for centuries set political independence for their national goal. They obtained that goal in 1918.

In that year, when the decrepit czarist regime in Russia was no more, and the new Communist regime there was still in its infancy, the Byelorussians regained their freedom and proclaimed

their independence by establishing the Byelorussian National Republic. At the time it was hoped that some 10 million Byelorussians, having become sovereign in their historic homeland and masters of their own destiny, would be allowed to enjoy the fruits of freedom in peace. Their subsequent history however took a sad and tragic turn.

Early in 1921, before the Byelorussians had sufficient time to consolidate and strengthen their government, Communists attacked and overran the country, thus putting an end to the independent Byelorussian National Republic. Since that time little is heard of the country or of its people. Today, and for more than four decades, these sturdy and stouthearted Byelorussians have been suffering under the ruthless regime of Communist totalitarian tyranny maintained by the Kremlin. These people, even under the worst of tyrannies, have not given up their hope for freedom and independence. They still ever fervently cherish that noble ideal, and at this 43d anniversary of the independence day, all of us in the free world wish them strength and fortitude in their struggle against Communist tyranny.

Major League Baseball for San Juan, P.R.

EXTENSION OF REMARKS
OF
HON. EMANUEL CELLER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 21, 1961

Mr. CELLER. Mr. Speaker, last week, I sent a letter to Commissioner of Baseball Ford C. Frick proposing that organized baseball give consideration to the establishment of a major league baseball franchise in San Juan, P.R.

I proposed that San Juan either be added as one of the new franchises in the two major leagues or that it be part of a new third major league. Aside from the advantage this would create for baseball in general, I know of no better way to enhance Latin American cordial relations than to establish firmly in one of our neighboring countries to the south of us a new baseball team embraced within either of our big leagues. This may be difficult of achievement but it is not impossible.

I also mentioned some of the many talented baseball players in our present major league teams who have come from Puerto Rico and indicated that the distance between Puerto Rico and many of the existing cities in the major leagues is no longer a serious factor in view of this jet-propelled age.

The text of my letter is as follows:

MARCH 16, 1961.

DEAR COMMISSIONER FRICK: A most interesting proposal has been suggested to me recently that I wish to call to your attention. This proposal has my heartiest endorsement.

The proposal is to accord a major league baseball franchise to the Latin American city of San Juan, P.R. Aside from the advantage this would create for baseball in general, I know of no better way to enhance Latin American cordial relations than to establish firmly in one of our neighboring countries to the south of us a new baseball team embraced within either of our big leagues. This may be difficult of achievement but it is not impossible. Baseball in Puerto Rico is a most popular sport. Evidence of the intense joy that Puerto Ricans derive from baseball may be seen any weekend at the Yankee Stadium, where great numbers of Puerto Ricans, residents of the city of New York, are cheering on their favorites.

Puerto Rico has supplied many talented baseball players to our present league teams. To mention some outstanding in the sport, we have: Hi Bithorn, Chicago Cubs; Luis Rodriquez Olmo, Dodgers; Luis Canena Marquez, Pirates; Carlos Bernier, Pirates; Ruben Gomez, Giants; Roberto Clemente, Pirates; Vic Power, Cleveland; Nino Escalera, Cincinnati; Orlando Cepeda, Giants; Jose A. Pagan, Giants; Terin Pizarro, Milwaukee. Luis Tite Arroyo is probably one of the mainstays of the Yankee pitching staff.

The distance between Puerto Rico and many of the larger cities may no longer be deemed a factor in this jet propelled age. Puerto Rico has a huge baseball-hungry population. It is also a warm weather city where baseball may be played the year round.

I am informed that a number of public spirited Puerto Ricans would be willing to join a group of Americans to finance such a team in Puerto Rico and I am advised that the Puerto Rican Government has been approached on this matter, and its Administrator of Parks, Senor Monagas, made the following statement:

"This department (Commonwealth of Puerto Rico Public Parks and Recreation Administration) will provide (if assurances by either major league is given that a franchise will issue to a San Juan club) for the use by the new major league San Juan club, a stadium with a seating capacity of not less than 50,000 persons.

Each of the two major baseball leagues has already expanded as a result of public pressure from 8 to 10 teams in as many cities. These four new cities are all in the continental U.S.A. I am also informed that telegraphic advices were given to you and Messrs. Giles and Cronin, National and American League baseball presidents, under date of November 29, 1960, that San Juan would welcome officially a franchise in either league.

I would even heighten my baseball sights. I would envisage the possibility of a team in Tokyo, Japan, or in Mexico City, Mexico. Baseball has inspired the youth of Japan and Mexico and teams have been organized all over those countries. I also refer to Panama, Venezuela, Nicaragua—all of which have many baseball teams. I omit Cuba because of present conditions there, though there is a great reservoir of baseball talent in Cuba. It is interesting to note that even Dictator Castro realizes the importance of baseball by expressing his willingness to grant exit permits to Cuban major league players to enable them to participate in organized baseball in the United States during the coming season.

One of the best ways to create amity and accord and understanding between the countries is by mutual sport contests.

If, for any reason, a new San Juan team could not be fitted into the regular playing schedule of the big leagues, it might be well to ponder a third league of cities partly in and partly out of continental United States.

As was stated to me in a memorandum submitted to me by Mr. M. A. Krisel to show the interplay of sports in general and baseball in particular and their influences upon the various languages of the world, I quote Prof. Mario Pei, in his "The Story of Language," page 165:

"Sports and games penetrate the language to the same extent that they are penetrated by it. The English tongue is replete with sporting terminology which has overrun its bank ('hit-and-run drivers,' 'to pinch hit for someone,' 'to hit below the belt,' 'to jump the gun,' 'to be on the inside track,' 'to be in the chips', 'to be behind the eight ball,' 'it isn't cricket,' 'according to Hoyle'). 'Trump' and 'ten-ace,' 'pawn' and 'checkmate' have international figurative currency. Baseball and its terminology have probably done more to bring the meaning of the American way of life home to the Europeans, Latin Americans and Japanese than any form of direct cultural propaganda. Beisbol and jonron ('home run') are as familiar to the Mexicans as their native corrida and matador, and Latin American crowds have learned to cry 'Maten al arbitro' with the same gusto with which Yankee Stadium fans shout, 'Kill the umpire'."

Sincerely yours,

EMANUEL CELLER,
Chairman.

Republican Problems

EXTENSION OF REMARKS
OF
HON. CHET HOLIFIELD
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 21, 1961

Mr. HOLIFIELD. Mr. Speaker, I have recently noted in the press several articles describing the plans of the Republican National Committee to undertake a series of extensive research projects to try to discover why the Republican presidential candidate carried only 14 of the 40 U.S. cities of over 300,000 population last November. According to these reports, Mr. Ray C. Bliss, Ohio GOP chairman, is heading up a special task force established for this purpose.

At the risk of being presumptuous, I would suggest to our Republican friends that they can avoid time, costly research, field studies, and complex statistical analyses in the effort to find an answer to this perplexing question. The Republican researchers need only to examine the dismal record of their own party in Congress on those issues which vitally affect the Nation's city dwellers.

Of course, I realize the difficulty which they have always encountered in any attempt to look at voting records from an objective basis. I am therefore taking the liberty of supplying them with the statistical record of GOP votes in the House and Senate from 1947 to 1960 on legislation directly affecting the well-being of urban residents. It clearly shows the lack of GOP concern on such issues as housing and slum clearance, inflation, highways and airport construction, small business, the need of depressed areas, and the extension of minimum wage coverage and unemployment compensation benefits.

I would hope, Mr. Speaker, that in the cold light of postelection soul searching now going on in Republican ranks, the top Republican Party policymakers would prevail upon their congressional

leaders to make substantial improvement in their party's urban legislative record by voting to support President Kennedy's constructive and realistic proposals in this important area. Only in this way can the GOP lay the foundation to make possible any effective appeal to city dwellers for support of Republican residential candidates in the future.

The analysis of GOP versus Democratic votes on urban issues follows:

Type of urban issue	1947–52						1953–60					
	Senate			House			Senate			House		
	Number of votes	Percent for—		Number of votes	Percent for—		Number of votes	Percent for—		Number of votes	Percent for—	
		Democrats	Republicans		Democrats	Republicans		Democrats	Republicans		Democrats	Republicans
1. Promotion of slum clearance and home financing	19	85	42	25	80	37	34	80	29	23	86	34
2. Legislation to curb inflation	40	83	34	27	81	39	4	81	26			
3. Legislation for highway and airport construction	8	70	29	2	99	82	11	93	37	9	85	58
4. Legislation to assist small business	9	75	44	3	84	36	7	75	12	3	92	66
5. Legislation to assist depressed areas							9	83	24	4	76	24
6. Expand minimum wage and unemployment compensation	6	64	47	7	69	28	20	72	30	10	78	53

Sugar

EXTENSION OF REMARKS
OF
HON. THOMAS G. MORRIS
OF NEW MEXICO
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 21, 1961

Mr. MORRIS. Mr. Speaker, in pointing out some of the difficulties of our domestic sugar industry, I think the following facts and figures might be of interest. For example, the latest information available with regard to new producer data shows that in 1960 some 5,338 farmers requested 189,442 acres to grow sugarbeets. However, only 1,243 participated in the allotted new acreage of 17,282. In other words, 23 percent of the applicants received 10 percent of the requested acreage. Even these figures do not show the true picture. Many farmers who would have liked to get into production did not ask for any acreage because from past experience only a small amount has been made available.

New producer data, 1960

State	Number of requests	Acres requested	Shares established	Acres established
California	794	41,609	51	1,279
Colorado	282	6,408	147	1,828
Idaho	845	14,896	147	798
Illinois	7	168	7	168
Iowa	4	220	4	165
Kansas	63	2,930	3	90
Michigan	257	3,607	257	3,607
Minnesota	887	54,780	39	1,372
Montana	113	2,846	54	809
Nebraska	218	6,172	103	1,368
Nevada	7	383	6	110
New Mexico	4	300	4	100
North Dakota	251	13,928	7	230
Ohio	116	1,873	116	1,773
Oregon	59	1,212	31	248
South Dakota	11	322	7	190
Texas	155	10,780	6	18
Utah	103	1,191	103	734
Washington	911	20,563	46	368
Wisconsin	83	1,821	83	1,821
Wyoming	168	3,433	22	206
Total	5,338	189,442	1,243	17,282

In contrast to the above where the domestic industry has been prevented from increasing their production, below are some figures which point out how our Government has encouraged the expansion of sugar-producing areas outside of this country. I do not want to imply that I am opposed to some of the investments that are being made to improve production in these countries, but I do feel that our domestic producers should have at least an equal right to expand and grow in this important commodity.

EXPORT-IMPORT BANK

In 26 years they have issued 45 credits in the amount of $50,753,192 to sugar production and processing.

PHILIPPINES

Nov. 22, 1957	$70,000
Feb. 17, 1959	42,948
Apr. 30, 1959	202,144
Apr. 8, 1960	12,142
Aug. 25, 1960	110,736
Jan. 27, 1961	167,000

ECUADOR

Feb. 17, 1959	62,000
Feb. 2, 1960	58,000
Nov. 18, 1960	32,500
Dec. 13, 1960	14,500
Dec. 20, 1960	110,000
Dec. 29, 1960	118,000
Dec. 29, 1960	96,000

MEXICO

June 14, 1956	32,000
Feb. 14, 1957	33,400
Apr. 3, 1958	3,000,000
Mar. 4, 1960	22,000

ARGENTINA

Feb. 23, 1956	310,000
May 9, 1957	97,000
Mar. 31, 1960	1,787,000
Aug. 12, 1960	110,000

BRAZIL

Oct. 9, 1957	32,100
Jan. 31, 1958	33,500
Jan. 15, 1958	33,600

HONDURAS

Aug. 1, 1957	1,000,000

PERU

Mar. 28, 1957	$731,000

DEVELOPMENT LOAN FUND

Bolivia:	
1959	2,500,000
1961	1,750,000

Haiti: Applications were considered and approved in 1960 for $3,000,000, however, this was canceled in 1961. Another application has been received in February of this year for $3,000,000.

Guatemala: An application has been received for $5,592,000. This has been referred to the Export-Import Bank.

INTERNATIONAL COOPERATION ADMINISTRATION

A large number of their loans are for general agriculture developments, and actual figures of support for sugar programs were not supplied. However, the following countries have had sugar developments of some sort involved in their programs.

Vietnam: Various training programs from 1955 to 1959.

Tunisia: 1959.

Indonesia: Technical production, experimental plots, 1959.

Iran: June 1952 until March 1957—$635,000 to expand a plant. February 1953 until March 1956—$931,000, two plants.

Sudan: Survey in 1959.

Taiwan: Support to improve refining equipment 1952–53, 1954, 1955.

INTER-AMERICAN DEVELOPMENT BANK

Bolivia in a $10 million global credit received $1,800,000 to increase by 50 percent a sugar processing plant.

Argentina has applied for a global credit of $800,000 to be used in sugar development.

Haiti has requested a global credit of $4 million and if approved, part of the money would go to double the production of an existing sugar plant.

Honduras has presented an application, part of which is to increase a sugar plant daily capacity by 40 percent.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

They have been making agriculture loans for several years, some of which have gone into sugar production. However, figures were not available showing actual support of sugar.

INTERNATIONAL FINANCE CORPORATION

Tanganyika: June 2, 1960, $2,800,000 for sugar development.

Congressional Recess

EXTENSION OF REMARKS
OF
HON. ROBERT R. BARRY
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 21, 1961

Mr. BARRY. Mr. Speaker, 13 Senators, headed by Senator McGEE, of Wyoming, have introduced an excellent recommendation which should be seriously considered by the House. They suggest in Senate Concurrent Resolution 16 that

Congress take its long recess in the summer instead of the early winter so that Members may go on vacation with their families.

I am today introducing an identical House concurrent resolution to give the House the opportunity of discussing this question. I think this proposal would increase the efficiency of the Congress and I urge that it be seriously studied.

Senator McGEE said that when the children are out of school during July, August, and September, Congress is usually in session, preventing Members from leaving with their families. Then, when Congress adjourns late in August or early September, the children are getting ready to go back to school and a Member who wishes to return to his State must leave his family here.

To take care of any emergencies, the resolution would permit the leaders to call Congress back during the summer recess if necessary.

Since the end of the war it has become a fact of life that Congress is in session 9 or 10 months each year. The procedure of recessing during summer months would in no way change this. It would merely shift the period of our time off to a different season to make it possible to do some living with our families, our children—and I hasten to add, grandchildren.

A Proposed National Highway Week

EXTENSION OF REMARKS
OF
HON. GEORGE H. FALLON
OF MARYLAND
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 21, 1961

Mr. FALLON. Mr. Speaker, we in America are especially well pleased in the number of freedoms we enjoy in a world from which too many freedoms have disappeared in recent years. One of the greatest freedoms our people have is their freedom of mobility, made possible by the development of the Nation's highways.

A national system of highways in America has made it possible for us to move about with ease. Because of our highways, our people are granted greater choice in where they shall live, where they shall work, and where their businesses and industries shall be established.

Indeed, the importance of what has already been done in building the Nation's highways is readily translatable in terms of increased gross national product.

Forty-five years ago, in 1916, this Congress enacted our first Federal Aid Highway Act. Periodically we have reviewed the matter of Federal responsibility in coordinating highway construction programs across the land. As the highways made possible by the Federal-State roadbuilding partnership unfolded, linking North to South and East to West, new opportunities were brought to our people for traveling. The residents of the central portions of these United States are separated from the Atlantic or Pacific Ocean by little if any more than 2 days' travel over good highways. Only 50 years ago, their forebears lived out their lives without seeing either of these great bodies of water, because travel was too expensive or travel time too great. The Rocky Mountains, our magnificent national parks, the Grand Canyon, the Great Lakes—all the wonders of America—have all been brought closer to our families by the roads we have built.

Because of better roads, our national resources are more accessible. The output of our factories, and the products of our farms are more easily moved to the consumer, and in better condition, because of highways. Our national defense has been made more secure by the roads we already have.

But, Mr. Speaker, with all that has been done, roadbuilding has not kept up with America's needs for more and better highways. The Federal-Aid Highway Act of 1956 provides for construction and improvements on our interstate defense highways, and roadways subsidiary to that system to meet our traffic needs 14 years from now. The benefits of the roads already built extend to all our people. The need for an orderly continuation of the road building program is urgent.

In view of the tremendous contributions good roads make to our better living standards and to the prosperity of our Nation, I propose, through the introduction of House Concurrent Resolution 198, to call the public's attention to the importance of highways through the establishment of National Highway Week this year from May 21 to May 27.

Mr. Speaker, I urge every Member of this body to support favorable action on this resolution.

National Defense Scholarships for Higher Education

EXTENSION OF REMARKS
OF
HON. ABRAHAM J. MULTER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 21, 1961

Mr. MULTER. Mr. Speaker, on January 3, 1961, I introduced H.R. 805, to provide for a college scholarship program.

Last week the Special Subcommittee on Education of the House Education and Labor Committee held hearings on the subject.

The following is my statement before that subcommittee:

STATEMENT OF HON. ABRAHAM J. MULTER, CONGRESSMAN OF NEW YORK, BEFORE THE SPECIAL SUBCOMMITTEE ON EDUCATION OF THE HOUSE EDUCATION AND LABOR COMMITTEE, MARCH 17, 1961

Mr. MULTER. Mr. Chairman, I am pleased to have this opportunity to present a statement on behalf of my bill, H.R. 805, to amend the National Defense Education Act of 1958 to provide for national defense scholarships for college and university study. In my opinion, the enactment of this bill and the establishment of scholarships would provide the very much needed measure of assistance for many thousands of our capable young people who desire to go on to college or university study but for whom the cost of attending college is beyond their family income possibilities.

You are undoubtedly familar with the various reports indicating the cost of attending college. More recent information such as that reported by the U.S. Office of Education indicates that the mean total current expenditure for publicly controlled institutions—1960–61—is $1,300; for privately controlled institutions the estimate is $2,100. These estimates include expenditures for tuition and required fees, room rent and board, clothing and other current needs. If we consider the tuition costs alone of colleges and universities, we may observe that the increase for publicly controlled institutions since 1949–50 is around 86 percent while for privately controlled institutions the percentage increase is 91 percent. The estimated expenditures in 1960–61 for students in public colleges for room rent and board alone totals about $434 with tuition and fees totaling $225. This leaves the average student very limited funds for clothing, books, transportation and other expenditures. I would like to insert a table showing college costs based upon the U.S. Office of Education information. [See tables.]

There are many persons who argue against a program of Federal scholarships for assistance to capable and deserving high school graduates. They argue that if a student has motivation toward college he will be able to make it somehow. Others speak of the possibility of students working their way through college. I would agree with the fact that there are certainly rewarding benefits to the student who is able to work his way through college. I would agree also that a large number of capable students lack adequate motivation from home and school which would direct them toward college or university study. It is interesting to note, however, the following comment in a report by the U.S. Office of Education on the retention and withdrawal of college students:

"* * * No single reason for discontinuance could be identified as most important, although the inference that the financial factor predominated is supported by its high rating importance in combination with other high ranking factors having financial implications such as enlisting for military service by men and taking a full-time job by women. Significantly greater importance was assigned to the financial factor by students who transferred to less expensive institutions or dropped out after the first year than by dropouts from the institution of first registration during the first year." [1]

This study also gives some attention to the general income range of families of students who continue their studies to graduate. It reported:

"* * * The median annual income of parents of nongraduating students was $437 less than that of parents whose children graduated. * * * the chances are 97 to 100 that the dropouts during or at the end of the first registration period would have a lower median family income than dropouts during the remainder or at the end of the first school year." [2]

I would like to call attention to table 3 which presents a breakdown of major sources of student incomes for higher education, 1952–53. Scholarships were reported to contribute only 4.8 percent of the total student income. The mean amount of scholarships received by students totaled about $310. Other sources of stu-

[1] U.S. Office of Education. "Retention and Withdrawal of College Students." U.S. Government Printing Office, 1957. Various pages.
[2] Ibid.

dent income such as family financial support, and the term-time and summer earnings of the students themselves contributed significantly larger percentage totals to the source of income. Yet when we give close attention to the matter, we are able to see that there are few families within the income range which can contribute substantially to the college education of more than one child. Moreover, the summer earnings and term-time earnings of students are seriously curtailed by the ability of the student to find employment in off-campus businesses which usually pay considerably higher wages than most on-campus employment affords.

Let us consider the question of student earnings more closely. The Office of Education reported that in 1952–53 the mean amount earned by students in term-time earnings and summer employment was $413 and $395 respectively. The earnings of women students was considerably below those of the male students and totaled about one-half the amount of the male students' earnings. W. Bradford Craig, in his book "How to Finance a College Education" has reported:

"Students, as a group, financed from their own earnings over one-fourth of their budgets during a recent year. Most of the moneys came from earnings during the school year, the remainder from summer employment. More than a third of all students who attend college earned some money during vacations; the average amount of such earnings was $395. A still larger proportion worked part time while attending college. Three-fifths of all students—two-thirds of the men and one-half of the women—earned money during the school year. Their average earnings were $468 and $265 respectively." [3]

Indeed, resourcefulness and willingness to work to meet the cost of attending college reflects the high value which many of our young people place upon a college education. On the other hand, I would raise several questions: (1) How many of our institutions of higher education are located in communities which offer off-campus employment to young men and women in terms sufficient to enable them to meet the majority of their costs of attending college? (2) How many of our best students pursuing studies such as the exact sciences are able to meet the physical and mental demands of a full schedule with lecture and laboratory courses while, at the same time, working a sufficient number of hours to make significant earnings? In this time of the history of our Nation, when we are stressing the value of an education and emphasizing excellence in all endeavor I would question seriously those who maintain that student scholarship aid is not needed to help individuals in the plight such as I have just pointed out.

We know, of course, that the National Defense Education Act of 1958, which my bill, H.R. 805, would amend to include scholarships, established under title II, a national student loan program. This program has been enthusiastically hailed by students, parents, and administrators of institutions of higher education as a positive step forward in meeting student financial needs. I join with those who praise the success of the student loan program. I fully acknowledge that for a large number of students a college loan adequately meets their needs. For an equally large number of students, however, the possibility of a loan debt to be repaid upon completion of college studies is forbidding.

In some instances, students are pursuing a course of study which will continue into graduate study before they are adequately prepared to make a significant contribution to the field. We well know that the specialization of today requires college and graduate study in many fields, but especially in areas such as mathematics, science, and modern foreign language. Moreover, many students have elected areas of study which require considerable preparation but which afford very small returns upon this educational investment. Teaching, unfortunately, is still one of the professional areas which pays low salaries in comparison with the required preparation and study. Since the NDEA contains a forgiveness clause for individuals teaching in public elementary or secondary schools, I should perhaps have used some other professional area for my example, but I think the point is clearly made. There are other circumstances, of course, such as an individual's obligation in many instances to contribute a substantial part to the family support upon completion of college studies, or the responsibilities he may wish to take for a family of his own—all of which remove the use of a loan for higher education from the realm of possibility of many capable students.

I have mentioned the value of an education in these times of modern technology and complications in human relationships both within and without our Nation. Also, I have spoken of the need for emphasis upon excellence in all endeavor. Both of these factors, in my opinion figure very highly in the total consideration of the need for scholarship assistance to larger numbers of our young people.

The value of an education cannot, of course, be evaluated in terms of dollars and cents. Yet, we know that there is abundant evidence to support the fact that the well-educated worker enjoys measurable advantages over the worker with little formal education. He earns more; he suffers less from unemployment; he is more likely to find work in high prestige occupations and he returns a greater proportion of his earnings to those things which afford a cultural uplift for the total community. Everyone familiar with the direction and trends of the Nation's manpower needs is well aware of the shift toward the employment of those persons with greater levels of formal education and training. A recent study showing incomes according to years of school completed by persons 14 years or more of age indicates that men and women with college training are enjoying a substantially higher median income than those with lesser education. It has been pointed out, for example, that in 1959, professional and technical workers had completed an average of 16.2 school years and had an average family income of $7,788. Proprietors and managers, exclusive of farmers, had completed 12.4 school years and the family income for this group was $7,012. Clerical and sales workers had completed 12.5 years of school: the median family income of clerical workers was $5,692; that of sales workers was $6,268. Skilled workers had completed 11 years of school and had a median family income of $6,018. Semiskilled workers had completed 9.9 years of school and had a median family income of $5,157. Unskilled workers had completed 8.6 years of school, and the median family income of this group was $4,089.

Education increases the personal income of the individual. Increases in our national income and product register the collective impact of the producing and earning ability of a better educated people.[4]

Moreover, in these times when we are very much concerned with unemployment we must give serious attention to the relationships between education and unemployment. As one report indicates: Unemployment of workers is closely related to the amount of education the workers have had. The relationship is, of course, inverse. In March 1959, 8.5 percent of the workers in the labor force with less than high school graduation were unemployed, compared with 4.8 percent of the high school graduates and 2.4 percent of workers with some college experience.[5]

President Kennedy has recently called attention to the need for the reeducation of many individuals who are now contributing to the total unemployment scene of the Nation.

But the value of an education and the demands of the day which call for greater numbers of persons with high degrees of skills, training, and education cannot be understood in terms of the financial picture alone. We must, of course, consider the needs within the Nation for an increasingly more educated populace if we would continue to provide in America an example for the free world as to how an educated people move freedom forward. Speaking of education as our ultimate weapon, Mr. Neil McElroy has said:

"Our recognition of the university as a major source of our national vitality affirms a dependence that has long characterized free societies. From the days of the Greek philosophers, democracies have known that their effectiveness depended on citizen knowledge. Representative government in its own interest has built or has encouraged the building of educational institutions to spur the individual to test his own capacities—and to help him understand his responsibilities to the community as a whole.

"So we come to this inescapable conclusion: that education is and will be—the key to success or failure for each of [the] competing ideologies.

"If our educational system functions at or near its optimum, our Nation will thrive and grow. If we allow that system to fail to achieve its potential, we must expect to decline as a free society." [6]

Higher education in America will suffer a serious blow if we do not act now to provide financial assistance in the form of national scholarships to the many capable students who need such aid for college and university study. Moreover, without an adequate Federal scholarship program to meet the needs of large numbers of our high school graduates, such as I propose in H.R. 805, we will be failing to live up to the goal of providing for every individual, regardless of economic condition, the maximum opportunity to study and to develop to his maximum potential.

I have taken time to comment in great detail upon many of the phases of the present-day demand for higher education for larger numbers of capable persons. I consider such considerations to be essential if we would realistically evaluate the national need for a scholarship program, and if we would enact such a scholarship proposal which will accomplish a meaningful mission. I certainly do not consider that the proposed bill, H.R. 805, will suddenly transform all uninspired students into eager applicants for college or university study. What I do propose is the establishment of national defense scholarships for persons determined by State commissions to be in need of financial assistance to continue education at an institution of higher education.

H.R. 805 is not a complicated bill. There is no barrage of mumbo-jumbo. It would establish national defense scholarships through an amendment to the already established and enthusiastically received National Defense Education Act. In the main the bill would provide for scholarships of $500 to students during each academic year

[3] Craig, W. Bradford. "How To Finance a College Education." New York, Henry Holt & Co., 1959. P. 17.

[4] "It Pays To Go to School." Research Division, National Education Association, December 1960. Pp. 114–116.

[5] Ibid.

[6] McElroy, Neil. "Education—Our Ultimate Weapon." In an address delivered at the 32d Annual Conference on Educational Administration at Harvard University, July 14, 1960.

for 4 years. There is a provision which allows students in special need, as reviewed by the State commissions, to receive an additional amount not to exceed $500 per academic year.

As I have indicated, persons receiving scholarships would be selected by State commissions on the basis of objective tests and other measures of aptitude and ability to pursue study leading to a bachelor's degree successfully. In keeping with the specialized national needs for individuals in science, mathematics, or modern foreign languages, which is the general frame of reference of the NDEA, the bill would provide for special consideration of those with superior capacity or preparation in these areas.

The proposal is not overpowering in its appropriations of allotments. It would authorize that there be appropriated for the fiscal year ending June 30, 1961, and for each of the 2 succeeding fiscal years the sum of $17,500,000. Allotments to the States are to be in the ratio of the State's population between the ages of 18 and 21 and the total population of all the States between such ages. What I am proposing is assistance to individuals which leads ultimately to the total welfare of the Nation. In view of the many ramifications of problems in costs and expenses of higher education today, and the need for a more highly educated citizenry, I hope that this committee will favorably report H.R. 805.

I hope the committee will amend my bill so as to have it cover students in colleges which require 5 years instead of 4 years of attendance for certain of the sciences and engineering courses, as well as medical and dental students who have successfully completed their premedical or predental collegiate work.

TABLE 1.—*Major items of students' mean current expenditures: 1952–53 actual and 1960–61 estimated expenditures*

Major item	Publicly controlled institutions		Privately controlled institutions	
	1952–53 [1]	1960–61	1952–53 [1]	1960–61
Mean total current expenditure	$1,120	$1,300	$1,674	$2,100
Tuition and required fees	151	225	546	863
Room rent	102	116	146	165
Board (regular meals)	270	318	301	354
Clothing (including footwear)	130	135	149	155
All other current expenditures	467	506	532	563

[1] Data for 1952–53 are computed from tables 3 and 4 of "Costs of Attending College" by Ernest V. Hollis and Associates: Bulletin 1957, No. 9, Office of Education, U.S. Department of Health, Education, and Welfare. Estimates for 1960–61 are based on the U.S. Department of Labor, Bureau of Labor Statistics, consumer price indexes and the increase in mean institutional fees since 1953.

TABLE 2.—*Comparison of the mean annual tuition and required fees of 196 representative colleges and universities: 1949–50 and 1959–60*

Type of institutions	Number of institutions	Mean tuition and required fees		Increase	
		1949–50 [1]	1959–60 [2]	Amount	Percent
All institutions	196	$249	$464	$215	86
Publicly controlled	120	112	194	82	73
Privately controlled	76	465	890	425	91
Publicly controlled:					
Universities	69	138	240	102	74
Liberal arts colleges	19	80	129	49	61
Teachers colleges	17	89	171	82	92
Technological institutes	5	142	221	79	56
Junior colleges	10	18	30	12	67
Privately controlled:					
Universities	57	457	885	428	94
Liberal arts colleges	14	439	810	371	85
Technological institutes	5	626	1,148	522	83

[1] Conrad, Herbert S., and Hollis, E. V., Trends in Tuition Charges and Fees. In Annals of the Academy of Political and Social Sciences, vol. 301: 148–64, September 1955.
[2] Preliminary report, Division of Higher Education, Office of Education, Department of Health, Education, and Welfare, May 1960.

TABLE 3.—*Major sources of student income, 1952–53*

Source of funds	Percent of total income	Mean amount received by all students
Family (parents and other relatives)	40.5	$647
Long-term savings	20.0	695
Term-time earnings	17.0	413
Summer earnings	9.3	395
Scholarships	4.8	310
Veterans and vocational rehabilitation benefits	4.3	894
Loans	1.5	400
Other sources	2.6	133
Total	100.0	1,462

NOTE. Tables 1, 2, and 3: Goldthorpe, J. Harold. "Outlook for the Costs of Attending College." Nov. 16, 1960. In a paper before the Agricultural Outlook Conference, Washington, D.C., November 1960.

Centennial Anniversary of the Unity of Italy, 1861–1961

EXTENSION OF REMARKS

OF

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1961

Mr. RODINO. Mr. Speaker, 100 years ago this month the Italian Risorgimento—the dream of Dante and Garibaldi—was at long last accomplished.

Last Thursday I was honored to be one of those present at the stirring observance of this momentous event which took place in the State Department auditorium.

Gathered to honor the State of Italy, as well as to pay tribute to Italian-American friendship, were the President of the United States, the Vice President, the Speaker, and numerous other Members of Congress and prominent U.S. officials. Among those representing Italy were the Italian Ambassador, H. E. Manlio Brosio, and Prof. Gaetano Martino, the chief of the Italian mission to the United States.

Keynote of this centennial ceremony was the great and indestructible bond which exists between the United States and the State of Italy. On this historic occasion we saw a rededication to our traditional ties, to our mutual respect for each other's culture and civilization, and to our united effort for the survival of freedom.

Mr. Speaker, under unanimous consent, I wish to insert at this point in the RECORD the speech of the President of the United States; the messages sent by the Honorable Giovanni Gronchi, the President of the Republic of Italy, and the Honorable Amintore Fanfani, President of the Council of Ministers of the Republic of Italy; the address of the Honorable Gaetano Martino; and the opening remarks of Representative Anfuso, chairman of the American Honorary Committee for the Centennial Celebration:

REMARKS OF THE PRESIDENT OF THE UNITED STATES AT THE CENTENNIAL CELEBRATION OF THE 100TH ANNIVERSARY OF ITALIAN UNIFICATION, NEW STATE DEPARTMENT AUDITORIUM, WASHINGTON, D.C., MARCH 16, 1961

Congressman Anfuso, Your Excellency, the Vice President, Mr. Speaker, Ambassador Dr. Gaetano, Mr. Secretary, Senator Pastore, distinguished Members of Congress, ambassadors, and ladies and gentlemen, many of us who are here today are not Italian by blood or by birth, but I think that we all have a more than passing interest in this anniversary. All of us, in a large sense, are beneficiaries of the Italian experience.

It is an extraordinary fact in history that so much of what we are, and so much of what we believe had its origin in this rather small spear of land stretching into the Mediterranean. All in a great sense that we fight to preserve today had its origins in Italy, and earlier than that in Greece. So that it is an honor as President of the United States to participate in this most important occasion in the life of a friendly country, the Republic of Italy.

In addition, it is one of the strange facts of history, that this country of ours, which is important to Western civilization, was opened up first by a daring feat of navigation of an Italian, Christopher Columbus. And yet this country was nearly a century old when modern Italy began.

So we have the old and the new bound together and inextricably linked—Italy and the United States, past, present, and we believe, future.

The Risorgimento which gave birth to modern Italy, like the American Revolution which led to the birth of our country, was the reawakening of the most deeply held ideals of Western civilization: The desire for freedom, for protection of the rights of the individual.

As the doctor said, the state exists for the protection of those rights, and those rights do not come to us because of the generosity of the state. This concept which originated in Greece and in Italy I think has been a most important factor in the development of our own country here in the United States.

And it is a source of satisfaction to us that those who built modern Italy, received part of their inspiration from our experience here in the United States—as we had earlier received part of our inspiration from an older Italy. For although modern Italy is only a century old, the culture and the history of the Italian Peninsula stretches back over two milleniums. From the banks of the Tiber rose Western civilization as we know it, a civilization whose traditions and spiritual values gave great significance to Western life as we find it in Western Europe and in the Atlantic Community.

And to this historic role of Italian civilization has been added the strengthening in the life of this country of millions of Italians who came here to build their homes and who have been valued citizens—and many of their most distinguished citizens sit on this platform today.

These ancient ties between the people of Italy and the people of the United States have never been stronger than they are today, and have never been in greater peril. The story of postwar Italy is a story of determination and of courage in the face of a huge and difficult task. The Italian people have rebuilt a war-torn economy and nation, and played a vital part in developing the economic integration of Western Europe.

Surely, the most inspiring experience of the postwar era: Italy has advanced the welfare of her own people, bringing them hope for a better life, and she has played a significant role in the defense of the West.

As we come to this great anniversary in 1961, we realize that once again new and powerful forces have arisen which challenge the concepts upon which Italy and the United States have been founded. If we are to meet this new challenge, we—Italy and the United States—must demonstrate to our own people and to a watching world, as we sit on a most conspicuous stage, that men acting in the tradition of Massini and Cavour and Garibaldi and Lincoln and Washington, can best bring man a richer and fuller life.

This is the task of the new Risorgimento, a new reawakening of man's ancient aspirations for freedom and for progress, until the torch lit in ancient Torino one century ago guides the struggle of men everywhere—in Italy, in the United States, in the world around us.

MESSAGE BY THE HONORABLE GIOVANNI GRONCHI, PRESIDENT OF THE REPUBLIC OF ITALY

To the CHAIRMAN,
American Honorary Committee for the Italian Centennial, Washington, D.C.

MR. CHAIRMAN: I am happy to address, through your courtesy, the good wishes and greetings of the Italian people, as well as my own, to the American Committee for the Italian Centennial and to all those—Americans and Italians—who have participated with such spontaneous enthusiasm in the celebration on American soil of this day which has such lofty significance for the history of my country.

I address my gratitude particularly to the President of the United States, who has consented to attend these ceremonies, as well as to the Members of Congress, the Governors, the mayors, the educational and cultural institutions, the public and private officials, to the numerous committees from all over America who joined in commemorating our anniversary.

The great American Nation, which has such a high sense of liberty, recognized in the events that 100 years ago led to the unity of the Italian people the selfsame yearning for independence which led to the birth of the United States.

Thus, the tribute being paid in America to our Risorgimento, whose anniversary is being celebrated throughout Italy with great solemnity, is a new expression of the spirit which increasingly binds the peoples of our two countries in their determination to enhance, both now and in the future, the values of a free civilization. At the same time, these observances which unit Americans and Italians underscore those sentiments of confident friendship which opened the doors many years ago in the constructive contributions of Italians to life in the United States.

Please accept, Mr. Chairman, the gratitude of the Italian people and of myself and kindly convey it to all those who in response to the committee's appeal are today celebrating this joyful anniversary of our national unity.

GRONCHI.

MESSAGE BY THE HONORABLE AMINTORE FANFANI, PRESIDENT OF THE COUNCIL OF MINISTERS OF THE REPUBLIC OF ITALY

To the CHAIRMAN,
American Honorary Committee for the Italian Centennial, Washington, D.C.

MR. CHAIRMAN: We, in Italy, are deeply moved by the thought that on March 16 the centennial of the unification of Italy will be observed in the city of Washington for the first time in a foreign country.

It is highly significant that the United States, whose own history is based upon the respect of freedom and a sense of independence, so promptly realized the import of that long and hard struggle which led to Italian unity 100 years ago, through strife and suffering, through the deep beliefs of our people, the sacrifice and martyrdom of the brave, the able and patient efforts of our leaders.

I believe the reason for this understanding lies in the similarity of historic events, in the common struggle for the same goals and in the active participation of Americans and Italians in the development of both countries. All this stirred in the hearts of the people of the United States the memory of the years when the new Italy was born and a friendship was started, which never died.

The warm American participation in the observance of our centennial adds to the many ties already existing between our two countries a new bond which strengthens their determination to persist in the defense of the common ideals of the two nations.

I am therefore extremely happy to convey the greetings and the appreciation of the Italian Government, as well as my personal thanks, to you, Mr. Chairman, to the American Committee for the Italian Centennial and to all those—Americans and Italians—who joined in the observance of this solemn anniversary in your country.

I wish particularly to extend my grateful respects to the President of the United States, who graciously consented to honor the ceremony with his presence, to the diplomatic corps, the Members of Congress, the Governors, the mayors, the various institutions, committees, and personalities that in Washington and all over America are celebrating our centennial.

I am happy to express my heartfelt thanks and those of the Italian Government to them all.

A. FANFANI.

ADDRESS OF PROF. GAETANO MARTINO, CHIEF OF THE ITALIAN MISSION TO THE UNITED STATES

Mr. President, Mr. Chairman, honored guests, ladies, and gentlemen, I am greatly honored to speak of the political birth of my country as a modern nation in a ceremony made so solemn by the participation of the President of the United States of America. I wish to assure you, Mr. President, that your presence here will be profoundly felt by all Italians and will increase their love for your country. They admire the United States as the country where human endeavor has brought its most important contribution to the civil and moral progress of the peoples and where the greatest effort is being made to guarantee the continuity of that progress in the uncertain and perilous present. No doubt, Mr. President, this ceremony—attended by the highest representatives of the American Nation—will contribute to the deepening and strengthening of friendly relations between the United States and Italy.

One hundred years ago in Turin the Kingdom of Italy was proclaimed in the first Parliament elected by the majority of the Italians. That proclamation marked the birth of the Italian state which included in its political structure, shaped on democratic patterns, all Italians, living on the soil of Italy.

It is true that the Venetian region was still under Austrian domination, and that the new nation was born without its capital which could only be Rome. But already in 1861 the liberation of the Venetian region and the annexation of Rome appeared inevitable as events were soon to show. The first occurred in 1866 and Rome was annexed in 1870. Our final war of independence in 1915–18, which was part of the First World War, made it possible at last to restore to the Italian family the peoples of Italian language, culture and spirit still remaining under Austrian domination.

What we call Risorgimento is the political movement which through revolutions and wars led Italy to the conquest of its national freedom and independence. It cannot be understood historically without recalling that it stemmed from that great fountainhead of ideals, sentiments and moral values which were the substance of the "age of enlightenment" of the 18th century.

The moral and political forces which emerged from the enlightenment stimulated the fundamental historical events of the American and French Revolutions, and of the Italian and European Risorgimento. After a silence of more than a century, Italy once again took its place in the cultural life of the 18th century Europe and celebrated its spiritual resurgence which was to become a political rebirth as Napoleon's victories brought to our land the wind of liberty. The immediate comparison with the more modern and civilized forms of life adopted by the French and partially introduced into Italy made the Italians feel the full impact of their centuries-old ills. They were the ills of poverty, ignorance, fear, the servility of the weak, the corruption and abuse of power of the rulers.

The problem of national independence could then be stated in terms that were no longer theoretical but which held a promise of solution since the old refractory and absolutist nations had demonstrated their complete backwardness and inefficiency in the face of the French conquests.

On the concrete political ground there were two ways to free and unify our nation: through a popular uprising which, following the American and French examples could have ousted the princes from their creaking thrones and defeat Austria; or through an action undertaken by one of the states of the peninsula having sufficient power and prestige to enable it to achieve the same results. Only the state of Piedmont could do this.

The first path was chosen by Mazzini, the second by Cavour.

Giusseppe Mazzini maintained that independence must be the fruit of revolt—not a gift from above—and that therefore Italian unity must be achieved exclusively by popular revolutionary forces. Inspired by the same ideals as your Founding Fathers, Mazzini held that national states can be founded only on the people, by the people and for the people. He affirmed the preeminence of the duty of human solidarity in domestic affairs as well as in the international life of the peoples. He thus intimately linked

the destiny of resurgent Italy with that of a resurgent Europe by founding the two associations known as young Italy and young Europe. Mazzini conceived the Italian problem as one aspect of the general European problem. Old Europe and old Italy were to die together. In their place the new Europe and the new Italy were to rise together. The constitutional formula of "United States of Europe" which, like your own, at that time was disseminated throughout Europe in the works of the French Victor Hugo and Michel Chevalier, the German Johannes Sartorious, the English Richard Cobden, found in Mazzini the staunchest supporter. The European ideal was transformed into political action.

With the crushing of the European revolution, a new political situation developed in Italy. In it Camillo Benso di Cavour directed the movement of the Risorgimento toward final achievement, with his genius and daring. After having accomplished a widespread reform of political, social, and administrative life of the Piedmont, and after having placed it in vanguard of civil progress which attracted the surprise and admiration of Europe, Cavour distinguished himself by engaging in the liveliest of diplomatic activity. Dealing with the great powers with skill he succeeded in securing for Piedmont a leading role on the European scene, by forming alliances now with France, now with England. If he was able to bring an end to Austrian domination of Lombardy by securing the aid of France, it was with tacit English solidarity that the *Piemonte* and the *Lombardo*—the two ships carrying the thousand from Scoglio di Quarto to the Sicilian coast—could slip quietly through Mediterranean waters.

However, despite the fact that he worked with the instruments of crude politics which do not admit sentimentalism, he remained steadily loyal to those moral values and principles of the enlightenment redeveloped and reinvigorated in the new century. It was his firm conviction that the unity of his country must benefit not only Italians but all of humanity. His conscience was the conscience of the most cultured and civilized Europe and he looked upon its unity as the inevitable future of a Christian Europe. Few political leaders possessed his conception of rational freedom: only Jefferson, Lincoln, Gladstone could be cited as supporters of the same liberal ideals. These ideals inspired also his suggested solution of the problem of the church-state relations through the ingenious formula of "a free church in a free state." It gave Italy a long period of religious peace while it enhanced the spiritual force of the church.

I cannot refrain from mentioning two other outstanding leaders to whom Italy owes its unity: Giuseppe Garibaldi and Victor Emmanuel the Second. The name of Garibaldi has been always celebrated not only in Italy, but in the Americas where he lived and fought for many years. It was mainly Garibaldi's daring that evoked the sympathy and support of public opinion in Europe and America for our national cause. He fought for all the oppressed against all oppressors. The generosity of his actions earned him a place among the champions of human ideals. Your poets and ours unanimously greeted him as the new Washington and glorified his name. It gives us pleasure to think of him at the moment when, concluding his victorious campaign, he handed over to Victor Emmanuel the Second the half of Italy he had liberated. Refusing to accept honor and gains he returned with his poncho and red shirt to his native island to cultivate the bleak earth. He had presented the King with a generous gift; the hands receiving it were equally generous. Victor Emmanuel the Second had also given fully of himself and his kingdom to Italy. He had kept his selfless pledge in the darkest and most difficult hours.

The ideals of the apostles of our national unity are now once more, lighting our path after the tragedy of a war brought on by a minority which had seized power by violence and deceit.

We have perfected the institutions that guarantee freedom. We have increased the opportunities and means to give everyone security. We have rebuilt everything that was destroyed: we have created an atmosphere of industriousness in our country. Nevertheless, we are more sensitive to what remains to be done than to what we have accomplished.

The unification of Italy, as I said, is only a phase of the broader historical and political cycle whose philosophy centered on the enlightenment and on its unshakable faith in the rights of man. These rights—as you, Mr. President, wisely said in your inaugural address—do not derive from the State, but from God's hands, and the State can and must only guarantee them against all attempts of subversion.

That historical cycle is now far from being concluded. We have precise duties in the process of its completion. Italy's duties can be outlined both in the domestic and the international field. In the area of domestic policy we are pledged to restore confidence and hope in the millions of our fellow citizens who still believe that justice should be sought outside the democratic system. We must win them back to democracy and eliminate the reasons which can explain—though not justify—their present attitude, a cause of concern for us all. These reasons are connected with certain conditions of poverty which time thus far has not permitted us to remove, as well as with the survival of habits acquired during the many centuries of our painful serfdom. To discharge this duty of redemption and civil education the model used by Cavour is still valid. It suggests application of the policy of the juste milieu, the right middle of the road, which proved so fruitful not only in our country, but in yours as well.

On the international scene, it is our duty to move ahead, with renewed vigor along the path pointed out by Mazzini. In the last 15 years Italy, not only participated in all organizations dedicated to the pursuit of world peace, but kept itself in the forefront of the struggle for the unification of Europe. As Foreign Minister of my country, I had myself the privilege of playing a role, which was not minor, in the creation of the two new European communities: The Economic Community and Euratom. But we are still far from our goal. It is therefore urgent and vital to speed up our movement for unity, closely coordinating our efforts with those aimed at the achievement of the Atlantic unity. A unified Europe is only a part of that broader unity of the Atlantic world which started taking shape in the fields of culture and ideals three centuries ago and which substantiated our common conception of the world centered on conscience and ethics. This unity took political shape in 1949, when the Atlantic Alliance was built. Thence a new Risorgimento started: We all have a leading role in this rebirth, you Americans and we Europeans, as keepers and bearers of the message of the "age of enlightenment."

Mr. President, ladies and gentlemen, we must further strengthen the ties of our unity. This is necessary not only to face the challenge of our common enemies, but principally to enrich and guard the spiritual and moral patrimony handed down to us by our forefathers, which we want to pass on to our children. Only by tightening our bonds we will be able to make our future worthy of our past. Only by uniting more closely can we secure the triumph of our ideals and allow our peoples to dedicate themselves in full serenity to deeds of peace: only thus can we fulfill the wish expressed by your poet, John Whittier, in some of his verses addressed to our reborn Italy:

"Fold the flags of war, and lay its sword and spear to rust away, and sow its ghastly fields with flowers."

REMARKS BY CONGRESSMAN VICTOR L. ANFUSO, ITALIAN CENTENNIAL CELEBRATION, MARCH 16, 1961

It is a great honor for me to have been singled out by my colleagues on the American Honorary Committee to be the chairman of this historic event. It is my pleasure to welcome you.

It is of particular significance for me, since I came to this country as an immigrant from Italy at the tender age of 9. Little did I dream then that some day this immigrant boy would preside at a celebration of this sort in Washington, where the President and other great leaders of this Nation would gather to pay tribute to my ancestral homeland on the centennial anniversary of its unification as a single, strong nation.

I am deeply grateful this morning, as never before, to this wonderful country of ours for the unlimited opportunities which I and millions of other Americans of Italian extraction have received. This is a feeling which only immigrants and the children of immigrants can fully appreciate.

The President of the United States has played a significant role in these celebrations. I have had the honor and the privilege to know the President ever since I first came to Congress in January 1951, when I served with him in the House of Representatives. I remember the kindly guidance he gave me then—and I shall never forget his encouraging assistance on several projects which I proposed to the Congress in those days.

This association continued also after he had moved over to the U.S. Senate, and it is best exemplified by the fact that after I had introduced the resolution on the centennial observance of Italian unification and brought it to the attention of Mr. Kennedy, he immediately introduced it in the Senate. May I quote just a brief remark made by Mr. Kennedy at the time he introduced the resolution on July 13, 1959, when he said:

"The concurrent resolution expresses our pleasure in receiving the invitation (to participate in the observance) and testifies to our admiration for the contributions this great nation has made to our common ideals of freedom and independence. It is fitting and proper that we recognize in this fashion the progress and achievements of the people of Italy during the past century."

During this entire decade that I have been privileged to know Mr. Kennedy, I have always found him to be an admirer of Italy and of its achievements in the annals of culture and civilization. Likewise, he has a keen appreciation of the contributions of Americans of Italian descent toward the upbuilding of America and its way of life.

It is to a certain extent an irony of history that, as Italy was reborn as a united nation, the United States was on the threshhold of facing its greatest test for survival. As the guns were stilled in Italy, and Garibaldi was going back to his beloved island of Caprera with a bag of bean seeds on his shoulder, the guns of Fort Sumter on this side of the Atlantic were rumbling. Italy's Risorgimento, which means rebirth as a nation, was being accomplished.

And speaking of Garibaldi, I take particular pleasure in greeting here this morning the grandson of that great patriot, Gen.

Ezio Garibaldi, and also his granddaughter, Mrs. Giuseppina Ziluca. May I ask them to take a bow.

Today there exist strong bonds of friendship between the United States and Italy. The bonds joining our two nations are, in my estimation, stronger and deeper than those resulting from a military pact or an economic program. They are the bonds of faith and confidence in one another, of mutual respect and understanding between two great peoples, of genuine friendship and reciprocal contributions.

The bridge of understanding between the people of the United States and the people of Italy was not constructed overnight. It is a process which is at least as old as the United States, and in fact goes back to our earliest days when small but significant numbers of Italians joined the waves of early explorers and settlers who came to these shores. They and succeeding generations of Italian immigrants, who settled in this land, have made lasting contributions to our American heritage over the long centuries. The imprint of their contributions on American life and civilization is visible all around us.

We live in a crucial time in the annals of human affairs which requires utmost unity in the ranks of the free nations. The future survival of democratic America and of the whole free world depends, in large measure, on reinforcing our bonds of cooperation with nations like Italy, and on the creation of working partnerships with such nations in every endeavor which could serve the best interests of mankind.

It is not for me to spell out in detail how this partnership between our two nations is to be created, nor is this the time and the place to do so. Suffice it merely to indicate that we have the beginnings of it in several ways: the fact that Italy has been willing to give as much as she receives; the fact that Italy has made available to us areas for the establishment of military bases; Italy's significant role in NATO; Italy's strategic position in the Mediterranean in relation to Europe, Africa, and the Middle East; and Italy's ancestral ties in Latin America.

Our partnership can be extended and deepened in other ways through many new ideas and bold action. Instead of working alone in certain areas, where our help has been misunderstood, let us invite the participation of partnership nations like Italy—if such participation will bring about better understanding and more fruitful results. The possibilities are unlimited. This, too, may in time prove to be a "new frontier" in our international relations.

It is, therefore, only fitting and proper that we choose this occasion to rededicate ourselves to the same ideals which triumphed over a hundred years ago. In this era of the New Frontier, let us, in the words of our beloved President, pray that the future years will prove to be the years when the tide came in—when America, together with a strong and united Italy and a free world, moved forward again.

Tax Reform Is a Must

EXTENSION OF REMARKS
OF
HON. O. C. FISHER
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 21, 1961

Mr. FISHER. Mr. Speaker, the need for tax reform in this country was never more urgent than it is today. The present hodgepodge system of patchwork in our tax concepts, filled with loopholes and contradictions, must be repaired.

Joseph A. Pechman, Brookings Institute economist, told the House Ways and Means Committee back in 1959 that "if all the eroding features of the tax law had been eliminated, the tax base would have been $59 billion larger than it actually was in 1957, and the revenues that were collected on 1957 incomes could have been raised with rates that were one-third lower in every taxable income bracket."

President Kennedy has pointed to the imperative need for tax reform. That need was recognized by former President Eisenhower. It was repeatedly referred to during the last presidential campaign. The necessity being self-evident, it is up to the Congress to do something about it.

Many proposals have been offered. The gentleman from Florida [Mr. HERLONG] and the gentleman from Tennessee [Mr. BAKER] have both introduced tax reform bills. They did so in the last Congress. Other Members have done likewise. In 1959 I introduced a companion bill, H.R. 4584. This year I have reintroduced that bill as H.R. 5529. These bills, I am sure, are not foolproof but they are steps in the right direction. They propose positive relief from unrealistic rates and they contain the elements of incentive-producing reforms.

Our system is so out of kelter with realities that it has been cited by Soviet Premier Khrushchev as evidence that we fail to use incentives to increase production to the extent that they are used in Soviet Russia. I would not concede that, but it does give us something to think about.

There are other areas of needed tax reform, including effective taxation of cooperatives and mutual finance companies to insure more substantial equity with ordinary taxable enterprise. Something needs to be done in the field of estate taxation to remove the present inducement to leave property in trust extending over many years, together with a reduction in rates. And there are loopholes that need to be closed.

PENDING BILLS

Under the pending reform bills to which I have referred, over a 5-year period individual rates would be compressed downward with reductions of over 50 percent in the middle brackets and the top rate coming down from 91 to 47 percent to coincide with the new top rate of corporate tax under the legislation. The first-bracket rate, applied to the lower income people, would be reduced from 20 to 15 percent, giving all individual taxpayers a minimum tax reduction of 25 percent.

This proposal has received substantial support from all over the country. It is not just a tax relief bill. It has a goal to achieve—that of permitting the more rapid accumulation of new capital out of current income, and moderating the tax destruction of capital already accumulated. The distinguished chairman of the Committee on Ways and Means, Mr. WILBUR MILLS, has been quoted as saying: "Taxes are too high, and at present rates have a strong tendency to blunt incentives and stifle economic growth."

We hear a lot these days of the New Frontier and the need to encourage economic growth. It is said we are suffering from economic roadblocks that stifle and retard our capabilities. If so, then let us treat the disease and not the symptoms. It is believed that the pending legislation would undoubtedly bring about the achievement of higher economic growth, improvement of jobs, and creation of better jobs. This will encourage new businesses to start. It will help control inflation through greater production and productivity. It will serve to strengthen our economic system and our position of leadership, prestige, and influence in the free world.

In fact, at this time when our foreign trade balance is unfavorable, when we are finding it increasingly difficult to compete in the world markets in areas which we have dominated for generations, it becomes increasingly necessary that we get our economic house in better order. And a genuine reform of our income tax structure is, in my judgment, a prime requirement.

WOULD BENEFIT LOW INCOME GROUP

From the standpoint of our own citizens, those now in the lower income levels have perhaps the most to gain from increase in the flow of capital into the expansion of industry and the resultant improvement of old jobs and creation of better jobs.

I am convinced that under the present law income tax rates climb too steeply and are much too high for the good of our economy and the well-being of our citizens.

Moreover, the proposed reform will inevitably pave the way to greater and more consistent reduction in the Federal debt. And it can be expected to ease the pressures that cause inflation. The inflation of this era essentially reflects a greater demand from all sources for the combined product of economic activity than can be provided by capital formation under present tax rates. The constant upward pressure on interest rates which we have witnessed in recent years is simply a reflection of the inadequacy of new savings to do all of the things which all of our citizens want done to enhance their economic well-being. Stated differently, a greater rate of new savings is the only route to greater rates of increased production and productivity, which in turn are the means to better satisfaction of competing demands on the economy while dampening inflationary pressures. This is the view of competent economists.

After all, the bulk of income taxes in this country are paid by the great middle class who earn from $4,000 to $25,000 a year. And the tax burden is very heavy for many of them to carry. A family man earning $4,500 a year now works 22 days a month, on an average. Taxes, visible and invisible, take one-third of what he produces. Of course,

every citizen has an obligation to contribute his own fair share to pay for the legitimate functions of government. But when it goes beyond the range of being a fair share, that taxpayer finds his money which he earned being used by others who do not earn it.

It must have been that thought which prompted the late Senator Bob Taft to say: "You can socialize just as well by a steady increase in the burden of taxation beyond the 30 percent we have already reached as you can by Government seizure. The very imposition of heavy taxes is a limit on a man's freedom."

Let us hope, Mr. Speaker, that the Congress will face up to this problem. Just doing something about exemptions will not suffice. Doing something about loopholes, although important, will not suffice. The entire structure must be overhauled. There must be an increase in depreciation—tailored to those industries considered essential to national survival. They must be able to modernize their equipment. It is said that one-third of the Nation's plant and equipment is obsolete. Some $6 to $8 billion is drained off each year from industry which is actually needed for survival and to make the Nation grow.

As one man put it—taking this money is like harvesting corn or wheat before it is mature.

Industry should be able to deduct for basic research. Incentive capital should not be siphoned off by taxation. Such capital could be made to earn more revenue for the country than it provides in taxes, if it is invested in growth under favorable conditions.

TAX REDUCTION CALLS FOR REDUCED SPENDING

Mr. Speaker, tax reform such as I have outlined will be possible only if we can reduce Federal expenditure. More than just a balanced budget is needed if this reform is to be fully meaningful. It has been said, and I think correctly, that balancing the budget at too high a level will not by itself solve our inflation problem nor our growth problem. Taxes would have to remain high to finance that budget, even though reduced taxes might result in more income. The simple fact is that it is not necessary to reduce essential spending—such as that for defense which at all costs must be maintained, water and soil conservation, flood control, veterans' benefits, and things of that kind—but it is necessary to reduce nonessential spending and waste.

In the long run we will be able to reduce the debt only if we have a flourishing and growing economy. For that purpose tax rate reform is essential and the sooner we get it the better our chances will be for sustained long-term debt reduction.

REDUCED RATES AND MORE INCOME

The fact is that every time we have reduced rates in the past our economy has been stimulated to produce more revenue than before. That was true back in the 1920's and it was true after the 1947 reduction. Take West Germany for example. In that country the economic growth has been so rapid under moderate incentive-producing tax levels, that not long ago it became necessary to raise taxes so as to apply the brakes and siphon off more of the earnings and take the edge off their boom. A year ago it was reported that investment capital gains in West Germany had increased 12 percent in 1 year.

Mr. Speaker, it is imperative that the Congress reexamine this tax problem. We are operating today with an outmoded tax philosophy. It will be recalled that the "Communist Manifesto" by Karl Marx and Frederick Engels, lists the No. 2 objective of communism for overthrowing capitalism: "A heavy progressive or graduated income tax." If we are to retain the income tax system, then let us make it realistic and fair. Let us remove the inequities that restrict growth. Let us tailor our income tax structure and make it consistent with the incentives that contribute to economic growth under the free enterprise system.

Pacific Northwest Being Threatened With a Loss of Its Low-Cost Power

EXTENSION OF REMARKS
OF
HON. JACK WESTLAND
OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 21, 1961

Mr. WESTLAND. Mr. Speaker, the Secretary of Interior on March 9, 1961, appointed a five-man departmental task force to study the feasibility of a high-voltage transmission line between the Pacific Northwest and California. On the same day in another press release he said he has approved recommendations to proceed with surveys and design work on an all-Federal transmission line to distribute electricity from northern California to southern California.

The recommendation as approved would allow construction now of lines from the Trinity River project in northern California so they could be converted to a 500-kilovolt transmission line to Tracy, Calif., with the possible future use as a section of the proposed Pacific Northwest-California intertie to be studied by the task force.

Mr. Speaker, it appears to me the Pacific Northwest again is being threatened with a loss of its low-cost power. Back in April 1959, I warned that a clever move to rob the Pacific Northwest and the State of Washington of low-cost power was underway. I again repeat this warning with the added emphasis that the California interests now apparently have a champion in the Nation's Capital.

A task force made up of persons in the Department of Interior, it seems to me, would be subservient to the Secretary who appointed them. The term "task force" has the connotation of being a group especially selected to promote an interest or to get a particular job done. Members of this task force include Charles L. Luce, Bonneville Power Administrator; Morgan Dubrow, Washington office manager of the Bonneville Power Administration; Bernard Goldhammer, BPA commercial operations officer; Hugh P. Dugan, regional director of the Bureau of Reclamation; and Milton A. Case, general engineer in the assistant secretary's Washington office. A study group consisting of disinterested persons outside the Department, on the other hand, is a different proposition.

But, Mr. Speaker, is a study of this kind necessary? It would be surprising if it is needed in light of the fact that Mr. Luce has stated the Pacific Northwest will have a power shortage by 1965. Also, since March 1953 there have been studies of one sort or another. The Federal Power Commission reported the feasibility of 230-kilovolt intertie between Oregon and its neighbor to the south. Later Bonneville found that a 230-kilovolt line was feasible and advisable, but a larger line was not. Only one study, authorized by the Governor of California and paid for by California taxpayers, supported a high-voltage intertie, and its recommendation was based on numerous hypotheses.

The Secretary of the Interior said on March 9 that the estimated cost of federally constructed Trinity lines would be $28,800,000. I cannot understand the need for this huge outlay of taxpayers' money when the Bureau of Reclamation has been offered a contract for wheeling power over existing lines at one-half mill a kilowatt-hour.

Advocates of such an intertie between the Pacific Northwest and California first talked about dump power. But they knew and still know that if they can get a federally owned line into California, they will get firm power. Once the foot is in the door, there will be no way to close it. Also, it is conceivable that the principle of a nationwide grid could be established, whereby, this Chamber could be lighted by electricity from the Pacific Northwest.

Mr. Speaker, I am not opposed to the possible sale of surplus seasonal power to California or other States if the sale would result in lower power costs for the Pacific Northwest, but I believe a high load federally constructed line would inevitably lead to the transmission of firm power from Bonneville to California. Full integration, ideal as it might seem in terms of engineering principles, could result economically to the detriment of the Pacific Northwest in terms of increased regional power costs, retarded industrial growth, and fewer new payrolls.

We in the Pacific Northwest need our Bonneville power for future growth. We need our present industries and we want to expand them. We want new industries to come to our great Pacific Northwest. Mr. Speaker, I intend to fight to keep our power from being turned over to California and other regions.

The Nation Magazine and the Committee on Un-American Activities

EXTENSION OF REMARKS
OF
HON. CLEMENT J. ZABLOCKI
OF WISCONSIN
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 21, 1961

Mr. ZABLOCKI. Mr. Speaker, the March 18 issue of the Nation magazine contained an editorial entitled "The Issue, Mr. Speaker," which commented on the Supreme Court decisions in the Wilkinson and the Braden cases, and on the House vote on the appropriations for the Committee on Un-American Activities.

Under leave to extend my remarks, I wish to place in the RECORD the text of that editorial, as well as the text of my letter to the Nation, replying to some statements contained in it. I believe that these two articles will prove of interest to the membership of this body:

[From the Nation, Mar. 18, 1961]

THE ISSUE, MR. SPEAKER

A day before the House of Representatives voted, 412 to 6, an increased appropriation for the Committee on Un-American Activities, the Supreme Court divided 5 to 4 in the Braden and Wilkinson cases. If the eloquent dissent of Justice Black had been the majority opinion, the Court would in effect have abolished the HUAC. Yet the impression prevails that since the HUAC received the nearly unanimous approval of the Congress, it must enjoy the nearly unanimous approval of the Nation. The Supreme Court is not, of course, an elected body, and divisions in it do not necessarily reflect national divisions; nevertheless, the San Francisco Chronicle hazards the opinion that this time the Court seems to mirror the split in the country.

By any reckoning, the Court's division on the issue is a more accurate mirror of national opinion than the vote in Congress. Reports from close observers confirm the view that a hundred or more votes would have been registered against the appropriation if a secret ballot had been used. It is a matter of serious concern when Members of Congress fail to vote their convictions on an issue of this importance. The remedy, of course, is for citizens who favor abolition to concentrate their attention on Congressmen who might have been expected to vote against the appropriation, but did not. "What is it about public office," inquires the Madison Capital Times, "that makes men so timid? Where were Representatives REUSS, JOHNSON and ZABLOCKI?" (liberal members of the Wisconsin delegation who failed to join their colleague, Representative ROBERT KASTENMEIER, in opposition to the appropriation). This is the right question to ask. The time has come to call the roll on those Members of Congress who, in conversation and correspondence, over teacups and cocktail glasses, agree that the HUAC should be abolished and then fail to vote their convictions. This year's best speech in the HUAC debate was delivered by Representative THOMAS ASHLEY, Democrat of Ohio:

"All of us are keenly aware that the forces of communism are unswervingly dedicated to the destruction of this and other free nations. But surely we are aware, too, that communism is not the only threat to our liberty. The individual freedoms guaranteed in the Bill of Rights can be lost or diluted through our own action or inaction, and if this is allowed to happen by our own hand, the loss of liberty is no less than if imposed by an alien adversary.

"Are we ready and willing to defend our individual freedoms in the House of Representatives as we are on the battlefield? I believe this is the issue, Mr. Speaker."

MARCH 20, 1961.

Mr. CAREY MCWILLIAMS,
Editor, the Nation,
New York, N.Y.

DEAR MR. MCWILLIAMS: I was surprised to read your editorial of March 18, entitled "The Issue, Mr. Speaker." It is outstanding not only for its poor logic, but also for its disregard for the laws of mathematics. Inasmuch as my name appears in it, I feel compelled to comment on it.

First, the Supreme Court and the U.S. House of Representatives acted on two entirely separate and distinct issues.

To review the issues involved:

The Supreme Court, on the one hand, ruled on the issue whether Wilkinson unlawfully refused to answer a question pertinent to a matter under inquiry before a subcommittee of the Committee on Un-American Activities. The question involved was, "Are you now a member of the Communist Party?" The majority of the Supreme Court held that the question was pertinent and that the refusal to answer it was unlawful. A similar issue was involved in the Braden case.

The House of Representatives, on the other hand, was deciding, in effect, whether the Committee on Un-American Activities should continue its operations within budgetary limitations recommended by the House Administration Committee. The decision was overwhelmingly in the affirmative.

In my opinion, you cannot in logic compare the two decisions, and further, as you have done in your editorial, try to infer from that comparison the public sentiment with respect to the Committee on Un-American Activities. Your conclusion is pure poppycock.

Second, in asserting that "a hundred or more" Representatives voted against their convictions in supporting the appropriation for the Committee on Un-American Activities, you have, in a reckless fashion, impugned the honesty and the motives of almost every Member of the House of Representatives. In doing this, you have resorted to the very same tactic which you find objectionable when used by others.

Third, even if your allegations were true, and if in a secret ballot a hundred or more Representatives would have voted against the appropriation of funds for the Committee on Un-American Activities, the vote in the House still would have been 3 to 1 in support of the committee's work. While the two—as I have already mentioned—are not comparable, I believe that even such a 3 to 1 House vote would indicate a more accurate mirror of national opinion than the 5 to 4 vote of the Supreme Court on the above-mentioned cases.

Fourth, since you saw fit to include my name—at least by placement—within the group of Congressmen who, in your opinion, failed to vote their convictions, I would like to set the record straight: I did vote my conscience and conviction and I believe that my vote is in harmony with the opinion of the majority of the people whom I have the privilege to represent.

I have, in the past, criticized some of the methods used by the Committee on Un-American Activities, and I intend to speak against any abuse of legislative power. At the same time, I believe that the committee's legislative accomplishments, and its work in exposing the methods and the true aims of the Communist movement, warrants its continuation. I intend, therefore, to continue to support the legitimate work of that committee.

Your cooperation in printing this reply will be appreciated.

Yours sincerely,
CLEMENT J. ZABLOCKI,
Member of Congress.

"Operation Abolition"

EXTENSION OF REMARKS
OF
HON. JOHN H. ROUSSELOT
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 21, 1961

Mr. ROUSSELOT. Mr. Speaker, a great many charges have been raised against the film "Operation Abolition," and many of my constituents have expressed deep interest in knowing the facts behind this film. I have, therefore, prepared a study which I believe is a straightforward answer to these charges. Under unanimous consent, I include this study in the RECORD.

CHARGES AND FACTUAL ANSWERS CONCERNING THE HOUSE COMMITTEE ON UN-AMERICAN ACTIVITIES FILM "OPERATION ABOLITION"

1. Charge: The demonstrators were not Communist inspired and Communist led.

Fact: (a) George Christopher, mayor of San Francisco, quoted from the San Francisco Examiner, May 18, 1960: "The mayor said that in his opinion last Friday's riot was Communist directed and that for the most part, unknowing and misguided students were innocent pawns of trained Communist agitators skilled in crowd control tactics."

(b) J. Edgar Hoover, quoted from "Communist Target, Youth": "It is vitally important to set the record straight on the extent to which Communists were responsible for the disgraceful and riotous conditions which prevailed during the House Committee on Un-American Activities hearings. It is vitally important that not only the students involved in that incident, but also students throughout the Nation whom Communists hope to exploit in similar situations, recognize the Communist tactics which resulted in what experienced west coast observers familiar with Communist strategy and tactics have termed the most successful Communist coup to occur in the San Francisco area in 25 years.

(c) Judge Albert A. Axelrod, presiding judge at the San Francisco municipal court where those arrested at the riots appeared, made the following statement quoted on page A2 of the Washington Post, December 25, 1960: "I very definitely agree with the view of FBI Director J. Edgar Hoover that the city hall riot of last May 13 was instigated by Communist subversives."

(d) To clarify his position, which had been distorted in some quarters, Mayor Christopher made the following statement in his office on January 18, 1961: "Known Communists, and I repeat this emphatically, known Communists were in the lead of this demonstration. The students were dupes who joined some of these causers of agitation, believing it is an innocent and harmless expression of civil liberties, not realizing that while they are doing this they are at

the same time violating every precept of the liberties they profess to cherish."

2. Charge: The San Francisco police were brutal in their handling of the students. No witnesses have been produced who can verify that the rioters provocated the physical conflict.

Fact: (a) J. Edgar Hoover, as quoted from "Communist Target, Youth": "One of the judges in a municipal courtroom in the city hall ordered the mob dispersed because the noise made it impossible for him to hold court. When an attempt was made to carry out the order, the crowd responded by throwing shoes and jostling the officers. An officer warned that fire hoses would have to be used if the crowd did not disperse, but the crowd, instigated by Communists who had maneuvered themselves into strategic positions, became more unruly. One of the demonstrators provided the spark that touched off the flame of violence. Leaping a barricade that had been erected, he grabbed an officer's night stick and began beating the officer over the head. The mob surged forward as if to storm the doors, and a police inspector ordered the fire hose turned on. At a party meeting on the night of May 20, 1960, Archie Brown (Editor's note: Archie Brown is second in command of the Communist Party in California) disclosed how the party intended to use a followup campaign with campus students as the target. He stated that the party planned to emphasize 'police brutality' as a rallying cry to attract sympathy of student groups."

(b) Dave Hope, reporter, stated in an article on January 25, 1961, in the Oakland Tribune: "I was there. I was in the committee room, in the hallway, on the rotunda. I mingled with the demonstrators, watched the picket lines." On the following day in the Oakland Tribune in another riot article, he said, "I didn't hear any orders, but I did hear the police ask, even beg, the students to be quiet and to leave the city hall. All through the morning the police were polite and courteous. Even when the mob's mood turned ugly after the noon recess, and the hose was brought out, the students were warned repeatedly for a period of at least 10 minutes before the water was turned on. That didn't happen until one student grabbed an officer's night stick and slugged him with it." It has been claimed that no one was ever charged for this, however, that is dead wrong. Hope went on to say, "Robert J. Meisenbach, a University of California student who was then living in Berkeley, was arrested and charged with assault. His trial is still pending, now set for March 6."

(c) In the January 25 article, Hope went on to say, "Police were careful not to use excessive force. When two or three officers carry out one person, they're being gentle. The party never gets rough until it's man for man. So there was no chance for martyrdom and this was disappointing. Martyrs must above all else be dignified. You can't be a martyr when soaking wet you're skidded unceremoniously down a flight of stairs on the part of your anatomy that should have been spanked more frequently in your childhood."

(d) The San Francisco Chronicle, Saturday, May 14, 1960, in a lead article on page 1, reported that eight policemen and four students were injured. By the ratio of injuries it would appear that the so-called "brutality" was felt more by the police than the students.

3. Charge: The film is edited, distorted, out of sequence and deliberately slants the facts.

Fact: (a) Obviously, the film is edited, as is every film ever made. Three days of hearings, including the interviews of 46 witnesses cannot be shown in a 45-minute film without editing and omission of most of the material. One thing is certain—the film does not show anything which in fact did not occur during the period of the hearings.

(b) If, as has been claimed, there had been religious students present who wore armbands to distinguish them from the other protestors, the bands would have been visible in the film. For certainly, the films scanned the crowd in a most comprehensive way and any armbands present could not have been deleted from the film.

(c) There are two errors in the film: One, Harry Bridges is shown leaving the city hall and the accompanying editorial comment says this was shortly before the riots. In fact, he arrived shortly after the rioters had been cleared by the use of fire hoses. The important fact is that Harry Bridges was there. Two, a sequence taken on Saturday was included in the Thursday sequence. David Hope stated in the Oakland Tribune, January 25, 1961, "* * * It is astonishing that no more serious mistakes were made in putting the film together and drafting the commentary."

(d) Mayor Christopher, in his statement of January 18, 1961, summed up by saying, "The pictures I believe speak for themselves. They are true. They are authentic. They tell the real story and, of course, at the same time, they are most unfortunate, to say the least."

4. Charge: The hearing room was unfairly "stacked" with those sympathetic to the committee.

Fact: (a) J. Edgar Hoover, in "Communist Target, Youth," stated, "Approximately 25 percent of the spectators in the room were individuals under subpena and their friends, relatives, attorneys, and sympathizers. This group applauded and cheered the antics of Brown and Brodsky and booed, hissed, and ridiculed the committee at every opportunity."

(b) Seven Baptist ministers from the San Francisco Bay area, who were in attendance at the hearings, issued a joint statement which was printed on May 17, 1960, in the publication of the Foothill Baptist Church, 1530 Foothill Boulevard, Oakland, Calif., which stated, in part: "We sat in the rear of the room (hearing room) on a raised platform where we could easily observe the proceedings, right in the midst of the student demonstrators. We studied the crowd carefully for hours and could easily discern which were the masterminds of the mob riots. It is our certain conviction that this indefensible demonstration against law and order was conceived, planned and directed by a few hard-core Communist agitators who were carrying out their textbook orders on insurrection with classic success."

These statements, as well as the film sequences taken within the hearing room, make it all too plain that, if anything, too many persons actively opposed to the Committee on Un-American Activities were inside the hearing room.

5. Charge: Sheriff Carberry of San Francisco stated, "There was no act of physical aggression on the part of the students."

Fact: The above quotation was attributed to Sheriff Carberry by Paul Jacobs in his article attacking the film which was published in the November 24, 1960, issue of the Reporter magazine. On December 6, 1960, Sheriff Carberry issued the following statement concerning the above quote:

"I did not make that statement. I do not know the author of the article, Paul Jacobs, and have never spoken to him and have never been interviewed by him.

"I was on the scene on Thursday and Friday (May 12 and 13) up to luncheon time when I went for a luncheon conference with the chairman of the committee, Mr. WILLIS. The disorders took place during the luncheon and I was in no position to know anything about them.

"I did not make that statement."

6. Charge: The film fails to name non-Communist groups by whom the protest against the committee was endorsed.

Fact: No one disputes that assertion. The important fact here is that those who were part of the rioting group responded to the orders and directions of known, identifiable Communists. Furthermore, the HCUA might have been subject to justifiable criticism, if in the course of naming and identifying the known Communists who are shown in the film, the names of other, non-Communist groups and persons were mentioned. The HCUA showed admirable and patriotic restraint in not identifying those groups so that the groups could not be subjected to "guilt by association."

7. Charge: Judge Axelrod, presiding judge of the San Francisco municipal court where the rioters were brought, stated: "I am convinced that they (the rioters) are not engaged in subversive activities nor in spreading subversive propaganda."

Fact: In a news article in the December 25, 1960, Washington Post, dateline San Francisco, December 24, 1960 (AP), Judge Axelrod is quoted as saying, "At no time did I condone their conduct. A single sentence (ed.: the one quoted above in the charge) from my decision, quoted out of context, created that false impression. * * * " After the sentence quoted above, the judge went on to say, "However, they chose the wrong means to accomplish their purpose and let themselves become victims of those who profit by creating unrest, riots and the type of conduct which is outlawed by the penal code section I have quoted. As the result, they were arrested, fingerprinted, and photographed, and their efforts achieved a directly opposite result."

8. Charge: The film used to make "Operation Abolition" was obtained by the HCUA improperly and before the private TV stations which took the film could view it. Also, no credit lines are given. Furthermore, the sale of this film by a private firm is in violation of the copyrights of the stations which took the films.

Fact: (a) The film was obtained by subpena, which is the normal legal way that evidence is obtained by any investigatory body or court of law. The TV people who took the film made no objections to this procedure. A copy of the film was made by Video Productions, Inc., Washington, at the request of the HCUA and quickly returned to the stations.

(b) No credit lines were placed on the film because the film was presented as an official document of the HCUA to be submitted to the Congress. In such cases, credit lines are not normally included, for the document is officially authenticated by the presenting committee and not by a private individual or firm.

(c) No copyright infringement suits have been filed against Video Productions, Inc., nor are any planned, so far as is known.

9. Charge: The film must be inaccurate because of all the furor and controversy that it has created.

Fact: Dave Hope, writing in the Oakland Tribune of January 25, 1961, sums it up: "From the audience reaction (to the film) I would say it is extremely effective and that is why extraordinary effort is made to discredit it. Few people have seen Communists in action. Here they are shown when called before the hearing, screaming imprecations, insults, and contempt at a committee of the U.S. Congress. Almost maniacal in their challenge to law and order, they present an ugly picture that cannot be adequately described in words but becomes all too vivid in the film. For those who took part in the riot and their apologists, the film is just too accurate, too revealing. That's why it is so bitterly attacked."

SENATE

WEDNESDAY, MARCH 22, 1961

The Senate met at 12 o'clock meridian, and was called to order by the Vice President.

Archbishop Vasili, of the Byelorussian Autocephalic Orthodox Church, Brooklyn, N.Y., offered the following prayer:

In the name of the Father, and the Son, and the Holy Ghost. The most high and eternal God.

This prayer we make to Thee on this anniversary of the declaration of independence of Byelorussia, whose freedom was suppressed with brute, godless force, whose millions of martyrs before Thy throne cry to Thee: Exercise Thy justice, restore our freedom and the freedom of all oppressed peoples.

In this solemn hour we beseech Thee, our God and Father, be gracious unto us, for Thou art great and doest wondrous things. Thou art our God alone, full of grace and truth, glory and majesty.

Merciful God, Thou hast blessed the people of this country, for Thou loveth righteousness, and hateth wickedness. Thou hast preached freedom on this earth, and made it the foundation of life for men. Bless the leaders and lawgivers of this country, strengthen their hearts with Thy grace, as they strive for Thy truth and freedom everywhere, for all suffering and oppressed peoples.

We humbly bow our heads before Thee, our God and Saviour, and faithfully implore Thee: Accept this, our prayer; bless the United States of America and Byelorussia.

May Thy glorious name, our God and Redeemer, reign and shine in our hearts and be blessed now and forever. Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, March 21, 1961, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILL

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on March 21, 1961, the President had approved and signed the act (S. 451) to authorize the distribution of copies of the CONGRESSIONAL RECORD to former Members of Congress requesting such copies.

FOREIGN AID—MESSAGE FROM THE PRESIDENT (H. DOC. NO. 117)

The VICE PRESIDENT. The Chair lays before the Senate a message from the President of the United States on foreign aid. The Chair is informed that the message has been read in the House, and, without objection, it will be printed in the RECORD at this point and referred to the Committee on Foreign Relations.

The message was referred to the Committee on Foreign Relations, as follows:

To the Congress of the United States:

This Nation must begin any discussion of foreign aid in 1961 with the recognition of three facts:

1. Existing foreign aid programs and concepts are largely unsatisfactory and unsuited for our needs and for the needs of the underdeveloped world as it enters the sixties.

2. The economic collapse of those free but less-developed nations which now stand poised between sustained growth and economic chaos would be disastrous to our national security, harmful to our comparative prosperity and offensive to our conscience.

3. There exists, in the 1960's, a historic opportunity for a major economic assistance effort by the free industrialized nations to move more than half the people of the less-developed nations into self-sustained economic growth, while the rest move substantially closer to the day when they, too, will no longer have to depend on outside assistance.

I

Foreign aid: America's unprecedented response to world challenges has not been the work of one party or one administration. It has moved forward under the leadership of two great Presidents—Harry Truman and Dwight Eisenhower—and drawn its support from forward-looking members of both political parties in the Congress and throughout the Nation.

Our first major foreign aid effort was an emergency program of relief—of food and clothing and shelter—to areas devastated by World War II. Next we embarked on the Marshall plan—a towering and successful program to rebuild the economies of Western Europe and prevent a Communist takeover. This was followed by point 4—an effort to make scientific and technological advances available to the people of developing nations. And recently the concept of development assistance, coupled with the OECD, has opened the door to a united free world effort to assist the economic and social development of the less-developed areas of the world.

To achieve this new goal we will need to renew the spirit of common effort which lay behind our past efforts—we must also revise our foreign aid organization, and our basic concepts of operation to meet the new problems which now confront us.

For no objective supporter of foreign aid can be satisfied with the existing program—actually a multiplicity of programs. Bureaucratically fragmented, awkward and slow, its administration is diffused over a haphazard and irrational structure covering at least four departments and several other agencies. The program is based on a series of legislative measures and administrative procedures conceived at different times and for different purposes, many of them now obsolete, inconsistent and unduly rigid and thus unsuited for our present needs and purposes. Its weaknesses have begun to undermine confidence in our effort both here and abroad.

The program requires a highly professional skilled service, attracting substantial numbers of high caliber men and women capable of sensitive dealing with other governments, and with a deep understanding of the process of economic development. However, uncertainty and declining public prestige have all contributed to a fall in the morale and efficiency of those employees in the field who are repeatedly frustrated by the delays and confusions caused by overlapping agency jurisdictions and unclear objectives. Only the persistent efforts of those dedicated and hard-working public servants who have kept the program going, managed to bring some success to our efforts overseas.

In addition, uneven and undependable short-term financing has weakened the incentive for the long-term planning and self-help by the recipient nations which are essential to serious economic development. The lack of stability and continuity in the program—the necessity to accommodate all planning to a yearly deadline—when combined with a confusing multiplicity of American aid agencies within a single nation abroad—have reduced the effectiveness of our own assistance and made more difficult the task of setting realistic targets and sound standards. Piecemeal projects, hastily designed to match the rhythm of the fiscal year are no substitute for orderly long-term planning. The ability to make long-range commitments has enabled the Soviet Union to use its aid program to make developing nations economically dependent on Russian support—thus advancing the aims of world communism.

Although our aid programs have helped to avoid economic chaos and collapse, and assisted many nations to maintain their independence and freedom—nevertheless it is a fact that many of the nations we are helping are not much nearer sustained economic growth than they were when our aid operation began. Money spent to meet crisis situations or short-term political objectives while helping to maintain national integrity and independence has rarely moved the recipient nation toward greater economic stability.

II

In the face of these weaknesses and inadequacies—and with the beginning of a new decade of new problems—it is proper that we draw back and ask with candor a fundamental question: Is a foreign aid program really necessary? Why should we not lay down this burden which our Nation has now carried for some 15 years?

The answer is that there is no escaping our obligations: our moral obligations as a wise leader and good neighbor in the interdependent community of free nations—our economic obligations as the wealthiest people in a world of largely poor people, as a nation no longer dependent upon the loans from abroad that once helped us develop our own economy—and our political obligations as the single largest counter to the adversaries of freedom.

To fail to meet those obligations now would be disastrous; and, in the long run, more expensive. For widespread poverty and chaos lead to a collapse of existing political and social structures which would inevitably invite the advance of totalitarianism into every weak and unstable area. Thus our own security would be endangered and our prosperity imperiled. A program of assistance to the underdeveloped nations must continue because the Nation's interest and the cause of political freedom require it.

We live at a very special moment in history. The whole southern half of the world—Latin America, Africa, the Middle East, and Asia—are caught up in the adventures of asserting their independence and modernizing their old ways of life. These new nations need aid in loans and technical assistance just as we in the northern half of the world drew successively on one another's capital and know-how as we moved into industrialization and regular growth.

But in our time these new nations need help for a special reason. Without exception they are under Communist pressure. In many cases, that pressure is direct and military. In others, it takes the form of intense subversive activity designed to break down and supersede the new—and often frail—modern institutions they have thus far built.

But the fundamental task of our foreign aid program in the 1960's is not negatively to fight communism: Its fundamental task is to help make a historical demonstration that in the 20th century, as in the 19th—in the southern half of the globe as in the north—economic growth and political democracy can develop hand in hand.

In short we have not only obligations to fulfill, we have great opportunities to realize. We are, I am convinced, on the threshold of a truly united and major effort by the free industrialized nations to assist the less-developed nations on a long-term basis. Many of these less-developed nations are on the threshold of achieving sufficient economic, social and political strength and self-sustained growth to stand permanently on their own feet. The 1960's can be—and must be—the crucial "decade of development"—the period when many less-developed nations make the transition into self-sustained growth—the period in which an enlarged community of free, stable, and self-reliant nations can reduce world tensions and insecurity. This goal is in our grasp if, and only if, the other industrialized nations now join us in developing with the recipients a set of commonly agreed criteria, a set of long-range goals, and a common undertaking to meet those goals, in which each nation's contribution is related to the contributions of others and to the precise needs of each less-developed nation. Our job, in its largest sense, is to create a new partnership between the northern and southern halves of the world, to which all free nations can contribute, in which each free nation must assume a responsibility proportional to its means.

We must unite the free industrialized nations in a common effort to help those nations within reach of stable growth get underway. And the foundation for this unity has already been laid by the creation of the OECD under the leadership of President Eisenhower. Such a unified effort will help launch the economies of the newly developing countries "into orbit"—bringing them to a stage of self-sustained growth where extraordinary outside assistance is not required. If this can be done—and I have every reason to hope it can be done—then this decade will be a significant one indeed in the history of freemen.

But our success in achieving these goals, in creating an environment in which the energies of struggling peoples can be devoted to constructive purposes in the world community—and our success in enlisting a greater common effort toward this end on the part of other industrialized nations—depends to a large extent upon the scope and continuity of our own efforts. If we encourage recipient countries to dramatize a series of short-term crises as a basis for our aid—instead of depending on a plan for long-term goals—then we will dissipate our funds, our good will and our leadership. Nor will we be any nearer to either our security goals or to the end of the foreign aid burden.

In short, this Congress at this session must make possible a dramatic turning point in the troubled history of foreign aid to the underdeveloped world. We must say to the less-developed nations, if they are willing to undertake necessary internal reform and self-help—and to the other industrialized nations, if they are willing to undertake a much greater effort on a much broader scale—that we then intend during this coming decade of development to achieve a decisive turnaround in the fate of the less developed world, looking toward the ultimate day when all nations can be self-reliant and when foreign aid will no longer be needed.

However, this will not be an easy task. The magnitude of the problems is staggering. In Latin America, for example, population growth is already threatening to outpace economic growth—and in some parts of the continent living standards are actually declinging. In 1945 the population of our 20 sister American Republics was 145 million. It is now greater than that of the United States, and by the year 2000, less than 40 years away, Latin American population will be 592 million, compared with 312 million for the United States. Latin America will have to double its real income in the next 30 years simply to maintain already low standards of living. And the problems are no less serious or demanding in the other developing areas of the world. Thus to bring real economic progress to Latin America and to the rest of the less-developed world will require a sustained and united effort on the part of the Latin American Republics, the United States, and our free world allies.

This will require leadership by this country in this year. And it will require a fresh approach—a more logical, efficient and successful long-term plan—for American foreign aid. I strongly recommend to the Congress the enactment of such a plan, as contained in a measure to be sent shortly to the Congress and described below.

III

If our foreign aid funds are to be prudently and effectively used, we need a whole new set of basic concepts and principles:

1. Unified administration and operation: A single agency in Washington and the field, equipped with a flexible set of tools, in place of several competing and confusing aid units.

2. Country plans: A carefully thought through program tailored to meet the needs and the resource potential of each individual country, instead of a series of individual, unrelated projects. Frequently, in the past, our development goals and projects have not been undertaken as integral steps in a long-range economic development program.

3. Long-term planning and financing: The only way to make meaningful and economical commitments.

4. Special emphasis on development loans repayable in dollars, more conducive to businesslike relations and mutual respect than sustaining grants or loans repaid in local currencies, although some instances of the latter are unavoidable.

5. Special attention to those nations most willing and able to mobilize their own resources, make necessary social and economic reforms, engage in long-range planning, and make the other efforts necessary if these are to reach the stage of self-sustaining growth.

6. Multilateral approach: A program and level of commitments designed to encourage and complement an increased effort by other industrialized nations.

7. A new agency with new personnel, drawing upon the most competent and dedicated career servants now in the field, and attracting the highest quality from every part of the Nation.

8. Separation from military assistance: Our program of aid to social and economic development must be seen on its own merits, and judged in the light of its vital and distinctive contribution to our basic security needs.

IV

I propose that our separate and often confusing aid programs be integrated into a single administration embracing the present Washington and field operations of—

A. The International Cooperation Administration (ICA) and all its technical assistance (point 4) and other programs.

B. The Development Loan Fund (DLF).

C. The food-for-peace program (Public Law 480) in its relations with other countries, while also recognizing its essential role in our farm economy.

D. The local currency lending activities of the Export-Import Bank.

E. The Peace Corps, recognizing its distinctive contribution beyond the area of economic development.

F. The donation of nonagricultural surpluses from other national stockpiles of excess commodities or equipment.

G. All other related staff and program services now provided by the Department of State as well as ICA.

The fieldwork in all these operations will be under the direction of a single mission chief in each country reporting to the American Ambassador. This is intended to remove the difficulty which the aided countries and our own field personnel sometimes encounter in finding the proper channel of decisionmaking. Similarly, central direction and final responsibility in Washington will be fixed in an administrator of a single agency—reporting directly to the Secretary of State and the President—working through Washington directors for each major geographical area, and through the directors of the constituent resource units whose functions are drawn together in each national plan; a development lending organization, food for peace, the Peace Corps, and a unit for technical and other assistance stressing education and human resources—initiating a program of research, development and scientific evaluation to increase the effectiveness of our aid effort; and in addition, the Secretary of State will coordinate with economic aid the military assistance program administered by the Department of Defense, the related operations of the Export-Import Bank, and the role of the United States in the Inter-American Fund for Social Progress and activities of international organizations.

Under the jurisdiction of both the Secretary of State in Washington and the Ambassadors in the field, foreign aid can more effectively play its part as an effective instrument of our overall efforts for world peace and security. The concentration of responsibilities and increased status will both require and attract high-caliber personnel. Programs such as the Peace Corps and food for peace, far from being submerged, will be used more effectively and their distinctive identity and appeal preserved—and food for peace will continue to be based on availabilities determined by the Department of Agriculture.

But I am not proposing merely a reshuffling and relabeling of old agencies and their personnel, without regard to their competence. I am recommending the replacement of these agencies with a new one—a fresh start under new leadership.

V

But new organization is not enough. We need a new working concept.

At the center of the new effort must be national development programs. It is essential that the developing nations set for themselves sensible targets; that these targets be based on balanced programs for their own economic, educational, and social growth—programs which use their own resources to the maximum. If planning assistance is required, our own aid organization will be prepared to respond to requests for such assistance, along with the International Bank for Reconstruction and Development and other international and private institutions. Thus, the first requirement is that each recipient government seriously undertake to the best of its ability on its own those efforts of resource mobilization, self-help, and internal reform—including land reform, tax reform, and improved education and social justice—which its own development requires and which would increase its capacity to absorb external capital productively.

These national development programs—and the kind of assistance the free world provides—must be tailored to the recipients' current stage of development and their foreseeable potential. A large infusion of development capital cannot now be absorbed by many nations newly emerging from a wholly underdeveloped condition. Their primary need at first will be the development of human resources, education, technical assistance and the groundwork of basic facilities and institutions necessary for further growth. Other countries may possess the necessary human and material resources to move toward status as developing nations, but they need transitional assistance from the outside to enable them to mobilize those resources and move into the more advanced stage of development where loans can put them on their feet. Still others already have the capacity to absorb and effectively utilize substantial investment capital.

Finally, it will be necessary, for the time being, to provide grant assistance to those nations that are hard pressed by external or internal pressure, so that they can meet those pressures and maintain their independence. In such cases it will be our objective to help them, as soon as circumstances permit, make the transition from instability and stagnation to growth; shifting our assistance as rapidly as possible from a grant to a development loan basis. For our new program should not be based merely on reaction to Communist threats or short-term crises. We have a positive interest in helping less-developed nations provide decent living standards for their people and achieve sufficient strength, self-respect and independence to become self-reliant members of the community of nations. And thus our aid should be conditioned on the recipients' ability and willingness to take the steps necessary to reach that goal.

To meet the varied needs of many nations, the new aid administration will have a flexible set of tools, coordinated and shaped to fit each national development program: the grant or sale—for either local currency or dollars with special repayment terms—of surplus foods, equipment and other items; technical assistance; skilled manpower from the Peace Corps; development grants; transitional, sustaining or emergency grants; development loans repayable in local currency; and development loans repayable in dollars, with special terms of repayment that will meet the needs of the recipient country. These tools will be coordinated with the activities of the Export-Import Bank, and with loan and investment guarantees to private enterprise.

The instrument of primary emphasis—the single most important tool—will be long-term development loans at low or no rates of interest, repayable in dollars, and designed to promote growth in those less-developed nations which have a real chance for ultimate self-reliance but which lack the ability to service loans from normal lending institutions. The terms of repayment will vary from as long as 50 years for those countries just starting on the road to development, to a much shorter period of time for those countries that are nearing the stage of self-sufficient growth.

Such long-term loans are preferable to outright grants, or "soft loans" repayable in local currencies that are of little benefit to the American taxpayer. The emphasis on low or interest-free loans is not designed to undercut other institutions. The objective is to rely on flexibility in the repayment period and the requirement of ultimate dollar repayment for insuring strict accountancy while meeting individual needs in an area not met by suppliers of capital on normal terms.

Lending on these terms is not normal banking practice. We are banking on the emergence over coming years and decades of a group of independent, growing, self-reliant nations.

VI

A program based on long-range plans instead of short-run crises cannot be financed on a short-term basis. Long-term authorization, planning and financing are the key to the continuity and efficiency of the entire program. If we are unwilling to make such a long-term commitment, we cannot expect any increased response from other potential donors or any realistic planning from the recipient nations.

I recommend, therefore, an authorization for the new aid agency of not less than 5 years, with borrowing authority also for 5 years to commit and make dollar repayable loans within the limits spelled out below. No other step would be such a clear signal of our intentions to all the world. No other step would do more to eliminate the restrictions and confusions which have rendered the current foreign aid program so often ineffective. No other step would do more to help obtain the service of top-flight personnel. And in no other way can we encourage the less-developed nations to make a sustained national effort over a long-term period.

For, if we are to have a program designed to brighten the future, that program must have a future. Experience has shown that long-range needs cannot be met evenly and economically by a series of 1-year programs. Close consultation and cooperation with the Congress and its committees will still be essential, including an annual review of the program.

And we will still need annual appropriations of those amounts needed to meet requirements for which dollar repayable loans would be unsuitable. These appropriations should be available until spent in order to avoid any wasteful rush to obligate funds at the end of a fiscal year.

The new continuity and flexibility this kind of long-term authority will bring cannot help but result in more productive criteria, a greater effort on the part

of the developing nations, greater contributions from our more prosperous allies, more solid results and real long-run economy to the taxpayers. The new emphasis on long-term plans and realistic targets will give both the Congress and the Executive a better basis for evaluating the validity of our expenditures and progress.

VII

A long-term program and borrowing authority, even though limited, will enable us to demonstrate the seriousness of our intentions to other potential donors and to the less-developed world. Over the next 5 years, the economic program here proposed, together with an expanded food-for-peace program as recommended in my agricultural message, and project loans by the Export-Import Bank, will constitute direct U.S. economic assistance activity of considerable magnitude.

It will, however, take time to institute the new concepts and practices which are proposed. Thus, during this initial year, while we will need to make the necessary long-term commitments for development lending, it is unnecessary to ask the Congress for any additional funds for this year's program.

Consequently, while the funds requested by my predecessor will be sharply shifted in terms of their use and purpose, I am asking the Congress for a total foreign aid budget of new obligational authority no greater than that requested in the rockbottom budget previously submitted ($4 billion) despite the fact that the number of new nations needing assistance is constantly increasing; and, though increasing such authority for nonmilitary aid while reducing military assistance, this budget provides for a level of actual expenditures on nonmilitary aid no greater than reflected in the previous budget—$1.9 billion. These figures do not, of course, reflect Public Law 480 operations.

In deciding on this program, I have also carefully considered its impact on our balance of payments. We are now putting maximum emphasis, in both our development lending and grant aid programs, on the procurement of goods and services of U.S. origin. As I pointed out in my message on the balance of payments, under present procedures not more than 20 percent of foreign economic aid expenditures will affect our balance of payments. This means that approximately $2 billion out of the requested $2.4 billion in economic aid will be spent directly for goods and services benefiting the American economy.

This is important. For not only do we have the highest gross national product, both total and per capita, of any country in the world, thus making clear both our obligations and our capacity to do our full part, but we are currently underutilizing our great economic capacity because of economic recession and slack. Less than 80 percent of our industrial capacity is now in use, and nearly 7 percent of our labor force is unemployed. Under these circumstances cutbacks in the foreign aid program would be felt not only in loss of economic progress and hope abroad but in loss of markets and income for business, labor, and agriculture at home.

In short, this program will not in whole or in part unbalance the previous budget in any fashion. Its impact on our balance of payments will be marginal. And its benefits for our domestic economy should not be overlooked.

The $4 billion previously requested for fiscal year 1962 will be reallocated under this new program as follows:

Military assistance will be reduced from the $1.8 billion requested to $1.6 billion, as discussed below.

Economic assistance, with a much greater portion going to development loans, a small increase in development grants, and a reduction in sustaining grants, will total $2.4 billion.

Of this, $1.5 billion will be contained in the usual annual appropriation of new obligational authority to finance the part of the program that is not suitable for dollar development loans: Grants for education, social progress and institutional development, the Peace Corps, and sustaining aid; $900 million will be available for long-term low or interest-free development loans to be repaid in dollars, financed through an authorization of public debt borrowing authority which would also provide no more than $1.6 billion for each of the succeeding 4 years. Also to be made available for such loans under the new system of full coordination will be the unappropriated dollar funds now coming in in repayment of the principal and interest on certain previous loans to foreign governments—United Kingdom, ECA, GARIOA, and others—but not the Export-Import Bank.

VIII

The economic programs I am recommending in this message cannot succeed without peace and order. A vital element toward such stability is assurance of military strength sufficient to protect the integrity of these emerging nations while they are advancing to higher and more adequate levels of social and economic well-being.

I shall therefore request the Congress to provide at this time $1.6 billion for provision of military assistance. This figure is the amount required to meet the U.S. share in maintaining forces that already exist, and to honor firm existing commitments for the future.

I am frank to say that we cannot now say with precision whether this amount will meet the minimum level of military aid which our basic security policy might demand this year. The emergence of new crises or new conflicts may require us to make an even greater effort.

However, while I have mentioned in this message the amount to be allocated to military assistance, those funds, while coordinated with the policies of the new Agency, will not be administered by it and should not be included in its appropriation. In order to make clear the peaceful and positive purposes of this program, to emphasize the new importance this administration places on economic and social development quite apart from security interests, and to make clear the relation between the military assistance program and those interests, I shall propose a separate authorization for military assistance with appropriations as part of the Defense budget. Moreover, to the extent that world security conditions permit, military assistance will in the future more heavily emphasize the internal security, civil works and economic growth of the nations thus aided. By this shift in emphasis, we mean no lessening of our determination to oppose local aggression wherever it may occur. We have demonstrated our will and ability to protect free world nations—if they so desire—from the type of external threat with which many of them are still confronted. We will not fall short on this.

IX

The levels on which this new program is based are the minimum resulting from a hard reappraisal of each type of assistance and the needs of the less-developed world. They demonstrate both to the less-developed nations and to the other industrialized nations that this country will meet its fair share of effort necessary to accomplish the desired objective, and their effort must be greater as well. These are the rockbottom minimum of funds necessary to do the job. To provide less would be wasteful, perhaps more wasteful, than to provide more. Certainly it would be wasteful to the security interest of the free world.

But I am hopeful that the Congress will not provide less. Assistance to our fellow nations is a responsibility which has been willingly assumed and fashioned by two great Presidents in the past, one from each party—and it has been supported by the leaders of both parties in both Houses who recognized the importance of our obligations.

I believe the program which I have outlined is both a reasonable and sensible method of meeting those obligations as economically and effectively as possible. I strongly urge its enactment by the Congress, in full awareness of the many eyes upon us—the eyes of other industrialized nations, awaiting our leadership for a stronger united effort—the eyes of our adversaries, awaiting the weakening of our resolve in this new area of international struggle—the eyes of the poorer peoples of the world, looking for hope and help, and needing an incentive to set realistic long-range goals—and, finally, the eyes of the American people, who are fully aware of their obligations to the sick, the poor and the hungry, wherever they may live. Thus, without regard to party lines, we shall take this step not as Republicans or as Democrats but as leaders of the free world. It will both befit and benefit us to take this step boldly. For we are launching a decade of development on which will depend, substantially, the kind of world in which we and our children shall live.

JOHN F. KENNEDY.

THE WHITE HOUSE, *March 22, 1961.*

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, informed the Senate that, pursuant to the provisions of section 1, Public Law 86–719, the Speaker had appointed, on the part of the House, the

following members from private life of the U.S. Citizens Commission on NATO: Mr. W. L. Clayton, of Texas, Mr. George J. Feldman, of New York, Mr. Hugh Moore, of Pennsylvania, Mr. Ralph D. Pittman, of the District of Columbia, Mr. Donald G. Agger of Maryland, Mr. Eric Johnston, of the District of Columbia, Mr. Adolph W. Schmidt, of Pennsylvania, Mr. Oliver C. Schroeder, Jr., of Ohio, Mr. Burr S. Swezey, Sr., of Indiana, and Mr. Morris Forgash, of New York.

The message announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4806) to provide for the establishment of a temporary program of extended unemployment compensation, to provide for a temporary increase in the rate of the Federal unemployment tax, and for other purposes.

The message also announced that the House had passed the following bills and joint resolution in which it requested the concurrence of the Senate:

H.R. 484. An act to amend section 1502 of title 38, United States Code, to provide vocational rehabilitation to certain veterans in need thereof to overcome the handicap of a disability incurred in or aggravated by active service after World War II and before the Korean conflict, or after the Korean conflict;

H.R. 1258. An act to amend the Longshoremen's and Harbor Workers' Compensation Act, as amended, to provide increased benefits in case of disabling injuries, and for other purposes;

H.R. 4363. An act to amend Public Law 86–272 relating to State taxation of interstate commerce;

H.R. 4469. An act to amend the Subversive Activities Control Act of 1950 so as to provide that no individual who willfully fails or refuses to answer, or falsely answers, certain questions relating to subversive activities, when summoned to appear before certain Federal agencies, shall be employed on any merchant vessel of the United States or within certain waterfront facilities in the United States;

H.R. 4539. An act to amend section 723 of title 38 of the United States Code to provide for immediate payment of dividends on insurance heretofore issued under section 621 of the National Service Life Insurance Act of 1940 which has been converted or exchanged for new insurance under such section, and for other purposes;

H.R. 5189. An act to amend the Internal Revenue Code of 1954 to exempt from tax income derived by a foreign central bank of issue from obligations of the United States;

H.R. 5463. An act to amend and extend the Sugar Act of 1948, as amended; and

H.J. Res. 124. Joint resolution to provide for amending section 3 of the Puerto Rican Federal Relations Act (64 Stat. 319), as amended (64 Stat. 458).

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 307. An act to authorize certain beach erosion control of the shore in San Diego County, Calif.;

S. 449. An act to extend the time in which the Outdoor Recreation Resources Review Commission shall submit its final report;

S. 1028. An act to amend the transitional provisions of the act approved August 7, 1959, entitled "Nematocide, Plant Regulator, Defoliant, and Desiccant Amendment of 1959"; and

S. 1116. An act to authorize the sale, without regard to the 6-month waiting period prescribed, of certain calcines and matte proposed to be disposed of pursuant to the Strategic and Critical Materials Stock Piling Act.

HOUSE BILLS AND JOINT RESOLUTION REFERRED

The following bills and joint resolution were severally read twice by their titles and referred as indicated:

H.R. 848. An act to amend section 1502 of title 38, United States Code, to provide vocational rehabilitation to certain veterans in need thereof to overcome the handicap of a disability incurred in or aggravated by active service after World War II and before the Korean conflict, or after the Korean conflict; and

H.R. 1258. An act to amend the Longshoremen's and Harbor Workers' Compensation Act, as amended, to provide increased benefits in case of disabling injuries, and for other purposes; to the Committee on Labor and Public Welfare.

H.R. 4363. An act to amend Public Law 86–272 relating to State taxation of interstate commerce;

H.R. 4539. An act to amend section 723 of title 38 of the United States Code to provide for immediate payment of dividends on insurance heretofore issued under section 621 of the National Service Life Insurance Act of 1940 which has been converted or exchanged for new insurance under such section, and for other purposes;

H.R. 5189. An act to amend the Internal Revenue Code of 1954 to exempt from tax income derived by a foreign central bank of issue from obligations of the United States; and

H.R. 5463. An act to amend and extend the Sugar Act of 1948, as amended; to the Committee on Finance.

H.R. 4469. An act to amend the Subversive Activities Control Act of 1950 so as to provide that no individual who willfully fails or refuses to answer, or falsely answers, certain questions relating to subversive activities, when summoned to appear before certain Federal agencies, shall be employed on any merchant vessel of the United States or within certain waterfront facilities in the United States; to the Committee on the Judiciary.

H.J. Res. 124. Joint resolution to provide for amending section 3 of the Puerto Rico Federal Relations Act (64 Stat. 319), as amended (64 Stat. 458); to the Committee on Interior and Insular Affairs.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. MANSFIELD. Mr. President, under the rule, there will be the usual morning hour for the transaction of routine business. I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. MANSFIELD, and by unanimous consent, the Committee on Finance was authorized to meet during the session of the Senate today.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of executive business, to consider the nomination on the calendar.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. MAGNUSON, from the Committee on Interstate and Foreign Commerce:

Frank P. Briggs, of Missouri, to be Assistant Secretary for Fish and Wildlife, Department of the Interior;

John W. Bush, of Ohio, to be an Interstate Commerce Commissioner;

William H. Tucker, of Massachusetts, to be an Interstate Commerce Commissioner;

Capt. Donald M. Morrison, Capt. Ned W. Sprow, Capt. Irvin J. Stephens, and Capt. James A. Alger, Jr., for promotion to the permanent rank of rear admiral in the U.S. Coast Guard; and

Edwin K. McCaffrey, and sundry other persons, for permanent appointment in the Coast and Geodetic Survey.

By Mr. ANDERSON, from the Committee on Interior and Insular Affairs:

Ralphael M. Palewonsky, of the Virgin Islands, to be Governor of the Virgin Islands.

The VICE PRESIDENT. If there be no further reports of committees, the nomination on the calendar will be stated.

PEACE CORPS

The Chief Clerk read the nomination of Robert Sargent Shriver, Jr., of Illinois, to be Director of the Peace Corps.

Mr. DIRKSEN. Mr. President, Sargent Shriver comes from Illinois. He has served with distinction, as I think is agreed by all, as president of the Chicago Board of Education. He has been named Director of the Peace Corps.

Although I recognize there is some controversy about the Peace Corps as a function, I believe, however, that Sargent Shriver will bring to it a sense of dedication and diligence and a deft touch. If this kind of an operation can succeed at all, certainly it can succeed under his direction and management; and I completely approve this nomination.

Mr. MANSFIELD. Mr. President, will the Senator from Illinois yield?

Mr. DIRKSEN. I yield.

Mr. MANSFIELD. I wish to join the distinguished minority leader in what he has said just now; and I wish to join him in expressing the hope that with the creation of this Corps, the choice of applicants will be very selective, and

that there will not be brought into the Corps anyone who will think of it as a joyride, or will come in because he may get a trip at governmental expense, or will come in because he is only emotionally involved. The Corps does give us an opportunity, of course, to make effective use of the idealism and good will that has always flourished in this country. Those who are selected for this organization will, in effect, be ambassadors, each in his own right, to represent our country overseas.

So, Mr. President, on the basis of conversations had with Mr. Shriver and the testimony taken before the Foreign Relations Committee, I am hopeful that he will be very selective and very careful, so that we shall obtain the most competent young and old Americans in this Corps, which can do so much good, but if not directed correctly, could do us considerable harm.

Mr. DIRKSEN. Mr. President, in view of the gracious remarks of the majority leader, I might amplify a little further: I have had rather extended meetings with Sargent Shriver, and we have discussed in great detail this entire matter.

I believe he is mindful of the dangers involved, and believes that they can be surmounted. After all, this is not a new operation, in the sense that a comparable type of work has been going on in this country and in other countries, as well, by the Society of Friends, commonly known as the Quakers; the United Brethren; the Mormons; and international voluntary services, all of whom have been active in this field over a long period of time in what I think is a rather comparable effort. The emphasis has been in the creature field—on health, medical care, housing, shelter, food, and the prevention and cure of disease. Of course, the people can readily understand those things.

This work does require training, indoctrination, and certain skills; and the success of the program will be measured in large degree, I believe, by the kind of training those in it receive. That training is to be given, as I understand, insofar as possible, at a number of universities during the summer season, when those facilities will not be in use by the universities themselves.

I am informed that there will be thorough screening, and that every effort will be made to insure that those who do go abroad will have the necessary skills, in order to be able to render efficient service.

I did mention at the time of my discussions with Mr. Shriver that, if necessary, we could follow the general line laid down by the President in his message, when he spoke of this as something of a pilot program. To be sure, the Executive order issued on March 1 will be supplemented by a request for legislation and funds; but there will be an effort to examine carefully the entire matter and to make sure that it is soundly based.

I would also emphasize one other thing: The Peace Corps as an entity is actually in being today. Perhaps that has been forgotten. I am not insensible of the fact that no one other than the headquarters staff has been selected. But the Peace Corps has been established by an Executive order; and funds have been transferred, insofar as that could legally be done, from some of the functions in the mutual security program. So it can be stated that this function is definitely launched and is in being; and from here on it will now have to have the necessary implementation.

Mr. MANSFIELD. Mr. President, I agree with the distinguished minority leader in what he has said. The Corps has been established, and has been established on a legal basis.

I hope the experience of foundations, church groups, missionary groups, and the like will be taken into consideration. I hope the prerequisite will not always be a college diploma, because there are many experienced retired people who can make significant contributions, and there are many of our young farmers—for example, those in the 4–H field—who likewise can make great contributions.

Mr. Shriver has been very forthright, candid, and honest in expressing his views. He is fully aware of the difficulties. I know he will be discreet and careful, and I can think of no better choice for this particular position than this gentleman from the State of Illinois.

Mr. McGEE. Mr. President, I should like to take this opportunity to express deep satisfaction at the nomination of R. Sargent Shriver as Director of the Peace Corps and wish him every possible success in this imaginative and challenging program which has been undertaken by the Kennedy administration.

Mr. Shriver brings to this task a dedication and a fresh and vigorous approach that has come to characterize all the nominations of the President. Mr. Shriver's willingness to accept this post, with no consideration of personal remuneration to himself and with an awareness of the staggering amount of work to be accomplished to make the Peace Corps a success, is a tribute both to the man and to the concept of the Corps.

The objectives of the Peace Corps have caught the imagination and fired the hopes of all America and a large portion of the free world, and I am confident that if future recruits and servants of the Corps possess the abilities and enthusiasm of its Director, Mr. Shriver, they will be extraordinarily successful in making the Peace Corps program a chief instrument of this country's efforts to bring peace and harmony to the world.

At a later date I shall have more to say on the Peace Corps as it develops. It has fired the imaginations of so many of our youth and kindled the hopes of even more to such an extent that we may find it necessary to move faster and on a much broader scale than presently envisioned.

The VICE PRESIDENT. The question is, Will the Senate advise and consent to the nomination?

Without objection, the nomination is confirmed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of this nomination.

The VICE PRESIDENT. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

APPOINTMENTS BY THE VICE PRESIDENT

The VICE PRESIDENT. The chair wishes to announce the appointment of the following persons on the U.S. Citizens' Commission on NATO:

Mr. Charles William Engelhard, Jr., of New Jersey, Mr. Elmo B. Roper, Jr., of Connecticut, Mr. Douglas Wynn, of Mississippi, Mrs. Edith S. Sampson, of Illinois, Mr. Alex Warden, of Montana, Mr. Christian A. Herter, of Massachusetts, Mr. William F. Knowland, of California, Mr. Ben Regan, of Illinois, Mr. David Rockefeller, of New York, and Dr. Francis S. Hutchins, of Kentucky.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following communication and letters, which were referred as indicated:

PROPOSED SUPPLEMENTAL APPROPRIATIONS, RAILROAD RETIREMENT BOARD, AND SOCIAL SECURITY ADMINISTRATION (S. DOC. NO. 22)

A communication from the President of the United States, transmitting proposed supplemental appropriations for the Railroad Retirement Board, in the amount of $24 million, and for the Social Security Administration, in the amount of $30 million, for the fiscal year 1961 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

SETTLEMENT OF UNUSED LEAVE OF CERTAIN MEMBERS OF THE ARMED FORCES

A letter from the Secretary of the Air Force, transmitting a draft of proposed legislation to validate certain payments in settlement of unused accrued leave heretofore made to certain members of the Army and the Air Force (with an accompanying paper); to the Committee on Armed Services.

REPORT ON REVIEW OF CERTAIN ASPECTS OF BUREAU OF INDIAN AFFAIRS PROGRAM

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the review of certain aspects of the program for the termination of Federal supervision over Indian affairs, Bureau of Indian Affairs, Department of the Interior, dated March 1961 (with an accompanying report); to the Committee on Government Operations.

AMENDMENT OF ACT RELATING TO ESTABLISHMENT OF A REGISTER IN DEPARTMENT OF COMMERCE OF CERTAIN MOTOR VEHICLE OPERATORS' LICENSES

A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to amend the act approved July 14, 1960 (74 Stat. 526), relating to the establishment of a register in the Department of Commerce of certain motor vehicle operators' licenses (with an accompanying paper); to the Committee on Interstate and Foreign Commerce.

AMENDMENT OF TITLE 28, UNITED STATES CODE, RELATING TO FEES OF UNITED STATES MARSHALS

A letter from the Attorney General, transmitting a draft of proposed legislation to amend title 28, United States Code, with respect to fees of United States marshals (with an accompanying paper); to the Committee on the Judiciary.

REPORT OF ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS ENTITLED "MODIFICATION OF FEDERAL GRANTS-IN-AID FOR PUBLIC HEALTH SERVICES"

A letter from the Chairman, Advisory Commission on Intergovernmental Relations, Washington, D.C., transmitting, pursuant to law, a report of that Commission entitled "Modification of Federal Grants-in-Aid for Public Health Services," dated January 1961 (with an accompanying report); to the Committee on Labor and Public Welfare.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

A joint resolution of the Legislature of the State of Iowa; to the Committee on the Judiciary:

"SENATE JOINT RESOLUTION 18

"Joint resolution ratifying a proposed amendment to the Constitution of the United States of America relating granting representation in the electoral college to the District of Columbia

"Whereas both Houses of the 86th Congress of the United States of America by a constitutional majority of two-thirds thereof, made the following proposition to amend the Constitution of the United States of America in the following words, to wit:

"'JOINT RESOLUTION PROPOSING AN AMENDMENT TO THE CONSTITUTION OF THE UNITED STATES GRANTING REPRESENTATION IN THE ELECTORAL COLLEGE TO THE DISTRICT OF COLUMBIA

"'*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein)*, That the following article is hereby proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution only if ratified by the legislatures of three-fourths of the several States within 7 years from the date of its submission by the Congress:

"'"ARTICLE—

"'"SECTION 1. The District constituting the seat of the Government of the United States shall appoint in such manner as the Congress may direct:

"'"A number of electors of President and Vice President equal to the whole number of Senators and Representatives in Congress to which the District would be entitled if it were a State, but in no event more than the least populous State; they shall be in addition to those appointed by the States, but they shall be considered, for the purposes of the election of President and Vice President, to be electors appointed by a State; and they shall meet in the District and perform such duties as provided by the 12th article of amendment.

"'"SEC. 2. The Congress shall have the power to enforce this article by appropriate legislation".': Therefore be it

"Resolved and enacted by the General Assembly of the State of Iowa:

"SECTION 1. Ratification. That the said proposed amendment to the Constitution of the United States of America as set forth herein be and the same is hereby ratified and consented to by the State of Iowa and by the General Assembly thereof.

"SEC. 2. Certification. Be it further resolved and enacted, that the certified copies of this enactment and resolution be forwarded by the Governor of this State to the Secretary of State of the United States at Washington, D.C., and to the Presiding Officers of each House of the Congress of the United States.

"W. L. MOOTY,
"President of the Senate.
"HENRY C. NELSON,
"Speaker of the House.
"CARROLL A. LANE,
"Secretary of the Senate.

"Approved March 17, 1961.

"NORMAN A. ERBE,
"Governor."

A resolution of the Senate of the State of New Jersey; to the Committee on the Judiciary:

"SENATE RESOLUTION OF THE STATE OF NEW JERSEY

"Whereas the New Jersey Civil War Centennial Commission, on March 9, 1961, adopted the following resolution; and

"Whereas the Civil War, the greatest internal crisis through which this Nation has passed, was fought at tremendous sacrifice to preserve and to amplify the fundamental law of our land, as set forth originally in the Bill of Rights; and

"Whereas the perpetuation of this Union was guaranteed therewith forever; and

"Whereas the sons of both North and South have subsequently fought side by side for human freedom, justice, and the dignity of the individual among people everywhere; and

"Whereas the Civil War Centennial period has been conceived as a period for commemorating these basic American ideas above all; and

"Whereas the National Civil War Centennial Commission has scheduled its fourth national assembly on the dates of April 11 and 12, 1961, in the city of Charleston, S.C.; and

"Whereas the National Civil War Centennial Commission is a creature of the Congress of the United States; and

"Whereas custom and/or law in the city of Charleston forbids equal hospitality to members of the Negro race; and

"Whereas a national assembly under these conditions would abrogate the fundamental law of our land and the fundamental concepts of human decency and the fundamental guarantees of civil liberties under the New Jersey Constitution; and

"Whereas Mrs. Madaline A. Williams, a member of the Negro race, is a duly appointed member of the New Jersey Civil War Centennial Commission; and

"Whereas Mrs. Williams has served as an elected member of the Essex County delegation of the New Jersey General Assembly, and is currently serving in the elective post of Essex County Register: Now, therefore, be it

"Resolved, That this commission cannot in good conscience, under its sworn obligations, participate in the fourth national assembly; and be it further

"Resolved, That members of all other State Civil War centennial commissions be urged to call upon their respective congressional delegations to demand that the fourth national assembly, as presently conceived, be canceled forthwith as an act of responsible national statesmanship and scheduled for a later date in a location which will respect the fundamental constitutional rights of persons of all races and creeds; and be it further

"Resolved by the Senate of the State of New Jersey, That the foregoing resolution adopted by the New Jersey Civil War Centennial Commission is approved; and be it further

"Resolved, That the secretary of the senate provide the New Jersey Civil War Centennial Commission with a copy of this resolution attested by him in order that the said centennial commission may forward copies hereof to the other State Civil War centennial commissions; and be it further

"Resolved, That the secretary of the senate forward copies of this resolution attested by him to the U.S. Senators from New Jersey and the Members of the House of Representatives from the several congressional districts of New Jersey."

A resolution adopted by the 12th annual conference of the California Society of the American Institute of Park Executives, at Monterey, Calif., favoring the enactment of legislation similar to the Civilian Conservation Corps and the works project program, in order to relieve unemployment; to the Committee on Labor and Public Welfare.

The petition of D. B. Eberhart, of Los Angeles, Calif., relating to the naming and status of the State of Hawaii; to the Committee on Interior and Insular Affairs.

By Mrs. SMITH of Maine:

A joint resolution of the Legislature of the State of Maine; to the Committee on the Judiciary.

"RESOLUTION OF STATE OF MAINE

"Joint resolution to commemorate the establishment of uniform weights and measures

"Whereas the first weights and measures law was enacted by the Congress of the United States 162 years ago on March 2, 1799; and

"Whereas the establishment of uniform weights and measures assisted the infant country by promoting commercial relationships among the States and between this country and the outside world; and

"Whereas the system of uniform weights and measures, thus established, made possible the development of the United States into one of the giant powers of the world; and

"Whereas weights and measures laws in Maine have established consumer business confidence so that all may share the benefits of mass production and handling of commodities; and

"Whereas the week of March 1 to 7 has been set aside to recognize the service of weights and measures and the officials who enforce the laws: Now, therefore, be it

"Resolved, That the Senate of Maine, the House concurring, hereby request that officials of the State and municipalities, business and commercial agencies, and citizens throughout Maine join in appropriate observance of that week, to the end that the general understanding of weights and measures principles may be enhanced and that cooperation among all interests concerned in or affected by weights and measures administration may be encouraged and promoted; and be it further

"Resolved, That a copy of this resolution be sent to the President of the United States, the Secretary of Commerce, the Director of National Bureau of Standards, the Governor of Maine, the Maine Members of Congress and the Maine commissioner of agriculture.

"HARVEY R. PEASE,
"Clerk of the House of Representatives.
"CHESTER T. WINSLOW,
"Secretary of the Senate."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. FULBRIGHT, from the Committee on Foreign Relations, without amendment:

S.J. Res. 66. Joint resolution to amend the joint resolution providing for membership

and participation by the United States in the Inter-American Children's Institute (Rept. No. 84).

By Mr. ANDERSON, from the Committee on Interior and Insular Affairs, with amendments:

S. 107. A bill to authorize the Secretary of the Interior to construct, operate, and maintain the Navajo Indian irrigation project and the initial stage of the San Juan-Chama project as participating projects of the Colorado River storage project, and for other purposes (Rept. No. 83).

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SCOTT:

S. 1405. A bill for the relief of Aram Fayda and his wife, Elena Fayda; to the Committee on the Judiciary.

By Mr. SCOTT (for himself and Mr. CLARK):

S. 1406. A bill to provide for the establishment of national cemeteries in the State of Pennsylvania; to the Committee on Interior and Insular Affairs.

By Mr. McNAMARA (for himself and Mr. HART):

S. 1407. A bill to amend the Civil Service Retirement Act to provide for the inclusion of certain additional types of compensation within the meaning of the term "basic salary" for the purposes of such act; to the Committee on Post Office and Civil Service.

(See the remarks of Mr. McNAMARA when he introduced the above bill, which appear under a separate heading.)

By Mr. YOUNG of Ohio:

S. 1408. A bill to establish and prescribe the functions of a U.S. Department of Aeronautics and Space, and for other purposes; to the Committee on Government Operations.

(See the remarks of Mr. YOUNG of Ohio when he introduced the above bill, which appear under a separate heading.)

By Mr. KEATING (for himself, Mr. BRIDGES, and Mr. HRUSKA):

S. 1409. A bill to provide that each member of the bar of the highest court of a State or of a Federal court shall be entitled to practice before administrative agencies of the United States; to the Committee on the Judiciary.

(See the remarks of Mr. KEATING when he introduced the above bill, which appear under a separate heading.)

By Mr. CARLSON:

S. 1410. A bill to amend title II of the Social Security Act to permit an otherwise qualified disabled widow to receive widow's insurance benefits thereunder even though she has not attained retirement age; to the Committee on Finance.

By Mr. CLARK (for himself and Mr. JAVITS):

S. 1411. A bill to amend the National Defense Education Act; to the Committee on Labor and Public Welfare.

By Mr. FULBRIGHT (for himself and Mr. McCLELLAN):

S. 1412. A bill to authorize the Administrator of General Service to convey certain land situated in the State of Arkansas to the city of Fayetteville, Ark.; to the Committee on Government Operations.

By Mr. ROBERTSON:

S. 1413. A bill to amend section 19 of the Federal Reserve Act and section 18 of the Federal Deposit Insurance Act to remove the authority to limit the rate of interest on time deposits of foreign governments and international financial institutions; to the Committee on Banking and Currency.

By Mr. HUMPHREY (for himself, Mr. BUSH, Mr. BYRD of Virginia, Mr. ENGLE, Mr. JAVITS, and Mr. KUCHEL):

S. 1414. A bill to facilitate the discovery and recovery by the States of unclaimed personal property in the custody of Federal agencies, and for other purposes; to the Committee on Government Operations.

(See the remarks of Mr. HUMPHREY when he introduced the above bill, which appear under a separate heading.)

By McGEE (for himself and Mr. HICKEY):

S. 1415. A bill to declare a national policy on conservation, development, and utilization of natural resources, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. KEATING:

S.J. Res. 67. Joint resolution proposing an amendment to the Constitution of the United States granting to citizens of the United States who have attained the age of 18 the right to vote; to the Committee on the Judiciary.

(See the remarks of Mr. KEATING when he introduced the above joint resolution, which appear under a separate heading.)

RESOLUTION

STUDY FOR A DETERMINATION OF POLICY ON NATIONAL CEMETERIES

Mr. SCOTT (for himself, Mr. CLARK, Mr. MOSS, Mrs. SMITH of Maine, Mr. RANDOLPH, and Mr. McGEE) submitted the following resolution (S. Res. 113); which was referred to the Committee on Interior and Insular Affairs:

Resolved, That the Senate Committee on Interior and Insular Affairs, or any duly authorized subcommittee thereof, is authorized under sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with its jurisdiction specified by rule XXV of the Standing Rules of the Senate, to examine, investigate, and make a complete study of any and all matters pertaining to national cemeteries with a view to establishing and effectuating a uniform national policy with respect to the establishing and maintaining of such national cemeteries.

SEC. 2. For the purposes of this resolution the committee, from the date on which this resolution is agreed to until January 31, 1962, inclusive, is authorized (1) to make such expenditures as it deems advisable; (2) to employ upon a temporary basis, technical, clerical, and other assistants and consultants: *Provided*, That the minority is authorized to select one person for appointment, and the person so selected shall be appointed and his compensation shall be so fixed that his gross rate shall not be less by more than $1,200 than the highest gross rate paid to any other employee; and (3) with the prior consent of the heads of the departments or agencies concerned, and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government.

SEC. 3. The committee shall report its findings, together with its recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than January 31, 1962.

SEC. 4. Expenses of the committee, under this resolution, which shall not exceed $50,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

PROPOSED AMENDMENT OF CIVIL SERVICE RETIREMENT ACT

Mr. McNAMARA. Mr. President, on behalf of my colleague, the junior Senator from Michigan [Mr. HART], and myself, I introduce for appropriate reference, a bill to amend the Civil Service Retirement Act. The bill would provide for the inclusion of certain additional types of compensation within the meaning of the term "basic salary" for the purposes of the act.

Under the present law, premium pay, such as allowances, bonuses, overtime pay, and so on, are not taken into consideration for retirement purposes, even though they form an integral part of the employees' pay.

It is a matter of simple equity that we should figure our civil servants' retirement pay on the basis of their actual gross pay, and not on the basis of some theoretical basic salary.

On behalf of the junior Senator from Michigan and myself I express a sincere hope that the Post Office and Civil Service Committee will give speedy consideration to the provisions of this bill.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 1407) to amend the Civil Service Retirement Act to provide for the inclusion of certain additional types of compensation within the meaning of the term "basic salary" for the purposes of such act, introduced by Mr. McNAMARA (for himself and Mr. HART), was received, read twice by its title, and referred to the Committee on Post Office and Civil Service.

A DRAMATIC SURGE FORWARD IN THIS MISSILE AND SPACE AGE OF CHALLENGE

Mr. YOUNG of Ohio. Mr. President, Americans should applaud President Kennedy's action in assigning to the Air Force the major responsibility for the development of space weapons. It is the first step in eliminating waste, duplication, and inefficiency in our space program. Undoubtedly billions of taxpayers' dollars will be saved, as a result.

Mr. President, Secretary McNamara and Deputy Defense Secretary Gilpatric are to be congratulated on their forthright action. It is encouraging to know that at long last we have an administration which is not afraid to cut through redtape and the innumerable obstacle courses set up by leaders of various services of our Armed Forces each time it appears that their individual empires are threatened.

Many more millions—in fact, billions—of dollars could be saved by uniting all space programs under one authority, thereby eliminating the multiplicity of overlapping agencies which have left our missile, rocket, and space development more tangled than a landlocked octopus.

In some instances the Soviet Union has planned, developed, and placed into operation a missile within the same period of time we completed planning a comparable one.

The Army has its Ordnance Missile Command. The Air Research and Development Command conducts Air Force experimentation, and the Office of Naval Research is in charge of Navy programs.

Under these are many separate and individual committees working independently of one another.

In addition, we have a multiplicity of civilian space agencies. Under them are a dozen research advisory committees on which military personnel serve, and then more than 30 working committees in the Department of Defense on which National Aeronautics and Space Administration members serve.

In short, we have confusion heaped upon confusion, agency upon agency, committee upon committee. Truly, this is a case in which too many bakers spoil the pie.

Mr. President, our need for a unified space program is one of the most serious problems facing the Nation today. We have permitted ourselves to lag behind the Soviet Union in certain aspects of this vital new space age of challenge.

As a result, this Nation has suffered a severe setback, not only in our military potential but also with the hundreds of millions of people in the uncommitted nations of the world. To them the man on the moon is more and more coming to resemble the Russian bear rather than Uncle Sam.

We are only beginning to catch up with, much less to overtake, the Soviet Union in many aspects of space and missile development. The reason for this sad state of affairs is not because it is beyond our capability to do so, but because the previous administration never finally made up its mind it was urgent and imperative that we do so immediately.

If we do not act quickly to bring our space and missile programs under one authority, we shall continue to be enmeshed in a multiplicity of agencies, and the missile lag between us and the Soviet Union will widen.

As we move forward in this fascinating new field of human endeavor, it becomes apparent that it is not only in the area of military objectives that we are losing ground for failing to unify our efforts.

A staff report of the Senate Committee on Aeronautical and Space Sciences released a few months ago, stated:

> The general problem of worldwide communications involves a complex and interrelated set of economic and political as well as technical considerations. Thus any plans require reevaluation of broad national policies in the field of communications. At the present time, such policies do not appear clearly defined. Moreover, the mechanism for establishing policy is unclear.

Mr. President, this report calls for greater coordination between various agencies interested in science and technology, in economics, in diplomacy, in Government industry relationships, and in the exercise of regulatory authority of the Federal Government. It goes on to state:

> This matter becomes of particular importance to the Congress because of the large number of agencies now having cognizance or jurisdiction over various aspects of either communications or space research and operations, and of the unusual degree of coordination this involves.

Among these agencies, Mr. President, are the Department of State, the Department of Defense, the Army, the Navy, the Air Force, the National Aeronautics and Space Administration, the Bureau of the Budget, the Federal Communications Commission, the boondoggling Office of Civil and Defense Mobilization, the U.S. Information Agency, and many others.

This report strongly indicates that we must accelerate our research programs and methods of coordination between various interested Government agencies if we are to keep abreast and move ahead of the Soviet Union in the peaceful uses of outer space.

Perhaps the most telling point made by this study is the recommendation that the executive branch without delay examine elements of public policy concerned with communications specifically as related to: "The identification of central Federal authority for communication policy."

Mr. President, although this excellent study deals specifically with the use of outer space for communications purposes, it is indicative of the multiplicity evident everywhere in our space programs.

Gen. Bernard A. Schriever, Chief of the Air Research and Development Command, testified before our subcommittee of the Committee on Aeronautical and Space Sciences, that authority for direction at the operating management level is not clearly defined because of the division between various services. He testified that the Army, Navy, and Air Force and various civilian agencies, in effect are competing against each other. Then it necessarily follows taxpayers pay and pay and sweat and sweat.

This recent action by President Kennedy will greatly help to correct this unfortunate situation and save taxpayers money. However, there is much more streamlining to be done.

The missile and space race is one we must win if we are to stop Communist military and economic domination of the world. Our space and missile program cost approximately $6 billion last year. The cost will climb rapidly in future years. It is estimated that if the present grave world situation continues we shall be spending between $20 and $25 billion annually before the end of the decade.

We have an abundance of scientific talent and we have the pioneering spirit to take leadership in this age of challenge. Congress has provided and will continue to provide the money. However, we must eliminate duplication and waste in the present program.

Our civilian space and aeronautical science program should be unified under one authority with the creation of a new Cabinet official; Secretary of Aeronautics and Space. Great Britain already has a Ministry of Space and Atomic Research with Cabinet status.

The creation of this department will not only lower costs and increase efficiency, but also give proper recognition and status to the challenging new space age.

Therefore, Mr. President, I introduce, for appropriate reference, a bill to create a Department of Aeronautics and Space which will have Cabinet status. With its adoption, I believe we can look forward to an end to the waste and duplication of effort as well as to a dramatic surge forward in the race for space supremacy.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 1408) to establish and prescribe the functions of a U.S. Department of Aeronautics and Space, and for other purposes, introduced by Mr. YOUNG of Ohio, was received, read twice by its title, and referred to the Committee on Government Operations.

ADMISSION TO PRACTICE BEFORE FEDERAL ADMINISTRATIVE AGENCIES

Mr. KEATING. Mr. President, on behalf of Senator BRIDGES, Senator HRUSKA, and myself, I introduce, for appropriate reference, a bill to permit members of the bar of the highest court of a State or Federal court to practice before administrative agencies of the United States.

Attorneys wishing to practice before many Federal agencies are often confronted with formidable obstacles. The agencies' rules vary widely and make it extremely difficult for an attorney from outside of the District of Columbia to appear and present matters.

In the case of nonlawyers, additional requirements, qualifications, and investigations may be justified. However, this would not appear to be appropriate for an attorney who must show evidence of his good moral character and educational requisites, and pass a rigorous examination to be admitted to the bar of his home State. Upon admission to the bar, the attorney is subject to continued surveillance by the bench, fellow members of the bar, and the public with whom he must deal.

After consulting with the Director of the Office of Administrative Procedure in the U.S. Department of Justice, I find that only nine departments and other administrative agencies of the Government require an attorney to file an application for admission to practice. Thirty-one other administrative agencies do not require an attorney to follow such a procedure for admission to practice, which raises a question in my mind as to whether formal admission procedures really are necessary or in the best interest of the public.

Some proponents of formal admission requirements to practice before Federal agencies state that this is a method to insure proper discipline among members of the bar engaged in matters before these agencies. It may be that disciplinary actions, where necessary, are more appropriately and properly effected by the bar to which an attorney is admitted. However, there is nothing in the bill which would preclude agencies from disciplining an attorney or any other person who practices before them.

The Hoover Commission stated that at least $300,000 a year could be saved

by the Treasury Department alone by eliminating some of its formal procedures for admission of attorneys. The admission of attorneys to practice in other agencies may not be as costly. However, the staff work and correspondence required to process formal applications certainly is substantial.

Uniform rules for admission to practice before Federal agencies are one step in the direction of helping to clear the maze of complex and often unnecessary rules or procedures that have developed within our Federal agencies. The Department of Justice in conducting its study of this problem has recommended that the agencies drop the formal admission requirements and adopt a uniform rule making any one who is a member of the bar of the Supreme Court of the United States or of the highest court of any State eligible to practice before them.

Since this recommendation was made, I am informed by the Office of Administrative Procedure of the Department of Justice that only two Federal agencies have seen fit to adopt the proposal. My proposal is essentially the same as the recommendation of the Department of Justice and would be mandatory for all agencies and departments except the Patent Office. The Patent Office is excepted because of the very technical nature of the practice before this agency.

When it is considered that in many cases it is easier to be admitted to practice before the Supreme Court of the United States than it is for an attorney to be recognized by Federal administrative agencies, the need for this bill becomes apparent. It is absurd to bar from practice before a Federal administrative agency attorneys who are considered qualified to present cases before the highest court of a State or the Supreme Court of the United States.

Mr. President, I ask unanimous consent to have the text of this bill printed in the RECORD at this point.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 1409) to provide that each member of the bar of the highest court of a State or of a Federal court shall be entitled to practice before administrative agencies of the United States, introduced by Mr. KEATING (for himself and Senators BRIDGES and HRUSKA), was received, read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding any other provision of law, any person who is a member in good standing of the bar of the highest court of a State or possession of the United States, or of the District of Columbia, shall be entitled to practice before any department, board, bureau, or administrative agency of the United States, other than the Patent Office, without the necessity of making application therefor or of showing any other qualifications.

PROPOSED REPEAL OF THE "AFFIDAVIT OF DISBELIEF" REQUIREMENT OF THE NATIONAL DEFENSE EDUCATION ACT

Mr. CLARK. Mr. President, on behalf of myself and the senior Senator from New York [Mr. JAVITS], I introduce, for appropriate reference, a bill to amend the National Defense Education Act to eliminate the discriminatory affidavit requirement from that act. The bill would not change the NDEA requirement that each student applying for Federal loans take a loyalty oath.

The bill we introduce today is designed to strike out of the National Defense Education Act a section which has seriously weakened the effectiveness of that act and given offense to countless members of the academic community in all parts of the country. That section is 1001(f)(1), which states that no person shall receive funds under the act unless he has filed an affidavit certifying "that he does not believe in, and is not a member of and does not support any organization that believes in or teaches, the overthrow of the U.S. Government by force or violence or by any illegal or unconstitutional methods."

Our objections to the affidavit of disbelief are these:

First. It is unnecessary. Section 1001(f)(2) requires all beneficiaries of the act to take a standard loyalty oath of allegiance to the Government. This bill does not change that requirement. Why should a student be required to swear that he is loyal as well as that he is not disloyal? Severe criminal laws exist for use against those who teach or advocate the violent overthrow of the Government, whether or not they have applied for benefits under the Education Act.

Second. It is ineffective. No convinced Communist would hesitate to take either the oath or the affidavit.

Third. It defeats the purpose of the act. While the disloyal person would not hesitate to take it, some intelligent conscientious young people, of the very kind the act is designed to help, have refused to participate in the defense education program because of this requirement. A number of the finest institutions of higher education in the country, in all regions, public and private, sectarian and nonsectarian, have refused to accept any funds because of section 1001(f)(1), and the list of these institutions is growing.

Fourth. It is discriminatory. Businessmen who receive Government loans or contracts, farmers who receive Government subsidies, veterans and their dependents who receive Government pensions—none of them have to file sworn statements that they do not believe in organizations which believe in the overthrow of the Government. Only students are required to do so. And not all students—only those from poor families who are obliged to borrow funds to complete their education.

For these reasons, and many more, we urge the early passage of our bill to repeal the affidavit of disbelief.

We are confident that the bill in its present form has the support of the overwhelming majority of the college and university students and teachers in the United States, and that it merits and will attract a majority of votes in the Senate.

According to the latest information available from the Office of Education, 27 colleges and universities have declined to participate in or have withdrawn from the student loan program because of the disclaimer affidavit requirement. In addition, there are scores of colleges in all parts of the country whose presidents, boards of directors, faculties, and student bodies have stated their opposition to the affidavit. College and university associations and associations of college teachers and students representing virtually all of the Nation's higher education community have stated their disapproval of the disclaimer affidavit.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 1411) to amend the National Defense Education Act, introduced by Mr. CLARK (for himself and Mr. JAVITS), was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

UNCLAIMED PERSONAL PROPERTY ACT

Mr. HUMPHREY. Mr. President, I introduce on behalf of myself and Senators BUSH, BYRD of Virginia, ENGLE, JAVITS, and KUCHEL, for appropriate reference, a bill to facilitate the discovery and recovery by the States of unclaimed personal property in the custody of Federal agencies.

This bill is similar to S. 1846 which I introduced in the 86th Congress.

By way of background on this measure it should be stated that the National Association of Attorney Generals at its 1956 conference established a committee on escheats which was directed to draft a bill to facilitate States in the discovery and recovery of unclaimed property in custody of officers, departments, and agencies of the United States.

The U.S. Government possesses large sums of moneys—credits—and some tangible property remaining unclaimed by owners whose identities or whereabouts have not been determined. There is no such thing as Federal escheat, except in the District of Columbia and in those territories where the power has not been delegated. The States wherein unknown or missing owners last resided have a clear legal right to acquire possession of unclaimed funds and property. Systematic recovery, however, has been impracticable for want of information enabling the discovery of assets.

In order to facilitate the recovery by the States of such unclaimed funds and property, the committee on escheats drafted and requested the introduction of the bill which I am offering today. This bill would provide means whereby information relating to unclaimed funds and property shall be determined and

reported by the United States to the individual States whenever State law provides means whereby the Government shall be, first, held harmless against all claims including claims of true owners and second, compensated for the costs of search and report.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 1414) to facilitate the discovery and recovery by the States of unclaimed personal property in the custody of Federal agencies, and for other purposes, introduced by Mr. HUMPHREY (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Government Operations.

EIGHTEEN-YEAR-OLD VOTE

Mr. KEATING. Mr. President, as long as I have been in the Congress, I have urged that 18-year-olds be given the right to vote.

Again this year, I introduce my proposed amendment to the Constitution to bring this about. I send the amendment to the desk and ask unanimous consent that it be appropriately referred and that it be printed at the conclusion of my remarks.

Mr. President, I need not detain the Senate with a discussion of the many reasons for this amendment. All of us are well aware of them.

I would like instead to call attention this morning to a letter from Miss Bonnita Foy Dimitry of Rochester, N.Y., which was printed on February 3 of this year in the Rochester Times-Union. Miss Dimitry, better than I, speaks for the 18-year-olds. I am not qualified to speak for this fortunate group, but, oh, how I wish I were.

Miss Dimitry points out that she is 18 years old and that she has a responsible position in a bank; that she plans to marry; that she pays taxes; and that she believes she should have the right to vote. She goes on in a very forceful and thoughtful manner to present her arguments for this measure.

She points out that not only should 18-year-olds be permitted to vote, but they should also be accorded a number of other rights and privileges not presently made available to them. She ends up by urging that the Congress "give our young men and women a chance to show the stuff they're made of."

Mr. President, on behalf of Miss Dimitry and the men and women 18 to 20, I respectfully urge that we grant this request. I also ask unanimous consent that Miss Dimitry's letter be printed at this point in the RECORD prior to the text of the joint resolution.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

[From the Rochester Times-Union, Feb. 3, 1961]

ASKS VOTE FOR 18-YEAR-OLDS

Should the voting age be lowered? Let me voice a loud "Yes."

I am 18, hold a responsible position in a bank, plan to marry this spring and pay taxes.

Putting aside all the old arguments for lowering the voting age, which, I believe, are all very sound, I should like to add my own pet reason: Why if 18-year-olds are allowed to assume the responsibilities of citizenship are they not allowed to assume the privileges?

We can get married, have children, drink, drive cars, pay taxes, and yet we are considered too young to vote. The greatest privilege of any American is denied us.

Public schools spend 13 years training us to take our place in society, be leaders, individualists, and responsible; and yet society then refuses us for 3 years. Why? Our names on papers are worthless, we can't even buy a dish on time without an older person's OK. We are allowed to support the Government, but are allowed to have no say in it. Is this fair?

For those skeptics who say we're not mature enough to cast a vote, let me point out that one State in our Union had the courage to try it.

How many men and women of legal age bother to vote? Yet here we are with a whole generation of fresh, young minds with sound ideas, and I might add judgment, denied the freedom so coveted by us and neglected and abused by our more favored elders.

Give our young men and women a chance to show the stuff they're made of.

BONNITA FOY DIMITRY.

The VICE PRESIDENT. The joint resolution will be received and appropriately referred; and, without objection, the joint resolution will be printed in the RECORD.

The joint resolution (S.J. Res. 67) proposing an amendment to the Constitution of the United States granting to citizens of the United States who have attained the age of 18 the right to vote, introduced by Mr. KEATING, was received, read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is hereby proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States:

"ARTICLE—

"SECTION 1. The right of citizens of the United States, who have reached the age of eighteen years, to vote shall not be denied or abridged by the United States or by any State on account of age. The Congress shall have power to enforce this article by appropriate legislation.

"SEC. 2. This article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by the legislature of three-fourths of the several States within seven years from the date of its submission to the States by the Congress."

AMENDMENT OF THE FAIR LABOR STANDARDS ACT OF 1938—AMENDMENT

Mr. WILLIAMS of New Jersey. Mr. President, I submit an amendment intended to be proposed by me, Senators CLARK, HUMPHREY, MCCARTHY, and JAVITS to the bill (S. 1122) to amend the Fair Labor Standards Act, 1938, as amended, to provide for minimum wages for certain persons employed in agriculture, and for other purposes. This bill is now pending before the Senate Committee on Labor and Public Welfare.

The proposed amendment is to correct a technical error in S. 1122 as introduced. The error concerns the number of man-days of hired farm labor used by an employer to determine whether he is covered by the bill. The number of man-days of hired farm labor specified in the bill, as introduced, is 2,244, whereas the number of days which should have been specified is 560. The provision in question is contained in S. 1122, on page 2, lines 24 and 25.

This technical amendment will make the relevant portion of the bill beginning on page 2, line 22, and continuing through the period in line 7, page 3, read as follows:

(4) if such employee performs hired farm labor for an employer who during any one of the four preceding calendar quarters used more than five hundred and sixty man-days of hired farm labor, such employee shall be paid by his employer (i) not less than 75 cents an hour during the first year following the effective date of this paragraph, (ii) not less than 85 cents an hour during the second year following such effective date, (iii) not less than $1 an hour during the third year following such effective date, and (iv) thereafter, not less than the rate prescribed in paragraph (1) of this subsection.

The interested administrative agencies have been informed of this technical defect and will submit their reports on the basis of a 560 man-day of hired farm labor as the test of employer coverage. Members of Congress and others interested in the bill should also make their reviews and evaluations of the measure on the basis of 560 man-days instead of 2,244 man-days.

I ask unanimous consent that the amendment be printed in the RECORD.

The VICE PRESIDENT. The amendment will be received, printed, and appropriately referred; and, without objection, the amendment will be printed in the RECORD.

The amendment was referred to the Committee on Labor and Public Welfare, as follows:

On page 2, lines 24 and 25, strike out "two thousand two hundred and forty-four man-days of hired farm labor" and insert in lieu thereof "five hundred sixty man-days of hired farm labor".

ADDITIONAL COSPONSORS OF BILLS

Mr. HUMPHREY. Mr. President, on behalf of the Senator from Indiana [Mr. HARTKE], I ask unanimous consent that the names of the Senator from Maine [Mrs. SMITH], the Senator from West Virginia [Mr. RANDOLPH], the Senator from Utah [Mr. MOSS], the Senator from Alaska [Mr. GRUENING], and the Senator from Pennsylvania [Mr. CLARK] be added as cosponsors of the following bills to amend the provisions of title X of the Social Security Act pertaining to the blind, which was introduced by the Senator from Indiana on February 9, 1961—S. 904, S. 905, S. 906, S. 907, and S. 908. I also ask unanimous consent

that the name of the Senator from Washington [Mr. JACKSON] be added as a cosponsor of S. 908.

The VICE PRESIDENT. Without objection, it is so ordered.

NOTICE OF MEETING OF THE AMERICAN GROUP, INTERPARLIAMENTARY UNION

Mr. KEATING. Mr. President, at the request of Representative COOLEY, of North Carolina, president of the American group of the Interparliamentary Union, I desire to announce that the American group of the Interparliamentary Union will hold a meeting on Tuesday, March 28, in room F-39 of the Capitol at 9 o'clock in the morning. All Members interested are urged to attend the meeting.

NOTICE OF HEARING ON NOMINATION OF JOHN M. KELLY TO BE ASSISTANT SECRETARY OF THE INTERIOR

Mr. ANDERSON. Mr. President, I announce that on Monday next, March 27, 1961, at 9:30 o'clock in the morning, in the room of the Committee on Interior and Insular Affairs, room 3110, New Senate Office Building, a hearing will be held on the nomination of John M. Kelly to be Assistant Secretary of the Interior.

I ask unanimous consent to have printed in the RECORD a biographical résumé sent to me by Mr. Kelly.

There being no objection, the résumé was ordered to be printed in the RECORD, as follows:

BIOGRAPHICAL RÉSUMÉ OF JOHN M. KELLY

Age: 46 years. Born October 1, 1914, Chelsea, Mass.

Married: Esther Elizabeth Ladenburg, Fremont, Nebr., December 29, 1938.

Children: Joseph, 20; Patricia, 17; Mary Ann, 13; Michael, 11.

Son of James B. Kelly (retired, 43 years, Bureau of Customs, Department of the Treasury) and Elizabeth B. Kelly, Boston, Mass. One of a family of two sons and four daughters.

Education: Public schools, Everett, Mass. Bachelor of science in mining engineering, New Mexico, School of Mines, 1936; professional degree of petroleum engineer, 1939, New Mexico School of Mines.

EMPLOYMENT RECORD

September 1945 to Present: Consulting mining and petroleum engineer and geologist; independent oil producer in New Mexico; president, Elk Oil Co., wholly owned family business; mineral adviser to the New Mexico State Land Office.

February 1945–September 1945: Production superintendent, Great Western Drilling Co., New Mexico and Texas.

May 1941–February 1945: State geologist of New Mexico; member, director, and executive secretary, New Mexico Oil Conservation Commission; director of the New Mexico Bureau of Mines and Mineral Resources; coordinator of mines in New Mexico, War Production Board; member, National Council of Petroleum Regulatory Authorities, Petroleum Administration for War.

March 1937–May 1941: Petroleum engineer, in charge of oil conservation and engineering in southeastern New Mexico for the Lea County Operators Committee, a voluntary oil conservation group.

September 1936–March 1937: Mine chemist, American Metal Co., Terrero, N. Mex.

May 1936–September 1936: Mining engineer, Rosedale Gold Mines, Ltd., Rosedale, N. Mex. and Globe, Ariz.

Affiliations:

American Institute of Mining Engineers.

American Association of Petroleum Geologists.

American Association of Petroleum Land Men.

American Petroleum Institute.

Independent Petroleum Association of America.

Member, Small Business Advisory Board, Small Business Administration.

New Mexico Geological Society.

New Mexico Oil & Gas Association.

New Mexico Land Men's Association.

New Mexico Mining Association.

New Mexico Petroleum Industries Committee.

Member, New Mexico State Board of Educational Finance.

Roswell Geological Society.

Engineers Club of New Mexico.

Mining Club of New York City.

Knights of Columbus.

Elks Club.

Registered petroleum engineer, State of New Mexico.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, I wish to call to the attention of the Senate the fact that there is no business pending on the calendar, and I express the hope, which I know is joined in by the distinguished Senator from Illinois, the minority leader [Mr. DIRKSEN], that the committees should, in their wisdom, and at their discretion, act as expeditiously as possible in reporting vital measures, so we can act on them on the floor.

I repeat, there is no business as of now on the calendar as reported to the Senate by any committee.

Mr. DIRKSEN. Mr. President, if the majority leader will yield——

The VICE PRESIDENT. Does the Senator yield?

Mr. MANSFIELD. I yield.

Mr. DIRKSEN. We discussed the matter at some length yesterday. I must confess there is a difficulty which is measured somewhat by the calendar and somewhat by the element of human energy. A majority of the load of proposed legislation has been placed on the Committee on Labor and Public Welfare. We have had hearings on the minimum wage bill.

We must wait for many exhibits to be incorporated in the record and for the galley proofs to be returned before the committee can have an executive session and then proceed to mark up the bill. The hearings on the Federal aid to education bill closed yesterday, as I understand. There has been a great abundance of testimony, and it will take quite some time to digest it. In addition, we have put an unusual burden on the minority clerks of that committee, because other hearings were running concurrently upon rather important matters.

I can understand the majority leader's desire to get those portions of the President's program to the floor as quickly as possible, and I have assured him, for myself, and also for my colleagues, that we will do our best to expedite action and get them to the floor as quickly as possible, even though our views may not be in accord with the views of the majority on the committee. But I reaffirm the general approach that we have taken; namely, that we shall not obstruct; that, if we feel we must, we shall modify where we can; that we shall oppose if we feel we must on the basis of principle; but never will we be arbitrary or cause obstruction merely from the standpoint of a hostile attitude, because we believe that the proposals in the President's program merit the very best of consideration, and when we have made our case, we shall cheerfully abide the results.

Mr. MANSFIELD. May I say, in reply to the minority leader, that he has been most cooperative and understanding. I have discussed this matter with him. It is our intention to have the Senate recess or adjourn over from time to time, so the committees, and most especially the Labor and Public Welfare Committee, can catch up on the tremendous amount of work which they have undertaken, and lessen the burden which is theirs at the present time.

PROBLEMS OF THE DOMESTIC TEXTILE INDUSTRY

Mr. BRIDGES. Mr. President, it was regrettably impossible for me to be on the floor of the Senate yesterday afternoon to hear the splendid presentation by the senior Senator from Rhode Island [Mr. PASTORE] on the problems of the domestic textile industry. However, having studied his remarks in the CONGRESSIONAL RECORD, together with the comments of other Senators, I wish to announce my wholehearted agreement with the recommendations of the Senator from Rhode Island.

Because of my very close interest in the problems of the domestic textile industry, I am well aware of the time and effort which the senior Senator from Rhode Island has devoted to this situation. I wish to commend him for his penetrating analysis of the present situation and for his constructive remedial recommendations.

I believe that the Senator from Rhode Island has covered the situation very well, and therefore I shall not attempt at this time to spell out in detail my complete views on the subject. However, I would like to stress for the benefit of the Senate one particular recommendation which in my estimation is deserving of the thoughtful consideration of every one of us.

I refer to the proposal to institute quotas on textile mill products, by category, and by country. This is vital. It is the sincere hope of the senior Senator from New Hampshire that such a procedure will be forthcoming in the near future.

We have studied and discussed the effects of ever-mounting imports on our textile industry for too long a time. The time for decision is long past due. I submit that if the recommendations presented here yesterday by the Senator from Rhode Island are not implemented very shortly, we shall find the rate of textile imports accelerating to a

point where it will choke those remaining textile plants which have managed thus far to survive.

The sentiment was expressed here yesterday—and the Senator from New Hampshire concurs—that international trade is a reality and that it probably will expand. Nonetheless, we cannot let the rate of expansion in the field of textile imports go completely unchecked while this country's manufacturers continue falling by the wayside. In my opinion, a flexible quota system is the best method of allowing imports to expand in proportion to the natural growth of the domestic market without driving our domestic textile industry into bankruptcy.

This is a problem, Mr. President, which cries out for an effective solution. Action is needed now, and I, for one, vigorously support the proposals suggested here yesterday by the Senator from Rhode Island.

UNEMPLOYMENT PROBLEMS

Mr. BRIDGES. Mr. President, columnist David Lawrence had an interesting and informative article in the March 16 edition of the New York Herald Tribune. The article, entitled "Administration Called Lax About Tax Depreciation," calls attention to the past failure of the pump-priming measures of the New Deal era to lessen the staggering unemployment of those years. We all know that unemployment under the Franklin Roosevelt administration continued at unprecedented heights right up to World War II.

All the pumps that the Democrats could prime with billions of our dollars—and they primed many a pump—did not alleviate the depressing unemployment situation of those New Deal years.

Mr. Lawrence states in his article, "the same failure to recognize the importance of encouraging the capital-goods industries is manifest under the present administration." He goes on to say that "while members of the President's Cabinet are going around the country making speeches lamenting the unemployment problems they inherited from the preceding administration, they are not doing anything themselves to cure the fundamental trouble."

As for fiscal policy, Mr. Lawrence cites the fact that:

> The Eisenhower administration was blocked again and again by the Democratic majority in Congress, especially on the very vital question of meeting the competition of high interest rates abroad.

He further states that—

> If the Democratic Congress had permitted the Treasury to sell long-term bonds at higher interest rates, this would have avoided excessive borrowing on short term with inflationary effects. In the longer run this would have helped to stabilize prices, increase investor confidence in long-term bonds and thereby promote lower interest rates.

Mr. President, this is a well-reasoned, objective assessment of the present New Frontier approach, or, I should say, nonapproach, to the present unemployment problems. There is much talk from the President's Cabinet. There are the same old pumps being primed—and it looks like the same priming that failed before. The only difference is we cannot use the same money again. It was spent and is gone; the new pumps call for new money for the old priming.

Mr. President, I commend this article to all the New Frontier pump primers as required reading, and ask unanimous consent that it be inserted at this point in the body of the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TODAY IN NATIONAL AFFAIRS: ADMINISTRATION CALLED LAX ABOUT TAX DEPRECIATION

(By David Lawrence)

WASHINGTON, March 15.—The current recession is supposed to be touching bottom, and signs of an upturn are being noted even as antirecession measures of various kinds have yet to be considered by Congress. But the real question before the country is what is going to be done to prevent the recession that seems sure to come after the brief period of economic recovery which lies ahead.

This is but another way of saying that the Kennedy administration, despite its large number of economic advisers, has failed to come to grips with the basic cause of the present recession and the certain cause of more recessions to come.

Experience, it would appear, should have taught a lesson. The United States was in the midst of a worldwide depression in the 1930's but failed to emerge—as did the rest of the world—until the outbreak of World War II. This created a demand for capital goods in America and finally cut down the unemployment. Pump priming for 7 years had cost the taxpayers of America billions of dollars, but it was in vain, as the number of unemployed throughout the New Deal remained higher than at any other time in American history—in fact, much higher than it is today.

METHOD CALLED QUESTIONABLE

The same failure to recognize the importance of encouraging the capital-goods industries is manifest under the Kennedy administration. While members of the President's Cabinet are going around the country making speeches lamenting the unemployment problems they inherited from the preceding administration, they are not doing anything themselves to cure the fundamental trouble. The Eisenhower administration was blocked again and again by the Democratic majority in Congress, especially on the very vital question of meeting the competition of high interest rates abroad. Today, the Federal Reserve Board is being permitted to buy long-term bonds at a discount, and this is supposed to be another way of achieving the same objective sought 2 years ago. But it really is a questionable device.

Actually, if the Democratic Congress had permitted the Treasury to sell long-term bonds at higher interest rates, this would have avoided excessive borrowing on short term with inflationary effects. In the longer run this would have helped to stabilize prices, increase investor confidence in long-term bonds, and thereby promote lower interest rates.

While tens of billions of dollars could be borrowed this year by business for industrial projects in this country—for replacement of plant and modernization of machinery—such spending is being held up. The two main reasons for this are that long-term interest rates are too high and the administration and Congress have failed to do anything about laws covering the tax-depreciation allowances.

Meanwhile, vast sums that could be put to work in creating jobs are not being invested in new plant or equipment. This means that a start is not being made toward the efficiency necessary to bring about lower prices. Steel, coal, railroads, and other forms of transportation, machine tools, and the heavy-goods industries generally would be aided, and "structural unemployment" would be greatly reduced.

NO ACTION ON TAXES

The Kennedy administration has been in office nearly 2 months but nothing has been done to assure a change in tax-depreciation allowances. It takes a lot of time for businessmen to draw up plans and arrange financing. Valuable time has been lost already through the dilatory way the Kennedy administration has been dealing with the problem of growth.

A look at what has happened in recent years is enlightening. In postwar years, the figures show that, when capital spending has been high, unemployment has been low. What is needed is not just more capacity, and industry, but better capacity, especially to offset high labor costs.

The preceding administration secured in 1954 some improvement in the tax law governing depreciation, and, though this was relatively slight, it did stimulate investment for a while. In 1956, for instance, investment spending rose 22 percent on top of a 7 percent gain in 1955. Unemployment dropped from 3,600,000 to 2,800,000.

FELT IN LATER YEARS

The full effect of this spending was felt in succeeding years. Indeed, some of it aided the profit picture of the heavy-goods industries in 1960. As interest rates, however, began to skyrocket in early 1960, and as businessmen started to worry about what a Democratic administration would do, the tendency arose to abandon many plans for capital spending.

A wait-and-see attitude still prevails today. For despite all the talk of antirecession measures, the basic need—encouragement of capital spending—has not been met. Lots of things were being said only a few months ago about the importance of increasing the national output and raising the rate of national growth, but, oddly enough, no bills have been reported by any committees of Congress to attain these particular objectives.

NEW STUDY PRODS UNITED STATES ON POLICY TOWARD INDIANS

Mr. WILEY. Mr. President, presently there are pending before the Interior and Insular Affairs Committee two bills, S. 869 and S. 870, sponsored by the junior Senator from Wisconsin [Mr. PROXMIRE] and myself. The measures relate to the termination of Federal control over the Menominee Indian Tribe in Wisconsin.

I sincerely hope the committee will find it possible to consider these proposals in the very near future. The objective is to assure adequate time and opportunity for the tribe to get its economic house in order, as well as to cope with serious social, educational, sanitation, and other problems arising out of termination.

In accordance with previously passed legislation, the tribe has made a realistic effort to fulfill its obligations and to meet deadlines in creating machinery for handling of tribal assets. However, it is important to give them a fair chance to finish a well-begun job.

Unfortunately, the history of U.S. termination policy is spotted with incidents in which there was no adequate

foundation for termination of Federal control over American Indians. As a result, there have been forced sales, wasteful exploitation of Indian lands and assets, and other disastrous events.

A newly published study provides more evidence of the need for good judgment in the formulation of termination plans for Indians throughout the country. The study, I believe, deserves the consideration both of the Bureau of Indian Affairs in the Interior Department and of the Congress.

Recently, the Christian Science Monitor published an article by Kimmis Hendrick, entitled "New Study Prods United States on Policy Toward Indians." Reflecting the need for realism and responsibility in this field, I ask unanimous consent to have the article printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Christian Science Monitor, Mar. 20, 1961]

NEW STUDY PRODS UNITED STATES ON POLICY TOWARD INDIANS

(By Kimmis Hendrick)

LOS ANGELES.

One more study of the American Indian's situation adds weighty testimony that this Nation's biggest service to the first Americans should be encouragement for them to participate fully in determining their future.

This newest study covers 4 years of research by a distinguished citizens' group established in 1957 by the Fund for the Republic. Named "A Commission on the Rights, Liberties, and Responsibilities of the American Indian," its chairman is Meredith O. Wilson, president of the University of Minnesota.

In general, the report based on the commission's study covers no new ground. It makes recommendations which have been urged by other groups, Indian and non-Indian, time and time again. Its importance may be the support it gives such recommendations just at this time when the new Kennedy administration is reexamining American Indian policy.

PARTICIPATION STRESSED

On one of the major questions of American policy—the stand taken in 1953 by the U.S. House of Representatives favoring termination of Federal trusteeship over Indian lands—the commission comes out strongly for Indian participation.

Termination now has been carried out in a number of cases, the commission notes, without Indians being adequately informed.

Such instances, the commission charges, have threatened the whole tribal and legal system on which Indian reservation life rests. It has brought about the forced sale and wasteful exploitation of Indian lands. It has left taxation problems undefined and unanswered. It has allowed the Federal Government to escape its recognized or stated obligations to educate Indians to improve their lands, and to provide them with health and welfare services.

Full participation of Indians in any negotiations aimed at termination, the commission declares, should be made the prerequisite by Congress to acceptance of any termination plans.

It notes that the whole matter of terminating Federal trusteeship for Indian lands involves the readiness of Indians themselves to take over these lands, to develop them properly and profitably, and to make their lands the basis for future economic and social stability.

"American policy, if it is to succeed," the commission says, "must aim at helping Indians to prepare themselves in advance of termination for self-reliant living in whatever is their prevailing social and economic framework."

This position resembles similar stands taken by virtually every organization of Indians and non-Indians deeply concerned with justice to the Indian peoples. It rejects the efforts made in various instances by the U.S. Indian Bureau to hurry through termination agreements, at the risk of failure to obtain general understanding by the Indians affected of what was involved.

Although critical of Indian Bureau policies in numerous particulars, the commission recommends the Bureau's continuance for the present.

Says the commission, "The primary function of the Bureau should be an affirmative one; always to counsel and assist the Indian, not to control or regiment him. It should offer him technical advice and other help in the initiation and execution of plans for developing and managing his natural resources, for expanding his economic opportunities for operating his government, and for bettering his living conditions."

ADVISORY BOARD URGED

To this end, the commission recommends that the Bureau establish a special division staffed with competent economists, planners, and community analysts. It also proposes the establishment of an Indian advisory board of distinguished citizens, appointed to report to him regularly on the state of tribes. Called a program of Indian citizens, the commission has copies available to all who ask for it at the commission's headquarters in Albuquerque, N. Mex., or the Fund for the Republic offices in New York and in Santa Barbara, Calif. The full study is to be published later this year.

Besides Mr. Wilson, commission members are W. W. Keeler, vice president of Phillips Petroleum Co.; Karl N. Llewellyn of the University of Chicago; Arthur M. Schlesinger of Harvard University; and Charles Sprague, editor and publisher of the Salem (Oreg.) Statesman. The commission's first executive director was William A. Brophy, succeeded by Dr. S. D. Aberle.

SHOE IMPORTS

Mr. WILEY. Mr. President, yesterday I commented in relation to the need for some kind of action respecting the woolen industry. Today I received a letter from a member of the Sheboygan shoe industry which shows that last year 120 million pairs of shoes were imported into the United States. The impact upon the domestic shoe industry was very serious.

I am hopeful that the whole problem, including the one which was referred to by the Senator from New Hampshire [Mr. BRIDGES] will have early consideration by an appropriate committee, so we can ascertain just what the answer to the problem is.

I think probably one of the answers is the adoption of quotas. Certainly, when we are thinking of the expenditure of some $4 billion in foreign assistance, as proposed in the President's message, we had better start thinking about assisting our own people. I sincerely hope there will be a thoroughgoing inquiry into the question, with the aim of protecting our own people.

MENOMINEE TERMINATION AMENDMENTS

Mr. PROXMIRE. Mr. President, a few days ago the distinguished Commission on the Rights, Liberties, and Responsibilities of the American Indian, sponsored by the Fund for the Republic, submitted its report, "A Program for Indian Citizens," based on a 3-year study of Indian problems. The report is of special significance because one member of the commission is Mr. W. W. Keeler, who heads President Kennedy's special task force in the Department of the Interior on Indian Affairs.

The report criticizes the policy of terminating the Federal status of American Indian tribes, pointing out that termination might be doing the Indians more harm than good. An article by Mr. David Halberstam in the New York Times of March 16, 1961, states:

> The report [of the commission] criticized the "hasty manner" in which termination was being implemented. It charged that "termination" as it was being applied threatened to bring about disruption of the Indian's tribal and legal systems, the forced sale and wasteful exploitation of Indian lands, inequitable taxation, and abandonment by the Federal Government of educational, medical, and roadbuilding and other services without first establishing other sources of support for such services.

At a press conference following the release of the report, Mr. Keeler commented:

> Termination has been a retarding influence on the Indian people.

Such high level recognition of this viewpoint has been welcomed among Indians in all parts of the country.

I shall ask unanimous consent that the section of "A Program for American Citizens" which deals with termination—pages 5–14—be printed at the close of my remarks. I shall also ask consent that Mr. Halberstam's article in the New York Times of March 16 be printed after my remarks.

These comments on the policy of terminating the Federal status of American Indians have a very special and immediate significance for the Menominee Indian Tribe of Wisconsin. To them, termination is not a vague problem located at some point in the distant future. Their termination date has been set for April 30 of this year, just 5 weeks from now.

For some weeks a delegation from the Menominees, consisting of Mr. Jerome Grignon and Mr. Al Dodge, have been here in Washington to express the view of the tribe, established by unanimous resolution, that they will not be able to terminate successfully. The most serious and obvious problem, which the delegates have documented very thoroughly, is the lack of a firm financial basis for the tribal community.

The need to provide education, local government, and welfare services will impose a considerable financial burden on the tribe after termination. The present condition of the tribe's lumbering operations, which have been their main source of revenue, is such that it

is most unlikely that adequate funds will be available to carry that burden.

A survey by a management consulting firm indicates that extensive modernization and development is needed to make the lumber operations competitive. To accomplish this will take time and money. I believe the Federal Government has an obligation to be certain that the tribe can be self-supporting, to insure that its living standards will not decline, before severing the Federal connection.

I have received a copy of a letter from Mr. George Kenote, the Bureau of Indian Affairs representative with the tribe and himself a Menominee, addressed to the attorney general of Wisconsin, describing the present economic prospects of the tribe. It provides an up-to-date summary of the cost and revenue position that the tribe is now in. In his letter Mr. Kenote states:

> We need time to get the corporation better established and on its feet so that it can better support these local government costs. Initially (the timber operations are) almost the total source of funds. It is in community services where continued Federal assistance is imperative to prevent the creation of another totally distressed area.

In an earlier letter to Tribal Delegate Jerome Grignon, Mr. Kenote said:

> I think you should stress that this effort is not trying to defeat termination, but is rather trying to program it under reasonably sound procedures.

It is in this spirit that the tribe has asked that their Termination Act be amended. At their request I introduced two bills, S. 869 and S. 870, which would give the Secretary of the Interior authority to postpone their termination, and which would make other revisions in the tribe's termination program. The text of the amendments submitted by the tribe may not be precisely what is needed, but it is their hope that consideration will be given to these and other proposals which would insure a satisfactory, workable basis for successful termination.

I ask unanimous consent that the article from the New York Times of March 16, the excerpt from the commission's report dealing with termination, and the letter from Mr. George Kenote to the attorney general of Wisconsin, be printed at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

UNITED STATES IS CAUTIONED ON INDIAN PACTS—FUND FOR REPUBLIC REPORT URGES SLOWDOWN IN POLICY OF ENDING WARD STATUS

(By David Halberstam)

WASHINGTON, March 15.—A Fund for the Republic Commission on the American Indian recommended today that the Federal Government go slow in termination of treaties with Indian groups.

The report, which was made here today, was considered significant because one of the members of the commission also heads President Kennedy's special task force on Indian affairs.. He is W. W. Keeler, a vice president of the Phillips Petroleum Co., and a principal chief of the Cherokee Indians.

Mr. Keeler, who is a special consultant to the Secretary of the Interior on reorganizing the Bureau of Indian Affairs, told a news conference that the Kennedy task force also believed that "termination has been a retarding influence on the Indian people."

Termination, a policy designed to remove the Indians as wards of the Federal Government was instituted in 1953 by the Eisenhower administration, which wanted to make Indians full citizens. The Eisenhower administration contended that it provided adequate safeguards for protection of Indians' rights.

SPEAKS FOR COMMISSION

Mr. Keeler acted as spokesman for the Commission on the Rights, Liberties and Responsibilities of the American Indian, which the Fund for the Republic established in March 1957.

Other members of the group which spent 4 years in studying the problem, are:

Dr. C. Meredith Wilson, president of the University of Minnesota, chairman; Karl N. Llewellyn, professor of jurisprudence at the University of Chicago; Arthur M. Schlesinger, Sr., emeritus professor of history at Harvard, and Charles Sprague, editor and publisher of the Salem (Oreg.) Statesman.

The Fund for the Republic report said the termination policy might be doing the Indians more harm than good. It also contained criticism of the Bureau of Indian Affairs, charging that it employed a legalistic approach that had frustrated the Indians, the public and bureau employes.

The report criticized the hasty manner in which termination was being implemented. It charged that termination as it was being applied threatened to bring about disruption of the Indian's tribal and legal systems, the forced sale and wasteful exploitation of Indian lands, inequitable taxation and abandonment by the Federal Government of educational, medical, roadbuilding, and other services without first establishing other sources of support for such services.

TERMINATION

INTRODUCTION

House Concurrent Resolution 108,[1] adopted in 1953, sent the word "termination" spreading like a prairie fire or a pestilence through the Indian country. It stirred conflicting reactions. To some it meant the severing of ties already loose and ineffective. Others welcomed it as a promise of early sharing in the tribal patrimony. Many outsiders realized that it provided a first step toward acquiring Indian resources. In the great majority of Indians, however, it aroused deep fears for the future. The action of Congress accompanied by the phrase "as rapidly as possible," sounded to them like the stroke of doom.

Resolution 108 was cast in terms granting Indians their rights and prerogatives as American citizens. Its stated purpose was to free them from Federal control and supervision, end their wardship, and make them subject to the same laws and entitled to the same privileges as other citizens.

Indians, however, were, in fact, already citizens by Federal law, they had all the rights possessed by their white neighbors. The term wards applied to them was, and had for a long time been, misleading. Except for the Federal prohibitions against selling alcoholic liquor to Indians, repealed in 1953, they were subject to no greater Federal control or oversight of their persons than any other citizens; they paid State and Federal taxes the same as non-Indians, unless specifically exempted by treaty agreement or statute. Most of the exemptions applied only to real estate or income from trust property. The property the Government held in trust for them was supervised as in any other trust, although some claimed that the Government's management was not effective. The restrictions and the trusts, however, had not been imposed by the Government but, by and large, had resulted from covenants made by the Indians with the United States in the form of treaties, agreements, statutes, and policies designed to protect them from losing their land and to assure the right of self-government, the inalienability and immunity from taxes of their land, and the service which the United States provided.

Termination is not a new goal; but the word itself has remained a loose one without definite meaning. It may signify any one or all of the following:

A relaxation of unnecessary Federal supervision over the government and business of Indian tribes and less control over the leasing and use of trust allotments of individuals.

The rapid destruction of a tribal government that has operated for generations, thereby uprooting complex Federal, tribal and State relationships which are defined in hundreds of treaties, statutes, and court decisions.

The forced sale of a substantial part of the tribal land and the dissolution of the trust on all allotments of members of terminated tribes.

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[1] House Concurrent Resolution 108, 83d Congress, 1st session:

Whereas it is the policy of Congress, as rapidly as possible, to make the Indians within the territorial limits of the United States subject to the same laws and entitled to the same privileges and responsibilities as are applicable to other citizens of the United States, to end their status as wards of the United States, and to grant them all of the rights and prerogatives pertaining to American citizenship; and

Whereas the Indians within the territorial limits of the United States should assume their full responsibilities as American citizens: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is declared to be the sense of Congress that, at the earliest possible time, all of the Indian tribes and the individual members thereof located within the States of California, Florida, New York, and Texas, and all of the following named Indian tribes and individual members thereof, should be freed from Federal supervision and control and from all disabilities and limitations specially applicable to Indians: The Flathead Tribe of Montana, the Klamath Tribe of Oregon, the Menominee Tribe of Wisconsin, the Potowatamie Tribe of Kansas and Nebraska, and those members of the Chippewa Tribe who are on the Turtle Mountain Reservation, North Dakota. It is further declared to be the sense of Congress that, upon the release of such tribes and individual members thereof from such disabilities and limitations, all offices of the Bureau of Indian Affairs in the States of California, Florida, New York, and Texas and all other offices of the Bureau of Indian Affairs whose primary purpose was to serve any Indian tribe or individual Indian freed from Federal supervision should be abolished. It is further declared to be the sense of Congress that the Secretary of the Interior should examine all existing legislation dealing with such Indians, and treaties between the Government of the United States and each such tribe, and report to Congress at the earliest practicable date, but not later than January 1, 1954, his recommendations for such legislation as, in his judgment, may be necessary to accomplish the purpose of this resolution.

The subjecting of all tribal and trust-allotted land to State taxation regardless of the ability of the Indians to pay.

The applying of general State criminal and civil laws to Indians in place of Federal and tribal laws suited to their special needs.

The abandonment by the United States of education, medical and hospital treatment, roadbuilding, and other functions, and of technical and administrative services and guidance to Indians in the management of their own affairs, without giving any assurance that the necessary services will be available from other sources as they are to other citizens.

A violation of the expressed or implied obligations of treaties and agreements between the United States and a tribe for exemption from taxation, self-government, and performance of Federal services without these changes having had the unqualified consent of the tribe.

The termination laws enacted since 1954 produced or were capable of effecting all of these consequences.

Basically, the Government had undertaken obligations and insured benefits affecting all the tribes under the treaty and commerce clauses of the Federal Constitution. The complex tribal relations with the United States, with the States in which the reservations lay as well as with adjacent communities and other tribes were, all of them, dependent upon the permanency of what the United States had guaranteed. Even legal specialists can have no full comprehension of the tangle of readjustments involved in the concept "termination." Neither they nor the tribes can foresee what measures will be required to make sure that obligations now resting on the United States will somehow be fulfilled. What Indians fear therefore is a transitional period (not the first they have experienced) in which treaties will be breached and solemn agreements ignored, their land, tribal and allotted, lost, and necessary public services furnished by the United States withdrawn, without being replaced by others from the States.

Repeatedly in the past, congressional action in such matters has cost the United States large sums in the later settling of claims or in defending lawsuits. Error or oversight in a termination today may tomorrow call for the payment of unanticipated indemnities.

The Indian whose interest does not coincide with termination, whether or not he senses the difficulties, would usually not willingly substitute for Government by his tribe a control by an individual State, one which would subject him and his community to unfamiliar civil and criminal laws frequently enforced in tribunals where impartial justice has not been given because of discrimination, lack of understanding or sympathy. He could not be sure that the State would recognize the existing obligations of the United States or provide equal services. And, in any case, State legislators could not be expected to fit their legal system to the customs and hopes of Indians, who form a minority of the citizenry.

Since Resolution 108 was adopted by Congress, eleven basic termination laws have been passed to implement it. While the six termination laws enacted in 1954 emphasized their purpose of ending Federal supervision over Indian property and terminating the services furnished Indians by the United States because they are Indians, they, in fact, abolished the home-rule governments of Klamath, Menominee, Paiute and other tribes, forced the sale of large amounts of land, including forest areas, of the Klamath Tribe, and made both tribal and allotted trust land taxable by the States.

Since 1950 the major controversy in Indian affairs has been whether the United States should follow a program of pressing for prompt termination of tribes without the consent of their members. This appeared to be the goal until September, 1958, when Secretary of the Interior Fred A. Seaton, in a radio broadcast in Flagstaff, Ariz., stated that none would be terminated without the consent of its members.

From the date of Seaton's speech until 1961, confusion has existed, the Secretary seeming to espouse one policy and the Bureau of Indian Affairs another. All the time, moreover, Joint Resolution 108, stating the policy of Congress, has been in effect.

Termination aroused protests from Indians, State legislators, and interested citizens. The number and vigor of the outcries and the difficulties encountered in trying to put the enactments into effect somewhat cooled the ardor of the terminationists. Though the full consequences of these measures cannot yet be estimated, it became evident that termination instead of being a simple process entails countless problems. The upheaval among the Indians would be not unlike that caused by superimposing the laws of New York on New Mexico with its different needs, people, cultural and legal heritage.

What alarmed the tribesmen also threatened many whites with financial losses. Notable examples are the stores of the Menominee forest in Wisconsin and the Klamath forest in southern Oregon.

The Menominee Act jeopardized the continued existence of the tribal forest, one of the last unspoiled timber areas in the northern Midwest. Wisconsin, recognizing the importance of keeping this resource intact so that it could yield perpetually, took measures to acquire it for the State in the event of a sale.

The Klamath Forest, containing approximately 590,000 acres of tribally owned commercial timberland, the finest stand of Ponderosa pine in the West, is located in southern Oregon. Under the management of the Indian Service, the annual cut was limited, looking to sustaining the yield of the forest permanently. The forest on the Klamath Indian Reservation supplies raw material to the principal industries of the Klamath Basin.

When the program prescribed under the original termination act was studied, it was realized that carrying it out would not only be disastrous to the interests of the Indians, but gravely injurious to the economy of the whole region.

The management specialists appointed by the Federal Government estimated, in 1956, that the act would require the sale of almost 3 billion feet of sawtimber in a period of 1 year, within an economic area in which the sawmill production was 350 million feet a year.

To throw so large a volume on the market all at once would have resulted in a forced disposal. Bidding would have had to be on a wholesale basis, at figures far below those being realized on current sales of small lots of timber. The buyers would be tempted to hurry the cut of their timber and market it as rapidly as possible to recoup their investment and save on interest and taxes. The resulting flooding of the lumber market would depress prices for other producers and lower the revenues to the Government from the sale of timber on its nearby national forest lands by approximately $50 million. When this large acreage was denuded of its growth, lumber mills would be short of logs, the community would suffer from loss of employment and the profits of forest products. The buyers, under very limited State reforestation restrictions, could abandon the cutover lands, exposing them to damaging erosion and impairing the watershed. Realization of these factors aroused community and industry leaders, conservationists, and the Indians themselves to demand amendments to the law which would protect the financial interest of the Indians and safeguard the economic well-being of the area.

The act had to be changed in a number of ways. One amendment required the tribal timber to be divided into units and offered for sale only to buyers who would agree (on penalty of forfeiting the purchase) to manage the forest according to sustained-yield procedures so as to furnish a continuing supply of timber and conserve water, soil, and trees.

On those conditions only 1 of the 11 units offered has been obtained by a private buyer. The other 10 units, under the altered law, will be acquired by the United States on April 1, 1961, at a cost of nearly $69 million. The same amendment provided that the United States also had to take over the Klamath Marsh in order to preserve it as a vital part of the migratory-bird flyway and a source of the Williamson River. The cost of the marsh was $476,000.

The consequences of the Klamath Termination Act (Public Law 587, 83d Cong.) had obviously not been adequately weighed either by the Department of the Interior or by Congress; hence four successive changes in the basic measure proved necessary.

The law and its amendments, taken together, furnish an example (not the only one in Indian history) of ill-considered and unsuccessful attempts to deal (in an all-inclusive measure) with Indians irrespective of their special way of life, their location, and property holdings. It also demonstrates that no termination of tribes, especially those with large properties, should ever be deemed merely an Indian problem. It is inevitably a national problem, one upon the solution of which depends the welfare of people both near and far.

In still another sense termination offers no pat answer to the Indian problem, for the Indians themselves remain. They remain mostly where they were and as they were. For the Government to act out of a sense of frustration and of haste to rid itself of the vexing questions involved in administering Indian affairs is bound to ensure failure. American policy, if it is to succeed, must aim at helping Indians to prepare themselves in advance of termination for self-reliant living in whatever is their prevailing social and economic framework. As this is accomplished tribe by tribe, termination will follow and follow from the Indians' own desire. Termination so conceived will be an act of statesmanship in the best American tradition.

Hon. JOHN W. REYNOLDS,
Attorney General of Wisconsin,
Madison, Wis.

DEAR MR. REYNOLDS: Your letter of February 15, 1961, requests that Mr. Jerome Grignon furnish data concerning the earnings of the lumber, logging and sawmill operations over the past 2 years, and what the anticipated earnings will be as of May 1, 1961. Mr. Grignon has been in Washington since mid-January and reports that he has not seen your letter. In view of the scheduled meeting of the Menominee Indian Study Committee on March 16, 1961, this will attempt to answer some of the questions raised for the committee's information.

Since we are now operating in fiscal year 1961, the data for fiscal years 1959 and 1960 are reported. During the years 1953 through 1958, the average annual total profit held at $559,700—somewhat over the $550,000 annual average used for study purposes. During 1959 the annual cut dropped from a 6-year average of 20,400,000 board feet to 16,158,000, and total profit went down to $373,595. In 1960 the cut went back to 19,701,000, and, in spite of an inventory shrinkage of 1,800,000,

the total profit went back to $529,330. An interim operating statement for the first half of 1961 reflects an operating loss of $35,896, mostly in lumber. Stumpage profit on 7,001,000 board feet of timber cut during the same period recovered the operating loss and reflected a total profit for the period of $111,830. We are informed that the total log cut for 1961 may approach 17,000,000 by May 1, 1961, but that sales has not improved sufficiently to predict an operating profit.

As of December 31, 1960, book inventories reflected $1,556,000 in saleables, and a cash account of $1,804,266 (after a stumpage payment in November of $465,000). From this balance, a somewhat lesser stumpage payment may or may not be made for timber cut since July 1, 1960. Also from this balance, the corporation must advance sufficient funds in direct taxes to run local government and other services. We hope to hold the line at $400,000 for government and community services, but direct relief payments, extra medical charges, sanitarium and institutional care and chargebacks, now so conspicuous, may drastically raise the estimate. It is in these matters where our greatest problem arises. We need time to get the corporation better established and on its feet so that it can better support these local governmental costs. Initially, it is almost the total source of funds. It is in community services where continued Federal assistance is imperative to prevent the creation of another totally distressed area.

As requested there are enclosed several copies of the summary of the so-called Mater report on the engineering and industrial survey recently completed by the Mater Engineering Co. of Corvalis, Wash.

We note that you already have a copy of the analysis of Menominee bills in Congress by Mr. Frederic Sammond. S. 870 and H.R. 4444 concern themselves with the Federal charter idea. There is enclosed herewith a sufficient number of my memorandum to Jerome Grignon on the Federal charter idea for use of the Menominee study committee. As indicated by Senator PROXMIRE, it must be acknowledged that the bills are not in their best form. Because of the urgency of the situation they were introduced as starters so that some real attention might be paid the Menominee situation. We hope that this information will be helpful in understanding the objectives proposed.

GEORGE W. KENOTE.

THE NEW STRUGGLE TO CONTROL THE RAILROADS

Mr. METCALF. Mr. President, scores of railroads throughout the country are now planning to merge or to consolidate their properties. With each new announcement of a proposed consolidation other railroads are reported to begin new discussions for other mergers on the ground that they will be forced to take such action to protect their interests in the event that the other merger proposal goes through.

Clearly, we have today in progress the greatest movement by railroad management to scramble and to carve up our great railroad network that has occurred since the financial titans fought for control of railroad properties prior to the turn of the century. In my opinion, it is already obvious that the present merger movement stems mainly from a desire by certain financial interests to strengthen their earnings power on their investments, rather than from a well thought-out and long-range plan to bring about consolidations which will preserve competition and best serve the needs of the American public for railroad services.

It is interesting to note, for example, that although the report submitted this year by the special study group of the Senate Interstate and Foreign Commerce Committee points out that mergers are most needed in so-called official territory, where the combination of weaker railroads might, in some instances, help improve the financial structure of financially unsound carriers, not one of the mergers now pending before the Interstate Commerce Commission involves railroads in this area. Rather, pending merger proposals involve railroads which are among the most prosperous carriers in the Nation.

In such circumstances, it is clear that Congress should take a good hard look at pending proposals for railroad merger, nearly every one of which has run into strong opposition from other railroads which would be left in a weakened competitive position if the proposed consolidations are authorized. Prominent spokesmen for management in the railroad industry itself have arisen to oppose the present unplanned and haphazard merger movement which has developed among financial interests controlling certain carriers.

In addition, because the so-called economies of mergers depend largely upon the elimination of services and the laying off of railroad workers, my office has received many protests not only from railroad employees but also from representatives of local communities and business establishments who fear that they will be deprived of essential rail services in connection with pending mergers. At a time when our Nation is making a major effort to stimulate the economy and to provide the means for new growth and economic progress, I believe that this side of the merger story is particularly important and should be fully investigated before any railroad merger is approved.

I therefore ask unanimous consent to include in the RECORD at this time the statement issued by the Railway Labor Executives' Association.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

The following resolution on unemployment was adopted by the Railway Labor Executives' Association, representing the 23 standard railroad labor organizations, at its February meeting in Miami Beach, Fla.:

President Kennedy has acted with responsible dispatch during the first month in office to face up to our present most immediate national problem, the scourge of spreading unemployment. This refreshing concern over finding ways of aiding the distressed and taking steps to lessen the impact of the recession which has been waging for several months is commendable. Nevertheless, it is already clear that additional action by Congress and the administration is imperative.

The unemployment situation is growing worse. Figures just released indicate that 5½ million of our citizens are now without jobs while an additional 2 million workers are being employed only part time. Moreover, many of those unemployed have been without work so long that they have exhausted even the extended unemployment benefits voted by Congress in 1958 and 1959. Such a situation reflects economic waste of a magnitude that seriously retards all efforts to spur the national economy as a whole. Even more important from our viewpoint, it indicates an extent of human want and suffering which cannot long be tolerated in today's world.

Railroad workers and their families have felt the brunt of unemployment in recent years. Railroad employment today stands at the lowest level since 1890. Over 400,000 railroad jobs have disappeared since December 1955. Average employment on the railroads has been lower each year, and there have been three particularly sharp drops which have meant unusually severe suffering and economic dislocation for railroad workers and their families.

In the 1957–58 recession, railroad employment dropped 210,000 in 10 months, from August 1957 to May 1958. In 1959, there was another loss of 80,000 jobs in the period from June to October. Last year, between June and December, there was another drop of 75,000 jobs. We point out that the unemployed status of at least 1 out of every 15 jobless workers today can be attributed to the 400,000 lost job opportunities which have been eliminated in the railroad industry over the last 5 years.

An estimated 200,000 of the 700,000 employees now remaining in railroading are threatened with unemployment in the near future as the result of pending proposals for mergers and consolidations of railroad properties. To allow this to proceed would transform many railroad communities throughout the Nation into new depressed areas and further stem the national program for economic recovery.

The railway labor unions pledge their full support to President Kennedy and his administration in working to attain measures needed to halt the recession and turn the tide toward a New Frontier of renewed prosperity and progress. We urge the Members of Congress to enact legislation necessary to attain this goal.

Because we believe that the long-range national interest, as well as the self-interest of the workers in the railroad industry, clearly demands a halt to the approval of additional railroad mergers at the present time, the railroad labor unions urge the President and the Congress jointly to take immediate action directing the Interstate Commerce Commission to hold up approval of all pending proposals for railroad mergers or consolidations until their effect upon the national economy has been fully examined. To permit an additional 200,000 railroad workers to be dumped on the unemployment rolls is indefensible.

THE LAO LEGACY

Mr. GRUENING. Mr. President, it should by now be more than evident to those who wish to know the truth, that President John F. Kennedy has inherited from the preceding administration problems of the utmost gravity. The extremely partisan statements issuing from some representatives of the Republican camp do not reflect an objective-minded appreciation of this tragic fact. One of them refers to the first 2 months of John Kennedy's administration as "an era of good fooling." Another says that the Democrats should "throw away the crying towel and stop talking like Doomacrats." Another refers to the Kennedy-Johnson administration as a "do-nothing administration,"—although it has shown more

immediate and intense activity and concern for the national welfare than any in our history—and we have to go back to President Franklin Delano Roosevelt's brilliant 100 first days of the New Deal to find a similar determination, alertness, activity and concern. Still another opposition leader fears that the Democrats are "talking the country into an inferiority complex." Still another perpetrates the whimsy of referring to the Kennedy administration as "exercising no leadership." All this popgun sniping reflects neither a sense of the gravity of this heavy inheritance nor any feeling of associated responsibility for the source of much of this trouble, which lies in the unawareness during the preceding two Presidential terms of the steady deterioration of our position in the world and the growth of problems without formulation of adequate remedies.

I discussed some of these inherited problems in the Senate on January 17, 3 days before the new administration took office. I pointed out then that the country was going into a recession, which, during the campaign, the opposition party declared would not happen. That recession has become steadily aggravated in the succeeding weeks. More and more layoffs are taking place. Unemployment is mounting. Yet measures to steam this depression are being opposed by the majority of Republicans, and sniped at by their spokesmen.

I pointed out that the dollar was in peril, and that the belated efforts of the Eisenhower administration to stop the outflow of gold testified to that fact.

I pointed out that the free world was confronted by the gravest crises in southeast Asia, in Latin America, indeed at our own front door in the Caribbean, and in Africa—all legacies of what was done and what was not done by the outgoing administration.

Now, the steadily worsening inherited crisis in Laos is at our door, and it is a deadly serious situation. "Doomacrats" indeed. If anyone doubts the dilemma which faces President Kennedy, if anyone questions its tragic gravity—which was not of his making, but is a legacy from his predecessor—let him but read the dispatches which have reached headline proportions in our daily press. No one has pointed to this crucial dilemma more succinctly than that able columnist James Reston.

I ask unanimous consent that his article on the Laos crisis, from this morning's New York Times, be printed at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WASHINGTON: "WHILE AMERICA SLEPT," BY JOHN F. KENNEDY

(By James Reston)

WASHINGTON, March 21.—President Kennedy is now up against a hard dilemma: Whether to intervene militarily in Laos, as President Truman did in Korea, or to risk the communization of at least part of that kingdom, as President Eisenhower did in French Indochina.

Both courses are naturally distasteful to the President. If he intervenes in that landlocked, mountainous jungle of southeast Asia, he will be charged politically with getting the country into a shooting war only a few short weeks after the Democrats returned to power.

Yet if he allows the Communist-planned, Communist-armed intervention in Laos to succeed, Thailand and the rest of southeast Asia will be open to Communist attack and Kennedy himself will start his relations with Moscow under the most severe psychological and strategic disadvantages.

This is a cruel choice to put before any administration, let alone one that has scarcely had time to discover where Laos is, and obviously Kennedy is going to try to find a third way out if he can.

With this in mind, Secretary of State Rusk, already a fairly tired man, is going to Bangkok Thursday night to discuss the crisis with the other members of the southeast Asia collective defense treaty.

Under this treaty, the United States, Britain, France, Australia, New Zealand, Pakistan, the Philippines, and Thailand agreed that Communist aggression by armed attack against the treaty area, which includes Laos, would endanger its own peace and safety. They also agreed to "act to meet the common danger" in the event of such Communist armed aggression.

Before deciding on any military intervention of its own, the United States wants to know what the others are prepared to do to avoid the Communist conquest of Laos. So far, though the United States is the only member of the treaty with no territory in the area, the others have left it to Washington to lead the opposition to Moscow's intervention.

This has caused more annoyance in official quarters here than anybody has been willing to state publicly. Thailand, for example, which is more threatened by Moscow's intervention in Laos than any of the SEATO treaty members, has had virtually nothing to say about the matter publicly.

Accordingly, Mr. Rusk will have the first opportunity to raise with the allies in Bangkok a question which has increasingly troubled the Kennedy administration—namely, whether the allies—and particularly those with more direct interests in the area than the United States—are going to act to meet the common danger or merely expect Washington to take all the risks involved.

Two things have puzzled the high officials of this Government who have been conferring constantly with President Kennedy on the Laos situation in the last 2 weeks. The first is why Moscow—which is far from southeast Asia—rather than Communist China—which has a common frontier with Laos—has led the Communist intervention. The second is why Moscow has continued to supply its friends in Laos after the repeated warnings of the United States to Premier Khrushchev personally.

There has been some speculation here that Moscow feared that a Pelping intervention in Laos might lead to a wider invasion that would involve India and perhaps lead to a major war.

However, Khrushchev has shown little restraint even after U.S. Ambassador Llewellyn Thompson called on him with a plan to neutralize Laos and made clear that a Communist conquest of that country might have the most serious repercussions. Even after that, a considerable quantity of arms from Moscow landed in Laos.

It was for this reason that Secretary Rusk repeated the warnings to Soviet Foreign Minister Gromyko here last Saturday and certain precautionary but nonprovocative movements of U.S. naval and air forces were ordered.

Everybody is being tested in this one. Khrushchev is testing Kennedy by provoking a crisis in an area strategically disadvantageous to the West, over a country which at least some of the allies do not think is worth the risk of war.

Kennedy is testing both the Russians and the allies by playing it cool and bold as usual.

The only ones not being tested are the American people. The President is telling them very little. Their chips are on the table, but they are sleeping away, blissfully unaware of the risks and choices being discussed by the man who once wrote "While England Slept."

ACCLAIM FOR PRESIDENT KENNEDY'S YOUTH CONSERVATION CORPS PROGRAM

Mr. GRUENING. Mr. President, yesterday, I had occasion to comment on the splendid pending proposal of President Kennedy to establish a Youth Conservation Corps and inserted in the RECORD an article from the New York Times which outlined these plans.

Those who saw the work of its predecessor body, the CCC, as I did, after the depression days of the late twenties and early thirties, realize from personal observation how valuable this work was and can be. In Alaska, the CCC enrollees built trails, shelter cabins, cleared away obstructions, planted trees, checked soil erosion, and did all sorts of work which needed to be done but did not fit into any other category of either Federal, State, or private activity.

As a cosponsor of the previous Youth Conservation Corps bill, which was passed by the Senate in the 86th Congress, I welcome the President's support of this measure which will again come before the Congress, and let us hope, this time for passage, not merely by the Senate but also by the other body, where in the 86th Congress it failed to pass.

There is an excellent editorial in the New York Times this morning on this subject, and I ask unanimous consent that it be printed at this point in my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

CCC TO YCC

Three years ago almost to the day Senator HUBERT H. HUMPHREY and Representative JOHN A. BLATNIK, of Minnesota, introduced into the Congress a proposal for a 10-year management and development program for the conservation of America's natural resources. A major feature of their plan was establishment of a Youth Conservation Corps, modeled on the old Civilian Conservation Corps of New Deal days, one of the most highly successful and generally admired innovations of the Roosevelt era.

The Humphrey-Blatnik proposal in its entirety, which would have rehabilitated the badly depleted natural resources of the Nation, was estimated at the time to cost about $1.2 billion a year over a 10-year period or, as Mr. HUMPHREY pointed out, for the entire decade one-fifth of the cost of the defense program for 1 year. However, nothing of a comprehensive nature was done, and there the matter rested.

Now the Kennedy administration has revived the Youth Conservation Corps part of the plan, under stimulus of the excellent report issued in January by its Natural Resources Advisory Committee headed by Representative FRANK E. SMITH, of Mississippi. Establishment of a YCC alone will not solve the problem, but it is an important and progressive step.

With the 9-year experience (1933–42) of the CCC to guide it, the proposed YCC would

employ some 150,000 boys aged 17 through 19 for 1 year's outdoor manual labor ranging from construction of check dams to planting of trees, and covering the whole range of national park, forest, water and soil conservation activities. The estimated labor cost would be some $400 million annually; and we can think of few ways in which such a sum could be better spent.

The amount of work required to be done in restoring this country's natural resources staggers the imagination—yet it must be done sooner or later; and the longer it is put off, the more expensive it will become. Three years ago Senator HUMPHREY estimated that only a third of the Nation's farmlands were yet protected by soil-conservation measures; that 50 million acres of forest land needed replanting and another 275 million improvement; that two-thirds of our western grazing land was suffering from erosion. These figures are still substantially the same.

In the spirit of the CCC almost a generation ago, the YCC today can be a tremendous force for the conservation of resources and the useful employment of American youth in the 1960's.

APPRAISAL OF THE FIRST 2 MONTHS OF THE KENNEDY ADMINISTRATION

Mr. DIRKSEN. Mr. President, there was published in the Wall Street Journal this morning a very timely editorial which summarizes the first 2 months of the present administration. I believe it is worthy of incorporation in the RECORD, and I ask unanimous consent to have it printed.

The PRESIDING OFFICER (Mr. METCALF in the chair). Is there objection to the request of the Senator from Illinois?

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

TWO MONTHS

Since we Americans dearly love anniversaries, it's natural that this week should see a burst of appraisals of the Kennedy administration's first 2 months in office. But what is interesting is that most of the commentators don't seem to know quite what to make of it.

The comments we have seen from the liberals are, by and large, approving, although mingled with some uncertainty as to whether the President will carry through with the programs he's promised. Curiously, the comments from the more conservative minded are also, by and large, approving, although mingled with some uneasiness that the President might carry through with the program he's promised.

In short, after 2 months in office President Kennedy has not developed in the public mind a clear-cut image of his political philosophy, in the sense that the people had a clear impression of Roosevelt, Truman, and Eisenhower.

Now this would be quite unremarkable—2 months is a very short time—except that everybody is impressed with this administration's amazing vigor. In those 2 short months the President has sent some 30 messages to Congress, as well as a score of predrafted bills. He has held a press conference every week but one, touching on more than 100 subjects. There have been almost 30 messages to foreign governments and more than a dozen public speeches. All this ought to add up to something.

If it does not, we suggest that it's because there is often a wide difference between what the President says and what he puts into concrete proposals. The puzzle, if any, is which represents the true course of the new administration.

When Mr. Kennedy speaks on budget policy—especially when he speaks informally, as at a press conference—he shows a deep regard for prudent financial management; he pledges that none of his proposals of themselves will unbalance the budget. Yet the specific proposals already made would add billions to both budget spending and deficit.

It would be hard to find a more thoughtful statement on our foreign economic problems than the President's diagnosis that they grow out of excessive spending overseas. Yet again, the specific proposals promise no decrease in the Government's outpouring abroad; the outpourings would even be enlarged under the Latin American program.

In the realm of welfare legislation, the President's language has been exceedingly restrained. He speaks with none of the wild phrases of the Democratic platform; what he puts forward he puts forward quietly, almost tentatively. Yet when you look inside all the welfare packages, add up all their contents, there is hardly anything left out.

It is true, of course, that up to now the President does not appear to be pushing any of these new proposals very hard. His programs for education, housing, agriculture, and the rest sometimes sound as if somebody had just gathered up all the ideas that have been kicking around, dumped them into one package, and then simply tossed them out on the table for Congress and the country to pick over. The programs may be controversial, but the absence of table-thumping from the White House has so far kept any of them from blowing up into a real controversy.

Now it may be that this restraint reflects the fact that the President himself is not rabidly enthusiastic about these extensions of the welfare state and the role of Government in the management of private and local affairs. Anyway, this interpretation has given rise to the misgivings of the extreme liberals who complain the President does not fight for these programs, and the relief of those who last November feared he would.

Sometimes we don't know what to make of it all, either. Still, if the country adopts only what has already been proposed for action, we shall have a Government budget bigger by billions. Labor will depend on the Government for both its jobs and its wages. The farmer will yield complete control of agriculture to the Government. And all of us will look to the Federal Government to send us to school when we are young, give us our shelter when we are middle-aged and take care of us when we are old.

Well, perhaps this administration will prove more conservative than its prospectus. But you sure couldn't prove it by the prospectus.

THE URGENT NEED FOR QUOTAS TO CONTROL LOW-WAGE IMPORTS OF TEXTILES AND APPAREL

Mr. DIRKSEN. Mr. President, I have a statement from the National Association of Wool Manufacturers with respect to the urgent need for quotas to control low-wage imports of textiles and apparel. This subject was roundly discussed and occupied most of the time of the Senate yesterday. The statement has particular reference to wool products, and I ask unanimous consent that so much of it as can be reproduced in the RECORD be printed as a part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

DANGER AHEAD—CLEAR AND PRESENT—THE URGENT NEED FOR QUOTAS TO CONTROL LOW-WAGE IMPORTS OF TEXTILES AND APPAREL

(In 1957, the "danger ahead" symbol was used by the wool textile industry in its case before the Office of Defense Mobilization, based on the belief wool textile imports were threatening national security. ODM agreed wool textiles are essential but said imports did not threaten security. Since 1957 the upward surge of textiles and apparel imports has continued, converting "danger ahead" to "danger clear and present.")

To All Americans:

The U.S. textile industry and its chief customer, the apparel industry, are big—in combination or alone. Together they employ over 2 million production workers—more than any single U.S. manufacturing industry—and have an annual payroll of about $7 billion. Textiles and clothing are basic necessities and the two industries have made Americans, civilian and military, the best clothed people in the world.

The textile industry also supplies a vast array of household products and industrial goods. It is the primary consumer of U.S. cotton, wool and manmade fibers, and huge amounts of other materials and services.

The importance of the industries to the owners, employees and the economy is evident. But there is still another even more vital factor—national security—which in today's perilous world, means national survival. Concerning defense essentiality, the Office of Civil and Defense Mobilization said as recently as January 30, 1959: "On this point there need be no equivocation. The OCDM regards the textile industry as an essential industry and considers it an essential part of the Nation's mobilization base."

You may ask, "So what?" Just this: The essential textile industry has been seriously damaged by rapidly rising imports. Now imports of apparel are mounting, compounding the injury to textile mills and posing a serious threat to U.S. clothing producers. The two industries and their 2.2 million employees are fighting for survival and they generally believe the Government, in the national interest, must establish textile and apparel quotas for each country exporting these products to the United States, with the quotas divided into product categories to prevent concentration in any particular type of goods.

The two industries solicit your support. Make their fight your fight to keep the United States self-sufficient in textiles and clothing under all conditions, in peace or in war.

This booklet highlights the import problem of the wool textile section of the U.S. textile industry.

Imports of wool cloth, principal product of the U.S. wool textile industry, jumped to an all-time record high in 1960, soaring 25 percent over 1959 as U.S. wool apparel cloth output dipped about 5 percent. Imports of other products of the industry also continued to climb in 1960: Wool yarns, highest since 1923; and wool tops (semimanufactured product from which worsted yarn is spun), at a 7-year peak. In addition, the influx of products made by the industry's customers, clothing manufacturers and knitters, also gained with imports of both woven clothing and knit items at the highest levels in at least 40 years.

WOOL CLOTH IMPORTS AT RECORD HIGH

(Chart not printed in RECORD.)

Principal sources, 1960:	*Percent*
Italy	42
Japan	27
United Kingdom	24

WOOL YARN

(Chart not printed in RECORD.)

Principal sources:	Percent
Japan	59
Belgium	24
France	9

WOOL TOPS

(Chart not printed in RECORD.)

Principal sources:	Percent
Uruguay	47
United Kingdom	31
South Africa	8

WOVEN APPAREL CLOTHS

(Charts not printed in RECORD.)

Production decline, 1946–60, 43 percent.

Number of establishments:	
1947	828
1954	654
1958	580
Loss	248

Production workers:	Thousands
1947	167
1954	82
1958	76
Loss	91,000

Broad looms: Decline, 1946–59, 53 percent.

Spinning spindles, worsted, woolen; decline, 1946–59, 62 percent.

HOURLY WOOL TEXTILE WAGE RATES

Quotas are required because tariffs, under present policy, fail to offset low foreign wages.

	Per hour
United States	$1.73
Britain	.54
Italy	.30
Japan	.14

Britain, Italy and Japan in 1960 supplied 93 percent of wool fabric imports here. Their wage rates do not even compare favorably with the present Federal minimum of $1 per hour, much less the proposed $1.25. Transplanted here intact, foreign mills would not be allowed to operate in interstate commerce under the Fair Labor Standards Act.

Wool apparel imports jump to 15,450,000 pounds.

(Charts not printed in RECORD.)

Duty paid value of 1960 wool product imports exceeded one-fourth billion dollars:

	Pounds (estimate)	Duty paid value (estimate)
Woven apparel cloth	28,350,000	$117,900,000
Yarns	5,600,000	19,500,000
Tops	4,870,000	7,300,000
Clothing of woven cloth	6,500,000	30,200,000
Knit items	8,950,000	75,400,000
Total	54,270,000	250,300,000

In terms of wool the 54,270,000 pounds of these imports equal nearly 50 percent of U.S. shorn wool output.

Growers recognize that U.S. mills are the only customers for domestic wool. Thus rising imports of wool in manufactured form hit domestic growers as well as mills and apparel plants. In addition, wool product imports run counter to the National Wool Act's aim to increase U.S. wool production. Recognizing wool as a strategic commodity, Congress passed the act as a measure of national security and to promote the economic welfare.

American-made textiles and apparel give Americans:

Quality equal or superior to that of textiles and apparel made anywhere.

Unmatched variety at prices to fit every purse.

New yarns, new fabrics, new finishes, new styles to meet the most exacting civilian, military, and industrial needs.

Efficiency of the U.S. textile and apparel industries is unchallenged but it is not sufficient to offset vastly lower wages and other costs in foreign plants. Tariffs, as applied under present U.S. trade policy, are inadequate safeguards. That is why, as stated earlier, the American industries believe the Government, in the national interest, must establish textile and apparel quotas for each country exporting these products to the United States, with the quotas divided into product categories to prevent concentration in any particular type of goods.

Further, the duties on goods within the quotas should be sufficient to prevent imports from selling in the U.S. market at less than cost of production in U.S. plants of high efficiency.

Employed Americans are the world's best customers.

MONTANA STATE SENATE EXPRESSES ITS GRATITUDE TO FORMER SENATOR JAMES E. MURRAY

Mr. MANSFIELD. Mr. President, since the retirement of my distinguished senior colleague, Senator James E. Murray, he has not been able to enjoy the days of leisure he so richly deserves because of a serious illness which has plagued him for the past several months.

Senator Murray has had a full life, with many varied accomplishments, and we wish him well, and anticipate that he will soon be on the road to recovery. The Senator is now convalescing at the home of his son, Judge W. D. Murray, in Butte, Mont. Butte is home to Senator Murray, and my colleague, the distinguished junior Senator from Montana [Mr. METCALF] and I hope that he is enjoying a visit with his many friends and associates.

The Montana State Senate passed Resolution 21 expressing its gratitude to Senator Murray for service rendered and wishing him a speedy recovery to robust health.

Mr. President, I ask unanimous consent that the text of the resolution be printed at the conclusion of my remarks in the CONGRESSIONAL RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

SENATE RESOLUTION 21

Senate resolution of esteem for former Senator James E. Murray, praying a speedy recovery from his serious illness

Whereas Senator James E. Murray has reached the end of a career of long and distinguished service to Montana in the Congress of the United States; and

Whereas Senator James E. Murray had been hospitalized in recent weeks by severe illness; and

Whereas the many friends of Senator James E. Murray are still mindful of the great achievements for which he was responsible: Now, therefore, be it

Resolved by the senate membership of Montana's 37th Legislative Assembly, That Senator James E. Murray has our full expression of gratitude for service rendered; that we wish him speedy recovery to robust health; and, therefore, be it further

Resolved, That copies of this resolution be submitted to James E. Murray, to the immediate members of his family, and to Montana's congressional delegation in the Congress of the United States.

TIM BABCOCK,
President of the Senate.

THE PRESIDENT'S FOREIGN AID PROPOSALS

Mr. KEATING. Mr. President, there is much to think about in the proposals on foreign aid just sent to the Congress by President Kennedy. A final evaluation will require careful study, but there are a few points that call for comment.

First, we all applaud the fact that President Kennedy is following along the lines emphasized by President Eisenhower before he left office. There is a real need for coordinated assistance from all free nations which have the wealth and industrial know-how to assist underdeveloped nations. The United States is—and I trust will remain—the leader of the free world, but there are other free world nations which must follow our leadership and contribute themselves more generously to the welfare of poorer countries.

Second, I am glad to see that we are going to concentrate our help on those nations which are ready to help themselves by sound internal fiscal policies and clear planning. There is no point in giving aid to those who do not know how to use it well.

I am somewhat more skeptical about the President's demand for a new agency to handle foreign aid. If there are already too many agencies, as the message indicates, I am not sure that creating a new one would do much good. It is more important to link the existing ones together and make sure that they coordinate than to start out afresh with more bureaucracy.

I am even more skeptical about the President's desire for appropriations to cover 5 years rather than 1. Careful, long-term planning is certainly needed. But if that planning is wisely done and practically oriented, there is no need to fear annual congressional reviews. The yearly congressional review of appropriations is nothing to be afraid of if—and this is apparently a big "if"—the planning has been done as it ought to be.

Finally, I should like to make another point that was not mentioned in the message—and I greatly regret that it was not. It seems to me important in planning and administering aid all over the world that we make an effort not to set up and encourage industries abroad that are directly competitive with American industries, or even with industries already flourishing in other countries. Textile plants are one example, and we could find many others. Indirect competition, of course, is inevitable, for America manufactures almost everything; but direct competition, if it creates unemployment here, and weakens American trade, will not benefit the free world as a whole. Similarly, if teaching Africans to grow coffee will create a depression in the coffee-growing countries of Latin America, then other possibilities should be studied first.

This consideration was not mentioned in the President's message, but it should certainly not be ignored.

GREEK INDEPENDENCE DAY

Mr. JAVITS. Mr. President, Saturday, March 25, will mark the 140th anniversary of Greek Independence Day, celebrating the successful war of independence against the old Ottoman Empire.

The people of Greece have jealously guarded their hard-won freedom which they achieved after 400 years of subjection to a conqueror's rule. The influence of Greek ideals of freedom, of Greek philosophy, literature, and arts helped fashion our early American democracy, and in the epochal struggle for independence that began in 1821 Americans stood side by side with the Greeks. After World War II, when Communist forces inspired a bloody civil war, the United States supported the legitimate Greek Government with a program of massive aid, thus providing the decisive factor in the defeat of the Communists. American aid has spurred the economic recovery of Greece and is helping the Greek people achieve a substantial measure of economic freedom. Today Greece is a pillar of the NATO defense against communism.

America's bond with the people of Greece is much more than a spirit of sympathy and understanding. Millions of our citizens can trace their ancestry back to this ancient land and still maintain blood ties there; other Americans are conscious of the bonds of history and tradition as well as the substantial contribution of Americans of Greek origin to our modern culture and economy. There is ample reason, therefore, to congratulate the people of Greece on this occasion.

BYELORUSSIAN INDEPENDENCE DAY

Mr. JAVITS. Mr. President, I am happy to join in the celebration of March 25 marking the 43d anniversary of the independence of the Byelorussian Democratic Republic. The long history of the determination of the Byelorussian people to be independent is punctuated by armed uprisings and constant sacrifice. They proclaimed their Republic in Minsk in 1917 but the period of independence was cut short by the Communist armies that swept over the territory and drove the government into exile.

During World War II, the Byelorussian people again proclaimed their independence, but the Kremlin's forces quickly stamped out this spark of liberty.

It is especially fitting that we pay tribute to the courage of these enslaved peoples at a time when the free world itself is being challenged by the Communist forces. These people of Byelorussia as well as all other peoples held captive behind the Iron Curtain reflect the indomitable spirit of men who are willing to fight and die for the right to be free.

PRESIDENT KENNEDY'S FOREIGN AID MESSAGE

Mr. JAVITS. Mr. President, President Kennedy's foreign aid message presents a perceptive and statesmanlike program in the best bipartisan tradition.

It properly demands implementation by unitary administration in Washington and in the field, and proposes most actively to follow through on the effort to get multilateral participation from the other industrial nations so auspicicusly begun in the Eisenhower administration.

The proposals to enable us to make long-term, 5-year commitments, to extend development loans, and to make them repayable in up to 50 years are vitally needed new initiatives which the Congress must heed. Conditioning our aid on the recipients' ability and willingness to undertake internal reform and self-help is hardheaded realism which justifies the requested authority to make long-term commitments.

The President's recognition of the foreign aid program's continuity through the administrations of President Truman and President Eisenhower and through support from both political parties is most gratifying and should help greatly to get the program enacted.

AWARD TO SENATOR GOLDWATER BY YOUNG REPUBLICAN CLUB OF LOYOLA UNIVERSITY, CHICAGO

Mr. DIRKSEN. Mr. President, on February 18, 1961, the distinguished Senator from Arizona [Mr. GOLDWATER] delivered an address to the Young Republican Club of Loyola University in Chicago.

This fine group of young Americans sought to show their appreciation by presenting to Senator GOLDWATER a plaque which was inscribed with the following tribute:

A TRIBUTE TO THE AMERICAN STATESMAN WHO IN THE YEAR 1960 MADE THE MOST SIGNIFICANT CONTRIBUTION TO THE POLITICAL EDUCATION OF AMERICAN COLLEGE MEN AND WOMEN, SENATOR BARRY M. GOLDWATER

Who has described lucidly the nature of the American political effort in his reasoned and convincing work "The Conscience of a Conservative."

Who has demonstrated the courage idealized in our statesmen by preferring honesty in expression to a cautious reticence in matters thought to be dangerously lacking in popular appeal or understanding.

Who has dedicated the whole of his energies to his country's cause, creating an understanding of our best interests, educating the Nation's younger people, speaking often, explaining thoroughly:

A benefit we acknowledge,
A privilege we will remember.
Our gratitude is offered.

Presented by the Young Republicans of Loyola University, Chicago, February 18, 1961.

VIEWS OF NORMAN THOMAS ON CHURCH-STATE RELATIONSHIPS

Mr. MORSE. Mr. President Mr. Norman Thomas who certainly deserves the title of elder statesman has written to me in my capacity as chairman of the Education Subcommittee of the Senate Committee on Labor and Public Welfare his views on the subject of proper church-state relationships.

Mr. Thomas states his position concisely and it is one which should be received with the respect that its lucidity and cogency deserves. His statement will appear in the hearing record on the bills relating to Federal aid to public elementary and secondary schools. However, because the subject is timely it is, in my judgment, most helpful to have a clear statement of a widely held position made available to a larger audience than that provided by necessarily curtailed press reports of the hearing.

I ask unanimous consent that the statement of Mr. Thomas be printed in the RECORD at this point in my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT SUBMITTED BY MR. NORMAN THOMAS ON S. 1021 AND RELATED BILLS TO THE EDUCATION SUBCOMMITTEE OF THE SENATE COMMITTEE ON LABOR AND PUBLIC WELFARE, MARCH 20, 1961

Under a firm principle of separation of church and state both have fared well in America. Various religious denominations are far stronger here than are the established churches in Scandinavia and Great Britain. Under that principle we have built up a public school system which, whatever its faults, has been an incomparable agency in making us all Americans despite the great variety of our national and linguistic backgrounds. The one greatest defect in our system has been segregation in some States along lines of race and color, and that it is the settled policy to correct.

But now comes a well-organized drive to segregate our children permanently along lines of religion. There is no manner of doubt that that is the purpose of the Roman Catholic hierarchy's drive against the school bill recommended by our Roman Catholic President. The beginning of the drive is to demand loans to parochial and other private schools. The hierarchy will not accept a separate loan bill, as the President has suggested, which, if it passes Congress, can be tested in the courts for constitutionality without holding up a bill desperately needed for strengthening public education. The church wants no bill unless it gets its cut on loan funds and it will be aided by citizens willing to economize on taxes in the name of a phony sort of States rights. If the church succeeded on the basis of its present pleas the next step will be to demand of the several States and the Federal Government that its schools get a proportionate share of tax money heretofore devoted to public education which in no sense is irreligious but does prevent religious indoctrination at public expense.

This way lies disaster—an almost certain bitter split between secular and religious schools far worse than in Europe conditioned to perfunctory religious schools. Every little religious sect will, sooner or later, start its schools and demand tax money. Private schools segregated on lines of race and color will demand public funds. Private schools, heretofore supported by those who wanted them, will join in and the public schools will be left with those who rather consciously want no religious instruction. The cleavage between them and the other schools will be marked and bitter and will be bound to affect politics, local, State and Federal.

But, the Catholic argument runs, why shouldn't our tax money go to educate our

children the way we want? Because it is not the business of the State to provide all sorts and kinds of religious education. It is its business to provide good, nonecclesiastical education at public expense open to all. It should leave, as it does, plenty of time in the week for church training in formal religion through supplemental religious schools. It should allow in a democracy, as it does, the organization and support of private or independent schools by churches, experimental groups, and those desiring what some independent schools offer. But those who want this sort of thing should pay for it, which is no impossibility in our relatively affluent society.

There may be positive benefits to some children and to education in the existence of independent schools. The interaction between the public and the church and other independent schools may be mutually helpful. But not if they are fighting for funds; not if church pressure far more than today makes for religious segregation from the kindergarten on. In the name of one of the most valuable of American traditions and practices the principle of separation of church and state and its application to the education of our children must be protected. And that is as true in New York where Governor Rockefeller's political interests lead him to seek Catholic support by evasive aid to their colleges at the expense of proper appropriations to public schools as it is in the Nation.

OPERATION PAN-AMERICA—THE HIDDEN CATALYST?

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a very fine statement on Latin-American problems by T. Graydon Upton, of the Inter-American Bank. I wish to associate myself with Mr. Upton's observations.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

OPERATION PAN-AMERICA—THE HIDDEN CATALYST?

(A paper before the American Assembly, Pittsburgh, by T. Graydon Upton)

The people of Latin America await quick action by President Kennedy to counter deteriorating economic, political, and social conditions. But disillusionment and acceleration of negative trends will follow if a dramatic new frontier of the spirit cannot be established to complement increased economic assistance. The U.S. balance of payments and budgetary factors are a deterrent to a hemispheric Marshall plan, that panacea long envisioned by Latin Americans as a solution for all troubles. Foreign capital regardless of type or amount, can supply only a modest part of total development capital required, the greater share of which must be created in Latin America. And, indeed, there is no indication that the effect of either existing or new development assistance, by itself, can be sufficiently quick and sufficiently widespread in impact to counter effectively the negative influences. The solution of the problem must correspond to its nature, and its nature is basically internal in Latin America, as well as in the posture of the United States.

What is needed in this dilemma is the synthesis of a new element, the development of a countermystique to Castro, the rededication of the spirit of a highly spiritual and emotional people, which by its intensity will create reservoirs of capital of individual and group effect. And, indeed, such a new element is at hand, but its power and vitality has not been grasped, nor, except in a few isolated steps, has its concept been developed.

The negative factors: During many of the postwar years, a facade of good export earnings, increasing U.S. investment, and progress in industrialization, obscured the fact that Latin America, because of a coincidence of unfavorable economic and social factors, was an area urgently requiring U.S. attention. (While it is true that many of these negative factors exist in other less developed countries, in none of them are they to be found in such unhappy coincidence as in Latin America.) This facade was the more effective, because despite traditional hemispheric ties, cultural and language barriers contributed toward U.S. intellectual interest, primary foreign aid efforts, and key manpower, being directed first to less complex areas of the world with which "communication" in the sense of broad understanding, was more easily established.

In its predominantly tropical regions, Latin America has the most rapidly growing population of the world, and an even more rapid concentration of people in cities. The goal of meeting basic necessities for such unleashed human expansion presents for democratic Latin American governments an extremely difficult objective. Taking a long term view of the nature of the world population problem in less developed areas, Aldous Huxley said, "the probability of overpopulation leading through unrest to dictatorship becomes a virtual certainty." Although there is much difference between individual countries, the terms of trade of Latin America as a whole are steadily deteriorating, and the outlook for its exports is not good. Industrialization has proceeded rapidly in a number of countries and created a situation where ever-increasing amounts of imports, thus of foreign exchange, are required, and there is no margin for contraction in minimum living standards. Although there are some bright spots, in many countries debt ratios are increasingly unfavorable to normal loans, private investment has slowed down, and if social unrest spreads further there is danger of foreign and domestic decapitalization. After analyzing this problem at the inaugural session of the Committee of Twenty-one in Bogotá last September, President Lleras Camargo said, "If such is the trade situation, I would like to express my candid opinion that we are not facing a development problem, but are, rather, confronting a crisis unprecedented in the history of Latin America that cannot fail to undermine all its institutions and democratic systems."

The voice of Fidelismo and what it represents in social reforms and instigation to social revolution presents to the people an attractive alternative to that which they do not have. And this attraction rests not only on their unfulfilled needs, but on the vista of a single element not found in other less developed areas—the heritage of Hispanic culture reflected in large land holdings, maintenance of the practices of the 19th century capitalism in a mid-20th century social environment, a dependence on central government for tasks which communities elsewhere would undertake themselves, a frequent lack of ethical responsibility in official position, an antipathy to manual labor, and reoccurring abuse of the concept of strong individual leadership.

Such is the dark side.

The necessity of creating a new spirit: The coincidence and rapid development of negative factors make it essential that increased development assistance and stabilization of commodity prices be supported by a new moral ideology in Latin America. Large sums, when spent rapidly and without adequate planning and controls tend to be used wastefully, to flow toward existing sources of wealth (and then out of the country as capital flight), and to stimulate inflation, graft, and mishandling. In short, they may do little to alleviate social tensions for many years to come. On the other hand, careful planning and painstaking execution of industrial economic and social development projects to raise living standards on a significant scale, is slowed down by lack of all types of experienced technical, managerial, and administrative personnel. Meanwhile, time presses. Development loans, in their present handling are slow to bridge the gap, for during the long waiting period for consumers goods to be produced there is nothing tangible or spiritual to spur the hopes and ambitions of the people, and when, at long last the goods flow, an outmoded Latin American capitalism is a barrier to a wide attainment of economic benefits by the low income groups.

The promise of a redefined Operation Pan America. A new revolution of the spirit, a new mystique, a new catalyst, must possess certain inherent characteristics. It must be a Latin American movement, conceived and nurtured in Latin America. It must be dramatically presented, and thus capable of awakening enthusiastic acceptance (and not be allowed to die, then revived periodically, in isolated incidents, without coordination or followthrough). It must be broad in concept, so that individual objectives, such as multiple self-help housing, land reform, a new educational drive, common markets and other aspects of Pan Americanism, can be woven into it. And it must be capable of being sustained over a longer period.

Historically, great movements of the spirit stem from a great leader, who intuitively senses the readiness of a people for change, then builds on underlying social, spiritual, or national tensions to create a new social system, a new religious movement, or a great national party. And this in turn is achieved not only by the force of personality of the leader but by the vitality of the concept, and the effectiveness with which the best available techniques are used to arouse enthusiasm and to induce and maintain public acceptance for it.

While a new Simon Bolivar for Latin America cannot yet be identified, there does exist a concept with great potentialities—the concept of Operation Pan America. Operation Pan America is the creation of the Brazilian poet-politician, Augusto Frederico Schmidt, fathered by a widely acknowledged Latin American leader, Juscelino Kubitschek, and presented forcefully by Brazilian representatives at inter-American meetings. Operation Pan America has been accepted by Latin American governments, and by the United States. But the concept has lived only in conferences, in Schmidt's speeches, and in a relatively few isolated high-level messages and acts, of which the most outstanding was the Act of Bogotá and its concept of aided social evolution. At this fateful moment in Latin American relationships, Operation Pan America is only a smoldering ember, which has never turned to flame.

This failure is, perhaps, because in its original Brazilian presentation Operation Pan America was tied in with the establishment of Latin American goals in terms of per capita income and rates of economic growth, which created for the United States the problem that acceptance would commit it to massive expenditures impossible either to begin or to maintain. Thus the nascent fire of Operation Pan America has hardly survived a barrage of financial arguments, opposing economic concepts, and conference deadlocks. And in the process its power, within whatever financial framework may be possible, for awakening the spirit of the Americas, which was an essential part of Schmidt's concept, has been forgotten. Nor indeed could Operation Pan America be effectively launched without the utilization of imaginative planning, effective techniques of arousing human enthusiasm, and methods to insure its acceptance on a broad

scale, all of which require U.S. support and understanding. In short, the necessary catalyst of the dramatic and emotional factor has been overlooked.

Yet Operation Pan America has the vision and the potential symbolism of a sweeping hemispheric movement. It has a spiritual (if also materialistic) origin, and it has a broad scope. If properly moved, it is capable of building great enthusiasms and intense self-dedication. It can exercise a cohesive and unifying force in Latin America which in turn would create the human and spiritual capital of real progress. It is capable of drawing to it powerful Latin American leadership. And finally, the fortuitous timing factor inherent in the taking of office of new Presidents in Brazil—the great country where Operation Pan America was conceived, and in the United States, whose acceptance and support is prerequisite for success, and which itself is dedicated to establishing vital new frontiers, is particularly fortunate.

The form of Operation Pan America: It is not within the scope of this paper to provide a blueprint for a redefined Operation Pan America. ("Redefined" because of the need of a shift in emphasis from its original economic structures.) It could "bubble up" from the bottom, as individual civic groups and communities of interest in Latin America and the United States accept the theme and develop their own variations on it. But more effectively, it should come from the top, and here one can catch glimpses of a future pattern. One can visualize an address by the President of the United States, dealing only with Latin America, and in the inspiring framework of his inaugural words. One can foresee a meeting of the Presidents of the Americas to rekindle the fire. One can guess at the desirability of forming within the Organization of American States a specialized public relations staff to develop the public relations aspect of Operation Pan America both in detail of concept and execution, and by establishing techniques for widespread public acceptance in the cities, the towns, and the countryside of Latin America, and in the United States.

One can visualize that a new powerplant, financed perhaps by the Inter-American Development Bank, instead of passing from the popular mind with a press notice, will be greeted in ceremonies as a step in Operation Pan America—Project Power. There will be speeches not just by functionaries, but by foremen, technicians, and laborers, flags with the symbol of Operation Pan America and bands playing the new march of Operation Pan America. There will be a large model of the plant, and imaginative pictures of the new homes to be lighted, the new industries to be supplied, and displays of the new electric tools and new household equipment to be used. And there will be a formal dedication and blessing by the church in recognition of the spiritual values of the great movement of which the power project will become an additional symbol. Thus during the period of construction the project will be not just an unrecognizable physical structure, but will be immediately and continuously identified in the minds of the people as something vital to improve their life, and an essential part of all-pervasive Operation Pan America.

One can foresee not only scattered self-help housing projects, but a number of them initiated simultaneously in half a dozen cities throughout a country, with officials of department of public works devoting a first day of symbolic labor, with competition between housing teams, gold star rosters of number of dwellings completed, and prizes for the most effective team of supervisors. One can see, too, American companies in Brazil, all joining together to provide scholarships for a technical training center, dedicated under a new demonstration of the spirit of Operation Pan America—Project: Education. While on the college campuses of the United States the flag of Operation Pan America would symbolize that students of Latin America were receiving that particularly warm reception which the new spirit of the hemisphere had awakened. One might also visualize a Day of the Americas in both Latin America and the United States, where all citizens of the Americas would be invited to pledge for a practical, yet symbolic goal, chosen by the Presidents of the Americas. And the voice of America would speak vitally and forcefully in Latin America not as the Voice of America but as the voice of Operation Pan America.

In short, the present routine statistical handling of development in Latin America, punctuated occasionally by an uneconomic but emotionally stimulating prestige project, would be replaced by a new dramatization of development efforts in Latin America by all agencies, public and private, U.S., Latin American, and inter-American, tied together with the spiritual cement of Operation Pan America. And such dramatization would be carried forward in Latin America, and in the United States, under technical assistance in the human relations field, awakening in the process a sense of enthusiasm, self-dedication, and human capital, and enlisting new and imaginative leadership.

Conclusion: A great deal of economic planning is taking place for the development of Latin America, and with the reorganization of the Inter-American Economic and Social Council of the Organization of American States, a significant step forward has been taken in the sphere of consultation and confrontation of ideas between nations of the Americas, parallel to that which moved Europe forward after the war. Similarly, in the earlier formation of the Inter-American Development Bank, a hemispheric institution has been brought into being which is creating great interest in Latin America for its own multilateral role in development. And with the Act of Bogotá a constructive step has been initiated in the difficult concept of social overhead assistance and evolution of social institutions. There appears, in addition, little question but that further economic measures will be considered by the United States.

But no equivalent step has been taken in the sphere of the spirit, and no successful effort has been made to touch the imaginations and emotions of the peoples of the Americas and unite them for a common objective. Yet a vehicle is at hand for touching such imagination and such emotions. In a world where nations are rapidly building both good and evil houses of the spirit to facilitate achievement of national goals, Operation Pan America is unique in concept and of breathtaking potentiality. The interpretation presented here does not for one moment suggest the substitution of banners for development dollars. Operation Pan America can come to fruition only if the administration, fully supported by the Congress, will make a maximum effort in the financial and economic spheres, both to increase and make more effective economic and social development assistance. But man cannot live by bread alone. When the maximum economic and social effort is being made, it must touch not only creature necessities, but quick minds and high spirits. If a successful war is to be waged on underdevelopment in Latin America, it must have, for a sensitive, emotional, and upreaching people, the panoply of the dedication of a great cause. For only within the spirit of such dedication can the individual effort and sacrifice be called forth which are essential for success against such odds.

The concept of Operation Pan America provides the vehicle of the spirit. This unique opportunity for its implementation must be grasped, or the dream will be forever lost.

MALHEUR WILDLIFE REFUGE—SERVICE STOP FOR MIGRATING WATERFOWL

Mr. MORSE. Mr. President, in the February 1960 issue of the Northwest Ruralite, there appears an article entitled "Malheur Wildlife Refuge—Service Stop for Migrating Waterfowl." Because this article presents an excellent picture of one of the important services not too familiar to many of our citizens, provided by the Federal Government through the National Park Service, I thought it would be of interest to my colleagues. I ask unanimous consent, therefore, that the article to which I have alluded be printed at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MALHEUR WILDLIFE REFUGE—SERVICE STOP FOR MIGRATING WATERFOWL

Out in the barren and still chilly sagebrush and rimrock country south of Burns, Oreg., a new life will soon spring forth to herald the coming of spring.

Sometime soon, usually around mid-March, the first calls of migrating snow geese are heard along the marshlands of the Malheur National Wildlife Refuge southeast of Burns. During the ensuing month or so the eastern Oregon skies will be thick with huge flocks of snow geese, whistling swans, Canada geese, mallards, pintails, widgeon, and sandhill cranes. For the Malheur refuge, the Nation's largest Fish and Wildlife Service establishment for migratory waterfowl, is a major service stop for the countless thousands of birds winging north in the spring. Some of the birds will stay to make their nests right on the refuge. Most of them, however, will continue farther north to nesting areas in Canada, Alaska, and even as far as Siberia.

Historically, the marshy lakes south of Burns—Malheur, Harney, and Mud—have long been stopping and nesting areas for birds en route along the Pacific flyway.

The first detailed writings on the subject, however, were recorded by a young Army lieutenant, Charles E. Bendire, who was stationed at Fort Harney, about 20 miles north of Malheur Lake. A U.S. Fish and Wildlife Service bulletin recalls that he wrote of the great migrations of ducks, geese, swans, sandhill cranes, pelicans, and other birds; of the colonies of nesting pelicans, grebes, cormorants, gulls, and terns; and the millions of ducks and geese that nested and reared young in the bordering swamps.

"After Bendire's time came the plume hunters to slaughter the swans, grebes, egrets and other birds for the millinery trade. This nefarious practice continued until the egrets were practically exterminated and the tern and grebe colonies greatly reduced in numbers. Fur trappers, likewise, reaped rich harvests—beavers, otters, mink, and muskrats being taken by the thousands.

"The early settlers shot ducks, geese and swans unrestrictedly, killing the birds for their feathers alone or for food. As settlement increased, dams were built in the nearby Silvies River and other streams flowing into the lakes and swamps to divert water for irrigating hayfields. The diverted water spreading over a large area caused an increase in the loss by evaporation * * * which resulted in a gradual shrinking of the marshes and a consequent decrease in waterfowl feeding and nesting grounds.

"This was the situation in 1908 when President Theodore Roosevelt established Malheur and Harney Lakes as the Lake Malheur Reservation as a preserve and breeding ground for native birds."

The area has been enlarged since then, now containing 184,000 acres, including Harney and Malheur Lakes, the old "Double O" Ranch, and the valley of the Donner und Blitzen River.

This is an area that changes slowly, if at all. Except for improvements to the refuge, the country remains much the same as it was when a trapping party led by Peter Skene Ogden traversed the area in 1826. One big change at the refuge headquarters, an idyllic oasis located about 32 miles southeast of Burns, is the recent advent of electricity supplied by the newly developed Harney Electric Cooperative.

Perhaps the most combustible era in the region's history was the Pete French era. There's a story here that seems to parallel the "Young West" stereotype. An enterprising Californian rides in in 1872, through hard work and almost ruthless leadership builds up a fabulous cattle empire, and then dies (in 1897) with the bullet from a rival's gun in his chest. The Peter French story is still a prime topic of conversation among oldtimers in the area, and has been a subject of fascinated study on the part of the manager of the Malheur National Wildlife Refuge.

The manager, a soft-spoken man named John Scharff, summarizes his studies on Pete French with the comment: "He had lots of ambition and considerable vision, but he was somewhat lacking in scruples. He was invariably the outstanding man present no matter whether he was on the dance floor, the rodeo arena or on a cattle drive. You could never be neutral about him—you had to be either all for him or bitterly against him." Of the several men who witnessed the shooting of Pete French, only one survives, a man named Frank "Chico" Chacarrategue, who now lives in Lovelock, Nev.

Last August Scharff observed his 25th anniversary of work with the refuge. He began in 1935 and has been manager since 1936. He has a staff of 13 who maintain the refuge, and carry on the various projects.

One project has been the banding of more than 50,000 ducks and geese since 1926. Reports have been received on 6,000 of these birds. About one-fourth were retrapped on the refuge or were taken in Oregon; more than half were killed in California; and the remainder were reported from Alaska, seven Provinces in Canada, all of the States west of the Mississippi River and even a few east of the river. Reports have also come from 14 Mexican States and from Honduras and Colombia.

Some 230 species of birds have been recorded at the refuge, and many of these are on display at the George M. Benson Memorial Museum, located at the refuge headquarters. For the average visitor, the museum assumes double importance, because it helps him to identify the birds he may see later in the field, and it's also the closest look he's likely to get at most birds. They're a bit shy and retiring by nature.

The refuge does welcome visitors, however, and provides several pamphlets and maps to direct the visitor to the main points of interest. Any visitor who drops in at the refuge during the next few months can't help but be enthralled by the fast-paced tempo of arrivals, departures, matings and nesting—nor is he likely to forget the image of the effortless flight of the snowy egret streaking across the marshlands, or the lumbering takeoff of the giant pelican (he looks like a flying boat taking off and you wonder if he'll be airborne before running out of water space).

PRESENTATION OF ADA AWARD TO REV. DR. MARTIN LUTHER KING

Mr. HART. Mr. President, early in February, former Senator Herbert Lehman, of New York, presented the annual ADA award to the Reverend Dr. Martin Luther King. In a moving speech outlining Dr. King's leadership and contributions to an unfinished task, Senator Lehman emphasizes the opportunity of our democracy to complete this task.

I ask unanimous consent that the text of Senator Lehman's speech be printed at this point in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

REMARKS BY GOV. HERBERT H. LEHMAN ON PRESENTATION OF ANNUAL ADA AWARD TO REV. DR. MARTIN LUTHER KING

Those nations and those generations which produce true leaders of the people usually count themselves as fortunate. And indeed they are fortunate if such leaders are not only beloved and trusted by their people but also, in turn, deeply love and trust their people; leaders who also love truth and justice and virtue; leaders who love not only their own people—but all people—all humanity.

Such leaders are rare. Blessed are the times that produce them.

Such a leader—an apostle of tolerance and understanding—a statesman of deep faith in mankind as well as in God—is among us tonight—a rare, chosen and dedicated man—a young man already old in the uses of leadership—the Reverend Dr. Martin Luther King.

The qualities in Dr. King which I have mentioned are accompanied, above all, by an indomitable courage—a courage which has many times reached the heights of heroism. It is a courage of the flesh joined to a courage of the mind—a courage based on a bedrock of faith in the principles to which Dr. King is so deeply committed.

Dr. King has already written his name largely in the social history of our times. He was the innovator, the leader, and the voice of the trumpet who called forth from the faith and spirit of the individually weak people of Montgomery, Ala., a collective strength and zeal which defied and broke the gathered forces of prejudice and discrimination in that city.

Dr. King did not summon his followers to the barricades; he did not call upon them for acts of heroic violence. Instead he called upon them to pray and to love and to walk. "My feet are tired, but my heart is strong," said the nameless woman who walked the long miles to and from work in Montgomery, rather than ride on the segregated bus. And in the end, to the accompaniment of a world's wonder and admiration * * * the bus strike was completely won, by the plain people of Montgomery, and their inspired leaders the chief of whom is our honored guest here tonight.

There was pride among all the Negroes of America in the heroic achievement of victory in Montgomery. This pride was, in fact, shared by most Americans, regardless of color, for it was a mighty triumph for the human spirit—a victory of ideals over power, of nonviolence over naked force.

Since his first emergence on the national scene, Dr. King has broadened and deepened his leadership experience. He has, I am sure, known defeats as well as victories in his efforts these past 7 years; but the evidence is that both have served to enrich his spirit and his leadership.

He is a man of the church who has brought the church and its essential religious meaning into the daily lives of the people. He has translated faith into action, and action into faith. He has helped to arm faith with fervor and courage * * * and thus to conquer hate and those who would deny the dignity of the human soul and spirit.

I am sure that he is the first to be aware that the struggle for equality and for justice for every American, regardless of race, creed or color, is far from over. It has only begun. Each victory, small or large, marks but a new beginning—the emergence of a new front where more and more human beings may join in the struggle.

Most of us feel that we stand today in the possible dawn of a possible new era—an era of action, progress, and sure advance toward the common goals of mankind. Most of us have heard and felt the stirrings of the new and exciting spirit in Washington. It seems that this is to be an era led by the generation born after the first decade of this century had made its turn—by men and women neither responsible for nor involved in the holocaust of the First World War, but who did experience at first hand the horrors of the Second World War and who are not willing to contemplate a third.

This new generation knows that to avoid the third and undoubtedly final world war new initiatives are called for, and old patterns of diplomacy and power may need to be discarded. They know, too, that a fresh and vigorous start must be made on what President Kennedy has called the unfinished business of this generation—chief of which, in my judgment, and I hope in his, is the matter of human rights.

We have far to go to complete this unfinished business. Many difficult programs of action will be required of the executive departments; new legislative authority and supporting appropriations will be needed from Congress. The steadfast courage of the Federal courts must be matched henceforth by the executive and legislative branches, acting now in concert.

I have hopes that under the national leadership of President Kennedy we are going to move ahead speedily on all these fronts. But this does not minimize or reduce the need for the kind of inspired leadership that Dr. King has been providing or which, on an organizational level, the ADA has been providing.

We must not rely solely on what comes down from above. We shall have to push harder than ever from below, in order to encourage and to support leadership from above.

That is the prospect and the challenge that we of ADA face.

And that is also the burden of responsibility which you, Dr. King, must bear in the days and years ahead. You are of the generation which now has the reins of leadership. In paying you our tribute tonight, we anticipate that what you do in the times ahead will be of even greater service to the cause of humanity than what you have done hitherto.

I now read the citation for the award which is being given you.

MINIMUM-WAGE LEGISLATION

Mr. GOLDWATER. Mr. President, I ask unanimous consent that a series of editorials touching on the minimum-wage bill be printed in the body of the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Beckley (W. Va.) Post-Herald, Feb. 25, 1961]

MINIMUM-WAGE INCREASE HAS DANGEROUS ASPECTS

President Kennedy's urgings that Congress increase the hourly minimum wage in

interstate commerce is laudable insofar as it marks him as a gentleman of the best intentions. He wants to improve the lot of the ordinary citizen.

But in this case he seems to be following the pulsings of his heart rather than the dictates of his head. According to top economists, raising the minimum wage of workers, by 25 percent, will only add to the million already without jobs. It will have the effect of creating demands for more pay and/or shorter hours all up and down the line.

Next in order will be the export of industry and jobs to other parts of the world, to meet the competition from these other parts in the U.S. markets.

It runs true that the more recklessly our dollars are spent, without proportionate increases in production results, the cheaper they become, and the less competitive in not only domestic but world markets. Stable dollars can only be achieved through stable costs and prices, plus reduction of our towering national debt; and as debt reduction proceeds, the U.S. dollar will also be deflated, to become again the most valuable—most sought after—piece of money in the world.

And that's where it should be as the currency of the strongest and most progressive nation in the world.

The Kennedy urgings will doubtless come up against that kind of thinking in the Congress. But the question remains to whether there is among the 437 membership enough of that sort of sentiment to check inflation and to strengthen the dollar by both of the means suggested above.

In this connection the philosophy of Abraham Lincoln seems worth turning to:

"Property is the fruit of labor. Property is desirable—a positive good in the world. That some should be rich shows that others may become rich and hence is just encouragement to industry and enterprise. Let not him who is houseless pull down the house of another, but let him work diligently to build one for himself, thus by example assuring that his own shall be safe from violence. I take it that it is best for all to leave each man free to acquire property as fast as he can. Some will get wealthy. I don't believe in a law to prevent a man from getting rich; it would do more harm than good."—C.H.

[From the Aiken (S.C.) Standard & Review, Feb. 20, 1961]

SANITY TEST

The false notion that the Federal Government can legislate away human shortcomings and cancel out natural economic laws may be coming to an end. Whether this is true will be tested when impending efforts are again made to amend the Federal wage-hour law to extend coverage and boost the minimum wage.

Proponents of wage-hour revision run into forces that can no longer be swept under the rug by legislative fiat; namely, inflation, unemployment, and imbalance of the gold flow from the United States. These forces have reached their present proportions, mainly because the free-market system has already been coerced, regulated and taxed to the danger point.

Legislating another increase in the wage level will mean more cost increases to pass along to consumers in higher prices, and another turn in the inflationary spiral. It will mean further unemployment and a further weakening of the ability of American business and industry to compete with foreign producers of everything from neckties to automobiles. As this ability to compete is restricted, more and more of the Nation's gold and resources will drain away to other countries.

What is most sorely needed is a demonstration of faith in the ability of private citizens to run their own affairs to the benefit of themselves and our country, if the regulators and spenders will give them a chance.

[From the Cedar Rapids (Iowa) Gazette, Mar. 6, 1961]

WAGE FLOOR RISE MAKES NO JOBS

Secretary of Labor Goldberg says it is safe to assume that 5½ million people are now unemployed in this country—the largest number since the days of the big depression and the ensuing New Deal. This fact of heavy unemployment is being used in various ways to bolster various economic proposals which the Kennedy administration hopes to get enacted into law as soon as possible.

Understandably, however, it is stressed but lightly in connection with the proposed 25 percent boost in the minimum wage which administration leaders are trying to hustle through Congress before the Easter recess. It requires uncommon facility at argument to show that a time when employers are finding it necessary to lay off workers in abnormally large numbers is a good time to require employers to pay more money to the ones they keep. To be sure, there are those who undertake to make such a case, but their reasoning is devious and hard to follow.

For one thing, they contend that there is no ground for fear that boosting the minimum wage would force the layoff of many workers, for most workers already receive considerably more than the minimum wage proposed. But that is precisely the point. Most workers do receive more than the proposed minimum wage, and most of them are reasonably well satisfied with what they receive because it reflects recognition of the fact that they have more experience and skill than those who do receive the minimum. They can be expected to become less satisfied if the differential between their pay and that of the worker on the bottom rung is narrowed. And that reaction will run all the way up the line, from one pay level to the next.

So the effect of a rise in the minimum wage is not confined to the worker at the bottom level. It is felt at all levels, unless satisfactory pay differentials between all levels of skill, experience, and responsibility can be maintained.

There are times when these differentials can be maintained with respect to a higher minimum wage by proportionate increases in pay at all the higher levels, the cumulative cost being passed on to the consumer in the form of higher prices. But this happens to be not one of those times. Employers have been laying off workers because they couldn't sell enough of what they have to sell at the prices they had established. The odds certainly would be against their selling more at still higher prices.

In other words, an increased minimum wage would squeeze them between a rising floor and a stationary, if not actually falling, ceiling. The natural tendency is for this squeeze to express itself in an effort to hold down the total working force and increase the unit workload in order to maintain pay differentials as far as possible and thereby avoid employee dissatisfaction all along the line. Needless to say, such an effort is not calculated to produce new jobs in a hurry.

[From the Florence (S.C.) News, Feb. 25, 1961]

PRICE FIXING, BID RIGGING WRONG WHOEVER'S HEAD IS WEARING THE HAT

The people owe a heartfelt vote of thanks to the Justice Department for its successful prosecution of a price-fixing and bid-rigging ring within the electrical manufacturing industry.

The sentencing judge, who whisked vice presidents off to jail and levied hefty fines, commented vigorously and properly on the damage such an arrangement does to the free competitive enterprise of the Nation, and to the citizens and governments victimized.

We have no reason to believe that antitrust enforcement will be less vigorous under the new administration than it was under the old one which made this case.

While the evils of price fixing are fresh in the public mind, it may be well to remind the public that the very Government that did the prosecuting in some cases condones and in other cases encourages such practices.

The floor price of labor is fixed by the minimum wage law.

And labor unions are specifically exempted from the antitrust laws, so that they may use their monopoly positions to hoist wages, and hence prices, at will. They may, and do, also conspire to divide up markets.

There is something wrong with laws that penalize not on the basis of the offense but on the basis of who commits it. It is entirely possible for one man to be a farmer, a labor union official, and a businessman. As things stand, whether an action of this man is right or wrong depends upon which hat he is wearing when he commits it.

That monopolies operate to the disadvantage of the public has been recognized for centuries. The Sherman Act was passed in 1890, as soon as the threat of monopolies became serious in America.

The time has come to broaden the prohibition of monopolies so that all citizens are restrained, and all protected, alike.

[From the Rockford (Ill.) Register-Republic, Mar. 6, 1961]

MINIMUM-WAGE RUSH

Harlem Congressman ADAM POWELL'S House Labor Committee rushed through hearings on the administration's proposal to increase the minimum wage from $1 to $1.25 an hour and to extend its coverage to 4,300,000 workers. The committee approved these provisions Friday and specified that the minimum wage boost take place in 2 years, instead of 3 years as originally asked by the administration.

Efforts of Republicans to limit the increase to $1.15 and to extend coverage only to employees of retailers with five or more stores in at least two States were rebuffed by the Democratic majority. It now remains for conservative Democrats and Congressmen of both parties from smaller communities to try to inject some reason into the bill during floor debate.

With the business downturn continuing and many people looking for jobs, it makes no sense whatever to increase the minimum wage. A wage increase means nothing to the worker who is unemployed. Those who cannot find jobs at a $1 minimum wage will not find work if the wage floor is raised.

Relatively few companies have a minimum wage as low as $1 an hour, but the effect of legislation compelling higher wages for the lowest paid workers is to increase the entire wage structure, thus having a big impact upon the total payroll.

Employers with a fixed amount of income set aside for labor costs will look for ways to economize if they are forced to pay higher rates to employees. In many instances expenses will be trimmed by cutting down payrolls. Hardest hit by layoffs will be marginal employees—young people, unskilled workers, part-time workers, and older persons.

Moreover, the provision to extend coverage would affect many businesses operating entirely within one State, thus knocking out the clause in the Constitution which authorizes Congress to legislate only in the field of interstate commerce.

[From the Plainfield (N.J.) Courier-News, Feb. 24, 1961]

MINIMUM WAGE

Hearings have begun in the House Education and Labor Subcommittee on the Kennedy minimum wage bill. It may provide one of the earliest tests of the President's strength on Capitol Hill.

A hard fight is expected. The bill and its timing are controversial.

Opponents insist that the 25 percent increase, from the $1 to $1.25 over a 3-year period, would have an enormous effect on the total wage bill. Differentials have to be maintained, which means an upward adjustment for higher paid workers as well.

This would mean higher prices, more inflation, tougher competition from foreign imports, a further competitive handicap for U.S. exports. It could mean that marginal workers would lose jobs and marginal firms would be forced out of business.

To insist on wage increases at a time when profits are constricted could hurt business rather than help it.

[From the Columbia (Tenn.) Herald, Feb. 23, 1961]

WHY PRICE PEOPLE OUT OF JOBS?

With many industries showing declines in profits in spite of higher gross sales, evidence is piling up that American business is having tough sledding in international markets. Yet legislation to raise the Federal minimum wage is slated for early consideration in Congress.

The cost to the country of raising the minimum wage at this time is well described by a paper box manufacturer of St. Joseph, Mich. "We believe this would be very detrimental to our industry and will cause more inflation and unemployment. When the cost of packages such as our industry makes reaches a certain point, the customers turn to some other form of packaging which is less expensive and, as a consequence, we lose orders and in turn have to reduce our working forces. It is almost impossible to compete with foreign imports with our present wage structure and if the minimum is increased by 25 percent, we are sure more unemployment and inflation will be the result."

Multiply this paper box manufacturer by tens of thousands and you have a fair picture of what such legislation could do—in dollars and cents costs, and hardships imposed on marginal workers.

There are other longtime "costs" almost beyond calculation. These involve matters of principle such as whether the free market, free enterprise system can endure this kind of increasing centralized government control.

[From the Lebanon (Pa.) News, Feb. 28, 1961]

ECONOMIST MEANY

George Meany, unquestionably destined to be better remembered as president of the AFL–CIO than as an economist, derides the idea that this country's high wages are responsible for pricing American goods out of the world market.

The figures do, indeed, show that the value of American goods sold abroad exceeds the value of imports. The margin, unfortunately, is not enough to balance the sums spent on foreign aid or troop maintenance.

This scarcely justifies Meany's suggestion that high American wages have nothing to do with the imbalance of trade, however. Certainly the disparity between foreign wages and domestic wages helps explain why the United States imported 375,000 more tons of steel than it shipped abroad last year. Low-wage countries can manufacture steel and ship it across the seas and still undersell U.S. manufacturers in their home market.

The same situation exists for other goods. Television and radio parts can be imported from Japan across the wide Pacific and still cost less than to manufacture them in American shops.

Meany's economic theory is that the higher the wages, the more buying power is created and the more prosperous America will be. He appears to disregard the inflationary effect of such a process and the hardships it works on that considerable portion of the population that must exist on fixed incomes.

There must be a balanced relationship between wages and productivity. When such a balance is achieved, America will find herself in a better competitive position in the world market, and collaterally, better off at home.

[From the Charleston (S.C.) Post, Mar. 2, 1961]

BEHIND MINIMUM-WAGE DRIVE

A major objective of the drive to increase the minimum wage was revealed by Joel R. Jacobson, president of the New Jersey State CIO.

Betraying a lamentable ignorance of conditions in the South, he told a Senate subcommittee that the major cause of unemployment in New Jersey was the relocation of industries to "the low-wage, pauperized sections of the South."

To stop the flow of industry to this section, Congress, he said, should step up the minimum wage. The Federal Government should, as he sees it, legislate against the industrial development of the South.

There are conflicting figures as to comparative wages of southern and northern workers. We do not know how they actually compare, but we do know that new industries are welcomed in this section and that they have no trouble in attracting willing, efficient employees. And it is a fact, too, that in most southern localities the cost of living is lower than in New Jersey and most other Northern States.

What of unemployment in other northern areas? We presume Mr. Jacobson had in mind the impressive growth of the textile industry in the South. Unemployment is acute in the automobile, coal mining, and steel industries, but there has been little or no migration in these lines to the South.

There are various factors which enter into industrial investment. One is the labor-management atmosphere. Virtually all of the Southern States have right-to-work legislation on their books. These are laws under which membership or nonmembership in a labor union may not be a condition of getting or holding a job. It is this protection to workers that accounts for much of the anti-South animus such as voiced by Mr. Jacobson.

The South has attracted only such industries as found conditions here attractive to them. Favorable labor-management relations, the climate, community cooperation, raw materials, power, nearness to markets, transportation, and advantageous sites are among the considerations that have prompted companies to locate here. Such wage differentials as may exist are but a minor factor.

The South, too, has, in some areas, the problem of unemployment, but it is significant that the most acute situations are in States where union membership is widely compulsory, and where labor costs have actually forced some concerns out of business. We cite Michigan, Pennsylvania, and New Jersey as examples. To blame the South for their troubles is as absurd as it is false.

[From the Newport News (Va.) Times-Herald, Jan. 31, 1961]

HIGHER MINIMUM WAGE UNLIKELY

Cold facts of minimum wage raises by Government fiat have led to the belief in Washington that there will be no raises now, despite all of the talk by the new administration about raising the minimum wage from $1 an hour to $1.25 and all of the promotion of it by the Democratic Party platform. Labor Department studies, according to "The Insider's News Letter" have cast fresh doubt on the prospects for the $1.25 hourly minimum wage bill getting support from the administration, no matter how many headlines come from Washington reporting favorable prospects for the legislation.

The fact of the matter is that expert analysis has shown that raising minimum wages, especially in a time of recession, can worsen unemployment. For raising minimum wages sets up a chain reaction. If minimum wage earners have their standards raised and those who were below the minimum are advanced to it, there is a demand from all the echelons above for an increase in pay also. Thus the cost to an employer for doing business are not just those added by raising the pay of minimum wage earners. They hit him all along his pay schedules.

Moreover, when the minimum pay goes up the employer is most likely to see where best he can cut personnel to fit his payroll budget. And the first victims, of course, are those in the lower pay brackets. These can do the least in increasing production to meet the higher payrolls. So the lower employees in the production scale lose out and unemployment is increased rather than decreased. Thousands who now have a low-pay problem would have no pay at all after an increase in the minimum wage.

That was illustrated in 1956, last year of a substantial minimum wage raise. But that was during an expanding economy. Nevertheless, "significant" drops in employment were noted in the lower-paid industries, researchers said. And the Labor Department noted at the time that: "Had the minimum wage increase become effective during a period of recession, its adverse effects on employment might have been much greater."

On the face of the record, the new administration is not likely to put its talk about wage raises into action. In so doing it will recognize a fundamental of wages—that any increase in wages must be accompanied by a raise in production per worker. The question is as simple as that.

[From the Birmingham (Ala.) News, Feb. 18, 1961]

THE MINIMUM WAGE PUSH

A major Kennedy campaign pledge and current legislative aim is raising the minimum wage from $1 to $1.25 and extending coverage into areas of employment not now included under this Federal guarantee.

Labor Secretary Arthur Goldberg is pushing the Congress for speedy action but Representative ADAM CLAYTON POWELL, of Harlem, Labor and Education Committee chairman, has poured cold water on prospects for prompt attention. He's opposed to the Kennedy measure—but on grounds it doesn't go far enough, which is a typical enough reaction on his part.

This is not, with POWELL, so much principle as it is home folks legislative payoff. Many a Harlem voter would get dollars in the hand if POWELL could force an even higher minimum wage. He is unlikely to be able to do so. But meanwhile Powell pressure for a substantial increase won't hurt him with his constituents.

Kennedy and Goldberg are also coming under fire from the AFL–CIO. The labor organization doesn't think the Kennedy bill goes far enough either, nor does it project wage hikes fast enough. William F. Schnitzler put it bluntly that "what lies before you is not a bad bill. It is just not good enough."

Schnitzler has a whole string of arguments for boosting the minimum wage promptly. The Kennedy bill would fix a $1.15 base now, raising this 5 cents in each of the next 2 years. In arguing for more drastic action, the union executive sets up a series of statistics as to employees in certain job categories—retail trades people, hotel workers who don't get tips, restaurant employees and so on. Since the projected measure would cover only businesses which do a certain volume of business annually, $1 million, Schnitzler more or less poohpoohs any adverse effect the hike would make. His viewpoint is that only a relatively small number of such employers would be affected. The word to legislators is simple—it won't hurt many folks so why not just take the big plunge, and right now, all at once?

The trouble with that argument is that even though the figure $1 million seems so large as to suggest that whoever might be affected could "afford it," cost is cost, no matter what the volume of business. And costs in so many kinds of business enterprise have become such an acute problem that wholesale hikes which would result could send prices or service charges still higher.

The conservative, and in the News' view realistic, warning is that you cannot isolate costs in any such manner. Whenever added costs are forcibly injected into the economic picture on any substantial level, then inflation has been boosted. Further, costs are indeed so acute now that layoffs could result. This is certainly no time to be encouraging unemployment.

[From the Houston (Tex.) Chronicle, Aug. 17, 1960]

PROSPERITY CANNOT BE LEGISLATED BY HIKING MINIMUM WAGE RATE

A favorite measure for the Congress in both parties during an election year is the minimum wage bill. This is the device whereby Congress tells employers they must pay their workers at least a certain basic hourly rate plus overtime at a higher rate. Presumably it applies only to those employers engaged in interstate commerce, but because of the strain the Supreme Court has placed on interpretation of what is interstate commerce, this law has become almost universal in its application.

The present minimum wage law sets $1 an hour as the rate. This was reached over the years, gradually going up each time the Congress changed the law. Presently, Congress has proposals up for consideration which would hike this $1 an hour to $1.15 or to $1.25. The Democratic Party's bill calls for the higher rate plus removal of exemptions now allowed, which would affect an additional 5 million workers. The administration favors the lower figure and would embrace 1½ million additional employees.

It is important to keep in mind the fact that we cannot legislate economic welfare by such measures. There appears to be no ceiling at the rate the law is being changed.

The principal objection to all these laws regulating wages is that there is no corresponding increase in productivity with the increase in wages. Business or industry can pay any wage provided the worker produces in proportion to what he is paid. Labor too often overlooks this fact as, for example, when it opposes laws to end featherbedding. Labor would help its own cause if it were to work in closer cooperation with business on this point.

[From the Columbia (Tenn.) Herald, Feb. 11, 1961]

WAGE-HOUR HIKE POLITICAL PARADOX

Higher wages for everyone is desirable, but minimum wage boosting by the Government is an economic swindle rather than an economic panacea, according to the Chamber of Commerce of the United States.

The chamber points out that when the minimum wage was raised to $1 an hour in 1956, the economy was expanding. Even so, the Labor Department found the wage hike was followed by "significant declines in employment in most of the low-wage segments studied" and added: "Had the minimum wage increase become effective during a period of recession, its adverse effects on employment might have been much greater."

Today we are in a period of recession and here locally those industries which pay the lowest wages and which would be most affected by a mandatory hike, are the first to be hit by total unemployment. Yet the new Congress is being asked to raise the minimum wage to $1.25, as part of a recovery program, incongruous as that is.

Unemployment is expected to reach 6 million this year. This means that 6 million men and women will be unable to find jobs at $1 an hour in industries covered by the law. If Congress raises the minimum wage not only will the job opportunities of most of these people diminish, but additional thousands of workers will lose jobs.

Employers plagued with declining profits and rising costs are in no position to absorb both the cost of a higher minimum wage and the push it would give to wages right up the line.

One national retail chain has estimated that a $1.25 minimum wage would add $17 million to its wage costs—and would cause the firm to lay off up to 5,000 of its more than 20,000 employees, depending upon the extent to which the firm could increase prices to cover the added costs.

A smaller hotel chain, with 1,400 employees, estimates the legislation would raise its wage costs by $975,000—and would require layoffs of 150 employees.

The only alternative would be to pass the added wage costs along to consumers. It may have been more than coincidental, the national chamber says, that March 1956, effective date of the $1 minimum, also marked the beginning of a new upward trend in the Consumer Price Index, after nearly 4 years of virtually complete average stability.

A higher minimum wage would give low-cost foreign producers an additional price advantage in both foreign and domestic markets.

It is a political paradox that Congress, trying hard to solve our unemployment, depressed areas, and balance-of-payments problems, is asked to consider a minimum wage increase at the same time. In the best national interests, it would be far better for Congress to pursue policies that help business to pioneer the way to a new period of prosperity.

[From the Florence (S.C.) News, Feb. 11, 1961]

INCREASED UNEMPLOYMENT RESULTED FROM 1956 MINIMUM WAGE ACTION

The irony of the minimum wage law is that, aside from its humanitarian goals, it is becoming a prime cause of unemployment. No less an authority than the U.S. Labor Department studied the economic effects of the minimum wage after it was raised in 1956 from 75 cents to $1 an hour. The agency found "significant declines in employment in most of the low-wage industry segments studied." In the words of Nation's Business, "Employers cut their payrolls and replaced less efficient workers. They also installed more efficient machinery, changed product lines and raised production quotas."

Increasing wages by Government fiat simply means fewer jobs for marginal workers and increased wage costs all along the line in order to maintain wage differentials. And this is true even for businesses not directly covered by the law. To determine potential results of extending and increasing the minimum wage as proposed in the last Congress, Nation's Business queried firms in all parts of the country. These queries showed that a variety store chain operating in eight Southern States would be hit with a $360,000 a year increase in wage costs. It would have to fire 110 workers—the youngest and oldest women employees. A Louisiana druggist with 5 stores would have to discharge 50 of his 140 employees to stay in business. Some of them are teenagers; some elderly widows supplementing their social security checks with part-time work. A Cincinnati department store would have to lay off 90 employees, raise its prices 1 percent, eliminate overtime and no longer consider hiring unskilled persons older than 50. Multiply these instances by thousands and you get a pretty good idea of what overregulation can do. And in this instance it would almost certainly give another turn to the thumbscrews of inflation.

The most telling indictment against the Federal minimum wage in the minds of many critics is in the principle involved; namely, that of Government injecting itself as final judge and jury in the bargaining area between employer and employee.

[From the Somerset (Pa.) American, Feb. 20, 1961]

WAGES AND HOURS

It is rather significant that two measures in Congress have to do with the number of hours a wage earner puts in on his job and the compensation he, or she, shall get for his labors.

Congress got workers and wages into their labors several years ago, and some of those who profited by the legislation involved have been busy ever since persuading themselves and their friends that what was done then and since wasn't well done. A dollar an hour for a worker in industry, they hold, isn't high enough as a minimum.

When Somerset American came to Somerset it found that wages paid in three printing offices were low. While there were comparatively few persons dependent upon printing for employment, long hours and small wages resulted in dissatisfaction.

It wasn't necessary for Congress or the general assembly, to make laws to meet the situation. When a minimum wage law was passed, even the American had few names on its payroll that required much change.

But all was done by a mere word to the payroll bookkeeper. Higher wages were paid in Johnstown and other cities. The wage earners realized that the publisher paid all the traffic could stand. One after another, printers who had opportunity to get higher wages in larger communities took advantage of that which was offered.

Some went to Johnstown. Others found higher wages in Philadelphia and other eastern cities. More recently the shift has been to the Midwest.

Although there has been this siphoning of help trained in the American office, there are those who find it to be advantageous to become a part of the American staff. Some will remain indefinitely, while others feel that it is to their financial advantage to move on after they have become proficient in their work.

At the turn of the century, this writer managed a newspaper which was run by a relative. The wages paid in that shop were less than he could receive elsewhere. When he observed this difference (the wages he received and the wages which he might earn elsewhere) he weighed the facts in the case, and decided it would be better for him to remain where he was located at the time.

Then came this writer's change from employee to employer, from anxiety for payday to dread of having a payroll to meet and too little money to meet the payroll.

When this writer was employed on an Altoona newspaper, there were four daily newspapers in Altoona. Wages went higher and higher. One after another, three of the Altoona dailies folded up. They couldn't meet the expenses. Today, Altoona has one daily newspaper.

There have been plenty of other newspapers with similar experiences. There have been plenty of other producers who have learned the hard way that the law of supply and demand is working as industriously as ever.

Rising costs have been responsible for more than one newspaper being forced into consolidation or discontinuing publication. This is particularly true when competition is keen. Rising costs must be met by revenue, but the law of diminishing returns dictates that there is a limit in the amount the traffic will bear.

When this limit is reached, buyer resistance sets in, and the seller, whether he be a newspaper publisher or any other producer, discovers that he has priced his product out of the market.

[From the Denton (Tex.) Record-Chronicle, Jan. 31, 1961]

KENNEDY AGAIN CALLS FOR ECONOMIC ERROR

In his state of the Union message Monday, President Kennedy once more urged an increase in the minimum wage from the present $1 to $1.25 per hour.

Opposition to this hike is characterized as "heartless," and the impression is given by the measure's boosters that the opposition comes only from "greedy sweatshop owners."

There probably are still a few greedy sweatshop owners around, and nobody else is heartless enough to contend that a breadwinner can support his family on $40 a week these days. In fact, the average wage paid in industry today is more than twice the legal minimum.

Why do employers who pay for more than the minimum fight a measure which might presumably benefit them by forcing their competitors to raise wages?

The answer is that increases in the minimum will force wage increases all along the line. This in turn will increase inflationary pressure and make everything cost more. It will further hamper American sales of goods abroad, and increase sales of lower priced foreign products here. Many American workmen would lose their jobs in the process, while inflation would eat up the enforced wage increases.

Can we expect "labor statesmanship" to forgo increases in any but the minimum wages? It is unlikely.

Already one Chicago union, which deals with warehouse and mail order employes, is submitting a standard contract to employers which provides that if and when the minimum wage is increased by Congress, every employee's pay will be increased in proportion.

This would mean a 25-percent raise across the board for every union member. The minimum wage employee would go from $40 to $50 a week. But a $100-a-week man would get $125.

It is widely recognized by economists that many of our economic troubles, including high prices that workers must pay and unemployment that undermines their security, have come about because wages have risen too fast in the past.

A big new rise can only add to our troubles.

[From the Union (S.C.) Times, Feb. 28, 1961]

FACING TWO WAYS

President Kennedy's decision to set up an advisory committee to try to restrain wage-price inflation shows a dutiful concern for a longstanding problem. But that poor committee soon is going to run headlong into the boss' program, which if passed, will constitute a most powerful force for inflation in itself.

Prices we pay for goods must cover not only wages, materials and overhead; they must also cover taxes. If the producing companies are to survive, they must also include some profit; and if they are going to expand and hire more people, that profit must be large enough to justify and finance the expansion.

Yet, at a time when profits are low and offer no cushion, Mr. Kennedy is proposing the following:

New social security taxes which will add more than a billion dollars to costs.

Additional payroll taxes to finance unemployment compensation, to add more billions to costs.

An increase in the minimum wage that employers must pay, and pass on in prices. It must be remembered that minimum wage increases also cause a chain reaction of raises all the way up the ladder, "to maintain differentials" insisted upon by union and nonunion employees alike.

A package of programs which taken together will cost $5 to $6 billion, which must either result in still more taxes on business, or in large Federal deficits, which are inflationary in themselves.

Passage of the common situs picketing bill, which would increase unions' ability to force widespread higher wage increases through certain types of secondary boycotts now illegal.

In spite of all this flow of hard cash that employers must pay, the new committee is supposed to use "moral suasion" to keep prices from advancing.

The committee is not yet formed. No realists need apply.

[From the Little Falls (Minn.) Transcript, Feb. 28, 1961]

MINIMUM WAGE LEGISLATION NO CURE-ALL

Neither organized labor nor organized business is pleased with President Kennedy's proposals for increasing the minimum wage and broadening its application. The plan calls for an immediate increase from $1 to $1.15 an hour, followed by successive 5-cent increases annually until the proposed $1.25 figure is reached. Business thinks the hike to $1.15 is too big; labor thinks it is not big enough.

The fundamental battle lines—business against any increase in the minimum wage, and labor in favor of a substantial boost—have been drawn for some time. The labor leaders' dissatisfaction with the administration proposal alters the picture somewhat, but essentially the points at issue remain unchanged.

It is labor's contention that a good sized increase in the minimum should be placed in effect at once as a means of bolstering the economy by substantially adding to workers' purchasing power. Labor contends that this increased purchasing power would amount to well over a billion dollars if the minimum were boosted to $1.25 at once, and it sees a $600 million increase even if the figure goes up only to the $1.15 now proposed by the administration.

The Nation's principal spokesmen for business contend that, instead of bolstering the economy, an increase in the minimum wage level would have a dampening effect. Their claim is that such action would force business and industry to fire a large number of workers, and that this in turn would deepen the recession.

This issue may well turn out to be one of the most controversial before Congress in the current session. A hard-headed observation made on the issue came last week from George Hagedorn, research director of the National Association of Manufacturers. He said: "If the standard of living could be raised by placing legal floors under wage rates, then the backward nations of the world could have as high a standard of living as this country does, since they are as free as we are to take such action."

Those who clamor so loudly for curing all our ills with legislation should ponder the basic truth of this statement.—J.L.T.

[From the Longview (Tex.) Journal, Mar. 7, 1961]

ANOTHER SPIRAL?

Still fresh in the minds of American consumers are the wage-price spirals which accompanied inflation in the 1946–59 period. Is another such spiral in the making?

An editorial in Life magazine has this to say about the proposal to increase the Federal minimum wage and extend its coverage: "This is certainly not going to help the unemployed any. Some jobs just aren't worth more than $1 an hour and to make them illegal is to eliminate them."

The words of warning are blunt, but justified. The proposed extension of minimum wages and coverage would be primarily in the retail industry. This industry provides marginal employment for beginners, teenagers, part-time housewives, and others whose skills and productive worth is strictly limited. An out-of-line wage level would force elimination of as many of these jobs as possible in retailing.

It is difficult to square the minimum wage proposal with the President's urging that labor accept wage stabilization in order to help prevent more inflation at this dangerous time. An increase in the lowest wage means increases all along the line—the higher paid, skilled workers naturally demand that their differential in pay be maintained. Then the wage-price spiral is off to the races again.

[From the Mobile (Ala.) Register, Feb. 3, 1961]

IT STILL MAY NOT BE GOLD EVEN THOUGH IT GLITTERS

"We pledge to raise the minimum wage to $1.25 an hour," said the Democrats in convention at Los Angeles last year.

This, of course, was a clause in the platform put together for the Kennedy-Johnson ticket.

Now, in a followup, to the Los Angeles declaration of the Democratic national convention, President Kennedy has stated in a special economic message to Congress:

"I urge the Congress to raise the minimum wage immediately to $1.15 and to $1.25 within 2 years. This will improve the incomes, level of living, morale and efficiency of many of our lowest paid workers, and provide incentives for their more productive utilization."

If Congress should do what the President proposes, what would be its national economic effect?

Does this proposed new Federal intervention in wages give the country a guarantee that the goose would hang high economically, or would it be a stroke toward killing the goose that has laid the economic golden egg for this country?

In short, would the overall outcome be beneficial or detrimental?

Elements, fascinated by the doctrine of Federal utopianism, will not listen, but those in Congress and among the people who prefer down-to-earth economic reasoning will be attentive when Senator BARRY M. GOLDWATER, of Arizona, says:

"We cannot be against wage increases, per se. However, we must maintain a realistic position economically. When wage increases are not called for, to make them by Government fiat, in effect, works a hardship on the economic system and it works a hardship on the very people we are trying to help."

If this were an unsupported observation, the forces anxious to contradict it would be heartened, but Senator GOLDWATER has given it a wealth of commonsense support.

"It is simply an economic fact of life," he reminds, "that if we have an increase in cost it must be absorbed. The quickest way to absorb such an increase is to raise prices."

And:

"I think more and more working people in this country are recognizing that when the Government causes cost to go up in any way at all, the working people pay for it in higher living costs; that when they are paid unearned wage increases, those additional costs will have to be absorbed in price increases."

Senator GOLDWATER made the pertinent point, often overlooked or ignored, that artificially raising the minimum wage of the lowest paid workers sets off sort of a chain reaction in wage raising. These were his words:

"What happens if a person is getting $1 an hour and we raise that rate to $1.25? The associates of that worker in the same firm will have their wages increased, say, from $1.50 to $1.75, from $1.75 to $2, from $2 to $2.50. We have to do that in business. The same pay cannot be given to everybody, because there are different skills."

This adds up to a lot of higher wages at different levels to force up costs and prices in a new spurt of inflation. Who gets hit in a case of this kind is no mystery to people with their feet on the ground and their heads on their shoulders.

"We must maintain a reasonable balance between minimum wages and employment possibilities," Senator GOLDWATER has counseled.

Why that?

Listen to Mr. GOLDWATER again:

"If American businesses do not make some money, they go out of business; and if too many of them go out of business, the economic system gets into trouble."

When a business folds up, somebody's job disappears.

Another thing: Inflationary wage-raising that creates higher operating costs and results in higher prices makes it still harder for American business to compete with the low-cost imports which have become a source of growing worry for both industry and labor.

Here again is a possibility of businesses folding up and jobs disappearing if wages are raised to a point of making profitable operation in competition with imports simply out of the question.

As early as the 17th century, John Dryden realized that not all that glitters is gold.

Centuries later, some Americans are so reluctant to recognize that fact in its national economic application that they refuse to concede that what looks like a benefit in higher wages can become a liability in the double-barreled form of higher living costs and loss of jobs.

[From the Logan (W. Va.) Banner, Feb. 16, 1961]

WAGES RELATED TO JOBS

Economists estimate unemployment this winter at well over 5 million and predict that Government will take quick action to aid depressed areas. Immediate steps may include more job insurance, more public works and other measures to alleviate what is felt to be the growing problem of joblessness. What many do not seem to realize is that Government itself can create unemployment as a result of overregulation of our free market economic system.

The January issue of Nation's Business presents a telling case against impending proposals to raise the minimum wage and extend coverage of the Fair Labor Standards Act. This act was conceived with the best of humanitarian intentions toward those who toil in the factories. Its purpose was to eliminate from industries and interstate commerce labor conditions detrimental to the maintenance of the minimum standard of living necessary for health, efficiency, and general well-being of the workers. It did not apply to local pursuits and services which no Federal legislation can effectively cover. Thus, for example, executives, professionals, local retailing employees and outside salesmen are exempt as well as employees in agriculture, fishing, and logging industries and taxicab work.

As with most Government activities the wage-hour law had an innocuous beginning. In 1938 the minimum wage was set at 25 cents an hour, raised to 40 cents in 1945 and 75 cents in 1949. In 1956, it was set at $1. In 1960 both Houses of Congress had bills under consideration that would have boosted the minimum wage to $1.25 and extended coverage to a point that legislators felt would actually result in Federal coverage for all employees of all businesses. Congress adjourned without making changes.

The irony of the minimum wage law is that, aside from its humanitarian goals, it is becoming a prime cause of unemployment. No less an authority than the U.S. Labor Department studied the economic effects of the minimum wage after it was raised in 1956 from 75 cents to $1 an hour. The agency found "significant declines in employment in most of the low-wage industry segments studied." In the words of Nation's Business, "Employers cut their payrolls and replaced less efficient workers. They also installed more efficient machinery, changed product lines and raised production quotas."

Increasing wages by Government flat simply means fewer jobs for marginal workers and increased wage costs all along the line in order to maintain wage differentials. And this is true even for businesses not directly covered by the law. To determine potential results of extending and increasing the minimum wage as proposed in the last Congress, Nation's Business queried firms in all parts of the country. These queries showed that a variety store chain operating in eight Southern States would be hit with a $360,000 a year increase in wage costs. It would have to fire 110 workers—the youngest and oldest women employees. A Louisiana druggist with 5 stores would have to discharge 50 of his 140 employees to stay in business. Some of them are teenagers; some elderly widows supplementing their social security checks with part-time work. A Cincinnati department store would have to lay off 90 employees, raise its prices 1 percent, eliminate overtime and no longer consider hiring unskilled persons older than 50. Multiply these instances by thousands and you get a pretty good idea of what overregulation can do. And in this instance it would almost certainly give another turn to the thumbscrews of inflation.

The most telling indictment against the Federal minimum wage in the minds of many critics is in the principle involved, namely—that of Government injecting itself as final judge and jury in the bargaining area between employer and employee.

[From the Chicago Sun-Times, Mar. 5, 1961]

HERE WE GO AGAIN

It is sometimes said there is nothing new under the sun. While hardly applying to many of the outstanding innovations of the jet age, this surely does apply to the battle over minimum wage legislation now crystalizing in Congress.

In prospect shortly is exactly the same struggle over exactly the same issues as that waged in the rump session last year after the national conventions.

And for President Kennedy, the outcome may well be the same.

Congressional Quarterly, a nonpartisan Washington research service, recently surveyed potential support in the House for several of the Kennedy administration's key welfare programs. Its report:

"Unless the President can elicit some vote switches the study indicates, his minimum wage, depressed area and education bills are likely to be defeated."

Chairman J. WILLIAM FULBRIGHT of the Senate Foreign Relations Committee, one of the most influential members of the President's own party, has counseled against passage of any minimum wage legislation until the Nation's economic picture clears.

Similar advice has been offered by economists and leaders of the business community. They warn that a boost in the wage minimum now, in a period of recession, cannot fail to force marginal enterprises out of business and low-scale, marginal workers out of their jobs.

Postponing action on this matter until the economy shows signs of recovery, thus is better able to bear the burden, strikes us as reasonable and sound.

But the reality is the President has called upon Congress to pass the legislation now. He has submitted a bill substantially the same as that which failed last time after passing the Senate.

House Republicans have served notice they will introduce the same bill which also failed last year after passing the House.

Differences between the two measures are in scope. The administration would raise the minimum to $1.25 in 3 yearly steps, and extend coverage to 4,100,000 who would reach $1.25 after the 4th year.

The bill to be introduced in the House by the GOP, calls for a raise to $1.15 with coverage of about 700,000 new workers.

All sides in the controversy should bear in mind that both bills would provide a raise to $1.15 now. The administration simply goes further. It would make increases mandatory to $1.20 next year and $1.25 in 1963. The GOP bill would leave to future Congresses to adjust the rate according to conditions that develop in the future.

Strangely, this also was the situation in the last Congress. President Kennedy, then Senator Kennedy, could have secured a boost to $1.15, which would now be in effect, had he been willing to accept the House-approved bill.

But the Senator was running for President. Failure of any legislation to materialize gave him a prime campaign issue. He insisted on $1.25.

The result was no legislation at all.

If Mr. Kennedy keeps on insisting on $1.25, with prospects as dim in the House as reported by Congressional Quarterly, he may again get no increase.

And according to such leaders of his own party as Senator FULBRIGHT this might be the best solution after all.

[From the High Point (N.C.) Enterprise, Feb. 8, 1961]

KENNEDY'S MINIMUM WAGE PROPOSAL COULD BACKFIRE

In choosing to champion a minimum pay boost in a three-step level to $1.25 an hour—with coverage extended to 4.3 million additional workers, President Kennedy's administration chooses the ground for its next testing of strength in the Congress.

Not since 1938, when the Fair Labor Standards Act was the occasion of such a fight, has there been a similar issue on which there is so much general agreement with the purposes and at the same time disagreement over methods of attainment.

It draws sharp lines for rematching in Congress of an issue defeated last year when Mr. Kennedy, as Senator, backed substantially the same proposition he now advocates as President.

Desirable as higher wages are, they have to be measured in effect. And a recession is hardly time for tampering with wages.

Yale Brozen, a leading economist at the University of Chicago, is one who thoughtfully wonders if changing the wage floor at this time might not do more harm than good. "You've already got unemployment and depressed areas," he says. "Why make both worse? Every time the minimum wage has been increased, unemployment of the unskilled, those covered by the increase, has increased."

But the U.S. Labor Department, examining effects of the 1956 increase, reports that only 62,000 workers in 15 low-wage industries were laid off by impact of the $1-an-hour minimum wage. Obviously, there are arguments both ways as to immediate effect; but inflationary pressures thus generated are undeniable.

By coupling antirecessionary measures with his minimum-wage proposals, President Kennedy may have given the latter the Achilles' heel that will impede where he had hoped to facilitate congressional approval.

Raising the wage floor as a means of combating recession stirs more political motives than humanitarian. If Kennedy can surmount this one, it will be a powerful straw-in-the-wind for the present but could arise to rebuke later by extending a recession which needs to be overcome as promptly as possible.

[From the Chelsea (Mass.) Record, Feb. 24, 1961]

WHY BE A PIKER?

Raising wages by fiat got its start back in the 1930's when there was some conceivable depression need of minimum standards. The rate, which continued in effect until after World War II was 40 cents an hour.

There is less to be said, however, for the current proposal to hoist the Federal figure to $1.25 per hour from the present $1 per hour. Its stated aim is to do away with an underpaid class by adding 25 cents per hour to minimum pay.

This theoretically would stuff more spending money into consumer pockets and set off a prosperity rocket into the wild blue yonder. Some practical considerations are ignored, one of which is that employers generally are in a cost-cutting phase. The principal cost for most of them is wages.

Instead of touching off a boom, it would be more likely to end in a job reduction trend, particularly in the retail field. Wages are fixed in the final analysis by the state of the general economy and the profit sheets of employers.

And, as the Wall Street Journal says, if there is anything to ordering wages by law, why be a piker? If $1.25 an hour is good for the country, why wouldn't $2 an hour be much better?

[From the Natchez (Miss.) Times, Feb. 27, 1961]

MINIMUM WAGE HIKE UNWISE

Can America become more prosperous by raising the minimum wage level, as some politicians are contending? Unfortunately, it can't, George Hagedorn, research director of the National Association of Manufacturers, told the House Special Subcommittee on Labor this week.

If, he said, the standard of living could be raised "by placing legal floors under wage rates, then the backward nations of the world could have as high a standard of living as this country does, since they are as free as we are to take such action."

What increasing the minimum wage, and bringing more people under minimum wage provisions, would do, Mr. Hagedorn warns, would be to deprive a lot of people of jobs they now hold or could get.

Common laborers, the figures show, have an unemployment rate twice that of the work force as a whole. Young people under 25 are suffering almost three times as much unemployment as any other age group. And while those over 65 have the smallest rate of unemployment, they have more long-term unemployment than any other group.

The problem is least serious among highly trained workers and those in their peak earning years.

A rise in the minimum wage—the wage paid to the least skilled, the young in their first jobs and the old as they shift to less demanding work—will reduce employment opportunities for the groups that already are having the hardest time, Mr. Hagedorn points out. Raising the price never creates more demand for goods or services.

The economist also demolished the notion that the sluggishness of the economy is due to a lack of purchasing power that can be remedied by a minimum wage increase.

Purchasing power was higher in 1960 than in any previous year in history. Purchasing power was increasing while unemployment was growing in 1954, too.

So, here's a proposal that can do great damage to those it presumes to help.

Mr. Hagedorn points out that even Secretary of Labor Goldberg doesn't claim the raise would increase employment substantially.

The last hike did increase unemployment, the Labor Department found. This is no time to make the same mistake again.

[From the Utica (N.Y.) Press, Feb. 21, 1961]

MINIMUM WAGE ISSUE

One of the sharpest fights of the 87th Congress will center around the minimum wage proposal, a measure that may sorely test administration strength ere it is disposed of.

The Kennedy administration is committed to this legislation, which was one of the President's campaign keystones, but now even some segments of organized labor have come out against parts of it.

The law now calls for $1 per hour. Kennedy wants an immediate raise to $1.15, and further raises in the next 2 years.

On the surface, this is the type of bill anyone could be for. In a nation so rich how could anyone oppose paying $1.15 per hour? In principle, possibly no one is opposed to doing so, but closer examination reveals the shortcomings of such legislation.

If this bill becomes law many small businesses, now operating on small profit margins, may be forced to close. Make an owner pay this increase, even if he has only a few workers, and his overhead goes up that much. To stay afloat he may have to discharge workers.

It is true that the immediate effect of such a bill is to put more money into circulation, but some economists argue that this means nothing unless there is a corresponding increase in the production of goods. Where would there be such a goods increase here?

Many States already have laws calling for higher minimum wages for various types of work. Some are based on the theory that a garage employee, for example, is worth more than a laundryworker. If such a law is enacted and a lesser skilled worker is brought up to the level of a higher skilled worker in the same plant, the latter, naturally is going to want a raise also, if for no other reason than to keep him ahead of a man with lesser skills.

A basic argument against any sort of Federal wage legislation lies in the States rights principle. States are far better able to perform this wage function (and many others) for its own residents than the Central Government.

In a word, passage of this bill will directly benefit those underpaid workers who are working, but what about those who may lose their jobs because of it? The Kennedy administration cannot afford to add to the unemployment load, even to keep a campaign pledge.

[From the Beckley (W. Va.) Post-Herald, Feb. 9, 1961]

ONE DOLLAR AND TWENTY-FIVE CENT PER HOUR MINIMUM WAGE IS NOT THE ANSWER

Right off, we can't get very excited about President Kennedy's $1.25 an hour minimum wage request. We can't really see what good it's going to do for men who can't find remunerative work.

And it just seems possible that it may do some harm. If it gives a boost to the general wage spiral, it will certainly have that effect. All of our difficulties in international trade and adverse balance of payments stem from the fact that wages in relation to production are too high rather than too low.

We are not able to compete under our present $1 hourly minimum with the products of foreign countries where wages are considerably lower. Not only do we lose out in competition for foreign markets, we also lose out at home where some foreign products can be marketed, even after meeting tariff payments, at prices below those which American industry must charge to stay in business. (We hope and trust that the price-fixing agreements in the electrical industry are the exception rather than the rule. If they are not, foreign competitors ought to find a ready market.)

Higher tariffs ought to be examined pretty carefully before they are resorted to, lest they be "protection" for the very kind of thing that the electrical industry was engaging in, and for which 29 companies and 44 of their executives were fined a total of nearly $2 million in a Federal court in Philadelphia this week.

The fact is that wage rises can price us out of the markets we now have. The Beckley area should be particularly aware of this. The market for coal has steadily dwindled in spite of low coal prices because of lower costs for foreign residual oil. And jobs have dwindled even more because of higher mining wages.

Wage rises that are arbitrary and have no relation to production efficiency are a curse to the worker. He may not realize it, but his increase in wages is usually eaten up by inflation, and there are people all around the world who will do a given job for a much smaller share of the world's goods. There is sometimes a considerable timelag before the effect is fully felt.

This factor causes emigration of American industry and exportation of jobs. Loud huzzas about the Kennedy proposal should be held to a minimum. It's awfully silly to cheer the high wages that may soon render one unemployed.

Ask the unemployed miners.

In time this idea is going to sink in. But how long, oh Lord, how long?

[From the Sandusky (Ohio) Register, Feb. 9, 1961]

THE BASIC CAUSE

Unemployment and distressed areas are the result of organized labor demands for increased Federal spending, higher minimum wages and more power to manipulate prices and wages, the leader of the Nation's largest farm organization, the American Farm Bureau, declares in the February issue of Nations' Agriculture. Charles B. Shuman, bureau president, describes the national economic climate as temperamental, alternately threatened by disastrous inflation or sudden recession.

The basis for any wage is the productivity of the worker, Shuman contends. When the minimum wage was increased to $1 an hour, many hundreds of thousands of young, inexperienced and unskilled workers were legislated out of work. The proposed $1.25 minimum will beget more unemployment. The only way to raise wages and reduce unem-

ployment is through increased production per worker, greater efficiency, and adequate capital investment.

[From the Norfolk (Va.) Ledger-Dispatch, Feb. 20, 1961]

THE MINIMUM WAGE MIRAGE

In the effort to snap the country out of the business slump by force-feeding dollars into the economy, the administration is pinning considerable—but possibly in our view vain—hope on an infusion via the minimum wage route.

President Kennedy, having failed last summer when he led a fight in the Senate for a $1.25 hourly minimum, is now supporting an increase to that figure over a 3-year span. The first jump would be from the present $1 to $1.15, with two 5-cent increases to follow. There would be a $1 minimum for some 4.2 million newly-covered workers, with no overtime pay for the first year; there would be overtime beyond 44 hours a week in the second year, 42 hours in the third year and 40 hours thereafter.

Organized labor seeks even more drastic action. The AFL–CIO is urging an immediate 44-hour week for the new workers and an immediate leap to the full $1.25. A spokesman for the big union contends that this will produce $1.2 billion in additional buying power, instead of the $600 million of the Kennedy plan.

Actually, both figures are open to serious question. Assuming that the mere passage of the law would produce the extra wage payments to the predicted extent, this money would not automatically become an addition to consumer buying power.

The various affected firms would have to take the money from somewhere else in their operations, and this in large part would be a subtraction from buying power. Moreover, where maintenance of wage differentials would force changes for higher paid workers, there would have to be further expense adjustments within each company—or a boost in income through higher prices. Spread this process over the country and it would spell a strong new surge of inflation, robbing the new wages of most of their meaning.

Moreover, because of the timing of the minimum wage drive, one of the chief arguments against a change becomes even more potent. This has to do with the reduction in employment which higher minimums could bring about. If an employer is determined to hold his wage costs down—as he would be in lean times—and is forced to raise the wage rate, then one of the first possibilities he is bound to consider is equalizing the payroll by leaving somebody off.

And in many cases it's our guess that "somebody" would be the man who held a job at, say, $40 a week and lost it. Simple arithmetic shows he's not $10 better off for the increase, but $40 worse off. A minimum wage hike wouldn't make much sense to him.

Maybe an argument can be made for lifting the wage floor in prosperous times—though even then a hike that would be virtually unnoticeable in one place could put another less prosperous community out of kilter.

But when the economy has slipped, it doesn't make any sense at all to take a step that could put marginal businesses in jeopardy, raise the cost of living and threaten new additions to the rolls of the unemployed.

[From the Chicago Daily News, Feb. 23, 1961]

HIGHER MINIMUM WAGE COULD HANDICAP RECOVERY

Among the antirecession measures which President Kennedy has asked Congress to expedite is one raising the legal minimum wage, in steps, from the present $1 an hour to $1.25. Labor Secretary Goldberg says this would give the 1,665,000 workers affected an additional $889 million in annual earnings.

This is another case of the recession's being used as a whip to advance a long-time objective in the hope that the "Wolf!" cry will bring about a less searching examination than normal.

What it ignores is that in our economy one man's wages are another man's costs.

To the average worker, whose income is far above the proposed minimum, it seems quite reasonable to require that one be paid less. He is unaware of the number of marginal companies for whom the $1.25 minimum might mean such a profitless operation as to force them out of business, with resulting unemployment.

Our society can, if it wishes, take the position that anybody whose skills are insufficient to earn him $1.25 an hour should earn nothing, and be supported by the community. But Congress should certainly take a long look before deciding that such a policy is desirable either for the individual or for society.

The American Retail Federation made a case study of the probable effects of the $1.25 minimum wage in the retail-service industries in the small town of Hagerstown, Md. The proposal is that employees of all concerns with an annual volume of $1 million would be covered by the law. Eighteen of the twenty-five retail stores in Hagerstown would thus be affected.

It was found that the average starting minimum wage in the covered stores was 93 cents an hour, and in the exempt establishments, 83 cents an hour. Clearly, if the one group must give 42 percent wage increases, the shift in the competitive situation is one to threaten both jobs and prices.

The legal minimum wage was jumped from 40 cents to 75 cents in 1950, a much more drastic spread than is now proposed. The impact on business was reduced by the production demands and inflation occasioned by the Korean war. Each increase, however, has been accompanied by reports of jobs eliminated and shifts to part-time work.

Nobody opposes a rising standard of living for all workers. There is general agreement with the declared purpose of minimum wage laws: "To eliminate conditions detrimental to health, etc."

But a further goal is to do this without substantially curtailing employment or earning power. Congress is being urged now to take a giant step which, it can be demonstrated, will cost jobs. That is completely at cross purposes with the goal of putting more wages in the pockets of workers.

[From the Johnson City (Tenn.) Press-Chronicle]

THIS COMMITTEE WILL HAVE TROUBLE

President Kennedy's decision to set up an advisory committee to try to restrain wage-price inflation shows a dutiful concern for a long-standing problem. But that committee soon is going to run headlong into programs, which, if passed, may themselves constitute powerful forces for inflation.

Prices we pay for goods must cover not only wages, materials, and overhead; they must also cover taxes. If the producing companies are to survive, they must also include some profit; and if companies are going to expand and hire more people, that profit must be large enough to justify and finance the expansion.

Yet, at a time when profits are low and offer no cushion, the new administration is proposing the following:

New social security taxes which will add more than a billion dollars to costs.

Additional payroll taxes to finance unemployment compensation, to add more billions to costs.

An increase in the minimum wage that employers must pay—and pass on in prices. It must be remembered that minimum wage increases are likely to cause a chain reaction of raises all the way up the ladder, to maintain differentials insisted upon by union and nonunion employees alike.

A package of miscellaneous welfare programs which, taken together, will cost $5 to $6 billion, which must either result in still more taxes on business, or in large Federal deficits. Deficits are inflationary in themselves.

In spite of all this flow of hard cash that employers must pay, the new committee is supposed to use moral suasion to keep prices from advancing.

[From the Conroe (Tex.) Courier, Feb. 1, 1961]

LIKE WEEDS IN THE SPRING

There are certain hardy political perennials which appear as surely and as regularly as the weeds in the spring.

The proposal to extend the coverage of the Federal wage-hour law, as well as the proposal to increase the legal minimum wage, is one of these. It is brought forward in every congressional session, and the next will be no exception.

The exempt workers—and they have been exempt ever since the law came into being—are in certain local service industries, of which retailing is the most important. It is significant that a highly organized effort was made to extend coverage to them during the last congressional session—and that, after extensive deliberation, the plan was shelved. And the reason for that, according to observers, was a strong tide of grass-roots opposition.

This opposition, to say the obvious, didn't arise because people are opposed to higher wages for anyone. It did arise for a number of sound reasons. One is that the proposal would set off a whole new wave of wage increases—which means a whole new wave of inflation. Another is that if we need legislation affecting local businesses, which must compete at the local level even if they are part of national chains, it should be applied by State and local action. A third is that retailing, like other service trades, offers unusual employment opportunities for unskilled, marginal, teenage, part-time, and other workers whose value to the employer is severely limited. An arbitrarily high wage would cause wide unemployment among these groups. And a fourth is that no more Federal fingers are wanted in local affairs.

The last Congress, like its predecessors, set a sound precedent in this.

[From the Orlando (Fla.) Sentinel, Feb. 26, 1961]

A WAY TO INCREASE UNEMPLOYMENT

Most citizens who have heard about President Kennedy's bill to increase the minimum wage by 25 cents an hour regard it in one of two ways:

1. Most employees make more than $1.25 an hour already, they believe, so what would be the harm?

2. How could a quarter an hour possibly make any difference to an employer?

Nation's Business has analyzed the effects of the President's proposal to increase the minimum wage and extend coverage of the wage-hour law to retail and service trades. It finds such legislation would:

Force Mitchell & Co., a Haverhill, Mass., department store, to fire 35 employees, mainly elderly workers.

Drive up the wage costs of S. & S. Cafeterias of Macon, Ga., by $600,000 a year.

Make the Plymouth Laundry of Chattanooga, Tenn. boost its prices by about 40 percent to avoid layoffs.

Wipe out the narrow 1 percent annual sales profit of Bridgers Lumber and Building Material Co., of Tuscaloosa, Ala., or compel that company to discharge one-third of its work force and raise its prices by 5 percent.

You can compare what would happen in Haverhill, Macon, or Chattanooga with what would happen here in Orlando, or in Jacksonville, Tampa, or any other city of the Nation if the minimum wage is raised.

Employers, already harassed by high labor costs, high cost of raw materials, high wholesale prices, and restrictive taxes, cannot afford to grant wage raises without a comparable increase in productivity or efficiency.

If overhead goes up they can do one of two things: Reduce the number of employees, or raise the prices of their goods and services.

A variety store chain operating in Florida and seven other Southern States says it would be hit with a $360,000 a year increase in wage costs. It would have to fire 110 workers—the youngest and oldest women employees.

A Louisiana druggist with 5 stores would have to discharge 50 of his 140 employees. A Cincinnati department store would have to lay off 90 employees, raise its prices 1 percent, eliminate overtime, and no longer consider hiring unskilled workers older than 50.

A southern laundry and drycleaning plant says it would have to let some employees go, raise prices about 10 percent.

The operator of an automobile parts chain says his retail wage costs, now nearly 15 percent of annual sales, would rise to 23 percent and net profit would drop below zero.

Traditionally, the minimum wage, passed in 1938 during the administration of Franklin D. Roosevelt, has been applied to workers in interstate commerce.

The idea of President Kennedy is to extend the wage-hour law to local businesses. It appears now as though most U.S. workers would be covered by the proposed legislation.

President Kennedy wants a bill to raise the minimum wage in two steps, first to $1.15 an hour, then to $1.25. This would mean $50 for a 40-hour week.

The effect on retailing and service businesses would be severe enough if only the $1-an-hour workers were affected, but all workers would want comparable increases.

The need for wage and salary differentials throughout an organization and throughout the economy would force all salaries upward.

(The Communications Workers of America have already told Congress that a new Federal minimum would make it easier to negotiate higher wages).

Some union contracts in the garment industry provide that the contract minimum shall be raised automatically if the Federal minimum is raised—to maintain wage differentials in the contract.

Business leaders say one of the first effects of an increase in the minimum wage would be to cause many businesses to shrink their operations.

At a time when low wage costs abroad enable foreign competitors to undersell domestic producers, a forced increase in the U.S. wage structure would further handicap many U.S. businesses.

Teenagers and older men and women are the backbone of the employee force in many retailing and service establishments. Many marginal workers find their only source of employment here.

They would be among the first to be laid off if businesses could not meet the increased labor cost. When the minimum wage was raised from 75 cents to $1 an hour in 1956, the U.S. Labor Department found significant declines in employment in most of the low-wage industry segments studied.

Employers cut their payrolls and replaced less efficient workers. They installed more efficient machinery, changed product lines and raised production quotas. Some also raised their prices.

This is another almost inescapable effect of raising the minimum wage: Inflation. It will quickly neutralize any benefit workers obtain from the 25 cents hourly pay boost.

Congress should give serious thought to these matters before it rushes ahead with a new minimum wage bill which is almost certain to create more unemployment, higher prices and inflation.

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

Mr. ELLENDER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ELLENDER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

FEED GRAINS PROGRAM, 1961—CONFERENCE REPORT

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4510) to provide a special program for feed grains for 1961.

Mr. ELLENDER. Mr. President, I yield myself 10 minutes.

After three sessions of the Senate conferees with the House conferees, the conference report I am about to submit was agreed upon. As I view the report, I am glad to say that there was no fundamental change in the bill as presented to the Senate for consideration a few days ago. Section 3, which was the subject of much discussion, was retained in the conference report, but only the word and figure "section 3." As I view the report, the language of the Senate bill was more or less adopted.

It is true that under the compromise made by the Senate and House, Secretary of Agriculture Freeman will have more grain to handle, probably, than he would have had under the Senate bill. But the fact remains that the feed trade will know in advance the amount of corn and other feed grains which can be disposed of by the Secretary during a certain period after the program is made effective.

The principal difference between the House bill and the Senate amendment was the provision contained in section 3 of the House bill. That provision would have authorized the Commodity Credit Corporation to sell in the market unlimited quantities of corn or grain sorghums for as low as 83 percent of the current support price.

It will be recalled that the proposal submitted by the President, as well as by the Secretary of Agriculture, imposed no limitation at all. The House did not impose a limitation on the quantity that could be disposed of, but the House put a floor of 83 percent of the support price below which the grain could not be sold. The Senate version did not contain such a provision, but limited the disposal of grain under the bill to that which is to be paid in kind to the farmer for performing his part of the contract. The conference substitute follows the Senate version and no provision for the sale of any grain is included in the conference substitute. The minimum price at which the Commodity Credit Corporation will be able to sell corn and grain sorghums will continue to be governed by the existing law, section 407 of the Agricultural Act of 1949. Subject to the exceptions specified in section 407, the minimum resale price will be 105 percent of the current support price plus reasonable carrying charges.

Mr. SYMINGTON. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield.

Mr. SYMINGTON. Is the Secretary of Agriculture permitted to sell grain, under any circumstances, below 105 percent?

Mr. ELLENDER. Yes, under section 407 of the Agricultural Act of 1949 there are certain exceptions, for example, if it is spoiled or is grain which must be sold because it is about to deteriorate. But under the general rule provided by section 407 he can sell CCC grain for domestic use and without reservation only at 105 percent of the support price. In this case, under the bill the support price will be $1.20. That is the support price which will be established. This means that before the Secretary could sell a bushel of grain, he would have to receive a price of 105 percent of $1.20, plus carrying charges.

Mr. SYMINGTON. Is the Senator from Louisiana satisfied that under those circumstances the Secretary of Agriculture can do what is necessary to reduce the inventory of feed grains under the present law?

Mr. ELLENDER. My hope is that the corngrowers—in fact, the feedgrain growers—will take heed of the new program and will try to participate in it. I am satisfied that if they do, and if we get as much as 70-percent participation, there will be from 500 million to as much as 700 million fewer bushels of feed grains produced than was the case last year. That would put the program almost in balance.

In order to attain that objective, the bill provides that for every acre which the farmer agrees to take out of cultivation—that is, within the 20-percent reduction which is obligatory and the additional 20 percent which is optional—he will be paid for not planting the acreage.

Mr. SYMINGTON. What will he be paid in the first case?

Mr. ELLENDER. In the first case, he will be paid in cash; or, under the present compromise——

Mr. SYMINGTON. In kind?

Mr. ELLENDER. Yes—in the second case, he can be paid only in kind. That is for the second 20 percent, which is not obligatory.

Mr. SYMINGTON. What is the percentage in the first case?

Mr. ELLENDER. Fifty percent. Payment will be based on 50 percent of what might have been produced on the diverted acreage.

Mr. SYMINGTON. And in the second case?

Mr. ELLENDER. Sixty percent.

Mr. SYMINGTON. In section III, is there an incentive at the beginning to have the grain grower take part in the program?

Mr. ELLENDER. I think so. Payments in kind may be at such a level as to more or less force the grain grower to enter the program.

Mr. SYMINGTON. I have asked the Senator these questions because I very highly respect his opinion in this field, as he well knows. Does he believe that the farmer will be inclined to enter into the program, or would the farmer be inclined to grow as much as he could and take his chances on the market price?

Mr. ELLENDER. It is my considered judgment that the farmer will go into the program because of the incentives which are provided in the bill.

The farmer will be able to take between 20 and 40 percent of his corn and sorghum acreage out of cultivation and be paid for not planting. It is something I do not like too well; still, it is necessary to do that in order to save the Government this year from an overproduction of corn and other feed grains, which would thereby increase the storage charges. It is estimated that if the bill becomes law and 70 percent participation is secured, the taxpayers will save between $450 million and $500 million.

Mr. SYMINGTON. I thank the able chairman.

Mr. CARLSON. Mr. President, will the distinguished Senator from Louisiana yield?

Mr. ELLENDER. I yield.

Mr. CARLSON. The distinguished Senator from Louisiana just made a response to the Senator from Missouri which I am pleased he made. However, as I read the report, I get a different impression of the situation. I am sure that the Senator's view is correct, but I should like to go into it a little further. As I read the report and the language of the bill, the Secretary would be permitted to make payments in kind, that is, in grain from the Commodity Credit Corporation without regard to the 105 percent plus carrying charges.

Mr. ELLENDER. That is correct—only the amount that is paid in kind for participation in the program; that is all.

Mr. CARLSON. That is true.

Mr. ELLENDER. That was really the provision contained in the Senate version of the bill, as the Senator will recall.

Mr. CARLSON. But following that through, the only grain the Secretary can move onto the open market, out of the Commodity Credit Corporation stocks, without regard to the 105 percent of current support limitation, will be the amount paid for not planting the acreage diverted under the bill. Is that correct?

Mr. ELLENDER. That is correct.

Mr. CARLSON. I think the Senator's statement is very helpful.

I sincerely hope that the purpose of the program is to raise the income of the farmers and the income of the Nation; and I trust in the good faith of the Secretary, so that he will not put grain on the market in order to force the prices so low that the income of the farmers will be further reduced.

Mr. ELLENDER. I do not believe the Secretary intends to force prices down; I trust him, and I believe that he will not do that.

But I did not much blame the grain trade for being disturbed when we called this a voluntary program, at its inception, and then provided, as the House bill did, that the Secretary shall have the right to sell as much grain as he may desire, and thereby cause the market to go down and down, in an effort to force farmers to go into the program.

Mr. CARLSON. I assure the Senator that I have been greatly disturbed about that, too.

Mr. ELLENDER. In fact, I think everyone was concerned about it. But I assure the Senator that, in principle, the conference report follows the Senate version of the bill. The only difference is that, in my judgment, it is possible that more certificates will be available for redemption, because of the fact that payments in kind can be made on the first 20 percent reduction as well as on the second 20 percent.

The Senator will recall that the Senate version of the bill required a 30-percent cut in acreage, half of which was to be paid for in kind, and the other half in cash.

Mr. CARLSON. I should like to state that I had hoped that the first 20 percent in acreage reduction would be paid for in cash, not cash and payment in kind, because I think that will be the test for obtaining compliance.

It is my opinion that we shall not obtain a great deal of compliance, in view of the way this measure is now written. But we shall have to test it out.

Mr. ELLENDER. I hope the corngrowers will comply, because, as I have indicated here, that will show whether they want a program in the future. I for one do not feel that grain producers should receive price supports for unlimited production, with the result that the Government has to buy and store excess production at great cost. So I am very hopeful that they will conform to the new approach that is set forth here.

Mr. HRUSKA. Mr. President, on this point will the Senator from Louisiana yield?

Mr. ELLENDER. I yield.

Mr. HRUSKA. In regard to the power of sale that the Secretary will have—the power, in effect, to sell enough commodities to liquidate the certificates——

The PRESIDING OFFICER. The 10 minutes the Senator from Louisiana has yielded to himself have expired.

Mr. ELLENDER. Mr. President, I yield myself an additional 5 minutes.

The PRESIDING OFFICER. The Senator from Louisiana is recognized for an additional 5 minutes.

Mr. HRUSKA. Many are concerned about the impact the power thereunder might have on the 1960 crop of corn. We know that until May 31 of this year the farmer has the right to put his feed grains under the price-support program and to get his loan. Can the Senator from Louisiana enlighten us on what impact the Secretary's power of sale will have—potentially or otherwise—on the sale of the 1960 crop of feed grains?

Mr. ELLENDER. I do not believe the redemption provision will have much impact. As I stated a while ago, the farmers do take a cut in acreage and do cooperate in order to reduce the surplus that is dangling over the market; and I do not believe there will be much manipulation of the market, because—I repeat—the grain trade will know, before the corn is planted—in other words, at the time of planting—almost to the bushel the amount that will be available for sale under the certificates that will be issued for compliance. In other words, the Secretary of Agriculture cannot wait until the end of the season to decide how much will be paid in cash or how much will be paid in kind. That decision will have to be made when the contracts are entered into between the growers and the Secretary of Agriculture.

Mr. HRUSKA. But will the certificates find their way into the hands of the Secretary of Agriculture before May 31, so that he will be able to sell stocks from the Commodity Credit Corporation inventories, and thereby depress the market on the 1960 crop? That is the question.

Mr. ELLENDER. I understand that. But the Senate had that provision in its version of the bill, and the House adopted that provision—which gives the Secretary the right to act, more or less as an agent for the holder of that certificate, in representing him, to dispose of it. But I want to impress on the Senator that the grain trade will know in advance the amount of feed grain that will be available for sale; and after the signup, I don't believe that any action to influence the market could be taken to get people into the program, when they have already signed up for it.

Mr. HRUSKA. I understand that. But the Secretary still has the right to sell as much as he wants to, in order to liquidate those certificates.

Mr. ELLENDER. Not as much as he wants to. He is limited to payment of the amount of grain the certificates call for.

Mr. HRUSKA. Yes; and all the certificates not redeemed in kind will find their way into his hands.

Mr. ELLENDER. That is right if the producers do not ask for redemption, and do not sell their certificates themselves, they would probably ask Commodity Credit Corporation for assistance in marketing their certificates. That is the same as the provision we had in the Senate's version of the bill. The only difference is that under the House version of the bill, since there is the option for the Secretary of Agriculture to pay in cash or in kind for the first 20 percent, it may be that there will be a little more grain to dispose of, under the certificate plan, than there would have been under the Senate version of the bill.

Mr. HRUSKA. I thank the Senator from Louisiana.

Mr. SYMINGTON. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield.

Mr. SYMINGTON. I read now from the statement of the managers on the part of the House, in connection with the conference report on House bill 4510; the statement signed by Representative COOLEY and the other managers on the part of the House:

Under section 3 as passed by the House, the Commodity Credit Corporation would have been authorized to sell feed grains during the 1961 marketing year in unlimited quantities at prices not less than 17 percent below the 1961 support price, or about $1 per bushel for corn and a comparable price for grain sorghums.

That I understand clearly.

Mr. ELLENDER. That was in the House version of the bill.

Mr. SYMINGTON. Yes, in the House version of the bill.

Mr. ELLENDER. That is correct.

Mr. SYMINGTON. I read further from that part of the statement of the managers on the part of the House:

The new language of section 3 requires all certificates representing payments in kind to be redeemed for feed grains but a producer-certificate holder not desiring to take feed grains may obtain the assistance of the Commodity Credit Corporation in the marketing of his certificates for cash.

Mr. ELLENDER. That is correct—the same provision we had in the Senate version of the bill.

Mr. SYMINGTON. I should like to ask the able Senator from Louisiana if the return to the producer would be the same whether payments are made in cash or in kind; and if they are made in kind would the producer receive more if his certificates are marketed for him by Commodity Credit Corporation?

Mr. ELLENDER. The return to the producer should be about the same in any event. Payment in cash would be for so many dollars. Payment in kind would be for exactly the same number of dollars worth of grain. If the producer asked the Commodity Credit Corporation to help him market his certificate, he might expect the Corporation to sell it for about its face value and return that amount to him. If he asked Commodity Credit Corporation to redeem his certificate, it would be redeemed for the specified number of dollars worth of grain. The grain would be valued for redemption purposes at market value. A producer who took grain should be able to sell the grain on the market for about the same specified number of dollars if he so desired. Of course he might save some sales expense by reason of the assistance furnished by the Corporation.

Mr. SYMINGTON. Yes, I understand that.

Mr. ELLENDER. In other words, when a certificate is issued to a farmer for complying, the certificate will read, "This certificate is worth so many dollars worth of grain"—figured at the price-support fixed in this measure, which will be $1.20. When the certificate is redeemed it will be redeemed for that many dollars worth of grain, the grain paid in redemption being valued at market prices.

Mr. SYMINGTON. So if the farmer receives payment in kind, he will receive the same value as if he receives payment in cash. But since the certificate is valued on the basis of the support price for the grain and the grain paid in redemption is valued at the market price, the farmer will receive more bushels than the number used in fixing the value of the certificate. Is that correct?

Mr. ELLENDER. I assume that is correct, because the market price probably will be less than the support price. The kind and quality of the grain paid in redemption, as well as the location at which redemption is made, would also affect the number of bushels paid in redemption.

Mr. HICKENLOOPER. Mr. President, on this point will the Senator from Louisiana yield to me?

Mr. ELLENDER. I yield.

Mr. HICKENLOOPER. I agree with what the Senator from Louisiana says about the first 20 percent. But on the second 20 percent, which is a voluntary reduction, if the farmer wants to take out the additional 20 percent, then, as I understand——

The PRESIDING OFFICER. The additional 5 minutes the Senator from Louisiana has yielded to himself have expired.

Mr. ELLENDER. Mr. President, I yield myself an additional 5 minutes.

The PRESIDING OFFICER. The Senator from Louisiana is recognized for an additional 5 minutes.

Mr. HICKENLOOPER. Then, as I understand, his payment in kind will come at the market price, not at the support price.

Mr. ELLENDER. No. On the second 20 percent, the value of the certificate is figured at 60 percent of what he would have produced, based on the support price in this measure. All certificates are based on the same formula, except that the rate is 50 percent for the first 20 percent reduction and 60 percent for the second 20 percent reduction.

Mr. HICKENLOOPER. That is, for compliers.

Mr. ELLENDER. Certainly; the compliers are the only ones who are entitled to certificates. No one else is. I go back to the proposition that the certificates are based on the support price as fixed in the bill, but when they are redeemed in grain, the grain is valued at whatever the market level is at the time of the redemption.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. SYMINGTON. If that is true, then any farmer would prefer to receive, under the law, a cash payment as against receiving a payment in kind, only because he would get his money immediately, without having to market his certificate in order to obtain that value in kind.

Mr. ELLENDER. Yes; the certificate could be marketed with the assistance of the Commodity Credit Corporation for cash and the purchaser could obtain its redemption in grain. The amount of grain paid in redemption would represent the value of the certificate. If the certificates were valued at $1,200, the grain paid in redemption would be worth $1,200.

Mr. SYMINGTON. The 105 percent of support restriction on the Commodity Credit Corporation resale price does not enter into the redemption value of the grain at all, does it?

Mr. ELLENDER. No; let us not mix up the 105 percent with what is before us, because it has nothing to do with the bill before the Senate now. Let me make it plain that the present compromise does not in any way change the present law as to what the Commodity Credit Corporation stocks are sold for. It affects only the grain represented by the certificates that would be given to the farmers for participation.

Mr. SCHOEPPEL. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. SCHOEPPEL. I hold in my hand a sheet which contains a comparison of H.R. 4510 as passed by the House, the Senate amendment thereto, and the conference substitute therefor. I note on page 4 the following:

(a) Corn and grain sorghums price support limited to normal production of "harvested" acreage.

(b) reads:

Specified provision of the acreage of soil-conserving crops be increased by amount of diverted acres (Senate amendment leaves this to the Secretary).

Does the Senator have any idea what the Secretary's position would be on the matter?

Mr. ELLENDER. It is my belief that the Secretary would make about the same requirements under either the House or Senate version or the conference substitute. The Senate version did not require participating producers to increase their acreage of soil conserving crops by the number of acres diverted from feed grains. But it contained the more stringent requirement that the acreage of nonconserving crops should be reduced by the number of acres diverted from feed grains. I would expect the Secretary's program to include the more stringent provisions of the Senate version. I have no doubt of that. That was the difference between the House bill and the Senate version. The Senate version of the bill included specific instructions as to what to do, whereas the bill as passed by the House left much more to the discretion of the Secretary.

I am satisfied that the formula which will be adopted by the Secretary will not be different from that which we adopted in the bill originally.

Mr. SCHOEPPEL. I thank the Senator.

Under (b) on the same page of the memorandum to which I have referred, the following language is contained:

Specific prohibition against harvesting or grazing the diverted acreage. Conference substitute omits this provision, thereby leaving it within the discretion of the Secretary.

Mr. ELLENDER. That is correct, but I would expect the Secretary to include a provision of that sort. We have made a further change in that diverted acreage can be planted to certain nonsurplus crops such as castor beans and safflower. It is left to the discretion of the Secretary, but those who plant any of these

four commodities will not receive payments for diverting the acreage.

I now return to my prepared statement.

The Senate amendment contained rather detailed provisions as to the method of making payments in kind, while the House bill left broad discretion to the Secretary. The conference substitute follows the Senate provision. All payments in kind made under the bill would be made in the form of negotiable certificates redeemable in feed grains, the value of the certificate being determined on the basis of the basic county support rate multiplied by a certain percentage of the bushels which might have been produced on the acreage diverted. The certificate would be redeemable in feed grains valued at the market price at the time and place of redemption. As was provided in the Senate version of the bill, the Commodity Credit Corporation is directed to assist the producer in marketing his certificates.

All the language I have just read is what was contained in the Senate version of the bill.

The House bill provided for the diversion of 20 percent of a producer's 1959–60 average corn and grain sorghums acreage for a payment in cash or kind, and for the diversion of an additional 20 percent for payment in kind.

The PRESIDING OFFICER. The Senator's time has expired. The Senator is recognized for an additional 5 minutes.

Mr. ELLENDER. Mr. President, how much time have I consumed?

The PRESIDING OFFICER. The Senator has consumed 25 minutes.

Mr. ELLENDER. Mr. President, under the House bill, the entire 40 percent might therefore be paid for in kind if the Secretary of Agriculture elected to provide payment in kind for the first 20 percent reduction. The Senate amendment provided for a 30-percent diversion, half of which would be paid for in cash, and half of which would be paid for in kind. The conference substitute follows the House bill in giving the Secretary the discretion to provide payments in kind for the entire acreage diversion. The conference substitute provides for a required 20-percent diversion for which the Secretary might provide payment in cash or kind at a rate per acre not exceeding the basic county support rate multiplied by 50 percent of the 1959–60 average yield per acre for the farm; and for the diversion of up to an additional 20 percent for which payment in kind only could be made at a rate per acre not exceeding the basic county support rate multiplied by 60 percent of the 1959–60 average yield per acre.

The House bill required participation in the diversion program as a condition of eligibility for price support for soybeans and other oilseed crops—as well as corn and grain sorghums, and other feed grains designated by the Secretary. The Senate amendment required such participation as a condition of price support for oats, rye, and barley, without regard to whether the Secretary designated them. The conference substitute restricts this cross-compliance feature to corn and grain sorghums and other feed grains designated by the Secretary. It contains no cross-compliance requirement for soybeans.

The House bill excluded corn for silage from the commodities covered by the diversion program, while the Senate amendment would have extended the diversion program to oats, rye, and barley if the Secretary designated those commodities. The conference substitute restricts the diversion program to corn and grain sorghums, and includes corn for silage.

The House bill provided price support for corn for 1961 at any level above 65 percent of parity, while the Senate amendment provided for such support at $1.20 per bushel. The Secretary has already advised of his intention to fix the support level at $1.20 per bushel, and since the support price would therefore be $1.20 under either version, the substitute adopts the House language. The statement of managers on the part of the House makes it clear that the support level is intended to be $1.20.

The PRESIDING OFFICER. The time of the Senator has expired. The Senator is recognized for 3 additional minutes.

Mr. ELLENDER. Mr. President, support levels for 1961 for oats, rye, barley, and grain sorghums would also be the same under either the House or Senate version, and the conference substitute follows the House language.

The conference substitute follows the general form of the House bill in providing for the formulation of a diversion program by the Secretary of Agriculture, leaving many of the details to him. Under either the House bill or the Senate amendment, it is clear that an effective diversion program designed to reduce production is contemplated, and the Secretary has full authority under the conference substitute for such a program.

Under either version any producer might divert at least 20 acres from corn and grain sorghums and receive payment therefor, and the conference substitute retains this provision.

The Senate amendment contained a reporting provision not contained in the House bill. This provision is retained in the conference substitute with an amendment permitting the use of estimates when final figures are not available.

As was provided by the House bill, the conference substitute restricts the 1961 corn and grain sorghums price support to the normal production of the 1961 acreage. A provision of the House bill permitting producers, in lieu of receiving payments, to divert to nonsurplus, non-price-supported, nonfeed commodities, other than popcorn, was modified to permit such diversion only to such of the commodities, castor beans, safflower, sunflower, or sesame, as the Secretary may designate.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield to the Senator from Missouri.

Mr. SYMINGTON. Mr. President, in a statement from the office of the Secretary of Agriculture on the 20th of March it is said that the bill as presented by the able chairman today, "will mark a turning point in the build-up of Government-owned feed grain stocks and start us on the way toward bringing these stocks into manageable proportions."

Presumably the meaning there is that there will be a reduction.

Mr. ELLENDER. In the production of feed grains.

Mr. SYMINGTON. A reduction in the production of feed grains?

Mr. ELLENDER. That is correct.

Mr. SYMINGTON. Does the chairman agree?

Mr. ELLENDER. I do.

Mr. SYMINGTON. I would say, most respectfully, that I would hope both the able Secretary and the able chairman are correct.

Mr. ELLENDER. I am reasonably certain that I am correct. It is hoped that this program will result in the curtailment of about 25 percent of the present corn and sorghum acreage. Assuming there is 70 percent compliance, I have figured this program may take out of production as many as 16 or 17 million acres. Let us say the average production is 50 bushels an acre. If we multiply 50 times 17 million acres we get an idea of the amount of production involved.

The PRESIDING OFFICER. The additional time of the Senator from Louisiana has expired.

Mr. ELLENDER. Mr. President, I yield myself 2 additional minutes.

The PRESIDING OFFICER. The Senator from Louisiana is recognized for an additional 2 minutes.

Mr. SYMINGTON. The level of this year's crop production will depend to a considerable extent upon the weather.

Mr. ELLENDER. Of course.

Mr. SYMINGTON. If the Secretary were allowed to sell at 17 percent below the price support level we could be sure the amount of grain in storage in the future would be less than today. I personally am worried, because under the program everything has to go, we might say, exactly right for the Secretary to end up with materially less feed grain in storage than there is today.

Mr. ELLENDER. My fear was that if the Secretary insisted upon putting his view into the bill we might not pass any bill at all. I would rather have this bill than no bill at all.

I honestly believe the feed grain growers will have an opportunity to show whether they wish to support any program. We make it very attractive for them to follow through in this program and to reduce acreage, as I have indicated.

Mr. YOUNG of North Dakota. Mr. President, will the Senator from California yield time to me?

Mr. KUCHEL. Mr. President, the minority yields 5 minutes to the distinguished senior Senator from North Dakota.

The PRESIDING OFFICER. The Senator from North Dakota is recognized for 5 minutes.

Mr. YOUNG of North Dakota. Mr. President, while this is far from a perfect feed grain bill, I believe it is about

the best which can be enacted by the Congress in the short time we have to take action. I think the bill will go a long way toward curtailing a sharp buildup of feed grains in storage.

We are expected to have under control of the Department of Agriculture by next fall a carryover of approximately 3 billion bushels of feed grains. If we continue such a carryover, it will be a real threat to the livestock industry, and I think to all farming in general.

It has been pointed out by opponents that the proposed legislation would raise the price of feed grains to consumers. The same people go to the feed grain producing areas and say, "One provision in the bill, in all probability, will tend to depress your cash price even lower than it is now." These people go to the cattle feeders in my area and say that passage of the proposed legislation will mean higher feed prices to them.

My own opinion is that with a somewhat higher support price—and it is a modest increase—the cash price will be a little higher than it was last year, but this is only a guess on my part. The price support will be a little higher.

The bill would make a step in the right direction, which is toward curtailing surpluses. If the farmers cooperate with the program we shall go a long way toward solving a very serious farm problem. Cheap feed grains will result in lower meat prices. This has been true for years and years. It will always be the case.

This year the spring pig crop is 8 percent higher than it was a year ago. This has resulted almost entirely because of the most favorable corn-hog ratio in years. It means there will be more available meat next fall. The trend will continue, unless something is done.

I understand that in the major corn-producing States the cash prices for corn have been averaging 80 to 90 cents a bushel, while the price support is $1.06 a bushel. High moisture content corn is selling for as low as 70 cents a bushel.

One of the provisions in the bill would give the Secretary of Agriculture authority to place some additional corn on the market, which would perhaps have an adverse effect on the cash market. This is a practice which has been followed, pretty much, by the previous Secretary of Agriculture. Corn has been put on the market from time to time, almost weekly, on the theory that it was going out of condition. Basically it was good corn, which could have been stored for several years longer. This practice is one of the major reasons why the cash price for corn has been from 80 to 90 cents a bushel while the price support for corn has been $1.06 a bushel.

I do not think the provision in the bill will permit the sale by the Secretary of Agriculture of enough additional feed grain to have any material effect on the market. All in all, I think the conference report recommends a good bill, and I shall support it.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. YOUNG of North Dakota. I am glad to yield.

Mr. COOPER. Under the terms of the conference report, could the Secretary sell corn from surplus stocks at a price lower than is now provided?

The PRESIDING OFFICER. The 5 minutes yielded to the Senator from North Dakota have expired.

Mr. KUCHEL. Mr. President, the minority yields 2 additional minutes to the able Senator from North Dakota.

The PRESIDING OFFICER. The Senator from North Dakota is recognized for 2 additional minutes.

Mr. COOPER. I shall repeat my question. Under the terms of the conference report, could the Secretary sell corn from surplus stocks at a price lower than is now provided; that is, the support price plus reasonable carrying charges?

Mr. YOUNG of North Dakota. He could not. That provision of the law would remain unchanged.

The proposed legislation would make it possible for the Secretary to sell a little additional corn on the market. I refer to the corn under certificate. The Secretary also could sell corn which is going out of condition.

Mr. COOPER. The sale of corn which represents amounts held by certificate-holders would have to be at the support price plus reasonable carrying charges?

Mr. YOUNG of North Dakota. No; the Secretary could sell such corn for the market price.

Mr. COOPER. For the market price. That would be a change, then?

Mr. YOUNG of North Dakota. Of course, that is the same as was provided in the Senate amendments to the bill. Any payment-in-kind grain could be sold at the market price.

Mr. COOPER. I intend to vote in favor of the conference report, but it does mark a change from the provisions of the Senate version of the bill, does it not? I thought, under the terms of the Senate version of the bill, that when the Secretary sold corn he was required to sell it for the support price plus a reasonable carrying charge.

Mr. YOUNG of North Dakota. That has always been the law. The only change would affect the grain which is called the payment-in-kind grain. Under the Senate amendments to the bill, that was to be half of the 30-percent reduction. Under the provision now presented, the Secretary could make all payments in kind rather than cash, and the farmer could elect to accept the grain himself or to turn it over to the Secretary for sale for whatever the market would bring on the cash market.

Mr. COOPER. I should like to ask two questions. The first question is whether the conference report provides that the price support might be higher than the $1.20 which was fixed in the Senate version of the House bill.

Mr. YOUNG of North Dakota. The understanding of the conferees—and I think it was written in the House report—was that the price support would be no higher than $1.20 a bushel.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. KUCHEL. I yield 1 additional minute to the Senator from North Dakota.

Mr. COOPER. That provision is written in the report. The second question is this: The Senator from North Dakota may recall that I advanced a proposal, which was agreed to, providing that in any case an amount up to 20 acres of land could be withdrawn from production. Is that provision still in the conference report?

Mr. ELLENDER. The Senator is correct.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. KUCHEL. Mr. President, the minority yields 10 minutes to the distinguished senior Senator from Iowa.

Mr. HICKENLOOPER. As a member of the conference committee on the bill I found myself unable to sign the conference report, because in my opinion the bill still contains the same basic and fundamental defects that caused me to vote against the bill as it passed a few days ago.

Section 3, which was in the House version of the bill, and which was strongly supported by the Secretary of Agriculture is modified to some slight extent in the conference report, it is true. However, that modification is much like the sheriff's hat. A sheriff submitted a bill to the county board of supervisors for a new hat because a hole had been shot in the one he had when he was apprehending a prisoner. The county board of supervisors returned his expense account and said:

> We do not pay for articles of clothing lost in the performance of duty. Please revise your report and send it back.

So the sheriff revised his expense account and sent it back, with nothing in the account about the hat. However, he did make the mistake of inserting at the bottom of the account, "P.S. The hat is in here but you can't possibly find it."

In much the same way the conference report is submitted. Section 3 allegedly is not in the report. Some would like to have us believe that section 3 is not in the report, or it is in there and we cannot find it. But section 3 is definitely in the conference report. The only difference is that the amount has been reduced somewhat, as was pointed out a minute ago by the Senator from Louisiana. There is a provision which would reduce somewhat the amount of grain which the Secretary of Agriculture would be authorized to throw on the market in order to keep the market low.

As I said a few days ago, it would be easy to support the bill and to say, "Let them see what they can do with it." However, I do not believe that such action is justification for supporting a bill that I really believe is basically wrong in principle for the farmers of this country and for the feed grain raisers.

If Senators will consider the bill and the testimony of the Secretary of Agriculture and his chief adviser, they will find that their basic purpose is to keep the price of feed grains down. They so testified. They testified they would use the discretionary power that would be given to them in order to bring grains out of storage so that the price would not rise.

Of course, they said, "We do not want the price for the corn of noncompliers to go above the price which the compliers would receive." But to me that argument is inadequate and insupportable because if the price of corn rises above the support price, the complier would receive the added price anyway. He could withdraw it from storage and sell it any time he might wish to do so for the increased price. To me that argument is specious and not sustainable.

As I said the other day, the bill represents a 180° shift from the principles of an agriculture bill designed to get the farmer a better price and a better portion of the national income. This bill is designed to control the price and to keep the price down, if we can accept the testimony of the Secretary of Agriculture at face value. He does not wish the price to rise beyond $1.20 on corn on a comparable basis. He wants discretionary power to keep the price of all corn down around $1 a bushel.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield.

Mr. SYMINGTON. What is the price of corn today?

Mr. HICKENLOOPER. To the farmer?

Mr. SYMINGTON. The support price? It is $1.06, is it not?

Mr. HICKENLOOPER. $1.06, yes.

Mr. SYMINGTON. And the actual price is around $1, is it not?

Mr. HICKENLOOPER. I think the price is less than that amount on the farm.

Mr. SYMINGTON. Then $1.20 would not be too bad, would it?

Mr. HICKENLOOPER. $1.20 is not too bad a price, but what has happened to those who in the past have been criticizing former Secretary of Agriculture Benson because he wanted a support price which would be approximately $1.50 or $1.60? Why settle on a price of $1.20 now as a part of the proposed program?

Mr. SYMINGTON. Mr. President, will the Senator yield further?

Mr. HICKENLOOPER. I yield.

Mr. SYMINGTON. The price in 1956 was $1.50, was it not?

Mr. HICKENLOOPER. I do not recall the exact price at that time. I will accept the Senator's word.

Mr. SYMINGTON. I believe the price was $1.50. Five years ago under Mr. Benson it was $1.50. Today it is about $1.

Mr. HICKENLOOPER. If the price 5 years ago under Mr. Benson was $1.50 and the Secretary of Agriculture now wishes to knock the price down to $1.20, I suggest that reduction is quite a comedown.

Mr. SYMINGTON. No, the present Secretary of Agriculture desires to raise the price from $1 to $1.20.

Mr. HICKENLOOPER. The Secretary of Agriculture has testified that he wishes to use surpluses in order to keep the price of corn down to $1, except for the compliers, and he wishes to keep the price for compliers at $1.20.

Mr. SYMINGTON. I believe the Secretary of Agriculture has testified—certainly he has told me—that he wishes to cut the very large inventory of grain that has been built up in the past 8 years, and also raise the present return to the farmer.

Mr. HICKENLOOPER. That is very true, and it is the desire of all of us. I do not know what the Secretary of Agriculture told the Senator from Missouri, but I suppose that would be his ambition. However, I do not believe the bill would do so. I do not believe the Secretary of Agriculture would receive anywhere near the compliance that he anticipates or states is necessary if the provisions of the bill are to be at all successful. The information I received is that compliance is simply not coming in.

The program is not an attractive one for the grain raiser who is also a feeder. The program may be fairly attractive at the moment for the cash grain farmer who sells his grain for $1. But there are comparatively few of those as compared with feeders who sell all their grain. I am informed from many sources that the farmers do not find the proposed program attractive. They do not believe it would materially help the grain situation or price. On the contrary, they believe the program may keep grain prices at low levels. In effect that is what we propose to do by freezing a high price of $1.20 and a floor price of $1, and between those prices the grain feeder can have his accordion movement in the price of grain.

Heretofore our programs and policies—at least those supported by most of us who are trying to help the farm situation—have been designed as a floor or support to afford protection against a severe decline in price, and to let the farmer get whatever he can above the support price.

The new theory that has been written into the bill is to put both a floor and a ceiling on grains, and to place the grain farmer between the two jaws of a vise. He cannot receive more than $1.25 or $1.20, although the bill provides 65 percent of parity. If the percentage is left at that figure, the price will be below $1.20. The farmer cannot receive more than $1.20, because the Secretary of Agriculture testified he will use the surplus grain on the market in order to keep the price down.

The theory and philosophy proposed is new and diametrically opposite to the philosophy we have tried to put into effect heretofore.

Payments may be made in kind. There is no requirement that any of the amounts be paid to the farmer in cash. The Secretary of Agriculture has discretion to determine whether he wishes to pay all of the amount in kind, to pay none of it in cash, or to pay part of it in cash and part of it in kind.

The net result of the proposed resolution is that it would put complete and absolute discretion in the Secretary of Agriculture, and if the program does not work to reduce surpluses, if it does not work to increase prices to the farmer, with all of the unlimited discretion the bill gives to the Secretary of Agriculture, he can blame no one else but Secretary of Agriculture Freeman, because under the bill he would have all the power and discretion anybody would need. I believe, as I said a while ago that the direction and the philosophy of the bill are basically wrong. I do not believe it is for the good of agriculture, in an emergency or otherwise. Therefore, for these reasons, and for those I stated the other day, when I voted against the bill, I cannot support the conference report.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. KUCHEL. I yield 2 more minutes to the Senator from Iowa.

Mr. HICKENLOOPER. I could not sign the conference report for the reasons I have stated, and I will have to vote against it on those basic principles.

I wrote to the Secretary of Agriculture on March 20, and asked certain questions. I received, yesterday evening, his reply to that letter, dated March 21, 1961. I appreciate the promptness with which the Secretary of Agriculture answered my letter. I am not hypercritical about it when I say I feel he did not completely and fully answer the questions which I set out in my letter. He answered some of them. Nevertheless I do appreciate the courtesy of his reply.

I ask unanimous consent that a copy of my letter to Hon. Orville Freeman, Secretary of Agriculture, be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., March 20, 1961.

Hon. ORVILLE FREEMAN,
Secretary of Agriculture,
Department of Agriculture,
Washington, D.C.

DEAR MR. SECRETARY: As you know the proposed feed grain bill will be acted upon by the Senate within the next few days. This proposed legislation provides you with tremendous discretionary authority to adversely affect the free market price for corn. Therefore, prior to the time the Senate will be asked to vote on this proposal I should like to have the answers to the following questions:

1. Do you intend to use your authority to make an advance payment to cooperators? If you do, do you intend to make this payment in cash or in payment-in-kind certificates? You should recognize that the marketing of the feed grains which would result from the conversion of the certificates into grain will have a tremendous downward impact on the free market price for feed grains.

Since farmers normally sell in excess of 500 million bushels of feed grains between April 1 and October 1 feed grains that were produced in 1960 under the legislation then prevailing, I would urge you, if you decide to make an advance payment, that this payment be made in cash. This grain is now owned by farmers in Minnesota, Illinois, Iowa, Ohio, Indiana, Missouri, Nebraska, North and South Dakota, and to a lesser degree in most of the other States. Making advance payments in kind would cost farmers tens of millions of dollars.

2. Do you intend to make cash or in-kind payments for the first 20 percent of adjustment? As you know the Republican conferees attempted to have the proposed conference bill amended to permit the payment of cash or in kind at the option of the producer. However, the Democrats who are in majority refused to provide this authority to the producer but gave the choice to the Secretary. The Republicans

were acting on the language of the President in his March 16 message to the Congress where he said as follows:

"As part of payment programs the Secretary of Agriculture should be authorized to make payments-in-kind in cases where producers prefer such payments and where the Secretary determines that the goal of reduction of available stocks makes such payments feasible."

I would urge that the choice be given to the farmer when he signs up.

The past policy providing for the resale of feed grains by the CCC was based on the following congressional delegation:

"In determining sales policies for basic agricultural commodities or storable nonbasic commodities, the Corporation should give consideration to the establishing of such policies with respect to prices, terms, and conditions as it determines will not discourage or deter manufacturers, processors, and dealers from acquiring and carrying normal inventories of the commodity of the current crop."

This proposal will do just the reverse.

In order that Congress may know exactly how you intend to administer the authorities granted in this sweeping legislation, please provide me the answers to these questions immediately. The answers to these questions are essential in order that we can vote intelligently.

Yours sincerely,

BOURKE B. HICKENLOOPER.

Mr. HICKENLOOPER. I ask unanimous consent that there be printed in the RECORD at this point a copy of the letter which I received from the Secretary of Agriculture.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, D.C., March 21, 1961.

Hon. BOURKE B. HICKENLOOPER,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HICKENLOOPER: I am pleased to reply to your letter of March 20 in which you pose some questions with regard to the specific application and administration of the legislation which has been approved by the Senate-House conference committee and which is scheduled to come up for further action in the Senate today.

As your letter indicates, the pending legislation would authorize payments "not to exceed 50 percent of any payments to producers in advance of determination of performance." Since it would appear to be the will of Congress that such advance payments be made, and since it is desirable from the standpoint of our national economy to place additional purchasing power in the hands of farmers at this time, it is expected that such authorization will be used. This action would be in line with steps which have already been taken to make 50 percent advance payments to farmers who have resealed grain on their own farms.

As a member of this conference committee, you are undoubtedly aware of the language which was approved as a substitute for section 3 of H.R. 4510 as passed by the House. This authority has been explained in the statement of the managers on the part of the House, as follows:

"The new language of section 3 requires all certificates representing payments-in-kind to be redeemed for feed grains but a producer-certificate holder not desiring to take feed grains may obtain the assistance of the Commodity Credit Corporation in the marketing of his certificates for cash. The new language, however, gives the Secretary discretion as to when such certificates would be sold in order that the Secretary may have a measure of control over the rapidity with which the certificates may be placed on the market. The Secretary would be authorized, as a means of providing adequate assistance to producers in the marketing of their certificates, to direct the Commodity Credit Corporation to make an advance on the certificate to the producer. The Commodity Credit Corporation would then be reimbursed for such advance from the sale proceeds of the certificates. In this way, the Secretary would not be required, when he deemed such action contrary to the best interests of the program, to permit an undue quantity of grain to be put on the market."

Under this authority it would be possible to make payment in kind without having the tremendous downward impact on the market price for feed grains which you envision in your letter. You may be sure that we will not administer this program so as to reduce the income received by farmers prior to October 1, 1961, from sales of feed grains from the 1960 crop, below that they would have received if this program had not been enacted.

I would seriously question your conclusion that the legislation may discourage or deter manufacturers, processors, and dealers from acquiring and carrying normal inventories of feed grains. Insofar as this program is effective in bringing about a better balance between the supply of and demand for feed grains, it will have a healthy effect on the entire feed grain economy. Furthermore, you may be assured that it is not my intention to administer any discretionary authority vested in the Secretary of Agriculture in a manner unfair to any segment of the industry.

I know you share my deep conviction of the necessity of providing for the American farmer the most effective and successful program possible under the legislation which may be enacted by the Congress.

Sincerely,

ORVILLE L. FREEMAN,
Secretary.

Mr. ELLENDER. Mr. President, I yield 3 minutes to the Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, I support the conference report. I do so, although I recognize that it has serious weaknesses. The chairman of the committee, the Senator from Louisiana [Mr. ELLENDER] has said the only alternative to the pending bill is no bill at all. That would mean hundreds of millions of bushels of additional feed grain produced. It would also mean, as a result, an increased cost for the taxpayers. It would also mean a lower income for the corn producer. I am sure it would also mean a lower income for the dairy and poultry farmers, and others as well.

I believe the pending bill is absolutely necessary. However, I disagree very strongly with the views expressed by the distinguished Senator from Iowa. I feel the bill does not put unlimited discretion in the hands of the Secretary of Agriculture. I believe he should have been given more than is provided in the bill. That is why I am fearful that the Secretary of Agriculture is not going to be able to secure anything like 70 percent compliance.

I hope he will be able to do so. The whole program depends on his ability to do so. However, the fact is that we have not given him as much discretion as he asked for originally, or as much as the House provided. If we are to have a program that will reduce the surpluses, if we are to have a program that will provide the farmer with an adequate income, and one that will secure compliance, we must give the Secretary the tools with which to work.

Finally, the conference report, Report No. 170, of the House of Representatives, dated March 17, 1961, has a very lucid statement on pages 4, 5, and 6 of the conference report. Because it expresses exactly what the proposal does, I ask unanimous consent that this portion of the report be printed in the RECORD at this point in my remarks.

There being no objection, the excerpt from the report was ordered to be printed in the RECORD, as follows:

STATEMENT OF MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4510) to provide a special feed grains program for 1961 submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The amendment of the Senate struck out all after the enacting clause of H.R. 4510 and inserted the language of a similar Senate bill (S. 993) as passed by the Senate. The conference has agreed on a substitute to the Senate amendment which follows in general the language of the House bill with the exception of the changes noted below. Other than technical changes, the differences between the bill as passed by the House and the substitute agreed to by the conferees are as follows:

SECTION 1

This retains the language of the House bill with some modifications. The level of price support for the 1961 crop of corn will be established by the Secretary "at such level not less than 65 percent of the parity price therefore as the Secretary may determine" but the committee of conference understands that pursuant to this authority the support level for corn for the 1961 crop will be $1.20 per bushel.

The House bill required that soybean producers and producers of such other oilseed crops as might be designated by the Secretary would have to participate in the corn and grain sorghum acreage reduction program in order to be eligible for price supports on soybeans or such other designated oilseed crops. The conference substitute omits this requirement.

SECTION 2

Section 2 follows in general the language of the House bill. It authorizes the Secretary of Agriculture to formulate and carry out a special agricultural conservation program for corn and grain sorghums for 1961 and requires that an acreage equivalent to 20 percent of the average acreage on the farm of these two crops in the years 1959 and 1960 must be retired under the special conservation program in order for the producer to be eligible for price supports on corn or grain sorghums. An additional 20 percent may be retired at the producer's option. It requires that a corresponding increase must be made in the average acreage devoted in 1959 and 1960 to soil-conserving crops and practices and it is the understanding of the conference committee that the certification of the producer with respect to this acreage may be accepted as evidence of compliance.

The House bill contained the provision that any producer participating in the corn and grain sorghum acreage retirement program might elect, in lieu of any payment for

such land retirement, to grow on the diverted acreage any crop not in surplus, not eligible for price supports, and not produced principally for livestock feed which might be designated by the Secretary. This provision has caused so much misunderstanding that the committee of conference has substituted for it a listing of the specific crops which may be designated by the Secretary. They are castor beans, sunflower, safflower, and sesame. The Secretary will designate which, if any, of these crops may be grown on diverted acreage.

Paragraph 2 of the committee substitute combines the provisions contained in paragraphs 2 and 3 of section 2 of the House bill. The authority for financing the program is virtually the same as that in the House bill except that the specific authorization for expenditure of $500 million for payments in cash in advance of appropriations is eliminated and the language makes it clear that CCC may pay the cost involved in carrying out the provisions of section 3 of the conference substitute.

Paragraph 3 of section 2 contains the Senate provision for a sharing of payments among producers on the farm on a fair and equitable basis and in keeping with existing contracts.

SECTION 3

Section 3 of the bill as passed by the House, which was its most controversial section, was modified and rewritten by the conference committee. The effect of this is to change the language and the procedures of section 3 but to leave to the Secretary the power to encourage participation in the program by releasing into the market the amount of feed grains represented by the certificates issued as payment in kind under the program authorized by the legislation. Under section 3 as passed by the House, the Commodity Credit Corporation would have been authorized to sell feed grains during the 1961 marketing year in unlimited quantities at prices not less than 17 percent below the 1961 support price, or about $1 per bushel for corn and a comparable price for grain sorghums. The new language of section 3 requires all certificates representing payments in kind to be redeemed for feed grains but a producer-certificate holder not desiring to take feed grains may obtain the assistance of the Commodity Credit Corporation in the marketing of his certificates for cash. The new language, however, gives the Secretary discretion as to when such certificates would be sold in order that the Secretary may have a measure of control over the rapidity with which the certificates may be placed on the market. The Secretary would be authorized, as a means of providing adequate assistance to producers in the marketing of their certificates, to direct the Commodity Credit Corporation to make an advance on the certificate to the producer. The Commodity Credit Corporation would then be reimbursed for such advance from the sale proceeds of the certificates. In this way, the Secretary would not be required, when he deemed such action contrary to the best interests of the program, to permit an undue quantity of grain to be put on the market. If a certificate is not presented for redemption within 30 days of its issuance reasonable storage and other charges as determined by the Secretary, beginning 30 days after issuance of the certificate and ending with its presentation for redemption, would be deducted from the value of the certificate. However, if the Department elected to hold producers' certificates off the market longer than 30 days after their issuance, producers would not have to bear storage and other charges, since the time of the marketing of the certificates would not be within their control, but would be wholly within the control of the Department. Under the language of section 3 the Secretary is required to deduct only such storage and other charges as he determines to be reasonable and this would give him ample authority to relieve the producer of storage and other charges under these circumstances.

SECTION 4

Section 4 of the conference substitute adds language which was not in the House bill. It provides that the Secretary shall submit to Congress, within 90 days after the effective date of this act, a detailed report on the progress, cost, and reduction of surpluses under the program, and other relevant information.

Mr. ELLENDER. I yield 5 minutes to the Senator from Florida.

Mr. HOLLAND. Mr. President, I signed the conference report on the bill, not because I am completely in accord with all the provisions of the conference report, but because I believe the report improves greatly upon the House version. I deem it to be the duty of a conferee to endeavor to arrive at a report as nearly in keeping with the action of the House which he represents as it is possible for him to do.

I wish to state three particulars briefly in which I believe the House bill was improved upon by the conference report in approaching the provisions of the Senate bill.

The first was the elimination of the provision which in the House bill required soybean producers and producers of other oilseed crops designated by the Secretary of Agriculture to participate in the reduction of the acreage of corn and grain sorghums in order to obtain price support on soybeans and such other oilseed crops.

That provision should not have been tied into the bill, and I am glad it has been eliminated.

Second, the House bill provided that diverted acreage could be devoted to the production of crops other than feed crops which were not in surplus. I envisioned this to mean vegetables, strawberries, and other crops. I am sure that this would very readily occur to other Members of the Senate, also.

This provision was changed to read "That any producer may elect in lieu of such payment to devote such diverted acreage to castor beans, safflower, sunflower, or sesame, if designated by the Secretary."

This is a desirable change in that it is definitely established that vegetables and fruits cannot be planted on such diverted acreage.

The third point has already been mentioned. Instead of the Secretary of Agriculture having unlimited power to control the actual market price of grain by being able to pour on the market at his discretion any quantity from the Commodity Credit Corporation's huge stock, at prices down to $1 a bushel, that power is very drastically reduced in the conference report, by permitting him to dispose of grain at values below the support price only in redemption of certificates for payments in kind as covered by agreements with compliers.

I believe those three changes are fine changes in the bill.

The reason I am doubtful about the bill is that I believe anything that would increase price supports would not decrease production very much, if at all. That is what the bill would do. If past performance by corngrowers in the heavy-producing areas is any test at all, production will not be decreased very much.

I tried to place a provision in the bill requiring a signup of 80 percent before the program could be put into effect, and then I reduced it to 70 percent, so that there would be an adequate group coming in to promise some success before the program could actually go into effect. Neither of those suggestions was received with favor by the Senate committee or by the conference committee.

I am doubtful as to the usefulness of the bill. I hope it may prove to be more useful than I think it will be. I cannot help concurring in many respects with what the Senator from Iowa has said in his remarks, and with what the Senator from Wisconsin has said about farmers signing up.

I believe that there are numerous dilemmas in connection with the bill, and I wanted to put my position clearly on the record, in joining the able chairman of the committee and chairman of the conference committee in bringing about a most decent bill and in trying to make the conference as nearly in accord with the Senate-passed bill as it was possible for us to do.

Mr. HICKENLOOPER. Mr. President, will the Senator from Florida yield?

Mr. HOLLAND. I yield if I have time. May I have 1 additional minute?

Mr. HICKENLOOPER. I will yield a minute to the Senator from Florida from the time on this side. I was called out of the room to answer the telephone. I do not know whether the Senator from Florida discussed the question whether the bill will be, in effect, a bill to have the price of feed grains controlled by the Secretary of Agriculture.

Mr. HOLLAND. That was the objective of the Secretary. There is no doubt about it. We all heard his testimony. That was much more the objective of the House bill than it is of the conference report. To some degree, it still remains the objective of the conference report.

Mr. HICKENLOOPER. I believe it is the objective of the Secretary to control the price of corn. I merely want to call as witnesses to my understanding a couple of statements made in the other body yesterday on this subject. I refer to page 4411 of the RECORD of yesterday. The gentleman from Illinois [Mr. ARENDS] asked the chairman of the House Committee on Agriculture this question:

> But the price of corn for any farmer who does not go into the program will be controlled by the Secretary of Agriculture.
>
> Mr. COOLEY. That is right.

Through this colloquy, it is established that even the proponents of the bill believe it is designed, in effect, to control the price of corn. I insist that that is diametrically opposite to the programs we have attempted to establish in the past, even though they may not have been successful. But we have moved in that direction for the benefit of the farmer, to enable him to secure the best possible economic return.

Mr. HOLLAND. Mr. President, how much time remains on this side?

The PRESIDING OFFICER. The Senator from Louisiana has 7 minutes remaining; the Senator from Illinois has 22 minutes remaining.

Mr. HOLLAND. Mr. President, I understood the Senator from Iowa had offered to yield me 2 minutes from his side.

Mr. HICKENLOOPER. I yield 2 minutes from our time.

Mr. HOLLAND. I thank the Senator from Iowa. Of course, I agree completely that the original objective of the bill was to control the price of corn. I do not feel that it will accomplish the second purpose—the control of production—at all. I so stated in our committee, on the floor, and in the conference committee, as the Senator well knows.

I also feel that it is very clearly established that the conference report is much closer to the Senate version than was the House bill. It was for that reason that I was willing to try to work out a bill in that direction, and signed the conference report. I still have great misgivings about the effectiveness of the bill.

The Senator from Iowa will remember that in conference committee I strongly called attention to the same fact he has just mentioned, namely, that all three of the bills turn the price support operation in a direction completely away from that in which the program has worked heretofore.

Mr. HICKENLOOPER. I agree that the Senator from Florida did just that in the conference committee.

Mr. HOLLAND. I thank the Senator from Iowa.

Mr. DIRKSEN. Mr. President, I yield myself 5 minutes.

First, I think the distinguished Senator from Louisiana entirely kept faith with the Senate in pursuance of the request I made of him when this measure was first before the Senate, because I did limit that to the possible reinclusion of section 3 in the Senate bill. Section 3 was not reincorporated in the bill. Instead, the conference report took a different turn, and there was a modification of the language.

The first objection I have to utter with respect to the report is with respect to the question of choice. I reread the President's farm message. There he constantly emphasized that there should be a choice on the part of the producer, that the man who tills the soil should have the word as to how he should participate and how he should be paid. We depart from that thesis in the conference report, if I read it correctly, because it is not the producer who will determine how he will be paid on the 20-percent acreage scaledown; it is the Secretary who will make the choice for him. If I am wrong about that, then I should like to have some Senator who is familiar with the subject correct me. However, that is the way I read the report. So the first major departure is that the choice is in the hands of the Secretary instead of the producer.

That fact brings up the second objection, namely, that the Secretary of Agriculture, on the first 20 percent of the scaledown, can simply say to the farmer—and if I am wrong, I shall ask the distinguished Senator from North Dakota [Mr. YOUNG] to correct me—"You will be paid in kind, not in cash." The farmer may want cash. That would have been the better way to proceed, and I think that would have taken some of the offensive quality off the conference report.

However, when the Secretary says, "You will take payment in kind whether you like it or not," then the residual question is: How much participation is there? How much grain in kind will move out into the hands of the farmers? If I am correctly advised, the normal grain market is, in any normal year, between April 1 and October 1, about 500 million bushels of feed grain.

The distinguished Senator from Kansas [Mr. CARLSON] nurses the conviction that there will not be substantial participation in the program. If that be the case, obviously it would not reach that kind of level of outflow of surplus grain. But if it does, then the question is: What will be the impact upon the price structure at the very time we are trying, in the bill itself, to improve the income lot of the farmer?

So the question of choice has been put into the hands of the Secretary. If I were sitting in his seat, I might do the same thing I have suggested he would do. I might simply say, "You will take it in kind whether you like it or not." That is a clear departure and a complete departure, in fact, from the spirit of the farm message which the President sent to Congress.

It is anybody's guess, then, what the impact of these moving quantities of surpluses will be upon the market at the very moment when corn goes into the soil, and we see Minnesota, Illinois, Iowa, the Dakotas, Nebraska, and Indiana dotted with all those dainty green sentinels which will be standing up there, waving in the wind before too long; and the farmer will have some deep concern as to exactly what will happen to the price when that crop finally matures.

So section 3 was not incorporated, but language was incorporated which, in my considered judgment, will reach, not entirely, but in substantial degree, the same result.

There is one other item I shall discuss. The report provides that there can be an advance payment of 50 percent of what is due. Already a meeting has been set in Omaha, in the State of the distinguished Senator from Nebraska [Mr. HRUSKA]. I was given this morning a copy of a telegram which was sent to some of the farm leaders in Chicago, stating that the Secretary will be out there very shortly. He will make a speech. There will be a press conference. The farm people will be filled in on the details. They will be told that they can get 50 percent before performance.

Have we done that before? Have we given farmers 50 percent before they ever performed a lick under a contract to reduce acreage so as to achieve a desired result? If we have, then I take back what I have said. But I am not familiar with any advance payment which has ever been made. But the provision is there just as clear as crystal and just as clear as print can make it. To make certain that I am not guessing, I read the language from the conference report:

> The Secretary may make not to exceed 50 per centum of any payments to producers in advance of determination of performance.

Am I wrong? Or am I right? Am I correct in stating what that language means? That is what those words say to me.

The PRESIDING OFFICER. The time of the Senator from Illinois has expired.

Mr. DIRKSEN. I yield myself 2 additional minutes.

Mr. MILLER. Mr. President, will the Senator from Illinois yield?

Mr. DIRKSEN. I yield.

Mr. MILLER. Will the Senator tell us how much the bill will cost in the way of appropriations?

Mr. DIRKSEN. We do not know. The only estimate we have at the moment is an indication by the Secretary, and perforce the President in his message, that the bill might save $500 million over and above the existing program, the program now on the statute books, which is a guess.

Since this discussion began I am advised that there has been resort to advance payments, but I doubt very much that the circumstances under which they were made are comparable to the situation which confronts us in the pending measure.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator from Illinois yield?

Mr. DIRKSEN. I yield.

Mr. WILLIAMS of Delaware. I saw the President's message in which he estimated that this would save about $500 million. However, I was interested to note that yesterday he suggested he would ask Congress for $442 million over and above the budget to pay the increased cost of the program. How the two statements can be reconciled, I do not know.

Mr. DIRKSEN. As a matter of fact, I make no endeavor to reconcile them. But I am not happy with this whole program.

Mr. YOUNG of North Dakota. Mr. President, will the Senator from Illinois yield? I note that he has been asking me questions.

Mr. DIRKSEN. Well, Mr. President, the Senator from North Dakota is my agricultural mentor. I sit at his feet, as a pupil. [Laughter.]

Mr. YOUNG of North Dakota. I thank the Senator from Illinois.

Mr. DIRKSEN. That is, in regard to everything except where wheat is concerned. [Laughter.]

Mr. YOUNG of North Dakota. The Senator is concerned about the provision which would permit the Secretary of Agriculture to sell feed grains for the first time below 105 percent of price support. That is the grain turned over to him by the farmer, for the payment-in-kind program. This provision, if used unwisely, could to some extent depress the market. But the grain trade will know exactly how much grain of this kind there will be all the time; and with

the Department of Agriculture now holding 2,700 million bushels of feed grains, it can have a fire sale of feed grains, of as much as it wants to, at almost any time. That has been going on for years; but the corn sold by the Department often has been good corn; and those who are feeders have been buying it.

Mr. DIRKSEN. I think there is no question that it is preferable to section 3 as it was in the bill when it was first messaged to the Congress.

But in the law it is recited that the Commodity Credit Corporation policy should be so pursued that manufacturers, processors, and others who use these commodities can pursue an orderly course in building inventories, knowing, of course, that they are not going to be clouted by some Federal agency.

The PRESIDING OFFICER. The time the Senator from Illinois has yielded to himself has expired.

Mr. DIRKSEN. Mr. President, I yield myself 2 additional minutes.

The PRESIDING OFFICER. The Senator from Illinois is recognized for 2 additional minutes.

Mr. DIRKSEN. As I was saying, Mr. President, knowing, of course, that they are not going to be clouted by some Federal agency exactly when they are not looking for it, and then suffer substantial loss, although not always disaster.

So, Mr. President, under those circumstances I do not detract for a moment from the effort the Senate conferees made, because I know that the House conferees are rather tough negotiators; I know, from away back and from long experience, how they negotiate. But I believe I would be less than candid if I did not set forth to the Senate my own assessment of this matter, and then come to what I consider the logical conclusion; and that conclusion is that I must vote against the conference report. I shall leave the entire case right there.

Mr. HRUSKA. Mr. President, will the Senator from Illinois yield to me?

Mr. DIRKSEN. Let me ask how much time the Senator from Nebraska wishes to have.

Mr. HRUSKA. About 3 minutes.

Mr. DIRKSEN. Mr. President, let me inquire how much time remains under my control.

The PRESIDING OFFICER. Eleven minutes.

Mr. DIRKSEN. I yield 4 minutes to the distinguished Senator from Nebraska.

The PRESIDING OFFICER. The Senator from Nebraska is recognized for 4 minutes.

Mr. HRUSKA. Mr. President, it is my intention to vote for the conference report. I shall do so somewhat reluctantly, because it contains a number of features which still are most undesirable. They have been modified and eased a little bit, as compared with the original proposals. Nevertheless, in several respects they are not at all desirable on a long-term basis. They are sufferable on the basis of a measure which will be in force for only 1 year.

Among the objections which still inhere are the ones enumerated by the Senator from Iowa; namely, that for the first time we shall have a measure which will seek to impose a ceiling as well as a floor on the support price of these feed grains.

Secondly, this measure still contains a provision giving the Secretary the power to sell. That provision has been modified and curtailed somewhat, and now the amount is not only predictable, but is limited in quantity. Nevertheless, the conference report provides power to sell which was considered much too great a power for any one person to wield without having any limitations upon it.

This measure also contains, for the first time, a provision for bushelage control.

Another point I wish to make is the one made by the Senator from Illinois, in regard to the choice being in the hands of the Secretary, rather than in the hands of the producer, as to whether he shall be paid in cash or in kind. I wish to say that in voting for the conference report, I shall not consider it a precedent on my part or on the part of this body for approving these features which are objectionable. The only warrant for going along with them is the fact that this measure is for a period of 1 year, for a period of one growing season, and therefore is stopgap in nature.

There is one point upon which I can scarcely refrain from commenting. It is that during the many political campaigns since 1952, there have been constant pledges and promises that there would be a restoration of 90 percent to 100 percent price supports. But here, for the first time when those campaign promisors have the unqualified and unrestricted power to do something about it and to achieve those goals, there is fixed, and there will be fixed by word of the Secretary of Agriculture now in office, not 90 percent, not 100 percent, but 74 percent of parity—$1.20 per bushel for corn. This indeed is revealing.

One final point: In the treatment received by this measure, whereby legislation is made possible, we find the strongest possible refutation of the plan suggested by the President in his message last week on the long-range farm bill, for farm bills to be formulated by commodity advisory committees and sent to Congress for its veto. Because unless we have that give-and-take between the House and the Senate, by a legislative body which represents all the people and all the interests involved in the agricultural program, it will be difficult, if not impossible, to reach a measure which will be sound and workable at the same time.

Let me say that I have prepared a brief statement in regard to how this plan will work and just what it provides. I ask unanimous consent that the statement be printed at this point in the RECORD.

Mr. President, I yield the balance of the time available to me.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

In brief, the conference report bill does the following:

1. Authorizes the Secretary to set for 1961 the price support for corn at not less than 65 percent of parity. Price support in 1961 is limited to a volume of corn and sorghum equal to the normal 1959–60 production of these grains.

2. Directs the Secretary to establish a voluntary special agricultural conservation and land retirement program for 1961 for corn and grain sorghum farmers. Under this program he would:

(a) Make payments to participating farmers in cash and/or in kind. Payments in cash and/or in kind on the first 20-percent reduction are calculated at the basic county support rate times 50 percent of normal production. Payments in kind on up to an additional 20-percent reduction are calculated at the basic county support rate times 60 percent of normal production.

(b) Require a 20-percent diversion of corn and grain sorghum acreage for payments in cash and/or in kind and authorize a 20-percent further diversion for payments in kind.

(c) Require in 1961 a net addition of acreage devoted to soil conserving practices in 1959–60.

(d) Require weed, insect, and rodent control on the retired acreage.

(e) Allow producers to meet the 20-percent land retirement requirement, in lieu of payments, by planting safflower, sunflower, sesame, and castor beans, if designated by the Secretary.

(f) Allow small corn-sorghum farmers—those planting 20 acres or less in 1959–60—to place their entire acreage in the program.

(g) Allow prepayment, of up to half of payments, before determination of compliance.

3. Provides that certificates issued to farmers would be expressed in dollars and redeemable in CCC feed grains—corn, oats, rye, barley, grain sorghum—at current market prices. The Secretary may assist in marketing certificates. Redemption of certificates must be within 30 days or certificates discounted. Provision made for sharing of certificates among all producers on the farm.

4. Requires that producers of corn, grain sorghum, and any other feed grain designated by the Secretary must participate in the land retirement program for corn and grain sorghum in order to be eligible for price supports.

5. Authorizes a general appropriation and allows CCC to pay administrative expenses from its funds. Also authorizes the incurring of advance obligations, plus the payment-in-kind costs.

6. Requires the Secretary to submit a report to Congress within 90 days showing the general operation and results of the program.

Mr. CARLSON. Mr. President——

Mr. DIRKSEN. Mr. President, I yield 2 minutes to the senior Senator from Kansas [Mr. CARLSON].

The PRESIDING OFFICER. The Senator from Kansas is recognized for 2 minutes.

Mr. CARLSON. Mr. President, I shall vote for the conference report. I believe that the conferees on the part of the Senate are entitled to much credit for bringing back the report in the form in which they have presented it today.

The first reason why I shall vote for the conference report is that the Secretary of Agriculture has stated that it should increase farm income by 12 percent; and I want the Congress to give the Secretary of Agriculture an opportunity to achieve that goal. As a matter of fact, I shall be very happy if that situation prevails.

The second reason is that this is a voluntary program. Every farmer will have an opportunity to review his farm

operations and then determine whether he wishes to enter the program.

I can assure the Senate that these farmers are good business people and understand farm operations; and, in my opinion, in view of the way this measure is now written, the reduction of acreage compliance with the program will be greatly limited.

If the committee had included in this measure a provision that the first 20 percent of acreage reduction would be paid in cash, I think the compliance would be much greater.

I have heard Senators make statements about 70 percent compliance. I do not wish to attempt to be a prophet, of course; but I think the Department will be happy if there is 33⅓ percent compliance.

Knowing the farm situation as I do, I sincerely hope the Secretary of Agriculture will not throw on the open market the grain he will be permitted to sell as the result of the acreage taken out of production, and thus force down the prices to an extent that will reduce the income of the farmers. The Secretary will have to determine that; and we have faith in him. Therefore, I shall leave it in his hands, in the hope that he will deal fairly with the farmers.

The PRESIDING OFFICER. The time yielded to the Senator from Kansas has expired.

Mr. ELLENDER. Mr. President, I yield 3 minutes to the Senator from Minnesota.

Mr. HUMPHREY. Mr. President, I first wish to commend the chairman of the committee and our conferees for the results they were able to obtain in this important conference on the 1961 feed grains program. The fact is that the Senate conferees were able to remove, it seems to me, many of the objections to what was described as being the authority of the Secretary to unduly depress the price of feed grains in case of failure of compliance.

The bill boils down to two or three simple propositions: The first is that it is designed to improve the price of feed grains. Second, it is designed to cut down production of feed grains, and thereby cut into the available surpluses in the hands of the Commodity Credit Corporation. Third, it is designed to give the Secretary of Agriculture a degree of flexibility in bringing about compliance with the acreage reduction and production reduction parts of the program.

The bill provides that, in order to come under the price support provisions, which are set at $1.20 on a national average for corn, a farmer must take 20 percent of the acreage which he had in production for the 2-year period 1959–60 out of production.

The bill provides that a farmer can take out, on a voluntary basis, another 20 percent. That latter 20 percent will be paid for by the option of either planting certain crops not in surplus, which are listed, or by payment in kind up to 60 percent of the average production of the acres retired.

The 20 percent that is taken out because of the compulsory features of the bill will be paid for at 50 percent of the normal production times the support price for the particular crop. This will be paid either in cash or in kind on the basis of a negotiable certificate.

If the farmer takes acreage out of production, he will receive a negotiable certificate. He may have the Commodity Credit Corporation act as his agent, and thereby sell into the market the amount of grain in storage presently by the Commodity Credit Corporation equal to the amount he is to be paid for compliance.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. HUMPHREY. May I have half a minute more?

Mr. ELLENDER. I yield one-half a minute to the Senator.

Mr. HUMPHREY. He may, if he does not wish to do that, receive it all in kind.

The purpose of the measure is to stabilize the market, on the one hand, and not to give the Secretary too much power, in the event he wanted to be indiscreet in any way in his exercise of the power—and I can assure the Senate he will not be. But, at the same time, it also gives the Secretary the authority to back up a crop reduction program by payment in cash or in kind, at the option of the farmer, when he asks the Commodity Credit Corporation to act on his behalf.

I wish to thank the chairman of the committee for doing what I think is a creditable job. The bill does not go as far as perhaps is required, but it is an emergency program for 1 year, and it deserves to be tried.

The PRESIDING OFFICER. The time of the Senator has again expired.

Mr. KUCHEL. Mr. President, the minority yields 3 minutes to the Senator from Indiana [Mr. CAPEHART].

Mr. CAPEHART. Mr. President, I wish to ask the chairman two or three questions. My first question is, Does the proposed legislation in any way affect the total amount which can be paid to an individual farmer?

Mr. ELLENDER. No. It does not limit the total amount which may be paid to an individual farmer.

Mr. CAPEHART. The Senator is aware of the fact that there is a law which limits the amount which can be paid to any one individual farmer. Is he not?

Mr. ELLENDER. There is no limitation provided in the bill. Limitations relating to participation in the Soil Bank Act programs do not apply to the bill.

Mr. CAPEHART. Under the proposed act, the Secretary can pay a farmer an unlimited amount. Is that correct?

Mr. ELLENDER. The amount is not entirely unlimited. The payment rate is limited but there is no overall limitation in addition to the payment rate limitation.

Mr. CAPEHART. My second question is, Soybeans, of course, are not affected in any respect. Is that correct?

Mr. ELLENDER. The Senator is correct. The law is not changed in that respect at all.

Mr. CAPEHART. My third question is, If a farmer reduced his corn production by 80 or 40 or 10 acres, could he feed cattle or livestock on the acreage, provided he did not grow any grass or any other crop that could be eaten?

Mr. ELLENDER. That matter would be left to the discretion of the Secretary of Agriculture. I doubt whether the Secretary would issue an order giving that kind of freedom, because in almost any part of the country grass does grow on the diverted acres.

Mr. CAPEHART. Suppose it could be proved that, so far as grains or other feed of any kind are concerned, the acreage would be as barren as is this floor.

Mr. ELLENDER. That situation might prove to be true in one case, and not in another. The law gives the Secretary authority in that respect.

Mr. CAPEHART. One of the possible troubles with the proposed law is that it gives the Secretary too broad power, in my opinion, with regard to conservation matters.

Mr. ELLENDER. The Senate version of the bill was specific in that it contained everything the Secretary could do.

Mr. CAPEHART. As the proposal now is before the Senate, it would be left entirely to the discretion of the Secretary. Is that correct?

Mr. ELLENDER. That is correct.

Mr. CAPEHART. I thank the Senator.

Mr. ELLENDER. Mr. President, I yield 4 minutes to the Senator from Missouri [Mr. SYMINGTON].

Mr. SYMINGTON. Mr. President, after many years on the Senate Agriculture Committee, it became my feeling that the basic problem facing agriculture is comparable to what often faces any other business, namely, the danger of excess inventories. So we face the problem of how to reduce those inventories, and also how to have a law which would assure these same inventories would never again reach the size they have attained in recent years.

In 1956 the price of corn was about $1.50 a bushel. In 1952 the price was considerably higher than that. In 1952 the Government inventories of corn amounted to 313.9 million bushels. In 1956 this had increased to 702.1 million.

In 1961 the Government inventories reached an all time high of 1,465.2 million bushels.

As the inventories of corn went steadily up, the price of corn and other feed grains received by farmers went steadily down. Many persons are sincere in believing that situation was due to the law. But after studying the matter, I am convinced it did not occur because of the law, but because of the way the law was administered.

Now, for the first time, we have a bill before the Senate which should make it possible, as I read it, for the Secretary of Agriculture to control at least to some extent, the future production of feed grains. I had hoped he would receive the same type and character of authority he asked for in the beginning, because I am certain with that type of authority he could have controlled production better than he can under the law we will pass today.

On the other hand, inasmuch as the price of corn has gone down steadily in recent years, and inasmuch as the amount of corn owned by the taxpayers has gone up steadily, I am convinced that the law which has been proposed by the Senate and House Agriculture Committees, the committee in this body being headed by the able Senator from Louisiana [Mr. ELLENDER], will be a step forward, not only for the farmer of this country, but also for the taxpayers, because the latter is the one who ultimately pays for all the surplus grain that goes to storage.

So I shall vote for the conference report. I do not think the bill is as good as it might be, but I am certain the results are going to be better in 1961, as a result of enacting this bill, than they have been in recent years.

I believe there is a good chance these gigantic stocks will go down, and as a result of the increase in price supports, the return to the farmer will go up.

Mr. KUCHEL. Mr. President, I yield 1 minute to the Senator from Connecticut.

Mr. BUSH. Mr. President, I announce my continued disapproval of the feed grains bill and the conference report and shall vote against the report. I ask unanimous consent that two telegrams be printed at this point in the RECORD following my remarks.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

HARTFORD, CONN., *March 17, 1961.*

Senator PRESCOTT BUSH,
Senate Office Building,
Washington, D.C.:

Urge that you oppose acceptance of conference committee report on H.R. 4510. In final analysis bill is not changed, bill will not reduce cost as much as claimed. Continues old price-support program with authority for Secretary to raise support levels for some feed grains. Such will more than offset attempts to reduce acreage. Northeast dairy and poultry producers will be adversely affected by higher grain prices, and possibility of increased competition from midwestern dairy and poultry production.

EDWARD F. DICKAU,
President, Connecticut Farm Bureau Association.

HARTFORD, CONN., *March 18, 1961.*

Hon. PRESCOTT BUSH,
Senate Office Building,
Washington, D.C.:

We greatly appreciate your action with reference to feed grains bill and urge you to continue to oppose the compromise bill.

Norman Little, Rocky Hill; Frank Morris, Wethersfield; David Anderson, Wethersfield; John Hays, Rocky Hill; William Collins, Rocky Hill; Frank Wurdig, Bloomfield; George Bragdon, Jr., Rocky Hill; Stephen Boyko, Windsor; Charles Canfield, Rocky Hill; John Lukens, Windsor; Robert De Pietro, East Hartford; John Meisterling, Rocky Hill; William D. Morgan, Wethersfield.

Mr. KUCHEL. Mr. President, if no other Senator desires to speak in opposition, the minority is prepared to yield back the remainder of its time, provided the majority does likewise.

Mr. ELLENDER. Mr. President, we have no time remaining.

The PRESIDING OFFICER. The time of the majority has expired. Does the minority yield back its remaining time?

Mr. KUCHEL. Mr. President, the minority does.

Is it in order, Mr. President, for the absence of a quorum to be suggested?

The PRESIDING OFFICER. It is.

Mr. KUCHEL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KUCHEL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the conference report. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERTSON (when his name was called). On this vote I have a pair with the senior Senator from Mississippi [Mr. EASTLAND]. If he were present and voting he would vote "yea." If I were at liberty to vote I would vote "nay." I therefore withhold my vote.

The rollcall was concluded.

Mr. HUMPHREY. I announce that the Senator from North Dakota [Mr. BURDICK], the Senator from Connecticut [Mr. DODD], the Senator from Mississippi [Mr. EASTLAND], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Tennessee [Mr. GORE], the Senator from North Carolina [Mr. JORDAN], are absent on official business.

I also announce that the Senator from New Mexico [Mr. CHAVEZ], is absent because of illness.

I further announce that the Senator from Texas [Mr. BLAKLEY], is necessarily absent.

I further announce that, if present and voting, the Senator from Tennessee [Mr. GORE], and the Senator from North Carolina [Mr. JORDAN] would each vote "yea."

On this vote, the Senator from Vermont [Mr. AIKEN] is paired with the Senator from North Dakota [Mr. BURDICK]. If present and voting, the Senator from Vermont would vote "nay" and the Senator from North Dakota would vote "yea."

On this vote, the Senator from Connecticut [Mr. DODD] is paired with the Senator from Tennessee [Mr. KEFAUVER]. If present and voting, the Senator from Connecticut would vote "nay" and the Senator from Tennessee would vote "yea."

On this vote, the Senator from Texas [Mr. BLAKLEY] is paired with the Senator from New Mexico [Mr. CHAVEZ]. If present and voting, the Senator from Texas would vote "nay" and the Senator from New Mexico would vote "yea."

Mr. KUCHEL. I announce that the Senator from Vermont [Mr. AIKEN] is absent by leave of the Senate.

The Senator from Vermont [Mr. PROUTY] is absent by leave of the Senate because of illness.

On this vote, the Senator from Vermont [Mr. AIKEN] is paired with the Senator from North Dakota [Mr. BURDICK]. If present and voting, the Senator from Vermont would vote "nay" and the Senator from North Dakota would vote "yea."

The result was announced—yeas 58, nays 31, as follows:

[No. 21]

YEAS—58

Bartlett	Hill	Moss
Bible	Hruska	Mundt
Cannon	Humphrey	Muskie
Carlson	Jackson	Neuberger
Carroll	Johnston	Proxmire
Case, S. Dak.	Kerr	Randolph
Church	Lausche	Russell
Clark	Long, Mo.	Schoeppel
Cooper	Long, Hawaii	Smathers
Curtis	Long, La.	Smith, Mass.
Douglas	Magnuson	Sparkman
Dworshak	Mansfield	Stennis
Ellender	McCarthy	Symington
Engle	McClellan	Talmadge
Ervin	McGee	Wiley
Fulbright	McNamara	Yarborough
Gruening	Metcalf	Young, N. Dak.
Hart	Monroney	Young, Ohio
Hartke	Morse	
Hayden	Morton	

NAYS—31

Allott	Case, N.J.	Miller
Anderson	Cotton	Pastore
Beall	Dirksen	Pell
Bennett	Fong	Saltonstall
Boggs	Goldwater	Scott
Bridges	Hickenlooper	Smith, Maine
Bush	Hickey	Thurmond
Butler	Holland	Williams, N.J.
Byrd, Va.	Javits	Williams, Del.
Byrd, W. Va.	Keating	
Capehart	Kuchel	

NOT VOTING—11

Aiken	Dodd	Kefauver
Blakley	Eastland	Prouty
Burdick	Gore	Robertson
Chavez	Jordan	

So the conference report was agreed to.

Mr. JACKSON. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. ELLENDER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MILLER. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a statement I have prepared in explanation of my vote on the conference report on the feed grains bill.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

EXPLANATION OF VOTE OF SENATOR JACK MILLER

I voted against the conference report on H.R. 4510, providing a special program for feed grains for 1961 because I am convinced the proposed bill is unfair, administratively unworkable, and worst of all will not result in reduction in production commensurate with the cost of the program.

The bill is unfair because it uses the 1959–60 crop acreage as a base. This discriminates in favor of farmers who have overplanted their farms with corn and who will thus have a high base for support prices, and against farmers who have used good crop rotation practices and will consequently have a lower base acreage for crops eligible for price support. I recognize that the bill provides that the Secretary may make adjustments in acreage for 1959–60 "to give due consideration to * * * crop rotation * * *," but without more specific standards such a provision is meaningless and administratively unworkable. The bill is unfair to grain farmers who do not have an option of being paid in cash or in kind on the first

20 percent of their retired acres. Instead, it is the Secretary of Agriculture who has been given the option of making payment in cash or in kind. Grain farmers are thus put at the mercy of the Secretary's discretion, and Congress itself has no way of knowing how much cash money will have to be appropriated.

The bill is administratively unworkable because of lack of specific standards and also because of use of the 1959–60 yield as a basis for payment of support prices and for retirement payments. In my own State of Iowa there are thousands of farmers who feed all of their grain. No one has any accurate statistics for their 1959–60 yields.

Finally, I do not believe the bill will bring about a reduction in production commensurate with the cost to our taxpayers. The bill limits support prices to the average yield per acre for 1959–60, but this will not result in complying farmers limiting their yields to such a base. They would be very foolish if they did not overplant as insurance against drought and other conditions so that their yields will give them the maximum yield for which they can receive price supports. The excess will either be sold in the open market or will be fed—adding to and not cutting down on the yield on the nonretired acres. Moreover, noncomplying farmers will be encouraged to overplant in 1961 in order to have a high 1961 acreage in case Congress uses 1961 as one of the base years in a long-range farm program.

In conclusion, I recognize that there can be honest differences of opinion on any measure such as this. However, there has been too much philosophy running through consideration of the feed grains legislation to the effect that "We must have a farm bill," "After all, it's only for 1 year anyhow," and "Regardless of its shortcomings there will be some improvement." In my humble judgment, we have too much bad legislation on the books already as a result of such philosophy. It is not fair to the farmers of America to have a proposition put to their representatives in Congress that "You will take this or nothing."

The PRESIDING OFFICER. Under the unanimous-consent request, the Senator from Oklahoma [Mr. KERR] is recognized.

TEMPORARY EXTENDED UNEMPLOYMENT COMPENSATION ACT OF 1961—CONFERENCE REPORT

Mr. KERR. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4806) to provide for the establishment of a temporary program of extended unemployment compensation, to provide for a temporary increase in the rate of the Federal unemployment tax, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of today, pp. 4541–4543, CONGRESSIONAL RECORD.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. KERR. Mr. President, I call up the conference report on H.R. 4806, a bill to provide a temporary program of extended unemployment compensation, and to provide for a temporary increase in the Federal unemployment tax rate.

The Senate made four principal amendments to the bill as it had been passed by the House. The first Senate amendment provided for a reduction of temporary unemployment compensation received by an individual because of the concurrent receipt by him of a social security benefit, a civil service retirement annuity, an amount under any other Federal or State retirement system, or under a private retirement plan contributed to by an employer. Under the Senate amendment, there would have been no reduction on account of disability benefits or on account of benefits received from the Veterans' Administration by an individual 65 years of age or over. The House conferees accepted this amendment with an amendment. Under the conference agreement temporary extended unemployment compensation will be reduced by amounts received as a retirement pension or annuity under a public or private retirement plan provided, or contributed to, by a base period employer. There would be no reduction for any retirement benefit received by reason of disability, or any amount received under title II of the Social Security Act. References to veterans' payments were deleted under the conference agreement, because such payments are not paid by reason of retirement, and so would not bring about any reduction in unemployment compensation. The House conferees insisted that social security benefits be eliminated from the amendment, and the Senate conferees agreed.

Under the new base-period-employer test agreed to by the conferees, an individual would not be permitted to receive unemployment benefits under the bill, without reduction for retirement benefits, if both types of payments arise by reason of service for the same employer.

To a great extent the conference agreement will stop abuses of the type described by the Senator from Delaware [Mr. WILLIAMS] during the debate on the bill. In no case will an individual be entitled both to temporary unemployment compensation under the bill and retirement benefits based upon service for the same employer. However, it is recognized that the conferees were unable to draft, in the time we felt we had available to us, a workable agreement which would have eliminated all the abuses the Senate had in mind when it passed its version of the bill.

The second amendment provided that information furnished to the Secretary of Labor with respect to the operation of this temporary program should include data procured on a sampling basis relating to the personal characteristics, family situation, and employment and experience of individuals receiving temporary benefits under this act. The House receded.

The next amendment made by the Senate would have made the temporary tax increase under the bill apply to calendar years 1961 and 1962 instead of calendar years 1962 and 1963. The House conferees insisted on their own provision which made the temporary tax increase apply to years 1962 and 1963. The Senate conferees agreed to the House position after, however, the House had receded with respect to certain technical amendments dealing with the date change.

The House conferees were not satisfied with their own provision which would have permitted an estimated $57 million surplus of tax collections over benefit payments to be distributed among all the States on the basis of their covered payrolls. The House conferees, in receding on these technical amendments, stated that a more equitable method could and would be worked out in the future for disposing of this anticipated surplus.

The last Senate amendment provided for an increase in the $350 million ceiling on amounts which would be available for grants to States for administrative purposes. Under the Senate amendment, a temporary increase to $425 million would have been provided for fiscal years 1961 and 1962. Under the conference agreement, the ceiling for fiscal year ending June 30, 1961, is raised to $385 million and for fiscal year ending June 30, 1962, the ceiling is to be $415 million. For fiscal years thereafter under the bill, the ceiling will revert to its current $350 million figure.

Mr. President, I recommend that the Senate adopt the conference report. We secured as reasonable a compromise as we were able to secure in the time that we felt was available to us with respect to the amendments which had been added by the Senate.

We had a compelling feeling, as did the House conferees, that there is a great need for this legislation. The Senate had passed the bill as I have outlined, with certain changes from the provisions in the bill sent to us by the House. However, we were unable in the time allowed to bring about, through the negotiations we had, further concessions from the House conferees than those outlined in the remarks I have just made.

Therefore, because of the compelling need which I and the majority conferees feel exists for the benefit of these people, and in spite of the fact that its language in its entirety does not conform to the views of a majority of the Senate conferees, it is my recommendation for and on their behalf that the conference report be approved.

Mr. KUCHEL. Mr. President, under the unanimous consent agreement the time is divided equally and controlled by the majority leader and the minority leader, without any indication that it represents a cleavage in the Senate on the report. The minority leader allots 2 minutes to the Senator from Kansas.

Mr. CARLSON. Mr. President, as a conferee who signed the conference report I wish to make the statement that during the committee deliberations on the bill and during the debate on it in the Senate, and on the various amendments, I supported the Byrd amendment, and that I supported the Williams amendment which would have added a provision to make the tax collections current. I supported the Williams amendment which tried to correct some of the abuses

that I believe prevail in the unemployment compensation program.

I signed the conference report for the reason that I believe there is urgent need in the Nation to take care of groups of unemployed people whose unemployment rights have run out, and because I believe the additional 13 weeks should be helpful.

I want the RECORD to show very plainly that I do not feel that this should be recognized, or that my vote should be recognized, as in support of a Federal program for the unemployment compensation program as a whole. I would be opposed to federalizing the system. I am opposed to Federal standards. This is a State program, and should be a State program, not a Federal program. When future programs come before the Senate I expect to so vote.

I wish the RECORD to show that I signed the conference report for the reason that I believe there is a need for it, and I did not want to delay any action on it any further.

Mr. KERR. Mr. President, I yield 5 minutes to the Senator from Ohio.

Mr. YOUNG of Ohio. Mr. President, I support this conference report. An estimated half million American workers have exhausted their unemployment benefits and are living without income. An additional million and a half workers will be in the same predicament within the next 6 months.

In my home State of Ohio over 229,000 workers are now collecting unemployment compensation. These people represent over 9 percent of those eligible for these benefits. Over 13,000 Ohioans exhausted their benefits last January. Over 55,000 exhausted their benefits within the last 6 months. The same situation is true, to a greater or lesser degree, in practically every State in the Union.

Mr. President, these are the statistics. However, unemployment of men and women means more than statistics. Unemployment is human beings in distress. Unemployment means borrowing money. Unemployment is bewilderment, frustration, and boredom because there is no work to be found. It is distress, anxiety, broken homes, and juvenile delinquency. It is loss of dignity.

Mr. President, in my view, involuntary unemployment is a great moral wrong. If there were no other reason for adoption of the conference report, compassion for the physical suffering of the families of millions of workers would be reason enough. For these families it will mean subsistence for a few weeks longer while the breadwinner looks for a job.

Unemployment is not a local problem or a problem for the States to deal with individually. It is a national problem. During wartime, nobody asked the now unemployed workers in Pennsylvania or Ohio whether they were Pennsylvanians or Ohioans. They were Americans. Likewise with the onslaught of the recession which is in every way a dangerous foe, these workers are Americans and should be helped by their Federal Government as well as by their State and local governments.

Our society and economy today are too complex for us to look upon unemployment as a local problem. Unemployment in the automobile industry in Michigan directly affects the farmer in Iowa and California. A plant shutdown in Conneaut, Ohio, can eventually mean loss of jobs or income to citizens of other States who never heard of Conneaut. These examples serve to emphasize the complicated interrelationships that exist in our economy, and in fact, force each American to be his brother's keeper.

Mr. President, unemployment compensation has been the economy's first line of defense against loss of income that accompanies loss of jobs. Loss of income for millions of Americans not only causes personal hardship, it also depresses consumer spending, sending the economy into a downward spiral and thus delaying recovery.

Unemployment compensation was designed as a cushion during periods of recession and depression. It was one of the many built-in stabilizers passed during the New Deal era, so-called. Now, over 20 years later, we are faced with the fact that it does not go far enough under present economic conditions. Through adoption of the conference report, we can insure that this stabilizing function will continue long enough to give the new administration of President Kennedy a chance to cope with problems at hand and for the natural recovery forces at work in our Nation to assert themselves.

Mr. President, I urge that the conference report be adopted and that we get on with the business of restoring our economy and our people to prosperity and general well being. This legislation is vital for eventual success.

Mr. KUCHEL. Mr. President, I yield 2 minutes to the distinguished Senator from New York.

Mr. JAVITS. Mr. President, we have heard much about antirecession programs. This is really the first antirecession bill. A number of bills are being flagged as antirecession measures, perhaps to get them by under a "rush" tag, when actually they are not antirecession bills. However, this bill is an antirecession measure.

I think Congress is entitled to praise and approval for having brought this bill to fruition. It is absolutely essential to any concrete underpinning for our economy to make certain that workers who are unemployed through no fault of their own do not suffer in so affluent a society—to paraphrase the title of a book—as ours. So the general purpose of the proposed legislation is very much to be commended.

Second, I express the hope that my State of New York will be, perhaps, the first to participate. Our legislature will adjourn this weekend. Both my colleague from New York [Mr. KEATING] and I have talked with Governor Rockefeller concerning the passage of legislation which would make it possible for New York to take advantage of this act, in lieu of what was called trigger-point legislation in New York, by which the State itself would have endeavored, notwithstanding the overwhelming burden, to fulfill some of the responsibility which is provided in the bill before the Senate.

Finally, I think the conferees have reached an admirable solution of the pension problem. I am one of those who voted "nay" on theat amendment, because I thought it went much too far in penalizing the recipients of social security. Indeed, I hoped and believed that if there were a substantial negative vote, it would indicate that we were disquieted about the matter, notwithstanding the sensational disclosures for which great credit and tribute are due the distinguished Senator from Delaware [Mr. WILLIAMS]. This problem has been solved, because obviously there was no division between those who were disquieted and those who favored the amendment in its previous form. So I believe an excellent compromise has been reached.

Congress has shown that in the pinches it acts with responsibility. I think it should be noted for the country and the world that the U.S. Congress knows how to assume and to carry responsibility when a responsibility is clearly ours.

Mr. CARLSON. Mr. President, I yield 15 minutes to the distinguished Senator from Delaware [Mr. WILLIAMS].

Mr. WILLIAMS of Delaware. Mr. President, first, I believe the conference in accepting the amendment correcting the abuse of the compensation system through excessive retirement payments, worked out an excellent solution. I think it is one which will do much to maintain the prestige of the program.

In this connection, I ask unanimous consent to have printed in the RECORD a letter which I received from a member of the staff, and which I asked him to prepare after reading the colloquy which I had earlier had with the distinguished Senator from Rhode Island [Mr. PASTORE] to make certain that we had given a proper interpretation of the amendment on the floor. The amendment approved exempts also all social security pensions, veterans' pensions, and all disability pensions. Likewise, it does not affect survivorship benefits.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

CONGRESS OF THE UNITED STATES,
JOINT COMMITTEE ON
INTERNAL REVENUE TAXATION,
Washington, March 20, 1961.

HON. JOHN J. WILLIAMS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR WILLIAMS: In accordance with your request, the staff has examined the exchange between you and Senator PASTORE during the debate on the amendment to the Temporary Extended Unemployment Compensation Act of 1961, which would impose a limitation on payments of compensation to individuals entitled to retirement benefits. During the exchange, Senator PASTORE inquired as to whether the amendment would affect pensions or annuities purchased exclusively by employees.

It is correct, as you stated to Senator PASTORE, that the amendment does not apply to any pension, annuity or other payment received by an individual to which he exclusively contributed without any assistance from the employer. The amendment applies

only in the case of retirement benefits under a plan provided, or contributed to, by an employer.

Sincerely yours,

COLIN F. STAM,
Chief of Staff.

Mr. WILLIAMS of Delaware. Mr. President, while I am very well pleased with that particular phase of the conference report, I regret that the conferees would not accept the other amendment which the Senate approved. This second amendment would have put the program on a pay-as-you-go basis. Under the bill as it passed the House and as it passed the Senate, there was no difference in the benefit payments. Under both approximately $1 billion would be paid out in benefits through the 50 States between now and June 30, 1962. However, under the bill as it passed the House there is no provision whereby any of the tax to be paid under the bill would be collected until January 1963, or until 6 months after all benefits had been paid out.

The House bill did contain a built-in tax increase, but that tax will not be collected until 6 months after all the benefits have been paid out. In the Senate, I offered an amendment which would have advanced the effective date of the tax increase 1 year, whereby the tax rate increase would go into effect on the same day the benefits went into effect. This would have put the program on a pay-as-you-go basis. The conference saw fit to leave this provision out, which means that the Government will now borrow the money to advance these payments.

In his speeches the President has said much about his desire to keep his administration on a pay-as-you-go basis. I am very much disturbed to learn that he is now departing from the promises which he has been making. Particularly was I disturbed when I learned that no method was provided in the bill to pay for the benefits which will be made available other than to appropriate money. The only way in which this money could be obtained by appropriations would be to borrow money and further increase the national debt. In turn, that would increase the interest charge as well as the cost of the program to the employers of America.

This is but a part of a pattern of fiscal irresponsibility on the part of the New Frontier administration. Surely this measure was never intended as a pump-priming bill. The bill was supposed to be for the benefit of those in the labor force who, through no fault of their own, were unable to get work. If it were such and worthy of enactment, then certainly it was worthy of being paid for. I would not be so much disturbed except that this is a part of a general pattern which we find unfolding as we cross into the New Frontier.

For example, three bills are now pending before the Committee on Finance and the Committee on Ways and Means. All of them are on the "must" list of the administration. I refer, first, to H.R. 4806, which we are dealing with today and which provides $1 billion of benefits to be paid in the next 15 or 18 months.

Second, H.R. 4571 proposes to raise the social security benefits effective April 1, 1961, to the beneficiaries under the social security program. Under that bill, $1 billion a year would be spent. So within the next 18 months, $1,750 million would be paid out under that bill.

Third, we have Senate bill 909 and a companion bill in the House, the administration's so-called medical care bill, which, if enacted as the administration requests, would cost another $1 billion during the calendar year 1962. These three bills alone, if enacted, as requested by the President, would distribute in benefits $3¾ billion during the next 2 years, or before the next election; but not one dime of the taxes would be collected on any of these proposals until 1963, or 60 days after the 1962 election.

Mr. KERR. Mr. President, will the Senator from Delaware yield?

Mr. WILLIAMS of Delaware. I shall yield in just a moment.

Mr. President, two of these bills contain provisions by means of which the social security tax on the employers and the employees will be increased; and the first one contains a provision by means of which the employment tax on the employers would be increased. Supposedly those increases would be adequate to pay the cost of these bills. However, I call particular attention to the fact that in all three instances, under the plan of the administration, not a dime of tax would be collected under any of these bills until 60 days after the 1962 election, which would be January 1963. If the administration wants to send us these bills and wishes to recommend that Congress enact them, the President should put the price tag on each, and in each case the tax increase should be effective on the same day that the bill would go into effect.

If, on the other hand, they are being offered purely as pump primers, they should be labeled accordingly.

Now I yield to the Senator from Oklahoma.

Mr. KERR. Will the Senator from Delaware state again the bills he has listed?

Mr. WILLIAMS of Delaware. Yes. The first is House bill 4806, or the conference report, which we are now considering. It will result in payments of $1 billion between now and next July.

The next one is House bill 4571, the social security bill, under which it is estimated that $1,750 million would be paid during the next 18 months.

Then there is Senate bill 909 and the companion House bill, which would put medical care under the social security system, as recommended last year by President Kennedy, and it is estimated to cost $1 billion annually.

Mr. KERR. What is the total to which the Senator from Delaware has referred?

Mr. WILLIAMS of Delaware. The total of the three, if they are enacted now in the way President Kennedy suggests, would be $3,750 million, to be paid before the next congressional election. It is true that each of those bills has a built-in tax increase provision which presumably would pay the cost of the bills, but in each instance the tax increase would not go into effect until January 1963, after all these payments had been made. In the meantime, the payments would be financed from the general fund or from the trust fund.

Mr. KERR. I thank the Senator from Delaware.

Mr. BENNETT. Mr. President, will the Senator from Delaware yield to me?

Mr. WILLIAMS of Delaware. I yield.

Mr. BENNETT. With respect to the pending conference report on House bill 4806, do not we have a situation in which the benefits are to be established and paid out and ended, and then the tax will start and will run until all of it is paid?

In my part of the country we have an old expression of "paying for a dead horse." Will not that be the effect in this case?

Mr. WILLIAMS of Delaware. Yes. All the benefits are supposed to be paid out by June 1962; and this program will, for all intents and purposes, be dead as of that date. The employers will begin to pay for half of it in 1963, and they will pay for the other half in 1964. No tax will be collected until 6 months after all benefits are paid.

In the White House messages which accompany the requests for these programs, there is much use of the phrase, "This, in itself, will not unbalance the budget." The substance of that phrase has almost habitually been used in those messages. That excuse reminds me of the old question, "Which straw breaks the camel's back?"

I do not think any of these measures or programs can be considered entirely apart from the others; and in connection with that point, I shall call attention to some other bills which will add to the total deficit for fiscal 1962.

Let us not be fooled. On the New Frontier we are again witnessing an attempt to lead the American people down the path of government red ink.

Mr. CARLSON. Mr. President, at this point will the Senator from Delaware yield to me?

Mr. WILLIAMS of Delaware. I yield.

Mr. CARLSON. In regard to the three bills the Senator from Delaware has mentioned, and particularly in regard to the pending conference report on House bill 4806, under which the tax would be deferred until 1963, is it not true that under the 1958 act by which we authorized the States to borrow from the Federal Government, for social security purposes, those taxes also will begin to be paid in 1963?

Mr. WILLIAMS of Delaware. They will be paid in 1964, on 1963 income, if the States owing the money take advantage of the greatest possible delay—which most of them seem to be doing; and that will make a double tax increase as of that 1 year for all employers in that State.

Mr. CARLSON. Is it not true that 17 States would be in that position, and would be paying in 1963 for the program we are considering at this time, and also would be collecting at the same time for the payments authorized in 1958—in other words, for the amounts of money

they already have borrowed from the Federal Government?

Mr. WILLIAMS of Delaware. That is correct, and it is for that reason that the employers almost overwhelmingly urge that we put this program on a pay-as-you-go basis.

As I have stated, the President keeps emphasizing in his messages which accompany his proposals that no one of these requested programs will in itself unbalance the budget.

Yesterday the President requested an additional $1 billion of defense funds; and in connection with that request he says that amount, of itself, will not unbalance the budget.

Surely someone in the White House must be keeping a running total of the cost of these vast new spending plans on the New Frontier.

In addition to the three measures which, in total, will cost $3,750 million if enacted, I shall now list a series of other suggested spending proposals of the administration for which no compensating revenue is provided.

Today he is asking an additional $1 billion in defense funds.

The Senate has already passed the administration-requested depressed areas bill for which the cost will be $394 million.

The cost of House bill 4884 to aid dependent children will be $305 million.

The federal aid to education bill in 1961 will cost $666 million, and under that bill the expenditure in 1962 will be $766 million—or a total of $1,432 million during the first 2 years. I assume that the President is sincere when he requests the enactment of these programs, but I ask again, "What are the administration's plans to pay for them?"

Today, the Senate has agreed to the conference report on the so-called feed grains bill. In one of his messages the President stated that if Congress enacts the agricultural program he recommends there will be a saving of $500 million as compared with the Eisenhower budget, but yesterday President Kennedy stated in another message which went to the Appropriations Committee that he is asking for an additional $440 million for the Department of Agriculture over and above the amount of the Eisenhower budget.

If that is the way we are going to save money under the New Frontier, we shall "save" ourselves into bankruptcy.

President Kennedy has asked for $442 million extra for the Department of Agriculture, and $41 million extra for the Department of the Interior, and $11 million extra for the U.S. Information Agency, and $40 million extra for the Peace Corps, and $51 million extra for the educational television bill which the Senate passed yesterday, and the cost of the public works bill S. 861, which is recommended by the administration, would cost in 1961 another $775 million.

The total cost of these latter listed bills is about 4½ billion, which, when added to the cost of the first three bills brings the total to $8 billion—extra expenditures of $8 billion within the next 2 years and not one provision by the administration to raise that money.

Frankly, this widely heralded New Frontier is beginning to look more and more like a warmed-up version of the deficit spending policies of the old Fair Deal and New Deal administrations.

All these benefits have been promised to the American people as representing the generous gifts they will receive on the New Frontier; but President Kennedy and his New Frontiersmen do not explain the cost of their programs. On the contrary, the President keeps emphasizing that any one of the programs can be enacted and that each in itself will not unbalance the budget.

But, Mr. President, if the latter list of bills requested by the administration is enacted the additional cost to the American people will be $4,491 million, and if that additional amount is added to the cost of the three bills to which I first referred—which in total will cost $3,750 million—the total will be $8,100 million. This is the minimum cost of the programs which the Kennedy administration has urgently asked Congress to enact as part of its program under the New Frontier. These funds would be spent in the next 18 months although the Kennedy administration has not yet sent to the Congress a recommendation for raising the money. This would mean that we would have an additional $8 billion or $10 billion added to next year's deficit.

I think all should realize that although we are now receiving a great deal of lipservice from the White House in regard to balancing the budget, it is the same kind of lipservice that we received in 1932 and in 1948. In that connection I shall read from the Democratic platform of 1932. Far be it from me on this side of the aisle, generally to quote, the Democratic platform, but I read it at this time because I believe attention should be called to it. Apparently many persons, including the administration, have forgotten it.

I now read from the Democratic platform of 1932:

> We favor maintenance of the national credit by a Federal budget annually balanced on the basis of accurate executive estimates within revenues, raised by a system of taxation levied on the principle of ability to pay.

That was the platform upon which the New Deal administration was elected in 1932.

Subsequently, in 1948, the candidate on the Fair Deal platform said:

> We pledge the continued maintenance of those sound fiscal policies which under Democratic leadership have brought about a balanced budget and reduction of the public debt * * *.

Again, Mr. President, at this very time we are getting from the White House similar statements that "we favor a balanced budget."

Apparently, they favor a balanced budget only when speaking on the political platforms.

We have had too much of this type of balancing the budget—with nothing more than lipservice. Since 1900 the Democratic Party has had control of our Government for 26 years. I do not charge them with responsibility for the 80th Congress; President Truman said he did not wish to accept any responsibility for the 80th Congress, and as a Republican I am glad to accept the results of that Congress for our party. During those 26 years, on only three occasions—only three times since 1900—when the Democratic Party has had its candidate in the White House has that party ever balanced the budget or lived within its income.

On the other hand, during those years, by means of deficit spending they have spent $268 billion more than was taken in during the 26 years they were in office.

It is true that $198 billion of that occurred during the war years, but $70 billion of that deficit was created during peacetime.

I believe it is well to call attention to this past record, because, as one Member of the Senate, I hate to see the Government launch on another round of deficit spending.

Today we hear a great deal about the large interest charges on the national debt. Last year those interest charges amounted to approximately $9 billion—a very large amount. But to those who have been shedding crocodile tears for the taxpayers because of those large national-debt interest charges I point out that 95 percent of the $9 billion interest charges on this national debt goes to pay the interest on the portion of the national debt which was created under the Democratic administrations. It is very appropriate that sympathy for the high interest charges and deficit spending comes from the other side of the aisle. They created the most of this debt. I shall not vote for any measure under this hypocritical method of passing something out to the American people without at the same time including in the bill a provision by means of which we are going to pay for it.

Mr. President, the United States of America cannot spend itself into prosperity on borrowed money. It is time we recognized that fact. The attempt to do that has been made before. In 1932 the administration launched into a period of deficit spending. What happened to unemployment? In 1940, after 8 years of deficit spending, trying to spend ourselves into prosperity, 14.6 percent of our labor force was unemployed; 17 percent was unemployed in 1939; 19 percent was unemployed in 1938. It is well for us to learn the lesson of history that we cannot borrow money and spend ourselves into prosperity, as a nation or as a State, any more than one can as an individual.

The American people in very plain language should be told that this is apparently the beginning of the launching into another era of excessive deficit spending.

I think we should recognize that fact as we vote on the pending report and on many of the other measures being proposed by the administration.

I serve notice that to all these bills I shall offer amendments similar to the one I have been discussing, providing that the proposed tax goes into effect on the same date as the benefits. If we are going to pass such bills we should at least put a price tag on them. As candidates stand on the platform and brag about

all the benefits that have been given to the people, they should also say, "We have raised your taxes accordingly." Let the American people know that they, and they alone, are paying for the new programs. The Federal Government does not have access to any mysterious source of income. The people shall ultimately have to pay for these programs by taxes, or we must launch into another era of deficit spending and charge the cost to our grandchildren. Then we go into another round of inflation.

Mr. BENNETT. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. BENNETT. Earlier, in the discussion on H.R. 4806, the Senator pointed out that, by the terms of the bill there was provision—which his amendment would have cured, but, unfortunately, it was rejected—that the benefits of the bill will be provided between now and the next election, and the bill will be paid for after January 1963.

Mr. WILLIAMS of Delaware. That is correct.

Mr. BENNETT. I wonder if our friends on the other side of the aisle have forgotten that there is to be an election in 1964. I wonder how much political hay can come out of the fact that for 2 years Americans will be carrying taxes to finance a bill the benefits of which will be advanced?

Mr. WILLIAMS of Delaware. I advanced that argument to a Senator on the other side of the aisle. He suggested that by letting the tax go into effect in January 1963, perhaps by the time of the 1964 elections the people will have forgotten it.

Mr. KERR. Mr. President, I yield myself 10 minutes.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized for 10 minutes.

Mr. KERR. I had not known we were going to be in the position of either being subjected to or having the privilege of listening to the dissertation of the distinguished Senator from Delaware on fiscal responsibility, or lack of it, by the incumbent in the White House today and the Democratic officeholders in the past 28 years. But since that has been the diet made available to us, I want to say a few words about fiscal responsibility.

The Senator from Delaware talks about rushing into another era of deficit spending. I call attention to the fact that we have just gone through 8 years of the highest peacetime deficit spending in the history of this country. The largest peacetime deficits, in the state of balances of cash income and outgo, were those of Mr. Eisenhower's two terms, which have just terminated.

The Senator from Delaware talked about excess interest. I am glad he mentioned that factor. The total public and private debt in the United States today approximates $1 trillion. The interest is paid by the American people, either as borrowers, or taxpayers. Insofar as the cost to them is concerned, there is no way to differentiate between the two, because if there is a necessity to pay interest on mortgages on homes, on appliances in the home, on personal loans, or any other indebtedness, or in the form of taxes collected by the Federal Government to pay interest on the national debt, or by the States to pay the debt on the State debts, the American people pay for it. So in the final analysis, the interest paid by the American people is an item of expense in their personal budget, whether it goes into their own indebtedness or the indebtedness of one of the branches of their Government.

The overall interest rates at this time are something like 2 percentage points above what they were when Mr. Eisenhower was elected President in 1952. Add the additional interest costs on the $1 trillion of public and private debt today, and we get the astronomical figure of $20 billion a year. The minimum amount of additional interest paid by the people today on both the public and private debt, by reason of the fiscal and monetary control policies of the Eisenhower administration, amounts to $15 billion a year. That interest rate is locked into the total debt, public and private, and is a part of that debt. So that for years in the future the American people will be paying $15 billion or more a year in excess interest on their private and public debt than they would have paid had the rates of interest not been affected by the Eisenhower administration, as those interest rates were changed by reason of the fiscal responsibility and monetary control policies of the Eisenhower administration. So that $15 to $20 billion a year penalty in interest rates on the part of the American people is one of the elements of the Eisenhower heritage left to the American people by reason of the fiscal and monetary control policies of the last 8 years.

I am sure the Senator from Delaware did not mean to leave the impression that the conference bill as now before the Senate does not have provision for revenues to pay the cost of the bill. I voted for the amendment to make the tax collectible in 1961 and 1962. We sought to secure agreement of the House to that provision.

We failed. That does not change the fact that the tax-raising provisions to pay the costs of the program were written into the bill itself. It is true the tax would be applied for the years 1962 and 1963, but therein is one of the great differences between the Unemployment Compensation Act of 1961 and the Unemployment Compensation Act of 1958, which had no self-liquidating tax-collecting provision written into it to pay the cost.

Reference was made to S. 909 and to H.R. 4571, the latter being a bill for expansion of social security benefits and coverage, to go into effect on one date with the tax revenue to start on another date. The Senator talked about the bill as one to create deficit spending.

I am sure the Senator is aware of the fact that the provisions in the bill are such that the money would not be spent from the Treasury, or from the cash budget of the Government, but instead would come from the social security trust fund. Therefore, the expenditure would not be in the form of deficit spending.

The same is true with respect to S. 909.

Whether the two bills are meritorious or not will be a subject to which Senators will address themselves at the appropriate time, but the $2 billion cost of those two bills in the time referred to by the Senator from Delaware would not result in any deficit in the general revenue fund, and I am sure the Senator from Delaware is aware of that fact.

So, Mr. President, with reference to the three bills the Senator mentioned, two of the bills involve moneys not to be paid out of the general revenue fund, which means they should not be the basis for the charge of deficit spending, and the other involves funds to be paid out of the general revenue fund, which would require an increase in the amount of money going from the general revenue fund, but has an offset through the positive fact that the measure to produce the revenue to pay for the cost is written into the bill.

The Senator referred to the rate of unemployment in 1940. No Senator regrets any more than I do that after 8 years of the Roosevelt administration and leadership we had a rate of unemployment of 14.6 percent of the labor force. But, Mr. President, when Mr. Roosevelt went into office the percentage of unemployment was 24.9, on the basis of the record in the Department of Labor. I am forced to say that as I viewed the situation, from where I was in 1932 and 1933, my impression was then, and it still is, that the rate of unemployment was much higher than that figure.

Unfortunate as it was that the rate of unemployment was still 14.6 in 1940, it had been reduced from 24.9 percent in 1933. The present rate of unemployment, in the vicinity of 8 percent or approaching it, has grown from a rate of around 3 percent in the last Democratic year preceding the present Democratic year.

I referred a moment ago to the fact that the 8 years of the Eisenhower administration were 8 years of the largest peacetime deficit spending in the history of this country.

That is true, notwithstanding the fact that more taxes were paid by the American people in those 8 years than had been paid by the American people in the 173 years prior thereto, including the 20 years of the Truman and Roosevelt administrations and the costs of World War II. It was the largest peacetime deficit in history.

The PRESIDING OFFICER. The time of the Senator from Oklahoma has expired.

Mr. KERR. Mr. President, I yield myself an additional 3 minutes.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized for an additional 3 minutes.

Mr. KERR. Mr. President, in those 8 years the Government collected more money in taxes from the American people than had been collected in the 173 years prior thereto since the Government was founded.

I had not thought that these remarks were appropriate to the conference report, and I would not have made them at this time had they not been provoked

by the discussion of the distinguished Senator from Delaware. The Senator certainly had a perfect right to make his remarks. I cherish my friendship for him. The Senator knows I have great respect and regard for him. In view of the range of his remarks, their significance, implications, and context, I felt that these few brief remarks should be put into the RECORD, to keep the record on fiscal responsibility straight.

Mr. BENNETT. Mr. President, will the Senator yield before he takes his seat?

Mr. KERR. If I am to yield at all I shall have to do so before I take my seat. I yield.

Mr. BENNETT. The Senator mentioned the unemployment rate in the year 1952. Was the United States in war in Korea in 1952?

Mr. KERR. I believe that is correct.

Mr. BENNETT. It seems to me I remember that the United States was at war then.

Mr. KERR. Yes.

Mr. BENNETT. I thank the Senator.

Mr. KERR. I say this to the Senator: At no time in the years before Korea or after Korea did the unemployment rate reach its current level, nor had it been at the current level since 1940.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. KERR. I yield to the Senator from Delaware.

The PRESIDING OFFICER. The time of the Senator from Oklahoma has expired.

Mr. CARLSON. Mr. President, does the Senator from Delaware desire time?

Mr. WILLIAMS of Delaware. Yes.

Mr. CARLSON. I yield 5 minutes to the Senator from Delaware.

The PRESIDING OFFICER. The Senator from Delaware is recognized for 5 minutes.

Mr. WILLIAMS of Delaware. Mr. President, I am sure the Senator from Oklahoma desires to have the record completely straight in connection with these figures on unemployment.

I invite the Senator's attention to the fact that the average unemployment rate in the year 1960, based upon the Bureau of Labor Statistics, was 5.6 percent. The average unemployment rate for the year 1949, which was the last Democratic year before the Korean War, was 5.9 percent, which is higher than the rate in the year 1960.

I do not think my friend from Oklahoma would boast of the fact that in the preceding administrations, either in 1940 or in 1949, the unemployment was cured by war. I know the Senator does not wish to leave that implication, and certainly I do not; but the fact remains that deficit spending did not cure the unemployment in either of those periods. I emphasize again—our country cannot spend itself into prosperity on borrowed money. This has been proven by the record of the 8 years of the New Deal administration. It was proven again in 1949.

It is true that in 1958 we had the largest peacetime deficit in the history of this country. I accept that as a responsibility of the Eisenhower administration.

But the Senator from Oklahoma did not tell the whole story.

I also invite the attention of my friend to the fact that since 1900 the Republican Party has had control of our Government for 34 years. During those 34 years the Republican Party balanced the budget 22 times, while the budget was balanced by our friends on the other side of the aisle only three times.

In the 22 years the Republican Party balanced the budget the surpluses totaled $21,990 million. In the 12 years in which the Republicans did not balance the budget, including 1958, which had the largest peacetime deficit, the total deficit was $35,400 million. Therefore, from the 34 Republican years of operation of the Government, including those of the Eisenhower administration, there was a total deficit of only $13.4 billion.

On the other hand, during the 26 years of Democratic administrations the Democrats spent $268 billion more than they took in. They balanced the budget only three times.

Ninety-five percent of our present $9 billion interest charges go to pay interest on that portion of the national debt created by the Democratic Party.

This is the reason that I think it is necessary to caution the Senate and the country against the fact that we are today apparently launching into another era of deficit spending.

It is true, as you stated and as I pointed out in my remarks, that the cost of the benefits under two of the bills which I mentioned would be paid out of the trust fund of social security instead of from the general fund. What difference does that make? Since when did the trust fund not belong to the contributors of the social security system? If that is not deficit spending, by such a line of reasoning we could use all of the $20 billion in the trust fund and balance the national budget. I know the Senator from Oklahoma does not mean to imply that. Certainly if we spend from the trust fund without providing a way for reimbursement we are only postponing the day the American people will have to provide the money in the form of additional taxes.

The point I am making is that the Administration is making elaborate plans to spend $8 billion during the next 2 years, but it makes no plans to raise the revenue until after the next election.

The Eisenhower administration policies regarding financing our national debt were strongly endorsed by many Senators on the other side of the aisle as well as by Senators on this side of the aisle. As evidence of that statement I call attention to the fact that since January 1961 when President Kennedy took office, his appointments to the Cabinet, from the Office of Secretary of the Treasury right down to the man who has the responsibility of management of the debt, were all men who strongly endorsed the monetary policies of the preceding administration. These men appeared before our committee, of which the Senator from Oklahoma is a member, and strongly endorsed the monetary policies of the previous administration and indicated that they would continue those same policies. They are being continued today. The Senate Finance Committee unanimously confirmed those who are pledged to continue to carry out the sound fiscal policies of the preceding administration. Certainly we would all like to have lower interest rates, if they could be obtained in the borrowing of money. But money is a commodity, and if we are going to have another round of deficit spending such as we had even in 1958, we will find that the extra demand for money by the present administration will again call for higher interest rates.

Therefore, it is important that we keep strong control over our budgetary expenditures.

Mr. KERR. Mr. President, in order to set the record straight, I wish to say that I neither endorse the fiscal policies of the preceding administration, nor have I been able to find the slightest evidence that they were sound. On the contrary, as I have so often noted on the floor of the Senate, I thought they were very unsound fiscal and monetary control policies.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. KERR. I yield.

Mr. WILLIAMS of Delaware. I did not mean to imply that the Senator from Oklahoma had endorsed those policies in any of his remarks. I merely wished to point out that he supported the confirmation of the appointees of President Kennedy who did endorse such policies.

Mr. KERR. I believe the inference could be drawn from what the Senator said, and I wish to make perfectly clear that the inference is not justified, and that my position and record are to the contrary.

Mr. CARLSON. Mr. President, if no Senator wishes to speak further on this side, I yield back the remainder of my time.

Mr. KERR. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the conference report on H.R. 4806.

The report was agreed to.

Mr. KERR. Mr. President, I move that the vote by which the conference report was agreed to be reconsidered.

Mr. CARLSON. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

LEAVE OF ABSENCE

Mr. HICKENLOOPER. Mr. President, I ask unanimous consent that I may be absent from the Senate the remainder of today, tomorrow, and the remainder of the week.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMERICAN COALITION OF PATRIOTIC SOCIETIES 32D ANNUAL LUNCHEON MEETING

Mr. BYRD of Virginia. Mr. President, I ask unanimous consent to have printed

in the body of the RECORD resolutions adopted at the 32d annual luncheon meeting of the American Coalition of Patriotic Societies, at the Mayflower Hotel, Washington, D.C., on February 2, 1961.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

RESOLUTIONS OF AMERICAN COALITION OF PATRIOTIC SOCIETIES

MEETING THE CONSTITUTIONAL CRISIS

Whereas the people of the United States now face a serious constitutional crisis in which they have to deal with increasing centralization of power in Federal agencies with corresponding loss of cherished liberties as individuals and encroachments on the rights and powers of the governments of the States as guaranteed under the Constitution of the United States; and

Whereas some of the most serious of these developments are attributable to attempted usurpations on the part of members of the Supreme Court; and

Whereas a long train of illegal, unconstitutional rulings, if allowed to be treated as law, either through action or inaction, will result in the overthrow of our form of limited constitutional government in favor of an unlimited and absolute centralized autocracy: Therefore be it

Resolved, That the American Coalition of Patriotic Societies, Inc., commend the following plan of action:

1. That the several States, in their highest sovereign capacities through their legislatures, pass appropriate acts declaring the illegal rulings of members of the Supreme Court as beyond the Court's constitutional authority, invalid, and not law within the jurisdiction of the State concerned, thereby clarifying and making definite for the benefit of law enforcement officers so that they can know what is the law in the given State.

TWENTY-THIRD AMENDMENT

Whereas America's greatness is the product of a people's faith in constitutional law, designed to protect the property and enterprise of each citizen from political invasion and conquest; and

Whereas our Government now operates 700 large businesses and each competes tax free with every phase of American private enterprise; and

Whereas the value of these Government-owned corporations is estimated at from $60 to $100 billion and if they were sold to private individuals or corporations, this amount of money could be used to reduce the national debt and these corporations would be placed on the tax rolls, paying corporation tax, city tax, county tax, and school tax: Therefore be it

Resolved, That the American Coalition of Patriotic Societies, Inc., urges every State legislature to pass a resolution requesting the Congress of the United States to act favorably on House Joint Resolution 23, proposing an amendment to the Constitution of the United States relative to abolishing personal income, estate, and gift taxes and prohibiting the United States from engaging in business in competition with its citizens.

PARTICIPATION IN NATO CONVENTION

Whereas clause 7 of section 9 of the first article of the Constitution of the United States of America provides: "No money shall be drawn from the Treasury, but in consequence of appropriations made by law"; and

Whereas it has been settled by numerous decisions of the Supreme Court of the United States that under this section of the Constitution, Congress does not have the power to make appropriations of public moneys, except for public purpose; and

Whereas Public Law 86-719, to authorize the participation in an international convention of representative citizens from the North Atlantic Treaty nations to examine how greater political and economic cooperation among their peoples may be promoted; and

Whereas this law provides that the Commission will travel and act as private citizens; and

Whereas this law, the constitutionality of which has been challenged in the U.S. Senate, conflicts with the above quoted constitutional provision because it would authorize appropriation of tax money to pay the expenses of private citizens engaged in a private mission; and

Whereas the Logan Act makes it a crime for any private citizen to attempt to carry on negotiations with any foreign country: Therefore, be it

Resolved, That the American Coalition of Patriotic Societies, Inc., requests that the Congress of the United States reconsider taking part in such a movement as set forth in Public Law 86-719 which is in violation of the Constitution of the United States of America and will cause confusion and cast doubt in the minds of Europeans upon the authority of those who are now empowered to represent the United States, both diplomatically and militarily, in connection with the NATO Treaty; and be it further

Resolved, That such an exploratory convention would serve no purpose other than to change our form of government without the consent of the people.

SUPPRESSION OF FREEDOM OF SPEECH

Resolved, That the American Coalition of Patriotic Societies, Inc., expresses its support of the stand taken by Senator STYLES BRIDGES in opposition to the attack on freedom of speech of American citizens in the form of censorship under the guise of the requirements of security.

DISARMAMENT NEGOTIATIONS

Resolved, That the American Coalition of Patriotic Societies, Inc., recommends that our Government bring an immediate end to further disarmament negotiations; and be it further

Resolved, That our Government immediately resume weapons testing and strengthen in every possible way our military preparedness program.

MAJ. WALTER REDER: PRISONER OF PEACE

Whereas World War II ended more than 15 years ago but * * * thousands of war prisoners are undergoing unusual punishment inflicted without regard to rules of evidence or the principles of international agreements concerned with the laws of war; and

Whereas one outstanding example of such punishment is Maj. Walter Reder, formerly of the German Army, and now in an Italian military prison, who has been in captivity for more than 15 years; and

Whereas the series of circumstances culminating in the sentence of Major Reder to life imprisonment were so grossly unjust as to cause his liberation to become an index of the capacity of Western nations to conform to the principles of justice; and

Whereas the studies of Major Reder's case by F. J. P. Veale, a distinguished member of the British bar, as published in "War Crimes Discreetly Veiled" (Devin-Adair, 1959, pp. 137-176), show that Major Reder, in the performance of his duties on September 29, 1944, as commander of Reconnaissance Unit No. 16 in the encirclement and destruction of the Communist Stella Rosa Brigade, acted in accord with the highest traditions of military service and in line with long-established precedents in the armies of the United States, Great Britain, and Italy; and

Whereas his battle conduct won him not only the approval of his immediate superior in command and his commander in chief; and

Whereas the long chain of events in his personal tragedy was initially set in motion by both the action and inaction, first of U.S. authorities and later of British; and

Whereas all but few of the so-called war criminals of World War II, including German Field Marshal Kesselring, have long since been released; and

Whereas Major Reder has become a symbol of discord that must be rectified before a more complete restoration of harmony among the nations of the West can be effected: Therefore be it

Resolved, by the American Coalition of Patriotic Societies, Inc.,

1. That the President of the United States be formally requested to use the good offices of our Government to secure the release of Major Reder so as to strengthen the general respect for the principles of international law in the treatment of prisoners; and

2. That the President of the Republic of Italy be respectfully requested to institute an official inquiry as to whether the case of Major Reder is one for the exercise of executive clemency; and

3. That the Presidents of Austria and Germany be respectfully requested to take corresponding action.

JUDICIAL OATH

Whereas the contract known as the Constitution of the United States (art. VI, cl. 3) provides that "all executive and judicial officers both of the United States and of the several States, shall be bound by oath or affirmation, to support this Constitution"; and

Whereas the oath prescribed (28 U.S.C. 453, June 25, 1948), for each justice or judge of the United States to take before performing the duties of his office, is:

"I, ----------, do solemnly swear (or affirm) that I will administer justice without respect to persons, and do equal right to the poor and to the rich, and that I will faithfully and impartially discharge and perform all the duties incumbent upon me as ---------- according to the best of my abilities and understanding, agreeably to the Constitution and laws of the United States. So help me God"; and

Whereas the above quoted oath does not bind Federal judicial officers "to support this Constitution" by oath or affirmation as specifically required by article VI, clause 3, but constitutes a palpable departure from clearly stated constitutional requirements and thus invites and encourages subversion; and

Whereas the danger of the Federal Government exceeding its limits was recognized by the founders of our constitutional system, well illustrated by Jefferson's 1823 statement: "There is no danger I apprehend so much as the consolidation of our Government by the noiseless, and therefore unalarming, instrumentality of the Supreme Court"; and

Whereas all other officers named in article VI of the Constitution, both Federal and State, are affirmatively bound by a direct oath or affirmation to support and defend the Constitution of the United States against all enemies, foreign and domestic; and

Whereas there is no valid reason why members of the Federal judiciary should be immune from being likewise bound by such oath or affirmation; and

Whereas failure on the part of members of the Federal judiciary to be bound by such oath or affirmation automatically disqualifies them for the offices in the name of which they have been serving; and

Whereas the several States, as signatories or parties to the Constitution, have contractual responsibilities to enforce the terms of this compact and to prevent its subversion: Therefore be it

Resolved by the American Coalition of Patriotic Societies, Inc.,

1. That the people of the several States, acting in their highest sovereign capacities through their State governments under the Constitution of the United States, enact measures declaring that only those judicial officials, Federal and State, who are duly bound by oath "to support this Constitution," shall exercise judicial power within the jurisdiction of the State concerned; and

2. That the Congress of the United States promptly enact legislation to amend title 25, United States Code, section 453, so as to bind Federal judicial officers by oath or affirmation "to support this Constitution."

IMMIGRATION

Whereas since the enactment of the Immigration and Nationality Act in 1952, there has been an unremitting attack against this monumental legislation by Communists, hyphenated Americans, political auctioneers, and starry-eyed liberals; and

Whereas the maintenance of our protective national origins immigration system, embodied in the Immigration and Nationality Act is vital to the preservation of this Republic; and

Whereas patriotic organizations and individuals have succeeded in repelling a direct frontal attack for repeal of the Immigration and Nationality Act; and

Whereas the enemies of the act have resorted to the technique of chipping away at the act by lax enforcement, administrative interpretations and amendments which have the effect of undermining the foundations of our cultural integrity and threaten our security; and

Whereas this technique of chipping away is more difficult to detect and defeat than a direct frontal attack: Therefore be it

Resolved, That the American Coalition of Patriotic Societies, Inc., call to action all patriotic organizations and individuals to resist lax enforcement and administration of our immigration laws and to ferret out and defeat all amendments to the immigration laws which would weaken or undermine them by either admission of additional numbers of aliens or relaxing the requirements for admission or deportation.

POLITICAL ACTIVITIES OF CHURCHES

Whereas certain church organizations and the National Council of Churches (formerly the Federal Council of Churches) make claims of representing 60 million church members from over 35 denominations in their lobbies on political, economic, and social controversies; and

Whereas the consistent support by these church organizations of objectives such as Federal aid to education and massive foreign aid; consistent support of the Communist position on opposition to the Walter-McCarran Immigration Act; support of the International Labor Organization; opposition to congressional investigations of subversion, typify radical political positions that are personally opposed by the great majority of church members; and

Whereas the American Coalition of Patriotic Societies, Inc., for many years has recognized and has had documented proof of the infiltration of socialism and un-Americanism in certain church organizations and social action committees: Therefore be it

Resolved, That the American Coalition of Patriotic Societies, Inc., go on record as questioning the validity of the claims of these organizations that they represent the opinion of their members in nonreligious matters, and we further oppose the political, economic, socialistic world government activities of these church organizations as being a threat to Christianity and an aid to atheistic communism.

DRUGS AND NARCOTICS

Resolved, That the Congress investigate all aspects of the illicit importation of drugs and narcotics from foreign sources with a view of determining if there are more effective methods of treatment of addicts, and control of the traffic, than now in use in this country, including manufacture, importation, distribution, and financing.

OBSCENE MATERIAL

Whereas the production of obscene material, including many magazines on sale at newsstands, is a fantastic business in this country today detrimental to the morals and sanctity of our homes and conducive to the increase in juvenile delinquency, and

Whereas a source of obscene material has been traced to supporters of communism: Therefore be it

Resolved, That the American Coalition of Patriotic Societies, Inc., requests Congress and State legislatures for legislation to strengthen criminal penalties for the mailing, importing, or transporting of obscene matter by giving stiffer jail sentences, increasing fines and making jail sentences mandatory for additional offenses.

METRO GOVERNMENT

Whereas metro government is the nucleus of a movement to establish in the United States a Soviet-style arrangement—dividing the Nation into metropolitan areas—each governed by an appointed expert; and

Whereas this is in direct violation of the Constitution which guarantees to citizens, government by elected representatives; and

Whereas the metro-drafted model constitution, charters and laws, which are sloganeered as strengthening the government are, in fact, disguised proposals for the abolishment of constitutional rights, and for the overthrow of our form of government by interstate compact: Therefore be it

Resolved, That the American Coalition of Patriotic Societies, Inc., request that an investigation by appropriate committees of State and Federal Governments be instituted for the purpose of determining the degree of danger inherent in the metro collectivist philosophy (which already has infiltrated our dual governments at all levels) and is antagonistic to, and the antithesis of, our republican—or check and balance—form of government, erected as an institution of, by, and for the people.

URBAN RENEWAL

Whereas public housing is a favorite program of big spenders in government; and

Whereas a new aspect of Federal housing is called urban renewal which is a federally financed program of city planning under which municipal governments are authorized to seize homes and other private property and resell them, below cost, to other private citizens, who agree to develop the area in accordance with the plan of the municipal urban renewal commission; and

Whereas the tremendous power of eminent domain is vested in a city's urban renewal commission; and

Whereas eminent domain can be a very dangerous power and the meaning of necessary public use must be strictly limited or no one can consider his property safe from seizure; and

Whereas the Federal Government has no money except what it takes from its citizens in the form of taxes which are then siphoned through the Federal bureaucracy and returned to the States in the form of doles less administrative costs: Therefore be it

Resolved, That the American Coalition of Patriotic Societies, Inc., opposes Federal financing of urban renewal as a dangerous increase in Federal spending with its accompanying centralization of Federal power over our cities and its violations of private property rights.

FOREIGN AID AND TRADE

Whereas our depressed areas are the result of the unending wage-price spiral and of governmental intervention in the field of international commerce and trade; and

Whereas this intervention and failure to enact corrective measures have contributed to higher production and living costs, and unemployment and inflation; and

Whereas these governmental policies have forced the removal of American industries to foreign nations; and

Whereas these policies have seriously damaged or destroyed commercial enterprises, particularly in the ceramic, clothing, typewriter, electrical equipment, textile, millinery, toy, chemical, photographic, shipbuilding, automobile, jewelry, knitwear, heavy industrial equipment and other industries; and

Whereas the proposed depressed area program is wholly unrealistic and inadequate to correct these conditions and to support American workers thus deprived of their livelihood; and

Whereas such measures would further increase governmental intervention in the economy: Therefore be it

Resolved, That the American Coalition of Patriotic Societies, Inc., urges the Congress and the administration to repeal the Trade Agreements Act; that the function of imposing tariffs be restored to the Congress, where it constitutionally belongs; that the tariff schedules now applicable to the affected industries be equalized in order to meet the competition of foreign goods in the American market.

SEVER DIPLOMATIC RELATIONS WITH THE U.S.S.R.

Whereas the Soviet Union has demonstrated its lack of good faith in our treaties with it; and

Whereas it has maintained, despite its commitment not to interfere in our domestic affairs, an apparatus of espionage, sabotage, and subversion within our borders; and

Whereas it has subjected our Nation and its leaders to a barrage of insults and abuse: Therefore be it

Resolved, That the American Coalition of Patriotic Societies, Inc., urges our Government to sever diplomatic relations with the U.S.S.R., that it declare the Communist Party of the United States a conspiracy within our borders, that American members of the conspiracy be charged with treason and dealt with accordingly, and that foreign agents be prosecuted for espionage.

UNITED NATIONS

Whereas for over 15 years the United States has taken every reasonable action in and cooperated with the United Nations in an effort to attain the declared objective of that organization, namely, the settlement of world disputes without war; and

Whereas the history of these 15 years shows that the United Nations has not only failed of its high objective but has actually encouraged the aggression and expansion of the Communist powers, so that today resistance by the United Nations to all forms of international violence, lawlessness, mass murder, and genocide is not even token in reality, and in fact represents an obstacle to the legitimate national policies of the great nations of the free world, including particularly the United States; and

Whereas the rationalization frequently offered that it is better to talk than to fight has proved an illusory hope, since the Communist powers unfailingly decline to talk whenever their vital interests are involved in any criticism; and

Whereas, the Korean war, the Suez crisis, the Iraqi revolution, the current events in

the Congo, and many others clearly demonstrate that, if we entrust the sovereignty of the United States and the life, liberty, and property of people to the United Nations, we are running a grave risk; and

Whereas at the time of the entrance of the United States into the United Nations organization there was no realization of the deplorable fact that the United Nations Charter and the plan behind it were the handiwork of treacherous Americans working for foreign powers whose hidden aims were diametrically opposed to those of the United States; and

Whereas the membership of the United Nations has increased and continues to increase in numbers alarmingly, and the present members of the United Nations already include 99 nations, of which a substantial percentage are newly formed political creations, incapable of directing their own affairs aside from any constructive participation in a world organization and which nevertheless possess equal voting power in the General Assembly with the United States, despite which the United States bears the major portion of all costs; and

Whereas despite every effort on the part of the United States to maintain its prestige and influence in the United Nations organization, this prestige and influence is being perilously eroded to a point where action by the United Nations organization inimical to the vital interests of the United States is not only possible but probable; and

Whereas the destiny of this Nation is being blurred and obstructed by the continued highly publicized association of its leaders with irresponsible and criminal elements from other nations; and

Whereas in pursuit of this great destiny it is incumbent upon the American Nation to revive, restore, and maintain the high principles of domestic and international conduct, which have been characteristic of the Nation since its birth; and

Whereas despite express provisions to the contrary, participation in the United Nations has resulted in a direct and indirect surrender of sovereignty by the American Nation and an impingement on its domestic affairs unforseen at the time of the adoption of the United Nations Charter: Therefore be it

Resolved, That the American Coalition of Patriotic Societies, Inc., urges the expeditious withdrawal of the United States of America from the United Nations organization, and the removal of the United Nations organization from American territory.

CUBA

Whereas Cuba has become a 100-percent Soviet satellite, only 90 miles from our shores; and

Whereas as always, bloodthirsty Communist satellite state at our very threshold, they have scourged and defiled Cuba, destroyed all elementary decency and obliterated every right and freedom; and

Whereas unless broken and thrown back, communism will surge on to engulf and destroy other sister Republics, some may sink any moment, the Caribbean overnight may become a Red lake; and

Whereas it would be inhuman to abandon our Cuban friends to Communist slavery; and

Whereas we cannot risk having a Communist satellite state at our very threshhold, controlling the Caribbean and the approaches to the Panama Canal and the Mississippi Valley; and

Whereas the United States of America must dictate and control its own policies, especially when the very lives and freedoms of its citizens are at stake: Therefore be it

Resolved, That the American Coalition of Patriotic Societies, Inc., makes the following recommendations:

1. Recognize a responsible Cuban Government in exile, just as we recognized the Free French and others during World War II.

2. Give that government our full support, morally and materially, with arms and money.

3. Invoke a "pacific" blockade of Cuba, to take care of trading by the Communist nations.

4. Continue U.S. cooperation and guidance after the Communists have been driven out of Cuba in order to rehabilitate that poor country and bring it back to freedom and constitutional representative government.

CARIBBEAN SECURITY

Whereas since the 1956 Suez crisis the Caribbean has become a fourth front against the United States with the Panama Canal as the key target in the struggle for control of the Western Hemisphere by the world revolutionary movement known as the international Communist conspiracy; and

Whereas the foreign policy of the United States for the past generation has been the treatment of symptoms rather than causes, and replete with surrenders of basic rights and principles with consequent intensification of diplomatic problems; and

Whereas our Caribbean policies have tended to bring about a long series of diplomatic failures adversely affecting the security of the United States and other parts of the Western Hemisphere; and

Whereas these failures have contributed to the establishment of a Soviet beachhead in Cuba, threats to our naval bases at Guantanamo, Cuba, and Chagaramas, in Trinidad, overthrow of the constitutional governments of Venezuela and other countries fronting on the Caribbean, and the formal raising of the flag of the Republic of Panama over the Canal Zone territory; and

Whereas the most unfortunate and reprehensible order of the President in striking the flag of the United States in the Canal Zone, issued under pressure of Communist-inspired demands of radicals in Panama and on advice of the Department of State in clear violation of our traditional interpretation of the treaties of 1903, 1936, and 1955 with the Republic of Panama, and in contemptuous defiance of mandates of the Congress, has aided and abetted the subversive forces behind the program for Caribbean conquest; and

Whereas the repeated diplomatic failures of the Government of the United States to carry out its recognized responsibility for the security of the countries bordering the Caribbean, has served to encourage invasions of various countries by revolutionaries from Soviet Cuba and raises the question of whether or not there are in our Department of State communistic or other subversive influences that are still hidden: Therefore be it

Resolved by the American Coalition of Patriotic Societies, Inc.,

1. That the Congress of the United States conduct comprehensive investigations relative to subversive influences in our Department of State; and

2. That the Congress, by appropriate measures, take steps to accomplish the following:

(a) Make definite, and reaffirm, the principle of the Monroe Doctrine as applying to intervention by the subversive forces known as international communism; and

(b) Make definite, and reaffirm, U.S. policies for exclusive jurisdiction in perpetuity over the Panama Canal or any other Isthmian Canal that may be constructed in the future; and

(c) Repudiate the President's order directing display of the Panama flag over the Canal Zone territory a violation of law, treaty, international usage, and the historic policy of the United States and invalid; and

(d) Legislate for the formation of a permanent Caribbean partial force.

DOMINICAN REPUBLIC

Whereas the Dominican Republic under the leadership of Generalissimo Trujillo has proven to be a loyal friend of the United States of America and an ardent foe of communism; and

Whereas under the direction of certain State Department officials, our Government has endorsed the anti-Trujillo stand promoted by Cuba's Castro and Venezuela's Betancourt; and

Whereas our Government wrongfully condoned and joined in the action of the Organization of American States in withdrawing recognition of the Dominican Republic: Therefore be it

Resolved, That the American Coalition of Patriotic Societies, Inc., urges the Congress of the United States to demand by joint resolution the immediate reinstatement of normal diplomatic relations with this friendly Republic in the Caribbean, the Dominican Republic.

TERRITORIAL SEA WIDTH

Whereas a fundamental principle of international law is the 3-mile limit for territorial seas; and

Whereas Afro-Asian nations, with Communist support, are endeavoring to extend the present 3-mile limit to a 12-mile limit, which extension, by transforming more than 3 million square miles of international sea into territorial waters closable at the will of its sovereigns, would impair the principle of freedom of the seas; and

Whereas the U.S. delegation to the 1960 United Nations Conference on the Law of the Sea, in substantial degree conforming to Soviet strategy for the high seas, voted to compromise with this principle by agreeing to a 6-mile limit, which move was defeated by only one vote; and

Whereas any such compromise in principle would affect adversely the vital interests of the United States and other maritime nations by making strategic sea routes and air above subject to closure, among them such important arteries of trade as the Straits of Gibraltar, Bab-el Mandeb, and Malacca: Therefore be it

Resolved by the American Coalition of Patriotic Societies, Inc.,

1. That the United States adhere to the fundamental principle of international law providing for a 3-mile limit as the width for territorial seas; and

2. That the Congress conduct comprehensive inquiries into the influence in the Department of State responsible for the attempted compromise of this principle in favor of a 6-mile limit.

SUBVERSIVE ACTIVITIES IN THE FIELD OF MENTAL HEALTH

Whereas the Charter of the World Health Organization has defined "health" as "a state of complete physical, mental, and social well-being, and not merely the absence of disease or infirmity"; and

Whereas the World Federation for Mental Health, a voluntary but official agency of the ILO, UNESCO, and WHO, which in the name of mental health has been conducting extensive activities in all fields of life in these United States, which activities are based upon the official credo of the WFMH, Mental Health and World Citizenship; and

Whereas the avowed purpose of the credo of the WFMH is to bring about social, economic, and political change in conformity with the thinking of the membership of the

WFMH which in nowise resembles the traditional concepts of our American way of life; and

Whereas the methods and activities of the World Federation for Mental Health, its individual members, group members, and affiliated persons and groups are subtle and ingenious, and not publicly identified as such, as typified by this statement from the credo (p. 47): "That the mental health aspects of wide and important issues be promptly interpreted to the public, in part in the interest of stimulating a higher level of international thinking"; and

Whereas the social, economic, and political changes desired by the World Federation for Mental Health can only come about through a change in the form of government of the United States and a consequent surrender of the sovereignty of the United States to an authoritative and armed world government; and

Whereas the World Federation has stated (p. 7): "Social institutions such as family and school impose their imprint early in the personality development of their members, who in turn tend to perpetuate the traditional pattern to which they have been molded. It is the men and women in whom these patterns of attitude and behavior have been incorporated who present the immediate resistance to social, economic, and political changes." The broad definition of what now constitutes mental ill health and the great powers of confinement now enjoyed by the members of the psychiatric and social science professions endangers the continued liberty of such individuals who resist the social, economic, and political changes actively being sought by the World Federation for Mental Health within the United States: Therefore be it

Resolved, That the American Coalition of Patriotic Societies, Inc., deplores the activities of the World Federation for Mental Health in the internal affairs of the people of the United States of America; and be it further

Resolved, That inasmuch as said activities are of a nature foreign and inimical to the ways of the United States, that we petition the Congress of the United States, and in particular the House Committee on Un-American Activities and the Senate Committee on Internal Security, to investigate the said activities of the World Federation for Mental Health, its affiliated organizations and membership; and be it further

Resolved, That these committees of Congress be requested to investigate particularly the loyalty of promoters of the philosophy of the World Federation for Mental Health which appears to be inimical to and for the purpose of destroying our form of government and our American way of life.

ANTIDOTE FOR SUBVERSIVE PROPAGANDA

Whereas the events marking recent unprecedented conquests by Soviet tyranny point to the ineffectiveness of our propaganda war; and

Whereas authoritative sources believe that this condition is due to the fact that persons originally employed during World War II, because of favor to our then ally, Soviet Russia, still occupy key positions in our diverse information and foreign propaganda services; and

Whereas it has been demonstrated that these remnants of wartime propaganda manage to eliminate from government service all persons who are of a different political ideology from themselves; and

Whereas it has been demonstrated that several of those who were included in that self-perpetuating leftist bureaucracy worked since the war hand-in-glove with the Soviet agencies, extraditing to the Communists those nationals of Central and Eastern European origin who could effectively oppose them, and that in such way they have facilitated the conquest of the vast satellite empire by the Soviets; and

Whereas the continued sabotaging of our propaganda war by some of these bureaucrats means grave national danger: Therefore be it

Resolved by the American Coalition of Patriotic Societies, Inc.,

1. That the Government should undertake the following measures without delay:

(a) Isolate and ferret out all persons who, while in the service of the American Military Government in Europe, extradited the anti-Communist leaders of the Slavic, Hungarian and Rumanian nations;

(b) Remove from policymaking bureaucratic posts those civil servants who were originally employed because of their sympathies to communism; and

(c) State, without equivocation, that those citizens and legal residents of Central and Eastern European origin whose services are urgently needed in the propaganda war should not be rejected because their countries fought on the German and Italian side during the war (Germany and Italy themselves being now our trusted allies), and that, furthermore, those persons who have been cleared by successive waves of investigations in Europe and America, and finally admitted to citizenship, should not now be penalized; and that their files, insofar as events of 15 and 20 years ago are concerned (at which time most were in their early teens), should not be reopened after anonymous letter or telephone call, emanating from terrorist sources opposed to freedom; and

(d) Endeavor to incorporate into our propaganda machinery, which includes the Voice of America and Free Europe Committees, such individuals of Central and Eastern European origin, whose technical knowledge and services are needed, making their loyalty to this Nation and their opposition to communism the only criteria of judgment; and

2. That the Congress conduct comprehensive inquiries into the operations of our propaganda agencies affecting Iron Curtain countries.

REAFFIRMATIONS

Resolved, That the American Coalition of Patriotic Societies, Inc., reaffirms the resolutions adopted at previous annual meetings and continues to support:

1. Retention of the Connally reservation to the protocol of U.S. adherence to the World Court;

2. Repeal of the Trade Agreements Act;

3. Opposition to the cultural exchange program;

4. Investigation of the subject of food and beverage contamination;

5. Opposition to fluoridation of public water supplies;

6. Making labor unions subject to the same rules and laws that govern corporations; and also to existing State and local laws in regard to acts of lawlessness and violence;

7. Opposition to Federal aid to education;

8. Support of the House Committee on Un-American Activities.

SUPPORT OF CONSTITUTIONAL GOVERNMENT

Whereas the purpose of the patriotic societies should be not only to honor the memories of our ancestors who suffered and died to make this country independent but to fight with all our power to preserve our inheritance and the American way of life as provided by our Constitution; and

Whereas the patriotic societies cannot be influential unless they are adequately financed; therefore be it

Resolved, That the American Coalition of Patriotic Societies, Inc., requests each associated society to endeavor to send an annual minimum of $1 for each member of their society to the American Coalition of Patriotic Societies, Inc., to be used in the work of implementing the resolutions.

EAST PROVIDENCE—AN ALL AMERICA CITY

Mr. PASTORE. Mr. President, 11 American cities are a little prouder this month because they have been singled out for special citations on the basis of energetic purposeful citizen effort.

The citations are by Look magazine and the National Municipal League. The final 11 are chosen from 100 candidate cities by the All America Cities jury, of which the noted Dr. George H. Gallup is foreman, associated with an exemplary body of distinguished Americans.

East Providence, R.I., is one of the proud 11 to be named an All America City this year.

East Providence became a city only recently—on December 1, 1958. The citation is actually for the zeal of the citizens, their enthusiasm and their labors that brought about this change from the traditional New England town government.

Few New England cities or towns have a longer tradition than the honored city. The first white settler of what is now East Providence was Roger Williams. A fugitive from Massachusetts he landed on this soil in mid-April of 1636 after a bitter winter voyage of 14 weeks in an open boat. In June of that same year Massachusetts claimed the land—and the exiled Roger Williams moved across the Seekonk River to found the city of Providence.

Rhode Island and Massachusetts both claimed that original site in a boundary dispute that continued for 226 years and was settled in favor of Rhode Island in December 1861.

On March 1, 1862, the place received its charter as a town, and also received its name of East Providence. The privilege of selecting the name had been given to Rhode Island's War Governor Sprague.

The government of the settlement dates back over 300 years to July 1, 1644, when the colony of 58 families entered into a compact to subject themselves to a governing body of 9 persons for the well ordering of the town's affairs.

With the church in the center, the houses of the settlement were built in a semicircle. This was known as the ring of the town. The ring was burned on March 28, 1676, by the Indians under command of King Philip. But the blockhouse survived, and so did the inhabitants who had found refuge within.

The settlement was rebuilt and flourished. Today when public education is being discussed it is interesting to note that over 260 years ago, on December 4, 1699, the selectmen of the settlement made a contract for school to be kept and the boys and girls taught to read English, to write, and cast accounts.

And if the talk is about the government of cities, it is equally interesting to note that a resident of this settlement, Thomas Willet, became the first

English mayor of the city of New York when it was surrendered by the Dutch in August 1664.

These are only a few of the historical incidents that will undoubtedly be revived as the city of East Providence receives its citation as the focal point of a civic celebration on April 6, 1961.

The drama of war will be recited—the tragedies of Indian warfare—the drama of the Revolution equally close to their doors—and the scars of other wars dating back to the Civil War when it was new as the name of the town was new.

But there will be talk of peace, too—and of prosperity and progress which spell the birthright of every American community. And in this common effort for peace and progress this bustling city in the far east of America will salute its sister cities, sharers in the All America City Award, from coast to coast.

I, too, salute all of them, as I salute East Providence.

BOOK BURNING ON THE NEW FRONTIER

Mr. BENNETT. Mr. President, I was shocked to read in the March 16 issue of the Washington Evening Star the following item in Joseph Young's column:

MAGAZINE BURNING

Postmaster General Day has ordered postmasters throughout the country to destroy all copies of the January and February Postal Service News magazine which had not already been distributed to postal employees. All 550,000 postal workers regularly receive a copy of the magazine each month. Mr. Day ordered all copies of the magazine destroyed.

The January and February copies of the magazine, which is published by the department, were written, edited, and printed by the preceding regime before Mr. Day and his team took office. It's understood that the new crowd objected to a laudatory spread in the February issue detailing the achievements of Postmaster General Summerfield. It's a mystery, however, as to why the January copies were destroyed, since there was no particular glorification of the Summerfield regime in that issue.

The Post Service News is a house organ type of publication aimed at postal employees, stressing features and human interest stories of those working for the postal service.

Upon hearing that the new Postmaster General had issued orders for the destruction of all copies of these two issues, my curiosity was immediately aroused, and I proceeded to obtain copies of the banned issues. Through the ages, this reaction has always followed book burning and censorship—a fact which Postmaster General Day would do well to keep in mind if he is tempted to embark on such a crusade again. To have a book banned by the Post Office is the greatest thing that could happen to any book.

It was not easy, but through certain clandestine sources I finally obtained copies of the forbidden publications. I smuggled them into my office, and in the privacy of my room I studied the contents. I am happy to report that neither of the issues contains anything which needs to be kept from the American people.

The offensive matter in the February issue is, as Mr. Young indicates, an article outlining the improvements that were made in the post office during the past 8 years. It is understandable that Mr. Day would want to keep this information from the public. Some immature minds might surmise that the achievements of that period are to the credit of the Republican Party, and this Mr. Day would like to prevent.

This attempt to wipe out the record of the Eisenhower administration's achievements in modernizing our postal system called to my mind a policy outlined in George Orwell's great novel "Nineteen Eighty-four." The hero of this book, it will be recalled, was employed in the Ministry of Truth, and it was his duty to aid in the work of destroying and altering the records of history which did not happen to jibe with the current party line, or which might be embarrassing in some way to the current administration.

In Orwell's words:

There were the armies of reference clerks whose job was simply to draw up lists of books and periodicals which were due for recall. There were the vast repositories where the corrected documents were stored, and the hidden furnaces where the original copies were destroyed. And somewhere or other, quite anonymous, there were the directing brains who coordinated the whole effort and laid down the lines of policy which made it necessary that this fragment of the past should be preserved, that one falsified, and the other rubbed out of existence.

Apparently it was Mr. Day's wish that the record of the past 8 years could be rubbed out of existence. But this is not 1984—although that year may be closer than we think—and there may still be ways of thwarting the directing brains who would erase history.

Therefore, I ask unanimous consent that the entire text of Mr. Summerfield's report printed in the February issue of the Postal magazine be printed at this point in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

POSTMASTER GENERAL SUMMERFIELD'S FINAL REPORT TO THE PRESIDENT

DECEMBER 29, 1960.

THE PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: Eight years ago when you appointed me your Postmaster General, you instructed me to "institute a program directed at improving service, while at the same time reducing costs and decreasing deficits."

Thus your directive in effect established three goals for the Post Office Department:

DEPARTMENT GOALS

First, give the American people the kind of postal service they must have in a growing economy.

Second, reduce the postal deficit through economies and the application of modern management techniques.

Third, persuade the Congress to complete the job of balancing the postal budget by relieving the Department of subsidy burdens, by reimbursing us for charges for services provided to other agencies, and by adjusting postal rates to offset postal costs.

In this, my final report, I am pleased to tell you that we have substantially improved the postal service and that we have made notable progress in our program of postal modernization. I regret to report that due to congressional failure to recognize its responsibility for increasing postal rates from time to time as costs increased, it has not been possible for us to eliminate the postal deficit.

TASK FACED, MEASURED, AND MET

When I assumed office in 1953 I made a comprehensive study of the postal operation and it became apparent that to carry out your directives would require a complete reorganization of the postal service, together with a program of thorough modernization of the physical plant.

In 1953 the Department was handling 50 billion pieces of mail through 41,000 postal installations manned by some 520,000 employees. The total value of transactions of the Department amounted to $18 billion a year.

Ours is the second largest department of Government, only exceeded in size and complexity by the Defense Department. Yet we were handling nearly twice the volume of mail in 1953 over 1938 with facilities that had changed very little since 1938. It was obvious to us that in our postal structures we were faced with a critical major problem.

Mechanization as we know it in the modern industrial processing plants had not been applied to mail handling. The ever-increasing volume of mail was worked by hand much the same as it had been done since the Department was founded in 1775. In the past 8 years it has taken a complete reorganization and modernization of methods to bring the Department abreast of the techniques used in modern business today.

INADEQUATE ACCOUNTING CORRECTED

In 1953 the Department's accounting was archaic. Many statements and reports essential to good management did not exist and some of the reports that were prepared were as much as 17 months old when released. Verification and reconciliation of the money order accounts were years behind. Disbursing and payroll functions were carried on in individual post offices. Many thousand man-hours superfluous to the needs of the service were spent in the larger post offices on such nonessential activities as accounting for employees' salary advances which ran into millions of dollars every year, cashing checks for employees, and on doing over and over, by hand, accounting operations of the type which modern business had put on machines years ago. The settlement of transportation charges lagged as much as 2 years or more, necessitating repeated partial payments to the carriers to provide them with the necessary operating funds.

In clearing away this obsolescence we have established modern controller-type functions not only in the Department but also in the regions and in the large post offices. We have employed certified public accountants in our financial operations for the first time, modernized the system, and centralized accounting functions in the regions to permit preparation of payrolls, settlement of claims and similar operations to be mechanized. The accounts are now on an accrual basis and up to date. Employees receive their paychecks on time and in the right amount. Payments to transportation companies and other suppliers are on a current basis. We have complete financial reports a few days after the end of each period.

MODERN PERSONNEL SYSTEM INSTALLED

The personnel system in 1953 was the despair of management and of employees alike. Personnel costs currently absorb more than 80 percent of the budget. This makes it our most important single cost element. Personnel functions were dispersed among the bureaus of the Department. No adequate means existed for creating and nurturing good management-employee rela-

tions. Even minor grievances and other personnel matters reached Department attention more often through employee organizations and the Congress than through normal management channels. The pay structure in the post offices was a hodgepodge. In some instances supervisors were paid less than their workers. There was no competent system for equating pay with responsibility.

The establishment of a Bureau of Personnel in 1953 laid the groundwork for a complete personnel service. It made it possible to adopt a classification and compensation system which assures pay commensurate with responsibility. The Bureau as it is now constituted creates employee training programs, safety education, the review of grievance appeals, and the making of awards to employees for valuable suggestions for improving the service. The Department is now in the forefront in its practice of modern industrial relations.

POST OFFICE MODERNIZATION NOW WELL ADVANCED

Our post offices had, by 1953, become generally too small to handle the mails. There were instances where mail had to be loaded and unloaded and even sorted on sidewalks and other unprotected areas. Years of congestion and unarrested obsolescence had turned our public offices into poorly lighted, poorly ventilated facilities. Too many of them were gloomy to visit and cheerless to work in.

Correction of these conditions in our physical plant has been our largest task. We have approached it in a number of ways.

We have adapted commercial leasing techniques to our leasing of new post office structures built and owned by private capital. This has enabled us to provide more than 5,600 new structures. The need for these new post offices can be appreciated when we consider that hundreds of the replaced post offices were originally built to serve towns of some 5,000 to 10,000 population which today have grown to be cities of 40,000 to 75,000. We have adapted standard designs of architectural excellence for long-range improvement in the appearance of our buildings.

We have brought light and color to the interiors of our offices and directed that the forbidding screenline give way to the open counter, thus making our offices cheerful places in which to work and to transact postal business. We have designed large new structures to house mail handling of the future which will be by machine in one- or two-floored air-conditioned structures located away from congested city areas where there is ample room for trucks to load and unload without causing, or suffering from, city traffic jams. We have built and have under construction a number of such large facilities. We have built and have in operation a fully mechanized post office at Providence, R.I. The Providence post office handles the outgoing mail for a large new England area in which 81 smaller post offices are located. Thus Providence is a working post office and at the same time a laboratory for testing machines and operating methods under actual production conditions. The knowledge of mechanization we gain in Providence should enable the new administration to move more rapidly and more surely in mechanizing large postal installations throughout the country. A second generation of mechanized postal machinery is now under development and will be housed in a modern postal facility to be constructed at Oakland, Calif.

MECHANIZATION MAKES GREAT PROGRESS

We have instituted a long-range program for the development of machines to handle the mail of the future and in the course of these few years, we have brought some of these machines to a high stage of development. We have electronic sorters on the production lines in a few post offices. Large conveyor systems are installed in about a dozen large facilities. Cullers are in production. Some 75 high-speed facer-cancelers are being installed. The electronic reading and automatic coding of addresses is far advanced.

We have experimented with the movement of written messages by electronic facsimile transmission. Our demonstration of this method of communication to both your Cabinet Committee and to the press and radio representatives clearly indicates its practicability and availability whenever the expanding volume of mail shall require it.

Modernization of the postal plant was advanced beyond the planning stage in 1960 when the Congress granted the first specific appropriation for the accelerated modernization program. While the Department has made a substantial start limitations on time and funds have prevented many of its plans from being carried out. It will fall to the lot of the succeeding administrations to carry out these plans.

MANAGEMENT AND ORGANIZATION OVERHAULED

In 1953 the Department was handling management details in Washington which belonged in the field. Decentralization of management, recommended by the Penrose-Overstreet Commission as long ago as 1909 and in 1949 by the Hoover Commission, has been completed and has contributed greatly to the efficient operation of the postal system by providing the right type and amount of supervision close to our post offices through 15 regional operations directorships. Each of these 15 regional directors is supported with appropriate operating, transportation, accounting and personnel staffs who now control the finances, provide guidance, and analyze the operating results in our postal installations. Decisions needed by our postmasters, which formerly took weeks and even months to get from Washington, are now obtained quickly from the nearest regional headquarters.

In our field operations we have followed the principle of undivided responsibility by assigning airmail facilities, railway post offices, highway post offices, and mail terminals to appropriate postmasters. This is important because it places with the postmaster the authority and responsibility for the mail service in his area and thus gives his patrons a single point of contact with the postal service.

SERVICE IMPROVEMENTS

We have reorganized the handling of local preferential mail to bring about next-day delivery for the 168 million people who live in our 81 centers of population and the commercial areas which surround them. This next-day delivery is accomplished by an improved transportation network and its importance can be understood when it is realized that two-thirds of our mail is delivered within a 200-mile radius from its originating point.

We have carried this next-day delivery objective one step further and prepared plans for moving preferential mail between the centers of population throughout the Nation on schedules which have made next-day delivery either a present accomplished fact, or one which can be reached in the very near future.

An essential part of these plans is the airlifting of preferential mail by the Nation's commercial scheduled airlines on a space-available basis. Delivery of 2 billion pieces of mail each year is now advanced from 24 to 48 hours by this means. This has been accomplished with no increase in cost to the Post Office Department.

We have expanded the carrier service to accommodate the 9,300,000 families who have made up the suburban growth around our cities and have established carrier service in 1,000 new communities. We have tailored the city delivery service to the needs of the business communities. Some 900,000 additional business firms now have carrier service.

We have supplied later collection service in business and in residential areas where such expansion of service was called for.

We have added to the rural delivery service to reach 1,400,000 farm families along more sparsely settled routes who have not heretofore enjoyed mail delivery to their homes.

We have tailored the hours of window service in the post offices to meet local requirements.

Certified mail was established to provide a certified delivery service for mail of no intrinsic value at less costly rates than had been required for registered mail.

Combination mail now makes it possible to send related messages in the parcel post package.

Olive drab color of mailtrucks and street corner collection boxes has given way to the now familiar red, white, and blue, thus improving visibility and safety. Because of this color scheme, there has been a substantial reduction in accidents, and the Department has been awarded the National Safety Council's Traffic Safety Award for the past 5 consecutive years.

The process of buying a money order has been made easier and quicker, and a new money order form has substantially reduced the possibility of fraud against our people and against the Government.

Stamp vending machines eliminate waiting lines and supply afterhour service. Millions of copies of mailing aids have helped the people improve the service by their own efforts.

Other activities of the Department have had their full share of our attention.

FRAUDS, DEPREDATIONS, AND OBSCENITY CONTROLLED

We have moved forward energetically in specialized campaigns against mail frauds, thievery, and other offenses against the postal laws. Arrests and convictions for these offenses in 1960 were 50 percent more numerous than in 1953.

We have carried on a strong campaign of public education and law enforcement against the $500 million a year traffic in solicitation and delivery of obscene materials through the mails. We have succeeded in arousing public opinion against this national disgrace. We have sought and obtained stronger laws to cope with the problem. Our part in enforcing these laws resulted in 130 percent more arrests and convictions in 1960 than in 1953.

PHILATELY PROMOTED

The interest of millions of our citizens in the fascinating beauty and history of postage stamps has been intensified by our revitalized philatelic program. The Department has made use of this interest to keep before our people not only our cherished American traditions but also the concepts of freedom and outstanding human leadership in other nations, and has thereby made an acknowledged and unique contribution to our national drive toward better world-wide relations. Our new "Champion of Liberty" stamps honoring foreign-born leaders have been enthusiastically received both abroad and at home.

INTERNATIONAL RELATIONS STRENGTHENED

During the past 8 years, the Department increased its participation in the activities of the Universal Postal Union and we were designated as Chairman of the important Consultative Committee on Postal Studies of the Universal Postal Union. The Department also participated in the activities of the Postal Union of the Americas and Spain. These international organizations provide a

means for increasing international understanding and good will through the interchange of ideas between the postal services of all nations.

THE DEFICIT, OUR MAJOR TASK

One of our major objectives has been to eliminate the postal deficit. That we have been unable to do so is a great disappointment to me—as I know it is to you.

From its very inception, it is evident that the postal service was intended to pay its way. In fact, in the first 30 years of operation the Department enjoyed a 15 percent profit, and since its beginning through World War II the average annual loss amounted to less than $30 million. Since 1946 the average annual loss has increased more than 15-fold to $556 million. The philosophy of deficit financing seems to be a post-War II phenomenon.

As I have previously pointed out to you, the postal deficit has a significance which transcends the financial position of a single Federal department. It has continued for a decade and a half to play a major role in our national financial picture. From June 30, 1946, the end of the fiscal year in which World War II was brought to a close, to last June 30, 1960, our national debt has increased $16.9 billion. During the same period the post office deficit has accumulated to $7.4 billion. These two figures show the large part played by postal finances in our national economic picture.

In 1952, the last fiscal year of the previous administration, the postal deficit was $720 million. Actions we requested and the Congress approved established reimbursement to this Department for free service rendered other Government agencies and removed airline subsidies as an element of postal costs. These actions, together with the major economies we were able to effect in the early years of our reorganization and modernization program, reduced the annual deficit to a low point of $363 million by the end of fiscal year 1955.

I should point out that we in the executive branch have done all we could to eliminate this deficit short of curtailing service to postal patrons. Through operating efficiencies at every point we have been able to handle 28 percent more mail with an increase of only 13 percent in man-hours.

We have raised rates for postal services in those areas where we had administrative authority to do so, producing $300 million in additional revenues annually. After 5 years of struggle before the Congress we finally obtained, in 1958, general increases in postal rates to the extent of $600 million annually. These increases, however, have not, by any means, kept pace with the increases in costs during this period which have been added to the postal service by the Congress through pay increases and employee fringe benefits.

We tried vigorously in 1959 and again in 1960 to obtain further postal rate increases from the Congress, but without success. As a result the Post Office deficit today is larger than when this administration took office.

TO SUM UP

Equipping the Department with the resources and the momentum to meet the task which the future will bring was only made possible by the untiring efforts of the 26 very able men who have served on my top staff during this administration. Working with and through the thousands of devoted and dedicated people in the field organization, these men have brought about a new esprit de corps in the postal service.

In summary, we have, within the limits allowed us by the Congress, fulfilled almost all of the objectives which we established 8 years ago.

We have provided the American people with the kind of service they must have in our growing economy.

We have reduced the postal deficit as far as lay within our power through economies, the raising of additional revenues, and the application of modern management techniques.

We have persuaded the Congress to relieve the Department of subsidy burdens, to reimburse us for services provided other governmental agencies, and to raise postal rates to some extent even though this latter action fell far short of complete liquidation of the postal deficit.

Without your wise counsel and enthusiastic support, Mr. President, the Department could not have made the very real progress that I am reporting today.

Now I am prepared, in a few weeks, to turn over to my successor a Department whose operations have been adjusted to the jet-air and electronic age—a Department which now faces the future with confidence instead of simply reliving the past.

Respectfully,

ARTHUR E. SUMMERFIELD,
Postmaser General.

Mr. BENNETT. Mr. President, I make my request fully aware of the risk involved—that the Postmaster General may order the burning of today's issue of the CONGRESSIONAL RECORD, or at least may ban it from the mails—but that is a risk we shall have to take.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. BENNETT. I yield.

Mr. CARLSON. I well remember the criticisms that came to former Postmaster General Arthur Summerfield when he withheld, or considered withholding, from transportation through the mails of certain books which he thought contained questionable reading material. I had not realized that our present Postmaster General had reached the point where he was burning material that had gone through the mail.

Mr. BENNETT. This magazine did not get through the mail, as I understand. It was burned in the Postal Department before it went out; but, fortunately, not all of it had been burned.

THE BURNS CREEK PUBLIC POWER PROJECT

Mr. BENNETT. Mr. President, in Tuesday's CONGRESSIONAL RECORD the junior Senator from Idaho [Mr. CHURCH] made a statement on the Burns Creek public power project which would be authorized by S. 66 on which hearings were held last week by the Senate Interior Committee. In that statement he stated:

> The only testimony offered in opposition was from representatives of private utility interests.

This statement standing by itself might mislead those of my colleagues who are not familiar with the history of the Burns Creek legislation. First of all, the private utilities were not the only ones who appeared at the hearing in opposition to Burns Creek. Other opponents included: V. G. Pearson, business manager of Local Union 57, International Brotherhood of Electrical Workers, representing 1,800 union members in Idaho, Utah, and Colorado; G. E. Sorenson, president, the Kemmerer Coal Co., of Frontier, Wyo.; Orr Garber, member of the Wyoming Natural Resources Board, and Daniel W. Cannon, of the National Association of Manufacturers.

UNITED MINE WORKERS OPPOSE BURNS CREEK

Moreover, a statement was filed by Arthur Biggs, representing district 22 of the United Mine Workers, and in addition I appeared in opposition to the project.

I assume that the Senator from Idaho was not in the committee room when I made my statement.

I ask unanimous consent that Mr. Biggs' statement appear in the RECORD following my remarks, together with a letter of January 16, 1961, which I received from Harry Mangus, president, district 22 of the United Mine Workers of America, and my statement, together with the text of my statement before the committee.

(See exhibit 1.)

WIDESPREAD OPPOSITION

Mr. BENNETT. Mr. President, it should be noted that S. 66 is virtually identical to a bill considered by the House and the Senate in the 86th Congress. Many other groups and individuals went on record at that time. Among these were the Utah-Wyoming Coal Operators Association, represented by Oscar A. Glaeser and William J. O'Connor; Mayor William Welsh, of Price, Utah; Harry Mangus, president of district 22 of the United Mine Workers; Thomas Kennedy, president of the United Mine Workers; the Utah Mining Association; the Wyoming Mining Association; Patrick Quealy, mayor of Kemmerer, Wyo., and many others. Since they were already on record, some of these groups and individuals understandably did not wish to undertake the considerable expense of traveling to Washington once again. In fact, the chairman of the committee specifically asked that testimony presented in previous hearings not be repeated.

In addition, I have received expressions of opposition to the Burns Creek project from the Carbon and Emery County Commissions, the City Councils of Price and Helper, and from the Price Chamber of Commerce.

In his statement, Senator CHURCH criticized a pamphlet distributed by the Utah Power & Light Co. which opposed the Burns Creek project. He also included a statement purporting to refute the pamphlet. In order to make the record complete, I ask unanimous consent that the text of the pamphlet, together with statements given at the Senate hearings by E. M. Naughton and E. A. Hunter, president and assistant to the president, respectively, of the Utah Power & Light Co., be included in the RECORD following my remarks.

(See exhibit 2.)

EXHIBIT 1

STATEMENT IN OPPOSITION TO S. 66, DISTRICT 22 UNITED MINE WORKERS OF AMERICA

District 22 of the United Mine Workers of America is sincerely convinced that Burns Creek is an unnecessary power project which would be built for the benefit of a few preference customers. We represent some 2,600 miners in Utah and Wyoming—all we have left of the about 7,000 miners we had 10 years ago.

We, and the mine workers whom we represent, do not think we should have taxes

deducted from our paychecks each period to help pay for a hydroelectric powerplant which will directly compete with us.

This is very unfair because the facts indicate that electric power from Burns Creek project would be sold to only a very few preferred customers who are much better off financially than the mineworkers in the area.

The Burns Creek hydroelectric project as proposed will include a 90,000-kilowatt hydroelectric plant which will generate an estimated 500 million kilowatt-hours per year. If these 500 million kilowatt-hours were supplied by a steam electric plant burning coal it would consume about 250,000 tons of coal per year. To mine this amount of coal would require about 20,000 man-shifts of coal-mining labor. It would bring to our area about one-half million dollars in annual miners' wages.

The coal miners are in desperate need of this additional coal-mining business. In recent years, the coal miners have experienced a sharp curtailment in work which has created considerable unemployment resulting in many hardship cases and causing much suffering and misery. This has had a terriffic impact upon our economy in the coal-mining communities in both States. Some of our towns have already become ghost towns and we should not allow the other communities to disintegrate into social and economic stagnation.

The Utah Power & Light Co. has under construction a 150,000-kilowatt steam electric plant near Kemmerer in western Wyoming. This plant, which will burn coal exclusively, has already been postponed 2 years because of surplus hydroelectric power being available in the area. We have protested the construction of the Burns Creek project because it is a further threat to the Kemmerer plant and our coal-mining livelihood.

The Senate committee in hearings last year recognized this threat and as a result I note that S. 66 attempts to correct it with language which provides that the Burns Creek generating units will not be installed until the preference customers are able to consume the power.

This new language, however, fails to hide the fact that Burns Creek will still injure the coal-mining business in the area. Providing for delayed installation of some of the Burns Creek generating units ignores the fact that if the Government did not assume the continuing responsibility to supply the electric power requirements of these few preference customers by building hydroelectric plants, then these same customers would be obliged to buy their additional requirements from the investor-owned power companies rather than from the Government.

The use of cheap natural gas and oil in the homes and industry and the use of the diesel engines by the railroad have already seriously affected the coal miner. Please do not further hurt us by giving us further competition by building the Burns Creek hydroelectric plant, which would not put any new land under cultivation. We coal miners are not against Government irrigation projects, but Burns Creek is not for irrigation but is almost exclusively a power project.

Coal is a vital commodity in time of emergency. If projects such as Burns Creek are allowed to reduce our employment and drive the coal miners into other employment during normal times, who is going to mine the coal during times of emergency?

Our employment is mostly seasonal. We have peak employment in the winter and fall. Our minimum employment is in the summertime.

Mining coal for the production of electricity is a fairly constant year-round operation, and therefore very beneficial to the coal miners.

We are not asking you to spend Government money to aid the coal miners in district 22. All we are asking you is that you do not authorize a $48 million Government hydroelectric plant which would dilute the coal consumption by 250,000 tons per year in our area and do away with 20,000 man-shifts per year of potential work for our coal miners.

District 22, United Mine Workers of America, strongly urges that the members of this committee reject S. 66.

It is requested that this statement in opposition to the construction of Burns Creek be carefully considered by the committee and be made a part of the record of hearings.

UNITED MINE WORKERS OF AMERICA,
DISTRICT 22, WYOMING-UTAH,
Price, Utah, January 17, 1961.

Senator WALLACE F. BENNETT,
U.S. Senate, Washington, D.C.

DEAR SENATOR BENNETT: It is my understanding and information that once again the Burns Creek project is up for approval by the congressional delegation.

I am sure that an examination of the records will show the various reasons why the United Mine Workers are opposed to this program. Once again we sincerely urge and request your cooperation for the purpose of opposing the Burns Creek project.

As you know, our main opposition lies in the reason that this dam is being constructed mainly for the purpose of generating electricity. This, of course, will seriously hamper the Utah Power & Light Co. plant at Kemmerer, Wyo., which is utilizing coal to generate its steam. There is no shortage of electrical energy in the area, etc.

I am sure you realize the unemployment situation that exists in our Nation, in particular the coalfields in Utah and Wyoming. I sincerely urge you to vote against passage of the Burns Creek project as its sponsors have originally sponsored it.

Your consideration, attention, and reply to this letter would be most appreciated.

I remain,

Sincerely yours,

HARRY MANGUS,
President, District 22, U.M.W. of A.

STATEMENT BY SENATOR WALLACE F. BENNETT GIVEN TO THE SENATE INTERIOR COMMITTEE, WEDNESDAY, MARCH 15, 1961

THE BURNS CREEK PROJECT—SHOULD BE REJECTED

Mr. Chairman and members of the committee, I greatly appreciate the opportunity to appear before you today. First of all, I wish to give my full support to the Navajo and San Juan Chama reclamation projects which the committee is considering this morning. Both Gov. George D. Clyde, who is Utah's Commissioner on the Upper Colorado River Commission, and the Utah Water & Power Board have advised me that they too give their support to these two meritorious projects. I was happy to vote for priority in planning of the Navajo and San Juan projects when the Senate approved the Upper Colorado River storage project in 1955.

As the senior Senator from Utah, a State which pioneered in the development of irrigation and water development, I have consistently supported sound, worthwhile reclamation projects when they have come before the Senate for approval. It is, therefore, an unusual occasion for me today to have to appear before you and express my strong opposition to authorization of the Burns Creek project which is also being considered by the committee today.

BURNS CREEK—A BLOW TO THE UTAH-WYOMING COAL INDUSTRY

There are four basic reasons why I cannot support the bill and why the Senate Interior Committee should reject it. First of all, it would deal a severe blow to the coal miners and to the entire coal mining industry of Utah and Wyoming. Under the Burns Creek bill, a 90,000-kilowatt hydroelectric plant will be built which will generate an estimated 50 million kilowatt-hours each year. If these 50 million kilowatt-hours were supplied by a steam electric plant using coal, 250,000 tons would be consumed each year. It would require 20,000 man-shifts of coal miner labor to mine that amount of coal and it would add approximately $500,000 to the annual wages of our Utah and Wyoming coal miners.

For the past several weeks, the Senate Banking and Currency Committee, on which I serve, has been considering a bill which would supposedly give Federal assistance to the distressed areas in our economy. The Utah coal mining area in Carbon and Emery Counties is not only distressed, it is depressed. Thus, it is incongruous in the extreme that this very day the Senate should debate a bill to aid economically distressed areas while one of its committees is holding hearings on another bill which will create distressed areas in Utah and Wyoming.

The Carbon and Emery County areas are not only distressed but their citizens are distressed that the Senate would consider a bill which would strike a blow at their principal means of livelihood, the coal mining industry. The county commissioners of both counties have expressed their strong objections to the Burns Creek bill. So, too, has district 22 of the United Mine Workers of America and the Utah-Wyoming Coal Operators Association. These have been joined by the City Councils of Price and Helper and by the Price, Utah, Chamber of Commerce.

Proponents of the bill argue that the project is needed to supply power to the so-called preference customers. These preferred customers have neither a legal nor a divine right to an unlimited supply of federally produced power. Moreover, they are much better off financially than the coal miners of Utah. To completely destroy this argument, the preference customers have abundant alternative power sources readily available while the mining of coal is virtually the only skill our Utah miners know. Our coal miners are justifiably disturbed at the prospect of having taxes deducted from their often infrequent paychecks to help pay for the Burns Creek powerplant which will directly compete with them.

BURNS CREEK—A PUBLIC POWER NOT A RECLAMATION PROJECT

In discussing public power for preference customers, I have hinted at a second basic reason why the Burns Creek bill should be rejected. That is, it is not a reclamation project, it is an unalloyed public power project, the irrigation benefits of which are all but nonexistent. This is clearly manifest by the fact that only 1.7 percent of the approximately $50 million total estimated cost is allocated to irrigation. Over 98 percent is allocated to power. Not one new acre of land would be brought under cultivation. At the most, only 100,000 acre-feet of supplemental water would be provided which the Bureau of Reclamation states would only be used two or three times over a 50-year period.

While the proposed Burns Creek Reservoir would impound 234,000 acre-feet of water, almost 60 percent of that amount would be wasted as far as irrigators are concerned since it would be devoted solely to furnish a power head.

It is obvious that this $50 million nationalized power project is being brought before the Congress under the more respected and venerated designation of a reclamation project. This can only harm true reclamation projects in the future. Once we make public power, and not irrigation,

the paramount purpose of reclamation projects, just that soon will we in the 17 reclamation States lose the support in Congress of our sister States to the east and south. We shall bring the reclamation program down in disrepute and make it just another pawn in the interminable public versus private power dispute.

BURNS CREEK PROJECT NOT NEEDED

My third reason for opposing the Burns Creek public power project is that it is not needed. Certainly it is not needed for reclamation purposes as I have already indicated. In fact, reclamation will actually be harmed. By saddling the true reclamation project, Palisades, with an uneconomic downstream public power parasite, Burns Creek, repayment of Palisades power costs will be delayed 32 years and repayment of its irrigation costs will be delayed 26 years. During the delay caused by diversion of funds to Burns Creek, Palisades would have contributed a surplus of over $30 million which could be used to aid worthy reclamation projects. Instead, it will all be eaten up for public power, not for irrigation.

As for storage, in this very dry year it is apparent that there will be over 900,000 acre-feet of unfilled reservoir capacity on the Upper Snake River when this spring's water harvest is over, unless a deluge occurs. Thus, there is more storage capacity upstream from the Burns Creek site than there is water to fill it in a dry year, which is the only time the water would be needed. What good would the storage capacity do for irrigators if there is no water?

The only remaining justification is river reregulation. However, if this should ever be needed, a completely adequate river reregulation reservoir could be built for about $4.5 million instead of $50 million.

The proposed reservoir is not needed for production of electric power—unless the Federal Government is bound and determined to launch forth on an unlimited public power program where the sky is the limit and the taxpayers, the coal miners, and the public utility investors are left holding the proverbial bag. Adequate electric service is now being provided by private and municipal power companies and REA's. The Federal Power Commission in its April 1960 report shows that there is sufficient installed capability available to carry the total 1960 peakload anticipated in the Utah-Idaho area, with a surplus in excess of 376,000 kilowatts. The same report shows that in 1963 the surplus will be over 350,000 kilowatts, and this figure does not include Burns Creek. Moreover, the public utilities will install almost a million kilowatts in the next 6 years to assure ample power. This will more than adequately meet all of the power needs of the area including those of the preference customers.

This power project can only be justified on the basis of the Federal Government assuming the unwarranted obligation of providing preference customers with power to meet their growing loads. I submit that this is not a valid reason to run the risk of discrediting the entire reclamation program and to obligate $50 million. Are we now to accept the doctrine that once customers are attached to Federal Government generating stations, they must thereafter be taken care of only in that way, and that private power resources can never again serve them? Such a doctrine should be summarily rejected.

BURNS CREEK UNECONOMICAL

The fourth and last reason for my opposition to this project is that it is uneconomical. It cannot pay its own way. Burns Creek power would cost over $500 per kilowatt compared to Palisades' $185 per kilowatt. The Bureau of Reclamation admits it proposes to sell Burns Creek power below cost, in fact so far below cost that the Bureau's estimated power revenues resulting from Burns Creek would not even pay the interest charges on the project. Therefore, it saddles the sound Palisades project with a $30 million additional cost and delays its payout more than 25 years.

As if this $30 million loss were not enough, the Bureau has estimated that if Burns Creek is built, taxes foregone because of the Federal construction of the power facilities would amount to $472,000 per year. That constituted a loss for the taxpayers of $24 million during the Burns Creek payout period. This adds up to a total loss of $54 million. Meanwhile, our coal miners are denied work.

For these reasons, Mr. Chairman, I hope the committee will refuse to approve the Burns Creek bill.

EXHIBIT 2

BURNS CREEK: $50 MILLION WHITE ELEPHANT

Should you pay for:

A reregulating project, the need for which has not been proved?

An irrigation project that won't irrigate any new land?

A flood control project that won't help control floods?

A fish and wildlife conservation project that won't benefit fish and wildlife?

A project that would provide subsidized, below-cost power to a favored few in an area where ample supplies are now available for all present needs and will be provided for future needs?

A project that endangers future sound reclamation projects?

Such a project is unnecessary, unjustified, and an extravagant waste of the taxpayers' money.

Burns Creek is a white elephant.

This $50 million white elephant is proposed by the Bureau of Reclamation, with support from municipalities and cooperatives now buying Federal Government power. They would build it 30 miles below the existing Palisades reclamation and power project on the Snake River in Idaho.

Legislation before Congress (S. 66, H.R. 378 and H.R. 36) and the project's supporters attempt to camouflage its true purpose with fictitious claims of multipurpose benefits.

But Burns Creek is nothing but a power project, and a poor one at that, to be built at taxpayer expense to generate 90,000 kilowatts of electricity for a favored few in an area already provided with plenty of power. Rates are well below the national average and the area is assured of ample supplies in the future.

BURNS CREEK: "DEATH BLOW" TO WESTERN RECLAMATION

Pressure for approval of the camoflaged Burns Creek power project endangers future sound reclamation projects—vital to western progress and prosperity.

Here's proof of the growing resentment generated among eastern Congressmen:

"If the Bureau of Reclamation and the reclamation States want to lose friends, just let them keep bringing in such things as Burns Creek * * *."—U.S. Representative CLEVELAND M. BAILEY, of West Virginia.

"I think you people out there who have said you want Congress to go along with you on sound projects have made a horrible mistake in bringing a project of this kind before the Congress."—U.S. Representative JAMES A. HALEY, of Florida.

"* * * we who come from the east and provide a good bit of the money have got to be very skeptical of the Reclamation Bureau and the proponents of legislation like this."—U.S. Representative JOHN SAYLOR, of Pennsylvania.

"If the Bureau is so hard up for work that it is going to propose such things as this Burns Creek project, which is a detriment instead of an asset to reclamation, then we people in the east * * * had better start taking a long, hard look at all of its future proposals."—U.S. Senator HUGH SCOTT, of Pennsylvania.

BURNS CREEK IS A POWER PROJECT

More than 98 percent of the project's cost has been allocated to electric power by the Bureau of Reclamation. Only 1.7 percent has been allocated to irrigation, and not 1 penny has been allocated to reregulation, flood control, or fish and wildlife.

Here's how some Members of Congress brand this $50 million project for what it truly is:

"This is a power project pure and simple."—U.S. Senator WALLACE BENNETT, of Utah.

"I do not see anything in here, except power."—U.S. Senator BARRY GOLDWATER, of Arizona.

Despite this clear fact, Burns Creek supporters continue the fiction that it will provide multipurpose benefits.

But let's separate fact from fiction:

Fiction: Burns Creek is an irrigation project.

Fact: Only 1.7 percent of the project's total cost is allocated to irrigation. It would provide only about 100,000 acre-feet of holdover storage—a teacup quantity in relation to the over 4 million acre-feet now stored on the upper Snake River—to supplement existing irrigation water.

Harold Nelson, region 1 director, Bureau of Reclamation, has testified that this water would be used "only two or three times in 50 years."

Not 1 acre of new land would be brought under cultivation. Yet Burns Creek would remove more than 3,000 acres now in production.

Here's additional proof of this fact:

"* * * this project is not designed to reclaim any new land."—U.S. Senator FRANK CHURCH, of Idaho.

"* * * the irrigation aspects are secondary."—U.S. Senator EVERETT DIRKSEN, of Illinois.

Fiction: Burns Creek is reregulation project.

Fact: Not 1 penny of the project's total cost is allocated to reregulation to protect downstream irrigators against water surges from Palisades Dam. Need for reregulation has not yet been established. Even if this need existed, a small reservoir costing about $5 million at present prices would do the job.

Here's additional proof of this fact:

"The reservoir is not needed for river reregulation * * *."—U.S. Senator WALLACE BENNETT of Utah.

"(Burns Creek) will not be a reregulating reservoir * * *." If reregulation is needed Burns Creek will not do the job * * *.

"If reregulation is ever needed, it can be obtained by constructing a small dam downstream of the Palisades project."—U.S. Senator BARRY GOLDWATER, of Arizona.

Fiction: Burns Creek is required to firm up the peak generation at Palisades.

Fact: N. B. Bennett, Jr., Assistant Reclamation Commissioner, testified: "* * *. We could accomplish the same thing cheaper if we purchased power to firm up Palisades."

Fiction: Burns Creek would assist flood control.

Fact: Burns Creek would not provide any flood control benefits. N. B. Bennett, Jr., Assistant Reclamation Commissioner, testified: "We have no flood control in Burns Creek."

Fiction: Burns Creek would provide fish and wildlife conservation.

Fact: Burns Creek would not provide any fish and wildlife benefits, James T. McBroom, U.S. Fish and Wildlife Service, testified: "There are no fish and wildlife benefits in this project."

Fiction: Burns Creek power is needed.

Fact: Utah Power & Light Co. and Idaho Power Co. have kept generating capacity well ahead of need. Result: No power shortage exists now and none is foreseeable in the future. Almost 1 million additional kilowatts are scheduled to be installed in the next 7 years by Utah Power & Light Co. and Idaho Power Co.—at no cost to the taxpayers.

Utah Power & Light Co. and Idaho Power Co. are fully meeting the demands of deep-well pumps for full development of the area's underground water resources.

Since 1949, Utah Power & Light Co. has added more than 45,600 kilowatts of new pumping load in its Idaho territory to serve pumps supplying water to 106,800 additional acres.

Since 1949, Idaho Power Co. has added 146,500 kilowatts of new pumping load to serve pumps supplying water to 400,000 additional acres.

BURNS CREEK: POWER FOR A FAVORED FEW

Power from this $50 million white elephant would go at below-cost rates to a handful of preference customers who have a discriminatory first call on Government power.

More than half of the Government power produced in the area is allocated to three municipalities primarily serving urban residents and businesses—not irrigation customers. Thus Burns Creek power would benefit a favored few—with the rest of the Nation's taxpayers paying the bill.

The Bureau of Reclamation claims the right of these favored few customers to be supplied with federally produced power to meet their load growth—itself a claim for the Federal Government's right to assume the obligations of a utility.

BURNS CREEK IS UNECONOMIC

Burns Creek is not only a power project but an uneconomic one. It will cost $505 per kilowatt compared with $185 per kilowatt at Palisades. Power revenues from Burns Creek admittedly fall by $311,000 of paying annual interest on power investment. This means $30 million over the payout period would have to be made up from revenue from Palisades—money otherwise available for true reclamation projects.

Construction of Burns Creek means loss of $34 million that would be paid by investor-owned utilities in taxes. This type of legislation will whittle away, step by step, the tax base for the support of local governmental units—State, county, city, schools.

And it means further, that it would cut coal consumption by the area's steam-electric generating facilities by 250,000 tons per year requiring many thousand coal miner shifts per year, thereby further hurting the already depressed coal industry in Utah and Wyoming.

ACTIVELY SUPPORTS TRUE RECLAMATION

Utah Power & Light Co. has a long and consistent record of active support of sound reclamation programs. More than once we have joined the Idaho State Reclamation Association, the Committee of Nine and the Bureau of Reclamation in conceiving, planning, and developing such projects, including the Palisades reclamation and power project.

We have fostered the generation of electric power where such power is a proper adjunct to the development of water for agricultural, industrial, or culinary purposes.

On the other hand, we have been and are now unalterably opposed to Federal projects whose sole or primary function is the generation of electric power.

We recognize and respect the right of irrigator groups to endorse, as they have done, construction of the Burns Creek project; but we believe that in this instance true reclamation is being used to promote public power. Should future studies prove that river reregulation is needed, we will join irrigation groups in supporting a reregulating reservoir.

Protest Burns Creek now.

Burns Creek is an inflated $50 million power project camouflaged with fictitious claims of reregulation, irrigation, flood control, and fish and wildlife benefits. It would provide below-cost subsidized power to a favored few at the expense of the Nation's taxpayers, putting an extravagant drain on the U.S. Treasury. Burns Creek legislation is now before Congress. Protest this unnecessary, unjustified, and wasteful white elephant by writing or wiring your Congressmen today.

STATEMENT OF E. M. NAUGHTON, UTAH POWER & LIGHT CO., BEFORE THE SENATE SUBCOMMITTEE ON IRRIGATION AND RECLAMATION, 87TH CONGRESS, OPPOSING BURNS CREEK PROJECT S. 66, MARCH 15, 1961

Mr. Chairman and members of the committee, I am E. M. Naughton, president, Utah Power & Light Co., which serves southeastern Idaho, western Wyoming, and most of Utah. I reside in Salt Lake City. My associate, Mr. E. A. Hunter, and I are appearing here together—in the interest of conserving your committee's time—in opposition to S. 66, which proposes authorization of the Burns Creek project.

S. 66 would authorize a large power project. Certainly Burns Creek is not worthy of being labeled a reclamation project.

Our company is almost 50 years old. We have always promoted development of the natural, agricultural, and industrial resources of our region. Long ago we realized that for basic industries to be developed and to prosper in a semiarid region, the rain and snow fall we do receive must be prudently husbanded.

We have a long record of active support of sound reclamation programs. Many times we have worked with reclamation associations, water users, and the Bureau of Reclamation in conceiving, planning, and developing true reclamation projects. To bring about several Federal projects constructed in our region, our company adjusted certain of its longstanding water rights to assist the Bureau in developing water for purposes other than power generation. Our record is crystal clear in support of water development on the upper Colorado River.

Nearly 12 years ago a true reclamation project—Palisades on the Snake River in southeastern Idaho—was authorized for construction. Our company, with landowners and other citizens in the area, actively supported that legislation because it would bring water to land, and we appeared before congressional committees in its support.

As a company we have always fostered the generation of electric power where such power is a proper adjunct to the development of water for agricultural, industrial, or culinary purposes. On the other hand, we are unalterably opposed to Federal projects having as a primary purpose the generation of electric power. Federal projects built for power production only follow neither the intent nor the spirit of true reclamation law.

During hearings leading to the Palisades authorization 12 years ago, consideration was given to the possible ultimate need for a small reregulating reservoir downstream should water level fluctuation at irrigators' headgates be found detrimental during early operation of the project. Our company did not disagree with construction of such a reservoir if its need be proven.

The Palisades project has now been in operation for 3 years, and during that time no definite need has been provided for any downstream reregulation.

Note should be taken of the fact that before the Palisades project went into operation the Bureau of Reclamation conceived, designed, and actively promoted construction of a high dam to form a reregulating reservoir some 10 times the size of the one considered 12 years before and with 90,000 kilowatts of capacity. The Bureau called it a reclamation project—Burns Creek—even though it admitted that 98 percent of its proposed cost would be allocated to electric power.

The Burns Creek project is not only an unnecessary power project, but a very expensive power project. It would cost over $500 per kilowatt as compared to Palisades' $185 per kilowatt. It would impose upon the Palisades reclamation project ill-advised financial responsibility and thus substantially delay the time when power revenues from Palisades could be put to more beneficial purposes. Were Burns Creek built we would have a sound reclamation project—Palisades, subsidizing an unsound power project—Burns Creek, to provide electric power for a few preference customers who already have available to them an ample power supply.

The electric companies have always been and are now willing and able to supply all power needs of the area. We also have comprehensive long-range plans for providing all future power needs. The electric utility companies of the Rocky Mountain region plan to spend $2.5 billion in the 15 years ending 1975. This will provide new generating plants and other facilities which will increase the amount of electric power now available by 7 million kilowatts. Utah Power & Light Co. alone plans to spend $625 million in the same period to provide 1,500,000 kilowatts of new generating capacity and associated facilities. My company is presently engaged in building the Kemmerer steam-electric plant which will have an ultimate capacity of 500,000 kilowatts and will cost in excess of $80 million. These facilities, provided by the private utilities at not 1 penny of cost to the Federal Government (in fact, we are large taxpayers rather than tax consumers), will be adequate to supply the total area's electric loads, including those of the preference customers.

Burns Creek is certainly not a reclamation project. It would provide only 100,000 acre-feet of supplemental water to lands already well supplied. That small amount could have little, if any, effect on drought conditions when we consider that the reservoir development of the upper Snake impounds over 4 million acre-feet of water. Bureau witnesses have testified that this supplemental water from Burns Creek would be used two or three times over a 50-year period.

Senator CHURCH stated before the Senate in 1959 that the Burns Creek project is needed as an insurance policy against drought. I submit that such an insurance policy would saddle the American taxpayers with a $50 million premium with very negligible if any benefit. I refer you to the record—page 12, "Supplemental Report on Palisades Dam June 1949." The table shows that if Palisades were authorized—it has now been built—there would remain a shortage of 2,586,000 acre-feet in irrigation water in a year like 1934. May I ask this committee what benefit 100,000 acre-feet from Burns Creek would be to meet a shortage of 2.6 million acre-feet? It would meet only 4 percent of the total need at a price of nearly $50 million.

A proposed Burns Creek reservoir would impound 234,000 acre-feet of water, but almost 60 percent of that water would be thrown away in the interest of power head.

It is very dry out in Idaho right now—in fact in the whole intermountain area. Unless a miracle happens there will be over 900,000 acre-feet of unfilled reservoir capacity on the Upper Snake River when this spring's water harvest is over. It has been generally known for some time that we were going to have a bad water year and that we had better conserve what water we had. Yet in this period, when water should have been

stored for use by the farmers later on, releases have been made from Jackson Lake to provide a power head at Palisades, and since the 1st of October about 150,000 acre-feet have been released from the Palisades Reservoir over and above minimum downstream requirements to generate power for preference customers. Here is a factual example of what a powerplant can do to an irrigation project—a farmer's water. There is simply too much temptation to generate power in the hope that divine providence will bail the Bureau out later on and provide the farmers with water. Had the farmers not stepped in in January and demanded that the Bureau stop its foolishness, the situation would have been worse than it now is.

Here in the first dry year we have had for a long time we have far more storage capacity upstream from the Burns Creek site than we have water to fill it. What good would 100,000 acre-feet of additional storage capacity be to the farmers?

Mr. N. B. Bennett, Assistant Commissioner of Reclamation, has inferred that once the U.S. Government supplies any power to a preference customer that it incurs an obligation to supply preference customer's needs, no matter what they may be, forever. In testifying before this committee in 1959, Mr. Bennett stated: "* * * these people (preference customers) now have contracts for power with the Federal Government and we believe that they should continue to receive from the Federal Government power to meet their growing loads."

One would conclude from his testimony that ultimately when all hydrosites are developed, then the U.S. Government would construct steam or other generating facilities as might be required for these preference customers.

Some proponents of Burns Creek have testified that Government subsidized power is necessary to develop southeastern Idaho's arable land. It is interesting to note that last year our company's service for irrigation pumping was 6½ times what it was 10 years ago. Electricity for agriculture is cheap in the area we serve. Southeastern Idaho is famous for its potatoes and sugarbeets and we are pleased to report that power costs, as a percentage of the value of the product, are only 4.6 percent for potatoes and 8.1 percent for sugarbeets.

According to a recent Federal Power Commission report on electric rates for residential and farm service such rates in Idaho are among the lowest in the Nation.

Further operating experience with the Palisades project may develop the need for some downstream regulation—that need has not developed as yet—but reregulation can be supplied as it was conceived by the Bureau 12 years ago, with construction of a small reservoir, say 17,000 to 18,000 acre-feet, requiring a very low dam, at a cost estimated at $4.5 million. If such need develops, certainly our company would wholeheartedly support it.

Speaking of the need for regulating reservoirs on rivers subject to wide flow variations because of changing rates of release of water for irrigation and power generation, I submit that if the need for reregulation downstream from the Palisades project be proved the same type reregulation would be required downstream from a Burns Creek project if it should have a 90,000-kilowatt plant, because the same water would be released into the streambed.

Our company has made a very careful study of the economics of Burns Creek which definitely proves that the entire project is infeasible and unnecessary. My associate, Mr. E. A. Hunter, is thoroughly familiar with those studies and will testify in detail during these proceedings as to his findings and opinion.

STATEMENT OF E. A. HUNTER, UTAH POWER & LIGHT CO., BEFORE SENATE SUBCOMMITTEE ON IRRIGATION AND RECLAMATION, 87TH CONGRESS, 1ST SESSION, OPPOSING BURNS CREEK PROJECT, S. 66

Mr. Chairman and members of the committee, I am E. A. Hunter, assistant to the president, Utah Power & Light Co. The following statement is made on behalf of Utah Power & Light Co. which opposes the construction of the Burns Creek project.

In 1957 when Burns Creek legislation was first introduced a careful analysis of the Bureau of Reclamation's Burns Creek report led us to conclude that Burns Creek was an unnecessary, unjustified, and extremely uneconomic project. Since then we have appeared in opposition to this project several times and each time we are more thoroughly convinced than before that the project is ill-conceived, unnecessary, and wasteful. It is not in the best interests of the taxpayers of the region, the taxpayers of the Nation, nor the reclamation program of the West.

The purpose of Burns Creek, as stated in S. 66, is misleading. It has been stated that Burns Creek would provide facilities for river reregulation—this, in spite of the fact that a ranking Bureau of Reclamation official has testified that the farmers have been told that the river level in the summertime will be exactly the same with or without Burns Creek.

The bill also states that it will provide for control of floods—this, in spite of the fact that a Bureau of Reclamation official has testified that there are no flood control benefits in the Burns Creek project.

It is also stated that the Burns Creek project would provide for the conservation and development of fish and wildlife—this, in spite of the fact that a Department of the Interior official has testified that there are no fish and wildlife benefits in Burns Creek.

Burns Creek is not an irrigation project, even though it is proposed as such. Only 1.7 percent of the total estimated cost of approximately $50 million is allocated to irrigation. It is admitted that the project would provide only 100,000 acre-feet of supplemental water which might be used two or three times in 50 years.

It is primarily a power project to supply power in an area where no power shortage exists and in an area where the investor-owned utilities have definite plans to supply the growing electric power needs.

Economically, it is an unfeasible project. It would not generate enough revenue to pay even 3 percent interest on the interest-bearing investment. As a consequence, revenues must be siphoned from the Palisades project to subsidize Burns Creek, thereby delaying the payout of Palisades and deferring the time when Palisades revenues can be used to assist irrigation.

As has been pointed out in detail previously, we have played an active role in the development of many reclamation projects in our territory, including the Palisades project which generates large quantities of electric power. We supported Palisades because surplus power revenues are to be used to pay off the North Side Minidoka, Michaud Flats, and Fort Hall irrigation projects, thereby conforming to the true concept of reclamation.

The contribution of Burns Creek to irrigation, however, would be insignificant. It is a project primarily for power. Analysis of current data reveal that the power allocation is in fact over 98 percent. Furthermore, though Burns Creek is primarily a power project, it is recognized and admitted by all concerned that it cannot pay its own way. The Bureau has admitted it proposes to sell Burns Creek power below cost, in fact so far below cost that the Bureau's estimated power revenues resulting from Burns Creek would not even pay the interest charges on the project.

Burns Creek integrated "electrically, hydraulically, and financially" with Palisades, as proposed by the bill, would produce a net revenue increase of only $1,125,000, which is $311,000 short of meeting the interest obligation at 3 percent on the Burns Creek investment. It is obvious, therefore, that without help from Palisades, Burns Creek could never pay out. Reclamation would actually be hurt by the use of Palisades revenues to pay for Burns Creek. The large chart before you, a copy of which is attached to my statement, illustrates this fact.

Chart A, the bottom chart, shows that Palisades, without being burdened with Burns Creek, is scheduled to pay off the power allocation (commercial power and irrigation power) in 21 years. The irrigation cost to be repaid from Palisades revenue would be completely amortized at the end of 33 years. At the end of the 33d year an annual surplus of $1,147,800 would become available to aid future worthy irrigation projects if Congress so directed. The payout period for Burns Creek integrated with Palisades would be 59 years. By that time Palisades, without Burns Creek, would have produced a surplus of approximately $30,300,000 as shown by the chart.

Chart B, the upper part of the same large chart, illustrates the effect of integrating Burns Creek with Palisades, or to state it more bluntly, the effect of saddling the high cost, uneconomical Burns Creek project on Palisades. Use of Palisades revenue to help pay Burns Creek interest would delay payout of costs allocated to Palisades power 32 years or until the end of the 53d year. Repayment of Palisades irrigation costs would be delayed 26 years or until the 59th year. Details of this derivation are shown by table B attached to this statement. Contrast this with Palisades without Burns Creek. At the end of the 59th year Palisades, without Burns Creek, would have contributed a surplus of over $30 million which could be used to aid worthy reclamation projects.

This does not recognize the loss to the Nation as a result of postponing the repayment of the irrigation features 26 years. Investment in these features is interest free, but certainly the Government has to pay interest on the money it borrows to build these facilities. I would not agree that it is proper to ignore this feature; however, the Bureau has evidently operated under this principle for years and it apparently has attained some degree of respectability in the minds of some people.

The Bureau has estimated that if Burns Creek is built, taxes foregone because of Federal construction of power facilities would amount to $472,000 per year. During the Burns Creek payout period these foregone taxes would equal $24 million. The taxes and surplus subsidy to Burns Creek therefore (without interest on such subsidy) during the Burns Creek payout period would be:

Loss of taxes	$24,000,000
Loss of Palisades surplus	30,000,000
Total	54,000,000

If interest at 3 percent annually on the taxes and surplus subsidy is added, the total subsidy would be increased to $100 million.

It is recognized that the construction of the Burns Creek project would be a blow to the coal mining industry in the Utah-Wyoming area. In an attempt to alleviate this, language providing that the installation of the generating facilities be scheduled on the basis of providing the additional power requirements of the preference customers has been added. The effect of such amendment will not improve the coal min-

ers' situation but will only lengthen the payout period of the project and make the project even more uneconomical.

Need for river reregulation has been advanced in attempting to justify Burns Creek. Need for such reregulation, however, has not been supported by any tangible evidence that we have been able to find, but seems to be based on speculation as to what some future condition may impose. Even the Bureau of Reclamation does not assign a single dollar of value to this use.

A more logical and economical way to provide reregulation, if it ever be needed, would be to construct a dam to provide a reregulation reservoir of only 17,000 acre-foot capacity which would do the job, and permit Palisades to generate peaking power. According to various estimates, such a dam could be constructed for about $4,500,000. We understand that in 1953 the Bureau gave consideration to this approach and at that time submitted an estimate that such a reregulation dam could be constructed for $2,128,000. In this connection a Bureau witness testified August 1959: "However, we could accomplish the same thing cheaper if we purchased power to firm up Palisades; therefore, we did not believe it was a justified investment."

Despite this admission, the Bureau now proposes to spend almost $50 million for a project, the primary purpose for which they state is reregulation. Further, Bureau studies show that with Burns Creek, the amount of power purchased to firm up Palisades would be reduced by the insignificant amount of $4,000 per year. Does anyone believe that this kind of a benefit justifies the expenditure of almost $50 million? I am not surprised that the Bureau passed by reregulation when it came to allocating costs. We submit, therefore, that further study should be made of the need for reregulation before any action be taken.

Although Burns Creek is a power project, there is absolutely no excuse or justification for the contention that additional power is required in the area. Without a shadow of a doubt there is ample power in the area.

A report to the Federal Power Commission of April 1960 lists the total peak load anticipated in the Utah-Idaho area for 1960, including the total loads of the Bureau of Reclamation's Boise, Minidoka, and Palisades projects, which includes the loads of customers requesting Burns Creek power. The report also shows that there is installed capability available to carry this load, with a surplus in excess of 376,000 kilowatts. This same report shows that in 1963 the surplus (and this figure does not include Burns Creek) will be over 350,000 kilowatts. To assure ample power in the region, Utah Power & Light Co. and other utilities in the immediate area will install almost a million kilowatts in the next 6 years. This capacity, provided at not one penny of cost to the Federal Government, will be entirely adequate to meet the total power requirements in the area including those of the preference customers.

We maintain, as we have maintained from the very first, that the $50 million Burns Creek project is not a reclamation or a water development project but purely and simply a Government power project which would, in an average water year, dump about one-half billion kilowatt hours on an area where no power shortage exists now nor will exist in the future.

To summarize:

1. Irrigation benefits—100,000 acre-feet of storage which might be used two or three times in a 50-year period—are too insignificant to justify this power project.

2. Burns Creek is a power project, pure and simple, 98 percent being allocated to power, and it would produce power for sale in an area where there is a power surplus.

3. It is an uneconomical project. By itself it can never pay off, and integrated with Palisades it would destroy the ability of Palisades to contribute to the financial assistance of other worthy irrigation projects beyond the next half century.

4. Need for re-renegotiation has not been demonstrated, and even if it should be, such regulation could be provided at an estimated cost of $4,500,000, rather than the $50 million required for Burns Creek.

5. Burns Creek would embark the Bureau of Reclamation on a program of public utility responsibility, which is a complete departure from the long-established concept of reclamation.

For the foregoing reasons, we submit to your committee that S. 66 should not be approved.

THE TEMPORARY UNEMPLOYMENT COMPENSATION ACT—SENATOR BYRD OF VIRGINIA, AND CONSIDERATION OF CERTAIN NOMINATIONS

Mr. MANSFIELD. Mr. President, I am happy that the Senate has passed by voice vote the conference report on the Temporary Unemployment Compensation Act of 1961. I was disturbed, however, to read in last Friday's newspapers articles to the effect that there was a personal feud between the President of the United States and the distinguished senior Senator from Virginia [Mr. BYRD]. The stories were based on a report supposedly made by a member of the Finance Committee staff to the effect that the senior Senator from Virginia had canceled and not postponed certain nominations which had been placed before his committee and which his committee had tentatively agreed to consider the next day.

I wish to state for the RECORD that on that afternoon, to my close personal knowledge, the senior Senator from Virginia called back certain members of his committee and stated that it looked as if the Senate would be in session late that evening, probably until 11 or 12 o'clock, and that possibly it might not be in session the next day, St. Patrick's Day, and that therefore it might not be possible to bring up the nominations on Friday, as tentatively agreed, but that they would be brought up at a later date. This was agreed to by the committee.

For the RECORD I believe it ought to be brought out that at the conclusion of the debate on the temporary unemployment compensation bill the Senator from Virginia, the chairman of the committee, immediately asked that conferees be appointed. They were appointed. No conference could be held because the House had not appointed conferees. The House was not in session, and did not return into session until Monday of this week. Even then, despite the fact that there was no business transacted in the House, due to the passing of the distinguished Representative from Tennessee, Mr. Reece, an informal meeting between the conferees of both Houses was held. That meeting was resumed yesterday, after the House had officially appointed its conferees.

As soon as an agreement had been reached, the matter was brought to the attention of both the House and the Senate, and at the earliest opportunity the Senator from Virginia brought the agreement on the conference report to the floor of the Senate for consideration and disposal.

There is a no more fairminded, equitable, just man in the Senate than the distinguished senior Senator from Virginia. He may oppose legislation, just as we may oppose legislation, but to the best of my knowledge, in my 8 years in the Senate, he has never held up legislation because he did not like it. He has always brought it to the floor of the Senate. He has always sought speedy and expeditious consideration of measures referred to his committee.

This statement should be made by me because I had been perturbed by some stories which sought to imply that there was a personal vendetta, or personal feud, so to speak, between the President of the United States and the senior Senator from Virginia.

I wish also to extend my compliments to the Senator from Oklahoma [Mr. KERR]. He performed valiantly on the floor this afternoon. I also wish to compliment the Senator from Delaware [Mr. WILLIAMS] and other members of the committee who expressed their views and who made their viewpoints clear, and who presented their arguments to us, but who were agreeable to what the final verdict of the Senate was, based on the conference report and based on the decision of the Senate as a whole.

I wish to commend the senior Senator from Virginia and to tell him that I am very proud of the fairness and equity and tolerance he always shows on the legislation which comes out of his committee.

Mr. DIRKSEN. Mr. President, if I am not charged with an implied coalition, as I have been charged, or with being a part of an unholy alliance, I would like to say that the distinguished senior Senator from Virginia has a sense of equity and independence unsurpassed not only in the Senate but anywhere in this country. We are proud of the service he has rendered, and we compliment him. He is too big to entertain the vendetta spirit.

Mr. HUMPHREY. Mr. President, I wish to express my appreciation to the conferees and to the chairman particularly, for the agreement that was adopted which related to the amendment on the retirement pensions as they affect the temporary unemployment compensation. As I understand, the amount received under title II of the Social Security Act is excluded from the Williams amendment, which was adopted by the Senate.

Mr. BYRD of Virginia. The Senator is correct.

Mr. HUMPHREY. I believe that to be a very salutary feature in the bill as finally adopted.

I, too, join the Senator from Montana, the majority leader, in stating my personal regard for the senior Senator from Virginia. The comment I read in the

press was totally erroneous. No one has been more considerate or more gracious than the Senator from Virginia, and it is a pleasure to work with him.

Mr. HOLLAND obtained the floor.

Mr. CASE of South Dakota. Mr. President——

Mr. HOLLAND. Does the Senator from South Dakota wish me to yield to him?

Mr. CASE of South Dakota. I merely wish to make a brief statement on the unemployment compensation matter.

Mr. HOLLAND. I yield to the Senator from South Dakota.

Mr. CASE of South Dakota. Mr. President, I was proud to be associated with the distinguished Senator from Virginia [Mr. BYRD] in the vote that was cast on the passage of the unemployment compensation bill when it was before the Senate a few days ago. The fight the Senator from Virginia made to preserve the integrity of the State systems in this matter was a noble fight. When he was overwhelmed by a very scant numerical margin, I thought the bill should not be passed, and my vote was cast that way. In the State of South Dakota employers have made it a matter of pride and effort that they should maintain employment with as much stability as possible. They have been told through the years, that establishing a good experience record would work to their benefit and to the benefit of their employees, by building up reserves in their fund.

Now the employers in South Dakota, as well as in other States, who have made a special effort to maintain stable employment are finding that they are to pay an extra tax in order to make up for the deficiencies in States where a comparable effort to maintain stable employment has not been made.

It does not seem fair to them, and that is why I voted as I did the other day. I do not believe in federalization of the unemployment compensation program. I think we ought to encourage the employers in any State to do what the employers in my State have sought to do, namely, to maintain employment, and not try to operate on the theory that their employees should get help from the fund.

The employees want the fund to be available when it is really needed. They do not want it to be used as a reward for employers who do not have some sense of responsibility.

I was glad to vote with the Senator from Virginia the other day. I do not know of any other way to express my high regard for him than to say that I am glad I voted as I did.

Mr. KUCHEL. Mr. President, will the Senator from Florida yield?

Mr. HOLLAND. I yield.

Mr. KUCHEL. There is no more honorable, able, courageous U.S. Senator sitting today than the distinguished senior Senator from Virginia [Mr. BYRD]. He has gone out of his way, again and again and again, to help Senators who are junior to him. These words come with great respect from one of those who voted opposite the position taken by the senior Senator from Virginia the other day. That has nothing to do with the esteem in which he is held in this body. He has been an excellent Senator. He is a patriotic Member of the Senate. He courageously speaks out either for or against his political party when he feels it his duty so to do.

I believe one of the great privileges connected with service in the Senate is that upon occasion we can have honorable disagreements without in any stint diminishing respect and admiration for our seniors. I desire that the distinguished senior Senator from Virginia know that this sentiment comes from the heart of the senior Senator from California.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, will the Senator from Florida yield briefly?

Mr. HOLLAND. I shall be glad to yield, with the understanding that I expect to speak briefly about the broadcast last night by the British Broadcasting Corp. of the film—the miscalled documentary film—entitled "Harvest of Shame."

I have previously notified all Senators who showed any interest in this subject and, in addition, I have asked the staff of the Senate to advise them again now, so that they may be present, if they wish to be present, while the Senator from Montana takes up matters which he advises me should be handled in a rather speedy way.

I now yield to the Senator from Montana.

Mr. MANSFIELD. I thank the Senator from Florida. I ask the attachés of the Senate to notify the Senators in question, so that they may, if they desire, be present when the senior Senator from Florida makes his remarks.

Mr. HOLLAND. I thank the Senator from Montana.

REPORTS OF COMMITTEE ON RULES AND ADMINISTRATION

AMENDMENT OF SENATE RESOLUTION 33, 87TH CONGRESS, TO ENLARGE MEMBERSHIP OF SPECIAL COMMITTEE ON AGING

Mr. MANSFIELD. Mr. President, from the Committee on Rules and Administration, I report favorably, with an amendment, the resolution (S. Res. 111) amending Senate Resolution 33, 87th Congress, so as to enlarge the membership of the Special Committee on Aging from 9 to 15. I ask unanimous consent for the present consideration of the resolution.

The VICE PRESIDENT. The resolution will be stated by title.

The LEGISLATIVE CLERK. A resolution (S. Res. 111) amending Senate Resolution 33, to enlarge the Special Committee on Aging.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. MANSFIELD. Mr. President, the resolution has been cleared with the minority leadership. I ask for its approval.

Mr. CASE of South Dakota. Mr. President, what would the resolution do?

Mr. MANSFIELD. It would increase the size of the Committee on Aging. It would not increase the appropriation. The resolution has been cleared with the minority leadership, and they are in favor of it.

Mr. CASE of South Dakota. I merely heard a reference to increasing the size of a committee, and I wondered whether it was one of the standing committees of the Senate.

Mr. MANSFIELD. The resolution would increase the size of the Committee on Aging.

The VICE PRESIDENT. The question is on agreeing to the resolution.

The resolution (S. Res. 111) was agreed to, as follows:

Resolved, That the first section of Senate Resolution 33, Eighty-seventh Congress, agreed to February 13, 1961, is amended (1) by striking out "nine" and inserting in lieu thereof "twenty-one", (2) by striking out "six" and inserting in lieu therof "fourteen", and (3) by striking out "three" and inserting in lieu thereof "seven".

The title was amended, so as to read: "Amending Senate Resolution 33, Eighty-seventh Congress, so as to enlarge the membership of the Special Committee on Aging from nine to twenty-one."

REAPPOINTMENT OF DR. JEROME C. HUNSAKER AS CITIZEN REGENT OF THE BOARD OF REGENTS OF THE SMITHSONIAN INSTITUTION

Mr. MANSFIELD. Mr. President, from the Committee on Rules and Administration, I report favorably, without amendment, the joint resolution (H.J. Res. 176) to provide for the reappointment of Dr. Jerome C. Hunsaker as citizen regent of the Board of Regents of the Smithsonian Institution, and I submit a report (No. 79) thereon. I ask unanimous consent for the immediate consideration of the joint resolution.

The VICE PRESIDENT. The joint resolution will be stated by title.

The LEGISLATIVE CLERK. A joint resolution (H.J. Res. 176) to provide for the reappointment of Dr. Jerome C. Hunsaker as citizen regent of the Board of Regents of the Smithsonian Institution.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed at this point in the RECORD the text of the report accompanying the joint resolution under consideration.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

The Committee on Rules and Administration, to whom was referred the joint resolution (H.J. Res. 176) providing for the reappointment of Dr. Jerome C. Hunsaker as citizen regent of the Board of Regents of the Smithsonian Institution, having considered the same, report favorably thereon without amendment and recommend that the joint resolution do pass.

Title 20, section 42, United States Code, provides in relation to the Institution's Board of Regents that in addition to the Vice President and the Chief Justice of the United States, and Members of Congress, the

Board shall be composed of—" * * * six other persons, other than Members of Congress, two of whom shall be resident in the city of Washington; and the other four shall be inhabitants of some State, but no two of them of the same State."

Dr. Hunsaker's reappointment is within the classification of citizen regents who are resident outside the District of Columbia. He is especially valuable to the Smithsonian because he is one of America's outstanding authorities in the field of aviation research.

A letter in support of House Joint Resolution 176 addressed to Senator MIKE MANSFIELD, chairman of the Committee on Rules and Administration, by Dr. Leonard Carmichael, Secretary of the Smithsonian Institution, with accompanying biography of Dr. Hunsaker, is as follows.

SMITHSONIAN INSTITUTION,
Washington, D.C., February 1, 1961.

Hon. MIKE MANSFIELD,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MANSFIELD: Thank you very much indeed for your letter of January 24, 1961, together with the enclosed copy of Senate Joint Resolution 6, a resolution "To provide for the reappointment of Dr. Jerome C. Hunsaker as citizen regent of the Board of Regents of the Smithsonian Institution."

Dr. Jerome C. Hunsaker is one of America's very distinguished scientists and engineers. He has given most generously of his time in performing his duties as a regent of the Smithsonian Institution. As you know, Dr. Hunsaker is one of America's outstanding authorities in the field of aviation research. In this connection he has been especially valuable to the Smithsonian because it has a special bureau established by act of Congress: The National Air Museum.

I am sure that all the regents and the staff of the Smithsonian Institution most urgently hope that Dr. Hunsaker may be reappointed as a citizen regent of the Institution.

With kindest personal regards.

Sincerely yours,

LEONARD CARMICHAEL,
Secretary.

JEROME C. HUNSAKER

Hunsaker, Jerome C., head, department of mechanical engineering and of the department of aeronautical engineering, Massachusetts Institute of Technology; master of science degree and doctor of science degree from the Massachusetts Institute of Technology; graduate of United States Naval Academy; instructor, MIT, 1912 to 1916; honorary doctor of science degree, Williams College, and honorary doctor of engineering degree, Northeastern University; former chief of aircraft design in the United States Navy; former vice president Bell Telephone Laboratories and Goodyear-Zeppelin Corp.; pioneered research in the development of a wind tunnel and in overcoming technical obstacles standing in the way of better aircraft for America; founder and first president of the Institute of the Aeronautical Sciences in 1932 and edited its publication until 1941; member of the Federal Aviation Commission, 1934; chairman of the National Advisory Committee for Aeronautics in 1941 and member of its executive committee ever since; during the time he was chairman of this committee he participated in the development of pilotless aircraft research stations, high-speed flight stations and other laboratories; served on the War Manpower Commission, 1943, War Production Board, 1942 and 1944; also served on innumerable other boards connected with air problems and scientific research problems; awarded the Navy Cross, Daniel Guggenheim Medal, Franklin Medal, Presidential Medal for Merit, and the Wright Brothers Memorial Trophy; throughout his career he has contributed to this country's knowledge of sweptback wings, dihedral effects, control movements, applications of wire and radio communications to airway safety and the theory of similitude and dimensional analysis.

The VICE PRESIDENT. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution.

The VICE PRESIDENT. If there be no amendment, the question is on the third reading of the joint resolution.

The joint resolution was ordered to a third reading, read the third time, and passed.

PRINTING AS A HOUSE DOCUMENT THE PUBLICATION "FACTS ON COMMUNISM—VOLUME II, THE SOVIET UNION, FROM LENIN TO KHRUSHCHEV"

Mr. MANSFIELD. Mr. President, from the Committee on Rules and Administration, I report favorably, with an amendment, the concurrent resolution (H. Con. Res. 51), and I submit a report (No. 80) thereon. I ask unanimous consent for the present consideration of the concurrent resolution.

The VICE PRESIDENT. The concurrent resolution will be stated by title.

The LEGISLATIVE CLERK. A concurrent resolution (H. Con. Res. 51) to print as a House document the publication "Facts on Communism—Volume II, the Soviet Union, From Lenin to Khrushchev," and to provide for the printing of additional copies.

The VICE PRESIDENT. Is there objection to the present consideration of the concurrent resolution?

There being no objection, the Senate proceeded to consider the concurrent resolution.

The amendment of the Committee on Rules and Administration was:

After line 12, to insert a new section, as follows:

SEC. 2. There shall be printed ten thousand three hundred additional copies of such document for the use of the Senate.

The amendment was agreed to.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed at this point in the RECORD the text of the report from the Committee on Rules and Administration.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

The Committee on Rules and Administration, to whom was referred the concurrent resolution (H. Con. Res. 51) authorizing the printing as a House document the publication "Facts on Communism—Volume II, the Soviet Union, From Lenin to Khrushchev," and providing additional copies thereof, having considered the same, report favorably thereon with an amendment, and recommend that the concurrent resolution as amended be agreed to by the Senate.

Of the 50,000 additional copies specified by House Concurrent Resolution 51, 15,000 would be for the use of the House Committee on Un-American Activities, and 35,000 would be for the use of the Members of the House (approximately 80 copies per Member).

The amendment adopted by the Committee on Rules and Administration would provide for the printing of 10,300 additional copies for the use of the Senate (100 copies per Member).

The printing-cost estimate, supplied by the Public Printer, is as follows:

To print as a House document (1,500 copies)	$1,737.96
50,000 additional copies at $411.10 per thousand	20,555.00
Total estimated cost, H. Con. Res. 51 as referred	22,292.96
10,300 additional copies for the Senate	4,234.43
Total estimated cost, H. Con. Res. 51 as amended	26,527.39

The VICE PRESIDENT. The question is on agreeing to the concurrent resolution.

The concurrent resolution, as amended, was agreed to.

PRINTING OF A HOUSE DOCUMENT

Mr. MANSFIELD. Mr. President, from the Committee on Rules and Administration, I report favorably, with an amendment, the concurrent resolution (H. Con. Res. 81) to provide for the printing of a House document, and I submit a report (No. 81) thereon. I ask unanimous consent for the present consideration of the concurrent resolution.

The VICE PRESIDENT. The concurrent resolution will be stated by title.

The LEGISLATIVE CLERK. A concurrent resolution (H. Con. Res. 81) to provide for the printing of a House document.

The VICE PRESIDENT. Is there objection to the present consideration of the concurrent resolution?

There being no objection, the Senate proceeded to consider the concurrent resolution.

The amendment of the Committee on Rules and Administration was:

After line 12, to insert a new section, as follows:

SEC. 2. There shall be printed thirty thousand nine hundred additional copies of such document for the use of the Senate.

The amendment was agreed to.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed at this point in the RECORD the text of the report of the Committee on Rules and Administration.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

The Committee on Rules and Administration, to whom was referred the concurrent resolution (H. Con. Res. 81) authorizing the printing as a House document of a revised edition of the brochure "How Our Laws Are Made" (H. Doc. 156, 86th Cong.), by Dr. Charles J. Zinn, and providing additional copies thereof, having considered the same, report favorably thereon with an amendment and recommend that the concurrent resolution as amended be agreed to by the Senate.

There would be printed 132,000 additional copies for the use of the House (approximately 300 copies per Member).

The amendment adopted by the Committee on Rules and Administration would provide for the printing of 30,900 additional copies for the use of the Senate (300 copies per Member).

The printing-cost estimate, supplied by the Public Printer, is as follows:

Back to press, 1st 1,000 copies	$426.90
131,000 additional copies $43.28 per thousand	5,669.68
Total estimated cost, H. Con. Res. 81 as referred	6,096.58
30,900 additional copies for the Senate	1,337.37
Total estimated cost, H. Con. Res. 81 as amended	7,433.95

The VICE PRESIDENT. The question is on agreeing to the concurrent resolution.

The concurrent resolution, as amended, was agreed to.

PRINTING OF ADDITIONAL COPIES OF THE REPORT "COMMUNIST TARGET — YOUTH — COMMUNIST INFILTRATION AND AGITATION TACTICS"

Mr. MANSFIELD. Mr. President, from the Committee on Rules and Administration, I report favorably, without amendment, the concurrent resolution (H. Con. Res. 142) authorizing the printing of additional copies of the report "Communist Target—Youth—Communist Infiltration and Agitation Tactics," and I submit a report (No. 82) thereon. I ask unanimous consent for the immediate consideration of the concurrent resolution.

The VICE PRESIDENT. The concurrent resolution will be stated by title.

The LEGISLATIVE CLERK. A concurrent resolution (H. Con. Res. 142) authorizing the printing of additional copies of the report "Communist Target—Youth—Communist Infiltration and Agitation Tactics."

The VICE PRESIDENT. Is there objection to the present consideration of the concurrent resolution?

There being no objection, the Senate proceeded to consider the concurrent resolution.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed at this point in the RECORD the text of the report accompanying the concurrent resolution.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

The Committee on Rules and Administration, to whom was referred the concurrent resolution (H. Con. Res. 142) authorizing the printing of additional copies of the report entitled "Communist Target—Youth—Communist Infiltration and Agitation Tactics," issued by the House Committee on Un-American Activities, 86th Congress, 2d session, having considered the same, report favorably thereon without amendment and recommend that the concurrent resolution be agreed to by the Senate.

Pursuant to House Concurrent Resolution 142 the Committee on Un-American Activities would have printed for its use 100,000 additional copies of the report, submitted by J. Edgar Hoover, Director of the Federal Bureau of Investigation, illustrating Communist strategy and tactics in the rioting which occurred during hearings held by the committee at San Francisco, May 12–14, 1960.

The printing-cost estimate, supplied by the Public Printer, is as follows:

Back to press, 1st 1,000 copies	$164.49
99,000 copies, at $19.72 per thousand	1,952.28
Total estimated cost, H. Con. Res. 142	2,166.77

The VICE PRESIDENT. The question is on agreeing to the concurrent resolution.

The concurrent resolution (H. Con. Res. 142) was agreed to.

PRINTING OF PAMPHLET ENTITLED "OUR CAPITOL" AS A SENATE DOCUMENT

Mr. MANSFIELD. Mr. President, from the Committee on Rules and Administration, I report favorably, without amendment, the concurrent resolution (S. Con. Res. 17) authorizing the printing of the pamphlet entitled "Our Capitol" as a Senate document and providing for additional copies, and I submit a report (No. 78) thereon. I ask unanimous consent for the immediate consideration of the concurrent resolution.

The VICE PRESIDENT. The concurrent resolution will be stated by title.

The LEGISLATIVE CLERK. A concurrent resolution (S. Con. Res. 17) authorizing the printing of the pamphlet entitled "Our Capitol" as a Senate document and providing for additional copies.

The VICE PRESIDENT. Is there objection to the present consideration of the concurrent resolution?

There being no objection, the Senate proceeded to consider the concurrent resolution.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed at this point in the RECORD, the text of the report of the Committee on Rules and Administration.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

The Committee on Rules and Administration, to whom was referred the concurrent resolution (S. Con. Res. 17) authorizing the printing of a revised edition of Senate Document 13, 84th Congress, entitled "Our Capitol," and providing additional copies thereof, having considered the same, report favorably thereon without amendment and recommend that the concurrent resolution be agreed to by the Senate.

Additional copies totaling 323,500 would be printed, of which 103,000 copies would be for the use of the Senate (1,000 per Member), and 220,500 would be for the use of the House (500 per Member).

The printing cost estimate, supplied by the Public Printer, is as follows:

To print as a Senate document (1,500 copies)	$552.27
323,500 additional copies, at $63.78 per thousand	20,664.72
Total estimated cost, S. Con. Res. 17	21,216.99

The VICE PRESIDENT. The question is on agreeing to the concurrent resolution.

The concurrent resolution (S. Con. Res. 17) was agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That there be printed as a Senate document, with illustrations, the pamphlet entitled "Our Capitol"; and that three hundred and twenty-three thousand five hundred additional copies shall be printed, of which one hundred and three thousand copies shall be for the use of the Senate and two hundred and twenty thousand five hundred copies for the use of the House of Representatives.

TO PRINT "ACHIEVEMENTS DURING EIGHT YEARS OF A REPUBLICAN ADMINISTRATION" AS A SENATE DOCUMENT

Mr. MANSFIELD. Mr. President, from the Committee on Rules and Administration, I report favorably, without amendment, the resolution (S. Res. 107) to print "Achievements During Eight Years of a Republican Administration" as a Senate document, and I submit a report (No. 76) thereon. I ask unanimous consent for the present consideration of the resolution.

The VICE PRESIDENT. The resolution will be stated by title.

The LEGISLATIVE CLERK. A resolution (S. Res. 107) to print "Achievements During Eight Years of a Republican Administration" as a Senate document.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. KUCHEL. Mr. President, first, I desire to congratulate the distinguished majority leader for submitting this kind of resolution.

Mr. MANSFIELD. I did not submit it; the Senator's colleague submitted it.

Mr. KUCHEL. Then I thank the majority leader for presenting it. Second, why is there no explanatory material offered in connection with the resolution?

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed at this point in the RECORD the report of the Committee on Rules and Administration.

The VICE PRESIDENT. Is there objection?

Mr. HUMPHREY. Mr. President, I gather this is a very short document. [Laughter.] I have no objection.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

The Committee on Rules and Administration, to whom was referred the resolution (S. Res. 107) authorizing the printing as a Senate document of a study entitled "Achievement During 8 Years of a Republican Administration," submitted by Senator EVERETT MCKINLEY DIRKSEN, having considered the same, report favorably thereon without amendment and recommend that the resolution be agreed to by the Senate.

The printing-cost estimate, supplied by the Public Printer, is as follows:

To print as a Senate document (1,500 copies)	$487.42

The VICE PRESIDENT. The question is on agreeing to the resolution.

The resolution (S. Res. 107) was agreed to, as follows:

Resolved, That a study entitled "Achievements During Eight Years of a Republican

Administration", inserted in the CONGRESSIONAL RECORD on March 9, at pages 3570 through 3578, be printed as a Senate document.

PRINTING OF ADDITIONAL COPIES OF SYMPOSIUM ENTITLED "LEGAL ASPECTS OF SPACE EXPLORATION"

Mr. MANSFIELD. Mr. President, from the Committee on Rules and Administration, I report favorably with an amendment, the resolution (S. Res. 108) to print with additional copies a symposium entitled "Legal Aspects of Space Exploration," and I submit a report (No. 77) thereon. I ask unanimous consideration of the resolution.

The VICE PRESIDENT. The resolution will be stated by title.

The LEGISLATIVE CLERK. A resolution (S. Res. 108) to print with additional copies a symposium entitled "Legal Aspects of Space Exploration."

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed at this point in the RECORD the report of the Committee on Rules and Administration.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

The Committee on Rules and Administration, to whom was referred the resolution (S. Res. 108) authorizing the printing as a Senate document of a symposium entitled "Legal Problems of Space Exploration," and providing additional copies thereof, having considered the same, report favorably thereon with an amendment and recommend that the resolution as amended be agreed to by the Senate.

This resolution would provide that the symposium entitled "Legal Problems of Space Exploration," prepared for the use of the Committee on Aeronautical and Space Sciences, U.S. Senate, by the Legislative Reference Service, Library of Congress, be printed as a Senate document, and that 840 additional copies (the maximum under the $1,200 limitation) be printed for the use of that committee.

The amendment adopted by the Committee on Rules and Administration is pro forma in nature, designed to correct an error in the title of the publication.

The printing-cost estimate, supplied by the Public Printer, is as follows:

To print as a Senate document (1,500 copies)	$38,992.62
840 additional copies, at $1,425.44 per thousand	1,195.32
Total estimated cost, S. Res. 108	40,187.94

A letter in support of S. Res. 108 to Senator MIKE MANSFIELD, chairman of the Committee on Rules and Administration, from Senator ROBERT S. KERR, chairman of the Committee on Aeronautical and Space Sciences, is as follows:

U.S. SENATE,
COMMITTEE ON AERONAUTICAL AND SPACE SCIENCES,
March 20, 1961.

The Honorable MIKE MANSFIELD,
Chairman, Senate Committee on Rules and Administration, Washington, D.C.

DEAR MR. CHAIRMAN: I should like to urge your favorable consideration of Senate Resolution 108, to print as a Senate document the symposium prepared for the committee by the Legislative Reference Service of the Library of Congress.

Through inadvertence, the title is listed in the resolution as "Legal Aspects of Space Exploration." This title should be "Legal Problems of Space Exploration." I would appreciate your committee making this change as a committee amendment.

This document is an updated version of an earlier committee print entitled "Space Law: A Symposium." The demand for this volume was so great, that it was deemed advisable to bring it up to date and reprint it. Much new material has been added, and the title changed to reflect its broader scope. Printing it as a Senate document will allow for broader distribution and greater dissemination among scholars in this field.

Early action by your committee would be greatly appreciated.

With warm regards, I am,

Sincerely,

ROBERT S. KERR, *Chairman.*

The amendment of the Committee on Rules and Administration was:

In line 1, after the word "Legal," to strike out "Aspects" and insert "Problems."

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

The resolution as amended was agreed to, as follows:

Resolved, That the symposium entitled "Legal Problems of Space Exploration" prepared for the use of the Committee on Aeronautical and Space Sciences, United States Senate, by the Legisaltive Reference Service, Library of Congress, shall be printed with illustrations as a Senate document. There shall be printed eight hundred and forty additional copies of such Senate document which shall be for the use of the Senate Committee on Aeronautical and Space Sciences.

The title was amended, so as to read: "Resolution to print with additional copies a symposium entitled 'Legal Problems of Space Exploration'."

ORDER FOR PRESIDENT OF THE SENATE OR PRESIDENT PRO TEMPORE TO SIGN BILLS DURING ADJOURNMENT OR RECESS OF SENATE

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President of the Senate or the President pro tempore be permitted to sign bills during the adjournment or recess of the Senate.

The VICE PRESIDENT. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT UNTIL FRIDAY

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate adjourns today, it adjourn until 12 o'clock noon on Friday next.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, again I thank the Senator from Florida for his unfailing courtesy and graciousness in this matter.

Mr. HOLLAND. I am very glad to cooperate with the distinguished majority leader.

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the Speaker had affixed his signature to the enrolled bill (H.R. 4510) to provide a special program for feed grains for 1961, and it was signed by the Vice President.

SUPPORT FOR YOUTH CONSERVATION CORPS

Mr. HUMPHREY. Mr. President, I invite the attention of my colleagues to an editorial from today's New York Times, endorsing establishment of a Youth Conservation Corps. The New York Times editorial in support of this proposal, as embodied in legislation introduced by me, and by Representative JOHN BLATNIK in the House of Representatives, states:

The Youth Conservation Corps today can be a tremendous force for the conservation of resources and the useful employment of American youth in the 1960's.

As I stated yesterday, in commenting on the report that a Labor Department study group is preparing recommendations for establishment of a Youth Conservation Corps, the time is appropriate for such a program, and I feel confident that the Congress should and will give its approval to this worthy measure.

I ask unanimous consent that the New York Times editorial be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the New York Times, Mar. 22, 1961]

CCC TO YCC

Three years ago almost to the day, Senator HUBERT H. HUMPHREY and Representative JOHN A. BLATNIK of Minnesota introduced into the Congress a proposal for a 10-year management and development program for the conservation of America's natural resources. A major feature of their plan was establishment of a Youth Conservation Corps, modeled on the old Civilian Conservation Corps of New Deal days, one of the most highly successful and generally admired innovations of the Roosevelt era.

The Humphrey-Blatnik proposal in its entirety, which would have rehabilitated the badly depleted natural resources of the Nation, was estimated at the time to cost about $1.2 billion a year over a 10-year period, or, as Mr. HUMPHREY pointed out, for the entire decade one-fifth of the cost of the defense program for 1 year. However, nothing of a comprehensive nature was done, and there the matter rested.

Now the Kennedy administration has revived the Youth Conservation Corps part of the plan, under stimulus of the excellent report issued in January by its Natural Resources Advisory Committee headed by Representative FRANK E. SMITH of Mississippi. Establishment of a YCC alone will not solve the problem, but it is an important and progressive step.

With the 9-year experience (1933–42) of the CCC to guide it, the proposed YCC would employ some 150,000 boys aged 17 through 19 for 1 year's outdoor manual labor ranging from construction of check-dams to planting of trees, and covering the whole range of national park, forest, water and soil conservation activities. The estimated

labor cost would be some $400 million annually; and we can think of few ways in which such a sum could be better spent.

The amount of work required to be done in restoring this country's natural resources staggers the imagination—yet it must be done sooner or later; and the longer it is put off, the more expensive it will become. Three years ago Senator HUMPHREY estimated that only a third of the Nation's farmlands were yet protected by soil-conservation measures; that 50 million acres of forest land needed replanting and another 275 million improvement; that two-thirds of our western grazing land was suffering from erosion. These figures are still substantially the same.

In the spirit of the CCC almost a generation ago, the YCC today can be a tremendous force for the conservation of resources and the useful employment of American youth in the 1960's.

POSITION OF SENATOR McCARTHY AND SENATOR MUSKIE ON THE BYRD AMENDMENTS TO THE TEMPORARY EXTENDED UNEMPLOYMENT COMPENSATION ACT OF 1961

Mr. HUMPHREY. Mr. President, I should like to amplify and clarify the RECORD as to the situation of the junior Senator from Minnesota [Mr. McCARTHY] and the junior Senator from Maine [Mr. MUSKIE] on rollcall vote No. 16—CONGRESSIONAL RECORD, pages 4192–4193, March 16, 1961. That vote was on the question of adoption of the various committee amendments—the so-called Byrd amendments—to the Temporary Extended Unemployment Compensation Act of 1961.

Both Senator McCARTHY and Senator MUSKIE were assured by the Democratic leadership staff that there would be no problem in their attending a meeting held adjacent to the Capitol. They asked to be given sufficient notice about the time when a vote was scheduled.

Unfortunately, the vote on those committee amendments came before the time indicated to Senator McCARTHY and Senator MUSKIE, and we were unable to notify the two Senators in time for them to return to the Senate Chamber for the first rollcall.

They were, of course, announced as being against those amendments; and they are recorded properly on all other rollcall votes on this measure.

I make this statement because this body has no more conscientious Members than the junior Senator from Minnesota [Mr. McCARTHY] and the junior Senator from Maine [Mr. MUSKIE].

Mr. President, I thank the Senator from Florida for his courtesy, and I wonder whether he would like to have the absence of a quorum suggested at this time.

Mr. HOLLAND. No, Mr. President; I think adequate time has elapsed in order to enable Senators whom I have already notified, and who previously have shown an interest in the subject I shall discuss, to be present at this time; and if any such Senators have not yet reached the Chamber, I do not wish to compel their attendance, even if I could.

BRITISH BROADCASTING CORP. REBROADCAST OF FILM "HARVEST OF SHAME"

Mr. HOLLAND. Mr. President, I deeply regret that last night the British Broadcasting Corp. presented throughout the United Kingdom the film, "Harvest of Shame," under an arrangement with Columbia Broadcasting System. On February 6, I spoke in the Senate on this so-called documentary film, which CBS had presented as a network domestic broadcast on November 25, 1960. At that time, I spoke primarily as one of the Senators from Florida, representing the interests of the people of my State. My remarks were directed to seven specific misrepresentations of facts in this film and its unfairness to Florida migrant agricultural workers and their employers. I showed that matters supporting the views held by the producers of the film were included in the film, and that matters not supporting their views were excluded.

Today, Mr. President, I should like to speak primarily in my capacity as a Senator of the United States with a heavy obligation to all the people of our great Nation. I shall address my present remarks to the grave damage to our Nation's best interest which may be expected from the exporting of this untrue and unfair documentary film.

When I first heard, at midafternoon Monday, March 20, the shocking news that the film was to be presented by BBC, I contacted Gov. LeRoy Collins, former Governor of Florida, who now is serving as president of the National Association of Broadcasters. He pointed out that the National Association of Broadcasters exercises no control over network programming; but he expressed serious concern about the national interest, especially in the light of Mr. Edward R. Murrow's present position as Director of the U.S. Information Agency, as distinguished from his position at the time when the film was made. At that time Mr. Murrow was connected with CBS, and he appeared in the film to narrate its introduction and its conclusion. Governor Collins contacted high officials of the CBS network, and asked their urgent consideration of steps to avoid the showing. He was later advised by these officials, on Tuesday, March 21, that the showing would be made as contracted, but that, in the light of my protests, an announcement would be made, at the beginning and at the end of the film, to the effect that at the time when the film was produced, Mr. Murrow was in the private employment of CBS, and then held no official position with the U.S. Government.

After discussing the matter with Governor Collins, I called it to the attention of the State Department, which promptly made inquiry concerning the showing of the film in Great Britain, and was informed that it had been contracted for with CBS, and was about to be shown as advertised.

I talked three times with Mr. Lincoln White, at the State Department, and twice with Assistant Secretary Roger Tubby. Since then I have been advised that as a result of my conversations and those of others with the Columbia Broadcasting System in regard to this matter CBS has now promised not to offer this film for sale for showing in any other nation.

Mr. Edmund Bunker, CBS representative in Washington, called me as a result of the conversation I had had with Governor Collins. Mr. Bunker advised that the film has been sold some time ago to the BBC; that it is routine for programs to be put on the market for foreign distribution after domestic presentation by CBS; and that it was too late to cancel the British showing of the program.

In the course of those discussions I received two calls from Mr. Murrow, who yesterday was sworn in as head of the U.S. Information Agency. Mr. Murrow advised me that he both deplores and resents the fact that CBS sold the "Harvest of Shame" film for foreign presentation; that he is deeply distressed that it did so; and that he regards this CBS action as "wholly irresponsible." He emphasized that the film was made for domestic presentation, and that he had nothing whatever to do with its sale for showing abroad.

As I stated in my remarks to the Senate on February 6, the presentation of this film within the confines of the United States was highly undesirable in itself. I brought out at that time the fact that officers of the Philip Morris Cigarette Co., which purchased the time for the network presentation of the film, later repudiated it after making their own investigation, with the statement that the show was unfair, that it does not paint an accurate picture, and that they found in Florida "a dedicated people who have worked for years to improve the life of the migrants." I presented seven specific ways in which the film was false. One of these was the statement in the film that "there is no case upon the record of the child of a migrant laborer ever receiving a college diploma." I gave the names of 11 college graduates residing in one county alone who were former migrants or children of migrants. Another misrepresentation was the statement in the film that "there is no interstate standard with regard to safety." I showed that since 1956 a Federal statute has authorized the ICC to regulate interstate transportation of workers by motor vehicle. Other inferences in the film whose falsity was easily demonstrated were that the rent generally paid by migrants in certain areas is $15 per room per week, and that migrants have little hope of owning their own homes.

Since my remarks before this forum on February 6, there has been no contradiction on the Senate floor of any of my allegations of misrepresentations. Furthermore, since then there has been no contradiction from CBS or from any other source.

There are a number of reasons why the sale of this film to the British Broadcasting Corp. and its presentation last night throughout Great Britain were

highly detrimental to the best interests of our Nation. I shall now mention two of these reasons.

First, it presents a very bad picture of our country, at a time when the new administration and our people generally are making a strenuous effort to improve our Nation's image abroad. If the picture presented were an accurate one, the showing might not be so objectionable. However, the national image presented is not only an unfavorable one; it is also a very unfair and untrue image.

Many of the migrants in the picture are Negroes. In close juxtaposition with pictures of Negro migrant workers, such terms as "slaves" and "sweatshops of the soil" are used. This fits easily into the false picture of the position of Negroes in American society which our Nation's enemies are bending every effort to create throughout the world. By the use of such invidious terms, the impression is created that labor in the United States, particularly agricultural labor, is exploited.

Second, coming as it did on the very day that Mr. Murrow was sworn into his new responsibility of such grave importance to our country, the BBC broadcast could have no other effect than one highly embarrassing to our country and to Mr. Murrow. Despite the announcement at the beginning and the end of the film to the effect that Mr. Murrow was in no way connected with the U.S. Government at the time when he participated in its production (which was made because of my intervention in the matter), there were undoubtedly many viewers who tuned in at times when this announcement was not made or whose attention was diverted at such times. The impression that the film was a U.S. Government documentary was further fostered by the appearance of Secretary of Labor Mitchell. Mr. Murrow was justified in his dismay over the film's foreign presentation, since he must now, in his new official capacity, bend every effort to correct its misrepresentations and to erase its false picture of America and American life.

It is impossible to justify the actions of the Columbia Broadcasting System in putting its own monetary gain ahead of the best interests of the Nation, which all those connected with this great network must love as do other Americans. That the CBS officials responsible could, for a few "pieces of silver," permit this malicious and false slander against our Nation to be presented abroad is incomprehensible. By this thoughtless, irresponsible action, CBS has damaged the Nation whose government has granted the franchise by which it operates as a great medium of public information. It is my fervent hope that CBS officials and all others who are tempted to export such harmful and false film presentations of American life will take this experience most seriously and will in the future exercise the greatest care both in making such documentaries and in exporting them for foreign presentation.

Mr. WILLIAMS of New Jersey and Mr. KEATING addressed the Chair.

The PRESIDING OFFICER. Does the Senator yield; and, if so, to whom?

Mr. HOLLAND. I yield to the Senator from New Jersey.

Mr. WILLIAMS of New Jersey. Mr. President, first let me thank the senior Senator from Florida for advising me that he was going to make a speech this afternoon. Only because I was presiding over a hearing, and could not get away, I missed his early remarks. However, I wish to thank the Senator for his thoughtfulness, because we have discussed the problem of migrant workers together, informally, and on the floor of the Senate. I have been in colloquy with the Senator when he has been critical of the CBS film "Harvest of Shame."

On some of those occasions I have not felt it was any responsibility of mine to represent the Columbia Broadcasting System here on the floor of the Senate. I certainly do not feel I have any responsibility or authority to deal with the wisdom of the company's decision to let the film go to England to be used there by the British Broadcasting Co.

In reply to the suggestion that the film gives an absolutely false and malicious picture of the condition of migrant workers, I wish to say I have had the opportunity to be in the fields and camps where migrant farmworkers work and where they live in eight or nine States around the country.

I feel that part of the film was made during field trips of the subcommittee on migratory labor. I feel that way because I have seen the conditions there shown, and those pictures were accurate pictures. They were not false pictures. I know it because I was there.

It is true, and this I have said many times, that there is hope of improvement. There is a demonstrated hope, and I have said, publicly and to the Senator, that much of this improvement, he can be proud to know, is in his State of Florida, where there are day centers for youngsters, where there is home ownership in small degree, but I saw no other evidence of it in any other States, with the possible exception of California.

Do I correctly understand that an agreement has been entered that the film will not be shown abroad any more?

Mr. HOLLAND. The Senator is correct. As I understand, the company has agreed not to take the initiative in offering it for sale to any other country, and, if there are requests for it by other countries, to consider them most carefully.

I do not believe the distinguished Senator would hold it was good for the interests of our country for the film to be shown to upward of 60 million people who could see it in Great Britain, meaning England, Wales, Scotland, and Northern Ireland, and some areas of the continent, in the form in which it was shown and narrated by a man who has just been confirmed as the head of the U.S. Information Agency, and with the former Secretary of Labor from the State of New Jersey, which State is so well represented by the distinguished Senator to whom I am now speaking. I do not believe the Senator would hold it was an act in the national interest to sell that film for production to that huge audience as it was produced last night.

Mr. WILLIAMS of New Jersey. Let me say to the Senator from Florida that I have been working earnestly to understand the problems of migrant farm families, particularly American migrant farm families. In these two years we have worked as diligently as we could, and we have discovered some desperate human facts of life within this group of Americans, whose average income is under $1,000 a year, whose housing is unbelievable in its wretchedness, whose youngsters get little or no help, after they leave their home base in Florida, Texas, or California, in getting anywhere near a decent education, whose health and welfare are not taken care of by the communities, for whom no provision is made for unemployment compensation or minimum wages.

They are today, notwithstanding improvement in very measured step, the truly left-out people when we think of the social and economic gains of this country.

It was not until the Nation's conscience was aroused by the film that we began to get citizens' support for the 11 bills I introduced, from people all over the country, support for health and welfare and better working conditions for these people, through Federal legislation.

I hope we can move on to dealing with the legislation, and not waste all our energies in condemnation of a film, not in argument, but at least in discussion that arises.

Mr. HOLLAND. I find much in what the Senator has said to which I can agree. I think there are some bad conditions as shown in the film. I do not think that is a good excuse for exhibiting it overseas. I know that there are completely false expressions in that film. I called attention to seven of them on the floor of the Senate. In a colloquy later with the Senator from New Jersey commenting on the statement, he did not deny the accuracy of my statement in any one of the seven instances I pointed out. If he wishes to deny them, now is a good time to do it. I know those statements were false, and I know the Senator from New Jersey would not for a moment support, for instance, the statement that there was no college graduate from among the large group, whereas, we showed, in a short period of time, there were 11 such college graduates in 1 comparatively small community, giving their names and occupations. So there could be no possible question about it.

The Senator has mentioned another fact. There is housing belonging to the migrants, approximately 100 such families owning their own homes in 1 community alone. Yet there is an inference in the film that there is little chance for migrants to acquire homes of their own. There were similar statements which I am sure the Senator knows were false.

I hope the Senator will not leave the record in such shape as to indicate that he approves the showing of the film in Britain by the CBS, after CBS knew

these falsities existed and after CBS had not taken the trouble even to have them corrected for the discussion before the Senate.

There is one item in particular to which I should like to invite attention. In supporting certain things which the Senator is recommending, I have joined the Senator in the introduction of one bill, as written, and another almost in the form it was written.

Mr. WILLIAMS of New Jersey. I wish to make my position clear.

Mr. HOLLAND. I hope the distinguished Senator also feels that the very distinguished commentator, Edward R. Murrow, who has the heavy responsibility which the Senator and I helped place upon him as head of the U.S. Information Agency, knows what he is talking about when he speaks of his resentment at the sale and when he speaks of the complete irresponsibility which he says has been shown by the CBS officials in doing this thing to his country and to him.

Mr. WILLIAMS of New Jersey. In reply to the Senator from Florida, I thought at the beginning of my brief remarks I should make it plain I did not join the colloquy to approve or disapprove the decision of the Columbia Broadcasting System, a private company. I am not going to engage in discussion of that point.

Mr. HOLLAND. I understood the Senator to say also that he was glad Columbia Broadcasting System had agreed not to offer the film for sale to other nations. Was I mistaken?

Mr. WILLIAMS of New Jersey. I believe I said words to that effect. I was hopeful that perhaps this would put an end to the persistent effort to discuss at unusual length a film, when there is a program I wish to talk about, to work on, and to have enacted by the Congress.

The Senator knows that when I learned there were errors or mistakes, I agreed. That was true in our earlier discussions in connection with college graduates from the migrant farm communities. I have seen one or two such people, but I have seen literally thousands of families. While the film was technically in error, certainly it was only in small degree.

Finally, before yielding the floor, I wish to express my great gratitude to the Senator from Florida [Mr. HOLLAND] for his support of some of the most humane measures to deal with this social, economic, and human problem.

I state my gratitude because the support of no other Senator is more meaningful to the success of a measure which deals with health or welfare, and I believe the program will be advanced a long way.

Mr. HOLLAND. I thank the Senator for his gracious remarks. In order that the RECORD may be clear, I have joined the distinguished Senator on the bill, as presented and written, for giving Federal aid in establishing day nurseries wherever migratory workers go. I believe the Senator has already stated that there are such nurseries in my State at present.

I have also joined the Senator by introducing a revision of his bill to have the Federal Government aid in the construction of migrant housing, when such aid is needed, after I had made a few minor changes in his bill.

I have not been able to go all the way with the distinguished Senator, but I can see there is a problem. Our State has already acted. There has been action by the State legislature, action by the board of health, and action by the Governor with emergency funds when such were needed. In many other ways we have taken action, as indicated in the earlier discussion.

My appearance today is not primarily a Florida appearance. It is inconceivable to me that any Senator could feel that a wholesome thing was done by the CBS in its release of the film, which depicts our rural life in such an unfavorable light.

I have been handed a release marked "For immediate release" by CBS news, on "Harvest of Shame," which states:

> To deny overseas subscribers the use of the news report would be inconsistent with basic principles of freedom of information and full circulation of news.

That does not gee with the statement made to me by responsible Government agencies today, that CBS has agreed not to offer the film to other nations.

There has also been incorporated in the statement the announcement at the beginning and the end of the presentation in Britain, concerning Mr. Murrow's participation. Perhaps it would be best if I read it:

> In order to make clear that Edward R. Murrow's participation in the program was solely in his capacity as a CBS news correspondent we asked the BBC, and the BBC agreed, to include the following announcement at the beginning and the end of the broadcast of "Harvest of Shame."
>
> "This program was produced by the Columbia Broadcasting System and broadcast in the United States on November 25, 1960. Its preparation was begun in 1959. Edward R. Murrow was associated with the program while he was an employee of CBS news and prior to his appointment as Director of the U.S. Information Agency."

Without arrogating any importance to my own efforts in this regard, the announcement was made wholly as a result of my intervention. The pitiful part is that it does not seem to have occurred to the heads of this great and supposedly responsible organization that they were doing a disservice to our Nation by selling, without condition, for telecast in the United Kingdom by the BBC, a highly controversial film, which was known a long time ago to be controversial. The officials of CBS knew, as a result of arguments with the Farm Bureau Federation, which consists of 1.6 million farm families in this Nation, that the film was regarded by that organization as being false in 19 particulars. The officials knew, from my discussion before the Senate, that the film had been branded as false in seven particulars, which have never been denied or offset in any way about which I know.

For the CBS to sell the film for showing to more than 50 million people who are our friends and allies—who, in the greatest number, come from the same stock as we, and who speak the same language—was, I thought, a horrible thing.

I have yet to speak to anybody in Government—and I have spoken to more in Government than appears from the record today—who does not think that shocking irresponsibility was shown by the CBS officials who released this diatribe on American life.

Mr. WILLIAMS of New Jersey. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield to the Senator.

Mr. WILLIAMS of New Jersey. I thank the Senator again for yielding to me for this opportunity to discuss migrant farm families. I look forward to the weeks and months ahead when together we shall work for an affirmative program of relief in respect to these vital areas of health and welfare which the Senator is supporting with me, in part. I suggest that if our program for these people can be enacted we shall not have to worry in the future, for there will not be any possibility of the filming of a "Harvest of Shame."

Mr. HOLLAND. I thank the Senator. The Senator from New Jersey is always gracious. Particularly now I note with gratitude that the Senator does not seek to excuse or to apologize for the attitude of CBS in doing what has been done.

I am also happy to note that the Senator agrees with me that it is a good thing CBS has agreed not to offer this despicable film to other nations. I believe we are not far apart.

I have regarded it as an honor to join the Senator in respect to two of his bills, as to which I am not only representing myself, but also things already done by my people and my State, in an effort to make them more generally applicable to people who deserve some attention by Government. I thank the Senator for inviting me to join him in those respects.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. LAUSCHE. When Mr. Murrow's nomination came before the Committee on Foreign Relations, among other questions I asked him the following questions and he gave the following answers:

> Senator LAUSCHE. Mr. Murrow, now, then, I would like to ask a few questions about the migrant worker picture. Did you do any studying of the conditions in Ohio on migrant workers?
>
> Mr. MURROW. In Ohio? No, sir.
>
> Senator LAUSCHE. Many Ohioans wrote to me and were of the belief that the picture as shown contemplated reflecting the conditions on migrant workers in Ohio.
>
> Mr. Murrow, was your picture directed at the Nation as a whole?
>
> Mr. MURROW. It was directed at the Nation as a whole, sir.
>
> Senator LAUSCHE. That means it was directed at Ohio? How could you direct it at Ohio if you made no study of Ohio?
>
> Mr. MURROW. Because it was shown in Ohio as well as in other States of the Union.
>
> Senator LAUSCHE. But it was not intended to say that these are the conditions in Ohio?
>
> Mr. MURROW. No, sir.
>
> * * * * *
>
> Senator LAUSCHE. We are rather proud of what we have done in Ohio. We have migrant workers under unemployment compensation. We have agencies serving those workers. We have provided living quarters

for them, and they have provided sanitation that is good.

I point out that many citizens of Ohio believe that the picture as shown was reflective of the general condition. It was intended to be absorbed by the citizens of Ohio. It could not have been reflective of the conditions in my State, because the producer of the picture never was in the State and never made a study of conditions.

I point out the general weakness of showing a picture that highlights the bad and completely omits the good. If Ohioans were misinformed, undoubtedly people in the United Kingdom will also be misinformed if the picture is shown to them.

Mr. HOLLAND. Mr. President, I certainly appreciate the comment of the distinguished Senator from Ohio, which is so true. Not only was the picture not made by someone who actually went to Ohio to present it, but the people who took the pictures in my State, at least, took those that fitted the pitiful situation which they wanted to show and included them in the film. They took a much larger number of pictures, which were omitted from the film. The omitted pictures would have given a clear picture of the situation in my State.

However, the problem with which we are now faced is a national problem. I think we have a right to bring it up on this floor. Every network operates by sufferance of the Federal Government, because it must use channels which are granted the station under Federal law. In the first instance, the network should not have portrayed to our neighbors in the friendly countries of the United Kingdom conditions which are not representative and which, instead of being true, are in many instances false pictures of an important segment of our American life.

I wish to make one more comment. Not only were both Senators from Florida urged, but various other Senators were urged, by letters from people in their respective States, to oppose confirmation of the nomination of Mr. Murrow in the highly responsible post to which he had been named. The Senator from Florida investigated and found that the picture in question was taken by others. It was pieced together by others, Mr. Murrow, as narrator, accepted the picture as it was given to him, and he merely contributed the narration at the beginning and at the end of the film.

The Senator from Florida thought it would be hopelessly unfair and unjust to a man with a reputation of many years' standing to base opposition on any such flimsy situation as that. So the Senator from Florida stayed away from the confirmation hearing, as did other Senators from agricultural States who discussed the subject with me, and who felt aggrieved by what had happened. The Senator from Florida and others contributed to the unanimous confirmation of the nomination of Mr. Murrow.

It must be disappointing to Mr. Murrow to find that his former employers were less fair and less considerate to him on this question than were those who had some real cause—at least before making an investigation—to feel somewhat aggrieved by his participation in the film. I cannot understand how people for whom Mr. Murrow had been a loyal employee for many years could have treated him in the way in which they have treated him. I certainly appreciate his statement that he resents such treatment, and believes that the officials of his former company were irresponsible in making the sale of the film referred to.

Mr. KEATING. Mr. President, will the distinguished Senator from Florida yield to me?

Mr. HOLLAND. I yield to the Senator from New York.

Mr. KEATING. I wish to preface my inquiries, which are directed toward getting the ideas of the Senator from Florida as to how we should deal with such a problem in the future, by saying that I have not seen the film. However, I have had a great deal of mail about it from constituents who have seen it.

A number of people in whom I have confidence, as I do in the Senator from Florida, say that there were omitted from the film matters that dealt with the other side of the problem, which should have been included. I know nothing about what arrangement might have been made by CBS for the showing of the film by the BBC. I assume from what the Senator has stated, that BBC purchased the right to show the film. Is that the Senator's understanding?

Mr. HOLLAND. That is my understanding, but I do not know whether it is correct to assume that the showing was either under license or purchase, or any such arrangement. The point is that CBS delivered the film for showing by BBC to millions of British, Scotch, North Irish, Welsh, and other people who regularly look at programs on the British Broadcasting network in the early evening at their homes.

Mr. KEATING. Mr. President, to this extent I agree with the distinguished Senator from Florida: We do show and distribute things in this country which it would not be in our best interest to show in foreign countries. When disputes about our foreign policies are taking place, I never like to have representatives of this country, of either party, going to a foreign country and attacking the foreign policy of our own country. I believe that is not in good taste or in the national interest.

I wonder whether the Senator from Florida feels that there should be some ironclad censorship or a governmental effort to prevent a network or agency from showing or distributing a film in a foreign country.

Mr. HOLLAND. That would be a question which I believe the whole Congress would have to consider for a very long time. I have never favored censorship. I have always claimed that these great managers—that is what they are for the most part—of great investments would show responsibility and would react wisely to the opportunity to operate freely. I have voted on that basis in the Senate for nearly 15 years.

I am just now of the feeling that nothing could more quickly bring some limited censorship than such conduct as I have described on the floor of the Senate, which has resulted in exhibition in Britain of a film which in many respects is false and, even as to many respects in which it is true, is hopelessly unwise to show elsewhere, particularly by a narrator who has just been named as the principal mouthpiece of our country to carry the picture of our country to our friends and enemies alike throughout the world.

Mr. KEATING. I share the Senator's views about censorship. I wondered whether his criticism of this action would lead him to think that Congress should take any legislative action. If so, should it apply to magazines and newspapers and other media of communication that are sent overseas. I personally would be loath to take such action.

Mr. HOLLAND. This problem was brought to my attention on Monday afternoon of this week at 3 o'clock. Since then I have been trying to make some correction in view of the situation which confronted us. I believe I have. As a result of my efforts, there is, first, the announcement being made, before and after the showing of the film, that while Mr. Murrow is now the principal mouthpiece of this country as director of the USIA, he was not such at the time, but was an employee of CBS.

Second, I am advised by a high authority in the Government in Washington today that they have further assured our people that there will be no initiative taken by the network in offering the film for sale to other nations.

If it is necessary to go further, the Senator from Florida is willing to consider such a course of action. He is not a member of the Committee on Interstate and Foreign Commerce, which would have legislative jurisdiction. Because of that fact, however, he would not be unwilling to offer proposed legislation if he felt it was necessary to do so.

The Senator from Florida is now doing his best to help correct this situation and to minimize the possible effects of the taking of the picture by those not friendly to us, and the showing of it—and I am told by experts today that that could be done—in a somewhat less clear form but nevertheless in quite discernible form to nations that are not friendly to us.

I think it was an atrocious thing for people who should be patriotic and should be directly interested in serving their country to do. I hope it was not done by deliberation, and that we are through with such incidents.

Mr. KEATING. I have known some of the officials of the Columbia Broadcasting System for some time, and I am sure that if they did it, they did not do it out of any lack of patriotism or loyalty to their country. I cannot believe that the men who work for CBS and who have the responsibility for action of this kind, are not loyal, patriotic citizens.

Mr. HOLLAND. I would like to join the Senator in that feeling. I stated in my earlier remarks that the people who comprise the personnel of that company

should be, and I believe they are, just as patriotic as any other Americans. That makes it all the more the subject of my wonderment as to how they could have made this particular decision, after knowledge that their property was so highly controversial and that it had kicked up as much disturbance in this country and as much resentment as it had. I am referring to the fact that the principal utterance of resentment has come from officials who represent the American Farm Bureau Federation, which has a membership of 1.7 million farm families. Their statement of resentment has been heard from one end of the country to the other. Apparently they did not realize the logical results of their releasing the film to be shown in Britain.

Mr. KEATING. Obviously an outlet should not release a film which they know, or it has been demonstrated to them, is false in important respects. I believe that we could all agree on that.

Mr. HOLLAND. I thank the Senator.

Mr. KEATING. I know nothing whatever about the merits of the controversy, as to whether it is true or not. I do not mean by that in any way to question what the distinguished Senator has said. I was concerned lest the result of the Senator's plea might lead to the kind of problems overseas that I have just described. There are elements in our American life that we do not have any particular reason to be proud of. That applies to elements in my State and to the State of the distinguished Senator from Florida.

Mr. HOLLAND. Does the Senator believe that we should advertise it to the world?

Mr. KEATING. No. I am coming to that. I believe there is a difference between showing it in this country and showing it in a foreign country. I am not sure, if the story is true, that we should stop a publisher or broadcasting system in this country from showing a true picture of our country in every respect in a foreign country.

Mr. HOLLAND. That is not a debatable question. No such case has been made here. There is no question whatever about it. The Senator apparently was not on the floor throughout my remarks. For instance the film said that there is no case on record of a child from one of these families having earned a college diploma. A very brief and cursory census taken in one of the agricultural counties in Florida produced 11 persons with college degrees who were teaching—most of them were teachers—in the schools of that county, and who themselves had come from families of migrants.

There was a statement that there was no hope for the acquisition of homes, but a very brief census in the same county showed approximately 100 homes purchased, owned, and occupied by migrant families. Other statements were made. One of them was that there was no interstate standard to safeguard the migrants as they traveled by automobile or truck—generally by truck—from one State to another. The fact is that Congress passed such legislation in 1956 and that the ICC has issued comprehensive regulations which have been in effect for several years. Whether it has been effectively enforced is another question, concerning which I have no information. But it was said that there was no interstate standard in that field.

There were other statements, equally false, and demonstrably so. I think no one would deny their falsity.

Mr. KEATING. Does the Senator understand that those statements were included in the film shown in Great Britain?

Mr. HOLLAND. They were included in the film. The transcript of the film as a whole—every word in it—was placed in the CONGRESSIONAL RECORD by one of our colleagues, so the Senator from New York will have no difficulty in reading it, if he wishes to do so. It appears in the CONGRESSIONAL RECORD for January 23 beginning at page 1145.

Then, if the Senator will do me the honor to read the statement I made on the floor, not yet controverted—no one has denied it—he will find 7 particulars out of 19 made by the American Farm Bureau Federation, particulars which I think were clearly applicable to my State—and at that time I was speaking of this as a State matter largely, but now not so at all. This is a national matter, in which the good will of our best ally is challenged, is at stake; in which the respect of the people of that ally for us and for our institutions will be shaken; and in which all kinds of evil results and effects can be received by our country in its friendly relations with the United Kingdom.

Mr. KEATING. Does the Senator from Florida know whether Great Britain has any provision for equal time?

Mr. HOLLAND. No; but if he did, he would not expect the good people of Great Britain to listen to the statements of his fine and distinguished friend from New York, much less his own modest statement as a Senator from a southern State, and contrast them with the very interesting, sensational, although false pictures which, in many instances, were incorporated in the film. It really was an interesting film.

The best proof of the interest manifested by the people, and of the fact that they believe the picture, has been the great flood of letters which Senators have received, based upon the feeling by people who saw the film that it was gospel from beginning to end, that they believed it, and therefore resented the terrible statements and things therein shown.

Mr. KEATING. I think the Senator from Florida has performed a service, at least to the extent of focusing attention on a real problem. The more we talk about it, the more important it looms.

The distinguished Senator from New Jersey [Mr. WILLIAMS] has performed outstanding service in this overall field. I appreciate the clarification which the Senator from Florida has given by his views on the subject.

Mr. HOLLAND. I thank the Senator from New York. I have heretofore expressed on the floor, not once, but several times, my appreciation to the Senator from New Jersey. He knows that, but perhaps he was not here when I made this statement. I am not at all insensible of the fact that he has made a careful investigation of the situation. I have expressed my gratitude to him because on five separate occasions, in public utterances—perhaps on other occasions also, but in five which have come to my attention—he has made highly complimentary remarks about my State.

In one such statement I took unusual pride, because it was made at Fresno, Calif. As Senators know, a friendly rivalry exists between the great Golden West, which is so well represented by California, a truly great State, and our own smaller but, we think, very great State. However, we have not used the word "golden" as applied to it. Perhaps we can find a more appropriate, alluring word. We have used the word "sunshine" as applied to Florida. Last year that word, or other things connected with our State, brought 11 million Americans to visit Florida. We are grateful for the visits made by everyone.

Mr. KEATING. They came mostly from New York.

Mr. HOLLAND. We hope there will be more visitors to Florida next year. However, the Senator from New Jersey was gracious enough, in addressing a public gathering at Fresno, to make a complimentary statement about Florida. I think it took courage as well as conviction to state to the crowd which was present that "Florida is probably the most enlightened State we have seen in the total picture of migrant State problems." I express to the Senator my very warm appreciation. Whenever he goes to Florida, he will find the red carpet out and the hand of friendship and welcome extended. We think the Senator from New Jersey has performed his service in an excellent manner. We have no fault to find with him.

He has found no fault with the statement I made in connection with the film. Neither has he to date found fault with the fact that I went to bat, as I think I should have, or as someone should have, against the Columbia Broadcasting System for releasing a production which is not at all characteristic or representative of rural life in our Nation, and showing it in a country where it would be viewed by millions of people who have little knowledge of rural life, because in the main, by force of circumstances or otherwise, they are city dwellers, employed in industry.

Mr. WILLIAMS of New Jersey. Mr. President, will the Senator from Florida yield?

Mr. HOLLAND. I yield.

Mr. WILLIAMS of New Jersey. I desire to express my gratitude to the Senator from Florida [Mr. HOLLAND] and the Senator from New York [Mr. KEATING] for their kind remarks about the Senator from New Jersey.

Mr. HOLLAND. If the Senate would be willing to leave the solution of this

problem to the Senator from New Jersey and, under his leadership, the Senator from Florida, I think we would reach a solution. I have appreciated always the Senator's gracious attitude.

Mr. JAVITS. Mr. President, will the Senator from Florida yield?

Mr. HOLLAND. I yield.

Mr. JAVITS. I am a member of the subcommittee of which the distinguished Senator from New Jersey is the chairman. I have sat in many hearings and have been appalled by some of the conditions disclosed in my own State. So are we all, each in connection with his own State.

I join with my colleague, the Senator from New York [Mr. KEATING] in the statement that certainly anything which brings the subject more forcefully to our attention, whatever may be the occasion, is helpful to all of us.

I saw the release from the Columbia Broadcasting System, which my colleague was kind enough to hand to me. May I ask the Senator from Florida whether the CBS has been asked to make or has volunteered to make a point-by-point answer to the statement made so very effectively by the Senator from Florida.

Mr. HOLLAND. I have not addressed a letter to the CBS, in which I said that on the floor of the Senate I made a statement about the film and about the seven points to which I have referred. I take it for granted that they get the CONGRESSIONAL RECORD. They have made no answer. My recollection is that they made a 20-page reply to the American Farm Bureau Federation, of which I received a copy. I have received no written communication at all from the CBS.

I think they are very much disturbed about the incident. I hope they are disturbed enough to the point where they will not do this kind of thing again, because it is not in the national interest that they should do so.

I am not talking at all about all the domestic implications. That can be reserved for another day. I am talking about an agency which is important in our own country, and which holds the public confidence to the degree that it has been granted, through its various outlets, at least dozens, if not hundreds of channels, and which exists by the sufferance of the Federal Government and under Federal law. I cannot understand how they could have come to the conclusion that it was proper for them, no matter how much they were paid—I have not asked them how much they received for the film—to surrender the film for a showing in Great Britain. To me, it is completely incomprehensible that that decision could have been made.

Mr. JAVITS. The Senator from New Jersey [Mr. WILLIAMS] says there is in the RECORD a copy of the statement made, in answer, to the American Farm Bureau Federation. I think that is important, because with all due deference to the feelings of the Senator from Florida, which I can well understand, I think many of us would be appalled by governmental restraint in connection with matters of this sort, because if such restraint were to occur, conclusions which thereby would be drawn would not be in line with our position throughout the world in regard to governmental restraint.

However, I can well understand that the Senator from Florida wishes to have a correct presentation of the facts made and given to the people, and wishes to have a dressing down made when he thinks those responsible deserve it.

I wish to make sure—and the Senator from New Jersey [Mr. WILLIAMS] now assures me that it is so—that, just as the Senator from Florida wishes to have open covenants openly arrived at, there is in the RECORD an answer in detail.

Mr. HOLLAND. There is no answer at all to the points I made, so far as I have observed or so far as has been called to my attention. I think some of the same points are dealt with in the earlier answer or statement made by an attorney of the CBS; but it is more in the nature of a legal brief, than anything else. But to say that it refutes the charges I made about the matters of falsity set forth and contained in the program—matters of falsity which I documented, and which are set forth in the RECORD—is inaccurate.

For instance, in regard to the representations made on the program about college graduates, to the contrary of those representations, the actual facts are available to those who will now make inquiry in that community. The man who made the film, Mr. Lowe, admits that some of the representations made in the program were incorrect, and makes other statements which are quoted in our press, but which I shall not discuss at this time. Probably there will be opportunity to discuss them later.

But if the Senator from New York will read my statement on the subject before he reads the statement which was made to the American Farm Bureau Federation by the attorney for the CBS, I believe the Senator from New York, with his great acumen, and as a result of his long years of experience as attorney general of his State, and in view of his outstanding ability in that field, which has received widespread recognition, will be able to determine for himself that no categorical answer was made to the points I raised.

Mr. JAVITS. I thank the Senator from Florida.

In order that those who read the RECORD may have access to the material I have mentioned, I now point out that the material to which the Senator from New Jersey [Mr. WILLIAMS] has referred was contained in the RECORD of February 16, beginning at page 2218. So it can easily be found by referring to the RECORD for that day.

Again, I thank the Senator very much for his graciousness in yielding.

Mr. HOLLAND. Mr. President, inasmuch as the Senator from New York has cited that RECORD and those pages, let me point out that by examining the RECORD for February 6, 1961, he will find, beginning on page 1756, my own remarks on this subject, with the seven listed misrepresentations.

Mr. JAVITS. Good.

Mr. HOLLAND. I hope the Senator from New York will take the time to read them.

Mr. JAVITS. I certainly will.

Mr. HOLLAND. And I should be very glad to have his analysis and his judicial decision after he has read them.

Mr. JAVITS. I thank my colleague for his usual good humor and graciousness.

PRESIDENT KENNEDY'S MESSAGE ON FOREIGN AID

Mr. COOPER. Mr. President, I have read with great interest the President's message today on his program of foreign aid.

I hail the President's message on foreign aid. His recommendations must be accepted by the Congress and the people if our aid program is to be effective, indeed, if it is to survive.

The administrative reorganization which he proposes is necessary; but I believe it will have little importance unless the Congress and the executive branch make, during this congressional session, the vital decisions the President suggests.

First. The Congress must provide a 5-year program, for without continuity the nations we help cannot plan effective programs or manage their limited foreign exchange. A 5-year authorization will make possible the development of wealth-generating industrial projects, reform in public administration, and long-term plans for education, health, and land reform which reach the people.

Second. The administration must insist that European and other advanced industrial countries join in this program, for the United States cannot bear the burden alone. A yearly contribution of 1 percent of gross national product is a reasonable goal for the United States and other countries.

Third. The administration should secure the assistance of the World Bank and other institutions to work with countries we aid in the formulation of the best developed plans. President Kennedy now has his greatest opportunity—one he may not have later—to work with recipient countries toward the development of plans which have the greatest promise of success. We should not commit substantial sums for aid until such plans are developed.

I make two additional suggestions:

First. The United States should urge the countries we assist to look carefully at their agricultural development plans.

There is great emphasis upon industrial development in these countries, and, of course, that is necessary if there is to be any substantial increase in their wealth. However, food and clothing are always the first essentials. If the democratic governments we help cannot make food available while they develop their countries industrially, they may lose the support of their peoples.

Second. The United States should be forthright with governments which may

suggest that if we do not give help on certain projects, they will ask Russia for such aid. We should say to them: "We are ready to develop with you programs, for which we will provide the maximum assistance possible over a period of 5 years. If Russia desires to provide assistance, let it do so. Our purpose is to be of assistance, not to bargain over Russian aid."

During my service as Ambassador to India, I was able to see the operation of our foreign-aid program. While it was uniformly good in India, I saw that the lack of continuity limited its effectiveness and caused dissipation of our funds in secondary projects and in a foreign aid establishment entirely too large in terms of personnel.

I mention this matter because I may be the only Member of the Senate who has discussed and considered foreign-aid programs from the standpoint of their formulation in the Senate and also has had opportunity to observe their actual operation. In 1956, I recommended to the Department of State many of the points which are made in the President's message. In 1958 and 1959, I joined with President Kennedy, when he was then a Member of the Senate, in sponsoring two resolutions affecting India; and at that time, in our speeches during those years, several of the recommendations now made by President Kennedy were presented to the Senate. On April 29, 1960, in a speech on the floor of the Senate, I recommended the separation of military and economic assistance; a 5-year program, so as to provide continuity; assistance by the World Bank and other institutions in the development of plans by recipient countries; and the entire reorganization of our foreign-aid program.

I emphasize again that the President has made recommendations without which our foreign-aid program cannot be effective, and without which, in my opinion, it cannot survive. I shall support fully his recommendations.

I ask unanimous consent to have printed at this point in the RECORD excerpts from the speech I made on April 29, 1960, when—and I am glad of it—I recommended at least four or five of the points which are included in President Kennedy's message of today.

There being no objection, the excerpts from the address were ordered to be printed in the RECORD, as follows:

EXCERPTS FROM REMARKS BY SENATOR COOPER IN THE SENATE ON APRIL 29, 1960 (CONGRESSIONAL RECORD, VOL. 106, PT. 7, PP. 8982–8983)

I believe that if the foreign aid program is to survive, it demands a reorganization by the executive branch, and by the Congress.

One of the chief reasons for the growing disillusionment over our foreign-aid program, in my view, is that many people do not believe that it is as effective as it could be, considering the amount of money that we appropriate each year. From my observations for a short time in another country, that was my belief—that it is not as effectively used as it should be, and that it demands reorganization.

I wish to suggest a few points today which I believe this administration, or the incoming administration, and the Congress and its appropriate committees might take into consideration in the formulation of a foreign aid program for the future.

My first point is that military assistance and defense support should be stricken from the mutual security bill and placed in the defense budget.

The second point I make—and I believe this is the most important of all—is that if a foreign aid program is to be truly effective, it must be given continuity by the administration and by Congress.

The Marshall plan succeeded, in my judgment, because Congress made a statement of policy, a moral commitment to a 5-year program. The European countries were able to plan programs to fit their needs. They were able to organize their plans and programs for a 5-year period. The United States on its part was able to make its economic arrangements, its delivery of supplies over a period of 5 years. This course produced an effective program. And the cost was less than was contemplated at the time of the adoption of the Marshall plan.

As long as we have an economic program under which appropriations are made year by year, the recipient country cannot plan its expenditures; it cannot manage its foreign reserves. The United States cannot plan with the recipient country programs which would be most effective in that country. As a result, a country will not undertake wealth-creating programs because it does not know that help will be forthcoming from succeeding Congresses.

Russia has an advantage in this respect: It can select one or two great projects in another country, of large cost, which are wealth creating. It will make commitments at one time, to enable the major projects to go forward under Russian aid.

It seems contradictory to the very spirit of this country—a country which prides itself on its efficiency, and on the effectiveness of its private enterprise system, where plans are made years ahead—for the Congress to appropriate vast sums of money year by year, piecemeal, which deny the very effectiveness and the fulfillment of the objectives of our foreign-aid program.

Continuity for 5 years would make possible a far more effective foreign-aid program with the same amount of money we appropriate now, or even with smaller sums.

The third point I make relates to the selection of projects in the recipient countries. Our programs are bilateral. Usually a country submits to the United States a program which it would like to undertake. It is difficult for the United States to say that a better program could be initiated. To do so offends the sense of sovereignty of the other country. It offends their sense of freedom and independence in a newly established country. A multilateral organization, however, could assist in the selection of the best program for a country, without difficulty.

I should like to see the State Department and the executive branch be able in the future to arrange consultations with the World Bank, or with the United Nations program of preindustrial planning. If the preindustrial planning program of the United Nations or the World Bank were used to determine the most suitable programs for recipient countries, we could be sure then our money would be spent on the best programs and would be more effectively used.

My fourth point is that we should give more attention to agriculture. As these countries industrialize, the slow advances in personal income will first be spent on food and clothing. Unless they make progress toward modern agricultural development, we will see inflation in these countries, and the small advance in personal income from their industrial progress will be wiped out.

We know that our foreign aid program, in self-interest, takes into account the struggle between the two great world forces—the democratic countries and the Communist countries. But for many people throughout the world—and I know this to be true from my service in other countries and from my service in the United Nations—this struggle has little appeal. It ought to have appeal, but it does not reach the people. Many countries are engaged in a revolution, peaceful or violent, to upset the old order in their countries; an order which they believe has held down their living standards and prevented them from attaining equality in the world. Whether it be a democratic revolution or a Communist revolution, there is mystique and attraction in revolution. We see this today in Latin America.

If we base our mutual aid program with these countries solely on helping us maintain our own defenses and our own security against communism, the program will not have full appeal to the countries that are developing. Although they know of our self-interest, they want to be certain that our purpose in maintaining this program is also to help the newly independent and developing countries advance in the ways our country has advanced. We can communicate that purpose to them only through action.

So if we are to have a mutual security program which the country will continue to support, this program must be reorganized. I have had the unique experience of observing this program from both sides (as a Member of the Senate and as Ambassador to India); and I have made these same recommendations since 1955 and 1956, when I saw our mutual security program in operation.

EMPLOYMENT THROUGH INITIATION OF PROGRAMS OF NEEDED PUBLIC WORKS

Mr. HART. Mr. President, in the last few weeks I have had increasing numbers of visits, telephone calls, and letters from representatives of Michigan communities who have in common a concern that I fully share. They want employment provided through initiating programs of needed public works.

Like many parts of the country, Michigan has been experiencing severe unemployment. Unemployment in Michigan in mid-February was 13.7 percent of the labor force, compared with the U.S. average, not seasonally adjusted, of 8.1 percent. At the same time, community after community in our State is in critical need of additional water systems, sewage disposal systems, flood control projects, airports, land and timber conservation facilities, and the like. These are not "dreamed up" projects. They represent a backlog of needs which will have to be met if we are to realize our economic potential and strengthen the Nation.

The new administration has come into office pledged to raise the economic growth of the Nation. This is essential for the strength of the Nation, the well-being of our people, and the fulfillment of our responsibilities as a world leader. We must move ahead on this commitment with every responsible means we can devise.

Our distinguished colleague, the Senator from Pennsylvania [Mr. CLARK] in-

troduced last month a bill—S. 986—which offers real hope in this direction. It would tackle the unemployment problem through the acceleration of capital expenditure programs of State and local public bodies. Senator CLARK's bill is aimed particularly at smaller projects which can be initiated promptly—and completed over a reasonably short period of time.

In answer to those who claim that the public works approach is too slow to be efficacious in meeting unemployment, I wish to insert in the RECORD a letter from R. J. Alexander, director of public works of Oakland County, Mich. With his letter Mr. Alexander presented a brochure outlining projects which could be placed under construction, if money were available, within 30-, 60-, and 90-day periods. These projects, in this one county which I know, will total $74 million. Mayor Louis C. Miriani, of Detroit, has sent me a schedule of needed public works projects, totaling $250 million, which his city could undertake without delay if Federal assistance were available. N. G. Damoose, the city manager of Traverse City, Mich., has sent a copy of his letter to Senator CLARK, in which Mr. Damoose outlines a $10 million program which his community needs, but cannot hope to achieve on its own for many, many years.

This story has been repeated to me over and over in the past months, from all sections of my State. From my discussions with these persons, I gather that in addition to the Federal grants provided in S. 987—which, as it is now written, would aggregate not more than $500 million—they would welcome a program of low-interest loans. It is my hope that the Labor and Public Welfare Committee, to which this bill was referred, will schedule hearings on it at an early date. Various amendments to the bill will no doubt suggest themselves, but I commend its general approach to the committee and to the President's Council of Economic Advisers.

Mr. President, I ask unanimous consent that the letters from Mr. Alexander, of Oakland County; Mr. Damoose, of Traverse City; Mayor Swanson, of Ironwood; and Mayor Miriani, of Detroit, presenting concrete evidence of the need for this type of legislation, be printed at this point in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

DEPARTMENT OF PUBLIC WORKS,
COUNTY OF OAKLAND, MICH.,
Pontiac, Mich., February 28, 1961.

Hon. PHILIP A. HART,
Senate Office Building,
Washington, D.C.

MY DEAR SENATOR HART: Transmitted herewith are a number of projects, which if money were available, could be placed under construction within a 30-, 60-, and 90-day period by this department alone.

It is thought that this information would be of value to you, should there be a desire on the part of the administration to initiate a public works program to alleviate unemployment in the so-called distressed areas of the country, of which the Detroit metropolitan area is one of those areas hardest hit by unemployment.

It has been stated many times that 80 percent or more of moneys spent on public works goes directly or indirectly for labor, and at the same time provides a much-needed facility.

Further detailed information can be provided as you may wish.

Respectfully,
R. J. ALEXANDER, *Director.*

Estimate of cost, Oakland County Department of Public Works planned projects, Feb. 15, 1961

FARMINGTON SEWAGE DISPOSAL SYSTEM

Page:		
1	Eight Mile-Halstead arm	$224,000
2	Tarabusi arm	235,000
3	Grand River arm	187,000
4	Ten Mile-Rouge arm	1,057,000
5	Thirteen Mile arm	1,165,000
6	Section 36 arm	116,000
7	Morris Lake arm	209,000
8	Maple Road arm	232,000
9	Walnut Lake arm	855,000
10	Sylvan Manor arm	224,000
	Total	4,704,000

MSU-OAKLAND SEWAGE DISPOSAL SYSTEM

11	Bellarmine Hills	96,000

CLINTON RIVER SEWAGE DISPOSAL SYSTEM

12	Clinton trunk and Clinton trunk arms	29,479,000
14	Paint Creek trunk and Paint Creek trunk arms	9,685,000
16	Stony Creek trunk	5,307,000
18	Central sewage treatment plant	21,993,000
	Total	66,464,000

FARMINGTON TOWNSHIP WATER TRANSMISSION MAIN PROJECT

Page:		
19	Project A	$1,596,000
19	Project B	1,001,000
19	Project C	253,000
	Total	2,850,000
	Grand total	74,114,000

CITY OF TRAVERSE CITY, MICH.,
March 9, 1961.

Hon. JOSEPH S. CLARK,
U.S. Senator from Pennsylvania,
Senate Office Building, Washington, D.C.

DEAR SENATOR CLARK: Washington Municipal News reported that you had introduced legislation to provide aid to municipalities needing public works.

Frankly, I am torn between two philosophies. On the one hand I am dedicated to the proposition that a municipality, like an individual, should and must stand on its own two feet, do what it needs to do without outside help. On the other hand, again like an individual, a community sometimes must have assistance.

Somewhere between these two extremes is an area of compromise and, under certain conditions, we must compromise if we are to move ahead.

I earnestly believe that your program admirably satisfies this condition. It honors the principle which made our country and our people great, and it recognizes the realities of life. If a community can show that it is doing all that it can and still has need for a little help, there is adequate justification for accepting this without jeopardizing its civic honor and pride.

Since 1956 my city (18,000 population) has, with Federal aid, expanded its sewage treatment plant to preserve our cherished water resources. It has paid its share of the cost of 4 miles of pavement, 6 miles of storm sewers, 18 miles of sanitary sewers, and a new street-lighting system.

From its own tax revenues the city has built and paid the entire cost of 3 bridges, a footbridge, a new police station, beach bathhouse, 15 voting machines, $180,000 worth of trucks and street equipment.

The above are but a sample of the major improvements we have made and are intended to be indicative only of our efforts.

Ours is a resort city located in the northwest section of Michigan. Three months of tourism is our basic industry. Only 14 percent of our total assessable tax base is industrial. Some 3 years ago we lost our largest plant, employing some 400 people.

Over 65 percent of our city land area, occupied by city, State, and Federal agencies; churches, schools and streets, is tax exempt.

Despite these handicaps our little city has pulled itself up by its own bootstraps. It has moved ahead. It has completed its basic public facilities—sanitary sewer system, water main system and other needed but less vital public works.

Traverse City, with its woefully modest economy, has provided its people with $3,450,000 worth of capital improvements in the past 4 years and we are now unable to tackle anything more of any size and are now at a point where we urgently need the kind of help your bill will provide.

Our most needed facility is a water treatment plant, estimated to cost approximately $3 million. We have needed this since 1947 when the State health department first ordered a survey and report.

Our city just hasn't had the funds, could not increase water rates to the extent needed for financing and could not raise taxes on the basis of a 3-month tourist business economy.

Our water "plant" consists of four pumps pulling water out of the Grand Traverse Bay, sterilizing it and pumping it directly into the system. This is our water "plant."

To build the plant that the State Health Department says we need would require a 237-percent increase in water rates. Our people just cannot sustain such an increase.

We have 56 miles of streets within the city. Only 39 percent, or almost 22 miles, are paved and the pavements all need replacement or major repair. The balance, some 34 miles, are dirt and gravel streets.

We, therefore, need a street improvement program estimated to cost $5.8 million.

Our airport was built and used by the Navy during World War II. It was given to the city with the proviso that the U.S. Coast Guard Air Station could use it, without limitations, at no cost. Another stipulation was that the city must maintain the airport in such condiion as to make it usable by the U.S. Air Corps which could take over on a 24-hour basis in any emergency.

No maintenance or operating cost help was considered.

Over 70 percent of the people using the commercial air service come from outside the city. There is very little private plane use or activity but we get no maintenance or operating cost help from the surrounding area.

The city of Traverse City has maintained this regional airport, in operable condition, for almost 20 years without help from the Federal Government, the Coast Guard, or the communities around us. The latter just will not share this cost. We've tried.

To maintain the airport requires a budget of some $50,000 per year. Its annual deficit, made up from our general tax levy each year, varies from $8,000 to $10,000 per year.

Here, then, is a $10-million program that my community cannot hope to achieve, on its own, for many years to come.

Our condition and situation is no doubt true of thousands of small (and large) cities throughout the country.

It is my considered opinion that your proposed legislation will not only improve the present (and I pray, temporary) unemployment situation but it will also permit American communities to catch up on public works that they have needed for many, many years.

As much as it hurts to ask for financial help, I urge you to do everything within your power to enact this legislation into law as soon as possible.

Respectfully yours,

N. G. DAMOOSE,
City Manager.

CITY OF IRONWOOD, MICH.,
February 11, 1961.

Hon. PHILIP A. HART,
U.S. Senator, Washington, D.C.

DEAR SENATOR HART: Perhaps you will recall that in April last year we experienced one of the worst floods in our history due to the Montreal River overflowing its banks. Because of the contour of the river between the cities of Ironwood and Hurley we are troubled more or less every spring with high water when our heavy accumulation of snow begins to melt and coupled with spring rains.

During the flood emergency the officials of our two cities requested this area to be declared a disaster area and the U.S. Army Engineer Corps came in to make a survey to see what preventative measures could be taken. Enclosed is a copy of a letter recently received from the Engineer Corps advising us of their decision.

In the Douglas task force report received from you the other day in item 4(f) Other Public Works, we see that the initiation of such projects has been recommended to the administration. In view of the recognition given to the need for projects such as this, we respectfully enlist your support for consideration of badly needed public works projects for our community.

Sincerely yours,

LUTHER C. SWANSON,
Mayor.

U.S. ARMY ENGINEER DISTRICT,
ST. PAUL CORPS OF ENGINEERS,
St. Paul, Minn., January 25, 1961.

In reply refer to: NCPRP.

Hon. LUTHER C. SWANSON,
Mayor of the City of Ironwood,
Ironwood, Mich.

DEAR MAYOR SWANSON: This is to advise you of the results of the study for flood control on the Montreal River at Hurley, Wis., and Ironwood, Mich.

As a result of the severe flood on the Montreal River during April 1960, a study was undertaken to determine if an economically feasible project could be developed to provide flood protection for the cities of Ironwood and Hurley. Various plans of improvement were given consideration including clearing and snagging, a channel cutoff, channel enlargement, provision of a floodwall, modification of the Norrie Street and Silver Street bridges and various combinations of these plans. Taking into account the most favorable evaluation of benefits and realistic estimates of costs, it was determined that an economically feasible project could not be developed.

I am very sorry to inform you that for this reason the Corps of Engineers cannot participate in a flood control project at Hurley-Ironwood at this time. However, if a significant change in flood conditions should develop at a future date, I should be pleased to review the findings of this study.

Sincerely yours,

W. B. STRANDBERG,
Colonel, Corps of Engineers.

CITY OF DETROIT,
February 24, 1961.

Hon. PHILIP A. HART,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HART: Attached is a schedule of needed public works projects which could be undertaken by the city of Detroit if Federal assistance were made available.

These capital expenditures would provide needed employment for a large segment of the unemployment load but are beyond the ability of the city to finance at this time.

Your assistance in making available Federal funds for local public works projects at this time would be greatly appreciated.

Yours very truly,

LOUIS C. MIRIANI, *Mayor.*

Summary, public works projects, February 1961

	Projects for immediate or near-future start		Projects in long-range public works program
	Estimated cost	Estimated man-hours of labor	
Airport	$1,045,000	105,000	
Civic center			$3,162,000
Firefighting facilities	40,000	4,000	291,000
Flood control	10,000,000	613,000	
Hospital improvements	814,000	94,000	281,000
House of correction improvements	165,000	18,000	565,000
Highway, street, and alley improvements	43,449,000	7,324,000	421,149,000
Lighting system improvements and extension	9,940,000	1,520,000	15,023,000
Parking facilities			4,900,000
Parks and recreation	7,933,000	800,300	53,253,000
Public building	$7,994,200	956,000	$22,228,000
Public transportation system	3,100,000	310,000	
Rapid transit	133,369,400	20,000,000	
Sanitation	5,614,000	429,000	
Sewage treatment system	1,970,000	200,000	10,281,658
Sewers	15,612,000	1,664,200	60,279,000
Water supply system	8,846,539	915,000	
Zoo	383,047	40,200	846,000
Grand total	250,275,246	35,052,700	592,258,658

CONSUMER REPRESENTATION ON COMMODITY COMMITTEES

Mr. HART. Mr. President, last week, I addressed a letter to Secretary of Agriculture Freeman following the receipt of the President's excellent message to the Congress on agriculture. It is my belief that the President's suggestions in letting commodity groups work directly on the initial formulation of their commodity programs has great merit.

The President indicated clearly his concern that "no farm program should exploit the consumer. But neither can it subsidize the consumer at the cost of subnormal incomes to the farmer." In this regard, it is my feeling that every effort should be made to build in a reasonable method of consumer representation as the plans are developed for executive and legislative proposals to establish these farmer commodity committees.

I ask unanimous consent to have the text of my letter to the Secretary printed at this point in my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MARCH 17, 1961.

Hon. ORVILLE FREEMAN,
Secretary of Agriculture,
Department of Agriculture,
Washington, D.C.

DEAR MR. SECRETARY: The farm message which the President sent to the Congress this week is imaginative and challenging. A very vital point in the message was that "no farm program should exploit the consumer. But neither can it subsidize the consumer at the cost of subnormal conditions on the farm any more than we can in industry."

In my book the development of commodity-by-commodity programs through consultation with farmers is a very sound approach. It is moreover my belief that each of these farmer commodity groups or committees which the President proposes to establish there should be a representative to give the viewpoint of the consuming public. Such a representative would, I believe, provide an important contribution at the first stage of development of a specific commodity program.

It is my hope that in the drafting of legislation or executive actions to carry out this commodity-by-commodity approach, you will find it possible to build in this suggested consumer representation.

With every best wish,

Sincerely,

PHILIP A. HART.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, March 22, 1961, he presented to the President of the United States the following enrolled bills:

S. 307. An act to authorize certain beach erosion control of the shore in San Diego County, Calif.

S. 449. An act to extend the time in which the Outdoor Recreation Resources Review Commission shall submit its final report;

S. 1028. An act to amend the transitional provisions of the act approved August 7, 1959, entitled "Nematocide, Plant Regulators, Defoliant, and Desiccant Amendment of 1959"; and

S. 1116. An act to authorize the sale, without regard to the 6-month waiting period

prescribed, of certain calcines and matte proposed to be disposed of pursuant to the Strategic and Critical Materials Stock Piling Act.

ADJOURNMENT TO FRIDAY

Mr. HART. Mr. President, if there is no further business to come before the Senate, I move, pursuant to the order previously entered, that the Senate adjourn until 12 o'clock noon on Friday next.

The motion was agreed to; and (at 5 o'clock and 11 minutes p.m.) in accordance with the previous order, the Senate adjourned until Friday, March 24, 1961, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate March 22, 1961:

NATIONAL AERONAUTICS AND SPACE COUNCIL

Edward C. Welsh, of Virginia, to be Executive Secretary of the National Aeronautics and Space Council.

GOVERNOR OF GUAM

William P. Daniel, of Texas, to be Governor of Guam for a term of 4 years.

IN THE MARINE CORPS

Lt. Gen. Thomas A. Wornham, U.S. Marine Corps, to be placed on the retired list in the grade of lieutenant general in accordance with title 10, United States Code, section 5233.

Having designated, in accordance with the provisions of title 10, United States Code, section 5232, Maj. Gen. Alan Shapley, U.S. Marine Corps, for commands and other duties determined by the President to be within the contemplation of said section, I nominate him for appointment to the grade of lieutenant general while so serving.

CONFIRMATION

Executive nomination confirmed by the Senate March 22, 1961:

PEACE CORPS

Robert Sargent Shriver, Jr., of Illinois, to be Director of the Peace Corps.

HOUSE OF REPRESENTATIVES

WEDNESDAY, MARCH 22, 1961

The House met at 12 o'clock noon.

Rev. Baxton Bryant, minister, Elmwood Methodist Church, Dallas, Tex., offered the following prayer:

We thank Thee, O God, for this body of government so close to the people. The press of needy mankind's problems weighs heavily upon them today.

When we are moved with compassion to lift the load of our fellow man's individual responsibility, whisper to us, "For every man shall bear his own burden." Restrain us from doing for another the thing one can and must in dignity do for himself.

Yet, save us from being priests and Levites, blinded to and unconcerned for our fellow men who have burdens too heavy to bear—burdens that will crush all dignity and respect from their lives. In these areas, whisper to us, "Bear ye one another's burden." Give us the wisdom to discern between the two.

Hear us as we confess our sins, for we meet and make our prayer in Thy name. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Ratchford, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 205. An act to expedite the utilization of television transmission facilities in our public schools and colleges, and in adult training programs.

S. 712. An act authorizing the Secretary of the Treasury to coin and sell duplicates in bronze of a gold medal presented to Robert Frost by the President of the United States.

The message also announced that pursuant to the provisions of Public Law 650 of the 86th Congress the Chair had appointed the Senator from Pennsylvania [Mr. CLARK], the Senator from North Carolina [Mr. ERVIN], and the Senator from Pennsylvania [Mr. SCOTT] members of the United States Constitution 175th Anniversary Commission.

SUBCOMMITTEE ON COMMUNICATIONS AND POWER, COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Mr. HARRIS. Mr. Speaker, I ask unanimous consent that the Subcommittee on Communications and Power of the Committee on Interstate and Foreign Commerce have permission to sit during general debate today.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

TEMPORARY EXTENDED UNEMPLOYMENT COMPENSATION ACT OF 1961

Mr. MILLS. Mr. Speaker, I call up the conference report on the bill (H.R. 4806) to provide for the establishment of a temporary program of extended unemployment compensation, to provide for a temporary increase in the rate of the Federal unemployment tax, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 183)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4806) to provide for the establishment of a temporary program of extended unemployment compensation, to provide for a temporary increase in the rate of the Federal unemployment tax, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 3, 12, 13, and 14.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 4, 5, 6, 7, 8, 9, 10, and 11, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"COMPENSATION TO BE REDUCED BY CERTAIN RETIREMENT PENSIONS AND ANNUITIES

"(e)(1) Any agreement under this Act shall provide that temporary extended unemployment compensation payable to an individual with respect to a week shall be reduced, under regulations prescribed by the Secretary, by any amount received with respect to such week as a retirement pension or annuity under a public or private retirement plan or system provided, or contributed to, by any base period employer. An amount received with respect to a period other than a week shall be prorated by weeks. No reduction shall be made under this paragraph for (A) any retirement pension or annuity received by reason of disability, or (B) any amount received under title II of the Social Security Act.

"(2) For purposes of this subsection, the term 'base period employer' means, in the case of any individual, any person who paid such individual any remuneration for employment which was taken into account in computing the amount or duration of any State unemployment compensation which was payable to such individual at any time during the compensation period.

"(3) For purposes of section 3(c), so much of any State law as provides a disqualification for, or a reduction in, State unemployment compensation for amounts received as retirement pensions or annuities (or for amounts received under title II of the Social Security Act) shall be deemed to be inconsistent with the provisions of this Act relating to the payment of temporary extended unemployment compensation."

And the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"SEC. 15. Notwithstanding section 901(c)(1)(A) of the Social Security Act, the limitation on the amount authorized to be made available for the fiscal years ending on June 30, 1961, and 1962, for the purposes specified in such section 901(c)(1)(A) is hereby increased to—

"(1) $385,000,000 for the fiscal year ending June 30, 1961, and

"(2) $415,000,000 for the fiscal year ending June 30, 1962."

And the Senate agree to the same.

W. D. MILLS,
CECIL R. KING,
THOS. J. O'BRIEN,
N. M. MASON,
JOHN W. BYRNES,
Managers on the Part of the House.
ROBT. S. KERR,
RUSSELL B. LONG,
GEORGE SMATHERS,
FRANK CARLSON,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4806) to provide for the establishment of a temporary program of extended unemployment compensation, to provide for a temporary increase in the rate of the Federal unemployment tax, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

Amendment No. 1: Section 7 of the bill as passed by the House provides that (except as provided in section 8 of the bill) temporary extended unemployment compensation under the bill is to be paid only pursuant to agreements entered into with the States. Under section 3(c) of the bill as passed by the House, the terms and conditions of the State law (or title XV of the Social Security Act, relating to Federal employees and ex-servicemen) under which an individual most recently exhausted his rights are to apply to his claim for, and the payment of, temporary extended unemployment compensation, except where those terms and conditions are inconsistent with the provisions of the bill.

Senate amendment No. 1 adds a new subsection (e) to section 7 of the bill. It requires any agreement entered into under the bill to provide that temporary extended unemployment compensation payable to an individual with respect to a week will be reduced by the amount of the following payments received with respect to such week: (1) a primary insurance benefit under title II of the Social Security Act, (2) a retirement annuity (other than a survivor annuity) under the United States Civil Service Retirement Act of 1930, (3) any other retirement system established by or pursuant to State or Federal law, if the employer contributes to such system, or (4) a retirement pension under a private retirement plan provided, or contributed to, by an employer. A payment for a period other than a week is required to be prorated by weeks in accordance with regulations prescribed by the Secretary. Notwithstanding the foregoing provisions no reduction is to be made from the temporary extended unemployment compensation to which any individual is entitled if (A) the entitlement of such individual to any such insurance benefit, pension, annuity, or other retirement benefit is based on disability, or (B) such individual is at least 65 years of age and the benefit to which he is entitled is payable under laws administered by the Veterans' Administration and such pension is based on service performed by such individual.

The House recedes with an amendment. Under the action recommended in the accompanying conference report, each agreement under the bill will provide that temporary extended unemployment compensation payable to an individual with respect to a week will be reduced, under regulations prescribed by the Secretary of Labor, by the amount of any retirement pension or retirement annuity received with respect to such week under a public or private retirement plan or system provided, or contributed to, by any base period employer. An amount received with respect to a period other than a week is to be prorated by weeks. No reduction is to be made under this provision (1) for any retirement pension or retirement annuity received by reason of disability, or (2) for any amount received under title II of the Social Security Act.

For purposes of this provision, the term "base period employer" means, in the case of any individual, any person who paid such individual any remuneration for employment which was taken into account in computing the amount or duration of any State unemployment compensation (as defined in paragraph (3) of section 2 of the bill) which was payable to such individual at any time during the compensation period (as defined in paragraph (1) of section 2 of the bill).

This provision also makes it clear that so much of any State law as provides a disqualification for, or a reduction in, State unemployment compensation for amounts received as retirement pensions or retirement annuities (or for amounts received under title II of the Social Security Act) is not to apply for purposes of the payment of temporary extended unemployment compensation under the bill.

As in the case of the Senate amendment, section 7(e) of the bill is to apply only to the payment of temporary extended unemployment compensation. It does not apply in respect of State unemployment compensation paid by a State for which the State is reimbursed under section 4 of the bill.

It is to be noted that the conference agreement applies in respect of retirement pensions and retirement annuities received under public or private retirement plans or systems provided, or contributed to, by any base period employer. Thus, a retirement annuity under the U.S. Civil Service Retirement Act of 1930 will reduce the amount of temporary extended unemployment compensation payable to an individual if the United States was a base period employer of such individual. On the other hand, workmen's compensation payments and payments made under laws administered by the Veterans' Administration will not be taken into account under the new section 7(e)(1) since these payments are not received as retirement pensions or retirement annuities. The treatment of the payments described in the preceding sentence will be determined under the applicable State law.

Amendment No. 2: Section 10 of the bill both as passed by the House and as amended by the Senate requires the agency administering the State unemployment compensation law to furnish the Secretary of Labor such information as he may find necessary or appropriate in carrying out the provisions of the bill. Senate amendment No. 2 provides that such information shall include data (which may be procured on a sampling basis) relating to the personal characteristics, family situation, employment background, and experience under the bill of individuals found to be entitled to temporary extended unemployment compensation. The House recedes.

Amendment No. 3: Under section 13 of the bill as passed by both the House and the Senate, a new section 905 would be added to the Social Security Act establishing in the Unemployment Trust Fund a Federal extended compensation account. Subsection (b) of the new section 905 has the effect of requiring the Secretary of the Treasury to transfer the additional tax imposed by the bill to this account. Under the House bill, these transfers would be made at the close of each month in the calendar years 1963 and 1964. Under Senate amendment No. 3, these transfers would be made at the close of each month in the calendar years 1962 and 1963. In conformity with the action on Senate amendment No. 13, the Senate recedes.

Amendments Nos. 4 to 11, inclusive: Under section 13 of the bill as passed by the House, a new section 905(c) would be added to the Social Security Act which (1) requires the Secretary of the Treasury to transfer (as of December 31, 1964), from the Federal extended compensation account to the accounts of the States in the Unemployment Trust Fund, the balance in the Federal extended compensation account as of such date, and (2) provides the method of determining each State's share of the balance to be so transferred. Senate amendments Nos. 4 to 11, inclusive, changed the December 31, 1964, date to December 31, 1963, and made other changes in dates to conform to this action. The House recedes.

Amendment No. 12: The bill as passed by the House contained a new section 901(d) of the Social Security Act providing that, except as provided in the new section 901(c), no transfer to or from the Federal extended compensation account is to be made after December 31, 1964. Senate amendment No. 12 changed this date to December 31, 1963. The Senate recedes.

Amendment No. 13: Section 14(a) of the bill both as passed by the House and as amended by the Senate amends section 3301 of the Internal Revenue Code of 1954 (relating to rate of tax under the Federal Unemployment Tax Act) to temporarily increase the rate of the excise tax paid by employers from 3.1 percent of wages to 3.5 percent. Under the bill as passed by the House this increase applies in the case of wages paid during the calendar years 1962 and 1963. Under Senate amendment No. 13 this increase applies in the case of wages paid during the calendar years 1961 and 1962. The Senate recedes.

Amendment No. 14: Section 14(b) of the bill, both as passed by the House and as amended by the Senate, relates to the preservation, without change, of the existing credits against the Federal unemployment tax. Senate amendment No. 14 made this preservation of credits applicable for the calendar years 1961 and 1962 (in lieu of the calendar years 1962 and 1963). In conformity with the conference action on Senate amendment No. 13, the Senate recedes.

Amendment No. 15: Section 901(c)(1)(A) of the Social Security Act provides a limitation of $350,000,000 on the amount authorized to be made available each fiscal year for the purpose of—

(1) assisting the States in the administration of their unemployment compensation laws as provided in title III of the Social Security Act (including administration pursuant to agreements under any Federal unemployment compensation law),

(2) the establishment and maintenance of systems of public employment offices in accordance with the Act of June 6, 1933, as amended (the Wagner-Peyser Act), and

(3) carrying into effect section 2012 of title 38 of the United States Code (assignment of employees to local employment offices to discharge duties prescribed for veterans' employment representatives).

Senate amendment No. 15 adds a new section 15 to the bill which provides that notwithstanding this $350,000,000 limitation the Congress may make available for grants to States under section 901(c)(1) of the Social Security Act, for fiscal years ending June 30,

1961, and June 30, 1962, an amount which shall not exceed $425,000,000 for each such fiscal year.

The House recedes with an amendment. Under the conference agreement, the aggregate amount which the Congress may make available for grants to States under section 901(c)(1)(A) of such Act shall not exceed $385,000,000 for the fiscal year ending June 30, 1961, and $415,000,000 for the fiscal year ending June 30, 1962. The $350,000,000 limitation continues to apply for each fiscal year ending on or after June 30, 1963.

W. D. MILLS,
CECIL R. KING,
THOMAS J. O'BRIEN,
N. M. MASON,
JOHN W. BYRNES,
Managers on the Part of the House.

Mr. MILLS. Mr. Speaker, I yield myself 10 minutes.

Mr. Speaker, this is the conference report agreed upon yesterday by the conferees to accompany the bill H.R. 4806, the bill that you will recall passed the House some days ago establishing a temporary program of extended unemployment compensation.

Mr. Speaker, as the bill passed the House, we established a program of temporary unemployment compensation benefits not to exceed 50 percent of the benefits paid by the State up to a maximum of 13 weeks on the basis of the State program of eligibility and in other respects, without changing any provision of the State laws. In order to finance these extended benefits, which would be administered entirely by the States, we provided originally for advances from the general funds of the Treasury for benefits or reimbursement to States to be repaid on taxable wages in the year 1962 and the year 1963 through an increase in the net Federal rate of taxation upon the employers of all the States of the Union. The amount of money to be collected from this additional temporary increase in the unemployment compensation tax rate will provide the Treasury with sufficient funds to repay the grants that are provided under the program that will lapse under the terms of the conference report as well as the bill on June 30, 1962.

The other body made certain amendments to the bill, Mr. Speaker. In the first place, the other body decided it would be advisable for this increase in tax rates to go into effect with respect to wages paid in the calendar year 1961. So that under the Senate version, the tax would have been imposed upon wages in the calendar years 1961 and 1962 in lieu of the provision in the House bill for calendar years 1962 and 1963.

The conference committee agreed to retain the provision of the bill in this respect, as it passed the House, so that the conference report provides for this tax increase on the employer to go into effect with respect to wages paid in 1962 and 1963.

In discussing the thinking in the other body which prompted the change it made, it was pointed out in the conference that to impose the tax with respect to 1961 wages would constitute, for at least a quarter of this year, retroactive taxation and also impose a tax upon employers at a time when we thought that, perhaps, they were in least position to pay increased taxes due to the current downturn in economic activity.

Mr. Speaker, there was another amendment adopted by the Senate that we did accept in conference, with modifications. This amendment has to do with the question that was raised before the House with respect to what to do in the case of an individual who is drawing retirement and who is also eligible under State law to unemployment compensation benefits under the State law. The conference agreement provides that, for purposes of this extended program, a person will generally not be entitled to draw both amounts. That is, the amount of his temporary extended unemployment compensation will be reduced by the amount of any employer-provided retirement benefits he receives under any Federal, State, or private retirement system, unless his entitlement to benefits under the extended unemployment compensation program is generated by working for some employer other than the one that has made contributions to his retirement program. This conference agreement is at some variance with the provision adopted by the Senate. It was agreed to in conference as being an improvement we thought of the basic idea that had been adopted in the Senate. So we did take that amendment with modification and we bring it back to you. There is to be no reduction in these extended benefits on account of social security benefits, disability benefits, or veterans payments.

Mr. Speaker, a lot has been said about the fact that, in connection with this program, in some States employers will be taxed more than the employees of that State will receive. We had information to that effect in our committee, although we did not have the details of its application among all the States. That information was provided by the Department of Labor to the Senate Finance Committee and was included by the Senate Finance Committee in its report. I believe it is on page 9 of the report of the Senate Finance Committee.

In some 10 States it is estimated that the employees will receive more in the way of benefits than the employers in those States would pay in, and that the employers in the other 40 States would, in effect, pay in not only the amount that their employees would receive under the program, but perhaps more than their employees would receive under the program. This was thought by some of us to be the case. Actually, when the matter was in the Committee on Ways and Means, we did not have the details as to the application of the situation among all the States.

Mr. Speaker, there is no doubt that as in 1958 we could have provided loans to States that would have been repayable later on by the imposition of taxes upon employers within the States that received the loans. However, I think that those States that had to borrow under the 1958 law are in enough trouble and already there is talk, not in the Congress, I hope, but outside of the Congress, that it may be advisable for us to forgive those loans rather than have the employers of those States pay them back.

For that reason and for several other reasons, Mr. Speaker, it was decided in the Ways and Means Committee that perhaps it would be better for us to take the approach that is in the bill and in the conference report in order to provide a sounder basis of repaying advances made from the general funds of the Treasury to finance this program, so that the argument will not be made with respect to this program that I think is being made with respect to the 1958 program, that we ought not, in the final analysis, collect back into the Treasury the advances made from the general fund to cover the costs of that program.

If you look down this list of the various States you will find that some States are going to pay more in taxes than they get back in benefits. Why is that, Mr. Speaker? Because the relative degree of unemployment is not the same in all the States. However, this unemployment that we have today, we are told, is not only a problem of the State where it may exist, but is a national problem. Otherwise, we would not be concerning ourselves with trying to do things that would eliminate the unemployment we have and give impetus to an economy that has been in some type or degree of recession for some months.

I do not feel too badly, Mr. Speaker, about the fact that under the bill that we have before us today, the employers of all the States are to be called upon to pay taxes in proportion to the number of employees they have in order to take care of the burden that is being imposed to provide extended unemployment benefits. As I said when this bill passed the House, employers told us that if we adopted this program they would prefer the approach in the bill to the wage base approach proposed by the administration.

We could have gone the other way, as I say, but, if we had gone the other way and imposed a tax only upon the employers of the States that would have used the funds that were made available, as we did in 1958, I have no doubt that we would be faced again with the possibility of not having this money paid back into the General Treasury of the United States as is being argued with respect to the 1958 program.

Mr. Speaker, there is one thing we did in this conference report I must admit nullifies a provision that passed the House. It is anticipated that about $55 to $56 million will be collected under this increase in tax provided under the bill in excess of the amounts that will be paid out as benefits under the program. Under the House bill and under the bill as it passed the Senate, we provided for that this $55 or $56 million was to be prorated among the States and paid back to the State unemployment funds on the basis of the amount of the taxable wages within the State as compared with the taxable wages of the country as a whole.

It developed if we did that we would be giving to certain of the States some

of this excess even though they were already receiving more benefits than their employers were paying in. So, actually, we have nullified that, not by any subterfuge, but merely by agreeing to an amendment that the Senate added. This Senate amendment accelerated the date for determining this redistribution to the States from December 31, 1964, as it was in the House bill, to December 31, 1963. Cognizant of the fact that there would be no moneys in this special account on December 31, 1963, that could be distributed to the States, but that there would be moneys there in 1964, your conferees agreed to this Senate amendment with full knowledge that these moneys would remain in this special fund undistributed to any State or to any fund, and that it would be necessary if they are to be distributed for the the Congress to enact subsequent legislation. Conference rules precluded our enacting provisions for putting these moneys in the need fund, for example, or our sending it back to the States that were overpaying in relation to the benefits they received. This way subsequent action can be taken with respect to the surplus moneys and overcome any objection that may develop to the financing of the program such as was discussed on the floor of the other body.

There is one other amendment we made that has to do with the change in the limitation upon the amount that can be spent for administrative expenses. Recognizing the additional costs that accrue to these employment offices within the States, we agreed to increase the $350 million ceiling that is presently in the law to $385 million for fiscal year 1961, and to $415 million for fiscal year 1962. A part of that increase may be attributed to increased costs incident to the administration of this program, but not all of the increase. We have, however, satisfied the needs that exist for additional moneys for the administration of the overall State programs, plus this program.

We also accepted the amendment of the other body calling for the collection of certain information relating to this program.

I urge adoption of the conference report. The conference report is as near to the House version of the bill as it was possible for us to obtain in conference. I know some Members are pleased because we did take a modified version of one of the Senate amendments. Frankly, I do have some doubt about the administrative headaches that will be caused by the acceptance of this amendment dealing with the retired individual. It is a very knotty problem, and I hope that the conference agreement places this problem area on a basis that is most conducive to best administration by the States.

Mr. Speaker, I urge adoption of the conference report.

Mr. JONES of Missouri. Mr. Speaker, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from Missouri.

Mr. JONES of Missouri. With reference to this amendment in the Senate, you did accept the amendment regarding the situation that the gentleman discussed with me on the floor?

Mr. MILLS. Yes. This is in that direction.

Mr. JONES of Missouri. You adopted the principle?

Mr. MILLS. That is right. The reduction of benefits does not apply to social security nor to disability payments, workmen's compensation, or veterans' payments.

Mr. JONES of Missouri. But it does apply to retirement benefits?

Mr. MILLS. That is right.

Mr. Speaker, I yield 1 minute to the gentleman from Illinois [Mr. MASON].

Mr. MASON. Mr. Speaker, a few weeks ago when the legislation that is now before us as a conference report was originally before the House I stated that I was opposed to the legislation because I was convinced that the States could adequately deal with the economic security of the unemployed and because of my conviction that if a system of Federal aid were necessary, H.R. 4806 would be the wrong way to provide that aid. Mr. Speaker, nothing has happened since that time to change the legislation sufficiently to cause me to change my attitude toward the legislation.

I am very concerned over the way the tax burden is to be shared among the States in comparison with the way that benefits will be paid in the respective States. It is a shocking thing to me that some States with the largest reserves and the highest ratio of reserves to taxable wages should be deficit States and have the cost of their benefit payments under this program partially defrayed by other States. For example, Mr. Speaker, Illinois employers are scheduled to pay $68.6 million in taxes for an estimated $40 million in benefit payments with the surplus of $28 million going to defray benefit costs in the nine deficit States including New York, Michigan, New Jersey, Ohio, and Pennsylvania. Is there any logical way that I can convince the employers in my State that they are more able to bear the cost of benefit payments in other States than the employers in those other States?

Mr. Speaker, our Federal-State unemployment compensation program has always operated on the principle that taxes taken from employers in a State were used to pay benefits in that State. This was true even of the 1958 program providing for extended unemployment compensation benefits. It is not true of the proposal contained in H.R. 4806. Under the proposal before us today taxes in one State will be used to pay benefits in another State. This fundamental change threatens to impair the continued effectiveness of the regular unemployment compensation program. I admonish my colleagues that this departure in principle that is proposed today will rise to plague us in the future.

Mr. Speaker, I participated in the conference on this legislation and joined in signing the conference report because I believe this is a matter on which the House should have opportunity to work its will. I will not dwell at any length on the conference agreement other than to acknowledge that in small detail the program proposed in the conference agreement is better than the bill which passed the House. Examples of improvement include provisions for the disallowance of unemployment compensation benefits under certain circumstances where an individual is receiving retirement benefits and the deletion of the provision providing for the allocation of surplus to deficit as well as surplus States. Another example of the improvement is the requirement that the Secretary of Labor undertake to obtain information from State administrative agencies as to the characteristics of the unemployed with respect to family status, employment background, and other pertinent factors.

Mr. Speaker, despite this slight improvement that the conference agreement represents, I am still opposed to the legislation and urge against the adoption of the conference report.

Mr. MILLS. Mr. Speaker, I yield 10 minutes to the gentleman from California [Mr. UTT].

Mr. UTT. Mr. Speaker, I continue to oppose the adoption of the conference report on the same grounds that I opposed the original passage of the bill. There was nothing in conference in disagreement between the two Houses that could possibly eliminate the parts of this bill to which I object, and that is definitely that we have turned an unemployment-compensation bill into a relief bill. That fact may be found on table No. 9, page 30, in the Senate report.

Mr. Speaker, I have extracted from that report some very interesting information for the Members who come from various States whose employees and employers are going to be "clobbered" for some $200 million. And I will start out with the State of Arizona.

The State of Arizona will pay $5.7 million into the fund and they will receive back $2.1 million, or a deficit of $3.6 million, which the State of Arizona is going to contribute to some of the States who have not maintained their compensation-insurance rates as they should have done. Now, the State of Arizona has a surplus of $62.4 million which they can pay in an extended-compensation program. Should the State of Arizona decide that they want to increase employment payments for 13 weeks or, in fact, another 26 weeks, they have a sufficient amount of money.

Now, going to the State of California, my own State, it will contribute $99.4 million and they will receive back $80 million, or a net deficit of $19.4 million that California employers are going to be "clobbered" with to help out certain other States, and I shall name those States later.

Hawaii will pay $3.1 million and get back $0.7 million, so that Hawaii is going to contribute $2.4 million to some of the other States.

Illinois will pay $68.6 million and they will receive back $40 million, so Illinois is going to "cough up" $28.6 million in relief for nine States in the Union who are short in their unemployment funds.

Now let us take the great State of Iowa. They are going to collect from

their employers $10.8 million and they are going to receive back $3.5 million. They are going to contribute $7.3 million to the State of New York and the State of New Jersey. My question here is this: Are the employers of the State of Iowa in such good shape that they can afford to dig up this relief money for the wealthy States of New Jersey and New York, or is it that the States of New Jersey and New York are in such terrible shape that they have to come to Congress with their hats in their hands for a few hundred million dollars to maintain their unemployment fund when, in fact, the State of New York has $999 million in reserves and they can continue to pay unemployment compensation for 2 years, if they want to, without depleting their unemployment reserve account?

Now we come to the great State of Missouri, from whom we are going to collect $23.6 million and give them back $11 million. So, to you people from Missouri I will say that you are going to contribute about $11 million to these other States.

Mr. ALGER. Mr. Speaker, will the gentleman yield?

Mr. UTT. I yield to the gentleman from Texas.

Mr. ALGER. I think the membership would be interested to know the page of Monday's RECORD where they can check their own State standings in this matter of unemployment compensation benefits and payments. That page, I believe, is 4311; is that correct?

Mr. UTT. That is correct. Continuing with some of these other States, North Carolina we are going to tax $19.9 million and give them back $7.9, a difference of $12 million that they are going to contribute to these other nine States in the Union. The State of North Carolina has $186 million surplus in its account. If the North Carolina Legislature, which is in session today, decided that it was good for them to continue unemployment payments, they have the right to continue them and they have the surplus out of which to pay that amount. The Legislature of South Carolina is in session today. We are going to collect from them $9.1 million and give them back $7.3 million. So they would be contributing $1.8 million to the States of New Jersey and New York and these other nine States. They have a surplus of $75 million in their account. They have a ratio of 6.9 percent in their surplus account to wages paid.

Mr. Speaker, I end up this list with the State of Virginia from whom we are going to collect $16.1 million and give them back $5.5 million. So the State of Virginia is going to contribute about $10 million to these nine States whose unemployment fund is nearly exhausted, although not quite; because, as I said before, the State of California has about $800 million in its reserve. California is paying this extended unemployment compensation at the rate of 50 percent of their base rate and we have continued it for 13 additional weeks. We are paying it and we have the surplus out of which to pay it.

The State of Kentucky is going to receive about $15 million from this fund, $5 million more than they will contribute. Yet they have $104 million surplus in their fund from which they could pay, if they wanted to adopt such a program.

The State of Ohio is going to contribute $62.4 million and will get back $85 million. Yet they have a surplus of $310 million in their account. Are the people in Ohio so hard up that they have got to come to California, Iowa, and Virginia to get a handout in order to continue their unemployment reserve or can they take it out of their own reserve of $310 million?

The State of Pennsylvania has a problem. They are going to pay $70.7 million and get back $82 million. They have a surplus of only $174 million, about 10 times the amount that is absolutely necessary to carry on this program.

Mr. Speaker, as I have said, we have turned unemployment insurance into a relief bill and we are going to tell those States who happen to have good employment to pay for those States who have poor employment, or at least have not maintained their rate sufficiently high to maintain reserves to continue this program.

As I said when this bill was on the floor of the House before, the whole purpose of it is to nationalize, to federalize the unemployment compensation program so that Federal standards will be imposed on every State. And when you come screaming back here next year and say that the Department of Labor has put in some rules and regulations that you do not like, all I can say is, look at the RECORD and see who voted for it. You have voted to give the Department of Labor the absolute right to cancel the payment benefits but not the right to cancel the tax. The Secretary of the Labor Department will continue the tax of four-tenths of 1 percent on all of your employers, but he can cancel the benefits under the program and terminate them any time he wishes, if you disobey the rules and regulations he proposes to set up.

Estimated additional tax collections compared with expected benefit payments by States under H.R. 4806

[Amounts in millions]

State	Tax collections	Benefit payments[1]
Total	$984.0	$928.2
Alabama	12.2	10.0
Alaska	1.2	2.2
Arizona	5.7	2.1
Arkansas	5.3	4.7
California	99.4	80.0
Colorado	8.3	2.0
Connecticut	18.5	18.2
Delaware	3.2	2.0
District of Columbia	5.5	2.2
Florida	21.4	9.5
Georgia	16.7	12.0
Hawaii	3.1	.7
Idaho	2.5	1.6
Illinois	68.6	40.0
Indiana	28.0	26.0
Iowa	10.8	3.5
Kansas	8.5	3.5
Kentucky	10.6	15.0
Louisiana	13.1	12.9
Maine	4.5	2.0
Maryland	15.8	10.0
Massachusetts	34.2	30.0
Michigan	46.6	93.0
Minnesota	16.0	14.4
Mississippi	5.7	2.2
Missouri	23.6	11.0
Montana	2.6	1.1
Nebraska	5.2	.5
Nevada	2.0	2.0
New Hampshire	3.4	.4
New Jersey	39.7	51.2
New Mexico	3.9	2.3
New York	119.9	170.0
North Carolina	19.9	7.9
North Dakota	1.6	.9
Ohio	62.4	85.0
Oklahoma	8.9	5.8
Oregon	9.6	10.6
Pennsylvania	70.7	82.0
Puerto Rico	3.2	3.2
Rhode Island	5.5	5.5
South Carolina	9.1	7.3
South Dakota	1.6	.2
Tennessee	15.0	8.0
Texas	42.1	30.0
Utah	4.1	2.0
Vermont	1.7	.6
Virginia	16.1	5.5
Washington	15.4	8.9
West Virginia	8.4	9.5
Wisconsin	21.5	16.0
Wyoming	1.5	1.1

[1] Includes about $100 million in benefit payments in excess of 26 weeks made under State law, and excludes payments to Federal civilian employees and ex-servicemen.

Source: Estimates of tax collections furnished by Department of Labor and estimates of benefit payments furnished by State employment security agencies.

Unemployment insurance income, outgo, and reserves, calendar year 1960

[Amounts in millions]

State	Reserves, Jan. 1, 1960	Contributions collected[1]	Interest credited	Benefits paid	Reserves, Dec. 31, 1960
Total	$6,892.2	$2,288.5	$194.5	$2,726.8	$6,643.1
Alabama	61.4	18.0	1.7	27.2	54.0
Alaska	[2] 2.6	7.3	0	5.6	[2] 4.9
Arizona	60.1	9.8	1.8	9.3	62.4
Arkansas	39.4	8.8	1.1	12.5	36.8
California	882.3	285.8	25.0	386.0	801.5
Colorado	69.3	5.9	1.9	15.3	61.9
Connecticut	172.4	46.2	5.1	55.1	168.6
Delaware	8.5	9.9	.3	6.7	12.0
District of Columbia	60.1	6.0	1.8	5.5	62.4
Florida	99.5	31.9	3.1	31.7	102.5
Georgia	143.7	27.3	4.3	30.4	144.6
Hawaii	24.1	5.0	.7	4.5	25.3
Idaho	30.7	5.3	.9	8.5	28.4
Illinois	323.0	159.0	9.9	136.1	356.0
Indiana	174.0	41.7	5.1	52.4	168.2
Iowa	118.2	8.3	3.4	14.5	115.5
Kansas	80.2	10.5	2.2	20.5	72.1
Kentucky	105.4	27.3	3.1	31.8	104.1
Louisiana	132.9	23.1	3.7	37.9	121.0
Maine	31.7	8.8	.9	12.9	28.5
Maryland	66.8	49.4	1.9	50.8	67.7
Massachusetts	253.1	80.4	7.0	118.8	221.3
Michigan	[2] 205.2	159.2	3.2	147.4	[2] 220.1
Minnesota	75.9	22.6	2.0	36.8	63.8
Mississippi	32.7	13.4	1.0	14.3	32.7
Missouri	208.2	29.5	6.1	41.3	201.7
Montana	30.1	6.5	.8	11.2	26.1

See footnotes at end of table.

Unemployment insurance income, outgo, and reserves, calendar year 1960—Continued

[Amounts in millions]

State	Reserves, Jan. 1, 1960	Contributions collected [1]	Interest credited	Benefits paid	Reserves, Dec. 31, 1960
Nebraska	$39.9	$6.7	$1.2	$7.4	$40.3
Nevada	17.1	6.3	.5	6.2	17.(
New Hampshire	23.2	7.0	.7	9	24.0
New Jersey	343.7	115.0	10.0	131.5	337.2
New Mexico	44.2	6.0	1.3	8.9	42.3
New York	1,027.5	340.2	29.9	397.8	999.0
North Carolina	178.4	38.3	5.4	35.6	186.6
North Dakota	8.4	3.6	.2	4.9	7.4
Ohio	395.3	110.4	10.7	206.1	310.5
Oklahoma	41.3	12.4	1.1	17.8	37.0
Oregon	38.9	35.6	1.2	25.2	47.5
Pennsylvania	[2] 182.1	250.1	2.3	265.3	[2] 174.5
Rhode Island	29.0	19.2	.9	16.2	33.0
South Carolina	74.1	12.5	2.2	12 2	76.5
South Dakota	15.4	1.7	.4	2.5	15.2
Tennessee	76.4	30.2	2.2	34.2	74.5
Texas	257.2	43.3	7.6	58.3	249.9
Utah	37.8	7.3	1.1	8.2	38.0
Vermont	14.6	2.7	.4	4.1	13.7
Virginia	85.7	18.5	2.6	16.7	88.6
Washington	204.9	50.0	6.1	58.8	202.2
West Virginia	32.6	25.9	1.0	24.0	35.4
Wisconsin	219.4	35.8	6.6	45.5	216.1
Wyoming	13.7	2.8	.4	4.4	12.4

[1] Includes contributions and penalties from employers, and both employer and employee contributions in States (Alabama, New Jersey, and Alaska) which tax workers.

[2] Reserves include advances from Federal unemployment account to Alaska, $2,630,000 in January 1957, $2,635,000 in February 1958, $3,000,000 in July 1958, and $500,000 in January 1960; Michigan, $113,000,000 in August 1958; Pennsylvania, $96,440,000 in April 1959, $1,504,000 in May 1960, and $4,056,000 in July 1960.

Mr. MILLS. Mr. Speaker, I yield 10 minutes to the gentleman from Texas [Mr. ALGER].

Mr. ALGER. Mr. Speaker, I want to join with my colleague from California who just preceded me and tell the membership present once again where you can find the totals relative to your own State, so that you can take a look at the tax and the benefits, if not the reserves you have on hand for your own particular State. In Monday's RECORD, at page 4311, you will find a list showing the tax collections and the benefit payments by States.

I have with me also something which I wish each of you had, if not in your hands certainly in your files for further reference, showing the reserves on hand for each of the States, from which the gentleman from California quoted liberally.

I want to preface anything I say here by these factual statistics, which I am certain Members present and others do not realize to be the facts with regard to the financing of this program.

I am not speaking now in behalf of defeating temporary unemployment compensation for some of the basic flaws that I happen to feel are present, such as the fact that it is jeopardizing the experience rating, that it is a mandatory tax and yet a voluntary benefit, so that you are going to pay whether you get the return or not. That is not my argument today. You decided in your wisdom earlier against that particular viewpoint, which you will find in the minority views in the report accompanying the bill. Rather, I join with the gentleman from California, and I am sure a number of others of you who now know the financial dangers that exist that I feel we in the committee certainly did not know completely, at least I know some of the Members in our committee did not know, that some of the States are being taxed to cover the expenses of other States. This might be well to have if it were such a national program that the States could not handle it, but such is not the case. Each of our States has been doing a fine job in the matter of setting up and administering its own unemployment program. Individual programs have been so successful that the experience rating in many of the States is very low. Why? Because of extended employment; that is, where employers instead of laying off their employees, tide them over keeping them on. You are jeopardizing the basic soundness of the program by now spreading the risk in the thought that someone else pays. I think we are getting away from the more direct responsibility we have under the existing program.

I appeal to you to look at these figures so you may know what we are voting on today. It is my feeling that if the membership knew the financial setup that accompanies this bill, wherein 40 of the States, maybe your State, are being asked to pay more than they could possibly draw down, we would defeat this conference report and take this up again and write a bill of which we would be a lot more proud.

Mr. MASON. Mr. Speaker, will the gentleman yield?

Mr. ALGER. I yield to the gentleman from Illinois.

Mr. MASON. The State of Illinois will pay in $20 million more than it will get back. The State of Illinois has in its fund enough to pay to operate this extra time. Why should the State of Illinois pay into a fund to help Kentucky, that has plenty in its fund to pay out for this extra time?

Mr. ALGER. I appreciate the gentleman's comment. I think we might be able to help Kentucky if Kentucky needed that help, but Kentucky does not need that help in view of Kentucky's situation and Kentucky's own reserves, which are substantial.

In the case of Texas, Texas will pay out in tax collections since it is mandatory $42 million, and the benefits Texas will get back are $30 million. Texas on the other hand has a reserve of $249 million in its unemployment compensation fund. So it is with most of the States of our Union

Mr. BAILEY. Mr. Speaker, will the gentleman yield?

Mr. ALGER. I yield to the gentleman from West Virginia.

Mr. BAILEY. I noted in some recent news story that the Republican Party wants to broaden its appeal for the coming congressional elections in 1962 and 1964. One of the things they said they were aiming to do was gain the support of organized labor. May I ask the gentleman if what he proposes here today is going to strengthen his party with the labor groups in the country?

Mr. ALGER. I believe the gentleman is picking the wrong time, the wrong issue, and the wrong gentleman to direct his question to, but I assure him I will gladly discuss this on the gentleman's time at the proper time with the proper issues on the floor.

If there are any questions, I will be glad to answer them if I am able to. But, I appeal to you once again, to check the RECORD of Monday on page 4311 to see where your State stands. I have here the reserves in balance for each of the States and how much money there is on hand. This is not the voluntary program of 1948. This is mandatory and you are going to pay. I am warning you now. Maybe you want Federal standards. You should face up to it. The reimbursement under this program is a step toward Federal standards. When the Secretary of Labor comes to us, as I understand he will come very shortly, with Federal standards on a permanent basis, those of you who say you believe in States rights and that the States are administering this program well, I am warning you, you are going to have Federal standards if you go ahead and take this kind of financing.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. ALGER. I yield to the gentleman from Michigan.

Mr. HOFFMAN of Michigan. In answer to the question raised by the gentleman from West Virginia [Mr. BAILEY], trying to inject politics into this thing and lay the blame on the Republican Party, you know over in West Virginia, according to your story, you are in a very bad situation, according to that libelous story, as we heard, which was in the Saturday Evening Post about your State—things are bad and you need help. I wonder if you have forgotten your boss, John L. Lewis, I mean the boss of your party over there and the fellow who organized CIO in Michigan in 1937—I wonder if you have forgotten what he has been doing and how he has been grabbing for his particular little group all the cream so that the other fellows are even hungry, according to your story and now just last week two of John's locals agreed before the Labor Board that they would no longer threaten to hang—do you get it?—hang the owner of the mine if he would settle according to the terms the two unions impose. Perhaps, the blame for some of your trouble is on those folks.

Mr. BAILEY. Mr. Speaker, will the gentleman yield so that I may reply to the gentleman from Michigan.

Mr. ALGER. I hope the gentleman will be brief so that we can get back to unemployment compensation.

Mr. BAILEY. We do not need any defense from the gentleman from the Third District of Michigan. It is true we have a situation in West Virginia where this proposal today will be beneficial. I am not advised as to what we have unexpended in our reserve in West Virginia, but it must be close to the bottom. Will the gentleman give us that information?

Mr. ALGER. No; I do not have that information at this time.

Mr. Speaker, may I simply close once again by saying whatever your State, whether it is the State of West Virginia or any other State that feels they need help in unemployment compensation, why not leave it to your State, which is doing such a fine job, instead of once again turning to the Federal Government and paying out more than you can possibly get back. Look at page 4311 of Monday's RECORD and see how your State stands.

Mr. Speaker, I yield back the balance of my time.

Mr. MILLS. Mr. Speaker, I yield 5 minutes to the gentleman from Wisconsin [Mr. BYRNES].

Mr. BYRNES of Wisconsin. Mr. Speaker, I think we must recognize what the question is before us. The question here is on the adoption of the conference report.

I think we faced many of the basic issues that have been discussed by my colleagues from California and Texas during the general consideration of the bill in the House a few weeks ago. Really, what we are talking about now is whether the report, as submitted by the conferees, should be accepted.

I respect the viewpoint of the gentleman from Texas and the gentleman from California in opposing the general proposition. But, let me say to the House, as this bill comes back to the House from conference, I think it is a better bill than the form in which it passed the House. Some improvements have been made.

First, I think an improvement was made in the compromise that was agreed to on the Senate amendment limiting the receipt of TUC benefits by a person who is receiving benefits under a retirement program. We have improved the bill in that area so that TUC benefits for an individual will be reduced by the amount of certain pension or annuity income he may receive. This change does not completely safeguard against the possibility of dual benefits being received but it does represent an improvement over the House bill.

A second improvement is that we recognized or discovered there was a problem in relation to the distribution of any surplus that might develop when we come to a termination of the program. Under the House version of the bill the surplus was to be distributed back to the States in the proportion that a State's taxable payroll has to the national taxable payroll. This would have meant that the so-called deficit States as well as the surplus States, would have shared in the distribution of the surplus. The conference agreement provides that the surplus will not be paid out under the bill and the Congress will be able to act at a later time in regard to the distribution of the surplus. Although further action will have to be taken, we have tightened up insofar as it pertains to distribution of surplus.

A third way in which the conference agreement represents an improvement over the House-passed version of the bill is concerned with a Senate amendment requiring the Secretary of Labor to develop information relating to the unemployed including data pertaining to personal charactertistics, family situation, employment background, and other relevant information. The House conferees accepted this amendment.

So. Mr. Speaker, fundamentally, as far as the conference is concerned we have, in my judgment, a better proposition before us now than the one on which the House passed judgment in the affirmative on March 1.

Mr. MILLS. Mr. Speaker, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield.

Mr. MILLS. I wish to ask the gentleman whether this bill, basically improved as it has been as a result of further action in the conference, is not about the same in two major respects at least as the bill which passed the House?

Mr. BYRNES of Wisconsin. Oh, yes.

Mr. MILLS. And that this program is the same program for the imposition of the tax as the bill which passed the House?

Mr. BYRNES of Wisconsin. Fundamentally we have made no radical changes in the bill so far as it passed either the Senate or the House. It remains basically the same. But we have made some improvements as a result of action taken by the Senate and the conferees.

So, I submit that the choice that we now have, namely, the vote on the conference report should be decided in the affirmative. The report should be accepted so far as the House is concerned. I would think we should accept it because, as far as I am concerned, it is an improvement over the House-passed bill.

Mr. MILLS. Mr. Speaker, will the gentleman yield further?

Mr. BYRNES of Wisconsin. I yield.

Mr. MILLS. I would point out that we retained the basic concept and accepted amendments that tighten up the overall bill.

Mr. BYRNES of Wisconsin. That is correct.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield.

Mr. GROSS. It still means that of the approximately $11 million tax collected in the State of Iowa there will be returned only $3,500,000 in benefits.

Mr. BYRNES of Wisconsin. I am not suggesting that the bill as changed is perfect and meets all objections. Basically it is the same legislation as passed the House, but in the mind of the conferees if we accept the conference report we certainly have made an improvement.

Mr. MILLS. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

The question was taken, and the Chair announced that the ayes appeared to have it.

Mr. GROSS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 363, nays 31, not voting 37, as follows:

[Roll No. 20]

YEAS—363

Abbitt	Corman	Harrison, Wyo.
Abernethy	Cramer	Harsha
Adair	Cunningham	Harvey, Ind.
Addabbo	Curtin	Harvey, Mich.
Addonizio	Curtis, Mass.	Hays
Albert	Curtis, Mo.	Healey
Alexander	Daddario	Hébert
Alford	Dague	Hechler
Andersen, Minn.	Daniels	Hemphill
Anderson, Ill.	Davis, James C.	Henderson
Andrews	Davis, John W.	Herlong
Anfuso	Dawson	Hoeven
Ashbrook	Delaney	Holland
Ashley	Dent	Holtzman
Ashmore	Denton	Horan
Aspinall	Derounian	Hosmer
Auchincloss	Derwinski	Huddleston
Avery	Devine	Hull
Ayres	Dingell	Ichord
Bailey	Donohue	Ikard
Baldwin	Dooley	Inouye
Baring	Dowdy	Jarman
Barrett	Downing	Jennings
Barry	Doyle	Joelson
Bass, N.H.	Dulski	Johnson, Calif.
Bates	Durno	Johnson, Md.
Becker	Dwyer	Johnson, Wis.
Beckworth	Edmondson	Jones, Ala.
Belcher	Elliott	Jones, Mo.
Bell	Ellsworth	Judd
Bennett, Fla.	Fallon	Karsten
Bennett, Mich.	Farbstein	Karth
Betts	Fascell	Kastenmeier
Blatnik	Fenton	Kearns
Blitch	Finnegan	Kee
Boggs	Fino	Keith
Boland	Fisher	Kelly
Bolling	Flood	Keogh
Bolton	Flynt	Kilday
Bonner	Fogarty	Kilgore
Bow	Ford	King, Calif.
Brademas	Forrester	King, N.Y.
Bray	Fountain	King, Utah
Breeding	Frelinghuysen	Kirwan
Brewster	Friedel	Kitchin
Brooks, La.	Fulton	Kluczynski
Brooks, Tex.	Gallagher	Knox
Broomfield	Garland	Kornegay
Brown	Garmatz	Kowalski
Burke, Ky.	Gary	Laird
Burke, Mass.	Gathings	Landrum
Byrne, Pa.	Gavin	Lane
Byrnes, Wis.	Giaimo	Langen
Cannon	Gilbert	Latta
Carey	Glenn	Lennon
Casey	Goodell	Lesinski
Cederberg	Goodling	Libonati
Celler	Grant	Lindsay
Chamberlain	Green, Oreg.	Lipscomb
Chelf	Green, Pa.	Loser
Chenoweth	Griffin	McCormack
Chiperfield	Griffiths	McCulloch
Church	Gubser	McDowell
Clancy	Hagan, Ga.	McFall
Clark	Hagen, Calif.	McIntire
Coad	Haley	McMillan
Collier	Halpern	McSween
Colmer	Hansen	MacGregor
Conte	Harding	Machrowicz
Cook	Hardy	Mack
Cooley	Harris	Madden
Corbett	Harrison, Va.	Magnuson
		Mahon

Mailliard	Pilcher	Smith, Iowa
Marshall	Pillion	Smith, Miss.
Matthews	Pirnie	Smith, Va.
May	Poage	Spence
Meader	Poff	Springer
Merrow	Price	Stafford
Michel	Pucinski	Staggers
Miller, Clem	Quie	Steed
Miller, N.Y.	Rains	Stephens
Millikin	Randall	Stratton
Mills	Reuss	Stubblefield
Minshall	Rhodes, Ariz.	Sullivan
Moeller	Rhodes, Pa.	Taylor
Monagan	Riehlman	Teague, Calif.
Montoya	Riley	Thomas
Moore	Rivers, Alaska	Thompson, N.J.
Moorehead, Ohio	Rivers, S.C.	Thompson, Tex.
	Roberts	Thomson, Wis.
Moorhead, Pa.	Robison	Thornberry
Morgan	Rodino	Toll
Morris	Rogers, Colo.	Tollefson
Morrison	Rogers, Fla.	Trimble
Morse	Rooseveit	Tuck
Mosher	Rostenkowski	Ullman
Moss	Roudebush	Vanik
Moulder	Rutherford	Van Pelt
Multer	Ryan	Van Zandt
Murphy	St. George	Vinson
Murray	St. Germain	Wallhauser
Natcher	Santangelo	Walter
Nelsen	Saund	Watts
Nix	Saylor	Weaver
Norblad	Schadeberg	Weis
O'Brien, Ill.	Schenck	Westland
O'Brien, N.Y.	Schneebeli	Wharton
O'Hara, Ill.	Schweiker	Whitener
O'Hara, Mich.	Schwengel	Whitten
Olsen	Scott	Wickersham
O'Neill	Seely-Brown	Widnall
Osmers	Selden	Williams
Ostertag	Shelley	Willis
Passman	Sheppard	Wilson, Calif.
Patman	Shipley	Wilson, Ind.
Pelly	Shriver	Winstead
Perkins	Sibal	Yates
Peterson	Sikes	Young
Pfost	Siler	Younger
Philbin	Sisk	Zablocki
Pike	Slack	Zelenko

NAYS—31

Alger	Findley	Nygaard
Battin	Gross	Ray
Beermann	Hiestand	Reifel
Berry	Hoffman, Ill.	Rogers, Tex.
Bromwell	Hoffman, Mich.	Rousselot
Broyhill	Johansen	Short
Bruce	Kilburn	Taber
Burleson	Kyl	Teague, Tex.
Dole	McVey	Utt
Dominick	Martin, Nebr.	
Dorn	Mason	

NOT VOTING—37

Arends	Gray	Powell
Baker	Hall	Rabaut
Bass, Tenn.	Halleck	Rooney
Boykin	Holifield	Scherer
Buckley	Jensen	Scranton
Cahill	Jonas	Smith, Calif.
Cohelan	Lankford	Thompson, La.
Davis, Tenn.	McDonough	Tupper
Diggs	Macdonald	Whalley
Everett	Martin, Mass.	Wright
Evins	Mathias	
Feighan	Miller, George P.	
Frazier		
Granahan	O'Konski	

So the conference report was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Martin of Massachusetts for, with Mr. Smith of California against.

Until further notice:

Mr. Rabaut with Mr. Halleck.
Mr. Rooney with Mr. Arends.
Mr. Diggs with Mr. Cahill.
Mr. Thompson of Louisiana with Mr. Tupper.
Mr. Wright with Mr. Scranton.
Mr. Davis of Tennessee with Mr. Scherer.
Mr. Buckley with Mr. Baker.
Mr. George P. Miller with Mr. McDonough.
Mr. Cohelan with Mr. Hall.
Mrs. Granahan with Mr. Jensen.
Mr. Feighan with Mr. Mathias.
Mr. Macdonald with Mr. O'Konski.
Mr. Holifield with Mr. Whalley.

Mr. RIVERS of South Carolina changed his vote from "nay" to "yea."

Mr. RHODES of Arizona changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The doors were opened.

A motion to reconsider was laid on the table.

SPECIAL MESSAGE ON FOREIGN AID—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 117)

The SPEAKER laid before the House the following message from the President of the United States, which was read, referred to the Committee on Foreign Affairs, and ordered to be printed:

To the Congress of the United States:

This Nation must begin any discussion of foreign aid in 1961 with the recognition of three facts:

1. Existing foreign aid programs and concepts are largely unsatisfactory and unsuited for our needs and for the needs of the underdeveloped world as it enters the sixties.

2. The economic collapse of those free but less-developed nations which now stand poised between sustained growth and economic chaos would be disastrous to our national security, harmful to our comparative prosperity, and offensive to our conscience.

3. There exists, in the 1960's, a historic opportunity for a major economic assistance effort by the free industrialized nations to move more than half the people of the less-developed nations into self-sustained economic growth, while the rest move substantially closer to the day when they, too, will no longer have to depend on outside assistance.

I

Foreign aid—America's unprecedented response to world challenges—has not been the work of one party or one administration. It has moved forward under the leadership of two great Presidents—Harry Truman and Dwight Eisenhower—and drawn its support from forward-looking members of both political parties in the Congress and throughout the Nation.

Our first major foreign aid effort was an emergency program of relief—of food and clothing and shelter—to areas devastated by World War II. Next we embarked on the Marshall plan—a towering and successful program to rebuild the economies of Western Europe and prevent a Communist takeover. This was followed by point 4—an effort to make scientific and technological advances available to the people of developing nations. And recently the concept of development assistance, coupled with the OECD, has opened the door to a united free world effort to assist the economic and social development of the less-developed areas of the world.

To achieve this new goal we will need to renew the spirit of common effort which lay behind our past efforts—we must also revise our foreign aid organization, and our basic concepts of operation to meet the new problems which now confront us.

For no objective supporter of foreign aid can be satisfied with the existing program—actually a multiplicity of programs. Bureaucratically fragmented, awkward and slow, its administration is diffused over a haphazard and irrational structure covering at least four departments and several other agencies. The program is based on a series of legislative measures and administrative procedures conceived at different times and for different purposes, many of them now obsolete, inconsistent and unduly rigid and thus unsuited for our present needs and purposes. Its weaknesses have begun to undermine confidence in our effort both here and abroad.

The program requires a highly professional skilled service, attracting substantial numbers of high-caliber men and women capable of sensitive dealing with other governments, and with a deep understanding of the process of economic development. However, uncertainty and declining public prestige have all contributed to a fall in the morale and efficiency of those employees in the field who are repeatedly frustrated by the delays and confusions caused by overlapping agency jurisdictions and unclear objectives. Only the persistent efforts of those dedicated and hard-working public servants who have kept the program going, managed to bring some success to our efforts overseas.

In addition, uneven and undependable short-term financing has weakened the incentive for the long-term planning and self-help by the recipient nations which are essential to serious economic development. The lack of stability and continuity in the program—the necessity to accommodate all planning to a yearly deadline—when combined with a confusing multiplicity of American aid agencies within a single nation abroad—have reduced the effectiveness of our own assistance and made more difficult the task of setting realistic targets and sound standards. Piecemeal projects, hastily designed to match the rhythm of the fiscal year are no substitute for orderly long-term planning. The ability to make long-range commitments has enabled the Soviet Union to use its aid program to make developing nations economically dependent on Russian support—thus advancing the aims of world communism.

Although our aid programs have helped to avoid economic chaos and collapse, and assisted many nations to maintain their independence and freedom—nevertheless it is a fact that many of the nations we are helping are not much nearer sustained economic growth than they were when our aid operation began. Money spent to meet crisis situations or short-term political objectives while helping to maintain national integrity and independence has rarely moved the recipient nation toward greater economic stability.

II

In the face of these weaknesses and inadequacies—and with the beginning of a new decade of new problems—it is proper that we draw back and ask with candor a fundamental question: Is a foreign aid program really necessary?

Why should we not lay down this burden which our Nation has now carried for some 15 years?

The answer is that there is no escaping our obligations: Our moral obligations as a wise leader and good neighbor in the interdependent community of free nations—our economic obligations as the wealthiest people in a world of largely poor people, as a nation no longer dependent upon the loans from abroad that once helped us develop our own economy—and our political obligations as the single largest counter to the adversaries of freedom.

To fail to meet those obligations now would be disastrous; and, in the long run, more expensive. For widespread poverty and chaos lead to a collapse of existing political and social structures which would inevitably invite the advance of totalitarianism into every weak and unstable area. Thus our own security would be endangered and our prosperity imperiled. A program of assistance to the underdeveloped nations must continue because the Nation's interest and the cause of political freedom require it.

We live at a very special moment in history. The whole southern half of the world—Latin America, Africa, the Middle East, and Asia—are caught up in the adventures of asserting their independence and modernizing their old ways of life. These new nations need aid in loans and technical assistance just as we in the northern half of the world drew successively on one another's capital and know-how as we moved into industrialization and regular growth.

But in our time these new nations need help for a special reason. Without exception they are under Communist pressure. In many cases, that pressure is direct and military. In others, it takes the form of intense subversive activity designed to break down and supersede the new—and often frail—modern institutions they have thus far built.

But the fundamental task of our foreign aid program in the 1960's is not negatively to fight communism: Its fundamental task is to help make a historical demonstration that in the 20th century, as in the 19th—in the southern half of the globe as in the north—economic growth and political democracy can develop hand in hand.

In short we have not only obligations to fulfill, we have great opportunities to realize. We are, I am convinced, on the threshold of a truly united and major effort by the free industrialized nations to assist the less-developed nations on a long-term basis. Many of these less-developed nations are on the threshold of achieving sufficient economic, social and political strength and self-sustained growth to stand permanently on their own feet. The 1960's can be—and must be—the crucial "Decade of Development"—the period when many less-developed nations make the transition into self-sustained growth—the period in which an enlarged community of free, stable, and self-reliant nations can reduce world tensions and insecurity. This goal is in our grasp if, and only if, the other industrialized nations now join us in developing with the recipients a set of commonly agreed criteria, a set of long-range goals, and a common undertaking to meet those goals, in which each nation's contribution is related to the contributions of others and to the precise needs of each less-developed nation. Our job, in its largest sense, is to create a new partnership between the northern and southern halves of the world, to which all free nations can contribute, in which each free nation must assume a responsibility proportional to its means.

We must unite the free industrialized nations in a common effort to help those nations within reach of stable growth get underway. And the foundation for this unity has already been laid by the creation of the OECD under the leadership of President Eisenhower. Such a unified effort will help launch the economies of the newly developing countries "into orbit"—bringing them to a stage of self-sustained growth where extraordinary outside assistance is not required. If this can be done—and I have every reason to hope it can be done—then this decade will be a significant one indeed in the history of freemen.

But our success in achieving these goals, in creating an environment in which the energies of struggling peoples can be devoted to constructive purposes in the world community—and our success in enlisting a greater common effort toward this end on the part of other industrialized nations—depends to a large extent upon the scope and continuity of our own efforts. If we encourage recipient countries to dramatize a series of short-term crises as a basis for our aid—instead of depending on a plan for long-term goals—then we will dissipate our funds, our good will, and our leadership. Nor will we be any nearer to either our security goals or to the end of the foreign aid burden.

In short, this Congress at this session must make possible a dramatic turning point in the troubled history of foreign aid to the underdeveloped world. We must say to the less-developed nations, if they are willing to undertake necessary internal reform and self-help—and to the other industrialized nations, if they are willing to undertake a much greater effort on a much broader scale—that we then intend during this coming decade of development to achieve a decisive turnaround in the fate of the less-developed world, looking toward the ultimate day when all nations can be self-reliant and when foreign aid will no longer be needed.

However, this will not be an easy task. The magnitude of the problems is staggering. In Latin America, for example, population growth is already threatening to outpace economic growth—and in some parts of the continent living standards are actually declining. In 1945 the population of our 20 sister American Republics was 145 million. It is now greater than that of the United States, and by the year 2000, less than 40 years away, Latin American population will be 592 million, compared with 312 million for the United States. Latin America will have to double its real income in the next 30 years simply to maintain already low standards of living. And the problems are no less serious or demanding in the other developing areas of the world. Thus to bring real economic progress to Latin America and to the rest of the less-developed world will require a sustained and united effort on the part of the Latin American Republics, the United States and our free world allies.

This will require leadership, by this country in this year. And it will require a fresh approach—a more logical, efficient and successful long-term plan—for American foreign aid. I strongly recommend to the Congress the enactment of such a plan, as contained in a measure to be sent shortly to the Congress and described below.

III

If our foreign aid funds are to be prudently and effectively used, we need a whole new set of basic concepts and principles:

1. Unified administration and operation: A single agency in Washington and the field, equipped with a flexible set of tools, in place of several competing and confusing aid units.

2. Country plans: A carefully thought through program tailored to meet the needs and the resource potential of each individual country, instead of a series of individual, unrelated projects. Frequently, in the past, our development goals and projects have not been undertaken as integral steps in a long-range economic development program.

3. Long-term planning and financing: The only way to make meaningful and economical commitments.

4. Special emphasis on development loans repayable in dollars: More conducive to business-like relations and mutual respect than sustaining grants or loans repaid in local currencies, although some instances of the latter are unavoidable.

5. Special attention to those nations most willing and able to mobilize their own resources, make necessary social and economic reforms, engage in long-range planning, and make the other efforts necessary if these are to reach the stage of self-sustaining growth.

6. Multilateral approach: A program and level of commitments designed to encourage and complement an increased effort by other industrialized nations.

7. A new agency with new personnel: Drawing upon the most competent and dedicated career servants now in the field, and attracting the highest quality from every part of the Nation.

8. Separation from military assistance: Our program of aid to social and economic development must be seen on its own merits, and judged in the light of its vital and distinctive contribution to our basic security needs.

IV

I propose that our separate and often confusing aid programs be integrated into a single administration embracing the present Washington and field operations of—

A. The International Cooperation Administration (ICA) and all its technical assistance (point 4) and other programs;

B. The Development Loan Fund (DLF);

C. The food-for-peace program (Public Law 480) in its relations with other countries, while also recognizing its essential role in our farm economy;

D. The local currency lending activities of the Export-Import Bank;

E. The Peace Corps, recognizing its distinctive contribution beyond the area of economic development;

F. The donation of nonagricultural surpluses from other national stockpiles of excess commodities or equipment;

G. All other related staff and program services now provided by the Department of State as well as ICA.

The fieldwork in all these operations will be under the direction of a single mission chief in each country reporting to the American Ambassador. This is intended to remove the difficulty which the aided countries and our own field personnel sometimes encounter in finding the proper channel of decision-making. Similarly, central direction and final responsibility in Washington will be fixed in an Administrator of a single agency—reporting directly to the Secretary of State and the President—working through Washington directors for each major geographical area, and through the directors of the constituent resource units whose functions are drawn together in each national plan: a development lending organization, food for peace, the Peace Corps, and a unit for technical and other assistance stressing education and human resources—initiating a program of research, development, and scientific evaluation to increase the effectiveness of our aid effort; and, in addition, the Secretary of State will coordinate with economic aid the military assistance program administered by the Department of Defense, the related operations of the Export-Import Bank, and the role of the United States in the Inter-American Fund for Social Progress and activities of international organizations.

Under the jurisdiction of both the Secretary of State in Washington and the Ambassadors in the field, foreign aid can more effectively play its part as an effective instrument of our overall efforts for world peace and security. The concentration of responsibilities and increased status will both require and attract high-caliber personnel. Programs such as the Peace Corps and food for peace, far from being submerged, will be used more effectively and their distinctive identity and appeal preserved—and food for peace will continue to be based on availabilities determined by the Department of Agriculture.

But I am not proposing merely a reshuffling and relabeling of old agencies and their personnel, without regard to their competence. I am recommending the replacement of these agencies with a new one—a fresh start under new leadership.

V

But new organization is not enough. We need a new working concept.

At the center of the new effort must be national development programs. It is essential that the developing nations set for themselves sensible targets; that these targets be based on balanced programs for their own economic, educational and social growth—programs which use their own resources to the maximum. If planning assistance is required, our own aid organization will be prepared to respond to requests for such assistance, along with the International Bank for Reconstruction and Development and other international and private institutions. Thus, the first requirement is that each recipient government seriously undertake to the best of its ability on its own those efforts of resource mobilization, self-help and internal reform, including land reform, tax reform and improved education and social justice, which its own development requires and which would increase its capacity to absorb external capital productively.

These national development programs—and the kind of assistance the free world provides—must be tailored to the recipients' current stage of development and their foreseeable potential. A large infusion of development capital cannot now be absorbed by many nations newly emerging from a wholly underdeveloped condition. Their primary need at first will be the development of human resources, education, technical assistance and the groundwork of basic facilities and institutions necessary for further growth. Other countries may possess the necessary human and material resources to move toward status as developing nations, but they need transitional assistance from the outside to enable them to mobilize those resources and move into the more advanced stage of development where loans can put them on their feet. Still others already have the capacity to absorb and effectively utilize substantial investment capital.

Finally, it will be necessary, for the time being, to provide grant assistance to those nations that are hard pressed by external or internal pressure, so that they can meet those pressures and maintain their independence. In such cases it will be our objective to help them, as soon as circumstances permit, make the transition from instability and stagnation to growth; shifting our assistance as rapidly as possible from a grant to a development loan basis. For our new program should not be based merely on reaction to Communist threats or short-term crises. We have a positive interest in helping less-developed nations to provide decent living standards for their people and achieve sufficient strength, self-respect and independence to become self-reliant members of the community of nations. And thus our aid should be conditioned on the recipients' ability and willingness to take the steps necessary to reach that goal.

To meet the varied needs of many nations, the new aid administration will have a flexible set of tools, coordinated and shaped to fit each national development program: the grant or sale (for either local currency or dollars with special repayment terms) of surplus foods, equipment and other items; technical assistance; skilled manpower from the Peace Corps; development grants; transitional, sustaining, or emergency grants; development loans repayable in local currency; and development loans repayable in dollars, with special terms of repayment that will meet the needs of the recipient country. These tools will be coordinated with the activities of the Export-Import Bank, and with loan and investment guarantees to private enterprise.

The instrument of primary emphasis—the single most important tool—will be long-term development loans at low or no rates of interest, repayable in dollars, and designed to promote growth in those less-developed nations which have a real chance for ultimate self-reliance but which lack the ability to service loans from normal lending institutions. The terms of repayment will vary from as long as 50 years for those countries just starting on the road to development, to a much shorter period of time for those countries that are nearing the stage of self-sufficient growth.

Such long-term loans are preferable to outright grants, or "soft loans" repayable in local currencies that are of little benefit to the American taxpayer.

The emphasis on low or interest-free loans is not designed to undercut other institutions. The objective is to rely on flexibility in the repayment period and the requirement of ultimate dollar repayment for insuring strict accountancy while meeting individual needs in an area not met by suppliers of capital on normal terms.

Lending on these terms is not normal banking practice. We are banking on the emergence over coming years and decades of a group of independent, growing, self-reliant nations.

VI

A program based on long-range plans instead of short-run crises cannot be financed on a short-term basis. Long-term authorization, planning and financing are the key to the continuity and efficiency of the entire program. If we are unwilling to make such a long-term commitment, we cannot expect any increased response from other potential donors or any realistic planning from the recipient nations.

I recommend, therefore, an authorization for the new aid agency of not less than 5 years, with borrowing authority also for 5 years to commit and make dollar repayable loans within the limits spelled out below. No other step would be such a clear signal of our intentions to all the world. No other step would do more to eliminate the restrictions and confusions which have rendered the current foreign aid program so often ineffective. No other step would do more to help obtain the service of topflight personnel. And in no other way can we encourage the less-developed nations to make a sustained national effort over a long-term period.

For, if we are to have a program designed to brighten the future, that program must have a future. Experience has shown that long-range needs cannot be met evenly and economically by a series of 1-year programs. Close consultation and cooperation with the Con-

gress and its committee will still be essential, including an annual review of the program.

And we will still need annual appropriations of those amounts needed to meet requirements for which dollar repayable loans would be unsuitable. These appropriations should be available until spent in order to avoid any wasteful rush to obligate funds at the end of a fiscal year.

The new continuity and flexibility this kind of long-term authority will bring cannot help but result in more productive criteria, a greater effort on the part of the developing nations, greater contributions from our more prosperous allies, more solid results and real long-run economy to the taxpayers. The new emphasis on long-term plans and realistic targets will give both the Congress and the Executive a better basis for evaluating the validity of our expenditures and progress.

VII

A long-term program and borrowing authority, even though limited, will enable us to demonstrate the seriousness of our intentions to other potential donors and to the less-developed world. Over the next 5 years, the economic program here proposed, together with an expanded food-for-peace program as recommended in my agricultural message, and project loans by the Export-Import Bank, will constitute direct U.S. economic assistance activity of considerable magnitude.

It will, however, take time to institute the new concepts and practices which are proposed. Thus, during this initial year, while we will need to make the necessary long-term commitments for development lending, it is unnecessary to ask the Congress for any additional funds for this year's program.

Consequently, while the funds requested by my predecessor will be sharply shifted in terms of their use and purpose, I am asking the Congress for a total foreign aid budget of new obligational authority no greater than that requested in the rockbottom budget previously submitted ($4 billion) despite the fact that the number of new nations needing assistance is constantly increasing; and, though increasing such authority for nonmilitary aid while reducing military assistance, this budget provides for a level of actual expenditures on nonmilitary aid no greater than reflected in the previous budget ($1.9 billion). (These figures do not, of course, reflect Public Law 480 operations.)

In deciding on this program, I have also carefully considered its impact on our balance of payments. We are now putting maximum emphasis, in both our development lending and grant aid programs, on the procurement of goods and services of U.S. origin. As I pointed out in my message on the balance of payments, under present procedures not more than 20 percent of foreign economic aid expenditures will affect our balance of payments. This means that approximately $2 billion out of the requested $2.4 billion in economic aid will be spent directly for goods and services benefiting the American economy.

This is important. For not only do we have the highest gross national product, both total and per capita, of any country in the world, thus making clear both our obligations and our capacity to do our full part, but we are currently underutilizing our great economic capacity because of economic recession and slack. Less than 80 percent of our industrial capacity is now in use, and nearly 7 percent of our labor force is unemployed. Under these circumstances, cutbacks in the foreign aid program would be felt not only in loss of economic progress and hope abroad, but in loss of markets and income for business, labor, and agriculture at home.

In short, this program will not in whole or in part unbalance the previous budget in any fashion. Its impact on our balance of payments will be marginal. And its benefits for our domestic economy should not be overlooked.

The $4 billion previously requested for fiscal year 1962 will be reallocated under this new program as follows:

Military assistance will be reduced from the $1.8 billion requested to $1.6 billion, as discussed below.

Economic assistance, with a much greater portion going to development loans, a small increase in development grants, and a reduction in sustaining grants, will total $2.4 billion.

Of this, $1.5 billion will be contained in the usual annual appropriation of new obligational authority to finance the part of the program that is not suitable for dollar development loans: grants for education, social progress and institutional development, the Peace Corps, and sustaining aid. Nine hundred million dollars will be available for long-term, low, or interest-free development loans to be repaid in dollars, financed through an authorization of public debt borrowing authority which would also provide no more than $1.6 billion for each of the succeeding 4 years. Also to be made available for such loans under the new system of full coordination will be the unappropriated dollar funds now coming in in repayment of the principal and interest on certain previous loans to foreign governments (United Kingdom, ECA, GARIOA, and others—but not the Export-Import Bank).

VIII

The economic programs I am recommending in this message cannot succeed without peace and order. A vital element toward such stability is assurance of military strength sufficient to protect the integrity of these emerging nations while they are advancing to higher and more adequate levels of social and economic well-being.

I shall, therefore, request the Congress to provide at this time $1.6 billion for provision of military assistance. This figure is the amount required to meet the U.S. share in maintaining forces that already exist, and to honor firm existing commitments for the future.

I am frank to say that we cannot now say with precision whether this amount will meet the minimum level of military aid which our basic security policy might demand this year. The emergence of new crises, or new conflicts, may require us to make an even greater effort.

However, while I have mentioned in this message the amount to be allocated to military assistance, those funds, while coordinated with the policies of the new Agency, will not be administered by it and should not be included in its appropriation. In order to make clear the peaceful and positive purposes of this program, to emphasize the new importance this administration places on economic and social development quite apart from security interests, and to make clear the relation between the military assistance program and those interests, I shall propose a separate authorization for military assistance with appropriations as part of the Defense budget. Moreover, to the extent that world security conditions permit, military assistance will in the future more heavily emphasize the internal security, civil works and economic growth of the nations thus aided. By this shift in emphasis, we mean no lessening of our determination to oppose local aggression wherever it may occur. We have demonstrated our will and ability to protect free world nations—if they so desire—from the type of external threat with which many of them are still confronted. We will not fall short on this.

IX

The levels on which this new program is based are the minimum resulting from a hard reappraisal of each type of assistance and the needs of the less-developed world. They demonstrate both to the less-developed nations and to the other industrialized nations that this country will meet its fair share of effort necessary to accomplish the desired objective, and their effort must be greater as well. These are the rockbottom minimum of funds necessary to do the job. To provide less would be wasteful, perhaps more wasteful, than to provide more. Certainly it would be wasteful to the security interest of the free world.

But I am hopeful that the Congress will not provide less. Assistance to our fellow nations is a responsibility which has been willingly assumed and fashioned by two great Presidents in the past, one from each party—and it has been supported by the leaders of both parties in both Houses who recognized the importance of our obligations.

I believe the program which I have outlined is both a reasonable and sensible method of meeting those obligations as economically and effectively as possible. I strongly urge its enactment by the Congress, in full awareness of the many eyes upon us—the eyes of other industrialized nations, awaiting our leadership for a stronger united effort—the eyes of our adversaries, awaiting the weakening of our resolve in this new area of international struggle—the eyes of the poorer peoples of the world, looking for hope and help, and needing an incentive to set realistic long-range goals—and, finally, the eyes of the American people, who are fully aware of their obligations to the sick, the poor and the hungry, wherever they may live. Thus, without regard to party lines, we shall take this step not as Republicans or as

Democrats but as leaders of the free world. It will both befit and benefit us to take this step boldly. For we are launching a decade of development on which will depend, substantially, the kind of world in which we and our children shall live.

JOHN F. KENNEDY.

THE WHITE HOUSE, *March 22, 1961.*

COMMITTEE ON BANKING AND CURRENCY

Mr. ALBERT. Mr. Speaker, on behalf of the Committee on Banking and Currency, I ask unanimous consent that they may have until midnight tonight to file a report on the bill S. 1.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

COMMITTEE ON PUBLIC WORKS

Mr. McFALL. Mr. Speaker, I ask unanimous consent that the Committee on Public Works have permission to sit during general debate this afternoon.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

AUTHORIZING CONSTRUCTION FOR MILITARY DEPARTMENTS

Mr. VINSON. Mr. Speaker, I move that the House 1 solve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5000) to authorize certain construction at military installations, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Georgia.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 5000, with Mr. ELLIOTT in the chair.

The Clerk read the title of the bill.

By unanimous consent the first reading of the bill was dispensed with.

Mr. VINSON. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, this bill, H.R. 5000, is known as the military construction authorization bill for fiscal year 1962.

Enactment of this legislation is necessary to provide construction and other related authority for the military departments and the Department of Defense for fiscal year 1962.

The construction program contained in this bill is, of course, based on the military forces which we plan to have over the next several years.

In the case of the Army, the program is based on 870,000 men. In the case of the Navy, the program represents the Shore Establishment necessary for 817 ships in actual commission and 625,000 personnel.

For the Air Force, we will have 88 wings by the end of fiscal year 1961 and 822,000 personnel. During the next several years, in the process of developing missile units, some decrease in this number of wings will occur. The committee was told, however, that this decrease will be offset somewhat by an increase in missile-squadron strength.

In summary, the program contained in this bill reflects the new construction authorization required by the military departments to maintain our current military posture.

As the House is aware, the administration is now in the process of reviewing our entire defense posture.

Representatives of the Department of Defense have assured the committee that, although this review has not been completed, it will not result in any decrease in construction requirements but may result in a possible supplemental request for new construction authorization above that contained in this bill.

The preparation of this program, as you undoubtedly know, involves a compilation of all the construction requirements originally presented by the various field offices to the military departments in Washington. These original requests received from the field offices amounted to in excess of $2 billion. This total, in turn, was cut by the military departments in Washington to a reduced figure of $1,352 million. The Office of the Assistant Secretary of Defense then scrutinized this request of the individual service departments and reduced this figure once again to $785 million.

COMMITTEE REDUCTION

The Committee on Armed Services made a very close and detailed scrutiny of every item in this bill, and as a consequence we have further reduced the construction authorizations for the Active Forces another $65 million. Therefore, the bill being presented to the House of Representatives contains a total of $708 million of new authorization requests for the active forces of the Army, Navy, and Air Force.

Let me at this point deal with the grand total of the bill and the fashion in which it is broken down.

The grand total of the bill that the House is considering today is $808,375,000.

Of this amount, $708 million is for new construction for the Active Forces. This is broken down into $144,238,000 for the Army; $132,547,000 for the Navy; and $431,015,000 for the Air Force.

As I have said, these total $708 million. This is for the Active Force.

To this, however, we must add $47,801,000 for deficiency authorization and $52,801,000 for the Reserve components—that is to say the National Guard and the Reserve forces—for a grand total of approximately $808 million.

The budget this year for military construction is $985 million, and it is this sum which the Appropriations Committee has before it at this time for consideration. The difference between the amount of authorization and the requested amount of appropriations is explained by the fact that some authorization which still remains from prior years is also being funded this year.

In this connection, I am glad to point out that this year's program for the Active Forces is substantially below that of last year's. New construction authority for the Active Forces is approximately $290 million less than last year's authorization.

This drastic reduction in military construction requirements points up the fact that a substantial portion of the new construction requirements of the departments have now been met.

Construction of Strategic Air Command dispersal bases and alert facilities and basic air defense installations will be virtually completed this year. However, decreases in these areas of military construction requirements have been partially offset by some increase for missile base construction.

LAND ACQUISITION

During consideration of this bill the committee has again this year, as in the past, emphasized the importance of utilization of existing real estate held by the military departments in accomplishment of the proposed military construction program.

Therefore, it was pleased to note that the construction program recommended by the departments involves the acquisition of less than 817 acres of new land requiring specific congressional approval.

The committee carefully scrutinized these new acquisitions and was satisfied that these additional acquisitions requested in the bill were essential to the continued modernization of our military installation and weapon systems.

NEW BASES

Other than the Navy's proposed Atlantic Underwater Test and Evaluation Center, there are no new bases, in the true sense of the term, authorized by this bill. There are some other installations which contemplate new and different activities but which are located immediately adjacent or close to existing bases and will receive their support from these existing bases.

HOSPITALS

The bill contains authorization for the construction of 8 new service hospitals ranging in size from 4 facilities, each having a 50-bed capacity, to 1 with a 500-bed capacity.

The Air Force will have a total of six of these new medical facilities and the Army and Navy one each.

The authorization provided to accomplish these projects is approximately $31 million.

NUMBER OF INSTALLATIONS AND ITEMS IN THE BILL

There are 358 named installations in the bill, and 432 installations not specifically designated, making a grand total of 790 installations covered by the bill.

There are approximately 1,370 individual items in the bill, and as the printed hearings will reveal, these were dealt with by the committee in the closest detail.

HIGHLIGHTS

At this point, I would like for a moment to deal with the highlights of the Army, Navy, and Air Force programs contained in titles I, II, and III of H.R. 5000.

ARMY

First, the Army. As I have mentioned, the Army would get $144,238,000 in this bill for new construction. The bulk of this is divided into the following major categories:

About $22 million, or 15 percent, for research and test facilities, including support of the Nike-Zeus program.

About $48 million, or 33 percent, for operational and training facilities. This category comprises one-third of the total Army program and includes system improvements for air defense, both within the United States and in oversea areas; improved communications facilities; and training facilities.

About $17 million, or 12 percent, for supply facilities. This category includes new fuel storage facilities all within Korea; ammunition storage facilities overseas; cold storage facilities at Fort Hood, Tex., and a new storage building for the National Security Agency at Fort Meade, Md.

About $10 million, or 7 percent, for hospital and medical facilities all of which, for practical purposes, is for construction within the United States, except for a hospital addition on Okinawa. The most significant single project within this category is that for the U.S. Army health facility at Fort Sill, Okla., in the amount of $7.7 million.

There are a number of other smaller categories representing relatively minor increments in the total program. However, those which I have just described represent the major portions of the Army program.

NAVY

In the case of the Navy, the program, amounting to $132,574,000, is broken down as follows:

About $42 million, or 31 percent, for items directly required to support operations of the active fleet in projecting its fighting strength to control the sea.

About $17 million, or 13 percent, to provide submarine warfare support facilities. This category of facilities provides the capability of the Navy submarine force, including Polaris, to train for and wage oversea warfare in ocean areas generally far removed from our shorelines.

About $12½ million, or 9 percent, for facilities in support of the antisubmarine warfare forces. These facilities will support the Navy's air, surface, and subsurface forces for antisubmarine warfare.

Almost $22 million, or 15 percent, for facilities in support of Marine Corps combat forces. These items are required for the training and effective utilization of the Marine Corps ground and air force in support of national objectives, including instant readiness for deployment to oversea areas of local unrest.

About $12½ million, or 9 percent, for research, development, and test facilities required by the Navy in connection with its continual effort to remain abreast of new technological developments.

Again, there are a number of smaller items representing portions of the program which are relatively minor in their dollar amounts.

AIR FORCE

The Air Force would receive construction authority in the amount of $431,015,000 under this bill.

As has been the case in prior years, the Air Force program again represents the largest single category of any of the three services. This situation is largely the result of the substantial authorizations required for missile base construction. Again, this bill contains $251,900,000 of new authorization for ballistic missile site construction. This figure represents almost 59 percent of the total of new authorizations provided the Air Force in H.R. 5000.

Other authorizations include:

Approximately $30 million, or 7 percent, for research, development, and test facilities. This authorization is necessary to provide the new facilities required by the Air Force to continue its scientific and technical studies on aeronautical and aerospace and missile developments.

About $60 million, or 23 percent, in support of operational and training facilities required by the Air Force in connection with both its heavier than air and missile activities.

About $14 million, or approximately 3 percent, required for the construction of necessary hospital and medical facilities. The largest single project in this area is a 200-bed hospital at March Air Force Base, Calif., in the amount of $3½ million.

No other category within the Air Force program exceeds 7 percent, and some of them represent considerably less.

MISSILE BASE CONSTRUCTION

The committee received considerable testimony from Air Force representatives concerning various alleged deficiencies in the missile site construction program. There is ample evidence to indicate that various shortcomings do exist in the program. However, it would be strange indeed if a review of an unprecedented program of this magnitude did not reveal deficiencies of a technical and procedural nature.

The Committee on Armed Services has been assured that everyone involved in this program is aware of these deficiencies and appropriate corrective action is being taken.

In this connection, it is important to note that representatives of the Air Force acknowledged excessive delays in the adjudication of contractor claims made on change orders to the original contracts. These delays have, in turn, caused financial difficulties for many contractors and their subcontractors engaged in missile base construction. However, responsible authorities in the Air Force have already initiated action to accelerate this adjudication process and therefore the impact of this problem on missile base construction should be minimized in the future.

MAJOR COMMITTEE CHANGES TO THE DEFENSE BILL

H.R. 5000 is, of course, a clean bill. During consideration of the original bill, H.R. 2743, the committee made numerous amendments. These amendments account for a deletion of approximately $65 million from the original amount requested by the departments. However, the cuts made by the committee were, for the most part, cuts in projects which were not scheduled for construction appropriation requests. Consequently, the cuts made by the committee should not weaken the planned construction program developed by the military departments.

The committee, however, made some significant changes in connection with the original housing authorization requested by the departments. The bill originally transmitted to the Congress requested only 2,025 Capehart units. Testimony received by the committee indicated the departments actually had requested 22,000 units for inclusion in the bill. After attempting to reconcile this wide variance in estimated needs for additional Capehart authorizations, the committee decided to include the amount of Capehart authorizations recommended by the Department of Defense in the bill before it was reduced by the Bureau of the Budget. This figure amounted to 7,074 units and represents a new addition of approximately 5,000 units.

The committee, in making this change, also authorized a corresponding increase in the ceiling on Capehart units so as to permit the departments to construct those units previously authorized and the additional units authorized in H.R. 5000. Thus, the committee increased the 25,000 unit ceiling, which previously applied, to 37,000. The change was necessary to accommodate approximately 5,000 units previously authorized and not initiated because of the statutory ceiling and the approximately 7,000 additional units authorized by this bill.

DEFICIENCY AUTHORIZATION

Now, in addition to the new authorizations provided the Active Forces, the bill provides additional deficiency authorizations for projects previously authorized the Active Forces.

This deficiency authorization amounts to $47,355,000. The bulk of this figure is the result of a Navy deficiency request to accomplish the completion of the Navy radio research station at Sugar Grove, W. Va. The remaining $3,100,000 is necessary to provide the balance of the authorization necessary for the building of a graving drydock at the Naval Shipyard, Charleston, S.C.

This latter deficiency authorization will simply complete the authorization to accomplish this previously approved project at Charleston.

Although the Navy deficiency authorization request for Sugar Grove, W. Va., is a most substantial item, the committee is of the opinion that it is amply justified. The project at Sugar Grove involves many new and advanced electronic techniques for which prior experience is not available, and consequently the cost estimates of this project previously provided the committee were insufficient and necessitated the current request of the Navy for this additional authorization.

The balance of the deficiency authorization is less than $8 million, and this is understandably attributable to inaccurate estimates in original construction

costs on a total program of approximately $1 billion.

In summary, the committee considered the request of the Departments for deficiency authorization in the amount indicated to be justified and accordingly approved the request without change.

Now basically that is the bill for the Active Forces.

Title V of the bill covers the Reserve forces and represents a request for new authorizations in the amount of $52,801,000.

This figure breaks down as follows:

Army National Guard	$15,737,000
Army Reserve	11,209,000
Navy and Marine Corps Reserve	7,771,000
Air National Guard	13,827,000
Air Force Reserve	4,257,000

These figures, together with $392,000 in deficiency authorizations, reflect the total authorization provided the Reserve forces.

At this point, I would like to emphasize that Members can identify the various locations at which these Reserve facilities are being constructed by examining the line items in title V of the bill and also by consulting the individual State breakdown of all construction authorizations which appear at the very end of the report on this bill.

CONCLUSION

I know you realize that it would be impossible for me to go into any greater detail with respect to a program of this size within the limitation of the time allotted for the consideration of this bill.

Indeed, it would take almost as long for me to explain it in that fashion as it had taken the committee in actually reviewing these items.

Therefore, I have confined my discussion to a broad outline of the main features of H.R. 5000 so as to give the Members of the House a more meaningful and worthwhile picture of what the legislation is intended to accomplish.

Thank you for your kind attention.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield to the gentleman from Iowa.

Mr. GROSS. I will say to the gentleman, I am surprised that the Committee on Armed Services would triple the number of Capehart housing units in view of the investigation now being carried on into the operations of this man Hayes.

Mr. VINSON. We have complete information about Mr. Hayes.

Mr. GROSS. As I say, I am surprised the Committee on Armed Services would triple the number of Capehart housing units in view of the investigation now being carried on into the operations of this man Hayes, and his testimony that the military demanded and caused to be installed equipment and furnishings in Capehart units that greatly increased costs. I just do not understand why, in the face of the investigation presently going on in the other body, that the number of units should have been tripled.

Mr. VINSON. Investigation is being carried on by the Committee on Armed Services of the other body, with reference to the letting of the contract to Hayes of some seven or eight different projects over the country. Now a mistake probably was made by the Department in letting the contract. The law is very explicit that in letting these contracts, they must be let to a bona fide contractor. The facts have developed that Hayes seems to have been a broker, and for that reason he, in the first instance, perhaps should not have been awarded the contract. But, suppose they did make a mistake. Suppose Hayes did not meet his obligation. Is that any justification for a complete curtailment of the Capehart housing program?

Mr. GROSS. You had 2,000 or better than 2,000 units; did you not?

Mr. VINSON. Of course, we had 2,000 in the original proposal, but it is not enough. All of this has been carefully thought out. Under the law, we have today 98,729 Capehart units. To finance this program we have incurred a principal obligation of $1,649 million which is amortized over a 25-year period. All of this is dealt with by the statute which establishes the limitation and provides a ceiling on the total amount of principal obligation which can be incurred. Simply stated, it provides how large a mortgage can be issued against the credit of the United States in building these Capehart houses.

At this point I would like to call the attention of the House to the fact that, all military personnel in addition to basic pay are also entitled to quarters provided by the Government. Therefore, in those instances in which public quarters are not provided, the military man is then entitled to an actual quarters allowance.

This quarters allowance varies with the rank, et cetera, of the individual and ranges between a low of $51.30 per month to a high of $171 per month.

When military personnel occupy Capehart housing, which is public quarters, they forfeit their quarters allowance. This money is therefore, in effect, available to pay off the mortgage loan on Capehart housing.

Mr. ROGERS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield.

Mr. ROGERS of Colorado. The gentleman has explained that in the Capehart housing these units are constructed by private individuals. Does the gentleman know of a program that was passed which would authorize the purchase by the Government of those houses and in many instances they purchased them far in excess of the cost of construction? My question is and what I want to know is: Is that program still in force and effect?

Mr. VINSON. My good friend from Colorado is a little confused. His question related to Wherry houses. The Wherry houses and the Capehart houses are separate things. I may say to the gentleman that there are approximately 70,000 Wherry units that have been acquired by the Government. There are a few that we have not been able to acquire.

Mr. ROGERS of Colorado. Do I understand that is the Capehart housing or Wherry housing.

Mr. VINSON. What you have reference to is Wherry housing.

Mr. ROGERS of Colorado. The Capehart houses which the gentleman has been talking about have nothing whatsoever to do with the authorization—only where we actually are permitting private enterprise to make about $50 million.

Mr. VINSON. It has nothing whatsoever to do with the Wherry houses. We are trying to get all of them in the inventory of the services.

Mr. ROGERS of Colorado. Do I understand that the so-called Capehart housing is constructed on military reservations?

Mr. VINSON. That is right, and it belongs to the Government all the time after the mortgage is issued.

Mr. ROGERS of Colorado. And regardless of who may put up the money for the construction, in no instance will it cost the Government anything other than the construction, and they will not be required to pay far more than the Government has placed in it.

Mr. VINSON. That is correct.

Mr. Chairman, if there are no further questions I will reserve the balance of my time. I will say there is only one controversy.

Mr. SMITH of Virginia. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield.

Mr. SMITH of Virginia. I do not want to prolong the gentleman's statement, but we had quite a discussion on Capehart housing in the Rules Committee, in which the gentleman undertook to explain to my satisfaction, but did not, what it was all about. I would like to discuss that at some length with the gentleman either now or if the gentleman will yield me sufficient time in my own right. I have a very critical report here from the General Accounting Office showing the waste, according to the General Accounting Office, of hundreds of millions of dollars on this project, and I hope the gentleman will give me time.

Mr. VINSON. I will be more than delighted to discuss it with the gentleman now for 15 minutes and yield him 15 minutes later on.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. VINSON. Mr. Chairman, I yield myself 10 minutes. I would like to discuss this with the gentleman now.

Mr. SMITH of Virginia. I would like to have a little time in my own right.

Mr. VINSON. And I will give the gentleman later on 15 minutes time in which to discuss it. I hope we can clear it up.

Mr. SMITH of Virginia. That is very fair of the gentleman; he is always fair.

My attention was called to this matter when the Hayes incident occurred over in the Senate. I will say to the Committee that the Hayes incident and the whole subject is under close investigation in the Senate.

This report, Mr. Chairman, is very elaborate. It goes into detail. It gives facts and figures. I am wondering why the gentleman is not willing, in view of the fact that the Army only requested 2,000 of these houses, and your committee of its own volition increased that to

7,000 houses at an additional cost of $100 million, why there is such a rush to push this thing through right now, and why the gentleman is not willing to lay it aside and take it out of the bill and bring it up at a future time when this large expenditure may be investigated and the matter can be cleared up.

Mr. VINSON. I will say in reply to the question, which is very proper and fair, the reason why it should be definitely taken care of now is because the departments have actually requested 22,000 units, which the budget did not grant, notwithstanding the fact that there is, for practical purposes, no charge in connection with Capehart houses directly against the budget. The object and purpose of the Capehart houses is to assure the military that they will have suitable quarters and amortize the cost over a period of years.

What is the existing situation? Let me give you this to show what a deplorable condition military housing is in. Page 12 of the report reflects a complete breakdown of the family housing assets of the military: 122,536 public quarters, 81,941 Wherrys, 106,000 Capeharts, 21,000 miscellaneous. That is what the inventory shows. In addition, local communities provide another 276,011 units. Notwithstanding that fact the remaining net deficit in military housing is conservatively estimated at more than 275,000 units.

So, if you want to put it off, it is putting it off day by day, year by year, forcing these men in the services to live in substandard quarters.

Now, what happens? They get $75, $90, $100 or more. They go to Fort Belvoir and come to the city of Washington. They will get quarters that are so substandard they can rent them for $25, $30 or $40 a month. The difference goes into the serviceman's pocket. We think the morale of the member's family requires adequate quarters for them. With this Capehart program, we take that money, and we put it against this. It is only using the credit of the Federal Government and no appropriation whatsoever except approximately $800 or $900 per unit for building the streets, and facilities, and so forth.

That is my answer to the gentleman. I do not know whether it covers his question or not. I could not convince him the other day, and I am doubtful as to whether I can convince him today.

Mr. SMITH of Virginia. The gentleman is most convincing usually. I do not know whether he can convince anybody on this proposition or not.

One more question: The thing that first brought this to my attention was the fact that Capehart housing is one of those things that we call appropriations by the back door, that never comes under the scrutiny of the Appropriations Committee or the scrutiny of the House, and does not affect the budget on the basis of it as a contingent liability. I have been trying for many months to get that subject of back-door approach to the Treasury brought to the floor of the House and let the House consider it, but I have not been successful in doing so. Now, is the gentleman aware that in the report of the Comptroller General there is the statement that houses built through the regular system of appropriations rather than the back-door approach, as in this case, are built much cheaper than they are under the Capehart formula?

Mr. VINSON. I stated before the Committee on Rules and I stated to the House a moment ago that the difference between a Capehart house and an Army house was $1,970. It cost $1,970 more over a 25-year period to have a Capehart house than it does direct appropriated houses.

Mr. SMITH of Virginia. But we spent over $2,000 on each one of these houses.

Mr. VINSON. Does not the gentleman know and do I not know that it would be absolutely impossible for me to secure the support of the distinguished gentleman from Virginia if I came in here today with a bill involving $120 million for houses for the services? I am realistic about this thing. I do not fool myself. I know this House is not going to do it. I have tried it in the past and I know they are not going to do it today.

Mr. SMITH of Virginia. If you are sure that it is against the will of this House and that the House will not do it, then why are you advocating it?

Mr. VINSON. I must do the very next best thing. I will say this to the gentleman. We have an open rule. The gentleman can do two things. He can move to strike out every Capehart house in this bill and let the House vote on it, or he can offer an amendment to build 7,000, or whatever number, direct appropriated houses and put the money in here. That is the way to do it.

Mr. ROGERS of Colorado. Mr. Chairman, will the gentleman yield further?

Mr. VINSON. I yield.

Mr. ROGERS of Colorado. What assurance can you give that upon the construction of a Capehart house the builder thereof will maintain it to a decent standard, so that when the military man is compelled to occupy it he will at least have windows, at least have decent facilities?

Mr. VINSON. Well, of course, the Government maintains them. They belong to the Government, in the first instances, just as soon as the mortgage is put on them. The gentleman is a little confused. Private capital starts it off. They put up their money. Just as soon as they put their money up and finish it, then the Army and the Navy and the Air Force step in, and by prior arrangement float a mortgage authorized by the Federal Housing Administration, and then they pay back the principal over 25 years. Then the Government takes charge of that. The title is in the Government and the military keeps it up and keeps it occupied.

Mr. ROGERS of Colorado. Well, does the Government take title and take complete operation of it?

Mr. VINSON. Of course it does. It has the title from the day it accepted the mortgage liability.

Mr. ROGERS of Colorado. Why do you not let the Government build them in the first place?

Mr. VINSON. We are, except we are letting the Government build them through these contractors that we were assured, when they put up their capital later on, would meet the plans and specifications approved by FHA and then write a mortgage against it.

Mr. Chairman, I reserve the balance of my time, and I trust that the gentleman from Virginia or any other Member who does not like this bill will offer an amendment and let the House vote on it. It is entirely up to the House, whatever you do about it. If you want Capehart houses, say so. If you want direct appropriated houses, say so. But, let us do one thing or the other and make up our minds to take these substandard military houses out of inventory as fast as possible.

Mr. GAVIN. Mr. Chairman, I yield myself 6 minutes.

Mr. Chairman, the chairman of the Armed Services Committee has, once again, done his usual masterful job of explaining to the House the subject matter of the annual military construction program.

It is not my intention to repeat this explanation. However, it is my desire to call attention to a few matters which are of particular interest to me as a ranking minority member of the Armed Services Committee.

At the outset, I would like to point out that this bill, H.R. 5000, was reported out of committee by a unanimous vote.

During the course of hearings, individual differences of opinion did inevitably arise on specific authorizations. But, after the smoke cleared, our members, on both sides of the aisle, agreed we had a good bill. A bill that accurately reflects the needs of the military and of our country.

Therefore, it was not surprising that the committee endorsed this legislation without reservation.

The military construction program reflected in this bill is a bipartisan program. It was developed prior to the 20th of January and has been supported and defended since that time by representatives of the present administration.

The authorizations for new construction have been carefully developed to keep pace with our rapidly expanding technology in weapons and weapon systems.

Thus, of the more than $451 million of new authority provided the Air Force, almost 60 percent of that figure is specifically earmarked for site construction of our ballistic missile systems.

Putting it another way, we have, generally speaking, completely developed our system of dispersal and deployment of our manned bomber system, and consequently five-sixths of the total in this bill for the strategic forces, or $281 million, will be utilized for the construction of facilities for ballistic missiles.

Included in this program is the additional authorization necessary to add two more Titan squadrons and six additional squadrons of Minuteman. Pages 19 to 23 of the committee report on this bill present a complete summary of the status of both the Air Force and Army programs involving missile site construction.

This bill contains the authorization necessary to permit the Army to increase

the defense capabilities of the Nike-Hercules system. Approximately $8 million is allocated for this purpose for system improvements and support within the continental United States and Alaska.

At the same time the bill provides more than $10 million for additional construction and adjustments to technical facilities and support facilities in conjunction with the Nike-Zeus test program. It is this program which promises to provide, in the near future, a genuine defense against the intercontinental ballistic missile.

Research, development, and test facility construction started for Nike-Zeus in fiscal year 1958. Practically all of the construction requirements for completing test facilities on this program will have been satisfied with the authorizations provided in this bill.

Numerous items are contained in this bill in support of the Navy's Polaris program. Approximately $14 million are directly attributable to support of nuclear fleet ballistic submarines, while another $13 million will be utilized to construct additional research and test facilities in support of these various programs.

All of these authorizations reflect the dynamic nature of the current military construction program.

We are sharpening our defensive armor, and, our offensive strength and, at the same time, striving mightily to achieve new successes in weapon technology.

In summary—we have in the bill a solid, balanced program of new construction authority for the armed services that is essential to the defense of our country.

The committee has, in my judgment, properly eliminated certain marginal projects requested for authorization.

We had attempted to observe the relative priorities placed on the various projects by the Department of Defense and therefore, for the most part, limited reductions to those items which were not scheduled for a parallel appropriation request.

I believe in this bill. I support it wholeheartedly and hope that it will receive the unanimous approval of this body.

Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. VAN ZANDT].

Mr. VAN ZANDT. Mr. Chairman, I welcome the opportunity to speak briefly in favor of enactment of the military construction authorization bill, H.R. 5000. The chairman of our committee has done his usual splendid job on this bill. With the help of his wise counsel and able leadership, the committee has produced a very tight program for each of the services. The program for each of the military departments this year gives clear evidence of intelligent and forward-looking planning. I believe each program merits your approval.

For a reason which I shall develop in a moment, I invite your particular attention to the Navy's program, title II of the bill. It is for the relatively small amount of $132,574,000. The majority of the proposed facilities are for installations inside the United States, with only about one-eighth being for oversea bases. Before commenting on my point at issue, I should like first to highlight a few significant facts about this program.

As you well know, our Navy has, for a number of years, been engaged in a vigorous fleet modernization program. The greatest effectiveness of a modern fleet cannot be realized, however, unless, at the same time, the supporting shore establishment can be kept abreast of the fleet improvements. This is due to the rapidly changing operational concepts and the increasing technical complexities of the new ships, aircraft, and weapons systems being developed and introduced into the fleet today. The Navy's mobile, combat-ready operating forces must be assured adequate, up-to-date shore facilities to back them up. These facilities must be capable of providing the logistic support necessary for the fleet to be instantly responsive to any situation which may arise in hot, cold, or limited warfare.

Each individual line item in this Navy program supports one or more of several military objectives to achieve this ultimate purpose. A third of the program is for facilities supporting the vital role of fleet striking force operations. This area, for example, includes facilities for improved operation of jet aircraft; for modern fleet piers; and for support of the Navy's educational and highly specialized technical training program. Nearly a fifth of the program will provide facilities needed by our combat-ready Marine Corps air and ground forces, such as hangars for marine aircraft wings at home and overseas bases; and personnel facilities for combat ground units of the fleet marine force deployed at Okinawa. One-eighth of the program, dollarwise, will provide facilities serving the general objective of command forces support, such as the sorely needed 500-bed hospital at Long Beach, Calif. A tenth of the total dollars will be used for urgently needed facilities of a classified nature to insure improved readiness for our antisubmarine forces.

Another tenth will provide new and improved supporting facilities for the Navy's research and development effort in various fields of naval operations. The final eighth of the program directly supports the Navy's submarine warfare operations. This brings me to the area which, I believe, deserves emphasis.

For the past several years I have followed with special interest the evolution of a new weapon system—the Polaris missile. It was developed in the remarkably short space of less than 5 years to its present operational status. The Navy has mated this fleet ballistic missile with the nuclear-powered submarine to provide a powerful, relatively invulnerable deterrent against the start of all-out nuclear war by an unscrupulous foe. It provides a submerged, mobile, extremely difficult-to-detect platform from which the atomic-tipped missile may be fired at a valuable enemy target on very short notice.

Less than $18 million are in the Navy program for facilities supporting this new and revolutionary missile system upon which, in the near future, the defense of our Nation will so heavily depend. This small amount belies the importance of this amazing weapon system. It does, however, speak well for the adaptability of the Navy's existing facilities which will continue to be useful, in large measure, for this new system. A capability will be required within the next year at several eastern seaports for the logistic support and the overhaul and repair of the Polaris submarine and its missile system. Facilities for this purpose have previously been authorized for the Naval Shipyards at Portsmouth, N.H., and Charleston, and at the Naval Submarine Base, New London, Conn. Some of these facilities are already in use and the rest will soon be available. The bill you are now considering would authorize additional facilities for this need at the Portsmouth and Charleston Yards. It would also authorize additional classified research facilities for the continued development and test of improved Polaris missiles.

There are other projects in this bill which, although not bearing the Polaris label, nevertheless do directly support the Polaris system. These include family and troop housing, personnel training facilities, and facilities to meet operational and maintenance requirements for nuclear-powered submarines. Such proposed facilities are, again, to be built at Charleston and at Norfolk, Philadelphia, New London, Vallejo, and a classified location.

In concluding my remarks, I wish to assure you that it is my firm conviction that the Navy's military construction program has been soundly conceived, is well balanced, and represents the minimal facilities which will insure the essential supporting needs of the Navy's operating forces. I recommend that you approve, not only title II, but the entire bill.

Mr. KILDAY. Mr. Chairman, I yield 15 minutes to the gentleman from Virginia [Mr. SMITH].

Mr. SMITH of Virginia. Mr. Chairman, I wish to consume this time talking on the subject of Capehart housing and the tremendous waste of money involved in it. I was astonished when the chairman of the Committee on Armed Services said the reason they used Capehart housing instead of conventionally appropriated money housing and used the back door to the Treasury to get funds was because they did not think this House of Representatives, which is supposed to control our expenditures, would give it to them otherwise under the appropriation system. That is the most remarkable statement I have heard made on this floor in many a day.

This was brought to my attention first because Capehart housing was using the back-door approach for its funds. I have tried time and time again, but was voted down in the Rules Committee, to bring out a resolution here to do something about these billions—I am not talking about little millions of dollars, but billions of dollars—this Government and these taxpayers are being obligated for by means other than the regular constitutional appropriations system. They never go to the Appropriations Commit-

tee; they are never reviewed by this House, and yet there are billions of dollars involved—and I cannot even get my own Committee on Rules to permit the House to vote on it, although I have a petition upstairs of over 125 Members of Congress asking the Rules Committee to bring this subject before the House so we can talk about the back-door drain on the Treasury of the United States; and the committee will not do it.

So the fact that it was a back-door approach brought this to my attention. I examined it in some detail. I have found that the terrific waste of money in this program has become so noticeable that the General Accounting Office made a complete review and investigation of the Capehart program. Here is their report covering some hundred pages. At the time the Capehart program was created, need for the construction of these houses was proven and the act contained a provision that the FHA should oversee it. The bill, however, contained another provision which said that the FHA could designate someone else; so they designated the Army to oversee it. In other words, they designated the fellow we did not want them to designate. So this program has gone on and grown under the auspices and direction of the Armed Forces without supervision by the FHA.

As a result, the General Accounting Office investigated the functions of the FHA and how they had been performed, and they turned in a report criticizing the FHA's handling of this program, a report of some 50 pages. That made me wonder why we should maintain an agency which is the agency of the Congress, such as the Comptroller General's Office, why we should maintain and expend the taxpayers' money on it when they go to all the trouble and expense of investigating and preparing a report like this which is sent to the Speaker of the House, referred by the Speaker to the committee involved, and apparently nothing is done about it.

What happened? For some reason or other the Budget Bureau cut the Army's request for this housing down to 2,000 units. The Army came before the Armed Services Committee and recommended the construction of 2,000 units. The Committee on Armed Services raised that figure of 2,000 houses to 7,000, which would cost approximately $100 million more. If that matter is of any moment to Members of the House I would think it would be well to postpone this expenditure until we can get at the real truth in this thing.

I will not have the opportunity to go fully into this report with you—of course not—but it ought to be thoroughly studied, it ought to be verified whether the Comptroller's Office is telling the truth about this thing or not.

I will have time, however, to call your attention to two or three brief comments in the letter of transmittal addressed to the Speaker of the House from the Comptroller General. It says:

> We found at 15 of the 40 installations we reviewed that about 5,900 houses estimated to cost over $147 million were being built, or programed in excess of actual or apparent needs. One of the primary reasons for overbuilding was the failure of the Department to recognize that many members of the service preferred to live in personally owned or rented homes. On the other hand, a large number of housing units are being built or programed at a number of locations where conditions do not justify it. The overbuilding and other abuses in the program have resulted in substantial and unnecessary expenditures.

In the report it goes on to say that these things would not have occurred and do not occur where housing is built by direct appropriations from the Treasury instead of by this back-door approach to them:

> The impact on the local economy of the overbuilding of Capehart housing cannot yet be evaluated because the projects either have been completed fairly recently or are still in process.

They do give in here an item—I am sorry I cannot lay my hands on it—where in one area—and it gives the full details on it—some 300 FHA houses have been put out of commission; in other words, left vacant as a charge on the Treasury of the United States, because they built Capehart houses and took away the need for the FHA houses. This report is replete with those sorts of things.

I saw in the paper this morning, and it is being investigated thoroughly on the Senate side in connection with the housing debacle, where this man Hayes testified yesterday that he could build these houses, not for $18,000, $19,000, or $20,000, but he could build them for $12,000 if he were permitted to do so in the conventional way, under FHA. He said—and I do not know whether it is true or not, but that is his testimony—that, with the Army supervising instead of FHA supervising, an officer will be building a house. He goes out to look at it, and he says his wife does not want the blue paint; she wants pink paint. So the newly painted house has to be done all over again. Here is another case where a fellow wanted a bay window in the house; so they had to tear down part of the house and put in a bay window. There goes a few more thousand dollars. All those things are brought out in here. I do not testify to the truth of them, but I do say they are worthy of an investigation by the Congress of the United States; they are worthy of the consideration that we would give to making appropriations direct. Let the Congress know what is going on; let the Appropriations Committee know what is going on. Do not go to building these houses and taking a contingent liability through the back door because some people are afraid that the majority of this Congress does not want to do the thing that this report complains about.

I had not intended to offer an amendment to this bill, and I do not know whether I will or not because, you know, offering an amendment to one of CARL VINSON'S bills is a right smart undertaking, and I have been kicked around up here enough for one session of Congress. I am getting a little soft. So maybe I will leave this thing to go over to the Senate.

I now yield to my delightful friend the gentleman from South Carolina [Mr. RIVERS].

Mr. RIVERS of South Carolina. I do not like to disagree with my distinguished friend on this subject. That report to which the gentleman refers in my country is exactly 100 percent wrong; exactly 100 percent wrong. And, I say this: I do not care any more about the Capehart program than does the gentleman from Virginia. I hope the day will come in my lifetime when there will be no more Capehart houses. But, it is a fact of life which I have to recognize. When they put them in in my part of the country, I asked my chairman to investigate the matter, and he did investigate it. I not only did that, but I got these boys from the GAO, who seem determined to get into policy, in my office and set them straight. Now, mind you, the real estate lobby put things in the newspapers every day, not in boxcar letters, but letters the size of boxcars about how we were squandering the taxpayers' money. We made an investigation, and when I got the GAO cornered, and I had my lawyers with me, both of them, they said, "We don't mean to say you do not need houses in your area. We mean that there is not enough liaison between the military and the FHA." I am sure things will be better now. I agree with Judge SMITH that if we find waste, we ought to stop it. But, when that report refers to my country, it is exactly 100 percent wrong. Now, as far as appropriated houses, if you start it, you will still have the gentleman from South Carolina, Representative RIVERS, right on your side.

Mr. SMITH of Virginia. I am sure of that, and I am sure of this, I do not know of any criticism in Charleston.

Mr. RIVERS of South Carolina. Oh, yes. There was.

Mr. SMITH of Virginia. But if the gentleman you refer to in the GAO knew the gentleman from South Carolina as well as I do, he would never have dared to have gone down to Charleston in the first place.

Mr. RIVERS of South Carolina. They will not repeat this sort of thing in my lifetime, but if they do, I will meet them here. I will make sure the GAO do what they are supposed to do, audit books and keep their nose out of the policy business. Of criticizing the military; the military cannot talk, and I am, for one, getting sick and tired of it.

Mr. SMITH of Virginia. They talk about the FHA.

Mr. RIVERS of South Carolina. Well, in my area that may be true.

Mr. SMITH of Virginia. But you would not contend that the Army were experts on how to build houses, would you?

Mr. RIVERS of South Carolina. From what I saw of that report I would say the Army is about as good in their field as the GAO is in policy. I think that report was not a good representation of what the GAO was supposed to do. I think they were wrong in that report. And, in my country, if I have anything to do with it, I will set them straight. I do not care who presents it.

But, I think criticism ought to be objective, and I thank the gentleman for yielding to me, because I wanted to get that on the RECORD.

Mr. KILDAY. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, it has become evident that there is a great deal of confusion and misunderstanding with reference to various classes of housing that we are discussing here today. I think first we must recall that it has always been the policy in our Military Establishment to provide housing for the dependents of the military personnel. This grew up many, many years ago. Perhaps it got started in the days when our military established camps on the frontier. But, at any rate, it has been the system we have followed through many years; well over 100 years. Our pay system is based upon pay and allowance for quarters and an allowance for subsistence, so that the man in the Military Establishment is entitled to a house in which his dependents may live.

Formerly we built these quarters with appropriated funds. It is true that the chairman of the Committee on Armed Services, the gentleman from Georgia [Mr. VINSON], who had to leave temporarily to attend an emergency meeting, made the statement that we could not get the appropriated fund housing. I want to say to you that I believe that everyone connected with the handling of legislation affecting the military prefers appropriated fund housing. We would much prefer to authorize by line item each housing unit to be built, and to appropriate the money and go ahead with it that way. The point is, not that this House will not approve it, not that the other body will not approve it, but that having approved it you get into competition for the dollar for housing from the Bureau of the Budget and the Committee on Appropriations, and anything so ordinary and commonplace as a house in which the wife and children of the military are to live cannot compete with such spectacular things as missiles, supersonic airplanes, and things of that kind. So that you are continually shoved out of the appropriation bill, and you are shoved out of budgetary consideration.

So that if you are to provide housing for our Military Establishment you have got to get it another way. As evidence of what I said, I call your attention to page 13 of the report on this bill. There you will see that—

> In 1956 an additional 3,790 units were authorized in Public Law 84-968, making a total of 32,339 for fiscal years 1955, 1956, and 1957. Of these and subsequent authorizations, only about 18,000 units were actually funded and built.

There is confusion here between Capehart and Wherry housing. The Wherry housing program, of course, was named for the late Senator Wherry of Nebraska because he was the author of the bill. There have been a number of questions asked here about Capehart. The questions all clearly indicated that they were aimed at Wherry housing. True, Wherry housing was owned by the sponsor. He maintained it, he operated it, he collected the rent, paid on the mortgage and, of course, he made some profits. But that program is over; it is dead; it is gone. We have got rid of it. The Capehart program comes along, named, of course, for Senator CAPEHART of Indiana, the author of the bill. The things talked of about Wherry do not apply to CAPEHART.

The gentleman from Virginia [Mr. SMITH] stated a moment ago that he became interested in this matter because of back-door spending. We all realize that there has been a contest in the House and in the Senate over a period of many years about back-door spending, about those programs which do not require specific action each fiscal year by the Committee on Appropriations. This is, of course, a highly controversial issue and probably there is merit on both sides. But let me ask you this: When this applies to dozens of programs in the United States, are you going to outlaw so-called back-door spending only as it affects dependents of your Military Establishment? Are you going to take out of this bill the Capehart units because this is one phase of the so-called back-door spending issue and you have not been able to cure it?

The gentleman of Virginia stated he had not been able to get it out of his own committee over a period of several years. This does not refer to the more recent situation in the Committee on Rules, to which the gentleman from Virginia referred, but over a period of many years he had not been able to get it out of his committee. It applies to many, many activities of the Government.

So, Mr. Chairman, I hope you are not going to take out your wrath on the dependents of military men because of some general program you have not been able to adopt over a period of many years. Every survey that has been made with reference to retaining military men on a career basis has pointed to the lack of adequate housing for their dependents as one of the principal difficulties, and until you solve that you are going to be in difficulty in retaining career men.

This year the services asked for 22,000 units. The Department of Defense approved only 7,000 units. The Director of the Budget reduced it to some 2,000 units.

I submit to you that the Director of the Budget is not the one who is to formulate military policy. He is not the one to determine how many families of servicemen are in urgent need of quarters for them to occupy while their men folks perform their military obligations.

What this committee did was to take only those items which had been approved by the Department of Defense, so that we have brought here a reasonable program on this.

I call your attention specifically to the report of the Comptroller General, to which the gentleman from Virginia referred. You will find it is based primarily on a contention that Capehart houses have been built in excess of requirements. In excess of requirements for the people on the base? No, but the community could have supported more.

Then there is some fine reasoning by the Comptroller General that because of building Capehart houses, some FHA houses went into default to the extent of 300 units. I submit the Capehart housing might have had something to do with that because of the vacancies. There might have been some other reasons why the privately built FHA financed houses went into default. There is mention of excess Capehart housing at a station in my district because there was housing available in the community. Probably so. But this is a highly restricted base, its mission secret. There is a group of those stations in the United States. The committee has recognized them, the Congress has recognized them. We have built quarters, clubs, and things, for these men because they are on duty 24 hours a day every day of the week. Houses in the community were no good for them. They had to live on the base. They were on duty 24 hours a day, 7 days a week.

There could have been 125,000 houses off the base, but they would not have been any use to these servicemen. They must live on the base.

Mr. ROGERS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield.

Mr. ROGERS of Colorado. Directing the gentleman's attention to the so-called Capehart housing, as I understand from the report the testimony taken by the committee on pages 255 to 258, inclusive, is an explanation of what constitutes Capehart housing. Do I correctly understand that under the Capehart housing law a corporation is organized, and that after the organization of that corporation bids are received and the lowest bidder gets the contract for the construction of that unit, and that the corporation then proceeds with the approval and supervision of the developer and the FHA? They then cause to be issued a mortgage for the full amount of the construction by the mortgagee, who advances the money, and after that is done the stock of that corporation is then delivered to the U.S. Government?

Mr. KILDAY. It becomes a Government-owned corporation.

Mr. ROGERS of Colorado. All of the corporation?

Mr. KILDAY. One hundred percent.

Mr. ROGERS of Colorado. Further, when the construction is completed, the Government then has complete control of it, and all they do then is to pay off the mortgage and keep the property covered?

Mr. KILDAY. They pay off the mortgage in accordance with its terms, yes.

Mr. ROGERS of Colorado. This explanation on page 258 states that the "capital stock of the mortgagor-builder (corporation) is delivered to the military by the mortgagee (lender) as escrow agent."

Mr. KILDAY. The gentleman is on the Committee on the Judiciary and a very distinguished lawyer. I am going to ask him to figure out all of the legal technicalities of this thing. I understood from conversations with the gentleman before that he wanted me to yield to him to determine whether this corporation could profit in addition.

Mr. ROGERS of Colorado. That is true.

Mr. KILDAY. As to the escrow agent, I am going to send that over to you and you gentlemen can figure it out.

Mr. ROGERS of Colorado. May I say so far as the legal proposition is concerned, I always understood that if you bought anything and got it into your possession, then it was yours. But here it outlines that the Government becomes an escrow agent.

Mr. KILDAY. Let me show the gentleman what happens. The Government becomes the owner of the corporation. Ninety-one dollars per month for every military man who occupies a Capehart housing unit goes toward the amortization of the mortgage. These are Government quarters. They are owned by the Government subject to the mortgage. Men are assigned to these units whereas in the case of the Wherry housing, they did not have to live in them unless they wanted to. But, in Capehart housing, they are assigned to them, and once they are assigned to them, that means they do not draw any quarters allowance. So if you put a warrant officer in there, you keep $85.50 every month from him. With a chief warrant officer, the amount is $94—chief warrant officer W–3 $102 and then $109 and so on. So that when you put them in here, you do not pay them the quarters allowance. You retain in the Federal Treasury more money than you pay out for the amortization of the mortgage. In addition, of course, you are the owner of the property so the operation and maintenance of the property falls on you. You have to keep it up. If you did it by an appropriation, you would have to keep it up.

Mr. ROGERS of Colorado. You have outlined that this money would be withheld from the men for the purpose of paying off the mortgage. Suppose in one instance a unit cost $12,000 and in another instance another unit cost $16,000, and they are occupied by the same men. When you withhold this for a period of 20 or 25 years, and when you pay off the mortgage, does the Government then continue to withhold that money and keep that as a profit from the men?

Mr. KILDAY. May I say to the gentleman, the pay system of the Military Establishment is that a man draws base pay and he is entitled to quarters and he is entitled to rations. If he gets quarters in kind he does not get the money. So as long as he is assigned to Government quarters, he does not draw that money. As long as he remains on active duty in the Military Establishment, he will either occupy Government quarters or draw commutation of Government quarters as provided for his rank by the Congress of the United States.

Mr. ROGERS of Colorado. So it makes no difference then, whether the unit cost is $12,000 or $16,000 so far as the man is concerned because the mortgage may be $12,000 or $16,000 in another instance.

Mr. KILDAY. The man is entitled to adequate quarters. Adequate quarters are defined in the regulations. The regulations take into consideration the grade that each man holds, and other material matters.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. ROGERS of Colorado. Mr. Chairman, will the gentleman yield further?

Mr. KILDAY. Mr. Chairman, I yield myself 2 additional minutes and I am sorry I cannot yield further to the gentleman because I believe we are consuming too much time on this problem.

Mr. Chairman, I was very much interested in the statement of the gentleman from Virginia that Mr. Hayes said he could build these houses for less than what they cost under the mortgage. He could not build them for the amount that was in the mortgage. That is his whole trouble. He is in default and this is the fellow who said how much cheaper they could be built, and he could not build them at the higher price. I do not know why Mr. Hayes got this contract. I take it that anybody in the building business big enough to carry on this sort of project and a project of this size should be known by the officials in the Department who are letting out these contracts as to whether he is a broker or a constructor.

Evidently he was a broker and not a contractor.

Mr. GAVIN. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Chairman, I make no pretense of speaking for the gentlemen from Virginia [Mr. SMITH]. I am sure that no one can speak for him, but I thing I can safely say that the gentleman from Virginia [Mr. SMITH] and the gentleman from Iowa presently addessing you want adequate housing for our servicemen. The question is: How do we get it?

The gentleman from Virginia—and I wholeheartedly agree with him—wants to put an end to back-door financing in the matter of military housing. We ought to put an end to all back-door financing. But I go farther than that. Apparently we have a big scandal on our hands in connection with Capehart housing, yet the Members of the House of Representatives are called upon today to triple the number of units, from 2,000 to 7,000 approximately, with an investigation now being carried on by the other body to try to get to the bottom of the scandal. The gentleman from Georgia, chairman of the committee, says the builder was a broker, not a builder. The gentleman from Texas [Mr. KILDAY] says he was a broker. The gentleman from Texas further says he does not know how this man got the contract.

Before I vote another $100 million for Capehart housing and an additional 5,000 units I want to know who in the Defense Department entered into this contract with a broker, not a builder. If there is someone prepared to tell the Members of the House how this broker got the contract, who was responsible for giving him the contract and on what basis, I would be pleased to have the information.

Mr. KILDAY. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield.

Mr. KILDAY. The contract came under the Assistant Secretary for Properties and Installations for the Military Department. It was he who was primarily responsible for the contract. This was back 2 or 3 years ago. That assistant secretary is no longer with us.

Mr. GROSS. That does not help us very much now. We have no assurance that the contracting would be carried out any better now.

Let me turn to the hearings. On page 342 I find in the fine type under the subhead "Gunter Air Force Base," that it is planned to put there a school of aviation medicine. Then I turn to page 337 and in the fine print under "Brooks Air Force Base" I see an item for a school of aviation medicine. How many schools of aviation medicine are we going to have? Can somebody on the committee tell me?

Mr. KILDAY. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Texas.

Mr. KILDAY. The School of Aviation Medicine is located in my district. Brooks Field is in my district.

Mr. GROSS. Yes; so I understand.

Mr. KILDAY. The segment that is at Gunters Field, Ala., is for the training of medical corpsmen. This item is for a chapel at Gunters Field, Ala. That is where the enlisted men, the medical corpsmen, are trained. The School of Aviation Medicine where we train the technicians and doctors and flight surgeons, and so forth, is at Brooks Field, Tex.

Mr. GROSS. I do not see at either of these places in the hearings any reference to a chapel or anything faintly resembling a chapel.

Mr. KILDAY. At page 342?

Mr. GROSS. Yes. It says "Its planned use is for the School of Aviation Medicine."

That is preceded by this sentence: "Gunter Air Force Base is located approximately 6 miles northeast of Montgomery, Ala."

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. GAVIN. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. GROSS. Mr. Chairman, so that is for a chapel, and not for a school of medicine or for any part of a school of medicine?

Mr. KILDAY. Of course, during the Korean emergency the Aviation School of Medicine in Texas was not large enough to accommodate all of them, so we moved over to the Gunter Air Force Base. This is simply to build a chapel at that segment of the School of Aviation Medicine.

Mr. GROSS. Then we do have two schools of aviation medicine. Is it not a rather costly operation to have one at San Antonio and another at Montgomery, Ala.?

Mr. KILDAY. I doubt that. They are entirely different. These are the enlisted Medical Corps men who serve as hospital attendants or in the field, taking care of the wounded in the field, attending the men in the field, and so forth. The other is for research in

space medicine, field medicine, and that sort of thing.

Mr. GROSS. Alabama, of course, also likes some of the good things of life, I assume. Incidentally, I notice Iowa gets about $900,000 in this bill, and I think the State of Texas gets some $13 million.

Mr. KILDAY. I do not know. They took out everything from my district.

Mr. GROSS. I did not say anything about the gentleman's district. I said the State of Texas.

I would like to know whether there is any money in this bill for continued spending for construction in Saudi Arabia or Morocco since we are being kicked out of both countries.

Mr. KILDAY. I am not able to inform the gentleman. I think that is probably in the foreign aid bill.

Mr. GROSS. There is no money at all in this bill for that purpose?

Mr. KILDAY. No, sir.

Mr. GROSS. I thank the gentleman.

I understand there is $165,000 for a brig to be built at the naval training station in Washington. I would like to know if $165,000 is not a pretty fancy price tag to put on a brig—a jail, hoosegow, call it what you want. This is not a maximum-security jail because it is stated in the hearings that as soon as prisoners are sentenced they are to be taken down to Quantico or to Norfolk. So there is no maximum security involved.

I wonder whether it is proposed to air condition the brig that is to be built?

Mr. KILDAY. I am sorry. I will have to look that up and let the gentleman know.

Mr. GROSS. By the way; I notice there are some buildings to be cleared out at the naval air station. Does this mean we are indirectly subsidizing the Anacostia Freeway by demolishing some buildings and turning over Government property to the District of Columbia? Does the gentleman know?

Mr. KILDAY. No. I think actually the military is using it, and it belongs to the Department of the Interior. It is going back to them, as I understand it.

Mr. GROSS. So it goes back to the Department of the Interior, and Interior makes the property available for purposes of roadbuilding, is that correct?

Mr. KILDAY. It will go back to park use. That is explained at page 39 of the report.

Mr. GROSS. I thank the gentleman. Mr. Chairman, I am opposed to this bill for the reason, among others, that the huge increase in Capehart housing units should await full justification and the results of the investigation presently being conducted.

Mr. KILDAY. Mr. Chairman, I yield 5 minutes to the gentleman from Georgia [Mr. JAMES C. DAVIS].

Mr. JAMES C. DAVIS. Mr. Chairman, I am interested in the Capehart housing feature of this bill because I have a constituent in my district who some time ago, as a matter of private enterprise, constructed 650 apartment units at the front gate of Fort Benning near Columbus, Ga. It is proposed in this bill to construct 500 Capehart units at Fort Benning. Now, that is going to create a situation with reference to the privately owned apartments in which my constituent is interested, I am afraid, somewhat similar to the three instances which are given in the report of the General Accounting Office on page 62, where attention is called to the fact that mortgage loans are in default on a total of 300 housing units in Colorado Springs, Colo., Beaufort, S.C., and Del Rio, Tex.

These privately constructed and privately owned apartments there at the front gate of Fort Benning are now having vacancies which run from 185 in February to as high as 217 last December. Now, if 500 Capehart project units are constructed there, it is going to have a devastating and disastrous effect on this privately owned and privately constructed apartment project.

It is rather difficult to understand why the Committee on Armed Services has seen fit in presenting this bill to increase the number of Capehart units from 2,025, which were recommended by the Bureau of the Budget, by 350 percent, up to 7,074 and not give some detailed explanation of why this tremendous increase is being brought about in this bill.

Now, I have searched through the committee report to try to find the reason for it, and I have talked to some members of the committee in an effort to try to find the reason why the number of units requested by the Bureau of the Budget has been increased by some 350 percent, from 2,025 up to 7,074. I do not find any explanation of it on page 9 where the subject is taken up. I do not find it in any other section of the report in which the Capehart housing project is dealt with.

Now, my constituent has sent me photographs showing the condition of the housing units in this project. They are well built. They are attractive in appearance. They are well kept, and the grounds are well kept, and everything about it is attractive. And yet, with all of that, in the 650-unit project they had in the month of February 185 vacancies.

The apartments consist of two-bedroom units, four and one-half rooms all told. They are air conditioned. They have tile baths. They are all equipped with stoves, refrigerators, natural gas furnaces, and even venetian blinds. The rental rates are very reasonable, indeed, I think.

Their rental rates for unfurnished apartments are $75 and $85; and for furnished apartments $96 and $107.50. Here is an instance where private industry has provided adequate apartments for rent, and they did it on the theory that the Government would treat them fairly and justly. Now, with no notice whatsoever, the ground is about to be cut out from under them.

Mr. Chairman, I want to bring to the attention of the committee and to the attention of the House this situation. It strikes me, in view of the fact that this great increase appears to have been rather hastily contrived, and there are no detailed explanations of the reason for it in the committee report, that it would be entirely reasonable and would have no bad effects whatsoever if these Capehart units were withdrawn from this bill and an adequate investigation made of the real need for them. Then, if a need is found later on, after an investigation has been made, certainly legislation could be enacted to meet it.

Mr. VINSON. Mr. Chairman, will the gentleman yield?

Mr. JAMES C. DAVIS. Of course, I yield to the distinguished chairman of the committee.

Mr. VINSON. I am sorry I was not here at the beginning of the gentleman's remarks, but I am quite familiar with Fort Benning. The gentleman and I are very close to that area.

As a matter of fact we provided 500 units in this bill for Fort Benning, Ga. FHA actually cleared and approved 1,126. The gross requirement at Fort Benning is 8,879. The total number of units of military housing owned by the Government at this great base is 2,684. Community support provides another 4,305 units. Only 36 percent of the personnel at Fort Benning have accommodations in Government quarters. The balance of the personnel have to go out into Columbus, Ga., and through that section to find a place to live.

Mr. JAMES C. DAVIS. I would say to the distinguished chairman of the committee that these 650 units are at the front gate of Fort Benning. There are now 185 vacancies. What reason can the gentleman give for those vacancies and why is there a need now for 500 additional Capehart units which very likely will result in considerably more vacancies?

Mr. VINSON. Of course, I cannot say why there are so many vacancies. Perhaps it is due to the high rental.

Mr. JAMES C. DAVIS. As I pointed out to the gentleman, these are not high-priced apartments. The rental for these apartments, 4½-room apartments, unfurnished, is $75 and $85; and furnished $96 and $107.50. How does that compare with the amount which is charged the serviceman for Capehart units?

Mr. VINSON. It is about $92 average over the country.

Mr. JAMES C. DAVIS. What is $92—the Capehart unit?

Mr. VINSON. Yes, the average housing allowance which is forfeited by personnel who occupy Government quarters is about $92.

Mr. JAMES C. DAVIS. Is that unfurnished?

Mr. VINSON. That is for Government quarters.

Mr. JAMES C. DAVIS. Unfurnished?

Mr. VINSON. Unfurnished.

Mr. JAMES C. DAVIS. In both instances the rents I gave come under that figure; one is $75 and one is $85. As I said, I think it is a reasonable rent. They are suffering now, and with 500 more Capehart units it probably means that they will be put out of business.

Mr. VINSON. I also wish to point out that of the 500 units the committee has authorized, 385 are to take the place of inadequate housing units on the base.

Mr. JAMES C. DAVIS. Mr. Chairman, I do not question the good judgment of the chairman of the committee or of the committee. But I do want to make this

suggestion to the chairman and to the committee, that under these circumstances, take another look at it and see if this situation cannot be satisfactorily adjusted.

Mr. GAVIN. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. JENSEN].

Mr. JENSEN. Mr. Chairman, I have listened with great interest to this debate, especially that part of the debate which applies to the cost of houses. I was in the building game for 24 years before I came to the Congress, and I learned something about the cost of the different types of homes.

We, of course, all know that many architects like to build a home, as well as other type buildings, differently than anyone else ever built one, because they feel it is sort of a living monument to the architect.

A house can be built oblong or square type for at least 25 percent less than a house with the same square feet of floor space can be built with 12 or 16 inside and outside corners. It is the corners on a house that really cost money to construct. I have harped on that subject in the Interior Department and the Reclamation Bureau Subcommittee on Appropriations of which I am a member. Those agencies now are building houses for their employees almost completely on the oblong or square type construction.

Here are the facts: You can buy stock millwork, which is composed of doors, windows, trim, baseboards, casings, and outside trim of every nature, for about one-third the cost of specially made millwork. It is very easy to understand why. A special made door or window, millwork, or trim requires that they take a few men off the stock-producing line and put them at work building these specially made windows, doors, and trim.

I have seen federally constructed homes with as many as 16 inside and outside corners, starting from the foundation. Then it is necessary to build your frame to correspond with the foundation. Then every inside and outside corner of a side wall requires a hip or valley for the roof construction, so you have the same number of hips and valleys to work around as you have in the foundation and frame. On the inside of the house you have the same number of corners.

You have to work around these many corners in the lathing of that house. The same is true of the plastering. Your trim is cut up in short pieces, much shorter than they are in oblong or square construction that has only four corners. Then, also the maintenance of that building with all these corners and the special trim, windows and doors, will be at least twice as much over a period of years than is required to maintain a house built with stock windows and doors and trim, of the oblong or square shaped house and the painting, labor costs, likewise, is much more. I can assure you and every builder in America who knows anything about the business will tell you that a house with as many as 12 inside and outside corners will cost at least 25 percent more than a house that is oblong or square with only 4 corners. I wonder who on this committee is going to ride herd on the architects and on the department heads responsible for building these homes to see to it our taxpayers' money is not wasted as is too often the case on federally built buildings, not only of homes but on all other building constructions. Sure, we want adequate, comfortable modern homes for our fighting men and their families, but no unnecessary wasteful construction at the whims of some architects and approved by the Department of Defense.

Mr. VINSON. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. I yield to the gentleman from Georgia, the chairman of the committee from which this bill originated.

Mr. VINSON. I shall be glad to transmit to the Assistant Secretary of Defense tomorrow the CONGRESSIONAL RECORD with your comments and ask for a complete study of the subject.

Mr. JENSEN. I thank my esteemed colleague. I am not on the Military Appropriations Subcommittee, but I would suggest that someone should ask the architects and the departments to bring to your committee the plans and specifications for these homes, which they propose to build, then take a good look at them. If you will do that I'm sure you will be surprised to learn the huge amount of money you can save by riding herd on some of these architects and department heads.

The CHAIRMAN. The time of the gentleman has expired.

Mr. VINSON. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from South Carolina [Mr. RIVERS].

Mr. RIVERS of South Carolina. Mr. Chairman, I did not want to get mixed up in this debate on this housing, but since this famous GAO report has spoken with such authority and with such impact on the committee and on the Nation as a whole, and since my district has been mentioned, I want to tell you what we did in my part of the country.

We had a base being built for the Marines. The Marines have gotten what is left over for many years. The Marines built a base in Beaufort, S.C., the place that was named by the distinguished gentleman from Georgia [Mr. DAVIS]. The minute people got wind that there was going to be a Marine base there many speculators went out and built houses all over everywhere. Anybody who could finance them would build them. Many were not worth half of what was asked for. When I got wind of this I went to the FHA and told them not to lend any money on that sort of construction, that they were not good for the Marines, and the FHA did exactly that. They knew we were going to have decent representative housing on a project costing millions of dollars. That is what happened in Beaufort.

We built 1,200 houses for this Marine air wing. In the meantime people got financing wherever they could, but the FHA stopped insuring private construction for the most part.

Then the military came in and built this $60 million base for these Marines. Good housing was built there. They got a contractor from California, and he did a mighty good job. They are fine houses, and I do not think anything happened there such as the gentleman described earlier in the day.

Somebody has got to stop these fly-by-night builders taking advantage of servicemen. The real estate lobby got busy and began putting pressure on, taking full-page ads in my paper. The real estate lobby said that 300 houses were on foreclosure. I tell you that is more foreclosures then there have been since old Jean Rabaut sailed in there in 1562. There have not been 300 foreclosures in the 100 years since old Jean Rabaut sailed in. It is wrong for the selfish speculators to make such inaccurate reports.

Another thing to bear in mind is that this housing is for the marines. Those marines are my marines, they are your marines. Your people and my people want them housed in decent quarters. I have worked with CARL VINSON since I have been here, 20 years. He does not have any sentiment in the matter of saving Uncle Sam's money when it comes to providing decent housing for the boys who protect us. I know what I am talking about. I have been carrying coals for CARL VINSON for 20 years, and that is not an easy way to make a living.

Mr. JENSEN. If the gentleman will yield, I may say that is true of the rest of us.

Mr. RIVERS of South Carolina. Positively.

As far as Charleston is concerned the real estate lobby took paid ads in the newspapers. There is where is located the only Polaris base, as the gentleman well knows. Whether you like it or not that is the only base we have. It is a good base and the people who run it have got to be taken care of. As I say, the real estate lobby put these partial, ridiculous, slanderous page statements in the newspapers. I asked the gentleman from Georgia to make a full-fledged investigation and if the investigation showed they did not need the houses down there for them not to be built, not to build them if they could not justify them. That is what he did. That investigation took place, and the report came out, and here is what it says in substance: We gave them 500 Capehart houses. Only part of them were built. The next year they asked for 200 more.

So this report came to be 500 Capehart units approved, plus the 1,000 which the Navy asked for. They requested 1,500 total, comprising a little more than half of the projected shortage of adequate housing in this area. They did not get the 1,500. They got 500, the Navy gave them 200 more, or the Bureau of the Budget, and we upped that to 500 in this bill. If they had gotten what they asked for they would have gotten 1,500. The entire 1,500 units is only 35 percent of those now eligible and 38 percent of those scheduled on board next year, and 25 percent of those projected for June 30, 1964. It is 25 percent of what is going to be there when these submarines will be operational in 1964. That is, if they get the 1,500. We gave them a total of 1,000—not 1,500—which

is less than 25 percent of what they needed. Less than 20 percent.

What has the private building industry done? Nothing. They alleged 1,800 vacancies in Charleston; then 1,200; then 1,000. We made an investigation and we found less than 500, and many were not worth living in; that is, many of them. That is my community, and that is what our coldblooded investigation showed.

You know, there is a funny thing about military personnel: they propagate. A lot of them need a one-bedroom house; a lot of them need two bedrooms; some of them three bedrooms; and some four bedrooms. These apartments, or whatever they were, were not adequate for their needs.

The CHAIRMAN. The time of the gentleman from South Carolina has expired.

Mr. VINSON. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. RIVERS of South Carolina. Mr. Chairman, we have the FBM—SSNB—fleet personnel there, and I am not talking about destroyers. We have those, too; so does Norfolk, so does New London. They have destroyers and submarines, too. Those are the fleet nuclear ballastic submarines, and they have the most highly trained men in the world. They have robbed the destroyer fleet; those boys can make more money living on the outside.

If we do not give them houses they will quit. They are highly trained, and they will not live in ridiculous shacks called apartments.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. RIVERS of South Carolina. I yield to the gentleman from Iowa.

Mr. JENSEN. I hope the gentleman did not take from what I said in any of my remarks that I was opposed to good houses for our fine men in the services.

Mr. RIVERS of South Carolina. The gentleman has been in the forefront in this matter of providing for our servicemen.

Mr. JENSEN. I do not want the taxpayers of America to spend up to 25 percent more for these houses than is necessary.

Mr. RIVERS of South Carolina. Neither do I. They should have adequate, comfortable houses, and we are going to try to get that. We represent you on that committee, and we do the very best we can. I hope the day will come in my time that we will not have these Capehart houses. As the gentleman from Virginia [Mr. SMITH] said, I want houses coldbloodedly appropriated by the House, making them come up here and justify it, and then appropriate the money. But this is a fact of life, as my chairman has said. We either get it the Capehart way or you will not get it the other way. You are not going to get a half-billion dollars for housing any other way. That is why we raised it. We are going to get these nuclear submarines, and you have to have the housing, or you will not have your defense force. We welcome the gentleman's contribution. He made a splendid contribution to this matter.

Mr. BECKER. Mr. Chairman, will the gentleman yield?

Mr. RIVERS of South Carolina. I yield to the gentleman from New York.

Mr. BECKER. May I say to the gentlemen on the Committee on Armed Services as I picture the program of housing for our servicemen adequately and well, there is not a single Member of this House or the other body who will disagree with the statement that we must have adequate and decent housing for our military personnel. One thing that seems to disturb all of us is the cost of these houses, the diversified cost in various places, and of the various types. If we go back in history when we did build houses with appropriated money, we found we were paying great prices for those houses.

We paid great sums, far and beyond that which private business demanded. That is what my colleague from Iowa is talking about. That applies to this housing that is going on now. All we are getting in Government is our money's worth for the kind of housing we build in competition with private housing. I say to you that it is a well-known fact that we are not getting comparable housing for the same cost that you build private housing. This is, I think, the issue that is being raised today. I think that was in the mind of the gentleman from Colorado when he talked about increasing the number of investigations going on. I do not quarrel with this, but I think and I am sure that our chairman is going to look into this fully and well in the years to come when we are authorizing and have the responsibility to see that we get housing comparable with private housing.

Mr. RIVERS of South Carolina. The reason we put in these houses, they did not get enough out of the late administration. The Department asked for these houses. In my case the Navy asked for 1,000. The budget gave them 200. We gave them 300, making 500 in all. In New London they did not get any, and they need them terribly bad. We did not discriminate about these things. These houses that we add to this are sorely needed, and the fact of life which we face is that if we do not get them the Capehart way, we do not get them at all. It is as simple as that.

Mr. VINSON. Mr. Chairman, I yield 8 minutes to the gentleman from Louisiana [Mr. MORRISON].

Mr. MORRISON. Mr. Chairman, since I am not a member of the House Committee on Armed Services or the Defense Subcommittee on Appropriations, I do not presume to speak as any expert on military matters. But some 385 other Members of this body are not members of either of those committees, and I am sure many of them have convictions about our national defense which are as sincerely held as my own. It is because of the sincerity of my own conviction that I appreciate the opportunity which the distinguished chairman of the House Committee on Armed Services has now given me to express that conviction.

Those of us who were in the Congress in the early part of World War II will recall the situation which confronted us. To be quite honest about it, we were on the allies side whose condition was most grave and dark, and I shall not soon forget it. Fortunately, in those days our great industrial capacity was safe from attack, and the time we needed to convert from peacetime to wartime production could be bought. Our allies bought it for us, paying dearly in blood and life.

But the one great fact that faces us today is that we can no longer buy, at any price, a period of grace in which to put our defenses in order. It is certain that if war is to be prevented, the strength of American military might will do it. It is equally clear that if war should come in spite of our strength, our very survival will depend upon the degree and balance of our strength.

So, military strength can no longer be a last-minute affair. It must be in being, and sufficient beyond doubt, to either deter or win a war.

I requested a communication from Mr. James R. Wilson, Jr., in behalf of the American Legion. He enclosed a copy of a resolution adopted by the 1960 National Convention of the American Legion, advising that the Legion still fully supports that resolution. The final paragraph of the resolution states:

Now, therefore, be it

Resolved by the American Legion in national convention assembled in Miami Beach, Fla., on October 20, 1960, That we urge the Congress and the administration to provide maximum fiscal support and urgent development of the B–70 weapon system, in its entirety and in quantities which would make it available to our operational forces at the earliest possible time.

Of my own volition, and on my own responsibility, I hold the same view.

In order that my own position may not be misunderstood, let me say to my colleagues that there are no military installations in the Sixth Congressional District of Louisiana, which I have the honor to represent. In addition, I am unaware of the existence of any major defense industry in my district. Nor do I expect that any military installation or defense industry will be established in my district as the result of anything I may say here today. I simply speak my own conviction in behalf of more than 500,000 constituents whose interest in survival or victory is second to none.

Beginning in 1956, Federal appropriations were made available to begin the development of an intercontinental bomber which would fly 2,000 miles per hour. Since that time the Congress has continued to support that development. But that support has seriously waivered in other elements of the Government.

The development program was well underway in December of 1959, when the emphasis was shifted in the executive branch from the full development of this weapon system to a single vehicle. Under that change we would have developed a single prototype air vehicle capable of flying 2,000 miles per hour but without the subsystems which are mandatory if this vehicle is to be a bombing weapon system.

All of the military subsystems' contracts were canceled. All of the pro-

graming and scheduling were revised, and the projected date for the first flight slipped by about 1 year.

In spite of this action, the Congress remained firm in its position. Last year we insisted that the full program be reinstated and provided $265 million for that purpose. The Appropriations Committee made an additional $100 million available if that amount should not be needed for additional fighter planes. But I am fearful that the will of Congress is again being subverted. Events have proved that the extra $100 million is not required to procure additional fighter aircraft. Neither is it being used for the development of the B–70, as provided by this body.

A recent issue of Newsweek stated:

> The B–70 superbomber again is in bad trouble. A planner who sat in on a recent budget revision cost hearing said the project was clobbered. If this is so, it is not inaccurate to say that the will of the Congress was also clobbered.

During each succeeding year that I have been privileged to serve in this body, both in war and peace, the distinguished chairman of the House Committee on Armed Services has brought to the floor important legislation in behalf of our national defense. He has never waivered in his insistence that our defense must be second to none. There is one thing that stands out in my mind from the many outstanding presentations he has made on this floor in behalf of national defense. That is his continuing philosophy that we must have a balanced defense, be certain it is sufficient, and steadfastly support it. I well recall the numerous occasions on which he has denounced half-hearted or waivering efforts in behalf of our national defense. He has described such actions as "peaks and valleys" and clearly pointed out how futile, wasteful, and dangerous it is to proceed in such a manner. I would like to say to the distinguished chairman that I wholeheartedly embrace his philosophy on our defense effort and to add that it is my fervent hope that he will apply it in this case.

Why should we be concerned about developing the B–70 at a cost which, admittedly, will be large? We need only read the newspapers to get one answer.

Within this month we were advised in the press that the great airbase which we built in Dahran, Saudi Arabia, will not be available to us, as a wartime asset, beyond April 1, 1962, when our treaty arrangement expires. We are put on notice that the strategic airbases that we built in Morocco, at such great cost, will pass from U.S. control in 1963. This simply means that we must move to the SAC bases in Spain. While I hold great hope that our relationship with Spain will insure the continuing availability of the Spanish bases, not one among us can insure that result.

Throughout the world today we find no letup in the will or actions of the Communist forces to bring about our downfall. At the same time, both nationalism and neutralism are on the march. It is becoming increasingly clear that whether we face the militant opposition of communism or the spirit of nationalism or neutralism, the adequacy and balance of our military forces face an unceasing challenge. If we are denied the use of five SAC support bases because of neutralism or nationalism, and we are told that is true, the important military fact is that they are lost—not why they were lost.

The more we suffer such restrictions, the greater becomes the need to improve our strategic weapons. Certainly it is important to continue our efforts to improve our strategic missile capability. But, I do not foresee the day when a missile, once launched and beyond recall, will ever take the place of the skills and human judgment embodied in the crews of modern aircraft. Bombers cruising at 2,000 miles an hour or more, from sea level to 70,000 feet, capable of reaching any spot on the globe from the United States in 5 hours, would tell friend and foe alike that our determination to win is backed with the strength to win.

So, Mr. Chairman, the Congress must raise its voice again, loud enough to be both heard and respected, in support of the full development of the B–70.

I repeat what I said at the outset. I simply express my feeling as one Member of this body, representing over 500,000 constituents who desire nothing but freedom with dignity. The full development of the B–70 means nothing to them economically. There are no bases in my district where it could land, and no plants in which to produce it. I expect none to be built. If my constituents ever see one, it will be on TV, in a newsreel, or through travel to some distant airbase where it may be stationed.

Since I speak from a matter of personal conviction and not as a military expert, I want to say to the distinguished chairman of the House Committee on Armed Services that I look to him and the able members of his committee to provide the leadership which is needed in this matter. I look to him to apply to the B–70 program the same philosophy which he has advanced and which I have followed throughout the years. Take this program out of the peaks and valleys and put it on the level road to success. And may I say to the distinguished gentleman that if he will lead the way, here stands one Member who will support him all the way.

Mr. VINSON. Mr. Chairman, I move the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. ELLIOTT, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 5000) to authorize certain construction at military installations, and for other purposes, had come to no resolution thereon.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. McGown, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4510) entitled "An act to provide a special program for feed grains for 1961."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4806) entitled "An act to provide for the establishment of a temporary program of extended unemployment compensation, to provide for a temporary increase in the rate of the Federal unemployment tax, and for other purposes."

AUTHORIZING CONSTRUCTION FOR MILITARY DEPARTMENTS

Mr. VINSON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 5000) to authorize certain construction at military installations, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 5000, with Mr. ELLIOTT in the chair.

The Clerk read the title of the bill.

Mr. GAVIN. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. WILSON].

Mr. WILSON of California. Mr. Chairman, I would like to say just a word on behalf of the Capehart housing program, as advocated by the chairman of our committee, Mr. VINSON. Everyone who has spoken here today has stated, first of all, that they recognize the need for housing for the military—even those who have been opposed to this Capehart program. I think there has been some confusion as to just what Capehart housing is and how it works. I can understand it, and if I can understand it, I think anyone in this body can understand it. We are paying out hundreds of millions of dollars every year on housing allowances for service personnel. The Government instead of paying out these housing allowances to service personnel applies it to pay off mortgages for houses available to the service personnel who live in them. It is an easy way for the military to acquire housing without additional capital expenditures and additional tax revenues. I wonder if you realize how much money we pay out in tax money every year for these housing allowances. I went to the Committee on Appropriations a few minutes ago and found out. It will be of interest to all of you. We pay out for the Army every year $322 million in housing allowances. We pay out for the Air Force $351 million. In the Navy the figure is $321 million. That is $994 million, almost a billion dollars, that we are paying right now for housing allowances. We give the housing allowance to the service personnel. They use it to try to get decent housing. The object of Capehart housing is to make decent houses available.

I want to point out that these houses are financed with individual mortgage money. They are built by contractors under a bid system that allows the Government to get the best possible house for the dollars invested. It just makes commonsense to support this program.

There is no question about the necessity for additional houses. We have tried to get it through capital expenditure but never could get the money to do it. Throughout the years whenever this has been tried, the armed services have always had more important critical projects in the military construction program that have necessitated the use of the money, so we did not get the housing in that way.

A program such as this will in the end save money, for it will make reenlistment more attractive and will save the spending of hundreds of thousands of dollars in the training of personnel to replace those who rotate through our military system. When they know they can get decent housing under the Capehart housing program we are going to have a greatly reduced turnover of personnel, for they know that they and their families will be well taken care of. That is a very cogent reason, in my opinion, why we should support this program.

Another thing to remember is that it can be done without the expenditure of another tax dollar; 7,000 units is a very small number. That means that only 7,000 service families are going to be adequately housed. It does not mean an additional dollar of tax revenue will have to be raised. We have heard many expressions of support for housing for the military. Is it sincere or is it just lipservice? Our vote today will tell.

I urge the Members to support this program.

Mr. GAVIN. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. GUBSER].

Mr. GUBSER. Mr. Chairman, it is my understanding that there will be some controversy later in the debate on this bill regarding the transfer of the Food Container Institute from Chicago to the State of Massachusetts. This transfer is being opposed by a number of industries on the west coast which furnish food to the Army. However, this objection was not made known by these industries during the hearings of the Committee on Armed Services, of which I am a member. Therefore, I feel that I am morally bound, because I did not raise an objection during the committee hearings, to support the committee version of the bill.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. GUBSER. I yield to the gentleman from Illinois.

Mr. YATES. The gentleman will recall that I appeared on behalf of the city of Chicago before the Armed Services Committee to protest the transfer of this institute to Natick, and as a result of my opposition the chairman, I believe, struck out the item and suggested that a special subcommittee would be appointed to look into it.

Mr. GUBSER. I commend the gentleman for his diligence. I am merely stating my own position, that my own constituents did not raise an objection during the hearings.

Since this transfer has been pointed to as a means of saving a great deal of money by the Quartermaster Corps, I wanted to speak of it.

It seems to me that by the application of commonsense instead of strict adherence to inflexible regulations the Quartermaster Corps could save millions of dollars. I am somewhat familiar with the produce industry and Quartermaster Corps practices. Let me give you just two examples. Let us take first the case of frozen strawberries. Frozen strawberries are graded in terms of 4 plus 1 or 5 plus 1; 4 plus 1 means 4 parts berries and 1 part sugar; 5 plus 1 means 5 parts berries and 1 part sugar. Now, God Almighty in maturing the strawberries puts a different amount of sugar in different lots of strawberries.

So in order to adhere exactly and precisely to 4 plus 1, or 5 plus 1 grade, you have to have continuous inspection of each and every package that comes off the production line and, Mr. Chairman, that costs money.

Just recently in my own congressional district a company happened to have a vast quantity of frozen strawberries which graded, let us say, 4.5 to 1. In other words, there were more berries in them than the 4 plus 1 grade. They offered to sell those berries at the price of 4 plus 1, in other words, they were offering a superior product for less money. But the Army Quartermaster said, "No, it must be exactly 4 plus 1." That is silly when through strict adherence to a rule instead of the law of commonsense the U.S. Government passes up an opportunity to get a better product for less money. It means that the producers of frozen strawberries absolutely cannot produce the grade that is required under Quartermaster procurement regulations.

Here is the second example. I am familiar with a produce company which ships sweet corn to the Army. You can sell corn in a used crate which costs about 12 or 13 cents, or you can ship it in a new crate which costs about 40 cents. The common practice of all grocery stores and all retail outlets which are close to the production point is to buy in a used crate. But the U.S. Army, if they are going to use that corn just 15 or 20 miles from the point of origin, requires that it be in a new crate which is opened up and thrown out in the ashcan. This results in an increase in the price of that product of from 15 to 25 percent. Most retail outlets like Safeway Stores, and all of your better grocery stores that are experienced in merchandising, will buy in used crates. But, no, the Quartermaster book says it has to be new. So the Army buys in a new crate, throws it out in the ashcan and wastes your money and mine.

So I suggest, without taking a position for or against the transfer of this Institute to Massachusetts, that if the objective is to save money the Quartermaster Corps might well examine its practices on procurement and start administering them with commonsense instead of adhering to the letter of the regulation.

Mr. GAVIN. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. YATES].

Mr. YATES. Mr. Chairman, I thank the gentleman from Pennsylvania for his graciousness in yielding me this time, which I take for the purpose of advising the House that I propose to offer an amendment, when the bill is read in committee for amendment, to strike from it that portion which would authorize the expenditure of $3.8 million for the establishment of the Food and Container Institute in Massachusetts.

I want, too, to state at the outset that I was treated with the greatest courtesy and cooperation by the distinguished chairman, Mr. VINSON, last year when I appeared before the committee at that time in opposition to the move. As I indicated a few moments ago, on that occasion the chairman was gracious enough to strike the item from the bill and appoint a subcommittee for the specific purpose of checking into the matter. That subcommittee did a fine job within the limitations of the information that was afforded to it by the Army. I believe, however, that all of the information which could have been available was not given to the subcommittee by the Army. At no time did the Army ever attempt to present the issue fairly—it never made available a fair comparative cost study showing the costs of a building in Chicago of the same size as that it wanted in Natick. The comparison was made between a new building at Natick and the obsolete edifice in which the building is now located.

It appears to me from my investigation of the case that the Army always had in mind moving this Institute from Chicago to Natick, Mass., to the point where it refused to give the committee any information about the cost of constructing a new building in Chicago, Ill., to house this Institute. As a matter of fact, in the hearings before the House Military Construction Appropriations Committee for 1961, this interchange took place between the gentleman from California [Mr. SHEPPARD] and General Seeman of the Quartermaster Corps. This is on page 646 of the hearings:

Mr. SHEPPARD. In presenting to the Congress your program for the consolidation at Natick in 1952, the Secretary of the Army stated that the food and container research must remain in Chicago and no future request would be made to Congress for supporting facilities for it at Natick unless there should be a complete change in the character of the laboratory. What complete change in the character of the laboratory has taken place since 1952 to justify the difference in concept between what was testified then and what is now presented?

General SEEMAN. That is correct, Mr. Chairman. In 1952 the Army had no intention of moving from Chicago. However, that was 8 years ago. As I mentioned, this 1,800,000-square-foot building now is a chain around the neck of the Food and Container Institute.

The Quartermaster Corps was referring to the building in which it is now

housed in the city of Chicago and told Congress that this is an uneconomical building to run, but the Quartermaster Corps never told this committee nor did it ever tell the subcommittee that a comparable building could be built on the campus of the Illinois Institute of Technology cheaper than it could be built in Natick, Mass.

And, I say to the House now that we can build in Chicago the same kind of a building that the Army proposed to this committee, better and cheaper than the Army can do it in Natick, Mass. And, I say to the House that constructing this building in Chicago will permit the Quartermaster Corps to perform the mission of the Food and Container Institute better in Chicago than it can perform it in Natick, Mass.

I ask you to consider for a moment the mission of this Institute, which is to find the best way to provide food for the Armed Forces of our country, and I ask you, where is it better to have this Institute located, in the heartland of the agricultural section of our country or in the beautiful foothills of some secluded spot in Massachusetts? I think the answer is obvious.

Mr. BOLAND. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Massachusetts.

Mr. BOLAND. I just want my beloved and distinguished friend to know that this is not a secluded spot in the foothills of New England. As a matter of fact, it is probably in the midst of one of the greatest research centers in all the world.

Mr. YATES. Of course it is a research center, but it cannot compare with those in the city of Chicago. My description of its location in the beautiful foothills of Massachusetts was according to what some of the Members from Massachusetts told me last night. And, I say, no matter where it is located, the fact still remains that a better location would be in the great granary of America, in the center of our agricultural riches, and not in one of the eastern tips of our country.

Mr. VAN ZANDT. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Pennsylvania who was a member of the subcommittee. And may I ask the gentleman this question: Did the Quartermaster Corps ever make available to you as a member of the subcommittee any information for the construction of a new building in the city of Chicago, Ill., or did it insist upon comparing the building which it proposed to build in Natick with the existing location in the city of Chicago?

Mr. VAN ZANDT. In reply I will say that the Army did make available to us an estimate as to the cost of construction of a new building on the campus of the Illinois Institute of Technology and also a new building on the grounds of Fort Sheridan, Ill.

Mr. YATES. But may I ask the gentleman this: Did the Army give you a comparison based on the same size? It did not. The offer that was made by the Institute of Technology in Chicago was predicated upon square footage of 1.8 million, which is the exact footage today of the center in Chicago. The new building at Natick will contain only 120,000 square feet, and I say to the gentleman that based upon this square footage the building can be constructed more economically in Chicago.

Mr. VAN ZANDT. Of course, I will have to disagree with the gentleman. The gentleman from California [Mr. DOYLE], and I had no interest either in Chicago or Natick. Our objective was to make a decision that would be in the best interests of the taxpayers of this country. We took a very careful look at both sides of this matter and found that the taxpayers would be saved $900,000 a year; and this was the basis of our decision.

Mr. YATES. But the basis of that comparison was the building to be constructed in Natick and the building located at the present site in Chicago which is admittedly uneconomical.

The CHAIRMAN. The time of the gentleman from Illinois [Mr. YATES] has expired.

Mr. GAVIN. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. There being no further requests for time, the Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I

SEC. 101. The Secretary of the Army may establish or develop military installations and facilities by acquiring, constructing, converting, rehabilitating, or installing permanent or temporary public works, including site preparation, appurtenances, utilities, and equipment, for the following projects:

Inside the United States

Continental Army Command

(First Army)

Fort Devens, Massachusetts: Operational facilities, $626,000.

(Second Army)

Camp A. P. Hill, Virginia: Training facilities, $284,000.

Fort Knox, Kentucky: Operational and training facilities, and utilities, $492,000.

Fort Meade, Maryland: Maintenance facilities, supply facilities, medical facilities, and administrative facilities, $2,211,000.

Camp Pickett, Virginia: Training facilities, $396,000.

Fort Ritchie, Maryland: Troop housing, $305,000.

(Third Army)

Fort Benning, Georgia: Operational and training facilities, $10,524,000.

Fort Bragg, North Carolina: Operational facilities, and maintenance facilities, $521,000.

Fort Campbell, Kentucky: Utilities, $618,000.

Fort Rucker, Alabama: Operational and training facilities, and maintenance facilities, $1,571,000.

Fort Stewart, Georgia: Operational and training facilities, maintenance facilities, and administrative facilities, $1,240,000.

(Fourth Army)

Fort Bliss, Texas: Supply facilities, administrative facilities, troop housing, and utilities, $455,000.

Fort Hood, Texas: Operational and training facilities, maintenance facilities, and supply facilities, $3,054,000.

Fort Sill, Oklahoma: Operational and training facilities, maintenance facilities, hospital and medical facilities, and utilities, $8,695,000.

(Fifth Army)

Fort Riley, Kansas: Troop housing, $99,000.

Fort Leonard Wood, Missouri: Troop housing, community facilities, and utilities, $4,081,000.

(Sixth Army)

Camp Irwin, California: Ground improvements. $350,000.

Fort Lewis, Washington: Operational facilities and maintenance facilities, $524,000.

Fort Ord, California: Maintenance facilities and supply facilities, $1,357,000.

Yuma Test Station, Arizona: Maintenance facilities, administrative facilities, and utilities, $388,000.

(Military District of Washington)

Fort Myer, Virginia: Troop housing and utilities, $2,120,000.

Technical services facilities

(Chemical Corps)

Army Chemical Center, Maryland: Research, development, and test facilities, and medical facilities, $4,029,000.

(Corps of Engineers)

Fort Belvoir, Virginia: Operational and training facilities, research, development, and test facilities, and maintenance facilities, $1,973,000.

(Ordnance Corps)

Aberdeen Proving Ground, Maryland: Research, development, and test facilities, and utilities, $1,127,000.

Point Mugu, California: Research, development, and test facilities, $100,000.

Redstone Arsenal, Alabama: Research, development, and test facilities, $5,038,000.

Savanna Ordnance Depot, Illinois: Utilities, $382,000.

White Sands Missile Range, New Mexico: Research, development, and test facilities, $2,000,000.

(Quartermaster Corps)

Atlanta General Depot, Georgia: Maintenance facilities, $231,000.

Columbus General Depot, Ohio: Administrative facilities, $988,000.

Fort Lee, Virginia: Utilities, $84,000.

Quartermaster Research and Engineering Center, Natick, Massachusetts: Research, development, and test facilities, and troop housing, $3,812,000.

Richmond Quartermaster Depot, Virginia: Administrative facilities and community facilities, $600,000.

Sharpe General Depot, California: Operational and training facilities, $202,000.

(Signal Corps)

Fort Huachuca, Arizona: Operational facilities, $2,228,000.

Lexington Signal Depot, Kentucky: Utilities, $33,000.

(Medical Service)

Walter Reed Army Medical Center, District of Columbia: Medical facilities, $45,000.

(Transportation Corps)

Fort Eustis, Virginia: Training facilities, $1,253,000.

United States Military Academy

United States Military Academy, West Point, New York: Training facilities, $4,222,000.

Defense Atomic Support Agency

Clarksville Base, Tennessee: Utilities, $238,000.

Sandia Base, New Mexico: Operational facilities and community facilities, $1,744,000.

Army Component Commands

(United State Army Air Defense Command)

Various locations: Operational facilities, supply facilities, administrative facilities, and utilities, $1,743,000.

(Alaska Command Area)

Various locations: Operational facilities and utilities, $5,951,000.

(Pacific Command Area)

Aliamanu Military Reservation, Hawaii: Utilities, $36,000.

Schofield Barracks, Hawaii: Maintenance facilities and supply facilities, $918,000.

Various locations: Operational facilities, $814,000.

Outside the United States

(Ordnance Corps)

Kwajalein Island: Research, development, and test facilities, supply facilities, community facilities, utilities, and ground improvements, $7,034,000.

Ascension Island: Research, development, and test facilities, $1,000,000.

(Army Security Agency)

Various locations: Operational facilities, maintenance facilities, supply facilities, medical facilities, and community facilities, utilities, $2,586,000.

Army Component Commands

(Pacific Command Area)

Korea: Operational facilities, maintenance facilities, supply facilities, medical facilities, troop housing, community facilities, utilities, and ground improvements, $15,461,000.

Fort Buckner, Okinawa: Operational facilities, supply facilities, hospital facilities, and community facilities, $6,676,000.

Camp Tomlinson, Japan: Operational facilities, $50,000.

Guam: Real estate, $80,000.

(European Command Area)

France: Operational facilities, supply facilities, and utilities, $4,230,000.

Germany: Operational and training facilities, troop housing, and utilities, $7,106,000.

Classified locations: Operational facilities and utilities, $3,105,000.

(Caribbean Command Area)

Fort Allen, Puerto Rico: Utilities, $381,000.

Fort Clayton, Canal Zone: Community facilities and utilities, $582,000.

SEC. 102. The Secretary of the Army may establish or develop classified military installations and facilities by acquiring, constructing, converting, rehabilitating, or installing permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment in the total amount of $6,245,000.

SEC. 103. The Secretary of the Army may establish or develop Army installations and facilities by proceeding with construction made necessary by changes in Army missions, new weapons developments, new and unforeseen research and development requirements, or improved production schedules, if the Secretary of Defense determines that deferral of such construction for inclusion in the next military construction authorization Act would be inconsistent with interests of national security, and in connection therewith to acquire, construct, convert, rehabilitate, or install permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment, in the total amount of $10,000,000: *Provided*, That the Secretary of the Army, or his designee, shall notify the Committees on Armed Services of the Senate and House of Representatives, immediately upon reaching a final decision to implement, of the cost of construction of any public work undertaken under this section, including those real estate actions pertaining thereto. This authorization will expire as of September 30, 1962, except for those public works projects concerning which the Committees on Armed Services of the Senate and House of Representatives have been notified pursuant to this section prior to that date.

SEC. 104. In accordance with the provisions of title IV of the Housing Amendments of 1955 (69 Stat. 646), as amended, the Secretary of the Army is authorized to construct family housing for occupancy as public quarters at the following locations:

Inside the United States

Fort Belvoir, Virginia, 250 units.
Fort Benning, Georgia, 500 units.
Fort Stewart, Georgia, 160 units.
Fort Sam Houston, Texas, 200 units.
Camp Irwin, California, 240 units.
Fort Myer, Virginia, 525 units.
Rocky Mountain Arsenal, Colorado, 40 units.
Picatinny Arsenal, New Jersey, 34 units.
Sharpe General Depot, California, 50 units.

Outside the United States

Canal Zone, Atlantic Side, 200 units.
Canal Zone, Pacific Side, 500 units.

SEC. 105. (a) Public Law 85–685, as amended, is amended under the heading "INSIDE THE UNITED STATES", in section 101 as follows:

Under the subheading "FIELD FORCES FACILITIES (Sixth Army Area)", with respect to Fort Lewis, Washington, strike out "$1,085,000" and insert in place thereof "$1,257,000".

(b) Public Law 85–685, as amended, is amended by striking out in clause (1) of section 502 the amounts "$110,625,000" and "$310,535,000" and inserting in place thereof "$110,797,000" and "$310,707,000", respectively.

SEC. 106. (a) Public Law 86–149, as amended, is amended under the heading "INSIDE THE UNITED STATES", in section 101 as follows:

Under the subheading "TECHNICAL SERVICES FACILITIES (Chemical Corps)", with respect to Dugway Proving Ground, Utah, strike out "$532,000" and insert in place thereof "$600,000".

(b) Public Law 86–149, as amended, is amended by striking out in section 102 the amount "$81,830,000" and inserting in place thereof "$83,876,000".

(c) Public Law 86–149, as amended, is amended by striking out in clause (1) of section 402 the amounts "$73,652,100", "$81,830,000" and "$189,692,100" and inserting in place thereof "$73,720,100", "$83,876,000" and "$191,806,100", respectively.

SEC. 107. (a) Public Law 86–500 is amended under the heading "INSIDE THE UNITED STATES" in section 101 as follows:

Under the subheading "FIELD FORCES FACILITIES (Fifth Army Area)", with respect to Fort Leonard Wood, Missouri, strike out "$9,087,000" and insert in place thereof "$11,731,000".

(b) Public Law 86–500 is amended by striking out in clause (1) of section 502 "$76,631,000" and "$143,561,000" and inserting in place thereof "$79,275,000" and "$146,205,000", respectively.

TITLE II

SEC. 201. The Secretary of the Navy may establish or develop military installations and facilities by acquiring, constructing, converting, rehabilitating, or installing permanent or temporary public works, including site preparation, appurtenances, utilities, and equipment for the following projects:

Inside the United States

Shipyard Facilities

Naval Shipyard, Charleston, South Carolina: Operational facilities, and supply facilities, $700,000.

Naval Shipyard, Norfolk, Virginia: Maintenance facilities, $211,000.

Naval Shipyard, Philadelphia, Pennsylvania: Maintenance facilities, $4,000,000.

Naval Shipyard, Portsmouth, New Hampshire: Maintenance facilities, administrative facilities, and utilities, $1,774,000.

Naval Shipyard, Mare Island, Vallejo, California: Operational facilities, $417,000.

Fleet Base Facilities

Naval Station, Charleston, South Carolina: Medical facilities, troop housing, and utilities and ground improvements, $5,951,000.

Naval Station, Long Beach, California: Operational facilities and utilities, $720,000.

Naval Station, Mayport, Florida: Medical facilities, $570,000.

Naval Weapons Facilities

(Training stations)

Naval Air Station, Glynco, Georgia: Training facilities, $639,000.

Naval Air Station, Memphis, Tennessee: Community facilities, $94,000.

(Field support stations)

Naval Air Station, Brunswick, Maine: Training facilities, $211,000.

Naval Air Station, Cecil Field, Florida: Operational facilities, $68,000.

Naval Auxiliary Air Station, Fallon, Nevada: Utilities, $772,000.

Naval Air Station, Lemoore, California: Supply facilities and ground improvements, $279,000.

Naval Air Station, Miramar, California: Operational facilities, maintenance facilities, and utilities, $2,591,000.

Naval Air Station, Norfolk, Virginia: Maintenance facilities, $435,000.

Naval Air Station, North Island, San Diego, California: Operational facilities, $1,480,000.

Naval Air Station, Oceana, Virginia: Maintenance facilities, $161,000.

(Marine Corps air stations)

Marine Corps Air Station, Beaufort, South Carolina: Operational facilities, $190,000.

Marine Corps Air Station, Cherry Point, North Carolina: Operational facilities, maintenance facilities, supply facilities, administrative facilities, and utilities and ground improvements, $4,864,000.

Marine Corps Air Station, El Toro, California: Operational facilities, $463,000.

Marine Corps Air Facility, New River, North Carolina: Training facilities, maintenance facilities, and utilities and ground improvements, $2,731,000.

(Fleet readiness stations)

Naval Ammunition Depot, Concord, California: Research, development and test facilities, $345,000.

Naval Propellant Plant, Indian Head, Maryland: Supply facilities, $460,000.

(Research, development, test and evaluation stations)

Naval Ordnance Test Station, China Lake, California: Utilities, $1,086,000.

Naval Air Station, Lakehurst, New Jersey: Operational facilities, $1,628,000.

Pacific Missile Range, Point Mugu, California: Utilities; at Point Arguello, supply facilities, medical facilities, and utilities and ground improvements; and, on San Nicolas Island, operational facilities, research, development and test facilities, and utilities, $2,791,000.

Naval Ordnance Laboratory, White Oak, Maryland: Research, development and test facilities, $240,000.

Supply Facilities

Military Industrial Supply Agency, Philadelphia, Pennsylvania: Administrative facilities, $825,000.

Marine Corps Facilities

Marine Corps Base, Camp Pendleton, California: Operational and training facilities, supply facilities, administrative facilities,

troop housing and community facilities, and utilities and ground improvements, $6,101,000.

Marine Corps Schools, Quantico, Virginia: Administrative facilities, $118,000.

Marine Corps Base, Twentynine Palms, California: Hospital facilities, $1,100,000.

Service School Facilities

Naval Academy, Annapolis, Maryland: Operational and training facilities, and troop housing, $9,687,000.

Naval Station, District of Columbia: Operational facilities, troop housing and community facilities, and utilities, $6,000,000.

Naval Training Center, Great Lakes, Illinois: Medical facilities, and troop housing, $4,952,000.

Naval Schools, Mare Island, Vallejo, California: Training facilities, administrative facilities, troop housing, and utilities, $2,213,000.

Naval Post Graduate School, Monterey, California: Training facilities, $2,463,000.

Atlantic Fleet Anti-Submarine Warfare Tactical School, Norfolk, Virginia: Training facilities, $868,000.

Medical Facilities

Naval Hospital, Long Beach, California: Hospital facilities, and utilities, $8,763,000.

Naval Hospital, Portsmouth, New Hampshire: Hospital facilities, $60,000.

Communication Facilities

Naval Radio Station, Annapolis, Maryland: Operational facilities, $900,000.

Naval Security Group Detachment, Charleston, South Carolina: Supply facilities, $240,000.

Naval Radio Station, Cheltenham, Maryland: Operational facilities, $151,000.

Naval Radio Station, Dixon, California: Troop housing, $165,000.

Naval Communication Station, Kodiak, Alaska: Operational facilities, $77,000.

Outside the United States

Naval Weapons Facilities

Naval Magazine, Cartagena, Spain: Utilities, $115,000.

Marine Corps Air Facility, Futema, Okinawa: Operational facilities, and administrative facilities, $1,527,000.

Marine Corps Air Facility, Iwakuni, Japan: Operational facilities, $1,375,000.

Naval Air Facility, Naha, Okinawa: Maintenance facilities, $1,791,000.

Naval Station, Roosevelt Roads, Puerto Rico: Operational facilities, $90,000.

Naval Station, Rota, Spain: Maintenance facilities, and hospital facilities, $3,165,000.

Marine Corps Facilities

Camp Smedley D. Butler, Okinawa: Operational facilities, medical facilities, administrative facilities, troop housing and community facilities, and utilities and ground improvements, $3,238,000.

SEC. 202. The Secretary of the Navy may establish or develop classified naval installations and facilities by acquiring, constructing, converting, rehabilitating, or installing permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment in the total amount of $30,719,000.

SEC. 203. The Secretary of the Navy may establish or develop Navy installations and facilities by proceeding with construction made necessary by changes in Navy missions, new weapons developments, new and unforeseen research and development requirements, or improved production schedules, if the Secretary of Defense determines that deferral of such construction for inclusion in the next military construction authorization Act would be inconsistent with interests of national security, and in connection therewith to acquire, construct, convert, rehabilitate, or install permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment, in the total amount of $10,000,000: *Provided*, That the Secretary of the Navy, or his designee, shall notify the Committees on Armed Services of the Senate and House of Representatives, immediately upon reaching a final decision to implement, of the cost of construction of any public work undertaken under this section, including those real estate actions pertaining thereto. This authorization will expire as of September 30, 1962, except for those public works projects concerning which the Committees on Armed Services of the Senate and House of Representatives have been notified pursuant to this section prior to that date.

SEC. 204. In accordance with the provisions of title IV of the Housing Amendments of 1955 (69 Stat. 646), as amended, the Secretary of the Navy is authorized to construct family housing for occupancy as public quarters at the following locations:

Naval Base, Charleston, South Carolina, 500 units.

Naval Air Station, Lemoore, California, 500 units.

Naval Facility, Fort Miles, Lewes, Delaware, 30 units.

Naval Station, Mayport, Florida, 500 units.

Naval Submarine Base, New London, Connecticut, 800 units.

Naval Base, Norfolk, Virginia, 600 units.

Naval Construction Battalion Center, Port Hueneme, California, 400 units.

Naval Security Group Activity, Winter Harbor, Maine, 30 units.

SEC. 205. (a) Public Law 85–685, as amended, is amended by striking out in section 202, "$93,101,000", and inserting in place thereof "$129,701,000".

(b) Public Law 85–685, as amended, is amended by striking out in clause (2) of section 502 the amounts $93,101,000" and "$351,294,000", and inserting respectively in place thereof "$129,701,000", and "$387,894,000".

SEC. 206. (a) Public Law 86–500 is amended in section 201 under the heading "INSIDE THE UNITED STATES" and subheading "SHIPYARD FACILITIES", with respect to the Naval Shipyard, Charleston, South Carolina, by striking out the amount "$14,855,000", and inserting in place thereof "$17,955,000".

(b) Public Law 86–500 is amended by striking out in clause (2) of section 502, the amounts "$83,975,000" and "$127,566,000", and inserting respectively in place thereof "$87,075,000" and "$130,666,000".

TITLE III

SEC. 301. The Secretary of the Air Force may establish or develop military installations and facilities by acquiring, constructing, converting, rehabilitating, or installing permanent or temporary public works, including site preparation, appurtenances, utilities, and equipment, for the following projects:

Inside the United States

Air Defense Command

Grand Forks Air Force Base, Grand Forks, North Dakota: Operational facilities, maintenance facilities, supply facilities, and community facilities, $888,000.

K. I. Sawyer Municipal Airport, Marquette, Michigan: Operational facilities, maintenance facilities, and troop housing and community facilities, $1,468,000.

Kincheloe Air Force Base, Sault Sainte Marie, Michigan: Maintenance facilities, supply facilities and community facilities, $1,256,000.

McChord Air Force Base, Tacoma, Washington: Operational facilities, maintenance facilities, and utilities, $404,000.

Minot Air Force Base, Minot, North Dakota: Operational facilities, maintenance facilities, supply facilities, community facilities, and utilities, $2,677,000.

NORAD Headquarters, Colorado Springs, Colorado: Operational facilities, $12,400,000.

Otis Air Force Base, Falmouth, Massachusetts: Operational facilities, $373,000.

Suffolk County Air Force Base, Westhampton Beach, New York: Real estate, $43,000.

Air Materiel Command

Gentile Air Force Station, Dayton, Ohio: Administrative facilities, $420,000.

Griffiss Air Force Base, Rome, New York: Operational facilities and maintenance facilities, $305,000.

Hill Air Force Base, Ogden, Utah: Operational facilities, maintenance facilities, supply facilities, and utilities, $1,820,000.

Hill Air Force Range, Wendover, Utah: Maintenance facilities, suppy facilities, troop housing, and utilities, $7,289,000.

McClellan Air Force Base, Sacramento, California: Operational facilities, maintenance facilities, supply facilities, and utilities, $1,280,000.

Olmstead Air Force Base, Middletown, Pennsylvania: Operational facilities, and maintenance facilities, $1,639,000.

Robins Air Force Base, Macon, Georgia: Operational facilities, supply facilities, administrative facilities, community facilities, and utilities, $1,107,000.

Tinker Air Force Base, Oklahoma City, Oklahoma: Operational facilities, maintenance facilities, supply facilities, and utilities, $881,000.

Wright-Patterson Air Force Base, Dayton, Ohio: Operational facilities, maintenance facilities, research, development, and test facilities, supply facilities, and medical facilities, $1,653,000.

Air Research and Development Command

Arnold Engineering Development Center, Tullahoma, Tennessee: Research, development, and test facilities, $18,500,000.

Edwards Air Force Base, Muroc, California: Research, development, and test facilities and utilities, $1,885,000.

Eglin Air Force Base, Valparaiso, Florida: Operational facilities, $345,000.

Laurence G. Hanscom Field, Bedford, Massachusetts: Research, development, and test facilities, community facilities, and utilities, $2,819,000.

Patrick Air Force Base, Cocoa, Florida: Operational facilities and community facilities, $630,000.

Various locations, Atlantic Missile Range: Operational facilities, and research, development, and test facilities, $8,982,000.

Air Training Command

Brooks Air Force Base, San Antonio, Texas: Community facilities, $296,000.

Chanute Air Force Base, Rantoul, Illinois: Troop housing, $342,000.

James Connally Air Force Base, Waco, Texas: Community facilities and utilities, $427,000.

Keesler Air Force Base, Biloxi, Mississippi: Medical facilities and community facilities, $693,000.

Lackland Air Force Base, San Antonio, Texas: Training facilities, and administrative facilities, $1,040,000.

Lowry Air Force Base, Denver, Colorado: Medical facilities, $371,000.

Mather Air Force Base, Sacramento, California: Training facilities, and maintenance facilities, $1,075,000.

Perrin Air Force Base, Sherman, Texas: Supply facilities, $203,000.

Randolph Air Force Base, San Antonio, Texas: Operational facilities, $1,256,000.

Reese Air Force Base, Lubbock, Texas: Operational facilities, $135,000.

Sheppard Air Force Base, Wichita Falls, Texas: Troop housing and utilities, $553,000.

Air University

Gunter Air Force Base, Montgomery, Alabama: Community facilities, $86,000.

Maxwell Air Force Base, Montgomery, Alabama: Operational facilities, maintenance facilities, troop housing, and utilities, $2,413,000.

Alaskan Air Command

Eielson Air Force Base, Fairbanks, Alaska: Community facilities, $354,000.

Elmendorf Air Force Base, Anchorage, Alaska: Maintenance facilities, and community facilities, $240,000.

King Salmon Airport, Naknek, Alaska: Operational facilities, $684,000.

Various locations, Alaska: Maintenance facilities, supply facilities, and troop housing, $1,837,000.

Headquarters Command

Andrews Air Force Base, Camp Springs, Maryland: Maintenance facilities, administrative facilities, and utilities, $2,692,000.

Military Air Transport Service

Dover Air Force Base, Dover, Delaware: Maintenance facilities, $145,000.

McGuire Air Force Base, Wrightstown, New Jersey: Operational facilities, and supply facilities, $125,000.

Travis Air Force Base, Fairfield, California: Maintenance facilities and medical facilities, $441,000.

Pacific Air Forces

Hickam Air Force Base, Honolulu, Hawaii: Operational facilities, $122,000.

Strategic Air Command

Barksdale Air Force Base, Shreveport, Louisiana: Operational facilities and medical facilities, $1,217,000.

Beale Air Force Base, Marysville, California: Operational facilities, maintenance facilities, and utilities, $373,000.

Bergstrom Air Force Base, Austin, Texas: Operational facilities, $74,000.

Blytheville Air Force Base, Blytheville, Arkansas: Operational facilities and community facilities, $475,000.

Bunker Hill Air Force Base, Peru, Indiana: Operational facilities and maintenance facilities, $411,000.

Carswell Air Force Base, Fort Worth Texas: Maintenance facilities and utilities, $236,000.

Castle Air Force Base, Merced, California: Operational facilities, $487,000.

Clinton-Sherman Air Force Base, Clinton, Oklahoma: Maintenance facilities, $193,000.

Columbus Air Force Base, Columbus, Mississippi: Community facilities, $197,000.

Dow Air Force Base, Bangor, Maine: Operational facilities, maintenance facilities, and troop housing, $962,000.

Dyess Air Force Base, Abilene, Texas: Maintenance facilities, and troop housing, $568,000.

Ellsworth Air Force Base, Rapid City, South Dakota: Operational facilities, community facilities and utilities, $1,207,000.

Francis E. Warren Air Force Base, Cheyenne, Wyoming: Hospital facilities, $2,050,000.

Glasgow Air Force Base, Glasgow, Montana: Operational facilities, maintenance facilities, supply facilities, administrative facilities, and community facilities, $2,716,000.

Homestead Air Force Base, Homestead, Florida: Operational facilities and troop housing, $509,000.

Larson Air Force Base, Moses Lake, Washington: Operational facilities, maintenance facilities, supply facilities, and medical facilities, $956,000.

Lincoln Air Force Base, Lincoln, Nebraska: Operational facilities and medical facilities, $934,000.

Little Rock Air Force Base, Little Rock, Arkansas: Hospital facilities, $1,900,000.

Lockbourne Air Force Base, Columbus, Ohio: Operational facilities, $67,000.

Loring Air Force Base, Limestone, Maine: Maintenance facilities, $257,000.

March Air Force Base, Riverside, California: Operational facilities, maintenance facilities, supply facilities, hospital facilities, and utilities, $6,280,000.

McConnell Air Force Base, Wichita, Kansas: Operational facilities, $66,000.

McCoy Air Force Base, Orlando, Florida: Operational facilities and maintenance facilities, $163,000.

Offutt Air Force Base, Omaha, Nebraska: Utilities and ground improvements, and real estate, $541,000.

Pease Air Force Base, Portsmouth, New Hampshire: Operational facilities and maintenance facilities, $762,000.

Plattsburgh Air Force Base, Plattsburgh, New York: Operational facilities and maintenance facilities, $577,000.

Schilling Air Force Base, Salina, Kansas: Operational and training facilities and supply facilities, $930,000.

Tampa Fuel Annex, Tampa, Florida: Utilities, $48,000.

Turner Air Force Base, Albany, Georgia: Operational facilities, maintenance facilities, and troop housing and community facilities, $3,481,000.

Vandenberg Air Force Base, Lompoc, California: Operational facilities, community facilities, and utilities, $466,000.

Walker Air Force Base, Roswell, New Mexico: Maintenance facilities and utilities, $205,000.

Westover Air Force Base, Chicopee Falls, Massachusetts: Operational facilities, maintenance facilities, supply facilities, and real estate, $8,876,000.

Whiteman Air Force Base, Knobnoster, Missouri: Community facilities and utilities, $458,000.

Wurtsmith Air Force Base, Oscoda, Michigan: Operational facilities, maintenance facilities, supply facilities and community facilities, $2,421,000.

Tactical Air Command

Cannon Air Force Base, Clovis, New Mexico: Operational facilities, maintenance facilities, and community facilities, $1,544,000.

Langley Air Force Base, Hampton, Virginia: Hospital facilities, $3,150,000.

Luke Air Force Base, Phoenix, Arizona: Maintenance facilities and supply facilities, $1,441,000.

Myrtle Beach Air Force Base, Myrtle Beach, South Carolina: Operational facilities, $98,000.

Nellis Air Force Base, Las Vegas, Nevada: Operational facilities, maintenance facilities, and community facilities, $2,433,000.

Seymour-Johnson Air Force Base, Goldsboro, North Carolina: Operational facilities, maintenance facilities, and utilities, $512,000.

Aircraft Control and Warning System

Various locations: Operational facilities, maintenance facilities, supply facilities, troop housing and community facilities, utilities, and real estate, $3,159,000.

Special Facilities

Various locations: Operational facilities, $142,000.

Outside the United States

Caribbean Air Command

Howard Air Force Base, Canal Zone: Operational facilities, $117,000.

Military Air Transport Service

Various locations: Operational facilities, supply facilities, and troop housing, $977,000.

Pacific Air Forces

Various locations: Operational facilities, maintenance facilities, supply facilities, troop housing and community facilities, and utilities and ground improvements, $9,468,000.

Strategic Air Command

Andersen Air Force Base, Guam: Operational facilities, $181,000.

Ramey Air Force Base, Puerto Rico: Operational facilities, $80,000.

Various locations: Operational facilities, $1,988,000.

United States Air Forces in Europe

Various locations: Operational facilities, maintenance facilities, supply facilities, administrative facilities, troop housing and community facilities, and utilities, $9,800,000.

United States Air Force Security Service

Various locations: Operational facilities, maintenance facilities, supply facilities, administrative facilities, troop housing, community facilities, and utilities, $5,949,000.

Aircraft Control and Warning System

Various locations: Maintenance facilities, supply facilities, and utilities, $1,768,000.

Special Facilities

Various locations: Operational facilities, $651,000.

SEC. 302. The Secretary of the Air Force may establish or develop classified military installations and facilities for ballistic missiles by acquiring, constructing, converting, rehabilitating, or installing permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment in the total amount of $251,900,000.

SEC. 303. The Secretary of the Air Force may establish or develop Air Force installations and facilities by proceeding with construction made necessary by changes in Air Force missions, new weapons developments, new and unforeseen research and development requirements, or improved production schedules, if the Secretary of Defense determines that deferral of such construction for inclusion in the next military construction authorization Act would be inconsistent with interests of national security, and in connection therewith to acquire, construct, convert, rehabilitate, or install permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment, in the total amount of $10,000,000: *Provided*, That the Secretary of the Air Force, or his designee, shall notify the Committees on Armed Services of the Senate and House of Representatives immediately upon reaching a final decision to implement, of the cost of construction of any public work undertaken under this section, including those real estate actions pertaining thereto. This authorization will expire as of September 30, 1962, except for those public works projects concerning which the Committees on Armed Services of the Senate and House of Representatives have been notified pursuant to this section prior to that date.

SEC. 304. In accordance with the provisions of title IV of the Housing Amendments of 1955 (69 Stat. 646), as amended, the Secretary of the Air Force is authorized to construct family housing for occupancy as public quarters at the following locations:

Lowry Air Force Base, Colorado, 135 units.

Andrews Air Force Base, Maryland, 300 units.

Lawrence G. Hanscom Air Force Base, Massachusetts, 200 units.

Hill Air Force Base, Utah, 380 units.

SEC. 305. Section 9 of the Air Force Academy Act, as amended (68 Stat. 49), is further amended by striking out in the first sentence the figure "$139,797,000" and inserting in place thereof the figure "$141,797,000".

SEC. 306. (a) Public Law 86-149, as amended, is amended under the heading "INSIDE THE UNITED STATES" in section 301, as follows:

(1) Under the subheading "STRATEGIC AIR COMMAND", with respect to Barksdale Air Force Base, Shreveport, Louisiana, strike out "$110,000" and insert in place thereof "$169,000".

(b) Public Law 86–149, as amended, is amended under the heading "OUTSIDE THE UNITED STATES" in section 301, as follows:

(1) Under the subheading "PACIFIC AIR FORCES", with respect to Hickam Air Force Base, Honolulu, Hawaii, strike out "$1,299,000" and insert in place thereof "$1,500,000".

(c) Public Law 86–149, as amended, is amended by striking out in clause (3) of section 402 the amounts of "$299,576,800", "$73,058,000", "$850,175,800" and inserting in place thereof "$299,635,800", "$73,259,000", and "$850,435,800", respectively.

SEC. 307. (a) Public Law 86–500 is amended under the heading "INSIDE THE UNITED STATES" in section 301, as follows:

Under the subheading "AIR DEFENSE COMMAND"—

(1) with respect to Oxnard Air Force Base, Camarillo, California, strike out "$732,000" and insert in place thereof "$864,000".

(2) with respect to Richards-Gebaur Air Force Base, Kansas City, Missouri, strike out "$240,000" and insert in place thereof "$266,000".

(3) with respect to Suffolk County Air Force Base, Westhampton Beach, New York, strike out "$411,000" and insert in place thereof "$628,000".

Under the subheading "STRATEGIC AIR COMMAND"—

(1) with respect to Plattsburgh Air Force Base, Plattsburgh, New York, strike out "$80,000" and insert in place thereof "$170,000".

(b) Public Law 86–500 is amended by striking out in clause (3) of section 502 the amounts of "$204,735,000" and "$727,305,000" and inserting in place thereof "$205,200,000" and "$727,770,000", respectively.

TITLE IV. GENERAL PROVISIONS

SEC. 401. The Secretary of each military department may proceed to establish or redevelop installations and facilities under this Act without regard to sections 3648 and 3734 of the Revised Statutes, as amended (31 U.S.C. 529; 40 U.S.C. 259, 267), and sections 4774(d) and 9774(d) of title 10, United States Code. The authority to place permanent or temporary improvements on land includes authority for surveys, administration, overhead, planning, and supervision incident to construction. That authority may be exercised before title to the land is approved under section 355 of the Revised Statutes, as amended (40 U.S.C. 255), and even though the land is held temporarily. The authority to acquire real estate or land includes authority to make surveys and to acquire land, and interests in land (including temporary use), by gift, purchase, exchange of Government-owned land, or otherwise.

SEC. 402. There are authorized to be appropriated such sums as may be necessary for the purposes of this Act, but appropriations for public works projects authorized by titles I, II, and III shall not exceed—

(1) for title I: Inside the United States, $79,702,000; outside the United States, $48,291,000; section 102, $6,245,000; section 103, $10,000,000; or a total of $144,238,000.

(2) for title II: Inside the United States, $80,554,000; outside the United States, $11,301,000; section 202, $30,719,000; section 203, $10,000,000; or a total of $132,574,000.

(3) for title III: Inside the United States, $138,136,000; outside the United States, $30,979,000; section 302, $251,900,000; section 303, $10,000,000; or a total of $431,015,00.

SEC. 403. Any of the amounts named in titles I, II, and III of this Act, may, in the discretion of the Secretary concerned, be increased by 5 per centum for projects inside the United States (other than Alaska) and by 10 per centum for projects outside the United States or in Alaska, if he determines in the case of any particular project that such increase (1) is required for the sole purpose of meeting unusual variations in cost arising in connection with that project, and (2) could not have been reasonably anticipated at the time such project was submitted to the Congress. However, the total costs of all projects in each such title may not be more than the total amount authorized to be appropriated for projects in that title.

SEC. 404. Whenever—

(1) the President determines that compliance with section 2313(b) of title 10, United States Code, for contracts made under this Act for the establishment or development of military installations and facilities in foreign countries would interfere with the carrying out of this Act; and

(2) the Secretary of Defense and the Comptroller General have agreed upon alternative methods of adequately auditing those contracts;

the President may exempt those contracts from the requirements of that section.

SEC. 405. Contracts for construction made by the United States for performance within the United States and its possessions, under this Act shall be executed under the jurisdiction and supervision of the Corps of Engineers, Department of the Army, or the Bureau of Yards and Docks, Department of the Navy, unless the Secretary of Defense determines that because such jurisdiction and supervision is wholly impracticable such contracts should be executed under the jurisdiction and supervision of another department or Government agency, and shall be awarded, insofar as practicable, on a competitive basis to the lowest responsible bidder, if the national security will not be impaired and the award is consistent with chapter 137 of title 10, United States Code. The Secretaries of the military departments shall report semiannually to the President of the Senate and the Speaker of the House of Representatives with respect to all contracts awarded on other than a competitive basis to the lowest responsible bidder.

SEC. 406. As of July 1, 1962, all authorizations for military public works to be accomplished by the Secretary of a military department in connection with the establishment or development of military installations and facilities, and all authorizations for appropriations therefor, that are contained in Acts approved before August 11, 1959, and not superseded or otherwise modified by a later authorization are repealed, except—

(1) authorizations for public works and for appropriations therefor that are set forth in those Acts in the titles that contain the general provisions;

(2) the authorization for public works projects as to which appropriated funds have been obligated for construction contracts or land acquisitions in whole or in part before July 1, 1962, and authorizations for appropriations therefor;

(3) the authorization for the rental guarantee for family housing in the amount of $100,000,000 that is contained in section 302 of the Act of July 14, 1952 (66 Stat. 606, 622);

(4) notwithstanding the provisions of section 506 of the Act of June 8, 1960 (74 Stat. 166, 184), the authorization for—

(a) administrative facilities in the amount of $5,666,000 at Detroit Arsenal, Michigan, that is contained in title I, section 101, under the heading "INSIDE THE UNITED STATES" and subheading "TECHNICAL SERVICES FACILITIES (Ordnance Corps)" of the Act of August 20, 1958 (72 Stat. 636);

(b) troop housing and utilities in the amount of $3,749,000 at Fort Dix, New Jersey, that is contained in title I, section 101, under the heading "INSIDE THE UNITED STATES" and subheading "FIELD FORCES FACILITIES (First Army Area)" of the Act of August 20, 1958 (72 Stat. 636, 637);

(c) troop housing in the amount of $584,000 at Fort Benning, Georgia, that is contained in title I, section 101, under the heading "INSIDE THE UNITED STATES" and subheading "FIELD FORCES FACILITIES (Third Army Area)" of the Act of August 20, 1958 (72 Stat. 636, 637);

(d) administrative facilities and troop housing in the amount of $2,839,000 at Fort Hood, Texas, that is contained in title I, section 101, under the heading "INSIDE THE UNITED STATES" and subheading "FIELD FORCES FACILITIES (Fourth Army Area)" of the Act of August 20, 1958 (72 Stat. 636, 637);

(e) troop housing in the amount of $713,000 at Fort Leavenworth, Kansas, that is contained in title I, section 101, under the heading "INSIDE THE UNITED STATES" and subheading "FIELD FORCES FACILITIES (Fifth Army Area)" of the Act of August 20, 1958 (72 Stat. 636, 637);

(f) medical facilities in the amount of $4,136,000 for Selfridge Air Force Base, Mount Clemens, Michigan, under the heading "CONTINENTAL UNITED STATES" and the subheading "AIR DEFENSE COMMAND" that is contained in title III, section 301, of the Act of July 15, 1955 (69 Stat. 324, 338), as amended;

(g) operational facilities, and real estate in the amount of $4,352,000 for Marine Corps Auxiliary Air Station, Beaufort, South Carolina, under the heading "INSIDE THE UNITED STATES" and subheading "AVIATION FACILITIES (MARINE CORPS AIR STATION)" of the Act of August 20, 1958 (72 Stat. 643).

SEC. 407. Section 803(a) of the National Housing Act, as amended, is amended by striking out the last proviso and inserting in lieu thereof the following: "*And provided further,* That no more mortgages shall be insured under this title after October 1, 1962, except pursuant to a commitment to insure before such date, and not more than thirty-seven thousand family housing units shall be contracted for after June 30, 1959, pursuant to any mortgage insured under section 803 of this title after such date."

SEC. 408. Section 515 of the Act of July 15, 1955 (69 Stat. 324, 352), as amended, is further amended to read as follows:

"SEC. 515. During fiscal years 1959 through and including 1964, the Secretaries of the Army, Navy, and Air Force, respectively, are authorized to lease housing facilities at or near tactical military installations for assignment as public quarters to military personnel and their dependents, if any, without rental charge upon a determination by the Secretary of Defense, or his designee, that there is a lack of adequate housing facilities at or near such military installations. Such housing facilities shall be leased on a family or individual unit basis and not more than seven thousand five hundred of such units may be so leased at any one time. Expenditures for the rental of such housing facilities may be made out of appropriations available for maintenance and operation but may not exceed $150 a month for any such unit."

SEC. 409. Section 407 of the Act of August 30, 1957 (71 Stat. 531, 556), as amended, is amended (1) by striking out the words "July 1, 1961" in subsection (e) and inserting "July 1, 1962" in lieu thereof; and (2) by striking out the words "July 1, 1962" from subsection (g) and inserting "July 1, 1963" in lieu thereof.

SEC. 410. Section 409 of the Act of August 3, 1956 (70 Stat. 991, 1016), is repealed.

SEC. 411. None of the authority contained in titles I, II, and III of this Act shall be deemed to authorize any building construction project inside the United States (other than Alaska) at a unit cost in excess of—

(1) $32 per square foot for cold-storage warehousing;

(2) $8 per square foot for regular warehousing;

(3) $1,850 per man for permanent barracks;

(4) $8,500 per man for bachelor officer quarters;

unless the Secretary of Defense determines that, because of special circumstances, application to such project of the limitations on unit costs contained in this section is impracticable.

SEC. 412. Titles I, II, III, and IV of this Act may be cited as the "Military Construction Act of 1961".

TITLE V. RESERVE FORCES FACILITIES

SEC. 501. Subject to chapter 133 of title 10, United States Code, the Secretary of Defense may establish or develop the following facilities for Reserve Forces:

(1) For Department of the Army:

Army National Guard of the United States
(Armory)

Altavista, Virginia: Training facilities, $134,000.

Altus, Oklahoma: Training facilities, $152,000.

Anacortes, Washington: Training facilities, $150,000.

Atchison, Kansas: Training facilities, $93,000.

Austin, Minnesota: Training facilities, $210,000.

Baraboo, Wisconsin: Training facilities, $171,000.

Batavia, New York: Training facilities, $234,000.

Baxley, Georgia: Training facilities, $90,000.

Bay Springs, Mississippi: Training facilities, $72,000.

Beaufort, South Carolina: Training facilities, $96,000.

Beaver, Utah: Training facilities, $111,000.

Bedford, Indiana: Training facilities conversion, $52,000.

Bluefield, West Virginia: Training facilities, $225,000.

Bonham, Texas: Training facilities, $87,000.

Boone, Iowa: Training facilities, $225,000.

Boston (West Roxbury), Massachusetts: Training facilities, $249,000.

Brantley, Alabama: Training facilities, $72,000.

Bridgeport, Alabama: Training facilities, $72,000.

Brooklyn, New York: Training facilities conversion, $50,000.

Caldwell, Idaho: Training facilities, $125,000.

Campbellsville, Kentucky: Training facilities, $124,000.

Charleston, South Carolina: Training facilities, $128,000.

Charleston, South Carolina: Training facilities, $96,000.

Clackamas, Oregon: Training facilities expansion, $150,000.

Columbia, South Carolina: Training facilities, $400,000.

Columbus, Ohio: Training facilities, $540,000.

Dallas (number 2), Texas: Training facilities, $74,000.

Decatur, Mississippi: Training facilities, $72,000.

Deer Lodge, Montana: Training facilities, $69,000.

Dermott, Arkansas: Training facilities, $45,000.

Devils Lake, North Dakota: Training facilities, $135,000.

East Providence, Rhode Island: Training facilities, $366,000.

Edgeley, North Dakota: Training facilities, $150,000.

Elizabethtown, North Carolina: Training facilities, $105,000.

Enfield-Thompsonville, Connecticut: Training facilities, $169,000.

Fairmont, West Virginia: Training facilities, $210,000.

Fallon, Nevada: Training facilities, $101,000.

Fort Atkinson, Wisconsin: Training facilities, $171,000.

Geneseo, New York: Training facilities, $233,000.

Glasgow, Kentucky: Training facilities, $136,000.

Glasgow, Montana: Training facilities, $69,000.

Great Bend, Kansas: Training facilities, $93,000.

Hamlet, North Carolina: Training facilities, $99,000.

Holly Springs, Mississippi: Training facilities, $81,000.

Honolulu, Hawaii: Training facilities, $282,000.

Hopkinsville, Kentucky: Training facilities, $134,000.

Huntington, West Virginia: Training facilities, $250,000.

Kerens, Texas: Training facilities, $74,000.

Kingwood, West Virginia: Training facilities, $170,000.

Lake Village, Arkansas: Training facilities, $54,000.

Lincoln, Arkansas: Training facilities, $45,000.

Lock Haven, Pennsylvania: Training facilities expansion and rehabilitation, $156,000.

Marion, Kentucky: Training facilities, $124,000.

Mexia, Texas: Training facilities, $74,000.

Monroe, Louisiana: Training facilities, $191,000.

Monticello, Indiana: Training facilities, $152,000.

Morgantown, West Virginia: Training facilities, $198,000.

Mount Holly, New Jersey: Training facilities, $169,000.

Myrtle Beach, South Carolina: Training facilities, $87,000.

Newark, New Jersey: Training facilities rehabilitation, $234,000.

Newton, Mississippi: Training facilities, $81,000.

Newport, Vermont: Training facilities, $136,000.

Nogales, Arizona: Training facilities, $83,000.

North Vernon, Indiana: Training facilities, $152,000.

Oak Ridge, Tennessee: Training facilities, $117,000.

Palmetto, Florida: Training facilities, $120,000.

Panama City, Florida: Training facilities, $120,000.

Parsons, Tennessee: Training facilities, $102,000.

Philadelphia, Mississippi: Training facilities, $81,000.

Phoenixville, Pennsylvania: Training facilities expansion and rehabilitation, $125,000.

Port Gibson, Mississippi: Training facilities, $81,000.

Pueblo, Colorado: Training facilities, $135,000.

Punxsutawney, Pennsylvania: Training facilities expansion and rehabilitation, $102,000.

Raleigh-Durham Airport, North Carolina: Training facilities, $158,000.

Rupert, Idaho: Training facilities, $75,000.

Saint Albans, West Virginia: Training facilities, $190,000.

Saint George, South Carolina: Training facilities, $99,000.

Saint Louis, Missouri: Training facilities, $122,000.

Seguin, Texas: Training facilities, $74,000.

Sparta, Georgia: Training facilities, $90,000.

Spindale-Forest City, North Carolina: Training facilities, $113,000.

Starkville, Mississippi: Training facilities, $120,000.

Stockton, California: Training facilities, $254,000.

Tamaqua, Pennsylvania: Training facilities, $210,000.

Truth or Consequences, New Mexico: Training facilities, $67,000.

Turlock, California: Training facilities, $115,000.

Van Nuys, California: Training facilities, $202,000.

Wagner, South Dakota: Training facilities, $165,000.

Warrenton, Missouri: Training facilities, $150,000.

Wayne, Nebraska: Training facilities, $116,000.

West Orange, New Jersey: Training facilities rehabilitation, $243,000.

Wheatland, Wyoming: Training facilities, $109,000.

Worcester, Massachusetts: Training facilities, $328,000.

Various locations: Training facilities, minor conversions and additions, $150,000.

Army National Guard of the United States
(Non-Armory)

Camp Blanding, Florida: Supply facilities, $177,000.

Camp Grayling, Michigan: Troop housing, $300,000.

Camp Riley, Minnesota: Troop housing, $300,000.

Camp Roberts, California: Maintenance facilities, $52,000.

Camp Shelby, Mississippi: Troop housing, $300,000.

Fort Stewart, Georgia: Troop housing, $300,000.

Fort William H. Harrison, Montana: Troop housing, $258,000.

Montgomery, Alabama: Maintenance facilities, administrative facilities and supply facilities, $235,000.

Point Pleasant, West Virginia: Maintenance facilities, $340,000.

Various locations: Minor projects, $110,000.

Army Reserve

Brownsville, Pennsylvania: Training facilities, $190,000.

Burlington, Vermont: Acquisition and rehabilitation of training facilities, $79,000.

Butte, Montana: Training facilities, $185,000.

Chicago (number 4), Illinois: Training facilities, $778,000.

Cincinnati (number 2), Ohio: Training facilities, $601,000.

Durham, North Carolina: Training facilities addition, $58,000.

Erie, Pennsylvania: Training facilities, $323,000.

Fall River, Massachusetts: Training facilities, $386,000.

Fort Lauderdale, Florida: Training facilities, $321,000.

Gulfport, Mississippi: Training facilities, $321,000.

Huntington, West Virginia: Training facilities addition, $64,000.

Jamaica, Long Island, New York: Training facilities expansion, $237,000.

Johnson City, Tennessee: Training facilities, $465,000.

Kalamazoo, Michigan: Training facilities, $389,000.

Kansas City, Kansas: Training facilities, $572,000.

Lafayette, Louisiana: Training facilities expansion, $202,000.

Little Rock (Adams Field), Arkansas: Training facilities addition, $48,000.

Lynchburg, Virginia: Training facilities, $218,000.

McAllen, Texas: Training facilities expansion, $197,000.

Ontario-Laverne-Rialto, California: Training facilities, $372,000.

Paris, Texas: Training facilities, $166,000.
Phoenix, Arizona: Training facilities, $572,000.
Springfield, Massachusetts: Training facilities expansion, $111,000.
Terminal, Texas: Training facilities, $273,000.
Terre Haute, Indiana: Training facilities addition, $67,000.
Waycross, Georgia: Training facilities, $163,000.
Yakima, Washington: Training facilities, $236,000.
Yauco, Puerto Rico: Training facilities, $226,000.
Various locations: Training facilities, minor additions, and rehabilitation, $3,038,000.
Land acquisition: Training facilities, $351,000.

(2) For Department of the Navy:

Naval Reserve (Aviation)

Naval Air Station, Dallas, Texas: Operational facilities and maintenance facilities, $1,285,000.
Naval Air Station, Glenview, Illinois: Maintenance facilities, $54,000.
Naval Air Station, Grosse Ile, Michigan: Operational facilities, $575,000.
Naval Air Station, Los Alamitos, California: Operational facilities, $347,000.
Naval Air Station, New York, New York: Operational facilities and maintenance facilities, $200,000.
Naval Air Station, Olathe, Kansas: Utilities, $100,000.
Naval Air Station, South Weymouth, Massachusetts: Operational facilities and maintenance facilities, $392,000.
Naval Air Station, Willow Grove, Pennsylvania: Operational facilities, troop housing, and maintenance facilities, $841,000.

Naval Reserve (Surface)

Naval Reserve Electronics Facility, Belleville, Texas: Acquisition and rehabilitation of training facilities, $47,000.
Naval Reserve Training Center, Brooklyn, New York: Training facilities rehabilitation, $50,000.
Naval Reserve Training Center, Erie, Pennsylvania: Training facilities, $622,000.
Naval Reserve Electronics Facility, Galesburg, Illinois: Training facilities, $62,000.
Naval Reserve Electronics Facility, Midland-Odessa, Texas: Training facilities, $55,000.
Naval and Marine Corps Reserve Training Center, Mobile, Alabama: Training facilities, $550,000.
Naval Reserve Master Control Radio Station, Norfolk, Virginia: Operational and training facilities, $84,000.
Naval and Marine Corps Reserve Training Center, Omaha, Nebraska: Training facilities, $648,000.
Naval Reserve Training Center, Sioux Falls, South Dakota: Training facilities, $364,000.
Naval Reserve Training Center, Vallejo, California: Training facilities rehabilitation, $151,000.
Naval Reserve Master Control Radio Station and Electronics Facility, Waukegan, Illinois: Operational and training facilities, $96,000.
Naval Reserve Training Center, Whitestone, New York: Training facilities addition, $91,000.

Marine Corps Reserve (Ground)

Marine Corps Reserve Training Center, Midland-Odessa, Texas: Training facilities and land acquisition, $373,000.
Naval and Marine Corps Reserve Training Center, Mobile, Alabama: Training facilities, $207,000.
Naval and Marine Corps Reserve Training Center, Omaha, Nebraska: Training facilities, $237,000.
Marine Corps Reserve Training Center, Tallahassee, Florida: Training facilities addition, $200,000.
Marine Corps Reserve Training Center, Waukegan, Illinois: Training facilities, $140,000.

(3) For Department of the Air Force:

Air National Guard of the United States

Baer Field, Fort Wayne, Indiana: Operational facilities, $588,000.
Berry Field, Nashville, Tennessee: Maintenance facilities, $300,000.
Congaree Air Base, Columbia, South Carolina: Operational and training facilities, $230,000.
Des Moines Municipal Airport, Des Moines, Iowa: Operational facilities, $770,000.
Foss Field, Sioux Falls, South Dakota: Operational facilities rehabilitation, $516,000.
Fresno Airport, Fresno, California: Operational facilities, $794,000.
General Mitchell Field, Milwaukee, Wisconsin: Operational facilities and maintenance facilities, $923,000.
Hector Field, Fargo, North Dakota: Operational facilities, $372,000.
Hickam Air Force Base, Honolulu, Hawaii: Supply facilities, $252,000.
Hubbard Field, Reno, Nevada: Operational facilities, $287,000.
Hulman Field, Terre Haute, Indiana: Operational facilities, $888,000.
Naval Air Station, Dallas, Texas: Utilities, $200,000.
Naval Air Station, Willow Grove, Pennsylvania: Operational and training facilities, maintenance facilities, supply facilities and utilities, $1,965,000.
New Castle County Airport, New Castle, Delaware: Maintenance facilities, $300,000.
O'Hare International Airport, Chicago, Illinois: Operational facilities and supply facilities, $774,000.
Olmstead Air Force Base, Middletown, Pennsylvania: Maintenance facilities, $300,000.
Ontario International Airport, Ontario, California: Operational facilities, $352,000.
Rosecrans Field, Saint Joseph, Missouri: Operational facilities rehabilitation, $360,000.
Salt Lake Municipal Airport, Salt Lake City, Utah: Maintenance facilities, $300,000.
Schenectady County Airport, Schenectady, New York: Operational facilities, $620,000.
Toledo Express Airport, Toledo, Ohio: Operational facilities, $654,000.
Travis Field, Savannah, Georgia: Operational facilities, $526,000.
Truax Field, Madison, Wisconsin: Operational facilities rehabilitation, $300,000.
Tulsa Municipal Airport, Tulsa, Oklahoma: Operational facilities, $360,000.
Volk Field, Camp Williams, Wisconsin: Operational facilities, $536,000.
Will Rogers Field, Oklahoma City, Oklahoma: Operational facilities, $360,000.

Air Force Reserve

Andrews Air Force Base, Camp Springs, Maryland: Supply facilities, $138,000.
Barksdale Air Force Base, Shreveport, Louisiana: Supply facilities, $185,000.
Carswell Air Force Base, Fort Worth, Texas: Operational and training facilities and supply facilities, $619,000.
Davis Field, Muskogee, Oklahoma: Operational facilities, $992,000.
Ellington Air Force Base, Houston, Texas: Operational facilities, $908,000.
Homestead Air Force Base, Homestead, Florida: Maintenance facilities, $350,000.
March Air Force Base, Riverside, California: Maintenance facilities, $350,000.
Portland International Airport, Portland, Oregon: Operational facilities, $715,000.

(4) For all reserve components: Facilities made necessary by changes in the assignment of weapons or equipment to reserve forces units, if the Secretary of Defense or his designee determines that deferral of such facilities for inclusion in the next law authorizing appropriations for specific facilities for reserve forces would be inconsistent with the interests of national security and if the Secretary of Defense or his designee notifies the Senate and the House of Representatives immediately upon reaching a final decision to implement, of the nature and estimated cost of any facility to be undertaken under this subsection.

SEC. 502. (a) Public Law 86–149, as amended, is amended under the heading "ARMY RESERVE" in clause (1) of section 501 with respect to Chicago Heights, Illinois, by striking out "Chicago Heights" and inserting in place thereof "Harvey".

(b) Public Law 86–149, as amended, is amended under the heading "AIR FORCE RESERVE" in clause (3) of section 501 with respect to General Mitchell Field, Milwaukee, Wisconsin, by striking out "$43,000" and inserting in place thereof "$72,000".

(c) Public Law 86–149, as amended, is amended by striking out in clause (3)(a) of section 504 "$4,093,000" and inserting in place thereof "$4,122,000".

(d) Public Law 86–500 is amended under the heading "ARMY RESERVE" in clause (1) of section 601 with respect to Pittsburg, California, by striking out "Pittsburg" and inserting in place thereof "Concord".

(e) Public Law 86–500 is amended under the heading "AIR NATIONAL GUARD OF THE UNITED STATES" in clause (3) of section 601 with respect to Foss Field, Sioux Falls, South Dakota, by striking out "$675,000" and inserting in place thereof "$1,038,000".

(f) Public Law 86–500 is amended by striking out in clause (3)(a) of section 604 "$13,797,000" and inserting in place thereof "$14,160,000".

SEC. 503. The Secretary of Defense may establish or develop installations and facilities under this title without regard to sections 3648 and 3734 of the Revised Statutes, as amended, and sections 4774(d) and 9774(d) of title 10, United States Code. The authority to place permanent or temporary improvements on land includes authority for surveys, administration, overhead, planning and supervision incident to construction. The authority may be exercised before title to the land is approved under section 355 of the Revised Statutes, as amended, and even though the land is held temporarily. The authority to acquire real estate or land includes authority to make surveys and to acquire land, and interests in land (including temporary use), by gift, purchase, exchange of Government-owned land, or otherwise.

SEC. 504. Appropriations for facilities projects authorized by section 501 for the respective reserve components of the armed forces may not exceed—

(1) for the Department of the Army:

(a) Army National Guard of the United States, $15,617,000;

(b) Army Reserve, $11,209,000;

(2) for Department of the Navy: Navy and Marine Corps Reserves, $7,771,000;

(3) for Department of the Air Force:

(a) Air National Guard of the United States, $13,827,000;

(b) Air Force Reserve, $4,257,000.

SEC. 505. Any of the amounts named in section 501 of this Act may, in the discretion of the Secretary of Defense, be increased by 15 per centum, but the total cost for all projects authorized for the Army National Guard of the United States, the Army Reserve, the Navy and Marine Corps Reserve, the Air National Guard of the United States, and the Air Force Reserve, may not exceed the amounts named in clauses (1)(a), (1)(b), (2), (3)(a) and (3)(b) of section 504 respectively.

SEC. 506. As of July 1, 1962, all authorizations for specific facilities for reserve forces to be accomplished by the Secretary of Defense, and all authorizations for appropriations therefor, that are contained in the Reserve Forces Facilities Act of 1959, and not superseded or otherwise modified by a later authorization, are repealed, except the

authorizations for facilities for the reserve forces as to which appropriated funds have been obligated in whole or in part before July 1, 1962, and authorizations for appropriations therefor.

SEC. 507. This title may be cited as the "Reserve Forces Facilities Act of 1961".

Mr. VINSON (interrupting the reading of the bill). Mr. Chairman, I ask unanimous consent that we dispense with further reading of the bill, that it be printed in its entirety in the RECORD, and that it be open for amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The CHAIRMAN. The Clerk will report the committee amendment.

The Clerk read as follows:

On page 45, between lines 14 and 15, insert the following:

"Panama City, Florida: Training facilities, $120,000."

The committee amendment was agreed to.

Mr. YATES. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. YATES of Illinois: On page 5 strike out lines 4, 5, and 6, and insert a new section on page 11 following line 15, reading as follows:

SEC. 108. The Secretary of the Army is authorized to obtain by contract or otherwise such studies as may be necessary to enable him to determine the feasibility and advisability of relocating in new quarters within the city of Chicago, Illinois, or elsewhere in the United States, the Quartermaster Food and Container Institute now located in Chicago, Illinois, and an expenditure of $10,000 out of appropriations available to the Department of the Army is authorized for this purpose. In connection with such studies the Secretary of the Army shall communicate with the Advisory Board on Quartermaster Research and Development of the National Academy of Sciences—National Research Council, and shall request its recommendations. Upon conclusion of such studies which shall be completed as promptly as possible, the Secretary of the Army shall report to the Committee on Armed Services of the Senate and House of Representatives the conclusion of such studies, together with such recommendations as he shall consider appropriate.

Mr. YATES. Mr. Chairman, originally I had intended to offer an amendment which would strike out the words "Quartermaster Research and Engineering Center, Natick, Massachusetts" and insert "Quartermaster Food and Container Institute, Chicago, Illinois" because I believe the building should be constructed in Chicago, Ill. However, after discussing the matter with the distinguished chairman of this committee, he suggested to me that it would be well to provide for a study, rather than for the type of amendment I originally intended to offer, because there have been no hearings or investigations on the question of constructing a new building in Chicago to house this Food and Container Institute. He said that the committee would like to be advised of all the facts in that connection. As a result, I offered the amendment which is now pending.

Mr. VINSON. Mr. Chairman, will the gentleman yield?

Mr. YATES. Of course, I yield to the chairman.

Mr. VINSON. Of course, I advised the gentleman that I was very much opposed to the amendment.

Mr. YATES. Of course, the gentleman did. But the gentleman said he was more opposed to the original amendment I suggested than the one now pending.

Mr. VINSON. I think the gentleman had no facts to justify his original amendment at all; it was a mere conclusion.

Mr. YATES. That is not true, Mr. Chairman at all, but let us pass it. Mr. Chairman we have in this issue what is actually another war between the States. Massachusetts wants to take a Chicago installation away from Illinois, almost in the same manner as Mosby's Raiders used to operate in Virginia in the war between the States.

We were assured by the Secretary of the Army in 1952 that the Food and Container Institute would remain in Chicago, even though a research center was being constructed in Natick. Those from Massachusetts now conveniently forget that assurance. And there have been no changes in circumstances to alter the decision reached at that time. At that time, in 1952, the Secretary advised the Congress that under no circumstances would the Food and Container Institute be moved from the city of Chicago, because Chicago was the logical place for it. Chicago is the heartland metropolis. It is the hive of the busy food and agriculture activities. It is not isolated nor established in an out-of-the-way location. It is in the geographical center of the country; and most of the great food industries of the country are located within easy distance of it.

Let me point out that in 1960 the Research and Development Associates membership, which is an industry-supported nonprofit organization established as a link between the research and development activities of the food and container industry and the Food and Container Institute of the Quartermaster Corps, was made up as follows. These are the large food industries which cooperate with the Quartermaster Corps in carrying out the mission of the Food and Container Institute.

In the Greater Chicago area there were 51 such industries. In the Greater Boston area there were 10. In the Institute of Food Technologists in the Chicago area there were 900 of them. In Boston there were 200 of them.

As to the dairy industry, Chicago is the center of the distribution of the dairy industry, poultry and eggs. There are more poultry and eggs shipped out of Chicago than any other place in the country.

Fruits and vegetables: More fruits and vegetables go through Chicago than any other place in the world, let alone the country.

Chicago is well known as being the center of the grain industry. Chicago is well known as being the center of the meat industry.

When then should this Institute, which has been operating very well, growing and assuming more responsibility, be uprooted and moved to a new location in Massachusetts?

I have a great deal of respect for the members of the subcommittee, but I say frankly that their conclusions were not based on all the facts. All the facts were not made available to them by the Army, because the Army wants Natick—it has always had its eye on this move.

I myself have spoken to a number of employees of the Food and Container Institute. They will not move if this Institute is moved. This Institute, if established, will have to be reorganized and reconstituted. A smooth-running team will be broken up.

This bill proposes an allocation of $3,800,000 for the construction of appropriate quarters at Natick containing 150,000 square feet. A similar building constructed at the Illinois Institute of Technology in the city of Chicago could be built for $3,500,000. I say it can be done cheaper in the city of Chicago, it can be done better in the city of Chicago, and there is no reason why this Institute should be moved. Let the Secretary of the Army make a study that has not yet been made. Let him report upon the feasibility of constructing a new building in Chicago.

Mr. VAN ZANDT. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Pennsylvania.

Mr. VAN ZANDT. The gentleman is not asking for another study. Let me point out to the committee that already the Department of Defense has made a study, the Department of the Army has made a study, the General Accounting Office has made a study, and the Congress of the United States has made a study. How many more studies do we have to make?

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. YATES. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. YATES. I will say to the gentleman that all of the studies have been inadequate in not containing essential data. I will say to the gentleman that all of the studies he refers to were predicated upon an inappropriate comparison. The Army asked the committee to compare a new building at Natick, Mass., consisting of 120,000 square feet, and the present building of the Food and Container Institute in Chicago which contains 1,800,000 square feet.

I talked to the General Accounting Office yesterday and I spoke to the people who have made the study referred to by the gentleman. They indicated that the savings outlined in that study were based upon the deactivation of the administration center in Chicago, and would not be applicable to the construction of a new building. I agree with the

gentleman that a new building should be built. The present location is decidedly uneconomical and should not be used, but the function of the Food and Container Institute can be carried out much better in a Midwest location rather than at Natick.

Mr. VAN ZANDT. Does the gentleman realize that if this activity is continued in Chicago a similar activity is going to be continued at Natick, Mass.?

Mr. YATES. I read the hearings and I saw no reference to such a possibility. I ask the gentleman, was any representation made to his committee in the hearings that if this Institute was to be continued in Chicago in a new building it would nevertheless be carried out in Natick, too?

Mr. VAN ZANDT. It was our understanding as to the Natick Research Center in Massachusetts that the entire program of the Food and Container Institute would be part of their activity.

Mr. YATES. Even if the Congress votes against it?

Mr. VAN ZANDT. How can it be?

Mr. YATES. Of course, it cannot be. I say to the gentleman that the Congress must have another study made to see where this Institute should be before we spend the money to do it.

Mr. VAN ZANDT. Let me go a step further. You cannot deny the fact that today we have a new factor in research and development commonly known as radiation. At Natick we have an accelerator which is a source of radiation. At the present time there is under construction a reactor which will be another source of radiation. In processing and experimenting with food today and with clothing and medicine and other materials for the military, you have to employ radiation.

Mr. YATES. If the gentleman will permit me to answer him, and he knows this as well as I do, because he is a very hard working member of the Joint Committee on Atomic Energy, that one of the finest radiation laboratories in the country is located at Argonne within 20 miles of the location of the new Institute. Any studies that require radiation can be carried on just as well at the Argonne Laboratory. That is true; is it not?

Mr. VAN ZANDT. Yes; that is true. Then, why not do away with Natick and send it all to Chicago and let Chicago use the Argonne facilities even though we have $13 million invested at Natick and it means that Chicago will have to send all the material to Natick, Mass., and the physicists and scientists have to travel likewise, which will mean an additional expense on the shoulders of the American taxpayers.

Mr. YATES. I say to the gentleman, it is not true at all, as he has just admitted a few moments ago.

I say to the gentleman further that all the evidence in the case indicates that the new building should be built in Chicago, not in Natick. If the gentleman is correct that this is to be a centralized operation every quartermaster installation from all over the country will be moved to the State of Massachusetts. Well, I, for one, do not favor that.

Mr. VAN ZANDT. No; that is not the intention of the Army.

Mr. YATES. You just indicated that it was.

Mr. VAN ZANDT. The Army has concentrated the research and development activities as far as the Quartermaster Corps is concerned at Natick, and at Natick they have a source of radiation. These materials that they are experimenting with have to be brought to Natick for the purpose of exposing them to radiation.

Mr. YATES. May I point out to the gentleman that Natick does not, as yet, have that radiation laboratory. That is still located in Stockton, Calif. Let me point out again that the Argonne Laboratory which is located within 20 miles of this Institute could be used as well for radiation purposes.

Mr. VAN ZANDT. First, let me correct my friend from Illinois. We have no source of radiation that is fitted for this type of work at Argonne. We have an accelerator at the present time at Natick which is a source of radiation and the Army decided not to locate this new research reactor or special type of reactor at Stockton. It is going to be located at Natick, Mass.

Mr. YATES. The fact still remains, it could be done at Argonne. I suggest to the gentleman, over the years Chicago as the center and as the principal city in the agricultural Midwest has been found to be the best location for this operation, and I say to the gentleman it would be wrong to disrupt this excellent organization to break it up by moving it to Natick rather than to let it continue at Chicago.

Mr. DOYLE. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from California, the other member of the subcommittee, Mr. DOYLE.

Mr. DOYLE. I hardly need to say so far as the subcommittee is concerned, we are quite conscious of the fact that it has been a difficult matter to present this very complex matter without a good deal of apparently personal feeling or feeling on the part of some Members of the House that this transfer should not even take place if it would save a million dollars a year. We are only interested in the economy and efficacy of the proposition. We are not interested in any war between the States. I wish to make that clear.

Now, answering the distinguished gentleman from Chicago as to whether or not the northeast corner of Massachusetts is a suitable place to transfer this facility, let me read from the hearings which I have before me.

The gentleman from Pennsylvania [Mr. VAN ZANDT], asked another question, as to whether he was going to cut himself off from access to any particular source of knowledge in the Chicago area, and Dr. Sieling on page 66 of the mimeographed hearings said he was not.

Mr. VAN ZANDT then said:

It is available at Natick?

And Colonel Flanders said:

Yes, sir. Right now the Natick command manages the contract administration on the various contracts for Food and Container.

I wish to say to the House that Food and Container is the facility we are talking about in Chicago. They are managing now as far as contracts are concerned from Natick.

This they will continue to do, but will have closer liaison with the technical people who also work on the contracts. These contracts are spread over the country right now. They are not restricted to the Chicago area. As a matter of fact, relatively few of them are in the local Chicago area. They are throughout the country now.

Mr. YATES. I sincerely believe that the Chicago location is better for the Food and Container Institute. It is better for the Army, for the Quartermaster Corps, and for our country. This study called for by my amendment is essential so that we can act on the basis of all the facts in the matter. I urge adoption of my amendment.

Mr. BATES. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, we have just listened to the very able and resourceful gentleman from Illinois. He is a clear thinker when he wants to be. He is a master of confusion when that would serve his purpose.

This is the third presentation that the gentleman has made on this subject. Today without any concrete reasons he is asking for a new study. Last year he came before our committee and implored the committee to have what he then called a survey by the General Accounting Office. In addition to that the committee accommodated him even further, and assigned a special subcommittee to investigate the matter. Today the gentleman comes here again without a plan and only with dilatory tactics. His approach, of course, is provincial; we all understand that.

I would have the Committee keep this one thought in mind: There is not one of us in this Chamber who has not talked about waste and inefficiency in the Federal Government. Here, Mr. Chairman, is an opportunity to save $1 million a year.

The Department of the Army is asking us to save $1 million a year, and the taxpayers of the country are going to be interested in our answer.

I am not going to take a regional approach. I am not going to convey my own thoughts. I am going to quote what the experts who have studied this matter down through the years have said.

The gentleman from Pennsylvania [Mr. VAN ZANDT], and the gentleman from California [Mr. DOYLE], went out to Chicago, they also went to Natick, and this is their conclusion:

Suffice it to say it appears there will be an annual saving of at least $900,000 if the transfer is made to Natick, Mass.

Here is an unprejudiced, unbiased subcommittee of the Committee on Armed Services, which was assigned to make this study. The gentleman from Illinois was very grateful when the committee was assigned. They recommended it be sent to Natick, and even if it did not save any money, they said, the bringing together of this child out in Chicago with the parents up in

Natick, Mass., is the sensible thing to do from the point of view of management.

Last year the Secretary of the Army, Wilber Brucker, said:

> The Army decision favoring relocation of this facility to the Quartermaster Research and Engineering Center of Natick, Mass., is still valid. It is our desire to make this move just as soon as possible.

The Director of Research and Development of the Army, Richard S. Morse, said this in a letter:

> We in the Army have extensive data demonstrating both the economic and management advantages which would accrue from consolidating our activities at Natick.

This is not what I am saying. This is what responsible authorities of government are saying to the Congress.

On yesterday I spoke to the gentleman from Illinois, at which time he told me he was going to bring up this amendment today so that the Secretary of the Army could have another "study" made. I think that was the word which the gentleman used.

Mr. YATES. To have a study made for the first time of the possibility of leaving it in Chicago.

Mr. BATES. We have been down this road many times. The gentleman is looking for a will-o'-the-wisp, someone to agree with him, and I expect as long as this is around the Capitol he will try to find somewhere, somehow, someone who might concur in his thinking.

So to make absolutely certain the present Secretary of the Army still shared the same view that every other Secretary has shared, I got in touch with him on the telephone. I said: "The Congress is going to be interested today in your present thinking. Will you write me a letter and have it hand delivered to me today? The Members are interested."

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

(By unanimous consent Mr. BATES was allowed to proceed for 4 additional minutes).

Mr. BATES. Mr. Chairman, this is the letter I received today, dated March 22, 1961, from the Secretary of the Army:

> DEAR MR. BATES: This letter is in response to your telephone request to Mr. Richard S. Morse, Assistant Secretary of the Army (R. & D.) for current information on the transfer of the Quartermaster Food and Container Institute from Chicago, Ill., to Natick, Mass.
>
> The planned move has been the subject of extremely careful review and analysis. Last year the Army proposal was studied by the Department of Defense, the Bureau of the Budget, and extensively by the General Accounting Office. In addition, a special subcommittee of the House Armed Services Committee was established to visit both sites and to determine the desirability of the proposed move. This subcommittee, with due consideration to the technical, managerial, and operational aspects, concluded that the move should be made, even were the costs at Chicago and Natick identical. They concluded, in agreement with the Department of Defense, Bureau of the Budget, and General Accounting Office studies, that there would, in fact, be substantial savings.
>
> The possibility of relocating the facility at the Illinois Institute of Technology has been carefully considered throughout. The Army determined that even apart from economic considerations, good management demands the choice of Natick, in agreement with the findings of the House subcommittee.
>
> Thus the Army's position is sound, and has been reaffirmed by the most searching review. I hope you will do everything you can to assure final passage of necessary appropriations at this session of Congress.
>
> Sincerely,
>
> ELVIS J. STAHR, Jr.,
> *Secretary of the Army.*

Mr. VAN ZANDT. Mr. Chairman, will the gentleman yield?

Mr. BATES. I yield to the gentleman from Pennsylvania.

Mr. VAN ZANDT. The amendment we are considering contains this language:

> In connection with such studies the Secretary of the Army shall communicate with the Advisory Board on Quartermaster Research and Development of the National Academy of Sciences.

In this connection I would just like to read a very interesting news article taken from the Chicago Daily News, Saturday, March 11, 1961. It states:

> City losing fight for Army Institute.

Then it goes on to quote my colleague, the gentleman from Illinois [Mr. YATES]:

> YATES said that Chicago simply had failed to come up with an adequate counterproposal to the proposed move.
>
> He had been counting on a study prepared at the Illinois Institute of Technology to reinforce his arguments to keep the Institute in Chicago.
>
> But he said the study was "something of a disappointment" to him.

The article continues by saying:

> It is 100 pages long, he said, and does not seem to contain a clearcut counterproposal.
>
> Among other things, the study suggests that the National Academy of Science make a study of the situation.

Then the article quotes the gentleman saying this:

> YATES said he checked with the National Academy of Science and was told that the academy does not make studies of this kind.

Mr. YATES. Mr. Chairman, will the gentleman yield, in view of the fact that my name was mentioned many times by the gentleman in this article?

Mr. BATES. I yield.

Mr. YATES. Let me say that since that article was written I have received a proposal that is satisfactory from the Institute of Technology so that it serves to correct the situation. Let me say further that since that article was written I checked again with the National Academy of Sciences and found that they did have an advisory committee that is instituted to do exactly that kind of work.

Mr. BATES. So, in brief, Mr. Chairman, as the smoke drifts away, it is obvious what the situation is. The amendment provides that the Secretary of the Army shall study this matter. Here is the reply from the Secretary of the Army:

In addition, our people are interested in economy.

Mr. Chairman, let us not be provincial. Let us defeat the amendment and get along with the Nation's business.

Mr. DOYLE. Mr. Chairman, I move to strike out the last word, and I ask unanimous consent to proceed for 5 additional minutes and to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. DOYLE. Mr. Chairman, the hearings held before our subcommittee have been mentioned by the gentleman from Illinois, Mr. YATES. I think perhaps the best evidence of what those hearings disclose is to read from the hearings themselves where they are pertinent.

Mr. Chairman, up until a few days ago the subcommittee believed and was informed that the effort today, if it was taken, would be to retain and modernize the Chicago building. Manifestly that idea has been waived, because it would be ridiculous to spend any sizable sums of money on that 6-story warehouse that was built over 40 years ago and where we had the hearings. Mr. Chairman, I wish to repeat that the only factor which has been mentioned so far in this discussion as the reason why this transfer from Chicago to Natick, Mass., should be made, is the factor of the saving of money. The reason we can be sure of saving $900,000 at least annually is because it has been virtually stipulated, and the evidence shows, that there was a sum of $600,000 which was fixed overhead by the Army to act as landlord in Chicago. The reason we can state to the Members on the floor that there can be $900,000 minimum saved by this proposed transfer is that it was shown clearly that there was at least $600,000 being expended by the Army Quartermaster Corps in Chicago for overhead of this former warehouse building. That was a charge against the Army which they wished to get rid of. There is no question about that being a minimum amount; it probably is much more.

In addition to that, it is as clear as crystal that there is another sum, between $300,000 and $500,000, which will be saved by the transfer, if it is made, because of the transfer of activities from Chicago to Natick and the resulting elimination of personnel and duplication between Chicago and Natick.

Mr. VAN ZANDT. Mr. Chairman, will the gentlemen yield?

Mr. DOYLE. I yield to the gentleman from Pennsylvania, a member of my special subcommittee.

Mr. VAN ZANDT. Is it not true that we took a look at the estimated cost of a building at Fort Sheridan, as well as a building on the campus of the Illinois Institute of Technology and when we added the extra costs of Army support facilities such as dispensary, post office, etc., we found the estimated costs of

each building was in excess of the cost of the building at Natick?

Mr. DOYLE. That is substantially correct.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. DOYLE. I yield to the gentleman from Illinois.

Mr. YATES. Was the subcommittee apprised of the cost of constructing on the campus of the Illinois Institute of Technology a building comparable to that which is suggested for the installation at Natick?

Mr. DOYLE. I would say no.

Mr. YATES. Of course, it was not.

Mr. DOYLE. I would say no, because the Institute of Technology, according to the Army, never made a definite proposition, which could be considered as comparable.

Mr. YATES. That is correct.

Mr. DOYLE. That shows from the hearings, that the Institute of Technology had been asked for a proposal, but it never submitted a complete one. The record of the hearings shows that, so we had no way of comparing the costs, nor program of construction, of any new building for the Army use.

Mr. YATES. Mr. Chairman, will the gentleman yield further?

Mr. DOYLE. I yield.

Mr. YATES. Let me say to the gentleman that I checked with the officials of the Institute of Technology and they said that they had asked the Army for its requirements, but they had never received them. They said they had asked for them time and time again. I say that the Army wants to put the installation at Natick and it is not interested in giving anybody else a fair chance.

Mr. DOYLE. Of course, the gentleman realizes that I am only able to refer to the evidence which came to my subcommittee. I do not know what was the gentleman's conversation with the Institute. I am relying on the evidence as it appears of record. Mr. Chairman the second factor which must be taken into consideration by this House—and I have never been so accurately or fully informed as to the operations of scientists as I was at this hearing—is this: They made it crystal clear that an element, a basic element, a basic necessity, between scientists is that they have the opportunity to confer, to work together, not to be scattered, not to have to depend upon telephone calls and upon extensive travel to meet with and compare notes. So the second factor that the distinguished scientists of the Army and of the Institute proved to us, was the ability of the scientists to be bunched at one headquarters where they could have the advantage of developing their scientific research and giving it practical application as a team.

The evidence before us showed, and it was uncontroverted, that the great mass of scientific work done by the Chicago Container Institute, as compared with the present Army installation at Natick, Mass., was strongly in favor of the Massachusetts facility. They have already expended almost $12 million. In other words, the great mass of the work is now being done in Massachusetts, with only a limited portion of it being done in Chicago.

Mr. BOLAND. Mr. Chairman, will the gentleman yield?

Mr. DOYLE. I yield to the gentleman from Massachusetts.

Mr. BOLAND. I think the gentleman makes a very important point here. It is not the money alone with which we are concerned, the matter of liaison is important, and the liaison is more effective today. That is an important point that ought not to be overlooked by the Members.

Mr. DOYLE. There is this important fact that must not be overlooked. The Chicago Container Institute has in its employ or direction over 200 personnel. To a large degree that personnel would be eliminated if there were a transfer, and thus the salary saved where it duplicates. I think it is quite true, and the evidence showed, as the gentleman from Illinois [Mr. YATES] stated, that if a transfer is made a certain percentage of the Chicago residents will not move to Massachusetts; but the record also shows, that the number numerically that will not move even though they are invited to and have the opportunity to go there and hold their job ordinarily varies between 25 and 33 percent. But the saving should not be overlooked in the elimination of the duplication of personnel under the assignments.

This outfit at Chicago or Natick must employ military personnel and it must employ approximately 200 civilian personnel. That duplication will be eliminated, which is worth considering, I am sure.

I will not read here for your benefit the statements by the distinguished scientists showing it is an absolute necessity in order to get the most efficacy and economy in scientific matters, to have the scientists where they can pull together as a team. This hearing is full of that kind of testimony. It shows very clearly that not only will a considerable sum of money be spent as far as dollars are concerned, but that greater progress and efficacy in science can be made at considerably less cost.

In closing, may I read this from the hearings before my subcommittee which is a statement by Dr. Sieling, one of the famous scientists of our country in the employ of the country:

> The people working here at the Food and Container Institute primarily are in the food research program. We do not have a duplicate organization in this scientific research area in Natick. There are three divisions in the Food and Container Institute; there are five at Natick. We would add the three here in Chicago to the Natick organization, and we would utilize laboratory-type buildings that we already have there that are not now yet used for laboratories, for laboratory space.

Then at this hearing we were greatly helped by the gentleman from Illinois [Mr. YATES]. We were very glad we invited him to participate. The hearing record will show that he did very ably and helpfully participate in asking questions.

This record, if I had time to read it, would show that the gentleman from Illinois [Mr. YATES] questioned Colonel Flanders and the personnel quite extensively about the Illinois Institute, as a possibility. He brought out material evidence about that.

Without bias, without any personal interest in the outcome, without any feeling that there is a war between the delegations of the States as stated by Mr. YATES and inasmuch as I had the great honor of acting as the chairman of the subcommittee, in view of the evidence I heard, on which I rely, I recommend that the transfer be made and the amendment be defeated.

Mr. VINSON. Mr. Chairman, I ask unanimous consent that all debate on this amendment, and all amendments thereto, close in 40 minutes.

Mr. GROSS. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. VINSON. Mr. Chairman, I move that all debate on this amendment, and all amendments thereto, close in 40 minutes.

The CHAIRMAN. The question is on the motion offered by the gentleman from Georgia [Mr. VINSON].

The motion was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. PRICE].

(By unanimous consent, at the request of Mr. GRAY, the time allotted to him was transferred to Mr. PRICE.)

Mr. PRICE. Mr. Chairman, I think the gentleman from California [Mr. DOYLE], a member of the special committee that made a special study for the House Committee on Armed Services, gave the best evidence for the necessity of adopting the amendment the gentleman from Illinois [Mr. YATES] has offered here this afternoon. Mr. DOYLE in the colloquy that has so far occurred on the floor has made two pertinent statements, each of which if you study them carefully indicates the necessity for further survey and study of this proposition.

First of all, Mr. DOYLE stated that up until a few days ago, in their study of this proposition, they were thinking of a program that would require the modernization of existing facilities at Chicago or the construction of a new building at Natick.

Mr. DOYLE. Mr. Chairman, will the gentleman yield?

Mr. PRICE. I yield.

Mr. DOYLE. I think the gentleman must have misunderstood what I said, because I said we had not been informed until a few days ago that we were studying the question of modernization.

Mr. PRICE. That is correct, until a few days ago you were not informed of what the real issue in this matter was, for it was the thought then that we were dealing with an old, obsolete structure in Chicago that did not lend itself to modernization except at exorbitant cost, against a new building that would be built on a new site at Natick, Mass. The real proposal here, of course, and the

necessity for this study, is that if you are going to move into a new building somewhere else why not give consideration to the construction of a new facility at the present location of the existing facility. By that I do not mean the exact spot on which the old building is located, but at, for instance, the site that is offered by the Illinois Institute of Technology or even Fort Sheridan, although I think the more likely spot and the more feasible location would be at the Institute of Technology in Chicago, on which a proposal has been made which in itself would result in a saving to the Federal Government.

The other pertinent statement that the gentleman from California [Mr. DOYLE] made was that when the gentleman from Illinois [Mr. YATES], made reference to the fact that a great deal of support for this facility originated in the Chicago area, the gentleman from California said that the major source of this work came from all over the country, and that is completely correct; it comes from every section of the country. Therefore, this institute should be in the central section of the country, as near to the center of the country as it can possibly be; and that is the reason the Midwest is an ideal location for this facility. In my opinion it would be very unwise to move it to the eastern seaboard or even to the western seaboard. Since the work does originate in every section of this country, it will be better to have this facility located in the most central place possible; and, of course, I suggest that the Midwest meets this particular criterion.

The people who deal with this particular Institute are the people in the food industry and in agriculture. The great majority of these people have their operations in the Midwest, not all in the immediate Chicago area, but certainly closer to the Chicago area than to the eastern seaboard. The great majority of those industrial concerns who do business with this particular Institute favor a location in the Midwest.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

The Chair recognizes the gentleman from Massachusetts [Mr. MARTIN].

Mr. MARTIN of Massachusetts. Mr. Chairman, I am a man of peace and do not desire to get into a sectional fight. But inasmuch as Natick is in my district, I feel I should express my opposition to the amendment.

In the first place, may I assure the distinguished gentleman from Illinois that Natick is not situated in the foothills of Massachusetts. It is a very busy, lovely town of 27,000 people with an historic past, located just outside of Boston.

This is not a partisan fight or a sectional fight; it is to decide what is best for the taxpayers of this country, what is best for the armed services of the country. The recommendations from the War Department, the Committee on Armed Services, both the subcommittee and the full committee, we should accept their judgment. When we find a department actually interested in efficiency and economy, let us back them up.

The decision to move the Quartermaster Food and Container Institute from Chicago to the Quartermaster Research and Engineering Center at Natick, Mass., was reached only after the most careful consideration by the Army authorities directly concerned and by the Armed Services Committee following an on-the-spot inspection trip of both areas by members of the committee. They concluded that the move should be made in the interest of the most economical and efficient operation.

We are informed that the existing facilities at Chicago are housed in a warehouse-type structure, which has become increasingly inadequate and obsolete for modern research and development work. By moving the Institute from its present unsuitable quarters to Natick, the best estimate is that the Army and the taxpayers will save $1,100,000 annually, $800,000 of which is in overhead costs to support the center. Additional savings of $300,000 will accrue from integration of the overhead and technical staffs which are now duplicated at Chicago and Natick. The estimate of savings was supported by a study of the General Accounting Office, which conducted an audit of the claimed economies. I am sure we can all agree that the General Accounting Office would have been completely impartial in its analysis and would have had no regional ax to grind.

I submit that these savings should not be lightly disregarded at a time when we are spending billions of dollars annually for the national defense and when every defense dollar should be put to its most effective use.

Over and above the monetary savings, the conclusion was reached by the Army authorities and by the Armed Services Committee that important scientific advantages will result from the consolidation of the laboratories.

The scientific work carried on at Chicago and at Natick are part of an Army program to promote the efficiency of our servicemen. Joint projects and related areas of effort exist between the people working in Chicago and those in Natick. For example, studies at the Institute at Chicago on the effects of food and water upon work performance directly tie in with similar work being carried on at Natick. Specialized equipment owned by the Government at Natick provides research facilities not now available at Chicago except by rental or contract.

Moreover, the separation of the scientists and technical people at Chicago from their colleagues at Natick deprives both groups of one of the most essential factors in research efficiency, which is close and intimate association on a daily basis on related problems.

This fact was clearly recognized by the special subcommittee of the House Armed Services Committee in its report of an investigation conducted in May 1960. The subcommittee concluded that while substantial economies would result from the move, they would favor it for its scientific advantages even if no economies were to result. The committee likened the move to "uniting of child and parent."

In six States within a 300-mile radius of Natick are 147 laboratories with a staff of 5,121 men and women engaged in food research. The high quality of industrial research laboratories and educational institutions in the Boston area insures adequate staffing at Natick.

The Army has requested in this bill $3,812,000 for construction of these laboratory facilities at Natick. This cost will be amortized in less than 4 years, based on the savings which consolidation will permit.

I hope this item will be retained for the best interests of the country, as the Army and the committee have recommended.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. KLUCZYNSKI].

Mr. KLUCZYNSKI. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Illinois. I ask unanimous consent to revise and extend my remarks at this point in the RECORD.

Mr. Speaker, the Quartermaster Subsistence School, a forerunner to the Food and Container Institute, was established in Chicago in 1921. Two factors dictated this location: First, proximity to a military procurement agency, and second, proximity to research facilities at nearby universities and food and packaging industries. In July 1936, a Subsistence Research Laboratory was established. Its general mission was to provide the Office of the Quartermaster General with technical advice on the merits of various food products it was required to purchase. The new Subsistence Research Laboratory began its operations with two civilian staff members and one officer. By September 1941, the technical staff numbered 13, and a rough division of responsibility was effected in terms of commodity groups. The tremendous increase in workload at the beginning of World War II, coupled with personnel shortages, necessitated the establishment of separate commodity branches and the delegation of responsibility and authority to them. Additional branches were established as the workload increased and personnel became available.

On December 14, 1942, the Subsistence Research Laboratory, which was initially a division of the depot and part of the supply division, Office of the Quartermaster General, became responsible to the Subsistence and Packaging Station, Research and Development Branch, following establishment of the recently created Military Planning Division. For such administrative matters as personnel, supply, travel orders, and janitor services, it remained under the jurisdiction of the Chicago Quartermaster Depot. To alleviate the overcrowded condition of the Subsistence Research Laboratory, a new laboratory was constructed on the sixth floor of building and dedicated on January 3, 1944.

Shortly after moving into these new quarters, the Subsistence Research Laboratory was redesignated the Quartermaster Subsistence Research and Development Laboratory. From the small, ill-equipped group it had been at the

start of the war, the Subsistence Research and Development Laboratory now conducted programs of broad scope and complexity, and these programs forced new organizational changes. In the fall of 1944 its Director became, in addition, Director of the Subsistence Section of the Quartermaster Corps, Washington, requiring him to divide his time between Chicago and Washington. Accordingly he appointed two assistant directors, one for commodity development and one for technical services, to coordinate activities of the development and technical branches, respectively.

In February 1945, a Project Control Board of Subsistence Research and Development Laboratory staff members was instituted to review and coordinate internal projects; at the same time, a Committee on Food Research was established by the subsistence section to organize and administer an external research program.

The Laboratory's wartime activity was at its peak in July 1945. Its personnel numbered 284, of whom 68 were military. It dealt directly with hundreds of food and packaging concerns, with university research groups, and experienced both formal and informal relationships with several other governmental agencies. In November 1945, it was made a class IV, later a class II, activity, and its wartime Director became its first commanding officer.

Early in the postwar period, additional missions were assigned to the Quartermaster Subsistence Research and Development Laboratory, among them the responsibility to provide research and development for containers for all Quartermaster supplies except fuels and lubricants. The Subsistence Section in Washington was deactivated, and its responsibilities were transferred to the Laboratory. In recognition of its increased duties, the Subsistence Research and Development Laboratory was renamed the Quartermaster Food and Container Institute for the Armed Forces in 1946.

There are many organizations in the Chicago area who are vitally concerned about the proposed move of the Quartermaster Food and Container Institute from Chicago to Natick, Mass.; among them is the Illinois Institute of Technology which is located just two blocks from the eastern boundary of my district. Specific information on events leading to the proposed move are not in their possession. Specific data used in the planning of the move are not available.

During the hearings on the military construction bill held by the Armed Services Committee on February 23, 1960, the requested authority submitted by the Army for the expenditure of $3,628,000 to build new facilities at the Quartermaster Research and Engineering Center, Natick, Mass., for use by the Quartermaster Food and Container Institute, was stricken from the bill.

The chairman of the Armed Services Committee appointed a Special Investigating Committee to study the matter and to survey the Chicago administration center, including the Institute. The committee was instructed to make its recommendations as soon as possible so that whatever action appeared proper could be taken during consideration of the military construction bill. On March 2, 1960, the House Armed Services Committee favorably reported on H.R. 10777, a so-called clean bill, without the authorization for construction of facilities at Natick. The House approved this bill by a 404 to 4 vote.

On April 27, 1960, the Subcommittee on Military Construction of the Senate Armed Services Committee considered Senate 3006, a bill identical to the original House measure. It deferred action on the Research and Engineering Center item, and the subcommittee's chairman granted opponents an opportunity to make additional comments after studying a new report, prepared by the General Accounting Office, which analyzed the costs of the "planned inactivation" of the Chicago Administration Center. Provisions were made for the subcommittee staff to gather additional evidence on three points.

First. The difference between the Army estimate of savings resulting from relocation and the estimated savings based on the study of the General Accounting Office.

Second. The "management savings" which can be effected by consolidating the Institute with the Research and Engineering Center.

Third. The cost of new construction in Chicago based upon the same space allowances as the proposal for the new construction at Natick.

The Special Investigating Committee for the House Armed Services Committee visited the Chicago Administration Center on May 7, 1960, and a written transcript of the hearings has been issued.

The most valuable asset to any operation is its personnel, and this is particularly true for a research and development operation. It is my understanding that the Army has not canvassed the personnel of the Food and Container Institute regarding their attitudes toward the proposed move of about 1,000 miles. The Army risks the loss of up to 70 percent of the F. & C.I. staff by such a move. Many of the employees are residents of my district. They are married and have families. They would be reluctant to have to dispose of their homes, to place their children in new schools and move away from the neighborhood where they were born and raised. It is these individuals with whom I am chiefly concerned. Parts of Chicago have been classified as critical areas and I would doubt very much whether the Administration wishes to add to the unemployment figures which are still very high.

The Army points to economies that would be effected by the use by the Food and Container Institute of facilities already in existence at Natick. The basic facilities for food research and for container research conducted by the F. & C.I. must be located at the Institute and controlled by Institute personnel. The next most important facilities are costly laboratories and equipment directly applicable to food and to container research. These facilities are not at Natick, but in the vast food and container industrial laboratories, universities, and independent research institutions, a great majority of which are centered in the Chicago area.

Technology Center is in the heart of Chicago and Chicago is in the Nation's undisputed center of food production and processing. Chicago is the center of distribution for the dairy industry. Poultry and eggs, both highly perishable commodities, are produced in quantity nearby, and shipped out of Chicago to markets around the world. A major portion of America's fruit and vegetables funnel through Chicago; in fact, more fresh produce passes through Chicago than through any similar center anywhere in the world because of its central location and the availability of refrigerated warehouse space. Chicago handles enough grain to be known as the Nation's third largest granary. The Chicago area manufactures more containers of all types than any other area in the Nation because, as in the case of food products, it is close to the sources of supply. Chicago is the headquarters of all major trade associations in the food industry and a large percentage of their national meetings and conferences are held there. It is the National Center of Industrial Food Research Laboratories. It is the National Center of Industrial Container Research Laboratories.

To the many civic and business organizations, to the officers and members of the Chicago Association of Commerce and Industry, I wish to express my genuine and sincere thanks for their efforts in endeavoring to retain the Food and Container Institute in Chicago.

In particular I wish to convey my gratitude and deep appreciation to the officials of the Illinois Institute of Technology for the part they have played and their active cooperation in the matter. They merit the plaudits of all the people of our city for their offer of land to hold the F. & C.I. in Chicago.

With all of the advantages which are available in Chicago, it is difficult to comprehend any sound or logical reason why the Army appears to be insistent on moving the Food and Container Institute to Natick, Mass., when they don't even have a building into which they can move and must await construction of one.

I sincerely trust that the House will support the amendment to strike the item to move the F. & C.I. item from the bill.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. PUCINSKI].

Mr. PUCINSKI. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Illinois [Mr. YATES]. It is indeed regrettable that the gentleman from Massachusetts [Mr. BATES] has characterized this amendment and our struggle to keep this research center in the Midwest as provincial. I do not see anything provincial in suggesting that the wealth of knowledge presently available from the University of Chicago, which produced the atomic

bomb, the Illinois Institute of Technology, the Armour Institute, which today is doing work for the Government in various critical fields of defense, Northwestern University, and the great food industry situated in Chicago, continue to be made available to the Food Container Institute. I do not see anything provincial in making a suggestion that the city of Chicago and the Midwest be permitted to keep this research center in that city so that the wealth of scientific knowledge concentrated in Chicago can continue to serve the best interest of our Nation. There is a fundamental question here which every Member of Congress will have to wrestle with. This $3.5 million is just the beginning, and do not let anybody kid you about economy. This $3.5 million building that is going to be moved to Massachusetts is only a beginning to move the Nation's entire research program to Natick. I for one resent the idea that the great Midwest, the South, and the western lands of America ultimately should not be permitted to make their contribution toward research for this country's survival by centralizing all food research in Natick, Mass.

Therefore, I say to my colleagues, when you ponder this question, think of your own area, think of your own community, and think of the contribution that it can make toward America's survival. Research and development are the magic words in this country today. You know it and I know it. I can see the trend now. This seemingly innocent beginning means that eventually all research will be centered in the East. It is patently apparent that the vast scientific knowledge now available at these universities in Chicago and in other universities throughout the Midwest, the West, and South will be denied to the Government by moving this institute to Natick, Mass.

Therefore, Mr. Chairman, I rise in support of the amendment offered by the gentleman from Illinois [Mr. YATES]. I think that we in the Midwest, who have produced the atomic bomb and done great research in every field of human endeavor certainly should continue to play a part in this field of food research. Food is going to be one of the most important elements of our survival in this atomic age, and I say that because we have the food industry located in Chicago along with these outstanding scientific facilities, the Army should be asked to review its decision. The decision to move the institute to Natick has been based on dollars and cents with no consideration given to the value of scientific assistance available in Chicago. I think the Army is wrong in doing this. I think that the question is fundamental as to whether or not the Midwest is going to play a part in this important research, and therefore I urge you very strongly to vote for this amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. VAN ZANDT].

Mr. VAN ZANDT. Mr. Chairman, let me begin by pointing out that what we are talking about is a research and engineering effort. This is not an activity of Government that has to do with buying large amounts of food. I repeat, it is a research and engineering effort.

I shall first describe the Chicago Administration Center by reading from the special subcommittee's report and this is what it says:

Chicago Administration Center:

The Chicago Administration Center facilities were constructed over 40 years ago at a cost of approximately $6 million. The installation, designed as a warehouse, consists of three six-story reenforced, concrete and brick buildings with a total of 1,868,280 square feet. In addition to the Food and Container Institute, the installation provides space for 12 other quartermaster activities, 13 5th Army activities, four other Department of Defense activities, and six activities of other departments, primarily the Post Office. The annual facility operating costs are approximately $2 million. The current appraised value of the property is $4,800,000. It is pointed out that the recovery which the Government might make by reason of the sale of this building has not been considered as an economic element at any time in this report.

There are approximately 1,600 employees working in the facility. Of these, approximately 1,000 are civilian employees of the Department of Defense, 400 military employees of the Department of Defense, and 200 non-Department of Defense civilian employees.

The personnel of the Food and Container Institute, military and civilian, represents about 300 people. This is included in the above 1,600 gross.

Second, let me read what the report says about the Food and Container Institute, which is part of the Chicago Administration Center and I am now reading:

Food and Container Institute:

This is an element of the Quartermaster Research and Engineering Command which—

(1) Executes a research and development program for all elements of the Department of Defense covering—

(a) basic research in food nutrition, stability, and acceptance.

(b) design, improvement, and evaluation of military rations and food products;

(c) design, development, and evaluation of containers;

(d) research and development of food irradiation processes.

Now I would like to read to you what the report says regarding the Quartermaster Research and Engineering Center at Natick, Mass.:

Quartermaster Research and Engineering Center, Natick, Mass.:

The Quartermaster Research and Engineering Center at Natick was constructed between 1952 and 1954. It has a capital investment at this time of $11.8 million. It consists of seven major buildings and associated improvements, all specifically designed for scientific research, development, and engineering. The major scientific structures are a development building, a research building, and an engineering building. Supporting facilities include the climatic chambers and the solar furnace. In Maynard, Mass., at a distance of about 12 miles, there is a former ordnance facility now under the jurisdiction of the Quartermaster Corps comprising some 3,000 acres. This area has been and will continue to be used for certain research and test activities which require a large protective area.

Finally this is what the report says about this mission of the Natick Quartermaster Research and Engineering Center:

Quartermaster Research and Engineering Center, Natick, Mass.:

The laboratories of the QMR&EC performs basic research on the operational capability of the soldier under varying degrees of natural and military environmental stresses; basic research in the fields of biology, chemistry, and physics related to the development of items providing protection and effectiveness to the soldier; applied research and development of elastomeric, plastics, metallic, paper, chemical, or combinations though relating to health protection and military effectiveness of military personnel and equipment; applied research for the control and prevention of deterioration and damage in the area of corrosion, weather, fungus, insects, and rodents; applied research, design, development, improvement and evaluation of footwear, handwear, leather, clothing, tentage, and aerial delivery of equipment. Also, performs similar activity in materials handling, food service, heating, and oversnow equipment.

Now, Mr. Chairman, what I have read from the special committee report reveals this one fact, and that is, Natick is a centralized research and engineering center of the Army Quartermaster Corps and by transferring the Food Container Institute from the inadequate facilities at Chicago all programs will be under the roof of a modern and fully equipped research center. As I have said earlier in the debate the consolidation of the Food Container Institute with what is already at Natick will save the taxpayer some $900,000 a year, and may I add, amortize the cost of the transfer as well as the necessary buildings at Natick in the matter of 4 years.

Mr. Chairman, I am opposed to the Yates amendment, and urge the committee to join me in voting against same.

The CHAIRMAN. The Chair recognizes the gentlelady from Illinois [Mrs. CHURCH].

Mrs. CHURCH. Mr. Chairman, I do not know whether or not I qualify for the description given by the gentleman from Massachusetts [Mr. BATES] when he mentioned the possibility that a will-o'-the-wisp might rise in support of the amendment offered by the gentleman from Illinois [Mr. YATES]. But I assure you, however, I might be considered in that connection, I represent a very solid area of this country. I represent not only the Chicago area and Illinois, but that great, strong, firm Midwest which is not only the breadbasket of this country, but also is advanced in research and will feel itself ultimately deprived of a great activity, if through an act of what I would consider piracy, that activity, of which it has long been proud, is taken from it.

Mr. Chairman, in the few minutes allotted to me, permit me to say that I think there is more at issue here than the removal of an established agency that has been well tested by time. I think that every Member of this Congress might well stop and consider with what good faith we acted in 1952 when we were told that this Institute would not be moved; and when many of us from the Middle West supported happily the installation of facilities at Natick, on this assurance, I remind you, that the

Quartermaster Food and Container Institute would not be taken from Chicago.

Mr. Chairman, I repeat that in this instance there is every facility available in Chicago. Chicago is the heartland of the country. It is the center of industry; it is the center of communications by air, land and now, with the St. Lawrence Seaway, by sea.

I shall further confine my own plea to a brief statement of the reasons for my conviction that—in the interests of efficiency and service—the Quartermaster Food and Container Institute for the Armed Forces should remain in Chicago where its forerunner, the Quartermaster Subsistence School, was established in 1921.

The decision to place this activity in Chicago at that time was based on the proximity of the area chosen to the military procurement agency and its proximity, also, to nearby universities and food and packaging industries.

Accordingly, the Institute was set up in 1950 as an organization for research and development in foods and food packaging for the Department of the Army, reporting to the Quartermaster General. The Institute, which currently employs about 260 people, occupies a Government-owned building on Pershing Road in Chicago.

I would like, Mr. Chairman, to enumerate five advantages that Chicago offers for economical, efficient, and most successful operation of this Institute:

First. The center is near and maintains close liaison with great universities of our city—the University of Chicago, Northwestern University, Illinois Institute of Technology—and the Armour Research Foundation—the University of Illinois Medical Center, and, also, Mr. Chairman, with the Argonne National Laboratory. It has immediate access to the John Crerar Library, one of the greatest scientific libraries of the entire world.

Second. Likewise, because of its proximity to institutions of learning, it has been possible for the institution to employ and have access to technical personnel almost without equal. In addition to the colleges already mentioned, the Institute has contact with the University of Minnesota, the University of Wisconsin, Iowa State University, Kansas State University, University of Illinois at Urbana, Michigan State University, and Purdue University.

Third. Chicago is admittedly the center of the food production in America; and the Institute, while remaining in that city, has unparalleled contact with food industries—particularly those engaged in meat production and grain mill production. The laboratories of these industries are maintained in the Chicago area; and the saving to the Government in manpower hours each year from assistance by technologists furnished through industry advisory committees cannot be overestimated and certainly should not be overlooked.

Fourth. Because of the great number of food and container industries in Chicago, which is the center, indeed, of the container industry, the greatest number of food and container trade associations are likewise available for consultation by the Institute.

Fifth. As a great railroad center, as an important port on the St. Lawrence Seaway, and as the center of aviation in the country, Chicago is thus the logical place for continuance of the activities of the Quartermaster Food and Container Institute.

I certainly hope that the House in its good judgment will support this amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts [Mr. LANE].

Mr. LANE. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Illinois [Mr. YATES]. May I say that regardless whether the amendment prevails or not, I feel as all other Members here must feel, that our colleague from Illinois [Mr. KLUCZYNSKI] will remain a Member of the House of Representatives as long as he so desires.

Mr. Chairman, I know the House has listened very attentively to this debate for some period of time. There is not much that can be added to what has already been said. However, this item of $3,600,000 to authorize the construction of facilities for a Research and Engineering Center at Natick, Mass., to house the Quartermaster Food and Container Institute, was recommended by the Committee on Armed Services. This bill is not new to the House. We have had this matter before and due to some differences of opinion among Members of the Congress this item was deleted last year from the bill with the understanding that the chairman of the Committee on Armed Services, the gentleman from Georgia [Mr. VINSON], would appoint a committee of two members to investigate this subject matter. The members, one from California and one from Pennsylvania, did study this expenditure thoroughly. They studied it at great length and their report is now here for your benefit, Mr. Chairman—Report No. 70 from the House Armed Services Committee.

That committee was made up of the chairman, Clyde Doyle, that studious Representative from California, and the able gentleman from Pennsylvania, the Honorable JAMES VAN ZANDT.

Both members of the powerful Committee on Armed Services were impartial. They were sent out to investigate this matter most thoroughly. They did so. They visited Chicago and they went to Natick, Mass., and they reported back to the Committee on Armed Services in favor of this transfer. The House has already heard from some of the Members as to the reasons relied upon by the subcommittee for their recommendations. It has been stated over and over again that the Chicago Administration Center facilities were constructed over 40 years ago. The Quartermaster Research Center at Natick was constructed between 1952 and 1954.

Prior to the establishment of the Quartermaster Research and Engineering Center at Natick, this military installation was located during the second war years and for some years thereafter in my home city of Lawrence, Mass. At that time it was located in abandoned mill property of the Pacific Mills, a textile corporation which moved to the South. It is now located outside the city of Boston on the main highway from Boston to New York City.

Hearings have been held on this item before the full Armed Services Committee of the House, Senate Armed Services, House Appropriations Committee, study made by the Comptroller General, so that the matter has been thoroughly investigated. It comes to the House with the approval of all the various facets of the Army, the Office of the Secretary of Defense, and the Bureau of the Budget.

A conservative estimate by this transfer will be a saving of at least $900,000 a year to our Government.

Construction of facilities at the Illinois Institute of Technology and in other areas in the vicinity of Chicago have also been thoroughly studied.

I hope, Mr. Chairman, that the amendment will be defeated and this transfer of the Quartermaster Food and Container Institute from Chicago to Natick, as recommended by the Armed Services Committee, will be supported.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Chairman, I was interested in the remarks of the gentleman from Massachusetts [Mr. BATES] who quoted letters from Secretaries of the Army, past and present. I can remember a couple of years ago when I quoted a letter from the then Secretary of the Army who was violently opposed to the sale of the San Jacinto Ordnance Depot, which he considered to be the best ammunition outloading facility in the United States. What the Secretary of the Army felt about that proposition did not seem to have very much effect on most of the members of the Committee on Armed Services. So I take with a grain of salt what the Secretary of the Army now says about the moving of this facility.

There is just no reason why Massachusetts or the Eastern Seaboard should run another raid on the Middle West. We have been raided often enough. Some people are getting expert on that sort of thing. We are in the heart of the greatest food-producing area of the world. You name it and we have it out in the Middle West in terms of food. If you have much more than cranberries and codfish in Massachusetts, I would like to know about it.

Mr. O'NEILL. In the field of science, you name it and we have got it.

Mr. GROSS. This installation ought to be left in Chicago. I support the amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts [Mr. O'NEILL].

Mr. O'NEILL. Mr. Chairman, I know of nothing that would sadden me more as a Member of the Congress than to see that lovable, smiling, effervescent charmer, the gentleman from Illinois [Mr. KLUCZYNSKI] of Chicago, who spoke a few minutes ago, leave the Congress

of the United States, except that I should leave myself. Meeting with Congressman KLUCZYNSKI on any given day is to make a dark or a bright day brighter. I consider him to be one of the most able Members of the Congress and I am happy to regard him as one of my close personal friends.

This does not come to a question of personalities, it does not come to a question of sectionalism. All of us today have made a lot of remarks about our sections of the country. The argument here is, this is a changing world we are living in, and every time something comes up that we try to change, an installation for the betterment of the defense of the Nation, the betterment of the work of the Nation, the betterment of the taxpayer, it is going to turn into a sectional fight. We have all kinds of reports on this matter. The reports all show that in the interest of the Government and the best interest of the country this should be moved to Natick. I trust that we will cast aside thoughts of the sections of the country we come from and think of the future of the legislation that is going to come before this branch. Let us not today set a precedent that every time the Defense Department wants to change an installation it is going to be a sectional fight.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. DERWINSKI].

Mr. DERWINSKI. Mr. Chairman, it is not my intention to add to the voluminous debate which has taken place on this amendment. I feel that the Members have been thoroughly exposed to the issues from both supporters and opponents of the amendment. My purpose is merely to clarify the entire debate and summarize the facts as follows:

In my humble opinion the Quartermaster Food and Container Institute should remain in Chicago rather than be transferred to Natick, Mass., for the following reasons:

The transfer would involve unnecessary expenditures for construction of new facilities. The proposed location in Natick obviously do not possess the central location which is Chicago's natural advantage. Furthermore, most of the basic industries which would be affected by this ill-advised move are located in the Midwest and the convenience of the Chicago location is therefore obvious. The Chicago area has a long record of cooperation and aid to the Food and Container Institute personnel and the entire program involved could be adversely affected by this move.

I believe this move would be detrimental to the national defense effort and feel that Congressmen YATES, PRICE, Congresswoman CHURCH, Congressman COLLIER, and the others who preceded me providing their detailed views should be sustained. I urge the Members to consider the obvious practicality of the Chicago location and support this amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts [Mr. CURTIS].

Mr. CURTIS of Massachusetts. Mr. Chairman, I would like to use a few moments of my time to ask a few questions of the distinguished chairman of the committee who brought in this report, the gentleman from Georgia, Mr. VINSON.

My first question is: The Army was very clear in recommending that this change would bring about substantial economies and better operation; is that not correct?

Mr. VINSON. The gentleman is absolutely correct, and notwithstanding that positive position of the Army, I designated two very distinguished members of the committee to make their own on-site investigation. They did so, and their report is before the committee, and it shows that at least an economy of $900,000 can be made.

The subcommittee was composed of the distingushed gentleman from Pennsylvania [Mr. VAN ZANDT] and the gentleman from California [Mr. DOYLE], and as a result when we went to conference, we asked that it be passed over until we could examine and analyze and study their recommendations. That we have done, and we brought it back and the department asked for it again. I certainly trust that the House will vote down the amendment offered by the gentleman from Illinois [Mr. YATES].

Mr. CURTIS of Massachusetts. I thank the distinguished chairman. So we have the Army and the subcommittee and, of course, we have the full committee, or the matter would not be here before us, saying that the real purpose of this change is to consolidate these two operations which are related, in the interest of greater efficiency.

Mr. VINSON. Exactly; the parent plant is in Massachusetts and this plant should be moved there to carry on this research activity. We have spent $11 million building the plant in Massachusetts, and this will eliminate a certain amount of duplication. We are trying to get rid of duplication because we are criticized all the time for indulging in it.

Mr. CURTIS of Massachusetts. I would also point out that, according to the report of your subcommittee, the Chicago plant employs 252 persons, while the Natick plant employs 1149. So if consolidation is necessary, it is only commonsense to combine the smaller unit with the larger one, rather than to move the Natick plant to Chicago.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts [Mr. PHILBIN].

Mr. PHILBIN. Mr. Chairman, the quality of debate has been such up to this time that I feel anything I may say in opposition to this amendment would be like carrying coals to Newcastle, but I want to assure the House of my very deep regret in finding myself obliged to differ with my very good friends and esteemed colleagues from Illinois, for whom I have such great respect and deep affection.

I think it must be kept in mind by all of us these days that the national defense, particularly our facilities for research and development, are paramount considerations, and should never be determined or influenced by sectional questions alone.

The Quartermaster Research and Engineering Center at Natick, Mass., is engaged in a most essential, crucial activity. Much of its work is not only vital and most important, but highly classified, since it relates to indispensable new weapon systems, new methods, new techniques, having to do in many respects with making our fighting forces as a whole, more efficient and effective, and with saving human limb and life, providing good food and making the actual work of defending the country safer and more secure for many boys who may be engaged in it should war come and who are now engaged in highly perilous research aspects of the defense effort.

Obviously, there are many phases of this important work that I cannot discuss here, but it can be said that the mission of this center at Natick, just adjacent to Boston, is to achieve research, development, engineering and standardization programs that may be assigned by the Quartermaster General to translate development prototypes to mass production items, and to provide technical services and engineering support for all of this great work.

This particular authorization is for four items which have been given in detail before our House Armed Services Committee. They relate to an office and heavy laboratory building in the amount of something more than $2¼ million; a development building addition and conversion, in the amount of roughly $1,180,000; an animal laboratory facility in the amount of $317,000; an enlisted men's barrack addition in the amount of $33,000.

This proposal contains no reflection whatever on the great city of Chicago. If consummated, it would affect only a very limited number of personnel.

It is, primarily, a coordination, for purposes of efficiency and better research in very critical fields, of existing facilities in order to bring together activities that should be brought together, if we are going to have a truly cohesive, effective research and development system in this field and this time of crying need.

I need not remind the Members of this House how important this type of research is at the present time. Indeed, it is a key to many vitally necessary programs to safeguard personnel, to promote and advance modernization and improvement of our vital weapon systems and vital space programs, incidental to them.

For example, the animal laboratory facility, in itself, is of utmost, of greatest importance at this time.

The transfer of these other most essential and crucial activities to Natick will not only bring these essential activities together, but it will bring them together closer to the sources of the best possible national research and development facilities that are now present at, or near, the Natick location in the great scientific and research activities that are rendering such invaluable service to our national defense.

These items were in last year's bill, but for reasons well known to the Mem-

bers of this House, most unfortunately, they were deleted. But I will not here comment on the degree to which this deletion has cost us delay or setbacks in these important fields of research and development so vital to our space and missiles program and to the lives of our boys.

I want to suggest very strongly to this House that at this time of peril, the Nation cannot afford any more delays of this kind, nor can it afford not to have these essential activities coordinated and brought together in an effective manner so as to produce the results that are absolutely necessary for the security of this Nation and the welfare of the boys and the personnel who are, and will be, engaged in maintaining the security of the Nation. Foot soldiers, airmen, and space aeronauts alike all need the scientific skills and the help of the proposed Natick Center. To them it may be a matter of life or death.

To these boys who must have their food supply and their persons protected against great extremes of pressure, radiation, and temperature, the work of this center is a matter of survival, as well as success or failure, in their historic, crucial work.

I urge the House to defeat this amendment and stand behind the Defense Department, the Army, the Bureau of the Budget and the House Armed Services Committee in our efforts to strengthen the national defense and protect military personnel.

When these new facilities are available, they will provide laboratory and administrative space for the move of the Quartermaster Food and Container Institute from Chicago.

The economies and scientific gains that will be insured by this move were duly recognized in Report No. 70 of a special subcommittee of the House Armed Services Committee in May of 1960, after a very thorough study of the matter had been made.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. COLLIER].

Mr. COLLIER. Mr. Chairman, since I am not from Massachusetts and do not live in Chicago, you can recognize that my position is not one of sectional bias. Not only because the hour is getting late but because I do not believe I can add anything to the very persuasive arguments for this amendment in these few minutes, I shall extend my remarks and at the risk of being repetitious I say let us not be provincial; let us adopt the amendment.

Mr. Chairman, I would like at this time to register my strong opposition to the proposal to move the Armed Forces' Quartermaster Food and Container Institute from Chicago to Natick, Mass.

I will present evidence that the planned relocation of the institute not only would constitute a serious loss for Chicago and the entire Middle West, but would be unreasonably costly for the Government.

The two sites, Chicago and Natick, are scarcely comparable when one considers the completeness of all kinds of facilities already available in Chicago. These include unlimited food, food-container, food-freezer, other research facilities, and all types of installations that can be and have been of the greatest usefulness to the military. Unparalleled library reference works and laboratories at a number of universities in and near Chicago also are at the disposal of the Food and Container Institute.

Also, the recruitment of adequate technical personnel is simplified in Chicago because there are more institutions doing graduate food technology work in the Midwest than any other place in the United States.

Because Chicago is indisputably the Nation's center for food production and processing, such facilities are easily maintained there.

Before I cite some facts to support the foregoing data and before I pose some pertinent questions, let us see just what is the basic need of the Armed Forces when it comes to providing rations to troops operating, in these days, in entirely new theaters of war and using new modes of combat. A good answer is found in the assertion that it consists of "working with the food and packaging industries as partners," to quote Col. Rohland A. Isker, commanding officer of the Chicago Quartermaster Corps Food and Container Institute, from his article in a 1959 issue of the publication, Food Technology. Listening further to this officer, we find him explaining the problems of adjusting foods and packaging to the needs of military life when he asserts that it—

is more difficult in many ways than adjusting recruits to military ways of doing things. To do so requires a knowledge of the performance capacity of soldiers under stress, how ration systems fit into military operation systems, the potentials of the food and packaging industries for meeting the often exacting requirements of packaged rations—and a constant, day-after-day attention to the chemical, microbiological, physical, and psychological aspects of food. This is a large order as the outstanding group of men and women who made up my staff, and I, myself, have found out.

The requirements noted above already are available in the Chicago area, as I am about to show.

Chicago offers unrivalled transportation and communication facilities and, with the opening of the St. Lawrence Seaway, and establishment of direct flights to Europe, Chicago is no longer merely an inland city. This latter fact alone encourages food industries to hold their meetings here and helps to attract qualified personnel for the Institute.

A Chicago site would enable the Institute to maintain its close liaison with the Military Subsistence Supply Agency (MSSA) and the Army Subsistence Center. These groups meet frequently, often once a week, and make an estimated several hundred interagency telephone calls each week. It is of the utmost importance that the Institute be located near the MSSA because any improvement or development of rations results in new or revised specifications that are used by MSSA for procuring subsistence supplies for the Armed Forces.

Also, unless activities of the Institute are drastically curtailed, it can be operated in Chicago at less cost to the Government than if it were moved to Natick. The three main reasons for this are as follows:

First. The Illinois Institute of Technology already has land available and can arrange financing for a suitable facility in which to house this operation at comparable, if not considerably less, than at Natick.

Second. All heat, electricity, janitor and other housekeeping services now furnished by the Chicago Administration Center also would be required at Natick and the cost would be approximately the same wherever the institute might be located. Any savings claimed in this category are, in my opinion, purely fictitious; in fact, costs of telephone calls and administrative travel probably would be higher because of the need of the institute to maintain close liaison with MSSA. The Quartermaster Corps might save money, but overall Government expenditures would not be reduced by any appreciable amount.

Third. For relocation, the Government would have to spend directly and immediately about $6 million. This is because there is not now enough room at Natick for the research and engineering command to adequately house the institute. Also, it would cost about $4 to $5 million to move equipment and personnel—which now numbers about 246 workers.

While we are here considering relative costs, it seems highly relevant to request answers to some pretty pertinent questions that have come to my mind.

First, before the institute is moved, I would like to point out that the Illinois Institute of Technology—IIT—already has offered to erect a building or buildings that would be adequate to house the Quartermaster Food and Container Institute on its campus in the near south side of Chicago.

Officers and trustees of IIT feel such an arrangement would be mutually satisfactory and that such an agreement can be concluded. These people have made it clear that they are flexible in their thinking and are ready to cooperate with the Quartermaster General and others in developing a workable program.

I find ample precedent for accepting the IIT offer in the Duke University contract with Army Ordnance. It administers a $5 million basic research program annually. Duke has constructed a building on its campus which it leases to Ordnance.

It would be interesting to compare notes here and see whether the offer of IIT could or would be matched or approached at Natick. Examining the offer, I find that this technology school is willing to abide by Quartermaster specifications, agrees to erect such facilities under its direction, and will lease them either to the Institute or to another appropriate Federal agency for 10 to 15 years to allow for reasonable scheduling of amortization. It also would provide ample parking space and housing for the Institute staff on a preferential basis. Apartments in the vicinity of the campus owned by IIT would be made available, and IIT would provide essential services at cost, plus a small overhead fee.

I also find that unique and expensive equipment at IIT could be utilized by the Institute, including a nuclear reactor especially designed for industrial research; a nationally recognized computer center, and a source for gas-fission products.

Cost estimates include a building containing 180,000 square feet, $5,040,000, and installation of a laboratory and appropriate equipment, $900,000. The total cost would be approximately $5,940,000. I am informed that work probably could be completed about 18 months after final plans are submitted.

If the Quartermaster Institute were to locate at Illinois Tech, it would find that facilities now being installed on an entirely new campus, known as the Technology Center, in a few years will be among the world's best. In addition to the Illinois Tech's staff of 2,300, the new center already houses the Armour Research and Gas Technology Institutes, as well as offices of the Association of American Railroads.

What are the bases for alleged savings that purportedly would be effected if the Institute were to be relocated in Natick? Were alternatives to the proposed move adequately investigated? Were other agencies that would be a part of the relocation plan consulted regarding the proposed move? Were any benefits to the mission of the Institute alleged to be in the offing if the move were made?

Before any move such as the one contemplated is made, it is my strong conviction that adequate, complete, and mutually satisfactory answers to these questions should be provided by the responsible authorities. Even if these answers were acceptable, I still feel that, on the basis of evidence offered, the present Chicago location is by far the best for the Quartermaster Food and Container Institute. The mere fact that Institute each year spends its largest amount of money on contacts and consultations with food industries, all of which are either in or at a reasonable distance from Chicago amply justifies leaving the Institute where it is. To move it to Natick, Mass., would be to operate it by remote and unprofitable control.

The CHAIRMAN. The gentleman from Massachusetts [Mr. BOLAND] is recognized.

Mr. BOLAND. Mr. Chairman, I was very much touched by my friend Congressman KLUCZYNSKI. I would be the last here to ask him to sing his swan song and certainly not on a measure such as this. The gentleman from Illinois touches me; he has touched me in the past, and I expect he will touch me in the future.

Chicago. Chicago. Chicago. You could put those words to music. They roll out so mellifluously. The gentlemen from Chicago are most persuasive in this matter, as is the entire Illinois delegation. If it is not the diversion of Lake Michigan water it is the Calumet-Sag. The diversion of water from Lake Michigan, the St. Lawrence Seaway and today, the Food and Container Institute. So do not worry too much about Illinois or Chicago. They will survive very well if they lose the Food and Container Institute.

I think the thing this House ought to remember, and only this, is that there has been an impartial survey made by distinguished Members of this House, the gentleman from California [Mr. DOYLE] and the gentleman from Pennsylvania [Mr. VAN ZANDT]. This investigation was complete and impartial. They say this ought to be done, and it ought to be done because there will be a savings of $900,000 to the taxpayers of America. That is an important point.

But I think much more important is the fact that this is a repetition of a job that the institute is now doing in Chicago and in Natick. There is a related effort here. If we combine these two efforts we will save money, we will bring the scientists together, we will bring the men who are doing the work together and we will have a much more effective laboratory.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. BOLAND. I yield to my good friend, the gentleman from Illinois.

Mr. YATES. If the installation out in Chicago could perform the work, why do you want to build a new building?

Mr. BOLAND. This is to build the building. You will have to build a building in Chicago anyway.

Mr. YATES. We do not need a building in Chicago.

Mr. BOLAND. Not only the building of the building. It is combining the operations of both centers into an effective operation. That is exactly what the Department of Defense wants, that is exactly what the Quartermaster Corps wants, and that is exactly what the people of America ought to get.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. O'HARA].

Mr. O'HARA of Illinois. Mr. Chairman, I wonder if my colleagues realize how late it is? I wonder if they realize that in the perilous times in which we live division is folly and national unity should be the objective of all our efforts. This is no time to arouse the passions of sectionalism. This is no time to say to the scientists of Chicago, and to the food producers and the container people in the great Middle West, "We are cutting you off. We do not need you." Have we not learned from our own experiences and our reading of history that strong nations are not built from the raiding of one section by another? That is exactly what is contemplated in the committee's proposal to take the Food and Container Institute from the one location where it should be, in the center of the Nation's food production and of the canning industry. There is not one logical argument to support such a suggestion.

I am not without high esteem and warm affection for my colleagues, the gentleman from Pennsylvania [Mr. VAN ZANDT], and the gentleman from California [Mr. DOYLE]. But it is carrying esteem and affection to the stretching point to ask that on the say-so of two colleagues from whom we have esteem and affection we should throw commonsense in the wastebacket and tell the scientists, and the researchers and the food producers and the canning industry to go jump in the lake.

The step that is proposed is altogether too important to be taken without the scientific study that is proposed in the amendment by my colleague from Illinois [Mr. YATES]. If war again unhappily should come, perhaps the Middle West, the center of the food production, the center of the container industry, the center of scientific research from whence came the atomic bomb, will not be needed. But let it not be said that the House of Representatives of the Congress of the United States acted on that presumption solely on the advice of two of its Members, who had visited Chicago and talked with a few Army officers.

It is ridiculous to claim that the matter already has been the subject of two or more studies. What was studied, and this could scarcely be called an exhausting study, was the relative cost of an operation in an old dilapidated and outmoded installation to one in a new modern installation. That was merely a matter of jotting down a few figures, and of course the answer makes us certain as the head or tails flipping of a coin with two heads.

What is proposed in Mr. YATES amendment is that a scientific study determine the cost and relative advantage of the continuance of the Food and Container Institute in Chicago, but in a new modern installation, with the cost and relative advantage of its relocation in Massachusetts. I do not see how any reasonable person can quarrel with such a proposal.

Mr. Chairman, in the interest of economy, efficiency and national security, the Food and Container Institute must remain in Chicago.

In 1921 the Quartermaster Subsistence School, a forerunner of the Food and Container Institute, was established in Chicago because of its proximity to a military procurement agency and because of the proximity of research facilities at nearby universities and food and packaging industries, and because Chicago was—and is—the center of food production and transportation.

During World War II as a result of the liaison established between the military, industrial and scientific research facilities in Chicago, American troops were the best fed in the world.

Where is the economy in throwing away the demonstrated value of 40 years of cooperative effort between the military, industry and research to transfer to a new location where this profitable liaison must be rebuilt?

WHY CHICAGO?

Unlimited research facilities have been and are immediately available. The Institute maintains close liaison with the University of Chicago, Northwestern University, Illinois Institute of Technology—and Armour Research Foundation—the University of Illinois Medical Center and the Argonne National Laboratory.

Two major research facilities much used by the Food and Container Institute are the Forest Products Laboratory

maintained by the Department of Agriculture located at Madison, Wis., and the Institute of Paper Chemistry at Appleton, Wis.

Recruiting technical personnel, always difficult in any location, is simplified in Chicago because institutions doing graduate work in food technology are more numerous in the Middle West than in any other section of the country. There are 11 easily within reach of Chicago: Institute of Meat Research, University of Chicago; Illinois Institute of Technology, Chicago; University of Illinois, Urbana, Ill.; Michigan State University, Lansing, Mich.; University of Wisconsin, Madison, Wis.; University of Minnesota, St. Paul, Minn.; Iowa State University, Ames, Iowa; Kansas State University, Manhattan, Kans.; Purdue University, West Lafayette, Ind.; Bradley University, Peoria, Ill.; Wayne State University, Detroit, Mich.

Not only do these educational centers provide training in food technology and container fields, their graduates are a source of supply of personnel for institutions operating in these fields. Moreover, the staffs of the universities serve as consultants and advisers.

FALLACY IN ARMY ARGUMENT

The Army has alleged that moving the Food and Container Institute from Chicago to Natick, Mass., is in the interest of economy and administrative smoothness. They point out that the inactivation of the center will save the Quartermaster Corps in the neighborhood of $1,150,000 a year. However, they are overlooking the fact that Illinois Institute of Technology has offered land and can arrange financing to provide facilities built according to Army specifications at comparable if not substantially less cost than can be provided and operated at Natick.

They overlook the investment in cooperation between industry, research, and the Army, one of the results of which has been that 60 percent of the research for which the Government does not pay a penny takes place in the Chicago area. Loss of contact with food manufacturers and source of packaging supply contribution to the work of the Institute would be a loss of incalculable cost to the Government and the taxpayers.

The location at Natick, a woods and stream area, 40 miles from the nearest cooperating facilities, would represent a further loss.

JOHN CRERAR LIBRARY

In contrast let me cite but one fact. One of the greatest research libraries in the world is the John Crerar Library. It is now planning to move to the campus of IIT. If the Institute takes advantage of the offer of IIT it will be on the same campus with this library, one of the greatest, the Armour Research Foundation, and the faculty at IIT. The research facilities at Technology Center include a 100,000-watt nuclear reactor, Univac 1105 high speed digital and many other such facilities, not merely accessible but immediately available. Their utilization could contribute significantly to the reduction of capital expenditures by the research establishments for similar installations and, at the same time make contributions of inestimable value to the research programs of the laboratories.

Illinois Institute of Technology is offering the Food and Container Institute the advantage of a technology center or research park location for a food and container research establishment which cannot be matched by any other location in the Nation. Major food and container organizations, located in the Middle West, have issued signed statements independently emphasizing the advantages of a Chicago location and opposing the proposed move from Chicago to Natick, Mass.

Armour's Research Foundation, an affiliate of IIT, has installed the first privately owned nuclear reactor in the world for irradiation research investigations, and is a recognized authority in this field. It is, at present, a contractor of the Food and Container Institute. It is well acquainted with the research projects of the Food and Container Institute and will cooperate with the Quartermaster Corps in the establishment of the facility at IIT's Technology Center.

Providing the actual nuclear processing and research capability for Food and Container Institute demands that recognition be given to the exceedingly important factor of technical backup and support. The vital importance of this backup cannot be overestimated, for experience in the Chicago area since 1954 has shown that without the existence and pledged availability of this support the program unquestionably would have made little progress.

ARGONNE LABORATORY NEARBY

I have mentioned the proximity of the Argonne Laboratory facilities. On several occasions special food sample irradiation was performed followed by immediate full-scale nucleonic evaluation of the samples for radiation by-products and inducer activities. This difficult feat—minimal time lag between processing and analysis—was accomplished solely because of the assistance, freely given, by Dr. Phil Gustafson of the Argonne Laboratory.

Not only does the Army research and development project on radiation preservation of food enjoy the advantage of being literally in the backyard of numerous radiation research and processing sites, but other projects conducted by the Institute profit by this circumstance. On five occasions in 2 months the services of radiation facilities were available and used to support special animal nutrition studies. These services included technical advice from Cook County Hospital and Michael Reese Hospital, as well as the actual irradiation between X-ray and gamma, from the University of Chicago Cancer Research Laboratory, Argonne National Laboratory Biology Division, and the Air Force Irradiation Center.

A specific example of the savings effected by accessibility of facilities can be cited in the occasion of the design of a very low level radio activity detector. This ordinarily would have required the services of highly paid consultants and advisers on electronic engineering. At no cost to the Government, Doctors Gustafson and May of Argonne National Laboratories, and Mr. Charleston, of the University of Chicago Cancer Research Laboratory, gave their services.

FOOD IRRADIATION RESEARCH

The logistic aspects of food irradiation research projects are seldom appreciated by anyone other than those directly involved. Movement of perishable foodstuffs in special experimental pack in a coordinated effort to meet a very rigid restrictive schedule is a constant problem to the Institute. These problems and many more are capable of quick solution not only because of the central, pivotal location of Chicago with respect to the rest of the country and the cooperative relations developed over a period of years with the representatives of the Nation's transportation agencies in this, the center of the U.S. communication net.

FOOD TECHNOLOGY BACKUP

On June 16, 1960, it was learned that a major change in experimental procedure would be required to support the Surgeon General's important study of the effect of irradiated food consumption on dog fertility. This change required the preparation on extremely short notice of 2,500 specially packed cans of food. Close liaison with competent and cooperative food companies in the area enabled the Institute to meet the deadline with time to spare. This deadline could not have been managed had the demand been placed on the Institute in any other than its present location.

Recent insistence on use of foods processed by 24-mev electrons in feeding studies has placed a requirement on the Institute to develop improved food handling facilities for use with the one source now available and capable of performing this type electron service. With the outstanding support of Continental Can Co. of Chicago an ingenious cartridge-type conveyor suitable for use with the General Atomics Linac—and the Quartermaster Linac when available—was developed, tested, and moved to source site in less than 2 weeks. Actually the project to develop the item was launched in a matter of hours and the agreement by Continental to support the work was received in less than 2 days. The resultant savings to Government in time and money from such well-established team-play are enormous.

CONTAINER TECHNOLOGY

As research continues, increasing amounts of information on microbiological kill and the relation of dose-distribution to bacterial survival have made it necessary carefully to examine the container field so as to insure maximum volume to surface ratio while at the same time keep overall dimensions within limits imposed by radiation dose-distribution and container material within the confines of zero toxicity, maximum seal strength, and so forth. The proximity of the Institute to the country's largest container manufacturers and to local research contacts at American Can

and Continental Can Co. has resulted in great progress in relatively little time at small cost.

Today, science and technology are expanding rapidly, and a dynamic food and container research establishment housed in appropriate space at a proper location is essential to keep our Nation abreast of new discoveries and developments. Such an establishment is vital to the welfare of the Armed Forces of the Nation.

Planning for facilities for research and development establishments is a complex matter. Such planning must include an analysis of current research and development programs and the development of long-range plans for research and development operations. Since the program of the Institute is so important, it is felt that the most competent authorities of the country should contribute to the planning. Chicago provides the climate for research and development work of the highest order in the food and packaging fields, and at the most competitive prices available.

INDUSTRIAL RESEARCH LABORATORIES

Industrial research laboratories today, no matter what their size, cannot possibly cover adequately all of the fields of science and engineering. This fact has resulted in an unprecedented number of industrial projects of both basic and applied nature in universities and independent research institutions. Illinois Tech, Armour Research Foundation, and the Institute of Gas Technology carry their share of such contract research. The laboratories of Research Park will have as colleagues and immediate neighbors the staffs of these organizations to supplement their own research efforts. The close proximity of the organizations will mean better professional liaison between the personnel, and, as a result, better integration of outside research with the research efforts of the laboratories.

On the faculty and research staff of IIT are many recognized authorities in the various fields of science and engineering. By institute policy, these science and engineering leaders are encouraged to contribute to the programs of industrial organizations as consultants.

Only minutes away are similar groups of authorities at the University of Chicago and Northwestern. Their faculties include some of the foremost leaders in science and engineering in the world.

At technology center for research Park Laboratories are many supporting services: machine and precision instrument shops, precision gage laboratories, glass-blowing facilities, reproduction services, and every conceivable type of nonprofessional service.

CHICAGO AS A SUPPLIER

Chicago is one of the foremost manufacturers and suppliers of scientific and engineering and laboratory equipment in the world. Precision equipment, electronic devices, chemicals, biological materials can be procured locally and immediately. Such availability means significant savings in time and money in the procurement of necessary items, but even more important, minimum interruption of research progress in the laboratories.

It is estimated that building new facilities at Natick will cost at least the $3,812,000 authorized by this bill. This cost represents the initial outlay: It will be practically doubled by the cost of transporting a personnel of 246 with their families. Moreover, it is anticipated that this change of location will inevitably result in loss of trained personnel, a loss which always is costly.

Moreover, the facility has been brought to its present point of efficiency not only because of the dedicated work of personnel, but by the patriotic participation of the research scientists, the universities, the medical centers, the industries of the area. While the work might eventually be duplicated in the East, that eventuality will be achieved with loss of time, efficiency, and at uncounted cost to the taxpayers.

Research, development and engineering in food and container disciplines are essential to the security and welfare of our Nation. The armed services cannot afford to gamble on the well-being of our troops now or in the future.

A proper concern for the security of our country and the welfare of the members of our Armed Forces, call for the adoption of the amendment of my colleague, the gentleman from Illinois [Mr. YATES].

Mr. DONOHUE. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. DONOHUE. Mr. Chairman, I most earnestly urge and hope the House will approve the proposal to transfer the Food and Container Institute in Chicago to the most efficiently operating and expanding facility at the Quartermaster Research and Engineering Center in Natick, Mass.

Although our Massachusetts industries and their employees are experiencing severe economic hardships because of the recession, which has caused the Labor Department to place many of our areas in the distressed category, I am not basing this appeal on those facts.

I am asking the Members here to support my appeal solely because the evidence presented demonstrates the transfer would be in the national economic interest and provide substantial savings of the hard earned dollars of the American taxpayers.

The record before us shows that this transfer proposal has been under long and continual study by congressional committees and the agencies of the executive departments concerned. After searching examination and exhaustive review of all the factors involved it appears to me impressively convincing that the Department of Defense, the Bureau of the Budget, the General Accounting Office and the Special House Armed Services Subcommittee unanimously agreed substantial savings would be accomplished by this transfer, as well as important scientific advantages.

Without prolonging this discussion, all I am asking my colleagues to do is to carefully scrutinize the overwhelming evidence before us and I am confident you will agree with me that when we have an opportunity to effect real economies and promote efficient operations, especially within the maze of military activities, we should seize, authorize, and approve that opportunity in the national interest.

The CHAIRMAN. The Chair recognizes the gentleman from Georgia [Mr. VINSON] to close debate.

Mr. VINSON. Mr. Chairman, I will not trespass upon your patience but for a few moments. This matter has been carefully considered by the Committee on Armed Services not once but twice, and by a rollcall vote it passed with only two dissenting votes and those were by the Members of the Illinois delegation.

The subcommittee headed by the distinguished gentleman from California [Mr. DOYLE], assisted by the gentleman from Pennsylvania [Mr. VAN ZANDT], went out to Chicago and then made a trip to Natick, Mass. They made a personal investigation. They had all the information that the Army had assembled. They analyzed it and they came up with the conclusion that the Army's position was absolutely proper and it was the right thing to do. Fundamentally it is the right thing to do, because it merges the activities in this research field in an establishment that has been built at an expense of over $11 million of the taxpayers' money for the purpose of centralizing as much as possible this research.

Mr. Chairman, I ask this Committee to stand by the Committee on Armed Services, stand by the report of these two distinguished Members, and vote down this amendment offered by the gentleman from Illinois [Mr. YATES].

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. YATES].

The question was taken; and, on a division (demanded by Mr. VAN ZANDT) there were—ayes 95, noes 66.

Mr. BATES. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. YATES and Mr. DOYLE.

The Committee again divided; and the tellers reported that there were—ayes 102, noes 72.

So the amendment was agreed to.

Mr. VINSON. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. VINSON. Are there any amendments at the Clerk's desk?

The CHAIRMAN. No.

Mr. GROSS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I will take only a minute. The record would not be complete as far as I am concerned without asking the gentleman from Georgia the question I have asked every time, I believe, a military construction bill has come before the House. How is the Truman Airport at Grandview, Mo., doing these days?

Mr. VINSON. I knew the gentleman from Iowa would have to complete the record with that inquiry, so I am glad to say to him that there is nothing in the bill relating to it.

Mr. GROSS. There is nothing in it regarding that?

Mr. VINSON. Except deficiencies; nothing new at all. There is a deficiency item of $26,000.

Mr. GROSS. The Continental Air Command has not yet been moved to the Truman Airport at Kansas City?

Mr. VINSON. It has not.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. ELLIOTT, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 5000) to authorize certain construction at military installations, and for other purposes, pursuant to House Resolution 227, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment?

Mr. VAN ZANDT. Mr. Speaker, I demand a separate vote on the Yates amendment.

The SPEAKER. The question is on the other amendment.

The amendment was agreed to.

Mr. McCORMACK. Mr. Speaker, in accordance with an agreement we had with Members who are away attending the funeral of our late beloved colleague, I ask unanimous consent that the further consideration of this bill be postponed until tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

FAIR LABOR STANDARDS AMENDMENTS OF 1961

Mr. MADDEN. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 229 and ask for its immediate consideration.

The Clerk read the resolution as follows:

Resolved, That upon the adoption of this resolution, it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3935) to amend the Fair Labor Standards Act of 1938, as amended, to provide coverage for employees of large enterprises engaged in retail trade or service and of other employers engaged in commerce or in production of goods for commerce, to increase the minimum wage under the Act to $1.25 an hour, and for other purposes. After general debate, which shall be confined to the bill and continue not to exceed seven hours, to be equally divided and controlled by the chairman and the ranking minority member of the Committe on Education and Labor, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider, without the intervention of any point of order, the substitute amendment recommended by the Committee on Education and Labor now in the bill, and such substitute for the purpose of amendment shall be considered under the five-minute rule as an original bill. At the conclusion of such consideration the Committee shall rise and report the bill to the House with such amendments as may have been adopted and any member may demand a separate vote in the House on any of the amendments adopted in the Committee of the Whole to the bill or committee substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

Mr. MADDEN. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio [Mr. BROWN] and now yield myself such time as I may require.

Mr. Speaker, House Resolution 229 calls up for consideration H.R. 3935, providing a minimum-wage coverage for large enterprises engaged in retail trade or service, and of other employers engaged in commerce or in the production of goods for commerce. The resolution provides for open rule and 7 hours general debate.

Over 20 million workers in America in the past have been excluded by the Congress from any help or protection whatsoever in maintaining a wage income that will give needed necessities of life for themselves or their families. It is unnecessary to call to the attention of Congress the rapid rise in the cost of living during the last 10 years. In 1958 and 1959 the Bureau of Labor Statistics each month for 16 successive months, announced a rise in the cost of living. Millions of low-wage workers in our Nation are today trying to make a wage check stretch over the 1961 inflated prices with the same amount as they received in wages in the 1940's. These millions of workers are certainly entitled to economic justice on the part of the Congress when this bill is considered during the next few days.

One has only to talk to employees in retail establishments or service organizations anywhere in the Nation and you can learn firsthand the difficulty low wage employees have today in supporting themselves and their families.

This legislation does not in any way affect employees who are members of large labor unions for the reason that through the process of collective bargaining over the years, this class of workers through organization, have been able to keep pace with the high cost of living. This legislation comes to the aid of millions who are unable to maintain a large organization for their economic protection and are dependent on the Government of the United States to aid them in securing adequate income to meet the cost of living.

This bill seeks to accomplish the long delayed recognition of 20 million low-paid workers throughout the country by increasing the minimum wage of presently covered employees to $1.15 an hour for the first 2 years after the passing of this act and to $1.25 thereafter. It will also extend the benefits of the law to about 4,300,000 workers in large retail and service enterprises and other employees engaged in commerce or in the production of goods for commerce. For workers newly brought under the act the minimum hourly rate $1 during the first year; $1.05 during the second year; $1.15 during the third year and $1.25 thereafter.

The purpose of this act is not in any way to regulate or interfere with interstate commerce, but is to eliminate as rapidly as possible, substandard labor and living conditions throughout the Nation. Of the approximately 45 million salary and wage earners throughout the country, by excluding Government employees, only about 24 million are protected by the minimum wage provisions now in force.

Coverage in this bill, subject to specific exemptions, covers companies with one or more retail establishments if the annual value of sales of the company is not less than $1 million. It also covers any enterprise that has one or more establishments engaged in laundering, cleaning, or clothes repairing if the annual value of sales of the enterprise is not less than $1 million. Also local transit business, if the annual gross is not less than $1 million. Any business engaged in construction or reconstruction is also included if the annual gross is not less than $250,000. The bill also provides for a number of exemptions which are set out and will be discussed during the 7-hour period of debate pertaining to motion picture theaters, hotels, motels, caterers, hospitals, log operations, recreational establishments, fishing, and so forth.

Under the terms of the bill, the Secretary of Agriculture is directed to study the system of exemptions for the handling and processing of agricultural products and submit to the Congress next January, the results and recommendations from such study. The Secretary is also directed to investigate in any industry under the act, the problem of foreign competition if he has reasonable cause to believe that it is resulting in increased unemployment and report to the President and the Congress any such findings.

There are also provisions in this act for the elimination in industry engaged in commerce or the production of goods for commerce, labor conditions which are detrimental to the maintenance of the minimum standards of living necessary for health, efficiency and the general well-being of the workers.

The Labor and Education Committee is to be commended for the work it has done in preparing facts and statistics from various cities throughout the Nation, setting out the minimum budget for a family of four to provide its necessities of life during the present high cost of living bracket in these areas. The breakdown shows that in about 20 cities the average income of a family of 4 for the bare necessities of life, will run around $6,200 per year. On this basis, the head of the family at $1.25 hourly rate, would be compelled to work 2,000 hours a year to meet the minimum living budget in the average city.

Also provided in the act will be the creation of an administrator in the Department of Labor to supervise and conduct the Wage and Hour Division of the Department. This administrator will be

appointed by the President with the advice and consent of the Senate and receive an annual salary of $20,000 a year.

The Rules Committee provided 7 hours, an extraordinarily long period of time for debate and consideration of this legislation.

Recently the Gallup poll made a survey over the Nation on the necessity of the passage of increased minimum wage legislation and coverage. The results of this poll revealed that 70 percent of those covered in the Gallup poll canvas, signified the necessity to protect the millions of underpaid workers throughout the Nation. There is no doubt that the passage of this act will be a step toward increasing the purchasing power of millions througout the country and this fact will aid retailers and contribute toward the restoring of employment to a great number of millions who are now unemployed and work part time in the industrial areas throughout the Nation.

During the 5 years since the $1 minimum wage became effective the earnings position of most workers has improved markedly. In many industries, including both manufacturing and nonmanufacturing groups, average earnings increased by 25 percent or more. The increases in the earnings of most factory workers have been large enough to both offset the increase in the cost of living and to provide the average workers with an equitable share of the benefits of increased productivity.

Between March 1956 and January 1960, the Consumer Price Index rose by 11 percent. A minimum wage of $1.25 an hour, if made effective immediately, would provide low-paid workers the same real wage as did the $1 minimum in 1956, plus a proportionate share of the greater output of goods and services made possible through increased productivity.

Mr. Speaker, I urge the adoption of House Resolution 229.

Mr. BROWN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as the gentleman from Indiana [Mr. MADDEN], my colleague on the Rules Committee, has very ably explained, House Resolution 229 makes in order the consideration of the bill H.R. 3955, introduced by the gentleman from California [Mr. ROOSEVELT] the so-called minimum wage bill, under a special rule that makes the amendment to the original bill in order as though it were an original bill, waives points of order, and provides for 7 hours of general debate.

Mr. Speaker, this is a very, very controversial measure, as I am sure you are well aware. The Rules Committee held 2 long days of hearings on the measure, and we heard a great many Members of Congress express differing views on this particular subject, as to whether the minimum wage should be raised; and, if so, how much; and also whether the number of employees to be covered under the act should be increased; and, if so, in what vocations or occupations, and what employers should come under the provisions of the law.

It is my understanding that a number of substitute bills will be offered as amendments to the Roosevelt measure. One of these substitutes will be submitted by representatives of the minority, a bill which will differ considerably from the content of the Roosevelt bill, and will not provide for as broad coverage of employees or as large a pay increase as is carried in the Roosevelt bill.

There will also, I understand, be some special new legislation that has just been prepared perhaps because of the fact that there appears to be a realization that some sort of compromise may be necessary if this legislation is to be approved in any form. That bill may be introduced tomorrow and be considered tomorrow or the next day. There are some primary differences between most of these substitute measures and the Roosevelt measure.

Under the Roosevelt bill the minimum wage would be fixed at $1.15 an hour in covered industries, that is, covered employees, to begin 4 months after signature of the bill into law and to run for 2 years, following which the minimum wage would be automatically increased to $1.25 an hour.

There are those, of course, who feel that the first step might be in order but see no reason why it is necessary for Congress at this time to fix a higher minimum wage for some future year in view of the fact that Congress will be in session each year between now and the time that provision of the Roosevelt bill would become effective.

Seemingly the real nub of the argument between the proponents of the two types of bills that will be before us in substance is that the Roosevelt bill would bring into play for the first time in the history of minimum wage legislation the concept not that minimum wages be fixed for employees or employers engaged in interstate commerce such as we have always known interstate commerce to mean; that is, to wit, the manufacture and distribution of goods across State lines, but instead we would fix the measuring stick for retailers and for service establishments according to income. In other words, any store, for instance, retail establishment or service establishment that might do $1 million worth of business per year would automatically come under the interstate commerce clause of the Constitution and within the provisions of this bill and they would be required to pay the minimum wage.

The opposition to this theory says if they are properly a local establishment, volume of business should not control. On the other hand, the testimony before the Rules Committee shows that the Secretary—and if I am wrong I hope the gentleman will correct me—took the position that any business would be covered under the interstate commerce clause if it received or used in the business, although it might be purely local, any product shipped in interstate commerce to be used in their local service, or by the retail establishment and they would come under the provisions of this minimum wage law. In other words, if the little corner grocer sold Post Toasties shipped in interstate commerce he would come under the provisions of the law.

The fear was expressed, that if who should come in or who should not come under the interstate commerce clause and under the provisions of the Wages and Hours Act, on the basis of income, or a total volume of business of $1 million, it would be easy next year—in fact, some notices have been served by organizations that they would do so—to increase that to $5 million or $10 million or $100 million. That is the difference in the primary bills.

There will be other substitutes offered to establish the age-old concept that those engaged in interstate commerce must actually be engaged in the manufacture or production or distribution of goods across State lines.

There are certain exclusions that are rather peculiar. For instance, hotels are excluded under the original bill offered by the gentleman from California [Mr. ROOSEVELT]. In answer to an interrogation as to why they were excluded, it was stated that the hotel business—and it is true, nobody questions the veracity of the statement—is in the doldrums, and was not making any money. Which brings up this question, Should we decide who should come under the law on the basis of whether they are making a profit or not? And would it not be necessary to adjust every year those to be covered by the law because one concern might make money this year and lose it next, and vice versa, backward and forward.

So we have some real issues here, some real fundamental problems to settle in your own minds. First of all you must decide in your own mind whether or not you feel an increase in minimum wage is justified. The author of the original bill and the author of the primary substitute feel that there should be some increase in minimum wages. There are others who feel there should not be and, undoubtedly, amendments and substitutes to that effect will be offered.

So I want to urge, if I may, that you give very careful attention to this bill.

This is a rather large bill. It contains some 51 pages. It is necessary to give it careful consideration, because there are some peculiarities in this measure, some provisions, some sections of proposed law that are very difficult to understand; some that have not been explained thoroughly by the proponents of the legislation. Some provisions are, of course, opposed very violently by some Members of Congress. I do not believe I have seen in a long, long time any legislation coming before this House in which there was a greater divergence of opinion and belief, if I may use that phrase, among the Members of the House. Perhaps there are more different opinions as to just what should be included in this bill, on this particular measure, than any we have had before us for a long time. In other words, there are a great many sections and a great many places where there is not a clear-cut division, but yet you must remember that overall you must decide here as to what is to be the concept of interstate commerce as far as Congress is concerned in the years ahead; whether or not we are to change that concept of what interstate commerce really means that we have had throughout the years ever since the first Minimum Wage Act

became law in 1938, and even long before that, and adopt some new concept that will be predicated on the volume of business done or on the question of profits of the organization or the employer involved.

I want to urge, if I may, that you give thoughtful consideration to this measure. There are 7 hours of general debate. I am sure, as the sponsors of the two bills have indicated, that is, the original bill and the substitute, before the Committee on Rules, that there will be a fair division of time, and that was the thought and the intention of the committee in granting 7 hours, that each individual Member may have at least a fair opportunity to express his own views and opinions on this very important legislation.

Mr. MADDEN. Mr. Speaker, I yield 3 minutes to the gentleman from California [Mr. ROOSEVELT].

Mr. ROOSEVELT. Mr. Speaker, as the distinguished gentleman from Ohio clearly pointed out, there is very definitely an interesting constitutional question involved in this bill, and in order to make some contribution to it at an early date, I ask unanimous consent to include as part of my remarks a memorandum prepared by the Department of Labor regarding the constitutional question involved.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The matter referred to is as follows:

CONSTITUTIONAL AUTHORITY FOR EXTENSION OF MINIMUM WAGE TO RETAIL ENTERPRISES AS PROVIDED IN H.R. 3935

H.R. 3935 as reported by the Committee on Education and Labor would extend the coverage of the Fair Labor Standards Act to employees of a retail enterprise which (1) has one or more employees engaged in commerce or in the production of goods for commerce and (2) has an annual gross volume of sales, exclusive of separately stated retail excise taxes, of $1 million or more.

The constitutional authority of the Congress, in the exercise of the commerce power, to provide this coverage is abundantly clear.

Extension of retail coverage—the major thrust of the pending amendments—must be tied explicitly to the criterion of enterprises engaged in commerce. This is a restatement of the criterion used in the original Fair Labor Standards Act and its subsequent amendments. The Supreme Court in *U.S. v. Darby Lumber Co.* (1941) said, "The power of Congress over interstate commerce is not confined to the regulation of commerce among the States. It extends to those activities intrastate which so affect interstate commerce or the exercise of the power over it as to make the regulation of them appropriate means to the attainment of a legitimate end, the exercise of the granted power of Congress to regulate interstate commerce. * * * The Sherman Act and the National Labor Relations Act are familiar examples of the exertion of the commerce power to prohibit or control activities wholly intrastate because of their effect on interstate commerce."

Retail and service establishments now use the facilities of interstate commerce to procure merchandise by which they carry on local retail and service activities. This merchandise is sold by employees working for substandard wages or in substandard working conditions. Thus the facilities of interstate commerce are clearly agents in the perpetuation of working conditions which Congress has the responsibility—as guardian of interstate commerce—to correct. The sale of merchandise or the performance of services under these substandard working conditions—in the words of the original act—(1) causes commerce and the channels and instrumentalities of commerce to be used to spread and perpetuate such labor conditions among the workers of the several States; (2) burdens commerce and the free flow of goods in commerce; (3) constitutes an unfair method of competition in commerce; (4) leads to labor disputes burdening and obstructing commerce and the free flow of goods in commerce; and (5) interferes with the orderly and fair marketing of goods in commerce.

The dollar volume test is a reasonable determination of the size of enterprise able to support its employees at the levels set forth in the act. While this is, in some respects, arbitrary, it is no more arbitrary than any other specific legislative application of a general legislative principle, e.g., the selection of five establishments in the Kitchin-Ayres formula of "five or more stores in two or more States."

The opponents' case rests on a fundamental misunderstanding of the commerce clause as set forth in previous Congresses and as interpreted by the Supreme Court. First, they restrict their consideration of interstate activities to those occurring under the second major criterion found in the act, i.e., "enterprises engaged in the production of goods for commerce." For example, they no longer object to most manufacturers being included in the act. Second, they imagine that physical location is the determining factor of an enterprise's relation to interstate commerce. For example, they hold that an enterprise is not engaged in commerce unless its establishments are at least five in number and located in two or more States. Since their selection of five establishments is at least as arbitrary as the $1 million volume test, the burden of their case must rest with the "two or more States" provision. However, such enterprises do not demonstrably use the facilities of interstate commerce in the conduct of their retail or service activities to a greater extent than enterprises located within a single State. The fact of location neither increases nor decreases the dependence of these retail or service outlets on the facilities of interstate commerce. It is not the location of these establishments but their dependence upon interstate commerce for the merchandise without which they could not conduct their business activities, that is the determining factor. The proponents of the Kitchin-Ayres substitute confuse commercial location with commercial activity.

The constitutionality of the application of the present act to employees engaged in commerce or in the production of goods for commerce was upheld in *United States v. Darby* (312 U.S. 100), and the Supreme Court has emphasized in other cases under the act (e.g., *Kirschbaum v. Walling*, 316 U.S. 516; *Higgins v. Carr Bros. Co.*, 317 U.S. 572; *Walling v. Jacksonville Paper Co.*, 317 U.S. 564; *Mitchell v. Zachry Co.*, 362 U.S. 310) that the Congress in providing this coverage stopped considerably short of the full reach of its constitutional power under the commerce clause. In answer to the contention that an employer in an industry alleged to be "purely local in nature" should not be compelled to comply with the act, the Supreme Court has pointed out that "to the extent that his employees are 'engaged in commerce or in the production of goods for commerce', the employer is himself so engaged."

Second, coverage of only those retail enterprises having a gross annual volume of sales of $1 million or more provides more than ample assurance that the coverage will be limited to enterprises with a sufficiently substantial impact on interstate commerce to be well within the scope of the constitutional power.

Third, it has long been settled by the Supreme Court that "the power of Congress to regulate interstate commerce extends to the regulation through legislative action of activities intrastate which have a substantial effect on the commerce or the exercise of the congressional power over it" (*United States v. Darby, supra*).

Fourth, it is equally settled that the question whether "the conduct of an enterprise affects commerce among the States is a matter of practical judgment," and that the "exercise of this practical judgment the Constitution entrusts primarily and very largely to the Congress." *Polish Alliance v. Labor Board* (322 U.S. 643, 650).

Under these principles, there is no question that a practical judgment by the Congress that the enterprises covered by the bill have a substantial impact on commerce would be upheld by the courts.

The congressional findings in section 2 of the present act state that "the existence, in industries engaged in commerce or in the production of goods for commerce, of labor conditions detrimental to the maintenance of the minimum standard of living necessary for health, efficiency, and general well-being of workers" among other things "burdens commerce and the free flow of goods in commerce" and "leads to labor disputes burdening and obstructing commerce and the free flow of goods in commerce" as well as "interferes with the orderly and fair marketing of goods in commerce."

That the retailing industry is an industry engaged in commerce to which these findings are applicable should be beyond question. It is on the sales made and the orders placed by the enterprises in this industry that the production for commerce and the continuing flow across State lines of consumer goods depends. As stated in the report of the Committee on Education and Labor (H. Rept. No. 75, p. 8):

"Retailing today is no longer essentially local in nature. It has become a vital and indeed indispensable part of the interstate stream of commerce through which flows the huge volume of consumer goods produced, shipped, and distributed to meet the individual and family demands of our Nation's population. The efficiency with which the country's retail enterprises perform their function of getting these goods to consumers directly affects the vitality and growth of those segments of American industry which produce, handle, and transport through the arteries of interstate commerce from every corner of the land the commodities which supply our citizens in all the 50 States."

The exercise of Federal authority under the commerce clause with respect to employment in retailing and with respect to goods which have moved across State lines and are held for local disposition is not novel. Prior to the so-called no-man's land amendment to the National Labor Relations Act, made by the Labor-Management Reporting and Disclosure Act of 1959, the National Labor Relations Act was repeatedly held to provide exclusive procedures, and to bar State action, with respect to labor relations problems of retailers handling goods that had moved across State lines, even though all or most of their sales were within the State of location. (See *Meatcutters v. Fairlawn Meats*, 353 U.S. 20 (three retail meat markets, all of whose sales were intrastate, but whose annual out-of-State purchases totaled slightly more than $100,000 out of gross purchases of $900,000); *San Diego Unions v. Garner*, 353 U.S. 26 (two retail lumber yards whose out-of-State purchases totaled $250,000). See also *Howell Chevrolet Co. v. N.L.R.B.*, 346 U.S. 482 (retail automobile dealer purchasing from local warehouse of General Motors autos and parts manufactured out of the State).) The constitutional

power of Congress under the commerce clause to exercise authority with respect to "articles that have completed an interstate shipment and are being held for future sales in purely local or intrastate commerce" is also settled. (*United States* v. *Sullivan*, 332 U.S. 689 (druggist convicted of failure to comply with labeling requirements for sulfathiazole which was sold to customers after having moved in commerce).) A recent exercise by the Congress of this authority is the legislation (Public Law 85–506) requiring certain information for prospective purchasers to be kept posted on new automobiles prior to their sale to the ultimate consumer and providing penalties for any willful removal or alteration of the label containing the required information.

The committee bill, in limiting coverage to retail enterprises having a gross annual sales volume of at least $1 million, would provide even greater assurance that only enterprises with substantial impact upon commerce would be reached than did the enactment by the last Congress of legislation under which the National Labor Relations Board may not decline to assert jurisdiction in the case of a retail enterprise having annual gross sales of $500,000 or more (Public Law 86–257, sec. 701). When the Board adopted the $500,000 figure for its jurisdictional standard in such cases, it determined that this would "reasonably insure that jurisdiction will be asserted over all labor disputes involving retail enterprises which tend to exert a pronounced impact upon commerce." (See *Carolina Supplies & Cement Co.* (122 N.L.R.B. 88, 90).) The enactment of section 701 of Public Law 86–257 indicates that the 86th Congress also concluded that retail enterprises with this volume of business have sufficient impact upon commerce to justify a continuance of exclusively Federal regulation of labor-management relations.

The million-dollar limitation undoubtedly provides a coverage which falls far short of exercising the constitutional power to its fullest extent. It is now well settled by the Supreme Court decisions that the constitutional power extends to activities affecting interstate commerce in any amount or volume not so minimal and sporadic as to invoke the legal doctrine of de minimis non curat lex (which in lay terms means: so negligible as not to warrant the Court's attention). As stated in the Supreme Court's decisions under the National Labor Relations Act, "The power of Congress to regulate interstate commerce is plenary and extends to all such commerce be it great or small," since "commerce may be affected in the same manner and to the same extent in proportion to its volume, whether it be great or small." (See *Labor Board* v. *Fainblatt*, 306 U.S. 601, 606–607 (1938); *Labor Board* v. *Denver Bldg. Council*, 341 U.S. 675, 684–685 (1951); *Carpenters Union* v. *Labor Board*, 341 U.S. 707 (1951).)

Thus in *Guss* v. *Utah Labor Board* (353 U.S. 1 (1956)), the Supreme Court held that manufacturing operations involving the inflow from out-of-State sources of less than $50,000 of supplies sufficiently affected interstate commerce to invoke coverage of the National Labor Relations Act and to oust State jurisdiction even though the National Labor Relations Board had declined to assert jurisdiction. And in *Labor Board* v. *Stoller* (207 F. 2d 305 (C.A. 9), certiorari denied, 347 U.S. 919 (1954)), the National Labor Relations Act was held applicable to a local drycleaner who purchased $12,000 worth of supplies from outside the State, the Court holding that that amount "was not so insignificant as to come within the rule de minimis non curat lex."

Since the impact on interstate commerce of a retail enterprise having gross sales of a million dollars or more a year will be more rather than less than that of those retail enterprises now covered by the National Labor Relations Act which have annual gross sales of only half a million dollars, and since the Congress and the courts have approved the NLRB coverage as a proper exercise of Federal authority under the commerce power, there is no question that this moderate exercise of congressional power in H.R. 3935 would be upheld as constitutional, even if this basis of coverage stood alone. It does not stand alone, however, but the proposed coverage rests also on the employment in the activities of the enterprise of employees engaged in commerce or in the production of goods for commerce—which has been held a constitutional basis of coverage under the present act. The bill thus provides a double assurance against any extension of Federal regulation of retail enterprises under the act into areas of doubtful constitutionality.

Mr. MADDEN. Mr. Speaker, I yield such time as he may desire to the gentleman from Massachusetts [Mr. LANE].

Mr. LANE. Mr. Speaker, no nation, however prosperous, is economically sound or just, when tens of millions of its workers are not protected by fair labor standards, and many of those who are being paid the legal minimum wage find it does not provide a modest but adequate level of living.

If one fact is clear in the world today, it is that people at the bottom have a right to, and are demanding a fair return for their labor that will enable them to support themselves.

In the United States, the Bureau of Labor Statistics has developed a list of goods and services designed to estimate the dollar amount required to maintain such a family—consisting of an employed husband, a wife not employed outside the home, and two children—at a level of adequate living, according to prevailing standards of what is needed for health, efficiency, and nurture of children. According to this family budget, an employee in the city of Boston and its suburbs would have to be paid $3.15 an hour, working 2,000 hours a year, to reach this minimum standard of living.

Not only is the present minimum wage of $1 per hour less than one-third of that standard, but the proposed increase to $1.25 per hour—which would not become effective at that level until 28 months after the date of enactment—would still be 60 percent short of that standard. In fact, it will be more than 60 percent short because of the gains in productivity during the next 28 months.

The proposed legislation, even though it fails to bridge the gap, is consistent with previous upward adjustments in the minimum wage. It will do no more than restore the relationship to average earnings of the 75-cent rate and the $1 rate, when they were enacted. During the 5 years that the $1 minimum wage has been in effect, the average earnings of most workers have increased substantially. These increases have been enough to both offset the increase in the cost of living and to provide the average workers with a fair share of the benefits from increased productivity.

However, this has not helped those employees who have been held down to the legal minimum wage. And what about the 21 million wage and salary workers out of the 45-million total—excluding Government employees and executive, administrative, and professional employees—who are not protected by the present minimum wage?

After extensive hearings and a thorough consideration of all facts, the House Committee on Education and Labor has reached this conclusion:

> The $1.25 rate, even if imposed immediately, would have no greater cost impact than did the increase in the minimum wage from 75 cents to $1, to which a satisfactory adjustment was made. Therefore, there should be no question as to the ability of employers to make satisfactory adjustment to the $1.25 rate over a period of 28 months.

I am wholeheartedly in favor of the Fair Labor Standards Amendments of 1961. At the same time I realize that, in the complexity of our economy, a bill dealing with one phase, may require compensatory adjustments in other areas. For example, I have in mind the difficulties of our textile industry in trying to cope with the invasion of low-wage imports. Increased costs, passed along to the consumers, will further weaken this industry's ability to compete with foreign goods in our own home market. To offset this, I believe we should also provide the textile industry with protection by imposing import quotas.

Returning to the main issue before us, I want to emphasize that H.R. 3935 will raise the minimum standards for American workers and bring approximately 4,300,000 additional employees within its protection. It will also lead to the more widespread distribution of purchasing power that is essential to promote the growth of our economy.

As the provisions of this bill will become effective 120 days after enactment, they will give employers sufficient time to accommodate themselves to the changes.

Furthermore, the gradual improvement in the minimum wage will stimulate and strengthen the upturn in business, as we emerge from the recession.

The Fair Labor Standards Amendments of 1961 represent a reasonable and realistic adjustment to the increases in the cost of living and the increases in productivity that have occurred since the act was last amended in 1956.

Mr. BROWN. Mr. Speaker, I yield 5 minutes to the gentleman from California [Mr. HIESTAND].

Mr. HIESTAND. Mr. Speaker, we are here debating a rule. The rule makes in order the consideration of H.R. 3935 and does not provide for debate on any other subject or any other amendment. For that reason I shall direct my remarks to the bill before us and the rule permitting the consideration of this bill.

Mr. Speaker, in my judgment, this is a very bad bill. It would defeat the very object for which it is supposedly designed. The sponsors of this bill, including the President, are well informed and familiar with the mass of testimony we heard last year. The President was on the committee in the other body, and most of the members of our committee heard much testimony. Considering this, they could have only one of two objects in promoting the bill.

It is either a great vote-getting gadget, or a long step further to build big government.

It would be highly inflationary, since union leaders and others testified that the wage differential would have to be maintained all the way up the line, and would, by competition with other industries, eventually spread to all industries. This would raise the cost of living particularly cruel to low-income people whom it was designed nominally to help. They would quickly find that their raise was a delusion, eaten up by the increased cost of living.

It would increase the cost of production, putting us further out of competition with imports, thus increasing unemployment, about which the administration professes so much concern.

It would increase unemployment directly, especially among the many of thousands of marginal workers who are not equipped to earn more money and have little chance to get any other jobs. This spells tragedy to them.

But, very importantly, it would put an entirely new concept into the definition of interstate commerce. If enacted, it would enable the Federal Government to interject itself into every business, large or small, even to the corner bootblack stand.

Mr. Speaker, the Fair Labor Standards Act of 1938, designed to correct sweatshop practices, based its action on the legislative finding that the existence of certain labor conditions in the manufacturing industry constituted an unfair method of competition as between industries in the several States.

Supreme Court decisions have upheld the authority of Congress to legislate on substandard labor conditions producing this unfair competition.

The Court has never held that Congress may constitutionally prescribe minimum wages or maximum hours in enterprises having no substantial effect on interstate commerce.

This bill is a sharp departure from the historical application of Federal power as limited by the Constitution.

Mr. Speaker, every bill we pass broadening the power of big government weakens the federal republic concept of our Government, and it is a long step toward dictatorship. There are many people here in Washington intent on increasing the power of the Federal Government and decreasing the power of the States, communities, and individuals.

Even so, there is a joker in the bill which might be termed the Jimmie Hoffa "sweetheart clause." It exempts any employee employed as a driver or driver's helper making local deliveries in pursuance of an agreement made as a result of collective bargaining by representatives of employees certified as bona fide by the National Labor Relations Board.

As everybody knows, Jimmie Hoffa's Teamsters Union controls the vast majority of truckdrivers. Is not this unfair and discriminatory clause a clause forcing membership into Jimmie Hoffa's union?

Either the administration or the sponsors of the Roosevelt bill believe this bill would be a popular vote-getting gadget, or they are intent upon putting another nail in the coffin of the representative republic the Founding Fathers laid down for us. In either event, I feel it is a very bad, vicious bill, would doublecross the lower income workers, and must be defeated.

Mr. Speaker, I oppose the rule. I hope that the rule itself will be defeated.

Mr. BROWN. Mr. Speaker, I yield 5 minutes to the gentlewoman from New York [Mrs. ST. GEORGE].

Mrs. ST. GEORGE. Mr. Speaker, this bill has been explained slightly; but I think we will know all about it tomorrow and the day after, after listening to the general debate, which is limited to 7 hours.

Mr. Speaker, I would like to say one thing, that as the bill comes to us—that is, the committee substitute which will be considered—it is one of the best "yes-but" bills that I have ever seen debated on the floor of the House.

Mr. Speaker, first of all I was led to believe, and I think a great many other people throughout the country were, that this bill was going to be a $1.25 minimum wage bill. As I have explained to my friends and my constituents the bill, of course, is nothing of the kind. The bill is a $1.15 minimum and it may—and this is another one of the "if-but" clauses—it may be raised to $1.25 in the next Congress. Nothing of the kind will happen in the present Congress. Therefore I think it is well to advise our constituents and others that this bill is a minimum of $1.15.

Another very interesting thing, if you will refer to page 4 of the committee report, is the reference to those who are to be newly covered in the bill. I would suppose they would be coming in at $1.15 if this is to be a $1.15 minimum bill. But this is what you will read in the second paragraph on page 4 of the report:

> For workers newly brought under the act the minimum hourly rate would be: $1 during the first year; $1.05 during the second year; $1.15 during the third year; $1.25 thereafter.

So that it is not even a $1.15 minimum, it is a $1 minimum.

We were also informed by one of those testifying before us, and I have every reason to believe his testimony was entirely correct, that, strangely, we do not have a dollar minimum today, that in one of the largest hotels in Akron, Ohio, which I would think was a high-level wage center, a contract had been negotiated with the union for the help, and they had been given and had accepted 97 cents an hour. When I asked the question of how this was possible under any law existing in the country today or to be, I was informed it was because it was thought that that was all the traffic would bear.

Mr. Speaker, one of the things to which I think exception can be taken in this matter is the fact that it is entirely based, apparently, on dollar values and on what the traffic will bear. It is not based on interstate commerce at all. It is based on how much gross or net an enterprise takes in. If they can afford it they will have to pay more. If they cannot afford it, apparently they will even be able to settle for 97 cents an hour.

I am very sure that substitutes will be offered to the committee substitute; in fact, I know of one in particular that will be offered that will correct this situation and that will put this thing on a proper basis, on an interstate basis, and at a $1.15 minimum per hour, not more, not less, and not dependent on what the traffic will bear. It seems that that is the best we can get for the next 2 to 3 years. So that is something to be considered.

If you will refer to the committee report you will find that beginning at the bottom of page 4 and running through page 5 to the top of page 6 there is a list of exemptions. If you will go through that list you will find that there are 18 exemptions to this committee substitute as written. I can assure you that with 18 exemptions almost anyone with a good Philadelphia lawyer and pretty good brains can get pretty well out from under this piece of legislation.

It is a disappointment to me that such a bill has been brought in, and that such a bill is being promulgated on the basis that we are doing something, when we are not doing anything at all, as anyone who studies this legislation will see.

I will conclude, Mr. Speaker, by simply saying that it is my honest hope that this committee substitute will be defeated, and that some sound legislation with a minimum wage that everyone in this country can understand and know about, and with no exemptions, will be put through the House of Representatives.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentlewoman yield?

Mrs. ST. GEORGE. I yield.

Mr. HOFFMAN of Michigan. I did not quite understand that last statement. The gentlewoman hopes the substitute will be defeated?

Mrs. ST. GEORGE. There is a committee substitute that will be offered in place of the bill H.R. 3935. It will be presented as the bill to be debated.

Mr. HOFFMAN of Michigan. That is, the gentlewoman is in favor of the substitute that is going to be offered?

Mrs. ST. GEORGE. No, I am not in favor of that substitute. It is a good thing the gentleman brought this up. I am not in favor of the committee substitute, but there are other substitutes that I understand are to be offered from the floor. There is one I know the gentleman will approve, and I have no doubt there are others who will also approve it.

Mr. HOFFMAN of Michigan. I thank the gentlewoman.

Mr. MADDEN. Mr. Speaker, I yield 3 minutes to the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Speaker, as we approach the consideration of this bill, my mind goes back to the mid-thirties when the first minimum wage bill came up in the House of Representatives. That bill came out of the Committee on Labor. The chairman of that committee at that time was one of the greatest legislators and one of the most courageous legislators I ever served with, the late Mary T. Norton, of New Jersey. I can see her now as she stood in that well fighting for the passage of the original minimum wage bill to provide

for 25 cents an hour for those who were covered in that bill, and I can assure you the coverage was very slim because we had to give and give and give in order to get a bill through the Congress and on the statute books. I remember that bill very well because I presided as chairman of the Committee of the Whole in the consideration of that bill. The bill was debated for 11 days. After that bill got through the Committee of the Whole, it was so amended—so badly amended, that those who favored the passage of the bill voted to recommit the bill back to the legislative committee in order that 6 weeks or 2 months later Mrs. Norton and her committee would report out another bill, and so that we might have a chance to get some kind of decent minimum wage bill through this body. That is what happened. We had the same opposition then that you hear now. Then the minimum wage provision went to 35 cents and 40 cents and there was that steady climb upward.

In the last amendment to the minimum wage law, President Eisenhower recommended an increase from 75 cents to 90 cents, and the bill that came out of the committee provided for a $1 minimum wage. Now we have this bill providing for the next increase to $1.15 with a provision that 2 years later, it will be increased to $1.25. So, Mr. Speaker, I rise at this time more to pay tribute to one who has taken the journey into the great beyond, the late Mary T. Norton, and I want to refresh the memories of my colleagues of that great battle that we had at that time to try to establish the minimum wage of 25 cents an hour. Then when the bill was so riddled to pieces by the opponents and by those who were killing it with kindness, we who favored the bill voted to recommit the bill to the legislative committee in order that later on another bill could be reported out. That is what happened at that time. Now we have the same kind of opposition. We hear those who draw the thin line of demarcation and try to be in favor of the bill while, in fact, they are against it. You are going to see them parade down to the well of this Chamber in the next 2 days while this bill is being debated, the same as I saw them do when the original 25-cent minimum wage bill was being considered.

So, Mr. Speaker, I pay tribute to that great lady and to the progressive members of that committee. Here we see nothing but history repeating itself where those who are opposed to this kind of legislation are going to use every means they can indirectly to try to weaken the bill and to make it as ineffective as possible.

Mr. MADDEN. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the passage of the resolution.

The question was taken and the Speaker announced that the ayes appeared to have it.

Mr. HIESTAND. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

Mr. McCORMACK. Does the gentleman insist on his point of order?

Mr. HIESTAND. I do.

Mr. McCORMACK. While we have no agreement that there would not be a rollcall on a rule, nevertheless, having in mind that this is the last piece of business of the day and that Members are absent attending the funeral of a late colleague, I ask unanimous consent that further consideration of this rule be postponed until tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

PERMISSION TO FILE SUPPLEMENTAL REPORT

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the gentleman from South Carolina [Mr. McMILLAN] may be permitted to file a supplemental report on the bill H.R. 258 (Report No. 173), to amend the D.C. sales tax.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

NIKE-ZEUS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. GEORGE P. MILLER] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. GEORGE P. MILLER. Mr. Speaker, in my address to the House on February 7, I mentioned various leaders of American industry which have been devoted to the progress of this weapons system—among them the Sperry Rand Corp.

At my request, this company has now made available to me reprints of an article on the Nike-Zeus published in the fourth quarterly issue of 1960 of their fine magazine, Sperryscope.

This question-and-answer exchange with the Army's Chief of Research and Development, Lt. Gen. Arthur G. Trudeau, is very informative, short, and to the point.

I believe that each Member of the House will find it of value, in terms of our concern with the problems of national security, and I have today sent a copy to each Member—together with a copy of my address of February 7.

TEXTILES AT THE CROSSROADS

The SPEAKER. Under the previous order of the House the gentleman from South Carolina [Mr. HEMPHILL] is recognized for 1 hour.

Mr. HEMPHILL. Mr. Speaker, 2 weeks ago I rose to call the attention of my colleagues, and the attention of the Nation, and, I hope, the attention of those who soon will make a critical and far-reaching decision on our textile import problems, the critical and trouble-filled situation in this major and patriotic industry, on which the economy of my section, and many other sections of the country, depends. I have never been more serious in my life, nor have I been more concerned, and especially as from day to day I get reports of more people out of work, or more people reduced to part-time or part-week operations in the textile industry in my own home district. I am convinced that our unemployment, and lack of full employment, will be speeded up, unless something is done to either give relief, or assure relief to our textile people. I am not talking about management and investment alone, I am talking about the jobs of taxpayers of America.

These people expect this administration to be sympathetic. These people who are working in the textile mills of South Carolina and elsewhere believe the Democratic Party has a sympathy for every individual in the Nation. These people have been assured that this administration, and departments of this administration, are concerned with their problem, and will make every endeavor to give some relief. They already know the sympathy of many Members of the Congress, and I am proud of the record we in Congress have made to present their case to the Nation.

In the 4½ years that I have been here, it has been my sad privilege to witness almost a hardening of hearts against our textile people, and, in many areas, a lack of concern over these people who have always responded in time of war with their sons, in time of war with their production, in time of peace with hard work, in time of peace with their taxes, and at all times, as a part of the greatness of this Nation, their absolute patriotism. I recall with great nostalgia that during and after the war every part of the industry in my particular district received a certificate of excellence, signifying their contribution in the defense of this great country. Is it too little to expect consideration now that we are in the cold war? Are these people, and their jobs, only dear to this Government in the times of a hot war? Are these jobs so expendable, that during another hot war, having disappeared from the scene because of the policies of a hard-hearted Government, that their production capacity is deleted of the American industrial scene, and their efforts forgotten? I believe not.

During the campaign of 1960, I campaigned very hard for the Democratic ticket. I did so because I had been a front-row witness of the fact that the Republican Party of this Nation had given only lipservice to all the promises of relief, little concern to the needs for relief. That party had taken the attitude that the cry of the textile people was baseless, and had surrendered to the international policy of putting the international trade first before our domestic interests, and the needs of our people second. Each of the candidates of the Democratic Party came from areas which included textile areas, and I felt, and still feel, that they understood our problems and would listen with a sympathetic ear. I am now asking action.

As far back as 1956, representatives of the textile industry, and those of us in the Congress who are dedicated to the preservation of that industry, made certain prophecies about the imports. They said we did not know what we were talking about, and that the imports would level off, that the cotton and synthetic and wool textile industries were making plenty of money. It is true that the textile industry had some good years, but the signs of the future were present, and that administration, under Mr. Eisenhower, paid us no heed. We appealed to the State Department; we appealed to the Department of Commerce; we appealed to the White House, and our appeals fell on deaf ears. Meanwhile, there was no letup in the sharply rising increase of textile imports from countries whose workers' wages would be declared illegal, and far below the U.S. minimum.

In 1958, U.S. imports of cotton cloth were approximately 142 million square yards. These imports increased to 242 million square yards in 1959, and not quite doubled 1958. In 1960, cotton cloth imports reached 455 million square yards, which is three times that of 1958.

The increase in imports means increase in unemployment. Increase in imports means decrease in the numbers of spindles and the numbers of looms that are running throughout the textile areas of this country. If the trend continues, the entire market for domestic cloth will be supplied by foreign production.

One cannot blame the consumer of the United States. Except in those areas where the critical situation invokes an awareness of what the purchase of imported textiles does to our textile industry and the jobs of that industry, the average consumer buys the goods which he finds to be at the most advantageous price, and we must admit that some of those who export to our country are, with the help of American machinery which they have purchased, American patents which they have purchased the right to, American know-how that our State Department has insisted upon supplying, and low price cotton which they are able to buy, putting on the markets of the United States cloth textiles which are comparable, if not equal, in quality to those of the American industry. The people in the textile industry know this, and they also know that the person importing the foreign textiles can sell cheaper. If the domestic textiles do not sell, the mills of our country cannot afford to run, and if the mills do not run, it follows, ad hoc, that the people do not have jobs.

It is significant in the industry, and it should be significant to the country, that, as sharp as the trend of cloth imports were in past years, and after a rise which we, who are watching the trends, thought were extravagant, the 1.4 million pounds imported in 1955, the imports of yarn in 1960 rose to 15.1 million pounds.

Woven wool cloth rose from about 34 million square yards in 1958 to 62 million square yards in 1960, almost double.

Broad silk fabrics, at approximately 55 million square yards in 1958, rose to 81 million yards in 1959, and was 72 million yards in 1960.

Now think, any of you who are listening, or any of you who may read this speech, about the impact of the economic situation of the textile industry, and its people. During the same periods in which these imports have risen, the market for textile cloth and textile yarns has not increased.

During the same period, the United States has lost its historical position as a net exporter of textile manufactures.

During this same period, textile jobs have decreased in number, and textile unemployment has increased.

During the same period, virtually no effort has been made to insist that any imports shipped to this country be on a production basis, requiring the same wage level and wage scales which we insist upon in this country, and I believe in good wages.

Recently I received from the executive vice president of the Carded Yarn Association, Inc., which apparently has its headquarters in Charlotte, N.C., the following statement:

On March 8, 1961, the board of directors of the Carded Yarn Association met for the purpose of considering ways and means to combat the serious threat of yarn imports. Our segment of the industry is in a very precarious position and faces bankruptcy and eventual liquidation if we are not successful in getting relief from the unrestricted imports of foreign made textile products. In our first line position in the industry we are affected adversely not only by the imports of cotton yarns, but by the imports of the many end-use products into which our yarns are ultimately converted.

I have refused to believe it is the desire of the people of this country that the carded yarn industry be liquidated by bankruptcy or otherwise.

I include the examples which were given to me by this association, so that any may check, or reply, if there is any reply. I, for one, believe that this association points out, dramatically, the difficulties of treatment, governmental treatment, which this segment of the textile industry is now experiencing, and others have experienced, if not identically, in comparative ways:

THE CARDED YARN ASSOCIATION, INC.,
Charlotte, N.C., March 8, 1961.

To All Members:

The accompanying data constitutes a detailed presentation of the import situation as it is related to the cotton sales yarn segment of our industry. Considered together with explanatory sheet exhibit IV, the information covered in exhibits I, II, and III is self-explanatory.

Contrary to the condition in other segments of the textile industry, you will note the absence of Japan in the list of importers and the predominance of Brazil, Egypt, Portugal, and Spain, followed closely by Mexico and France.

Exhibit V states the reason for the absence of Japan as a yarn exporter. It also lists certain foreign export incentives with respect to Portugal, Spain, Brazil, and Egypt which in some instances completely nullify the impact of our tariff duties upon the exporter as an item of expense.

Exhibits VI and VII are self-explanatory reports to President Moretz by Werner Textile Consultants with respect to certain cost findings in mills located in Brazil and Spain.

Through reference to the illustration presented in exhibit IV you will readily see that the result of classifying carded cotton single natural yarns under tariff paragraph 901a, while pooling all other yarns of all descriptions under tariff paragraph 901b, results in 4½ percent lesser protection for all counts of carded cotton natural single yarns. This is true because the per count percent ad valorem tariff rates are the same for all yarn under paragraphs 901a and 901b. Since the tariff is imposed on an ad valorem percentage base there is no reason in theory or fact for excluding these yarns from the higher rate applicable to all other yarns. This practice has been carried forward from an historic era when there were practically no carded cotton yarns being imported. It presently constitutes a gross discrimination against one type of yarn, which can be translated into an unrealistic penalty in cents per pound.

Shall we continue to ignore this latter situation, when the end result is to totally disrupt the normal market relationship between two of the highest quality, most competitive types of cotton sales yarn—carded and combed single knitting yarns?

Cordially yours,

OWEN FITZSIMONS.

EXHIBIT IV

THE CARDED YARN ASSOCIATION, INC.,
March 8, 1961.

EXPLANATION

(Applicable to all accompanying exhibits, I through III. Where designations A, B, C, D, E, F, G, H, and I are used.)

IMPORTS, COTTON YARNS

A. All cotton sales yarn (B and C) and (D, E, F, G, H).
B. All carded sales yarn (D, E, F).
C. All combed sales yarn (G, H).
D. All carded natural single yarns.
E. All carded—single, bleached, dyed, or colored yarns.
F. All carded—plied, natural, bleached, dyed, or colored yarns.
G. All combed—single, natural, bleached, dyed, or colored yarns.
H. All combed—plied, natural, bleached, dyed, or colored yarns.
I. All cotton sales yarn subject to tariff paragraph 901b (E, F, G, and H).

CURRENT TARIFF RATES (AD VALOREM) [1]

(1) 901a: 4½ percent plus 0.225 percent per yarn count. (This lower rate applies only to D above.)

(2) 901b: 9 percent plus 0.225 percent per yarn count. (This higher rate applies to E, F, G, and H above.)

ILLUSTRATION—APPLICABLE TARIFF RATES

Under 901a (D)

	Percent
10/1	6.75
20/1	9.00
30/1	11.25

Under 901b (E, F, G, and H)

	Percent
10/S and P	11.25
20/S and P	13.50
30/S and P	15.75

The 21,000 pound total imports as shown on exhibit III from "all other" countries is made up of 8,000 pounds at $0.44 from Pakistan; 4,000 pounds at $0.35 from Hong Kong; 3,383 pounds at $1.56 from Canada, Newfoundland and Labrador; 2,515 pounds at $0.91 from Belgium and Luxembourg; 1,705 pounds at $2.03 from West Germany; 1,498 pounds at $2.90 from India; 100 pounds at $1.15 from Jamaica; and 25 pounds at $4.96 from Denmark. Total 21,226 pounds valued at $20,530.48.

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[1] The dollar value which should be shown on the import statistics is defined generally as the market value in the foreign country and should exclude the U.S. import duties, ocean freight, and marine insurance.

EXHIBIT III

The Carded Yarn Association, Inc., total 1960 cotton sales yarn imports

[Thousands of pounds]

[Value in thousands of dollars]

Country	A	B	C	D	E	F	G	H	I	Country	A	B	C	D	E	F	G	H	I
Portugal	7,373	3,974	3,399	3,761	211	2	3,399	0	3,612	Switzerland	171	69	102	7	61	1	39	63	164
Value	$3,442	$1,712	$1,730	$1,607	$104	$1	$1,730	0	$1,835	Value	$356	$124	$232	$11	$111	$2	$73	$159	$345
Per pound	$0.47	$0.43	$0.51	$0.43	$0.49	$0.50	$0.51	0	$0.51	Per pound	$2.08	$1.80	$2.28	$1.57	$1.82	$2.00	$1.87	$2.52	$2.10
Spain	2,716	2,485	231	2,245	58	182	148	83	471	Netherlands	137	135	2	126	9	0	0	2	11
Value	$1,242	$1,078	$164	$949	$28	$101	$84	$80	$293	Value	$77	$72	$5	$53	$19	0	0	$5	$24
Per pound	$0.46	$0.43	$0.71	$0.42	$0.48	$0.55	$0.57	$0.96	$0.62	Per pound	$0.56	$0.53	$2.50	$0.42	$2.11	0	0	$2.50	$2.18
Egypt	2,206	2,118	88	1,876	22	220	44	44	330	Italy	88	88	0	0	74	14	0	0	88
Value	$956	$922	$34	$832	$8	$82	$20	$14	$124	Value	$34	$34	0	0	$29	$5	0	0	$34
Per pound	$0.43	$0.44	$0.39	$0.44	$0.36	$0.37	$0.46	$0.32	$0.38	Per pound	$0.39	$0.39	0	0	$0.39	$0.36	0	0	$0.39
Brazil	1,260	487	773	207	0	280	695	78	1,053	United Kingdom	86	7	79	1	4	2	6	73	85
Value	$543	$202	$341	$91	0	$111	$309	$32	$452	Value	$280	$22	$258	$2	$14	$6	$20	$238	$278
Per pound	$0.43	$0.42	$0.44	$0.44	0	$0.40	$0.44	$0.41	$0.43	Per pound	$3.26	$3.14	$3.27	$2.00	$3.50	$3.00	$3.34	$3.26	$3.27
France	499	477	22	473	1	3	5	17	26	All others [1]	21	18	3	7	1	10	0	3	14
Value	$257	$243	$14	$235	$3	$5	$2	$12	$22	Value	$21	$13	$8	$3	$1	$9	0	$8	$18
Per pound	$0.51	$0.51	$0.64	$0.50	$3.00	$1.67	$0.40	$0.71	$0.85	Per pound	$1.00	$0.72	$2.67	$0.43	$1.00	$0.90	0	$2.67	$1.29
Mexico	374	374	0	7	1	366	0	0	367										
Value	$117	$117	0	$2	0	$115	0	0	$115	Totals	15,141	10,439	4,702	8,916	443	1,080	4,336	366	6,225
Per pound	$0.31	$0.31	0	$0.29	0	$0.31	0	0	$0.31	Value	$7,427	$4,640	$2,787	$3,885	$318	$437	$2,238	$549	$3,542
Israel	210	207	3	206	1	0	0	3	4	Per pound	$0.49	$0.44	$0.59	$0.44	$0.72	$0.40	$0.52	$1.50	$0.57
Value	$102	$101	$1	$100	$1	0	0	$1	$2										
Per pound	$0.49	$0.49	$0.33	$0.49	$1.00	0	0	$0.33	$0.50										

[1] See exhibit IV for breakdown of "All others."

EXHIBIT V

THE CARDED YARN ASSOCIATION, INC.,
March 8, 1961.

[From the New York Daily News-Record, Feb. 9, 1961] [1]

FOREIGN EXPORT INCENTIVES A FACTOR IN U.S. IMPORTS

NEW YORK.—Portugal, Spain, Egypt, and Brazil have become leading cotton yarn exporters to the United States, aided in no small measure by export incentives granted spinners by their governments. The following listing contains inducements offered by these governments.

Portugal, the leading shipper, grants: (1) Exemption of cotton textiles manufactured for export from export duty, and import duty on colonial cotton, (2) a bonus for cotton textile exports at [2] 2 escudo per kilogram or 0.9 escudo per pound.

Spain grants: (1) Repayment of import duty on raw cotton [3] (16 pesetas per kilogram, or 7.27 pesetas per pound), (2) an exemption of cotton textiles manufactured for export from internal indirect taxation amounting to roughly 12 percent, (3) exporters the right to use the exchange accruing from their sales to buy an equivalent amount of foreign cotton cheaper than that grown in Spain.

Brazil grants: Plural exchange rates by commodities and a bonus for exports.

Egypt grants: A utilization of plural exchange rate, de facto, including discounts of 6 percent granted on sales payable in hard currency for raw cotton and cotton textiles.

In contrast, lack of government subsidy, coupled with packaging differences and a narrow price differential, has had a deterrent effect for Japan in its yarn sales to the United States.

Japanese cotton yarn traditionally is packaged in skein and cheese, whereas U.S. purchasers generally prefer yarn on cones and cheeses. To sell in the U.S. market Japanese spinners must place outside orders for packaging, adding to cost.

Recent price comparisons show Japanese carded 20s at 62.7 cents to 64 for United States yarn, 65 to 70 for 30s carded, and 30s combed 72 to 77 cents. Packaging, quick service, discounts, are not taken into consideration for Japanese prices appearing above.

[1] Reprinted by permission of Daily News-Record, Feb. 9, 1961. Copyright, 1961, Fairchild Publications, Inc.

[2] Equivalent value as of Feb. 24, 1961: Escudos, $0.0352; pesetas, $0.01675.

[3] The above translation of escudos and pesetas into U.S. currency equivalent is our own, and was obtained from sources believed to be reliable.

EXHIBIT VI

THE CARDED YARN ASSOCIATION, INC.,
March 8, 1961.

WERNER TEXTILE CONSULTANTS,
New York, N.Y., January 24, 1961.

Subject: Carded yarn production costs, Brazil.

Mr. LEONARD MORETZ,
Carolina Mills, Inc.

DEAR LEONARD: In response to your request for production costs of singles carded yarn in various countries, we have the information for Brazil and now present it to you. As soon as we have it for the other countries we shall forward that also to you.

The costs given you are those from one of the large, well managed mills in Brazil. The cotton used for the 10/1 and 16/1 is described as being "not equal to Middling American." At the present time this cotton costs approximately $0.2524 per pound but they expect that during 1961 it will increase to $0.2762 per pound. In Brazil the official allowance for moisture content is 11 percent and we are told that deliveries generally average about 10 percent.

The average wages per hour are $0.2381 but fringe benefits increase this figure by 50 percent. These average wages reflect a recent wage increase.

This mill's costs at the present time for 10/1 and 16/1 on cones are as follows:

Item	Cost per pound	
	10/1	16/1
Cotton	$0.2619	$0.2619
Direct wages	.0147	.0209
Indirect wages	.0233	.0364
Overhead	.0210	.0293
Total	.3209	.3485

At the present time this mill makes outside purchases of 10/1 on cones and it costs them $0.3905 per pound.

We have converted the cost in cruzeiros, the Brazilian currency, into U.S. dollars by using a rate of 210 Brazilian cruzeiros to 1 U.S. dollar. This is approximately the free rate and not the official rate. We understand that a Brazilian spinner would be allowed the free market rate when exporting yarn.

We quote the opinion of one of the Brazilian spinners regarding exporting yarn from Brazil to the United States.

"It is generally felt that the export price would not be competitive in the United States especially for yarns up to 30s. In any case there is a great demand inside Brazil for yarn especially in the 20s to 30s range, and there is no surplus for exporting.

"In my opinion only a few mills could supply yarn up to the standard which would be expected in the United States. I believe that some of the fine yarn mills spinning 60's and above have been doing good business in the States but the weights involved are not big.

"The general feeling here is that the Brazilian spinner of coarse and medium yarn numbers cannot compete in the export market with Hong Kong and Japan."

Leonard, I hope this gives you the desired information but if you require more please let me know.

With kindest regards,

Sincerely yours,

WERNER TEXTILE CONSULTANTS,
T. E. STRIBLING, Jr.

EXHIBIT VII

THE CARDED YARN ASSOCIATION, INC.,
March 8, 1961.

WERNER TEXTILE CONSULTANTS,
New York, N.Y., March 1, 1961.

Subject: Carded yarn production costs in Spain.

DEAR LEONARD: Our success in obtaining reliable figures to the extent desired by you for the production costs of carded yarn in Spain has not been too great. However, we do have some information on two of the larger individual mills which may be of some help to you.

Item	Mill A	Mill B
Total spindles	27,500	68,800.
Number of 45-hour-per-week shifts	2	2.
Average production per week in pounds	63,800	176,000.
Average yarn count	23s	22s.
Percent combed	0	10 percent.
Range of counts	10s to 40s	5s to 40s carded, 28s to 80s combed.
Pounds per operator-hour [1]	4.4	3.52.
Labor cost per pound	4.94 U.S. cents	6.2 U.S. cents.
Average hourly earnings [2]	US$0.22	US$0.22.

[1] Spinning through winding, including all labor costs but not supervision or staff.

[2] Including all social benefits, vacations, etc.

I am sorry that we were not able to give you as much information on this country as we did on Brazil. However, I have confidence in the source and would rather give you reliable information even if it is insufficient in scope, than information covering a wider area but of which I am not too confident.

I assume that you received our letter on carded yarn production costs in Brazil dated January 24. If by any chance it did not reach you please let us know and we shall be glad to send you another copy.

With kindest personal regards,

Sincerely yours,

WERNER TEXTILE CONSULTANTS,
T. E. STRIBLING, JR.

Recently the U.S. Senate Textile Subcommittee made certain recommendations. I will not insert those recommendations here as they have been printed in the form of a report, but I am satisfied that that committee not only knew what it was talking about, but reflects not only the concern about the situation in the industry but the necessity of relief, and quick relief.

To show you what we are doing, although it is very difficult to explain, reasonably, why we are doing this, I quote from the front page article of the America's Textile Reporter, volume LXXV, No. 8, of February 23, 1961:

ADD TO THE KOREAN STORY

It grows more fantastic as it develops. Most of the American foreign aid moneys received by Korean cotton mills comes under the heading of nonproject assistance; that is with one major exception, it is used for the purchase of raw materials. Out of a total of about $150 million a year of such aid, roughly $25 to $30 million is earmarked for cotton imports. These giveaway dollars are sold at auction by the Bank of Korea. Formerly the Spinners and Weavers Association of Korea (SWAK) was the only bidder for the money. Within the last year the procedure has been changed and individual mills have been bidding for the funds. However, this is a legal fiction since the mills bid only the official exchange rate. And they have an agreement as to who gets what share of the funds. The effect is just the same as if SWAK were still the only buyer. Prior to the beginning of this year, the official exchange rate was 650 hwan to the dollar while the unofficial rate was about twice as much.

Adding an exchange tax of 150 hwan, this means the mills were buying the dollars at a 40-percent discount. On January 1, 1961, the ROK Government raised the exchange rate to 1,000 hwan to the dollar but absorbed the exchange tax. The average unofficial rate is now 1,300 to 1,400 hwan to the dollar. Thus the mills are still getting their dollars at a discount although not quite as large a one as previously existed.

There are now underway top secret negotiations between the United States and the Korean Government to devalue the hwan even more. The new exchange rate probably will be something between 1,200 and 1,400 hwan to the dollar. However, as in most undeveloped countries, the dollar will always command a premium, especially for the purchase of luxury goods. There is also the problem of inflation; in Korea, it averages between 16 and 35 percent a year.

The hwan earned from the sale of the dollars is used chiefly to support the ROK Government's defense budget, although part of it goes to defray the cost of administering the foreign aid program. In other words, it's strictly a giveaway proposition. It couldn't be otherwise because the hwan is nonconvertible and probably worth less than the paper on which it is printed. Without U.S. help, South Korea wouldn't have sufficient exchange to carry on even the basic minimum of foreign trade it needs to survive. The problem is the country's proximity to Communist invaders. This forces it to maintain a defense establishment far beyond its means and makes private investment extremely risky and highly unlikely. However, the aid program has been terribly wasteful and badly mishandled. A number of plants built with U.S. aid after the Korean conflict had to remain idle because there wasn't power to operate them.

After buying their dollars, the Korean mill owners turn them over to SWAK which acts as their central purchasing agent. SWAK can buy cotton anywhere in the world although it imports most, if not all, of its requirements from the United States. Under the U.S. Department of Agriculture's raw cotton export subsidy program, Korean mills can buy U.S. cotton at world prices (while American mill owners are forced to pay the higher domestic price). In effect, the Korean mill owners get a double subsidy—60-cent dollars and cut-price cotton—and the United States picks up the tab at both ends.

If the Korean mills use aid-financed cotton in textile exports, USDA requires them to replace the raw cotton content of the cloth with nonaid dollars. This partly removes the United States from the position of subsidizing Korean textile exports. They can buy this cotton out of dollars earned from exports or with dollars purchased from the ROK Government—if it has any for sale. The KFX (Korean Foreign Exchange) fund of the ROK Government is chiefly dollars earned from fees and taxes paid by the U.S. Army for various services provided by the Korean Government and for use of certain Korean facilities.

When the dollars earned from exports are returned to Korea, the ROK Government requires that they be disposed of within a stated period of time—6 to 8 weeks. This means that these dollars are used either to finance imports, sold at auction or sold to the Government. Although the average unofficial rate of exchange is about 30 to 40 percent higher than the official rate, because luxury goods command an extremely profitable return, some importers have been willing to pay a premium of up to 1,700 hwan to the dollar.

Under this setup, the key to earning money is not the lowering of production costs but currency manipulation. Obviously, a manufacturer who can buy dollars at a 40 percent discount and sell them at a premium can afford to price his goods at or below cost, especially if his production costs are out of line.

Nonproject aid is used chiefly to finance imports of basic materials. However, some capital equipment can be imported under a special section called "investment salables." The amount involved ranges between $8 and $20 million a year. These dollars, which are also sold at auction, may be used by private firms to finance replacement parts and some new equipment. Until 3 years ago, there was a $50,000-a-year limitation on the amount any one firm could get under this section but the limitation has been lifted. This is in addition to any major development assistance received from "project" aid funds.

(The above is the theorem.)

According to the information we have and reports we have received, Korean No. 2 enameling duck, as an example, can be obtained f.o.b. Mobile, Ala., from 6 to 8 cents per pound less than the going American prices which are practically at the break-even point.

(It seems to us that the theorem has been proven.)

Granted that we have much at stake in Korea, whether the textile workers, and their families, who lost men in Korea fighting to preserve our freedom, and who now must realize that the policies are of such impact as to be of danger to our textile industry.

We know what can happen to an industry in this country when the Government turns its back on it. Look at the situation in West Virginia and parts of Pennsylvania. Those people have my great sympathy.

Let me quote some articles from the America's Textile Reporter of March 2, 1961:

Eighty to ninety percent of South Carolina's textile industry job losses—some 4,800 last year—have been caused by imports. Governor Hollings said he "would resist all efforts of that kind as not what the industry needs or deserves." It should be allowed to expand rather than "have any relief handouts," he declared.

North Carolina's textile employment in December was down 3.2 percent to 219,200 from 226,400 a year earlier, the Labor Department reports. The drop was consistent with a decrease in total nonfarm employment (down 1,000), which was the first December decline since World War II. Average weekly mill earnings fell to $57.83 for 38.3 hours at $1.51 from $61.09 a year earlier for 41 hours at $1.49.

GATT talks concerning lower tariffs on textiles have been postponed until some time in March, pending proposed selection of industry representatives as advisers to the U.S. negotiating team. The delay gives added time to a drive, spurred by the industry, to put Congress on record as opposing any tariff cuts on some 2,500 textile items on the State Department's offer list.

I was concerned to read in that Reporter the following statement:

President Kennedy's formation of the new Cabinet-level committee to review the textile industry's ills may mean little to the industry in imports relief. One of his special assistants reassured one-worlders about the administration coolness to import restrictions, emphasizing that we must continue to expand our exports by being willing to accept imports and absorb them in an expanded U.S. market. This sounds like a program that might make sense—for sponges.

We can talk all we want to about America's triumphs in technology. The triumphs are of little consolation to those who do not have jobs, and who must realize that these technologies have been exported overseas to help our competitors.

To show that the situation is increasingly serious, let me quote some articles from the America's Textile Reporter of March 9, 1961:

Employees from North Carolina textile mills, excluding hosiery, filed an average of 13,525 unemployment claims weekly during January. This was 17.4 percent greater than in December and 57.8 percent greater than January, 1960. Hosiery mill workers filed claims at an average of 7,500 weekly—13.5 percent of the total of workers covered. This was 68.9 percent greater than in December and 22.8 percent more than the year-earlier level, the State employment security commission reports.

The Japanese cotton textile industry has asked its government to increase by 20 to 30 percent the export quota to the United States this year. Japanese manufacturers

complained that, while they use more American cotton, such areas as Hong Kong, Spain, Portugal and Egypt are not subject to a quota and have appeared on the American market in strength since late 1959. They also want the category limits pulled down so that unused yardage of one item can be shifted to another fabric or made-up item.

An official of a leading textile firm with two finishing plants in South Carolina says there is no indication that business is picking up. M. Lowenstein's Rock Hill (S.C.) Printing & Finishing Co. is operating on a day-to-day basis, according to President William H. Grier, also head of the finishing facility at Lyman, S.C. Reason: Imports, the lowest prices in 4 or 5 years, and top-heavy inventories.

I have in my file a textile resolution which has been adopted by The Combed Yarn Spinners Association, Inc., March 3, 1961, and I quote:

Whereas the total cotton yarns import for 1960 was 15,140,680 pounds; and

Whereas this total cotton yarn import has increased from a figure of 837,145 pounds in 1958; and

Whereas the great economic influence of the textile industry is felt by every U.S. citizen; and

Whereas this tremendous cotton yarn import increase in a large measure has been caused by the fact that tariffs on textile imports into the United States have been regularly and drastically reduced under the Reciprocal Trade Agreements Act and that foreign textile manufacturers, using cheaper cotton and cheap labor have capitalized on this advantage and flooded the United States with textiles which American manufacturers cannot meet in price; and

Whereas the continued prosperity and economic health of the United States, generally, the textile industry, and a vital component thereof, the combed yarn spinners in particular, all of those employed therein, and other thousands of Americans who depend upon this industry for their livelihood are critically and desperately threatened by the lack of protection against this unfair competition provided by foreign imports; and

Whereas the recent session of the Southern Governors' Conference at Hot Springs, Ark., recognized this problem and its solution by its unanimous adoption of a resolution asking our Federal Government to enact protective legislation and to provide all possible protection by exercise of the Presidential powers: Therefore be it

Resolved, That the Combed Yarn Spinners Association, Inc., herein urge that the U.S. Senators and the U.S. Representatives use their influence toward enactment of legislation so as to establish protective tariffs and quotas toward the end that thousands of Americans shall not suffer for the sake of giving advantage to foreign competitors; and further

Resolved, That a copy of this resolution be forwarded immediately to the President of the United States, to all U.S. Senators and Representatives, and to the Presidential Advisory Committee on Textiles, of which the Honorable Luther H. Hodges, Secretary of Commerce, is Chairman.

I want now to refer to specific figures:

Imports from Japan, have increased more than those of any other country since 1947, particularly in the last few years.

In dollar value imports from Japan amounted to $169.7 million in 1956; $162.8 million in 1957; $185.6 million in 1958; $241 million in 1959; and $131 million in the first half of 1960.

From India came imports valued at $79.3 million in 1956; $81.4 million in 1957; $75.1 million in 1958; $92.6 million in 1959; and $49 million in the first 6 months of 1960.

Textile imports shipped from Hong Kong were valued at $3.5 million in 1956; $10.3 million in 1957; $24.5 million in 1958; $61.4 million in 1959; and $50.2 million in the first half of 1960.

Imports from the United Kingdom were valued at $111.7 million in 1956; $102.2 million in 1957; $88.3 million in 1958; $100.2 million in 1959 and $57.5 million in the first half of 1960.

By 1957 the pattern had been set. Imports that year were up to $635 million and U.S. exports were down to $667 million. Then in 1958 imports exceeded exports for the first time. Imports amounted to $638 million against exports valued at $600 million.

By tape measure imports last year were estimated at 1.3 billion square yards, compared with 936 million square yards in 1959 and 304 million square yards in 1958.

In 1947 U.S. exports measured 1.5 billion square yards. For 1957 they were down to 553 million square yards and for 1960 they hit a low of 40 million yards.

That's the statistical story. There are other stories in textile towns and in the over-all effects on the Nation's economy.

The remedy, whatever it may be, is what the Cabinet Committee headed by Hodges, former Governor of North Carolina, would like to find.

Do 700,000 Americans mean anything to you, that is 700,000 Americans who lost their jobs because of the foreign trade shift since 1956. I quote from the Washington Post's business page, No. B–6 of Wednesday, September 7, 1960:

"Rising imports and lagging exports have forced 700,000 American workers out of jobs since 1956," Steel magazine said.

The industry weekly in a special issue said a shift in foreign trade caused a loss of $4 billion in sales for U.S. industry, dislocation of workers with 1,300,000 dependents, and the loss of millions of tax dollars.

As an example, Steel magazine estimated that the 560,000-unit increase in auto imports since 1956, coupled with the 70,511-unit decline in auto exports, cost the jobs of 39,400 U.S. workers.

Foreign competition explains in part, said the magazine, why U.S. business "is limping along at a disappointing pace while steel mills, auto plants, and other metal-working establishments in Western Europe and Japan are operating at near capacity.

"The United States has a tremendous stake in world trade, is the biggest international trader and investor of all time," said Steel, "but last year reached a postwar low in world trade superiority when only $1.1 billion separated us from an unfavorable trade balance."

The business magazine said the high cost of American labor was the main reason for a fight for survival in world market. United States wage and fringe benefits average $2.75 per manhour.

The figure is 3½ times that paid in West Germany and five times that paid in Japan.

Industrial expansion in Europe and Japan also was cited as a contributing factor in the trade struggle. The nations of the European coal and steel community had a steel ingot capacity of 38.8 million net tons in 1938. It is 69.5 million tons now and will be 97.7 million tons by 1965.

The magazine also said that foreign competitors have quality goods to sell, modern factories in which to produce them, and a "lean and hungry attitude."

To maintain its trade leadership, the magazine said management would have to adopt a world concept, know its markets, sharpen marketing, strengthen technology and improve service.

Steel also called on labor to become more concerned with productivity and on Government to revise tax policies, especially depreciation rules.

Seven hundred thousand jobs, affecting five people to a family, will affect over 3,500,000 Americans. Is their welfare expendable? Is their Government not able to reach some solution of their problem? Can our Government continue to be concerned about little countries whose populations are less than the 3,500,000 affected by the loss of jobs, and turn its back on the people who are affected by imports? If my Government does this, it does not reflect my wishes for my Government for these people.

I, therefore, ask any of you who listen, or who read, to join us in this struggle for survival. It is a struggle for survival, and, Mr. and Mrs. America, if the textile industry is sacrificed, who is next?

Let me close my remarks by again publically thanking the President of the United States for his interest in our problem. Let me thank each member of his special Cabinet-level committee for considering our problem. I realize they have many facets of national and international concern which they must consider. I close today in the hope, almost the desperate hope, that our textile people will get the relief that they must have.

BALANCE OF TRADE—FACT AND FICTION

The SPEAKER. Under the previous order of the House the gentleman from Pennsylvania [Mr. DENT] is recognized for 1 hour.

Mr. DENT. Mr Speaker, almost every day the newspapers and radio are telling us about imports and exports, trade balances, development loan funds and international banks, the flight of the dollar, the movement of gold reserves, the cutback of troops abroad, programs to increase foreign tourists to the United States, the loss of markets and jobs to foreign competition, buy-American programs, and many other complex and often confusing terms.

One might understandably conclude that all of these projects and programs do not add up. But as a matter of fact in one sense they do, and the tally is called the balance of payments.

The balance of—international—payments is not unlike your individual household balance, or the account at your local bank; it is a sum-up sheet of your gains and losses, or receipts and expenditures.

The balance of payments sheet sets down or records your Nation's transactions in goods and services, both private and public, with all other countries taken as a whole. For example, the United States spent a total $32 billion abroad last year while taking in $28 billion, for an unfavorable balance or deficit of almost $4 billion.

While this deficit may not appear to warrant unnecessary worry, the fact that our foreign transactions have been chronically in the red every year since 1949 with the sole exception of 1957 does clearly indicate a deep-seated malignancy.

If you were a stockholder or a member of the board of directors of a business which had been swimming in red ink for

12 years, I am sure commonsense would have dictated some course of action long before now, unless the firm existed on some other basis than the profit-motive system as we know it.

Now, while there have been changes in management in Washington, our policies regarding foreign economic affairs have unfortunately been allowed to perpetuate themselves, and recent events indicate that these policies will continue—as well as the deficits.

I mentioned that our total expenditures in our 1960 foreign balance sheet came to about $32 billion—our receipts, to $28 billion. About $15 billion, or approximately one-half of our expenditures, were in the form of payments for imports, while two-thirds of our income, or $20 billion, was in the form of payments by foreign customers for our merchandise. This portion of the balance-of-payments account which excludes such areas as private investment abroad, foreign aid, tourism, is called the balance of trade. It deals exclusively with physical goods or merchandise.

It would seem apparent that we sold more abroad last year than we bought, to the tune of about $5 billion. If this is true you might ask then, what is all the concern about? Why the clamor over foreign competition and complaints over the loss of jobs and markets?

The answer to these questions accounts for the title of my talk, "Balance of Trade: Fact and Fiction." The Government figures, if subjected to close scrutiny, break down into one part fact and one part fiction. This is hardly adequate for the student of national affairs, thirsty for the real meaning behind the figures.

Examine with me the export column of the ledger—the $20 billion. To begin with, you can deduct about a billion dollars of this amount for U.S. Government transactions such as economic grants for goods which cannot by any stretch of the imagination be called commercial exports. In addition, you subtract another half billion that you, the taxpayer, paid in subsidies for our wheat and cotton shipments because the price of our farm products is well above the world markets. In order to move these products we have to make up the difference between our domestic and the foreign price. In the case of wheat, raw cotton and rice this difference is paid by the U.S. Treasury.

American agricultural exports under Public Law 480, plus emergency relief, sheer donations, and barter are called exports only by definition; not by the dollar value of sales, because in many cases there was no sale in the true sense of the word. The genuine export figure reached about $16 billion last year instead of the highly questionable sum of $20 billion, if we strip these exports of the subsidized farm products, the sale for foreign currencies, the outright grants, foreign aid sales, and so forth.

The import side of our trade figures is equally misleading if taken at face value. First, the United States, unlike the other major trading nations of the world, uses a system of foreign evaluation of its imports rather than a domestic or landed cost. Some charges are, therefore, not included, such as ocean freight and marine insurance, and this omission minimizes the value of imports.

Secondly, the evaluation without a comparable physical volume figure is next to meaningless because in most cases, such as in semi- and finished manufactured goods, the foreign prices are 10, 20, and in frequent instances, as high as 40, 50 percent and more below the American prices for the same or similar products. All else being equal the foreign manufacturer can therefore send in here two items for what would be to us the cost of one domestic item.

An American firm in competition here with his Japanese or European counterpart will develop a false sense of security unless he knows how many in quantity of goods as well as how much in terms of dollars came into the domestic market last year, because without this knowledge, the dollar volume of imports may appear insignificant when in fact the quantity may be substantial. He may conclude if business is bad that the cause may be seasonal or a change in buyer's mood, or some other domestic cause, when in fact it may be that he has lost a large share of the market to foreign competition.

For instance, let us say that you were a manufacturer of artificial flowers and you wondered how much of the American market had been captured by the foreign producers in 1959. If you checked with the Census Bureau in Washington which keeps tabs on these things, they would tell you that in 1959 imports of this merchandise came to $15 million. Naturally you might conclude that was not too significant in terms of overall home consumption. But trace the route of these imports of flowers for a moment. This $15 million of flowers became $30 million in passing into the hands of the importer; jumped to $60 million with the wholesaler, and finally landed on the retail shelves of our local stores for sale to the customer at $120 million, according to the testimony given by the domestic producers before the U.S. Tariff Commission.

And yet, they easily undersold American flowers by a substantial amount. It can be seen that the original $15 million flower imports packed an import wallop far beyond anything the initial figure might indicate.

The point here is that $15 million worth of foreign-made flowers represents many more flowers than would $15 million worth of ours. To varying degrees the same situation applies to our balance-of-trade figure mentioned before. Government figures fallaciously compare the $20 billion export sum with the $15 billion import figure and deduce that we are $5 billion in the clear. These figures are not comparable any more than apples and oranges because the imports are pegged to a foreign valuation and a foreign economy far below ours, while the exports are in terms of what the dollar is worth here. Anyone who has had occasion to travel abroad knows this. The volume and value of goods or services which the American tourist can buy abroad with his dollar comes as a delightful windfall to the first-time traveler.

It is the same with our goods involved in the balance of trade. To claim, as our officials are doing, that we have a $5 billion surplus in trade is deceptive and dangerous. In terms of employment the import figure is well above the export figure.

In addition to the area of trade, the two other major components of the balance of payments, are foreign—including military—aid and investments abroad. All three interact one upon the other.

For purposes of demonstration let me slightly oversimplify this action. Shortly after World War II, we launched upon the foreign aid programs for the reconstruction of the economies of our friends and foes. However, when this task ceased, the flow of American dollars did not. To justify the latter it became necessary to rewrite the motives in order to rationalize continued heavy expenditures abroad. In the meantime the pump-primed industries of Europe and Asia boomed. Old European ways were junked in favor of America's methods of mass production, and mass distribution for mass markets. Wages on the other hand, moved up but slowly; productivity, rapidly.

Meantime, the United States had slashed its tariff defenses, thus permitting ready access here at home to the increasing outpourings of these industries from abroad. We are now one of the lowest tariff countries in the world, having reduced by about 80 percent the protective effect of our tariff.

To continue: As the products from foreign mills and factories increased in volume, our industries began to feel the competitive pinch, in some instances first in our export markets and then domestically. I think it is safe to say that all of us at one time or another have bought one kind of import or another. Also, perhaps most of us support, in principle at least, the idea or notion that truly reciprocal trade among nations is sound. On the other hand, no one wants to see such a policy pushed to the point where whole industries are crippled or liquidated.

Nevertheless, this is what already has happened in some cases. For example, less than 3 percent of all the watches used in this country are now actually manufactured here.

We also know that our five-company sewing machine industry has been reduced to one, imports being the principal factor in the demise of those that disappeared.

Out of 44 knit glove manufacturers only 12 continue to produce.

American typewriter firms which once supplied 63 percent of the world export market today supply but 7 percent.

The sporting goods industry is now being elbowed out of the fantastic postwar demand for athletic equipment. Who is filling this demand and growth? The foreign manufacturer, of course. Over one-half of the tennis rackets sold here now are imported, and, ironically, while consumption increased 22 percent in our domestic market, our domestic production dropped about 3 percent. The same phenomenon took place with baseball

gloves where imports have over 40 percent of the market. Again, while consumption increased 13 percent, American production decreased 15 percent.

In the case of steel tonnage we are importing more than we are exporting. We were formerly on a net export basis. This is also true of petroleum and of textile products. We are now importing nearly half as much again in textile products as we are exporting.

There is no great mystery about all this. We are on a high wage-price standard, our competitors on a low one. The only way to equalize the situation is through the employment of fair measures of trade regulation similar to that used by all our competitors. This the Department of State refuses to do. And so the deluge continues.

Let us now examine the direct byproducts of this inflexible policy of free trade. First, American firms unable to compete against the low-waged springboards of their competitors have been forced to invest overseas in hope of gaining the same advantages. Thousands have already done so, and hundreds more are in the process of doing so; or in lieu of this, many of the smaller firms are buying into existing foreign firms or licensing foreign manufacturers to use our patents.

While understandable, these unfortunate maneuvers will compromise our competitiveness yet further, especially if the oversea stampede continues. They will also reduce our exports and job-creating investments at home.

For your information. we have almost 10,000 American subsidiaries abroad which employ about 3 million workers at an annual wage of $7 billion. These firms pay taxes of about $5 billion in the lands where they have located.

This is the price of our tariff policies. For some unexplained reason, the word tariff conjures up all sorts of unpleasant thoughts, when in fact a tariff is nothing more than a tax levied by the receiving country upon the goods or services of another country, as a domestic tax is but a tariff levied upon ourselves for goods and services produced here. The only difference of tariff levying is one of origin.

As we are demonstrating the interaction of our aid policies upon our trade prospects as well as our trade policies upon our investment prospects, it may be wise to sum up our expenditures in these areas since the war.

This Nation has poured out over $100 billion to foreign lands between 1948, the first year of the Marshall plan, and 1959, as follows:

	Billion
1. Foreign aid	$88.5
2. Foreign investments	$20.0

Now examine the effects of these policies upon our gold reserves which were at a peak strength of almost $25 billion when the Marshal plan started in 1948. By 1955 they had descended to $22 billion, then $20 billion in 1959, $18 billion in 1960, and are currently nearing $17 billion.

On the surface it would seem that even $17 billion is a rather sizeable and comforting nest egg. Our editorial-writing economists assure us almost weekly that this is the case. But is the reserve free and clear?

We are required by law to backstop every 4 dollars in currency with a dollar in gold. Therefore, the forty-odd billion dollars which now exist in currency must have a foundation in gold of about $11 billion. Subtract $11 billion from $17 billion and the remaining $6 billion represent our surplus reserves—or do they?

Our trade and aid policies during the past decade have built up foreign claims on our reserves to almost $20 billion, of which we can honor only $6 billion, leaving us short the difference, or about $14 billion. For this reason we are hearing much comment today about confidence in the dollar; and in the light of what we have just described, this is very understandable. Without at least a thin line of confidence in the dollar, foreign governments may wish to activate their dollar claims and reinvest their funds in more fruitful investment climates elsewhere.

The new management in Washington seems to show an awareness of the balance-of-payments problem, but the current steps to deal with it so far touch only the fringes. Even if the gold outflow is stopped the claims against the dollar will continue to grow; and some day they will have to be met. The proposed reduction of duty-free purchases by our returning tourists, the economies made in restricting the expansion of officers' clubs and the like in our bases overseas, as well as a few other modest penny-like efforts in this direction will neither reduce the already outstanding claims against the dollar nor will they improve our competitive position. Actually it seems certain that our deficit will increase rather than decline.

This is not idle speculation. On February 14, at hearings before the Senate Foreign Relations Committee on the OECD treaty, Senator SPARKMAN asked of the new Under Secretary of State, George Ball:

> Might we reasonably hope that our burden in the field of foreign aid would be lessened?

Mr. Ball answered:

> I should say that the answer is probably "No," because I think that our foreign aid effort at the moment * * * must be increased rather than diminished.

It should be obvious to anyone that some investments that would be made in this country if the competitive situation with respect to imports were better, will instead be made outside of this country. Why, for example, did Mr. Ford send $360 million to England rather than investing it here? Evidently in his judgment the outlook was for a better return over there. Therefore this country lost the employment value of a $365 million investment.

This happens to be a dramatic example. It is, however, duplicated several times over in the aggregate. Foreign investment is fine so long as it does not mean that much less investment here.

There has been a great deal of talk about growth in this country and the great need of it. How otherwise will we put the nearly 6 million unemployed back to work? And yet how will we get this growth so long as the foreign investment pastures continue to look greener than those in the United States?

Is it not about time that we ourselves grow up and look the facts of our foreign trade program in the face?

PLIGHT OF THE CLAY PRODUCTS INDUSTRY OF OHIO

The SPEAKER. Under the previous order of the House the gentleman from Ohio [Mr. BOW] is recognized for 30 minutes.

Mr. BOW. Mr. Speaker, a situation which promises serious damage to the economy of my district in Ohio and similar consequences to other districts in many other States merits the immediate attention of the Congress.

It involves gross and unfair discrimination on the part of the Federal Government, both in legislation and executive department action, against the clay products industry. This industry is a key element in the prosperity of many local areas throughout the Nation and of the nation as a whole. The clay products industry is a large employer of labor in the mining and production of clay for building purposes. The products produced for this purpose create heavy additional employment in contracting, design services, engineering, and the union building trades. The result of this building activity bears directly upon the welfare of the consumer.

Ironically, the plight of the industry of which I speak has been brought about by governmental recognition of the fact that clay is a valuable mineral for which a proper depletion allowance should be provided to compensate for its exhaustion. It was for this reason that the Congress in 1951 included brick and tile clay and fire clay among those minerals for which tax depletion allowances are given. The reason for such allowances was taken note of in a Supreme Court decision of 1960 in which Justice Clark stated:

> In summary, mineral depletion for tax purposes is an allowance from income for the exhaustion of capital assets (citation omitted). In addition, it is based on the belief that its allowance encourages extensive exploration and increasing discoveries of additional minerals to the benefit of the economy and the strength of the Nation.

Yet today this important industry is severely penalized, and thousands of clayworker jobs put in jeopardy, by a 1960 amendment to section 613 of the Internal Revenue Code of 1954, the so-called Gore amendment, which effectively reduces the depletion allowance for clay to practically zero but retains a considerable allowance for the cement industry, which is markedly similar to the clay industry in its production processes and highly competitive in its uses.

The only differences which exist between the mining and production processes for clay and for calcium carbonate, the prime constituent element of cement, all favor granting an advantage to clay. Calcium carbonate, more simply known as limestone, exists in nature in much greater amounts and many times the frequency that clay can be found, according to expert mineralogists.

Further, the finished product, cement, differs little or not at all from one area to another; due to the fact calcium carbonate extracted from one deposit will serve a producer as well as that extracted from another. However, this is in total contrast to the situation of the clay producer.

As many Members of Congress are well aware, a producer of clay products is bound geographically and economically to the source of his mineral. When the clay is mined, ground, wetted, dried, and baked, the resultant brick has a unique color and texture which cannot be duplicated either chemically or from clays from other mines. When his source of clay is exhausted, the producer is out of business insofar as his specific product is concerned. He must go elsewhere, find a new source of clay, and develop a new clay product which must be promoted and sold if he is to stay in that business.

These facts might easily be used as an effective argument against equal treatment for the two industries. However, the situation is far from that. The incredible fact is that the miner of calcium carbonate is allowed a 15 percent tax depletion allowance at the production point at which the ground-up mineral is ready to be burned, while the clay producer receives only a 5 percent allowance at a much earlier stage in the production. At this stage where the depletion allowance is to be computed, brick and tile clay has no market value whatsoever, so the currently existing 5 percent allowance must be computed in some theoretical formula.

Consequently, the clay products industry, the thousands of people who are dependent upon it for their livelihood, the building owner who pays for the end product, and the Nation which seeks to protect its source of valuable minerals are all penalized by this unfair and discriminatory legislation.

Nor is this all of this unfortunate matter. By administrative action, the Internal Revenue Service has threatened to renege on its own ruling of 4 years ago and collect back taxes on open tax years of brick and tile manufacturers which in some cases date back to 1951. The clear inequity of this situation was pointed out recently to the Commissioner of Internal Revenue but he has yet to indicate he will heed the plea of those clay producers who made their tax adjustments based on the assurance of the Revenue Service.

The power and rigidity of the Internal Revenue Service can readily be seen in the history of this dispute. The original language of the law clearly stated that brick and tile clay producers should receive a 5-percent allowance on their first commercially marketable product. In all commonsense, the producers described this product as the burned brick. The Revenue Service claimed depletion should be allowed on the first commercially marketable product which was ground clay, which has no commercial market value.

In 51 Federal court cases, the clay industry had its viewpoint sustained. Finally, the Internal Revenue Service appealed one case, known as the Merry Bros. case, to the Supreme Court in 1957. The Court refused to review the Government's argument. As a result, the Revenue Service issued on October 18, 1957, Technical Information Release No. 62 which stated that the Government would "dispose of pending litigation and claims involving 'brick and tile clay' as required under these decisions, and to conform Treasury regulations and outstanding rulings accordingly. This should permit the expeditious disposition of the great majority of such cases."

This was good news to the clay industry. Its viewpoint now was sustained by the Internal Revenue Service itself after years of expensive litigation. It meant more jobs for clay workers. Many open tax cases were settled, and for nearly 3 years the Government did what it had promised in Tax Information Release No. 62 it would do. Then, on September 23, 1960, it abruptly revoked its rulings, basing its decision on a Supreme Court case known as the Cannelton case which decided that fire clay was marketable in a raw state. Though the Court in its decision stated clearly that this case had no relevance to the 51 earlier cases involving brick and tile clay, the Internal Revenue Service has chosen to consider both products as one when used for building materials and now threatens to collect back taxes on the basis of a 5-percent depletion allowance for raw clay. This administrative ruling was reinforced by another, issued January 16, 1961.

The threat still stands. If carried out, it will severely damage many producers in this essential and fundamentally localized industry and it will bankrupt many others. This is an extremely serious matter. My district of Ohio contains several clay plants which are vital to the economy of the district. In March 1960 public records for the Canton, Ohio, area show that there were 3,986 persons unemployed. For the same month 1 year later, in 1961, the number of unemployed was 11,088—nearly three times the March 1960 number. We simply cannot afford another blow of the severity promised by this threatened Government action, not to mention the continuing effect of discriminatory and crippling legislation. Many Members of Congress will find similar problems for the same cause in their districts.

There is more than a little irony in this executive department attitude, particularly since it comes at a time when the President himself speaks pessimistically about a recession and promises large-scale economic aid to restore our economic strength. It would appear from the facts I have cited here that such an effort would only succeed in some cases of robbing Peter to pay Paul.

Mr. Justice Holmes in his opinion in Olmstead against United States said eloquently that "it is less an evil that some criminals should escape than that the Government should play an ignoble part." Consider the additional force of this statement when those who are the victims of this ignoble part are not criminals at all, but responsible, industrious, and law-abiding businessmen—taxpayers who are now threatened with extreme hardships only because they relied on the good faith and word of the Government.

The fact is that both the Gore amendment which was enacted by Congress in 1960 and the abrupt and brutal reversal of its own word by the Internal Revenue Service in the same year constitute ignoble acts on the part of the Federal Government. The result cannot be tolerated on either moral or economic grounds. Speaking for the industry and their thousands of employees which have been victimized, I urge that steps be taken at the earliest possible moment in the legislative and executive departments of the Federal Government to rectify these wrongs.

Mr. BRAY. I have been advised that the Department of Justice has very recently filed a suit against a company in my district, Arketex Ceramics Co., for return of a refund. As I am informed, the Arketex Co. legally and properly relied on decided court cases and also on an information release of the Revenue Service itself in computing its tax liability. And the Internal Revenue Service concurred in the company's position and paid a very large refund. And now, 2 years later, the Revenue Service has changed its position and is demanding return of the money. Can the gentleman from Ohio tell me how businessmen can conduct their businesses in the face of such vagaries of the Government?

Mr. BOW. You have described the heart of the matter which causes me to rise. The plight of your constituent—of having relief on decided cases and Revenue Service announcements and of having made commitments for the future on the basis of such authorities—and then being faced with a ruinous about-face regulation of the Revenue Service at a later date—this same disastrous situation is faced by many small brick and tile companies in my district. Indeed, throughout the country.

Mr. NYGAARD. How is brick and tile clay treated with respect to the depletion allowance compared to other minerals?

Mr. BOW. Under the Gore amendment, enacted June 1960, miners of limestone, technically called calcium carbonate, were granted a 15-percent depletion allowance, whereas brick and tile clay, which is scarcer than limestone, only receives a 5-percent allowance. In addition, the processing point at which depletion is computed for limestone is more favorable than that allowed for clay. Many laymen in this field are not aware that clay is composed of slightly varying chemical components in every pit where it appears. It is these chemical components that impart unique colors and textures. Thus, an entrepreneur who establishes a brick plant at the site of a clay pit not only gradually depletes his natural resource, but is also depleting his entire business. For once the clay pit is used up he must build a new plant at a new site. He can never duplicate the color and texture of the brick he has been marketing. These are some of the peculiar disadvantages of brick and tile clay which merit consideration.

Mr. LIPSCOMB. What has been the history of legislation and regulations on this subject?

Mr. BOW. I have given the history in my remarks. It is sufficient to say, however, that the past history of legislation and regulations led the clay industry to take steps—such as expanding their plants, and so forth—which are now being seriously jeopardized by retroactive action by the Revenue Service.

Mr. VAN ZANDT. What impact could the legislation and regulation of which you speak have on employment in the clay industry?

Mr. BOW. The retroactive action of the Revenue Service—which the industry could not have been expected to anticipate because of the history of court cases and legislation supporting their position—will drain funds, which in some cases may put firms on the brink of bankruptcy. Some companies have borrowed money and undertaken expansion programs. The unexpected and unanticipated draining of funds from these companies inevitably will jeopardize expansion, and even continued operation, and thus present a formidable threat to employment in the industry.

I yield to my good friend the gentleman from Ohio [Mr. MOELLER].

Mr. MOELLER. Mr. Speaker, I would like to address my remarks to the gross and unfair discrimination against the clay products industry threatening from the continuation of the so-called Gore amendment as well as from a possible retroactive ruling by the Internal Revenue Service with respect to the depletion allowance on such products.

My district, the 10th Congressional of Ohio, is a depressed area. In fact, seven of the eight counties of my district are classified as such by the Department of Labor. One of the chief industries on which we rely is the clay products industry. It is of vital importance to the economy of southern Ohio, as well as many other sections of this country. If the policies of the Gore amendment are continued, and if the Internal Revenue Service comes out with their retroactive ruling, as all indications point to at the present time, my district stands to lose this vital industry. This would not only be disastrous for the southeastern part of Ohio, but it would be grossly unfair to treat the clay products industry differently from similar and intensely competing industries in other parts of the country.

Permit me to read a short section of the excellent presentation to the Internal Revenue Commissioner recently made in behalf of the structural clay products industry. I believe that every Member of this body should give this matter their most earnest consideration. It is, in the final analysis, a matter of simple justice and equity.

The presentation is as follows:

Our position here is (1) that the Internal Revenue Service made a formal written representation to the miners of the mineral brick and tile clay; (2) that for several years the brick and tile clay miners made major business decisions in reliance upon that representation, as they had every right to do, and (3) that if the Internal Revenue Service now reneges on that representation, such an indefensible course of action will cause the miners of brick and tile clay to suffer severe and irreparable hardships and will result in gross discrimination between taxpayers that are in keen competition with each other and that are similarly situated in all respects that ought to be controlling.

Mr. AYRES. Mr. Speaker, I concur in what the gentleman from Ohio [Mr. Bow] has said. A plant in my own district, the Robinson Clay Products, needs and is entitled to protection.

THE PEACE CORPS

The SPEAKER. Under the previous order of the House the gentleman from West Virginia [Mr. STAGGERS] is recognized for 5 minutes.

Mr. STAGGERS. Mr. Speaker, one of the most astonishing developments of recent years is the sudden inflorescence of the Peace Corps idea. Jonah's gourd, which grew up in a single night, had no stronger vegetative impulse to flower and bear fruit. Popular approval of the Peace Corps seems to be overwhelming. It gets more attention than a man-carrying capsule orbited into space. It is positively the only new and exciting item on the news market. Will it further emulate the gourd, by also perishing in a single night?

The proposal to send a number of our young people overseas to take part in the development of backward areas was given to the press just a month ago. It has as yet no official standing. No concrete measures for its implementation have as yet been set before the Congress for consideration, let alone for approval. Yet, judging by its publicity, it is a fait accompli. We are all ready to go. When do we start? It is reported that some 12,000 inquiries about it were received within a week of its announcement. An unofficial head of the movement and a staff to handle the correspondence had to be appointed. In the vernacular, how come such sudden enthusiasm for the welfare of our fellow man? The proposal deserves some critical examination. Surely it is not as yet a deliberate and carefully conceived part of our national purpose to improve living standards in the underdeveloped areas of the world.

A study of a Peace Corps project was authorized by the 86th Congress in 1960. The task of making the study was assigned to the Research Foundation of the University of Colorado. Very little publicity has been given to the procedures of the foundation in making the study, or to the discovered facts on which it based its report. However, the foundation approved the project, and offered an outline of how it might be organized and how it would operate. This is all we have to go on up to the present time. But it was enough to stir up nationwide interest and almost universal acceptance as a thing that must be done.

The plan for the Peace Corps, as mapped out by the University of Colorado Research Foundation, would put at least 500 people into selected foreign fields by the end of 1961, and several thousands more within a few years. It is assumed that most of these would be young people, in the main college graduates, though membership in the Corps would not be restricted to either the young or to college graduates. They would go only to countries which asked for them. Already Nigeria, Pakistan, India, the Philippines, Brazil, and Colombia have shown some interest in the program.

A training program would precede assignment of Peace Corps members. The training would include courses in the language and culture of the countries to which members are sent, together with instruction in the particular skills they would use. It is assumed that the training period would take from 6 weeks to 6 months. It would be given at the expense of the Federal Government. Assignees would serve 2 or 3 years in the field, and then be released. Their pay would be only enough to maintain basic needs, possibly $60 to $70 per month, plus board, lodging and transportation. A severance allowance, probably $1,000, is suggested. The total cost to the United States, payable out of Federal revenues, is estimated at $5,000 to $10,000 per year per member. Service in the Corps would not be a substitute for military service, although it is believed members would not be called for military service except in emergency.

The significant difference between the Peace Corps and other forms of aid offered to underdeveloped nations is that the members would work directly with people, instead of with officials. They would go into small villages as individuals, or at the most very small groups, instead of clustering in capital cities. There they would work and live alongside the nationals, doing the same work, eating the same food, talking the same language. Ideally, they would merge themselves completely with indigenous life, sharing the thoughts and the aspirations, as well as the experiences, of the people with whom they worked.

The basic purpose of the Corps would be to teach the natives to do things for themselves. They would not be concerned with projects promoted by either the native government or our own Government, such as dams, roads, and so on. However, the initial emphasis seems to be on teaching, presumably in organized or semiorganized schools. There is a demand for elementary and secondary teachers, particularly for teachers of English. Other teaching fields would be in malaria eradication, in public health and sanitation. The practical arts would be represented by teachers showing local farmers how to use modern implements and techniques. In villages, Peace Corps members would advise and assist in development projects, such as school construction.

For the near future, a great variety of other teaching activities have been suggested, such as child care, motor repair, electric wiring, welding, irrigation, improvement of livestock and crop yields, how to store grain, bookkeeping, weaving, how to make soap, how to cook and preserve foods, how to set up and run a community government. In all these matters, it is assumed that while

the accent is on teaching, instruction should not be confined to formal teachings, but extend to actual participation in the activities being taught. In other words, they will teach by doing.

These are the somewhat vague outlines of the program as it has been developed up to the present time. It is now necessary to peer into the crystal ball in an attempt to find out why it has generated so much popular enthusiasm.

In the first place, the proposal is new and different, and therefore newsworthy. The press, radio and TV have taken it up and discussed it at length. Interviewers flocked to every college campus to get student reaction. Student response, as might be expected under the circumstances, was somewhat impulsive and represented relatively unconsidered initial opinion. Making allowance for differences in the way of expressing themselves, students divided themselves into about four fairly well-defined groups, judging by reports in the press and on the air.

One group is made up of young people who instinctively viewed the program as an opportunity to render service to their Nation and to the world. A typical response from this group was to the effect that they would be happy to dedicate at least a part of their lives to helping other people. It was startling—and perhaps surprising—proof that idealism is not dead among our young people. If the Peace Corps does nothing else, it should revive our faith in ourselves, and our faith in the innate qualities of those who shall come after us. Thank heavens for such assurance that many things are still right in the world.

A second group might be formed of those who saw the program as an opportunity for adventure. They said that they would like to see new lands and work with strange people. This, too, is heartening. There has been too much talk about the tendency toward a dead conformity and a lack of enterprise in this country. It is inspiring to realize that many of our young people still delight to go on pilgrimages; that they have the spirit of adventure and daring. That is the stuff out of which a better world is destined to be made.

The third group is composed of quite a number who either overlooked or ignored the point that Peace Corps service is not necessarily a substitute for military service. They took the position that if they had to choose between one or the other, they would prefer Peace Corps service. Their attitude reflects the aversion of Americans to military life, and this is also reassuring. It is a fact of history that as nations militarized, they built the machinery for their own destruction. The more energy, imagination, money and time are spent in developing a superior military organization, the less is available for peaceful pursuits. Until recent years, America had little use for a large standing Army, and a military man was almost a curiosity. Since 1940, every boy has faced the prospect of at least a short period in the Armed Forces. The number of men in this country under the age of 40 or 50 who are ineligible for one or more of the veterans' organizations is negligible. Furthermore, we are spending half of our Federal budget, some $40 billion per year, on preparedness and defense. There are fears that the military will begin to dominate our Government, and perhaps our lives, as it has in other Nations. The distaste for the military shown by the students should be evidence that we are not degenerating into a military nation.

The fourth group may be somewhat smaller in numbers, but whose acumen may be superior. A few students expressed some doubt that they would be able to do the job as well as it must be done. The doubt rises not so much from distrust of themselves as from a realization of the enormous complexity and difficulty of the task. They see that they would need a comprehensive and extensive knowledge of the people with whom they would work in order to enter successfully into their habits of life, their aspirations, their total culture. To fail would do more harm than to do nothing at all. They are aware that other workers with equally good intentions and with much more experience have not succeeded in any significant degree. Could they do better? These boys have heads, and they know what to do with them. Somebody, parents or teachers, have taught them something. We should be proud of their foresight and wisdom.

But now it is time to lay aside any further attempt to probe into the motives of would-be members of the Peace Corps and consider the practical aspects of the matter with such logic as may be accorded us.

Assuming that the Peace Corps, together with other agencies which have been set into operation, should accomplish exactly what it is intended to accomplish, would that necessarily be in the best interests of the people concerned? What we are trying to do is to change the whole lives of whole nations. We inferentially take it for granted that our standards of value and of well-being are superior to those of other people. This requires considerable national arrogance, and unfortunately it is our arrogance which foreigners resent. All peoples tend to cling tenaciously to their cultures. Underdeveloped nations view with some envy our material well-being. Are they willing to pay the price for it? Prevailing conditions of existence may not seem as miserable to them as they seem to us. Dare we take the responsibility for industrializing the whole world? Many Americans suspect that our enterprise involves a "rat race" producing only a different kind of misery from that of less advanced people. The Germans made a virtue as well as a boast of being the most efficient people in the world—and they were. But the world could not endure the Germans, and went to some trouble to suppress them.

But assuming that better methods of production, of sanitation and of education would add to the happiness of alien nations, is it practicable for such a group as the Peace Corps to inculcate those better methods? Its members would be dispersed in remote isolation, a grain of mustard seed in a jungle of age-old custom. Native practices follow a pattern prescribed by experience, racial feeling, religion, and what we call prejudice. When they attempt to accept our efforts to help them, they first ask that we understand them. What does that word "understand" mean? In a practical sense, it means that we must accept their ways of thinking, and inevitably their ways of doing. Any teacher must understand the motivations and the capabilities of young children. But understanding does not imply acceptance. The purpose is to change reactions. In organized society, the teacher has the whole force of adult life behind him. In a foreign country, the whole force of public antagonism would work against the Peace Corps member.

Many of the religious sects in America have been sending missionaries to foreign lands for many years. Some of these missionary-minded churches have come forward with the claim that they have already been doing the same kind of work as that proposed for the Peace Corps. Extensive training extending over 2 or more years is given every prospective missionary. The proposed period of not more than 6 months for Peace Corps members seems quite inadequate for a task whose difficulties have not been surmounted by better trained missionaries.

Insofar as teaching is accompanied by actual participation in productive activity, tools and equipment must be available. If natives are to use tools and equipment, these must be simple. In some quarters it is claimed that a spade and a wheelbarrow would be of more use to a native than a tractor and a truck. It is a slow process to teach the proper use of complicated machinery, and until mastery is achieved, conspicuous improvement in production would be unimportant. Could the Peace Corps member start with equipment simple enough for his students and advance rapidly enough to create an impression?

The proposal to send Americans into remote sections of a backward country raises the question of the chance of survival. Conditions are necessarily primitive. In both quantity and quality, food is far below the standards to which an active American is accustomed. Reducing intake from some 3,000 or more calories per day to 1,000 calories might mean starvation. Digestion might rebel at the kind of food and the nature of its preparation. Micro-organic infection is prevalent, it is said, to a degree some seven times beyond the capacity of Americans to withstand. The experience of our Armed Forces abroad during the war illustrates this. Yet the purpose of the project is to share the daily life of the natives. It is doubtful that the Peace Corps members could survive. To maintain American standards of diet and sanitation would immediately alienate native sympathy and cooperation. The missionaries, in most cases, make at least this much concession to home conditions of living. It is no disparagement of their hardihood to say that they could not be expected to maintain their health and vigor under less favorable living arrangements.

The cost to the United States for each member of the Peace Corps is estimated

at $5,000 to $10,000 per year. It is difficult to see just where this cost would go, considering the pay given the member. If the lower figure turns out to be the correct one, 10,000 Peace Corps members would cost us $50 million per year; if the higher figure is accepted, it would be double that. This is, perhaps, not an unreasonable cost, if the results justify the expenditure. Otherwise, it is simply an additional contribution to an idealistic but impractical gesture.

The thought occurs that the Peace Corps might work better in reverse. Instead of sending 10,000 Americans overseas to be submerged in foreign traditions and practices, bring 10,000 reputable citizens of other countries here each year at our expense. Give the foreign governments which accept the program the responsibility of selecting suitable persons. Let these governments determine the occupations for which they will be trained and the specific mental activities in which they will be indoctrinated. Bring them to our shores and find them jobs in appropriate industries and occupations. Put them under the influence of our schools, our churches, and our social institutions. Give them an opportunity to study our way of life. Give them enough time to make a thorough test of their ability to adapt to what we deem necessary to carry out our system of organization and production, say 4 years or more. Then, when they return to their homes, if they have been truly reoriented, they will become effective teachers among their own people.

TRIBUTE TO THE LATE ADMIRAL FRANK T. KENNER, U.S. COAST GUARD, RETIRED

Mr. LANE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, Rear Adm. Frank T. Kenner, U.S. Coast Guard, retired, passed away at Honolulu, Hawaii, on March 9. He was rated tops by all who served under him.

Frank and his brother William were the famous twins who rose to commanding positions in the Coast Guard. Both graduated from the Coast Guard Academy in 1924. Frank was a rear admiral at the time of his retirement, and William won similar honors.

The Kenners have become a legend in the Coast Guard where their technical knowledge and their capacity for leadership were enhanced by an understanding of human nature.

There was a high standard of morale among all who were privileged to serve under the Kenners.

From the men in the ranks comes the perfect tribute: "We would follow them anywhere."

The death of Frank recalls the days when the twin brothers served together at Coast Guard headquarters in Washington.

In the course of their duties, many Members of Congress came to know them, and to admire the friendly efficiency of their cooperation.

Frank was born to be an officer, and he became one of the very best. The memory of him adds another chapter to the inspiring history and traditions of the U.S. Coast Guard.

During World War II he served in the South Pacific, and from 1956 to 1958 he was Chief of Operations. For his valorous service to the Nation, he was awarded the Legion of Merit.

I extend my sincere sympathy to his widow, and his brother, and to the fine woman whose example guided her sons toward distinguished careers as commanding officers of the Coast Guard, the bereaved mother, Mrs. Wilson Kenner, who resides with William in South Carolina.

May she be comforted by proud memories of Rear Adm. Frank T. Kenner, U.S. Coast Guard, retired, who has taken the last voyage out to his eternal reward.

SERIOUS CUTBACKS IN NATIONAL DEFENSE — SHOULD WE MAKE THEM IN AREAS OF HEAVY UNEMPLOYMENT, AT THE SAME TIME WE ARE TALKING ABOUT SPENDING VAST SUMS TO AID ECONOMICALLY DISTRESSED AREAS?

Mr. STRATTON. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD, to revise and extend my remarks, and include an article.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. STRATTON. Mr. Speaker, residents of the whole of New York State, especially those of the upstate area along the Mohawk Valley have been deeply disturbed in recent weeks by Air Force plans to eliminate certain operations at the Griffiss Air Force Base at Rome, N.Y., with a consequent decline—in an area already listed as an unemployment distress area—of some 6,200 jobs. This Air Force action, as I have already had occasion to point out on the floor, would turn this Rome-Utica area from a "distress" area into a "disaster" area. The proposal has aroused the wholehearted opposition of the New York delegation in Congress, irrespective of party. We simply cannot see how it makes sense to talk of taking action to aid unemployment areas—with increased Government contracts, and with a distressed areas bill and at the same time permit the Defense Department, one of the Nation's largest employers, to throw people out of work in these same areas and thereby aggravate with its action a situation some other agency of Government is supposed to be trying to correct.

The plans for the elimination of the air materiel area at Rome—Roama, as it is called—with this loss of 6,200 jobs is bad enough. Now I understand that the Defense Department is considering even further actions which would cut still more deeply into the economy of the upstate area around Rome, and in my own district. I sincerely hope these reports are inaccurate. I sincerely hope the Defense Department will take neither of these actions.

Yet I must say, Mr. Speaker, that I am not much encouraged by a column which appeared in the Washington Post this morning under the signature of Marquis Childs which appears to be based on an inspired leak of information designed to "soften up" the country for the announcement of still more of these economic dislocations in the country caused by actions of the Defense Department, and taken without any regard for the action of other agencies of the government in combating unemployment.

Mr. Speaker, because I believe this column will be of interest to other Members and under unanimous consent I include it at this point in the RECORD, and also an editorial following it from the Amsterdam Evening Recorder of March 18, which expresses more aptly than I could do myself some of the thoughts which have been in my own mind and which I know are in the minds of the people of New York State.

[From the Washington Post, Mar. 22, 1961]

J.F.K. CONFRONTING THE WEB OF POWER

(By Marquis Childs)

Except for those Presidents content to sit back and watch the drift of events there comes a moment in every administration when Executive power must be used no matter what the turmoil and the tumult that may follow. Such a moment has come in the Kennedy administration.

The President is rather like a swimmer poised on the bank. He is basking in the warm wind of personal popularity. The "image"—the ardent young President, his attractive family, his eloquent words—is an appealing one.

But, as he himself and those around him understand only too well, this cannot last forever if he is to do what he knows must be done. The moment of decision is coming in the message on national defense the White House will send to Congress probably next week. The long and often almost-anguished debate that has gone on between the President and his Secretary of Defense, Robert McNamara, is coming to an end.

Both men appreciate the radical alterations in the Defense Establishment that must be carried through in order to achieve economy and efficiency so long talked about in Senate debates and political campaigns. But they also appreciate that these alterations, which go along with recommendations for increased defense spending on conventional forces and in other areas, will arouse the determined opposition of some of the most powerful pressure groups in the country.

This is evident from a listing of some of the principal alterations under debate:

A cutback in airplane production where it is clearly demonstrable that certain projects have no further value.

Elimination of certain missile developments that have grown like Topsy largely because of pressures from industry, labor, and the local community. The waste in at least one instance is in the order of hundreds of millions, if not billions, of dollars.

A cutback in the production of fissionable material in view of an overflowing inventory of the raw material and of megaton hydrogen bombs.

Economies in the National Guard and the Air National Guard where the waste and the

dubious contribution to the Nation's defense are glaringly obvious.

Any one of these proposals would be enough in itself to start a roaring backfire generating powerful pressures applied to Congress to prevent any alterations. The President's political aids are recalling that the Republicans charged in the campaign last fall that airplane contracts in southern California would be cut back or transferred to New York and other areas. They believe this is why the Kennedy-Johnson ticket lost that State.

Confronting the moment of decision, what the President—any President finding himself in this situation—must ask himself is whether the sum total of all pressure groups will not in the end add up to complete stalemate. It has begun already. The powerful truckers' lobby, angered by tax proposals in the highway message, is doing everything possible to block any change in this department.

In national defense and the spending of more than $40 billion a year the President comes up against a whole complex of built-in interests. To challenge them now with a recession on is to invite the charge that any cutback will increase unemployment and deepen the recession.

Yet to fail to make the challenge is to sanction past inefficiency and waste and thereby make it far more difficult to revitalize America's defenses. But also it bears directly on the effort to make some small beginning on disarmament.

The President's message-writers are looking back at the warning uttered by former President Eisenhower in his farewell message on January 17. While he waited until the last minute of the last hour, he did speak fateful words of warning about the "potential for the disastrous rise of misplaced power" in the military-industrial complex and the danger "that public policy could itself become the captive of a scientific-technological elite."

That warning of the former President is a matter of deep concern to his young successor as he stands ready to take the plunge. He must commit himself to a greater degree, if one accepts the view of his biographer, James MacGregor Burns, than he has ever done before. And in grappling with the complex—the tangled interweaving of power and money about which Mr. Eisenhower spoke—he will inevitably sacrifice some of his personal popularity.

[From the Amsterdam (N.Y.) Evening Recorder, Mar. 18, 1961]

STRANGE SORT OF LOGIC

With the question of aid to distressed areas one of the hottest issues in Congress today, it is rather confusing to read the report of the Defense Department on business done during the final quarter of 1960.

While practically everybody agrees that depressed areas should be aided, the reduction in Government contracts awarded to these areas serves only to aggravate the problem. It does not make sense.

According to figures reported by Senator JACOB K. JAVITS, prime contracts awarded to New York State's 12 areas of "substantial unemployment" dropped 60 percent in the October–December 1960 quarter. This means they received $36,579,000 in defense contracts as against $91,187,000 in the previous quarter.

During this same period, Amsterdam's share of defense contracts dropped from $433,000 to $217,000. Albany-Schenectady-Troy received $9,687,000 as against $27,682,000 in the previous quarter.

With all the talk about alleviating the problems of unemployment in the hardest hit areas, it is difficult to understand why the Government does not channel as much defense work as possible into these troubled spots. At a time when the State's share of defense contracts increased, fewer of them were awarded to areas where the need is greatest.

Certainly a reduction in defense work is not going to help these distressed areas. Many citizens are beginning to wonder if Government officials are only paying lip-service when they continue to express concern over the plight of those in the areas of widespread unemployment.

When one takes a good, long look at certain official decisions, such as the removal of Scotia Depot facilities and the threatened closing of the Air Materiel Command at the Rome Airbase, it is difficult to think otherwise.

NUCLEAR FRONTIERS IN THE 1960's

Mr. PRICE. Mr. SPEAKER, I ask unanimous consent to extend my remarks at this point in the RECORD and include a statement by Mr. HOLIFIELD.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. PRICE. Mr. Speaker, I regret to say the U.S. domestic and international atomic energy programs have been faltering in the last several years. Many of us have been hopeful that the new administration will put some life back into these atomic energy programs.

As a charter for the new frontiers in atomic energy I would suggest that the Congress and the executive branch pay careful attention to a policy speech given by Congressman CHET HOLIFIELD, now chairman of the Joint Committee on Atomic Energy, which was given in San Francisco on December 14, 1960, before a joint meeting of the Atomic Industrial Forum and the American Nuclear Society. In this important speech the gentleman from California [Mr. HOLIFIELD] discusses the need for pressing forward with atomic power, the Rover nuclear rocket program, and the program for auxiliary atomic power for space and other vehicles—called the Snap program. He called for a fixed flight date for the nuclear-powered aircraft and other things. It was an excellent proposed program.

I regret to say that there does not appear to be much change as yet in the executive branch with regard to the need for pressing forward with pioneering atomic energy projects.

For sure, it is too early in the new administration to question programs and progress. But I see a small cloud no bigger than a man's hand. I only can wonder if it portends a future of little technical progress.

There is some basis for belief that many of the same people who were fighting atomic energy projects in the previous administration are still around, and may even be receiving aid and comfort from new arrivals.

I cannot help but observe that the same group of scientific advisers who have crippled advanced scientific development for the past 10 or 15 years are still around.

As chairman of the Subcommittee on Research and Development of the Joint Committee on Atomic Energy, I will continue to watch these trends and from time to time may feel impelled to report further on vital atom programs.

I submit herewith the remarks by Chairman HOLIFIELD for the RECORD.

NUCLEAR FRONTIERS IN THE 1960's

(By Congressman CHET HOLIFIELD)

I welcome this opportunity to meet with you at your joint session of the Atomic Industrial Forum and the American Nuclear Society. We are moving into a decisive decade in the atomic energy program and we can only benefit from these meetings and taking stock of our progress.

Until a month ago I had a lot to say about new frontiers of various sorts so your theme "Nuclear Frontiers—A Challenge to Industry," has a familiar ring. Your committee's suggestions as to topics for my speech were excellent although some may think that they violate the rules of frontiersmanship. For example, they have asked me to comment on possibilities for economic power and atomic safety, as well as space propulsion and other advanced projects. Are these frontiers? I am sure there are those among us, or elsewhere, who believe that even these subjects are on the frontiers, especially for the 1960's.

Quite seriously, any discussion of the "nuclear frontiers" must deal with varying time scales and degrees of urgency. It would be only too easy to read a list of "glamour" projects and call for crash programs or, conversely, we could extoll the values of existing programs and deny there is anything of value on the horizon.

POLICY CONSIDERATIONS ON ADVANCED APPLICATIONS

Actually evaluating the advanced developmental programs of the Atomic Energy Commission and making recommendations which affect them would seem to involve three fundamental questions.

What should be our national policy for advanced nuclear development?

What are the important advanced applications in nuclear technology?

What programmatic decisions must be made to move forward the programs identified as important?

First, we might examine this question of overall national policy on advanced applications. The first sentences of the Atomic Energy Act should provide our answer but there can be many interpretations of general phrases.

To my way of thinking, the national policy should be this: The United States must lead the world in advancing nuclear technology.

Our total position—our military, economic, scientific and political posture—demands such a policy and that we move this nuclear technology forward with deliberate wisdom and speed.

This interpretation suggests urgency and it should. Things move quickly in today's technical world. The nuclear age opened in the United States with incomprehensible speed. Only 3 years passed between the first understanding of fission and the achievement of the chain reaction. In another 3 years much of the development complex of the Atomic Energy Commission as we know it today was designed and completed. Only a few years separated the operation of the Mark I, the *Nautilus* reactor prototype in Idaho, and our nuclear submarine fleet.

Time is an important element in any policy. If we drift in these perilous sixties, leadership in important areas in nuclear technology will be lost to the United States.

AEC and industry have had warning on our problems of leadership and urgency.

For example, you may recall the dissent to the conventional wisdom of the report on the 1954 Atomic Energy Act, which MEL PRICE and I wrote. It pointed out that it was premature to give private industry primary responsibility for exploiting the atom. In my opinion, the experience of the past 6 years has confirmed our views.

And I could cite the Joint Committee's unanimous report on the Gore-Holifield bill in 1956 which called on the United States to reverse its policy of abdication of world leadership in atomic power development. I could also refer you to my statement in the 1958 AEC authorization hearings which once again pointed up the necessity for the act to exert leadership.

It is not preordained by nature that we lead the world in atomic energy. It is preordained, however, that in any competition the advantage rests with the swift.

Our policy, then, with respect to advanced applications, should dictate leadership and urgency but not recklessness—calculated speed but not waste. Above all, decisions must be faced and not delayed. There is no kind of waste as demoralizing as the waste of indecision.

TYPES OF ADVANCED APPLICATIONS

What are the important advanced applications?

The phrase "nuclear frontiers" covers a host of things. In tonight's discussion I will speak about some of the applications which were identified as important in the Joint Committee's public hearings on "The Frontiers of Atomic Energy Research." These hearings by the Research and Development Subcommittee, under the chairmanship of my friend and colleague MEL PRICE, were an important medium for identifying to the Joint Committee new and important programs. These hearings should continue in the years ahead.

We should make one important distinction in analyzing frontier applications. They fall into two main categories. In some programs like the controlled thermonuclear effort the absence of a fundamental concept, or demonstration of its technical feasibility, prevents definition of the job which must be done before you can meet a major end objective. In other programs, and I will dwell on some of these tonight, objectives can be attained by human decision rather than a further major technical breakthrough.

ATOMIC POWER DEVELOPMENT

An example of the second category is central station atomic electric power. Surely this is a kind of frontier in the latter sense—because the objective of competitive atomic electric power has not yet been attained.

I believe the widespread use of atomic power is inevitable. Sooner or later, a significant percentage of the electricity generated in the United States, and in the world, will come from nuclear plants. The problem, now, is mainly the inability to compete with the fossil fuels.

The question which has plagued us for years is: How do we assure economic nuclear power? Some answers are emerging but also new questions and decisions face us.

In the case of the water reactors—the pressurized and boiling water systems—it seems possible that with the completion of another generation of large-size plants, economically competitive power can be realized or be within close range in certain power areas of the United States. We should see that the plants are built. This is one step on which there should be little disagreement. But we should be careful and not assume that this type of reactor is our ultimate in progress.

The other reactor types under development in the 10-year program of the AEC hold less promise of economic power in one additional generation of plant development and construction.

The water reactors have benefited from close to a billion dollars' worth of Federal research and development and successive prototypes in the naval and AEC civilian programs. The other reactor types have had far less support. Private financial support can be found for the water reactors but private companies are less willing to risk money on the more unknown types.

Whether or not additional Federal financial assistance in these established reactor technologies will be needed, is something we will have to face during the next 2 years.

But we can be sure that additional Federal assistance will be required for other than the water type reactors, if these types are not to die on the vine. Thus, these questions must be faced on the nonwater reactors:

What nonwater reactors promise economic power in several developmental generations?

What additional prototypes are needed to assure this progress?

How can these prototypes be financed?

If these questions are faced and new starts are shown necessary, the money question will be dominant. Who will pay the bill?

Unless we abandon capitalism (and those of you who belong to the NAM and chamber of commerce should know that this isn't likely to happen) then such projects can go forward in one of two ways: Because a financial incentive exists for private parties or because the Federal Government decides to finance the job. I am not unaware of the controversy this question can spark. We went through all this in 1954–56. I, for one, am willing to be openminded. I only ask that the decisions be faced—not neglected. If new starts are in order, I only ask for sensible finance plans.

The important thing is that the Commission should not take a passive role in these things and waste time with a policy of "watch and wait." Let's face the problem of developing the nonwater reactors. If they have no promise—say it. If they do, we should exploit their promise and get on with the job.

ATOMIC SAFETY AND REGULATIONS

We all agree that the problem in atomic power is cost. One of the cost factors in atomic power is nuclear safety. How much this safety factor affects the overall capital and operating costs of atomic powerplants is subject to considerable difference of opinion.

It seems strange, then, that many who speak endlessly about economic power look upon safety as a "hush-hush" subject. They seem to say "Don't discuss it—you'll scare people," or suggest "If you must discuss it—give it the public relations treatment." This thinking doesn't make sense. Since economic power is tied to safety, and in no little part to public acceptance, we had better get safety questions out on the table and into candid public discussion.

In our modern society we have learned to engineer for safety. We are surrounded by fundamentally unsafe things like electricity, heating gas, automobile fuels, and jet aircraft. None of these were ever accepted by the public because of secrecy. They are accepted because safety had been engineered into the product and was consistently demonstrated.

In the atomic power program, it should be recognized more clearly that safety is an important part of research and development. Let's prove to the public that money is as willingly spent for safety engineering in our reactor projects as it is for lawyers and public relations experts.

Candor is sometimes incompatible with advocacy. The public might have had greater confidence in the safety findings of the Atomic Energy Commission if the Commission had avoided situations where it appeared to be an advocate for a particular interest in a safety contest. The Commission must sit in neutral judgment. Industrial interest can also hurt the cause of public understanding with unreasonable advocacy.

Today's licensing and regulatory procedures are complex and industry is properly concerned over the many step-by-step procedures. As more is known about a given reactor type, it is hoped that some of the step-by-step procedures can be eliminated. Procedures, like laws, are established for protection. When suspicion disappears and as more is learned about reactor design and operation, greater confidence presumably will develop and gradually procedures can be streamlined. As you know, the Joint Committee is now conducting a major study of this problem.

NUCLEAR SPACE PROPULSION

The next frontier we might examine is the nuclear space frontier. The late Dr. Louis N. Ridenour described the problems of space exploration quite concisely when he said:

"So intense has become the interest, and so accustomed have we become to daily announcements of scientific miracles, that it seems necessary to warn the reader that a substantial amount of technical development has yet to be achieved before true space flight, and especially manned space flight, will become fully practicable. The most serious of these technical problems are clustered about, first, the means of propulsion; second, a practicable method of maintaining an environment in which humans can live in space as well as on the surfaces of the moon and other planets; third, the development of reliable communication and navigation over the vast distances of interplanetary space; and finally, a practical means for returning to the earth."

Atomic power can aid in the solution of all of these astronautical problems Dr. Ridenour described. It can provide great propulsive force in nuclear rockets, power from lightweight nuclear-electric plants to sustain life and mechanisms in the outer space environment, and power for communication equipment. Low-thrust engines powered by nuclear electrical sources can aid navigation with orbital corrections and provide thrust for other uses such as return flights.

In January of 1958, in a speech in the House of Representatives, I called for the speedy development of a nuclear rocket by the United States. Since then, there has been progress in the Rover project, but the big job both administratively and technically lies ahead.

Testifying before the Joint Committee on Atomic Energy this year, Dr. Krafft Ehricke said that to ignore nuclear rockets is to flirt with obsolescence. He said this:

"Space will be conquered only by manned nuclear-powered vehicles. Planning anything else for the late sixties is, in my opinion, flirting with obsolescence almost from the start."

He continued:

"I would like to express my strong conviction that the nuclear engine is for astronautics what the combustion engine is for aeronautics. It is the only means of obtaining complete independence operationally from the earth to the extent to which it is necessary to explore the planets of our solar system. I am firmly convinced that the surest way to cripple the U.S. space capability in the seventies would be to cripple its nuclear engine development in the sixties."

Thus, Dr. Ehricke states the case, and it is supported by other expert testimony. In summary, we can accept that the nuclear rockets can put larger payloads into orbit and into space than chemical rockets. Even taking the most conservative approach, the nuclear rocket can handle twice the payload of a chemical rocket of equivalent size and scope. This, then, is the case of the nuclear rocket, more payload and bigger missions.

What does the nuclear rocket mean to our national space program?

Between now and the early 1970's it means a major magnification of our capabilities. The Saturn booster hopefully will be available after 1963 and for a number of years the Saturn will be the primary booster for space missions. To put it another way, our

national space capability will be dependent primarily upon what the Saturn can accomplish.

The most important means of magnifying Saturn's capability, in this time period, is to add an upper stage nuclear booster. By doing this we can magnify the Saturn capability several times, or perhaps we can develop an all-nuclear rocket system.

Here is the choice. We can rest with the basic Saturn capability through 1970, or we can increase this capability several times through nuclear power.

The prestige factor in being the first nation in the world to demonstrate a nuclear rocket capability cannot be underestimated. But on the question as to whether or not this should be a ground-launched nuclear rocket, or an upper stage of a Saturn or other conventional rocket, I am willing to consider the advice of the experts. All I want is that the decision be based on nuclear rocket technology, and not be based on rigid extrapolations from conventional rocketry, or from budgetary considerations.

But the greatest danger in the nuclear rocket program is delay. A 1965 flight date can be met, but it can also be postponed.

We have learned in the nuclear powered aircraft program that a frequent cause of delay was the constant postponement of flight demonstration because of promises of greater attainment. Whenever it became time to set a flight date the promise of just a little better performance was always injected into the decisionmaking process and flights were always postponed.

We must not permit this to happen again. Let's set a flight date and convert the then existing technology into a mission capability. Let's not mix the ideas of improvement and flight demonstration. Logically, improvement comes later. It comes with the second, third, and later rocket generations.

It would be hard to criticize the "hush-hush" attitude toward safety in power reactors and not discuss it in connection with nuclear rockets. Obviously, any utilization of nuclear energy involves a potential hazard but competent scientific and engineering talent has learned to solve safety problems.

As I understand it, much work has already been carried forward in studying the hazards problem and several interesting avenues to safe nuclear rocket utilization have been uncovered. Surely this work will be expanded and nuclear rockets will be safe.

I would caution, however, that we will not be able to develop nuclear rocket engines with trial-and-error flight test programs. Here, unlike the chemical rocket program, components cannot be put together and fired just to see what happens. The approach which has been used successfully in other nuclear engine developments must be used here. There must be emphasis on theoretical calculations and careful preflight analytical work. This should be a program where we always do it right the first time.

SNAP PROGRAM

For some years the Atomic Energy Commission has had a program for the development of lightweight power reactors to supply auxiliary power in outer space. This work has been carried out under the so-called Snap program.

In the major astronautical programs of the future, electric power in large quantities will be needed to supply electricity for communications, navigational, and other equipment. If manned flights are envisaged, huge blocks of power will be needed to support human life. A third, important need, will be to supply power to the low thrust electrical engines which will be needed for orbital corrections or for actual propulsion for deep space flights. We used to call this "ion" propulsion.

As things stand now, the most powerful space reactor programed in the Snap effort would produce some 30 to 60 kilowatts.

Electrical propulsion experiments using this 30–60 kilowatt plant are being programed in 1965–66 but admittedly this is a very low power experiment. It is hardly meaningful.

There seems to be rather universal agreement that before the 1970's, nuclear power units in the range from 1 to 10 megawatts (1,000–10,000 kw.) will be needed for the big lunar and interplanetary missions. These nuclear space power units take a long time to develop and must be initialed far enough in advance of required flight dates to insure adequate performance and reliability when needed.

In the present Snap effort the Atomic Energy Commission and its staff must be commended for having the plants available for projected flight programs. In fact, these Snap projects were initiated 2 full years before sputnik. It appears, however, that if the 1 to 10 megawatt units, which will be needed later on, are to be ready on time, programmatic decisions should be made now.

As I understand the problem, the Atomic Energy Commission may not yet have a Department of Defense or NASA requirement to proceed with this work. I am aware of nothing in the Atomic Energy Act which says that the AEC needs formal requirements from another agency to conduct nuclear research and development but I may be missing something. It would seem to me that the Commission should proceed independent of a requirement from another agency if the research and development appears to be necessary and desirable.

In addition, because of the urgency of this effort, consideration should be given to several alternate technical approaches.

PLUTO PROJECT

Let's look at the Pluto program.

The AEC has been developing a nuclear ramjet engine in Project Pluto. When developed this engine would propel a very low altitude, strategic, supersonic missile.

In the 1960's, when the nuclear powers of the world will be looking to defenses against intercontinental ballistic missiles, the possession of a high speed, low level missile with relatively unlimited range could be meaningful, in flight it avoids radar detection and confuses the defenses.

Of course, the pros and cons of all this are up to our defense and strategic planners. It is for them to say whether or not this "mixed force concept" of providing supersonic low level capability is important.

I would hope, however, that this missile gets a fair test and is objectively evaluated. I have heard it said that it can't compete against a manned aircraft in a selection process because of the emotional attachment of some planners for airplanes. I would hope that this is not the case.

We have been through situations like this nuclear ramjet selection before. It would seem almost impossible to identify someone in a position of responsibility in the Department of Defense, who can make a clear-cut decision on whether to go forward or not. This decision must be made and there should be definition of the urgency which surrounds the development of this capability.

It seems to me that the system should be programed for early demonstration and actual production of large numbers postponed until it can be evaluated on the basis of experimental data. Why not end the delay and program an early flight demonstration?

OTHER AEC PROGRAMS

Some decisionmaking is also overdue in other programs.

You know of the Joint Committee's efforts to promote the use of nuclear plants at remote locations like Antarctica or Greenland. This could save considerable money by providing more economic electric power. This isn't a case of breaking through technical frontiers. It's more a case of breaking through bureaucratic blockades or budgetary blockheads.

Senator JACKSON has pointed out that the Antarctic powerplants are a classic example of bureaucratic paralysis. Everybody seemingly favored the projects, but nobody would sponsor them or put up the money—except the Joint Committee. Moreover, apparently no one in the executive branch profited from last year's experience. We have gathered informally that neither the Navy, the AEC, or the Budget Bureau has included any Antarctic reactors, or other reactors for remote sites, in their 1962 budget requests.

This problem of the remote site reactors must be faced and it will be.

Nuclear-powered airplanes remain a frontier application. After all this time and effort we must program a flight test. The test need not be tied to the needs of a particular strategic mission. Just demonstrating this technology would be a thing of value—the applications will follow. Things like using the nuclear-powered airplane as a missile platform, or in connection with anti-submarine-warfare patrols, are not unrealistic. Too many years have passed. We should set a date for flight test now and have the technical program and technical supervision to assure success.

Several research and development efforts are underway which involve the direct conversion of nuclear heat to electricity through such things as thermoelectric and thermionic conversion. It is hard to forecast what role direct conversion will play in central station power generation, but some think the first applications would be at remote substations or booster stations. It's hard to forecast on this one, but greater efficiencies and more applications are going to evolve.

Allied to this is nuclear-magneto-hydrodynamic (MHD) generation of electricity. I have been told the technology of the nuclear rocket will be applicable to nuclear MHD, and it seems good to note that the rocket work will contribute directly to this and other civilian power programs. I would hope this prospect is being studied.

ROLE OF AEC LABORATORIES

When it comes to frontiers like harnessing the thermonuclear reactions and those things which require significant invention before they can be beneficially applied, I can only emphasize the importance of the national laboratories of the Atomic Energy Commission. These should remain fixed and permanent national institutions with the ability to make a massive assault on advanced scientific problems.

Of recent years some have pitted the laboratories against industry in a fictitious competition. The national laboratories of the AEC are not competitors of industry. Their primary role is to do advanced research and development. Industry automatically benefits from their pioneering efforts. If the laboratories were weakened, fewer programs would be ready for industrial participation. The national laboratories are a benefit to industry.

The Joint Committee and the Atomic Energy Commission remain in agreement on the vital role of the laboratories.

ROLE OF INDUSTRY

I would like to make clear that when I speak of the role of the AEC laboratories, I by no means downgrade the role of industry. We on the Joint Committee want to encourage a growing, healthy, and competitive atomic industry. We don't want it to end up with one or two giants dominating a weakened industrial effort. Nor do we want the work spread so thin that it is impossible to have a nucleus of talent sufficient

to do an adequate job. This requires technical and managerial judgment of a high order.

I believe you are aware of one field which the Joint Committee has pioneered. That is an affirmative effort to obtain advice and information from industry itself as well as other groups, including scientists and labor. This has been accomplished through such means as our "202" hearings on the state of the industry through informal seminars and meetings, through panels of consultants, and by individual visits and discussions. All of this is to the good in my opinion. And I am glad to say that in recent years the AEC has followed suit.

AEC ADMINISTRATION

Finally a word on administration and management. For years we on the Joint Committee labored to get mutual agreement with AEC on program objectives and methods. We have made considerable progress in this direction, but something still seems to be missing. It still takes AEC far too long to develop and recommend projects, and still longer to get construction started after authorization. The AEC finally began to recognize this problem of long leadtime more than a year ago. But I regret to say that progress is still too slow.

And now, my friends, we have talked mostly tonight of the technological challenges of the sixties. Behind those frontiers, there looms the grim and threatening challenges of a vigorous and dangerous ideology. Its shadow has already engulfed most of the land mass of the European and Asian Continents. Another grim shadow stretches out south of Europe to a land of teeming and restless millions. In another century we were wont to refer to it as the "Dark Continent." In this century—yes, in this decade—we see the darkness of communism threatening these new colonial nations. A darkness not of pigmentation of the skin, but a growing cloud which seeks to snuff out the lights of the mind—the torches of dignity and freedom.

I trust that we, of this generation, working as we plan to work on the technological challenges of the sixties, will not become so engrossed with our pursuit of the economical kilowatt that we forget the great ideological challenge which looms always behind the technological frontiers of the sixties.

Let us resolve to acquit ourselves so that future historians will write, "They solved the problems of the sixties and they also laid the foundation in the 20th century for the preservation of freedom."

EARL WARREN'S FELLOW TRAVELERS SMEAR JOHN BIRCH SOCIETY

Mr. RIVERS of South Carolina. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. RIVERS of South Carolina. Mr. Speaker, during the past several weeks Members of this House have been inundated with letters from thoughtful Americans who are clamoring to bring about the impeachment of Earl Warren. This movement has been spearheaded by the John Birch Society, a nationwide organization of patriotic Americans whose dedication to their country is epitomized in their aim to bring about "less government, more responsibility, and a better world to live in." It is significant that although the John Birch Society is more than 2 years old, it has been almost completely ignored by the press until its recent all-out drive to impeach the Chief Justice. Recently the John Birch Society has been disparaged by Time magazine and by Members of the other Chamber of this Congress. These charges and their poisonous sources will be discussed in detail and their origin disclosed.

The John Birch Society, led by its courageous and perceptive founder, Robert Welch, of Belmont, Mass., has leveled the full force of its attack upon one of the most inept poseurs who has ever worn the robes of Chief Justice. Earl Warren had no judicial experience before he attained the highest judicial office in our Republic. He received this honor as a reward for delivering the votes of the State of California to the late misguided Eisenhower regime. The audacity of the Warren Court has finally aroused a large portion of our lethargic and complacent population. Americans who had taken our freedoms for granted have at last begun to realize that only renewed vigilance will preserve our freedoms in a world that is rapidly being swallowed up by the Communist conspiracy.

Few people who scoffed at southerners and their resistance to the Supreme Court decision of May 17, 1954, realized the real significance of the death knell which was sounded for the Constitution of the United States on that fateful day. The issue at stake was not the right of States to run their schools as each State deemed best for its own particular needs. Actually, on May 17, 1954, the Supreme Court assumed the authority to nullify State boundaries and to make laws by judicial decision.

The issue has been clouded by the arguments of idealistic and social-minded persons. Now, however, humanitarians who once hailed the decision as a broad interpretation of the Constitution are beginning to perceive its frightening implications. They realize now that the decision of May 17, 1954, was a part of a pattern designed to weaken and gradually prostrate our entire governmental structure. A review of the decisions of the Warren Court establishes beyond the shadow of a doubt that while the interests of the United States have been grossly abused, the interests of our enemies have been handled most tenderly. The report of the American Bar Association's Special Committee on Communist Tactics, Strategy, and Objectives, published in 1958, illustrates this solicitude for the enemy in simple and graphic terms. Since the publication of the report, additional decisions of the Warren Court merely aggravate its concern to protect the termites in our midst.

Why should not the John Birch Society attack Earl Warren? That he is unfit to fill his high position is attested to by his own colleagues, whose dissenting opinions show that even his fellow Justices hold no high opinion of their Chief's qualifications for his grave responsibility. Priceless rights, explicit in our Constitution, have been snatched from our people by Earl Warren and his cohorts. The list is an appalling one. Many rights, guaranteed by the sovereign States in framing the Constitution, have been taken away from the Federal Government as well as from the States. When the members of the John Birch Society protested this Court's usurpation, as is their right and duty as loyal American citizens, Time magazine, of March 10, carried a slurring account of the society and its founder. It is curious to note the similarity of the article in Time to an article published about a week previous to its appearance, in People's World, a west coast publication. People's World, as verified by the research staff of the Senate Internal Security Subcommittee, is the official organ of the Communist Party on the west coast. In its issue for February 25, 1961, appeared an article describing the John Birch Society. It characterizes the chapters of the society as "cells," and states that the society was named for John Birch, "a U.S. Army captain, who is supposed to have died in China 10 days after V–J Day. Welch blames his death on Chinese Communists." The Communists' organ also states:

> On Welch's council are such veteran enemies of democratic rights as Dean Clarence Manion; T. Coleman Andrews, former income tax collector; Spruille Braden, former Latin American "expert" of the U.S. State Department; and Adolphe Menjou, unsavory relic of the House Un-American raid on Hollywood.

It seems strange that Time magazine, with its extensive research department, should have used language and examples so similar to the above description in attacking the John Birch Society. Time's article carried the same three names in listing the council of the John Birch Society. And yet there are 27 members of the council of the John Birch Society, all of whom are unquestionably patriotic. Why did not Time magazine see fit to name additional members of the council? Is it possible that Time was content with a mere rehash of the article that appeared in a Communist publication? In its effort to smear the society, why did not Time verify the fact that John Birch was an Army captain who served with honor under the command of Gen. Claire Chennault? That John Birch's death was mysteriously hushed up by this Government has been established by painstaking research. Naturally, the Communist Party is anxious to discredit the record of an American hero who was slain by Chinese Communists 10 days after the Communists joined the United States as allies. Why is Time magazine anxious to discredit the organization that bears his name in words so strangely similar to those used by a Communist publication?

It is not surprising, Mr. Speaker, when one sees the appalling list of Supreme Court decisions that are crippling our State and National defenses against the Communist conspiracy, that the very organization that is alerting our people to this menace should be attacked by the Communist organ. It is surprising, however, that a magazine like Time, which purports to expose and attack communism, should publish an article so amazingly similar to that of a Communist

publication which attacks loyal Americans.

I enclose herewith, Mr. Speaker, an answer to the slanderous article—which appeared in Time magazine—by Mr. Bryton Barron over radio station WEAM, Washington, on Sunday, March 19, 1961, titled "Operation Washington," and marked "Exhibit 1." I also enclose the distinguished names of the illustrious Americans who form the council of the John Birch Society titled "Exhibit 2," along with the committee of endorsers of the John Birch Society marked "Exhibit 3." Mr. Speaker, one has said:

But on one man's soul it hath broken,
A light that doth not depart;
And his look, or a word he hath spoken
Wrought flame in another man's heart.

The above-mentioned material follows:

EXHIBIT 1

OPERATION WASHINGTON—RADIO STATION WEAM

(A weekly commentary on major events from the Nation's Capital: Commentator, Mr. Bryton Barron, Mar. 19, 1961)

Colonel DUNN. I canceled my scheduled broadcast today to bring you Mr. Bryton Barron with a sensational exposé of how the Communist apparatus is able to spread its poison and how loyal Americans sometimes unwittingly lend themselves to its propaganda and smear campaigns. Mr. Barron.

Mr. BARRON. First permit me to thank you, Colonel Dunn, for relinquishing your time on this program today so that I might give our listeners one of the most shocking pieces of evidence of Communist activity and influence in this country that has come to our attention since the days of Alger Hiss and the Yalta betrayal. The specifics which I bring you are up until this very moment unknown to the American public at large. Unfortunately, if we may judge from what we read in a national news magazine, in the CONGRESSIONAL RECORD of discussions on the floor of the Senate, and in certain newspapers, we may conclude that a lot of good people have, indeed, fallen for a piece of Communist propaganda—hook, line, and sinker. For that reason we are inviting representatives of the press and certain Senators and Members of Congress to listen with you at this time to what I have to reveal.

Let me begin by referring to an article which appeared in the People's World for February 25, 1961. The People's World, I am advised by the research staff of the Senate Internal Security Subcommittee, is the official organ of the Communist Party on the west coast. Please note this: the People's World, as its title might suggest, has been cited by congressional report as a mouthpiece of the Communist Party in America. The article to which I refer, and which I will quote in full in a moment, is entitled: "Enter (from stage right) the John Birch Society." Note, too, the date—February 25, 1961—for it is the first in an amazing chronology. The next date in this chronology is about a week later, when an article in a weekly news magazine, using some of the same wording as the Communist organ and presenting much of the same point of view, was included in the postdated issue of that magazine of March 10. On March 8, by which date the issue of the magazine was in the hands of subscribers, a U.S. Senator put the rehash of the Communist theme into the CONGRESSIONAL RECORD in the course of a speech on the floor of the Senate. And then one of the wire news services, with equal naivete, picked up the tale and spread it all over the country, apparently never taking the time to check the source. Even a respected Washington newspaper was on March 12 moved to hasty and unwarranted editorial comment.

If this were the first time this sort of thing had happened in our country, if this were the only time that presumably well-meaning Americans had allowed themselves to be a transmission belt for Communist propaganda, it would be bad enough. But every trained observer knows full well that the American people are constantly being brainwashed in this fashion. So it behooves us to examine this typical but flagrant case to see how this brainwashing is carried on. If, when I get through, many of our listeners are still disposed to parrot the Commie line in this matter, then heaven help us as a Nation.

So now I will quote verbatim from the article which set the Communist transmission belt in motion. I would personally be one of the last to dig up garbage such as what I am about to read to you, but since others have already presented it under a seemingly respectable label, you are entitled to get it straight. Please remember that what I read is the Communist line, from the so-called People's World for the 25th of last month—and that virtually every word of it is, as you might expect, ridiculous beyond description. So I read:

"LOS ANGELES.—Suburban newspaper columnists have been devoting uneasy attention recently to an organization known as the John Birch Society, apparently a well-heeled outfit spawned by the cold war.

"The society's founder is Robert Welch, 71 (here let me pause for a moment to note that this first attempted statement of fact is typically inaccurate, for Mr. Welch is 10 years younger than the age indicated), a retired Boston, Mass., candy manufacturer, who set up the organization December 9, 1958, at Indianapolis, Ind. Neither the date nor place seem to be of significance but the society's 'cell' method of organizing (here let me state parenthetically that the term 'cell' is purely a Communist attempt to misrepresent what is normal in the formation of patriotic and fraternal organizations, namely, the setting up of local 'chapters,' which is the term used by the John Birch Society) and the role of its founder seems to have aroused misgivings.

"Welch, who is described as the absolute boss of the society, was born in North Carolina, finished the university there, spent 2 years at Annapolis and another 2 at Harvard. He's lived in Boston since 1919.

" 'Democracy is merely a deceptive phrase,' Welch proclaimed on one ocassion, 'a weapon of demagogery, and a perennial fraud.

"Welch seems to have taken fright at some of the liberal decisions of the U.S. Supreme Court and his cells were commanded to wield pens in a letterwriting campaign calling for the impeachment of Chief Justice Warren.

"Welch also tackled the Eisenhower menace to free enterprise. He thinks Milton Eisenhower, brother of the former President, was a Communist, and it is 'his firm belief that Dwight Eisenhower is a dedicated, conscious agent of the Communist conspiracy.'

"That appeared in a 1958 booklet, 'The Politician,' written by Welch, which seems to have been withdrawn from circulation after being seen by a few leaders of the movement (parenthetically let me note that no such book was published; the Commies are trying to drag in some private views of Mr. Welch penned long before the society was formed and in no way tied to its purposes).

"Said Bill Sumner, in the Pasadena Independent (and this inclusion by the Commies is surprising): 'Locally, and in this area, the society seems to be attracting men and women of some substance. It would not pay to dismiss them as a group of fanatics and crackpots worthy only of a passing snort.'

"Besides Pasadena, the society has picked up recruits in Santa Barbara. Significantly, both communities are dominated by the retired well-to-do.

"On Welch's council are (and now note these characterizations of outstanding Americans) such veteran enemies of democratic rights as Dean Clarence Manion, T. Coleman Andrews, former income tax collector; Spruille Braden, former Latin-American 'expert' of the U.S. State Department, and Adolph Menjou, unsavory relic of the House Un-American's raid on Hollywood.

"Recruiting is done at house meetings by means of a 4-hour movie on which Welch appears alone and explains why there must be complete obedience to the leader. That, he says, will keep out Communists and others who might create dissent.

"Each cell has its director who in turn consults with a district director monthly who transmits orders from above. Directives also approved in the monthly John Birch Bulletin, edited by Welch.

"Letterwriting to public officials and to newspapers has been the main activity of the society but lately its attention has turned to the PTA, which Welch feels is too much to the left.

"The society is named for John Birch, a U.S. Army captain who is supposed to have died in China 10 days after V–J Day. Welch blames his death on Chinese Communists."

So there you have the Commie line.

What I have just read, particularly the more blatant portions, will sound very familiar to those who read a similar article in a weekly news magazine. In the latter we find, for example, the same use of the Communist term "cell"; there, too, we find the same individuals mentioned—Dean Manion, Spruille Braden, and Adolph Menjou—whom the People's World has listed disparagingly, but whom you and I know as able and dedicated Americans among the many connected with the John Birch Society. Why, if the weekly magazine did any research at all in the matter, did they include only names which the Commies mentioned? Why, for example, did they not include the name of Cardinal Cushing, Archbishop of Boston? Here is an excerpt from what the latter has written: "I beg to advise you that I do not know of any more dedicated anti-Communist in the country than Robert Welch. I unhesitatingly recommend him to you and endorse his John Birch Society."

The magazine article mentioned does add one thing to the contribution of the People's World. It tells us in its not-to-be imitated style that "one Chicago conservative" does not favor the John Birch Society. Interestingly enough, the magazine does not give us the name of the one critic. That is hardly impressive.

When Senator YOUNG, of North Dakota, unwittingly gave further circulation to Commie propaganda, he did say, on the floor of the Senate, that in his State the John Birch Society "has among its members some of the most able and influential people in each community." That much would certainly check with my own observation in many areas where I have been.

It is not the purpose of this broadcast, however, to discuss the merits or demerits of the John Birch Society. Those who wish to know what the society stands for can, I am sure, find its objectives and purposes clearly set forth in the manual or bluebook of the society. Certainly one should not turn to the Communist People's World, or any of its dupes for guidance on matters of high patriotic purpose. I see no occasion to dig into the private writings of Mr. Welch—that is, of course, unless one wishes to somehow divert and distract attention, for example, from the movement to impeach Earl Warren—for Mr. Welch is probably as much entitled as the rest of us to his private opinions. It ill behooves so-called liberals

who are always wanting us to forget the past of certain of their spokesmen to now dig up and garble the private thinking of Robert Welch years prior to the founding of the John Birch Society. It is just another phase of the smear tactics of which we speak. However, if anybody wants to argue the point, let me remind him that 2 years or more ago, when the New York Times and the Washington Post, the State Department, and the White House, were lavishing their praise on Fidel Castro, as the savior of Cuba, our friend Robert Welch was one of the very few in America who had the insight, and the courage, to describe that Red puppet in print for exactly what he was. Let those who may be disposed to challenge Mr. Welch's judgment on current issues put that in their pipes and smoke it.

Why at this time, why at this moment in our history, 2 years after the organization of the John Birch Society, and several years after the private writings which they distort, do the Commies and their dupes now seek to discredit Mr. Welch and the John Birch Society? This question is a fundamental one; it strikes to the very heart of what we have to say today. The answer is clear, even from the article which I read you. The John Birch Society under Mr. Welch's leadership has inspired thousands of thoughtful Americans to protest against the trend of the Warren Court decisions in recent years. All over the Nation there is a mounting demand for the impeachment of Earl Warren. And the Commies are fighting back for him, not on the merits of the issue, but with lies and smears, as we see.

To those who are active in the nationwide movement to effect a housecleaning of the Warren Court, this is all as heartening as it should be revealing to the public at large. The demand for impeachment is really beginning to be felt. A mouthpiece of the Communist Party in America has rushed to Warren's aid. You may respond accordingly, more certain than ever of the need to press for impeachment.

One other thought in closing. The shocking demonstration of Communist influence on thinking in this country, which I have revealed today in a specific instance, should help alert some who might otherwise be duped. Watch to see how many of your friends simply parrot the Commie line in this matter.

This is Bryton Barron concluding and saying "Thank you."

Colonel DUNN. Thank you Mr. Barron. You have been listening to Mr. Bryton Barron, veteran of 26 years in the State Department and the author of "Inside the State Department," which can be purchased from The Bookmailer, Box 101, Murray Hill Station, New York 16, N.Y.

This is Colonel Dunn in Washington.

EXHIBIT 2

THE COUNCIL OF THE JOHN BIRCH SOCIETY

Each of the men listed below, who make up our council, came into the Society solely as an individual, representing in no way any other group or organization. But simply for identification, we have given each name the briefest line or two concerning other connections, or past accomplishments.

Dr. N. E. Adamson, Jr. A Boston surgeon. Assistant Medical Director of New England Mutual Life Insurance Co. Youngest member of the council.

Mr. Thomas J. Anderson, editor and publisher of Farm and Ranch, farm paper with 1,300,000 circulation.

Hon. T. Coleman Andrews. Former Commissioner of Internal Revenue of the United States. Now chairman of the board of two large (and affiliated) insurance companies.

Hon. Spruille Braden. Former Ambassador to several countries, former Assistant Secretary of State. A top authority on Latin American affairs.

Col. Laurence E. Bunker. Former personal aide to Gen. Douglas MacArthur for 6½ years—during the Japanese occupation, the Korean war, and MacArthur's early months in this country after his return.

Mr. F. Gano Chance, president, A. B. Chance Co., Centralia, Mo. Former president of Missouri Chamber of Commerce and of Associated Industries of Missouri.

Mr. S. J. Conner, president of the Conroth Co., Chicago, and with many other business interests.

Mr. Ralph E. Davis, president of General Plant Protection Corp., and affiliated companies, Los Angeles.

Dr. S. M. Draskovich, author of "Tito, Moscow's Trojan Horse." Editor in chief of Srpska Borba (the Serbian Struggle), a weekly newspaper, published in Chicago, with sizable circulation in 36 countries.

Mr. Wm. J. Grede, president of Grede Foundries, Inc., Milwaukee. Former president of the National Association of Manufacturers and former head of the International YMCA.

Mr. A. G. Heinsohn, Jr. President Cherokee Mills, Sevierville, Tenn. Author of "One Man's Fight for Freedom." A very successful manufacturer and a very dedicated patriot.

Dr. Granville F. Knight. An outstanding physician and public-spirited citizen of Santa Barbara, Calif. Author of many scientific papers, especially on the misuse of chemicals and adulterants in foods.

Mr. Fred C. Koch, president, Rock Island Oil & Refining Co., Wichita, Kans. Strong supporter of many patroitic movements, and especially of right-to-work legislation.

Mr. Alfred Kohlberg. Was a charter member of our council. Now deceased.

Dean Clarence Manion. Former dean of Notre Dame Law School. In 1953 was appointed, by President Eisenhower, Chairman of a Special Commission on Intergovernmental Relations. He later resigned rather than stop crusading for the Bricker amendment. Founded the Manion Forum, which now reaches a radio audience of many millions every week.

Mr. Frank E. Masland, Jr. President of C. H. Masland & Sons (carpet manufacturers), Carlisle, Pa. A leader in his community and State, who serves as chairman, vice chairman, or active member of the boards of a great many educational, philanthropic, and industrial organizations. Also famous as an explorer of out-of-the-way places in the world.

Mr. N. Floyd McGowin. President, W. T. Smith Lumber Co., Chapman, Ala. Active on many important boards of national organizations and enterprises.

Mr. W. B. McMillan. President of the Hussmann Refrigerator Co., St. Louis, Mo. An outstanding business leader. Was, next to your founder, the first member of the John Birch Society.

Dr. Revilo P. Oliver. Professor of Classical Languages and Literatures at the University of Illinois. Recognized as one of the very top scholars in America in his field. Now becoming rapidly recognized, also, as one of the ablest speakers on the Americanist side.

Mr. Cola G. Parker. Former President of the Kimberly-Clark Co. Former president of the National Association of Manufacturers. More recently, U.S. employer delegate—a stoutly patriotic and embattled delegate—to the International Labor Organization.

Hon. M. T. Phelps. Former chief justice of the Supreme Court of Arizona.

Mr. Louis Ruthenburg. Formerly president, then chairman of the board, of Servel, Inc., Evansville, Ind. Former president, Indiana State Chamber of Commerce. Now retired except as an industrial consultant. Has received several honorary degrees and three Freedom Foundation awards.

Mr. J. Nelson Shepherd. President, Midwest-Beach Co., Sioux Falls, S. Dak. An outstanding citizen and strong supporter of many patriotic causes.

Mr. James Simpson, Jr. Was a charter member of our council. Now deceased.

Mr. Robert W. Stoddard. President of Wyman-Gordon Co., Worcester, Mass. On board of directors of several of New England's largest businesses, including First National Bank of Boston. Has just served two terms as president of Associated Industries of Massachusetts. Active on the boards of many educational and philanthropic institutions.

Lt. Gen. Charles B. Stone III. USAF (retired). Succeeded Gen. Claire Chennault as commander of our 14th Air Force in China near end of World War II, and is lifetime honorary chairman of the 14th Air Force Association.

Mr. Paul H. Talbert. President, Paul H. Talbert Co., Beverly Hills, Calif. One of the most successful insurance executives in the United States. Also one of the most public spirited and influential citizens of his State of California.

The basic function of the council is threefold: (1) To show the stature and standing of the leadership of the society; (2) to give your founder the benefit of the council's advice and guidance, both in procedural or organizational matters, and in substantive matters of policy; and (3) to select, with absolute and final authority, a successor to myself as head of the John Birch Society, if and when an accident, "suicide," or anything sufficiently fatal is arranged for me by the Communists—or I simply die in bed of old age and a cantankerous disposition. And we believe that both the growth and the effectiveness of the society will be greatly helped by the experience, ability, and resolute purpose of so strong a governing body.

EXHIBIT 3

COMMITTEE OF ENDORSERS

Now in process of formation. For some States no letters of invitation have yet gone out, and for others—Texas and Wisconsin, for instance—they have just started. But acceptances have been running about 4 to 1 against regrets, and we are already very proud of the membership of this committee.

Alabama: Lt. Gen. Edward M. Almond.

Arizona: Frank Cullen Brophy, Clarence J. Duncan, Mrs. V. M. Haldiman, Edwin McDowell.

California: Frank P. Adams, Mrs. Gertrude Derby Bale, Andrew Brown, Hon. Kit Clardy, William B. Coberly, Jr., William W. Cone, C. M. Crawford, Richard H. Creel, M.D., Mrs. Helen H. Garretson, Francis P. Graves, D. Hanson Grubb, J. H. Harris, Rev. Francis Kean, Max A. Koffman, D. B. Lewis, Doane M. Lowery, Mrs. Doris A. Parks, Sister M. Margaret Patricia, Ph. D., Ray M. Spalding.

Connecticut: Philip N. Dumbrille, Franklin Farrel, Jr., Rev. Francis E. Fenton, A. Brooks Harlow, E. Merrill Root, E. L. Wiegand.

District of Columbia: Brig. Gen. Bonner Fellers, Mrs. John F. Gibson, Jr., Rear Adm. Paulus P. Powell, Melchior F. R. Savarese, M.D., Vice Adm. T. G. W. Settle.

Florida: Mr. and Mrs. Frederick S. Ballweg, Mrs. A. Gray Boylston, Thomas Gaskins, Sydney Houston, Lt. Gen. Sumter L. Lowry, Mrs. Florence Post.

Georgia: Hugh H. Armstrong, Paul K. McKenney, Jr., R. Carter Pittman.

Hawaii: Mrs. George P. Cooke.

Idaho: J. H. Gipson, Sr.

Illinois: George J. Hess, M.D., W. A. Kates, Theodore W. Miller, Max Pray, W. B. Taylor, Jr., George H. Williamson.

Indiana: James L. Doenges, M.D., Hugh S. Ramsey, M.D.
Iowa: J. S. Kimmel, Sr.
Kansas: Robert D. Love, Hon. Wint Smith.
Kentucky: R. S. Logan.
Louisiana: John U. Barr, Dr. Medford Evans.
Maryland: George O. Blome.
Massachusetts: Eugene H. Clapp, Miss Hope Gray, Hubert W. Kregeloh, Charles J. Lewin, Robert H. Montgomery, Col. W. Bruce Pirnie, Burton A. Prince, Miss Olive Simes, Rodney Washburn.
Michigan: Mrs. Harmon L. Brown, Richard Durant, Irving E. Ingraham, Vernon P. Johnson, M.D.
Mississippi: Tullins Brady.
New Jersey: Mrs. Frederick Griswold, Jr., Mark M. Jones, Ross Nichols, Louis S. Wegryn, M.D.
New Mexico: George S. Richardson, M.D.
New York: Mrs. Kenneth C. Crain, Frank de Ganahl, E. Ainsworth Eyre, Norman J. Gould, Merwin K. Hart, Mrs. Seth Milliken, T. I. Parkinson, Jr., Commodore Frederick G. Reinicke, Archibald B. Roosevelt, George M. Tisdale.
Ohio: Charles W. Pavey, M.D., Hon. Gordon H. Scherer.
Oklahoma: Glenn O. Young.
Pennsylvania: Frank W. Gaydosh, Rev. Richard Ginder.
Rhode Island: Robert B. Dresser, Norman D. MacLeod.
South Carolina: James L. Coker, Roger Milliken, Thomas Parker, M.D.
Tennessee: J. P. McCallie.
Texas: John R. Anderson, Mrs. W. L. Goldston, W. H. Kellogg, Brig. Gen. W. L. Lee, Edward D. McKay, M.D., Maj. Gen. W. G. Weaver, Brig. Gen. T. F. Wessels.
Utah: Capt. and Mrs. Stephen Abbot, Hon. J. Bracken Lee.
Vermont: William S. Schlamm.
Virginia: E. S. Dillard, Matt McKeon, Capt. R. W. Orrell.
Washington: P. C. Beezley, Fred M. Harris, Col. Tom R. Hutton, Harry M. Robbins.
Wisconsin: Mrs. Walter K. Graham, Mrs. Robert A. Murray, Mrs. Norman Skogstad.
Wyoming: Dan Hanson, A. E. Larson.

LOSS OF JOBS IN TEXTILE INDUSTRIES

Mr. LATTA. Mr. Speaker, I ask unanimous consent that the gentleman from Connecticut [Mr. SEELY-BROWN] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. SEELY-BROWN. Mr. Speaker, as the Representative in Congress of the area which once was one of the foremost textile-producing congressional districts in the country, I speak out in anguish over the jobs which have been lost; and in greater anguish over the jobs for Americans in the textile-producing industries that are continuing to be lost with an appalling momentum. These are jobs which never will be recovered, not only in my State, but in any State, unless emergency action is taken, and immediately, to save this important part of our domestic economy from ruin.

I hope and expect to be joined in this appeal by many of my colleagues who also serve constituencies which are facing the same problem, and for the same reason—the handing over of our market to our competitors, with the aid of our tax money.

There was a time, not too many years ago, when textile production accounted for more than two-thirds of all of the jobs in industry in my district. An even greater percentage of the gross product of the four counties of Connecticut that comprise the district was keyed to textile production.

In the annals of textile production in this country, not only were such places as Norwich, and Willimantic, and Danielson, and Putnam, and Wauregan names that had real meaning, but we had also our Attawaugan, and Yantic, and Baltic, and Jewett City, and Grosvenor Dale, and Moosup, and Oneco, and Pawcatuk, and Rockville, and Stafford Springs, and Somers, and a dozen other places. Some of these were one-industry mill towns, but they had fame beyond their borders, and made great contributions to the skill, the ingenuity, the diligence, and resulting therefrom, the prosperity that made the textile-producing industry great.

The waning of textile industry employment in my district began quite a number of years ago. We lost jobs, mostly in cotton textiles and the processing of manmade fibers, to southern mills.

But we have not given up, and will not give up. We are not afraid of southern competition. In my district, we still count textile production as an important part of our economy, and we cannot be prosperous unless there can be a reasonable prospect that things can and will get better for our textile mills.

Yet, unless emergency action is taken, by the President of the United States, acting under the authority specifically vested in him under the national security provisions of the Trade Agreements Act, there can be no such prospect that things will get better. In fact, the only prospects are that things will get so much worse that American textile production will disappear entirely, as a profitable enterprise.

There has been no letup in the sharply rising levels of textile imports from countries where workers' wages are at rates illegal in the United States. Cotton cloth and cotton yarn imports are representative of what is happening throughout the textile industry.

Not only are our cotton textile manufacturers and their partners in production, their employees, competing with low-wage foreign production, they are using as raw material, American raw cotton for which our producers pay 25 percent more than the special export prices provided to foreign mills. Our Government pays a support price to cotton growers; and sells the cotton to our foreign competitors at a price a quarter off what the raw cotton market is here.

Such raw material cost and wage advantages for foreign textile manufacturers, over which the American textile industry has no control whatever, place our textile-producing industry in an intolerable competitive position.

The figures tell the story so that anybody can understand it.

In 1958 U.S. imports of cotton cloth were approximately 142 million square yards. These imports increased to 242 million square yards in 1959, nearly doubling from the already high 1958 level. Cotton cloth imports jumped to a new record high of 455 million square yards in 1960.

There is an ominous and unmistakable trend in this. Not only is the import level at a record high, but the rate of increase is such that, if it continues unchecked, the entire market for domestic cloth will be supplied by foreign production.

From data also supplied by the Department of Commerce, we can note an even sharper rate of increase in cotton yarn imports.

No fiber and no fabric of the American textile industry can fail to be injured by this deluge of foreign competition. For example, imports of manmade fiber fabrics, which averaged about 5 million pounds in 1958, doubled to more than 11 million pounds in 1959 and continued at over 10 million pounds in 1960.

Woven wool imports moved up from about 34 million square yards in 1958 to 47 million yards in 1959 and attained a new high level of 62 million square yards in 1960.

The same alarming trends appear beyond the cloth manufacturing of the textile industry—in apparel import statistics.

This is a grim picture, but you cannot really appreciate just how grim until you make the comparison on what has been happening to the balance between textile imports and exports. The United States has lost its historical position as a net exporter of textile manufactures.

In 1947, the United States exported $1.4 billion of textile manufactures, and imported $366 million in foreign-made textile manufactures. By 1957, these exports had dropped to $667 million, but imports had increased to $635 million. In 1958, the import total of $636 million exceeded our exports of $600 million. By 1960, imports had risen to $932 million, but our exports of $694 million left a balance in favor of imports of $238 million worth of textile products.

The impact of these trends on the U.S. textile industry with its billions of dollars invested in machinery and equipment, and with hundreds of thousands of jobs at stake, is clear to see. Uncertainty about spending for new plants and equipment in the United States and increased search overseas for possible investment in textile plants in countries where foreign governments favor the development of industry are to be expected as part of the logical outcome.

The time has come for the President to act, in the interest of the survival of the American textile-producing industry.

I would like to call the attention of the Members of the House to the recommendations which have been made, after a thorough study of the problems of the domestic textile industry, by a special subcommittee of the Senate Committee on Interstate and Foreign Commerce, under the chairmanship of the Senator from Rhode Island, the Honorable JOHN O. PASTORE, my neighbor.

I believe that these recommendations are sound, and that they clearly are

warranted by the seriousness of the situation.

In summarizing them here, and also in endorsing them, I hope that each of these recommendations will be carried out without delay, and that such action as is required, by the Executive, and by the Congress if necessary, will be taken promptly.

These recommendations are: First, that quotas be established by category and by country, for imports of textile mill products, garments and apparel, manmade fiber staple, filaments and filament yarn; second, that the program of data collection and research be continued and expanded as part of the regular activities of the Textile and Clothing Division of the Business and Defense Services Administration in the Department of Commerce; third, that the Internal Revenue Service publish at the earliest possible opportunity a revised schedule of depreciation rates, reflecting current industry practices, which would permit a more rapid writeoff for tax purposes; fourth, that necessary textile research be initiated and expanded by both the industry and appropriate Government agencies, including the Business and Defense Services Administration; fifth, that the Department of Agriculture complete rapidly its alternatives to the present cotton price-support program with a view toward the elimination of the two-price, cotton-marketing system.

The first of these recommendations will not be to the liking of those Americans who are stanch advocates of a liberal trade policy. In fact, probably some of them will contend that nothing needs to be done in this situation, particularly because, in the aggregate, the United States continues to have a favorable balance of trade.

However, so distinguished an authority from that side as Dr. Alfred C. Neal, president of the Committee for Economic Development and formerly research director of the Randall Commission on Foreign Economic Policy, has said:

> The explosive effects of advanced technology in a country with extremely low wages can be damaging to all—to the exporting country because it overexpands, and to importing countries because they cannot move people and resources out of damaged industries fast enough. Controlling the most serious of these cases by means of agreed quotas, which are temporary and expandable, may be the only reasonable alternative to the disruption of the whole trading system of the West.

It is evident that selective controls will be needed or we will face disruption of the entire trading pattern of the free world.

I do not contend, nor do those who are associated with me, that import quotas are the only answer.

In the supplementary report of the Pastore subcommittee, it should be noted that the recommendation concerning quotas is only one of five.

The quotas which can be and should be imposed on textile imports, by category and by country, should not be fixed for all time. They should be flexible. As the market in this country expands, imports should be allowed to increase.

Under the Trade Agreements Act, we have tariff duties that are supposed to be reciprocal with the countries with which we make trade agreements. Let us have quotas on imports that are both flexible and reciprocal. There is ample evidence of the workability of this flexible system of quotas by countries who impose it on American goods.

Let us have import quotas without losing the concept of reciprocity in our foreign trade.

If the other four recommendations of the Pastore subcommittee can be carried out, it will help us to achieve the real solution to the problem, which is an increase in exports of textiles, so that our country can regain the position which it traditionally held in textile production.

We cannot continue with the situation which existed in 1960, when textile imports totaled 170 percent of our textile exports.

THE OPINION POLL RESULTS, 22D CONGRESSIONAL DISTRICT OF OHIO

Mr. LATTA. Mr. Speaker, I ask unanimous consent that the gentlewoman from Ohio [Mrs. BOLTON] may extend her remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mrs. BOLTON. Mr. Speaker, the tabulation of the results of my 1961 opinion poll has just been completed. A questionnaire containing 14 national issues was recently sent to each home in the 22d Congressional District of Ohio. Over 18,000 replies were received from my constituents during the past 2 weeks. I am happy to report that this is the largest response that has ever been received on this annual poll, and indicates a growing interest and concern on the part of the individual citizen in the issues before the Congress.

A copy of the results of this poll will be sent to each home in my district, and I would like to take this opportunity to thank each person who sent a reply to these questions. It was especially gratifying to receive the many hundreds of thoughtful letters containing helpful viewpoints or suggestions on these and other issues of national interest.

The largest favorable response—84 percent approval—was indicated on proposed legislation that I have introduced in the Congress to raise the amount a retired person can earn and remain eligible to receive social security benefits. The issue incurring the greatest disapproval—61 percent against—was the granting of Federal aid to cities to assist in the cost of mass transportation.

With the question of Federal aid to education being thoroughly debated in the Congress, it is enlightening to see that whereas a 57-percent favorable vote was cast for Federal grants for school construction, only a 35-percent favorable vote was cast for Federal aid for local teachers' salaries.

A very healthy vote of approval—4½ to 1—was also given to the work of the House Un-American Activities Committee in exposing Communist activities as 67 percent of the replies favored its continuation, compared to 15 percent opposed, and 18 percent having no opinion.

The results of this poll, I am sure, will be of interest to the Members of Congress, as well as my constituents.

Do you favor—	Percent		
	Yes	No	No opinion
1. Extension of Federal-State unemployment compensation benefits to 39 weeks?	65	29	6
2. Federal aid to economically depressed areas?	78	15	7
3. A health insurance program tied in to the social security system?	58	35	7
4. Payment of social security benefits, at a reduced rate, to men who retire at the age of 62?	68	23	9
5. Raising the amount retired persons may earn and still remain eligible for social security benefits?	84	12	4
6. A peacetime GI veterans' educational benefits program?	45	41	14
7. Federal aid to cities to assist in the cost of mass transit systems?	23	61	16
8. Federal grants for school construction?	57	36	7
9. Federal aid for local teachers' salaries?	35	56	9
10. Federal income tax deductions of the cost of college tuition?	71	20	9
11. Continuation by the House of Representatives of the Un-American Activities Committee?	67	15	18
12. A change in the electoral college system of electing the President and Vice President?	71	19	10
13. A resumption of diplomatic relations with Cuba?	24	58	18
14. U.S. diplomatic recognition of Red China?	24	59	17

PRESIDENT'S PROPOSAL CALLS FOR BACK-DOOR BILLIONS TO GO ABROAD

Mr. LATTA. Mr. Speaker, I ask unanimous consent that the gentleman from Washington [Mr. PELLY] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. PELLY. Mr. Speaker, I have listened with mingled emotions to President Kennedy's special message on foreign aid.

I have in mind—very much in mind—that the present national debt of the United States is between $285 and $290 billions. As such, the people of this country still owe for previous years' expenditures for foreign aid and other costly Federal programs an amount in excess of 3 years annual tax revenue. This unpaid debt exceeds by about $90

billion the combined debt of 67 other free world countries. Our average per capita national debt is higher than that of any other free world country.

Frankly, in the past I have gone along in supporting foreign aid on the basis that if a mistake was being made it was better to make it on the side of the ideology of freedom and in the interest of defense against communism. But all the while my fingers have been crossed lest we lose the very freedom we have sought to protect through a weakened economy and an unstable currency and loss of confidence here and abroad in our dollar.

In the past, I have looked to our House Appropriations Committee to review and control expenditures in the light of existing conditions and available revenues each year. The recent crisis such as the flight of gold out of the country is a case in point.

Frankly, Mr. Speaker, in recent months after studying our financial picture and reappraising the program of aiding other nations, I have thought in my own case I would not vote for any amount in excess of $1 billion.

After all, during the past 3 years our international balance of payments has been adverse by a total of $10 billion.

Today's message to the Congress on foreign aid invites reconsideration, but offhand proposing new spending of $7.3 billion over 5 years—outside the appropriation procedure—would preclude any possibility of my supporting such a program.

Any withdrawal from the Treasury as far as I am concerned is an appropriation under the Constitution. I will vigorously oppose any measure to create any new agency or any authority of such agency to borrow from the Treasury in order to bypass the scrutiny and overall control of Congress. I am frank in saying, and hereby serve notice to do everything possible to defeat this backdoor proposal.

I would hope some responsible organization representing the taxpayers of America would take this matter to court and test the constitutionality of financing agencies outside of the normal procedure of appropriation.

If, however, the only means at hand of ending the budget-busting device of backdoor spending is by defeating the foreign aid program, I would hope those of us who are resolved to restore control of spending to Congress would band together and succeed.

The integrity and fiscal responsibility of the Nation are at stake and I for one denounce the President's proposal calling for funding foreign aid outside of congressional appropriations as called for by our Constitution.

LABOR-MANAGEMENT COOPERATION SOLVING EMPLOYEE RETRAINING PROGRAM

Mr. LATTA. Mr. Speaker, I ask unanimous consent that the gentleman from Michigan [Mr. HARVEY] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. HARVEY of Michigan. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to include the following article which appeared in the March 21, 1961, edition of the Wall Street Journal. Because it appears most likely Members of the House will be considering depressed area legislation next week, this article has particular importance. Here is an excellent example of union officials and management working together to resolve a mutual problem of great concern in softening the blow of automation and retraining displaced workers for other jobs. Tangible results of this program already are evident. It is significant that the worthy objectives of this program were recognized by both labor and management and accomplished without the help of the Federal Government.

ARMOUR PROGRAM EASES IMPACT OF AUTOMATION IN OKLAHOMA CITY TEST—DISPLACED WORKERS RETAINED AS BUTCHERS AND BEAUTICIANS; PAY SINKS BUT MORALE RISES

(By Richard F. Janssen)

OKLAHOMA CITY.—Booker T. Combs, a rotund, 53-year-old Negro who spent 26 years laboring in the recently abandoned Armour & Co. meat packing plant here, gleefully slaps his leg and declares, "Closing that plant was the best thing that ever happened to me." The reason for his cheerfulness: Mr. Combs is now launching a new career as a licensed real estate broker.

He is one of the first to complete an experimental program undertaken jointly by Armour, the United Packinghouse Workers Union and the Amalgamated Meat Cutters Union to soften the blow of automation by retraining displaced workers for other jobs. The unprofitable, half-century-old Armour plant here was closed last July and its work was shifted to more efficient, automated plants elsewhere. The Armour-union effort is being watched closely by both management and unions in other industries around the country.

The Armour effort may also provide some guidelines for a Federal program that's included in the administration's depressed areas bill. Among other things, the bill would provide $14.5 million for technical assistance and payments to workers on retraining programs.

Other industries and unions also are beginning to work together on the automation problems. The United Steelworkers of America and Kaiser Steel Corp., for example, have set up an automation study committee. And Cambell Soup Co. and a California Teamsters local are working toward a retraining program.

SOME WORKERS FIND JOBS

How is the Armour plan working? The final score won't be in until all the classes are over and it's seen what success the retrained workers have in landing and keeping new jobs. But tangible results are beginning to appear. Some workers already have found jobs in new fields; in most cases, they like their new jobs better than their former packinghouse chores. Perhaps more important, "the program has done a lot of good for the morale of these people—it has simply given them hope," says Prof. Robben W. Fleming of the University of Illinois, executive director of the committee running the program.

The committee, with Dr. Clark Kerr, president of the University of California, as impartial chairman, was formed by Armour and the unions as part of the labor contract signed on August 31, 1959. Financed by a $500,000 contribution from Armour, the committee's main job is to prepare a report on automation problems and possible solutions. The report is to be completed before negotiations begin to replace the current, companywide labor contract which expires next August.

As a pilot experiment, the committee undertook to retrain 58 of the men and women who were idled by the closing of the Armour plant here. So far, 13 of the men have been retrained as retail store butchers, two men as real estate brokers and two women as beauticians. At public evening schools and private trade schools, the others are preparing for jobs in such fields as upholstering, auto mechanics, tailoring and refrigeration, as well as boning up on such subjects as elementary reading and arithmetic.

Even after training, however, the big problem will be finding jobs, the union contends. "We don't want to take any bows if all these people have done is get some exercise in school; all the retraining in the world is not going to do much good until we have an expanding economy so we can find places for these people to work," a UPWA spokesman says. Of the 13 men who finished a 12-evening, meat-cutting course in January only 2 work in retail meat stores and 2 in wholesale meat outlets. Two are janitors and one works in a warehouse, while the other six still haven't found any jobs, reports Mrs. Margaret Hostler, the former plant nurse and personnel worker who coordinates the training.

SHARP PAY CUTS

The men fortunate enough to land jobs behind retail meat counters had to take sharp cuts in pay, but this has done little to dampen their appreciation for the chance. "I was making up to $160 a week at Armour on piecework in a 40-hour week, and now I put in 50 hours to make $80," says 51-year-old Bill Ferrell, now cutting meat in a shabby corner grocery store. But he philosophizes: "After 26 years at Armour, I would have gone nuts soon doing the same thing over and over again. Retraining is the best thing when a plant closes."

White-robed Rafe B. Mackey, now working as a butcher in a gleaming new suburban supermarket, agrees that the new position has advantages. "I enjoyed skinning calves a great deal, but I also like meeting people; this job is a little cleaner and more social." Money is his chief complaint. Mr. Mackey, 41 and a high school graduate, had been making up to $6 an hour on piecework at Armour; now he's down to around $2 an hour. "I think retraining is good, but I wish the class had been longer so we could have learned more," he adds.

Not all those left without jobs have tried to find them. Puttering in his sunny backyard, 60-year-old Virgil Whitehead admits, "I haven't looked for a job," since finishing the retraining program. But he promises to do so when Lent ends and butcher shops have more demand for meatcutters. He, too, appreciated the butcher training, however. "I learned things about picking out meat in the store even if I never get a job in meat again," he says. Mr. Whitehead, a veteran of 18 years at Armour, says he's living on his $1,665 severance check, which for 26 weeks was supplemented by unemployment compensation.

Observers figure the Armour experiment will provide a stiff test of whether retraining actually leads to job opportunities. Many of the former employees involved are over

50 years of age, a factor which leads many companies to refuse to hire them. Few are high school graduates, and many have not completed grade school. Others run into job barriers because they are Negroes. Such obstacles also kept some out of training courses. "We had one Negro who wanted to go to barber college, but none of them in Oklahoma City are integrated," says Mrs. Hostler. The plumbers union rejected a 37-year-old man for apprenticeship, citing 25 as the maximum age.

GREAT POSSIBILITIES

Even so, most of the workers now in training are optimistic. Take Lonnie Renfrow, a slim, 41-year-old Negro learning how to service refrigerators and air conditioners at a private trade school. "This new business is growing and has great possibilities," he says. "Eventually, I'll make more money in it than I did at Armour."

Mrs. Mary Pippin, a pert brunet taking typing and real estate at the American Business College here, hopes to make more money by opening her own sales office. The former Armour bacon slicer and bookkeeper adds: "I worked there for 18 years and probably never would have quit—but this automation project is opening up a whole new world for me."

One of the committee's findings is that such a retraining program need not be costly. Although they offered it to all 300 production workers idled by the plant closing, only 58 accepted it. Close to 200 chose to find jobs on their own, while the remainder who passed up the course are still unemployed. The total tuition cost incurred by the committee is only around $4,000, thanks partly to a limit on payments. "We pay the first $60 and then half the remainder up to a total of $150," Mrs. Hostler says. The committee reasons that workers will be more serious about schooling if they have a financial stake in it.

The workers are split on the merit of this point. "If I didn't have $60 of my own money in this, I might not care enough to work hard and stick with it," admits Mrs. Pippin. But Lloyd Fortune, a 34-year-old Negro father of six and Armour hide cellar worker since age 18, begrudges the $100 he paid toward his trade school auto mechanics course. "The company could just as easy have paid all of it," he says.

From the company's standpoint, one benefit of the program has been to minimize the bitterness that would understandably spring from the sudden plant closing. "The company has done a nice thing for us unemployed," says Mr. Combs, happy with the real estate brokers' license he won after a stiff state examination and a 22-week training course. Both the working butchers say they still cheerfully recommend Armour meat to their retail customers, although some of the disgruntled people who didn't take the training say they deliberately avoid eating the Armour products.

REDUCTION OF POSTAL RATE ON THIRD-CLASS LOCAL MAILINGS

Mr. LATTA. Mr. Speaker, I ask unanimous consent that the gentleman from Minnesota [Mr. ANDERSEN] may extend his remarks at this point in the RECORD, and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. ANDERSEN of Minnesota. Mr. Speaker, I introduce, for appropriate reference, a bill to reduce the postal rate on third-class local mailings by small businesses.

It is increasingly apparent that our postal rate increases have worked a hardship on a segment of our economy that can least afford it—that of our small businessmen.

We are all aware, and are constantly being told that the Postal Department is losing money on the handling of mail. The postal rate on third-class mailings was increased from 2 cents to 2½ cents effective July 1, 1960.

It is my opinion that the Postal Department is not losing money on the handling of third-class local mailings. In fact, I feel that there is no one place in the Postal Department that produced so much revenue, for such little effort expended, as in this local mailing of third-class mail.

The continuation of this service, at a reasonable cost, for local mailings, is of vital importance to small business.

EXTENSION OF UNEMPLOYMENT COMPENSATION BENEFITS

Mr. LATTA. Mr. Speaker, I ask unanimous consent that the gentleman from Maryland [Mr. MATHIAS] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. MATHIAS. Mr. Speaker, when the rollcall vote was taken today on the adoption of the conference report on the bill to extend temporarily unemployment compensation benefits, I was unavoidably detained on public business and not able to reach the floor in time to record my vote in favor of adoption. As a matter of fact, I was in conference with community representatives from Hagerstown, Md., concerning problems which affect employment of many thousands of people in the Sixth Congressional District of Maryland.

I was, however, recorded in favor of this bill when it was before the House and, had I been present, I would have voted in the affirmative.

FTC REGULATORY LAG

Mr. JOELSON. Mr. Speaker, I ask unanimous consent that the gentleman from Texas [Mr. PATMAN] may extend his remarks at this point in the RECORD and include extraneous matter and a table.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. PATMAN. Mr. Speaker, recently much has been said and written about the backlogs and delays which have been building up in the work of our Federal regulatory agencies and commissions. The recent report made by Dean James M. Landis to President Kennedy on the regulatory agencies devoted considerable space to this problem. At page 5 of that report, it was stated:

Inordinate delay characterizes the disposition of adjudicatory proceedings before substantially all of our regulatory agencies. In the Civil Aeronautics Board, for example, the average age of dockets closed by formal proceedings in 1960 was some 32 months. As of June 30, 1959, out of 464 proceedings then pending, 166 had been pending for more than 3 years. The Federal Trade Commission as of June 30, 1959, had 309 cease-and-desist orders pending, of which 118 had been pending for more than 1 year and 30 for more than 3 years. In the Federal Power Commission the backlog of pending cases in 1959 was almost 4 times as great as in 1957. Only last September that Commission announced that it would take 13 years with its present staff to clear up its pending 2,313 producer rate cases pending as of July 1, 1960, and that with the contemplated 6,500 cases that would be filed during that 13-year period it could not become current until A.D. 2043 even if its staff was tripled.

On March 8, 1961, I received a copy of a letter which had been directed on that date to Chairman Earl W. Kintner, of the Federal Trade Commission, by representatives of an organization of a large number of small business firms. In that letter a vigorous complaint was made about the action which had been taken in a Trade Commission case with the result that its final disposition will be postponed for years. That case had been pending for years with only a few days of hearings held, when in September they were adjourned, according to reports in the trade press, not to be resumed until April 1962. In view of the fact that the complaints about delays in the handling of that case and others were made on behalf of small business firms to me for attention and consideration, I promptly requested the FTC to supply me with a list of all advertising cases pending there for a period of more than 4 years, and a list of all antimonopoly cases pending there for a period of more than 1½ years. Since a change in the administration of that agency was imminent, I requested this list of cases be provided me on or before the 15th of March, 1961. The list was not supplied me on that date. However, yesterday there was a change in the administration of the FTC and yesterday afternoon the list I requested, showing the status of these cases, was supplied to me.

This list of cases discloses a shocking situation. It demonstrates that the regulatory lag at the FTC is far more pronounced than was thought to be the case. An examination of the list discloses that a number of cases have been pending at the FTC and unresolved for periods ranging up to 8 years. It is recognized that many of these cases were instituted by the FTC at the behest of small business firms who were complaining about unfair trade practices which were alleged to be destroying small business. In the meantime, during the pendency of these cases, it is alleged that many small business firms have been destroyed as a result of the practices against which these cases were directed.

Mr. Speaker, as I have stated there has been a change in the administration of the FTC, effective yesterday at 10 a.m. There is promise of improvement in

the work of that agency, but the tragedy is that all the improvement possible cannot bring the resurrection of the many small firms which have been destroyed as a result of the practices and conditions challenged by cases which have all but withered and died on the vine at the FTC. Our hope must lie in the prospects for the future that these conditions will not be tolerated and that through the improvements now in prospect in the administration of our Federal regulatory agencies our free and competitive enterprise system, and through it small business, will be allowed to survive and prosper.

With leave to extend and revise my remarks, I here insert the list of cases to which I referred and as supplied to me yesterday by the FTC. The list is as follows:

FEDERAL TRADE COMMISSION,
Washington, March 21, 1961.

The Honorable WRIGHT PATMAN,
Chairman, Small Business Committee, U.S. House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: In response to your request of March 10, delivered to the former Chairman of the Federal Trade Commission, I am pleased to furnish the attached statistical summary presenting the requested information on our old formal cases.

If I may be of further assistance, please call on me.

Very truly yours,

JOHN N. WHEELOCK,
Acting Executive Director.

(P.S.—The present administration of the Federal Trade Commission assumed office today. This data was prepared under the supervision of the outgoing administration. In view of the urgent need of the data, I am transmitting it immediately.)

Deceptive practice cases pending on Mar. 10, 1961, in which formal complaint issued prior to Mar. 10, 1957

Docket No.	Name	Charges	Date complaint letter received	Date investigation initiated	Date complaint issued	Number of days of hearings for taking evidence	Date of last such hearing
6242	Commercial Travelers Mutual Accident Association	FTC–5 [1]		Dec. 11, 1953	Oct. 14, 1954	5	July 18, 1956
6243	Guarantee Reserve Life Insurance Co. of Hammond	FTC–5 [1]		do	do	6	Nov. 17, 1955
6453	Minnesota Commercial Men's Association	FTC–5 [1]		do	Nov. 18, 1955	2	Feb. 27, 1956

[1] Insurance cases.

Antimonopoly cases pending on Mar. 10, 1961, in which formal complaint issued prior to Sept. 10, 1959

Docket No.	Name	Charges	Date complaint letter received	Date investigation initiated	Date complaint issued	Number of days of hearings for taking evidence	Date of last such hearing
6156	Luria Bros. & Co., Inc.	RT and C–7		Nov. 30, 1951	Jan. 19, 1954	114	May 13, 1958
6172	Carnation Co.	RT		Mar. 18, 1948	Feb. 15, 1954	18	Nov. 22, 1957
6173	Borden Co.	RT		Aug. 28, 1951	do	58	Do.
6174	Beatrice Foods Co.	RT	Sept. 11, 1951	Oct. 1, 1951	do	40	Do.
6175	National Dairy Products Corp.	RT		Nov. 15, 1951	do	54	Do.
6176	Pet Milk Co.	RT		do	do	30	Do.
6177	Fairmont Foods Co.	RT		Sept. 22, 1952	do	23	Do.
6178	Arden Farms Co.	RT		Nov. 4, 1952	do	42	Do.
6179	Foremost Dairies, Inc.	RT	Oct. 9, 1952	Nov. 6, 1952	do	42	Do.
6425	H. P. Hood & Sons, Inc.	RT	May 21, 1951	June 19, 1951	Oct. 3, 1955	7	Mar. 25, 1956
6459	Giant Food Shopping Center, Inc.	RT	Mar. 31, 1955	Apr. 6, 1955	Nov. 21, 1955	12	July 13, 1959
6485	B. F. Goodrich Co.	RT		Aug. 31, 1945	Jan. 11, 1956	33	Dec. 10, 1958
6495	Foremost Dairies, Inc.	RT and C–7		June 23, 1954	Jan. 17, 1956	40	June 3, 1960
6557	Brillo Manufacturing Co.	C–7		Aug. 12, 1955	May 22, 1956	22	Oct. 7, 1957
6608	Fruehauf Trailer Co.	RT and C–7		June 23, 1954	Aug. 17, 1956	72	Sept. 1, 1960
6640	Pure Oil Co.	RT and C–2	Nov. 14, 1955	June 1, 1956	Sept. 26, 1956	29	Feb. 20, 1961
6651	National Dairy Products Corp.	RT and C–7		June 23, 1954	Oct. 16, 1956	17	Apr. 7, 1960
6652	Borden Co.	RT and C–7		do	do	14	Oct. 6, 1960
6653	Beatrice Foods Co.	RT and C–7		May 29, 1953	do	22	Mar. 25, 1960
6826	Union Carbide Corp.	C–7		Oct. 1, 1956	July 8, 1957	79	June 17, 1960
6852	National Sugar Refining Co.	C–7		June 6, 1956	July 25, 1957	18	Jan. 16, 1961
6898	Texas Co.	RT and C–2		Mar. 12, 1957	Sept. 27, 1957	42	Sept. 30, 1960
6901	Procter & Gamble Co.	C–7	Aug. 21, 1956	Sept. 21, 1956	Sept. 30, 1957	61	Feb. 12, 1959
6934	Sun Oil Co.	RT		May 13, 1957	Nov. 8, 1957	19	June 24, 1960
7000	Consolidated Foods Corp.	C–7	June 21, 1954	July 15, 1954	Dec. 18, 1957	35	Mar. 10, 1961
7018	National Dairy Products Corp.	C–2		July 21, 1954	Dec. 31, 1957	36	Mar. 14, 1960
7042	Sandura Co.	RT	Sept. 20, 1956	Oct. 3, 1956	Jan. 15, 1958	13	July 28, 1960
7065	Rural Gas Service, Inc.	RT, C–2, and C–3.	Jan. 26, 1956	Feb. 8, 1956	Feb. 19, 1958	4	May 18, 1960
7086	Moore Business Forms, Inc.	C–2	June 21, 1955	Aug. 1, 1955	Mar. 13, 1958	16	Nov. 21, 1960
7087	Uarco, Inc.	C–2	do	do	do	10	Nov. 4, 1960
7094	Admiral Corp.	C–2	Feb. 26, 1954	May 11, 1954	Mar. 26, 1958	35	Nov. 22, 1960
7095	Dresser Industries, Inc.	RT and C–7		May 18, 1955	do	32	Mar. 2, 1961
7096	National Lead Co.	RT and C–7		Oct. 5, 1956	do	31	Do.
7116	Snap-On Tools Corp.	RT	May 4, 1956	June 8, 1956	Apr. 10, 1958	14	June 2, 1960
7121	National Retailer-Owned Grocers, Inc.	C–2		Sept. 16, 1954	Apr. 16, 1958	15	May 25, 1960
7129	Borden Co.	C–2	July 29, 1957	Aug. 9, 1957	Apr. 22, 1958	24	Sept. 27, 1960
7134	Bearings, Inc. (Delaware)	RT	Apr. 11, 1955	May 12, 1955	Apr. 29, 1958	10	Dec. 14, 1959
7136	International Milling Co.	C–2	Oct. 17, 1956	Oct. 26, 1956	Apr. 30, 1958	10	Aug. 4, 1960
7144	Haines City Citrus Growers Association	C–2	Jan. 31, 1957	Feb. 8, 1957	May 7, 1958	5	Mar. 8, 1960
7175	Revlon, Inc.	RT	Aug. 6, 1956	Sept. 20, 1956	June 16, 1958	3	Sept. 9, 1960
7207	Forster Manufacturing Co., Inc.	C–2	Sept. 24, 1957	Oct. 18, 1957	July 23, 1958	29	Nov. 1, 1960
7211	American Cyanamid Co.	RT		Nov. 21, 1957	July 28, 1958	86	Feb. 4, 1960
7225	Tri-Valley Packing Association, Inc.	C–2	July 12, 1957	Sept. 9, 1957	Aug. 6, 1958	17	Nov. 7, 1960
7226	Flotill Products, Inc.	C–2	do	do	do	1	July 7, 1959
7273	Thomasville Chair Co.	C–2	May 24, 1957	June 3, 1957	Oct. 7, 1958	9	Mar. 25, 1960
7285	Associated Construction Publications	RT	Jan. 25, 1957	Feb. 27, 1957	Oct. 21, 1958	12	Oct. 9, 1959
7357	American Motors Corp.	C–2		Sept. 24, 1952	Jan. 13, 1959	4	Dec. 1, 1960
7365	American Metal Products Co.	C–2		May 8, 1957	Jan. 22, 1959	20	Nov. 15, 1960
7379	Bill The Distributor, Inc.	C–2	Nov. 15, 1957	Jan. 29, 1958	Jan. 27, 1959	8	May 19, 1960
7409	Sunbeam Corp.	C–2	Nov. 21, 1956	Feb. 8, 1957	Feb. 13, 1959	3	Jan. 28, 1960
7420	Bigelow-Sanford Carpet Co., Inc.	C–2		Jan. 27, 1950	Feb. 26, 1959		
7421	Mohasco Industries, Inc.	C–2		do	do		
7452	Schulze & Burch Biscuit Co.	C–2	June 17, 1957	June 25, 1957	Mar. 25, 1959		
7453	National Tea Co.	RT and C–7		Aug. 27, 1957	Mar. 26, 1959	10	Sept. 9, 1960
7462	Pacific Molasses Co.	C–2	June 3, 1955	Sept. 26, 1955	Apr. 1, 1959	1	July 14, 1960
7463	Southwestern Sugar & Molasses Co.	RT and C–2	do	do	do		
7464	Kroger Co.	RT and C–7		June 20, 1955	do		
7471	Atlantic Refining Co., Inc.	RT	Oct. 9, 1957	Oct. 17, 1957	Apr. 13, 1959	8	May 24, 1960
7474	Borden Co.	C–2	Nov. 21, 1957	Feb. 4, 1958	do	8	Feb. 16, 1961
7475	Foremost Dairies, Inc.	C–2	do	do	do	6	Nov. 9, 1959
7476	Murray Space Shoe Corp.	FTC 5 and 12 and C–3.	Apr. 5, 1956	Apr. 11, 1956	Apr. 15, 1959	22	July 1, 1960

Antimonopoly cases pending on Mar. 10, 1961, in which formal complaint issued prior to Sept. 10, 1959—Continued

Docket No.	Name	Charges	Date complaint letter received	Date investigation initiated	Date complaint issued	Number of days of hearings for taking evidence	Date of last such hearing
7492	Fred Meyer, Inc	RT and C–2	Mar. 28, 1956	Apr. 26, 1956	May 15, 1959	11	Nov. 16, 1960
7494	Cannon Mills Co	C–2	do	do	do	3	Nov. 10, 1960
7495	Idaho Canning Co. (Ltd.)	C–2	do	do	do	3	May 3, 1960
7496	Tri-Valley Packing Association [1]	C–2	do	do	do	17	Nov. 7, 1960
7505	Rubber Manufacturers Association, Inc	RT	Oct. 26, 1954	Feb. 10, 1955	June 2, 1959	4	Dec. 5, 1960
7514	Mueller Co	C–2	Feb. 26, 1958	Apr. 17, 1958	June 10, 1959	9	Sept. 2, 1960
7517	Minute Maid Corp	C–2	Jan. 30, 1957	Feb. 8, 1957	June 11, 1959	6	Oct. 19, 1960
7527	Thompson-Hayward Chemical Co	C–2	Dec. 5, 1956	Jan. 9, 1957	June 26, 1959	4	May 20, 1960
7559	Sperry Rand Corp	C–2	Sept. 8, 1958	Sept. 26, 1958	Aug. 5, 1959	6	June 2, 1960
7567	Standard Oil Co. (Indiana)	RT	July 5, 1956	July 23, 1956	Aug. 7, 1959	12	Jan. 24, 1961

[1] Consolidated with D. 7225.

FOURTH NATIONAL ASSEMBLY OF CIVIL WAR CENTENNIAL COMMISSION

Mr. JOELSON. Mr. Speaker, I ask unanimous consent that the gentleman from New Jersey [Mr. ADDONIZIO] may extend his remarks at this point in the RECORD, and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. ADDONIZIO. Mr. Speaker, the decision of the Executive Committee of the Civil War Centennial Commission to hold the fourth national assembly in Charleston next month, despite the lack of equal accommodations for all delegates, is an affront to—if not a clear violation of—the purposes of Public Law 85–305 which established the Commission. It is inconceivable that an official body of the U.S. Government should acquiesce in discriminatory practices that are in direct conflict with our national policies.

In response to my protest concerning the customs in Charleston, as they affect State delegations, Maj. Gen. U. S. Grant 3d, Chairman of the Commission, wrote me on March 17:

> Although our Commission does not exclude Negroes from its assemblies, and has no inclination or desire to do so, still we have no control over local customs. Therefore, it seems incumbent on us to carry out the plans for April 11 and 12 made with so much care and labor.

If the Commission has no control over local customs, it does have control over the location of its meetings. It would seem that "plans made with so much care and labor" should include suitable accommodations for the delegates. If the executive committee cannot insure that all officially designated delegates to the assembly will be welcomed with equal courtesy and consideration, then, in my opinion, it is remiss in the performance of its duties.

I am confident that the full Commission will repudiate the executive committee's bland disavowal of its responsibilities and will cancel the assembly if all delegates cannot be properly accommodated in Charleston. As a distinguished member of the Commission has observed:

> In consideration of recent developments it could, it seems to me, be argued successfully that the site selected for the fourth national assembly fails to meet the legal requirement that it shall be "a place of meeting generally convenient," and that, under the circumstances, its proceedings would be unlikely to result in recommendations "for the most fitting and appropriate way to commemorate the observances of the centennial of the Civil War."

The gentleman's most able letter is printed in full below. I commend to all Americans his eloquent words:

> Any indignity actual or implied, any embarrassment, any act of discrimination of whatever kind suffered by an officially designated delegate to the assembly would not only violate its spirit but would rashly destroy the noble object which it purports to serve and would ill become a great and united people.

The letter follows:

MARCH 17, 1961.

DEAR CONGRESSMAN ADDONIZIO: Thank you for your letter of March 14 concerning the Fourth National Assembly of the Civil War Centennial Commission which is scheduled to convene in early April.

Public Law 85–305, approved September 7, 1957, provides in section 6(B–2): "The Commission shall call, at a place of meeting generally convenient, and not later than January 15, 1958, a national assembly of representatives of civic, patriotic, and historical groups whose duty it shall be to consider and make recommendations to the Commission for the most fitting and appropriate way to commemorate the observances of the centennial of the Civil War. The Governors of each of the several States and noncontiguous territories of the United States shall be invited to appoint representatives to the assembly. When this assembly shall have made its recommendations, it shall be adjourned subject to the call of the Commission."

In consideration of recent developments it could, it seems to me, be argued successfully that the site selected for the fourth national assembly fails to meet the legal requirement that it shall be "a place of meeting generally convenient," and that under the circumstances, its proceedings would be unlikely to result in recommendations "for the most fitting and appropriate way to commemorate the observances of the centennial of the Civil War."

I have reviewed my files. The agenda for a meeting of the full Civil War Centennial Commission held on Tuesday, January 5, 1960, included, under "new business," (6–b) "Recommend site of fourth national assembly Charleston, S.C., April 12, 1961." The minutes of that meeting, which I attended, do not show, however, that the recommendation was accepted or, for that matter, even discussed.

A circular distributed by the Commission in July 1960, headed "Centennial Activities Already Planned" contains the bald announcement, "The fourth national assembly has been scheduled for Charleston, S.C., in April 1961." Again, in the third annual report of the executive director, submitted to Maj. Gen. U. S. Grant 3d, chairman, Civil War Centennial Commission, December 6, 1960, is (p. 2) the statement, "On April 11–12, our fourth national assembly will be held in Charleston, S.C., to coincide with the reenactment of the attack on Fort Sumter."

In response to inquiry made of the Commission's headquarters, I am informed that the executive committee (of which I am not a member) at a meeting held on January 4, 1960, received a recommendation that the place should be Charleston and gave it unanimous approval. I cannot, however, find any documentation to support the belief that the Commission itself ever had opportunity formally to ratify or sanction the decision.

For myself, let me say unequivocally that I am in sympathetic and complete agreement with the position taken by the New Jersey Civil War Centennial Commission. Any indignity, actual or implied, any embarrassment, any act of discrimination of whatever kind suffered by an officially designated delegate to the assembly would not only violate its spirit but would rashly destroy the noble object which it purports to serve and would ill become a great and united people.

It is earnestly to be hoped that a way may be found to resolve the difficulty to the honor and satisfaction of all the citizens of every section and every region.

Having had a very small part in the special joint session of the senate and general assembly, at Trenton, on February 21, it was my privilege to meet the members of New Jersey's commission, including that gifted and cultivated lady, Mrs. Madaline A. Williams.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. STAGGERS for 5 minutes today and to revise and extend his remarks.

Mr. HEMPHILL (at the request of Mr. JOELSON) for 1 hour on Tuesday, March 28, 1961.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. VINSON to revise and extend his remarks made in Committee of the Whole and to include tables and other extraneous matter.

Mr. ROGERS of Florida (at the request of Mr. BROWN of Ohio).

Mr. HEMPHILL (at the request of Mr. MCCORMACK) to revise and extend the remarks he made in the House today and include extraneous matter.

Mr. BOW to revise and extend the remarks he made in the House today and include a colloquy between himself, Mr. BRAY, Mr. LIPSCOMB, Mr. NYGAARD, Mr. VAN ZANDT, Mr. MOELLER, and Mr. AYRES; and to include extraneous matter.

Mr. UTT (at the request of Mr. LATTA) to include two tables in the remarks he made today on the conference report on the bill H.R. 4806.

Mr. TEAGUE of Texas.

(The following Members (at the request of Mr. LATTA) and to include extraneous matter:)

Mr. BERRY in two instances.

Mr. SHORT.

Mr. VAN ZANDT.

(The following Members (at the request of Mr. JOELSON) and to include extraneous matter:)

Mr. HEMPHILL.

Mr. THORNBERRY.

Mr. FALLON.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 205. An act to expedite the utilization of television transmission facilities in our public schools and colleges, and in adult training programs; to the Committee on Interstate and Foreign Commerce.

S. 712. An act authorizing the Secretary of the Treasury to coin and sell duplicates in bronze of a gold medal presented to Robert Frost by the President of the United States; to the Committee on Banking and Currency.

ENROLLED BILLS SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 4510. An act to provide a special program for feed grains for 1961.

H.R. 4806. An act to provide for the establishment of a temporary program of extended unemployment compensation, to provide for a temporary increase in the rate of the Federal unemployment tax, and for other purposes.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 307. An act to authorize certain beach erosion control of the shore in San Diego County, Calif.

S. 449. An act to extend the time in which the Outdoor Recreation Resources Review Commission shall submit its final report.

S. 1028. An act to amend the transitional provisions of the act approved August 7, 1959, entitled "Nematocide, Plant Regulator, Defoliant, and Desiccant Amendment of 1959."

S. 1116. An act to authorize the sale, without regard to the 6-month waiting period prescribed, of certain calcines and matte proposed to be disposed of pursuant to the Strategic and Critical Materials Stock Piling Act.

BILLS PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H.R. 1822. To adjust the amount of funds available for farm operating loans made pursuant to section 21(b) of the Bankhead-Jones Farm Tenant Act, as amended.

H.R. 4510. To provide a special program for feed grains for 1961.

ADJOURNMENT

Mr. JOELSON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 16 minutes p.m.), the House adjourned until tomorrow, Thursday, March 23, 1961, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

704. A letter from the Comptroller General of the United States transmitting a report on the review of certain aspects of the program for the termination of Federal supervision over Indian affairs by the Bureau of Indian Affairs, Department of the Interior; to the Committee on Government Operations.

705. A letter from the Secretary of Commerce, transmitting a draft of a proposed bill entitled "A bill to amend the act approved July 14, 1960 (74 Stat. 526), relating to the establishment of a register in the Department of Commerce of certain motor vehicle operators' licenses"; to the Committee on Interstate and Foreign Commerce.

706. A letter from the Secretary of State, transmitting a draft of a proposed bill entitled "A bill to amend the Foreign Service Buildings Act, 1926, to authorize additional appropriations, and for other reasons"; to the Committee on Foreign Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MCMILLAN: Committee on the District of Columbia. Supplemental report. H.R. 258. A bill to amend the District of Columbia Sales Tax Act so as to increase the rate of tax imposed on gross receipts from certain sales, and for other purposes; with amendment (Rept. No. 173, pt. 2). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAWSON: Committee on Government Operations. Report on activities of the Committee on Government Operations (Rept. No. 184). Referred to the Committee of the Whole House on the State of the Union.

Mr. SPENCE: Committee on Banking and Currency. S. 900. An act to provide for the striking of medals in commemoration of the 250th anniversary of the founding of Mobile, Ala., without amendment (Rept. No. 185). Referred to the Committee of the Whole House on the State of the Union.

Mr. SPENCE: Committee on Banking and Currency. S. 1. An act to establish an effective program to alleviate conditions of substantial and persistent unemployment and underemployment in certain economically distressed areas; with amendment (Rept. No. 186). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. AYRES:

H.R. 5819. A bill to amend the Fair Labor Standards Act of 1938, as amended, to provide coverage for employees of interstate enterprises engaged in retail trade, to increase the minimum wage under the act to $1.15 an hour, and for other purposes; to the Committee on Education and Labor.

By Mr. KITCHIN:

H.R. 5820. A bill to amend the Fair Labor Standards Act of 1938, as amended, to provide coverage for employees of interstate enterprises engaged in retail trade, to increase the minimum wage under the act to $1.15 an hour, and for other purposes; to the Committee on Education and Labor.

By Mr. BROYHILL:

H.R. 5821. A bill to provide for the conveyance of a portion of the Henry G. Shirley Memorial Highway to the Commonwealth of Virginia, and for other purposes; to the Committee on Public Works.

By Mr. DANIELS:

H.R. 5822. A bill creating a commission to be known as the Commission on Noxious and Obscene Matters and Materials; to the Committee on Education and Labor.

By Mr. GARLAND:

H.R. 5823. A bill to amend title 10, United States Code, with respect to crediting certain service of females sworn in as members of telephone operating units, Signal Corps; to the Committee on Armed Services.

H.R. 5824. A bill to amend section 106 of title 38, United States Code, to provide veterans' benefits for female members of telephone operating units, Signal Corps, who served overseas during World War I; to the Committee on Veterans' Affairs.

By Mr. GOODELL:

H.R. 5825. A bill to amend the Fair Labor Standards Act of 1938, as amended, to provide coverage for employees of interstate enterprises engaged in retail trade, to increase the minimum wage under the act to $1.25 an hour, and for other purposes; to the Committee on Education and Labor.

By Mr. HALPERN:

H.R. 5826. A bill to extend certain reduced third-class postage rates to civic associations; to the Committee on Post Office and Civil Service.

By Mr. HEMPHILL:

H.R. 5827. A bill to amend the Fair Labor Standards Act of 1938, as amended, to provide coverage for employees engaged in commerce or in the production of goods for commerce, to increase the minimum wage under the act to $1.25 per hour, and for other purposes; to the Committee on Education and Labor.

By Mr. HOLTZMAN:

H.R. 5828. A bill to provide for recognition of Federal employee unions and to provide procedures for the adjustment of grievances; to the Committee on Post Office and Civil Service.

By Mr. JOHNSON of Wisconsin:

H.R. 5829. A bill to amend the Federal Property and Administrative Services Act of 1949 to permit donations of surplus property

to volunteer firefighting organizations and to volunteer rescue or lifesaving organizations, and for other purposes; to the Committee on Government Operations.

By Mr. LANE (by request):

H.R. 5830. A bill to amend the Shipping Act, 1916, as amended; to the Committee on Merchant Marine and Fisheries.

By Mr. McMILLAN:

H.R. 5831. A bill to amend section 11 of the act of April 1, 1942 (56 Stat. 197, ch. 207; D.C. Code, 1951 ed., sec. 11–776) being an act to "consolidate the police court of the District of Columbia and the municipal court of the District of Columbia, to create the municipal court for the District of Columbia, to create the municipal court of appeals for the District of Columbia, and for other purposes"; in order to modify the retirement benefits of the judges of the municipal court for the District of Columbia, the municipal court of appeals for the District of Columbia, and the juvenile court of the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. BROYHILL:

H.R. 5832. A bill to amend section 11 of the act of April 1, 1942 (56 Stat. 197, ch. 207; D.C. Code, 1951 ed., sec. 11–776) being an act to "consolidate the police court of the District of Columbia and the municipal court of the District of Columbia, to create the municipal court for the District of Columbia, to create the municipal court of appeals for the District of Columbia, and for other purposes"; in order to modify the retirement benefits of the judges of the municipal court for the District of Columbia, the municipal court of appeals for the District of Columbia, and the juvenile court of the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. McSWEEN:

H.R. 5833. A bill to authorize the Secretary of Agriculture to grant easements for road rights-of-way over national forest lands and other lands under the jurisdiction of the Department of Agriculture, and for other purposes; to the Committee on Agriculture.

By Mr. MASON:

H.R. 5834. A bill to equalize taxation and provide revenue; to the Committee on Ways and Means.

H.R. 5835. A bill to equalize taxation and provide revenue; to the Committee on Ways and Means.

By Mr. O'BRIEN of New York:

H.R. 5836. A bill to amend title II of the Social Security Act to extend the period during which certain State and local employees under a retirement system may acquire social security coverage by transferring from one division or part of such system to another; to the Committee on Ways and Means.

By Mr. ROBISON:

H.R. 5837. A bill to amend section 502 of the General Bridge Act of 1946, and for other purposes; to the Committee on Public Works.

By Mr. ST. GERMAIN:

H.R. 5838. A bill to amend the Federal Water Pollution Control Act to provide for a more effective program of water pollution control; to the Committee on Public Works.

By Mr. SCHERER:

H.R. 5839. A bill to amend the Subversive Activities Control Act of 1950 so as to require the registration of certain additional persons disseminating political propaganda within the United States as agents of a foreign principal, and for other purposes; to the Committee on Un-American Activities.

By Mr. SHORT:

H.R. 5840. A bill to provide appropriate lapel buttons for widows, parents, and next of kin of members of the Armed Forces who, subsequent to World War II, lost their lives in the armed services of the United States during peacetime; to the Committee on Armed Services.

By Mr. UTT:

H.R. 5841. A bill to amend the Internal Revenue Code of 1954 to permit the amortization over a 60-month period of certain civil defense facilities; to the Committee on Ways and Means.

By Mr. VINSON:

H.R. 5842. A bill to amend the Fair Labor Standards Act of 1938, as amended, to provide coverage for employees of interstate enterprises engaged in retail trade, to increase the minimum wage under the act to $1.25 an hour, and for other purposes; to the Committee on Education and Labor.

By Mr. ANDERSEN of Minnesota:

H.R. 5843. A bill to reduce the minimum charge per piece for the third-class (bulk) local mailings of small businesses; to the Committee on Post Office and Civil Service.

By Mr. BROYHILL:

H.R. 5844. A bill relating to the exemption from the club dues tax in the case of nonprofit swimming or skating facilities; to the Committee on Ways and Means.

By Mr. DENT:

H.R. 5845. A bill to provide for grants to the several States to permit them to establish a State college of technology offering a 24-month course leading to a degree of bachelor of technology; to the Committee on Education and Labor.

By Mr. DEVINE:

H.R. 5846. A bill to amend title 28, United States Code, to establish certain qualifications for persons appointed as judges or justices of the United States; to the Committee on the Judiciary.

My Mr. FULTON:

H.R. 5847. A bill to provide for the establishment of a Council to be known as the National Citizens Council on Migratory Labor; to the Committee on Education and Labor.

H.R. 5848. A bill to provide for the registration of contractors of migrant agricultural workers and for other purposes; to the Committee on Education and Labor.

H.R. 5849. A bill to amend title III of the Public Health Service Act to authorize grants for improving domestic agricultural migratory workers' health services and conditions; to the Committee on Interstate and Foreign Commerce.

H.R. 5850. A bill relating to the power of the States to impose use tax assessments with respect to sales in interstate commerce; to the Committee on the Judiciary.

By Mr. GALLAGHER:

H.R. 5851. A bill to amend the Fair Labor Standards Act of 1938, as amended, to provide coverage for employees of large enterprises engaged in retail trade or service and of other employers engaged in commerce or in the production of goods for commerce, to increase the minimum wage under the act to $1.25 an hour, and for other purposes; to the Committee on Education and Labor.

By Mr. MEADER:

H.R. 5852. A bill to provide for the free entry of a towing carriage for the use of the University of Michigan; to the Committee on Ways and Means.

By Mr. RHODES of Pennsylvania:

H.R. 5853. A bill to amend title 38, United States Code, to provide for the payment of pensions to veterans of World War I; to the Committee on Veterans' Affairs.

By Mr. SCHERER:

H.R. 5854. A bill to provide for the expiration of certain authorizations by the Congress for projects for flood control or river and harbor improvements; to the Committee on Public Works.

By Mr. SCHNEEBELI:

H.R. 5855. A bill relating to the deduction for income tax purposes of contributions to charitable organizations whose sole purpose is making distributions to other charitable organizations, contributions to which by individuals are deductible within the 30 percent limitation of adjusted gross income; to the Committee on Ways and Means.

By Mr. VAN PELT:

H.R. 5856. A bill to amend paragraph 1726 of the Tariff Act of 1930 to place on the free list magnetic tape and other sound recordings for radio music broadcasts; to the Committee on Ways and Means.

By Mr. HOLTZMAN:

H.J. Res. 333. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. WESTLAND:

H.J. Res. 334. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. PHILBIN:

H. Con. Res. 204. Concurrent resolution to recognize Samuel Wilson, of Troy, N.Y., as the progenitor of America's national symbol "Uncle Sam"; to the Committee on Interior and Insular Affairs.

MEMORIALS

Under clause 4 of rule XXII,

The SPEAKER presented a memorial of the Legislature of the State of Iowa, memorializing the President and the Congress of the United States relative to ratifying a proposed amendment to the Constitution of the United States of America relating to granting representation in the electoral college to the District of Columbia, which was referred to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANFUSO:

H.R. 5857. A bill for the relief of Anthony Outeri (Auteri); to the Committee on the Judiciary.

By Mr. BATES:

H.R. 5858. A bill for the relief of Josephine C. Rumley, administratrix of the estate of George S. Rumley, doing business as George S. Rumley Shoe Manufacturing Co., and for other purposes; to the Committee on the Judiciary.

By Mr. CORMAN (by request):

H.R. 5859. A bill for the relief of Harold A. Saly; to the Committee on the Judiciary.

H.R. 5860. A bill for the relief of Cornelius F. Hoorn; to the Committee on the Judiciary.

By Mr. DELANEY:

H.R. 5861. A bill for the relief of Ante Martinovic, Maria Martinovic, and Yandranka Martinovic; to the Committee on the Judiciary.

By Mr. FARBSTEIN:

H.R. 5862. A bill for the relief of Givara Selim Omer also known as Selim Gabbarra; to the Committee on the Judiciary.

By Mr. KEARNS:

H.R. 5863. A bill for the relief of Harry Hong Sang Fong; to the Committee on the Judiciary.

By Mr. RUTHERFORD:

H.R. 5864. A bill for the relief of Mrs. Chui Sam; to the Committee on the Judiciary.

By Mr. SAUND:

H.R. 5865. A bill for the relief of Herminia C. Balagot; to the Committee on the Judiciary.

By Mr. WIDNALL:

H.R. 5866. A bill for the relief of Halina Maria (Gutowicz) Olsenwik; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause I of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

101. By Mr. STRATTON: Resolution of the Common Council of the City of Amsterdam, N.Y., favoring the adoption of legislation for acquisition of Government surplus property by cities; to the Committee on Government Operations.

102. Also, petition of the Board of Trustees of the Village of Fort Johnson, N.Y., expressing approval of the New York State Assembly Resolution No. 98 (Eagen) memorializing the Congress to amend the social security law to increase the permissible annual income of recipients under age 70 years to the sum of $1,800; to the Committee on Ways and Means.

EXTENSIONS OF REMARKS

Veterans' Insurance: Mr. Teague of Texas, and Mr. Gross

EXTENSION OF REMARKS
OF
HON. OLIN E. TEAGUE
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 22, 1961

Mr. TEAGUE of Texas. Mr. Speaker, on March 21, at the time of the debate on the bill H.R. 4539, which proposes to pay a special dividend to holders of so-called RS and W insurance, the gentleman from Iowa [Mr. GROSS] and I engaged in colloquy concerning the general subject of insurance.

The question was raised as to why dividends on World War II insurance were so high. I have since written a letter to the gentleman from Iowa explaining in some detail my reasons. Under leave to extend my remarks I include the text of that letter:

MARCH 22, 1961.

Hon. H. R. GROSS,
Member of Congress,
House of Representatives,
Washington, D.C.

DEAR COLLEAGUE: Apropos of the discussion and colloquy between us on the floor on yesterday concerning Veterans' Administration insurance, I thought I should write you concerning some of the background of this subject.

U.S. Government life insurance which was enacted for the benefit of World War I veterans has the premium rates based on the American Experience Table Mortality with interest at 3½ percent. This is set forth in section 743, title 38.

Section 702 of title 38 provides that premium rates for national service life insurance, the World War II variety, shall be the net rates based upon the American Experience Table Mortality and interest at 3 percent per annum. You will note, of course, that both of these provisions are set by law, and in the case of World War I, has been in effect close to 40 years and World War II since October 1940. Insurance is the contract and may be subject to a suit. Any policyholder who is dissatisfied with a decision of the Veterans' Administration (or for that matter any beneficiary) may sue the Government in the nearest appropriate district court. You will readily appreciate that the Congress thus is without power to make a mandatory change of the mortality table just as a private insurance company cannot change the rules in the middle of the game; neither can the Government. If you attempted to do so, I think one suit would be sufficient to establish the fact that the Government is without power to change the mortality tables.

I cite all of this because the mortality table and the lengthened lifespan are the reasons for the unusually high dividends which World War I veterans and World War II veterans enjoy. There is nothing that the Government or the Veterans' Administration can do about either of these facts. I am sure you appreciate this.

Since the enactment of the two acts that I referred to above, the Congress has generally tried to put insurance, which has been written in recent years, on a more realistic mortality table basis. I cite the insurance written as "RS" and "W." "RS" insurance was not expected to produce any dividends and was made nonparticipating, but it did produce a surplus and therefore we had the equitable duty to distribute it as a dividend. This is the reason for the passage on yesterday of H.R. 4539. The experience of the Veterans' Administration in death claims has been so favorable on this insurance that approximately $65 million was accumulated.

The so-called "W" insurance which was provided by Public Law 85-896 sets the premium on so-called X-18 table and you will be glad to know that this table of mortality is accomplishing its aim that Congress had for it; namely, providing low cost nonparticipating insurance.

I hope to introduce, as I said yesterday, a bill shortly which will provide for the payment of the administrative expenses for the operation of the insurance program by deductions from the dividends available to World War I and World War II veterans. There is a considerable question whether this can be done, since as I have indicated above the insurance is a contract. I plan to submit this to the Veterans' Administration as soon as I draft it, and also to the Attorney General so that the constitutional question can be resolved.

You can readily tell, of course, that I feel that there is no easy solution to this problem. If you care to introduce legislation which you think will correct it in any way, I'll be happy to request departmental reports immediately and see that you get a public hearing at an early date at which time you can present your point of view in the fullest possible manner. I would not limit this to insurance but will offer you the same opportunity on any matter coming within the jurisdiction of this committee.

Very truly yours,

OLIN E. TEAGUE,
Chairman.

Charles R. Hook

EXTENSION OF REMARKS
OF
HON. PAUL G. ROGERS
OF FLORIDA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 22, 1961

Mr. ROGERS of Florida. Mr. Speaker, I would like to express best wishes to Mr. Charles R. Hook as he begins an active retirement in Florida.

Mr. Hook and I met and worked together on the Hoover Commission recommendations during recent years and his dedication to service to his country is well known by all who have worked with him.

We in Florida welcome Mr. Hook to our State, and hope he will spend a good deal of his time with us. His business and civic talents will find new avenues of expression in our fast-growing State, and we will encourage him to take an active interest in the development and expansion of Florida.

The Minimum Wage Law

EXTENSION OF REMARKS
OF
HON. ROBERT W. HEMPHILL
OF SOUTH CAROLINA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 22, 1961

Mr. HEMPHILL. Mr. Speaker, under leave to revise and extend my remarks, I am making a statement and including certain extraneous matter for the information of Members of Congress as to the minimum wage law.

I am not opposed to a minimum wage law as such, but I am opposed to a minimum wage law which stands any likelihood of furthering unemployment in my district, in my State, and in my country.

If H.R. 3935, the committee bill, is to be the bill which is to be pressed for passage, then I would hope that an amendment to that legislation would be accepted to take care of the rural areas of this country. As numbers of us know, who have studied and are concerned that the plight of the small merchant, who has clerks who do not make enough sales at the margin of profit now existing in rural retail stores, to justify the raise in wages, the impact of extending the coverage to those areas and to those establishments would be to cause some layoff of people and further unemployment, as well as extend the economic difficulty in those little communities. In the small rural communities of this country, when a person is laid off it means a loss of income to the community as a whole and any widespread unemployment in these areas will affect larger communities.

I recognize the fact that in the larger metropolitan statistical areas of this country, because of the fact that cost of living is higher in the cities, the sales are greater, the sales per clerk are larger per hour, and the stores are for the most part modern, they pay higher wages, but in the rural areas of this country this

is not true, and I, therefore, would propose an amendment to H.R. 3935, as reported March 13, 1961, as follows:

AMENDMENT

(1) On page 19, between lines 16 and 17, insert the following new paragraph:

(2) "Any employee employed in a retail or service establishment, situated outside of the boundaries of a standard metropolitan statistical area as now delineated and now defined by the Federal Committee on Standard Metropolitan Statistical Areas, under the direction of the U.S. Bureau of the Budget: or."

(Renumber successive paragraphs.)

For estimated coverage of employees I present the following tabulation:

EXHIBIT A

ESTIMATED COVERAGE—WAGE HOUR BILL USING STANDARD METROPOLITAN STATISTICAL AREAS, BUREAU OF THE CENSUS

	Number employees covered
Total retail employees, 1958	7,942,914
67.7 percent in standard metropolitan statistical area	5,377,363
Standard metropolitan statistical areas, with $100,000 per store exemption test	3,129,625
With $300,000 per store exemption test	2,317,643

(1) Statistical Abstract of United States, 1960, page 834.

(2) Percent based on latest available census reports.

(3) Statistical Abstract of United States, 1960, page 833.

Worker by store size based on 1954 census.

Nineteen hundred and fifty-eight figures not available.

If we are going to extend the coverage, this amendment would serve to recognize the conditions which actually exist in our communities today. I have also introduced, for the purpose of allowing the House to vote, and I hope favorably, on the pure constitutional question, a bill which I believe will extend the coverage to those actually engaged in commerce, without any extension of coverage or invasion of those fields not engaged in commerce.

This bill consists of an amendment to the Fair Labor Standards Act of 1938, as amended. The purpose of the amendment is to provide certain additional coverage for employees presently engaged in retail trade or service and of other employees engaged in commerce or in the purchase of goods for commerce, to increase the minimum wage under the act, and for other purposes.

You will note that the purpose and issue of this submission differs from the purpose and effect of H.R. 3935, as introduced by Mr. ROOSEVELT, and H.R. 5561, as introduced by Mr. KITCHIN, and H.R. 5537, as introduced by Mr. MARTIN of Nebraska.

In order more precisely to differentiate between the present submission and the former bills referred to, we note, briefly, that the Roosevelt bill, consists of "enterprise" tests under which all retailers are covered who come within the "enterprise" definition, and have sales of more than $1 million annually, regardless of the number of units or establishments making up the total enterprise; the Kitchin bill provides coverage only as the enterprise is engaged in business in two or more States and has five or more units, but otherwise accepting the enterprise criteria of the Roosevelt bill in all its vastness and complex impacts. The Martin bill is a simple amendment to the Fair Labor Standards Act to increase the minimum wage to $1.15 without affecting present coverage provisions or the exemptions therefrom. The Martin amendment has great appeal to many people.

Constitutional questions plague both H.R. 3935—Roosevelt bill—and H.R. 5561—Kitchin bill. Under both measures, however, some extension of coverage is sought, and, not withstanding certain blanket exemptions contained in both measures, measurable additional coverage is provided.

The enclosed submission differs from any of the foregoing in that it will accomplish the following:

(a) It will avoid the constitutional question inherent in the Roosevelt and Kitchin bills, that is, the regulation of local business activities, that are truly and legally intrastate. This avoidance is accomplished by retaining the present format of the Fair Labor Standards Act, which has been held constitutional by the Supreme Court of the United States.

(b) It will provide additional coverage. This is accomplished by amending out the retail exemption. By repeal of the retail exemption, employees of retail and service industries will be covered to the extent that such employees are engaged in trade, commerce, transportation, transmission, or communication, among the several States, or between any State and any place outside thereof. Employees who engage in activities which are not interstate in character will not be covered.

The present test of the Fair Labor Standards Act, as laid down and recognized by the Supreme Court has been an "employee" test: that is, whether or not the services of the "employee" has been those of one directly engaged in interstate activities. By retaining this test, all employees of retail and service establishments who are engaged in such interstate activities and transactions will be covered and it is estimated that there will be an additional coverage of 1,800,000 persons.

Individuals whose activities are intrastate in character, such as those individuals engaged in local retailing activities which are performed after the interstate movement of merchandise has ceased, will not be covered. By way of example, warehousemen, communication forces, and buyers will so be covered; local salespersons are not covered.

Much litigation over the past 23 years has produced a clear and definitive picture of the relative distinctions of interstate against intrastate activities. There will be no period of uncertainty, there will be no multiplicity of litigation, and there can be no distortion by regulation. Distortion by regulation can be a nightmare under the enterprise doctrine by the Roosevelt bill and by the Kitchin bill.

The complexity of retail distribution is such that the economics of the industry differ by locality, by region, by character of stores, by productivity of employees, by inventory turnover within the various segments of the retail industry—see Dun & Bradstreet study attached exhibit B—and many other similar significant factors of difference and variety.

EXHIBIT B.—*Operating ratios for 41 lines of retail trade*

Line of retail trade	Year	Cost of goods sold [1]	Gross margin [1]	Total expense [1]	Net operating profit [1]	Selected operating expenses					Inventory turnover per year	Source of survey [The ratios compiled by Dun & Bradstreet, Inc., may be reproduced or used publicly with credit to Dun & Bradstreet, Inc. The ratios compiled by others are provided through the courtesy of the compilers and cannot be included in published material or used publicly without permission of the compilers.]
						Owners' compensation [1]	Employees' wages [1]	Occupancy cost [1]	Advertising [1]	Bad debts [1]		
		Percent	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Times*	
Appliance-radio-television dealers	1958	64.5	35.5	34.4	1.1	3.1	15.6	2.5	2.8	0.7	4.6	National Appliance & Radio-TV Dealers Association, 1141 Merchandise Mart, Chicago 54, Ill.
Auto accessory and parts stores	1955	65.6	34.4	31.7	2.7	10.5	9.8	4.7	1.2	.1	3.9	Dun & Bradstreet, Inc., New York, N.Y.
Auto dealers	1958	85.1	14.9	14.7	.2	[2] 7.5		1.2	.8	(3)	(3)	National Automobile Dealers Association, 2000 K St. NW., Washington 6, D.C.
Bakeries	1955	58.1	41.9	38.3	3.6	10.6	[4] 11.3	6.1	.6	(3)	18.7	Dun & Bradstreet, Inc., New York, N.Y.
Bars and taverns	1953	54.2	45.8	43.4	2.4	10.9	15.5	6.8	.7	(3)	13.5	Do.
Bookstores	1954	61.9	38.1	35.1	3.0	9.2	6.9	6.7	1.7	(3)	3.3	American Booksellers Association, Inc., 175 5th Ave., New York 18, N.Y.
Camera and photographic supply stores	1954	69.1	30.9	28.5	2.4	9.8	6.7	4.8	1.9	0	3.2	Dun & Bradstreet, Inc., New York, N.Y.
Candy, nut and confectionery stores	1955	64.2	35.8	35.4	.4	13.9	[4] 6.3	8.5	.3	(3)	11.8	Do.
Children's and infants' wear stores	1957	67.5	32.5	30.8	1.7	9.4	7.2	6.9	1.3	0	2.6	Do.
Department stores [5]	1958	68.1	31.9	31.3	.6	18.3		2.9	1.7	.2	2.5	Bureau of Business Research Bulletin No. 155, Harvard University, Graduate School of Business Administration, Soldiers Field 63, Boston, Mass.

See footnotes at end of table.

EXHIBIT B.—B. *Operating ratios for 41 lines of retail trade*—Continued

Line of retail trade	Year	Cost of goods sold [1]	Gross margin [1]	Total expense [1]	Net operating profit [1]	Selected operating expenses					Inventory turnover per year	Source of survey [The ratios compiled by Dun & Bradstreet, Inc., may be reproduced or used publicly with credit to Dun & Bradstreet, Inc. The ratios compiled by others are provided through the courtesy of the compilers and cannot be included in published material or used publicly without permission of the compilers.]
						Owners' compensation [1]	Employees' wages [1]	Occupancy cost [1]	Advertising [1]	Bad debts [1]		
		Percent	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Times*	
Drugstores	1958	65.3	34.7	29.5	5.2	8.0	11.2	[9] 2.2	[3]	[3]	3.8	Eli Lilly & Co., Indianapolis 6, Ind.
Dry goods and general merchandise stores.	1957	70.5	29.5	27.6	1.9	8.6	8.6	4.5	1.3	0	2.4	Dunn & Bradstreet, Inc., New York, N.Y.
Family clothing stores	1956	69.4	30.6	27.9	2.7	9.4	7.7	4.2	1.5	0	2.3	Do.
Farm equipment dealers	1958	82.5	17.5	14.2	3.3	[7] 2.2	[4] 4.3	[3]	.6	.2	2.8	National Retail Farm Equipment Association, 2340 Hampton, St. Louis 10, Mo.
Farm supply stores	1956	84.1	15.9	14.4	1.5	4.2	4.8	1.6	.3	.1	14.2	Dunn & Bradstreet, Inc., New York, N.Y.
Floor coverings stores	1954	64.3	35.7	34.0	1.7	9.0	12.4	4.5	1.8	0	3.7	Do.
Florists	1953	52.6	47.4	44.1	3.3	12.6	11.7	7.0	1.8	.1	11.8	Do.
Furniture stores [5]	1958	61.6	38.4	37.9	.5	21.0		6.2	5.2	1.0	2.6	National Retail Furniture Association, 666 Lake Shore Dr., Chicago 11, Ill.
Gasoline service stations	1956	76.8	23.2	22.1	1.1	6.3	8.1	4.0	.5	0	21.3	Dunn & Bradstreet, Inc., New York, N.Y.
Gift, novelty, and souvenir stores	1957	60.0	40.0	38.1	1.9	13.8	7.0	8.7	1.2	[3]	2.4	Do.
Grocery stores	1952	84.1	15.9	14.4	1.5	6.0	3.9	2.7	.1	0	13.6	Do.
Grocery and meat stores	1950	83.7	16.3	14.3	2.0	3.7	5.4	1.9	.4	[3]	17.2	Do.
Hardware stores	1958	69.5	30.5	29.5	1.0	[7] 8.1	10.6	3.7	1.6	.2	2.0	National Retail Hardware Association, 964 North Pennsylvania St., Indianapolis 4, Ind.
Jewelry stores (cash and open credit)	1953	55.6	44.4	40.7	3.7	15.3	8.9	7.4	2.2	0	1.2	Dunn & Bradstreet, Inc., New York, N.Y.
Jewelry stores (installment credit)	1953	52.5	47.5	41.7	5.8	10.1	12.3	6.9	3.4	1.7	1.4	Do.
Juvenile furniture stores	1954	66.6	33.4	30.2	3.2	10.0	6.1	6.8	2.6	0	3.4	Do.
Liquor stores (package)	1955	80.3	19.7	17.1	2.6	7.6	2.9	2.9	.3	[8]	5.9	Do.
Lumber dealers	1955	75.5	24.5	21.1	3.4	5.5	8.7	1.8	.7	.3	4.3	Do.
Meat markets	1954	79.3	20.7	19.3	1.4	6.8	6.4	2.3	.2	0	53.3	Do.
Men's furnishings stores	1952	67.2	32.8	29.3	3.5	9.8	6.5	6.4	1.3	0	2.1	Do.
Men's wear stores	1958	65.5	[9] 34.5	[9] 32.1	[9] 2.3	7.0	11.0	[9] 2.9	2.8	.3	2.4	New York University on grant from Men's Wear Magazine, 7 East 12th St., New York, N.Y., July 24, 1959.
Music stores	1956	64.2	35.8	33.3	2.5	9.6	9.2	5.2	2.1	0	3.0	Dun & Bradstreet, Inc., New York, N.Y.
Office supply and equipment dealers	1958	64.7	35.3	32.8	2.5	[7] 4.3	18.5	3.0	1.2	.2	3.0	National Stationery & Office Equipment Association, 740 Investment Bldg., Washington 5, D.C.
Paint and wallpaper stores	1956	66.9	33.1	30.1	3.0	11.4	6.9	4.9	1.4	.2	3.2	Dun & Bradstreet, Inc., New York, N.Y.
Restaurants	1950	52.7	47.3	44.0	3.3	7.9	21.8	6.7	.5	[3]	35.5	Do.
Shoe stores (family)	1958	63.1	36.9	33.1	3.8	[7] 10.1	8.6	[6] 4.0	2.9	[3]	2.0	Washington University, St. Louis, on grant from Men's Wear Magazine, 7 East 12th St., New York, N.Y., July 24, 1959.
Sporting goods stores	1953	71.4	28.6	26.6	2.0	9.3	5.4	5.1	1.7	0	2.5	Dun & Bradstreet, Inc., New York, N.Y.
Toy dealers	1958	64.2	35.8	[9] 24.4	[9] 11.4	[9] 0	8.2	7.8	2.7	[3]	3.1	Playthings magazine, 71 West 23d St., New York 10, N.Y.
Women's accessory and specialty stores.	1954	66.3	33.7	31.5	2.2	11.2	5.8	7.5	1.0	0	2.6	Dun & Bradstreet, Inc., New York, N.Y.
Women's ready-to-wear stores	1953	67.7	32.3	29.4	2.9	8.2	8.8	5.4	1.3	0	4.1	Do.
Women's wear stores [5]	1958	64.5	35.5	34.5	1.0	18.4		3.8	2.6	.3	4.5	Bureau of Business Research Bulletin No. 155, Harvard University, Graduate School of Business Administration, Soldiers Field 63, Boston, Mass.

[1] The bracketed ratios are based on net sales.
[2] Does not include mechanics' wages.
[3] Not available.
[4] Does not include manufacturing labor.
[5] Ratios shown are for stores in the following volume groups: department stores with annual sales volume under $250,000; furniture stores between $250,000 and $500,000; women's wear stores under $250,000.
[6] Rent only.
[7] Salaries of owners and managers.
[8] Total expense plus net profit does not equal gross margin.
[9] Before owners' salaries were drawn.

EXPLANATION OF TERMS

Advertising: Net expenditure for newspaper, radio, and other forms of advertising' exclusive of wages.

Bad debts: Receivables considered during the year as uncollectible, or the reserve set up to cover such losses.

Cost of goods sold: Opening inventory, plus merchandise purchased (including inbound freight and cartage), less closing inventory; after deducting cash discounts received.

Employees' wages: Gross payroll of all employees, including amount withheld for Federal income taxes.

Gross margin: The difference between net sales and cost of goods sold; also known as "gross profit on sales." This is a composite figure, the net result of selling different kinds of goods at varying markups. Cash discounts received are included in gross margin.

Inventory turnover: Cost of goods sold divided by average inventory (average of opening and closing inventories).

Net operating profit: The difference between gross margin and total expense; before deduction for Federal and State income taxes but after allowance for owners' salaries.

Net sales: Gross sales less returns and allowances and less sales and excise taxes collected, net after all discounts allowed.

Occupancy cost: The cost of occupying a store, whether rented or owned. For renters, this item includes rent, utilities, and leasehold improvements; for owners, it includes utilities, property insurance and property taxes, interest on mortgage and building depreciation.

Owners' compensation: Salaries or drawings of proprietors, partners, or officers.

Total expense: The sum of all individual expense items. It does not include income taxes and in most cases does not include nonoperating charges.

Year: This represents the period upon which the ratio figures are based. It is not the year the figures were published.

Conversion table

[In percent]

Gross margin	Markup	Gross margin	Markup
5.0	5.3	28.0	38.9
7.5	8.1	30.0	42.9
10.0	11.1	31.0	45.0
12.0	13.7	32.0	47.1
13.0	15.0	33.0	49.3
14.0	16.3	34.0	51.6
15.0	17.7	35.0	53.9
16.0	19.1	37.0	58.8
17.0	20.5	39.0	64.0
18.0	22.0	40.0	66.7
19.0	23.5	42.0	72.5
20.0	25.0	45.0	81.9
22.0	28.2	47.0	88.8
25.0	33.3	50.0	100.0

To obtain a gross margin shown in this table, multiply cost of goods by the markup percent opposite and add the result to cost of goods. This will give the selling price needed to obtain the desired gross margin.

By eliminating the problem of regulation of these intrastate activities, these economic complexities are avoided. Further, discrimination is firmly avoided, but, more importantly, the commerce clause is neither ignored nor distorted, and is not made a basis of dangerous federalism in local affairs best handled at the State level.

Another objection to H.R. 3935, the Roosevelt bill, is the fact that it gives insufficient recognition to small and locally owned group operations in the retail field and in the farm cooperative field—such as FCX Farm Supply Stores—each of which establishment is a separate corporation in most cases. Many of these separate establishments are organized in separate corporations or other distinct legal forms and the local residents and management or the employees or, in the case of cooperatives the patrons thereof, are also owners of the business.

There is a vast distinction between this type of locally owned, locally formed, "homegrown" mercantile operation and

large integrated mercantile groups whose stock is publicly floated and issued in the large stock exchanges of the country.

I do not wish to discriminate in any way against any group in the mercantile industry, but I do feel that these separately organized, locally owned "home-grown" mercantile organizations deserve consideration.

I offer the following amendment to accomplish my expressed purposes on this matter:

AMENDMENT

On page 42, between lines 21 and 22, insert the following paragraph:

(3) "Any employee employed by any retail or service establishment, which is separately organized in corporate or other legal form, in which local residents of the State in which such establishment is located or local management personnel or employees (including district or group supervisory employees having supervision of not over 15 establishments) or their immediate families own at least 20 percent of the net worth of the establishment."

I hope the House will seriously consider my bill and amendments and what we have said here.

When Lyndon Johnson Talked to Businessmen

EXTENSION OF REMARKS
OF
HON. HOMER THORNBERRY
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 22, 1961

Mr. THORNBERRY. Mr. Speaker, on February 13, 1961, the Honorable LYNDON B. JOHNSON, the Vice President of the United States, delivered a significant address to a meeting called by the National Industrial Conference Board in Washington, D.C.

U.S. News & World Report made the following editorial comment on the Vice President's address:

A little-noticed speech by Vice President LYNDON JOHNSON, delivered in Washington on February 13, 1961, is attracting growing attention among businessmen and Members of Congress.

The speech, delivered at a meeting called by the National Industrial Conference Board, was cleared by the White House. It dealt with the attitude of the Kennedy administration toward business.

I ask that the Vice President's speech as carried in the U.S. News & World Report be included as these remarks:

WHEN LYNDON JOHNSON TALKED TO BUSINESSMEN

(From Vice President JOHNSON's address in Washington, February 13, 1961)

Today you have heard the President. You have met distinguished members of his Cabinet. I believe you can leave Washington confident that your Government is in able, strong and—above all—highly responsible hands.

In these moments, I would like to offer you a perspective on the role of your Government during this period—and to make several comments about the relationship of the business community to Government.

It is no secret—and no criticism—to say that, when many businessmen speak, write, or think about Government, they use more shorthand than their secretaries.

In that shorthand, "new" means "more" and "more" is an ugly word: nearly as ugly as words like "welfare" or "planning"—or that word not to be spoken in mixed company, "Democrats."

This shorthand needs revision.

Yesterday is yesterday. The idiom of yesterday's politics and yesterday's prejudices no longer applies—not even for the word "Democrats." If we are to respond successfully to the new facts we must face, we must leave yesterday's habits behind us.

This first fact must be understood first: Both abroad and at home we have arrived at the start of a new era. The arrival of this new administration is a coincidence—not the cause.

Whomever history might have installed in America's leadership at this time would have to face new facts—new facts requiring new responses.

We must not allow our old preconceptions and prejudices to keep us from facing the new facts of our national life today—at home or abroad. I want to make this absolutely clear. This Administration does not—and will not—seek great new powers by proclaiming great new perils.

The purpose of your national leadership is to accomplish, not to aggrandize—to accomplish what will make the liberty of the people secure, not to aggrandize Government to make the state supreme.

Peril there is. Peril there will continue to be. In candor, we shall acknowledge it. But powers there are, also. In candor, we acknowledge that, to meet the perils, our need is less for new powers than for new resolve in using those we have—using them with new precision, new energy, and new results.

At home, as abroad, we must treat what is ill without injuring what is well. In nothing that we do can we—or shall we—be oblivious to the weight which government itself today presses down upon the people and their enterprise. As we will not ask what cannot be borne, neither shall we ignore the needs which a free society cannot neglect.

We shall do what is right because it is right, never because it is cheap—remembering, always, that it is never right to be prodigal and never wrong to be prudent.

In saying these things, my purpose is not to offer gratuitous reassurances to the business community. I do not believe any administration, chosen by the people to lead the strongest and most stable government on earth, must or should endlessly avow itself to be responsible, loyal, or sincere.

If there be a brand of partisanship which does not permit such fundamentals to be presumed, then it is that partisanship—and not its targets—which needs to be examined and reexamined.

Today, as in times past, the business community is being urged and encouraged to take up positions of opposition, to trifles—by men of trifling purposes. With ill-concealed relish such men summon the American business community to work for the failure—rather than the success—of this American administration.

No American, of any walk of life, surrenders his integrity by working for—rather than against—the success of his government. When some call you to oppose, ask: Oppose what? Oppose why?

An economy which can afford millions for the few minutes' life of a missile can afford 2 pennies for 1 minute of human labor. A people who believe in God who marks the sparrow's fall can heed the calls from their fellow men which come from out the darkness of all the lands like the Congo.

To honor our system of private enterprise and sustain it, we must be certain its promise is fulfilled—not for the few, but for all: for yesterday's miner of coal as for today's operator of a computer; for the bedridden aged as for the healthy bodied young; for the man whose skin is not white as for the man whose skin is white.

When we talk of these things, we talk not of burdening private enterprise—but of unburdening it of those things which detract from its force in the world.

The success and survival of our system depends upon things of principle as well as profit—and I believe those who suggest otherwise understand neither the system nor you who are part of it.

Take with you from Washington the message that yesteday's shorthand won't do. New does not automatically mean more—more spending, more taxes, more government. For a new generation and a new administration, new means new—new responses to the new facts with which we are faced.

The interest of business—the interest of all Americans—lies not in the failure but in the success of the search for such new responses.

We invite you to the labors of the search and to the rewards of its success.

The Medora: North Dakota Townsite Area Adjoining Teddy Roosevelt Memorial Park

EXTENSION OF REMARKS
OF
HON. DON L. SHORT
OF NORTH DAKOTA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 22, 1961

Mr. SHORT. Mr. Speaker, I would like to call the attention of my colleagues, and ask their support of a bill which I have introduced—H.R. 2295—to assist my home community of Medora in a problem they face which they are unable to solve by themselves.

This small, historic cow town of Medora has been totally unprepared and unequipped for the impact of the thousands of visitors who come there each year, attracted by the Theodore Roosevelt National Memorial Park, the Marquis de Mores Chateau, and the outdoor drama, "Old Four Eyes."

The legislation which I propose, and in which I have been joined by other members of the North Dakota delegation: Senators YOUNG and BURDICK, and Congressman NYGAARD, only authorizes the Department of Interior to extend its existing facilities upon reaching an agreement with Medora relative to the cost of service and the period of repayment. I want to firmly emphasize this does not provide a direct grant to the village.

Only with adequate sewage and water facilities can the community meet the dire need for sufficient eating, lodging, and restroom accommodations. We had this legislation prepared only after exhaustive study convinced us there is no way the town of Medora can finance construction of its own facilities. This bill provides that in order to afford this service to visitors to the area and to encourage the preservation and restoration of the pioneer cattle town of Medora, the Secretary of the Interior is authorized to assist in modernizing the water and sewage facilities of the village. The cost

of the proposed facilities may not exceed $100,000 and non-Federal users of the system would be charged enough to recover a pro rata share of depreciation, plus costs of the system's operation and maintenance. The existing water and sewage disposal system located within the National Park headquarters area is ample to take care of the needs of the park and also allow the people of Medora to connect to that system.

This bill has been assigned to the Interior and Insular Affairs Committee, where we are hopeful of getting early and favorable consideration. The departmental reports last year were favorable, but the shortage of time prevented getting final action on similar legislation.

I am happy to report that the 37th Legislative Assembly of the State of North Dakota in session this year joined in supporting this legislation, and passed Senate Concurrent Resolution 00, introduced by Senators Leland Roen and William R. Reichert, pointing up the need to remedy the situation and thus enhance the whole Theodore Roosevelt Memorial Park development.

A copy of their resolution follows:

CONCURRENT RESOLUTION COMMENDING THE SPONSORS OF LEGISLATION PRESENTLY IN CONGRESS WHICH SEEKS TO REMEDY THE SANITATION AND WATER SUPPLY FACILITIES OF MEDORA, N. DAK., AND ALSO URGING THE CONGRESS TO FAVORABLY CONSIDER SUCH PROPOSED LEGISLATION

Whereas House Concurrent Resolution U adopted by the 36th legislative assembly provided for the creation of a commission to cooperate with the village board of Medora, N. Dak., in the preservation of that community as a typical pioneer cow town in an area of State and national importance and interest; and

Whereas it has been proposed to restore Medora to its historic appearance at the time of Theodore Roosevelt, the Marquis de Mores, the Eaton brothers, and the colorful Texas and Oklahoma drovers whose longhorn trail herds grazed the Badlands of this State and blazed the routes into western North Dakota, followed by others for more than half a century; and

Whereas the impact of the ever-increasing activities in the adjoining Theodore Roosevelt National Memorial Park upon Medora has resulted in overtaxing and overloading the sanitation and water supply facilities of the village to the extent that the health and well-being of its inhabitants and visitors are seriously imperiled; and

Whereas U.S. Representatives DON L. SHORT and HJALMAR C. NYGAARD have introduced House bills Nos. 2295 and 2270, respectively, and U.S. Senators MILTON R. YOUNG and QUENTIN N. BURDICK have jointly introduced Senate bill No. 98 in the current session of Congress, authorizing the Secretary of the Interior to provide water and sewage disposal facilities to the Medora area adjoining the park with a view to alleviating and correcting such dangerous situation and greatly enhancing the value of the said park development; and

Whereas the proposed legislation provides that such water and sewage disposal systems would be connected to those of the National Park Service in said park, and that the costs allocated to the village of Medora would be repaid by the non-Federal users thereof in such manner and under such conditions as may be determined by the Secretary of the Interior: Now, therefore, be it

Resolved by the Senate of the State of North Dakota (the House of Representatives concurring therein), That the North Dakota delegation in Congress, the sponsors of the aforementioned proposed legislation, be highly commended for seeking to remedy the intolerable situation in Medora, as described herein, through enactment of the legislation proposed in the aforesaid bills; and be it further

Resolved, That the Congress is hereby urged to give favorable consideration to the legislation proposed by said bills to the end that the planned water and sewage disposal facilities proposed therein may be authorized and constructed; and be it further

Resolved, That the secretary of state is hereby directed to mail copies of this resolution to Senators Young and Burdick, and Representatives Short and Nygaard; to Hon. Clinton P. Anderson, chairman, Senate Committee on Interior and Insular Affairs; to Hon. Wayne N. Aspinall, chairman, House Committee on Interior and Insular Affairs; Hon. Stewart L. Udall, Secretary of the Interior; Hon. Conrad L. Wirth, Director, National Park Service; and to Hon. David E. Bell, Director of the Bureau of the Budget, all in Washington, D.C.

ORVILLE W. HAGEN
President of the Senate.
HOWARD F. DOHERTY,
Secretary of the Senate.
R. FAY BROWN,
Speaker of the House.
GERALD L. STAIR,
Chief Clerk of the House.

It is my hope that when these improvements are made in the facilities of the town of Medora that many of my colleagues will find the opportunity to visit the park and relax in the pleasant, invigorating atmosphere of the Badlands, where I have lived all my life.

Division of Indian Health Employees Scholarship Fund in the Aberdeen, S. Dak., Area Office

EXTENSION OF REMARKS
OF
HON. E. Y. BERRY
OF SOUTH DAKOTA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 22, 1961

Mr. BERRY. Mr. Speaker, one of the finest projects of a group of Federal employees that has come to my attention is the Division of Indian Health Employees Scholarship Fund in the Aberdeen, S. Dak., area office.

The program was begun in 1958 when it was discovered that a number of Indian students desiring to continue their education in health programs were unable to do so because of lack of sufficient funds. The employees in the Division of Indian Health decided to take the initiative and establish a scholarship program to meet this need.

In addition to contributions by employees, various fundraising activities have been conducted including dances, bingo parties, and the like. The employees and their families contributed of their time and energy in making these affairs successful, thus adding to the scholarship fund.

During the 1960–61 school year, six students received scholarships totaling $1,962. The scholarship fund currently contains $1,800.12 in savings and $509.50 in their checking account, for a total reserve of $2,309.62.

I would like to commend Dr. James R. Shaw, Chief of the Division of Indian Health, and Dr. Donald McNaughton, medical officer in charge of the Aberdeen area, for this fine effort, and their encouragement of the employees in the Division to assist in this very worthwhile endeavor.

H.R. 2797, a Bill To Establish Procedure for Determination of Economic Justification of Certain Inland Waterway Improvement Projects

EXTENSION OF REMARKS
OF
HON. JAMES E. VAN ZANDT
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 22, 1961

Mr. VAN ZANDT. Mr. Speaker, on January 16, 1961, I introduced H.R. 2797, which if enacted into law will make possible Interstate Commerce Commission participation in economic surveys of proposed waterway navigation projects.

The Federal Government each year expends vast sums of money for the construction and improvement of navigation facilities of the inland waterways of the United States. Congress regularly enacts legislation authorizing the future expenditure of additional amounts for such purposes. There is a fundamental weakness in the procedure by which these projects are approved and Federal funds authorized and appropriated therefor. It is that the agency of the Federal Government charged with the responsibility of regulating surface transportation in interstate commerce—the Interstate Commerce Commission—is not consulted concerning the economic value of the proposed waterway project as a transportation instrumentality. Nor is there any requirement that surveys, studies, and reports with respect to proposed waterway projects give consideration or weight to the national transportation policy declared by Congress in the Transportation Act of 1940. The procedure followed has led to the authorization and construction of navigation projects that are not economically sound additions to our national transportation system.

Before a particular waterway improvement for navigation purposes is undertaken, a survey is normally authorized by Congress and is then made by the Corps of Engineers, U.S. Army through the division engineer and submitted to the Board of Engineers for Rivers and Harbors for review and recommendation. In making such surveys and reaching conclusions as to whether a particular project should or should not be undertaken, the Board is required by statute to consider the amount and character of commerce which will be benefited by the improvements, the relationship of the cost of the improvement, both construction and maintenance, to the commercial interests involved, and the necessity for

the work, together with the propriety of its being undertaken, continued, or maintained at the expense of the United States. The statutory requirements provide only a very general standard to guide the engineers in reaching their conclusion.

In actual practice to arrive at their recommendations, the Engineers first perform their appropriate function as engineers in estimating the total cost to build the project. From this they calculate annual costs, against which they balance "benefits," consisting almost wholly of assumed "savings" in transportation costs as compared with charges over existing means and routes of transportation. These so-called "savings" are, of course, not true economic savings but result principally from shifting true transportation costs from shippers to taxpayers through providing the waterway at public expense. The Engineers have no responsibility with respect to the welfare of the national transportation system and in recommending inland waterway improvements give little, if any, weight to the effect on other existing forms of transport. They have the sole responsibility for surveying, studying, and reporting to Congress upon the economic feasibility of constructing or improving an inland waterway navigation facility.

On the other hand, to obtain a certificate to operate as a common carrier by water application must be made to the Interstate Commerce Commission and a certificate is issued only after an ICC finding that the proposed service is or will be required by the present or future public convenience and necessity. To obtain a permit to operate as a contract carrier by water application must be made to the ICC and a permit is issued only after an ICC finding that the proposed operation will be consistent with the public interest and the national transportation policy declared in the Interstate Commerce Act. These requirements, essential as they are to the development and coordination of a sound national transportation system, are largely ineffective where they come into play only after huge expenditures have already been made to construct or improve a waterway transportation facility which is unnecessary or undesirable in light of public convenience and necessity, the public interest, and the national transportation policy. Once such a navigation project has been constructed, no matter how uneconomic it may be, it would be anomalous for the ICC to deny applications to operate over it. Clearly, if the Commission is to have control over the issuance of certificates and permits it should be the agency delegated by Congress to make recommendations with respect to the wisdom of the Government constructing additional waterways, the provision of which has so much bearing on the effective exercise of authority over certificates and permits.

The ICC, as the agency directly charged with responsibility for the effectuation of a sound national transportation policy and the maintenance of a sound national transportation system, should have a direct and vital role in determining the economic suitability of proposed inland waterway navigation projects.

H.R. 2797 would require that the ICC consider and report to the Corps of Engineers with respect to public convenience and necessity requirements of all proposed inland waterway construction or improvement projects favorably recommended by the Engineers and not yet commenced or less than 25 percent complete. It sets forth eight specific economic factors to be considered by the ICC in determining the economic justification of such proposals. It would require the Engineers to submit its surveys and reports containing recommendations favoring inland waterway projects to the ICC for its investigation and report. The bill would require the Board of Engineers for Rivers and Harbors and the Chief of Engineers in reaching their determination of the recommendation to be made to Congress concerning the desirability in the public interest of any inland waterway improvement to give due consideration to the ICC report. Moreover, it would provide for Congress to have for its consideration the independent reports of the ICC for all inland waterway projects favorably recommended to it by the Engineers as well as for previously authorized projects not commenced or less than 25 percent complete.

The interjection of the Interstate Commerce Commission into the existing procedure by which inland waterway projects are recommended would not alter in any respect the requirement upon the Corps of Engineers to furnish an engineering, cost, and related study upon which the Congress may rely in determining the feasibility of a proposed project. It would simply provide additional data for the guidance of Congress in the form of the ICC report that is required to accompany the Engineers report. Such additional data is vital to the preservation and development of a sound national transportation system.

Indian Housing

EXTENSION OF REMARKS
OF
HON. E. Y. BERRY
OF SOUTH DAKOTA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 22, 1961

Mr. BERRY. Mr. Speaker, today one of the great American tragedies is the plight of the American Indians, who as the first Americans were sole landlords of vast and untracked lands for about 20,000 years before descending to North America by way of the Bering Strait and the Aleutian Islands about 9,000 years ago.

Ben Franklin said of the Indians:

> Savages we call them because their manners differ from ours, which we think the perfection of civility. They think the same of theirs.

Failure to recognize and act on the very serious and specialized problems of the Indians living in 24 States containing Federal reservations, and those in Alaska, is not only a disservice to our Nation but perpetuates an injustice upon people from whom we borrowed certain lofty ideas of democracy for our own Constitution.

The progress of time has not been kind to the first Americans but has ravaged them culturally, economically, and socially. While much can be said of the successful efforts of some tribes to sustain their culture, the effects of prejudice and assimilation are evident. The American Indian, once the epitome of many men in one man—dynamic, powerful, fearless, and proud as he roamed the plains, the mountains, and valleys, is less proud and less fearless as he ekes out an existence. The Indians, through the years, have developed a certain resignation that their status quo will continue. Understandably, many are Americans—with reservations.

Millions of non-Indian Americans enjoy and take for granted the highest living standards anywhere in the world. By contrast, the vast majority of the more than 380,000 American Indians exist under standards and conditions which are a generation and a half behind the rest of their countrymen.

Only an integrated attack on existing conditions combined with a united cooperative effort on the part of the Congress, the Federal Government, industry, organizations, and Indian leaders to improve the economic and social climate will avoid further degradation and decadence of the American Indians, who in spite of conditions are increasing, not vanishing. Indian children born today soon learn to expect little from the future. Many are without education because of inadequate school facilities. There is nothing ahead but more deaths in the first year of life; more disease from tuberculosis, heart, and infections; more outside toilets designated by health authorities as unsanitary; more unsanitary and contaminated water supply; and more brush wickiups—constructed of saplings or yucca fronds—brush shelters, hogans, tepees, wigwams, tar paper shacks consisting of one or two rooms with dirt floors, which more often than not are occupied by large families. Few are electrified, heated, or have adequate facilities for disposal of garbage and refuse.

These are but a few of the hard and sober facts as to what a large percentage of the Indians have experienced throughout their lifetime and what Indian youth faces today unless action is taken. We know what such conditions have brought in other nations.

Let us leave the disquieting effects induced by depicting the truth of the bleak and seemingly hopeless situation of the Indians and let us review a step taken recently which has created a new climate for seeking feasible solutions to the housing problem of Indians.

Both my colleague, BEN REIFEL, and I appreciated the opportunity to make a few remarks at the first American Indian Housing Conference held January 23 and 24 at the National Housing Center in Washington. The sponsor of the conference was Arrow, Inc., a nonprofit Indian organization. Sixty or more

American Indians representing 25 different tribes attended. Arrow invited Government agencies, Members of the House and Senate, representatives from Senate and House Interior and Insular Affairs Committees, other organizations, private industry, tribal attorneys, and interested individuals, directly or indirectly concerned with Indian affairs to participate. The purpose of the conference was twofold. First, Indian tribal leaders were given the opportunity to identify their general housing problems and to enumerate at length the difficulties Indians encounter in meeting the credit eligibility requirements necessary to purchase homes with mortgages insured by the Federal Government. Secondly, the representatives of the various Government agencies, particularly FHA and PHA, explained the laws and regulations governing their existing programs and services, which can be and have been utilized to assist Indians in upgrading their living standards. In addition, participants discussed areas which may require remedial, amendatory, or new legislation. Efforts were made by legal counsels of the housing agencies to determine which agency should appropriately have the major role in assisting Indians to improve their housing.

The Indian reservation lands, comprising many, many millions of acres, present complex problems which must be resolved before a workable solution in Indian housing can be initiated. The complexities surrounding Indian lands are compounded by the fact that some of the land is restricted from being sold, mortgaged, or leased because it is owned by the tribe and as tribal land is held in common by tribal members. Other land is allotted land, owned by individual Indians, but before it can be sold, the consent of the Secretary of the Interior must be obtained since it is trust land.

I commend Arrow, and all the participating agencies, individuals and organizations, and the Indians for their candor in discussing difficult and somewhat sensitive problems and for contributing a reservoir of important information. The success or failure of any such meeting depends largely upon the prevailing atmosphere in which the meeting is conducted.

Particularly, however, I want to express a special thank you to the Federal Housing Administration who was asked by Arrow to take the lead in the conference work. FHA officials gave generously and willingly of their time and knowledge about the agency's existing programs and services which have already been successfully used in Arizona and which can be used by individual Indians and groups of Indians in other areas in the transition to better housing.

The conference succeeded in getting across to the Indian representation that on the part of the Federal Government housing agencies there is genuine concern and desire to help all Indians to have decent, safe, and sanitary housing. The housing officials urged the Indian leaders to return to their tribes and decide on the kind of housing best suited to their needs. They should engage competent land planners and architects to carefully plan and develop a housing program with the aid of FHA consulting and advisory services.

A new spirit was born at this first American housing conference. It is a spirit which has rekindled hope in the minds and hearts of the Indians for a brighter future for their children, and it has stirred the imagination of the Federal housing agencies to continue to explore every way in which Indians may share the productivity of our Nation both economically and socially as well as safeguarding their rights to benefit from the marvelous development we envision for the future.

The conferees adopted the following resolution at the conclusion of the conference which I anticipate will be properly presented to the new FHA Commissioner:

Whereas the first conference on Indian housing sponsored by Arrow, Inc., has focused attention of various agencies, groups, and individuals on the serious problem of Indian housing: Be it

Resolved, That—

A. A Coordinating Committee on Indian Housing be formed by the Commissioner of the Federal Housing Administration including but not limited to Department of the Interior; Department of Health, Education, and Welfare; Department of Agriculture; Federal Housing Administration; Public Housing Administration; Veterans' Administration; Indian representation; tribal attorney representation; industry representation, whose function it will be to (1) examine existing public housing programs to determine their application to Indian need; (2) recommend such administration changes as may be necessary and possible in rules, regulations, and procedures so that housing programs may be made available for Indian people; (3) recommend such amendatory or supplemental legislation as may be necessary to make housing programs available to Indian people; (4) stimulate activity in all organizations they represent to provide at all times under existing authority full opportunity for Indians to participate in housing programs; (5) take such other action possible to accomplish the objective of adequate housing for Indians.

B. Regional and other sectional meetings on Indian housing be promoted by Indian groups and tribes to reach better understanding of needs and desires of Indian people for housing. Reports on these meetings to be forwarded to the above coordinating committee.

C. Appreciation be extended to Arrow, National Congress of American Indians, Bureau of Indian Affairs, and the Federal Housing Administration as well as other agencies, groups and individuals for their interest in housing problems of Indian people.

Pioneers for the New Frontier

EXTENSION OF REMARKS

OF

HON. GEORGE H. FALLON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1961

Mr. FALLON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address of the Secretary of Commerce, Luther H. Hodges, before the annual convention of the Associated General Contractors of America, Inc., on Monday afternoon, February 27, 1961, at the Statler-Hilton Hotel, Boston, Mass. It was a distinct privilege for me to be present on this occasion and to hear Secretary Hodges' speech:

PIONEERS FOR THE NEW FRONTIER

Governor Volpe, Mr. Miller, distinguished guests, ladies and gentlemen, it is indeed a privilege to be with you at this 42d annual convention of the Associated General Contractors of America, and I appreciate your honoring the Department of Commerce in asking me to be here. I well expect my position as Secretary of Commerce to be my most challenging opportunity for public service. During my career in the business world I dealt at length with the numerous manufacturing problems of the textile industry as well as the merchandising problems of American business and in my capacity as general manager of a large textile corporation, I acquired some experience in dealing with the construction industry through our plant expansions.

Also, my involvement in the program of German industrial reconstruction after World War II, in the work of disbursing American foreign aid funds, as well as in fostering major industrial expansion in the State of North Carolina, afforded me unique opportunities to promote the construction and modernization of facilities which represent the backbone of our complex economic society.

I do not have to tell an informed group such as this about the vital value of the highways, factories, stores, schools, hospitals, homes, and other construction activity in the everyday life of our Nation. Nor can I overlook the size and importance of the industry which you represent, accounting as it does for almost 15 percent of the Nation's total economic output.

However, my experience has convinced me that many of us have failed properly to appraise the economic issues confronting us in the next decade. This is true, even when these issues have major implications for the outlook of the particular segment of the economy with which we are individually involved.

What are the issues we must face up to in the coming years if we are to fulfill our national objectives, our international commitments, and our promises to our children for a secure future of peace, prosperity, and progress?

We face difficult choices dictated not only by self-interest, but by the intense competition of other nations, both friendly and not so friendly. They have pushed modernization of industry and capital investment while we concentrated on producing abundant consumer goods with little regard to the prices or wage levels involved. They stressed research in science and technology—we too often reacted as if the news of their effort was science fiction. They built schools and universities while we in many areas debated problems of Federal aid to education—who learned to copy and improve on our methods of production, while we too often halted our major production facilities because of breakdowns in labor-management relations.

What is the current situation? At present 5½ million of our fellow Americans are unemployed. More than half of our major metropolitan areas are economically depressed. Costs continue to show the impact of a long period of wage-price spirals. We face the possibility of a continuing deficit in our balance of payments. We are almost certain to have an unbalanced Federal budget. We are confronted with difficult problems in the areas of international relations.

Where do we start, and what are the resources which we can bring to the task of meeting our national goals? If the Nation's economic recovery and growth are to be

energetically advanced, what will be the nature of the governmental actions needed, and what role will the business community play in advancing these goals both in its own interests and those of the Nation?

To get close to home, what is the task for the great construction industry of the United States, an industry which in scope, impact, and potential for releasing creative forces, ranks extremely high in the world? How can you bring fresh reality to your association's slogan, "America Progresses Through Construction"?

A number of specific problems suggest the magnitude of the challenge ahead. As President Kennedy observed in his state of the Union message, 25 million Americans are living in substandard homes.

What an opportunity for building we have here. Unhappily most of these people cannot afford the homes which are being built today by an industry which too often bears the burden of sky-high building costs—high money rates—inflated land values—antiquated building codes—restrictive work practices—and a singular lack of uniformity in design and equipment.

If we are going to build 2 million homes a year rather than the 1¼ million homes of last year, we will need breakthroughs in many areas. Onsite productivity will need to be advanced by both management and labor. Such matters as the most advanced design of equipment and basic materials will need new research with emphasis on practical application.

The monetary and fiscal policies of the Government and the lending policies of private investors will need reappraisals. Cost cutting will need to be realized in dramatic ways. The pace of forward planning and execution of plans by local communities to provide supporting facilities such as schools, roads, water, and sewer works to sustain a higher level of new housing construction will also have to be stepped up in tune with the tempo of the times.

Another problem. We have growing classroom shortages despite the many new school construction projects underway and the record level of approvals by voters for financing these buildings. It has been estimated that there are 2 million schoolchildren with inadequate space. The crisis in secondary and college classroom space in particular is approaching an acute phase.

Assuming favorable action by Congress on President Kennedy's program, Federal grants may be forthcoming soon to help alleviate this problem, but money alone will not do the job. Our architectural and construction industries need to adopt new techniques to make sure that the taxpayers' money yields the highest return in this field lest we build structures that fail to meet the changing educational needs of even a single decade. The opportunity here for imaginative leadership is a challenging one.

Can you imagine the kinds of construction opportunities there would be if we really got to work to do a serious job of urban renewal in this country? Can you imagine the kinds of construction prospects we would have if we took full advantage of the opportunity for modernizing our vast industrial machine?

I am not asserting that we face today an immediate shortage of capacity, but I do believe we face a shortage of that kind of efficient physical plant which would make it possible to produce more economically and to perform the research which leads to the production of more new products—thus broadening the scope of both our domestic and foreign markets, and making our products and services more competitive.

Many people have been telling us that it is lower wage levels which have been permitting foreign nations to compete with us effectively in world markets. Although we compete with lower wage scales elsewhere, it seems to me that the truth is that more modern production facilities, more efficient labor practices, better planning, more aggressive salesmanship—in short, greater productivity, superior research efforts, and more initiative have enabled foreign producers to outdo us in many areas of legitimate business competition.

As I told the National Industrial Conference Board recently, we have in this country taken things too easy—we haven't really been selling. However, I see signs of improvement, and a reawakening of our people.

I want to emphasize that a lot of talk and grumbling will not solve our problems—we need to "dig" for business. We in the Government are taking some practical steps. By way of example, we are taking a new hard look at our tax laws and I am hopeful we can do something along this line. Without discussing specific proposals, if you will permit this generality, I will say that we must make our tax laws the instrument of incentive rather than an alibi for indifference.

We need provisions bearing on depreciation allowances to stimulate rather than retard the investment decisions of industry.

As the officer of the Government primarily concerned with the problems of business and industry, large and small, I consult with other Cabinet officers who represent the interests of the farmer, of labor, and of other sectors of our population. We also represent the interests of the Nation as a whole. I know that there is broad agreement among us on those policy matters which are crucial to reversing the present economic downtrend, reducing unemployment, and maintaining the purchasing power of the dollar.

Make no mistake. Whatever our immediate areas of responsibility, we are pulling together as a team. This is important.

This administration believes in fiscal responsibility and balanced budgets. But human wants and national needs are paramount. If necessary to spur recovery, I believe and I know my colleagues believe, that the Federal budget can be used effectively to help, not hinder, our forward progress.

The farmer must be helped to expand his real income so that he reinforces economic growth. Fiscal and monetary policies must be aimed at providing more funds for investment, at lower costs, within a framework of restricting inflationary forces. We must develop urban areas by more practical planning and well-placed financial assistance at all levels of government. Furthermore, these programs must be carried on side by side with vigorous efforts to help the growing number of distressed areas of the country by long-term redevelopment programs as well as by more immediate relief measures.

You are, no doubt, aware already of the President's actions and proposals in regard to our human and natural resources, such as housing, surplus food, unemployment, old age security, health, taxes, veterans aid, education, minimum wages, and development of our land, water, forests, and minerals.

I might stress to this group our plans for expediting procurement and construction. We have already accelerated our Federal aid highway fund payments for this fiscal year and are urging the States to speed up contracts. Other departments of Government are working along the same lines.

But no short-range measures can substitute for a long-term effort to promote economic growth by fostering private investment, by maximizing our use of natural resources and the further development of energy sources, and finally by strengthening and utilizing to the full our human resources through broad advances in the fields of education and health, as well as through scientific and technological gains.

Underlying all our programs and proposals for their implementation must be stress and concern for achieving greater productivity and price stability. President Kennedy's recently announced Labor-Management Advisory Committee provides a vehicle for moving forward toward these objectives. The Committee is composed of a membership from labor, management, and the public. I have no doubt that in the final analysis the broad economic advances, which we must achieve to nurture our profit motivated economy, throughout the sixties, depends not only on the scientific breakthroughs which are sure to come, but on our development of sound wage and price policies within a framework of healthy competition, friendly Government policies, and a mutual understanding of economic problems by industry and labor and a rededication to the national interest.

A word about the outlook for your industry. The construction analysts in the Department of Commerce tell me that by 1965 physical output in construction should exceed 1959 record levels by 20 to 25 percent. This indicates a volume of new construction approaching $70 billion in current dollars. You also should know that we are closely cooperating with the leaders of your industry in a program to stimulate the participation of American construction firms in foreign work.

This effort, we hope, will open up in the next few years many new uncharted opportunities which should not only expand your profits but also reinforce the accurate image of American know-how in many parts of the world.

Having mentioned the Department of Commerce, I should like to say something more about my views of how this Department can best serve the construction industry as well as the other industries within our sphere of interest.

May I assure you that the Department of Commerce will pursue the goals of this administration with determination, dedication, and vigor. We shall respond with imagination and resourcefulness to the immediate needs of the economy as well as to the long-range requirements for growth. We shall be ever mindful of expanding markets, both domestic and foreign, and sustaining a healthy and attractive climate for investment not only to increase output but to modernize plant and equipment. In short, we in the Department of Commerce shall expend every effort to demonstrate beyond all doubt the superiority of the free enterprise system and the benefits it offers to all.

We cannot carry out our mission without your wholehearted cooperation, your constructive suggestions, and your criticism. We must not only have your figures for our statistics, but we must also have your opinions, outlooks, and proposals whether for administrative actions, for legislative considerations, or for analytical studies.

Since January 20 we have concentrated on sustaining and improving the organization of the Department of Commerce to increase its effectiveness—an effort which will continue with force and inspiration.

With many different areas of responsibility we shall study each to assure that our established programs will meet current and future needs. As examples, our steadily changing transportation picture requires a constant reappraisal of our highway program. Our system of patents encourages and protects invention to stimulate investment and production. Our foreign trade must be expanded by promoting markets and effectively meeting competition abroad. Finally, our domestic economy must operate with the full knowledge embodied in facts and figures to assure that our growth is balanced and our prosperity widespread. As Secretary of Commerce, I shall administer the Department so that it can and will meet its responsibilities.

The major responsibility of private industry is to avail itself of every profitable worldwide opportunity to invest, produce, sell, and grow. We in the Department of Commerce have no pat formulas to offer you to

accomplish any of these, but offer valuable tools for your use. We have an abundance of statistical information which makes us the leading factfinding organization in the world. Our veritable stockpile of information covers population, business, science, and technology and many other facets of world developments. This is not a dormant inventory—it is kept up to date and it is useful.

The National Bureau of Standards has conducted research in the field of building technology for many years, and its work in this field is well known to all of you here. In an extension of this activity, the Bureau has recently been designated as a central agency within Government for coordinating a broad program of fundamental fire research to be carried out by the Bureau, the Forest Service of the Department of Agriculture, the Bureau of Mines of the Department of the Interior, and several private laboratories.

The goal of this research is additional knowledge of the why and how of unwanted fires, to help reduce the great loss of lives and property in accidental fires. Standards has been working in this field since 1914, developing basic information on ignition phenomena and fire resistance of materials, on flame detection and extinguishment, and on fire growth and spread. This new program is expected to remedy the present scarcity of technical information required to improve fire fighting methods, and should eventually prove of great value to the construction industry as it seeks to meet the needs of our country.

Our Census Bureau, the Nation's major fact-finding agency, furnishes the construction industry with information on housing starts, the value of construction put in place and related data of importance to your industry. Figures on population growth, migration and family formation and income are also provided by the Census Bureau. All of this material is essential to prompt and accurate appraisals of economic trends. We are making efforts to improve coverage and expedite publication of results.

What is the value of these facts and figures which the Commerce Department furnishes? To quote an expert appraisal of Census programs submitted to the Secretary of Commerce several years ago "a free society is dominated by individual motivations and actions. Freedom of choice is its hallmark; freedom of choice of occupation and career; freedom of entry into business; freedom to buy or not to buy and freedom as to what to buy; freedom in the management of our far flung business system; and all other freedoms of choice that mark our liberties. These very freedoms impose on us the necessity of widespread information." You have these freedoms and choices. We have the information you need to exercise them wisely. Ask for our information and use it.

Furthermore, we analyze and interpret statistics and observations without partiality or favor in order to make clear their implications. We have experts who view current developments calmly and judiciously so that they assume proper proportions.

These facts, figures and analyses pertaining to our economy are yours virtually for the asking. Of course, there is necessarily a limit to the details we can collect and digest, but even that limit is being pushed back daily. I understand that we have been doing just this in our monthly publication devoted to your industry—Construction Review.

In the field of construction, particularly, we are now engaged in a major program of improving the quality, expanding the scope, and increasing the detail of the statistics. When the major objectives of this undertaking are attained all of us will have the "fever chart" for your industry. With total construction, including maintenance and repair, accounting for 75 billion of our 500 billion dollar economy, this body of information will assuredly give us, individually and collectively, greater insight into current economic conditions.

In connection with our dedication to economic progress, we are looking ahead 10 years to estimate the direction of construction activities and what factors will influence them. Upon completion, this outlook study will be made available to you and the rest of American industry for guidance in making important business decisions.

The value of much of this information is sometimes difficult to appraise unless it is lacking. A case in point is our effort to stimulate foreign construction by American contractors, which I mentioned earlier.

This export expansion effort is an important part of a program I consider essential to our very existence. A number of you met at the Department of Commerce several months ago with our staff to determine how the Government could assist you in obtaining more foreign contracts. Up to now, great difficulty has been experienced in producing specific proposals, largely because of the lack of reliable information—information about the volume of work involved, information about prices, and information about financing terms. I might add that we are attempting to gather these facts now.

Facts and figures by themselves do not solve problems or bring about progress. They bring problems into focus, suggest solutions, and measure progress. It is up to us, you and the Government to act on these indicators by making sound private and public decisions.

A basic question which now arises is, Can we in Washington, civil servants and political leaders, discharge our responsibilities by simply operating within the Government? The answer is "No." As many of you are aware, it is very easy to lose touch with reality in the Nation's Capital. This places a number of responsibilities on you and your association, where they rightfully belong.

First of all, we in Government cannot make your individual business decisions for you nor would you want us to. You must make your own decisions with the facts you have and with whatever assistance we can give you. Secondly, we cannot make public decisions without your assistance. You must give us basic information; you may even have to tell us what questions must be answered and what kind of economic intelligence is required; you must let us know what your industry problems are; you must offer your solutions to national problems; and you must give us your views on our solutions.

To accomplish these things, we must have lines of communications. If you have them in your association, use them. If not, I would strongly recommend that you set them up. We have in the Department of Commerce, within the Business and Defense Services Administration, the Construction Industry Division. Your association officials are familiar with the officials of this Division. They are there to serve you and are your best lines of communication with the Department of Commerce.

You must realize that you, too, have been called upon by the President to ask yourselves not what the country can do for you, but what you can do for your country. I suggest you examine closely any wasteful practices which impair productivity and retard progress. I suggest you not hide from technological advances in the unfounded fear that they may crimp your profits, but welcome and utilize them in the interests of improving the quality and value of your work. Admittedly, you have many obstacles to surmount, but as a major industry, you have the stuff to be pioneers for the New Frontier.

To give emphasis at the expense of repetition, I wish to conclude by saying once again that the Department of Commerce is dedicated to the administration program of providing our free enterprise system with the means of strengthening and enriching our national economy. We aim to do this by not only collecting, analyzing, and disseminating vital information but also by encouraging domestic and foreign trade as well as by studying and developing solutions to widespread business problems.

To do this, the Department needs and welcomes your participation and cooperation. Let us work together in the service of the Nation.

HOUSE OF REPRESENTATIVES

THURSDAY, MARCH 23, 1961

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Luke 12: 15: *A man's life consisteth not in the abundance of the things which he possesseth.*

Almighty and ever-gracious God, who art great and good enough to supply all our temporal needs and immortal longings, may the mandates of Thy divine righteousness and justice find a voice and a bearing in all the deliberations and decisions of this day.

We humbly acknowledge that we are frequently baffled and bewildered by the mysteries and dilemmas of life, its tragedies and tribulations.

Help us to see and realize more clearly that the questions and problems, which confront humanity, cannot be answered and solved on a merely economic basis and level, no matter how abundant our farm products and material resources.

May we have the wisdom to understand that man, created in the image of God and destined for eternity, can never be satisfied with food, raiment and shelter alone but that he needs and longs for the spiritual blessings of the kingdom of God.

Hear us in the name of our blessed Lord who came to give us the more abundant life and bids us to manifest it and share it with all mankind. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment a joint resolution and a concurrent resolution of the House of the following titles:

H.J. Res. 176. Joint resolution to provide for the reappointment of Dr. Jerome C. Hunsaker as Citizen Regent of the Board of Regents of the Smithsonian Institution.

H. Con. Res. 142. Concurrent resolution authorizing the printing of additional copies of the report "Communist Target—Youth—Communist Infiltration and Agitation Tactics."

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, concurrent resolutions of the House of the following titles:

H. Con. Res. 51. Concurrent resolution to print as a House document the publication "Facts on Communism—Volume II, The Soviet Union, From Lenin to Khrushchev" and to provide for the printing of additional copies.

H. Con. Res. 81. Concurrent resolution to provide for the printing of a House document.

The message also announced that the Senate had passed a concurrent resolution of the following title, in which the concurrence of the House is requested:

S. Con. Res. 17. Concurrent resolution authorizing the printing of the pamphlet entitled "Our Capitol" as a Senate document and providing for additional copies.

TREASURY-POST OFFICE DEPARTMENT APPROPRIATION BILL, 1962

Mr. GARY. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight, Friday, March 24, to file a report on the Treasury-Post Office Department appropriation bill, 1962.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. PILLION reserved all points of order on the bill.

A NATIONAL LOTTERY

Mr. FINO. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York.

There was no objection.

Mr. FINO. Mr. Speaker, while we in Congress persist in refusing to recognize and capitalize on the natural gambling spirit of the American people and, while we continue to ignore the tremendous revenue-producing possibilities of a national lottery in the United States, billions of American dollars flow out of our country every year in support of foreign-operated lotteries, and other gambling activities.

The recent worldwide sale of Irish Sweepstake tickets for the March drawing is a very good example. The report from Ireland informs us that the gross receipts for this month's sweepstake run reached a new high of over $17,500,000.

Mr. Speaker, I wonder how many Members of this House know what part of this amount represents our own American dollars? Probably $15 million of the grand total. All of it, painlessly and voluntarily, donated by our American wage earners.

Judging from the billions of dollars that pour out of this country yearly into Ireland, and into some of the 42 other civilized countries where gambling is legal and proper, it should not be difficult to conclude that a national lottery in this country could bring into the coffers of our own Government $10 billion a year in additional revenue.

Mr. Speaker, I wonder how long are we going to permit and allow hyprocrisy to blind us from the obvious? How long are we going to continue our stubborn refusal to recognize the fact that the urge to gamble is deeply ingrained in most human beings? How long is it going to be before we accept the fiscal facts of life and adopt a realistic, courageous, and sensible approach toward this instinctive and universal human trait? How long will it be before we get smart and couple the gambling spirit of our own people together with our Government's need for additional income?

Mr. Speaker, let us try to be—not smarter—but just as smart, as these 43 countries that have found a profitable and satisfactory answer to the problem of gambling.

CALL OF THE HOUSE

Mr. YATES. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 21]

Ashley	Fisher	Mailliard
Blatnik	Hagan, Ga.	Monagan
Blitch	Hall	O'Konski
Breeding	Harvey, Ind.	Osmers
Buckley	Kearns	Rabaut
Cahill	Kilgore	St. Germain
Derwinski	McDonough	Wright

The SPEAKER. On this rollcall 410 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

AUTHORIZING CONSTRUCTION FOR MILITARY DEPARTMENTS

The SPEAKER. The unfinished business is the further consideration of the bill, H.R. 5000, to authorize certain construction at military installations, and for other purposes, which the Clerk will report by title.

The Clerk read the title of the bill.

The SPEAKER. The question is on the amendment upon which a separate vote was demanded. The Clerk will report the amendment.

The Clerk read as follows:

On page 5 strike out line 4, 5, and 6, and insert a new section on page 11 following line 15, reading as follows:

SEC. 108. The Secretary of the Army is authorized to obtain by contract or otherwise such studies as may be necessary to enable him to determine the feasibility and advisability of relocating in new quarters within the city of Chicago, Illinois, or elsewhere in the United States, the Quartermaster Food and Container Institute now located in Chicago, Illinois, and an expenditure of $10,000 out of appropriations available to the Department of the Army is authorized for this purpose. In connection with such studies the Secretary of the Army shall communicate with the Advisory Board on Quartermaster Research and Development of the National Academy of Sciences—National Research Council, and shall request its recommendations. Upon conclusion of such studies which shall be completed as promptly as possible, the Secretary of the Army shall report to the Committee on Armed Services of the Senate and House of Representatives the conclusion of such studies, together with such recommendations as he shall consider appropriate.

The SPEAKER. The question is on the amendment.

Mr. BATES. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas, 269, nays 145, not voting 17, as follows:

[Roll No. 22]

YEAS—269

Abbitt	Fascell	McVey
Abernethy	Findley	MacGregor
Adair	Finnegan	Machrowicz
Addabbo	Fisher	Mack
Addonizio	Flood	Madden
Albert	Ford	Magnuson
Alexander	Forrester	Marshall
Alford	Fountain	Martin, Nebr.
Andersen, Minn.	Frazier	Mason
	Friedel	Matthews
Anderson, Ill.	Gallagher	May
Anfuso	Garmatz	Michel
Arends	Gary	Miller, Clem
Ashbrook	Gathings	Miller, George P.
Ashley	Gilbert	
Aspinall	Glenn	Miller, N.Y.
Bailey	Goodell	Mills
Baker	Granahan	Minshall
Baldwin	Grant	Moeller
Baring	Gray	Montoya
Barrett	Green, Oreg.	Moore
Bass, Tenn.	Green, Pa.	Moorehead, Ohio
Battin	Griffin	
Becker	Griffiths	Moorhead, Pa.
Beckworth	Gross	Morgan
Beermann	Hagen, Calif.	Morris
Belcher	Haley	Morrison
Berry	Halleck	Moss
Betts	Hansen	Multer
Boggs	Harding	Murphy
Bolling	Harris	Murray
Bolton	Harrison, Va.	Nelsen
Brademas	Harsha	Nix
Bromwell	Hays	Nygaard
Brooks, Tex.	Healey	O'Brien, Ill.
Brown	Hechler	O'Brien, N.Y.
Broyhill	Hemphill	O'Hara, Ill.
Bruce	Herlong	O'Hara, Mich.
Burleson	Hoeven	Passman
Byrne, Pa.	Hoffman, Ill.	Patman
Byrnes, Wis.	Holifield	Peterson
Casey	Holland	Pfost
Cederberg	Holtzman	Pilcher
Celler	Hull	Poage
Chelf	Ichord, Mo.	Powell
Chenoweth	Ikard, Tex.	Price
Chiperfield	Inouye	Pucinski
Church	Jarman	Quie
Clark	Jennings	Rains
Coad	Jensen	Randall
Collier	Joelson	Reifel
Cook	Johansen	Reuss
Cooley	Johnson, Calif.	Rhodes, Ariz.
Corman	Johnson, Wis.	Rivers, Alaska
Cunningham	Jones, Ala.	Roberts
Curtis, Mo.	Jones, Mo.	Rodino
Daniels	Judd	Rogers, Colo.
Davis, Tenn.	Karsten	Rogers, Fla.
Dawson	Karth	Rogers, Tex.
Delaney	Kastenmeier	Rooney
Dent	Kee	Roosevelt
Denton	Keogh	Rostenkowski
Derwinski	King, Calif.	Roudebush
Devine	King, Utah	Rutherford
Diggs	Kluczynski	Ryan
Dole	Knox	Santangelo
Dorn	Kowalski	Saund
Dowdy	Kyl	Schadeberg
Downing	Laird	Schenck
Dulski	Langen	Scherer
Durno	Latta	Schwengel
Dwyer	Lesinski	Selden
Edmondson	Libonati	Shelley
Elliott	Loser	Sheppard
Ellsworth	McCulloch	Shipley
Everett	McDowell	Short
Evins	McFall	Shriver
Fallon	McMillan	Sisk
Farbstein	McSween	Slack

Smith, Calif.
Smith, Iowa
Smith, Miss.
Smith, Va.
Spence
Springer
Staggers
Steed
Sullivan
Taylor
Teague, Tex.
Thomas
Thompson, N.J.
Thompson, Tex.
Thomson, Wis.
Thornberry
Toll
Trimble
Tuck
Ullman
Utt
Vanik
Van Pelt
Wallhauser
Walter
Watts
Weaver
Whitten
Wickersham
Williams
Willis
Yates
Young
Zablocki
Zelenko

NAYS—145

Alger
Andrews
Auchincloss
Avery
Ayres
Barry
Bass, N.H.
Bates
Bell
Bennett, Fla.
Bennett, Mich.
Blitch
Boland
Bonner
Bow
Boykin
Bray
Brewster
Brooks, La.
Broomfield
Burke, Ky.
Burke, Mass.
Cannon
Carey
Chamberlain
Clancy
Cohelan
Colmer
Conte
Corbett
Cramer
Curtin
Curtis, Mass.
Daddario
Dague
Davis, James C.
Davis, John W.
Derounian
Dominick
Donohue
Dooley
Doyle
Feighan
Fenton
Fino
Flynt
Fogarty
Frelinghuysen
Fulton
Garland
Gavin
Giaimo
Goodling
Gubser
Halpern
Hardy
Harrison, Wyo.
Harvey, Mich.
Hébert
Henderson
Hiestand
Hoffman, Mich.
Horan
Hosmer
Huddleston
Johnson, Md.
Jonas
Kearns
Keith
Kelly
Kilburn
Kilday
King, N.Y.
Kirwan
Kitchin
Kornegay
Landrum
Lane
Lankford
Lennon
Lindsay
Lipscomb
McCormack
McIntire
Macdonald
Mahon
Mailliard
Martin, Mass.
Mathias
Meader
Merrow
Milliken
Morse
Mosher
Moulder
Natcher
Norblad
Olsen
O'Neill
Osmers
Ostertag
Pelly
Perkins
Philbin
Pike
Pillion
Pirnie
Poff
Ray
Rhodes, Pa.
Riehlman
Riley
Rivers, S.C.
Robison
Rousselot
St. George
St. Germain
Saylor
Schneebeli
Schweiker
Scott
Scranton
Seely-Brown
Sibal
Sikes
Siler
Stafford
Stephens
Stratton
Stubblefield
Taber
Teague, Calif.
Tollefson
Tupper
Van Zandt
Vinson
Weis
Westland
Whalley
Wharton
Widnall
Wilson, Calif.
Wilson, Ind.
Winstead
Younger

NOT VOTING—17

Ashmore
Blatnik
Breeding
Buckley
Cahill
Dingell
Hagan, Ga.
Hall
Harvey, Ind.
Kilgore
McDonough
Monagan
O'Konski
Rabaut
Thompson, La.
Whitener
Wright

So the amendment was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Kilgore for, with Mr. Cahill against.

Until further notice:

Mr. Buckley with Mr. Hall.

Mr. Rabaut with Mr. Harvey of Indiana.

Mr. Thompson of Louisiana with Mr. O'Konski.

Mr. Wright with Mr. McDonough.

Messrs. HARDING and MILLER of New York changed their vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. VINSON. Mr. Speaker, on passage I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 412, nays 0, not voting 19, as follows:

[Roll No. 23]

YEAS—412

Abbitt
Abernethy
Adair
Addabbo
Addonizio
Albert
Alexander
Alford
Alger
Andersen, Minn.
Anderson, Ill.
Andrews
Anfuso
Arends
Ashbrook
Ashley
Ashmore
Aspinall
Auchincloss
Avery
Ayres
Bailey
Baker
Baldwin
Baring
Barrett
Barry
Bass, N.H.
Bass, Tenn.
Bates
Battin
Becker
Beckworth
Beermann
Belcher
Bell
Bennett, Fla.
Bennett, Mich.
Berry
Betts
Blitch
Boggs
Boland
Bolling
Bolton
Bonner
Bow
Boykin
Brademas
Bray
Brewster
Bromwell
Brooks, La.
Brooks, Tex.
Broomfield
Brown
Broyhill
Bruce
Burke, Ky.
Burke, Mass.
Burleson
Byrne, Pa.
Byrnes, Wis.
Cannon
Carey
Casey
Cederberg
Celler
Chamberlain
Chelf
Chenoweth
Chiperfield
Church
Clancy
Clark
Coad
Cohelan
Collier
Colmer
Conte
Cook
Cooley
Corbett
Corman
Cramer
Cunningham
Curtin
Curtis, Mass.
Curtis, Mo.
Daddario
Dague
Daniels
Davis, James C.
Davis, John W.
Davis, Tenn.
Dawson
Delaney
Dent
Denton
Derounian
Derwinski
Devine
Diggs
Dingell
Dole
Dominick
Donohue
Dooley
Dorn
Dowdy
Downing
Doyle
Dulski
Durno
Dwyer
Edmondson
Elliott
Ellsworth
Everett
Fallon
Farbstein
Fascell
Feighan
Fenton
Findley
Finnegan
Fino
Fisher
Flood
Flynt
Fogarty
Ford
Forrester
Fountain
Frazier
Frelinghuysen
Friedel
Fulton
Gallagher
Garland
Garmatz
Gary
Gathings
Gavin
Giaimo
Gilbert
Glenn
Goodell
Goodling
Granahan
Grant
Gray
Green, Oreg.
Green, Pa.
Griffin
Griffiths
Gross
Gubser
Hagan, Ga.
Hagen, Calif.
Haley
Halleck
Halpern
Hansen
Harding
Hardy
Harris
Harrison, Va.
Harrison, Wyo.
Harsha
Harvey, Mich.
Hays
Healey
Hébert
Hechler
Hemphill
Henderson
Herlong
Hiestand
Hoeven
Hoffman, Ill.
Hoffman, Mich.
Holifield
Holland
Holtzman
Horan
Hosmer
Huddleston
Hull
Ichord
Ikard
Inouye
Jarman
Jennings
Jensen
Joelsen
Johansen
Johnson, Calif.
Johnson, Md.
Johnson, Wis.
Jonas
Jones, Ala.
Jones, Mo.
Judd
Karsten
Karth
Kastenmeier
Kearns
Kee
Keith
Kelly
Keogh
Kilburn
Kilday
King, Calif.
King, N.Y.
King, Utah
Kirwan
Kitchin
Kluczynski
Knox
Kornegay
Kowalski
Kyl
Laird
Landrum
Lane
Langen
Lankford
Latta
Lennon
Lesinski
Libonati
Lindsay
Lipscomb
Loser
McCormack
McCulloch
McDowell
McFall
McIntire
McMillan
McSween
McVey
Macdonald
MacGregor
Machrowicz
Mack
Madden
Magnuson
Mahon
Mailliard
Marshall
Martin, Mass.
Martin, Nebr.
Mason
Mathias
Matthews
May
Meader
Merrow
Michel
Miller, Clem
Miller, George P.
Miller, N.Y.
Milliken
Mills
Minshall
Moeller
Montoya
Moorhead, Pa.
Morgan
Morris
Morrison
Morse
Moss
Moulder
Multer
Murphy
Murray
Natcher
Nelsen
Nix
Norblad
Nygaard
O'Brien, Ill.
O'Brien, N.Y.
O'Hara, Ill.
O'Hara, Mich.
Olsen
O'Neill
Osmers
Ostertag
Passman
Patman
Pelly
Perkins
Peterson
Pfost
Philbin
Pike
Pilcher
Pillion
Pirnie
Poage
Poff
Powell
Price
Pucinski
Quie
Rains
Randall
Ray
Reifel
Reuss
Rhodes, Ariz.
Rhodes, Pa.
Riehlman
Riley
Rivers, Alaska
Rivers, S.C.
Roberts
Robison
Rodino
Rogers, Colo.
Rogers, Fla.
Rogers, Tex.
Rooney
Roosevelt
Rostenkowski
Roudebush
Rousselot
Rutherford
Ryan
St. George
St. Germain
Santangelo
Saund
Saylor
Schadeberg
Schenck
Scherer
Schneebeli
Schweiker
Schwengel
Scott
Scranton
Seely-Brown
Selden
Shelley
Sheppard
Shipley
Short
Shriver
Sibal
Sikes
Siler
Sisk
Slack
Smith, Calif.
Smith, Iowa
Smith, Miss.
Smith, Va.
Spence
Springer
Stafford
Staggers
Stephens
Stratton
Stubblefield
Sullivan
Taylor
Teague, Calif.
Teague, Tex.
Thomas
Thompson, N.J.
Thompson, Tex.
Thomson, Wis.
Thornberry
Toll
Tollefson
Trimble
Tuck
Tupper
Ullman
Utt
Vanik
Van Pelt
Van Zandt
Vinson
Wallhauser
Walter
Watts
Weaver
Weis
Westland
Whalley
Wharton
Whitener
Whitten
Wickersham
Widnall
Williams
Willis
Wilson, Calif.
Wilson, Ind.
Winstead
Yates
Young
Younger
Zablocki
Zelenko

NAYS—0

NOT VOTING—19

Blatnik
Breeding
Buckley
Cahill
Evins
Hall
Harvey, Ind.
Kilgore
McDonough
Monagan
Moore
Moorehead, Ohio
Mosher
O'Konski
Rabaut
Steed
Taber
Thompson, La.
Wright

So the bill was passed.

The Clerk announced the following pairs:

Mr. Buckley with Mr. Cahill.
Mr. Rabaut with Mr. Taber.
Mr. Kilgore with Mr. McDonough.
Mr. Thompson of Louisiana with Mr. Hall.
Mr. Wright with Mr. Moorehead of Ohio.
Mr. Evins with Mr. Harvey of Indiana.
Mr. Monagan with Mr. Mosher.
Mr. Blatnik with Mr. O'Konski.

Mr. RHODES of Arizona changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

MILITARY CONSTRUCTION BILL

Mr. BOLAND. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD on the military construction bill.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. BOLAND. Mr. Speaker, this legislation authorizing construction for the military departments and Reserve components in fiscal year 1962 contains items totaling $8,876,000 for construction at Westover Air Force Base in my congressional district of Massachusetts.

I am most pleased with the recommendations of the Armed Services Committee and the inclusion of these vitally

needed improvement projects for Westover Air Force Base, which is headquarters for the 8th Air Force of the powerful Strategic Air Command. The air base was constructed some 20 years ago for smaller piston engine aircraft. We are now in the jet age and Westover is in need of improvements if the SAC crews and the landing strip are to continue to adequately handle the large jet bombers and tankers.

The construction program for Westover provides for installation of 1,500 feet of U.S. standard approach lights at the secondary end of the primary runway. These lights are essential to the safe recovery of high performance aircraft during inclement weather. More than 35 percent of all aircraft landings are made to this end of the runway.

Also to be installed is a narrow-gage and centerline runway lighting system. This system is one of the essential components of an integrated approach and landing system required for the recovery of high performance aircraft. Floodlights will be installed along the edge of the aircraft parking areas to light 11 aircraft parking spaces. Aircraft maintenance must be conducted on an around-the-clock basis to meet the operational requirements of SAC flying forces. Provision will also be made for 5,000 square yards of open storage pavement for the disposal and salvage yard. There is no existing facility that can be used for this activity.

The largest item for Westover is $8 million to provide for a combat operation center, the nature of which is classified; while $26,000 is provided for the fee purchase of 100 acres of land for the combat operations center.

This authorizing legislation also provides for the construction of an addition to the Army Reserve Center in Springfield at a cost of $111,000. The addition to the present building is needed to provide more space for training Reserve units.

FAIR LABOR STANDARDS AMENDMENTS OF 1961

The SPEAKER. The unfinished business is the further consideration of the resolution (H. Res. 229) providing for the consideration of H.R. 3935, a bill to amend the Fair Labor Standards Act of 1938, as amended, to provide coverage for employees of large enterprises engaged in retail trade or service and of other employers engaged in commerce or in the production of goods for commerce, to increase the minimum wage under the act to $1.25 an hour, and for other purposes.

The Clerk read the title of the resolution.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

SUBCOMMITTEE ON COMMUNICATIONS AND POWER

Mr. MOULDER. Mr. Speaker, I ask unanimous consent that the Subcommittee on Communications and Power of the Committee on Interstate and Foreign Commerce may sit and hold hearings during the course of general debate this afternoon.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

FAIR LABOR STANDARDS AMENDMENTS OF 1961

Mr. POWELL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3935) to amend the Fair Labor Standards Act of 1938, as amended, to provide coverage for employees of large enterprises engaged in retail trade or service and of other employers engaged in commerce or in the production of goods for commerce, to increase the minimum wage under the act to $1.25 an hour, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 3935, with Mr. WALTER in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from New York [Mr. POWELL] will be recognized for 3½ hours, and the gentleman from Pennsylvania [Mr. KEARNS] will be recognized for 3½ hours.

The Chair recognizes the gentleman from New York [Mr. POWELL].

Mr. POWELL. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, we are now about to begin our deliberations on H.R. 3935, authored by the gentleman from California [Mr. ROOSEVELT] which contains the proposed amendments of the Fair Labor Standards Act of 1938. As chairman of the Committee on Education and Labor I went before the Rules Committee and requested an open rule with ample time for full debate and consideration of this measure. This was done because the members of our committee, the minority and the majority alike, were in full accord about the importance and significance of this legislation.

Now I want to answer, for once and for all, all criticism directed at the amount of time allocated for these hearings. This gigantic stack of books upon this table represents all the hearings concerning wage hour amendments since 1949. The total number of pages represents the astounding number of 12,000. Just a few months ago, last year, 146 witnesses were heard in 3 months and 1,575 pages of the printed record were necessary to report these hearings. The hearings this year fill a total of more than 600 pages of the printed record, so that on this specific proposal which the Congress had before it last year and this year, in less than 12 months we have had 2,200 pages of hearings. Anyone who says that this is not enough is only someone who does not believe in any legislation at all and only wanted to use the hearings to conduct a filibuster. We, the members of the Committee on Education and Labor, are not going to allow our committee to be used as an opportunity to delay any legislation by those who are completely opposed to such legislation regardless of what its fiscal form may be. In fact, I would like to point out to the very critics who say that the hearings were not long enough that they themselves refused to bring before the Committee on Education and Labor, in hearings in subcommittee and in full committee, the so-called Kitchin-Ayres substitute, which means that they themselves are guilty of not giving the American citizens and the committee an opportunity to discuss their legislation.

This legislation is one of the major measures proposed by the new administration to clear the economic climate of the smog of recession by stimulating further economic growth. Let no one rise today and say that there should not be a raise in minimum wage and an extension of coverage because we are in a recession because the facts of history belie such an argument. Specifically, the record shows that Congress has twice passed minimum wage legislation in a recession. And each time the increase was followed by improvement in employment.

In the depths of the bitter depression of the thirties, in the year 1938, the original minimum wage law was proposed under the leadership of Franklin Delano Roosevelt, and when that was adopted by Congress there followed a rise in employment rather than a fall. Again in 1949, during a recession and serious unemployment we raised the minimum from 40 cents to 75 cents. I was the conferee from the House on that particular legislation. Again that increase did not aggravate employment difficulties but rather marked the start of a rise in employment. Some critics cite a Government study which showed a 9 percent decline in 1955 when we raised the minimum to $1. The proof that they cite is entirely erroneous and fallacious because it comes from just one of many Government studies. It is from a survey of a selected segment of the lowest wage industries, and these industries are one in which employment has been declining steadily for years. These industries are work shirts, cigars, wooden containers, sawmilling, and tobacco steaming, and the decline there was due to competition from substitute products and the decline in consumer demand.

Let the truth be told now concerning the 1955 so-called proof. The Labor Department made an exhaustive check and could find no more than 1,800 workers in this entire Nation who may actually have been laid off after the minimum was raised to $1, in comparison to 2,500,000 low-paid workers who benefited from the increase. Even in the South where the impact of the dollar minimum was the greatest, there was no rise in unemployment insurance claims after the minimum was raised. Still another survey by the Labor Department of the 1955 wage increase indicated that every one of the low-wage communities benefited and prospered after the last increase in the minimum.

Retail employers who would be covered by this legislation contend that even though experience has been favorable in other industries, employment in retailing would go down if they had to meet a minimum wage.

This is totally false. In 13 States a $1 minimum wage has already been applied to the retail trade and what has happened? In New Jersey, retail employment jumped 8 percent the following month while total employment within the State rose only 1.5 percent. In Vermont, retail employment increased 4.2 percent, while employment in all industries in the State declined 3.7 percent.

Now let us get on with the business of helping America and stop hoodwinking the public with phony statistics and false arguments. A vote for this bill is a vote against the recession, a vote to push our economy forward, a vote to provide greater consumer purchasing power.

Not one scintilla of evidence was produced in the testimony given to our subcommittee this year or last year that modest increases had had any but the most salutary effect upon the Nation's economic progress. The New York Times editorialized this week, "We do not share that fear and neither history nor statistics bear it out. On the contrary, surveys have shown that a higher minimum in low-wage communities has actually stimulated rather than depressed employment."

We have tried to meet the objections of the honest and sincere supporters of this legislation. We will, as this Congress resolves itself into the Committee of the Whole, deal sympathetically with any amendments brought forward by any Member of this body on both sides of the aisle who believes in a better wage and more coverage for the American workingman. But we will resist the efforts of anyone who is against such legislation to try to amend this bill in order to kill it.

Finally, I speak as a representative of the largest city in this Nation and I speak voicing the sentiments of my colleagues all across this country who come from the big cities. We have given our vote to those of you who come from the agricultural sections and now we are asking you to give us your vote for those who come from the urban areas of our country. Firmly and frankly, I would like to say that the vast majority of my colleagues from the urban areas have made up their minds that if we do not get the cooperation from those of you who represent the rural areas that we are going to think twice as to how we will cast our vote on all legislation affecting rural areas beginning immediately, even though such programs may come from the administration. It was just a few days ago that, reluctantly, many of us, including the present Speaker, voted in favor of the feed-grain bill. We voted because we thought you representing the rural areas needed it. Therefore, we ask you today, however reluctantly, that you give us your vote for this legislation.

Cooperation must be a two-way street.

Mr. ALGER. Mr. Chairman, will the gentleman yield?

Mr. POWELL. I yield to the gentleman from Texas.

Mr. ALGER. Did I understand the gentleman's position to be that we should vote on this bill or any bill not on the merits of the bill itself but rather on some trade-out with Members representing city and rural areas?

Mr. POWELL. No; I did not say that at all. I am merely saying that those of you who come from areas who may not be affected as dramatically as areas that we represent in the cities and urban areas, that we are asking you to vote with us because we believe that this is good for us, just like we voted with those of you from the agricultural areas because you told us it was good for you.

Mr. ALGER. I am glad he did not mean it the way I understood it. I will simply tell the gentleman I am here to listen to his views and the views of others, possibly to present my own view if I feel I am learned enough to participate in the discussion, but let me assure the gentleman that this gentleman is not going to be traded out with anybody and will solely vote on the merits of the bill. And, I thank the gentleman.

Mr. POWELL. I would like to turn the leadership over to the gentleman from California [Mr. ROOSEVELT] for the balance of the debate.

Mr. KEARNS. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman and members of the committee, I am very happy to be here and hear the chairman of the full committee, the gentleman from New York [Mr. POWELL], make one appeal to this body—that we think twice before we vote. I hope that the majority and the minority weigh this very carefully, because we not only should think twice but maybe three or four times before we vote.

Mr. Chairman, I do not want to dispute the chairman, but there was a statement that he made that to me was not quite accurate. The minority was never, never consulted as to who the witnesses would be. They had their own agenda. They made it up. They went through it the way they wanted to. We had 3½ days of hearings on a bill that affects all segments of the economy of this country.

Then, upon my insistence, the gentleman from California [Mr. ROOSEVELT] was very kind, after he had called the executive session, to have the Secretary of Commerce come in. He was there with us for about an hour and a quarter, and we interrogated him. And, I think it proper to bring out one point that the Secretary said—and he is a very fine gentleman and very capable, I am sure, or Mr. Kennedy would not have appointed him—but it was his opinion if the administration bill went through in its present form, it would only be a matter of a few years until everybody in this country would be affected by the ramifications of its provisions.

Now, I am not antiminimum wage, goodness knows. I sat up there and broke the deadlock in the committee from 90 cents to $1. I am not against considering an increase in the minimum rate; I am not even against considering extension of coverage.

But I would like to refer to the late Gus Kelley. When he was chairman of the Subcommittee on Fair Labor Standards he did extensive research on this important subject, and it was the opinion of the subcommittee on both sides of the aisle that this legislation had such far-reaching aspects that we should have a thorough analysis before getting into intrastate commerce.

And so I appeal to you today, let us not act too hastily. Let us listen to the debate. Let us understand the substitutes, the amendments that we may have before us so that when we go home and answer to our constituents, we will have made a wise decision and one that this country, our great America, will be proud of.

Mr. ROOSEVELT. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, the committee bill, H.R. 3935, has, of course, two major purposes. First, it will raise the minimum wage now received by 4.6 million workers to $1.25 over a period of 3 years. And second, it will extend the protection of the act to an additional 4.3 million employees, primarily in our large retail and service enterprises.

Mr. Chairman, I would like to say that I have great respect, of course, for the ranking minority member of our committee. We have had a most cordial relationship for many years now. But I think it would be fair to say that when he referred to our late, very much esteemed colleague, Mr. Kelley, that what then obtained might be true. We have taken 4½ years since that time to give further study to the act. And the bill that has now come to you from the committee, I can assure you, has had the most careful preparation. I believe that while it might involve some controversial issues, it cannot be said that those controversial points have not been studied with a great deal of care.

I agree with the distinguished gentleman from Pennsylvania [Mr. KEARNS] that it would be well for each and every one of us to examine carefully the provisions of the bill which some of my esteemed colleagues would have us adopt in opposition to the committee bill. I believe it will be called the Ayres-Kitchin substitute.

You know, sometimes when we come into consideration of this kind of legislation, it reminds me a little bit of the story of one of the elders of a particular church who was charged with the responsibility of trying to get a new pastor for the church. He had considerable difficulty. One night he had a dream and in the dream he had been able finally to pick a successor pastor.

On the first Sunday on which he appeared in the pulpit the pastor gave a most stimulating sermon and everyone was most pleased with it. And so the next Sunday it seemed that the church was overcrowded because members of the congregation who had not been there the first Sunday decided they better come and hear the new pastor. So again he delivered a most stirring sermon. But to the astonishment of those who had heard it the Sunday before, it was exactly the same sermon that had been made on that Sunday. And when they

went up to him and congratulated him, those members who had just heard it, he thanked them very much and said he hoped that they would be back on the third Sunday.

And, of course, everybody was back. And to the amazement of the congregation he again made the same stirring sermon for the third successive time. And this time the congregation was much disturbed, including the elder who had picked him. He went to him and asked him why he did it. He said, "For the simple reason that even though I have delivered the same sermon three times, as I have gone out among my brethren after the sermon, I have found that while they thought my delivery was excellent, somehow or other my words did not have great effect."

That must be, I am sure, the feeling of many people who have heard the basic discussion of minimum wage over and over in this Chamber. But I think no one will deny that today what the committee has proposed fits the needs of our time and that there can be little or no question of the basic, the fundamental economic facts which have produced the need for raising the minimum wage at least to $1.25, which is being presented by the committee. I note the fact, for instance, that in the previous years, when we raised the minimum wage, the Congress has, on an arbitrary basis, tried always to see that a ratio of 50 percent of the average hourly national wage should be reflected in the minimum wage. If we were to go to $1.25 at this very time we would barely be making—in fact, we would be a little under, that 50-percent ratio.

Because of the times in which we find ourselves, the economic pressures of the times, the committee has decided on the basis of the evidence before it, to suggest to the House that we take this in two steps, 2 years at $1.15, well under that 50-percent figure, and bring it up after 2 years to the $1.25, recognizing as we must, that at that time it may not itself be equal to the 50 percent of the national hourly wage rate.

As to the coverage, again we are dealing with the facts of the situation. There was a time when the greatest employment in this country was in industrial concerns, but it is no secret, and is well substantiated, that the greatest employment in our country today has shifted over from industrial concerns, to what you might call the white-collar or blue-collar workers in the retail and service industries. As a result, we note today from statistics that a large number of people who got less than the minimum wage of $1 an hour under the present law are in those industries. We know it is necessary to bring those workers under the protection of the act, if they are not to be exploited and if our country, our whole economic system, is not to be denied the purchasing power, without which these individuals working for less than $1 an hour can hardly contribute to the health and the welfare of our society in a free America.

I think, too, we have recognized in the committee that this would impose somewhat more difficult problems for those concerned, those enterprises not now covered, so the committee again has adopted what is known as the escalation clause. We have not started at the $1.15, rather we have started with $1 an hour, and then by successive steps gone to $1.05, then from $1.05 up to $1.15, and in the fourth year we get to the $1.25.

I hope and believe that there are not too many here today who would want to keep these newly covered employees permanently at any goal which is less than that of their brother workers in industrial concerns. Certainly that would be dividing our country into two classes of citizenship, and I find it hard to believe that any of us would want to do that.

I am sure you know that the substitute to be offered by Messrs. AYRES and KITCHIN would of course leave them at $1, and it would limit the other people under present coverage to $1.15, way below the 50-percent figure that has become historic and accepted by nearly everyone who is an expert in this field.

I think it would be well also at this time to discuss the constitutional question involved in this proposal.

I should like to point out to my colleagues that the committee very carefully did not go back to the proposals made last year to extend coverage on a basically different basis from what the present law calls for. You will find in the definition of "enterprise," which is in the bill, that it conforms with the definition many times upheld by the Supreme Court and the rest of the judiciary of our country, as being properly within the power of the Congress to legislate on matters of interstate commerce.

I would add that one of the major differences in our approach is a limitation as to those who would be protected or exempted. We have therefore adopted a dollar figure for this purpose as the most practical way of giving protection to small business enterprises. I would specifically like to point out to the small business community of this country, that we have recognized that they have certain disadvantages which do not apply to large enterprises and which, therefore, gives them the right to certain special considerations. However, I would point out that when the substitute of Messrs. AYRES and KITCHIN comes before you, there you will find an entirely new concept of interstate commerce and the reach of the Congress under the interstate commerce clause.

There, for the first time, has been introduced a concept that only those enterprises which have establishments in two or more States, and which have at least five establishments within such enterprise, could properly be said to have an effect on interstate commerce. Now, my friends, that is the radical departure in the labor relations field—one that has never been litigated—and by the simple examination of what it does, you will find it sets up a basic discrimination which, I believe, no one in the House, once they get the facts would want to do. For instance, have not many of you within your own knowledge, as most certainly I have, known of small businesses with small gross sales, which do have establishments in two or more States and which, under the substitute bill, would be covered; whereas the large multimillion retail-service stores, which operate in my State of California, but operate only in the State—or only in the State of Texas or only in Pennsylvania or Michigan—or, indeed, only in the State of Arizona where there happens to be a most important department store—would be covered, while the little fellow would be included.

A little local retail business, for example, operating four one-man delicatessen shops, or shoeshine stands, or beauty parlors in different locations in the city of Washington would be covered by the Ayres bill if it also sought to serve some customers in the suburbs through a shop in Bethesda or Silver Spring or Arlington or Alexandria. The same thing could happen in New York or Memphis or Chicago or Philadelphia or Texarkana or any of the many cities which are located near State lines. It wouldn't make any difference whether the gross annual dollar volume of the whole business was a mere $25,000 or $50,000, or whether its operations involved any significant amount of commerce across the State line—it would be covered regardless of how much or how little interstate commerce it does.

Now let us look for a moment at the other side of the coin. The Ayres bill would cover these little businesses but how about the big ones that happen to do business under a single roof or to keep all their branches within the borders of a single State? Here again the Ayres bill totally disregards the question of whether the business does enough interstate commerce to justify Federal wage and hour regulation.

An enterprise doing an annual business of many millions of dollars, whose operations require the production and transportation from many States of immense quantities of goods is left free from the minimum wage under the Ayres bill so long as it is careful not to operate any shop across the State line. Yet its neighbor across the street, which may require only a few thousand dollars worth of goods produced in other States, will be covered if it operates five small shops and one of them is in the adjacent State.

We are supposed to be legislating under the commerce clause. Now we can justify a formula for coverage which has absolutely no relation to the impact of the business on interstate commerce, but depends only on the number of stores and their geographical location, must be explained by supporters of the Ayres bill. I for one cannot justify it, and while I am not a lawyer, it seems plain to me that the courts will want a better justification than the arbitrary declaration in the bill that these enterprises, regardless of their interstate activities or lack of them, are engaged in commerce or in the production of goods for commerce.

Let us look at a few actual statistics to see how the Ayres bill would not only disregard the impact of a business on interstate commerce as a ground for coverage but would hit the little businessman and let the big one go free.

In 1958, according to the Census of Business, there were over 200 retail com-

panies which had annual sales of less than $500,000 and operated 5 to 9 establishments in 2 or more States.

All 1,500 of the small establishments of these companies would be brought under the act by the Ayres bill. None of them would be brought under the act by the committee bill.

It is ironic that those who are concerned about the "far reaching ramifications" of the committee bill are sponsoring legislation that would extend Federal regulation into the area of small local businesses.

Now let us look at what happens to some of the giant enterprises whose operations require a huge volume of interstate commerce.

In 1958, according to the Census of Business, there were 4,800 retail establishments which had annual sales of $1 million or more and which were operated by chain store organizations with outlets in only one State. These establishments had a total of 390,000 employees, and annual receipts of more than $11 billion. Nearly 2,700 of these establishments, with 280,000 employees, had annual receipts in excess of $5 million each.

The Ayres bill would not cover even one of these establishments. The committee bill would cover all of them.

Now I have the figures and I will bring them out at the proper time in this debate, to show to you that this amendment, which is going to be proposed, sets up a kind of discrimination which I am sure the Members of this Congress do not want to embark upon, and which establishes a complete reverse of all of the legislative and all of the judicial experience under the minimum wage laws. Therefore, my friends, I hope whatever we adopt and send over to the other body, will be based upon the historic precedents and upon the proven way to legislate on minimum wage legislation. I hope it is not too unfair to draw the attention of my colleagues on the other side of the aisle to the fact, that only recently, testimony before the Committee on Education and Labor was brought out on the very subject of this dollar test, as against what I call the "5 in 2" formula, and I am sure you will remember that in that discussion, and I have the specific colloquy that occurred on the Senate side between then Senator Kennedy and Secretary Mitchell, in which the Secretary definitely stated that after consideration, the Eisenhower administration reached the conclusion that the "5 in 2" formula just simply was not workable, and that, therefore, they came back and suggested the dollar figure as the proper way to differentiate between large interstate enterprises, and small local businesses. I refer, if you want the citation, to page 31 of the Senate subcommittee hearings on the bill, S. 1135, and other bills before the Congress at that time. It is a most interesting colloquy. I hope you will have the time to read it because, I think, when you do, you will find that even the Republican administration after careful study rejected the formula to be proposed by Messrs. AYRES and KITCHIN.

Mr. Chairman, I think we now come down to the basic question before us and that is a constitutional one. On this I would refer you to a memorandum which appears in the RECORD of yesterday. A reading of that convinces me that there simply can be no question but that we have followed a perfectly proper formula. But if you have any doubt about it, I would further call your attention to the fact that when many of my colleagues in the House voted for the Landrum-Griffin bill not too long ago, some of you will remember you gave specific acceptance and congressional sanction to an administrative regulation by the National Labor Relations Board. The Board operated under their regulations that they would accept jurisdiction generally on the basis of a $500,000 figure although for some businesses it was less. They established that criterion for the assertion of jurisdiction.

May I point out that this practice in itself has been specifically upheld in many court decisions. The NLRB has been acting under this very procedure for years; and, as far as I know, there is nothing discriminatory about it, and certainly nothing unconstitutional.

Lastly, Mr. Chairman, the argument is made that some future Congress may decrease the $1 million figure to $500,000, or maybe down to $1. All I can say to you is that none of us here on this floor know or can control what any future Congress will do. We must rely upon good sense, as well as the judiciary, to say at some time in the future that if proposals are made to go below that amount which has a true effect on interstate commerce, the Congress and the courts will stop you; but if there is a true impact on interstate commerce, then the Congress has the legal and constitutional right to act.

Our judgment in committee today, after executive consideration, is that there is no question that a $1 million figure is the practical and realistic figure, upon which coverage should be based; provided—let me emphasize—that we can always show that the individual employee has a direct connection with interstate commerce. If he does not, then his enterprise will not be covered. There is no question about the constitutionality of such an approach. So, Mr. Chairman, in my humble opinion, if you examine the committee bill, you will find that the bill is a moderate and reasonable one, extending coverage to millions of our citizens, while being mindful of the problems of the small businessman.

Mr. LANDRUM. Mr. Chairman, will the gentleman yield?

Mr. ROOSEVELT. I yield.

Mr. LANDRUM. The gentleman referred to the so-called Landrum-Griffin Act, the Reporting and Disclosure Act of 1959, as justification for using a dollar volume to establish wage-hour jurisdiction. His argument, in my opinion, is refuted by a careful reading of section 701 of this act. I read:

> Section 701(a) * * * The Board, in its discretion, by rule or decision or by published rules adopted pursuant to the Administrative Procedure Act, decline to assert jurisdiction over any labor dispute involving any class or category of employers where, in the opinion of the Board, the effect of such labor dispute on commerce is not sufficiently substantial to warrant the exercise of its jurisdiction: *Provided*, That the Board shall not decline to assert jurisdiction over any labor dispute over which it would assert jurisdiction under the standards prevailing on August 1, 1959.

The necessity for that provision, as the gentleman well knows, was that in passing the National Labor Relations Act, the Congress conferred upon the Board, jurisdiction of disputes in labor and management relations.

When the Congress originally conferred jurisdiction on the National Labor Relations Board, to handle cases involving disputes between labor and management and for many years thereafter, the Board did not have too much business. After a few years, however, the volume of cases coming to the Board increased in such great numbers, that it could not properly and expeditiously handle them. So the Board decided to set up some criteria by which to establish and limit jurisdiction. In doing so it adopted, among other things, the dollar volume to which the gentleman has referred; and for a long time we went along with that criterion in utilizing the processes of the National Labor Relations Board. If the Board refused a case, State courts could act. Then came *Gus* v. *Utah Labor Board*, 353 U.S. 1 (1956) in which the U.S. Supreme Court decided that State courts did not have jurisdiction to act and could not settle such disputes. That left for a long period of time a no-man's land, in which people with cases that did not meet with the rules and regulations under the Administrative Procedures Act of the National Labor Relations Board had no forum to which to go. Faced with the proposition and with the fact that thousands upon thousands of businesses in America were without a forum in which to settle disputes, the Congress in writing the Labor Management Disclosure Act of 1959 merely said to the Labor Board: "All right, if you must have criteria by which you will accept or decline cases, you may do so as the Supreme Court has approved, but if you do decline it is all right for the State courts to take over." That is all the Landrum-Griffin Act did. It gave no recognition to any dollar standard and any analogy to the dollar volume of business to establish jurisdiction in wage-hour matters is, in my opinion, completely erroneous and entirely unrelated to the problems we are discussing.

I thank the gentleman for giving me his time.

Mr. ROOSEVELT. Mr. Chairman, I will answer in the words of the gentleman himself, because he explained to you that in the act to which he refers, Congress has told the National Labor Relations Board that it can make monetary regulations regarding its jurisdiction. It then issued regulations as it affects interstate commerce, and came up with a $500,000 figure. If that is not a non sequitur I do not know my Latin. No one has attacked that $500,000 figure as being an improper exercise granted by the Congress in order that the Board handle cases involving interstate commerce. If it is proper for the Board to administratively have a monetary figure

of $500,000, surely it is constitutional for the Congress to set a figure of $1 million by statute.

I think that is the answer to the gentleman's question, and I think he will want to discuss that in his own time.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. KEARNS. Mr. Chairman, I yield 15 minutes to the gentleman from California [Mr. HIESTAND].

Mr. GRIFFIN. Mr. Chairman, will the gentleman yield?

Mr. HIESTAND. I yield to the able gentleman from Michigan.

Mr. GRIFFIN. I would like to add briefly to the colloquy that just took place between the distinguished gentleman from Georgia [Mr. LANDRUM], and the distinguished gentleman from California [Mr. ROOSEVELT]. First of all, the 1959 Labor Reform Act did not fix any particular jurisdictional standards for application by the National Labor Relations Board. Tomorrow, if it sees fit to do so, the National Labor Relations Board could change the jurisdictional standards now in effect and, conceivably, could utilize an entirely different basis, throwing out the dollar volume test. The National Labor Relations Board, on its own, without any directive or approval from the Congress, has set up a dollar-volume test. In the 1959 act, we provided only that when the National Labor Relations Board refuses to take jurisdiction of a case, whatever its grounds or whatever its basis, whether it is dollar volume or any other reason, there will be a forum for litigants with disputes in the labor relations field.

Mr. HIESTAND. I am glad the gentleman clarified that point. I am sure everybody agrees that it is very important.

Mr. Chairman, the bill before us today is, in my humble opinion, unutterably bad. I shall confine my remarks to the bill itself rather than to the proposed substitutes, because this is what is before us, and I think we should know when we come to vote on a substitute that we are voting against a very, very bad bill. And, I think we can tell our constituents just how bad this bill is if we decide to vote against it.

I hesitated a little bit to come before you at this time after these very brilliant dissertations of several of my colleagues. I am just a businessman, and I do not share their abilities. However, I am in dead earnest on this thing.

Mr. Chairman, at a time when President Kennedy and his big staff are crying "recession" and advocating antirecessionary measures, a prorecession measure comes before us. At a time when the banks are out of debt, there is plenty of money in circulation at reasonable costs, and employment is close to record high, the only basis for this "recession" cry is unemployment.

At this very time there comes before us a bill which, according to all testimony, some reluctant, I might add, would increase unemployment. Certainly, this is true directly in the lower income group, which the President professes to want to help.

I submit, Mr. Chairman, that this bill, H.R. 3935, introduced and sponsored by the gentleman from California, would in effect doublecross these very low income people the sponsors claim they want to help.

Many thousands of marginal workers, either senior citizens, semihandicapped either physically or educationally, including, of course, youthful beginners and college students with little experience, would be thrown out of work if this vicious bill is enacted.

A spokesman for a Pennsylvania community with a high unemployment rate has testified that minimum wage legislation "would cause people in our town to lose their jobs." He said,

> Please do not undo * * * the work we have done to help ourselves.

The bill as I have said would worsen unemployment by throwing marginal workers out of jobs. And marginal workers have much difficulty in finding new jobs. As testimony in committee reveals, the Kennedy plan promises inflation and an upset of cost and stability levels.

Even our balance of payments problem is affected, it was testified. For a sharp boost in the minimum wage almost automatically means a higher cost of production, further pricing us out of the foreign market.

Any measure which would raise the cost of production raises the cost of living. Thus, the apparent increase of the minimum wage would soon be eaten up by the increased cost of living. This increased cost of production would come about, according to the testimony of union leaders and many others, by the maintenance of the wage differential between the lowest income group and those higher. It would be passed along all the way up the line, and competing industries, of course, would have to adjust their wage rates or lose their employees.

They would have to pay the going wage. So this would be a colossal increase all the way along the line. It would be a temporary benefit, because it would soon be caught up in the increased cost of living.

This increased cost of living, as I have said, is putting us further out of competition with imports, already a serious factor causing unemployment in many lines. So there would be more unemployment there.

Just why, Mr. Chairman, do you suppose the proponents are promoting this kind of bill just now? Either they are unconcerned about unemployment or they are convinced, contrary to the testimony, that it will not be increased. Surely they do not want to damage the low-income people for the sake of a vote-getting gadget. Or can it be that they are intent upon building big government, ever bigger, as this measure surely would do?

Mr. Chairman, this measure has several vote-getting gadgets in it and some jokers. On one page it exempts any employee employed as a driver or driver's helper making local deliveries in pursuance of an agreement made as a result of collective bargaining by representatives of employees certified as bona fide by the National Labor Relations Board. This, Mr. Chairman, is what we call the Jimmy Hoffa joker.

As everybody knows, there is a vast number of industries that hire their own truckers, or some one of the independent truckers, of which there are thousands. They would have to call for a union election in order to be certified by the NLRB. In other words, only members of the Hoffa union are exempt.

As everybody knows, Jimmy Hoffa's Teamsters Union controls the vast majority of truckdrivers. Is not this unfair and discriminatory clause a clause forcing membership into Jimmy Hoffa's union? It is just one of the many inequities in this abominable bill.

There are a lot of other things about it I should like to mention. When we were before the Committee on Rules we were trying to clarify several definitions; for instance, the definition of "enterprise." We compared it with the last year's definition, and finally a member of the committee made this comment: "Well, it looks like a bird's nest to me and I might even say a last year's bird's nest. It is as clear as a last year's bird's nest."

I suggest that defining interstate commerce purely on the grounds of the size of the business as reflected in dollars is not only a completely fallacious definition, but a very dangerous one. If we pass this bill, thus setting up another definition of interstate commerce, it will later, when the minimum limits are lowered, as it is freely admitted by some of the proponents they will be, enable your Federal Government to go into every business in the land, even to the corner bootblack, and regulate wages, hours, overtime, et cetera. This means, eventually and inevitably, of course, regulation of prices, also. Is that what we want to legislate?

Mr. Chairman, I am sure that every Member here is concerned about the vast and increasing size of this Government, its colossal cost and power. The Supreme Court has sustained the legality of certain definitions of interstate commerce. In the case of *U.S.* v. *Wrightwood Dairy Company* (315 U.S. 110–1942), it ruled that the power to regulate commerce includes the power to regulate both the operations which precede as well as those which follow commercial intercourse itself, provided that such operations are deemed by the Supreme Court to be capable of "affecting commerce among the States." That was a broad power sustaining the enactment of the Fair Labor Standards Act in 1938. This decision was based on a legislative finding that the existence of certain labor conditions in manufacturing industries engaged in commerce—

First. Caused commerce to be used to spread and perpetuate substandard labor conditions among the workers of the several States.

Second. Burdens commerce and the free flow of goods in commerce.

Third. Constitutes an unfair method of competition in commerce.

Fourth. Leads to labor disputes burdening and obstructing commerce and the free flow of goods in commerce.

Fifth. Interferes with the orderly and fair marketing of goods in commerce.

In this and other decisions the Court and Congress both recognized that it was the "use of facilities of interstate commerce in spreading substandard labor conditions" that gave constitutional authority to the Labor Standards Act. The Court has never held that Congress had the authority to prescribe minimum wages or maximum hours in industries other than those clearly in interstate commerce.

H.R. 3935 is a sharp departure from the historical application of Federal power. It is proposed to subject to Federal regulation any entire enterprise which has one or more employees, who handle, sell, or otherwise work on goods "that have been moved or produced for commerce by any person." The industry does not have to affect commerce as in the Fair Labor Standards Act. All employees of the enterprise would be governed by Federal standards simply because one or more of them happened to handle goods that have been moved or produced for commerce.

Think how far reaching that would be.

Mr. Chairman, when goods have reached a retail establishment they have come to rest. They are no longer a part of interstate commerce. They have become local property and subject exclusively to local control. When goods are in transit, they would seem to be subject to Federal regulation, but when they arrive Federal control should end. At least, that is the lesson to be learned from the Supreme Court decision in Walling against Jacksonville Paper Co. back in 1943.

The exemptions under this bill, based as they are on the dollar sign, introduce an entirely new principle.

It was freely admitted that the million-dollar limit was set on the basis that those enterprises could afford to pay more money. Yet the hotels, according to testimony before the Rules Committee, were exempted because although they were over a million-dollar volume, they could not afford it. May I suggest, Mr. Chairman, that they were exempted, as was freely admitted by several other proponents, because they were organized and articulate and strong and had much strength in opposing the bill. So far as we can tell, all of the other list of exemptions were exempted simply for political expediency, and the million-dollar minimum was set because "this is the most we can get away with." Is that a good, sound basis upon which to legislate?

If we are legislating on the basic principle of what is best for the country, why do we lower ourselves to legislate on ability to pay or political expediency? Such a concept of ability to pay introduces a new and flexible constitutional authority, one which can be exercised without limit under the guise of regulating commerce within the States.

A dollar sign cannot serve as the trigger point for constitutional authority or limitation, nor can a dollar sign be permitted to eliminate our Federal system. If we pass this bill, we take a long step toward big government by tearing down the limitations in the Constitution. The Founding Fathers indeed were wise. They feared tyranny, the tyranny of big government. They wanted the Government to be the servant of the people, not the master. Here we would give a bureaucrat authority almost unlimited.

This bill is not designed to help the unfortunate, the low-income worker. It would hurt him. It is designed, in my judgment, either as a vote-getting gadget or a builder of big government. In either case I am opposed to it, and I am opposed to it every inch of the way.

Mr. ROOSEVELT. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. DENT].

Mr. DENT. Mr. Chairman, there has been a great deal of criticism aimed at the chairman of our subcommittee because it has been said that not enough time was given to the opponents of this legislation. I think that the chairman of the full committee, the gentleman from New York [Mr. POWELL], covered that subject very well. If any person wanted to take the time to read the record of the hearings we held, I am sure he would have to run for reelection in order to be here to vote by the time he finished reading it.

However, when you give time to people and representative organizations, that is not tabulated in the hours that the committee spends on a subject. I am sure that the chairman, like the rest of the members of the committee, has met with representative groups both pro and con in his home district and here in Washington.

I want to say at this time, after discussing the matter, we felt there was sufficient coverage in the bill to take care of the situation. However, at this time I would like to interrogate the sponsor of the bill, if he would permit himself to be interrogated.

I direct my question, of course, to our distinguished colleague, the gentleman from California [Mr. ROOSEVELT]. Some questions have been raised about retail service businesses regarding the overtime exemption, which appears on page 39, line 22 of your bill. That provision, as you know, exempts from overtime requirements any employee whose regular rate of pay is 1½ times the minimum rate applicable to the employee, and more than one-half of his compensation for a representative period comes from the commissions.

What, in your opinion, might constitute a representative period which would qualify an employee under this provision?

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield?

Mr. DENT. I yield to the gentleman from California.

Mr. ROOSEVELT. The gentleman from Pennsylvania, I think, knows we have provided in the bill that a representative period shall be in no event less than 1 month, and in some cases, of course, from the testimony and the discussion with the Secretary of Labor, we know it could be as much as a year. I think it is important to bear in mind that the committee has been assured, and in the colloquies we had with the Secretary of Labor and his colleagues, that in the event the bill is enacted, it will hold hearings immediately looking to the issuance of general regulations upon this very matter.

But he is never very disturbed by the provisions of the bill which say that a representative period shall in no event be less than 1 month.

I also say to the gentleman that I am happy he brought out that we specifically wrote into the bill that those in executive positions who are beginning to learn the business and are on their way up, as well as others who perhaps have advanced to some degree may have up to 40 percent of their time devoted to nonexecutive duties. We used this for a very specific purpose and upon the representation of reliable people in the retail industry who pointed out their particular need for this kind of exemption, and because of the fact that in the administration of the present act as it is now written there is a limitation of 20 percent, yet in our bill we have in the retail field extended it to 40 percent.

Mr. DENT. I thank the gentleman from California.

The reason I brought this point out so it would be contained in the RECORD was because people get mixed up ofttimes because of the confusion that is created by the many different interpretations of just what the law does or does not do. I do not think there is any organization interested in this legislation that has done more to confuse the issue than this group of State associations and national associations that put out this particular booklet containing, mind you, reprints, photostatic copies, of every editorial they could pick up in the country, all aiming to prove that the passage of this act will decrease employment.

It has been my experience to find that no one employs more help than they need, and they employ no less than is required to do the job. That holds true whether you pass this piece of legislation or not. There is not a retail merchant in the country who would let sales go by the board because of a refusal to put on sufficient help on account of the passage of a bill that raises the pay to a $1 minimum. The $1 minimum is not the argument that is being advanced here by these individuals honestly representing the retail industry. There has been no argument advanced by any of the retailers in my particular area on the question of the dollar; and I will show you why. These figures do not come from me. Let us read what a chainstore magazine says about retail wages:

All States and the District of Columbia regulate the working conditions of store employees in whatever form is required. Twenty-nine States regulate wage rates. But some States like Michigan, Illinois and Indiana do not provide wage controls. Does this mean that retail employees in these States are unprotected? Let's look at the record: According to the last census, New York State retail workers, protected by a "model" minimum wage order, earned an average of $61.50 for a full workweek. In Illinois, where there is no State wage minimum, the average comparable weekly pay was $63.69.

And then, just a couple of paragraphs later—I do not want to bore you by

reading all of these statistics. The article state:

> But there are States where the wage level is lower. Take Mississippi. It has no minimum wage order. As of November 1958, the average weekly retail wage in the State was $47.50.

If that is true how can this organization which purportedly represents the retail enterprises and establishments in the United States say that increasing the minimum wage to $1 will deprive people of employment opportunities?

Why, even in Mississippi, which cannot in any way measure up to the wage levels paid in the industrial north, the retail help is paid an average of $47.50 according to this magazine article appearing in Current Comment. Misinformation and misrepresentation have been the stock in trade over the years of many who try to destroy a forward movement by telling an untruth.

On this floor a few minutes ago one of my respected colleagues referred to what he called the "Hoffa amendment." I can only believe that he was referring to that in order to cast on that particular amendment some kind of a cloud that is not there, and he knows it is not there. That amendment was asked for by a respected Member of this Congress, not a member of our committee, who has spoken on this floor against Mr. Hoffa and his teamsters. It was asked for because of a condition that is true in every community in America.

Where local deliveries are made it is impossible to measure the exact overtime that is due to a truck driver or delivery man when you and I know that mechanical failures, tire blowouts, traffic tieups, make the actual working period one that cannot be determined. They all work on a daily rate of pay, not on an hourly basis. This amendment is an honest effort to protect employers in communities where daily deliveries are made. I might say to you I am surprised that you are going to take it out because you are going to do a favor to Jimmy Hoffa because he has never asked for any amendment or consideration before our committee.

Mr. HIESTAND. Mr. Chairman, will the gentleman yield?

Mr. DENT. I yield to the gentleman from California.

Mr. HIESTAND. I agree, of course, with the gentleman from Pennsylvania that a vast number of deliveries are made by small people with one or two drivers, and so forth, and that the wage arrangement is made by trips. That has to be so. The gentleman is substantially correct. My point was it was specified in the committee bill it had to be recognized by the National Labor Relations Board which means being forced into unions. The National Labor Relations Board cannot certify without an election. You see the burden that is put on small operators. There is no other implication except that stated.

Mr. DENT. Why did the gentleman call it the Hoffa amendment when he knew, and I told him it was introduced at the request of a respected Member of the House? I had never seen the amendment until 5 minutes before it was introduced.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. ROOSEVELT. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. DENT. Mr. Chairman, I only wanted to bring that out to point up the fact that the mass of this misinformation that is being given out is in order to confuse you as to the basic issue. I will put in the RECORD the misinformation put out about the Pennsylvania minimum wage law by the same organization which tries to show that employment in Pennsylvania retail establishments particularly has been reduced because of the passage of the Pennsylvania minimum wage law. I have here a complete and detailed account of the operation of that law first put into effect in 1959 with a dollar minimum in the cities of Pittsburgh and Philadelphia and an 85-cent minimum in the rest of the State. Now the entire State after 2 years of operation has been on the dollar minimum.

This information, if you will take the time to read it, will show that on every specific point made by the publishers of misstatements and untruths, in every instance that they called attention to, is belied by the facts in the records in the Commonwealth of Pennsylvania.

Now, Mr. Chairman, it might be good for all of us to recognize that this is just another drive toward meeting that goal that was set out many years ago, a living economy in America, where everybody participates in it; where all of the people, the lesser and the great, all can at least have the minimum requirements of our way of life. All of us know, without any question of doubt, that a $40 a week pay check cannot possibly pay the necessary cost of the living standards that we have in this country today. It costs just as much for a person earning 40 to 45 cents an hour to buy a loaf of bread or a pair of shoes as it does to a Member of Congress at $22,500.

Mr. Chairman, I believe in the capitalistic system of government, but I believe that it has responsibilities; that in order to maintain a capitalistic form of government in this day and age it must assume and practice those responsibilities. The least among us must, if we work, must earn at least a minimum rate of pay. One dollar is not enough for the requirements of a family; in fact, a family of 6 children, with a mother and father, drawing direct relief today in the State of Pennsylvania will get more money than we are setting up under a $1 minimum in this act. Sometimes in talking about persons on relief, some of you say they do not want to work. Why, you pay them more not to work than you are willing to pay them to work.

Mr. Chairman, the time has come when we must face realities. We have in this country 21 million Americans not covered by the protection of a maximum hour and minimum wage bill. The gentleman from California [Mr. ROOSEVELT] is trying at this time, through his sponsorship, with the help of a great many Members of this Congress, to cover at least 4 million more that are not covered today. It will be many, many years before we ever achieve the ultimate and see to it that each and every worker in this country earns at least a minimum income if he works.

Now, this is important, and I want you to hear it. There are those who are great free traders in our midst, and they say that we must never close our borders, no matter what happens to our employment in industry; that we must go overseas and raise the standards and raise the minimum wage of the Chinese, the Japanese, the Hong Kongese, and Taiwanese and the rest of our competitors, while here in America, with an enlightened, civilized country such as we have, there are still 21 million Americans not protected by minimum wage laws. Yet many of you tell me in private conversation that you think we are going to be able to raise the standards of the 11-cent-an-hour workers in other countries.

Mr. Chairman, much publicity is being given to a survey by the Pennsylvania Retailers' Association purporting to show that retail employment in Pennsylvania declined as a result of a $1 minimum wage made effective by that State.

After having analyzed the reliability of that survey, I find it thoroughly unreliable; first, because the survey sample is suspect; second, stores which did not respond were not checked; third, the payroll period surveyed was unrepresentative and employment was affected by severe weather in the week of the survey; fourth, stores reporting a decline were not queried on why it occurred and no check was made of employment change in the same period in other years; and fifth, no distinctions were drawn between part-time and full-time employees.

These are some brief technical comments on the survey by the Pennsylvania Retailers' Association of the employment effects of the $1 retail minimum wage in Pennsylvania. This is the survey described in the statement presented by John Means of that association to the Senate Subcommittee on Labor on March 3.

Pennsylvania raised its retail minimum wage outside Philadelphia and Pittsburgh to $1 an hour starting January 15, 1961. The $1 had been put into effect in Philadelphia and Pittsburgh 2 years earlier, in January 1959.

The retailers' association survey collected employment data from selected stores outside Philadelphia and Pittsburgh for the week just before the $1 minimum became effective and for a week 3 weeks later. The survey results showed a decrease of employment of 6 percent, which the retailers' association concludes is largely the result of the higher minimum wage.

The association's statement does not fully describe the technical procedures used in this survey, but even from the limited information it does provide, it is quite clear that its survey and the interpretation the association has drawn from it are thoroughly unreliable. Its principal failings are these:

First. The makeup of the sample is suspect. The statement contends that the survey's sample of 3 percent of all

retail employees is of adequate size. It is indeed true that 3 percent can be an adequate sample, but the test of reliability is not merely size but the makeup of the sample. If properly stratified, a small sample can be representative of the whole. But the sample here is composed of stores belonging to the association; there is no statement of whether they are all the member stores or, if not, how these particular stores were selected.

Second. In any event, responses came from only a portion of those sent a questionnaire. The statement does not report just what proportion of those receiving a questionnaire answered, but does acknowledge a large nonresponse. Any sound survey must examine nonresponse and the reasons for it to determine if it masks a different picture than that reported by respondents.

It is not difficult to imagine that some stores with favorable employment experience, and well aware of the purpose of this survey, simply refrained from replying so as to avoid changing the picture the association might present.

Third. The representativeness of the payroll period surveyed is also questionable. The survey used the week ending February 4, 1961, as a measure of employment after the minimum wage was increased. Is this an appropriate week? We do not know, and the association statement does not seek to justify its selection, but we are aware that the weather was extremely bad that week in Pennsylvania and severe weather would normally curtail sales and to some extent employment as well. Such an employment decline would of course be unrelated to the minimum wage.

Fourth. Since the survey was supposed to measure the effect of the minimum wage on employment, it was derelict in not examining why employment declined in the responding stores.

Particularly, it should at least have inquired about employment in the same January to February period in earlier years, so that it could determine how much of any employment change is purely seasonal. Ordinarily, retail employment falls off merely for seasonal reasons between December and February.

The survey also fails to provide information on the extent to which employees laid off were part-time or full-time workers. In the case of the 376 national chainstore units, the survey figures show a decline in employment from January to February of 10 percent as against a decline in total hours of only 3.6 percent, which would indicate that workers then laid off were principally part-timers—whose layoff might be due to the customary practice of reducing the part-time workforce in February rather than to any effects of the higher minimum wage.

Fifth. For these reasons it is not possible to rely on the results of the Retailers Association survey nor is it possible, even if the survey figures are accepted, to draw the conclusion that decline in employment totals was due to the increased minimum wage.

The association's contention that an increased minimum adversely affects employment should also be measured in light of the fact that it ignores entirely the earlier experience with minimum wages in its State. Retailers in Philadelphia and Pittsburgh, who account for over 60 percent of retail employment in the State, readily adjusted to the $1 minimum wage in January 1959 and retailers elsewhere in the State adjusted equally readily when an 85 cents minimum wage was applied to them at the same time.

One of the major arguments of opponents of minimum wage improvement is that it would cause unemployment and worsen the present recession period problems.

For proof they cite a Department of Labor finding that employment declined 9 percent in parts of some low-wage industries after the minimum wage was raised to $1.

Experience proves, however, that this argument has no merit. Past minimum wage improvements have not adversely affected employment—and indeed, usually have helped stimulate a general upturn in employment. Specifically, the record shows:

First. Congress has twice passed minimum wage legislation in a recession period. Each time the increase was followed by improvement in employment.

The first time, in depression year 1938, the adoption of the original minimum wage law was followed by a rise rather than fall in employment. Again, in 1949, during a recession and serious unemployment, Congress raised the minimum—from 40 cents to 75 cents. That increase did not aggravate employment difficulties, but rather, marked the start of a rise in employment.

Second. Why did a Government study show a 9 percent employment decline after the minimum was again raised—to $1—in 1955? This decline is being misinterpreted by opponents of minimum wages.

First, the 9-percent figure comes from just one of many different Government studies. It is from a survey of selected segments of the lowest wage industries; second, these industry segments are ones in which employment has been declining steadily for years—regardless of minimum wage movements; third, the real reason for the decline in these industries—such as workshirts, cigars, wooden containers, sawmilling, and tobacco steaming—is principally such factors as technological change reducing manpower needs, decline in consumer demand, and competition from substitute products. The increase in the minimum wage in itself, as the Department of Labor's studies themselves specifically acknowledge, was a rather small, and in most cases, negligible factor in their decline in employment. Finally, other Government surveys could not find adverse employment effects as a result of minmum wage improvements.

Third. One of the other surveys was an exhaustive check by the Labor Department of every report of an adverse effect. This search could find no more than 1,800 workers in the entire Nation who may actually have been laid off after the minimum was raised to $1—and this should be related to the 2½ million low-paid workers who benefited from the increase to $1.

Fourth. Another Government survey examined what happened to unemployment insurance claims. It found that, even in the South, the region where impact of the $1 minimum was greatest, there was no rise in unemployment insurance claims after the minimum was raised. Thus, any employment declines in low-wage industries, for whatever reason they occurred, were offset by expansion in employment due to the increased buying power the $1 minimum provided for low-wage families.

Fifth. Most striking, however, are the findings of still another Labor Department survey, which focused on low-wage communities before and after the increase to $1. These communities—six were studied in detail—were ones in which large proportions of workers had to be given wage raises because of the new minimum. The surveys found the net effect of the higher minimum on a communitywide basis was to stimulate employment rather than depress it.

Every one of the low-wage communities benefited and prospered after the last increase in the minimum. In the 3½ years after the increase employment in these communities rose 20 percent in affected industries and 14 percent in industries not covered by the minimum wage law—a period in which employment in the Nation as a whole increased only 2 percent.

Sixth. Retail employers, who would be covered by the Federal minimum wage under the legislation now before Congress, contend that, even though experience has been favorable in other industries, employment in retailing would go down if they have to meet a minimum wage.

This argument has been disproved, however, by a study of the official employment statistics in the 13 States in which a $1 minimum wage has been applied to retail trade. The study found that in every one of these States the retail industry has adjusted without unfavorable employment effects. Indeed, retail employment usually increased, or held up better than in other industries in the State, after adoption of the retail minimum wage.

Two specific examples: In New Jersey, when the retail minimum was raised to $1—from 60 cents—retail employment jumped 8 percent the following month—the usual seasonal increase was only 3 percent—and increased 3.4 percent the following year—when total employment in the State rose only 1.5 percent. In Vermont, adoption of the $1 minimum was followed by a retail employment increase of 4.2 percent in the following year, while employment in all industry in the State was declining by 3.7 percent. A complete analysis of this study of retail employment experience in the States with a retail minimum wage is available on request to the AFL–CIO department of research.

Employment data from Government sources are available for 13 States in which a $1 minimum wage has been applied to retail trade. Only 2 other States have a $1 retail minimum—Alaska, $1.50 minimum, and Hawaii—but employment data are not available.

This memorandum presents the retail employment data for each of these States before and after the $1 retail minimum wage.

On the basis of analyses of these data, it can be stated categorically that the retail industry has adjusted to statutory minimum wage requirements without unfavorable employment effects and indeed usually with an increase in employment.

In not even one State is there the slightest evidence that requirement of a minimum wage has led to a decline in retail employment.

Although available data vary and the date the $1 minimum was adopted differs from State to State, the picture that clearly emerges can be summarized as follows:

First. The minimum wage for retail trade has been accompanied by employment experience at least as favorable, and usually more favorable, than in other industries in the same period.

Second. Employment in retailing has generally risen after an increase in the minimum wage, in some cases quite sharply. The exceptions to this finding occurred in connection with the 1958 recession and even then the recession-caused declines in retailing were less than in other industry.

Third. Employment data for the month following application of new retail minimum wages nowhere indicates any precipitous decline because of the minimum wage. Where there is an employment decline, it is in line with, or not as severe as, usual seasonal downturns for that time of year.

It is, of course, not possible to attribute employment changes merely to an increase in the minimum wage. Nonetheless, typical experience has found retail employment moving favorably after an increase in minimum wages. Here in brief are several specific major examples of favorable employment experience following on the heels of an increase in the retail minimum wage:

First. In New Jersey, an increase in the retail minimum to $1—from 60 cents—was followed by an 8-percent jump in retail employment the next month—although the usual seasonal increase would have been less than 3 percent—and by a 3.4-percent increase in annual retail employment the following year—even though total annual nonfarm employment in the State rose only 1.5 percent.

Second. In California, the $1 minimum for retail trade was made effective at the end of 1957 just as the 1958 recession was underway. Total nonagricultural employment in the State declined 7.5 percent the following year, but retail employment held up, declining less than 1 percent.

Third. In New York State, retail employment rose 2.1 percent in 1957—the retail minimum was raised to $1 in February of that year—although at the same time employment in all other nonfarm industry in the State declined 2.3 percent.

Fourth. In Vermont, the $1 minimum was made effective in October 1959. Retail employment in the following year rose 4.2 percent, while employment in all nonagricultural industry fell 3.7 percent.

Fifth. In the State of Washington, retail employment in 1959, the year the minimum was raised to $1—from 65 cents—increased by 4.5 percent and increased another 3 percent the following year, almost twice the rate of employment increase in other industry in the State.

The following pages present, for each of the 13 States with a $1 minimum for retailing (a) a very brief summary of retail employment changes in the year and month following the effective date of the minimum wage and (b) the actual employment statistics before and after the date of the new minimum wage.

All the employment data are from the Bureau of Labor Statistics of the U.S. Department of Labor.

The 13 States for which such data are available are: California, Connecticut, Maine, Nevada, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Utah, Vermont, and Washington.

CALIFORNIA

A $1 minimum wage was made effective for retail trade in California at the end of 1957—November 15, 1957. The former minimum was 75 cents.

Examination of employment data shows that retail employment held up well despite a general downturn in other industries brought on by the general economic recession, in 1958. Specifically:

First. Annual employment in retailing held almost steady after the increase in the minimum even though total employment in the State declined markedly because of the 1958 recession. The figures show a 7.5-percent decline in all nonagricultural employment in 1958, but retail employment dipped less than 1 percent.

Second. In the month in which the minimum was raised to $1 and in the following months—November and December 1957—months in which the 1958 recession was already well underway, employment in retailing nevertheless remained higher than in the same months the preceding year.

Third. A comparison of the short-run employment change, from the month before—October—to the month after—December—the increase in the minimum shows almost the usual seasonal upturn at this time of year—9.2 percent versus 11 percent the year before and 9.4 percent the year after—even though the recession falloff at the end of 1957 might have been expected to produce a marked retail employment decline.

One dollar minimum wage for retail trade effective November 15, 1957:

Annual employment

	Employees (thousands)		Percent change
	1957	1958	
Retail trade	736	729.5	−0.9
All nonagricultural industries	4,810	4,450.0	−7.5

Monthly employment in retail trade

	Employees (thousands)			Percent change, October to December
	October	November	December	
1956	725.4	741.3	805.5	+11.0
1957 [1]	738.5	[1] [2] 750.1	806.1	+9.2
1958	733.6	745.1	802.4	+9.4

[1] Year and month $1 minimum made effective.
[2] Increase in employment, after minimum wage raised, of 1.2 percent over same month in preceding year.

CONNECTICUT

A $1 minimum wage for retail trade was made effective in Connecticut in mid-1957—July 1, 1957. The former minimum was 75 cents.

Employment data show that retail trade employment rose from 1956, the year before the new minimum wage, to 1958, the year after, even though total nonfarm employment dropped continuously during this period. Specifically:

First. Annual retail employment expanded by 1.5 percent from 1956, before the minimum increase, to 1958, the year after. By contrast total nonfarm employment dropped off by 4.3 percent during the same period.

Second. From the June 1957, the month immediately preceding the minimum wage increase, to August, the month immediately following, retail employment held up better than the usual seasonal decline. The decline following the higher minimum was 3 percent, compared with 4.9 percent for the same months in 1956, and 3.2 percent in 1958.

One dollar minimum for retail trade effective July 1, 1957:

Annual employment

	Employees (thousands)			Percent change, 1956–58
	1956	1957	1958	
Retail trade	121.3	118.8	123.1	+1.5
All nonagricultural industries	909.8	904.5	870.9	−4.3

Monthly employment in retail trade

	Employees (thousands)			Percent change, June to August
	June	July	August	
1956	124.0	120.6	117.9	−4.9
1957 [1]	118.7	[1] 116.6	115.2	−3.0
1958	123.7	121.5	119.8	−3.2

[1] Year and month $1 minimum made effective.

MAINE

A $1 minimum wage for retail trade was made effective in Maine on September 12, 1959. There was no previous minimum wage in effect.

Data on employment for retail trade alone are not available for this State, but employment data are available for total trade—of which retailing accounts for 70 to 80 percent and wholesaling for 20 to 30 percent.

The employment figures show that both trade and total nonfarm employment expanded from 1959, the year the minimum wage was first introduced, to 1960, the year immediately following, specifically:

First. Total trade employment in 1960 was 0.9 percent higher than in 1959,

the year the minimum wage went into effect. Total nonfarm employment also rose, by 1.4 percent.

Second. Trade employment in September 1959, the month the minimum was put into effect, was 2.3 percent higher than in September of the previous year. Similarly, in October 1959 the month after introduction of the minimum wage, trade employment was 2.8 percent higher than in October 1958.

Third. From August 1959, the month immediately preceding the establishment of the minimum wage requirement, to September, the month immediately following trade employment held up better than seasonally: it declined only 1.6 percent, as compared with 2.8 permement for the same months in 1958, and 2.2 percent for the 1960 period.

One dollar minimum wage for retail trade made effective September 12, 1959:

Annual employment

	Employees (thousands)		Percent change
	1959	1960	
Total trade [1]	53.5	54.0	+0.9
All nonagricultural industries	273.6	277.3	+1.4

Monthly employment in trade [1]

	Employees (thousands)			Percent change, August to October
	August	September	October	
1958	54.2	52.9	52.7	−2.8
1959 [2]	55.1	[2 3] 54.1	[4] 54.2	−1.6
1960	55.3	54.3	54.1	−2.2

[1] Includes both wholesale and retail trade. Separate data for retail trade alone not available. (Ordinarily, retail trade accounts for 70 to 80 percent of total trade employment.)
[2] Year and month $1 minimum made effective.
[3] Increase in employment, after minimum wage set, of 2.3 percent over same month in preceding year.
[4] Increase in employment, after minimum wage set, of 2.8 percent over same month in preceding year.

MASSACHUSETTS

A $1 minimum wage for retail trade was made effective in Massachusetts at the end of 1959—December 2, 1959. The former minimum was 90 cents.

Data on employment for retail trade alone are not available for this State, but employment data are available for total trade—of which retailing accounts for 70 to 80 percent and wholesaling for 20 to 30 percent.

The employment figures show that trade employment increased in the year following the increase in the minimum wage. Specifically:

First. Employment in trade in 1960, the year following the higher minimum wage, was up 2.1 percent. This was a larger increase than the 1.3 percent rise in total nonfarm employment in the State.

Second. The immediate change in trade employment, from the month before the minimum was raised to the month after, was in line with the seasonal employment change in these months in other years. The seasonal change of 3.1 percent from November 1959 to January 1960 compares with a drop of 3.4 percent in the corresponding 1958–59 period and a drop of 2.8 percent in the 1960–61 period.

One dollar minimum for retail trade made effective December 2, 1959:

Annual employment

	Employees (thousands)		Percent change
	1959	1960	
Total trade [1]	379.1	387.0	+2.1
All nonagricultural industries	1,890.7	1,915.1	+1.3

Monthly employment in total trade [1]

	Employees (thousands)			Percent change, November to January
	November	December	January	
1958–59	379.0	392.1	366.1	−3.4
1959 [2]–60	387.5	[2] 404.5	375.4	−3.1
1960–61	393.1	412.0	382.2	−2.8

[1] Includes both wholesale and retail trade. Separate data for retail trade alone not available. (Ordinarily, retail trade accounts for 70 to 80 percent of total trade employment.)
[2] Year and month $1 minimum made effective.

NEVADA

A $1 minimum wage for retail trade was made effective in Nevada in mid-1957—July 1, 1957. The former minimum was 87½ cents.

Employment data for the period 1956–58 show that retail employment dropped slightly between 1956 and 1957, but remained level in 1958, while nonagricultural employment as a whole declined slightly between 1956 and 1958. Specifically:

First. Annual employment in retailing dropped 1.3 percent between 1956 and 1957, when the new minimum went into effect, but showed no change in 1958. Total nonagricultural employment, rose slightly in 1957, but declined in 1958 to 0.7 percent below 1956 levels.

Second. Immediately after the increase in the minimum wage, retail employment increased. The rise was more than the usual increase from June to August. From June 1957, the month immediately preceding the effective date of the new minimum wage, to August 1957, the month after the month of the minimum wage increase, retail employment rose by 7.5 percent. By contrast, in the same period in 1956 the increase was only 3.6 percent and in 1958 it was 3.1 percent.

One dollar minimum wage for retail trade effective July 1, 1957:

Annual employment

	Employees (thousands)			Percent change, 1956–58
	1956	1957	1958	
Retail trade	15.9	15.7	15.7	−1.3
All nonagricultural employment	85.5	86.4	84.9	−.7

Monthly employment in retail trade

	Employees (thousands)			Percent change, June to August
	June	July	August	
1956	16.7	17.3	17.3	+3.6
1957 [1]	16.0	[1] 16.6	17.2	+7.5
1958	16.2	16.6	16.7	+3.1

[1] Year and month $1 minimum made effective.

NEW HAMPSHIRE

A $1 minimum wage for retail trade was made effective in New Hampshire at the end of 1959—November 30, 1959. The former minimum was 85 cents.

Data on employment for retail trade alone is not available for this State, but employment data are available for total trade—of which retailing accounts for 70 to 80 percent and wholesaling for 20 to 30 percent.

The employment figures for trade show that the increase in the minimum wage in New Hampshire was accompanied by an increase in employment. Specifically:

First. Employment in trade in 1960, the year following the higher minimum wage, was up 4.9 percent. This was a larger increase than the 2.3-percent rise in total nonfarm employment in the State.

Second. The immediate impact, from the month just before the minimum was increased—October—to the month just following the increase—December—found an employment rise of 3 percent. This was a greater rise than in the same period in other years; in 1958, the October-December rise was 2.8 percent and in 1960 it was 2.3 percent.

One dollar minimum wage for retail trade effective November 30, 1959:

Annual employment

	Employees (thousands)		Percent change
	1959	1960	
Total trade [1]	32.8	34.4	+4.9
All nonagricultural industries	191.1	195.5	+2.3

Monthly employment in retail trade [1]

	Employees (thousands)			Percent change, October to December
	October	November	December	
1958	32.1	32.0	33.0	+2.8
1959 [2]	33.5	[2] 33.2	34.5	+3.0
1960	35.2	34.9	36.0	+2.3

[1] Includes both wholesale and retail trade. Separate data for retail trade alone not available. (Ordinarily, retail trade accounts for 70 to 80 percent of total trade employment.)
[2] Year and month $1 minimum made effective.

NEW JERSEY

A $1 minimum wage for retail trade was made effective in New Jersey on October 9, 1956. The previous minimum wage, varying by zones, ranged from 55 cents to 60 cents.

Examination of employment data shows that retail trade employment increased after the new minimum became effective. The annual increase was larger than for nonfarm industries generally. In the month immediately after the minimum was raised, employment jumped 8 percent, a much larger rise than in the same month in other years. Specifically:

First. Annual employment in retailing was 3.4 percent higher in 1957 than in 1956 when the minimum wage was increased. Total nonfarm employment increased by 1.5 percent in the same period.

Second. Retail employment in October 1956, the month of the minimum wage increase, was 4 percent higher than in October of the previous year 1955. In November 1956, the month after the wage increase, retail employment was 10.1 percent higher than in the same month of the previous year 1955.

Third. The month-to-month increase in retail employment from September 1956, the month just before the minimum wage rise, to October 1956, the month immediately following, was much larger than for the same period in either 1955 or 1957. The increase for the 1956 period was 8 percent, as against 2.3 percent in 1955, and 1.5 percent in 1957.

One dollar minimum for retail trade made effective October 9, 1957:

Annual employment

	Employees (thousands)		Percent change
	1956	1957	
Retail trade	264.5	273.4	+3.4
All nonagricultural industries	1,930.4	1,958.6	+1.5

Monthly employment in retail trade

	Employees (thousands)			Percent change, September to November
	September	October	November	
1955	256.0	256.9	261.8	+2.3
1956 [1]	267.0	[1] [2] 267.3	[3] 288.3	+8.0
1957	274.6	275.6	278.7	+1.5

[1] Year and month $1 minimum made effective.
[2] Increase in employment, after minimum wage increase, of 4 percent over same month in preceding year.
[3] Increase in employment, after minimum wage increase, of 10.1 percent over same month in preceding year.

NEW YORK STATE

A $1 minimum wage was made effective in New York State starting February 15, 1957, for retail trade in all cities of 10,000 or more, with a 90-cent minimum in cities of less than 10,000. In January 1958, the 90-cent minimum in small communities was raised to the $1. Before 1957, the minimum had been 70 cents in the over 10,000 cities and 65 cents in the smaller ones.

Retail employment in New York increased after the raising of the minimum wage, even though total employment in the State was declining. Specifically:

First. Annual employment in 1957, the year the retail minimum was raised, increased by 2.1 percent over 1956, at the same time that employment in all nonfarm industries declined by 1.7 percent. If retail employment is eliminated from the nonfarm total, then the decline in total nonfarm nonretail employment is 2.3 percent.

Second. Retail employment in the month the minimum wage was raised, February 1957, was 2.3 percent greater than the same month a year earlier. Employment the following month, March 1957, was 1.5 percent higher than the preceding March.

Third. In the 2 months immediately following the increase in the minimum, there was virtually no change in employment; from January to March 1957, the period bridging the increase of the minimum in February 1957, employment edged off one-half of 1 percent, a change worse than the minor upturn in the same period the year before, but better than a larger decline in the same period a year later.

One dollar minimum wage for retail trade effective February 15, 1957, in cities of 10,000 or more, 90 cents in cities of less than 10,000 people:

Annual employment

	Employees (thousands)		Percent change
	1956	1957	
Retail trade	859.8	878.0	+2.1
All nonagricultural industries	6,120.4	6,018.7	−1.7

Monthly employment in retail trade

	Employees (thousands)			Percent change, January to March
	January	February	March	
1956	830.3	823.7	835.3	+0.6
1957 [1]	851.5	[1] [2] 842.4	[3] 847.6	−.5
1958	878.4	860.8	665.4	−1.5

[1] Year and month in which minimum wage raised.
[2] Increase in employment, after minimum wage raised, of 2.3 percent over same month in preceding year.
[3] Increase in employment, after minimum wage raised, of 1.5 percent over same month in preceding year.

PENNSYLVANIA

A $1 minimum wage was made effective for retail trade in cities over 500,000—Philadelphia and Pittsburgh—starting January 19, 1959; the minimum in cities of 10,000 to 500,000 was set at 85 cents and in cities under 10,000 at 75 cents.

Starting January 15, 1961, the minimum in cities of 10,000 to 500,000 has been raised to $1 and in cities under 10,000 to 90 cents. Employment data for the period after this increase are not yet available from Government sources.

Examination of employment data for the entire State and separately for Philadelphia and Pittsburgh shows that (a) retail employment moved more favorably after the new minimum wage than did other employment, and (b) an immediate downturn in employment occurred in the month following the raising of the minimum, but this downturn was no greater than has been customary at that season, January to February, in other years. Specifically:

First. Annual retail employment in the State as a whole moved up in 1959, the year the minimum wage was raised, by eight-tenths of 1 percent, a bit more than the six-tenths of 1 percent increase in total nonfarm employment in the same year.

The same was true in Philadelphia: the $1 minimum at the start of 1959 was followed by an increase in employment of 2.2 percent over the preceding year as against a 1.5-percent rise in employment in all industries.

In Pittsburgh, where total employment in 1959 declined by 2.4 percent, retail trade held up better, edging down only nine-tenths of 1 percent.

Second. In the month immediately after the minimum was raised, February, retail employment declined, but no more than the seasonal decline typical at that time of year.

For the State as a whole, the January to February decline in 1959 when the minimum was raised was 1.3 percent, a decline smaller than in 1958, 2.1 percent, and 1960, 1.5 percent, years when there was no increase in the minimum wage.

In Philadelphia and Pittsburgh, the decline over the month was also in line with the usual seasonal drop from January to February.

One dollar minimum wage for retail trade made effective January 19, 1959, in Philadelphia and Pittsburgh; 85 cents minimum made effective in cities of 10,000 to 500,000 and 75 cents in cities under 10,000.

Effective January 15, 1961, minimum in cities of 10,000 to 500,000 raised to $1 and in cities under 10,000 to 90 cents. Employment data for the period following this increase are not yet available.

Annual employment

	Employees (thousands)		Percent change
	1958	1959	
Entire State:			
Retail trade	506.3	510.5	+0.8
All nonagricultural industries	3,609.6	3,629.7	+.6
Philadelphia:			
Retail trade	203.1	207.6	+2.2
All nonagricultural industries	1,463.4	1,485.7	+1.5
Pittsburgh:			
Retail trade	112.0	110.0	−.9
All nonagricultural industries	783.2	764.4	−2.4

Monthly employment in retail trade

	Employees (thousands)		Percent change, January to February
	January	February	
Empire State:			
1958	504.2	493.4	−2.1
1959	493.6	487.1	−1.3
1960	503.2	497.5	−1.5
Philadelphia:			
1958	202.8	199.3	−1.7
1959	201.5	200.0	−.8
1960	206.9	206.0	−.4
Pittsburgh:			
1958	114.0	109.6	−3.9
1959	109.3	106.8	−2.3
1960	109.9	107.7	−2.0

NOTE.—Data for December 1957 is on different SIC basis, so December to February change not calculated because data not comparable.

RHODE ISLAND

A $1 minimum wage for retail trade was made effective in Rhode Island on October 1, 1957. The former minimum was 90 cents.

Data on employment for retail trade alone are not available for this State, but employment data are available for total trade, of which retailing accounts for 70 to 80 percent and wholesaling for 20 to 30 percent.

There was a general downturn in all employment in the State between 1957 and 1958, but trade employment held up

better than nonfarm employment as a whole. Specifically:

First. From 1957, when the minimum was increased, to 1958, trade employment dropped by 2.8 percent, considerably less than the 4.2-percent drop in nonfarm employment generally.

Second. On an immediate basis, trade employment went up just after the minimum wage was raised. It increased by 1.3 percent from September 1957, the month just before the minimum wage rise, to November 1957, the month immediately following. This compares with a 1.8-percent increase for the same months in 1956, and a 2.9-percent increase for the 1958 period.

One dollar minimum for retail trade made effective October 9, 1957:

Annual employment

	Employees (thousands)		Percent change
	1957	1958	
Total trade [1]	53.2	51.7	−2.8
All nonagricultural industries	284.0	272.1	−4.2

Monthly employment in trade [1]

	Employees (thousands)			Percent change, September to November
	September	October	November	
1956	54.4	[2] 54.0	55.0	+1.8
1957 [2]	52.4	[2] 52.3	53.1	+1.3
1958	51.0	51.2	52.5	+2.9

[1] Includes both wholesale and retail trade. Separate data for retail trade alone are not available. (Ordinarily, retail trade accounts for 70 to 80 percent of total trade employment.)
[2] Year and month $1 minimum made effective.

UTAH

Minimum wages of 85 cents to $1, varying by zones, were made effective in Utah on September 1, 1960. The former range was 75 to 90 cents.

Employment figures for 1961 are of course not yet available, so it is not possible to measure the effects of the new minimum on a year-to-year basis. From 1959 to 1960, including the part of 1960 in which the new minimums were in effect, retail employment expanded by 4.5 percent, somewhat larger than the increase for all nonfarm employment.

Retail employment in September and October 1960, the 2 months following the increase in the minimum wage, was 4.1 percent higher than in the same months the preceding year.

Minimum wage of 85 cents to $1, varying by zones, made effective September 1, 1960:

Annual employment

	Employees (thousands)			Percent change, 1959–60
	1959	1960	1961 [1]	
Retail trade	42.1	44.0	------	+4.5
All nonagricultural industries	253.0	263.0	------	+4.0

[1] 1961 data not yet available to permit measurement of change in annual employment in year after minimum wage increased.

Monthly employment in retail trade

	Employees (thousands)			Percent change, August to October
	Aug.	Sept.	Oct.	
Year before minimum raised (1959)	43.5	43.5	43.5	None
Year in which minimum raised (1960)	45.4	[1] 45.3	45.3	−0.2
Increase in employment, same month before and after minimum raised	------	+4.1	+4.1	

[1] Month 85 cents to $1 minimum made effective.

VERMONT

A $1 minimum wage for retail trade was made effective in Vermont in October 1959. The former minimum was 75 cents.

Examination of employment data shows that retail employment expanded in Vermont in the year following the minimum wage increase, even though employment in other industries dropped off.

Specifically:

First. Annual employment in retailing rose 4.2 percent from 1959 to 1960, while employment in all nonagricultural industries dropped by 3.7 percent.

Second. Retail employment in October 1959, when the increase went into effect, was 1.2 percent greater than in October of the previous year. The November 1959 retail employment level was 1.9 percent higher than in November 1958.

Third. The immediate change in retail employment, from the month before the minimum was raised to the month after, was no different than the employment change in these months in other years. The seasonal change of 3 percent from September to November in 1959, when the minimum was raised, was virtually the same as in the same period the year before, 1958, and the year after, 1960.

One dollar minimum wage for retail trade effective October 8, 1959:

Annual employment

	Employees (thousands)		Percent change
	1959	1960	
Retail trade	16.5	17.2	+4.2
All nonagricultural industries	106.2	102.3	−3.7

Monthly employment in retail trade

	Employees (thousands)			Percent change, September to November
	September	October	November	
1958	16.5	16.3	16.0	−3.0
1959 [1]	16.8	[1 2] 16.5	[3] 16.3	−3.0
1960	17.0	16.7	16.5	−2.9

[1] Year and month $1 minimum made effective.
[2] Increase in employment, after minimum wage raised, of 1.2 percent over same month in preceding year.
[3] Increase in employment, after minimum wage raised, of 1.9 percent over same month in preceding year.

WASHINGTON

A $1 minimum wage for retail trade was made effective in Washington in mid-1959—June 11, 1959. The former minimum was 65 cents.

Retail employment increased substantially following the increase in the minimum wage. Specifically:

First. Annual employment in retailing rose after the minimum was increased in mid-year, so that total 1959 retail employment was up 4.5 percent over 1958, and 1960 employment rose another 3 percent, so that employment in 1960 stood 7.6 percent above levels in 1958, the year before the minimum wage was raised.

Second. In terms of specific months, retail employment in June 1959, the month the minimum wage was raised, was 5.5 percent higher than in June of the previous year, 1958. Similarly, in July 1959, the month following the introduction of the new minimum, retail employment was 6 percent higher than in July of the previous year, 1958.

Third. In terms of immediate employment changes, from May of 1959, the month just before the minimum wage increase, to July 1959, the month immediately following, retail employment rose 3 percent, an increase broadly in line with the upturn customary at this season.

One dollar minimum wage for retail trade effective June 11, 1959:

Annual employment

	Employees (thousands)			Percent change, 1958–60
	1958	1959	1960	
Retail trade	118.6	123.9	127.6	+7.6
All nonagricultural industries	782.8	812.8	816.4	+4.3

Monthly employment in retail trade

	Employees (thousands)			Percent change, May to July
	May	June	July	
1958	114.7	118.0	119.2	+3.9
1959 [1]	122.6	[1 2] 124.5	[3] 126.3	+3.0
1960	126.8	129.1	129.5	+2.0

[1] Year and month $1 minimum made effective.
[2] Increase in employment, after minimum wage raised, of 5.5 percent over same month in preceding year.
[3] Increase in employment, after minimum wage raised, of 6 percent over same month in preceding year.

Mr. ROOSEVELT. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. CELLER].

Mr. CELLER. Mr. Chairman, I want to direct a few brief remarks primarily to some colleagues on the other side of the aisle, particularly from my own State. I fear that some of them may have regarded this minimum wage bill as a partisan issue.

This issue transcends narrow party lines. The Fair Labor Standards Act has been the law of the land for 23 years; it is not a measure tied to one party or the other. Both parties have in recent years publicly and repeatedly recognized a need for updating it, for making its standards modern standards tied to the realities of today's living costs and today's industrial structure rather than to the different needs of earlier needs.

First, consider the increase in the minimum. I personally prefer that the

minimum wage be increased more rapidly than provided by the committee bill. I believe the minimum should immediately be raised to $1.25 an hour. After all, the minimum has not been increased since 1955. To increase it by 25 cents now, 6 years after the last adjustment, would mean we are raising the minimum at the rate of only 4 cents a year.

The committee bill approaches this even more modestly. It seeks to ease any potential adjustment difficulties by deferring the full 25-cent increase for still another 2 years. This would mean that over the 8-year period since the last increase, the minimum will have been raised at a rate of only 3 cents a year.

Is this too much? Can there be genuine party difference on the moderateness of so small a figure? Should we not be ashamed that we are advancing our minimum protection at so slight a rate, a rate so far behind the rate of general advance in industrial wage levels?

If we permit this amount to be trimmed further, or to be put off indefinitely, we would be guilty of a grievous injustice to the many workers still dependent on the statutory minimum as the determinant of their wage level.

New York State is a relatively high wage area. We are justly proud of the fine wages enjoyed by most of our State's citizens. Why should we therefore be concerned with the minimum wage issue? Apart from fundamental humanitarian and moral considerations, which I cannot take the time to dwell on in detail, let me remind you that even in New York we are plagued still by pockets of unjustifiably low wages, by nagging echoes of sweatshop days we fondly but mistakenly believe are buried in the distant past. Unfortunately, thousands of our own State's workers will not rise above $1 or $1.10 unless and until the legal minimum requirement is raised to require a more decent wage. It is for these working citizens of our own State and other similar States that we must be concerned.

Many of these low-wage workers, although employed full time, are not paid enough to sustain their families and must therefore be subsidized by local relief agencies or Federal assistance in order to survive. Surely it is morally wrong for employers to benefit from the labor of workers who are able to exist only because of financial aid from relief agencies. Surely minimum welfare needs for employed workers should be met by adequate minimum wage requirements.

At the same time, we must be concerned with another problem—the need for protection of employers who do pay more reasonable wages but are undercut by cutthroat wage competition. The increase in the minimum wage to $1.25 will help reduce the runaway of industry seeking to take advantage of the lowest possible wages available in other areas. And, I should add, it will curtail such runaway without discouraging sound growth of industry in new areas based on factors other than substandard wages.

As to extension of coverage to unprotected workers, New York State has recognized the value of minimum wage standards for industries excluded from coverage of the Federal act. It has established for retail industry, both large and small, minimum wages as high as the Federal standard—and the results have been beneficial.

But as we look to the record of worker protection provided in many other States, we must be shocked at the unbelievably low standards still countenanced in some jurisdictions and the total lack of any protection whatever in others.

Can we in good conscience stand by and say that fair labor standards in other parts of the country are not our concern? Can we stand by and say that States which have set no minimum wage standards to govern large businesses, businesses which the Congress has regulated in other respects, have made a judgment we must accept?

Surely the answer is clear, whether posed in moral, economic, or constitutional terms. And surely it is a fundamental matter on which we can unite without regard to party label.

Mr. ROUSSELOT. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and sixteen Members are present, a quorum.

The Chair recognizes the gentleman from Ohio.

Mr. AYRES. Mr. Chairman, I yield 10 minutes to the gentleman from Indiana [Mr. BRUCE], a new member of the committee.

Mr. BRUCE. Mr. Chairman, I think I do not need to express the emotions that run through the mind of a freshman when he stands for the first time before his colleagues. There are many conflicting thoughts in mind. You remember men whose greatness you can never hope to equal who have stood in the same position. You have sat here just long enough to reach out and understand the eloquence of some of your colleagues who have years of experience in this position. You strive in conscience not to be divisive; and I hope and pray that what I do say is not divisive in nature, but is more important, a statement or a restatement of certain basic philosophies.

I do not question the motive of any of the gentlemen in the Chamber. It is not for me to challenge motive because no one except the individual can understand that. We have seen wide disagreements here already. We have seen variance of opinion expressed in fiery terms. I wish it were possible for me to have a full and total understanding in all of its ramifications of what effect legislation such as we are discussing here would have. This is impossible because we are dealing with a national picture, with even international overtones by implication.

It would be easy for me to stand here and try to express the opinions of one group or another. I have met with representatives, many of them from business enterprises large and small; from labor organizations large and small. And all I can tell the gentlemen is that I have tried to the best of my ability not to be influenced by what could be considered their interest in personal gain or advantage, but rather to the best of my humble ability to try and reach a conclusion which I could stand here and defend, honestly believing it to be right.

I can assure the gentlemen that on the final vote on this issue, on this measure and like measures I shall vote "no," not because I hate somebody, not because I do not love the unemployed, and not because I do not love the low-income people and want to help them; but rather because I think this legislation will hurt them, will harm them. We are dealing in an age of upside-down language. We are living in a period where the word "liberal" has become synonymous with collectivism and centralization of authority; where to stand for the liberty of the individual and oppose the extension of the Federal Government is to be labeled as a reactionary. I repudiate the terms as now used because they are meaningless.

I shall vote in the final analysis against each and every one of these bills because I believe we are overstepping the authority of the Federal Government in a very delicate field. I do not believe it is possible for us to look across a nation as vast as this, with our varying economic conditions in Georgia, Mississippi, Alabama, Indianapolis, New York City, Boston, and California and say, "This is what you have to do," and do it with any type of justice whatsoever. In the name of justice we wreak havoc and injustice. We violate the concept of individual liberty upon which this Nation was founded. Liberalism, conservatism—let us forget the conflict of name-calling and reestablish a philosophy that says we are individuals, that we are 50 sovereign States.

If they want $1.25 in New York State, have the New York Legislature pass the $1.25. If they want it in Alabama, are there not enough people in Alabama who can and will be heard? Have you forfeited the responsibility of the State governments? Do we not have legal channels to be heard within our States? This is the jurisdiction which we must reemphasize and reiterate in a day when ideologies are in total conflict.

We do not defeat total collectivism in the world with a gradual, bit-by-bit collectivism here at home. We say we are going to increase purchasing power by setting off inflation. We say $1 is not enough now. That may be. Why is it not enough? Because it is inflation that has destroyed the value of the dollar as a purchasing entity. So we push it to $1.25, and then 2 years from now come back and say, "It is not enough." So we make it $1.50 or $2. We go in circles and in contradiction. In the name of helping the low-income groups we set off an inflation spiral that hurts them above all. We further destroy the value of the dollar and make more and more people dependent on government for subsistence.

We have established a subcommittee in the Committee on Education and Labor to study the effects of automation, and then we come in with proposals like this one which only speed up automation. I have talked with men in my own district and elsewhere. Based on these conferences, I know that if this goes through they will be forced to step up automation and increase the impact of automation and its temporary dislocation of employment. Again I say we are going in circles and in contradiction.

There is a question of constitutionality involved in the dollar volume approach advocated here. One gentleman says there is and the other says there is not. Obviously there is a question. We substitute for the formula of interstate commerce the formula of dollar volume. This change is made along with others, exemptions for this and that, because one group has more pressure and better lobbies; because this group or that apparently controls more votes politically. Minority view though it may be, I still hold that "that governs best which governs least" on a Federal level. I shall so speak, I shall so vote, I shall so dedicate my time.

Mr. AYRES. Mr. Chairman, I yield 10 minutes to the gentleman from New Jersey [Mr. FRELINGHUYSEN].

Mr. FRELINGHUYSEN. Mr. Chairman, we have all heard expressed here very eloquently the very different views of Members on this legislation. There is no doubt in my own mind that we are faced with a very controversial piece of legislation. I think perhaps at the outset I should make my own position clear.

I believe and have so stated over the past few years that we should have a moderate increase in our Federal minimum wage, and also that there should be a suitable extension of coverage. I should add also at the outset that I voted against this bill as it was reported from the committee. Why, one may ask, why did I do so? Why am I unenthusiastic about the specific provisions of this bill? I should like to mention first the so-called escalator provision. The chief sponsor of this bill, the gentleman from California [Mr. ROOSEVELT], has described this as a $1.25 minimum bill. It is, of course, not quite accurate so to describe it. They are suggesting an increase to $1.15, and then in 2 years' time an increase to $1.25.

In a sense, I suppose, it can be said that we are, if we should enact this proposal, thereby discharging campaign promises made last year, and platform pledges made last year. Nonetheless I fail to see why there is any justification for this Congress to attempt to legislate matters which more appropriately should come before us at a later time.

During the brief testimony on this bill the Secretary of Labor, Mr. Goldberg, in answer to a question by me and the quotation is on page 55 of the hearings, specifically opposed an immediate increase to $1.25 for two reasons. He recognized the adverse side effects which might result, and he referred to the obligation of taking a balanced view with respect to this whole question. Well, if Mr. Goldberg expressed then a reasonable point of view, why would it not be reasonable to take a look at a future date of what future increases and future extensions we should make in this legislation?

The argument has been advanced that if we do not do it now, it may be difficult for us to do it later. But, I would suggest that we are legislating in the dark without any possibility of knowledge as to what the economic condition of the country will be 2 years from now, if we attempt to make mandatory an increase of any amount. If this approach is logical and wise, we might just as well authorize still further increases and still further extensions 5 years from now or, perhaps, 10 years from now.

Mr. Chairman, in my opinion, this is not the course of wisdom. The chairman of our full committee has said we have had masses of testimony, and he brought here to the well the volumes of the hearings which have been held since 1949 on this general subject to justify the wisdom of what this committee is now proposing. Well, the fact of the matter is, out of all these mountains of hearings, we have precious little this year. True, we have a volume of some 600 pages incorporating the views of a grand total of 11 witnesses on this very tremendous and very controversial subject. In addition, there was bulky testimony—printed statements by various other groups. The fact that we have gone over a lot of this ground before and have even passed legislation in previous years is no excuse for our committee skimping on its responsibility to take a direct look at the testimony and to hear the testimony of witnesses both for and against this bill.

We have heard the gentleman from Pennsylvania [Mr. DENT] mention the fact that a great many representative groups have been in informal discussions with us as individual Members.

He suggests that as a result of those informal meetings there have been some changes in the law which make this meritorious legislation. In my opinion that is a very poor way to legislate. In the first place, the "we" who make the decisions which result in the changes in the legislation are perhaps the gentleman from California [Mr. ROOSEVELT], or perhaps the gentleman from Pennsylvania [Mr. DENT], or perhaps some Republican. However, the "we" is not the committee, sitting as a legislative body with direct responsibility for producing sound legislation.

Mr. DENT. Mr. Chairman, will the gentleman yield?

Mr. FRELINGHUYSEN. Briefly.

Mr. DENT. I only want to say that there were no changes made as a result of that meeting. If the gentleman will remember, I asked a question of the sponsor. That brought out the fact that no change was made in the law. What the gentleman from California [Mr. ROOSEVELT] wanted was a clarification of the law for the record. There was no change made by anybody but the committee.

Mr. FRELINGHUYSEN. I am glad the gentleman from Pennsylvania thinks so, because I am just about to bring out the fact that I offered an amendment in the committee which was proposed to me in this informal way. This amendment incidentally was accepted unanimously by the committee, although I had no clear view in my own mind whether the amendment I was offering was meritorious or not. For anyone to say that no changes were made as a result of these informal pressures is simply not to state the truth.

Mr. DENT. Mr. Chairman, will the gentleman yield further?

Mr. FRELINGHUYSEN. I will yield in a moment.

I refer specifically to the language on page 43 of the committee bill beginning on line 13 and going through line 20. It refers to a limit of overtime exemption for certain laundries. I read the language:

> *Provided further*, That this exemption shall not apply to any employee of any such establishment which has an annual dollar volume of sales of such services of $250,000 or more and which is engaged in substantial competition in the same metropolitan area with an establishment less than 50 per centum of whose annual dollar volume of sales of such services is made within the State in which it is located;

I assume that some Members know what the language means. They may also know if it will be satisfactory to the enterprises which would be affected if it is incorporated into law. All I know is that a Member of Congress sent me a letter saying that this language should be retained in the legislation. I hope it will be beneficial.

I should point out that this provision was in the bill as originally introduced by Mr. ROOSEVELT. For some reason it was taken out during, I suppose, the deliberations of the subcommittee. As a result of my inquiry about the wisdom of including such language in the bill there was a brief discussion with respect to the fact that there are certain laundries in the District of Columbia which are presently handicapped competitively by laundries which operate either in Virginia or in Maryland and which are exempt from overtime provisions under the present law. This additional protection was suggested as important for the laundries in the District of Columbia so they would not be at an undue handicap if there should be a further increase in the minimum wage law.

I am certainly no expert in the field of what constitutes reasonable competition for laundries. I cannot be certain whether we should provide some additional protection for laundries in the District of Columbia, as compared with laundries in the nearby States. I simply raised the question in committee as to why it had been deleted. There was relatively quick agreement that there was nothing wrong with the language, so it was incorporated in the bill. If it was a good provision why had it been deleted? Has there been any thorough

exploration of the effect of the provision?

This is what I call an unwise way to legislate. Perhaps it is better that something was done in committee than to have it done on the floor. Nonetheless, what we are about to do here on the floor is probably to abandon, for one reason or another, the committee bill and to accept a major alternative. This is probably what should be done. If we do, it will be proof that we as members of the committee have not performed our own responsibilities adequately.

Mr. DOMINICK. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Seventy-eight Members are present, not a quorum.

The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 24]

Anderson, Ill.	Harrison, Va.	Rabaut
Auchincloss	Harvey, Ind.	Rivers, S.C.
Baker	Holifield	Sisk
Barrett, Pa.	Ikard	Smith, Miss.
Breeding	Kilburn	Spence
Buckley	Kilgore	Springer
Cahill	Lindsay	Steed
Coad	McDonough	Thompson, La.
Curtis, Mass.	McVey	Vinson
Daddario	Magnuson	Wilson, Ind.
Davis, Tenn.	Mason	Wright
Fogarty	Monagan	Zelenko
Hall	O'Konski	
Harris	Osmers	

Accordingly the Committee rose, and the Speaker having resumed the chair, Mr. WALTER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 3935, and finding itself without a quorum, he directed the roll to be called, when 390 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

Mr. AYRES. Mr. Chairman, I yield 25 minutes to the gentleman from New York [Mr. GOODELL].

Mr. GOODELL. Mr. Chairman, may I say at the outset that I stand here as a Member who voted to report out the minimum wage bill. I was in favor of minimum wage legislation. I am in favor of it today. But I would like to talk about some aspects of this particular committee bill that I think are important for us to understand before we act on such legislation.

When I voted to report this bill out I voted to do so with one major reservation. I said I could not vote for it unless certain defects were cured, particularly the dollar volume test of Federal jurisdiction.

Last fall I had the dubious pleasure for a Republican of following Candidate Kennedy around the country on the Nixon Truth Squad; and as you all know, one of the major issues Mr. Kennedy talked about was the $1.25 minimum wage. I almost came home with ulcers from listening to him talking on this issue in one place after another to large crowds. He would start out by saying: "Mr. Nixon thinks $1.25 is extreme; he thinks it is excessive. Do you think $1.25 minimum wage is excessive?" And the crowd would chorus back: "No! No!"

That happened time after time: in Scranton, Pa.; Muncie, Ind.; Carbondale, Ill.; Youngstown, Ohio; and out in the Far West—$1.25 minimum wage now.

Let me give you some direct quotes from some of the things Mr. Kennedy said last fall about this $1.25 minimum wage. In Pocatello, Idaho, on September 6, 1960, he was talking about the Rules Committee, and at the end he made reference to minimum wage. I quote Candidate Kennedy:

> From reports I have read they evidently agreed to have the House go to conference on minimum wage only because they understood that the House conferees would not budge from the House bill, which was $1.15, and hopelessly inadequate.

In Charleston, W. Va., on September 19, 1960, Candidate Kennedy said:

> The bill for $1.25 passed the Senate by a vote of 2 to 1. It failed in the House of Representatives by 12 votes. We went to conference in the House and Senate and tried to get an adjustment. We were informed in the conference that if we passed the $1.25 an hour it would be vetoed.

In Amsterdam, N.Y., on September 29, 1960, Candidate Kennedy said:

> I think this administration should pass a minimum wage of $1.25 an hour. [Applause.] The Vice President of the United States on Monday night's television show said that $1.25 an hour was extreme, $1.25 an hour being $50 a week. You will get that under my bill which was considered extreme in 1960. What is extreme about that? I want somebody in the Senate or the House to live on $1.25 at a time when the Bureau of Labor Statistics says a single woman to even survive in an urban center of the United States, it costs her $52 a week. Yet the average wage for laundry women in five large cities of the United States is 64 cents an hour, and for a 48-hour week.
>
> I believe in $1.25 minimum wage, and I think the next Congress should pass it.

Candidate Kennedy on October 9, 1960:

> I come from a party which believes in a $1.25 minimum wage. [Applause.]

On October 12 Candidate Kennedy said:

> I don't lead a party which believes $1.25 an hour is extreme. Mr. Nixon said that on the debate a week ago.

On October 19, quoting Candidate Kennedy:

> We fought in the last Congress for a bill to provide $1.25 minimum wage for restaurant employees, retail stores and all the rest. Mr. Nixon says it is extreme. I don't think $1.25 an hour for somebody who works in a business which makes $1 million a year is an extreme wage, living in New York, Whittier, Calif., or Boston, Mass.

On October 28, quoting Candidate Kennedy:

> Anyone who believes that a minimum wage of $1.25 is extreme, Mr. Nixon is your man.

These quotes are direct quotes.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. GOODELL. I yield to the gentleman from West Virginia.

Mr. BAILEY. In view of the gentleman's vote to report the bill out of the committee, shall we get the impression, your colleagues on the committee, that some of this talk about the now President Kennedy when he was a candidate might have rubbed off on the gentleman from New York?

Mr. GOODELL. Maybe that is the explanation, I will not comment on it. I have been in favor of a minimum wage for a long while before I started following Candidate Kennedy.

Mr. BAILEY. I thank the gentleman for his vote.

Mr. GOODELL. Now, we come to the 87th Congress with President Kennedy, not Candidate Kennedy. President Kennedy sends up to the Congress not a minimum wage law for $1.25 an hour but for $1.15 an hour, exactly what Mr. Nixon and Mr. Eisenhower last year proposed, and Mr. Kennedy could have had it in conference had he been willing to accept it. At that time he said, "No, it is totally inadequate, it is cruel and it is just a miserable approach to the minimum wage problem."

In the subcommittee we considered the question as to when the $1.25 an hour should become effective. When it got to the full committee we proposed that it go into effect 1 year from the date of enactment, that it start at $1.15 and then go in 1 year to a minimum wage of $1.25 an hour.

This was going to come out of the full committee, I think I can say advisedly, with $1.25 effective 1 year from now when lo and behold we received a letter from Kennedy's Secretary of Labor from which I quote:

> During the past several days we in the Department of Labor have given very careful consideration and further study to all of the economic implications of this accelerated program for reaching the highest minimum wage rate a year earlier than originally proposed. In view of the many factors involved and after a realistic appraisal of the entire situation, it is my hope that the Committee on Education and Labor may find it possible to reconsider this decision and restore the original three step approach, as outlined above, or, if considered more desirable, adopt a two step approach, that is, a minimum wage of $1.15 for 2 years and 4 months after the date of enactment and a minimum wage of $1.25 thereafter.

With this direct word from President Kennedy's emissary, the committee decided to postpone the $1.25 minimum wage for 2½ years. I might say that this "very careful consideration and study of the economic implications" of $1.25 minimum wage came just a little bit late for President Kennedy. He might of thought of that during the campaign when he exhorted for $1.25 an hour immediately.

Mr. FRELINGHUYSEN. Mr. Chairman, will the gentleman yield?

Mr. GOODELL. I yield to the gentleman from New Jersey.

Mr. FRELINGHUYSEN. Is it not true also that Secretary of Labor Goldberg specifically recommended against

the suggestion by the chairman of our full committee, the gentleman from New York [Mr. POWELL], that we have an immediate increase to $1.25?

Mr. GOODELL. Yes, he did. He also, from what he sent up here, left out the restaurant workers that he mentioned in one of the quotations I gave you in the campaign. But, it would appear from all of this that there is a great difference between being a candidate for President and being President. If you are a candidate, $1.15 an hour minimum wage is cruel and inadequate. If you are President, $1.15 minimum wage is fine and it will help everybody.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. GOODELL. I yield to the gentleman from West Virginia.

Mr. BAILEY. Can you cite an instance in which President Kennedy has changed his position on minimum wage?

Mr. GOODELL. I think everything I have said here indicates that he has changed his position. All last fall Candidate Kennedy was for $1.25 now, immediately. Two years from now is not $1.25 now.

Mr. BAILEY. The legislation that we are considering today will give us $1.25 minimum but not in 1 year.

Mr. GOODELL. Two and a half years from now.

Mr. BAILEY. Please do not leave the impression that he has deserted his position on the $1.25.

Mr. GOODELL. If I have not left that impression, then I have failed completely in what I am talking about here.

Now, another point. We are essentially today considering the Ayres substitute as contrasted with the Kennedy proposal that came out of committee. There has been a lot of talk about the constitutional issues involved. A little earlier somebody said the five-store approach was arbitrary. I might say that the five stores are recognized in the trade, the retail trade, as the point where a chain begins. That is where the five-store theory came from. In other words, five stores or more is considered to be a chain.

Now, one of my colleagues earlier quoted Secretary of Labor Mitchell testifying last year that the five-and-two formula for interstate commerce was unworkable. And, I might point out that that testimony came before the Ayres substitute was perfected, and that those imperfections that were in it have been corrected. He was worried about possible wholesale evasion under the five-two formula. There is no claim now that there will be an evasion under the present substitute to be considered.

But, what are the implications of this $1 million volume sales test? When Secretary Goldberg appeared before our committee I asked him: "Can you think of any retail store that would not come under your definition of interstate commerce and be under the jurisdiction of this act if you eliminate the $1 million?" And he said, "No, I cannot. As a practical matter, they are all in interstate commerce."

Now, the implications of this are very clear, that if we once establish the $1 million test of jurisdiction by the Federal Government, we are finished as far as local and State jurisdiction over any of these small enterprises is concerned, because all they will have to do from that point on is to reduce this $1 million figure.

I have debated with many of the advocates of this bill on national networks and in practically every instance when I brought this up they admitted that it is their intention to start lowering this $1 million figure as quickly as they can. And, when Senator Kennedy and the gentleman from California [Mr. ROOSEVELT] originally introduced their bills, they put the figure at $500,000; not $1 million. So, anybody in the retail business or service business that thinks they are protected by this act and exempt because they do less than $1 million business today, they better take another close look, because they are left out only for the moment. And, the gentleman from California [Mr. ROOSEVELT]—I am sorry he is not on the floor and I hesitate to use his name when he is not here—when he came before the Committee on Rules day before yesterday he said that next year he felt we ought to give immediate consideration to bringing in the hotel workers and re-evaluating this whole thing.

So it is not going to be very long before we start revising it all over again and probably lowering the million dollar figure.

There is a technical aspect of this bill to which I wish to call attention. It may sound rather innocuous but I think it is very important. The committee bill changes the enforcement provisions that presently obtain on minimum wage legislation. Under present circumstances if a man is not paid a minimum wage or if he fails to get his overtime pay, when it is discovered, he has a right to sue his employer and get double damages for the amount of back wages that he was not paid. The Secretary of Labor is not satisfied with this. Under the committee bill, when an employee sues his employer, if the Secretary of Labor decides that he also wants to sue and steps into the suit then the employee's case is immediately terminated and the Secretary of Labor sues the case for him. Under the present law there is a requirement that no employee can be made a plaintiff in a suit unless he gives his consent to whomever tries to sue for him. That is eliminated under the committee bill. The Secretary of Labor will be able to go in himself and sue at any time, take over the lawsuit. Or sue by himself, regardless of the desires of the employee he is suing for.

There has been a lot of talk here about the big department stores in single cities that would be left out of this bill, the substitute bill, because they do not have five establishments and they do not operate in two or more States. This is a very false issue, in my opinion. I have before me a list of the largest department stores in this country and they always use them as the awful example. J. L. Hudson of Detroit pays a minimum wage today of $1.15 and they will not be affected at all by this bill.

Emporium Capwell of San Francisco today pays $1.25 minimum wage.

Thrifty Drugs, Los Angeles, pays a minimum wage of $2.20. None of these stores here pay less than $1.15 minimum wage today.

Yesterday I had a gentleman in from Rochester, N.Y., and asked him what the seven or eight large stores in his area, department stores, paid as a minimum wage. Not a single one of them paid less than $1.25 an hour. So this is just a false issue brought up to give the impression that we are going to cover the small people and leave out the big ones, that the employees of those large establishments will be unprotected and go on getting less than the minimum wage.

Mr. WIDNALL. Mr. Chairman, will the gentleman yield?

Mr. GOODELL. I yield.

Mr. WIDNALL. How would this affect laundries—the administration bill?

Mr. GOODELL. That is another very interesting point. The committee bill would include laundries if they do over $1 million business a year, provided that not more than 25 percent of their business is commercial. The tricky thing here is that most of our small laundries today, in order to survive, have taken up the business of servicing restaurants and hotels. They have done that in quite large proportions and it is the only thing they can do to keep their head above water economically.

Those laundries, regardless of volume of sales, will be covered under the committee bill if more than one-fourth of their volume is this type of commercial business.

Mr. WIDNALL. It is my understanding that in our State of New Jersey the only laundries that will be covered are those that are unionized at the present time and where the employees are getting substantially above the minimum wage in this bill. The nonunion laundries, that are taking away business from the unionized laundries, are not covered and will have a further advantage over the union laundries to the detriment of the union workers in the union laundries.

Mr. GOODELL. That could very well be the case. I do not know the New Jersey situation.

Mr. SMITH of Iowa. Mr. Chairman, will the gentleman yield?

Mr. GOODELL. I yield.

Mr. SMITH of Iowa. I think the gentleman would like to clarify this. They are covered if they do over $1 million worth of business. Then the ones that do 25 percent in commercial business that are now under the law continue the coverage. The others that are covered are those that are in substantial competition with those now covered in the same metropolitan area that do more than $250,000 worth of business.

Mr. GOODELL. I agree with the language the gentleman refers to. The

fact is that virtually all the small laundries will be covered if they do over 25 percent commercial work. Virtually all of them satisfy the stipulation about which the gentleman is speaking, about being in competition with such other laundries.

Mr. AYRES. Mr. Chairman, will the gentleman yield?

Mr. GOODELL. I yield to the gentleman from Ohio.

Mr. AYRES. Will the gentleman state what the situation regarding laundries is under the so-called Kitchin-Ayres substitute.

Mr. GOODELL. The Kitchin-Ayres substitute will leave them right where they are, most of them exempt.

Mr. CURTIS of Missouri. Mr. Chairman, will the gentleman yield?

Mr. GOODELL. I yield.

Mr. CURTIS of Missouri. I was very much interested in the gentleman's statement predicting that this action here is only a forerunner of what action next year might be as far as coverage is concerned. I call attention to the Secretary of Labor's prepared statement before the committee which appears on page 25 of the hearings, where he says—

> In fact, protection under the present law is denied to some 20 million men and women in private industry. But I also realize that we have to progress step by step, sometimes haltingly, to achieve the act's original purposes.

I presume from that statement, and I might ask the gentleman's comment on it, that the Secretary is making quite clear that in his opinion, at any rate, and incidentally contrary to the facts, the original purposes of the act were complete coverage, and that is the objective toward which he intends to take us if he has his way.

Mr. GOODELL. I might state in that connection that I am in favor of extending the coverage today, but I want to accomplish the extension by a way which will guarantee that our purely local enterprises which should come under local and State laws will be regulated by local and State governments, not the Federal Government. If we accept this volume-dollar sales test feature, they are clearly going step by step right down to the local store, regardless of size.

Mr. CURTIS of Missouri. I shall take the floor tomorrow, if I am granted time, and I think I will be yielded time, to expound the economic theory of a minimum wage. It never was intended to be, in fact, it will badly damage it if it is made a complete coverage. That is not the theory, and tomorrow I will speak about it.

Mr. GOODELL. I agree with the gentleman 100 percent.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. GOODELL. I yield to the gentleman from Indiana.

Mr. HALLECK. I commend the gentleman on his able statement. It is very obvious from his statement that he knows what this legislation is about and knows the problems that are involved.

Let me ask the gentleman this question: In spite of all of the statements that were made in the last campaign, certain efforts that were made to enact at that time a minimum wage of $1.25, is it the gentleman's clear impression now that by reason of the consideration of the whole economic situation, and all the other factors involved, the administration now thinks that a 15-cent increase in the minimum wage at this time is sufficient?

Mr. GOODELL. I do not think there is any question about that on the record.

Mr. HALLECK. One further question: Of course, the committee bill does provide for the increase to $1.25 2 years and 4 months after the bill becomes law. Does the gentleman think that would justify a contention at the moment that this is a bill for $1.25 rather than $1.15?

Mr. GOODELL. The best way to answer that, I think, is that I have a vision of Candidate Kennedy, standing in front of an audience last fall, saying "I am not for $1.25, I am for $1.15 and you will have to wait 2½ years for your $1.25." He did not do that. It was a lot different. He said, "You should have $1.25 an hour now." I do not think this is a $1.25 minimum wage in the view of those people Candidate Kennedy promised $1.25 last fall,

Mr. HALLECK. I would like to make this further observation. That as a matter of good legislative practice, we all realize 2½ years from now, the Lord willing, the Congress will again be in session. Will not the gentleman agree with me, we might better leave the determination of what the minimum wage ought to be at that time for the determination of the Congress then in being at that time and for us to legislate for the present as far as the minimum wage is concerned?

Mr. GOODELL. I am not in sympathy with the escalator but I do favor a $1.25 minimum wage, and I think it could very well be handled, if we are going to postpone it for 2½ years, in another Congress.

Mr. O'HARA of Michigan. Mr. Chairman, will the gentleman yield?

Mr. GOODELL. I yield to the gentleman from Michigan.

Mr. O'HARA of Michigan. Did I understand the gentleman to say he differed with the coverage provisions and that he favored the $1.25 minimum wage?

Mr. GOODELL. I am in favor of going to $1.25—yes.

Mr. O'HARA of Michigan. When the gentleman was a member of this so-called truth squad last fall, following President Kennedy around, did he tell the people he thought President Kennedy was right on that point and that Mr. Nixon was wrong?

Mr. GOODELL. President Kennedy made a very interesting display of this $1.25 minimum wage. I did not have an opportunity to talk about what I was in favor of. I was talking about what his record was in the Congress and any contradictions between his campaign and his record. I never assailed him on this point because, consistently in the Senate of the United States, he stood for a $1.25 minimum wage—but, it looks different apparently when you get into the White House.

Mr. O'HARA of Michigan. I wish the gentleman had undertaken his responsibilities as a teller of truth and had told his audience that he, himself, felt President Kennedy's argument was correct and that Mr. Nixon's was incorrect.

I thank the gentleman for yielding to me.

Mr. GOODELL. Mr. Chairman, I would like to conclude on this issue with just one statement. If we adopt the volume sales test for extension of coverage in this minimum wage law, we will be creating a precedent that will come back to haunt us not just in minimum wage legislation, but in many other fields because we will be acknowledging therein that all any kind of enterprise has to do to come under Federal jurisdiction is to make a million dollars, and very soon after we acknowledge that, we will carry it on further and say—all they have to do is to make $500,000 and then $250,000 and then $100,000 and then every single enterprise in the country is going to be under Federal jurisdiction. As much as I favor the extension of the minimum wage law, I will not go along with any such theory of the extension of coverage under that law.

Mr. BAILEY. Mr. Chairman, I yield 25 minutes to the gentleman from Illinois [Mr. PUCINSKI].

Mr. PUCINSKI. Mr. Chairman and my colleagues, I rise in support of H.R. 3935. It was my privilege to serve on the subcommittee which wrote this legislation. I would like to thank the gentleman from California [Mr. ROOSEVELT], the gentleman from Pennsylvania [Mr. DENT], the gentleman from Iowa [Mr. SMITH], the gentleman from Ohio [Mr. AYRES], the gentleman from California [Mr. HIESTAND], and the gentleman from New York [Mr. GOODELL] for their contributions and for reporting out what I think is a good bill. There has been a good deal of discussion here about this bill being rushed through the committee. Nothing could be further from the truth. This committee in this session held hearings in which 11 key witnesses were intensely interrogated. The committee read more than 100 statements presented by interested parties both for and against the legislation. And this same committee for the most part last year in March, April, and May, for 3 long months held exhaustive hearings; and I daresay they were about as exhaustive as any hearings ever held in this Congress. Last year we heard 140 witnesses. The record is replete with testimony for and against this legislation. So any suggestion that this legislation was not thought out by the committee or had not taken into consideration the views of all interested parties is just torturing the truth.

I think this is a fair bill. This bill will provide additional coverage, additional income for some 4.3 million people, Americans who are not now covered by

fair labor standards; and it will bring an increase to $1.25 to approximately 2 million people who now are and have been covered since 1938.

It is quite obvious to me from listening to the previous speaker, that the very responsible position taken by the President of the United States, Mr. Kennedy, in giving American industry 2 years to adjust itself to the $1.25 standard, is becoming very irritating to our Republican colleagues. I am certain they would prefer to have the President ignore the problems of American industry in adjusting to these new standards by requesting an immediate increase to $1.25 an hour so the Republicans could make political hay by charging Mr. Kennedy with irresponsibility if he followed their prodding. The gentleman from New York [Mr. GOODELL] has failed to point out in this Republican truth squad which followed Mr. Kennedy during the campaign that the fundamental issue was that Mr. Kennedy stood for $1.25 an hour, and the previous administration constantly came before this Congress and held the line at only $1.15. The fact that President Kennedy has said he is willing to provide 24 months to give American industry an opportunity to adjust itself to the $1.25 an hour minimum is commendable. It shows the kind of responsible government the President has promised the American people, and he is making good on that pledge.

You might ask, why is there a need for this legislation at this time? And I think it is a perfectly valid question. This is really the fundamental question of this entire controversy. When the Fair Labor Standards Act was adopted in 1938, 56 percent of the American labor force was engaged in production and only 44 percent of the American labor force was engaged in services. So the Congress in 1938 quite properly excluded the service industries from coverage and concentrated on industrial production workers. In the ensuing 22 years, however, America has experienced a revolution and we find that in 1960, just the reverse is true: Only 43 percent of our labor force now is employed in production and 57 percent of the American labor force is now engaged in services which are not covered by any fair labor standards.

We have in this country today 8 million Americans who are earning substantially less than $1 an hour. How are you going to proclaim to the world the wonders and advantages of the capitalistic system and the benefits of free enterprise, when we have to admit to the world that there are Americans in this country earning substantially less than $1 an hour? We should enact legislation that would bring all these people up to at least the $1 an hour standard. But this committee, after exhaustive hearings, recognized that this could not be done at this time and, therefore, proposes to this Congress today a moderate bill, but a bill that will move us forward in giving every American an opportunity to share in the wealth of his Nation. I say that this legislation is very necessary at this time. You have constituents and I have constituents who have asked: How is it that today when we have the largest number of American people employed in the history of our country, we are experiencing the worst recession in 20 years? This is indeed a dilemma that many Americans rightfully question; and I say to you that one reason for this is that while we have been increasing the number of Americans in the labor force of the Nation, these people have not been earning minimum standards with which to increase their consumer power.

And even though statistically they are added to our present record labor force gainfully employed, dollarwise they are not adding enough to national income to stimulate industry; they are not able to provide enough increase in consumer purchasing power to keep the wheels of industry rolling. It is only because we feel the time has come when these people should be brought more effectively into the consumer stream of commerce that we urge adoption of this legislation.

You cannot have economic growth in America if a substantial part of the labor force is not capable of participating in the consumer needs of America. It is rather interesting to me that on both sides of this aisle we support the concept that the American farmer must be helped and we spend some $9 billion a year helping the American farmer remain in the consumer stream through various farm subsidies. We can all visualize this, yet we see this violent debate today because we are trying to bring the retail and service employees up to the same standard without cost to the Government. Therefore, Mr. Chairman, I urge adoption of this legislation.

We have heard statements made here that because we are in a recession we should not consider this legislation at the present time, that this is not the time to talk about fair labor standards when we have 5 million Americans unemployed. The fact of the matter, Mr. Chairman, is that the full impact of this legislation will not be felt until 1964. Those presently covered will reach the $1.25 an hour plateau in the summer or fall of 1963. Those who will newly be covered will reach their $1.25 plateau by the summer or fall of 1964.

It is important to remember these figures. America today, if the Congress discharges its responsibility, is on the threshold of perhaps the greatest peacetime prosperity our Nation has ever experienced.

The last replacement boom on durable goods that we had in this country was in 1955. According to reliable figures, by 1962 there is going to be a demand for hard durable goods to the tune of $62 billion; by 1963 this figure is going to increase to perhaps $64 billion, by 1964 to $67 billion, and by 1965, at the time that these workers are all reaching their plateau of $1.25 an hour, at a time when we will have forged into the economy of the country an additional billion dollars in wages for consumer goods, the replacement demand for durable goods in America will reach $75 billion. These figures will not materialize if we do not let the American labor force in the retail and service industries participate in helping fill the needs of this replacement boom.

There is one thing I think we should recall. Every single American who will benefit by this legislation is in that economic class today where every single penny he gets in additional salary he is going to plow back into the economy of the country. We are not talking about people who are buying stocks and bonds, we are not talking about people who are amassing savings in banks; we are talking about the American who is today struggling to provide bare necessities for himself and his family, and if we give him 5, 10, 15, 20, or 25 cents an hour more, every one of those pennies will go back into shoes, dresses, washing machines, automobiles and the home he is trying to get for himself and his family immediately. These are the people we are trying to deal with today.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. PUCINSKI. I yield to the gentleman from West Virginia.

Mr. BAILEY. Is the gentleman aware of the fact that in statistics released by the Labor Department there are indicated 76 major distressed areas in the country and that in February they were reporting 101 distressed areas?

Mr. PUCINSKI. Yes, I am, and I thank the gentleman for reminding us of this.

Mr. FRELINGHUYSEN. Mr. Chairman, will the gentleman yield?

Mr. PUCINSKI. I yield to the gentleman from New Jersey.

Mr. FRELINGHUYSEN. I wonder if the gentleman is right in his prediction that we are going to enjoy a prosperous economy ahead, and whether he feels Congress in 2 years might advocate a substantial increase in the minimum wage because the economic conditions of the country would justify such an increase and would it not be wise to wait until that time?

Mr. PUCINSKI. The Congress in its wisdom may want to do that, but I should like to remind the gentleman and perhaps the minority leader that when the question was raised here a moment ago about legislating for a future Congress, the gentleman will please remember that when the concept of minimum standards was adopted in 1938, Congress provided 25 cents an hour immediately, 30 cents an hour a year later, and then it provided 40 cents an hour to go into effect 7 years later, or in 1945. And there was no qualm about legislating by future Congresses at that time. I say that we should approve the committee formula now. If some future Congress wants to give them more, it is up to that Congress.

Mr. FRELINGHUYSEN. Mr. Chairman, will the gentleman yield for some very brief questions?

Mr. PUCINSKI. May I first finish my statement?

Mr. FRELINGHUYSEN. Just this one question. If the President acted responsibly in advocating an increase of no more than $1.15 this year, did he, as a candidate for the Presidency of the United States, act irresponsibly in claiming that he was going to seek $1.25 if he should be elected?

Mr. PUCINSKI. The gentleman is playing on words. The fact of the matter is that the President, as a Senator and a candidate for office, told the American people that he believes the American workingman is entitled to a minimum of $1.25, and he has kept that pledge.

Mr. FRELINGHUYSEN. Well, the candidate for President of the United States could certainly be playing with the American people if he did not mean what he said.

Mr. PUCINSKI. On the contrary, the gentleman will recall that the real issue in that campaign was the Republican administration's position that $1.15 is sufficient, and Mr. Kennedy's position was that $1.25 was the absolute minimum.

Mr. FRELINGHUYSEN. And the position of the present administration is that $1.15 is as far as we can go at this time?

Mr. PUCINSKI. At this time, but you will note Mr. Kennedy has not receded from his plea for a permanent $1.25 an hour in 24 months.

Mr. FRELINGHUYSEN. What is wrong about that?

Mr. PUCINSKI. Nothing. In my opinion, it is a responsible position by the President. I do not care to yield any further, but if the gentleman wants to ask about it later, I will be happy to debate it with him.

This legislation is aimed primarily at retail establishments. Our opponents try to create the impression that the Federal Government will centralize all business, but they very conveniently fail to tell independent businessmen of America that they will have a $1 million cutoff before they come under the bill.

My times does not permit me at this time to read this statement, but here is a statement of the kind of material and misinformation being sent out by lobbyists who oppose this legislation. One pamphlet proclaims that merchants will have to let their untrained, unskilled help go because they will be priced out of the market and so on. Nothing is further from the truth. We have in this country 1.8 million retail establishments. Now, mind you, there are 1.8 million retail establishments in America. This committee bill as presented to the House today would cover only 100,000 of these stores owned by 15,000 corporations. This 100,000 stores out of 1.8 million in America that would be covered under this act siphon off 78 percent of all the retail business in America. Now, I defy anybody to stand here and tell me that he is for the small independent American businessman and still opposes this concept when these 100,000 stores owned by the large chains are siphoning off 78 percent of all the retail business in this country.

We have in our bill, and quite properly, presented a provision that in the small communities of America—and these are the communities that many Members of Congress represent—where you have a series of businesses which are excluded from this bill because they do below $1 million gross annually, if there is a chainstore in that community which does less than $250,000 annual gross volume, even though the rest of his chain may be covered, that individual store would be excluded from coverage along with the independent merchants. We had testimony before the committee that if a chainstore raises salary standards, all those who may not be covered will have to voluntarily meet those standards to remain competitive for skilled help in small communities. Our committee bill provides relief for the individual chainstore if it is a member of a chain consisting of less than 15 stores. There is a possibility that the committee may offer a further amendment to spread this exemption out to all chainstores in small communities doing less than one-quarter million dollars gross annually regardless of how large the chain corporation may be.

We have heard talk here about violating some fundamental principles when we try to establish the concept of coverage on dollar volume instead of the principle of five or more establishments doing business in two or more States. The dollar volume principle is interwoven throughout our whole philosophy and concept of Government. There is nothing new, nothing revolutionary, no magic in this formula.

The National Labor Relations Board—and my colleagues on this side last year voted for the Landrum-Griffin bill which said, among other things, that the National Labor Relations Board must take jurisdiction over any retail establishment that does in excess of $500,000, and that the National Labor Relations Board must take jurisdiction over any industrial establishment that does in excess of $50,000 gross annual business. You were the gentlemen who voted for this bill. You supported this dollar-volume concept in labor-management relations. Why, then, is there any difference today when we suggest that the same formula be applied to this bill?

The Small Business Administration—and many of you on this side have supported it—is set on dollar volume. Many of our defense contracts are given preferential treatment on dollar volume, gross annual dollar volume. And so who is to say that the concept of dollar volume is unrelated to American principle or contrary to some fundamental principles?

I say, Mr. Chairman, that the only way you are going to save the American businessman is to adopt the dollar-volume principle. Let us see what has been said about the most prominent substitute bill being discussed here, the Kitchin-Ayres bill which eliminates the dollar-volume principle, by the American Retail Federation which has among its members 41 State retail associations and 29 national retail associations. These are retailers, these are the people who are going to be affected, these are the people who know retailing better than anyone else. What do they say?

The Kitchin-Ayres bill, which would cover a retail company having five stores in two States, is based on a concept of interstate commerce which is fallacious in its foundation. That bill seeks to create a new concept of what is interstate commerce.

To understand this, simply look in the book entitled "1960 Fairchild's Financial Manual of Retail Stores," which is published by Fairchild Publications, Inc., in New York. It contains financial data on retail stores and tells which companies have stores in more than one State. Leaf through this manual and you will find at least 35 stores doing a total of $2 billion in annual sales which would not be covered under Kitchin-Ayres. In it are at least four companies doing over $100 million which would not be covered, another dozen doing between $50 million and $100 million, and the remainder between $10 million and $50 million.

Contrast the above stores with a company which would be covered—namely, the W. E. Walker Co., of Columbia, Miss. That company has 20 to 30 stores in 3 States and does a total volume of $2 million to $3 million.

Those of you who want to support the Kitchin-Ayres substitute would be wise to ponder these figures.

You are going to exempt under this principle of five or more stores in two or more States a western corporation that does $2 billion of retail business. Yet you are going to put under coverage a company, because it crosses State lines, that does $2 or $3 million worth of business.

I say the only way to bring justice to the American businessman if we are going to extend this coverage is to adopt the principle of dollar volume. This, indeed, will give him the protection he needs.

Let us examine the most frequently mentioned complaint, that foreign competition is creating such a problem in America that we cannot have a Fair Labor Standards Act at this time because these American businessmen are being hurt by foreign competition. I accept that concern. I am just as deeply concerned about this problem as any Member of the Congress. It was for this reason that I supported the theory and concept that in this bill for the first time in the history of this country, as far as I know, we have given the Secretary of Labor the right to conduct an investigation whenever there is a complaint made that foreign imports are, indeed, hurting American retailing, and upon completion of this investigation he is to make a report both to the President and to the Congress, and on the basis of his figures the Congress can take appropriate action. I think we have met this problem in our committee bill.

We talk about inflation. One of the previous speakers mentioned that this bill should not be adopted because of its inflationary impact on the economy of the Nation. Figures prepared for this committee indicate that an increase to $1.15 for those presently covered would have a three-tenths of 1 percent increase effect on the total wage bill, and an increase of eight-tenths of 1 percent when the increase is to $1.25 for those not covered.

For the newly covered, the 4.3 million, the increase would be 1.6 percent in wages at $1 per hour.

May I point out at this time that any way you look at this legislation the net increase in wages under this bill would be less than when Congress approved an increase to $1 an hour in 1955.

This committee has worked extremely hard. The committee has worked very hard to try to bring you a reasonable, moderate, responsible bill. I hope we will not make the same mistake on this legislation that we made last year. We have heard a great deal of discussion here that if the Democrats had gone along last year we would have had $1.15 already, and that we have wasted all this time. But these folks forget that we could not have gone to $1.15 last year on the Kitchin-Ayres substitute because in the rush of amendments on this very floor in this very well we had adopted an amendment that would have excluded 14 million workers who had been covered under this legislation since 1938.

Mr. AYRES. Mr. Chairman, will the gentleman yield?

Mr. PUCINSKI. I would prefer to finish my statement.

Mr. AYRES. I know the gentleman does not want to make a misstatement. Since the gentleman was not a member of the conference committee, he perhaps does not realize that the first thing Senator Kennedy, the chairman of the committee of conference, did was to remove the Smith amendment.

Mr. PUCINSKI. The gentleman will remember also that under the parliamentary rules of this House that amendment could not have been removed.

Mr. AYRES. The amendment was removed in the conference on agreement.

Mr. SMITH of Iowa. Will the gentleman further identify that as the Frank Smith amendment?

Mr. PUCINSKI. Yes; I will be very happy to identify that as the Frank Smith amendment.

Be that as it may, the fact remains that the following day when that mistake was called to the attention of the House, the sponsor of the amendment had made it very clear that he had no intention of offering such an amendment. We all agreed with him We knew he did not. All I am pleading now is that when we get down to studying this bill, let us study the committee bill, but let us not try to write this complicated legislation on the floor, because we, indeed, are going to make some other serious mistake. We did last year. There is going to be debate on this bill—there should be debate. There is going to be disagreement—there should be disagreement. When the time comes that the Members of this Congress stop disagreeing, and start thinking in a single cadence, we will have lost that very precious commodity which distinguishes us from all other social orders as free Americans—the right to be different. I do hope, however, that after thoughtful consideration and study of the committee bill, you will come to the conclusion that this committee proposal is the only way to help more Americans to share in the wealth of their Nation.

Mr. AYRES. Mr. Chairman, will the gentleman yield?

Mr. PUCINSKI. I yield to the gentleman from Ohio.

Mr. AYRES. Would the gentleman from Illinois tell me whether or not the statement he made regarding the position of the American Retail Federation was read from a laborgram dated March 20, 1961, signed by James G. Michaux?

Mr. PUCINSKI. That is correct, I read from a laborgram dated March 20, 1961.

Mr. AYRES Mr. James G. Michaux is the same gentleman who testified along with Mr. Rowland Jones against the committee bill against any extension of the minimum wage regardless of the name of the bill or of the coverage. If it covered any retail operations, this association is against it.

Mr. PUCINSKI. I thought though that Mr. Michaux's analysis of the Kitchin-Ayres bill was a great deal more devastating than anything in the testimony he presented before the committee regarding the committee bill.

Mr. AYRES. If the gentleman would read the testimony, found on page 250 of the hearings, he will see that the American Retail Federation representatives made it quite clear that they wanted no part of extending the coverage in the retail field.

Mr. PUCINSKI. And they made it even more clear in this laborgram that they disapprove of the Kitchin-Ayres bill to a substantially greater degree.

Mr. AYRES. And the reason for that was they realized that the Roosevelt bill was losing support and the Kitchin-Ayres bill was gaining, and now they want to attack it too.

Mr. PUCINSKI. The gentleman does not agree with the retail federation?

Mr. AYRES. I do not agree with their position that the so-called Kitchin-Ayres substitute would be at all detrimental to the retail industry.

Mr. PUCINSKI. In view of the fact that there are some 41 State organizations and 21 national organizations in the retail federation, people who know this business very well, I would be willing to accept their analysis of the Kitchin-Ayres bill which indicates the inequities and unfairness that it presents to American merchants are vastly more so than any problem that the committee bill might present to them.

Mr. FRELINGHUYSEN. Mr. Chairman, will the gentleman yield?

Mr. PUCINSKI. I yield to the gentleman from New Jersey.

Mr. FRELINGHUYSEN. At the very outset of his discussion, the gentleman paid tribute to the fairness with which our committee considered the very many complex questions involved in legislation of this kind. I wonder if the gentleman would tell this committee whether or not there were 3½ days of direct testimony this year in connection with this bill?

Mr. PUCINSKI. That is correct. In my opening remarks, I said as far as direct testimony was concerned, we heard 11 key witnesses. The gentleman will remember this, that we had sent a memorandum or a letter to all interested parties advising them that if they had any testimony that would be different than their testimony last year, the committee would make every effort to hear that testimony—so the statements were accepted in lieu of testimony. But the gentleman will also recall that I said we heard 140 witnesses over a 3-month period last summer in connection with this bill.

Mr. FRELINGHUYSEN. Is it not true that the printed hearings where so much of the testimony was incorporated, or all of the testimony was incorporated, was not through direct witnesses appearing before the committee, and that this testimony was not available to the full committee prior to our reporting out the bill?

Mr. PUCINSKI. The gentleman is describing a situation that I am not aware of. So far as I am concerned, I have had access to all the testimony, both oral and the statements presented to the committee, and I was guided by that testimony in evaluating this bill.

Mr. FRELINGHUYSEN. The testimony was not available to the gentleman.

Mr. PUCINSKI. The statements of these respective associations were.

Mr. FRELINGHUYSEN. The statements may have been available in the material going back to 1949, but that is still not making it available in such a form that it might be useful to us.

Mr. AYRES. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, the question has been raised as to just what effect the $1 million cutoff would have on the retail merchants throughout the United States. I would like to read the testimony given before the committee by the organization that the gentleman from Illinois [Mr. PUCINSKI], just referred to, and I quote:

> Now let us come a little closer to home, in Hagerstown, Md. We took this same situation and went on West Washington Street in Hagerstown, Md. There are 25 stores in the block. Eighteen would be covered under the $1 million enterprise test; seven would be exempt. The 18 covered have a starting minimum of 93 cents and the 7 exempt have a starting minimum of 83 cents.

You will find that this pattern follows throughout the United States. When you talk about trying to help the low income worker in the retail field when you use the dollar volume test you will find that it is not an equitable test in that respect; but the main thing I am objecting to on the dollar-volume test is that we are giving the Federal Government an opportunity eventually to cover every retail establishment in the United States.

Mr. Saffridge, who is the president of the Retail Clerks Union, in testifying before the committee criticized the Roosevelt bill. He said that $1 million was entirely too high as a starting point, that it should be $500,000 as a maximum; but he did say that $1 million was a start in the right direction.

Mr. AYRES. Mr. Chairman, may I inquire how the time stands?

The CHAIRMAN. The gentleman from Ohio has 2 hours and 22 minutes remaining, and the gentleman from California has 2 hours and 3 minutes remaining.

Mr. AYRES. Does the gentleman from California care to yield?

Mr. ROOSEVELT. I have yielded more time than has the gentleman. I think the gentleman should use more of his time, for it will be unfair to allow time to be accumulated by the other side. I think the gentleman from Ohio should yield unless he has no further speakers.

Mr. AYRES. Mr. Chairman, I yield 5 minutes to the gentleman from Montana [Mr. BATTIN].

Mr. BATTIN. Mr. Chairman, I have heard the farmer discussed here and how his friends in the city went along with the feed grain bill, and how as a result of that, the members from farming areas should in turn go along with the proposed committee bill on minimum wage. But there is one thing that has not been pointed out, those who supported the feed grain bill were people who do not grow feed grain crops. It seems to me that most of the Members who voted for that bill grew either tobacco, cotton, or some crop other than feed grains. Then we come to another situation. Assuming, and it is only an assumption, for the sake of the argument that the feed grain bill is going to benefit the farmer by increasing his income, we are now called upon to pass this bill that will increase the farmer's cost by increasing the cost of everything he consumes.

It seems to me to be a little bit on the ridiculous side to say: We want to increase your income, Mr. Farmer, we want to give you a little bit more through a feed grain bill, then come back within the same week and say: Now, what we want you to do after we have given you this help is to vote for a bill that is going to increase inflation and bring about higher costs to the point where you Mr. Farmer, will be back in exactly the same position as before.

I think the legislation should stand on its merit, and not on sympathy or at least a cry for sympathy that we went along with you, now you have got to go along with us.

I feel certain that the proposal to be made as a substitute or as an amendment to the bill passed out by the committee is going to be a great deal more beneficial to the farming communities than the one being presented now by the Committee on Education and Labor.

Mr. HALEY. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Eighty-three Members are present, not a quorum. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 25]

Ashley	Edmondson	Landrum
Baker	Fallon	McDonough
Barry	Findley	Machrowicz
Bolling	Fogarty	Madden
Breeding	Garmatz	Magnuson
Buckley	Gavin	Mason
Cahill	Hall	O'Konski
Celler	Harvey, Ind.	Passman
Coad	Hoffman, Mich.	Price
Curtis, Mass.	Holifield	Rabaut
Davis, Tenn.	Horan	Rains
Dawson	Kee	Rivers, S.C.
Denton	Kilburn	Saund
Dingell	Kilgore	Shelley
Smith, Miss.	Thompson, La.	Willis
Smith, Va.	Whalley	Wright
Steed	Wharton	Zelenko

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. WALTER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 3935 and finding itself without a quorum, he had directed the roll to be called, when 380 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. The gentleman from Montana [Mr. BATTIN] will proceed.

Mr. BATTIN. Mr. Chairman, just prior to the quorum call I was discussing the question of rural versus city, as far as the present bill is concerned. We were told that the city folks followed through on the feed grain bill and supported it. I would like to refer to the RECORD of March 8, 1961, where one of our colleagues from a city district made this comment:

> I am against higher price supports for two basic reasons: First, the idea that the Government can cut production by offering farmers a higher and higher price incentive is to me a false one; and second, I see no logic at all in being part of an effort which can only have one effect—raise food prices to consumers.

Yet we are told they went along, that there was no question, that it was good for the farmer and it was good for us. We are asked now to accept this as a matter of principle, and told that without question we should follow along blindly.

In his remarks opening debate on this bill the Chairman of the full Committee politely implied that if we did not go along we were going to have to pay. Just how we were going to pay was not outlined by the gentleman from New York.

I would like to remind the Committee it was the Congress that put the farmer in the box and now that he is there maybe some Members think it is going to be a little bit easier to manipulate him. I am not going to go along with that concept. The farmer is as much a consumer as anybody in the country.

It was stated during the feed grain debate, if you recall, that he was one of the largest consumers in the country. All I would do is to call the attention of the House to the fact that this farmer would find any increase in the minimum wage a rather difficult economic pill to take. He does produce for us, he does provide for us, and I for one am not going to be intimidated by any remarks made on the floor regardless of who makes them.

The CHAIRMAN. The time of the gentleman from Montana has expired.

Mr. KEARNS. Mr. Chairman, I yield 10 minutes to the gentleman from Nebraska [Mr. MARTIN].

Mr. MARTIN of Nebraska. Mr. Chairman, I rise this afternoon to speak to you in behalf of the millions of American citizens who are shackled by the constant extension of Government controls. This bill is a continuation of that policy; a continuation of the socialistic trend which started in these United States some 30 years ago, and I think it is time that we began to think seriously of this trend and to put a halt to it.

I speak, of course, in opposition to this bill sponsored by the gentleman from California [Mr. ROOSEVELT]. Let me give you a couple of examples: In the first place, he puts retailers under the control of the Federal Government to try to establish the concept that those engaged in a retail business are doing interstate business. Members of the committee, this is a false premise. I do not care whether you place the floor at $1 million or whether you say they are engaged in two or more States and have five or more stores or what particular formula you use, the results are still exactly the same. You are extending controls to the retailer who is doing business only within his own trade territory.

Mr. Chairman, I happen to be in the lumber business and I own four lumber yards in the State of Nebraska. My home is 50 miles from the Kansas line. If I should happen to buy one more yard 50 miles away from my home over the Kansas line, I would come under the concept of two States and five operations, and yet in my business I operate strictly at retail and I am doing business only within my own trade territory. By no stretch of the imagination can you say that I am engaged in interstate commerce.

One of the results of the Federal Government going into the retail field will be increased unemployment. Let me give you some quotes from statements of the Department of Labor, issued when the minimum wage was increased to $1 in 1956:

> During the period of adjustment to the higher minimum there were significant declines in employment in most of the low-wage industry segments studied.

Let me give you a further quotation:

> The increase in the minimum wage to $1 an hour took place at a time of expanding economic activity and this facilitated adjustment to the minimum wage increase. Had the minimum wage increase become effective during the period of recession, its adverse effects on employment might have been even greater.

That is a quotation from the Department of Labor. We have had many gentlemen on the other side of the aisle constantly reiterate and pound into our ears for the last 12 weeks that we are in a period of recession. Now, that was a quotation from the Department of Labor as to what the results of this bill would be under those conditions.

The average sales clerk in a retail store—and I am speaking of small towns, towns of 25,000 population or less—will sell about as follows: If he sells $7 worth of merchandise per hour, he is doing a fairly good job. Let me tell you what the cost is, based on $1 an hour, selling $7 of merchandise per hour for each employee.

The labor cost is 14.3 percent. At $1.10 it is 15.7 percent. At $1.25 it is 17.8 per-

cent; in other words, an increase of 3½ percent in the cost of doing business. Your average department store in the United States is making less than 1 percent net profit today. If you add 3½ percent increase in labor expense you can see where you are going to end up—not in the black, but in the red. That will be the direct result of this bill if it is applied to the retail industry.

Mr. Chairman, let me give some other figures here. The gentleman from Pennsylvania [Mr. DENT] spoke briefly about these and I think they are accurate figures. This is in connection with a survey made in Pennsylvania among retailers and what happened when this increase in the minimum wage in the State of Pennsylvania became effective, on January 15, 1961. In the zone 2 stores, those being stores in cities in Pennsylvania between 10,000 and 500,000 population, the minimum wage was raised from 85 cents to $1. In the zone 3 stores, those in cities of under 10,000 population, the minimum wage was raised from 75 cents to 90 cents an hour. This increase became effective on January 15, 1961, about 2 months ago. Here are some figures from those stores that were surveyed. The total number of employees in the surveyed stores on January 14, 1961, was 15,663. Remember, this increase became effective on January 15. Two and a half weeks later, on February 4, or in that payroll week, there were 14,681 employees in those same stores, a drop of 6.3 percent in the number of employees.

In regard to the weekly hours worked—I will not give the individual figures—there was a decrease of 5 percent. Here is another tabulation of 200 store units which on January 14, 1961, had a total number of employees of 8,428. On February 4 they had 8,045, a decrease of 4.5 percent. The decrease in the number of hours worked was 5.9 percent.

Here are some figures in depressed counties where your cities are from 10,000 to 500,000. They are in zone 2. In January 1961 the total number of employees was 3,591. In February of 1961 the number was 3,475, or a decrease of 3.2 percent. These are figures taken from surveys of retail stores in the State of Pennsylvania within the last 60 days. It proves without a doubt what has happened with the increase in the minimum wage in that State.

Let me make another point, Mr. Chairman. As an employer, there are only two things you can do when your operating expenses increase. First of all, you are going to try to decrease them. If it is a question of an increase in labor cost, you are going to look around to try to cut down on your labor expenses; in other words, you are going to reduce your payroll. And I am sorry to say that most of the people who would be affected by this type of legislation are the marginal employees, the employees who are least valuable to management and who can least afford to be without a job.

The problem is that you are going to lose part-time employees, women who come into a retail store and work a few hours a week to earn additional money. Those are the people who are going to suffer. That is one result of this type of legislation.

The second result is to increase his returns sufficiently to break even, the employer is going to have to raise the price of his merchandise, and that is going to contribute to inflation. Secretary of Labor Goldberg, in debating with Senator GOLDWATER on TV two or three Saturdays ago, in answer to a question from the Senator in regard to this specific matter, made the statement that the cost of living would be increased 0.8 percent as the result of the passage of this minimum wage bill. This is something to consider. We have been going down this road of inflation for many, many years, and it has to be cut off, it has to be stopped.

One other point: Think seriously for just a moment as to where the demand for this type of legislation is coming from. I was back in my district in Nebraska last week and talked to quite a number of people. I did not find a single person who was asking for this legislation. I have not had a single letter, telegram, or telephone call requesting that this legislation be passed. I think if each one of you would be honest with yourself you would find that there is very little or no demand from the constituents you represent here in Washington for this legislation. Where is it coming from? It is coming from a small handful of greedy men who want to extend further Federal controls over the lives of the citizens of this country. I am sorry to say that there are those among us who would like to take care of our citizens from the cradle to the grave. To that philosphy I am opposed, and because of that I am opposed to this bill.

Mr. DENT. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Nebraska. I yield to the gentleman from Pennsylvania.

Mr. DENT. The gentleman mentioned figures with respect to Pennsylvania. He will note that while I was talking I called attention to those figures and told the House that I had the answers to every one of them. I might say that the employment in every retail store is heavier during the Christmas season and immediately after Christmas because of the cleaning up of inventories, and that it would be lower in every retail establishment in this country that does a Christmas type of business. The retail stores about which the gentleman is talking prove exactly what I am saying. If the gentleman will refer to the statistics I placed in the RECORD during my talk, he will find that the employment increase started in the second week in November and kept climbing until the peak right before the Christmas rush and during Christmas week. Then it started to cut back in the second week in January. Certainly there is a 6-percent differential between January 14 and February 15. It is a natural phenomenon in all retail establishments.

Mr. MARTIN of Nebraska. I beg to differ with the gentleman from Pennsylvania. These figures were taken on January 14, which was 3 weeks after Christmas.

I also call attention to the fact that in the retail industry as a whole throughout the country employment is stable, and that there is a less than 1 percent fluctuation in total employment in the retail industry compared with 12 percent in manufacturing.

Mr. FRELINGHUYSEN. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Nebraska. I yield to the gentleman from New Jersey.

Mr. FRELINGHUYSEN. Mr. Chairman, I have been very much interested in this colloquy between the gentleman from Pennsylvania and in the figures which the gentleman now in the well of the House has given us. I wonder if you would care to comment on the testimony of the Secretary of Labor with respect to the effect of this bill as an anti-recessionary measure. You will recall, he claimed there would be a salutary effect as a result of such an increase and that the effect of unemployment, in his opinion, would be minimal. I wonder whether the gentleman agrees with this contention and, if not, how does he feel?

Mr. MARTIN of Nebraska. That does not jibe with the facts. According to the statement I read from our Labor Department a few minutes ago, after the enactment of this increase in 1956, there was substantial unemployment as a result of the increase.

Mr. FRELINGHUYSEN. Would you be in accord then, I might ask the gentleman, that in a recessionary period it would be far more difficult to adjust to an increase in minimum wages than in a time of rising prices such as was the case in the last increase?

Mr. MARTIN of Nebraska. That is absolutely correct, but I am opposed to the extension of Federal controls, in any case, to the retail industry. I do not think it is the proper function of the Federal Government, and I do not think we have any business going into that area.

Mr. CURTIS of Missouri. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Nebraska. I yield to the gentleman from Missouri.

Mr. CURTIS of Missouri. I want to commend the gentleman for his very fine statement in bringing out these facts and statistics in the debate, and also to back up his statement that we have had over a period of years this experience in extending the minimum wage to other areas and increasing the incidence of unemployment as an immediate result. On page 183 of the hearings, there is a quotation from a Labor Department report, and I will read a part of it:

> During the period of adjustment to the higher minimum, there were significant declines in employment in most of the low-wage industry segments studied.
>
> In a group of 12 low-wage industry segments, the Department reported a 9-percent employment drop. This group included such industries as sawmills, children's seamless hosiery, cigars, workshirts, and fertilizer.

The point is, I think, every economic study reveals that the overall picture is as the gentleman has pointed out. And I would like to hear some statistics from the other side to refute these very basic

facts in regard to the economic impact of minimum wage legislation. I again want to commend the gentleman.

Mr. MARTIN of Nebraska. I thank the gentleman.

Mr. SANTANGELO. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Nebraska. I yield to the gentleman from New York.

Mr. SANTANGELO. As I understand it, the gentleman from Nebraska is opposed to the intercession of the Federal Government in this area of the retail trade.

Mr. MARTIN of Nebraska. That is correct.

Mr. SANTANGELO. And you are in favor of State control of wages in the retail field; are you not?

Mr. MARTIN of Nebraska. This is a matter for State and local control, rather than for the Federal Government, because the retailer is not engaged in interstate commerce. The Supreme Court ruled in 1938 that interstate commerce consisted of the production of goods and the distribution of goods across State lines.

Mr. SANTANGELO. Can you tell me, sir, whether your State has any statutory minimum wage for these workers and whether your State has any wage board for the workers and what protection do the workers of your State have from an exploiting employer? You have none.

Mr. MARTIN of Nebraska. We do not have exploiting employers in the State of Nebraska, sir.

Mr. SANTANGELO. Do you have a minimum wage law in the State of Nebraska?

Mr. MARTIN of Nebraska. No, sir; not to my knowledge.

Mr. SANTANGELO. Do you have a minimum wage board which has fixed any wages for retail workers in the State of Nebraska?

Mr. MARTIN of Nebraska. No; not to my knowledge.

Mr. SANTANGELO. Do you have any protection for workers in the State of Nebraska?

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Nebraska. I yield to the gentleman from California.

Mr. ROOSEVELT. The gentleman, I think, made the observation that there was little or no demand for this type of legislation and he asks whether we had heard of any such demand. I do not say that I always believe completely in the accuracy of the Gallup poll, but when the Gallup poll, as published just a few weeks ago, came out and said that more than 75 percent of the American public were for a minimum wage bill, I do not think it is that inaccurate. I hope the gentleman will give some credence to the voice of the people.

Mr. MARTIN of Nebraska. I should like to point out that in taking polls, questions are often worded in a manner to slant the answers. The polls are not always indicative of the true situation. I believe that may be the case in this Gallup poll, although I have the greatest respect for it.

Mr. ROOSEVELT. At least I can say that in that respect the gentleman agrees with former President Truman—he does not like polls either.

May I also ask the gentleman whether it is not also true that in the January 1961 4–D report this statement is made on page 18:

> Information was also obtained on the movement, over the period of adjustment to the $1 rate, of wages in noncovered industries in six small localities. Here the outward effects were quite limited. For example, in retail trade in the six localities, average hourly earnings in February 1956 were about 97 cents. In contrast, in industries of these localities whose employees were generally subject to the act, average hourly earnings in February 1956 were $1.20. By June 1959 average hourly earnings in retail trade had increased to $1.10, or by 13 percent; and the average for subject industries increased to $1.42, or by 18 percent. (Average hourly earnings for all retail trade for the United States increased during the same period by 15 percent.)

The six localities that came under this survey showing that they were not just large industry areas are Meridian, Miss.; Dothan, Ala.; Dalton, Ga.; Sunbury-Shamokin, Pa.; Athens, Ga., and Fort Smith, Ark.

Certainly that 4–D report would clearly show that the impact of unemployment and the impact of minimum wages was not anything except beneficial.

The CHAIRMAN. The time of the gentleman from Nebraska has expired.

Mr. ROOSEVELT. Mr. Chairman, I yield 10 minutes to the gentleman from South Carolina [Mr. HEMPHILL].

Mr. HEMPHILL. Mr. Chairman, I take this time, and I want to thank the committee for the time, because I think I recognize here the confusion which exists in the attempt here in the House and in this bill to legislate in two entirely separate areas. We are legislating in the first instance in the area declared constitutional by the Supreme Court of the United States, the area of wages; on the other hand, we are also trying to legislate in the field of the extension of coverage. Whether or not you say the extension of coverage is constitutional, you have the attempt both in the committee bill as I read it, and in the Ayres-Kitchin bill as I read it. The extension of coverage in either bill is questionable from a constitutional standpoint.

In an effort to give this House an opportunity to vote on a purely constitutional question I introduced—and I am no expert on wage and hour law, I had had assistance in drawing the legislation—I introduced a bill which bears the number H.R. 5827. That particular legislation deals purely with those people who, whether in the retail trade or not, are engaged in interstate commerce as previously defined by the U.S. Supreme Court.

If we must leave that particular area it seems to me that on the question of the extension of coverage we should take advantage of the opportunity to explore the impact of that extension of coverage.

You will find on page A2007 of yesterday's RECORD, and following pages, the statistics from Dun and Bradstreet which show the net income of the various retail outlets and retail industries in this country. One of the things that concerns me is that in the committee bill we have a dollar line demarcation.

In the Kitchin-Ayres bill we say that if a man has 5 or 10 stores in 2 or or more States he is engaged in interstate commerce. Here is an appliance, radio and television dealer. His percentage of net operating profit is 1.1. That means if he does a million dollars' worth of business he makes a net operating profit of $11,000. We say to the man who makes $11,000 with his investment in the business that we are going to draw a line of demarcation and say beyond a million dollars, if you make $1 over a million dollars you have to pay it, if you make $999,999 you do not have to pay the minimum wages.

In keeping with what I think was the intention of this committee, and I think it is, I also mentioned in my remarks a thing called standard metropolitan statistical areas of this country.

Now, I know the problems of the people of my small community because as a lawyer I have handled many problems for them. I know a clerk who does not sell $5 worth of goods many hours of the day. Those are the kind of people in the rural areas of this country. Those are the people we hear talking about unemployment that I am concerned about. So if I get a chance in the parliamentary scramble which is inevitable here I shall offer an amendment. I realize my amendment probably will never be considered because I am not a member of the committee. I wish you would consider it as a part of the duty of the House, taking out of coverage those rural areas where the impact is far more significant than in the city areas, by an amendment to that effect.

We have here before us the retail industry of this country and the differences in the variety of that retail industry. Those are things which have not yet been explored here either in this Congress or in the last Congress. One of our businesses has a certain pattern of consumer buying, another business does not, and rural areas have these problems because of the fact, too, that their trade is not steady. They are not in a high-cost living area, they are not in a high-income area; yet they are competing directly with people who want to go to the city to buy in the fine city stores. We have that problem in the rural areas of my part of the country.

Are you considering those people who are just as good Americans as anybody else when you say you do not recognize the difference in the cost of living, the difference in the cost of overhead, and the difference in average salary, yet make no differentiation except by the dollar line?

I have another problem in my district in connection with this legislation. We have some small family owned chains. Not only are they family owned chains, but the local man owns half of the business in the little town I live in. Those particular people under the committee bill and the Kitchin-Ayres bill are coming under the legislation. The committee has put in here 15 or more stores in two or more States, they say even in one State, and they put on it a limit of $250,000. A filling station on this side

of the street has a limit of a million dollars, and the little store on this side of the street, which is part of a chain, has $250,000.

These are the things that concern me about the pending legislation.

How in the world can we legislate in the area of extension of coverage and be just unless we recognize that we should not pit one part of the industry as against another? And that is being done here. Washington, for instance, I think, has the highest cost of living any place. I would testify to that. Out in Virginia some place I assume that the cost of living is like it is in my State. Now, is there any differentiation? Is it worthy of consideration of this Congress?

The reason I say this is because if I have the opoprtunity I intend to offer some amendments to accomplish what I think the committee even wants to accomplish. I do not believe that anybody wants by this legislation to put anybody out of business or to create any unemployment. I refuse to believe that. But, I say that in keeping with that faith and that philosophy, then I think we have to consider whether or not there will be unemployment here as compared with the creation, possibly, of the consumer dollar or better wage over there. It is not fair to consider one and not consider the other. It is not fair not to consider the variety which exists in this greatly differentiated retail industry area.

Now, I have studied the Vinson amendment as best I could, and I would like to ask the gentleman from California [Mr. ROOSEVELT] a question about that. The Vinson amendment included a limitation based on the standard metropolitan statistical area, is that true?

Mr. ROOSEVELT. I do not know exactly what the Vinson amendment does have in it. To the best of my knowledge, however, it does not have the standard statistical test in it.

Mr. HEMPHILL. Well, it has the same metropolitan statistical area test that you have in H.R. 3935.

Mr. ROOSEVELT. As to radio stations only.

Mr. HEMPHILL. If that limitation is good enough for the radio stations in my particular community, why is it not good enough for others who are similarly afflicted with the limitation of operation and limitation of income and limitation of area?

Mr. ROOSEVELT. Well, I would say to the gentleman that the committee in studying the situation in radio and television stations made it applicable only to three particular classes of employees. They were the announcers, the chief engineers, and the news chiefs or the people who headed up the news staff. We had no testimony; nobody came before the committee and suggested the standard statistical basis or metropolitan statistical basis, and therefore we did not have enough information to find out whether we could in any way apply it to the broader concept of the employees in general in the area and in the service industries. Actually, as far as I know, there has been no legislation of any kind. However, there is this information as to what forms a metropolitan area, but it has never been reduced to legislation, and therefore we had very little to go on.

Mr. HEMPHILL. While there has been no legislation on it, there has been and there is available to anybody who is interested maps put out by the U.S. Bureau of the Budget and U.S. Census Bureau in which the area definitions are so plain. It is obvious what there is in the standard metropolitan statistical area and what areas are rural in this country, and the means of delineation are so clear that there can be absolutely no mistake about it. If anybody wants a copy, I have a number of them here.

Would the gentleman consider an amendment along this line if I have an opportunity of introducing it?

Mr. ROOSEVELT. May I say to the gentleman, of course it would be considered very carefully, but I would have to say in all honesty, because it did not receive the full consideration it would need, that I doubt very much whether it would be acceptable to the committee.

Mr. HEMPHILL. I thank the gentleman. I hope the Congress will legislate here only in a constructive manner, to create, to encourage employment. We should never legislate to create unemployment or threaten the businessman with burdensome overhead that his margin of profit can neither absorb nor handle.

If the committee has not considered the difference in operation, costs, personnel utilization, and other factors differentiating the rural from the metropolitan areas, in the retail trade, it should. Meanwhile, acceptance of my amendment would protect any rural stores. I ask that help.

Mr. ROOSEVELT. Mr. Chairman, I yield such time as he may desire to the gentleman from Michigan [Mr. O'HARA].

Mr. O'HARA of Michigan. Mr. Chairman, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. O'HARA of Michigan. Mr. Chairman, opponents of the committee bill have criticized the new coverage provisions of the bill as being unfair. I believe the coverage provisions of the committee bill are eminently fair.

On the other hand, I believe the new coverage provisions of the Ayres-Kitchin substitute unfairly covers many small chain establishments while not covering their larger competitor who does business in only one State.

There follows a partial list of retail enterprises illustrating this point:

Partial list of large dollar volume retail stores not having 5 or more establishments in 2 or more States (exempt under Ayres-Kitchin substitute)

Store	City and State	Volume	Store	City and State	Volume
City of Paris	San Francisco, Calif	$14,000,000	Wiebold Stores	Evanston, Ill	$67,000,000
Crowley, Milner & Co	Detroit, Mich	22,000,000	Webb's City	St. Petersburg, Fla	29,000,000
Emporium Capwell	San Francisco, Calif	108,000,000	Zion Coop. Mer. Inst	Salt Lake City, Utah	26,000,000
Gilchrist Co	Boston, Mass	22,000,000	Harzfeld's	Kansas City, Mo	11,000,000
The Higbee Co	Cleveland, Ohio	52,000,000	Fischer Co	Cleveland, Ohio	98,000,000
Holmes Co	New Orleans, La	30,000,000	Lytton's	Chicago, Ill	16,000,000
Horne Co	Pittsburgh, Pa	66,000,000	Neiman-Marcus	Dallas, Tex	41,000,000
J. L. Hudson Co	Detroit, Mich	150,000,000	Thrifty Drug Stores	Los Angeles, Calif	115,000,000
Marston Co	San Diego, Calif	14,000,000	H. C. Bohack Co	New York, N.Y	171,000,000
Mays, Inc	Brooklyn, N.Y	57,000,000	Alpha Beta Food Markets	La Habra, Calif	82,000,000
Meir & Frank	Portland, Oreg	57,000,000	Bayless Markets	Phoenix, Ariz	48,000,000
Outlet Co	Providence, R.I	16,000,000	Hill's Supermarkets	Farmingdale, N.Y	31,000,000
Penn Traffic Co	Johnstown, Pa	10,000,000	Market Basket, Inc	Los Angeles, Calif	96,000,000
Rich's	Atlanta, Ga	92,000,000	Purity Stores	Burlingame, Calif	100,000,000
Stix, Baer & Fuller	St. Louis, Mo	61,000,000	Shopping Bag Food Stores	El Monte, Calif	84,000,000
Schuster	Milwaukee, Wis	47,000,000	Miller & Rose	Richmond	37,000,000
Walker-Scott	San Diego, Calif	11,000,000			

The short list of large dollar volume enterprises not having five or more establishments in two or more States represents a partial enumeration of very large businesses that would be covered by the committee bill, or by the substitute to be introduced by the gentleman from Oklahoma [Mr. ALBERT], but which would not be covered by the Ayres-Kitchin substitute.

The list of chains is a partial enumeration of small enterprises that, in contrast, would be covered by the Ayres-Kitchin substitute.

However, under the Roosevelt bill, enterprises having less than 15 outlets would not be covered as to those outlets that did a gross business of less than $250,000, even though the enterprise did a total business of over $1 million.

Under the terms of the substitute which, I understand, will be introduced by the gentleman from Oklahoma [Mr. ALBERT], no establishment of any of the enterprises listed would be covered unless that outlet, itself, did a gross business in excess of $250,000 per year.

State by State list of some retail chains with 5 to 50 establishments in 2 or more States (covered by Ayres-Kitchin substitute)

ALABAMA

Company	Category	Number of stores	Other States of operation
Baxter Stores, Inc	Clothing and furnishings	25	Florida, Georgia, New York, North Carolina, Pennsylvania, South Carolina, Tennessee, and New Jersey.
Kenwin Shops, Inc	do	20	Georgia, North Carolina, South Carolina.
My Shop, Inc	do	41	Georgia, Illinois, Indiana, Louisiana, Mississippi, Maryland, New Jersey, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, Virginia, and Wisconsin.
Smart & Thrifty Dresses, Inc	do	33	Florida, Louisiana, South Carolina, Texas, and Virginia.
Eleanor Shops, Inc	do	40	Georgia, Mississippi, North Carolina, Pennsylvania, South Carolina, and Virginia.
O.P.O. Clothes	do	34	Arizona, California, Florida, Georgia, Louisiana, Maryland, Mississippi, North Carolina, Pennsylvania, South Carolina, Tennessee, Texas, Virginia, West Virginia.
Consolidated Retail Stores, Inc	do	29	Arkansas, District of Columbia, Illinois, Indiana, Kansas, Kentucky, Maryland, Missouri, Ohio, Oklahoma, Pennsylvania, Tennessee, and Texas.
Baker's Shoe Stores	Shoes	22	Florida.
Midland Shoe Co	do	38	Arkansas, Illinois, Indiana, Iowa, Louisiana, Michigan, Mississippi, Missouri, Oklahoma, Texas, and Wisconsin.
Nettleton Shops, Inc	do	45	Most all States.
Danley Furniture Co	Furniture	12	Florida.
National Manufacture & Stores Corp	do	40	Georgia, Louisiana, North Carolina, South Carolina, Tennessee, and Texas.
Haverty Furniture Co	do	28	Arkansas, Florida, Georgia, Louisiana, North Carolina, South Carolina, Tennessee, Texas, and Virginia.
Wormser Hat Stores, Inc	Clothing and furnishings	42	Arkansas, Colorado, South Dakota, Georgia, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Nebraska, Ohio, Oklahoma, Tennessee, and Texas.
Virginia Dare Stores, Corp	do	46	Florida, Georgia, Illinois, Indiana, Massachusetts, Michigan, Minnesota, Missouri, Nebraska, New Jersey, North Carolina, Ohio, Oklahoma, Pennsylvania, Rhode Island, South Carolina, Tennessee, Texas, Virginia, and Wisconsin.
Weiss Bros. Stores, Inc	do	19	Georgia, Indiana, Louisiana, Mississippi, Oklahoma, Tennessee, and Texas.
Woodrow Stores, Inc	do	15	Arizona, Florida, Louisiana, North Dakota, New York.
Pak-A-Sak Service, Inc	Food supply	48	Louisiana.
W. R. Whitford's 5 cents-$1 Stores	Variety	6	Kentucky.
Ellis Stores, Inc	do	7	Louisiana.
Mathews Paint Co	Miscellaneous	9	California.
Rogers Toy Shops, Inc	do	18	Washington, D.C., Tennessee, Ohio, Florida, Maryland, Georgia, Pennsylvania, Virginia.
Forsyth Fabrics, Inc	do	9	Georgia, Illinois, Iowa, Kentucky, Louisiana, Tennessee.
Munford Do-It-Yourself Stores, Inc	do	43	Florida, Georgia, North Carolina, South Carolina, Tennessee, Virginia.
Darwin's	Clothing and furnishings	5	Tennessee.
Hecht's	do	6	Do.
Nunn-Bush Shoe Co	Shoes	23	Arkansas, California, Colorado, Connecticut, Florida, Georgia, Illinois, Indiana, Kentucky, Kansas, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, New York, New Jersey, New Mexico, North Carolina, Ohio, Oklahoma, Rhode Island, South Carolina, Tennessee, Texas, Virginia, West Virginia, and Wisconsin.
Sterchi Bros. Stores, Inc	Furniture	44	Florida, Georgia, Kentucky, North Carolina, South Carolina, Tennessee.
U.S. 5-cent-10-cent Stores	Variety	22	Georgia and Tennessee.
Redford Stores, Inc	do	26	Do.
Lay & Co., Inc	do	18	North Carolina, Georgia, and Tennessee.
W. L. Bentley's 5 cents-$1 Stores	do	10	Kentucky and Tennessee.
Kuhn Bros. Co	do	43	Kentucky, Mississippi, and Tennessee.
Acme Quality Paint Co	Miscellaneous	5	Michigan.
The National Hotel Co	Drugstore	14	Indiana, Louisiana, Nebraska, South Carolina, Texas, and Virginia.
David Lee Stores	Variety	17	Georgia and Tennessee.
Fuller Supermarkets, Inc	Food	9	Tennessee.
Christo's, Inc	Variety	25	Florida and Georgia.
S. E. McConnell Sons Co	do	44	Georgia.
Olan Mills, Inc	Miscellaneous	35	Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee, and Virginia.
Hale Drug Co	Drugs	14	Arkansas, Georgia, Mississippi, North Carolina, and Tennessee.
Albright & Wood, Inc	do	20	Florida and Mississippi.
Rosenblum Shoes, Inc	Shoes	16	Louisiana.
R. C. Brown Stores	Clothing and furnishings	5	Louisiana and Mississippi.
Saxon's Candy Kitchen, Inc	Candy	12	Georgia.
Royal Auto Supply Co	Auto supply	12	Tennessee.
Kenwin Shops	Clothing and furnishings	18	Georgia, North Carolina, and South Carolina.
Schwobilt Clothes	do	29	Florida, Georgia, Louisiana, and Mississippi.
Hub Stores	do	15	Georgia.
Auto-Lee Stores, Inc	Auto supply	50	Florida, Louisiana, Mississippi, and Tennessee.
Economy Auto Stores, Inc	do	28	Florida, Georgia, and Tennessee.
Royal Auto Supply Co	do	12	Tennessee.

ALASKA

King Building Supply	Hardware	4	Oregon.

ARIZONA

Sumner Stores Corp	Clothing	33	Alabama, Florida, Georgia, Louisiana, Mississippi, South Carolina, Texas, Tennessee, Virginia, and New York.
Town Stores	do	11	California and New York.
O.P.O. Clothes	Clothing and furnishings	34	Alabama, California, Florida, Georgia, Louisiana, Maryland, Mississippi, North Carolina, Pennsylvania, South Carolina, Tennessee, Texas, Virginia, and West Virginia.
Tanne-Ardan, Inc	Clothing	36	California, Colorado, Kentucky, Massachusetts, Michigan, Nevada, Oklahoma, Oregon, Texas, Utah, Washington, and New York.
National Shoe Co., Ltd	Shoe	32	California, Nevada, and Oregon.
Roe Bros. Stores, Inc	do	46	California, Colorado, Idaho, New Mexico, Nevada, Oregon, Texas, Washington, and Wyoming.
Imperial Hardware Co	Hardware	15	California.
International Hardware Co	do		Texas.
Nettleton Shops, Inc	Shoes	45	All States.
Given Bros., Inc	do	20	New Mexico and Texas.
Barker Bros. Corp	Furniture	20	California.
Woodrow Stores, Inc	Clothing and furnishings	15	Alabama, Florida, Louisiana, North Dakota, and New York.
Magikist Service Corp	Drycleaning	10	California, Florida, Illinois, Indiana, Massachusetts, Michigan, New York, Ohio, Pennsylvania, Texas, and Wisconsin.
Lawson's Jeweler's, Inc	Jewelry	20	California.
Welmar, Inc	Furniture	8	New York, North Carolina, Oklahoma, and Pennsylvania.

State by State list of some retail chains with 5 to 50 establishments in 2 or more States (covered by Ayres-Kitchin substitute)—Continued

ARIZONA—Continued

Company	Category	Number of stores	Other States of operation
Consumers Mart of America, Inc	Discount stores	5	California and Illinois.
The Fed-Mart Corp	do	7	California and Texas.
Skaggs Drug Center, Inc	Drugstore	28	Colorado, Idaho, Louisiana, Montana, Nevada, New Mexico, Oklahoma, and Utah.
Circle "K" Drive-In Food Stores	Food	34	New Mexico and Texas.
Lewis Shoe Stores	Shoes	14	Florida, Illinois, Kentucky, and Texas.
Sweetbriar Shops, Inc	Clothing and furnishings	48	Colorado, Idaho, Montana, Kansas, Nebraska, New Mexico, Oklahoma, South Dakota, Texas, Utah, and Wyoming.
Markson Bros., Inc	do	41	California, Colorado, Illinois, Kansas, Maine, Massachusetts, New York, Oklahoma, and Texas.
House of Nine, Inc	do	34	California, Texas, Colorado, Michigan, Utah, Missouri, Oregon, and Pennsylvania
Hartfield Stores, Inc	do	45	California, New Jersey, New York, Oregon, Washington, and Hawaii.
Maternity Modes	do	6	New Mexico and Texas.

ARKANSAS

Newport Stores	Variety	7	Also operates in Missouri.
Friedman's	do	5	Do.
Horton's 5-10-25-Cent Stores	do	5	Do.
Nunn-Bush Shoe Co	Shoestore	23	Also operates in Alabama, California, Colorado, Connecticut, Florida, Georgia, Illinois, Indiana, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Missouri, Minnesota, Mississippi, Montana, Nebraska, New York, New Jersey, New Mexico, North Carolina, Ohio, Oklahoma, Rhode Island, South Carolina, Tennessee, Texas, Virginia, West Virginia, and Wisconsin.
Barnett-Levy Co	Variety	14	Also operates in Tennessee and Mississippi.
Sunflower Stores, Inc	Food	8	Also operates in Mississippi.
Walton's 5-10 Cent Stores	Variety	11	Also operates in Missouri.
Remnant House (fabrics)	Miscellaneous	14	Also operates in Illinois, Indiana, Kentucky, Missouri, and Tennessee.
Wallace E. Johnson Supply Co	do	7	Also operates in Mississippi and Tennessee.
Carpet City, Inc	do	6	Also operates in Oklahoma.
Hale Drug Co	Drugs	14	Also operates in Alabama, Georgia, Mississippi, North Carolina, and Tennessee.
Crank Drug Co	Drugstore	9	Also operates in Missouri.
United Shoe Stores Co	Shoes	44	Also operates in Louisiana, Georgia, Texas, Mississippi, Oklahoma, Tennessee, and others.
Gibson Clothing Stores	Clothing and furnishings	4	Also operates in Louisiana.
Adeline Apparel Shops, Inc	do	49	Also operates in Illinois, Indiana, New York, North Carolina, Ohio, Tennessee, Pennsylvania, Virginia, and New Jersey.
Montaldo's	do	11	Also operates in Colorado, Missouri, New Jersey, North Carolina, Ohio, Oklahoma, and Virginia.
Consolidated Retail Stores, Inc	do	29	Also operates in Alabama, District of Columbia, Illinois, Indiana, Kansas, Kentucky, Maryland, Missouri, Ohio, Oklahoma, Pennsylvania, Tennessee, and Texas.
Midland Shoe Co	Shoes	38	Also operates in Alabama, Illinois, Indiana, Iowa, Louisiana, Michigan, Mississippi, Missouri, Oklahoma, Texas, and Wisconsin.
Weiss & Newmann Shoe Co	do	50	Also operates in Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Texas, and Wisconsin.
Haverty Furniture Co	Furniture	28	Also operates in Florida, Georgia, Louisiana, North Carolina, South Carolina, Tennessee, Texas, Virginia, and Alabama.
Family Shoe Stores	Shoes	22	Also operates in Oklahoma and Texas.
Geo. E. Keith Co	do	14	Also operates in California, Colorado, Georgia, Illinois, Indiana, Iowa, Louisiana, Massachusetts, Missouri, New York, Ohio, Oklahoma, Pennsylvania, Tennessee, Texas, and Utah.
Nettleton Shops, Inc	do	45	Also operates in all States.
Wormser Hat Stores, Inc	Clothing and furnishings	42	Also operates in Alabama, Colorado, District of Columbia, Georgia, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Nebraska, Ohio, Oklahoma, Tennessee, and Texas.
Karbe's, Inc	Food supply	12	Also operates in Kansas and Missouri.
Newton Jewelry Co	Jewelry	8	Also operates in Missouri, Iowa, and Oklahoma.
Perel & Lowenstein	do	7	Also operates in Kentucky and Tennessee.
S. & Q. Clothiers	Clothing and furnishings	9	Also operates in Oklahoma and Texas.
Palais Royal, Inc	do	10	Also operates in Louisiana and Texas.
Southern Supply, Inc	Auto supply	6	Also operates in Oklahoma.

CALIFORNIA

Gramont Co., Inc	Clothing and furnishings	9	Also operates in Illinois, Maryland, Michigan, Missouri, New Jersey, New York, and Pennsylvania.
Town Stores	Clothing	11	Also operates in Arizona and New York.
The Custom Shops	Clothing and furnishings	26	Also operates in District of Columbia, Illinois, Maryland, Michigan, Minnesota, New Jersey, New York, Ohio, and Pennsylvania.
O.P.O. Clothes	do	34	Also operates in Alabama, Arizona, Florida, Georgia, Louisiana, Maryland, Mississippi, North Carolina, Pennsylvania, South Carolina, Tennessee, Texas, Virginia, and West Virginia.
Tanne-Arden Inc	Clothing	36	Also operates in Arizona, Colorado, Kentucky, Massachusetts, Michigan, Nevada, Oklahoma, Oregon, Texas, Utah, New York, and Washington.
Brooks Bros. Clothing	Clothing and furnishings	7	Also operates in Illinois, Massachusetts, and New York.
Dundee Smart Clothes, Inc	do	15	Also operates in New York, Pennsylvania, Utah, and Washington.
George E. Keith Co	Shoes	14	Also operates in Arkansas, Colorado, Georgia, Illinois, Indiana, Iowa, Louisiana, Massachusetts, Missouri, New York, Ohio, Oklahoma, Pennsylvania, Tennessee, Texas, and Utah.
French, Shriner & Urner	Shoe stores	17	Also operates in Massachusetts, Minnesota, New York, Ohio, and Pennsylvania.
National Shoe Co., Ltd	Shoes	32	Also operates in Arizona, Nevada, and Oregon.
Roe Bros. Stores, Inc	do	46	Also operates in Arizona, Colorado, Idaho, New Mexico, Nevada, Oregon, Texas, Washington, and Wyoming.
Imperial Hardware Co	Hardware	15	Also operates in Arizona.
Zukor's	Clothing and furnishings	16	Also operates in Oregon, New York, and Washington.
McMahan's Furniture Co	Furniture	37	Also operates in Idaho and Nevada.
Barker Bros. Corp	do	20	Also operates in Arizona.
Riviera Sofa Bed Co	do	5	Also operates in Nevada.
J. & J. Slater	Shoes	8	Also operates in District of Columbia, Illinois, New Jersey, and New York.
Nettleton Shops, Inc	do	45	Also operates in all States.
Geo. E. Keith Co	do	14	Also operates in Arkansas, Colorado, Georgia, Illinois, Indiana, Iowa, Louisiana, Massachusetts, Missouri, New York, Ohio, Oklahoma, Pennsylvania, Tennessee, Texas, and Utah.
Magikist Service Corp	Dry cleaning	10	Arizona, Florida, Illinois, Indiana, Massachusetts, Michigan, New York, Ohio, Pennsylvania, Texas, and Wisconsin.
French, Shriner & Urner	Shoes	17	Also operates in Massachusetts, Minnesota, New York, Ohio, and Pennsylvania.
Nunn-Bush Shoe Co	Shoe store	23	Also operates in Alabama, Arkansas, Colorado, Connecticut, Florida, Georgia, Illinois, Indiana, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, New Jersey, New Mexico, New York, North Carolina, Ohio, Oklahoma, Rhode Island, South Carolina, Tennessee, Texas, Virginia, West Virginia, and Wisconsin.

State by State list of some retail chains with 5 to 50 establishments in 2 or more States (covered by Ayres-Kitchin substitute)—Continued

CALIFORNIA—Continued

Company	Category	Number of stores	Other States of operation
Mathews Paint Co	Miscellaneous	9	Also operates in Arizona.
Wallpapers, Inc	do	5	Also operates in Oregon and Washington.
Sherman Clay & Co	do	23	Do.
Page Co., Inc	Clothing and furnishings	9	Also operates in Michigan, Ohio, and Texas.
Lyon & Healy, Inc. (musical merchandise)	Miscellaneous stores	11	Also operates in Illinois, Indiana, Ohio, and New York.
Gensler-Lee Diamonds	Jewelry	26	Also operates in Nevada.
Lawson's Jeweler's, Inc	do	20	Also operates in Arizona.
Rogers Jewelry Co., Inc	do	8	Also operates in Nevada and Oregon.
Dick Tyrrell Jewelers, Inc	do	11	Also operates in Washington.
Welsfeld's, Inc	do	32	Also operates in Idaho, Oregon, and Washington.
Fonk's 5 Cent–$1 Stores	Variety	13	Also operates in Idaho and Washington.
W. & J. Sloane, Inc	Furniture	11	Also operates in Connecticut, District of Columbia, New Jersey, and New York.
The Fed-Mart Corp	Discount stores	7	Also operates in Arizona and Texas.
Consumers Mart of America, Inc	do	5	Also operates in Arizona and Illinois.
The Matlock Stores	Variety	6	Also operates in Colorado, Kansas, and Oklahoma.
Nordstrom's, Inc	Shoe store	18	Also operates in Oregon and Washington.
Goubaud de Paris, Inc	Miscellaneous	28	Also operates in New York, Connecticut, Washington, D.C., Florida, New Jersey, Pennsylvania, and Canada.
Bennett's (paints)	do	8	Also operates in Idaho and Utah.
Longs Stores	Drugstore	15	Also operates in Hawaii.
The Owl Drug Co	do	31	Also operates in Oregon.
Concord Drug Store, Inc	do	8	Also operates in Nevada.
Milton F. Krels Drug Stores	do	5	Also operates in Ohio.
Pay Less Stores	Drugs	18	Also operates in Idaho, Oregon, and Washington.
Joseph Magnin Co., Inc	Clothing and furnishings	15	Also operates in Nevada.
Motherhood Maternity Shops, Inc	do	21	Also operates in Oregon.
Markson Bros, Inc	do	41	Also operates in Arizona, Colorado, Illinois, Kansas, Maine, Massachusetts, New York, Oklahoma, and Texas.
Lanz of California, Inc	do	11	Also operates in Nevada.
House of Nine, Inc	do	34	Also operates in Arizona, Texas, Colorado, Michigan, Utah, Missouri, Oregon, and Pennsylvania.
Hartfield Stores, Inc	do	45	Also operates in Arizona, New Jersey, New York, Oregon, Washington, and Hawaii.
Morrow's Nut House Corp	Candy stores	5	Also operates in Oregon and Utah.
Tire Mart Stores Corp	Auto supply	27	Also operates in New Jersey, New York, Pennsylvania, and Illinois.

COLORADO

Montaldo's	Clothing and furnishings	11	Also operates in Arkansas, Missouri, New Jersey, North Carolina, Oklahoma, and Virginia.
Tanne-Arden, Inc	Clothing	36	Also operates in Arizona, California, Kentucky, Massachusetts, Michigan, Nevada, Oklahoma, Oregon, Texas, Utah, Washington, and New York.
Geo. E. Keith Co	Shoes	14	Also operates in Arkansas, California, Georgia, Illinois, Indiana, Iowa, Louisiana, Massachusetts, Missouri, New York, Ohio, Oklahoma, Pennsylvania, Tennessee, Texas, and Utah.
L. Goldman Shoe Co	do	5	Also operates in Nebraska, South Dakota, and Wyoming.
Roe Bros. Stores, Inc	do	46	Also operates in Arizona, California, Idaho, New Mexico, Nevada, Oregon, Texas, Washington, and Wyoming.
Rollnick Shoe Co	do	9	Also operates in Idaho, Utah, and Wyoming.
E. A. Foster Lumber Co	Hardware	9	Also operates in Nebraska and Wyoming.
Wormser Hat Stores, Inc	Clothing and furnishings	42	Also operates in Alabama, Arkansas, District of Columbia, Georgia, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Nebraska, Ohio, Oklahoma, Tennessee, and Texas.
Nettleton Shops, Inc	Shoes	45	Also operates in all States.
L. A. Sullivan Stores	Variety	6	Also operates in Nebraska.
Nunn-Bush Shoe Co	Shoes	23	Also operates in Alabama, Arkansas, California, Connecticut, Florida, Georgia, Illinois, Indiana, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota Mississippi, Missouri, Montana, Nebraska, New Jersey, New Mexico, New York, North Carolina, Ohio, Oklahoma, Rhode Island, South Carolina, Tennessee, Texas, Virginia, West Virginia, and Wisconsin.
Acme-Harding Glass, Inc	Miscellaneous stores	16	Also operates in Iowa, Kansas, Missouri, and Nebraska.
Caldwell's, Inc	do	7	Also operates in Kansas and Nebraska.
Gem, Inc	Discount stores	7	Also operates in Hawaii, Kansas, Missouri, Minnesota, and Pennsylvania.
The Matlock Stores	Variety	6	Also operates in California, Kansas, and Oklahoma.
Skaggs Drug Center, Inc	Drugstore	28	Also operates in Arizona, Idaho, Louisiana, Montana, Nevada, New Mexico, Oklahoma, Texas, and Utah.
Brown's Shoe Fit Co	Shoes	40	Also operates in Iowa, Kansas, Missouri, Nebraska, and North Dakota.
Schaffer's	Clothing and furnishings	8	Also operates in Iowa, Minnesota, Nebraska, and Texas.
Sweetbriar Shops, Inc	do	48	Also operates in Arizona, Idaho, Montana, Kansas, Nebraska, New Mexico, Oklahoma, South Dakota, Texas, Utah, and Wyoming.
Conrad's, Inc	do	11	Also operates in Idaho, Montana, Oregon, Utah, Washington, and Wyoming.
Markson Bros., Inc	do	41	Also operates in California, Arizona, Illinois, Kansas, Maine, Massachusetts, New York, Oklahoma, and Texas.
House of Nine, Inc	do	34	Also operates in California, Arizona, Texas, Colorado, Michigan, Utah, Oregon, and Pennsylvania.
Stickney's Inc	Auto supply	10	Also operates in Nebraska and Wyoming.

CONNECTICUT

Albrecht's Retail Stores, Inc	Clothing and furnishings	18	New Jersey and New York.
Polly Perrey Stores, Inc	do	20	Pennsylvania.
Puritan Federal Clothing Stores, Inc	do	46	Illinois, Indiana, Maine, Massachusetts, Michigan, New Hampshire, Ohio, Pennsylvania, and Vermont.
Ripley Clothes	Clothing	41	District of Columbia, Massachusetts, Missouri, New Jersey, New York, Pennsylvania, and Rhode Island.
Roger Kent, Inc	do	13	Massachusetts, New York, and Pennsylvania.
Best & Co., Inc	Clothing and furnishings	19	District of Columbia, Massachusetts, Michigan, New Jersey, New York, Ohio, Pennsylvania, and Virginia.
Morrison Stores Corp	do	12	Delaware; Indiana, Michigan, New York.
Cosmo Hosiery Shops	do	7	New Jersey and New York.
Millinery Stores	do	27	District of Columbia, Illinois, Indiana, Minnesota, Ohio, Tennessee, and Texas.
P & Q Shops, Inc	do	9	Massachusetts, New Hampshire, and Rhode Island.
Jane Lee Stores, Inc	do	38	Illinois, Indiana, Kansas, and Kentucky.
Lewis Apparel Stores, Inc	do	35	New York, Kansas, Massachusetts, Michigan, North Carolina, Ohio, and Oklahoma.
Parkfield Shops, Inc	do	10	Ohio and Pennsylvania.
Druss Stores	do	6	New Hampshire, New Jersey, and New York.
J. Baker, Inc	Shoes	14	Massachusetts and Vermont.
London Character Shoes	do	29	New Jersey and New York.
Morton's Shoe Stores, Inc	do	15	Delaware, Georgia, Louisiana, Massachusetts, Michigan, New Hampshire, New York, North Carolina, Pennsylvania, Rhode Island, Texas, Vermont, and Virginia.

State by State list of some retail chains with 5 to 50 establishments in 2 or more States (covered by Ayres-Kitchin substitute)—Continued

CONNECTICUT—Continued

Company	Category	Number of stores	Other States of operation
Perry's Shoes	Shoes	14	New Jersey and New York.
Shelbro, Inc	do	5	New York, Rhode Island, and Virginia.
Tanen Shoe Co	do	6	Massachusetts and New York.
Tredwell Shoe Corp	do	26	Massachusetts and New Hampshire.
Carlisle Hardware Co	Hardware	12	Massachusetts.
County Hardware Corp	do	5	New York.
Diamond National Corp	do	26	Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont.
Kay's-Newport, Inc	Shoes	21	Massachusetts, New York, and Rhode Island.
Unger's Hosiery & Frocks, Inc	Clothing and furnishings	11	Massachusetts.
S. S. Pierce Co	Food Supply	9	Do.
Food Marts, Inc	do	6	Do.
Nettleton Shops, Inc	Shoes	45	All States.
J. Baker, Inc	do	14	Massachusetts and Vermont.
Tanen Shoe Co	do	6	Massachusetts and New York.
Tredwell Shoe Corp	do	26	Massachusetts, and New Hampshire.
J. A. Tepper Co	Variety	5	Massachusetts.
M. N. Landau Stores, Inc	do	20	New York, Indiana, Massachusetts, Michigan, New Hampshire, New Jersey, North Carolina, and Texas.
Castro Convertible Corp	Furniture	47	New York, Florida, Maryland, Michigan, New Jersey, Pennsylvania, District of Columbia, and Rhode Island.
M. H. Lamston, Inc	Variety	17	New Jersey and New York.
Nunn-Bush Shoe Co	Shoes	23	Alabama, Arkansas, California, Colorado, Florida, Georgia, Illinois, Indiana, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, New Mexico, New York, North Carolina, Ohio, Oklahoma, Rhode Island, South Carolina, Tennessee, Texas, Virginia, West Virginia, and Wisconsin.
Allied Shoe Co	do	33	Massachusetts, Maine, Maryland, New Hampshire, New Jersey, New York, Pennsylvania, and Rhode Island.
Morton's Shoe Stores, Inc	do	15	Massachusetts, Delaware, Georgia, Louisiana, Michigan, New Hampshire, New York, North Carolina, Pennsylvania, Rhode Island, Texas, Vermont, and Virginia.
Laundercenter Corp	Dry cleaning	13	Massachusetts, New Jersey and New York.
Johnny-on-the-Spot	do	15	New York.
Royce Superior Laundry, Inc	do	15	Massachusetts.
Sparkle Cleansers, Inc	do	35	Do.
W. & J. Sloane, Inc	Furniture	11	California, District of Columbia, New Jersey, and New York.
Honey Dew Food Stores, Inc	Food	9	New York and New Jersey.
Popular Markets, Inc	do	13	Massachusetts.
Market Basket Stores, Inc	do	12	Do.
Growers Outlet, Inc	do	13	Do.
Tower Marts, Inc	Discount Stores	12	Washington, D.C., Maryland, Massachusetts, New Jersey, and Pennsylvania.
Arlan's Department Stores, Inc	do	11	Kentucky, Massachusetts, Michigan, New York, and Ohio.
New England Stores	Variety	7	Massachusetts.
Camera Craft, Inc	Miscellaneous	8	New York.
Raphan Carpet Corp	do	15	New Jersey and New York.
Goubaud de Paris, Inc	do	28	New York, California, Washington, D.C., Florida, New Jersey, Pennsylvania, and Canada.
Wadsworth, Howland and Co	do	9	Massachusetts.
My Maternity Shop, Inc	Clothing and furnishings	45	New York, Ohio, Pennsylvania, West Virginia, Ontario and Quebec, Canada.
Outlet Millinery Co, Inc	do	5	Maine and Massachusetts.
Natelson Bros., Inc	do	6	New Jersey and New York.
Stevens Retail Stores, Inc	do	14	Do.
Kennedy's, Inc	do	16	Maine, Massachusetts, New Hampshire, and Rhode Island.
Lee Shops	do	8	Massachusetts.
Prudence Clothes, Inc	do	8	Maine, Massachusetts, and New Hampshire.
Stork Time, Inc	do	7	Massachusetts and Rhode Island.
Beverly's Inc., Shoppers World	do	5	Massachusetts.
Youth Centre Stores, Inc	do	9	Do.
Benny's, Inc	Auto supply	21	Massachusetts, Rhode Island.
Strauss Stores Corp	do	42	New York.

DELAWARE

Felsway Shoe Corp	Shoes	37	Also operates in District of Columbia, Kentucky, Maryland, New Jersey, New York, North Carolina, Ohio, Pennsylvania, and South Carolina.
Cranes-Mayos Clothes, Inc	Clothing and furnishings	40	Also operates in Georgia, Illinois, Indiana, New York, North Carolina, Pennsylvania, South Carolina, Tennessee, Virginia, and West Virginia.
Morrison Stores Corp	do	12	Also operates in Connecticut, Indiana, Michigan, and New York.
Irving O. Livingston, Inc	do	16	Also operates in Illinois and Indiana.
Morton's Shoe Stores, Inc	Shoes	15	Also operates in Connecticut, Georgia, Louisiana, Massachusetts, Michigan, New Hampshire, New York, North Carolina, Pennsylvania, Rhode Island, Texas, Vermont, and Virginia.
Wilbur-Rogers, Inc	Clothing and furnishings	38	Also operates in District of Columbia, Indiana, Kentucky, Maryland, Massachusetts, Missouri, New Jersey, New York, North Carolina, Ohio, Pennsylvania, and Virginia.
Williams Retail Stores, Inc	do	7	Also operates in New Jersey and Pennsylvania.
Polan's 5¢–$1.00 Stores	Variety	13	Also operates in District of Columbia, Florida, Maryland, and Pennsylvania.
M. H. Fishman Co., Inc	do	47	Also operates in Maine, Massachusetts, New Hampshire, New Jersey, Vermont, Virginia, New York, Ohio, and Pennsylvania.
Nettleton Shops, Inc	Shoes	45	Also operates in most States.
Alfred H. Cohen & Son	do	6	Also operates in New Jersey and Pennsylvania.
J. B. Van Sciver Co	Furniture	7	Do.
Liebman Furniture Co	do	8	Also operates in Pennsylvania.
Morton's Shoe Stores, Inc	Shoes	15	Also operates in Massachusetts, Connecticut, Georgia, Louisiana, Michigan, New Hampshire, New York, North Carolina, Pennsylvania, Rhode Island, Texas, Vermont, and Virginia.
Adams Clothes, Inc	Clothing and furnishings	16	Also operates in Pennsylvania and New Jersey.
Rockower Bros., Inc	do	25	Also operates in New Jersey, New York, Pennsylvania, and Virginia.
B. J. Hoy 5¢ & 10¢ Stores, Inc	Variety	10	Also operates in Pennsylvania.
National 5¢ & 10¢ Stores, Inc	do	7	Also operates in Maryland and New Jersey.
Bon Ton Wallpaper Co., Inc	Miscellaneous	7	Also operates in Pennsylvania.
M. Buten & Sons	do	19	Also operates in New Jersey and Pennsylvania.
Silco Cut Price Stores, Inc	Drugs	50	Also operates in Maryland, New Jersey, North Carolina, Pennsylvania, Virginia, and West Virginia.
Terry Shops	Clothing and furnishings	24	Also operates in New Jersey, Maryland, New York, and Virginia.
Penn-Jersey Auto Stores, Inc	Auto supply	27	Also operates in District of Columbia, New Jersey, and Pennsylvania.
Best Auto Supply, Inc	do	6	Also operates in Pennsylvania.

State by State list of some retail chains with 5 to 50 establishments in 2 or more States (covered by Ayres-Kitchin substitute)—Continued

DISTRICT OF COLUMBIA

Company	Category	Number of stores	Other States of operation
Morton's	Clothing and furnishings	5	Maryland and Virginia.
Best & Co., Inc	do	19	Connecticut, Massachusetts, Michigan, New Jersey, New York, Ohio, Pennsylvania, and Virginia.
Hofstadter & Albert Millinery Corp	do	7	Maryland, Ohio, Pennsylvania, and Virginia.
Tall Apparel Shops	Clothing	7	Maryland, Massachusetts, Michigan, Minnesota, New York, and Pennsylvania.
Ripley Clothes	do	41	Connecticut, Massachusetts, Missouri, New Jersey, New York, Pennsylvania, and Rhode Island.
The Custom Shops	Clothing and furnishings	26	California, Illinois, Maryland, Michigan, Minnesota, New Jersey, New York, Ohio, and Pennsylvania.
Millinery Stores	do	27	Connecticut, Illinois, Indiana, Minnesota, Ohio, Tennessee, and Texas.
Cardinal Neckwear, Inc	do	16	Florida, Illinois, Massachusetts, New Jersey, and New York.
Consolidated Retail Stores, Inc	do	29	Alabama, Arkansas, Illinois, Indiana, Kansas, Kentucky, Maryland, Missouri, Ohio, Oklahoma, Pennsylvania, Tennessee, and Texas.
David's Specialty Shops, Inc	do	15	New York, Ohio, and Virginia.
Felser Shoe Stores	Shoes	13	Maryland and Virginia.
Fellsway Shoe Corp	do	37	Delaware, Kentucky, Maryland, New Jersey, New York, North Carolina, Ohio, Pennsylvania, and South Carolina.
I Miller Salons	do	14	Florida, Illinois, Maryland, New Jersey, New York, and Pennsylvania.
Hechinger Co	Hardware	6	
People's Hardware Stores	do	419	Maryland and Virginia.
Wormser Hat Stores, Inc	Clothing and furnishings	42	Alabama, Arkansas, Colorado, Georgia, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Nebraska, Ohio, Oklahoma, Tennessee, and Texas.
Wilbur-Rogers, Inc	do	38	Delaware, Indiana, Kentucky, Maryland, Massachusetts, Missouri, New Jersey, New York, North Carolina, Ohio, Pennsylvania, and Virginia.
J & J Slater	Shoes	8	California, Illinois, New Jersey, and New York.
Nathan & Sylvia Robin, Inc	Dry cleaning	14	Maryland and Virginia.
Elite Laundry & Cleaning Co	do	10	Do.
Blue Ribbon Laundry	do	28	Do.
Polan's 5-cent-$1 Stores	Variety	13	Florida, Delaware, Maryland, and Pennsylvania.
Market Tire Co	Miscellaneous stores	8	Maryland and Virginia.
George's Warehouse Supermarts	Miscellaneous	7	Virginia.
Home, Inc. (paints, glass, and tile)	do	10	Virginia and Maryland.
Ritz Camera Centers	do	7	Maryland, Pennsylvania, and New York.
Rogers Toy Shops, Inc	do	18	Tennessee, Ohio, Florida, Alabama, Maryland, Georgia, Pennsylvania, and Virginia.
Stidham Tire Stores	do	7	Maryland and Virginia.
Charles G. Stott Co., Inc	do	6	Do.
W. R. Winslow Co. (paints)	do	8	Do.
Robertson's 5-cent-10-cent Stores, Inc	Variety	5	Virginia.
Castro Convertible Corp	Furniture	47	Connecticut, Florida, Maryland, Michigan, New Jersey, New York, Pennsylvania, and Rhode Island.
W. & J. Sloane, Inc	do	11	California, Connecticut, New Jersey, and New York.
Tower Marts, Inc	Discount stores	12	Connecticut, Maryland, Massachusetts, New Jersey, and Pennsylvania.
Dalmo Sales Co	do	5	Maryland and Virginia.
S. N. McBride Co., Inc	Variety	6	Maryland.
H. S. King Co	do	5	Maryland and Virginia.
Standard Drug Co	Drugstore	13	Virginia.
Goubaud de Paris, Inc	Miscellaneous	28	California, Connecticut, Florida, New Jersey, New York, Pennsylvania, and Canada.
Brentano's Inc	do	13	Maryland, New Jersey, Virginia ,and New York.
Pete Moore Appliance Center	do	10	Kentucky, Pennsylvania, Tennessee, and Virginia.
Metro Drug Stores	Drugstore	10	Virginia and Maryland.
Save-Mor Drugs, Inc	do	10	Virginia.
Dart Drug Corp	do	13	Maryland and Virginia.
Jelleff's, Inc	Clothing and furnishings	6	Do.
Blechman's Kopy Kat, Inc	do	5	Maryland.
Beyda's	do	5	Do.
Webster Clothes, Inc	do	19	Maryland, Indiana, Kentucky, New Jersey, North Carolina, Ohio, Virginia, and West Virginia.
Casual Corner, Inc	do	6	Maryland.
Penn-Jersey Auto Stores, Inc	Auto supply	27	Delaware, New Jersey, and Pennsylvania.
The Abel Corp	do	36	Iowa, Indiana, Maryland, Michigan, Ohio, Pennsylvania, Texas, and West Virginia.
Market Tire, Inc	do	8	Maryland and Virginia.

FLORIDA

Good-Val Stores Corp	Clothing and furnishings	26	Georgia, Massachusetts, New Hampshire, New York, North Carolina, Pennsylvania, South Carolina, and Virginia.
Smart & Thrifty Dresses, Inc	Clothing	33	Alabama, Louisiana, South Carolina, Texas, and Virginia.
O.P.O. Clothes	Clothing and furnishings	34	Alabama, Arizona, California, Georgia, Louisiana, Maryland, Mississippi, North Carolina, Pennsylvania, South Carolina, Tennessee, Texas, Virginia, and West Virginia.
Sumner Stores Corp	Clothing	33	Alabama, Arizona, Georgia, Louisiana, Mississippi, South Carolina, Texas, Tennessee, Virginia, and New York.
Benhil Shirt Shops, Inc	Clothing and furnishings	24	New York and Puerto Rico
Blackton 5th Avenue, Ltd	do	10	New York.
Bonwit Teller	do	8	Illinois, Massachusetts, New York, and Ohio.
Cardinal Neckwear, Inc	do	16	District of Columbia, Illinois, Massachusetts, New Jersey, and New York.
I. Miller Salons	Shoes	14	District of Columbia, Illinois, Maryland, New York, and Pennsylvania.
Kitty Kelly Shoe Corp	do	39	Illinois, Kentucky, Maryland, Michigan, New Jersey, New York, Ohio, and Pennsylvania.
Baker's Shoe Stores	do	22	Alabama.
H. B. Phillips, Inc	do	26	North Carolina and South Carolina.
Nettleton Shops, Inc	do	45	All States.
Whitehouse & Hardy	Clothing and furnishings	8	Michigan and New York.
Woodrow Stores, Inc	do	15	Alabama, Arizona, Louisiana, North Dakota, and New York.
Virginia Dare Stores, Corp	do	46	Georgia, Illinois, Indiana, Massachusetts, Michigan, Minnesota, Missouri, Nebraska, New Jersey, North Carolina, Ohio, Oklahoma, Pennsylvania, Rhode Island, South Carolina, Tennessee, Texas, Virginia, Wisconsin, and Alabama.
Danley Furniture Co	Furniture	12	Alabama.
Mather Bros. Stores	do	25	Georgia and South Carolina.
Haverty Furniture Co	do	28	Georgia, Alabama, Arkansas, Louisiana, North Carolina, Tennessee, South Carolina Texas, and Virginia.
Jordan Furniture Co. Inc	do	5	Georgia.
Magikist Service Corp	Drycleaning	10	Arizona, California, Illinois, Indiana, Massachusetts, Michigan, Ohio, New York, Pennsylvania, Texas, and Wisconsin.
Big "B" One Hour Cleaners	do	15	Illinois, Iowa, Kentucky, Missouri, Tennessee, and Virginia.
Polan's 5¢-$1 Stores	Variety	13	Delaware, Maryland, District of Columbia, and Pennsylvania.

State by State list of some retail chains with 5 to 50 establishments in 2 or more States (covered by Ayres-Kitchin substitute)—Continued

FLORIDA—Continued

Company	Category	Number of stores	Other States of operation
Duval Jewelry Co	Jewelry	20	Georgia.
Rogers Toy Shops, Inc	Miscellaneous	18	District of Columbia, Tennessee, Ohio, Alabama, Maryland, Georgia, Pennsylvania, and Virginia.
Munford Do-It-Yourself Stores, Inc	do	43	Alabama, Georgia, North Carolina, South Carolina, Tennessee, and Virginia.
Sterchi Bros. Stores, Inc	Furniture	44	Alabama, Georgia, Kentucky, North Carolina, South Carolina, and Tennessee.
John Mullins & Sons, Inc	do	17	New York, South Carolina, and Mississippi.
Castro Convertible Corp	do	47	Maryland, Michigan, New Jersey, New York, Pennsylvania, Rhode Island, Connecticut, and District of Columbia.
Nunn-Bush Shoe Co	Shoes	23	Alabama, Arkansas, California, Connecticut, Colorado, Georgia, Illinois, Indiana, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, New Mexico, New York, North Carolina, Ohio, Oklahoma, Rhode Island, South Carolina, Tennessee, Texas, Virginia, Georgia, and Wisconsin.
Masters, Inc	Discount stores	10	New Jersey, New York, and Pennsylvania.
Van H. Priest Co	Variety	17	Georgia.
Christo's Inc	do	25	Alabama and Georgia.
Dixieland Stores, Inc	do	13	Georgia.
Lewis Shoe Stores	Shoes	14	Arizona, Illinois, Kentucky, and Texas.
Goubaud de Paris, Inc	Miscellaneous	28	California, Connecticut, Washington, D.C., New Jersey, New York, Pennsylvania, and Canada.
Olan Mills, Inc	do	35	Alabama, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee, and Virginia.
Albright & Wood		20	Alabama and Mississippi.
Baxter Stores, Inc	Clothing and furnishings	25	Georgia, New York, North Carolina, Pennsylvania, South Carolina, Tennessee, New Jersey, and Alabama.
John Baldwin, Inc	do	5	South Carolina.
The Andover Shops	do	6	Massachusetts.
Mothers Beautiful	do	5	Georgia.
Bottom Dollar Co	do	8	Do.
Young America	do	6	Maine.
Kilgore & Hurd, Inc	do	5	Michigan.
United Shirt Distributors, Inc	do	39	Michigan, New York, and Ohio.
Bramson, Inc	do	10	Illinois.
Schwobilt Clothes	do	29	Alabama, Georgia, Louisiana, and Mississippi.
Fremac's	do	23	Georgia.
Auto Lec Stores, Inc	Auto supply	50	Alabama, Louisiana, Mississippi, and Tennessee.
Economy Auto Stores, Inc	do	28	Alabama, Georgia, and Tennessee.

GEORGIA

Good-Val Stores Corp	Clothing and furnishings	26	Florida, Massachusetts, New Hampshire, New York, North Carolina, Pennsylvania, South Carolina, and Virginia.
Kenwin Shops, Inc	do	20	Alabama, North Carolina, and South Carolina.
My Shop, Inc	do	41	Alabama, Illinois, Indiana, Louisiana, Mississippi, Maryland, New Jersey, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, Virginia, and Wisconsin.
Sumner Stores Corp	Clothing	33	Alabama, Arizona, Florida, Louisiana, Mississippi, South Carolina, Texas, Tennessee, Virginia, and New York.
Cranes-Mayos Clothes, Inc	Clothing and furnishings	40	Delaware, Illinois, Indiana, New York, North Carolina, Pennsylvania, South Carolina, Tennessee, Virginia, and West Virginia.
O.P.O. Clothes	do	34	Alabama, Arizona, California, Florida, Louisiana, Maryland, Mississippi, North Carolina, Tennessee, Texas, Virginia, West Virginia, Pennsylvania, and South Carolina.
Eleanor Shops, Inc	do	40	Alabama, Mississippi, North Carolina, Pennsylvania, South Carolina, and Virginia.
M. & W. Martin Co., Inc	do	16	Iowa, Kansas, Minnesota, Montana, and North Carolina.
Bomar Shoe Co	Shoes	8	North Carolina and South Carolina.
Geo. E. Keith Co	do	14	Arkansas, California, Illinois, Indiana, Iowa, Louisiana, Massachusetts, Missouri, New York, Ohio, Oklahoma, Pennsylvania, Tennessee, Texas, and Utah.
Morton's Shoe Stores, Inc	do	15	Connecticut, Delaware, Louisiana, Massachusetts, Michigan, New Hampshire, New York, North Carolina, Pennsylvania, Rhode Island, Texas, Vermont, and Virginia.
Virginia Dare Stores Corp	Clothing and furnishings	46	Alabama, Florida, Illinois, Indiana, Massachusetts, Michigan, Minnesota, Missouri, Nebraska, New Jersey, North Carolina, Ohio, Oklahoma, Pennsylvania, Rhode Island, South Carolina, Tennessee, Texas, Virginia, and Wisconsin.
Weiss Bros. Stores, Inc	do	19	Alabama, Indiana, Louisiana, Mississippi, Oklahoma, Tennessee, and Texas.
Wormser Hat Stores, Inc	do	42	Alabama, Arkansas, Colorado, District of Columbia, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Nebraska, Ohio, Oklahoma, Tennessee, and Texas.
Family Booterie	Shoes	8	Tennessee.
Mather Bros. Stores	Furniture	25	Florida and South Carolina.
National Manufacture & Stores Corp	do	40	Alabama, Louisiana, North Carolina, South Carolina, Tennessee, and Texas.
Haverty Furniture Co	do	28	Alabama, Arkansas, Florida, Louisiana, North Carolina, South Carolina, Tennessee, Texas, and Virginia.
Maxwell Bros., Inc	do	34	North Carolina and South Carolina.
Jordan Furniture Co., Inc	do	5	Florida.
Buehler Markets	Food supply	20	Illinois, Iowa, Massachusetts, Missouri, Nebraska, Pennsylvania, and Tennessee.
Nettleton Shops, Inc	Shoes	45	All States.
Duval Jewelry Co	Jewelry	20	Florida.
Rogers Toy Shops, Inc	Miscellaneous	18	District of Columbia, Tennessee, Ohio, Florida, Alabama, Pennsylvania, and Virginia.
Forsyth Fabrics, Inc	do	9	Illinois, Iowa, Kentucky, Louisiana, Tennessee, and Alabama.
Munford Do-It-Yourself Stores, Inc	do	43	Alabama, Florida, North Carolina, South Carolina, Tennessee, and Virginia.
Sterchi Bros. Stores, Inc	Furniture	44	Alabama, Florida, Tennessee, Kentucky, North Carolina, and South Carolina.
Stovall's 5¢-10¢-25¢ Stores	Variety	5	North Carolina.
Mack's 5¢-10¢-25¢ Stores, Inc	do	31	Virginia and South Carolina.
Nunn-Bush Shoe Co	Shoes	23	Alabama, Arkansas, California, Connecticut, Colorado, Florida, Illinois, Indiana, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, New Mexico, New York, North Carolina, Ohio, Oklahoma, Rhode Island, South Carolina, Tennessee, Texas, Virginia, West Virginia, and Wisconsin.
Morton's Shoe Stores, Inc	do	15	Massachusetts, Connecticut, Delaware, Louisiana, Michigan, New Hampshire, New York, North Carolina, Pennsylvania, Rhode Island, Texas, Vermont, and Virginia.
United 5¢-10¢ Stores, Inc	Variety	27	South Carolina.
Wilson's 5¢-10¢-25¢ Stores	do	7	Virginia.
Red Food Stores, Inc	Food	15	Tennessee.
The Home Stores, Inc	do	27	Do.
Lay & Co., Inc	Variety	18	North Carolina, Tennessee, and Alabama.
Economy 5-cent-$1 Stores	do	6	Tennessee.

State by State list of some retail chains with 5 to 50 establishments in 2 or more States (covered by Ayres-Kitchin substitute)—Continued

GEORGIA—Continued

Company	Category	Number of stores	Other States of operation
Harper's 5-cent–10-cent Stores	Variety	12	South Carolina.
Cassels United Stores, Inc	do	17	North Carolina and South Carolina.
Redford Stores, Inc	do	26	Tennessee and Alabama.
U.S. 5-cent–10-cent Stores	do	22	Do.
Bower's Stores	Discount stores	12	Kentucky, North Carolina, and Tennessee.
David Lee Stores	Variety	17	Alabama and Tennessee.
Van H. Priest Co	do	17	Florida.
Dixieland Stores, Inc	do	13	Do.
Christo's Inc	do	25	Florida and Alabama.
S. E. McConnell Sons Co	do	44	Alabama.
Olan Mills, Inc	Miscellaneous	35	Alabama, Florida, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee, and Virginia.
United Shoe Stores Co	Shoes	44	Louisiana, Arkansas, Texas, Mississippi, Oklahoma, Tennesse, and others.
Hale Drug Co	Drugs	14	Alabama, Arkansas, Mississippi, North Carolina, and Tennessee.
Baxter Stores, Inc	Clothing and furnishings	25	New York, North Carolina, Pennsylvania, South Carolina, Tennessee, New Jersey, Alabama, and Florida.
Mothers Beautiful	do	5	Florida.
Bottom Dollar Co	do	8	Do.
Jaunty Dress Shops, Inc	do	12	New Jersey and Pennsylvania.
Saxon's Candy Kitchen, Inc	Candy stores	12	Alabama.
Kenwin Shops	Clothing and furnishings	18	Alabama, North Carolina, and South Carolina.
Schwobilt Clothes	do	29	Alabama, Florida, Louisiana, and Mississippi.
Hub Stores	do	15	Alabama.
Fremac's	do	23	Florida.
Economy Auto Stores, Inc	Auto supply	28	Alabama, Florida, and Tennessee.

HAWAII

Gem, Inc	Discount stores	7	Colorado, Kansas, Missouri, Minnesota, and Pennsylvania.
Long Stores	Drugstore	15	California.
Hartfield Stores, Inc	Clothing and furnishings	45	Arizona, California, New Jersey, New York, Oregon, and Washington.

IDAHO

Roe Bros. Stores, Inc	Shoe	46	Also operates in Arizona, California, Colorado, New Mexico, Nevada, Oregon, Texas, Washington, and Wyoming.
Rolinick Shoe Co	do	9	Also operates in Colorado, Utah, and Wyoming.
Anderson Lumber Co	Hardware	16	Also operates in Utah.
Home Lumber & Coal Co	do	9	Also operates in Oregon.
Madison Lumber & Mill Co	do	8	Also operates in Washington.
Mountain States Implement Co	do	9	Also operates in Utah.
Nettleton Shops, Inc	Shoes	45	Also operates in all States.
M. Alexander, Inc	Clothing and furnishings	8	Also operates in Oregon.
Sigman Food Stores	Food	15	Also operates in Washington and Oregon.
Lowe Drug Co	Drugstore	5	Also operates in Utah.
Skaggs Drug Center, nc	do	28	Also operates in Arizona, Colorado, Louisiana, Montana, Nevada, New Mexico, Oklahoma, Texas, and Utah.
Bennett's (paints)	Miscellaneous	8	Also operates in California and Utah.
Pay Less Stores	Drugs	18	Also operates in California, Oregon, and Washington.
Sweetbriar Shops, Inc	Clothing and furnishings	48	Also operates in Arizona, Colorado, Montana, Kansas, Nebraska, New Mexico, Oklahoma, South Dakota, Texas, Utah, and Wyoming.
Conrad's Inc	do	11	Also operates in Colorado, Montana, Oregon, Utah, Washington, and Wyoming.
McMahan's Furniture Co	Furniture	37	Also operates in California and Nevada.
Weisfeld's Inc	Jewelry	32	Also operates in California, Oregon, and Washington.
M. H. King Co	Variety	20	Also operates in Montana, Oregon, and Utah.
Fonk's 5-Cent–$1 Stores	do	13	Also operates in Washington and California.

ILLINOIS

Adeline Apparel Shops, Inc	Clothing and furnishings	49	Indiana, New York, North Carolina, Ohio, Tennessee, Pennsylvania, Virginia, New Jersey, and Arkansas.
Puritan Federal Clothing Stores, Inc	do	46	Connecticut, Indiana, Maine, Massachusetts, Michigan, New Hampshire, Ohio, Pennsylvania, and Vermont.
Gramont Co., Inc	do	9	California, Maryland, Michigan, Missouri, New Jersey, New York, and Pennsylvania.
My Shop, Inc	do	41	Alabama, Georgia, Indiana, Louisiana, Mississippi, Maryland, New Jersey, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, Virginia, and Wisconsin.
Cranes-Mayos Clothes, Inc	do	40	Delaware, Georgia, Indiana, New York, North Carolina, Pennsylvania, South Carolina, Tennessee, Virginia, and West Virginia.
The Custom Shops	do	26	California, District of Columbia, Maryland, Michigan, Minnesota, New Jersey, New York, Ohio, and Pennsylvania.
Ellay Stores, Inc	do	43	Indiana, North Carolina, Ohio, Pennsylvania, Texas, West Virginia, and New Jersey.
Millinery Stores	do	27	Connecticut, Washington, D.C., Indiana, Minnesota, Ohio, Tennessee, and Texas.
Jane Lee Stores, Inc	do	38	Connecticut, Indiana, Kansas, and Kentucky.
Brooks Bros. Clothing	do	7	California, Massachusetts, and New York.
Lady Oris Hosiery Shops	do	11	Kentucky, Louisiana, New York, Tennessee, and Texas.
Consolidated Retail Stores, Inc	do	29	Alabama, Arkansas, District of Columbia, Indiana, Kansas, Kentucky, Maryland, Missouri, Ohio, Oklahoma, Pennsylvania, Tennessee, and Texas.
Irving O. Livingston, Inc	do	16	Delaware and Indiana.
Cardinal Neckwear, Inc	do	16	District of Columbia, Florida, Massachusetts, New Jersey, and New York.
Brooks Fashion Stores, Inc	do	18	New York, Ohio, and Wisconsin.
Broadstreet's, Inc	do	12	New Jersey, New York, Pennsylvania, and West Virginia.
Bonwit Teller	do	8	Florida, Massachusetts, New York, and Ohio.
Kamber Co., Inc	do	8	Indiana, Maine, Michigan, and Missouri.
Jubilee Shops, Inc	do	15	New York, Kansas, Maryland, New Jersey, Ohio, Pennsylvania, Texas, and Virginia.
Kamber Co., Inc	do	8	Illinois, Maine, Michigan, and Missouri.
Crown Self-Service Shoe Stores, Inc	Shoes	38	Indiana, Michigan, Ohio, and Wisconsin.
Frank's Shoes, Inc	do	9	Indiana.
George E. Keith Co	do	14	Arkansas, California, Colorado, Georgia, Indiana, Iowa, Louisiana, Massachusetts, Missouri, New York, Ohio, Oklahoma, Pennsylvania, Tennessee, Texas, and Utah.

State by State list of some retail chains with 5 to 50 establishments in 2 or more States (covered by Ayres-Kitchin substitute)—Continued

ILLINOIS—Continued

Company	Category	Number of stores	Other States of operation
I. Miller Salons	Shoes	14	District of Columbia, Florida, Maryland, New Jersey, New York, and Pennsylvania.
Kitty Kelly Shoe Corp.	do	39	Florida, Kentucky, Maryland, Michigan, New Jersey, New York, Ohio, and Pennsylvania.
Lloyd & Haig Shoe Corp.	do	7	New York and Pennsylvania.
Maling Shoes	do	31	Indiana, Michigan, Ohio, and Wisconsin.
Midland Shoe Co.	do	38	Alabama, Arkansas, Indiana, Iowa, Louisiana, Michigan, Mississippi, Missouri, Oklahoma, Texas, and Wisconsin.
Modern Retail, Inc.	do	6	Kansas and Missouri.
Weiss & Neumann Shoe Co.	do	50	Arkansas, Indiana, Iowa, Kansas, Michigan, Minnesota, Texas, and Wisconsin.
Virginia Dare Stores, Corp.	Clothing and furnishings	46	Alabama, Florida, Georgia, Indiana, Massachusetts, Michigan, Minnesota, Missouri, Nebraska, New Jersey, North Carolina, Ohio, Oklahoma, Pennsylvania, Rhode Island, South Carolina, Tennessee, Texas, Virginia, and Wisconsin.
George E. Keith Co.	Shoes	14	Arkansas, California, Colorado, Georgia, Indiana, Iowa, Louisiana, Massachusetts, Missouri, New York, Ohio, Oklahoma, Pennsylvania, Tennessee, Texas, and Utah.
The Krohngold Shoe Co.	do	20	Michigan and Ohio.
J & J Slater	do	8	California, District of Columbia, New Jersey, and New York.
Nettleton Shops, Inc.	do	45	All States.
Leath & Co.	Furniture	37	Indiana, Iowa, Michigan, Minnesota, and Wisconsin.
L. Fish Furniture Co.	do	11	Indiana, Ohio, and Wisconsin.
Estee Sleep Shops	do	10	Wisconsin.
Rhodes-Burford, Inc.	do	12	Indiana, Missouri, and Kentucky.
City Furniture Co.	do	5	Indiana.
Biederman Furniture	do	11	Missouri.
E. P. Roe Stores	Clothing and furnishings	14	Indiana, Iowa, Michigan, Ohio, and Pennsylvania.
Val-U-Dress Shops, Inc.	do	42	Indiana, Michigan, and Ohio.
Geifman's Food Stores, Inc.	Food supply	7	Iowa.
Joe Tittle & Sons, Inc.	do	6	Indiana.
Garden City Foods, Inc.	do	6	Do.
Benner Tea Co.	do	33	Iowa and Missouri.
Eagle Food Centers, Inc.	do	31	Iowa.
Buehler Markets	do	20	Georgia, Iowa, Massachusetts, Missouri, Nebraska, Pennsylvania, and Tennessee.
Niemann Brothers	do	6	Missouri.
Tri-City Grocery Co.	do	21	Do.
Ohio Markets	do	6	Do.
The Paxton Wholesale Grocery Co.	do	38	Indiana.
E. G. Shinner & Co., Inc.	do	47	Iowa, Michigan, Ohio, Wisconsin, and Pennsylvania.
Magikist Service Corp.	Drycleaning	10	Arizona, California, Florida, Indiana, Massachusetts, Michigan, New York, Ohio, Pennsylvania, Texas, and Wisconsin.
Big 'B' One Hour Cleaners	do	15	Florida, Iowa, Kentucky, Missouri, Tennessee, and Virginia.
Rudolph Brothers, Inc.	Jewelry	48	Massachusetts, New Jersey, and New York.
Mages Sporting Goods Co.	Miscellaneous store	13	Indiana.
The Wurlitzer Co. (musical instruments)	do	6	Michigan, New York, Ohio, and Pennsylvania.
Factory Tile Warehouse, Inc.	do	15	Wisconsin.
Wood-Drive Co.	do	9	Michigan.
Forsyth Fabrics, Inc.	do	9	Iowa, Kentucky, Louisiana, Tennessee, Alabama, and Georgia.
Lyon & Healy, Inc. (musical merchandise)	do	11	California, Indiana, Ohio, and New York.
Coloramic Tile Co., Inc.	do	5	Indiana.
M. L. Hunter's 5 cents to $1 Stores	Variety	6	Missouri.
Nunn-Bush Shoe Co.	Shoe store	23	Alabama, Arkansas, California, Connecticut, Colorado, Florida, Georgia, Indiana, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, New Mexico, New York, North Carolina, Ohio, Oklahoma, Rhode Island, South Carolina, Tennessee, Texas, Virginia, West Virginia, and Wisconsin.
Haffner's 5-Cent to $1 Stores, Inc.	Variety	40	Indiana, Michigan, and Ohio.
Spyrison's Shoes, Inc.	Shoes	8	Wisconsin.
Bowman Shoe Co.	do	16	Iowa.
Kostol Shoe Co.	do	20	Indiana.
Michaels & Mann, Inc.	Clothing and furnishings	10	Indiana, Kentucky, Michigan, and Ohio.
Foreman & Clark of Minnesota, Inc.	do	5	Iowa, Minnesota, and Nebraska.
Abrahams Bros.	do	12	Indiana, Iowa, and Ohio.
Tall Girl's Shops	do	6	Michigan, New York, and Ohio.
Dotty Shops, Inc.	do	6	Missouri, Kentucky, and Tennessee.
Leets, Inc.	do	5	Mississippi and Missouri.
Lisbon Shops, Inc.	do	20	Iowa and Missouri.
Salle Ann Shops, Inc.	do	19	Missouri and Texas.
Markson Bros., Inc.	do	41	California, Arizona, Colorado, Kansas, Maine, Massachusetts, New York, Oklahoma, and Texas.
Stevens Candy Kitchens, Inc.	Candy stores	35	Indiana and Ohio.
Harvey Bros., Inc.	Clothing and furnishings	6	Indiana, Kansas, and Nebraska.
Equitable Millinery	do	25	Indiana, Iowa, Kentucky, Michigan, Ohio, and Wisconsin.
Tresslar's 5-10-Cent Stores	Variety	15	Indiana and Kentucky.
Index Notions Co.	do	17	Indiana.
Giant Stores	Discount stores	5	Indiana and New Mexico.
Consumers Mart of America, Inc.	do	5	California and Illinois.
Morris Paint Co.	Miscellaneous	10	Missouri, Iowa, and Nebraska.
Lewis Shoe Stores	Shoe store	14	Arizona, Florida, Kentucky, and Texas.
Doubleday Book Shops	Miscellaneous	32	Maryland, Massachusetts, and New York.
Remnant House (Fabrics)	do	14	Arkansas, Indiana, Kentucky, Missouri, and Tennessee.
Mary Lester of Southern Wisconsin	do	20	Wisconsin.
Schlegal Drug Store	Drugstore	18	Iowa.
May's Drug Stores, Inc.	do	14	Do.
Mattoon Thrifty Drug Co.	do	7	Kentucky.
Osco Drug Co.	do	30	Indiana, Iowa, Minnesota, North Dakota, and Wisconsin.
O'Connor & Goldberg, Inc.	Shoes	20	Indiana.
The Scholl Manufacturing Co., Inc.	do	35	
Bramson, Inc.	Clothing and furnishings	10	Florida.
Benson & Rixon Co.	do	11	Indiana and Wisconsin.
Bell's Cotton Shops, Inc.	do	14	Indiana and Iowa.
Beenar's	do	19	Indiana, Iowa, Oklahoma, and Texas.
H. Imber & Sons, Inc.	do	5	Missouri.
Ross Millinery Co., Inc.	do	8	Iowa.
Tire Mart Stores Corp.	Auto supply	27	California, New Jersey, New York, and Pennsylvania.
Major Auto Supply, Inc.	do	8	Missouri.
Kimmel Auto Supply	do	6	Kentucky.
Western Tire Auto Stores, Inc.	do	48	Indiana, Michigan, and Wisconsin.
Blue Star Auto Stores, Inc.	do	16	Indiana.
J & R Motor Supply Corp.	do	27	Iowa, Michigan, and Missouri.

State by State list of some retail chains with 5 to 50 establishments in 2 or more States (covered by Ayres-Kitchin substitute)—Continued

INDIANA

Company	Category	Number of stores	Other States of operation
Adeline Apparel Shops, Inc	Clothing and furnishings	49	New York, North Carolina, Ohio, Tennessee, Pennsylvania, Virginia, New Jersey, Arkansas, and Illinois.
Puritan Federal Clothing Stores, Inc	do	46	Connecticut, Illinois, Maine, Massachusetts, Michigan, New Hampshire, Ohio, Pennsylvania, and Vermont.
Retail Jenny Shops, Inc	do	20	Ohio, Pennsylvania, and West Virginia.
My Shop, Inc	do	41	Alabama, Georgia, Illinois, Louisiana, Mississippi, Maryland, New Jersey, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, Virginia, and Wisconsin.
Cranes-Mayos Clothes, Inc	do	40	Delaware, Georgia, Illinois, New York, North Carolina, Pennsylvania, South Carolina, Tennessee, Virginia, and West Virginia.
King Clothing Co., Inc	do	18	Michigan, Ohio, and Texas.
Morrison Stores Corp	do	12	Connecticut, Delaware, Michigan, and New York.
Elias Stores, Inc	do	43	Illinois, North Carolina, Ohio, Pennsylvania, Texas, West Virginia, and New Jersey.
Millinery Stores	do	27	Connecticut, Washington, District of Columbia, Illinois, Minnesota, Ohio, Tennessee, and Texas.
Jane Lee Stores, Inc	do	38	Connecticut, Illinois, Kansas, and Kentucky.
Consolidated Retail Stores, Inc	do	29	Alabama, Arkansas, District of Columbia, Illinois, Kansas, Kentucky, Maryland, Missouri, Ohio, Oklahoma, Pennsylvania, Tennessee, and Texas.
Irving O. Livingston Inc	do	16	Illinois and Delaware.
Joy Stores, Inc	do	18	Kentucky, New Jersey, North Carolina, Ohio, Pennsylvania, Virginia, West Virginia, and Wisconsin.
Lockett Shoe Co., Inc	Shoes	7	Ohio and Kentucky.
American Shoe Co., Inc	do	29	Kentucky, Missouri, North Dakota, and Tennessee.
Crown Self-Service Shoe Stores, Inc	do	38	Illinois, Michigan, Ohio, and Wisconsin.
Frank's Shoes, Inc	do	9	Illinois.
Geo. E. Keith Co	do	14	Arkansas, California, Colorado, Georgia, Illinois, Iowa, Louisiana, Massachusetts, Missouri, New York, Ohio, Oklahoma, Pennsylvania, Tennessee, Texas, and Utah.
Midland Shoe Co	do	38	Alabama, Arkansas, Iowa, Louisiana, Michigan, Mississippi, Missouri, Oklahoma, Texas, and Wisconsin.
Maling Shoes	do	31	Illinois, Michigan, Ohio, and Wisconsin.
Weiss & Neumann Shoe Co	do	50	Arkansas, Illinois, Iowa, Kansas, Michigan, Minnesota, Texas, and Wisconsin.
The Tash Shoe Co	do	6	Ohio and New York.
Jack's Shoes, Inc	do	11	Ohio.
Gilbert Shoe Co	do	8	Do.
Epko Shoes, Inc	do	26	Michigan, New York, and Ohio.
Nettleton Shops, Inc	do	45	All States.
Holthouse Furniture, Inc	Furniture	10	Ohio.
Banner-Whitehill Corp	do	7	Do.
Leath & Co	do	37	Illinois, Iowa, Michigan, Minnesota, and Wisconsin.
L. Fish Furniture Co	do	11	Illinois, Ohio, and Wisconsin.
City Furniture Co	do	5	Illinois.
Rhodes-Burford, Inc	do	12	Illinois, Kentucky, and Missouri.
Wormser Hat Stores, Inc	Clothing and furnishings	42	Alabama, Arkansas, Colorado, District of Columbia, Georgia, Iowa, Kansas, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Nebraska, Ohio, Oklahoma, Tennessee, and Texas.
E. P. Roe Stores	do	14	Illinois, Iowa, Michigan, Ohio, and Pennsylvania.
Weiss Bros. Stores, Inc	do	19	Alabama, Georgia, Louisiana, Mississippi, Oklahoma, Tennessee, and Texas.
Wilbur-Rogers, Inc	do	38	Delaware, District of Columbia, Kentucky, Maryland, Massachusetts, Missouri, New Jersey, New York, North Carolina, Ohio, Pennsylvania, and Virginia.
Val-U-Dress Shops, Inc	do	42	Michigan, Ohio, and Illinois.
Virginia Dare Stores, Inc	do	46	Alabama, Florida, Georgia, Illinois, Massachusetts, Michigan, Minnesota, Missouri, Nebraska, New Jersey, North Carolina, Ohio, Oklahoma, Pennsylvania, Rhode Island, South Carolina, Tennessee, Texas, Virginia, and Wisconsin.
Joe Tittle & Sons, Inc	Food supply	6	Illinois.
Garden City Foods, Inc	do	6	Do.
Stop & Shop Supermarkets, Inc	do	21	Kentucky.
Hoosier Markets, Inc	do	10	Ohio.
The Paxton Wholesale Grocery Co	do	38	Illinois.
Magikist Service Corp	Drycleaning	10	Arizona, California, Florida, Illinois, Massachusetts, Michigan, New York, Ohio, Pennsylvania, Texas, and Wisconsin.
Fame Laundries, Inc	do	22	Kentucky, Ohio, and Pennsylvania.
The Barr Co	Variety	5	Ohio.
Behr Stores	do	10	Kentucky.
The Model Laundry & Dry Cleaning Co	Drycleaning	16	Ohio and Kentucky.
Will Sale's Jewelry Stores	Jewelry	5	Kentucky.
Scott's Stores	Variety	6	Ohio and Kentucky.
Hart Stores, Inc	do	8	Do.
Mages Sporting Goods Co	Miscellaneous stores	13	Illinois.
Will Sales Appliance Stores	do	6	Kentucky.
M. N. Landau Stores, Inc	Variety	20	New York, Connecticut, Massachusetts, Michigan, New Hampshire, New Jersey, North Carolina, and Texas.
Lyon & Healy, Inc. (musical merchandise)	Miscellaneous stores	11	California, Illinois, Ohio, and New York.
Coloramic Tile Co., Inc	do	5	Illinois.
Nunn-Bush Shoe Co	Shoes	23	Alabama, Arkansas, California, Connecticut, Colorado, Florida, Georgia, Illinois, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, New Mexico, New York, North Carolina, Ohio, Oklahoma, Rhode Island, South Carolina, Tennessee, Texas, Virginia, West Virginia, and Wisconsin.
Haffner's 5-Cent–$1 Stores, Inc	Variety	40	Illinois, Michigan, and Ohio.
Tresslar's 5¢–10¢ Stores	do	15	Illinois and Kentucky.
Belmont 5¢–$1.00 Stores	do	6	Michigan and Ohio.
McCord 5¢–$1.00 Stores	do	5	Ohio.
Index Notions Co	do	17	Illinois.
W. R. Thomas 5¢–$1.00 Stores, Inc	do	9	Michigan and Ohio.
Paul's 5¢–$1.00 Stores, Inc	do	5	Ohio.
Equity Dairy Stores, Inc	Food	9	Do.
Giant Stores	Discount stores	5	Illinois and New Mexico.
Miracle Marts	do	7	Michigan, Pennsylvania, Rhode Island, and Virginia.
The National Hotel Co	Drugstores	14	Alabama, Louisiana, Nebraska, South Carolina, Texas, and Virginia.
Remnant House (fabrics)	Miscellaneous	14	Arkansas, Illinois, Kentucky, Missouri, and Tennessee.
Joe O. Frank Co	do	16	Ohio.
The Muir Drug Co	Drugstores	28	Michigan, Ohio, and Wisconsin.
Taylor Drug Stores	do	25	Kentucky.
Osco Drug Co	do	30	Illinois, Iowa, Minnesota, North Dakota, and Wisconsin.
Hart Stores, Inc	Drugs	8	Kentucky and Ohio.
O'Connor & Goldberg, Inc	Shoes	20	Illinois.
Kostel Shoe Co	do	20	Do.
Michaels & Mann, Inc	Clothing and furnishings	10	Illinois, Kentucky, Michigan, and Ohio.
Homer Hayden's Inc	do	14	Michigan.
Abrahams Bros	do	12	Illinois, Iowa, and Ohio.
Webster Clothes, Inc	do	19	District of Columbia, Kentucky, Maryland, New Jersey, North Carolina, Ohio, Virginia, and West Virginia.

State by State list of some retail chains with 5 to 50 establishments in 2 or more States (covered by Ayres-Kitchin substitute)—Continued

INDIANA—Continued

Company	Category	Number of stores	Other States of operation
Stevens Candy Kitchens, Inc	Candy	35	Illinois and Ohio.
Harvey Bros. Inc	Clothing and furnishings	6	Illinois, Kansas, and Nebraska.
The Abel Corp	Auto supply	36	District of Columbia, Iowa, Maryland, Michigan, Ohio, Pennsylvania, Texas, and West Virginia.
Equitable Millinery	Clothing and furnishings	25	Illinois, Iowa, Kentucky, Michigan, Ohio, and Wisconsin.
Benson & Rixon Co	do	11	Illinois and Wisconsin.
Bell's Cotton Shops, Inc	do	14	Illinois and Iowa.
Beenar's	do	19	Illinois, Iowa, Oklahoma, and Texas.
Southern Supply Co	Auto supply	6	Kentucky.
Bill's Auto Stores, Inc	do	14	Do.
Western Tire Auto Stores, Inc	do	48	Illinois, Michigan, and Wisconsin.
Blue Star Auto Stores, Inc	do	16	Illinois.

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Linpark Clothing Corp	Clothing and furnishings	12	Minnesota, Nebraska, New York, South Dakota, and Wisconsin.
M&M Martin Co., Inc	do	16	Georgia, Kansas, Minnesota, Montana, and North Carolina.
Geo. E. Keith Co	Shoes	14	Arkansas, California, Colorado, Georgia, Illinois, Indiana, Louisiana, Massachusetts, Missouri, New York, Ohio, Oklahoma, Pennsylvania, Tennessee, Texas, and Utah.
Hurrle Bros. Shoe Co	do	7	Minnesota and Wisconsin.
Midland Shoe Co	do	38	Alabama, Arkansas, Indiana, Louisiana, Michigan, Mississippi, Missouri, Oklahoma, Texas, and Wisconsin.
Tradehome Shoe Stores, Inc	do	20	Minnesota, South Dakota, and Wisconsin.
Weiss & Neumann Shoe Co	do	50	Arkansas, Illinois, Indiana, Kansas, Michigan, Minnesota, Texas, and Wisconsin.
Geo. E. Keith Co	do	14	Arkansas, California, Colorado, Georgia, Illinois, Indiana, Louisiana, Massachusetts, Missouri, New York, Ohio, Oklahoma, Pennsylvania, Tennessee, Texas, and Utah.
Nettleton Shops, Inc	do	45	All States.
Leath & Co	Furniture	37	Illinois, Indiana, Michigan, Minnesota, and Wisconsin.
Wormser Hat Stores, Inc	Clothing and furnishings	42	Alabama, Arkansas, Colorado, District of Columbia, Georgia, Indiana, Kansas, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Nebraska, Ohio, Oklahoma, Tennessee, and Texas.
E. P. Roe Stores	do	14	Illinois, Indiana, Michigan, Ohio, and Pennsylvania.
Gelfman's Food Stores, Inc	Food supply	7	Illinois.
Rivin Bros. Stores	do	7	Minnesota and South Dakota.
Hyde & Vredenburg, Inc	do	38	Missouri.
Benner Tea Co	do	33	Illinois and Missouri.
Swanson's Supper Stores	do	8	Minnesota.
Eagle Food Centers, Inc	do	31	Illinois.
Buehler Markets	do	20	Illinois, Georgia, Massachusetts, Missouri, Nebraska, Pennsylvania, and Tennessee.
E. G. Shinner & Co., Inc	do	47	Illinois, Michigan, Ohio, Wisconsin, and Pennsylvania.
Big "B" One Hour Cleaners	Drycleaning	15	Florida, Illinois, Kentucky, Missouri, Tennessee, and Virginia.
Helzberg's Diamond Shops, Inc	Jewelry	15	Kansas and Missouri.
Newton Jewelry Co	do	8	Missouri, Arkansas, and Oklahoma.
C. J. Silver Jewelers, Inc	do	9	Minnesota and Wisconsin.
National 5¢-$1.00 Stores	Variety	12	Minnesota and South Dakota.
Acme-Harding Glass, Inc	Miscellaneous	16	Colorado, Kansas, Missouri, and Nebraska.
Forsyth Fabrics, Inc	do	9	Alabama, Georgia, Illinois, Kentucky, Louisiana, and Tennessee.
P. M. Place Stores Co	Variety	12	Missouri.
Randall Stores, Inc	Food	8	South Dakota.
Sunshine Food Markets	do	11	Do.
Great Minneapolis Surplus Stores	Discount	6	Minnesota and North Dakota.
Shaver's Food Stores	Food	7	Nebraska.
Hinky-Dinky Stores	do	38	Do.
Calandra Camera Co., Inc	Miscellaneous	9	Do.
Arenz Shoe Co	Shoe	6	Minnesota and Wisconsin.
Morris Paint Co	Miscellaneous	10	Missouri, Illinois, and Nebraska.
Katz Drug Co	Drug	42	Kansas, Missouri, Oklahoma, and Tennessee.
Schlegel Drug Stores	do	18	Illinois.
May's Drug Stores, Inc	do	14	Do.
Osco Drug Co	do	30	Illinois, Indiana, Minnesota, North Dakota, and Wisconsin.
Bowman Shoe Co	Shoes	16	Illinois.
Brown's Shoe Fit Co	do	40	Colorado, Kansas, Missouri, Nebraska, and North Dakota.
Buttrey Stores, Inc	Clothing and furnishings	23	Minnesota, North Dakota, South Dakota, and Wisconsin.
Foreman & Clark of Minnesota, Inc	do	5	Illinois, Minnesota, and Nebraska.
Schaffer's	do	8	Colorado, Minnesota, Nebraska, and Texas.
Abrahams Bros	do	12	Illinois, Indiana, and Ohio.
Beard & Gabelman, inc	do	36	Kansas, Missouri, Nebraska, Oklahoma, South Dakota, and Texas.
Lisbon Shops, Inc	do	20	Illinois and Missouri.
The Abel Corp	Auto supply	36	District of Columbia, Indiana, Maryland, Michigan, Ohio, Pennsylvania, Texas, and West Virginia.
Equitable Millinery	Clothing and furnishings	25	Illinois, Indiana, Kentucky, Michigan, Ohio, and Wisconsin.
Bell's Cotton Shops, Inc	do	14	Illinois and Indiana.
Beenar's	do	19	Illinois, Indiana, Oklahoma, and Texas.
Ross Millinery Co., Inc	do	8	Illinois.
J & R Motor Supply Corp	Auto supply	27	Illinois, Michigan, and Missouri.

KANSAS

Jubilee Shops, Inc	Clothing and furnishings	15	New York, Indiana, Maryland, New Jersey, Ohio, Pennsylvania, Texas, and Virginia.
Consolidated Retail Stores, Inc	do	29	Alabama, Arkansas, District of Columbia, Illinois, Indiana, Kentucky, Maryland, Missouri, Ohio, Oklahoma, Pennsylvania, Tennessee, and Texas.
Jane Lee Stores, Inc	do	38	Connecticut, Illinois, Indiana, and Kentucky.
Jarold Shops, Inc	do	19	Nebraska, Oklahoma, and South Dakota.
Lewis Apparel Stores, Inc	do	35	Connecticut, Massachusetts, Michigan, New York, North Carolina, Ohio, and Oklahoma.
M&W Martin Co., Inc	do	16	Georgia, Iowa, Minnesota, Montana, and North Carolina.
Caldwells' Shoes, Inc	Shoes	7	Missouri and South Dakota.
Midwest Drive-In Shoe Store	do	8	Missouri.
Modern Retail, Inc	do	6	Illinois and Missouri.
Robinson Shoe Co	do	6	Missouri.
Steve's Shoes, Inc	do	7	Do.
Weiss & Neumann Shoe Co	do	50	Arkansas, Illinois, Indiana, Iowa, Michigan, Minnesota, Texas, and Wisconsin.
The Homes Lumber & Supply Co	Hardware	17	Oklahoma.

State by State list of some retail chains with 5 to 50 establishments in 2 or more States (covered by Ayres-Kitchin substitute)—Continued

KANSAS—Continued

Company	Category	Number of stores	Other States of operation
Nettleton Shops, Inc	Stores	45	All States.
Wormser Hat Stores, Inc	Clothing and furnishings	42	Alabama, Arkansas, Colorado, District of Columbia, Georgia, Indiana, Iowa, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Nebraska, Ohio, Oklahoma, Tennessee, and Texas.
Peyton-Marcus Co	do	14	Louisiana, Oklahoma, and Texas.
Karbe's, Inc	Food supply	12	Arkansas and Missouri.
Foodtown Supermarkets, Inc	do	25	Missouri and Oklahoma.
Russell's 5¢–$1 Stores	Variety	10	Missouri.
Helzberg's Diamond Shops, Inc	Jewelry	15	Iowa and Missouri.
Nunn-Bush Shoe Co	Shoe	23	Alabama, Arkansas, California, Connecticut, Colorado, Florida, Georgia, Illinois, Indiana, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, New Mexico, New York, North Carolina, Ohio, Oklahoma, Rhode Island, South Carolina, Tennessee, Texas, Virginia, West Virginia, and Wisconsin.
Caldwell's Inc	Miscellaneous stores	7	Colorado and Nebraska.
Acme-Harding Glass, Inc	do	16	Colorado, Iowa, Missouri, and Nebraska.
Wolfe's Camera Shops, Inc	do	5	Missouri.
Gateway Sporting Goods Co	do	7	Do.
Gem, Inc	Discount	7	Colorado, Hawaii, Missouri, Minnesota, and Pennsylvania.
Milgram Food Stores, Inc	Food	20	Missouri.
The Matlock Stores	Variety	6	California, Colorado, and Oklahoma.
Longwear Paint & Varnish Works	Miscellaneous stores	7	Missouri, Oklahoma, and Texas.
Harper Rug Corp	do	6	Missouri.
Great Western Paint Co	do	6	Do.
Parkview Drugs of Kansas City, Inc	Drug	29	Do.
Katz Drug Co	do	42	Iowa, Missouri, Oklahoma, and Tennessee.
Crown Drug Co	do	44	Missouri and Oklahoma.
Brown's Shoe Fit Co	Shoes	40	Colorado, Iowa, Missouri, Nebraska, and North Dakota.
Harrison Shoes, Inc	do	10	Oklahoma.
Volume Shoe Distributors	do	8	Oklahoma and Texas.
Hobart Shoe Co	do	9	Oklahoma.
Sweetbriar Shops, Inc	Clothing and furnishings	48	Arizona, Colorado, Idaho, Montana, Nebraska, New Mexico, Oklahoma, South Dakota, Texas, Utah, and Wyoming.
Beard & Gabelman, Inc	do	36	Iowa, Missouri, Nebraska, Oklahoma, South Dakota, and Texas.
Markson Bros., Inc	do	41	California, Arizona, Colorado, Illinois, Kansas, Maine, Massachusetts, New York, Oklahoma, and Texas.
Harvey Bros., Inc	do	6	Illinois, Indiana, and Nebraska.
Miami Sales Co	Auto supply	11	Missouri and Oklahoma.
Midwest Auto Stores, Inc	do	12	Missouri.
Marshall's Auto Stores	do	13	Do.

KENTUCKY

Michaels & Mann, Inc	Clothing and furnishings	10	Illinois, Indiana, Michigan, and Ohio.
Beverly Shops	do	7	Ohio and West Virginia.
Tanne-Arden, Inc	Clothing	36	Arizona, California, Colorado, Massachusetts, Michigan, Nevada, Oklahoma, Oregon, Texas, Utah, Washington, and New York.
Collins Stores, Inc	Clothing and furnishings	24	Ohio, Pennsylvania, Tennessee, and West Virginia.
Joy Stores, Inc	do	18	Indiana, New Jersey, North Carolina, Ohio, Pennsylvania, Virginia, West Virginia, and Wisconsin.
Consolidated Retail Stores, Inc	do	29	Alabama, Arkansas, District of Columbia, Illinois, Indiana, Kansas, Maryland, Missouri, Ohio, Oklahoma, Pennsylvania, Tennessee, and Texas.
Jane Lee Stores, Inc	do	38	Connecticut, Illinois, Indiana, and Kansas.
Krasner Bros., Inc	do	26	Maryland, Missouri, Tennessee, and West Virginia.
Lady Oris Hosiery Shops	do	11	Illinois, Louisiana, New York, Tennessee, and Texas.
American Shoe Co., Inc	Shoes	29	Indiana, Missouri, North Dakota, and Tennessee.
Felsway Shoe Corp	do	37	Delaware, District of Columbia, Maryland, New Jersey, New York, North Carolina, Ohio, Pennsylvania, and South Carolina.
Kitty Kelly Shoe Corp	do	39	Florida, Illinois, Maryland, Michigan, New Jersey, New York, Ohio, and Pennsylvania.
Lockett Shoe Co., Inc	do	7	Indiana and Ohio.
Carolina Lumber Co	Hardware	6	Ohio and West Virginia.
The Art Dry Cleaning Co	Drycleaning	10	Ohio.
The Model Laundry & Dry Cleaning Co	do	16	Ohio and Indiana.
Taggart Shoes, Inc	Shoes	10	Ohio and West Virginia.
Nettleton Shops, Inc	do	45	All States.
Wormser Hat Stores, Inc	Clothing and furnishings	42	Alabama, Arkansas, Colorado, District of Columbia, Georgia, Indiana, Iowa, Kansas, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Nebraska, Ohio, Oklahoma, Tennessee, and Texas.
Nadler's, Inc	do	5	Ohio.
Willbur-Rogers, Inc	do	38	Delaware, District of Columbia, Indiana, Maryland, Massachusetts, Missouri, New Jersey, New York, North Carolina, Ohio, Pennsylvania, and Virginia.
Rhodes-Burford, Inc	Furniture	12	Illinois, Indiana, and Missouri.
Sterchi Bros. Stores, Inc	do	44	Tennessee, Alabama, Florida, Georgia, North Carolina, and South Carolina.
Scott's Stores	Variety	6	Ohio and Indiana.
Hart Stores, Inc	do	8	Do.
Will Sales Appliance Stores	Miscellaneous stores	6	Indiana.
Harmeyer's Paint & Wallpaper	do	11	Ohio.
Forsyth Fabrics, Inc	Miscellaneous	9	Alabama, Georgia, Illinois, Iowa, Louisiana, and Tennessee.
Tresslar's 5-10-Cent-Stores	Variety	13	Indiana and Illinois.
U-Tote-Em Grocery Co	Food	11	Tennessee.
W. L. Bentley's 5-Cent-$1 Stores	Variety	10	Tennessee and Alabama.
Kuhn Bros. Co	do	43	Alabama, Tennessee, and Mississippi.
Barlo Co., Inc	Discount stores	6	Ohio.
Arlan's Department Stores, Inc	do	11	Connecticut, Massachusetts, Michigan, New York, and Ohio.
Bower's Stores	do	12	Georgia, North Carolina, and Tennessee.
Lewis Shoe Stores	Shoestore	14	Arizona, Florida, Illinois, and Texas.
Remnant House (fabrics)	Miscellaneous	14	Arkansas, Illinois, Indiana, Missouri, and Tennessee.
Olan Mills, Inc	do	35	Alabama, Florida, Georgia, Mississippi, North Carolina, South Carolina, Tennessee, and Virginia.
Pete Moore Appliance Center	do	10	Washington, D.C., Pennsylvania, Tennessee, and Virginia.
Miller Bros. Wallpaper Co	do	6	Ohio.
Taylor Drug Stores	Drugstore	25	Indiana.
Mattoon Thrifty Drug Co	do	7	Illinois.
Hart Stores, Inc	Drugs	8	Indiana and Ohio.
Dotty Shops, Inc	Clothing and furnishings	6	Missouri, Illinois, and Tennessee.
Webster Clothes, Inc	do	19	District of Columbia, Indiana, Maryland, New Jersey, North Carolina, Ohio, Virginia, and West Virginia.
Leo's, Inc	Auto supply	18	Ohio.
Equitable Millinery	Clothing and furnishings	25	Illinois, Indiana, Iowa, Michigan, Ohio, and Wisconsin.
Checker Stores	Auto supply	15	Ohio.
Southern Supply Co	do	6	Indiana.

State by State list of some retail chains with 5 to 50 establishments in 2 or more States (covered by Ayres-Kitchin substitute)—Continued

KENTUCKY—Continued

Company	Category	Number of stores	Other States of operation
B.G. Wholesale, Inc	Food supply	23	Tennessee.
Stop & Shop Supermarkets, Inc	do	21	Indiana.
Fame Laundries, Inc	Drycleaning	22	Indiana, Ohio, and Pennsylvania.
Big "B" One Hour Cleaners	do	15	Florida, Illinois, Iowa, Missouri, Tennessee, and Virginia.
R. H. Hobbs Co. 5-cent-$1 Stores	Variety	7	West Virginia.
Charles Stores Co., Inc	do	32	New York, North Carolina, Pennsylvania, Tennessee, and Virginia.
W. R. Whitford's 5 cent-$1 Stores	do	6	Alabama.
Behr Stores	do	10	Indiana.
Perel & Lowenstein	Jewelry	7	Arkansas and Tennessee.
Will Sale's Jewelry Stores	do	5	Indiana.
Nunn-Bush Shoe Co	Shoestore	23	Alabama, Arkansas, California, Connecticut, Colorado, Florida, Georgia, Illinois, Indiana, Kansas, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, New Mexico, New York, North Carolina, Ohio, Oklahoma, Rhode Island, South Carolina, Tennessee, Texas, West Virginia, Wisconsin, and Virginia.
Bill's Auto Stores, Inc	Auto supply	14	Indiana.
Kimmel Auto Supply	do	6	Illinois.

LOUISIANA

My Shop, Inc	Clothing and furnishings	41	Alabama, Georgia, Illinois, Indiana, Mississippi, Maryland, New Jersey, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, Virginia, and Wisconsin.
Sumner Stores Corp	Clothing	33	Alabama, Arizona, Florida, Georgia, Mississippi, South Carolina, Texas, Tennessee, Virginia, and New York.
O.P.O. Clothes	Clothing and furnishings	34	Alabama, Arizona, California, Florida, Georgia, Maryland, Mississippi, North Carolina, Pennsylvania, South Carolina, Tennessee, Texas, Virginia, and West Virginia.
Smart and Thrifty Dresses, Inc	Clothing	33	Alabama, Florida, South Carolina, Texas, and Virginia.
Lady Oris Hosiery Shops	Clothing and furnishings	11	Illinois, Kentucky, New York, Tennessee, and Texas.
Geo. E. Keith Co	Shoes	14	Arkansas, California, Colorado, Georgia, Illinois, Indiana, Iowa, Massachusetts, Missouri, New York, Ohio, Oklahoma, Pennsylvania, Tennessee, Texas, and Utah.
Midland Shoe Co	do	38	Alabama, Arkansas, Indiana, Iowa, Michigan, Mississippi, Missouri, Oklahoma, Texas, and Wisconsin.
Morton's Shoe Stores, Inc	do	15	Connecticut, Delaware, Georgia, Massachusetts, Michigan, New Hampshire, New York, North Carolina, Pennsylvania, Rhode Island, Texas, Vermont, and Virginia.
Peyton-Marcus Co	Clothing and furnishings	14	Kansas, Oklahoma, and Texas.
Woodrow Stores, Inc	do	15	Alabama, Arizona, Florida, North Dakota, and New York.
Weiss Bros. Stores, Inc	do	19	Alabama, Georgia, Indiana, Mississippi, Oklahoma, Tennessee, and Texas.
Big 10 Tire Co., Inc	Miscellaneous	5	Mississippi.
National Manufacture & Stores Corp	Furniture	40	Alabama, Georgia, North Carolina, South Carolina, Tennessee, and Texas.
Wormser Hat Stores, Inc	Clothing and furnishings	42	Alabama, Arkansas, Colorado, District of Columbia, Georgia, Indiana, Iowa, Kansas, Kentucky, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Nebraska, Ohio, Oklahoma, Tennessee, and Texas.
Haverty Furniture Co	Furniture	28	Alabama, Arkansas, Florida, Georgia, North Carolina, South Carolina, Tennessee, Texas, and Virginia.
Hemenway Furniture Co., Inc	do	10	Texas.
Austin Shoe Stores	Shoes	33	Do.
Nettleton Shops, Inc	do	45	All States.
Geo. E. Keith Co	do	14	Arkansas, California, Colorado, Georgia, Illinois, Indiana, Iowa, Massachusetts, Missouri, New York, Ohio, Oklahoma, Pennsylvania, Tennessee, Texas, and Utah.
Pak-A-Sak Service, Inc	Food Supply	48	Alabama.
Pik-Quick Food Stores	do	5	Mississippi.
Handelman's	Vareity	14	Do.
Ellis Stores, Inc	do	7	Arkansas.
P. W. West's Stores	do	5	Texas.
Forsyth Fabrics, Inc	Miscellaneous	9	Alabama, Georgia, Illinois, Iowa, Kentucky, and Tennessee.
Jean Heart Shops	Clothing and furnishings	9	Texas.
Palais Royal, Inc	do	10	Arkansas and Texas.
W. E. Walker Stores, Inc	Variety	31	Mississippi.
Morton's Shoe Stores, Inc	Shoes	15	Massachusetts, Connecticut, Georgia, Michigan, New Hampshire, New York, North Carolina, Pennsylvania, Rhode Island, Texas, Vermont, and Virginia.
Nunn-Bush Shoe Co	do	23	Alabama, Arkansas, California, Colorado, Connecticut, Florida, Georgia, Illinois, Indiana, Kansas, Kentucky, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, New Hampshire, New Jersey, New Mexico, New York, North Carolina, Ohio, Oklahoma, Rhode Island, South Carolina, Tennessee, Texas, Virginia, West Virginia, and Wisconsin.
The National Hotel Co	Drug	14	Alabama, Indiana, Nebraska, South Carolina, Texas, and Virginia.
Skaggs Drug Center, Inc	do	28	Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Oklahoma, Texas, and Utah.
Brookshire's Food Stores	Food	17	Texas.
Kuhn Paint Co	Miscellaneous	14	Do.
Bay Shoe Co., Inc	Shoes	7	Do.
Rosenblum Shoes, Inc	do	16	Alabama.
Newstadt's Shoe Stores	do	8	Texas.
United Shoe Stores Co	do	44	Arkansas, Georgia, Texas, Mississippi, Oklahoma, Tennessee, and others.
R. C. Brown Stores	Clothing and furnishings	5	Alabama and Mississippi.
Gibson Clothing Stores	do	6	Arkansas.
Schwobilt Clothes	do	29	Alabama, Florida, Georgia, and Mississippi.
Auto-Lec Stores, Inc	Auto supply	50	Alabama, Mississippi, Florida, and Tennessee.
Jack Mashburn, Inc	do	5	Mississippi.

MAINE

Puritan Federal Clothing Stores, Inc	Clothing and furnishings	46	Connecticut, Illinois, Indiana, Massachusetts, Michigan, New Hampshire, Ohio, Pennsylvania, and Vermont.
Kamber Co., Inc	do	8	Illinois, Indiana, Michigan, and Missouri.
I. H. Morse Shoe Stores, Inc	Shoes	8	Massachusetts and New Hampshire.
Diamond National Corp	Hardware	26	Connecticut, Massachusetts, New Hampshire, Rhode Island, and Vermont.
L. Grossman Sons, Inc	do	25	Massachusetts, New Hampshire, and Rhode Island.
Middlesex Supply Co	do	30	Massachusetts and New Hampshire.
Sampson's Supermarkets	Food supply	20	Massachusetts.
Elm Farm Food Company	do	40	Massachusetts and New Hampshire.
Brockton Public Markets, Inc	do	10	Massachusetts.
Nettleton Shops, Inc	Shoes	45	All States.
I. H. Morse Shoe Stores, Inc	do	8	Massachusetts and New Hampshire.
Allied Shoe Co	do	33	Massachusetts, Connecticut, Maryland, New Hampshire, New Jersey, New York, Pennsylvania, and Rhode Island.

State by State list of some retail chains with 5 to 50 establishments in 2 or more States (covered by Ayres-Kitchin substitute)—Continued

MAINE—Continued

Company	Category	Number of stores	Other States of operation
United Stores Co	Variety	9	Massachusetts.
M. H. Fishman Co., Inc	do	47	New York, Delaware, Massachusetts, New Hampshire, New Jersey, Ohio, Pennsylvania, Vermont, and Virginia.
Nunn-Bush Shoe Co	Shoes	23	Alabama, Arkansas, California, Colorado, Connecticut, Florida, Georgia, Illinois, Indiana, Kansas, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, New Hampshire, New Jersey, New Mexico, New York, North Carolina, Ohio, Oklahoma, Rhode Island, South Carolina, Tennessee, Texas, Virginia, West Virginia, and Wisconsin.
Jay's Stores, Inc	Discount	7	Massachusetts.
Zayre Corp	do	14	Massachusetts, Pennsylvania, and Tennessee.
Wig Warm Moccasins, Inc	Shoes	15	Massachusetts and New Hampshire.
Young America & Junior Gent	Clothing and furnishings	6	Florida.
Outlet Millinery Co., Inc	do	5	Connecticut and Massachusetts.
Kennedy's, Inc	do	16	Connecticut, Massachusetts, New Hampshire, and Rhode Island.
Prudence Clothes, Inc	do	8	Connecticut, Massachusetts, and New Hampshire.
LaMode Corset Shops	do	6	Massachusetts and New Hampshire.
Markson Bros., Inc	do	41	California, Arizona, Colorado, Illinois, Kansas, Massachusetts, New York, Oklahoma, and Texas.
Murray Kaufman Co., Inc	Auto supply	12	Massachusetts and New Hampshire.
Myral's, Inc	do	8	New Hampshire.

MARYLAND

Gramont Co., Inc	Clothing and furnishings	9	California, Illinois, Michigan, Missouri, New Jersey, New York, and Pennsylvania.
My Shop, Inc	do	41	Alabama, Georgia, Illinois, Indiana, Louisiana, New Jersey, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, Virginia, and Wisconsin.
Tall Apparel Shops	Clothing	7	District of Columbia, Massachusetts, Michigan, Minnesota, New York, and Pennsylvania.
The Custom Shops	Clothing and furnishings	26	California, District of Columbia, Illinois, Michigan, Minnesota, New Jersey, New York, Ohio, and Pennsylvania.
O. P. O. Clothes	do	34	Alabama, Arizona, California, Florida, Georgia, Louisiana, Mississippi, North Carolina, Pennsylvania, South Carolina, Tennessee, Texas, Virginia, and West Virginia.
Consolidated Retail Stores, Inc	do	29	Alabama, Arkansas, District of Columbia, Illinois, Indiana, Kansas, Kentucky, Missouri, Ohio, Oklahoma, Pennsylvania, Tennessee, and Texas.
Krasner Bros., Inc	do	26	Kentucky, Missouri, Tennessee, and West Virginia.
Morton's	do	5	District of Columbia and Virginia.
Hofstadter & Albert Millinery Corp	do	7	District of Columbia, Ohio, Pennsylvania, and Virginia.
Jubilee Shops, Inc	do	15	New York, Indiana, Kansas, New Jersey, Ohio, Pennsylvania, Texas, and Virginia.
The Ormond Shops, Inc	do	34	New Jersey, Pennsylvania, and West Virginia.
Felsway Shoe Corp	Shoes	37	Delaware, District of Columbia, Kentucky, New Jersey, New York, North Carolina, Ohio, Pennsylvania, and South Carolina.
I. Miller Salons	do	14	District of Columbia, Florida, Illinois, New Jersey, New York, and Pennsylvania.
Kitty Kelly Shoe Corp	do	39	Florida, Illinois, Kentucky, Michigan, New Jersey, New York, Ohio, and Pennsylvania.
Felser Shoe Stores	do	13	District of Columbia and Virginia.
People's Hardware Stores	Hardware	19	Do.
Worsmer Hat Stores, Inc	Clothing and furnishings	42	Alabama, Arkansas, Colorado, District of Columbia, Georgia, Indiana, Iowa, Kansas, Kentucky, Louisiana, Massachusetts, Michigan, Minnesota, Missouri, Nebraska, Ohio, Oklahoma, Tennessee, and Texas.
Wilbur-Rogers, Inc	do	38	Delaware, District of Columbia, Indiana, Kentucky, Massachusetts, Missouri, New Jersey, New York, North Carolina, Ohio, Pennsylvania, and Virginia.
Greenbelt Consumer Services, Inc	Food supply	10	Virginia.
Blue Ribbon Laundry	Dry cleaning	28	District of Columbia and Virginia.
Thrift Shoe Stores, Inc	Shoes	24	New York and Pennsylvania.
Glick Bros., Inc	do	12	Pennsylvania.
Haines Shoe Co., Inc	do	24	Do.
Siehler Furniture Co., Inc	Furniture	7	Virginia and West Virginia.
Nettleton Shops, Inc	Shoes	45	All States.
Nathan & Sylvia Robin, Inc	Dry Cleaning	14	District of Columbia and Virginia.
Elite Laundry & Cleaning Co	do	10	Do.
Allied Shoe Co	Shoes	33	Massachusetts, Connecticut, Maine, New Hampshire, New Jersey, New York, Pennsylvania, and Rhode Island.
Super Shoe Stores	do	14	Pennsylvania and West Virginia.
Sunny Surplus Agency	Miscellaneous stores	14	Pennsylvania.
Market Tire Co	do	8	District of Columbia and Virginia.
Home, Inc. (paints, glass, and tile)	do	10	Do.
Ritz Camera Centers	do	7	District of Columbia, Pennsylvania, and New York.
Rogers Toy Shops, Inc	do	18	District of Columbia, Tennessee, Ohio, Florida, Alabama, Georgia, Pennsylvania, and Virginia.
Stidham Tire Stores	do	7	District of Columbia and Virginia.
Charles G. Stott Co., Inc	do	6	Do.
W. R. Winslow Co. (paints)	do	8	Do.
Bloch Daneman Co	Furniture	10	Wisconsin, Michigan, Ohio, and Pennsylvania.
Waltersdorf Furniture Co., Inc	do	12	Pennsylvania.
S. A. Meyer Co	Jewelry	15	Pennsylvania, New York, Ohio, and West Virginia.
Jay Roy Co., Inc	do	25	Pennsylvania and West Virginia.
Polan's 5-Cent-$1 Stores	Variety	13	Delaware, District of Columbia, Florida, and Pennsylvania.
Lana Lobell, Inc	Clothing and furnishings	8	Pennsylvania.
Castro Convertible Corp	Furniture	47	Connecticut, Florida, Michigan, New Jersey, New York, Pennsylvania, District of Columbia, and Rhode Island.
Nunn-Bush Shoe Co	Shoes	23	Alabama, Arkansas, California, Colorado, Connecticut, Florida, Georgia, Illinois, Indiana, Kansas, Kentucky, Louisiana, Maine, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, New Hampshire, New Jersey, New Mexico, New York, North Carolina, Ohio, Oklahoma, Rhode Island, South Carolina, Tennessee, Texas, Virginia, West Virginia, and Wisconsin.
H. S. King Co	Variety	5	Virginia and District of Columbia.
National 5 & 10-Cent Stores, Inc	do	7	Delaware and New Jersey.
Dalmo Sales Co	Discount stores	5	Washington and Virginia.
Two Guys from Harrison	do	17	New Jersey, New York, and Pennsylvania.
Tower Marts, nc	do	12	Connecticut, Washington, D.C., Massachusetts, New Jersey, and Pennsylvania.
S. N. McBride Co., Inc	Variety	6	Washington, D.C.
Huntsberrys, Inc	Shoe store	5	Virginia and Pennsylvania.
Critzer Footwear, Inc	do	14	Virginia.
Doubleday Book Shops	Miscellaneous	32	Illinois, Massachusetts, and New York.
Brentano's, Inc	do	13	Washington, D.C., New Jersey, Virginia, and New York.
Metro Drug Stores	Drugstore	10	Virginia and, District of Columbia.
Dart Drug Corp	do	13	District of Columbia, and Virginia.
Silco Cut Price Stores, Inc	Drugs	50	Delaware, New Jersey, North Carolina, Pennsylvania, Virginia, and West Virginia.
Jelleff's, Inc	Clothing and furnishings	6	District of Columbia, and Virginia.

State by State list of some retail chains with 5 to 50 establishments in 2 or more States (covered by Ayres-Kitchin substitute)—Continued

MARYLAND—Continued

Company	Category	Number of stores	Other States of operation
Blechman's Kopy Kat, Inc.	Clothing and furnishings	5	Washington, D.C.
Beyda's	do	5	Do.
Jack Stevens Clothes	do	7	Massachusetts, Michigan, Minnesota, and Ohio.
Sa-Lee Shops, Inc.	do	5	New Jersey, and Pennsylvania.
Terry Shops	do	24	New Jersey, Delaware, New York, and Virginia.
Webster Clothes, Inc.	do	19	District of Columbia, Indiana, Kentucky, New Jersey, North Carolina, Ohio, Virginia, and West Virginia.
Casual Corner, Inc.	do	6	Washington, D.C.
Hollander's Home & Auto Supplies, Inc.	Auto Supply	9	Pennsylvania.
Miller's Auto, Supplies, Inc.	do	15	Pennsylvania and West Virginia.
Joe, The Motorists' Friend, Inc.	do	25	Pennsylvania, Virginia, and West Virginia.
The Abel Corp.	do	36	District of Columbia, Iowa, Indiana, Michigan, Ohio, Pennsylvania, Texas, and West Virginia.
Market Tire, Inc.	do	8	District of Columbia and Virginia.
Lou's Auto Stores	do	5	West Virginia.
Taubman's, Inc.	do	13	Virginia.

MASSACHUSETTS

Puritan Federal Clothing Stores, Inc.	Clothing and furnishings	46	Connecticut, Illinois, Indiana, Maine, Michigan, New Hampshire, Ohio, Pennsylvania, and Vermont.
Good-Val Stores Corp.	do	26	Florida, Georgia, New Hampshire, New York, North Carolina, Pennsylvania, South Carolina, and Virginia.
Label Youth Centers	do	40	New Jersey, New York, and Pennsylvania.
Tanne-Arden, Inc.	Clothing	36	Arizona, California, Colorado, Kentucky, Oklahoma, Michigan, Nevada, Oregon, Texas, Utah, Washington, and New York.
Tall Apparel Shops	do	7	District of Columbia, Maryland, Michigan, Minnesota, New York, and Pennsylvania.
Roger Kent, Inc.	do	13	Connecticut, New York, and Pennsylvania.
Ripley Clothes	do	41	Connecticut, District of Columbia, Missouri, New Jersey, New York, Rhode Island, and Pennsylvania.
Roaman's Women's Fashions Shops, Inc.	do	6	New York.
Lorrains Smart Shops, Inc.	Clothing and furnishings	16	New York, New Jersey, and Pennsylvania.
Lewis Apparel Stores, Inc.	do	35	Connecticut, Kansas, Michigan, New York, North Carolina, Ohio, and Oklahoma.
Cardinal Neckwear, Inc.	do	16	District of Columbia, Florida, Illinois, New Jersey, and New York.
Miss New York Frocks, Inc.	do	5	New York and Vermont.
P & Q Shops, Inc.	do	9	Connecticut, New Hampshire, and Rhode Island.
Brooks Brothers Clothing	do	7	California, Illinois, and New York.
Bonwit Teller	do	8	Florida, Illinois, New York, and Ohio.
Best & Co., Inc.	do	19	Connecticut, District of Columbia, Ohio, Michigan, New Jersey, New York, Pennsylvania, and Virginia.
French, Shriner & Urner	Shoes	17	California, Minnesota, New York, Ohio, and Pennsylvania.
Geo. E. Keith Co.	do	14	Arkansas, California, Colorado, Georgia, Illinois, Indiana, Iowa, Louisiana, Missouri, New York, Ohio, Oklahoma, Pennsylvania, Tennessee, Texas, and Utah.
I. H. Morse Shoe Stores, Inc.	do	8	Maine, and New Hampshire.
J. Baker, Inc.	do	14	Connecticut and Vermont.
Morse Shoe Store Corp.	do	38	New Hampshire and New York.
Morton's Shoe Stores, Inc.	do	15	Connecticut, Delaware, Georgia, Louisiana, Michigan, New Hampshire, New York, North Carolina, Pennsylvania, Rhode Island, Texas, Vermont and Virginia.
Tanen Shoe Co.	do	6	Connecticut and New York.
Tredwell Shoe Corp.	do	26	Connecticut and New Hampshire.
Carlisle Hardware Co.	Hardware	12	Connecticut.
Diamond National Corp.	do	26	Connecticut, Maine, New Hampshire, Rhode Island, and Vermont.
L. Grossman Sons, Inc.	do	25	Maine, New Hampshire, and Rhode Island.
Middlesex Supply Co.	do	30	Maine and New Hampshire.
Wilbur-Rogers, Inc.	Clothing and furnishings	38	Delaware, District of Columbia, Indiana, Kentucky, Maryland, Missouri, New Jersey, New York, North Carolina, Ohio, Virginia, and Pennsylvania.
Virginia Dare Stores, Corp.	do	46	Alabama, Florida, Georgia, Illinois, Indiana, Michigan, Minnesota, Missouri, Nebraska, New Jersey, North Carolina, Ohio, Oklahoma, Pennsylvania, Rhode Island, South Carolina, Tennessee, Texas, Virginia, and Wisconsin.
Unger's Hosiery & Frocks, Inc.	do	11	New York and Connecticut.
Wormser Hat Stores, Inc.	do	42	Alabama, Arkansas, Colorado, District of Columbia, Georgia, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maryland, Michigan, Minnesota, Missouri, Nebraska, Ohio, Oklahoma, Tennessee, and Texas.
Elm Farm Food Co.	Food supply	40	Maine and New Hampshire.
Food Marts, Inc.	do	6	Connecticut.
Brockton Public Markets Inc.	do	10	Maine.
S. S. Pierce Co.	do	9	Connecticut.
Sampson's Supermarkets	do	20	Maine.
Buehler Markets	do	20	Illinois, Georgia, Iowa, Missouri, Nebraska, Pennsylvania and Tennessee.
J. Baker, Inc.	Shoes	14	Connecticut and Vermont.
Kay's-Newport, Inc.	do	21	Connecticut, New York, and Rhode Island.
Save-More Furniture Stores, Inc.	Furniture	6	New Hampshire.
Nettleton Shops, Inc.	Shoes	45	All States.
Bush & Co., Inc.	Drycleaning	22	Rhode Island.
Royce Superior Laundry, Inc.	do	15	Connecticut.
Laundercenter, Corp.	do	13	Connecticut, New Jersey, and New York.
National Cleaning Enterprises, Inc.	do	33	Pennsylvania, New Jersey, and Rhode Island.
Tredwell Shoe Corp.	Shoes	26	Connecticut and New Hampshire.
Sparkle Cleaners, Inc.	Drycleaning	35	Connecticut.
Geo. E. Keith Co.	Shoes	14	Arkansas, California, Colorado, Georgia, Illinois, Indiana, Iowa, Louisiana, Missouri, New York, Ohio, Oklahoma, Pennsylvania, Tennessee, Texas, and Utah.
I. H. Morse Shoe Stores, Inc.	do	8	Maine and New Hampshire.
Tanen Shoe Co.	do	6	Connecticut and New York.
Magikist Service Corp.	Drycleaning	10	Arizona, California, Florida, Illinois, Indiana, Michigan, New York, Ohio, Pennsylvania, Texas, and Wisconsin.
Allied Shoe Co.	Shoes	33	Connecticut, Maine, Maryland, New Hampshire, New Jersey, New York, Pennsylvania, and Rhode Island.
French, Shriner & Urner	do	17	California, Minnesota, New York, Ohio, and Pennsylvania.
Morse Shoe Store Corp.	do	38	New Hampshire and New York.
Morton's Shoe Stores, Inc.	do	15	Connecticut, Delaware, Georgia, Louisiana, Michigan, New Hampshire, New York, North Carolina, Pennsylvania, Rhode Island, Texas, Vermont, and Virginia.
Union-Fern, Inc.	Furniture	12	New York and Vermont.
M. N. Landau Stores, Inc.	Variety	20	New York, Connecticut, Indiana, Michigan, New Hampshire, New Jersey, North Carolina, and Texas.
Scott Jewelry Co.	Jewelry	11	New Hampshire.
Rudolph Bros., Inc.	do	48	Illinois, New Jersey, and New York.
United Stores Co.	Variety	9	Maine.
Godin Stores	do	12	New Hampshire.
Max Dichter, Inc.	do	5	New Hampshire and Vermont.

State by State list of some retail chains with 5 to 50 establishments in 2 or more States (covered by Ayres-Kitchin substitute)—Continued

MASSACHUSETTS—Continued

Company	Category	Number of stores	Other States of operation
J. A. Tepper Co	Variety	5	Connecticut.
M. H. Fishman Co., Inc	do	47	New York, Delaware, Maine, New Hampshire, New Jersey, Ohio, Pennsylvania, Vermont, and Virginia.
Almac's, Inc	Food	21	Rhode Island.
Central Markets, Inc	do	20	New York.
Great Scott Food Markets, Inc	do		Rhode Island.
Cumberland Farms	do	17	Do.
Cherry & Webb Co	Clothing and furniture	6	Do.
Nunn-Bush Shoe Co	Shoes	23	Alabama, Arkansas, Montana, California, Colorado, Connecticut, Florida, Georgia, Illinois, Indiana, Kansas, Kentucky, Louisiana, Maine, Missouri, Michigan, Minnesota, Mississippi, Nebraska, New Hampshire, New Jersey, New Mexico, New York, North Carolina, Ohio, Oklahoma, Rhode Island, South Carolina, Tennessee, Texas, Virginia, West Virginia, and Wisconsin.
Jay's Stores, Inc	Discount stores	7	Maine.
Max Dichter, Inc	do	5	New Jersey, New York, Ohio, and Vermont.
Zayre Corp	do	14	Maine, Pennsylvania, and Tennessee.
Arlan's Department Stores, Inc	do	11	Connecticut, Kentucky, Michigan, New York, and Ohio.
Tower Marts, Inc	do	12	District of Columbia, Maryland, New Jersey, and Pennsylvania.
Popular Markets, Inc	Food	13	Connecticut.
Growers Outlet, Inc	do	13	Do.
Star Market Co	do	19	Rhode Island.
Market Basket Stores, Inc	do	12	Connecticut.
New England Stores	Variety	7	Do.
Atlas Paint & Supply Co	Miscellaneous	27	New Hampshire.
Fryer's Cigar Co	do	9	Rhode Island.
Doubleday Book Shops	do	32	New York, Illinois, and Maryland.
Wadsworth, Howland & Co	do	9	Connecticut.
Mack Drug Co	Drugstore	15	New Jersey and New York.
Wig Warm Moccasins, Inc	Shoes	15	Maine and New Hampshire.
Adams Management Corp	Clothing and furnishings	12	Minnesota, New Jersey, New York, Pennsylvania, Rhode Island, and Texas.
The Andover Shops	do	6	Florida.
Outlet Millinery Co., Inc	do	5	Connecticut and Maine.
Jack Stevens Clothes	do	7	Maryland, Michigan, Minnesota, and Ohio.
Kennedy's, Inc	do	16	Connecticut, Maine, New Hampshire, and Rhode Island.
Lee Shops	do	8	Connecticut.
Prudence Clothes, Inc	do	8	Connecticut, Maine, and New Hampshire.
Stork Time, Inc	do	7	Connecticut and Rhode Island.
Berkeley Stores, Inc	do	8	New Hampshire.
Beverly's, Inc., Shoppers World	do	5	Connecticut.
LaMode Corset Shops	do	6	Maine and New Hampshire.
The Primrose Shops	do	6	Rhode Island.
Van's Hosiery Stores, Inc	do	23	Ohio and Pennsylvania.
Markson Bros., Inc	do	41	California, Arizona, Colorado, Illinois, Kansas, Maine, New York, Oklahoma, and Texas.
Benny's, Inc	Auto supply	21	Connecticut and Rhode Island.
Thorpe Automotive Co	do	6	Rhode Island.
Kaufman & Chernick, Inc	do	23	Do.
Eastern Auto Parts Co	do	10	New Hampshire.
Murray Kaufman Co., Inc	do	12	Maine and New Hampshire.

MICHIGAN

Cort Shoes, Inc	Shoes	32	Ohio.
The Krohngold Shoe Co	do	20	Illinois and Ohio.
Magikist Service Corp	Dry cleaning	10	Arizona, California, Florida, Illinois, Indiana, Massachusetts, New York, Ohio, Pennsylvania, Texas, and Wisconsin.
The Wurlitzer Co	Miscellaneous stores	6	Illinois, New York, Ohio, and Pennsylvania.
Wood-Drive Co	do	9	Illinois.
Morton's Shoe Stores, Inc	Shoes	15	Massachusetts, Connecticut, Georgia, Louisiana, New Hampshire, New York, North Carolina, Pennsylvania, Rhode Island, Texas, Vermont, and Virginia.
M. N. Landau Stores	Variety	20	New York, Connecticut, Indiana, Massachusetts, New Hampshire, New Jersey, North Carolina, and Texas.
Castro Convertible Corp	Furniture	47	Connecticut, Florida, Maryland, New Jersey, New York, Pennsylvania, District of Columbia, and Rhode Island.
Page Co., Inc	Clothing and furnishings	9	California, Ohio, and Texas.
Bloch Daneman Co	Furniture	10	Wisconsin, Maryland, Ohio, and Pennsylvania.
W. R. Thomas 5¢-$1.00 Stores, Inc	Variety	9	Indiana and Ohio.
Belmont 5¢-$1.00 Stores	do	6	Do.
Haffner's 5¢-$1.00 Stores, Inc	do	40	Indiana, Illinois, and Ohio.
Nunn-Bush Shoe Co	Shoestore	23	Alabama, Arkansas, California, Colorado, Connecticut, Florida, Georgia, Illinois, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Minnesota, Mississippi, Missouri, Montana, Nebraska, New Hampshire, New Jersey, New Mexico, New York, North Carolina, Ohio, Oklahoma, Rhode Island, South Carolina, Tennessee, Texas, Virginia, West Virginia, and Wisconsin.
The Good Housekeeping Shops	Miscellaneous	20	Canada.
Mathisen Tire Co	do	7	Minnesota, North Dakota, and Wisconsin.
Arlan's Department Stores, Inc	Discount stores	11	Connecticut, Kentucky, Massachusetts, New York, and Ohio.
Miracle Marts	do	7	Indiana, Pennsylvania, Rhode Island, and Virginia.
Acme Quality Paint Co	Miscellaneous	5	Alabama.
Peck Drugs Stores, Inc	Drugstore	18	Ohio.
The Muir Drug Co	do	28	Indiana, Ohio, and Wisconsin.
Jack Stevens Clothes	Clothing and furnishings	7	Maryland, Massachusetts, Minnesota, and Ohio.
Kilgore & Hurd, Inc	do	5	Florida.
Tall Girl's Shops	do	6	Illinois, New York, and Ohio.
United Shirt Distributors, Inc	do	39	Florida, New York, and Ohio.
Winkelman Bros., Inc	do	42	Ohio.
The Fintex Corp	do	20	Pennsylvania.
House of Nine, Inc	do	34	California, Arizona, Texas, Colorado, Utah, Missouri, Oregon, and Pennsylvania.
H. & W. Auto Accessories Co	Auto supply	11	Ohio.
The Abel Corp	do	36	District of Columbia, Iowa, Indiana, Maryland, Ohio, Pennsylvania, Texas, and West Virginia.
Equitable Millinery	Clothing and furnishings	25	Illinois, Indiana, Iowa, Kentucky, Ohio, and Wisconsin.
Western Tire Auto Stores, Inc	Auto supply	48	Illinois, Indiana, and Wisconsin.
J & R Motor Supply Corp	do	27	Illinois, Iowa, and Missouri.
Virginia Dare Stores, Corp	Clothing and furnishings	46	Alabama, Florida, Georgia, Illinois, Indiana, Massachusetts, Minnesota, Missouri, Nebraska, New Jersey, North Carolina, Ohio, Oklahoma, Pennsylvania, Rhode Island, South Carolina, Tennessee, Texas, Virginia, and Wisconsin.
Val-U-Dress Shops, Inc	do	42	Illinois, Indiana, and Ohio.
Whitehouse & Hardy	do	8	Florida and New York.
Wormser Hat Stores, Inc	do	42	Alabama, Arkansas, Colorado, District of Columbia, Georgia, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maryland, Massachusetts, Minnesota, Missouri, Nebraska, Ohio, Oklahoma, Tennessee, and Texas.

State by State list of some retail chains with 5 to 50 establishments in 2 or more States (covered by Ayres-Kitchin substitute)—Continued

MICHIGAN—Continued

Company	Category	Number of stores	Other States of operation
E. G. Shinner & Co., Inc.	Food supply	47	Illinois, Iowa, Ohio, Wisconsin, and Pennsylvania.
Epko Shoes, Inc.	Shoes	26	Indiana, New York, and Ohio.
Nettleton Shops, Inc.	do	45	All States.
Buckeye Shoe Co.	do	6	Ohio.
Michaels & Mann, Inc.	Clothing and furnishings	10	Illinois, Indiana, Kentucky, and Ohio.
Homer Hayden's, Inc.	do	14	Indiana.
Jerrolds	do	10	Ohio and Wisconsin.
Gramont Co., Inc.	do	9	California, Illinois, Maryland, Missouri, New Jersey, New York, and Pennsylvania.
Puritan Federal Clothing Stores, Inc.	do	46	Connecticut, Illinois, Indiana, Maine, Massachusetts, New Hampshire, Ohio, Pennsylvania, and Vermont.
The Custom Shops	do	26	California, District of Columbia, Illinois, Maryland, Minnesota, New Jersey, New York, Ohio, and Pennsylvania.
King Clothing Co., Inc.	do	18	Indiana, Ohio, and Texas.
Tall Apparel Shops	Clothing	7	District of Columbia, Maryland, Massachusetts, Minnesota, New York, and Pennsylvania.
Tanne-Arden, Inc.	do	36	Arizona, California, Colorado, Kentucky, Massachusetts, Nevada, Oklahoma, Oregon, Texas, Utah, Washington, and New York.
Morrison Stores Corp.	Clothing and furnishings	12	Connecticut, Delaware, Indiana, and New York.
National Bellas Hess Stores, Inc.	do	45	Minnesota, Missouri, North Carolina, South Carolina, and Puerto Rico.
Orva Hosiery	do	8	Ohio.
Lewis Apparel Stores, Inc.	do	35	Connecticut, Kansas, Massachusetts, New York, North Carolina, Ohio, and Oklahoma.
Best & Co., Inc.	do	19	Connecticut, District of Columbia, Ohio, Massachusetts, New Jersey, New York, Pennsylvania, and Virginia.
Kamber Co., Inc.	do	8	Illinois, Indiana, Maine, and Missouri.
Crown Self-Service Shoe Stores, Inc.	Shoes	38	Illinois, Indiana, Ohio, and Wisconsin.
Kitty Kelly Shoe Corp.	do	39	Florida, Illinois, Kentucky, Maryland, New Jersey, New York, Ohio, and Pennsylvania.
Maling Shoes	do	31	Illinois, Indiana, Ohio, and Wisconsin.
Midland Shoe Co.	do	38	Alabama, Arkansas, Indiana, Iowa, Louisiana, Mississippi, Missouri, Oklahoma, Texas, and Wisconsin.
Morton's Shoe Stores, Inc.	do	15	Connecticut, Delaware, Georgia, Louisiana, Massachusetts, New Hampshire, New York, North Carolina, Pennsylvania, Rhode Island, Texas, Vermont, and Virginia.
Weiss & Neumann Shoe Co.	do	50	Arkansas, Illinois, Indiana, Iowa, Kansas, Minnesota, Texas and Wisconsin.
Leath & Co.	Furniture	37	Illinois, Indiana, Iowa, Minnesota, and Wisconsin.
Grinnell Bros.	do	29	Ohio, and Ontario, Canada.
E. P. Roe Stores	Clothing and furnishings	14	Illinois, Indiana, Iowa, Ohio, and Pennsylvania.

MINNESOTA

Tall Apparel Shops	Clothing	7	District of Columbia, Maryland, Massachusetts, Michigan, New York, and Pennsylvania.
The Customs Shops	Clothing and furnishings	26	California, District of Columbia, Illinois, Maryland, Michigan, New Jersey, New York, Ohio, and Pennsylvania.
Linpark Clothing Corp.	do	12	Iowa, Nebraska, New York, South Dakota, and Wisconsin.
National Bellas Hess Stores, Inc.	do	45	Michigan, Missouri, North Carolina, South Carolina, and Puerto Rico.
M & W Martin Co., Inc.	do	16	Georgia, Iowa, Kansas, Montana, and North Carolina.
Millinery Stores	do	27	Connecticut, Washington, District of Columbia, Illinois, Indiana, Ohio, Tennessee, and Texas.
French, Shriner & Urner	Shoes	17	California, Massachusetts, New York, Ohio, and Pennsylvania.
Hurrle Bros. Shoe Co.	do	7	Iowa and Wisconsin.
Tradehome Shoe Stores, Inc.	do	20	Iowa, South Dakota, and Wisconsin.
Weiss & Neumann Shoe Co.	do	50	Arkansas, Illinois, Indiana, Iowa, Kansas, Michigan, Texas, and Wisconsin.
T. G. Allin Co.	Hardware		Wisconsin.
Lincoln Stores, Inc.	do	11	Do.
Scheel's Hardware	do	8	North Dakota and Montana.
Leath & Co.	Furniture	37	Indiana, Iowa, Michigan, and Wisconsin.
Davidson-Boutell Co.	do	9	Missouri and Nebraska.
Virginia Dare Stores, Corp.	Clothing and furnishings	46	Alabama, Florida, Georgia, Illinois, Indiana, Massachusetts, Michigan, Missouri, Nebraska, New Jersey, North Carolina, Ohio, Oklahoma, Pennsylvania, Rhode Island, South Carolina, Tennessee, Texas, Virginia, and Wisconsin.
Wormser Hat Stores, Inc.	do	42	Alabama, Arkansas, Colorado, District of Columbia, Georgia, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maryland, Massachusetts, Missouri, Nebraska, Ohio, Oklahoma, Tennessee, and Texas.
Swanson's Super Stores	Food supply	8	Iowa.
Rivin Bros. Stores	do	7	Iowa, and South Dakota.
Nettleton Shops, Inc.	Shoes	45	All States.
Nunn-Bush Shoe Co.	do	23	Alabama, Arkansas, California, Colorado, Connecticut, Florida, Georgia, Illinois, Indiana, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Mississippi, Missouri, Montana, Nebraska, New Hampshire, New Jersey, New Mexico, New York, North Carolina, Ohio, Oklahoma, Rhode Island, South Carolina, Tennessee, Texas, Virginia, West Virginia, and Wisconsin.
National 5¢–$1 Stores	Variety	12	Iowa and South Dakota.
C. J. Silver Jewelers, Inc.	Jewelry	9	Wisconsin and Iowa.
Lindrud's 5¢–$1 Stores	Variety	15	North Dakota and South Dakota.
Piggly Wiggly Northland Co.	Food	8	North Dakota.
Geyerman's, Inc.	Clothing and furnishings	5	South Dakota and South Carolina.
Great Minneapolis Surplus Stores	Discount stores	6	Iowa and North Dakota.
Gem, Inc.	do	7	Colorado, Hawaii, Kansas, Missouri, and Pennsylvania.
Mathisen Tire Co.	Miscellaneous	7	Michigan, North Dakota, and Wisconsin.
Super Valu Stores, Inc.	Food	11	Wisconsin.
Arenz Shoe Co.	Shoe store	6	Iowa and Wisconsin.
Associated Drugs, Inc.	Drug store	8	North Dakota.
Osco Drug Co.	do	30	Illinois, Indiana, Iowa, North Dakota, and Wisconsin.
Buttrey Stores, Inc.	Clothing and furnishings	23	Iowa, North Dakota, South Dakota, and Wisconsin.
Foreman & Clark of Minnesota, Inc.	do	5	Illinois, Iowa, and Nebraska.
Schaffer's	do	8	Colorado, Iowa, Nebraska, and Texas.
Adams Management Corp.	do	12	Massachusetts, New Jersey, New York, Pennsylvania, Rhode Island, and Texas.
Jack Stevens Clothes	do	7	Maryland, Massachusetts, Michigan, and Ohio.

MISSISSIPPI

Kuhn Bros. Co.	Variety	43	Also operates in Kentucky, Tennessee, and Alabama.
Big 10 Tire Co., Inc.	Miscellaneous	5	Also operates in Louisiana.
Sunflower Stores, Inc.	Food	8	Also operates in Arkansas.
Wallace E. Johnson Supply Co.	Miscellaneous	7	Also operates in Arkansas and Tennessee.
Olan Mills, Inc.	do	35	Also operates in Alabama, Florida, Georgia, Kentucky, North Carolina, South Carolina, Tennessee, and Virginia.

State by State list of some retail chains with 5 to 50 establishments in 2 or more States (covered by Ayres-Kitchin substitute)—Continued

MISSISSIPPI—Continued

Company	Category	Number of stores	Other States of operation
Hale Drug Co	Drugs	14	Also operates in Alabama, Arkansas, Georgia, North Carolina, and Tennessee.
Albright & Wood, Inc	do	20	Also operates in Alabama and Florida.
United Shoe Stores Co	Shoes	44	Also operates in Louisiana, Arkansas, Georgia, Texas, Oklahoma, Tennessee, and others.
R. C. Brown Stores	Clothing and furnishings	5	Also operates in Alabama and Louisiana.
Leets, Inc	do	5	Also operates in Missouri and Illinois.
Schwobilt Clothes	do	29	Also operates in Alabama, Florida, Georgia, and Mississippi.
Auto-Lec Stores, Inc	Auto supply	50	Also operates in Alabama, Florida, Louisiana, and Tennessee.
Jack Mashburn, Inc	do	5	Also operates in Louisiana.
My Shop, Inc	Clothing and furnishing	41	Alabama, Georgia, Illinois, Indiana, Louisiana, Maryland, New Jersey, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, Virginia, and Wisconsin.
O. P. O. Clothes	do	34	Alabama, Arizona, California, Florida, Georgia, Louisiana, Maryland, North Carolina, South Carolina, Tennessee, Texas, Virginia, and West Virginia.
Sumner Stores Corp	Clothing	33	Alabama, Arizona, Florida, Georgia, Louisiana, South Carolina, Texas, Tennessee, Virginia, and New York.
Eleanor Shops, Inc	Clothing and furnishings	40	Alabama, Georgia, North Carolina, Pennsylvania, South Carolina, and Virginia.
Midland Shoe Co	Shoes	38	Alabama, Arkansas, Indiana, Iowa, Louisiana, Michigan, Missouri, Oklahoma, Texas, and Wisconsin.
Weiss Bros. Stores, Inc	Clothing and furnishings	19	Alabama, Georgia, Indiana, Louisiana, Oklahoma, Tennessee, and Texas.
Pik-Quick Food Stores	Food supply	5	Louisiana.
Nettleton Shops, Inc	Shoes	45	All States.
Nunn-Bush Shoe Co	do	23	Alabama, Arkansas, California, Colorado, Connecticut, Florida, Georgia, Illinois, Indiana, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Montana, Nebraska, New Hampshire, New Jersey, New Mexico, New York, North Carolina, Ohio, Oklahoma, Rhode Island, South Carolina, Tennessee, Texas, Virginia, West Virginia, and Wisconsin.
W. E. Walker Stores, Inc	Variety	31	Louisiana.
Handelman's	do	14	Do.
Barnett-Levey Co	do	14	Arkansas and Tennessee.
John Mullins & Sons, Inc	Furniture	17	Florida, South Carolina, and New York.

MISSOURI

Gramont Co., Inc	Clothing and furnishings	9	Also operates in California, Illinois, Maryland, Michigan, New Jersey, New York, and Pennsylvania.
Ripley Clothes	Clothing	41	Also operates in District of Columbia, Connecticut, Massachusetts, New Jersey, New York, Pennsylvania, and Rhode Island.
Montaldo's	Clothing and furnishings	11	Also operates in Arkansas, Colorado, New Jersey, North Carolina, Ohio, Oklahoma, and Virginia.
National Bellas Hess Stores, Inc	do	45	Also operates in Michigan, Minnesota, North Carolina, South Carolina, and Puerto Rico.
Consolidated Retail Stores, Inc	do	29	Also operates in Alabama, Arkansas, District of Columbia, Illinois, Indiana, Kansas, Kentucky, Maryland, Ohio, Oklahoma, Pennsylvania, Tennessee, and Texas.
Krasner Bros., Inc	do	26	Also operates in Kentucky, Maryland, Tennessee, and West Virginia.
Kamber Co., Inc	do	8	Also operates in Illinois, Indiana, Maine, and Michigan.
Midwest Drive-In Shoe Shop	Shoes	8	Also operates in Kansas.
Modern Retail, Inc	do	6	Also operates in Illinois and Kansas
Robinson Shoe Co	do	6	Also operates in Kansas.
Steve's Shoes, Inc	do	7	Do.
American Shoe Co., Inc	do	29	Also operates in Indiana, Kentucky, North Dakota, and Tennessee.
Caldwells' Shoes, Inc	do	7	Also operates in Kansas and South Dakota.
Geo. E. Keith Co	do	14	Also operates in Arkansas, California, Colorado, Georgia, Illinois, Indiana Iowa, Louisiana, Massachusetts, New York, Ohio, Oklahoma, Pennsylvania, Tennessee, Texas, and Utah.
Midland Shoe Co	do	38	Also operates in Alabama, Arkansas, Indiana, Iowa, Louisiana, Michigan, Mississippi, Oklahoma, Texas, and Wisconsin.
Rhodes-Burford Inc	Furniture	12	Also operates in Illinois, Indiana, and Kentucky.
Biederman Furniture Co	do	11	Also operates in Illinois.
Davidson-Boutell Co	do	9	Also operates in Minnesota and Nebraska.
Wilbur-Rogers, Inc	Clothing and furnishings	38	Also operates in Delaware, District of Columbia, Indiana, Kentucky, Maryland, Massachusetts, New Jersey, New York, North Carolina, Ohio, Pennsylvania, and Virginia.
Virginia Dare Stores, Corp	do	46	Also operates in Alabama, Florida, Georgia, Illinois, Indiana, Massachusetts, Michigan, Minnesota, Nebraska, New Jersey, North Carolina, Ohio, Oklahoma, Pennsylvania, Rhode Island, South Carolina, Tennessee, Texas, Virginia, and Wisconsin.
Wormser Hat Stores, Inc	do	42	Also operates in Alabama, Arkansas, Colorado, District of Columbia, Georgia, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Nebraska, Ohio, Oklahoma, Tennessee, and Texas.
Karbe's Inc	Food supply	12	Also operates in Arkansas and Kansas.
Hyde & Vredenburg, Inc	do	38	Also operates in Iowa.
Foodtown Supermarkets, Inc	do	25	Also operates in Kansas and Oklahoma.
Benner Tea Co	do	33	Also operates in Iowa and Illinois.
Niemann Bro	do	6	Also operates in Illinois.
Tri-City Grocery Co	do	21	Do.
Buehler Markets	do	20	Also operates in Illinois, Georgia, Iowa, Massachusetts, Nebraska, Pennsylvania, and Tennessee.
Ohio Markets	do	6	Also operates in Illinois.
Nettleton Shops, Inc	Shoes	45	Also operates in all States.
Geo. E. Keith Co	do	14	Also operates in Arkansas, California, Colorado, Georgia, Illinois, Indiana, Iowa, Louisiana, Massachusetts, New York, Ohio, Oklahoma, Pennsylvania, Tennessee, Texas, and Utah.
Big B One Hour Cleaners	Dry cleaning	15	Also operates in Florida, Illinois, Iowa, Kentucky, Tennessee, and Virginia.
Newport Stores	Variety	7	Also operates in Arkansas.
M. L. Hunter's 5c-$1 Stores	do	6	Also operates in Illinois.
P. M. Place Stores Co	do	12	Also operates in Iowa.
Friedman's	do	5	Also operates in Arkansas.
Horton's 5-10-25-cent Stores	do	5	Do.
Acme-Harding Glass, Inc	Miscellaneous stores	16	Also operates in Colorado, Iowa, Kansas, and Nebraska.
Wolfe's Camera Shops, Inc	do	5	Also operates in Kansas.
Nunn-Bush Shoe Co	Shoes	23	Also operates in Alabama, Arkansas, California, Colorado, Connecticut, Florida Georgia, Illinois, Indiana, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Montana, Nebraska, New York, New Jersey, New Mexico, North Carolina, Ohio, Oklahoma, Rhode Island, South Carolina, Tennessee, Texas, Virginia, West Virginia, and Wisconsin.

State by State list of some retail chains with 5 to 50 establishments in 2 or more States (covered by Ayres-Kitchin substitute)—Continued

MISSOURI—Continued

Company	Category	Number of stores	Other States of operation
Helzberg's Diamond Shops, Inc	Jewelry	15	Also operates in Iowa and Kansas.
Newton Jewelry Co	do	8	Also operates in Arkansas, Iowa, and Oklahoma.
Russell's 5-Cent-$1 Stores	Variety	10	Also operates in Kansas.
Gateway Sporting Goods Co	Miscellaneous	7	Do.
Gem, Inc	Discount stores	7	Also operates in Colorado, Hawaii, Kansas, Minnesota, and Pennsylvania.
Fred Wolfermann, Inc	Food	9	Also operates in Oklahoma.
Milgram Food Stores, Inc	do	20	Also operates in Kansas.
Walton's 5-10-Cent Stores	Variety	11	Also operates in Arkansas.
Morris Paint Co	Miscellaneous	10	Also operates in Illinois, Iowa, and Nebraska.
Longwear Paint & Varnish Works	do	7	Also operates in Kansas, Oklahoma, and Texas.
Harper Rug Corp	do	6	Also operates in Kansas.
Great Western Paint Co	do	6	Do.
Remnant House (fabrics)	do	14	Also operates in Arkansas, Illinois, Indiana, Kentucky, and Tennessee.
Crank Drug Co	Drugstore	9	Also operates in Arkansas.
Parkview Drugs of Kansas City, Inc	do	29	Also operates in Kansas.
Katz Drug Co	do	42	Also operates in Iowa, Kansas, Oklahoma, and Tennessee.
Crown Drug Co	do	44	Also operates in Kansas and Oklahoma.
Brown's Shoe Fit Co	Shoes	40	Also operates in Colorado, Iowa, Kansas, Nebraska, and North Dakota.
Beard & Gabelman, Inc	Clothing and furnishings	36	Also operates in Iowa, Kansas, Nebraska, Oklahoma, South Dakota, and Texas.
Rothschild's	do	7	Also operates in Oklahoma.
Dotty Shops, Inc	do	6	Also operate in Illinois, Kentucky, and Tennessee.
Leets, Inc	do	5	Also operates in Illinois and Mississippi.
Lisbon Shops, Inc	do	20	Also operates in Illinois and Iowa.
Salle Ann Shops, Inc	do	19	Also operates in Illinois and Texas.
House of Nine, Inc	do	34	Also operates in California, Arizona, Texas, Colorado, Michigan, Utah, Oregon, and Pennsylvania.
Miami Sales Co	Auto supply	11	Also operates in Kansas and Oklahoma.
H. Imber & Sons, Inc	Clothing and furnishings	5	Also operates in Illinois.
Midwest Auto Stores, Inc	Auto supply	12	Also operates in Kansas.
Major Auto Supply, Inc	do	8	Also operates in Illinois.
Marshall's Auto Stores	do	13	Also operates in Kansas.
J & R Motor Supply Co	do	27	Also operates in Illinois, Iowa, and Michigan.

MONTANA

M & W Martin Co., Inc	Clothing and furnishings	16	Also operates in Georgia, Iowa, Kansas, Minnesota, and North Carolina.
Scheel's Hardware	Hardware	8	Also operates in North Dakota and Minnesota.
Nettleton Shops, Inc	Shoes	45	Also operates in all States.
Nunn-Bush Shoe Co	Shoestore	23	Also operates in Alabama, Arkansas, California, Colorado, Connecticut, Florida, Georgia, Illinois, Indiana, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Nebraska, New Hampshire, New Jersey, New Mexico, New York, North Carolina, Ohio, Oklahoma, Rhode Island, South Carolina, Tennessee, Texas, Virginia, West Virginia, and Wisconsin.
M. H. King Co	Variety	20	Also operates in Idaho, Oregon, and Utah.
F. T. Reynolds Co	Food	8	Also operates in North Dakota.
Sawyer Stores, Inc	do	13	Also operates in Wyoming.
Skaggs Drug Center, Inc	Drugstore	28	Also operates in Arizona, Colorado, Idaho, Louisiana, Nevada, New Mexico, Oklahoma, Texas, and Utah.
Sweetbriar Shops, Inc	Clothing and furnishings	48	Also operates in Arizona, Colorado, Idaho, Kansas, Nebraska, New Mexico, Oklahoma, South Dakota, Texas, Utah, and Wyoming.
Conrad's, Inc	do		Also operates in Colorado, Idaho, Oregon, Utah, Washington, and Wyoming.

NEBRASKA

L. A. Sullivan Stores	Variety	6	Colorado.
Acme-Harding Glass, Inc	Miscellaneous	16	Colorado, Iowa, Kansas, and Missouri.
Caldwell's, Inc	do	7	Kansas and Colorado.
L. B. Murphy Co	Variety	8	Wyoming.
Anderson's, Inc	Food		South Dakota.
Food Centers, Inc	do	8	Wyoming.
Shaver's Food Stores	do	7	Iowa.
Hinky-Dinky Stores	do	38	Do.
The National Hotel Co	Drug	14	Alabama, Indiana, Louisiana, South Carolina, Texas, and Virginia.
Calandra Camera Co., Inc	Miscellaneous	9	Iowa.
Morris Paint Co	do	10	Missouri, Illinois, and Iowa.
Brown's Shoe Fit Co	Shoes	40	Colorado, Iowa, Kansas, Missouri, and North Dakota.
Foreman & Clark of Minn., Inc	Clothing and furnishings	5	Illinois, Iowa, and Minnesota.
Schaffer's	do	8	Colorado, Iowa, Minnesota, and Texas.
Sweetbriar Shops, Inc	do	48	Arizona, Colorado, Idaho, Montana, Kansas, New Mexico, Oklahoma, South Dakota, Texas, Utah, and Wyoming.
Linpark Clothing Corp	do	12	Iowa, Minnesota, New York, South Dakota, and Wisconsin.
Jarold Shops, Inc	do	19	Kansas, Oklahoma, and South Dakota.
L. Goldman Shoe Co	Shoes	5	Colorado, South Dakota, and Wyoming.
S. A. Foster Lumber Co	Hardware	9	Colorado and Wyoming.
Davidson-Boutell Co	Furniture	9	Minnesota and Missouri.
Virginia Dare Stores, Corp	Clothing and furnishings	46	Alabama, Florida, Georgia, Illinois, Indiana, Massachusetts, Michigan, Minnesota, Missouri, New Jersey, North Carolina, Ohio, Oklahoma, Pennsylvania, Rhode Island, South Carolina, Tennessee, Texas, Virginia, and Wisconsin.
Worsmer Hat Stores, Inc	do	42	Alabama, Arkansas, Colorado, District of Columbia, Georgia, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Ohio, Oklahoma, Tennessee, and Texas.
Buehler Markets	Food supply	20	Illinois, Georgia, Iowa, Massachusetts, Missouri, Pennsylvania, and Tennessee.
Nettleton Shops, Inc	Shoes	45	All States.
Nunn-Bush Shoe Store	do	23	Alabama, Arkansas, California, Colorado, Connecticut, Florida, Georgia, Illinois, Indiana, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, New Hampshire, New Jersey, New Mexico, New York, North Carolina, Ohio, Oklahoma, Rhode Island, South Carolina, Tennessee, Texas, Virginia, West Virginia, and Wisconsin.
Beard & Gabelman, Inc	Clothing and furnishings	36	Iowa, Missouri, Kansas, Oklahoma, South Dakota, and Texas.
Harvey Bros., Inc	do	6	Illinois, Indiana, and Kansas.
Stickney's Inc	Auto supply	10	Colorado and Wyoming.

State by State list of some retail chains with 5 to 50 establishments in 2 or more States (covered by Ayres-Kitchin substitute)—Continued

NEVADA

Company	Category	Number of stores	Other States of operation
Tanne-Arden, Inc	Clothing	36	Also operates in Arizona, California, Colorado, Kentucky, Massachusetts, Michigan, Oklahoma, Oregon, Texas, Utah, Washington, and New York.
National Shoe Co., Ltd	Shoes	32	Also operates in Arizona, California, and Oregon.
Roe Bros. Stores, Inc	do	46	Also operates in Arizona, California, Colorado, Idaho, New Mexico, Oregon, Texas, Washington, and Wyoming.
McMahan's Furniture Co	Furniture	37	Also operates in California and Idaho.
Riviera Sofa Bed Co	do	5	Also operates in California.
Nettleton Shops, Inc	Shoes	45	Also operates in all States.
Rogers Jewelry Co., Inc	Jewelry	8	Also operates in California and Oregon.
Gensler-Lee Diamonds	do	26	Also operates in California.
Skaggs Drug Center, Inc	Drugstore	28	Also operates in Arizona, Colorado, Idaho, Louisiana, Montana, New Mexico, Oklahoma, Texas, and Utah.
Allen's Cash Stores	Food	8	Also operates in Utah.
Concord Drug Store, Inc	Drugstore	8	Also operates in California.
Joseph Magin Co., Inc	Clothing and furnishings	15	Do.
Lanz of California, Inc	do	11	Do.

NEW HAMPSHIRE

Puritan Federal Clothing Stores, Inc	Clothing and furnishings	46	Connecticut, Illinois, Indiana, Maine, Massachusetts, Michigan, Ohio, Pennsylvania and Vermont.
Good-Val Stores Corp	do	26	Florida, Georgia, Massachusetts, New York, North Carolina, Pennsylvania, South Carolina, and Virginia.
P & Q Shops, Inc	do	9	Connecticut, Massachusetts and Rhode Island.
Druss Stores	do	6	Connecticut, New Jersey, and New York.
Morton's Shoe Stores, Inc	Shoes	15	Connecticut, Delaware, Georgia, Louisiana, Massachusetts, Michigan, New York, North Carolina, Pennsylvania, Rhode Island, Texas, Vermont, and Virginia.
Tredwell Shoe Corp	do	26	Connecticut and Massachusetts.
I. H. Morse Shoe Stores, Inc	do	8	Maine and Massachusetts.
Morse Shoe Store Corp	do	38	Massachusetts and New York.
Diamond National Corp	Hardware	26	Connecticut, Maine, Massachusetts, Rhode Island, and Vermont.
L. Grossman Sons, Inc	do	25	Maine, Massachusetts, and Rhode Island.
Middlesex Supply Co	do	30	Maine and Massachusetts.
Save-Mor Furniture Stores, Inc	Furniture	6	Massachusetts.
Elm Farm Food Co	Food supply	40	Massachusetts and Maine.
Nettleton Shops, Inc	Shoes	45	All States.
Scott Jewelry Co	Jewelry	11	Massachusetts.
Allied Shoe Co	Shoes	33	Massachusetts, Connecticut, Maine, Rhode Island, Maryland, New Jersey, New York, and Pennsylvania.
Nunn-Bush Shoe Co	Shoestore	23	Alabama, Arkansas, California, Colorado, Connecticut, Florida, Georgia, Illinois, Indiana, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, New Jersey, New Mexico, New York, North Carolina, Ohio, Oklahoma, Rhode Island, South Carolina, Tennessee, Texas, Virginia, West Virginia, and Wisconsin.
M. N. Landau Stores, Inc	Variety	20	New York, Connecticut, Indiana, Massachusetts, Michigan, New Jersey, North Carolina, and Texas.
M. H. Fishman Co., Inc	do	47	New York, Delaware, Maine, New Jersey, Ohio, Pennsylvania, Vermont, Virginia, and Massachusetts.
Godin Stores	do	12	Massachusetts.
Max Dichter, Inc	do	5	Massachusetts and Vermont.
Atlas Paint & Supply Co	Miscellaneous	27	Massachusetts.
Adams Drug Co., Inc	Drugs	20	Rhode Island and New York.
Wig Warm Moccasins, Inc	Shoes	15	Massachusetts and Maine.
Kennedy's, Inc	Clothing and furnishings	16	Connecticut, Maine, Massachusetts, and Rhode Island.
Prudence Clothes, Inc	do	8	Connecticut, Maine, and Massachusetts.
Berkeley Stores, Inc	do	8	Massachusetts.
LaMode Corset Shops	do	6	Massachusetts and Maine.
Eastern Auto Parts Co	Auto supply	10	Massachusetts.
Murray Kaufman Co., Inc	do	12	Maine and Massachusetts.
Myral's, Inc	do	8	Maine.

NEW JERSEY

Kitty Kelly Shoe Corp	Shoes	39	Also operates in Florida, Illinois, Kentucky, Maryland, Michigan, New York, Ohio, and Pennsylvania.
Adler Sons Shoe Corp	do	24	Also operates in New York.
Comfort Coal-Lumber Co	Hardware		Do.
Virginia Dare Stores, Corp	Clothing and furnishings	46	Also operates in Alabama, Florida, Georgia, Illinois, Indiana, Massachusetts, Michigan, Minnesota, Missouri, Nebraska, North Carolina, Ohio, Oklahoma, Pennsylvania, Rhode Island, South Carolina, Tennessee, Texas, Virginia, and Wisconsin.
Wilbur-Rogers, Inc	do	38	Also operates in Delaware, District of Columbia, Indiana, Kentucky, Maryland, Massachusetts, Missouri, New York, North Carolina, Ohio, Pennsylvania, and Virginia.
Wallachs, Inc	do	13	Also operates in New York.
Weber & Heibroner	do	12	Do.
Alfred H. Cohen & Son	Shoes	6	Also operates in Delaware and Pennsylvania.
J. B. Van Sciver Co	Furniture	7	Do.
Foam Rubber Center	do	10	Also operates in New York and Pennsylvania.
National Cleaning Enterprises, Inc	Drycleaning	33	Pennsylvania, Massachusetts, and Rhode Island.
Laundercenter Corp	do	13	Connecticut, Massachusetts, and New York.
Corsetorium, Inc	Clothing and furnishings	14	New York.
Rainbow Shops, Inc	do	30	Do.
Mae Moon Associates	do	30	Do.
Natelson Bros., Inc	do	6	Connecticut and New York.
Sa-Lee Shops, Inc	do	5	Maryland and Pennsylvania.
Stevens Retail Stores, Inc	do	14	Connecticut and New York.
Jaunty Dress Shops, Inc	do	12	Georgia and Pennsylvania.
Terry Shops	do	24	Delaware, Maryland, New York, and Virginia.
Webster Clothes, Inc	do	19	District of Columbia, Indiana, Kentucky, Maryland, North Carolina, Ohio, Virginia, and West Virginia.
Hartfield Stores, Inc	do	45	California, Arizona, New York, Oregon, Washington, and Hawaii.
Shellenberger's, Inc	Candy stores	19	Pennsylvania.
Rose Auto Supply Co	Auto supply	17	Do.
Penn-Jersey Auto Stores, Inc	do	27	Delaware, District of Columbia, and Pennsylvania.
Tire Mart Stores Corp	do	27	California, New York, Pennsylvania, and Illinois.

State by State list of some retail chains with 5 to 50 establishments in 2 or more States (covered by Ayres-Kitchin substitute)—Continued

NEW JERSEY—Continued

Company	Category	Number of stores	Other States of operation
Samuel Schultz Co.	Miscellaneous	7	Pennsylvania.
Finnaren & Haley, Inc.	do	11	Do.
M & H Sporting Goods Co.	do	7	Do.
Allied Hobbies	do	8	Do.
Amber Tile Discount Houses	do	5	Do.
M. Buten & Sons	do	10	Pennsylvania and Delaware.
Cutler's Paint Stores	do	11	Pennsylvania.
Sav-On Drugs Inc.	Drugstore	7	New York.
Mack Drug Co.	do	15	New York and Massachusetts.
Silco Cut Price Stores, Inc.	Drugs	50	Delaware, Maryland, North Carolina, Pennsylvania, Virginia, and West Virginia.
National 5¢ & 10¢ Stores, Inc.	Variety	7	Delaware and Maryland.
I. Simon Co., Inc.	Shoes	27	New York and Pennsylvania.
Baxter Stores, Inc.	Clothing and furnishings	25	Alabama, Florida, Georgia, New York, North Carolina, Pennsylvania, South Carolina, and Tennessee.
Adams Management Corp.	do	12	Massachusetts, Minnesota, New York, Pennsylvania, Rhode Island, and Texas.
Two Guys From Harrison	Discount stores	17	Maryland, New York, and Pennsylvania.
Masters, Inc.	do	10	Florida, New York, and Pennsylvania.
Tower Marts, Inc.	do	12	Connecticut, District of Columbia, Maryland, Massachusetts, and Pennsylvania.
Bargain City, U.S.A.	do	13	Pennsylvania and Virginia.
Allen Carpet Shops, Inc.	Miscellaneous	11	New York.
Raphan Carpet Corp.	do	15	New York and Connecticut.
Churchill Custom Hi-Fidelity, Ltd.	do	7	New York.
Rayco Manufacturing Co.	do	30	
Atlantic Appliance Co., Inc.	do	12	Pennsylvania.
Trader Horn Appliance Stores	do	8	New York.
Tires, Inc.	do	8	Do.
Kaufman Carpet Co., Inc.	do	11	Do.
Goubaud de Paris, Inc.	do	28	California, Connecticut, District of Columbia, Florida, New York, Pennsylvania, Canada.
Davega Stores Corp.	do	28	New York.
Brentano's, Inc.	do	13	District of Columbia, Virginia, Maryland, and New York.
Peper Bros., Inc.	do	10	New York.
Adeline Apparel Shops, Inc.	Clothing and furnishings	49	Also operates in Arkansas, Illinois, Indiana, New York, North Carolina, Ohio, Tennessee, Pennsylvania, and Virginia.
Albrecht's Retail Stores, Inc.	do	18	Also operates in New York and Connecticut.
Gramont Co., Inc.	do	9	Also operates in California, Illinois, Maryland, Michigan, Missouri, New York, and Pennsylvania.
Label Youth Centers	do	40	Also operates in Massachusetts, New York, and Pennsylvania.
My Shop, Inc.	do	41	Also operates in Alabama, Georgia, Illinois, Indiana, Louisiana, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, Virginia, and Wisconsin.
The Custom Shops	do	26	Also operates in California, District of Columbia, Illinois, Maryland, Michigan, Minnesota, New York, Ohio, and Pennsylvania.
Knickerbocker Haberdasher, Inc.	do	7	Also operates in New York.
Rio Frocks, Inc.	Clothing	10	Also operates in New York and Pennsylvania.
Ripley Clothes	do	41	Also operates in Connecticut, District of Columbia, Massachuserts, Missouri, New York, Pennsylvania, and Rhode Island.
Scot Ties, Ltd.	do	9	Also operates in New York.
Sultana Stores, Inc.	do	16	Do.
Best & Co., Inc.	Clothing and furnishings	19	Also operates in Connecticut, District of Columbia, Massachusetts, Michigan, New York, Ohio, Pennsylvania, and Virginia.
S. L. Hirsch Stores, Inc.	do	20	Also operates in New York.
Montaldo's	do	11	Also operates in Arkansas, Colorado, Missouri, North Carolina, Ohio, Oklahoma, and Virginia.
Ellay Stores, Inc.	do	43	Also operates in Illinois, Indiana, North Carolina, Ohio, Pennsylvania, Texas, and West Virginia.
Lorrains Smart Shops, Inc.	do	16	Also operates in Massachusetts, New York, and Pennsylvania.
Joy Stores, Inc.	do	18	Also operates in Indiana, Kentucky, North Carolina, Ohio, Pennsylvania, Virginia, West Virginia, and Wisconsin.
Cosmo Hosiery Shops	do	7	Also operates in Connecticut and New York.
Broadstreet's, Inc.	do	12	Also operates in Illinois, New Jersey, New York, Pennsylvania, and West Virginia.
Lady Rose Stores, Inc.	do	15	Also operates in New York.
Jubilee Shops, Inc.	do	15	Also operates in New York, Indiana, Kansas, Maryland, Ohio, Pennsylvania, Texas, and Virginia.
Milmar Shops, Inc.	do	12	Also operates in New York.
Browning Fifth Avenue	do	6	Do.
Cardinal Neckwear, Inc.	do	16	Also operates in District of Columbia, Florida, Illinois, Massachusetts, and New York.
Maternally Yours, Inc.	do	10	Also operates in New York.
Midtown Millinery Shops, Inc.	do	15	Do.
Druss Stores	do	6	Also operates in Connecticut, New Hampshire, and New York.
The Ormond Shops, Inc.	do	34	Also operates in Maryland, Pennsylvania, and West Virginia.
London Character Shoes	Shoes	29	Also operates in Connecticut and New York.
Perry's Shoes	do	14	Do.
Felsway Shoe Corp.	do	37	Also operates in Delaware, District of Columbia, Kentucky, Maryland, New York, North Carolina, Ohio, Pennsylvania, and South Carolina.
I. Miller Salons	do	14	Also operates in the District of Columbia, Florida, Illinois, Maryland, New York, and Pennsylvania.
Nettleton Shops, Inc.	do	45	All States.
Pediforme Shoe Co., Inc.	do	7	New York.
J & J Slater	do	8	California, District of Columbia, Illinois, and New York.
Stuart Brooks, Inc.	do	11	New York.
Wise Shoe Stores, Inc.	do	17	Do.
Allied Shoe Co.	do	33	Massachusetts, Connecticut, Maine, Maryland, New Hampshire, New York, Pennsylvania, and Rhode Island.
Nunn-Bush Shoe Co.	do	23	Alabama, Arkansas, California, Colorado, Connecticut, Florida, Georgia, Illinois, Indiana, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, New Hampshire, New Mexico, New York, North Carolina, Ohio, Oklahoma, Rhode Island, South Carolina, Tennessee, Texas, Virginia, West Virginia, and Wisconsin.
M. N. Landau Stores, Inc.	Variety	20	New York, Connecticut, Indiana, Massachusetts, Michigan, New Hampshire, North Carolina, and Texas.
S. E. Nichols Co.	do	10	New York.
M. H. Lamston, Inc.	do	17	Connecticut and New York.
Lerner Sleep Products	Furniture	30	New York.
Abelson's Inc.	Jewelry	14	Do.
Littman's Jewelers Stores	do	9	Pennsylvania.
Ray's Jewelry Stores	do	5	Do.
Rudolph Bros., Inc.	do	48	Illinois, Massachusetts, and New York.
Teppin's Inc.	do	18	New York and Pennsylvania.
M. H. Fishman Co., Inc.	Variety	47	New York, Delaware, Maine, Massachusetts, New Hampshire, Ohio, Pennsylvania, Vermont, and Virginia.
Fisher-Beer Co.	do	10	New York.
D. R. Pruitt Stores	do	5	Pennsylvania.
Penn Beef Co.	Food	11	Do.
Merit Farms, Inc.	do	35	New York.

State by State list of some retail chains with 5 to 50 establishments in 2 or more States (covered by Ayres-Kitchin substitute)—Continued

NEW JERSEY—Continued

Company	Category	Number of stores	Other States of operation
Rockower Bros., Inc.	Clothing and furnishings	25	Delaware, New York, Pennsylvania, and Virginia.
Famous Maid Shops	do	24	Pennsylvania.
Ritter's Millinery & Sportswear	do	15	Do.
Ward & Ward, Inc.	do	17	New York and Pennsylvania.
Daniel Renzin Apparel	do	7	Pennsylvania.
Adams Clothes, Inc.	do	16	Delaware and Pennsylvania.
Golden Dawn Hosiery Shops, Inc.	do	10	Pennsylvania.
Castro Convertible Corp.	Furniture	47	Connecticut, Florida, Maryland, Michigan, New York, Pennsylvania, District of Columbia, and Rhode Island.
Smilow Thielle Corp.	do	5	New York.
Mallary, Inc.	do	5	Do.
Sachs Quality Stores, Inc.	do	10	Do.
W. & J. Sloane, Inc.	do	11	California, Connecticut, District of Columbia, and New York.
Honey Dew Food Stores, Inc.	Food	9	Connecticut and New York.
Phillipsburg Grocery Co.	do	9	Pennsylvania.
Kings Supermarkets, Inc.	do	12	New York and Pennsylvania.
Max Dichter, Inc.	Discount stores	5	New York, Massachusetts, Ohio, and Vermont.

NEW MEXICO

Roe Bros. Stores, Inc.	Shoes	46	Arizona, California, Colorado, Idaho, Nevada, Oregon, Texas, Washington, and Wyoming.
Given Bros., Inc.	do	20	Arizona and Texas.
Nettleton Shops, Inc.	do	45	Also operates in all States.
Nunn-Bush Shoe Co.	Shoe store	23	Alabama, Arkansas, California, Colorado, Connecticut, Florida, Georgia, Illinois, Indiana, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, New Hampshire, New Jersey, New York, North Carolina, Ohio, Oklahoma, Rhode Island, South Carolina, Tennessee, Texas, Virginia, West Virginia, and Wisconsin.
Heath Furniture Co.	Furniture	10	Also operates in Texas.
C. G. Morrison & Co., 5 Cent-$1 Stores	Variety	18	Do.
E. B. Mott Co.	do	42	Do.
Giant Stores	Discount stores	5	Also operates in Illinois and Indiana.
Cashway Supermarkets	Food	6	Also operates in Texas.
Shop Rite Foods, Inc.	do	49	Do.
B. & J. Drug Co.	Drugstore	5	Also operates in Texas and Oklahoma.
Skaggs Drug Center, Inc.	do	28	Also operates in Arizona, Colorado, Idaho, Louisiana, Montana, Nevada, Oklahoma, Texas, and Utah.
Circle "K" Drive-In Food Stores	Food	34	Also operates in Arizona and Texas.
Evans Foodway Stores	do	10	Also operates in Texas.
Sweetbriar Shops, Inc.	Clothing and furnishings	48	Arizona, Colorado, Idaho, Montana, Kansas, Nebraska, Oklahoma, South Dakota, Texas, Utah, and Wyoming.
Maternity Modes	do	6	Also operates in Arizona and Texas.

NEW YORK

Albert's Hosiery Shops	Clothing and furnishings	10	Rhode Island.
Albrecht's Retail Stores, Inc.	do	18	Connecticut and New Jersey.
Adeline Apparel Shops, Inc.	do	49	Arkansas, Illinois, Indiana, New Jersey, North Carolina, Ohio, Tennessee, Pennsylvania, and Virginia.
Arlene Shops, Inc.	do	8	Ohio, Pennsylvania, and West Virginia.
Baxter Stores, Inc.	do	25	North Carolina, Pennsylvania, South Carolina, Tennessee, New Jersey, Alabama, Florida, and Georgia.
Adams Management Corp.	do	12	Massachusetts, Minnesota, New Jersey, Pennsylvania, Rhode Island, and Texas.
The Printz Co., Inc.	do	8	Ohio and Pennsylvania.
Stollman Shops	do	7	Vermont.
Corsetorium, Inc.	do	14	New Jersey.
My Maternity Shop, Inc.	do	45	Connecticut, Ohio, Pennsylvania, West Virginia, Ontario and Quebec, Canada.
Shapiro & Hersch	do	17	Pennsylvania.
Rainbow Shops, Inc.	do	30	New Jersey.
Mae Moon Associates	do	30	Do.
Tall Girl's Shops	do	6	Illinois, Michigan, and Ohio.
United Shirt Distributors, Inc.	do	39	Florida, Michigan, Ohio.
Natelson Bros., Inc.	do	6	Connecticut, New Jersey.
Stevens Retail Stores, Inc.	do	14	Do.
Terry Shops	do	24	New Jersey, Delaware, Maryland, and Virginia.
Markson Bros., Inc.	do	41	California, Arizona, Colorado, Illinois, Kansas, Maine, Massachusetts, Oklahoma, and Texas.
Hartfield Stores, Inc.	do	45	California, Arizona, New Jersey, Oregon, Washington, and Hawaii.
Tire Mart Stores Corp.	Auto supply	27	California, New Jersey, Pennsylvania, and Illinois.
Strauss Stores Corp.	do	42	Connecticut.
Retail Jenny Shops, Inc.	Clothing and furnishings	20	Indiana, Ohio, Pennsylvania, and West Virginia.
Puritan Federal Clothing Stores, Inc.	do	46	Connecticut, Illinois, Indiana, Maine, Massachusetts, Michigan, New Hampshire, Ohio, Pennsylvania, and Vermont.
Polly Perrey Stores, Inc.	do	20	Connecticut, and Pennsylvania.
Gladys Shops, Inc.	do	9	Midwest.
Glamor Shops, Inc.	do	50	Southeastern States.
Gramont Co., Inc.	do	9	California, Illinois, Indiana, Maryland, Michigan, Missouri, New Jersey, and Pennsylvania.
Good-Val Stores Corp.	do	26	Florida, Georgia, Massachusetts, New Hampshire, North Carolina, Pennsylvania, South Carolina, and Virginia.
Kenwin Shops, Inc.	do	20	Alabama, Georgia, North Carolina, and South Carolina.
Label Yourth Centers	Clothing	40	Massachusetts, New Jersey, and Pennsylvania.
My Shop, Inc.	Clothing and furnishings	41	Alabama, Georgia, Illinois, Indiana, Iowa, Mississippi, Maryland, New Jersey, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, Virginia, and Wisconsin.
O.P.O. Clothes	do	34	Alabama, Arizona, California, Florida, Georgia, Louisiana, Maryland, Mississippi, North Carolina, Pennsylvania, South Carolina, Tennessee, Texas, Virginia, and West Virginia.
Knickerbocker Haberdasher, Inc.	do	7	New Jersey.
The Custom Shops	do	26	California, District of Columbia, Illinois, Maryland, Michigan, Minnesota, New Jersey, Ohio, and Pennsylvania.
Cranes-Mayos Clothes, Inc.	do	40	Delaware, Georgia, Illinois, Indiana, North Carolina, Pennsylvania, South Carolina, Tennessee, Virginia, and West Virginia.
King Clothing Co., Inc.	do	18	Indiana, Michigan, Ohio, and Texas.
Rio Frocks, Inc.	Clothing	10	New Jersey and Pennsylvania.
Ripley Clothes	do	41	Connecticut, District of Columbia, Massachusetts, Missouri, New Jersey, New York, Pennsylvania, and Rhode Island.
Roaman's Women's Fashions Shops, Inc.	do	6	Massachusetts.

State by State list of some retail chains with 5 to 50 establishments in 2 or more States (covered by Ayres-Kitchin substitute)—Continued

NEW YORK—Continued

Company	Category	Number of stores	Other States of operation
Roger Kent, Inc.	Clothing	13	Connecticut, Massachusetts, and Pennsylvania.
Scot Ties, Ltd.	do	9	New Jersey.
Sultana Stores, Inc.	do	16	Do.
Tall Apparel Shops	do	7	District of Columbia, Maryland, Massachusetts, Michigan, Minnesota, and Pennsylvania.
Town Stores	do	11	Arizona and California.
Tanne-Arden, Inc.	do	36	Arizona, California, Colorado, Kentucky, Massachusetts, Michigan, Nevada, Oklahoma, Oregon, Texas, Utah, and Washington.
Sumner Stores Corp.	do	33	Alabama, Arizona, Florida, Georgia, Louisiana, Mississippi, South Carolina, Texas, Tennessee, and Virginia.
Morrison Stores Corp.	Clothing and furnishings	12	Connecticut, Delaware, Indiana, and Michigan.
Eleanor Shops, Inc.	do	40	Alabama, Mississippi, North Carolina, Pennsylvania, South Carolina, Virginia, and Georgia.
Montaldo's	do	11	Arkansas, Colorado, Missouri, New Jersey, North Carolina, Ohio, Oklahoma, and Virginia.
Ellay Stores, Inc.	do	43	Indiana, North Carolina, Ohio, Pennsylvania, Texas, West Virginia, New Jersey, and Illinois.
M & W Martin Co	do	16	Georgia, Iowa, Kansas, Minnesota, Montana, and North Carolina.
Krasner Bros., Inc.	do	26	Kentucky, Maryland, Missouri, Tennessee, and West Virginia.
Lady Oris Hosiery Shops	do	11	Illinois, Kentucky, Louisiana, Tennessee, and Texas.
Lorrains Smart Shops Inc.	do	16	Massachusetts, New Jersey, and Pennsylvania.
Cosmo Hosiery Shops	do	7	Connecticut and New Jersey.
Linpark Clothing Corp.	do	12	Iowa, Minnesota, Nebraska, South Dakota, and Wisconsin.
Irving O. Livingston, Inc.	do	16	Delaware, Illinois, and Indiana.
Joanly Shops, Inc.	do	21	North Carolina, Pennsylvania, and South Carolina.
National Bellas Hess Stores, Inc.	do	45	Michigan, Minnesota, Missouri, North Carolina, South Carolina, and Puerto Rico.
Joy Stores, Inc.	do	18	Indiana, Kentucky, New Jersey, North Carolina, Ohio, Pennsylvania, Virginia, West Virginia, and Wisconsin.
Broadstreet's, Inc.	do	12	Illinois, New Jersey, Pennsylvania, and West Virginia.
Morton's	do	5	District of Columbia, Maryland, and Virginia.
Lady Rose Stores, Inc.	do	15	New Jersey.
Hofstadter & Albert Millinery Corp.	do	7	District of Columbia, Maryland, Ohio, Pennsylvania, and Virginia.
S. L. Hirsch Stores, Inc.	do	20	New Jersey.
Bonwit Teller	do	8	Florida, Illinois, Massachusetts, and Ohio.
Best & Co., Inc.	do	19	Connecticut, District of Columbia, Massachusetts, Michigan, New Jersey, Ohio, Pennsylvania, and Virginia.
Blackton 5th Avenue, Ltd.	do	10	Florida.
Benhil Shirt Shops, Inc.	do	24	Florida and Puerto Rico.
Felsway Shoe Corp.	Shoes	37	Delaware, District of Columbia, Kentucky, Maryland, New Jersey, North Carolina, Ohio, Pennsylvania, and South Carolina.
Norstan Apparel Shop, Inc.	Clothing and furnishings	10	Ohio and Pennsylvania.
Jubilee Shops, Inc.	do	15	Indiana, Kansas, Maryland, New Jersey, Ohio, Pennsylvania, Texas, and Virginia.
Kamber Co., Inc.	do	8	Illinois, Indiana, Maine, Michigan, and Missouri.
Jane Lee Stores, Inc.	do	38	Connecticut, Illinois, Indiana, Kansas, and Kentucky.
Cardinal Neckwear, Inc.	do	16	District of Columbia, Florida, Illinois, Massachusetts, and New Jersey.
Lewis Apparel Stores, Inc.	do	35	Connecticut, Kansas, Massachusetts, Michigan, North Carolina, Ohio, and Oklahoma.
Browning Fifth Avenue	do	6	New Jersey.
Brooks Fashion Stores, Inc.	do	18	Illinois, Ohio, and Wisconsin.
Miss New York Frocks, Inc.	do	5	Massachusetts and Vermont.
Millinery Stores	do	27	Connecticut, District of Columbia, Illinois, Indiana, Minnesota, Ohio, Tennessee, and Texas.
Parkfield Shops, Inc.	do	10	Connecticut, Ohio, and Pennsylvania.
Plymouth Shops, Inc.	do	18	New York.
P & Q Shops Inc.	do	9	Connecticut, Massachusetts, New Hampshire, and Rhode Island.
Orva Hosiery	do	8	Michigan and Ohio
Brooks Bros. Clothing	do	7	California, Illinois, and Massachusetts.
Milmar Shops, Inc.	do	12	New Jersey.
Jean Frocks, Inc.	do	39	Ohio and Pennsylvania.
Jarold Shops, Inc.	do	19	Nebraska, Kansas, Oklahoma, and South Dakota.
Maternally Yours, Inc.	do	10	New Jersey.
Midtown Millinery Shops, Inc.	do	15	Do.
The Ormond Shops, Inc.	do	34	Maryland, New Jersey, Pennsylvania, and West Virginia.
Dundee Smart Clothes, Inc.	do	15	California, Pennsylvania, Texas, Utah, and Washington.
Druss Stores	do	6	Connecticut, New Hampshire, and New Jersey.
David's Specialty Shops, Inc.	do	15	District of Columbia, Ohio, and Virginia.
Tanen Shoe Co.	Shoes	6	Connecticut and Massachusetts.
Morton's Shoe Stores, Inc.	do	15	Connecticut, Delaware, Georgia, Louisiana, Massachusetts, Michigan, New Hampshire, North Carolina, Pennsylvania, Rhode Island, Texas, Vermont, and Virginia.
Perry's Shoes	do	14	Connecticut and New Jersey.
Shelbro, Inc.	do	5	Connecticut, Rhode Island, and Virginia.
I. Miller Salons	do	14	District of Columbia, Florida, Illinois, Maryland, New Jersey, and Pennsylvania.
Kitty Kelly Shoe Corp.	do	39	Florida, Illinois, Kentucky, Maryland, Michigan, New Jersey, Ohio, and Pennsylvania.
Lloyd & Haig Shoe Corp.	do	7	Illinois and Pennsylvania.
London Character Shoes	do	29	Connecticut and New Jersey.
Morse Shoe Store Corp.	do	38	Massachusetts and New Hampshire.
French, Shriner & Urner	do	17	California, Massachusetts, Minnesota, Ohio, and Pennsylvania.
Adler Sons Shoe Corp.	do	24	New Jersey.
Geo. E. Keith Co.	do	14	Arkansas, California, Colorado, Georgia, Illinois, Indiana, Iowa, Louisiana, Massachusetts, Missouri, Ohio, Pennsylvania, Tennessee, Texas, and Utah.
Comfort Coal-Lumber Co.	Hardware		New Jersey.
County Hardware Corp.	do	5	Connecticut.
Kemp Lumber Co.	do	7	Texas.
Whipple Bros., Inc.	do	7	Pennsylvania.
Zukor's	Clothing and furnishings	16	California, Oregon, and Washington.
Wilnat Stores	do	22	
Woodrow Stores, Inc.	do	15	Alabama, Arizona, Florida, Louisiana, and North Dakota.
Mutual Clothing Co., Inc.	do	5	Ohio.
Unger's Hosiery & Frocks, Inc.	do	11	Connecticut and Massachusetts.
Virginia Dare Stores Corp.	do	46	Alabama, Florida, Georgia, Illinois, Indiana, Massachusetts, Michigan, Minnesota, Missouri, Nebraska, New Jersey, North Carolina, Ohio, Oklahoma, Pennsylvania, Rhode Island, South Carolina, Tennessee, Texas, Virginia, and Wisconsin.
Val-U-Dress Shops, Inc.	do	42	Illinois, Indiana, Michigan, and Ohio.
Wormser Hat Stores, Inc.	do	42	Alabama, Arkansas, Colorado, District of Columbia, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Nebraska, Ohio, Oklahoma, Tennessee, Texas, and Georgia.
Williams Retail Stores, Inc.	do	7	Delaware, New Jersey, and Pennsylvania.
Whitehouse & Hardy	do	8	Florida Michigan, and New York.

State by State list of some retail chains with 5 to 50 establishments in 2 or more States (covered by Ayres-Kitchin substitute)—Continued

NEW YORK—Continued

Company	Category	Number of stores	Other States of operation
Wilbur-Rogers, Inc	Clothing and furnishings	38	Delaware, District of Columbia, Indiana, Kentucky, Maryland, Massachusetts, Missouri, New Jersey, New York, North Carolina, Ohio, Pennsylvania, and Virginia.
Wallachs, Inc	do	13	New Jersey.
Weber & Heilbroner	do	12	Do.
Weiss Bros. Stores, Inc	do	19	Alabama, Georgia, Indiana, Louisiana, Mississippi, Oklahoma, Tennessee, and Texas.
Epko Shoes, Inc	Shoes	26	Indiana, Michigan, and Ohio.
Brown's Boot Shops, Inc	do	24	Pennsylvania.
Thrift Shoe Stores, Inc	do	24	Maryland and Pennsylvania.
Kay's-Newport, Inc	do	21	Massachusetts, Connecticut, and Rhode Island.
Foam Rubber Center	Furniture	10	New Jersey and Pennsylvania.
Nettleton Shops, Inc	Shoes	45	All States.
Laundercenter Corp	Drycleaning	13	Connecticut, Massachusetts, and New Jersey.
Johnny-on-the Spot	do	15	Connecticut.
Geo. E. Keith Co	Shoes	14	Arkansas, California, Colorado, Georgia, Illinois, Indiana, Iowa, Louisiana, Massachusetts, Missouri, Ohio, Oklahoma, Pennsylvania, Tennessee, Texas, and Utah.
Tanen Shoe Co	do	6	Connecticut and Massachusetts.
Pediforme Shoe Co., Inc	do	7	New Jersey.
I. Simon Co., Inc	do	27	New Jersey and Pennsylvania.
The Tash Shoe Co	do	6	Indiana and Ohio.
J & J Slater	do	8	California, District of Columbia, Illinois, and New Jersey.
Stuart Brooks, Inc	do	11	New Jersey.
Wise Shoe Stores, Inc	do	17	Do.
Magikist Service Corp	Drycleaning	10	Arizona, California, Florida, Illinois, Indiana, Massachusetts, Michigan, Ohio, Pennsylvania, Texas, and Wisconsin.
Morton's Shoe Stores, Inc	Shoes	15	Massachusetts, Connecticut, Georgia, Louisiana, New Hampshire, Michigan, North Carolina, Pennsylvania, Rhode Island, Texas, Vermont, and Virginia.
Nunn-Bush Shoe Co	Shoe store	23	Alabama, Arkansas, California, Colorado, Connecticut, Florida, Georgia, Illinois, Indiana, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, New Hampshire, New Jersey, New Mexico, North Carolina, Ohio, Oklahoma, Rhode Island, South Carolina, Tennessee, Texas, Virginia, West Virginia, and Wisconsin.
Morse Shoe Store Corp	Shoes	38	Massachusetts and New Hampshire.
French, Shriner & Urner	do	17	Massachusetts, California, Minnesota, Ohio, and Pennsylvania.
Allied Shoe Co	do	33	Massachusetts, Connecticut, Maine, Maryland, New Hampshire, Pennsylvania, New Jersey, and Rhode Island.
S. E. Nichols Co	Variety	10	New Jersey.
Lyon & Healy, Inc. (musical merchandise)	Miscellaneous stores	11	California, Illinois, Indiana, and Ohio.
The Wurlitzer Co. (musical inst.)	Miscellaneous	6	Illinois, Michigan, Ohio, and Pennsylvania.
Ritz Camera Centers	do	7	District of Columbia, Maryland, and Pennsylvania.
Union-Fern, Inc	Furniture	12	Massachusetts, and Vermont.
Lerner Sleep Products	do	30	New Jersey.
M. N. Landau Stores, Inc	Variety	20	Connecticut, Indiana, Massachusetts, Michigan, New Hampshire, New Jersey, North Carolina, and Texas.
Abelson's Inc	Jewelry	14	New Jersey.
S. A. Meyer Co	do	15	Pennsylvania, Ohio, Maryland, and West Virginia.
Rudolph Bros. Inc	do	48	Illinois, Massachusetts, and New Jersey.
Tappin's Inc	do	18	New Jersey, and Pennsylvania.
M. H. Fishman Co. Inc	Variety	47	Delaware, Maine, Massachusetts, New Hampshire, New Jersey, Ohio, Pennsylvania, Vermont, and Virginia.
Charles Stores Co., Inc	do	32	Kentucky, North Carolina, Pennsylvania, Tennessee, and Virginia.
Fisher-Beer Co	do	10	New Jersey.
M. H. Lamston, Inc	do	17	Connecticut, and New Jersey.
J. C. Kelso Stores	do	5	Pennsylvania.
Central Markets, Inc	Food	20	Massachusetts.
The Mohican Stores	do	14	Pennsylvania.
The Giant Markets	do	11	Do.
F. C. Thomas, Inc	do	33	Do.
National Market Co	do	20	Do.
Quality Markets, Inc	do	42	Do.
Merit Farms, Inc	do	35	New Jersey.
Rockower Brothers, Inc	Clothing and furnishings	25	Delaware, New Jersey, Pennsylvania, and Virginia.
Ward & Ward, Inc	do	17	New Jersey and Pennsylvania.
John Mullins & Sons, Inc	Furniture	17	Florida, Mississippi, and South Carolina.
Welmar, Inc	do	5	Arizona, North Carolina, Oklahoma, and Pennsylvania.
Castro Convertible Corp	do	47	Connecticut, Florida, Maryland, Michigan, New Jersey, Pennsylvania, District of Columbia, and Rhode Island.
Smilow Thielle Corp	do	5	New Jersey.
Mallary, Inc	do	5	Do.
Sachs Quality Stores, Inc	do	10	Do.
W. & J. Sloane, Inc	do	11	California, Connecticut, District of Columbia, and New Jersey.
Two Guys From Harrison	Discount	17	Maryland, New Jersey, and Pennsylvania.
Masters, Inc	do	10	Florida, New Jersey, and Pennsylvania.
Arlan's Department Stores, Inc	do	11	Connecticut, Kentucky, Massachusetts, Michigan, and Ohio.
Max Dichter, Inc	do	5	Massachusetts, New Jersey, Ohio, and Vermont.
Honey Dew Food Stores, Inc	Food	9	New Jersey and Connecticut.
Kings Supermarkets, Inc	do	12	New Jersey and Pennsylvania.
Camera Craft, Inc	Miscellaneous	8	Connecticut.
Brentano's Inc. (Books)	do	13	District of Columbia, Maryland, New Jersey, and Virginia.
Allen Carpet Shops, Inc	do	11	New Jersey.
Raphan Carpet Corp	do	15	Connecticut and New Jersey.
Churchill Custom Hi-Fidelity, Ltd	do	7	New Jersey.
Trader Horn Appliance Stores	do	8	Do.
Kaufman Carpet Company, Inc	do	11	Do.
National Army Stores Corp	do	19	Vermont.
Tires Inc	do	8	New Jersey.
Goubaud de Paris, Inc	do	28	California, Connecticut, Washington, D.C.; Florida, New Jersey, Pennsylvania and Canada.
Doubleday Book Shops	do	32	Illinois, Maryland, and Massachusetts.
Devega Stores Corp	do	28	New Jersey.
Peper Bros, Inc	do	10	Do.
Adams Drug Co., Inc	Drugs	20	New Hampshire and Rhode Island.
Sav-On Drugs, Inc	Drugstore	7	New Jersey.
Mack Drug Co	do	15	New Jersey and Massachusetts.

State by State list of some retail chains with 5 to 50 establishments in 2 or more States (covered by Ayres-Kitchin substitute)—Continued

NORTH CAROLINA

Company	Category	Number of stores	Other States of operation
Adeline Apparel Shops, Inc	Clothing and furnishings	49	New York, Ohio, Tennessee, Pennsylvania, Virginia, New Jersey, Arkansas, Illinois, and Indiana.
Good-Val Stores Corp	do	26	Florida, Georgia, Massachusetts, New York, New Hampshire, Pennsylvania, South Carolina, and Virginia.
Kenwin Shops, Inc	do	20	Alabama, Georgia, and South Carolina.
My Shop, Inc	do	41	Alabama, Georgia, Illinois, Indiana, Louisiana, New Jersey, Ohio, Pennsylvania, South Carolina, Tennessee, Virginia, and Wisconsin.
O. P. O. Clothes	do	34	Alabama, Arizona, California, Florida, Georgia, Louisiana, Maryland, Mississippi, Pennsylvania, South Carolina, Tennessee, Texas, Virginia, and West Virginia.
Cranes-Mayos Clothes, Inc	do	40	Delaware, Georgia, Illinois, Indiana, New York, Pennsylvania, South Carolina, Tennessee, Virginia, and West Virginia.
Felsway Shoe Corp	Shoes	37	Delaware, District of Columbia, Kentucky, Maryland, New Jersey, New York, Ohio, Pennsylvania, and South Carolina.
Eleanor Shops, Inc	Clothing and furnishings	40	Alabama, Georgia, Mississippi, Pennsylvania, South Carolina, and Virginia.
Ellay Stores, Inc	do	43	Illinois, Indiana, Ohio, Pennsylvania, Texas, West Virginia, and New Jersey.
Montaldo's	do	11	Arkansas, Colorado, Missouri, New Jersey, Ohio, Oklahoma, and Virginia.
Joy Stores, Inc	do	18	Indiana, Kentucky, New Jersey, Ohio, Pennsylvania, Virginia, West Virginia, and Wisconsin.
Joanly Shops, Inc	do	21	New York, Pennsylvania, and South Carolina.
National Bellas Hess Stores, Inc	do	45	Michigan, Minnesota, Missouri, South Carolina, and Puerto Rico.
M&W Martin Co., Inc	do	16	Georgia, Iowa, Kansas, Minnesota, and Montana.
Lewis Apparel Stores, Inc	do	35	Connecticut, Kansas, Massachusetts, Michigan, New York, Ohio, and Oklahoma.
Bomar Shoe Co	Shoes	8	Georgia and South Carolina.
Morton's Shoe Stores, Inc	do	15	Connecticut, Delaware, Georgia, Louisiana, Massachusetts, Michigan, New Hampshire, New York, Pennsylvania, Rhode Island, Texas, Vermont, and Virginia.
Sullivan Hardware Co	Hardware	6	South Carolina.
Maxwell Bros., Inc	Furniture	34	Georgia and South Carolina.
Haverty Furniture Co	do	28	Alabama, Arkansas, Florida, Georgia, Louisiana, South Carolina, Tennessee, Texas and Virginia.
C. H. Larkins Clothing Stores, Inc	Clothing and furnishings	17	South Carolina.
Cato Stores, Inc	do	50	South Carolina and Virginia.
National Manufacturing & Stores Corp	Furniture	40	Alabama, Georgia, South Carolina, Louisiana, Tennessee, and Texas.
Virginia Dare Stores Corp	Clothing and furnishings	46	Alabama, Florida, Georgia, Illinois, Indiana, Massachusetts, Michigan, Minnesota, Missouri, Nebraska, New Jersey, Ohio, Oklahoma, Pennsylvania, Rhode Island, South Carolina, Tennessee, Texas, Virginia, and Wisconsin.
Wilbur-Rogers, Inc	do	38	Delaware, District of Columbia, Indiana, Kentucky, Maryland, Massachusetts, Missouri, New Jersey, New York, Ohio, Pennsylvania, and Virginia.
H. B. Phillips, Inc	Shoes	26	Florida and South Carolina.
Barr Bros., Inc	Jewelry	17	Virginia.
W. M. Wall Jewelers	do	5	Do.
Nunn-Bush Shoe Co	Shoes	23	Alabama, Arkansas, California, Colorado, Connecticut, Florida, Georgia, Illinois, Indiana, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, New Hampshire, New Jersey, New Mexico, New York, Ohio, Oklahoma, Rhode Island, South Carolina, Tennessee, Texas, Virginia, West Virginia, and Wisconsin.
M. N. Landau Stores, Inc	Variety	20	New York, Connecticut, Indiana, Massachusetts, Michigan, New Hampshire, Texas, and New Jersey.
Crest Stores Co	do	13	North Carolina, South Carolina, and Virginia.
P&N 5¢-10¢ Stores, Inc	do	5	Virginia.
Fine's Men's Shops, Inc	Clothing and furnishings	7	Do.
Welmar, Inc	Furniture	8	Arizona, New York, Pennsylvania, and Oklahoma.
Wood's 5¢-10¢ Stores, Inc	Variety	19	South Carolina.
Mack's 5¢-10¢ Stores, Inc	do	31	Georgia, South Carolina, and Virginia.
Stovall's 5¢-10¢ Stores	do	5	Georgia.
Sterchi Bros. Stores, Inc	Furniture	44	Tennessee, Alabama, Florida, Georgia, Kentucky, and South Carolina.
Kimbrell's, Inc	do	25	South Carolina.
Munford Do-It-Yourself Stores, Inc	Miscellaneous	43	Alabama, Florida, Georgia, South Carolina, Tennessee, and Virginia.
Charles Stores Co., Inc	Variety	32	New York, Kentucky, Pennsylvania, Tennessee, and Virginia.
Piggly Wiggly Wholesale, Inc	Food	48	South Carolina.
Lay & Co., Inc	Variety	18	Georgia and Alabama.
W. V. Ramsey Co	do	5	South Carolina, Virginia, and Tennessee.
The E. I. Lewis Co	do	9	South Carolina.
Cassels United Stores, Inc	do	17	Georgia and South Carolina.
Bower's Stores	Discount stores	12	Georgia, Kentucky, and Tennessee.
Patterson Drug Co	Drugstore	11	Virginia.
Hofheimer's, Inc	Shoes	20	Do.
Olan Mills, Inc	Miscellaneous	35	Alabama, Florida, Georgia, Kentucky, Mississippi, South Carolina, Tennessee, and Virginia.
Hale Drug Co	Drugs	14	Alabama, Arkansas, Georgia, Mississippi, and Tennessee.
City Drug Co	do	5	Tennessee.
Silco Cut Price Stores, Inc	do	50	Delaware, Maryland, New Jersey, Pennsylvania, Virginia, and West Virginia.
Baxter Stores, Inc	Clothing and furnishings	25	Pennsylvania, South Carolina, Tennessee, New Jersey, Alabama, Florida, Georgia, and New York.
Webster Clothes, Inc	do	19	District of Columbia, Indiana, Kentucky, Maryland, New Jersey, Ohio, Virginia, and West Virginia.
Advance Stores Co	Auto supply	46	South Carolina, Tennessee, and Virginia.
Free Service Tire Stores, Inc	do	11	Tennessee.
Kenwin Shops	Clothing and furnishings	18	Alabama, Georgia, and South Carolina.

NORTH DAKOTA

Woodrow Stores, Inc	Clothing and furnishings	15	Alabama, Arizona, Florida, Louisiana, and New York.
Nettleton Shops, Inc	Shoes	45	All States.
Lindrud's 5¢-$1 Stores	Variety	15	South Dakota and Minnesota.
Piggly Wiggly Northland Co	Food	8	Minnesota.
Mathisen Tire Co	Miscellaneous	7	Minnesota, Michigan, and Wisconsin.
Great Minneapolis Surplus Stores	Discount stores	6	Iowa and Minnesota.
F. T. Reynolds Co	Food	8	Montana.
White Drug Co	Drugstore	11	South Dakota.
Associated Drugs, Inc	do	8	Minnesota.
Onco Drug Co	do	30	Illinois, Indiana, Iowa, Minnesota, and Wisconsin.
Brown's Shoe Fit Co	Shoes	40	Colorado, Iowa, Kansas, Missouri, and Nebraska.
Buttrey Stores, Inc	Clothing and furnishings	23	Iowa, Minnesota, South Dakota, and Wisconsin.
American Shoes Co., Inc	Shoes	29	Indiana, Kentucky, Missouri, and Tennessee.
Scheel's Hardware	Hardware	8	Minnesota and Montana.

State by State list of some retail chains with 5 to 50 establishments in 2 or more States (covered by Ayres-Kitchin substitute)—Continued

OHIO

Company	Category	Number of stores	Other States of operation
Adeline Apparel Shops, Inc	Clothing and furnishings	49	Also operates in New York, Ohio, Tennessee, Pennsylvania, Virginia, New Jersey, Arkansas, Illinois, Indiana, and North Carolina.
Arlene Shops, Inc	do	8	Also operates in New York, Pennsylvania, and West Virginia.
Puritan Federal Clothing Stores, Inc	do	46	Also operates in Connecticut, Illinois, Indiana, New Hampshire, Maine, Massachusetts, Michigan, Pennsylvania, and Vermont.
Retail Jenny Shops, Inc	do	20	Also operates in Indiana, Pennsylvania, and West Virginia.
My Shop, Inc	do	41	Also operates in Alabama, Georgia, Illinois, Indiana, Louisiana, New Jersey, North Carolina, Pennsylvania, South Carolina, Tennessee, Virginia, and Wisconsin.
The Custom Shops	do	26	California, District of Columbia, Illinois, Maryland, Michigan, Minnesota, New Jersey, New York, and Pennsylvania.
King Clothing Co., Inc	do	18	Indiana, Michigan, and Texas.
Best & Co., Inc	do	19	Connecticut, District of Columbia, Massachusetts, Michigan, New Jersey, New York, Pennsylvania, and Virginia.
Beverly Shops	do	7	Kentucky and West Virginia.
Montaldo's	do	11	Arkansas, Colorado, Missouri, New Jersey, North Carolina, Oklahoma, and Virginia.
Eliay Stores, Inc	do	43	Illinois, Indiana, North Carolina, Pennsylvania, Texas, West Virginia, and New Jersey.
Norstan Apparel Shop, Inc	do	10	Pennsylvania.
Joy Stores, Inc	do	18	Indiana, Kentucky, New Jersey, North Carolina, Pennsylvania, Virginia, West Virginia, and Wisconsin.
Collins Stores, Inc	do	24	Kentucky, Pennsylvania, Tennessee and West Virginia.
Consolidated Retail Stores, Inc	do	29	Alabama, Arkansas, District of Columbia, Illinois, Indiana, Kansas, Kentucky, Maryland, Missouri, Oklahoma, Pennsylvania, Tennessee, and Texas.
Hofstadter & Albert Millinery Corp	do	7	District of Columbia, Maryland, Pennsylvania, and Virginia.
Bonwit Teller	do	8	Florida, Illinois, Massachusetts, and New York.
Jubille Shops, Inc	do	15	New York, Indiana, Kansas, Maryland, New Jersey, Pennsylvania, Texas, and Virginia.
Felsway Shoe Corp	Shoes	37	Delaware, District of Columbia, Kentucky, Maryland, New Jersey, New York, North Carolina, Pennsylvania, and South Carolina.
Millinery Stores	Clothing and furnishings	27	Connecticut, District of Columbia, Illinois, Indiana, Minnesota, Tennessee, and Texas.
Lewis Apparel Stores, Inc	do	35	Connecticut, Kansas, Massachusetts, Michigan, New York, North Carolina, and Oklahoma.
Brooks Fashion Stores, Inc	do	18	Illinois, New York, and Wisconsin.
Parkfield Shops, Inc	do	10	Connecticut and Pennsylvania.
Orva Hosiery	do	8	Michigan.
Jean Frocks, Inc	do	39	Pennsylvania.
David's Specialty Shops, Inc	do	15	District of Columbia, New York, and Virginia.
Kitty Kelly Shoe Corp	Shoes	39	Florida, Illinois, Kentucky, Maryland, Michigan, New Jersey, New York, and Pennsylvania.
Lockett Shoe Co., Inc	do	7	Indiana and Kentucky.
Maling Shoes	do	31	Indiana, Illinois, Michigan, and Wisconsin.
Crown Self-Service Shoe Stores, Inc	do	38	Do.
French, Shriner & Urner	do	17	California, Massachusetts, Minnesota, New York, and Pennsylvania.
Geo. E. Keith Co	do	14	Arkansas, California, Colorado, Georgia, Illinois, Indiana, Iowa, Louisiana, Massachusetts, Missouri, New York, Oklahoma, Pennsylvania, Tennessee, Texas, and Utah.
Carolina Lumber Co	Hardware	6	Kentucky and West Virginia.
Scott Lumber Co	do	9	West Virginia.
The Stambaugh-Thompson Co	do	12	Pennsylvania.
Holthouse Furniture Co., Inc	Furniture	10	Indiana.
Banner-Whitehill Corp	do	7	Do.
L. Fish Furniture Co	do	11	Indiana, Illinois, and Wisconsin.
Grinnell Brothers	do	29	Michigan and Ontario, Canada.
Eckerly Millinery	Clothing and furnishings	5	West Virginia.
E. P. Roe Stores	do	14	Illinois, Indiana, Iowa, Michigan, and Pennsylvania.
Nadler's, Inc	do	5	Kentucky.
Mutual Clothing Co., Inc	do	5	New York.
Virginia Dare Stores, Corp	do	46	Alabama, Florida, Georgia, Illinois, Indiana, Massachusetts, Michigan, Minnesota, Missouri, Nebraska, New Jersey, North Carolina, Oklahoma, Pennsylvania, Rhode Island, South Carolina, Tennessee, Texas, Virginia, and Wisconsin.
Wormser Hat Stores, Inc	do	42	Alabama, Arkansas, Colorado, District of Columbia, Georgia, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Nebraska, Oklahoma, Tennessee, and Texas.
Val-U-Dress Shops, Inc	do	42	Illinois, Indiana, and Michigan.
Wilbur-Rogers, Inc	do	38	Delaware, District of Columbia, Indiana, Kentucky, Maryland, Massachusetts, Missouri, New Jersey, New York, North Carolina, Pennsylvania, and Virginia.
Hoosier Markets, Inc	Food supply	10	Indiana.
E. G. Shinner & Co., Inc	do	47	Illinois, Iowa, Michigan, Wisconsin, and Pennsylvania.
Nettleton Shops, Inc	Shoes	45	All States.
Buckeye Shoe Co	do	6	Michigan.
The Art Dry Cleaning Co	Dry cleaning	10	Kentucky.
The Model Laundry & Dry Cleaning Co	do	16	Kentucky and Indiana.
Gilbert Shoe Co	Shoes	8	Indiana.
Cort Shoes, Inc	do	32	Michigan.
Jack's Shoes, Inc	do	11	Indiana.
The Krohngold Shoe Co	do	20	Michigan and Illinois.
The Tash Shoe Co	do	6	Indiana and New York.
Epko Shoes, Inc	do	26	Indiana, Michigan, and New York.
Taggart Shoes, Inc	do	10	Kentucky and West Virginia.
Magikist Service Corp	Drycleaning	10	Arizona, California, Florida, Illinois, Indiana, Massachusetts, Michigan, New York, Pennsylvania, Texas, and Wisconsin.
Fame Laundries, Inc	do	22	Indiana, Kentucky, and Pennsylvania.
Page Co., Inc	Clothing and furnishings	9	California, Michigan, and Texas.
Scott's Stores	Variety	6	Indiana and Kentucky.
Hart Stores, Inc	do	8	Do.
Nichols 5-Cent-$1 Stores, Inc	do	10	Pennsylvania.
Nunn-Bush Shoe Co	Shoestore	23	Alabama, Arkansas, California, Colorado, Connecticut, Florida, Georgia, Illinois, Indiana, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, New Hampshire, New Jersey, New Mexico, New York, North Carolina, Oklahoma, Rhode Island, South Carolina, Tennessee, Texas, Virginia, West Virginia, and Wisconsin.
French, Shriner & Urner	Shoes	17	Massachusetts, California, Minnesota, and Pennsylvania.
Lyon & Healy, Inc. (musical merchandise)	Miscellaneous stores	11	California, Illinois, Indiana, and New York.
The Wurlitzer Co. (musical instruments)	do	6	Illinois, Michigan, New York, and Pennsylvania.
Harmeyer's Paint & Wallpaper	do	11	Kentucky.
Rogers Toy Shops, Inc	Miscellaneous	18	District of Columbia, Tennessee, Florida, Alabama, Maryland, Georgia, Pennsylvania, and Virginia.
Lewis Furniture Co	Furniture	5	West Virginia.
Bloch Daneman Co	do	10	Wisconsin, Maryland, Michigan, and Pennsylvania.
S. A. Meyer Co	Jewelry	15	Pennsylvania, New York, Maryland, and West Virginia.

State by State list of some retail chains with 5 to 50 establishments in 2 or more States (covered by Ayres-Kitchin substitute)—Continued

OHIO—Continued

Company	Category	Number of stores	Other States of operation
The Barr Co.	Variety	5	Indiana.
M. H. Fishman Co., Inc.	do	47	New York, Delaware, Maine, Massachusetts, New Hampshire, New Jersey, Pennsylvania, Vermont, and Virginia.
Belmont 5¢–$1 Stores	do	6	Michigan and Indiana.
Haffner's 5¢–$1 Stores, Inc.	do	40	Indiana, Illinois, and Michigan.
W. R. Thomas 5¢–$1 Stores, Inc.	do	9	Indiana and Michigan.
McCord 5¢–$1 Stores	do	5	Indiana.
Paul's 5¢–$1 Stores, Inc.	do	5	Do.
Big Bear Stores Co.	Food	31	West Virginia.
Equity Dairy Stores, Inc.	do	9	Indiana.
Evans Grocery Co.	do	13	West Virginia.
McAllister Dairy Farms, Inc.	do	30	Pennsylvania.
Century Food Markets Co.	do	40	Do.
Hart Stores, Inc.	Drugs	8	Kentucky and Indiana.
Pennshire Clothes, Inc.	Clothing and furnishings	18	Pennsylvania.
Fashion Hosiery Stores, Inc.	do	32	Pennsylvania and West Virginia.
Max Dichter, Inc.	Discount stores	5	Massachusetts, New Jersey, New York, and Vermont.
Barlo Co., Inc.	do	6	Kentucky.
Arlan's Department Stores, Inc.	do	11	Connecticut, Kentucky, Massachusetts, Michigan, and New York.
Hoge-Davis Drug Co.	Drugstores	6	West Virginia.
Miller Bros. Wallpaper Co.	Miscellaneous	6	Kentucky.
Majestic Paint Centers, Inc.	do	16	West Virginia.
Joe O. Frank Co.	do	16	Indiana.
Peck Drug Stores, Inc.	Drugstores	18	Michigan.
The Muir Drug Co.	do	28	Michigan, Wisconsin, and Indiana.
Milton F. Kreis Drug Stores	do	5	California.
Michaels & Mann, Inc.	Clothing and furnishings	10	Illinois, Indiana, Kentucky, and Michigan.
Jerrold's	do	10	Michigan and Wisconsin.
Abrahams Bros.	do	12	Illinois, Indiana, and Iowa.
The Printz Co., Inc.	do	8	New York and Pennsylvania.
My Maternity Shop, Inc.	do	45	Connecticut, New York, Pennsylvania, West Virginia, and Ontario and Quebec, Canada.
Jack Stevens Clothes	do	7	Maryland, Massachusetts, Michigan, Minnesota.
Tall Girl's Shops	do	6	Illinois, Michigan, and New York.
United Shirt Distributors, Inc.	do	39	Florida, Michigan, and New York.
Winkelman Bros., Inc.	do	42	Michigan.
Webster Clothes, Inc.	do	19	District of Columbia, Indiana, Kentucky, Maryland, New Jersey, North Carolina, Virginia, and West Virginia.
Van's Hosiery Stores, Inc.	do	23	Massachusetts and Pennsylvania.
Stevens Candy Kitchens, Inc.	Candy stores	35	Illinois and Indiana.
Karnes Bake Shops, Inc.	Bakery stores	12	Pennsylvania.
Standard Auto & Radio Supply Co.	Auto supply	13	Pennsylvania and West Virginia.
H. & W. Auto Accessories Co.	do	11	Michigan.
Flemming & Flower	do	5	West Virginia.
The Abel Corp.	do	36	District of Columbia, Iowa, Indiana, Maryland, Michigan, Pennsylvania, Texas, and West Virginia.
Leo's Inc.	do	18	Kentucky.
Equitable Millinery	Clothing and furnishings	25	Illinois, Indiana, Iowa, Kentucky, Michigan, and Wisconsin.
Checker Stores	Auto supply	15	Kentucky.

OKLAHOMA

Tanne-Arden, Inc.	Clothing	36	Arizona, California, Colorado, Kentucky, Massachusett, Nevada, Oregon, Texas, Utah, Washington, New York, and Michigan.
Montaldo's	Clothing and furnishings	11	Arkansas, Colorado, Missouri, New Jersey, North Carolina, Ohio, and Virginia.
Consolidated Retail Stores, Inc.	do	29	Alabama, Arkansas, District of Columbia, Illinois, Indiana, Kansas, Kentucky, Maryland, Missouri, Ohio, Pennsylvania, Tennessee, and Texas.
Jarold Shops, Inc.	do	19	Nebraska, Kansas, South Dakota.
Lewis Apparel Stores, Inc.	do	35	Connecticut, Kansas, Massachusetts, Michigan, New York, North Carolina, and Ohio.
Midland Shoe Co.	Shoes	38	Alabama, Arkansas, Indiana, Iowa, Louisiana, Michigan, Missouri, Texas, Wisconsin, and Mississippi.
Geo. E. Keith Co.	do	14	Arkansas, California, Colorado, Georgia, Illinois, Indiana, Iowa, Louisiana, Massachusetts, Missouri, New York, Ohio, Pennsylvania, Tennessee, Texas, and Utah.
Wm. Cameron & Co.	Hardware	35	Texas.
Carey Lumber Co.	do	12	Do.
The Homes Lumber & Supply Co.	do	17	Kansas.
Virginia Dare Stores, Corp.	Clothing and furnishings	46	Alabama, Florida, Georgia, Illinois, Indiana, Massachusetts, Michigan, Minnesota, Missouri, Nebraska, New Jersey, North Carolina, Ohio, Pennsylvania, Rhode Island, South Carolina, Tennessee, Texas, Virginia, and Wisconsin.
Weiss Bros. Stores, Inc.	do	19	Alabama, Georgia, Indiana, Louisiana, Mississippi, Tennessee, and Texas.
Peyton-Marcus Co.	do	14	Kansas, Louisiana, and Texas.
Foodtown Supermarkets, Inc.	Food supply	25	Kansas and Missouri.
Nettleton Shops, Inc.	Shoes	45	All States.
Family Shoe Stores	do	22	Arkansas and Texas.
Welmar, Inc.	Furniture	8	Arizona, New York, North Carolina, and Pennsylvania.
S & Q Clothiers	Clothing and furnishings	9	Arkansas and Texas.
Bentley's, Inc.	do	6	Texas.
Nunn-Bush Shoe Co.	Shoe store	23	Alabama, Arkansas, California, Colorado, Connecticut, Florida, Georgia, Illinois, Indiana, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, New Hampshire, New Jersey, New Mexico, New York, North Carolina, Ohio, Rhode Island, South Carolina, Tennessee, Texas, Virginia, West Virginia, and Wisconsin.
Newton Jewelry Co.	Jewelry	8	Missouri, Arkansas, and Iowa.
Puckett's Food Stores	Food	11	Texas.
Duke & Ayres, Inc.	Variety	48	Do.
M. E. Moses Co., Inc.	do	32	Do.
Eastland 5-Cent–$1 Stores	do	9	Do.
Fred Wolfermann, Inc.	Food	9	Missouri.
B. & J. Drug Co.	Drugstore	5	Texas, and New Mexico.
The Matlock Stores	Variety	6	California, Colorado, and Kansas.
Skaggs Drug Center, Inc.	Drugstore	28	Arizona, Colorado, Idaho, Louisiana, Montana, Nevada, New Mexico, Texas, and Utah.
Parker's Food Stores, Inc.	Food	14	Texas.
Barrett Grocery Co.	do	9	Do.
Longwear Paint & Varnish Works	Miscellaneous	7	Missouri and Texas.
Carpet City, Inc.	do	6	Arkansas.
Katz Drug Co.	Drugstore	42	Iowa, Kansas, Missouri, and Tennessee.
Crown Drug Co.	do	44	Kansas and Missouri.

State by State list of some retail chains with 5 to 50 establishments in 2 or more States (covered by Ayres-Kitchin substitute)—Continued

OKLAHOMA—Continued

Company	Category	Number of stores	Other States of operation
Harrison Shoes, Inc	Shoes	10	Kansas.
Volume Shoe Distributors	do	8	Kansas and Texas.
Hobart Shoe Co	do	9	Kansas.
United Shoe Stores Co	do	44	Louisiana, Arkansas, Georgia, Texas, Mississippi, Tennessee, and others.
Sweetbriar Shops, Inc	Clothing and furnishings	48	Arizona, Colorado, Idaho, Montana, Kansas, Nebraska, New Mexico, South Dakota, Texas, Utah, and Wyoming.
Beard & Gabelman, Inc	do	36	Iowa, Missouri, Kansas, Nebraska, South Dakota, and Texas.
Rothschild's	do	7	Missouri.
Markson Bros, Inc	do	41	California, Arizona, Colorado, Illinois, Kansas, Maine, Massachusetts, New York, and Texas.
Babcock Bros., Auto Supply Co	Auto supply	17	Texas.
Miami Sales Co	do	11	Kansas and Missouri.
Beenar's	Clothing and furnishings	19	Illinois, Indiana, Iowa, and Texas.
Southern Supply, Inc	Auto supply	6	Arkansas.
Wormser Hat Stores, Inc	Clothing and furnishings	42	Alabama, Arkansas, Colorado, District of Columbia, Georgia, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Nebraska, Ohio, Tennessee, and Texas.

OREGON

Tanne-Arden, Inc	Clothing	36	Arizona, California, Colorado, Kentucky, Massachusetts, Michigan, Nevada, Oklahoma, Texas, Utah, Washington, and New York.
National Shoe Co., Ltd	Shoes	32	Arizona, California, and Nevada.
Roe Bros. Stores, Inc	do	46	Arizona, California, Colorado, Idaho, New Mexico, Nevada, Texas, Washington, and Wyoming.
Home Lumber & Coal Co	Hardware	9	Idaho.
Zukor's	Clothing and furnishings	16	New York, California, and Washington.
Jacqueline Shops	do	6	Washington.
Herman's Men's Stores	do	9	Do.
M. H. King Co	Variety	20	Idaho, Montana, and Utah.
Nettleton Shops, Inc	Shoes	45	All States.
Wallpapers, Inc	Miscellaneous	5	Washington and California.
Sherman Clay & Co	do	23	Do.
Rogers Jewelry Co., Inc	Jewelry	8	California and Nevada.
Weisfeld's, Inc	do	32	California, Idaho, and Washington.
Big "C" Stores	Food	20	Washington.
Oregon Piggly Wiggly Co	do	32	Do.
Sigman Food Stores	do	15	Washington and Idaho.
Pay N'Save Drugs, Inc	Drugstore	12	Washington.
Zapp's Drug Stores	do	9	Do.
Nordstrom's, Inc	Shoe store	18	California and Washington.
Preservative Paint Co	Miscellaneous	8	Washington.
The Owl Drug Co	Drugstore	31	California.
Cent-Wise Drug Stores	do	5	Washington.
Pay Less Stores	Drugs	18	California, Idaho, and Washington.
Conrad's, Inc	Clothing and furnishings	11	Colorado, Idaho, Montana, Utah, Washington, and Wyoming.
Motherhood Maternity Shops, Inc	do	21	California.
House of Nine, Inc	do	34	California, Arizona, Texas, Colorado, Michigan, Utah, Missouri, and Pennsylvania.
Hartfield Stores, Inc	do	45	California, Arizona, New Jersey, New York, Washington, and Hawaii.
Morrow's Nut House Corp	Candy stores	5	California and Utah.
M. Alexander, Inc	Clothing and furnishings	8	Idaho.

PENNSYLVANIA

Arlene Shops, Inc	Clothing and furnishings	8	New York, Ohio, and West Virginia.
Adeline Apparel Shops, Inc	do	49	New York, Ohio, Virginia, New Jersey, Arkansas, Illinois, Indiana, North Carolina, and Tennessee.
Gramont Co., Inc	do	9	California, Illinois, Maryland, Michigan, Missouri, New Jersey, and New York.
Retail Jenny Shops, Inc	do	20	Indiana, Ohio, and West Virginia.
Puritan Federal Clothing Stores, Inc	do	46	Connecticut, Illinois, Indiana, New Hampshire, Maine, Massachusetts, Michigan, and Vermont.
Polly Perrey Stores, Inc	do	20	Connecticut.
Good-Val Stores Corp	do	26	Florida, Georgia, Massachusetts, New Hampshire, New York, North Carolina, South Carolina, and Virginia.
Label Youth Centers	do	40	Massachusetts, New Jersey, and New York.
My Shop, Inc	do	41	Alabama, Georgia, Illinois, Indiana, Louisiana, New Jersey, North Carolina, Ohio, South Carolina, Tennessee, Virginia, and Wisconsin.
Cranes-Mayos Clothes, Inc	do	40	Delaware, Georgia, Illinois, Indiana, New York, North Carolina, South Carolina, Tennessee, Virginia, and West Virginia.
The Custom Shops	do	26	California, District of Columbia, Illinois, Maryland, Michigan, Minnesota, New Jersey, New York, and Ohio.
O.P.O. Clothes	do	34	Alabama, Arizona, California, Florida, Georgia, Louisiana, Maryland, Mississippi, North Carolina, South Carolina, Tennessee, Texas, Virginia, and West Virginia.
Tall Apparel Shops	Clothing	7	District of Columbia, Maryland, Massachusetts, Michigan, Minnesota, and New York.
Roger Kent, Inc	do	13	Connecticut, Massachusetts, and New York.
Best & Co., Inc	Clothing and furnishings	19	Connecticut, District of Columbia, Massachusetts, Michigan, New Jersey, New York, Ohio, and Virginia.
Ellay Stores, Inc	do	43	Illinois, Indiana, North Carolina, Ohio, Texas, West Virginia, and New Jersey.
Eleanor Shops, Inc	do	40	Alabama, Georgia, Mississippi, North Carolina, South Carolina, and Virginia.
Rio Frocks, Inc	Clothing	10	New Jersey, and New York.
Ripley Clothes	do	41	Connecticut, District of Columbia, New York, Massachusetts, Missouri, New Jersey, and Rhode Island.
Lorrains Smart Shops, Inc	Clothing and furnishings	16	Massachusetts, New Jersey, and New York.
Parkfield Shops, Inc	do	10	Connecticut and Ohio.
Jean Frocks, Inc	do	39	Ohio.
Consolidated Retail Stores, Inc	do	29	Alabama, Arkansas, District of Columbia, Illinois, Indiana, Kansas, Kentucky, Maryland, Missouri, Ohio, Oklahoma, Tennessee, and Texas.
Collins Stores, Inc	do	24	Kentucky, Ohio, Tennessee, and West Virginia.
Joy Stores, Inc	do	18	Indiana, Kentucky, New Jersey, North Carolina, Ohio, Virginia, West Virginia, and Wisconsin.
Joanly Shops, Inc	do	21	New York, North Carolina, and South Carolina.
Norstan Apparel Shop, Inc	do	10	Ohio.
Broadstreet's Inc	do	12	Illinois, New Jersey, New York, and West Virginia.
Hofstadter & Albert Millinery Corp	do	7	Washington, D.C., Maryland, Ohio, and Virginia.
Jubilee Shops, Inc	do	15	New York, Indiana, Kansas, Maryland, New Jersey, Ohio, Texas, and Virginia.
Felsway Shoe Corp	Shoes	37	Delaware, District of Columbia, Kentucky, Maryland, New Jersey, New York, North Carolina, Ohio, and South Carolina.
The Ormond Shops, Inc	Clothing and furnishings	34	Maryland, New Jersey, and West Virginia.
Dundee Stuart Clothes, Inc	do	15	California, New York, Texas, Utah, and Washington.

State by State list of some retail chains with 5 to 50 establishments in 2 or more States (covered by Ayres-Kitchin substitute)—Continued

PENNSYLVANIA—Continued

Company	Category	Number of stores	Other States of operation
Lloyd & Haig Shoe Corp	Shoes	7	Illinois and New York.
Morton's Shoe Stores, Inc	do	15	Connecticut, Delaware, Georgia, Louisiana, Massachusetts, Michigan, New Hampshire, New York, North Carolina, Rhode Island, Texas, Vermont, and Virginia.
French, Shriner & Urner	do	17	California, Massachusetts, Minnesota, New York, and Ohio.
Geo. E. Keith Co	do	14	Arkansas, California, Colorado, Georgia, Illinois, Indiana, Iowa, Louisiana, Massachusetts, Missouri, New York, Ohio, Oklahoma, Tennessee, Texas, and Utah.
I. Miller Salons	do	14	District of Columbia, Florida, Illinois, Maryland, New Jersey, and New York.
Kitty Kelly Shoe Corp	do	39	Florida, Illinois, Kentucky, Maryland, Michigan, New Jersey, New York, and Ohio.
The Stambaugh-Thompson Co	Hardware	12	Ohio.
Whipple Bros., Inc	do	7	New York.
Virginia Dare Stores Corp	Clothing and furnishings	46	Alabama, Florida, Georgia, Illinois, Indiana, Massachusetts, Michigan, Minnesota, Missouri, Nebraska, New Jersey, North Carolina, Ohio, Oklahoma, Rhode Island, South Carolina, Tennessee, Texas, Virginia, and Wisconsin.
Wilbur-Rogers, Inc	do	38	Delaware, District of Columbia, Indiana, Kentucky, Maryland, Massachusetts, Missouri, New Jersey, New York, North Carolina, Ohio, and Virginia.
Williams Retail Stores, Inc	do	7	Delaware, New Jersey, and New York.
E. P. Roe Stores	do	14	Illinois, Indiana, Iowa, Michigan, and Ohio.
Buehler Markets	Food supply	20	Illinois, Georgia, Iowa, Massachusetts, Missouri, Nebraska, and Tennessee.
E. G. Shinner & Co., Inc	do	47	Illinois, Iowa, Michigan, Ohio, and Wisconsin.
Thrift Shoe Stores, Inc	Shoes	24	Maryland and New York.
Haines Shoe Co., Inc	do	24	Maryland.
Alfred H. Cohen & Son	do	6	New Jersey and Delaware.
Glick Bros., Inc	do	12	Maryland.
Brown's Boot Shops, Inc	do	24	New York.
I. Simon Co., Inc	do	27	New Jersey and New York.
National Cleaning Enterprises, Inc	Drycleaning	33	New Jersey, Massachusetts, and Rhode Island.
Nettleton Shops, Inc	Shoes	45	Also operates in all States.
Foam Rubber Center	Furniture	10	New York and New Jersey.
J. B. Van Sciver Co	do	7	Delaware and New Jersey.
Magikist Service Corp	Drycleaning	10	Arizona, California, Florida, Illinois, Indiana, Massachusetts, Michigan, New York, Ohio, Texas, and Wisconsin.
Fame Laundries, Inc	do	22	Indiana, Kentucky, and Ohio.
Littman's Jewelers Stores	Jewelry	9	New Jersey.
Tappin's, Inc	do	18	New Jersey and New York.
Jay Roy Co., Inc	do	23	Maryland and West Virginia.
S. A. Meyer Co	do	15	New York, Ohio, Maryland, and West Virginia.
Ray's Jewelry Stores	do	5	New Jersey.
The Wurlitzer Co	Miscellaneous stores (musical instruments).	6	Illinois, Michigan, New York, and Ohio.
Sunny Surplus Agency	Miscellaneous stores	14	Maryland.
Rogers Toy Shops, Inc	Miscellaneous	18	District of Columbia, Tennessee, Ohio, Florida, Alabama, Maryland, Georgia, and Virginia.
Ritz Camera Centers	do	7	District of Columbia, New York, and Maryland.
Welmar, Inc	Furniture	8	Arizona, New York, North Carolina, and Oklahoma.
Castro Convertible Corp	do	47	Connecticut, Florida, Maryland, Michigan, New Jersey, New York, Pennsylvania, District of Columbia, and Rhode Island.
Liebman Furniture Co., Inc	do	8	Delaware.
Nichols 5-Cent-$1 Stores, Inc	Variety	10	Ohio.
Bloch Daneman Co	Furniture	10	Wisconsin, Maryland, Michigan, and Ohio.
Waltersdorf Furniture Co., Inc	do	12	Maryland.
Super Shoe Stores	Shoes	14	Maryland and West Virginia.
Allied Shoe Co	do	33	Massachusetts, Connecticut, Maine, Maryland, New Hampshire, New York, New Jersey, and Rhode Island.
Charles Stores Co., Inc	Variety	32	New York, Kentucky, North Carolina, Tennessee, and Virginia.
Polan's 5-Cent-$1 Stores	do	13	Delaware, District of Columbia, Florida, and Maryland.
M. H. Fishman Co., Inc	do	47	New York, Delaware, Maine, New Hampshire, Massachusetts, New Jersey, Ohio, Vermont, and Virginia.
D. R. Pruitt Stores	do	5	New Jersey.
J. C. Kelso Stores	do	5	New York.
National Market Co	Food	20	Do.
Century Food Markets Co	do	40	Ohio.
F. C. Thomas, Inc	do	33	New York.
The Mohican Stores	do	14	Do.
Quality Markets, Inc	do	42	Do.
Penn Beef Co	do	11	New Jersey.
Discount Food City	do	5	Virginia.
McAllister Dairy Farms, Inc	do	30	Ohio.
The Giant Markets	do	11	New York.
Morris Allon & Co	Clothing and furnishings	18	West Virginia.
Penshire Clothes, Inc	do	18	Ohio.
Ward & Ward, Inc	do	17	New Jersey and New York.
Lana Lobell, Inc	do	8	Maryland.
Rockower Bros., Inc	do	25	Delaware, New Jersey, New York, and Virginia.
Ritter's Millinery & Sportswear	do	15	New Jersey.
Fashion Hosiery Stores, Inc	do	32	West Virginia and Ohio.
Adams Clothes, Inc	do	16	Delaware and New Jersey.
Daniel Renzin Apparel	do	7	New Jersey.
Famous Maid Shops	do	24	Do.
Golden Dawn Hosiery Shops	do	10	Do.
Phillipsburg Grocery Co	Food	9	Do.
Kings Supermarkets, Inc	do	12	New Jersey and New York.
B. J. Hoy 5 & 10 Cent Stores, Inc	Variety	10	Delaware.
Zayre Corp	Discount	14	Maine, Massachusetts, Pennsylvania, and Tennessee.
Gem, Inc	do	7	Colorado, Hawaii, Kansas, Missouri, and Minnesota.
Miracle Marts	do	7	Indiana, Michigan, Rhode Island, and Virginia.
Two Guys From Harrison	do	17	Maryland, New Jersey, and New York.
Masters, Inc	do	10	Florida, New Jersey, and New York.
Tower Marts, Inc	do	12	Connecticut, District of Columbia, Maryland, Massachusetts, and New Jersey.
Bargain City, U.S.A	do	13	New Jersey and Virginia.
Atlantic Appliance Co., Inc	Miscellaneous	12	New Jersey.
Huntsberrys, Inc	Shoe	5	Virginia and Maryland.
Goubaud de Paris, Inc	Miscellaneous	28	California, Connecticut, District of Columbia, Florida, New Jersey, New York, and Canada.
Pete Moore Applicance Center	do	10	District of Columbia, Kentucky, Tennessee, and Virginia.
Finnaren & Haley, Inc	do	11	New Jersey.
M & H Sporting Goods Co	do	7	Do.
Samuel Schultz & Co	do	7	Do.
Allied Hobbies	do	8	Do.
Amber Tile Discount Houses	do	5	Do.
Bon Ton Wallpaper Co., Inc	do	7	Delaware.
M. Buten & Sons	do	19	Delaware and New Jersey.
Cutler's Paint Stores	do	11	New Jersey.
Silco Cut Price Stores, Inc	Drugs	50	Delaware, Maryland, New Jersey, North Carolina, Virginia, and West Virginia.

State by State list of some retail chains with 5 to 50 establishments in 2 or more States (covered by Ayres-Kitchin substitute)—Continued

PENNSYLVANIA—Continued

Company	Category	Number of stores	Other States of operation
Baxter Stores, Inc	Clothing and furnishings	25	South Carolina, Tennessee, New Jersey, Alabama, Florida, Georgia, New York, and North Carolina.
Adams Management Corp	do	12	Massachusetts, Minnesota, New Jersey, New York, Rhode Island, and Texas.
The Printz Co., Inc	do	8	New York and Ohio.
My Maternity Shop, Inc	do	45	Connecticut, New York, Ohio, West Virginia, Ontario and Quebec, Canada.
Shapiro & Hersch	do	17	New York.
Sa-Lee Shops, Inc	do	5	New Jersey and Maryland.
Jaunty Dress Shops, Inc	do	12	New Jersey and Georgia.
Van's Hosiery Stores, Inc	do	23	Massachusetts and Ohio.
The Fintex Corp	do	20	Michigan.
House of Nine, Inc	do	34	California, Arizona, Texas, Colorado, Michigan, Utah, Missouri, and Oregon.
Shellenberger's, Inc	Candy stores	19	New Jersey.
Karnes Bake Shops, Inc	Bakery stores	12	Ohio.
Hollander's Home & Auto Supplies, Inc	Auto supply	9	Maryland.
Standard Auto & Radio Supply Co	do	13	Ohio and West Virginia.
Rose Auto Supply Co	do	17	New Jersey.
Penn-Jersey Auto Stores, Inc	do	27	Delaware, District of Columbia, and New Jersey.
Best Auto Supply, Inc	do	6	Delaware.
Miller's Auto Supplies, Inc	do	15	Maryland and West Virginia.
Joe, The Motorists' Friend, Inc	do	25	Maryland, Virginia, and West Virginia.
Gatling's Auto Stores	do	7	West Virginia.
The Abel Corp	do	36	District of Columbia, Iowa, Indiana, Maryland, Ohio, Michigan, Texas, and West Virginia.
Tire Mart Stores Corp	do	27	California, New Jersey, New York, and Illinois.

PUERTO RICO

Benhil Shirt Shops, Inc	Clothing and furnishings	24	Florida and New York.
National Bellas Hess Stores, Inc	do	45	Michigan, Minnesota, Missouri, North Carolina, and South Carolina.

RHODE ISLAND

Albert's Hosiery Shops	Clothing and furnishings	10	New York.
Ripley Clothes	Clothing	41	Connecticut, District of Columbia, Massachusetts, Missouri, New Jersey, New York, and Pennsylvania.
P & Q Shops, Inc	Clothing and furnishings	9	Connecticut, Massachusetts, and New Hampshire.
Morton's Shoe Stores, Inc	Shoes	15	Connecticut, Delaware, Georgia, Louisiana, Massachusetts, Michigan, New Hampshire, New York, North Carolina, Pennsylvania, Texas, Vermont, and Virginia.
Shelbro, Inc	do	5	Connecticut, New York, and Virginia.
Diamond National Corporation	Hardware	26	Connecticut, Maine, Massachusetts, New Hampshire, Vermont.
L. Grossman Sons, Inc	do	25	Maine, Massachusetts, and New Hampshire.
Virginia Dare Stores, Corp	Clothing and furnishings	46	Alabama, Florida, Georgia, Illinois, Indiana, Massachusetts, Michigan, Minnesota, Missouri, Nebraska, New Jersey, North Carolina, Ohio, Oklahoma, Pennsylvania, South Carolina, Tennessee, Texas, Virginia, and Wisconsin.
Kay's-Newport, Inc	Shoes	21	Massachusetts, New York, and Connecticut.
National Cleaning Enterprises, Inc	Drycleaning	33	Pennsylvania, New Jersey, and Massachusetts.
Bush & Co., Inc	do	22	Massachusetts.
Nettleton Shops, Inc	Shoes	45	All.
Allied Shoe Co	do	33	Massachusetts, Connecticut, Maine, Maryland, New Hampshire, New York, New Jersey, and Pennsylvania.
Nunn-Bush Shoe Co	do	23	Alabama, Arkansas, California, Colorado, Connecticut, Florida, Georgia, Illinois, Indiana, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, New Hampshire, New Jersey, New Mexico, New York, North Carolina, Ohio, Oklahoma, South Carolina, Tennessee, Texas, Virginia, West Virginia, and Wisconsin.
Morton's Shoe Stores, Inc	do	15	Massachusetts, Connecticut, Delaware, Georgia, Louisiana, Michigan, New Hampshire, New York, North Carolina, Pennsylvania, Texas, Vermont, and Virginia.
Cumberland Farms	Food	17	Massachusetts.
Great Scott Food Markets, Inc	do		Do.
Almac's, Inc	do	21	Do.
Castro Convertible Corp	Furniture	47	Connecticut, Florida, Maryland, Michigan, New Jersey, New York, Pennsylvania, and District of Columbia.
Cherry & Webb Co	Clothing and furnishings	6	Massachusetts.
Miracle Marts	Discount stores	7	Indiana, Michigan, Pennsylvania, and Virginia.
Star Market Co	Food	19	Massachusetts.
Fryer's Cigar Co	Miscellaneous	9	Do.
Adams Drug Co., Inc	Drugs	20	New York and New Hampshire.
Adams Management Corp	Clothing and furnishings	12	Massachusetts, Minnesota, New Jersey, New York, Pennsylvania, and Texas.
Kennedy's, Inc	do	16	Connecticut, Maine, Massachusetts, and New Hampshire.
Stork Time, Inc	do	7	Connecticut and Rhode Island.
The Primrose Shops	do	6	Massachusetts.
Benny's, Inc	Auto supply	21	Massachusetts and Connecticut.
Thorpe Automotive Co	do	6	Massachusetts.
Kaufman & Chernick, Inc	do	23	Do.

SOUTH CAROLINA

Baxter Stores, Inc	Clothing and furnishings	25	Tennessee, New Jersey, Alabama, Florida, Georgia, New York, North Carolina, and Pennsylvania.
Good-Val Stores Corp	do	26	Florida, Georgia, Massachusetts, New Hampshire, New York, North Carolina, Pennsylvania, and Virginia.
Kenwin Shops, Inc	do	20	Alabama, Georgia, and North Carolina.
My Shop, Inc	do	41	Alabama, Georgia, Illinois, Indiana, Louisiana, New Jersey, North Carolina, Ohio, Pennsylvania, Tennessee, Virginia, and Wisconsin.
Cranes-Mayos Clothes, Inc	do	40	Delaware, Georgia, Illinois, Indiana, New York, North Carolina, Pennsylvania, Tennessee, Virginia, and West Virginia.
O.P.O. Clothes	do	34	Alabama, Arizona, California, Florida, Georgia, Louisiana, Maryland, Mississippi, North Carolina, Pennsylvania, Tennessee, Texas, Virginia, and West Virginia.
Felsway Shoe Corp	Shoes	37	Delaware, District of Columbia, Kentucky, Maryland, New Jersey, New York, North Carolina, Ohio, and Pennsylvania.
Smart & Thrifty Dresses, Inc	Clothing	33	Alabama, Florida, Louisiana, Texas, and Virginia.
Sumner Stores Corp	do	33	Alabama, Arizona, Florida, Georgia, Louisiana, Mississippi, Texas, Tennessee, Virginia, and New York.
Eleanor Shops, Inc	Clothing and furnishings	40	Alabama, Georgia, Mississippi, North Carolina, Pennsylvania, and Virginia.
Joanly Shops, Inc	do	21	New York, North Carolina, and Pennsylvania.
National Bellas Hess Stores, Inc	do	45	Michigan, Minnesota, Missouri, North Carolina, and Puerto Rico.

State by State list of some retail chains with 5 to 50 establishments in 2 or more States (covered by Ayres-Kitchin substitute)—Continued

SOUTH CAROLINA—Continued

Company	Category	Number of stores	Other States of operation
Bomar Shoe Co	Shoe	8	Georgia and North Carolina.
Sullivan Hardware Co	Hardware	6	North Carolina.
Virginia Dare Stores Corp	Clothing and furnishings	46	Alabama, Florida, Georgia, Illinois, Indiana, Massachusetts, Michigan, Minnesota, Missouri, Nebraska, New Jersey, North Carolina, Ohio, Oklahoma, Pennsylvania, Rhode Island, Tennessee, Texas, Virginia, Wisconsin.
National Manufacture & Stores Corp	Furniture	40	Alabama, Georgia, North Carolina, Louisiana, Tennessee, and Texas.
Cato Stores, Inc	Clothing and furnishings	50	North Carolina and Virginia.
Haverty Furniture Co	Furniture	28	Alabama, Arkansas, Florida, Georgia, Louisiana, North Carolina, Tennessee, Texas, and Virginia.
Maxwell Bros., Inc	do	34	Georgia and North Carolina.
H. B. Phillips, Inc	Shoes	26	Florida and North Carolina.
Nettleton Shops, Inc	do	45	All States.
C. H. Larkins Clothing Stores, Inc	Clothing and furnishings	17	North Carolina.
Mather Bros. Stores	Furniture	25	Georgia and Florida.
Sterchi Bros. Stores, Inc	do	44	Tennessee, Alabama, Florida, Georgia, Kentucky, and North Carolina.
Nunn-Bush Shoe Co	Shoe store	23	Alabama, Arkansas, California, Colorado, Connecticut, Florida, Georgia, Illinois, Indiana, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Mississippi, Montana, Nebraska, New Hampshire, New Jersey, New Mexico, New York, North Carolina, Ohio, Oklahoma, Rhode Island, Tennessee, Texas, Virginia, West Virginia, and Wisconsin.
Crest Stores Co	Variety	13	North Carolina and Virginia.
Wood's 5¢ & 10¢ Stores, Inc	do	19	North Carolina.
Mack's 5¢–10¢–25¢ Stores, Inc	do	31	Georgia, North Carolina, and Virginia.
Kimbrell's Inc	Furniture	25	North Carolina.
Geyerman's, Inc	Clothing and furnishings	5	Minnesota and South Dakota.
John Mullins & Sons, Inc	Furniture	17	New York, Florida, and Mississippi.
Munford Do-It-Yourself Stores, Inc	Miscellaneous stores	43	Alabama, Florida, Georgia, North Carolina, Tennessee, and Virginia.
United 5¢–10¢ Stores, Inc	Variety	27	Georgia.
The E. I. Lewis Co	do	9	North Carolina.
Harper's 5-10-Cent Stores	do	12	Georgia.
Cassels United Stores, Inc	do	17	Georgia and North Carolina.
W. V. Ramsey Co	do	5	North Carolina, Virginia, and Tennessee.
Wholesale Merchandise Co	do	31	Tennessee.
Piggly Wiggly Wholesale, Inc	Food	48	North Carolina.
The National Hotel Co	Drugstore	14	Alabama, Indiana, Louisiana, Nebraska, Texas, and Virginia.
Olan Mills, Inc	Miscellaneous	35	Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, Tennessee, and Virginia.
John Baldwin, Inc	Clothing and furnishings	5	Florida.
Advance Stores Co	Auto supply	46	North Carolina, Tennessee, and Virginia.
Kenwin Shops	Clothing and furnishings	18	Alabama, Georgia, and North Carolina.

SOUTH DAKOTA

Linpark Clothing Corp	Clothing and furnishings	12	Iowa, Minnesota, Nebraska, New York, and Wisconsin.
Jarold Shops, Inc	do	19	Nebraska, Kansas, and Oklahoma.
Biernbaum & Son	Auto supply	8	Wyoming.
Caldwells' Shoes, Inc	Shoes	7	Kansas and Missouri.
L. Goldman Shoe Co	do	5	Colorado, Nebraska, and Wyoming.
Tradehome Shoe Stores, Inc	do	20	Iowa, Minnesota, and Wisconsin.
Rivin Bros. Stores	Food supply	7	Iowa and Minnesota.
National 5¢–$1 Stores	Variety	12	Minnesota and Iowa.
Geyerman's, Inc	Clothing and furnishings	5	Minnesota and South Carolina.
Lindrud's 5¢–$1 Stores	Variety	15	North Dakota and Minnesota.
Randall Stores, Inc	Food	8	Iowa.
White Drug Co	Drugstore	11	North Dakota.
Nettleton Shops, Inc	Shoes	45	All States.
Sunshine Food Markets	Food	11	Iowa.
Buttrey Stores, Inc	Clothing and furnishing	23	Iowa, Minnesota, North Dakota, and Wisconsin.
Sweetbriar Shops, Inc	do	48	Arizona, Colorado, Idaho, Montana, Kansas, Nebraska, New Mexico, Oklahoma, Texas, Utah, and Wyoming.
Beard & Gabelman, Inc	do	36	Iowa, Missouri, Kansas, Nebraska, Oklahoma, and Texas.

TENNESSEE

Adeline Apparel Shops, Inc	Clothing and furnishings	49	New York, Ohio, Pennsylvania, Virginia, New Jersey, Arkansas, Illinois, Indiana, and North Carolina.
Baxter Stores, Inc	do	25	New Jersey, Alabama, Florida, Georgia, New York, North Carolina, Pennsylvania, and South Carolina.
My Shop, Inc	do	41	Alabama, Georgia, Illinois, Indiana, Louisiana, New Jersey, North Carolina, Ohio, Pennsylvania, Virginia, and Wisconsin.
O.P.O. Clothes	do	34	Alabama, Arizona, California, Florida, Georgia, Louisiana, Maryland, Mississippi, North Carolina, Pennsylvania, South Carolina, Texas, Virginia, and West Virginia.
Cranes-Mayos Clothes, Inc	do	40	Georgia, Delaware, Illinois, Indiana, New York, North Carolina, Pennsylvania, South Carolina, Virginia, and West Virginia.
Sumner Stores Corp	Clothing	33	Alabama, Arizona, Florida, Georgia, Louisiana, Mississippi, South Carolina, Texas, Virginia, and New York.
Collins Stores, Inc	Clothing and furnishings	24	Kentucky, Ohio, Pennsylvania, and West Virginia.
Consolidated Retail Stores, Inc	do	29	Alabama, Arkansas, District of Columbia, Illinois, Indiana, Kansas, Kentucky, Maryland, Missouri, Ohio, Oklahoma, Pennsylvania, and Texas.
Krasner Bros., Inc	do	26	Kentucky, Maryland, Missouri, and West Virginia.
Lady Oris Hosiery Shops	do	11	Illinois, Kentucky, Louisiana, New York, and Texas.
Millinery Stores	do	27	Connecticut, District of Columbia, Illinois, Indiana, Minnesota, Ohio, and Texas.
American Shoe Co., Inc	Shoes	29	Indiana, Kentucky, Missouri, and North Dakota.
Geo. E. Keith Co	do	14	Arkansas, California, Colorado, Georgia, Illinois, Indiana, Iowa, Louisiana, Massachusetts, Missouri, New York, Ohio, Oklahoma, Pennsylvania, Texas, and Utah.
Haverty Furniture Co	Furniture	28	Alabama, Arkansas, Florida, Georgia, Louisiana, North Carolina, South Carolina, Texas, and Virginia.
Weiss Bros. Stores, Inc	Clothing and furnishings	19	Alabama, Georgia, Indiana, Louisiana, Mississippi, Oklahoma, and Texas.
Wormser Hat Stores, Inc	do	42	Alabama, Arkansas, Colorado, District of Columbia, Georgia, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Nebraska, Missouri, Ohio, Oklahoma, and Texas.
National Manufacture & Stores Corp	Furniture	40	Alabama, Georgia, North Carolina, Louisiana, South Carolina, and Texas.
Virginia Dare Stores Corp	Clothing and furnishings	46	Alabama, Florida, Georgia, Illinois, Indiana, Massachusetts, Michigan, Minnesota, Missouri, Nebraska, New Jersey, North Carolina, Ohio, Oklahoma, Pennsylvania, Rhode Island, South Carolina, Texas, Virginia, and Wisconsin.

State by State list of some retail chains with 5 to 50 establishments in 2 or more States (covered by Ayres-Kitchin substitute)—Continued

TENNESSEE—Continued

Company	Category	Number of stores	Other States of operation
B. G. Wholesale, Inc.	Food supply	23	Kentucky.
Buehler Markets	do	20	Illinois, Georgia, Iowa, Massachusetts, Missouri, Nebraska, and Pennsylvania.
Nettleton Shops, Inc.	Shoes	45	All States.
Family Booterie	do	8	Georgia.
Big "B" One Hour Cleaners	Drycleaning	15	Florida, Illinois, Iowa, Kentucky, Missouri, and Virginia.
Perel & Lowenstein	Jewelry	7	Arkansas and Kentucky.
Nunn-Bush Shoe Co.	Shoestore	23	Alabama, Arkansas, California, Colorado, Connecticut, Florida, Georgia, Illinois, Indiana, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, New Hampshire, New Jersey, New Mexico, New York, North Carolina, Ohio, Oklahoma, Rhode Island, South Carolina, Texas, Virginia, West Virginia, and Wisconsin.
Darwin's	Clothing and furnishings	5	Alabama.
The Nettie Lee Shops	do	7	Virginia.
Sterchi Bros. Stores, Inc.	Furniture	44	Alabama, Florida, Georgia, Kentucky, North Carolina, and South Carolina.
Hecht's	Clothing and furnishings	6	Alabama.
Rogers Toy Shops, Inc.	Miscellaneous	18	Washington, District of Columbia, Ohio, Florida, Alabama, Maryland, Georgia, Pennsylvania, and Virginia.
Forsyth Fabrics, Inc.	do	9	Alabama, Georgia, Illinois, Iowa, Kentucky, and Louisiana.
Munford Do-It-Yourself Stores, Inc.	do	43	Alabama, Florida, Georgia, North Carolina, South Carolina, and Virginia.
Charles Stores Co., Inc.	Variety	32	New York, Kentucky, North Carolina, Pennsylvania, and Virginia.
U-Tote-Em Grocery Co.	Food	11	Kentucky.
Red Food Stores, Inc.	do	15	Georgia.
The Home Stores, Inc.	do	27	Do.
Economy 5-Cent-$1 Stores	Variety	6	Do.
Redford Stores, Inc.	do	26	Georgia and Alabama.
U.S. 5¢-10¢ Stores	do	22	Georgia and Alabama.
Lay & Co., Inc.	do	18	North Carolina, Georgia, and Alabama
Wholesale Merchandise Co.	do	31	South Carolina.
Kuhn Bros. Co.	do	43	Alabama, Kentucky, and Mississippi.
W. V. Ramsey Co.	do	5	North Carolina, South Carolina, and Virginia.
Barnett-Levey Co.	do	14	Mississipp and Arkansas.
W. L. Bentley s 5¢-$1 Stores	do	10	Kentucky and Alabama.
Bower's Stores	Discount	12	Georgia, Kentucky, and North Carolina.
Zayre Corp.	do	14	Maine, Massachusetts, and Pennsylvania.
David Lee Stores	Variety	17	Alabama and Georgia.
Fuller Supermarkets, Inc.	Food	9	Alabama.
Pete Moore Appliance Center	Miscellaneous	10	Washington, District of Columbia, Kentucky, Pennsylvania, and Virginia.
Remnant House (fabrics)	do	14	Arkansas, Illinois, Indiana, Kentucky, and Missouri.
Wallace E. Johnson Supply Co.	do	7	Arkansas and Mississippi.
Olan Mills, Inc.	do	35	Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, and Virginia.
Hale Drug Co.	Drugs	14	Alabama, Arkansas, Georgia, Mississippi, and North Carolina.
City Drug Co.	do	5	North Carolina.
Katz Drug Co.	do	42	Iowa, Kansas, Missouri, and Oklahoma.
United Shoe Stores Co.	Shoes	44	Louisiana, Arkansas, Georgia, Texas, Mississippi, Oklahoma, and others.
Dotty Shops, Inc.	Clothing and furnishings	6	Missouri, Illinois, and Kentucky.
Advance Stores Co.	Auto supply	46	North Carolina, South Carolina, and Virginia.
Free Service Tire Stores, Inc.	do	11	North Carolina.
Royal Auto Supply Co.	do	12	Alabama.
Auto-Lee Stores, Inc.	do	50	Alabama, Florida, Louisiana, and Mississippi.
Economy Auto Stores, Inc.	do	28	Alabama, Florida, and Georgia.

TEXAS

King Clothing Co., Inc.	Clothing and furnishings	18	Indiana, Michigan, and Ohio.
O. P. O. Clothes	do	34	Alabama, Arizona, California, Florida, North Carolina, Georgia, Louisiana, Maryland, Mississippi, Pennsylvania, South Carolina, Tennessee, Virginia, and West Virginia.
Smart & Thrifty Dresses, Inc.	Clothing	33	Alabama, Florida, Louisiana, South Carolina, and Virginia.
Sumner Stores Corp.	do	33	Alabama, Arizona, Florida, Georgia, Louisiana, Mississippi, South Carolina, Tennessee, Virginia, and New York.
Jubilee Shops, Inc.	Clothing and furnishings	15	New York, Indiana, Kansas, Maryland, New Jersey, Ohio, Pennsylvania, and Virginia.
Tanne-Arden, Inc.	Clothing	36	Arizona, California, Colorado, Kentucky, Massachusetts, Michigan, Nevada, Oklahoma, Oregon, Utah, Washington, and New York.
Ellay Stores, Inc.	Clothing and furnishings	43	Illinois, Indiana, North Carolina, Ohio, Pennsylvania, West Virginia, and New Jersey.
Consolidated Retail Stores, Inc.	do	29	Alabama, Arkansas, District of Columbia, Illinois, Indiana, Kansas, Kentucky, Maryland, Missouri, Ohio, Oklahoma, Pennsylvania, and Tennessee.
Lady Oris Hosiery Shops	do	11	Illinois, Kansas, Louisiana, New York, and Tennessee.
Millinery Stores	do	27	Connecticut, Washington, D.C., Illinois, Indiana, Minnesota, Ohio, and Tennessee.
Dundee Smart Clothes, Inc.	do	15	California, New York, Pennsylvania, Utah, and Washington.
Geo. E. Keith Co.	Shoes	14	Arkansas, California, Colorado, Georgia, Illinois, Indiana, Iowa, Louisiana, Massachusetts, Missouri, New York, Ohio, Oklahoma, Pennsylvania, Tennessee, and Utah.
Midland Shoe Co.	do	38	Alabama, Arkansas, Indiana, Iowa, Louisiana, Michigan, Mississippi, Missouri, Oklahoma, and Wisconsin.
Morton's Shoe Stores, Inc.	do	15	Connecticut, Delaware, Georgia, Louisiana, Massachusetts, Michigan, New Hampshire, New York, North Carolina, Pennsylvania, Rhode Island, Vermont, and Virginia.
Roe Bros. Stores, Inc.	do	46	Arizona, California, Colorado, Idaho, New Mexico, Nevada, Oregon, Washington, and Wyoming.
Weiss & Neumann Shoe Co.	do	50	Arkansas, Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, and Wisconsin.
Wm. Cameron and Co.	Hardware	35	Oklahoma.
Carey Lumber Co.	do	12	Do.
Kemp Lumber Co.	do	7	New Mexico.
Virginia Dare Stores Corp.	Clothing and furnishings	46	Alabama, Florida, Georgia, Illinois, Indiana, Massachusetts, Michigan, Minnesota, Missouri, Nebraska, New Jersey, North Carolina, Ohio, Oklahoma, Pennsylvania, Rhode Island, South Carolina, Tennessee, Virginia, and Wisconsin.
National Manufacture & Stores Corp.	Furniture	40	Alabama, Georgia, North Carolina, Louisiana, South Carolina, and Tennessee.
Wormser Hat Stores, Inc.	Clothing and furnishings	42	Alabama, Arkansas, Colorado, District of Columbia, Georgia, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Nebraska, Ohio, Oklahoma, and Tennessee.
Weiss Bros. Stores, Inc.	do	19	Alabama, Georgia, Indiana, Louisiana, Mississippi, Oklahoma, and Tennessee.
Peyton-Marcus Co.	do	14	Kansas, Louisiana, and Oklahoma.
Haverty Furniture Co.	Furniture	28	Alabama, Arkansas, Florida, Georgia, Tennessee, Louisiana, North Carolina, South Carolina, and Virginia.
Hemenway Furniture Co., Inc.	do	10	Louisiana.

State by State list of some retail chains with 5 to 50 establishments in 2 or more States (covered by Ayres-Kitchin substitute)—Continued

TEXAS—Continued

Company	Category	Number of stores	Other States of operation
Geo. E. Keith Co	Shoes	14	Arkansas, California, Colorado, Georgia, Illinois, Indiana, Iowa, Louisiana, Massachusetts, Missouri, New York, Ohio, Oklahoma, Pennsylvania, Tennessee, and Utah.
Nettleton Shops, Inc	do	45	All States.
Family Stores	do	22	Arkansas and Oklahoma.
Given Bros., Inc	do	20	Arizona and New Mexico.
Austin Shoe Stores	do	33	Louisiana.
Magikist Service Corp	Drycleaning	10	Arizona, California, Florida, Illinois, Indiana, Massachusetts, Michigan, New York, Ohio, Pennsylvania, and Wisconsin.
Page Co., Inc	Clothing and furnishings	9	California, Michigan, and Ohio.
Bentley's, Inc	do	6	Also Oklahoma.
Nunn-Bush Shoe Co	Shoestore	23	Alabama, Arkansas, California, Colorado, Connecticut, Florida, Georgia, Illinois, Indiana, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, New Hampshire, New Jersey, New Mexico, New York, North Carolina, Ohio, Oklahoma, Rhode Island, South Carolina, Tennessee, Virginia, West Virginia, and Wisconsin.
Morton's Shoe Stores, Inc	Shoes	15	Massachusetts, Connecticut, Delaware, Georgia, Louisiana, Michigan, New Hampshire, New York, North Carolina, Pennsylvania, Rhode Island, Vermont, and Virginia.
S & Q Clothiers	Clothing and furnishings	9	Arkansas and Oklahoma.
Heath Furniture Co	Furniture	10	New Mexico.
M. N. Landau Stores, Inc	Variety	20	New York, Connecticut, Indiana, Massachusetts, Michigan, New Hampshire, New Jersey, and North Carolina.
Jean Heart Shops	Clothing and furnishings	9	Louisiana.
Palais Royal, Inc	do	10	Arkansas and Louisiana.
Aaronson Bros. Stores Corp	do	22	Texas.
Brookshire's Food Stores	Food	17	Louisiana.
Circle "K" Drive-In Food Stores	do	34	Arizona and New Mexico.
Evans Foodway Stores	do	10	New Mexico.
Barrett Grocery Co	do	9	Oklahoma.
Longwear Paint & Varnish Works	Miscellaneous	7	Missouri, Kansas, and Oklahoma.
Lewis Shoe Stores	Shoestore	14	Arizona, Florida, Illinois, and Kentucky.
Kuhn Paint Co	Miscellaneous	14	Louisiana.
Volume Shoe Distributors	Shoes	8	Oklahoma and Kansas.
Bay Shoe Co., Inc	do	7	Louisiana.
Newstadt's Shoe Stores	do	8	Do.
United Shoe Stores Co	do	44	Louisiana, Arkansas, Georgia, Mississippi, Oklahoma, Tennessee, and others.
Schaffer's	Clothing and furnishings	8	Colorado, Iowa, Minnesota, and Nebraska.
Adams Management Corp	do	12	Massachusetts, Minnesota, New Jersey, New York, Pennsylvania, and Rhode Island.
Sweetbriar Shops, Inc	do	48	Arizona, Colorado, Idaho, Montana, Kansas, Nebraska, New Mexico, Oklahoma, South Dakota, Utah, and Wyoming.
Aaronson Bros. Stores Corp	do	22	
P. W. West's Stores	Variety	5	Louisiana.
Puckett's Food Stores	Food	11	Oklahoma.
Eastland 5¢–$1.00 Stores	Variety	9	Do.
M. E. Moses Co., Inc	do	32	Do.
E. B. Mott Co	do	42	New Mexico.
Duke & Ayres, Inc	do	48	Oklahoma.
C. G. Morrison & Co. 5¢–$1 Stores	do	18	New Mexico.
The Fed-Mart Corp	Discount stores	7	Arizona and California.
Cashway Supermarkets	Food	6	New Mexico.
Shop Rite Foods, Inc	do	49	Do.
B. & J. Drug Co	Drugstore	5	New Mexico and Oklahoma.
The National Hotel Co	do	14	Alabama, Indiana, Louisiana, Nebraska, South Carolina, and Virginia.
Skaggs Drug Center, Inc	do	28	Arizona, Colorado, Idaho, Louisiana, Montana, Nevada, New Mexico, Oklahoma, and Utah.
Parker's Food Stores, Inc	Food	14	Oklahoma.
Beard & Babelman	Clothing and furnishings	36	Iowa, Missouri, Kansas, Nebraska, Oklahoma, and South Dakota.
Salle Ann Shops, Inc	do	19	Missouri and Illinois.
Markson Bros., Inc	do	41	California, Arizona, Colorado, Illinois, Kansas, Maine, Massachusetts, New York, and Oklahoma.
House of Nine, Inc	do	34	California, Arizona, Colorado, Michigan, Utah, Missouri, Oregon, and Pennsylvania.
Maternity Modes	do	6	New Mexico and Arizona.
Babcock Bros. Auto Supply Co	Auto supply	17	Oklahoma.
The Abel Corp	do	36	District of Columbia, Iowa, Indiana, Maryland, Michigan, Pennsylvania, Ohio, and West Virginia.
Beenar's	Clothing and furnishings	19	Illinois, Indiana, Iowa, and Oklahoma.

UTAH

Tanne-Arden, Inc	Clothing	36	Arizona, California, Colorado, Kentucky, Massachusetts, Michigan, Nevada, Oklahoma, Oregon, Texas, Washington, and New York.
Dundee Smart Clothes, Inc	do	15	California, New York, Pennsylvania, Texas, and Washington.
Geo. E. Keith Co	Shoes	14	Arkansas, California, Colorado, Georgia, Illinois, Indiana, Iowa, Louisiana, Massachusetts, Missouri, New York, Ohio, Oklahoma, Pennsylvania, Tennessee, and Texas.
Rollnick Shoe Co	do	9	Colorado, Idaho, and Wyoming.
Anderson Lumber Co	Hardware	16	Idaho.
Mountain States Implement Co	do	9	Do.
Geo. E. Keith Co	Shoes	14	Arkansas, California, Colorado, Georgia, Illinois, Indiana, Iowa, Louisiana, Massachusetts, Missouri, New York, Ohio, Oklahoma, Pennsylvania, Tennessee, and Texas.
Nettleton Shops, Inc	do	45	Operates in all States.
M. H. King Co	Variety	20	Idaho, Montana, and Oregon.
Lowe Drug Co	Drugstore	5	Idaho.
Skaggs Drug Center, Inc	do	28	Arizona, Colorado, Idaho, Louisiana, Montana, Nevada, New Mexico, Oklahoma, and Texas.
Allen's Cash Stores	Food	8	Nevada.
Bennett's (paints)	Miscellaneous	8	California and Idaho.
Union Distributing Co	do	5	Wyoming.
Sweetbrier Shops, Inc	Clothing and furnishings	48	Arizona, Colorado, Idaho, Montana, Kansas, Nebraska, New Mexico, Oklahoma, South Dakota, Texas, and Wyoming.
Conrad's, Inc	do	11	Colorado, Idaho, Montana, Oregon, Washington, and Wyoming.
House of Nine, Inc	do	34	California, Arizona, Texas, Colorado, Michigan, Missouri, Oregon, and Pennsylvania.
Morrow's Nut House Corp	Candy stores	5	California and Oregon.

State by State list of some retail chains with 5 to 50 establishments in 2 or more States (covered by Ayres-Kitchin substitute)—Continued

VERMONT

Company	Category	Number of stores	Other States of operation
Puritan Federal Clothing Stores, Inc	Clothing and furnishings	46	Connecticut, Illinois, Indiana, New Hampshire, Maine, Massachusetts, Michigan, and Pennsylvania.
Miss New York Frocks, Inc	do	5	Massachusetts and New York.
J. Baker, Inc	Shoes	14	Connecticut and Massachusetts.
Morton's Shoe Stores, Inc	do	15	Connecticut, Delaware, Georgia, Louisiana, Massachusetts, Michigan, New Hampshire, New York, North Carolina, Pennsylvahia, Rhode Island, Texas, and Virginia.
Diamond National Corp	Hardware	26	Connecticut, Maine, Massachusetts, New Hampshire, and Rhode Island.
Nettleton Shops, Inc	Shoes	45	Operates in all States.
Union-Fern, Inc	Furniture	12	Massachusetts and New York.
Max Dichter, Inc	Variety	5	Massachusetts and New Hampshire.
M. H. Fishman Co., Inc	do	47	New York, Delaware, Maine, Massachusetts, New Hampsh re, New Jersey, Ohio, Virginia and Pennsylvania.
Max Dicter, Inc	Discount Stores	5	Massachusetts, New Jersey, New York, and Ohio.
National Army Stores Corp	Miscellaneous	19	New York.
Strollman Shops	Clothing and furnishings	7	Do.

VIRGINIA

Adeline Apparel Shops, Inc	Clothing and furnishings	49	New York, Ohio, New Jersey, Arkansas, Illinois, Indiana, North Carolina, Tennessee, and Pennsylvania.
Good-Val Stores Corp	do	26	Florida, Georgia, Massachusetts, New Hampshire, New York, North Carolina, Pennsylvania and South Carolina.
My Shop, Inc	do	41	Alabama, Georgia, Illinois, Indiana, Louisiana, New Jersey, North Carolina, Ohio, Pennsylvania, Tennessee, and Wisconsin.
Cranes-Mayos Clothes, Inc	do	40	Delaware, Georgia, Illinois, Indiana, New York, North Carolina, Pennsylvania, South Carolina, Tennessee, and West Virginia.
O. P. O. Clothes	do	34	Alabama, Arizona, California, Florida, Georgia, Louisiana, Maryland, Mississippi, North Carolina, Pennsylvania, South Carolina, Tennessee, Texas, and West Virginia.
Smart & Thrifty Dresses, Inc	Clothing	33	Alabama, Florida, Louisiana, South Carolina, and Texas.
Eleanor Shops, Inc	Clothing and furnishings	40	Alabama, Georgia, Mississippi, North Carolina, Pennsylvania, and South Carolina.
Sumner Stores Corp	Clothing	33	Alabama, Arizona, Florida, Georgia, Louisiana, Mississippi, South Carolina, Texas, Tennessee, and New York.
Jubilee Shops, Inc	Clothing and furnishings	15	New York, Indiana, Kansas, Maryland, New Jersey, Ohio, Pennsylvania, and Texas.
Best & Co., Inc	do	19	Connecticut, District of Columbia, Massachusetts, Michigan, New Jersey, New York, Ohio, and Pennsylvania.
Hofstadter & Albert Millinery Corp	do	7	Washington, D. C., Maryland, Pennsylvania,and Ohio.
Morton's	do	5	District of Columbia andMaryland.
Joy Stores, Inc	do	18	Indiana, Kentucky, New Jersey, North Carolina, Ohio, Pennsylvania, West Virginia, and Wisconsin.
Montaldo's	do	11	Arkansas, Colorado, Missouri, New Jersey, North Carolina, Ohio, and Oklahoma.
David's Specialty Shops, Inc	do	15	District of Columbia, New York, and Ohio.
Felser Shoe Stores	Shoes	13	District of Columbia, and Maryland.
Morton's Shoe Stores, Inc	do	15	Connecticut, Delaware, Georgia, Louisiana, Massachusetts, Michigan, New Hampshire, New York, North Carolina, Pennsylvania, Rhode Island, Texas, and Vermont.
Shelbro, Inc	do	5	Connecticut, New York, and Rhode Island.
Peoples' Hardware Stores	Hardware	19	District of Columbia and Maryland.
Wilbur-Rogers, Inc	Clothing and furnishings	38	Delaware, District of Columbia, Indiana, Kentucky, Maryland, Massachusetts, Missouri, New Jersey, New York, North Carolina, Ohio, and Pennsylvania.
Virginia Dare Stores, Corp	do	46	Alabama, Florida, Georgia, Illinois, Indiana, Massachusetts, Michigan, Minnesota, Missouri, Nebraska, New Jersey, North Carolina, Ohio, Oklahoma, Pennsylvania, Rhode Island, South Carolina, Tennessee, Texas, and Wisconsin.
Cato Stores, Inc	do	50	North Carolina and South Carolina.
Haverty Furniture Co	Furniture	28	Alabama, Arkansas, Florida, Georgia, Louisiana, North Carolina, South Carolina, Tennessee, and Texas.
Greenbelt Consumer Services, Inc	Food supply	10	Maryland.
Nettleton Shops, Inc	Shoes	45	All States.
Siehler Furniture Co., Inc	Furniture	7	Maryland and West Virginia.
Elite Laundry & Cleaning Co	Dry Cleaning	10	Washington, D.C., and Maryland.
Nathan & Sylvia Robin, Inc	do	14	Do.
Big "B" One Hour Cleaners	do	15	Florida, Illinois, Iowa, Kentucky, Missouri, Tennessee, and Virginia.
Blue Ribbon Laundry	do	28	Maryland and Washington, D.C.
The Nettie Lee Shops	Clothing and furnishings	7	Tennessee.
Numm-Bush Shoe Co	Shoes	23	Alabama, Arkansas, California, Colorado, Connecticut, Florida, Georgia, Illinois, Indiana, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, New Hampshire, New Jersey, New Mexico, New York, North Carolina, Ohio, Oklahoma, Rhode Island, South Carolina, Tennessee, Texas, West Virginia, and Wisconsin.
Morton's Shoe Stores, Inc	do	15	Massachusetts, Connecticut, Delaware, Georgia, Louisiana, Michigan, New Hampshire, New York, North Carolina, Pennsylvania, Rhode Island, Texas, and Vermont.
Barr Stores, Inc	Variety	6	West Virginia.
Wilson's 5¢-10¢-25¢ Stores	do	7	Georgia.
Robertson's 5¢-10¢ Stores, Inc	do	5	District of Columbia.
Munford Do-It-Yourself Stores, Inc	Miscellaneous stores	43	Alabama, Florida, Georgia, North Carolina, South Carolina, and Tennessee.
George's Warehouse Supermarts	do	7	Washington, D.C.
Home, Inc. (paints, glass, and tile)	do	10	Washington, D.C., and Maryland.
Rogers Toy Shops, Inc	do	18	Washington, D.C., Tennessee, Ohio, Florida, Alabama, Maryland, Georgia, and Pennsylvania.
Stidham Tire Stores	do	7	Washington, D.C., and Maryland.
Charles G. Stott Co., Inc	do	6	Do.
W. R. Winslow Co. (paints)	do	8	Do.
Mack's 5¢-10¢-25¢ Stores, Inc	Variety	31	Georgia, North Carolina, and South Carolina.
P & N 5¢-10¢ Stores, Inc	do	5	North Carolina.
Crest Stores Co	do	13	North Carolina and South Carolina.
Fine's Men's Shops, Inc	Clothing and furnishings	7	North Carolina.
Barr Bros., Inc	Jewelry	17	Do.
W. M. Wall Jewelers	do	5	Do.
M. H. Fishman Co., Inc	Variety	47	New York, Delaware, Maine, Massachusetts, New Hampshire, New Jersey, Ohio, Pennsylvania, and Vermont.
Charles Stores Co., Inc	do	32	New York, Kentucky, North Carolina, Pennsylvania, and Tennessee.
W. V. Ramsey Co	do	5	South Carolina, North Carolina, and Tennessee.
Discount Food City	Food	5	Pennsylvania.
Rockower Bros., Inc	Clothing and furnishings	25	Delaware, New Jersey, New York, and Pennsylvania.
The National Hotel Co	Drugstore	14	Alabama, Indiana, Louisiana, Nebraska, South Carolina, and Texas.
H. S. King Co	Variety	5	Maryland and District of Columbia.
Tazewell Supply Co., Inc	Food	5	West Virginia.
Dalmo Sales Co	Discount stores	5	Washington, D.C., and Maryland.

State by State list of some retail chains with 5 to 50 establishments in 2 or more States (covered by Ayres-Kitchin substitute)—Continued

VIRGINIA—Continued

Company	Category	Number of stores	Other States of operation
Miracle Marts	Discount stores	7	Indiana, Michigan, Pennsylvania, and Rhode Island.
Bargain City U.S.A.	do	13	New Jersey, and Pennsylvania.
Standard Drug Co.	Drugstore	13	District of Columbia.
Patterson Drug Co.	do	11	North Carolina.
Huntsberrys, Inc.	Shoestore	5	Maryland and Pennsylvania.
Critzer Footwear, Inc.	do	14	Maryland.
Hofheimer's, Inc.	do	20	North Carolina.
Brentano's Inc.	Miscellaneous	13	Washington, D.C., Maryland, New Jersey, and New York.
Olan Mills, Inc.	do	35	Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, and Tennessee.
Pete Moore Appliance Center	do	10	Washington, D.C., Kentucky, Pennsylvania, and Tennessee.
Metro Drug Stores	Drugstore	10	Maryland and District of Columbia.
Save-Mor Drugs, Inc.	do	10	District of Columbia.
Dart Drug Corp.	do	13	District of Columbia and Maryland.
Silco Cut Price Stores, Inc.	Drugs	50	Delaware, New Jersey, Maryland, Pennsylvania, North Carolina, and West Virginia.
Jelleff's, Inc.	Clothing and furnishings	6	District of Columbia and Maryland.
Terry Shops	do	24	New Jersey, Delaware, New York, and Virginia.
Webster Clothes, Inc.	do	19	District of Columbia, Indiana, Kentucky, Maryland, New Jersey, North Carolina, Ohio, Virginia, and West Virginia.
Advance Stores Co.	Auto supply	46	North Carolina, South Carolina, and Tennessee.
Joe, The Motorists' Friend, Inc.	do	25	Maryland, Pennsylvania, and West Virginia.
Market Tire, Inc.	do	8	District of Columbia and Maryland.
Taubman's, Inc.	do	13	Maryland.

WASHINGTON

Tanne-Arden, Inc.	Clothing	36	Arizona, California, Colorado, Kentucky, Massachusetts, Michigan, Nevada, Oklahoma, Oregon, Texas, Utah, and New York.
Dundee Smart Clothes, Inc.	Clothing and furnishings	15	California, New York, Pennsylvania, Texas, and Utah.
Roe Bros. Stores, Inc.	Shoe	46	Arizona, California, Colorado, Idaho, New Mexico, Nevada, Oregon, Texas, and Wyoming.
Madison Lumber & Mill Co.	Hardware	8	Idaho.
Jacqueline Shops	Clothing and furnishings	6	Oregon.
Herman's Men's Stores	do	9	Do.
Zukor's	do	16	New York, California, and Oregon.
Nettleton Shops, Inc.	Shoes	45	All States.
Wallpapers, Inc.	Miscellaneous	5	Oregon and California.
Sherman Clay & Co.	do	23	California, Oregon, and Washington.
Fonk's 5¢–$1 Stores	Variety	13	Idaho and California.
Weisfeld's Inc.	Jewelry	32	California, Idaho, and Oregon.
Dick Tyrrell Jewelers, Inc.	do	11	California.
Big "C" Stores	Food	20	Oregon.
Oregon Piggly Wiggly Co.	do	32	Do.
Sigman Food Stores	do	15	Idaho and Oregon.
Pay N'Save Drugs, Inc.	Drugstore	12	Oregon.
Zapp's Drug Stores	Drugstores	9	Do.
Nordstrom's, Inc.	Shoe store	18	California and Oregon.
Preservative Paint Co.	Miscellaneous	8	Oregon.
Cent-Wise Drug Stores	Drugs	5	Do.
Pay Less Stores	do	18	California, Oregon, and Idaho.
Conrad's, Inc.	Clothing and furnishings	11	Colorado, Idaho, Montana, Oregon, Utah, and Wyoming.
Hartfield Stores, Inc.	do	45	California, Arizona, New Jersey, New York, Oregon, and Hawaii.

WEST VIRGINIA

Arlene Shops, Inc.	Clothing and furnishings	8	New York, Ohio, and Pennsylvania.
Retail Jenny Shops, Inc.	do	20	Indiana, Ohio, and Pennsylvania.
Cranes-Mayos Clothes, Inc.	do	40	Delaware, Georgia, Illinois, Indiana, New York, North Carolina, Pennsylvania, South Carolina, Tennessee, and Virginia.
O.P.O. Clothes	do	34	Alabama, Arizona, California, Florida, Georgia, Louisiana, Maryland, Mississippi, North Carolina, Pennsylvania, South Carolina, Tennessee, Texas, and Virginia.
Beverly Shops	do	7	Kentucky and Ohio.
Broadstreet's, Inc.	do	12	Illinois, New Jersey, New York, and Pennsylvania.
Ellay Stores, Inc.	do	43	Illinois, Indiana, North Carolina, Ohio, Pennsylvania, Texas, and New Jersey.
Joy Stores, Inc.	do	18	Indiana, Kentucky, New Jersey, North Carolina, Ohio, Pennsylvania, Virginia, and Wisconsin.
Krasner Bros., Inc.	do	26	Kentucky, Maryland, Missouri, and Tennessee.
Collins Stores, Inc.	do	24	Kentucky, Ohio, Pennsylvania, and Tennessee.
The Ormond Shops, Inc.	do	34	Maryland, New Jersey, and Pennsylvania.
Carolina Lumber Co.	Hardware	6	Kentucky and Ohio.
Scott Lumber Co.	do	9	Ohio.
Siehler Furniture Co., Inc.	Furniture	7	Maryland and Virginia.
Eckerly Millinery	Clothing and furnishings	5	Ohio.
Taggart Shoes, Inc.	Shoes	10	Kentucky and Ohio.
Nettleton Shops, Inc.	do	45	All States.
Jay Roy Co., Inc.	Jewelry	25	Maryland and Pennsylvania.
S. A. Meyer Co.	do	15	Pennsylvania, New York, Ohio, and Maryland.
Lewis Furniture Co.	Furniture	5	Ohio.
Super Shoe Stores	Shoes	14	Maryland and Pennsylvania.
Nunn-Bush Shoe Co.	do	23	Alabama, Arkansas, California, Colorado, Connecticut, Florida, Georgia, Illinois, Indiana, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, New Hampshire, New Jersey, New Mexico, New York, North Carolina, Ohio, Oklahoma, Rhode Island, South Carolina, Tennessee, Texas, Virginia, and Wisconsin.
R. H. Hobbs Co. 5¢–$1 Stores	Variety	7	Kentucky.
Barr Stores, Inc.	do	6	Virginia.
Big Bear Stores Co.	Food	31	Ohio.
Evans Grocery Co.	do	13	Do.
Morris Allon & Co.	Clothing and furnishings	18	Pennsylvania.
Fashion Hosiery Stores, Inc.	do	32	Pennsylvania and Ohio.
Tazewell Supply Co., Inc.	Food	5	Virginia.
Hoge-Davis Drug Co.	Drugstore	6	Ohio.
Majestic Paint Centers, Inc.	Miscellaneous	16	Do.
Silco Cut Price Stores, Inc.	Drugs	50	Maryland, New Jersey, Pennsylvania Delaware, North Carolina, and Virginia.
My Maternity Shop, Inc.	Clothing and furnishings	45	Connecticut, New York, Ohio, Pennsylvania, Ontario, and Quebec, Canada.
Webster Clothes, Inc.	do	19	District of Columbia, Indiana, Kentucky, Maryland, New Jersey, North Carolina, Ohio, and Virginia.

State by State list of some retail chains with 5 to 50 establishments in 2 or more States (covered by Ayres-Kitchin substitute)—Continued

WEST VIRGINIA—Continued

Company	Category	Number of store	Other States of operation
Standard Auto & Radio Supply Co	Auto supply	13	Ohio and Pennsylvania.
Miller's Auto Supplies, Inc	do	15	Maryland and Pennsylvania.
Joe, The Motorists' Friend, Inc	do	25	Maryland, Pennsylvania, and Virginia.
Gatling's Auto Stores	do	7	Pennsylvania.
Flemming & Flower	do	5	Ohio.
The Abel Corp	do	36	District of Columbia, Iowa, Indiana, Maryland, Michigan, Ohio, Pennsylvania, Texas, and West Virginia.
Lou's Auto Stores	do	5	Maryland.

WISCONSIN

Jerrold's	Clothing and furnishings	10	Michigan and Ohio.
Buttrey Stores, Inc	do	23	Iowa, Minnesota, North Dakota, and South Dakota.
My Shop, Inc	do	41	Alabama, Georgia, Illinois, Indiana, Louisiana, New Jersey, North Carolina, Ohio, Pennsylvania, Tennessee, and Virginia.
Linpark Clothing Corp	do	12	Iowa, Minnesota, Nebraska, New York, and South Dakota.
Brooks Fashion Stores, Inc	do	18	Illinois, New York, and Ohio.
Tradehome Shoe Stores, Inc	Shoes	20	Iowa, Minnesota, and South Dakota.
Weiss & Neumann Shoe Co	do	50	Arkansas, Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, and Texas.
Crown Self-Service Shoe Stores, Inc	do	38	Illinois, Indiana, Michigan, and Ohio.
Hurrle Bros. Shoe Co	do	7	Iowa and Minnesota.
Maling Shoes	do	31	Illinois, Indiana, Michigan, and Ohio.
Midland Shoe Co	do	38	Alabama, Arkansas, Indiana, Iowa, Louisiana, Michigan, Mississippi, Missouri, Oklahoma, and Texas.
T. G. Allin Co	Hardware		Minnesota.
Lincoln Stores, Inc	do	11	Do.
Virginia Dare Stores, Corp	Clothing and furnishings	46	Alabama, Florida, Georgia, Illinois, Indiana, Massachusetts, Michigan, Minnesota, Missouri, Nebraska, New Jersey, North Carolina, Ohio, Oklahoma, Pennsylvania, Rhode Island, South Carolina, Tennessee, Texas, and Virginia.
E. G. Shinner & Co., Inc	Food supply	47	Illinois, Iowa, Michigan, Ohio, and Pennsylvania.
Estee Sleep Shops	Furniture	10	Illinois.
Nettleton Shops, Inc	Shoes	45	All States.
Leath & Co	Furniture	37	Illinois, Indiana, Iowa, Michigan, and Minnesota.
L. Fish Furniture Co	do	11	Illinois, Indiana, and Ohio.
Magikist Service Corp	Drycleaning	10	Arizona, California, Florida, Illinois, Indiana, Massachusetts, Michigan, New York, Ohio, Pennsylvania, and Texas.
Factory Tile Warehouse, Inc	Miscellaneous stores	15	Illinois.
Bloch Daneman Co	Furniture	10	Maryland, Michigan, Ohio, and Pennsylvania.
Nunn-Bush Shoe Co	Shoes	23	Alabama, Arkansas, California, Colorado, Connecticut, Florida, Georgia, Illinois, Indiana, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Montana, Missouri, Nebraska, New Hampshire, New Jersey, New Mexico, New York, North Carolina, Ohio, Oklahoma, Rhode Island, South Carolina, Tennessee, Texas, Virginia, and West Virginia.
C. J. Silver Jewelers, Inc	Jewelry	9	Minnesota and Iowa.
Super Valu Stores, Inc	Food	11	Minnesota.
Arenz Shoe Co	Shoes	6	Iowa and Minnesota.
Mathisen Tire Co	Miscellaneous	7	Minnesota, Michigan, and North Dakota.
Mary Lester of Southern Wisconsin	do	20	Illinois.
The Muir Drug Co	Drugstore	28	Indiana, Michigan, and Ohio.
Osco Drug Co	do	30	Illinois, Indiana, Iowa, Minnesota, and North Dakota.
Spyrison's Shoes, Inc	Shoes	8	Illinois.
Western Tire Auto Stores, Inc	Auto supply	48	Illinois, Indiana, and Michigan.
Equitable Millinery	Clothing and furnishings	25	Illinois, Indiana, Iowa, Kentucky, Michigan, and Ohio.
Benson & Rixon Co	do	11	Illinois and Indiana.
Joy Stores, Inc	do	18	Indiana, Kentucky, New Jersey, North Carolina, Ohio, Pennsylvania, Virginia, and West Virginia.

WYOMING

L. Goldman Shoe Co	Shoe	5	Nebraska, Colorado, and South Dakota.
Roe Bros. Stores, Inc	do	46	Arizona, California, Colorado, Idaho, New Mexico, Nevada, Oregon, Texas, and Washington.
Rollnick Shoe Co	do	9	Colorado, Idaho, and Utah.
S. A. Foster Lumber Co	Hardware	9	Colorado and Nebraska.
Nettleton Shops, Inc	Shoe	45	All States.
L. B. Murphy Co	Variety	8	Nebraska.
Food Centers, Inc	Food	8	Do.
Sawyer Stores, Inc	do	13	Montana.
Union Distributing Co	Miscellaneous	5	Utah.
Sweetbriar Shops, Inc	Clothing and furnishings	48	Arizona, Colorado, Idaho, Montana, Kansas, Nebraska, New Mexico, Oklahoma, South Dakota, Texas, and Utah.
Conrad's, Inc	do	11	Colorado, Idaho, Montana, Oregon, Utah, and Washington.
Biernbaum & Son	Auto supply	8	South Dakota.
Stickney's, Inc	do	10	Colorado and Nebraska.

Mr. ROOSEVELT. Mr. Chairman, I yield 5 minutes to the gentleman from Utah [Mr. KING].

Mr. KING of Utah. Mr. Chairman, I rise in support of the committee bill. We have heard some questions raised about whether the committee bill introduces a new concept of interstate commerce, and about whether it goes too far when it covers retailers and service enterprises.

Let me attempt to throw light on these two questions.

First, the issue is not whether retailers are or are not in interstate commerce. One glance at the products on the shelves of the typical store should make everyone thoroughly aware that retailers distribute products coming from all parts of the country, and that they are therefore clearly in the stream of interstate commerce.

It does not make any difference whether the retail company runs 3 stores or 10 stores, or whether it runs them all in one State, or has them spread over several States. If it sells interstate products, it is a part of interstate commerce regardless of the location or number of its stores.

The issue, I repeat, is not whether these businesses are in commerce, but simply whether we choose to exercise our authority to cover them.

Let us note further, that we have already considered these types of business to be within our regulatory authority. In other legislation, indeed in legislation in the labor field, we have already covered such business. The Taft-Hartley Act covers retailing. The Landrum-Griffin Act regulates every labor union in every industry "affecting interstate commerce," so that a union in a retail store is already under the Congress regulatory authority.

Thus the issue is not whether we should stretch our constitutional author-

ity, but rather whether we should now use authority we have repeatedly exercised in other legislative areas. The issue is whether certain industries, which are already regulated and indeed protected by Federal legislation, should be now required to meet fair minimum labor standards. This is essentially an issue of public policy, not of constitutional authority.

Finally, my own position is that these businesses surely should meet the same minimum fair standards as other American industries, but that a distinction should be drawn for the smallest of such businesses. I believe that even the corner grocer is technically in interstate commerce, but I draw the line at extending our authority to such locally-oriented merchants. I would favor continued exemption for them. Since some explicit dividing line is necessary between the truly small merchant and the sizable retailer, use of a business volume test, along the lines already used by the National Labor Relations Board, is sound. Although that Board uses $500,000 annual business as the test of whether it takes coverage, I think $1 million is a sounder dividing line between the substantial and the genuinely small business, as far as this legislation is concerned.

I, therefore, support that $1 million test, which is the basis used by the committee bill, as the cutoff point for determining how far to exercise congressional authority in requiring business adherence to fair minimum labor standards.

I urge the passage of the committee bill.

Mr. ROOSEVELT. Mr. Chairman, I yield 5 minutes to the distinguished majority whip, the gentleman from Oklahoma [Mr. ALBERT], for a very important statement.

Mr. ALBERT. Mr. Chairman, I have just introduced a bill which contains substantial amendments to the bill presented to the House by the committee. This bill has been drawn after consultation with members of the Democratic leadership, the Secretary of Labor, and representatives of the administration. This bill undertakes to work out some of those provisions which have troubled many Members of Congress and which have been objected to by many types of establishments.

Copies of this measure will be available to all Members on Friday, that is, tomorrow. I shall undertake by unanimous-consent request when we go back into the House to have a copy of this bill inserted in the CONGRESSIONAL RECORD, as well as having had the bill introduced, and I am hopeful that printed copies will be available to the Members tomorrow.

It is our belief that this substitute will provide a sound basis for realistic action by the House as a reasonable and moderate accommodation to the wide range of views expressed on this measure during this debate. Salient features of the new proposal are: No overtime requirements for all newly covered employees, and a new and solid basis for exerting interstate commerce only over very large retail service, and other covered establishments, only where 25 percent of the annual volume of these firms depends on interstate commerce.

The fact that they would be provided a flat $1 minimum wage for all newly covered workers will, in my opinion, do much to overcome the objections of many Members of the House and of retail and service industries.

We believe this to be a moderate yet effective approach to legislation of this kind at this time. The effect of this bill will be with respect to presently covered employees and as to the minimum wage for the first 2 years, $1.15 an hour, and after 2 years $1.25 an hour; newly covered employees $1 an hour now and later on; maximum hours, presently covered employees, time and one-half for overtime after 40 hours; newly covered employees, no overtime provisions. Only retail and service establishments, laundries, transit systems, and other establishments doing more than $250,000 annual volume of business, and only if they are in a common business enterprise, 25 percent of whose dollar volume of business depends upon interstate commerce, and again, only where the enterprise does a $1-million volume of business per year.

These annual dollar volume standards are $350,000 in the case of construction enterprises. All family-run stores are exempt from the minimum wage. All hotels, motels, restaurants, hospitals, nonprofit organizations, schools for handicapped or exceptional children, and those engaged in processing are exempt. Telephone companies having 750 stations or less will be exempt. Family laundries engaged mostly in purely intrastate commerce are also exempt. Small interstate retail manufacturing and sales firms are also exempt if they do 85 percent of their selling within the State. Motion picture theaters would be exempt, as well as food handlers, catering houses, and seasonal amusement and recreation businesses.

Special provisions for retail and service establishments are as follows:

First. Lower minimum wages set by the Secretary of Labor for full-time students outside school hours and jobs not held by full-time workers.

Second. Bona fide sales executives and administrators are exempt even if they do less than 40 percent nonexecutive or administrative work.

With respect to Puerto Rico and the Virgin Islands, special provisions for lower than minimum wages and for lower wages set by order of the Secretary of Labor.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

H.R. 5900

A bill to amend the Fair Labor Standards Act of 1938, as amended, to provide coverage for employees of large enterprises engaged in retail trade or service and of other employers engaged in commerce or in the production of goods for commerce, to increase the minimum wage under the Act to $1.25 an hour, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Fair Labor Standards Amendments of 1961".

DEFINITIONS

SEC. 2. (a) Paragraph (f) of section 3 of the Fair Labor Standards Act of 1938 is amended by inserting after "Agricultural Marketing Act, as amended," the following: "the processing of shade-grown tobacco for use as cigar wrapper tobacco by agricultural employees employed in the growing and harvesting of such tobacco, which processing shall include, but shall not be limited to, drying, curing, fermenting, bulking, rebulking, sorting, grading, aging, and baling, prior to the stemming process,".

(b) Paragraph (m) of section 3 of such Act, defining the term "wage", is amended by inserting before the period at the end thereof a colon and the following: "*Provided,* That the cost of board, lodging, or other facilities shall not be included as a part of the wage paid to any employee to the extent it is excluded therefrom under the terms of a bona fide collective-bargaining agreement applicable to the particular employee: *Provided further,* That the Secretary is authorized to determine the fair value of such board, lodging, or other facilities for defined classes of employees and in defined areas, based on average cost to the employer or to groups of employers similarly situated, or average value to groups of employees, or other appropriate measures of fair value. Such evaluations, where applicable and pertinent, shall be used in lieu of actual measure of cost in determining the wage paid to any employee".

(c) Section 3 of such Act is further amended by adding at the end thereof the following new paragraphs:

"(p) 'American vessel' includes any vessel which is documented or numbered under the laws of the United States.

"(q) 'Secretary' means the Secretary of Labor.

"(r) 'Enterprise' means the related activities performed (either through unified operation or common control) by any person or persons for a common business purpose, and includes all such activities whether performed in one or more establishments or by one or more corporate or other organizational units but shall not include the related activities performed for such enterprise by an independent contractor: *Provided,* That, within the meaning of this subsection, a local retail or service establishment which is under independent ownership and control shall not be deemed to be other than a separate and distinct enterprise by reason of any arrangement, which includes, but is not limited to, an agreement (1) that it will sell, or sell only, certain goods specified by a particular manufacturer, distributor, or advertiser, or (2) that it will join with other such local establishments in the same industry for the purpose of collective purchasing, or (3) that it will have the exclusive right to sell the goods or use the brand name of a manufacturer, distributor, or advertiser within a specified area, or by reason of the fact that it occupies premises leased to it by a person who also leases premises to other retail or service establishments.

"(s) 'Enterprise engaged in commerce or in the production of goods for commerce' means any of the following in the activities of which employees are so engaged, including employees handling, selling, or otherwise working on goods that have been moved in or produced for commerce by any person, if not less than 25 per centum of the annual gross dollar volume of business (exclusive of excise taxes at the retail level which are separately stated) of such enterprise is made from sales or services which require, or depend on, shipments of goods in commerce or engagement by employees in commerce or in the production of goods for commerce:

"(1) any such enterprise which has one or more retail or service establishments if the annual gross volume of sales of such enterprise is not less than $1,000,000, exclusive of excise taxes at the retail level which are separately stated;

"(2) any such enterprise which has one or more establishments engaged in laundering, cleaning, or repairing clothing or fabrics if the annual gross volume of sales of such enterprise is not less than $1,000,000, exclusive of excise taxes at the retail level which are separately stated;

"(3) any such enterprise which is engaged in the business of operating a street, suburban or interurban electric railway, or local trolley or motorbus carrier if the annual gross volume of sales of such enterprise is not less than $1,000,000, exclusive of excise taxes at the retail level which are separately stated;

"(4) any establishment of any such enterprise, except establishments and enterprises referred to in other paragraphs of this subsection, which has employees engaged in commerce or in the production of goods for commerce if the annual gross volume of sales of such enterprise is not less than $1,000,000;

"(5) any such enterprise which is engaged in the business of construction or reconstruction, or both, if the annual gross volume from the business of such enterprise is not less than $350,000;

"(6) any gasoline service establishment if the annual gross volume of sales of such establishment is not less than $250,000, exclusive of excise taxes at the retail level which are separately stated:

Provided, That an establishment shall not be considered to be an enterprise engaged in commerce or in the production of goods for commerce, or a part of an enterprise engaged in commerce or in the production of goods for commerce, and the sales of such establishment shall not be included for the purpose of determining the annual gross volume of sales of any enterprise for the purpose of this subsection, if the only employees of such establishment are the owner thereof or persons standing in the relationship of parent, spouse, or child of such owner."

INVESTIGATIONS OF EFFECTS ON EMPLOYMENT OF FOREIGN COMPETITION

SEC. 3. Section 4 of such Act is amended by adding at the end thereof the following new subsection:

"(e) Whenever the Secretary has reason to believe that in any industry under this Act the competition of foreign producers in United States markets or in markets abroad, or both, has resulted, or is likely to result, in increased unemployment in the United States, he shall undertake an investigation to gain full information with respect to the matter. If he determines such increased unemployment has in fact resulted, or is in fact likely to result, from such competition, he shall make a full and complete report of his findings and determinations to the President and to the Congress."

SPECIAL INDUSTRY COMMITTEES FOR PUERTO RICO AND THE VIRGIN ISLANDS

SEC. 4. Subsection (a) of section 5 of such Act is amended by inserting after the words "production of goods for commerce" wherever they appear, the following: "or employed in any enterprise engaged in commerce or in the production of goods for commerce".

MINIMUM WAGES

SEC. 5. (a)(1) Section 6(a) of such Act is amended by inserting after the word "who" in the portion thereof preceding paragraph (1), the words "in any workweek".

(2) Paragraph (1) of section 6(a) of such Act is amended to read as follows:

"(1) not less than $1.15 an hour during the first two years from the effective date of the Fair Labor Standards Amendments of 1961, and not less than $1.25 an hour thereafter, except as otherwise provided in this section."

(3) The first sentence of paragraph (3) of section 6(a) of such Act is amended to read as follows:

"(3) if such employee is employed in American Samoa, in lieu of the rate or rates provided by this subsection or subsection (b), not less than the applicable rate established by the Secretary of Labor in accordance with recommendations of a special industry committee or committees which he shall appoint in the same manner and pursuant to the same provisions as are applicable to the special industry committees provided for Puerto Rico and the Virgin Islands by this Act as amended from time to time."

(b) Subsection (b) of section 6 of such Act is amended to read as follows:

"(b) Every employer shall pay to each of his employees who in any workweek (i) is employed in an enterprise engaged in commerce or in the production of goods for commerce, as defined in section 3(s) (1), (2), (3), or (5) or by an establishment described in section 3(s) (4) or (6), and who, except for the enactment of the Fair Labor Standards Amendments of 1961, would not be within the purview of this section, or (ii) is brought within the purview of this section by the amendments made to section 13(a) of this Act by the Fair Labor Standards Amendments of 1961, wages at a rate not less than $1 an hour.

"(2) if such employee is employed as a seaman on an American vessel, wages at not less than the rate which will provide to the employee, for the period covered by the wage payment, wages equal to compensation at the hourly rate prescribed by paragraph (1) of this subsection for all hours during such period when he was actually on duty (including periods aboard ship when the employee was on watch or was, at the direction of a superior officer, performing work or standing by, but not including off-duty periods which are provided pursuant to the employment agreement)."

(c) Subsection (c) of section 6 of such Act is amended to read as follows:

"(c) The rate or rates provided by subsections (a) and (b) of this section shall be superseded in the case of any employee in Puerto Rico or the Virgin Islands only for so long as and insofar as such employee is covered by a wage order heretofore or hereafter issued by the Secretary pursuant to the recommendations of a special industry committee appointed pursuant to section 5: *Provided,* That (1) the following rates shall apply to any such employee to whom the rate or rates prescribed by subsection (a) would otherwise apply:

"(A) The rate or rates applicable under the most recent wage order issued by the Secretary prior to the effective date of the Fair Labor Standards Amendments of 1961, increased by 15 per centum, unless such rate or rates are superseded by the rate or rates prescribed in a wage order issued by the Secretary pursuant to the recommendations of a review committee appointed under paragraph (C). Such rate or rates shall become effective sixty days after the effective date of the Fair Labor Standards Amendments of 1961 or one year from the effective date of the most recent wage order applicable to such employee theretofore issued by the Secretary pursuant to the recommendations of a special industry committee appointed under section 5, whichever is later.

"(B) Beginning two years after the applicable effective date under paragraph (A), not less than the rate or rates prescribed by paragraph (A), increased by an amount equal to 10 per centum of the rate or rates applicable under the most recent wage order issued by the Secretary prior to the effective date of the Fair Labor Standards Amendments of 1961, unless such rate or rates are superseded by the rate or rates prescribed in a wage order issued by the Secretary pursuant to the recommendations of a review committee appointed under paragraph (C).

"(C) Any employer, or group of employers, employing a majority of the employees in an industry in Puerto Rico or the Virgin Islands, may apply to the Secretary in writing for the appointment of a review committee to recommend the minimum rate or rates to be paid such employees in lieu of the rate or rates provided by paragraph (A) or (B). Any such application with respect to any rate or rates provided for under paragraph (A) shall be filed within sixty days following the enactment of the Fair Labor Standards Amendments of 1961 and any such application with respect to any rate or rates provided for under paragraph (B) shall be filed not more than one hundred and twenty days and not less than sixty days prior to the effective date of the applicable rate or rates under paragraph (B). The Secretary shall promptly consider such application and may appoint a review committee if he has reasonable cause to believe, on the basis of financial and other information contained in the application, that compliance with any applicable rate or rates prescribed by paragraph (A) or (B) will substantially curtail employment in such industry. The Secretary's decision upon any such application shall be final. Any wage order issued pursuant to the recommendations of a review committee appointed under this paragraph shall take effect on the applicable effective date provided in paragraph (A) or (B).

"(D) In the event a wage order has not been issued pursuant to the recommendation of a review committee prior to the applicable effective date under paragraph (A) or (B), the applicable percentage increase provided by any such paragraph shall take effect on the effective date prescribed therein, except with respect to the employees of an employer who filed an application under paragraph (C) and who files with the Secretary an undertaking with a surety or sureties satisfactory to the Secretary for payment to his employees of an amount sufficient to compensate such employees for the difference between the wages they actually receive and the wages to which they are entitled under this subsection. The Secretary shall be empowered to enforce such undertaking and any sums recovered by him shall be held in a special deposit account and shall be paid, on order of the Secretary, directly to the employee or employees affected. Any such sum not paid to an employee because of inability to do so within a period of three years shall be covered into the Treasury of the United States as miscellaneous receipts.

"(2) In the case of any such employee to whom subsection (b) would otherwise apply, the Secretary shall within sixty days after the enactment of the Fair Labor Standards Amendments of 1961 appoint a special industry committee in accordance with section 5 to recommend the highest minimum wage rate or rates, in accordance with the standards prescribed by section 8, not in excess of the applicable rate provided by subsection (b), to be applicable to such employee in lieu of the rate or rates prescribed by subsection (b). The rate or rates recommended by the special industry committee shall be effective with respect to such employee upon the effective date of the wage order issued pursuant to such recommendation but not before sixty days after the effective date of the Fair Labor Standards Amendments of 1961.

"(3) The provisions of section 5 and section 8, relating to special industry committees, shall be applicable to review committees appointed under this subsection. The appointment of a review committee shall be in addition to and not in lieu of any special industry committee required to be appointed

pursuant to the provisions of subsection (a) of section 8, except that no special industry committee shall hold any hearing within one year after a minimum wage rate or rates for such industry shall have been recommended to the Secretary by a review committee to be paid in lieu of the rate or rates provided for under paragraph (A) or (B). The minimum wage rate or rates prescribed by this subsection shall be in effect only for so long as and insofar as such minimum wage rate or rates have not been superseded by a wage order fixing a higher minimum wage rate or rates (but not in excess of the applicable rate prescribed in subsection (a) or subsection (b)) hereafter issued by the Secretary pursuant to the recommendation of a special industry committee."

MAXIMUM HOURS

SEC. 6. (a) Subsection (a) of section 7 of such Act is amended by designating such subsection as subsection (a)(1), by inserting after the word "who" the words "in any workweek".

(b) Section 7 of such Act is amended by adding at the end thereof the following new subsection:

"(h) No employer shall be deemed to have violated subsection (a) by employing any employee of a retail or service establishment for a workweek in excess of the applicable workweek specified therein, if (1) the regular rate of pay of such employee is in excess of one and one-half times the minimum hourly rate applicable to him under section 6, and (2) more than half his compensation for a representative period (not less than one month) represents commissions on goods or services."

WAGE ORDERS IN PUERTO RICO AND THE VIRGIN ISLANDS

SEC. 7. Subsection (a) of section 8 of such Act is amended by inserting after the word "industries" where it appears in the first sentence the words "or enterprise"; and by inserting after the words "production of goods for commerce" where they appear in the second sentence the following: "or in any enterprise engaged in commerce or in the production of goods for commerce".

LIMITATIONS ON REPORTS REQUIREMENTS

SEC. 8. Section 11(c) of such Act is amended by adding at the end thereof the following new sentence: "If an employer has filed with the Secretary a written assurance (in such form as the Secretary shall prescribe) that he is complying with the provisions of this Act, the Secretary shall not require such employer to make any other written report to him pursuant to this subsection unless he has reason to believe, on the basis of complaints made to him or on the basis of other information he considers reliable, that such employer has violated or is violating this Act."

CHILD LABOR PROVISIONS

SEC. 9. Subsection (c) of section 12 of such Act is amended by striking out the period at the end thereof and inserting in lieu thereof the following: "or in any enterprise engaged in commerce or in the production of goods for commerce."

EXEMPTIONS

SEC. 10. Subsections (a) and (b) of section 13 of such Act are amended to read as follows:

"(a) The provisions of sections 6 and 7 shall not apply with respect to—

"(1) any employee employed in a bona fide executive, administrative, or professional capacity, or in the capacity of outside salesman (as such terms are defined and delimited from time to time by regulations of the Secretary, subject to the provisions of the Administrative Procedure Act, except that an employee of a retail or service establishment shall not be excluded from the definition of employee employed in a bona fide executive or administrative capacity because of the number of hours in his workweek which he devotes to activities not directly or closely related to the performance of executive or administrative activities, if less than 40 per centum of his hours worked in the workweek are devoted to such activities); or

"(2) any employee employed by any retail or service establishment, more than 50 per centum of which establishment's annual dollar volume of sales of goods or services is made within the State in which the establishment is located, if such establishment—

"(i) is not in an enterprise described in section 3(s)(1), or

"(ii) is in such an enterprise and is a hotel, motel, restaurant, hospital, or school for physically or mentally handicapped, or gifted, children, or

"(iii) has an annual dollar volume of sales (exclusive of excise taxes at the retail level which are separately stated) which is less than $250,000.

A 'retail or service establishment' shall mean an establishment 75 per centum of whose annual dollar volume of sales of goods or services (or of both) is not for resale and is recognized as retail sales or services in the particular industry; or

"(3) any employee employed by any establishment (except an establishment in an enterprise described in section 3(s)(2)) engaged in laundering, cleaning, or repairing clothing or fabrics, more than 50 per centum of which establishment's annual dollar volume of sales of such services is made within the State in which the establishment is located: *Provided*, That 75 per centum of such establishment's annual dollar volume of sales of such services is made to customers who are not engaged in a mining, manufacturing, transportation, commercial, or communications business: *Provided further*, That neither the exemption in this paragraph nor in paragraph (2) shall apply to any employee of a hotel, motel, or restaurant who is engaged in laundering, cleaning, or repairing clothing or fabrics where such services are not performed exclusively for such hotel, motel, or restaurant: *Provided further*, That this exemption shall not apply to any employee of any such establishment which has an annual dollar volume of sales of such services of $250,000 or more and which is engaged in substantial competition in the same metropolitan area with an establishment less than 50 per centum of whose annual dollar volume of sales of such services is made within the State in which it is located; or

"(4) any employee employed by an establishment which qualifies as an exempt retail establishment under clause (2) of this subsection and is recognized as a retail establishment in the particular industry notwithstanding that such establishment makes or processes at the retail establishment the goods that it sells: *Provided*, That more than 85 per centum of such establishment's annual dollar volume of sales of goods so made or processed is made within the State in which the establishment is located; or

"(5) any employee employed in the catching, taking, propagating, harvesting, cultivating, or farming of any kind of fish, shellfish, crustacea, sponges, seaweeds, or other aquatic forms of animal and vegetable life, or in the first processing, canning or packing such marine products at sea as an incident to, or in conjunction with, such fishing operations, including the going to and returning from work and loading and unloading when performed by any such employee; or

"(6) any employee employed in agriculture or in connection with the operation or maintenance of ditches, canals, reservoirs, or waterways, not owned or operated for profit or operated on a share-crop basis, and which are used exclusively for supply and storing of water for agricultural purposes; or

"(7) any employee to the extent that such employee is exempted by regulations or orders of the Secretary issued under section 14; or

"(8) any employee employed in connection with the publication of any weekly, semiweekly, or daily newspaper with a circulation of less than four thousand the major part of which circulation is within the county where printed and published or counties contiguous thereto; or

"(9) any employee employed by a motion picture theater; or

"(10) any individual employed within the area of production (as defined by the Secretary), engaged in handling, packing, storing, ginning, compressing, pasteurizing, drying, preparing in their raw or natural state, or canning of agricultural or horticultural commodities for market, or in making cheese or butter or other dairy products; or

"(11) any switchboard operator employed by an independently owned public telephone company which has not more than seven hundred and fifty stations; or

"(12) any employee of an employer engaged in the business of operating taxicabs; or

"(13) any employee or proprietor in a retail or service establishment which qualifies as an exempt retail or service establishment under clause (2) of this subsection with respect to whom the provisions of sections 6 and 7 would not otherwise apply, engaged in handling telegraphic messages for the public under an agency or contract arrangement with a telegraph company where the telegraph message revenue of such agency does not exceed $500 a month; or

"(14) any employee employed as a seaman on a vessel other than an American vessel; or

"(15) any employee employed in planting or tending trees, cruising, surveying, or felling timber, or in preparing or transporting logs or other forestry products to the mill, processing plant, railroad, or other transportation terminal, if the number of employees employed by his employer in such forestry or lumbering operations does not exceed twelve; or

"(16) any employee of an establishment primarily engaged in the preparation or offering of food for human consumption who is employed in connection with the preparation or offering of food or beverages for human consumption by such services as catering, banquet, box lunch, or curb or counter service, to the public, to employees, or to members or guests of members of clubs; or

"(17) any employee employed in an amusement or recreational establishment that operates on a seasonal basis; or

"(18) any employee employed by a retail or service establishment which is primarily engaged in the business of selling automobiles, trucks, or farm implements.

"(b) The provisions of section 7 shall not apply with respect to—

"(1) any employee with respect to whom the Interstate Commerce Commission has power to establish qualifications and maximum hours of service pursuant to the provisions of section 204 of the Motor Carrier Act, 1935; or

"(2) any employee of an employer subject to the provisions of part I of the Interstate Commerce Act; or

"(3) any employee of a carrier by air subject to the provisions of title II of the Railway Labor Act; or

"(4) any employee employed in the canning, processing, marketing, freezing, curing, storing, packing for shipment, or distributing of any kind of fish, shellfish, or other aquatic forms of animal or vegetable life, or any byproduct thereof; or

"(5) any individual employed as an outside buyer of poultry, eggs, cream, or milk, in their raw or natural state; or

"(6) any employee employed as a seaman; or

"(7) any employee of a street, suburban or interurban electric railway, or local trolley or motorbus carrier, not included in other exemptions contained in this section; or

"(8) any employee of a gasoline service station; or

"(9) any employee employed as an announcer, news editor, or chief engineer by a radio or television station the major studio of which is located in a city or town of fifty thousand population or less, according to the latest available decennial census figures as compiled by the United States Bureau of Census, except where such city or town is part of a standard metropolitan area as defined and designated by the Bureau of Census, which has a total population in excess of one hundred thousand; or

"(10) any employee of an independently owned and controlled local enterprise (including an enterprise with more than one bulk storage establishment) engaged in the wholesale or bulk distribution of petroleum products if (A) the annual gross volume of sales of such enterprise is not more than $1,000,000 exclusive of excise taxes, and (B) more than 75 per centum of such enterprise's annual dollar volume of sales is made within the State in which such enterprise is located, and (C) not more than 25 per centum of the annual dollar volume of sales of such enterprise is to customers who are engaged in the bulk distribution of such products for resale; or

"(11) any employee whose minimum rate of wages is governed by section 6(b) of this Act."

EMPLOYMENT OF STUDENTS

SEC. 11. Clause (1) of section 14 of such Act is amended by striking out "and" after "apprentices," and by inserting after "messages," the following: "and of full-time students outside of their school hours in any retail or service establishment: *Provided*, That such employment is not of the type ordinarily given to a full-time employee,".

PENALTIES AND INJUNCTION PROCEEDINGS

SEC. 12. (a) Section 16(b) of such Act is amended by adding at the end thereof a new sentence as follows: "The right provided by this subsection to bring an action by or on behalf of any employee, and the right of any employee to become a party plaintiff to any such action, shall terminate upon the filing of a complaint by the Secretary of Labor in an action under section 17 in which restraint is sought of any further delay in the payment of unpaid minimum wages, or the amount of unpaid overtime compensation, as the case may be, owing to such employee under section 6 or section 7 of this Act by an employer liable therefor under the provisions of this subsection."

(b) Section 17 of such Act is amended to read as follows:

"INJUNCTION PROCEEDINGS

"SEC. 17. The district courts, together with the United States District Court for the District of the Canal Zone, the District Court of the Virgin Islands, and the District Court of Guam shall have jurisdiction, for cause shown, to restrain violations of section 15, including in the case of violations of section 15(a)(2) the restraint of any withholding of payment of minimum wages or overtime compensation found by the court to be due to employees under this Act (except sums which employees are barred from recovering, at the time of the commencement of the action to restrain the violations, by virtue of the provisions of section 6 of the Portal-to-Portal Act of 1947)."

STUDY OF AGRICULTURAL HANDLING AND PROCESSING EXEMPTIONS

SEC. 13. The Secretary of Labor shall study the complicated system of exemptions now available for the handling and processing of agricultural products under such Act and particularly sections 7(c), 13(a)(10) and 7(b)(3), and shall submit to the second session of the Eighty-seventh Congress at the time of his report under section 4(d) of such Act a special report containing the results of such study and information, data and recommendations for further legislation designed to simplify and remove the inequities in the application of such exemptions.

EFFECTIVE DATE

SEC. 14. The amendments made by this Act shall take effect upon the expiration of one hundred and twenty days after the date of its enactment, except as otherwise provided and except that the authority to promulgate necessary rules, regulations, or orders with regard to amendments made by this Act, under the Fair Labor Standards Act of 1938 and amendments thereto, including amendments made by this Act, may be exercised by the Secretary on and after the date of enactment of this Act.

Mr. ROOSEVELT. Mr. Chairman, under the agreement I move that the Committee do now rise.

Mr. AYRES. Mr. Chairman, will the gentleman yield?

Mr. Chairman, I would like a few minutes to ask a few questions on this very important matter.

Mr. ROOSEVELT. Mr. Chairman, I do not yield for that purpose.

Mr. AYRES. Mr. Chairman, I ask for 2 minutes.

The CHAIRMAN. Does the gentleman from California yield to the gentleman from Ohio?

Mr. ROOSEVELT. I yield for a statement, if the gentleman from Ohio cares to make a statement at this time.

Mr. AYRES. Mr. Chairman, I yield to the gentleman from Indiana.

Mr. ROOSEVELT. Mr. Chairman, I yielded to the gentleman from Ohio.

Mr. HALLECK. Mr. Chairman, a parliamentary inquiry.

Mr. AYRES. Mr. Chairman, I yield myself 5 minutes.

The CHAIRMAN. The gentleman from Ohio yields himself 5 minutes.

Mr. AYRES. Mr. Chairman, I yield to the gentleman from Indiana.

Mr. HALLECK. Mr. Chairman, in view of the statement which has been made by my very good friend, the gentleman from Oklahoma on the Democratic side, I am wondering since, as he says, this new substitute represents a very marked departure from the bill as reported by the committee, if he does not think that under the circumstances and in view of the fact that this is a new substitute, and that yesterday we had another one, and, further, that we have a committee bill and we have a substitute that has been offered for which there is a lot of support, it would not be a good idea to send this bill back to the committee in order that the committee could work over all these various proposed substitutes and come out here with something that would be understandable?

Mr. ALBERT. Is the gentleman from Indiana addressing his question to me or to the gentleman from California?

Mr. HALLECK. I am addressing the question to the gentleman from Oklahoma.

Mr. ALBERT. Mr. Chairman, every single issue in this modified bill has been argued during the consideration of this bill by this body since the debate on the measure commenced. There is not, in my judgment, an important single departure from recommendations which have been considered by the Committee of the Whole or to objections which have been raised by Members of the House. This is an effort—a good faith effort on the part of the leadership and of the administration to move forward with this measure in a manner that will be acceptable to all concerned.

Mr. HALLECK. Will my colleague from Ohio yield to me to make one further observation?

Mr. AYRES. I yield to the gentleman from Indiana.

Mr. HALLECK. Certainly, I do not question the good faith of the gentleman from Oklahoma. He has always acted in good faith and he is acting in good faith in this matter. But I do not think it is a matter of good faith. I think it is a matter of orderly procedure here in the House of Representatives. As a matter of fact, we started with a bill reported by the committee. There was before us in the last session of the Congress what is known as the Kitchin-Ayres substitute.

A similar substitute, practically identical to what has been introduced, has been before the House for some time in the form of bills that have been printed, and the bill is printed in the CONGRESSIONAL RECORD. I must say that, as I understand the gentleman's brief explanation of the bill he has just introduced, it does vary quite substantially from anything that we have heretofore had before the House of Representatives. That is the reason for my suggestion—given, I may say, in good faith—that possibly it might be well to send the bill back to the committee for further committee consideration.

Mr. ALBERT. I would never question my good friend's good faith. We have been discussing two bills here today as well as other proposals. We have discussed the so-called Ayres-Kitchin substitute and the committee bill. This is a proposal in which we undertake to eliminate objections which have been raised both to the Roosevelt and to the Ayres-Kitchin bill.

Mr. AYRES. I take sufficient time to ask the gentleman from Oklahoma if it would be possible to get just one little copy of this bill in order that we can take a look at it?

Mr. ALBERT. I hope it will be possible. It will be in the RECORD tomorrow morning.

Mr. AYRES. We would like very much to have a copy of it because the gentleman mentioned some things here, I may say to the gentleman from Oklahoma, that the committee never gave any consideration to.

Mr. FRELINGHUYSEN. Mr. Chairman, will the gentleman yield?

Mr. AYRES. I yield.

Mr. FRELINGHUYSEN. It seems to me as a member of the Education and Labor Committee that we are making a mockery of legislative processes if we are to be presented with a proposal which incorporates what the gentleman

from Oklahoma describes himself as substantial amendments and not be given an opportunity even to see the legislation and then be asked to act favorably or unfavorably on it.

Mr. ALBERT. I have introduced the bill. It will be available tomorrow morning.

Mr. GOODELL. Mr. Chairman, will the gentleman yield?

Mr. AYRES. I yield to the gentleman from New York.

Mr. GOODELL. I would like to say that one of the matters mentioned by the gentleman from Oklahoma was never discussed in any form either in the subcommittee or in the full committee, and that is the 25 percent volume of the business being interstate in character. That is a new aspect of the entire problem. We should be given an opportunity to explore exactly what this means and what its implications are. Otherwise I think it would be a very disorderly procedure.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. ROOSEVELT. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, may I first point out to the gentleman from New York that if he will look at the committee bill he will find the reference to percent crossing State lines in many parts of the bill. I would say, therefore, that it has been considered and this is not a precedent.

I yield such time as he may desire to the majority leader, Mr. McCORMACK.

Mr. McCORMACK. Mr. Chairman, of course nobody questions the good faith of my friend from Indiana, but to question the tactical faith is a different proposition. There is nothing new about this; it has happened consistently in many bills coming before the House. As a matter of fact, the Ayres-Kitchin substitute was introduced after the committee reported out the bill. Another illustration is the Griffin-Landrum substitute to the Fair Labor Standards Act when that bill was under consideration. In this instance the gentleman from Oklahoma advises the Members of the House of the introduction of his bill and what it constitutes, in order that the Members may be alerted.

When the bill is read under the 5-minute rule, it would be perfectly proper for him or anyone else who is recognized to offer such a bill as a substitute. Instead of doing that the gentleman has told us what he proposed to do in order that the House might be advised of the content of the bill he has introduced and of the changes in the bill as compared with the bill reported out of the committee. The reason for that is because undoubtedly the fight tomorrow will be between this substitute and the Ayres-Kitchin bill. I think this manifestation of surprise on the part of my friend from Indiana and the other Republican Members has, to say the least, no countenance at all.

The whole purpose is to advise the membership of the House so that they will know what substitute will be offered on tomorrow. The gentleman from Indiana is too smart a technician not to realize that we Democrats take the House into our confidence and when they are in control they operate in secrecy.

Mr. HALPERN. Mr. Chairman, I rise in support of H.R. 3935. Anything less than the minimums proposed in this bill and its extension of coverage would be unfortunate. It is a reasonable bill and although I would have liked to have seen the extended coverage made broader as in the legislation which I offered, the passage of this bill will be of great benefit to some 4,300,000 wage earners who are not now covered by minimum wage legislation, to 3 million others who are covered but will receive increases under this proposal.

The American working man has a right to expect a decent and adequate wage standard. It is time for decisive action. Even though the average hourly rate of earnings in American industry in 1959 was in the neighborhood of $2.20, considerably above the minimum proposed in H.R. 3935, there are still however, some 20 million American workers not protected by minimum wage standards.

Many of these millions are working people whose hourly earnings are far below even the minimum proposed and whose standards of living are necessarily depreciated as a consequence. It is a good portion of these millions, presently beyond the protection of Federal standards, who would be directly benefited by this reasonable legislation.

The step-up wage increase formula is another moderate feature of the bill which deserves commendation. Such provisions are an attempt to reconcile the problems confronted by small businessmen with the public policy of providing decent wage standards for the American workingman.

Beyond the justification of the immediate personal gain, would also be the benefit accruing to our national economy through the creation of an expanded consumers market.

Those whose hourly wage rates would be affected are among the lower income groups in the country. An increase in their take-home pay, even if not great, will yet create a market of considerably expanded proportions because of the sheer numbers involved.

An increase in the consumption of goods in the national interest is intimately related to increasing the consuming power of the lowest income groups in our society. If absorption of the output of our production capacities has become a national necessity, then possession of the means for consuming is just as important. Here is a basic significance of the minimum wage bill and a fundamental reason for the Members of this Congress to back it.

Another beneficial consequence of the enactment of such legislation is its relationship to the development of national standards. Competition among areas of the Nation on the basis of wage differentials is ofttimes exceedingly distressing in terms of human considerations. Where human degradation is involved there is hardly cause for rejoicing. With the elimination of the basing-point system, the remaining method of attainment of competitive advantage through sweatshop methods would be substantially reduced by enactment of this legislation. National standards play a significant role in restricting this abuse.

Mr. Chairman, the arguments on behalf of minimum wage legislation have been advanced time and again. They concern national economic growth, national economic necessity and self-interest, basic humanitarian considerations, and national advancement toward the objectives of the American ideal.

Mr. ROOSEVELT. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. WALTER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 3935) to amend the Fair Labor Standards Act of 1938, as amended, to provide coverage for employees of large enterprises engaged in retail trade or service and of other employers engaged in commerce or in the production of goods for commerce, to increase the minimum wage under the act to $1.25 an hour, and for other purposes, had come to no resolution thereon.

GENERAL LEAVE TO EXTEND REMARKS

Mr. ROOSEVELT. Mr. Speaker, I ask unanimous consent that all Members may have permission to extend their remarks in the RECORD at the conclusion of general debate today.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

Mrs. HANSEN. Mr. Speaker, I ask unanimous consent that the Committee on Merchant Marine and Fisheries may be permitted to sit tomorrow during general debate.

The SPEAKER. Is there objection to the request of the gentlewoman from Washington?

There was no objection.

GREEK INDEPENDENCE DAY

Mr. CONTE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. CONTE. Mr. Speaker, on this March 25 our stanch and loyal ally Greece and Greco-Americans commemorate the 140th anniversary of independence day. In 1821 the courageous people of Greece after an arduous struggle achieved their independence from the Ottoman Empire. In that famous war, the great British poet Lord Byron gave his life in the cause of freedom.

Without a doubt, Greece can be called the wellspring of Western civilization. The debt owed by all men to the titans of thought spawned by this little nation, is incalculable. Our concept of democracy, indeed the word itself, is of Greek origin. To every field of intellectual endeavor the Greeks have left an indelible mark. Such giants of the intellect as Aristotle, Plato, Eratosthenes, Euclid, Archimedes, Pythagoras, Euripides, Hippocrates, Democritus, and so many more. Indeed, our Western World, its concepts, ideals, culture, and bodies of knowledge have had their origin in ancient Greece.

It is right, therefore, that we who are heirs to the fundamentals and essentials of a civilization given us by the Greeks, should join with them in this celebration.

In our time we have seen the same spirit and courage which the Greeks displayed at Thermopylae manifested once again as they resisted the hordes of an invader in 1941.

A nobility of spirit and ideals, a fierce love of independence, and a dedication to industriousness have characterized the people of Greece and their descendants in America. Today, they stand with us in the identical beliefs in the dignity of man, his freedom, and the rights of self-determination. They are an integral and vital part of NATO. However, they are not only physical allies of the United States but spiritual as well. For we two nations are based on the same basic foundations given to us by their ancient progenitors.

It is indeed a pleasure to know that we can celebrate this occasion with a feeling of joy. That we can join our sentiments to those of the Greek nation, the Greco-Americans, to commemorate independence day in a spirit of freedom, mutual respect, and with a firm confidence in a future of growth and progress.

PRESIDENT KENNEDY DIRECTS DEFENSE DEPARTMENT TO INCREASE SMALL BUSINESS' SHARE OF DEFENSE CONTRACTS

Mr. EVINS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. EVINS. Mr. Speaker, all Americans should be happy in that our Nation, under the leadership of President John F. Kennedy, has an administration dedicated to the proposition that what is good for small business is good for America.

At the President's latest press conference, on March 15, 1961, the very first thing he said was that the Secretaries of the military departments have been instructed to take steps to provide a greater percentage of defense contracts for small business. This Presidential directive is now being implemented through affirmative action.

The President then pointed out that contracts for small business awarded by the Defense Department in fiscal year 1960 amounted to $3,440 million, or only 16 percent. In the President's words, "we are going to try to increase that by at least 10 percent." According to the most recent figures released by the Department of Defense, prime contract awards to small business firms in December 1960, dropped to an alarming low of only 14 percent of the total. This pathetic percentage of awards to small business is emphasized by the fact that the available statistics from fiscal year 1954 reflect a decline from a high of 25.3 percent in 1954 to this dangerously low level.

I have had the privilege and honor of serving as chairman of Subcommittee No. 1 of the Select Committee on Small Business of the House of Representatives, and during the past session of Congress, the subcommittee has studied the organization and operation of the Small Business Administration. As is well known, that agency was established by the Congress, not only for the purpose of rendering financial aid and assistance to small business concerns, but also to be of service to them in the area of Government procurement matters. Thus, joint determinations are made by the SBA and other Government agencies to set aside proposed procurements by the Government, in whole or in part, exclusively for small business concerns. Of course, other forms and types of assistance are supposed to be rendered to small business, by not only the SBA, but also by the small business divisions of each branch of the military services.

I feel that in the light of investigations and public hearings of the House Small Business Committee, facts have been uncovered which clearly indicate that the best interests of small business, and, I might add, of our country, were not being promoted by the prior administration's predilection and favoritism for big business and vested interests.

Small wonder, therefore, that our Nation witnesses a sagging economy. The figures, according to Dun & Bradstreet, show an alarming increase of bankruptcy and business failures. Statistics do not lie. I submit that there must be a reason for this great mortality among small businesses.

The October 1960 total of small firms' adversities projected on an annual basis, reached a postwar record of 65 per 10,000 of listed business population—the highest failure rate since 1939.

I do not want to dwell on this gloomy picture, but it gives me pleasure to have seen reports from leading economists that this business recession has now reached bottom, and that the future looks bright indeed for America's economy. There appears to be no doubt that brighter days lie ahead because a new Democratic administration is now in Washington to guide the destinies of our great Nation to new frontiers of achievement.

The final report of the House Small Business Committee of the 86th Congress reported that one of its studies revealed that the percentage of prime contracts from the Department of Defense to small business declined, and no significant effort was made to stop that decline.

Of particular significance was the President's cognizance of the importance of research and development to our defense posture, and in this vital area he also stated that provision will be made for increasing small business participation. All will welcome President Kennedy's words in this area.

Small business today, as well as in the past, has played a vital role in the maintenance of active competition, upon which our economy is based. The small firms perform great services in the area of innovation and stimulation of the economy by the development of new ideas, new products, and new processes.

It is the declared policy of the Congress that the Government should aid and protect, insofar as possible, the interests of small business, in order to preserve free competitive enterprise and to insure that a fair proportion of contracts for property and services for the Government be placed with small business concerns.

I feel confident that the new Administrator of the SBA, Mr. John E. Horne, will provide the long needed leadership to make that agency an effective instrument on behalf of the small business segment of the American economy.

At this point, I wish to reiterate what has been stated many times. We are not against big business, but we are in favor of permitting small business to survive, and to give it an opportunity to compete on equal terms with others. America grew great on private enterprise and on the initiative of the countless millions of small businessmen. It is important that we foster policies to protect small business because if and when small business disappears, then our free enterprise system will collapse.

I commend the President on his direction in this field to promote private enterprise and small business economy.

HEALTH SERVICE PROGRAMS

Mr. RHODES of Pennsylvania. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RHODES of Pennsylvania. Mr. Speaker, I am introducing, for appropriate reference, a bill to assist voluntary nonprofit associations offering prepaid health service programs to secure necessary facilities and equipment through long-term, interest-bearing loans.

As my colleagues are aware, I have long been concerned with the problem of how the best of modern American medicine can be made available to all Americans. I am persuaded that one of the most promising developments toward this end lies in the vast expansion of medical group practice, particularly when group practice is associated with comprehensive prepayment plans.

Progress in medical science has made medical practice much more complicated. Fifty years ago it was possible for one doctor to encompass all the knowledge that was then available. Alone, he could provide the best known

treatment for all kinds of diseases and conditions. This is no longer true. And that is why so many doctors have become specialists.

The development of group practice has met these new necessities of modern medical care.

In a medical group, family doctors and all the major specialists work together as a team. The patient benefits by being able to go to one place where his health is comprehensively managed instead of his having to go all over town from family physician to specialist to X-ray man, and so forth.

In group practice each doctor does what he is trained to do best. "Physicians working together in a group," according to the President's Commission on the Health of the Nation, "continue the best features of their training period throughout their professional lives—the stimulation to keep up with medical progress through constant appraisal by informed colleagues and ready access to consultations and technical assistance."

President Truman's Commission, reporting in 1952, went on to say:

> The further development of group practice would carry forward several principles to which we subscribe—the principle that the physician should have access to all the resources necessary for the care of the patient, the principle of comprehensive health services, and the principle that the same high quality of care should be available to all people.

There is the most striking agreement among authorities in the health field on the promise that group practice holds for better health care. Most recently, Dr. Gunner Gunderson, president of the American Medical Association, 1958–59, said that "there is no question that group practice can provide better medicine."

The developments in medical science of which I have spoken have made medical practice more complex and have also tended to make it vastly more expensive. The old ways of paying for care at the time of service, usually when the patient was ill, have become outmoded. Through experience, many groups have discovered that comprehensive prepayment combined with the group practice of medicine provide the ideal setting for high-quality care to be rendered at premiums that working people can afford to pay and can budget for.

Plans that are organized on this basis—and these include plans with more than half a million members like the Kaiser Foundation Health Plan on the west coast and the Health Insurance Plan of Greater New York, as well as smaller plans in various other parts of the country—are bringing the best of modern medical care to their subscribers. Economic barriers to needed care are removed through the provision of comprehensive payments. All important health services are made available including care in the doctor's office, the medical center, and the home. A complete change of focus is accomplished when the emphasis on in-hospital benefits, so prevalent in most other kinds of plans, is removed through the provision of comprehensive payments. Care is directed toward the prevention and early detection of illness. It has been found that the amount of hospitalization is radically reduced for members of most comprehensive plans because they need not go to the hospital to collect benefits, and because there is more preventive care to catch and control disease before it becomes serious enough to result in a hospitalized illness.

It is my conviction that if we are to make the best use of our health resources and facilities, and thus improve the health of the Nation's citizens, we must look to the expansion of comprehensive prepayment plans allied with the group practice of medicine.

One of the major factors that has impeded such expansion is the difficulty that these plans face in obtaining financing for needed physical facilities. I am, therefore, proposing a program of Federal loans to comprehensive group practice health plans for the construction of facilities needed to provide both ambulatory and bed patients with comprehensive medical care. It authorizes an appropriation for this purpose of $10 million for each of the first 2 years and such sums as may be necessary for each of the next 3 years. I look forward to vast savings both in dollars and in health to result from such a program.

This legislation would take its place alongside other efforts by the Federal Government to assist States, local communities, and voluntary associations to improve the health services available to the American public. With the legislation that has been proposed by President Kennedy to aid medical education and to provide grants for community facilities and services as proposed in H.R. 4998 and H.R. 4999, this legislation will be another in the series of steps in the tradition of the highly successful Hill-Burton Hospital and Medical Facilities Act, whereby the Federal Government can meet its responsibility to help in making modern medical care more readily available to all Americans.

The President of the United States, in his health message to the Congress stated that "The dramatic results of new medicines and new methods—opening the way to a fuller and more useful life—are too often beyond the reach of those who need them most." He spoke of the "major deficiencies in the quality and distribution" of health services. The legislation I have introduced today will go far to remedy this situation.

"THIS AWFUL SOCIALISM"—AN ANSWER TO A CONSTITUENT'S LETTER

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, one of my constituents wrote me a letter recently which illustrated the concern many of our people feel toward the expansion of the Federal Government into areas traditionally served by local governments. These developments were characterized as "this awful socialism." But to simply label this whole complicated process as socialism is to replace reason and understanding with slogans and scare words. Moreover, many of these objections to Federal action rest on the faulty premise that local communities actually have the resources to do these jobs.

In an attempt to set the record straight as to my views on this problem, I gave the following answer to this constituent's letter:

> Your letter of January 26 concerning what you call this awful socialism is most disturbing.
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> The tendency of the Federal Government to become more and more involved in the affairs of the local communities is, I know, on the minds of a great many people. Increased Federal financing of such things as care for the older people, aid to the unemployed, slum clearance and housing, aid to education, and so on, has posed some serious questions for me, for a long time.
>
> However, about the best I have been able to do, to clarify my own thinking, is to look behind some of the propaganda terms and, I think, identify some of the real causes for the trend which disturbs you. But finding causes only raises more questions which, in the end, must be answered by the public whose opinions shape our public policies.
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> Let me outline the problem, and then pose the real, hard questions which have got to be answered.
>
> To begin at the beginning though, let me say that I do not think that the question whether we should have more or less socialism is a practical question at all. Socialism is a scare word being used by some influential groups who are in a power struggle with government at all levels—Federal, State, and local. Further, I do not think all expansions of the Federal Government into new fields are bad. On the other hand, I do not think that everything the Federal Government does should be done, or that everything the Federal Government attempts could not be better left to the local communities. Let us ask ourselves whether the things that are now being proposed should be done at all, without respect to how they should be done.
>
> First, care of the older people? Is it possible that our society will much longer consign millions of older people to mean shelter, desolate surroundings, and inadequate food and medical care? Considering that our economic system is burdened with surpluses of all kinds and that a chronic defect of the system seems to be that it cannot distribute all the wealth it can produce; will anyone even argue that the older people should share so poorly in the worldly goods?
>
> The unemployed? Does free enterprise mean that we are not our brother's keeper? Has this country wrought an economic system so perfect that there is really no place for 5 to 6 million families whose breadwinners are out of work and cannot find work? Shall we have these families starve or send their children to beg in the streets?
>
> Education? We have it on good authority that at least 2 million schoolchildren go to schools which have no proper room for them, that 90,000 teachers are not properly qualified to teach, and that one-third of the most promising high-school graduates are financially unable to continue their training. We know, also that the advances in science and technology which are now taking place are rapidly eliminating job opportunities for the untrained. The young people today, if properly trained, will tomorrow advance the frontiers of science and technology, for the benefit of all. Shall we, then, allow our children to be prepared only for unemployment tomorrow, only to save a few dollars today?

Housing? Should we merely deplore the increasing juvenile delinquency and build perhaps more prisons? Or must we do something about the crime-breeding and disease-breeding slums which blight our towns and cities?

Depressed areas? The assistance we gave Western Europe to help rebuild its industries after World War II made good sense. The whole Western World is better, richer, and has stronger defenses as a result. Why not, then, help our own distressed areas rebuild their economies? Why is it socialistic to help advance and strengthen free enterprise?

The answer to our first question—"should these things be done"?—is, I assume, "yes." I assume also that they will not be done by private business, because they are not the kinds of things on which private firms can make profits. Even so, they could well be profitable for the Nation as a whole. The postal system, for example, does not make a profit, yet it undoubtedly adds immensely to the profitability of all kinds of private activity.

These things which seem certain to be done obviously must be done, if they are done at all, at some level of government—Federal, State, or local.

Socialistic? During my years in Congress I have heard such measures as social security, unemployment insurance, insurance of bank deposits, FHA insurance of home mortgages, and so on, all opposed for the reason, it was said, that the Government's venture into these fields would inevitably weaken private enterprise and lead to the Government's taking over places which should be reserved for private business. But in the years that have passed, I have not been able to detect any dwindling of private business. On the contrary, private business has grown vastly, become more profitable, more influential in the affairs of the Nation, more secure from large-scale bankruptcy and disorder, and, I suspect, more securely fixed as a continuing institution in the Nation.

Further, notwithstanding the fact that the cries of socialism are now coming from the big business community, I have no doubt that if the recession should seriously worsen and the big corporations became threatened with bankruptcy, there would be demands for much larger scale governmental help and little opposition to the demands. After the experience of the 1930's, moreover, I believe we have all learned enough to know that the time to act against economic disease is when the fever first strikes, not after a crippling disease has run its course and paralysis has set in.

This brings us to the question of how the things now being proposed—increased care for the older people, extended compensation for the unemployed, aid to depressed areas, and more money for education and housing—can and should be done. Personally, I would much prefer that all of these things be done by the local communities—if that could be made possible. Furthermore, we know that in times gone by these things were done, and, for the most part, were done satisfactorily by the local communities.

Furthermore, there was a time when the income-producing wealth of the Nation was largely locally owned and the incomes went largely to local people. Only a few short decades ago the large proportion of the national income was from farming—locally owned farms—and the mills, and the business firms along Main Street were locally owned. When this was true, the local communities could take care of their unemployed, if they had any, their older people, the children's schooling, and so on. But the distribution of ownership of income-producing wealth has drastically changed, and is still changing.

First, while our national income has gone up, a much smaller percentage is produced on farms which are largely locally owned businesses. To illustrate, in 1900, 60 percent of the population lived on farms; by 1930, it was 44 percent; and as of now, only about 10 percent of the population lives on farms.

Furthermore, the nature of farming has changed. It used to be that almost all farms were family farms of a self-sufficient type. When people became unemployed in the towns or cities, there was work and a living for most of them back on the farm of friends or relatives. Today, even the relatively few remaining farms are operating on a corporate-type, mechanical schedule.

What has happened to the locally owned businesses along Main Street? Today they are mostly only local units of some absentee-owned, nationwide chain. I was greatly shocked by a piece published by Miss Sylvia Porter a few years ago showing that after making a survey of Louisville, Ky., she found that 85 percent of all of the jobs in the local stores were jobs in absentee-owned businesses controlled from such distant centers as New York and Chicago.

When business was locally owned, there was no unemployment of older people who were able and willing to work. Today, an individual over 40 or 45 usually cannot get a job with one of the big corporations.

Do people in the local communities still own a share in the local business, by virtue of the fact, as it is sometimes said, that they own stock in the great corporations? As you may know, the New York Stock Exchange now boasts that the stocks of the American corporations are held by as many as 13- or 14-million people. Here is the way to interpret that claim. The U.S. savings bonds are much more widely owned than corporate stocks or any other kind of security. The Treasury reports that 43 million people own these. But a survey made for the Federal Reserve Board recently shows that on a family basis, 73 percent of the American families own not so much as one of these $25 savings bonds. On the other hand, 5 percent of the families owned 87 percent of all of these bonds.

No, it is obvious that ownership of the big corporations is not very evenly distributed among the people or among the local communities.

Where, then, is the power to tax? It lies with the Federal Government; it does not lie with the local communities or even, in most cases, with the States.

In truth, the local communities raise most of the funds they do raise by taxing the assessed value of the homes and farms in the community. This means that the local citizens are paying taxes not only on what they own, but on what they owe as well. Most of the homes and farms are mortgaged and often as not some absentee mortgage holder owns more of the property than does the local resident.

I hate to say it, but I see only this alternative: Either the Federal Government must provide the funds for more and more of the local community needs—and raise the taxes to obtain the funds—or the businesses and other means of accumulating wealth must be returned to the local communities.

This, then, is the question on which I would like the benefit of your views and ideas: Should we try to find some way to break up the giant corporations and turn back the business of Main Street to owners in the local communities?

Should we design and try to pass some powerful new antitrust laws which will force the giant corporations to sell off the individual business units which have been amassed together under these corporate governments?

Should we set up a large bank, something on the order of the RFC, to lend money to local citizens to buy out the local businesses from which the corporations will be divesting themselves?

I do not want to give the impression that I think these questions give the right answers. I ask them only to stimulate thinking as to the kinds of things that might be done to reverse the trend toward what is called socialism. One thing is certain—either we must take some strong, affirmative steps to break up the private economic governments and return the income-producing wealth to the local communitites, or we must accept the consequences of more and more Federal encroachment and more and more Federal intervention into the affairs of the States and local governments.

TAX BENEFITS FOR COLLEGE TUITION COST

Mr. LATTA. Mr. Speaker, I ask unanimous consent that the gentleman from Maryland [Mr. MATHIAS] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. MATHIAS. Mr. Speaker, I have today introduced a bill to amend the Internal Revenue Code of 1954 to allow an individual an itemized deduction for the amount of tuition paid to a college, university, or other institution of higher learning.

In a period when intellectual discipline and academic achievement are recognized as vital to our national existence, it becomes essential to insure that scholastic opportunity be as universal as individual talents will permit. One means of increasing educational opportunity is through tax relief. The economic burden of these currently paying the rising cost of higher education will be reduced by this legislation.

In drafting the bill I have taken into account the fact that the average cost for tuition and required fees is currently $225 in a State-owned college or university and $363 in a privately owned institution. The Internal Revenue Code now allows deductions to persons making charitable contributions to scholastic institutions but does not allow deductions for tuition payments. My bill would amend the code to allow a maximum deduction of $500 subject to the limitation of educational assistance paid by the Federal Government. I believe that it is proper and necessary to extend deductions to those individuals paying tuition to institutions as well as to allow present deductions for contributions to the same academic institutions.

According to available statistics, the approximate loss to the Government in the way of tax revenue as a result of enactment of this bill would be $500 million per year. The loss of Federal revenue is justified since deductions resulting from my bill would be a business investment with the prospect of both personal and monetary returns to be enjoyed by the entire Nation.

WEST VIRGINIA DECENNIAL CENSUS

Mrs. HANSEN. Mr. Speaker, I ask unanimous consent that the gentleman from West Virginia [Mr. STAGGERS] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentlewoman from Washington?

There was no objection.

Mr. STAGGERS. Mr. Speaker, following the decennial census year, my State of West Virginia, in common with a number of other States of this Union, is under the necessity of changing the number of Members of the House of Representatives, and consequently of changing the boundaries of some or all of the districts. West Virginia loses one Representative, and our current State legislature had the painful duty of performing the necessary operations. We feel that the legislature has accepted its responsibility in a statesman-like manner and redrawn district lines in just and equitable fashion.

In the new distribution, Greenbrier County has been removed from the Fifth District, so ably represented by Congresswoman KEE, and Upshur County has been taken from the Third District, represented by my distinguished and well-loved colleague, Congressman BAILEY, and these two counties have been placed in the Second District, which I have the privilege of representing.

It is understandable that the fine people of these two counties will miss the cordial relations which they have enjoyed with the other parts of their respective former districts, and especially that they will regret the loss of the services of their most capable Representatives. My purpose here is to welcome them into the Second District, and to assure them that every consideration of their interests and needs will be given them in their new connection. They will find, I believe, many things in common with the older counties of the district, their occupations, their ways of life, their traditions, their aspirations. And I hope that they will speedily feel at home in working with their new comrades. I should also ask of them the privilege of extending my prompt and serious attention in any matter in which I can be of service. I sincerely trust that no one of the industrious and conscientious citizens of these two counties, regardless of political connections, will hesitate to call on me, whenever I can promote his interests.

FINANCIAL ASSISTANCE PROGRAM OF THE SMALL BUSINESS ADMINISTRATION

Mr. EVINS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. EVINS. Mr. Speaker, the very cornerstone of the structure established by Congress for assistance to small business is the financial assistance program as set up by the Small Business Act. Under unanimous consent, I place in the RECORD for the attention of my colleagues, some findings of Subcommittee No. 1 of the Select Committee on Small Business of the House of Representatives relative to recent developments of this program:

FINANCIAL ASSISTANCE PROGRAM OF SBA

This program is divided into two main categories:

1. Section 7(a) of the act empowers the SBA to make business loans to concerns for plant construction, conversion, or expansion, including the acquisition of land or to finance the acquisition of equipment, facilities, machines, supplies, or materials for war, defense, or civilian production, or as may be necessary to insure a well-balanced national economy.

2. Section 7(b) of the act empowers the Administration to make disaster loans to both business concerns and homeowners, regardless of size, who suffer disasters because of flood, hurricane, tornado, excessive rainfall, or other sudden catastrophes.

The wisdom of Congress in establishing a disaster loan program and its efficacy has been demonstrated by the amount of loans approved in emergency situations and areas. As of September 30, 1960, 9,513 disaster loans, amounting to $104.9 million had been approved by the SBA since the inception of the program. During September alone, 269 applications for $2.8 million were received, due mainly to Hurricane Donna. The records indicate that the SBA has approved 80 percent of the loan applications received for disaster loans since the program began. The Small Business Act established the interest rate on these disaster loans at 3 percent.

The committee has no criticism to advance regarding the operation of the disaster loan program by SBA.

It is wished that this were also true concerning the regular small business loan program established in section 7(a) of the act. Much criticism has been received concerning the loan policies of the Small Business Administration pertaining to the regular small business loan program, especially during the past 2 years. Of course, many loans have been made under this program; and the record reflects that from the start of its lending operations in September 1953 through June 30, 1960, the agency has approved 20,362 business loans for $955,191,000.

Of this amount, the SBA has disbursed $542.7 million on 16,471 loans. This might appear to be a good record; but when it is noted that there are 4,690,000 business firms in operation (98 percent of them are small businesses by SBA standards), then it is realized that the surface has just been scratched. Less than one-half of 1 percent of the business firms in the Nation have received financial aid from the SBA. At the end of the 1960 fiscal year, the SBA had loans outstanding, including participation commitments, of $381.8 million. The gross debt of all the corporations in the country amounted to nearly $350 billion. Simple arithmetic indicates that SBA's portion of the overall portion of credit was not much more than one-tenth of 1 percent of the corporate debt.

The SBA has approved only 47.3 percent of applications on which it took action since the start of the agency's lending program through fiscal year 1960. Following is a table showing the applications received, approved, and the amount approved for each fiscal year since the inception of the program:

Fiscal year ending June 30—	Applications received	Applications approved	Amount approved
1954	2,289	473	$27,739,000
1955	3,318	1,172	55,975,000
1956	4,081	1,915	81,977,000
1957	6,864	3,536	159,095,000
1958	7,898	4,014	194,997,000
1959	10,213	5,582	267,042,000
1960	8,331	3,670	168,366,000
Total	42,994	20,362	955,191,000

NOTE.—Percentage of applications approved, 47.3.

The percentage of approvals would especially warrant apprehension when it is realized that only a small portion of the small businessmen who approach the SBA actually file formal applications.

An examination of the records of the San Francisco regional office indicates that during the 18-month period from July 1958, through December 1959, there were approximately 5,750 regular financial assistance inquiries which did not result in loan applications. During this same period, only 343 applications were accepted by the regional office for processing. Thus, out of a total of 6,093 inquiries, only 343 resulted in the submission of formal applications. In other words, formal loan applications were accepted from less than 6 percent of the small businessmen who inquired at that regional office concerning financial assistance. If the record of that regional office is a true test of the general situation, then only about 3 percent of the small businessmen who approach SBA requesting financial assistance finally receive such assistance. Also when it is considered that a good many of the loans approved are not actually disbursed, the percentage becomes even less than 3 percent.

Subcommittee No. 1, of the House Small Business Committee, in its report of February 8, 1960, stated:

"It is felt that there are many areas in which the SBA has adopted loan policies which are too stringent and which have not utilized fully the potentialities of the program."

The subcommittee also recommended:

"The SBA should constantly review its procedures in the processing of applications for loans in order to reduce the timelag and redtape involved."

There is nothing that can discourage a program more than to have it swallowed in redtape. This is tied in closely with the strict credit requirements of SBA and the conditions pressed upon the applicant after his loan is approved. It is felt by many that in the past SBA, even after approving an application, imposed such strict conditions prior to disbursement, that the loan became impractical.

The volume of loans approved during the last fiscal year was very disappointing, the lowest since 1957. I was gratified to learn that the drastic decline of last fiscal year has been reversed.

During the first 8 months of the current fiscal year SBA approved loans totaling $127,513,000. Projected for the entire fiscal year this amounts to about $191 million.

This is a hopeful sign that the SBA is acting more aggressively in achieving the objectives of the SBA Act.

SMALL BUSINESS INVESTMENT COMPANIES

Mr. EVINS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. EVINS. Mr. Speaker, I would like to call to the attention of my colleagues of the House, the small business investment companies currently operating in various parts of the country. As you know, these companies have been licensed by the Small Business Administration to provide a source of equity capital and long-term credit for small business concerns throughout the Nation. There now are 200 small business

investment companies licensed by the Small Business Administration.

Mr. Speaker, under unanimous consent, I include the list of such companies licensed by the Small Business Administration as of March 10, 1961:

SMALL BUSINESS INVESTMENT COMPANIES BY REGIONS

REGION I

Boston Capital Corp., 31 Milk Street, Boston, Mass.; AO,[1] Massachusetts, California; branch, Beverly Hills, Calif.

Business Assistance Corp., 11 Pemberton Square, Boston, Mass.; AO,[1] Massachusetts.

First Small Business Investment Corp. of New England, 1 Federal Street, Boston, Mass.; AO,[1] New Hampshire, Vermont, Connecticut, Rhode Island, and Massachusetts.

Industrial Small Business Investment Corp., 33 State Street, Boston, Mass.; AO,[1] Massachusetts.

Massachusetts Small Business Investment Co., Inc., 45 Milk Street, Boston, Mass.; AO,[1] Massachusetts.

Narragansett Capital Corp., 10 Dorrance Street, Providence, R.I.; AO,[1] Rhode Island.

Prudential Small Business Investment Co., Inc., 10 State Street, Boston, Mass.; AO,[1] Massachusetts, Vermont, Connecticut, New York, and New Hampshire.

The Second Small Business Investment Co. of Rhode Island, 428 Smith Street, Providence, R.I.; AO,[1] Rhode Island.

The Small Business Investment Corp. of Western Massachusetts, 29 Pearl Street, Worcester, Mass.

Weston Electronics Investment Corp., 428 Boston Post Road, Weston, Mass.; AO,[1] Massachusetts.

REGION II

Alar Small Business Investment Corp., 150 Broadway, New York, N.Y.; AO,[1] New York.

Basic Capital Corp., 460 Park Avenue, South, New York, N.Y.; AO,[1] New York.

Battery Small Business Investment Corp., 26 Broadway, New York, N.Y.; AO,[1] New York.

Broadway Capital Corp., 80 Pine Street, New York, N.Y.; AO,[1] New York.

Broadway Small Business Investment Corp., 1 West Broadway, Paterson, N.J.; AO,[1] New Jersey.

Business Equity Corp., 515 Madison Avenue, New York, N.Y.; AO,[1] New York.

Chevron Capital Corp., 244 Madison Avenue, New York, N.Y.; AO,[1] New York.

The Connecticut Business Investment Co., Colonial Green, 256 East State Street, Westport, Conn.; AO,[1] Connecticut.

Connecticut Capital Corp., 354 Whalley Avenue, New Haven, Conn.; AO,[1] Connecticut.

Economy Growth Corp. of New York, 5 Old Middletown Road, Nanuet, N.Y.; AO,[1] New York.

Empire Small Business Investment Co., Inc., 20 Broad Street, New York, N.Y.; AO,[1] New York.

Equitable Small Business Investment Corp., 350 Fifth Avenue, Suite 5820, New York, N.Y.; AO,[1] New York.

Federated Capital Corp., 717 Fifth Avenue, New York, N.Y.; AO,[1] New York.

The First Connecticut Small Business Investment Co., Suite 303, 955 Main Street, Bridgeport, Conn.; AO,[1] Connecticut.

First Realty Capital Funds Corp., care of Pack & Strumpf, Esqs., 595 Madison Avenue, New York, N.Y.; AO,[1] New York.

First Small Business Investment Corp. of New Jersey, 810 Broad Street, Newark, N.J.; AO,[1] New Jersey.

Fortuna Capital Corp., 341 Madison Avenue, New York, N.Y.; AO,[1] New York.

The Franklin Corp., 3 West 57th Street, New York, N.Y.; AO,[1] New York; branch, 37 branches on Long Island.

General Small Business Investment Co. of Connecticut, Inc., 348 Orange Street, New Haven, Conn.; AO,[1] Connecticut.

Growth Ventures, Inc., 127 Washington Street, Newark, N.J.; AO,[1] New Jersey.

Hope Capital Corp., care of George Perlow, 51 Chambers Street, New York, N.Y.; AO,[1] New York.

Louisiana Equity Corp., 79 Pine Street, New York, N.Y.; AO,[1] New York.

Manufacturers Small Business Investment Co. of Connecticut, Inc., 1488 Chapel Street, New Haven, Conn.; AO,[1] Connecticut.

Midland Capital Corp., 241 Main Street, Buffalo, N.Y.; AO,[1] New York.

Miton Equity Corp., 500 Seventh Avenue, New York, N.Y.; AO,[1] New York, Nevada.

North American Small Business Investment Corp., 280 Madison Avenue, New York, N.Y.; AO,[1] New York.

Royal Small Business Funds, Inc., Getty Building, 660 Madison Avenue, New York, N.Y.; AO,[1] New York.

Small Business Capital Corp., 60 East 42d Street, New York, N.Y.; AO,[1] New York.

Small Business Electronics Investment Corp., 149 West 36th Street, New York, N.Y.; AO,[1] New York.

The Small Business Investment Co. of Connecticut, Inc., 1188 Main Street, Bridgeport, Conn.; AO,[1] Connecticut.

Small Business Investment Co., of New York, Inc., 40 Beaver Street, Albany, N.Y.

Talco Capital Corp., 350 5th Avenue, New York, N.Y.; AO,[1] New York.

Transcapital Corp., 80 Broad Street (room 904), New York, N.Y.; AO,[1] New York.

Transcontinental Small Business Investment Corp., 375 Park Avenue, New York, N.Y.; AO,[1] New York.

Union Small Business Investment Co., 400 38th Street, Union City, N.J.; AO,[1] New Jersey.

Upstate Small Business Investment Co., Inc., 202 East State Street (room 512), Ithaca, New York; AO,[1] New York.

Venture Capital Corp. of America, 26 Broadway, New York, N.Y.

REGION III

ABI Investment Corp., 12 South 12th Street, Philadelphia, Pa.; AO,[1] Pennsylvania.

Business Investment Capital Funds, Inc., Penn Square Building, Juniper and Filbert Streets, Philadelphia, Pa.; AO,[1] Pennsylvania, New Jersey.

Consolidated Small Business Investment Corp., 2233 North Broad Street, Philadelphia, Pa.; AO,[1] Pennsylvania.

Delaware Valley Small Business Investment Co., Wolf Building, Market Square, Chester, Pa.; AO,[1] Pennsylvania.

Frankford Grocery Small Business Investment Co., Inc., G Street and Erie Avenue, Philadelphia, Pa.; AO,[1] Pennsylvania; counties of Bucks, Chester, Delaware, Montgomery, and Philadelphia.

Greater Philadelphia Small Business Investment Co., care of the Philadelphia National Bank, Broad and Chestnut Street, Philadelphia, Pa.; AO,[1] Third Federal Reserve District in Pennsylvania.

Keystone Small Business Investment Co., 400 Pennsylvania Power & Light Building, Scranton, Pa.; AO,[1] Pennsylvania; counties of Lackawanna, Luzerne, Monroe, Pike, Susquehanna, Wayne, and Wyoming.

New Jersey Business Investment Corp., 162 West State Street, Trenton, N.J.; AO,[1] New Jersey; Pennsylvania; counties of Bucks, Berks, Philadelphia, Delaware, Monroe, Montgomery, Northampton, Pike, Wayne, and Lehigh.

The Small Business Investment Co. of Pennsylvania, 42 South 15th Street, Philadelphia, Pa.; AO,[1] Pennsylvania.

Universal Investment Co., 12th floor Packard Building, Philadelphia, Pa.; branch, 12 Haddon Avenue, Camden, N.J.; AO,[1] Pennsylvania, New Jersey.

Watkins Investment Co., 1830 Rittenhouse Square, Philadelphia, Pa.; AO,[1] Pennsylvania.

REGION IV

Allied Small Business Investment Corp., 7720 Wisconsin Avenue, Bethesda, Md.; branch, 1722 L Street NW., Washington, D.C.; AO,[1] District of Columbia, Maryland.

Aviation Growth Investments, Inc., 8645 Colesville Road, Silver Spring, Md.; AO,[1] Maryland.

Avionics Investing Corp., 703 Solar Building, 1000 16th Street NW., Washington, D.C.; AO,[1] District of Columbia, Florida, Maryland, Massachuetts, New York, California.

Baltimore Business Investment Co., 1104 Mercantile Trust Building, Baltimore, Md.; branches, 7801 Woodmont Avenue, Bethesda, Md.; 1520 K Street NW., Washington, D.C.; AO,[1] Maryland, District of Columbia, Delaware, and Pennsylvania.

Charles Small Business Investment Corp., 101 North Charles Street, suite 204, Baltimore, Md.; AO,[1] Maryland.

Citizens Small Business Investment Corp., 3005 Georgia Avenue NW., Washington, D.C.; AO,[1] District of Columbia.

Confederate Capital Corp., 124 South Main Street, Greenville, S.C.; AO,[1] South Carolina.

Empire Capital Corp., 605 Grier Building, Main Street, Post Office Box 143, Greenwood, S.C.; AO,[1] South Carolina.

General Business Investment Corp., 821 15th Street NW., Washington, D.C.; AO,[1] District of Columbia, Maryland.

Greater Washington Industrial Investments, Inc., 1725 K Street NW., Washington D.C.; AO,[1] District of Columbia, Maryland, Virginia.

Hanover Small Business Investment Co., 411 South College Street, Post Office Box 747, Charlotte, N.C.; AO,[1] North Carolina, Virginia, South Carolina.

Interstate Business Investment Co., 233 Equitable Building, Calvert and Fayette Streets, Baltimore, Md.; AO,[1] Maryland.

Lowcountry Investment Corp., care of Piggly Wiggly Wholesale, Inc., 4444 Bennett Street, Post Office Box 4957, Seven Mile, North Charleston, S.C.; AO,[1] South Carolina.

Merchants Investment Corp., 4531 Bennett Street, Post Office Box 4934, Charleston Heights, S.C.; AO,[1] South Carolina.

Mid Atlantic Small Business Investment Co., Maryland Trust Building, Baltimore, Md.; AO,[1] Delaware, New Jersey, Pennsylvania, Maryland.

Pinnacle Investment Corp., room 712, Johnson Building, Charlotte, N.C.; AO,[1] North Carolina.

Potomac Small Business Funds, Inc., 7251 Maple Street, Annandale, Va.; AO,[1] Virginia, Maryland, District of Columbia.

Southern Growth Industries, Inc., 124 South Main Street, Greenville, S.C.; AO,[1] South Carolina, North Carolina, Florida, Georgia, Virginia, Tennessee, Mississippi, Louisiana, Alabama, Commonwealth of Puerto Rico.

Virginia Capital Corp., 908 State Planters Bank Building, Richmond, Va.; AO,[1] Virginia.

West Virginia First Small Business Investment Corp., Post Office Box 967, 1218 Fifth Avenue, Huntington, W. Va.; AO,[1] West Virginia.

REGION V

Capital Resources Corp., suite 200, 600 Brickell Avenue, Miami, Fla.; AO,[1] Florida.

Central Small Business Investment Co., 1310 NW. 36th Street, Miami, Fla.; AO,[1] Florida.

The Citizens and Southern Capital Corp., Marietta and Broad Streets, Post Office Box 4899, Atlanta, Ga.; AO,[1] Georgia.

[1] Area of operations.

[1] Area of operations.

[1] Area of operations.

First American Investment Corp., 624 Fulton National Bank Building, Atlanta, Ga.; AO,[1] Georgia.

First Atlantic Investment Fund, Inc., 501 North Grandview Avenue, Daytona Beach, Fla.; AO,[1] Florida.

First Atlanta Investment Corp., 2637 Peachtree Road NE., Atlanta, Ga.; AO,[1] Georgia.

First Financial Corp., 716 North Federal Highway, Fort Lauderdale, Fla.; AO,[1] Florida.

First Miami Small Business Investment Co., 420 Lincoln Road, room 235, Miami Beach, Fla.; AO,[1] Florida.

First Small Business Investment Co. of Tampa, Inc., 608 Tampa Street, Tampa, Fla.; AO,[1] Florida.

First Southern Investment Co., Inc., 16101 West Dixie Highway, Peoples National Bank Building, North Miami Beach, Fla.; AO,[1] Florida.

Florida Capital Corp., 396 Royal Palm Way, Palm Beach, Fla., branch, 1610 Congress Building, Miami, Fla.; AO,[1] Florida.

Georgia Southern Business Equities, Inc., 120 Marietta Street NW., Post Office Box 1962, Atlanta, Ga.; AO,[1] Georgia.

Independent Retailers Investment Co., 107 North Madison Street, Quincy, Fla.; AO,[1] Florida.

Lincoln Small Business Investment Co., Inc., 337 Lincoln Road (room 214), Miami Beach, Fla.; AO,[1] Florida.

Morhand Small Business Investment Co., 27 South 20th Street, Birmingham, Ala.; AO,[1] Alabama.

Small Business Investment Corp. of Georgia, 22 Marietta Street NW., Atlanta, Ga.; AO,[1] Georgia.

Standard Small Business Investment Co., Inc., 2919 Molensville Road, Nashville, Tenn.; AO,[1] Tennessee.

Tennessee Investors, Inc., Life and Casualty Tower, Church Street and Fourth Avenue, Nashville, Tenn.; AO,[1] Tennessee.

The Third's Small Business Investment Co., Third National Bank Building, Arcade Station, Post Office Box 2523, Nashville, Tenn.; AO,[1] Tennessee.

Vicksburg Small Business Investment Co., 204–205 First National Bank Building, Vicksburg, Miss.; AO,[1] Mississippi.

REGION VI

Capital Funds Corp., 127 Public Square, Cleveland, Ohio; AO,[1] Ohio.

Cleveland Small Business Investment Co., 533 Union Commerce Building, Cleveland, Ohio; AO,[1] Ohio.

Corporate Resources, Inc., National City Bank Building, room 1007, 623 Euclid Avenue, Cleveland, Ohio; AO,[1] Ohio.

Cosmopolitan Small Business Investment Co., Inc., 340 Engineers Building, Cleveland, Ohio; AO,[1] Ohio.

Growth Capital, Inc., Bulkley Building, 1501 Euclid Avenue, Cleveland, Ohio; AO,[1] Ohio.

Karr Investment Corp., 923 East Broad Street, Columbus, Ohio; AO,[1] Ohio.

Ohio Security & Small Business Investment Co., Inc., 6218 St. Clair Avenue, Cleveland, Ohio; AO,[1] Ohio.

Ohio Valley Capital Corp., 1616 Union Central Building, Cincinnati, Ohio; AO,[1] Ohio.

Techno-Fund, Inc., 50 West Gay Street, Columbus, Ohio; AO,[1] Ohio.

REGION VII

Badger Small Business Investment Corp., 623 North Second Street, room 620, Milwaukee, Wis.; AO,[1] Wisconsin.

Bloomington Small Business Investment Co., 410 West Washington Street, Bloomington, Ill.; AO,[1] Illinois.

Business Capital Corp., 728 West Roosevelt Road, Chicago, Ill.; AO,[1] Illinois.

Businessmen's Small Business Investment Co., 188 West Randolph (room 1615), Chicago, Ill.; AO,[1] Illinois (Cook County).

Capital Investments, Inc., 743 North Fourth Street, Milwaukee, Wis.; AO,[1] Wisconsin.

Evansville Small Business Investment Corp., 416 Main Street, Evansville, Ind.; AO,[1] Indiana, Illinois, Kentucky.

First Chicago Small Business Investment Corp., 64 Old Orchard Street, suite 707, Skokie, Ill.; AO,[1] Illinois.

First Wisconsin Investment Corp., 735 North Water Street, Milwaukee, Wis.; AO,[1] Wisconsin, Iowa, Minnesota, Michigan, Illinois.

General Equity Investment Corp., 927 South Harrison Street, Fort Wayne, Ind.; AO,[1] Indiana.

Great Lakes Small Business Investment Corp., Citizens National Bank Building, room 1, Tipton, Ind.; AO,[1] Indiana.

Industrial Growth Capital Corp., U.S. Route 212 at Freyer Road, Michigan City, Ind.; AO,[1] Indiana.

Marine Business Investment Corp., 633 North Water Street, Milwaukee, Wis.; AO,[1] Wisconsin.

Mid-America Capital Corp., 100 North La Salle Street, Chicago, Ill.; AO,[1] Illinois.

Mid-North Capital Corp., 111 North Wabash Avenue, Chicago, Ill.; AO,[1] Illinois.

Morris Plan Business Investment Co., 128 First Avenue, NE., Cedar Rapids, Iowa; AO,[1] Iowa.

Small Business Management Investors, Inc., 33 North La Salle Street, Chicago, Ill.; AO,[1] Illinois.

Thorp Small Business Investment Corp., Thorp Office Building, Thorp, Wis.; AO,[1] Wisconsin, Minnesota.

Wisconsin Capital Corp., 759 North Milwaukee Street, Milwaukee, Wis.; AO,[1] Wisconsin.

REGION VIII

Community Investment Enterprises, Inc., 126 South Main Street, Le Sueur, Minn.; AO,[1] Minnesota, Wisconsin, Iowa, North Dakota, South Dakota.

Fidelity Small Business Investment Co., 2338 Central Avenue NE., Minneapolis, Minn.; AO,[1] Minnesota.

First Bancstock Small Business Investment Co., First National Soo-Line Building, Minneapolis, Minn.; AO,[1] Minnesota, North Dakota, South Dakota, and Wisconsin.

First Heartland Investment Co., 209 Third Avenue, NW., Austin, Minn.; AO,[1] Minnesota, Wisconsin, Illinois, Iowa, Kansas, Missouri, Nebraska, Arkansas, and Louisiana.

First Midwest Small Business Investment Co., 512 Nicollet Bulding, Minneapolis, Minn.; AO,[1] Minnesota, South Dakota, North Dakota, Wisconsin, Iowa, Michigan, Illinois, Indiana, Montana, and Nebraska.

Marquette Capital Co., 91 South Seventh Street, Minneapolis, Minn.; AO,[1] Minnesota.

Northwest Equity Corp., 1215 Northwestern Bank Building, Minneapolis, Minn.; AO,[1] Minnesota, North Dakota, South Dakota, Montana, Iowa, Nebraska, and Wisconsin.

REGION IX

ComTrustCo Investment Co., 318 Commerce Trust Building, 922 Walnut Street, Kansas City, Mo.; AO,[1] Kansas, Missouri.

Hogan Investment Co., 318 Joplin Street, Post Office Box 1192, Joplin, Mo.; AO,[1] Missouri.

The Kansas Investment Corp., Inc., 309 East Third Street, Wichita, Kans.; AO,[1] Kansas.

Mid-States Business Capital Corp., 411 North Seventh Street, St. Louis, Mo.; AO,[1] Missouri, Illinois.

St. Louis Capital, Inc., 1506 Railway Exchange Building, 611 Olive Street, St. Louis, Mo.; AO,[1] Missouri.

REGION X

Alliance Business Investment Co., 5½ East Third Street, Tulsa, Okla.; AO,[1] Oklahoma.

Bankers Small Business Investment Corp., 1100 Republic National Bank Building, Dallas, Tex.; AO,[1] Texas.

Business Growth Investments Corp., 525 South Troost Street, Post Office Box 1087, Tulsa, Okla.; AO,[1] Oklahoma.

Business Loan Association, Inc., 1428 National Bank of Commerce Building, New Orleans, La.; AO,[1] Louisiana.

Clif-Tex Small Business Investment Co., Inc., 1514 Commerce Street, Dallas, Tex.; AO,[1] Texas.

Corpus Small Business Investment Co., 242 Melrose Drive, Corpus Christi, Tex.; AO,[1] Texas.

Dallas Small Business Investment Co., Inc., 1323 Davis Building, 1300 Main Street, Dallas, Tex.; AO,[1] Texas.

Electro-Science Investors, Inc., 727 South Central Expressway, Richardson, Tex.; AO,[1] Texas.

First Business Investment Corp., 1017 South Akard Street, Dallas, Tex.; AO,[1] Texas.

First Capital Corp., 2205 Austin Avenue, Waco, Tex.; AO,[1] Texas.

First Commercial Investment Corp., 520 Riverside, Post Office Box 1236, Monroe, La.; AO,[1] Louisiana.

The First Small Business Investment Co. of Louisiana, Inc., 637 Common Street, New Orleans, La.; AO,[1] Louisiana.

First Small Business Investment Co. of New Orleans, Inc., 1568 Pleasure Street, New Orleans, La.; AO,[1] Louisiana.

First Texas Investment Co., 120 Jefferson Street, Sulphur Springs, Tex.; AO,[1] Texas.

First United Capital Corp., 1235 Shadowdale, Houston, Tex.; AO,[1] Texas.

Fort Worth Capital Corp., Fort Worth Title Building, 1200 West Freeway, Fort Worth, Tex.; AO,[1] Texas.

Grocers Investment Corp., 5800 Armour Drive, Houston, Tex.; AO,[1] Texas.

Louisiana Capital Investment Co., Inc., Henry C. Beck Building, Shreveport, La.; AO,[1] Louisiana.

Northwestern Investment Co., 3302 Avenue A, Post Office Box 1464, Lubbock, Tex.; AO,[1] Texas.

OSJ Capital Corp., 1430 Summertime Lane, Dallas, Tex.; AO,[1] Texas.

Shreveport Business Investment Co., Inc., 3503 Madison Park Boulevard, Shreveport, La.; AO,[1] Louisiana.

Small Business Capital Corp. of Louisiana, 1202 Petroleum Tower, Shreveport, La.; AO,[1] Louisiana.

The Small Business Investment Co. of Houston, 3400 Montrose Boulevard, Houston, Tex.; AO,[1] Texas.

The Small Business Investment Co. of the Southwest, 608 Kirby Building, Dallas, Tex.; AO,[1] Texas.

So-Tex Investment Corp., 103 North Arkansas Street, Box 771, Alice, Tex.; AO,[1] Texas.

Southern Small Business Investment Co., Inc., 8137 Oleander Street, New Orleans, La.; AO,[1] Louisiana.

Texas Capital Corp., 801 Main Street, Post Office Box 78, Georgetown, Tex.; AO,[1] Texas.

Texas Continental Investment Co., Inc., 1416 Commerce Street (eighth floor), Dallas, Tex.; AO,[1] Texas.

Texas Small Business Investment Corp., 3131 East Holcombe Boulevard, Houston, Tex.; AO,[1] Texas.

REGION XI

Central Investment Corp. of Denver, 15th and Arapahoe Street, Denver, Colo.; AO,[1] Colorado.

First Western Small Business Investment Co., 10 West Second Street South, Salt Lake City, Utah; AO,[1] Utah.

REGION XII

Agri-Supply Finance Co., Howland Road, Post Office Box 198, Lathrop, Calif.; AO,[1] California.

[1] Area of operations.

[1] Area of operations.

[1] Area of operations.

Alexander Hamilton Equities, Inc., 211 Sutter Street, San Francisco, Calif.; AO,[1] California.

ANA Small Business Investments, Inc., 2122 Market Street, San Francisco, Calif.; AO,[1] California.

Central California Small Business Investment Co., 925 12th Street, Box 452, Modesto, Calif.; AO,[1] Stanislaus County, Calif.

Comstock Small Business Investment Co., 111 Sutter Street, suite 1338, San Francisco, Calif.; AO,[1] California.

Continental Capital Corp., Equitable Building, 22d Floor, 120 Montgomery Street, San Francisco, Calif.; AO,[1] California.

Equity Capital Corp., 485 Ramona Street, Post Office Box 209, Palo Alto, Calif.; AO,[1] California.

Gibraltar Capital Corp., suite 5–535, Middlefield Road, Palo Alto, Calif.; AO,[1] California.

Hawaiian Business Investments, Inc., King and Bishop Streets, Post Office Box 2900, Honolulu, Hawaii; AO,[1] Hawaii.

New Capital For Small Businesses, Inc., 961 Mills Building, 220 Montgomery Street, San Francisco, Calif.; AO,[1] California.

Northern California Small Business Investment Co., 345 California Avenue, Palo Alto, Calif.; AO,[1] California counties north of San Bernardino, Kern, and San Luis Obispo.

Sierra Capital Co. (room 350), Russ Building, 235 Montgomery Street, San Francisco, Calif.; AO,[1] California.

Small Business Enterprises, 300 Montgomery Street, San Francisco, Calif.; AO,[1] California.

West Coast Capital Co., 870 Lincoln Way, Auburn, Calif.; AO,[1] California.

Western Small Business Investment Co., 1005 A Street, San Rafael, Calif.; branches, 157 Sutter Street, San Francisco, Calif.; 1721 Sepulveda Boulevard, Manhattan Beach, Calif.; AO,[1] California.

Western Urban Redevelopment Investment Corp., 433 California Street, San Francisco, Calif.; AO,[1] California.

REGION XIII

Columbia Small Business Investment Co., Sylvan Building, 2035 Southwest 58th Avenue, Portland, Oreg.; AO,[1] Oregon, Washington.

Pacific Small Business Investment Co., 1600 Norton Building, 801 Second Avenue, Seattle, Wash.; AO[1], Washington.

Small Business Improvement Co., 7 North 33d Street, Post Office Box 2142, Billings, Mont.; AO,[1] Montana.

REGION XIV

American Business Capital Corp., 727 West Seventh Street, Los Angeles, Calif.; AO,[1] California.

Capital For Small Business, Inc., 1314 Westwood Boulevard, Los Angeles, Calif.; AO,[1] California.

Electronics Capital Corp.; 1400 Fifth Avenue, San Diego, Calif.; branches, suite 105, 251 South Robertson Boulevard, Beverly Hills, Calif.; 10 Post Office Square, Boston, Mass.; 44 Wall Street, New York, N.Y.; AO,[1] California, New York, Massachusetts.

First Small Business Investment Co. of California, 215 West Sixth Street, Los Angeles, Calif.; AO,[1] California.

Goodwin Small Business Investment Co., First National Building, San Diego, Calif.; AO,[1] California; counties of San Diego, Imperial, Riverside, and Orange.

South East Small Business Investment Co., 3333 Tweedy Boulevard, South Gate, Calif.; AO,[1] California.

REGION XV

Michigan Equity Corp., 609 South Burdick Street, Kalamazoo, Mich.; AO,[1] Michigan.

Regional Building Investment Corp., 16100 Kentucky Avenue, Detroit, Mich.; AO,[1] Michigan.

[1] Area of operations.

DECENNIAL CENSUS CONDUCTED IN 1960

Mr. JOELSON. Mr. Speaker, I ask unanimous consent that the gentleman from Connecticut [Mr. DADDARIO] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. DADDARIO. Mr. Speaker, the Constitution requires that an enumeration of the population of this country be taken every 10 years to furnish accurate statistics for the conduct of affairs. As we all know, the decennial census was conducted in 1960.

Recently Members of this body were furnished with copies of a breakdown purporting to be the census results on their States. I am surprised to find that the detail on my home State of Connecticut contained in one table at least of this publication is erroneous and gives a totally misleading impression.

This came to my attention through the alertness of Mr. Herman Wolf, chairman of the Connecticut Travel Commission, one of the many agencies that relies upon such statistics in developing a program to stress Connecticut's beauty and natural attractions and to encourage others to share our great natural advantages.

Mr. Wolf, trying to make sense of table 8 in this pamphlet, had to give up. It just does not make sense. I agree and am asking the Census Bureau today to withdraw this table from circulation. I would recommend earnestly to other Members that they, too, check this publication against their own knowledge of their States and districts.

It does no good to conduct a census if the figures are compiled in Washington and completely divorced from reality. It may be that some machine, which has no knowledge of Connecticut's fine communities, merely rapped out a table for the document. It may be that some earnest statistician totaled the figures—but I cannot understand how a table would be compiled to omit some outstanding towns and to include others which may not be found in the Connecticut State directory.

For instance, at least 12 of the 29 towns in my district are listed in table 8 with populations far too small and bearing no relation to the count as I know it. South Windsor, Windsor, Windsor Locks, Avon, Berlin, Bloomfield, Canton, East Windsor, Farmington, Glastonbury, Newington, Plainville, and Rocky Hill are not listed at all. I would hope that the omission of Avon is not a reprisal against that distinguished descendant of Avon, Mr. Joseph Alsop. Simsbury is listed, with a population in 1960 of 2,745. But Simsbury, in table 7, is shown at its real population of 10,138, although the same, unrealistic, unincorporated figure is contained a line below.

I think table 8 is unnecessary and misleading. I am the more distressed because, as Mr. Wolf notes—his son learned these erroneous figures from an encyclopedia which had no reason to doubt the Census Bureau. Now it does. I have written the Census Bureau asking them to withdraw this table and these figures from the public record as misleading.

APRIL 13, 1961, DESIGNATED AS PAN AMERICAN DAY

Mr. SELDEN. Mr. Speaker, I ask unanimous consent for the immediate consideration of a resolution.

The Clerk read as follows:

H. RES. 230

Resolved, That the House of Representatives hereby designates Thursday, April 13, 1961, for the celebration of Pan American Day, on which day, after the reading of the Journal, remarks appropriate to such occasion may occur.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The SPEAKER. The question is on the resolution.

The resolution was agreed to and a motion to reconsider was laid on the table.

HOUR OF MEETING TOMORROW

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on tomorrow at 11 o'clock.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. HOFFMAN of Michigan. Mr. Speaker, I object. This is a health measure. We are told that some of us cannot stand these long hours.

Mr. McCORMACK. Mr. Speaker, I was going to make the request to meet at 10, but I compromised. I renew my request.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. BUCKLEY (at the request of Mr. HEALEY), for an indefinite period, on account of illness.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. PATMAN in the body of the RECORD following the legislative program today, and to include extraneous matter.

Mr. MASON on the subject of "Tax Loophole Closures."

Mr. O'HARA of Michigan, the remarks he made in the Committee of the Whole today and to include extraneous matter.

Mr. SANTANGELO and to include extraneous matter.

Mr. ALBERT to include as a part of the remarks he made in the Committee of the Whole today a copy of the bill, H.R. 5900.

Mr. JAMES C. DAVIS.

(The following Member (at the request of Mr. LATTA) and to include extraneous matter:)

Mr. ANDERSEN of Minnesota.

(The following Members (at the request of Mrs. HANSEN) and to include extraneous matter:)

Mr. DENT to revise and extend his remarks in Committee and to include extraneous matter, tables, and charts.

Mr. FOGARTY in two instances.

Mr. EVINS and to include tables.

Mr. RODINO.

SENATE CONCURRENT RESOLUTION REFERRED

A concurrent resolution of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. Con. Res. 17. Concurrent resolution authorizing the printing of the pamphlet entitled "Our Capitol" as a Senate document and providing for additional copies; to the Committee on House Administration.

ENROLLED JOINT RESOLUTION SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a joint resolution of the House of the following title, which was thereupon signed by the Speaker:

H.J. Res. 176. Joint resolution to provide for the reappointment of Dr. Jerome C. Hunsaker as Citizen Regent of the Board of Regents of the Smithsonian Institution.

BILL PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H.R. 4806. An act to provide for the establishment of a temporary program of extended unemployment compensation, to provide for a temporary increase in the rate of the Federal unemployment tax, and for other purposes.

ADJOURNMENT

Mrs. HANSEN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 2 minutes p.m.), under its previous order, the House adjourned until tomorrow, Friday, March 24, 1961, at 11 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

707. A communication from the President of the United States, transmitting an amendment to the budget for the fiscal year 1962 involving an increase in the amount of $721,700 for the legislative branch (H. Doc. No. 118); to the Committee on Appropriations and ordered to be printed.

708. A letter from the Assistant Secretary of the Interior, transmitting one copy each of certain laws enacted by the Legislature of the Virgin Islands in its 1960 regular and special sessions, pursuant to section 9(g) of the Revised Organic Act of the Virgin Islands of the United States; to the Committee on Interior and Insular Affairs.

709. A letter from the Acting Secretary of the Treasury, transmitting a certified copy of amendments to the rules and regulations regarding numbering of undocumented vessels, statistics on numbering and boating accident reports and accident statistics, which will become effective on June 30, 1961, pursuant to the Federal Boating Act of 1958 (46 U.S.C. 527d); to the Committee on Merchant Marine and Fisheries.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. TEAGUE of Texas: Committee on Veterans' Affairs. House Joint Resolution 73. Joint resolution providing for a study by the Veterans' Administration into the problems of veterans who are elderly, chronically ill, or otherwise handicapped; with amendment (Rept. No. 187). Referred to the Committee of the Whole House on the State of the Union.

Mr. HARRIS: Committee on Interstate and Foreign Commerce. Report on evaluation of methods used in obtaining broadcast ratings (Rept. No. 193). Referred to the Committee of the Whole House on the State of the Union.

Mr. TEAGUE of Texas: Committee on Veterans' Affairs. H.R. 5723. A bill to extend the veterans' guaranteed and direct home loan program and to provide additional funds for the veterans' direct loan program; with amendment (Rept. No. 194). Referred to the Committete of the Whole House on the State of the Union.

Mr. DAWSON: Committee on Government Operations. H.R. 5742. A bill to further amend the Reorganization Act of 1949, as amended, so that such act will apply to reorganization plans transmitted to the Congress at any time before June 1, 1963; without amendment (Rept. No. 195). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. H.R. 4728. A bill to amend title I of the Agricultural Trade Development and Assistance Act of 1954; without amendment (Rept. No. 196). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WALTER: Committee on the Judiciary. H.R. 1447. A bill for the relief of Wladyslaw Figura; without amendment (Rept. No. 188). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H.R. 1461. A bill for the relief of Pedro Bigornia Bandayrel; without amendment (Rept. No. 189). Referred to the Committee of the Whole House.

Mr. MOORE: Committee on the Judiciary. H.R. 1467. A bill for the relief of Modesta Pitarch-Martin Dauphinais; without amendment (Rept. No. 190). Referred to the Committee of the Whole House.

Mr. CHELF: Committee on the Judiciary. H.R. 1621. A bill for the relief of Miss Kristina Voydanoff; without amendment (Rept. No. 191). Referred to the Committee of the Whole House.

Mr. POFF: Committee on the Judiciary. H.R. 1622. A bill for the relief of Dr. George Berberian; with amendment (Rept. No. 192). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ASHMORE:

H.R. 5867. A bill to amend the Fair Labor Standards Act of 1938, to increase the minimum wage provided for therein to $1.15 an hour; to the Committee on Education and Labor.

By Mr. HARRIS:

H.R. 5868. A bill to amend the Federal Power Act with respect to the number and terms of office of members of the Federal Power Commission, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. BOGGS:

H.R. 5869. A bill to reduce the manufacturers excise tax on self-contained air-conditioning units; to the Committee on Ways and Means.

By Mr. BROOMFIELD:

H.R. 5870. A bill to amend the Federal Civil Defense Act of 1950 to remove certain requirements with respect to State personnel; to the Committee on Armed Services.

By Mr. BYRNE of Pennsylvania:

H.R. 5871. A bill to amend the Shipping Act, 1916, to provide for licensing independent ocean freight forwarders, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. FOGARTY:

H.R. 5872. A bill to amend the act to promote the education of the blind, approved March 3, 1879, as amended, so as to authorize wider distribution of books and other special instruction materials for the blind, and to increase the appropriations authorized for this purpose, and to otherwise improve such act; to the Committee on Education and Labor.

By Mr. HALPERN:

H.R. 5873. A bill to amend title 38 of the United States Code in order to provide a 1-year period during which certain veterans may be granted national service life insurance; to the Committee on Veterans' Affairs.

By Mr. LAIRD:

H.R. 5874. A bill to amend the provisions of the Social Security Act to consolidate the reporting of wages by employers for income tax withholding and old-age, survivors, and disability insurance purposes, and for other purposes; to the Committee on Ways and Means.

By Mr. LINDSAY:

H.R. 5875. A bill to prohibit discrimination in employment because of race, religion, color, national origin, or ancestry; to the Committee on Education and Labor.

H.R. 5876. A bill outlawing the poll tax as a condition for voting in any primary or other election for national officers; to the Committee on House Administration.

H.R. 5877. A bill to declare certain rights of all persons within the jurisdiction of the United States, and for the protection of such persons from lynching, and for other purposes; to the Committee on the Judiciary.

H.R. 5878. A bill to amend part III of the Civil Rights Act of 1957; to the Committee on the Judiciary.

By Mr. MATHIAS:

H.R. 5879. A bill vesting in the American Battle Monuments Commission the care and maintenance of the original Iwo Jima Memorial on Mount Surabachi, Iwo Jima volcanic islands, Pacific Ocean area; to the Committee on Foreign Affairs.

H.R. 5880. A bill to amend the Internal Revenue Code of 1954 to allow an individual a deduction from gross income for tuition paid by him for his own education or for the education of other individuals at institutions of higher education; to the Committee on Ways and Means.

By Mr. RHODES of Arizona:

H.R. 5881. A bill relating to the interest rates on loans made by the Treasury to the Department of Agriculture to carry out the programs authorized by the Rural Electrification Act of 1936; to the Committee on Agriculture.

H.R. 5882. A bill to provide for a program of weather modification to be carried out by the Secretary of the Interior, acting in cooperation with the National Science Foundation, to increase substantially the annual average of usable supply of water available in the Colorado River drainage basin, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 5883. A bill to authorize loans for the design and construction of sea and brackish water conversion plants, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 5884. A bill giving the consent of Congress to a compact between the State of Arizona and the State of Nevada establishing a boundary between those States; to the Committee on the Judiciary.

H.R. 5885. A bill to provide for the relocation and reestablishment of the members of the Papago Indian Tribe inhabiting the village of Sil Murk, which adjoins the Gila Bend Indian Reservation; to the Committee on Public Works.

H.R. 5886. A bill to provide a minimum initial program of tax relief for small business and for persons engaged in small business; to the Committee on Ways and Means.

By Mr. RHODES of Pennsylvania:

H.R. 5887. A bill to assist voluntary nonprofit associations offering prepaid health service programs to secure necessary facilities and equipment through long-term, interest-bearing loans; to the Committee on Interstate and Foreign Commerce.

By Mr. ROBISON:

H.R. 5888. A bill to amend the Fair Labor Standards Act of 1938, as amended, to provide coverage for employees of interstate enterprises engaged in retail trade, to increase the minimum wage under the act to $1.15 an hour, and for other purposes; to the Committee on Education and Labor.

By Mr. ROGERS of Florida:

H.R. 5889. A bill relating to documentation and inspection of vessels of the United States; to the Committee on Merchant Marine and Fisheries.

By Mr. RYAN:

H.R. 5890. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for income tax purposes, in the case of a disabled individual, for certain additional expenses of transportation to and from work; to the Committee on Ways and Means.

By Mr. DINGELL:

H.R. 5891. A bill to increase, in the case of children who are attending school, from 18 to 21 years the age until which child's insurance benefits may be received under title II of the Social Security Act; to the Committee on Ways and Means.

By Mr. FULTON:

H.R. 5892. A bill to amend the Civil Service Retirement Act of May 29, 1930, as amended, to provide that accumulated sick leave be credited to retirement fund; to the Committee on Post Office and Civil Service.

H.R. 5893. A bill to prevent the use of stopwatches or other measuring devices in the postal service; to the Committee on Post Office and Civil Service.

By Mr. GOODLING:

H.R. 5894. A bill to repeal the excise tax on amounts paid for communication services or facilities; to the Committee on Ways and Means.

By Mr. HALPERN:

H.R. 5895. A bill to increase rates of death compensation payable under laws administered by the Veterans' Administration; to the Committee on Veterans' Affairs.

H.R. 5896. A bill to increase rates of wartime compensation payable for disability statutory awards by amending section 314 (k) through (s) of title 38, United States Code; to the Committee on Veterans' Affairs.

H.R. 5897. A bill to increase rates of wartime disability compensation by amending section 314 (a) through (j) of title 38, United States Code; to the Committee on Veterans' Affairs.

H.R. 5898. A bill to provide for loans to veterans when housing credit is otherwise not generally available, and for other purposes; to the Committee on Veterans' Affairs.

H.R. 5899. A bill to amend title 38, United States Code, to provide for the payment of pensions to veterans of World War I; to the Committee on Veterans' Affairs.

By Mr. ALBERT:

H.R. 5900. A bill to amend the Fair Labor Standards Act of 1938, as amended, to provide coverage for employees of large enterprises engaged in retail trade or service and of other employers engaged in commerce or in the production of goods for commerce, to increase the minimum wage under the act to $1.25 an hour, and for other purposes; to the Committee on Education and Labor.

By Mr. HOLIFIELD:

H.R. 5901. A bill to provide for the presentation by the United States to the people of Mexico of a monument commemorating the 150th anniversary of the independence of Mexico, and for other purposes; to the Committee on Foreign Affairs.

H.R. 5902. A bill to amend title II of the Social Security Act to permit public employees (other than policemen and firemen) to elect coverage as self-employed individuals in cases where they do not have coverage under the applicable State agreement; to the Committee on Ways and Means.

By Mr. KING of California:

H.R. 5903. A bill to amend the Internal Revenue Code of 1954 to provide that camper coaches, slide-in cabins, and other articles similar or related in use to house trailers shall not be subject to the manufacturers excise tax on motor vehicles; to the Committee on Ways and Means.

By Mr. MONAGAN:

H.R. 5904. A bill to make the Committee on Education, established by the act of July 26, 1954, advisory to the President and available to the States for consultation on means of improving the quality of education; to the Committee on Education and Labor.

By Mr. OSTERTAG:

H.R. 5905. A bill to provide for the issuance of highway revenue bonds to provide funds for the highway trust fund, to provide for the retirement of such bonds from the tax receipts of such fund, and for other purposes; to the Committee on Ways and Means.

By Mr. PETERSON:

H.R. 5906. A bill to authorize appropriations to the National Aeronautics and Space Administration for special research and development; to the Committee on Science and Astronautics.

By Mr. BROYHILL:

H.R. 5907. A bill to amend the Civil Service Retirement Act to increase from 2 percent to 2½ percent the retirement multiplication factor used in computing annuities of certain employees engaged in hazardous duties; to the Committee on Post Office and Civil Service.

By Mr. DONOHUE:

H.J. Res. 335. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. GROSS:

H.J. Res. 336. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mrs. HANSEN:

H.J. Res. 337. Joint resolution to develop a plan for a system of highways to be known as the Lewis and Clark National Tourway which shall extend from St. Louis, Mo., along the general route of the Lewis and Clark Expedition; to the Committee on Public Works.

By Mr. KEITH:

H.J. Res. 338. Joint resolution to authorize and request the President to proclaim the third week in May of each year as National Art Week; to the Committee on the Judiciary.

By Mr. McDONOUGH:

H.J. Res. 339. Joint resolution requesting the President to proclaim June 4, 1961, as National Teachers Day; to the Committee on the Judiciary.

By Mr. MONTOYA:

H.J. Res. 340. Joint resolution designating the third week in June of each year as National Amateur Radio Week; to the Committee on the Judiciary.

By Mr. KEITH:

H. Con. Res. 205. Concurrent resolution to recognize Samuel Wilson, of Troy, N.Y., as the progenitor of America's national symbol "Uncle Sam"; to the Committee on Interior and Insular Affairs.

By Mr. SCHWEIKER:

H. Con. Res. 206. Concurrent resolution to establish a date for adjournment of Congress; to the Committee on Rules.

By Mr. STEED:

H. Con. Res. 207. Concurrent resolution declaring the sense of Congress on the use of a Great White Fleet in support of American foreign policy; to the Committee on Armed Services.

By Mr. JONAS:

H. Res. 231. Resolution creating a select committee to conduct a study of the fiscal organization and procedures of the Congress; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By Mr. RHODES of Arizona: Memorial of the 25th Legislature of the State of Arizona, memorializing the Congress of the United States accept the nomination of Father Eusebio Francisco Kino, S.J., for Arizona's second statue in the Hall of Statuary; to the Committee on House Administration.

By the SPEAKER: Memorial of the Legislature of the State of Delaware, memorializing the President and the Congress of the United States relative to the ratification of a proposed amendment to the Constitution of the United States relating to the granting of representation in the electoral college to the District of Columbia; to the Committee on the Judiciary.

Also, memorial of the Legislature of the State of Illinois, memorializing the President and the Congress of the United States relative to the ratification of a proposed amendment to the Constitution of the United States relating to the granting of representation in the electoral college to the District of Columbia; to the Committee on the Judiciary.

Also, memorial of the Legislature of the State of Michigan, memorializing the President and the Congress of the United States relative to the ratification of a proposed amendment to the Constitution of the United States relating to the granting of representation in the electoral college to the District of Columbia; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BRADEMAS:

H.R. 5908. A bill for the relief of Mr. and Mrs. Roth Cline; to the Committee on the Judiciary.

By Mr. GUBSER:

H.R. 5909. A bill for the relief of Hoh Chen Shui Yin; to the Committee on the Judiciary.

By Mr. KING of California:

H.R. 5910. A bill for the relief of Ligaya P. Reyes; to the Committee on the Judiciary.

By Mr. MacGREGOR:

H.R. 5911. A bill to authorize the disposal of surplus equipment, materials, books, and supplies under section 203(j) of the Federal Property and Administrative Services Act of 1949 to the Bar-None Ranch, Anoka, Minn.; to the Committee on Government Operations.

By Mr. PIKE:

H.R. 5912. A bill for the relief of Teresa Coluccio Ieraci; to the Committee on the Judiciary.

By Mr. POAGE:

H.R. 5913. A bill for the relief of Geronimo R. Reyes; to the Committe on the Judiciary.

By Mr. RHODES of Arizona:

H.R. 5914. A bill for the relief of Thomas B. Appleton; to the Committee on the Judiciary.

By Mr. SANTANGELO:

H.R. 5915. A bill for the relief of Mohammed Ali Hussain; to the Committee on the Judiciary.

H.R. 5916. A bill for the relief of Miss Susanna Moscato (Rev. Mother Charitas); to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

103. Mr. SHRIVER presented a resolution of the board of directors of the Chamber of Commerce of Abilene, Kans., opposing the Douglas area redevelopment bill (S. 1) in the belief that industrial development should be accomplished by local people with local funds, and that the U.S. Government should not be a competitor; and that the Federal Government should not help some communities attract industries and jobs at the expense of others, which was referred to the Committee on Banking and Currency.

EXTENSIONS OF REMARKS

Tribute to a Public Health Worker

EXTENSION OF REMARKS
OF
HON. JOHN E. FOGARTY
OF RHODE ISLAND
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 23, 1961

Mr. FOGARTY. Mr. Speaker, I wish to call to the attention of the Members the long and distinguished career in public health work recorded by Miss Mary S. Gardner of Providence, who died February 20, 1961.

Miss Gardner herself was invalided in her twenties, but after she had recovered her strength to continue her education, she entered the Newport Hospital Training School for Nurses and was graduated cum laude in 1905. She organized and became the first director of the Providence District Nursing Association, a post she held until 1930.

While director of the association, Miss Gardner served as president of the National Organization for Public Health Nursing from 1913 through 1915. In 1916, her book "Public Health Nursing," was published as a standard textbook, and was subsequently translated into French, Spanish, Chinese, and Korean.

During World War I, Miss Gardner took leave of absence from her post to become chief of the nursing section of the American Red Cross Tuberculosis Commission in Italy. Later, in 1921, she became adviser to the American Red Cross on public health nursing in Europe, and was chairman of the standing committee on public health nursing of the International Council of Nurses from 1925 to 1933.

Miss Gardner wrote many educational pamphlets as well as several novels in which public health furnished the background.

In 1933 Miss Gardner won the Saunders Gold Medal "for distinguished service in nursing." Some of the modern practices that evolved in the first three decades of this century were first instituted by Miss Gardner.

Miss Gardner's devotion to service for the benefit of others is not without background. She was born in Newton, Mass., February 5, 1871, a daughter of the late Justice William Sewell Gardner of the Massachusetts Supreme Court and Mary Parker—Thornton—Gardner, a direct descendant of Matthew Thornton, signer of the Declaration of Independence from New Hampshire. Her interest in nursing stemmed from an association with the late Miss Eleanor B. Green, a sister of former Senator Theodore Francis Green.

Rhode Island primarily and the United States generally can indeed be proud of the outstanding contributions to health and well-being that have been made by Miss Mary S. Gardner. Her fine record of service should also serve to inspire all of us to help in the battle against disease, disability, and premature death.

The Late Honorable B. Carroll Reece

EXTENSION OF REMARKS
OF
HON. JAMES C. DAVIS
OF GEORGIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 23, 1961

Mr. JAMES C. DAVIS. Mr. Speaker, I was at home in Georgia last weekend when Congressman Carroll Reece, of Tennessee, passed away at Bethesda Naval Hospital, and did not have an opportunity to participate in the memorial service on the floor of the House on Monday.

I learned with great sadness of his death. During my service in Congress, I became well acquainted with Congressman Reece. I admired him for his integrity, his courage, his understanding of our problems, both domestic and international, and for his unceasing effort to provide satisfactory solutions for those problems.

I treasured the friendship which existed between us. He was a person of whom it can truly be said that he was a great American. He will be greatly missed in the House on both sides of the aisle. His district, his State, and the country have suffered a great loss in his passing.

I extend deepest sympathy to the members of his family in this time of bereavement.

The Small Business Investment Act of 1958

EXTENSION OF REMARKS
OF
HON. JOE L. EVINS
OF TENNESSEE
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 23, 1961

Mr. EVINS. Mr. Speaker, there is a great deal of interest in the recent progress of the Small Business Administration in carrying out the objectives of the Small Business Investment Act of 1958. Under unanimous consent, I place in the RECORD the following statement summarizing the objectives of this act and the recent accomplishments in carrying out these objectives. These comments are based on the investigations of Subcommittee No. 1 on Organization and Operation of the Small Business Administration, of the Select Committee on Small Business, House of Representatives.

THE SMALL BUSINESS INVESTMENT ACT OF 1958

After much study by the House Small Business Committee and the Banking Committees of both Houses of Congress, the Small Business Investment Act of 1958 (Public Law 85–699) was passed and approved on August 21 of that year. This act provided for the licensing by the SBA of small-business investment companies which were to be a source of equity capital and long-term credit for small business concerns throughout the Nation.

At the end of the 1960 fiscal year (June 30, 1960), 109 licenses for small business investment companies had been granted by the SBA. Requests for licenses or proposals had been submitted by 217 companies. An updating of this information indicates that on March 14, 1961, 200 companies had been licensed and 431 proposals received.

Section 302(a) of the act authorizes the Small Business Administration to advance funds to the investment companies for the purpose of helping them obtain the minimum capital requirements. The maximum amount that SBA may make available to a single company is $150,000. These funds are to be advanced to small business investment

companies through the purchase of subordinated debentures by the Small Business Administration. As of June 30, 1960, the Small Business Administration had committed $11,190,000 to be supplied in this manner to the investment companies licensed as of that date. Another $50,202,364 from private sources brings the total capital available to the 109 companies licensed as of June 1960 to $70,400,000. See the following table for a breakdown which shows the number of proposals received, number of licenses granted, and the capitalization of these companies through fiscal year 1960:

	December 1958 through June 1959	July through December 1959	January through June 1960	Cumulative through June 1960
Proposals received	92	48	77	217
Notices to proceed	46	59	75	180
Licenses approved	16	45	48	[1] 109
	Dollar value			
Initial capital	$5,196,000	$18,142,000	$15,355,000	$38,693,000
Subordinated debentures	(1,319,000)	(4,185,000)	(5,686,000)	(11,190,000)
Additional private capital	4,000	16,258,000	15,445,000	31,707,000
Total capital available	5,200,000	34,400,000	30,800,000	70,400,000

[1] 1 license surrendered Mar. 18, 1960; 108 licenses in force.

Source: Small Business Administration.

Under section 303(b) of the act, the Small Business Administration is authorized to lend funds to investment companies up to one-half of their capital and surplus. The act provides that SBA shall set the rate of interest on these loans. The rate has been set at 5 percent. As of June 30, 1960, based upon the $70 million capitalization of the 108 companies then licensed (1 of the 109 companies surrendered its license on March 18, 1960), these companies were eligible to borrow $35 million from SBA under section 303(b) of the act. But only 11 licensees had made applications for loans totaling $2,390,828 under this section of the act, and only $800,000 of this amount has been disbursed by SBA as of June 30, 1960.

The act authorizes small business investment companies to finance small businesses by (1) furnishing equity capital under section 304 of the act, and (2) through long-term loans under section 305 of the act.

An analysis of the total immediate and potential capital of small business investment companies, and the loan potential for small businesses as of June 30, 1960, including 96 proposed companies which had not yet been licensed (12 proposals had been withdrawn or rejected), indicates a gross potential total of financing available for use under this program of only $234,765,000. This includes not only the present capitalization of the 108 companies licensed, but also includes public offerings not yet subscribed to by the 108 companies and the potential capital of 96 proposed companies not yet licensed, including the full amount of loans authorized under section 303(b). See the following table:

Total immediate and potential capital of small business investment companies and loan potential for small business June 30, 1960

Immediate and potential capital funds of 108 small business investment companies:	
Initial capital:	
Private subscription	$27,503,000
SBA (subordinated debentures)	11,190,000
Total initial capital	38,693,000
Additional public and private subscription	31,707,000
Total capital funds as of June 30, 1960	70,400,000
Public offerings:	
In progress	14,355,000
In registration	27,000,000
Total public offerings	41,355,000
Total capital funds of 108 licensed SBIC's	111,755,000
96 proposed small business investment companies: Initial capital	44,760,000
Potential capital funds of licensees plus initial capital of 96 proposed SBIC's	156,515,000
Loan potential: Section 303 loans, 50 percent of total capital	78,250,000
Total	234,765,000

An analysis of the report of the small business investment companies submitted to SBA on March 31, 1960, indicates that $14.7 million in equity capital and loan commitments had been made to 250 eligible small businesses. The details of the small business financing by the investment companies as of March 31, 1960, is as follows:

	Number of small business investment companies	Number of transactions	Dollar amount
Convertible debentures	22	58	$4,356,176.91
Long-term loans	39	183	5,797,861.67
Capital stock of small business concerns (by conversion)	2	4	87,740.00
Commitments to finance small business concerns	17	41	4,498,450.00
Total			14,740,228.58

Thus we find that as of June 30, 1960, after almost 2 years of operation under the Small Business Investment Act of 1958, 108 companies were in operation with a total capitalization of $70,400,000, with only $13.6 million of that being financed by the SBA. We also see that the total potential capital of all the companies which were licensed on June 30, 1960, plus those with proposals pending, including maximum possible loans from SBA under 303(b) of the act, is only $234,765,000. This is much less than one-tenth of 1 percent of the gross debt of all corporations in the country at the end of 1959.

These facts indicate that, while progress has been made, much more remains to be done before small business is to receive the full fruits of the Small Business Investment Act of 1958. The recent acceleration in licensing of small business investment companies is very encouraging.

On March 16 the SBA announced it had licensed the 200th SBIC, and forecast a sharp increase in SBIC activities in the months ahead. The 200th SBIC brings to $188,636,677 the present capital of operating licensees for financing small business. Only $21.6 million of this came from the SBA.

It looks as if this program is really getting off the ground, and we are looking forward anxiously to the stimulating role this program will play in aiding the small business sector of the American economy.

Tax Loophole Closers

EXTENSION OF REMARKS
OF
HON. NOAH M. MASON
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 23, 1961

Mr. MASON. Mr. Speaker, I have just introduced two bills which I designate as "tax loophole closers." Their adoption would provide a substantial amount of the new money that will be required to finance the administration's various programs, and would do so without requiring any present taxpayer to dig deeper into his pocket.

One of these bills, which may be cited officially as the "Credit Union Tax Equalization Act of 1961," would tap a financial source that has never paid a penny of Federal income tax; a competitive lending business whose net income before taxes has increased 2,400 percent in the past 15 years; a parasitical, pseudo-banking institution that is growing like the wind and is very well able to pay its share of the cost of government.

The other bill, which is cited as the "Second Tax Equalization Act of 1961," would produce no such magnificent sum of tax revenue for the Treasury, but it would clear up a competitive situation between mutual and stock fire and casualty insurance companies that the tax experts of Congress have fretted and worried about for nearly 20 years, without ever quite coming to grips with the facts of the matter—the facts being that the tax discrimination in favor of the mutuals is without justification and always has been.

Mr. Speaker, this year's demands for extraordinary expenditures at home and abroad leave the Congress no option but to close every generous loophole in the tax code. Let it not be said that the 87th Congress is as weak kneed and softheaded as some of its predecessors, which accepted the specious argument and pleas of smart promoters that competitive businesses which were organized under such names as mutuals and cooperatives and credit unions would somehow always be without profit and therefore without taxes.

Credit unions, like their blood brothers, the savings and loan associations, the mutual savings banks, and the cooperatives, were first granted tax favoritism on the basis of their claim that they were organized for the sole

benefit of the underprivileged little fellow. They may have started small, but they have long since outgrown their little britches. Let me quote, Mr. Speaker, from the American Banker:

Credit unions are fast becoming big business. Some are subsidized by big business itself, which gives them rent-free office space, as well as clerical help to run the credit union at the expense of the business. Notable in their promotion is the Credit Union National Association, organized to carry out their national public relations, advertising, and provide certain management and insurance aids. They are supported directly or indirectly by small business, college professors, teachers, farmers, firemen and policemen, industrial employees, labor unions. Credit unions are found in city halls, State capitols, public schools, fire stations, police departments. Taxpayers, of course, are unwittingly supporting credit unions, which pay no Federal income taxes, whether chartered by State or Federal Government.

According to the Department of Health, Education, and Welfare, credit unions had total assets in 1958 of $4,347 million and net income of $178 million.

Mr. Speaker, that net income should pay income tax. It is earned like the net income of banks and small-loan companies. It should be taxed like the income of banks and small-loan companies.

Only a few days ago, the President asked the Congress for half a billion dollars of added appropriations for this and that. He did not specify—or even suggest—where or how the money should be raised, but we all know that it will not come out of the clear air. Someone will have to be taxed to pay the bills.

Well, Mr. Speaker, the cost of the expanded school-lunch program which the President suggested, plus the cost of new schools for Indian and Eskimo children, plus the cost of an expanded National Park Service, plus additional appropriations for the Bureau of Land Management, the Fish and Wildlife Service, and the Bonneville Power Administration, plus the cost of expanded U.S. Information Agency programs in Africa and South America would all be met by the imposition of the income tax on credit unions and there would probably be enough money left to pay for the proposed new African programs of the State Department.

Mr. Speaker, if we are going to spend more money we must raise more money by taxation. The best place to get more money by taxation is from sources that are now not paying the tax. As a loophole that may be profitably closed, I recommend the credit unions.

Byelorussian Independence Day

EXTENSION OF REMARKS
OF
HON. PETER W. RODINO, JR.
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 23, 1961

Mr. RODINO. Mr. Speaker, I welcome this occasion to greet you on the 43d anniversary of Byelorussian Independence Day, that memorable and glorious day in Byelorussia's modern history. After enduring the oppressive yoke of Russia's czarist regime, the Byelorussian people earned their long-cherished and well-merited freedom, culminating in their national political independence in 1918.

During the czarist autocracy, the Russians did their worst to eradicate and eliminate all Byleorussian traditional and national traits, including their fervent desire for freedom. Fortunately, the Russians were unsuccessful in their ruthless attempts. The more they oppressed the Byelorussians, the more tenaciously these people clung to their ethnic and national ideals, and longed for the day of their independence. The overthrow of the czarist regime in Russia in 1917 ushered in a new era for them. Early in 1918 they asserted their freedom and on that historic March 25 they proclaimed their independence by establishing the Byelorussian National Republic. But the independence thus regained and proclaimed did not last long. Early in 1921 the Byelorussian National Republic was treacherously attacked and overrun by the Red army. Thus came to an end the Byelorussian Republic, but the idea of freedom and independence has not deserted the Byelorussian people.

I am glad to affirm once more that they still cling to their firm belief in freedom, in their eventual independence. In greeting you on this historic anniversary, I wish freedom to the Byelorussians.

A Statement on Farm Policy

EXTENSION OF REMARKS
OF
HON. H. CARL ANDERSEN
OF MINNESOTA
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 23, 1961

Mr. ANDERSEN of Minnesota. Mr. Speaker, under leave to extend my remarks I would like to call attention to a statement on the general subject of farm policy made by our colleague, Hon. PHIL WEAVER, before a founders day luncheon at Omaha, Nebr., on Monday, March 20.

I have known PHIL WEAVER since he came to the Congress and have served with him on the Committee on Appropriations. I know of his deep concern over the years at the situation in which our farmers have found themselves—through no fault of their own.

In this speech PHIL WEAVER points up the need for a sound and workable policy for the Nation's farmers. He also points up the need for cooperation of all involved in order to work out such a program that might have some chance of success.

I commend these remarks to all.

Following is the text of our colleague's speech:

We in Nebraska who would hold fast to the Republican cause can be justly proud, as I am, of the vote of confidence we rolled up for Richard M. Nixon last fall. We gave him the largest percentage margin of any of the 50 States.

During the fall campaign our standard bearer, Dick Nixon, made a statement which I'd like to recall for you now. It was a statement that made a tremendous impression upon the Middle West. His resounding vote here in Nebraska can attest to that. Dick Nixon said, and I quote: "The Government got the farmers into this mess, and it is up to the Government to get them out of it."

Why did Dick Nixon and our Republican Party blame the Government?

Well, during World War II the Government asked the farmer of our country to produce as he never had before. The American farmer responded. He not only produced enough to keep our armies on the march, he supplied our allies with vast quantities of food and fiber and the essentials for making war. It was, in truth, a miracle of production.

A farmer today in the broad expanse of America is capable of producing enough food and fiber for himself and for 24 other people. This fact alone frees better than 90 percent of our working population to pursue other goals, to undertake other endeavors. This, and this alone, has permitted us to expand our industrial capacity and to raise our standard of living to the point where we are the envy of all the world.

We are able to buy and drive more and better automobiles, live in better homes, wear better clothes, go to better schools, read more books, than any other nation on earth only because the American farmer, through his efforts and efficiency, has made this possible.

It takes one-half of the total work force in Russia to supply food for the other half. And, at that, they are poorly fed. In America one-tenth of the population is able to do a more thorough job.

And what has the American farmer gained from all this?

Today we find our farmers on the short end of the economic stick.

The American farm operator has the lowest per capita income in our economy today. His average hourly wage—and this is a point I would like our friends who support an increased minimum wage to note—his average hourly wage is less than half of what the average factory worker earns—or 81 cents an hour for the farm operator as compared to $2.29 for the factory hand.

The buying power of our farm citizens has gone down and down—and with it the buying power of our Nebraska communities and cities.

Last fall Dick Nixon promised that the Republicans would do something about it. Well, I'd like to say this—Republicans who were elected and who want to represent the will of the people who expressed this solid support must keep that promise.

We can either approach the problem as Republicans who want to conserve our way of life, or we can turn our backs on the farmers and let every radical idea that comes into the minds of the Kennedy planners become the law of the land. The choice is ours. Dick Nixon and the Republican platform pointed the way.

As Republicans, we are dedicated to the preservation of America. More than that, we are dedicated to the development of a strong, free, and vigorous America. To achieve that kind of America and to pass that kind of life on to future generations, we must help maintain a vigorous, strong and healthy agriculture.

This is the key to American survival.

Let me tell you that our top military leaders who are charged with the responsibility of maintaining our strength and our position of leadership in the free world are fully aware of this need. I participate in hearings

of the Subcommittee on Defense Appropriations of the House of Representatives and I have heard witnesses discuss the danger of growing Soviet might and power. It is not alone of missiles and submarines they speak. They are concerned with the potential industrial growth of the Soviet Union and her slave satellites as well.

Khrushchev knows this too. And he knows that only by building and maintaining a strong farm economy can he free enough of his slave labor to industry to begin to compare or compete with the United States on an equal footing—whether in the making of the instruments of war or in the competition for world trade and world economic leadership.

Within the past month Khrushchev had to fire a half dozen of his top Communist planners and administrators because they have failed in the one area where the United States has been so dramatically successful—in developing a powerful and vigorous farm economy.

The Soviets know—and we must understand completely—that it isn't the missiles or ships that win wars, whether they be shooting wars or the silent, deadly cold war of economic survival. It is the farmer who can produce enough for himself and his country who can tip the balance of power in favor of one way of life or the other—toward freedom or communism.

As Republicans we can—whenever and wherever the opportunity develops—work toward the goal of a strong, well-rounded and healthy nation based upon productive, economically sound agriculture. This is the very essence of conservatism—the very essence of the platform which the Republican Party adopted in Chicago last summer—and this is the very essence of victory here in Nebraska and elsewhere in the Midwest and Plains States in 1962 and 1964.

The alternatives to this actively conservative approach to the farm situation are twofold. Either we can sit idly by and watch our agriculture destroyed—and with it the chances of survival in a tense and dangerous world, or we can sit idly by and watch our 49-percent administration turn out a 100-percent radical program to regiment our farmers completely and give another great segment of our country a Harvard accent.

Please do not misunderstand me. We cannot keep the present administration from moving toward the left and ultimate regimentation simply by noisy opposition. The noise may deafen our own ears but will not silence the economic planners and left-wingers.

We can and we must stand for realistic action to solve the farm problem and thus conserve and preserve our American system against all challengers—whether they be the radical economists in Washington or the Communist empire.

Let us not fool ourselves that the Republicans have the votes in either the House or Senate to do that now. We didn't have them even when Dwight Eisenhower was President. The American farmer cannot wait until we regain the House and Senate and the White House. His problem is urgent—immediate.

We must find a way to work with the present administration to solve these problems to bring about economic order for our farm citizens. It is not my job as a midwestern Congressman to oppose legislation which the farmers themselves have proposed—simply for the sake of opposing.

The recent feed grain bill is an example. It was proposed by farm groups themselves. As it passed the House, there is no doubt the bill was lacking in some ways. In fact, I voted to recommit the bill and delete the controversial section 3. But, let me point out we had no Republican bill to work with and our job was to find and support a workable measure that didn't create more problems than it solved.

Last fall's vote here in Nebraska demonstrates that the farmers and ranchers had faith in the Republican Party. We must not let the farmer down. We must keep that faith.

We must reassess programs and positions of the past to make stronger our position in the future. And the future, my friends, is when we shoot for the top job again in 1964.

The Republican platform of 1960 looked to the future as we must. That platform said in part: "To utilize immediately surpluses in an orderly manner, with a minimum impact on domestic and foreign markets, we pledge * * * payment-in-kind out of existing surpluses as part of our land retirement program."

The recent feed-grain bill attempts to do just that. I was proud to be able to support the Republican platform and pledge myself to its continued support.

The Minimum Wage Law—A Necessity for the Development of America

EXTENSION OF REMARKS

OF

HON. ALFRED E. SANTANGELO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1961

Mr. SANTANGELO. Mr. Speaker, on January 14, 1961, the Federation of the Italian-American Democratic Organizations of the State of New York, Inc., held a symposium at the Hotel New Yorker in connection with the minimum wage laws. On this occasion, the Honorable ROBERT N. GIAIMO, from the State of Connecticut, and the Honorable DOMINICK V. DANIELS, from the State of New Jersey, participated. About 75 representatives of various labor and business organizations interested in this subject participated. After the speeches there was a stimulating question and answer period in which the various phases of the minimum wage law were discussed, and the impact of the proposed increase in minimum wage and the extension of coverage were explored.

At this time, 2½ months after the symposium, many of the statements by Congressman GIAIMO have gained greater meaning. It is timely that the speech delivered by the Honorable Representative from Connecticut be inserted in the CONGRESSIONAL RECORD, especially in view of the heated controversy regarding the minimum wage law, its proposed increases, extended coverage, and last minute substitutions. I believe that Congressman GIAIMO's discussion will prove informative and enlightening to those interested in the welfare of the worker and the effect of increase in minimum wage and extended coverage this legislation would have upon industry. His talk follows:

SPEECH OF THE HONORABLE ROBERT N. GIAIMO, MEMBER OF CONGRESS, DEMOCRAT, OF CONNECTICUT, BEFORE THE FEDERATION OF ITALIAN-AMERICAN DEMOCRAT ORGANIZATIONS, NEW YORK CITY, JANUARY 14, 1961

There is no doubt that the Fair Labor Standards Act, enacted 22 years ago, will again be the subject of heated discussion in the Halls of Congress. It is altogether fitting, therefore, that this assemblage interested in the great issues facing our Nation, take note of the coming debate and—as informed citizens—individually determine a position that will strengthen the economic fabric of our society during this crucial period of our country's life. I would like to outline for you some of the arguments which I believe will be voiced on the floor of the House of Representatives within the coming months.

The objective of the Fair Labor Standards Act is to achieve in the United States as rapidly as practicable minimum wage levels necessary for the maintenance of health, efficiency, and the general well-being of workers. This is to be materialized without substantially curtailing employment and earning power. To achieve these dual, but frequently conflicting objectives, the Congress has acted cautiously in applying the law. It has established over the years minimum wages which affect directly only a limited number of employees at the bottom of the economic ladder. The Congress has also limited the application of the act to part of the labor force.

It is estimated that the Fair Labor Standards Act applies to about one out of two employees engaged in nongovernmental jobs. The employees currently excluded from the provisions of the Fair Labor Standards Act fall into two categories:

1. Coverage under the act is limited to employees engaged in commerce, or in the production of goods for interstate commerce, or in occupations directly essential to the production of these goods. This excludes from coverage under the act about one out of every three wage and salary earners in private industry, including the bulk of employees in local retail and services, and about half of the employees in construction. Some 14.5 million wage and salary workers in private industry are not covered by the Fair Labor Standards Act.

2. The act specifically exempts from coverage of the Fair Labor Standards Act several groups of employees who are engaged in commerce or in the production of goods for interstate commerce. This category includes about 6 million employees or one out of every eight wage and salary earners in private industry. The largest groups in this category are engaged in agriculture, as outside salesmen, and in managerial and professional occupations. In addition, the act permits special treatment of handicapped persons and learners. Also, some other groups are exempt from its overtime provisions. Most of retail and service employees are specifically excluded from coverage by specific exemptions in addition to the limitation under the definition of commerce.

The Department of Labor has estimated that 23.7 million employees were covered in 1959 by the Fair Labor Standards Act. Six out of every ten of these were employed in manufacturing. Other large groups were engaged in transportation, wholesale trade, finance, insurance and real estate.

The bills as reported out by the House Committee on Education and Labor and the Senate Committee on Labor and Public Welfare last year constituted a compromise between the initially proposed Kennedy-Roosevelt bill and the Eisenhower administration proposals. The major proposed change in both bills was the extension of coverage to retail and service enterprises with annual sales in excess of $1 million, exclusive of excise taxes.

In the limited time available to me, I would like to discuss this legislation as it affects the retail trade. A study by the Bureau of Labor Statistics showed that in October 1956, about one out of every four employees in all retail trade was earning less than a dollar an hour. The percent earning less than $1 and the impact of raising the wages would vary widely from region to region.

Of course, retail wages have increased appreciably since October 1956, as they did in the rest of American industry. Average hourly rates in retail trade between October 1956 and March 1960 rose 13 percent. The ratio of employees that would be affected by a $1-an-hour minimum today would, therefore, be considerably lower than 4 years ago. Moreover, the data I cite include employees in all retail establishments, regardless of size; generally hourly rates of employees engaged in retail trade tend to increase with the size of the establishment. However, it is clear that a uniform hourly minimum wage would have an appreciably different impact from region to region. There is no reason to believe that the increases in retail wages have been relatively greater in the South, the region with the lowest wages, than in the West where retail wages are highest.

There also exists a wide variation in earnings of employees in various types of retail establishments. Again, the latest national study on wage distribution in retailing by type of establishment is available for October 1956. At that time, more than a quarter of all retail employees earned less than $1 an hour, but in variety stores 3 out of every 4 of the quarter million employees earned less than $1 an hour, while in furniture and appliance stores the comparable ratio was 1 to 8.

Another problem with reference to the application of the FLSA to retail trade is presented by the overtime provisions. Four years ago, 45 percent of the employees in retail trade worked 41 or more hours a week, and 26 percent worked 48 hours or more. The variations in hours of work differed less than wage rates on a regional basis or by type of retail establishment.

The major objective of the Fair Labor Standards Act is the elimination of substandard wages. Not only are earnings in retailing insufficient to provide the needs of a family, but they are also inadequate to provide for the needs of a single woman without dependents. Recent studies in 11 different States indicated that a single woman required a median annual income of about $2,500 for a minimum adequate budget. This annual figure is equivalent to an hourly rate of $1.25 based on 1,800 hours per year. According to the U.S. Department of Labor, more than 4 out of every 10 employees in retail stores earned in 1959 less than $1.25 an hour and 1 out of every 5 earned less than $1 an hour.

In some cases employees in retail establishments earn less than State welfare agencies provide for the indigent and their income is occasionally supplemented by welfare funds. In such cases general tax funds subsidize the low-wage employer.

Elimination of substandard wages is already a function of the Federal Government. Reliance upon the States in this area to pass the necessary protective legislation is futile. The States are hampered from taking effective action because by raising minimum wages, one State would give neighboring States competitive advantages, since the States which do not require payment of minimum decent wages would enjoy lower labor costs. A fair minimum wage standard must be applied, therefore, concurrently for the whole Nation.

The underlying rationale for excluding retail trade from Fair Labor Standards Act coverage rests on the myth that retail business is local in nature. This belief is contrary to the structure of present-day retail trade in the United States and is based on a nostalgia for the simple agrarian economy of our early days as a nation, when the general store was a social center as well as a place to make purchases. Retailing is dominated by big business with some giant chains doing annually a billion dollar and more business with thousands of outlets spread throughout the 50 States. In food retailing, the small neighborhood store is fast disappearing. When the Fair Labor Standards Act was passed, supermarkets accounted for less than a fifth of the total food retail sales; at present, more than half of the dollar volume of food is sold by supermarkets.

Furthermore, the recent trends of growing concentration in retailing is expected to continue. Business Week commented on the activities of the 20 top retailers in 1959, whose sales ranged between $451 million to over $5 billion: "It was generally a year in which the big got bigger and the rich got richer."

Retailing can be considered as local in character only if it is viewed from a narrow technical approach limited to the fact that sales of an individual store are restricted to a given locality. But a realistic approach must also consider the origin of the goods and the structure of retailing used to sell the goods. There is nothing local about grocery chains which control and own integrated food processing factories. One of the chainstores is the world's largest purchaser of coffee, fresh fruits, and vegetables.

The management of the large retail chains is centralized. This results in uniform national pricing regardless of local conditions. Mail order stores use the same catalogs all over the Nation, and even local advertising by national chains is frequently directed by a central authority. Some giant retail chains advertise on national hookups and in magazines that circulate nationally.

The increased concentration in retail trade and the accompanying economies of large-scale selling and efficiencies of operations make it imperative that the coverage of the Fair Labor Standards Act be extended to the industry. Many firms now paying rates below the minimum provided by the Fair Labor Standards Act could no doubt afford to pay the statutory minimum from current high margins of profits. But extension of coverage is not intended to reduce profits, which is the lifeblood of industry and an essential reward for investment and efficient management. It is expected that the elimination of substandard wages would exert a salutary effect upon the productivity of management and labor in the industry. The experience of American industry has indicated that with increases in real wages and standard of living, management in retailing will be spurred to foster economies of operation which may more than compensate for the increased labor costs.

It must be recognized not only that the existence of substandard wages in retailing is a problem of the employees who are denied the means to achieve a decent standard of living, but that low wages in one industry tend to depress the economic conditions in other areas of economic activity. And in the final analysis, it is the total community which must pay the social cost of substandard wages.

The Fogarty Bill To Promote the Education of the Blind

EXTENSION OF REMARKS
OF
HON. JOHN E. FOGARTY
OF RHODE ISLAND
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 23, 1961

Mr. FOGARTY. Mr. Speaker, blind children require for their education special equipment in the form of books in raised print, tangible apparatus and devices of various kinds. It was recognized early that the supply of such equipment would never be adequate if each State were left to its own resources. The first legislation providing aid from the Federal Government was approved on March 3, 1879, under the title "An act to promote the education of the blind," chapter 186, 45th Congress. According to this law, a perpetual trust fund of $250,000 was set up to be invested in U.S. interest-bearing bonds, the income from which, at 4 percent in the amount of $10,000 per year, would go to the American Printing House for the Blind in Louisville, Ky. The law also provided that the superintendents of the various tax-supported schools for the blind of the country become ex officio members of the board of trustees of the Printing House, and that books and tangible apparatus equivalent in value to the governmental grant be distributed among the schools for the blind in proportion to their pupil enrollment.

In 1906, the original law of 1879 was changed to provide a direct $10,000 appropriation to the Printing House to be made annually in perpetuity—Public Law 59–288. In 1919, the first appropriation in addition to the original $10,000 was authorized in the amount of $40,000—Public Law 66–24. Later amendments further increased the appropriation authorization to $65,000 in 1927—Public Law 69–584—and to $115,000 in 1937—Public Law 75–339—these sums always to be added to the $10,000 permanent annual appropriation. Then in 1952, Congress increased the authorized annual appropriation to $250,000—Public Law 82–354—thus making the possible total annual grant $260,000. An important change was made in 1956—Public Law 84–922—when the law was amended so as to authorize wider distribution of books and other special instructional material for the blind, thus regularly authorizing the Printing House to make available educational materials on a per capita basis to all blind children, either in special schools for the blind or regular public schools. Before this, regular public schools had received such materials as a result of an opinion handed down on January 30, 1912, stating that these schools were entitled to share in the free distribution of materials under this act. At present, more blind children are being educated in regular public school systems than in special schools for the blind. Furthermore, the law of 1956 increased the authorized appropriation to $400,000 per year, which, with the permanent annual appropriation, could make a total of $410,000.

The act of 1879 vested the control of the appropriation in the Treasury of the United States. The administration of the appropriation to the Printing House was transferred by joint resolution to the Federal Security Agency.

In the present interpretation, the term "books and tangible apparatus," includes books in raised print as well as talking books, talking book reproducers, and books in large type, in addition to special apparatus and devices. The present law is also interpreted to require that all books and apparatus furnished

under its provisions must be manufactured by the American Printing House for the Blind.

Over the years since 1879, when the original law was enacted, there have been very few substantive changes except for the periodic increase in the authorization of appropriations occasioned by the growing population of blind school-age children. Despite the strong trend toward educating blind children in regular public schools with sighted children instead of in special schools for the blind, the law, which belatedly authorized the distribution of books and materials to them, provides only for a per capita quota system of allocating these materials. Thus, the practical effect virtually negates the advantages which should result from this entitlement. The per capita basis for allocating books and materials similarly discriminates against the smaller special schools for the blind and the separate Negro departments in special schools where there is racial segregation, since a substantial portion of the monetary equivalent to which these schools are entitled is used up in purchasing expensive instructional materials, such as braille globes and maps, braille dictionaries, braille writers, and the like. If the allocation is taken in textbooks, then not enough money is left for these equally important but expensive items.

The restriction to items manufactured by the American Printing House for the Blind is also archaic. Three dimensional models of plants, animals, the solar system, and so forth are in regular use in most public school systems for sighted children and are readily available from established scientific supply houses. These would be invaluable educational aids for the tactual instruction of blind children. In order to supply them under the act, the Printing House would have to tool up and manufacture them for a small consumer market, a costly process resulting in a high unit cost compared to purchasing commercially available items manufactured for a mass market. Similarly, the Printing House is prevented from purchasing for distribution under the act special aids and devices made by other agencies for the blind or adapted by commercial manufacturers for the use of blind persons.

In view of the foregoing, we believe that a substantial overhaul of the act of 1879 is highly desirable in order to meet the educational needs of blind children in 1961 and future years in a realistic and efficient fashion consistent with current practices in Federal grant programs. The proposed bill is offered as a means of achieving this objective.

ANALYSIS OF PROPOSED BILL

1. AUTHORIZATION OF APPROPRIATIONS

Section 1 of the proposed bill would increase the authorization of appropriations by removing the present ceiling of $400,000 annually and leaving the annual appropriation to the discretion of the Congress. The sharp growth in number of blind children of school age due to retrolental fibroplasia in premature babies and regular population growth plus increased production costs make the present appropriation of $400,000 woefully inadequate.

In view of the fact that the program has been in existence for more than 80 years and that the Committee on Appropriations has had to approve an annual appropriation for more than 40 years, it would seem that a specific ceiling on appropriations is no longer necessary. Elimination of the ceiling would make it unnecessary for the Congress to take action periodically to increase the authorization in such a long-established and vital program and would have prevented the current situation for fiscal 1961, when it was obvious that the $400,000 annual appropriation would be inadequate, but that nothing could be done until the enabling legislation was amended.

2. RULES AND REGULATIONS

Section 1 of the proposed bill also authorizes the Secretary of Health, Education, and Welfare to make rules and regulations governing the administration of the act. There are presently no such regulations and, therefore, no clear guide on questions involving administrative procedures in carrying out the intent of the Congress. Such regulations would be extremely helpful to everyone interested in the education of blind children and would be consistent with procedures in other Federal grant programs.

3. AUTHORIZATION TO PURCHASE MATERIALS

The phrase "manufacturing and furnishing" and similar phrases have been changed to "manufacturing or furnishing" in order to authorize the American Printing House for the Blind to purchase items of equipment specially adapted or useful in the education of blind children from commercial supply houses and other agencies for the blind. The present law is interpreted to restrict everything furnished under the act to books and devices manufactured by the Printing House itself. As a result, blind children cannot be provided under the act with valuable, tangible educational aids readily available elsewhere. If the Printing House chose to provide these items, it would be required by the law to tool up and manufacture them. The purchasing authority provided under the proposed bill would be a much more economical way of furnishing such items, like three-dimensional tactual models for science instruction mentioned above.

4. ANNUAL APPROPRIATION

Section 2 of the proposed bill merely corrects an oversight when the law was amended in 1919 to provide for an annual appropriation in addition to the permanent annual appropriation of $10,000. The first sentence of section 102 of the act seems to limit the distribution of the books and materials to the value of the $10,000 permanent annual appropriation, whereas the intent of Congress is to distribute the total annual appropriation.

5. PER CAPITA QUOTA

Section 3 of the proposed bill authorizes the distribution of large expensive items of equipment, such a braillewriters, braille dictionaries, braille encylopedias, and the like on a school, classroom, or other practicable basis. This would make it possible for blind children in smaller special schools for the blind or in regular public schools to have the advantage of these essential educational aids without having their quota for textbooks and smaller aids used up. An Advisory Council on the Education of the Blind would determine what equipment would be provided in this manner. Textbooks and smaller educational aids would still be provided on a per capita quota basis determined by the ratio between the number of blind children enrolled in public institutions at the elementary or secondary school level in each State and the total similarly in elementary or secondary schools for the entire country. In addition, the proposed bill would authorize each State to receive up to 10 percent of its per capita quota in actual cash to purchase specific items locally or where available. For example, Hawaii or even Oregon or California could purchase record players for talking book records much more economically in their local areas instead of having such bulky items shipped from the Printing House in Louisville under the quota, with expensive shipping charges adding to the cost and decreasing the amount these States could have for actual items of equipment. The Advisory Council would develop a list of approved items of equipment which could be purchased directly by the States.

The present law provides for a per capita quota system based on the ratio between the number of blind children enrolled in schools below the college level in all of the States and possessions and the number of blind children enrolled in special schools for the blind in each State, as well as a separate quota determined by the ratio of children enrolled in all special schools and regular public schools and blind children enrolled in regular school systems in each State. This cumbersome dual quota would be eliminated in the proposed bill in favor of a single quota system for each State.

The term at the "elementary or secondary school levels" in the proposed bill substitutes for "below college grade" in the present law to plug a loophole by which State-operated rehabilitation centers for blind persons are obtaining books and equipment under the act, which was clearly intended by Congress for blind schoolchildren in elementary and secondary schools. Federal regulations would undoubtedly have prevented this abuse. Federal funds for rehabilitation facilities are available under other laws.

6. STATE OWNERSHIP

Section 3 of the proposed bill not only eliminates the dual quota system for each State, but also gives title to books and equipment to the State receiving them. The State is authorized to assign title, thus providing for flexibility in the use of books and equipment where needed, whether it be in the State's special school for the blind or in regular public schools in the State. Under the present law, equipment and books presumably remain the property of the Federal Government and frequently pile up when use for them

is past instead of being reassigned to another school within or without the State.

7. STATE AGENCY

Section 3 of the proposed bill provides for a State agency or agencies designated by the State to receive and distribute books and materials furnished through the American Printing House for the Blind under the act and otherwise to administer the program at State level. If the State designates more than one agency then the State department of education must attest to procedures for obtaining and distributing books and other materials within the State, in order to provide for coordinated utilization of books and materials by overseeing their transfer to other schools in the State when there is no longer any need for them in a given school.

A State agency administering the program under the act could be the State department of education, the special school for the blind, or any logical agency involved in educational programs for blind children which the State might designate.

8. ADVISORY COUNCIL

The Advisory Council on the Education of the Blind mentioned in sections 3, 4, and 7 of the bill would be established in the Department of Health, Education, and Welfare to select publications, to develop lists of approved tangible apparatus and other educational materials provided under the act, and otherwise to advise the trustees of the American Printing House for the Blind in administering the act.

The Advisory Council would consist of the superintendent of the American Printing House for the Blind, serving as chairman, and 12 members appointed by the Secretary of Health, Education, and Welfare, 4 of whom shall be teachers of blind pupils in special schools for the blind or regular public schools; 4 of whom shall be administrators of educational programs for blind children, such as superintendents of special schools for the blind or the heads of State departments of education; and 4 of whom shall be individuals particularly expert in the development of educational aids and teaching methods for blind children. Thus, the Advisory Council would bring to this program a representative group especially knowledgeable about the problems involved in both types of educational programs for blind children—the special residential schools and the regular public schools. The Council would provide a mechanism which has proved to be effective and efficient in many other Federal grant programs.

The Advisory Council would supplant the ex officio trustees of the American Printing House for the Blind consisting of the superintendents of the special residential schools for the blind, who, under the present law, are responsible for administering the act. This body of ex officio trustees may have been a logical mechanism for supervising the administration of the act in 1879, when there were only 38 States and when blind children who were educated at all were in residential schools for the blind. Now there are 50 States plus Puerto Rico, Guam, the District of Columbia, and the Virgin Islands in the program. Now more than half of all blind children are being educated in regular public school systems rather than in special residential schools. Also, the Department of Health, Education, and Welfare rather than the Treasury Department is the Federal agency to which the Printing House is directly responsible. For these reasons, the representative Advisory Council and the regular seven-member Board of Trustees of the Printing House will provide an effective and efficient mechanism for administering the program as Congress intends in order to serve the blind children of the Nation more adequately.

Furthermore, the existing ex officio trustees mechanism does not provide for representation of educators involved in educational programs for blind children in the regular public school systems, where the problems are completely different from those in special schools. There have been proposals to add the 54 heads of State departments of education—including the District of Columbia, Guam, Puerto Rico, and the Virgin Islands—to the ex officio trustees of the Printing House; but this would create an unwieldy group of more than 100 members. The Advisory Council, consisting of actual practitioners in teaching blind children as well as administrators, is a much more practical solution.

The 12 members of the Advisory Council appointed by the Secretary of Health, Education, and Welfare are to serve for 4-year terms, except for the first group.

9. BUILDINGS, AND SALARIES AND EXPENSES

Section 4 of the bill broadens paragraph 2 of section 102 of the act, which forbids the use of funds for the erection of buildings, to authorize the expenditure of funds for salaries and expenses of experts and other staff to assist the Advisory Council and for the expenses of the Advisory Council and special committees which may be appointed. Under the present law, the Printing House has had to use private funds to pay the salaries and expenses of staff people involved in carrying out the program.

10. SALE AT COST

Section 5 of the bill merely broadens the wording of the act which requires the Printing House to charge only the cost of materials it manufactures and furnishes under the program to conform with the broader authority granted in the bill to permit the Printing House to purchase useful educational aids already available from commercial and other sources. Thus, although commercial sources of finished products would be able to charge a profit on items purchased for distribution by the Printing House in the same manner as suppliers of raw materials to the Printing House do under the present law, the net result would still be more economical than if the Printing House were required to tool up and manufacture items already available, as the present law requires.

11. WITHHOLDING OF FUNDS

Section 6 of the bill simply repeals the existing obsolete provision of paragraph 4 of section 102 of the act, calling for funds to be withheld from the Printing House if they are misused. Other Federal laws make this specific punitive provision in the act superfluous.

12. CONFORMING AMENDMENT

Section 8 of the bill merely corrects an oversight in section 104 of the act which was not corrected by the 1956 amendments and still refers to the Federal Security Agency instead of the Department of Health, Education, and Welfare.

13. EFFECTIVE DATE

Section 9 of the bill makes its amendments effective for fiscal years following enactment of the bill.

SENATE

FRIDAY, MARCH 24, 1961

The Senate met at 12 o'clock meridian, and was called to order by the Vice President.

Rev. George J. Bacopulos, director of interchurch relations, Greek Orthodox Archdiocese, New York City, offered the following prayer:

In the name of the Father, and of the Son, and of the Holy Spirit. Amen.

Almighty God and Lord of the universe, who hast created all in wisdom, as this august body convenes, our thoughts first turn to Thee.

We thank Thee for the great natural wealth, for the rich cultural and religious heritage, and for the blessings of liberty, which Thou hast entrusted in the citizens of our great land. We thank Thee, at this 140th anniversary of the independence of our sister republic, Greece, for Thine example of brotherhood and for Thy inspiration to all peoples to labor diligently and faithfully for these inborn rights, granted to them at their creation. Keep us O Lord, vigilantly and ever aware of the eager sacrifice of all those who have labored for the cause of true freedom. Illumine the minds of all who richly benefit by their sacrifice, that we may truly perceive the value of this priceless gift and heritage, and willingly give our lives for its protection and continuation, as our forefathers gave their lives for its establishment.

Heavenly Father, give us faith and courage as a nation to venture ever forward in brotherhood. We believe Thou hast a plan for a righteous community, for a righteous nation. Make fearless pioneers of men of our generation, that we may identify and take the untried step to its fulfillment.

Bless and guide Thy servants in the Senate, that they may never lose sight of the awesome mission which has been entrusted, by Thee, to their hands. Inspire them to labor with patience, wisdom, and courage in the great task for

which they are called; encompass them about by Thy holy angels, so that guided and guarded by them, they may lead and govern us according to Thy commandments and along the pathway of Thy righteousness.

Grant to them and to all peoples profound insight, that we may reverently acknowledge that our help comes not simply from our intellectual might, nor from our material abundance, but from Thee, the Maker of heaven and earth.

For Thine is the kingdom and the power and the glory, forever. Amen.

ENROLLED BILL SIGNED DURING ADJOURNMENT

Under authority of the order of the Senate of March 22, 1961, the Vice President, on March 23, 1961, signed the enrolled bill (H.R. 4806) to provide for the establishment of a temporary program of extended unemployment compensation, to provide for a temporary increase in the rate of the Federal unemployment tax, and for other purposes, which had previously been signed by the Speaker of the House of Representatives.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, March 22, 1961, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILL

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on March 22, 1961, the President had approved and signed the act (S. 1173) to authorize the appointment of Dwight David Eisenhower to the active list of the Regular Army, and for other purposes.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed a bill (H.R. 5000) to authorize certain construction at military installations, and for other purposes, in which it requested the concurrence of the Senate.

ENROLLED JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled joint resolution (H.J. Res. 176) to provide for the reappointment of Dr. Jerome C. Hunsaker as Citizen Regent of the Board of Regents of the Smithsonian Institution, and it was signed by the Vice President.

HOUSE BILL REFERRED

The bill (H.R. 5000) to authorize certain construction at military installations, and for other purposes, was read twice by its title and referred to the Committee on Armed Services.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. MANSFIELD. Mr. President, under the rule, there will be the usual morning hour for the transaction of routine business. I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

THE LAOTIAN CRISIS

Mr. MANSFIELD. Mr. President, at his press conference last night, the President made it clear that this Nation, the Soviet Union, and indeed, the entire world, stand on the verge of very grave decisions. The necessity for these decisions arises from the situation in distant Laos. This most remote and unwarlike of nations has become the critical hinge on which the door to world peace will open or close.

At this moment there is in Laos a minor military confrontation of opposing local forces. But the fact that it is minor does not mean it is insignificant. This confrontation has opened a fissure in the membrane of international stability; and behind each side in the local confrontation powerful international forces have begun to accumulate.

If the process that has now commenced in Laos is not checked, it will widen the fissure until it spreads from what is remote and obscure to what is immediate and clear. It will spread from Vientiane to Moscow, Delhi, London, Paris, and Washington. That is the prospect of the crisis in Laos. It is still a small fire, but it is a fire burning in the dry brushwood of a highly unstable world. For that reason, it cannot be played with with impunity by any nation.

Those who mean to have peace will act now to close the Laotian fissure, to put out the Laotian fire. While there may be differences as to how this should be done, there can be no difference on the need to do it at once. There can be no difference on the need for an immediate supervised cease-fire in Laos and the convening of the nations most directly concerned with this situation.

A time of accounting is at hand. Powerful nations may properly be judged by the less powerful on their reactions to this situation. This is a moment for the world to ask bluntly: Who works for peace; and who talks peace, but does not do its work?

There can be no evasion in Laos. What is done there will ring the bell for what is done elsewhere. If the great nations cannot resolve in peace this distant problem, where their particular national interests are remote, how, then, are they to resolve problems where their interests are direct and intimate? A failure to achieve a peaceful settlement in Laos will cast the shadow of impending failure over disarmament negotiations, over peaceful evolution in Africa, over settlement in Europe, over the entire world's hope for peace and progress.

It is clear to us, and I am confident that it will become equally clear to the rest of the world, that the President of the United States is prepared and determined to use every instrument of peace to deal with the situation in Laos. He will do so because he is aware that those instruments, and those alone, can really serve the interests of the Laotian people and the higher interests of all peoples. He is doing so in the expectation that others will also act with the same sense of reality and responsibility.

In the course which the President is pursuing, I am confident that he has the full support of the American people. I wish to interject at this point a tribute to the distinguished minority leader, the Senator from Illinois [Mr. DIRKSEN], who yesterday made it clear that on vital questions this Nation must, and will, stand united behind the President. I know that the people appreciate this attitude of the minority leader. I know that the President appreciates the minority leader's high sense of national responsibility, for on the President has fallen, 2 months after assuming office, the burden of grave decisions in this long festering difficulty.

With the President's wise leadership, with united support at home which is typified by the expressions of the distinguished minority leader, with the cooperation of closely allied nations, and with what I am confident will be the growing support of the world's peoples, we may anticipate that all that can be done for the peace of the Laotian people and for the peace of the world will be done.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield to the distinguished acting minority leader.

Mr. KUCHEL. Mr. President, in what the distinguished majority leader has just said, he speaks for all Senators and for all Americans. We deal here not simply with the potential rape and destruction of a neutral and independent nation; we deal here with the potential destruction of freedom in Indochina; and, beyond that, we deal here with a growing and darkening hazard to the cause of free peoples and free nations all over the globe.

The President, speaking for all Americans, laid on the record last night America's desire to seek an honorable peace, and not war. The President referred to the honorable commitments of the Government of the United States, many of which were entered into by his illustrious predecessor, Dwight Eisenhower, who likewise spoke in this field for all the people of our country and for the cause of freedom everywhere.

The obligations the American Government has taken in the cause of peace will be scrupulously discharged.

It was with great distress, I will say to my able colleague, the Senator from Montana, that we heard last night from the lips of the President that a thousand sorties of Soviet aircraft had taken place from the outside into Laos, bringing

there, presumably, instruments of war and technicians to teach any who desired to use them to create strife and to destroy that nation.

It still remains a firm and basic measure of our country's dealings with foreign nations that we look for deeds, and not words. We reject duplicity and deceit by any nation. We stand for honorable peace. And in what the Chief Executive of this country said last night, and in what the able spokesman for the majority party has said here today, there is no line in this Chamber. Our great Senate Republican Leader DIRKSEN iterated this yesterday. Nor is there any cleavage in America for the goal that was well and eloquently stated last night by the President of our country.

Mr. MANSFIELD. I thank the Senator from California, and I appreciate his remarks.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield to the Senator from Kentucky.

Mr. COOPER. Of course, I do not speak as an official of the Republican Party, but I say for myself that I am confident that our party, the Congress, and the people of this country, support fully the statement which the President of the United States made yesterday regarding Laos. It follows the proposal made by Great Britain to the Soviet Union, a proposal which asked that the Soviet Union use its influence to bring about a ceasefire in Laos. Of course, the Soviet Union can do this if it desires peace. Second, the British proposal seeks a reconstitution of the International Commission which was established in 1954, made up of India, Canada, and Poland; the immediate purpose of the Commission would be to verify a ceasefire. If these recommendations are accepted the Conference, established in 1954, would be convened. It brought about the partial settlement, at least of the war in Indochina, which threatened a world conflagration in 1954.

The President's proposal tests Russia, because Russia has been saying, since the new administration came into power, it wanted to establish better relations with the United States, and seeks peaceful solutions. Now Russia's willingness to negotiate fruitfully, and with good faith, on such questions as the majority leader has stated, as disarmament, nuclear tests, Berlin, and other world issues will be laid bare by its action regarding Laos.

We support the efforts of the President to secure a settlement of the troubles in Laos, which is an effort to achieve peace for the people of Laos and self-determination and to prevent a larger war which would threaten southeast Asia and the world. I note Britain suggested that Mr. Nehru, Prime Minister of India, be consulted, and asked to use his influence to secure a peaceful settlement. I believe he can have the greatest influence at this time. I know his concern, for I talked to him in December 1960. I hope very much, and I am confident, that his influence and his efforts will be sought by the United States. But I say today if all efforts fail, and the U.S.S.R. refuses to cooperate in a cease-fire, then grave decisions must be made. I am sure that whatever course of action the President may then take he will have the full support of the Congress, of both parties, and of our people.

The situation is very much like that which existed in 1954. The distinguished majority leader at that time played an outstanding part in the debates regarding Indochina in 1954. It appeared then, that a greater war was in the making. But the Geneva conference settled it, at least temporarily.

Mr. President, we shall support the President, and the Senator from Montana in efforts to achieve peace in Laos, and prevent war. But we will stand solidly behind the President in sterner measures if his peaceful proposals are refused by Soviet Russia.

Mr. BUSH. Mr. President, will the Senator yield before he leaves this subject, for a comment on it?

Mr. MANSFIELD. Yes, if I may.

Mr. BUSH. Mr. President, I wish to congratulate the majority leader on the whole statement he has made with respect to the Lao situation, and particularly to commend him for his generous remarks concerning our minority leader.

I heard the President on television last night in his dramatic appearance, and I was deeply impressed with the sincerity of his statement, with the strength of it, and with the courage which he is showing in these very critical moments.

He made it unmistakably clear to us and the whole world that the United States seeks nothing in Laos and southeast Asia except peace and the freedom of the people in those areas, because we believe that only in freedom can men realize their full destiny in life. I thought his presentation of that important phase of the problem was absolutely superb.

I thank the majority leader for yielding to me.

Mr. MANSFIELD. I thank the Senator. I concur in what he has said.

Mr. KEATING subsequently said: Mr. President, I commend the distinguished majority leader for the excellent statement he made this morning on the situation in Laos.

Mr. President, Laos is a small country and it is on the other side of the world. Yet, as President Kennedy has pointed out, the security of all southeast Asia will be endangered if Laos loses its neutral independence. Even further, if the United States as a member of SEATO does not come to the aid of a nation which has been guaranteed the protection of SEATO, then every one of our allies, and all free nations the world over, will feel themselves in doubt and jeopardy.

I am very glad that the President has made it so clear that the Communists must stop their military operations in Laos and permit that country to return to a free and neutral status. All Americans will stand behind that policy of firmness.

In the past I have suggested that the best way to deal with the crisis in Laos would be through a permanent United Nations force. I still feel that over the long run the only way to prevent Communist inroads is by a United Nations force. But it is clear now that time is running out. There is no force ready and there is no time to wait for one to be set up—especially in view of the delaying tactics which we could expect the Russians to carry on in the U.N. The best vehicle for action in Laos today is unquestionably the SEATO alliance, which is united and prepared to take whatever action may be necessary to block the continued path of Communist aggrandizement.

But over the long run, this crisis reveals plainly that a long-term solution is necessary. We cannot afford to wait until the Communists have already nibbled away at half of a country before the free nations are ready and able to take action.

What we need is a United Nations force, always ready to respond to the appeals of a nation being attacked and infiltrated from without, and always ready to protect the smaller nations of the world from Communist tactics of divide and conquer. Such a force can be set up now, so that after SEATO has accomplished its mission in Laos—if that becomes necessary—a United Nations force can take over the patrol and protection of neutral Laos.

There is another possibility which we must also consider. Suppose the Communist Chinese decide to take advantage of SEATO preoccupation with Laos in order to move forward in a different area, like Korea or the offshore islands? Such a move would be typical of Communist tactics. I hope that U.S. forces and others in SEATO would be prepared for such an eventuality if it arose. But, for the long term, a United Nations force would be the best way to meet these crises while they are still brewing and thereby perhaps prevent them from becoming major cold war struggles in which the lives, security, and welfare of innocent people are endangered. This is or should be a basic long-term responsibility of the United Nations. Provisions should be made as rapidly as possible for meeting this responsibility.

Mr. President, as I have said, Laos is a small country and it is on the other side of the world, but a Communist threat there is a Communist threat to the whole free world. In this connection I am reminded of the immortal words of John Donne:

> No man is an island, entire of itself; every man is a piece of the continent, a part of the main; if a clod be washed away by the sea, Europe is the less, as well as if a promontory were, as well as if a manor of thy friend's or of thine own were; any man's death diminishes me, because I am involved in mankind; and therefore, never send to know for whom the bell tolls; it tolls for thee.

Mr. KUCHEL subsequently said: Mr. President, in connection with the statement which the able majority leader made to the Senate as we commenced our deliberations today, with respect to the President's excellent comments last

night, I have read a news dispatch coming over the wires from Palm Springs, Calif., in which is recited the fact that former President Eisenhower has given his personal endorsement to the firm stand which his successor, President Kennedy, has taken with respect to the Lao crisis. Mr. Eisenhower said he believed his successor, President Kennedy, had made clear that this Nation "is not going to be pushed around."

I ask unanimous consent that the text of the wire story on this subject be printed in the RECORD at the conclusion of the comments I made this morning with respect to the majority leader's statement.

There being no objection, the news release was ordered to be printed in the RECORD, as follows:

PALM SPRINGS, CALIF.—Former President Eisenhower today gave his personal endorsement to President Kennedy's firm stand on the Lao crisis and said he believed his successor had made clear this Nation "is not going to be pushed around."

In a press conference on the putting green of Tamarisk Country Club, the former Chief Executive said he had talked with Kennedy by telephone this morning.

Eisenhower said his understanding of Kennedy's statement on Laos at yesterday's press conference was in keeping with that of his own administration on the importance of living up to this Nation's commitments.

It was Eisenhower's first statement on foreign policy since he left office.

Eisenhower stressed his belief that the full measure of responsibility for such major policy decisions rests with the President and that it would be improper to suggest any course without full knowledge of the facts.

But, Eisenhower said, he believed Kennedy's stand followed that of the United States since World War II. He said the Nation sincerely desired peace and its Government took an approach that was "conciliatory but firm."

Eisenhower said that the Lao crisis had been so much in his mind and that of the current President that "we discussed it in the car on the way to the inauguration."

"There has been no change in the U.S. foreign policy," he said. He added he believed Kennedy's administration was ready to live up to its collective agreements and treaty obligations to maintain the free world.

Although a spokesman indicated earlier Eisenhower probably would talk about Laos this morning, the former President said he had no set statement ready to release. But he said Kennedy had telephoned him this morning after reading reports that Eisenhower was planning to say something and wanted to know whether it would relate to the Lao crisis.

Asked about his administration's attitude on neutrality for Laos, he said he did not object if that nation was "truly neutral—not neutral under a false name."

Eisenhower said he did not believe there was a comparison at this stage between the Korean war and the Lao crisis. He pointed out that after World War II, the Nations were not in a comparable position because of disarmament and casualties.

DEATH OF FORMER SENATOR JAMES E. MURRAY, OF MONTANA

Mr. MANSFIELD. Mr. President, it is my sad duty to report to the Senate that yesterday afternoon our distinguished former colleague, James E. Murray, long a Senator from the State of Montana, and to me still a Senator from the State of Montana, passed away after a lingering illness.

It was my honor and privilege to serve 8 years in the Senate with Senator Murray. It was my honor and privilege to work with him as a Member of the Congress, while he was a Senator and I was a Member of the House, for a period of 10 years.

Montana has never had a better nor a more faithful servant. The Nation has never had a better legislator on the national scene. He was a man of great humanity, a man of tenderness, a man of sincerity, a man who had feelings for his fellow man.

We shall miss him, and miss him greatly, because he made so many contributions, and because he was loved by so many of us on both sides of the aisle. We will miss him.

To his family I wish to extend, on behalf of Mrs. Mansfield, my daughter Anne, and myself, our deepest sympathy and condolences in this hour of distress.

Mr. METCALF. Mr. President, it was with profound sorrow that I learned last night of the death of my predecessor, Senator James E. Murray.

For a quarter of a century, Senator Murray was Montana's first citizen. He served longer in this body than any other Montanan, having been elected five times.

He was an inspiration, a leader, a counselor and friend, not only to me personally but also to generations in Montana and throughout the Nation.

He was proud to be known as the dean of the liberals, the dean of the New Dealers.

His imprint is deep on the laws of this Nation. The Murray-Wagner-Dingell health bill did not become law, but most of its provisions were subsequently adopted, and are now praised by many who opposed Senator Murray's original proposal.

He led the fight for a Missouri River Authority, for full development of our Nation's resources. It was my honor to cosponsor education legislation with him last year, and I was proud to be introduced mistakenly, several times, as Mr. Murray Metcalf.

The breadth of Senator Murray's impact on this country is indicated by the chairmanships he held in the Senate. He organized and was first chairman of the Select Committee on Small Business. He was chairman of the Committee on Labor and Public Welfare, and the Committee on Interior and Insular Affairs.

He was a true friend of the Indians, the farmers, and the laborers. He led the fight to save the mining industry of the West. Withal, Senator Murray was gentle and unassuming. He would not carry a grudge. He helped men who attacked and reviled him. One of the greatest laws ever passed by the Congress was the Employment Act of 1946, although few outside this body recognize that it was Jim Murray's vision and work which created this law and its benefits.

Senator Murray had the courage to vote his conscience, and his Nation's welfare, despite the effect back home. He voted for the loan to Britain, early in World War II, despite opposition and criticism back home. As a result, he lost his home county of Silver Bow in the 1942 election, but time proved the correctness of his decision.

Today one can travel the length of Montana and see living memorials to the man, the public buildings constructed under his leadership before he came to the Senate—Buffalo Rapids project, Fort Peck Dam, and Hungry Horse Dam. But most of all, Senator Murray will live on in our hearts as a great humanitarian. He was a friend of man.

Mrs. Metcalf and I and our son extend deepest sympathy to his family.

Mr. HILL. Mr. President, it was with deep regret and a sad heart that I learned of the death of my dear, devoted friend, our late colleague Senator James E. Murray, in Montana on yesterday.

There was no more loyal, generous friend; there was no braver, manlier man than Jim Murray. He was indeed a magnificent man and a magnificent American.

On the occasion of the announcement of his retirement from the Senate last April, I spoke of Jim, of my warm affection for him, and of his many outstanding services to his State and to our country. I ask unanimous consent that a copy of these remarks may be printed at this point in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

SENATOR HILL'S STATEMENT ON RETIREMENT OF SENATOR JAMES E. MURRAY, APRIL 28, 1961

There come times in life when the mouth cannot speak that which the heart would utter. Such a time comes to me as I contemplate the decision of my dear friend and great colleague, Senator James E. Murray, of Montana, that he shall retire from the Senate. The decision saddens my heart.

I have served in the Senate with Jim Murray for more than two decades. Through the years he has been not only my colleague, a steadfast rock of devotion to public service and a constant source of wisdom and encouragement, but he has been more than that; he has been my good friend, a tried and true comrade.

In committee and on the floor of the Senate he has fought the battles to conserve the Nation's natural resources of water and soil and mineral, to develop these resources for the benefit of all the people, and to see that control of them is retained in the hands of the people. He has been in the forefront of the cause.

As a member and as former chairman of the Committee on Labor and Public Welfare, he has worked tirelessly to improve our schools, to help our teachers, to help the aged, to increase safety conditions for our workers, to aid our veterans, to improve conditions for our handicapped, to help the migratory worker and the unemployed, to protect the consumer, to advance the arts and sciences and to improve and protect the health of our people.

Jim Murray came to Montana when the West was still raw pioneer country. In this pioneer setting there grew in him the conviction, the loyalty, the dedication to human needs and human concerns that he has carried with him through his years of service to the people of his State and of the Nation.

As his distinguished colleague, the junior Senator from Montana [Mr. MANSFIELD] has told us, Jim Murray was elected to the Senate in 1934, to fill the the vacancy created by

the death of Thomas J. Walsh, one of the great liberals of the West. In the ensuing decades he has nobly maintained Montana's heritage of liberalism. The people of Montana have expressed their appreciation and their warm affection by returning him four times to the Senate.

I have spoken of the magnificent public record which James Murray, of Montana, has built during his long service in the Senate. But it is of Jim Murray, the man, that I wish to speak—of his integrity, his moral courage, his high honor, his devotion to public duty, his loyalty to his friends, his human warmth and love of his fellow man—in a word, his character.

Let me say to you, Jim, that you will never really leave us. As so often over the past years, so in the years to come we will turn to you for the guidance, the wise counsel, the encouragement and support with which you have always been so generous in the many great battles and the grave crises through which we have gone together. You will never leave us. You will always live in our hearts. God bless you.

Mr. HILL. May I say, Mr. President, that while Jim Murray has left this earth, the example and inspiration of his life, his works and his services will live on.

He will be forever an influence,
A memory, a goal, a high example,
A thought of honor in some noble heart,
Part of his country's treasure and renown,
Oft giving courage unto souls that strive.

Jim Murray's acts are graven on the hearts of his people, and time has no power to obliterate the characters. Great men stand like solitary towers in the city of God. James E. Murray was one of these men.

Know ye not that there is a prince and a great man fallen this day in Israel?

Mr. BARTLETT. Mr. President, this is a day for grieving. We grieve because, for Jim Murray, the mortal curtain of time has descended. But this is likewise, in a sense, a day for jubilation, because we can all be happy that Jim Murray came to this world and lived 84 constructive years, years during which he accomplished much not only for the West—he was a true son of the West—but also for the entire Nation. His name will endure in our Nation's annals, I am sure. His achievements for all of the people in the field of social legislation affected every human being in the United States and will affect every human being for generations to come.

I first knew Jim Murray in 1933, and I came to know him much better from 1945, when I became a Delegate in the House of Representatives from the then Territory of Alaska. Jim Murray was not only friendly and courteous but also he was always most helpful. He was one of the leading advocates of the cause of Alaska statehood and fought for that cause until it prevailed. I regarded him not only as one of the Nation's great legislators but also as a true friend.

Mrs. Bartlett and I wish to express our sympathy and our condolences to those he left behind.

Mr. SYMINGTON. Mr. President, I wish to associate myself with the remarks made this morning by so many of my colleagues with respect to the passing of a great gentleman with whom it was my privilege to serve in the Senate.

When I first came to Washington, D.C., many years ago to serve in the executive branch, Senator Murray was very kind to me. When I became a Member of the Senate he was equally kind, gracious, understanding, and helpful to me, a freshman Senator.

We shall always remember him because he was a great statesman, but even more we shall remember him because he was such a true friend.

My wife and I join in expressions of deep sympathy to the members of his family who will miss him as do we.

Mr. YOUNG of North Dakota. Mr. President, I wish to join the other Senators in honoring our late and most respected colleague, Senator James Murray.

Senator Murray was a very close personal friend of mine, one of the most appreciated I had, and one of the most helpful. Senator Murray was a person to whom one always could go for help. This, I believe, is one of the reasons why he became so well liked not only in this body but in the State of Montana and in all areas where people came to know him.

He was recognized as one of the great liberal leaders of this Nation, as one who always stuck to his principles and the things in which he believed, regardless of how rough the going was.

The Senate will miss Senator Murray for years and years to come. May I express sympathy and condolence to the family of the late Senator Murray at the passing of this great American.

Mr. CHURCH. Mr. President, when Senator Murray announced last year that he would not seek reelection to the U.S. Senate, his colleague from Montana, who is now the majority leader, said of him:

In my mind, he will always be a real partner, a true colleague, and the senior Senator from the State of Montana.

This tribute from Senator MANSFIELD is fully shared by all of us who were privileged to know and to work with Jim Murray. He left a towering monument in the legislation which bears the mark of his vision, his dedication, and his humanity; he left another monument, unseen but real, in our memories.

I have especially poignant memories of Senator Murray's kindness to me and to my staff in the first weeks after we came here, a little more than 4 years ago. He invited us into his office, extending to us the full use of his facilities, until our own space became available. From him, we had our first introduction to the unwritten rules of courtesy and of helpfulness which characterize the Senate, and which he himself epitomized.

For such consolation as it may be to his bereaved family, Jim Murray was loved by the multitude of people he served so well in life; in death his good name and good works will be honored so long as memory lasts.

Mr. MONRONEY. Mr. President, it was with deep regret that I learned of the passing of former Senator James E. Murray. The history of our times will record his forward-looking attitude toward the development of the West with public works, irrigation, and waterpower programs, which always found Senator Jim Murray in the forefront.

In connection with many of the outstanding social gains which were made during the Franklin Roosevelt administrations, the name of Senator Murray would be found as the author of the bills. He was a kindly man; a man who understood and loved his people; a man who was dedicated to his service to the United States.

America has lost a great patriot and a great leader in the death of this outstanding statesman from the Far West.

Mr. McGEE. Mr. President, I speak this morning not for myself alone, but for all the people of my State and our region when we together express our sorrow at the passing of Jim Murray. I was not privileged to know him as long as did some of my colleagues in this body. Yet I knew Jim Murray in quite another way, for in the many years that I spent in the classroom, chapters of our history were written by the courageous efforts of Jim Murray, and they spoke of a man whom one admired even from afar.

With that introduction and admiration for the man, I came to know Senator Murray even better and more personally. I determined then, as one of the newer Members of the Senate, to carry on whenever possible in the traditions that Senator Murray had set down, and to adhere to the guidelines that he had erected. Those of us who carry on from here will have a sense of direction, a vision of goals, and the example of his courage to keep us on the right track for the right principles.

His statesmanship emerged in many areas—public power, public health, education, and conservation—but in no area did he carve out such clear-cut mileposts as in the realm of resource conservation and development in the West. He proposed a mobilization of the Nation's natural resource potential.

He made this proposal to the last session of Congress, and it is still a sort of Magna Carta for those who believe in the full and equitable use of our God-given wealth in this land. I have recently introduced a bill, S. 1415, which is aimed at achieving the same goals. My colleague, Senator ENGLE, has also introduced such a bill.

Thus, those of us who remain here pledge to carry on along the lines that Jim Murray laid out for us. I submit to the Senate today that though Senator Murray has now passed on, his spirit, his magnificent personality, and his wisdom in statecraft will become the real marks of the 1970's and the 1980's and the exciting century of which we are a part.

In addition, I express my personal sorrow at his passing, and ask unanimous consent that a fuller text of my thoughts on this sad day be printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR GALE W. McGEE ON THE DEATH OF SENATOR JAMES E. MURRAY OF MONTANA

I was shocked, as all his colleagues must have been, to hear of the untimely death of

Jim Murray. When I came to the Senate in January of 1959, it contained in its membership many men for whom I had already developed a deep respect and affection. This respect was based at that time not so much upon the intimate knowledge of their characters which I have since gained, but rather upon their works. In the estimation of my colleagues which I was able to make at that time, none had a more consistent record of constructive works than Jim Murray. I have taught in American schools since the middle thirties and in my study and teaching I have very often marked the accomplishments of this great Senator. His work in the fields of social security, public housing, public power, fair employment standards, health insurance and Federal aid to schools was known to all, and his record constituted an example which many young Americans in my generation have sought to emulate. During the 86th Congress I had the happy opportunity to get to know Jim Murray and I feel fortunate in having been able to include him in my circle of friends. Jim Murray was, as I came to understand, a consistent and fearless humanitarian. His attitude was one of genuine dedication to the interests of the people of Montana and the Nation. His spirit was gentle and his impulses were always kindly. But let no one suppose that this gentleness caused him to swerve or deviate one inch from the great public causes which he so successfully espoused.

The Nation faces many complex and harrowing problems during the coming decade. But due to Jim Murray's efforts the Nation is and will become a better place to live in than it might have been had he not poured out his talents so generously in the public interest. During the 86th Congress itself, we saw many examples of his work. He was the author of S. 2549, a bill which if it had been enacted would have provided much needed coordination and impetus to the drive to develop, to conserve, and to use wisely, our natural resources. It was a bill which recalled and resembled the Full Employment Act of 1946 for which Senator Murray and Wyoming's own Joe O'Mahoney provided much of the leadership. His death does not leave this project undone however, because Senator ENGLE and I have recently introduced bills modeled on the lines of S. 2549 which will carry forward this great work. My bill is S. 1415, and Senator ENGLE's is S. 239. That we have done so is due to our service on the Senate Select Committee on National Water Resources. This committee was set up pursuant to Senate Resolution 48, a resolution which was prepared and introduced by Senator Murray and his Montana colleague, Majority Leader MANSFIELD. I think the most significant result of the committee study—a study participated in not only by the Senate committee but by thousands of citizens in every State of the Union—is that now the American people appreciate more fully than ever before the relationship between the development of our water resources and the national interest. Another of Jim Murray's works during the 86th Congress was sponsorship of S. 2, the Murray-Metcalf bill which was sponsored in the House by the man who has so ably taken Jim's place in our ranks, LEE METCALF. The bill marked out the way for the provision of adequate funds to provide assistance in the education of the Nation's youth. The aims of this bill will be accomplished and the day will come when the children of every State will have equal educational opportunities. The last of the great areas of Jim's accomplishment during the 86th Congress, which I wish to point out, is his leadership in the fight to provide adequate funds for the conservation of our national forest resources. I was privileged to follow his leadership as chairman of the Senate Committee on Interior and Insular Affairs and that of my chairman, Senator HAYDEN, in the Senate Appropriations Committee as we attempted to provide these funds over the objections of the Eisenhower administration which had itself recognized the need for the money by promulgating the program for the national forests. This is certainly not a complete catalog of Jim Murray's achievements even in the 86th Congress, but in each of the cases I have mentioned, I was privileged to play a minor role, and it is through our work together that I came to know the measure of the man. When Jim Murray announced his retirement I pledged to him that these fights would go on and I renew that pledge now. Jim Murray's work is not done. His career and his record are not finished. It is an extraordinary tribute to any man to be able to say not just that his memory lives after he is gone but to say further that his career, his plans and the inspiration of the future accomplishments he dreamed of and worked for also lives and goes on. America will meet the challenge not only of the sixties, but also of the seventies and the eighties and the other decades that follow. It will meet this challenge successfully in large part because Jim Murray has shown the way and has set before us great plans, great dreams and great goals, which draw the Nation onward.

Mr. THURMOND. Mr. President, I deeply regretted to learn of the death of former U.S. Senator Jim Murray. He was my friend. I had the pleasure of serving in the U.S. Senate with him for a number of years. He was a great man, an able Senator, a true patriot, and a loyal American.

I extend my deepest sympathy to his five stalwart sons.

Mr. HUMPHREY. Mr. President, I was grieved to learn this morning of the death of our beloved friend and late colleague, the distinguished statesman and longtime Senator from the State of Montana, Senator James Murray.

Senator Murray was one of my intimate personal friends. When I first came to the Senate, he was one of those who extended to me the hand of fellowship and friendship. He was always kind, always considerate, and always helpful. Senator Murray's heart belonged to the American people and to people all over the world who were in need of someone with a sense of compassion and social justice.

He was liberal in the best sense of that word. He was always progressive in his thinking. He was always willing to hear both sides of an argument and then would make a decision based upon what he believed were the compelling facts.

Senator Murray, like many persons who take stands on controversial issues, was frequently the subject of unfounded, unbridled, and, at times, vitriolic attack. But he weathered every one of those storms and came out each time stronger in the eyes of his own constituents, and, indeed, in the respect of the Nation. We have lost a wonderful man.

But the work of Senator Murray is here: It is here in the Employment Act of 1946. It is here in the great areas of labor and public welfare legislation. It is here in the housing for persons who needed a home and needed a shelter. The work of Senator Murray is here in a better international understanding and in the strength of the security of this Nation. It must be satisfying to know that one has lived fourscore years and more, and that he has contributed so much to his country.

I might simply add this lighter note: Senator Murray was always very proud of his Irish ancestry. I used to joke with him a bit in the Senate about the days when he would go up to New York and join in the parades for Irish freedom. He had the spirit of the Irish—the happy countenance, the pleasant personality, the sharp mind, and, at times, I may say, the sharp tongue which was necessary to make an argument effective.

I extend to his family, on behalf of Mrs. Humphrey and myself, our sincere condolences and sympathy. It can truly be said that we have lost a friend.

Mr. BEALL. Mr. President, I wish to join my colleagues in expressing deep regrets on the passing of James E. Murray.

Marylanders will always keep a place close to their hearts for Senator Murray. As chairman of the Senate Committee on Interior and Insular Affairs, he was a leader in the field of conservation and preservation of our open spaces. In this field, he leaves perhaps his greatest legacy. Future generations will have much to be thankful for as they enjoy the use of our parks and recreational areas. No man could ask for a more fitting memorial and few men deserve it more than James Murray.

On his passing, the State of Montana and the Nation have lost a great statesman.

Mr. KUCHEL. Mr. President, the entire Nation—but most particularly the Western States of our Union—mourns the passing of a distinguished American, the late able, senior Senator from Montana, James Murray.

I had the pleasure of calling the illustrious predecessor of the present Presiding Officer [Mr. METCALF] my friend. When I first came here, more than 8 years ago, I was assigned to a seat on the Senate Committee on Interior and Insular Affairs, which I have been proud to continue. During most of those days, the committee was headed by the late Senator Murray.

I was interested in proposed legislation in the field of reclamation, a subject which is of particular interest to the people of California. No partisanship interfered with Senator Murray's sympathetic consideration of proposed legislation which I had introduced, and which came before the committee.

With his constant help, problems of the most urgent concern to the State from which I come were favorably considered in the Committee on Interior and Insular Affairs, and then by the Senate itself. They are now the law.

Perhaps, one of the greatest milestones in the full life of our late departed colleague was the leading role he played in fashioning legislation to provide for two additional stars in the flag of our country. The people of Hawaii and Alaska owe gratitude for their full participation in our Union to many of my colleagues. But in a real sense, to the chairman of the Committee on Interior and Insular

Affairs the greatest vote of thanks is forthcoming for his efforts during the years that the Democrat Party was in control of the Senate.

With my family and my colleagues I send to the members of the family of Jim Murray our most profound sympathies and condolences on the great loss which they have sustained.

Mr. BIBLE. Mr. President, the illustrious career of one of America's great citizens drew to a close yesterday when death came to Senator James E. Murray at the age of 84.

The 26 years he served in this body, Mr. President, were indeed momentous ones in our Nation's history. The staggering social problems of the thirties called for drastic action, and James Murray early recognized the need for legislation that would better the lot of all Americans.

He actively associated himself with the aims of President Franklin D. Roosevelt and was instrumental in lending his views and his vigor to the enactment of social security and other legislation in the fields of general welfare.

Upon entering the Senate I was privileged to be appointed to the Interior and Insular Affairs Committee, of which Senator Murray was the able chairman. During the years his warm understanding, helpful guidance, and unfailing courtesy were always a source of satisfaction and encouragement to me and my other colleagues on the committee.

Jim Murray has gone but he has left an imperishable legacy as an unrelenting champion of those who foster the conservation and preservation of our vast natural resources—and as a dedicated and articulate spokesman for the rank and file citizens of America.

Mr. GRUENING. Mr. President, I join my colleagues in paying a warm and heartfelt tribute to Jim Murray. He was a kindly and generous man. It was my good fortune to know him from his earliest days in the Senate, and to follow his great career as an exponent of resource development, as a friend of the worker, as a great conservationist, as a supporter of civil liberties, and as a true liberal in the best sense of the word.

Alaskans will always be grateful to Jim Murray for his vigorous espousal of statehood for the 49th State, beginning in the early days, when the cause was weak and struggling and had relatively few friends. From the earliest days of those efforts to achieve for Alaska the basic American principle of government by the consent of the governed we could count on the support of Jim Murray.

A few months ago, when news of his retirement reached the Senate and tributes were made, I spoke at somewhat greater length than I am doing now. I sought to express my appreciation of the splendid work that Jim Murray had carried on as chairman of the important Committee on Interior and Insular Affairs. To those who live in the West that committee is the most important of all Senate committees. I ask unanimous consent that the text of my tribute delivered a few months ago be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR GRUENING

Mr. GRUENING. Mr. President, I deem it a great privilege to associate myself with the many beautiful, eloquent, and deserved tributes which have been paid this afternoon to our great colleague, Jim Murray.

I doubt whether there could be any greater or more heartfelt expression of regret that he has found it necessary to announce that at the end of his present term he is leaving the Senate, where he has served with such great distinction, such great public spirit, such great devotion, such great pertinacity, not merely for the things that he believed in but for the things that were good for our Nation as a whole, for the conservation of its basic resources, for their maximum development, and all through for the preservation and enhancement of that even greater resource, the human resource.

When the history of the Senate is written, the record of Jim Murray will stand out as one who steadily and incessantly has fought the good fight for all the eternal values that we Americans cherish.

He has not been just a Senator from Montana; he has not been just a great western Senator, although he has been that; he has been a national figure. Although he comes from the Mountain States, his interest and the beneficence of his work and the things that he has done and the things that he has brought about through the causes he has espoused have redounded to the benefit of the entire American people.

It has been my privilege to serve under him as a member of the Committee on Interior and Insular Affairs, for the short time I have been a Member of the Senate. But for many years before that time I have known and admired Jim Murray. I have known him to be one of the men one can count on to preserve everything that is best in the American tradition, and to work for it quietly, modestly, without fanfare, but with a devotion which no one could ever challenge.

We shall miss Jim Murray very much. I myself greatly regret his decision to leave the Senate. He has done so much for the West and so much for the conservation of the resources of the country that his leadership will be greatly missed. He has done much for Alaska. He was one of the earliest and ablest protagonists of statehood for Alaska—as he was also for Hawaii. Never did Alaska ask for anything which it deserved to have that Jim Murray could not be counted upon to support.

I hope his leaving will, as my good friend WARREN MAGNUSON has said, prolong his years and let him see that the fruits for which he worked so many years, will come to full ripening.

We shall miss you, Jim. We are grateful to you for all the many kindnesses you have done for us as individuals and for your great and enduring service to our Nation as a whole.

Mr. SCHOEPPEL. Mr. President, I wish to join other Senators who have expressed their deep sorrow at the passing of our distinguished former senior Senator from Montana, Mr. Murray. I served in the Senate with him for 12 years. He was a man who served his Nation and State and area with courage, great distinction and ability. The work he did here in behalf of his section of the country and our Nation will stand as one of the finest tributes to him that any man can expect to have.

Mr. DWORSHAK. Mr. President, I join my colleagues in paying tribute to the late Senator James E. Murray. Coming from an adjoining State, I have been aware of his distinguished services in the Senate and the esteem with which he has been held by the people of Montana.

Having served for many years on the Senate Committee on Interior and Insular Affairs with Senator Murray, I had observed that, while he was an ardent partisan, he also was a gentleman and a loyal friend of those with whom he worked on this committee. Although one might disagree occasionally with his political views, he was charitable and tolerant of others, and he never took advantage of an opponent.

Mr. President, during the 86th Congress, I served as ranking Republican on this committee, and I am extremely grateful for the most harmonious relations which existed between Senator Murray, as chairman, and myself. He was dedicated to the full utilization of our natural resources in the Northwest and was willing to cooperate in every way in promoting this development.

Montana was most fortunate in having such a devoted Senator, and I join its people in expressing heartfelt sorrow over the passing of this stanch American.

He served faithfully his country and fellow men, and I join in extending condolences to his family. His memory will long endure in the hearts of those who were privileged to know him and to serve with him in this body.

Mr. ALLOTT. Mr. President, I could not let this day pass without joining with the many Senators on both sides of the aisle who have paid tribute to former Senator James Murray. It was my great privilege to serve with him in the Senate for 6 years and as a member of the Committee on Interior and Insular Affairs for 4 years.

Certainly in his great career in the Senate, Senator Murray espoused all of those causes which made and promoted the West, particularly those relating to the development of natural resources, reclamation, and mines and mining.

As a younger Senator who joined his committee, I personally shall always remember one thing about Jim Murray: That is, his unfailing goodness in being kind and helpful to the younger members of the committee. I joined with him in the sponsorship of many pieces of legislation; but I shall always remember, above all, the kindness and goodness with which he treated the younger members of the committee, particularly myself.

I extend to his family my very deep sympathy and condolence.

Mr. McNAMARA. Mr. President, when James E. Murray passed on to his reward—the men and women who do our country's work lost a powerful and most consistent champion. All our people lost a wise and gentle and understanding statesman. The Nation lost a patriot devoted to the conservation of its resources and the development of its great potentials.

I shall not, at this time, attempt to recount the many, many services he rendered or the great causes for which he strove. They are well remembered

and loom large in our minds. I would like only to call attention to the fact that throughout his career Jim Murray has been one of those courageous men who takes the lead in fighting for good causes long before they become popular causes. Time after time we have seen him alone or with a very few colleagues take on apparently hopeless tasks against formidable opposition, gradually win converts through his persistence and gentle persuasion and finally win through to victory surrounded by a host of those who found courage only when the victory was in sight. Jim Murray was a man of courage. And because the goals for which he strove were proper ones and fine, those for which he was still striving when death laid him low will also be attained.

We who knew and loved him will carry on the fight. This I can promise you.

To his children and grandchildren I can only say that we share your grief in his passing. For we, too, knew and loved him well. We, too, shall cherish his memory. And we pray that the sorrow which now afflicts you will soon change to pride in the great and noble heritage he has bequeathed you.

Mr. HICKEY. Mr. President, I did not have the privilege of serving in the Senate with Senator James E. Murray, whose death yesterday has saddened the Senate and the Nation, but I have, of course, known of him for many years, and I was honored to meet him upon several occasions when, as an attorney, I came to Washington, D.C., from Wyoming to testify before the Senate Committee on Interior and Insular Affairs.

One of the great liberals of the Senate, Senator Murray leaves a distinguished record of achievement which will be an inspiration to those of us who follow him in this great legislative body. His accomplishments in the causes of conservation and reclamation and the overall development of the natural resources of the West will bear fruit for many years to come, as they have in the past.

A wealthy man himself, the venerable Senator from Montana was known as a battler for that segment of our population which has little of the material goods of this world; he was in the vanguard of the fight for social security, public housing, public power, fair employment practices, health insurance, and adequate education for all.

Senator Murray will be missed by those who knew and worked with him, by the hundreds of thousands who benefited from his work in the Senate, by his State of Montana, and by the Nation.

I join the other Members of this body in expressing my sorrow at his death and in extending my sympathy to his family.

Mr. MORSE. Mr. President, a rugged oak of American statesmanship has been struck by God's lightning. James Murray has gone to his heavenly reward.

I think the most eloquent and fitting eulogy I could pay him would be to use the words of St. Matthew, in chapter VII, verses 16 to 21:

> Ye shall know them by their fruits. Do men gather grapes of thorns, or figs of thistles?
>
> Even so every good tree bringeth forth good fruit; but a corrupt tree bringeth forth evil fruit.
>
> A good tree cannot bring forth evil fruit, neither can a corrupt tree bring forth good fruit.
>
> Every tree that bringeth not forth good fruit is hewn down, and cast into the fire.
>
> Wherefore by their fruits ye shall know them.
>
> Not every one that saith unto me, Lord, Lord, shall enter into the kingdom of heaven; he that doeth the will of my Father which is in heaven.

Mr. President, as we mourn the passing of this great statesman, I would say to my colleagues in the Senate, that never could it be said with greater truth, "By their fruits ye shall know them."

I shall cite only a few of the many great acts of statesmanship in connection with legislation that Senator James Murray contributed to the life of our country during his 26 years of noble service in the Senate.

Those of us who have been so greatly concerned over the years in regard to the need to conserve, for the benefit of future generations, a rich heritage of our natural resources, recognize that for 26 years Senator Murray was a tower of strength in the Senate. He was always on the side of those who sought to conserve and protect the God-given heritage of the American people in our natural resources.

I believe it particularly fitting that on this occasion I mention Senator Murray's great work in the field of legislation dealing with education. He was a coauthor of the Metcalf-Murray bill. We remember that it was only a year ago that the great Senator Murray, of Montana, stood on this floor and did most effective work in seeking to have written into the statutes of our land the principle of Federal aid to education. I believe it quite appropriate for me to state that in a few weeks, when we enter upon a renewal of that debate, here in the Senate, many of us can reflect with profit on the teachings of Senator Murray on the same subject matter as recently as last year; and I believe we should complete the monument which he began to build by means of the Murray-Metcalf bill. In fact, I should like to say, most respectfully, that probably the most fitting monument we could build to Senator Murray would be the enactment, this year, of the education bill advocated by the Kennedy administration. That bill carries out the identical principles in the field of Federal aid to education for which Senator Murray battled long, faithfully, and effectively, here in the Senate.

Senator Murray was a great liberal. He recognized the responsibility of the Senate to seek to translate into legislation the services so greatly needed in order to promote the general welfare of the people of the United States. Thus, during the past decade or more he made great contributions by his fights for the enactment of adequate legislation in the field of medical care; and also legislation to come to the assistance, in their old age, of the aged of our country, by providing them with a fair and equitable law to provide medical aid to the aged. That is but another of the great hallmarks of Senator Murray's statesmanship.

Mr. President, whenever we became engaged in an effort to enact legislation to implement the constitutional guarantees of first-class citizenship in our Nation, in any form of civil rights legislation, we always knew that Senator Murray would stand with us shoulder to shoulder as we sought to bring constitutional rights to so many millions in our country who at the present time are being denied the full enjoyment of their constitutional guarantees. So it was that in the field of civil rights legislation, this great liberal made a magnificent record.

Of the many other things I could mention in paying tribute to Senator Murray, I shall mention only one more at this time—namely, the outstanding contributions he made again and again, during his service in the Senate, during the period when, for a time, he served as a lieutenant, may I say, of the great Senator Wagner, of New York. Actually, in my judgment, Senator Murray did in a very real sense take on the mantle of Senator Wagner, after Senator Wagner passed on; and Senator Murray became one of the great exponents in the Senate of a fair deal for both labor and management. He recognized that legislation in that field must protect the legitimate rights of both labor and management; and his record bespeaks statesmanship of that kind.

Mr. President, at this time I shall not speak longer, because all we need to do, it seems to me, is repeat the eloquent words of St. Matthew, as recorded in Holy Scripture: "By their fruits ye shall know them."

Mr. President, we really do not need to build a monument to Senator Murray, because he has left his own monument. It is the glorious record of public service dedicated to the general welfare of the American people that he made here in the Senate during his 26 years of great service not only to the people of Montana, but also to the people of the entire Nation.

Mr. MANSFIELD. Mr. President, on behalf of my distinguished colleague, the junior Senator from Montana [Mr. METCALF], and myself, I send to the desk a resolution and ask for its immediate consideration.

The VICE PRESIDENT. The resolution will be read.

The resolution (S. Res. 114) was considered by unanimous consent, and unanimously agreed to, as follows:

> *Resolved*, That the Senate has heard with profound sorrow and deep regret the announcement of the death of Honorable James E. Murray, formerly a Senator from the State of Montana.

Resolved, That the Secretary communicate these resolutions to the family of the deceased.

Resolved, That, as a further mark of respect to the memory of the deceased, the Senate, at the conclusion of its business today, adjourn until Monday next.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

PROPOSED SUPPLEMENTAL APPROPRIATION, TO PAY CERTAIN CLAIMS AND JUDGMENTS RENDERED AGAINST THE UNITED STATES (S. Doc. No. 25)

A communication from the President of the United States, transmitting a proposed supplemental appropriation to pay claims and judgments rendered against the United States, in the amount of $3,248,533 (with accompanying papers); to the Committee on Appropriations and ordered to be printed.

REPORT ON DEPARTMENT OF THE ARMY CONTRACTS FOR MILITARY CONSTRUCTION AWARDED WITHOUT FORMAL ADVERTISEMENT

A letter from the Secretary of the Army, transmitting, pursuant to law, a report of that Department on contracts for military construction awarded without formal advertisement, for the period July 1 through December 31, 1960 (with an accompanying report); to the Committee on Armed Services.

REPORT ON BORROWING AUTHORITY

A letter from the Director, Office of Civil and Defense Mobilization, Executive Office of the President, transmitting, pursuant to law, a report on borrowing authority, dated December 31, 1960 (with an accompanying report); to the Committee on Banking and Currency.

AMENDMENT OF FOREIGN SERVICE BUILDINGS ACT, 1926, TO AUTHORIZE ADDITIONAL APPROPRIATIONS

A letter from the Secretary of State, transmitting a draft of proposed legislation to amend the Foreign Service Buildings Act, 1926, to authorize additional appropriations, and for other purposes (with accompanying papers); to the Committee on Foreign Relations.

LAWS ENACTED BY LEGISLATURE OF THE VIRGIN ISLANDS

A letter from the Assistant Secretary of the Interior, transmitting, pursuant to law, copies of laws enacted by the Legislature of the Virgin Islands in its 1960 regular and special sessions (with accompanying papers); to the Committee on Interior and Insular Affairs.

AUDIT REPORT OF FOUNDATION OF THE FEDERAL BAR ASSOCIATION

A letter from the President, the foundation of the Federal Bar Association, Washington, D.C., transmitting, pursuant to law, a report of the audit of the financial transactions of that association, for the fiscal year ended September 30, 1960 (with an accompanying report); to the Committee on the Judiciary.

REPORT OF NATIONAL COUNCIL, BOY SCOUTS OF AMERICA

A letter from the chief Scout executive, National Council, Boy Scouts of America, New Brunswick, N.J., transmitting, pursuant to law, a report of that organization, for the year 1960 (with an accompanying report); to the Committee on Labor and Public Welfare.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

A joint resolution of the Legislature of the State of New Mexico; to the Committee on Interior and Insular Affairs:

"SENATE JOINT MEMORIAL 21

"Joint memorial requesting the President and Congress of the United States, the Bureau of Reclamation and the Army Corps of Engineers to begin immediate construction of Los Esteros Dam and Brantley Dam

"Whereas Los Esteros Dam to be constructed in Guadalupe County, N. Mex., is needed for flood protection and for irrigation storage for the Carlsbad Irrigation District; and

"Whereas Los Esteros Dam is located in a depressed area of New Mexico and its construction would be of great benefit and aid to the economic conditions of this area; and

"Whereas Brantley Dam to be constructed in Eddy County, N. Mex., is needed for adequate storage facilities for the Carlsbad Irrigation District and for flood protection for the city of Carlsbad and the lower Pecos Valley in New Mexico, and because the present terminal storage dam of McMillan Reservoir is fast losing its efficiency as a terminal storage facility for the Carlsbad Irrigation District due to silting; and

"Whereas construction of Los Esteros and Brantley Dams would result in a saving of irrigation water for the Carlsbad Irrigation District and increase the water available in the States of Texas and New Mexico; Now, therefore, be it

"Resolved by the Legislature of the State of New Mexico, That the immediate construction of Los Esteros Dam and Brantley Dam are necessary for flood control, water conservation and for relieving the problem of a distressed area in Guadalupe County, N. Mex.; and be it further

"Resolved, That a copy of this memorial be sent to the President of the United States, the President of the Senate and Speaker of the House of Representatives of the Congress of the United States, the Bureau of Reclamation of the Department of Interior, and the Army Corps of Engineers.

"TOM BOLACK,
"President of the Senate.
"M. E. MORGAN,
"Chief Clerk of the Senate.
"JACK M. CAMPBELL,
"Speaker of the House of Representatives.
"ALBERT ROMERO,
"Chief Clerk of the House of Representatives."

A resolution of the General Court of the Commonwealth of Massachusetts; to the Committee on Finance:

"RESOLUTIONS MEMORIALIZING CONGRESS TO REPEAL THE 10-PERCENT EXCISE (LUXURY) TAX ON TELEPHONE SERVICE

"Whereas as an emergency measure during time of war the United States levied a 10-percent excise tax on telephone service in the nature of a luxury tax; and

"Whereas the state of emergency which gave rise to this tax has long since passed; and

"Whereas the telephone cannot even remotely be considered a luxury, but is instead a vital necessity in the home, office, factory, or public institution; and

"Whereas it is grossly unfair and inequitable to continue to extract such a tax from the citizens of this country: Therefore be it

"*Resolved,* That the Senate and the House of Representatives of the United States and the President be urged to repeal the excise tax on telephone service forthwith; and be it further

"*Resolved,* That copies of these resolutions be forwarded by the secretary of the Commonwealth to the President of the United States, to the Presiding Officer of each branch of Congress, and to each Member thereof from this Commonwealth.

"Adopted by the House of Representatives March 10, 1961.

"LAWRENCE R. GROVE,
"Clerk.

"Adopted in concurrence by the Senate March 14, 1961.

"IRVING N. HAYDEN,
"Clerk.

"Attest:

"KEVIN H. WHITE,
"Secretary of the Commonwealth."

A concurrent resolution of the Legislature of the State of Texas; to the Committee on Agriculture and Forestry:

"SENATE CONCURRENT RESOLUTION 28

"Whereas the welfare, not only of Texas but of the United States, requires that production of both cane and beets for refining into sugar consumed in the United States be enlarged to the extent that the sugar industry will be enabled to increase production in the United States, and the farmers of the United States be permitted to grow additional sugar beet and cane crops for the refinement of sugar; and

"Whereas such policy would strengthen the farm economy and consequently the national economy of our country; and

"Whereas such a change in our Federal sugar policy would help mitigate the persisting shrinkage in our gold reserve; and

"Whereas such policy would benefit labor throughout the areas of production and refining, as well as in the areas manufacturing and supplying refineries; and

"Whereas this policy would make America independent for a sugar supply as a strategic item in case of international conflict or war; and

"Whereas this policy would properly place an agricultural crop in its rightful position in agriculture; and

"Whereas this policy would take into consideration the ever existing reason for America being independent in its natural resources and other commodities consumed in this country, all of which are with equal force applicable to sugar the same as cotton, wool, wheat, meat or any other product; and

"Whereas this policy would allow for greater crop rotation and alleviate to some extent the overproduction in cotton, wheat, and corn; and

"Whereas this policy would avoid international entanglements to the extent that foreign countries otherwise will insist upon sugar quotas in the hands of our Federal Government, and they cannot understand favoritism of one over the other, while they can understand the American farmer and producer being permitted to produce the sugar consumed in this country; and

"Whereas the $507 million spent for imported sugar is far out of line with all other imports of other products of a competitive nature; and

"Whereas this policy would keep American produced sugar out of the category of subsidized crops so long as the production was held under consumption and administered in the same way as it has been in the past with the quotas actually given to foreign countries: Now, therefore, be it

"Resolved by the Senate of the State of Texas (the House of Representatives concurring), That the U.S. Congress be urged to immediately enact such legislation enabling the sugar industry to increase production in the United States, allowing the farmers of the United States to grow additional sugar beet and cane crops for the refinement of sugar; and, be it further

"Resolved, That copies of this resolution be sent to the President of the United States; to the President of the Senate; to the Speaker of the House of Representatives of the United Sates; and to each of the members of the Texas delegation in Congress.

"BEN RAMSEY,
"President of the Senate.
"JAMES A. TURMAN,
"Speaker of the House.
"CHARLES SCHNABEL,
"Secretary of the Senate.
"DOROTHY HALLMAN,
"Chief Clerk of the House."

A joint resolution of the Legislature of the State of Alaska; to the Committee on Interior and Insular Affairs:

"HOUSE JOINT RESOLUTION 9

"Joint resolution relating to the construction of the Crater-Long Lakes division of the Snettisham hydroelectric power project

"Whereas the economy of southeastern Alaska is in great need of new industry which would provide stable, nonseasonal employment and utilize the vast natural resources of this area; and

"Whereas present and potential developments in the mining and timber industries in southeastern Alaska indicate the need for the prompt construction of additional sources of electrical energy to maintain and encourage the establishment of industry; and

"Whereas the increase in the number of residents in southeastern Alaska resulting from the natural growth and the industrial development of this area will also result in the need for additional sources of electrical energy to guarantee their comfort and well-being; and

"Whereas the Federal Power Commission has estimated that Juneau itself will need more than 30 million kilowatts of additional power by 1970 and more than 60 million kilowatts by 1980 to supplement the 30 million kilowatts of power now being used by Juneau; and

"Whereas the present cost of power is much higher in southeastern Alaska than in most areas in the United States; and

"Whereas preliminary studies by the Bureau of Reclamation indicate that Crater and Long Lakes in the vicinity of Juneau could be economically developed by the United States to provide low-cost power, and that the cost of constructing and operating power projects could be returned to the United States within 50 years by the sale of power to industrial and domestic users: Be it

"Resolved by the Legislature of the State of Alaska in second legislature, first session assembled, That the Congress of the United States is respectfully urged to pass S. 594, which would authorize the construction of the Crater-Long Lakes division of the Snettisham hydroelectric power project; and be it further

"Resolved, That copies of this resolution be sent to the President of the U.S. Senate; the Speaker of the U.S. House of Representatives; the chairman of the Senate Committee on Interior and Insular Affairs; the chairman of the House Committee on Interior and Insular Affairs; and the Alaska delegation in Congress.

"Passed by the house February 16, 1961.
"WARREN A. TAYLOR,
"Speaker of the House.
"Attest:
"ESTHER REED,
"Chief Clerk of the House.
"Passed by the senate February 28, 1961.
"———— ————,
"President of the Senate.
"Attest:
"EVELYN K. STEVENSON,
"Secretary of the Senate.
"Approved by the Governor March 9, 1961.
"WILLIAM A. EGAN,
"Governor of Alaska."

A concurrent resolution of the Legislature of the State of Delaware; to the Committee on the Judiciary:

"SENATE CONCURRENT RESOLUTION 7

"Concurrent resolution relative to the proposed amendment to the Constitution of the United States relating to the granting of representation in the electoral college to the District of Columbia

"Whereas at the 2d session of the 86th Congress of the United States, begun and held at the city of Washington on Wednesday, the 6th day of January, 1960, it was resolved by the Senate and House of Representatives of the United States in Congress assembled (two-thirds of each House concurring therein), that the following article be proposed as an amendment to the Constitution of the United States, which, when ratified by the legislatures of three-fourths of the several States, shall be valid to all intents and purposes as part of the said Constitution, viz.:

"'ARTICLE —

"'SECTION 1. The District constituting the seat of Government of the United States shall appoint in such manner as the Congress may direct:

"'A number of electors of President and Vice President equal to the whole number of Senators and Representatives in Congress to which the District would be entitled if it were a State, but in no event more than the least populous State; they shall be in addition to those appointed by the States, but they shall be considered, for the purposes of the election of President and Vice President, to be electors appointed by a State; and they shall meet in the District and perform such duties as provided by the 12th article of amendment.

"'SEC. 2. The Congress shall have power to enforce this article by appropriate legislation'; Therefore be it

"Resolved by the House of Representatives of the 121st General Assembly of the State of Delaware (the Senate concurring therein):

"SECTION 1. That the said proposed amendment to the Constitution of the United States of America be, and the same is hereby ratified by the General Assembly of the State of Delaware and shall be to all intents and purposes a part of the Constitution of the United States.

"SEC. 2. That certified copies of this preamble and concurrent resolution shall be forwarded by the Governor of this State to the Secretary of State of the United States, to the presiding officer of the United States Senate, to the Speaker of the House of Representatives of the United States and to the Administrator, General Services Administration, Washington, D.C.

"SEC. 3. That the secretary of the senate and the clerk of the house of representatives be, and they are hereby directed, to deliver to the said Governor certified copies of this resolution at their earliest convenience.

"Approved March 21, 1961."

A joint resolution of the Legislature of the State of Illinois; to the Committee on the Judiciary:

"SENATE JOINT RESOLUTION 12

"Whereas the 86th Congress of the United States of America, at its 2d session, in both Houses, by a constitutional majority of two-thirds thereof, adopted the following proposition to amend the Constitution of the United States of America in the following words, to wit:

"'Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is hereby proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution only if ratified by the legislatures of three-fourths of the several States within 7 years from the date of its submission by the Congress.

"'"ARTICLE—

"'"SECTION 1. The District constituting the seat of Government of the United States shall appoint in such manner as the Congress may direct:

"'"A number of electors of President and Vice President equal to the whole number of Senators and Representatives in Congress to which the District would be entitled if it were a State, but in no event more than the least populous State; they shall be in addition to those appointed by the States, but they shall be considered, for the purposes of the election of President and Vice President, to be electors appointed by a State; and they shall meet in the District and perform such duties as provided by the 12th article of amendment.

"'"SEC. 2. The Congress shall have power to enforce this article by appropriate legislation'"; therefore be it

"Resolved by the Senate of the 72d General Assembly of the State of Illinois (the House of Representatives concurring therein), That the said proposed amendment to the Constitution of the United States of America be, and the same is hereby, ratified; and be it further

"Resolved, That certified copies of this resolution shall be forwarded by the Governor of Illinois to the Administrator of General Services, Washington, D.C., to the President of the Senate, and to the Speaker of the House of Representatives of the Congress of the United States.

"Adopted by the senate, March 8, 1961.
"SAMUEL H. SHAPIRO,
"President of the Senate.
"———— ————,
"Secretary of the Senate,
"Concurred in by the house of representatives, March 14, 1961.
"Speaker of House of Representatives,
"CHAS. F. KERVIN,
"Clerk of House of Representatives."

A joint resolution of the Legislature of the State of Michigan; to the Committee on the Judiciary:

"ENROLLED SENATE JOINT RESOLUTION C

"Joint resolution ratifying the proposed amendment to the Constitution of the United States granting representation in the electoral college to the District of Columbia,

"Resolved by the Senate and House of Representatives of the State of Michigan, That the 86th Congress of the United States

of America, at its 2d session, in both Houses, by a constitutional majority of two-thirds thereof, has made the following proposition to amend the Constitution of the United States:

"'*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein)*, That the following article is hereby proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution only if ratified by the legislatures of three-fourths of the several States within 7 years from the date of its submission by the Congress:

"'"ARTICLE —

"'"SECTION 1. The District constituting the seat of Government of the United States shall appoint in such manner as the Congress may direct:

"'"A number of electors of President and Vice President equal to the whole number of Senators and Representatives in Congress to which the District would be entitled if it were a State, but in no event more than the least populous State; they shall be in addition to those appointed by the States, but they shall be considered, for the purposes of the election of President and Vice President, to be electors appointed by a State; and they shall meet in the District and perform such duties as provided by the 12th article of amendment.

"'"SEC. 2. The Congress shall have power to enforce this article by appropriate legislation.'" Therefore, in the name of, and on behalf of, the people of the State of Michigan, we do hereby ratify, approve, and assent to the proposed amendment to the Constitution of the United States; and be it further

"*Resolved*, That certified copies of this joint resolution be transmitted by the Governor of the State of Michigan, to the President of the United States, the Secretary of State of the United States, the President of the Senate of the United States, and the Speaker of the House of Representatives of the United States.

"FRED I. CHASE,
"Secretary of the Senate.
"NORMAN E. PHILLEO,
"Clerk of the House of Representatives."

A resolution of the Legislature of the State of Georgia; to the Committee on the Judiciary:

"SENATE RESOLUTION 39

"Resolution requesting Congress to propose an amendment to the U.S. Constitution; and for other purposes

"*Resolved by the General Assembly of Georgia*, That the members of the General Assembly of the State of Georgia respectfully request the Congress of the United States to propose to the people an amendment to the Constitution of the United States or to call a convention for such purpose, as provided by law, to add to said Constitution an article providing that:

"'ARTICLE —

"'SECTION 1. Where the legislatures of over one-fourth of the several States conclude that a U.S. Supreme Court decision has transferred powers not authorized by the Constitution of the United States, and where said decision transfers powers from the several States to the Federal Government, said decision shall, upon the application and request of the legislatures of over one-fourth of the several States, be invalid until subsequently approved by the legislatures of three-fourths of the several States: *Provided, however*, That said application and request shall be made within 3 years after the day of said decision.

"'SEC. 2. All provisions of Article 3 of the Constitution of the United States that conflict with this amendment are hereby repealed'; and be it further

"*Resolved*, That certified copies of this resolution shall be sent by the secretary of state to the Governors and members of the legislatures of the several States, the President of the United States, the President of the U.S. Senate, the Speaker of the U.S. House of Representatives, and to each Member of the U.S. Congress."

A resolution of the General Assembly of the State of New Jersey; to the Committee on the Judiciary:

"Whereas the New Jersey Civil War Centennial Commission, on March 9, 1961, adopted the following resolution:

"'Whereas the Civil War, the greatest internal crisis through which this Nation has passed, was fought at tremendous sacrifice to preserve and to amplify the fundamental law of our land, as set forth originally in the Bill of Rights; and

"'Whereas the perpetuation of this Union was guaranteed therewith forever; and

"'Whereas the sons of both North and South have subsequently fought side by side for human freedom, justice, and the dignity of the individual among people everywhere; and

"'Whereas the Civil War Centennial period has been conceived as a period for commemorating these basic American ideas above all; and

"'Whereas the National Civil War Centennial Commission has scheduled its Fourth National Assembly on the dates of April 11 and 12, 1961, in the city of Charleston, S.C.; and

"'Whereas the National Civil War Centennial Commission is a creature of the Congress of the United States; and

"'Whereas custom and/or law in the city of Charleston forbids equal hospitality to members of the Negro race; and

"'Whereas a national assembly under these conditions would abrogate the fundamental law of our land and the fundamental concepts of human decency and the fundamental guarantees of civil liberties under the New Jersey Constitution; and

"'Whereas Mrs. Madaline A. Williams, a member of the Negro race, is a duly appointed member of the New Jersey Civil War Centennial Commission; and

"'Whereas Mrs. Williams has served as an elected member of the Essex County delegation of the New Jersey General Assembly, and is currently serving in the elective post of Essex County Register: Now, therefore, be it

"'*Resolved*, That this commission cannot in good conscience, under its sworn obligations, participate in the Fourth National Assembly; and be it further

"'*Resolved*, That members of all other State Civil War Centennial commissions be urged to call upon their respective congressional delegations to demand that the Fourth National Assembly, as presently conceived, be canceled forthwith as an act of responsible national statesmanship and scheduled for a later date in a location which will respect the fundamental constitutional rights of persons of all races and creeds': Now, therefore, be it

"*Resolved, by the General Assembly of the State of New Jersey*, That the foregoing resolution adopted by the New Jersey Civil War Centennial Commission is approved; and be it further

"*Resolved*, That the clerk of the general assembly provide the New Jersey Civil War Centennial Commission with a copy of this resolution and signed by the speaker of the general assembly attested by him in order that the said centennial commission may forward copies hereof to the other State Civil War centennial commissions; and be it further

"*Resolved*, That the clerk of the general assembly forward copies of this resolution attested by him to the U.S. Senators from New Jersey and the Members of the House of Representatives from the several congressional districts of New Jersey.

"LEROY J. D'ALOIA,
"Speaker of the General Assembly.
"Attest:
"ERNEST T. SCHEIDEMANN,
"Clerk of the General Assembly."

A resolution of the Senate of the State of New Jersey; to the Committee on the Judiciary:

"Whereas the New Jersey Civil War Centennial Commission, on March 9, 1961, adopted the following resolution:

"'Whereas the Civil War, the greatest internal crisis through which this Nation has passed, was fought at tremendous sacrifice to preserve and to amplify the fundamental law of our land, as set forth originally in the Bill of Rights; and

"'Whereas the perpetuation of this Union was guaranteed therewith forever; and

"'Whereas the sons of both North and South have subsequently fought side by side for human freedom, justice, and the dignity of the individual among people everywhere; and

"'Whereas the Civil War centennial period has been conceived as a period for commemorating these basic American ideas above all; and

"'Whereas the National Civil War Centennial Commission has scheduled its fourth national assembly on the dates of April 11 and 12, 1961, in the city of Charleston, S.C.; and

"'Whereas the National Civil War Centennial Commission is a creature of the Congress of the United States; and

"'Whereas custom and/or law in the city of Charleston forbids equal hospitality to members of the Negro race; and

"'Whereas a national assembly under these conditions would abrogate the fundamental law of our land and the fundamental concepts of human decency and the fundamental guarantees of civil liberties under the New Jersey constitution; and

"'Whereas Mrs. Madaline A. Williams, a member of the Negro race, is a duly appointed member of the New Jersey Civil War Centennial Commission; and

"'Whereas Mrs. Williams has served as an elected member of the Essex County delegation of the New Jersey General Assembly, and is currently serving in the elective post of Essex County register: Now, therefore, be it

"'*Resolved*, That this commission cannot in good conscience, under its sworn obligations, participate in the fourth national assembly; and be it further

"'*Resolved*, That members of all other State Civil War centennial commissions be urged to call upon their respective congressional delegations to demand that the fourth national assembly, as presently conceived, be canceled forthwith as an act of responsible national statesmanship and scheduled for a later date in a location which will respect the fundamental constitutional rights of persons of all races and creeds': Now, therefore, be it

"Resolved, by the Senate of the State of New Jersey, That the foregoing resolution adopted by the New Jersey Civil War Centennial Commission is approved; and be it further

"Resolved, That the secretary of the senate provide the New Jersey Civil War Centennial Commission with a copy of this resolution attested by him in order that the said centennial commission may forward copies hereof to the other State Civil War cententennial commissions; and be it further

"Resolved, That the secretary of the senate forward copies of this resolution attested by him to the U.S. Senators from New Jersey and the Members of the House of Representatives from the several congressional districts of New Jersey."

A resolution adopted by the Mississippi Valley Conference of State Highway Departments, at Chicago, Ill., relating to the ability of State Highway Departments to construct the interstate system of highways; to the Committee on Finance.

A resolution adopted by the Texas Society of Professional Engineers, favoring the continuation of a study of land and water resources of eight intrastate river basins of Texas; to the Committee on Interior and Insular Affairs.

A resolution adopted by the Mississippi Valley Conference of State Highway Departments, at Chicago, Ill., relating to the use of and to improve areas adjacent to the interstate system of highways; to the Committee on Public Works.

JOINT RESOLUTIONS OF NEW MEXICO LEGISLATURE

Mr. ANDERSON. Mr. President, I ask unanimous consent to have printed in the RECORD the following joint memorials of the New Mexico State Legislature:

Senate Memorial 2, memorializing the Congress of the United States to extend educational benefits to veterans who entered or who enter military service after February 1, 1955, and to extend educational benefits to all who enter so long as the provisions of the draft law exist.

Senate Joint Memorial 13, asking close examination of the situation created in Gallup, N. Mex., by the absence of overpasses to move pedestrian and vehicular traffic safely across the main lines of the transcontinental railroad bisecting the city; and designing and building of structures which will relieve traffic congestion and permit the city to create a useful plan for its development.

Senate Joint Memorial 14, memorializing the Congress of the United States to amend the Federal Mineral Leasing Act to provide for the distribution of income from the leasing of Federal lands for oil, gas, and other minerals to all States wherein lands are leased thereunder on an equal basis.

Senate Joint Memorial 16, memorializing the Congress of the United States to take legislative action to correct certain inequities existing in the distribution of public lands in the State of New Mexico and in the restrictions placed on the sale, leasing, and use of proceeds from State lands.

Senate Joint Memorial 25, memorializing the President of the United States and the Congress of the United States to take action to establish youth camps within national forest areas.

Senate Joint Memorial 28, requesting the public roadbuilding authorities to consider the economic consequences to smaller communities affected by relocations of public roads.

There being no objection, the joint resolutions were received, appropriately referred, and, under the rule, ordered to be printed in the RECORD, as follows:

To the Committee on Labor and Public Welfare:

"SENATE MEMORIAL 2

"A memorial memorializing the Congress of the United States to extend educational benefits to veterans who entered or who enter military service after February 1, 1955, and to extend educational benefits to all who enter so long as the provisions of the draft law exist

"Whereas millions of veterans of World War II and of the Korean conflict have been educated under the provisions of the veterans' education program established by the Federal Government; and

"Whereas many veterans were able to obtain further education through the benefits of the veterans' education program which would not otherwise have been possible, and

"Whereas the education of millions of veterans has contributed to an increase in the educational level of this country and has produced a major national asset which has contributed much to the economy of this country; and

"Whereas reliable statistics have proved that increased income to veterans arising out of their higher education level will more than reimburse the Treasury of the entire cost of the training program by 1970; and

"Whereas the President of the United States, by Executive order on January 31, 1955, stopped the educational benefits for persons serving in the Armed Forces of the United States after February 1, 1955; and

"Whereas such Executive order has deprived millions of Americans serving in the Armed Forces of the educational benefits previously extended to veterans; and

"Whereas it is believed that as long as the draft is continued that all persons serving in the Armed Forces should be extended the educational opportunities enjoyed by veterans serving prior to February 1, 1955; and

"Whereas it has been demonstrated that the investment in the education of such veterans will be more than repaid to the Public Treasury through increased taxes resulting from higher incomes of such veterans: Now, therefore, be it

"Resolved by the senate of the 25th legislative session of the State of New Mexico, That the Senate of the State of New Mexico does hereby memorialize the Congress of the United States to extend veteran educational benefits to all veterans who entered, or who enter, military services from and after February 1, 1955, and that such educational benefits be extended so long as the provisions of the draft law exist; and be it further

"Resolved, That upon adoption of this resolution that a copy thereof be mailed, by the chief clerk of the senate, to the President of the Senate and the Speaker of the House of Representatives of the Congress of the United States, and to each Member of the Congress from the State of New Mexico."

Mr. CHAVEZ presented a joint resolution of the Legislature of the State of New Mexico, identical with the foregoing, which was referred to the Committee on Labor and Public Welfare.

The VICE PRESIDENT laid before the Senate a joint resolution of the Legislature of the State of New Mexico, identical with the foregoing, which was referred to the Committee on Labor and Public Welfare.

To the Committee on Public Works:

"SENATE JOINT MEMORIAL 13

"A joint memorial asking close examination of the situation created in Gallup, N. Mex., by the absence of overpasses to move pedestrian and vehicular traffic safely across the main lines of the transcontinental railroad bisecting the city; and designing and building of structures which will relieve traffic congestion and permit the city to create a useful plan for its development

"Whereas Gallup, N. Mex., is literally a city divided into two geographic halves by the transcontinental railroad line bisecting it; and

"Whereas this condition is detrimental to life and propery by causing frequent interruptions of essential traffic across the city and thereby rendering it impossible for school buses and children, ambulances, police, and firefighting vehicles to get promptly from homes and main stations to other areas of the town; and

"Whereas this situaton has for years created a condition in which numerous individuals have been maimed or killed at unsafe railroad crossings; and

"Whereas lack of adequate overpasses will create a situation in which the traffic on the main arterial highways to the east and west will find it impossible to interchange with the traffic flow north to the rapidly growing communities of the San Juan Basin, or with the traffic southward into the area served by State Road 32 and U.S. 666; and

"Whereas the officials and citizens of Gallup have begun work on a comprehensive plan for the zoning and development of the city; and

"Whereas any such attempts at planning for integrated and useful community development will be delayed or nullified by failure to solve the fundamental traffic problems: Now, therefore, be it

"Resolved by the Legislature of the State of New Mexico, That the New Mexico congressional delegation, the bureau of public roads, the Governor and the State highway commission and its chief highway engineer be urged to begin the building of such overpasses as will secure the integrity of the city's development, the safety of its citizens and the convenience of the traveling public; and be it further

"Resolved, That copies of this memorial be transmitted forthwith to Senator Dennis Chavez, Senator Clinton P. Anderson, Representative Joseph M. Montoya, Representative Thomas G. Morris, the bureau of public roads, Gov. Edwin L. Mechem, the State highway commission and the chief highway engineer."

Mr. CHAVEZ presented a joint resolution of the Legislature of the State of New Mexico, identical with the foregoing, which was referred to the Committee on Public Works.

To the Committee on Interior and Insular Affairs:

"SENATE JOINT MEMORIAL 14

"A joint memorial memorializing the Congress of the United States to amend the Federal Mineral Leasing Act to provide for the distribution of income from the leasing of Federal lands for oil, gas and other minerals to all States wherein lands are leased thereunder on an equal basis.

"Whereas the Federal Mineral Leasing Act, as originally approved February 25, 1920, entitled 'An act to promote the mining of coal, phosphate, oil, oil shale, gas and sodium on the public domain' (c. 85, par. 35, 41 Stat. 450), provided that 37½ percent of all money received from sales, bonuses, royalties and rentals under the provisions

thereof should be paid by the Secretary of the Treasury after the expiration of each fiscal year to the State within the boundaries of which the leased lands or deposits were located, such money to be used by the respective States for the construction and maintenance of public roads or for the support of public schools or other public educational institutions, as the legislatures of the respective States might direct; and

"Whereas the Federal Mineral Leasing Act was amended by the Congress (effective upon admission of Alaska into the Union, Public Law 85–508) to provide that the State of Alaska should receive 90 percent of all money derived from the leasing of lands within the State of Alaska for oil, gas and other minerals under the terms of said act; and

"Whereas over 50 percent of the entire land area of the 11 western public land States is public domain subject to leasing for oil, gas and other minerals under the provisions of the Federal Mineral Leasing Act; and

"Whereas the Constitution of the United States guarantees to the several States and the citizens thereof equal rights with respect to representation and taxation and contemplates that all States should be treated equal and accorded the same rights and privileges with respect to the lands of the United States within their respective boundaries; and

"Whereas New Mexico and the other western public land States are faced with serious financial problems with respect to financing their public schools and State educational institutions, which are becoming increasingly critical due to the great increase in population, and amending the Federal Mineral Leasing Act to change the distribution of the proceeds derived from said act by the respective states from 37½ to 90 percent would materially assist New Mexico and the other western public land States in their struggle to finance their public schools and State educational institutions: Now, therefore, be it

"*Resolved,* That the 25th Legislature of the State of New Mexico does hereby memorialize the Congress of the United States to enact appropriate legislation to amend the Federal Mineral Leasing Act to provide for the distribution to each of the States of 90 percent of all proceeds derived from the leasing of lands for oil, gas and other minerals within the boundaries of the respective States under said act, such proceeds to be used for the support of public schools or other State educational institutions, as the legislatures of the respective States may direct, so that all of such States will be placed on an equal basis; be it further

"*Resolved,* That copies of this joint memorial be forwarded to the Speaker of the U.S. House of Representatives, the President of the Senate and the congressional delegations of the State of New Mexico and the Governors and congressional delegations of the States of Arizona, California, Colorado, Idaho, Montana, Nevada, Oregon, Utah, Washington, Wyoming, Alaska, and Hawaii."

"SENATE JOINT MEMORIAL 16

"A joint memorial memorializing the Congress of the United States to take legislative action to correct certain inequities existing in the distribution of public roads in the State of New Mexico and in the restrictions placed on the sale, leasing and use of proceeds from State lands

"Whereas the people of the State of New Mexico believe that their State is entitled to fair and equal treatment in the manner of distribution of public lands and restrictions placed upon public lands granted to the State at the time of admission of New Mexico to the Union; and

"Whereas with the advent of the admission of the State of Alaska into the Union certain inequities were created in matters relating to public lands; and

"Whereas the following inequities do now exist:

"A. Upon admission into the Union the State of New Mexico was granted approximately 16.6 percent of its total land area and the State of Alaska was granted 30 percent of its total area in addition to certain tidelands rights;

"B. State lands in New Mexico can only be sold or leased at public auction for not less than the appraised value after advertisement for 10 successive weeks except for surface leases for terms of less than 5 years, while no similar restrictions exist on the State of Alaska's lands;

"C. Proceeds from public lands granted to the State of New Mexico can only be used for certain named beneficiaries, specifically the public schools and certain State institutions. Proceeds from public lands granted to the State of Alaska may be used as the Alaska Legislature directs;

"D. New Mexico participates in proceeds from Federal mineral leasing to the extent of 37½ percent of the proceeds. Alaska participates to the extent of 90 percent of the proceeds; and

"Whereas the continuing existence of these inequities greatly hampers the economic growth of the State and has produced an economic crisis in the State's fiscal problems: Now, therefore, be it

"*Resolved by the Legislature of the State of New Mexico,* That the Congress of the United States be memorialized to take immediate steps to correct by legislation the aforesaid inequities; and be it further

"*Resolved,* That certified copies of this memorial be transmitted to the Honorable LYNDON B. JOHNSON, President of the Senate of the U.S. Congress; and the Honorable SAM RAYBURN, Speaker of the House of Representatives of the U.S. Congress; and be it further

"*Resolved,* That certified copies of this memorial be transmitted to the Honorable DENNIS CHAVEZ and the Honorable CLINTON P. ANDERSON, U.S. Senators from New Mexico; and the Honorable JOSEPH M. MONTOYA and the Honorable THOMAS G. MORRIS, Representatives at Large from the State of New Mexico."

Mr. CHAVEZ presented two joint resolutions of the Legislature of the State of New Mexico, identical with the foregoing, which were referred to the Committee on Interior and Insular Affairs.

The VICE PRESIDENT laid before the Senate two joint resolutions of the Legislature of the State of New Mexico, identical with the foregoing, which were referred to the Committee on Interior and Insular Affairs.

To the Committee on Labor and Public Welfare:

"SENATE JOINT MEMORIAL 25

"A joint memorial memorializing the President of the United States and the Congress of the United States to take action to establish youth camps within national forest areas

"Whereas in several areas in the State of New Mexico young men are without employment and have no useful purposes with which to occupy their time and talents; and

"Whereas this situation is deplorable, but due to the economic depression in these areas no employment opportunities are present and no solution to these problems appears in the immediately foreseeable future on a State level; and

"Whereas an increase in the rate of juvenile delinquency and petty crimes in these areas can be directly traced to the existence of the aforementioned environmental and economic conditions; and

"Whereas the male youth of this State should have an opportunity to become useful citizens of the State and productive members of society, but are deprived of their birthright due to existing conditions, not of their own choice; and

"Whereas the establishment of Federal youth work camps in the national forest areas of the State would greatly benefit these young men and would present to them an opportunity for useful employment, exercise of initiative and development of their potential skills and talents: Now, therefore, be it

"*Resolved by the Legislature of the State of New Mexico,* That the President of the United States and the Congress of the United States are memorialized to take effective and immediate remedial steps to correct the aforementioned conditions existing in this State by establishing Federal youth work-camp programs in the national forest areas of the State and employing available young men of these areas in programs to afford them the opportunity to maintain a minimal standard of living and to develop into useful citizens; and be it further

"*Resolved,* That certified copies of this memorial be transmitted to the Honorable John F. Kennedy, President of the United States; the Honorable Lyndon B. Johnson, President of the Senate of the U.S. Congress; and the Honorable Sam Rayburn, Speaker of the House of Representatives; and be it further

"*Resolved,* That certified copies of this memorial be transmitted to the Honorable DENNIS CHAVEZ and the Honorable CLINTON P. ANDERSON, U.S. Senators from New Mexico; and the Honorable JOSEPH M. MONTOYA and the Honorable THOMAS G. MORRIS, Representatives at Large from the State of New Mexico."

Mr. CHAVEZ presented a joint resolution of the Legislature of the State of New Mexico, identical with the foregoing, which was referred to the Committee on Labor and Public Welfare.

The VICE PRESIDENT laid before the Senate a joint resolution of the Legislature of the State of New Mexico, identical with the foregoing, which was referred to the Committee on Labor and Public Welfare.

To the Committee on Public Works:

"SENATE JOINT MEMORIAL 28

"A joint memorial requesting the public roadbuilding authorities to consider the economic consequences to smaller communities affected by relocations of public roads

"Whereas there are small communities of less than 10,000 inhabitants in the State which have suffered grave economic consequences through the relocation of public roads which served these communities; and

"Whereas it is the belief of the legislature that the future economic growth, livelihood, development, safety, and general welfare of the smaller communities should be considered in the planning of public roads in the State: Now, therefore, be it

"*Resolved by the Legislature of the State of New Mexico,* That the State highway department and the Bureau of Public Roads be requested to give serious consideration to the possible economic consequences and the effect on the future growth, livelihood, development, safety and general welfare of the

smaller communities in the State and consult with the governing bodies of the communities when expending public funds for the construction of highways, bypasses or relocation projects diverting traffic and commerce from existing State highway routes through the smaller communities; and be it further

"Resolved, That copies of this memorial be sent to the State highway department, the Bureau of Public Roads, and the New Mexico congressional delegation."

Mr. CHAVEZ presented a joint resolution of the Legislature of the State of New Mexico, identical with the foregoing, which was referred to the Committee on Public Works.

By Mr. CHAVEZ:

A resolution of the Senate of the State of New Mexico; ordered to lie on the table:

"SENATE MEMORIAL 7

"A memorial memorializing the Congress of the United States to give favorable consideration relative to the employment of John A. Martinez as a page in the House of Representatives or the Senate of the United States

"Whereas John A. Martinez of Santa Fe, N. Mex., has rendered outstanding service as a page in the New Mexico State Senate during the regular sessions of the 24th and 25th legislatures, and in the house of representatives in the 23d session of the legislature; and

"Whereas the cheerful, efficient service, as well as the ambition and loyalty of John A. Martinez as a page in the New Mexico State Senate have endeared him to the entire membership of the senate; and

"Whereas John A. Martinez is a boy of the highest character, and is outstanding in his academic studies in the Santa Fe municipal schools; and

"Whereas John A. Martinez has shown all the normal tendencies of a teenage boy in his love of sports, animals, and outdoor life; but also a highly developed sense of responsibility in saving his money toward a college education: Now, therefore, be it

"Resolved by the Senate of the State of New Mexico, That the Congress of the United States be memorialized to give favorable consideration relative to the employment of John A. Martinez as a page in either the House of Representatives or the Senate of the United States; and be it further

"Resolved, That a copy of this memorial be transmitted to the President of the U.S. Senate, the Speaker of the House of Representatives, to each Senator and Representative in Congress from New Mexico, and to John A. Martinez."

The VICE PRESIDENT laid before the Senate a resolution of the Senate of the State of New Mexico, identical with the foregoing, which was ordered to lie on the table.

By Mr. SMITH of Massachusetts:

A resolution of the General Court of the Commonwealth of Massachusetts; to the Committee on Finance:

"RESOLUTIONS MEMORIALIZING THE CONGRESS OF THE UNITED STATES TO REDUCE THE ELIGIBILITY AGE OF PERSONS ENTITLED TO OLD AGE BENEFITS UNDER THE SOCIAL SECURITY ACT TO 62 YEARS

"Resolved, That the General Court of Massachusetts hereby respectfully urges the Congress of the United States to enact legislation whereby the age at which persons become entitled to receive old age or retirement benefits under the Social Security Act shall be reduced from 65 years to 62 years; and be it further

"Resolved, That copies of these resolutions be transmitted forthwith by the secretary of the Commonwealth to the President of the United States, to the presiding officer of each branch of the Congress and to each Member thereof from this Commonwealth."

The VICE PRESIDENT laid before the Senate a resolution of the General Court of the Commonwealth of Massachusetts, identical with the foregoing, which was referred to the Committee on Finance.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. BYRD of Virginia, from the Committee on Finance, without amendment:

H.R. 4363. An act to amend Public Law 86–272 relating to State taxation of interstate commerce; (Rept. No. 87).

By Mr. HILL, from the Committee on Labor and Public Welfare, without amendment:

H.R. 3980. An act to amend the transitional provisions of the act approved September 6, 1958, entitled "An act to protect the public health by amending the Federal Food, Drug, and Cosmetic Act to prohibit the use in food of additives which have not been adequately tested to establish their safety," and for other purposes; (Rept. No. 86).

SUPPLEMENTAL APPROPRIATION BILL—REPORT OF A COMMITTEE

Mr. HAYDEN. Mr. President, by direction of the Committee on Appropriations I report to the Senate, with amendments, the bill (H.R. 5188) making supplemental appropriations for the fiscal year ending June 30, 1961, and I submit a report—No. 85—thereon. There are a number of emergency situations connected with this subject, and I hope that the bill may be taken up promptly.

The PRESIDING OFFICER (Mr. METCALF in the chair). The report will be received and printed, and the bill will be placed on the calendar.

REPORTS CONCERNING UTILIZATION OF FOREIGN CURRENCIES AND U.S. DOLLARS

Mr. HAYDEN. Mr. President, in accordance with the Mutual Security Act of 1954, as amended, I submit for printing in the RECORD the reports of the Senate delegation to the sixth NATO Parliamentarians' Conference in Paris, and the Interparliamentary Union Meetings in Athens and Geneva concerning the foreign currencies and U.S. dollars utilized in 1960 in connection with foreign travel.

The PRESIDING OFFICER. Without objection, the reports will be printed in the RECORD.

The reports are as follows:

Report of expenditure of foreign currencies and appropriated funds by Senate delegation to the 6th NATO Parliamentarians' Conference, Paris, France

[Expended between Jan. 1 and Dec. 31, 1960]

Name and country	Name of currency	Lodging		Meals		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Lyndon Johnson:											
France	U.S. dollar		327.83		69.73				170.00		567.56
Delegation expense (official reception).	do								122.34		122.34
Total			327.83		69.73				292.34		689.90
Senator J. W. Fulbright:											
France	U.S. dollar		330.26		34.97				240.00		605.23
Delegation expense (cable)	do								7.42		7.42
Total			330.26		34.97				247.42		612.65
Senator Estes Kefauver: France	U.S. dollar		331.69		161.86				300.00		793.55
Senator Maurine Neuberger:											
France	do		134.02		2.83				240.00		376.85
United States							376.86				376.86
Total			134.02		2.83		376.86		240.00		753.71
Senator J. Allen Frear, Jr.: France	U.S. dollar		101.63		6.95				180.00		[1] 288.58

[1] Entire amount reimbursed to the U.S. Treasury by Senator Frear.

Report of expenditure of foreign currencies and appropriated funds by Senate delegation to the 6th NATO Parliamentarians' Conference, Paris, France—Continued

[Expended between Jan. 1 and Dec. 31, 1960]

Name and country	Name of currency	Lodging		Meals		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Roman L. Hruska:											
France	do		131.82		16.26				240.00		388.08
United States	do						166.76				166.76
Total			131.82		16.26		166.76		240.00		554.84
Senator Thomas H. Kuchel: France	U.S. dollar		190.62		64.74				240.00		495.36
Senator John Sherman Cooper: France	do		158.72		25.51		407.00		210.00		801.23
Senator Jacob K. Javits: [1]											
United States-France	do						532.00				532.00
Do	do						953.48				953.48
France	New francs	1,818.40	371.11						210.00		581.11
Delegation expense (official luncheon)	U.S. dollar								186.43		186.43
Total			371.11				1,485.48		396.43		2,253.02
Mary Margaret Wiley: France	U.S. dollar		89.16		1.19				170.00		260.35
Kitty Johnson: France	do		159.25		26.73				240.00		425.98
Morella Hansen: France	do		153.44		23.19				240.00		416.63
Belle Notkin: France	do		90.58		7.85				240.00		338.43
Walter Jenkins:											
France	do		122.81		25.08				180.00		327.89
Delegation expense (telephone calls)	do								206.06		206.06
Total			122.81		25.08				386.06		533.95
Richard J. Wallace, Jr.: France	U.S. dollar		100.44		.60				163.00		264.04
Robert E. Waldron: France	do		76.09		6.64				180.00		262.73
Horace Busby: France	do		184.27		6.00				180.00		370.27
Stanley Grand: France	do		69.58		22.21				170.00		261.79
Carl Marcy:											
France	do		88.95		57.73				240.00		386.68
Delegation expenses	New franc			570.00	116.32	20.00	4.08	150.00	30.62	740.00	151.02
	U.S. dollar				140.00				40.00		180.00
Total			88.95		314.05		4.08		310.62		717.70
Darrell St. Claire:											
France	U.S. dollar		77.19		47.35				240.00		364.54
Delegation expenses	New franc					4,478.77	913.77	4,201.70	855.44	8,680.47	1,769.21
	U.S. dollar								116.65		116.65
Total			77.19		47.35		913.77		1,212.09		2,250.40
Grand total			3,298.46		863.74		3,353.95		5,837.96		13,345.11

[1] Senator Javits attended NATO committee meetings in Paris in September 1960.

RECAPITULATION

	Amount
Foreign currency (U.S. dollar equivalent)	$2,291.34
Appropriated funds: Other	11,053.77
Total	13,345.11

(Signed) J. W. FULBRIGHT,
Chairman, Committee on Foreign Relations
(For NATO Parliamentarians, U.S. Senate Delegation).

Mar. 15, 1961.

Report of expenditure of foreign currencies and appropriated funds by the Committee on Foreign Relations for Interparliamentary Union meetings, Athens, Greece, and Geneva, Switzerland

[Expended between Jan. 1 and Dec. 31, 1960]

Name and country	Name of currency	Lodging		Meals		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator A. S. Mike Monroney:											
Greece	U.S. dollar		262.50		75.00		512.10		30.00		879.60
	Drachma					14,085				14,085	
Switzerland	U.S. dollar		22.00		25.00		60.90		60.00		[1] 167.90
Total			284.50		100.00		573.00		90.00		1,047.50

[1] Reimbursement received in March 1961.

RECAPITULATION

	Amount
Foreign currency (U.S. dollar equivalent)	$469.50
Appropriated funds: Public Law 86-628	578.00
Total	1,047.50

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. ERVIN:

S. 1416. A bill relating to the elections under section 333 of the Internal Revenue Code of 1954 by the shareholders of the G. L. Bernhardt Co., Inc., of Lenoir, N.C.; to the Committee on Finance.

S. 1417. A bill for the relief of San Kong Chen; to the Committee on the Judiciary.

By Mr. KUCHEL (for Mr. SCOTT and Mr. CLARK):

S. 1418. A bill to provide additional lands at, and change the name of, the Fort Necessity National Battlefield Site, Pennsylvania, and for other purposes; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. KUCHEL when he introduced the above bill, which appear under a separate heading.)

By Mr. ALLOTT (for himself and Mr. CARROLL):

S. 1419. A bill to extend the purchase program for beryl ore under the Defense Production Act of 1950 to include other forms of beryllium ore; to the Committee on Banking and Currency.

By Mr. YOUNG of North Dakota:

S. 1420. A bill for the relief of Mr. and Mrs. Henry Ruff; to the Committee on the Judiciary.

By Mr. WILLIAMS of New Jersey:

S. 1421. A bill for the relief of Romano Lakovic; and

S. 1422. A bill for the relief of Ante Svorinic; to the Committee on the Judiciary.

By Mr. MUNDT:

S. 1423. A bill to amend title II of the Social Security Act to raise the amount of outside income recipients of insurance benefits thereunder are permitted to earn, and to lower the age after which outside earnings are no longer considered for purposes of deductions from benefits; to the Committee on Finance.

(See the remarks of Mr. MUNDT when he introduced the above bill, which appear under a separate heading.)

By Mr. BIBLE (by request):

S. 1424. A bill to amend the District of Columbia Business Corporation Act;

S. 1425. A bill to amend the District of Columbia Income and Franchise Tax Act of 1947, as amended, and the District of Columbia Business Corporation Act, as amended, with respect to certain foreign corporations; and

S. 1426. A bill to amend the law relating to indecent publications in the District of Columbia.

By Mr. BIBLE (for himself and Mr. BEALL) (by request):

S. 1427. A bill to amend the District of Columbia Alcoholic Beverage Control Act; to the Committee on the District of Columbia.

By Mr. BENNETT (for himself and Mr. BYRD of West Virginia):

S. 1428. A bill to amend the Mutual Security Act of 1954, as amended, so as to require that all of the coal purchased for delivery to Korea under such act be purchased from independent coal producers in the United States; to the Committee on Foreign Relations.

(See the remarks of Mr. BENNETT when he introduced the above bill, which appear under a separate heading.)

By Mr. KEFAUVER:

S. 1429. A bill for the relief of Dr. Lourdes Casas Ocampo, Cely Carrillo Onrubia (Maria Celia O. Carrillo Onrubia), Mrs. Carmen Ocampo Carrillo and her three minor children, Tomas Antonio Jesus Carrillo, Maria Corinta Asuncion Carrillo, and Marie Cecile Carrillo;

S. 1430. A bill for the relief of Terez Kaszap; and

S. 1431. A bill for the relief of Clara Negrea; to the Committee on the Judiciary.

By Mr. GRUENING (by request):

S. 1432. A bill for the relief of Shau Ying Lin, and her children, Gee Chek Lin, Gee Ming Lin, and Chi Fong Lin; to the Committee on the Judiciary.

By Mr. McCARTHY:

S. 1433. A bill to provide that in determining the amount of retired pay, retirement pay, or retainer pay payable to any enlisted man, all service shall be counted which would have been counted for the same purposes if he were a commissioned officer; to the Committee on Armed Services.

By Mr. DOUGLAS (for himself, Mr. HUMPHREY, Mr. JAVITS, Mr. CASE of New Jersey, Mr. MORSE, Mr. KUCHEL, Mr. CARROLL, Mr. HART, Mr. McCARTHY, Mr. ALLOTT, Mr. GRUENING, Mr. MOSS, Mr. YOUNG of Ohio, Mr. ENGLE, Mr. WILLIAMS of New Jersey, Mrs. NEUBERGER, Mr. LONG of Missouri, and Mr. PELL):

S. 1434. A bill to effectuate and enforce the constitutional right to the equal protection of the laws, and for other purposes; to the Committee on the Judiciary.

(See the remarks of Mr. DOUGLAS when he introduced the above bill, which appear under a separate heading.)

RESOLUTIONS

DEATH OF FORMER SENATOR MURRAY OF MONTANA

Mr. MANSFIELD (for himself and Mr. METCALF) submitted a resolution (S. Res. 114) relative to the death of former Senator James E. Murray, of Montana, which was considered and agreed to.

(See the above resolution printed in full when submitted by Mr. MANSFIELD, which appears under a separate heading.)

SELECT COMMITTEE ON CONSUMER INTERESTS

Mrs. NEUBERGER submitted a resolution (S. Res. 115) to create the Select Committee on Consumers Interests, which was referred to the Committee on Government Operations.

(See the above resolution printed in full when submitted by Mrs. NEUBERGER, which appears under a separate heading.)

ESTABLISHMENT OF SELECT COMMITTEE ON FEDERAL SUBSIDIES

Mr. LAUSCHE submitted a resolution (S. Res. 116) to establish the Select Committee on Federal Subsidies, which was referred to the Committee on Government Operations.

(See the above resolution printed in full when submitted by Mr. LAUSCHE, which appears under a separate heading.)

ADDITIONAL LANDS FOR, AND CHANGE OF NAME OF, THE FORT NECESSITY NATIONAL BATTLEFIELD SITE, PA.

Mr. KUCHEL. Mr. President, the distinguished junior Senator from Pennsylvania [Mr. SCOTT], and his colleague, the distinguished senior Senator from Pennsylvania [Mr. CLARK] are both necessarily absent from the Senate today. I have been asked by them to introduce in their behalf a bill and ask that it be appropriately referred.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 1418) to provide additional lands at, and change the name of, the Fort Necessity National Battlefield Site, Pa., and for other purposes, introduced by Mr. KUCHEL [for Mr. SCOTT and Mr. CLARK], was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

OUTSIDE EARNING LIMITATION APPLICABLE TO BENEFICIARIES UNDER THE SOCIAL SECURITY PROGRAM

Mr. MUNDT. Mr. President, I introduce for reference to the appropriate committee a bill increasing the outside earning limitation applicable to beneficiaries under the social security program. This bill would increase that limitation so as to allow beneficiaries to earn $2,400 per annum without suffering any corresponding reduction in their monthly benefit checks.

For many years this reduction on outside earnings has been set at a figure of $1,200 per annum. Last year the Congress adopted a series of amendments to the Social Security Act, which were approved as Public Law 86–778, and included in these amendments was a modest change in the outside earning limitation which had the practical effect of allowing social security beneficaries between the ages of 65 and 72 to earn $1,350 per annum.

I submit, Mr. President, that this very modest increase in the outside earning limitation is entirely inadequate to compensate for the reduced purchasing power suffered by our elder citizens through the devaluation of the American dollar which has occurred since the adoption of the Social Security Act in 1935. Many of our elder citizens now receiving benefits under the Social Security program began contributing to the program when the American dollar had a valuation of 100 cents. That valuation has now diminished to approximately 47 cents, and it seems to me that good faith obliges Congress to increase the outside earning limitation to a level which will realistically compensate our elder citizens for the reduced valuation of the American dollar.

I sincerely hope that the Senate Finance Committee and the House Ways and Means Committee will give this matter their serious attention in considering further amendments to the Social Security Act.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 1423) to amend title II of the Social Security Act to raise the amount of outside income recipients of insurance benefits thereunder are permitted to earn, and to lower the age after which outside earnings are no longer considered for purposes of deductions from benefits, introduced by Mr. MUNDT, was received, read twice by its title, and referred to the Committee on Finance.

AMERICAN MINES SHOULD PROVIDE DEFENSE SUPPORT COAL

Mr. BENNETT. Mr. President, on behalf of myself and the Senator from West Virginia [Mr. BYRD], I introduce for appropriate reference, a bill which would require that all defense support coal purchased for Korea under the Mutual Security Act of 1954 shall be obtained from coal mines located within the United States. The bill is virtually identical to S. 3014 which I introduced in the last Congress, except that instead of requiring that at least 50 percent of the coal be purchased from domestic mines, the bill I am introducing requires that all such coal be so purchased.

I feel that this change is more than justified, both because of the favorable impact which it would have on our western coal mining industry and also because of the present deficit in our balance of payments with other countries. A good portion of the Korean coal purchased by the International Cooperation Administration has come from Australia.

It should be emphasized that the defense support coal purchased by ICA is given to Korea and is not a loan program. Since the coal is purchased with money made available to the Republic of Korea by the taxpayers of the United States, including American coal miners and producers, it seems only fair that it should come from our American mines. This is particularly true in light of the serious economic problem currently confronting our coal industry. In the important coal mining area of Carbon and Emery Counties in Utah, for example, current unemployment runs at 10.8 percent of the work force. This labor surplus is attributed almost solely to loss of coal markets since 1950. In the last decade, 1200 jobs have been lost in the Carbon-Emery area, and it should be emphasized that the unemployment figures which I have used do not include 380 to 400 displaced workers engaged in subsistence farming.

During calendar year 1960, ICA purchased 166,818 tons of coal for delivery to Korea. Of this, only 10,264 tons were purchased from American mines. Because this coal was purchased from other countries, our coal miners lost 12,734 man shifts of work opportunity and were denied an additional payroll of $308,800.

In calendar year 1959, 190,000 tons of coal went to Korea under the defense support program, but not even 1 pound came from the United States. All of it came from Australia and Formosa. This meant a loss to our American coal miners of 14,504 man shifts of labor and a payroll of $351,722. In 1958, 138,000 tons were purchased for Korea, but only 5,000 tons came from the United States, with yet another major loss to our domestic coal operators and miners.

It is my understanding that Korea is the only country for which defense support coal is being purchased. However, if this purchase program is broadened to include other countries, then I shall amend my bill to cover all such purchase programs to require that all of the coal thus purchased come from the United States.

I am sure that the Senate will understand the often bitter feeling of our Utah coal miners and producers caused by seeing their tax money being used to aid other countries when they are not permitted to furnish the commodity purchased with that money. I therefore sincerely hope that the Senate will take early favorable action on my bill.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 1428) to amend the Mutual Security Act of 1954, as amended, so as to require that all of the coal purchased for delivery to Korea under such act be purchased from independent coal producers in the United States, introduced by Mr. BENNETT (for himself and Mr. BYRD of West Virginia), was received, read twice by its title, and referred to the Committee on Foreign Relations.

SELECT COMMITTEE ON CONSUMERS INTERESTS

Mrs. NEUBERGER. Mr. President, I submit a resolution for the creation of a select committee of the Senate on consumer interests.

Last year, Mr. President, personal consumption expenditures in the United States amounted to some $328 billion. This figure represents very nearly two-thirds of our gross national product. Economists have estimated that for 1961, personal consumption expenditures will rise another $10 or $11 billion, to about $338 or $339 billion.

Often the complaint has been made that the consumer is unrepresented in Government at the Federal level. It has been argued that there is a representative for the productive segments of the economy, agriculture, commerce, and labor. Nobody, however, stands up for the consumer.

It is for this reason that I am so pleased by the story on the first page of this morning's Washington Post by Julius Duscha. In this story, Mr. Duscha indicates that President Kennedy will establish an Office of the Consumer Counsel. I am particularly delighted to see that Dr. Persia Campbell, a distinguished economist with a background in public service as a member of the former Gov. Averell Harriman's cabinet, is being considered for the post.

Consumer interests are represented in government, Mr. President. But, their efforts are so scattered, their operations so varied and diffuse, that we are truly in a situation where the right hand may not know what the left hand is doing.

Mr. President, the expenditure of some $328 billion is a significant annual event. And because of this significance, there is justification for the Senate to look into this matter to determine that this money has been spent effectively. It is the proliferation of problems such as deceptive advertising, phony pricing, deceptive packaging, improper labeling, and unobserved standards of purity and wholesomeness that requires the continuing careful oversight by the Senate operating in the interest of the consumer.

I ask unanimous consent, Mr. President, that the text of the proposed resolution be printed in full at the conclusion of my remarks together with the excerpt of the article I have mentioned. I ask further unanimous consent, Mr. President, that my resolution lie on the table until March 31, so that other Senators desirous of joining as cosponsors of this resolution may have an opportunity to do so.

The PRESIDING OFFICER. The resolution will be received and appropriately referred; and, without objection, the resolution and excerpt will be printed in the RECORD, and the resolution will lie on the table, as requested by the Senator from Oregon.

The resolution (S. Res. 115) was referred to the Committee on Government Operations, as follows:

Resolved, That (a) there is hereby created a select committee to be known as the Committee on Consumers Interests and to consist of fifteen Senators to be appointed in the same manner and at the same time as the chairman and members of the standing committees of the Senate at the beginning of each Congress, except that the chairman and members of the committee for the 87th Congress shall be selected as soon as may be practicable after the adoption of this resolution.

(b) It shall be the duty of the committee to conduct a continuing, comprehensive study, by means of research and investigation, with respect to—

(1) the nature and extent of overall economic problems of the consumer as the ultimate spender of personal income;

(2) the relationship of prices, quality, packaging, labeling, standardized units of measure and identity, laws relating to credit, usury and bankruptcy, advertising, and methods and costs of production and distribution to the effective expenditure of personal income;

(3) the specific problem of most direct and immediate concern to the consumer throughout the United States;

(4) the extent to which authority heretofore conferred by law upon executive, administrative and regulatory agencies of the United States provides currently effective means for the solution of consumer problems;

(5) the development of any new or additional legislative or other measures necessary or desirable for the solution of such problems, except that no proposed legislation shall be referred to such committee and such committee shall have neither the power to report by bill nor any other legislative jurisdiction; and

(6) the necessity or desirability of establishing within the executive branch of Government an agency exclusively devoted to the interests of consumers.

(c) The committee shall publish for both the use of the Senate and the public its hearings and any studies conducted by it. The committee shall report from time to time to the Senate the results of its studies and investigations, together with its recommendations for any new or additional legislative or other measures which it may determine to be necessary or desirable for the solution of consumer problems.

(d) The committee shall adopt rules of procedure not inconsistent with the rules of the Senate governing standing committees of the Senate, and from time to time may establish such subcommittees thereof as it may determine to be required for the performance of its duties. A majority of the

members of the committee, or of any subcommittee thereof, shall constitute a quorum thereof for the transaction of any business, except that such committee or subcommittee may fix a lesser number thereof as a quorum for the purpose of taking sworn testimony relative to the subjects enumerated in section 2.

SEC. 2. (a) The committee, or any duly authorized subcommittee thereof, is authorized to (1) hold such hearings; (2) sit and act at such times and places during the sessions, recesses, and adjournment periods of the Senate; (3) require, by subpena or otherwise, the attendance of such witnesses and the production of such correspondence, books, papers, and documents; (4) administer such oaths; (5) take such testimony either orally or by deposition; and (6) employ and fix the compensation of each technical, clerical, and other assistants and consultants as it deems advisable, except that the compensation so fixed shall not exceed the compensation prescribed under the Classification Act of 1949, as amended, for comparable duties.

(b) With the prior consent of the executive department or agency concerned and the Committee on Rules and Administration, the committee, or any duly authorized subcommittee thereof, may utilize the services, information, and facilities of any such department or agency, and may employ on a reimbursable basis the services of such personnel of any such department or agency, as it deems advisable. With the consent of any other committee of the Senate, or any subcommittee thereof, the committee may utilize the facilities and the services of the staff of such other committee or subcommittee whenever the chairman of the committee determines that such action is necessary and appropriate.

SEC. 3. Until an appropriation is made for the payment of the expenses of the committee, such expenses, in an amount not to exceed $——, may be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

The excerpt presented by Mrs. NEUBERGER is as follows:

[From the Washington Post, Mar. 24, 1961]

CONSUMERS' AID PLANNED BY KENNEDY—WHITE HOUSE UNIT TO AID IN POLICY, AGENCY DECISIONS

(By Julius Duscha)

President Kennedy is to set up a White House Office shortly to represent consumers' interests.

The Office will probably be headed by a woman. The leading candidate for the job is Persia Campbell, an economist who was consumer adviser to Averell Harriman when he was Governor of New York.

Mrs. Campbell is preparing a report for the President outlining the functions of a Presidential Office of Consumer Counsel. She is now professor of economics at Queensboro Community College in New York.

The Counsel backed by a staff of lawyers and economists, will represent consumers' interests in proceedings before regulatory agencies as well as in the formulation of broad economic policies.

Consumer advisory committees will be established in such Departments as Agriculture, Labor, Commerce, Health, Education, and Welfare.

These committees will work with the White House office to make sure that the consumer point of view is reflected in the consideration of Government policies.

It is expected, however, that the consumer counsel will be most effective as a people's counsel in proceedings before regulatory agencies.

The Democratic platform supported a "consumer counsel, backed by a suitable staff, to speak for consumers in the formulation of Government policies and represent consumers in advisory proceedings."

PROMISED IN SPEECH

In a campaign speech in the Bronx on November 5, Mr. Kennedy promised to appoint a consumer counsel in the White House to represent the interests of consumers in the administrative procedures of the Government.

"One of the first tasks of the consumer counsel," Mr. Kennedy told an audience made up largely of Bronx housewives, "will be to help formulate economic policies which will keep a general rise in the price level from having a discriminatory effect upon the wage earners of the United States and their families."

Other functions of the consumer counsel that were listed by Kennedy included scrutinizing the activities of all governmental agencies which have a responsibility of regulating business activities in the public interest, representing consumer interests before congressional committees; and keeping the President informed about any deficiencies in administration harmful to the consumer.

"I believe," Mr. Kennedy concluded, "that such a consumer general, perhaps a woman familiar with consumer problems, will be the surest safeguard of the public interest in a Government where private interests are well represented."

OFFICE EXISTED IN FORTIES

In the early 1940's such an office existed briefly in the Agriculture Department. The wartime Office of Price Administration also had a section representing consumers. There has never been a consumers' office on the scale planned by the President, however.

Paul Rand Dixon, the new Chairman of the FTC, is particularly concerned over consumer problems. So are Secretary of Agriculture Orville L. Freeman and HEW Secretary Abraham H. Ribicoff. Freeman had a consumer counsel when he was Governor of Minnesota, as did Ribicoff when he was Governor of Connecticut.

SELECT COMMITTEE ON FEDERAL SUBSIDIES

Mr. LAUSCHE. Mr. President, I submit, for appropriate reference, a resolution to establish a Senate select committee to be known as the Select Committee on Federal Subsidies.

I introduced a similar resolution a year ago, but due to the lateness of the session and urgency for an early adjournment, the resolution was not acted upon.

In the meantime, Mr. President, the Joint Economic Committee did make a very, very brief study of this subject, and as a result made a report which, while barely scratching the surface of this vast and deeply entrenched practice, did give a picture of its magnitude and the billions of dollars involved.

Mr. President, I am not at all critical of the efforts or of the report of the Joint Economic Committee. To the contrary, I believe they did an excellent piece of work as far as they went. It is significant that the report clearly points to the need of a comprehensive and exhaustive study and analysis of subsidy and subsidylike programs of the U.S. Government.

The introductory paragraph on page 1 of the committee report, which I shall read, clearly and emphatically points to the need for a more complete study.

Federal programs aimed at supporting or improving the economic position of particular groups or industries should be constantly reevaluated in the light of changing circumstances. Whatever their initial justification, subsidy programs should be so contrived as to eliminate the necessity for their continuation. The broad changes which must be expected in our economy require frequent revision in the scope and character of these programs if they are to achieve their purposes. Failure to adapt the substance of subsidies to changing demands and opportunities may be expected to prevent most efficient use of resources in the subsidized activities as well as in other types of economic endeavor. Where this is the case, the subsidy not only fails of its immediate objective but also imposes real costs on the entire economy over the long run.

There is not available anywhere a compilation of general and analytic information on the subject of subsidies and subsidylike programs and special concessions in which the Federal Government is entrenched, and which in only the past several decades have involved the expenditure, directly or indirectly, of more than $100 billion, and now, relatively speaking, annually total many more known or unrevealed billions of dollars.

From the very limited material available on this general subject, it is impossible fairly and prudently to evaluate the effectiveness of the many subsidy and subsidylike programs, either as to their possible curtailment or their expansion.

It appears that both subsidies and subsidylike programs were born of emergencies, and prudently would have expired at the expiration of the emergencies. Few have ceased to exist, however. Most of them are continuing, some far beyond the period of necessity.

Federal subsidies throughout the years have been expanded and broadened by the Congress without the benefit of a definite policy or formula, or without the benefit of data or other material on the history and analysis of the ultimate effect on the recipient, the Federal Government, or the taxpayer.

Mr. President, our interest in the subject of Federal subsidies, in which billions of dollars are annually involved, either through moneys given away directly or through moneys lost indirectly through tax dispensations, ought to be directed primarily toward an accumulation and documentation of the history of and the experience with all programs which fall into this category.

If the Congress and the executive branch had available to them documented reports on the history of the many programs of this type and analyses of their effects, they could more prudently and effectively determine their future courses of action, not only relative to existing subsidies, but also in evaluating the need for their continuation, and for future programs.

Mr. President, with world trade growing more competitive, our balance of payments fluctuating from plus to minus, our Federal expenditures reaching new peacetime peaks, and with the Federal Government entering into new services and programs, it now becomes imperative that we immediately review the past, in order that we may have the

facilities and the recorded experience to enable us properly and prudently to guide our future course.

Mr. President, briefly, the composition of this select committee would be as follows:

It will be a 12-man committee, to be composed of three members of the Committee on Finance, three members of the Committee on Interstate and Foreign Commerce, three members of the Committee on Government Operations, and, finally, three members to be chosen at large from the Senate body, and who would not be members of any of the three aforementioned committees. The members who would represent the three committees would be chosen by the chairmen of those committees.

Mr. President, I ask unanimous consent that the text of this resolution be printed in the RECORD following my remarks.

The PRESIDING OFFICER. The resolution will be received and appropriately referred.

The resolution (S. Res. 116) was referred to the Committee on Government Operations, as follows:

Resolved, That (a) there is hereby established a select committee of the Senate to be known as the Select Committee on Federal Subsidies (referred to hereinafter as the "committee").

(b) The committee shall be composed of three members of the Committee on Government Operations, three shall be members of the Committee on Finance, three shall be members of the Committee on Interstate and Foreign Commerce, all such members to be designated by the chairmen of the respective committees, and three members shall be appointed by the President of the Senate from Members of the Senate who are not members of any such standing committees, and at least one member from each of the above committees and those appointed by the President of the Senate shall be selected from the minority membership thereof. The chairman of the committee shall be chosen by the members thereof.

(c) Vacancies in the membership of the Committee shall not affect the authority of the remaining members to execute the functions of the Committee, and shall be filled in the same manner as original appointments thereto are made.

(d) The Committee shall adopt rules of procedure not inconsistent with the rules of the Senate governing standing committees of the Senate. A majority of the members of the Committee shall constitute a quorum thereof for the transaction of business, except that the Committee may fix a lesser number as a quorum for the purpose of taking sworn testimony.

(e) No legislative measure shall be referred to the Committee, and it shall have no authority to report any such measure to the Senate.

(f) The Committee shall cease to exist on January 30, 1963.

SEC. 2. (a) It shall be the duty of the Committee to conduct comprehensive study and investigation with respect to—

(1) the identity, nature, and effects of existing laws and programs of the Federal Government under which subsidies (including grants, payments, benefits, allowances, concessions, and relief in the nature of or having the effect of subsidies) are accorded to firms, enterprises, or organizations, or to classes of firms, enterprises, or organizations, engaged in or affecting the domestic or foreign trade or commerce of the United States;

(2) the extent to which each such subsidy is productive of public benefits commensurate with the cost of burden thereof; and

(3) legislative and other means whereby the cost or burden of such subsidies may be reduced or may be employed to greater public benefit.

(b) On or before January 30, 1962, the committee shall transmit to the Senate a preliminary report concerning its activities and its findings and conclusions upon the subjects described in subsection (a). In January 1963 the committee shall transmit to the Senate a final report of its findings and conclusions upon those subjects.

SEC. 3. (a) For the purposes of this resolution, the committee is authorized to (1) make such expenditures; (2) hold such hearings; (3) sit and act at such times and places during the sessions, recesses, and adjournment periods of the Senate; (4) require by subpena or otherwise the attendance of such witnesses and the production of such correspondence, books, papers, and documents; (5) administer such oaths; (6) take such testimony orally or by deposition; and (7) employ and fix the compensation of such technical, clerical, and other assistants and consultants as it deems advisable, except that the compensation so fixed shall not exceed the compensation prescribed under the Classification Act of 1949, as amended, for comparable duties.

(b) Upon request made by the members of the committee selected from the minority party, the committee shall appoint one assistant or consultant designated by such members. No assistant or consultant appointed by the committee may receive compensation at an annual gross rate which exceeds by more than $1,200 the annual gross rate of compensation of any individual so designated by the minority members of the committee.

(c) With the prior consent of the executive department or agency concerned and the Committee on Rules and Administration, the committee may (1) utilize the services, information, and facilities of any such department or agency, and (2) employ on a reimbursable basis the services of such personnel of any such department or agency as it deems advisable. With the consent of any other committee of the Senate, or any subcommittee thereof, the committee may utilize the facilities and the services of the staff of such other committee or subcommittee whenever the chairman of the committee determines that such action is necessary and appropriate.

(d) Subpenas may be issued by the committee over the signature of the chairman or any other member designated by him, and may be served by any person designated by such chairman or member. The chairman of the committee or any member thereof may administer oaths to witnesses.

SEC. 4. The expenses of the committee under this resolution, which shall not exceed $125,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

Mr. LAUSCHE. Mr. President, I suggest the establishment of this select committee to study the subject of subsidies primarily because in the committees of which I am a member, and especially the Interstate and Foreign Commerce Committee, practically at every meeting some new proposed subsidy is mentioned, or some old Federal subsidy is mentioned with the suggestion that the subsidy be increased.

I have especially in mind the fact that the railroads of the United States, which for years have been without subsidies, have now come before the committee and are suggesting that the taxpayers of the United States must contribute to the railroads' funds, if those railroads are to continue to exist.

I think it is a grave problem. I think it has reached the stage where too many segments of our economy are saying to the taxpayers of the United States, "Unless you give, out of your pocket, as a donation to our industry, we cannot continue in existence."

I believe a study ought to be made so we shall know what we have done in the past, and what we are heading into in the future.

Now, Mr. President, in view of the fact that there so clearly is in evidence a great need for the study proposed in my resolution, and in view of a report that due to the already exceedingly heavy schedule of the Joint Economic Committee no further study is to be made, I urge early consideration and adoption of this resolution.

MASS TRANSPORTATION — ADDITIONAL COSPONSOR OF BILL

Mr. WILLIAMS of New Jersey. Mr. President, in my statement at the time of introduction of S. 345, a bill to improve mass transportation service in urban areas, the distinguished senior Senator from California [Mr. KUCHEL] was listed as a cosponsor. Through an inadvertence, however, his name was omitted from the bill as printed. Mr. President, I ask that the Senator's name be added at the time the bill is next printed.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROPOSED LEGISLATION RELATING TO MIGRATORY LABOR—ADDITIONAL COSPONSORS OF BILLS

Mr. WILLIAMS of New Jersey. Mr. President, I ask unanimous consent that the senior Senator from New York [Mr. JAVITS] be added as a cosponsor to bills S. 1122, minimum wage for agricultural workers, and S. 1129, stabilization of the farm work force; and that the junior Senator from Rhode Island [Mr. PELL] be added as a cosponsor to bills S. 1123, child labor provisions; S. 1124, education of migrant children; S. 1125, education of migrant adults; S. 1129, stabilization of the farm work force; and S. 1131, grants for migrant children day care facilities.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROPOSED CIVIL RIGHTS LEGISLATION—ADDITIONAL COSPONSOR OF BILLS

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the name of the junior Senator from New Jersey [Mr. WILLIAMS], be added as a cosponsor to the civil rights bills which I introduced on March 8, S. 1253 through S. 1259.

The PRESIDING OFFICER. Without objection, it is so ordered.

COORDINATION OF FEDERAL AND STATE INHERITANCE, ESTATE, AND GIFT TAXES—ADDITIONAL COSPONSORS OF BILL

Under authority of the order of the Senate of March 14, 1961, the names of Senators METCALF, MAGNUSON, COOPER, Moss, CASE of New Jersey, HOLLAND, JACKSON, BARTLETT, BUSH, GRUENING, KEATING, and JAVITS were added as additional cosponsors of the bill (S. 1344) to amend the Internal Revenue Code of 1954 to provide an increase in the amount for which a credit may be allowed against the Federal estate tax for estate taxes paid to States, introduced by Mr. MUSKIE on March 14, 1961.

NOTICES OF MOTIONS TO SUSPEND THE RULES—AMENDMENTS TO THIRD SUPPLEMENTAL APPROPRIATION BILL

Mr. HAYDEN submitted the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H.R. 5188) making supplemental appropriations for the fiscal year ending June 30, 1961, and for other purposes, the following amendment; namely:

On page 23 after line 16 insert:

"ADMINISTRATIVE PROVISION

"The nine paragraph under the heading 'Administrative Provisions' in the appropriations for the Senate in the Legislative Branch Appropriation Act, 1957 (2 U.S.C. 127), is amended to read as follows:

" 'The contingent fund of the Senate is hereafter made available for the payment of mileage, to be computed at 10 cents per mile by the nearest usual route, between Washington, District of Columbia, and the residence city of the Senator involved, for not to exceed four round trips originating and terminating in Washington, District of Columbia, made by employees to each Senator's office in any fiscal year, such payment to be made only upon vouchers approved by the Senator containing a certification, by such Senator, that such travel was performed in line of official duty.' "

Mr. HAYDEN also submitted an amendment, intended to be proposed by him, to the bill (H.R. 5188) making supplemental appropriations for the fiscal year ending June 30, 1961, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

Mr. HAYDEN also submitted the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H.R. 5188) making supplemental appropriations for the fiscal year ending June 30, 1961, and for other purposes, the following amendment; namely:

On page 25 after line 13 insert:

"GENERAL PROVISION

"Effective as of July 12, 1960, the paragraph immediately preceding the short title in the Legislative Branch Appropriation Act, 1961, which related to expenses of travel by Senators and Representatives between the District of Columbia and their home States or districts (2 U.S.C. 43c), is repealed."

Mr. HAYDEN also submitted an amendment, intended to be proposed by him, to the bill (H.R. 5188) making supplemental appropriations for the fiscal year ending June 30, 1961, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

NOTICE OF HEARING ON NOMINATION OF WILLIAM P. DANIEL TO BE GOVERNOR OF GUAM

Mr. ANDERSON. Mr. President, I would like to announce that on next Wednesday, March 29, at 10 a.m. in the Interior Committee room 3110, New Senate Office Building, the Committee on Interior and Insular Affairs will hold public hearings on the nomination of William P. Daniel to be Governor of Guam. I ask unanimous consent that a biographical sketch of Governor-designate Daniel be printed in the RECORD.

There being no objection, the biographical sketch was ordered to be printed in the RECORD, as follows:

BIOGRAPHICAL SKETCH OF BILL DANIEL

Place of Birth: Dayton, Tex.

Date of Birth: November 20, 1915.

Education: Public schools of Liberty and Fort Worth, Tex.; completed undergraduate and law studies at Baylor University.

Marital status: Married; 4 children.

Legal residence: Texas.

Present address: Liberty, Tex.

Experience: Private law practice for 22 years; until 1947 associated in firm with Gov. Price Daniel; served as city attorney for Liberty County, Tex.; also served three terms as member of the Texas House of Representatives.

THE BUDGET—MESSAGE FROM THE PRESIDENT (H. DOC. NO. 120)

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the message received from the President today, having been read in the House of Representatives, be appropriately referred and ordered to be printed in the RECORD without being read.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Minnesota? The Chair hears none, and it is so ordered.

The message from the President was referred to the Committee on Appropriations, as follows:

To the Congress of the United States:

I. BASIC FISCAL POLICIES

This administration intends to adhere during the course of its term of office to the following basic principles:

1. Federal revenue and expenditures levels must be adequate to meet effectively and efficiently those essential needs of the Nation which require public support as well as, or in place of, private effort. We can afford to do what must be done, publicly and privately, up to the limit of our economic capacity—a limit we have not even approached for several years.

2. Federal revenues and expenditures—the Federal budget—should, apart from any threat to national security, be in balance over the years of the business cycle—running a deficit in years of recession when revenues decline and the economy needs the stimulus of additional expenditures—and running a surplus in years of prosperity, thus curbing inflation, reducing the public debt, and freeing funds for private investment.

3. Federal expenditure and revenue programs should contribute to economic growth and maximum employment within a setting of reasonable price stability. Because of the limits which our balance of payments deficit currently places upon the use of monetary policy, especially the lowering of short-term interest rates, as a means of stimulating economic growth and employment, fiscal policy—our budget and tax policies—must assume a heavier share of the responsibility.

4. Each expenditure proposed will be evaluated in terms of our national needs and priorities, consistent with the limitations and objectives described above and compared with the urgency of other budgetary requirements. We will not waste our resources on inefficient or undesirable expenditure simply because the economy is slack—nor, in order to run a surplus, will we deny our people essential services or security simply because the economy is prosperous.

5. As the Nation, its needs and their complexity continue to grow, Federal nondefense expenditures may also be expected to increase, as predicted by a 1960 Bureau of the Budget study, and as indicated by the nearly 45 percent increase from fiscal 1953 to fiscal 1961 in expenditures other than national security. But we must not allow expenditures to rise of their own momentum, without regard to value received, prospective revenues, economic conditions, the possibilities of closing out old activities when initiating new ones, and the weight of current taxes on the individual citizen and the economy. It is my determined purpose to be a prudent steward of the public funds—to obtain a dollar's worth of results for every dollar we spend.

II. THE FISCAL 1961 BUDGET INHERITED BY THIS ADMINISTRATION

While this message is concerned primarily with the budget for fiscal 1962 now before the Congress, necessary perspective and background are supplied by a reexamination of the fiscal 1961 budget, adopted by the Congress last year, reviewed in my predecessor's January budget message and inherited in its final stage by this administration.

When originally submitted in January of 1960, the fiscal 1961 budget showed a surplus of $4.2 billion. By the time of the midyear budget review, the estimated surplus had shrunk to $1.1 billion. In the final budget message in January it was estimated to be less than $80 million. Without any change in substantive content or policy, that budget upon later examination proved to be substantially out of balance. These changes reflect the recession-induced decline in revenues as well as the difficulty always present in making budget and economic forecasts. The

January restatement of the 1961 budget, simply in terms of its own programs and estimates and without regard to any new decisions or policies by this administration—

Optimistically estimated fiscal 1961 tax revenues by assuming a much rosier economy;

Unrealistically assumed that the Congress would enact a record (though necessary) postal rate increase totalling some $843 million a year in time to take effect April first and provide $160 million additional in the current fiscal year;

Substantially underestimated the normal flow of defense expenditures under the then-existing policies and commitments by at least half a billion dollars; and

Similarly underestimated the amount of funds which would be required to pay unemployment benefits to ex-servicemen and Federal employees, to meet the demand for authorized veterans' housing loans, and to fulfill the existing commitments of the Export-Import Bank.

The deficit thus inherited by this administration for fiscal 1961, augmented by the essential antirecession and national security steps already taken or recommended to the Congress, is now estimated to total over $2 billion (in contrast with the $4.2 billion surplus originally predicted). But it must be remembered that fiscal 1961 is clearly a recession year, with all of the consequent effects upon both revenues and expenditures. The deficit of nearly $12.5 billion in fiscal 1959 serves as a recent reminder of the difficulties of balancing the budget in a recession year.

III. BALANCING THE BUDGET FOR FISCAL 1962

On January 30 I made the following pledge to the Congress:

"A new administration must of necessity build on the spending and revenue estimates already submitted. Within that framework, barring the development of urgent national defense needs or a worsening economy, it is my current intention to advocate a program of expenditures which, including revenue from a stimulation of the economy, will not of and by themselves unbalance the earlier budget."

This message is designed to review my recommended budgetary revisions within the framework of that pledge. Omitting any increase in the defense budget too urgent to be denied by budgetary restrictions, and assuming that our review of the economy late in April does not require either a reduction in taxes or additional increases in expenditures, enactment of the new nondefense programs and appropriations I have transmitted will not unbalance the budget previously submitted by my predecessor—

If the Congress enacts or continues in effect all the revenue measures requested in that earlier budget, or preferably the alternative measures that I am requesting to achieve the same amount of revenue;

If that earlier budget contained accurate estimates of the revenue to be produced by those measures, based on accurate assumptions about prospective economic conditions;

If the Congress enacts no spending measures committing the executive branch to outlays in excess of those requested; and

If the earlier budget contained accurate estimates of those expenditures which must necessarily be incurred in fiscal 1962 under existing commitments covered by that budget, regardless of congressional or Executive decisions—for example, entirely apart from any policy changes, a large proportion of the Department of Agriculture budget depends upon the effects of economic, crop and weather conditions which must be predicted in advance.

I have already indicated in my message on the state of the Union that my predecessor's budget for fiscal 1962 "will remain in balance only if an earlier and sharper upturn in the economy than my economic advisers now think likely produces the tax revenues estimated." Nevertheless the present message, and the fiscal 1962 budget revisions it summarizes, are based upon a commitment of balancing revenue and expenditures under an assumption that the January predictions with respect to these four conditions are a valid starting basis for a new administration.

The point I wish to stress in this message is that any budgetary unbalance at the close of fiscal 1962 will not be the result of any nondefense programs I have submitted, for they have been carefully limited to a pattern of expenditures no greater than the revenues estimated by the earlier budget, as supplemented by those additional revenues which enactment of this program can reasonably be expected to stimulate, according to Treasury estimates, in fiscal 1962. Other measures I have requested—such as improvements in unemployment compensation, highway construction, social security, and health insurance for the aged—are all accompanied by their own self-financing provisions. In short, new defense recommendations aside, should there be a deficit in 1962, it will be the consequence of the overestimation of revenues and underestimation of expenditures in the January budget, and not the result of new policies or programs proposed by this administration.

In summary, the total expenditures estimated in the January budget were $80.9 billion. My proposals, apart from defense, will add about $2.3 billion for a total of $83.2 billion. The effects of my economic program on the economy would be reflected in additional revenues of about $900 million which, added to the January budget figures, would make a total of $83.2 billion of receipts, and leave the budget in balance.

At the same time, it would be unrealistic to fail to recognize that the January budget estimate of receipts was overoptimistic. Based on a more realistic economic outlook and including the effect of my economic proposals, it appears more likely that the revenues for fiscal year 1962 will be about $81.4 billion. However, as the economy returns to satisfactory high levels of economic activity, the position of budget balance will be restored. Indeed, given full recovery, the present tax system would generate revenues substantially in excess of the proposed levels of budget expenditure. This, then, is the revised budget—apart from defense additions—that I now present to the Congress:

A budget that is in balance in terms of my pledge of January 30;

A budget that is likely to be in deficit unless economic conditions rapidly improve to meet the levels predicted in the January 16 budget;

A budget that would be in surplus if the economy were operating at or near its full potential.

IV. OMISSIONS AND ASSUMPTIONS IN THE PREVIOUS BUDGET FOR FISCAL 1962

For fiscal 1962, however, the January budget submitted by my predecessor assumed a higher rate of economic activity during this calendar year than is presently in sight, and thus a balanced budget. As already stated, that earlier budget and its assumptions are necessarily the starting point for a new administration. It was on this basis that I made to the Congress on January 30 the commitment quoted earlier in this message.

But before any new programs or budget increases could even be considered by this administration—and wholly apart from the overly optimistic economic assumptions of the January budget—we found upon a closer scrutiny of that budget that it omitted provision for substantial expenditures for which that administration was committed, and was based upon fundamental policy and program assumptions which neither this administration nor the Congress could possibly accept, and which had to be altered at considerable cost to what little budgetary leeway remained.

For example:

1. The previous administration committed itself, as we have also, to extend $100 million in assistance to Chile for reconstruction and rehabilitation in the wake of a devastating earthquake. But no estimate of expenditures to meet this commitment was included in the budget.

2. The earlier budget recommended, as I do also, the construction of a new $114 million linear electron accelerator for high energy physics research. But appropriations to initiate this project were not specifically recommended in the budget.

3. The earlier budget based its estimate of expenditures for the Department of Agriculture's Commodity Credit Corporation on the assumption that price supports on every major commodity would be reduced to the lowest level permitted by law—reductions which were never formally recommended by the then Secretary of Agriculture, which would never be permitted by the Congress and which would have been absolutely ruinous to our farm economy. Without having to actually take such a move, the earlier budget assumed a reduction of cotton price supports from 75 percent to 70 percent of parity, a reduction of milk from 80 percent to 76 percent, rice from 75 percent to 70 percent and peanuts from 78.6 percent to 75 percent. Compared to the average levels of the last 5 years, which indicate how far the former Secretary of

Agriculture was actually able and willing to push supports down when in office, these recommendations are down some 9.3 parity points for cotton, 5.5 for peanuts, 2.4 for milk and 7.9 for rice.

4. The earlier budget recommended a program of Federal aid to public schools, limited to aid for construction. But, under a highly unusual fiscal proposal, the budget itself included practically no expenditures for this activity. Instead it proposed that States and localities float loans which Federal taxpayers would help pay off through installment payments of school bond interest as well as principal over the next 30 years.

5. Similarly, aid to higher education was contained in the earlier program, as in mine. But again the effect on that budget was deferred by the device of a 20- to 35-year period of installment payments.

6. The earlier budget assumed, completely contrary to our urban and economic needs, congressional termination of the Federal farm housing loan programs; no new authority for low-income housing; a cutback in veterans' and college housing loans; and no expansion in urban renewal. In short, before funds could be found to finance new and urgently needed housing programs, merely meeting the needs of existing programs required further additions to the budget.

7. The Federal Government, under the previous administration as well as this, has an obligation to meet the educational needs of Indian children on reservations. The fact is that several thousand such children in New Mexico, Arizona, and Alaska have been without any schools at all—but wholly inadequate funds to meet this obligation were included in the earlier budget.

8. The earlier budget proposed that the Congress would cut back sharply on its program for constructing airports, on the electric and telephone loan programs of the REA and on the loan programs of the Farmers Home Administration. I do not believe the Congress would have or should now cut back these essential programs, and I have recommended their expansion.

V. CHANGES IN THE FISCAL 1962 BUDGET

This message is not intended to present a wholly new budget. For reasons already stated that is not possible for this fiscal year. Nor is it intended to propose any new programs or expenditures in the nondefense area. With but a few exceptions, the items covered by this message and the attached table have been previously communicated, with full explanation, to the Congress. This message is primarily intended to share with the Congress my review of the nondefense changes in Federal activities and expenditures already recommended to meet our Nation's needs.

The funds previously recommended for each department and agency have been scrutinized as carefully as time would permit, from the viewpoint of both the needs of the Nation and the adequacy and efficiency with which these needs are being met. With the exception of the national defense program, that review is now largely complete, and the new programs and amendments resulting therefrom have been transmitted to the Congress or will be shortly.

As already emphasized, these changes of themselves will not unbalance the earlier budget—that is, their cost in fiscal 1962, assuming the accuracy of the previous expenditure estimates, will be covered by the revenue previously estimated and the new revenues generated by the program. But despite this restraint and the further limitations imposed by the assumptions or omissions already mentioned, these changes nevertheless represent what we regard to be advances in areas of high priority. While the entire list is summarized on the attached table, among the most significant are the following:

Aid to education: The largest single increase is in the field of education. Our educational needs have become too urgent to overlook. The Federal Government must do more to help finance improvements in this field—both for elementary and secondary education, and for higher education.

Funds for scientific research: My recommendations, largely in the form of amendments to the 1962 budget, provide a series of increases for scientific research—for oceanography, for high energy physics, for saline water conversion, for medical research, for National Science Foundation grants for basic research and science education, and for various other purposes. These increases reflect my strong belief that advances in scientific research are of the utmost importance to the growth of our economy, to the welfare of our people, and to the preeminence of our scientific achievements, and my conviction that the Federal Government must of necessity play a sizable role in supporting such research.

Health: I have proposed significant measures to strengthen, improve and lower the cost of health care—with self-financed health insurance for the aged under social security at a net savings to the budget, assistance to medical schools and students, and grants to the States for expanded community health services and facilities.

Housing and community development: I have recommended enactment of a program designed to greatly strengthen urban renewal and other existing programs, and add needed new authority in such important areas as moderate-income housing, rehabilitation and improvement of existing housing, and the preservation of open spaces. We are also obliged to increase Federal assistance for local airport construction. The additional expenditures thus entailed, in my judgment, are necessary in our Nation's future.

Area redevelopment: The tragedy of our chronically depressed areas, and the enormity of their challenge to our economy, require no less than the very reasonable program for aid to depressed areas which I have recommended and which I am confident that the Congress will soon enact.

Natural resource development: It is not economical to be foolishly wasteful rather than prudently conservationist toward the country's natural resources. I have proposed modest but symbolic increases in funds for conservation and development of forests and public domain lands, for the national park system and seashore recreational areas, and for navigation and flood control activities; and reprograming of other funds will permit additional reclamation activities.

Agriculture: In the field of agriculture we propose to move vigorously in a wholly new direction, to alter fundamentally the pattern of the Nation's agricultural economy with an eventual reduction of governmental outlays. Meanwhile, in the short run, it is necessary to take various actions which will increase the 1962 expenditures over those seriously understated in the January budget, as already discussed. The increases are for price supports, Rural Electrification Administration and Farmers Home Administration loans, the school lunch program and special milk program, and surplus food distribution at home and abroad. These expenditures will raise farm income and increase the use of our surplus agricultural commodities.

Veterans: I am recommending that the Congress enact a selective increase in compensation rates for veterans with the more severe service-connected disabilities, to offset the rises in the cost of living since the last increase in 1957 and to adjust rates in some categories which are out of line. My budget estimates include provision for this purpose.

Budgetary transfer authority: To achieve greater effectiveness and savings in the use of the taxpayers' funds, the heads of the several Government departments and agencies should have the authority to exercise some flexibility in the course of a fiscal year to meet new situations or changing circumstances. Therefore, I am asking the Congress, in enacting appropriations for each department and agency, to provide the necessary authority for the transfer of a modest amount or percentage of the funds and personnel available to an agency head for operating expenses, to be used only as needed to meet unforeseen high priority requirements, and to be controlled by the Bureau of the Budget through the regular budgetary apportionment process. In this way, the funds appropriated by the Congress can be utilized with the utmost efficiency.

VI. FEDERAL REVENUES

Mention has already been made of the revenue estimates for fiscal 1962 and the necessity for congressional enactment of all measures necessary to produce those revenues. My earlier message on highways contained recommendations for the user taxes needed to assure a satisfactory rate of progress on highway construction at levels previously recommended by my predecessor. This administration will not permit funds for this program to be diverted from general revenues. Other tax recommendations, designed to stimulate modernization of plant and equipment, and to achieve greater tax equity without any material change in overall revenues, will be contained in a subsequent message.

Three additional points are more appropriately contained in this message:

1. Postal rates: The January budget submitted by my predecessor called for an additional $843 million in postal revenues to eliminate the deficit in that Department's operations. Such an increase must be effective July 1 to close the gap between postal expenditures and postal revenues; and, building on the previous budget, this administration's budget requires an equal amount. I urge the Congress to close this gap; and I have directed the Postmaster General to review carefully and intensively all services and activities of the Post Office with a view toward improving efficiency and reducing costs.

2. Tax enforcement: I want to reemphasize my earlier request to the Congress for additional funds for the Internal Revenue Service. More and better qualified agents can both increase the collection of Federal revenues and help curb corruption in and out of Government, racketeering and organized crime.

3. The debt limit: My predecessor's message in January, even in assuming balanced budgets in both fiscal 1961 and 1962, pointed to the seasonal pattern of tax collections as necessitating another increase in the debt limit. The permanent debt limit of $285 billion, presently exceeded, has been superseded by a temporary limit of $293 billion which expires next June 30.

Inasmuch as the Federal debt will exceed $285 billion on June 30, a new increase in the ceiling will be required before that date.

I urge the Congress to enact an increase that will provide sufficient flexibility to permit sound management of the debt and of our budget expenditures. I am delaying the specific recommendation until early May so that we may have the advantage of the very latest estimates of revenues and expenditures.

CONCLUSION

This message reviews the current budget outlook and describes my philosophy concerning budget and fiscal policy. We seek to achieve the vigorous and sustained growth of the economy that will make possible a balance in the Federal budget. If we use our fiscal resources wisely, we can make tangible progress toward the achievement of our national and international objectives. Toward this end, I ask the cooperation of the Congress and the American people.

JOHN F. KENNEDY.

THE WHITE HOUSE, *March 24, 1961.*

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. HUMPHREY:

St. Patrick's Day address by Senator PELL delivered before Friendly Sons of St. Patrick.

By Mr. BEALL:

Address entitled "The United Nations in a Time of Transition," delivered by the Honorable Douglas Dillon, Secretary of the Treasury, at the annual dinner of the United Nations Association of Maryland, Hotel Emerson, Baltimore, Md., Wednesday, March 22, 1961.

LEGISLATIVE PROGRAM ON MONDAY

Mr. MANSFIELD. Mr. President, in regard to the report made today by the distinguished chairman of the Committee on Appropriations of the supplemental appropriation bill, I have discussed the matter with the leadership, and it is our intention to bring up the supplemental appropriation bill on Monday next.

On the same day we intend to bring up Calendar No. 72, S. 107, to authorize the Secretary of the Interior to construct, operate, and maintain the Navajo Indian irrigation project and the initial stage of the San Juan-Chama project, as participating projects of the Colorado River storage project, and for other purposes.

RESTORATION OF FORMER ARMY RANK TO DWIGHT D. EISENHOWER

Mr. MANSFIELD. Mr. President, the Vice President has received and transmitted to me a message from the former President of the United States, Mr. Dwight D. Eisenhower, or, more correctly, General Eisenhower. It is a message addressed to all the Members of the Senate, as well as to all the Members of the House; and I ask unanimous consent that it be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

I am most grateful to you for your important part in securing a practically unanimous approval of the bill to restore my former Army rank. As soon as I return to the United States and to better communications, I shall send you a personal expression of my thanks. In the meantime, I hope the Speaker and Vice President will convey my gratitude to all the Members of both Houses who by their votes paid me this compliment.

OBSERVATIONS OF ARTHUR F. LAMEY, ALTERNATE DELEGATE FOR THE UNITED STATES TO 15TH SESSION OF THE GENERAL ASSEMBLY OF THE UNITED NATIONS

Mr. MANSFIELD. Mr. President, at the 15th session of the General Assembly of the United Nations, one of the alternate delegates of the United States was Mr. Arthur F. Lamey, a distinguished resident and lawyer of Billings, Mont. Mr. Lamey is a very thoughtful and perceptive man. As a result of his experiences at the U.N., he has communicated to me certain observations which should be of considerable value in the operation of future delegations. I have transmitted a copy of these observations to the Department of State and to the chairman of the Committee on Foreign Relations; and I ask unanimous consent that they be printed at this point in the RECORD.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

SOME OBSERVATIONS OF ARTHUR F. LAMEY, AN ALTERNATE DELEGATE FOR THE UNITED STATES TO THE 15TH SESSION OF THE GENERAL ASSEMBLY OF THE UNITED NATIONS

Since my return from serving as an alternate delegate for the United States at the 15th session of the General Assembly of the United Nations, I have spoken frequently to groups in Montana. The great interest manifested and the many intelligent questions asked by those attending meetings, indicated a keen interest in the United Nations. The wide publicity given the visits of heads of states and the threats of Mr. Khrushchev and others to rule or ruin the U.N., have caused many to seek more knowledge about the objects, purposes and potentials of the U.N. There is an awakening to the realization that there must be value in an institution which Communist nations would hamstring, if not destroy.

Because we have a vital stake in the future of the United Nations, I have tried to reflect on our mistakes and accomplishments in the recent session and advance some suggestions for improvement. What I have to say is offered with no thought of criticizing any official or individual. All with whom I associated were loyal, intelligent, dedicated and hardworking. Too, I realize full well my limited experience, having served for only 3 months at the recent session. Be that as it may, one is bound to have views on how we might make our efforts more effective in the U.N.

DELEGATES BRIEFING

It was generally said that our delegation worked together exceptionally well. There was a unity of effort, each accepting the task assigned without hesitation or question, and doing his best to accomplish the desired result. By the same token, I am sure, each delegate felt he might have done better.

It is not for me to judge if the delegation should be made up solely of trained diplomats or include some inexperienced members of average citizen level. In either event, a longer period for briefing the delegates should precede the meeting of the General Assembly. Briefing for 2 or 3 days is not adequate.

The first briefing could be in Washington, followed by meetings at the mission in New York. At these meetings, there should be outlined the general problems which may arise, our position, plans and strategy. This would allow delegates and staff to become acquainted and get off to a good start on the opening day of the General Assembly session.

If it is felt that the expense for assembling the delegates earlier is not justified, surely appointed delegates and alternates would gladly pay their expenses in order to be better prepared to do a creditable job.

COMMITTEE ASSIGNMENTS

Committee assignments were made only a day or two before the opening of the recent session. They should be made much earlier. This would enable the delegate to study and obtain specific briefing on the committee agenda items. Here again, while discussing the agenda items, strategy, and the problems expected to arise, the delegate and advisers would become better acquainted and learn to work together effectively.

In the work of committees some reasonable latitude should be allowed the delegate and his advisers, especially on procedural questions. I have been pleased to note that Secretary of State Rusk told the Senate committee and others that he did not propose getting into a rigid position on every question. If this spirit is carried down to the delegates and advisers in the committees

of the U.N., I am sure our prestige will be enhanced and our influence increased.

Members of other delegations have mentioned the inflexibility of our position on questions arising in the U.N. They apparently have the feeling that we cannot move without prior consultation with Washington. In fact, I heard a foreign delegate say he thought we would be better off if the U.N. were in some distant land where telephoning would be more difficult. Everyone will concede that major decisions must be coordinated between the mission and the State Department; however, there are minor areas where prompt action can win or lose friends and prestige. It is here that delegates and their advisers should be more free to act. Although difficult to pinpoint the basic causes, I must confess that within our delegation there was a conscious feeling of inflexibility in many of our approaches to problems in the 15th session. It is interesting to note that delegates of some Communist countries will, during debate, agree on amendments or changes without the consultation and delay which frequently ensues when we are faced with similar decisions.

With better preparation many statements of our delegates in committees would be improved. Too often a speech is finally prepared only minutes before delivery. Again I note with approval the Secretary of State's remark that something more is needed than ability to read a speech thrust into your hand. Needless to say, our statements should always be well considered and of high quality.

"NEUTRAL" DELEGATES

For want of a better designation we may refer to the delegations of the many small nations and particularly the Afro-Asians as "neutrals." At any rate the many delegations, who refuse to be alined with East or West, can greatly influence the balance of power in the U.N. In committees we are brought in close contact with many of them. There was evidence in Committee Three that many wanted to cooperate more closely with us, but could only do so when we had our course well charted, which was not always the case. It is important that we do all within our power on every level to make it convenient for these delegates to work with us, thereby establishing the habit of association. In this area procedural matters are often as important as substantive ones; and here again flexibility and timing become vital.

ENTERTAINMENT OF OTHER DELEGATIONS

The United Nations Headquarters being in New York places the United States in the position of host Government. Admittedly the great influx of delegates from new African States posed an unusual responsibility, which required much time and attention from members of our delegation and mission at the last session; perhaps to the neglect of friendly delegations of long standing. At top echelon there may have been social contacts of which I was not aware. However, on committee level, I am sure, we were not organized to make certain that at least one luncheon was had for each friendly delegation. Unless our total effort is coordinated some delegations may be entirely neglected. Delegates being human have normal sensibilities which we as hosts must respect.

It was with some surprise as a delegate, that I heard repeated warnings of a budget so limited that entertainment should be kept at a minimum. In fact, in some instances it was discontinued. Surely no one would advocate lavish entertainments as a desirable or necessary budget item. Rather I have in mind a modest luncheon or dinner which an average American host would be pleased to serve his guest.

In visiting with delegates I found many who had not gone beyond New York and Washington. What a pity to have them return home without at least a glimpse of the greatness of our country, sensing the serenity of a wooded valley or the immensity of a rolling plain, seeing the majesty of a snow-capped mountain and above all feeling the warmth of the kindly, generous, and tolerant American heart typified by our citizens on the farm, in the factory and on the main street of our smaller towns and cities. African delegates who accepted our invitation to travel in the United States, returned grateful and enlightened.

An investment in cordiality, modest entertainment and a view of our country in its true light could pay dividends in good will and understanding.

CONCLUSION

Realizing full well my limited experience in diplomacy and international organizations and probable lack of originality, I have reluctantly set forth these observations. However, I have been persuaded by the hope that each succeeding delegation, benefiting from the experience of its predecessor, may improve, in more effectively representing our country in the councils of the United Nations, where only our best efforts will suffice.

GREEK INDEPENDENCE DAY

Mr. SCHOEPPEL. Mr. President, I ask unanimous consent that a statement regarding Greek Independence Day, prepared by the distinguished Senator from Illinois [Mr. DIRKSEN], be included in the body of the RECORD at this point. He has been necessarily detained from attending the session today.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR DIRKSEN

On March 25, 1821, the Greek people declared their independence from the Ottoman Empire that controlled southeastern Europe since 1453. The struggle for freedom was fought on for a number of years just as the colonists on July 4, 1776, declared their independence but fought on until the British surrendered on October 19, 1781, at Yorktown.

Just as there was a great similarity in the struggle for independence, there are similarities between the United States and Greece. Both nations have fought side by side in World Wars I and II and the Korean conflict. Both nations believe in government of the people—a republican form of government based on the principles of democracy as enunciated in the golden ages of ancient Greece and handed down to peoples and governments through the ages.

Since Greek is a basic language, Greek is taught at colleges and other schools throughout America and the trend is for greater expansion in the teaching of Greek in the public schools of America in this era of missiles, atomic energy, and outer space.

Time does not permit the enumeration of the many well known and great contributions of Greece to the world and to America, nor the many fine contributions of Americans of Hellenic descent to this country of ours in times of war, peace, and progress. Many of my colleagues in Congress will raise their voices in praise of the Greek people and their descendants throughout the world on their independence day.

Before closing, I would like to mention one present and future contribution to America by Greek-Americans in the form of the Hellenic University of America now being developed in Brookline, Mass., for the educational needs of Americans of all faiths, creeds, races, and nationalities, as well as foreign students who may attend.

As the leaders of the Hellenic University drive, Archbishop Iakovos, Spyros Skouras, and Judge John C. Pappas, have stated repeatedly, the American Helenes desire to build a living monument of higher learning to produce great Americans for the future, to the glory of Greece and America which dwells in the hearts of these fine people.

When statistics show that our colleges of the future will be overcrowded, the Hellenic University of America is being initiated at an appropriate time to meet this great demand for higher learning. I wish them well in their noble objective.

In conclusion, I say all honor to Greece and her people who, from time immemorial, have been one of the great innovators of the many facets of our civilization of today.

Mr. SMITH of Massachusetts. Mr. President, next Saturday, all Americans observe the 140th anniversary of Greek independence. Throughout the centuries, the name of Greece has been synonymous with the finest tradition of democracy. The word itself had its origin in the Greek language and our own democratic heritage was founded in large part on concepts of freedom which originated in Greece centuries ago.

The Founding Fathers were well acquainted with these concepts when they wrote them into the basic documents of our Nation. In recent centuries many Greeks have also left their home shores to come here and play a vital role in the building of this Nation.

After the Second World War, this country was able to repay this debt in part by helping Greece through the Marshall plan. Greece and the United States are now joined in NATO in the common cause of protecting Europe from the forces of communism that would wipe out democracy throughout the world.

Thus the people of this country have joined the Greeks in defending the tradition which they once created. These traditions of freedom and democratic government are the mainstays of both the Greek and American ways of life and create an imperishable bond between our countries. I hope my colleagues will join me in paying tribute to this ally of ours to whom we owe so much.

THE MENACE OF COMMUNISM

Mr. SCHOEPPEL. Mr. President, in these days of uncertainty and tension, many of our fellow countrymen have reason for alarm when they observe the latest move of Communist forces throughout the world.

Only yesterday President Kennedy pointed out boldly and honestly to the American people the crisis which exists in another section of the world.

Recently there appeared on the Manion Forum a distinguished businessman from my section of Kansas, Mr. Fred C. Koch, who is one of the greatest Kansas industrialists. On that occasion he described how the Reds plan to take us over.

I ask unanimous consent that the text of the broadcast of Sunday, March 5, 1961, on the Manion Forum network be printed in the body of the RECORD as a part of my remarks.

There being no objection, the broadcast was ordered to be printed in the RECORD, as follows:

AMERICAN BUSINESSMAN DESCRIBES HOW REDS PLAN TO TAKE US OVER

Dean MANION. Recently, I received an illustrated, 40-page booklet that is as frightening as it is informative. It is entitled "A Businessman Looks at Communism" and it is my sincere hope that all businessmen will look at this pamphlet.

Our apparent helplessness in the meshes of the Communist conspiracy is a bad mixture of ignorance and wishful thinking. We so ardently hope that this Red menace will melt away that many are pathetically eager to fall into every trap of appeasement that the Kremlin sets for us.

Although we are surrounded with obvious evidence that this diabolical enemy has sentenced all of us to death, we go right on telling ourselves a hundred times a day there is nothing about the threat of Communism that cannot be cured by worldwide disarmament and a more just distribution of this world's goods.

Ever so many American businessmen will tell you—as they tell me—that the accomplishment of a workable peace with this thing called communism is merely a matter of businesslike production, wider distribution and more intelligent public relations, here and all over the world.

These men will have contempt for you if you tell them that they are believing what the Communists want them to believe. Those who blind themselves to the horrible facts about communism with such handy rationalizations do so because of their subconscious terror of the truth. They forget what Christ said, namely, that only the truth will make us free and that this kind of slick self-deception merely conditions us for slavery.

With me at this microphone now is the experienced and successful American businessman who has dared to look at communism in this 40-page booklet. He is Fred C. Koch, of Wichita, Kans., president of the Rock Island Oil & Refining Co., Inc. This author has fought for American freedom ardently, continuously, and effectively for years. And all the while, he has administered and directed a half-dozen American business enterprises that reach all over the world. Mr. Koch, how and where did you find the time to learn so much about communism?

Mr. KOCH. Thank you, Dean Manion. I do not pretend to know much about communism as it is such a vast subject. For years I was a member of a consulting engineering firm which built oil refining equipment over much of the world.

During 1929, 1930, and 1931, we erected 15 oil-cracking stills in the Soviet Union in Grozny, Tuapse, Batoum, Baku, and Yaroslavl. I spent several months in the U.S.S.R. in 1930 inspecting our several installations, and found it a land of hunger, misery, and terror. One of the old Bolsheviks, a man named Jerome Livshitz, was detailed by the Soviet Government to go around with me.

Dean MANION. How did you learn about communism?

Mr. KOCH. Livshitz taught me much about communism. He had taken part in the revolution of 1905, and had then escaped to the United States, where he spent 12 years as a revolutionary, most of the time in jails. Wherever there were labor troubles, Livshitz would go, inciting hatred, trying to get fights started, or preferably someone killed.

He was sentenced to prison for sedition in World War I, but jumped his bail and went to Vladivostok where he took part in the revolution of 1917. He outlined to me in great detail how the Communists intended to subvert the United States of America by infiltrating the schools and universities, the churches, the labor unions, Armed Forces, and U.S. Government. He said: "We will make you rotten to the core."

I believe that due to his American experience he was one of the original architects of the Communist plan of subversion of our country which has succeeded far better than most people have any idea of.

We pulled him from an overturned automobile in Tiflis and he was amazed. "Why did you save my life?" he said. "We are enemies. I would not have saved yours." He thought awhile and said: "Perhaps when the revolution comes to your country, and I go back there, I may spare your lives."

He told me that if his own mother stood in the way of the revolution he would strangle her with his bare hands. This is the mark of a hardcore Communist. They will do anything—anything. Livshitz will never see communism take over our country as Stalin had him shot along with Zinoviev, Kamenev, and Piatokov about 1936.

Dean MANION. Do you think the average American really understands the menace of communism to our country?

Mr. KOCH. The average American knows very little about communism. The three important branches of Communist philosophy are: (1) Historical materialism, (2) dialectical materialism, and (3) economic determinism. You will never understand communism until you understand these.

In economic determinism the Communist believes that the entire personality of an individual is determined by the economic system under which he grew.

If the Communists take the United States, by subversion or war, what are they going to do with the people who are contaminated by capitalism, who are hopeless from a Communist point of view? They will murder everyone contaminated by capitalism whom they regard as incurably diseased. They estimate this will be one-third of the people—the greatest blood bath in history.

COMMUNISTS USE SET PATTERN

Dean MANION. Have the Communists adhered to one pattern of conquest in China and Cuba?

Mr. KOCH. Yes, the steps are the same and are as follows:

1. The conquest of the student mind.
2. The organization of students into the intelligentsia of the Communist Party.
3. A scientific survey of what the common people want and need most, and then promise those things to them.
4. Revolution, war, and conquest.
5. Minority dictatorship and universal slavery.

In China, after the conquest of the student mind, the Communists knew the peasants wanted most, land and to be free from debt. After the revolution succeeded, the Communists kept their promises for a while, as they always do, and divided the land among the peasants. After all opposition, real and potential, was eliminated by murder the land was taken away and the peasants put in the horrible communes. China was conquered with the invaluable help of treasonous Americans in the American Embassy and State Department.

The Communist takeover of Cuba closely paralleled that of China. Castro was typed as a Robin Hood as Mao Tse-tung was as an agrarian reformer. A former Assistant Secretary of State told me that individuals in the U.S. State Department helped put Castro in power and guide his every move. A Communist Cuba poses the most dangerous threat to our country that has ever occurred in our national existence.

Dean MANION. What was the situation in Iraq?

Mr. KOCK. I was in Iraq in 1958. During an hour's conference with the Foreign Minister, Dr. Mohammed Fadhil al Jamali, he told me there are many people in the United States prostituting the Bill of Rights in order to destroy it.

Some months after I left Baghdad, the Communist revolt and takeover began. They first murdered the royal family, including the women and children, and all political figures who could form a government. They sentenced Dr. Jamali to death but I learned recently his sentence had been commuted to 10 years' imprisonment.

An American friend of mine who was manager of the Daura oil refinery went through it all. The most unbelievable thing about the takeover in Iraq was the fact that the people who one least suspected of being Communists turned out to be the biggest ones. This was also the case in China and Czechoslovakia and will be the case if the Communists ever take over our country.

The biggest Communists in the refinery turned out to be Iraqi engineers educated in English and American universities. A girl working in the laboratory was the chief denouncer for the secret police.

Dean MANION. Do you think the Communists are disposed to rest on their laurels in peaceful coexistence or are they determined to conquer the world?

Mr. KOCH. They are fanatically determined to conquer the world. Lenin said: "We will first take Eastern Europe, then the masses of Asia. We will surround the United States which will be the last bastion of capitalism. We will not have to attack. It will fall like overripe fruit into our hands."

You only have to look at the map to see how far along the Communists are on their world program.

Dean MANION. What methods do you think will be effective in taking over the United States of America?

Mr. KOCH. I have outlined some potential methods of Communist takeover in the United States by internal subversion. This list does not pretend to be complete by any means.

1. Infiltration of high offices of government and political parties until the President of the United States is a Communist, unknown to the rest of us, of course, when as Commander in Chief of the Army and Navy he could control us. Even the Vice Presidency would do, as it could be arranged for the President to commit suicide.

2. General strike as combination of the Teamsters, Bridges' Longshoremen, Steelworkers, United Auto Workers, United Electrical Workers, etc., could bring our country to its knees. Think what would happen to your city if the electrical power were cut off.

3. Infiltration of Armed Forces until civil war is brought about, with seizure of the large cities, such as Washington, New York, Chicago, Detroit, by means of student and race riots.

4. World Government, World Court, United Nations pitch. This I consider the most likely at this time as it is the indirect approach and has such an idealistic appeal. Notice the present concentrated effort to effect the repeal of the Connally amendment to the World Court Act. To relinquish our national sovereignty by degrees until we back into world communism. UNESCO and foreign aid are part of this plan.

5. Inflation, depression, chaos, etc.

6. Build up fear of nuclear war by propaganda. Fear of the power of the Soviet Union. To induce surrender by nuclear blackmail.

7. Collapse of the Government due to Communist infiltration in all branches. The decay of moral values, determination, and will to resist. This is what Livshitz meant when he said: "We will make you rotten to the core."

FOREIGN AID HELPS COMMUNISM

Dean MANION. Do you think our foreign aid has been effective in checking Communism?

Mr. KOCH. When foreign aid was originally conceived to pull friendly nations out from the depth of the destruction of war it served a useful purpose and parts of it are still useful, such as the point 4 programs to show people how to help themselves, but it has since been prostituted by Socialists, Internationalists, and Communists, and is a device to spend us into bankruptcy.

Dean MANION. What are some of the soft spots in our American institutions which the Communists are using to destroy us?

Mr. KOCH. 1. Labor unions have long been a Communist goal.

2. Many of the large tax-free foundations are managed by socialistic intellectuals and socialism is communism's little brother.

3. The unbelievable pro-Communist decisions of the U.S. Supreme Court have wrecked the internal security of our country.

4. The atmosphere in most of the large universities is definitely socialist if not pro-Communist. The universities have been one of the breeding grounds of recruits for the Communist Party.

5. The United Nations has been a tool of the Communists and will bring us into communism by the world government route if we continue in our membership. Hungary is the exact measure of U.N. impotence, enemy infiltration and Communist control of the U.N. Secretariat.

6. Some national church organizations have been infiltrated by Communists with devastating effect.

7. The stage, screen, radio, and television have had Communist infiltration for years.

8. The Communists have been in the heart of politics in both the Democratic and Republican Parties.

9. Newspapers and magazine have been highly infiltrated. Ex-Communists say there is probably no important magazine or newspaper without some degree of Communist penetration.

10. Many branches of the U.S. Government have been a Communist goal: the State Department, the armed services, the Agriculture Department, the Atomic Energy Department, etc.

11. The Communists are fishing furiously in the troubled waters of integration—on both sides. The Communists are not interested in the aspirations of the Negro except as a means to stir up racial hatred in order to enslave both the black and the white man.

Dean MANION. In your judgment, what is the most constructive thing one can do to prevent the Communist conquest of our country?

Mr. KOCH. The first thing for any American to do is to get informed so he knows what communism is, what its programs are, and what it is doing. So often we are deceived by propaganda as we were about Mao Tse-tung and Castro. For instance, the Communists are now making a determined effort at this time to destroy the House Un-American Activities Committee.

The most effective anti-Communist society I know of is the John Birch Society of Belmont, Mass.

Many Americans who are expert in these matters believe the Communists plan to get control of the United States in the next few years all in the name of anticommunism. My friends, if we through our apathy, selfishness, and ignorance let this wonderful, wonderful country of ours, which has given us so much freedom and material blessings the like of which the world has never seen, go down the Communist drain, we will shed the bitterest tears we have ever shed in our lives.

BANK MERGERS

Mr. ROBERTSON. Mr. President, as the patron of the bill that sought to put additional restrictions upon bank mergers, I have been a bit disturbed by the recent increase in the number of bank mergers and what would appear in some instances to be a basis of merger that, instead of promoting economy and efficiency in order that the banks may gradually reduce charges made to borrowers, they appear to be actually moving in the opposite direction.

I have in mind particularly the pending merger between the Hanover of New York and the Manufacturers Trust Co. Both of these banks are large banks and their operations would more or less complement each other, as Hanover deals primarily with large corporations and the Manufacturers Trust with smaller individual loans. But, I understand, that one of the terms of the merger is to give to the chairman of the board of the Manufacturers Trust Co. what would appear to be about a million-dollar bonus. I understand that with practically no duties to perform he will first be carried on the payroll of the merged institution at a salary of $125,000 per year. Then he is to be retired to what is called a position of consultant, at a salary of $50,000 a year. At the end of that 10-year period he is to receive a bonus for each of the 10 years at a rate of $25,000 per year, or a total of $250,000. But throughout the entire period he is to have at the bank's expense a private airplane, a private limousine with liveried chauffeur, and a de luxe suite at the Waldorf-Astoria, not only for himself, but for all members of his immediate family. And over and above all else the bank will carry on his life a large insurance policy for the benefit of his estate.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. HUMPHREY. Is that job open? [Laughter.]

Mr. ROBERTSON. If the Senator can throw in some stock in behalf of the merger, he might be considered.

Mr. HUMPHREY. I certainly want to be considered.

Mr. ROBERTSON. The Senator from Virginia merely wished to mention what some of our big moneychangers are doing in this field. What is hapepning indicates that the Federal authorities would be well advised to look a little more closely at what is going on, if we are to carry out the purpose of any merger bill, which was to permit banks to merge whenever they could give more efficient service, or be more efficient in taking care of their responsibilities which have increased with the depreciated value of the dollar; effect economies, and give the consumer a lower rate of interest.

DO EVEN THE PENGUINS NEED US?

Mr. PROXMIRE. Mr. President, I just received from a constituent a letter which I regard as one of the most amusing and effective satires on Government spending that I have read in a long time. Because it is so remarkable, I take the unusual course of reading it in full on the floor of the Senate:

MARCH 20, 1961.

DEAR SENATOR PROXMIRE: Word flashed to Milwaukee today by radio indicates male penguins in the Antarctic are in serious trouble. Each year these magnificent birds take on the task of incubating the single egg laid by each of the female birds. To perform this feat, father penguin holds the egg against his body with one foot to keep it warm. He stands on the other foot. Father penguin does without food or water during the entire 60-day incubation period. This is because mother penguin leaves him and he cannot go swimming and keep the egg warm at the same time. Naturally, at the end of 60 days, he's pretty weak from hunger.

How can we, living in considerable luxury, ignore the plight of this majestic being? Can't we start a modest program to relieve the suffering and hunger of these poor dwellers of the south? I propose we start slowly and merely put grain feeders close to the nesting birds. This will get them accustomed to a perpetual handout from the citizens of this great land.

Later, as conditions permit, we can install heated shelters for the birds to include comfortable padded nests so they won't need to hold the egg for 60 days. Naturally, the birds may protest some, but then we shall have to insist on certain reforms in return for all this aid. After all we New Frontier thinkers know how to run their affairs better than they do.

When the birds finally become accustomed to their new life, they may not be up to the South Pole weather, and they may be reluctant to leave the heated shelters. No matter, we have lots of grain and we can build more shelters to house the increasing population.

I urge serious consideration of this plan for the following reasons:

1. It's bold.

2. Our grain surplus will be reduced.

3. We will emerge as great humanitarians in the eyes of downtrodden birds of the world.

4. It will provide domestic employment producing shelters and transporting them to the South Pole.

5. It will give us the perfect opportunity to institute penguin birth control programs.

6. The Russians haven't thought of it yet and we can be first in this vital area.

7. It will give us the opportunity to impose democracy in the land of ice and snow. We may even be able to persuade mother penguin help hatch the egg and, thus, permit scheduled reduction in aid. Then, again, she may tell us to mind our own business. When you think about it, that's not a bad idea.

Very truly yours,

CLIFFORD E. SHAW.

MILWAUKEE, WIS.

Mrs. NEUBERGER. Mr. President, I should like to comment briefly on the letter the Senator from Wisconsin [Mr. PROXMIRE] read. It sets forth a very interesting allegory, and I am sure Members of the Senate did not fail to get the point.

But, Mr. President, in all seriousness I should like to have the Senator from Wisconsin tell his constituent of an incident wherein our Government did come to the rescue and aid of penguins.

An expedition was sent from my State, at some expense, and with a great deal of interest, to the Antarctic, to bring back some penguins for the Portland, Oreg., zoo.

There was great interest in the arrival of the penguins; and zoo experts from all over the country came to see the arrival, and even to purchase some of the penguins.

Very shortly after they arrived, a mysterious disease began to affect them. My husband called the Fish and Wildlife Service, in Washington, and asked them whether they could send someone to look after the penguins, which seemed to have a sort of asthmatic condition.

I am happy to report that they were able to control the disease, or infection.

I still hear from the eminent biologist who then went to Portland. He is now in the Pribilof Islands, looking after the seals there, which have a mysterious ailment.

But these penguins in the Portland Zoo have been a delight, and have given a great deal of pleasure to a great many visitors to the Portland Zoo; and I am happy to report the successful conclusion of the penguin story.

PERMANENT POLICY AGAINST FIRST USE OF NUCLEAR WEAPONS—RESOLUTION BY FEDERATION OF AMERICAN SCIENTISTS

Mr. PROXMIRE. Mr. President, a few weeks ago, the Council of the Federation of American Scientists unanimously adopted a resolution urging that our Government adopt a permanent policy against the first use of nuclear weapons. Their resolution was accompanied by a detailed explanatory statement setting forth the reasons and the alternatives.

Because of the significance of the resolution and statement, I ask unanimous consent that they be printed in the RECORD.

There being no objection, the resolution and statement were ordered to be printed in the RECORD, as follows:

STATEMENT BY FEDERATION OF AMERICAN SCIENTISTS

The Council of the Federation of American Scientists (FAS) unanimously adopted the following resolution:

RESOLUTION

"We urge the Government to decide and publicly declare as its permanent policy that the United States shall not use nuclear weapons of any kind under any circumstances except in response to the use of nuclear weapons by others. We urge that the strategic plans and the military deployments of the United States and its allies be brought as rapidly as possible into a condition consistent with the overall policy of not using nuclear weapons first."

EXPLANATORY STATEMENT

In adopting this resolution, we are not under the illusion that we are expressing the unanimous opinion of scientists. Still less do we imagine that our Government could implement the resolution without prolonged private study and intense public debate. We present the resolution now as the considered view of a group of people who have examined the problems of defense and disarmament and have come gradually to certain basic points of agreement. We differ sharply among ourselves concerning many questions. Some of us place primary emphasis on immediate steps toward disarmament, while others believe our best hope of peace lies in negotiating from positions of strength. But we have all, from our several points of view, arrived at the conclusion that continued reliance on nuclear weapons for defense against nonnuclear attack is unwise and dangerous.

We are aware that weighty arguments can and will be brought against our position. Present U.S. policy is to deploy troops and ships armed with tactical nuclear weapons, without any publicly announced doctrine to govern the use of these weapons. The intent has been to deter military aggression, even of a nonnuclear type, by the implied threat of nuclear retaliation. Some will justify this policy by claiming that it has preserved the peace, and that FAS is advocating moving from a situation of proved short-term stability into a new region of precarious equilibrium and unknown risk. It may be that our present policy has been an important factor in maintaining a precarious status quo. However, we believe that our principal deterrent (in Europe and elsewhere) has been our willingness to intervene and take whatever action might be necessary. The United States surely has the basic capability to do so without resort to nuclear weapons.

Our arguments against the present policy cannot be brief or simple. Basically, we believe that our nuclear shield, in Europe, Formosa, and elsewhere, is or will shortly become ineffective, and that our nuclear deterrence of nonnuclear war will become illusory. The threats most likely to occur in the years ahead are the kind for which nuclear countermeasures would be disastrously inappropriate and could not be used without serious risk of involvement in nuclear war; few military planners still believe it possible to keep a limited nuclear war from escalating into a general conflict. This realization, coupled with serious doubts of the military advantages to the United States of attempting to conduct such a war, has led to a growing belief that the United States would not, in fact, use nuclear weapons to defend Europe against a nonnuclear attack, and that the United States would discourage its allies from using such weapons.

On the other hand, a strongly stated policy of determination to resist small-scale aggression against neutral and allied countries by appropriate nonnuclear forces would be a far stronger shield. We shall be better off, purely from a military point of view, if we officially abandon the crumbling shield of nuclear deterrence and reestablish our nonnuclear forces as our first line of defense. To continue to behave as if a nuclear shield and deterrent were adequate is dangerous. Only if we have the courage to abandon such a policy are we likely to have the will to substitute an effective nonnuclear shield in its place. This is the meaning of the second sentence in the FAS resolution.

In the minds of most of us, the military arguments in favor of our resolution are already strong. But the political arguments are equally compelling. There are three quite distinct, but mutually reinforcing, political arguments.

First, a declared "no first use" policy by the United States would ease considerably the pressures within nonnuclear nations to attain an independent nuclear capacity. At the same time, the present nuclear powers would feel less need to equip their allies either with nuclear weapons or with the know-how and materiel to produce them. We recognize that such a declaration would not have equal impact on all nonnuclear countries and, in particular, that such a declaration would not be expected to prevent China's emergence as a nuclear nation. Nevertheless, to the extent that the dispersion of nuclear weapons is retarded, so too are the dangers of accidental and catalytic nuclear wars reduced.

Second, a declared "no first use" policy by the United States, coupled with unequivocal evidence of U.S. determination to formulate realistic disarmament proposals, will enhance the possibility of achieving agreements on disarmament. The reorientation of our forces and the deemphasis of nuclear weapons envisioned by this statement will ease the tensions which surround the world's trouble spots. In such an improved international atmosphere it should be possible to negotiate the disarmament agreements which alone are capable of providing long-term security.

Lastly, although most people feel some assurance that the United States would not initiate an all-out nuclear war, there is no similar assurance with respect to the U.S. use of small nuclear weapons in response to aggressions which may occur in, e.g., Berlin, Laos, or Formosa. The acknowledged willingness of the United States to initiate the use of nuclear weapons in certain circumstances creates much of the distrust and resentment felt by others toward us. Rejection by the United States of any first use of nuclear weapons would increase the respect, and decrease the suspicion, which a large part of the world, including many of our allies, feel toward us.

FAS believes that renunciation of first use of nuclear weapons by the West, coupled with appropriate adjustments in military policy and seriously conceived disarmament proposals, would enhance the effectiveness of our deterrent and increase the likelihood of some major disarmament. At least, this is an urgent and unequivocal first step along the road to general, complete, and controlled disarmament. Pending an international convention providing for the controlled reduction of nuclear arms, unilateral declarations by the major nuclear powers will be a useful stopgap. We emphasize that the unprecedented situation of an expanding nuclear arms race calls for new thinking and careful consideration of unprecedented policy decisions.

The council of the Federation of American Scientists adopted the foregoing resolution at its annual New York meeting earlier in February. The resolution had been proposed by Dr. Freeman J. Dyson, a member of the council and a mathematician at the Institute for Advanced Study at Princeton, N.J. After lengthy discussion, the resolution was passed unanimously.

The FAS is a nationwide organization of more than 2,000 scientists and engineers of all fields concerned with the impact of science on world affairs. Officers of the federation are: chairman, M. Stanley Livingston, M.I.T.; vice chairman, William C. Davidson, Argonne National Laboratory; treasurer, Edward D. Korn, National Institutes of Health; secretary, Leonard S. Rodberg, University of Maryland.

THREE HUNDRED AND TWENTY-SEVENTH ANNIVERSARY OF FOUNDING OF STATE OF MARYLAND

Mr. BEALL. Mr. President, March 25 is the birthday of the great State of Maryland. It was 327 years ago that our State had its beginning, for it was on March 25, 1634, that colonists first landed on an island just off where St. Mary's City now stands. Here they founded what subsequently became the State of Maryland.

Our State became known as the Free State because Lord Calvert's first important edict was that every person had the right to worship according to the dictates of his own conscience. Furthermore, the Maryland Act of Toleration of

1649 was the first such public document to espouse the idea of freedom of religion. This became a basic principle and was the forerunner of the theme of freedom in the American Constitution.

There are many outstanding landmarks in Maryland's history. In 1783, Annapolis became the temporary National Capital. A month later, in Annapolis, George Washington resigned his commission. In 1791, Maryland ceded to the United States the land for the District of Columbia. The national anthem was written at Fort McHenry on September 12, 1814. The first railroad in America and the first telegraph line in America were established in Maryland.

Maryland, perhaps more than any other State, has represented down through our Nation's history the ideals, principles, dreams, accomplishments, and the heart and soul of America.

OWNERSHIP AND DISPOSITION OF ELECTRIC ENERGY

Mr. BRIDGES. Mr. President, the recent elections exploded the myth that public ownership of the business of manufacturing and selling electric energy is a politically appealing issue. In the 17 Western States where the Democratic hopes for victory were keyed to this program, only three, Nevada, New Mexico, and Texas supported the Democratic ticket—for reasons far removed from public power.

In fact the theory and practice of State ownership of the means of production, keystone of the doctrine of socialism, is in full retreat throughout the free world—in Great Britain, New Zealand, and even in its early homeland, Germany.

It is noteworthy that the federated republic of West Germany has initiated a program of "privatization" of the huge federally owned industrial empire inherited from its predecessors. This is being done by offering for public sale to lower income citizens the shares of these great corporations. The success of the first experiment in Preussig, a mining and smelting company, 2 years ago accelerated the program so that today the "privatization of Volkswagen," the leading automobile manufacturer in Germany, is almost completed, completed with more than two million new shareholders, few of whom had held a previous similar stake in the national economy. Prussian Electric Co., a federal power corporation often called the German TVA, with 13 hydro plants well supported by steam, is also on the list for early denationalization.

We are indebted to the editors of the Saturday Evening Post, in an editorial in this week's issue entitled "Socialism Would Be a Strange Export for the U.S.A.," for bringing into sharp and dramatic focus the strange paradox of the administration's recent suggestion that the TVA idea should be an item of foreign aid export from America, the world symbol of the free enterprise system and its rich rewards.

Mr. President, I request unanimous consent that this editorial be printed in the body of the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Saturday Evening Post, Mar. 25, 1961]

SOCIALISM WOULD BE A STRANGE EXPORT FOR THE UNITED STATES OF AMERICA

In announcing the appointment of a new member to the Board of the Tennessee Valley Authority, President Kennedy urged that organization to study ways in which the lessons it has learned in the Tennessee Valley may be exported abroad. While few dispute the accomplishments of TVA as an engineering achievement, it would be less than accurate to send abroad the impression that only by tax-consuming, semisocialistic projects have we taken long leaps forward.

Actually the most striking progress in this industry, as in most others, has been made by private-investor companies. Despite taxes and interest rates which favor public power, with more to come in the new administration, at least 80 percent of our electric power is produced by private-enterprise companies. The Idaho Power Co.'s Hells Canyon dams add enormously to the power resources of the area and, incidentally, pay $10 million in Federal, State, and local taxes. Experimentation in the use of nuclear fuel for electric-power production is being carried on—with the money of American savers and investors—by a number of power companies. Seventeen nuclear plants are in construction at a cost of about $700 million.

Obviously a vast publicly financed and virtually tax-exempt enterprise like TVA can produce electricity, but the message which one might expect an American Government to send abroad is the fact that the most significant American economic progress, including that in the electric-power industry, has been made by private corporations and individuals. Sometimes one is tempted to believe that many American politicians have forgotten this fact. On the other hand, it is difficult to find much public support for socialized industry. Last November in the so-called public-power States in the western part of the country—despite the effort of Democratic candidates to make public power an important campaign issue—Republicans won in most of these States. It is not insisted that efforts to plug public power account for the defeat of Democratic candidates in these States—only that the alleged issue did not generate enough steam to elect them.

It is curious that politicians should place so much emphasis on public power and public projects generally when in other countries the passion for socialist adventures is fading. Great Britain's exercise in denationalizing its formerly nationalized industries has given that country a new birth of economic freedom which has left the Labor Party with no issue worth fighting for except getting the Americans and their Polaris missile off the island. New Zealand has retired its Socialist regime of many years' standing, and West Germany, whose prosperity is driving the Communists crazy, is well launched on a series of "privatizations" of its Government-owned industries, including Volkswagen.

What the West Germans have been doing ought to be of great interest to Americans, because it suggests a page out of our own "people's capitalism." In the recent denationalization of Volkswagen, investors were limited to those with incomes of no more than $3,200 a year. They were encouraged to hang onto their stock by promise of a big dividend after 2 years. The program, worked out by Economic Minister Ludwig Erhard, is called eigentum für jedermann (property for everybody) and up to now has been an enormous success. Already some 216,000 Germans own pieces of Preussig, a mining-and-smelting firm long owned by the Government. They bought the shares for $34 each and, according to the Wall Street Journal, the recent price is about $65. The Volkswagen deal went through in January and resulted in the distribution of ownership of Hitler's prize state corporation among probably 500,000 people. This, of course, isn't everybody, but after all, investing isn't compulsory.

Coming soon will be a public offering of stock in Prussian Electric, the nearest thing in Germany to our TVA. A few years back former Senator Edward Martin, of Pennsylvania, proposed a similar disposal of TVA, arguing, among other things, that this would give the Government and local authorities a chance to tax TVA revenues and properties. The German Government appears to lack that reason for denationalizing Prussian Electric, for that power complex in 1958 paid 37 percent of its gross revenues in taxes. This compares with an average of 23 percent paid by American investor power companies and, of course, distances TVA completely.

If the New Frontier wants to do something handsome for other countries, why not let them in on some of the things our people have been doing for themselves without bureaucratic interference? Actually delegations from all over the world visit our private powerplants, as well as TVA, to get ideas on engineering, management, and finance. It looks as if some other countries have done their homework on this subject and may wonder why the capitalistic United States should attempt to educate them on the virtues of socialism.

FORTY-THIRD ANNIVERSARY OF THE INDEPENDENCE OF BYELORUSSIA

Mr. LAUSCHE. Mr. President, March 25 will be celebrated by Byelorussions as the 43d anniversary of the proclamation of independence of the Byelorussian Democratic Republic. It was at Minsk in 1917 that these proud freedom-loving people proclaimed their independence. They enjoyed their freedom but for a little while as the Communist armies occupied the land and drove the government into exile.

An abortive attempt to regain their independence during World War II was quickly crushed by the Soviet.

Today, as the Soviet Government broadcasts attacks on the United States accusing our Nation of "imperialism" and "colonialism," it is instructive to examine the Soviet's own aggressive colonialism.

In Byelorussia, the Soviet has established a fictitious Byelorussian Soviet Republic. Let us examine the record of the Soviet's 43 years of domination over this little nation.

In governmental affairs, the Byelorussian people are deprived of their national rights. Their constitution as well as all governmental organs of the Byelorussian S.S.R. exist only on paper. All important branches of life in Byelorussia are directly subordinated to Moscow. At the present time, the liquidation of the Ministry of Justice of the B.S.S.R. by an enactment of February 21, 1960, proves this in the best way. In the B.S.S.R., all branches of government are occupied by Russians and other non-Byelorussians. The representative of the B.S.S.R. at the United Nations is a Russian by the name of F. Griaznoff.

The ethnographical territory of Byelorussia has been divided by Moscow among neighboring nations. About

one-half of Byelorussian land has been annexed by the Russian S.F.S.R.; and the western part Byelorussia has been annexed by Poland, Lithuania, and Latvia. The rest of the Byelorussian territory is the present Byelorussian S.S.R. The existing partition Byelorussia, as well as previous partitions have been carried out by the Moscow government without participation of Byelorussian representatives.

Soviet Russia imperiously carries out the Russification of Byelorussian people. Russian language is being used in all administration; in schools of all grades only some of the elementary schools are using their native Byelorussian language—theaters, movies, and in the press and publications. Only a small part of the printed matter and a few movie productions are in Byelorussian. The rich Byelorussian song folklores are being set aside and, instead, songs are composed and printed with Russian swings and interpretations as if they were Byelorussian.

In Byelorussia, religious activities of all denominations are suppressed, and are constantly persecuted by authorities and baited by press and communistic organizations. To deceive the free world, a small part of religious life is being tolerated in order to increase the Russification.

In economic developments, Byelorussia stands on cloudy end. Predominantly military installations are being built there, to be used for aggressive purposes against Western Europe. In 1960, the standard of living per capita in the B.S.S.R. was 35 percent lower than it was in the R.S.F.S.R.—according to the official budget of the U.S.S.R. This gave to the R.S.F.S.R. 6.6 additional billion of rubles—in new currency—or over one-fourth of her annual budget for 1960. The Byelorussian natural resources are extremely exploited since they are at the disposal of Moscow and are not controlled by Byelorussians. Economic calculation, monetary transactions, and trade between the B.S.S.R. and the R.S.F.S.R. are secrets; if they were not, they would openly show the colonial exploitation of Byelorussia by Soviet Russia. The Moscow Government does not care about the economic developments of Byelorussia and, therefore, it is no wonder that the standard of living there is so low.

In regard to population of B.S.S.R. Soviet Russia has exterminated a great number of the intelligentsia and peasants who were the basic national components of the Byelorussian people. The new dominating class in Byelorussia—the Communist oligarchy, the high bureaucracy, and technical and military personnel, consists of Russians, or was drawn up from other nations who are completely Russified, and loyal to Soviet Russia. Byelorussian collective farmworkers, industrial laborers, and low-ranking intelligentsia compose a mass having no influence on the social, political, or economic life of their country.

In Byelorussia, the occupational policy of Soviet Russia is being carried out by means of an all-embracing police terror. The police apparatus and the adherent forces consist of non-Byelorussians. During the time of the Communist rule, Soviet Russia has exterminated over six millions of Byelorussian populations: by shooting, jailing, in concentration camps, and deportations.

The Byelorussian people have always been against the Soviet Russian occupation and have constantly struggled for their national freedom and independence. The results of this struggle have been evident in the history of Byelorussia. In 1917, in Minsk, the capital of Byelorussia, the first all-Byelorussian congress convened. On March 25, 1918, in Minsk, the independence of the Byelorussian Democratic Republic was proclaimed. The Byelorussian armed forces fought the Soviet armies in Sluzk Province in 1920. In 1944, in Minsk, the second all-Byelorussian congress convened. The organized Byelorussian national guards fought against Soviet Russia.

Although Soviet Russia occupies Byelorussia and carries out her hostile policy against the Byelorussian people, nevertheless, she has not exterminated all national forces in Byelorussia; neither has she changed the Byelorussian people to one Soviet Russian people, nor has she annihilated completely the national spirit for freedom and independence.

We believe that at the convenient time, the Byelorussians will again open the fight against Soviet Russia for their independence.

The day of March 25 is being celebrated by the Byelorussians in the whole free world as a symbol of liberation, because on that day 43 years ago, there was proclaimed the independent Byelorussian Democratic Republic.

Mr. President, let us assure the Byelorussian peoples of our friendship and concern. It is our belief that in the divine design the Byelorussian Republic will again achieve its sovereignty and freedom.

Mr. KEATING. Mr. President, tomorrow is the 43d anniversary of the proclamation of independence by the Byelorussian National Republic. Their political independence was short lived, but the love of freedom and aspirations for independence still live in the hearts of these brave people. Today they are enslaved by Communist dictators, but someday, we hope and trust, the freedom which they so eminently deserve will be theirs once more.

I ask unanimous consent to include a commemorative statement at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

The Byelorussian people have been living under Russian regimes for more than 400 years. During all that time, except for a brief period of about 3 years, they suffered under the worst excesses of autocratic czarist regime and also under that of tyrannical Communist totalitarianism of the Kremlin. Theirs has been an unenviable lot, for under Russians they have suffered more than almost any other national minority group. In all this misery and misfortune they have maintained their national identity, and their love of freedom. They suffered hardships, privation, exile, and death, but they clung to this noblest of human ideals, freedom, and independence. For centuries they worked and struggled for the attainment of their freedom, and the First World War gave them the chance, the opportunity which they had been seeking for a long time.

Toward the end of that war and as the result of the Russian revolution of 1917 the decrepit czarist regime in Russia was overthrown. Then all non-Russian subject peoples of Russia were freed. One by one they all declared their independence. The Byelorussians were one of the first to do this; they proclaimed their independence on March 25, 1918, and set up the Byelorussian National Republic. That was a historic event, a real turning point in Byelorussian history, for the establishment of the Republic ushered in a new era for them.

During the next 3 years, hard as they were working in the rebuilding of their new state and harrassed as they were under the threats of their foes, they were happy in the enjoyment of their freedom. Then early in 1921 the country was attacked by the Red Army, quickly overrun and made part of the Soviet Union. Thus ended the free and independent Byelorussian National Republic and thus began the enslavement of the Byelorussians under Soviet tyranny.

Today these stouthearted and liberty-loving Byelorussians are held down in their historic homeland by Communist totalitarianism. They do not even have the freedom to observe the anniversary of their Independence Day. We in the free world celebrate the anniversary of that historic event and thus echo the genuine sentiments of the people of Byelorussia.

CUBAN REVOLUTIONARY COUNCIL

Mr. KEATING. Mr. President, I have been heartened in recent days to read of steps taken by free Cuban exiles toward a unification of the principal elements of anti-Castro exiles in the United States. Today it is recognized by most diplomatic observers that Castro's popularity with the Cuban people has waned considerably. It is highly questionable whether he has the support of a majority of his people. Effective control in Cuba is maintained only through the use of tactics much worse than ever envisioned under the harsh Batista regime.

The formation of a Cuban Revolutionary Council under the leadership of Dr. Miro Cardona appears to have given impetus to a solidification of the anti-Castro forces throughout the Western Hemisphere. Editorial comment on this group is made today by the New York Herald Tribune. The overthrow of Castro cannot and should not be accomplished by intervention of the United States; however, I am sure that the efforts of this group will have the support of the American public.

In a recent Senate speech, I called for the formation of a Cuban forum by anti-Castro forces, out of which it was hoped that a Cuban Government in exile would grow. These steps have been taken and now it is the time for the Organization of American States to again express its distaste for dictatorship in the Caribbean through the use of economic sanctions. An economic embargo against Cuba by the Organization of American States would lend significant moral support to the oppressed people of Cuba. At the same time, it would place the OAS on record against dictatorship of any form in Latin America.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD the editorial, entitled, "A Rallying Point for Cuban Exiles," from the New York Herald Tribune of March 24, 1961.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

A RALLYING POINT FOR CUBAN EXILES

The formation of a Cuban revolutionary council uniting the principal elements among anti-Castro exiles in this country provides a definite rallying point for the diversity of Cubans who have found the increasingly Communist orientation and style of the present Government in Havana intolerable.

It was obviously not enough for these exiles to be against Castro. They had to have something to substitute for him, something that would be as untainted by the old dictatorship of Batista as by Castro's own extremism. To that end they have assembled under the leadership of Dr. Miro Cardona, once a supporter of the Castro revolution, and published a program which promises social justice, which was Castro's original avowed aim, with freedom and democracy.

The first goal of the revolutionary council is naturally to overthrow Castro and gain control of Cuba, presumably by armed invasion. This is a tall order (although there is Castro's own example to prove it can be done). But the exiles would need widespread support among the Cuban population. It is not something which at this stage they can take for granted.

To this uncertainty must be added the classic dangers which attend all organizations of political exiles—disunity and factional quarrels. Unity among Cuban exiles from earlier regimes has not been notable, and the council must exercise a vigilant self-discipline if it is to offer an effective alternative to Castro.

As for the United States, there is a legal prohibition against our recognizing such a group as a genuine government. This is just as well. Although we may be in sympathy with the council's aspiration and although we are certainly out of sympathy with Castro, we do not want to accept a blanket responsibility for expeditions bent on overthrowing him and, more important, to be in the position of imposing his successors.

If there is to be a new revolution in Cuba, it will have to be a genuinely Cuban revolution.

THE 23D AMENDMENT

Mr. KEATING. Mr. President, today's New York Times contains a very informative editorial on the proposed 23d amendment. The editorial reflects the sentiments of many of us who felt that the other body made undesirable changes in the District of Columbia vote resolution. It will be recalled that the Senate-approved amendment, which I had the privilege of sponsoring with Senator BEALL and Senator CASE of South Dakota, would have given the District of Columbia the same representation in the electoral college and in the House of Representatives as it would have if the District were a State.

Under the form of the amendment approved in the House, subsequently accepted by the Senate, and now pending ratification, representation in the House of Representatives was completely eliminated and representation in the electoral college was limited to a maximum of three electors. As the New York Times editorial points out, this is a discrimination, since there are a dozen or so States which have a smaller population than the District of Columbia.

The same editorial also criticizes the lack of home rule in the District of Columbia. It emphasizes that the right to vote amendment, which is on the eve of final ratification, is not a substitute for home rule which I have always favored.

The District of Columbia vote amendment will be a substantial improvement over the present situation and its ratification will be enthusiastically welcomed by all Americans interested in the forward progress of democracy. But it is important to keep in mind that it does not remove all the problems in democracy in our Nation's Capital.

Mr. President, I know this editorial will be of interest to many Senators. Therefore, I ask unanimous consent that it be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE 23D AMENDMENT

Within a week or so residents of the District of Columbia may acquire a right which they have never had except as they kept voting residence outside the District. Thirty-six States have ratified the 23d amendment to the Federal Constitution and two more are expected to come along. Under this amendment citizens whose occupations made it convenient for them to live on the banks of the Potomac, or Anacostia Creek, or thereabouts, will no longer be treated like ex-convicts, Indians on reservations, or unnaturalized foreigners. They will be allowed to vote for candidates for the electoral college. This privilege is hedged somewhat by the requirement that they shall not be entitled to more electors than are allowed the least populous State. This is a discrimination, since there are a dozen or so States which have a smaller population than the District of Columbia.

Another discrimination remains. The 23d amendment does not give the District of Columbia home rule or a voting representation in Congress. In this respect the people of the District will not be as well off as those of Vermont, Alaska, or Nevada, each of which has about one-third of the District's population. The District will not be as self-governing as it was between 1871 and 1874, when it was administered more or less like a territory. In those days it had a territorial assembly of which one chamber was elected and the other appointed by the President. It also had an elected though nonvoting delegate to the House of Representatives. The plan didn't work, according to the standards of the time, and since 1874 people who admit that they live in the District have less to say about their own affairs than they had 87 years ago.

One impediment to full-scale citizenship in the District is that it has a majority of Negro citizens. Some southern legislators who have their own peculiar views about human rights would rather not see the District of Columbia governed by a majority. In the light of what is already in the Constitution and in view of today's situation, this position is dangerous nonsense. When the 23d amendment has been duly incorporated in the Constitution it might be well to see if a little additional democracy might not be introduced into the Federal City.

ALASKA POWER PROJECTS

Mr. GRUENING. Mr. President, the administration of President John F. Kennedy has made unmistakably clear that it stands for resource development, that it favors the development of our water resources, and that it favors the development of our hydroelectric potentials. It rejects the policy of "no new starts." These views have been made clear by the President, both before and after his election, and by his able and dedicated Secretary of the Interior, Stewart Udall.

In a recent statement, Secretary Udall pointed to one difference between this administration and the preceding one. He said that his predecessor regarded public power as a necessary evil, whereas the present administration considers it to be a necessary good.

An important hydroelectric project which has been thoroughly studied by the Bureau of Reclamation, and now is ready, from an engineering standpoint, to go, lies in southeastern Alaska, in the heart of the Tongass National Forest. It is proposed to harness the waters from two lakes high in the Coastal Range—Long Lake and Crater Lake—and to carry their falling water to tidewater. The project lies some 20 miles south of Juneau, the capital of Alaska.

The Gastineau Channel area—which includes the capital city of Juneau, the adjacent city of Douglas, and the developments along the Glacier Highway, extending some 30 miles to the north, and some 8 miles to the south, and on Douglas Island from Treadwell to Fish Creek—is running short of power. Unless it is supplied, these communities cannot meet their expanding needs—not merely their domestic requirements, but also the requirements of the headquarters of the State government and those of the Federal Government agencies in the State capital. Not only do they need the additional power which this project will supply; in addition, adjacent mining and timber developments will require this electric power.

There is at present only one public power project in Alaska. It is the Lake Eklutna project, some 40 miles north of Anchorage. It was initiated under the Truman administration. This project supplies power to Anchorage, Alaska's rapidly growing metropolis, and to the adjacent REA cooperatives, the Chugach and the Natanuska. All of them, too, are running short of power. Various projects are under study, hydro and thermal—the latter variously from coal, oil, or natural gas—so that at the proper time we may take the necessary steps, legislatively and otherwise, to supply this need.

These areas are not the only ones in Alaska that are short of power; Fairbanks, Cordova, Ketchikan are only a few of them, and present power costs are too high. And the needs of all of these areas require study and early attention, to bridge the interval until the great dam at Rampart on the Yukon comes into being.

Meanwhile, Mr. President, I have introduced a bill, cosponsored by my colleague, Mr. BARTLETT, to authorize the

Secretary of the Interior to construct the so-called Long Lake-Crater Lake-Snettisham project.

A House joint resolution favoring this legislation was passed by the Alaska Legislature. I ask unanimous consent that the new resolution be printed at this point in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

HOUSE JOINT RESOLUTION 9

Joint resolution relating to the construction of the Crater-Long Lakes division of the Snettisham hydroelectric power project

Whereas the economy of southeastern Alaska is in great need of new industry which would provide stable, nonseasonal employment and utilize the vast natural resources of this area; and

Whereas present and potential developments in the mining and timber industries in southeastern Alaska indicate the need for the prompt construction of additional sources of electrical energy to maintain and encourage the establishment of industry; and

Whereas the increase in the number of residents in southeastern Alaska resulting from the natural growth and the industrial development of this area will also result in the need for additional sources of electrical energy to guarantee their comfort and well-being; and

Whereas the Federal Power Commission has estimated that Juneau itself will need more than 30 million kilowatts of additional power by 1970 and more than 60 million kilowatts by 1980 to supplement the 30 million kilowatts of power now being used by Juneau; and

Whereas the present cost of power is much higher in southeastern Alaska than in most areas in the United States; and

Whereas preliminary studies by the Bureau of Reclamation indicate that Crater and Long Lakes in the vicinity of Juneau could be economically developed by the United States to provide low-cost power, and that the cost of constructing and operating power projects could be returned to the United States within 50 years by the sale of power to industrial and domestic users: Be it

Resolved by the Legislature of the State of Alaska in second legislature, first session assembled, That the Congress of the United States is respectfully urged to pass S. 594, which would authorize the construction of the Crater-Long Lakes division of the Snettisham hydroelectric power project: and be it further

Resolved, That copies of this resolution be sent to the President of the U.S. Senate; the Speaker of the U.S. House of Representatives; the chairman of the Senate Committee on Interior and Insular Affairs; the chairman of the House Committee on Interior and Insular Affairs; and the Alaska delegation in Congress.

Passed by the house February 16, 1961.

WARREN A. TAYLOR,
Speaker of the House.

Attest:

ESTHER REED,
Chief Clerk of the House.

Passed by the Senate February 28, 1961.

———— ————,
President of the Senate.

Attest:

EVELYN K. STENMAN,
Secretary of the Senate.

Approved by the Governor March 9, 1961.

WILLIAM A. EGAN,
Governor of Alaska.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of executive business, to consider the nominations on the Executive Calendar.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVES MESSAGES REFERRED

The PRESIDING OFFICER laid before the Senate messages from the President of the United States submitting sundry nominations, and withdrawing the nominations of Tom Killefer, of California, to be First Vice President of the Export-Import Bank of Washington, and James Smith Bush, of Missouri, to be a member of the Board of Directors of the Export-Import Bank of Washington, which nominating messages were referred to the appropriate committees.

(For nominations this day received, see the end of the Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. BYRD of Virginia, from the Committee on Finance:

Boisfeuillet Jones, of Georgia, to be Special Assistant on Health and Medical Affairs to the Secretary of Health, Education, and Welfare;

John M. Leddy, of Virginia, to be an Assistant Secretary of the Treasury;

Robert Huntington Knight, of Connecticut, to be General Counsel for the Department of the Treasury;

Wilbur J. Cohen, of Michigan, to be an Assistant Secretary of Health, Education, and Welfare; and

Thomas D'Alesandro, Jr., of Maryland, to be a member of the Renegotiation Board.

The PRESIDING OFFICER (Mr. METCALF in the chair). If there be no further reports of committees, the nominations on the Executive Calendar will be stated.

DEPARTMENT OF THE INTERIOR

The legislative clerk read the nomination of Frank P. Briggs, of Missouri, to be Assistant Secretary for Fish and Wildlife, Department of the Interior.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

DEPARTMENT OF COMMERCE

The legislative clerk read the nomination of John W. Bush, of Ohio, to be an Interstate Commerce Commissioner for the remainder of the term expiring December 31, 1964.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of William H. Tucker, of Massachusetts, to be an Interstate Commerce Commissioner for the remainder of the term expiring December 31, 1967.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

NOMINATION PASSED OVER

The legislative clerk read the nomination of Ralphael M. Paiewonsky, of the Virgin Islands, to be Governor of the Virgin Islands.

Mr. MANSFIELD. Mr. President, I ask that this nomination go over until Monday.

The PRESIDING OFFICER. Without objection, the nomination will go over, as requested.

THE COAST GUARD

The legislative clerk proceeded to read sundry nominations in the Coast Guard.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the nominations in the Coast Guard be considered en bloc.

The PRESIDING OFFICER. Without objection, the nominations in the Coast Guard will be considered en bloc; and, without objection, they are confirmed.

COAST AND GEODETIC SURVEY

The legislative clerk proceeded to read sundry nominations in the Coast and Geodetic Survey.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the nominations in the Coast and Geodetic Survey be considered en bloc.

The PRESIDING OFFICER. Without objection, these nominations will be considered en bloc; and, without objection, they are confirmed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be immediately notified of the action taken by the Senate.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

INTER-AMERICAN CHILDREN'S INSTITUTE

Mr. MANSFIELD. Mr. President, I ask unanimous consent for the immediate consideration of Calendar No. 73, Senate Joint Resolution 66.

The PRESIDING OFFICER. The resolution will be read by title, for the information of the Senate.

The LEGISLATIVE CLERK. A joint resolution (S.J. Res. 66) to amend the joint resolution providing for membership and participation by the United States in the Inter-American Children's Institute.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate proceeded to consider the joint resolution (S.J. Res. 66) to amend the joint resolution providing for membership

and participation by the United States in the Inter-American Children's Institute.

Mr. MANSFIELD. Mr. President, the Senate passed an identical measure in 1959.

The pending joint resolution was reported with the unanimous approval of the Foreign Relations Committee, and has the full support of the minority leadership.

I ask unanimous consent to have printed at this point in the RECORD an excerpt from a memorandum on this subject.

There being no objection, the excerpt from the memorandum was ordered to be printed in the RECORD, as follows:

In 1959 the Department of State requested legislation to remove the ceiling of $25,000 per annum on U.S. contributions to the Inter-American Children's Institute. The Senate agreed to action by the House which raised the ceiling to $50,000 for the fiscal years 1961 and 1962, but which made no provision for any subsequent contributions.

PURPOSE OF SENATE JOINT RESOLUTION 66

The purpose of Senate Joint Resolution 66 is to continue authority for contributions at the present ceiling of $50,000 per annum. Failure to enact some legislation would, in effect, end U.S. participation in the Inter-American Children's Institute to which the United States has belonged since 1928. The percentage of the U.S. contribution is 40 percent of total assessments. The Department of State, in a letter dated March 9, 1961, expressed its continued support for the proposed amendment.

WORK OF THE INSTITUTE

The Department's letter of January 18 describes the Institute as follows:

"The Inter-American Children's Institute is an entity whose proven technical abilities and whose contributions to the well-being of the children of the participating American states have been recognized throughout the Americas. * * * Within the framework of its primary purpose as a center for technical consultation, advisory services, to foster a helpful publications program and for the dissemination of information on all matters pertinent to the welfare of the children of the Americas, the Inter-American Children's Institute has recently staged successful seminars on child nutrition which in turn have stimulated several Latin American countries to sponsor national seminars on the subject. * * * It is giving active support to reconstruction efforts in Chile by helping to plan and staff centers for child care training in Chilean disaster areas."

Mr. MANSFIELD. Mr. President, I ask for the passage of the joint resolution.

The PRESIDING OFFICER. The joint resolution is open to amendment.

If there be no amendment to be proposed, the question is on the engrossment and third reading of the joint resolution.

The joint resolution (S.J. Res. 66) was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act of February 16, 1960 (74 Stat. 3), which amended the Act of May 3, 1928, as amended (22 U.S.C. 269b), is hereby amended by deleting the phrase "for the fiscal years 1961 and 1962".

NIKE-ZEUS PROGRESS REASSURING

Mr. MUNDT. Mr. President, in the event my colleagues may have missed it, I would like to call to the attention of the Senate a March 15 story by UPI Correspondent Darrell Garwood concerning the anti-satellite capabilities of the Nike-Zeus.

Mr. Garwood's story reports on the appearance of Brig. Gen. David C. Lewis, Director of Special Weapons in the Office of the Army's Chief of Research and Development, before a recent meeting of the National Rocket Club. In response to a question, General Lewis advised that with minor modification the Nike-Zeus would have an antisatellite capability at a range of 200 miles, and that with major modification this range could be extended to 1,200 miles.

Mr. President, this report, indicating great progress under the Nike-Zeus program is, indeed, reassuring to me. I know that all of my colleagues must be gratified by this report. It is additional evidence to support the fact that we are making remarkable advancement in the state of the art in anti-missile-missile systems under the Nike-Zeus program. When one considers that the actual design of the Nike-Zeus system was begun only 4 years ago, it is nothing short of amazing that this system is now on the threshold of an anti-satellite capability at these remarkable vertical ranges. The thanks of all Americans should go out to Gen. Arthur Trudeau, his staff, and the fine industry team, who, in developing the Nike-Zeus, have contributed immeasurably to the strength of our overall defense posture.

So that all of my colleagues may be more fully informed on the Nike-Zeus, I am today sending to each Member of the Senate an excellent question-and-answer interview with General Trudeau, which appeared in a recent issue of Sperryscope, an informative periodical published by the Sperry Rand Corp., an outstanding member of the Army industry team.

At my request, Sperry Rand very generously provided reprints of this informative interview so that I might make them available to the Members of the Senate. I am sure that each of you will find this to be a valuable document.

Mr. President, I ask unanimous consent that Mr. Darrell Garwood's news account of the Nike-Zeus antisatellite capability be printed in the RECORD immediately after my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

WASHINGTON, March 15.—A top Army research officer said today the Army's Nike-Zeus antimissile can be modified to shoot down earth satellites at altitudes as great as 1,200 miles.

Brig. Gen. David C. Lewis, Director of the Army's Office of Special Weapons, said a minor change would give the Zeus an antisatellite range of 200 miles and that a major modification would produce the 1,200-mile range. He estimated that the major changes could be completed by 1967.

Lewis appeared on a panel discussion with representatives of the Defense Department and the other armed services before the National Rocket Club.

Asked to describe the Zeus' anti-satellite possibilities Lewis described the subject as "embarrassing" because of the controversy over whether the Zeus should be put into production before full-scale tests are completed in 1962.

VETERANS OF FOREIGN WARS ENDORSE COLD WAR GI BILL; CONNELL AND McKELVIE STATEMENTS

Mr. YARBOROUGH. Mr. President, opponents of the cold war GI bill have claimed that the large veterans' organizations are opposed to the cold war GI education and readjustment bill. These claims are without proper basis. No large veterans organization opposes the plan. On the contrary, the Veterans of Foreign Wars has endorsed this principle through its national commander, Ted C. Connell, and its national legislative committee, headed by the Honorable John McKelvey.

National Commander Ted Connell, a successful businessman with a distinguished war record, issued a statement endorsing educational and readjustment benefits for veterans of the cold war in a radio interview in the following language:

Senator, the position of the Veterans of Foreign Wars, 1,300,000 strong is, of course, in sympathy with this. We shall support this particular type of legislation. We believe that this legislation will be a tremendous asset to the people who have their life interrupted by being drafted or entering the service this modern day. We will certainly be behind this bill.

My opinion is very positive after about 3 hours with the Admiral (Rickover). At no time in history has the V.F.W. ever opposed this type of legislation and further, we believe that when we came back from the war, we had a readymade GI bill of rights. We would like to pass this great inheritance to the people who are serving in our services today.

Hon. John E. McKelvey, a Texas attorney, who is well known statewide for his long study of veterans' problems, now chairman of the national legislative committee of the Veterans of Foreign Wars, has written the endorsement of his committee on March 17, 1961. I ask unanimous consent that the letter be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. YARBOROUGH. Mr. President, I ask that my remarks and the letter be printed in the Appendix of the RECORD, rather than in the body.

The PRESIDING OFFICER. Without objection——

Mr. YARBOROUGH. Mr. President, on the suggestion of the able majority whip the Senator from Minnesota [Mr. HUMPHREY], I ask that the material be printed in the body of the RECORD, rather than the Appendix.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. YARBOROUGH. I yield.

Mr. HUMPHREY. The reason why I made the suggestion is that the legislation to which the Senator has referred is pending, and such testimony in the RECORD is very important. I am delight-

ed the Senator has seen fit to put the various statements in the RECORD.

Mr. YARBOROUGH. There has been a great deal of debate over the country on this question, and it has been said that the veterans' organizations are opposed to the enactment of the legislation. The chairman of the national legislative committee of the Veterans of Foreign Wars has stated in the letter which I have had placed in the RECORD:

After extensive study of the cold war GI bill which you have introduced into the U.S. Senate, the Veterans of Foreign Wars of the United States by its national legislative committee has endorsed the general principle of this legislation and urges its passage and adoption. Commander in Chief Ted C. Connell has added his personal endorsement to this legislation, as do I as chairman of the national legislative committee.

The PRESIDING OFFICER. The time of the Senator has expired. Without objection, the material referred to by the Senator will be printed in the body of the RECORD.

Mr. YARBOROUGH. Mr. President, I ask unanimous consent that I may be extended an additional 1½ minutes.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. YARBOROUGH. I read from Mr. John E. McKelvey's letter to me of March 17, 1961, in respect to the allegation of the opposition of the veterans' organizations to this proposed legislation:

May I commend you, the members of your subcommittee, and those Senators who have joined you as cosponsors of this legislation—

Thirty-seven Members of this body have cosponsored the measure, including the distinguished occupant of the chair, the Senator from Montana [Mr. METCALF], and the distinguished majority whip, the Senator from Minnesota [Mr. HUMPHREY]—

who by their actions in approving and joining with you in the introduction of this legislation have demonstrated their compassion and understanding of the problems of those servicemen who will be eligible for benefits under your bill and the gain that this country as a whole will realize from their scholastic attainment.

May I offer my services to you and to your committee in any manner in which you might see fit to utilize me toward the passage of this needed and necessary legislation.

Mr. President, I commend Commander Connell and Chairman McKelvey and their committees and entire organization for their good judgment, fairness, and patriotism in aiding in this veterans' readjustment program, so badly needed in this period of unemployment, when one-third of all the unemployed are under 25 years of age, with veterans forming an inordinately high percentage of these.

(EXHIBIT 1)

VETERANS OF FOREIGN WARS
OF THE UNITED STATES,
NATIONAL LEGISLATIVE COMMITTEE,
Electra, Tex., March 17, 1961.

The Honorable RALPH YARBOROUGH,
Senate Office Building,
Washington, D.C.

DEAR SENATOR YARBOROUGH: After extensive study of the cold war GI bill which you have introduced into the U.S. Senate, the Veterans of Foreign Wars of the United States by its national legislative committee has endorsed the general principle of this legislation and urges its passage and adoption. Commander in Chief Ted C. Connell has added his personal endorsement to this legislation, as do I as chairman of the national legislative committee.

May I commend you, the members of your subcommittee, and those Senators who have joined you as cosponsors of this legislation, who by their actions in approving and joining with you in the introduction of this legislation have demonstrated their compassion and understanding of the problems of those servicemen who will be eligible for benefits under your bill and the gain that this country as a whole will realize from their scholastic attainment.

May I offer my services to you and to your committee in any manner in which you might see fit to utilize me toward the passage of this needed and necessary legislation.

Again, I warmly congratulate you for the continued interest in veterans and servicemen which you have shown throughout your public life.

Yours very sincerely,

JOHN E. MCKELVEY.

MENOMINEE TERMINATION AMENDMENTS

Mr. PROXMIRE. Mr. President, on Wednesday, March 22, I referred to the recently published report by the Commission on the Rights, Liberties, and Responsibilities of the American Indian, entitled "A Program for Indian Citizens." The commission was established by the Fund for the Republic, and spent the past 4 years studying American Indian affairs, in an effort to promote a better understanding of the Indian people and their problems. Their recommendations have a special significance, because one member of the distinguished five-man commission was Mr. W. W. Keeler, who is now heading President Kennedy's Task Force on Indian Affairs in the Department of the Interior. The other members of the commission were Prof. Karl N. Llewellyn, of the University of Chicago, Prof. Emeritus Arthur M. Schlesinger, Sr., of Harvard, Mr. Charles A. Sprague, editor and publisher of the Oregon Statesman, and the chairman, O. Meredith Wilson, president of the University of Minnesota.

I observed on Wednesday that the section of the commission's report dealing with termination policies has a very immediate relevance to the situation facing the Menominee Tribe of Wisconsin, who are scheduled to be terminated on April 30, just 5 weeks from now. At the tribe's request, I have introduced two bills to amend their Termination Act, S. 869 and S. 870. I was joined in sponsorship of these bills by my senior colleague, the Senator from Wisconsin [Mr. WILEY].

The report criticized the termination policy as not always being in the best interests of the Indians. I asked that the section of the report dealing with termination be placed in the RECORD at the close of my remarks. Unfortunately, the printer failed to include the most important section, which spelled out the commission's recommendations. I therefore ask unanimous consent that the "Recommendations on Termination" be printed at this point in the RECORD.

There being no objection, the recommendations were ordered to be printed in the RECORD, as follows:

PROGRAM FOR INDIAN CITIZENS

(Summary report by the Commission on Rights, Liberties, and Responsibilities of the American Indian, established by the Fund for the Republic, Inc.)

TERMINATION—RECOMMENDATIONS

Avoidance of undue haste

Termination of the long-established relations between the Federal Government and the Indians should occur only after there is adequate information before the Federal Government, the Indians, the local people and their governments as to what will happen to all four parties at interest if the tribe is terminated. This requires the solution of legal, governmental, financial, and human problems. Adequate time must be allowed for the Indians, their neighbors, State and local units, and all others who might be affected by the change to work out the necessary adjustments.

Indians should be allowed full hearings before the appropriate congressional committees.

The Government's responsibility should be relinquished only when the Indians are no longer in the lower segment of our culture in education, health, and economic status. The tribesmen must also be qualified and willing to take on the additional responsibilities and be ready to take advantage of the wider social, economic, and political benefits on a comparable basis with their neighbors and without discrimination.

Collaboration of Indians

In order that Indians may be able to make their own decisions, cooperate in the execution of a plan, and take responsibility for the results, they should participate fully at every turn. The participation should consist in working out the procedure from its earliest stages and continuing with the discussions during the maturing of the program, as well as in voting for or against the final formulation. Effective Indian collaboration in the development of a plan of termination should be a prerequisite to acceptance by the Congress. The process should involve not only leaders but the tribesmen as well. Testing should determine to what extent the people affected actually know what is being planned or presented. The freedom of Indians to accept or reject a program should not be tied to offers of payment from federally held tribal funds, or, in the case of favorable action, to offers of later payment. A tribe should not be terminated without its consent.

Ordinarily, any per capita or other payments should be distributed in small sums over a period of time so that there is an opportunity for the recipients to learn how to handle cash before all assets are dissipated.

A termination plan should safeguard the interests of individual members whether they wish to remain as a tribal core or to withdraw when the majority rejects termination.

Economics—Resources

Final decisions affecting termination should be preceded by plans acceptable to the tribe for managing, utilizing or dividing tribal properties. To this end, Indians should have competent and skilled assistance, paid for when necessary by the United States. The desirability and probable consequences of each plan should be discussed in advance and thoroughly understood by the Indians, the other people of the area, and the State and local officials.

Firm assurances that the plans can be carried out under State law should be obtained. If State law must be amended to permit the execution of an economic plan,

the amendments should be secured before termination.

The termination measure should authorize the Indians to form a business corporation under a general Federal law, so as to provide a model for all tribes instead of a particular model in the case of each State; and it should further give express jurisdiction to the Federal courts in lawsuits brought by or against the corporation.

Where termination involves the disposition of natural resources and their subsequent use, Congress should give consideration to all its consequences such as the conservation of land and wildlife, watershed protection, the economy of Indian and surrounding communities, and all other matters relevant to the national interest.

Water rights

There should be no termination of Federal responsibility for Indian water rights until tribal rights and those for allotted lands are either adjudicated or agreed upon as to quantity and priority among the Indians, the United States, the State and other users. This should apply to water already being put to beneficial use as well as to rights for future development.

The legislation should expressly recognize that the Indian rights do not derive from the State but exist independently of State law. Legislation should insure the Federal courts exclusive jurisdiction over any lawsuit arising, as long as the land remains in Indian ownership.

Taxes

If extinguishment of the trust should subject the land to local taxation, then, before termination, it should be ascertained whether it is economically feasible for the Indians to pay the taxes required by local laws. If there is doubt about this, the land should continue to be tax-exempt until Congress provides otherwise. Equitable arrangements should be made for payments by the United States and by the Indians, to the extent of their capacity, until it is determined that the land, properly used, can support taxation.

Treaties

Termination legislation should in no case conflict with any existing treaty or agreement with a tribe, unless it expressly waives, in writing, the matters in dispute.

Services after termination

Before the United States surrenders its responsibilities, studies should ascertain the ability and willingness of State and local governments to furnish services to Indians equal to those hitherto given from Washington. The relationships between the State and local governments, on the one hand, and the United States and the Indians, on the other, should be set out clearly. The State and local governments should as a minimum provide for the financing of those commitments to Indians which the Federal Government has theretofore met. If this cannot be done, the Federal Government should continue such financing or call off the termination.

Any termination act should provide enforceable standards for the quantity and quality of education, health, and other public services to be furnished by the State and local governments. The standards should bar any discrimination in rendering services.

TRIBUTE TO DR. SPENCER M. SMITH, JR.

Mr. HUMPHREY. Mr. President, last Tuesday, March 21, the junior Senator from Wisconsin [Mr. PROXMIRE] invited the attention of the Senate to the testimony of Dr. Spencer M. Smith, Jr., and Michael Boake Carter, before the Small Business Subcommittee of the Banking and Currency Committee in support of S. 636. The bill is an effort to accelerate the participation of small businesses in defense contract awards, and the arguments of Dr. Smith were sufficiently compelling to the junior Senator from Wisconsin that he had his testimony printed in the CONGRESSIONAL RECORD.

I have read that testimony. In my mind, it was a very effective presentation in behalf of the bill introduced by the Senator from Wisconsin [Mr. PROXMIRE]. I am pleased that such was the case, for I find Dr. Smith's arguments to be equally compelling to me as to the Senator from Wisconsin.

It has been my pleasure to know Dr. Smith for a number of years. Prior to his coming to the University of Maryland, he was a member of the Department of Economics of the University of Minnesota. He has been a long-time student of the problems of small business and the protection of natural resources. I know Dr. Smith to be honest and able. He is also known for his care in arguing a case and the courage to state the results, irrespective of whether they find favor with one group or another. I am pleased that a person of Dr. Smith's abilities is concerned about the problems confronting small business. I express my thanks for his courageous testimony. I am equally pleased that he is interested in doing something about the problems.

NATIONAL INSTITUTE OF CHILD HEALTH

Mr. HUMPHREY. Mr. President, in January the President's Task Force on Health and Social Security made a number of important recommendations, among them the establishment of a National Institute of Child Health.

I am happy to report that the Department of Health, Education, and Welfare is giving careful attention to this excellent recommendation, and preliminary action is already underway with the establishment of a Child Health Center within the General Medical Sciences Division of the National Institutes of Health.

Recently I received a letter from Dr. John A. Anderson, chairman of the Department of Pediatrics at the University of Minnesota Medical School, in support of the proposed National Institute of Child Health.

Mr. President, I ask unanimous consent that the recommendation of the task force and the fine letter from Dr. Anderson be printed at this point in the CONGRESSIONAL RECORD.

There being no objection, the recommendation and letter were ordered to be printed in the RECORD, as follows:

RECOMMENDATION NO. 6 OF TASK FORCE ON HEALTH AND SOCIAL SECURITY

CREATION OF A NATIONAL INSTITUTE OF CHILD HEALTH

As an important new step in a broader program for the improvement in family and child health and welfare services, the Surgeon General, with the approval of the Secretary, should, by administrative action, establish a National Institute of Child Health within the National Institutes of Health. Such action would recognize the administration's concern not only with the welfare of the aged, but with its children and youth.

The establishment of the National Institute of Child Health would not require additional federal expenditures for research for the fiscal year 1962. An allocation from existing funds should be made for an initial administrative organization. Subsequent allocations of funds would be included within the budget of the National Institutes of Health.

The high incidence of mental disease, the terrifying problems of juvenile delinquency, the burden on family and community resources for the care of the mentally retarded, all attest to the need for a concentrated attack on problems of the development of the child. Research into the physical, intellectual and emotional growth of the child is at present severely handicapped by the absence of a central focus for research that exists in other fields such as heart disease and cancer. Within this Institute will be concentrated research workers in the fields of genetics, obstetrics, psychology and pediatrics as well as basic scientists who will channel their efforts into the study of the normal processes of human maturation from conception through adolescence.

Such a research program will have a profound impact on the medical care and practice in this Nation by emphasizing the care of the whole individual rather than the fragmentation of the patient into particular diseases. The research grants from this Institute will stimulate programs necessary to ascertain those genetic and environmental factors that lead to the development of a physically and mentally healthy adult. Such an Institute should help bring to each child of this Nation—normal, gifted, or retarded—complete fulfillment of his true potential.

LETTER IN SUPPORT OF INSTITUTE OF CHILD HEALTH

MARCH 16, 1961.

DEAR SENATOR HUMPHREY: Those of us concerned with medical research and medical education of importance to the welfare of infants and children, were delighted to learn of President Kennedy's authorization to establish an Institute of Child Health in the National Institutes of Health. This is a very important move and will strengthen immeasurably our efforts to obtain knowledge concerning problems of health and disease in infants and children. Emphasis in this area at a national level will lead to new knowledge which can be applied during the early developmental years of life with the hope of preventing in the future many of the health problems which are now present in our child and adult population.

Confronted with the anticipated increase in population, a sustained birth rate, and a relatively increased percent of school age children, a real need to vigorously attack problems related to growth and development exists. As you know, one of the large and as yet unpenetrated areas in medicine consists of the problems of congenital defects both hereditary and acquired; the problems of mental deficiency, convulsive disorders, mongolism, the problem of prematurity with the high incidence of developmental limitation, and many others.

APPROPRIATION URGED

Surgeon General Terry, on authority of the President, I understand, has just authorized the establishment of a Child Health Center in the General Sciences Division of the National Institutes of Health. This is an excellent step and, no doubt, must be followed by an appropriation for intramural programs for the proposed Child Health Center and also an appropriation for the Child Health Institute recommended by President Kennedy.

The establishment of this Institute to promote and support research and special

training in the area of human developmental biology has long been necessary. Your support of an appropriation for such an institute and support of the recommendation of the President to establish the Child Health Institute in the National Institutes of Health is earnestly solicited.

EXTENSION OF KNOWLEDGE

The application of effective medical knowledge of importance to the welfare of infants and children is predominantly in the hands of the general practitioner of medicine and the qualified specialist in pediatrics. The standard of medical care for infants and children is determined by the level of knowledge, present in these practitioners, concerning developmental processes in the growing infant and child. The suppression of disease, the specific aspects of the prevention and the management of disease vary relative to the level of development and function of the respective processes of growth and differentiation as they proceed from infancy to maturity.

The ultimate objectives of medical science are prevention of disease, early recognition of disease, and the management of disease in its incipiency. These can best be achieved on a background of knowledge which provides the fullest understanding of human biology from a growth and developmental standpoint. During the past 30 years we have just begun to learn that knowledge concerning man and his health welfare must be obtained in a prospective manner by following the sequence of events for all of his functioning capacities from birth to maturity. We have more recently become convinced of the importance of even looking intensely into the processes of growth and development from conception up to birth if we are to reduce the occurrence of a large number of developmental conditions, which, heretofore, have not as yet been effectively modified.

PEDIATRICS RESEARCH NEEDED

As an educator and researcher in the field of pediatrics, I would of course be prejudiced in favor of an approach which prevents disease, anticipates the occurrence of disease, and permits the earliest management of disease. This is not to discredit the tremendously effective approaches in the field of heart, cancer, diabetes, mental disease and so on, now being supported by Federal and public organizations. I am confident that all pediatric educators and researchers in medical schools and in other institutions in the United States will support my enthusiasm. This group of individuals now have the responsibility for producing the future educators and researchers in the field of pediatrics that will be required to fill the many new medical schools which must be developed to meet the needs of the people in the future. This group will have the responsibility for training the general practitioners and the specialists in the field of pediatrics who are required to go out and offer the public the highest level of medical services possible.

As research and education must always go hand in hand in medicine, this group is well aware of the fact that the development of research activity in the field of human growth and development in its broadest sense establishes the standard of education that will be given the practitioners of medicine in the future. This group is also well aware of the need for training opportunities in the field of pediatrics and in pediatric research and the limitations provided by the existing National Institutes of Health for such opportunities.

As you know, a young medical student who has completed an internship and is interested in an advanced clinical training program in psychiatry or in neurology or in certain aspects of surgery, can obtain fellowship support from the respective categorical institutes of the National Institutes of Health. His classmate, on the other hand, may have an interest in the field of pediatrics. He is unable to obtain such an opportunity through the existing Institutes at present. This omissive discrimination creates many problems in the advanced specialty training programs in medical schools.

UNEQUAL STIPENDS

There is not only the economic but also the morale factor within the Institutions. For instance, the stipends paid for National Institutes of Health trainees in the field of neurology and psychiatry are far in excess of the stipends paid to the same level trainee in the field of pediatrics. Funds for pediatric trainees are obtained from hospital funds primarily for the purpose of meeting service obligations to patients. In addition, the number of opportunities that are available to those interested in pursuing the discipline of pediatrics are less than the number of opportunities available in these other disciplines.

An Institute for Child Health providing support for the establishment and the improvement of training programs in pediatrics, for advanced scientific research training and for research, would be a most advantageous addition to the existing National Institutes of Health. Equal opportunities in these areas could then be provided to those in obstetrics interested in human developmental embryology and genetics, to those in pediatrics interested in human growth and development, and to those in internal medicine interested in human biology on the same basis as the opportunity now available to those interested in cancer, heart disease, and psychotic or neurologic disorders.

Your support and aggressive interest in the establishment of an Institute for Child Health and an effective appropriation for its functioning is most earnestly solicited.

Most respectfully yours,

JOHN A. ANDERSON, M.D.,
Department of Pediatrics, University of Minnesota Medical School.

WE MUST LIVE UP TO GOALS OF HOUSING ACT OF 1949

Mr. YOUNG of Ohio. Mr. President, one of the most farsighted legislative acts of the postwar era was the Housing Act of 1949. It established as a goal for our Nation "a suitable living environment and a decent home for every American family."

We have fallen far short of this goal in the decade since the passage of this act. Too little has been done, and there has been a great unwillingness to implement it.

I express the hope that we, as Senators, responsible to the American people, shall move quickly and effectively to correct the errors of the past in order to assure a better future for Americans.

A hard look at the facts gives convincing evidence that housing conditions in the United States are rapidly becoming a national calamity.

Today, nearly 22 million of our citizens live in urban slums or near slums—gray, dismal cores of ugliness in the hearts of our great cities. Only through direct massive public housing assistance by the Federal Government can these people hope to climb out of the squalor of slum living. No other approach has solved the problem. No other approach can solve it.

Action is needed immediately not only to improve present conditions but also to prevent their spread, should we fail to take action soon. It might well be too late to cope with the mounting housing problems which are choking our cities and already creeping into our suburbs.

The United States is the most prosperous nation in the world, and has come far along the road to industrial prosperity. Still there are many families who have not been able to share in this high standard of living and who cannot meet one of man's most basic needs, adequate housing.

A glance at the tragic slum conditions in any of our cities or a drive through any of the thousands of blighted rural areas, would easily convince us this is a problem for all Americans and as such demands Federal assistance.

A nation with millions of its citizens ill housed cannot long remain strong. We must rise to meet this challenge with all the resources at our command.

We must reverse the tight-money, high-interest-rate policies of the Eisenhower administration to encourage increased homebuilding and to make it easier for Americans to purchase homes.

At the same time, Mr. President, we must embark upon an extensive, well-planned, urban-renewal program to sweep from our cities the ugliness and degradation of blight.

Presently, 3 of every 4 Americans—135 million of us—now live in cities or suburbs. In 15 years, experts predict, more than 190 million will live in and around our cities. Not one major city in this Nation is prepared to, or can afford to, meet the towering problems which accompany rapid population increases and dramatic population shifts.

Furthermore, Mr. President, the separate States cannot command resources necessary to do the job which must be done.

President Kennedy has assured the American people that he supports a forward-looking, progressive housing program, one which will begin to meet our needs and reverse the neglect of the past 8 years.

There is no overnight solution for so massive a problem. But we must begin now to live up to the goals established 11 years ago by the Housing Act of 1949.

FEDERAL JUDGESHIPS FOR THE STATE OF CALIFORNIA

Mr. KUCHEL. Mr. President, a few weeks ago the Committee on the Judiciary of the Senate approved four additional Federal district court judgeships for the State of California. The Senate approved the action of its Judiciary Committee.

It is with very real regret and considerable apprehension that the State bar of California has learned the Judiciary Committee of the other body has chopped the decision of the U.S. Senate in half and has reported proposed legislation to provide that the State of California receive only two additional judges. I share the regret and the apprehension of the California bar.

The State bar of California has earnestly recommended favorable consideration by the Congress for four additional judges for the State of California. The Judicial Conference for the Ninth Circuit has made that in the form of a recommendation. The Judicial Conference of the United States, meeting only a few days ago, reiterated precisely the same recommendation to the Congress.

I very much hope, Mr. President, that when Congress finally shall have disposed of the proposed legislation to create new judgeships in this country it shall have seen fit to give to the courts which have tremendously overcrowded calendars in both northern and southern California an opportunity to dispense justice in a timely fashion by doing what the Senate has done and what, as I say, both the judicial conference in my section of the country and the Judicial Conference of the United States have recommended.

I have just received a letter from the State bar of California setting forth a resolution along the lines I have been discussing. I ask unanimous consent that the text of that letter addressed to me under date of March 21 be printed in the RECORD at this point in my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE STATE BAR OF CALIFORNIA,
Los Angeles, Calif., March 21, 1961.

Hon. THOMAS H. KUCHEL,
Senate Office Building,
Washington, D.C.

DEAR SENATOR KUCHEL: You have previously been informed of the resolution of the board of governors of the State Bar of California, adopted at its November meeting, reading as follows:

"*Resolved*, That the board of governors of the State Bar of California earnestly recommends for favorable consideration by the Congress of the United States the proposal to add two additional judges to the District Court of the United States for the Northern District of California and to add two additional judges to the District Court of the United States for the Southern District of California."

We are now advised that the Judicial Conference adopted such a recommendation in its entirety, but that, according to the newspaper accounts, the House Judiciary Committee has reduced the recommended number from four to two additional judges for California.

The State Bar of California believes that California needs four additional judges, and hopes that you will persevere in your attempts to see that California receives four rather than two additional judges.

Yours respectfully,
JAMES C. SHEPPARD.

Mr. HUMPHREY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HUMPHREY. Mr. President, I ask that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ESTABLISHMENT OF BICYCLE PATHS BY STATES AND CITIES

Mr. THURMOND. Mr. President, advanced technology in industry has produced a myriad of ingenious devices, all designed to reduce, if not completely eliminate, physical exertion in the performance of everyday tasks of life. We are all aware of the many varied tasks which, when we were children, required much time and effort on our part to perform. However, in this modern age these same tasks can be performed by our children with a minimum of effort and in a much shorter time. This necessarily has resulted in an increase in the leisure time which the younger generation enjoys.

Never let it be said that American industry is not to be congratulated for these labor- and time-saving devices which provide for us the easy life. But, Mr. President, all that glitters is not gold, and I fear that as a result of this easy life the United States is becoming a nation of "softies." In a large segment of our population, the exercise of good honest work has been eliminated, and so far nothing has arisen to take its place.

Recent tests conducted by the American Association for Health, Physical Education, and Recreation, indicate that American children in the 10–17 year age bracket displayed considerably less physical prowess than their European and Japanese counterparts. Those areas tested included leg and arm strength, speed and agility, and endurance for sustained activity. For all tests and at all ages the British boys finished 14 percent higher than the American average. British girls, on the average, finished 23 percent ahead of the American girls. It is also significant to note that in the endurance for sustained activity category, the British girls outscored the American boys.

In its report on these tests the association noted:

The physical fitness of a nation definitely is not displayed in the showing of its Olympic team, nor by its economic or literate stature, but by what its individuals can do. U.S. youth certainly does not display good physical fitness when looked at by this criterion.

These tests show that there is a desperate need for a well-rounded program of physical education in this country. Even though these tests dealt only with the youth of the Nation, this sad state of affairs is by no means limited to them. It is the adult population which derives the most benefits from the modern laborsaving devices, therefore they suffer the most from lack of exercise. We must keep this fact in mind, in attempting to arrive at a solution to the problem, and encourage sports which can be engaged in by old and young alike.

President Kennedy has shown that he is cognizant of the fact that a serious health problem exists in the United States today. In an article in the December 26, 1960, issue of Sports Illustrated he says:

The harsh fact of the matter is that there is also an increasingly large number of young Americans who are neglecting their bodies—whose physical fitness is not what it should be—who are getting soft. And such softness on the part of individual citizens can help to strip and destroy the vitality of a nation.

President Kennedy lauds General Eisenhower's efforts to correct the situation while he was in office, but President Kennedy goes further in outlining his own four-point program. Included in this program he proposes a White House Committee on Health and Fitness to formulate and carry out a program to improve the physical condition of the country. I would welcome any research and advice which might be forthcoming from such a committee; however, I feel that it is entirely within the realm of the individual States to implement any plan which might be proposed.

There is much to be said for physical exercise, for not only is it one of the basic steps toward a healthy body, but it facilitates dynamic and creative intellectual activity. Although there is yet much to be learned on the subject, even the ancient Greeks recognized the fact that intelligence and skill can function at peak efficiency only when the body is healthy and strong.

We all know that diseases of the heart and blood vessels continue to take a greater toll of lives in this country than any other ailment. We tend, however, to forget that exercise is one of the major factors in the prevention and treatment of arteriosclerosis, or hardening of the arteries. Dr. A. L. Chapman, of the U.S. Public Health Service, has given a very clear and interesting description of the value of exercise. He states:

The blood vessels are lined with smooth muscle fibers and if these smooth muscles don't get exercise, they atrophy just like any other part of the body. Now, the only way you can exercise a blood vessel is to put a demand on the blood stream for oxygen. Your heart has to beat faster to pump along a new supply of oxygen-carrying blood to meet the demand.

As your heart increases its pumping action it pushes more blood through the system. The blood vessels expand to allow this more profuse circulation. Later they contract. And this expansion and contraction, is after all, exercise.

One of the major concerns at this juncture is in considering and evaluating the many possible solutions to the problem. It is true that there is no one panacea which can accomplish an overnight cure for the ills of the country. We must, however, seek a sensible and practicable beginning. Most of us can remember riding bicycles as boys. For many this was a primary mode of transportation. But children of today, especially those who live in the city, if they own and ride bicycles at all, must do so either in limited areas or at the peril of their lives. The number of cars filling our roads, and the speed at which these vehicles travel, make them dangerous companions to bicycles.

Surely no one will argue that the extinction of the bicycle is a desirable outcome of greatly increased car travel. Luckily, these two modes of transportation are not mutually exclusive. We do not have to give up the bicycle as a relic,

outmoded and forgotten. Indeed there is good indication that in limited areas bicycle riding still holds its own as one of the more pleasurable sports. According to the Bicycle Institute of America, 22 million bicycles are in use today. Approximately 90 percent of these are used by young people, and the rest by adults. Probably the safest and most enjoyable riding is done in those parts of the country "where the bicycle is king"—or where there are bicycle paths. I was interested to learn that there are some 25 miles of bicycle paths in and around New York City.

Unfortunately this is not true throughout the country. Most of our highway systems make no provision for cyclists, and the volume of traffic makes bicycle use of the highways highly dangerous. Last year, I indicated that I considered the establishment of bicycle paths along these highway systems a necessary development.

It was my hope that the individual cities and States would take the initiative in providing these paths, especially along their major streets and highways, and along areas of greatest beauty and interest. I want to repeat that plea at the present time, and further adjure the individual cities and States to follow the example set by New York and many European cities and countries.

We hear much talk of the pressures of our modern society. Our age is one clouded by the threat of imponderable nuclear force. The incredible advances in communications have shrunk the world, and have accelerated the pace of our lives. But at the same time we enjoy a shorter working day. We have more hours of leisure at our disposal. It is of the utmost importance that we look for ways to mitigate the pressures of our lives, and take the fullest advantage of our time for relaxation. This is true for young and old alike.

What could be more in keeping with our need for enjoyable recreation than the availability of pleasant areas in which to ride bicycles. While keeping in mind the enjoyable aspects of this sport, we must not overlook the therapeutic benefits derived therefrom. A manual for bicycle riders in 1892 quoted the following remarks of a physician on the helpful aspects of the sport:

> Any exercise that brings in play the greatest number of muscles and exercises them evenly is the best to take. This is found in cycling; no one muscle or set of muscles is overtaxed in riding. Also it takes the cycler out of doors, where fresh air and plenty of it can be breathed; it gives him or her a change of scene; the change of landscape adds pleasure to a ride, and before the rider knows it he is wheeling along enjoying the country while his muscles are getting the benefits of a ride.

Dr. Paul Dudley White, the noted cardiac specialist, has indicated that more than a half century has not changed medical opinion on the beneficial value of this sport. Dr. White has said:

> I would like to put everybody on bikes not once in a while, but regularly, as a routine.

During his term of office, General Eisenhower advocated the bicycle as a means of raising the Nation's physical standards. Shane McCarthy, Executive Director of General Eisenhower's Council on Youth Fitness, made the comment that "no sport is more appropriate than cycling to unite the efforts of children and parents for health and happiness."

Taking all these factors into consideration, cycling emerges as one of the better forms of exercise, if not the best. Recently Dr. W. W. Bauer, director of the department of health education of the American Medical Association, discussed the advantages of this form of activity for fitness. He reported to the American Public Health Association meeting that cycling was far more popular in Europe than in America. He stated that bicycling would be a more popular form of exercise in this country if parallel paths were provided on highways for cyclists' use. Dr. Bauer emphasized the need for the development of a personal sport or activity during youth, which could be carried on into adult life when participation in team sports becomes difficult or impractical. He mentioned cycling as an adult activity which does not demand too much time, space, or equipment—and to that list we might add money. In fact, cycling is a good recreational activity which can be engaged in by anyone without having to purchase membership in an expensive country club.

Bicycles have become the most numerous class of vehicles on the roads of England, France, Germany, Holland, Italy, Belgium, and Denmark. It is interesting to note that these countries are all among the countries of the world with the greatest life expectancy. Persons living in any one of these nations can expect to live for 65 years or more from birth.

Anyone who has ridden a bicycle in certain of these Western European countries must have been impressed with the number of facilities provided for the convenience of the bicycle rider. In most cases, the pressure of traffic is not nearly what it is on the roads of this country. I do not believe that there is anything inherently European about bicycling. I am convinced that tens of thousands of persons in this country would be grateful for the opportunity to pursue this sport if the threat of danger from the heavy automobile traffic is eliminated. We can accomplish this end at a relatively small cost merely by providing a safe place for bicycling along our streets and highways.

We must be grateful also for the quality of our modern bicycles. It is a far cry from the contraption that the Scotsman, Kirkpatrick MacMillan, introduced in the 1840's. Several decades of research and development have resulted in a safe, practical, and agreeable mode of transportation.

The fact that both President Kennedy and former President Eisenhower have expressed their awareness of the situation serves to point to the urgent need for the kind of program which I have been, and still am, advocating. It is imperative that we arouse the interest of the public to this need. Shane McCarthy made the following comments on the hazards of our modern society to the goal of youth fitness:

> Buttons and dials are just a tiny evidence of this age of automation. The crowded conditions in which people live complicate further the fitness problems. This should not be interpreted to mean that youth fitness problems pertain only in the city. Mechanized agricultural methods and school buses combine to make life on the farm much less demanding. All modern means of communication and transportation tend to give an aspect of urbanization to rural living. Thus, if the present pattern continues into the future, if the trend of automation reduces further the need for human health, exertion of mind and body, if the stress is to continue on the means of living over the ends of living, human softness will accelerate to our own loss as man becomes more and more an automation of his own making.

I do not ask that our cities and States ignore their highway development program. I only ask that we do not ignore the health and well-being of our citizens. It is even possible to combine speedways with bicycle paths. One adds to and complements the other. And I am sure that there are many who would sigh with relief to view an occasional cyclist on his hurried trip along a turnpike.

I have already mentioned Dr. Paul Dudley White's concern with the problem of exercise as a preventive measure against heart disease, and his desire to see people of all age groups riding bicycles. He believes that a bicycle is a pleasant answer to the problem adults have in finding suitable exercise. He has recognized, too, the danger involved in riding on our streets and highways as they are now. Dr. White has appealed to the mayors of Chicago, Baltimore, San Francisco, Richmond, and New York to construct the same kind of bicycle paths which are provided in London and other European cities.

I express my thanks to Dr. White and join him in this plea. I believe that this is the type plan which lends itself to successful implementation on the city and State levels. Well-planned networks of bicycle paths throughout the cities and States would add immeasurably to the joy of the sport, and the rewards would far outweigh the costs of manpower and material necessary to construct and maintain these simple paths. I think we would gladly transfer an infinitesimal part of the costs of juvenile delinquency and heart disease programs to build these bicycle paths. It is my hope that others will join with me in this fight to raise the physical and health standards of our Nation.

THE PRESIDENT'S BUDGET MESSAGE

Mr. WILLIAMS of Delaware. Mr. President, I wish to comment briefly on the message of the President which has just been sent down. First, I quote from the message:

> This message is designed to review my recommended budgetary revisions within the framework of that pledge. Omitting any increase in the defense budget too urgent to

be denied by budgetary restrictions, and assuming that our review of the economy late in April does not require either a reduction in taxes or additional increases in expenditure, enactment of the new nondefense programs and appropriations I have transmitted will not unbalance the budget previously submitted by my predecessor—

First he says omit taking into account any increase in the defense budget. That item alone is $1 billion in extra money that he has asked for, and certainly such an item in any calculations cannot be omitted.

Continuing, he said that he is now submitting to the Congress "a budget that is in balance in terms of my pledge of January 30."

Then he explains that a balanced budget would be accomplished "if"—and he gives four "ifs," one of which is—

if the Congress enacts no spending measures committing the executive branch to outlays in excess of those requested.

Apparently the President refers to the amounts requested in the Eisenhower budget.

I do not know how President Kennedy intends to reconcile that statement with the fact that he himself has asked Congress to enact many new spending measures which, if we follow his recommendations, will cost the country $8 billion over and above the amount recommended by the previous administration.

Is the President now asking Congress to defeat his recently proposed measures, or is he merely trying to forget them in the computation of budgetary costs?

For example, in the appropriation bill which will be before us on Monday there is a request for an extra $1½ billion, all of which is to pay for new expenditures which have been authorized at the request of the new President. These are for expenditures over and above those contained in the Eisenhower budget.

One billion dollars of that amount is requested for the extended unemployment benefits. The President had rejected the proposal of a tax formula which would have made the program self-financing. Approximately $1 billion will be necessary to implement that measure.

Congress upon the request of President Kennedy enacted a feed grains bill. The following day we received a request for $442 million in additional funds to finance that legislation.

The President has requested $1.4 billion for Federal aid to education to be paid out in 1961 and 1962. If he is sincere in asking for those measures, certainly he must know that their implementation will cost something. Yet he keeps boasting of the balanced budget he will have "if" Congress does not enact them.

The depressed areas measure which the President has requested would cost $394 million. The aid-to-dependent-children program would cost $305 million. One could keep going down the line through the many spending proposals which have been requested since we crossed the new frontier. The President is seeking an increase in social security benefits which, if enacted as requsted, would cost $1¾ billion in the next 2 years over and above the previous estimated budget. He has suggested no provisions to pay for these benefits.

The President is also asking for the enactment of a medical care bill which would cost another $1 billion over and above the previous request. Again billion dollar promises which he says will not cost anything "if" Congress will just not enact them.

If there is any sincerity on the part of the man in the White House in asking Congress to enact these measures, let him assume the responsibility for the cost. It is greatly misleading to the American people to send a budget message to Congress and the public stating that the budget will be in balance when he knows that if the Congress approves all his requests there will be at least a 10 billion dollar deficit during the next 2 years.

The President concludes by saying "if" Congress will reject all of those requests for additional expenditures which he is asking for the budget would be in balance. I believe the President ought to make up his mind whether he is sincere in asking for these proposals and if he is, to put the price tag on them and stop trying to kid the American people as he leads them in the untrod paths of the New Frontier.

EXECUTIVE SESSION

Mr. SYMINGTON. Mr. President, I move the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORT OF COMMITTEE ON AERONAUTICAL AND SPACE SCIENCES

Mr. SYMINGTON. Mr. President, from the Committee on Aeronautical and Space Sciences, I submit the nomination of Dr. Edward C. Welsh to be Executive Secretary of National Aeronautics and Space Council, and ask for its immediate consideration.

The PRESIDING OFFICER. The nomination will be stated.

The legislative clerk read the nomination of Dr. Edward C. Welsh to be Executive Secretary of the National Aeronautics and Space Council.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. SYMINGTON. Mr. President, it is a privilege to urge Senate approval of the nomination of Dr. Edward C. Welsh, as Executive Secretary of the National Aeronautics and Space Council.

With the nomination of Dr. Welsh, the President has continued the practice of choosing men of the highest qualifications and ability to serve in the new administration.

Dr. Welsh has served as my legislative assistant since 1953, and his contributions in the field of space and defense are well known to the Members of the Senate.

He assisted in drafting the Space Act in 1958. He is one of the experts in the field of space organization and coordination.

Dr. Welsh was staff director of the Airpower Subcommittee of the Senate in 1956, and was also staff director of the Committee for Defense Reorganization appointed by President Kennedy last fall.

In 1950–52 Dr. Welsh served as my executive assistant in the National Security Resources Board and the Reconstruction Finance Corporation.

He began his career in the field of economics, teaching that subject for 12 years at Tufts College, the University of Cincinnati, and Ohio State University.

He served as an economist for the National Resources Committee in 1937 and the Temporary National Economic Committee in 1940.

Dr. Welsh's distinguished career in public service began in 1942, when he became regional price executive for the OPA. He then became Director for Price Operations for the United States, and finally Deputy Administrator for the OPA and Assistant Commissioner of the Office of Temporary Controls.

In 1947, he went to Japan, where he served as Chief of the Antitrust and Cartels Division on the staff of Gen. Douglas MacArthur. For this work, Dr. Welsh received a special citation from General MacArthur for "major contributions to development of private enterprise in Japan."

Throughout his career in private and public life, Dr. Welsh has displayed outstanding ability and high character. He has brought to bear on a variety of tasks an objective and analytical mind, and the uncompromising integrity so essential for those in responsible positions in our Government.

We will miss Ed Welsh both in my office and in the Senate, but are fortunate to have had the benefit of his service and dedication.

I congratulate Vice President JOHNSON and this administration for their wisdom in choosing for this critically important job an able public servant—Dr. Edward C. Welsh.

Mr. DOUGLAS. Mr. President, will the Senator from Missouri yield?

Mr. SYMINGTON. I yield to the able Senator from Illinois.

Mr. DOUGLAS. I think all of us most heartily endorse the words of the distinguished Senator from Missouri about Edward Welsh. All of us in the Senate have known him as a man who has a very accurate and penetrating mind and as a man of unfailing kindness and courtesy in his entire conduct. It has been a real privilege for all of us to have had the benefit of his service on the Hill.

I feel certain Dr. Welsh would be the first to say that he has learned much from the Senator from Missouri during his long years of association with him. Together with the Senator from Missouri, I think the country is to be congratulated upon the appointment of Dr. Welsh.

Mr. SYMINGTON. I thank the able Senator from Illinois. I believe, however, that I have learned more from Dr.

Welsh than he has learned from me. However, inasmuch as the great Senator from Illinois is, like this nominee, also an economist of the first rank I know Dr. Welsh will deeply appreciate his comments.

Mr. KEFAUVER. Mr. President, will the Senator from Missouri yield?

Mr. SYMINGTON. I yield to the able Senator from Tennessee.

Mr. KEFAUVER. I join with the distinguished Senator from Missouri and the distinguished Senator from Illinois in their commendation of Dr. Edward Welsh. I have been associated with him personally and know of his work on committees and commissions in the legislative as well as the executive branches of the Government for a number of years. I have had the opportunity to talk with him about many problems of government. He is a man of sterling character and great ability, a man who has a fine concept of public service.

I, too, congratulate the administration upon what I believe to be a very fine, outstanding appointment.

Mr. SYMINGTON. Mr. President, I am also grateful to the Senator from Tennessee. I am certain that Dr. Welsh also will be grateful when he reads this RECORD.

At this time, I pay tribute to Mrs. Welsh. As is the case with so many of us, much of our possible success results from good fortune in marriage. Much of why Dr. Welsh has had such an outstanding career is due to the lady whom he was fortunate to marry, and whom so many of us know and admire. I thank my colleagues for their remarks.

Mr. YOUNG of Ohio. Mr. President, will the Senator from Missouri yield?

Mr. SYMINGTON. I am glad to yield to the able Senator from Ohio.

Mr. YOUNG of Ohio. I, too, hold Dr. Welsh in the highest esteem. I believe the Nation is fortunate that the President, in his wisdom, submitted this nomination. I can speak only in praise of Dr. Welsh. He has been dedicated in the service of his country. I know that in his new appointment he will make an outstanding record.

Mr. SYMINGTON. We all know of the gracious courtesy and intelligence of the distinguished Senator from Ohio. I know Dr. Welsh will appreciate the kind remarks the Senator has made.

The PRESIDING OFFICER. Without objection, the President will be immediately notified of the confirmation of the nomination.

LEGISLATIVE SESSION

Mr. DOUGLAS. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

CIVIL RIGHTS ACT OF 1961

Mr. DOUGLAS. Mr. President, I introduce, for appropriate reference, a bill to give effect to the constitutional right of American children to equal opportunity in desegregated public schooling and to assure the equal protection to the laws in other respects under the 14th amendment. I ask unanimous consent that the bill lie on the desk for a week, for additional cosponsors.

I introduce this measure, entitled the "Civil Rights Act of 1961," in behalf of the senior Senator from Minnesota [Mr. HUMPHREY], the senior Senator from New York [Mr. JAVITS], the senior Senator from New Jersey [Mr. CASE], the senior Senator from Oregon [Mr. MORSE], the senior Senator from California [Mr. KUCHEL], the junior Senator from Colorado [Mr. CARROLL], the junior Senator from Michigan [Mr. HART], the junior Senator from Minnesota [Mr. MCCARTHY], the senior Senator from Colorado [Mr. ALLOTT], the Senator from Alaska [Mr. GRUENING], the junior Senator from Utah [Mr. MOSS], the junior Senator from Ohio [Mr. YOUNG], the junior Senator from California [Mr. ENGLE], the junior Senator from New Jersey [Mr. WILLIAMS], the junior Senator from Oregon [Mrs. NEUBERGER], the junior Senator from Missouri [Mr. LONG], the junior Senator from Rhode Island [Mr. PELL], and myself.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will lie on the desk, as requested by the Senator from Illinois.

The bill (S. 1434) to effectuate and enforce the constitutional right to the equal protection of the laws, and for other purposes, introduced by Mr. DOUGLAS (for himself and other Senators), was received, read twice by its title, and referred to the Committee on the Judiciary.

Mr. DOUGLAS. Mr. President, the substance and form of this bill are the same as S. 810 of the 86th Congress, which I introduced with 16 other colleagues as cosponsors in 1959, and which I have outlined twice before in the Senate.

This measure is devised to give effect to some of the basic protections of the 14th amendment to the Constitution. That amendment provides not only that those born or naturalized in our country are full-fleged citizens both of the United States and of the State in which they live, it also explicitly forbids any State to deny to any person within its jurisdiction the equal protection of the laws and provides that Congress shall have power to enforce the provisions of the amendment by appropriate legislation.

As all of us know, the Supreme Court and lower Federal courts have acted to give effect to these rights in a whole series of cases beginning most importantly with the Supreme Court decision in the Brown case in 1954. But the courts should have the support of Congress and the executive branch of the Government in implementing the 14th amendment, and the measure I am introducing today would furnish such support.

This measure provides for technical, financial, and administrative assistance through the Department of Health, Education, and Welfare in school desegregation cases. It also authorizes injunctive relief in suits brought by the Attorney General—the so-called part III proposals from prior measures in Congress—against denials of equal protection of the laws in school and other situations. It thus aims to mobilize our resources of technical knowledge, financial assistance, legal representation, and basic good will to meet the complex problems of desegregation. It does this in a positive rather than punitive manner.

It would thus range the Congress and the executive branch of the Government alongside the Supreme Court in making good the promises of the 14th amendment.

It would not leave the initiative for the protection of human rights solely in the hands of individuals, who are all too often confronted with enormous social and economic pressures to block their action.

It would, in brief, help to put our moral house in order before the eyes of the world and greatly strengthen our country's leadership in the struggle for freedom in the world against Communist tyranny.

NEED FOR LEGISLATION IS URGENT

Congress has not enacted the prior proposals for such assistance with desegregation into law, but has instead concentrated its attention both in 1957 and in 1960 on measures relating to voting rights. The events of the last 2 years, however, have served to demonstrate the increasing importance of this legislative action under the 14th amendment for equal protection of the laws in regard to education and other public services and facilities.

The most recent summary made by the Southern Education Reporting Service of Nashville, Tenn., and reported in the Southern School News for December 1960, reveals that the progress of desegregation has slowed almost to a walk. Negro students numbering 195,625 are now estimated to be in public school classes with white students in States where segregation used to be the rule. This is only 6.3 percent of the total Negro enrollment in those schools, and over 95 percent of this number is to be found in the District of Columbia and the border States of Missouri, Maryland, West Virginia, Kentucky, Oklahoma, and Delaware.

While the number represents an increase of 14,605 over last year, the report indicates that in view of the increase in school enrollments, it is about the same proportion of the total as last year. In order that the full summary may be available to those who read the RECORD, I ask unanimous consent that it be printed in the RECORD as an appendix to my statement.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. DOUGLAS. Mr. President, the report of the Civil Rights Commission, issued in January of this year, with reference to the progress of desegregation in the public colleges reveals a growing degree of progress but determined resistance to the application of the constitutional principles in substantial areas and only token compliance in others. I

ask unanimous consent that the excerpts from the Commission's report, as carried in the New York Times for January 16, be printed in the RECORD as a second appendix to these remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. DOUGLAS. Mr. President, it is estimated by the Southern School News that over 300 new laws and resolutions have been adopted by the legislatures of 15 States in an effort to prevent, restrict, or control school desegregation. A summary of these measures as carried by the January 1961 issue of the Southern School News indicates the wide variety and scope of these official efforts to prevent the enjoyment of constitutional rights by some of our citizens. I ask that this summary be printed in the RECORD as appendix 3 to my remarks. It is in the face of this slowdown in the progress of compliance and this continuation of the official resistance in many States that the need for congressional and executive action to back up the courts becomes so obvious.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 3.)

Mr. DOUGLAS. Mr. President, as I have said on other occasions, the problem is not one which exists in one area of the country alone. Difficulties are encountered not only in the highly publicized incidents in New Orleans and in Athens, Ga., but also in New Rochelle, N.Y., and other parts of Northern States where citizens and public officials sometimes seek to circumvent the principles laid down by the Constitution. In this connection, I ask unanimous consent to have printed as a fourth appendix to these remarks the excerpts from the ruling by Federal Judge Irving R. Kaufman, of New York, in the recent New Rochelle School case, as printed in the New York Times for January 25.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 4.)

Mr. DOUGLAS. I hardly need point out again the importance of our making progress in this area to the foreign policy objectives of the United States and the free world. After one of the recently headlined incidents of mob resistance to desegregation in one of our American cities, a Foreign Service official who had just served in one of the countries in southeast Asia remarked to a friend, "There goes all my work of the last 3 years."

Surely, Congress should not ignore the imperative needs of the free world to counteract the Communist propaganda which claims that the high principles of freedom outlined in our Constitution are betrayed by our actions. I ask that a moving speech by the distinguished attorney from the Carolinas, Marion A. Wright, on the importance of the image of the United States at home and abroad to our own domestic moral strength, and to our international leadership, be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 5.)

BILL PRESENTS CONSTRUCTIVE APPROACH TO DESEGREGATION PROBLEMS

Mr. DOUGLAS. I think it important to point out that in its proposals for technical and financial assistance to local school authorities in developing and applying their plans for desegregation, this measure goes less far than some of the proposals of the Civil Rights Commission, which were concurred in by several of its southern as well as its northern members. Thus, the Civil Rights Commission recommended that funds under various programs of Federal assistance to higher education be disbursed only to such institutions as do not discriminate on grounds of race, color, religion, or national origin.

Instead of cutting off any such assistance—which may well be justified—as proposed by the Commission, the measure which we have today introduced offers instead only inducements and aids to the local school districts to help them come in line with the Constitution, not penalties for their failure to do so.

The necessity to authorize the Attorney General to institute injunction suits in the name of the United States in behalf of individuals who are denied their equal educational rights is also made clear in the Civil Rights Commission's report when it declares:

> In other States, however, there has been no desegregation except as a result of litigation, and in still others none can be foreseen before some hardy and tenacious Negro has obtained from the courts a declaration of his rights.
>
> LONG AND BURDENSOME
>
> Examination of the individual lawsuits upon which progress in desegregation has so largely depended and will continue to depend shows that they are often long and burdensome affairs. The time that has elapsed in such cases between the date when the Negro plaintiff first sought admission to a white institution and the date when he obtained a court order finally upholding or denying his right to be admitted has been as long as 9 years.

And three of the six Commissioners—Chairman Hannah and Commissioners Hesburgh and Johnson—have explicitly proposed:

> That the Congress consider the advisability of granting the Attorney General statutory authority to institute or intervene in civil actions to enforce the constitutional rights of individual persons not to be denied equal protection of the laws with respect to public higher education.

This, of course, is the principle upon which the part III provisions in titles 5 and 6 of the current measure are based. It is interesting to me also to note that, although the previous administration virtually withdrew its support for this proposal at the end of the 1957 Senate debate on the civil rights bill, and throughout the entire 1959–60 debate on civil rights measures, nevertheless, in his final press conference, former Attorney General William P. Rogers endorsed this proposal on January 16 in a kind of deathbed repentance. He stated:

> If the power of the State is to be thrown into the scales [to obstruct compliance with the Supreme Court decision], it is unfair to put the whole burden on the individual.

I hope at long last that we can develop widespread bipartisan support for this part III principle. It is not a force bill, as will be asserted by its opponents. Such injunction provisions, on the contrary, are to be found in over 50 other Federal enactments and are a very commonplace procedure for the protection of rights deemed to be important by the Congress.

Mr. President, I request that a fuller summary of the bill's constructive provisions be printed at this point in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

SUMMARY OF THE BILL'S PROVISIONS—THE POSITIVE AIDS WHICH IT WOULD OFFER FOR SECURING COMPLIANCE WITH THE 14TH AMENDMENT TO THE CONSTITUTION

A. FEDERAL LEGAL AND MORAL RESPONSIBILITY

Title I

In title I there are specific finds to the effect that the Supreme Court decisions on racial segregation in public education "express the moral ideals of the Nation and the world and point the way to a Nation enhanced in strength and dignity at home and enhanced in honor and prestige throughout the world"; that the decisions are being resisted in many areas of the Nation where there has been a failure to make a prompt and reasonable start toward compliance; and that legislative and executive action is necessary to safeguard the rights involved.

It is further specifically found that these rights will be more widely accepted and more fully enjoyed when it is generally recognized that the Constitution as interpreted by the Court is the law of the land, that all officials are bound by their oaths to support it, and that the Federal legislative and executive branches will act to protect those rights.

And finally after the other basic findings concerning the Federal responsibility, the Congress "declares its intention that the right to the equal protection of the laws guaranteed by the Constitution against deprivation by reason of race, color, religion or national origin and affirmed by the anti-segregation decisions of the Supreme Court, shall be protected by all due and reasonable means."

B. CONSTRUCTIVE STEPS FOR EQUAL TREATMENT IN PUBLIC SCHOOLS

Through authority conferred upon the Secretary of Health, Education, and Welfare, the bill will furnish to the officials and private citizens of good will in all parts of the country the tools with which to accelerate in our public schools the growth of equal treatment for all of our citizens, without regard to race.

Title II

This title authorizes the Secretary to assist, through the compilation and distribution of data, the making of surveys, the arrangement of conferences, the appointment of advisory councils, the provision of specialists' services, and the development of community understanding for desegregation programs that are in harmony with the Constitution.

Appropriations up to $2.5 million a year for 5 years are authorized for these purposes.

Title III

This title authorizes the Secretary to make grants for school facilities in areas where the chief problem preventing or hindering effective compliance is the lack of adequate buildings or other physical equipment.

It also authorizes grants for employing additional teachers, inservice teacher training, employment of specialists, short-term train-

ing courses, and other additional educational measures undertaken to eliminate segregation, while at the same time assuring that existing educational standards will not be lowered.

Funds would also be available to local communities that wish to comply with the Court's decisions, but where, as in Georgia and Virginia, the State threatens to cut off funds or close the schools.

Appropriations of not more than $40 million a year for 5 years are authorized to cover the costs of the grant programs.

Title IV

The bill further provides in title IV that when other methods fail, the executive branch of the Government, acting through the Secretary of Health, Education, and Welfare, shall assume responsibility for initiating the development of desegregation plans to accomplish the objectives of the Court's decisions. In the development of both the tentative and approved plans, however, there are express provisions for the fullest possible local consultation and participation.

The responsibility to go forward in a situation in which officials are hostile is now almost entirely in the hands of private individuals and organizations. Experience has shown that this problem will not become any less troublesome if we countenance the resulting delay.

C. FEDERAL ASSISTANCE IN LEGAL REMEDIES

The bill also provides for Federal assistance in legal remedies under titles V and VI.

In the history of America's advance toward equal justice, court proceedings have been the means of making many of our greatest forward steps. They are still an indispensable part of our protections against racial discriminations.

A growing group of States, however, have passed so-called antibarratry laws which make it much more difficult for civil rights groups or others to assist persons in bringing or maintaining lawsuits for the vindication of their civil rights. Other forms of pressure—such as organized boycotts, threats, and intimidation—have also been used to deter such legal actions.

Since the persons who are denied their rights to equal protection are more often than not poor persons, unable alone to sustain the heavy costs of litigation, and more subject than others to hostile pressures, these laws and pressures will increasingly padlock out of court the Negroes and also the Spanish-speaking Americans of the Southwest in their efforts to maintain suits to carry out the law of the land.

To meet this situation, the proposed legislation would authorize the Attorney General of the United States to start civil actions for preventive relief against those who deprive persons of their rights to equal protection of the laws on account of race, color, religion, or national origin.

This authority is much like that provided in part III of the 1957 bill, H.R. 6127, and in the 1956 measure, H.R. 627. As I have said, on two occasions it was overwhelmingly approved by the House. The authority is more explicitly and clearly set forth here, however, in titles V and VI.

Title V

Title V confers the power to file compliance actions in school cases in connection with approved desegregation plans when the Secretary certifies that all efforts to secure compliance by conciliation, assistance, and otherwise have failed.

Title VI

Title VI first authorizes preventive action against those State and local officials and others acting under color of State law in cases involving denial of equal protection generally, including school cases, by reason of race, color, religion, or national origin; but it provides that the Attorney General may sue only upon a signed complaint and when, in his judgment, the person aggrieved is unable to seek effective legal protection for himself—section 601.

Suits are also authorized by the Attorney General against those who attempt to prevent local officials from according persons equal protection of the laws, or who act to hinder the execution of court orders for equal protection—section 602. Action to deprive persons of their rights under the 14th amendment because such persons are opposing denial of the rights of others, is also made a basis for legal action by the Attorney General—section 603. In addition, the Attorney General is explicitly authorized to intervene in cases brought by others for relief against the denial of equal protection of the laws, because of race, color, religion, or national origin—section 604.

Thus, in the field of legal remedies also, this measure would extend a significant helping hand of the national Government to the safeguarding of constitutional rights.

Mr. DOUGLAS. Finally, Mr. President, may I remind my colleagues on both sides of the aisle that the principles, objectives, and methods of this proposal were endorsed and explicitly stated in the platforms of both political parties as adopted in their national conventions in July 1960. To quote from the Democratic Party platform, "The Rights of Man":

The Constitution of the United States rejects the notion that the rights of man means the rights of some men only. We reject it, too.

The right to vote is the first principle of self-government. The Constitution also guarantees to all Americans the equal protection of the laws.

It is the duty of the Congress to enact the laws necessary and proper to protect and promote these constitutional rights.

We believe that every school district affected by the Supreme Court's school desegregation decision should submit a plan providing for at least first-step compliance by 1963, the 100th anniversary of the Emancipation Proclamation.

To facilitate compliance, technical and financial assistance should be given to school districts facing special problems of transition.

For this and for the protection of all other constitutional rights of Americans, the Attorney General should be empowered and directed to file civil injunction suits in Federal courts to prevent the denial of any civil right on grounds of race, creed, or color.

Or again, if my Republican colleagues will permit, may I quote from the civil rights section of their party's declaration:

Equality under law promises more than the equal right to vote and transcends mere relief from discrimination by government. It becomes a reality only when all persons have equal opportunity without distinction of race, religion, color or national origin, to acquire the essentials of life—housing, education and employment. The Republican Party—the party of Abraham Lincoln—from its very beginning has striven to make this promise a reality. It is today, as it was then, unequivocally dedicated to making the greatest amount of progress toward that objective.

We pledge:

We will propose legislation to authorize the Attorney General to bring actions for school desegregation in the name of the United States in appropriate cases, as when economic coercion or threat of physical harm is used to deter persons from going to court to establish their rights.

Our continuing support of the President's proposal to extend Federal aid and technical assistance to schools which in good faith attempt to desegregate.

I ask unanimous consent that the civil rights sections of the two national party platforms of 1960 be printed as an appendix to my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 6.)

Mr. DOUGLAS. Mr. President, I believe that our country must in good conscience move on to the point where all its citizens, regardless of race, religion, or color, will enjoy the right to the equal protection of the laws which the Constitution guarantees them and the equality of opportunity prescribed by the Declaration of Independence. Despite their complexities, we hope that the voting rights measures passed in 1957 and in 1960 will assist in this development. But it is time for Congress to move ahead in the fields of education and other public services. If Congress does not act, we leave the leadership of the movement for equality of opportunity to those forces which themselves will take the initiative. Courageous as they may be, this is not enough. The sponsors of this bill, therefore, hope that the committee to which it is referred and the Senate, when it again considers the subject of civil rights, will act affirmatively on these constructive proposals. I believe the representatives of all sections of our country must turn their best thought to discover solutions to these demanding problems so that all of our people may enjoy first-class citizenship and the United States may stand before the world as the true symbol of freedom.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I

SHORT TITLE AND FINDINGS

SEC. 101. This Act may be cited as the "Civil Rights Act of 1961."

SEC. 102. (a) The Congress hereby finds that—

(1) recent decisions of the Supreme Court of the United States holding racial segregation unlawful in public education, public transportation, and public recreational facilities (hereinafter referred to as the antisegregation decisions) as a denial of the constitutional right to the equal protection of the laws express the moral ideals of the Nation and the world and point the way to a nation enhanced in strength and dignity at home and enhanced in honor and prestige throughout the world,

(2) these antisegregation decisions are being resisted in many areas of the Nation most directly affected by them and indirectly evaded in other areas, thereby denying to millions of Americans within our borders the constitutional right to the equal protection of the laws,

(3) many States, municipalities, school districts, and other local governmental units have failed to make a prompt and reasonable start toward full compliance with the

Supreme Court's decisions in the field of public education despite the substantial time which has already elapsed since the promulgation of those decisions in 1954 and 1955,

(4) the constitutional right to the equal protection of the laws is being denied to many persons because of race, color, religion, or national origin in fields other than education, transportation, and recreation,

(5) these denials of the constitutional right to the equal protection of the laws restrict millions of Americans to second-class citizenship and deprive the Nation of the maximum development and maximum benefits that can be contributed by such persons, and

(6) legislative and executive action (A) is necessary to safeguard and guarantee to all Americans the constitutional right to equal protection of the laws and (B) will aid in expediting universal compliance with the antisegregation decisions of the Supreme Court.

(b) The Congress further finds that the rights protected by the Constitution, as declared by the antisegregation decisions, will be more widely accepted and more fully enjoyed in all areas of the Nation, and particularly in those areas of the Nation most directly affected by the decisions, when it is generally recognized and understood that—

(1) the Constitution, as declared by the antisegregation decisions, is the supreme law of the land,

(2) all Federal and State officials are bound by their oaths or affirmations to support the Constitution, and

(3) the legislative and executive branches of the Federal Government are acting and will continue to act, with such Federal authority as is found necessary, to protect the constitutional rights upheld by those decisions of the judicial branch of the Government.

(c) The Congress further finds that—

(1) the present system whereby individual plaintiffs in the Federal courts bear the burden of protecting constitutional rights, as declared by the antisegregation decisions, is neither the exclusive nor the most effective means of protecting those constitutional rights and the public interest in safeguarding those constitutional rights, and has resulted in local restrictive and punitive measures against the individuals and organizations engaging in, and supporting, efforts in the courts to assert those constitutional rights, and

(2) specific authorization to the executive branch of the Federal Government to act in support of the constitutional rights upheld by the antisegregation decisions (A) will provide a more rational, uniform, just, and effective system of protecting constitutional rights than the present procedure under which the safeguarding of constitutional rights is determined by the varying resources and courage of individuals and organizations and by the varying State statutory restrictions placed upon them, and (B) will render less effective, and hence tend to reduce, hostile community pressures upon individuals and organizations seeking to safeguard constitutional rights.

(d) The Congress hereby recognizes it to be the initial responsibility of all States, municipalities, school districts, and other local governmental units to safeguard the constitutional right to the equal protection of the laws as declared by the antisegregation decisions of the Supreme Court and to administer their systems of public education, public transportation, and public recreational facilities in accordance with the Constitution of the United States, but the Federal Government, to maintain a more perfect union, to extend justice, to promote the common defense, and to secure the blessings of liberty to all persons, has a coordinate responsibility to guarantee the constitutional right to the equal protection of the laws, to prevent denials of the right when State or local authorities cannot or will not do so, and thus to enhance the Nation's internal strength and its position throughout the world.

(e) Recognizing its authority and responsibility under the fifth section of the fourteenth amendment to the Constitution of the United States and its obligation to uphold the coordinate authority and responsibility of the judicial branch of the Government, the Congress hereby declares its intention that the right to the equal protection of the laws guaranteed by the Constitution against deprivation by reason of race, color, religion, or national origin and affirmed by the antisegregation decisions of the Supreme Court, shall be protected by all due and reasonable means, and to that end enacts the following provisions of this Act.

TITLE II

TECHNICAL ASSISTANCE BY SECRETARY OF HEALTH, EDUCATION, AND WELFARE

SEC. 201. The Secretary of Health, Education, and Welfare (hereafter in this Act referred to as the "Secretary") is hereby authorized to render technical assistance to States, municipalities, school districts, and other local governmental units to eliminate denials of constitutional rights in the field of public education by reason of race, color, religion, or national origin and to come into compliance with the decisions of the Supreme Court in the field of public education by—

(a) assembling, publishing, and distributing information which, in his judgment, will prove helpful in obtaining public understanding of, and compliance with, the Constitution and decisions of the Supreme Court in the field of public education;

(b) surveying the progress made in eliminating segregation in public education in various parts of the country and making available to public agencies, private organizations, private individuals, and the general public the results of such surveys, including wherever possible successful case histories of desegregation and the ways and means utilized to bring about desegregation in such instances.

(c) planning, calling, and holding local, State, regional, and national conferences attended by State and local officials, representatives of private organizations, and private citizens, to discuss ways and means of eliminating segregation in public education generally or in any particular State, municipality, school district, or other local governmental unit;

(d) appointing local, State, regional, and national advisory councils to assist the Secretary in carrying out his duties under this Act and to offer their assistance to any State, municipality, school district, or other local governmental unit to come into compliance with the Constitution and the decisions of the Supreme Court in the field of public education;

(e) reporting to the Congress, at least semiannually, concerning the progress being made in eliminating segregation in public education in various parts of the country; and

(f) assisting, by such other related means as he deems appropriate, States, municipalities, school districts, and other local governmental units to eliminate segregation in public education.

SEC. 202. The Secretary shall recruit, employ, and train specialists in preparing, putting into effect, and carrying out plans for eliminating segregation in public education and shall offer the services of the specialists to States, municipalities, school districts, and other local governmental units. Upon request of any State, municipality, school district, or other local governmental unit, the Secretary shall make available to the requesting governmental unit the services of one or more specialists for such periods of time and in such numbers as the Secretary deems necessary and appropriate in the light of the particular needs of the requesting governmental unit.

SEC. 203. (a) The Secretary is authorized to reimburse any State or local official, representative of a private organization, or private citizen who is invited by him to attend any local, State, regional, or national conference held under the authority of section 201(c), and any member of an advisory council appointed under the authority of section 201(d) who is carrying out authorized functions, for travel expense incurred, and to pay to any such person per diem in lieu of subsistence, in the same amounts as authorized by law (5 U.S.C. 73b-2) for persons in the Government service serving without compensation.

(b) The Secretary is authorized to reimburse any State or local official who, with the approval of the Secretary, is invited to confer with one or more specialists employed by the Secretary under section 202 for travel expenses incurred in attending such conference, and to pay to any such official per diem in lieu of subsistence, in the same amounts as authorized by law (5 U.S.C. 73b-2) for persons in the Government service without compensation.

SEC. 204. There are hereby authorized to be appropriated for the fiscal year beginning July 1, 1961, and for each of the four succeeding fiscal years, such amounts not to exceed $2,500,000 in any fiscal year as may be necessary for carrying out the purposes of this title.

TITLE III

GRANTS TO AREAS WHERE DESEGREGATION IN PUBLIC EDUCATION IS BEING CARRIED OUT

SEC. 301. (a) The Secretary is authorized to make grants to States, municipalities, school districts, and other local governmental units which maintained racial segregation in their public schools on May 17, 1954, and which make application for such grants, to assist in meeting the costs of additional educational measures undertaken or to be undertaken to further the process of eliminating segregation in the public schools of the applicant State, municipality, school district, or local governmental unit, while at the same time assuring that existing educational standards will not be lowered.

(b) Grants may be made under this section for—

(1) the cost of employing additional schoolteachers,

(2) the cost of giving to teachers and other school personnel in-service training in dealing with problems incident to desegregation.

(3) the cost of employing specialists in problems incident to desegregation and of providing other assistance to develop understanding by parents, schoolchildren, and the general public of plans and efforts for eliminating segregation in the schools in order to reduce the possibility of community hostility or unlawful resistance to such plans and efforts, and

(4) other costs directly related to the process of eliminating segregation in public schools, including the replacement of State payments to a school district or other political subdivision withdrawn because the applicant district or subdivision is eliminating, or is starting to eliminate segregation.

(c) Grants may also be made under this section for the construction, enlargement, or alteration of school facilities when the Secretary finds that lack or inadequacy of existing facilities makes the carrying out of any reasonable plan for desegregation without lowering existing educational standards impracticable or materially more difficult.

(d) Each application made for a grant under this section shall provide such detailed breakdown of the additional educational measures for which financial assist-

ance is sought as the Secretary may by regulations prescribe.

(c) Each grant under this section shall be made in such amounts and on such terms and conditions as the Secretary shall prescribe, which may include a condition that the applicant expend funds in specified amounts for the purpose for which the grant is made. In determining whether to make a grant, and in fixing the amount thereof and the terms and conditions on which it will be made, the Secretary shall take into consideration—

(1) the amount available for grants under this section and the other applications which are pending before him.

(2) the financial condition of the applicant and the other resources available to it,

(3) the nature, extent, and gravity of its problems incident to desegregation,

(4) whether the additional educational measures undertaken or to be undertaken are reasonably and effectively designed to further the process of eliminating racial segregation, while at the same time assuring that existing educational standards will not be lowered, and

(5) such other factors as he finds relevant.

SEC. 302. The Secretary is further authorized to make grants to public or other nonprofit educational institutions of higher learning to meet or assist in meeting the cost of short-term training courses or institutes, not to exceed four weeks in duration, for personnel of public schools or of educational agencies engaged in or about to undertake desegregation, designed to enable such personnel to deal more effectively with problems incident to desegregation. Such grants may also be used by such institutions to establish and maintain fellowships for such training courses or institutes, covering tuition, fees, and such stipends and allowances (including travel and subsistence expenses) as may be determined by the Secretary.

SEC. 303. Payments of grants under sections 301 and 302 may be made in advance or by way of reimbursement, and at such intervals and on such conditions as the Secretary may determine.

SEC. 304. (a) There are hereby authorized to be appropriated for the fiscal year beginning July 1, 1961, and for each of the four succeeding fiscal years, such sums, not exceeding $40,000,000 for any fiscal year, as may be necessary to carry out the provisions of this title.

(b) In making grants from funds appropriated for any fiscal year for the purposes specified in section 301 (b), the Secretary may disregard applications received after August 31 in that fiscal year, or may subordinate such applications to applications received before that date. In the event that he receives, either before or after that date, applications which he considers would materially contribute to carrying out the purposes of this title, but which he cannot grant because of lack or inadequacy of available funds, he shall forthwith report this fact to the Congress and to the President, together with his recommendation with respect to the appropriation of additional funds.

(c) In the event that the Secretary receives applications for grants for the purpose specified in section 301(c) which he considers would materially contribute to carrying out the purposes of this title, but which he cannot grant because of lack or inadequacy of available funds, he shall forthwith report this fact to the Congress and to the President, together with his recommendation with respect to the appropriation of additional funds.

TITLE IV

ADMINISTRATIVE ACTION DIRECTED TOWARD ELIMINATING SEGREGATION IN PUBLIC EDUCATION

SEC. 401. The Secretary shall make every effort to persuade States, municipalities, school districts, and other local governmental units to make a start toward eliminating segregation in public education and to carry out in full such programs as they may start, and to this end he shall utilize the authority provided in titles II and III.

SEC. 402. Whenever the Secretary shall find that all efforts under titles II and III and under section 401 of this title have failed, and continue to fail, in bringing about a start toward the elimination of segregation in public education in any State, municipality, school district, or other local governmental unit, the Secretary is authorized to prepare a tentative plan for the elimination of segregation in public education in such State, municipality, school district, or other local governmental unit. In preparing such a tentative plan, the Secretary shall seek the advice and assistance of public officials, private organizations, and private citizens in the area and of any local, State, regional, or national advisory council appointed pursuant to section 201(d); and he shall carefully consider such advice and assistance wherever available. Tentative plans prepared by the Secretary under the authority of this section shall take into account the need of the particular area for time to make an orderly adjustment and transition from segregated to desegregated schools.

SEC. 403. (a) Whenever the Secretary has prepared a tentative plan for the elimination of segregation in public education in any State, municipality, school district, or other local governmental unit, he shall forward the plan to the Governor, mayor, or other appropriate official, as the case may be. If the State, municipality, school district, or other local governmental unit agrees to put into effect the tentative plan as proposed by the Secretary or as modified by the State, municipality, school district, or other local governmental unit with the consent of the Secretary, the Secretary shall utilize the authority granted in titles II and III assist the State, municipality, school district, or other local governmental unit in putting into effect the tentative plan.

(b) If the State, municipality, school district, or other local governmental unit (1) does not agree to put into effect the tentative plan as proposed by the Secretary or as modified with his consent, or (2) after agreeing to the tentative plan as so proposed or modified, does not, in the judgment of the Secretary, carry out such tentative plan, the Secretary shall hold a public hearing upon the tentative plan. Notice of such hearing shall be given to the local authorities concerned by registered mail and notice shall be given to private organizations and private citizens within the area by publication in one or more newspapers. Local authorities, private organizations, and private citizens shall be permitted to participate in the hearing and present evidence and argument in favor of the tentative plan, in favor of amendments to the tentative plan, or in opposition to the plan or to any plan, but cumulative evidence may be excluded in the discretion of the Secretary. Anyone shall be permitted to file a written statement with the Secretary in addition to, or in lieu of, personal appearance at the public hearing.

(c) After the hearing provided in subsection (b) has been concluded, the Secretary shall prepare and issue an approved plan for eliminating segregation in public education in the State, municipality, school district, or other local governmental unit. He shall publish the approved plan in the Federal Register and in one or more newspapers in the area affected thereby and shall transmit a certified copy thereof to the appropriate official of the State, municipality, school district, or other local governmental unit involved.

(d) In order that the proceedings under this title shall expedite the elimination of segregation in any State, municipality, school district, or other local governmental unit, the Secretary shall handle all proceedings under this title as expeditiously as possible. The Secretary shall complete any proceedings hereunder within one year from the time that a tentative plan is forwarded to the governor, mayor, or other appropriate official under section 403(a), or, in case a State, municipality, school district, or other local governmental unit agrees to a tentative plan but does not carry it out, within six months from the time that the Secretary determines that such State, municipality, school district, or other local governmental unit is not carrying out such tentative plan.

SEC. 404. There are hereby authorized to be appropriated for the fiscal year beginning July 1, 1961, and for each of the four succeeding fiscal years, such amounts as may be necessary for carrying out the purposes of this title.

SEC. 405. The Secretary is authorized to carry out his responsibilities and exercise his authority under this title and under titles II and III through designated personnel in his own office or through any existing bureau, division, or agency of the Department of Health, Education, and Welfare or through a new office created by him for the special purpose of exercising the Secretary's responsibilities hereunder, except that the Secretary shall personally review and sign any approved plan issued under section 403(c).

TITLE V

AUTHORIZATION TO THE ATTORNEY GENERAL IN THE FIELD OF PUBLIC EDUCATION

SEC. 501. (a) Whenever (1) the Secretary has published in the Federal Register an approved plan for the elimination of segregation in public education in any State, municipality, school district, or other local governmental unit pursuant to section 403(c), (2) the State, municipality, school district, or other local governmental unit has rejected the plan or has refused or failed to act in accordance therewith, and (3) the Secretary has certified to the Attorney General that all efforts to secure compliance with the Constitution and the Supreme Court's decisions by conciliation, persuasion, education, and assistance under titles II, III, and IV have failed, the Attorney General of the United States is authorized to institute for or in the name of the United States a civil action or other proceeding for preventive relief, including an application for an injunction or other order, against the appropriate officials of the State, municipality, school district, or other local governmental unit, and any individual or individuals acting in concert with such officials to enforce compliance with the approved plan.

(b) The Attorney General is authorized to move to dismiss or discontinue any action brought under subsection (a), or to propose or to agree to a decree adopting a plan for elimination of segregation in public education which is different from the approved plan, whenever he determines that the State, municipality, school district, or other local governmental unit is making, or is prepared to make, a prompt and reasonable start toward full compliance with the Constitution and the Supreme Court's decisions in the field of education and to work toward full compliance with all deliberate speed.

(c) Any interested party may, with the leave of the court, intervene in any action brought under subsection (a), and the court shall consider any proposals by the intervenors, as well as by the defendant or defendants, in determining its final decree.

TITLE VI

OTHER AUTHORIZATIONS TO THE ATTORNEY GENERAL

SEC. 601. (a) Whenever the Attorney General receives a signed complaint that any person or group of persons is being deprived of, or is being threatened with the loss of, the right to the equal protection of the laws by reason of race, color, religion, or national origin and whenever the Attorney General certifies that, in his judgment, such person or group of persons is unable for any reason to seek effective legal protection for the right to the equal protection of the laws, the Attorney General is authorized to institute for or in the name of the United States a civil action or other proceeding for preventive relief, including an application for an injunction or other order, against any individual or individuals who, under color of any statute, ordinance, regulation, custom, or usage, of any State or Territory or subdivision or instrumentality thereof, deprives or threatens to deprive such person or group of persons of the right to equal protection of the laws by reason of race, color, religion, or national origin and against any individual or individuals acting in concert with them.

(b) A person or group of persons shall be deemed unable to seek effective legal protection for the right to the equal protection of the laws within the meaning of subsection (a) not only when such person or group of persons is financially unable to bear the expenses of the litigation, but also when there is reason to believe that the institution of such litigation would jeopardize the employment or other economic activity of, or might result in physical harm or economic damage to, such person or group of persons or their families.

(c) Nothing contained in titles IV and V shall limit the authority of the Attorney General to institute and maintain an action under subsection (a).

SEC. 602. The Attorney General is authorized to institute for or in the name of the United States a civil action or other proceeding for preventive relief, including an application for injunction or other order, (1) against any person or persons preventing or hindering, or threatening to prevent or hinder, or conspiring to prevent or hinder, any Federal, State, or local official from according any person or group of persons the right to the equal protection of the laws without regard to race, color, religion, or national origin, or (2) against any person or persons preventing or hindering, or threatening to prevent or hinder, or conspiring to prevent or hinder the execution of any court order protecting the right to the equal protection of the laws without regard to race, color, religion, or national origin.

SEC. 603. The Attorney General is authorized, upon receipt of a signed complaint, to institute for or in the name of the United States, a civil action or other proceeding for preventive relief, including an application for injunction or other order, against any individual or individuals who, under color of any statute, ordinance, regulation, custom, or usage, of any State or territory or subdivision or instrumentality thereof, deprives or threatens to deprive any person or group of persons or association of persons of any right guaranteed by the fourteenth amendment of the Constitution because such persons or group of persons or association of persons has opposed or opposes the denial of the equal protection of the laws to others because of race, color, religion, or national origin.

SEC. 604. Whenever a suit is brought in any district court of the United States seeking relief from the deprivation of the right of equal protection of the laws because of race, color, religion, or national origin, the Attorney General is authorized to intervene in such action with all the rights of a party thereto and to seek compliance with any lawful order issued by such district court.

TITLE VII

MISCELLANEOUS PROVISIONS

SEC. 701. The district courts of the United States shall have jurisdiction of proceedings instituted under sections 501, 601, 602, and 603 of this Act and shall exercise the same without regard to whether any administrative or other remedies that may be provided by law shall have been exhausted and, in the case of proceedings instituted under sections 601 and 602, without regard to whether any administrative proceeding is pending or contemplated under title IV, it being the purpose of title IV to expedite, not delay, the elimination of segregation in public education throughout the Nation. In any proceeding hereunder, the United States shall be liable for costs the same as a private person.

SEC. 702. Nothing in this Act or in any administrative proceeding hereunder shall be construed to impair any right guaranteed by the Constitution or laws of the United States or any remedies already existing for their protection or enforcement, nor to prevent any private individual or organization from acting to enforce or safeguard any constitutional right in any manner now permitted by law.

SEC. 703. If any provision of this Act or the application of such provision to any person or circumstance is held invalid, the remainder of this Act or the application of such provision to persons or circumstances other than those to which it is held invalid, shall not be affected thereby.

EXHIBIT 1

[From the Southern School News, December 1960]

NEW SUMMARY NOTES CHANGES IN ENROLLMENT

Public schools in the South now provide classes with whites for 195,625 Negroes—an increase of 14,605 over last year.

The increase was one of several reported in the latest edition of Southern Education Reporting Service's semiannual summary of statistics relating to developments in education arising from the U.S. Supreme Court decision in the public school segregation cases. Data is given on enrollments, teachers, colleges, litigation, and legislation.

The Negroes attending desegregated schools make up 6.3 percent of the 3,097,534 Negroes enrolled in the 17 Southern and border States, plus the District of Columbia—the area maintaining school segregation by law at the time of the U.S. Supreme Court's ruling in 1954.

About the same proportion of Negro students attended biracial classes last school year when the region's Negro enrollment was 3,020,727. Negroes continue to make up 23 percent of the total enrollment.

TEN MILLION MARK

White enrollment cleared the 10 million mark, reaching 10,165,246. The last school year ended with 9,984,192 whites in attendance. These increases in white and Negro students raised the area's combined enrollment to 13,262,780, as compared to 12,914,919 in 1959–60.

Seven border States and the District of Columbia, where the first desegregation occurred, continue as the principal areas of biracial classrooms. Delaware, the District, Kentucky, Maryland, Missouri, Oklahoma, Texas, and West Virginia conduct racially mixed classes for a total of 194,849 Negroes.

The remainder of the desegregated Negro students—776—reside in Arkansas, Florida, Louisiana, North Carolina, Tennessee and Virginia. In each case, the Negroes involved are 1 percent or less of the Negro enrollment.

Louisiana's initial desegregation in New Orleans in November marked the first in the State and in the Deep South, although the State had some previous desegregation at the college level. Alabama, Georgia, Mississippi, and South Carolina remain as the only States with complete segregation, which extends from elementary grades through college. Thirty-six percent of the South's Negro pupils live in these four States.

DESPITE DECREASE

Despite a decrease in the overall number of districts, the number desegregated increased from the 1959–60 figure of 749 to 777 in the current term. This is one-fourth of the biracial districts—those having members of both races.

Consolidations cut the number of districts from the 7,016 noted in last May's summary to 6,664 this year. At the same time, biracial districts dropped from 2,850 to 2,839.

Districts desegregated in practice or principle have 681,763 Negroes and 3,013,019 whites enrolled. Last year, the districts in this category had about 2½ million white students and just over one-half million Negroes.

The number of Negroes in classes with whites increased in nine States, doubling since last year in three instances. North Carolina, which had 34 Negroes in this classification last year, reported 82 this year. Tennessee's increased from 169 to 342, and in Virginia the figure rose from 103 to 208.

ONLY DISTRICT

Florida experienced a decrease in the number of Negroes in biracial schools. The State's only desegregated district, Dade County, had 512 Negroes in two schools with whites last year; but one school, Orchard Villa, became all Negro this term when the lone white child withdrew. That left Florida with 27 Negroes attending classes with whites.

Public school faculties remain segregated in nine States, including five that have desegregated classes, the statistical summary reports. Eight other States and the District of Columbia reported some degree of desegregation among faculties, although in five of these States several teachers lost their jobs in the change to biracial schools.

The public school systems in the region employ 494,054 teachers, about 20 percent of them Negroes.

Of the 228 predominantly white tax-supported colleges and universities in the region, 138 in 13 States are desegregated in practice or principle. Fifteen of the 49 predominantly Negro schools are desegregated. This makes 153 of 277 institutions of higher learning that will accept students of another race.

NUMBER UNKNOWN

The number of white and Negro students involved in the desegregation at this level is unknown since most of the border States no longer report enrollment by race. However, the South's public colleges have 528,606 whites and 57,886 Negroes enrolled, compared with 523,988 and 50,717, respectively, last year.

The new SERS summary lists the titles of 174 cases filed in Federal and State courts on segregation, desegregation and related issues.

The legislatures of 15 States have adopted almost 300 new laws and resolutions to prevent, restrict or control school desegregation. Most of the legislation has been passed since 1954, although a few laws were enacted in anticipation of the U.S. Supreme Court's 1954 decision.

Only Oklahoma has taken legislative action to encourage desegregation. The Missouri and West Virginia legislatures removed racial designations from their school laws, recognizing desegregation as an accomplished fact. In 1959, Maryland ratified the 14th amend-

ment to the U.S. Constitution, giving approval to the amendment on which the desegregation decisions were based.

Alabama, Georgia, Louisiana, Virginia, and North Carolina have adopted tuition grant laws. Legislatures in nine States have set up pupil placement laws. Legislators in eight States have approved interposition resolutions.

SERS publishes the "Statistical Summary" twice a year. The 20-page booklet is available on a subscription basis at $1 a year.

Segregation-desegregation status

State	School districts			Enrollment		In desegregated districts		Negroes in schools with whites	
	Total	Biracial	Desegregated	White	Negro	White	Negro	Number	Percent
Alabama	114	114	0	[3] 516,135	[3] 271,134	0	0	0	0
Arkansas	422	228	10	[2] 317,053	[2] 105,130	52,126	12,639	113	.107
Delaware	93	51	24	67,145	15,061	48,505	8,665	6,734	44.7
District of Columbia	1	1	1	24,697	96,751	24,697	96,751	81,392	84.1
Florida	67	67	1	776,743	202,322	[1] 133,336	[1] 27,502	27	.013
Georgia	198	196	0	[3] 682,354	[3] 318,405	0	0	0	0
Kentucky	211	171	128	[3] 593,494	[3] 41,933	[1] 445,000	[1] 32,000	16,329	38.9
Louisiana	67	67	1	[3] 422,181	[3] 271,021	37,490	51,113	4	.001
Maryland	24	23	23	[1] 449,879	[1] 134,379	[3] 406,286	[3] 114,582	[3] 28,072	20.9
Mississippi	151	151	0	[3] 287,781	[3] 278,640	0	0	0	0
Missouri	1,889	[3] 214	[3] 200	[3] 758,000	[3] 84,000	----------	[2] 75,000	[3] 35,000	41.7
North Carolina	173	173	10	[1] 816,682	[1] 302,060	117,404	54,746	82	.027
Oklahoma	1,276	241	189	[3] 504,125	[3] 40,875	266,405	30,725	9,822	24.0
South Carolina	108	108	0	[1] 352,164	[1] 257,935	0	0	0	0
Tennessee	154	143	6	[3] 670,680	[3] 157,320	87,393	19,644	342	.217
Texas	1,531	720	130	[3] 1,840,987	[3] 288,553	[3] 800,000	[3] 85,000	[3] 3,500	1.21
Virginia	130	128	11	668,500	211,000	177,731	52,286	208	.099
West Virginia	55	43	43	416,646	21,010	416,646	21,010	[3] 14,000	66.6
Total	6,664	2,839	777	10,165,246	3,097,534	[4] 3,013,019	681,763	195,625	6.3

[1] 1959–60. [2] 1958–59. [3] Estimated. [4] Missouri not included.

EXHIBIT 2

[From the New York Times, Jan. 16, 1961]

EXCERPTS FROM CIVIL RIGHTS REPORT ON U.S. HIGHER EDUCATION

Discrimination in higher education, as at the public school level, centers today on the American Negro, who represents more than a tenth of the total population. The relatively few members of other non-Caucasian races in the population seeking public higher education do not appear to be the object of discriminatory admission practices at this time.

The public colleges of the Northern and Western States are not free of suspicion of discrimination against Negroes. Some 20 percent of the public institutions in those States inquire as to the race of an applicant or ask for a photograph, or both, and, if the requirement of a personal interview is counted as another possible method of determining the race of an applicant, the proportion providing themselves with this information increases to 33.2 percent. Moreover, it appears that at least some of these institutions, in fact, use this information for discriminatory purposes.

Still, the heart of the problem of discrimination against the Negro today lies in the Southern States. Here, a pattern of racially segregated colleges developed in the last quarter of the 19th century, and complete separation—although not equality—of the races in public education was the rule until 1936, when Donald Murray was admitted to the University of Maryland Law School upon an order of the Maryland Court of Appeals. In the years since then, the walls of segregation have been breached repeatedly, first by lawsuit and then in some cases by voluntary action, until, in the academic year 1959–60, 118 of the 162 public institutions formerly for white students only in 13 of the 17 Southern States had admitted Negro students at the graduate or undergraduate level or claimed to have adopted a nondiscriminatory admission policy. The District of Columbia merged its white and Negro public teachers colleges in 1954 and 1955, thus eliminating segregation in public higher education in the District of Columbia. The 118 desegregated institutions in 13 States include all of the public colleges and universities in Delaware, Kentucky, Maryland, Missouri, Oklahoma and West Virginia; 47 of the 76 in the States of Arkansas, North Carolina, Tennessee, Texas and Virginia; and 5 of the 20 in Florida and Louisiana. All 49 of the public higher educational institutions for white students in Alabama, Georgia, Mississippi, and South Carolina, however, maintain strict exclusion policies, as do 37 institutions in Arkansas, Florida, Louisiana, North Carolina, Texas and Virginia. The status of segregation or desegregation in only 7 of the 211 formerly white public institutions in the 17 Southern States is unknown to the Commission.

SOME PROGRESS NOTED

Compliance in some degree with the requirements of the equal-protection clause in 55.9 percent of the formerly segregated public white colleges and universities of the South is progress indeed, but, unfortunately, in many of these institutions compliance is not complete. In some, Negroes are admitted only to the graduate division; in others, they are admitted to the undergraduate division, but only if they wish to enroll in a course of study not offered in the college for Negroes maintained by the State. Such limitations are clearly in violation of the 14th Amendment.

The extent to which discrimination may continue, even when compulsory segregation has been officially disavowed, is indicated by the number of public institutions in the Southern States that supply themselves with information regarding the race of those who apply for admission. Sixty-nine percent of southern public institutions ask the race of applicants or require photograph, or both, as compared with 20 percent of those in the Northern and Western States. If the requirement of a personal interview is included as a means of learning the race of an applicant, the percentage in the South supplying themselves with information as to the race of applicants increases to 77 percent as compared with 53 percent in the North and West.

The most serious equal-protection problem in public higher education, however, does not arise from the occasional instances of discrimination that occur, but from overt official resistance to any desegregation at all. In almost all the Southern States, such resistance had initially to be overcome by means of lawsuits brought by individual Negroes seeking admission to particular institutions, but, once a start was so compelled, some of the States proceeded voluntarily to open other formerly white public colleges to Negroes. In other States, however, there has been no desegregation except as a result of litigation, and in still others none can be foreseen before some hardy and tenacious Negro has obtained from the courts a declaration of his rights.

LONG AND BURDENSOME

Examination of the individual lawsuits upon which progress in desegregation has so largely depended and will continue to depend shows that they are often long and burdensome affairs. The time that has elapsed in such cases between the date when the Negro plaintiff first sought admission to a white institution and the date when he obtained a court order finally upholding or denying his right to be admitted has been as long as 9 years.

Although there is substantial discrimination in some public institutions of Arkansas, North Carolina, Tennessee, Texas, and Virginia, the hardcore States are Alabama, Georgia, Mississippi, and South Carolina. It is also true that, as of the college year 1959–60, Negro residents had been able to secure entrance to public colleges in Florida and Louisiana only by court order, to one and four, institutions respectively. The Commission has called these six States collectively the resistant States.

Examining the means used by these States in their official resistance to desegregation, the Commission has found not only exhaustive litigation in the courts, but also a variety of legislative and administrative measures designed to impede or prevent any Negro from entering a public institution maintained for white students. These measures range from laws providing for the closing of desegregated colleges or cutting off their financial support, through the establishment of new admission requirements designed to exclude Negroes, to intimidation of teachers and students.

The Commission also examined the separate colleges maintained in the resistant States to compare the quality of the public higher education offered to the two races. This examination shows that educational opportunity for Negroes is not equal to that provided white residents, when measured by such tangible criteria as number and location of colleges, financial support, type of program offered, degrees granted, or accreditation status of the public colleges for the two races. In some States the deprivation to the Negro students is much greater than in other States, but in all of the resistant States, as a result of compulsory segregation, education for Negroes is inferior to that provided by the State for white students.

SCHOOLS FOUND UNEQUAL

The Commission has found that in the six resistant States education for the Negro is indeed separate and unequal, not only at the college level but in preparation for college. The public high schools of the States, which are still entirely segregated by race, present a picture of deprivation carrying in degree from a low of 2.6 percent Negro high schools approved by the Southern Association of Colleges and Secondary Schools, as compared with 52.4 percent white in Mississippi, to a high of 53.9 percent Negro and 84.1 percent white high schools so approved in Florida.

This inferior preparation of the Negro high school student in the segregated high school of the South helps perpetuate the problem of segregation and discrimination at the college level. Proportionately fewer academically talented Negroes have the educational foundation required for success in a first-rate college. The graduates of segregated and inferior high schools tend, therefore, in overwhelming numbers to attend segregated and generally inferior colleges. So deprivation at one level leads to deprivation at another, and since the teachers of segregated Negro schools are, for the

most part, trained in segregated colleges, these deprivations are self-perpetuating from generation to generation.

The Commission has received evidence that educational deprivation of Negroes is similarly transmitted from the educationally, economically, and culturally deprived parent to the child. The Commission board at its Second Annual Conference on Problems of Schools in Transition from the Educator's Viewpoint of the educational handicap of the child whose parents lacked educational opportunity; the lower goals and aspirations transmitted from one deprived generation to the next.

FEDERAL ROLE CRITICIZED

The Commission has examined the role of the Federal Government in this picture of continued denial of equal protection of the laws in public higher education. It has found that the Federal Government has been a silent partner in the creation and perpetuation of separate colleges for Negroes. As to land grant colleges particularly, the Federal Government has been heavily involved, not only because of its sponsorship of separate colleges in the second Morrill Act of 1890 and its financial support to such colleges ever since the first Morrill Act of 1862, but because it has allowed southern legislatures to channel almost all Federal funds for specific programs in such institutions to the separate white colleges. The Federal Government bears a heavy responsibility for the resulting discrimination against past and present generations of Negroes.

Other current programs of Federal aid to higher education have had a similar tendency to support discrimination and to maintain the disparity in educational opportunities offered by some States to their citizens. Five types of Federal programs were analyzed by the Commission as to their civil rights impact. In none of these programs is any consideration given by the Federal Government to the presence or absence of discrimination by the recipient institution. (1) The college housing program was examined as an example of general support to higher education, and found to underwrite segregation. (2) The programs of institutes to improve the quality of education at the secondary and college level, both those administered by the Department of Health, Education, and Welfare under the National Defense Education Act and those of the National Science Foundation, were found to have the effect of improving education for the white student while doing comparatively little for the segregated Negro in the resistant States. (3) Similarly, it appears that in the basic research programs financed by the Federal Government in colleges and universities for the benefit of the health and safety of the Nation as a whole, Negro students in the resistant States have no opportunity to participate except in two States where there have been limited breakthroughs of desegregation. (4) On the other hand, fellowships for advanced study under Federal sponsorship granted on individual merit, and (5) individual aid based on need (student loans) and Federal obligations (VA and war orphans' assistance), have all been found to be nondiscriminatory at the Federal level.

DISCREPANCY INCREASED

The total impact of Federal aid to public higher education in these States has been to increase the discrepancy between the amounts spent by the States themselves for white institutions as compared with Negro institutions.

It is apparent that Federal funds allocated, granted, or disbursed under contract to higher educational institutions without regard to the discriminatory policy of the recipient institution accentuate the disparity of educational opportunity for the American Negro in the six States studied, whether such funds are measured as support per student or by resident of the State.

FEDERAL FUNDS IN SUPPORT OF HIGHER EDUCATION

Findings

1

The Federal Government is deeply involved financially in the higher education of its citizens. Its expenditure for general support of colleges and universities; for aid to students, teachers, and institutions for specific educational programs; and for research in or by colleges and universities is estimated to be $1.5 to $2 billion a year.

2

Insofar as applicants to publicly controlled colleges and universities are denied admission on such arbitrary grounds as their race, religion, or national origin, they not only are denied equal protection of the laws under the Constitution, but also are denied the opportunity to participate, directly or indirectly, in the benefits resulting from the use by such institutions of Federal funds.

3

Insofar as the Federal Government, whether by allotment, grant, or contract, disburses funds to publicly controlled colleges and universities practicing racial exclusion, whether of Negro students or white, it is supporting operations in violation of the Constitution.

4

The Supreme Court has held that the Federal Government is prohibited by the Constitution from maintaining racially segregated educational institutions. It is not sound policy for the Federal Government to subsidize the unconstitutional operations of others; to do indirectly what it is not permitted to do directly.

5

It is not a sound policy for the Federal Government to disburse public funds in such a manner that it increases the adverse effects on some citizens of denials of equal protection of the laws by States and political subdivisions thereof.

6

In its study of Federal programs, of aid to higher education, the Commission has found that programs of direct assistance to individual students on the basis of merit (NSF fellowships), need (National Defense Education Act students' loans), and Federal obligation (VA and war orphans' assistance) are not administered so as to be discriminatory on grounds of race, religion, or national origin.

7

Other Federal programs in support of higher education, however, by reason of the failure of the Federal Government to give any consideration to the presence or absence of discriminatory practices by the recipient institution, have the effect of supporting racial segregation, and continue the educational deprivation of those excluded from such institutions. In five of the programs studied by the Commission, college housing, national defense fellowships, National Defense Education Act, educational media, NSF institutes, and agricultural research and extension, 62 percent or more of the funds expended in seven selected Southern States went to institutions which exclude applicants solely on the basis of race. In five other such programs, National Defense Education Act counseling and guidance institutes, National Defense Act language institutes, NIH grants under contract, NSF grants in support of basic research, AEC grants for research fellowships and other training, 40 to 50 percent of the funds expended in the seven States were received by such institutions.

8

The disbursement of Federal funds under these and other programs to segregated white institutions in the four States maintaining complete segregation at the higher education level increases the disparity between the public financial support of colleges for white students and colleges for Negroes. In fiscal year 1958, for instance, the amount of Federal funds expended in support of public white institutions, per student enrolled, exceeded the amount expended for public Negro institutions by $130.99 in Alabama, $171.33 in Georgia, $179.50 in Mississippi, and $141.89 in South Carolina. The effect of this discrepancy is to contribute to the continuation of inferior segregated institutions and to magnify the disparity between the quality of the public higher education offered to white students and that offered to Negro students in such States. The same situation exists in other States, but, owing to desegregation in some degree of one or more public colleges or universities the effect on a statewide basis is not so great.

Recommendation No. 1

Therefore, the Commission recommends that the Federal Government, either by Executive or, if necessary, by congressional action, take such measures as may be required to assure that funds under the various programs of Federal assistance to higher education are disbursed only to such publicly controlled institutions of higher education as do not discriminate on grounds of race, color, religion, or national origin.

The Commission agrees that in any such Federal action taken it should be stipulated that no Federal agency or official shall be given power to direct, supervise, or control the administration, curricula or personnel of an institution operated and maintained by a State or a political subdivision thereof.

Concurrences noted

(At this point the report included concurring statements by the Commission's Vice Chairman, Robert G. Storey, and by Commissioner Rankin.

(Among other things, Mr. Storey contended that it had not been Congress' intent up to the present to approve the withholding of funds to institutions that discriminated. Mr. Rankin noted that his concurrence was one of principle but that he did not support certain procedures suggested by the Commission.)

Dissenting statement

Commissioner Doyle E. Carlton: I join the Commission in commending the staff on the detailed and well-documented study of the legal developments in connection with the matter of denial of rights in public higher education. The report reflects great progress made in this area over the last 20 years. However, much remains to be done. Our real question is how best to obtain our objective.

As to recommendation 1, it is my opinion that this objective will not be attained by any action which has the effect of withholding public funds from institutions that do not conform to a Federal pattern. The withholding of such funds is to me unsound from a political, governmental and moral standpoint. I cannot approve the withholding of money, coming as it does to the Federal Government from the taxpayers of the several States, as a club to force any fixed pattern set forth by a Federal agency. Such action would impede rather than advance public higher education. It would also create resentment, and ill will to the injury of both races. Progress can be made on the basis of goodwill without such arbitrary action.

ENFORCEMENT OF CONSTITUTIONAL RIGHTS

Findings

1

The long process of eliminating segregation in the public colleges and universities of the seventeen southern States began at the graduate and professional school level in 1936. In the following 18 years the State universities in three States opened their graduate divisions voluntarily to all qualified students without regard to race. The graduate divisions, or specific schools herein, were similarly opened in certain public institutions in eight additional States by court action. Likewise, the undergraduate division of some 4-year colleges and junior colleges, formerly for white students only, in four States were voluntarily opened on a nondiscriminatory basis before the Supreme Court's decision in the school segregation cases in 1954. Undergraduate students were also admitted by Federal court order to certain public colleges in four States prior to 1954.

2

In 1954 and 1955, following the Supreme Court's decision in the school segregation cases, six States and the District of Columbia officially all voluntarily abolished all racial designations for their State colleges and universities and declared them open to all qualified students. Voluntary desegregation since 1955 has been limited to such action by individual colleges and universities after a Court order had required desegregation of another public institution in the same State. However, in the academic year 1959–1960 racial segregation was still maintained in at least 86 public colleges and universities in Southern States. Further extension of voluntary compliance with constitutional requirements does not now seem probable; future gains will depend increasingly upon individual court suits to compel the dropping of racial barriers.

3

At present, action to secure admission to a public college or university by Court action is a long, arduous, and costly affair. The average length of such suits in Federal district courts (excluding the few cases in which the defendant did not file an appeal from an order admitting the plaintiffs to all cases finally determined since May 1954) is slightly more than 2½ years.

4

An individual should not be subjected to such delay in securing a judicial determination of his constitutional rights. In the case of a college applicant, the delay causes irreparable harm to the individual and also to the Nation that needs to realize the highest potential of its manpower.

5

The application of a State law, custom, or practice in such a way as to deny constitutional rights involves a question of State-Federal relationship of delicacy and importance comparable to that involved in a challenge to the constitutionality of a State statute. In the latter case the Congress, in order to assure an adequate hearing and full deliberation of the issue, has provided for an expeditious hearings by a court composed of three judges, and a direct appeal to the U.S. Supreme Court. Such a procedure, long established and familiar to judges and lawyers alike, could be extended to include cases presenting a factual issue of denial of equal protection of the laws and would promote the speedy and correct determination of such cases.

Recommendation No. 2

Therefore, the commission recommends that Congress consider the advisability of authorizing the use of three-judge courts under section 2284 of the United States Judicial Code (U.S.C., title 28) to cases presenting a substantial factual issue as to whether persons are being denied equal protection of the laws with respect to public education.

DISSENTING STATEMENTS

Vice Chairman Storey: This recommendation affects jurisdiction of the Federal courts which should not be disturbed. Delays in litigation are often due to causes other than jurisdiction. In vesting a fact-finding function in the three-judge Federal court for all public education cases it is, in effect, recommending the transferral of the duties of the United States District Courts to other Federal courts.

Commissioner Carlton: I see no reason for this recommendation. Our courts are ample and are proving repeatedly that the problem is being handled efficiently.

AFFIRMATIVE FEDERAL ACTION TO ALLEVIATE ACADEMIC HANDICAPS

Findings

1

The overall effect of segregation in public education, at both the college and the public school levels, has been to give a substantial portion of the population the opportunity to obtain only an inferior education. Moreover, the effects of such deprivations are self-perpetuating: that is, students from inferior schools can attend only inferior colleges, where they are often trained as inferior teachers, and from which they return to teach in the same inferior schools.

2

It is in the national interest in this time of world crisis to educate and train all citizens to the utmost of their abilities and talents.

3

The Federal Government sponsors various programs having as their general objective improvement of the quality of education and other programs which are designed to identify and assist talented students. These have been of little value to Negroes in some Southern States because of the discriminatory admission policies of the institutions in which they were sponsored. Recommendation 1 above, if implemented effectively, should eliminate discrimination in such programs in the future, but it would not wipe out the cumulative effects of years of educational deprivation. Affirmative attack against inferior educational opportunities is needed to break the vicious circle of self-perpetuating inferiority.

4

Programs could be designed that aim at raising the quality of education throughout the Nation by giving assistance to persons, both teachers and students, who have potential talent but are academically handicapped as a result of the inferior educational opportunities that have been available to them. Such programs might include, among others: (1) Institutes to improve the competence of public school teachers in English, history, and social sciences, similar to those now sponsored in science, mathematics, and foreign languages; (2) summer institutes conducted by public colleges for incoming students of potential ability whose academic preparation is inadequate for college-level work; (3) special academic-year institutes conducted by colleges and universities or by outstanding secondary schools for talented but academically deficient high school graduates to prepare them for college.

Recommendation 3

Therefore, the commission recommends that the Federal Government sponsor in the several States, upon request from the several States, educational programs designed to assist public school teachers and students of native talent and ability who are handicapped professionally or scholastically as a result of inferior educational opportunity and training.

EXHIBIT 3

[From the Southern School News, January 1961]

FEW NEW SCHOOL LAWS EXPECTED AS 14 STATE LEGISLATURES CONVENE

(By Tom Flake)

NASHVILLE, TENN.—Few new laws concerning school segregation and desegregation were in prospect as legislatures of 14 Southern and border States prepared to convene during 1961.

The probability of a legislative letup came after almost 7 years during which nearly 300 laws, resolutions, and State constitutional amendments have emerged in Southern States in efforts to prevent, restrict, or control school desegregation. A few such measures were passed in anticipation of the Supreme Court's 1954 desegregation decision.

These actions have included pupil placement (assignment) laws, provisions for private schools, and for tuition grants, authority to close schools, repeal of compulsory attendance laws, and penalties against organizations and individuals who advocate desegregation. Protests against the Court decision have ranged from resolutions of interposition to statements deploring judicial trends.

Only in Louisiana, where legislators were to continue in their third consecutive extraordinary session, and in Georgia were there early indications of major actions on the subject this year. Their courses are related closely to developments in New Orleans and Atlanta, where Federal courts have ordered desegregation.

State legislative sessions were scheduled for 1961—most of them to begin this month—in Delaware, Maryland, Missouri, Oklahoma, and West Virginia, and border States; in the middle States of Arkansas, North Carolina, Tennessee, and Texas; and in five Deep South States—Alabama, Florida, Georgia, Louisiana, and South Carolina.

All the border and middle States have desegregated public schools, although in widely varying degrees. In the lower part of the South, Florida and Louisiana each have biracial schools in one district by court order; Alabama, Georgia, Mississippi, and South Carolina retain completely segregated schools.

REASONS DIFFER

Reasons given for the expected lack of legislation on the subject differ somewhat according to geography.

The border States, now proceeding in the main toward nonracial school policies, have made few legislative moves in the wake of the U.S. Supreme Court's desegregation decisions. Exceptions have been several instances of repealing or modifying laws containing requirements for segregated schools.

Lawmakers in those States show little inclination now to touch on the subject. This is true in Oklahoma, for instance, despite the fact that statutes specifying separate schools for whites and Negroes remain unrepealed while the State pursues a definite policy of compliance with the desegregation decree. The reason: officials consider segregation measures void in any event and prefer not to open the school code to amendments which might invite dissension about other school issues.

Farther south, the paucity of legislative proposals in most States is not attributed necessarily to any lessening of official reluctance to desegregate—nor to any appreciable letup in several States' attitude of all-out resistance.

Rather, it appears to be largely a matter of (1) reliance on existing statutes, at least for the time being or (2) watchful waiting to see what happens before making further major moves. Some lawmakers believe they have legislated virtually to the limit of feasibility and indicate they find it difficult to produce new ideas; others make it clear that they will recognize no limit and will continue to be quite prolific.

NINE SOUTHERN STATES USE PUPIL ASSIGNMENT PLANS

A prime factor in the prospect for legislative lulls in a number of instances is the pupil placement (assignment) plan. Nine States in the area have such laws, all similar, which list various factors other than race for guided administrative decisions on which school a child shall attend.

Three of these laws have withstood somewhat limited Federal court tests, and their legal future is believed probably to be contingent upon the role that race plays when the factors are applied (Eugene Wyatt's article, Southern School News, December).

Such laws are on the statute books of Alabama and North Carolina (both held "not unconstitutional" on their face). Arkansas (held constitutional on its face), Florida, Louisiana, Tennessee, Texas and Virginia. (In Tennessee, a court noted in 1958 without passing on constitutionality that the law does not preclude racial distinction from being taken into account and that nothing in the act is "inconsistent with a continued policy of racial segregation.")

SURVIVED LITIGATION

Having survived litigation at least up to a point, placement thus is considered by some officials, legislators and school administrators to be a means of minimizing bi-racial school attendance within sanction of the Federal courts.

In the middle Southern States, placement laws are being applied increasingly by local school boards, with approbation or at least acquiescence of State governments. For some of them, pupil placement evidently was "the end of the row."

In the Deep South, however, except possibly in Florida, there were clear indications that lawmakers were unwilling to stand only on pupil placement provisions.

With token desegregation under Florida's pupil placement law limited to a single county, legislators looked toward their April session with a tentative don't-rock-the-boat attitude. However, some—particularly those from the northern part of the State—appeared to be less willing to stand pat with placement as they reacted to continued sit-in demonstrations by Negroes in the cities.

DIFFERENT COURSE

The Louisiana Legislature, which reenacted its 2-year-old placement law in 1960 with modifications, has pursued a different course as placement provisions were followed in New Orleans schools. The majority of the assembly continues its pitched battle against the court-ordered grade-a-year plan for New Orleans embracing the placement statute.

After producing a host of measures in addition to pupil placement, seeking to maintain completely segregated school systems, only to have most of them enjoined and then declared unconstitutional in Federal district court, Louisiana's assembly began 1961 in the midst of the third consecutive extraordinary session called by Gov. Jimmie H. Davis.

The administration held to its purpose: to block desegregation. More and more measures were enacted during December. (See Louisiana.)

In Georgia, where the Atlanta school system faces a court order to begin desegregation next fall in grades 11 and 12, some officials and key legislators indicated preference for a wait-and-see policy during the regular session, which starts this month. They spoke of reconvening later in the year to take up school desegregation issues after a court decree is handed down in the Atlanta case. In mid-December, however, there were contrary indications. Sentiment was voiced for legislative action ahead of the court decree.

A SECOND LOOK

The court has deferred its decree to give the legislators a chance for a second look at its stand on school closing in the event of desegregation, along with possible reconsideration of its previous enactments on other related issues. (See Georgia.)

In Alabama, where Gov. John Patterson last month promised an all-out battle to prevent any school desegregation, there nevertheless was little discussion of new legislation. However, Governor Patterson was expected to renew his request for authority to close schools on his own motion.

Local boards in Alabama have school-closing authority, and opponents of conferring it upon the Governor contend that such an action might render the placement law and other school segregation measures inoperative and becloud their constitutionality. Governor Patterson sought the authority in 1959 but a measure to provide it died in a senate committee after passing in the house of representatives.

In Tennessee, one measure had been suggested by an east State senator in late December for the general assembly's biennial session opening this month. It is a proposal for a States rights commission similar to the sovereignty commissions established in five other States. Such a measure failed in the 1959 legislature.

GROUPS OF STATES APPROVE SIMILAR LEGISLATION, POLICIES

Many of the legislative actions of 1954–59 are identical or similar in groups of States, having moved across State lines in a sort of chain reaction. Others have come about only in individual instances to fit one-State patterns or limited policies.

Pupil assignment laws are an example of pattern legislation. Several other types of measures exist in clusters of States.

At least a half-dozen State legislatures have acted at various times to protest officially the Supreme Court decision, most of them during the 3 years after it was handed down, and some have called for major changes in court jurisdiction and power.

Georgia legislators in 1955 began to advocate an amendment to the U.S. Constitution which would give individual States sole control over public schools, and such an action still is proposed in Washington by Senator HERMAN TALMADGE, Democrat of Georgia. Another suggestion: to deny the Federal Government power over school operations.

ASK IMPEACHMENT

That same year, Mississippi lawmakers asked Congress to limit the jurisdiction of the courts. In 1956, Georgia called for impeachment of six U.S. Supreme Court justices and Florida solons condemned that tribunal's usurpation of powers.

In 1957, Alabama legislators adopted resolutions asking the Supreme Court to modify its school desegregation decree; urged the Court to reverse its tendencies and restore the rule of law; proposed limited terms for U.S. judges and urged the President to respect States rights.

Also in 1957 came the Tennessee manifesto, a legislative document protesting what the general assembly called encroachments by the Federal Government on rights reserved to the States. Texas legislators urged that law and order as well as school operations be left exclusively to the States, and that a set of qualifications be established for the Federal judiciary. The Texas Senate commended the American Bar Association's criticism of the Supreme Court's alleged tendencies toward federalism at the expense of the States and toward going beyond strictly legal interpretations of laws and the Constitution.

RATIFY AMENDMENT

On the heels of the South's barrage of criticism, Maryland legislators in 1959 voted to ratify the 14th amendment to the Constitution—the basis for the desegregation decisions, which some Southern legalists have contended never was constitutionally put into effect because of its Reconstruction aspects after the Civil War.

Eight States, including the half-dozen comprising the Deep South, have moved toward application of the doctrine of interposition—a historic concept of interposing State authority between the people and the National Government. An effort by the Louisiana Legislature to apply interposition was voided by a Federal court in the New Orleans school litigation in November.

In addition to Louisiana, States with interposition resolutions on their legislative journals include Alabama, Arkansas, Florida, Georgia, Mississippi, South Carolina, and Virginia.

Arkansas voters not only amended their constitution in 1956 to require the legislature to adopt a resolution of interposition; they also spelled out a declaration that the Supreme Court desegregation ruling was void.

STATE TUITION GRANTS GAIN OVER PRIVATE SCHOOL PLANS

Dozens of legislative actions have dealt with proposed alternatives to biracial schools or with actions designed to pave the way toward those alternatives. Most of them either have specified private schools in lieu of desegregated public schools, to be subsidized with State funds, or have provided for tuition grants from the State for pupils individually to pay for their own educations. A trend has been toward tuition grants because of court decisions against public-subsidized private schools. Various legal questions as to tuition grants remain to be litigated fully (Gene Wyatt's article, Southern School News, December).

Ten Southern States have enacted laws dealing variously with the right to close public schools in the face of court orders to desegregate; five have provided specifically for removal of compulsory attendance laws and six others either have modified attendance laws or enacted other laws affecting attendance requirements. Six States have enacted tuition grant provisions, although such a measure in Arkansas was declared unconstitutional after having been tied into a school-closing law.

Alabama has removed from its constitution all requirements of school segregation but has enacted measures permitting (1) local school boards to close schools and the affected children to apply for tuition grants; (2) allocation of educational funds to areas where public school funds are not available because of desegregation; (3) individual schools to secede from local and State systems and organize their own independent, autonomous districts. Another Alabama statute, authorizing separate schools for white or Negro children whose parents "voluntarily elect" them, remains untested although a similar "parents' preference" law in Tennessee was declared unconstitutional on its face.

PERMIT SCHOOL CLOSINGS

Arkansas enacted laws in 1958 not only to permit school closing but to require it in cases of orders to desegregate, with tuition grants for affected pupils. Both laws were used by Gov. Orval Faubus in the closing of Central High School at Little Rock but both were voided in the courts. However, another law to authorize tuition grants was enacted in 1958, not tied in with school-closing features. Arkansas voters recently

turned down a proposed constitutional amendment that would have allowed a district to close all its schools to avoid a court order for desegregation.

A Florida statute enacted 4 years ago gives the Governor authority to close any school where violence is threatened because of court-ordered desegregation. The State also has a private school corporation law. Gov. LeRoy Collins vetoed a measure that would have permitted parents to close any court-desegregated school by means of an initiated referendum.

Georgia has supplemented its constitutional prohibition of racially mixed schools with statutes to (1) forbid State or local funds for schools expected to desegregate; (2) authorize the Governor to suspend compulsory attendance laws and to use extraordinary powers to suppress violence; and (3) close a single school if it is desegregated. A majority of Georgians voted in 1954 to permit the State to make individual grants for education in order to establish private schools in the event of court-ordered desegregation. Since then have come measures to (1) extend teacher retirement benefits if they are in nonpublic school status, and (2) allow leasing of public school property for private schools. Later measures would allow income tax credits for private schools and would assure teachers of their pay if public schools are closed.

IN CONSTANT SESSION

Louisiana legislators, in almost constant session during recent weeks as desegregation proceeded in New Orleans, enacted a law in 1958 to authorize closing of desegregated schools and to establish a program for financing private schools, with State grants. Another act provided for paying teachers of closed schools. The school-closing law was declared unconstitutional by a Federal court last August. Among others thrown out were measures to specify segregated schools under the State's police powers; to prohibit State grants to desegregated schools; to authorize school closing by the Governor and their sale to private interests. Not yet used is a measure which would provide grants-in-aid to nonsectarian private schools. U.S. district court of New Orleans has enjoined and then invalidated a series of recent measures proposing a number of closing plans and setups for "private" education.

Mississippi, where efforts toward desegregation have been fewer than in any other State, recently ratified a constitutional amendment to remove a requirement that the legislature provide public schools. Compulsory school attendance has been off the statute books since 1956. Local school trustees are authorized to close public schools, and the Governor also has authority to close public schools and colleges.

North Carolina by constitutional amendment and by implementing laws (1) permits voters of a local school district to decide whether they prefer school closings or desegregation; (2) makes possible State tuition grants for nonsectarian private school education of children whose parents object to their attending biracial schools. Neither measure prohibits school desegregation; they afford a choice for each locality in the State.

DELETES REQUIREMENT

Souh Carolina's Legislature in 1954 ratified a constitutional amendment, approved by voters a year and a half before, deleting a requirement that the State provide "a liberal system of free public schools." Compulsory attendance laws were repealed in 1955, although "visiting" teachers were designated to use persuasion in advocating school attendance. Sale or lease of public school property is authorized. Another 1955 measure would deny public funds to any school involved in a child's transfer by court order, and from 1956 to 1960 State appropriations carried a specification that funds should be "for racially segregated schools only." Legislators agreed to remove the specification in an effort to prevent desegretion advocates from charging that it would be futile to seek administrative reassignment of pupils.

Texas enacted a law in 1957 to authorize closing of schools when troops are sent there or violence is threatened.

Virginia's "massive resistance" plan, based on a "package" of laws declared unconstitutional a year ago, included automatic closing of desegregated schools and provision of tuition grants for children affected by such closings, along with removal of compulsory attendance. The State's present "freedom of choice" plan allows local school systems the option of abandoning public schools, and localities may provide direct aid to private schools. Any child not wanting to attend the public school where he or she is assigned may get a local-State tuition grant to attend either a private nonsectarian school or a public school in another community.

STRESS LOCAL CONTROL

Tennessee, which has enacted relatively little legislation dealing with segregation-desegregation and which stresses local control of schools, passed a single law on that subject in 1959, making local school boards responsible for enforcement of compulsory attendance. That law permits parents to withdraw their children from a school, with the school board's consent, "for any good and substantial reason," provided the children are enrolled elsewhere within 30 days.

Five States have established sovereignty commissions—groups whose purpose is to seek a reduction of Federal participation in State and local affairs. They are called specifically soverignty commissions in Arkansas, where the body had not functioned and was crippled by a State court decision, and in Louisiana and Mississippi. Georgia and Virginia have commissions on constitutional government. A similar group proposed for Tennessee would be called a States rights commission.

While sovereignty commissions are set up to deal with various sorts of Federal-State issues, their creation has come in the wake of the disputes over Federal judicial action on school policies.

SEVEN STATES MOVE AGAINST BARRATRY, RACIAL LOBBYING

At least seven Southern States have moved in recent years against "barratry" (solicitation of lawsuits), lobbying on racial issues and activities of the National Association for the Advancement of Colored People or groups advocating desegregation.

Arkansas legislators have produced a number of measures along these lines. A law that would have required teachers to list organizations to which they belong was declared unconstitutional last month. One 1959 statute made it unlawful for NAACP members to be employed by State or local governments or school districts. A series of laws, drawn by State Attorney General Bruce Bennett, dealt with such things as membership lists of organizations and activities of non-Arkansas corporations, including their tax payments and so-called "practice of law." An ordinance reportedly enacted by 39 Arkansas cities, requiring names and addresses of all members and contributors to an organization, has been declared unconstitutional. Bennett stated that this and similar measures were for the purpose of keeping NAACP busy defending itself.

Georgia recently stiffened its penalty for barratry, and it is prohibited under laws enacted during the past 5 years in Mississippi, South Carolina, and Virginia. Tennessee law calls for information to be filed on those "soliciting for litigation," and registration is specified for "racial" organizations, although neither these nor several other pro-segregation measures in that State have been invoked. Mississippi has a law requiring school personnel to list memberships.

INVESTIGATE CORPORATIONS

South Carolina in 1958 authorized its attorney general to investigate records of foreign and domestic nonprofit corporations, in a move directed largely at the NAACP. Earlier, the legislature enacted a law requiring that applicants for public jobs list their membership in various organizations. This substituted for a court-challenged law forbidding public employment of NAACP members. Several counties have special laws which, if strictly enforced, would require organizers to obtain local permits before soliciting funds or members.

Texas in 1957 got a law allowing county judges to obtain membership lists from organizations seeking to influence school operations. Virginia's 1956 enactments included a requirement for registration of advocates of either segregation or desegregation, and that State's anti-barratry measures are extended to direct the State bar to punish persons found guilty of unethical or unauthorized law practice.

VARIETY OF LAWS PASSED IN PAST HALF-DOZEN YEARS

Dozens of other laws passed in most of the Southern and border States during the past half-dozen years can scarcely be categorized. Here is a partial summary of these miscellaneous measures, State by State:

Arkansas: Provision has been made for easier recall of school board members on petition of 25 percent of the voters. School attendance figures for previous years may be used in calculating State aid for schools closed because of desegregation problems. Blood for transfusions is to be labeled by race. Protection of retirement benefits is provided for public school teachers moved into private schools.

Florida: County school boards have been given authority to cancel tenures of teachers on educational, sociological, psychological or other ground. Stiff penalties are prescribed for conviction of maliciously injuring buildings or structures with gunpowder. Wearing of hoods or masks in public is prohibited.

SET AGE LIMIT

Georgia: College undergraduates over the age of 21 and graduates over 25 are ineligible to enroll except in special cases. Retirement benefits have been extended to teachers transferring to nonpublic schools. Ad valorem taxes for mixed schools are banned. Trespassing on property of closed public schools is forbidden.

Mississippi: Speeches by advocates of antistate action are banned at State institutions. Interracial marriages are voided. Public disturbances and telephone threats are banned.

Missouri: Pre-1954 segregation laws were repealed after being declared unenforceable by the State attorney general.

North Carolina: Teachers' continuing contract law was repealed, making teachers' contracts subject to annual renewal. All references to race were eliminated from the general education law, and titles to school buses were transferred from the State to the counties.

END SEPARATE SYSTEMS

Oklahoma: A constitutional amendment adopted in 1955 eliminated separate school systems in effect by removing dual taxing and budget provisions and substituting a countrywide tax levy for all schools. Legislation enacted that same year authorized schools on military reservations to conform with Federal requirements.

South Carolina: A 1957 law vested the Governor with enlarged authority in maintaining the public peace. Legislation in 1959

made it a felony to bomb any church, school, private residence or other structure or to make threats or give false information about such bombings.

Tennessee: A legislative package of 1957 included permission for segregation of the sexes in high schools.

Texas: A 1957 statute provides for local option elections on whether to desegregate schools. (Five school districts have desegregated by election and several others, including Dallas, has voted against it. The State attorney general held that districts which desegregate under court orders despite referendum disapproval may retain their State school aid.)

West Virginia: References to West Virginia College as a Negro institution were eliminated, along with racial restrictions for admission to the school for the deaf and blind and all other references in law to segregated education. The former Negro bureau of welfare and statistics was abolished in 1958, leaving no special group to represent Negroes in the State government.

EXHIBIT 4

[From the New York Times, Jan. 25, 1961]

EXCERPTS FROM THE RULING ON NEW ROCHELLE SCHOOL

(By Federal Judge Irving R. Kaufman)

After hearing and observing the witnesses, and carefully examining the large amount of documentary evidence submitted, I conclude that the defendant's conduct has violated the Constitution, denying the plaintiffs the right to the equal protection of the laws guaranteed by the 14th amendment.

I find that the board of education of New Rochelle, prior to 1949, intentionally created Lincoln School as a racially segregated school, and has not, since then, acted in good faith to implement desegregation as required by the 14th amendment; and that the conduct of the board of education even since 1949 has been motivated by the purposeful desire of maintaining the Lincoln School as a racially segregated school.

The years between 1949 and 1960 have been 11 years of agitation for New Rochelle. For 11 years, responsible civic-minded organizations and groups have urged that something be done to correct the Lincoln situation; for 11 years the board has discussed the problems, hired experts, made surveys, and constantly reiterated its belief in racial equality and the necessity for equal opportunities.

But, in these 11 years, it has taken no action whatsoever to alter the racial imbalance in the Lincoln School. It has met the problem with mere words, barren of meaning, for they were never followed by deeds.

A NEW EPOCH

In 1954, the Supreme Court rendered its opinion in *Brown* v. *Board of Education, supra.* This decision heralded a new epoch in the quest for equality of the individual. It called for responsible public officials throughout the country to reappraise their thinking and policies, and to make every effort to afford Negroes the more meaningful equality guaranteed to them by the Constitution.

The Brown decision, in short, was a lesson in democracy, directed to the public at large and more particularly to those responsible for the operation of the schools. It imposed a legal and moral obligation upon officials who had created or maintained segregated schools to undo the damage which they had fostered.

And, compliance with the Supreme Court's edict was not to be less forthright in the North than in the South; no double standard was to be tolerated.

The Brown decision also increased the public agitation for change in New Rochelle. But the board paid little heed to the Brown doctrine.

This, then, complete the picture of board intransigence and refusal to act through the years. The "freeze" placed by the board in 1949 on the already gerrymandered boundaries of the Lincoln district remained unchanged, despite 11 years of public agitation, pleas and advice from distinguished educators and sociologists. And, what is more, the board has not evidenced any intention to change its policies in the future.

DISCUSSES THE LAW

Any discussion of the applicable law must begin with the case of *Brown* v. *Board of Education, supra.* Principles long accepted by psychologists and sociologists were given the stature of the law of the land.

The Supreme Court made it clear that in the field of public education, separate but equal was inherently unequal, and hence violative of the Constitution. Thus, the operation of separate schools for whites and Negroes was proscribed.

Those school authorities throughout the country which had operated such separate schools were instructed to implement desegregation, in good faith, "with all deliberate speed."

I hold that the Board of Education of New Rochelle, by its conduct in the years prior to 1949, created and established the Lincoln School as a segregated, Negro school. Thus formulated, the present case falls squarely within the plain meaning of the Brown decision.

The board contends that since Lincoln School is not in form a component of a dual system of education for whites and Negroes such as was invalidated by Brown, and since the school contains 94 percent Negroes rather than 100 percent Negroes, there can be no violation of the 14th amendment or of the Brown principles.

But this contention misconstrues the underlying premise of the Brown rationale. That opinion while dealing with a State-maintained dual system of education, was premised on the factual conclusion that a segregated education created and maintained by official acts had a detrimental and deleterious effect on the educational and mental development of the minority group children.

CHILD'S FEELINGS CITED

The unanimous court, speaking through Chief Justice Warren, declared that segregation of Negro children, especially in their formative years "generates a feeling of inferiority as to their status in the community that may affect their hearts and minds in a way unlikely ever to be undone."

The court further emphasized the necessity of giving these minority-group children the opportunity for extensive contact with other children at an early stage in their educational experience, finding such contact to be indispensable if children of all races and creeds were to become inculcated with a meaningful understanding of the essentials of our democratic way of life.

That the benefits inherent in an integrated education are essential to the proper development of all children has been reiterated time and again by the many witnesses in the present case, including those called by the defendant.

With these principles clear in mind, I see no basis to draw a distinction, legal or moral, between segregation established by the formality of a dual system of education, as in Brown, and that created by gerrymandering of school district lines and transferring of white children as in the instant case. Cf. *Comillion* v. *Lightfoot, supra.*

The result is the same in each case: the conduct of responsible school officials has operated to deny to Negro children the opportunities for a full and meaningful educational experience guaranteed to them by the 14th amendment. Further, the fact that the Lincoln School contains approximately 6 percent whites surely cannot divest Lincoln of its segregated character.

OPPORTUNITY LACKING

In a community such as New Rochelle, the presence of some 29 white children certainly does not afford the 454 Negro children in the school the educational and social contacts and interaction envisioned by Brown.

The Constitution imposed upon the board the duty to end segregation, in good faith, and with all deliberate speed. It is patently clear that this obligation has not been fulfilled.

The board argues that the study which it has given to the problem, and the surveys which it has requested, conclusively indicate its good faith. But, history is made, and constitutional rights vindicated, by deeds, not by talk, resolutions, and fine phrases. As already indicated, the board has discussed the problem, hired experts, made surveys, and constantly reiterated verbally its belief in racial equality and the necessity for equal opportunities.

But the fact remains that, in 11 years, not one single act was taken to implement these expressed principles. And, the board's attitude, as indicated by its overt conduct, has been one of negation; it has publicly disclaimed all responsibility for the Lincoln problems.

REBUILDING DISCUSSED

The board urges, however, compliance with an obligation to desegregate. In fact, this seems the one sure way to render certain continued segregation at Lincoln.

The board attempts to excuse its inaction on the ground that admittedly there is no "ideal" solution to the Lincoln problem. But, inability to find a perfect answer is hardly justification for refusal to do anything.

Its decision to rebuild the Lincoln School on the same site constitutes a start in the right direction.

It is most difficult to conceive of the rebuilding of the Lincoln School as good faith.

I cannot accept the proposition that in this relatively small community in the North, men of good will, wisdom, and ingenuity could not have devised a plan for the orderly desegregation of the Lincoln School.

If school boards could satisfy their obligations under the 14th amendment merely by waiting complacently until an "ideal" solution presented itself, the Brown decision, and the advances in the area of individual equality which it represents, would be a virtual nullity.

Brown, if it meant anything, meant much more than this. Necessarily implied in its proscription of segregation was the positive obligation of eliminating it. This obligation requires both good faith and action with dispatch, and I am compelled to the conclusion that the Board of Education of New Rochelle has complied with neither of these requirements in the present case.

I also conclude that if a board of education enters into a course of conduct motivated by a purposeful desire to perpetuate and maintain a segregated school, the constitutional rights of those confined within this segregated establishment have been violated.

This principle has already been recognized by the courts.

MOTIVATION CALLED VITAL

If such motivation is present, it makes no meaningful difference whether the segregation involved is maintained directly through formal separation, or indirectly, through over-rigid adherence to artificially created boundary lines, as in the present case.

Similarly, it is of no moment whether the segregation is labeled by the defendant as

"de jure" or "de facto," as long as the board, by its conduct, is responsible for its maintenance.

Constitutional rights are determined by realities, not by labels or semantics. The Supreme Court has affirmed that courts must look through the guise in which school officials seek to clothe their unconstitutional conduct.

Turning to the realities of the instant case, the inference is inescapable that the board's deliberate intransigence and inflexibility for the last eleven years in the face of public pressures and expert advice were motivated by a desire to continue Lincoln School as a racially segregated school, and thus not to alter the racial balance in the city's other elementary schools.

This becomes especially clear when the board's conduct subsequent to 1949 is examined against the background of the pre-1949 gerrymandering and transfer of white children. No other rational purpose can be attributed to the board's almost fanatically rigid adherence to district lines which were established in the first instance out of desire to separate whites and Negroes.

This does not necessarily mean that individual members of the board are segregationists or racists. But it is apparent that they have failed to accept or recognize their moral and legal responsibilities and have chosen instead to yield to pressures of certain groups who wish to avoid an influx of Negro children into the schools in their districts.

The defendant argues, however, that the neighborhood school policy is a reasonable and educationally sound one and thus that it is not violating the Constitution in adhering to it.

But this argument ignores the essential nature of the plaintiffs' position. They are not attacking the concept of the neighborhood school as an abstract proposition. They are, rather, attacking its application so as to deny opportunities guaranteed to them by the Constitution. It is a legal truism that "acts generally lawful may become unlawful when done to accomplish an unlawful end."

The neighborhood school policy certainly is not sacrosanct. It is valid only insofar as it is operated within the confines established by the Constitution. It cannot be used as an instrument to confine Negroes within an area artificially delineated in the first instance by official acts. If it is so used, the Constitution has been violated and the courts must intervene.

The board raises several other contentions in an attempt to justify its conduct. With respect to its refusal to institute permissive zoning, or to allow the Negro children to register at other schools at the start of the 1960 school year, the board argues that it would be violative of the law to accord Negroes special privileges not allowed to other minority groups.

OTHER SCHOOLS CITED

It points to the fact that several other elementary schools in New Rochelle have student compositions which are primarily of one religious or national-origin group, and argues that if permissive zoning privileges were afforded to the Lincoln pupils, the same privileges would have to be given to these other minorities. This, it says, would produce chaos throughout the school system.

But the Constitution is not this color-blind. The Brown decision dealt only with Negroes; it was based on factual findings which may not be applicable to other minority groups. Furthermore, the chaos envisioned by the board seems more fanciful than real, since no other groups or persons in New Rochelle have requested permission to attend schools outside the district in which they reside.

Nor is there evidence that any other school district was gerrymandered or deliberately set up to embrace an ethnic group. In addition, there are instances where it is not only justified, but necessary to provide for such allegedly "unequal treatment" in order to achieve the equality guaranteed by the Constitution.

REFERENDUM DISCUSSED

The board also contends, with respect to its decision to rebuild Lincoln School on its present site, that it is empowered by State law with the authority and duty to select locations for schools. The existence of this authority, however, is not questioned by the plaintiffs. But this power, like any other, must be exercised in accordance with the demands of the Constitution.

Similarly, the fact that the people of New Rochelle overwhelmingly approved this proposal by referendum is of no legal significance. Constitutional rights can certainly never be made dependent upon public choice; the consequences, if they were, need hardly be labored.

Finally, the board's principal contention, which it has asserted throughout these proceedings, is that the existence of an all-Negro or a predominantly-Negro school is not, in and of itself, a violation of the Constitution. The constant reiteration of this argument indicates the board's preoccupation with semantics at the expense of realities. This is not a case where the existence of an all-Negro school is an unfortunate fortuity.

The Lincoln School was established as an all-Negro school by the gerrymandering of district lines, and by the transfer of white children residing in the district to schools outside the district.

The Board of Education of the City of New Rochelle was responsible for both of these policies. Subsequent to 1949, the board, by its arbitrary rejection of all proposals for change, has purposefully maintained Lincoln as a segregated school. This decision is rendered on the facts in this case and holds that, in the instant situation, constitutional rights have been violated.

Litigation is an unsatisfactory way to resolve issues such as have been presented here. It is costly, time consuming—causing further delays in the implementation of constitutional rights—and further inflames the emotions of the partisans.

Men of good will, such as the individual members of the board submit they are, could have solved and still can solve the problem by exercising the judgment and understanding for which they presumably were chosen. The school board is a public body charged with a public responsibility.

This responsibility must be exercised solely in the best interests of the children attending the schools. The board cannot relieve itself of this responsibility by giving the community whatever result might gratify the impulse of the moment. Nothing can be permitted to conflict with the board's moral and legal obligation.

DIRECTS COMPLIANCE

In determining the manner in which the Negro children residing within the Lincoln district are to be afforded the opportunities guaranteed by the Constitution, I will follow the procedure authorized by the Supreme Court in *Brown* v. *Board of Education*, and utilized by many district courts in implementing the Brown principles.

Thus, I deem it unnecessary at this time to determine the extent to which each of the items of relief requested by plaintiffs will be afforded. Instead, the board is hereby ordered to present to this court, on or before April 14, 1961, a plan for desegregation in accordance with this opinion.

EXHIBIT 5

THE IMAGE OF THE UNITED STATES AT HOME AND ABROAD

(Address by Mr. Marion A. Wright, member of the board of directors and former chairman of the Southern Regional Council, and member of the North Carolina Advisory Committee to the U.S. Commission on Civil Rights, before the 1960–61 Leadership Clinic, November 17, 1960, Detroit, Mich.)

In a Scottish village some time ago a 16-year-old boy was roughly handled by two policemen. His injuries were minor and superficial. From the viewpoints of force employed and damage inflicted, the incident was not one of gravity.

But, in the British view, the facts that any unnecessary force was employed and any damage was inflicted in themselves made the incident one of extreme public concern. The local Scottish authorities seemed to move slowly in imposing discipline upon the officers. Throughout the British Isles there developed a tide of public sentiment demanding that action be taken. Summit conferences, the cold war, the conquest of space, of course received a share of British attention. But they were secondary to one case of official mistreatment of a lone youth.

Debate erupted in the House of Commons. Prime Minister Macmillan turned his attention from cosmic matters long enough to make a statement on the floor. Government created a board of inquiry to learn the facts and recommend appropriate action. Traditional British justice found full expression.

Mr. Churchill upon another occasion, when the Empire stood in mortal peril from searing and scalding bombs, referred to that as being Britain's finest hour. Time will tell. But surely a profound national concern with the invasion of rights of a single Scottish boy reflects a quality in Englishmen no less praiseworthy than the physical courage with which they bore the ordeal from the skies.

What American did not receive a momentary lift of spirit from the incident? Who among us was not proud to have a relationship by blood, by tradition, or by nurture upon the same common law, with the people who employed the full resources of government to redress a trivial wrong?

I refer to this incident because we are concerned here tonight with national images. What happened in the case of the Scottish boy served to help create in our minds an image of Great Britain, more particularly, of British justice. One swallow doesn't make a summer and one incident doesn't make an image. But we can dredge up from depths of memory other incidents illustrating British concern with the civil rights of British subjects.

From a synthesis of these there emerges a conception of a nation resolute always that the full power of government shall be employed to maintain the rights of the humblest citizen.

National images arise, then, from acts of government. We have been through some weeks of debates of the national prestige. Is it an alltime high, an alltime low, or just middlin', as we say down my way? I listened to all of the debate, as I am sure you did. We heard much of missiles, of satellites, of nuclear-powered submarines, of the national economy. The assumption seemed to be that prestige could be statistically computed; it was largely a matter of warheads and stockpiles.

I don't want to resurrect that debate. Certainly, I don't want to get into a semantic question involving prestige and image. But, diffidently, I suggest to Mr. Nixon and Mr. Kennedy that, above all other, the image which we should strive to create abroad is of a nation deeply concerned with strict and literal enforcement of the rights of every citizen of this Republic.

Of course, I do not limit that concern to the Federal Government. Any single American State can create a national image. Virginia, with its massive resistance; Arkansas, with its use of the National Guard to keep a few Negro pupils out of public schools; Louisiana, with its special legislative session; North Carolina, with its token integration; Mississippi, with its Emmet Till case; Georgia and Alabama, with their callous mistreatment of Dr. Martin Luther King; South Carolina, with its patrolmen turning firehoses on peaceful demonstrators—all of these and more besmirch the national image.

Foreign nationals do not think of individual States as perpetrators of these infamies. In view of the dual nature of our citizenship, they are merely practical when they attribute to the Nation, as a whole, responsibility for such outrages.

A favorite phrase of southern politicians is "northern meddling in our affairs." The idea seems to be that Yankees should keep their cottonpicking hands off affairs that are none of their business. But, of course, they are your business. The persons against whom official persecution is directed are, of course, citizens of particular States. They are no less citizens of America. Indeed, they are, in a broader sense, citizens of the world. There will come a time when world government will concern itself with injustice done to any citizen of this globe.

Of course, one of the great differences between North and South is that, in the South there remains in constitutions and statute books a formidable array of laws designed to preserve segregation. I think it does not take an expert in constitutional law to declare that these laws will ultimately be struck down. But much time will be required; meanwhile one violates them at his peril. Outside of the South, if I may risk the generalization, no such laws obtain. Hence, I will assume that there is not to be found here an actual exertion of State power to operate detrimentally against any member of a minority group.

I am not so sure about your cities, because I do not know where the line is drawn between official municipal action and mere mass public pressure. But, I must say that we in the South occasionally read of serious resistance in New York, Detroit and elsewhere to integration of public schools and in housing. We read of exclusion from hotels and other forms of racial discrimination. Let me say to you quite frankly that such events are joyfully hailed by the southern segregationist. They bring him aid and comfort. They strengthen his hand.

But we are here concerned with national images. Such may be created by city action. I mention the names of certain cities—Little Rock, Ark.; Clinton, Tenn.; Montgomery, Ala.; Poplarville, Miss.; Tuscaloosa, Ala. Those may be lovely and charming cities, but their names evoke sordid memories. In all countries the names are familiar. They and the train of ideas of which they are the core contribute to the picture we present to the rest of the world. They help to create the national image.

Let no city, then, indulge the fiction that what it does—distinctions which it makes in the treatment of its citizens—have no extramural effect. Consequences of municipal action may develop in the world's remote corners. They help to create abroad, not merely an image of a city, but an image of this Nation as well.

Activities of the Nation, the State, and the city by no means complete the picture, tell the whole story. There remains the role of the private citizen, the largest role of all.

In more than a figurative sense, each one of us is an ambassador of his country. We represent, speak for it. The American abroad viewed by other nationals, carries with him a fraction of his country's essence. And, at home, seen in his native habitat by a foreigner, he is part of a composite embodiment of national aim and purpose.

All of us, of course, are not ugly Americans. But the species exists in sufficient number to have impact on world opinion. There is, for example, the hotel clerk determining what guests he will accept; the real estate broker deciding what people shall live in certain sections of a city; the lunch counter operator choosing the color of his customers; the ticket seller passing judgment on who shall see what shows and where he will sit; the taxi driver selecting his fares, and so on—in the keeping of these, in the decisions made by little men and women, rest the Nation's name and fame.

Our Supreme Court, of course, announces vastly important decisions affecting men's relations with each other. No one would detract for one moment from the significance of such pronouncements. But they come from men who are no cross section of the country's thinking, who are aloof and scholarly, who write from chill and distant heights. We will not be wholly judged abroad by the decisions of such men.

But the American genius, the spirit and character of our people, is revealed in the day-to-day decisions of average men and women, their opinions, expressions, gestures, laughs and frowns—whatever discloses, consciously or subconsciously, their predelections, biases, prejudices, likes and dislikes, their attitudes toward their fellows.

But it is more than decisions themselves; it is in part the manner in which they are made and announced.

Recently I rode through North Carolina with a Negro friend whose son was one of a few nonwhites attending a State university. My friend asked his son, "Why do you come home every weekend?" The reply was, "To get out of that icebox."

It seems that the boy's fellow students were punctilious in their relations and attitudes. But they withheld the warmth and informality of full friendship and acceptance.

The icily correct may wound as deeply as the vulgarly brutal.

So, then, the image of a nation is found in the conduct of its government—at all levels—and the manners of its citizens. Perhaps more in the manners. For, as Emerson observed, "Your manners are always under examination and by committees little suspected * * * but are awarding or denying you very high prizes when you least think of it."

A welter of private acts, fully as significantly as official edicts, determines our Nation's place and acceptance in the forum of world opinion.

For example, no official act of President Theodore Roosevelt advanced the cause of civil rights half so effectively as his entertainment of Booker T. Washington at the White House, a purely private activity. I have in recent years, when some cities are selling their golf courses, rather than permit Negroes to play, and other cities are throwing Negro players into jail—I have thought how electric would have been the effect of the President's example if a Negro friend had been a member of his foursome out at Burning Tree.

The example of the private citizen, of course, carries no such weight. But he is not thereby relieved of responsibility to set the example. Examples are the stuff of which public policy is fashioned. And the sum total of the examples creates the image of the Nation.

There is a further feature about example. The effect is not limited to the area of action in which it occurred. It invades other areas.

The White Citizens Councils of the South were formed for the sole purpose of "keeping the Negro in his place," of preserving racial segregation. They were not effectively rebuked. Many southern politicians nestled close to them. They achieved a certain respectability. But not too long a time elapsed until synagogues were bombed, and, in all of the area which they infest, in the recent political campaign religious bigotry was most intense and virulent. Examples of racial intolerance move the suggestible to demonstrate intolerance in religion, and, indeed, in the whole realm of thought and conviction.

It was almost 200 years ago that Thomas Jefferson wrote that we must "have a decent regard to the opinion of mankind." The phrase has lain somewhat dormant in consciousness. Why have we so suddenly begun to appreciate its wisdom?

Is it not because of the present balance of power in the world and the competition between systems?

On a day in September 13 new African nations became members of the United Nations. The nations of Africa and Asia now constitute almost 50 percent of the membership. They are nonwhite members. Their destinies have heretofore been very largely in white hands. The converse could become true. I hope it will be more consistent with truth to say that the color of hands will not enter into the destiny of any nation, or any individual, for that matter, but that the combined wisdom of all men, distilled at the United Nations, will shape the destinies of us all.

But certainly the emergence of nonwhite peoples throughout the world, their new position of international authority, has a lesson for all of us. We need desperately to get along with these new fellow members in the family of nations. We need their sympathy and support, as, indeed, they need ours. Our attitude can be crucial in securing and holding sympathy and support.

Now, the civil rights movement in this country is designed to guarantee the constitutional rights of all people—including colored people. You may be sure that the peoples of Asia and Africa know what is happening to their brethren in this country. The Russian propaganda machine sees to that. So they are aware of the resistance movement in the South, aware of speeches made in Washington and in the State capitols, aware of the shabby and fraudulent tricks used to deny rights to people of color in the South, aware of burnings, boycotts and bombings, aware of resistance to school integration in Detroit.

Let us suppose that the colored citizens of Ghana were simultaneously informed of certain facts. They were told that the U.S. Government had made a grant to Ghana for the purpose of building a dam. They were also told that a State had announced no Negro should attend its law school; or that Negroes must ride in the back end of buses in a certain city; or that another city sold its golf course rather than permit Negroes to play on it; or that a United States Senator gave active support to an organization set up to keep Negroes in their place. And so on indefinitely. Which kind of facts, do you suppose, would have the larger impact upon the minds of Ghana citizens? You and I know that the personal insult to men of color would far outweigh the national gesture.

So the bold and stirring program of aid to the new African nations which President Eisenhower presented to the United Nations may be completely nullified by the official policy of a lone State. The world may be plunged into chaos or holocaust, men by millions may be seared and pulverized, because Negroes are kept out of schools.

The choice may not be between integration and segregation. It may be between integration and disintegration.

There is appreciation of this solemn and evident truth. Both political parties in their platforms went far beyond prior commitments. Such southern Democratic political stalwarts as Byrnes, Byrd, Talmadge, and

Eastland were overwhelmed. The courts, too, give evidence that their patience with southern delaying tactics is wearing thin. These have been developments of the year 1960. But these events are dwarfed by a movement having no political, judicial or legal origin.

Perhaps the greatest compliment ever paid one man by another was that paid Benjamin Franklin by Tom Paine. When asked where he was born, Paine replied, "I was born in a cafe in Paris the night I met Ben Franklin."

In a real sense the culminating drive against segregation had its birth at a lunch counter in Greensboro, N.C., on February 1, 1960, when some Negro college students ordered a cup of coffee.

The year 1960 may have interest to the historian for many reasons. Not the least of these will be because an idea emerged in the South—an idea which had application to the entire region.

You will note that I do not say the idea was then and there conceived. I say it emerged and it had application. For the idea itself—nonviolent resistance to tyranny—was old when the pyramids were raised. Nebuchadnezzar made his great image of gold and set it up on the plains of Babylon. He issued his decree, directing that "at what time ye hear the sound of the cornet, flute, harp, sackbut, psaltery, dulcimer, and all kinds of music, ye fall down and worship the golden image that Nebuchadnezzar the king hath set up."

But Shadrach, Meschach, and Abednego to his face told Nebuchadnezzar "Be it known unto thee, O king, that we will not serve thy gods, nor worship the golden image thou hast set up."

And so they walked unscathed through the fiery furnace.

So on the plains of Babylon there was born an idea. Some centuries later, in the city of Jerusalem, it was expressed: "Render unto Caesar the things that are Caesar's and unto God the things that are God's." And so, by way of Walden Pond in the words of Thoreau, by way of India in the salt marches of Gandhi, by way of Montgomery, Ala., in the person and example of Martin Luther King, the idea on February 1, 1960, entered a lunch counter in Greensboro, N.C.

There is epic drama in the emergence of such an idea at such a time and place. It emerged in the South in the year 1960. There is a jarring contrast between the gentle and humane philosophy of nonviolence and the prevailing spirit and mood. A Sophocles or a Shakespeare would have arranged it thus.

Traditionally, the South is wedded to violence. It would be an exercise in morbidity to lead you through the maze of figures which indicate the southern tendency to rely upon guns and clubs and dynamite as substitutes for due process of law. It may be sufficient for our purposes to point out that, in the Southern States, the per capita rate for crimes of violence varies from one and a half to one and three-fourth times the national average. It is substantially higher than the rate of such uncivilized and benighted communities as Chicago and New York. More than incidentally, violence has often been the ready tool of some segregationists.

We hear much of our way of life. I am never sure what our friends mean, but it is the way of violence.

It was against this backdrop of raw, red violence, into this world of bared fangs and claws, that the idea of nonviolence entered a Greensboro lunchroom on February 1.

Here, then, for the resistant South, is a completely new concept, certainly a completely new tactic in securing social change.

It is an exclusively Negro conception. The movement that rocked the South was the product of brains of Negro boys in a college dormitory at Greensboro. Inevitably the insistent question will be asked throughout the South: If Negro brains can conceive and execute so unorthodox and masterly a campaign, could not such brains be profitably utilized in all other phases of southern life?

We are concerned with the national image. That image acquired new luster from the conduct of college boys and girls, calm, poised and resolute, who demonstrated that moral power alone, schooled, channeled and disciplined, is the inevitable and ultimate victor over oppression.

The initial reaction to demand for lunch-counter service was to close the counters. Mark the same reaction in other fields. Close the golf courses. Close the swimming pools. Close the parks. Close the libraries. Close the schools.

Now, if civilization does not inhere in such public instrumentalities, they are at least its expressions. Snip them off one by one, and, one step at a time, you withdraw from civilization. Finally, at the end of this somber process, you have attained complete savagery. Never before in human history have men openly advocated an inversion of the evolutionary process.

That is, not for human beings, I understand that a few scientists are crossbreeding horses in an effort to reproduce the dwarfed and stunted Eophippus, primal ancestor of the breed of present-day horses. The bunglers who propose to close schools and libraries would make cavemen of us all.

Few among us go that far. But those who seek to preserve segregation, in the South or in Detroit, retard, if they do not reverse, the normal evolution of society into finer forms.

Men grow by experience, by contact, by absorption. Segregation limits the area of contact, the range of experience. Shut out from the lives of white and Negro alike has been the rich and rewarding experience of acquaintance with those who would bring to association and friendship a wealth of new background and social potential. Whites should realize that they, too, are victims of the order they have created.

Occasionally one reads of a demented parent who has for years kept his child secluded in some attic or basement, shut off from contact or association with other humans. The police find the child, undernourished, stunted, filled with fantasies and delusions, ridden with misconceptions and fears. Such life becomes when the world is shut out.

Members of both races, without awareness of it, have undergone an isolation differing only in degree from that of the unfortunate child. We, too, have lived without the mainstream of life. The circle of those whom we might have known, who might have enlarged the range of our sympathies and understanding, who might have enriched our lives by imparting into them a new breadth and depth—that circle has been racially constricted. We, too, have lived in a world of myth and fantasy and fear. We devise our own delusions of grandeur and of inferiority.

We begin now to tug at the bonds. We seek escape and exit into a brighter and better world. When, happily, full release has been achieved, we will laugh at the fears which so long possessed us and begin, at last, to devote our lives to noble purposes and happy ends.

EXHIBIT 6

[From the Democratic platform adopted July 12, 1960]

THE RIGHTS OF MAN

IV

On its values and goals the quality of American life depends. Here above all our national interest and our devotion to the rights of man coincide.

Democratic administrations under Wilson, Roosevelt, and Truman led the way in pressing for economic justice for all Americans.

But man does not live by bread alone. A new Democratic administration, like its predecessors, will once again look beyond material goals in the spiritual meaning of American society.

We have drifted into a national mood that accepts payola and quiz scandals, tax evasion and false expense accounts, soaring crime rates, influence peddling in high Government circles, and the exploitation of sadistic violence as popular entertainment.

For 8 long critical years our present national leadership has made no effective effort to reverse this mood.

The new Democratic administration will help create a sense of national purpose and higher standards of public behavior.

Civil rights

We shall also seek to create an affirmative new atmosphere in which to deal with racial divisions and inequalities which threaten both the integrity of our democratic faith and the proposition on which our Nation was founded—that all men are created equal. It is our faith in human dignity that distinguishes our open free society from the closed totalitarian society of the Communists.

The Constitution of the United States rejects the notion that the rights of man means the rights of some men only. We reject it too.

The right to vote is the first principle of self-government. The Constitution also guarantees to all Americans the equal protection of the laws.

It is the duty of the Congress to enact the laws necessary and proper to protect and promote these constitutional rights. The Supreme Court has the power to interpret these rights and the laws thus enacted.

It is the duty of the President to see that these rights are respected and that the Constitution and laws as interpreted by the Supreme Court are faithfully executed.

What is now required is effective moral and political leadership by the whole executive branch of our Government to make equal opportunity a living reality for all Americans.

As the party of Jefferson, we shall provide that leadership.

In every city and State in greater or lesser degree there is discrimination based on color, race, religion, or national origin.

If discrimination in voting, education, the administration of justice, or segregated lunch counters are the issues in one area, discrimination in housing and employment may be pressing questions elsewhere.

The peaceful demonstrations for first-class citizenship which have recently taken place in many parts of this country are a signal to all of us to make good at long last the guarantees of our Constitution.

The time has come to assure equal access for all Americans to all areas of community life, including voting booths, schoolrooms, jobs, housing, and public facilities.

The Democratic administration which takes office next January will therefore use the full powers provided in the Civil Rights Acts of 1957 and 1960 to secure for all Americans the right to vote.

If these powers, vigorously invoked by a new Attorney General and backed by a strong and imaginative Democratic President, prove inadequate, further powers will be sought.

We will support whatever action is necessary to eliminate literacy tests and the payment of poll taxes as requirements for voting.

A new Democratic administration will also use its full powers—legal and moral—to insure the beginning of good-faith compliance with the constitutional requirement that

racial discrimination be ended in public education.

We believe that every school district affected by the Supreme Court's school desegregation decision should submit a plan providing for at least first-step compliance by 1963, the 100th anniversary of the Emancipation Proclamation.

To facilitate compliance, technical and financial assistance should be given to school districts facing special problems of transition.

For this and for the protection of all other constitutional rights of Americans, the Attorney General should be empowered and directed to file civil injunction suits in Federal courts to prevent the denial of any civil right on grounds of race, creed, or color.

The new Democratic administration will support Federal legislation establishing a Fair Employment Practices Commission to secure effectively for everyone the right to equal opportunity for employment.

In 1949 the President's Committee on Civil Rights recommended a permanent Commission on Civil Rights. The new Democratic administration will broaden the scope and strengthen the powers of the present Commission and make it permanent.

Its functions will be to provide assistance to communities, industries, or individuals in the implementation of constitutional rights in education, housing, employment, transportation, and the administration of justice.

In addition, the Democratic administration will use its full executive powers to assure equal employment opportunities and to terminate racial segregation throughout Federal services and institutions, and on all Government contracts. The successful desegregation of the armed services took place through such decisive executive action under President Truman.

Similarly, the new Democratic administration will take action to end discrimination in Federal housing programs, including federally assisted housing.

To accomplish these goals will require Executive orders, legal actions brought by the Attorney General, legislation, and improved congressional procedures to safeguard majority rule.

Above all, it will require the strong, active, persuasive, and inventive leadership of the President of the United States.

[From the Republican platform adopted July 27, 1960]

BUILDING A BETTER AMERICA

CIVIL RIGHTS

This Nation was created to give expression, validity, and purpose to our spiritual heritage—the supreme worth of the individual. In such a Nation—a Nation dedicated to the proposition that all men are created equal—racial discrimination has no place. It can hardly be reconciled with a Constitution that guarantees equal protection under law to all persons. In a deeper sense, too, it is immortal and unjust. As to those matters within reach of political action and leadership, we pledge ourselves unreservedly to its eradication.

Equality under law promises more than the equal right to vote and transcends mere relief from discrimination by government. It becomes a reality only when all persons have equal opportunity without distinction of race, religion, color or national origin, to acquire the essentials of life—housing, education, and employment. The Republican Party—the party of Abraham Lincoln—from its very beginning has striven to make this promise a reality. It is today, as it was then, unequivocally dedicated to making the greatest amount of progress toward that objective.

We recognize that discrimination is not a problem localized in one area of the country, but rather a problem that must be faced by North and South alike. Nor is discrimination confined to the discrimination against Negroes. Discrimination in many, if not all, areas of the country on the basis of creed or national origin is equally insidious. Further we recognize that in many communities in which a century of custom and tradition must be overcome heartening and commendable progress has been made.

The Republican Party is proud of the civil rights record of the Eisenhower administration. More progress has been made during the past 8 years than in the preceding 80 years. We acted promptly to end discrimination in our Nation's Capital. Vigorous Executive action was taken to complete swiftly the desegregation of the Armed Forces, veterans' hospitals, Navy yards, and other Federal establishments.

We supported the position of the Negro schoolchildren before the Supreme Court. We believe the Supreme Court school decision was right and should be carried out in accordance with the mandate of the Court.

Although the Democratic-controlled Congress watered them down, the administration's recommendations resulted in significant and effective civil rights legislation in both 1957 and 1960—the first civil rights statutes to be passed in more than 80 years.

Hundreds of Negroes have already been registered to vote as a result of Department of Justice action, some in counties where Negroes did not vote before. The new law will soon make it possible for thousands and thousands of Negroes previously disenfranchised to vote.

By Executive order, a Committee for the Elimination of Discrimination in Government Employment has been reestablished with broadened authority. Today, nearly one-fourth of all Federal employees are Negro.

The President's Committee on Government Contracts, under the chairmanship of Vice President Nixon, has become an impressive force for the elimination of discriminatory employment practices of private companies that do business with the Government.

Other important achievements include initial steps toward the elimination of segregation in federally aided housing; the establishment of the Civil Rights Division of the Department of Justice, which enforces Federal civil rights laws; and the appointment of the bipartisan Civil Rights Commission, which has prepared a significant report that lays the groundwork for further legislative action and progress.

The Republican record is a record of progress—not merely promises. Nevertheless, we recognize that much remains to be done.

Each of the following pledges is practical and within realistic reach of accomplishment. They are serious—not cynical—pledges made to result in maximum progress.

1. Voting: We pledge—

Continued vigorous enforcement of the civil rights laws to guarantee the right to vote to all citizens in all areas of the country.

Legislation to provide that the completion of six primary grades in a State accredited school is conclusive evidence of literacy for voting purposes.

2. Public schools: We pledge—

The Department of Justice will continue its vigorous support of court orders for school desegregation. Desegregation suits now pending involve at least 39 school districts. Those suits and others already concluded will affect most major cities in which school segregation is being practiced.

It will use the new authority provided by the Civil Rights Act of 1960 to prevent obstruction of court orders.

We will propose legislation to authorize the Attorney General to bring actions for school desegregation in the name of the United States in appropriate cases, as when economic coercion or threat of physical harm is used to deter persons from going to court to establish their rights.

Our continuing support of the President's proposal, to extend Federal aid and technical assistance to schools which in good faith attempt to desegregate.

We oppose the pretense of fixing a target date 3 years from now for the mere submission of plans for school desegregation. Slow-moving school districts would construe it as a 3-year moratorium during which progress would cease, postponing until 1963 the legal process to enforce compliance. We believe that each of the pending court actions should proceed as the Supreme Court has directed and that in no district should there be any such delay.

3. Employment: We pledge—

Continued support for legislation to establish a Commission on Equal Job Opportunity to make permanent and to expand with legislative backing the excellent work being performed by the President's Committee on Government Contracts.

Appropriate legislation to end the discriminatory membership practices of some labor union locals, unless such practices are eradicated promptly by the labor unions themselves.

Use of the full-scale review of existing State laws, and of prior proposals for Federal legislation, to eliminate discrimination in employment, now being conducted by the Civil Rights Commission, for guidance in our objective of developing a Federal-State program in the employment area.

Special consideration of training programs aimed at developing the skills of those now working in marginal agricultural employment so that they can obtain employment in industry, notably in the new industries moving into the South.

4. Housing. We pledge action to prohibit discrimination in housing constructed with the aid of Federal subsidies.

5. Public facilities and services: We pledge—

Removal of any vestige of discrimination in the operation of Federal facilities or procedures which may at any time be found.

Opposition to the use of Federal funds for the construction of segregated community facilities.

Action to insure that public transportation and other government authorized services shall be free from segregation.

6. Legislative procedure: We pledge our best efforts to change present rule 22 of the Senate and other appropriate congressional procedures that often make unattainable proper legislative implementation of constitutional guarantees.

We reaffirm the constitutional right to peaceable assembly to protest discrimination in private business establishments. We applaud the action of the businessmen who have abandoned discriminatory practices in retail establishments, and we urge others to follow their example.

Finally we recognize that civil rights is a responsibility not only of States and localities; it is a national problem and a national responsibility. The Federal Government should take the initiative in promoting intergroup conferences among those who, in their communities, are earnestly seeking solutions of the complex problems of desegregation—to the end that closed channels of communication may be opened, tensions eased, and a cooperative solution of local problems may be sought.

In summary, we pledge the full use of the power, resources and leadership of the Federal Government to eliminate discrimination based on race, color, religion or national origin and to encourage understanding and good will among all races and creeds.

THE UPPER COLORADO RIVER STORAGE PROJECT

Mr. McGEE. Mr. President, one of the key points in the platform of President Kennedy and his administration was the development of western resources. There is a need for expanded economic growth, rising to the level which our own expectations and international frontiers now require, which has commanded from us a searching inquiry into a new economic base to sustain such a responsibility.

We believe that a portion of this new economic base can be found in a fuller utilization of the resources of the West. Particularly in some of the Western States, our concern centers on the upper Colorado River storage project. In respect to this project, we have felt that up to now, there has been reluctance to examine the power revenue potential of the project realistically in light of these needs. Without such an examination, we cannot move ahead fast enough to keep pace with these mounting needs. In this regard, recently I have engaged in correspondence with the Department of the Interior.

I am delighted to report that as a result of an exchange with the Department of the Interior we have received assurances from the Department, that such a reexamination, in the form of a new economic analysis of the future power revenues of the project, will be undertaken forthwith.

I extend my praise and my warm words of congratulation to the new administration for bringing this breath of fresh air directly from the New Frontier to the potential of a new West. I should like also to thank Secretary Udall and Under Secretary Carr personally for the understanding of the problems of the upper basin which they have demonstrated.

Mr. President, I ask unanimous consent that my letter requesting this study and Mr. Carr's reply be printed in the RECORD at this point.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

JANUARY 24, 1961.

The Honorable STEWART L. UDALL,
Secretary of the Interior,
Washington, D.C.

DEAR MR. SECRETARY: The States of the Upper Colorado River Basin have a very strong interest in the rapid development of the upper Colorado River storage project. If these States are to provide the livelihood for a rapidly increasing population, the tax base for vital public programs on the local State and Federal level and the increase in productive capacity, which is necessary to the sound growth of the American economy, it is necessary that this project proceed as rapidly as possible.

Many of us who represent these States in the Congress have become gravely concerned with the future of the project because of our awareness that progress relies upon Department of Interior estimates of the future availability of the project's power revenue.

The financing of repayment contracts for project participating units can only proceed as fast as the Department's economic judgment of these future revenues will allow. The judgment which is now used is contained in an economic analysis undertaken in 1958. It is my opinion that this judgment was conditioned by an overly conservative administration view of the rate at which western and U.S. economic development was likely to proceed.

It seems probable that the policies of the new Kennedy administration will provide a stimulus to economic growth which will increase this rate and which will make the 1958 analysis even more inaccurate.

In addition, the former Secretary of Interior has approved recently, a report which recommends the construction of a Federal transmission system for the project which should be the means for strengthening marketing of project power; it should, for example, make possible more advantageous firming arrangements. By these and other means, the States of the upper basin should secure, not only better service to power users, but also materially enhanced revenues available to aid reclamation development. The November 15, 1960, report of the engineering committee of the Colorado River Basin Consumer's Power, Inc., indicates that an all-Federal transmission system like the one approved by the Secretary of the Interior on January 17, 1961, might yield as much as $650 million more than would a non-Federal system in revenues.

Reexamination of the future power revenue potential of the project which almost certainly discloses other factors which, taken together with those which I have mentioned, make the 1958 analysis a poor basis indeed upon which to plan the rate of construction of these participating units.

As it now stands, the 1958 analysis constitutes an unjust obstacle to the economic development not only of my own State, but of the whole Upper Colorado River Basin. I therefore urge strongly that the Department, under your leadership, undertake a new economic analysis of the future power revenues of the upper Colorado River storage project. Only, it seems to me, if we obtain a new judgment which is more consistent with the economic potential of our area, will we be able fully to meet the challenge of reaching that potential.

Sincerely,

GALE W. MCGEE.

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., March 17, 1961.

Hon. GALE W. MCGEE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MCGEE: Mr. Charles Whittemore, of your office, called on March 14 and we discussed in more detail your request that the Department restudy the 1958 economic analysis regarding the Colorado River storage project.

In view of our discussions, I want to inform you that we will make a thorough reexamination of the future power revenue potential of the project and in so doing we will keep in mind that one of the assumptions will be the type of dynamic power marketing programs advocated by the President and Secretary Udall. There is evidence that the overall growth rate of the area and the country will rise rapidly in the next few years. Public and private power suppliers in meeting this sustained expansion may be called upon to supply nearly three times as much power as early as 1980.

In view of these conditions and the items pointed out in the President's message on natural resources, we believe that a new look is entirely justified. In making this reanalysis, we will certainly approach it from the broadest possible view. This Department is, of course, very much aware of the part that the State of Wyoming has played in reclamation development and we welcome your deep interest in the subject. You realize, I am sure, that to make the type of analysis outlined in our discussions will require several months. However, we will be reporting to you as soon as practicable.

Sincerely yours,

JAMES K. CARR,
Under Secretary.

THE PEACE CORPS

Mr. McGEE. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial from the Sheridan, Wyo., Press of March 20, 1961, in respect to the President's Peace Corps.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE SAME ENDS IN THE SAME SPIRIT

The Kennedy Peace Corps, a pool of trained men and women sent overseas to help foreign nations meet urgent needs for skilled manpower, has lit the imagination of the public, particularly its younger segment.

President Kennedy first struck the spark in a message to Congress March 1, in which he recommended establishment of a permanent Peace Corps, and announced a pilot program. He said:

"Throughout the world the people of the newly developing nations are struggling for economic and social progress, which reflects their deepest desires. Our own freedom, and the future of freedom around the world, depended, in a very real sense, on their ability to build growing and independent nations where men can live in dignity, liberated from the bonds of hunger, ignorance, and poverty.

"One of the greatest obstacles to the achievement of this goal is the lack of trained men and women with the skill to teach the young and assist in the operation of development projects—men and women with the capacity to cope with the demands of swiftly evolving economies, and with the dedication to put that capacity to work in the villages, the mountains, the towns, and the factories of struggling nations."

Kennedy visualizes the Peace Corps as a group that will supplement technical advisers by offering technical skills needed by developing nations.

They would teach in primary and secondary schools, especially as part of national English language teaching programs. They would participate in the worldwide program of malaria eradication. They would provide instruction and operation of public health and sanitation projects, and would aid in village development through school construction and other programs. They would help farmers to use modern implements and techniques in agriculture.

The corps would not be limited to the young, or to college graduates. All Americans, who qualify, would be eligible. Peace Corps personnel would be made available through private voluntary agencies, through oversea programs of colleges and universities, through assistance programs of international agencies, through programs of the U.S. Government, through programs of the corps itself.

Applicants would be thoroughly screened, and each recruit would receive training varying from 6 weeks to 6 months. Corps members would receive no salary, but would receive an allowance sufficient to meet basic needs. Basic to the program, as the President outlined it, is that corps members live simply and unostentatiously among the people they help.

The Peace Corps idea, because it offers service for service sake, because it taps a deep reservoir of heart, because it offers experience people often dream about, and because it represents a real opportunity to build democracy, while building nations, has reaped a heavy and favorable response.

And it merits this response. Most American aid is based on money, rather than people. It has been viewed as a buy-off, and the nations receiving it have known and many have resented this approach.

The Peace Corps program offers a chance for people to help people on a shoulder-to-shoulder level. It is the best and the most practical method of acquainting the people of foreign lands with the real purposes and the real sincerity of the American people and the democratic process.

Its potential is great. It should be endorsed by all those who have ever taken a basket of flowers to a sick friend, who have ever taken a sack of groceries to an unemployed family, and who have ever offered help to a dejected and lonely stranger. The Peace Corps is intended to meet these same ends in the same spirit.

FAKE MAIL BY ORGANIZED INTEREST GROUPS

Mr. McGEE. Mr. President, I ask unanimous consent to have printed in the RECORD a column written by Mr. Ralph McGill and published in the Washington Evening Star of March 23, 1961, describing how organized groups can concentrate fake mail petitions to Representatives and Senators in an attempt to influence their positions on public questions.

There being no objection, the column was ordered to be printed in the RECORD, as follows:

FAKE MAIL FLOODS CAPITOL HILL—ORGANIZED INTEREST GROUPS BLAMED FOR CONTRIVED LETTERS TO CONGRESS

(By Ralph McGill)

President Kennedy was quite accurate in speaking sharply about the "well-organized interest groups" which are promoting mail campaigns to the Congress seeking to give an impression his program lacks public support.

Such campaigns are familiar. Happily they almost always end up by overreaching themselves. A few years ago an investigation into a flood of mail led to revelations of hundreds of fake signatures to letters and telegrams.

Today, there are a few new techniques. There are, for example, organizations which, for a fee, will add any person's name to form letters. They even advertise in magazines and publications representing the extreme rightwing of American conservatism. A couple of samples will illustrate:

"Conservatives: Help block leftist measures and support sound ones, by sending skillfully prepared and carefully written letters to key Congressmen and newspapers, etc. * * * Join _____, the legislative service that keeps an eye on legislation and alerts conservatives."

Another is more subtle:

"Why do we fail? Perhaps we fail to sell conservative ideas * * * consult a communications specialist."

In other words, under this for-a-fee idea, these letters to Congress agencies will decide which bills they consider leftist, and which sound. The voter will not have to write the letters. They will be written for him. Note the promise. The contents will be skillfully prepared. The person who pays the fee to have his name used in floods of letters presumably will have his vanity soothed by the vicarious pleasure of receiving the routine answers which harrassed congressional secretaries send out.

There are a number of these press-the-button-for-letters-to-Congress agencies. In the long run, this will be beneficial. The most obtuse Congressmen cannot forever fail to see that these so-called conservative organizations take him for a fool who will be influenced by such mass-produced mail campaigns. And certainly, the citizen who hires some faceless persons to write his letters and make decisions for him about leftists and soundness can't really be considered as being very influential. What he has done is put some smart boys in the business of making an easy living out of turning out offset printed letters which look like the real thing.

There are, of course, the large special interest lobbies which do the same thing. Between them, they can put stacks of mail on congressional desks.

But the wise Congressman will hardly fail to see that the polls show a very substantial percentage of the American people like what President Kennedy is doing.

The Congressmen will realize also that it was the same sources now producing mail campaigns against the Kennedy program which contributed to the stagnation of the Eisenhower administration program. They were responsible for eliminating the word "modern" from association with the word "Republicanism" within weeks after that dynamic phrase was launched at the 1956 convention in San Francisco. They were, in a very real sense, in part responsible for the failure of our foreign policy to produce ideas and contributed, too, to the economic decline which began in 1958. Not being willing now to make an open, direct attack on the Kennedy administration, they try to come in from the flanks.

The voters, meanwhile, are beginning to see he is committed to no party dogma. He has a program which has at least a chance of working out for the national good. It will be a grave error if the special interest mail campaigns are permitted to deprive the country of it.

THE CONGO AND LAOS

Mr. McGEE. Mr. President, I ask unanimous consent to have printed in the RECORD, a column written by Walter Lippmann, entitled "The Congo and Laos," published in yesterday morning's Washington Post and Times Herald.

There being no objection, the column was ordered to be printed in the RECORD, as follows:

THE CONGO AND LAOS

(By Walter Lippmann)

Summing up the position of the Soviet Union, Mr. Gromyko told the General Assembly on Tuesday that on the one hand the U.N. should withdraw its troops from the Congo within a month, on the other hand that it should remove "all Belgian troops and Belgian personnel now in that country." It should arrest Tshombe in Elizabethville and Mobutu in Leopoldville, and it should give the necessary assistance and support to Gizenga in Stanleyville. A rather busy month for a withdrawing army.

Does this make any sense, to expect the U.N. forces which would be in the process of packing their bags and moving to the ports to exercise the authority of overwhelming power in all the centers of the vast territory of the Congo? How could a departing force move into Katanga and arrest Tshombe and expel all the Belgians?

Mr. Gromyko's summary of the position is such an irrational and contradictory one as to leave the observer asking whether the Soviet Union has any policy in the Congo except to demolish the United Nations as an influence in world affairs.

The U.S. position on the Congo rests on a decision which was first taken by President Eisenhower, and which was recently reaffirmed by Mr. Henry Cabot Lodge. The decision was to act with and through the United Nations in African affairs. This policy is also that of the Kennedy administration, and it is being carried out with extraordinary diplomatic skill by Governor Stevenson. What is now at stake is more than the pacification of the tribes of the Congo. It is the preservation of the integrity of the United Nations as an instrument of peace during the liquidation of the colonial empires. The liberated countries would become the victims of a new imperialist conflict if the United Nations were to disappear.

We can have a reasonable confidence that on this issue, we shall find ourselves alined with the great majority of the uncommitted nations of the world, including the largest of them, India. The uncommitted nations cannot assent to Mr. Gromyko's demand that the U.N. withdraw from the Congo in 30-days unless they are willing to abandon the only institution on earth in which the small and the weak can stand up to the great and powerful. Were the United Nations to disappear, or were it to be humiliated and reduced to an object of derision, all international relations would become sheer power politics. The importance of a nation would be measured solely by its military power and its strategic geography, and the importance of the weak would be how much trouble they could kick up.

We have very good reason to believe that on this crucial issue—the survival of the United Nations—we are not only on the right side, we are on the winning side. Let the matter be tested in this General Assembly: shall the U.N. withdraw from the Congo or shall it remain until the objectives laid down by the Conciliation Commission have been achieved?

However it must be said that if the United States policy is to succeed, it must have the support and the cooperation of our allies—particularly of Belgium and France. As things stand today, an overwhelming majority of the nations have sanctioned the continuing presence of the U.N. in the Congo. But this sanction was voted with the understanding that the Belgians would withdraw their paramilitary forces and their political agents. If that were refused, the U.N. operation might well fail, with all the contending factions siding with Mr. Gromyko and demanding that the U.N. withdraw. After that the African future might well be quite out of any influence that the United States could exert.

As compared with the Congo, where the United States has a clear position and an intelligible strategic policy, the situation in Laos is confused and dangerous. Our commitment in the Congo, which was taken only last year, lies within the reach of our strategic and political power. Laos does not. Laos is a classic example of a great power being overextended. The commitment in Laos goes back to the days when we were strong enough, or thought we were strong enough, to bring that remote and landlocked country within the American sphere of military influence.

As Laos borders on the Communist world but is far out of our effective reach, our false and imprudent commitment was bound to boomerang as the balance of power became more favorable to the Communist nations.

It has now boomeranged, and President Kennedy has to find a way between a diplomatic defeat and a meaningless war. That may not be impossible to do. But it is a difficult thing to do. And he is entitled to try without too much advice from the backseat drivers.

INTERESTS OF THE AMERICAN CONSUMER

Mrs. NEUBERGER. Mr. President, this promises to be a decisive year for the consumers. Congressional hearings

last year have clearly revealed that leading networks, leading advertising agencies, and leading advertisers have been joint partners in television fraud.

Our colleague the Senator from Tennessee [Mr. KEFAUVER] is to be commended for the hearings he held, which have awakened American consumers of all ages.

Bills to protect the interests of consumers, for the first time in many years, have begun to receive genuine and sympathetic consideration from Members of Congress and from the public at large.

The fact of the matter is that consumers are becoming better educated and are not quite such easy victims of the planned obsolescence championed by grinning television artists.

Consumers cannot be content with such minor goals as having an occasional advisory committee appointed and writing letters protesting some of the more obvious frauds.

Prof. Colston E. Warne, president of Consumers Union, has said:

> The primary goal in a consumer platform is to have a Department of the Consumers, an agency which should in its scope be as important to the Nation as the Department of Commerce or the Department of Agriculture.
>
> A second consumer goal is that of protecting and of expanding the existing consumer outposts in Washington, D.C.; specifically, the Food and Drug Administration and the Federal Trade Commission.

When I was a member of the Oregon Legislature, I fought to get a meat-grading and a meat-inspection law passed in my State. The difficulties we encountered were astonishing. Since that time I think the consumers have rallied to support proposed legislation important to their own protection.

Professor Warne has also stated that—

> Consumer programs, at the State as well as at the Federal level, need to be developed in a dozen fields; such as eliminating unsightly billboards, preventing bait advertising, eradicating the racket of fictitious pricing, tightening the laws affecting consumer credit, coordinating the laws with respect to usury so that outrageous rates will be eliminated, and developing a clear and explicit definition of the cost of doing business.

Seldom has there been a time in which the consumer movement has been more vigorous. National organizations, ranging from the General Federation of Women's Clubs to the AFL–CIO, have placed consumer programs on their agendas. Schools and colleges are increasingly using consumer materials in classes.

While our expectations still outrun our results, we do have a considerable number of new consumer credit protection measures.

I recommend about five ways in which we should consider consumers particularly vulnerable to deceptive merchandising practices.

First. Fictitious pricing, when large price reductions are made from unrealistically high list prices.

Second. "Bait" advertisements, which offer a well-known product at an extremely low price without any intention of selling it, as a lure to get customers into a store.

Third. Mislabeled or undisclosed contents of so-called miracle products, including patent medicines, cosmetics, nutritional supplements, and weight-reducing remedies.

Fourth. Deceptive interest rates and undisclosed finance charges in consumer credit.

Fifth. Lack of grade labeling on many products which makes price competition meaningless and places undue stress on particular product brands through heavy promotional and advertising expenditures.

This morning's Washington Post and Times Herald carried a popular feature column called "The District Line," written by Bill Gold. I should like to read from this column. It includes a letter from a reader of the Washington Post and Times Herald to Mr. Gold, in which it is said:

> "It was with much amusement and a feeling of personal identification that I read of your experiences in trying to figure out whether the large 'economy' package was really a bargain," writes Mrs. William O. Brimijoin of La Plata, Md. "I discovered several years ago that the second word in the designation 'giant economy size' is often as exaggerated as the first. Now I don't buy such items unless I'm accompanied by my engineer husband and his slide rule.
>
> "The first time my husband ran through these pennies-per-ounce problems for me we discovered the absurd fact that in one particular item—dog food—it was cheaper to buy the smaller, easier-to-handle-and-store size."
>
> Yes, many District Liners have written in the same vein recently. Pounds and ounces and fractions of ounces have to be searched out in a hunt through tiny type, and then multiplied by the number of packages involved, because these days so many items are sold two-for or three-for or four-for something or other.
>
> The average person has neither the time nor the patience to struggle with the problem, and sometimes also lacks an aptitude for slide rule research. I am reasonably at ease with simple arithmetic problems, but I, too, hesitate when I get one set of answers and a resolute clerk gets another.
>
> This week, for example, I responded to advertisements that invited me to consider the advantages of buying the big "economy" sizes. One offering was on behalf of a well-known potion priced at $2.62 a pint, $4.43 a fifth and $11.38 a half gallon.

I interpolate in Mr. Gold's column at this point to say I am still quoting, because I myself am not in the habit of making this particular purchase. I continue reading Mr. Gold's column:

> I phoned the store. "Why does this stuff cost more in larger quantities than it does in smaller quantities?" I asked.
>
> "My dear sir," was the reply. "This is not so."
>
> "Maybe I made a mistake in my figures," I hedged, as I checked them. "There are two pints to a quart, and two quarts to a half-gallon. Right? So that's four pints in a half-gallon."
>
> "Now you're on the right track," the clerk said. "So multiply four times $2.62."
>
> I followed his suggestion. Then, imitating his tone, I said: "My dear sir, I have again multiplied four times $2.62 and I have again reached an answer of $10.48—not $11.38. So again I ask: Why do you charge 90 cents more for the same amount of this stuff in one bottle as you charge for it in four separate bottles?"
>
> First he tried to tell me my multiplication was wrong.
>
> Then he switched his defense. "You've got to remember, my dear sir," he said, "that the half-gallons are a hand operation, and this costs a few pennies more. You see, the pints and fifths are filled by machine."
>
> "If the pints and fifths are both filled by machine," I asked, "why does it cost more per ounce in the larger fifths than in the smaller pints? The pint rate is $20.96 a gallon, the fifth rate is $22.15 a gallon, and the half-gallon rate is $22.76 a gallon. The bigger the bottle, the higher the rate per ounce."
>
> "That's the way the prices are set up," he muttered. "We have nothing to do with them."
>
> "If that's the way they're set up, maybe they're set up wrong," I suggested.
>
> "No," he said flatly. "There's nothing wrong with them. We sell them every day at those prices. You're the only one who has complained."
>
> I must be some kind of nut or something. I not only like to know what I'm buying and how much it costs, but I even count my change before I leave the box office window. Clerks must find it terribly annoying to have to wait on customers like me.

President Kennedy has expressed his concern for and interest in the American consumer. He said:

> The housewives who shop for their families—the wage earners who pay the rent and meet the bills—all have a vital interest in the activities of government which affect the value, the quality and accessibility of the goods which they buy. And yet those interests have been virtually unrepresented before the agencies, the congressional committees and the executive departments whose work has a direct impact on the daily life and long-term standard of living of the American consumer.

Consumers have been the "ignored Americans." They lack a lobby. They have been more or less voiceless at the Federal level.

Up until the First World War, the processes of production were neither so complex nor so remote that they were not understood by the society at large. A great proportion of our people still lived on farms or in a rural environment. The production-consumption unit was a single-phase operation, with food and fiber being produced and consumed within a fairly small community unit. The degrees of specialization was low and a consumer was able to make an informed appraisal of his purchases.

There has been a change. Today we are operating under new conditions, primary among which is the concept of the second exchange.

The basic consuming unit is still the family, but few families produce what they consume. We earn wages by performing a relatively specialized service in a highly technical economy. We trade labor and skill for money. This is the first exchange.

But we do not eat money. We must take the money we have received for our skill and labor and make a second exchange. We buy the goods and services that are provided for us by the labor and skill of others.

Transforming money into goods and services is the act of consuming. This is the second exchange.

It is to protect our hours of labor and the real value of the money we receive

for that labor that the interests of the consumer must be protected in the second exchange.

The President has announced his intention "to appoint a consumer counsel in the Office of the President." He said that it would be "the function of this counsel to represent the interests of the American consumer in all the activities of government."

I have introduced a resolution calling for the establishment of a Senate Select Committee on the Consumer Interest. Such a committee would conduct a study with respect to the nature and extent of economic problems of consumers within the United States.

I urge consideration of this part of the President's program.

Along the same line I wish to call attention to a bill termed the "truth in lending bill," which I hope will be reintroduced by the Senator from Illinois [Mr. DOUGLAS], dealing with one facet of this important subject. I enjoyed reading the transcript of the committee hearings and reports on the bill last year. In fact, during my campaign I found that the bill was a very popular proposal, and wherever I spoke about it, the greatest interest was manifested and many questions were asked about it.

The American consumer is becoming increasingly concerned. We, as his representatives, should show this feeling.

BRITISH BROADCASTING CORP. REBROADCAST OF FILM "HARVEST OF SHAME"

Mr. HOLLAND. Mr. President, on Wednesday, March 22, I addressed the Senate on the presentation by the British Broadcasting Corp. of the film "Harvest of Shame" on the preceding night under an arrangement with the American owner, Columbia Broadcasting System. I deplored the sale by CBS of the right to present this film throughout Great Britain, and predicted what I felt must be the inevitable result of presenting that extremely untrue and unfavorable picture of America and American life to our stanch friends, kinsmen, and allies, the British. Mr. President, I have now received clippings from the British press which abundantly support my prediction that the effect of the presentation of this so-called documentary was as I said it would be, and that such presentation would be a great disservice to our country.

I shall read into the RECORD quotations from some of the British press clippings, which abundantly show the extent to which our British friends had already been misled by the time of the publication of the British papers on the next day, following the night of the telecast. The first reaction which I shall note is a program announcement in the Radio Times, an official BBC publication, covering the period from March 18 to March 24. I ask unanimous consent that the announcement be printed as a part of my remarks at this point in the RECORD.

There being no objection, the announcement was ordered to be printed in the RECORD, as follows:

[From Radio Times, Mar. 18–24, 1961]

THE "HARVEST OF SHAME"—THE PLIGHT OF AMERICA'S MIGRATORY FARM WORKERS

(By Kenneth Lamb)

Every year at about this time a horde of some 3 million Americans take to the road. Their exodus has its beginning in Florida, or on the Mexican border in California. In the next 9 months they will travel thousands of miles. They will follow the sun and bring in the harvest.

Tonight's program is about these men, women and children; and the way they live and move around in search of work. Mr. James P. Mitchell, who was President Eisenhower's Secretary of Labor, calls them "the excluded Americans." One of them, a 29-year-old Negress, a migrant worker since she was 8, now the mother of 14 children, describes how she earns $1 per 10-hour day of picking beans.

There are scenes in this film reminiscent of "The Grapes of Wrath." It pulls no punches. One farmer is quoted as saying: "We used to own our slaves; now we just rent them." In one place in Florida, when the producer unloaded his camera outside a worker's shack, a father of four children drove him off with a hammer, shouting, "Nobody's going to photograph my kids living like this." But the concern of many farmers about the workers' living conditions is also made clear.

This is one of the last television programs in which Ed Murrow appeared before President Kennedy appointed him Director of the U.S. Information Agency.

Mr. HOLLAND. Mr. President, to illustrate the seriousness of the impact of the showing of the film upon the British people, I shall read some excerpts from the official announcement of the British Broadcasting Corp. of the approaching showing of the film:

Tonight's program is about these men, women and children—

Previously it had mentioned the "3 million" Americans who are "migratory farmworkers."

Tonight's program is about these men, women and children; and the way they live and move around in search of work. Mr. James P. Mitchell, who was President Eisenhower's Secretary of Labor, calls them "the excluded Americans." One of them, a 29-year-old Negress, a migrant worker since she was 8, now the mother of 14 children, describes how she earns $1 per 10-hour day of picking beans.

There are scenes in this film reminiscent of "The Grapes of Wrath." It pulls no punches. One farmer is quoted as saying: "We used to own our slaves; now we just rent them."

Mr. President, the RECORD will show abundantly that the Senator from Florida had protested vigorously to two of the items—the false and troublemaking items which are mentioned in that brief part of the announcement. One of them is the statement that a dollar for a 10-hour day is a wage. The Senate will note from later clippings that that idea seems to have prevailed in the minds of several of the members of the British press who reported on the actual showing of the film. I fully discussed the falsity of that statement on the floor of the Senate on February 6. The second one was covered by my very strong objection, voiced last Wednesday, to the showing of this film on the ground that the word "slaves" and similar words had been used in this film in conjunction with the showing of members of the Negro race who were among these migratory workers, and that I was sure that that factor would be among the troubles and misunderstandings which this film would create.

It is very clear from the actual announcement, an official publication of the British Broadcasting Corp., that both of these items became sensational items which the writer of this publicity item felt should be stated to attract people to look at the film, so that they would see how horrible we Americans have become, paying a dollar a day for a 10 hour day's work, and "renting our slaves now," rather than owning them.

I wish to pass now to the reviews and news articles in the British press for Wednesday last with reference to the program after it had been presented, which I now offer for the RECORD, to show the damage which already had been done to our Nation's image abroad by this untrue film presentation.

I ask unanimous consent that an excerpt from an article in the Daily Herald of March 22 be printed in the RECORD at this point in my remarks.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

MURROW TELLS OF AMERICA'S SHAME

(By Phil Diack)

Part of the underbelly of the American economy was shockingly exposed in the CBS-Ed Murrow documentary "Harvest of Shame," shown on BBC last night.

This deliberately disturbing report on the modern slaves of rural U.S.A.—the migrant agricultural workers—was one of the last TV programs on which Murrow worked before President Kennedy appointed him Director of the U.S. Information Agency.

WRETCHED

I am sure that the appointment means a clear and decent official expression of the American conscience, but I cannot help fearing that our TV as well as theirs is bound to be the poorer.

Murrow's documentary blazed fiercely with his incomparable and indispensible indignation * * * fury backed by hard facts, harshly framed on film.

His all-American style as a commentator has sometimes offended me. That does not really matter. He has had a massive influence on TV—not so much as a technician, but as the questioning voice of American liberal conscience.

Apart from the Murrow masterpiece, the night's viewing was familiar rather than auspicious.

Mr. HOLLAND. Mr. President, I shall read a few excerpts from this article, printed in one of Britain's great newspapers on the morning after the showing, to give to the American people an idea of the immense harm done to our Nation by the unprincipled act of CBS in the selling of the film for presentation overseas after they knew full well its controversial nature and also of the charges of complete falsity of several

of the items in the film, which charges have not been answered or disproved.

I read this excerpt:

This deliberately disturbing report on the modern slaves of rural United States—the migrant agricultural workers—was one of the latest TV programs on which Murrow worked before President Kennedy appointed him Director of the U.S. Information Agency.

Mr. President, I not only call attention to what I thought was certain to happen, that this use of the word "slaves" would bring about improper connotations and improper interpretations and charges, but also that there would be no way of divorcing from the showing of this film the gentleman who narrated it, Mr. Murrow, now head of USIA, who, I must say, had very little to do with the actual production of the film, because everything I have been able to learn is to the effect that a field worker named David Lowe took the pictures and then culled what he wanted out of the tremendous number of pictures he had taken, which would have been more representative of the situation, and prepared a film which was highly discriminatory against American rural life and against American migratory rural workers, and then CBS presented that film for narration by Mr. Murrow. Mr. Murrow's connection with the matter was much less than that of Mr. Lowe.

There are other items in the article. I shall not refer to them at this time.

The third item which I offer, is one of the same date, March 22, from the Daily Sketch of London. It is entitled, "How I see It," written by Neville Randall. I ask unanimous consent that the article may be inserted in the RECORD at this point as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HOW I SAW IT

(By Neville Randall)

I have seen five TV films on the American way of life this year. All were critical. But none matched the devastating condemnation of Ed Murrow's "Harvest of Shame," screened—under protest from America—by the BBC last night.

The picture he presented of 2 million to 3 million migrant farm laborers made the slums of Chicago seem like a paradise.

CLIMAX

This climax to an orgy of self-criticism nearly lost Murrow his appointment as the new head of the U.S. Information Agency.

I can only say that if Murrow builds up America as skillfully as he tore it to pieces last night, the propaganda war is as good as won.

Mr. HOLLAND. I quote two very brief sentences from the report on the film showing by Mr. Randall:

The picture he presented of two to three million migrant farm laborers made the slums of Chicago seem like a paradise.

I quote further:

I can only say that if Murrow builds up America as skillfully as he tore it to pieces last night, the propaganda war is as good as won.

Was there any chance for British critics or newspaper commentators to fail to attempt to fix the responsibility upon the head of our U.S. Information Agency for the promulgation and publications of this film, which in so many particulars is false and malicious and slanderous to good people in this country, both employers and workers?

We have noted already that there have been two references to the "3 million" figure with reference to migrant workers. The fact is that the number of domestic migrant workers and their families is only about 400,000. I ask unanimous consent that the statement from the U.S. Department of Labor on the subject, furnished as an official publication of our Government to cover this field, which is already included in the CONGRESSIONAL RECORD for February 16, 1961, where it had been placed at the request of the distinguished Senator from New Jersey [Mr. WILLIAMS], be printed again in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Employment of seasonal farmworkers

[In thousands]

	Total seasonal farm labor employment	Foreign (mostly Mexican workers)	Domestic workers		
			Total	Local	Migrant
1959					
November	823	185	638	493	145
December	399	97	302	248	54
1960					
January	343	77	265	233	42
February	328	72	256	218	38
March	309	71	238	205	34
April	417	81	336	284	52
May	766	109	657	543	114
June	1,225	137	1,089	867	222
July	1,200	123	1,077	784	293
August	1,112	133	979	716	263
September	1,282	184	1,099	848	251
October	1,316	236	1,079	823	256

Mr. HOLLAND. It will be noted, Mr. President, that the highest number of seasonal farmworkers of all types employed in the United States from the period November 1959 through October 1960 was 1,316,000, the figure for October 1960. This total included 823,000 domestic workers who were not migrants and 236,000 foreign seasonal farmworkers, leaving a total of 256,000 domestic migrant workers during that month. The highest number of domestic migrants during the period covered was 293,000 in July 1960.

Mr. President, the fact is that the total number of migrant workers is so much under the figure of 3 million that someone must have taken the figure out of thin air and tried to state the number of workers, seasonal farmworkers of all types, plus their families, or to give some other approximation of a much larger figure than the number of migrant workers, that I am unable to understand where the figure could have come from. However, it appears several times in this deplorable film; and has been seized upon several times by the reporters in Great Britain. It is a complete misrepresentation of the number and of the size of this problem in our Nation's life.

Mr. President, the next article was published in the London Daily Mirror of March 22, 1961, and is headed "Brilliant." It reads:

"Harvest of Shame" on the BBC last night was a brilliant exposure of an American problem.

This Ed Murrow report showed the hopeless lives of 3 million farmworkers and their families in the United States with appalling sincerity.

Can anyone find a reasonable answer as to why Americans, understanding this problem and understanding the serious falsifications which are in the film, could ever have given their consent to sell the film for presentation to the some 50 million people, or perhaps 60 million people, who would have had the chance to see it when it was shown on the British Broadcasting Network?

Mr. President, the next of the clippings from the British press is entitled "Sordid Living—U.S. Harvest Migrants," and was published in the London Daily Telegraph of March 22, 1961. I ask unanimous consent that the entire article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SORDID LIVING—U.S. HARVEST MIGRANTS

A raw, harsh picture of the poverty in which some 3 million American farmworkers live was presented in the documentary "The Harvest of Shame" on BBC television last night. With brutal reality it depicted the lives of the migrant farmworkers who travel the country to bring in the harvest.

Ed Murrow, the commentator, drew bitter comparisons between the treatment of these workers and cattle, pointing out that cattle traveled in better conditions than the migrants. Even horses had more capacious quarters.

Wages are pathetically low. One Negress described how she spent almost 9 hours in the sun picking beans for a mere dollar while four children waited at home to be fed. But despite the sordid conditions there seemed little despair among the workers.

One farmer described them as "the happiest people on earth" with no worries and thoroughly enjoying their lives of freedom. While the film tended to emphasize the sordid side of their lives the workers themselves brought a balance to the production with their resignation and contentedness.—P.J.K.

Mr. HOLLAND. Mr. President, I read this one sentence from the article, which is so completely out of line with the facts, but which has its inception obviously in portions of the film of which I have complained twice before on the floor, and which I have branded as false:

Wages are pathetically low. One Negress described how she spent almost 9 hours in the sun picking beans for a mere dollar while four children waited at home to be fed.

This refers to Mrs. Alean King. Contrary to the statement in the film that she has 14 children, she has 7 children living and 7 who are dead, two having been stillborn. Her husband has been a permanent seasonal employee at a sugar

mill where he now receives a salary of $83.50 per week during the season. The prevailing base minimum rate for picking beans in the area is 60 cents a hamper. Most workers have little difficulty picking two hampers or more an hour. If Mrs. King earned only a dollar for a day's work, she either was not working very hard or she was in a very unusual situation.

Again, it seems incomprehensible to me that anyone claiming to be an American could have been a party to this monstrous outrage.

The next article was taken from the London Daily Mail of March 22, 1961. It is headed "Peter Black's Teleview." I ask unanimous consent that the entire article be printed at this point in the RECORD as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

EXHIBIT G

PETER BLACK'S TELEVIEW

Although the Americans as a whole are no better at self-criticism than anybody else, they are extraordinarily ready to hear people tell them about their faults.

Ed Murrow startled and shocked America last year with his exposure on TV of the conditions in which the 3½ million migrant workers of America live. Indeed, as BBC viewers saw in "Harvest of Shame" last night, it is a startling and shocking story.

For these dollar-a-day workers are technically as good Americans as any other. They are not like the Sicilians or the Irish, helpless victims of an economically disintegrated Europe. They are citizens of a huge, rich, and unified country.

According to Murrow, the Eisenhower regime allotted $6,500,000 to preserve migrant bird life, but failed to implement the $3,500,000 budget for the education of the children of these workers.

It's all very curious. After all America was built on the idea of equality of opportunity. How can it tolerate this pitiful anomaly?

The explanation that makes most sense is that the Americans cannot take the first step of acknowledging that this equality of opportunity is a myth.

Mr. HOLLAND. Mr. President, there are three items I should like to read from that article. Readers of the RECORD can see the whole article for themselves but I shall not take the time of the Senate to read it. I have just placed it in the RECORD. The first item reads:

Ed Murrow startled and shocked America last year with his exposure on TV of the conditions in which the 3½ million migrant workers of America live. Indeed, as BBC viewers saw in "Harvest of Shame" last night, it is a startling and shocking story.

Mr. President, it is a startling and shocking story. The trouble is it simply does not happen to be true. It is in that regard that a lasting disservice was done to our country, and a false picture given to the good people of Great Britain, our greatest ally.

The next item reads:

For these dollar-a-day workers are technically as good Americans as any other.

The phrase I resent there is "dollar-a-day workers." There still is not any such group among migrant workers. They are not only well employed, but they have to be employed, in my State, in competition with those who go to the tourist hotels, restaurants, and other operations, at the same time, which are catering to the some 11 million people who visit our State at the precise time of the year when the migrant workers are working in Florida.

The conclusion that these are dollar-a-day workers arises from one of the falsities which is incorporated in the film, and to which I have called attention in an earlier discussion both by reading the words of the telecast and by pointing out how no person who viewed the film could have gained any other reasonable conclusion than that which was gained by the commentator, Peter Black, who, I am certain, was trying to correctly advise the readers of his great newspaper, the Daily Mail, of the facts as he saw them portrayed in that film.

The third of his conclusions which I believe is particularly ugly is this:

According to Murrow, the Eisenhower regime allotted $6,500,000 to preserve migrant bird life, but failed to implement the $3,500,000 budget for the education of the children of these workers.

It's all very curious. After all, America was built on the idea of equality of opportunity. How can it tolerate this pitiful anomaly?

Mr. President, there are other articles which I feel certain will be received from time to time. These five or six are the ones which reached me this morning. They were taken from the daily press in London on the morning after the showing of the film, except as to the first, which was taken from the schedule of BBC offerings for that period, showing the offering for that particular day.

Many statements have already been made in the press at home about this matter, and there will be ample time to comment on them later. Editorials have been written by very competent, very dedicated editorialists, who undoubtedly have been misled into thinking that this film is true.

I noticed several editorials and columns today, to which I shall refer on another occasion. For an editorialist sitting in an ivory tower in a great city like New York or Washington to assume that a film of this kind is true, when it is not true; for him to write editorials expressing the considered opinions of great newspapers, of great informers of the public as to what is taking place; and to produce editorials which are predicated upon a false premise, and which therefore must state a false conclusion, is, I think, a most unfortunate occurrence. I shall dwell on these matters later.

The point now remains that an American institution, the Columbia Broadcasting System, wholly dependent upon the generosity and the grace of our country in granting television and radio privileges has done a thing of this kind, knowing, or having every right to know, and having had every chance to be advised of, the falsity of various things which were included in the film.

It is very easy to say, "Let the sin be on their head." I am not thinking of that. They are responsible, and will have to be responsible, not only to their own consciences, but to the consciences of the American people. What I am deeply concerned about is that a great people who are our kinsmen and our friends and closest allies should have been subjected to that kind of misleading showing, narrated by the very man who was that very day sworn in as head of the U.S. Information Agency, and shown over his protest and strenuous opposition, when everyone who was familiar with the contents of the film should have known that the results would be disastrous to us and our country, and that our cousins in Britain would get a false and an even worse opinion of us than they have ever had in the past—and sometimes I think they have not, indeed, had too favorable an opinion of us even in the past.

Mr. President, it is tragic when the love of money or the love of notoriety or the love of power—I do not know what it is that has caused the action—makes it possible for the heads, the managers, and the directors of so great an institution of information, the Columbia Broadcasting System, to sell this film for production in the United Kingdom.

Mr. President, later we shall have more to say about this matter. Today, I wish to put this much into the RECORD.

Today is Friday. The film was shown in Britain on Tuesday night. The newspaper clippings I have placed in the RECORD are from newspapers which were published on Wednesday morning; and the clippings arrived here just as fast as airmail could bring them.

Mr. President, I think there is ample in this showing alone to make every Senator wonder what we have come to, when we cannot rely upon the existence of exacting responsibility on the part of Americans who head great and supposedly responsible organizations such as the Columbia Broadcasting System.

LEGISLATIVE PROGRAM

Mr. KUCHEL. Mr. President, I should like to inquire of the distinguished majority leader about the business of the Senate next week.

Mr. MANSFIELD. Mr. President, in response to the question asked by the distinguished acting minority leader, I wish to state that it is the intention to bring up, on Monday, certain nominations; also Senate bill 107, the so-called San Juan-Chama project bill, which passed the Senate—unanimously, I believe—last year; and the supplemental appropriation bill, which today was reported to the Senate by the chairman of the Appropriations Committee, the senior Senator from Arizona [Mr. HAYDEN].

Mr. KUCHEL. Both of them will be taken up on Monday, will they?

Mr. MANSFIELD. That is the intention.

It is further my understanding that the Finance Committee will, on Monday, consider the extension of the Sugar Act, and will very likely report it on Tuesday. It is our hope to bring it up Wednesday and complete action on it, through conference, on Thursday.

It is the intention, if we pass the proposed legislation announced for Monday, to go over from Monday to Wednesday. If the proposed legislation is not passed, we will meet Tuesday.

There will not be any token sessions next week, so I think the Senate ought to be on notice that we will be doing business until the afternoon or evening of Thursday next, and the Senate can anticipate returning to do business by the following Monday.

Mr. KUCHEL. I thank the Senator.

Mr. MANSFIELD. Mr. President, in further response to the question raised by the distinguished acting minority leader, I should like to point out that there is on the calendar just one bill, S. 107, the so-called San Juan-Chama project bill. There is before us on the Executive Calendar just one nomination. So I would express the hope that the appropriate committees would see to it that all the legislation that is before them for consideration will be reported to the Senate, if that is the desire of the committees concerned, so the Senate can act on all important measures.

I understand, of course, that there are difficulties attached to some of the bills. Further hearings are needed. It is my understanding the Senate Labor and Public Welfare Committee is waiting for the House to complete action on the minimum wage bill. I would hope that soon thereafter the Labor and Public Welfare Committee of the Senate will take up for consideration the bill reported to it by the subcommittee, so we can bring it to the floor for consideration.

I would hope also, after the recess, we could get to the aid to education bill, which I understand has been completed so far as hearings are concerned, in the subcommittee, and should follow the minimum wage bill for consideration, in that order.

Mr. KUCHEL. I thank the Senator. In connection with the item remaining on the Executive Calendar, namely, the nomination of Raphael M. Paiewonsky to be Governor of the Virgin Islands, could the Senator indicate on what day next week that nomination might be before the Senate for debate?

Mr. MANSFIELD. Monday.

Mr. KUCHEL. I thank the Senator.

OFFERING OF PRAYER BY REV. GEORGE J. BACOPULOS

Mr. KEATING. Mr. President, the Senate has been distinctly honored today with the presence of Rev. George J. Bacopulos, director of interchurch relations, Greek Orthodox Archdiocese, of New York City.

It is particularly significant that Father Bacopulos appeared here today when we realize that March 25, 1961, marks the 140th anniversary of Greek independence.

The impact of Greek philosophy, literature, art, and politics has contributed immeasurably to the American way of life and to our patterns of government.

The contributions of modern-day Greece to the world community is substantial and widespread. Our two nations stand against the tyranny of communism.

Greece's efforts in working toward the goals of NATO and her stand against Communist aggression are known by all.

Millions of Americans have come to this Nation from Greece. They have made good Americans. The ties of friendship and cooperation between our two nations are greatly strengthened and enhanced by these ancestral bonds. The future of American relations with Greece is bright indeed.

I think it is appropriate to call attention to the anniversary in connection with the inspirational prayer which Father Bacopulos gave us this morning.

Mr. KUCHEL. Mr. President, I share the sentiments and the feelings which were so well expressed by the distinguished Senator from New York with respect to our visitor this morning, the representative of the Greek Orthodox Church, in the expressions which he used in the prayer opening today's session of the Senate.

AWARD OF YOUNG AMERICAN MEDALS FOR BRAVERY

Mr. KUCHEL. Mr. President, yesterday the Senators from Georgia and the Senators from California and Representatives of the Georgia and California delegations in the House of Representatives were invited to a unique and moving ceremony at the White House. There the President presented to a young lady from San Francisco, Calif., and to a young man from Brunswick, Ga., Young American Medals for Bravery.

Under a law which the Congress adopted several years ago, a panel, headed by the Attorney General of the United States, makes recommendations for the award to young Americans for bravery.

Senators perhaps will remember the story of almost unbelievable gallantry and intrepidity which was reported in the press in the spring of 1959, when a young school girl in my State, swimming with young friends in the bay off San Francisco, saw there were sharks in the area. Her young friend told her to swim back to shore. She started to do so, but looked around and saw him being attacked by a shark. With utter and complete disregard for her own safety she turned and swam back to her friend. One of his arms had been nearly ripped off at the shoulder by a shark. She nevertheless was able, with great effort, to bring him in to the shore, where, regrettably, he passed away shortly thereafter.

The President awarded Miss Shirley Frances O'Neill of San Francisco one of the two Young American Medals for Bravery.

It was rather thrilling and moving, Mr. President, for us to listen also to the comments of the Attorney General of the United States with respect to the recommendation for a similar award to Mr. Donald Eugene McGregor of Brunswick, Ga. This young man was working as the first mate on a charter fishing vessel which came across another craft in distress, having run aground. With no thought of his own personal safety he left the vessel to which he was attached and went to the craft which was in distress. Subsequently, in a sudden squall, that craft turned on its side and began breaking up. The people on the vessel, including two young children, were placed in lifejackets, except the father, who had a small cushion seat preserver. Mr. McGregor assisted the members of the family in their endeavor to reach an island some 3 miles away, and when the group was halted by the current he was able to swim to the shore, and by running and swimming along the shore he reached a shrimp boat, which radioed for help. He then returned to aid the family, which had reached the island when the tide had changed. By virtue of his splendid efforts, a rescue was completed approximately 12 hours after the vessel had run aground.

The President of the United States, in awarding the medals, indicated the pride of the Nation with respect to the attributes of courage and of selflessness. He spoke eloquently, I think, Mr. President. It is a mark to which all of us pray we collectively and individually may aspire. Surely it was a unique occasion to see the families of these two gallant young Americans, including the two young children who were rescued by the young man from Georgia, given recognition by the Chief Executive of our land for episodes of gallantry which will live in the history of this Nation.

ADJOURNMENT UNTIL MONDAY NEXT

Mr. KUCHEL. Mr. President, as a further mark of respect to the memory of the late Senator James E. Murray, I move, pursuant to the previous order, that the Senate stand in adjournment until noon on Monday next.

The motion was unanimously agreed to; and (at 3 o'clock and 22 minutes p.m.) the Senate, pursuant to the previous order, as a further mark of respect to the memory of the late Senator James E. Murray, adjourned until Monday, March 27, 1961, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate March 24, 1961:

NATIONAL LABOR RELATIONS BOARD

Gerald A. Brown, of California, to be a member of the National Labor Relations Board for the remainder of the term expiring August 27, 1961.

Gerald A. Brown, of California, to be a member of the National Labor Relations Board for a term of 5 years expiring August 27, 1966.

U.S. DISTRICT JUDGE

Reynaldo G. Garza, of Texas, to be U.S. district judge for the southern district of Texas, vice James V. Allred, deceased.

U.S. ATTORNEYS

W. Arthur Garrity, Jr., of Massachusetts, to be U.S. attorney for the district of Massachusetts for a term of 4 years, vice Elliot L. Richardson.

DEPARTMENT OF THE AIR FORCE

Joseph Scott Imirie, of New York, to be an Assistant Secretary of the Air Force.

IN THE ARMY

The following-named officers to be placed on the retired list in the grades indicated under the provisions of title 10, United States Code, section 3962:

To be general

Gen. Carter Bowie Magruder, O15155, Army of the United States (major general, U.S. Army).

To be lieutenant generals

Lt. Gen. Emerson Charles Itschner, O15516, Army of the United States (major general, U.S. Army).

Lt. Gen. Robert Milchrist Cannon, O16163, Army of the United States (major general, U.S. Army).

Lt. Gen. Thomas Leonard Harrold, O16051, Army of the United States (major general, U.S. Army).

Lt. Gen. Gordon Byrom Rogers, O15620, Army of the United States (major general, U.S. Army).

Lt. Gen. John Albert Dabney, O16602, Army of the United States (major general, U.S. Army).

The following-named officers under the provisions of title 10, United States Code, section 3066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 3066, in rank as follows:

Lt. Gen. Guy Stanley Meloy, Jr., O16892, Army of the United States (major general, U.S. Army), in the rank of general.

Maj. Gen. Andrew Thomas McNamara, O17324, U.S. Army, in the rank of lieutenant general.

Maj. Gen. John Knight Waters, O18481, U.S. Army, in the rank of lieutenant general.

Maj. Gen. Hugh Pate Harris, O18518, Army of the United States (brigadier general, U.S. Army), in the rank of lieutenant general.

U.S. ATTORNEYS

Raymond J. Pettine, of Rhode Island, to be U.S. attorney for the district of Rhode Island for a term of 4 years, vice Joseph Mainelli.

U.S. MARSHAL

Olin N. Bell, of Missouri, to be U.S. marshal for the eastern district of Missouri for a term of 4 years, vice Omar L. Schnatmeier.

U.S. ATTORNEY

John F. Quinn, Jr., of New Mexico, to be U.S. attorney for the district of New Mexico for a term of 4 years, vice James A. Borland.

U.S. MARSHAL

Anson J. Anderson, of North Dakota, to be U.S. marshal for the district of North Dakota for a term of 4 years, vice Harry R. Tenborg.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 24, 1961:

DEPARTMENT OF THE INTERIOR

Frank P. Briggs, of Missouri, to be Assistant Secretary for Fish and Wildlife, Department of the Interior.

INTERSTATE COMMERCE COMMISSION

John W. Bush, of Ohio, to be an Interstate Commerce Commissioner for the remainder of the term expiring December 31, 1964.

William H. Tucker, of Massachusetts, to be an Interstate Commerce Commissioner for the remainder of the term expiring December 31, 1967.

U.S. COAST GUARD

The following U.S. Coast Guard officers for promotion to the permanent rank indicated in the U.S. Coast Guard:

To be rear admirals

Capt. Donald M. Morrison
Capt. Ned W. Sprow
Capt. Irvin J. Stephens
Capt. James A. Alger, Jr.

COAST AND GEODETIC SURVEY

Subject to qualifications provided by law, the following for permanent appointments, to the grades indicated, in the Coast and Geodetic Survey:

To be lieutenant commanders

Edwin K. McCaffrey
Richard H. Houlder

To be lieutenants

Robert W. Franklin
Sidney C. Miller
Ronald M. Buffington

To be lieutenants (junior grade)

Clifford W. Randall	Arthur H. Goldberg
David F. S. Galloway III	Paul D. Montjoy, Jr.
	Charles H. Nixon
Renworth R. Floyd	Melvin E. Jones
Richard I. Greene	John T. Maldari
Richard F. Dudley	Melvin J. Umbach
Joe P. Pennington	Ernest E. Brown
Robert L. Sandquist	Meinrade H. Schilly
Jerome M. Slackman	Anthony J. DeLuzio
James S. Midgley	Jim L. Piter
Claude B. Carter, Jr.	J. Austin Yeager
James G. LaBastie	W. Paul Yeager
John M. Doherty	John D. Bossler
Larry L. Wilkerson	James H. Blumer
Billy M. Keltner	Charles W. Mathisson

To be ensigns

Richard P. Bertocchi	William C. Page
Paul A. Chernoff	Palmer W. Randall
Jimmy D. Clark	Richard L. Sampson
Albert T. Fulco	Dewaine Seets
Frederick P. Kapinos	Horstas A. Uzpurvis
George Mavridis	

NATIONAL AERONAUTICS AND SPACE COUNCIL

Edward C. Welsh, of Virginia, to be Executive Secretary of the National Aeronautics and Space Council.

WITHDRAWALS

Executive nominations withdrawn from the Senate March 24, 1961:

EXPORT-IMPORT BANK OF WASHINGTON

Tom Killefer, of California, to be First Vice President of the Export-Import Bank of Washington, which was sent to the Senate on March 13, 1961.

James Smith Bush, of Missouri, to be a member of the Board of Directors of the Export-Import Bank of Washington, which was sent to the Senate on March 13, 1961.

HOUSE OF REPRESENTATIVES

FRIDAY, MARCH 24, 1961

The House met at 11 o'clock a.m.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Isaiah 32: 17: *The work of righteousness shall be peace; and the effect of righteousness, quietness and assurance forever.*

Eternal God, our Father, whose presence follows all our days, inspire us to carry on faithfully and without fear when our lives are filled with strain and stress.

May our minds and hearts be touched and transfigured, quickened and purified by Thy divine spirit that we may be more courageous in the great adventures of faith and more diligent in discharging the duties of our high calling.

Grant that we may seek to cultivate a healing sympathy for all who are disturbed and dismayed by the vicissitudes of life and enable them to experience the wonder of Thy grace which never forgets or fails and never forsakes.

Draw us nearer to Thyself in love and loyalty for then shall we be nearer to one another in the unity of spirit, the joy of insight and the sacrament of service.

In Christ's name we pray. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Ratchford, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and a joint resolution of the House of the following titles:

On March 22, 1961:

H.R. 4510. An act to provide a special program for feed grains for 1961; and

H.J. Res. 289. Joint resolution relating to the time for filing a report on renegotiation by the Joint Committee on Internal Revenue Taxation.

On March 24, 1961:

H.R. 4806. An act to provide for the establishment of a temporary program of extended unemployment compensation, to provide for a temporary increase in the rate of the Federal unemployment tax, and for other purposes.

SUBCOMMITTEE ON NATIONAL PARKS

Mr. RUTHERFORD. Mr. Speaker, I ask unanimous consent that the Subcommittee on National Parks be permitted to sit during general debate today.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

THE LATE HONORABLE JAMES E. MURRAY

The SPEAKER. The Chair recognizes the gentleman from Montana [Mr. OLSEN].

Mr. OLSEN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. OLSEN. Mr. Speaker, Montana has sent some great men to Washington, D.C., who have contributed greatly to the general welfare and the progress of the Nation. One of the greatest of these men was James E. Murray, for a quarter of a century U.S. Senator from Montana. He died yesterday at his home in Butte, Mont. All of us who knew him mourn his passing.

However, we rejoice in the many living monuments to his memory. Living in the law of these United States of America are many monuments to the memory of former Senator Murray. He was a great apostle of the New Deal. He pioneered the old frontier of social security, public housing, public power, and fair employment standards.

I think it is a great tribute to his work in the Congress and to his colleagues that they erected so well that upon the foundation laid by them in the social and economic field, we are today building and extending.

I think it is significant that in the last weeks and days we have been talking of a floor under the price of the farmer's products and a floor under the wages of the wage earner, and that in no instance has there been any contention to destroy the progress of the past; but that in every instance there were offered proposals to extend and improve upon the pioneering work of such men as Senator Murray. He championed always the cause of the underdog.

I know, too, that there are proposals on both sides of the House of Representatives, proposals on both sides of the U.S. Senate, new proposals for health insurance, new proposals for Federal aid to schools. In both of these fields James E. Murray was a pioneer.

There is a great lesson in his life for me and I think for all of you, my colleagues. His program of good deeds for his fellow man lives on to perpetuate fond memories of him and his good life. Those who opposed his programs, those who opposed progress, leave no living monuments, and they are forgotten.

I recollect out of the Good Book the Christ on the Mount of Olives in the discourse to his Disciples, that when He was hungry He was fed, thirsty, He was given drink, naked, He was clothed, a stranger, He was taken in, in prison He was visited, sick, and He was ministered to. James E. Murray was one who did administer unto the Lord. I am sure he was one of whom the Lord spoke when He said that on judgment day there would be divided the sheep on the right and the goats on the left, "Inasmuch as ye have done it unto one of the least of these my brethren, ye have done it unto me." Such a one was James E. Murray.

Mr. EDMONDSON. Mr. Speaker, will the gentleman yield?

Mr. OLSEN. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. I would like to express my appreciation to the gentleman for his eloquent tribute to a great American. I think Senator Murray was one of the finest friends the American workingman, particularly the miner of America, has ever had in the Congress of the United States. He was a giant among statesmen who labor here in Washington. I know that his many friends join in expressing their deepest sympathy to his family.

Mr. OLSEN. I thank the gentleman.

Mr. Speaker, the following article concerning James E. Murray appeared in the Washington Post this morning, Friday, March 24, 1961:

EX-SENATOR MURRAY, NEW DEAL APOSTLE, DIES IN MONTANA

(By Rasa Gustaitis)

James E. Murray of Montana, one of the pioneers of the New Deal and a stanch fighter for the underdog during a powerful 26-year career in the Senate, died yesterday in the mining city of Butte, where his political lifework began. He was 84.

For a quarter of a century Senator Murray worked for social security, public housing, public power, fair employment standards, health insurance, and Federal aid to schools.

He retired last spring after first filing for nomination to a fifth 6-year term and then withdrawing, to be replaced by Democrat LEE METCALF of Helena.

At least two of Senator Murray's major projects—a bill for the independent development of the Missouri Valley Authority and the Full Employment Act of 1946, have been called the foundation stones in the postwar plans of liberal Democrats.

He was the sponsor of bills for social security-financed health insurance, battling fiercely with the American Medical Association. He championed the statehood bills for Alaska and Hawaii.

During his last session in the Senate, the controversial Murray-Metcalf bill for Federal aid to education, which was close to that of the present administration, came to a vote in the Senate and failed.

Senator Murray was considered by labor to hold a near-perfect voting record. In 1951 the Congress of Industrial Organizations presented to him the Philip Murray Award as "one of the country's outstanding liberals."

Conservation was an area he was concerned with throughout his career. In 1958 he wrote a Christmas Eve letter to President Eisenhower, warning that the United States was "rapidly losing out to the Communist leaders in the vital area of river development which is prerequisite to economic, industrial, military, and national strength."

This same interest also made him a longtime defender of Washington's parks, especially Rock Creek Park, against superhighways. He also introduced a bill to preserve Lafayette Square as a national historic site.

Senator Murray has been described as a "soft-spoken, gentle, and modest soul utterly devoid of the bluster and brass one finds on Capitol Hill." Yet his eyes, set under a broad brow in his sensitive face, were known to glint with anger as he fought for his social measures.

When he retired, he was chairman of the Senate Interior Committee, high-ranking member of the Labor and Public Welfare Committee, and a member of the Senate Democratic policy committee. His tenure was exceeded by only three persons, and in age only Senator Theodore Green, Democrat of Rhode Island, who was 92, surpassed him.

He was born in Canada and graduated from the New York University Law School, was admitted to the Montana bar in 1901 and since then had maintained a law practice in Butte.

The Senator is survived by five sons, Federal Judge William D., Butte; Charles A. Murray, who served as his administrative assistant; James A., Edward E., and Howard A. Murray.

Mr. Speaker, I ask unanimous consent that all Members who may desire to do so may extend their remarks at this point in the RECORD regarding the late James E. Murray.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mrs. PFOST. Mr. Speaker, I rise to add my voice to those honoring the memory of the late James E. Murray, the former Senator from Montana, whose lifework on behalf of the American people added a distinguished chapter to the saga of American politics.

The late Senator Murray, whom I knew and respected as a personal friend, passed away yesterday in the mining city of Butte, Mont., at the age of 84, where his brilliant career in politics began at the turn of the century.

He was a pioneer in the field of social legislation. He worked diligently for many years on behalf of social security, public power, fair employment standards, health insurance, education, and housing. It was through his efforts on the Senate side that statehood bills for Hawaii and Alaska were finally approved by that body.

But most of all, and particularly for us of the Northwest, he stood as a longtime fighter in the cause of conservation. On a number of occasions, I had the opportunity to work with him in this field and I know how deeply he felt about conservation in terms of the present and the future for America. He championed such causes as the Tennessee Valley Authority and he was long an ardent spokesman for proper river development. In fact, his farsighted bill for the independent development of the Missouri River under a Missouri Valley Authority was hailed as one of the foundation stones in the long-range program of liberal Democrats.

Senator Murray was a friend of the people. His efforts in social legislation have benefited millions of Americans, and will continue to do so as a living monument to his greatness and historic stature. He walked this earth with quiet dignity and it is a better place for his having been here.

He will be remembered as one of the truly great men of this era—a man dedicated to public service in the finest tradition.

Mr. ASPINALL. Mr. Speaker, yesterday the Nation lost one of its great men—former Senator James E. Murray of Montana—whose life was filled with achievements in public service. It was with sadness and a deep sense of personal loss that I heard of his passing. It was my privilege to work closely with him on problems and legislation involving our Western States. There was a fine working relationship between the Senate Committee on Interior and Insular Affairs of which he was chairman from January, 1955, to the time of his retirement last January, and the House counterpart committee which I am privileged to chairman.

Jim Murray's achievements lie in many fields. I am most familiar with his achievements in those fields in which our two committees have jurisdiction and responsibilities.

Jim Murray's name will always be associated with the development and expansion of the West. He recognized the importance of our natural resources and fought for their conservation. By his influence in the Congress, he translated his concern for our resources into national policies.

He devoted hard work and constant effort in seeking to promote the wise use of our forest and range resources. He insisted on the submission to the Congress of long-range programs. He showed a constant interest in resource management and sponsored legislation to accelerate reforestation programs. He fought for adequate appropriations for development of our national forests.

There was no greater friend or supporter of our Federal reclamation program than Jim Murray. He constantly and continually fostered legislation having as its purpose the expansion of this program and the establishment of sound policies. He recognized the great contribution of these developments to a strong national economy. He supported flood control programs and full development of our water resources for all purposes including electric power. He authored the legislation which set in motion an extensive national study of our water resources and their relationship to our national needs.

During the last several years that the domestic mining industry has been in dire circumstances, Senator Murray recognized that something should be done to stabilize the industry and he fought vigorously to promote the industry's interests.

The residents of our 49th and 50th States owe Jim Murray a debt of gratitude for his great efforts in their behalf. He was an ardent advocate of statehood and it was due in large measure to his influential leadership that Alaska and Hawaii were admitted to the Union.

He was a great friend of our Indian citizens and he labored tirelessly in their behalf.

He recognized the needs of our future generations for recreational areas and sponsored legislation which established the Outdoor Recreation Resources Review Commission to study this problem.

Jim Murray's many and great contributions to this Nation will long be remembered and will serve as inspiration for future generations.

Mr. BATTIN. Mr. Speaker, I would like to join in the remarks of my friend Mr. OLSEN, of Montana, and pay tribute to the late Senator James E. Murray, of Montana. The Senator had a long and distinguished tenure of office and worked hard for the people of Montana and the Nation. For some 25-odd years the people of our great State elected him to represent their interests. He distinguished himself in many ways and was well respected by all who knew him. I was not always in accord with his views but never have I questioned his intentions. After a long and full life he has been called to a new life. With the knowledge of a full and useful life we bid him goodby and to his remaining family I extend my personal sympathy.

Mrs. HANSEN. Mr. Speaker, as a Member of Congress from Washington, one of Montana's western neighbors, I should like to join the Honorable ARNOLD OLSEN, of Montana, in paying tribute to the late Honorable James E. Murray.

He was one of the West's and this Nation's greatest statesmen who not only served the people of his own State but of all States with great courage.

Mr. GEORGE P. MILLER. Mr. Speaker, former Senator James Murray was as rugged as the mountains of his beloved Montana and as sturdy and constant as those mountains in the interests of those things in which he believed.

Jim Murray fulfilled Kipling's definition of "A Man." "He could walk with kings, yet not lose the common touch."

Jim Murray was unselfish and dedicated. From the heights of great wealth he charged into the battle on the side of the "little people." He was on the side of the aged, the sick, and the poor.

Senator Murray's long and continuing fight to improve education is now about to meet with success. He pioneered in this field and the America of the future will be the beneficiary of his dogged determination to bring a high level of education to all of our people. In this he followed in the footsteps of the great Jefferson.

We all remember the vigorous and intelligent fight he made to bring medical services to all the people at a price within their reach.

Senator Jim has passed on but he has left to his beloved America a rich and valuable heritage.

Mr. PATMAN. Mr. Speaker, I am grieved in the passing of my beloved friend and coworker, Senator James E. Murray. He was a statesman of this generation who has left a lasting beneficial effect upon his country, upon the work of the Congress, and of the Government. His championship of great causes has lifted us toward possible democratic achievement which can assure a continuing high level of accomplishment in behalf of mankind.

It was my good fortune to become intimately acquainted with Senator Murray when we shared sponsorship for the establishment of the Small Business Committees whose record has been so outstanding over the years since 1940.

Both of us had been struck with the tremendous and rapid growth of corporations to a point where their power was crushing the very life out of the Nation's main street businesses and independent factories which had been the seedbed of individual competitive enterprise. The work of our predecessor, the Temporary National Economic Committee, under the leadership in this House of our revered fellow Texan, Hatton Summers, had shown us the dangerous extent of the concentration of economic power which was no minor cause of the great depression. In that depression business failures were mounting by the hour as one firm after another lost its lifetime savings and shut its doors.

It was then that Franklin D. Roosevelt looked with such favor on the efforts of Senator James E. Murray and myself when we launched the proposal to establish a select committee in each House of Congress which would champion the rights of small business in those chaotic days.

The Congress chose to place confidence in our proposals and we began our work. Then came the war, and with it the efforts of the giant corporations to set up their own way of handling war contracts and war goods, and of determining the ways in which civilian enterprise and needs would be met.

Again, Senator Murray and I joined forces, and the Smaller War Plants Corp. came into being after our Small Business Committee hearings had proven the need for special consideration. The splendid record of many thousands of small and independent businesses during the war is lasting testimonial to the foresight of the Congress in acting upon our proposal.

There followed the establishment of the Small Business Administration as a continuing service agency for small and independent businesses. We are only now becoming aware of its importance as it is infused with new and vigorous leadership. For this agency is an essential aid to small business in its struggle to survive and grow in a world surrounded by powerful corporate bodies and in a market characterized by managed prices and monopoly practices.

So much for the leadership of our good friend Senator James E. Murray in behalf of small and independent business—the historic source of our economic strength and power today. For, as he so well said on more than one occasion, if we ever allow independent business to disappear, we will lose the force of new enterprise, new ideas, new investment and new leadership so necessary to preserve and strengthen competition in our economy.

But Senator James E. Murray's interests are catholic. He was a great and dedicated humanitarian. He came into the U.S. Senate during the depression and had been Montana's director of public works before that. He was intimately aware of the plight of jobless people during this time. He early teamed with others of us in the antidepression program of our great President Franklin D. Roosevelt to meet the needs of these people. He was one with us in developing the public works program which gave these people jobs and the earnings from endeavors which have ever since proved useful, building schoolhouses, roads, sewers, water systems, forest and other conservation practices.

The Senator knew whereof he spoke when he pleaded for a continuing public works effort to develop and conserve our dwindling national resources. For he came from the great West, from Montana where the Big Muddy had been draining the rich topsoil from the land and carrying it southward into the Mississippi for generations. It was natural that Senator Murray should study our successful experience in the Tennessee Valley and propose his Missouri Valley Authority as a result. I was among those who shared his enthusiasm for river basinwide development programs, and while he did not accomplish all he started out to do, he quickened the interest of the Nation in this approach which will never end until the resources of our river valleys are treated as a unity just as nature itself intended they should be.

Senator James Murray and I discussed many a time the inadequacies of our monetary policies and banking practices, the excessive high interest rate which was slowing down investment and home building, and making impossible the con-

servation practices that alone will prevent us from being a have-not nation. He and I shared the same views concerning the necessity of establishing a national economic budget and the Council of Economic Advisers. The Full Employment Act of 1946 came out of the deliberations of our committees probably more than from any other source. I need not tell this Congress what the enactment of that law has meant and will mean in the future for the welfare of this Nation and its people. As chairman of the Joint Economic Committee, I am reminded over and over again of the statesmanship Senator Murray displayed in first advocating passage of the law underlying this entire sphere of government.

So much for the Senator's public achievements. There were many more. But the recital all comes to the same point, the lifetime service of a farsighted man dedicated to the public service, working constantly in behalf of his Nation and his people. We will long remember him as a man, as a kindly and unassuming friend, as a leader of fearless courage and practical liberalism. He is in the great tradition of great Americans.

Mr. DINGELL. Mr. Speaker, all who knew him and millions who owe a debt of gratitude to the late Honorable James Murray mourn his passing.

As the son of one who cosponsored with Jim Murray and pioneered much legislation to benefit and improve the lives of our sick, aged, infirm, and as one who admired, revered, and respected a great leader in liberal causes from my young boyhood, I feel his death with particular keenness.

The monument which Senator Murray built in his long life will endure in the hearts of his people, in the great legislation he sponsored, and in the good he did for millions. Medical care, hospitalization, social security, conservation of wildlife, woods, waters, the public lands, and our other priceless resources bear the stamp of his great character, of his devotion to the public wealth, and of his hard work for these and other great causes.

I pray that this great champion of liberal causes will find the peace and rest in the arms of his Creator which great endeavors have so richly merited. May he rest in peace and may his memory shine on in the minds and hearts of the people of America who he served so long and well.

Mr. O'NEILL. Mr. Speaker, it is with a deep sense of personal loss that I add my tribute to the late James E. Murray of Montana, a splendid public servant and a revered former Member of the U.S. Senate.

I have always sincerely admired his magnificent courage, his abiding interest in the less fortunate of our land, and his warm pleasant manner. He was truly a gentleman and yet a tremendous fighter for those things he believed to be right. As a Democrat I am more than proud of the wonderful record of accomplishment which he leaves behind him. Our country was fortunate to have a man of his ability and charm to grace the Congress of the United States and it is a better place for his having shared himself with us. To his sons, their families, and his many, many friends I extend my heartfelt sympathy.

Mr. HARDING. Mr. Speaker, I want to join with the other Members of the House today in expressing my regret at the passing of the grand old man of the Senate Interior Committee, Senator Murray, of Montana.

The fact that our neighboring State of Montana sent him to the Senate for five consecutive terms indicates their high regard and affection for Senator Murray.

The Senator was known particularly for the Full Employment Act of 1946 and his bill for the independent development of the Missouri Valley Authority.

And in the West we revered him as a strong exponent of timber, reclamation, and mining development.

To Senator Murray also goes the credit for proposing a Senate committee to deal exclusively with the problems of small business which was later duplicated in the House. These committees were vital in saving many small businesses from bankruptcy during the 1940's.

Few leave behind them such a distinguished record of public service. We will miss him.

Mr. PATMAN. Mr. Speaker, I am inserting herewith a statement by Mr. Dewey Anderson concerning the passing of Senator James E. Murray, of Montana. It is as follows:

Senator James E. Murray's death ended a career of singular effectiveness. He had the rare ability of being able to entertain new ideas, and associating with people who generated them.

In a day when all too few Senators had staffs and let them have their heads, Jim Murray welcomed outside help and knew how to use it. The result was a record which put him up alongside such great and long remembered Senators as George Norris, Robert Wagner, and the senior Bob La Follette. He is among these men for another important reason. He put his good mind and tenacity of will to work on major issues of public concern and sought no early or easy victory.

Look at the record—he and his associates developed the Full Employment Act of 1946 all the way from a nebulous idea to its enactment into law. Walter Lippmann gave it high place as probably the most significant piece of domestic legislation in this generation. Because of the prominence given the pronouncements of the President's Council of Economic Advisers established under this law, we now see an administration translating into public policy sound economic principles concerning fiscal and monetary practices than can lead to recovery and growth of the Nation.

It was Senator Murray who called in Morris L. Cooke and a number of us to shape up the Missouri Valley Authority proposal, modeled after the TVA. While it ultimately failed of passage, the hearings, writings, and speeches it produced implanted the conservationists' idea of the unity of a river valley so that no agency of Government can any longer ignore all its potentialities. Such was the soundness of his approach that the proposal for comprehensive river valley development does not die despite the interstate compacts and efforts of rival development agencies to keep their domains separate. His espousal of the MVA resulted in a quickening of the efforts of the Army Engineers and Bureau of Reclamation to develop the great dams on the main stem of the Missouri.

Senator Murray's first venture in a broad field of interest which he maintained to the end of his life was as founding father of the Small Business Committee. As a wealthy capitalist, he had been hurt by the ruthlessness of corporate big business and banks during the depression. So, on coming to the Senate, he took a great interest in our work in the TNEC. His conversations with me turned on the need for special consideration of independent and small business.

The resolutions to establish the select committee followed, and at one stage it was my pleasure to work directly with him as his committee secretary. The Small Business Committee was responsible for the fact that small business made such a singular contribution to the war effort. In the creation of the Smaller War Plants Corporation, and subsequently in the Small Business Administration in which Senator Murray was joined by others, the way was found for saving literally thousands of independent businesses from failure.

The list of "firsts" for Senator Murray was long. Not only in laws enacted, but also in pointing the way to the future. When the first postwar recession hit and youth suffered much unemployment, he got agreement from the Government agencies and the President to seek reestablishment of the Civilian Conservation Corps on a permanent basis, something which Senator HUBERT HUMPHREY is likely soon to see accomplished.

He teamed with Senator Robert Wagner and Congressman John Dingell in their pioneering effort to provide health and hospital insurance.

As chairman of the powerful Labor and Education Committee, he steered a statesman's course between conflicting interests, and prevented passage of the vicious Hartley predecessor to the Taft-Hartley law. When that measure appeared inevitable, it was James Murray and Senator Claude Pepper who cut it back in the committee and on the floor of the Senate, then established a watchdog committee to observe its operations and lead to its amendment. Senator Murray never became reconciled to the Taft-Hartley amendment of the Wagner Act which he regarded as the Magna Carta of labor.

As chairman of the Interior and Insular Affairs Committee, Senator Murray maintained his lifelong concern about natural resources. His sponsorship of the wilderness bill has placed him in the highest ranks of conservationists.

Right up to the very end of his public career, Senator Murray was receptive to new ideas and the champion of new causes. He saw the need of preventing recessions, and urged the strengthening of the role of the Council of Economic Advisers in this direction, something already underway in the new administration.

In the last year of his life, Senator Murray offered a bill to establish a Council of Resource and Conservation Advisers to plan for the wise development, use and conservation for future generations of our dwindling natural resources. It was endorsed by a large number of Members of Congress, accepted by the Democratic Party and its candidates and is now before the Congress for action.

No circus showman, Senator Murray performed his great feats of leadership through day-by-day application to his tasks, and through the chairmanship of a thinking group of people, who clustered around him well knowing that what they had of merit to offer this unassuming man would receive his attention and stand a better than fair chance of becoming law. As one of that

group, I gladly pay tribute to this effective public servant.

Mr. McCORMACK. Mr. Speaker, last Thursday, a friend of mine for many years died in Butte, Mont. He was one of the most famous liberal Members the U.S. Senate has ever had, and his name was James E. Murray. He represented his State in the Senate for more than a quarter of a century.

Though the Senator spent most of his life serving Montana and the United States, he was born May 3, 1876, in Canada on a farm near St. Thomas, Ontario. His parents, who were Irish immigrants, were Andrew James Murray and Anna Mary (Cooley) Murray. In 1897, when the Murrays moved to Butte, the Senator's uncle, whom the Senator was named after, sent "Young Jim" to New York to study law. The young Canadian became an American citizen, took his LL.B. at New York University Law School in 1900, and an LL.M. in 1901. After graduation, the Senator returned to Butte, which in those days was one of the roughest towns of the West, and started to practice law. A couple years later, in 1905, he married the former Viola E. Hogan, who is now deceased, and raised a large family.

The Senator's first elective office was county attorney of Silver Bow County; he was elected when 30 years old, and served from 1906 to 1908. For the next two decades, the Senator, always a retiring man, led that sort of life. As his uncle grew older, the Senator handled more and more of his affairs, and eventually inherited his uncle's wealth, which was largely in mining investments.

Though a man of means, Senator Murray was a liberal who strongly supported New Deal legislation. His first formal political job was chairman of the Montana advisory board of the Public Works Administration in 1933. He was first elected to the U.S. Senate in 1934 to fill the unexpired term of the late Senator Thomas J. Walsh, and soon achieved fame as the author and champion of social welfare legislation that aided factory workers and small businessmen alike.

In 1938, he led a vigorous fight for the Fair Labor Standards Act, and in 1946, he sponsored the Full Employment Act of 1946, which Walter Lippmann called "one of the most significant enacted by Congress in this century." He worked for a higher minimum wage, aid to farmers, and Federal assistance in public health. He sponsored the Indian Sanitation Act of 1959, was a strong backer of a Youth Conservation Corps, and was coauthor of the Murray-Metcalf bill, during the 86th Congress, for Federal aid to education. He was also stanchly for public power legislation and conservation and was publicly critical of the Eisenhower administration's reclamation programs.

Murray was a close friend of organized labor while in the Senate. In 1947 he voted against the Taft-Hartley Act and in 1959 voted against the McClellan "bill of rights" to the labor reform bill. In 1951, the Congress of Industrial Organizations presented to him the Philip Murray Award as "one of the country's outstanding liberals."

When he retired from the Senate in January, he was chairman of the Senate Interior Committee, a high-ranking member of the Labor and Public Welfare Committee, and a member of the Senate Democratic Policy Committee.

Montana, the land where the Great Northern Plains and mountains meet, will long remember this quiet, purposeful man.

CALL OF THE HOUSE

Mr. VAN PELT. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. ROOSEVELT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 26]

Ashley	Findley	Miller, N.Y.
Bow	Gray	Rabaut
Buckley	Harvey, Ind.	Thompson, La.
Cahill	Kilgore	Watts
Celler	Landrum	Wright
Coad	McDonough	Zelenko

The SPEAKER. On this rollcall 413 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

BUDGET AND FISCAL POLICY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 120)

The SPEAKER laid before the House the following message from the President of the United States, which was read, and, together with the accompanying papers, referred to the Committee on Appropriations and ordered to be printed:

To the Congress of the United States:

I. BASIC FISCAL POLICIES

This administration intends to adhere during the course of its term of office to the following basic principles:

(1) Federal revenue and expenditures levels must be adequate to meet effectively and efficiently those essential needs of the Nation which require public support as well as, or in place of, private effort. We can afford to do what must be done, publicly and privately, up to the limit of our economic capacity—a limit we have not even approached for several years.

(2) Federal revenues and expenditures—the Federal budget—should, apart from any threat to national security, be in balance over the years of the business cycle—running a deficit in years of recession when revenues decline and the economy needs the stimulus of additional expenditures—and running a surplus in years of prosperity, thus curbing inflation, reducing the public debt, and freeing funds for private investment.

(3) Federal expenditure and revenue programs should contribute to economic growth and maximum employment within a setting of reasonable price stability. Because of the limits which our balance of payments deficit currently places upon the use of monetary policy, especially the lowering of short-term interest rates, as a means of stimulating economic growth and employment, fiscal policy—our budget and tax policies—must assume a heavier share of the responsibility.

(4) Each expenditure proposed will be evaluated in terms of our national needs and priorities, consistent with the limitations and objectives described above and compared with the urgency of other budgetary requirements. We will not waste our resources on inefficient or undesirable expenditure simply because the economy is slack—nor, in order to run a surplus, will we deny our people essential services or security simply because the economy is prosperous.

(5) As the Nation, its needs and their complexity continue to grow, Federal nondefense expenditures may also be expected to increase, as predicted by a 1960 Bureau of the Budget study, and as indicated by the nearly 45 percent increase from fiscal 1953 to fiscal 1961 in expenditures other than national security. But we must not allow expenditures to rise of their own momentum, without regard to value received, prospective revenues, economic conditions, the possibilities of closing out old activities when initiating new ones, and the weight of current taxes on the individual citizen and the economy. It is my determined purpose to be a prudent steward of the public funds—to obtain a dollar's worth of results for every dollar we spend.

II. THE FISCAL 1961 BUDGET INHERITED BY THIS ADMINISTRATION

While this message is concerned primarily with the budget for fiscal 1962 now before the Congress, necessary perspective and background are supplied by a reexamination of the fiscal 1961 budget, adopted by the Congress last year, reviewed in my predecessor's January budget message and inherited in its final stage by this administration.

When originally submitted in January of 1960, the fiscal 1961 budget showed a surplus of $4.2 billion. By the time of the midyear budget review, the estimated surplus had shrunk to $1.1 billion. In the final budget message in January, it was estimated to be less than $80 million. Without any change in substantive content or policy, that budget upon later examination proved to be substantially out of balance. These changes reflect the recession—induced decline in revenues as well as the difficulty always present in making budget and economic forecasts. The January restatement of the 1961 budget, simply in terms of its own programs and estimates and without regard to any new decisions or policies by this administration:

Optimistically estimated fiscal 1961 tax revenues by assuming a much rosier economy;

Unrealistically assumed that the Congress would enact a record, though nec-

essary, postal rate increase totaling some $843 million a year in time to take effect April 1 and provide $160 million additional in the current fiscal year;

Substantially underestimated the normal flow of defense expenditures under the then existing policies and commitments by at least half a billion dollars; and

Similarly underestimated the amount of funds which would be required to pay unemployment benefits to ex-servicemen and Federal employees, to meet the demand for authorized veterans' housing loans, and to fulfill the existing commitments of the Export-Import Bank.

The deficit thus inherited by this administration for fiscal 1961, augmented by the essential antirecession and national security steps already taken or recommended to the Congress, is now estimated to total over $2 billion (in contrast with the $4.2 billion surplus originally predicted). But it must be remembered that fiscal 1961 is clearly a recession year, with all of the consequent effects upon both revenues and expenditures. The deficit of nearly $12.5 billion in fiscal 1959 serves as a recent reminder of the difficulties of balancing the budget in a recession year.

III. BALANCING THE BUDGET FOR FISCAL 1962

On January 30 I made the following pledge to the Congress:

"A new administration must of necessity build on the spending and revenue estimates already submitted. Within that framework, barring the development of urgent national defense needs or a worsening economy, it is my current intention to advocate a program of expenditures which, including revenue from a stimulation of the economy, will not of and by themselves unbalance the earlier budget."

This message is designed to review my recommended budgetary revisions within the framework of that pledge. Omitting any increase in the defense budget too urgent to be denied by budgetary restrictions, and assuming that our review of the economy late in April does not require either a reduction in taxes or additional increases in expenditures, enactment of the new nondefense programs and appropriations I have transmitted will not unbalance the budget previously submitted by my predecessor:

If the Congress enacts or continues in effect all the revenue measures requested in that earlier budget, or preferably the alternative measures that I am requesting to achieve the same amount of revenue;

If that earlier budget contained accurate estimates of the revenue to be produced by those measures, based on accurate assumptions about prospective economic conditions;

If the Congress enacts no spending measures committing the executive branch to outlays in excess of those requested; and

If the earlier budget contained accurate estimates of those expenditures which must necessarily be incurred in fiscal 1962 under existing commitments covered by that budget, regardless of congressional or Executive decisions—for example, entirely apart from any policy changes, a large proportion of the Department of Agriculture budget depends upon the effects of economic, crop and weather conditions which must be predicted in advance.

I have already indicated in my message on the state of the Union that my predecessor's budget for fiscal 1962 "will remain in balance only if * * * an earlier and sharper upturn in the economy than my economic advisers now think likely produces the tax revenues estimated." Nevertheless the present message, and the fiscal 1962 budget revisions it summarizes, are based upon a commitment of balancing revenue and expenditures under an assumption that the January predictions with respect to these four conditions are a valid starting basis for a new administration.

The point I wish to stress in this message is that any budgetary unbalance at the close of fiscal 1962 will not be the result of any nondefense programs I have submitted, for they have been carefully limited to a pattern of expenditures no greater than the revenues estimated by the earlier budget, as supplemented by those additional revenues which enactment of this program can reasonably be expected to stimulate, according to Treasury estimates, in fiscal 1962. Other measures I have requested—such as improvements in unemployment compensation, highway construction, social security, and health insurance for the aged—are all accompanied by their own self-financing provisions. In short, new defense recommendations aside, should there be a deficit in 1962, it will be the consequence of the overestimation of revenues and underestimation of expenditures in the January budget, and not the result of new policies or programs proposed by this administration.

In summary, the total expenditures estimated in the January budget were $80.9 billion. My proposals, apart from defense, will add about $2.3 billion for a total of $83.2 billion. The effects of my economic program on the economy would be reflected in additional revenues of about $900 million which, added to the January budget figures, would make a total of $83.2 billion of receipts, and leave the budget in balance.

At the same time, it would be unrealistic to fail to recognize that the January budget estimate of receipts was overoptimistic. Based on a more realistic economic outlook and including the effect of my economic proposals, it appears more likely that the revenues for fiscal year 1962 will be about $81.4 billion. However, as the economy returns to satisfactory high levels of economic activity, the position of budget balance will be restored. Indeed, given full recovery, the present tax system would generate revenues substantially in excess of the proposed levels of budget expenditure. This, then, is the revised budget—apart from defense additions—that I now present to the Congress:

A budget that is in balance in terms of my pledge of January 30;

A budget that is likely to be in deficit unless economic conditions rapidly improve to meet the levels predicted in the January 16 budget;

A budget that would be in surplus if the economy were operating at or near full potential.

IV. OMISSIONS AND ASSUMPTIONS IN THE PREVIOUS BUDGETS FOR FISCAL 1962

For fiscal 1962, however, the January budget submitted by my predecessor assumed a higher rate of economic activity during this calendar year than is presently in sight, and thus a balanced budget. As already stated, that earlier budget and its assumptions are necessarily the starting point for a new administration. It was on this basis that I made to the Congress on January 30 the commitment quoted earlier in this message.

But before any new programs or budget increases could even be considered by this administration—and wholly apart from the overly optimistic economic assumptions of the January budget—we found upon a closer scrutiny of that budget that it omitted provision for substantial expenditures for which that administration was committed, and was based upon fundamental policy and program assumptions which neither this administration nor the Congress could possibly accept, and which had to be altered at considerable cost to what little budgetary leeway remained.

For example:

(1) The previous administration committed itself, as we have also, to extend $100 million in assistance to Chile for reconstruction and rehabilitation in the wake of a devastating earthquake. But no estimate of expenditures to meet this commitment was included in the budget.

(2) The earlier budget recommended, as I do also, the construction of a new $114 million linear electron accelerator for high energy physics research. But appropriations to initiate this project were not specifically recommended in the budget.

(3) The earlier budget based its estimate of expenditures for the Department of Agriculture's Commodity Credit Corporation on the assumption that price supports on every major commodity would be reduced to the lowest level permitted by law—reductions which were never formally recommended by the then Secretary of Agriculture, which would never be permitted by the Congress and which would have been absolutely ruinous to our farm economy. Without having to actually take such a move, the earlier budget assumed a reduction of cotton price supports from 75 percent to 70 percent of parity, a reduction of milk from 80 percent to 76 percent, rice from 75 percent to 70 percent and peanuts from 78.6 percent to 75 percent. Compared to the average levels of the last 5 years, which indicate how far the former Secretary of Agriculture was actually able and willing to push supports down when in office, these recommendations are down some 9.3 parity points for cotton, 5.5 for peanuts, 2.4 for milk and 7.9 for rice.

(4) The earlier budget recommended a program of Federal aid to public

schools, limited to aid for construction. But, under a highly unusual fiscal proposal, the budget itself included practically no expenditures for this activity. Instead it proposed that States and localities float loans which Federal taxpayers would help pay off through installment payments of school bond interest as well as principal over the next 30 years.

(5) Similarly, aid to higher education was contained in the earlier program, as in mine. But again the effect on that budget was deferred by the device of a 20- to 35-year period of installment payments.

(6) The earlier budget assumed, completely contrary to our urban and economic needs, congressional termination of the Federal farm housing loan programs; no new authority for low-income housing; a cutback in veterans' and college housing loans; and no expansion in urban renewal. In short, before funds could be found to finance new and urgently needed housing programs, merely meeting the needs of existing programs required further additions to the budget.

(7) The Federal Government, under the previous administration as well as this, has an obligation to meet the educational needs of Indian children on reservations. The fact is that several thousand such children in New Mexico, Arizona, and Alaska have been without any schools at all—but wholly inadequate funds to meet this obligation were included in the earlier budget.

(8) The earlier budget proposed that the Congress would cut back sharply on its program for constructing airports, on the electric and telephone loan programs of the REA and on the loan programs of the Farmers Home Administration. I do not believe the Congress would have or should now cut back these essential programs, and I have recommended their expansion.

V. CHANGES IN THE FISCAL 1962 BUDGET

This message is not intended to present a wholly new budget. For reasons already stated that is not possible for this fiscal year. Nor is it intended to propose any new programs or expenditures in the nondefense area. With but a few exceptions, the items covered by this message and the attached table have been previously communicated, with full explanation, to the Congress. This message is primarily intended to share with the Congress my review of the nondefense changes in Federal activities and expenditures already recommended to meet our Nation's needs.

The funds previously recommended for each department and agency have been scrutinized as carefully as time would permit, from the viewpoint of both the needs of the Nation and the adequacy and efficiency with which these needs are being met. With the exception of the national defense program, that review is now largely complete, and the new programs and amendments resulting therefrom have been transmitted to the Congress or will be shortly.

As already emphasized, these changes of themselves will not unbalance the earlier budget; i.e., their cost in fiscal 1962, assuming the accuracy of the previous expenditure estimates, will be covered by the revenue previously estimated and the new revenues generated by the program. But despite this restraint and the further limitations imposed by the assumptions or omissions already mentioned, these changes nevertheless represent what we regard to be advances in areas of high priority. While the entire list is summarized on the attached table, among the most significant are the following:

Aid to education: The largest single increase is in the field of education. Our educational needs have become too urgent to overlook. The Federal Government must do more to help finance improvements in this field—both for elementary and secondary education, and for higher education.

Funds for scientific research: My recommendations, largely in the form of amendments to the 1962 budget, provide a series of increases for scientific research—for oceanography, for high energy physics, for saline water conversion, for medical research, for National Science Foundation grants for basic research and science education, and for various other purposes. These increases reflect my strong belief that advances in scientific research are of the utmost importance to the growth of our economy, to the welfare of our people, and to the preeminence of our scientific achievements, and my conviction that the Federal Government must of necessity play a sizable role in supporting such research.

Health: I have proposed significant measures to strengthen, improve and lower the cost of health care—with self-financed health insurance for the aged under social security at a net savings to the budget, assistance to medical schools and students, and grants to the States for expanded community health services and facilities.

Housing and community development: I have recommended enactment of a program designed to greatly strengthen urban renewal and other existing programs, and add needed new authority in such important areas as moderate-income housing, rehabilitation and improvement of existing housing, and the preservation of open spaces. We are also obliged to increase Federal assistance for local airport construction. The additional expenditures thus entailed, in my judgment, are necessary in our Nation's future.

Area redevelopment: The tragedy of our chronically depressed areas, and the enormity of their challenge to our economy, require no less than the very reasonable program for aid to depressed areas which I have recommended and which I am confident that the Congress will soon enact.

Natural resource development: It is not economical to be foolishly wasteful rather than prudently conservationist toward the country's natural resources. I have proposed modest but symbolic increases in funds for conservation and development of forests and public domain lands, for the national park system and seashore recreational areas, and for navigation and flood control activities; and reprograming of other funds will permit additional reclamation activities.

Agriculture: In the field of agriculture we propose to move vigorously in a wholly new direction, to alter fundamentally the pattern of the Nation's agricultural economy with an eventual reduction of governmental outlays. Meanwhile, in the short run, it is necessary to take various actions which will increase the 1962 expenditures over those seriously understated in the January budget, as already discussed. The increases are for price supports, Rural Electrification Administration and Farmers' Home Administration loans, the school lunch program and special milk program, and surplus food distribution at home and abroad. These expenditures will raise farm income and increase the use of our surplus agricultural commodities.

Veterans: I am recommending that the Congress enact a selective increase in compensation rates for veterans with the more severe service-connected disabilities, to offset rises in the cost of living since the last increase in 1957 and to adjust rates in some categories which are out of line. My budget estimates include provisions for this purpose.

Budgetary transfer authority: To achieve greater effectiveness and savings in the use of the taxpayers' funds, the heads of the several Government departments and agencies should have the authority to exercise some flexibility in the course of a fiscal year to meet new situations or changing circumstances. Therefore, I am asking the Congress, in enacting appropriations for each department and agency, to provide the necessary authority for the transfer of a modest amount or percentage of the funds and personnel available to an agency head for operating expenses, to be used only as needed to meet unforeseen high-priority requirements, and to be controlled by the Bureau of the Budget through the regular budgetary apportionment process. In this way, the funds appropriated by the Congress can be utilized with the utmost efficiency.

VI. FEDERAL REVENUES

Mention has already been made of the revenue estimates for fiscal 1962 and the necessity for congressional enactment of all measures necessary to produce those revenues. My earlier message on highways contained recommendations for the user taxes needed to assure a satisfactory rate of progress on highway construction at levels previously recommended by my predecessor. This administration will not permit funds for this program to be diverted from general revenues. Other tax recommendations, designed to stimulate modernization of plant and equipment, and to achieve greater tax equity without any material change in overall revenues, will be contained in a subsequent message.

Three additional points are more appropriately contained in this message:

(1) Postal rates: The January budget submitted by my predecessor called for an additional $843 million in postal revenues to eliminate the deficit in that Department's operations. Such an increase must be effective July 1 to close the gap between postal expenditures and postal revenues; and, building on the previous budget, this administration's budget requires an equal amount. I urge the Congress to close this gap; and I have directed the Postmaster General to review carefully and intensively all services and activities of the Post Office with a view toward improving efficiency and reducing costs.

(2) Tax enforcement: I want to reemphasize my earlier request to the Congress for additional funds for the Internal Revenue Service. More and better qualified agents can both increase the collection of Federal revenues and help curb corruption in and out of Government, racketeering and organized crime.

(3) The debt limit: My predecessor's message in January, even in assuming balanced budgets in both fiscal 1961 and 1962, pointed to the seasonal pattern of tax collections as necessitating another increase in the debt limit. The permanent debt limit of $285 billion, presently exceeded, has been superseded by a temporary limit of $293 billion which expires next June 30.

Inasmuch as the Federal debt will exceed $285 billion on June 30, a new increase in the ceiling will be required before that date.

I urge the Congress to enact an increase that will provide sufficient flexibility to permit sound management of the debt and of our budget expenditures. I am delaying the specific recommendation until early May so that we may have the advantage of the very latest estimates of revenues and expenditures.

CONCLUSION

This message reviews the current budget outlook and describes my philosophy concerning budget and fiscal policy. We seek to achieve the vigorous and sustained growth of the economy that will make possible a balance in the Federal budget. If we use our fiscal resources wisely, we can make tangible progress toward the achievement of our national and international objectives. Toward this end, I ask the cooperation of the Congress and the American people.

JOHN F. KENNEDY.

THE WHITE HOUSE, *March 24, 1961.*

FAIR LABOR STANDARDS AMENDMENTS OF 1961

Mr. ROOSEVELT. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 3935) to amend the Fair Labor Standards Act of 1938, as amended, to provide coverage for employees of large enterprises engaged in retail trade or service and of other employers engaged in commerce or in the production of goods for commerce, to increase the minimum wage under the act to $1.25 an hour, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 3935, with Mr. WALTER in the chair.

The Clerk read the title of the bill.

Mr. KEARNS. Mr. Chairman, I yield 15 minutes to the gentleman from Michigan [Mr. GRIFFIN].

Mr. GRIFFIN. Mr. Chairman, the time has been very short since we were notified late yesterday of the intention on the part of the gentleman from Oklahoma [Mr. ALBERT] to offer a new substitute.

In that brief time, I had an opportunity to examine the so-called Albert substitute as it appeared in the RECORD this morning. It is clear that some details have been removed from controversy. But, the difference in basic philosophy between the committee and the Ayres bill is still with us.

I was pleased to note that the Albert amendment removes an exemption from the committee bill, which would have provided, in effect, that local truckdrivers who are members of the Teamsters Union would be exempt from overtime coverage, but the local truckdrivers who choose not to belong to the Teamsters Union would be covered by the law. This was a particularly bad feature of the committee bill, as it was reported from the committee. It would have put coverage or exemption of the Fair Labor Standards Act, for the first time, upon the basis of whether employees choose to belong to a union or not to belong to a union.

Two principal and major issues still remain to be resolved, Mr. Chairman. First of all, should the coverage of the Fair Labor Standards Act be extended into the retail and service fields and, if so, should it be extended on a dollar volume basis; and, secondly, granting that an increase in the minimum wage to $1.15 can be justified at this time, does it make sense and is it sound public policy to write into the law an escalator clause which will automatically hike the minimum wage to $1.25 an hour 2½ years from now. In considering these two basic questions, I believe we should look back, for a moment, and recall the basic philosophy that underlies the Fair Labor Standards Act.

One of the leading proponents of the original Fair Labor Standards Act was the then Senator Black, later Mr. Justice Black of the U.S. Supreme Court.

In 1937, on the floor of the other body, he said:

> I believe it was the prevailing sentiment of the committee, if not unanimous sentiment of the committee that businesses of a purely local type which serve a particular local community, and which do not send their products into the stream of interstate commerce, can better be regulated by the laws of the communities and of the States in which the business units operate.

Those of us in Michigan, where manufacturing is a major part of the economy, are concerned about the wage level and working conditions of manufacturing enterprises in other States because the goods we produce compete with goods manufactured in other States. On the other hand, the local drugstore is competing with the drugstore down the block on Main Street or across the street, it is not competing with drugstores in Arkansas, California, or New York. This basic line of distinction was adopted as part of the underlying philosophy of the Fair Labor Standards Act.

Mr. SANTANGELO. Mr. Chairman, will the gentleman yield for a question?

Mr. GRIFFIN. Not now, but later if I have time.

It should be kept in mind that without extending regulation into all sectors of the economy, exempted segments such as retailing and service are, nevertheless, indirectly affected by the fact that the Federal law does apply to manufacturing.

If the committee bill or the Albert substitute becomes law, Congress will be laying the foundation for extending Federal wage-hour controls to every segment of the economy, large and small.

Recently, Secretary of Commerce Hodges appeared before a House subcommittee and testified, in part, as follows:

> I am for the dollar volume the way it is put because I think that you can get a bill that way and I think it will cover that many people. I think if you put it down at a very lower figure, you will get that many more people against it and they will be fighting it.
>
> Mr. AYRES. Aren't those people who will be fighting it fighting it on the basis that they would be affected and, just like everything else, if it doesn't affect you, you are for it, but what concerns many of us very deeply is, as Mr. Suffridge said, according to his point of view, this is a step in the right direction. You have a million dollars this year, $500,000 the next year, $250,000 the next year, and then eventually you are covering every little corner grocery in all of the States of the Union.
>
> Secretary HODGES. Mr. AYRES, I will accept your position on it.

The basic philosophy of the Ayres bill is different. The Ayres bill proceeds on the theory that Senator Black was correct when he said that retail and service businesses of a purely local type which serve a particular local community should not be controlled by the Fair Labor Standards Act.

But whether a retail business is purely local and serves a local community can not be determined simply on a dollar volume basis. The theory of the Ayres bill is that if there are businesses in the retail field which are not purely local in character, and which perhaps should be subject to Federal control, they are the chain-type retail stores operating across State lines.

Mr. DENT. Mr. Chairman, will the gentleman yield?

Mr. GRIFFIN. Not at this time, but later.

Purely local businesses which are managed and controlled locally are subject to local influences and local policies. On the other hand, the multistate chain retail operations are controlled by absentee management. Dollar volume is

not a meaningful standard. It is an arbitrary, unfair, and discriminatory standard. Applying such a standard would mean that a retail establishment locally controlled and locally managed on one side of the street doing a given volume of business will be covered, while his competitor across the street, locally controlled and locally operated, will not be covered.

In the RECORD this morning there appears information placed there by the gentleman from Michigan [Mr. O'HARA]. He has set forth lists of businesses that would be covered under the Ayres bill, a long list of stores that would be covered, and a much shorter list of large stores, such as J. L. Hudson in Detroit, for example, which would not be covered under the Ayres bill. Let me say that the large stores locally owned and locally controlled, doing a million dollars or more, in almost every case are paying in excess of the minimum wage, and if they are not they are the very enterprises in the retail field which are subject to union organization.

In the last analysis, so far as extension of coverage is concerned, a question of basic philosophy is involved and is at stake; the issue is whether or not we should adopt legislation today which will lay the groundwork for ultimately extending Federal wage and hour controls to all segments of the economy.

Assuming that an increase in the minimum wage to $1.15 per hour can be justified now, and I believe it can, we must also decide today whether it is wise public policy to write into a law an escalator provision which will automatically increase the minimum wage to $1.25 an hour, not today, or next year—but 2½ years from now.

The advisability of such an escalator provision was under consideration in this House last year at a time when the economic situation, I might say, was much brighter than it is today. Then the Department of Labor said:

> Unless economic conditions are very favorable, substantial increases in the committee bill might well result in substantial curtailment of employment.

As recently as January 19, of this year, just before he left office, the then Secretary of Labor Mitchell, who certainly cannot be described as an ultraconservative, transmitted to the Congress the annual report of the Department of Labor which is required under section 4(d) of the Fair Labor Standards Act. In part, it says this:

> The Department concludes it would be unwise to adopt another increase in the minimum wage with an impact greater than that of the $1 rate, because of the danger of substantial curtailment of employment. It was estimated that an increase to $1.10 or $1.15 would have an impact similar to that of the increase from 75 cents to $1.

These are some statistics that I think are worth having in mind when we look at this difficult question.

During the period between 1950, when the 75 cent an hour minimum wage went into effect, and 1956, when the $1 minimum wage went into effect, with a wartime economy, the average hourly rate in manufacturing rose by 32 percent. It is interesting to note that since 1956 the average hourly rate in manufacturing has risen by only 19 percent.

Since 1956, when the $1 minimum rate went into effect, the cost of living has gone up 11 percent. Since 1956, the output per man hour of productivity has gone up by 13 percent.

I think these figures give some idea as to why it makes sense at this time to support an increase in the minimum wage of 15 percent to $1.15. Now, we have no crystal ball to look into the future 2½ years. We have no way of determining now whether an increase to $1.25 can then be justifiably supported. I would say this, as far as I am concerned, coming from a northern high wage State, if $1.25 minimum wage could be justified now, I am in favor of putting it into effect now. However, all responsible authorities, including Secretary of Labor Goldberg, agree that an increase to $1.15 an hour, only, can be justified at this time or in the foreseeable future. In a letter to the House committee the Secretary of Labor specifically requested that we not go any further than $1.15 at this time, and he specifically requested the $1.25 increase be postponed for 2 years and 4 months after the bill becomes law. If, as Secretary of Labor Goldberg requests, we should not raise the minimum to $1.25 until nearly 2½ years from now, then I do not think we should write it in the bill at all, and we should go only to $1.15 at this time.

During the last week President Kennedy called together his new Advisory Committee on Labor-Management Policy. He has made a number of statements indicating that he is concerned about holding the line on wages and prices. He has indicated a considerable concern about the dangers of setting off a wage-price spiral. Well, if we are sincere in that objective, then I do not think it is very good public psychology to write into a law today an escalator provision which provides for $1.25 nearly 2½ years in the future.

What would this do? Well, it would do nothing now for the low paid, unorganized employee who gets less than $1.25 per hour. It would, however, provide a psychological peg for those union leaders who seek to use the wage-hour law as the base for demanding higher wages up and down the line. Such irresponsible action would contribute to a general cost-price push.

Once such an escalator provision is written in, sure, we could take it out. But let us face it. Regardless of the economic circumstances, 2½ years from now, it would be very difficult, if not impossible politically, to take it out, even though it might be wise public policy at that time to do so. Would it not be much sounder and wiser to put the $1.15 into effect and delay further action until the next Congress. If the economy can absorb it, then we should put the $1.25, or even more, into effect, if it makes sense at that time.

Mr. FRELINGHUYSEN. Mr. Chairman, will the gentleman yield?

Mr. GRIFFIN. I yield to the gentleman from New Jersey.

Mr. FRELINGHUYSEN. I would like to say that I am in thorough agreement with the gentleman from Michigan in connection with this escalator clause, but I would like to ask him about a statement made by the President of the United States last night at a press conference. I did not have the opportunity to see the telecast, but according to this morning's paper he made two statements, and I wonder if the gentleman would care to comment on them. He said:

> I find it difficult to know why anyone would oppose seeing somebody by 1963 paid $1.25 in interstate commerce.

And at a later point:

> I think that anyone who is paid less than that must find it extremely difficult to maintain themselves and their families.

My question is whether that is the issue, whether we are talking about the amount sufficient to maintain a family; and if that were the issue, whether we might not well consider an increase beyond $1.15. I should like to have the gentleman comment on that statement.

Mr. GRIFFIN. Mr. Chairman, I think the gentleman has made a very good point. Many of the arguments on this issue obviously have been emotional arguments which are not based upon reason. Yesterday, as the gentleman from New Jersey [Mr. FRELINGHUYSEN] indicated, the President said that he did not see how a person could maintain a family on $1.25 per hour.

But that is not the issue with which we are faced here today. If that is to be the basis upon which we are legislating the minimum wage, then I agree that obviously a family cannot be supported decently on $1 or even $1.25 per hour. If that is the basis upon which we are legislating, then perhaps the minimum wage should be raised to $2.25 per hour.

The fact is that we are legislating on the lowest wage that can be paid under any circumstance to the marginal worker, the unskilled worker, the newcomer to the labor field, the oldster, the wife who works part time to supplement the family income, and the person who cannot get a job any place, if the minimum wage is boosted too high.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. GRIFFIN. I yield to the gentleman from North Carolina.

Mr. JONAS. I have a question along the line of that asked by the gentleman from New Jersey [Mr. FRELINGHUYSEN]. I intended to ask this question later in the debate, but I think this is a good time to clear the matter up. The New York Times and the Washington Post of today quote President Kennedy as having stated in his news conference last evening as saying that he found it difficult to understand why anybody should be paid less than $1.25 an hour if he worked for any business "which makes over $1 million a year."

My question is, does the bill in providing for a $1 million test refer to $1

million of net income, which would be implied from President Kennedy's statement quoted in the press today, or does the bill say $1 million in gross sales?

Mr. GRIFFIN. It is gross sales.

Mr. JONAS. Is there not a wide difference between "making a million dollars" and having gross sales of a million dollars?

Mr. GRIFFIN. Very definitely there is. I can only assume that the President must have misspoken when he made that statement. But there is a very great difference.

Mr. Chairman, while emotional arguments may have great political appeal, we must not legislate on that basis. I believe that we should bring the minimum wage up to date. I am for an increase to $1.15 an hour. But at the same time we should be careful not to push too far, for if we do we will be legislating inflation, we will be legislating further difficulties with respect to the balance-of-payments problem, we will be legislating an upward thrust in the wage-price spiral, we will be legislating unemployment at a time when unemployment is already recognized to be our most serious domestic problem.

Let us keep in mind that an increase of any amount in the minimum wage means nothing to the worker who is unemployed. So long as the Government cannot legislate, or cannot guarantee, a man a job, neither can the Government guarantee that man a wage—even a minimum wage.

Mr. SANTANGELO. Mr. Chairman, will the gentleman yield?

Mr. GRIFFIN. I yield to the gentleman.

Mr. SANTANGELO. I was very much interested in the gentleman's assertion that we should have competition between the States so far as the minimum wage is concerned. I was interested to know whether in the gentleman's great State of Michigan they have a statutory minimum wage for employees in the retail trade.

Mr. GRIFFIN. We do not at the present time; perhaps we should have such a State law. I will say that, comparatively, the retail employees in our State are well paid, particularly in the large retail businesses that gross over $1 million, the only ones which would be covered under the committee bill; stores such as the J. L. Hudson Co., Crowley & Miller, and so forth.

Mr. SANTANGELO. Does the gentleman contend that 65 cents an hour is being well paid? Or is it $1 an hour?

Mr. HOFFMAN of Michigan. In our State Walter Reuther and Gus Scholl fix the wages. They fix them so high that our manufacturers and those who meet a payroll can no longer do business.

Mr. SANTANGELO. The gentleman knows there is no minimum wage in Michigan.

Mr. ROOSEVELT. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. HOLLAND].

Mr. HOLLAND. Mr. Chairman, the real issue before this House is not the raising of minimum wages. I only wish it were.

The real issue is whether in this Nation—the richest in the world—we can afford to allow millions of our fellow citizens to continue to live in abject poverty for reasons over which they have no control.

These citizens—and their wives and children—are no less deserving of a decent standard of living than you or I.

Actually, the bill before us does not raise the wages at all. It merely tries to keep the poorest of our neighbors from falling still further behind in their already critical conditions of poverty. This is because—in recent years—we have witnessed a relentless increase in the prices these unfortunate people must pay for the necessities of life, and, at the same time, growing unemployment threatens even their own low-paid jobs.

We must remember, too, that the recession serves as an albatross around the necks of these poor souls, for as long as millions of able-bodied men are rusting in forced idleness, there is no chance that economic forces will permit the wages of these unfortunate people to rise.

Many arguments have been raised against attempts to help these people by raising their minimum wages. All of these arguments are known to be false. In fact some have been exposed as fallacious for nearly 200 years.

One such argument is that higher wages cause unemployment.

Only yesterday, the President's Council of Economic Advisers released an exhaustive study to show how untrue this old argument is.

The study shows absolutely no correlation between wage rates and unemployment. For example, average hourly wages in the printing and publishing industry are $2.77 per hour—the fourth highest of all industries. Yet, this industry's unemployment rate is only 3.6 percent, or 19th out of the 21 leading industries in the Nation.

On the other hand, hourly wages were only $1.56 in the clothing and textile industries while the jobless rate in this industry was 10.5 percent, the second highest of the 21 leading industries.

I could go on quoting similar statistics and refuting, over and over again, the old wornout arguments against extending the hand of help to the unfortunate, but time does not permit. Besides, we are not dealing in statistics and ratios and theories anyhow, even though all of these support the need for raising minimum wages.

We are dealing with human beings, with men like you and me, with wives and children and hopes for their future.

There is no more reason why industries should be allowed to pay starvation wages in exchange for the hard work of their employees than there is reason for coal companies to send children down into the pits to work, as they once did, or for railroads to operate without any safety devices to protect their workers against serious accidents.

When child labor laws were being debated, management people claimed they would go out of business unless they could continue to employ children for a few pennies a day. But, the laws were passed and the industries survived and grew.

When safety legislation was being debated, these same old arguments were raised again, but, the laws were passed, and again the industry survived and became stronger than ever before.

Now we are faced with a similar situation, a bill to raise the minimum wage by 25 cents an hour, barely enough to offset the rising prices of the last few years, and to extend its coverage to a few more of those whose conditions are not unlike those whom Victor Hugo, in his famous novel of the French Revolution, referred to as Les Miserables, the "miserable ones."

Are we going to take this opportunity to help the helpless?

Or, are we going to follow the paths of least resistance and let someone else, meaning no one else, worry about these millions of our fellow Americans?

I think we can do better.

We can pass this minimum wage bill which is, as its title indicates, a minimum. It is barely that.

We not only can pass this bill—we must pass it—or else forever regret our failure to do what it was within our power and grasp to do; that is, to toss at least a few crumbs from our great storehouse of wealth to those unfortunates for whom an author once said: "There, but for the grace of God, go I."

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. HOLLAND. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. I want to congratulate the gentleman from Pennsylvania [Mr. HOLLAND] on the able address he has made. One of my pleasures in serving here in the Congress has been the friendship that has developed between the gentleman from Pennsylvania and myself. He is one of the great progressives of all the years I have served in the Congress.

Mr. HOLLAND. I thank the gentleman.

Mr. KEARNS. Mr. Chairman, I yield 15 minutes to the gentleman from Arizona [Mr. RHODES].

Mr. RHODES of Arizona. Mr. Chairman, most of us here have given the legislation before us a great deal of thought and study. We have been over this ground in the 86th Congress and we were promised in the election campaign last fall we would have to go over it again in the 87th Congress. The same arguments in support of raising minimum wages and extending coverage into every corner of private enterprise are being repeated and the criticism and objections which were brought out last year are being raised with equal insistence today. A year ago I was convinced that to raise the minimum wage and to extend its coverage would have harmful effects upon the Nation's economy. I was also convinced that to do so would damage rather than benefit the individual men

and women being considered. It would reduce employment and raise the cost of living, wiping out some businesses and increasing inflation. What was true a year ago is true today. But, Mr. Chairman, the economic condition of the country is not as vigorous today as it was a year ago. What was unwise then, and the Congress apparently considered it unwise by rejecting the bill, would be even less wise now. It is inconceivable to me that anyone who is aware of the economic soft spots in the country can give serious consideration to a bill which may create more soft spots. I hope the economy is now at the point of an upswing, and I know every Member here hopes that this is the situation. But, we cannot be sure. It is certainly no time to give the economy another kick backward. With the unemployment problem facing men and women in many parts of the country, what justification is there for raising wages by legislative fiat and creating more unemployment?

There can be no doubt at all that unemployment may come from this bill if it becomes law.

I have had scores of letters come across my desk in the past several weeks from businessmen—most of them small businessmen—with figures from their own books showing that they will be forced to lay off employees if we pass this bill.

Economic logic alone will tell you that to increase the cost of labor by any amount at all will not add a single job to a payroll anywhere in the United States, but it may force employers all along the line of marginal operations to curtail or go out of business.

Mr. Chairman, the bill before us today does even more damage to the economy than increase unemployment. It will also increase the cost of living and add to the corrosive effects of inflation, cutting a little deeper into the limited and fixed incomes of millions of people.

The initial cost to industry alone for a $1.25 minimum wage with extended coverage would be nearly $2 billion. But this is only the beginning. As low wage jobs go up to $1.15 or $1.25, wages on up the scale are put under pressure to be raised also. This is particularly true when the cost of goods and services for wage earners has been forced up. By the time the rippling effect of this bill has gone clear through the national economy, the cost of labor for everything we produce would be substantially increased.

Such an increase in the cost of labor at this time would have serious effects upon the cost of every product on the American market. This would be bad enough as it affects the ordinary American consumers. But it would be much worse than that.

We all know we are faced with a serious problem in balance of payments and an outflow of gold, caused by the inability of American products to compete with lower-cost foreign products on the world market. For years we have been pricing ourselves out of the world market in just this way—by jacking up the production costs of what we want to sell faster than we increase efficiency and improve production methods. We end up with goods costing so much to produce that they can be undersold even in our own markets.

And now we are considering legislation which would give the whole process another big push. This bill, if it passes, will set off a chain reaction upward in the cost of labor throughout the entire national economy.

The New York Herald Tribune described the situation several weeks ago in an editorial:

> The proposed 25 percent boost would have an enormous cumulative effect on the total wage bill. Differentials have to be maintained, which means an upward adjustment for higher-paid workers as well. This means higher prices, another kick for the inflationary spiral, tougher competition from foreign imports, a further competitive handicap for American exports. It inevitably means that marginal workers will lose jobs and marginal firms will be forced out of business.

I cannot believe that any Member of the House wants this to happen. The bill under consideration may seem like good politics, but it is bad economics. And in the end it is bad faith to the millions of American wage earners who would be having a few cents put into their pockets on one side, and the same few cents compounded being taken out on the other side.

Mr. Chairman, the minimum wage as it was passed back in the thirties was intended to be that wage on which a man could support his wife, himself, and two children, the average American family, at a subsistence level. I assume that is still the philosophy of the minimum wage. If it is, then we have gotten far afield as far as determining the proper level of the minimum wage is concerned, because in comparing the cost of living when the minimum wage was originally adopted with the cost of living today, by interpolation you find that the proper minimum wage would be somewhere between 96 cents and a dollar. The minimum wage, as you know is now $1 an hour.

I would suggest that the appropriate committee of this House ask that the Secretary of Labor or some other person designated by the President, or some authority set up by the Congress itself, conduct a survey to find out, if we are still going to use this philosophy, what the proper minimum wage should be in this day and time.

Perhaps a mere mathematical extension does not tell the truth. If it does, then the minimum wage right now is adequate. If it does not, we certainly should find out about it, and enact a proper minimum wage.

I am eager to have a minimum wage which will allow the average family to support itself at a level which will maintain health. I do feel if we are going to change the rules of the game, as I think we have, we had better redefine the rules, then come up with a decent formula, a formula which makes sense, to determine what the minimum wage should be. Certainly trying to legislate wage increases does not make any sense economically. The only way you can have a real wage increase is by increasing the production of the Nation. That is what I want to do, and I think all of the Members of the House want to do that. But this type of legislation has gone far afield from the type of legislation it was intended to be. If we are not careful we can by the continued abuse of this legislation not only hurt the economy but hurt the very people we are striving to help—those on the lowest rung of the economic ladder.

Mr. ROOSEVELT. Mr. Chairman, I yield 5 minutes to the gentleman from New Jersey [Mr. DANIELS].

Mr. DANIELS. Mr. Chairman, I strongly support the minimum wage bill to raise the standards and broaden the coverage of the Fair Labor Standards Act.

The enactment of legislation in this area is long overdue. It is now almost 23 years since Congress passed this law to extend the frontiers of social progress. Congress invested the law with a noble purpose—to eliminate from the channels of interstate commerce labor conditions detrimental to minimum standards of living.

Both in terms of the minimum wage it provides and of the employees who come under its protection, the present act is inadequate as a means for carrying out this purpose. A full-time employee working 40 hours a week, 52 weeks a year at the present minimum wage of $1 an hour has an annual income of only $2,080. I know that I do not have to tell you gentlemen how far this sum will go toward the support of a workingman and his family today. But I would like to cite some interesting and enlightening statistics for the benefit of those of my colleagues who think that we should not improve this law substantially.

In the fall of 1959, the Bureau of Labor Statistics estimated that a modest level of living in Washington, D.C., for a family of four required an income of $6,147 a year. The cost of living in many other cities is even larger. It is apparent, therefore, that the present minimum wage does not insure even a bare minimum existence.

It is also apparent, Mr. Chairman, that this law must be broadened to cover many additional workers so that our lowest paid workers who now have no minimum wage protection whatsoever will be given some measure of protection.

I would call your attention to the fact that during all the years that have elapsed since this law was passed its coverage has never been extended. In 1955, when the minimum wage was increased to $1 an hour, nothing was done about extending the law's protection to additional workers. In 1949, when the minimum was increased from 40 cents to 75 cents an hour, the coverage of the act was actually cut back. This retraction in the number of workers covered produced the inequitable result of not only denying a wage increase to those most in need of it but deprived many workers of the minimal floor under the wages that they previously had.

Mr. Chairman, I have had a study and compilation made of the minimum wage

laws of the several States of our Union and the minimum runs from a low of 15.6 cents per hour in one State to $1.50 an hour in another State.

The failure of some States to enact any law and of other States to update their antiquated and practically useless State laws, has made it imperative for this House to act. I desire at this point to offer this compilation as part of my remarks.

Mr. Chairman, I cannot urge too strongly that we proceed without delay to approve the bill reported by the House Labor Committee. We have already had too much debate and too little action in this area for too long a period of time. I think it is time that we took effective action.

The compilation referred to is as follows:

Minimum wage status of 50 States, District of Columbia, and Puerto Rico

State	Type of law	Employees covered	Basic minimum
Alaska	Statutory	Men, women, and minors	$1.50 an hour.
Alabama	No law		
Arizona	Wage board	Women and minors	46 to 60 cents an hour for retail and laundry.
Arkansas	Statutory	Females	15.6 cents an hour ($1.25 a day).
California	Wage board	Women and minors	$1 an hour for major trades.
Colorado	do	do	60 cents to $1 an hour by orders for laundry, retail, public housekeeping, and beauty service.
Connecticut	Statutory (also wage orders)	Men, women, and minors	$1 an hour.
Delaware	No law		
Florida	do		
Georgia	do		
Hawaii	Statutory	Men, women, and minors	$1 an hour.
Idaho	do	do	75 cents an hour.
Illinois	Wage board	Women and minors	No orders in effect.
Indiana	No law		
Iowa	do		
Kansas	Wage board	Women and minors	No orders in effect.
Kentucky	do	do	20 to 50 cents an hour for major trades.
Louisiana	do	Females	No orders in effect.
Maine	Statutory	Men, women, and minors	$1 an hour.
Maryland	No law		Do.
Massachusetts	Statutory (also wage orders)	Men, women, and minors	
Michigan	No law		
Minnesota	Wage board	Women and minors	60 cents to $1 an hour by orders for laundry, retail, amusement, and public housekeeping.
Mississippi	No law		
Missouri	do		
Montana	do		
Nebraska	do		
Nevada	Statutory	Females	$1 an hour (87½ cents, under 18).
New Hampshire	Statutory (also wage orders)	Men, women, and minors	$1 an hour.
New Jersey	Wage board	Women and minors	31.3 cents to $1 an hour by orders for beauty, restaurant, laundry, and retail.
New Mexico	Statutory	Men, women, and minors	75 cents an hour (65 cents service).
New York	Statutory (also wage orders)	do	$1 an hour.
North Carolina	Statutory	do	75 cents an hour.
North Dakota	Wage board	Women and minors	55 to 75 cents an hour by orders for manufacturing, laundry, drycleaning, telephone, public housekeeping, and retail.
Ohio	do	do	25 to 90 cents an hour by orders for laundry, hotel, restaurant, and beauty culture.
Oklahoma	do	Females	(Law inoperative.)
Oregon	do	Women and minors	50 cents to $1 an hour for major trades.
Pennsylvania	do	do	65 cents to $1 an hour by orders for laundry, hotel, restaurant, and retail.
Rhode Island	Statutory (also wage orders)	Men, women, and minors	$1 an hour.
South Carolina	No law		
South Dakota	Statutory	Females	$12 to $15 per week (by population).
Tennessee	No law		
Texas	do		
Utah	Wage board	Women and minors	75 cents to $1 an hour by orders for retail, laundry, drycleaning, and restaurant.
Vermont	Statutory (also wage orders)	Men, women, and minors	$1 an hour.
Virginia	No law		
Washington	Statutory (also wage orders)	Men, women, and minors	Do.
West Virginia	No law		
Wisconsin	Wage board	Women and minors	75 to 85 cents an hour (65 to 75 cents under 16) for major trades.
Wyoming	Statutory	Men and women	75 cents an hour.
District of Columbia	Wage board	Women and minors	57 cents to $1.10 an hour for major trades.
Puerto Rico	Statutory (also wage orders)	Men, women, and minors	$1 an hour.

Mr. FRELINGHUYSEN. Mr. Chairman, will the gentleman yield?

Mr. DANIELS. I yield to the gentleman from New Jersey.

Mr. FRELINGHUYSEN. The gentleman clarified one point that I was going to ask him about, I now know which bill he at least is advocating. He suggested that we should approve the committee bill. As I understand, from what developed late in the day yesterday, the Democratic leadership has abandoned the Roosevelt bill and has decided to take the so-called Albert substitute. I wonder if the gentleman has any idea what is in the Albert substitute. At what point is anyone on your side going to demonstrate how that bill might have more advantages than the bill the gentleman prefers?

Mr. DANIELS. I have not had an opportunity to examine the Albert bill, but I propose to do so.

Mr. FRELINGHUYSEN. Is the gentleman proposing to vote against the Albert bill, if there should be an opportunity?

Mr. DANIELS. I cannot answer that question until I have an opportunity of examining the bill.

Mr. FRELINGHUYSEN. Time is running out, I may say to the gentleman. Nobody has had an opportunity to examine it.

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

Mr. ROOSEVELT. Mr. Chairman, I yield such time as he may desire to the gentleman from Connecticut [Mr. GIAIMO].

Mr. GIAIMO. I recognize, Mr. Chairman, that my task here is a formidable one. I rise to challenge the greatest of all vested interests; those of the mind. I have listened closely as some of my colleagues express fears about moving ahead, continuing and broadening our tried and tested and, I add, successful minimum wage program. I have heard some pretty shopworn ideas expressed in the process.

John Galbraith, in his book, "The Affluent Society," warns us that "because economic and social phenomena are so forbidding and because they yield few hard tests of what exists and what does not, they afford to the individual a luxury not given by physical phenomena. Within a given range, he is permitted to believe what he pleases. He may hold whatever view of the world he finds most agreeable or otherwise to his taste."

I submit, Mr. Chairman, that unfortunately, some of my colleagues, in their attempts to scuttle the President's program have indulged in such an intellectual luxury. I rather think that if a visitor who knew nothing of modern history were to walk into the gallery and listen to some of the intellectual cliches being voiced in this debate, he would readily believe that the Fair Labor Standards Act is a figment of some radical imagination; that it threatens to

tear asunder the framework of our Government; that it threatens to destroy a system of 50 separate and independent States by imposing upon them a national Government with powers over interstate commerce; and that we have learned nothing since the dismal economists of the 19th century put pen to paper.

Ideas that resist change, that give excuses for political indolence, are always comfortable ideas and readily acceptable. The President asks us to try our thoughts as one would test his muscles on a trampoline, but instead, we are forced to loll on an overstuffed mattress of tired phrases and pet cliches originated years and even a century ago. Perhaps they had vitality at one time, but today, they are tiresomely irrelevant.

The Fair Labor Standards Act was conceived 23 years ago, and it has proven to be very much in keeping with American concepts of governmental power and responsibility. It is constitutional; it has worked; it has increased purchasing power; it has placed a floor under the lower economic groups in our society; it has helped prevent dire poverty and gross economic inequalities in our generally affluent Nation; it has been extended and improved by Republican and Democratic administration alike, and this administration is now asking that we but take the next logical step toward affording the minimum benefits of this tried and tested program to those of our citizens who have thus far been ignored by it.

Contrary to arguments being made here, the President's proposals are not unconstitutional or subversive to our way of life. This Nation is not a confederation of 50 independent States. This Congress, when it exercises the constitutional powers of a national legislature, does so in behalf of the people of this great Republic. We are representatives of these people. We come here to further their interests. I, for one, resent the implication that we are akin to some foreign power, beholden to no American, greedily usurping the power of the people. We speak for the people, and judging by the last national election and by recent public opinion polls, the people like the Fair Labor Standards Act and they want to see it extended. I, for one, intend to speak up for the people of our age and against the dead ideas paraded about on this floor disguised as so-called States rights.

The justification for minimum wage legislation today, as it was 23 years ago, is twofold:

First. Minimum wage legislation recognizes that the existence of low wages tends to debase the living standards of workers enjoying higher wage levels and acts as a drag upon the economy. Substandard wages, in the words of the act, constitute an unfair method of competition in commerce and interferes with the "orderly and fair marketing of goods and commerce."

Second. It attempts to raise the standard of living of those who are at the bottom of the economic ladder and tries to provide these with a minimum standard of living.

Regarding the first, gentlemen, I have heard it said on this floor that wages and hour conditions are matters of purely local concern. This is a convenient and comfortable thought. Everyone wants to be let alone to do as they please. But we are one nation; our trade and commerce among the States is free and open. It is a simple matter to say that the wages paid in Mississippi should be no concern to the people in Connecticut, but can this be true? The depressive competition we in New England meet from the sweatshops of other areas is as much our concern as the flow of cheaply produced foreign goods into America. We in New England have done a fairly good job of providing our low income workers with minimum wage and working conditions, and we have over the years, increased employment, but we have had to do it in the teeth of unfair competition from regions which drag as an anchor chain upon our Nation's economy. Do you say that the existence of substandard labor in America is no concern to us? When the foot is cancerous, is this no concern to the brain?

In certain areas, efforts to exploit the American worker at the expense of our national economy and the just labor standards of other regions, have been made quite obvious.

The insidious influence of unfair competition among regions and localities is illustrated by a letter from a mayor in a small southern town to a New England manufacturer, reported in the CONGRESSIONAL RECORD, volume 101, part 3, page 4169: "Then our wonderful labor," the mayor writes, "98 percent native born, with lower average hourly industrial wages, 6 to 9 cents below other Southern States and from 50 to 95 cents below Northern States."

I submit, gentlemen, this letter underscores the fact that industries competing on the basis of sweated labor are not only out to drag down high wage areas outside of the South, but will just as readily, if given the chance, undercut neighboring towns and cities which already are victims of low wage rates and substandard living conditions.

In a study printed in the CONGRESSIONAL RECORD of April 26, 1955, Dr. Sar A. Levitan, economist with the Legislative Reference Service, wrote:

> It should be stressed that increasing the minimum wage would not effectively limit the competitive forces within the economy. Labor costs account only for about a third of total manufacturing cost and the substandard rates form only a minute fraction of total costs in American industry. Substandard wages do not appear to be a proper factor in a dynamic, free, and competitive American enterprise system.
>
> All people of good will welcome the economic opportunities that new industry is bringing to the people of the South. Defense needs make industrial dispersion desirable. National welfare would, however, require that industrial dispersion should bring with it the blessings of our high standards of living to all the sections of the country. Sound economic growth for the Nation as a whole cannot depend upon "runaway" industry from high-wage areas which reestablish the same business on a substandard wage level elsewhere.

A second justification for adopting the President's program is that it will raise the standard of living for those who are at the bottom of the economic scale and try to provide them with a minimum standard of living.

In his news conference yesterday, the President said:

> I find it difficult to understand how anybody could object to paying anybody who works in a business which makes over $1 million a year $50 a week by 1963. I think anyone who is paid less than that must find it extremely difficult to maintain themselves and their families.

What the President says is obvious. And yet, it appears, there are gentlemen in this House who would do nothing about it although, according to a Bureau of the Census report published in June 1958, 36.3 percent of our farm and nonfarm families had a total money income of less than $4,000 per year. The 1960 economic report of the President reveals that there are 7.6 million families and single individuals with incomes under $2,000 per year and the number of low-income families is growing. From 1956 to 1958, the number of families with incomes less than $2,000 per year increased twice as fast as the total number of American families.

Hold this statistic, and ponder it in the light of another: That in 1960, the Department of Labor estimated that an average of $6,130 a year is needed by a worker to support a family (wife and two children) at a "modest but adequate" standard of living in major American cities on the basis of prices in the autumn of 1959.

We are in danger of creating the anomalous situation of poverty existing in the midst of affluence, and I say this is a threat to our classless American society. This substandard condition existing side by side with wealth is the real menace to our way of life, not the Fair Labor Standards Act.

What is the cost of this poverty amidst plenty? In terms of social disorganization and frustration among our lower income citizens, the costs can never be measured except indirectly in our budget for courts, jails, police, social workers, and so forth. The correlation between crime and poverty has not been proven, but the greater prevalence of crime among low-income groups has been established.

We will pay in other ways for ignoring the low-income worker. During the 1957–59 biennium, Connecticut taxpayers alone put up $16,901,117 to defray general assistance costs exclusive of administration. This money was paid out to aid destitute families in a State that has a decent minimum wage. I wonder what the cost in public welfare, relief, and human suffering can be in other areas.

We are paying for substandard conditions every day in terms of poor health and medical care. An editorial in the New York State Journal of Medicine for September 15, 1949, stated it quite plainly:

> What keeps the great majority of people well is the fact they can't afford to be ill.

The proportion of persons who see no doctor during the year is three times as high for families with incomes below $1,200 as for those over $10,000, while less than one in five families with incomes

below $1,000 has any health insurance. The cost to our communities will appear again and again in public hospitals, clinics, and free medical care for people who are not being paid a human wage.

I consider it a very minimum wage—

The President said yesterday.

We are talking about a standard for fellow Americans, and millions of them, and I must say I think that it is in the public interest to pass that bill as closely as possible to the House committee bill.

Gentlemen, the President can never be more right. I urge you to consider carefully the cost of not passing an adequate bill this year. Is your State, your community, is America willing to ignore progress and pay the consequent price?

Mr. ROOSEVELT. Mr. Chairman, I yield 15 minutes to the gentleman from Iowa [Mr. SMITH].

Mr. SMITH of Iowa. Mr. Chairman, I would like to address myself primarily to the so-called jurisdictional or constitutional question. I really do not think it amounts to what has been raised here at all, but I would like to clarify it a little bit to remind the Members of some of the things that I am sure they already know.

Of course, this rests under article I of section 8 of the Constitution, which provides that Congress shall have the power to regulate commerce among the several States. Of course, we all know when you say "regulate," you mean either help to turn it on or turn it off; anything that increases or decreases either one. It does not mean stoppages only. In 1938, when the act was passed, it applied to those persons engaged in competition necessary to the production of goods for commerce.

Now, under this definition there were, of course, several Supreme Court cases, the outstanding one, the leading one, being the Darby case. Under the Darby case the Supreme Court not only held that the Court had the power to go as far as it did in the 1938 act, but it also went forward and said that Congress could even regulate intrastate commerce if it wanted to, so long as it acted within the purview of the doctrine that there was a substantial effect upon interstate commerce.

I am talking now about things that are strictly intrastate. This 1938 act did not do that but the Supreme Court said Congress could do that if it wanted to.

After this, of course, there were several more cases, but it was firmly established that the Congress had acted fully within the purview of the commerce clause. Then along came the Labor-Management Relations Act of 1947 which amended the National Labor Relations Act. This act, of course, is more commonly known as the Taft-Hartley law. The Taft-Hartley law went far beyond anything that had previously been done in extending the jurisdiction under the commerce clause. It went so far as to say that you can even regulate activities that tend—and I stress "tend"—that tend to affect the flow of commerce. It would be thought that this was just as far as anyone could possibly go in stretching the interstate commerce clause and to date I think it is as far as anyone has gone.

As the gentleman from Georgia said yesterday, the National Labor Relations Board found that their jurisdiction was so extensive under this particular provision that they would not exercise all the jurisdiction that had been given to them. So they established a dollar-volume standard, or some dollar-volume standards, saying that they were not going to exercise all the jurisdiction that has been given to them in every case. They said, "We are just going to assume that in retail cases, where it is under $500,000 of annual gross volume, there is not enough for us to bother with. We are not going to exercise the jurisdiction we have in that case. This is the dollar-volume test by an agency—not by the Congress, but by an agency."

It has been clearly shown, I think, in several court cases that the jurisdiction or the practical judgment is a matter that is clearly within the authority of Congress and can be determined by the Congress only; but they went ahead, anyway, and determined as an agency how far they should go.

Now we find in the Landrum-Griffin Act that this has been approved, that we have approved an agency's determining their own jurisdiction. All we have said is that they cannot go above $500,000, they have got to exercise their jurisdiction down to that point. We are leaving it up to them how much lower they want to go in volume or anything else. There is not any specific definition or category. But we have left it to an agency in that act how far they want to go in exercising this jurisdiction.

In this committee bill and in the Albert bill we do not leave it to some agency downtown to determine how far they want to go to exercise their jurisdiction. We write it squarely in the law. The Congress exercises the plenary power they have in determining just what jurisdiction we want. That is the biggest difference between the Landrum-Griffin bill and the particular act that is before us now. We do not leave it to an agency as it was under the Landrum-Griffin Act. We do it right here. We say it is $1 million a year. We are not going to extend our jurisdiction beyond that. We know we have the jurisdiction to go way beyond that, but we are not going any further than that. That is the biggest difference between the two acts.

Mr. FRELINGHUYSEN. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman from New Jersey.

Mr. FRELINGHUYSEN. I wonder whether, as a member of the subcommittee which developed the committee bill, the gentleman would enlighten me as to whether he is going to support the so-called Democratic leadership bill, the Albert bill, or the committee bill? I wonder at what point anybody is going to discuss what is in the Albert bill. We have almost completed general debate on the committee bill, and there has been no mention of what is in the Albert substitute.

Mr. SMITH of Iowa. As to which bill I am going to support, I will say that I have not had the opportunity yet to hear the gentleman's very enlightening statement that I am sure he will make soon. I want to hear that before I make my judgment.

Mr. FRELINGHUYSEN. I am certainly not planning to make any statement on the Albert bill. I am waiting for the sponsors of that proposed legislation to explain what is good in it. I have not had the time to examine it, just like the gentleman from New Jersey [Mr. DANIELS]. I think the whole matter ought to be recommitted to our committee for consideration of the various substitutes. Then we could bring it back to the House for its consideration.

Mr. SMITH of Iowa. I think it has been in the RECORD and there has been adequate opportunity to read the RECORD while we have been sitting here.

Mr. FRELINGHUYSEN. Mr. Chairman, which bill is the gentleman planning to back?

Mr. SMITH of Iowa. I will determine that after I hear the gentleman's arguments. I am sure he will enlighten us.

Mr. FRELINGHUYSEN. My arguments will not be on that bill.

Mr. GRIFFIN. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman from Michigan.

Mr. GRIFFIN. Mr. Chairman, first of all let me say that I have been very greatly interested in the gentleman's presentation on the so-called constitutional question. As for me, although I realize that there are many Members of the House on both sides of the aisle who feel that there is a real question of constitutionality involved, I have not put my argument on that basis.

In fact, I am inclined to agree with the gentleman that the present Supreme Court would probably not say that the bill was unconstitutional. I think the question is more one of public policy, how far the Federal Government should go and into what areas.

Let me also address myself briefly to a statement made about the 1959 act, the so-called Landrum-Griffin bill. At the time that bill became law, there were many of us who thought that Congress should adopt standards at that time for application by the National Labor Relations Board. There was not enough agreement as to where that line should be drawn or on what basis it should be drawn, and standards were not adopted. But we did have agreement on one point: that if the National Labor Relations Board is going to decline jurisdiction over a labor dispute, there should be some place for the litigants to go. I do not interpret the 1959 act as putting any approval on standards used by the National Labor Relations Board. We did not pass on the appropriateness of those standards. We said only that there should be a forum; and that if the National Labor Relations Board fails to take jurisdiction of a case, for any reason, then the State will take jurisdiction. In the 1959 act we did not adopt the dollar-volume test used by the National Labor Relations Board; we did not approve or disapprove of it. Tomorrow,

if the Board chooses to do so, it could change its standards, but not because of anything in the Landrum-Griffin Act. In the 1959 act, we said only that the Board could not retreat and refuse to take jurisdiction of a case which it would have handled prior to the 1959 act. Will the gentleman agree with that?

Mr. SMITH of Iowa. I agree with that last statement of the gentleman as he states it. I am glad to hear the gentleman say he thinks there is no argument as to what jurisdiction this Congress has in this field under the interstate commerce clause between the two bills. It is just a matter of how far you want to go. Under the bill I understand the gentleman is supporting, how far we are going is determined according to where the stores are located.

Mr. GRIFFIN. There is lots of controversy among the Members on that issue. I am not putting my argument on that basis. I think it is more a question of what is wise policy for the Federal Government in this particular field.

Mr. CURTIS of Missouri. Mr. Chairman, a point of order. The gentleman has mentioned the name of a Member of the other body.

The CHAIRMAN. Will the gentleman from Missouri specify the words he wants taken down?

Mr. CURTIS of Missouri. The reference was to Senator GOLDWATER by his name.

Mr. ROOSEVELT. Mr. Chairman, may I point out that the gentleman from Iowa never mentioned the name of the Goldwater store in Arizona.

Mr. AYRES. Mr. Chairman, I make the point of order that the gentleman from California did mention the name of Senator GOLDWATER. I would like to have his words taken down.

Mr. HOFFMAN of Michigan. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count.

Mr. HOFFMAN of Michigan. Mr. Chairman, inasmuch as so many are coming in from the outside and from the cloakrooms, I ask unanimous consent to withdraw my point of order.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. ROOSEVELT. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. ROOSEVELT. Mr. Chairman, do I correctly understand that the rules of the House do not prevent a Member from mentioning a Senator's name as long as he does not mention it in a derogatory manner?

The CHAIRMAN. It is the understanding of the Chair that under the rules of the House, the name of a Member of the other body may not be mentioned in any fashion.

Mr. ROOSEVELT. Then, Mr. Chairman, I ask unanimous consent that my words be expunged from the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. CURTIS of Missouri. Mr. Chairman, I made a point of order.

The CHAIRMAN. The gentleman will state it specifically.

Mr. CURTIS of Missouri. The specific point of order is that the words of the gentleman in reference to GOLDWATER, which was obviously to Senator GOLDWATER, be taken down.

Mr. SMITH of Iowa. Mr. Chairman, may I point out that I merely mentioned the name of the Goldwater Department Store in Arizona. I did not mention anybody's name whatever.

The CHAIRMAN. For what purpose does the gentleman from New York [Mr. POWELL] rise?

Mr. POWELL. Mr. Chairman, a point of order. The gentleman from Missouri is out of order because he just mentioned the name of Senator GOLDWATER.

Mr. HOFFMAN of Michigan. Mr. Chairman, I make the point of order that it is now in order to read the words.

Mr. CURTIS of Missouri. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. CURTIS of Missouri. Should not the gentleman from Iowa take his seat while the words are being taken down?

The CHAIRMAN. If the gentleman from Missouri insists the Chair will ask the gentleman from Iowa to take his seat.

The Clerk will report the words to which objection is made.

(The Clerk reported the words objected to.)

The CHAIRMAN. The Committee will rise.

Accordingly the Committee rose, and the Speaker resumed the chair.

Mr. PELLY. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. We must first have the report from the Committee of the Whole House on the State of the Union.

Mr. KEOGH, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 3935) to amend the Fair Labor Standards Act of 1938, as amended, to provide coverage for employees of large enterprises engaged in retail trade or service and of other employers engaged in commerce or in the production of goods for commerce, to increase the minimum wage under the act to $1.25 an hour, and for other purposes, certain words used in debate were objected to and on request taken down and read at the Clerk's desk, and he herewith reported the same to the House.

The SPEAKER. The Clerk will report the words objected to.

(The Clerk reported the words objected to.)

Mr. PELLY. Mr. Speaker, a point of order.

The SPEAKER. The Chair is ready to rule on the point of order.

The Chair thinks that a reference to a Member of the other body by name is a violation of the rules of the House, and so holds.

Mr. ROOSEVELT. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. ROOSEVELT. Would it be in order at this time to ask unanimous consent that the gentleman from Iowa be allowed to proceed in order?

The SPEAKER. It would.

Mr. KEARNS. Mr. Speaker, I object to that.

The SPEAKER. Let the Chair first state the request.

Is there objection to the request of the gentleman from California that the gentleman from Iowa be allowed to proceed in order?

Mr. CURTIS of Missouri. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. CURTIS of Missouri. The ruling means that these words will be stricken from the RECORD?

The SPEAKER. If a motion is made to strike them from the RECORD.

Mr. CURTIS of Missouri. I would make such a motion and then I would not object.

The SPEAKER. The question is on the motion.

The motion was agreed to.

The SPEAKER. Is there objection to the request of the gentleman from California that the gentleman from Iowa be allowed to proceed in order?

There was no objection.

The SPEAKER. The Committee will resume its sitting.

The CHAIRMAN (Mr. WALTER). The gentleman from Iowa will proceed in order.

Mr. SMITH of Iowa. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. SMITH of Iowa. Is it in order to say that this has been a long day due to the fact that there are three Senators in the other body named Long?

The CHAIRMAN. That is not a parliamentary inquiry.

The gentleman will proceed in order.

Mr. DENT. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman from Pennsylvania.

Mr. DENT. What is the name of the chain of stores in the State of Arizona that the gentleman was referring to?

Mr. SMITH of Iowa. I think that was all I did, was to mention their names.

Mr. DENT. What is the name of the chain?

Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. DENT. If a trade name or the name of a product bears the same name as a Member of the Senate, are we forbidden from mentioning that particular product or chain or store, or whatever the item may be?

The CHAIRMAN. The Chair will pass on that question when it arises. The Chair may say that the gentleman's inquiry is not a parliamentary inquiry.

The gentleman from Iowa [Mr. SMITH], will proceed in order.

Mr. SMITH of Iowa. Mr. Chairman, now as to the bill I was referring to, we

all know that in this bill it determines how far we are going to exercise our jurisdiction according to the number of stores that happen to be located in two or more States.

Let me give this as an example: Suppose I own two stores in Pennsylvania that sell rocks picked up in Gettysburg, and I own three stores in Arizona that sell petrified rocks picked up in Arizona. I have five stores in two States. There is no interstate commerce, there is no commerce between the two stores. I am the owner. I am covered under the Ayres bill. What kind of a basis is this? It is stretching the interstate commerce clause far beyond any degree it has been stretched before. It is the Ayres bill that stretches the interstate commerce clause farther than it has even been stretched before. May I say to the gentleman from Nebraska and the gentleman from Indiana, who indicated they did not want to vote for a bill that regulated wages at all, that they can vote for the Ayres bill. It does not regulate wages. There is no basis in the bill that requires the carrying of any of these goods across State lines. In the committee bill and in the Albert bill it is required that one or more employees in the establishment must be working on goods produced for commerce or handled in interstate commerce. That is a primary and preliminary requirement. This, of course, has been litigated many times, and we are clear as to what it means. It goes ahead and says: even though an employe or employees handled these goods, we are not going to regulate it unless you do more than a million dollars in volume of sales a year. It seems to me that the bill which tortures the interstate commerce clause, that stretches it far beyond any point it has been stretched before, is the Ayres bill or the Kitchin bill. These are the bills that go into new fields rather the bill that is before us as the committee bill, or the Albert bill.

Mr. DENT. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman from Pennsylvania.

Mr. DENT. As I understand the gentleman's discussion, he holds that a chain of stores with five or more in the chain operating in two or more States, regardless of volume of business, would be covered under this act?

Mr. SMITH of Iowa. That is the Ayres bill. We may take an example from the record of many department stores. We had better not name them. Anyway, there are a number of department stores that do hundreds of millions of dollars of business that are not covered, while a lot of other little businesses are covered.

Mr. DENT. I was trying to bring out the point of the chain. If the chain operates in two States or more, regardless of volume of business, they are covered. Here is a chain in the State of New York by the name of H. C. Bohok with 185 stores doing a business of $160 million. Would they be covered?

Mr. SMITH of Iowa. Yes.

Mr. DENT. The gentleman says they would be covered?

Mr. SMITH of Iowa. No, If they do not have any stores in another State even though they move goods in interstate commerce.

Mr. DENT. Take Wiebolds in Chicago with 11 stores; would they be covered? They only operate in Illinois.

Mr. SMITH of Iowa. If they only operate in Illinois, they would not be covered.

Mr. DENT. The three stores the gentleman referred to in Arizona, the Goldwater stores, would they be covered?

Mr. SMITH of Iowa. They would not be covered.

Mr. DENT. They do a volume of $6 million.

Mr. AYRES. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman from Ohio.

Mr. AYRES. Would you mind telling us what the average wage of these Goldwater stores in Arizona is?

Mr. SMITH of Iowa. I do not know the average wage, but I do know that it is not true that all big chains pay over the minimum wage.

Mr. AYRES. For the RECORD I would like to say that this particular chain referred to paid far above the minimum wage that you are proposing in the Albert bill.

Mr. SMITH of Iowa. I would like to point out that I did not ask that your words be taken down, mentioning the name of the store. I do not know how much all of these chains pay in wages, but we did have plenty of evidence before the committee that they did not all pay more than $1 or more. I think the average was 78 cents, as I recall it. But, the argument is not whether or not we are stretching the commerce clause; it has been stretched before, further than we ever want to use it in this kind of a bill. The only argument is where is the cutoff? In the committee bill and the Albert bill we cut off at $1 million volume, and in the Ayres we cut off according to where the store is located.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman from Ohio.

Mr. HAYS. Did I understand the gentleman to say that there is a chain of stores owned by a member of the other body which is exempt from this bill?

Mr. SMITH of Iowa. I do not know who runs them. I just mentioned that there is a chain of stores in Arizona that does a multimillion dollar business that is exempt.

Mr. HAYS. That is the same store that the gentleman from Ohio mentioned, the Goldwater store, previously?

Mr. SMITH of Iowa. Yes.

Mr. AYRES. Mr. Chairman, if the gentleman will yield, there are other chains, F. W. Woolworth, Sears, Roebuck, and Montgomery, Ward.

Mr. HAYS. I just thought you might want to take my words down. I thought I was an expert in getting around this. Now the name is in the RECORD.

Mr. SMITH of Iowa. Mr. Chairman, I yield back the remainder of my time.

Mr. KEARNS. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. HOFFMAN].

ON THE WIDE AND EASY, BUT DESTRUCTIVE, ROAD TO BUREAUCRATIC DICTATION

Mr. HOFFMAN of Michigan. Mr. Chairman, being a victim myself, permit me to express my deep sympathy for the gentleman from California [Mr. ROOSEVELT]. He has worked long and very closely with some who know about this type of legislation. I have heard him in committee. If anyone in the House ever made a more earnest effort to write a worthwhile bill, it has been my misfortune not to have met him.

We may not have a thought in common. Nevertheless, sincerely I feel sorry for him, because, after all his work, all his effort—and this is not uncommon, either—the party organization throws him overboard. So, here he is robbed of the sponsorship of a bill accepted by the committee, and here we are, and what the vote will be on some are in doubt.

To me, it does not matter, because it is not my intent to vote for any bill of this nature.

The bills to fix the minimum wage, maximum hours, follow the trend of much of the legislation enacted by the Congress in the last few years. Whether characterized as the New Deal, the Fair Deal, or the New Frontier, the professor's dream, the taxpayer's nightmare, whatever may be the purpose, the inevitable result of this type of legislation is to destroy our national independence,[1] our security, our opportunity for collective advancement, the protection of person and property guaranteed by the 5th and 14th amendments as well as the freedom of the individual.

Coming to Congress in January of 1935, one of my convictions was that adherence to the principles of the Declaration of Independence, the Constitution, and the Ten Commandments, together with the newness of our country and its natural resources, had given us the opportunity to establish, and we had established, a government which had not only given to our citizens the best form of government yet devised, but the then greatest opportunity for the exercise of individual freedom, the greatest degree of prosperity, anywhere existing.

Until recent years, throughout the world, our flag, the Stars and Stripes, was ever viewed as a symbol which guaranteed freedom and, by the exercise of a reasonable degree of individual initiative, financial security. It was ever beckoning to our shores the oppressed of other lands. Here in the melting pot of the world, the product was a free, self-governed people.

Disregarding the admonition of Washington to avoid entanglement in the affairs of other nations, we have, step by

[1] In the city of Paris on Sept. 3, 1783, that David Hartley, for the King of England; Benjamin Franklin, John Adams, and John Jay for the United States, signed their names to a treaty of peace between Great Britain and the United States, making the Thirteen States forever independent. That independence, so dearly won, was surrendered when we joined the United Nations—a group of 99 nations, each with 1 vote, equal to our own—although many number less in population or ability to contribute to the common good than some of our States.

step, but ever consistently and continuously, surrendered a part of our national sovereignty, some degree of our freedom of action as a government and as individual citizens, until today we no longer are an independent nation, a free people.

Our voluntary membership in the United Nations, in other international organizations and programs, has so involved us that no longer are we free to act independently as a nation.

Our national sovereignty, our independence, is so circumscribed by agreements with other nations that no longer can we protect our citizens from imprisonment or death in other lands; no longer can we declare or avoid war; no longer are our tax dollars levied or used to protect the future interests of our own people. We pay tribute to, submit to the blackmailing demands of other nations.

To Washington bureaucrats, the thinking of the intellectuals seems to be that, because of the progress we have made in various fields, we must forget the old, adopt the new. Do something—whether the result be good or bad. Scientists must be encouraged, even though we are now told, that if war comes, because of their discoveries and knowledge, civilization—if not all life itself—will be destroyed. A glorious end to scientific progress?

Some advocates of the New Frontier, though they accept the saying, "Dust thou art, to dust returnest, was not spoken of the soul," forget that the desire for freedom and security never dies. That the determination to be free, which carried the children of Israel out of Egypt, across the Dead Sea, and to 40 years in the wilderness, is still with us.

Down through the centuries, in India and in China, overpopulation and unemployment were solved by starvation.

We sometimes solve the problems raised by a growth in population by a war which kills off the most capable and promising.

The Chinese and Indian systems, from a dollar standpoint, are perhaps less costly. Under their practice the less fit die—that is the end—there are no justifiable but burdensome demands of dependents or pensioners for future generations to meet.

One result of surrendering our national sovereignty is that today we are at the threshold of war, no longer privileged to determine whether we go in or stay out. Yesterday the press told us, if quiet diplomacy fails tomorrow's sun may see us, without any action on our part, in another war.

The morning press tells us there is a rumor that our ships and the marines are already on their way to the Far East. This situation where we are unable to shape our own course toward peace or war has arisen because we have already committed ourselves to the orders of a one-world organization, to an all-out effort to save the world in a manner selected by others.

In days gone by when Britain was the mistress of the seas, it was her proud boast that the sun never ceased to shed its light on the flag of the British Empire.

Today, as one result of our disregard of Washington's warning, it might be said that in every land and sea throughout the world there lies what is left of an American who gave his life in a futile effort to make the whole world free. Regretfully it may be added that our heroic efforts have tended toward curtailing our own freedom.

The foregoing is cited because and only because our foreign policy is similar to, in one respect at least, our domestic policy of which this bill is a part, similar in that the trend is always toward a lessening of our national security, the curtailment of the freedom of the individual, an end to the basic thinking for which some of us assumed our forefathers fought, some died.

With the New Frontier came the acceptance of the political philosophy of the intellectuals, primarily the Harvard and other professors. This old, old thinking that a share-the-wealth program, more money in circulation, all activities controlled by a central government and its bureaucracy, would solve all our ills, has been sold to us by charming personalities who forget or ignore past experience—the lessons of history.

Another disturbing factor is that for some years the Supreme Court has been rewriting our Constitution which some intellectuals loudly insist is outmoded, unfit as a guide for present-day activities.

A few days ago, 250 so-called instructors, professors in higher institutions of learning [2] seemed to think that it was wrong to interfere with those who would, exercising their right under the first amendment, advocate the overthrow of our Government—even though violence might be necessary—that it was wrong to refuse to give opportunity for free speech to those who wished to support the proposition of the Communists that there is no God, that religion is a fraud, that priests and ministers are hypocrites. Let us give thanks that the House, when the issue came before it the other day, repudiated that thinking, supported the Committee on Un-American Activities, by a vote of 412 to 6.

We recently had a new translation of at least a part of the Bible.

The merit of the Ten Commandments has been called in question. The 10th states in part:

> Thou shalt not covet thy neighbor's wife * * * nor anything that is thy neighbor's.

The seventh is:

> Thou shalt not commit adultery.

And while no doubt every member of the Supreme Court adheres to those admonitions, the Court nevertheless has announced, apparently under the 1st and 14th amendments, that through the use of motion pictures it is permissible to portray "acts of sexual immorality * * * as desirable, acceptable, or proper patterns of behavior." [3]

Though the eighth commandment is clear in its statement, "Thou shalt not steal," the Supreme Court held that inasmuch as it was an established union practice it was lawful to compel one who wished to drive across the State line into New York with a load of merchandise which he intended to sell, to pay tribute to a union for that right, privilege.[4]

Another disturbing thought was the action of a few days ago when the House authorized the Secretary of Agriculture to incur obligations payable in cash up to $500 million without any action by our Appropriations Committee.

Unauthorized spending has made many fearful. Today's Chicago Tribune carries an objection by our colleague, the gentleman from Michigan [Mr. FORD], of the Appropriations Committee, to the purchase by the Air Force of planes costing $12 million without having first sought the approval of the Committee on Appropriations, the people's watchdog, charged with guarding their tax dollars.[5]

And so it was that during the past few weeks I have been questioning my early training and my present thinking, ventured back once more into the past, reread some of the books of my childhood days.

First, "The Story of Liberty," written in 1879 and which carried a chain of events through some 500 years beginning with the signing of the Magna Carta at Runnymede on June 15, 1215, and on down to the settlements at Jamestown on May 13, 1607, and Plymouth on December 21, 1620. It was a tale of deter-

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[2] They sought to lend credit, give some weight, to their conclusions by advertising their connection with colleges or universities, thus giving the false impresison they were giving currency to the thinking of the institution itself. Contact with these colleges or universities discloses that few, if any, of the students accept the professors' views.

[3] *Kingsley International Pictures* v. *The Regents of the University of the State of New York*, 360 U.S. 684.

Concurring opinion of Mr. Justice Frankfurter (p. 692): "Whatever one's personal preferences may be about such matters, the refusal to license the exhibition of this picture, * * * can only mean that that enactment forbids the public showing of any film that deals with adultery except by way of sermonizing condemnation or depicts any physical manifestation of an illicit amorous relation. Since the denial of a license by the board of regents was confirmed by the highest court of the State, I have no choice but to agree with this Court's judgment in holding that the State exceeded the bounds of free expression protected by the 'liberty' of the 14th amendment."

[4] It should be added that Justice Roberts and Justice Jackson took no part in that decision, and that Chief Justice Stone, dissenting, wrote: "It is no answer to say that the guilt of a defendant is personal and cannot be made to depend upon the acts and intention of another. Such an answer if valid would render common law robbery an innocent pastime" (315 U.S. 521, 540).

[5] Chicago Tribune, Mar. 24, 1961: "Members of a House appropriations subcommittee have accused the Air Force of bypassing Congress in awarding a $12 million contract for jet planes to carry Government officials.

"Representative GERALD R. FORD, JR., Republican, of Michigan, called the purchase of the jets 'a gross example of absolute disregard of committee procedure.' He said the subcommittee looked into some jet procurement problems last year and 'here they go, without any justification, and decide they are going to buy six more.'"

mination, of courage, and of a victory finally won, an early victory establishing a few of our fundamental rights.

Again I read as in the days of long ago "The Boys of '76," which gave a little something of the trials, the hardships, the suffering, and the deaths, which apparently were necessary to establish our independence as a nation. our freedom as individuals, priceless treasures which we have since lightly surrendered not to greater armies or navies or force, but to forked, eloquent tongues of politicians who through words have accomplished what Britain's Navy failed to do in 1812, yielded to the payment of a tribute to which the Barbary pirates could not force us to contribute even one penny.

Picked up "Old Times in the Colonies" which carried an outline of the progress of ideas, gave information as to how and by what means freedom and liberty thrived.

Turned once more to "Building the Nation," written in 1882, which carried a picture of how our young Nation thrived and grew powerful, its people prosperous, because of adherence to principles carried in the Constitution and the matchless courage, endurance, and the thrift practiced by our people.

Worried, thinking of the future of my country, of the welfare of my children, my grandchildren, my great-grandchildren, I reached the conclusion that I just could not go along with measures which, in my judgment, tended to destroy our national sovereignty, the freedom of our people.

In my humble judgment, the pending legislation tends toward that end.

Legislation of the type now pending before us was introduced on May 24, 1937, after President Franklin Delano Roosevelt sent to us a message in which he wrote:

> One-third of our population, the overwhelming majority of which is in agriculture or industry, is ill nourished, ill clad, and ill housed.

Hearings were held and one purpose of the legislation, as stated in the bill, was the attempt "in a modest way to raise the wages of the most poorly paid workers and to reduce the hours of those most overworked"; to assist the worker "whose wages will not meet bare living costs and whose health is depleted through long hours of work and undernourishment, causing them to become a liability on their communities."

While supposedly remedial legislation has been on the books since 1938, a period of 22 years—it has contributed not at all toward a solution of the basic problem as is evidenced by the fact that, during the last campaign, we were told by candidate, now President, Kennedy, that 17 million people in the United States went to bed hungry every night.

While all support the purpose, favor the objective, it is obvious that raising wages, limiting hours of work has not, will not enable the American worker to purchase the current standard of living unless we fix the price of commodities and services he must purchase.

None seems willing to accept that proposition. Eventually, unless we are willing to live under a dictator or a bureaucracy, supply and demand—although harsh results may sometimes follow—must control our commerce, and legislation preventing the exploitation of the worker, protecting his health, must be enacted. In my judgment, those are the remedies.

Mr. FRELINGHUYSEN. May I ask the gentleman from Michigan what bill he refers to when he mentions "this bill?" We have before us the committee bill. We have the majority leader saying yesterday he felt the fight today would be between the so-called Albert bill and the Ayres bill. I wonder which bill he thinks we are primarily concerned with, and which is he directing his remarks to?

Mr. HOFFMAN of Michigan. In fairness and justice I think—it is only an opinion, although many of us appear to state facts when all we have is just an opinion—I assume that inasmuch as the gentleman from California now on the floor, who has spent so much time, so much earnest, patriotic effort in drafting a bill, I would think we should consider the Roosevelt bill, H.R. 3935, the bill reported by the committee, and, if the gentlemen want to offer a substitute, all well and good.

The gentleman being here when I spoke previously, permit me to again express the utmost sympathy for him, commend him because he so gracefully and uncomplainingly accepted this leadership—to me, unfair discrimination—I will not say lack of courtesy, but accepting the course which they thought necessary in order to get a bill.

I would like to know what is in the latest revised offering if I am going to vote for it, and I am not—what is in the yet unoffered bill, in the Ayres bill, the Kitchin bill, and the Albert bill, and any still to come. But just as a matter of passing interest, I would like to know what is in the next bill we may have before us.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. ROOSEVELT. Mr. Chairman, I yield 5 minutes to the gentleman from New Jersey [Mr. JOELSON].

Mr. JOELSON. Mr. Chairman, I rise in support of H.R. 3935. We have had a Fair Labor Standards Act now for 23 years. When that law was enacted, the conditions of the American worker in this country were miserable conditions, and he despaired and he was dispirited. I heard my predecessor at this microphone ask what this type of legislation could do for this country. Now I respect the Member who just spoke before me. He is many years my senior. He is a man of deeply held convictions. But, if I have read my history of the thirties correctly, it seems to me these great social programs of the 1930's put the American people back on their feet again and stopped them from listening to the siren songs that come from Moscow. It is the type of program that has made America great. But this is an old program. It does not face up to the need of our times any more. It needs to be extended and it needs to be improved and it needs to be revised. We must cover additional people. I do not think there is anyone who in good conscience can say to himself that a wage of $1-an-hour is inflationary. I think that when we say that in America we cannot afford to pay a man $1 or $1.25 an hour, we are betraying what we have come to know as the American dream. These are falsely technical arguments of people who are opposed to the basic concept of the Fair Labor Standards Act itself. They are afraid to go backwards because they know it is politically ruinous, but they refuse to go forward. I say we have a good bill before us. We have an effective bill. I know my colleague from New Jersey is going to ask me what bill I am talking about so I yield to him to ask me.

Mr. FRELINGHUYSEN. I would like to ask the gentleman from New Jersey, and I am reluctant to interrupt his very fine presentation, how he feels about the various labor bills before us. Can he enlighten us or can anyone on his side enlighten us about the specific provisions in that bill which has been called the Democratic leadership bill? The majority leader, as I am sure the gentleman knows, said that he undoubtedly expected the fight to be between the Albert bill and the Ayres bill, which would by implication repudiate the Roosevelt bill. I just wonder whether he knows what is in the Albert bill? Can he give us some idea of what it contains and his ideas about it?

Mr. JOELSON. I am speaking in favor of the Roosevelt bill, which I think is a fine bill. If I feel that it cannot pass I will take the next best bill I can get. I think you are, perhaps, concerned that we are going to get any bill at all.

Mr. FRELINGHUYSEN. I would like to see some bill passed, but I am beginning to have doubts in view of the fact that we do not even seem to know what is in the so-called majority bill. There has not been any discussion of its provisions in this body.

Mr. JOELSON. I am talking about the Roosevelt bill.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. JOELSON. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. Mr. Chairman, I just want to call to the attention of the gentleman from New Jersey the fact that there is a summary of the bill, as introduced by the majority whip, at page 4685 of yesterday's CONGRESSIONAL RECORD along with the full text of the bill. I think it is inaccurate to say that there has been no discussion on this floor of what has been in the Albert proposal.

Mr. FRELINGHUYSEN. Mr. Chairman, will the gentleman from New Jersey yield for a question?

Mr. JOELSON. I think I have yielded quite a bit of my slightly allotted time, and this being my maiden speech, jI would like to finish it on my own terms.

I merely want to conclude by saying that the arguments that have been raised against the bill are false and technical. We cannot regard $50 a week take-home pay for the average head of

an American family as inflationary in America. We cannot say that putting purchasing power into the hands of the American people will cause unemployment. This is a good and effective bill.

Mr. Chairman, I yield back the balance of my time.

Mr. KEARNS. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. ASHBROOK].

Mr. ALGER. Mr. Chairman, will the gentleman yield?

Mr. ASHBROOK. I yield.

Mr. ALGER. Mr. Chairman, I appreciate the gentleman's yielding. I simply want to join with my colleague the gentleman from Michigan [Mr. HOFFMAN] in his earlier statement and say that in my opinion the whole bill is unconstitutional. The imposition of Federal minimum wage is unconstitutional. I, too, have listened to the debate so far and intend to listen to the remainder of it. I also intend to try to make the bill as good as possible with regard to preserving the rights of our individual citizens, and then finally to vote against this proposal because in my opinion it is not constitutional.

I thank the gentleman for yielding.

Mr. ASHBROOK. I would say to the gentleman from Texas that I, too, have listened to every bit of the debate. I would say, Mr. Chairman, that listening to all of it and all the different points of view I certainly would not find myself able to say that anyone has misstated an opinion. I believe, however, it is my duty to point out that there is a great difference between opinions and misstated facts. I found it very difficult during the campaign to believe that Candidate Kennedy, now President Kennedy, who had as a Member of Congress served on the Committee on Education and Labor, and later as a Member of the Senate-sponsored minimum wage legislation, would not make what I consider to be a misstatement of opinion, but rather a misstatement of fact; in fact, I, being in the newspaper business, realize that sometimes we do not always properly report a man and I was inclined during the campaign to give him the benefit of the doubt.

Last night, however, Mr. Chairman, with my own eyes I witnessed the television playback of the press conference, and with my own ears I heard the very words which I would like at this point to read into the RECORD. I think it is significant because our President, having a forum, as he has, to project his views to all the people, should while having the greatest latitude for opinion, at the same time be very careful in making factual misstatements, which I believe were made last night; and I refer particularly to this statement:

> I find it difficult to know why anyone would oppose seeing somebody by 1963 paid $1.25 in interstate commerce and in the new coverage we're talking about businesses which make over $1 million a year and I find it difficult to understand how anybody could object to paying somebody who works in a business which makes over $1 million a year by 1963 $50 a week.

Mr. Chairman, I would point out the fact that in two instances our President used the phrase "makes $1 million" and has made what I think all of us would agree to be a misstatement of facts, a misstatement of facts which would lead many people to ask: "What is wrong with taking $1.25 an hour from these millionaires?"

Quite the opposite from what is stated, this bill does not talk about $1 million in the sense of profit, but rather in the sense of gross sales. I am a small businessman. I am talking about businesses that do anywhere from $50,000 to $100,000 gross a year. The bill in its reference to dollar volume refers to a $1 million gross and not that the firm earns or makes $1 million. I therefore, would like to see this point corrected, because I think it is wrong to leave with the American people the impression that it is being taken from people who are making $1 million net a year.

Mr. MEADER. Mr. Chairman, will the gentleman yield?

Mr. ASHBROOK. I yield to the gentleman from Michigan.

Mr. MEADER. Does the gentleman know whether or not the average retail sales organization makes about 1 percent on its gross sales?

Mr. ASHBROOK. I would think it would be a little bit higher than that, but I know it is a low percentage.

Mr. MEADER. If the percentage is 1 or 2 percent, then on a business which grosses a million dollars a year there would be a profit of $10,000 a year?

Mr. ASHBROOK. Yes.

Mr. MEADER. In the sense of making a profit, is that correct?

Mr. ASHBROOK. I would think you would have to sell well over a hundred million dollars of goods a year to make $1 million.

Mr. HIESTAND. Mr. Chairman, will the gentleman yield?

Mr. ASHBROOK. I yield to the gentleman from California.

Mr. HIESTAND. For the record, and I am sure the Members will appreciate this, it is a well established fact by experience and statistics that large chains and large stores not only make more dollars than small stores, but they actually earn a greater percentage of sales than smaller stores. I have a couple of figures here. I shall not ask to have them all put in. For R. H. Macy & Co. their net earnings are 1.4 on sales. That is to say if R. H. Macy & Co. had gross sales of $1 million it would be earning 1.4 percent, $14,000. The average of 24 big companies, 2.7, the average of 35 chainstores, food, 1.3. I could name a lot of individuals or wholesalers and jobbers, 1.7. For chains other than food, 2.9. These are averages.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. KEARNS. Mr. Chairman, I yield the gentleman an additional 2 minutes.

Mr. ASHBROOK. Mr. Chairman, I thank the gentleman.

I would like to add one last point. As I have listened to all of this debate it has been interesting to find out those who consider themselves to be friends of the small businessman. I would only leave the question in each of your minds as to the comparison between the bills. If you were a planner or person seeking to usurp local and intrastate commerce and the right of State legislatures, which way are you going to get to the small businessman, the man who grosses $50,000 or $100,000, a purely local business? Is it going to be through the dollar volume test, or is it going to be through the test of five or more stores in two or more States? I suggest we all can answer that question very simply, Mr. Chairman.

I would say, as a member for two terms of the Ohio Legislature, and serving on the Labor Committee, I found that our legislators are competent to act in this field; I find that they will, if the need is brought before them, and if the facts are shown to merit it, vote for minimum wage legislation. I oppose the effort to extend minimum wage coverage into purely local business. To me that is one more step toward economic and political dictation of our lives.

Mr. ROOSEVELT. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, I am about to yield to the gentleman from North Carolina [Mr. KITCHIN] for the purpose of discussing the Kitchin-Ayres bill. I would like to point out to my friends on the other side, of course, this is coming out of the time of the proponents, and if he should need more time I hope the gentlemen on the other side will take care of it.

Mr. AYRES. I think we can cooperate. Will the gentleman from California have any objection if we put a speaker on before Mr. KITCHIN?

Mr. ROOSEVELT. No. I have no objection.

Mr. KEARNS. Mr. Chairman, I yield 10 minutes to the gentleman from Missouri [Mr. CURTIS].

Mr. CURTIS of Missouri. Mr. Chairman, I think this is the time to try to develop some of the basic and economic philosophies behind the minimum wage bill. First, I may say I personally believe that the minimum wage law has proven to be a very valuable economic tool. I am very fearful if we change the basic theory behind it we might damage something that has proven to be quite valuable.

Second, I think the amount of the minimum wage is something that we should constantly adjust as our economy moves forward in increased productivity. The last time I was in somewhat of disagreement with my own administration on the amount. It is always a question of difficult evaluation. I felt $1 was justified and the administration thought 90 cents was a more realistic figure, I am not at all sure but what they might yet have been right. But, there is an area for honest disagreement.

The point I am getting to is the basic philosophy itself, and the gentleman from Michigan [Mr. GRIFFIN], developed that to some degree in referring to the statement of Secretary of Commerce Hodges.

Yesterday I referred to the statement of Secretary Goldberg on page 25 of the hearings, to which I will call attention again, and I am going to direct a question to the chairman of the subcommittee, the gentleman from California [Mr. ROOSEVELT], to find out his

interpretation of this philosophy, because I think it is very basic. Mr. Goldberg stated:

> In fact, protection under the present law is denied to some 20 million men and women in private industry, but I also realize that we have to progress step by step, somewhat haltingly, to achieve the act's original purpose.

Now, that implies—and I suggest it probably is the philosophy of Secretary Goldberg and possibly of the gentleman from California [Mr. ROOSEVELT], that this should be a complete coverage, and the only reason we are not there now is because you cannot take it all at one bite, the people will not stand for it, or because we have to move slowly. But, there is quite a bit of difference in basic philosophy from complete coverage and the philosophy that I suggest lays behind the basic law.

Is it the philosophy of this administration, as the gentleman understands it, from the testimony of the Secretaries of Commerce and Labor, to move eventually to complete coverage at the Federal level?

Mr. ROOSEVELT. I would have to say to my good friend that I do not believe that is either the philosophy of the present administration or the philosophy of the gentleman from California. I think the philosophy that the Secretary of Labor was referring to was the necessity of moving forward as circumstances obviously make it necessary, as we have seen from the time we started with a minimum wage of 15 cents and then up.

Mr. CURTIS of Missouri. Not the amount, because I agree. I am talking about coverage; whether it is to cover everyone.

Mr. ROOSEVELT. And also that it obviously is quite right and proper, as I think I expressed yesterday, that when you have a change in the economic conditions, which means the largest number of workers who used to be engaged in industry or commerce, now are in white collar or blue collar work, particularly in the retail services; that if these people have been creating an economic pocket where they are suffering from getting wages below a decent minimum wage, that it is proper and within the authority of the Congress under the basic act of 1938 to reach into that field. However, that would not imply that either Congress or any individual felt that that included everybody but only those who specifically obviously needed the protection of the act.

Mr. CURTIS of Missouri. Then, I suspect my observation is correct, because I think everyone in the lowest brackets would need it. So, there is no limit.

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield for one further observation?

Mr. CURTIS of Missouri. Certainly.

Mr. ROOSEVELT. I am sure the gentleman is supporting the Kitchin-Ayres amendment. Now, the Kitchin-Ayres amendment would also extend coverage into this field, and if the gentleman's remarks are accurate, then they would imply the same thing, because some future Congress can do that, also.

Mr. CURTIS of Missouri. The only reason I can support the Kitchin-Ayres bill above the Roosevelt bill is at least it uses the same recognized standards of measuring interstate commerce, but in directing my attention to the economic features I must confess that I have not heard evidence here or in the hearings before the Joint Economic Committee that would lead me to believe that this additional coverage is necessary to accomplish the purpose of raising all wages in our labor market whether covered by the minimum wage law or not.

Now if I may direct myself to what I believe is the original theory behind the minimum wage coverage, and what I think is a good theory still, it is that we cover a substantial portion of the labor market. What is substantial is always subject to review and discussion, but a substantial portion, on the theory that if we cover a portion of the labor market, the rest of the labor market is thereby uplifted and affected through what has been referred to as the rippling effect.

The rippling effect has its impact in two ways; one, within the industry itself by continuing the wage differentials, so that we go up above the floor to much higher wage scales, up into $3 and $4. And the second is in the area of noncovered employment.

It is pointed out on page 180 and 181 of the hearings where there is a discussion and a quotation from the Labor Department on the rippling effect. Let me read from page 181.

> The Labor Department further pointed out that the $1 minimum had a wage-boosting effect even in industries not covered under the law: "Some of the workers to whom the act does not apply obtain rates of $1 or more as a result of the Federal minimum rate's effect in labor markets."

Then it goes on to point out that Gov. Averell Harriman of New York said this to the legislature—and this is quite important:

> Within the past year, legal minimum wages have been increased in 6 of the 10 industries covered by minimum wage orders. We estimate that some 150,000 employees had their wages increased as a direct result of these orders, and that an additional 450,000 received increases as an indirect consequence of the order.

That is 3 times the number. All economic studies that I have seen in this area indicate that this rippling effect is an accurate thing. It does work and it has the basic advantage of preserving flexibility in this system. If you go, as I see it, into this complete coverage concept you are going to build into this system a rigidity that will badly damage it and prevent it from having this very desirable effect.

The second basic philosophic concept I want to call attention to—and this gets down into semantics, to a large degree—is this. This is a minimum wage. The concept was minimum, not average. It was not a concept of what a man and wife and children need to support themselves. And I must disagree with my friend from Arizona [Mr. RHODES], in presenting that point of view. I have heard that philosophy. But I think anyone reading the history or examining the economic theory behind it realizes that what we are talking about, of course, is a floor. And the floor, of course, applies to that which is the minimum; the person who is the new entrant, if you please, although we have created some flexibility which I think is desirable, for apprenticeships. But essentially it is the first entrant into the labor force or the person who is working, let us say, to supplement the income of the rest of the family, the 18-year-old. It is a minimum. And I think it is wrong when people refer to the dollar or the 90 cents or when it was 40 cents, by asking what are really ridiculous questions—who can live with a family on this amount of money? Because the answer, of course, is that no one can. It was never intended to be that. But by putting in a floor we did create a device, an economic tool which raised the living standards of people above the minimum, above the floor so they would have enough wages to support a family.

The CHAIRMAN. The time of the gentleman from Missouri [Mr. CURTIS] has expired.

Mr. ROOSEVELT. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. CURTIS of Missouri. I thank the gentleman.

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield to me?

Mr. CURTIS of Missouri. I yield.

Mr. ROOSEVELT. May I simply point out to the gentleman that with much of the last part of his remarks I agree. I think he will also agree that no one wants to keep any part of our economy living in the cellar. They ought to come up to that floor.

Mr. CURTIS of Missouri. That is correct; but it is the rippling effect, I might say to the gentleman, that does exactly that.

Mr. ROOSEVELT. May I call the gentleman's attention to the January 1961 report of the Secretary of Labor, which, incidentally, was not the report of the present administration but of the previous administration. On page 18, in paragraph 4, the next to last sentence in the first paragraph reads:

> More frequently, the higher paid workers received no increases on the effective date of the new minimum, or received increases of less than 25 cents, resulting in a narrowing of occupational differentials. In subsequent years, occupational differentials tended to be partially restored.

Mr. CURTIS of Missouri. That is correct, but the gentleman will notice the key words "on the effective date." It really takes a year or so for this wage differential actually to expand again. But it certainly and inevitably has that result. I wanted to point out this, too, if I may. The area where we have unemployment the greatest, where the average is 17, 18, and 20 percent, is in the unskilled, semiskilled, new, and untrained labor force group. That is exactly the area that would be most damaged, because we do have an unemployment effect whenever we raise the

minimum wage; and I am in favor of the $1.15, I might say.

Mr. ROOSEVELT. The narrowing of the gap was also tremendously affected by the productivity which the people who got that minimum wage as well as other segments of society were able to bring about. Therefore, the actual minimum wage increase was not responsible for that.

Mr. CURTIS of Missouri. It is the productivity increase that has achieved this. It is productivity increases in our economy alone that permits us to raise the minimum wage rate from time to time. For that very reason the escalator clause in the Roosevelt bill or any escalator clause in any minimum wage law violates the basic economic concept contained in the law. We can only raise the minimum rate after we have achieved economic success, not before. Raising the rate before we have had productivity advance to justify it will damage our economy through inflation and unnecessary unemployment.

I hope 28 months from now our economy will have advanced to the point where we can raise the rate to $1.25 an hour, but it is a cruel and dangerous thing to fool our people into thinking that we can do it now through blind appeal to the humaneness that we all possess.

Mr. HIESTAND. Mr. Chairman, I make the point of order that a quorum is not present.

Mr. ROOSEVELT. Will not the gentleman withdraw that? We are trying to get through, and that only delays the whole House.

Mr. HIESTAND. I do not think a quorum is present.

The CHAIRMAN. The Chair will count.

One hundred and eleven Members are present, a quorum.

Mr. ROOSEVELT. Mr. Chairman, I yield 15 minutes to the gentleman from North Carolina [Mr. KITCHIN].

Mr. KITCHIN. Mr. Chairman, at the outset let me thank my good friend from California for affording me this opportunity to at least further confuse the issue if it is not already totally confused.

Mr. Chairman, I have joined with my colleague on my left, my good friend, Mr. AYRES, in sponsoring a bill that we feel is a moderate approach to what is apparently required at this stage of the game as a minimum wage amendment. I would like to say at the outset, too, that in joining a so-called coalition with the gentleman on the left, there have been certain disparaging remarks made about the gentleman from North Carolina, which I am thickskinned enough to understand why they are made and thickskinned enough to at least accept them at face value. But, I want to straighten the record at this particular point.

Last year when this particular subject was up for debate, the gentleman from North Carolina and the gentleman from Ohio offered practically the same bill, but I was not at that particular moment, as I am at this particular moment, put in the position of opposing the leadership on my side of the aisle. This is, indeed, an embarrassing situation, but it does not in any sense of the word or by any stretch of the imagination change my basic philosophy when it comes to protecting the integrity of constitutional government in the United States. I am going to pursue the course I pursued last year and try to at least present the facts, as I see them—or maybe I should qualify that and say—I will try to express an opinion, rather than to labor upon the subject of facts, because I am not an expert in the labor law; I am not an expert economist; I am not a member of the committee; I am not assuming a position of any authority when it comes to either constitutional law, the technical provisions of the Fair Labor Standards Act or the technical provisions of what is now called our modern-day economics.

I would like to say at the outset, however, that in this particular subject I am not ignorant from the standpoint of ordinary commonsense and what I feel is the best for my country. There is going to be offered by my colleague, the gentleman from Ohio [Mr. AYRES] from the minority side, what is commonly called the Kitchin-Ayres bill or the Ayres-Kitchin bill or whatever you want to call it—when we get under the 5-minute rule and when we get to that particular point. But, so many statements have been made with reference to jurisdictional questions, I would like at least in my humble way to express an opinion as regards jurisdiction and the constitutional question. In debate on the concept offered by the committee last year and again this year and the Roosevelt bill, which is the committee bill, and in the concept that is offered in the substitute bill that will be offered by the gentleman from Oklahoma [Mr. ALBERT] which he filed on yesterday, there have been criticisms saying that the Kitchin-Ayres concept in including these chain operations operating in interstate commerce is not a particular factor because they are not an interstate commerce enterprise proposition, retail establishment or whatever you want to call it—I say it is an interstate business.

I would like to say at this particular point that under both the concept of the Roosevelt bill and the concept of the Albert bill, and I hope to ask some questions about that in a little while, the jurisdiction of the Federal Government is assumed by certain prerogatives established within the statute itself, if these bills are passed, which is all-embracing. It throws a complete tent over our total economy and then exempts under a jurisdictional section those that do not come up to a certain dollar volume test. They say just because a chain operation operates in two or more States that that does not constitute interstate commerce. Let me say this, not being an expert on constitutional law, that probably the Kitchin-Ayres concept is skating on thin ice when we bring in this particular concept, but, if we are skating on thin ice by this particular interpretation, I am frankly and honestly of the opinion that we have not as yet fallen through into the cold waters of total Federal economic control as we would be under any other concept heretofore offered.

We are at least carrying our particular interpretation of the interstate clause down to an operation which involves operation in two or more States. You may say that we are arbitrary. Perhaps we are. You might ask: Why not one or more stores operated in two or more States? Why not two or three? The answer is we had to get a cutoff somewhere and want to make it reasonable in its relationship to retain merchandising.

That, of course, is arbitrary. But let me say to you, Mr. Chairman, that as far as the interstate operation under the original act is concerned, the concept of the Kitchin-Ayres bill is, we think, on safe ground. Why?

The gentleman who preceded me, I believe, made a comment with reference to the flow of goods in interstate commerce or the operation of employees in handling goods. That was the prime criterion and the basis upon which the original act was brought to the floor in 1938.

But here we have an operation in two or more States, most of the operations having a central buying service, most of whom have central warehouses out of which they take this merchandise, carry it across State lines, put it into inventories in stores in other States. Here we have an operation that not only is operating under the laws of State A but is also operating under the laws of State B, and possibly State C; that are going out of the State in which they originated, to take advantage of tax cutbacks, tax writeoffs, and other advantages of the laws of another State that enter into a chain operation. These are taken advantage of generally by a chain operation, and there are many other economic facets. When these companies move inventories across State lines they cease to become, in my opinion, someone who is in the operation of a simple ordinary retail establishment whose goods flow into his establishment, then into the community by sale to the consumers; on the contrary we have a chain operation under our bill operating to a great degree moving their goods in interstate commerce. Not only their goods, but also they move their auditors in interstate commerce. They control the employment of employees in all their units for a central control. In this respect may I say, Mr. Chairman, that I think we are approaching more nearly the real concept of the Fair Labor Standards Act of 1938 than the concept that would allow the Federal Government to assume jurisdiction over our total economy just because somebody happens to be fortunate enough, or unfortunate enough, to make a dollar volume of "blank" dollars. Today they are assuming a dollar volume of $1 million. Next year may be less.

But let us look at it from another viewpoint. Consider an owner, a proprietor, or an employer, operating with an efficiency greater than that of a competitor. Let us look at it from the viewpoint of the employees who are employed

within the confines of these establishments: Here are employees employed in store A whose proprietor or owner has been a progressive man who advertises, who has remodeled his store front, who has up-to-date, modern merchandising services, and has largely by these particular means done a million-dollar or more business in gross volume. His employees come under the act in the concept of the Roosevelt bill.

Store B across the street is not progressive. The proprietor has not put on a new store front, has not adopted modern merchandising methods, does not advertise. He grosses less than $1 million. His employees would be penalized under the committee bill.

So we must also consider the rights of the employees at the same time we are talking about the rights of the proprietors.

The chainstore owner, the chain operator, the big operator, can protect himself, he can narrow his employment down, he can put in a cashier up front and discharge other employees, he can put a larger price on his merchandise and let the consumer take the shock of his burden. But what about the employee who is going to be transferred out of a job because of this unreasonable proposition?

Mr. Chairman, something has been said with reference to the amendment by the Albert bill, that there will be a cutoff or an exemption for retail establishments that do not gross over $250,000. I will ask about it in a minute.

I want to announce now that in the Kitchin-Ayres bill, when it is offered on the floor when we get under the 5-minute rule, there will be contained an exemption, where each of the establishments in an enterprise meeting this five-store, two-State test, that do not gross in excess of $250,000 per establishment will be exempt. We will talk about that when we get to consider the bill under the 5-minute rule.

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield?

Mr. KITCHIN. I yield to the gentleman from California.

Mr. ROOSEVELT. Is there a copy available of this newest change in the Kitchin-Ayres bill?

Mr. KITCHIN. It has just become available; yes.

Mr. ROOSEVELT. I would appreciate it if the gentleman will give me a copy.

Mr. KITCHIN. I will.

Mr. Chairman, I would like to talk for a moment if I have time left, on the Albert bill. I would like to speak a moment about the accelerated wage rates in the Albert concept, and in the committee concept. I cannot stress this too strongly, Mr. Chairman, that we are now dealing in an accelerated future rate and its future impact on the economy about which we know very little. As a matter of fact, we not only cannot anticipate what our economy is going to be 2½ years hence when this $1.25 will go into effect, we cannot even understand the impact upon our economy at the present time.

We have at the present time more unemployment, according to the labor statistics, than we have had in the past 20 years. It is paradoxical to me how we can raise the minimum wage and still create more jobs. I can say definitely it will not do that in my section of the country. It will cause more unemployment.

With reference to how it is going to affect the economy at the present time I tell you there was this week a meeting by those Members of the Congress who are interested in the textile industry of our country. They are determined to try to get the President of the United States to do something about setting quotas by country and by category. It is again paradoxical to me that we say in one breath the wage differential on foreign imports is killing our local industries by creating a wage and price differential we cannot compete with, and in another breath say that we ought to raise the minimum wage to $1.15 and in 2½ years to $1.25.

The CHAIRMAN. The time of the gentleman has expired.

Mr. AYRES. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. KITCHIN. I thank the gentleman.

I would like to ask the gentleman from Oklahoma if he will answer a question or two.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. KITCHIN. I yield to the gentleman from Oklahoma.

Mr. ALBERT. By way of a preliminary statement may I ask that the gentleman from California yield the gentleman such time as I may use. I want to state that there is no personal feeling involved in this matter so far as the leadership is concerned with reference to my friend, who knows the esteem in which I hold him personally, a man I know to be a man of integrity and one of the finest and most distinguished Members of the House.

I realize my own lack of qualification in this matter. I am not a member of the committee. I am not a great constitutional lawyer, and there is a lot I do not know about labor legislation. But I do want to assure my friend that his attitude on this measure does not change the attitude of myself, and I think I speak for everyone that I know of with respect to our personal regards for him.

Mr. KITCHIN. I thank the gentleman very sincerely. Now, I assume from that that I should ask these questions of the chairman of the subcommittee. Would you rather the questions be directed to the gentleman from California or some member of the committee?

Mr. ALBERT. It will be satisfactory with me for you to interrogate the gentleman from California, since the basic principles of my bill, with substantial exceptions, are in his bill.

Mr. KITCHIN. I thank the gentleman. First, I should like to make a statement and have the gentleman from California follow me on this, and if the statement is incorrect, will the gentleman interrupt and clarify the situation?

In the Albert bill, I call attention to the gentleman from California, on page 4 something new has been added; something new that I simply do not understand, and I do not believe a large portion of the membership of this body understands, and I am bringing it up at this particular time because I think when we get under the 5-minute rule we will have so little time to try to understand the new provisions of this particular concept. On page 4, in the paragraph under the definition of "Enterprise engaged in commerce" and then going to line 5, here is the qualification I would like to inquire about:

> If not less than 25 per centum of the annual gross dollar volume of business (exclusive of excise taxes at the retail level which are separately stated) of such enterprise is made from sales or services which require, or depend on, shipments of goods in commerce or engagement by employees in commerce or in the production of goods for commerce.

Now, may I ask this question? I am assuming that this would embrace a retail establishment if it meets the dollar volume test and does not come under the $250,000 exemption. If it is a mercantile establishment making in excess of $1 million gross, that the interstate commerce definition here, where it says "depend on" would include this example:

A mercantile establishment in Nashville, Tenn., which meets the other test, orders goods that are manufactured in the State of Tennessee; he orders these goods from Memphis, from Knoxville, from Chattanooga, but those goods are put on the L. & N. Railroad, or whatever common carrier it takes to ship those goods from those points of origin to destination, and it is under a waybill, and that particular railroad, as you know, is controlled and it is in interstate commerce, I would ask the gentleman if less than 25 percent of that stock of goods came from within the State of Tennessee by means of an interstate commerce carrier, that this would not bring him within the definition "depend on" interstate commerce?

Mr. ROOSEVELT. I would say to the gentleman that after consulting—because I knew that this question would be raised—with the distinguished attorneys who had a hand in drawing this from the Department as well as from the staff of the committee that such an interpretation would be wrong, and I think it is important that we now clarify it for the legislative record.

Mr. KITCHIN. May I ask the gentleman from California, in clarifying this, if he would give us his opinion as to what "depend on" means in this particular section.

Mr. ROOSEVELT. I not only will tell the gentleman what is my opinion but the opinion of those who drew it. It is the intent of those who drew it, and we want it clearly understood, that that shall be interpreted as meaning that actually goods must be ordered from out of State, must cross State lines and then be resold and become a part of the volume of business of the concern. Is that clear, sir?

Mr. KITCHIN. Yes. But here I put the words "depend on" in. Is not that

covered in the language "of such enterprise is made from sales or services which require, or depend upon, shipments of goods in commerce ——"

Now, eliminating the words "depend upon," the gentleman's illustration is covered in those two phrases, is that correct?

Mr. ROOSEVELT. In our opinion they are not. I am not a lawyer, but I think we can make it completely legislatively clear that that is not the intent. The intent is solely that it shall mean that it depends upon goods which have actually crossed State lines in getting into the establishment from which they are sold.

Mr. HIESTAND. Mr. Chairman, will the gentleman yield?

Mr. KITCHIN. I yield to the gentleman.

Mr. HIESTAND. May we then say that this clause exempts no other establishment?

Mr. KITCHIN. I assume that question is directed to the gentleman from California [Mr. ROOSEVELT].

Mr. HIESTAND. That is correct.

Mr. ROOSEVELT. I do not quite understand the gentleman's question.

Mr. HIESTAND. Can we not say that it exempts no other institution doing, say, $1 million gross volume?

Mr. ALBERT. Mr. Chairman, will the gentleman yield to me?

Mr. KITCHIN. I yield to the gentleman.

Mr. ALBERT. I think it should be crystal clear that this is an exemption over and above the $250,000 per establishment, over and above the $1 million gross enterprise exemption.

Mr. ROOSEVELT. That is correct.

Mr. KITCHIN. I understand that clearly and if I could speak for the rest, I assume the rest do. Can the gentleman from California give me out of his great experience an illustration of any mercantile establishment which would not meet the interstate commerce test under this particular 25-percent depend-upon clause? Can the gentleman name an establishment, a retail store, that would not come under the provisions of this act?

Mr. ROOSEVELT. Yes, sir; I believe I can. There are certain stores in the city of Los Angeles which primarily, wholly sell summer goods, garments which are made in the garment trade, the garment industry of the city of Los Angeles. Their volume is well over $1 million. However, in this instance they would not be covered because they do not get 25 percent of their goods for sale across State lines. What they sell is made within the State of California, practically all of it.

Mr. KITCHIN. Under that particular illustration that the gentleman has drawn, I will ask him if he is still of the opinion, and his counsel with whom he has discussed this, that this particular store operating in Los Angeles, if the goods they order from within the State of California are carried into Los Angeles by a common carrier, they would not meet this 25-percent depend-upon clause test?

Mr. ROOSEVELT. If they stayed wholly within the State of California, as long as they did not cross State lines, it could not be counted in the volume that had been made as at least a part of that 25 percent.

Mr. KITCHIN. When the time is right, will the gentleman consent to the deletion of the words "depend upon" from this particular act?

Mr. ROOSEVELT. No, sir; I do not think I could, because our attorneys tell us that this is the proper way to get at the goods crossing State lines. If you took that out, you would be eliminating the requirement that they must cross State lines. And I could not agree to that.

Mr. KITCHIN. I might say that I am not a technician, but speaking only as a country lawyer and interpreting statutes, I would say that the words "depend upon" go much further than counsel with whom the gentleman has consulted apparently think. And until counsel would be willing further to explain this—and I hope it will be further explained when we continue the debate under the 5-minute rule—I trust he will be willing to substitute other words so as to get these words "depend upon" out of this particular bill.

Mr. ROOSEVELT. May I just make the point that I think it is clear from the colloquy that we have had between ourselves, but if the gentleman can bring to us before we consider the bill under the 5-minute rule additional words to make it clear, I am sure we would be happy to consider it, because that is our intention.

Mr. KITCHIN. We will dismiss that for the time being.

I should like to ask one more question with reference to the Albert bill. I am referring especially to section 17 of the act itself. As I recall, this was also in the bill the gentleman from California sponsored, in the bill that is now before the House. In section 17 there was the proviso under the original law involving injunctions that was injected into the act in 1949, as I recall, that read as follows:

Provided, That no court shall have jurisdiction, in any action brought by the Secretary of Labor to restrain such violations, to order the payment to employees of unpaid minimum wages or unpaid overtime compensation or for an additional equal amount as liquidated damages in such action.

The Albert bill and the Roosevelt bill delete that proviso and give the Secretary of Labor the authority to go in and in injunction proceedings take the action away from the original litigant—the employee in these circumstances—and prosecute the act for the employee. Do I understand it is in the new bill, too?

Mr. ROOSEVELT. It is in the new bill, but for this reason, that the Secretary's testimony, if the gentleman will read it, pointed out that in many, many instances where there was an unwillingness to pay the wages found to be due, where because of various situations the employer could bring pressure upon the employee so that there was no way to get it to the employee, the Secretary felt that in fairness to that employee where this had been already adjudicated as being necessary, he should go in and establish a way of getting the money back to the employee to whom it was due.

Mr. KITCHIN. So the same provision is in the Albert bill that was in the Roosevelt bill in connection with the injunction provision?

Mr. ROOSEVELT. That is right.

Mr. KITCHIN. I thank the gentleman.

Mr. KEARNS. Mr. Chairman, I yield 14 minutes to the gentleman from New York [Mr. GOODELL].

Mr. ROBISON. Mr. Chairman, will the gentleman yield?

Mr. GOODELL. I yield to the gentleman from New York.

Mr. ROBISON. May I say to my colleague from New York that I have been following the remarks of the gentleman from North Carolina with considerable interest because as this debate has progressed it seems to me the only formula on which a majority of us might be able to agree would be in some combination of the five and two, or the interstate commerce test, with the unlimited $250,000 cutoff feature. I introduced such a bill yesterday. It is H.R. 5888.

Mr. GOODELL. May I say the gentleman from New York has made a very great contribution to the solution of this problem.

Mr. BECKER. Mr. Chairman, will the gentleman yield?

Mr. GOODELL. I yield to the gentleman from New York.

Mr. BECKER. I wonder if the gentleman would tell me what bill they are discussing before the House, whether it is H.R. 3935 or the various bills introduced by the gentleman from California [Mr. ROOSEVELT] since H.R. 3935, or whether we have been discussing the Albert bill here in the last 15 or 20 minutes. Just what bill are we discussing now? There are many deviations in this bill and I have not the faintest idea which bill we are discussing, before we get to reading the bill under the 5-minute rule. Will the gentleman tell me?

Mr. GOODELL. It appears we are discussing them all. I am going to try to clarify that point.

Mr. BECKER. I wish the gentleman would. I do not know which bill we are working on.

Mr. GOODELL. Mr. Chairman, in checking the committee bill, the Roosevelt bill, against the Albert bill, when we got a copy of it, there appear to be 17 changes made in these bills. I think it is very important that we understand just exactly what these changes involve.

May I ask the chairman of the subcommittee, Mr. ROOSEVELT, some questions about this Albert bill. I assume the gentleman is the correct person to whom to address these questions.

Leaving aside the dollar-volume figure, can the gentleman conceive of any store which would not be covered by this language on page 4 of the Albert bill which, among other things, the gentleman from North Carolina [Mr. KITCHIN] quoted including the words "sales or services which require or depend on shipments of goods in commerce."

Mr. ROOSEVELT. I would say to the gentleman, I already answered that question and given a specific example.

Mr. GOODELL. I have consulted with some of the attorneys who have worked a long time on this labor act. They tell me they feel the language, which you have now included on page 4 is actually more expansive than the language you had before because these words "which require or depend on shipments of goods in commerce" are just about as broad as you can get them. It includes virtually everything. Frankly, I think you could include my own residence, my home, because I think most of the goods in my home probably came through commerce and depend on it by this language. I well recognize that you have other exemptions stuck in here on a dollar volume basis, but I am talking about this key question which we have been discussing here for so long as to the extent of the commerce power of the Federal Government and how far we should apply it under this law.

Mr. ROOSEVELT. I would say to the gentleman, that attorneys can always disagree, but I also know we have made legislative history on the matter, which, to me, makes it very clear as to the intent of the authors of the bill and those who have cooperated in putting it together.

Mr. GOODELL. May I say the history of these labor bills is that you make a legislative history and then the Labor Department goes about expanding their power just as far as it can go. There is a very good illustration of that in this little controversy we had earlier this week about the distinction between service and retail establishments when the Labor Department since 1938 have by official bulletins and otherwise distinguished service from retail establishments and listed service establishments, specifically including hotels and motion picture theaters. Then this week or last week the Labor Department made the statement that they have never distinguished them. I do not think we ought to write legislation on this floor which depends on the discretion of the Secretary of Labor to limit the jurisdiction of the Federal Government.

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield?

Mr. GOODELL. I yield to the gentleman from California.

Mr. ROOSEVELT. I would agree with the gentleman. If I thought that, I would not be wanting to insist on this language. However, if the situation should ever arise that the gentleman has pointed out, I think we would do exactly what the gentleman, or rather what the gentleman from Ohio [Mr. AYRES] and the gentleman from North Carolina [Mr. KITCHIN] have done—they would take the necessary legislative action to make it clear. If that situation arises, we would be forced to do so. However, I can see no possibility of that at this time.

Mr. GOODELL. Yesterday at the very last moment, this bill was introduced.

Mr. ROOSEVELT. The gentleman would agree that the other bills were introduced at almost the same last moment, would he not?

Mr. GOODELL. Oh, no; you mean the substitute bill?

Mr. ROOSEVELT. Mr. AYRES, and Mr. KITCHIN's last substitute bill.

Mr. GOODELL. The substitute bills have been exactly the same from the beginning with one exception. When the Labor Department started running away from its own history, officially documented for 22 years, we decided we had better not leave discretion with the Secretary of Labor in this field and we had better pin him down in the act itself. That was the main change made.

Mr. ROOSEVELT. They did not submit it for the committee's consideration.

Mr. GOODELL. The committee has considered this in the past and so has the Labor Department.

Mr. HIESTAND. Mr. Chairman, will the gentleman yield?

Mr. GOODELL. I yield to the gentleman from California.

Mr. HIESTAND. Returning to this clause on page 4 "which require or depend on shipments of goods in commerce", that clearly includes purchases as well as sales. The purchases of goods may have been in Los Angeles, referring to the example that has been used here, but those goods may have been made in New York, and it clearly enters interstate commerce under that definition. Can we say that this clause is put, since it is all-inclusive and will exempt nobody—can we say it is put in just as a meaningless gesture?

Mr. GOODELL. I have a suspicion along that line because we have had so much discussion about intruding the Federal Government into places it does not belong that they have come up with a clause which purports to limit the intrusion of the Federal Government and actually probably does not limit it at all. As a matter of fact, it may expand it. But yesterday when this substitute bill was introduced I said to the gentleman from California that there was some language that had not been considered by either our subcommittee or the full committee. I quoted it to him. It was the words "require or depend on shipment of goods in commerce." The gentleman from California responded, and I quote him:

> May I first point out to the gentleman from New York that if he will look at the committee bill he will find reference to "per centum across State lines" in many parts of the bill before us. Therefore, it has been considered and it is not a precedent.

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield?

Mr. GOODELL. I yield.

Mr. ROOSEVELT. Does the gentlemen remember the part of the bill which had these words in it:

> Any employee employed by an establishment which qualified as an exempt retail establishment under clause (2) of this subsection and is recognized as a retail establishment in the particular industry notwithstanding that such establishment makes or processes at the retail establishment the goods that it sells: *Provided*, That more than 85 per centum of such establishment's annual dollar volume of sales of goods so made or processed is made within the State in which the establishment is located.

That is the same principle.

Mr. GOODELL. I do not think it is the same principle. You have that same clause in section 13(a)(2) and in 13(a)(4) which the gentleman just quoted. These are the provisions relating to 50 percent of sales made within the State. In 13(a)(4) the language reads "85 per centum of goods made or processed within the State." There is a big difference in the clauses there between sales made within the State and sales or services which require, or depend on, shipments of goods.

Mr. ROOSEVELT. What we are talking about here is the percentage of goods that crosses State lines. The reference in this section is to interstate commerce.

Mr. GOODELL. The gentleman will concede, then, that the phrase "which require or depend on the shipment of goods in commerce" does not appear in any Federal statute and does not appear in the committee bill.

Mr. ROOSEVELT. I cannot tell; I have not examined all the Federal statutes. It is not in my bill.

Mr. GOODELL. If I may say so, that clause "which require or depend on shipment of goods in commerce" is going to be wide open to court interpretation, and they are going to legislate a completely new field of Federal jurisdiction as a result of it; and the very meager legislative history that we are able to make on this floor will not restrict that jurisdiction significantly.

Mr. FRELINGHUYSEN. Mr. Chairman, will the gentleman yield?

Mr. GOODELL. I yield to the gentleman from New Jersey.

Mr. FRELINGHUYSEN. I appreciate the points the gentleman has raised. I would like to call attention to the fact that we have now spent almost 6 hours in debate on this and other bills, and there has as yet, been no particular discussion of the new Democratic leadership bill, the Albert bill. As the gentleman from New York has pointed out, this bill substantially changes the committee bill, and is differentiated from the Roosevelt bill or any other that is up before us, and I fail to understand how we can get to this stage of the discussion without some advocacy of what presumably we will be expected to vote on, and be asked to approve in a very short time.

Mr. GOODELL. I thank the gentleman from New Jersey. I share his frustration; and I might say that just a few moments ago the gentleman who introduced this bill, the gentleman from Oklahoma [Mr. ALBERT], made the statement that it contains the basic principles of the committee bill, but that there are substantial exceptions. We have had no discussion here about what the "substantial exceptions" are. They have not been considered in committee, and we are dealing with a very complicated and new clause. We should understand what is included within the scope of this expansive language.

I am very fearful of it.

Mr. FRELINGHUYSEN. As members of the committee and as Members we are entitled to know what is in the bill, and what changes are being proposed. I would like to ask someone who is sponsoring the Democratic leadership bill

whether there is any truth in the teletype announcement that "House Democratic leaders made a new concession today and picked up the support of an influential southern Congressman for their drive to pass a trimmed-down version of President Kennedy's minimum wage bill" by agreeing to delete and exempt all laundry workers from coverage. Is that true or not; and is it not about time we had discussion of it?

Mr. GOODELL. One of the things that troubles me most about this whole procedure we have been following is that it is apparent now that instead of writing minimum legislation we are vying as to who can make the most concessions to special interests who want to get out. We are not writing good legislation.

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield?

Mr. GOODELL. I yield to the gentleman from California.

Mr. ROOSEVELT. Of course, it depends entirely on who is doing this type of activity, because, as our distinguished majority leader pointed out, when the Landrum-Griffin bill came out, it was brought on the floor at the last minute. When the Kitchin-Ayres bill was up last year for consideration we had the same situation. But this year when it happens to be the Democratic leadership that is doing it, gentlemen across the aisle do not like it so much. But this is part of parliamentary procedure, and I think the gentleman knows that. We will be able to discuss it under the 5-minute rule. It will be thoroughly debated. I might also point out to the gentleman if he is at all worried about the use of the language, he might go through and read, for instance, on page 40 of our committee bill, wherein Puerto Rico and the Virgin Islands sections are set out. We definitely talk about production of goods for commerce, where they appear, or in any enterprise engaged in commerce or the production of goods for commerce.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. KEARNS. Mr. Chairman, I yield the gentleman an additional 5 minutes.

Mr. ROOSEVELT. Let me complete my statement. I think that the gentleman very conveniently always forgets when he says we can go out and apply it to all business, that there are specific limitations, and I emphasize the limitation of $1 million as well as the $250,000 cutoff.

Mr. GOODELL. That is my very point, the point I tried to make here, and I think it is a point every Member of this Congress should understand. When you come right down to it, the only reliance you have on keeping these smaller local operations out of Federal control is your volume sales in dollars and as soon as you start moving that figure down they are all coming under it. In this Albert bill you have now introduced it is exactly the same thing; it is not changed. It depends on the volume of sales in deciding whether the Federal Government has Federal jurisdiction or not, and it will not protect our local industries from the Federal invasion we are concerned about as a basic principle.

May I say that I have consulted very good labor lawyers on this point, men whose names would be known to a good many Members here, and they have told me that in their opinion the language which you have added here, putting it on the basis of shipments in commerce, may very well expand jurisdiction, not contract it. That is the type of thing which needs careful analysis in committee hearings.

May I say to the Members of this House that, in my opinion, the Albert bill is merely an attempt to divide and conquer. The obvious objective of the gentlemen who are presenting the committee bill is to expand Federal jurisdiction as far as they can. They are willing to make any concession today in terms of special exemptions, in terms of exclusions, in terms of the size of the dollar volume test. What they are going to do as soon as they get this principle of Federal jurisdiction established is move those exemptions out of the picture, bring down the dollar volume until every local enterprise is covered by this law. Perhaps I misstate your motivations, and I would be happy to have you speak on them on your time, if you will.

But, my main point remains that whether those are your present motivations or not, all you need do, if we accept this bill, is to reduce the dollar volume figure to accomplish that precise result of putting all our purely local enterprises under Federal jurisdiction. I will have to fight that as long as I have breath to stand here and argue about it.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. GOODELL. I yield to the gentleman for Oklahoma.

Mr. EDMONDSON. I just wondered if the gentleman would not also recognize the fact that "25 percent of whose volume depends upon goods in interstate commerce" is also an important distinction present in this language.

Mr. GOODELL. I do not think it is an important distinction. The point is, if you say "depends on," it virtually brings in everything; as I say, the things in my own home.

Mr. EDMONDSON. Is the gentleman seriously contending that there are no retail outlets that do not depend on 25 percent moving in interstate commerce? I am thinking of the retail outlets on the highway, for instance, selling local products, such as fruits and pottery and things of that kind. You see them constantly on the highway.

Mr. GOODELL. You are putting this in the discretion of the Secretary of Labor, and I cannot think of any broader language than the words "depend on commerce." He will expand this as far as he can. They will send a wage-and-hour man into this man's place of business on the highway and say, "Where did you purchase this merchandise?" and force him to make an inventory of where he got it, if it came from in or out of the State, and the merchant will have to prove that he bought more than 75 percent of his merchandise within his own State. Now, that is not the kind of a situation we want.

Mr. ROBISON. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ROBISON. Mr. Chairman, coming from the great State of New York, whatever extension of the Federal minimum wage and hour laws we may now decide to make into the retail field will be of no particular effect in my home district. We presently have a statewide $1 minimum wage law, which minimum has been in effect in our larger cities for several years insofar as the retail trade is concerned.

However, I recognize that few States in this Union are as progressively minded as is New York, and I am inclined to believe that the Federal Government has a proper concern in this problem. It is our duty, as I see it, in determining what extension to make of coverage, to make sure that we do not do violence to the constitutional limits of that concern.

Although the matter has been hotly disputed by the proponents of the committee bill, H.R. 3935, it is my judgment that the philosophy which is therein embodied; namely, that the only thing necessary to justify Federal minimum wage and hour law intervention into the retail and service fields is that such an enterprise do a certain dollar volume of gross business a year, sets up both an arbitrary and an unconstitutional standard. It is a standard that potentially could and, if we decide to use it, undoubtedly would wipe out all State jurisdiction over labor standards in a few more years.

As I have studied this issue of extension therefore, I have concluded that the five-and-two or interstate commerce test that was embodied in the original Kitchin-Ayres substitute, so-called, is much more preferable. Perhaps it could be said that it, too, is in a sense an arbitrary standard as of course it is, but nevertheless it does seek to limit Federal control over wages to what most of us have always considered to be interstate commerce, as the gentleman from North Carolina [Mr. KITCHIN], has just explained it, and so there is little wonder that it has captured the imagination of those of us who have sought to do just that. What that test fails to recognize, however, is that regardless of ownership one store must compete with the store next door, and that, at least on the level of small business, retailing is essentially a local proposition which cannot be separated into national versus local ownership.

As the various proposals spread before us began to narrow down to the committee bill and the Kitchin-Ayres substitute, it seemed to me more and more that the only formula upon which a majority of us might possibly agree would be a combination of the five-and-two test of the substitute with some sort of a gross dollar-volume cutoff. Accordingly, earlier this week I introduced my own bill, H.R. 5719, which embodied the bistate test in conjunction with the exemption of those retail outlets of a

chain of less than 15 stores that did less than $250,000 business a year, lifted out of the committee bill.

Further study of the problem convinced me that this, too, was not the answer I sought, and that there was no real justification for limiting that dollar cutoff to the smaller chains, so on yesterday I introduced the same measure but without the less-than-15-store standard. That new bill is H.R. 5888, and I regret that, with so many of us burdening the printer with our last-minute thoughts on this complex problem, copies of it are not now available, but I am delighted to now note that the proposal I have made may now become the new Kitchin-Ayres substitute and that it will receive serious consideration.

Mr. ROOSEVELT. Mr. Chairman, I take great pleasure at this time in yielding 5 minutes to the gentlewoman from the State of Washington [Mrs. HANSEN].

Mrs. HANSEN. Mr. Chairman, President Kennedy, while a Member of Congress, said:

> When we permit the growth of a depressed class numbering millions whose members cannot afford the bare necessities of life, we pay a heavy price. We undermine the general prosperity of the Nation which rests upon consumer purchasing power, we promote the spread of slums, of crime, of disease, of all ills that grow from hopeless poverty.

Let us direct our attention to the actual human beings the President was talking about. They are not statistics but real people with real problems. The Bureau of Labor Statistics found, in 1959, that it required over $5,000 a year to maintain a family at a modest level of living. Yet all that we legally require, under the present $1 minimum, is that covered workers be paid at a rate which yields an income of less than half of this amount.

Over a million workers in manufacturing industries now earn less than $1.15 an hour, and about 804,000 of the employees who would be newly covered by the bill are paid less than $1 an hour. We don't know how they manage. Either they are living on inadequate diets, postponing urgent medical treatment, or skimping on other necessities that most of us take for granted. The vicious cycle of substandard existence is made up of many elements, and each element is aggravated by others. Deprivations in areas of diet, health, housing, clothing, and education have a snowballing effect, and the end result is that it becomes more and more difficult for the victim to lift himself out of his depressed state.

The one important common denominator that we find in these situations is low income. In a very real sense, this is the key to the whole problem. People who live in slums and who exist on substandard diets don't do it for pleasure. They would prefer—and this is what actually happened when minimum wage protection was applied in the past—they would prefer to pattern their lives more closely after the accepted American standard, and abandon that poverty which breeds slums, crime, and disease.

It would be unrealistic to maintain that the present bill will entirely remove the evils I have been discussing. Poverty has many causes, and must be fought on many fronts. It is equally clear, however, that the problem is sufficiently critical to the Nation's future—to the future of those free institutions we cherish—that we must not hesitate to take a step, even if small, to help us achieve our goal.

Mr. ROOSEVELT. Mr. Chairman, I yield such time as he may consume to the gentleman from Washington [Mr. MAGNUSON].

Mr. MAGNUSON. Mr. Chairman, I rise in support of the committee bill, H.R. 3935, which would extend Federal minimum-wage protection to some 4,311,000 workers presently not covered by such protection. Under this bill, coverage is extended to include five categories of enterprises engaged in commerce or the production of goods for commerce.

May I point out that we are dealing with a minimum wage; that is to say, a wage floor upon which the actual wages paid to workers in covered industries may rest, but below which it may not fall. Although in some areas the minimum wage allowable becomes the actual wage paid to workers, this ought not to be the case, for the amount specified as a minimum wage—in this case $1.25—is to be considered a bare minimal subsistence wage. Between 1956 and 1960, the Consumer Price Index rose by 11 percent. The real product per man-hour in the private sector rose by 13 percent during the same period. Thus, even were the escalator provisions lacking, the proposed increase would raise the minimum real wage only to a point comparable to that of 1956.

In a recent editorial, the New York Times noted that "the establishment of a minimum wage for those unable to protect themselves is a long accepted and necessary function of the Federal Government." Here it seems proper to note especially that a minimum wage is most important to those workers who are not sufficiently organized to protect themselves, workers whose capacity to produce entitles them to a living wage but whose condition of employment precludes their demanding it.

Even the $1.25 figure falls below that which would be necessary to meet what the Bureau of Labor Statistics and the agencies of the various States have designated as ample to maintain a "modest but adequate" level of living, even for a single person, and far below that necessary for the support of a family. In Seattle, for example, the Bureau sets the wage needed to support a family of four at $6,562, while that of a single person—female—stands at $3,005.

The effects of the proposed increase are not expected to be adverse to industry. Past experience has shown that such increases have tended to stimulate rather than depress business. Retail employment in the State of Washington in 1959—the year the minimum wage was raised to $1 per hour for the retail trades—increased by 4.5 percent and increased an additional 3 percent the following year, almost twice the rate of employment increase in other industries in the State. Despite warnings by those who opposed minimum-wage legislation in 1956, the Wage and Hour Administrator afterward informed Congress that of the 2,100,000 employees affected, less than 2,000 were discharged or otherwise adversely affected.

By the provision for a base annual volume of sales of not less than $1 million marginal industry is exempted specifically from coverage under the bill. Special protection is provided further for the marginal worker. While oppressive child labor expressly is prohibited in the bill, specific exemption is made in favor of the employment of full-time students at less than minimum rates in retail establishments on two conditions: First, that the work fall outside school hours, and second, that the employment not be of a type normally given to full-time employees. In addition—under section 14—the Secretary of Labor is permitted to make special provision for the employment of learners, apprentices, or of individuals whose earning capacity is impaired by age or physical or mental deficiency or injury. This exemption has been included in the bill to avoid the curtailment of opportunities for employment for those who possess a capacity to produce without entering directly into the competitive labor market.

As a further cushion to the business community, an escalator provision has been included in the bill. Accordingly, those already covered by minimum-wage legislation will receive an increase to $1.15 during the first and second years after the effective date with an increase to $1.25 thereafter. Those workers newly covered will receive a minimum of $1 the first year, with subsequent increases each year reaching the standard $1.25 after the third year.

Another result of the enactment of minimum-wage legislation well might be a leveling effect upon the national wage structure. In Seattle and other areas of the country where the trade unions have long been active, where the working force has developed high technical skills, and where labor's bargaining position is relatively better, living standards and wages have been elevated proportionately. Thus, these areas are placed at a competitive disadvantage with some other areas of the country which possess an abundance of unskilled or semiskilled labor, where producers are able to make a profit only at the ultimate expense of employees to whom they pay a bare subsistence wage. By raising the rate and extending the coverage of the minimum wage, the committee bill may produce a more equitable balance in the national industrial complex, while raising the standard of living for presently ill-compensated workers and encouraging a higher degree of competence.

Mr. ROOSEVELT. Mr. Chairman, I yield 1½ minutes to the gentleman from Colorado [Mr. ROGERS].

Mr. ROGERS of Colorado. Mr. Chairman, I asked recognition for the purpose of getting an interpretation of the two bills we have before us for consideration. On page 42 of the Roosevelt

bill there is reference to enterprises, hotels, motels, restaurants, or hospitals, and the same definition is included in the Albert bill. What I want to know is, would this apply to dude ranches, seasonal operations such as we have in the State of Colorado, which operate for only 3 to 6 months of the year?

Mr. ROOSEVELT. In my opinion, both the section the gentleman referred to, and on page 20, line 24, the seasonal exemption, as I understand those operations, would apply to them.

Mr. ROGERS of Colorado. What the gentleman refers to is in the Albert bill on page 20. It refers to any employee employed in an amusement or recreational establishment that operates on a seasonal basis. It is exempt because it is recreational?

Mr. ROOSEVELT. I believe the gentleman is correct. It would be construed as a recreational institution.

Mr. ROGERS of Colorado. I thank the gentleman.

Mr. ROOSEVELT. Mr. Chairman, I yield as much time as he may consume to the gentleman from New York [Mr. ANFUSO].

Mr. ANFUSO. Mr. Chairman, we have heard many reasons for improving the minimum wage offered by labor and enlightened businessmen. We have also heard the reasons why certain trade federations oppose the modest improvements contained in the Labor Committee's bill. It is time we considered the views of consumers. Often the trade federations, stating their opposition to this legislation, attempt to speak for the consumer. They argue that the modest minimum wage improvements would be inflationary and therefore contrary to the interests of the consumers.

I think it would shed considerable light if we listened to the consumers themselves on this point, rather than the spokesmen for industry.

In looking over the hearing record of this Congress and past Congresses, I am struck by the fact that not one single consumer organization has come forward to oppose minimum wage improvements. On the contrary, several organizations representing consumers voiced strong support of the legislation this year and in past years. These groups completely rejected industry's inflationary arguments.

One of the very strong points they make is to point out that the impact on total U.S. payrolls of the proposed legislation would be very slight. This is a very important concrete point to keep in mind.

In the first year after enactment, the Labor Committee's bill would add $550 million to the buying power of low-income families. This figure represents a minute increase in relation to total U.S. payroll today—merely one-half of 1 percent of total wages and salary payments. During the subcommittee's hearings, the spokesman for the National Consumers League stated:

> We do not believe that wage increases of this magnitude would have an inflationary impact.

She went on to point out that—

> experience in the States shows that even larger proportional increases in wages have been offset without difficulty because of the increased efficiency they have stimulated.

The lack of inflationary effect of past minimum wage increases is borne out by the intensive study made by the U.S. Department of Labor after the increase of the minimum wage from 75 cents to $1 an hour in 1955. The Department reported to the Congress that there were no noticeable effects on either the wholesale or consumer price levels.

And what about the effects of minimum wage on the retail trade industry? A detailed study was made by Prof. Arnold Tolles, of Cornell University, when New York State issued a minimum wage order for $1 an hour for the retail trade several years ago. Professor Tolles found in interviews at 50 retail food stores in New York State that "none of the managers of these stores reported any increase in consumer price markup as a result of the increased minimum wage."

He paid particular attention to 42 stores where the minimum wage order had an especially large impact. In those stores he found that "only 5 of the 42 store managers even claimed that prices to consumers had been raised because of the wage order. Professor Tolles concluded flatly that "There was no evidence that the wage increase contributed to price inflation."

No evidence whatsoever exists from past experience that the cost of minimum wage improvements were passed along in toto or in large part to the consumer. But let us assume for the moment that this were to occur. The total increase of the Nation's price levels would be less than 1 percent—less than 1 percent. This is hardly inflation. But, as I have said, not even this minute increase will occur.

The consumer groups also point out several other important economic factors which obliterate completely the inflation hobgoblin. For example, they point to the fact that the increased purchasing power resulting from the improvements in the minimum wage would be placed in the hands of low-income people who will use the additional money to buy food, clothing, and other necessities of life.

These types of goods are in excessive supply today and have been for some time past. Therefore, rather than bidding up prices by competing for scarce goods, low-income people, helped by this bill, will actually relieve the Nation of the burden of many stockpiled agricultural surpluses. And they will give a needed stimulus to the clothing and textile industries.

It is much to the consumer witnesses' credit that although they have proved no price increases will result from the minimum wage increase, they have categorically stated that they would not mind paying somewhat higher prices because they "do not want a bargain at the expense of the men and women who produce the goods we buy." That is what the consumer witnesses told the subcommittee, "we do not want a bargain at the expense of the men and women who produce the goods we buy."

I think we would do consumers a great injustice if we were to take the trade associations' word that substandard wages protect consumers from price increases. I think the evidence the consumers themselves have offered is conclusive that they are not the narrow-minded, self-interested group the opposition to H.R. 3935 would like us to believe.

I therefore urge my colleagues to follow the urgings of the consumer witnesses and approve the committee's minimum wage bill.

Mr. ROOSEVELT. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. COHELAN].

Mr. COHELAN. Mr. Chairman, we have heard a lot about the inflationary effects of higher minimum wages. Our Chamber of Commerce friends insist that if wages are raised, business must increase prices or lay off workers. They generally ignore the great benefit which the economy derives from the minimum wage by stimulating improvement in industrial efficiency.

I am glad to say that our experience in the past has proved the Chamber of Commerce to be wrong. What are the actual facts, as established by the Labor Department studies? The facts are that the number of layoffs following the increase in the minimum wage to $1 in March 1956—layoffs which could be attributed to the higher minimum wage—was negligible. And what happened to the prices of commodities produced in industries where workers received wage increases because of the increase of the minimum wage to $1? The Labor Department study shows that between January 1956 and January 1957, the index for prices of commodities produced in low wage industries rose less—2.6 percent—than the index for all commodities which rose 4.5 percent.[1] The Labor Department report goes on to say:

> During the longer run period, January 1956 to January 1960, there was virtually no increase in wholesale prices of products of low-wage industries while the increase in the index for all commodities was 6.6 percent.

The low-wage industries which produce these products were able to adjust to their increased wage cost without raising prices. As a matter of fact, by mechanizing and generally improving their operations, these industries have placed themselves in a stronger economic position. This was proved during the 1958 recession and is being proved again today by the fact that they have not suffered as much as the high wage industries.

Mr. ROOSEVELT. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. RYAN].

Mr. RYAN. Mr. Chairman, I hope this House will give approval to H.R. 3935. There is abundant evidence of an urgent need for this legislation. For some years the Congress has considered proposals to amend the Fair Labor Standards Act. During the last Congress the failure of Congress to resolve the differences in conference resulted in

[1] Nineteen hundred and sixty report by Secretary Mitchell submitted January 19, 1961. Report submitted to the Congress in accordance with the requirements of sec. 4(d) of the FLSA, p. 20.

frustrating the will of the majority, which had passed different versions of this legislation. We are obligated, it seems to me, to the many segments of our population who are deprived of the protection of the Fair Labor Standards Act to take action, and to take action now, to extend the benefits of this humanitarian legislation. Rising living costs and increased productivity justify this long-overdue legislation. Increased wages for thousands and thousands of workers means increased consumer spending and greater economic growth, which should help bring the Nation out of the recession.

H.R. 3935 represents a constructive advance. I would have preferred that we have a minimum wage of $1.25 now, not 2 years from now. This would yield approximately half a billion dollars increase in wages the first year instead of $240 million, which is now expected. I also believe the coverage should be extended to workers not included. Few of us stop to consider that 22 years after the Fair Labor Standards Act became law only about one-half of the American workers are protected under it.

Mr. FRELINGHUYSEN. Mr. Chairman, will the gentleman yield?

Mr. RYAN. I yield to the gentleman from New Jersey.

Mr. FRELINGHUYSEN. Is it not the understanding of the gentleman from New York that the Democratic leadership has abandoned H.R. 3935 for the so-called Albert substitute? As I understood it, the majority leader yesterday said the fight today would be between the Albert bill and the Ayres bill. Presumably the Roosevelt bill has been abandoned. Is that not the gentleman's understanding?

Mr. RYAN. As I understand the situation, we are now debating H.R. 3935, and that is the bill to which I am addressing my remarks. I should like to point out there are millions of workers in restaurants and hotels and motels who are not covered. We also have the situation, which has been dramatically brought to public attention, of migrant workers throughout the country who are not covered. These are matters to which I hope we will address ourselves in the future.

Mr. Chairman, now for a moment I should like to make a few observations regarding those provisions of this bill which deal with Puerto Rico and the Virgin Islands. I believe it is well known that the Fair Labor Standards Act has a special provision for these areas and provides a means of setting minimum wages in the different industries there. There are special tripartite industry committees composed of representatives of employers, employees, and the public, who are appointed by the Secretary of Labor, which hold meetings and review the evidence and recommend minimum wage rates in the industries. This provision was written into the law in recognition of the peculiar conditions found in Puerto Rico and the Virgin Islands. However, past experience has shown that whenever Congress raised the minimum wage, corresponding wage revisions in Puerto Rico and the Virgin Islands lagged behind—not because the local employers were not able to meet the higher rates, but purely due to administrative difficulties. It takes time to get people to agree to serve on the committees. It takes time to get committees to meet after they are appointed. It takes time for the committees to hold hearings and to reach decisions and for final orders to be entered and to become effective. Thus, after minimum wage rates become effective for the mainland, Puerto Rican industries sell their goods on the mainland and compete with firms in every State of the Union and obtain a competitive advantage. But, more importantly, their employees do not receive equal treatment with employees in comparable industries in the States.

H.R. 3935 seeks to remedy this defect. But, at the same time, it does it in a judicious manner. It provides for the same automatic percentage increases in the existing minimum wages in Puerto Rico and the Virgin Islands as are provided in the States—15 percent for the first 2 years, then 10 percent. But, at the same time, it safeguards against possible inequity by providing that the Secretary of Labor can convene tripartite review committees to reexamine the floor which would otherwise be imposed on the industry by the percentage increases. The review committees after the examination of evidence, may recommend a wage to supersede the percentage increases, provided, of course, such wage does not exceed the stateside minimum.

I commend this section to the Members of this body.

I believe H.R. 3935 is a constructive step forward.

We have heard prophecies of doom from those who oppose the basic concept of minimum wage legislation ever since the fair labor standards law was enacted in 1938. With each proposal for an increase in the minimum or an extension of coverage, no matter what the economic circumstances of the time, dire predictions blossom forth. This opposition is rarely, if ever, directed to the merits of the legislation; it seems to be merely opposition to change, voiced by those of tired ideas. Abundant experience under this legislation has proven it to be most salutary. As we move forward into the 1960's, let us turn deaf ears to false prophets. We have tarried long enough; the time to amend the Fair Labor Standards Act is now. The way to do it is the measure before us—H.R. 3935. And I urge my fellow Members to support this legislation.

Mr. KEARNS. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. JENSEN].

Mr. JENSEN. Mr. Chairman, I learned early in life that the only fair way, the best way, yes, the American way, to insure for oneself the most permanent progress, promotions and thus an increase in wages, was for me and all wage earners to do a little more each day than my boss expected me to do. That, Mr. Chairman, was the position taken years ago by an overwhelming majority of our wage earners and which lent greatly to the upbuilding of our free private enterprise system which made our Nation the freest, the strongest, and the greatest nation on the face of this earth.

However during the past almost three decades, and since the powerful union labor czars have forced private industries who employ a total of around 14 million men and women to pay a wage, generally speaking, not commensurate with productive worth to their employer, all of which was forced through strikes and intimidation, to the end that the employer was obliged to agree to such demands or close their doors, sometimes for long periods and too often permanently, the final result being to so greatly increase the cost of manufactured goods to the point that the price is so high on such produced goods as to stifle the purchase of such goods, and, impossible to compete with much foreign imports, produced by much lower paid wage earners.

Hence as time goes on this problem multiplies itself by leaps and bounds. You may ask why Congress does not do something about it. Congress has earnestly tried, by adopting the Taft-Hartley Labor Relations Act and the Landrum-Griffin bill, but the facts are, most of the horses had already been stolen before the barn door was closed. Now we have before this House a minimum wage bill which seeks to force millions of free private enterprise businesses under Federal domination even to a greater degree than all the Federal burdens they are already carrying on their overloaded shoulders.

Mr. Chairman, our Founding Fathers never intended that the Federal Government interfere in the relations between employer and employee, when they established for America our free private enterprise system of government. There is no question Mr. Chairman that, if the bill now before the House is made law, thousands upon thousands of our smaller retail and service establishments will be forced to do one of three things: (1) Sufficiently reduce the wages of their present employees whose wages are now more than $1.25 per hour; (2) fire a sufficient number of their present employees in such numbers as to hold their total wage costs to the present level, or (3) the employer has yet that great and free American privilege of closing shop.

Therefore, I shall most certainly vote against this bill, which I am sure if made law, will be greatly detrimental to millions of our wage earners and employers alike.

Mr. KEARNS. Mr. Chairman, I yield 6 minutes to the gentleman from Ohio [Mr. AYRES].

Mr. AYRES. Mr. Chairman, it has been my privilege to be a member of the Committee on Education and Labor since 1957. During this time I have been a member of the subcommittee handling minimum wage legislation. In the past 4 years, I have attended 149 hearings on this legislation. The bulk of those hearings, of course, were held prior to this Congress. However, the information we gained under the leadership of our late colleague, Mr. Kelly of Pennsylvania, and under the leadership of Congressman LANDRUM of Georgia, and during this brief span under the chairmanship of the gentleman from California [Mr. ROOSEVELT], I do feel we have

adequate information to discuss and to pass this legislation.

However, I am more concerned in the last few minutes than I was previously. There is no doubt if the House understood clearly and specifically what was in the so-called Kitchin-Ayres substitute, they would pass it this year the same as they did last year. I felt that if we were to pass this legislation it might possibly be changed in conference. However, this has just come across the ticker tape, and I quote:

The Kennedy administration called today for House passage of a compromise bill which would raise the minimum wage to $1.25 in 2 years, but limit new coverage to 3.8 million more workers. Labor Secretary Goldberg announced the administration position in a statement which he said had the President's approval but—

And this is the most important part—

Goldberg indicated the President still hoped to achieve the administration's objective and an extension of the coverage to 4.3 million workers through Senate action and a Senate-House compromise.

This makes it more important than ever that the concept contained in the Ayres-Kitchin amendment pass this House; otherwise, we have nothing to bargain with in the conference. You talk about the $1 million test; there is no doubt in my judgment but what the other body would lower that to $500,000, and then we would be in conference deciding whether we could agree on some figure between $500,000 and $1 million.

I think the Secretary of Labor has made it very clear as to what his position will be.

What is the basic issue? The basic issue is whether or not the Congress of the United States is going to blanket every business in this country under a dollar volume test or confine extended coverage to interstate commerce. Actually there is not any argument over the rate at this time, and I am not one of those who is going to be critical of the President for what he said last night on television. I think it was a misunderstanding on his part, but he has been saying the same thing so often—and I am glad that the House has finally advised him about it. You heard yesterday what he said in New York on October 19, 1960. These are his exact words:

We fought in the last Congress for a bill to provide $1.25 minimum wage for restaurant employees, retail services and all the rest. Mr. Nixon says it is extreme. I do not think $1.25 an hour for someone who is working in a business which makes $1 million a year is an extreme wage.

Since last October he has been saying this, and it was only natural that he should say it the same way last evening, but I think we all understand that the test is gross volume in dollars.

However, we are not talking about $1.25 for these workers; we are talking about $1.15. That is all there will be under any of these bills that are proposed before the Congress now. It will be 2½ years before $1.25 will become effective, and I know it is the concensus of a great many Members, including myself. Should my people send me back 2 years hence and conditions warrant it, one of the first bills I introduce will be to increase it to $1.25.

The real issue is, how are we going to determine the expansion of this bill. What do we consider? What is fair and equitable? We extend coverage to strictly the interstate retail establishments. We have then a formula within the Constitution.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. KEARNS. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. AYRES. Mr. Chairman, under the amendment that will be offered only those employees working for an employer who is operating five or more establishments in two or more States will be covered and, then, even under that concept those establishments in an enterprise doing less than $250,000 will be exempt. This exempts the small operator even though he might have a number of establishments. We felt that was the only fair thing to do. We thought of doing it last year. Both Mr. KITCHIN's amendment and mine include this provision. Other than that, this is almost an identical bill that this House passed last year by a vote of 211 to 203. Being honest with yourself, if you supported this proposition last year, if you agreed with this concept of interstate commerce, frankly I do not know how you can in clear conscience reverse your position by dollar volume coverage. When the bill is offered a more detailed discussion will be made under the 5-minute rule.

Mr. ALGER. Mr. Chairman, will the gentleman yield?

Mr. AYRES. I yield to the gentleman from Texas.

Mr. ALGER. Mr. Chairman, I must say to the gentleman I am impressed by what he has said here and by what the gentleman from North Carolina stated. Some of us, regardless of the difference in various areas, at least, I am, are concerned about any type of minimum wage at this time, not because we are unaware of the fact we want people to have as much income as they can get, but because of the economic situation.

Does not the gentleman think those of us who are opposed to any minimum wage, in trying to bring out a bill, might get behind the gentleman's version because it is economically more sound than the alternatives offered by the other side, and protect the freedom of the individual worker and, for that matter, help the workers by not causing more unemployment because of the coverage going too far on the other side?

Mr. AYRES. I thank the gentleman. He is absolutely right. As I pointed out, if you don't adopt the Ayres-Kitchin approach to the interstate commerce concept and cover those with five units in two or more States, then we have nothing to argue about in conference except how much broader you will make it.

Mr. ALGER. In good conscience we could support the Kitchin-Ayres bill and then again, in our own dedicated belief, oppose that bill in the final analysis?

Mr. AYRES. That is correct.

Mr. FRELINGHUYSEN. Mr. Chairman, will the gentleman yield?

Mr. AYRES. I yield to the gentleman from New Jersey.

Mr. FRELINGHUYSEN. I wish to congratulate the gentleman for a very able presentation. He has stated what he feels is the major issue. I wonder if the gentleman would not agree with me also that perhaps there is also what might be called a subsidiary issue. Are we not being asked to buy a pig in a poke? We have used up almost 7 hours of general debate. Yet there has been no discussion on one of the major alternatives presumably to be presented. Under the 5-minute rule, perhaps, we may have discussion on the Democratic leadership bill. I think one minor issue is why we have not had that kind of discussion up to now.

Mr. AYRES. I agree with the gentleman that under the 5-minute rule the bill should be explained.

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield?

Mr. AYRES. I yield to the gentleman from California.

Mr. ROOSEVELT. The definition of a retail establishment which is in section 2(a) of the revised Ayres-Kitchin bill it seems to me can lead to absurd results. If there are five establishments, each one of which does 75 percent retail selling, under your bill all employees are covered. However, if there were four establishments selling 75 percent or more at retail, and one establishment selling 65 percent retail, then there would be no coverage; is that not correct?

Mr. AYRES. I yield to the gentleman from New York [Mr. GOODELL] to answer that question.

Mr. GOODELL. Yes, that is correct.

Mr. ROOSEVELT. There we have a typical picture of the results under the Ayres-Kitchin bill.

I want you all to understand that, that one out of the five could go to 65, and then all of the five would be exempt from the bill.

Mr. GOODELL. I think the example is rather absurd. The definition of a retail establishment that is in the present law is that they must do 75 percent of their business at retail and not wholesale. Of course a wholesale establishment is not counted in the five-and-two test.

Mr. AYRES. Mr. Chairman, it is very apparent that the gentleman from California has not had any experience in the retail field from the example he tried to draw.

Now, I have been asked why the gentleman from North Carolina [Mr. KITCHIN], and I introduced as an amendment a slightly different version than the bill that passed the House last year. The basic reason for that change was the propaganda that was going out against the bill.

On March 17, 1961, I, as well as every other Member of Congress, received a letter signed by Mr. ROOSEVELT, Mr. SMITH, and Mr. PUCINSKI in which they made wild claims about what was covered in the bill. Many of you received wires from motion picture operators, Western Union operators, and hotel

clerks asking just what the bill did do. On page 2, line 17, of the amendment and from there on through, you will find listed those enterprises that are exempt, and we will discuss this in more detail under the 5-minute rule.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. AYRES. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. On page 4649 of yesterday's RECORD there is a list of about 30-some-odd million-dollar concerns including the Higbee Co., of Cleveland, with $52 million business, and the Fischer Co., of Cleveland with $98 million, with the statement that these are not covered in any way by your minimum wage proposal; is that right?

Mr. AYRES. I do not believe the Fischer Co. operates in interstate. None of those two would be covered. The average rate paid by Fischer is $1.06 and the average rate paid by Higbee is $1.26. And, I believe, they are both organized and pay overtime.

Mr. EDMONDSON. Are these concerns, along with others, excluded from the operation of your bill?

Mr. AYRES. Any store operating strictly intrastate would be exempt, and they should be.

Mr. EDMONDSON. I thank the gentleman for making this point clear in his bill.

Mr. ROOSEVELT. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. SANTANGELO].

Mr. SANTANGELO. Mr. Chairman, I rise to support the Albert amendment—H.R. 5900—which is going to be substituted for the Roosevelt bill. I do so because I feel that it is very necessary to our country to have an increase in minimum wage to $1.25 in two steps and also to extend coverage and grant a $1 minimum for that segment of our population which does not have the purchasing power today. The Albert bill will cover about 4 million people. It will cover most of the retail organizations.

It was said many years ago that when the snows melt you see the dirt, and after 8 years of snow we have seen the dirt, and we find today that we have 5½ million unemployed; 7.6 million families earning less than $2,000 and, mind you, 21 million throughout our land not protected by the Federal minimum wage law.

President John Kennedy said in his message to the Congress on February 7 that our Nation can ill afford to tolerate the growth of an underprivileged and underpaid class, and substandard pay leads necessarily to substandard living conditions, hardship, and distress.

Mr. Chairman, this bill is sound from an economic point of view. This bill will give purchasing power to those who need it, those who desperately need it to buy the necessities of life. This bill will equalize the competitive conditions throughout the States and, remember this, this bill will eliminate the subsidies to those organizations in the States that do not have minimum wage laws.

I notice that the minority Members in the minority report to the committee bill made a statement in opposition to the bill. They said on page 63 that the States have made substantial progress in this field as indicated by the fact that at the present time 33 States, Puerto Rico, and the District of Columbia have some type of minimum wage law.

What does that mean? It means that we have 17 States in these United States without a minimum wage law. We have no protection for the working people of the United States because the States have not acted, and they are not covered by Federal minimum wage laws. Yes; you have five States with provisions for minimum wage boards, yet these five States have never acted and have never covered the workers in those States.

Yes, we have the great State of Arkansas with a minimum wage law for skilled labor at 16 cents an hour, with the braceros coming in from Mexico and working at 50 cents an hour, which some people consider to be a high wage for imported labor.

I was very pleased to see that North Carolina, the State of one of the authors of the Kitchin-Ayres bill, in January 1960, finally, after so many years, passed a minimum wage law of 75 cents an hour with extensive exemptions throughout the State of North Carolina.

I am happy to see that the State of Ohio, the State of the gentleman from Ohio [Mr. AYRES], has a minimum wage law of 75 cents an hour with many exemptions in that particular State. I have in the past demonstrated my interest not only for the laboring man in the city but also for the farmer. I was a member of the New York State Legislature and a member of the joint commission on labor and industrial conditions. While a State senator I introduced a bill which became law for a $1 minimum wage in the State of New York, because the people required that assistance in order to pay for the necessities of life.

I say to those people in States which do not have these minimum wage laws that they are paying more money in relief, through aid to dependent children and old-age assistance because there is no minimum wage law. You are not giving these working people the money that comes from the profits gained from their labor. You would rather permit them to be supported by the Federal Government through some Federal program of relief—perhaps old-age assistance or aid to dependent children—than raising their minimum wage.

Take the State of Alabama. They spent $5 million plus on Federal assistance, and they have no minimum wage law. There are the States of Florida, Georgia, Indiana, Delaware, Iowa, Maryland, Michigan, Mississippi, and Missouri, from which comes the gentleman from Missouri [Mr. CURTIS], with no minimum wage law. And yet we have almost $20 million that is spent there for aid to dependent children.

Nebraska has no minimum wage law, and one of the Members said they spent $2½ million for aid to dependent children.

We have South Carolina and Tennessee and Texas and Virginia. Yes, I would like to refer to Texas. I was down there recently speaking in Dallas, Tex., in the district represented by Mr. BRUCE ALGER who opposes the wage bills. There is no minimum wage law in the State of Texas and over $100 million are paid in welfare benefits to old-age people and over $18 million there for aid to dependent children. I set forth herein a table, a list of States without statutory wage laws and what their residents receive in welfare assistance:

Fiscal 1959

	Old-age assistance	Aid to dependent children
States without minimum wage laws:		
Alabama	$37,372,000	$5,906,000
Florida	29,888,000	16,537,000
Georgia	42,004,000	13,530,000
Indiana	13,525,000	10,276,000
Delaware	626,000	1,359,000
Iowa	19,618,000	8,458,000
Maryland	4,411,000	8,142,000
Michigan	33,107,000	24,204,000
Mississippi	23,851,000	7,565,000
Missouri	56,182,000	20,343,000
Montana	3,795,000	1,920,000
Nebraska	8,121,000	2,560,000
South Carolina	12,438,000	5,549,000
Tennessee	22,679,000	15,097,000
Texas	100,120,000	18,463,000
Virginia	5,750,000	7,452,000
West Virginia	6,852,000	16,846,000
States with low minimum wage:		
Arkansas (16 cents)	23,791,000	4,661,000
Kentucky (40 cents)	20,729,000	13,795,000
5 States which have statutory minimum wage laws creating wage boards which have never acted:		
Illinois	43,880,000	38,808,000
Louisiana	69,611,000	21,825,000
Kansas	16,461,000	5,889,000
Maine	5,788,000	4,421,000
Oklahoma	51,075,000	15,962,000
North Carolina passed a minimum wage bill in 1960.		

Why can you not support a minimum wage law which will give the underprivileged the opportunity to earn sufficient to purchase those things which will permit them to raise their children in dignity?

You come here and say, this bill violates the interstate commerce provision and that minimum wages must be regulated by the States. And yet 40 percent of the States have not acted. I say to you that the States which have not acted have put a stain, a dark stain upon their State escutcheon, a badge of unconcern. You must protect the workers, because once you give them the purchasing power you will make the wheels of business go round, you will stimulate the business by increasing the workers' purchasing power. Without that purchasing power we may have to take care of the underpaid workers' children through these relief programs.

This legislation is for the benefit of this country, it is for the benefit of the working people and their families. The people of my district by a poll have indicated that they want extended coverage. Seventy-five percent of my constituents have indicated they favor an increase in minimum wage to $1.25 per hour and extended coverage for new groups at $1 per hour. We should go forward with a minimum wage law in other areas such as hotel, motel, and restaurant workers. Perhaps there are some constitutional objections—and I do

not press the point. But I say this legislation is a must for the people of America. You must support the Albert bill in order to protect the people of America. I urge its passage.

Mr. DOMINICK. Mr. Chairman, will the gentleman yield?

Mr. SANTANGELO. I yield to the gentleman from Colorado.

Mr. DOMINICK. The gentleman said you need the bill we are now considering because the States do not have minimum wages, and where they do not have minimum wages, this is where we have to raise unemployment compensation, aid to dependent children, and other things. Then the gentleman said that New York State under his leadership put a minimum wage law on the books. Is it not true that New York State, under the recent Unemployment Act that we have just passed, gets the largest amount of unemployment compensation of any State in the country, and out of the hides of other States, some of which have no minimum wage coverage?

Mr. SANTANGELO. We have the largest population. We do not have any residence requirement laws. The people come in to earn a living and we cannot let them starve. We lose our industries to those States which pirate them from us because of the cheap wages, and we lose industry. It goes to Mississippi and South Carolina and other States who have no minimum wage laws. We have taken care of our own indigent. We pay 20 percent of the Federal taxes of this country, and we support our own burden.

Mr. KEARNS. Mr. Chairman, I have no further requests for time.

Mr. ROOSEVELT. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, in concluding this debate, may I first express to my colleagues, and I think we all have it in mind, our deepest appreciation of the high level on which this debate has been carried on. There are deep disagreements on this issue, but I think the House can congratulate itself on a well-ordered but most serious and most intense discussion of the issue.

I think it would be well to point out at this time that the Democratic Party since 1938 has undertaken the primary responsibility for forwarding the basic issues of minimum wage legislation, that it has made advances in the legislation in the most temperate and responsible manner, and that we are now faced with the opportunity under the leadership of the President and the leadership of this House in discussing and presenting a bill which will be a most moderate increase and extension of the Fair Labor Standards Act. I can only say truthfully that I believe as we begin discussion of such substitutes or amendments as may be offered it would be fair to point out that all of these substitutes are by nature those which have had to be made in a relatively short time but that they are basically founded on the committee bill.

I trust and believe that those on this side of the aisle will have the opportunity to be joined by those on the other side of the aisle who recognize the inequities which I believe will be brought out under the debate under the 5-minute rule in the Kitchin-Ayres bill, and at the same time will recognize that the decisions which have been reached by the leadership in presenting their bill, by Mr. ALBERT, with the changes that we have made on this side, against perhaps the better judgment of some of the members of the committee, represent a sincere effort to meet those sincerely and deeply held views of those Members on our side who are troubled by some of the interstate commerce concepts involved and some of the coverage concepts involved, and that we have made concessions in order to try to bring together the clearest picture that can be established of a moderate and yet effective measure.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. ROOSEVELT. I yield to the gentleman from Indiana.

Mr. HALLECK. I thank the gentleman for his statement, which I think probably clarifies the existing situation. Do I understand correctly from what he has just said that the committee has now abandoned the bill reported by the committee, and that the controversy has now shifted to that between the bill introduced late yesterday evening by the gentleman from Oklahoma [Mr. ALBERT] and the so-called Ayres-Kitchin substitute?

Mr. ROOSEVELT. I believe the gentleman has asked whether we have abandoned the committee bill. The committee never abandons a bill. It discusses it before the Committee of the Whole, and then it makes the necessary adjustments. In this instance I believe you will find that the majority of the committee most certainly will be in support of the gentleman from Oklahoma [Mr. ALBERT] when he presents his substitute.

Mr. HALLECK. I think that is a very fair statement. Will the gentleman permit me to say just one further word?

Mr. ROOSEVELT. I yield to the gentleman from Indiana.

Mr. HALLECK. Of course, perhaps, the word "abandoned" is not quite too right word and maybe it is a little too harsh, but in the final analysis if those on the committee and on the majority side who are in charge of this legislation now propose to support the Albert substitute, as introduced late yesterday evening, instead of the committee bill, then language, as we speak it out in Indiana, seems to me to indicate that the committee bill has been abandoned.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. ROOSEVELT. I yield to the majority leader, the gentleman from Massachusetts.

Mr. McCORMACK. Of course, the statement of the gentleman from Indiana does not convey the correct situation, and what they might say in his part of Indiana might not be said in some other part of Indiana. The fact remains that the first test will come between the two substitutes. The effort is being made by the committee recognizing the honest differences of opinion that exist among Members who support minimum wage legislation. Therefore, the Albert substitute bill is offered in the Committee of the Whole. That in no sense means an abandonment. That is simply a matter of recognizing the honest views of those who support a minimum wage. So far as I am concerned, I respect those who are opposed to any minimum wage. They are honest in their views. But, to those who favor a further extension of minimum wage legislation and favor an increase in the amount and also an extension of the coverage, I think the Albert substitute represents a point of view that both those who believe the legislation should go farther and those who believe the committee bill goes too far can agree upon and support the substitute and have it adopted, and then, if adopted, it becomes the bill, as passed by the House of Representatives.

Mr. ROOSEVELT. Mr. Chairman, I certainly thank the distinguished majority leader for his very clear description of the situation.

Mr. Chairman, in conclusion because the position of the administration has been brought into question, may I read the statement of the Secretary of Labor on the pending minimum wage bill. It reads as follows:

> Yesterday at his news conference, President Kennedy called for passage of a minimum wage bill "as close as possible" to the one proposed by the administration and reported by the House Education and Labor Committee. It is the judgment of the House leadership that the realistic way of achieving this objective is for the House to pass the substitute bill that has been introduced by Mr. ALBERT, of Oklahoma.
>
> The President has every confidence in the House leadership and in their legislative judgment.
>
> The administration, therefore, joins with the leadership in urging that Mr. ALBERT'S substitute be adopted by the House.

Mr. JOHNSON of Maryland. Mr. Chairman, will the gentleman yield?

Mr. ROOSEVELT. I yield to the gentleman from Maryland.

Mr. JOHNSON of Maryland. Mr. Chairman, in analyzing the several bills proposed to amend the Fair Labor Standards Act, I am gratified that the bill introduced by the distinguished Member from Oklahoma [Mr. ALBERT] returns canning and processing exemptions to the present law from the 12 to 12 modification of the committee bill. This is extremely important to my district, and I am sure to many districts throughout our Nation.

The committee bill would reduce from 28 to 24 the number of weeks during which the fruit and vegetable processing and canning industry is exempt. I failed to find any reasons reached for this proposed change, nor have I heard any reasonable explanation for proposing to cut back the exemptions for the fruit and vegetable processing and canning industry but not for other related agricultural industries.

Congress in 1938 recognized that the assumptions upon which overtime was based were not applicable to industries that could not control the hours of the day or months of the year when the raw product would become available for processing. The processing industries are typically located in rural areas where all available labor is employed during the harvesting and processing season.

In recognition of these facts, Congress established exemptions from the overtime requirements of the act applicable to processing industries; one, providing a 14-week overtime exemption up to 12 hours a day or up to 56 hours a week for employees employed in an industry found by the Administrator to be of a seasonal nature. The canning of perishable or seasonal fresh fruits and vegetables has been determined to be in industry of a seasonal nature; two, provided in section 7(c) in the second part for a 14-week overtime exemption for employees employed in first processing of canned fruits and vegetables, handling, slaughtering or dressing poultry or livestock, first processing in the area of production of certain other agricultural commodities.

In many areas of the country, canners and processors who pack several fruits and vegetables need the full 28 weeks of exemption presently granted in the act. If they are obliged to pay penalty overtime for 4 of these weeks, many canners and processors may be forced to reduce their purchases of raw products and cut back the number of operating hours, thereby adversely affecting growers and canning plant employees.

I know that every processor and canner in my district and throughout the Nation expresses their appreciation to those who understand their problem in this vital matter.

Mr. ROOSEVELT. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. Pursuant to the rule, the Clerk will now read the substitute committee amendment printed in the reported bill as the original bill for the purpose of amendment.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Fair Labor Standards Amendments of 1961".

Mr. AYRES. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. AYRES: Strike out all after the enacting clauses and insert the following: "That this Act may be cited as the 'Fair Labor Standards Amendments of 1961.'

"DEFINITIONS

"SEC. 2. (a) Paragraph (f) of section 3 of the Fair Labor Standards Act of 1938 is amended by inserting after 'Agricultural Marketing Act, as amended),' the following: 'the processing of shade-grown tobacco for use as cigar wrapper tobacco by agricultural employees employed in the growing and harvesting of such tobacco, which processing shall include, but shall not be limited to, drying, curing, fermenting, bulking, rebulking, sorting, grading, aging, and bailing, prior to the stemming process,'.

"(b) Paragraph (m) of section 3 of such Act, defining the term 'wage', is amended by inserting before the period at the end thereof a colon and the following: *'Provided,* That the cost of board, lodging or other facilities shall not be included as a part of the wage paid to any employee to the extent it is excluded therefrom under the terms of a bona fide individual contract or collective bargaining agreement applicable to the particular employee'.

"(c) Section 3 of such Act is further amended by adding at the end thereof the following new paragraphs:

"'(p) "Secretary" means the Secretary of Labor.

"'(q) "Enterprise" means the related activities performed (either through unified operation or common control) by any person or persons for a common retail business purpose, and includes all such activities whether performed in one or more establishments or by one or more corporate or other organizational units but shall not include the related activities performed for such enterprise by an independent contractor: *Provided,* That within the meaning of this subsection, a local retail establishment which is under independent ownership and control shall not be deemed to be other than a separate and distinct enterprise by reason of any arrangement, which includes, but is not limited to, an agreement (1) that it will sell, or sell only, certain goods specified by a particular manufacturer, distributor, or advertiser, or (2) that it will join with other such local establishments in the same industry for the purpose of collective purchasing, or (3) that it will have the exclusive right to sell the goods or use the brand name of a manufacturer, distributor, or advertiser within a specified area, or by reason of the fact that it occupies premises leased to it by a person who also leases premises to other retail or service establishments.

"'(r) "Enterprise engaged in commerce or in the production of goods for commerce" means any enterprise which has five or more retail establishments and which operates such establishment in two or more States.

"'(s) "Retail establishment" shall mean an establishment 75 per centum of whose annual dollar volume of sales of goods is not for resale and is recognized as retail sales in the particular industry, but shall not include an establishment which is primarily a service establishment such as (but not limited to) hotels, motels, restaurants (including lunch counters, cafeterias, and drive-ins), caterers, hospitals, laundry or drycleaning establishments, motion picture theaters, amusement or recreational establishments, parking lots, beauty or barber shops, and repair shops.'

"INVESTIGATIONS OF EFFECTS OF FOREIGN COMPETITION ON EMPLOYMENT

"SEC. 3. Section 4 of such Act is amended by adding at the end thereof the following new subsection:

"'(e) Whenever the Secretary has reason to believe that in any industry under this Act the competition of foreign producers in United States markets or in markets abroad, or both, has resulted, or is likely to result, in increased unemployment in the United States, he shall undertake an investigation to gain full information with respect to the matter and shall make a full and complete report of his findings and determinations to the President and to the Congress.'

"SPECIAL INDUSTRY COMMITTEES FOR PUERTO RICO AND THE VIRGIN ISLANDS

"SEC. 4. Subsection (a) of section 5 of such Act is amended by inserting after the words 'production of goods for commerce' wherever they appear, the following: 'or employed by a retail establishment of an enterprise engaged in commerce or in the production of goods for commerce.'

"MINIMUM WAGES

"SEC. 5. (a) (1) Section 6(a) of such Act is amended by inserting after the word 'who' in the portion thereof preceding paragraph (1), the words 'in any workweek'.

"(2) Paragraph (1) of section 6(a) of such Act is amended to read as follows:

"'(1) not less than $1.15 an hour, except as otherwise provided in this section;'.

"(3) The first sentence of paragraph (3) of section 6(a) of such Act is amended to read as follows:

"'(3) if such employee is employed in American Samoa, in lieu of the rates provided by this subsection or subsection (b), not less than the applicable rate established by the Secretary of Labor in accordance with recommendations of a special industry committee or committees which he shall appoint in the same manner and pursuant to the same provisions as are applicable to the special industry committees provided for Puerto Rico and the Virgin Islands by this Act as amended from time to time.'

"(b) Subsection (b) of section 6 of such Act is amended to read as follows:

"'(b) Every employer shall pay to each of his employees who in any workweek (1) is employed by a retail establishment of an enterprise engaged in commerce or in the production of goods for commerce, as defined in section 3(r), and who, except for the enactment of the Fair Labor Standards Amendments of 1961, would not be within the purview of this section, or (ii) is brought within the purview of this section by the amendments made to section 13(a) of this Act by the Fair Labor Standards Amendments of 1961, wages at the rate of not less than $1 an hour.'

"(c) Subsection (c) of section 6 of such Act is amended by changing the period at the end thereof to a colon, and adding the following: *'Provided further,* That the Secretary shall within sixty days after the enactment of the Fair Labor Standards Amendments of 1961 appoint a special industry committee in accordance with section 5 to recommend the highest minimum wage rate or rates, in accordance with the standards prescribed by section 8, not in excess of the applicable rate provided by subsection (b), to be applicable to such employee in lieu of the rate prescribed by subsection (b). The rate or rates recommended by the special industry committee shall be effective with respect to such employee upon the effective date of the wage order issued pursuant to such recommendation but not before sixty days after the effective date of the Fair Labor Standards Amendments of 1961.'

"MAXIMUM HOURS

"SEC. 6. Subsection (a) of section 7 of such Act is amended by inserting after the word 'who' the words 'in any workweek'.

"WAGE ORDERS IN PUERTO RICO AND THE VIRGIN ISLANDS

"SEC. 7. (a) Section 8 of such Act is amended by inserting after 'section 6(a)' wherever such words appear the following: 'or in section 6(b), whichever may be applicable'.

"(b) Subsection (a) of section 8 of such Act is further amended by inserting after the word 'industries' where it appears in the first sentence the words 'or retail establishments of enterprises'; and by inserting after the words 'production of goods for commerce' where they appear in the second sentence the following: 'or by any retail establishment of an enterprise engaged in commerce or in the production of goods for commerce.'

"CHILD LABOR PROVISIONS

"SEC. 8. Subsection (c) of section 12 of such Act is amended by striking out the period at the end thereof and inserting in lieu thereof the following: 'or in any retail establishment of an enterprise engaged in commerce or in the production of goods for commerce.'

"EXEMPTIONS

"SEC. 9. (a) Clause (1) of section 13(a) of such Act is amended to read as follows: '(1) any employee employed in a bona fide executive, administrative, or professional

capacity, or in the capacity of outside salesman (as such terms are defined and delimited from time to time by regulations of the Secretary, subject to the provisions of the Administrative Procedure Act, except that an employee of a retail establishment shall not be excluded from the definition of employee employed in a bona fide executive or administrative capacity because of the number of hours in his workweek which he devotes to activities not directly or closely related to the performance of executive or administrative activities, if less than 40 per centum of his hours worked in the workweek are devoted to such activities); or'.

"(b) Clause (2) of section 13(a) of such Act is amended to read as follows: '(2) any employee employed by any retail or service establishment (except a retail establishment in an enterprise engaged in commerce or in the production of goods for commerce, other than such a retail establishment which has an annual dollar volume of sales (exclusive of excise taxes at the retail level which are separately stated) of less than $250,000), more than 50 per centum of which establishment's annual dollar volume of sales of goods or services is made within the State in which the establishment is located. A retail or service establishment shall mean an establishment 75 per centum of whose annual dollar volume of sales of goods or services (or of both) is not for resale and is recognized as retail sales or services in the particular industry; or'.

"(c) Clause (13) of section 13(a) of such Act is amended to read as follows: '(13) any employee or proprietor in a retail or service establishment which qualifies as an exempt retail or service establishment under clause (2) of this subsection with respect to whom the provisions of sections 6 and 7 would not otherwise apply, engaged in handling telegraphic messages for the public under an agency or contract arrangement with a telegraph company where the telegraph message revenue of such agency does not exceed $500 a month; or'.

"(d) Section 13(a) of such Act is amended by changing the period at the end thereof to a semicolon and adding the following: 'or (16) any employee employed by a retail establishment who is employed in connection with a lunch counter, restaurant, or cafeteria in such establishment; or (17) any employee of a retail gasoline establishment; or (18) any employee of an establishment which is primarily engaged in the business of selling automobiles, trucks, or farm implements.'

"(e) Section 13(b) of such Act is amended by changing the period at the end thereof to a semicolon and adding the following: 'or (6) any employee employed as an announcer, news editor, or chief engineer by a radio or television station the major studio of which is located in a city or town of one hundred thousand population or less, according to the latest available decennial census figures as compiled by the United States Bureau of Census, except where such city or town is part of a standard metropolitan area as defined and designated by the Bureau of Census, which has a total population in excess of one hundred thousand; or (7) any employee employed by a retail establishment of an enterprise engaged in commerce or in the production of goods for commerce whose minimum rate of wages is governed by section 6(b) of this Act; or (8) any employee employed in a bona fide local retailing capacity (as such term is defined and delimited from time to time by regulations of the Secretary, subject to the provisions of the Administrative Procedure Act).'

"EMPLOYMENT OF STUDENTS

"SEC. 10. Clause (1) of section 14 of such Act is amended by striking out 'and' after 'apprentices,' and by inserting after 'messages', the following: 'and of full-time students outside of their school hours,'.

"STUDY TO SIMPLIFY AND REMOVE INEQUITIES IN AGRICULTURAL HANDLING AND PROCESSING EXEMPTIONS

"SEC. 11. The Secretary of Labor shall study the complicated system of exemptions now available for the handling and processing of agricultural products under such Act and particularly sections 7(b)(3), 7(c), and 13(a)(10), and shall submit to the second session of the Eighty-seventh Congress at the time of his report under section 4(d) of such Act a special report containing the results of such study and information, data, and recommendations for further legislation designed to simplify and remove the inequities in the application of such exemptions.

"EFFECTIVE DATE

"SEC. 12. The amendments made by this Act shall take effect upon the expiration of one hundred and twenty days after the date of its enactment, except as otherwise provided and except that the authority to promulgate necessary rules, regulations, or orders with regard to amendments made by this Act, under the Fair Labor Standards Act of 1938 and amendments thereto, including amendments made by this Act, may be exercised by the Secretary on and after the date of enactment of this Act."

Mr. AYRES. Mr. Chairman, the committee amendment as just heard is almost identical with the Kitchin amendment which passed this House last year. The only major change is that under the amendment we have just heard read all of the enterprises in a chain doing less than $250,000 annual gross business are exempt. The increase is to $1.15 per hour for those employees who are currently covered. The newly covered employees will be those who are employed by the employer operating five or more establishments in two or more States. Those employees will receive a minimum wage of $1 per hour with no provision for overtime. It is estimated that the newly covered would number approximately 1.4 million. The reason I feel that the committee should adopt this amendment is that it is the only thing that can prevent the Federal Government from eventually covering every enterprise under the Fair Labor Standards Act in the United States.

The testimony we heard before the committee on the so-called dollar volume test was that $1 million is entirely too high. Mr. Suffridge, president of the Retail Clerks Union, testified that the starting point should be $500,000. Secretary Hodges testified that in his judgment it could happen that eventually there would not be any dollar test at all; every enterprise would be covered.

Secretary Goldberg has just issued a statement in which he says that the President hoped to achieve the administration's objective in an extension of coverage to 4.3 million workers through Senate action and a Senate-House compromise.

Mr. Chairman, if the committee does not accept the Kitchin-Ayers approach insofar as the interstate concept is concerned, in my judgment the House and the Senate conferees will agree on a dollar volume less than $1 million that the House passes, because in my judgment the other body will pass the $500,000 figure. So, we go to conference with nothing to discuss except lowering it from $1 million to some figure between $1 million and $500,000. I do not think that the Congress of the United States, at least the House of Representatives, wants to give the Federal Government the right to determine minimum wages over those enterprises that are strictly intrastate.

Mr. Chairman, I hope the committee will adopt the amendment that has been offered. Two hundred and eleven Members of this House voted for an almost identical bill a year ago when the gentleman from North Carolina [Mr. KITCHIN] offered the amendment.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. AYRES. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. KITCHIN. Mr. Chairman, will the gentleman yield?

Mr. AYRES. I yield to the gentleman from North Carolina.

Mr. KITCHIN. Would the gentleman agree with me that those who supported the bill last year were supporting the bill under worse economic circumstances by far than we are asking support for the measure this year?

Mr. AYRES. That is absolutely right. Last year, according to the Department of Labor, there were less than 4 million unemployed. This year I believe the current figure is 5½ million.

Mr. KITCHIN. As a matter of fact, does not the gentleman agree with me, according to the statement by the Department of Labor, that we have the highest unemployment at this particular time than we have had for the past 20 years?

Mr. AYRES. That is exactly correct.

Mr. KITCHIN. I will ask the gentleman if, under the Kitchin-Ayres concept at this time, it is not a better bill by far, including the exemptions that have been added, than was voted on the floor of this House last year.

Mr. AYRES. It is a much better bill, in my judgment, I will say to the gentleman from North Carolina. It is a more equitable bill, because after working with this thing for over a year you learn how to perfect it and protect the employees and employers alike.

Mr. KITCHIN. I thank the gentleman.

Mr. ALBERT. Mr. Chairman, I offer an amendment as a substitute for the amendment offered by the gentleman from Ohio [Mr. AYRES].

The Clerk read as follows:

Amendment offered by Mr. ALBERT of Oklahoma as a substitute for the amendment offered by Mr. AYRES of Ohio.

Strike out all after the enacting clause and insert in lieu thereof the following: That this Act may be cited as the "Fair Labor Standards Amendments of 1961".

DEFINITIONS

SEC. 2. (a) Paragraph (f) of section 3 of the Fair Labor Standards Act of 1938 is amended by inserting after "Agricultural Marketing Act, as amended)," the following: "the processing of shade-grown tobacco for use as cigar wrapper tobacco by agricultural employees employed in the growing and harvesting of such tobacco, which processing

shall include, but shall not be limited to, drying, curing, fermenting, bulking, rebulking, sorting, grading, aging, and baling, prior to the stemming process,".

(b) Paragraph (m) of section 3 of such Act, defining the term "wage", is amended by inserting before the period at the end thereof a colon and the following: "*Provided*, That the cost of board, lodging, or other facilities shall not be included as a part of the wage paid to any employee to the extent it is excluded therefrom under the terms of a bona fide collective-bargaining agreement applicable to the particular employee: *Provided further*, That the Secretary is authorized to determine the fair value of such board, lodging, or other facilities for defined classes of employees and in defined areas, based on average cost to the employer or to groups of employers similarly situated, or average value to groups of employees, or other appropriate measures of fair value. Such evaluations, where applicable and pertinent, shall be used in lieu of actual measure of cost in determining the wage paid to any employee".

(c) Section 3 of such Act is further amended by adding at the end thereof the following new paragraphs:

"(p) 'American vessel' includes any vessel which is documented or numbered under the laws of the United States.

"(q) 'Secretary' means the Secretary of Labor.

"(r) 'Enterprise' means the related activities performed (either through unified operation or common control) by any person or persons for a common business purpose, and includes all such activities whether performed in one or more establishments or by one or more corporate or other organizational units but shall not include the related activities performed for such enterprise by an independent contractor: *Provided*, That, within the meaning of this subsection, a local retail or service establishment which is under independent ownership and control shall not be deemed to be other than a separate and distinct enterprise by reason of any arrangement, which includes, but is not limited to, an agreement (1) that it will sell, or sell only, certain goods specified by a particular manufacturer, distributor, or advertiser, or (2) that it will join with other such local establishments in the same industry for the purpose of collective purchasing, or (3) that it will have the exclusive right to sell the goods or use the brand name of a manufacturer, distributor, or advertiser within a specified area, or by reason of the fact that it occupies premises leased to it by a person who also leases premises to other retail or service establishments.

"(s) 'Enterprise engaged in commerce or in the production of goods for commerce' means any of the following in the activities of which employees are so engaged, including employees handling, selling, or otherwise working on goods that have been moved in or produced for commerce by any person, if not less than 25 per centum of the annual gross volume of its sales of goods (exclusive of excise taxes at the retail level which are separately stated) is of goods which were produced outside the State where the sales occurred; and if not less than 25 per centum of the goods, materials, and supplies which are annually used or worked on, in providing its services, were produced outside the State where the services were performed:'

"(1) any such enterprise which has one or more retail or service establishments if the annual gross volume of sales of such enterprise is not less than $1,000,000, exclusive of excise taxes at the retail level which are separately stated;

"(2) any such enterprise which has one or more establishments engaged in laundering, cleaning, or repairing clothing or fabrics if the annual gross volume of sales of such enterprise is not less than $1,000,000, exclusive of excise taxes at the retail level which are separately stated;

"(3) any such enterprise which is engaged in the business of operating a street, suburban or interurban electric railway, or local trolley or motorbus carrier if the annual gross volume of sales of such enterprise is not less than $1,000,000, exclusive of excise taxes at the retail level which are separately stated;

"(4) any establishment of any such enterprise, except establishments and enterprises referred to in other paragraphs of this subsection, which has employees engaged in commerce or in the production of goods for commerce if the annual gross volume of sales of such enterprise is not less than $1,000,000;

"(5) any such enterprise which is engaged in the business of construction or reconstruction, or both, if the annual gross volume from the business of such enterprise is not less than $350,000;

"(6) any gasoline service establishment if the annual gross volume of sales of such establishment is not less than $250,000, exclusive of excise taxes at the retail level which are separately stated:

Provided, That an establishment shall not be considered to be an enterprise engaged in commerce or in the production of goods for commerce, or a part of an enterprise engaged in commerce or in the production of goods for commerce, and the sales of such establishment shall not be included for the purpose of determining the annual gross volume of sales of any enterprise for the purpose of this subsection, if the only employees of such establishment are the owner thereof or persons standing in the relationship of parent, spouse, or child of such owner."

INVESTIGATIONS OF EFFECTS ON EMPLOYMENT OF FOREIGN COMPETITION

SEC. 3. Section 4 of such Act is amended by adding at the end thereof the following new subsection:

"(e) Whenever the Secretary has reason to believe that in any industry under this Act the competition of foreign producers in United States markets or in markets abroad, or both, has resulted, or is likely to result, in increased unemployment in the United States, he shall undertake an investigation to gain full information with respect to the matter. If he determines such increased unemployment has in fact resulted, or is in fact likely to result, from such competition, he shall make a full and complete report of his findings and determinations to the President and to the Congress."

SPECIAL INDUSTRY COMMITTEES FOR PUERTO RICO AND THE VIRGIN ISLANDS

SEC. 4. Subsection (a) of section 5 of such Act is amended by inserting after the words "production of goods for commerce" wherever they appear, the following: "or employed in any enterprise engaged in commerce or in the production of goods for commerce."

MINIMUM WAGES

SEC. 5. (a) (1) Section 6(a) of such Act is amended by inserting after the word "who" in the portion thereof preceding paragraph (1), the words "in any workweek".

(2) Paragraph (1) of section 6(a) of such Act is amended to read as follows:

"(1) not less than $1.15 an hour during the first two years from the effective date of the Fair Labor Standards Amendments of 1961, and not less than $1.25 an hour thereafter, except as otherwise provided in this section."

(3) The first sentence of paragraph (3) of section 6(a) of such Act is amended to read as follows:

"(3) if such employee is employed in American Samoa, in lieu of the rate or rates provided by this subsection or subsection (b), not less than the applicable rate established by the Secretary of Labor in accordance with recommendations of a special industry committee or committees which he shall appoint in the same manner and pursuant to the same provisions as are applicable to the special industry committees provided for Puerto Rico and the Virgin Islands by this Act as amended from time to time."

(b) Subsection (b) of section 6 of such Act is amended to read as follows:

"(b) Every employer shall pay to each of his employees who in any workweek (i) is employed in an enterprise engaged in commerce or in the production of goods for commerce, as defined in section 3(s) (1), (2), (3), or (5) or by an establishment described in section 3(s) (4) or (6), and who, except for the enactment of the Fair Labor Standards Amendments of 1961, would not be within the purview of this section, or (ii) is brought within the purview of this section by the amendments made to section 13(a) of this Act by the Fair Labor Standards Amendments of 1961, wages at a rate not less than $1 an hour.

"(2) if such employee is employed as a seaman on an American vessel, wages at not less than the rate which will provide to the employee, for the period covered by the wage payment, wages equal to compensation at the hourly rate prescribed by paragraph (1) of this subsection for all hours during such period when he was actually on duty (including periods aboard ship when the employee was on watch or was, at the direction of a superior officer, performing work or standing by, but not including off-duty periods which are provided pursuant to the employment agreement)."

(c) Subsection (c) of section 6 of such Act is amended to read as follows:

"(c) The rate or rates provided by subsections (a) and (b) of this section shall be superseded in the case of any employee in Puerto Rico or the Virgin Islands only for so long as and insofar as such employee is covered by a wage order heretofore or hereafter issued by the Secretary pursuant to the recommendations of a special industry committee appointed pursuant to section 5: *Provided*, That (1) the following rates shall apply to any such employee to whom the rate or rates prescribed by subsection (a) would otherwise apply:

"(A) The rate or rates applicable under the most recent wage order issued by the Secretary prior to the effective date of the Fair Labor Standards Amendments of 1961, increased by 15 per centum, unless such rate or rates are superseded by the rate or rates prescribed in a wage order issued by the Secretary pursuant to the recommendations of a review committee appointed under paragraph (C). Such rate or rates shall become effective sixty days after the effective date of the Fair Labor Standards Amendments of 1961 or one year from the effective date of the most recent wage order applicable to such employee theretofore issued by the Secretary pursuant to the recommendations of a special industry committee appointed under section 5, whichever is later.

"(B) Beginning two years after the applicable effective date under paragraph (A), not less than the rate or rates prescribed by paragraph (A), increased by an amount equal to 10 per centum of the rate or rates applicable under the most recent wage order issued by the Secretary prior to the effective date of the Fair Labor Standards Amendments of 1961, unless such rate or rates are superseded by the rate or rates prescribed in a wage order issued by the Secretary pursuant to the recommendations of a review committee appointed under paragraph (C).

"(C) Any employer, or group of employers, employing a majority of the employees in an industry in Puerto Rico or the Virgin Islands, may apply to the Secretary in writing for the appointment of a review

committee to recommend the minimum rate or rates to be paid such employees in lieu of the rate or rates provided by paragraph (A) or (B). Any such application with respect to any rate or rates provided for under paragraph (A) shall be filed within sixty days following the enactment of the Fair Labor Standards Amendments of 1961 and any such application with respect to any rate or rates provided for under paragraph (B) shall be filed not more than one hundred and twenty days and not less than sixty days prior to the effective date of the applicable rate or rates under paragraph (B). The Secretary shall promptly consider such application and may appoint a review committee if he has reasonable cause to believe, on the basis of financial and other information contained in the application, that compliance with any applicable rate or rates prescribed by paragraph (A) or (B) will substantially curtail employment in such industry. The Secretary's decision upon any such application shall be final. Any wage order issued pursuant to the recommendations of a review committee appointed under this paragraph shall take effect on the applicable effective date provided in paragraph (A) or (B).

"(D) In the event a wage order has not been issued pursuant to the recommendation of a review committee prior to the applicable effective date under paragraph (A) or (B), the applicable percentage increase provided by any such paragraph shall take effect on the effective date prescribed therein, except with respect to the employees of an employer who filed an application under paragraph (C) and who files with the Secretary an undertaking with a surety or sureties satisfactory to the Secretary for payment to his employees of an amount sufficient to compensate such employees for the difference between the wages they actually receive and the wages to which they are entitled under this subsection. The Secretary shall be empowered to enforce such undertaking and any sums recovered by him shall be held in a special deposit account and shall be paid, on order of the Secretary, directly to the employee or employees affected. Any such sum not paid to an employee because of inability to do so within a period of three years shall be covered into the Treasury of the United States as miscellaneous receipts.

"(2) In the case of any such employee to whom subsection (b) would otherwise apply, the Secretary shall within sixty days after the enactment of the Fair Labor Standards Amendments of 1961 appoint a special industry committee in accordance with section 5 to recommend the highest minimum wage rate or rates, in accordance with the standards prescribed by section 8, not in excess of the applicable rate provided by subsection (b), to be applicable to such employee in lieu of the rate or rates prescribed by subsection (b). The rate or rates recommended by the special industry committee shall be effective with respect to such employee upon the effective date of the wage order issued pursuant to such recommendation but not before sixty days after the effective date of the Fair Labor Standards Amendments of 1961.

"(3) The provisions of section 5 and section 8, relating to special industry committees, shall be applicable to review committees appointed under this subsection. The appointment of a review committee shall be in addition to and not in lieu of any special industry committee required to be appointed pursuant to the provisions of subsection (a) of section 8, except that no special industry committee shall hold any hearing within one year after a minimum wage rate or rates for such industry shall have been recommended to the Secretary by a review committee to be paid in lieu of the rate or rates provided for under paragraph (A) or (B). The minimum wage rate or rates prescribed by this subsection shall be in effect only for so long as and insofar as such minimum wage rate or rates have not been superseded by a wage order fixing a higher minimum wage rate or rates (but not in excess of the applicable rate prescribed in subsection (a) or subsection (b)) hereafter issued by the Secretary pursuant to the recommendation of a special industry committee."

MAXIMUM HOURS

SEC. 6. (a) Subsection (a) of section 7 of such Act is amended by designating such subsection as subsection (a)(1), by inserting after the word "who" the words "in any workweek".

(b) Section 7 of such Act is amended by adding at the end thereof the following new subsection:

"(h) No employer shall be deemed to have violated subsection (a) by employing any employee of a retail or service establishment for a workweek in excess of the applicable workweek specified therein, if (1) the regular rate of pay of such employee is in excess of one and one-half times the minimum hourly rate applicable to him under section 6, and (2) more than half his compensation for a representative period (not less than one month) represents commissions on goods or services."

WAGE ORDERS IN PUERTO RICO AND THE VIRGIN ISLANDS

SEC. 7. Subsection (a) of section 8 of such Act is amended by inserting after the word "industries" where it appears in the first sentence the words "or enterprise"; and by inserting after the words "production of goods for commerce" where they appear in the second sentence the following: "or in any enterprise engaged in commerce or in the production of goods for commerce".

LIMITATIONS ON REPORTS REQUIREMENTS

SEC. 8. Section 11(c) of such Act is amended by adding at the end thereof the following new sentence: "If an employer has filed with the Secretary a written assurance (in such form as the Secretary shall prescribe) that he is complying with the provisions of this Act, the Secretary shall not require such employer to make any other written report to him pursuant to this subsection unless he has reason to believe, on the basis of complaints made to him or on the basis of other information he considers reliable, that such employer has violated or is violating this Act."

CHILD LABOR PROVISIONS

SEC. 9. Subsection (c) of section 12 of such Act is amended by striking out the period at the end thereof and inserting in lieu thereof the following: "or in any enterprise engaged in commerce or in the production of goods for commerce."

EXEMPTIONS

SEC. 10. Subsections (a) and (b) of section 13 of such Act are amended to read as follows:

"(a) The provisions of sections 6 and 7 shall not apply with respect to—

"(1) any employee employed in a bona fide executive, administrative, or professional capacity, or in the capacity of outside salesman (as such terms are defined and delimited from time to time by regulations of the Secretary, subject to the provisions of the Administrative Procedure Act, except that an employee of a retail or service establishment shall not be excluded from the definition of employee employed in a bona fide executive or administrative capacity because of the number of hours in his workweek which he devotes to activities not directly or closely related to the performance of executive or administrative activities, if less than 40 per centum of his hours worked in the workweek are devoted to such activities); or

"(2) any employee employed by any retail or service establishment, more than 50 per centum of which establishment's annual dollar volume of sales of goods or services is made within the State in which the establishment is located, if such establishment—

"(i) is not in an enterprise described in section 3(s)(1), or

"(ii) is in such an enterprise and is a hotel, motel, restaurant, hospital, or school for physically or mentally handicapped, or gifted, children, or

"(iii) has an annual dollar volume of sales (exclusive of excise taxes at the retail level which are separately stated) which is less than $250,000.

A 'retail or service establishment' shall mean an establishment 75 per centum of whose annual dollar volume of sales of goods or services (or of both) is not for resale and is recognized as retail sales or services in the particular industry; or

"(3) any employee employed by any establishment (except an establishment in an enterprise described in section 3(s)(2)) engaged in laundering, cleaning, or repairing clothing or fabrics, more than 50 per centum of which establishment's annual dollar volume of sales of such services is made within the State in which the establishment is located: *Provided*, That 75 per centum of such establishment's annual dollar volume of sales of such services is made to customers who are not engaged in a mining, manufacturing, transportation, commercial, or communications business: *Provided further*, That neither the exemption in this paragraph nor in paragraph (2) shall apply to any employee of a hotel, motel, or restaurant who is engaged in laundering, cleaning, or repairing clothing or fabrics where such services are not performed exclusively for such hotel, motel, or restaurant: *Provided further*, That this exemption shall not apply to any employee of any such establishment which has an annual dollar volume of sales of such services of $250,000 or more and which is engaged in substantial competition in the same metropolitan area with an establishment less than 50 per centum of whose annual dollar volume of sales of such services is made within the State in which it is located; or

"(4) any employee employed by an establishment which qualifies as an exempt retail establishment under clause (2) of this subsection and is recognized as a retail establishment in the particular industry notwithstanding that such establishment makes or processes at the retail establishment the goods that it sells: *Provided*, That more than 85 per centum of such establishment's annual dollar volume of sales of goods so made or processed is made within the State in which the establishment is located; or

"(5) any employee employed in the catching, taking, propagating, harvesting, cultivating, or farming of any kind of fish, shellfish, crustacea, sponges, seaweeds, or other aquatic forms of animal and vegetable life, or in the first processing, canning or packing such marine products at sea as an incident to, or in conjunction with, such fishing operations, including the going to and returning from work and loading and unloading when performed by any such employee; or

"(6) any employee employed in agriculture or in connection with the operation or maintenance of ditches, canals, reservoirs, or waterways, not owned or operated for profit or operated on a share-crop basis, and which are used exclusively for supply and storing of water for agricultural purposes; or

"(7) any employee to the extent that such employee is exempted by regulations or orders of the Secretary issued under section 14; or

"(8) any employee employed in connection with the publication of any weekly, semiweekly, or daily newspaper with a circulation of less than four thousand the major part of which circulation is within the county where printed and published or counties contiguous thereto; or

"(9) any employee employed by a motion picture theater; or

"(10) any individual employed within the area of production (as defined by the Secretary), engaged in handling, packing, storing, ginning, compressing, pasteurizing, drying, preparing in their raw or natural state, or canning of agricultural or horticultural commodities for market, or in making cheese or butter or other dairy products; or

"(11) any switchboard operator employed by an independently owned public telephone company which has not more than seven hundred and fifty stations; or

"(12) any employee of an employer engaged in the business of operating taxicabs; or

"(13) any employee or proprietor in a retail or service establishment which qualifies as an exempt retail or service establishment under clause (2) of this subsection with respect to whom the provisions of sections 6 and 7 would not otherwise apply, engaged in handling telegraphic messages for the public under an agency or contract arrangement with a telegraph company where the telegraph message revenue of such agency does not exceed $500 a month; or

"(14) any employee employed as a seaman on a vessel other than an American vessel; or

"(15) any employee employed in planting or tending trees, cruising, surveying, or felling timber, or in preparing or transporting logs or other forestry products to the mill, processing plant, railroad, or other transportation terminal, if the number of employees employed by his employer in such forestry or lumbering operations does not exceed twelve; or

"(16) any employee of an establishment primarily engaged in the preparation or offering of food for human consumption who is employed in connection with the preparation or offering of food or beverages for human consumption by such services as catering, banquet, box lunch, or curb or counter service, to the public, to employees, or to members or guests of members of clubs; or

"(17) any employee employed in an amusement or recreational establishment that operates on a seasonal basis; or

"(18) any employee employed by a retail or service establishment which is primarily engaged in the business of selling automobiles, trucks, or farm implements.

"(b) The provisions of section 7 shall not apply with respect to—

"(1) any employee with respect to whom the Interstate Commerce Commission has power to establish qualifications and maximum hours of service pursuant to the provisions of section 204 of the Motor Carrier Act, 1935; or

"(2) any employee of an employer subject to the provisions of part I of the Interstate Commerce Act; or

"(3) any employee of a carrier by air subject to the provisions of title II of the Railway Labor Act; or

"(4) any employee employed in the canning, processing, marketing, freezing, curing, storing, packing for shipment, or distributing of any kind of fish, shellfish, or other aquatic forms of animal or vegetable life, or any byproduct thereof; or

"(5) any individual employed as an outside buyer of poultry, eggs, cream, or milk, in their raw or natural state; or

"(6) any employee employed as a seaman; or

"(7) any employee of a street, suburban or interurban electric railway, or local trolley or motorbus carrier, not included in other exemptions contained in this section; or

"(8) any employee of a gasoline service station; or

"(9) any employee employed as an announcer, news editor, or chief engineer by a radio or television station the major studio of which is located in a city or town of fifty thousand population or less, according to the latest available decennial census figures as compiled by the United States Bureau of the Census, except where such city or town is part of a standard metropolitan area as defined and designated by the Bureau of the Census, which has a total population in excess of one hundred thousand; or

"(10) any employee of an independently owned and controlled local enterprise (including an enterprise with more than one bulk storage establishment) engaged in the wholesale or bulk distribution of petroleum products if (A) the annual gross volume of sales of such enterprise is not more than $1,000,000 exclusive of excise taxes, and (B) more than 75 per centum of such enterprise's annual dollar volume of sales is made within the State in which such enterprise is located, and (C) not more than 25 per centum of the annual dollar volume of sales of such enterprise is to customers who are engaged in the bulk distribution of such products for resale; or

"(11) any employee whose minimum rate of wages is governed by section 6(b) of this Act."

EMPLOYMENT OF STUDENTS

SEC. 11. Clause (1) of section 14 of such Act is amended by striking out "and" after "apprentices," and by inserting after "messages," the following: "and of full-time students outside of their school hours in any retail or service establishment: *Provided*, That such employment is not of the type ordinarily given to a full-time employee,".

PENALTIES AND INJUNCTION PROCEEDINGS

SEC. 12. (a) Section 16(b) of such Act is amended by adding at the end thereof a new sentence as follows: "The right provided by this subsection to bring an action by or on behalf of any employee, and the right of any employee to become a party plaintiff to any such action, shall terminate upon the filing of a complaint by the Secretary of Labor in an action under section 17 in which restraint is sought of any further delay in the payment of unpaid minimum wages, or the amount of unpaid overtime compensation, as the case may be, owing to such employee under section 6 or section 7 of this Act by an employer liable therefor under the provisions of this subsection."

(b) Section 17 of such Act is amended to read as follows:

"INJUNCTION PROCEEDINGS

"SEC. 17. The district courts, together with the United States District Court for the District of the Canal Zone, the District Court of the Virgin Islands, and the District Court of Guam shall have jurisdiction, for cause shown, to restrain violations of section 15, including in the case of violations of section 15(a)(2) the restraint of any withholding of payment of minimum wages or overtime compensation found by the court to be due to employees under this Act (except sums which employees are barred from recovering, at the time of the commencement of the action to restrain the violations, by virtue of the provisions of section 6 of the Portal-to-Portal Act of 1947)."

STUDY OF AGRICULTURAL HANDLING AND PROCESSING EXEMPTIONS

SEC. 13. The Secretary of Labor shall study the complicated system of exemptions now available for the handling and processing of agricultural products under such Act and particularly sections 7(c), 13(a)(10) and 7(b)(3), and shall submit to the second session of the Eighty-seventh Congress at the time of his report under section 4(d) of such Act a special report containing the results of such study and information, data and recommendations for further legislation designed to simplify and remove the inequities in the application of such exemptions.

EFFECTIVE DATE

SEC. 14. The ammendments made by this Act shall take effect upon the expiration of one hundred and twenty days after the date of its enactment, except as otherwise provided and except that the authority to promulgate necessary rules, regulations, or orders with regard to amendments made by this Act, under the Fair Labor Standards Act of 1938 and amendments thereto, including amendments made by this Act, may be exercised by the Secretary on and after the date of enactment of this Act.

The CHAIRMAN. The gentleman from Oklahoma [Mr. ALBERT] is recognized.

Mr. KITCHIN. Mr. Chairman, there has been a long change in this amendment, as I understand it, on page 4, particularly beginning at line 5, through line 11, and I ask unanimous consent that the Clerk read that language again.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The Clerk reread the language referred to.

Mr. FRELINGHUYSEN. Mr. Chairman, I ask unanimous consent that the gentleman from Oklahoma [Mr. ALBERT] may proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. ALBERT. Mr. Chairman, the amendment which I have offered is a substitute, as I think everyone knows, for the Ayres substitute. The provisions of the amendment are identical with those of H.R. 5900 which I introduced yesterday and which is shown on page 4405 of yesterday's RECORD, with one exception, which the gentleman from North Carolina [Mr. KITCHIN] pointed out in his unanimous-consent request and which has been reread. This one exception grew out of the colloquy between the gentleman from North Carolina and the gentleman from California [Mr. ROOSEVELT] with respect to the meaning of the so-called "depend on commerce" clause found on page 4, and by a change in the substitute on page 4, line 5, we have undertaken to make it very clear that 25 percent of the gross volume of sales are of goods produced outside the State where sold and that with respect to services 25 percent of the goods, materials, and supplies used in providing such services were produced outside the State where the services were performed. The substitute, therefore, would cover only such enterprises making sales of $1 million per year and only where it met the 25-percent test and only where it has employees engaged in handling, selling, or working on goods moved in commerce. I repeat, Mr.

Chairman, that this was worked out after we had consulted with the gentleman from North Carolina and after the colloquy between him and the gentleman from California.

Mr. Chairman, it is with reluctance that I offer a bill in view of the tremendous amount of work which the committee has done on this proposal. Members of this great committee on both sides of the aisle have put a lot of hard effort into this job. Everyone knows that the distinguished gentleman from California [Mr. ROOSEVELT] is the author of the basic proposal contained in the Albert substitute. The proposal which I have offered, however, does contain also substantial and important amendments.

Mr. Chairman, with respect to employees covered by existing law this substitute leaves the provisions of the committee bill unchanged. The minimum wage for such employees for the first 2 years would be $1.15 an hour. After 2 years the minimum wage would be $1.25 an hour. Presently covered employees would be entitled to time and one-half for overtime after 40 hours as in existing law.

With respect to newly covered employees, the substitute contains amendments both to the committee bill and to the Ayres substitute. First of all, newly covered employees will not be subject to the escalation clause. The minimum wage will be $1 an hour and remain at that figure. No newly covered employees will be subject to the overtime provisions of the law.

The bill also contains the Fulbright amendment. It eliminates the objections raised by small chains to the discriminatory "5 and 2" provision contained in the Kitchin-Ayres substitute. While my amendment covers retail and service enterprises having gross sales of over $1 million a year if 25 percent of the goods and services are in interstate commerce, the Fulbright amendment then removes from coverage any establishment when such a $1 million enterprise itself has gross sales of less than $250,000. These annual dollar volume standards are $350,000 in the case of construction enterprises.

I would like now to make a statement with respect to the differences between this bill and the committee bill.

First, the Albert bill would change the definition of enterprises engaged in commerce or in the production of goods for commerce contained in the committee bill so that the specified enterprises meeting the various dollar volume tests, including gasoline service establishments would be covered for minimum wage purposes if (a) not less than 25 percent, and so forth; and if (b) the enterprise has employees—not just one—engaged in commerce or in the production of goods for commerce. The committee bill does not contain a like percentage test for interstate commerce activities of the enterprise.

Second, it extends coverage to employees in any gasoline service establishment having gross annual sales of $250,000 or more. Committee bill extends coverage to employees in enterprises having gross annual business of $1 million or more. However, committee bill would exempt any retail gasoline service establishment in an enterprise having not more than 15 establishments, if such establishment has an annual sales volume of less than $1 million.

Third, the Albert bill would provide a minimum wage of $1 for newly covered employees, effective 120 days after enactment. Committee bill would advance this rate to $1.05 1 year from the effective date, to $1.15 2 years from such date, and to $1.25 3 years from the effective date.

Fourth, it would not require the payment of overtime compensation to newly covered employees. Committee bill would not require payment of overtime to such employees during first year after effective date. However, overtime compensation at 1½ times employees regular rate of pay would be required for most newly covered employees after 44 hours during second year, 42 hours during third year and 40 hours thereafter.

Fifth, it would not change the present act's overtime exemption with respect to seasonal industries and the first processing, and so forth, of certain agricultural and horticultural commodities. Under the committee bill the 14-week seasonal industry exemption under which overtime payment is not required except for work in excess of 12 hours a day or 56 a week would continue. It would also provide a 14 workweek exemption—with same hours of work limitation as referred to above—for the first processing, canning, or packing of perishable or seasonal fresh fruits or vegetables and for the first processing in the area of production of any agricultural or horticultural commodity during seasonal operations. If an employer qualifies for both exemptions he would be eligible for an aggregate of 24 weeks in any calendar year of which not more than 12 weeks may be of unlimited hours and 12 weeks of limited hours.

Sixth, the bill preserves the existing minimum wage and overtime exemption under the act for employees of hotels, motels, restaurants, and hospitals, as does the committee bill, and, in addition, exempts from the new coverage employees of schools for physically or mentally handicapped, or gifted children.

Seventh, it would provide a minimum wage and overtime exemption under the act for employees of any retail or service establishment in an enterprise having a gross annual business of $1 million or more, if the establishment has an annual volume of sales of less than $250,000. Committee bill would exempt employees of retail or service establishments in such an enterprise, if the enterprise has not more than 14 such establishments and the establishment has an annual volume of sales of less than $250,000, or, in the case of a retail gasoline service establishment, $1 million.

Eighth, it would exempt from the act's minimum wage and overtime provisions any employee of a retail or service establishment which is primarily engaged in the business of selling automobiles, trucks, or farm implements. Under the committee bill, employees of such establishments would be exempted from the act's overtime requirements only, and office employees of such establishments would not be entitled to this exemption.

Ninth, this bill would provide an overtime exemption for employees of certain independently owned and controlled local enterprises engaged in the wholesale or bulk distribution of petroleum products. Such an enterprise will qualify for the exemption if its gross annual volume of sales is less than $1 million, more than 75 percent of its sales are made within the State in which the enterprise is located, and not more than 25 percent of its annual sales are to customers engaged in the bulk distribution of such products for resale. The committee bill would provide a similar exemption but limit its application to delivery employees of establishments having annual sales of less than $1 million. Under the committee bill, there is no limitation as to interstate sales. However, the exemption would be defeated if more than 10 percent of the establishments' annual sales are to customers engaged in using such products in operations, other than agriculture, in which goods are produced for commerce. The Albert bill does not contain such limitation.

Tenth, the Albert bill would not contain a provision similar to that of the committee bill which adds an overtime exemption for certain drivers or drivers' helpers making local deliveries pursuant to a collectively bargained agreement which provides pay for such employment on the basis of trip rates or other delivery payment plan.

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. ALBERT. I yield to the gentleman from Michigan.

Mr. FORD. Mr. Chairman, I am not clear about this percentage criteria. May I ask, if a business qualified under this formula last year but does not this year, how is it going to be handled administratively? Once a business is under the 25 percent percentage figure, is that in perpetuity or just what is the criterion?

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield to me to answer?

Mr. ALBERT. I yield to the gentleman from California.

Mr. ROOSEVELT. I think perhaps I can answer the gentleman's question by referring to the testimony before the committee, in which that specific question was asked not only as to this point but as to other points; for instance, if a business had less than a million dollars in a certain period and then more than a million dollars, at what point would the Department consider it either covered or not?

He stated that that minimum would be based on the last quarter concerned.

Mr. FORD. The last 3 months?

Mr. ROOSEVELT. That is correct.

Mr. FORD. The last 3 months before the violation, or the last 3 months of the year?

Mr. ROOSEVELT. It would be revised every quarter.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

(By unanimous consent (at the request of Mr. VINSON), Mr. ALBERT was

permitted to proceed for 5 additional minutes.)

Mr. ALBERT. I think the gentleman from California has answered the question. This provision would be subject to the same provisions for determining coverage as affect other provisions of the bill.

Mr. FORD. Has this particular point been discussed on the floor? Can we have some legislative history so it will be clear cut? We do not want any wide-open authority to be given to the executive branch of the Government.

Mr. ROOSEVELT. The Department has made it clear it will continue to operate under this bill, as it has since 1938, and apply the same procedures.

Mr. FRELINGHUYSEN. Mr. Chairman, will the gentleman yield?

Mr. ALBERT. I yield to the gentleman from New Jersey.

Mr. FRELINGHUYSEN. In view of the question about the legislative history of this proposal, may I ask just how we developed this particular bill? According to the press, there were two members of the House Committee on Education and Labor involved in the development of this legislation. I wonder if the gentleman from Oklahoma can indicate whether or not that is correct, and if so, who else did participate in the development of the bill?

Mr. ALBERT. I will yield to the gentleman from Illinois.

Mr. PUCINSKI. In answer to the question of the gentleman from Michigan, I would like to refer to the testimony of Secretary Goldberg on page 50 of the transcript.

Mr. FRELINGHUYSEN. This is not answering my question.

Mr. ALBERT. I am taking the responsibility on my own, after having consulted with members of the Committee on Labor and the Labor Department and the leadership, for this bill.

Mr. ROGERS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. ALBERT. I yield.

Mr. ROGERS of Colorado. Reference is made in the gentleman's statement to the fact that it would cover filling stations which have an operation in interstate commerce, so to speak. As the gentleman knows, in many of the oil-producing States, and mine is one, they have production within the State, refining within the State, and the sale within the State. If that is true, would the filling station and the oil jobbers that have retail sales be covered by this act, or would they be exempt?

Mr. ALBERT. I will answer the gentleman by saying that if 25 percent of the goods under the language of the bill were produced outside the State and were sold it would be within the provisions of the act, otherwise it would not be.

Mr. ROGERS of Colorado. But if it was all produced within the State, refined within the State, and sold within the State, then it would not be under it?

Mr. ALBERT. That is correct, if the establishment sold nothing but petroleum products.

Mr. ROGERS of Colorado. If on the other had we have pipelines bringing oil from an outside State into a State and it is refined within the State and then distributed to the filling stations, they would be under the act?

Mr. ALBERT. I think that is a fair statement.

Mr. ROGERS of Colorado. So then we have one group under the act and another group not under the act; is not that right?

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. ALBERT. I yield to the gentleman from Arkansas.

Mr. HARRIS. Does the gentleman have any information as to what percentage of the total sales of service stations would be in the nature of let us say tires and various appliances, supplies and so forth, other than the gasoline itself?

Mr. ALBERT. I do not, but I yield to the gentleman from California [Mr. ROOSEVELT] to reply to the gentleman.

Mr. ROOSEVELT. On that point, the testimony will show that approximately 35 percent of the revenue of the average gasoline station comes from what is known as TTA.

Mr. HARRIS. Then that means that practically all of the service stations throughout the United States will come under the provisions of the bill?

Mr. ROOSEVELT. No, because the bill specifically requires that stations do at least $250,000 annually in addition to the 25 percent test.

Mr. HARRIS. Yes, I recognize that that is true.

Mr. WHITENER. Mr. Chairman, will the gentleman yield?

Mr. ALBERT. I yield to the gentleman from North Carolina.

Mr. WHITENER. The gentleman has referred to retail establishments and to dollar volume. In my part of the country, there are certain department stores which operate certain departments within the store under a lease arrangement.

The CHAIRMAN. The time of the gentleman from Oklahoma has again expired.

(By unanimous consent (at the request of Mr. WHITENER) Mr. ALBERT was granted permssion to proceed for 5 additional minutes.)

Mr. WHITENER. I was pointing out, Mr. Chairman, that in some of these large department stores, certain departments are operated by lease arrangements with an entirely different concern. For instance, a department store may have a jewelry department which is leased out to a corporation from some other part of the country. Now in computing the dollar volume of business of the retail establishment, as the Secretary would do, is it contemplated in this legislation that the dollar volume of any separate concern operating within the walls of a retail department store or in that retail esablishment would be used as the basis for figuring?

Mr. ALBERT. The bill uses the terms "enterprises" and "establishments". Enterprise applies to the total operation and establishment applies to the specific, individual shop, store or what have you.

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield?

Mr. ALBERT. I yield to the gentleman from California.

Mr. ROOSEVELT. I would also point out on page 3 of the bill, and incidentally, this also appears in the Kitchin-Ayres bill, you will find on line 20 that amongst those who are exempted, there is this provision:

> That it will have the exclusive right to sell the goods or use the brand name of a manufacturer, distributor, or advertiser within a specified area, or by reason of the fact that it occupies premises leased to it by a person who also leases premises to other retail or service establishments.

That definitely takes care of the situation that the gentleman is inquiring about.

Mr. WHITENER. In other words then, it is correct that the leased operation, so to speak, would be a separate retail establishment, separate and apart from the store in which it is located?

Mr. ALBERT. There is no question about that.

Mr. KITCHIN. Mr. Chairman, will the gentleman yield?

Mr. ALBERT. I yield to the gentleman from North Carolina.

Mr. KITCHIN. I wonder if the gentleman from Oklahoma would answer this question for me. We have been talking of, and I think the gentleman made a very good point with reference to the oil production in the State distributed to fuel stations within the State. I think the gentleman has answered this question correctly. The second section of this new language, however, says—"if not less than 25 percent of the goods, materials and supplies which are annually used or worked on in providing its services were produced outside the State where the service is performed." Will the gentleman answer this question? Is it not reasonable to assume that any filling station, even though the oil was produced in the State of Colorado and was transported to the filling station in Colorado—but there we have again a percentage of the equipment, the pump and the tanks and so forth that are used in connection with dispensing the service—would you say, therefore, that that would come under the bill?

Mr. ALBERT. I would call that "sale of goods" and the criterion would be whether the goods were produced outside of the State where it is sold.

Mr. KITCHIN. Then what does this section providing that not less than 25 percent of the goods, materials and supplies and so forth mean?

Mr. ALBERT. It applies to service enterprises and establishments. Then the service at the filling station, such as changing automobile tires, switching batteries, charging batteries, making use of tools to repair automobiles, the pumps to pump out the gasoline; do those things incidental to performing this service come under this last clause?

I would say that was such an incidental part of the business of retail selling that it would not be a part of the business or enterprise.

Mr. KITCHIN. If the gentleman would yield further, I would say it is not

an incidental part of the legislation we are trying to pass here today, and I am endeavoring to get an explanation, if I can, from someone, of this last section: "Or 25 percent of the goods, gasoline, supplies," what that means. Can the gentleman explain that?

Mr. ALBERT. I will say to the gentleman that I think it is intended to relate to those establishments which perform a service type enterprise as distinguished from retail stores and sales enterprises.

Mr. KITCHIN. Will the gentleman yield further?

Mr. ALBERT. It is conjunctive. We have tried to write this language in a manner to cover the questions raised by the gentleman with respect to the words "depend on," and we have divided it into two parts: First, with respect to the goods; and, second, with respect to services.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. HALLECK. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Indiana is recognized.

Mr. HALLECK. Mr. Chairman, during the entire consideration of this very important measure I am quite sure everyone has performed as a person of good will. There certainly has been no recrimination, no harsh words, and I would say probably a considerable degree of careful consideration without extreme partisanship. As far as I am concerned I want the debate to continue that way.

We now have before us the committee bill as reported by the committee and upon which most of the debate proceeded; a substitute offered by the gentleman from Ohio [Mr. AYRES], which substitute has been thoroughly debated and considered; and now we have a brand-new substitute which was introduced late yesterday evening, copies of it available only this morning, a substitute already changed in what I understand to be very material respects from the bill which was introduced yesterday evening.

Mr. POWELL. Mr. Chairman, will the gentleman yield?

Mr. HALLECK. I yield.

Mr. POWELL. The date of the Ayres bill is March 22. The date of the Albert bill is March 23.

Mr. HALLECK. I had expected to touch on that in a couple of minutes. Let me say to the gentleman that the Kitchin-Ayres bill was acted upon in the House of Representatives last summer and carried here in the House of Representatives. It was thoroughly debated at that time, and except for a few minor changes that everyone can understand, it is the same proposition we had here last year, and there is nothing new or novel about it.

If ever I was convinced that the Ayres substitute should be adopted I am convinced of it now after the discussion I have just heard about this new substitute. Some of us believed yesterday before we got the new bill that the whole matter ought to be recommitted to the committee for further consideration and to report out a measure that the committee really wanted us to adopt.

Now, the committee has apparently abandoned that bill, and, as I say, we have a brandnew bill. I would be for recommitting this bill right now were it not for the fact that we do have before us the Ayres substitute which has been thoroughly considered and adopted once by the House of Representatives. If it was good last year, then I say it is just as good this year.

Obviously, this whole field is controversial. I was here when the first bill was enacted, and it was controversial then. The increase in 1955 under President Eisenhower was controversial, but we brought that change about, and, as I say, last year we have an increase in the minimum wage and extension of coverage. May I say, before I go any further, that after the Kitchin substitute was adopted in the committee I voted for it. It provided for a 15-cent increase and an extension of coverage in the interstate commerce concept. It was not my fault it did not become law last summer. I wish now that it had become law at that time, but it did not.

Last year when we considered the matter there was grave concern about the economic consequences. There is that same concern today. Let me address myself to a few of the people who may for one reason or another have some objection to the Ayres substitute.

First of all, there are some who feel they ought to vote for a 25-cent-an-hour increase right now. May I just say with all respect to the committee and everybody concerned that the increase as of now to 25 cents has been abandoned. This is a 15-cent-increase bill. Reference has been made to the effective date of the 25 cents as coming in 2 years. As I read the substitute offered by the gentleman from Oklahoma the 25-cent increase would become effective 4 months and 2 years from the date this should become law, if it does become law.

So I say to you people who feel that you ought to have 25 cents right now, vote for the 15 cents, then we will be back—I hope some of us will be back—in the next Congress. Every Congress likes to raise the minimum wage. So let us leave that for the next Congress. I do not know what the economic situation might be in the country. It might be such as to not dictate such an increase.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

(By unanimous consent (at the request of Mr. HALLECK), he was allowed to proceed for 5 additional minutes.)

Mr. HALLECK. Mr. Chairman, on the other hand it might be well that the Congress would determine that an increase above the 10 additional cents an hour should be had in the next Congress. So I believe it would be the better part of wisdom to leave to the next Congress that final determination, because, may I say again, the bill presently before us will give to the people presently employed and covered under the act an increase of 15 cents, which will apply for the next 2 years and 4 months after the law becomes effective.

There are some here who think it is a mistake to have any minimum wage bill at all, or any fair labor standards bill; there are some here who think that we should not increase the minimum now or extend the coverage. To those who feel that way, I say that in all my career here I have felt it my duty if I thought something was bad to improve it as best I could in the consideration of it on the floor of the House. If I thought a proposal offered as an amendment or a substitute would improve what I otherwise thought was bad legislation, I have supported it. I know once in a while we might be tempted to keep something just as bad as possible, according to our likes, or the likes of the people we represent, in order to vote against it, but I do not believe that is good statesmanship.

So, may I say to those who believe that nothing should be done here in this direction, you ought to support the Ayres substitute because, in my opinion, it is a well-thought-out, well-conceived, desirable piece of legislation which represents a real advance not only in the amount involved but in the coverage.

Now, to those people who think nothing should be done, it is their privilege to register their approval or disapproval of whatever finally comes on for a vote, but certainly I do not believe that position should be taken now.

This really is a peculiar situation that confronts us; the committee having reported a bill that I thought was substantially agreed upon; a substitute having been prepared, not prepared just in the last few days but a substitute carefully thought out and prepared a long time ago. All of the debate has proceeded on the Kitchin-Ayres substitute as against the committee bill. Well, as far as I am concerned, let it stay there.

Now, the vote will come first of all, of course, on the Albert substitute as against the Ayres substitute. I think that we ought to go right back where we started; turn down the Albert substitute, adopt the Ayres substitute presently before us, and then when we go back in the House we will have the vote between the Ayres substitute and the committee bill.

At I say, the 15-cent increase was apparently determined upon not just by me but by the top people in our present administration, who apparently now agree with the contention of the last administration, that the circumstances in the country at this time would only justify a 15-cent increase, and that is provided here.

Now, it has been argued so much that I do not like to belabor the point, but the Ayres substitute does cling to the principle of interestate commerce, and I, for one, want to have it stay right there. I do not want to bring every statehouse, every county courthouse and every city hall to Washington, and I think it is high time that we began to pay some attention not only to the responsibilities but the rights of the States in these various matters. If the people in the States should, through their legislatures, want a minimum wage for intrastate commerce, let them have it,

that is their right, but let us not try to write it from Washington.

Now, as to this substitute that has been offered by the gentleman from Oklahoma—and, incidentally, as I said yesterday, there is no person in this body from whom I have a higher respect. He has complete integrity. He said he offers this bill on his full responsibility. Well, that is good enough for me. But, of course, we understand now that apparently it has not only his blessing but the blessing of the administration, the blessing of the majority leadership, and, I assume, of the members of the committee, but it presents here new and novel provisions that I do not think should be adopted.

Mr. Chairman, let us stick with something that has been tried and proved.

Mr. VINSON. Mr. Chairman, I offer an amendment to the Albert substitute.

The clerk read as follows:

Amendment offered by Mr. VINSON to the substitute offered by Mr. ALBERT:

On page 4, strike out lines 17 through 22 and renumber the following paragraphs accordingly.

Page 17, beginning in line 1, strike out "except an establishment in an enterprise described in section 3(s)2."

Page 17, line 9, strike out "commercial."

Page 17, beginning with the quotation marks "provided further".

In line 16, strike out everything down through "located" in line 23.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. VINSON. Gladly.

Mr. ALBERT. Mr. Chairman, personally I would be delighted to endorse and to accept the amendment that the gentleman has offered.

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield to the gentleman from California.

Mr. ROOSEVELT. Mr. Chairman, I, likewise, am glad to accept the amendment.

Mr. VINSON. I thank these two distinguished gentlemen. Let me say merely that this amendment takes out of the bill the provisions with respect to laundries.

Mr. BOGGS. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield to the gentleman.

Mr. BOGGS. This is a blanket exemption; it takes out all classes of laundries?

Mr. VINSON. Exactly; under the Federal law today laundry establishments are not included. The Albert substitute includes them. My amendment takes all of them out from the different sections of the bill.

Mr. BOGGS. Including such places as linen supply?

Mr. VINSON. That is correct.

Mr. BROOKS of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield to the gentleman.

Mr. BROOKS of Louisiana. The gentleman's amendment on page 17 relates also to laundries; does it not?

Mr. VINSON. It relates to laundries wherever laundries are referred to. We are washing laundries clean out of the bill.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia [Mr. VINSON].

The amendment was agreed to.

Mr. GOODELL. Mr. Chairman, I move to strike out the last word.

Mr. KITCHIN. Mr. Chairman, will the gentleman yield to me?

Mr. GOODELL. I yield to the gentleman.

Mr. KITCHIN. Mr. Chairman, I would like to clarify a position that I have taken here. I do not mean to be argumentative about this matter at all. The gentleman from Oklahoma [Mr. ALBERT] knows that I made an effort to assist in clearing up language in the Albert bill, as referred to in this particular section that we have been talking about. I am frankly of the opinion, Mr. Chairman, that instead of clearing up that particular section, we have done it a grave disservice, which I deeply regret. I am afraid that somewhere along this line we may accidentally, if this bill becomes a section in the statute, make it a little bit more ambiguous than even the phrase "depend upon."

Mr. GOODELL. I thank the gentleman and I agree with him. I think with this language here, although it is well intentioned, that we just hop from the frying pan into the fire. I would like to ask the gentleman from Oklahoma [Mr. ALBERT] with reference to this language which he has now substituted on page 4, the commerce language, this question. You have here in the second clause the words "25 percent of the goods, materials and supplies which are annually used or worked on in providing those services," come from out of the State.

As an example, take a shoestore which got most of its shoes from out of the State, 25 percent or more. That is covered regardless of its size, except for this dollar volume test. Now, how about a shoe repair store? You have here, goods worked on. Are you going to have the wage and hour people go in and find out where these shoes were made that the shoe repairman works on?

Mr. ALBERT. No.

Mr. GOODELL. That is the language you have here, I think.

Mr. ALBERT. I do not think so.

Mr. GOODELL. "Goods, materials, and supplies which are annually used or worked on in providing the services," I quote.

Mr. ALBERT. With respect to service establishments this clearly has no reference to goods that are worked on for customers. Such goods could not have any possible bearing upon the subject. I will say to the gentleman that that is part of the legislative history; there is not any question about that.

Mr. GOODELL. I am glad to have the gentleman's clarification, but the words in your bill are "used or worked on." Do I take it you are going to go into a shoe repair store that is covered and, if the dollar volume is brought down, find out about the hammers and nails, where they were made, and so on? These are the things the shoe repairman works with.

Mr. ALBERT. In all fairness, I believe that this is reaching the point of the ridiculous. Does the gentleman know of any shoe repair store where there is a volume of business that would justify bringing it under the provisions of this bill, a million-dollar annual shoe repair business?

Mr. GOODELL. Let me say to the gentleman I have no faith in the dollar-volume exemption because it is made clear by the advocates that they will reduce this down to include everybody, as quickly as they can. This language which you have depending on the original interstate commerce clause in the original Albert bill is probably making it worse. I thoroughly deplore writing this kind of language. I frankly wonder, to get down to the most ridiculous, if you would go to a veterinarian and find out where the dogs and cats are produced that he is going to work on. It is about that bad, I think.

Mr. O'HARA of Michigan. Mr. Chairman, will the gentleman yield?

Mr. GOODELL. I yield.

Mr. O'HARA of Michigan. I am privileged to serve with the gentleman from New York on that committee. The gentleman from New York is too good a lawyer to defend seriously some of the arguments he has made here. He knows that for over 50 years the Supreme Court has been refining its decisions as to what constitutes commerce. These are well-defined legal principles which we have been dealing with for many years. They will apply in this act as well as in any other.

Mr. GOODELL. May I say to the gentleman we are not talking about what the Supreme Court has defined the commerce clause to be, we are talking about the way you are applying the commerce power to this legislation. We are writing new legislation in here over essentially local enterprises, I am afraid. You have given a pragmatic $1 million limit admittedly so you can say that all these little shoestores and others are presently out, but the intention of the advocates is clear, they are going to move that $1 million limit down. That takes us back to what you have put in here about what is commerce. You have said "all materials and supplies used or worked on." I think it will get to a ridiculous stage.

Mr. O'HARA of Michigan. We use the word "commerce," and they have to be goods moved in commerce, but that term has been defined over the years by the courts. It is no different than any other use of the word "commerce." It is the same as in the Labor Relations Act or in other of our many statutes which are based on the power of the commerce clause.

Mr. GOODELL. These words "that are worked on" are brand new. You just put them in here to try to get something different than what you had before. If we have this kind of a bill, it will be thrown out in the conference and you will be back to the dollar-volume sales, because it will be so ridiculous that when you get to conference they cannot accept such language. You are merely bypassing this House so they can come back here with a dollar-volume sales test for us.

Mr. POWELL. Mr. Chairman, I wonder if we can get unanimous consent

that all debate on this amendment and the substitute cease at 5 o'clock?

The CHAIRMAN. Is this on the Ayres amendment and all amendments thereto?

Mr. POWELL. That is correct, Mr. Chairman.

The CHAIRMAN. Is there objection?

Mr. FRELINGHUYSEN. Mr. Chairman, I object.

Mr. POWELL. Mr. Chairman, I ask unanimous consent that all debate on the Ayres amendment, and all amendments thereto close at 5:15 p.m.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. JONAS. Mr. Chairman, reserving the right to object, how much time would that give those of us who are not members of the committee and who have not had an opportunity to participate in this debate?

The CHAIRMAN. The time would be divided equally among those who indicate their desire to speak.

Mr. JONAS. Yes, Mr. Chairman, but how much time would that give to each Member?

The CHAIRMAN. It depends on how many indicate a desire to be heard.

Mr. JONAS. Mr. Chairman, the Members who desire to be heard are standing.

The CHAIRMAN. The time to be allotted to each Member would be roughly 2½ minutes.

Is there objection to the request of the gentleman from New York?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from New Jersey [Mr. FRELINGHUYSEN].

Mr. FRELINGHUYSEN. Mr. Chairman, I said yesterday I thought the way this substitute had been presented to the House made a travesty of the legislative process. I still feel it was a tardy unveiling, and even now little has been unveiled. This is a poor way to legislate, and even more earnestly as the result of today's developments. In 7 hours of debate on this bill we received only a few reluctant answers to some specific questions with reference to the Albert amendment which is now before us. We should have had a detailed explanation, including full discussion of the differences between the Albert and the Roosevelt bills.

We are entitled also to know who specifically developed this legislation. There is an article in today's newspaper giving the names of the participants in the meeting which developed this proposal. Included were two members of the Education and Labor Committee and some members of the administration including the Secretary of Labor. I think we are entitled, at least, to that information.

Furthermore, we are entitled to know more about the differences between this bill and the committee bill. This has been very sketchily presented just now. We need also to know the reasons why these differences have been incorporated in this amendment. For instance, why has the definition of "enterprises" been changed? Why is there no escalation clause with respect to newly covered employees? Why are seasonal workers treated differently under this Albert proposal?

In conclusion, Why is it necessary for us to bypass the regular process of discussion in an effort to come up with an agreed compromise? This discussion should, of course, take place in the appropriate committee. Since this was not done, we should at least have thoroughly discussed the Albert bill during the debate just completed. What has taken place here on the floor today is proof positive that we have no real alternative but to accept the Ayres substitute. The majority leadership and indeed Secretary of Labor Goldberg himself, have in effect repudiated the Roosevelt bill. I certainly hope we pass the Ayres substitute.

The CHAIRMAN. The Chair recognizes the gentleman from Florida [Mr. HERLONG].

Mr. HERLONG. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HERLONG, of Florida, to the amendment offered by Mr. AYRES, of Ohio:

Page 2, line 5, strike out the period and add the following: "and in the case of fruits and vegetables includes (1) transportation and preparation for transportation, whether or not performed by the farmer, of the commodity from the farm to a place of first processing or first marketing within the same State, (2) transportation, whether or not performed by the farmer, between the farm and any point within the same State of persons employed or to be employed in the harvesting of the commodity.

Mr. PUCINSKI. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. PUCINSKI. Mr. Chairman, I make a point of order against this amendment on the ground that it is not germane and would like to be heard on my point of order.

Mr. O'HARA of Michigan. Mr. Chairman, will the gentleman yield?

Mr. PUCINSKI. I yield to the gentleman from Michigan.

Mr. O'HARA of Michigan. Mr. Chairman, if the Chair is prepared to hear the gentleman from Illinois, the gentleman has yielded to me and I would like to state part of the gentleman's objection.

The amendment offered by the gentleman from Florida attempts to amend not the act before us, but Public Law 78, under which migrant labor is brought into the country, and the other act of Congress under which the U.S. Employment Service is established.

An exemption already exists under the Fair Labor Standards Act, exempting agricultural labor from the application of the Fair Labor Standards Act, and this is an attempt to amend not the Fair Labor Standards Act, but other acts passed by various Congresses.

The CHAIRMAN (Mr. WALTER in the chair.) The Chair is ready to rule.

This is unquestionably an amendment to the Fair Labor Standards Act. It specifically refers to the Fair Labor Standards Act.

The Chair overrules the point of order.

The gentleman from Florida is recognized.

Mr. HERLONG. Mr. Chairman, I hesitate to take the time of the Committee at this late hour to present an amendment which may seem to some of you relatively insignificant. This amendment was to have been offered by the gentleman from Texas [Mr. KILGORE], but he is ill today and of course could not be here. Believe me this amendment is of great importance to all of us in the fruit and vegetable areas of the United States.

Mr. Chairman, the definition of "agriculture" in the Fair Labor Standards Act of 1938 includes, among other things, "harvesting of any agricultural or horticultural commodities." This definition has now been interpreted by the Wage-Hour Division of the U.S. Department of Labor not to include the transportation of agricultural commodities from the farm to the place of canning, packing, or processing, and further, to not include the transportation of the harvest crew to the harvest site unless such transportation in either case is performed by the farmer or an employee of the farmer. The amendment would insure that the transportation of the harvest crew to and from the farm and the transportation of the just-harvested commodities to the first place of packing or processing within the same State would be included within the agricultural exemption. Such transportation was assumed to be exempt since they were an integral part of agriculture and particularly harvesting, until interpretations by the U.S. Department of Labor held otherwise.

The legislative history of the original bill shows clearly that the handling or hauling of fruit or vegetables in their raw or natural state were exempt and this is to clarify what is felt is an erroneous construction of the original act and amendments.

(By unanimous consent Mr. GROSS yielded his time to Mr. GOODELL.)

Mr. GOODELL. Mr. Chairman, I rise in opposition to this amendment.

We have included, actually, in all of the bills that are before us a provision for a report from the Secretary of Labor next year on the seasonal exemptions that are in the present Fair Labor Standards Act. This is a very complicated act, and I am afraid that any amendment adopted on the floor will be injurious. I am fearful of the effect such amendments might have on the entire act as the situation now stands.

We will have a report next year from the Secretary of Labor advising us as to what he recommends can be done in the seasonal field. Members of the committee on both sides of the aisle recognize there are inequities here but we should not adopt any amendment offered on the floor of this nature when it is so complicated.

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield?

Mr. GOODELL. I yield to the gentleman from California.

Mr. ROOSEVELT. Mr. Chairman, I want to agree with the statement the

gentleman has made. He has stated the situation well. I hope all Members realize there is in the Albert bill, as well as in the committee bill, a particular provision for a study of this complicated matter, and that we will get in this report the whole problem next year.

Mr. GOODELL. I trust the gentleman from California inadvertently omitted saying that it is in the Kitchin-Ayres bill also.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida [Mr. HERLONG].

The question was taken; and on a division (demanded by Mr. HERLONG) there were; ayes 105, noes 109.

Mr. HERLONG. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. HERLONG and Mr. KITCHIN.

The committee again divided and the tellers reported that there were—yeas 161, nays 133.

So the amendment was agreed to.

Mr. VANIK. Mr. Chairman, I want to take this opportunity to urge this committee to report out a minimum wage of $1.25 per hour with the broadest kind of coverage.

My district is principally an area of workers, a great many of whom would be affected by this legislation because we have many industries that are paying less than this minimum wage. So we are as vitally affected as any other section of the country.

If the 75 cents per hour minimum wage was determined as reasonable by Congress in 1949, certainly $1.25 per hour is a reasonable minimum wage today. The rising cost of living demands this increase in the minimum. This is more than a question of economics, it is a question of morality. It is a question of morality that each and every Member of this body must face.

We must avoid damage to America by sectionalism. It is tragic to see one part of America competing with another when the competition between regions in America is not in the quality of the product—but in the differential that may exist in labor costs. It is competition at the expense of the living standards of workers and it thereby becomes unfair. Production regions in America should compete on the availability of resources, utility services, skills and markets, but never on the basis of cheap-labor forces. This kind of labor competition could sap the strength of the country.

An effective minimum wage law provides the best curb against the interstate flight of industry from established industrial centers to the cheap low-wage areas of this country. This law provides the best form of insurance against the reckless "pirating" of industry which would otherwise prevail, setting State against State, community against community and eventually divide the Nation against itself.

Mr. WHARTON. Mr. Chairman, we have listened patiently during several hours of debate on the so-called minimum wage bill. This title obviously is a misnomer, and if the Federal Trade Commission were to pass on a label of this nature, I suspect that they would have something to say about misrepresentation and fraud. The primary purpose of this legislation is to extend coverage beyond the accepted bounds of interstate commerce and invade the jurisdiction of the individual States. Every Member on the floor today recognizes this proposal as a "foot-in-the-door" and "camel's-nose-under-the-tent" to regulate and increase all wages. In some quarters any bill of this nature will be blamed for another round of inflation, although I regard it as the effect of inflation rather than its cause. Inflation emanates from the top and not the bottom of the totem pole. I wish that all of our Members might have had some experience as a small businessman, as I have had; and it would also be helpful if they had been employed by a large corporation and belonged to a labor union. I am told that certain labor contracts, especially in the textile field, are based upon the minimum wage that this body provides for interstate commerce; and while I question the wisdom of that, the fact remains that this type of legislation is becoming more or less an institution with us.

I have accordingly assured my labor constituents that I would extend due consideration to minimum wage laws under interstate commerce, and the present bill may well represent the major labor legislation for the present session of Congress. I am receptive to any proposal to keep that minimum wage in line with the cost of living; that means an increase at this time, and I do not think there is much question about the future of inflation under the present administration.

Now as to this proposal for a new and distorted concept of interstate commerce, I think the authors of the present legislation are trying to downgrade the intelligence of our membership. The establishment of a new definition of interstate commerce is important and ought not to be included in a minimum wage bill as a collateral matter. Personally, I feel that there are some things that can well be left to the judicial branch of our Government; and while they have already gone far afield in their definition of this particular question, I think it would be well to bear with them a while longer. Under the amendments which are to be offered here today, I intend to support a minimum wage increase for interstate commerce only, consistent with the increased cost of living; but if an extensive coverage is included which invades the field already covered by our State laws, then the proponents of the present legislation will have defeated a minimum wage proposal.

Mr. HOLTZMAN. Mr. Chairman, during the course of this debate on the minimum wage bill, I would like to take this opportunity of indicating my support of H.R. 3935, the bill which has been reported by the House Committee on Education and Labor. I had previously introduced similar legislation, and had voted for the measure which was brought to the House floor last year. Unfortunately the bill died in conference.

I am hopeful that we will be able to enact a satisfactory bill this year—one which will raise the minimum wage to $1.25 per hour eventually, and extend the coverage. The last time the minimum wage was raised was in 1955—6 years ago—when Congress raised the minimum to $1 per hour, with no extension of coverage. We have a labor force in this country of over 70 million, and of those less than one-third are protected and covered by the Fair Labor Standards Act. The wage-hour law was first put into effect in 1938, and since that time, although we have been successful in raising the minimum wage, we have not met with success in our efforts to extend coverage to the remainder of the labor force.

President Eisenhower had previously asked for a limited expansion of coverage, and in his last state of the Union message this year had again asked for expanded coverage and a "moderate adjustment" of the minimum wage. President Kennedy in his message to the Congress on February 2 pointed out that the labor force was rising by 1.5 percent each year, and advocated an increase in the minimum wage to $1.15 per hour, with an increase to $1.25 within 2 years. He proposed new coverage for several million workers in the retail trades and services, and H.R. 3935 brings these provisions to the House floor for consideration.

At the present time, with lingering unemployment, and with the continued upward spiral of living costs, the recommendations contained in H.R. 3935 are certainly not extreme. There is no doubt about the fact that the minimum wage, despite the increase of 1955, has failed to keep up with the cost of living. Unemployment figures for the past several years have been tragic, and have been showing a steady increase, the seasonally adjusted rate standing at 6.8 percent in February of this year. Unemployment increased by 300,000 in February, to 5.7 million.

The proposed increase and expansion of coverage would put a more realistic floor beneath current wage levels and would improve the standards of living, the morale and the productivity of many of our workers; and at the same time would prevent the exploitation of many of our substandard, seasonal low-wage workers.

The enactment of this bill would provide a much-needed incentive, and would stimulate the national economy and growth.

Mr. RHODES of Pennsylvania. Mr. Chairman, it seems that whenever minimum wage legislation comes up for consideration, its opponents claim that it will intensify whatever economic problem the Nation faces at the time. Last year there was much concern about inflation, and it was asserted that any improvements in the Fair Labor Standards Act would lead to higher prices and an inflationary spiral. The fact that the increase in the minimum wage to $1 did not result in increases in prices of the products of low wage industries was conveniently overlooked.

This year, since our major economic problem is unemployment, it is not at

all surprising that opponents of H.R. 3935 assert that any increase in the minimum or expansion of the act's coverage would result in more unemployment. Again, the facts are conveniently overlooked.

When the minimum rate was raised to $1, there was no decrease in the level of employment and no increase in the amount of unemployment. Even in the South, where the impact of the minimum was greatest, unemployment did not rise, as is shown by studies made by the Department of Labor. These studies also show that in low wage communities employment increased rather than decreased. I emphasize, in these communities employment rose during the period of adjustment to the minimum wage. It is true that in some individual plants a few workers were laid off, as happens year in and year out whether or not the minimum rate is changed. But in these communities business generally improved, stimulated no doubt by the added purchasing power brought about by the $1 minimum rate.

The minimum wage increase which is now proposed would have a smaller impact than the increase to $1, and there is no reason whatsoever for expecting that its enactment will add to unemployment. On the contrary, this and other measures proposed by President Kennedy will stimulate the economy and aid in economic recovery.

Mr. PHILBIN. Mr. Chairman, I hope and urge that the House will adopt a fair, vital, forward-looking minimum wage bill.

While it is true that the present parliamentary situation is somewhat confused, there is still ample time and opportunity for the House as a whole to find the right kind of a solution that will mark another forward step in the long, painful struggle for social justice, and that will ensure fair, decent treatment for many low-standard workers throughout the Nation.

The committee has labored long and diligently on this important bill, and it is entitled to great credit for its valuable work. In view of the various proposals now pending before the House, it will be necessary for us to try to agree upon some measure that will reflect the best possible results for all those who will be affected by this legislation.

The amendment in the form of a substitute which has been presented by the distinguished gentleman from Oklahoma [Mr. ALBERT] would seem to be a very ably prepared, comprehensive measure which carries out sound progressive ideas regarding hourly rates, and also provides reasonable coverage while preserving those exemptions which the House has traditionally favored.

I want to compliment the gentleman from Oklahoma for his fine work in so speedily and ably assembling and bringing forth this bill as a solution to the complex parliamentary situation facing us.

In this kind of legislation, it is difficult to satisfy all the various groups that will be affected by it. All the House can do is to work its will, and do its very best, to get a bill that will adequately carry out the objectives of social progress, social gain, and the welfare of working men and women. These desirable objectives when measured against our industrial needs and the general prosperity will bring decent, helpful results, not only for individuals and business but for the economy as well.

I have long favored and supported appropriate legislation in behalf of our working people, and I can clearly see that measures of this kind, if they are properly drafted with due concern for local and group needs, are capable of bringing inestimable benefit to the Nation.

To be sure, it is a most commendable objective to lift the standards of the less favored and the less fortunate among us, and if we can in some substantial degree, achieve this result with the present measure, we may feel that our efforts have not been in vain, and that we have contributed something that will make the lot of the average worker easier, the prosperity of the country brighter and broader, and our future destiny as a great free enterprise society placed on firm foundations.

It will be a great satisfaction and privilege for me, indeed, to support a minimum wage bill that will provide fair labor standards for large segments of the American people.

Mr. DONOHUE. Mr. Chairman, the declared policy written into the original Fair Labor Standards Act is "to correct, and as rapidly as practicable, to eliminate labor conditions detrimental to the maintenance of the minimum standard of living necessary for health, efficiency, and general well-being of workers."

I doubt very much that there are any here who seriously dispute that policy; there are indeed many here who sincerely differ about the ways and means by which this accepted policy can be best extended at this time. Our challenge and duty today is, then, to exercise the fullest measure of study, patience, and tolerance in working together for legislative agreement on a bill to further project our basic policy of advancing the general welfare of workers in the present economy while conscientiously endeavoring to insure its impact upon all industries and individuals is as equitable as we can humanly make it. I hope our discussion here will proceed with mutual understanding and deference so that we can fulfill our duty.

In determining our action on this measure it seems to me primary consideration should be granted to such fundamental factors involved as the advanced living costs affecting the average American family in our modern economy, the essential need of placing more purchasing power in the hands of those who will surely spend it, thus accelerating recession recovery, and implementing the basic objective of moving our economy ahead to meet the Russian challenge, as the President recommends.

The authoritative statistics presented to us show that last year there were some seven and a half million families in this country who had incomes less than $2,000 annually, this in the most prosperous country in the world. It has been expertly estimated that the average family needs a minimum of between $4,000 and $5,000 a year to live at the barest level of respectability.

Let us further realize it has been 6 years since the last minimum wage was approved by the Congress, and the Department of Labor has revealed that, with the advanced livings costs in the intervening period, even raising the minimum wage immediately to $1.25 would only provide a third of what is presently required to maintain a modest but adequate standard of living for the average worker.

These and other statistics recited here are, in my opinion, impressively convincing and should influence our decision in favor of improving the structure of our general wage system and the national economy.

It is our proud boast that the standards of ordinary family living under the American system are the best and highest in the world. We are engaged in a desperate struggle with Communist Russia for survival and the elements of that challenge more and more seriously involve the economic factor.

Under the dedicated and inspiring leadership of our great President, John F. Kennedy, let us prove that our proud boastings are a reality and let us move the economy of this country forward in keeping with our destiny of freedom, progress, and leader of the civilized world.

Mr. LINDSAY. Mr. Chairman, I support a $1.25 minimum wage bill and expanded coverage. It is my intention, therefore, to cast my vote for the committee bill and against the substitute bill, which is a flat $1.15 bill with less coverage.

An adequate minimum wage is not a vehicle for Government regulation of industry nor should it be. The goal of any minimum wage legislation should be to afford a minimum standard of living and a healthy atmosphere for competitive industry without turning loose the long tentacles of Government that could strangle the efforts and ingenuity of a free economy.

The bill before us providing for an increase to $1.25 and extending coverage to certain retail and service industries by means of a dollar volume test is both realistic and sound. Competitive advantage based on substandard wages will be reduced. Less efficient businesses will seek to offset any increased labor costs by improvement of production methods. Greater productivity will increase purchasing power, relieve localities of unemployment claims, and go a long way toward enabling workers receiving substandard wages to gain a reasonable standard of living.

In my view there should be no argument as to the propriety of the dollar volume test. The committee bill presents no severe departure from the traditional concepts of commerce and production for commerce. An enterprise engaged in activities affecting commerce is by no means a novel test. Nor is the dollar volume test so applied. Such a test has been sustained by the courts over and over again—witness the Taft-Hartley Act and the Landrum-Griffin Act. There is no dubious scheme here to include enterprises unrelated to each

other, for only those industries bound by a common chain of business can be related. Furthermore the legislative record written thus far is most explicit on that point. Conversely the interstate commerce test of the substitute bill strikes me as being quite arbitrary. It predicates coverage on businesses which have five or more outlets in two or more States. This can result in the anomalous circumstance of the marginal small business being covered and a large big-dollar volume competitor being exempted.

I am not persuaded by the argument that the economic impact of a minimum wage increase will be unfavorable. The history of the Fair Labor Standards Act does not bear out such a contention. The increased labor costs to the employers have been adequately offset by other internal improvements geared to greater production. This benefits the employer and the employee. Higher minimums in the past have not increased unemployment.

Lastly, a realistic $1.25 minimum wage bill is badly needed for it will certainly help to reduce runaway industry. This is serious in New York and it is equally serious in many sectors of the Nation. We cannot continue to provide a climate that produces less than minimum standards of living, reduced purchasing power, runaway industry, unfair competitive advantage and heavy drains on local communities for welfare assistance.

We can go a long way toward improving such conditions by enactment of a sound minimum wage bill. The prescription has been written. I hope that we can resolve our differences on coverage extensions and provide new ingredients for a healthier economy by enacting this bill.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. PUCINSKI].

Mr. PUCINSKI. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. PUCINSKI. Mr. Chairman, it is unfortunate that the tactical situation in the House or fair labor standards legislation is such that in order to make progress many of us are compelled to support a substitute bill which does not provide the extent of coverage the committee originally proposed. It is also lamentable that the retail clerks of America will not receive the additional benefits they are entitled to if the other body fails to improve this legislation. I believe the RECORD should include at this point a telegram sent to the President by James A. Suffridge, international president, Retail Clerks Association:

President JOHN F. KENNEDY,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: The officers and members of the Retail Clerks International Association vigorously protest the substitution of the Albert bill for the original administration minimum wage proposal.

The Albert bill freezes the minimum at $1 per hour for newly covered employees; makes no provision for overtime and is otherwise grossly deficient. The Albert bill would write into Federal law an unprecedented, unfair and long-term discrimination against millions of retail workers in wage rates and overtime protection. In no respect does the Albert bill carry out the basic provisions of the original administration proposal, espoused by you as U.S. Senator and incorporated in the Democratic platform. We cannot believe that the action taken at the meeting attended by Secretary Goldberg and others, at which time the gross dilution of the administration bill was agreed to, could in any way meet your longstanding convictions on increased coverage.

The Retail Clerks International Association cannot possibly support the Albert bill, since the bill is basically discriminatory.

Your immediate personal intervention is vital and urgently requested. We urge you to take steps immediately to maintain your basic principles on increased coverage on behalf of the millions of retail employees and that these employees be treated not as second class employees, but that they be accorded the same basic treatment as presently covered workers.

Mr. Chairman, I ask unanimous consent that I may yield the balance of my time to the gentleman from Massachusetts [Mr. MCCORMACK].

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

Mr. MASON. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard. The Chair recognizes the gentleman from North Carolina [Mr. JONAS].

Mr. JONAS. Mr. Chairman, I take this time because I am concerned as a result of the colloquy between the gentleman from Michigan and the gentleman from California with reference to the determination of the Department of Labor with respect to when gross sales will be calculated. I understand from the gentleman from California that this determination will be made every 3 months or once a quarter; is that correct?

Mr. ROOSEVELT. The gentleman is correct.

Mr. JONAS. May I say, Mr. Chairman, that my concern is based upon this fact. You are going to require that employers determine each quarter what their gross sales have been, and then you are going to have four different wage rates per year per establishment covered by this bill. Employees will not know from quarter to quarter how much money they are making, nor will employers know from quarter to quarter what their labor costs will be or what price they will have to ask for their goods.

The CHAIRMAN. The time of the gentleman from North Carolina [Mr. JONAS] has expired. The Chair recognizes the gentleman from Illinois [Mr. SPRINGER].

Mr. SPRINGER. Mr. Chairman, I ask unanimous consent that I may yield my time to the gentleman from North Carolina [Mr. JONAS].

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois [Mr. SPRINGER]?

There was no objection.

Mr. JONAS. I ask the gentleman from California, is that not true? Will not that impose a heavy burden upon every employer covered by this act to make a new determination every 3 months of what his wage scales are to be; and will not that require him to change the cost of the product he makes and will not that result in complete confusion?

Mr. ROOSEVELT. The answer is "No," because in the Albert bill there is the same requirement to file one statement that you are in compliance with the provisions of the act. And as long as you are in compliance you do not have to file the other statements to which the gentleman is referring.

Mr. JONAS. I know, but if I as an employer have gross sales on an annual basis of $1 million, and if during 3 months of that time I do not have sales that equal that pro rata amount, I would be in a different situation for that quarter.

Mr. ROOSEVELT. That is as the law is today. The Labor Board for years has handled this problem.

Mr. JONAS. But the law today is not based upon a dollar volume of sales, so the problem I cite cannot come up today.

The CHAIRMAN. The time of the gentleman from North Carolina [Mr. JONAS] has expired. The Chair recognizes the gentleman from California [Mr. SHELLEY].

Mr. MCCORMACK. Mr. Chairman, will the gentleman from California [Mr. SHELLEY] yield to me?

Mr. SHELLEY. I am happy to yield to the gentleman from Massachusetts.

Mr. MCCORMACK. Mr. Chairman, I am sorry that my friend, the gentleman from Illinois [Mr. MASON] objected a moment ago. He arrived on the floor of the House at the last minute, to vote in the last teller vote, which was all right. So he did not know what was going on prior to that. Nobody objected to others transferring their time. I make no further comment than that.

Mr. Chairman, I listened to the remarks of the distinguished gentleman from Indiana [Mr. HALLECK]. I think he made a very fair statement about the legislative situation. I thoroughly agree with him and the other Members who have talked about the high level of this debate. Certainly the debate on this very important, and I realize, very controversial bill has been on a very high level, which reflects great credit upon the Members of the House, sitting as we are in Committee of the Whole.

There are a few observations I want to make.

To all Members on both sides who believe in minimum wage legislation and a further increase and a further extension, I respectfully submit that the compromise offered by the gentleman from Oklahoma [Mr. ALBERT] should be supported. I agree with the observations made by the gentleman from Indiana [Mr. HALLECK] that those who oppose any minimum wage legislation should vote along the lines that he indicated, but on the other hand those who favor minimum wage legislation should vote for the Albert amendment without regard to what side of the aisle we sit on.

You and I all know that progress is made through reasonable compromise.

The Albert amendment is a reasonable compromise. There are some here who feel that the committee bill did not go far enough. There are others who feel that it went too far. I submit that the Albert amendment represents a reasonable compromise for which those who support minimum wage legislation can vote, even if in some respects it goes further than some think it should go, and in other respects some feel it does not go far enough. So I urge that the amendment is reasonable, certainly, and I hope the substitute will be agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. HOSMER].

Mr. HOSMER. Mr. Chairman, I had a question for the gentleman from California [Mr. ROOSEVELT] with respect to a constitutional aspect. There will not be time to answer it, but I do want to pose the question.

In the gentleman's memorandum of constitutionality, he said that the $1 million test would be ample to insure that the enterprise would have sufficiently substantial impact on interstate commerce to be well within the scope of constitutionality. That I grant. I am disturbed about the fact that the Constitution and the legal system have always required that the laws apply equally and that equal protection of the laws be granted. Therefore, if you have one firm doing a million-dollar business, and another firm next door in the identical business that is just as much in interstate commerce but doing $900,000 worth of sales, what happens to equal protection? Both as to the second firm and its employees?

The CHAIRMAN. The Chair recognizes the gentleman from South Carolina [Mr. HEMPHILL].

Mr. HEMPHILL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HEMPHILL, of South Carolina, to the substitute offered by Mr. ALBERT, of Oklahoma: On page 16, line 17, strike out paragraph (iii) of paragraph (2) of section 10(a). Amend section 10(a) by adding a new paragraph:

"(iii) is situated outside of the boundaries of a standard metropolitan statistical area as now delineated and now defined by the Federal Committee on Standard Metropolitan Statistical Areas under the direction of the U.S. Bureau of the Budget."

Mr. HEMPHILL. Mr. Chairman, I take this time because on yesterday I discussed here the fact that the impact of this legislation on the rural areas of this country is something which has not been explored as far as I can determine. The standard metropolitan statistical area is an area usually in which a city has 50,000 or more, or two contiguous counties have 50,000 or more people. All I am trying to do is the same thing the Albert substitute has done on page 22 with reference to radio operators. I am saying instead of the 50,000, which may affect the rural or farm store operator, that we exempt the rural areas, take in the cities where the cost of living is higher and the wage scale is higher, and let those people outside the cities where the wage scale and the cost of living and the variety of operation are altogether different and altogether cheaper have a chance under this legislation.

Let this House vote on this. Then, if the rural areas are affected, and unemployment results, your vote for or against will determine your interest in the welfare of the people of the rural areas.

I am sympathetic to every small merchant. How he makes a living is a mystery, almost, for the small merchant works harder, and has more problems than any business or workingman I know. He must work long hours to make it.

His judgment must be good on what to buy and sell.

He has many taxes others do not have.

His operation varies as his demands, his opportunities, his locale, his custom differentiates.

He is not only our merchant, he is our friend, neighbor, and pillar of our community. I salute his efforts, now and in the past. I intend to help him.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. DENT].

Mr. BARRETT. Mr. Chairman, will the gentleman yield?

Mr. DENT. I yield to the gentleman from Pennsylvania.

Mr. BARRETT. Mr. Chairman, I am very much in favor of H.R. 5900 which, if enacted into law, will amend the Fair Labor Standards Act of 1938, as amended, to provide additional coverage for millions of men and women primarily employed in our large retail and service industries. In addition, those people now covered by the law will become entitled within a three year period to a minimum of $1.25 an hour.

As my record in the House over the past 4 years will show, I have consistently advocated a minimum hourly wage of $1.50, which to my way of thinkink is a just and fair figure; and is based on my knowledge of the average family's expenses and living conditions as they exist today and as far back as 4 years ago in our city of Philadelphia.

In the United States today there are approximately eight million men and women who are working for less than $1 an hour—and this is not right. With today's sky-high prices, I do not know how many of our families exist when their take-home pay is from $30 to $40 a week. I personally know of families living in my district in south Philadelphia who are barely getting by on a weekly paycheck of $35. This to me is not living—it is struggling to exist. These people do not have steaks, chops and chicken. They eat soups, potatoes and rice, drink powdered milk and use other substitutes for good wholesome food. Of course, where the man and wife both are working, home conditions are somewhat better—but leave a lot to be desired.

Why should big business continue to grow richer through the honest toils of its underpaid employees. Why should some clip coupons and reap dividends when the less fortunate worker has to fight to keep alive. It is not fair to the wage earner or right that his children must suffer.

Recently the AFL–CIO urged the Congress to expedite the President's 12-point economic program and in an effort to improve the program recommended a $1.25 minimum wage at once, rather than in steps over a 3-year period. I wholeheartedly concur with this proposal because it would give our economy the shot in the arm it needs to spiral upward. It would immediately put extra money in the pockets of the wage earner. It would buy more and better food and, in general, would raise the living standards of our American workers.

Our present economy demands at least $1.25 hourly minimum wage. Our workers are entitled to it. I stand with them and urge that H.R. 5900 be enacted into law.

Mr. DENT. Mr. Chairman, I know this amendment and know exactly what it does and have given it a great deal of study because we had it before us in the subcommittee. One of the basic faults with this type of coverage is that it does not take into consideration the soundest of all economic values, and that is the ability to pay, because it takes into coverage all of the communities that are included in a statistical metropolitan area. Under the latest census reports, an entire county or an entire area of three or five or six counties may be considered a metropolitan area.

The CHAIRMAN. The question is on the amendment offered by the gentleman from South Carolina [Mr. HEMPHILL] to the substitute amendment offered by the gentleman from Oklahoma [Mr. ALBERT].

The amendment was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from Maryland [Mr. JOHNSON].

Mr. JOHNSON of Maryland. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JOHNSON of Maryland to the substitute amendment offered by Mr. ALBERT: Page 18, strike lines 9 through 17 and insert in lieu thereof:

"(5) any employee employed in the catching, taking, harvesting, cultivating, or farming of any kind of fish, shellfish, crustacea, sponges, seaweeds, or other aquatic forms of animal and vegetable life, including the going to and returning from work and including employment in the loading, unloading, or packing of such products for shipment or in propagating, processing (other than canning), marketing, freezing, curing, storing, or distributing the above products or byproducts thereof;".

Page 21, strike lines 19 through 23 and insert in lieu thereof:

"(4) any employee employed in the canning of any kind of fish, shellfish, or other aquatic forms of animal or vegetable life, or any byproduct thereof;".

Mr. JOHNSON of Maryland. Mr. Chairman, H.R. 5900 proposes to amend the present fishery exemptions of the act by elimination of the exemption pertaining to all onshore operations. Generally, this would repeal the present exemption of such operations as packing, propagating, processing, marketing, freezing, curing, storing, and distribution of fish, shellfish, seafood and their byproducts.

When the Fair Labor Standards Act has been under consideration and in respect to all marine legislation generally,

Congress has been alertly aware of the uniqueness of the fishing industry and has exercised extreme caution in dealing with it.

No understanding of the present problem is possible without a rather full knowledge of the legislative history of these exemptions. I will not undertake to review the extensive record of these exemptions in the body of this statement, but I call your attention to statements already on record in the printed hearings of the House and Senate committees of Congress on this subject. The first of these statements is that of R. E. Steele, representative of the National Fisheries Institute, Inc., delivered before the House of Representatives Committee on Labor on November 6, 1945. The second is the statement of John A. Fulham, representative of the National Fisheries Institute, Inc., before the Senate Committee on Labor and Public Welfare on April 29, 1948.

It is clear from the legislative history of these amendments that Congress has always recognized that the fisheries industry is beset with three important characteristics that distinguish it from the normal pattern of industrial activities. These factors are variance and unpredictability of the catch, the perishability of the product, and the exposure to foreign competition. It is also clear that Congress has viewed offshore and onshore activities as a single integral operation at least up to the point that perishability of product was no longer a factor and has undertaken to give both phases of these interdependent activities broad exemption from wage and hour control.

To remove the present exemptions applicable to onshore operations would be about as injurious to the fishing industry as cutting off one of your two legs. Both onshore and offshore operations are closely interwoven and are completely interdependent one on the other. Both phases of activities are affected by the same basic factors of variance of catch, perishability of product, and foreign competition which are the very foundation of the exemptions. These factors are just as much with us today as they were in 1938 and 1949, when the present fisheries exemptions were considered. Scheduling of fishery operations is just as difficult as ever. The circumstances of the catch and subsequent processing and marketing of fishery products is as diverse and complex as the colors of Joseph's coat. The onshore and offshore activities relating to each type and species of commercial fish and marine life have their own peculiar characteristics. And even within the same species, such as shrimp, there are variables of size and color that control the commercial value and distinguish the end use of the catch.

The second characteristic of high perishability of product is the same as before. Almost without exception, all species of fish and marine life are highly perishable and must be expeditiously and carefully handled so long as a state of perishability is present. Here, I wish to point out that in respect to a very substantial part of the catch, this factor of perishability continues right on through to final consumption of the product. To illustrate, if you will refer to page 11 of Fishery Leaflet 393, exhibit A, showing the disposition of the 1958 catch amounting to 4,716 million pounds round weight, 31.4 percent or 1,483 million pounds went to market in a fresh or frozen state. Canning accounted for 26.3 percent or 1,242 million pounds. Only 1.9 percent or 88 million pounds went into cured fish. The remaining 40.4 percent, amounting to 1,903 million pounds, went into by-products and bait.

There is then the third and equally significant factor against domestic wage control for the fisheries. This is the matter of exposure to foreign competition which threatens the very existence of the domestic fisheries. The U.S. fisheries industry is in a precarious position. Many operators have already been forced out of business and, no doubt, many others will follow.

The CHAIRMAN. The time of the gentleman from Maryland has expired.

The question is on the amendment offered by the gentleman from Maryland [Mr. JOHNSON] to the substitute amendment offered by the gentleman from Oklahoma [Mr. ALBERT].

The question was taken; and on a division (demanded by Mr. JOHNSON of Maryland) there were—ayes 79, noes 196.

So the amendment was rejected.

The CHAIRMAN. All time for debate on the Ayres amendment and all amendments thereto has expired.

Mr. JENNINGS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JENNINGS to the substitute amendment offered by Mr. ALBERT: On page 25, delete lines 6 through 15, and substitute the following:

"EFFECTIVE DATE

"SEC. 14. The amendments made by this Act shall take effect upon the expiration of one hundred and twenty days after the date of its enactment, except as otherwise provided in such amendments; except that the authority to promulgate necessary rules, regulations, or orders with regard to amendments made by this Act, under the Fair Labor Standards Act of 1938 and amendments thereto, including amendments made by this Act, may be exercised by the Secretary on and after the date of enactment of this Act and except that the Secretary may, upon proper application from an employer with a term contractual agreement with the Federal Government, suspend the applicability of this Act as it applies to such employer until such contract expires but for no longer than one year after the date of enactment."

Mr. POWELL. Mr. Chairman, the committee accepts the amendment.

Mr. HALLECK. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. HALLECK. The point of order is that all time for debate has expired and nobody may be recognized.

The CHAIRMAN. The gentleman is correct.

The question is on the amendment offered by the gentleman from Virginia.

The question was taken; and on a division (demanded by Mr. JENNINGS) there were—ayes 167, noes 158.

So the amendment was agreed to.

The CHAIRMAN. The question is on the Albert substitute to the Ayres amendment.

Mr. POWELL. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. POWELL. Mr. Chairman, is that as amended by the Vinson amendment?

The CHAIRMAN. It is the substitute as amended.

Mr. POWELL. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. ALBERT and Mr. GOODELL.

The Committee divided and the tellers reported that there were—ayes 185, noes 186.

So the substitute was rejected.

Mr. MARTIN of Nebraska. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MARTIN of Nebraska as a substitute for the amendment offered by Mr. AYRES: Strike out all after the enacting clause and insert:

"That section 6(a)(1) of the Fair Labor Standards Act of 1938 is amended by striking out 'not less than $1 an hour' and inserting in lieu thereof 'not less than $1.15 an hour'.

"SEC. 2. The amendment made by the first section shall take effect upon the expiration of one hundred and twenty days after the date of the enactment of this Act."

The CHAIRMAN. The question is on the substitute amendment offered by the gentleman from Nebraska [Mr. MARTIN].

The amendment was rejected.

The CHAIRMAN. The question now is on the Ayres amendment.

The question was taken; and the Chairman announced that he was in doubt.

Mr. POWELL. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers the gentleman from Ohio, Mr. AYRES, and the gentleman from California, Mr. ROOSEVELT.

The Committee divided, and the tellers reported that there were—ayes 206, noes 162.

So the amendment was agreed to.

The CHAIRMAN. The question recurs on the committee amendment as amended by the Ayres amendment.

The committee amendment as amended was agreed to.

The CHAIRMAN. Under the rule the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. WALTER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 3935) to amend the Fair Labor Standards Act of 1938, as amended, to provide coverage for employees of large enterprises engaged in retail trade or service and of other employers engaged in commerce or in the production of goods for commerce, to increase the minimum wage under the act to $1.25 an hour, and for other purposes, pursuant to House Resolution 239, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule the previous question is ordered.

The question is on the amendment.

Mr. POWELL. Mr. Speaker, on this I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken and there were—yeas 216, nays 203, not voting 12, as follows:

[Roll No. 27]

YEAS—216

Abbitt	Fenton	Michel
Abernethy	Findley	Mills
Adair	Fisher	Minshall
Alexander	Flynt	Moore
Alford	Ford	Moorehead, Ohio
Alger	Forrester	Mosher
Andersen, Minn.	Fountain	Murray
Anderson, Ill.	Frazier	Nelsen
Andrews	Frelinghuysen	Norblad
Arends	Garland	Nygaard
Ashbrook	Gary	Ostertag
Ashmore	Gathings	Pelly
Auchincloss	Gavin	Pilcher
Avery	Goodell	Pillion
Ayres	Goodling	Pirnie
Baker	Grant	Poage
Barry	Griffin	Poff
Bass, N.H.	Gross	Quie
Battin	Gubser	Ray
Becker	Hagan, Ga.	Reifel
Beckworth	Haley	Rhodes, Ariz.
Beermann	Hall	Riehlman
Belcher	Halleck	Riley
Bell	Hardy	Rivers, S.C.
Bennett, Fla.	Harris	Robison
Berry	Harrison, Va.	Rogers, Fla.
Betts	Harrison, Wyo.	Roudebush
Blitch	Harsha	Rousselot
Bolton	Harvey, Ind.	Rutherford
Bow	Harvey, Mich.	St. George
Boykin	Hébert	Schadeberg
Bray	Henderson	Schenck
Bromwell	Herlong	Scherer
Brooks, La.	Hiestand	Schneebeli
Broomfield	Hoeven	Scott
Brown	Hoffman, Ill.	Scranton
Broyhill	Hoffman, Mich.	Selden
Bruce	Horan	Short
Burleson	Hosmer	Shriver
Byrnes, Wis.	Ikard, Tex.	Sibal
Casey	Jarman	Sikes
Cederberg	Jensen	Siler
Chamberlain	Johansen	Smith, Calif.
Chelf	Jonas	Smith, Miss.
Chenoweth	Jones, Mo.	Smith, Va.
Chiperfield	Judd	Springer
Church	Kearns	Stafford
Clancy	Kilburn	Stephens
Collier	King, N.Y.	Stubblefield
Colmer	Kitchin	Taber
Cramer	Knox	Teague, Calif.
Curtin	Kyl	Teague, Tex.
Curtis, Mass.	Laird	Thompson, Tex.
Curtis, Mo.	Langen	Thomson, Wis.
Dague	Latta	Tuck
Davis, James C.	Lennon	Tupper
Davis, John W.	Lipscomb	Utt
Davis, Tenn.	Loser	Van Pelt
Derounian	McCulloch	Van Zandt
Derwinski	McIntire	Watts
Devine	McMillan	Weaver
Dole	McSween	Weis
Dominick	McVey	Westland
Dooley	MacGregor	Wharton
Dorn	Mahon	Whitten
Dowdy	Marshall	Williams
Downing	Martin, Mass.	Willis
Durno	Martin, Nebr.	Wilson, Calif.
Ellsworth	Mason	Wilson, Ind.
Everett	Mathias	Winstead
Evins	Matthews	Young
	May	Younger
	Meader	

NAYS—203

Addabbo	Bolling	Conte
Addonizio	Bonner	Cook
Albert	Brademas	Cooley
Anfuso	Breeding	Corbett
Ashley	Brewster	Corman
Aspinall	Brooks, Tex.	Cunningham
Bailey	Burke, Ky.	Daddario
Baldwin	Burke, Mass.	Daniels
Baring	Byrne, Pa.	Dawson
Barrett	Cahill	Delaney
Bass, Tenn.	Cannon	Dent
Bates	Carey	Denton
Bennett, Mich.	Celler	Diggs
Blatnik	Clark	Dingell
Boggs	Coad	Donohue
Boland	Cohelan	Doyle
Dulski	King, Calif.	Philbin
Dwyer	King, Utah	Pike
Edmondson	Kirwan	Powell
Elliott	Kluczynski	Price
Fallon	Kornegay	Pucinski
Farbstein	Kowalski	Rains
Fascell	Lane	Randall
Feighan	Lankford	Reuss
Finnegan	Lesinski	Rhodes, Pa.
Fino	Libonati	Rivers, Alaska
Flood	Lindsay	Roberts
Fogarty	McCormack	Rodino
Friedel	McDowell	Rogers, Colo.
Fulton	McFall	Rogers, Tex.
Gallagher	Macdonald	Rooney
Garmatz	Machrowicz	Roosevelt
Giaimo	Mack	Rostenkowski
Gilbert	Madden	Ryan
Glenn	Magnuson	St. Germain
Granahan	Mailliard	Santangelo
Gray	Merrow	Saund
Green, Oreg.	Miller, Clem	Saylor
Green, Pa.	Miller, George P.	Schweiker
Griffiths	Milliken	Schwengel
Hagen, Calif.	Moeller	Seely-Brown
Halpern	Monagan	Shelley
Hansen	Montoya	Shipley
Harding	Moorhead, Pa.	Sisk
Hays	Morgan	Slack
Healey	Morris	Smith, Iowa
Hechler	Morrison	Spence
Hemphill	Morse	Staggers
Holifield	Moss	Steed
Holland	Moulder	Stratton
Holtzman	Multer	Sullivan
Huddleston	Murphy	Taylor
Hull	Natcher	Thomas
Ichord, Mo.	Nix	Thompson, N.J.
Inouye	O'Brien, Ill.	Thornberry
Jennings	O'Brien, N.Y.	Toll
Joelson	O'Hara, Ill.	Trimble
Johnson, Calif.	O'Hara, Mich.	Ullman
Johnson, Md.	O'Konski	Vanik
Johnson, Wis.	Olsen	Vinson
Jones, Ala.	O'Neill	Wallhauser
Karsten	Osmers	Walter
Karth	Passman	Whitener
Kastenmeier	Patman	Wickersham
Kee	Perkins	Widnall
Keith	Peterson	Yates
Kelly	Pfost	Zablocki
Keogh		Zelenko

NOT VOTING—12

Buckley	McDonough	Thompson, La.
Kilday	Miller, N.Y.	Tollefson
Kilgore	Rabaut	Whalley
Landrum	Sheppard	Wright

So the amendment was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Kilgore for, with Mr. Rabaut against.

Mr. Landrum for, with Mr. Buckley against.

Mr. Miller of New York for, with Mr. Sheppard against.

Until further notice:

Mr. Kilday with Mr. McDonough.

Mr. Thompson of Louisiana with Mr. Tollefson.

Mrs. CHURCH changed her vote from "nay" to "yea."

Mr. PASSMAN changed his vote from "yea" to "nay."

Mr. BREEDING changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. HIESTAND. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. HIESTAND. I am, Mr. Speaker.

The SPEAKER. The gentleman qualifies. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. HIESTAND moves that the bill, H.R. 3935, be recommitted to the Committee on Education and Labor.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

Mr. POWELL. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 196, nays 224, not voting 11, as follows:

[Roll No. 28]

YEAS—196

Addabbo	Gray	Multer
Addonizio	Green, Oreg.	Murphy
Albert	Green, Pa.	Natcher
Andersen, Minn.	Griffiths	Nix
Anfuso	Hagen, Calif.	O'Brien, Ill.
Ashley	Halpern	O'Brien, N.Y.
Bailey	Hansen	O'Hara, Ill.
Baring	Harding	O'Hara, Mich.
Barrett	Hays	Olsen
Bass, Tenn.	Healey	O'Neill
Bates	Hechler	Osmers
Bennett, Fla.	Hemphill	Passman
Blatnik	Hiestand	Patman
Boggs	Holifield	Perkins
Boland	Holland	Peterson
Bonner	Holtzman	Pfost
Brademas	Huddleston	Philbin
Breeding	Ichord, Mo.	Pike
Brewster	Inouye	Powell
Brooks, Tex.	Jarman	Price
Burke, Mass.	Jennings	Pucinski
Byrne, Pa.	Joelson	Randall
Cahill	Johnson, Calif.	Reuss
Cannon	Johnson, Wis.	Rhodes, Pa.
Carey	Jones, Mo.	Rivers, Alaska
Celler	Karsten	Rodino
Clark	Karth	Rogers, Colo.
Coad	Kastenmeier	Rogers, Tex.
Cohelan	Kee	Rooney
Conte	Keith	Roosevelt
Cook	Kelly	Rostenkowski
Cooley	Keogh	Ryan
Corbett	King, Calif.	St. Germain
Corman	King, Utah	Santangelo
Cunningham	Kirwan	Saund
Daddario	Kluczynski	Saylor
Daniels	Kornegay	Schweiker
Dawson	Kowalski	Schwengel
Delaney	Lane	Seely-Brown
Dent	Lankford	Shelley
Denton	Lesinski	Shipley
Diggs	Libonati	Sisk
Dingell	Lindsay	Slack
Donohue	McCormack	Smith, Iowa
Doyle	McDowell	Smith, Miss.
Dulski	McFall	Spence
Dwyer	Macdonald	Staggers
Edmondson	Machrowicz	Steed
Fallon	Mack	Sullivan
Farbstein	Madden	Taylor
Fascell	Magnuson	Thomas
Feighan	Marshall	Thompson, N.J.
Finnegan	Merrow	Thompson, Tex.
Fino	Miller, Clem	Toll
Fisher	Miller, George P.	Tollefson
Flood	Milliken	Ullman
Fogarty	Moeller	Vanik
Friedel	Monagan	Vinson
Fulton	Montoya	Wallhauser
Gallagher	Moorhead, Pa.	Walter
Garmatz	Morgan	Whitener
Giaimo	Morrison	Whitten
Gilbert	Morse	Wickersham
Glenn	Moss	Yates
Granahan	Moulder	Zablocki
		Zelenko

NAYS—224

Abbitt	Baker	Bolton
Abernethy	Baldwin	Bow
Adair	Barry	Boykin
Alexander	Bass, N.H.	Bray
Alford	Battin	Bromwell
Alger	Becker	Brooks, La.
Anderson, Ill.	Beckworth	Broomfield
Andrews	Beermann	Brown
Arends	Belcher	Broyhill
Ashbrook	Bell	Bruce
Ashmore	Bennett, Mich.	Burke, Ky.
Aspinall	Berry	Burleson
Auchincloss	Betts	Byrnes, Wis.
Avery	Blitch	Casey
Ayres	Bolling	Cederberg

Chamberlain	Henderson	Poff
Chelf	Herlong	Quie
Chenoweth	Hoeven	Rains
Chiperfield	Hoffman, Ill.	Ray
Church	Hoffman, Mich.	Reifel
Clancy	Horan	Rhodes, Ariz.
Collier	Hosmer	Riehlman
Colmer	Hull	Riley
Cramer	Ikard, Tex.	Rivers, S.C.
Curtin	Jensen	Roberts
Curtis, Mass.	Johansen	Robison
Curtis, Mo.	Johnson, Md.	Rogers, Fla.
Dague	Jonas	Roudebush
Davis, James C.	Jones, Ala.	Rousselot
	Judd	Rutherford
Davis, John W.	Kearns	St. George
Davis, Tenn.	Kilburn	Schadeberg
Derounian	King, N.Y.	Schenck
Derwinski	Kitchin	Scherer
Devine	Knox	Schneebeli
Dole	Kyl	Scott
Dominick	Laird	Scranton
Dooley	Langen	Selden
Dorn	Latta	Short
Dowdy	Lennon	Shriver
Downing	Lipscomb	Sibal
Durno	Loser	Sikes
Elliott	McCulloch	Siler
Ellsworth	McIntire	Smith, Calif.
Everett	McMillan	Smith, Va.
Evins	McSween	Springer
Fenton	McVey	Stafford
Findley	MacGregor	Stephens
Flynt	Mahon	Stratton
Ford	Mailliard	Stubblefield
Forrester	Martin, Mass.	Taber
Fountain	Martin, Nebr.	Teague, Calif.
Frazier	Mason	Teague, Tex.
Frelinghuysen	Mathias	Thomson, Wis.
Garland	Matthews	Thornberry
Gary	May	Trimble
Gathings	Meader	Tuck
Gavin	Michel	Tupper
Goodell	Mills	Utt
Goodling	Minshall	Van Pelt
Grant	Moore	Van Zandt
Griffin	Moorehead, Ohio	Watts
Gross		Weaver
Gubser	Morris	Weis
Hagan, Ga.	Mosher	Westland
Haley	Murray	Wharton
Hall	Nelsen	Widnall
Halleck	Norblad	Williams
Hardy	Nygaard	Willis
Harris	O'Konski	Wilson, Calif.
Harrison, Va.	Ostertag	Wilson, Ind.
Harrison, Wyo.	Pelly	Winstead
Harsha	Pilcher	Young
Harvey, Ind.	Pillion	Younger
Harvey, Mich.	Pirnie	
Hébert	Poage	

NOT VOTING—11

Buckley	McDonough	Thompson, La.
Kilday	Miller, N.Y.	Whalley
Kilgore	Rabaut	Wright
Landrum	Sheppard	

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Rabaut for, with Mr. Kilgore against.

Mr. Buckley for, with Mr. Landrum against.

Mr. Sheppard for, with Mr. Miller of New York, against.

Until further notice:

Mr. Kilday with Mr. McDonough.

Mr. Thompson of Louisiana with Mr. Whalley.

Mr. MACHROWICZ changed his vote from "nay" to "yea."

Mr. LIPSCOMB and Mr. HOFFMAN of Illinois changed their vote from "yea" to "nay."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

Mr. HALLECK. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 341, nays 78, not voting 12, as follows:

[Roll No. 29]

YEAS—341

Adair	Ellsworth	Loser
Addabbo	Everett	McCormack
Addonizio	Evins	McCulloch
Albert	Fallon	McDowell
Alexander	Farbstein	McFall
Alford	Fascell	McIntire
Anderson, Ill.	Feighan	McVey
Anfuso	Fenton	Macdonald
Arends	Finnegan	MacGregor
Ashbrook	Fino	Machrowicz
Ashley	Flood	Mack
Aspinall	Flynt	Madden
Auchincloss	Fogarty	Magnuson
Avery	Ford	Mailliard
Ayres	Fountain	Marshall
Bailey	Frazier	Martin, Mass.
Baker	Frelinghuysen	Mathias
Baldwin	Friedel	Matthews
Baring	Fulton	May
Barrett	Gallagher	Meader
Barry	Garland	Merrow
Bass, N.H.	Garmatz	Michel
Bass, Tenn.	Gathings	Miller, Clem
Bates	Gavin	Miller, George P.
Battin	Giaimo	
Becker	Gilbert	Millikin
Beckworth	Glenn	Mills
Bell	Goodell	Moeller
Bennett, Fla.	Granahan	Monagan
Bennett, Mich.	Gray	Montoya
Blatnik	Green, Oreg	Moore
Boggs	Green, Pa.	Moorehead, Ohio
Boland	Griffin	
Bolling	Griffiths	Moorhead, Pa.
Bolton	Gross	Morgan
Bonner	Gubser	Morris
Bow	Hagen, Calif.	Morrison
Boykin	Haley	Morse
Brademas	Halleck	Mosher
Bray	Halpern	Moss
Breeding	Hansen	Moulder
Brewster	Harding	Multer
Bromwell	Hardy	Murphy
Brooks, La.	Harris	Natcher
Brooks, Tex.	Harrison, Wyo.	Nelsen
Broomfield	Harsha	Nix
Brown	Harvey, Mich.	Norblad
Burke, Ky.	Hays	Nygaard
Burke, Mass.	Healey	O'Brien, Ill.
Byrne, Pa.	Hechler	O'Brien, N.Y.
Byrnes, Wis.	Hemphill	O'Hara, Ill.
Cahill	Henderson	O'Hara, Mich.
Cannon	Herlong	O'Konski
Carey	Hoeven	Olsen
Cederberg	Holifield	O'Neill
Celler	Holland	Osmers
Chamberlain	Holtzman	Ostertag
Chenoweth	Horan	Passman
Chiperfield	Hosmer	Patman
Church	Huddleston	Pelly
Clancy	Hull	Perkins
Clark	Ichord, Mo.	Peterson
Coad	Inouye	Pfost
Cohelan	Jennings	Philbin
Collier	Joelson	Pike
Conte	Johnson, Calif.	Pillion
Cook	Johnson, Md.	Pirnie
Cooley	Johnson, Wis.	Powell
Corbett	Jones, Ala.	Price
Corman	Jones, Mo.	Pucinski
Cramer	Judd	Quie
Cunningham	Karsten	Rains
Curtin	Karth	Randall
Curtis, Mass.	Kastenmeier	Reifel
Curtis, Mo.	Kearns	Reuss
Daddario	Kee	Rhodes, Pa.
Daniels	Keith	Riehlman
Davis, John W.	Kelly	Rivers, Alaska
Davis, Tenn.	Keogh	Roberts
Delaney	King, Calif.	Robison
Dent	King, N.Y.	Rodino
Denton	King, Utah	Rogers, Colo.
Derounian	Kirwan	Rogers, Fla.
Derwinski	Kitchin	Rooney
Diggs	Kluczynski	Roosevelt
Dingell	Knox	Rostenkowski
Dominick	Kornegay	Roudebush
Donohue	Kowalski	Rousselot
Dooley	Kyl	Rutherford
Dowdy	Laird	Ryan
Downing	Lane	St. George
Doyle	Lankford	St. Germain
Dulski	Latta	Santangelo
Durno	Lennon	Saund
Dwyer	Lesinski	Saylor
Edmondson	Lindsay	Schadeberg
Elliott	Lipscomb	Schenck
Schneebeli	Stratton	Walter
Schweiker	Stubblefield	Watts
Scranton	Sullivan	Weis
Seely-Brown	Taylor	Westland
Selden	Teague, Calif.	Wharton
Shelley	Thomas	Whitener
Shipley	Thompson, N.J.	Wickersham
Shriver	Thomson, Wis.	Widnall
Sibal	Thornberry	Willis
Sikes	Toll	Wilson, Calif.
Siler	Tollefson	Wilson, Ind.
Sisk	Trimble	Yates
Slack	Tupper	Young
Smith, Iowa	Ullman	Younger
Spence	Vanik	Zablocki
Springer	Van Pelt	Zelenko
Stafford	Van Zandt	
Staggers	Wallhauser	

NAYS—78

Abbitt	Forrester	Poage
Abernethy	Gary	Poff
Alger	Goodling	Ray
Andersen, Minn.	Grant	Rhodes, Ariz.
	Hagan, Ga.	Riley
Andrews	Hall	Rivers, S.C.
Ashmore	Harrison, Va.	Rogers, Tex.
Beermann	Harvey, Ind.	Scherer
Belcher	Hébert	Schwengel
Berry	Hiestand	Scott
Betts	Hoffman, Ill.	Short
Blitch	Hoffman, Mich.	Smith, Calif.
Broyhill	Ikard, Tex.	Smith, Miss
Bruce	Jarman	Smith, Va.
Burleson	Jensen	Steed
Casey	Johansen	Stephens
Chelf	Jonas	Taber
Colmer	Kilburn	Teague, Tex.
Dague	Langen	Thompson, Tex.
Davis, James C.	Libonati	Tuck
	McMillan	Utt
Dawson	McSween	Vinson
Devine	Mahon	Weaver
Dole	Martin, Nebr.	Whitten
Dorn	Minshall	Williams
Findley	Murray	Winstead
Fisher	Pilcher	

NOT VOTING—12

Buckley	McDonough	Sheppard
Kilday	Mason	Thompson, La.
Kilgore	Miller, N.Y.	Whalley
Landrum	Rabaut	Wright

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Rabaut for, with Mr. Kilgore against.

Until further notice:

Mr. Buckley with Mr. Mason.

Mr. Landrum with Mr. McDonough.

Mr. Kilday with Mr. Miller of New York.

Mr. Sheppard with Mr. Whalley.

Mr. EDMONDSON changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. ROOSEVELT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to revise and extend their remarks in the RECORD on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. GILBERT. Mr. Chairman, a cruel and vicious blow was struck against millions of underpaid and unprotected workers of our Nation when the minimum wage legislation which the President requested was defeated in the House of Representatives.

I would have preferred a direct increase in minimum wage to $1.25 now, and in January of this year reintroduced

my bill which so provided. However, the committee bill, H.R. 3935, embodied the President's proposals, and while it represented a compromise, it was felt that it was the best bill on which we could hope to get favorable action. The bill would have provided much needed relief not only to workers, but also would have given the economy of our Nation a boost. Increased wages make possible increased spending by consumers, thus benefiting all segments of our economic structure.

At the last moment, in order to avert defeat, a second compromise bill was offered by the House leadership, for which I voted, and when this was defeated by the Republican-southern Democratic coalition, all hopes for even a reasonable, moderately helpful bill fled. In order to provide at least some assistance to our underpaid workers, which they must have in order to exist in view of present all time high living costs, I was forced to vote in favor of the Republican-backed bill, which is totally unrealistic and unsatisfactory to me. The bill, which raises the minimum wage to only $1.15 for the 24 million employees now covered and which would grant coverage to only 1,400,000 workers formerly uncovered, does not begin to correct the tragic predicament of the vast majority of our workers.

For years, there has been overwhelming evidence of the need for strong, equitable, humanitarian minimum wage legislation, and necessary amendments to the Fair Labor Standards Act have been long overdue.

The scaled-down coalition substitute which we were forced to accept, is in my opinion, a betrayal of the workers of our country, and is a grave disappointment to me. The House of Representatives has failed in its duty to the many millions who have looked to us for the assistance they sorely need. It is hoped that the Senate will come to the rescue and pass a much more satisfactory bill, so that when a new minimum wage bill is passed in its final form, by the Congress, it will more nearly approach the kind of legislation which our workers merit and to which they have long been entitled.

PROGRAM FOR NEXT WEEK

Mr. HALLECK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HALLECK. Mr. Speaker, I take this time for the purpose of inquiring of the majority leader as to the program for next week.

Mr. McCORMACK. Monday is District Day, and there is one bill, H.R. 258, increase in sales tax.

On Tuesday we will take up the Treasury-Post Office Department appropriation bill for 1962.

Thereafter, if rules are reported out of the Committee on Rules, we will take up S. 1, the distressed areas bill; H.R. 5742, the Reorganization Act, extending the powers of the President; H.R. 5723, providing housing loans for veterans. I understand the Committee on Rules is meeting on Monday.

Mr. HALLECK. I thank the gentleman.

ADJOURNMENT OVER

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

CALENDAR WEDNESDAY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the call of Calendar Wednesday of next week be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

SERIOUS IMPORTS PROBLEM

Mr. PHILBIN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. PHILBIN. Mr. Speaker, on yesterday, following up my many efforts in behalf of the textile industry and other industries plagued and threatened by an increase in the flood of cheap foreign imports, I communicated with both the President and the Cabinet Committee on Textiles which he had previously appointed, urging that immediate attention be given to the serious plight of the textile industry and other affected industries.

I pointed out to the President and the Cabinet Committee the very serious conditions that have been developing over a period of time in textiles, and also affecting other industries, as a result of the flood of cheaply produced foreign imports.

I am fully convinced that the President is not only aware of these conditions but is anxious to relieve them, and I hope that administrative action may be taken at highest executive levels in the very near future to set up quotas on these products on a country by country and category by category basis, and take every other action that can feasibly be taken at this time to prevent the further deterioration of American industrial strength that is causing widespread unemployment and contributing greatly to the gold imbalance.

Over a period of years we have witnessed the tragic decline of the textile industry, which in my section of the country has been virtually driven to the wall by low, substandard competitive conditions in some other sections of the country and also by the huge flow of cheap foreign imports.

There are many who believe that legislative action is needed to correct conditions facing the textile industry and other industries arising from the operation of current reciprocal trade laws.

I have personally been of the opinion for a long time now, and I speak as a friend and supporter of constructive foreign trade and friendly intercourse with other nations, that the best way to correct these threatening conditions would be to restore the control over foreign trade and commerce coming into this country to the Congress, where the Constitution placed it.

If for any reason, this course is not followed, then the reciprocal trade laws certainly should be drastically revised to reflect unfavorable developments in the world that have come from huge foreign grants by this Government, that have permitted many countries to build factories that are fully equipped with most modern machinery paid for out of our foreign grants, operated by American know-how, producing goods that are marketed with the advice and help of American marketing experts, that are sold in the markets of the world in competition with our own and brought into this country to impose unfair, cutthroat competition on American industries and cause widespread unemployment and add to the gold imbalance.

I strongly feel that legislative measures are required and should be considered and adopted this year, because I do not believe that the suffering industries of this country can wait for relief until the expiration of the reciprocal trade treaties laws in 1962, without suffering additional destructive lethal blows from foreign competition.

I think we have another instance here of the effect of apathy, procrastination, and delay in tackling a situation which, if continued much longer, could be devastating to many industries and many American workers and their families.

Beyond any question of doubt, as I see it, foreign imports have been one of the major factors in the present recession and unless they are checked, they will continue to be even a greater factor as time goes on. They have also been a major factor in the gold imbalance, which is giving us all so much deep concern these days.

We are told that reciprocal trade is an integral part of our foreign policy and national defense. While I recognize the value of foreign trade, I cannot accept the thesis that it is necessary for good foreign relations and adequate national defense for this Nation to sacrifice its national interests, weaken its industrial prosperity, invite widespread unemployment and depression in many areas, in order to enjoy good relations with friendly nations, and in order to effect the best possible national defense for this country.

I am not at all persuaded this is a very sound policy. In fact, I think if we act on these assumptions, in time the consequences to our economic system, national prosperity, and welfare could well be devastating.

I recognize with full respect the views of those who differ from this opinion and

I also recognize that at the present time, there are powerful forces within the country that would vigorously oppose any change in reciprocal trade laws. However, it is also my opinion that the public sentiment in this country is rapidly moving toward the view that something needs to be done, and done now, to correct a condition which is greatly threatening the economic welfare of the Nation. Since that is so, I can conceive of no more appropriate forum than the Congress where effective and urgently needed remedies could be, and should be, found.

I do not want anyone to assume that my position indicates that I oppose foreign trade because I have pointed out many times before that I am a strong advocate and champion of constructive foreign trade and support it in the Congress at every opportunity. But it is my strong feeling that unless something is done real soon to bring relief to an increasing number of American industries and workers that are greatly threatened by foreign imports, additional and perhaps irreparable damage will be done to our great American economic productive machinery of which we are so proud and which, in the last analysis, must be not only the basis of our prosperity at home, but also the basis of any worthwhile defense and security system for this country and the free world.

I again strongly urge that the President and his Cabinet Committee give early and intensified attention to the very serious problems growing out of foreign imports, and accelerate action designed to prevent further deterioration of American industrial strength and the employment of our fellow citizens.

FEED GRAINS BILL

Mr. LATTA. Mr. Speaker, I ask unanimous consent that the gentleman from Minnesota [Mr. QUIE] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. QUIE. Mr. Speaker, when President Kennedy appointed as his Secretary of Agriculture a man from my State, Minnesota, many of us expected—I think with understandable justification—that midwestern crops would be treated on an equal basis with southern crops. However, it now appears that the South has a great deal more influence in the Department of Agriculture than the Midwest.

We recently passed a feed-grains bill which permitted the Secretary of Agriculture to establish the price support on corn at a level above 65 percent of parity, as he deemed advisable. The Secretary of Agriculture chose to set the price support at 74 percent for corn, a far cry from what people had been led to expect from an administration which, during the campaign had promised 90 and 100 percent of parity. I am not criticizing the level at which he set corn price supports, but I am criticizing the fact he has set grain sorghum support at 78 percent of parity.

According to the law, eight factors were to be taken into consideration in determining the price support which the Secretary would set for grain sorghum and other feed grains in relation to corn. I will designate those eight factors: First, the supply of the commodity in relation to the demand therefor; second, the price levels at which other commodities are being supported and, in the case of feed grains, the feed values of such grains in relation to corn; third, the availability of funds; fourth, the perishability of the commodity; fifth, the importance of the commodity to agriculture and the national economy; sixth, the ability to dispose of stocks acquired through a price-support operation; seventh, the need for offsetting temporary losses of export markets; and eighth, the ability and willingness of producers to keep supplies in line with demand.

Those, then, were to have been the eight factors taken into consideration in determining the price support which the Secretary would set for grain sorghum in relation to corn. That raises the next question, Were those factors taken into consideration?

Quoting from the Secretary of Agriculture release number 4083, issued on March 22, it is clear that the Secretary has not taken the eight factors into consideration for grain sorghum:

> After considering these factors, the support prices for barley, oats, and rye were set directly at the feeding value in relation to corn, and the support price of grain sorghum was set at 90 percent of the feed value in relation to corn.

Therefore, the Secretary set supports on oats of 74 percent, barley at 74 percent, and rye at 69 percent according to law, but completely disregarded the other seven factors when he set grain sorghum price supports.

The relationship of price-support level of grain sorghum to the price support level of corn will be 90.2 percent in 1961. This has never happened before, as can plainly be demonstrated by the figures for the last 10 years showing the relationship of the grain sorghum support price as a percentage of the support price for corn.

Grain sorghum price as a percentage of corn price

1950	71.3
1951	77.5
1952	83.2
1953	84.9
1954	78.8
1955	63.1
1956	73.5
1957	74.4
1958	75.2
1959	76.0
1960	84.4

We can determine from these figures that for the period of 1950–55 the grain sorghum price as a percentage of the corn price averaged 76.5 percent, and for the period of 1955 to 1960, the average percentage was 76.3.

Since both cotton and wheat are in similar programs, I might also note in closing—to the interest of producers from the Midwest—that the Secretary has seen fit not to change the wheat support price of 75 percent of parity but has raised cotton supports to 82 percent.

HIGHWAY REVENUE BONDS IN LIEU OF INCREASED TAXES

Mr. LATTA. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. OSTERTAG] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. OSTERTAG. Mr. Speaker, the Federal Interstate and Defense Highway System will provide a 41,000-mile network of superhighways throughout the country to move the ever-growing amount of vehicular traffic swiftly and safely. But at this moment there is a need to reexamine the financing provisions for the program because insufficient revenue is becoming available to meet the costs of the program. President Kennedy has told us that an additional $900 million a year must be made available if the program is to be kept on schedule and reach completion in 1975. To provide these moneys, the President has urged Congress to extend certain gasoline taxes and increase other taxes on diesel fuel, tires, tubes, and trucks.

When the need for additional funds first arose 2 years ago, I was opposed to increasing the special gasoline and automotive taxes which are earmarked for the Federal highway trust fund. Instead, I recommended the issuance of highway revenue bonds to provide for the needed funds. My position remains the same, and for that reason I introduced on yesterday a bill to permit the issuance of such bonds by a Federal-Aid Highway Corporation, which is created by my legislation. To retire these bonds, the legislation provides that the existing gasoline and automotive taxes be extended several years beyond their present cutoff date of 1972. The extension would be at present levels and of 4 or 5 years duration.

This method would make unnecessary any increase in the present highway taxes. It would also prevent diversion of certain highway taxes from the General Treasury into the fund for this highway program, as is now proposed. This diversion would reduce the revenues available to the General Treasury and place a heavier burden on the Federal budget.

My proposal would assure that the necessary funds would be available to continue construction of the Interstate Highway System as scheduled. There no longer would be the threat of a financial crisis occurring every few years.

With this proposal, the users of our highways would continue to bear the cost of the construction of this Interstate System. This was the original intent of Congress in authorizing this program.

The Federal-Aid Highway Corporation would be headed by a Board of Directors

composed of the Secretary of Commerce, the Secretary of the Treasury, and a third person designated by the Secretary of Treasury. The corporation would be subject to the provisions of the Government Corporation Control Act.

Mr. Speaker, I believe my plan to be the best solution to the problem that has developed in connection with the national interstate and defense highway program, and I hope it will receive favorable consideration by my colleagues.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. KILDAY, for the remainder of the week, on account of official business.

SPECIAL ORDER GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to Mr. ZABLOCKI, for 1 hour, on Tuesday, March 28, on the subject of the United Nations and Red China.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. PUCINSKI, his remarks in Committee of the Whole today and to include extraneous matter.

Mr. SANTANGELO (at the request of Mr. LATTA) his remarks in Committee of the Whole today and to include extraneous matter and tables.

(The following Members (at the request of Mr. LATTA) and to include extraneous matter:)

Mr. LANGEN.
Mr. FINO.
Mr. CAHILL.
Mr. PELLY.

(The following Members (at the request of Mr. HARDING) and to include extraneous matter:)

Mr. DINGELL in two instances.
Mr. MULTER.
Mr. GALLAGHER.
Mr. TUCK.
Mr. BURKE of Massachusetts.
Mr. BOLAND.
Mr. MONTOYA.
Mr. DANIELS.
Mr. MCCORMACK.

JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, a joint resolution of the House of the following title:

H.J. Res. 176. Joint resolution to provide for the reappointment of Dr. Jerome C. Hunsaker as Citizen Regent of the Board of Regents of the Smithsonian Institution.

ADJOURNMENT

Mr. HARDING. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 5 minutes p.m.), under its previous order, the House adjourned until Monday, March 27, 1961, at 12 o'clock noon.

CONTRACTUAL ACTIONS, CALENDAR YEAR 1960, TO FACILITATE NATIONAL DEFENSE

The Clerk of the House of Representatives submitted the following reports for printing in the CONGRESSIONAL RECORD pursuant to section 4(b) of Public Law 85–804:

DEPARTMENT OF DEFENSE,
Washington, D.C., March 15, 1961.

Hon. SAM RAYBURN,
Speaker of the House.

DEAR MR. SPEAKER: In compliance with section 4(a) of Public Law 85–804, reports of contractual actions taken in calendar year 1960 to facilitate the national defense are enclosed herewith.

Table I shows that 290 actions with an estimated cost of $14,469,000 were approved under authority of this act. This number includes 19 actions for which the cost cannot be estimated because the Government's liability is contingent on the occurrence of an accident, such as a nuclear explosion. A total of 141 cases, in which claimants had requested $6,668,000, were denied in their entirety.

Included in the summary table and listed separately in table II are actions whose actual or estimated potential cost to the Government exceeds $50,000 each. Although it is not possible to estimate the cost of the contingent liability cases, for the purpose of this table each such case is assumed to have a potential cost of more than $50,000. The 41 actions listed in table II account for $13,882,000, or 95 percent, of the total value of all cases approved in 1960.

Sincerely yours,

THOMAS D. MORRIS,
Assistant Secretary of Defense (Installations and Logistics).

TABLE I.—*Summary report of contractual actions taken pursuant to Public Law 85–804 to facilitate the national defense, January–December 1960*

[Dollar amounts in thousands]

Department and type of actions	Actions approved			Actions denied	
	Number	Amount requested	Amount approved	Number	Amount
Department of Defense, total	290	$19,656	$14,469	141	$6,668
Amendments without consideration	15	12,865	9,215	17	1,530
Corrections of mistakes	171	4,726	3,389	97	1,824
Formalization of informal commitments	48	1,972	1,772	27	3,314
Contingent liabilities	22				
Disposition of property	32				
Other	2	93	93		
Army, total	64	12,113	8,505	13	441
Amendments without consideration	7	10,532	6,924	15	203
Correction of mistakes	15	475	475	7	225
Formalization of informal commitments	9	1,013	1,013	1	13
Contingent liabilities	1				
Disposition of property	31				
Other	1	93	93		
Navy, total	123	1,287	1,067	41	467
Amendments without consideration				1	28
Correction of mistakes	76	413	386	38	406
Formalization of informal commitments	27	874	681	2	33
Contingent liabilities	19				
Other	1				
Air Force, total	103	6,256	4,897	87	5,760
Amendments without consideration	8	2,333	2,291	11	1,299
Correction of mistakes	80	3,838	2,528	52	1,193
Formalization of informal commitments	12	85	78	24	3,268
Contingent liabilities	2				
Disposition of property	1				

TABLE II.—*List of contractual actions with actual or potential cost of $50,000 or more taken pursuant to Public Law 85-804 to facilitate the national defense, January–December 1960*

Name and location of contractor	Actual or estimated potential cost	Description of property or service	Justification
Amendments without consideration:			
Army:			
A.R.F. Products, Inc., River Forest, Ill.	$145,568	Countermeasure receiving sets	To make equitable adjustment compensating contractor for loss incurred because of numerous modifications which substantially delayed performance under contract.
Blaw-Knox Co., Pittsburgh, Pa.	1,965,934	Construction of Atlas missile launch complexes.	To compensate contractor for actions of Government which induced him to enter into contract and suffer a loss.
Canadian Commercial Corp., Ottawa, Canada	3,812,288	Divisional area type communication system configurations.	To compensate contractor for increased costs resulting from numerous changes in specifications and delays in receiving Government-furnished property.
Republic of Turkey, Ankara, Turkey	1,000,000	Construction of arsenals in Turkey	Classified.
Navy (none).			
Air Force:			
El Encinar de los Reyes, S.A., Madrid and Zaragoza, Spain.	1,584,910	Lease of housing units	To cover increase in contractors costs because of action taken by Spanish Government to increase wages.
Urbanizadora Santa Clara, S.A., Seville, Spain	601,218	do	Do.
Universal Services, Inc., Seattle, Wash.	80,000	Operate dining halls and kitchen at Cooke Air Force Base.	To compensate contractor for loss incurred because of substantial decrease in number of meals served as compared to Government estimated requirement which was basis for contractor's bid.
Correction of mistakes:			
Army:			
Philco Corp., Philadelphia, Pa.	451,957	Radio sets	Contractor based bid on nontransistorized material, when transistorized material was required. Government had constructive knowledge of mistake.
Navy:			
George W. Kneass Co., San Francisco, Calif.	77,574	Motor minesweepers	To correct mistakes in computing direct labor hours subject to labor escalation clause.
Magnavox Co., Fort Wayne, Ind.	153,053	Radio receivers and spare parts	To correct mutual mistake of failing to give effect to amendments for specification changes and additional units.
Air Force:			
Curtiss-Wright Corp., Wood-Ridge, N.J.	233,591	Spare parts and tools	To compensate contractor for overshipment of spare parts and tools used by Government.
Perfection Steel Body Co., Columbus, Ohio	88,372	Utility type trailer	To compensate contractor for mistake due to inadequate Government specifications.
Westinghouse Electric Corp., Pittsburgh, Pa.	1,900,000	Electronics and various other equipment.	To correct a number of prime and subcontracts from which there were erroneously omitted provisions for allowing as overhead an appropriate prorated portion of general research costs.
Formalization of informal commitments:			
Army:			
Federal Republic of Germany	872,532	Operation of German segment of petroleum pipeline.	Not practicable to use normal procurement procedures because of urgent need for services.
France	132,733	Operation of petroleum pipeline	Do.
Navy:			
Asiatic Petroleum Corp., New York, N.Y.	67,535	Petroleum products	To reimburse contractor for petroleum delivery in Laos ordered by Government officer against expired master contract.
General Motors Corp., Allison Division, Indianapolis, Ind.	531,000	Turbojet engines	To reimburse contractor for additional engineering work performed at informal request of responsible Government officials.
Air Force:			
General Electric Co., Cincinnati, Ohio (on behalf of Curtiss-Wright Corp., Wood-Ridge, N.J.).	90,305	Parts for jet engines	To reimburse Curtiss-Wright, through General Electric Co., the prime contractor for value of parts which were delivered direct to the Government following a partial termination.
Contingent liabilities:			
Army: Atomic Energy Commission, Washington, D.C.	(1)	Nuclear core components	To permit AEC to include in contracts awarded for the benefit of the Department of Defense, a clause indemnifying contractors against claims arising out of nuclear radiation connected with contract work.
Navy:			
Atomic Energy Commission, Washington, D.C. (5 actions).	(1)	Reactor core assemblies	Do.
General Dynamics, Electric Boat Division, Groton, Conn. (6 actions).	(1)	Nuclear submarines	To indemnify contractor against liability on account of claims for death or injury or property damage arising out of nuclear radiation connected with contract work.
Newport News Shipbuilding & Drydock Co., Newport News, Va. (2 actions).	(1)	Nuclear aircraft carrier, nuclear submarine.	Do.
Ingalls Shipbuilding Corp., Pascagoula, Miss. (2 actions).	(1)	Nuclear submarines	Do.
Lockheed Aircraft Corp., Sunnyvale, Calif.	(1)	Polaris missile	Do.
Lockheed Aircraft Corp., Marietta, Ga.	(1)	Cargo airplanes	To indemnify contractor against loss by fire or personal property at Government-owned plant. Because of size of plant and wooden-roof construction, contractor is unable to obtain adequate fire insurance.
New York Shipbuilding Corp., Camden, N.J.	(1)	Nuclear submarine	To indemnify contractor against liability on account of claims for death or injury or property damage arising out of nuclear radiation connected with contract work.
University of California, Berkley, Calif.	(1)	Irradiation services	Do.
Air Force:			
Lockheed Aircraft Corp., Marietta, Ga.	(1)	Cargo airplanes	To indemnify contractor against loss by fire of personal property at Government-owned plant. Because of size of plant and wooden-roof construction, contractor is unable to obtain adequate fire insurance.
Societe Des Transports Petroliers Par Pipeline, North Africa Air Force bases.	(1)	Operate pipeline	To indemnify contractor against 3d party liability claims in excess of 10,000,000 New French francs (approximately $2,000,000) in the event of gaseous explosion or fire.
Other: Army: Raytheon Co.	93,000	NATO Hawk facilities	To acquire and install on contractor's property plumbing, ventilating and other nonseverable facilities. Government's ultimate cost may be less than $93,000 since contract provides for ultimate disposition by Government.

[1] The amount of this liability cannot be estimated since it is contingent on the happening of the event described in the justification column.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION,
Washington, March 13, 1961.

The SPEAKER,
U.S. House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: There is forwarded herewith the annual report for the calendar year 1960 of the National Aeronautics and Space Administration of contractual actions taken pursuant to Public Law 85-804 (50 U.S. Code 1431-1435).

Sincerely yours,

PAUL G. DEMBLING,
Acting Assistant Administrator for Congressional Relations.

ANNUAL REPORT OF THE NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

CONTRACTUAL ACTIONS TAKEN PURSUANT TO SECTION 4 OF PUBLIC LAW 85-804 (50 U.S. CODE 1434)

During the calendar year 1960 the Contract Adjustment Board of the National Aeronautics and Space Administration granted relief in three cases presented to it under this statute. The total amount of the relief granted in the three cases is $33,623.80. Two of the cases involved correction of mistakes, and the third, the formalization of an informal commitment, as follows:

Type of action	Actions approved			Actions denied
	Number	Amount requested	Amount approved	
Correction of mistakes	2	$592.77	$592.77	0
Formalization of informal commitments	1	33,031.03	33,031.03	0
Total	3	33,623.80	33,623.80	0

U.S. ATOMIC ENERGY COMMISSION,
Washington, D.C., March 14, 1961.

Hon. SAM RAYBURN,
Speaker of the House of Representatives.

DEAR MR. SPEAKER: Pursuant to the provisions of Public Law 85-804, approved August 28, 1958, this is to respectfully notify you that the Atomic Energy Commission had no activities to report for calendar year ending December 31, 1960, under the aforementioned law.

Sincerely yours,

DWIGHT A. INK,
Assistant General Manager.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

710. A communication from the President of the United States, transmitting amendments to the budget for the fiscal year 1962 involving an increase in the amount of $22,390,000 for the Corps of Engineers—Civil of the Department of the Army (H. Doc. No. 121); to the Committee on Appropriations and ordered to be printed.

711. A letter from the Secretary of the Army, transmitting the semiannual report of the Department of the Army contracts for military construction awarded without formal advertisement covering the period July 1 through December 31, 1960, pursuant to Public Law 86-500; to the Committee on Armed Services.

712. A letter from the Director, Office of Civil and Defense Mobilization, Executive Office of the President, transmitting a report entitled "Report on Borrowing Authority" for December 31, 1960, pursuant to the Defense Production Act as amended; to the Committee on Banking and Currency.

713. A letter from the adjutant general, United Spanish War Veterans, transmitting the proceedings of the stated convention of the 62d National Encampment, United Spanish War Veterans, held in Milwaukee, Wis., September 4-8, 1960, pursuant to Public Law 249, 77th Congress (H. Doc. No. 122); to the Committee on Veterans' Affairs and ordered to be printed with illustrations.

714. A letter from the chief scout executive, Boy Scouts of America, transmitting the 51st Annual Report of the Boy Scouts of America (H. Doc. No. 119); to the Committee on Education and Labor and ordered to be printed with illustrations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. SAUND: Delegation of the Mexico-United States Interparliamentary Group. Report pursuant to Public Law 86-420 (Rept. No. 197). Referred to the Committee of the Whole House on the State of the Union.

Mr. POWELL: Committee on Education and Labor. H.R. 4104. A bill to amend title II of the Vocational Education Act of 1946, relating to practical nurse training, and for other purposes; with amendment (Rept. No. 199). Referred to the Committee of the Whole House on the State of the Union.

Mr. GARY: Committee on Appropriations. H.R. 5954. A bill making appropriations for the Treasury and Post Office Departments, and the Tax Court of the United States for the fiscal year ending June 30, 1962, and for other purposes; without amendment (Rept. No. 200). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WALTER: Committee on the Judiciary. H.R. 1523. A bill for the relief of Kazimiera Marek; without amendment (Rept. No. 198). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDERSEN of Minnesota:

H.R. 5917. A bill to amend the Federal Seed Act, as amended, with respect to screenings of seed; to the Committee on Agriculture.

By Mr. ANDREWS:

H.R. 5918. A bill to authorize the acquisition of land for a national wildlife refuge at Walter F. George Dam and Reservoir project, Alabama; to the Committee on Public Works.

By Mr. ADAIR:

H.R. 5919. A bill to repeal the excise tax on amounts paid for communication services or facilities; to the Committee on Ways and Means.

By Mr. BOLAND:

H.R. 5920. A bill to provide for the establishment of Cape Cod National Seashore; to the Committee on Interior and Insular Affairs.

By Mr. COLLIER:

H.R. 5921. A bill to amend title II of the Social Security Act to increase the amount of outside earnings permitted each year without deductions from benefits thereunder; to the Committee on Ways and Means.

By Mr. HORAN:

H.R. 5922. A bill to authorize a survey and investigation with respect to the relocation of the Ferry County Highway, paralleling Lake Roosevelt, Columbia Basin project; to the Committee on Interior and Insular Affairs.

By Mr. KARTH:

H.R. 5923. A bill to amend paragraph 1774 of the Tariff Act of 1930 with respect to the importation of certain articles for religious purposes; to the Committee on Ways and Means.

By Mr. MASON:

H.R. 5924. A bill to provide revenue from an excise tax uniformly applied to end products of manufacture; to the Committee on Ways and Means.

By Mrs. MAY:

H.R. 5925. A bill to simplify, consolidate, and improve the authority of the Secretary of Agriculture with respect to loans to farmers and ranchers, and for other purposes; to the Committee on Agriculture.

By Mr. MULTER (by request):

H.R. 5926. A bill to provide for the distribution of motor-vehicle tires, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. PERKINS:

H.R. 5927. A bill to amend the Federal Water Pollution Control Act to provide for a more effective program of water pollution control; to the Committee on Public Works.

By Mr. THOMSON of Wisconsin:

H.R. 5928. A bill to amend the Public Health Service Act to protect the public from unsanitary milk and milk products shipped in interstate commerce, without unduly burdening such commerce; to the Committee on Interstate and Foreign Commerce.

By Mr. WILSON of California:

H.R. 5929. A bill relating to documentation and inspection of vessels of the United States; to the Committee on Merchant Marine and Fisheries.

H.R. 5930. A bill for the relief of certain defense-related company employees who performed services during 1955, 1956, and 1957; to the Committee on Ways and Means.

By Mr. BURKE of Massachusetts:

H.R. 5931. A bill to encourage the establishment of voluntary pension plans by self-employed individuals; to the Committee on Ways and Means.

By Mr. COOLEY:

H.R. 5932. A bill to amend the Home Owners' Loan Act of 1933, to permit Federal savings and loan associations to invest in or lend to business development credit corporations; to the Committee on Banking and Currency.

By Mr. FARBSTEIN:

H.R. 5933. A bill to amend section 333 of title 38, United States Code, with respect to the application of presumptions in cases of service-connected tuberculosis; to the Committee on Veterans' Affairs.

By Mr. FISHER:

H.R. 5934. A bill to limit and prevent certain concerted activities by labor organizations which interfere with or obstruct or impede the free production of goods for

commerce or the free flow thereof in commerce, and for other purposes; to the Committee on Education and Labor.

H.R. 5935. A bill to provide for tariff import quotas on sheep, lambs, mutton, and lamb; to the Committee on Ways and Means.

By Mr. HALPERN:

H.R. 5936. A bill to amend title 38, United States Code, to provide vocational rehabilitation, education and training, and loan guaranty benefits for veterans of service after January 31, 1955; to the Committee on Veterans' Affairs.

By Mr. MOULDER:

H.R. 5937. A bill to amend the Interstate Commerce Act with respect to the rule of ratemaking where competition between carriers of different modes of transportation is involved; to the Committee on Interstate and Foreign Commerce.

By Mrs. PFOST:

H.R. 5938. A bill to authorize civil actions for the review of administrative determinations as to the use of lands of the United States for grazing purposes to be instituted in judicial districts in which such lands are situated, and for other purposes; to the Committee on the Judiciary.

By Mr. TEAGUE of Texas (by request):

H.R. 5939. A bill to amend chapter 35 of title 38, United States Code, to provide that after the expiration of the Korean conflict veterans' education and training program, approval of courses under the war orphan's educational assistance program shall be by State approving agencies; to the Committee on Veterans' Affairs.

H.R. 5940. A bill to amend section 1632(c) of title 38, United States Code, to raise to $400 the ceiling upon the combined amounts of education and training allowance plus compensation which may be received by veterans receiving apprentice or other training on the job; to the Committee on Veterans' Affairs.

By Mr. TOLL:

H.R. 5941. A bill to amend the U.S. Information and Educational Exchange Act of 1948 to provide for counseling and other assistance to foreign students attending colleges or universities in the United States; to the Committee on Foreign Affairs.

By Mr. DERWINSKI:

H.R. 5942. A bill to amend the Internal Revenue Code of 1954 to permit a taxpayer to deduct tuition expenses paid by him for the education of his children through the 12th grade; to the Committee on Ways and Means.

By Mr. WIDNALL:

H.R. 5943. A bill to establish an effective program to alleviate conditions of substantial and persistent unemployment and underemployment in certain economically distressed areas; to the Committee on Banking and Currency.

By Mrs. MAY:

H.R. 5944. A bill to extend for 4 years the temporary provisions of Public Laws 815 and 874, 81st Congress, which relate to Federal assistance in the construction and operation of schools in areas affected by Federal activities; to the Committee on Education and Labor.

By Mr. GARY:

H.R. 5954. A bill making appropriations for the Treasury and Post Office Departments, and the Tax Court of the United States for the fiscal year ending June 30, 1962, and for other purposes.

By Mr. JAMES C. DAVIS:

H.J. Res. 341. Joint resolution designating the week of May 14–20, 1961, as Police Week and designating May 15, 1961, as Peace Officers Memorial Day; to the Committee on the Judiciary.

By Mr. FINO:

H.J. Res. 342. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. SCHWEIKER:

H.J. Res. 343. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. REUSS:

H.J. Res. 344. Joint Resolution authorizing the President of the United States of America to proclaim September 17 of each year General von Steuben Memorial Day for the observance and commemoration of the birth of Gen. Friedrich Wilhelm von Steuben; to the Committee on the Judiciary.

By Mr. WILSON of California:

H. Con. Res. 208. Concurrent resolution to officially recognize San Diego, Calif., as the birthplace of naval aviation; to the Committee on Armed Services.

By Mr. O'HARA of Illinois:

H. Res. 232. Resolution expressing the sense of the House of Representatives that April 15, 1961, be recognized as African Freedom Day; to the Committee on Foreign Affairs.

By Mr. PELLY:

H. Res. 233. Resolution relating to the fiscal policies of the United States; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By Mr. LANE: Memorial of the Commonwealth of Massachusetts, memorializing Congress to repeal the 10 percent excise (luxury) tax on telephone service; to the Committee on Ways and Means.

By the SPEAKER: Memorial of the Legislature of the State of Alaska, memorializing the President and the Congress of the United States relative to the construction of the Crater-Long Lakes division of the Snettisham hydroelectric power project; to the Committee on Interior and Insular Affairs.

Also, memorial of the Legislature of the State of Massachusetts, memorializing the President and the Congress of the United States to reduce the eligibility age of persons entitled to old age benefits under the Social Security Act to 62 years; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of Massachusetts, memorializing the President and the Congress of the United States to repeal the 10 percent excise (luxury) tax on telephone service; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of New Mexico, memorializing the President and the Congress of the United States to take action to establish youth camps within the national forest areas; to the Committee on Education and Labor.

Also, memorial of the Legislature of the State of New Mexico, memorializing the President and the Congress of the United States to give favorable consideration relative to the employment of John A. Martinez as a page in the House of Representatives or the Senate of the United States; to the Committee on House Administration.

Also, memorial of the Legislature of the State of New Mexico, memorializing the President and the Congress of the United States relative to requesting the Bureau of Reclamation and the Army Corps of Engineers to begin immediate construction of Los Esteros Dam and Brantley Dam; to the Committee on Interior and Insular Affairs.

Also, memorial of the Legislature of the State of New Mexico, memorializing the President and the Congress of the United States to amend the Federal Mineral Leasing Act to provide for the distribution of income from the leasing of Federal lands for oil, gas and other minerals to all States wherein lands are leased thereunder on an equal basis; to the Committee on Interior and Insular Affairs.

Also, memorial of the Legislature of the State of New Mexico, memorializing the President and the Congress of the United States to take legislative action to correct certain inequities existing in the distribution of public lands in the State of New Mexico and in the restrictions placed on the sale, leasing and use of proceeds from State lands; to the Committee on Interior and Insular Affairs.

Also, memorial of the Legislature of the State of New Mexico, memorializing the President and the Congress of the United States to extend educational benefits to veterans who entered or who enter military service after February 1, 1955, and to extend educational benefits to all who enter so long as the provisions of the draft law exist; to the Committee on Veterans' Affairs.

Also, memorial of the Legislature of the State of Texas, memorializing the President and the Congress of the United States urging immediate enactment of legislation enabling the sugar industry to increase production in the United States to grow additional sugarbeet and cane crops for the refinement of sugar; to the Committee on Agriculture.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANFUSO:

H.R. 5945. A bill for the relief of Fouad Youssef Sarraf; to the Committee on the Judiciary.

By Mr. BURKE of Kentucky:

H.R. 5946. A bill for the relief of Sgt. Katherine S. Searcy; to the Committee on the Judiciary.

H.R. 5947. A bill for the relief of Dr. Mehmet Arik and Sevim Arik; to the Committee on the Judiciary.

By Mr. COLLIER:

H.R. 5948. A bill for the relief of George Cozadinos; to the Committee on the Judiciary.

By Mr. FARBSTEIN:

H.R. 5949. A bill for the relief of Tom Siu Chong; to the Committee on the Judiciary.

By Mrs. GRANAHAN:

H.R. 5950. A bill for the relief of Bill Joseph Gordon, Jr.; to the Committee on the Judiciary.

By Mr. HARDY:

H.R. 5951. A bill for the relief of Pouran Pourseynal; to the Committee on the Judiciary.

By Mr. McSWEEN:

H.R. 5952. A bill for the relief of Concetta Aurora Cordaro; to the Committee on the Judiciary.

By Mr. SHELLEY:

H.R. 5953. A bill for the relief of Pedro Garces; to the Committee on the Judiciary.

By Mr. CANNON:

H.J. Res. 345. Joint resolution to authorize the President of the United States to award, posthumously, an appropriate medal to Dr. Thomas Dooley III; to the Committee on Banking and Currency.

EXTENSIONS OF REMARKS

Address of Congressman Thomas N. Downing, of Virginia, on the Occasion of the Presentation of the Portrait of the Late State Senator Robert O. Norris, Jr., of Lancaster County, Va.

EXTENSION OF REMARKS
OF
HON. WILLIAM M. TUCK
OF VIRGINIA
IN THE HOUSE OF REPRESENTATIVES
Friday, March 24, 1961

Mr. TUCK. Mr. Speaker, under leave heretofore granted me to extend my remarks in the RECORD, I include a speech delivered by my distinguished colleague from Virginia, the Honorable THOMAS N. DOWNING, at the presentation of the portrait of the late State Senator Robert O. Norris, Jr., to the circuit court of Lancaster County at Lancaster, Va., on Monday, March 20, 1961.

Senator Norris was, during his lifetime, one of our most distinguished Virginians. He was a lawyer, a legislator of great ability, and a gentleman of outstanding qualities of character. He served in the General Assembly of Virginia possibly longer than any other individual in the history of the Commonwealth. He was elected to the house of delegates in 1911 and served in that body until 1928, when he was elected to the senate to succeed the late Senator Thomas J. Downing, where he continued until his retirement in 1958, a period covering nearly 50 years. He served as president pro tempore of the senate and was also chairman of the finance committee.

I had the distinction of serving with Senator Norris in the house of delegates and in the senate where we were for a period of 10 years desk mates. I have never known a finer man, nor have I ever had a better friend.

The address of Congressman DOWNING is as follows:

ADDRESS BY HON. THOMAS N. DOWNING

As I reflect back on my memory of cherished friendship with many people, no figure stands so prominently as does Robin Norris. It was my pleasure to have known and loved him since my earliest recollections of childhood. It was my distinguished honor to have been related to him. He was an intimate and devoted friend of my grandfather, Thomas N. Downing, whose portrait also hangs on the walls of this historic courthouse. Visits were frequently exchanged between these two men and for me it was always the greatest of delights to be allowed in their presence and listen to past masters in the now forgotten art of conversation. But, whether the conversation was privately conducted or a public speech before the multitudes, the resultant impression of one and all was that Senator Norris was a wonderful and interesting man.

When I first entered the practice of law, I had a strongly entrenched drive to begin my profession here in the Northern Neck, and it was Senator Norris who permitted me to work side by side with him. For one short, but precious, year I was with him night and day—through periods of adversity and disappointment—and when his joys were unbounded. It was during this period that I began to appreciate the magnitude of the man himself. As a practitioner of the law, he had no peer. The walls of this very courtroom have reverberated more than once with his oratorical elegance and understandable logic. Fortunate clients represented by him knew that they had an advocate of superior ability, character and integrity, and that if their cause had merit, it would be promoted by every fiber of his strength and every ounce of his energy. No client ever had a more able counselor, no lawyer better promoted his cause.

As a man, he always seemed to me to be a tower of confident strength. No responsible person ever questioned his word or his motive. He was a man other men loved and respected. He was a man who loved and respected his fellow man. Perhaps this was the cornerstone of his greatness. He could dine with kings and queens, and yet he had the gentle and kind common touch that endeared him to the hearts of all who knew him. As every other man, he had his frailties, to be sure, but in R. O. Norris, Jr., his were uncommonly few.

Above all else, however, he was a Christian gentleman in the finest and truest sense. He was courtly in manner, polite in speech; his very presence radiated a warm feeling.

As a representative of the people he loved, his prime purpose was to do only those things which would best serve the interests of his constituency, his beloved State and his Nation. There are laws on our statute books today which bear his name symbolizing his untiring efforts to promote, preserve and protect our form of society and which will serve to perpetuate his memory for years not within our reach.

The good Lord gave Robin Norris his great talents to be used—and they were used as He intended.

I hope that this sensitive portrait will serve as a constant reminder that the Northern Neck has again produced a true and loyal son of which she can be justly proud.

"The tall Cedar fell and left a lonely place against the sky."

Uniforms of American History, by Maj. Alexander R. Lawson, Army of the United States, Retired

EXTENSION OF REMARKS
OF
HON. WILLIAM T. CAHILL
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Friday, March 24, 1961

Mr. CAHILL. Mr. Speaker, Maj. Alexander R. Lawson, Army of the United States, retired, of Thorofare, Gloucester County, N.J., who served 40 years in the civilian component parts of our Armed Forces, has prepared a most valuable historical set of pictures entitled "Uniforms of American History, 1600 to 1953." In collecting the material for this remarkable series of pictures he was ably assisted by Sgt.-Maj. Leon W. Little, U.S. Marine Corps, retired.

It has required untold hours of work and widespread research to obtain the basic information for this truly great collection. While the intent in producing this series of pictures was to depict the changes in the uniforms of American history, nevertheless, there are also included many examples of uniforms of other nations. Taking all of these pictures together they number upward of 400. These pictures are not only interesting, but highly educational.

The slides, that have been made from original water colors, have been shown all over this country. And, as an indication of the spirit of patriotism that dominates Major Lawson in this fine work he has performed, he will not accept any remuneration for their use and gladly and willingly makes the pictures available to all interested parties. Major Lawson is entitled to great credit for the fine service he has rendered.

Byelorussian Independence Day

EXTENSION OF REMARKS
OF
HON. JOHN D. DINGELL
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Friday, March 24, 1961

Mr. DINGELL. Mr. Speaker, Byelorussia is hardly more than a geographic name today, almost lost in the huge and expansive Soviet Union. But 43 years ago this historic home of one of the oldest Slavic peoples was separated from the old czarist empire and its people proclaimed their independence. That was towards the end of the First World War, early in 1918.

The Byelorussian people, some 10 million hardy workers and gallant fighters, had been suffering under the oppressive czarist regime for centuries. Though they endured the heavy weight of the alien yoke, they retained their indomitable spirit of freedom, and they were always prepared to fight for its attainment. Their real chance came in 1918, after the overthrow of Russia's autocratic regime. Byelorussians were quick in taking advantage of this situation. They asserted their freedom, proclaimed their independence on March 25, and established the Byelorussian National Republic.

Thenceforth for almost 3 years Byelorussians divided their time between hard work and bitter struggle. They worked to rebuild their ravaged country and they fought against their foes on many fronts. But their enemies were too powerful, and one in particular among their foes proved fatal to their independence. The Soviet Red Army, reorganized and regrouped, attacked Byelorussia early in 1921 and overran the the country. Then it was incorporated into the Soviet Union. Thus ended the free and independent Byelorussian National Republic.

This brief 3-year period of Byelorussian history marks a turning point in the lives of Byelorussia's inhabitants. Though the happy and joyous period of freedom and independence was quite short, and vanished like a dream, its inspiring afterglow still survives in Byelorussia in the hearts of freedom-seeking Byelorussians. Today, on the 43d anniversary of their Independence Day, and 40 years after their enslavement under Communist totalitarian tyranny, the peoples of the free world still remember these devotees and gallant fighters for freedom.

The Independence Day of Byelorussia

EXTENSION OF REMARKS

OF

HON. CORNELIUS E. GALLAGHER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, March 24, 1961

Mr. GALLAGHER. Mr. Speaker, every year we, Americans, celebrate the Fourth of July—the day of the Declaration of Independence of the United States of America. The 25th of March is the Byelorussian national holiday—the day on which 43 years ago the Byelorussian Democratic Rada—Council—solemnly proclaimed the independence of the Byelorussian Democratic Republic—BNR—in the country's capital, Minsk.

The history of these two nations was different. The young American Nation, after having become independent, could freely develop all branches of national life and create the most democratic and powerful state in the world. The fate of Byelorussia was different, because of her different geopolitical location.

Byelorussia, a country on the crossroads of Europe where Western culture and freedom met with Eastern barbarian despotism, was always the battlefield of these two antagonistic worlds.

In the past Byelorussia was an independent nation and played an important part in the medieval history of Eastern Europe. In the early Middle Ages Byelorussia appeared under the name of Kryvia and later on—13th century—was known as the Grand Duchy of Lithuania; in 1795 the country was forcibly incorporated into Imperial Russia.

Continuous efforts have been made by the Byelorussians in an attempt to regain their freedom, with Napoleon's assistance in 1812, by armed uprising under the leadership of Kastus Kalinouski in 1863, and others. The revolution in Russia of 1917 offered another opportunity to shake off the chains of slavery—this time by the means of democratic self-determination. Through the coordinated effort of all Byelorussian organizations, a national representation, consisting of 1,872 delegates from all corners of the country, convened in Minsk on December 18, 1917. This all-Byelorussian Congress became in fact the constituent assembly of Byelorussia.

The Congress elected the Rada and its Presidium as its executive bodies, which have assumed the responsibility for the fate of the nation.

On March 25, 1918, the Rada and its executive council solemnly proclaimed the independence of Byelorussia and published their third constitutional act containing the official text of the proclamation.

Without any help from outside, the new Republic could not resist for too long a time the pressure of Russian imperialism and soon fell victim of new occupation, this time by the Red Communist army.

Her place was taken by the Bolshevik-sponsored Byelorussian Soviet Socialist Republic, created on January 1, 1919, in Smolensk as a Communist counterweight to the democratic republic. This "union republic" with its puppet government is still in existence within the structure of the Soviet Union.

The people of Byelorussia have never accepted the government forced upon them, and defended their rights by arms. The famous Slutsk uprising of 1920 was brutally crushed by overwhelming Communist forces, that is, suffered the same fate as the Hungarian revolution in 1956.

During the following 41 years the population has been subjected to a violent and ruthless persecution, deportation and extermination. As a result of Moscow's policy of genocide, Byelorussia lost 6 million people in 20 years, according to the Soviet census in 1959.

On the international forum the Communist puppet government of the B.S.S.R. continually abuses membership of Byelorussia in the United Nations.

The Byelorussian people know that thousands of their compatriots living in the free world are disseminating truth about their history, culture, and present colonial exploitation. They also know that the Byelorussian Democratic Rada leads the best forces of the nation in the fight for freedom and justice.

Byelorussian Independence

EXTENSION OF REMARKS

OF

HON. ABRAHAM J. MULTER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, March 24, 1961

Mr. MULTER. Mr. Speaker, Byelorussia's modern history is inextricably mixed with that of Russia, because during most of that period the country was part of Russia, Byelorussians had become subjects of Russian czars, and the Russian rulers had tried to eradicate all Byelorussian national traits.

The people of Byelorussia, who have had a longer history as a nation than the Russians themselves, were never willing to forgo and forget their distinct identity, were never reconciled with their lot under the Russian czars, and have always yearned for their freedom and independence. For centuries they struggled for their goal and patiently waited for the opportune moment. That opportune moment came in 1918.

The Russian revolution of 1917 overthrew the decrepit and detested czarist regime in Russia, thus freeing, for the time at least, all subject nationalities in the Russian Empire. Freedom reigned from the Baltics to the Caucasus, where many national groups asserted their freedom and proclaimed their independence from Russia. The Byelorussians did this early in 1918, by proclaiming the establishment of the Byelorussian National Republic on March 25 of that year. In a joyful and optimistic mood, it was then hoped that some 10 million Byelorussians, having thus attained sovereign independence in their historic homeland, would be allowed to enjoy the fruits of their freedom in peace. Unfortunately that was not to be.

Early in 1921, before Byelorussians had the chance to put their house in order, before they could consolidate and strengthen their government, resurgent and aggressive Soviet forces attacked and overran the country, and independent Byelorussia ceased to exist as a sovereign state. For 40 years these stouthearted and liberty-loving Byelorussians have lived under the unrelenting rule of Communist Russia's totalitarianism. But even under this ruthless tyranny they have not given up their hope for freedom and independence. They still cherish that ideal as their national goal.

On the 43d anniversary of their independence day I wish them more power in their struggle against ruthless totalitarianism.

Byelorussian Independence Day

EXTENSION OF REMARKS

OF

HON. DOMINICK V. DANIELS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, March 24, 1961

Mr. DANIELS. Mr. Speaker, the fate and fortune of the Byelorussians have been almost blended with those of the people of Russia for a long time, but they have always striven to maintain their distinct ethnic identity and their undying love for freedom. Their firm determination to be free, and their readiness to sacrifice all their worldly possessions, even their lives for their ideals, has kept the spirit of freedom and independence alive among them. Though their oppressive overloads, the Russians, have done their worst to eradicate these fine traits, under oppression they have doubled their power of resistence and have succeeded in maintaining their identity. They have always wanted to regain their freedom, and in 1918 they had the opportunity to be independent.

When the decrepit czarist regime was overthrown during the First World War, the Byelorussians proclaimed their independence on March 25, 1918. Then they set up the Byelorussian National Republic with its democratic government under

which some 10 million Byelorussians lived and worked happily for about 3 years. Then began the unhappy period in their national life. Early in 1921 the Red army attacked and overran the country, thus putting an end to independent Byelorussia. Soon the country was incorporated into the Soviet Union and the Byelorussians were ensalved under Soviet tyranny.

For 40 years these people have been enduring the oppressive Soviet regime, but they have not lost their love of freedom; they still cling to their national goal, that of attaining independence and freedom. On this 43d anniversary of their independence day let us hope that they will reach their goal and attain their national freedom.

A National Lottery

EXTENSION OF REMARKS
OF
HON. PAUL A. FINO
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Friday, March 24, 1961

Mr. FINO. Mr. Speaker, an interesting news item appeared in the press last week to the effect that a multimillion dollar gambling syndicate operating in the Pentagon was smashed in a raid conducted by Treasury agents.

The Federal prosecutor who led the raid described the operation in our Nation's Defense Establishment as "unbelievable."

I wonder, Mr. Speaker, whether the Federal prosecutor was amazed at the tremendous amount of money our Federal employees spend to quench their gambling thirst or was he shocked at the discovery that such an operation could happen on Federal property.

In either event, the prosecutor should not have been surprised if he was willing to accept the indisputable fact that the urge to gamble is not only normal but a universal human trait. He should know that because of our own hypocrisy we have encouraged, permitted and allowed professional gamblers to capitalize on this human desire.

Mr. Speaker, the type of gambling activity uncovered at the Pentagon is no different than the kind of gambling that goes on everywhere else throughout this country. As a matter of fact Irish Sweepstake tickets are sold right in the House Office Buildings. I know. I have bought them right in my office.

All of this, Mr. Speaker, proves one point and that is that millions of American citizens enjoy the pleasures of gambling and the sooner we wipe out hypocrisy and accept the fact that man is by his very nature a gambler that much sooner we will cut off the underworld from this lucrative industry.

Mr. Speaker, the legalization of a national lottery under public control will not only satisfy the American desire to gamble but will easily pump into the coffers of our Government at least $10 billion a year in additional income which can help reduce our national debt and bring sorely needed tax relief to our wage earners.

This, Mr. Speaker, is the only realistic, sensible and courageous approach to this whole problem of gambling. It would be, I might add, a profitable and satisfactory solution to a pressing and disturbing human problem.

Seattle Citizens Salute a Fine Officer of the U.S. Navy

EXTENSION OF REMARKS
OF
HON. THOMAS M. PELLY
OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES
Friday, March 24, 1961

Mr. PELLY. Mr. Speaker, in the years I have served in the U.S. House of Representatives I have had occasion to work closely with a great many members of our armed services, and because the Puget Sound Naval Shipyard and the headquarters of the 13th Naval District are located in and around the Seattle area, my association with Navy personnel has been particularly close.

In this connection, it has been my privilege to have associated on a very personal basis with many high-ranking naval officers and without exception I have found them to be men dedicated to their chosen careers and to the service of their country.

Ordinarily it would be difficult, if not impossible, to single out any one of this distinguished company. But on occasion, by force of circumstances, events sometimes take over and spotlight one individual in the life and activities of a community. Such an example of public leadership and interest in civic affairs has attracted my notice and is worthy of mention.

This is the case of Capt. Kenneth J. Sanger, commandant of the Naval Air Station at Sand Point, Seattle, Wash. Captain Sanger assumed command of his present post on June 27, 1959. Since that time, he has given so unselfishly of himself, both as a Navy and community leader, as to have earned the official and quite unusual commendation of civic organizations such as the Seattle Chamber of Commerce, the Reserve Officers Association, the Disabled American Veterans, and the Navy League.

Captain Sanger's inspirational leadership of the approximately 2,000 officers and men under his command resulted in raising their standing in the Naval Air Reserve program from 18th place in the Nation to No. 1 naval air station in a 1-year period of time. For this outstanding accomplishment the CNATRA trophy was awarded on October 1, 1960. At the same time the Edwin Francis Conway Trophy was presented to Captain Sanger by Under Secretary of the Navy Fred A. Bantz. This trophy is given annually to the highest rated naval air station in the Nation.

Also, he was instrumental in aiding the mayor of Seattle in establishing the Seattle American Leadership Council and has taken an active part in assisting the mayor with the implementation of this important community activity.

A 1-day seminar for over 100 Seattle business and industrial leaders was held on October 18, 1960, which resulted in a program for citizenship education and action in the field of reawakening the citizens to our American heritage and our responsibilities as citizens.

These achievements in the field of public relations and his individual dynamic, enthusiastic, and patriotic personal activities have resulted in the closest cooperation between the military and civilian community leaders in Seattle. Many of these latter have expressed regret that under rotation or transfer he might be sent to some other duty.

As one of his many friends and admirers, I have joined in expressing the hope that the Navy will find it possible to extend Captain Sanger's tour of duty so that our community can continue enjoying the benefits of his inspirational leadership. As a fitting tribute to this fine officer and gentleman and to the Sand Point Naval Air Station which he so ably commands, I am including with these remarks a resolution adopted by the board of trustees of the Seattle Chamber of Commerce under date of March 21, 1961.

RESOLUTION ADOPTED BY THE BOARD OF TRUSTEES OF THE SEATTLE CHAMBER OF COMMERCE, MARCH 21, 1961

The Seattle Chamber of Commerce expresses again its great pride in the achievement of the Naval Air Station, Seattle, in winning last year the Conway and Chief of Naval Air Training Trophies for the most improved and most efficient naval air station in the Naval Air Reserve Training Command.

Further, the Seattle chamber takes favorable recognition of the aggressive and effective program of the Naval Air Station, Seattle, in emphasizing the Navy's all-out effort to revitalize leadership. This program is reflected in the goal of educating all individuals in the command to understand and practice the basic principles upon which our country was based. The program emphasizes that Navy men achieve, in addition to combat leadership, leadership in the cold war.

Further, the Seattle chamber commends Capt. Kenneth J. Sanger, USN, commanding officer, U.S. Naval Air Station, Seattle, and the other dedicated members of his command, for the results which have been obtained.

JOHN C. CROSTHWAITE,
Chairman, Armed Services Division.

Department of Agriculture Lamb-Buying Program

EXTENSION OF REMARKS
OF
HON. ODIN LANGEN
OF MINNESOTA
IN THE HOUSE OF REPRESENTATIVES
Friday, March 24, 1961

Mr. LANGEN. Mr. Speaker, the Department of Agriculture's recently announced lamb-buying program seems to be pretty much a matter of robbing Peter to pay Paul when viewed in the light of

lamb imports. Thus far, the Department, by a program announced on February 27, 1961, in an attempt to improve prices, has acquired 4½ million pounds of lamb at a cost of $1¾ million. At the same time, we have imported over 14 million pounds of lamb at a cost of over $3½ million during the past 13 months.

The way the program is operating, the Department is buying lamb at about the same rate it is being imported. The latest purchase was 1,700,000 pounds, and we imported 1,600,000 pounds in January. First these imports are allowed to come in, and then the Department purchases them because of their bad effect on the domestic market. This must be one of the strangest applications of the quota and tariff system in history.

I certainly agree that net farm income needs improvement and that contributing commodities to nonprofit charitable institutions, as is being done with the purchased lamb, is a worthy means of distribution. But since all we are doing, in effect, is buying imports, we are wasting the taxpayers' money and giving the farmer no real or lasting help. The cost of the program, however, is charged to the farmer.

I am aware of the importance of international trade to international relations, and am in no way advocating a complete termination of farm imports. However, situations such as this one in lamb—and there are comparable ones in oats, barley, and rye, also—certainly point to the fact that a more sensible import policy is needed. The present policy is harming both the farmer and the taxpayer.

Mrs. Clara B. Gonzales

EXTENSION OF REMARKS
OF
HON. JOSEPH M. MONTOYA
OF NEW MEXICO
IN THE HOUSE OF REPRESENTATIVES
Friday, March 24, 1961

Mr. MONTOYA. Mr. Speaker, Mrs. Clara B. Gonzales, reservation principal at the Zuni Pueblo, for the Bureau of Indian Affairs, Department of the Interior, is 1 of the 10 winners of the National Civil Service League Career Service Award for 1961.

The award was presented to Mrs. Gonzales by Nicholas Kelley, president of the National Civil Service League, on March 21. The citation on the scroll presented to her stated:

Mrs. Gonzales has planted in the hearts of the Zuni people a love and respect for education. When she came to the Zuni Pueblo very few of its members were in school. Now, largely because of her efforts, the percentage in schools and institutions of higher learning exceeds that of non-Indian communities on the periphery of the village. The Indian people do not hesitate to bring their problems to Mrs. Gonzales, so confident are they of her understanding and help. She has taken every opportunity to help them broaden their horizons. The Zuni people, as well as her coworkers, have a deep regard for Mrs. Gonzales because throughout her career the Zuni Pueblo has been her classroom; and the understanding, love, and affection for the Zuni people have been her basic textbook.

In announcing that Mrs. Gonzales had won the award, Interior Secretary Stewart L. Udall stated on March 13 that she is the first woman employee of the Interior Department and the first person from the ranks of the Bureau of Indian Affairs to receive this award presented annually to 10 outstanding Federal career service employees on the basis of competence, character, and outstanding achievements. Mrs. Gonzales has been a teacher at the Zuni Pueblo for nearly 38 years. She is credited with bringing Zuni school enrollment to nearly 100 percent.

Greek Independence Day

EXTENSION OF REMARKS
OF
HON. EDWARD P. BOLAND
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Friday, March 24, 1961

Mr. BOLAND. Mr. Speaker, it is only natural and quite human that all peoples and nations celebrate their national independence day, and that that day should become their most important national holiday. They do this because they all prize the attainment of their freedom and independence as the culmination of their political and spiritual aspirations. To this the Greek people are no exception.

They have especial reason to celebrate their independence day as their national holiday because they were the first among all peoples to have and enjoy freedom and independence, and therefore were keenly appreciative of the value of real freedom. And when they regained it after the lapse of 2,000 years, they rightly regarded the beginning of their national free life, as the beginning of a new era for them. This, more than anything else, is perhaps the reason why they have observed the anniversary of their independence day, so solemnly within Greece, and abroad, and have celebrated it as their national holiday.

The daring deed of a handful of gallant Greeks that had its beginning 140 years ago, under the leadership of an archbishop of the church, has become the most momentous event in the history of modern Greece, standing out as a brilliant landmark in the history of the Greek people. The war of independence, waged intermittently for more than 7 years, at times was no more than one wholesale slaughter by the Turks almost leading to the enslavement and annihilation of the Greeks.

But through their uncommon gallantry and indomitable will to sacrifice their all, and with the effective aid of their friends in many lands, they finally wrenched victory out of certain defeat. All that to the glory and honor of the Greek people, and to the credit of their friends abroad. I gladly join Americans of Greek origin and Greeks everywhere in the celebration of this day, the 140th anniversary celebration of Greek Independence Day.

The United Nations in a Time of Transition

EXTENSION OF REMARKS
OF
HON. J. GLENN BEALL
OF MARYLAND
IN THE SENATE OF THE UNITED STATES
Friday, March 24, 1961

Mr. BEALL. Mr. President, on March 22, 1961, the Honorable Douglas Dillon addressed the annual dinner of the United Nations Association of Maryland.

On this occasion, the Secretary of the Treasury chose as his topic "The United Nations in a Time of Transition." I ask unanimous consent that Mr. Dillon's address be printed in the CONGRESSIONAL RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE UNITED NATIONS IN A TIME OF TRANSITION

It is a great pleasure for me to meet with the members of the United Nations Association of Maryland. For it is through the efforts of such organizations as yours that the message of the United Nations reaches the American public. Public understanding and support of the United Nations are, as you well know, fundamental to our country's fulfillment of its international responsibilities and objectives. We in Government are, therefore, deeply appreciative of the splendid work you are doing to help achieve this essential end.

Two decades ago, the idea of an organized world community seemed to many people to be no more than an idle dream. Some felt that such an organization was wholly impractical. Others feared that a successful world organization would impair the national sovereignties of member nations. Still others insisted that world affairs should be managed by a few of the great powers and that smaller nations should be compelled to follow their bidding.

Many obstacles were encountered in the creation of the United Nations. There have been further obstacles to its development and growth. But most of these obstacles have been surmounted. Today, the United Nations is one of the most vital realities in the entire sphere of international relations. We Americans can take justifiable pride in the role our country has played in helping to build and to preserve the United Nations system.

By a great many standards, the United States is classified as a "great power." However, throughout our history the American people have been devoted to the rights of small nations—the right to independence, the right to survive, the right to grow, and the right to pursue material and spiritual well-being for their peoples within a framework of free institutions of their own making. These rights have been achieved—as never before—within the framework of the United Nations.

The United Nations has amassed great support around the world in the 15 years of its life—although often for different reasons. This is at once a tribute to the many sidedness of the world organization, which plays a variety of roles in various parts of

the world. It is also a tribute to the capacity of the United Nations to respond to successively different demands throughout its existence.

The world has moved onward—but unfortunately, not always upward—since 1945, when the United Nations was a fledgling hope of barely 50 members. The United Nations has also altered, both in its composition and in its functions. It was originally conceived as an organization dependent for action upon agreement between the permanent powers—notably the United States and the Soviet Union. In those days, a majority in the General Assembly could be obtained from the votes of Western Europe and Latin America.

But the strains of international events demanded that the organization either grow or simply wither away—discarded, like its predecessor, the League of Nations. The United Nations did grow. It has now reached a total of 99 members, with several more almost certain to join in the next few years. A majority can now be obtained from the combined states of Asia and Africa. The functions of the organization have also expanded to meet new needs, as more and more problems affecting its membership and the world as a whole have been thrown into the lap of the United Nations.

Throughout these changes and developments, the United Nations concept has retained the allegiance of the overwhelming majority of the people of the United States.

President Kennedy spoke for all of us when he said in his inaugural address that the United Nations is "our last best hope in an age where the instruments of war have far outpaced the instruments of peace."

Four months earlier, former President Eisenhower told the General Assembly that the United Nations "has accomplished what no nation singly or any limited group of nations could have accomplished * * * to forego the bonds and build the structure of a true world community."

Important as the United Nations is to us, it is of perhaps greater importance to the new and emerging countries. To them, it is the symbol of nationhood. Membership in the world organization has become tangible evidence of their newly won independence.

Only in the United Nations can a small country participate fully in deliberations of international developments. Without the United Nations, it is not likely that small African States would have much say in decisions that will not only shape the future of Africa, but of the entire world. Small or emerging nations desperately need the United Nations for their security and as a sounding board for their hopes, fears, and aspirations.

President Kennedy had this idea very much in mind when he called in his state of the Union message on "the many smaller nations of the world to join with us in strengthening this Organization, which is far more essential to their security than it is to ours—the only body in the world where no nation need be powerful to be secure, where every nation has an equal voice, and where any nation can exert influence, not according to the strength of its armies, but according to the strength of its ideas."

What, then, is this Organization which has grown and developed in ways not foreseen by those who wrote its charter in San Francisco 15 years ago?

It is, first of all—and I say this without apology—a debating forum. This characteristic causes some United Nations supporters to become impatient and to assume that the United Nations because it is often long-winded and, on occasion, even unproductive, is also ineffective.

But free, thoughtful debate is essential on such immense issues as the rights of man, the ways of seeking peace, the need for economic advancement and spiritual growth, and the importance of justice with freedom. These topics must be endlessly explored and debated according to the customs of free parliaments if humanity is to move forward out of the shadows which becloud this uneasy world. Indeed, if the totalitarian spokesmen through their contacts with the free world in the forum of the United Nations learn nothing more than the rules and procedures of a democratically conducted debate, perhaps a small dent will have been knocked into the theory of the autocratic state—a dent which one day may bring about repercussions in the proceedings of monolithic totalitarianisms.

The United Nations is also an operation—a limited operation it is true, but a crucial one. The United Nations has demonstrated that an international organization can mobilize people and resources for economic development; that it can supervise the administration of dependent areas; that it can whip together a military force to repel aggression, and that it can mobilize security forces and civilian administrators to bring about a modicum of order and security where there might otherwise be civil war and communal rioting.

Each time the world organization takes on a new and bigger task, skeptics wonder if it can survive the test. But it has grown stronger from adversity. Today it is meeting the test of the Congo, where there is a United Naions force of approximately 20,000 troops and several hundred administrators, paid for by a United Nations budget of some $135 million.

The development of the operating capacity of the United Nations is perhaps the most striking aspect of the organization since its inception. But there is considerably more to the United Nations. It is also a facility for the practice of multilateral diplomacy. The complex world of today presents us with issues which involve many different peoples. Hence, multilateral negotiations are required to supplement bilateral diplomaacy. They, in turn, require a place and an atmosphere that are suitable. The place should have corridors as well as council chambers, because some of the most important developments in international arrangements come, not from formal meetings and agreements, but from informal, unofficial understandings and exchanges of views. Indeed the very presence in New York for protracted periods in time of leading statesmen is a real if intangible force in bridging gaps of misunderstanding between ourselves and the world around us.

This bodes well for the present and for the future. It is a happy development in the current struggle between freedom and totalitarianism that statesmen from all continents and all sections of the world desire to mingle their voices in a cosmopolitan chorus demanding peace.

It is our duty to strengthen and to maintain this great experiment in international collaboration, particularly in these days when it is subject to heavy attack and severe testing. It is valuable as a unifying factor of free states against totalitarian assaults or infiltrations which challenge their independence and security. However, the United Nations should not be used as a means of extending the cold war but, rather, as a means of ending it. The world organization is needed to preserve national ways of life and the ability of individual nations to choose how they should live. But it is not a device to hold back the hand of time or to maintain the status quo. On the contrary, change is often good and desirable, and the United Nations should serve as the framework of change and progress throughout the world. Peoples are best cemented together, not by mutual fear, but by mutual hope.

Finally, there are contained within the framework of the United Nations many opportunities to develop what may be called "quiet diplomacy," free from the shrill urgencies of the crisis and the headline. We need to cultivate these opportunities, and we will be better enabled to do so as the world organization grows both more responsible and more responsive to world needs. We can perhaps do this best in many cases by operating quietly away from the glare of publicity which sometimes distorts formal United Nations meetings. Most important, we can seek to increase the sense of harmony among nations, particularly between the older industrialized states and the younger emerging nations of Asia and Africa.

In these ways, we can seek solutions to international problems before they become conflicts. It takes great statesmanship to solve a world crisis. But it is a sign of greater, if sometimes lesser known statesmanship, to prevent the crisis from developing.

Never before has mankind been confronted by such grave dangers—nor by such magnificent opportunities. In the same hand we hold the power of death and destruction and the power of life and progress. We Americans have a profound conviction that mankind will choose the pathway of life. In this conviction, we must dedicate ourselves anew to the principles of the United Nations Charter and to the pursuit of peace, freedom, and prosperity for all the peoples of the earth. Our consciences as Americans and as members of the human race demand no less.

The Federal Judicial System

EXTENSION OF REMARKS
OF

HON. JOHN W. McCORMACK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, March 24, 1961

Mr. McCORMACK. Mr. Speaker, I am very happy to note that our colleague, the gentleman from New York [Mr. CELLER], chairman of the Committee on the Judiciary, has seen fit to send a very interesting communication to the Judicial Conference which is composed of the Chief Justice of the United States as Chairman, and the chief judges of the 11 judicial circuits and an elected judge of the district courts from each of those circuits.

This communication concerns itself with the supervision of the various Federal courts throughout the country. I remember when we passed—in 1939—section 332 of title 28 of the United States Code. It was our intention that the judicial councils, composed of judges from the various courts of appeals for each circuit, would oversee the operation of the judicial systems in the various district courts and circuits. It was to give autonomy to the local councils rather than to centralize such supervision by the Congress or by some other agency in Washington.

In life, judges are human; there has been evidence that the councils have not fully met the responsibilities imposed upon them by statute. While the great majority of our judges are scrupulously honest in the courtroom, it is evident that there are some judges who are arrogant, domineering, dictatorial, in fact, judicial tyrants. One such

judge is one too many. Section 332 of title 28 of the United States Code reads as follows:

Each judicial council shall make all necessary orders for the effective and expeditious administration of the business of the courts within the circuit. The district judges shall promptly carry into effect all orders of the judicial council.

I know that following a previous admonition to the Judicial Conference on this very problem, a special committee on the responsibilities and powers of the judicial councils had been appointed and following Chairman CELLER'S second communication that a report of that special committee was filed and adopted. Nonetheless, I do repeat that Congress must keep a watchful eye on this whole area.

If a vacuum exists, it is bound to be filled. Unless appropriate action is taken by the local judicial councils in performing the duties set forth, as stated above, Congress will be compelled to act.

The communication addressed by Chairman CELLER to the Chief Justice is as follows:

MARCH 10, 1961.

The CHIEF JUSTICE,
The Supreme Court,
Washington, D.C.

MY DEAR MR. CHIEF JUSTICE: I regret very much that I am unable to be present this morning at the opening of the Judicial Conference of the United States. Unfortunately, an important engagement arose suddenly which required my immediate attention in New York City. However, the message which I contemplated presenting to the Conference today is of such importance and urgency that I am writing to you to request you to read this letter to the members present at the Conference.

You will recall that on past occasions I have raised the question before the Judicial Conference of the organization and powers of the judicial councils. I was very gratified to learn that you had appointed a special committee to look into this question. I have been informed that this committee may report to the Conference during its current session and I am looking forward with great anxiety to its report.

At the outset, I wish to state that my interest and concern over this question arose from personal experience as chairman of the Committee on the Judiciary of the House of Representatives. At no time did anyone intercede with me to initiate the activities which I have pursued in this matter. On the contrary, during the course of legislative consideration of many of the laws which have been enacted to improve our Federal judicial system and to administration of justice, I have had problems presented to me which, in my judgment, should never have been permitted to exist and would never have come to the attention of the Congress if the judicial councils had exercised the powers and responsibilities conferred upon them by section 332 of title 28 of the United States Code.

For example, due to failure of proper direction of the Judicial Councils to provide appropriate geographic distribution of judicial talent there has arisen demands for additional districts and divisions in some circuits. If judges had been properly assigned to certain areas, I am confident there would have been no such demand. Some of the suggested changes are unnecessary and costly.

I do not wish to dwell on specific instances or individuals, but I can advise you that over the course of the years several matters have been brought to my attention which have given me a great cause of concern. It was because of the undertone of dissatisfaction with the work of the Judicial Councils that I was motivated in presenting this problem to the Judicial Conference.

From my own personal experience and observation, I realize that by far, most of the members of the Federal judiciary are a hard-working, respected body of men. However, whenever the need for additional judges arises there is the immediate hue and cry concerning congestion and delay in our courts. If one goes back to 1906 when the American Bar Association first looked at the problem of court congestion and follows it down through the years to the present time, one finds the same criticism time and time again. Our courts are never criticized for their decisions but mostly for administrative deficiencies and excessive delay. It was these criticisms, together with the mounting public and professional impatience with the delay of justice, which created the necessary climate for reforms in Federal judicial administration. The act which created this body in 1922 and the act of 1939 setting up the Administrative Office of the U.S. Courts and the Judicial Councils of the circuits amply demonstrate the concern of the legislative branch of our Government with these problems of administration.

As one who actively participated in processing the act of 1939, I have no doubts as to the legislative intent of that law.

The legislative history, in my opinion, conclusively demonstrates that the major reliance for improving judicial administration was placed upon the voluntary cooperation of the courts rather than upon any powers of compulsion. There have been many fields and instances where major improvements in court organization have been accomplished by legislation, and here this has been accomplished through the Judicial Conference which, in turn, had consulted with the Councils throughout the country. I approve of such consideration and presentation. These instances demonstrate the value of both the Conference and the Councils when they function in accordance with the responsibilities which the Congress placed upon them.

I fully realize that this is a delicate question. I realized it in 1939 when section 332 was under consideration. I understand that there may be some doubts in the minds of some members of our Federal judicial system regarding the rather general and vague language of that statute. I can assure you that the drafting of that statute was deliberate in order to provide elasticity in the procedure to deal with the many and varied problems which the Congress contemplated would arise for the consideration by the judicial councils. Indeed, I recall that it was the considered judgment of the Congress that the judicial councils were, by their very nature, the proper agents for supervising our Federal courts. These councils know the needs arising out of local conditions. They can fit their actions to these needs. Such actions are necessary and desirable and, therefore, the power conferred on the councils by the Congress was purposely designed to permit them to adopt these powers to the local problems and necessities, but they were never designed to lie dormant, particularly in light of public impatience and criticism with the law's delay.

Let me make it clear that neither then nor now do I wish to see any interference with the judicial functions of our courts. I am a firm believer in the doctrine of separation of powers. However, the growth of this Nation, both politically and economically, has transformed the basic structure of our Federal judicial system. I do not have to tell you that judges are now doing much more than judging. Judges exercise a legislative function in recommending legislation to the Congress and in formulating procedural rules under the authority delegated by the Congress. They exercise an executive responsibility in supervising the many day-to-day tasks of operating the judicial establishment. As Mr. Justice Burton once remarked, "Judging is also administration."

It is my honest opinion that there is an urgent need for the judicial councils to start functioning immediately along the lines which I believe Congress intended them to do. If there are any doubts concerning the statute it behooves the Federal judges to resolve that question and make recommendations, if corrective legislative is necessary. On the other hand, if it is found that the statute is adequate, then there should be no toleration of further delay. Action, and quick action, is warranted, in my opinion, at this time. Here, I most reluctantly sound a warning. If there has been a vacuum in the exercise of these powers it must be filled now lest some other agency be delegated to fill it. I, under no circumstances, wish to see either the Congress or any agency selected by the Congress, or any individual for that matter, interfere or take over the administrative responsibilities of our judicial system. I believe the judges should do their own housekeeping, but do it they must or someone will do it for them.

The progress which has been made in improving our Federal judicial system over the past 20-odd years has been remarkable but we are still faced, as you realize, with criticisms and problems which must be met. At this time I believe the needs for solving these problems are more acute than ever because there is a greater awareness and acceptance by the public as to the validity of the criticisms. Aside from my own personal experience in dealing with the complaints of other Members of Congress, I merely point out the recent Cotter report as well as the report of the Senate Judiciary Subcommittee on Improvement in Judicial Machinery. Only last week during the course of the hearings before my subcommittee on my bill for additional judges, these criticisms could be heard. In the aggregate they toll a warning bell that this hesitation and delay on the part of the judicial councils must cease. I urge the Federal judges with all sincerity to do something about this matter and do it promptly. I assure them of all the help and cooperation I can give in assisting them to do that. I am confident that if they will help themselves the Congress will help them, too. But on the other hand, I am just as confident that if these judges do not do it someone will do it for them, to our mutual regret. I earnestly await their suggestions and their actions in this matter.

Sincerely yours,

EMANUEL CELLER,
Chairman.

St. Patrick's Day Address by Senator Claiborne Pell, of Rhode Island

EXTENSION OF REMARKS
OF
HON. HUBERT H. HUMPHREY
OF MINNESOTA
IN THE SENATE OF THE UNITED STATES
Friday, March 24, 1961

Mr. HUMPHREY. Mr. President, I ask unanimous consent that an address entitled "To the United States," delivered before the Friendly Sons of St. Patrick on March 17 in Providence, R.I., by the distinguished junior Senator from Rhode Island [Mr. PELL], be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

SPEECH BY SENATOR CLAIBORNE PELL AT THE 61ST ANNIVERSARY DINNER OF THE FRIENDLY SONS OF ST. PATRICK, FRIDAY, MARCH 17, 1961, 7 P.M., SHERATON BILTMORE HOTEL, PROVIDENCE, R.I.

TO THE UNITED STATES

I am deeply grateful to your committee for having invited me here this evening. Not only am I honored and grateful to you all, but knowing how distinguished through the years have been the previous speakers at this dinner, I am doubly honored.

I also bring you the greetings of my colleague and the friend of us all, whose birthday is today, Senator JOHN O. PASTORE.

President Kennedy some weeks ago said in his brilliant and stirring inaugural address: "Fellow Americans, ask not what your country can do for you—ask what you can do for your country."

This is the thought around which I should like to revolve my remarks tonight.

First, in looking at our country, let us briefly examine her appearance and age. Both of these are relative factors. I can recall that 10 years ago I believed a man in his forties was definitely mature; in fact, perhaps a rapidly aging man. Now that I am in my forties, I think that the forties are an age of youth, vigor, and imagination. And, being human and an optimist, as I grow older I will probably always be convinced that my generation is the generation of youth, vigor, and imagination, no matter whether I am 40, 50, 60, 70, 80, or even 90.

And speaking of 90 years of age, my wonderful predecessor, Senator Theodore Francis Green, has a mind that is as vigorous and young as that of any of us at any age. As long as hope and optimism are in a man's heart, that's what counts.

Now, speaking of age, let us examine our country. In fact, the United States has had its system of government unchanged, has relied on the same Constitution, longer than has any other government in our world.

At the same time, our critics say that we are becoming decadent, old and weak. They cite our rate of unemployment, greater than that of any other industrialized nation. The fact that our young people's physical health and strength is poorer than that of youngsters of other nations is also used as an example. Recently tests showed that British boys scored 14 percent higher than American boys, and that British girls scored 23 percent higher than American girls. Japanese boys and girls outscored our American children by an even wider margin.

However, some tests were run recently in Pawtucket—and here you Pawtucket fathers or grandfathers can take particular pride. Pawtucket youngsters came out 16 percent higher than the 42-percent average scored by youngsters throughout the Nation.

Personally, though, I believe our country has in its grasp the potentiality and prospects, the vigor and life, of a young man, and not of an old man.

I must say, too, that the atmosphere in Washington, sparked and generated by our excellent President, gives off this spirit of optimism and confidence. In fact, I believe that John Kennedy will prove one of our truly great Presidents, ranking with Washington, Jefferson, Lincoln, the two Roosevelts, and Woodrow Wilson. And in good measure, because of this, I see the United States—strong, morally and physically; powerful; and with a long, good, full life to lead.

But let us look hard at the image of the United States. What is our appearance? What do we look like? It depends on who does the looking.

To many of us, blessed with reasonable prosperity and circumstances, the United States looks pretty wonderful. But, let us look around, even in our own State, and see the variety of impressions.

This month, some 10,000 food packages are being distributed free to unemployed destitute families in our own State.

Our unemployment is high; 50 percent higher than the national average. I wonder how our United States, or even our Rhode Island, looks to the unemployed textile worker in Woonsocket or Central Falls, his unemployment compensation exhausted, dependent on public assistance, and with few job prospects.

Now, let us examine the problem of prejudice in our country. This last national election has, I believe, proved that religious prejudice is dead in our country. And, within our own State, my own election demonstrated the same.

For this, incidentally, I am fullheartedly grateful to many of you here in this room.

When it comes to racial prejudice, though, we still have a long way to go. The United States to a Negro, or even to a Jew, does not yet have the fullness of opportunity that it should. Just the other day, I noticed that our new Secretary of State, Dean Rusk, an old colleague of mine in the State Department (we both had desks side by side 15 years ago), bought a house in Washington, and in buying it, he refused to sign a covenant committing him, when he sold it, not to sell it to any non-Caucasian, i.e., a Jew, a Negro, or an oriental. Because our Secretary of State refused to sign this covenant, and was merely putting into his personal life our supposed national beliefs, it made headline news around the country.

So, while the United States seems full of opportunity to many of us, and to our children, it really does not offer the same full open doors to our unemployed and to others of our citizens.

Now, let us see how the United States looks from the viewpoint of other countries. First, let us take Great Britain. We were born in revolution against that country. We fought them hard, and they fought us. During the War of 1812, they even burned down our White House. We thought their policy harsh to our own forebears here in the United States. And the forebears of some of us here in this room shared an equal dislike from an even earlier period—from the days of Oliver Cromwell—than did the early American colonists.

Yet, today, to my mind, outside the United States, Great Britain is probably as strong and great a well of democratic values as exists in the present world. To her we sometimes seem bumptious and isolated, and even immature.

Now, let us go across the channel from Great Britain to Ireland, an appropriate trip on this St. Patrick's Day. How do we look from there?

Ireland's loss has been our gain in that its troubles have produced a great deal of the growth that is the United States by giving us her sons and daughters, who have become amongst our finest citizens. Incidentally, on this 100th anniversary month of the inauguration of the great President Lincoln, it would, I believe, be particularly appropriate to mention the fact, not commonly known, that just a century ago Irish troops were especially helpful to the Union Army during our Civil War. Between 150,000 and 170,000 Irish troops fought then. At Fredericksburg, Irish soldiers under General Meagher—wearing green twigs in their hats—made six of the most heroic charges of the Civil War. One Irish regiment of the Irish Brigade went into the battle with 700 men and came out with 150 men. Many of the Irish troops who fought in the Civil War remained in the United States after the war was finished.

We owe a great debt to Ireland, and we have enjoyed her friendship since our inception. However, let's not fool ourselves; to the Irish Free State, the United States may also sometimes appear a bit bumptious and even pigheaded.

And how do we look from the viewpoint of Africa or Asia? You are as familiar as I with the slowness with which we are implementing our Constitution and our laws when it comes to making available to all our citizens on an equal basis education, public facilities, and even the privilege of voting. In our own South, while the religious institutions, particularly the Catholics, and many moderates are doing as much as they can in the field of education, the great majority of our southern white Americans oppose integration in education.

Even here in our State there are problems. I have a Negro friend who told me that in the suburban block where he lives, not one of his neighbors had been friendly to him and his wife—though they had to their children—in the more than a year that they had been there. So, how do we look to people of color throughout the world. I leave you to draw your own conclusions.

Or, let us go behind the Iron Curtain, an area where I have lived a couple of years and visited most every other year since World War II. There, while their governments and the official propaganda line have done all that is possible to caricature the United States as a moneygrubbing, vicious, warmongering nation, the reservoir of goodwill that exists for us among its people is still as deep as ever.

I remember once taking a train from Warsaw to Moscow. I had no Russian money. Other passengers on the train shared their food and beverages with me for the whole of that long train ride. They did their best to make me feel at home. I wonder what would have been the fate of a Russian tourist on the New York, New Haven and Hartford for an equal length of time?

Actually, I guess it's a pretty tough fate to be dependent on the New York, New Haven and Hartford. And, one is usually on it longer than one intends anyway.

But, seriously, from the Russian viewpoint, we appear almost as threatening to their security as they do to ours. I remember once being struck by a Russian map of the world, which showed the American nuclear-armed bases surrounding its borders. The Russians are constantly told that these bases are for offensive operations, and we often join in saying how we can blast every Russian city from the face of the map. I must say that if I were a Russian and listened to either the bellicose speeches of the Communist propagandist or to some of the saber-rattling speeches of ourselves, much less both, and then looked at that map, I would be a bit worried, too.

Our way of life and outlook are, to my mind, the best and most natural for the expression of wishes and desires of people everywhere. And for that reason, in the long haul, our Judeo-Christian way of life will triumph over the Communists. This is particularly true in fair competition. I have seen Communist officials who go to the United States, come back a lot less convinced Communists than when they left.

Now let us look westward to the Pacific. The first and most amazing point here is our new State of Hawaii. In Hawaii we have a real amalgam, a real melting pot—even more than on the U.S. mainland. And this melting, like the tempering of steel, appears to have developed strong foundations and also charted a way toward improvements. What has happened in Hawaii can do a lot to change the image of us in the other parts of the world and to improve our posture as the world's leading democratic nation.

We go to Japan, and there is some confusion. A short 15 years ago we insisted that they disarm totally and completely, and forever forswear the use of arms. At our instance, the Japanese Constitution was written to say in part "sea, and air forces as

well as other war potential, will never be maintained. The right of belligerency of the state will never be recognized." Now, a very few years later, we urge them to arm as quickly and vigorously as they can.

We talk about disarmament in the United Nations, and yet we watch Communist China the most populous nation in the world arm itself with new and more deadly weapons without making any effort to insure that she sit down and discuss her awesome threat to humanity.

Now forgive me for literally covering the waterfront, but I have tried to underline the point that the United States does not appear the same to everybody.

Now that we have made our world tour, let us return home to President Kennedy's inaugural words: "Ask not what America can do for you—ask what you can do for your country."

There are many things that each of us can do for our country. There are many things that each of us can do to reinforce the vigor and youth of America and to insure that we continue toward our own New Frontiers.

To be specific: our businesses, our bankers, and our credit associations can be more adventurous and not depend too much on the Government. The other day a friend of mine and an excellent banker here wanted the Small Business Administration to extend a loan to a business to which he himself would not extend a loan. In this case, actually, he would not lay on half the loan, although the Small Business Administration said that it would put up a half, if he would agree to accept the other half. Now, I believe bankers should be willing to share in the risk that they ask the Government to take.

Asking what you can do for your country means the full reporting of all our taxable income and the payment of all the money we owe to the Government. I believe that if all the money that is owed by the taxpayers to the Government were paid, it would be unnecessary to raise taxes. For instance, in answer to a question from me at his appearance before the Joint Economic Committee, Secretary of the Treasury Dillon said for the record that the Treasury Department estimates that several billion dollars in interest and dividend income is not reported each year. And, while I believe all of us here in this room are reporting our income, we can do what we can to make sure that those we do business with or have contact with behave the same way.

Our industrialists and businessmen can be more imaginative and confident, more adventurous. This means plowing back a larger portion of profits into capital improvements, developing new marketing processes and uses for our products and the keeping pace with technological advances in other areas of the world.

Our investors can have greater confidence in our industries, in the growth of the American industrial system. One evidence of such confidence would be a willingness to invest in common securities and stocks, rather than bonds. In this connection, not only industrialists and bankers can help by investing in industry, but the unions can share in this. The amazing thing is that at present such supposedly conservative institutions as universities and mutual funds have invested a high percentage of their funds in common stocks. For instance, in 1959, 80 percent of the portfolios of mutual funds were invested in common stock. And in the fiscal year ending 1960, 80 percent of universities had 56.1 percent of their endowment funds invested in common stocks. Yet, the emphasis of the investment patterns of union funds is upon bonds and mortgages.

What we can do for America is to practice in our own lives the elimination of discrimination. My fellow Americans, there can be only one nationality in America—American.

Creed no longer enters the picture, but race, color, and age still do, and here each of us can do our own bit to help.

We must have greater faith and confidence in our own system, a realization that our democratic system provides not only the material welfare, but must meet the human and emotional and religious needs of all people. This is the field where communism fails.

We must have a willingness to sacrifice to obtain the good, the great, world that is within our grasp.

What can we do for America? We can act like Americans, talk like Americans, and think like Americans. And, most important, have the confidence in our own vitality that as Americans we must have.

Gentlemen, I give you a toast to our United States.

The 140th Anniversary of Greek Independence

EXTENSION OF REMARKS

OF

HON. JAMES A. BURKE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, March 24, 1961

Mr. BURKE of Massachusetts. Mr. Speaker, today marks the 140th anniversary of Greek independence. Because of the many folks of Hellenic descent in the 13th Congressional District of Massachusetts, I feel that it is especially fitting to call attention to this day in the CONGRESSIONAL RECORD.

GREEK INDEPENDENCE DAY, MARCH 25

The Greek people have been the most persistent and proud advocates of freedom throughout their long and glorious history. They were the first to conceive and formulate the idea of freedom, and the first to practice it in their almost ideally organized state 2,500 years ago. There they enjoyed freedom in all its manifestation, freedom of speech, of conscience, of assembly, of movement, and also freedom from fear and freedom from want. All these freedoms were honored in ancient Greece, in classical times as never before in human history and nowhere else. Thus, Greek genius has a claim upon us, upon all men and women of the free world, and we all have always been conscious of our indebtedness to Greece for giving birth to this noblest of human ideals, freedom and independence.

It is one of the ironies of human history that these gifted and gallant people of Greece who gave birth to this superb idea were not allowed to enjoy it for almost 2,000 years. A few centuries after Athens had become the center of artistic, esthetic and philosophic learning of the then known world, with its citizens famous for their love of freedom and public spirit, Greece became a Roman province. The glory of Greece was gone and the Greeks were without their national freedom. Then during the late Middle Ages they were ruled by Frankish kings. And finally in the middle of the 15th century they were brought under their most despotic oppressors, the Ottoman Turks, under whom they suffered for almost 400 years and against whom they carried on their relentless struggle for their national independence. The independence which they proclaimed in 1821 was thus the culmination of an ideal fervently and dearly cherished by the people of Greece during their subjugation to foreign yoke for 2,000 years.

Neither under the austere and orderly Roman Government, nor under the greedy Frankish kings, nor under the ruthless Ottoman sultans were the Greeks at all happy. They were never willing to be reconciled to their unenviable lot under alien yoke. The longer they endured the foreigners' detestable regimes, the more oppressive became these regimes. Under the Romans they were captives, but as has often and with considerable truth been said, in this case the Greeks took their captor Romans captive. That is to say, the Romans were so much impressed and so completely overwhelmed by the Greek genius, that they became its disarmed devotees. The same cannot be said of the Frankish kings whose avowed crusading zeal was expressed in bitter religious ultrafanaticism, which was abhored by the Greek mind. But what the Greeks had to put up with under the ruthless and unscrupulous Turks was far worse. It is true the Mohammedan sultans did not interfere with the Christian religion of the Greeks, but as against this much misunderstood religious tolerance of the Turks, the Greeks were not allowed political, civil, or social equality. They were considered far less than second-class citizens in the Ottoman Empire in that all their worldly possessions as well as their lives were at the mercy of their overlords, the Turks.

Among the severe inequities under which they suffered was the immoral form of child taxation, which meant that the Turkish officials could go around and snatch away male children from Greek homes, who, when brought up in the sultan's palace schools turned into ferocious guardians of the Ottoman Empire. For decades and centuries helpless Greeks put up with these heartrending hardships and suffered immeasurably under the Turks. In their historic homeland, under the very eyes of Christian rulers of Europe, Christian Greeks thus endured the inhuman rule of their unchristian oppressor. Then came the rebellion of 1821.

The Greek war of independence that started on March 25, 140 years ago today, not only spread instantaneously throughout the Greek mainland and all Greek islands, but it also roused many governments and all peoples of Europe. One might say it shook the conscience of Europe, and brought it to its sense of duty. All lovers of freedom and of Greece were elated and excited by the news of the revolt, led by an archbishop in a monastery in northwestern Greece. In the past, other Balkan peoples suffering under the same ruthless Ottoman sultans had revolted, and some had even attained autonomous status, but no previous revolt against the sultans, inside or outside of the Balkans, was to arouse so much public sympathy and enlist so much moral support as did the Greek

war that began in 1821. In taking such a fair, upright, and sympathetic stand on this issue, the people of the civilized world were not only expressing their natural and genuine feeling toward a righteous cause, but they were also showing their unconcealed admiration and affection for gallant Greeks fighting for their lives as well as for the cause of freedom.

The war, fought continuously for almost 7 years, seemed a one-sided struggle most of the time, and at times it looked quite hopeless. The Greeks were overwhelmingly outnumbered from the beginning by the forces of their powerful enemy. Even the optimistic among Greece's friends were admitting that the Greek cause was lost unless some effective move was made, and a decisive step was taken by the governments in Europe. By mid-1827, Greece was almost bled to death; most of the country lay under the heels of the sultan's soldiers. Peoples on both sides of the Atlantic were following the course of events with anxiety. Unofficial and semiofficial groups in many countries were sending much financial and medical aid, and England's great romantic poet, Lord Byron, had gone to Greece to have his magnetic influence felt there. And fortunately in the end the Greeks, through their tenacity and gallantry, and through their unswerving devotion to their freedom, wrenched victory out of defeat: with the aid of their friends their cause won out and they secured their independence.

Of course, this last act had its very sad twists and tragic turns, but even through tragedy the Greek people were to be freed and once more Greece was to be herself again. In 1827, as the sultan's ruthless agents were complete masters of nearly all Greece, they were committing a crime which could not be condoned even by the most inactive of European governments. At the time it was reported that the sultan's agents were deporting Greek people by the thousands to other parts of his empire, to be sold there as slaves. Peoples in Europe and America were horrified by this news. Now they wanted their governments to do something to stop this fiendish move on the part of the sultan, to prevent the enslavement of Greeks through the Middle East. At the time much as we wished to help the Greeks effectively, we could only do so privately, but fortunately for the Greeks, for the conscience of the civilized world, and also for the cause of freedom, certain European governments could and did act. In October the British, French, and Russian Governments informed the sultan to put a stop to such inhuman practices. The sultan did not take the warning seriously; nor did his naval commanders off the waters of Greece. Next the combined naval commanders there warned the Turkish admiral, and issued him what amounted to an ultimatum. The Turkish admiral at first vacillated and did not comply with the wishes of the European admirals.

But these admirals meant what they had said. When no satisfactory reply was received from the Turkish admiral, they ordered the decks of their ships cleared for action. On one memorable day, on the 20th of October 1827, as the combined British-French-Russian warships opened fire upon the Turkish flotilla, in a matter of hours that flotilla ceased to exist, and out of this naval battle, fought in the Bay of Navarrino, was born modern, free, independent, and soveriegn Greece.

One hundred and forty years have gone by since the beginning of the Greek war of independence, and since then the Greek people have had many anxious years and endured many hardships. During the two World Wars they fought bravely, both times on the side of freedom and democracy, and fortunately for them, on both occasions their allies and their cause were victorious. For their steadfastness and unfailing loyalty to the cause of freedom, and for their readiness to sacrifice for the common cause they have earned the admiration and sympathy of the free world. We in this country have always held them in very high esteem. We have appreciated their contribution to the well-being of this great Republic as loyal, enterprising, and patriotic citizens, and we have admired them in their historic homeland in their political struggle. We have, of course, helped them not only financially, but I am proud to say that we were able to save postwar Greece from the throes of Stalin's totalitarian communism. Today we all join our friends in Greece, our faithful ally, on the 140th anniversary of their independence day.

Secretary Udall Addresses North American Wildlife and Natural Resources Conference

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EXTENSION OF REMARKS

OF

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, March 24, 1961

Mr. DINGELL. Mr. Speaker, pursuant to permission granted, I insert into the CONGRESSIONAL RECORD an address by Secretary of the Interior Stewart L. Udall at the 26th North American Wildlife and Natural Resources Conference, Washington, D.C., March 6, 1961:

ADDRESS BY SECRETARY OF THE INTERIOR STEWART L. UDALL AT 26TH NORTH AMERICAN WILDLIFE AND NATURAL RESOURCES CONFERENCE, WASHINGTON, D.C., MARCH 6, 1961

I am very glad that you have given me this opportunity to address the general session of this, the 26th North American Wildlife and Natural Resources Conference. I enjoy talking to people whose business is my business and whose interests are my interests, especially as we are about to share what I hope will prove to be some of the most far-reaching and productive years in the history of the conservation movement in this country.

The theme of this conference, "Planning for Population Pressures," is to me indicative of the breadth of purpose—and depth of understanding—of the conference's sponsors and participants.

Not so long ago, as time is reckoned, our natural resources appeared so limitless that people were no problem at all. As recently as the middle of the last century the French observer, de Tocqueville, was able to write of "that continent which still presents, as it did in the primeval time, rivers that rise from never-failing sources, green and moist solitudes, and limitless fields which the plowshare of the husbandman has never turned. Such is the admirable position of the new world that man has no other enemy than himself."

But man did turn out to be his own worst enemy, and all too soon it became the conservationist's mission to protect and preserve our land, water, and wildlife from the barren consequences of man's conviction that he held a special place in creation and that the land and its creatures were expendable. The conservation movement has—to its good fortune—had great champions in its hours of greatest need. With almost providential timing—men of extraordinary vigor and vision have taken up the cause of conservation and made it their own. To the wise counsel of Gifford Pinchot, John Muir, the two Roosevelts, and Harold Ickes—to name but a few—this generation owes a profound debt of gratitude. But more often than not their advice went unheeded.

Only four generations after de Tocqueville's visit to the "primeval continent" much of our land lay eroded. Many of our once vast forests were harvested wantonly and our great rivers ran unharnessed, and polluted, to the sea. It was not until the administration of Franklin D. Roosevelt that the full development of our land and water resources and the careful protection of perishable natural assets truly became major expressions of national policy.

But with the coming of World War II and troubled times abroad, the attention of the public and of succeeding administrations was largely diverted from our own land. The Department of the Interior—until that time a prime mover in national affairs—slowly settled into a rut of lackluster performance, content to let others shape the country and the ideas which guided it. It has now been more than 20 years since the United States has engaged in any massive and sustained national conservation effort. The broad programs initiated by Franklin Roosevelt—the Civilian Conservation Corps, reforestation of public lands, sustained soil and water conservation measures—have either been allowed to lapse or to drift along on the momentum of the past.

Yet it is precisely those same 20 years that have fundamentally changed what Thomas Jefferson called the face and character of our land. Hundreds of thousands have pushed out from the cities into the countryside—a movement that has inevitably created vast stretches of urban sprawl.

The talk today is of overurbanization, exploding population, and vanishing countryside. And it would seem that this is only the beginning. Inevitably we, as managers of our natural resources, are faced with acute new responsibilities. We are today in a state of long-term crisis. Although we rarely concede the point, our modern industrial society depends for its survival on an equilibrium between man and nature. As Aldo Leopold, that most perceptive and eloquent conservation prophet, once said:

"Civilization is not the enslavement of a stable and constant earth. It is the state of mutual and interdependent cooperation between human animals, other animals, plants and soils, which may be disrupted at any moment by the failure of any one of them."

We have today a new dimension of urgency in the dependence of man on nature: I refer to the need for the human animal to recreate itself in nature. The necessity to meet the outdoor needs of our people now and in the future will in all likelihood be the sharpest and most consistent pressure

on our land, water, and forests in the years ahead.

The overriding mandate to conservationists today is to preserve the natural habitat of man—to preserve it against the onslaught of bulldozers, cement mixers and subdividers. Because no matter how seemingly industrialized and civilized man has become over the past two centuries, he is biologically and temperamentally rooted in the soil. To allow ourselves to be cut off from our relationship with the earth, from our relationship with mountains and lakes, forests and open places, might well cause a fundamental change in our national character.

Never before has the need for imaginative and truly national leadership been as great as it is today. On the one hand we have an almost insatiable and evergrowing population. On the other hand, a limited reservoir of land and its resources. In between, as arbiter so to speak, we have a large group of dedicated and highly trained men such as those of you here today. The need clearly is for leadership in the very highest places of our Government so that we might define our objectives and proceed posthaste with meaningful planning—and action. It is therefore a matter of satisfaction that President Kennedy, in his special message to Congress on natural resources, has set forth a charter under which all of us can work with all the ingenuity, energy, intuition, and enthusiasm we can muster.

For, in my opinion, never before has a President of the United States given such a broad and comprehensive mandate to conservation policymakers. Particularly noteworthy is that section of the President's message which deals with recreation. It is significant indeed that for the first time in history the recreation potential of our land and water has been put on a par with, say the hydoelectric potential of our great rivers. Surely every conservationist who read the President's message must have felt a quickening of his pulse at the vast opportunities which we can achieve under this broad Presidential charter. I think I can safely say that my associates and I at the Department of the Interior felt a surge of purpose and momentum. That very night we sat down and began to assemble our plans and programs, with the realization that now, for the first time, we could put together a truly national program for the wise development of our resources including the acquisition of still unspoiled land and water in every section of this country.

It is still too early to present here anything except a broad outline of the principles and objectives which will dominate the thinking of the new administration.

We are first of all taking a hard new look at existing programs within the National Park Service, the Bureau of Land Management, the Fish and Wildlife Service, the Indian Bureau, and the Bureau of Reclamation. We are, for example, reassessing the objectives of Mission 66. There has been some concern on the part of conservationists whether some of our national parks are not being overdeveloped at the expense of their unspoiled grandeur. We are giving these considerations attention, area by area.

As you know, the administration has ordered an 18-month moratorium on the filing of nonmineral claims on our public domain. Among the advantages to be gained from this breathing spell is the opportunity to prepare an inventory of the recreational opportunities offered by the public domain to all. Those areas which offer exceptional opportunities must be made available, through proper development, to the men and women who own the land.

Perhaps no other outdoor sport has grown as much over the past decade as has boating, and here Federal reservoirs offer opportunities which often did not exist before. The construction of Tiber Dam in Montana, for example, created Tiber Reservoir where on a typical Sunday 300 boats were counted and where on the opening day of the trout season 1,750 fishermen caught 5,000 rainbow trout. But in the past recreational values of Federal reservoirs have received altogether too little attention. It is our intention to prepare plans to fully utilize recreational opportunities of new and existing reservoirs and to seek appropriations for their development.

We are giving very careful study on how we can speed up the vital wetlands acquisition program in the Fish and Wildlife Service.

We have been charged by the President to formulate plans for new starts. Obviously, a national program of this kind does not mean the acquisition of new Federal parks and recreational areas only. Inevitably, and most importantly, such a program must include devices for encouraging the States to develop land acquisition programs of their own.

The need is for a balanced program of National and State parks—wildlife preserves and local recreation areas. Our great national parks represent one of the few remaining opportunities for the leisurely enjoyment and admiration of magnificent landscapes.

But America's families should be able to spend a day in the outdoors—within an easy drive of their homes—whether they are picnickers, hunters, fishermen, or just looking for a place in the sun. They should not have to rely on the Federal Government for this, but rather on their own States and communities. And not so incidentally, such State areas would take much of the pressure off our national parks which now must take the impact of millions of visitors each year, some of them with only a casual interest in their significance and unique splendor.

This will be a real challenge to our States—and one that they must meet for the benefit of their citizens. Already some States—such as New York and California—have led the way with legislative programs or studies which point the way for all.

We hope to encourage not only State programs but joint ventures between neighboring States to acquire relatively large open spaces near cities where recreation land is most needed and hardest to come by.

We are in the process of finishing an inventory of areas of great scenic beauty which should become a part of the national park system. At the same time, we are giving a great deal of thought to whether some of these new national parks and new national seashores should not be managed as yearround recreational areas. It may well be that some areas whose beauty is fragile will serve only as living nature centers. The best management of other areas, however, may well allow more vigorous use, and be opened up to hunters, for example. We will decide in each case how to manage each area for its own best interest and for the interests of those who visit them now and in the generations to come.

I am especially eager to see that a part of the land adjoining our great rivers and streams be set aside for outdoor recreation. Such land offers unparalleled opportunities for the active enjoyment of the outdoors.

We are currently weighing various incentive programs to make it worthwhile for private landowners to open up their land to hunters, fishermen, and others. Programs of this kind are, of course, especially needed in the Northeast and Midwest where almost all land is privately owned.

And, as you know, this administration has urged the enactment of a wilderness protection bill, similar to the one now under consideration by the Congress.

I realize that we are about to undertake a great deal and I also realize that on each particular proposal we are going to receive encouragement from some, and criticism from others. We expect to rely substantially on the findings of the Outdoor Recreation Resources Review Commission as they become available and I intend to keep in close touch with the Commission as our plans develop. We are determined to do the best we can in consultation with all who have a working interest in these matters and we are equally determined to get the job done. The land which we save now is likely all that ever can be saved, and I know that I speak for millions of Americans when I say that this generation is willing to make the sacrifices to insure a good life for our children and grandchildren. As President Kennedy said in his resources message: "We cannot delude ourselves, we must understand our resources problems, and we must face up to them now. The task is large but it will be done."

SENATE

MONDAY, MARCH 27, 1961

The Senate met at 12 o'clock meridian, and was called to order by the President pro tempore.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

God of the living and of the living dead, in all the uncertainties of our mortal way, we turn to Thee with the assurance that we can never drift beyond the circle of Thy love, which notes even a sparrow's fall, and in whose universal rule of law the stars are held in their courses.

This day we hold in grateful remembrance one for whom that love divine was revealed supremely in the strange Man upon His cross.

At the opening of this session we would pause to lift the name of Thy servant—the friend of us all—James E. Murray, who for more than a quarter of a century served Thee and his Nation in this Chamber.

Now that his earthly career of doing good to others has come to its close, we keep in memory his soft-spoken gentleness of manner and his unruffled courtesy, his forthrightness and steadfastness of conviction. We record his tender sympathy for the underprivileged and the dispossessed, his eager contribution to the furthering of measures that would lift the level of human welfare, and his championship of the crusade to guard the treasures of the land he hallowed for the sake of the future which will inherit it.

Gird us with Thy grace, that, like him, we may be workmen who need not to be ashamed. We ask it in the name of the Master he adored. Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Friday, March 24, 1961, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed a bill (H.R. 3935) to amend the Fair Labor Standards Act of 1938, as amended, to provide coverage for employees of large enterprises engaged in retail trade or service and of other employers engaged in commerce or in the production of goods for commerce, to increase the minimum wage under the act to $1.25 an hour, and for other purposes, in which it requested the concurrence of the Senate.

HOUSE BILL REFERRED

The bill (H.R. 3935) to amend the Fair Labor Standards Act of 1938, as amended, to provide coverage for employees of large enterprises engaged in retail trade or service and of other employers engaged in commerce or in the production of goods for commerce, to increase the minimum wage under the act to $1.25 an hour, and for other purposes, was read twice by its title and referred to the Committee on Labor and Public Welfare.

ORDER DISPENSING WITH CALL OF THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the call of the calendar be dispensed with.

The PRESIDENT pro tempore. Without objection, it is so ordered.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. MANSFIELD. Mr. President, under the rule, there will be the usual morning hour for the transaction of routine business. I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. MANSFIELD, and by unanimous consent, the Public Roads Subcommittee of the Committee on Public Works was authorized to meet during the session of the Senate today.

On request of Mr. MANSFIELD, and by unanimous consent, the Committee on Finance was authorized to meet during the session of the Senate today.

On request of Mr. METCALF, and by unanimous consent, the Subcommittee on Freedom of Communications of the Committee on Interstate and Foreign Commerce was authorized to meet during the session of the Senate today.

LEGISLATIVE PROGRAM

Mr. DIRKSEN. Mr. President, I think this is an appropriate time to ask the majority leader about the schedule for the remainder of the week, and even for next week, insofar as he can determine it.

Mr. MANSFIELD. Mr. President, in response to the question asked by the distinguished minority leader, let me say that today the Senate will consider the supplemental appropriation bill, the San Juan-Chama project bill, and various nominations on the Executive Calendar.

It is hoped that now that the minimum wage bill has been passed by the House, the Senate Committee on Labor and Public Welfare will soon start to mark up the bill. I have been informed by the chairman of that committee, the Senator from Alabama [Mr. HILL], that he has called a meeting of his committee for tomorrow, for this purpose. However, it does not seem probable that the bill will be reported from the committee this week, or even next week.

After discussing the matter with the minority leader, it is our intention that if the Committee on Labor and Public Welfare will mark up the bill on the 10th and 11th of next month, it will be reported immediately, and very likely will be taken up on the floor on the 12th or 13th.

It is the hope of the leadership that thereafter the Committee on Labor and Public Welfare will report an aid to education bill, and that in the meantime the other committees will take advantage of the time at their disposal to report the various measures they have under consideration.

After discussing the matter with the Senator from Illinois, we hope it will be possible for the Senate to take recesses, from time to time, for a few days, so the committees will be able to take advantage of the time to catch up with their work and to report measures to the Senate, for consideration by it.

Mr. DIRKSEN. Mr. President, I may add to what the majority leader has said that in going over the testimony on the minimum wage bill, we found that there were approximately 36 witnesses, as I recall; that 42 different bits of memoranda were filed; and that, in addition, 87 formal statements were filed with the committee by interested groups or persons whom the committee could not hear in the 5-day period. However, all that data and testimony must be digested before the committee will be prepared to mark up the bill.

I am grateful for the generous approach the majority leader takes, so that both the staff and the members of the committee can prepare to bring the bill to the floor of the Senate at the earliest possible date. I think that in the week of April 10 and 11 we will have opportunity to mark up the bill; and by then we shall have had a chance to examine all the testimony and also the bill passed last week by the House of Representatives.

Mr. MANSFIELD. Mr. President, once again I wish to thank the distinguished minority leader for his cooperation and his understanding.

As we now understand, the Committee on Labor and Public Welfare will very likely meet tomorrow to consider how it will go about marking up the bill. But certainly it will meet on the 10th and 11th with the idea that such a bill may well be reported at the conclusion of its business on the 11th, and brought to the floor of the Senate for consideration by the 12th, or, at the very latest, by the 13th of April.

Mr. DIRKSEN. Yes.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

REPORT ON NUMBER OF OFFICERS ON DUTY WITH HEADQUARTERS, DEPARTMENT OF THE ARMY AND ARMY GENERAL STAFF

A letter from the Secretary of the Army, transmitting, pursuant to law, a report on the number of officers on duty with Headquarters, Department of the Army and the Army General Staff, on December 31, 1960 (with an accompanying report); to the Committee on Armed Services.

REPORT ON COMPILATION OF GENERAL ACCOUNTING OFFICE FINDINGS AND RECOMMENDATIONS FOR IMPROVING GOVERNMENT OPERATIONS

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the compilation of General Accounting Office findings and recommendations for improving government operations, fiscal year 1960 (with an accompanying report); to the Committee on Government Operations.

AMENDMENTS TO RULES AND REGULATIONS, RELATING TO NUMBERING OF UNDOCUMENTED VESSELS, STATISTICS ON NUMBERING AND BOATING ACCIDENTS REPORTS AND ACCIDENT STATISTICS

A letter from the Acting Secretary of the Treasury, transmitting, pursuant to law, copy of amendments to the rules and regulations regarding "Numbering of Undocumented Vessels, Statistics on Numbering and Boating Accident Reports and Accident Statistics," to become effective on June 30, 1961 (with accompanying papers); to the Committee on Interstate and Foreign Commerce.

REPORT ON BACKLOG OF PENDING APPLICATIONS IN FEDERAL COMMUNICATIONS COMMISSION

A letter from the Chairman, Federal Communications Commission, transmitting, pursuant to law, a report on the backlog of pending applications and hearing cases in that Commission, as of January 31, 1961 (with an accompanying report); to the Committee on Interstate and Foreign Commerce.

REPORT OF NATIONAL INSTITUTE OF ARTS AND LETTERS

A letter from the Assistant Secretary, The National Institute of Arts and Letters, New York, N.Y., transmitting, pursuant to law, a report of that Institute, for the year 1960 (with an accompanying report); to the Committee on the Judiciary.

DISPOSITION OF EXECUTIVE PAPERS

A letter from the Administrator, General Services Administration, Washington, D.C., transmitting, pursuant to law, a list of papers and documents on the files of several departments and agencies of the Government which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action

looking to their disposition (with accompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The PRESIDENT pro tempore appointed Mr. JOHNSTON and Mr. CARLSON members of the committee on the part of the Senate.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented and referred as indicated:

By the PRESIDENT pro tempore:

A concurrent resolution of the Legislature of the State of Utah; to the Committee on Finance:

"SENATE CONCURRENT RESOLUTION 4

"Concurrent resolution of the Senate and House of Representatives of the 34th Legislature of the State of Utah, memorializing the Congress of the United States to renew the Sugar Act and to provide for implementing long term sugar legislation with equitable distribution of foreign quotas among friendly nations

"Whereas the growing and processing of sugar beets is vital to the economy of Utah and the 21 other beet sugar-producing States; and

"Whereas the crisis in U.S. relations with Cuba—formerly the principal supplier of sugar to the United States and now excluded from the U.S. market by Presidential order—has proved the importance and wisdom of a strong domestic sugar industry, providing a bulwark against shortages created by war, revolutions, or foreign monopoly; and

"Whereas the beet sugar industry in 1960 marketed a record-breaking amount of sugar, and the industry in 1961 is expected to set new production records—with plantings of a predicted 1.1 million acres of sugar beets and processing of an estimated 2.7 million tons of sugar; and

"Whereas both the domestic beet and cane sugar industries and the foreign exporters of raw sugar to this country all are subject to provisions of the Federal Sugar Act which sets marketing quotas limiting sugar distribution in the United States; and

"Whereas the U.S. sugar program has been in continuous operation since 1934, always providing adequate supplies of this important food at reasonable prices, proving to be good agricultural commodity legislation; and the sugar program has the support of both political parties in Utah and the United States, the major farm organizations, consumer groups and all segments of the beet and cane processing industries; and

"Whereas the Sugar Act will expire March 31 of this year unless the Congress renews it: Now, therefore, be it

"*Resolved*, That the Legislature of the State of Utah (the Governor concurring therein), Urges the Congress of the United States to immediately renew and extend the present sugar legislation to insure uninterrupted continuation of the act and give farmers and processors in Utah and other beet sugar States ample time to plan and produce this year's crop; further, that the Congress then undertake detailed study of the U.S. sugar problem with these objectives:

1. Passage of long-term sugar legislation, assuring the domestic sugar industry of steady, stable growth in the future.

2. Equitable distribution of foreign quotas among friendly nations; and be it further

"*Resolved*, That the Secretary of State forward copies of this memorial to the President of the United States, the appropriate Senate and House committees which handle sugar legislation, the Utah congressional delegation, and to all other Members of the Congress."

A joint resolution of the Legislature of the State of Colorado; to the Committee on Interior and Insular Affairs:

"HOUSE JOINT MEMORIAL 10

"Joint memorial memorializing the Congress of the United States not to enact any legislation which establishes a blanket policy of single use for Federal lands which would result in lessening the State of Colorado's resource base and preclude recreation for the multitudes

"Whereas the Federal Government owns in excess of 1 out of every 3 acres of land in the State of Colorado; and

"Whereas forestry, agriculture, mining, water development, oil and gas drilling, and recreation are the six basic industries of the State of Colorado; and

"Whereas Federal lands are of great importance to our forest industry and provide a significant proportion of its raw material; and

"Whereas Federal lands are an important source of water for our agriculture, industry, and domestic use; and

"Whereas Federal lands provide countless opportunities for outdoor recreation; and

"Whereas Federal lands are important present and potential sources of minerals and oil and gas; and

"Whereas there is legislation now pending in the Congress of the United States which would establish a national wilderness preservation system and which would establish single purpose use for 50 million acres of western Federal lands; and

"Whereas such legislation would preclude forestry, mining, grazing, and water development, and motorized recreation and other resource development, use and management; Now, therefore, be it

"*Resolved by the House of Representatives of the 43d General Assembly of the State of Colorado (the Senate concurring herein)*, That this general assembly hereby petitions the Members of the Congress of the United States not to enact any legislation which establishes a blanket policy of single use for our Federal lands which would result in lessening the State of Colorado's resource base, and preclude recreation for the multitudes; and be it further

"*Resolved*, That copies of this memorial be sent to the President of the United States, the President of the Senate of the United States, the Speaker of the House of Representatives of the United States, and Members of Congress from the State of Colorado.

"ALBERT J. TOMSIC,
"*Speaker of the House of Representatives.*
"ROBERT L. KNOUS,
"*President of the Senate.*
"GENE MANZANARES,
"*Chief Clerk of the House of Representatives.*
"LUCILLE L. SHUSTER,
"*Secretary of the Senate.*"

A joint resolution of the Legislature of the State of California; to the Committee on Appropriations:

"ASSEMBLY JOINT RESOLUTION 9

"Joint resolution relative to beach erosion and flood damage in Ventura County

"Whereas the shoreline area along the Pacific Ocean in Ventura County, has since the early 1920's, suffered from problems of beach erosion and flood damage caused by high tides and high wave action; and

"Whereas this condition exists primarily in the Pierpont Beach area and affects not only the San Buenaventura Beach State Park, but also a substantial residential area adjoining the State Beach Park; and

"Whereas within the past few weeks, extremely high tides and high wave action have presented a serious threat to public and private property in this area, and if such condition continues it will result in major damage to public and private property; and

"Whereas such property damage will not only directly affect the private property owners in this area, but also will result in a high loss of tax revenues to the city, county, and State; and

"Whereas the Federal Government, acting through the Corps of Engineers of the United States Army, has assumed leadership and responsibility in carrying on beach erosion control activities, in cooperation with State and local authorities; and

"Whereas, the Corps of Engineers, in 1951 and 1952, conducted a study of shoreline conditions along the beach at Ventura (published in House Document No. 29, 83d Congress, 1st session, appendix I) and, among other things, recommended construction of a stone and steel sheet piling groin along the beach in front of the San Buenaventura Beach State Park to trap sand and build up the beach; and

"Whereas while the above recommendation would serve to alleviate conditions along the shore in front of the State Beach Park, it would aggravate the conditions in the residential area adjoining the State Beach Park, according to engineering opinion; and

"Whereas in view of the imminent threat to both public and private property from current high tide and high wave action along the entire beach area, it is urgent that the previous study and recommendations by the Corps of Engineers be extended to cover the Pierpont Beach area adjacent to the San Buenaventura Beach State Park, and that immediate remedial action be taken to prevent beach erosion and flood damage in this area: Now, therefore, be it

"*Resolved by the Assembly and Senate of the State of California (jointly)*, That the Legislature of the State of California respectfully memorializes the President and the Congress of the United States to enact legislation appropriating the necessary funds so that the Corps of Engineers may immediately extend their study of shoreline conditions along the Pierpont Beach area in Ventura County to include the residential area adjacent to the San Buenaventura Beach State Park and take remedial action to prevent beach erosion and flood damage in the entire affected area; and be it further

"*Resolved*, That the chief clerk of the assembly be hereby directed to transmit copies of the resolutions to the President and Vice President of the United States, to the Speaker of the House of Representatives, to each Senator and Representative from California in the Congress of the United States, and to the Chief of Engineers of the Corps of Engineers."

A joint resolution of the Legislature of the State of California; to the Committee on Finance:

"ASSEMBLY JOINT RESOLUTION 18

"Joint resolution relative to the importation of mink

"Whereas the mink farmers of California are a substantial and permanent part of California's business economy and a source of considerable income to the State and to its citizens; and

"Whereas this important segment of our economy is being threatened by the fact that over the years there has been an ever-increasing rise in the importation of mink skins from foreign countries to the point that these imports are far exceeding exports; and

"Whereas since these imports are often from areas of depressed economic conditions they can be sold at a price far below cost of production for California mink farmers; and

"Whereas some of these mink skins being imported in competition with locally produced mink skins are coming, in spite of restrictions imposed by law, from China and Russia, resulting not only in slave labor competition with domestic production, but also results in a poor quality being imported: Now, therefore, be it

"Resolved by the Assembly and the Senate of the State of California (jointly), That the Congress of the United States is respectfully requested to take action which will bring about a balance between imports and exports in the mink industry before domestic mink farmers are forced from the business; and be it further

"Resolved, That the chief clerk of the assembly is directed to transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

A joint resolution of the Legislature of the State of California; to the Committee on Interior and Insular Affairs:

"ASSEMBLY JOINT RESOLUTION 19

"Joint resolution relative to requesting construction of the East Side Canal in the eastern San Joaquin Valley

"Whereas the lower San Joaquin Valley is one of the most prosperous and productive agricultural areas of the world; and

"Whereas the east-central area of this valley had a gross farm income in 1959 in excess of $1 billion; and

"Whereas more than one-fourth of all the ground water pumped for irrigation in the United States is taken from the San Joaquin Valley; and

"Whereas in the east-central part of the San Joaquin Valley the long-term water supply has not been in balance with the demand; and

"Whereas the imbalance in this area is characterized by increasing fluctuations in the water table and alarming overdrafts of the underground reservoir of water; and

"Whereas the continued growth, development and prosperity of the San Joaquin Valley is of utmost importance to the total economy of California; and

"Whereas such continued growth, development and prosperity is contingent upon supplies of supplemental surface water which are adequate to bring the pumping of underground water into balance with underground water replenishment; and

"Whereas hydrographs made from 1921 to 1958 show a reversal of the downward trends in the water table levels in overdraft areas of the State where waters of the Central Valley project have been delivered: Now, therefore, be it

"Resolved by the Assembly and Senate of the State of California (jointly), That the Congress of the United States and the Secretary of the Interior are respectfully requested to take immediate steps to implement the past decade of study by the Bureau of Reclamation, entitled "East Side Investigation," by constructing, as an extension of the Central Valley project, a canal along the east side of the San Joaquin Valley to supplement the inadequate water supplies of this vital area; and be it further

"Resolved, That the chief clerk of the assembly is directed to transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, to the Secretary of the Interior, to the Chief of the Bureau of Reclamation, and to each Senator and Representative from California in the Congress of the United States."

A joint resolution of the Legislature of the State of California; to the Committee on Labor and Public Welfare:

"SENATE JOINT RESOLUTION 19

"Joint resolution relative to Federal aid to schools

"Whereas amendments to Public Law 874 and Public Law 815 of the 81st Congress, which established programs of Federal aid to school districts which have suffered financial burdens as the result of Federal activities, are being considered by Congress; and

"Whereas these programs assist districts in which local revenues for schools have been reduced due to the acquisition of real property by the United States, districts which provide education for children living on Federal property or whose parents are employed on Federal property, and districts experiencing a sudden and substantial increase in school attendance because of Federal activities; and

"Whereas these public laws have been of extreme importance to local school districts whose attendance has been greatly increased by the children of military personnel; and

"Whereas there are many areas in California, as well as in other parts of the country, where an adequate school program will be seriously jeopardized if Congress fails to continue the payment of entitlement with respect to "B" category children—those who either reside on Federal property or reside with a parent employed on Federal property: Now, therefore, be it

"Resolved by the Senate and Assembly of the State of California (jointly), That the Legislature of the State of California respectfully memorializes the President and Congress of the United States to continue the vitally needed programs of assistance to public education in Public Law 874 and Public Law 815 by amending the provisions of titles II and III of H.R. 4970 and S. 1021 to include entitlement for "B" category children as provided in present law for the 1960–61 fiscal year; and be it further

"Resolved, That the President and Congress take action at the earliest possible time on legislation restoring full entitlement for "B" category children so that the impending budget problem faced by California's federally impacted school districts may be eliminated; and be it further

"Resolved, That the secretary of the senate is directed to transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California to the Congress of the United States."

A joint resolution of the Legislature of the State of Missouri; to the Committee on the Judiciary:

"HOUSE JOINT RESOLUTION 4

"Joint resolution relating to the proposed amendment to the Constitution of the United States granting representation in the electoral college to the District of Columbia.

"Whereas at the 2d session of the 86th Congress of the United States of America it was resolved by the Senate and the House of Representatives of the United States in Congress assembled (two-thirds of each House concurring therein), that the following article be proposed as an amendment to the Constitution of the United States, which, if ratified by the legislatures of three-fourths of the several States within 7 years from the date of its submission by the Congress, shall be valid to all intents and purposes as part of the Constitution, viz:

"'ARTICLE —

"'SECTION 1. The District constituting the seat of Government of the United States shall appoint in such manner as the Congress may direct:

"'A number of electors of President and Vice President equal to the whole number of Senators and Representatives in Congress to which the District would be entitled if it were a State, but in no event more than the least populous State; they shall be in addition to those appointed by the States, but they shall be considered, for the purposes of the election of President and Vice President, to be electors appointed by a State; and they shall meet in the District and perform such duties as provided by the 12th article of amendment.

"'SEC. 2. The Congress shall have power to enforce this article by appropriate legislation': Therefore be it

"Resolved by the General Assembly of the State of Missouri, That the foregoing amendment to the Constitution of the United States of America, be and the same is hereby ratified to all intents and purposes as a part of the Constitution of the United States; and be it further

"Resolved, That the Governor of the State of Missouri is hereby requested to forward to the Secretary of State and to the Presiding Officer of the U.S. Senate and to the Speaker of the House of Representatives an authentic copy of this resolution. The secretary of the senate and the chief clerk of the house are hereby instructed to send to the Governor a certified copy of the action of the senate and the house on this resolution.

"THOMAS D. GAHAN,
"Speaker of the House of Representatives.
"HILARY A. BUSH,
"President of the Senate."

A joint resolution of the Legislature of the State of North Carolina; to the Committee on Armed Services:

"RESOLUTION 22

"Joint resolution requesting the U.S. Government to refrain from the use of any of the lands in Hyde County as a possible bomb range site

Whereas it has come to the attention of the the residents of Hyde County and other residents adjacent thereto that the Armed Forces of the United States are planning to use certain areas in said county as a possible bomb range site; and

"Whereas in the last several years the U.S. Government has acquired approximately 116,584 acres of land in Hyde County for Government use which has had the effect of removing said lands from the tax books of said county; and

"Whereas the proposed bomb range site is very near the boundaries of the Mattamuskeet National Wildlife Refuge and the use of the lands proposed to be taken would be most detrimental to the wildlife on said refuge and that such use would be destructive to deer and other game population in the area; and

"Whereas the Mattamuskeet National Wildlife Refuge is the largest refuge on the Atlantic Flyway for migratory game; and

"Whereas the use of said area as a bomb range site would be a continual threat to all areas adjacent thereto and would be destructive to valuable timber and other property; and

"Whereas the area under consideration as a bomb range site is crossed by an important highway and electric power lines which could very possibly be seriously damaged by such use: Now, therefore, be it

"Resolved by the senate (the house of representatives concurring):

"SECTION 1. The general assembly does hereby respectfully request the U.S. Government not to take and use any further lands in Hyde County and particularly re-

quests the Government not to take and use any lands in Hyde County as a bomb range site.

"SEC. 2. A copy of this resolution shall be sent to the President of the United States, the President of the U.S. Senate, the Speaker of the U.S. House of Representatives, the Secretary of Defense, and to the Members of the U.S. Senate and House of Representatives in Congress from North Carolina.

"SEC. 3. This resolution shall become effective upon its adoption.

"W. LUNSFORD CREW,
"President of the Senate, pro tempore,
"JOSEPH M. HUNT, Jr.,
"Speaker of the House of Representatives."

A petition signed by E. P. Sablan and seven other members of the Legislature of Saipan, relating to the annexation of the Saipan District by the United States as a separate and distinct U.S. territory; to the Committee on Foreign Relations.

By Mr. SALTONSTALL (for himself and Mr. SMITH of Massachusetts):

Three resolutions of the General Court of the Commonwealth of Massachusetts; to the Committee on Finance:

"RESOLUTION MEMORIALIZING CONGRESS TO REPEAL THE 10-PERCENT EXCISE (LUXURY) TAX ON TELEPHONE SERVICE

"Whereas as an emergency measure during time of war the United States levied a 10-percent excise tax on telephone service in the nature of a luxury tax; and

"Whereas the state of emergency which gave rise to this tax has long since passed; and

"Whereas the telephone cannot even remotely be considered a luxury, but is instead a vital necessity in the home, office, factory or public institution; and

"Whereas it is grossly unfair and inequitable to continue to extract such a tax from the citizens of this country: Therefore be it

"Resolved, That the Senate and the House of Representatives of the United States and the President be urged to repeal the excise tax on telephone service forthwith; and be it further

"Resolved, That copies of these resolutions be forwarded by the secretary of the Commonwealth to the President of the United States, to the Presiding Officer of each branch of Congress and to each Member thereof from this commonwealth.

"Adopted by the house of representatives March 10, 1961.

"LAWRENCE R. GROVE,
"Clerk.

"Adopted by the senate in concurrence March 14, 1961.

"IRVIN N. HAYDEN,
"Clerk.

"Attest:

"KEVIN H. WHITE,
"Secretary of the Commonwealth."

"RESOLUTION MEMORIALIZING THE CONGRESS ON THE UNITED STATES TO REDUCE THE ELIGIBILITY AGE OF PERSONS ENTITLED TO OLD-AGE BENEFITS UNDER THE SOCIAL SECURITY ACT TO 62 YEARS

"Resolved, That the General Court of Massachusetts hereby respectfully urges the Congress of the United States to enact legislation whereby the age at which persons become entitled to receive old age or retirement benefits under the Social Security Act shall be reduced from 65 years to 62 years; and be it further

"Resolved, That copies of this resolution be transmitted forthwith by the Secretary of the Commonwealth to the President of the United States, to the Presiding Officer of each branch of the Congress and to each Member thereof from this Commonwealth.

"Adopted by the house of representatives March 10, 1961.

"LAWRENCE R. GROVE,
"Clerk.

"Adopted by the senate in concurrence March 14, 1961.

"IRVING N. HAYDEN,
"Clerk.

"Attest:

"KEVIN H. WHITE,
"Secretary of the Commonwealth."

"RESOLUTION MEMORIALIZING THE CONGRESS ON QUESTIONS OF FEDERAL QUOTAS ON IMPORTS OF RESIDUAL FUEL OIL AND END-USE CONTROL OF THE VARIOUS FUELS SERVING THE COMMONWEALTH

"Whereas the current Federal quotas on the imports of residual fuel oil discriminate greatly against the New England area, including the Commonwealth; and

"Whereas such restriction on fuel oil imports poses an economic hardship on both the consumers of fuel oil in the Commonwealth and on the industrial community, already being responsible for higher fuel oil costs in the New England area; and

"Whereas a continuation of the current trend to limit fuel oil imports further augurs even higher fuel oil prices; and

"Whereas any study of the various fuels used in Massachusetts markets which has as its objective the promotion of the end-use control of such fuels would be contrary to the basic economic law of supply and demand and not in consonance with the operation of a free competitive economy, thereby causing higher prices to consumers of such fuels: Therefore be it

"Resolved, That the General Court of Massachusetts hereby requests the Members of the U.S. Congress from the Commonwealth to use their prestige and influence to terminate said quotas on the imports of residual fuel oil; and be it further

"Resolved, That the General Court of Massachusetts hereby requests the Massachusetts congressional delegation to make its voice heard against any attempt to promote the end-use control of the various fuels used in the Commonwealth; and be it further

"Resolved, That copies of this resolution be forwarded by the secretary of the Commonwealth to each Member of the U.S. Congress serving from Massachusetts.

"Adopted by the senate February 28, 1961.

"IRVING N. HAYDEN,
"Clerk.

"Adopted by the house of representatives in concurrence March 3, 1961.

"LAWRENCE R. GROVE,
"Clerk.

"Attest:

"KEVIN H. WHITE,
"Secretary of the Commonwealth."

By Mr. CHAVEZ:

A joint resolution of the Legislature of the State of New Mexico; to the Committee on Agriculture and Forestry:

"HOUSE JOINT MEMORIAL 24

"Joint memorial memorializing the Congress of the United States to amend the laws creating the agricultural conservation program in order to provide matching funds for concrete lining the main canal of the Hagerman Irrigation Co.

"Whereas the Hagerman Irrigation Co., a nonprofit corporation, owned in its entirety by water users and landowners wishes to participate in the agricultural conservation program for the lining of its main canal; and

"Whereas the lining of the ditch with concrete would result in the saving of thousands of acre-feet of water a year now being lost by seepage; and

"Whereas the amount of money required to line the main canal exceeds the amount allocated to New Mexico under the agricultural conservation program for any one project: Now, therefore be it

"Resolved by the Legislature of the State of New Mexico, That the Congress of the United States is memorialized to amend the laws creating the agricultural conservation program so that projects of at least $200,000 can be handled; and be it further

"Resolved, That copies of this memorial be sent to each member of the New Mexico delegation in Congress."

A joint resolution of the Legislature of the State of New Mexico; to the Committee on Appropriations:

"HOUSE JOINT MEMORIAL 28

"Joint memorial asking the Congress and President of the United States for increased Federal payments for Indian education in New Mexico

"Whereas integration of Indian youth with students in the public school systems of New Mexico has contributed greatly to development of both; and

"Whereas continued growth and development of New Mexico depends on a large measure upon an enlightened education for its youth of today who become its citizens of tomorrow; and

"Whereas public education in New Mexico today faces a financial crisis of unprecedented severity and dimensions: Now, therefore, be it

"Resolved by the Legislature of the State of New Mexico, That the Congress and President of the United States are asked to adopt and pursue a policy of realistic Federal payments to public school systems providing educational facilities for Indian children in New Mexico; and be it further

"Resolved, That copies of this memorial be transmitted to the President and to New Mexico's delegation to the Congress of the United States."

A joint resolution of the Legislature of the State of New Mexico; to the Committee on Foreign Relations:

"HOUSE JOINT MEMORIAL 25

"Joint memorial requesting the President, Secretary of State, the Federal Communications Commission and the New Mexico congressional delegation to take necessary steps to effect the conclusions of a reciprocal agreement with Mexico permitting the free movement and the operation of licensed amateur and other radio mobile units between the two countries

"Whereas there are numerous licensed amateur radio operators in this country who have contributed much to the Nation's security in time of peril, and

"Whereas the U.S. Government has for some years had an agreement with Canada permitting the free movement of mobile radio equipment installed in vehicles used in public and commercial activities; and

"Whereas it is desirable that a similar agreement be entered into permitting the free movement of such radio equipment between the United States and Mexico: Now, therefore, be it

"Resolved by the Legislature of the State of New Mexico, That the President, Secretary of State, Federal Communications Commission and the New Mexico congressional delegation be and they are requested to take all necessary steps to effect the conclusion of a reciprocal agreement with the Republic of Mexico for the free movement of properly

licensed and regulated mobile radio equipment installed in vehicles used in public safety and commercial activities between the two countries; and be it further

"Resolved, That copies of this memorial be sent to the President, Secretary of State, Chairman of the Federal Communications Commission, and to the New Mexico congressional delegation."

Two joint resolutions of the Legislature of the State of New Mexico; to the Committee on Interior and Insular Affairs:

"HOUSE JOINT MEMORIAL 41

"Joint memorial memorializing the Congress of the United States to enact legislation to increase the revolving fund for economic development of Indian reservations

"Whereas the revolving loan fund available for Indian tribes has been restricted and additional funds are needed and necessary in order that economic development on Indian reservations may be encouraged: Now, therefore, be it

"Resolved by the Legislature of the State of New Mexico, That the Congress of the United States be respectfully requested and urged to pass legislation to increase the Revolving Loan Fund by a sufficient amount to enable the Indian tribes to carry out economic development on their reservations; and be it further

"Resolved, That a copy of this memorial be transmitted to the President and Vice President of the United States, to each Member of the New Mexico delegation to the National Congress, to the Secretary of Interior and to the Commissioner of Indian Affairs."

"HOUSE JOINT MEMORIAL 42

"Joint memorial memorializing Congress to assist Indians in solving their economic problems

"Whereas the 25th Legislature of the State of New Mexico, now in session, recognizes the importance of assisting the Indian people in solving their economic problems and the necessity of bringing about a higher standard of living through greater utilization of their human and natural resources for industry, through directing the attention of the traveling public to their rich culture and way of life, and through developing recreational facilities in reservation areas: Now, therefore, be it

"Resolved by the Legislature of the State of New Mexico, That the Congress of the United States be memorialized to provide such assistance through new legislation to bring about a realization of these goals so that by aiding the improvement of the Indian people, the entire population of this State will benefit; and be it further

"Resolved, That a copy of this memorial shall be sent to the President and the Vice President of the United States, each member of the New Mexico delegation in the National Congress, the Secretary of Commerce, the Secretary of the Interior and the Commissioner of Indian Affairs."

A joint resolution of the Legislature of the State of New Mexico; to the Committee on Interstate and Foreign Commerce:

"HOUSE JOINT MEMORIAL 32

"Joint memorial memorializing the Civil Aeronautics Board to expedite decision concerning airline services from New Mexico to the West

"Whereas the development in recent years of an expanded national defense program within the borders of New Mexico and most particularly the activation and growth of Federal missile programs in this State, has stimulated and made vital the need for commercial airline services from points in New Mexico to points on the west coast, such as San Diego, Los Angeles, and San Francisco, Calif.; and

"Whereas the Civil Aeronautics Board has authorized airline service between Albuquerque and Dallas, Tex., which although it has greatly relieved pressures for service to the east, it has nevertheless, deferred action for over 5 years to provide vitally needed service to the west: Now, therefore, be it

"Resolved by the Legislature of the State of New Mexico, That the Civil Aeronautics Board is respectfully petitioned and urged to make an immediate decision in the Southern Transcontinental Route case and in the Southern Rocky Mountain Area Local Service cases so that this great demand for essential airline service to the west coast for the citizens of New Mexico and national defense personnel stationed in this State might be satisfied, and be it further

"Resolved, That copies of this memorial be transmitted to the Civil Aeronautics Board and to each member of the New Mexico delegation in the National Congress."

A joint resolution of the Legislature of the State of New Mexico; to the Committee on the Judiciary:

"HOUSE JOINT MEMORIAL 43

"Joint memorial memorializing the Congress of the United States to enact enabling legislation to set aside a day to be known as 'American Indian Day'

"Whereas the American Indian is the original American and has resided on this continent since time immemorial; and

"Whereas the American Indian has made outstanding contributions to our American way of life and has given us many products which have today become multibillion-dollar American industries; and

"Whereas the State of New Mexico has recognized this contribution by establishing a State 'Indian Day' during the annual New Mexico State fair in tribute to the role that the New Mexican Indian has played in our State and national life: Now, therefore, be it

"Resolved by the Legislature of the State of New Mexico, That the Congress of the United States be respectfully petitioned to enact enabling legislation to set aside a day to be designated as 'American Indian Day,' and be it further

"Resolved, That a copy of this memorial be transmitted to the President and Vice President of the United States, to the Speaker of the House of Representatives of the Congress of the United States, and to each member of the New Mexico delegation of the National Congress."

Five joint resolutions of the Legislature of the State of New Mexico; to the Committee on Labor and Public Welfare:

"HOUSE JOINT MEMORIAL 10

"Joint memorial asking the Secretary of Labor, the Attorney General, and the Congress of the United States to examine and correct the acute wage and unemployment condition in the construction industry in Dona Ana County resulting from an influx of nonresident alien commuter workers

"Whereas there is a minimum of 100 workers engaged in construction work in Dona Ana County who are commuting daily from Ciudad Juarez, Mexico, most of whom are nonresident aliens who have stated to the Immigration and Naturalization Service their intentions to become citizens but who apparently have abandoned their plans to establish residence in the United States; and

"Whereas employment of these nonresident alien commuter workers in the construction industry in Dona Ana County has created a definite adverse effect on the wages paid to local construction workers as well as an acute unemployment problem: Now, therefore, be it

"Resolved by the Legislature of the State of New Mexico, That the Secretary of Labor, the Attorney General, and the Congress of the United States be asked to examine the present Federal laws and regulations with respect to nonresident alien commuters, make necessary changes and require proper enforcement to the end that the conditions in Dona Ana County are corrected; and be it further

"Resolved, That copies of this joint memorial be sent to the Secretary of Labor, the Attorney General, and to the Members of the New Mexico delegation in the Congress of the United States."

"HOUSE JOINT MEMORIAL 21

"Joint memorial memorializing the Congress of the United States to establish and maintain a domiciliary for disabled veterans in New Mexico

"Whereas the growing disabled veteran population in New Mexico, and the increasing age of these veterans makes some action necessary, if we are to properly care for these citizens who have served their country with unselfish devotion; and

"Whereas there exists at the present time no facility for the care of disabled veterans in New Mexico; and

"Whereas the cost of maintaining such disabled veterans in a treatment institution is much greater thar it would be in a domiciliary: Now, therefore, be it

"Resolved by the Legislature of the State of New Mexico, That the Congress of the United States is memorialized to establish and maintain in New Mexico a domiciliary for disabled veterans; and be it further

"Resolved, That copies of this memorial be sent to the congressional delegation from New Mexico."

"HOUSE JOINT MEMORIAL 27

"Joint memorial to Congress concerning the distribution of Federal funds to public schools

"Whereas Federal funds appropriated by Congress for use by local public schools in New Mexico constitute an important factor in the budgetary planning of the affected recipient schools; and

"Whereas because of the unpredictable manner in which such funds are presently distributed by the Federal agency concerned it becomes impossible for the local school district to properly anticipate and budget for such funds; and

"Whereas present practice of the Federal Government is to pay only 80 percent of the entitlement to these schools despite urgent needs for the full amount of the entitlement: Now, therefore, be it

"Resolved by the Legislature of the State of New Mexico, That the Congress of the United States be respectfully petitioned to give serious consideration to:

"A. Establishing a predictable method of distribution of Federal funds to enable recipient school districts to more accurately plan and budget for these funds; and

"B. To provide for payment to public schools 100 percent of the entitlement in lieu of the present policy of paying only 80 percent of entitlement; and be it further

"Resolved, That the chief clerk of the house of representatives send duly authenticated copies of this memorial to each member of the New Mexico congressional delegation and to the President of the United States."

"HOUSE JOINT MEMORIAL 44

"Joint memorial memorializing the Congress of the United States to provide a minimum program activities budget for the Division of Indian Health's 1962 fiscal year operations

"Whereas the New Mexico State Legislature is cognizant of the great progress in Indian health programs since the transfer of Indian health responsibility from the Bureau of Indian Affairs to the U.S. Public Health Service; and

"Whereas the Indians of New Mexico, as well as other Indians, are aware of the dire need which exists for safe and adequate domestic water supplies and sewerage facilities in the Indian communities so that sickness and death may be prevented on Indian reservations utilizing modern sanitation and health practices; and

"Whereas the Indians are desirous of obtaining such sanitation facilities in order that they may improve their health standards and personal hygiene: Now, therefore, be it

"Resolved by the Legislature of the State of New Mexico, That it hereby declares its support of the program being pursued under the act of July 3, 1959 (Public Law 86–121, 73 Stat. 267) to provide improved sanitation and water facilities for Indian lands and communities, and that the Congress of the United States is respectfully urged to provide a minimum program activities budget for the Division of Indian Health's 1962 fiscal year operations for Indian homes, communities, and lands as authorized under the Sanitations Facilities Act (Public Law 86–121); and be it further

"Resolved, That a copy of this memorial be transmitted to the President and Vice President of the United States, to each member of the New Mexico delegation to the National Congress, to the Secretary of the Department of Health, Education, and Welfare, to the Surgeon General of the Public Health Service, and to the Commissioner of Indian Affairs."

"HOUSE JOINT MEMORIAL 45

"Joint memorial memorializing the Congress of the United States to expand and improve the vocational training program for Indians and to increase the appropriations accordingly

"Whereas Congress has appropriated funds for vocational training for Indians; and

"Whereas there exists a large potential number of applicants for such training which cannot be provided for because of limited funds; and

"Whereas the need for such training exists for Indians notwithstanding their residency; and

"Whereas the results of this program have significantly brought about a realistic approach to the problems of the young adult Indians: Now, therefore, be it

"Resolved by the Legislature of the State of New Mexico, That the Congress of the United States be respectfully urged to expand and improve the vocational training program for Indians and that appropriations be increased accordingly. It is also urged that there shall not be permitted to exist any condition or priority to the receiving of such benefits which are based upon the residency of any otherwise eligible Indians; and be it further

"Resolved, That a copy of this memorial be transmitted to the President and Vice President of the United States, the Secretary of Interior, the Commissioner of Indian Affairs and to each member of the delegation representing New Mexico in the National Congress."

A resolution of the House of Representatives of the State of New Mexico; to the Committee on Interior and Insular Affairs:

"HOUSE MEMORIAL 20

"Memorial to the Congress of the United States concerning the alcoholism problem among New Mexico Indians

"Whereas the uncontrolled drinking of alcoholic liquors and the increasing incidence of alcoholism among the Indian communities in New Mexico is of an extremely dangerous nature, threatening the survival of the way of life and patterns of culture of some 51,253 persons comprising the Indian population of this State; and

"Whereas the New Mexico Commission on Alcoholism is limited in its efforts to combat this problem by the amount of funds appropriated for its operations and will be limited for several years due to the current fiscal emergencies existing in this State, and

"Whereas the problems of the American Indian have historically come within the purview of Federal legislation: Now, therefore, be it

"Resolved by the house of representatives of the 25th legislature, That the Congress of the United States be urged to provide Federal funds, aid and assistance to combat the problem of alcoholism among the various Indian communities of New Mexico, and that the several Government agencies working in this field be urged to cooperate with the New Mexico Commission on Alcoholism, the Commissioner on Indian Affairs and other interested private organizations; and be it further

"Resolved, That copies of this memorial be transmitted to the Governor, the Commissioner of Indian Affairs, the Secretary of Interior and the New Mexico delegation in the Congress of the United States."

A resolution of the House of Representatives of the State of New Mexico; to the Committee on Public Works:

"HOUSE MEMORIAL 21

"Memorial petitioning the Governor of the State of New Mexico, the New Mexico U.S. Senators and Congressmen, the State highway commission and the Bureau of Public Roads to continue the present effort for the immediate construction of an overpass for the town of Gallup, N. Mex.

"Whereas ever since its incorporation in 1891, the town of Gallup, N. Mex., has been divided by the Atchison, Topeko & Santa Fe Railway Co., and

"Whereas for almost the same period of time an overpass has been needed by the residents and inhabitants of the town of Gallup, N. Mex. Such need has been recognized continually by the State highway department and State and Federal officials concerned for a number of years and has frequently been cited as the most critical and urgent traffic problem area in the State of New Mexico; and

"Whereas during the past several years the State highway commission through the State highway department and in cooperation with the Federal Bureau of Public Roads has determined and agreed upon the alinement of an interstate highway passing through the town of Gallup and of the construction in conjunction therewith of the above described needed overpass; and

"Whereas in accordance with the Federal law, a public hearing was held in the town of Gallup, N. Mex., on the 6th day of August 1959 advising its residents of the proposed alinement and design of the said throughway through Gallup and of the overpasses included therein. The people of Gallup attending such meetings approved such alinement and proposed design with a few minor exceptions; and

"Whereas the State highway department has now entered in a contract with a consulting engineer for the design and planning of such interstate throughway route including the proposed overpasses; said planning and design to cost approximately $260,000; and

"Whereas in anticipation of such eventual construction the town of Gallup has begun and is now in the process of doing certain urban renewal and other public development to provide for the orderly removal of the persons now living and residing within the proposed throughway right-of-way: Now, therefore, be it

"Resolved by the House of Representatives of the Legislature of the State of New Mexico, That the State highway commission through its State highway department and in cooperation with the Federal Bureau of Public Roads be respectfully requested and urged they continue their efforts along the lines mentioned above and following the completion of the design, now under contract, that the portion and segment of the said project providing an overpass for Gallup, be immediately let and contracted for the benefit of the residents of the town of Gallup, N. Mex., and of the State of New Mexico as a whole; and be it further

"Resolved, That the State highway commission through its State highway department and in cooperation with the Federal Bureau of Public Roads be respectfully requested and urged to agree that prior to completion of the proposed interstate throughway route through the town of Gallup, that the State highway department improve the existing U.S. Highway 66 within the corporate limits of the town of Gallup so as to make the existing U.S. Highway 66 route and the proposed interstate throughway route equally accessible and inviting to the traveling public; and be it further

"Resolved, That the State highway department is respectfully requested and urged to cooperate with the officials of the town of Gallup in providing and carrying out an orderly organized removal of the residents living in the right-of-way of the proposed interstate route such that the least amount of damage, inconvenience and harm be done; and be it further

"Resolved, That the State highway department is respectfully requested and urged to agree that the actual completion of the entire interstate throughway through the town of Gallup be carried out and completed as the very last phase of the Federal interstate project in the northwest portion of New Mexico; and be it further

"Resolved, That a copy of this memorial be sent to the Governor of the State of New Mexico, to the U.S. Congressmen and Senators of the State of New Mexico, to each of the State highway commissioners and to the division engineer of the Federal Bureau of Public Roads for the State of New Mexico."

RESOLUTION OF RED CREEK VALLEY GRANGE 1583, COOPERSTOWN, N.Y.

Mr. JAVITS. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution adopted by the Red Creek Valley Grange of Cooperstown, N.Y., protesting against any further increase in Federal automotive excise taxes, including the Federal tax on motor fuels.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Whereas the Federal Government is constantly reaching more and more into areas

formerly reserved to States for taxable income: Therefore be it

Resolved, That we the members of the Red Creek Valley Grange go on record as opposing any further increase in Federal automotive excise taxes including Federal tax on motor fuels; and be it further

Resolved, That we oppose any attempt to extend beyond June 30, 1961, the temporary increase of 1 cent per gallon on motor fuels enacted by Congress in 1959; and also be it further

Resolved, That copies of this resolution be sent to the President of the United States, to our Senators and Representatives in Congress.

RESOLUTION OF COMMON COUNCIL OF CITY OF BUFFALO, N.Y.

Mr. JAVITS. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution adopted by the Common Council of the City of Buffalo, N.Y., favoring the abolition of the 10-percent excise tax on motor vehicles.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Whereas within the city of Buffalo and the Niagara Frontier area there are several automobile factories or assembly plants which are a vital part of the American automobile industry which industry is one of the cornerstones of our American economy; and

Whereas since the Korean war, there has been imposed upon the automotive industry, a 10-percent Federal excise tax levied against motor vehicles manufactured in this country, which excise tax was levied as a temporary measure during the Korean war to slow down automobile production; and

Whereas there are many automobile plants temporarily closed and many automotive employees are out of work adding to our large unemployment rolls and enlarging our depressed areas; and

Whereas there is before the present session of Congress a bill, House bill 3647, which bill would abolish the 10-percent Federal excise tax on American manufactured motor vehicles and that the passage of said House bill will certainly spur and aid our local economy as well as the national economy: Now, therefore, be it

Resolved, That the Common Council of the City of Buffalo memorialize the President of the United States and the Congress of the United States to act as expediently as possible for the passage of House bill 3647; and be it further

Resolved, That the city clerk be authorized and directed to forward certified copies of this resolution to the President, the clerks of the U.S. Senate and House of Representatives, and to the two U.S. Senators from New York State and to each of the U.S. Representatives representing any part of the city of Buffalo.

ALASKA AMERICAN LEGION DEPARTMENT URGES PASSAGE OF COLD WAR VETERANS GI BILL

Mr. YARBOROUGH. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution adopted by the American Legion, Department of Alaska, urging passage of the cold war veterans GI bill.

This resolution, signed by Alaska Legion Commander Richard I. Eliason, recognizes that Alaska's very capable and distinguished Senator, ERNEST GRUENING, is one of the sponsors of S. 349.

I would like to call to the attention of the Senate the fact that Senator GRUENING was among the first witnesses to appear before the Senate Veterans' Affairs Subcommittee to testify for the bill. He made a stirring plea for passage of the cold war GI bill as an act of justice, saying:

Men now drafted into the Armed Forces are still in need of assistance in obtaining an education which will prepare them for the careers of their choice. Men whose service has been required during the period since the Korean conflict should not be discriminated against with respect to Government assistance for education merely because of the dates during which they served.

It is encouraging to see that the American Legion of his State recognize and appreciate the work Senator GRUENING is doing on behalf of veterans. I ask unanimous consent to have the resolution printed at this point in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Whereas, Senator ERNEST GRUENING is one of the sponsors of S. 349, entitled "Veterans Readjustment Assistance Act of 1961," to provide readjustment assistance for post-Korean war veterans who served on active duty in the Armed Forces after January 31, 1955; and

Whereas approximately 600 Alaska veterans would be entitled to educational and vocational training assistance and for Federal loan assistance in the purchase of homes and farms under the provisions of S. 349: Now, therefore, be it

Resolved, That the American Legion, Department of Alaska, does hereby endorse S. 349 and urge its passage without delay; and further

Resolved, That Senator ERNEST GRUENING be, and he hereby is, commended for his interest and efforts on behalf of the veterans of Alaska; and further

Resolved, That copies of this resolution be sent to the President of the U.S. Senate, the Speaker of the U.S. House of Representatives and to the Honorable ERNEST GRUENING, Senator from Alaska.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. FULBRIGHT, from the Committee on Foreign Relations, without amendment:

S. 1358. A bill to repeal section 12 of the act of June 26, 1884, prohibiting a charge or collection of fees by consular officers for official services to American vessels and seamen, and to repeal the provision of the act of June 4, 1920, authorizing the free issuance of passports to seamen (Rept. No. 88).

By Mr. EASTLAND, from the Committee on the Judiciary, without amendment:

S. 126. A bill for the relief of Edward W. Scott III (Rept. No. 90);

S. 132. A bill for the relief of Man-Yeh Chow (Rept. No. 91);

S. 164. A bill for the relief of Cherie Helen Bratton (Rept. No. 92);

S. 217. A bill for the relief of Alessandro Gellhorn (Rept. No. 93);

S. 225. A bill for the relief of Dr. Chien Chen Chi (Rept. No. 94);

S. 262. A bill for the relief of Constantinos Georgiou Stravropoulos (Rept. No. 95);

S. 285. A bill for the relief of Alpo Fransila Crane (Rept. No. 96);

S. 292. A bill for the relief of Mah Jew Ngee (also known as Peter Jew Mah) (Rept. No. 97);

S. 298. A bill for the relief of Earl H. Pendell (Rept. No. 98);

S. 330. A bill for the relief of Harry N. Kouniakis (Rept. No. 99);

S. 417. A bill for the relief of Haruo T. Hendricks (Rept. No. 100);

S. 423. A bill for the relief of Fotios Gianoutsos (Frank Giannos) (Rept. No. 101);

S. 438. A bill for the relief of Mrs. Maria Giovanna Hopkins (Rept. No. 102);

S. 444. A bill for the relief of Ok Hi Shin and Tae Soo Chung (Rept. No. 103);

S. 533. A bill for the relief of Irene Maria Koller (Rept. No. 104);

S. 593. A bill for the relief of Hans Christian Gunnar Mikkelsen (Rept. No. 105);

S. 696. A bill for the relief of Angel Ardaiz Martinez (Rept. No. 106);

S. 697. A bill for the relief of Maria Luisa Martinez (Rept. No. 107);

S. 713. A bill for the relief of Anastasia Stassinopoulos (Rept. No. 108);

S. 894. A bill for the relief of Captain Ernest Mountain (Rept. No. 109);

S. 939. A bill for the relief of Zlata Dumlijan and Djuro (George) Kasner (Rept. No. 110); and

S. 1097. A bill for the relief of A. E. Waterstradt (Rept. No. 111).

By Mr. EASTLAND, from the Committee on the Judiciary, with an amendment:

S. 118. A bill for the relief of Helen Irma Imhoof (Rept. No. 113);

S. 139. A bill for the relief of Krste Angeloff (Rept. No. 114);

S. 274. A bill for the relief of Hajime Asato (Rept. No. 115);

S. 277. A bill for the relief of Erica Barth (Rept. No. 116);

S. 313. A bill for the relief of Ante Tonic (Tunic), his wife, Elizabeth Tunic, and their two minor children, Ante Tunic, Jr., and Joseph Tunic (Rept. No. 117);

S. 532. A bill for the relief of Stanley Bulski (Zdzislaw Rekosz) (Rept. No. 118);

S. 545. A bill for the relief of Mrs. Elizabeth Clifford (Rept. No. 119); and

S. 555. A bill for the relief of Nicolaos A. Papadimitriou (Rept. No. 120).

By Mr. EASTLAND, from the Committee on the Judiciary, with amendments:

S. 138. A bill for the relief of Mico Delic (Rept. No. 121);

S. 177. A bill for the relief of Hadji Benlevi (Rept. No. 122);

S. 546. A bill for the relief of In Fil Chung, In Ae Chung, In Sook Chung and In Ja Chung (Rept. No. 123); and

S. 663. A bill for the relief of Andreas Rakintzis (Rakajes) (Rept. No. 124).

By Mr. KEATING, from the Committee on the Judiciary, without amendment:

S. 178. A bill for the relief of Michael J. Collins (Rept. No. 112).

REPORT OF A COMMITTEE ON UTILIZATION OF FOREIGN CURRENCIES AND U.S. DOLLARS

Mr. HAYDEN. Mr. President, in accordance with the Mutual Security Act of 1954, as amended, I ask unanimous consent to have printed in the RECORD the report of the Committee on the Judiciary concerning the foreign currencies and U.S. dollars utilized by the committee in 1960 in connection with foreign travel.

There being no objection, the report was ordered to be printed in the RECORD.

Report of expenditure of foreign currencies and appropriated funds by the Committee on the Judiciary, U.S. Senate, expended between Jan. 1 and Dec. 31, 1960

Name and country	Name of currency	Lodging		Meals		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Blair, John M.:											
Germany	Deutsche mark	408	$102.00	584	$146	216	$54.00	300	$72.00	1,508	$374
Italy	Lira	95,000	153.00	113,000	183	135,998	218.00	28,000	45.00	371,988	599
Netherlands	Guilder					4,045	1,073.00			4,045	1,073
United Kingdom	Pound	41	115.00	30	85	4	11.00	5	14.00	80	225
Subtotal			370.00		414		1,366.00		131.00		2,271
Dodd, Thomas J.:											
France	Franc	415	85.06	440	90.19	6,185	1,262.28	338.30	69.35	7,377.53	1,506.88
Germany	Deutsche mark	130	31.18	276	66.09	37	8.88	443.85	106.42	886.39	212.57
Italy	Lira	17,631	28.33	47,100	85.83	14,900	24.00	29,922	48.25	109,553	186.41
Netherlands	Guilder	82	21.71	69	18.27	8	2.12	55	14.56	215	56.66
United Kingdom	Pound	11-7-8	31.87	5	14.00	1	2.80	1	2.80	18-7-8	51.47
Subtotal			198.15		274.38		1,300.08		241.38		2,013.99
Hamel, Charles:											
France	Franc	546.24	111.98	744.65	152.64	7,227	1,475.94	468.67	96.08	8,986.56	1,836.64
Germany	Deutsche mark	116.15	27.85	245.71	58.93	37	8.88	119.40	28.64	518.26	124.30
Italy	Lira	18,379	29.57	46,900	75.52	84,600	136.20	18,972	29.55	168,851	270.84
Netherlands	Guilder	80	21.18	40	10.59	6	1.59	22	5.83	148	39.19
United Kingdom	Pound	11-7-8	31.87	5	14.00	1	2.80	1	2.80	18-7-8	51.47
Subtotal			222.45		311.68		1,625.41		162.90		2,322.44
Keating, Kenneth:											
France	Franc	1,372	280.00	133	27.00	3,011	612.80	78.50	17.85	4,594.50	937.65
United Kingdom	Pound	18-3	50.40					10	25.76	27.84	76.16
Subtotal			330.40		27.00		612.80		43.61		1,013.81
Mandel, Ben:											
France	Franc	376.02	76.73	248.01	45.60	75	1.53			699.03	123.86
Germany	Deutsche mark					1,740.48	414.40			1,740.48	414.40
United Kingdom	Pound	13-17-6	38.78	21.18	62.37	2.5	6.30			38-0-6	107.45
Subtotal			115.51		107.97		422.23				645.71
Martin, David:											
France	Franc	328.32	67.31	255	52.28	6,185.53	1,262.49	201.40	41.30	6,970.25	1,423.38
Germany	Deutsche mark	139.30	33.55	286.02	68.58	65	15.59	68	16.31	559.12	134.03
Italy	Lira	17,145	27.56	50,300	80.98	14,300	23.00	22,121	32.29	103,866	163.83
United Kingdom	Pound	10	28.00	8-10	23.80	3-15	10.50	1-10	4.20	23-15	66.50
Subtotal			156.42		225.64		1,311.58		94.10		1,787.74
Mesmer, Fred:											
France	Franc	284.20	58.00	441	90.00	2,298.10	469.00	225.80	46.08	3,249.10	663.08
Germany	Deutsche mark					333.48	79.40			333.48	79.40
Italy	Lira	74,520	120.00	124,200	200.00	374,279	602.70	37,580	60.53	610,579	983.23
Switzerland	Swiss franc	324	75.00	517	120.00	186	43.75	53	12.40	1,080	251.15
Subtotal			253.00		410.00		1,194.85		119.01		1,976.86
Total			1,374.00		1,437.06		6,089.14		697.90		9,598.10

RECAPITULATION

	Amount
Foreign currency (U.S. dollar equivalent)	$9,598.10
Appropriated funds	None
Total	9,598.10

MARCH 23, 1961.

JAMES O. EASTLAND,
Chairman, Committee on the Judiciary.

REPORT ENTITLED "SMALL BUSINESS EXPORTS AND THE WORLD MARKET" (S. REPT. NO. 89)

Mr. SPARKMAN. Mr. President, I am pleased to file today a unanimous report of the Committee on Small Business entitled "Small Business Exports and the World Market." The report contains the committee's conclusions and recommendations from its study last year of problems and oportunities of small business in exporting. The study included hearings by special panels of the committee in New York, New Orleans, and San Francisco.

Another outcome of the committee's study, Mr. President, was the bill I introduced last Monday, March 20, with every member of the committee as cosponsor. That bill, S. 1379, and the report I am filing today, both emphasize, as the basic need for expansion of exports by American small business, an improved, strengthened, more comprehensive system of export credit guarantees.

The bill would direct the implementation of the first and foremost recommendation of this report: a strengthened export-credit-guarantee program in the Export-Import Bank.

In filing the National Export Policy Act of 1961, S. 1379, I remarked:

I am personally persuaded that the Bank has the statutory authority now to set up the improved and expanded export-credit-guarantee facilities contemplated by this bill, and it is my hope that it will not await the passage of new legislation to exercise the authority.

I went on to say that the purpose of the bill was to make it unmistakably clear that Congress intends for the authority already possessed by the Bank to be used in a way that will place U.S. exporters in a position of complete equality with their competitors in other exporting nations, insofar as their ability to offer credit to their customers is concerned.

I am indeed happy to observe that the foremost recommendation of this report—improved export credit facilities—appears already to have been implemented in whole or substantial part by

the Export-Import Bank, even before the report is filed.

I have not yet had an opportunity to study in detail the new program announced by the Bank last Friday, but the newspaper accounts indicate that it is extremely close to the program contemplated by the report I am filing today and the bill I filed last Monday on behalf of the Senate Small Business Committee.

I am glad that the committee's hearings and other work in this vital area have had some influence and have been of some help in encouraging steps toward the reform which, at the committee's hearings, was noted most frequently by most people to be urgently needed. I congratulate the Export-Import Bank and its new president, Harold F. Linder, on the forward-looking program they have decided to initiate.

I should like to express my appreciation and that of the committee to the members who conducted the hearings at the Nation's principal ports late last year.

Senators HARRISON A. WILLIAMS, JR., of New Jersey, and JACOB K. JAVITS, of New York, were the cochairmen, and Senator JENNINGS RANDOLPH, of West Virginia, was the other member of the hearings panel at New York City on November 17.

Senator RUSSELL B. LONG, of Louisiana, as chairman, and Senator RANDOLPH conducted the hearing at New Orleans on December 9.

Senator CLAIR ENGLE, of California, as chairman, and Senators E. L. BARTLETT, of Alaska, and RANDOLPH were the panel in San Francisco on December 14.

The committee is also indebted to the large number of witnesses from Government, industry, and commerce whose testimony made the hearings so interesting and the printed hearing transcript, which is available from the committee, so valuable a document.

Mr. President, I submit the report of the committee, and ask that it be printed. I hope Senators will read the report and will also study the provisions of the bill to which I referred, S. 1379, which was introduced last Monday.

Mr. JAVITS. Mr. President, will the Senator from Alabama yield?

Mr. SPARKMAN. The Senator from Arizona has the floor.

Mr. JAVITS. Mr. President, will the Senator from Arizona yield to permit me to make a brief comment?

Mr. HAYDEN. I yield.

Mr. JAVITS. I think the report which has just been filed by the distinguished Senator from Alabama, the chairman of the Committee on Small Business, in relation to exports characterizes for us one of the most striking aspects of our national economic life. We are all talking about utilizing to the full the productive facilities which we have; but in the hearings before the Joint Economic Committee this morning the Director of the Bureau of the Budget himself had to admit that this is an aspiration; that no one has studied to implement it.

For example, we need enormous quantities of raw materials, most of which we import from abroad, in order that our productive machine may increase its output. It is not simply a question of our having everything we need in this country, making the products, and letting our people enjoy them. If that were so, it would be wonderful. So I think there is being placed before us one of the really fundamental issues in our Government. It will take a high order of patriotism for all of us to keep the balance as between imports and exports.

I think it is extremely important, therefore, to show, as we are showing in the report from the Committee on Small Business, the stake of small business itself in the expansion of the overseas markets of the United States. Many of us talk about the millions of people engaged in production for export. We talk about the raw materials we have to buy throughout the world. We talk about the need for a large balance, in terms of our trade, to help us with our difficulties in international payments. But all that does not become concrete for the businessman until he sees what is at stake for him, as shown by the report which has just been filed by the distinguished Senator from Alabama. I think a really national service is being performed in the development and issuance of this document.

Mr. SPARKMAN. Mr. President, this is another unanimous report on the part of the Committee on Small Business.

The PRESIDING OFFICER (Mr. METCALF in the chair). The report will be received and printed.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BUTLER:

S. 1435. A bill to amend the Internal Revenue Code of 1954 so as to allow a deduction for certain amounts paid by a taxpayer for nonmedical care of a dependent who is disabled; to the Committee on Finance.

(See the remarks of Mr. BUTLER when he introduced the above bill, which appear under a separate heading.)

By Mr. GOLDWATER:

S. 1436. A bill to amend the provisions of title 18 of the United States Code relating to offenses committed in Indian country; to the Committee on the Judiciary.

S. 1437. A bill to provide for the relocation and reestablishment of the members of the Papago Indian Tribe inhabiting the village of Sil Murk, which adjoins the Gila Bend Indian Reservation; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. GOLDWATER when he introduced the last above-mentioned bill, which appear under a separate heading.)

By Mr. JAVITS:

S. 1438. A bill to provide for posting information in post offices with respect to registration and voting, and for other purposes; to the Committee on Post Office and Civil Service.

(See the remarks of Mr. JAVITS when he introduced the above bill, which appear under a separate heading.)

By Mr. MANSFIELD (for himself and Mr. METCALF):

S. 1439. A bill for the relief of Sylvia Freda Karro and her three minor children, Allan Karro, Jennifer Karro, and Michelle Karro; to the Committee on the Judiciary.

By Mr. MAGNUSON (by request):

S. 1440. A bill to amend the act approved July 14, 1960 (74 Stat. 526), relating to the establishment of a register in the Department of Commerce of certain motor vehicle operators' licenses; to the Committee on Interstate and Foreign Commerce.

(See the remarks of Mr. MAGNUSON when he introduced the above bill, which appear under a separate heading.)

By Mr. CHAVEZ:

S. 1441. A bill for the relief of Cilka Elizabeth Ingrova; to the Committee on Labor and Public Welfare.

By Mr. JOHNSTON:

S. 1442. A bill for the relief of Anna B. Dreyspring; to the Committee on the Judiciary.

By Mr. ELLENDER:

S. 1443. A bill for the relief of Mrs. Tyra Fenner Tynes; to the Committee on the Judiciary.

By Mr. SPARKMAN:

S. 1444. A bill for the relief of the next of kin of certain merchant seamen who lost their lives in an airplane crash; to the Committee on the Judiciary.

By Mr. BYRD of West Virginia:

S. 1445. A bill to stimulate the Nation's economic growth through accelerated natural resources development, and for other purposes; to the Committee on Agriculture and Forestry.

By Mrs. SMITH of Maine (by request):

S. 1446. A bill to provide for the adjustment of periods of military leave granted to Federal officers and employees; to the Committee on Armed Services.

By Mr. BEALL:

S. 1447. A bill to amend the District of Columbia Teachers' Salary Act of 1955, as amended; to the Committee on the District of Columbia.

By Mr. KEATING:

S. 1448. A bill for the relief of Pietro Pirri; to the Committee on the Judiciary.

By Mr. ALLOTT:

S. 1449. A bill for the relief of Col. Charles D. Wiegand; to the Committee on the Judiciary.

By Mrs. NEUBERGER:

S. 1450. A bill for the relief of Shim Dong Nyu (Kim Christine May); to the Committee on the Judiciary.

By Mr. DIRKSEN:

S.J. Res. 68. Joint resolution providing for the designation of the week commencing October 1, 1961, as "National Public Works Week"; to the Committee on the Judiciary.

(See the remarks of Mr. DIRKSEN when he introduced the above joint resolution, which appears under a separate heading.)

By Mr. DIRKSEN (by request):

S.J. Res. 69. Joint resolution establishing a National Shrine Commission to select and procure a site and formulate plans for the construction of a permanent memorial building in memory of the veterans of the Civil War; to the Committee on Rules and Administration.

(See the remarks of Mr. DIRKSEN when he introduced the above joint resolution, which appear under a separate heading.)

RESOLUTION

CHANGE OF NAME OF COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE TO COMMITTEE ON COMMERCE

Mr. MAGNUSON submitted the following resolution (S. Res. 117); which was referred to the Committee on Rules and Administration:

Resolved, That paragraphs (1) (j) and (4) of rule XXV of the Standing Rules of the

Senate are each amended by striking out "Committee on Interstate and Foreign Commerce" and inserting in lieu thereof "Committee on Commerce".

TAX DEDUCTIONS FOR AID TO DISABLED DEPENDENTS

Mr. BUTLER. Mr. President, I introduce, for appropriate reference, a bill to amend the Internal Revenue Code of 1954 so as to allow a deduction for certain amounts paid by a taxpayer for nonmedical care of a dependent who is disabled.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 1435) to amend the Internal Revenue Code of 1954 so as to allow a deduction for certain amounts paid by a taxpayer for nonmedical care of a dependent who is disabled, introduced by Mr. BUTLER, was received, read twice by its title, and referred to the Committee on Finance.

Mr. BUTLER. Mr. President, in recent years we have heard much about medical care for the aged. Currently, as we all know, the controversy is raging again. Shall medical care be placed under social security with compulsory participation, or shall it remain where it was placed by the Kerr-Mills bill—under the control of the State with participation being noncompulsory?

I will not, at this time, go into the merits of either of those measures except to point out that there is at least one situation which is not provided for by either of them. That is the case where care—not necessarily medical—is needed for the very aged. Such may come about as the result of senility or, perhaps, immobility caused by old age as well as by other causes. In some cases this necessitates personal care at home with a companion in attendance; in others it necessitates full time confinement to a nursing, old persons, or other type of institution not a hospital.

Under the present Internal Revenue Code expenses incurred as the result of such care are not deductible because they are not medical expenses within the scope of definition contained therein.

Often, such expenses are prohibitive and fall upon the aged individuals' married children to absorb. The children more often than not have their own families to support and can ill afford another expenditure which often adds up to $200 or $300 per month.

I think that the least that can be done is to allow a tax deduction, within limitations, for amounts thus expended on behalf of qualified dependents, and I intend to introduce at this time a bill which will so provide.

The problem is not limited to the aged, however. There are cases in which children become afflicted at a very early age with a permanent disablement, and, as a result, a constant companion is required. In some cases, the expenses thus incurred are not properly deductible for Federal income tax purposes.

Thus, my bill will provide similar relief to taxpayers incurring such expenses on behalf of qualified dependents regardless of age. It will permit a maximum deduction of $300 per month for the number of months personal institutional care is required. This amount will be reduced, however, by the amount which a married taxpayer's income exceeds $20,000, and by that amount which a single taxpayer's income exceeds $10,000.

The bill is careful in specifying that only expenditures made on behalf of "disabled dependents" as defined therein will be deductible. A "disabled dependent" is defined as an individual who "by reason of any medically determinable physical or mental impairment which can be expected to result in death or to be of long-continued and indefinite duration, is incapable of caring for himself or is dangerous to himself or others if left alone." Proof of such disability must, of course, be supplied.

Mr. President, I know there are many taxpayers who find themselves burdened with this type of nondeductible expense. Passage of this bill will most assuredly be of great assistance to them. On the other hand, the net revenue loss to the Government will be minimal. I therefore see little reason why favorable action should not be taken and the provisions of this bill made part of our internal revenue law.

RELOCATION OF PAPAGO INDIAN VILLAGE OF SIL MURK

Mr. GOLDWATER. Mr. President, I introduce, for appropriate reference, a bill to provide for the relocation and reestablishment of the members of the Papago Indian Tribe inhabiting the village of Sil Murk, which adjoins the Gila Bend Indian Reservation. I ask unanimous consent to have the bill printed in the RECORD, together with an announcement, prepared by me, relating to the bill.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill and announcement will be printed in the RECORD.

The bill (S. 1437) to provide for the relocation and reestablishment of the members of the Papago Indian Tribe inhabiting the village of Sil Murk, which adjoins the Gila Bend Indian Reservation, introduced by Mr. GOLDWATER, was received, read twice by its title, referred to the Committee on Interior and Insular Affairs, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Chief of Engineers, Department of the Army, is authorized to take such action as may be necessary to effect the relocation and reestablishment of the members of the Papago Indian Tribe inhabiting the village of Sil Murk, which adjoins the Gila Bend Indian Reservation, to a nearby site within the boundaries of such Reservation, or to a site to be purchased by the Department of the Army for this purpose, such relocation and reestablishment having been made necessary as a result of the Painted Rock Dam and Reservoir Project authorized by the Act of May 17, 1950 (64 Stat. 163).

SEC. 2. (a) In effecting the relocation and reestablishment authorized by the first section of this Act, the Chief of Engineers shall take such action as will assure, to the extent feasible, that the economic, social, religious, and community life of the members of the Papago Indian Tribe inhabiting the village of Sil Murk shall be restored to a condition not less advantageous to such members than the condition which they enjoyed as inhabitants of the village of Sil Murk. Such action shall include, but shall not be limited to, the following:

(1) Providing a suitable replacement site (including the clearing and grading of such site), within the boundaries of the Gila Bend Indian Reservation, or on a purchased site, on which to relocate and reestablish such members;

(2) Providing for the relocation and reestablishment, on the site provided in accordance with paragraph (1) of this subsection, of the cemetery of such members, situated within the area comprising the village of Sil Murk, or in the alternative protect the existing cemetery from flooding by means of earth dikes or other suitable protective devices; and

(3) Providing for the establishment, on the site provided in accordance with the provisions of paragraph (1) of this subsection, of (A) a building to serve as a replacement for the church of such members; (B) living quarters for such members; (C) water wells; (D) a water distribution system (including distribution lines); (E) sewerage facilities; (F) roads; and (G) such other buildings, facilities and structures as may be necessary in order to carry out the provision of this Act.

(b) The Chief of Engineers is authorized to transfer, without consideration, all right, title, and interests of the United States in and to all buildings, structures, facilities, improvements, and other property provided by him, in accordance with the provisions of this Act, to the United States of America in trust for the Papago Indian Tribe. The members of the Papago Indian Tribe who are relocated and reestablished pursuant to the provisions of this Act shall have an interest in such buildings, structures, facilities, improvements, and property so provided comparable to that which they had as inhabitants of the village of Sil Murk in comparable properties in such village.

SEC. 3. As a condition of the rebuilding and relocation of the said village of Sil Murk the Papago Tribe shall by appropriate resolution quit-claim and release to the United States whatever interest the said tribe may have in the site of the present village of Sil Murk.

SEC. 4. There are authorized to be appropriated such sums, not to exceed in the aggregate $269,500, as may be necessary to carry out the provisions of this Act.

The announcement presented by Mr. GOLDWATER is as follows:

Senator BARRY GOLDWATER today introduced in the Senate a bill to enable the Corps of Engineers to relocate the Papago Indian village of Sil Murk, which must be moved to higher ground as the village now lies within the Painted Rock Dam and Reservoir project. The bill will provide substantive legislation for the Corps of Engineers to make this relocation and will make available additional funds for this purpose not to exceed $269,500.

Senator GOLDWATER said the new site would provide a building to serve as a replacement for the church for the Indian families being relocated, living quarters and water wells for them, and would also provide that the present cemetery would either be relocated or, if not moved, protected from floods by means of earth dikes or other suitable protective devices.

The Department of the Interior and the Corps of Engineers have cooperated, thoroughly studying this need and this bill is the result of their recommendations.

DISPLAY OF VOTING, REGISTRATION, AND ELECTION INFORMATION BY U.S. POST OFFICES

Mr. JAVITS. Mr. President, I introduce, for appropriate reference, a bill to require U.S. post offices to prominently display voting, registration, and election information. The bill is also being introduced in the House by Representative EDWIN B. DOOLEY, of New York.

Although a record 68,832,818 persons voted in the 1960 presidential election, they represented only 64.3 percent of the total civilian voting population. An estimated 20 million persons were not eligible to vote for various reasons. But more than 15,500,000 persons actually eligible to vote did not do so. In congressional elections, this total is usually more than twice that number. It is clear we need to do everything we can to stimulate citizen participation in government and in elections. There are more than 35,000 post offices in the United States and they are visited daily by millions of Americans. There is no more practical place to post voter information than the U.S. post office.

This bill would require each post office to post information on the qualifications for registration and voting; the places, dates, and times for registration and voting at elections in the area served by such post office. The names and office addresses of the U.S. Senators from the State and the Representatives from the congressional district in which the post office is situated would also be posted.

In anticipation of the passage of the constitutional amendment giving the District of Columbia the right to vote, the bill provides that post offices in the District would also be required to post the voter information.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 1438) to provide for posting information in post offices with respect to registration and voting, and for other purposes, introduced by Mr. JAVITS, was received, read twice by its title, and referred to the Committee on Post Office and Civil Service.

REGISTER OF CERTAIN MOTOR VEHICLE OPERATORS' LICENSES IN DEPARTMENT OF COMMERCE

Mr. MAGNUSON. Mr. President, by request of the Secretary of Commerce, I introduce, for appropriate reference, a bill to amend the act approved July 14, 1960 (74 Stat. 526) relating to the establishment of a register in the Department of Commerce of certain motor vehicle operators' licenses. I ask unanimous consent that the letter from the Secretary requesting the proposed legislation be printed in the RECORD.

The PRESIDING OFFICER. The bill will be received and appropriately refered; and, without objection, the letter will be printed in the RECORD.

The bill (S. 1440) to amend the act approved July 14, 1960 (74 Stat. 526) relating to the establishment of a register in the Department of Commerce of certain motor vehicle operators' licenses, introduced by Mr. MAGNUSON, by request, was received, read twice by its title, and referred to the Committee on Interstate and Foreign Commerce.

The letter presented by Mr. MAGNUSON is as follows:

THE SECRETARY OF COMMERCE,
Washington, D.C., March 21, 1961.

The Honorable the PRESIDENT OF THE SENATE,
Washington, D.C.

DEAR MR. PRESIDENT: The Department of Commerce submits herewith as a part of its legislative program for the 87th Congress, 1st session, a draft bill entitled "To amend the act approved July 14, 1960 (74 Stat. 526) relating to the establishment of a register in the Department of Commerce of certain motor vehicle operators' licenses."

Under the provisions of the act approved July 14, 1960 (74 Stat. 526), the Secretary of Commerce was directed to establish and maintain a register containing the name of each individual reported to him by a State, or political subdivision thereof, as an individual with respect to whom such State or political subdivision has revoked a motor vehicle operator's license or permit because of (1) driving while intoxicated, or (2) conviction of a violation of a highway safety code involving loss of life. Such register shall also contain other information deemed appropriate by the Secretary to carry out the purposes of the act. The Secretary, at the request of any State, or political subdivision thereof, is required to furnish information contained in the register with respect to any individual applying for a motor vehicle operator's license in that State or political subdivision.

Necessary initial action in connection with the establishment of this register was taken shortly after enactment of the 1960 act. The register is designed to serve as a clearinghouse of information to identify for a State those motor vehicle drivers whose licenses have been revoked under the laws of other States because of driving while intoxicated or conviction of a traffic violation resulting in loss of life. The register will be operated as a voluntary State-Federal enterprise. It was recognized at the outset that one problem to be faced was that motor vehicle driver licensing, including revocation and suspension requirements and practices, is handled in a variety of ways by the States. State laws differ quite widely, in fact, with respect to the meaning and effect of the term "revoked." State laws also vary in terminology and effect where intoxicated or drinking drivers are concerned, as well as in other respects having a bearing upon the administration of the act.

A preliminary survey of State laws and practices has revealed that many States will not be able to participate in this national register because of certain limiting language found in the laws of the State. For example, many States do not provide for revocation of motor vehicle operators' licenses under the two conditions set forth in the act, but do provide for suspension of licenses for varying periods of time, in some cases for more than a year, depending upon the severity or repetition of the offense involved. Under the present language of the 1960 act such a State could not participate in furnishing information to the register because of the phraseology of its own laws. It is recommended, therefore, that consideration be given to striking the phrase "revoked a motor vehicle operator's license or permit" where it appears in the first sentence of section 1 of the act and substituting in lieu thereof the phrase "terminated or temporarily withdrawn an individual's license or privilege to operate a motor vehicle." Such an amendment would permit additional States to participate in this program and would more effectively reflect the intent of Congress in enacting the original enabling legislation.

For reasons of clarification and in order that the register may carry out the broad purposes of the legislation, it is also recommended that the conditions enumerated in section 1 of the act be slightly revised in broader terms to take into account the differences in State laws and practices.

The amendments recommended herein are principally technical in nature. The basic policies considered by the Congress in enacting the original legislation would not be affected. Said amendments are proposed as a result of a conference of representatives of State Motor Vehicle Administrators, the American Association of Motor Vehicle Administrators, the American Bar Association, the Traffic Institute of Northwestern University and the Bureau of Public Roads of this Department. We believe that enactment of these amendments would facilitate administration of the act as well as increase the effectiveness of the register itself. The enclosed draft bill is designed to accomplish the recommendations contained herein.

The Department of Commerce, therefore, recommends enactment of the enclosed draft bill.

We have been advised by the Bureau of the Budget that there is no objection to the presentation of this report from the standpoint of the administration's program.

Sincerely yours,

LUTHER H. HODGES,
Secretary of Commerce.

NATIONAL PUBLIC WORKS WEEK

Mr. DIRKSEN. Mr. President, I introduce, for appropriate reference, a joint resolution to authorize and request the President to issue a proclamation designating the 7-day period commencing October 1, 1961, as National Public Works Week, and calling upon the people of the United States to celebrate such week with appropriate activities and ceremonies.

The establishment of National Public Works Week will be an effective means of explaining the role that public works engineering and administration play in the lives of every American family, particularly those living in urban communities. Due to the vital nature of public works and their importance to most Americans, mass media can be expected to help carry their message to their respective audiences.

The designation of a Public Works Week will focus attention on the public works program whose services are dedicated to the health and well being of the citizens of the Nation. It is felt that this program will help to arouse an interest in the young people of the nation to pursue careers in the public service, inasmuch as that service needs topflight men of imagination, vision, and foresight in the field of public works.

Kiwanis clubs all over the country, having a basic interest in public works, enthusiastically sponsor and endorse this joint resolution. Kiwanis International, to encourage participation in this week, will have its clubs sponsor recognition luncheons for the public-works engineers and administrators in their respective communities. These clubs also have plans to select the top ten public works men of the year, and to announce the names of these men during the National Public Works Week.

Members of the Federal, State, and local units of government who are responsible for, and design, build, operate,

and maintain public services and facilities essential to serve the citizens of this Nation, certainly deserve recognition for their outstanding contributions to our health, safety, and general welfare.

The PRESIDING OFFICER. The joint resolution will be received and appropriately referred.

The joint resolution (S.J. Res. 68) providing for the designation of the week commencing October 1, 1961, as "National Public Works Week", introduced by Mr. DIRKSEN, was received, read twice by its title, and referred to the Committee on the Judiciary.

CONSTRUCTION OF PERMANENT BUILDING IN MEMORY OF VETERANS OF CIVIL WAR

Mr. DIRKSEN. Mr. President, I have been asked by some of the local citizens to introduce proposed legislation to establish a national shrine commission to select and procure a site and to formulate plans for the construction of a permanent building in memory of the veterans of the Civil War. In pursuance of that request, I introduce a joint resolution, and ask that it be appropriately referred.

The PRESIDING OFFICER. The joint resolution will be received and appropriately referred.

The joint resolution (S.J. Res. 69) establishing a national shrine commission to select and procure a site and formulate plans for the construction of a permanent memorial building in memory of the veterans of the Civil War, introduced by Mr. DIRKSEN, by request, was received, read twice by its title, and referred to the Committee on Rules and Administration.

PERMISSION FOR RAILROAD CORPORATIONS TO TAKE ADVANTAGE OF CERTAIN TAX RELIEF MEASURES — ADDITIONAL COSPONSOR OF BILL

Mr. JAVITS. Mr. President, on January 30, 1961, I introduced S. 658, to amend the Internal Revenue Code of 1954 so as to permit railroad corporations to take full advantage of tax relief measures enacted or granted by the States and their political subdivisions.

Such relief has been granted by a number of States, the latest of which is the action by the State of Connecticut to assist the continued operations of the New Haven Railroad and of the State of New York on tax remission and station maintenance. The Senator from Connecticut [Mr. BUSH] has for a long time been deeply concerned with the problems faced by our commuter railroads, and has asked to join as a sponsor of this legislation, which relates so closely to the recent action by his State.

I therefore ask unanimous consent that the Senator from Connecticut [Mr. BUSH] may be joined as a cosponsor of S. 658, and that his name may appear on the next printing of the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT OF INTERNAL REVENUE CODE OF 1954, RELATING TO ESTATE TAXES PAID TO STATES—ADDITIONAL COSPONSOR OF BILL

Mr. LONG of Missouri. Mr. President, I ask unanimous consent that on the next printing of the bill (S. 1344) to amend the Internal Revenue Code of 1954 to provide an increase in the amount for which a credit may be allowed against the Federal estate tax for estate taxes paid to States, introduced by the Senator from Maine [Mr. MUSKIE], my name may be added as cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT OF CONSTITUTION RELATING TO QUALIFICATIONS OF ELECTORS—ADDITIONAL COSPONSOR OF JOINT RESOLUTION

Mr. HOLLAND. Mr. President, I ask unanimous consent that the name of the junior Senator from Minnesota [Mr. MCCARTHY] be added, at the next printing, to the list of cosponsors of the resolution (S.J. Res. 58), which I introduced for myself and 64 other Senators, proposing an amendment to the Constitution of the United States, relating to the qualifications of electors.

The PRESIDING OFFICER. Without objection, it is so ordered.

ABOLITION OF MANDATORY CAPITAL PUNISHMENT IN DISTRICT OF COLUMBIA—ADDITIONAL COSPONSORS OF BILL

Under authority of the order of the Senate of March 20, 1961, the names of Mr. LONG of Missouri, and Mr. BUSH were added as additional cosponsors of the bill (S. 1380) to amend section 801 of the act entitled "An act to establish a code of law for the District of Columbia," approved March 3, 1901, introduced by Mr. KEATING (for himself and Mr. HARTKE) on March 20, 1961.

APPOINTMENT OF MEMBERS OF THE SPECIAL COMMITTEE ON AGING

The PRESIDING OFFICER. On behalf of the Vice President, the Chair announces the appointment of the following to be members of the Special Committee on the Aging: Senators MORSE, BIBLE, CLARK, CHURCH, RANDOLPH, MUSKIE, LONG of Missouri, SMITH of Massachusetts, CARLSON, BENNETT, BUSH, and KEATING.

NOTICE OF HEARING ON NOMINATION OF REYNALDO G. GARZA, TO BE U.S. DISTRICT JUDGE, SOUTHERN DISTRICT OF TEXAS

Mr. EASTLAND. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Thursday, April 6, 1961, at 10:30 a.m., in room 2228, New Senate Office Building, on the nomination of Reynaldo G. Garza, of Texas, to be U.S. district judge for the southern district of Texas, vice James V. Allred, deceased.

At the indicated time and place persons interested in the hearing may make such representations as may be pertinent.

The subcommittee consists of the Senator from Texas [Mr. BLAKLEY], as chairman, the Senator from Nebraska [Mr. HRUSKA], and myself.

NOTICE CONCERNING CERTAIN NOMINATIONS BEFORE THE COMMITTEE ON THE JUDICIARY

Mr. EASTLAND. Mr. President, the following nominations have been referred to and are now pending before the Committee on the Judiciary:

W. Arthur Garrity, Jr., of Massachusetts, to be U.S. attorney for the district of Massachusetts, for a term of 4 years, vice Elliot L. Richardson;

Raymond J. Pettine, of Rhode Island, to be U.S. attorney for the district of Rhode Island, for a term of 4 years, vice Joseph Mainelli;

John F. Quinn, Jr., of New Mexico, to be U.S. attorney for the district of New Mexico, for a term of 4 years, vice James A. Borland;

Olin N. Bell, of Missouri, to be U.S. marshal for the eastern district of Missouri, for a term of 4 years, vice Omar L. Schnatmeier; and

Anson J. Anderson, of North Dakota, to be U.S. marshal for the district of North Dakota, for a term of 4 years, vice Harry R. Tenborg.

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in these nominations to file with the committee, in writing, on or before Monday, April 3, 1961, any representations or objections they may wish to present concerning the above nominations, with a further statement whether it is their intention to appear at any hearings which may be scheduled.

NOTICE OF PUBLIC HEARING, MARCH 29, 1961, BY JOINT COMMITTEE ON ATOMIC ENERGY

Mr. PASTORE. Mr. President, on behalf of the Senate members of the Joint Committee on Atomic Energy, I wish to give notice that a public hearing has been scheduled for Wednesday, March 29, 1961, at 10 a.m., in the Old Supreme Court Chamber, room P-63, Capitol Building, to consider the nomination of Dr. Leland John Haworth, of New York, to be a member of the Atomic Energy Commission for the term expiring June 30, 1961, and thereafter for a term of 5 years expiring June 30, 1966.

I ask unanimous consent to have printed in the RECORD a biographical summary of Dr. Haworth's background which accompanied his nomination.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

BIOGRAPHICAL SUMMARY OF DR. LELAND J. HAWORTH

Born July 11, 1904, Flint, Mich.
Marital status: Widower; children, two.

Residence: Cliff Road, Belle Terre, Port Jefferson, N.Y.

Education: A.B., Indiana University, 1925; A.M., Indiana University, 1926; Ph. D., University of Wisconsin, 1931.

Experience: Director, Brookhaven National Laboratory, 1948 to present; president, Associated Universities, Inc., 1960 to present; member of the board of directors, Oak Ridge Institute for Nuclear Studies, 1959 to present; vice president, Associated Universities, Inc., 1951–60; assistant director, Brookhaven National Laboratory, 1947–48; professor of physics, University of Illinois, 1944–47, on leave from 1941 to 1945 doing war work at the Massachusetts Institute of Technology Radiation Laboratory; assistant professor physics, University of Illinois, 1939–44; associate in physics, University of Illinois, 1938–39; Lalor fellow in physical chemistry, MIT, 1937–38; instructor in physics, University of Wisconsin, 1930–37; high school teacher, Indianapolis, Ind., 1926–28.

Scientific advisor, President's Science Advisory Committee.

Affiliations: Member, National Science Foundation; member and Chairman (since 1954), Panel on High Energy Accelerators, National Science Foundation; member, Panel on High Energy Physics, President's Science Advisory Committee; member, board of directors, American Nuclear Society, 1955–60; president, American Nuclear Society, 1958–59; member, various panels and projects on scientific-military affairs.

Scientific specialty: Surface structure of metals, secondary electron emission, low temperature research, nuclear physics, high energy physics, especially very high energy accelerators, electronics.

Publications: Numerous scientific papers in above fields, author of several chapters of the MIT Radiation Laboratory series.

Honors and awards: President's Certificate of Merit, Phi Beta Kapa.

Memberships: American Physical Society, fellow; American Nuclear Society, fellow; New York Academy of Sciences, fellow; Sigma XI; Gamma Alpha.

Political affiliation: Republican.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD as follows:

By Mr. JORDAN:

Address delivered by Senator PASTORE before the American Cotton Manufacturers Institute, at Miami Beach, Fla., on March 25, 1961.

By Mr. DODD:

Address entitled "Where Is Ireland in the Fight for Freedom?" delivered at the 177th anniversary dinner of the Society of the Friendly Sons of St. Patrick, in New York, N.Y., on March 17, 1961.

Address delivered by the Honorable ROBERT C. BYRD, a U.S. Senator from the State of West Virginia, before the Knox County Democratic Women's Club, Knoxville, Tenn., March 19, 1961.

By Mr. WILEY:

Address by him over radio station WIND, Chicago, March 26, 1961.

BYELORUSSIAN INDEPENDENCE DAY

Mr. DIRKSEN. Mr. President, Byelorussian Independence Day is commemorated on March 25 of each year. The Byelorussian people gained their independence in 1918; but it was shortlived, for the Communist Soviet Union forced these brave people behind the Iron Curtain. The enslaved Byelorussians are looking to America and other free nations for moral support so needed in these trying times for nations under the dominance of the Communists. I hope the day will come when all freedom-loving people will be permitted self-rule.

I ask unanimous consent that a letter to me from Mrs. Vera Z. Romuk, secretary, Byelorussian-American Youth Organization in the State of Illinois, which clearly states the cause of the Byelorussians, and her attached statement be made a part of the RECORD.

There being no objection, the letter and the statement were ordered to be printed in the RECORD, as follows:

PEORIA, ILL., *March 22, 1961.*

Hon. EVERETT M. DIRKSEN,
U.S. Senate, Washington, D.C.

DEAR SENATOR DIRKSEN: On March 25 falls the 43d anniversary of the declaration of independence of Byelorussia and the Americans of Byelorussian descent in Illinois will observe this occasion with prayers for the Byelorussian people in their Communist occupied homeland and specially designed programs. We would also appreciate your mention of this day in Congress.

The Americans of Byelorussian descent feel that as long as the Byelorussian people are held captive in their homeland by the Communist tyrants and deprived of every humane right to their national life and particularly of observing the national holidays of utmost concern to them, it is our duty as their descendants to keep alive their traditions and preserve whatever we can of their national heritage until the day when freedom is again regained by them.

It is also our belief that by commemorating each year the declaration of Byelorussia's independence we can raise our voices in defense of the Byelorussian people and reassure them that we have not forgotten them and never agreed to their enslavement by Soviet Russia. Further, it is our belief that any considerations shown for the Byelorussian people on the day of special significance to them by members of our local, State, and National Governments would support even more our concern for them and have greater bearing upon them in their longing for freedom.

I am enclosing a brief outline on Byelorussia for your information. Thank you for your consideration of this matter.

Sincerely yours,

VERA Z. ROMUK,
Secretary, Byelorussian-American Youth Organization in the State of Illinois.

BYELORUSSIA AND THE BYELORUSSIANS

(By Vera Z. Romuk)

Byelorussia is not Russia but one of the Slavic countries in Eastern Europe. Byelorussia is one of several non-Russian Republics in the Soviet Union and is represented as a full-fledged member of the General Assembly in the United Nations.

The Byelorussian territory lies in the western part of the Soviet Union, bordering with Poland on the west, Lithuania and Latvia on the northwest and north, Russia on the northeast and east, and Ukraine on the south. Her capital is Miensk (Minsk in the Russian language).

Byleorussia is at least twice bigger in population than the three Baltic Republics—Lithuania, Latvia and Estonia—combined together and occupies 148,000 square miles of land. Over 8 million of the Byelorussians (according to the Soviet Census of 1959) live in the Byelorussian S.S.R. and at least 7 million of them are distributed among the Federated Russian Republic, the People's Republic of Poland, and the Soviet Socialist Republics of Lithuania, Latvia, Ukraine and others. This figure makes the Byelorussians in the European U.S.S.R. the second largest non-Russian nation after the Ukrainians.

The Byelorussians are one of the family of eastern Slavs and their language is one of the east Slavic languages. It differs from the Russian and the Ukrainian in the same respect as the Spanish language differs from the Italian and Portuguese.

In the Middle Ages Byleroussia was known under the name of Grand Principality of Lithuania and the term "Bylerorussia" or "White Rusia" (no connection with the Russians who identify themselves as "White" Russians because of their opposition to Red Russia) came into existence in the 18th century. Other names applied to Byelorussia are: Belorussia, Whiteruthenia, Byeloruthenia, and Kryvia. However, the term "Byelorussia" has been used most extensively since the Second World War and it is because the Byelorussian Soviet Socialist Republic is represented in the United Nations under this name.

Byelorussia fell under the domination of Russia at the end of the 18th century, but so did Poland and other nations of Eastern Europe at that time, and was held by Russia until World War I. This prolonged domination, however, did not make Russians out of the Byelorussians. At least the Byelorussian people never had considered themselves as such and waited for the appropriate time to restore independence of their country.

In 1917, when the czarist Russian Empire was shattered by the revolution, the Byelorussian people felt it was time for them to restore the long-yearned independence and, as a result, on March 25, 1918, Byelorussia was declared independent by the third constitutional act of the all-Byelorussian Congress, which met to discuss the fate of Byelorussia at Miensk.

The young Byelorussian National Republic did not flourish very long, however. Her territory was turned into a battlefield between the rallying forces first of Russia and Germany and then Russia and Poland, and the tragedy befell again. At the Treaty of Riga in 1921 (this treaty was disapproved by the U.S. Department of State) Byelorussia's body was cut in two. The eastern two-thirds of her territory was occupied by Russia, where, in order to acquiesce the feelings of the Byelorussian people, the so-called Byelorussian Soviet Socialist Republic was established to take place of the rightful government of the Byelorussians, which was forced into exile. The western one-third was occupied by Poland.

By the 1939 agreement between Ribbentrop and Molotov Russia obtained the right of taking over the western part of Byelorussia from Poland to the Curzon Line and did occupy it soon thereafter. In 1944 Byelorussia's territory was reoccupied by Russia again and it is known to us today under the name of the Byelorussian Soviet Socialist Republic. However, only one-half of the ethnographical territory of Byelorussia found its way within the boundaries of the present-day Byelorussian Republic. The rest of it was distributed among the Peoples Republic of Poland and the Soviet Socialist Republics of Lithuania and Latvia.

DEATH OF FORMER SENATOR JAMES E. MURRAY

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD a memorial on the death of the Hon. James E. Murray. The memorial is signed by Donald G. Nutter, Governor of the State of Montana; Frank Murray, Secretary of State of Montana;

and Forrest Anderson, Attorney General of Montana.

There being no objection, the memorial was ordered to be printed in the RECORD, as follows:

MEMORIAL ON THE DEATH OF THE HONORABLE JAMES E. MURRAY

Whereas it is with sincere sorrow that the members of the State Board of Examiners of the State of Montana have learned of the death of Montana's beloved Senator James E. Murray; and

Whereas Senator Murray's long and outstanding service has well earned the deep respect of all citizens of his State as well as the entire Nation, and

Whereas Senator Murray's regard for the interests of mankind and his benevolence have become an important part of Montana's history; now, therefore, be it

Resolved by the State board of examiners, for and on its own behalf, and on behalf of the hundreds of employees of this State, That an expression of deep esteem, remembrance and respect to this outstanding and loyal citizen, this true and devoted public official, be extended to the members of his family, along with sincere sympathy in their bereavement and great loss; and be it further

Resolved, That this resolution be spread upon the minutes of the board, and that the secretary be directed to transmit a copy to the surviving members of the Senator's family.

Done at the city of Helena, the capital of Montana, on this 24th day of March 1961.

DONALD G. NUTTER,
Governor.
FRANK MURRAY,
Secretary of State.
FORREST ANDERSON,
Attorney General.

Mr. ENGLE. Mr. President, when Senator James E. Murray died last week this country lost one of its great public servants. No appraisal of his career in this brief space can cover the large range of his interests or the magnitude of his contributions to this Nation.

It is to the inestimable advantage of the people of this country that Senator Murray directed his interests and energies toward making a better life for his fellow men. For a quarter of a century he never broke from the consistent and persistent line he laid down in his fight for the underprivileged and the discriminated against. For his efforts to protect our natural resources against any violations by special interests—for these efforts alone—he deserves a high place among the Nation's statesmen.

When Senator Murray terminated his long career in the U.S. Senate last year, he left with us a far-reaching proposal to preserve and improve the natural resources of this country. He proposed that we establish a Resources and Conservation Council which would maintain a continuous study of our natural resources—our needs now and in the years ahead. The proposal had in mind not only a study of our water and minerals resources but our land, forests, fish and wildlife, recreational facilities—every natural resource of importance to our national life and strength. I had many long talks with Senator Murray about this proposal and this year I reintroduced it in the Senate. I hope my colleagues will move quickly on this important measure—not only because of the great need for it but because it would be a deserving tribute to the man who inspired and fostered it.

Senator Murray's death leaves us with a great national loss. It leaves many of us with a great personal loss. When I was a Member of the House of Representatives, particularly in my last 4 years there as chairman of the Interior and Insular Affairs Committee, his friendship and assistance to me were invaluable. For the qualities of kindness and strength which he combined in large measure, he will always be remembered as a great humanitarian and a great human being. In a world where more often than not personal integrity and courage give way to political and economic pressures, Senator Murray was a man apart.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, after consultation with the minority leader, I move that the Senate proceed to consider executive business, to consider nominations on the Executive Calendar to which there is no objection, beginning with the nomination of Mr. Jones, of Georgia.

The PRESIDING OFFICER (Mr. METCALF in the chair). The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. EASTLAND, from the Committee on the Judiciary:

Robert E. Maxwell, of West Virginia, to be U.S. attorney for the northern district of West Virginia; and

Newell A. George, of Kansas, to be U.S. attorney for the district of Kansas.

By Mr. LONG of Missouri, from the Committee on the Judiciary:

D. Jeff Lance, of Missouri, to be U.S. attorney for the eastern district of Missouri; and

F. Russell Millin, of Missouri, to be U.S. attorney for the western district of Missouri.

By Mr. HART, from the Committee on the Judiciary:

Burke Marshall, of Maryland, to be an Assistant Attorney General.

By Mr. ANDERSON, from the Committee on Interior and Insular Affairs:

John M. Kelly, of New Mexico, to be an Assistant Secretary of the Interior.

The PRESIDING OFFICER. If there be no further reports of committees, the nominations referred to will be stated.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

The Chief Clerk read the nomination of Boisfeuilliet Jones, of Georgia, to be a Special Assistant on Health and Medical Affairs to the Secretary of Health, Education, and Welfare.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

DEPARTMENT OF THE TREASURY

The Chief Clerk proceeded to read sundry nominations in the Department of the Treasury.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the nominations be considered en bloc.

The PRESIDING OFFICER. Without objection, the nominations will be considered en bloc; and, without objection, they are confirmed.

RENEGOTIATION BOARD

The Chief Clerk read the nomination of Thomas D'Alesandro, Jr., of Maryland, to be a member of the Renegotiation Board.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. MANSFIELD. Mr. President, I ask that the President be immediately notified of the nominations confirmed.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

TREATY ON EXTRADITION WITH BRAZIL—REMOVAL OF INJUNCTION OF SECRECY

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the injunction of secrecy be removed from Executive H, 87th Congress, 1st session, a treaty of extradition between the United States of America and the United States of Brazil, transmitted to the Senate today, and that the treaty, together with the President's message, be referred to the Committee on Foreign Relations, and that the President's message be printed in the RECORD.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana? The Chair hears none, and it is so ordered.

The message from the President is as follows:

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith a treaty of extradition between the United States of America and the United States of Brazil, signed at Rio de Janeiro on January 13, 1961.

I also transmit for the information of the Senate the report made to me by the Secretary of State with respect to the treaty.

The treaty is urgently needed. For almost 50 years there has been no extradition treaty in force between the United States and Brazil. At the present time there are in Brazil a substantial number of important fugitives from the United States. The treaty, in making it possible to bring to justice such fugitives, will be of fundamental importance to law-enforcement officials of the

Federal Government and of the various States of the United States.

I therefore urge that the Senate give this treaty early and favorable consideration.

JOHN F. KENNEDY.
THE WHITE HOUSE, *March 27, 1961.*

PROPOSAL FOR MODIFICATION OF INTERNATIONAL LOAD LINE CONVENTION—REMOVAL OF INJUNCTION OF SECRECY

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the injunction of secrecy be removed from Executive I, 87th Congress, 1st session, a proposed modification of article 3(e) of the International Load Line Convention, signed at London on July 5, 1930, transmitted to the Senate today, and that the proposal, together with the President's message, be referred to the Committee on Foreign Relations, and that the President's message be printed in the RECORD.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana? The Chair hears none, and it is so ordered.

The message from the President is as follows:

To the Senate of the United States:

I transmit herewith a report by the Secretary of State setting forth the text of a proposal made by the Government of the United Kingdom of Great Britain and Northern Ireland on May 31, 1949, for modification of article 3(e) of the International Load Line Convention signed at London on July 5, 1930.

In accordance with the recommendation made in the Secretary's report, I request that the Senate give its advice and consent to acceptance by the United States of America of the proposed modification of the convention.

JOHN F. KENNEDY.
THE WHITE HOUSE, *March 27, 1961.*

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate return to legislative session.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

ESCAPE TO FREEDOM—TRIBUTE TO SENATOR CANNON

Mr. BUTLER. Mr. President, there are few things more pleasurable in life than to direct public attention to a colleague and friend whose accomplishments have been too privately known in the past.

The distinguished Senator from Nevada [Mr. CANNON] is presently known for his quietly efficient work on the Armed Services and Rules Committees. In the Senate only 2 years, he is already the chairman of the Privileges and Elections Subcommittee. But his efforts as a Member of the U.S. Senate are well known. It is his exploits of a few years ago—during the Second World War, to be exact—of which I wish to speak.

Listen to these words, Mr. President, the words of an unassuming, courageous man:

When I parachuted into Holland, I felt I was nothing—someone small and unimportant—a speck in the universe leaving a disabled plane for a hostile country. When I left Holland, I sensed I had accomplished far more than our original mission—I had learned from the "defeated" the true meaning of freedom and how we must never give up fighting for it.

Those are the concluding words of an article in yesterday's edition of Family Weekly, a Sunday supplement, which printed the experiences of Senator CANNON—Colonel CANNON then—when he was shot down over Holland in 1944.

The title of the article is "Escape to Freedom." It is a brief story, but filled with significance for everyone in this Chamber and for every American. I count it a rare privilege indeed to serve in the same body with the man who wrote the article and who is its subject.

Mr. President, I ask unanimous consent to have printed in the RECORD following my remarks the article entitled, "Escape to Freedom," by the distinguished Senator for Nevada.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ESCAPE TO FREEDOM

(By HOWARD W. CANNON, U.S. Senator from Nevada)

(Senator HOWARD W. CANNON, Democrat, of Nevada, is a qualified jet command pilot in the Air Force. In World War II, he served 5 years in the Armed Forces, enlisting as a first lieutenant and emerging as a lieutenant colonel. His 15 decorations include the Distinguished Flying Cross, Air Medal with two Oak Leaf Clusters, Purple Heart, Presidential Unit Citation, and the French Croix de Guerre.)

One recent morning, I received a surprise birthday gift from a friend of mine in the Pentagon. It was an oil painting of a war scene in Holland, depicting two shabbily dressed "farmers" crossing a bridge near a bombed-out village. Incongruously, in the foreground, there was a large apple from which someone had taken a bite.

The painting was by Col. Roy Weinzettel of the U.S. Air Force, who had been an Intelligence officer in our wing during World War II. I was one of the farmers shown escaping to freedom.

The scene holds deep meaning to me, and I hope it will to all Americans as well as to the rest of the free world. Now, for the first time, I am telling the full story behind the picture.

As operations officer with the 440th Troop Carrier Group, I had copiloted the lead plane dropping paratroops over France on D-day. On September 17, 1944, during the Allied invasion of Holland, our mission was to discharge 'chutists over the Arnheim bridge. Col. Frank X. Krebs of Chicago and I were the pilots in the lead C–47 plane.

Flying through heavy flak over enemy-held territory, we dropped the paratroops and started back. I saw two Allied planes catch fire and another burning on the ground. As we turned for home, climbing to 3,000 feet, I thought the worst was over.

OUR PLANE IS LOST

Just as we passed Breda, we were hit. I heard a terrific explosion in our left engine. The left propeller vanished, there was a huge hole in our side and companionway, and the cockpit was a shambles of broken glass. With controls gone, the ship began to nose down in a spiral. I rang the signal bell ordering the crew to bail out.

Hydraulic fluid from the shot-out lines spurted all over us, almost blinding me. I groped for my parachute but slipped on the fluid and fell on my face. When I regained my balance, I had a hard time getting out of my flak suit, but I finally hooked on the 'chute pack and managed to reach the cabin door with the aid of Colonel Krebs. The rest of the crew had already bailed out.

I had never jumped before. Hardly able to see, I dived. When my parachute billowed out, I was at an altitude of about 800 feet.

As we drifted with the wind, German patrols below started shooting at us. To put it mildly, it was uncomfortable. Landing in a potato field, we got rid of our 'chutes and ran for cover to a ditch as Germans on bicycles headed through the field toward us. With me were Colonel Krebs, who had broken his left arch in the fall, and T. Sgt. Frank Broga, of Chester, Mass., our crew chief.

We lay flat on our back in the watery ditch, tall brush and grass pulled over us. Our .45's were cocked while we listened to the searching Germans yelling and jamming bayonets into piles of straw. After an interminable time, they left.

Then, suddenly, a Dutch farmer was standing over us. He motioned to us to stay hidden. When we couldn't understand what he was saying, he pointed to my watch—to 9 o'clock. We caught the idea that he would return after dark.

Could we trust the farmer not to give us away? Some of our flyers had told us not to expect any help from the Dutch because they were "first cousins of the Germans" and the only way to talk to them was with a .45. For the next 5 hours we sweated it out.

Toward dusk, we crawled under a pile of straw. When the farmer finally returned and we could see he was alone, we emerged. We followed him to the top of a hill. There we came upon two men in uniform. In a quick reflex action we pulled out our guns. They only grinned at us. It turned out they were local policemen, both in the underground.

With the policemen slowly riding their bicycles ahead of us, we started the longest walk I've ever taken. The Germans would have shot without warning anyone out after curfew without special-permission identification. Three times we encountered enemy patrols, but the policemen tipped us off, and we kept out of sight until the patrols passed. Reaching a farm, we were hidden in a shed.

Then came the Dutch reception committee—all the neighboring farmers bringing bread, cheese, and hot milk. Everyone there wanted to shake hands with us. It gave me a singular feeling of brotherhood that I had never before experienced.

At 2 a.m., we moved on, Krebs riding the handlebars of a policeman's bicycle. At the home of the local underground leader, in the little town of Audenbosch, Colonel Kreb's foot was treated by a doctor. Sergeant Broga and I slept in the attic of the police station. After 2 days we were given police uniforms and, riding motorcycles, boldly proceeded to the city of Breda.

WE HAVE A COZY HIDEOUT

For 3 weeks, our home was a department store that had been closed to civilians, although the Germans often came to requisition items. Our bedroom was the upholstery department, and naturally there was plenty of furniture on which to sleep. Whenever the enemy barged in, we scooted out through a tunnel to the home of the store owner across the street. Or, if we didn't have time, we'd climb through the trap-door in the ceiling of the elevator, push a switch that put it out of order, and sit on its top until we were safe.

We ate mostly potatoes, cooked in the store's deserted restaurant kitchen, and occasionally had a sort of meat stew. Food was scarce, and it must have been a hardship for the Dutch to feed us.

I knew, too, that by hiding us the Dutch were risking their lives every hour. Collaborators were busy informing on anti-Nazis and revealing hidden Allied fugitives. Every day we were told of Dutch citizens being rounded up and executed for taking part in underground activities.

In our department store, other American, British, and Canadian flyers kept joining us until there were 13—too dangerous for so many wanted men in one hideout. We had to split up into pairs. Colonel Krebs and I were presented with civilian clothes, ration books, birth certificates, and forged identification papers complete with photographs, our own fingerprints, and official seals. I was "Hendrik van Gils," a city clerk, and Krebs was a schoolteacher.

THE LONG TREK BACK BEGINS

The superb efficiency of the underground continued to amaze me. Even our brown paratroop boots, a sure giveaway, had been dyed black. If we were caught in civilian clothes, we'd be shot as spies, so the underground kept our uniforms for that emergency.

In the next few weeks we hid in closets of several homes and then under the floor in the home of a Dutch officer who had spent 18 months in a Nazi prison. His spirit hadn't been shaken. To keep busy, we did household chores and buried his heirlooms in the cellar. Every now and then, German search parties came through, and we felt we were endangering the family. We decided to make a break to the Allied lines.

Setting the day, we asked for complete new sets of identification papers and some old clothes. The Dutch came through with their usual finesse. Colonel Krebs became a farmer carrying a hoe. I was his hired man with an armful of twigs for firewood. He could speak German, but I knew only a few words of the language, so I tied a bandage around my neck. If we were stopped, Krebs could say I had a sore throat and couldn't talk.

At a predetermined hour we walked down a street until we came to a bridge where two 14-year-old boys were munching apples. This was our recognition signal. I pulled an apple out of my pocket and took a bite. (The apple and the bridge are shown in the oil painting.) Whistling cheerfully, the boys assigned to be our guides walked ahead of us as we trudged along.

We had 15 miles to go on foot, through roadblocks and patrols in no man's land. Every 2 or 3 miles, our young guides would change, so that none would be found too far from home—a serious offense to the Nazis. To skirt some towns, we followed ditches and climbed through barbed-wire barricades. Other times, we couldn't avoid walking by sentry posts, but we had learned to say "Morga" ("Howdy") to the guards. Occasionally, the boys were stopped, and we plodded on until the youngsters caught up.

At the end of that nerve-wracking day, we arrived at a farmhouse scarred by shelling. In the yard, a woodpile covered the bottom of an old silo. The widow who owned the farm pulled aside a few sticks of wood and pointed to a small room under the brush. Even some food awaited us.

About an hour later, a battery of German 88s rolled up nearby and started firing. They were so close we could hear a German officer give his orders to fire. For 3 days shells were whizzing around us—both ways. The farmhouse was hit, the barn knocked down, and two sheep killed. That meant fresh mutton, served graciously by the widow to her eight children—and the two Americans in the silo.

In the middle of the fourth night, the 88s pulled out and an eerie silence settled over the farm. Next morning we ventured out of our room under the woodpile to stretch our cramped legs. Then we heard voices of a patrol moving up. We were about to dash back to shelter when our ears caught the clear sounds of familiar slang. They could only be GI's. A few days later, we were back with our outfit, after 42 days behind enemy lines.

Shortly before that Christmas, after the Breda area was liberated, Colonel Krebs and I loaded a plane with clothes, C-rations, candy, soap, and cigarettes—all contributed by about 50 men in our outfit. This mountain of supplies was heaped into a trailer and jeep which we took along in our C–47. Landing near Breda, we retraced our steps in the jeep and trailer, passing out our tokens of gratitude to those who had helped us.

This is the simple story of the oil painting now hanging in my Senate office in Washington.

It is not a profile of heroism by a couple of jittery American airmen; the real heroes are the Dutch people. Colonel Krebs and I were symbols of the free world. We were important to all these vanquished but unconquerable people who treasured the dignity of liberty.

When I parachuted into Holland, I felt I was nothing—someone small and unimportant—a speck in the universe leaving a disabled plane for a hostile country. When I left Holland, I sensed I had accomplished far more than our original mission—I had learned from the "defeated" the true meaning of freedom and how we must never give up fighting for it.

ONE HUNDRED AND FORTIETH ANNIVERSARY OF GREEK INDEPENDENCE

Mr. DODD. Mr. President, last Saturday marked the 140th anniversary of Greek independence. It was on March 25, 140 years ago, that the flag of freedom was raised in Greece and there began the bitter 6-year-long war for independence from the Ottoman Empire.

It was a struggle in which the embattled Greek patriots had the sympathy of the entire civilized world. In our own country, Daniel Webster and President Monroe openly expressed their admiration and support for the Greek people. In England, the wave of popular sympathy that swept the country was immortalized in the writings of Lord Byron.

I believe that Greek Independence Day is a festival that merits the observance of the entire free world because Greece has contributed so much that has meaning for the spirit of man and for his arduous ascent to enlightenment and humanity.

The neoclassical lines of so many of our government buildings is testimony to the unrivaled purity and dignity of their architecture. This architecture can only be properly understood, however, if we accept it as a mirror of an inner spiritual nobility.

Thomas Jefferson and our Founding Fathers were steeped in the classic writings of the Greek philosophers, and the influence of this philosophy, with its emphasis on the dignity of man and the freedom of the human mind, is strongly etched in our Declaration of Independence.

The contribution of Greece to world civilization did not come to an end with classical times. From the Battle of Thermopylae, through the Greek resistance against the Ottoman invasion, through the hard struggle for independence that terminated 140 years ago, through the heroic resistance to the Italian and Nazi invasions of World War II, through the postwar fight against Communist guerrilla forces that were massively supported by the Cominform—through all of these battles, both in victory and defeat, the Greek people have given testimony to man's unconquerable spirit, his eternal will to freedom.

Through our mutual membership in NATO, Greece and the United States are now associated in a community of freedom. Through this historic alliance, we have committed ourselves to defend the independence of Greece against all aggression.

On this occasion, therefore, I feel that it is all the more fitting that we should join with the 1½ million Americans of Greek descent and with the people of Greece in celebrating the anniversary of their independence. I know we all hope that the ensuing decades will enable the people of Greece to enjoy a greater measure of economic well-being in peace and in freedom.

Mr. KEATING. Mr. President, on March 25 the Greek people celebrated their 140th anniversary of independence. It was a day of great significance and honored memory for Americans of Greek ancestry and for Greek people all over the whole world, for it commemorated the end of the long struggle of the Greek people for independence from the Ottoman Empire.

It is altogether fitting that we pause to reflect on the importance of the Greek nation to the free world. First, we must acknowledge that the history of ancient and of modern Greece is a source of continuing inspiration to freedom-loving people throughout the world. Ancient Greece was the cradle of Western civilization, giving birth to such cherished concepts as the rule of law and democratic government.

After the Second World War, Greece was beset by perils from within and without. They threatened to engulf the brave nation in a bloody civil war. Through timely U.S. assistance and the efforts of Greek patriots, stability and security were recovered. The Communist menace was repulsed. Further economic aid through the Marshall plan enabled the Greek people to reconstruct their economy to new levels of progress and prosperity.

Although there is still need for continued achievement and continued American aid, Greece stands united today in the North Atlantic Treaty Organization—an important member of the collective defense system of the free world. Its continuing independence and prosperity are a matter of vital concern to all Americans. Let us then take this occasion to hail the Greek nation as a fullfledged and dedicated partner in the effort to keep men and nations free and independent now and for the future.

Mr. BUSH. Mr. President, on March 25, the 140th anniversary of Greek independence was celebrated. This occasion should remind the world of its indebtedness to Greece as the birthplace of human freedom.

The Greek war of independence was a fierce and one-sided struggle between the weak but gallant Greeks and the powerful forces of the Ottoman Empire. It was the fight of a freedom-loving people against despotism and tyranny. In the course of 7 years of fighting, Greece was almost bled to death; and, in the face of inactivity of other powers in Europe, it seemed that the Greek cause was doomed.

At the same time, in the minds of people on both sides of the Atlantic who were beneficiaries of Greek heritage, there was no doubt of the justice of the Greek cause. It was this feeling of appreciation and gratitude to Greek genius that drove three European governments to intervene in behalf of Greece. With this help, the forces of freedom and humanity achieved a great victory, and independence was established in Greece.

On this anniversary date of that great struggle, the free world should pause to contemplate its significance, and should resolve anew to remain ever strong in order to counter the attempts of despotic governments to enslave those who would be free.

FLAG AWARD TO CONY HIGH SCHOOL OF AUGUSTA, MAINE

Mrs. SMITH of Maine. Mr. President, on October 14, 1960, there occurred in Augusta, Maine, a significant event. It was the presentation of the Francis Bellamy Flag Award to Cony High School of Augusta, Maine. We of Maine were indeed proud of the honor that Cony High School had brought to our beloved State.

As we all know, Francis Bellamy was the author of the "Pledge of Allegiance" to our flag. A Francis Bellamy Flag Award is an outstanding patriotic achievement to which any group could well aspire.

The true significance of it was admirably stated by the SCA president at Cony High School, Mr. Robert Browne, and I ask unanimous consent that his statement be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY ROBERT BROWNE

On June 4, 1777, the Congress of the United States adopted the following:

"*Resolved*, That the flag of the United States be 13 stripes alternating red and white, the Union be 13 white stars in a blue field representing the new constellation."

In 183 years since then Old Glory has represented our country and our democratic spirit. Our beautiful flag is a symbol of a happy way of life. It represents the courage of those who planted wheat in the great plains. It represents souls who live in the city and those who live on the farms. It represents most of all those who died serving their country.

The Star-Spangled Banner represents peace, prosperity and hope. It symbolizes the faith that man should have the right of choice, the right to seek happiness and to make dreams come true. Our flag is the symbol of man's worthiness to be self-governing.

How grateful we are to Francis Bellamy for the words that he wrote: "liberty and justice for all." His words, which have become our own, remind us of our great fortune to be born with this flag. The words ever remind us of the wonderful privilege and of our great and growing responsibilities.

With humility we, the student body, accept the Bellamy Award for Cony High School. We know that we and those who come after us will be continually inspired to pledge your allegiance in every way to the flag that surely represents the good way of life for mankind.

Mr. KEATING. Mr. President, one of the highest awards that is given to American high schools is the Bellamy Flag Award, established in honor of Francis Bellamy, the author of the "Pledge of Allegiance." Bellamy's words, repeated by generations of Americans, have been an inspiration for patriotism and loyalty. The award that has been given for approximately two decades now represents a very high honor indeed. In deciding the winner, judges consider the curriculum of the school, the school's participation in community activities, its adequacy in meeting community needs, its effectiveness in teaching citizenship, and its cooperation with local government and community services.

Mr. President, the first winner of a Bellamy Award was the Free Academy of Rome, in Rome, N.Y., where Francis Bellamy himself went to school. In 1942 the first award went to Rome, and I am very proud to know that this fine New York institution is still living up to the same high standards. This year's winner, which under the terms of the award, must come from a different State, is Cony High School of Augusta, Maine.

Mr. President, while we here in the Congress are striving to do what we can to raise the level of excellence in our Nation's schools, I think we should all take the time to pay special attention to accomplishments and awards such as this which present a continual challenge to our schools for advancement and improvement.

Mr. President, for this reason, I should like to include at this point in the RECORD the remarks made by Robert Hammond, the president of the student council association of the Rome Free Academy when he congratulated the Cony school in Maine on its achievement as 1961 winner of the Bellamy Flag Award:

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

STATEMENT BY ROBERT HAMMOND

Miss Miller, Mr. Croxford, Senator SMITH, honored guests, distinguished alumni, faculty, especially the students, for this is really your celebration, and I must admit that if we could get our student body to dress as nicely as the student body is dressed our faculty would probably like to have a Francis Bellamy Award in our school every year.

I'm honored and pleased to be here in Augusta this morning to participate in this Bellamy Award presentation. On behalf of Mr. Carl S. Paige, principal of the Rome Free Academy, behalf of the faculty and the student body, I bring you greetings and congratulations.

When we, the students of Rome Free Academy, recite the pledge of allegiance to the flag of these United States of America we are proud to remember that its author, Francis Bellamy, was graduated from our school in 1872, helped organize our alumni association and was its first president.

The city of Rome is built on the site of Fort Stanwix, a Revolutionary War battleground. It was here at Fort Stanwix that the American flag, the original Stars and Stripes, were first unfurled in battle against enemy troops.

We are both honored and proud that Francis Bellamy selected Rome as his final resting place. We are especially proud of the fact that in 1942 Rome Free Academy was honored by being selected as the first high school in America to receive the national Bellamy Award.

In recent years the board of education in the city of Rome has undertaken a dynamic building program. On October 25 I will have the pleasure of being one of the speakers at the official dedication of the new elementary school to serve our ever-increasing student population. This school has the honor and distinction of being the only school in America to bear the name of Francis Bellamy. The city of Rome feels assured that the Francis Bellamy Elementary School will educate its students in the fine traditions of good citizenship as exemplified by the renowned author of the pledge of allegiance.

In the days of the Iroquois Confederacy, going back a little further into history, the site of the city of Rome was a portage or overland carrying trail for the commuters of the Indians and the French and English traders. The Indians called the area the Deowainsta, or Carrying Point.

At this time I'd like to present to David Elvin for his school a copy of the 1960 Rome Free Academy yearbook, the Deowainsta, to further commemorate this great occasion.

I would like to take the opportunity to publicly thank Miss Miller for inviting Rome Free Academy to come up and take part in this program. I would also like to thank Cony High School and the friendly people who have played host for us for their wonderful hospitality, the faculty, the alumni, the students of Cony High School. Rome Free Academy salutes you, congratulates you and hopes that you will continue in the excellent traditions that enabled you to receive this award today. Thank you.

PRICE FIXING: FARMER AND CONSUMER

Mr. JAVITS. Mr. President, on March 22, 1961, the New York Times printed an editorial which points up very clearly the inconsistency between the new administration's attitude toward the farmer and its attitude toward the consumer and the businessman. This editorial, entitled "Economic Policy Schizophrenia," points out the strange phenomenon of almost simultaneous announcements by the Attorney General of new anti-price-fixing action particularly directed at food items, which is a most laudable effort, and the submittal of an agricultural program which would have the result of encouraging price-fixing combinations among producers of agricultural commodities, which could result in higher prices to the consumer.

I ask unanimous consent that the editorial may be printed in the body of the RECORD at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

ECONOMIC POLICY SCHIZOPHRENIA

Does the Kennedy administration's right hand know what its left hand is doing? Have our current Attorney General and Secretary of Agriculture bothered to check recently on the consistency or lack thereof in their actions and proposals? A negative answer to both questions is suggested by the obvious schizophrenia shown by some aspects of recent administration policy.

Last Sunday Attorney General Robert Kennedy announced that investigations are now under way to unearth price-fixing conspiracies in various industries, and he emphasized particularly such commodities as milk, meat and bread. He held forth the prospect that these investigations may lead to lower prices. A naive observer might think that our Government is opposed to producer cooperation to fix prices.

A few days earlier, however, President Kennedy sent his agricultural program to Congress. The key novelty in this program was a proposal to permit producers of agricultural commodities to meet and fix both prices and the level of their marketings so as to serve their own interests. The objective of this program is to raise prices, and if passed and implemented successfully this program could hardly fail to tend to raise the prices of milk, meat and bread, which the Attorney General assures us he is trying to reduce. It is an Alice in Wonderland situation.

Why should the men who raise our wheat be encouraged and legally permitted to combine to set the price they want when the men who bake bread from that wheat are regarded as criminals if they get together to do the same thing for their product? Why should owners of 10,000-acre wheat farms be given privileges denied owners of struggling corner bakeries?

The Kennedy administration may perhaps argue that it has provided for safeguards, since the farmer committees it wants to set up will work with the Secretary of Agriculture and their proposals will be subject to congressional veto. But to anyone who knows the strength of farm lobbyists in Washington these supposed safeguards will seem weak reeds indeed.

THE PERFORMING AND VISUAL ARTS

Mr. JAVITS. Mr. President, the present tour of the Theatre Guild American Repertory Co. through Europe and the Middle East is contributing substantial benefits to U.S. prestige. Under the leadership of Miss Helen Hayes, our first lady of the theater, the company, which is traveling under the auspices of the Department of State, is giving foreign audiences their first opportunity to see Thornton Wilder's "The Skin of Our Teeth," Tennessee Williams' "The Glass Menagerie," and William Gibson's "The Miracle Worker."

Miss Hayes is deserving of our special commendation because it was her interest and dedication which helped to make it possible for this project to come to life. Announcement of the tour was enthusiastically received in the cities scheduled to be visited.

I point out in this regard that I had occasion to protest the denial of access for this company into Cairo. I also emphasize the fact that we do not as yet have, by authorization of law, an adequate cultural program in our country with respect to the performing and visual arts.

I ask unanimous consent to include in the RECORD with my remarks the itinerary of the Theatre Guild American Repertory Co., and report from Madrid, March 8, describing the reception accorded Miss Hayes and the guild company, and quoting the reviews of Madrid critics; also a letter from Prof. Norman Philbrick, of Stanford University, president of the American Educational Theatre Association dated March 7; a letter of March 20 expressing the interest of the McCarter Theatre of Princeton, N.J., signed by Milton Lyon, producer, Brooks Jones, associate producer, and Marguerite McAneny, manager; a letter of March 23 from Prof. Willard Thorp of Princeton University, chairman of the department of English; and the feature article in the Dramatists Bulletin, March, by the distinguished playwright Marc Connelly, entitled "Things May Be Looking Up."

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THEATER GUILD AMERICAN REPERTORY COMPANY ITINERARY (AS OF JAN. 31, 1961)

March 5: Travel to Madrid.
March 7–10: Plan Madrid (Teatro Español).
March 11: Travel to Barcelona.
March 12–14: Play Barcelona.
March 15: Travel to Brussels.
March 16–18: Play Brussels (Royal Flemmish Theater).
March 19: Travel to The Hague (live at The Hague).
March 20: Play Amsterdam (Municipal Theater).
March 21: Play The Hague (Royal Theater).
March 22: Play Rotterdam (Municipal Theater).
March 23: Travel to Belgrade.
March 24–26: Play Belgrade (Opera House).
March 27: Travel to Athens.
March 28–30: Play Athens (Kotopouli or Greek National Theater).
March 31: Travel to Cairo.
April 1–3: Play Cairo (Opera House).
April 4: Travel to Tel Aviv.
April 5–9: Play Tel Aviv (Habima Theater).
April 10: Travel to Ankara.
April 11–16: Play Ankara (National Opera House).
April 17: Travel to Vienna.
April 18–20: Play Vienna (Burg Theater).
April 21: Travel to Dusseldorf.
April 22–24: Play Dusseldorf (Schauspiel Haus).
April 25: Travel to Berlin.
April 26–30: Play Berlin (Schiller Theater).
May 1: Travel to Copenhagen.
May 2–7: Play Copenhagen (Royal Theater).
May 8: Travel to Oslo.
May 9–11: Play Oslo (National Theater).
May 12: Travel to Stochholm.
May 13–17: Play Stockholm (Royal Theater).
May 18: Travel to Helsinki.
May 19–21: Play Helsinki (National Theater).
May 22: Travel to Hamburg.
May 23–25: Play Hamburg.
May 26: Travel to Rome.
May 27–29: Play Rome (Elysee Theater).
May 30: Travel to Florence.
May 31: Sightseeing.
June 1–2: Play Florence (Pergola Theater).
June 3: Travel to Geneva.
June 4–5: Play Geneva (Gran Casino Theater).
June 6: Travel to Turin.
June 7–8: Play Turin (Carignano Theater).
June 9: Travel to Paris.
June 10–17: Play Paris (Teatre Sarah Bernhardt).

Mailing address: Care of Theater Guild American Repertory Co., in care of Cultural Attaché, American Embassy. (In noncapital cities, substitute American Consulate for American Embassy.)

MADRID, March 8.—Actress Helen Hayes today is proud possessor of order of Queen Isabella, the Catholic. She was awarded one of Spain's highest decorations by Spanish Foreign Minister Fernando María Castiella backstage in simple ceremony following gala premiere of "Skin of Our Teeth."

Present at ceremony were members of Theatre Guild American Repertory Co. and U.S. Ambassador and Mrs. John Davis Lodge, who had Minister and Mrs. Castiella as their guests.

In awarding decoration, Castiella said he wished to present medal to one of greatest actresses to perform in Madrid. In congratulating her on her magnificent performance, Castiella thanked Repertory Co. for bringing to Spain such a great measure of American art.

Visibly moved by unexpected honor, Hayes accepted decoration graciously and said, "Viva España! Ole!"

Among dignitaries in audience of 300-year old Teatro Español, which was sold out days before curtain went up, were Prince Juan Carlos, Lt. Gen. Antonio Barroso, Army Minister, Gabriel Arias Salgado, Information Minister, and José Solis Ruiz, Secretary General of the National Movement.

Spanish critics were unanimous in praising "Skin," first of three plays Repertory Co. is presenting to theater lovers of major cities in Europe and Near East.

Arriba, Madrid, March 8, by Gonzalo Torrente: Arriba critic pointed out "Skin" had been presented by Spanish Little Theater Group and not unknown to Spanish theater goers. Therefore he said no need to express opinion about play.

He wrote however: "We confess our partiality for Wilder, the most intelligent, the most European of American writers * * * 'Skin' would be a delight even if it were not a work of deep symbolism and clear meaning, so we limit ourselves to describing interpretations of the Theater Co.

"Few groups have appeared on stages of Madrid from whom we have so much to learn; but from this lesson two things stand out: first, the discipline, the submission to portraying author's intention, and use of all talents of all in the cast to express what play is trying to say; the second is way they have used 'theatrics,' including exaggeration and rhetoric. Our realism has led us to discard many ways of expression. Now we see that which we approve and that which we have lost."

"What would become of role of June Havoc if she played without deliberate affectation? From first moment she appears, Havoc is center of comedy, because of variety of her nuances, her effective use of abrupt transitions, rich register of her voice, and intelligent way she uses her talents.

"June Havoc is an extraordinary actress.

"Helen Hayes and Leif Erickson were extraordinary.

"There are moments in play, as in beginning of second act, when acting of Hayes and Erickson is brilliant; or the powerful third act when Mr. Antrobus (Erickson) faces his son (Thomas Hawley).

"Credit must also be given Helen Menken and Astrid Wilsrud. 'Skin of Our Teeth' was a great success.

"Directing was skillful, scenery was delightful, both contributing to success of play."

William Stuttard, Madrid correspondent for London Times, said: "After last night's brilliant performance of 'Skin,' I feel sure that in various countries included in grand tour of this magnificent repertory company, the different peoples are going to get

an excellent idea of how alive and how attractive American theater is. Whole company gave impression of being really superb team of actors. Helen Hayes and June Havoc were outstandingly good, especially Havoc last night. She gave magnificent portrayal of her role. Helen Menken revealed her talent. Erickson is undoubtedly outstanding and showed last night how skillful and versatile an actor he is. Mention must also be made of James Broderick and praise must be added for scenic effects. I can only repeat that the whole company is first class and choice of three distinctly different types of plays is going to bring them much success wherever they appear in Europe and at the same time reveal exceptional merits of American theater."

ABC of Madrid, March 8, by Alfredo Marquerie: "Play is difficult not only because of intricate stage setting, solved by wonderful decoration, well chosen color, clever sylization and lighting, but also because of transitions in dialog that frequently change from moments of extreme violence and of extreme humor to dramatic symbolism, but maintaining at every moment, depth of meaning.

"We praise all actors—we sum up our praise for prodigious Helen Hayes, who has set an example of good acting—in emotion, tenderness and gentle comedy.

"June Havoc from very beginning captured audience with her sense of burlesque. She reached across the footlights to establish direct contact with audience not only through her ironic undertones but also by her mastery of mimicry.

"Leif Erickson, an actor full of feeling, expression, convincing with great personality and a sense for comedy.

"Helen Menken attained impressive realism as the fortuneteller by her absolute mastery of voice and gesture.

"Presentation of this company could not have been a greater success and amply justifies expectation it has aroused and effort displayed to make trip possible."

Ya of Madrid, March 8, by Nicolas Gonzalez Ruiz: "Last night's performance was complete success from beginning to end. At conclusion audience gave company great ovation.

"What was most remarkable in premiere was perfect interpretation attained in which the voice, the gesture, the attitude and movement expressed message of play.

"It is difficult to measure merits, but last night there were two outstanding figures who performed their respective roles brilliantly: the great actress Helen Hayes and June Havoc, who proved she is also extraordinary actress. Both dominated stage and were applauded by spellbound audience for their impeccable acting. This review would not be complete without paying tribute to Helen Menken.

"In the masculine cast, Leif Erickson was outstanding, acting with great accuracy and vigor. We must also mention James Broderick but really we should mention all of the cast because they acted to perfection, giving the impression of a great interpretative company."

AMERICAN EDUCATIONAL
THEATRE ASSOCIATION, INC.,
March 7, 1961.

Hon. JACOB K. JAVITS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR JAVITS: Mr. John Walker, our executive secretary, has sent me a copy of your Senate bill 936. I wish to add my congratulations to you for emphasizing by your dedicated interest the great need for the recognition of cultural values in America. We have in this country many vigorous, imaginative artists who need the support of the Government. These artists appear in every aspect of theater: educational, children's, secondary school, community, and professional. There is still considerable need for communication in these groups, but all of us have a common purpose. The United States Arts Foundation would stimulate this purpose, and I would like to have you know that I speak for a large group of American citizens for whom the arts have a special and dignified meaning.

Sincerely yours,

NORMAN PHILBRICK,
President, AETA.

MCCARTER THEATRE OF PRINCETON,
March 20, 1961.

We at McCarter Theatre of Princeton are anxious to lend our support to Senator JAVITS' bill S. 1250, calling for the establishment of the U.S. Arts Foundation. In view of the success and apparent value of McCarter Center in Princeton, we are particularly impressed by the fact that such a bill could provide grants to universities which, with Government aid, could initiate similar projects (several schools, including Dartmouth, University of Illinois, and Swarthmore, have approached us on this matter).

After 2 years of planning and 1 year of operation in progress, we are convinced that with Government subsidy, the university provides an excellent framework within which performing arts centers can operate with a minimum of harmful restriction and with the greatest benefit to both the community and the colleges' effort to educate. We also feel that it is important to note that if the McCarter experiment has value as an example, a university, housing a "theater in residence," would allow for the necessary freedom in the arts. With university guidance, governmental pressures, as indicated in S. 1250's clause, "giving preference to stimulating and encouraging the works of citizens and residents of the United States and of the Americas"—a restriction which strikes us as dangerous and unnecessary—could be removed.

In light of the frightening cultural rot taking place throughout America today, we feel that it is urgent that the Arts Foundation, along with related ideas, be given a hearing as soon as possible. Any substantial gain in this area would be reflected in the health of community life, education, foreign opinion and, we can hope, in our opinion of ourselves as a people.

Quoting Howard Taubman in his appraisal of the McCarter Center (New York Times, Feb. 19): "Think of the theatrical facilities from good to excellent in college communities and consider how piddling is the function of most. Remember how many trained professional theater people yearn for a chance to work. Imagine the value to America if the riches of laughter and wisdom created by a long line of gifted playwrights were incorporated into the normal life of half a hundred communities throughout the land."

MILTON LYON,
Producer.
BROOKS JONES,
Associate Producer.
M. MCANENY,
Manager.

PRINCETON UNIVERSITY,
Princeton, N.J., March 23, 1961.

I should like to record my great interest in Senator JAVITS' admirably conceived "Bill to establish the U.S. Arts Foundation." We are the only great nation in the world which gives no public support to the performing arts. The proposals in the bill are modest, in view of the great opportunities in this cultural area, but even a moderate outlay would accomplish wonders. I know this is so from the success we have had this season with classical repertory in the university's McCarter Theater. We have come close to meeting all expenses without a subsidy. A small grant would have made it possible to tell our story better and reach a larger audience. As it was, over 15,000 New Jersey high school students heard about and attended the performances of Shakespeare.

I speak about our own experience only because I know it does or might match that of hundreds of such enterprises.

I hope you will assure Senator JAVITS of my warm support of S. 1250. I only wish there were something I could do to help in this excellent cause.

Yours sincerely,

WILLARD THORP,
Chairman, Department of English.

DRAMATISTS BULLETIN

THINGS MAY BE LOOKING UP

(By Marc Connelly)

It has been a long time since any music fell so sweetly on the ears of American writers as the utterance of Presidential Candidate John F. Kennedy in the issue of the Saturday Review of last October 29:

"At this moment, the Federal Government acts as art patron to only one person—the Consultant in Poetry and English at the Library of Congress. And his salary is paid through a private, anonymous bequest.

"I think we can do better than that, if only by alleviating the unfair tax burdens borne by writers, painters, and other creative artists. They may exist on small incomes for years to perfect their skills, and then be plundered by the Treasury in a single year of plenty."

The presence of Robert Frost at the inauguration ceremonies had the effect of a signature to a Presidential statement of good faith. The expansion of the Rules Committee insures a pro-Kennedy majority in Congress, and I wouldn't be surprised if the next tax legislation recognized that the men and women who increase America's cultural wealth deserve as much consideration as citizens who derive their income from oil wells.

That will be a day for celebration not only by a category of relieved taxpayers but by every American who knows how important its theater is to a country's cultural health. It will indicate the possibility of an emergence from a Puritanic attitude afflicting English-speaking countries since the days of Cromwell. Cromwellian bigotry suppressed the British theater on moral grounds. When it returned with Charles II those who had been intimidated into believing it a wicked institution by the Puritans became convinced that it was because of the amorality of Restoration playwrights.

Until the British Parliament eventually acknowledged governmental responsibility to the theater by subsidizing the Arts Council at the end of World War II, the official attitude toward the theater on both sides of the Atlantic was one of determined neglect. Today our National Government is the only one in the civilized world which doesn't give the theater as an institution financial aid.

Recognizing how valuable the theater could be in furthering international understanding, UNESCO organized a subagency, the International Theater Institute, in 1946. Half its annual expenses is provided by UNESCO, half by the dues paid by the individual national centers throughout the world. The United States is 1 of 40 member nations. The dues of 39 come from national treasuries. We obtain ours by passing a hat among benevolent private citizens.

The classic argument against Government subsidizing is that it stultifies private enterprise. Throughout Europe theaters financed partly or wholly by municipal and national governments stimulate a prosperous competition by thriving privately operated playhouses. In Sweden, where the stage is recnized as a vitally important factor in the nation's health, many cities have established and maintain municipal theaters with the

help of Riksdag funds. Three touring companies sponsored by the government bring drama to small communities. The million residents of Stockholm can attend 17 first-class theaters, 3 of which receive subsidies derived from enormously popular government lotteries, and if anyone tells you that government help for the American theater would mean its ruin because of bureaucratic control, you might point out that not only in Sweden but elsewhere throughout Europe the administrators of subsidized theaters are chosen from individuals recommended by the theater's professional personnel.

Compare this theatrical climate with our own. While encouraging people of the stage to donate their talents to the war effort, Congress during World War I imposed a 10 percent tax on theater tickets with the promise that it would be lifted as soon as hostilities ended. Not only was the tax continued through the twenties and thirties, but when World War II began, the tax was increased to 20 percent. The legislation bringing it about called it an amusement tax. Governmental blindness to the importance of the stage was acutely evident in a statement made by Governor Dewey during a coal shortage. He said that if it continued he might close every pool room, bowling alley, and theater in New York. A few years back the pressure of the movie industry managed to get the ticket tax reduced to the original 10 percent, but as soon as this was achieved a municipal tax was instituted. So today you pay 15 percent tax every time you buy a theater ticket in New York.

It's not only American lawmakers who are in a deep freeze of Puritanic tradition toward the theater. In the vast majority of our universities and college courses in the arts of the theater are taught in departments of English, schools of speech, and so on, which I suppose reconciles sanctimonious trustees to the teaching of theater. They seem to feel that unless the theater is studied for such facets as creative writing, dramatic poetry, public speaking, and other virtuous values, they are risking the spiritual damnation of the students. For in their secret hearts the trustees feel that theater itself, being fundamentally pleasurable, is somehow disreputable. I would not be surprised to learn that somewhere in the United States sculpture is being taught in a school of medicine because of its concern with anatomy.

The average American enjoys the theater as much as the average European, but he regards it as an amusement, a diverting escape from reality rather than an essential food for civilized man. And until that kind of shortsightedness is corrected, we're not going to see far ahead.

Good luck, Mr. President.

CONCURRENT RESOLUTION OF HAWAII LEGISLATURE RELATING TO PEACE CORPS

Mr. LONG of Hawaii. Mr. President, one of the most exciting ideas in recent years is the Peace Corps, recently established by the President in furtherance of the suggestions put forward by the distinguished senior Senator from Minnesota [Mr. HUMPHREY] and other able and dedicated Members of the Congress. The press reports tremendous response from all over the country, and today I have one such response that I would like to share with my colleagues in the Senate.

It is by no means a coincidence, Mr. President, that this response comes from the dedicated members of the legislature of my own State of Hawaii, where we learned decades ago that the way to real understanding of other peoples lies in working with them as human beings who are deserving of human dignity and endowed with the ability to teach as well as to learn.

In pursuance of these thoughts, the Hawaii Legislature has sent me a copy of a concurrent resolution expressing the readiness and willingness of the State of Hawaii and of the people of Hawaii to participate fully in the development of the National Peace Corps program. I have seen no more eloquent statement on the subject, and I therefore ask unanimous consent that the text of the resolution be printed at the conclusion of my remarks in the CONGRESSIONAL RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

CONCURRENT RESOLUTION EXPRESSING THE READINESS AND WILLINGNESS OF THE STATE OF HAWAII AND OF THE PEOPLE OF HAWAII TO PARTICIPATE FULLY IN THE DEVELOPMENT OF THE NATIONAL PEACE CORPS PROGRAM

Whereas President John F. Kennedy on March 1, 1961, by Executive order established a Peace Corps, whose humanitarian aim is the total enrichment of the life of the world through meeting the world's needs for skilled manpower and thereby contributing to peace and understanding; and

Whereas the realization of the noble aims of the Peace Corps is to be accomplished by the recruitment, training, and sending of dedicated, young American men and women into the world; and

Whereas Hawaii's tradition of voluntary service in the cause of world peace is well known and its people have a tradition of special insight in and an instinctive appreciation of the problems involved in attaining the union of races and cultures of the world; and

Whereas the people of Hawaii are recognized throughout the world as leaders in matters of racial understanding and harmony: Now, therefore, be it

Resolved by the senate of the first Legislature of the State of Hawaii, general session of 1961 (the house of representatives concurring), That the President of the United States, John F. Kennedy, and the Director of the Peace Corps, R. Sargent Shriver, be and are hereby respectfully informed that the State of Hawaii and the people of Hawaii express their readiness and willingness to support the programs of the Peace Corps and offer the natural advantages and special assets of Hawaii as a staging center for recruitment and training and to institute, organize, recruit, and make available the necessary training facilities for the fulfillment of the philosophy of the Peace Corps; and be it further

Resolved, That duly authenticated copies of this concurrent resolution be sent to the President of the United States, the Director of the Peace Corps, and to the Senators and Representative to the Congress from Hawaii.

THE MILITARY LOBBY: ITS IMPACT ON CONGRESS AND THE NATION

Mr. PROXMIRE. Mr. President, the current issue of Congressional Quarterly carries an excellent article exploring the warning given the Nation by President Eisenhower on the eve of his retirement that America is threatened by the "unwarranted influence" of a military industrial complex.

Congressional Quarterly explores the basis of the President's warning, examines the role of Congress, reports on the Hébert committee investigation, shows the extent and nature of military influence in the Congress, and sums up the pros and cons of this potential danger.

Mr. President, because I feel that this excellent article should be brought to the attention of all Members of Congress, I ask unanimous consent that it be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE "MILITARY LOBBY": ITS IMPACT ON CONGRESS, NATION

What led President Eisenhower, on the eve of his retirement, to warn the Nation of unwarranted influence by what he called the military-industrial complex?

What is this complex, what is the nature and extent of its influence, and how is it exercised?

What dangers—if any—are implicit in the situation described by the former President?

These were the principal questions raised by the President's parting words (for text, see below). In an attempt to answer them, Congressional Quarterly culled the record of Presidential press conferences, congressional hearings, and other public documents. In addition, extensive off-the-record interviews were conducted with Members of Congress, representatives of defense contractors, former Government officials, and other persons with pertinent information. Results of this survey of fact and opinion are summarized on the following pages.

"EISENHOWER'S WARNING

"In his final address to the Nation on January 17, President Eisenhower noted that the United States has been compelled to 'create a permanent armaments industry of vast proportions' and to maintain a defense establishment employing 3.5 million persons and spending huge sums. He continued as follows:

" 'This conjunction of an immense military establishment and a large arms industry is new in American experience. The total influence—economic, political, even spiritual—it felt in every city, every statehouse, every office of the Federal Government. We recognize the imperative need for this development. Yet we must not fail to comprehend its grave implications. Our toil, resources and livelihood are all involved; so is the very structure of our society.

" 'In the councils of government, we must guard against the acquisition of unwarranted influence, whether sought or unsought, by the military-industrial complex. The potential for the disastrous rise of misplaced power exists and will persist. We must never let the weight of this combination endanger our liberties or democratic processes. We should take nothing for granted. Only an alert and knowledgeable citizenry can compel the proper meshing of the huge industrial and military machinery of defense with our peaceful methods and goals, so that security and liberty may prosper together.' "

EISENHOWER'S VIEWS

The President's warning of January 17 was his first public reference to a military-industrial complex. But the concept was in the making for 8 years, during which the President had touched on most of the major components of his final declaration. These were the principal elements of his thinking, as seen by his associates and partially reflected in the record:

National survival, he stated in 1953 and repeatedly thereafter, rested on security with solvency. To achieve this required maximum effort to counter the inherent tendency of Federal expenditures in general, and defense spending in particular, to rise. The

key to success lay in balance—not, as he said April 25, 1958, during his battle with Congress over reorganization, in overindulging sentimental attachments to outmoded military machines and concepts, nor, as he put it January 27, 1960, in heeding the noisy trumpeting about dazzling military schemes or untrustworthy programs.

Ranged against this view, the President realized, was a host of special interests—the armed services and their civilian allies in business and in Congress. Beginning in 1953, when he cut the Air Force budget by $5 billion, the services had repeatedly carried their fight for more funds to Congress and the press. (More than one Member had called him to say that they were changing their votes in response to local pressures generated by the Pentagon.) Obviously political and financial considerations rather than strict military needs were influencing the situation, he said June 3, 1959. If such forces were allowed to prevail, he said March 11, 1959, everybody with any sense knows that we are finally going to a garrison state.

Revered by the Nation as its chief military hero, and respected as its Commander in Chief, the President was confident of his ability to "put need above pressure-group inducement, before local argument, before every kind of any pressure except that that America needs," as he put it February 11, 1960. The star-studded brass of the Pentagon awed him not a bit; "there are too many of these generals who have all sorts of ideas," he said February 3, 1960. Knowing how they operated, however, he feared that his successor—whether Nixon or Kennedy—would be unable to withstand their pressures.

This, according to a close associate, was what impelled the President to speak out as he prepared to leave office. Deeply committed to the goal of disarmament, he was sensitive to the counterinfluence of the military-industrial complex. The extent of his concern was indicated when, at his final press conference, January 18, he described the impact of widespread advertising by missile manufacturers as almost an insidious penetration of our own minds that the only thing this country is engaged in is weaponry and missiles. This, he said, was something "we just can't afford."

BACKGROUND

Defense spending reached its postwar low of $11.1 billion in fiscal 1948. By 1953, the cold war and a hot war in Korea had boosted spending to its postwar high of $43.7 billion. President Eisenhower cut that to $35.5 billion in 1955; thereafter, defense outlays climbed each year, to reach a projected $42.9 billion in fiscal 1962. At no time during his 8 years in office did military spending amount to less than one-half of the Federal budget or less than 8 percent of the Nation's gross national product. All told, the armed services spent $313 billion during the 8 years, fiscal 1954–61; when the costs of military aid, atomic energy, and stockpiling are added, that total mounts to $354 billion.

There is no yardstick by which to measure with precision the economic impact of these expenditures, but there is no question that it has been considerable. According to a 1960 study by the Defense Procurement Subcommittee of the Joint Economic Committee, there were 38 million procurement transactions with a dollar volume of $228 billion from 1950 through 1959. Few areas of the economy were untouched by these purchases of goods and services.

The largest portion of defense spending, however, is allocated to the development, production, and deployment of major weapons systems. In fiscal 1960, when military prime contract awards of $10,000 or more totaled $21 billion, $15.4 billion or 73.4 percent of the total went to 100 companies (or their subsidiaries) of which 65 were engaged primarily in "research, development, test or production of aircraft, missiles, or electronics." (For list of top 100 contractors see end of article.)

Despite the heavy concentration of prime contract awards among a small number of companies (in 1960 five companies accounted for 25 percent of the dollar volume, 21 companies for 50 percent), extensive subcontracting helps to spread procurement expenditures, employment, and profits throughout the country—although not as evenly as some States would like it. In addition, some 1.5 million members of the armed services and almost 1 million civilian employees of the Defense Department are spread throughout the 50 States, with payrolls that totaled $11.4 billion in fiscal 1960. Another $650 million was paid to more than 1 million members of the National Guard and other reserve groups. (For State breakdown of military and civilian personnel and payrolls, as well as procurement actions, see end of article.)

A further indication of the extent of defense-related activities is the wide distribution of facilities. From lists furnished by the military services, Atomic Energy Commission, and National Aeronautics and Space Administration, CQ determined the location of 738 separate installations by congressional district. According to this list, there are one or more installations in 282 of the country's 437 districts. (For list by district, see end of article.)

Taken together, these data suggest the sweeping extent of the Defense Establishment and its economic impact, and provide the background against which to examine the concept of a "military-industrial complex."

HÉBERT PROBE

In mid-1959, the House Armed Services Special Investigations Subcommittee, headed by Representative F. EDWARD HÉBERT, Democrat, of Louisiana, questioned 75 witnesses over 25 days regarding the employment of retired officers by defense industries. The public, said HÉBERT as the hearings began, was alarmed by reports "about the alleged conduct of some military men who depart the ranks of defense for lush places on the payrolls of defense contractors." As it turned out, no real evidence of misconduct was produced. But the hearings shed considerable light on the ramifications of military-industrial relations.

Retired officers: More than 1,400 retired officers in the rank of major or higher—including 261 of general or flag rank—were found to be employed by the top 100 defense contractors. The company employing the largest number (187, including 27 retired generals and admirals) was General Dynamics Corp., headed by former Secretary of the Army Frank Pace, which also received the biggest defense orders of any company in 1960. Duties of these officers, according to the testimony of their employers, encompassed a wide range of technical, management, and "representation" functions. But in no case, it appeared, was the officer involved in "selling" or the negotiation of defense contracts.

Influence: With little variation, retired officers told the Hébert subcommittee that they were "has beens" without influence upon the decisions of their former colleagues still on active duty. None had experienced "pressure" of this kind while still in the service; if any retired officers had asked him for a favor, "I would throw them out on their ear," said Lt. Gen. C. S. Irvine (retired), director of planning for Avco Corp. No one, however, took issue with the statement of Vice Adm. H. G. Rickover that the former jobs of retired officers often were filled "by people who are their dear friends, or even by people whom they have been influential in appointing, and naturally they will be listened to."

Illustrative of this point was the testimony of Adm. William M. Fechteler, retired, former Chief of Naval Operations and a consultant to General Electric's Atomic Products Division. He told of arranging appointments for a GE vice president: "I took him in to see Mr. Gates, the Secretary of the Navy. I took him in to see Admiral Burke. He had not met Admiral Burke before. And then I made appointments with him with the Chief of the Bureau of Ships. But I did not accompany him there, because those are materiel bureaus which make contracts. And I studiously avoid even being in the room when anybody talks about a contract."

Entertainment. Two instances of entertainment by defense contractors came before the Hébert subcommittee. George Bunker, chairman of the Martin Co., acknowledged that his firm had entertained at least 26 active-duty officers at a weekend retreat in the Bahamas. Bunker denied there was any impropriety involved, saying "a man could neither operate nor compete effectively unless he had a close personal relationship." But spokesmen for the Secretaries of the three services agreed that such chuminess "doesn't look well" and could not be condoned.

The second case concerned an invitation to a "small off-the-record party" to discuss the plans and problems of the Air Research and Development Command with its newly promoted chief, Lt. Gen. Bernard S. Schriever. The invitation, sent to Representative HÉBERT and nine other Members of Congress (all but two of whom were members of the Armed Services or Appropriations Committees), was issued by three Air Force contactors: Aerojet-General President Dan A. Kimball (one-time Secretary of the Navy), General Dynamics' Pace, and Martin's Bunker. All three men defended the propriety of the proposed party (which was called off because of the "publicity") as being, in Pace's words, "a means of advancing the interests of the United States of America."

Advertising: Shortly before the Hébert hearings began, a major controversy developed in and out of Congress over the respective merits of two competing antiaircraft missile systems—the Army's Nike-Hercules and the Air Force's Bomarc. Advertisements extolling the virtues of the two systems were inserted in Washington, D.C., newspapers by their prime contractors—Western Electric Co. and Boeing Airplane Co., respectively—while the issue was before Congress. Questioned by the Hébert subcommittee about the timing and purpose of the ads, spokesmen for the companies insisted that they were parts of long-term information programs.

However, Boeing's Harold Mansfield acknowledged that his company was fighting against a campaign of misinformation about the Bomarc, while Western Electric's W. M. Reynolds said the Nike ads had been suggested to the company by the Army. Both companies also acknowledged discussing proposed cutbacks in the Nike and Bomarc programs with Members of Congress from areas where employment would be affected. Said Mansfield: "Many of the most important decisions in the defense of our country are not made by military technicians. They are made in the Congress of the United States. And the Bomarc-Nike decision is one such decision."

Associations: Also questioned by the Hébert subcommittee were representatives of six organizations engaged in promoting the mutual interests of the armed services and their contractors in national security matters. All headquartered in Washington, they are the—

Association of the U.S. Army, with about 63,000 members (including military personnel on active duty) and 1958 income of $290,000, of which $143,000 was revenue from advertising in Army magazine. One of its

aims: To foster public understanding and support of the U.S. Army. Executive vice president: Lt. Gen. W. L. Weible, USA (retired). Among those on its advisory board: Donald Douglas, Jr., president of Douglas Aircraft Co.; Frank Pace, chairman of General Dynamics Corp.; Senators John J. Sparkman, Democrat, of Alabama, and Strom Thurmond, Democrat, of South Carolina.

Navy League, with about 38,000 members (no active duty personnel) and 1958 income of $179,000, plus $32,000 from advertising in Navy—The Magazine of Sea Power. Self-description: The civilian arm of the Navy. President: Frank Gard Jameson. Among those on its advisory council: Dan Kimball, president of Aerojet-General and former Secretary of the Navy; Adm. Robert B. Carney (retired), chairman of Bath Iron Works Shipbuilding Corp. and former Chief of Naval Operations.

Air Force Association, with about 60,000 members (including about 30,000 Air Force personnel) and 1958 income of $1.2 million, including $527,000 from advertising in Air Force and Space Digest. Its aim: To support the achievement of such airpower as is necessary for national security. Executive director: James H. Straubel. Among its directors: 14 employees of defense contractors, including Lt. Gen. James H. Doolittle, USAF (retired) of Space Technology Laboratories.

American Ordnance Association, formerly the Army Ordnance Association, with about 42,000 members and 1958 income of $474,000, of which subscriptions and advertisements in the magazine Ordnance furnished $253,000. Its aim: Armament preparedness. Executive vice president: Col. Leo A. Codd, USAR (retired).

Aerospace Industries Association, formerly the Aircraft Industries Association, a trade association with 79 member companies and 1958 income of $1.4 million in dues ranging up to $75,000 per member. Its aim: To promote the manufacture and sale of aircraft and astronautical vehicles of every nature and description. President: Gen. Orval R. Cook, USAF (retired).

National Security Industrial Association, formerly the Navy Industrial Association, with 502 member companies and 1958 income of $238,000, mostly from dues. Its aim: To establish a close working relationship between industrial concerns and national security agencies. Executive director: Capt. R. N. McFarlane, USN (retired).

According to the testimony of their representatives, none of these groups had anything to do with procurement; all were ignorant of any pressure in behalf of one or another manufacturer. The three service groups acknowledged their interest in building up grassroots support for the respective branches of the Armed Forces; they also maintained that they were fully independent of the services they represented, although the testimony showed that, for the most part, Army, Navy, and Air Force doctrines and weapon systems received enthusiastic support in their respective publications.

All of the groups insisted that their primary function was to inform and educate. Only the Aerospace Industries Association has registered under the lobby law, but General Cook said "we believe we do not operate according to the classic definition of a lobbyist. * * * We don't even dream of buying any influence of any kind." Asked whether the best interests of the industry would be served by an increase or decrease in defense spending, Cook said: "From a selfish point of view, the best interest of the industry would be served by an increase, of course, but from a patriotic and national point of view, it might not be."

Peter J. Schenck, then president of the Air Force Association and an official of Raytheon Corp., described the basis for close military-industrial relations as follows: "The day is past when the military requirement for a major weapons system is set up by the military and passed on to industry to build the hardware. Today it is more likely that the military requirement is the result of joint participation of military and industrial personnel, and it is not unusual for industry's contribution to be a key factor. Indeed there are highly placed military men who sincerely feel that industry currently is setting the pace in the research and development of new weapon systems."

Conclusion: In its report filed January 18, 1960, the Hébert subcommittee said it was "impressed by several obvious inconsistencies in testimony" relating to the influence enjoyed by retired officers in the employment of defense contractors. Said the report: "The better grade and more expensive influence is a very subtle thing when being successfully applied. * * * The 'coincidence' of contract and personal contacts with firms represented by retired officers and retired civilian officials sometimes raises serious doubts as to the complete objectivity of some of these decisions." The subcommittee proposed, among other steps, a much tighter law regarding "sales" to the Government by retired personnel; the House later passed a watered-down version of the proposal. (1959 Almanac, p. 727; 1960 Almanac, p. 279.)

ROLE OF CONGRESS

Charged with the responsibility of appropriating more than $40 billion each year for defense—and in the process deciding how to meet the conflicting claims of competing services for a larger share of the pie—Congress is up to its ears in the military-industrial issue. Collectively, the record shows, the Members strive to sift fact from fancy, and to point up and root out instances of waste and duplication in the defense program. The record also shows that, individually, the Members are zealous in representing the interests of their districts and States. Here are some examples:

Fair share: Documenting his case with facts and figures, Representative HECHLER, Democrat, of West Virginia, told the House on June 1, 1959: "I am firmly against the kind of logrolling which would subject our defense program to narrowly sectional or selfish pulling and hauling. But I am getting pretty hot under the collar about the way my State of West Virginia is shortchanged in Army, Navy, and Air Force installations. I am going to stand up on my hind legs and roar until West Virginia gets the fair treatment she deserves." (HECHLER plans to resume his campaign shortly.)

In the same vein, members of the New York delegation, led by Senators KENNETH B. KEATING, Republican, and JACOB K. JAVITS, Republican, have long complained about the overconcentration of prime contract awards placed with California firms. Asking only for a fair share, they want defense procurement officials to consider the strategic and economic desirability of allocating purchases to different geographic areas of the country. (For military payrolls and prime contracts by State, see end of article.)

Installations: The opening, expansion, cutback, or closing of any military installation is of vital interest to the Member whose area is affected. In recent years, with reductions in the size of the Army and other changes in the composition of defense forces, there have been more closing than openings, and the affected Members have been quick to take issue. Some recent instances: Senator ALBERT GORE, Democrat, of Tennessee, said February 15 that he had written Secretary of the Air Force Eugene M. Zuckert about reports that Sewart Air Force Base at Smyrna, Tenn., might be closed, and had been assured that as of now no change is contemplated which should cause any concern.

Senator OLIN D. JOHNSTON, Democrat, of South Carolina, after calling on President Kennedy February 20, said he had been assured that careful consideration would be given to the future of Fort Jackson at Columbia, S.C., and Donaldson Air Force Base at Greenville, S.C.

Representative SAMUEL S. STRATTON, Democrat, of New York, said March 3 that he had wired Secretary Zuckert about reports of a plan to transfer certain operations from Griffiss Air Force Base at Rome, N.Y. Said STRATTON: "It is fantastic to learn that one more defense department is considering recommendations which would have the effect of increasing unemployment in upstate New York, already hard hit by layoffs."

Representative EMANUEL CELLER, Democrat, of New York, said March 6 that Secretary of Defense Robert S. McNamara had assured him he had no knowledge "of any plans or proposals to shut down the operations" at the Brooklyn Navy Yard.

Procurement: Decisions to begin, accelerate, reduce, or stop production of various weapons and weapon systems are also of major interest to Members in whose districts or States the manufacturers involved are located. Here are examples of Representatives at work:

When the House Appropriations Committee chopped the Air Force's 1959 request for the Bomarc by $162.7 million, Representative DON MAGNUSON, Democrat, of Washington, charged that few Members were aware of "the incredible lengths to which the adherents of the Nike defense system have gone in their attempt to discredit the Bomarc * * *. Of course, this is Army inspired." (Contractor for Bomarc was Boeing Airplane Co., headquartered in Seattle, Wash.)

Also in 1950, Representative John R. Foley, Democrat, of Maryland, offered an amendment to the defense bill to add $10 million to Air Force funds to buy 10 F–27 transports from the Fairchild Aircraft Co. of Hagerstown, Md., in Foley's district. This failed, but the Senate obliged with $11 million. When House conferees refused to go along, Senator J. GLENN BEALL, Republican, of Maryland, begged the Senate to insist, saying that, of the $4 billion to be spent on aircraft, "all we ask for Fairchild is $11 million."

Recent reports that the Pentagon was thinking of cutting back the B–70 program led Representative EDGAR W. HIESTAND, Republican, of California, to write Secretary McNamara February 27 to assure him of "the strong congressional support for this valued program." North American Aviation, Inc., prime contractor for the B–70, is located in HIESTAND'S district.

Reserves: The well-known solicitude shown by Congress for the National Guard and other Reserve forces reflects to some degree a widespread local interest in the payrolls, armories, and other benefits involved, as well as effective work by the National Guard Association and the Reserve Officers Association. Among the 40 Reserve officers in Congress are six generals: Senators BARRY GOLDWATER, Republican, of Arizona, brigadier general, USAFR; HOWARD W. CANNON, Democrat, of Nevada, brigadier general, USAFR; KENNETH B. KEATING, Republican, of New York, brigadier general, USAR; STROM THURMOND, Democrat, of South Carolina, major general, USAR; and Representatives JAMES ROOSEVELT, Democrat, of California, brigadier general, USMCR; and ROBERT L. F. SIKES, Democrat, of Florida, brigadier general, USAR. CANNON and THURMOND are members of the Armed Services Committee; SIKES, of the Defense Appropriations Subcommittee. (For full list of committee members and their military and Reserve status, see end of article.)

President Eisenhower made no headway whatsoever in his 3-year campaign to reduce National Guard and Army Reserve manpower levels to "conform to the changing character and missions" of the Active

Forces; Congress responded with a mandatory floor of 400,000 for the Guard, and funds to maintain both the Guard and the Reserve at full strength. These actions, said the President in his final budget message, "are unnecessarily costing the American people over $80 million annually and have been too long based on other than strictly military needs." Even at the lower strengths he again proposed, the Reserves would cost "well over $1 billion in 1962," he said.

Summing up the cumulative impact of these varied expressions of congressional interest, Representative JAMIE L. WHITTEN, Democrat, of Mississippi, a member of the House Appropriations Defense Subcommittee, testified as follows January 29, 1960, before the Joint Economic Committee's Defense Procurement Subcommittee:

"I am convinced defense is only one of the factors that enter into our determinations for defense spending. The others are pump priming, spreading the immediate benefits of defense spending, taking care of all services, giving all defense contractors a fair share, spreading the military bases to include all sections, etc. There is no State in the Union and hardly a district in a State which doesn't have defense spending, contracting, or a defense establishment. We see the effect in public and congressional insistence on continuing contracts, or operating military bases, though the need has expired."

CASE OF THE ZEUS

The confluence of service, contractor, and congressional pressures is illustrated by the current revival of a campaign to launch production of the Army's Nike-Zeus antimissile system, although final tests are more than a year away. Congress added $137 million to the budget in 1958 to start production, but the President refused to spend it; in his final budget, providing about $287 million for further development of Nike-Zeus, he said, "Funds should not be committed to production until development tests are satisfactorily completed." Subsequently, these things happened.

On February 1 the magazine "Army" appeared with seven articles lauding the Nike-Zeus—four of them by Army commanders on active duty. Also in the issue: full-page advertisements by Western Electric Co., prime contractor for Nike-Zeus, and 8 of its major subcontractors, together with a map showing how much of the $410 million contract was being spent in each of 37 States (but $111 million in California, $110 million in New Jersey). The general message: it's time to start production.

On February 2, Senator THURMOND told the Senate that "we must start production of the Nike-Zeus now." Extolling the "experienced Army-industry team" that developed the system, he argued that "by spending money now to provide a capability for the production of components in quantity, we will save money in the long run." Rising to support his argument were Senators B. EVERETT JORDAN, Democrat, of North Carolina, and FRANK CARLSON, Republican, of Kansas. ("Army's" map showed spending of $36 million in North Carolina and $8.5 million in Kansas.)

On February 7, Representative GEORGE P. MILLER, Democrat, of California, urged every Member of the House to "read the current issue of Army magazine" and to "support immediate action for limited component production of the Nike-Zeus system." MILLER, a member of the Science and Astronautics Committee, said this could be done "with the addition of less than $175 million to the present Army budget."

On February 13, Representative DANIEL J. FLOOD, Democrat, of Pennsylvania, gave the House substantially the same speech delivered February 2 by Senator THURMOND, and also concluded that "we must start production of the Nike-Zeus now." FLOOD appended an article on the subject published by the Sperry Rand Corp., a subcontractor for Nike-Zeus. ("Army's" figure for spending in Pennsylvania: $10 million.)

On February 23, Representative JOHN W. MCCORMACK, Democrat, of Massachusetts, House majority leader, asked every Member to read FLOOD's "prescient address" of February 13. MCCORMACK's conclusion: "Close the gap in our military posture; muzzle the mad-dog missile threat of the Soviet Union; loose the Zeus through America's magnificent production lines, now." ("Army's" figure for Massachusetts: $1.5 million.)

On March 6, the press reported that President Kennedy was expected to approve a Defense Department compromise plan calling for an additional $100 million to $200 million to start tooling up. Eventual costs were estimated at from $5 billion to $20 billion.

EXTENT OF INFLUENCE

Proponents of the Nike-Zeus, it should be noted, base their case squarely on the national interest—the touchstone of debate, pro and con, concerning the merits of every proposal made in the name of defense. It is never clear, however, where the national interest begins and self-interest leaves off.

All of the persons questioned by CQ agreed that an element of self-interest pervades relationships among the services, their contractors, and Members of Congress. There was no consensus, however, regarding the extent to which decisions affecting the national interest are influenced by the self-interest of persons and organizations involved. Here is the gist of these views.

The services: Locked in competition for larger shares of a defense budget that has not kept pace with the soaring costs of new weapons systems, the services toil constantly to "sell" their particular doctrines, programs, and requirements to the public, industry, and Congress. Recent examples: television programs on the Navy's Polaris and "The New Marine," an Army-industry liaison seminar in New Orleans, an Air Force tour of Strategic Air Command Headquarters in Omaha for 35 new Members of Congress.

The services are especially careful of their relations with Congress, particularly with members of the Armed Services and Appropriations Committees. When a senior member of the House Armed Services Committee complained of rumors that a Marine Corps installation might be removed from his district, the Commandant came in person to assure him that no change would be made "so long as I am in the job." A junior committee member, on learning that an unsolicited Army training center was to be located in his district, concluded that "someone" in the Pentagon was looking out for his interests.

There is some truth, all agree, in Representative WHITTEN's statement to the Defense Procurement Subcommittee that "you can look at some of our key people in the key places in Congress and go see how many military establishments are in their districts." One oft-cited example: the State of Georgia, home of the chairmen of both Senate and House Armed Services Committees. (To the proposal that a new Air Force installation be placed in Georgia, one brave general is credited with replying that "one more base would sink the State.")

But Congressmen accustomed to the prevalence of "logrolling" in many other areas see nothing sinister in this situation. The services are generally credited with being "correct" in their dealings with Members; none of those questioned by CQ complained of "pressure" by the services.

The contractors: For many of the major defense contractors, their only client of any importance is the U.S. Government and the bulk of their business is obtained through negotiated contracts with one or more of the armed services. It is a highly competitive field, by all accounts, in which a considerable premium is placed on "good personal relations" with the client. Even those companies doing business exclusively with one service will be found supporting all three service sounding boards: the Air Force Association, Navy League, and Association of the U.S. Army. Entertainment practices vary widely throughout the industry, but no one denies that personal friendships play an important part in shaping working relationships between client and vendor. Two episodes serve to illustrate the point.

In one "competition" for a new weapon system, Navy technicians decided to throw out one proposal on grounds it was based on faulty data. Warned by a Navy friend of the impending decision, the contractor promptly went to the admiral in charge and persuaded him to order a 30-day delay to permit all bidders to submit additional data. (The well-informed contractor failed to win in the end, however.)

An Air Force "competition" for a new missile ended with a top-level decision to award the contract to Company A. Learning of this, the president of Company B went straight to the Secretary and persuaded him to order a complete review of the decision. Result: the contract went to Company B.

Sometimes helped and sometimes hurt by such manifestations of "influence," contractors generally accept it as "part of the game," recognizing that to some degree the outcome reflects a tendency on the part of all three services to take care of companies with whom they have been doing business for some time, before admitting any "outsiders." (Some companies have nevertheless managed to secure important prime contracts from all three services.)

Defense contractors vary in their attitudes toward relations with Congress. Small, new companies, trying to gain a foothold in the defense business, are quick to seek the aid of their Congressmen; established contractors recognize that such intercession may backfire, especially in any attempt to reverse an essentially technical decision by the services. As the Hébert hearings demonstrated, however, contractors are not at all reluctant to solicit the aid of interested Members when (as in the Nike-Bomarc dispute) it is in the mutual interest of all concerned.

Congress: As the elected representatives of their States and districts, Members of Congress take a keen political interest in the economic impact of defense activities in their areas, and are the first to admit it. But few believe that such considerations exert any significant influence over the course of defense spending or the shape of national strategy. The major complaint of some Members is their lack of influence.

Certain members of the Armed Services Committees admit seeking the assignment because of large military installations and defense industries in their States or districts. Others consider themselves fortunate that they do not have such activities—and the local pressures that go along with them—in their own areas. Recognizing that changing military requirements may produce a "boom and bust" effect on any given community, they try to dissuade local enthusiasts who clamor for a new installation.

Outsiders detect a Navy bias in the makeup of the House Armed Services Committee and to a lesser extent, the Senate Armed Services Committee. (Of the former's 37 members, 25 come from coastal States; of the latter's 17 members, 13 are from coastal States.) Committee members acknowledge that some of their colleagues re-

flect a service point of view (10 members of the House committee are active reservists) and that the Navy's position is amply represented; they also contend, however, that there is a minimum of service-oriented partisanship in the work of the committees.

As for dealings with contractors, most Members express doubt concerning both the desirability and feasibility of intervening in procurement decisions. One Senator who did go to bat for one of his constituents (to no avail) found himself under fire from a competitor in the same State. His conclusion: it doesn't pay to get involved.

PROS AND CONS

Does the evidence support President Eisenhower's warning against "the acquisition of unwarranted influence, whether sought or unsought, by the military-industrial complex"? The answer varies with the individual.

"There is no question that the services and their contractors have an interest in maintaining a high degree of tension in the country," says a senior member of the House Defense Appropriations Subcommittee. But he foresees no threat to the democratic process, although admitting the need to guard against overly intimate relations between soldier, salesman, and legislator.

"There is a real danger that we may go the way of prewar Japan and Germany," says one member of the House Armed Services Committee, who objects to the presence of reserve officers on the committee and sees the appointment of industrialists to top Defense Department posts as a bad practice.

"I don't know what Eisenhower was talking about," says a former Defense Department official. Strong civilian control over the military services can be maintained, he believes, by the selection of a sufficient number of able Presidential appointees, regardless of their industrial background.

"The trouble is that national security has become popular—and the record of congressional appropriations proves it," says a former Eisenhower associate. He sees the military-industrial complex as a "floating power" largely free of any restraint.

Several of those questioned by CQ ascribed the President's concern to overpreoccupation with the budget. Believing that the Nation needs and can afford an even larger defense effort, they were inclined to dismiss his warning as misdirected. This point of view was reflected in Air Force magazine, which characterized reaction to the President's statement as a "flap" and deplored the "small wave of learned essays rehashing all of the irresponsible charges and insinuations that have been bandied around in congressional hearings for the past few years." The great danger, it concluded, was that "an exercise or misdirected caution * * * could menace national security."

The first moves of the Kennedy administration suggest little sympathy with the Eisenhower viewpoint. Orders have been placed for large numbers of additional transport planes. Steps have been taken to speed up defense purchases and "spread the business" in the interests of stimulating the lagging economy. Other proposals under consideration would add substantially to defense spending in the future.

At the same time, the new administration stands pledged to seek an agreement with the Soviets on banning nuclear tests and to pursue the goal of arms control. As yet, the chances of achieving either appear to be so remote as to preclude serious consideration of the possible opposition to any agreement by a "military-industrial complex." It may be worth noting, however, that the American Ordnance Association is calling for the "immediate resumption * * * of nuclear tests for both small and large weapons," and that Ordnance magazine argues that until the Communists' "goal of world dominion * * * is abandoned, there can be no lessening of our armament preparedness."

Top 100 defense contractors in fiscal 1961

[The following 100 companies and their subsidiaries ranked highest in the net value of military contract awards, July 1959–June 1960. Figures for major subsidiaries are included in parentheses]

Rank	Companies	Millions of dollars	Percent of U.S. total
	U.S. total	20,995.0	100.0
	Total, 100 companies and their subsidiaries	15,410.4	73.4
1	General Dynamics Corp	1,260.2	6.0
2	Lockheed Aircraft Corp	1,070.8	5.1
3	Boeing Airplane Co	1,008.7	4.8
4	General Electric Co	963.1	4.6
5	North American Aviation, Inc	907.7	4.3
6	Martin Co. (The)	596.7	2.8
7	United Aircraft Corp	517.4	2.5
8	American Telephone & Telegraph Co	466.8	2.2
	Western Electric Co., Inc	(452.2)	
9	Radio Corp. of America	405.8	1.9
10	Douglas Aircraft Co	404.9	1.9
11	Hughes Aircraft Co	349.1	1.7
12	Raytheon Co	323.4	1.5
13	Sperry Rand Corp	296.0	1.4
14	International Business Machines Corp	290.0	1.4
15	Republic Aviation Corp	265.1	1.3
16	Westinghouse Electric Corp	257.6	1.2
17	General Tire & Rubber Co	243.2	1.2
	Aerojet-General Corp	(235.1)	
18	Bendix Corp	239.4	1.1
19	Grumman Aircraft Engineering Corp	239.3	1.1
20	General Motors Corp	218.7	1.0
21	Newport News Shipbuilding & Dry Dock Co	215.2	1.0
22	McDonnell Aircraft Corp	195.0	.9
23	International Telephone & Telegraph Corp	188.5	.9
	Federal Electric Corp	(63.5)	
24	Chrysler Corp	187.0	.9
25	Standard Oil Co. (New Jersey)	173.5	.8
	Esso Export Corp	(83.0)	
	Humble Oil & Refining Co	(83.8)	
26	Avco Corp	156.9	.8
27	Chance Vought Aircraft, Inc	141.9	.7
28	Northrop Corp	139.8	.7
29	Thiokol Chemical Corp	131.2	.6
30	Burroughs Corp	125.1	.6
31	Thompson Ramo Wooldridge, Inc	120.8	.6
	Space Technology Laboratories, Inc	(77.0)	
32	Standard Oil Co. of California	110.7	.5
	California Texas Oil Corp	(31.6)	
33	Collins Radio Co	103.1	.5
34	Minneapolis-Honeywell Regulator Co	97.5	.5
35	Pan American World Airways, Inc	95.6	.5
36	Philco Corp	95.2	.5
37	Hercules Powder Co	92.2	.4
38	Merritt-Chapman & Scott Corp	89.3	.4
	New York Shipbuilding Corp	(87.4)	
39	Goodyear Tire & Rubber Co	84.7	.4
	Goodyear Aircraft Corp	(59.7)	
40	Texaco, Inc	76.8	.4
	California Texas Oil Corp	(31.6)	
41	Kaiser-Raymond-Macco-Puget Sound	75.4	.4
42	General Precision Equipment Corp	71.9	.4
	General Precision, Inc	(70.1)	
43	Garrett Corp	71.5	.3
44	American Bosch Arma Corp	70.7	.3
45	Curtiss-Wright Corp	70.4	.3
46	Ryan Aeronautical Co	65.5	0.3
47	Socony Mobil Oil Co., Inc	64.6	.3
48	Continental Motors Corp	63.1	.3
49	Bethlehem Steel Corp	62.2	.3
50	Temco Aircraft Corp	61.9	.3
51	Bell Aircraft Corp	61.1	.3
	Bell Helicopter Corp	(38.8)	
52	Kiewit (Peter) Sons' Co	52.4	.3
53	Marquardt Corp	52.2	.3
54	Ogden Corp	50.9	.3
	Avondale Marine Ways, Inc	(50.7)	
55	Massachusetts Institute of Technology	50.6	.2
56	American Machine & Foundry Co	50.0	.2
57	Food Machinery & Chemical Corp	46.7	.2
58	Kaman Aircraft Corp	46.6	.2
59	Morrison-Knudsen Co	46.0	.2
60	Magnavox Co	45.3	.2
61	Hazeltine Corp	44.9	.2
62	Shell Caribbean Petroleum Co	44.8	.2
63	Laboratory for Electronics, Inc	44.3	.2
64	General Telephone & Electronics Corp	43.6	.2
	Sylvania Electric Products, Inc	(37.0)	
65	Lear, Inc	43.2	.2
66	Sanders Associates, Inc	40.9	.2
67	Continental Oil Co	39.6	.2
68	Westinghouse Air Brake Co	39.5	.2
	Melpar, Inc	(35.5)	
69	Olin Mathieson Chemical Corp	38.1	.2
70	Jones (J. A.) Construction Co	36.7	.2
71	Mason & Hanger-Silas Mason Co., Inc	36.0	.2
72	System Development Corp	35.2	.2
73	Johns Hopkins University (The)	34.8	.2
74	Du Pont (E. I.) de Nemours & Co	34.5	.2
	Remington Arms Co., Inc	(31.0)	
75	Cities Service Co	34.2	.2
76	Motorola, Inc	34.1	.2
77	Goodrich (B. F.) Co	34.0	.2
78	Hoffman Electronics Corp	32.0	.2
79	MacDonald, Scott & Associates	31.7	.2
80	States Marine Corp	31.6	.2
81	Ford Motor Co	30.5	.2
82	Hayes Aircraft Corp	30.0	.2
83	Richfield Oil Corp	29.8	.1
84	Air Products, Inc	28.9	.1
85	Leavell Scott & Associates	28.6	.1
86	Cook Electric Co	28.3	.1
87	Gulf Oil Corp	28.2	.1
88	Tidewater Oil Co	27.0	.1
89	Overseas National Airways, Inc	27.0	.1
90	Aro, Inc	26.5	.1
91	Fairchild Engine & Airplane Corp	25.9	.1
92	Firestone Tire & Rubber Co	25.9	.1
93	Standard Kollsman Industries, Inc	25.7	.1
94	Gilfillan Bros., Inc	25.6	.1
95	International Harvester Co	25.6	.1
96	Loral Electronics Corp	25.3	.1
97	Sunray Mid-Continent Oil Co	24.4	.1
98	Eby (Martin K.) Construction Co., Inc	23.7	.1
99	United States Rubber Co	23.5	.1
100	Utah-Manhattan-Sundt	23.4	.1

Military personnel, pay, and procurement, by State

	Active duty military personnel		Civilian employees		Military procurement actions	
	Number June 30, 1960 [1]	Estimated annual pay and allowances	Number June 30, 1960	Estimated annual payroll	Amount fiscal 1960	Percent
	1	2	3	4	5	6
Alabama	22,249	$87,096,000	39,852	$219,683,000	$103,371,000	0.5
Alaska	31,846	127,838,000	6,384	44,098,000	78,649,000	.4
Arizona	18,091	73,770,000	7,346	40,642,000	168,974,000	.8
Arkansas	9,172	40,324,000	3,158	17,457,000	10,891,000	.1
California	207,875	781,380,000	140,445	788,659,000	4,839,252,000	23.7
Colorado	28,662	117,853,000	14,109	77,760,000	246,749,000	1.2
Connecticut	6,123	22,852,000	2,446	13,848,000	838,535,000	4.1
Delaware	7,814	34,753,000	1,191	6,558,000	71,138,000	.4
District of Columbia	[2] 17,461	67,134,000	32,269	181,851,000	95,499,000	.5
Florida	56,248	234,965,000	23,693	133,206,000	489,803,000	2.4
Georgia	69,147	260,532,000	33,124	183,063,000	177,924,000	.9
Hawaii	35,970	131,648,000	18,729	126,299,000	48,971,000	.2
Idaho	4,827	21,000,000	561	3,107,000	46,630,000	.2
Illinois	46,125	180,604,000	28,237	156,851,000	385,053,000	1.9
Indiana	8,737	35,376,000	10,747	60,124,000	310,632,000	1.5
Iowa	1,049	4,247,000	571	3,150,000	147,443,000	.7
Kansas	34,378	136,639,000	5,992	33,062,000	573,563,000	2.8
Kentucky	46,739	165,947,000	11,750	65,161,000	32,741,000	.2
Louisiana	20,371	87,439,000	6,197	34,426,000	197,157,000	1.0
Maine	14,113	61,401,000	1,820	10,126,000	32,216,000	.2
Maryland	[3] 46,888	175,903,000	35,255	197,111,000	515,887,000	2.5
Massachusetts	35,716	143,456,000	25,131	140,470,000	1,070,436,000	5.2
Michigan	14,909	62,633,000	9,638	53,191,000	600,947,000	2.9
Minnesota	5,023	20,843,000	1,872	10,344,000	192,984,000	.9
Mississippi	22,083	98,297,000	5,910	32,654,000	46,946,000	.2
Missouri	30,272	114,380,000	15,339	84,648,000	336,668,000	1.7
Montana	6,805	30,239,000	785	4,324,000	27,058,000	.1
Nebraska	15,026	66,594,000	4,281	23,659,000	71,034,000	.4
Nevada	7,448	31,989,000	2,796	15,591,000	8,965,000	[2]
New Hampshire	8,352	35,670,000	10,120	57,484,000	72,272,000	.4
New Jersey	41,097	153,508,000	26,395	146,618,000	1,274,664,000	6.2
New Mexico	23,163	96,998,000	11,466	63,247,000	77,707,000	.4
New York	40,519	162,020,000	52,319	292,469,000	2,377,522,000	11.7
North Carolina	72,378	249,306,000	9,845	55,349,000	172,899,000	.9
North Dakota	5,350	23,760,000	740	4,077,000	8,683,000	[2]
Ohio	18,990	80,974,000	37,962	209,395,000	907,068,000	4.4
Oklahoma	29,913	115,821,000	25,500	140,558,000	146,519,000	.7
Oregon	4,802	20,499,000	3,704	20,484,000	23,963,000	.1
Pennsylvania	15,284	56,717,000	68,204	381,272,000	671,314,000	3.3
Rhode Island	7,398	27,482,000	8,440	47,983,000	26,081,000	.1
South Carolina	46,971	179,627,000	14,412	81,182,000	31,314,000	.2
South Dakota	5,319	23,017,000	1,583	8,730,000	43,591,000	.2
Tennessee	17,288	66,842,000	7,317	40,523,000	109,396,000	.5
Texas	167,220	688,284,000	57,415	316,748,000	1,138,026,000	5.6
Utah	3,685	15,070,000	17,846	98,491,000	176,394,000	.9
Vermont	607	2,607,000	171	942,000	18,746,000	.1
Virginia	[3] 82,372	302,311,000	76,901	435,555,000	422,164,000	2.1
Washington	47,733	185,242,000	23,785	133,472,000	715,087,000	3.5
West Virginia	708	2,735,000	1,084	6,022,000	18,312,000	.1
Wisconsin	5,035	20,655,000	2,169	11,959,000	167,214,000	.8
Wyoming	2,646	11,774,000	709	3,905,000	41,754,000	.2
Not distributed by State	[4] 35,530	126,433,000	218	1,203,000	2,055,411,000	----------
U.S. total	1,553,527	6,064,484,000	947,933	5,318,791,000	22,462,217,000	100

[1] Excludes naval personnel assigned to fleet units and to other afloat and mobile activities.
[2] Less than 0.5 percent.
[3] Partly estimated.
[4] In transit.

NAMES, AGES, SERVICES OF MILITARY COMMITTEE MEMBERS

Following is a listing of members of key congressional committees dealing with military appropriations and general defense matters, with military experience shown where appropriate.

SENATE ARMED SERVICES

Democrats

RICHARD B. RUSSELL, Winder, Ga., 63; chairman 1951–53 and since 1955.

HARRY FLOOD BYRD, Berryville, Va., 73.

JOHN STENNIS, De Kalb, Miss., 59; chairman, Preparedness Investigating Subcommittee.

STUART SYMINGTON, St. Louis, Mo., 59; Secretary of the Air Force, 1947–50.

HENRY M. JACKSON, Everett, Wash., 48, lieutenant colonel, USAR.

SAM J. ERVIN, Jr., Morganton, N.C., 64; Army, World War I.

STROM THURMOND, Aiken, S.C., 58; Army, World War II; major general, USAR; ex-president, Reserve Officers Association.

CLAIR ENGLE, Red Bluff, Calif., 49.

E. L. BARTLETT, Juneau, Alaska, 56.

HOWARD W. CANNON, Las Vegas, Nev., 49; Air Force, World War II; brigadier general, USAFR.

ROBERT C. BYRD, Sophia, W. Va., 42.

Republicans

LEVERETT SALTONSTALL, Dover, Mass., 68; Army, World War I.

STYLES BRIDGES, Concord, N.H., 62.

MARGARET CHASE SMITH, Skowhegan, Maine, 63; lieutenant colonel, USAFR.

FRANCIS CASE, Custer, S. Dak., 64; Marine Corps, World War I.

PRESCOTT BUSH, Greenwich, Conn., 65; Army, World War I.

J. GLENN BEALL, Frostburg, Md., 66; Army, World War I.

SENATE APPROPRIATIONS

Department of Defense Subcommittee

Democrats

DENNIS CHAVEZ, Albuquerque, N. Mex., 72, chairman.

RICHARD B. RUSSELL (see above).

LISTER HILL, Montgomery, Ala., 66; Army, World War I.

JOHN L. MCCLELLAN, Camden, Ark., 65; Army, World War I.

ALLEN J. ELLENDER, Houma, La., 70; Army, World War I.

A. WILLIS ROBERTSON, Lexington, Va., 73, Army, World War I.

JOHN STENNIS (see above).

JOHN O. PASTORE, Cranston, R.I., 53.

ESTES KEFAUVER, Chattanooga, Tenn., 57.

Republicans

LEVERETT SALTONSTALL (see above).

STYLES BRIDGES (see above).

MILTON R. YOUNG, La Moure, N. Dak., 63.

MARGARET CHASE SMITH (see above).

HENRY C. DWORSHAK, Burley, Idaho, 66; Army, World War I.

KARL E. MUNDT, Madison, S. Dak., 60.

HOUSE ARMED SERVICES

Democrats

CARL VINSON, Milledgeville, Ga. (Sixth District), 77; chairman 1949–53 and since 1955, previously chairman Naval Affairs Committee, 1931–47.

PAUL J. KILDAY, San Antonio, Tex. (20th District), 60.

L. MENDEL RIVERS, Charleston, S.C. (First District), 55.

PHILIP J. PHILBIN, Clinton, Mass. (Third District), 62.

F. EDWARD HÉBERT, New Orleans, La. (First District), 59.

ARTHUR WINSTEAD, Philadelphia, Miss. (Fifth District), 57.

MELVIN PRICE, East St. Louis, Ill. (24th District), 56; Army, World War II.

O. CLARK FISHER, San Angelo, Tex. (21st District), 58.

PORTER HARDY, Jr., Norfolk County, Va. (Second District), 58.

CLYDE DOYLE, Los Angeles County, Calif. (23d District), 73.

CHARLES E. BENNETT, Jacksonville, Fla. (Second District), 50; Army, 1942–47.

RICHARD E. LANKFORD, Annapolis, Md. (Fifth District), 46; Navy, 1942–46.

GEORGE HUDDLESTON, Jr., Birmingham, Ala. (Ninth District), 40; Navy, World War II; commander, USNR.

JAMES A. BYRNE, Philadelphia, Pa. (Third District), 54.

A. PAUL KITCHIN, Wadesboro, N.C. (Eighth District), 52.

DANIEL B. BREWSTER, Towson, Md. (Second District), 37; Marine Corps, World War II; Major, USMCR.

FRANK KOWALSKI, Meriden, Conn. (at large), 53; graduate of West Point, retired colonel, USA.

SAMUEL S. STRATTON, Schenectady, N.Y. (32d District), 44; Navy, World War II and Korea; commander, USNR.

JEFFERY COHELAN, Berkeley, Calif. (Seventh District), 46.

VICTOR WICKERSHAM, Mangum, Okla. (Sixth District), 55.

OTIS G. PIKE, Riverhead, N.Y. (First District), 39; Marine Corps, World War II.

Republicans

LESLIE C. ARENDS, Melvin, Ill. (17th District), 65; Navy, World War I.

LEON H. GAVIN, Oil City, Pa. (23d District), 68; Army, World War I.

WALTER NORBLAD, Stayton, Oreg. (First District), 52; Air Force, World War II.

JAMES E. VAN ZANDT, Altoona, Pa. (20th District), 62; Navy, World Wars I and II; captain, USNR; former commander in chief, Veterans of Foreign Wars.

WILLIAM H. BATES, Salem, Mass. (Sixth District), 43; Navy, 1941–50.

ALVIN E. O'KONSKI, Mercer, Wis. (10th District), 56.

WILLIAM G. BRAY, Martinsville, Ind. (Seventh District), 57; Army, 1941–46; colonel, USAR.

BOB WILSON, San Diego County, Calif. (30th District), 44; Army, World War II; captain, USMCR.

FRANK C. OSMERS, Jr., Tenafly, N.J. (Ninth District), 53; Army, 1941–46; major, USAR.

CHARLES S. GUBSER, Gilroy, Calif. (10th District), 45.

FRANK J. BECKER, Lynbrook, N.Y. (Third District), 61; Army, World War I.

CHARLES E. CHAMBERLAIN, East Lansing, Mich. (Sixth District), 43; Coast Guard, World War II; commander, USCGR.

ALEXANDER PIRNIE, Utica, N.Y. (34th District), 57; Army, World War II; colonel, USAR.

DURWARD G. HALL, Springfield, Mo. (Seventh District), 50; Army, World War II.

DONALD D. CLANCY, Cincinnati, Ohio (Second District), 39; Army World War II.

ROBERT T. STAFFORD, Rutland, Vt. (at large), 47; Navy, World War II and Korea; commander, USNR.

HOUSE APPROPRIATIONS

Department of Defense Subcommittee

Democrats

GEORGE H. MAHON, Lubbock, Tex. (19th District), 60, chairman.

HARRY R. SHEPPARD, Yucaipa, Calif. (27th District), 76.

ROBERT L. F. SIKES, Crestview, Fla. (Third District), 54; brigadier general, USAR.

JAMIE L. WHITTEN, Charleston, Miss. (Second District), 50.

GEORGE W. ANDREWS, Union Springs, Ala. (Third District), 54; Navy, World War II.

JOHN J. RILEY, Sumter, S.C. (Second District, 66; Navy, World War I.

DANIEL J. FLOOD, Wilkes-Barre, Pa. (11th District), 57.

ALBERT THOMAS, Houston, Tex. (Eighth District), 62; Army, World War I.

Republicans

GERALD R. FORD, JR., Grand Rapids, Mich. (5th District), 47; Navy, World War II.

HAROLD C. OSTERTAG, Attica, N.Y. (39th District), 64; Army, World War I.

MELVIN R. LAIRD, Marshfield, Wis. (Seventh District), 38; Navy, World War II.

GLENARD P. LIPSCOMB, Los Angeles, Calif. (24th District), 45; Army, World War II.

PHIL WEAVER, Falls City, Nebr. (First District), 41; Army, World War II.

WILLIAM E. MINSHALL, Rocky River, Ohio (23d District), 49; Army, 1940–46.

MAJOR DEFENSE INSTALLATIONS, BY STATE AND CONGRESSIONAL DISTRICT

The following list shows the location by State, Congressional district, and town of 738 installations in the United States owned and operated by or for the armed services, the Atomic Energy Commission, and the National Aeronautics and Space Administration, according to information supplied by these agencies. An asterisk (*) denotes that the facility is inactive. Where the name of the installation does not indicate the agency involved, that information appears in parentheses—(A) for Army, (MC) for Marine Corps, etc. Abbreviations are used to designate certain types of installations, as shown. (AFB, Air Force Base; AFS, Air Force Station; MCAAS, Marine Corps Auxiliary Air Station; MCAF, Marine Corps Air Facility; MCAS, Marine Corps Air Station; NAAS, Navy Auxiliary Air Station; NAD, Navy Ammunition Depot; NAF, Naval Air Facility; NAS, Naval Air Station; ND, Naval District; NS, Naval Station.) Names of incumbent Congressmen are in caps and small caps, including 155 for whom no installations were listed.

ALABAMA

1. FRANK W. BOYKIN, Democrat: Brookley AFB, Mobile; Theodore Army Terminal*, Theodore.

2. GEORGE M. GRANT, Democrat: Gunter AFB, Montgomery; Maxwell AFB, Montgomery.

3. GEORGE W. ANDREWS, Democrat: Fort Rucker (A), Daleville.

4. KENNETH A. ROBERTS, Democrat: Craig AFB, Selma; Alabama Ordnance Works* (A), Childersburg; Anniston Ordnance Depot (A), Bynum; Fort McClellan (A), Anniston.

5. ALBERT RAINS, Democrat: Gadsden AFS, Gadsden.

6. ARMISTEAD I. SELDEN, JR., Democrat.

7. CARL ELLIOTT, Democrat.

8. ROBERT E. JONES, Democrat: Phosphate Development Works* (A), Muscle Shoals; Redstone Arsenal (A), Huntsville; Marshall Space Flight Center (NASA), Huntsville.

9. GEORGE HUDDLESTON, JR., Democrat.

ALASKA

A.L. RALPH J. RIVERS, Democrat: NS, Adak; Naval Communication Station, Adak; NS, Kodiak; Naval Communication Station, Kodiak; Eileson AFB; Elmendorf AFB; Fort Richardson (A); Fort Wainwright (A).

ARIZONA

1. JOHN J. RHODES, Republican: NAF, Litchfield Park; Luke AFB, Phoenix; Williams AFB, Chandler.

2. Vacancy: MCAAS, Yuma; Davis-Monthan AFB, Tucson; Fort Huachuca (A), Fort Huachuca; Navajo Ordnance Depot (A), Bellemont; Yuma Test Station (A), Yuma.

ARKANSAS

1. E. C. GATHINGS, Democrat: Blytheville AFB, Blytheville.

2. WILBUR D. MILLS, Democrat.

3. JAMES W. TRIMBLE, Democrat: Fort Chaffee* (A), Fort Smith.

4. OREN HARRIS, Democrat: Shumaker NAD, Camden.

5. DALE ALFORD, Democrat: Little Rock AFB, Little Rock; Maumelle Ordnance Works* (A), West Marche.

6. Vacancy: Pine Bluff Arsenal (A), Pine Bluff; Midwest Chemical Depot (A), Pine Bluff Arsenal.

CALIFORNIA

1. CLEM MILLER, Democrat: Hamilton AFB, San Rafael; Rio Vista Storage Area (A), Rio Vista; Two Rock Ranch Station (A), Petaluma.

2. HAROLD T. JOHNSON, Democrat: Sierra Ordnance Depot (A), Herlong.

3. JOHN E. MOSS, Democrat: Beale AFB, Marysville; Mather AFB, Sacramento; McClellan AFB, Sacramento; Sacramento Signal Depot (A), Sacramento.

4. WILLIAM S. MAILLIARD, Republican: Letterman General Hospital (A), San Francisco; Fort Mason (A), San Francisco; Presidio of San Francisco, San Francisco; Fort Winfield Scott (A), San Francisco.

5. JOHN F. SHELLEY, Democrat: Naval Communication Station, San Francisco; NS, Treasure Isl., San Francisco; Naval Shipyard, San Francisco; Naval Radiological Def. Lab., San Francisco; Marine Corps Supply Forwarding Annex, San Francisco; Public Works Transportation Center, 12th ND, San Francisco; Hdqtrs., 12th ND, San Francisco.

6. JOHN F. BALDWIN, Republican: NAD, Concord; Naval Shipyard, Mare Island, Vallejo; Travis AFB, Fairfield; Benicia Arsenal (Depot) (A), Benicia; Pacific Ordnance Steel Foundry* (A), Pittsburg.

7. JEFFERY COHELAN, Democrat: Naval Supply Center, Oakland; NAS, Oakland; Oakland Army Terminal, Oakland; Lawrence Radiation Laboratory, (AEC), Berkeley.

8. GEORGE P. MILLER, Democrat: NAS Alameda; Naval Hospital, Oakland; Parks AFB, Pleasanton; Alameda Administration Center (A), Alameda; Fort Baker (A), San Francisco; Fort Barry (A), San Francisco; Fort Cronkhite, San Francisco; Camp Parks* (A), Pleasanton; Lawrence Radiation Laboratory, (AEC), Livermore.

9. J. ARTHUR YOUNGER, Republican: District Public Works Office, 12th ND, San Bruno.

10. CHARLES S. GUBSER, Republican: NAS, Moffett Feld; Ames Research Center, (NASA), Moffett Field.

11. JOHN J. MCFALL, Democrat: Riverbank Ordnance Plant* (A), Riverbank; Sharpe General Depot (A), Lathrop.

12. B. F. SISK, Democrat: Castle AFB, Merced.

13. CHARLES M. TEAGUE, Republican: NAF Monterey; Naval Schools Construction, Fort Hueneme; Pacific Missile Range (N), Point Mugu; Postgraduate School (N), Monterey; Yards & Docks Supply Office (N), Port Hueneme; Naval Constr. Battalion Ctr., Port Hueneme; Civil Engineering Laboratory (N), Port Hueneme; Oxnard AFB, Camarillo; Vandenberg AFB, Lompoc; Branch US Disciplinary Barracks* (A), Lompoc; Hunter Liggett Military Reservation (A), Jolon; Presidio of Monterey (A), Monterey; Fort Ord. (A), Monterey; Camp Roberts* (A), San Miguel; Camp San Luis Obispo* (A), San Luis Obispo.

14. HARLAN, HAGEN (Democrat): Edwards AFB, Muroc; Flight Research Center (NASA), Edwards; Naval Ordnance Test Station, China Lake.

15. GORDON I. MCDONOUGH (Republican).

16. ALPHONSO E. BELL, JR. (Republican): Western Operations Office (NASA), Santa Monica; Medical Research Facilities (AEC), University of California, Los Angeles.

17. CECIL R. KING (Democrat): Fort MacArthur (A), San Pedro.

18. CRAIG HOSMER (Republican): NAS Los Alamitos, Long Beach; NS, Long Beach; Naval Shipyard, Long Beach; Long Beach Municipal Airport (AF), Long Beach.

19. CHET HOLIFIELD (Democrat).

20. H. ALLEN SMITH (Republican): Pasadena Area Support Center (A), Pasadena; Jet Propulsion Lab. (NASA), Calif. Inst. of

Tech., Pasadena; Research Facilities (AEC), Calif. Inst. of Tech., Pasadena.

21. EDGAR W. HIESTAND (Republican).

22. JAMES C. CORMAN (Democrat): Birmingham Army Hospital* (A), Van Nuys; Reactor and Research facilities (AEC), Atomics International Division, North American Aviation Inc., Canoga Park.

23. CLYDE DOYLE (Democrat): Cheli AFS, Maywood.

24. GLENARD P. LIPSCOMB (Republican).

25. JOHN H. ROUSSELOT (Republican).

26. JAMES ROOSEVELT (Democrat).

27. HARRY R. SHEPPARD (Democrat): Marine Corps Base, Twentynine Palms; Marine Corps Supply Center, Barstow; Georgia AFB, Victorville; Norton AFB, San Bernardino; Camp Irwin (A), Barstow.

28. JAMES B. UTT, Republican: Marine Corps Base, Camp Pendleton; Naval Hospital, Camp Pendleton; NAS, Miramar; Nav. Ammunition & Net Depot, Seal Beach; MCAF, Santa Ana; MCAS, El Toro, Santa Ana.

29. D. S. SAUND, Democrat: Nav. Ord. Lab., Corona; March AFB, Riverside; Salton Sea Base (AEC), Sandia Corp., Salton Sea.

30. BOB WILSON, Republican: NAAS, Brown Field, Chula Vista; NAAS, Ream Field, Imperial Beach; Naval Communications Trng. Ctr, Imperial Beach; Naval Repair Facility, San Diego; Navy Elect. Lab., San Diego; Marine Corps Recruit Depot, San Diego; Public Works Transportation Center, NS, San Diego; District Public Works Office, 11th ND, San Diego; Naval Hospital, San Diego; Naval Supply Center, San Diego; Fleet Anti-Submarine Warfare School, San Diego; Naval Training Center, San Diego; Naval Retraining Command, Camp Elliott, San Diego; Fleet Training Center (N), San Diego; Naval Amphibious Base, Coronado, San Diego; Fleet Air Defense Training Center (N), San Diego; NS, San Diego; Hdqtrs., 11th ND, NS, San Diego; Naval Communication Station, San Diego; NAS, North Island, San Diego.

COLORADO

1. BYRON G. ROGERS, Democrat: Air Force Accounting & Finance Center, Denver.

2. PETER H. DOMINICK, Republican: Lowry AFB, Denver; Fitzsimons General Hospital (A), Denver; Rocky Mountain Arsenal (A), Denver; Rocky Flats Plant (AEC), Boulder.

3. J. EDGAR CHENOWETH, Republican: Air Force Academy, Colorado Springs; Ent AFB, Colorado Springs; Peterson Field (AF), Colorado Springs; Fort Carson (A), Colorado Springs; Camp Hale (A), Pando; Pueblo Ordnance Depot (A), Avondale.

4. WAYNE N. ASPINALL, Democrat: Uranium handling, sampling, and general facilities (AEC), Grand Junction.

CONNECTICUT

1. EMILIO Q. DADDARIO, Democrat: Submarine reactor facilities (AEC), Windsor.

2. HORACE SEELY-BROWN, JR., Republican: Underwater Sound Lab. (N), New London; Submarine Base (N), New London; Conn. Aircraft Nuclear Engine Lab. (AEC), Middletown.

3. ROBERT N. GIAIMO, Democrat: Line accelerators (AEC), Yale University, New Haven.

4. ABNER W. SIBAL, Republican.

5. JOHN S. MONAGAN, Democrat.

AL. FRANK KOWALSKI, Democrat.

DELAWARE

AL. HARRIS B. MCDOWELL, JR., Democrat: Dover AFB, Dover; Lenape Ordnance Modification Center (A), Newark; Fort Miles* (A), Lewes.

DISTRICT OF COLUMBIA

NAS, Anacostia; Naval Weapons Plant; Headquarters, Potomac River Naval Command; Naval Observatory; Naval Security Station; Naval Research Laboratory; NS; Military Petroleum Supply Agency (N); Area Public Works Office (N); Hdqtrs. Battalion, Hdqtrs. Marine Corps; Bolling AFB; Washington National Airport (AF); Army Map Service; Diamond Ordnance Fuze Laboratories (A); Fort Lesley J. McNair (A); Walter Reed Army Medical Center.

FLORIDA

1. WILLIAM C. CRAMER, (Republican): MacDill AFB, Tampa; Pinellas Plant (AEC), General Electric Co., Clearwater.

2. CHARLES E. BENNETT, (Democrat): NAS, Cecil Field; NAS, Jacksonville, Yellow Water, Naval Magazine, Cecil Field; NS, Mayport; Naval Hospital, Jacksonville.

3. ROBERT L. F. SIKES, (Democrat): NAS, Pensacola; NAAS, Whiting Field, Milton; NAAS, Saufley Field, Pensacola; Naval Aviation Medical Center, Pensacola; Navy Mine Defense Lab. Panama City; Eglin AFB, Valparaiso; Eglin AF Auxiliary Field No. 9, Valparaiso; Graham Air Base (AF), Marianna; Tyndall AFB, Panama City.

4. DANTE B. FASCELL, (Democrat): NAS, Key West; NS, Key West; Fleet Sonar School (N), Key West; Naval Hospital, Key West; Homestead AFB, Homestead; Miami International (AF), Miami.

5. A. SYDNEY HERLONG, JR., Democrat: NAS, Sanford; McCoy AFB, Orlando; Orlando AFB, Orlando; Patrick AFB, Cocoa Launch Operations Directorate (NASA), Titusville.

6. PAUL G. ROGERS, Democrat: Boca Raton AF Auxiliary Field, Boca Raton; Palm Beach AFB, West Palm Beach Radio Tracking Facility (NASA), Fort Myers.

7. JAMES A. HALEY, Democrat: Bartow Air Base, Bartow.

8. D. R. MATTHEWS, (Democrat).

GEORGIA

1. G. ELLIOTT HAGAN, Democrat: Hunter AFB, Savannah; Fort Stewart (A), Hinesville.

2. J. L. PILCHER, Democrat: Marine Corps Supply Center, Albany; Bainbridge Air Base (AF), Bainbridge; Spence Air Base (AF), Moultrie; Turner AFB, Albany.

3. E. L. FORRESTER, Democrat: Navy Forms & Publications Supply Office, Byron; Robbins AFB, Warner Robins; Fort Benning (A), Columbus.

4. JOHN J. FLYNT, JR., Democrat: Atlanta General Depot (A), Forest Park.

5. JAMES C. DAVIS, Democrat: Fort McPherson (A), Atlanta.

6. CARL VINSON, Democrat: Naval Ordnance Plant, Macon.

7. JOHN W. DAVIS, Democrat: NAS Atlanta, Marietta; Dobbins AFB, Marietta.

8. IRIS F. BLITCH, Democrat: Clynco NAS, Brunswick; Moody AFB, Valdosta; King's Bay Army Terminal*, St. Marys.

9. PHIL LANDRUM, Democrat.

10. ROBERT G. STEPHENS, JR., Democrat: Navy Supply Corps School, Athens; Fort Gordon (A), Grovetown.

HAWAII

AL. DANIEL K. INOUYE, Democrat: Barber's Point NAS, Oahu; Pearl Harbor NAS, Ford Island; Naval Ammunition Depot, Oahu; Kaneohe Bay MCAS, Oahu; Naval Communications Station, Pearl Harbor; Hdqtrs., 14th ND, Pearl Harbor; NS, Pearl Harbor; Fleet Training Center (N), Pearl Harbor; Naval Supply Center, Pearl Harbor; Public Works Center, Naval Base, Pearl Harbor; 14th District Public Works Office (N), Pearl Harbor; Marine Barracks, Naval Base, Pearl Harbor; Camp H. M. Smith (MC), Halawa Heights, Oahu; Naval Shipyard, Pearl Harbor; Submarine Base (N), Pearl Harbor; Hickam AFB; Wheeler AFB; Fort Shafter (A); Schofield Barracks (A).

IDAHO

1. GRACIE PFOST, Democrat.

2. RALPH R. HARDING, Democrat: Naval Ordnance Plant, Pocatello; Mountain Home AFB, Mountain Home; National Reactor Testing Station (AEC), ARCO.

ILLINOIS

1. WILLIAM L. DAWSON, Democrat.

2. BARRATT O'HARA, Democrat: U.S. Army Area Support Center, Chicago.

3. WILLIAM T. MURPHY, Democrat.

4. EDWARD J. DERWINSKI, Republican.

5. JOHN C. KLUCZYNSKI, Democrat: Chicago Administration Center (A).

6. THOMAS J. O'BRIEN, Democrat.

7. ROLAND V. LIBONATI, Democrat.

8. DANIEL ROSTENKOWSKI, Democrat.

9. SIDNEY R. YATES, Democrat.

10. HAROLD R. COLLIER, Republican: Naval Ordnance Plant, Forest Park.

11. ROMAN C. PUCINSKI, Democrat: Chicago Ordnance Plant* (A), Chicago.

12. EDWARD R. FINNEGAN, Democrat.

13. MARGUERITE STITT CHURCH, Republican: NAS, Glenview; Hdqtrs., 9th ND, Great Lakes; Naval Training Center, Great Lakes; Electronics Supply Office (N), Great Lakes; Naval Supply Depot, Great Lakes; Naval Hospital, Great Lakes; District Public Works Office, 9th ND, Great Lakes; O'Hare International Airport (AF), Chicago; Fort Sheridan (A), Highwood.

14. ELMER J. HOFFMAN, Republican: Argonne National Laboratory (AEC), Argonne.

15. NOAH M. MASON, Republican: Elwood Ordnance Plant (A), Elwood; Kankakee Ordnance Works* (A), Elwood.

16. JOHN B. ANDERSON, Republican: Green River Ordnance Plant* (A), Dixon; Rockford Ordnance Plant (A), Rockford; Savanna Ordnance Depot (A), Savanna.

17. LESLIE C. ARENDS, Republican.

18. ROBERT H. MICHEL, Republican.

19. ROBERT B. CHIPERFIELD, Republican.

20. PAUL FINDLEY, Republican.

21. PETER F. MACK, JR., Democrat.

22. WILLIAM L. SPRINGER, Republican: Chanute AFB, Rantoul; Decatur Signal Depot (A), Decatur; Materials Research Laboratory (AEC), Champaign.

23. GEORGE E. SHIPLEY, Democrat.

24. MELVIN PRICE, Democrat: Scott AFB Belleville; Granite City Engineer Depot, Granite City.

25. KENNETH J. GRAY, Democrat.

INDIANA

1. RAY J. MADDEN, Democrat: East Chicago Ordnance Steel Foundry* (A), East Chicago.

2. CHARLES A. HALLECK, Republican.

3. JOHN BRADEMAS, Democrat: Kingsbury Ordnance plant* (A), La Porte; Radiation Laboratory (AEC), South Bend.

4. E. ROSS ADAIR, Republican.

5. Seat in doubt: Bunker Hill Air Force Base, Peru.

6. RICHARD L. ROUDEBUSH, Republican: Wabash River Ordnance Works* (A), Newport.

7. WILLIAM G. BRAY, Republican: NAD, Crane.

8. WINFIELD K. DENTON, Democrat: Hoosier Ordnance Plant* (A), Charlestown; Indiana Ordnance Works* (A), Charlestown.

9. EARL WILSON, Republican: Bakalar AFB, Columbus; Camp Atterbury* (A), Edinburg; Jefferson Proving Ground* (A), Madison.

10. RALPH HARVEY, Republican.

11. DONALD C. BRUCE, Republican: Naval Avionics Facility, Indianapolis; Fort Benjamin Harrison (A), Indianapolis.

IOWA

1. FRED SCHWENGEL, Republican: Iowa Ordnance Plant (AEC), Burlington.

2. JAMES E. BROMWELL, Republican.

3. H. R. GROSS, Republican.

4. JOHN KYL, Republican.

5. NEAL SMITH, Democrat: Research Laboratory (AEC), Iowa State College, Ames.

6. MERWIN COAD, Democrat.

7. BEN F. JENSEN, Republican.

8. CHARLES B. HOEVEN, Republican: Sioux City Municipal Airport (AF), Sioux City.

KANSAS

1. WILLIAM H. AVERY, Republican: Forbes AFB, Topeka; Topeka Air Force Station, Topeka; Fort Leavenworth (A), Leavenworth.

2. ROBERT F. ELLSWORTH, Republican, NAS, Olathe; Sunflower Ordnance Works* (A), De Soto.
3. WALTER L. MCVEY, Republican: Kansas Ordnance Plant* (A), Parsons.
4. GARNER E. SHRIVER, Republican: McConnell AFB, Wichita; Fort Riley (A), Junction City.
5. J. FLOYD BREEDING, Democrat.
6. ROBERT DOLE, Republican: Schilling AFB, Salina.

KENTUCKY

1. FRANK A. STUBBLEFIELD, Democrat: Paducah Gaseous Diffusion Plant (AEC), Paducah.
2. WILLIAM H. NATCHER, Democrat: Camp Breckenridge* (A), Morganfield.
3. FRANK W. BURKE, Democrat: Naval Ordnance Plant, Louisville; Louisville Medical Depot (A), Louisville.
4. FRANK CHELF, Democrat: Fort Knox (A), Fort Knox.
5. BRENT SPENCE, Democrat.
6. JOHN C. WATTS, Democrat: Blue Grass Ordnance Depot (A), Fort Estill; Lexington Signal Depot (A), Avon.
7. CARL D. PERKINS, Democrat.
8. EUGENE SILER, Republican.

LOUISIANA

1. F. EDWARD HÉBERT, Democrat: NAS, New Orleans; Hdqtrs, 8th ND, New Orleans; NS, New Orleans; Camp Leroy Johnson (A), New Orleans; Michoud Ordnance Plant* (A), New Orleans; New Orleans Army Terminal, New Orleans.
2. HALE BOGGS, Democrat.
3. EDWIN E. WILLIS, Democrat: NAAS, New Iberia.
4. OVERTON BROOKS, Democrat: Barksdale AFB, Shreveport; Louisiana Ordnance Plant* (A), Doyline.
5. OTTO E. PASSMAN, Democrat.
6. JAMES H. MORRISON, Democrat.
7. T. ASHTON THOMPSON, Democrat: Chennault AFB, Lake Charles.
8. HAROLD B. MCSWEEN, Democrat: England AFB, Alexandria; Fort Polk* (A), Leesville.

MAINE

1. PETER A. GARLAND, Republican: NAS, Brunswick; Fort Williams (A), Portland.
2. STANLEY R. TUPPER, Republican.
3. CLIFFORD G. MCINTIRE, Republican: Naval Security Group Activity, Winter Harbor; Dow AFB, Bangor; Loring AFB, Limestone; Presque Isle AFB, Presque Isle.

MARYLAND

1. THOMAS F. JOHNSON, Democrat: Naval Training Center, Bainbridge.
2. DANIEL B. BREWSTER, Democrat: Aberdeen Proving Ground (A), Aberdeen; Army Chemical Center, Edgewood; Fort Holabird (A), Baltimore.
3. EDWARD A. GARMATZ, Democrat.
4. GEORGE H. FALLON, Democrat.
5. RICHARD E. LANKFORD, Democrat: NAF, Annapolis; Nav. Air Test Ctr., Patuxent River; Naval Propellant Plant, Indian Head; Hydrographic Office (N), Suitland; NS, Annapolis; Naval Academy, Annapolis; Naval Communication Station, Cheltenham; Naval Hospital, Annapolis; Eng. Exper. Station (N), Annapolis; Air Research & Development Command (AF), Camp Springs; Andrews AFB, Camp Springs; Fort George G. Meade (A), Odenton; Goddard Space Flight Center (NASA), Greenbelt.
6. CHARLES MCC. MATHIAS, JR., Republican: David Taylor Model Basin (N), Carderock; National Naval Medical Center, Bethesda; Nav. Ord. Lab., White Oak; Fort Detrick (A), Frederick; Fort Ritchie (A), Cascade; AEC Headquarters, Germantown.
7. SAMUEL N. FRIEDEL, Democrat.

MASSACHUSETTS

1. SILVIO O. CONTE, Republican.
2. EDWARD P. BOLAND, Democrat: Westover AFB, Chicopee Falls; Springfield Armory (A), Springfield.
3. PHILIP P. PHILBIN, Democrat: Maynard Quartermaster Test Activity, Maynard.
4. HAROLD D. DONOHUE, Democrat.
5. F. BRADFORD MORSE, Republican: Laurence G. Hanscom Field (AF), Bedford; Fort Dawes (A), Boston; Fort Devens (A), Ayer; Watertown Arsenal (A), Watertown; Raw Materials Development Laboratory (AEC), Winchester.
6. WILLIAM H. BATES, Republican.
7. THOMAS J. LANE, Democrat: Naval Hospital, Chelsea; Naval Shipyard, Boston; Fort Banks (A), Winthrop.
8. TORBERT H. MACDONALD, Democrat.
9. HASTINGS KEITH, Republican: NAD, Hingham; Otis AFB, Falmouth; Fort Rodman (A), New Bedford; Camp Wellfleet (A), South Wellfleet.
10. LAURENCE CURTIS, Republican.
11. THOMAS P. O'NEILL, JR., Democrat: Cambridge Electronics Research (AF), Cambridge; Electron accelerator (AEC), Harvard University, Cambridge.
12. JOHN W. MCCORMACK, Democrat: Hdqtrs., 1st ND, Boston; NS, Boston; Boston Army Base, Boston.
13. JAMES A. BURKE, Democrat: NAS, South Weymouth.
14. JOSEPH W. MARTIN, JR., Republican: Quartermaster Research & Engineering Center (A), Natick.

MICHIGAN

1. THADDEUS M. MACHROWICZ, Democrat.
2. GEORGE MEADER, Republican: NAS, Grosse Ile; Willow Run Airport (AF), Belleville.
3. AUGUST E. JOHANSEN, Republican: Fort Custer* (A), Battle Creek.
4. CLARE E. HOFFMAN, Republican.
5. GERALD R. FORD, JR., Republican.
6. CHARLES E. CHAMBERLAIN, Republican.
7. JAMES G. O'HARA, Democrat: Selfridge AFB, Mount Clemens; Detroit Arsenal (A), Center Line Michigan Ordnance Missile Plant (A), Warren.
8. JAMES HARVEY, Republican.
9. ROBERT P. GRIFFIN, Republican: Muskegon Ordnance Plant (A), Muskegon.
10. ELFORD A. CEDERBERG, Republican: Wurtsmith AFB, Oscoda.
11. VICTOR A. KNOX, Republican: Kincheloe AFB, Kinross, Camp Lucas* (A), Sault Ste. Marie.
12. JOHN B. BENNETT, Republican: K. I. Sawyer Airport (AF), Marquette.
13. CHARLES C. DIGGS, JR., Democrat.
14. LOUIS C. RABAUT, Democrat.
15. JOHN D. DINGELL, Democrat.
16. JOHN LESINSKI, Democrat: Fort Wayne (A), Detroit.
17. MARTHA W. GRIFFITHS, Democrat.
18. WILLIAM S. BROOMFIELD, Republican.

MINNESOTA

1. ALBERT H. QUIE, Republican.
2. ANCHER NELSEN, Republican.
3. CLARK MACGREGOR, Republican; NAS Minneapolis, Minneapolis-St. Paul International Airport (AF), Minneapolis; Twin Cities Arsenal* (A), New Brighton.
4. JOSEPH E. KARTH, Democrat.
5. WALTER H. JUDD, Republican: Linear accelerator (AEC), University of Minnesota, Minneapolis.
6. FRED MARSHALL, Democrat: Boiling Water power reactor (AEC), Elk River.
7. H. CARL ANDERSEN, Republican.
8. JOHN A. BLATNIK, Democrat: Duluth Municipal Airport (AF), Duluth.
9. ODIN LANGEN, Republican.

MISSISSIPPI

1. THOMAS G. ABERNETHY, Democrat: Columbus AFB, Columbus; Gulf Ordnance Plant* (A), Prairie.
2. JAMIE L. WHITTEN, Democrat.
3. FRANK E. SMITH, Democrat: Greenville AFB, Greenville.
4. JOHN BELL WILLIAMS, Democrat.
5. ARTHUR WINSTEAD, Democrat.
6. WILLIAM M. COLMER, Democrat: Naval Constr. Battalion Ctr., Gulfport; Keesler AFB, Biloxi.

MISSOURI

1. FRANK M. KARSTEN, Democrat: St. Louis Ordnance Plant* (A), St. Louis.
2. THOMAS B. CURTIS, Republican: Air Force Records Center, St. Louis; St. Louis Ordnance Steel Foundry* (A), St. Louis.
3. LEONOR K. SULLIVAN, Democrat: Aeronautical Chart & Information Center (AF), St. Louis; St. Louis Area Support Center (A), St. Louis.
4. WILLIAM J. RANDALL, Democrat: Richards-Gebaur AFB, Grandview; Whiteman AFB, Knob Noster; Lake City Arsenal (A), Lake City.
5. RICHARD BOLLING, Democrat: Kansas City Plant (AEC), Kansas City.
6. W. R. HULL, JR., Democrat.
7. DURWARD G. HALL, Republican: Fort Crowder* (A), Neosho.
8. RICHARD ICHORD, Democrat: Fort Leonard Wood (A), Waynesville.
9. CLARENCE CANNON, Democrat: Feed Materials Plant (AEC), Weldon Spring.
10. PAUL C. JONES, Democrat: Malden Air Base, Malden.
11. MORGAN M. MOULDER, Democrat.

MONTANA

1. ARNOLD OLSEN, Democrat.
2. JAMES F. BATTIN, Republican: Glasgow AFB, Glasgow; Malstrom AFB, Great Falls.

NEBRASKA

1. PHIL WEAVER, Republican: NAD, Hastings; Sodium graphite power reactor (AEC), Hallam.
2. GLENN CUNNINGHAM, Republican: Lincoln AFB, Lincoln; Offutt AFB, Omaha.
3. RALPH F. BEERMANN, Republican: Nebraska Ordnance Plant* (A), Mead.
4. DAVE MARTIN, Republican: Cornhusker Ordnance Plant* (A), Grand Island; Sioux Ordnance Depot (A), Sidney.

NEVADA

AL. WALTER S. BARING, Democrat: NAAS, Fallon; NAD, Hawthorne; Indian Springs AFB, Indian Springs; Nellis AFB, Las Vegas; Stead AFB, Reno; Camp Desert Rock (A), Indian Springs; Mercury Nevada Test Site (AEC); Tonopah Research Facilities (AEC).

NEW HAMPSHIRE

1. CHESTER E. MERROW, Republican: Naval Retraining Command, Portsmouth; Naval Hospital, Portsmouth; Naval Shipyard, Portsmouth; Grenier AFB, Manchester; Pease AFB, Portsmouth.
2. PERKINS BASS, Republican.

NEW JERSEY

1. WILLIAM T. CAHILL, Republican: Merchant ship reactor (AEC), Camden.
2. MILTON W. GLENN, Republican.
3. JAMES C. AUCHINCLOSS, Republican: NAS, Lakehurst; NAD, Earle; Fort Dix (A), Wrightstown; Fort Hancock (A) Highlands; Fort Monmouth (A), Oceanport; Raritan Arsenal, Metuchen.
4. FRANK THOMPSON, JR., Democrat: Naval Air Turbine Test Station, Trenton; McGuire AFB, Wrightstown; Burlington Ordnance Plant* (A), Burlington; Camp Kilmer* (A), Stelton; Princeton Research facilities (AEC), Princeton.
5. PETER FRELINGHUYSEN, JR., Republican: Nav. Air Rocket Test Sta., Dover; Picatinny Arsenal (A), Picatinny; Picatinny Arsenal Ordnance Facility (AEC), Dover.
6. FLORENCE P. DWYER, Republican: New Brunswick Laboratory (AEC), New Brunswick.
7. WILLIAM B. WIDNALL, Republican.
8. CHARLES S. JOELSON, Democrat.
9. FRANK C. OSMERS, JR., Republican.
10. PETER W. RODINO, JR., Democrat.
11. HUGH J. ADDONZIO, Democrat.
12. GEORGE M. WALLHAUSER, Republican.
13. CORNELIUS E. GALLAGHER, Democrat: Naval Supply Center, Bayonne; Caven Point Army Terminal*, Jersey City.
14. DOMINICK V. DANIELS, Democrat.

NEW MEXICO

AL. JOSEPH M. MONTOYA, Democrat.

AL. THOMAS C. MORRIS, Democrat: Naval Ord. Missile Test Fac., White Sands, Alamonon AFB, Clovis; Holloman AFB, Alamogordo; Kirtland AFB, Albuquerque; Walker AFB, Roswell; Sandia Base (A), Albuquerque; White Sands Missile Range (A), Las Cruces; Fort Wingate Ordnance Depot (A), Gallup; Sandia Laboratory (AEC), Albuquerque; South Albuquerque Works (AEC), Albuquerque; Los Alamos Scientific Laboratory (AEC), Los Alamos.

NEW YORK

1. OTIS G. PIKE, Democrat: Suffolk County AFB, Westhampton Beach; Camp Hero* (A), Montauk; Brookhaven National Laboratory (AEC), Upton.

2. STEVEN B. DEROUNIAN, Republican: U.S. Naval Training Device Center, Port Washington; Mitchell AFB, Hempstead.

3. FRANK J. BECKER, Republican.

4. SEYMOUR HALPERN, Republican: Fort Totten (A), Bayside.

5. JOSEPH P. ADDABBO, Democrat: Naval Hospital, St. Albans.

6. LESTER HOLTZMAN, Democrat.

7. JAMES J. DELANEY, Democrat: Army Pictorial Center, Long Island City.

8. VICTOR L. ANFUSO, Democrat: Naval Receiving Station, Brooklyn Naval Shipyard, Brooklyn.

9. EUGENE J. KEOGH, Democrat.

10. EDNA F. KELLY, Democrat.

11. EMANUEL CELLER, Democrat: Fort Hamilton (A), Brooklyn; Fort Tilden (A), Rockaway Park.

12. HUGH L. CAREY, Democrat: NAS, Brooklyn.

13. ABRAHAM J. MULTER, Democrat: Military Medical Supply Agency (N), Brooklyn; Manhattan Beach AFS, Sheepshead Bay.

14. JOHN J. ROONEY, Democrat: Brooklyn Army Terminal, Brooklyn.

15. JOHN H. RAY, Republican: Fort Wadsworth (A), Staten Island.

16. ADAM C. POWELL, Democrat.

17. JOHN V. LINDSAY, Republican.

18. ALFRED E. SANTANGELO, Democrat.

19. LEONARD FARBSTEIN, Democrat: Hdqtrs., 3rd ND, N.Y.; Fort Jay (A), Governors Island; Miller Field (A), Staten Island.

20. WILLIAM F. RYAN, Democrat.

21. HERBERT ZELENKO, Democrat: Accelerator and research facilities (AEC), Columbia University, N.Y.

22. JAMES C. HEALEY, Democrat.

23. JACOB H. GILBERT, Democrat.

24. CHARLES A. BUCKLEY, Democrat.

25. PAUL A. FINO, Republican.

26. EDWIN B. DOOLEY, Republican: Fort Slocum (A), New Rochelle.

27. ROBERT R. BARRY, Republican: Cold Spring Battery Plant (A), Cold Spring.

28. KATHARINE ST. GEORGE, Republican: Stewart AFB, Newburgh; U.S. Military Academy (A), West Point.

29. J. ERNEST WHARTON, Republican.

30. LEO W. O'BRIEN, Democrat: Watervliet Arsenal (A), Watervliet.

31. CARLETON J. KING, Republican: Plattsburgh AFB, Plattsburgh Malta Test Station* (A), Malta; Knolls Atomic Power Laboratory (AEC), West Milton.

32. SAMUEL S. STRATTON, Democrat: Schenectady General Depot (A), Schnectady; Knolls Atomic Power Laboratory (AEC), Schenectady.

33. CLARENCE E. KILBURN, Republican: Camp Drum* (A), Watertown.

34. ALEXANDER PIRNIE, Republican: Griffiss AFB, Rome.

35. R. WALTER RIEHLMAN, Republican.

36. JOHN TABER, Republican: Seneca Ordnance Depot (A), Romulus.

37. HOWARD W. ROBISON, Republican.

38. JESSICA MCC. WEIS, Republican: Research laboratory (AEC), University of Rochester, Rochester.

39. HAROLD C. OSTERTAG, Republican.

40. WILLIAM E. MILLER, Republican: Niagara Falls Municipal Airport (AF), Niagara Falls; Niagara Falls Chemical Plant* (A), Niagara Falls; Fort Niagara (A), Youngstown; Boron Plant (AEC), Niagara Falls.

41. THADDEUS J. DULSKI, Democrat.

42. JOHN R. PILLION, Republican.

43. CHARLES E. GOODELL, Republican.

NORTH CAROLINA

1. HERBERT C. BONNER, Democrat.

2. L. H. FOUNTAIN, Democrat.

3. DAVID N. HENDERSON, Democrat: MCAS, Cherry Point: MCAF, New River, Jacksonville; Naval Hospital, Camp Lejeune; Marine Corps Base, Camp Lejeune; Seymour-Johnson AFB, Goldsboro.

4. HAROLD D. COOLEY, Democrat.

5. RALPH J. SCOTT, Democrat.

6. HORACE R. KORNEGAY, Democrat: Tarheel Ordnance Plant (A), Burlington.

7. ALTON LENNON, Democrat: Pope AFB Fort Bragg; Fort Bragg (A), Fayetteville; Sonny Point Army Terminal, Southport.

8. A. PAUL KITCHIN, Democrat: Camp Mackall (A), Hoffman.

9. HUGH Q. ALEXANDER, Democrat.

10. CHARLES RAPER JONAS, Republican: Charlotte Ordnance Missile Plant (A), Charlotte.

11. BASIL L. WHITENER, Democrat.

12. ROY A. TAYLOR, Democrat.

NORTH DAKOTA

AL. DON SHORT, Republican.

AL. HJALMAR C. NYGAARD, Republican: Grand Forks AFB, Grand Forks; Minot AFB, Minot; Fort Lincoln* (A), Bismarck.

OHIO

1. GORDON H. SCHERER, Republican.

2. DONALD D. CLANCY, Republican: Ridgewood Ordnance Plant* (A), Cincinnati; Aircraft nuclear propulsion facilities (AEC), Lockland.

3. PAUL F. SCHENCK, Republican: Gentile AFS, Dayton; Feed Materials Plant (AEC), Fernald Mound Laboratory (AEC), Miamisburg.

4. WILLIAM M. MCCULLOCH, Republican: Lima Ordnance Modification Center* (A), Lima; Lima Ordnance Steel Foundry* (A), Lima; Organic moderated power reactors (AEC), Piqua.

5. DELBERT L. LATTA, Republican: Erie Ordnance Depot (A), Port Clinton.

6. WILLIAM H. HARSHA, Jr., Republican: Portsmouth Gaseous Diffusion Plant (AEC), Portsmouth.

7. CLARENCE J. BROWN, Republican: Wright-Patterson AFB, Dayton; Clinton County AFB, Wilmington.

8. JACKSON E. BETTS, Republican: Marion Engineer Depot (A), Marion.

9. THOMAS L. ASHLEY, Democrat: Rossford Ordnance Depot (A), Toledo.

10. WALTER H. MOELLER, Democrat.

11. ROBERT E. COOK, Democrat: Lordstown Military Reservation (A), Lordstown; Ravenna Arsenal* (A), Ravenna Arsenal.

12. SAMUEL L. DEVINE, Republican: Lockbourne AFB, Columbus; Columbus General Depot (A), Columbus; Fort Hayes* (A), Columbus.

13. CHARLES A. MOSHER, Republican: Navy Finance Center, Cleveland; Plum Brook Ordnance Works* (A), Sandusky.

14. WILLIAM H. AYRES, Republican.

15. TOM V. MOORHEAD, Republican.

16. FRANK T. BOW, Republican.

17. JOHN M. ASHBROOK, Republican: Wilkins AFS, Shelby.

18. WAYNE L. HAYS, Democrat.

19. MICHAEL J. KIRWAN, Democrat: Youngstown Municipal Airport (AF), Youngstown.

20. MICHAEL A. FEIGHAN, Democrat.

21. CHARLES A. VANIK, Democrat.

22. FRANCES P. BOLTON, Republican.

23. WILLIAM E. MINSHALL, Republican: Cleveland Ordnance Plant (A), Cleveland; Lewis Research Center (NASA), Cleveland.

OKLAHOMA

1. PAGE BELCHER, Republican: Vance AFB, Enid.

2. ED EDMONDSON, Democrat: Davis Field (AF), Muskogee; Oklahoma Ordnance Works* (A), Pryor.

3. CARL ALBERT, Democrat: NAD, McAlester.

4. TOM STEED, Democrat.

5. JOHN JARMAN, Democrat: Tinker AFB, Oklahoma City.

6. VICTOR WICKERSHAM, Democrat: Altus AFB, Altus; Clinton-Sherman AFB, Clinton; Fort Sill (A), Lawton.

OREGON

1. WALTER NORBLAD, Republican: Beaver Army Terminal, Clatskanie.

2. AL ULLMAN, Democrat: Kingsley Field (AF), Klamath Falls; Umatilla Ordnance Depot (A), Hermiston.

3. EDITH GREEN, Democrat: Portland International Airport (AF), Portland.

4. EDWIN R. DURNO, Republican.

PENNSYLVANIA

1. WILLIAM A. BARRETT, Democrat: Nav. Air Material Center, Philadelphia; Hdqtrs., 4th ND, Nav. Base, Philadelphia; Naval Receiving Station, Philadelphia; Naval Home, Philadelphia; Naval Hospital, Philadelphia; Marine Barracks, Naval Base, Philadelphia; Marine Corps Supply Activity, Philadelphia; Naval Shipyard, Philadelphia; Philadephia Quartermaster Center (A), Philadelphia; Philadelphia Quartermaster Depot (A), Philadelphia; Schuylkill Arsenal* (A), Philadelphia.

2. KATHRYN E. GRANAHAN, Democrat.

3. JAMES A. BYRNE, Democrat.

4. ROBERT N. C. NIX, Democrat.

5. WILLIAM J. GREEN, JR., Democrat: Aviation Supply Office (N), Philadelphia; Naval Supply Depot, Philadelphia; General Stores Supply Office (N), Philadelphia; Frankford Arsenal (A), Philadelphia.

6. HERMAN TOLL, Democrat

7. WILLIAM H. MILLIKEN, JR., Republican.

8. WILLARD S. CURTIN, Republican: Naval Air Devel. Ctr., Johnsville Naval Supply Depot, Mechanicsburg.

9. PAUL B. DAGUE, Republican, Valley Forge General Hospital (A), Phoenixville.

10. WILLIAM W. SCRANTON, Republican: Scranton Ordnance Plant (A), Scranton.

11. DANIEL J. FLOOD, Democrat.

12. IVOR D. FENTON, Republican.

13. RICHARD S. SCHWEIKER, Republican: NAS, Willow Grove.

14. GEORGE M. RHODES, Democrat: Birdsboro Ordnance Steel Foundry* (A), Birdsboro.

15. FRANCIS E. WALTER, Democrat: Tobyhanna Signal Depot (A), Tobyhanna.

16. VACANCY: Olmstead AFB, Middleton; Indiantown Gap Military Reservation (A), Annville.

17. HERMAN T. SCHNEEBELI, Republican: Cherokee Ordnance Works (A), Danville; Susquehanna Ordnance Sub-Depot* (A), Montgomery.

18. J. IRVING WHALLEY, Republican: Letterkenny Ordnance Depot (A), Gulbertson.

19. GEORGE A. GOODLING, Republican: Naval Ordnance Plant, York; Carlisle Barracks (A), Carlisle; New Cumberland General Depot (A), New Cumberland.

20. JAMES E. VAN ZANDT, Republican.

21. JOHN H. DENT, Democrat.

22 JOHN P. SAYLOR, Republican.

23. LEON H. GAVIN, Republican.

24. CARROLL D. KEARNS, Republican: Keystone Ordnance Works* (A), Meadville.

25. FRANK M. CLARK, Democrat: Pressurized Water Reactor (AEC), Shippingport.

26. THOMAS E. MORGAN, Democrat.

27. JAMES G. FULTON, Republican: Greater Pittsburgh Airport (AF), Coraopolis; Coraopolis Ordnance Steel Foundry* (A), Coraopolis.

28. WILLIAM S. MOORHEAD, Democrat: Accelerator (AEC), Carnegie Institute of Technology, Pittsburgh.

29. ROBERT J. CORBETT, Republican.
30. ELMER J. HOLLAND, Democrat: Bettis Plant (AEC), Pittsburgh.

RHODE ISLAND

1. FERNAND J. ST. GERMAIN,* Democrat: Naval Station, Newport; Naval War College, Newport; Naval Supply Depot, Newport; Naval Hospital, Newport; Public Works Center (N), Newport.
2. JOHN E. FOGARTY, Democrat: NAS, Quonset Point; Naval Constr. Battalion Ctr., Davisville.

SOUTH CAROLINA

1. L. MENDEL RIVERS, Democrat: NAD, Charleston; MCAS, Beaufort; Hdqtrs., 6th ND, Nav. Base, Charleston; NS, Charleston; Naval Hospital, Beaufort; Naval Hospital, Charleston; Marine Corps Recruit Depot, Paris Island; Naval Shipyard, Charleston; Charleston AFB, Charleston; Charleston Transportation Depot (A), North Charleston.
2. JOHN J. RILEY, Democrat: Congaree AFB, Richland; Shaw AFB, Sumter; Fort Jackson (A), Columbia; Savannah River Plant (AEC), Aiken.
3. W. J. BRYAN DORN, Democrat.
4. ROBERT T. ASHMORE, Democrat: Donaldson AFB, Greenville.
5. ROBERT W. HEMPHILL, Democrat.
6. JOHN L. MCMILLAN, Democrat: Myrtle Beach AFB, Myrtle Beach.

SOUTH DAKOTA

1. BEN REIFEL, Republican.
2. E. Y. BERRY, Republican: Ellsworth AFB, Rapid City; Black Hills Ordnance Depot (A), Provo.

TENNESSEE

1. Vacancy: Holston Ordnance Works (A), Holston.
2. HOWARD H. BAKER, Republican: Oak Ridge Gaseous Diffusion Plant (AEC), Oak Ridge; Oak Ridge National Laboratory (AEC), Oak Ridge.
3. JAMES B. FRAZIER, JR., Democrat: Volunteer Ordnance Works* (A), Tyner.
4. JOE L. EVINS, Democrat: Arnold Engineering Development Center (AF), Tullahoma; Sewart AFB, Smyrna.
5. J. CARLTON LOSER, Democrat.
6. ROSS BASS, Democrat: Fort Campbell (A), Clarksville.
7. TOM MURRAY, Democrat.
8. ROBERT A. EVERETT, Democrat: Milan Arsenal (A), Milan.
9. CLIFFORD DAVIS, Democrat: NAS, Memphis; Naval Hospital, Memphis; Mallory AFS, Memphis; Memphis Municipal Airport (AF), Memphis; Memphis General Depot (A), Memphis.

TEXAS

1. WRIGHT PATMAN, Democrat: Longhorn Ordnance Works (A), Karnack; Lone Star Ordnance Plant (A), Red River Arsenal; Red River Arsenal (A), Hooks.
2. JACK BROOKS, Democrat.
3. LINDLEY BECKWORTH, Democrat.
4. SAM RAYBURN, Democrat: Perrin AFB, Sherman.
5. BRUCE ALGER, Republican: NAS, Dallas.
6. OLIN E. TEAGUE, Democrat: Bryan AFB, Bryan.
7. JOHN DOWDY, Democrat.
8. ALBERT THOMAS, Democrat: Dickson Gun Plant* (A), Houston.
9. CLARK THOMPSON, Democrat: Foster AFB, Victoria; Matagorda Island Air Force Range, Port O'Connor.
10. HOMER THORNBERRY, Democrat: Bergstrom AFB, Austin; Camp Gary* (A), San Marcos.
11. WILLIAM R. POAGE, Democrat: Gray AFB, Killeen; James Connally AFB, Waco; 12th Air Force Headquarters, Waco; Fort Hood (A), Killeen.
12. JAMES C. WRIGHT, Democrat: Carswell AFB, Fort Worth; Fort Worth General Depot (A), Fort Worth.
13. FRANK IKARD, Democrat: Sheppard AFB, Wichita Falls.
14. JOHN YOUNG, Democrat: NAS, Corpus Christi; NAAS, Chase Field, Beeville; NAAS, Kingsville; Naval Hospital, Corpus Christi.
15. JOE M. KILGORE, Democrat: NAAS, Port Isabel; Harlingen AFB, Harlingen; Laredo AFB, Laredo; Moore AFB, Mission.
16. J. T. RUTHERFORD, Democrat: Biggs AFB, El Paso; William Beaumont General Hospital (A), Fort Bliss; Fort Bliss (A), El Paso.
17. OMAR BURLESON, Democrat: Dyess AFB, Abilene; Camp Wolters (A), Mineral Wells.
18. WALTER E. ROGERS, Democrat: Amarillo AFB, Amarillo; Cactus Ordnance Works (A), Etter; Pantex Plant (AEC), Amarillo.
19. GEORGE H. MAHON, Democrat: Reese AFB, Lubbock; Webb AFB, Big Spring.
20. PAUL J. KILDAY, Democrat: Brooks AFB, San Antonio; Kelly AFB, San Antonio; Lackland AFB, San Antonio; Randolph AFB, San Antonio; Fort Sam Houston (A), San Antonio.
21. O. CLARK FISHER, Democrat: Goodfellow AFB, San Angelo; Laughlin AFB, Del Rio.
22. ROBERT R. CASEY, Democrat: Ellington AFB, Houston.

UTAH

1. M. BLAINE PETERSON, Democrat: Clearfield Naval Supply Depot, Ogden; Hill AFB, Ogden; Utah General Depot (A), Ogden; uranium ore processing plant, Lucius Pitkin, Inc., Monticello, Utah.
2. DAVID S. KING, Democrat: Wendover AF Auxiliary Field, Wendover; Fort Douglas (A), Salt Lake City; Dugway Proving Ground (A), Dugway; Tooele Ordnance Depot (A), Tooele.

VERMONT

AL. ROBERT T. STAFFORD, Republican: Burlington Municipal Airport (AF), Burlington; Ethan Allen AFB, Winooski.

VIRGINIA

1. THOMAS N. DOWNING, Democrat: Oceana NAS, Virginia Beach; Naval Weapons Station, Yorktown; Fleet Air Defense Training Center (N), Virginia Beach; Langley AFB, Hampton; Fort Eustis (A), Lee Hall; Fort Monroe (A), Old Point Comfort; Fort Story (A), Virginia Beach; Wallops Station (NASA), Wallops Island; Langley Research Center (NASA), Langley Field; Space Task Group (NASA), Langley Field.
2. PORTER HARDY, JR., Democrat: NAS Norfolk; NAD, Portsmouth; Naval Communication Station, Norfolk; Hdqtrs., 5th ND, Norfolk; NS, Norfolk; Naval Administrative Command, Armed Forces Staff College, Norfolk; Naval Amphibious Base, Norfolk; Fleet Training Center, Norfolk; Naval Supply Center, Norfolk; Naval Hospital, Portsmouth; Public Works Center (N), Norfolk; Marine Barracks, Portsmouth; Naval Shipyard, Portsmouth; Hampton Roads Army Terminal, Norfolk.
3. J. VAUGHAN GARY, Democrat: Byrd Field (AF), Richmond; Richmond Quartermaster Depot (A), Richmond.
4. WATKINS M. ABBITT, Democrat: Fort Lee (A), Petersburg; Camp Pickett* (A), Blackstone.
5. WILLIAM M. TUCK, Democrat.
6. RICHARD H. POFF, Republican: Radford Ordnance Works (A), Pepper.
7. BURR P. HARRISON, Democrat.
8. HOWARD W. SMITH, Democrat: MCAS, Quantico; Naval Hospital, Quantico; Naval Weapons Laboratory, Dahlgren; Marine Corps Schools, Quantico; Vint Hill Farms Station (A), Warrenton; Camp A. P. Hill (A), Bowling Green.
9. W. PAT JENNINGS, Democrat: New River Ordnance Plant* (A), Wysor.
10. JOEL T. BROYHILL, Republican: Arlington Hall Station (A), Arlington; Fort Belvoir (A), Accotink; Cameron Station (A), Alexandria; Fort Myer (A), Arlington.

WASHINGTON

1. THOMAS M. PELLY, Republican: NAS, Seattle; Hdqtrs., 13th ND, Seattle; Naval Supply Depot, Seattle; District Public Works Office, Seattle; Fort Lawton (A), Seattle; Seattle Chemical Plant* (A), Seattle.
2. JACK WESTLAND, Republican: NAS, Whidbey Is., Oak Harbor; Naval Radio Station, Jim Creek, Oso; Paine Field (AF), Everett.
3. JULIA B. HANSEN, Democrat.
4. CATHERINE MAY, Republican: Larson AFB, Moses Lake; Yakima Firing Center (A), Yakima; Camp Hanford (A), Richland; Hanford Works (AEC), Richland.
5. WALT HORAN, Republican: Fairchild AFB, Spokane; Geiger Field (AF), Spokane; George-Wright AFB, Spokane.
6. THOR C. TOLLEFSON, Republican: McChord AFB, Tacoma; Madigan General Hospital (A), Fort Lewis; Mt. Rainier Ordnance Depot (A), Fort Lewis; NAD, Bangor, Bremerton; Naval Torpedo Station, Keyport; Naval Hospital, Bremerton; Naval Shipyard, Puget Sound, Bremerton; Fort Lewis (A), Tacoma.
7. DON MAGNUSON, Democrat: Auburn Depot Activity* (A), Auburn.

WEST VIRGINIA

1. ARCH A. MOORE, JR., Republican: Marshall Plant* (A), Natrium.
2. HARLEY O. STAGGERS, Democrat.
3. CLEVELAND M. BAILEY, Democrat.
4. KEN HECHLER, Democrat.
5. ELIZABETH KEE, Democrat.
6. JOHN M. SLACK, JR., Democrat: Naval Ordnance Plant,* South Charleston.

WISCONSIN

1. HENRY C. SCHADEBERG, Republican: Richard Bong AFB, Kansasville.
2. ROBERT W. KASTENMEIER, Democrat: Truax Field (AF), Madison.
3. VERNON W. THOMSON, Republican: Badger Ordnance Works* (A), Baraboo; Camp McCoy* (A), Sparta.
4. CLEMENT J. ZABLOCKI, Democrat: Gen. Billy Mitchell Field (AF), Milwaukee.
5. HENRY S. REUSS, Democrat: Disciplinary Barracks (A), Milwaukee.
6. WILLIAM K. VAN PELT, Republican.
7. MELVIN R. LAIRD, Republican.
8. JOHN W. BYRNES, Republican.
9. LESTER R. JOHNSON, Democrat.
10. ALVIN E. O'KONSKI, Republican.

WYOMING

AL. WILLIAM HENRY HARRISON, Republican: Francis E. Warren AFB, Cheyenne.

REMARKS BY DISTRICT OF COLUMBIA REPUBLICAN CHAIRMAN CARL L. SHIPLEY

Mr. GOLDWATER. Mr. President, on Monday, March 20, 1960, my esteemed friend and colleague, the senior Senator from West Virginia [Mr. RANDOLPH] took the floor to chastise Mr. Carl L. Shipley, Republican chairman of the District of Columbia. Because my colleague did not insert all of the remarks made by Mr. Shipley, and because I know that he would want to maintain his customary accuracy in this instance, I ask unanimous consent that a summary of the remarks made which are in question be inserted at this point in my remarks:

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

SUMMARY OF REMARKS BY DISTRICT OF COLUMBIA REPUBLICAN CHAIRMAN CARL L. SHIPLEY TO DISTRICT OF COLUMBIA YOUNG REPUBLICAN COLLEGE FEDERATION CONVENTION AT THE AMERICAN UNIVERSITY, MARCH 18, 1961

We Republicans face a heavy responsibility during the next 4 years in the role of a loyal opposition. Recently Democratic Congressman VINSON referred in Congress to "the healthy differences of opinion that are a part of the two-party system and the heart of

democracy." Several weeks ago the Rockefeller brothers issued a report in which they said: "What is a defining characteristic of political democracy is the existence, legally and officially, of an organized party in opposition to the party in power. The subtle notion of a loyal opposition takes us to the center of the democratic process of government. In the large perspective, the opposition party is really part of the government. Its presence means that democratic government is forced to seek as broad and tolerable a synthesis of interest as possible, and that the minority will be represented to some degree in the policies such a government eventually adopts."

This same report goes on to explain that it is within and not only between the two great political parties in the United States that a major part of the struggle between competing interests has taken place, and has been softened and negotiated.

Former President Conant of Harvard frequently refers to college students as "that distinguished society of educated men and women." With the air filled with talk of a Peace Corps, former President Eisenhower's suggestion 18-year-olds be allowed to vote, and Federal aid to education, the world is turning more and more to the vigor and leadership of younger people. Today college students have the obligation to identify themselves with one of the two great political parties. For the good of our country I hope it will be the Republican Party. As Republicans they must share in discharging the responsibilities of a loyal opposition. How can this be done? First, join the party, become a member of a Republican club or study group, such as the Young Republicans, the League of Republican Women, the Republican Club, or similar party organizations. Second, organize Republican groups on the campus. Third, get copies of the Republican and Democratic platforms. Compare the basic proposals. You will find the Republican Party places emphasis on individual self-reliance. The Democratic Party submerges the individual in collectivism. This is the great divide which makes the goals of the Republican and Democratic Parties as different as night and day.

College students, engaged as they are in the field of learning, should criticize constructively the words and deeds of the Kennedy administration. I will tell you a good place to start today.

A few days ago President Kennedy launched another of his schemes in the great Kennedy giveaway sweepstakes, which seeks to solve every problem by creating a new Government bureau and asking Congress for more money to launch another program. His latest is a request for $500 million for Latin America.

Only a few weeks ago Mr. Kennedy was campaigning on the theme that Republicans had allowed Cuba to fall under Communist domination, that we had failed to enforce the Monroe Doctrine, that we had allowed our friends in Cuba to fall under the alien spell of Soviet Russia, and allowed an alien philosophy to establish a foothold in the Western Hemisphere. He stated again and again that if elected he would set this matter right at once. Those were the words. What deeds translate those lofty words into the promised results? The answer is "none." The Cuban situation is steadily deteriorating. It is an ill-concealed political secret that he has set the stage for a similar disaster in Brazil. Apparently he is going to let those friendly people drift out on the tide. Time magazine this week carries a part of the story about Mr. Kennedy's Latin American troubleshooter, Adolf Berle, a retreaded New Dealer Mr. Kennedy sent out on a personal mission to Brazil's new President Quadros. In Time's language, "Berle stuck out his hand to say goodbye. Quadros refused to shake it, then turned his back on the special envoy of the President of the United States." Unfortunately, Mr. Kennedy is concealing the facts with respect to Brazil.

What is the result of 6 weeks of Kennedy management of our foreign affairs? The Government of Brazil has insulted Mr. Kennedy's food-for-peace mission, insulted Mr. Kennedy's personal representative Berle, and has resumed diplomatic relations with Russian satellite nations as a prelude to establishing closer ties with the Soviet Union. Brazilian officials are inviting such pro-Russian figures as Yugoslavia's Tito, India's Nehru and Ghana's Nkrumah, and others to Brazil. Brazil has also announced it may vote for Red China's admission to the United Nations, and may support Khrushchev's plan to reorganize the U.N. into complete impotence, and favors nonintervention and self-determination in Cuba—in other words, Brazil supports Castro.

The loss of Brazil to pro-Russian neutralism will be a major disaster for the United States.

The Kennedy administration is doing nothing about this ominous development, and is following a calculated policy of concealing from the American people the deterioration of our relations with Brazil. If Brazil is lost, other Latin American countries will soon follow. Then the political integrity of the Western Hemisphere and the safety of the United States will be in serious peril. It is time for President Kennedy, his family and friends of the administration, to divert some effort from philosophical proposals like the Peace Corps and the 10-year Latin American program, and get things moving now to stop the spread of neutralism and procommunism in Latin America.

College students are in an excellent position to focus public attention on the Brazilian fiasco, and to criticize lack of action by the Kennedy administration in the field of foreign affairs. I have cited Brazil as just one example. Since Mr. Kennedy has been in office, we have suffered serious losses in Laos. All of southeast Asia may slip into the hands of our enemies unless we do something. South Africa has withdrawn from the British Commonwealth, and will probably withdraw from the United Nations. Mr. Kennedy, dreaming along on his political honeymoon, is ignoring the facts. The Kennedy administration has already let us drift into serious difficulties. No doubt they hope this bad dream will go away before the honeymoon is over.

I urge you to join with students on college campuses all across the country in a call for action on the cold war front. The Kennedy administration has been losing the cold war on all fronts since it came into office on January 20. As Republicans and as good citizens you have the responsibility to arouse all Americans and give them the facts. The Kennedy administration, despite its campaign promises to get things moving, is losing the cold war on every front from Laos to Berlin at an alarming rate. And all the while President Kennedy is holding TV press conferences and announcing new programs and calling on Congress for more money. The sober truth is that he is exercising no leadership, he is doing nothing, and the Kennedy administration gives promise of being the greatest "do nothing" administration in the history of our Republic.

God bless each of you and God help all of us.

Mr. GOLDWATER. Mr. President, I would call my colleague from West Virginia's attention to this statement because in it is an explanation of the need for opposition. In these remarks my colleague will notice that Mr. Shipley has called attention to the fact that nothing has been done in Cuba; that dangerous developments have occurred in Brazil about which nothing is being done—at least, nothing that we know of. Mr. Shipley further calls for action on the cold-war front, but in this he is not alone. The American people are clamoring for this. Had Mr. Shipley's remarks been made after the President's decision on Laos, I am certain Mr. Shipley would have applauded this action, as have all Republicans.

Mr. Shipley was merely exercising his prerogative as a member of the opposition party, and I hope he will continue to exercise it. In doing this he might have called attention to the fact that while we have continued unemployment, nothing constructive has been done toward putting men back to work. We have only made it possible to provide assistance during unemployment, and I suggest that American workingmen would much rather have jobs than to be out of them. To approach this problem the New Frontier is merely using warmed-over versions of the New Deal-Fair Deal, which never pulled this country out of a depression in the 1930's. In fact, the United States was the last country in the world to come out of that depression. As Mr. John K. Galbraith has said in his book, "American Capitalism—The Concept of Countervailing Power," it took the mobilization for war to achieve an end to that depression.

To support Mr. Galbraith's contention, I ask unanimous consent to have printed in the RECORD a table covering the period 1929 through 1940.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

	Disposable personal income (8)	U.S. population (including armed forces overseas) (9)	Disposable personal income per capita (8)/(9) (10)	Consumer Price Index (1947–49=100) (11)	Real disposable personal income per capita [1] (10)/(11) (12)	U.S. employment (13)	U.S. unemployment (14)	Unemployed as percent of civilian labor force (15)
	Billions	*Millions*				*Millions*	*Millions*	
1929	$83.1	121.9	$682	73.3	$930	47.6	1.6	3.2
1930	74.4	123.2	604	71.4	846	45.5	4.3	8.7
1931	63.8	124.1	514	65.0	791	42.4	8.0	15.9
1932	48.7	124.9	390	58.4	668	38.9	12.1	23.6
1933	45.7	125.7	364	55.3	658	38.8	12.8	24.9
1934	52.0	126.5	411	57.2	719	40.9	11.3	21.7
1935	58.3	127.4	458	58.7	780	42.3	10.6	20.1
1936	66.2	128.2	516	59.3	870	44.4	9.0	16.9
1937	71.0	129.0	550	61.4	896	46.3	7.7	14.3
1938	65.7	130.0	505	60.3	837	44.2	10.4	19.0
1939	70.4	131.0	537	59.4	904	45.8	9.5	17.2
1940	76.1	132.1	576	59.9	962	47.5	8.1	14.6

[1] Disposable income per capita corrected for changes in the Consumer Price Index (expressed in dollars of 1947–49 purchasing power). Source: Cols. (8)–(15), Business Statistics, 1959 edition, U.S. Department of Commerce.

THE B–70

Mr. GOLDWATER. Mr. President, during the presidential election campaign, Mr. Kennedy called repeatedly for vigorous development and deployment of the most modern weapon systems possible. In his state of the Union message, the President supported the modernization of our forces and weapon systems. And, more recently, press dispatches claim the President is planning to place primary military emphasis on new weapons.

I fully support this emphasis on modern weapons systems, and it is my sincere hope it means the administration has decided to give the go-ahead signal for full and rapid development of the B–70 Mach 3 bomber now being constructed by the North American Aviation Co., in California. To most of us who are interested in aviation and in the ultimate category of weapons for the protection of our national interests, the B–70 program makes more sense than anything else being developed in the weapons line today.

This plane, Mr. President, has been called the most amazing plane in the world, and I believe anyone who becomes conversant with the capabilities of the B–70—even in an era which continually shocks the credulity of the layman—will agree that the title is appropriate. This plane embodies an entirely new aeronautical technology in propulsion, aerodynamics, structural material, airconditioning, reliability, and electronics.

It took half a century to bring the speed of operational aircraft up to the sound barrier. But the B–70 will not only be the first aircraft to cruise supersonically for intercontinental distances, it will also be the first operational aircraft to breach the thermal barrier. In one technical leap, it will be able to fly four times faster that its predecessor, the intercontinental B–52. This is an amazing feat of American ingenuity which, I believe, must be pursued to completion if the administration is serious about providing arms so formidable that we can be confident "beyond doubt" that they will never have to be used.

On the subject of speed, I have heard it said that the Mach 3 of the B–70 is unimpressive compared with ballistic missile speeds. But the missile's speed is not constant throughout its flight. It slows down as it reenters the atmosphere, and when it actually impacts it is going slower than the B–70 flies. True, no reasonable defense against the ballistic missile, taking advantage of this terminal slowdown, has been developed. But neither does the Soviet Union have any defensive weapon, either on the ground or in the air, that has a reasonable chance of shooting down a Mach 3 B–70 bomber.

Furthermore, speed must be valued in relation to a weapon's other capabilities. The B–70 has capabilities which missiles cannot match. It can vary the altitude and direction of attack, can use evasive action, can use tactical diversions, feints, and a combination of two or more forces attacking from different directions, to confuse the enemy. It can bring human judgment and decision, which must always be the most essential elements of combat, directly into the target area. It can bring itself and its crew back to its base to fly again and again. And it can be used in conflicts of any intensity, from a brush-fire war to an all-out nuclear exchange.

Mr. President, let me emphasize that the B–70 is not simply one among many weapons systems competing for defense dollars. Because it has unique and vital capabilities unparalleled by other weapons, it is not competitive, but complementary to them.

It is the only weapon planned as the successor of the B–52 intercontinental bomber, which has been and is the mainstay of our deterrent strength.

In its time period, the B–70 will be the only weapon providing versatility of action to an American striking force which, without it, would be composed entirely of ballistic missiles.

It will be the only Air Force deterrent weapon capable of getting clear of the ground in case of an unconfirmed warning of attack, and in this way assuring a potential enemy that he could not escape retaliation.

It will be the only U.S. strategic weapon capable of seeking out and destroying targets on the basis of actual observation, and thus will be the only weapon useful against such vital targets as mobile missile launchers and installation of uncertain location of ill-defined coordinates.

Mr. President, the current administration has put itself forward as the essence of novelty. The word "new" has been its touchstone. President Kennedy has not only called for new and modern weapons systems, but he has also specifically supported the B–70.

I, therefore, believe that the Congress, which was responsible for having the B–70 reinstated to a full weapon system last year, has a right to expect that the new administration will suit action to words, and will push the B–70 weapon system to operational status with all possible speed.

FORTY YEARS OF HONORABLE SERVICE BY WILLIAM C. ACKERMAN AT UCLA

Mr. KUCHEL. Mr. President, generations of undergraduates who have attended one of California's nationally known educational institutions, the University of California at Los Angeles, have fond and grateful recollections of a staff member who has spent virtually his entire life on the Westwood campus. Within a few weeks, deserved tribute will be paid by alumni, civic and governmental leaders, associates, and others to William C. Ackerman, a highly respected figure who has contributed generously and significantly to a host of activities and undertakings in the collegiate and athletic worlds.

Although personally I received my higher education at a university which is known by sportswriters as a traditional rival of UCLA, I long have known the affection and regard in which Bill Ackerman has won a coveted reputation as counselor, mentor, and inspiring leader in collegiate and civic affairs. His unselfish, enthusiastic participation in sports has been widely appreciated throughout southern California.

Since receiving his sheepskin in 1924 as a member of the first 4-year class graduated from UCLA, Bill Ackerman literally has been wrapped up in affairs of that institution. Nonetheless, he has managed to find time for a variety of off-campus activities. For more than a quarter century the coach of tennis, he produced 10 teams of racket-wielders which won titles in the southern division of the Pacific Coast Conference. His service at the university includes several years as director of athletics and a period as baseball coach. He worthily was honored in 1947 as UCLA's Alumnus of the Year. In the broader sports world he is likewise well known, having served as cochairman of the Los Angeles Coliseum relays, member of the Southern California Committee for the Olympic Games, the Olympic Games Tennis Committee, and the National Collegiate Athletic Association Tennis Committee.

It is heart warming to know that a virtual communitywide dinner will bespeak the appreciation felt for this devotion to this great educational institution, its long parade of students, and the cause of good sportsmanship.

FEDERAL AID TO EDUCATION

Mr. DIRKSEN. Mr. President, in the course of the hearings on the various bills to provide Federal aid for education there appeared before the Education Subcommittee of the Senate Committee on Labor and Public Welfare Mr. Roger A. Freeman, of Claremont, Calif. Mr. Freeman is a research associate at the Institute for Studies in Federalism at Claremont Men's College, and also connected with the Institute for Social Science Research in Washington.

For a great many years Mr. Freeman has made special studies in the field of Federal aid for education and, in my judgment, certainly qualifies as one of the truly authentic authorities in this field. His testimony before the Education Subcommittee was truly revealing and should be examined by every Member of the Senate in order to familiarize himself with the issues involved. I ask leave, therefore, to have Mr. Freeman's statement printed in the RECORD as a part of my remarks.

In addition thereto, I ask leave to include a statement submitted by the Investment Bankers Association of America. This statement was also presented to the Education Subcommittee on March 14 and is accompanied by a table showing the number of bond issues and the amounts involved which were validated in the various States of the Union for elementary and secondary school purposes.

In addition, there is one other appendix to indicate the number of school bond issues which were sold in the week of February 27 to March 3, 1961. This information is as current as any which can be obtained and should prove highly informative and useful to the Members.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

STATEMENT OF ROGER A. FREEMAN, CLAREMONT, CALIF., BEFORE THE SUBCOMMITTEE ON EDUCATION OF THE COMMITTEE ON LABOR AND PUBLIC WELFARE, U.S. SENATE, 87TH CONGRESS, 1ST SESSION, ON MARCH 13, 1961

My name is Roger A. Freeman, I am a research associate at the Institute for Studies in Federalism at Claremont Men's College, Claremont, Calif., and also connected with the Institute for Social Science Research in Washington. I am appearing before your committee at the invitation of your chairman. I received his telegram asking me to testify only last week and, because of other commitments, have had to prepare this statement in considerable haste. For this reason, I request that I be permitted to edit my testimony before it is inserted in the record of the committee.

For the information of your committee, I would like to state that I directed the research of the Education Committee of the U.S. Commission on Intergovernmental Relations in 1954–55, served as a consultant on school finance to the White House Conference on Education, and subsequently worked in the White House Office, Executive Office of the President, before I entered upon my present assignment. Previously, I had been assistant to the Governor of the State of Washington for about 6 years. Opinions I may express are entirely my own and do not in any way aim to reflect the views of any of the organizations with which I am or was connected.

School revenues have shown a consistent rise in the postwar period, when measured against the national income, and virtually all of those who in recent years have studied the outlook for school finances are agreed that taxes for school purposes are likely to continue to climb over the next 10 years.

Public school revenues as a percentage of the national income, 1946–61

	Percent
1945–46	1.7
1949–50	2.4
1954–55	2.7
1959–60	3.4
1960–61 (estimate)	3.5

There is, however, no agreement on the type of taxes—income, sales or property—which ought to be increased, nor on the levels of government—Federal, State, or local—which should accept the responsibility for it.

The National Tax Association, the country's leading professional society of teachers, administrators, and practitioners in the field of taxation, appointed in 1957 a committee on the financing of public education and gave it the assignment to study and report on the financing of the public elementary and secondary schools. The committee, under my chairmanship, has been at work for over 3 years and completed its report in January 1961. It recommends various methods by which school revenues can be lifted to a level of about $24 billion by the end of the 1960's. On some policy issues a majority and a minority view is expressed. In my testimony I intend to lean heavily on the findings of that committee in regard to sources of taxation for school purposes.

The report will appear in the "Proceedings of the 53d Annual Conference on Taxation," now in the printing stage, and scheduled to be published in April 1961. I am submitting a copy of the report for the information of your committee and any use it may wish to make of it.

Most of the bills which are under consideration by your committee would increase the Federal school contribution, which so far has been relatively small, by amounts which equal 5 percent of the school budget or less. Most of the Federal support to this date has been in the form of agricultural commodities or other school lunch aid and in the nature of payments in lieu-of-taxes to federally impacted areas. The grants-in-aid for educational school programs equal less than 1 percent of the school budget and slightly over one-tenth of 1 percent of the Federal budget.

The legislative proposals for Federal school aid before the 87th Congress may be classified as follows:

(a) Grants for general school support; this includes S. 8 by Senator MCNAMARA, S. 723 by Senator COOPER, and S. 1021 by Senator MORSE.

(b) Grants for school construction; this includes S. 433 by Senator DIRKSEN (some bills before the House of Representatives also propose loans).

(c) Sharing of certain Federal revenues with the States, with the proceeds earmarked for education; this includes S. 293 by Senator COTTON.

(d) Federal income-tax credits for payment of local school taxes or tuition payments; this includes S. 991 by Senator GOLDWATER and S. 792 by Senator KEATING.

1. THE EFFECT OF FEDERAL AID ON SCHOOL FINANCES

Most of the school-aid bills before the 87th Congress would allocate between $250 million and $1 billion in Federal funds annually to the States, with the typical amounts around $700 million.

The public school budget now totals over $16 billion and is projected to rise to at least $24 billion, and possibly as much as $31 billion, by the end of the 1960's. It is apparent that the bills now under consideration would make only a minor contribution—barely more than a token—to the overall requirements of the schools and leave most of the problem of augmenting, within 10 years, school funds by between 75 percent and 100 percent with the States. These proposals either assume that the States have the capacity to raise, for example, $23 billion or $30 billion a year for the schools but cannot raise the one additional billion or they are intended as the start of a Federal program which, within a few years, will climb to between $5 and $8 billion annually.

It is difficult to predict what effect these proposals would have on the level of school finances. States and communities have been increasing their school support more rapidly than has generally been expected. For example, the White House Conference on Education proposed that school funds be doubled within 10 years. But in 6 years which have since passed, school revenues rose at a decennial rate of 153 percent, and the increase between 1950 and 1960 equaled 152 percent.

The growth in school support in the postwar period has been on an accelerating rate. Increases in school revenues averaged $527 million annually in the 7 years 1945–46 through 1952–53; $940 million annually in the 8 years 1953–54 through 1960–61. The increase in each of the past 2 years exceeded $1 billion. Better than 95 percent of these amounts were provided by States and communities. The crucial question is whether State and local support will continue to improve at its current rate if Federal funds are made available for school purposes.

Several of the bills such as S. 1021 (H.R. 4970), S. 8 (H.R. 446), or S. 723 would impose upon States whose expenditures or effort decline, and two of the bills require certain year-to-year increases. But even the comparatively stringent formula in S. 1021 would exempt most States from penalties and could not prevent States from a material slowdown in the improvement of State and local support.

Federal school aid has widely been proposed as an alternative to higher State and local taxes. For example a recent report stated: "In Pennsylvania, Governor Lawrence holds off proposing any substantial increase in State aid for schools in the new budget; he looks instead to Congress to authorize Federal educational grants for States."

That this view is neither new nor unique is apparent from something that Woodrow Wilson wrote in 1886 when Federal aid was being debated in Congress as intensely as it is today: "It was evident that no increase in the State appropriation for public education would be voted as long as there was the least prospect of aid from Washington * * * there was deliberate determination to enjoy the easy position of a beneficiary of the National Government to the fullest possible extent, rather than to be independent and support a good school system by its own unaided efforts."

It is very doubtful whether States and communities will continue to raise school support from their own sources by a billion dollars each year if a program of Federal aid is adopted. At least part of the Federal funds would thus serve as a substitute for State and local support rather than as an addition to the school budget.

If, for example, it were assumed that the funds under the President's program (S. 1021 and H.R. 4970) were divided equally between construction and teachers' salaries, the picture might be as follows: $333 million could build approximately 7,500 classrooms, or slightly more than 10 percent of the 70,000 now annually built by States and communities. If about one project in five were eligible for Federal matching many boards of education would tend to defer their building plans for one or several years until they too become eligible. School bond issues—now at a record high both in amount and in approval percentage—might fall more often, as many communities would be reluctant to approve proposals which carry no Federal funds.

If the other half of the Federal appropriation were applied to teachers' salaries (thus not augmenting the number of teachers but raising their salaries) it would finance a salary increase of about $200 in the first year of the program and of another $30 in each of the 2 succeeding years. States and communities have increased teachers' salaries by an average of $230 in each of the past 8 years. Would State legislatures and communities be as willing as they have been to vote for higher taxes for raising teachers' salaries if Federal aid for that purpose were made available?

Such questions are difficult to answer but they must be taken into consideration when considering the various aid proposals. It is doubtful whether programs which supply relatively small amounts of Federal funds would raise the overall level of school finances by very much. They would accomplish their purpose, however, if the substitution of Federal funds for State and local funds as such is held desirable because it would enhance the influence of the professional administrators upon school policies. It certainly would make them less dependent upon the good will and approval of State legislatures, boards of education, communities and parents.

2. THE EFFECT OF FEDERAL AID ON SCHOOL CONTROL

Most of the bills declare that they intend to leave the control of education with the States, and several bills specifically forbid Federal departments or employees to exercise control over the schools. There is, however, a considerable difference in the effect which the several types of plans would have on the making of educational policy.

The proposals for tax credits or for the sharing of revenues would leave the power of making decisions about where it is now located. They would use the Federal tax machinery for educational purposes by one of two methods: they would either channel Fed-

erally-collected funds to the States or they would enable States and communities to collect higher taxes and fees whose burden would be borne by the general Federal taxpayer rather than by the communities which make the expenditure.

Particularly some of the tax credit proposals would tend to strengthen the influence of parents, and of local residents in general, upon school affairs, and distribute benefits fairly to all children. They would run counter to the suggestion which has received considerable attention in recent years, that the influence of the professional educators and administrators upon school policies ought to be broadened and reenforced.

One objection to tax sharing proposals has been that they would, so to speak, leave the money where it is, in other words not redistribute the funds as between high-income and low-income States. This is correct. But the effect of the so-called equalizing aid formulas in narrowing the fiscal capacity among the States is very small. The difference in the size of the grant between the highest and the lowest States in the administration bill (S. 1021 and H.R. 4970) is $4.45 per capita of population. The incidence of Federal taxation among the States varies from $961 to $178 per capita, which is a difference of $783. In other words the differential impact of Federal taxation is more than a hundred times greater than the impact of the distribution formula in the proposed school grant program would be. The effect of the program in more nearly equalizing fiscal capacity among the States would be diminutive compared with the working of the Federal tax system.

The House of Representatives twice adopted an amendment which would have employed the revenue sharing principle for educational purposes, once in regard to 1 percent of the income tax collections and once in regard to 25 percent of the cigarette tax collections. Both actions were subsequently rescinded.

Another possibility of using the Federal taxing machinery for the support of State and local public services would be a so-called block grant. For example, Great Britain in 1958 combined the 12 major functional grants of the National Government to local authorities into one unconditional purely fiscal grant. This method makes centrally collected funds available to local governments but leaves the control over their activities in local hands.

Opposition to any type of tax credit, revenue sharing, or unconditional fiscal grant seems to relate to the fact that the funds would be channeled from the U.S. Treasury to the State treasuries, bypass the Federal and State departments of education, and thus leave policy decisions with the general State and local authorities.

Most of the grant-type bills before the 87th Congress propose that each State educational agency use its own judgment in drafting a plan on the division of funds as to purpose and among the several districts within a State, subject to the approval of the U.S. Commissioner of Education. Those bills would tremendously strengthen the position of State departments of education versus the general State and local authorities. It is significant that most of the bills while outlawing control of local schools by a Federal agency, impose very stringent controls, and in effect, mandates, upon State legislatures.

Proposals for Federal school aid have often become enmeshed in a debate of whether they will or will not lead to Federal control. I tend to agree with Max Lerner who in a significant article in the Journal of the National Education Association (October 1958) stated:

"The choice before us is not a choice between the control of education by local officials and by National Government officials: that is not the choice, and don't let anyone tell us it is. The choice is between control by people who have not given their lives to education and control by people who have given their lives to it."

The significant effect of the grant-in-aid type bills probably would be a shift in control from general State and local authorities, that is from State legislatures, parents, and communities, in other words from lay persons, to the nationally organized educational administrators at Federal, State, and local levels. Such a shift is held desirable, necessary, or inevitable by many. The school administrators' journal Overview editorialized in November 1960: "The United States is inexorably moving toward a national system of education * * * the long-held views that education is largely a personal concern and that educational policy should be made by local units of government will have to go * * * the national welfare demands a national system of education." Dozens of similar statements from leading educational administrators and professors of education could be cited.

On the other hand, many persons hold that just as war is too important to be left to the generals, education is too important to be left to the educators.

The fact is that most—though not all—of the school administrators who have appeared before congressional committees to testify on Federal aid proposals have spoken in favor of grant programs controlled by State departments of education. When the Governors of the States were polled by the House Committee on Education and Labor in 1959, they spoke overwhelmingly in opposition to Federal aid. None of the tens of thousands of State and local boards of education has appeared to testify on behalf of Federal school aid for at least the past 5 years, but some have testified against it. The National School Boards Association has refused to endorse or support Federal aid.

In summary: Federal funds could be provided for local schools by several methods which would not result in a change in educational control. The adoption of grant-type school aid programs however would significantly alter the power structure and policy directions in the American public schools.

The most frequently cited purpose of Federal aid to schools is a substantial increase in funds which is held necessary, first because of rising enrollments and, second, because of existing shortages of classrooms and teachers. It appears therefore appropriate to review the prospects of enrollment and classroom and teacher supply.

3. THE ENROLLMENT OUTLOOK

The decade of the 1950's saw the most spectacular expansion of the school-age population. The number of young people between 5 and 17 years of age jumped by 46 percent. As of now the "tidal wave" has all but passed. Between 1960 and 1970 the school-age population will grow only 20 percent. The annual increase in the past 5 years averaged 1.5 million. Between 1965 and 1970 it will average only 644,000 a year.

Enrollment in the public schools grew 1.2 million annually in the past 5 years; in the second half of the 1960's it will increase less than 600,000 a year. It is not that the entering classes will be smaller but the difference between the entering and the leaving classes will decline sharply as the war and postwar babies start to graduate.

Actually, public schools never faced nor managed as difficult a situation as did the private schools. While public enrollment grew 42 percent over the past 20 years, private enrollment jumped a dramatic 147 percent. We may speculate about the cause of this extraordinary shift from public to private schools which occurred in spite of the fact that class sizes are much larger and overcrowding far worse in most private schools. Be that as it may, the population projections of the Bureau of the Census prove beyond doubt that the worst of the big enrollment expansion in the public schools is almost over. Growth will continue on a more moderate scale.

4. THE CLASSROOM SHORTAGE

The Office of Education reported a classroom shortage as of the fall of 1960 of 142,100 classrooms. The report—as its predecessor a year earlier—was sharply criticized by examiners of the Bureau of the Budget, held up for some time, but finally released by the former Secretary of Health, Education, and Welfare on his last day in office, January 19, 1961. It can be better evaluated in a historical perspective.

Congress in 1950, ordered a national school facilities survey. It was undertaken at a cost of more than $5 million and reported a shortage of 312,000 classrooms. Then, in the fall of 1954 the U.S. Commissioner of Education testified that the shortage had grown to 370,000 and other responsible officials predicted that it would, within 3 years, rise to 600,000.

When the White House Conference on Education soon after polled the States, it arrived at a shortage of 198,625. Finding itself under a barrage of criticism, the Office of Education revised its estimates, and its annual canvass of classroom shortages started coming down until it hit a low of 132,400 in the fall of 1959. A year later it reported a shortage of 142,100 classrooms. This was 230,000 less than had been reported 6 years earlier, and 360,000 fewer than had been predicted.

But the new figure does not seem to be any more reliable than the earlier ones. Statistics for the years 1956 and 1960 taken from the reports of the Office of Education, were inserted in the CONGRESSIONAL RECORD of January 31, 1961 and show this 4-year comparison: enrollment had grown 4.8 million children who required the addition of 171,000 classrooms. The number of classrooms in use—after deducting those which had been abandoned—has increased by 252,000 which left 81,000 classrooms for the reduction of shortages which existed in the fall of 1956. But the shortage reported by the Office of Education had been reduced by only 17,000. This means—and a detailed analysis confirms it—that several States had meanwhile "upped" their shortages by 64,000 classrooms by either raising their standards or reevaluating their needs. Actually in those 4 years enrollment had increased 15 percent, the number of classrooms in use 23 percent, and the number of pupils per classroom had declined from 29.0 to 27.1.

These figures may appear dry but they are significant. They prove that the various shortage reports are not all internally consistent nor using standards which would permit valid comparisons from year to year and add up to a meaningful national total. They largely express the opinion of hundreds of individuals all over the country, which fluctuate from year to year, from State to State, from school district to school district.

With several reevaluations taking place each year in a number of States, the reported shortages could go up at a very rapid rate or continue to run erratically, as they have for the past decade. The Budget Bureau examiners commented correctly that these are not reports upon which valid conclusions in regard to national policies could be formed. The race between shortage reports and construction is like greyhounds chasing a mechanical hare. The hare always wins.

The incontestable fact is that over the past decade more than 600,000 classrooms were completed while the increased attendance required the addition of only 400,000. This means that over 200,000 new classrooms were made available to replace old ones and

to reduce class sizes. That it was possible to accomplish this in the decade of the most rapid enrollment growth demonstrates, more dramatically than words could, the faith of the American people in education. This record is the result of thousands of communities voting bond issues and higher taxes year after year. It may be well to note that the new public schools, built in the postwar period, now house close to 20 million American children—compared with schools for 9 million children which—according to their own claims—the Russians built in the same span of time.

The statistics of the Office of Education about children in excess of normal enrollment are even less reliable than classroom reports, as a comparative analysis proves, and as the Budget Bureau examiners found on a field inspection trip to nine States in 1960.

But to judge the outlook in the classroom situation we do not need to spend more time with these statistics, although the more closely they are analyzed, the more misleading they turn out to be.

In his education message on February 20, 1961, President Kennedy said: "In order to meet current needs and accommodate increasing enrollments, if every child is to have the opportunity of a full day education in an adequate classroom, a total of 600,000 classrooms must be constructed during the next 10 years."

The figure of 600,000 over the next 10 years—an average of 60,000 a year—is based on estimates which the Office of Education prepared during 1960, and which accept all shortage claims at face value, regardless of their validity. I may mention that this is exactly the figure at which I arrived in a study of "School Needs in the Decade Ahead," published in 1958 (pp. 203–204).

Now 60,000 classrooms a year may appear to be a big order until it is recalled that States and communities have been building 70,000 classrooms each year for the past 5 years. This means that the volume of school construction can materially decline during the 1960's and still produce all the classrooms the public schools reasonably require. The reason for this reduced need is apparent from the earlier cited enrollment projections: While in recent years 40,000 classrooms a year were needed just to house the additional enrollment, we shall need only 20,000 classrooms a year for that purpose when enrollment increases drop to half their present size in the later 1960's.

There were complaints last year from the then Secretary of Health, Education, and Welfare and others that school construction was declining and that action was urgently called for to meet this emergency. We know now, from more recent reports of the Department of Health, Education, and Welfare, that school construction did not decline at all. We know also that in the school year 1959–60 the public schools had 360,000 fewer pupils but 7,000 more classrooms and 10,000 more teachers than Congress and the public were told early in 1960. The figures were quietly adjusted after the 86th Congress had adjourned.

At the present time there is no indication of a proximate decline in school building activity; quite the contrary. The Investment Bankers Association of America just reported that the amount of school bonds approved at elections and the approval percentage reached new record highs of $1.8 billion and 81 percent respectively in 1960. January 1961 again established a new record.

Because of the considerable interval between bond approval and completion of work, a high volume of school construction appears to be assured for some time to come. The Department of Commerce estimated that public educational construction would increase 8 percent in 1961 over 1960.

The so-called taxpayers' revolt belongs in the realm of fiction, as does the exhausted fiscal capacity of thousands of communities needing classrooms. The Department of Health, Education, and Welfare conducted a telegraphic survey among chief State school officers slightly over a year ago and found that only 237 school districts were reported as having exhausted their legal capacity, needing classrooms, and having no access to funds. No attempt was made to verify the reports from the 237 districts, most of which were small. But even at that, the survey does not suggest a critical situation among the country's 40,000 school districts.

In summary: The school building situation has shown a tremendous improvement in the past decade and is continuing to improve. States and communities are building classrooms at a more rapid rate than they will need to maintain through the 1960's. Some communities, to be sure, are lagging, particularly those which have for some years been waiting for the Federal Government to do the job for them. Whether that situation would be improved by the enactment of a program at this time remains to be seen.

5. THE TEACHER SHORTAGE

There have been complaints for many years that our educational institutions are suffering from a severe shortage of instructional personnel which is growing worse as enrollments soar. The U.S. Office of Education placed the teacher shortage in the public schools at 72,000 in 1953 and gradually raised its estimate until it hit 195,000 in the fall of 1959. That report, however, was so severely criticized that the office omitted a reference to the teacher shortage in its regular report in the autumn of 1960.

On the whole, the available statistics seem to indicate that education has made great strides in meeting its manpower needs. Over the past 30 years the number of employees in all public education (lower and higher) increased 140 percent, employment in private industries 45 percent. Simultaneously enrollment in public education rose at the same rate as the population of the United States as a whole: 45 percent.

Employment in public education and in private industries, 1929 and 1959

	1929	1959	Percent increase
Employment in public education	1,120,000	2,684,000	+140
Employment in private industries	34,088,000	49,374,000	+45

Source: U.S. Department of Commerce, National Income, 1954 edition; Survey of Current Business, July 1960.

The public schools have managed to increase their teaching staff proportionately faster than enrollment, and the number of pupils per teacher has consistently been reduced:

Enrollment and teachers in the public schools, 1900 and 1961

School year	Enrollment	Instructional staff	Number of pupils per teacher
1899–1900	15,503,000	[1] 436,000	35.6
1929–30	25,678,000	880,000	29.2
1960–61	37,244,284	1,526,079	24.4
Increase or decrease, 1900 to 1961	*Percent* +140	*Percent* +250	−11.2

[1] Adjusted for 13,000 administrators in 1900.

Source: 1900 and 1930: U.S. Office of Education, Statistical Summary of Education, 1955–56. National Education Association, Estimates of School Statistics, 1960–61.

The foregoing table shows that since 1900 the number of pupils in the public schools increased 140 percent, the number of teachers 250 percent, and the number of pupils per teacher was reduced by 11.2.

Taking only the past 7 years, when according to the Office of Education the teacher shortage climbed sharply, the picture appears as follows:

Enrollment and teachers in the public schools, 1953–54 and 1960–61

	School year 1953–54	School year 1960–61	Increase or decrease
Instructional staff	1,098,320	1,526,079	*Percent* +39
Less teachers without full certificates	78,850	93,917	+19
Total	1,019,450	1,432,162	+40
Pupil enrollment	28,916,703	37,244,284	+29
Number of pupils per certificated teacher	28.4	26.0	−2.4

Source: National Education Association, Estimates of School Statistics, 1960–61.

The table shows that in the past 7 years the number of pupils increased 29 percent, the number of certificated teachers 40 percent and the number of pupils per certificated teacher dropped 2.4.

The claimed increase in the teacher shortage was arrived at largely by aiming for a more rapid cut in class size and by omitting from the calculations about half the teacher supply, that is those who return to the schools after taking other jobs, raising a family, or engaging in additional study.

What the pupil-teacher ratio should be is a matter of opinion. Numerous research studies have been unable to show that children learn more in small classes than in large, and in fact, the results seemed to point in the opposite direction. However, the schools have been successful in cutting class sizes and will undoubtedly continue to do so.

The outlook for teacher supply is highly favorable. The percentage of college students who prepare for a teacher's certificate rose from 21 percent in 1948 to 31 percent in 1955 and has since been stable at that level. The number of bachelors' and first professional college degrees is projected to rise sharply during the 1960's:

Number of earned college degrees: 1958–59, 387,000; 1968–69, 703,000; increase, plus 82 percent.

(Source: U.S. Office of Education, "Projection of Earned Degrees to 1969–70.")

If the percentage of college students seeking a teaching career remains stable over the next decade, the number of newly graduated teachers will almost double. But enrollment increase will be far less as I pointed out earlier: the school-age group (5–17) which increased 46 percent between 1950 and 1960 is projected to grow only 20 percent between 1960 and 1970.

The U.S. Office of Education presented the following picture in a recent report (Staffing and Constructing Public Elementary and Secondary Schools, 1959–69). The enrollment increase in the public schools averaged 1,207,000 annually between 1955 and 1961; it will average only 589,000 between 1965 and 1969. The required annual increase in instructional staff in the public schools which averaged 60,000 in the past 5 years will average only 25,000 between 1965 and 1969.

But the output of college graduates will jump from an annual average of 336,000 in the past 5 years to an average of 594,000 between 1965 and 1969.

With the demand due to shrink and the supply rising it is likely that the colleges would be training more teachers than could land jobs if the present percentage of col-

lege students seeking a teaching career were maintained.

The NEA "Teacher Supply and Demand Report for 1956" predicted an end to the teacher shortage by the early 1960's, and this status has just about been reached. Within a few years the problem is likely to be to find jobs for all teacher graduates.

It is widely believed that teachers as a group are underpaid and that their salaries should be substantially raised. The Department of HEW, in its above-cited report suggested an increase of 50 percent in teachers' salaries between 1959 and 1964. In the past (that is since 1900) teachers' salaries have, on the average, risen 26 percent in dollars of constant value every decade. Over the past 30 years (1929 to 1959) teachers' salaries improved 106 percent, the earnings of all wage and salary workers 91 percent, and earnings of the civilian employees of the Federal Government 73 percent. (This raises the question of whether teachers would be better off if their wages were tied to the Federal payroll.)

Earnings of teachers and other groups, 1929 and 1959

	Teachers	All persons working for wages or salaries	Civilian employees of the Federal Government
1929 (actual dollars)	$1,400	$1,405	$1,933
1929 (in 1959 dollars)	$2,380	$2,389	$3,286
1959	$5,013	$4,553	$5,682
Increase in percent (constant dollars)	+106	+91	+73

Source: National Education Association, Economic Status of Teachers in 1959–60, Survey of Current Business, July 1960.

A 1958 survey demonstrated that men teachers earn less than men engineers, lawyers, judges, physicians, surgeons, dentists, architects, etc. The same survey and other studies have shown that women teachers average higher earnings than other women college graduates or professional workers. The problem thus seems to be how to attract more of the able men students into teaching. While the percentage of men among the public school teachers has been rising it appears that male students with above average ability tend tq seek careers in other professions or private industry. It has been suggested that this could be remedied by paying teachers by individual merit and performance because it is unlikely that boards of education would be willing to pay all teachers as much as good teachers are worth. But there have also been strenuous objections to such proposals which, it is charged, would ruin the morale of the teaching force.

In summary: The public schools have been able to increase their teaching staff proportionately faster than the rise in enrollment, and the number of pupils per teacher was gradually reduced from 35.6 in 1900 to 24.4 in 1961. Meanwhile the educational requirements for teachers were sharply raised and their professional preparation lengthened. Few teachers are hired nowadays who do not, at least, have a college degree, except in the very few States in which a fractionalized school organization survives. The level of teacher compensation has apparently been sufficient to attract a growing number of qualified applicants.

Current projections indicate that annual school enrollment increases will shrink to half their present size in the 1960's, while the output of new teachers may rise 82 percent or more. Thus the outlook is for an adequate supply of teachers.

6. RECORD AND PROSPECTS OF SCHOOL FINANCE

It has repeatedly been charged that the funds allocated to the schools are woefully inadequate, that too small a share of the Nation's income is allocated to education, and that personal consumption and private industry have forged ahead while the schools were left behind to subsist on a starvation diet.

The following table shows the record of educational finances since 1940:

Educational expenditures and enrollment, 1940 to 1961 (includes public and nonpublic schools at all levels—elementary, secondary, and higher)

School year	Expenditures	Enrollment (students)
1939–40	$3,199,593,000	29,751,203
1949–50	$8,795,635,000	31,319,271
1960–61	$26,000,000,000	48,650,000
Increase 1940–61 (percent)	713	64

Source: 1940 and 1950: U.S. Office of Education, Statistical Summary of Education, 1955–56. 1960: Expenditures, estimate in the President's education message, Feb. 20, 1961. Enrollment: Release of the U.S. Office of Education, Aug. 14, 1960.

The table above shows that since 1940 enrollment in educational institutions increased 64 percent, expenditures 713 percent. When allowance is made for the loss of half the dollar's value, the rise in expenditures was 306 percent compared with an enrollment expansion of only 64 percent.

If educational outlays are related to the Nation's resources we find that the share of the national income devoted to education has quadrupled since 1890; it increased 50 percent between 1950 and 1961:

Expenditures for education as a percentage of national income 1890 to 1961 (all levels of education, public and private)

	Percent
1890	1.4
1913	2.2
1930	3.7
1950	4.0
1958	5.4
1961	6.1

Source: 1890 and 1913: Roger A. Freeman, "School Needs in the Decade Ahead," Washington, 1958, p. 5; 1930 to 1958: U.S. Office of Education, "Progress of Public Education in the U.S.A. 1959–60"; 1961, estimate, based on statement in the President's message, Feb. 20, 1961.

This record certainly bears out what I wrote in my book "School Needs in the Decade Ahead," the Institute for Social Science Research, Washington, 1958, page xxi:

"The American people have loyally and faithfully supported their schools. The record of steeply increasing school revenues is nothing short of spectacular and makes no persuasive case for holding insufficient funds responsible for shortcomings in the product of our public school system."

Comparisons with other countries are, at best, approximations. UNESCO statistics indicate that almost all other countries allocate a smaller percentage of their national income to education. The Soviet budget for 1960 allowed 102 billion (old) rubles for education and culture, which includes besides educational institutions, radio, TV, museums, theaters, etc. This is the equivalent of about $10 billion. The Russian GNP has been estimated at 40 percent of our GNP. From this it appears that the Soviets do not allocate a larger percentage of GNP to education than the United States.

When we compare the public schools with other sectors of the economy we find the following increases between 1929 and 1960 (school years 1929–30 and 1960–61):

	Percent
Public school expenditures	611
Personal consumption	315
Corporate profits	177

Over the same period public school enrollment expanded at a slightly lower rate than the total population of the United States (45 percent for the schools versus 48 percent for the U.S. population).

There is no objective measure on how much should be spent on education or of what constitutes adequate school support. Undoubtedly aspirations and demands will always be ahead of realization, they will always aim for more, no matter at what level.

In summary: The meaning of the past record for the future outlook is this: Over the past 10 years enrollment in the public schools expanded 43 percent which is slightly faster than the simultaneous growth in GNP of 38 percent (constant dollars). In the next 10 years school enrollment is projected to expand only 20 percent, while the national product is expected to grow at least at the same rate as in the past decade, and, hopefully, faster.

In the past 10 years, under a system of State and local support, school revenues increased 152 percent in current dollars, or 98 percent in constant dollars. Why should States and communities not be able to raise their school funds sufficiently in the coming decade when enrollment will grow only 20 percent?

7. SOURCES OF SCHOOL REVENUE

The real question is not whether it is possible to raise adequate support for the schools but how. This question was explored by the Committee on the Financing of Public Education of the National Tax Association to which I referred earlier in my testimony. The rest of this section "(7. Sources of School Revenue)" consists entirely of quotations from the report of the mentioned committee:

"CHAPTER III—SOURCES OF SCHOOL SUPPORT BY LEVEL OF GOVERNMENT

"Until about a generation ago the support of the public schools was largely a local affair. More than four-fifths of all school funds was raised by school districts and other local units of government, and State aid was of substantial size in only few States outside the solid South. During the depression, war, and immediate postwar years State school contributions climbed steeply and the percentage of school income provided by State governments jumped from less than 18 percent prior to 1930 to about 40 percent in 1948. Since 1948 the State share has remained stable at 40 percent of school revenue.

"TABLE VIII.—*School revenues and State support in selected years 1890 to 1960*

School year ending in—	School revenues	Percentage from State aid
	Millions	
1890	$143	18.4
1900	220	17.2
1930	2,089	16.9
1948	4,312	38.9
1960	13,472	40.1

"Source: U.S. Office of Education, 'Statistics of State School Systems, 1955–56,' 1959. NEA, 'Estimates of School Statistics, 1959–60.'

"The National Education Association estimated the sources of school revenues in 1959–60, as follows:

	Million	Percent
Federal Government	$482	3.6
State governments	5,396	40.1
Local governments	7,594	56.3
All revenues	13,472	100.0

"The historical record shows that the relative shares of State and local governments in the public school support maintained a remarkable stability between 1890 and 1930 and between 1948 and 1960; the State share

increased only during the turbulent years from 1930 to 1948. In absolute amounts, of course, both State and local funds rose sharply. During the 1950's aggregate State and local school support increased an average of $800 million each year.

"The question of Federal support of education can obviously not be considered merely in the context of the schools but only against the background of Federal-State fiscal relations and the general tax structure. An adequate discussion of these problems would far exceed the scope of this report. But some of the significant facts need to be cited.

"It is well known that the number of Federal grant-in-aid programs to the States for various purposes has sharply expanded in the past quarter century. The aggregate amount tripled in the 1930's, tripled again in the 1940's, and tripled a third time in the 1950's:

"TABLE IX.—*Federal grants-in-aid to State and local Governments, in selected years 1922 to 1960*

"[In millions]

"Fiscal year:	*Amount*
1922	$118
1932	232
1940	884
1950	2,371
1960	7,435

"Source: 1922 to 1950: U.S. Bureau of the Census," Historical Summary of Governmental Finances, 1959; 1960, CONGRESSIONAL RECORD, vol. 106, pt. 3, p. 2817.

"It is apparent that a continuation of the historic growth rate of Federal grants, through the expansion of existing programs and the adoption of large new ones, would within another decade or two make State and local governments largely dependent upon Federal support. Resistance to expansion of the Federal role has been particularly noticeable in education because of a widespread belief—which is vigorously denied by other groups—that Federal aid would lead to Federal control.

"The advocates of increased Federal aid point out that State and local revenues rise more slowly than Federal tax receipts, that the Federal Government has increased its share of all taxes from about one-third to two-thirds and that this latter fact imposes an obligation upon the U.S. Treasury to accept increased responsibilities for public services.

"Between 1902 and 1959 Federal revenues multiplied 132 times, State-local revenues only 46 times. However the sharp Federal expansion took place only during the short periods of war. For example between 1940 and 1944 Federal revenues grew 634 percent, State-local revenues only 24 percent, between 1950 and 1952 Federal revenues increased 65 percent, State-local revenues 23 percent. During the intervening peace periods however State-local revenues consistently expanded faster than Federal revenues or national income:

"TABLE X.—*Rate of increase in Federal- and State-local revenues in peacetime periods 1902–59*

"[In percent]

Fiscal periods	Federal revenues	State-local revenues from own sources	National income
1902 to 1913	+47	+94	+80
1922 to 1940	+64	+113	+24
1944 to 1950	−15	+73	+30
1952 to 1959	+20	+67	+34
(1944 to 1959	+68	+256	+118)

"Source: U.S. Bureau of Census, 'Historical Summary of Governmental Finances,' 1959; U.S. Bureau of the Census, 'Governmental Finances in 1959,' 1960.

"The expansion of State-local revenues by 256 percent since the end of World War II is particularly significant. Federal revenues, in contrast, grew more slowly than national income. The Federal share of all public revenues gradually shrank from 79 percent in 1944 to 64 percent in 1959. Some observers favor a continuation of this trend. Others would rather have the Federal Government assume an increasing share of the aggregate fiscal responsibility in the United States. If the postwar trend were reversed, the Federal share of public revenues might again rise to 75 or 80 percent.

"Lack of adequate State-local fiscal capacity probably is the most frequently cited argument in favor of increased Federal aid to the schools and for other purposes. But the spectacular growth of State-local tax revenues in the postwar period—which greatly exceeded the expectations and projections of most fiscal economists—seems to suggest that State-local resources are more expandable than has widely been assumed. Resistance to tax increases (and pressure for tax cuts) appears to have been far less effective at the State-local than at the Federal level. Much of the State-local resistance is undoubtedly related to the heavy burden of Federal taxes which was imposed during the war, and has since been only slightly alleviated. This condition would be aggravated if reliance for additional tax funds were shifted from State-local governments to the U.S. Treasury.

"Virtually all material resources within the United States are subject to the taxing powers of the States. There are no Federal constitutional or statutory restrictions which significantly hamstring the taxing capacity of State-local governments. Tax limitations in State constitutions were placed there by the people of the respective States and can be altered and removed by the same process by which they were originally inserted

"It has frequently been stated that interstate competition prevents States from raising their taxes. The fact that pressure for expansion of public services and the need to revise taxes is strong in all States and the steep rise in State-local revenues during the postwar period (to a considerable extent due to sharp and repeated tax boosts) would seem to contradict this argument. Whether high State-local taxes have deterred industrial growth in any State is doubtful. James W. Martin and William G. Herzel surveyed some of the more important studies of the impact of State and local taxes upon industrial location and concluded that differentials among the States do not exert a primary influence upon industrial development.[1] Several other reports have confirmed these findings.

"Some observers point at the difficulty which even some of the wealthier States have experienced in recent years in trying to raise taxes to meet larger appropriations (the States are at the end of their financial ropes). Others suggest that these difficulties are of a purely political nature, that they are caused by a desire to gain popularity by more generous spending of public funds combined with a reluctance to accept the political responsibility for higher taxes.

"They emphasize that Federal revenues fell short of outgo in 24 years out of the past 30, and that even during the prosperous 1950's, 7 Federal budgets out of 10 were in the red, with an aggregate deficit of $32 billion.

"It is sometimes pointed out that the wealthier States may possibly have the economic resources to meet their public service needs but that some of the low-income States would have to impose prohibitive rates if they were to levy taxes to produce comparable amounts (e.g., on a per capita basis). A good case has been made that the poorer States need some financial assistance so as to be able to provide essential public services without an excessive tax effort.

"Opponents of this approach cite these facts: the range in per capita income among the States shrank within the past 30 years from 1:4.3 to 1:2.5; the remaining difference is more effectively narrowed by the operation of the progressive Federal tax system than by grants-in-aid; most of the increase in children has taken place (and, by all indications, will continue to occur) in the wealthier States and the range in personal income per child declined from 1:6.4 to 1:3.1; simultaneously the range in teachers' salaries among the States narrowed from 1:4.0 to 1:1.9. They suggest that the educational dollar buys more in the low-income States, that school construction costs are much lower there and that in relation to the prevailing family income level teachers are better off in the low-income States.

"Experience has shown that neither Congress nor State legislatures will consider a program that would allocate funds only to low-income jurisdictions. A proposal is unlikely to receive a sufficient number of favorable votes unless it distributes the funds to all areas, rich as well as poor.

"CHAPTER IV.—SOURCES OF SCHOOL SUPPORT: BY TYPES OF TAXES

"The property tax has historically been the mainstay of public school finance. Its role declined somewhat during the great depression and World War II but it still supplies over half the school income, and, to all appearances, will long remain a major source of school support.

"School administrators and allied groups deplore the schools' traditional dependence upon the property tax which they hold responsible for their chronic inability to obtain the amount of revenues they deem necessary. They have long asked that a greater share of the school support be shifted to income or sales taxes, collected by National and State Governments.

"With some exceptions in New York and Pennsylvania, almost all of the locally raised school funds now come from property taxes, State and Federal aid from income, sales and excise taxes. School revenue sources in 1958 (most recent year available) may be estimated as follows:

"TABLE XI.—*Sources of public school revenue in 1958*

	Billion	Percent
State and local:		
Property taxes	$6.7	56
Sales and excise taxes	3.0	25
Income taxes	1.0	8
Other sources	.7	6
Federal	.5	4
All revenues	11.9	100

"Source: Estimated from several earlier-cited publications of the Bureau of the Census and the Office of Education.

"In 1960 school revenues totaled $13.5 billion and probably were derived from the several types of taxes in about the same proportion as in 1958. By 1970 school funds may total $24 billion (see chapter I). The question is, how much of the additional $10.5 billion (between 1960 and 1970) can be obtained from property taxes, how much from income taxes, from sales taxes, and from other sources. This cannot be adequately considered merely in terms of school finance because other public functions will also raise substantial claims upon the same tax sources and will compete with the schools for

[1] James W. Martin and William G. Herzel, "The Influence of Taxation Upon Industrial Development," State Government, July 1957.

larger shares. It is thus necessary to discuss the tax sources within the framework of the country's total fiscal picture.

"Over the past 9 years—1950 to 1959[2]—governmental expenditures in the United States (National, State, local) rose from $70 to $146 billion. Governmental revenues[3] meanwhile climbed from 29 percent of the national income to 35 percent. The steady expansion of governmental activities and finances will undoubtedly continue through the 1960's although possibly not at as rapid a rate.[4] The Rockefeller Brothers Fund panel projected a rise in governmental expenditures from 1957 to 1967 of between 50 and 80 percent.[5] Other authors have made similar estimates. A decennial increase of $70 to $100 billion is well with the realm of possibility; such a rise would be steeper than either the prospective growth of national income or the normal increase in tax collections. It would probably require higher taxes of some kind. Most of the additional funds for nonschool purposes, largely at State and Federal levels, will most certainly come from sales and income taxes. If school support also is to be moved in that direction, pressure upon these taxes will become very heavy.

"The past 20 to 30 years have seen a radical shift of emphasis in the American tax structure from property to income taxes. Since 1940 income taxes have multiplied 23 times, property taxes less than 4 times.

"TABLE XII.—*Tax collections in the United States, 1932, 1940, 1959*

"[In billions]

	1927	1932	1940	1959
Income taxes	$2.3	$1.2	$2.5	$57.0
Sales and excise taxes	1.6	1.5	4.1	21.8
Property taxes	4.7	4.5	4.4	15.0
Other taxes	.9	.8	1.7	5.8
Total	9.5	8.0	12.7	99.6

"Source: U.S. Bureau of the Census, 'Historical Summary of Governmental Finances,' 1959; U.S. Bureau of the Census, 'Governmental Finances in 1959,' 1960.

"Does this suggest a long-range trend from property to income taxation which can be expected to continue? Some authors so hold. They call the property tax laggard and inflexible and assert that in contrast to income and sales taxes, it does not expand with the economy.

"A closer analysis of the historical record reveals that the property tax grows rapidly during periods of peace and prosperity but stagnates in wars and depressions. Property tax collections climbed proportionately faster than the national income, and at approximately the same rate as other taxes, during the first 3 decades of the 20th century. They barely changed between 1930 and 1944. In the post-World War II period they more than tripled while the other taxes less than doubled (see table XIII).

"Income taxes played a minor role for most of the first 30 years after they were first levied (1911 to 1940), and showed rapid growth only during shooting wars: they multiplied 11 times between 1917 and 1920 and 16 times between 1940 and 1944.[6] Between 1920 and 1940 their yield was almost cut in half although national income was of about the same magnitude in both years. In the post-World War II years they grew more slowly than other types of taxes or national income. They accounted for 72 percent of all tax collections in the United States in 1944; by 1959 their share had shrunk to 57 percent. It is anybody's guess whether this trend will continue or be reversed.

"TABLE XIII.—*Increase in tax collections (National, State, local) 1944–59*

Fiscal years	1944	1959	Increase
	Billion	*Billion*	*Percent*
Income taxes	$35.2	$57.0	62
All other taxes	13.9	42.6	206
Sales taxes	7.0	21.8	210
Property taxes	4.6	15.0	225
All nonproperty taxes	44.5	84.6	90
National income	176.3	383.7	118

"Source: Same as table XII.

"Income tax rates were raised to such exhorbitant levels during wars that subsequently they had to be somewhat reduced, which, of course, cut into collections. But their yield is still so large—$57 billion in 1959 with 95 percent going to the Federal Government—that school and other interest groups understandably would like to have some of the proceeds channeled their way. It is sometimes overlooked that income taxes were raised to their high level for war purposes and that they still serve wholly or largely national defense. Federal income tax receipts in recent years just about equaled expenditures for war-connected purposse (national defense, international finance, veterans services and benefits, interest on the national debt). This strong interrelationship between Federal income taxes and defense outlays may well continue for some time. It raises the question whether income tax proceeds of a significant size will be available to finance domestic public services.

"The spectacular growth of property tax collections in the post-World War II period ran counter to the predictions of most tax experts in the 1930's and 1940's. It was caused partly by inflation—which, of course, also affected income taxes—but largely by the creation of new values; the completion of $400 billion (1959 dollar) worth of new private construction; the conversion of millions of acres of vacant and farmland to industrial, commercial, and residential use; the completion of $150 billion (1959 dollar) worth of public service facilities (highways, streets, schools, water, sewer, etc.) which lifted the value of abutting property, etc. Progress in assessment administration also helped. A decisive factor may well have been recognition by the voting public of growing local service needs which required higher taxes. The record proves that the property tax is capable of rapid expansion in times of economic growth. It is, of course, another question whether it is desirable to make greater demands on the property tax or whether income taxes or sales taxes should be called upon to provide the needed larger funds.

"Some authorities suggest that the income tax can and should be the main source of additional public revenues. They believe that broadening of the income tax base or higher rates could yield substantially enlarged funds. Others hold that income taxes are being used up to their load-bearing capacity and possibly beyond it, and that they need to be lightened as soon as possible. They point out that the governments of most other industrial nations obtain only a minor share of their revenues from income taxes and finance their requirements largely by consumption taxation. They suggest that sales taxation is much lower in the United States than in most other countries and that it could be expanded if governmental requirements increase faster than tax collections from economic growth.

"The issue of income versus sales taxation cannot be adequately discussed within the scope of this report. Yet, much of the question of Federal versus State support of education depends on it. Eighty percent of Federal tax revenues comes from income taxation, almost 60 percent of State tax revenues from consumption taxation.

"The proponents of additional income taxation point out that income taxes are geared to capacity to pay while sales taxes are regressive. The proponents of sales taxation counter that present-day income tax rates are excessively high and have overdone the principle of progression to the detriment of incentives and economic expansion; further, studies have generally found that the retail sales tax is moderately regressive if it includes food, and is substantially proportional through most of the range of personal income if food is exempted. The sales tax cannot be judged alone but as part of the American fiscal operations which are progressive because of the effect of Federal and State individual income and death taxes and the reallocation of public expenditures.

"Strong objections have been raised against further increases in the demand upon the property tax for school and other purposes. The property tax is said to be ill suited to an industrial society in which taxable capacity is determined chiefly by income rather than the ownership of tangible property. Income, it is asserted, grows faster than property.

"These arguments had considerable validity prior to 1930 when the property tax accounted for about half of all tax collections in the United States. In 1959 property taxes equalled only 15 percent of all taxes, and 11 percent of all governmental revenues (including social security contributions, charges, etc.). It does hardly seem inappropriate to take property holdings into account to the extent of 15 percent or 11 percent of the total bill for public services. This can, at most, change the distribution of the aggregate tax load only minutely. It leaves ample space for a tax structure that is well balanced among the several types of taxes.

"National wealth has, during peacetime, quite consistently increased at about the same rate as national income. Only during wars, when the Nation's productive effort concentrated on defense rather than the creation of permanent assets did national wealth lag behind the growth of national income.

"The burden of property taxation has changed remarkably little during the 20th century. It stood at 4 percent of the national income in 1902 and also in 1959, and equalled about 0.8 percent to 0.9 percent of the national wealth in both years. Over the same span of years, the burden of all other taxes rose (largely through wartime increases) from 3.8 to 22.1 percent of the national income.

"Comparisons in time and space—with past trends and with other nations—cannot, of course, in themselves answer the question which type of taxation should be called upon to lift school revenues from $13.5 to $24 billion over the next 10 years. But they can supply the factual background and the perspective necessary in the formulation of sound tax policy.

"Summary

"School tax sources have shown a remarkable stability in the post-World War II period, with slightly over one-half the

[2] Financial statistics for 1960 are not yet available.

[3] Governmental revenues, as defined by the Bureau of the Census, include: taxes, charges, insurance trust revenue (employment taxes, etc.), income from governmental enterprises, etc.

[4] However some observers believe that the rate of governmental growth ought to be stepped up.

[5] "The Challenge to America: Its Economic and Social Aspects," Rockfeller Brothers Fund, special studies project rept. IV, Doubleday, New York, 1958, p. 68.

[6] This includes Federal individual and corporate income taxes.

revenue coming from property taxes, about one-fourth from consumption taxes and the remainder divided between income taxes and other sources. It is conceivable that this stability may continue for another decade.

"Property tax yields will improve as new values are created and schools receive an increasing share of the yield. State sales and excise tax rates for school purposes may keep rising. Some States will tighten their income taxes. Normal economic growth may be expected to boost school revenues, at present effective tax rates, from $13.5 to between $18 and $20 billion by 1970. Thus between $4 and $6 billion may have to come from higher tax rates, unless other governmental expenditures can be proportionately cut and the savings applied to the schools.

"Under an assumption of continued stability in the relative distribution of school sources, the school revenue picture in 1970 may be as follows:

	Billion
"Property taxes	$12.7
Sales and excise taxes	7.0
Income taxes	3.1
Other sources	1.2
Total	24.0

"If however the share of the National Government is substantially increased, some of the load may be shifted from property to income taxes:

	Billion
"Property taxes	$10.8
Sales taxes	7.0
Income taxes	5.0
Other sources	1.2
Total	24.0

"How the revenue from the several types of taxes may be increased will be discussed in the remaining chapters of this report.

"NOTE: All projections are in 1950–60 dollars.

"CHAPTER V—LOCAL SCHOOL REVENUES

"Long experience has shown that the property tax is the only local source of revenue which can consistently provide a major share of the school income. It has been severely criticized over the years as being too heavy and burdensome, but so have all other taxes, and probably for good reason. The real estate tax is eminently suited for small local jurisdictions because land and houses are visible and stay put. It is well adapted to school requirements—expanding in times of economic growth (see table XIII, ch. IV of this report) and stable in periods of stagnation or recession. The tax has some serious defects but balancing the good with the bad, there does not seem to be a satisfactory substitute for the local property tax.

"The uneven distribution of taxable property—e.g., on a per-pupil basis has often been cited as a serious handicap to the use of the tax for school purposes. Discrepancies are very wide on a school district basis in many States as was pointed out in chapter II. Consolidation of small into larger districts or into county units would eliminate the wide variations and keep differences in taxable capacity to a range which can be satisfactorily equalized by a well-designed State aid system.

"Constitutional or statutory rate limitations often keep schools and other local governments from levying the amount of property taxes they believe necessary. Many students of taxation and several commissions have suggested that these limits be raised or abolished. Some of the restrictions have been gradually eased but attempts to repeal them have seldom been successful. One potent argument against their elimination is that it would give several mutually independent local governments—county, city, school districts, other special districts—overlapping and unrestricted taxing power upon the same tax base, property. This is like letting several people independently draw upon the same checking account. It makes it difficult for the taxpayer to hold any particular official or office responsible for the size of his tax bill. If all local public services in a geographic area were integrated under one responsible body—as State and National Governments are—there would be no need for the several tax limitations. As long as local government remains fractionalized there is little likelihood that the several units will attain unrestricted taxing powers.

"The rate limits are not as rigid as they may appear. In most States the constituents of each jurisdiction can vote levies in excess of the specified limits. Thus the real power over the size of public spending and taxing lies in the hands of the residents of the community who are the beneficiaries of the local public services. This seems an excellent way of enabling voters to have their wishes carried out. That officials sometimes dislike the extent of control which the voters exercise over their policies and actions through the power over the purse is not overly surprising. But the fact is that most budget proposals and special tax levies pass although those which do not pass tend to get greater publicity.

"Rate limits are usually applied to assessed values which in all but a handful of States are legally supposed to be set at full current value. But real estate was found in the 1957 Census of Governments to be assessed at a national average of 30.4 percent with statewide averages ranging from 7.2 percent in South Carolina to 66.3 percent in Rhode Island. Valuation practices in regard to personal property vary even more widely. Thus the effective limitations on the size of the taxes which boards of education and other local units can levy is set not so much by constitutional or statutory limitations as by the extralegal action of the assessor of placing property on the rolls at a fraction of its value. It appears then that there is a local remedy against tax limitations which are too tight, without having to amend the State constitution or statutes: to move assessed values closer to current values.

"Most of what was said about tax limitations also applies to debt limitations. School debt limits have been raised in many States but there still are complaints that thousands of school districts have reached their bonding limits and are prevented from meeting their classroom needs. A survey by the U.S. Department of Health, Education, and Welfare in December 1959, however, revealed that only 237 school districts in 45 States (out of a national total of over 40,000 districts) reported that they had reached the limit of their legal debt capacity, needed classrooms, and had no access to State aid to build them.

"Many school districts would find it easier to finance their requirements if tax and debt limits were generally raised or abolished. But some observers hold that an upward movement in the assessment level would offer a better solution to the problem.

"School debt, as well as State and local and private debt, has increased rapidly in the post-World War II period. But in relation to national income, or to State and local tax revenues, State and local debt is now lower than it was 20 to 30 years ago. Debt service requirements (principal and interest) now require a smaller percentage of State and local revenue (from their own sources) than they did 3 decades ago.

"One frequently heard complaint against the property tax is that it places an unduly heavy burden on property owners. This seems to overlook that everybody pays property taxes, directly or indirectly, whether homeowner or renter. Almost two-thirds of all American families now live in their own homes. They earn a higher than average income and account for at least 70 percent of all personal income in the country. They also pay about 70 percent of all taxes, whether on property, income or sales. They cannot escape their share. The remaining third of families, the tenants, pay residential property taxes which are included in their rent.

"Detail analysis of data from the 1957 Census of Governments discloses this picture: About one-half of all real estate taxes rests on residential property with the remainder coming from business, farms, vacant lots, etc. Residential real estate taxes equaled $5 billion in 1957, of which about $3.3 billion came from owner-occupied homes. This does not seem an overly large item in a total tax bill (National, State, local) for that year of close to $100 billion. The property tax suffers the disadvantage of being conspicuous while most other taxes are withheld, paid in small amounts, or invisible, that is, paid in the form of higher prices.

"Homeowners offset a considerable share of their property taxes in the Federal income tax: they deduct property taxes and mortgage interest from the tax base and do not have to pay tax on the imputed income from their homes. Thus the net burden of the residential property tax is much smaller than the gross amount.

"The record of the property tax in the past 15 years suggests that the yield of the tax grows steeply in times of prosperity. The following factors may have a major bearing on the amounts of revenues which may be expected to be raised by property taxes in the 1960's:

"1. Close to a half a trillion dollars worth of new private construction may be expected to be built during the 1960's and will presumably be placed on the tax rolls.

"2. Land values will continue to rise as huge acreages are turned into new suburbs, industrial plants, etc., and roads and other public facilities are being built. This increase should offset much of the depreciation on the existing improvements.

"3. Many existing property tax exemptions have little justification and may be whittled down. This is particularly true of most homestead, veterans, and industrial exemptions as well as of property owned by organizations whose claim to exemption rests on shaky grounds. Certain public property also could be subjected to taxation or to payments in lieu of taxes. On the other hand there are pressures at work to extend rather than reduce industrial exemptions.

"4. Tax rate and debt limitations have shown a tendency to move up. This trend may well continue.

"5. Attempts of States and communities to move assessed values closer to current market values have had sporadic success. The pressure for greater revenues and the need to equalize valuations may lend added impetus to this drive.

"6. Administrative improvements in the assessment procedure and general reassessment programs will place much unlisted property on the rolls and raise the listing of badly undervalued property. Opposition is often based on the mistaken notion that the level of taxation should be controlled by the assessment process rather than by rates. A vigorous State-directed program of uniform reassessment (to be maintained thereafter) probably is the most urgently needed action in the property tax field.

"7. Rising income levels may make it possible to move property tax levies up without increasing their net burden (effective tax rate).

"8. Realistic expectations for the coming decade must temper the foregoing factors favorable to the growth of property taxation. Property presently is taxed heavily in some areas, lightly in others. Where property is heavily taxed, an effort will be

made to continue the low level of property taxes. Constitutional exemptions and tax limits will be difficult to change, though statutory restrictions may be liberalized. Despite progress during the 1960's in the reform of property tax administration, 1970 will probably see too many reforms uncompleted. Owners of personal property will likely resist continually administrative improvement, while real estate owners will continually promote alternative taxes.

"Summary

"The property tax has long supplied almost all local school funds and is likely to continue to do so in the future. Local nonproperty taxes will at best make a minor direct contribution to the schools. The preservation of local school autonomy and of community control of school affairs requires that a substantial share of school income be raised locally with the consent of local voters. This probably can be done only if the property tax remains a major source of school income.

"The property tax is an expandible tax and can provide substantially increased school funds during the 1960's without an undue rise in the tax burden. Property tax collections may well rise from $15 billion, in 1959 to $23 to $24 billion by 1970, with more than half the additional funds—about $5 billion—going to the schools. If the States or the National Government increase their school contributions at a more rapid rate, then it is likely that local efforts will be less pronounced and that the productivity of the property tax will increase somewhat less.

"CHAPTER VI—STATE SCHOOL AID

"A crucial question is how the States can raise the additional sums which school aid will require in the years ahead. State school appropriations have been increasing faster than the normal growth of State tax collections and the States have found it necessary to enact numerous tax boosts in rapid succession, particularly for school purposes. This trend will undoubtedly continue for at least the next 10 years, and probably longer. Higher taxes will be necessary if school costs continue to grow faster than the Nation's economy.

"Increased State aid will have to come either from individual and corporate income taxes or from sales and excise taxes. Which are more likely to be tapped?

"Thirty-one States levy an individual income tax, 36 a corporate tax; combined they account for 18 percent of all State tax revenues. Many States have lowered personal exemptions, raised rates, introduced withholding from wages and applied various other means of increasing the productivity of income taxes. It is however unlikely that State income tax rates will climb very high. No State has adopted an individual income tax since 1937 and only three States a corporation tax. It remains to be seen whether the rank of income tax States will widen in the next 10 years.

"The reason for the moderate use of income taxation by the States is patent: the Federal Government raised its income tax rates so high after 1940 that it virtually preempted the field. It now collects 95 percent of all income taxes in the country. States are reluctant to raise (combined) income tax rates higher. It has been proposed to grant Federal credits for State income taxes so as to encourage—or in effect force—their use by all States. The question may be raised why the Federal Government should force a tax upon States whose people do not want it. State income tax yields will undoubtedly continue to rise as the economy expands but it is doubtful whether very substantial amounts can be expected.

"The States are alone in the field of general sales and excise taxation except where they have granted local governments the power to enter it. In contrast to most foreign countries, the Federal Government does not levy consumption taxes save excises on liquor, tobacco, gasoline and a few other products at the manufacturing or retailing level. The number of retail sales-tax States grew from 24 to 35 in the post-World War II period and appears likely to expand further. The typical State sales tax rate has risen from 2 percent in 1950 to 3 percent in 1960, with 3 States presently levying 4 percent. The level of consumption taxation in the United States is low by comparison with foreign nations and appears to be a natural field for expansion if and when the need arises. Signs point to the conclusion that State sales tax rates will continue to climb and that more States will adopt the tax.

"An additional 1 percent retail sales tax in all States may be estimated to yield in 1970 approximately $2.2 billion if food is exempted and $3.4 billion if food is taxed. This together with modest boosts in income taxes and the normal increase from tax collections would supply approximately the additional amount of State funds which the schools may require between 1960 and 1970. Some States, will not adopt a 1 percent sales tax increase but rather tighten their present tax provisions, reduce exemptions, include services in the retail sales tax, raise rates on excise taxes on alcohol, tobacco and other goods, levy some type of gross receipts or value-added tax, etc."

This concludes the direct quotations from the report of the Committee on the Financing of Public Education of the National Tax Association.

8. THE ISSUE OF FEDERAL AID TO EDUCATION

The committee from whose report I just quoted extensively also presented a summary of arguments for and against Federal aid to education. A majority of the committee concluded in opposition, a minority in favor of Federal aid.

I would like to conclude my testimony by presenting to your committee my own reasons why I believe Federal grants-in-aid for school support to be undesirable. They are summarized in four points and taken from my book "Taxes for the Schools," pages 387 to 397:

"A. THE MOST URGENT NEED IS NOT 'MORE MONEY FOR EDUCATION' BUT 'MORE EDUCATION FOR OUR MONEY' [7]

"Complaints have been raised with increasing frequency in recent years that deficiencies in our educational system stem not from inadequate financial support but from inefficient or wasteful use of the available resources. Some of the charges are: In no other field are expensive facilities and trained manpower utilized so inadequately and on a part-time basis. School buildings are in use barely 1,000 hours a year compared with 2,000 hours or more for other types of facilities or for schools in many other countries. Space allowances in many new school plants have approximately doubled over the past quarter century—from about 50 to 100 square feet per pupil—although there is no evidence that children learn more if they have twice as much space.

"Most people work 240 days a year, teachers only 180. The productivity in other types of activity has been climbing steadily and steeply, largely through technological advances. A doubling of industrial output per man-hour over the past 3 decades permitted large increases in the workers' pay and purchasing power. But organized resistance to the use of manpower savings devices has brought about an opposite trend in education; [8] each teacher now instructs fewer pupils than she did 30 or 50 years ago. Whether the achievement level of the schools' graduates meanwhile has improved or deteriorated is controversial. By indiscriminately mixing in the same classroom children of widely diverse ability, aspiration, and level of skills, the teachers' task is being made difficult and the educational advance of all is retarded. Emphasis on fundamental skills and knowledge has declined while the number and variety of courses proliferated. The subject matter content of the curriculum has been watered down and the program stretched out which has added an unnecessary 2 years. As a consequence pupils in American public schools are reported to be 2 or more years behind their European counterparts in academic achievements. Wasteful organization keeps thousands of inefficient schools alive. Federal aid would relieve the pressure to correct such practices and, thus, help to perpetuate them.

"Most of these charges are vehemently denied by the spokesmen for the public school profession. They insist that the schools have never been better or more efficiently managed, that available manpower and facilities are not only fully utilized but being overworked, and that charges (attacks) are being levied only by persons who dislike public schools and do not want them to be adequately supported.

"B. FEDERAL AID MEANS FEDERAL CONTROL

"That Federal funds will result in Federal control of the schools has been the most frequently used argument against Federal school aid since the 1870's. The proponents of Federal aid insist that funds can (and will) be granted to the States without undue controls. They have inserted in most of their legislative proposals clauses enjoining Federal administrative officials from exercising powers over local schools. They cite existing programs, such as grants to federally affected areas, as proof that control does not need to follow aid.

"But the chairman of the House Education and Labor Committee, Representative Graham Barden, declared: 'You will hear it said there has not been any Federal control or interference through Public Law 815, the Federal impacted area bill. I tell you there has been some of the most horrible illustrations of interference and wrongdoing under that bill that you can imagine, and I challenge anyone to deny that statement.' [9]

"He cited examples too lengthy to be quoted here and later presented his conclusion about the school construction aid bill then under consideration: 'Again I say to you as in the beginning, I question seriously that the prime objective of this bill is to build school buildings. Could it be to centralize power over our school system here in Washington where it is easier to apply concentrated pressure?' [10]

"Mr. Barden's predecessor as chairman of the House Education and Labor Committee, the late Representative John Lesinski, Jr., stated: 'It is impossible to draft a general Federal aid bill which will not contain a great deal of Federal control over local school systems * * *. I am convinced, after the hard study we have put to the question, that no acceptable bill preventing Federal domination of local schools can be drawn. I reluctantly come to the conclusion, but I had to face the facts.' [11]

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[7] Compare Roger A. Freeman, "Do We Need More Dollars for Education or More Education for Our Dollars," address before the Economic Club of Detroit, CONGRESSIONAL RECORD, vol. 105, pt. 4, p. 5355, and "Vital Speeches of the Day," May 15, 1959. For further detail see "School Needs in the Decade Ahead."

[8] Compare Daniel Seligman, "The Low Productivity of the 'Education Industry'," Fortune, October 1958.

[9] CONGRESSIONAL RECORD, vol. 103, pt. 9, p. 12483.

[10] CONGRESSIONAL RECORD, vol. 103, pt. 9, p. 12485.

[11] CONGRESSIONAL RECORD, vol. 103, pt. 5, p. 6348.

"Financial aid to the States could be provided without the possibility of Federal control through purely monetary, nonearmarked, and unconditional grants or tax sharing.[12] But the proponents of Federal school aid insist that the funds must not only be earmarked for the schools but also channeled through the U.S. Office of Education and the State departments of education so as to insure and enforce the supremacy of the established high command. They strenuously oppose proposals which would have the U.S. Treasury allocate to State treasuries a small percentage of certain Federal taxes even if it were earmarked for the schools.[13] Such a plan would provide federally collected funds for the States and eliminate the likelihood of a resulting control of education. But the fatal flaw in all such schemes is that the funds would bypass the Federal and State offices of education, and tend to strengthen the hand of the general State officials—Governors and legislators—rather than of the educational bureaucracy.

"When during the 1930's emergency programs channeled funds for school construction and other activities directly from the Federal dispensing agencies to local school systems, the NEA and AASA recognized the link between the source and control of funds, even in a brick-and-mortar program. They declared in 1945: 'Increasing federalization of education has also been brought about in recent years by groups anxious to secure public funds for various undertakings and purposes. Washington has furnished a setting favorable to the accomplishment of their ends. Through political maneuvering they have been able to obtain Federal funds for undertakings and purposes which the States and localities have not been willing to finance.'[14]

"Numerous authorities in this field have expressed their conviction that control would inevitably have to accompany a grant-in-aid program. We want to cite only three. First, John J. Tigert, a former U.S. Commissioner of Education: 'Reason and experience both indicate that Federal money cannot be expended wisely and efficiently except by exercising Federal control and supervision, even then there is considerable waste. * * * If we embark upon a program of turning over Federal money to schools without any strings attached, it is only a question of time until the waste, extravagance and misuse of these funds will result in reaction or a change. The alternative is Federal control.'[15]

"Robert Murray Haig of Columbia University wrote: 'The demand for increased Federal participation in the support of education is accompanied by the specification that there shall be no Federal control of educational policy. At once the interesting question arises: Can any jurisdiction take responsibility for levying the taxes for any particular purpose without sooner or later being forced to take the responsibility for defending that expenditure and without being asked to answer taxpayers that the money is being spent in a proper manner. * * * No mere audit will satisfy the demand. Sooner or later the jurisdiction which imposes the taxes will exercise real control.'[16]

"Twenty years later James Bryant Conant stated his belief of the likely results of Federal aid: 'To imagine that recurring appropriations of this magniture can be made without careful budgeting on the part of the administration seems to me to be the equivalent of imagining completely irresponsible government. Careful budgeting will mean, in turn, a strong executive agency which must have access to a mass of factual information about the educational situation in every State * * *. The educational committees of the House and Senate will have every reason to examine into details of curriculums and school organization, much as committees of the State legislatures now do from time to time. Certainly, a chapter in American public education will have opened.'[17]

"The experience with the large Federal programs in highways, urban renewal, farm support, public welfare, etc., demonstrate that controls gradually tighten as the Federal share increases, as conflicts arise between Federal and local officials about the most effective use of the funds, and as abuses occur which lead to public scandals.[18]

"Let us now assume that it may be possible to administer Federal school aid—in contrast to aid for other purposes—without Federal control. After all, professional administrators in the U.S. Office of Education, in State departments of education, and in local school systems belong to one close-knit, battle-hardened, national fraternity whose members have stood shoulder to shoulder in upholding each other against the barbarians, and in defending the educational theories which have dominated the scene for over a generation. Thus, the U.S. Office of Education might find ready acceptance for its directives (labelled 'guidelines') and policies among local school administrators, and there would be no need for Federal dictation.

"Some of these policies would not necessarily be in keeping with the beliefs or wishes of the lay public of what the schools should be doing and how. That is where the reinforced cooperation among the professionals at all levels would show its effectiveness in overcoming backwoods resistance. The influence of parents, communities, and legislatures is likely to wane if an increasing share of the funds does not depend upon their approval and is derived through Federal aid without Federal control. Boards of education for many years have tended to concern themselves mostly with approving tax rates and bond issues and selling them to the public than with the setting of educational policies. They largely turned into ratifiers of professional proposals. Boards which tried to assert themselves against their superintendents in regard to educational policy sometimes found themselves at the receiving end of a national organized investigation.

"An editorial in the Nation's Schools (June 1960) referred to the indefinable sense of uneasiness with which some school administrators view the growing strength of school board organizations and questioned whether the school board is to be secretly appraised as a group to be controlled or stymied. Among the fears of school administrators: 'The possibility that school boards as organized groups may embark upon programs to influence school legislation in direct conflict with the goals of professional groups.'[19] Another report stated that 'the deepening concern board members show for their responsibilities gives rise to a major problem. One aspect of this is the alarm with which professional educators view amateur direction of school policy.'[20] A keen observer of the educational scene threatened that 'local boards are in danger of voting themselves out of power, if they refuse to accept guidance from those who will increasingly map out national goals and standards.'[21]

"The purse strings have been the main instrument by which communities and boards of education have tried to make their influence upon school policies felt. Federal aid would make it less necessary for educational administrators to bow so low to legislators, boards, and to the lay public; it would give them more of the independence they have so long sought.

"The fight over Federal aid to education has been commonly viewed as a battle over money for the schools. It is conceivable that the real issue is not just money.[22] The crucial isue may well be a power struggle over the control of the schools between the organized profession and the lay public. Federal funds would strengthen the hand of the educational bureaucracy and weaken the veto power of the communities. Such an outcome would be hailed by some, deplored by others.

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[12] Roger A. Freeman, "Grants Without Strings," National Civic Review, June 1959.

[13] See ch. VIII, p. 374. A proposal channeling Federal funds from the U.S. Treasury directly to State treasuries—but allocated on a per pupil basis—has been advanced by Edgar Fuller of the Council of Chief State School Officers and was incorporated in H.R. 2365—86th Congress by Representative Stewart L. Udall. It has drawn little support or attention.

[14] NEA and AASA, "Federal-State Relations in Education," 1945, p. 15. This is, indeed, a rare case of a special interest group describing the ill effects of its own activities—although this was, of course, not the intention of the authors who were referring to some other groups rather than to themselves. They saw the mote in somebody else's eye but not the beam in their own.

[15] John J. Tigert, "The Real Peril of Federal Subsidies," The Nation's Schools, July 1934.

[16] Robert Murray Haig, "The Outlook for School Finance in the Light of Recent Trends," Elementary School Journal, May 1939.

[17] James Bryant Conant, "The Child, the Parent, and the State," Harvard University Press, Cambridge, 1959, p. 56.

[18] Recent scandals in the interstate highway program which caused an investigation by the House Public Works Committee will undoubtedly bring about stricter and more detailed controls by the Bureau of Public Roads.

The National Association of Housing and Redevelopment Officials has repeatedly complained that "the Federal agencies are utilizing loan and grant, annual contributions, and other financial contracts with local public agencies as a means of extending Federal control of local programs * * * controls are imposed upon local programs that go far beyond any conditions provided in the basic legislation. * * *" Journal of Housing, November 1955, p. 375.

The controls upon farmers are too well known to require further comments. State and local public assistance administration operates under regulations and close supervision of the Department of Health, Education, and Welfare.

[19] Loc. cit. This refers to the fact that the professional organizations do, and school board organizations do not, support Federal aid.

[20] Education Summary, Oct. 12, 1958.

[21] Fred M. Hechinger, "School Conflicts," the New York Times, May 29, 1960.

[22] Views differ on whether Federal funds would be a net addition to school revenues or, at least partly, substitute for State and local funds. The aggregate amount of school income might be raised but little.

John J. Tigert, former U.S. Commissioner of Education, was quoted in "What Others Have To Say About Federal Subsidies," the Nation's Schools, February 1934: "The use of Federal money for support of schools would decrease local support. The net amount available to schools would be no greater as local support would vanish about as fast as Federal money became available. There would be a diminishing interest in local responsibility and other evils always attendant on paternalism."

"C. FEDERAL AID MEANS CENTRALIZATION OF GOVERNMENT [23]

"It has been convincingly argued that the National Government which participates in the financing of many activities that used to be regarded as State and local responsibilities should not discriminate against schools. Are roads, hospitals, welfare, more deserving of national support than education? Is it more of a national responsibility to teach children how to cook than how to master their native language?

"One quick reply might be that opponents to school aid tend to be foes of governmental centralization as such and to dislike the other Federal programs as well. But this does not answer the question why Congress enacted dozens of aid programs for other purposes and only a few small ones for the schools. One element may well be that the States provide little support for local activities other than the schools. But the major factor is the fear that a major Federal entry into education would be more damaging to the principle of local autonomy. The rapid expansion of grants-in-aid for various purposes has shifted much control to Washington. Schools, it is held, are a landmark of home rule which should be kept out of the Federal realm. Opponents to Federal school aid believe that 'once this dam is breached, there will be no holding back the floods, that the Federal Government will assume an evergrowing role in education and in other State and local activities. They visualize that in a few decades with the further growth of Central Government financing of State and local activities, nothing may be left of our Federal system of government with its union of strong and self-propelled States except a few empty symbols and rituals and a nostalgic memory, that we shall have but one all powerful Central Government with regional offices, which may or may not be called States.' [24]

"Woodrow Wilson, while still a professor of government, wrote a statement that ought to be lifted from oblivion: 'There can, I suppose, be little doubt that it is due to the moral influences of this policy that the States are now turning to the Common Government for aid in such things as education. Expecting to be helped, they will not help themselves. Certain it is that there is more than one State which, though abundantly able to pay for an educational system of the greatest efficiency, fails to do so, and contents itself with imperfect temporary makeshifts because there are immense surpluses every year in the National Treasury which, rumor and unauthorized promises say, may be distributed among the States in aid of education. If the Federal Government were more careful to keep apart from every strictly local scheme of improvement, this culpable and demoralizing policy could scarcely live. States would cease to wish, because they would cease to hope, to be stipendiaries of the Union, and would address themselves with diligence to their proper duties, with much more benefit to themselves and to the Federal system.' [25]

"For many years, however, it has not been the States which have been asking for Federal aid to education but largely organizations of school employees. They appeal against the decisions of the constituted State and local authorities and ask Congress to overrule them. They assert, in effect, that during the most prosperous period this or any country has ever known, American parents are either so deprived or so depraved that they cannot or will not provide the funds to give their children an adequate education.

"Massive Federal aid to education would be more than just another grant program. The president of the National School Boards Association, Carl B. Munck, warned the members of his association in April 1959: 'The narcotic of Federal aid will become a habit for whose indulgence the victims will soon surrender that which they now so highly prize.' [26]

"D. FEDERAL AID RUINS CIVIC MORALE

"The most serious charge against general Federal school aid may well be that it would set an example for our youth, and for the American public in general, that the way to get what we want for our children, for ourselves, for our community, is not to work and pay for it but to seek a device by which we can have others foot the bill. Gov. Arthur B. Langlie of Washington said in an address to the American Assembly on October 15, 1955: 'Instead of squarely facing our responsibility of paying for the things we want, we seem to be getting into a free-for-all scramble to evade the painful duty, in the hope that the squeeze may be put on somebody else. Too many still believe that we can eat our cake and have it, too. This unhealthy trend is being fanned by shrewd promoters who claim that they have found the secret for which the alchemists had been seeking in vain, that they can get for us something for nothing—not by making gold but by the device of so-called Federal grants-in-aid. To the uncritical onlooker they seemed to prove their point that we can hitch on to a rainbow and ride to the sky * * *. The most dangerous trend—harmful not only to the States but to our whole system of free government—has been this tendency to evade individual and collective responsibility. It corrupts the civic morale, and erodes the feeling of personal accountability among public officials.' [27]

"In another speech in New York City on November 2, 1955, Governor Langlie stated:

" 'The demonstration of how to get the things we want in life—but which we are unwilling to pay for—by putting pressure upon our public officials, has had a poisonous influence upon the minds of many millions who became used to the idea that it was better to look for a gimmick than to labor in the sweat of one's brow. The insidious effect of a policy of always trying to get something for nothing, of searching for a way of letting somebody else get stuck for the check or for loading the cost on to a distant future may be hard to eradicate.'

"The most effective appeal for Federal school aid has been the suggestion that new buildings, more and better paid teachers, if financed at the State or local level, would force up taxes but that by shifting the cost to the Federal treasury it would not mean higher taxes, that it would come for free, or be loaded unto other States, other communities, other economic groups. President Herbert Hoover wrote: 'Our people, under the illusion that money from Washington is pure manna, are selling right and left their birthright as freemen.'

"Some of the existing grant programs have set examples which are destructive of State and local responsibility and of attempts at solving local problems by local initiative: the interstate highway program rewards the citizens of States which have been laggard and penalizes those which took the initiative and pulled themselves up by their bootstraps; the open-end public assistance programs encourage the design of ingenious techniques by which some States manage to tap the Federal Treasury more effectively (or more rapaciously); through school construction aid, communities which taxed and bonded themselves heavily to take care of their own needs, would be forced to foot part of the bill for others which sat back and waited. A massive program of Federal school aid may through such demonstration effectively destroy civic morale in communities and States throughout the Nation.

"In conclusion: Federal school funds were purely nominal prior to 1930 when they accounted for only a fraction of 1 percent of the school income. In the postwar period, while Federal grants-in-aid for a variety of State and local activities proliferated to about one hundred and soared from under $1 billion to over $7 billion annually, comparatively little Federal money was authorized for the public schools. The indemnity payments to federally impacted communities and the school lunch commodities and funds are not aid to education. Only two school aid programs are now in operation, one of a continuing, one of a temporary nature: Grants for vocational training, and the 4-year plan to aid foreign language and science education, guidance, etc. These two programs combined account for less than 1 percent of all school revenues and one-eighth of 1 percent of the Federal budget. How much do contributions of this magnitude help to bring school revenues from $12 billion to a hoped-for $24 or $30 billion?

"This truly is scant harvest for a century-long impassioned campaign, fervidly pursued by dedicated nationwide organizations whose members and applied resources number many millions. It is preposterous to assume—as some of the drive's protagonists have done—that the Members of Congress are prejudiced against education and deliberately discriminate against the schools. Rather, it appears that Congress after listening to extensive arguments for Federal aid, year after year, is not convinced that such aid is necessary or desirable. It has authorized minor amounts, earmarked for specific activities to meet temporary emergencies, but consistently denied pleas for general or massive school aid because it found the fiscal case for such aid—the claimed lack of State and local capacity and the Federal taxing superiority—to be spurious. It is significant that the authorities which are de lerge and de facto responsible for school support—the State governments and the boards of education—have not asked for aid. Rather, the school's employees, claiming to speak for the schools, have demanded that Congress overrule the decisions of their States and their communities.

"The ideological case for Federal aid which calls for national standards and national and professional direction of educational policy has found little echo in Congress or among the great majority of Americans who are philosophically committed to home rule in education. This attitude could some day change. But the congressional debates of recent years leave room for doubt whether the extraordinary efforts of the school aid protagonists against no organized resistance have brought massive general Federal school aid as close to realization as its supporters believe."

STATEMENT SUBMITTED BY THE INVESTMENT BANKERS ASSOCIATION OF AMERICA TO THE SUBCOMMITTEE ON EDUCATION OF THE SENATE COMMITTEE ON LABOR AND PUBLIC WELFARE MARCH 14, 1961, RE S. 1021, FEDERAL AID FOR PUBLIC ELEMENTARY AND SECONDARY SCHOOLS

Title I of S. 1021 would authorize a 3-year program of Federal grants to States to assist

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[23] See ch. III, sec. 5.

[24] Roger A. Freeman, "Federal Aid to Education—Boon or Bane?" American Enterprise Association, Washington, 1955, p. 3.

[25] Woodrow Wilson, "Constitutional Government," 15th ed. 1900, pp. 29–30.

[26] Carl B. Munck, "Some Thoughts on Federal Aid," School Boards, April 1959.

[27] Arthur B. Langlie, "Stronger States in the Federal Union: Why and How," State Government, December 1955.

public elementary and secondary schools, such funds to be used either for construction of school facilities or for teachers' salaries. There would be authorized $666 million for the fiscal year beginning July 1, 1961, $766 million for the fiscal year beginning July 1, 1962 and $866 million for the fiscal year beginning July 1, 1963. These funds would be allotted among the States on the basis of income per public school pupil, the number of public school pupils, and the effort for public school purposes; but the minimum allotment for a State for any fiscal year would be $15 multiplied by the number of public school pupils in such State in the preceding fiscal year (subject to a reduction, not to exceed one-third of its total allotment, if a State fails to maintain its "effort" in public school expenditures).

Titles II and III of the bill would amend present laws authorizing Federal compensation to school districts for educational burdens imposed upon them by the location of tax-exempt Federal property on which public school children reside or their parents are employed (Public Law 815 and Public Law 874). Two of these amendments (i) would make permanent the authorized Federal payments but (ii) would reduce the Federal payments per child from 50 percent to 25 percent of the district's local contribution rate under Public Law 874 and from 50 percent to 25 percent of the State average per pupil construction costs under Public Law 815.

The comments in this statement are directed entirely to the proposed new program of Federal financial assistance for public elementary and secondary schools under Title I of the bill. There is deep-seated concern that Federal aid to public elementary and secondary schools in any form would inevitably lead to Federal control and direction of education, despite specific assurance in the proposed bill that no department or officer of the United States shall exercise any control over the policy determination, curriculum or program of instruction of any school. We do not here address ourselves to this issue, however, for reasons which are apparent from that which follows.

In our view, the first and basic issue to be decided by the Congress is whether there is really any need for the proposed Federal aid. Since the primary emphasis has been placed on the need for additional classrooms, the answer to this question rests upon an informed consideration (1) the present need for additional classrooms, (2) the growth rate in enrollment in public elementary and secondary schools which will determine the future need for additional classrooms and (3) the efforts and ability of State and local educational agencies to finance construction of additional classrooms. As we have up-to-date pertinent factual data on these questions which we believe will be helpful to the committee, this statement is directed particularly to this issue.

CONSTRUCTION OF CLASSROOMS FOR PUBLIC ELEMENTARY AND SECONDARY SCHOOLS CONTINUES AT A HIGH LEVEL WITHOUT FEDERAL ASSISTANCE

The U.S. Department of Health, Education, and Welfare prepares annual tabulations of the number of additional classrooms reported to be needed in each State. These estimates of needed classrooms are generally accepted as the most accurate available, but it should be recognized that they represent maximum estimates of need. These estimates of classrooms needed to accomodate pupils in excess of normal capacity are inflated because they indicate needed classrooms in many cases where the classrooms are almost completed. For example, the figures for the fall of 1960 for a junior high school in Montgomery County, Md., show 2,180 students on double session in that school; but the facts reveal that a new high school scheduled for opening in September 1960 was not completed on schedule because of construction delays so that the 740 pupils scheduled to attend the new high school were put on double sessions with the 1,440 pupils in the junior high school until the new school was completed in December 1960. This situation undoubtedly occurred in many communities throughout the country with the result that the reports thus showed large numbers of students in classrooms in excess of normal capacity simply because schools which had been financed and scheduled for opening in September 1960, were not completed by the scheduled date.

The estimates of classrooms needed to replace unsatisfactory facilities are also suspect as maximum figures. In some States there are arbitrary standards which provide that after a school building has been in use for a specified number of years it automatically is classified as obsolete. In this connection, it might be observed that age alone does not make a classroom unsatisfactory. Many of our finest institutions of higher learning, both in this country and abroad, take great pride in classrooms that have been in use for over 100 years.

In 1955 it was estimated by the Department of Health, Education, and Welfare that about 300,000 additional classrooms were needed (and certain advocates of Federal aid then placed the estimate much higher).

In a release on January 19, 1961, the Department of Health, Education, and Welfare announced that its latest tabulation for the fall of 1960 showed a shortage of 66,100 additional classrooms needed to accomodate pupils in excess of normal capacity and 76,000 classrooms to replace unsatisfactory facilities.

This same January 1961 release by the Department of Health, Education, and Welfare reported classrooms completed during the past 4 years for public elementary and secondary schools as follows:

Year:	*Classrooms completed*
1956–57	68,700
1957–58	72,100
1958–59	69,500
1959–60	69,400
1960–61 (scheduled for completion)	69,600

Thus, over 279,700 classrooms have been completed during the last 4 years and an additional 69,600 classrooms are scheduled for completion during the 1960–61 school year, a total of over 349,300 classrooms during the 5-year 1957–61 period.

These facts serve dramatically to disprove the prophesies of the advocates of Federal aid at hearings before a Subcommittee of the House Committee on Education and Labor in February 1957. One stated that "we will be very lucky if this year we build as many schools as we did last year and next year we won't build as many as we did this year unless there is assistance, stimulation and financial incentives from the Federal Government" (pp. 128–129 of hearings on Federal aid to States for school construction before a subcommittee of the House Committee on Education and Labor, 1957). Another advocate of Federal aid in 1957 stated, "And most serious, without substantial Federal aid, it is doubtful that even the present inadequate level of school construction can be maintained" (p. 226 of the same hearings.) Today, 4 years later, we have an additional 279,700 classrooms without Federal aid.

In any community with a growing population it is a normal situation to need a few additional classrooms every year, and this normal level of additional classroom need—which may total thousands of classrooms when aggregated for the United States—does not indicate any crisis or inability to finance additional facilities. Classrooms usually are built only when they are needed, simply because taxpayers do not authorize the construction of classrooms and the required tax levy for payment of debt service until the need exists. In most communities the need for classrooms may be reaching what is considered a normal level of additional classroom need.

In short, the alleged crisis in need for additional classrooms for public elementary and secondary schools has been met by the construction programs which are continuing at a steady rate without Federal aid.

RATE OF GROWTH IS DECREASING IN PUBLIC ELEMENTARY AND SECONDARY SCHOOL ENROLLMENT

A preliminary projection of enrollment in the public schools, included in a report on "Staffing and Constructing Public Elementary and Secondary Schools" issued by the Department of Health, Education and Welfare, dated December 14, 1960, shows that the total enrollment in public elementary and secondary schools increased from 31,162,843 in 1955–56 to 37,196,000 in 1960–61, a total increase of 6,033,157, or an average annual increase of 1,206,631.

The projection estimates that the enrollment in 1960–61 will increase to 41,880,000 in 1965–66, an increase in the 5-year period of 4,692,000, an average annual increase of only 938,400.

The important fact from these figures is that the rate of growth in enrollment in public elementary and secondary schools during the 5-year period from 1961 to 1966 is estimated to be down 35.1 percent from the growth rate during the 5-year period immediately past. In absolute terms, the increase in enrollment in the next 5 years is estimated to be down over 22 percent from the average annual increase in enrollment during the past 5 years.

SALES OF SCHOOL BONDS TO FINANCE CONSTRUCTION OF PUBLIC ELEMENTARY AND SECONDARY SCHOOLS CONTINUE AT A HIGH LEVEL

Attached as appendix A is a list of the number of issues and the dollar amount of new issues of school bonds sold in 1960 to finance construction of elementary and secondary school facilities. Sales of new issues of school bonds for public elementary and secondary schools in 1960 aggregated over $2,183,870,000, an increase of over 13 percent over sales of $1,927,600,000 of such bonds in 1959. The sales of new issues of such bonds during each of the last 4 years have been as follows:

1957	$2,357,700,000
1958	2,315,000,000
1959	1,927,600,000
1960	2,183,870,000

Sales of such bonds in January 1961 aggregated over $305 million, the largest amount of school bonds ever sold in a single month.

Preliminary reports for the last full week for which figures are available (Feb. 27–Mar. 3, 1961), indicate that these high levels of school-bond sales are continuing at the present time. Attached as appendix B is a preliminary list of new issues of school bonds sold during that week, aggregating over $76 million. It is pertinent to note, since the estimates of classrooms needed to accommodate excess enrollment show the two States needing the largest number as New York with 8,200 and Alabama with 4,926, that the issues on this list include a $30 million issue by the Alabama Education Authority and 5 issues in New York aggregating over $8,600,000.

The proceeds from the sales of these bonds are used for school facilities, not for operating expenses and teachers' salaries, and are supplemented by additional funds from current income.

The evidence also shows that voters have approved record amounts of additional school bonds. At school bond elections in 1960 voters approved over $1,756,975,000 of addi-

tional school bonds for elementary and secondary schools, representing approval of over 81 percent by value of the school bonds submitted for approval at bond elections. This represented the largest amount of school bonds approved at bond elections in any year and indicates the probability of a continuing high level of sales of school bonds to provide facilities in public elementary and secondary schools. The amount approved at bond elections in 1960 would be supplemented by unused authorizations from prior years and by large amounts of bonds for which voter approval was not required.

A resolution printed at page 3300 of the CONGRESSIONAL RECORD of March 7, 1961, states that the city of Buffalo (N.Y) "faces an educational state of emergency since present methods of financing public education have proved to be woefully inadequate." However, the record shows that:

(a) The city of Buffalo sold $3,662,000 of school bonds at a net interest cost of 2.78 percent on September 22, 1960; $4,398,000 of school bonds at a net interest cost of 2.715 percent on April 9, 1959; and $4,142,000 of school bonds at a net interest cost of 2.223 percent on March 27, 1958.

(b) The city of Buffalo has announced plans to sell about $3,988,000 of school bonds within the next few months.

(c) Bonds of the city of Buffalo are rated AAA, the highest possible rating, and the city has not reached its debt limitations.

These facts reflect a city with excellent credit and an active program of school construction and certainly provide no basis for the claim of an educational state of emergency.

These facts show that State and local school authorities are continuing to authorize and finance a high level of school construction for elementary and secondary schools without Federal assistance.

CONCLUDING COMMENTS

The foregoing facts regarding the high level of construction of additional classrooms by local educational authorities without Federal assistance, the decreasing rate of growth in public elementary and secondary school enrollment during the next 5 years, and the continuing high level of sales of new issues of school bonds to finance further construction of facilities for public elementary and secondary schools led our association to the conclusion that there is no need for Federal financial assistance for public elementary and secondary schools.

If there were a need for Federal assistance for classroom construction, S. 1021 would not guarantee that a single dollar of Federal assistance would be provided for classroom construction, because it would permit the entire amount of Federal assistance in any State to be used for increases in teachers' salaries.

The proposed Federal aid (providing a minimum State allotment of $15 multiplied by the number of public school pupils in a State during the preceding fiscal year, subject to partial reduction if a State's educational effort is not maintained) would be made available in every State, regardless of whether there was actual need in that State, regardless of the fact that the local educational authorities in a State have successfully financed—without Federal assistance—the construction of needed classrooms, a satisfactory teacher salary scale and a high level of educational attainment. Since the funds which would be given so freely by the Federal Government could come only from the taxpayers, if a program of Federal aid were needed, it should be given only where the need exists rather than as a handout for all who are willing to take.

Finally, reports in the press (the Washington Evening Star of Mar. 9, 1961, p. 1) quote one supporter of the program as stating that the program would lower local taxes for financing public schools. If funds from the proposed Federal program were simply substituted for funds from local taxes there would be no additional classrooms or teachers salary increase above the present level. To the extent that this program would finance construction of additional classrooms and salary increases for teachers above the programs presently financed by local taxes (its stated purpose), local taxes could not be reduced while the present level of local effort is maintained. In either event the Federal program obviously would require $2,298 million of additional funds from Federal income taxes, in addition to administrative costs.

APPENDIX A

Elementary and secondary school bonds sold, 1960

State	Amount	Number of issues
	Thousands	
Alabama	$12,714	8
Alaska	7,458	5
Arizona	26,969	49
Arkansas	3,362	6
California	328,343	431
Colorado	10,300	10
Connecticut	42,980	37
Delaware	5,719	3
Florida	26,905	27
Georgia	4,872	7
Hawaii		0
Idaho	7,754	10
Illinois	109,777	128
Indiana	37,299	73
Iowa	25,217	41
Kansas	19,125	29
Kentucky	17,883	48
Louisiana	20,988	34
Maine	6,716	14
Maryland	29,046	7
Massachusetts	70,858	81
Michigan	139,310	130
Minnesota	57,085	80
Mississippi	19,846	22
Missouri	29,703	35
Montana	11,124	34
Nebraska	7,030	17
Nevada	11,190	5
New Hampshire	5,034	18
New Jersey	103,926	93
New Mexico	12,900	18
New York	284,008	156
North Carolina	39,054	28
North Dakota	8,009	24
Ohio	156,591	172
Oklahoma	16,199	97
Oregon	14,127	46
Pennsylvania	156,633	161
Rhode Island	3,865	6
South Carolina	10,143	16
South Dakota	1,928	11
Tennessee	28,953	17
Texas	93,537	144
Utah	7,611	8
Vermont	3,090	9
Virginia	19,773	12
Washington	72,829	76
West Virginia	2,550	2
Wisconsin	46,190	64
Wyoming	7,347	15
District of Columbia		0
Puerto Rico		0
Virgin Islands		0
Total	2,183,870	2,564

APPENDIX B

SCHOOL BOND ISSUES FOR PUBLIC ELEMENTARY AND SECONDARY SCHOOLS SOLD DURING THE WEEK OF FEBRUARY 27–MARCH 3, 1961

NAME OF ISSUER AND AMOUNT

Watchung, Hills Regional High School District (N.J.), $900,000.

DuPage and Will Counties Community High School District 107 (Ill.), $1,880,000.

Natrona County School Districts (Wyo.), $5.573,000.

Roxbury Township School District (N.J.), $1,716,000.

Alabama Education Authority, $30 million.

Chillicothe City School District (Ohio), $1,500,000.

Lockport City School District (N.Y.), $1,200,000.

Pomona Unified School District (Calif.), $1,060,000.

Prince Georges County (Md.), $8 million.

Raritan Township School District (N.J.), $1,498,000.

Shelby County (Tenn.), $4 million.

South Hadley (Mass.), $1,311,000.

Victoria Independent School District (Tex.), $750,000.

Austintown Local School District (Ohio), $1,155,000.

Berlin, Petersburg Consolidated School District No. 1 (N.Y.), $763,000.

Ellicottville Consolidated School District No. 1 (N.Y.), $1,260,000.

Kingston City School District (N.Y.), $3 million.

South Park Independent School District (Tex.), $2,500,000.

Cobb County School District (Ga.), $1,250,000.

Riverhead, South Hampton Consolidated School District No. 2 (N.Y.), $2,400,000.

Northern Berkshire Vocational Regional School District (Mass.), $1,474,000.

Wichita Falls Independent School District (Tex.), $3 million.

Total, $76,090,000.

DEATH OF DMYTRO HALYCHYN

Mr. KEATING. Mr. President, I was greatly distressed to learn today of the death of Dmytro Halychyn, who was supreme president of the Ukrainian National Association and also president of the Ukrainian Congress Committee of America.

Mr. Halychyn was a devoted supporter of the cause of freedom who did not forget the plight of the captive nations under Soviet tyranny behind the Iron Curtain. He labored tirelessly to make Americans aware of the hopes and aspirations of these captive peoples for freedom and self-determination. And he sought, through liberalized immigration laws to make it possible for these people to realize in America the freedom which they sought in vain to establish in their own lands.

Mr. President, I ask unanimous consent to include in the RECORD an article giving further details of Mr. Halychyn's life and work in the cause of international freedom.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DMYTRO HALYCHYN OF UKRAINIAN UNIT—HEAD OF NATIONAL GROUP IS DEAD AT 66—LEADER IN GOP ACTIVITIES

Dmytro Halychyn, supreme president of the Ukrainian National Association, Inc., and president of the Ukrainian Congress Committee of America, died yesterday at Long Island College Hospital in Brooklyn as a result of head injuries suffered in a fall 2 weeks ago. He was 66 years old.

For the last 30 years, Mr. Halychyn was a leader of the Ukrainian-American community. After his graduation from the school of international commerce in the University of Vienna, he came to the United States in 1923. He was elected secretary of the Ukrainian National Association in 1933 and became president in 1950. The association has a current membership of 79,000 and has assets of $24 million.

Mr. Halychyn served in the Ukrainian National Army as a lieutenant from 1917 to 1920. He became an American citizen in 1929. Long a member of the Republican Party, he became head of the Ukrainian Republican Committee of New York in 1952.

He continued his activities on behalf of the Republican Party throughout his career. During the Republican National Convention

last year he was made assistant secretary of the convention and appeared before the platform committee to plead for countries under the domination of the Soviet Union and for liberalization of U.S. immigration laws.

Mr. Halychyn was also known for his activities with the Conference of Americans of Central and Eastern European Descent. In recognition of his contribution to the cause of Ukrainian freedom and liberation, he received an honorary degree of doctor of political sciences from the Free Ukrainian University in Munich.

The Ukrainian American Professional Society named Mr. Halychyn "Ukrainian of the Year" in 1959.

He is survived by his widow, Stefania, and three brothers, John, Joseph, and Vasyl.

Mr. JAVITS subsequently said: Mr. President, I wish to add to the remarks of my colleague my own sadness on learning of the death of Dmytro Halychyn, whom I knew well. I had the honor of addressing the Ukrainian National Associations about a week ago at their great meeting in Carnegie Hall in commemoration of the 100th anniversary of Taras Shevchenko, one of the great heroes of the Ukrainian freedom movement, in which Mr. Halychyn was a great leader.

I express my sympathy to all the members of that association and to the people of Ukrainian extraction in the United States in connection with his demise.

U.N. DEBATE ON HUNGARY AND TIBET

Mr. KEATING. Mr. President, several weeks ago it was reported that the U.S. delegation to the United Nations was considering dropping the questions of Hungary and Tibet from the United Nations General Assembly agenda, or at the very least postponing them for as long as possible. Very much concerned about these reports, I immediately telegraphed to Ambassador Adlai E. Stevenson urging that these issues, which involve matters of deep moral principle, not be swept under the rug in an ill-conceived effort to appease the Communists.

I am happy to say that I have now received a reply to my telegram in which Ambassador Stevenson reassures me that he expects the Assembly to debate these subjects along with all questions on its agenda. I am glad to have this official reaffirmation of American dedication to the principles involved in the violation of the integrity of these countries. What makes these issues of importance and urgency is the fact that both of these cases reveal so vividly the long-term goals of Communist imperialism.

The discussion of these problems is not what makes the cold war. It is the fact that these acts of Communist barbarity actually took place that must be recognized by all free world nations. We must not allow ourselves to forget the plight of these heroic people in an attempt to appease Communist dictators. Events in Laos show only too clearly that the Communists still adhere to their goal of world domination.

Mr. President, I ask unanimous consent to include in the RECORD the text of my telegram to Ambassador Stevenson and his reply.

There being no objection, the telegram and letter were ordered to be printed in the RECORD, as follows:

MARCH 9, 1961.

Hon. ADLAI E. STEVENSON,
Ambassador to the United Nations,
New York, N.Y.:

I am deeply distressed to learn that the U.S. delegation is considering the withdrawal of the issues of Hungary and Tibet from the agenda of the United Nations General Assembly, although I agree that the problems in the Congo and the financing of Congo operations are of greatest urgency at the moment, it is vital that this blatant Communist aggression not be swept under the rug. Communist brutality in Hungary and Tibet deserves a thorough investigation and debate in the General Assembly. Basic principles of human rights and national independence are involved. The rape of Hungary and Tibet reveals beyond the shadow of doubt the ultimate aim of communism. I hope that after the immediate needs of the Congo crisis are provided for, the U.S. delegation to the United Nations will press for serious consideration of all the issues raised by Communist aggression in Hungary and Tibet, including complete Communist disregard for the authority of the United Nations.

KENNETH B. KEATING.

U.S. REPRESENTATIVE
TO THE UNITED NATIONS,
New York, N.Y., March 17, 1961.

The Honorable KENNETH B. KEATING,
U.S. Senate.

DEAR SENATOR KEATING: Thank you for your telegram of March 9. We had hoped it might have been possible to defer until September all the questions on the agenda except the few items essential to the conduct of the United Nations business. We felt that the resulting period of relative quiet would contribute to a better international climate for serious negotiation.

It now appears certain that it will not be possible to shorten the session as we had hoped. Therefore I expect the Assembly to debate all the questions on its agenda.

I am grateful to you for giving me your views and fully recognize their great merit.

With all good wishes,

Sincerely yours,

ADLAI E. STEVENSON.

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

FOOD ADDITIVES TRANSITIONAL PROVISIONS AMENDMENT OF 1961

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 74, H.R. 3980.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H.R. 3980) to amend the transitional provisions of the act approved September 6, 1958, entitled "An act to protect the public health by amending the Federal Food, Drug, and Cosmetic Act to prohibit the use in food of additives which have not been adequately tested to establish their safety," and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. MANSFIELD. Mr. President, I have discussed this procedure with the minority leadership which is agreeable to having the bill considered at this time.

I ask unanimous consent, Mr. President, to have printed in the RECORD at this point an excerpt from the report of the Committee on Labor and Public Welfare covering the proposal.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

EXPLANATION

This bill would extend, from March 5, 1961, until June 30, 1964, the final effective dates of the Food Additives Amendment of 1958 (Public Law 85-929) and the Nematocide, Plant Regulator, Defoliant, and Desiccant Amendment of 1959 (Public Law 86-139). This extension would authorize the continued use of certain food additives and pesticide chemicals not covered by regulations issued by the Secretary of the Department of Health, Education, and Welfare, if the Secretary finds that such continued use would involve no undue risk to the public health, that such additives and pesticide chemicals were in commercial use prior to January 1, 1958, and that scientific investigations to determine safe levels of use are being pursued with due diligence.

Additional time is required by the Food and Drug Administration and the affected industries to complete and evaluate scientific investigations and studies needed to determine final assurance of safe use for about 30 pesticide chemicals and to determine whether some 3,000 substances are actually additives in or on a food and, if they are, what if any tolerance limitations or other conditions should be imposed on their use.

Under the bill, the Secretary of Health, Education, and Welfare could permit the continued use of the food additives or pesticide chemicals which have not been finally cleared for safety only in those instances where he has received satisfactory evidence, and has either authorized or has pending a request for authorization for the continued usage of these chemicals up to March 5, 1961, the limit of his authority, and he finds that the persons requesting the extensions have taken bona fide action before March 6, 1960, to investigate the chemicals concerned, that such investigations have continued with reasonable diligence, and that more time is necessary to complete them.

The Secretary would, at any time, be able to terminate any extension of time granted under this legislation if he finds that (1) it should not have been granted, (2) the basis for an extension no longer exists owing to a change in circumstances, or (3) there has been a failure to comply with any requirement for the submission of progress reports or with other conditions attached to the extension.

BACKGROUND

The Food Additives Amendment of 1958 (Public Law 85-929) amending the Federal Food, Drug, and Cosmetic Act became generally effective on March 5, 1959, 180 days after the date of enactment. However, with respect to any particular commercial use of a food additive before January 1, 1958, Public Law 85-929 authorized the Secretary of Health, Education, and Welfare to permit its continued commercial use while the industries concerned proceeded to develop all the necessary scientific information and data to petition the Secretary for safety clearance.

While it was felt at the time of enactment of this legislation that a deferred effective date of 18 months would be generally sufficient, it was realized that there would be some instances where a further extension of

time might become necessary, particularly in cases where extensive scientific work would be required. Hence Public Law 85–929 authorized the Secretary to allow, in these instances, an extension ending not later than March 5, 1961, based on a finding that such an extension, in each instance, would involve no undue risk to the public health and that conditions exist which necessitate such action. Under this authority the Secretary has granted over 3,000 postponements.

The Department of Health, Education, and Welfare has advised the committee that the March 5, 1961, cutoff date on the authority to grant extensions would operate unfairly in a number of situations where the continued use of an additive beyond this date would be consistent with the protection of the public health and where the industry concerned has exercised due diligence in starting and pursuing the necessary scientific work but has been unable to complete the work and file a petition for safety clearance in time for the Secretary to act.

The committee believes that the extension of authority to the Secretary of Health, Education, and Welfare to June 30, 1964, will be sufficient to enable him and industry to complete most, if not all, of the work involved in the investigations already underway.

The bill grants similar authority to the Secretary with respect to certain pesticide chemicals—about 30 in number—which were in the category of food additives before August 7, 1959, but became pesticide chemicals on that date by reason of a change in the definition of a term which encompasses such chemicals. This change was made by the Nematocide, Plant Regulator, Defoliant, and Desiccant Amendment of 1959 (Public Law 86–139), amending the Federal Insecticide, Fungicide, and Rodenticide Act which had the effect of reclassifying nematocides, plant regulators, defoliants, and desiccants from the category of food additives to the category of pesticide chemicals.

The PRESIDING OFFICER. The bill is open to amendment.

Mr. JAVITS. Mr. President, may we have an explanation of the bill? The bill comes from the Committee on Labor and Public Welfare, a committee on which I serve.

Mr. MANSFIELD. The bill was reported unanimously by the committee. The bill would extend, from March 5, 1961, until June 30, 1964, the final effective dates of the Food Additives Amendment of 1958 (Public Law 85–929) and the Nematocide, Plant Regulator, Defoliant, and Desiccant Amendment of 1959—Public Law 86–139. This extension would authorize the continued use of certain food additives and pesticide chemicals not covered by regulations issued by the Secretary of the Department of Health, Education, and Welfare, if the Secretary finds that such continued use would involve no undue risk to the public health, that such additives and pesticide chemicals were in commercial use prior to January 1, 1958, and that scientific investigations to determine safe levels of use are being pursued with due diligence.

The bill has been requested by the administration, reported from the committee unanimously, and cleared with the minority leadership before being called up.

Mr. HILL. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. HILL. The bill was reported unanimously by the committee in the House of Representatives, and passed unanimously by the House of Representatives.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment, the question is on the third reading and passage of the bill.

The bill (H.R. 3980) was ordered to a third reading, was read the third time, and passed.

STUDY OF STATE TAXATION OF INTERSTATE COMMERCE

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 75, H.R. 4363.

The PRESIDING OFFICER. The bill will be stated by title.

The CHIEF CLERK. A bill (H.R. 4363) to amend Public Law 86–272 relating to State taxation of interstate commerce.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. MANSFIELD. Mr. President, the bill now before the Senate likewise has been cleared with the minority leadership.

The purpose of H.R. 4363 is to expand the scope of the study authorized by Public Law 86–272 to include all matters pertaining to the taxation of interstate commerce by the States, territories, and possessions of the United States, the District of Columbia, and the Commonwealth of Puerto Rico, or any political or taxing subdivision of the foregoing. The study is to be made by the House Committee on the Judiciary or the Senate Committee on Finance, acting separately or jointly.

I ask unanimous consent that a general statement in respect to the bill be printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

PURPOSE

The purpose of H.R. 4363 is to expand the scope of the study authorized by Public Law 86–272 to include all matters pertaining to the taxation of interstate commerce by the States, territories, and possessions of the United States, the District of Columbia, and the Commonwealth of Puerto Rico, or any political or taxing subdivision of the foregoing. The study is to be made by the House Committee on the Judiciary or the Senate Committee on Finance, acting separately or jointly.

GENERAL STATEMENT

Public Law 86–272 was the outgrowth of the decision by the Supreme Court in *Northwestern Cement Company* v. *Minnesota*, 358 U.S. 450 (1959) and of a number of subsequent cases in which the Court denied certiorari. Those cases dealt with the problem of income taxation and consequently when Congress sought to provide a more certain standard for businesses engaged in interstate commerce, it enacted a statute which was concerned only with the problem of State income taxation.

Subsequent to Public Law 86–272, the Supreme Court decided the case of *Scripto* v. *Carson*, 362 U.S. 207 (1960). In that case, the facts were somewhat similar to those in the income tax cases which followed Northwestern and in which the Supreme Court denied certiorari. However, the tax involved in the Scripto case was a use tax. In Scripto it was held that an out-of-State business could be required to collect and pay over a use tax on sales made within the taxing State even though the out-of-State business maintained no facilities in the taxing State.

The Scripto decision evoked a number of bills in both the House and Senate patterned after those which followed the Northwestern case. These bills, in most instances, sought to do two things:

First, they sought to impose a prohibition upon requiring an out-of-State business to collect a use tax on behalf of a State if the only activity within that State is solicitation of orders to be filled by shipment from outside the State;

Second, they sought to broaden the scope of the study required under Public Law 86–272 to include sales and use taxes.

In the 86th Congress, the Senate Committee on Finance approved a bill of this kind, S. 3549, which extended the scope of the study to all matters pertaining to the imposition of sales and use taxes by the States on sales and other business activities which are exclusively in furtherance of interstate commerce. However, no action was taken in the House.

The Committe on Finance is in agreement with the following statements from the report of the House Committee on the Judiciary:

"In view of the history of the problems of State taxation of interstate commerce, it would appear that to enlarge the scope of this study simply by adding another specific category of taxes would not prove the basis for an effective solution. If congressional action is necessary, then it must be predicated upon considerations which go beyond those relating to a particular form of tax. Since Congress must concern itself not only with safeguarding the unimpeded flow of commerce but also with the fiscal problems of State governments, it must take into account the effect which any action it may take will have upon the revenue needs of the States. Since revenues are obtained from a variety of taxes, all of which are closely interrelated, a valid judgment can be predicated only upon a consideration of the entire picture rather than a fragment of it.

"The committee is of the view that the scope of this study should be enlarged not only because it involves a unitary economic problem but because a solution predicated upon a consideration of only specified tax forms would be ineffective. In the event that Congress should determine to limit the imposition by the States of income or sales and use taxes upon interstate commerce, the States might then turn to other forms of taxes which were not considered by Congress. This is amply demonstrated by the ineffectiveness which any solution dealing with income taxes alone would have had on the problems brought to light by the Scripto decision in the area of sales and use taxes. A complete study must therefore take into account not only those taxes which happen to have been the subject of recent Supreme Court decisions but also others which have long vexed the courts.

"This bill would provide the comprehensive authority necessary to consider all matters relating to taxation by the States which affect business activities in interstate commerce."

The PRESIDING OFFICER. The bill is open to amendment. If there be no

amendment to be proposed, the question is on the third reading and passage of the bill.

The bill (H.R. 4363) was ordered to a third reading, was read the third time, and passed.

THIRD SUPPLEMENTAL APPROPRIATIONS, 1961

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 76, H.R. 5188.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 5188) making supplemental appropriations for the fiscal year ending June 30, 1961, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the bill (H.R. 5188), making supplemental appropriations for the fiscal year ending June 30, 1961, and for other purposes, which had been reported from the Committee on Appropriations, with amendments.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HAYDEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HAYDEN. Mr. President, the third supplemental appropriation bill, which is now before the Senate, recommends total appropriations of $4,762,600,000.

The increase over the House bill is $3,950,130,000.

However, I wish to make it clear that subsequent to the passage of the bill in the House, new estimates in excess of $4 billion were submitted to the Senate by the President. Of course, these estimates were not considered by the House.

The largest single increase recommended by the committee is in the appropriations for the Commodity Credit Corporation, where the committee recommends $2.960 million for restoration of capital impairment and for reimbursement for the activities of the Corporation.

Although the report reflects an increase by the committee in the amount of $265 million for the Department of Defense, the House had approved these programs by permitting the transfer of funds which would require replacement at a subsequent date. The committee has seen fit to recommend the appropriation in this bill.

Another sizable increase in the $150 million for the Development Loan Fund, which the House denied.

The committee was advised that unless these funds are furnished the United States will be without a development lending program during the months of April, May, and June.

To implement the new Temporary Extended Compensation Act of 1961, the committee recommends an additional appropriation of $500 million.

Although this is a reduction of $490 million under the supplemental budget estimate submitted to the Senate, in reality there will be sufficient funds to make payments for the remainder of fiscal year 1961 and into the new fiscal year.

I have cited the major increases effected by the committee. A detailed description of all increases is contained in the committee report.

Mr. President, I ask that the committee amendments to the bill on pages 2, 3, and 4, down through line 10, relating to the Commodity Credit Corporation, be considered and agreed to en bloc, and that the bill as thus amended be regarded for the purpose of amendment as original text, provided that no point of order shall be considered to have been waived by reason of agreement to this order.

The PRESIDING OFFICER. The amendment will be stated.

The first amendment of the Committee on Appropriations was, under the heading "Title I—Department of Agriculture," on page 2, after line 15, to insert:

COMMODITY CREDIT CORPORATION

Restoration of capital impairment

To restore the capital impairment of the Commodity Credit Corporation determined by the appraisal of June 30, 1960, pursuant to section 1 of the Act of March 8, 1938, as amended (15 U.S.C. 713a-1), $1,017,610,000.

The next amendment was, on page 2, after line 21, to insert:

REIMBURSEMENT TO COMMODITY CREDIT CORPORATION FOR COSTS OF SPECIAL MILK PROGRAM

To reimburse the Commodity Credit Corporation for amounts advanced including costs of interest incurred thereon to date of reimbursement, for the fiscal year beginning July 1, 1960, for the special milk program for children pursuant to the Act of July 1, 1958, as amended (72 Stat. 276, 74 Stat. 84-85), $90,000,000.

The amendment was ageed to.

The next amendment was, on page 3, after line 4, to insert:

REIMBURSEMENT TO COMMODITY CREDIT CORPORATION FOR COSTS OF SPECIAL ACTIVITIES

To reimburse the Commodity Credit Corporation for authorized unrecovered costs through June 30, 1961 (including interest through date of recovery), as follows: (1) $88,790,000 under the International Wheat Agreement Act of 1949, as amended (7 U.S.C. 1641-1642); (2) $255,685,000 for commodities disposed of for emergency famine relief to friendly peoples pursuant to title II of the Act of July 10, 1954, as amended (7 U.S.C. 1703, 1721-1724); (3) $1,353,000,000 for the sale of surplus agricultural commodities for foreign currencies pursuant to title I of the Act of July 10, 1954, as amended (7 U.S.C. 1701-1709); (4) $13,000 for grain made available to the Secretary of the Interior to prevent crop damage by migratory waterfowl pursuant to the Act of July 3, 1956 (7 U.S.C. 442-445); (5) $163,163,000 for strategic and other materials acquired by the Commodity Credit Corporation as a result of barter or exchange of agricultural commodities or products and transferred to the supplemental stockpile pursuant to Public Law 540, Eighty-fourth Congress (7 U.S.C. 1856); and (6) $1,264,000 for transfers to the appropriation "Marketing research and service" pursuant to the Act of August 31, 1951 (7 U.S.C. 414a), for grading tobacco and classing cotton without charge to producers, as authorized by law (7 U.S.C. 473a, 511d): *Provided*, That the unexpected balances of funds heretofore provided for the various purposes under this head may remain available until expended for the purposes for which appropriated and may be merged with the funds provided in this paragraph.

Mr. MANSFIELD. Mr. President, will the Senator from Arizona yield?

Mr. HAYDEN. I yield.

Mr. MANSFIELD. The distinguished chairman of the Committee on Appropriations will recall that my colleague from Montana [Mr. METCALF] and I appeared before the committee in behalf of a $350,000 appropriation to enable the Corps of Engineers to resume planning on Libby Dam in northwestern Montana.

During the course of that testimony, both my colleague, Mr. METCALF, and I stated that it was our understanding that insofar as the Libby project was concerned, there would be a power preference for Montana, based on the Hungry Horse project. Is that correct?

Mr. HAYDEN. Yes.

Mr. METCALF. Mr. President, will the Senator from Arizona yield to me?

The PRESIDING OFFICER (Mr. BIBLE in the chair). Does the Senator from Arizona yield to the junior Senator from Montana?

Mr. HAYDEN. I yield.

Mr. METCALF. Of course I am delighted that the appropriation for Libby Dam is included in the bill and that we shall go forward with this very important project.

The Senator from Arizona will remember that when the Columbia Basin Treaty, authorizing this project and others, was under consideration on the floor of the Senate, the other day, my colleague, the senior Senator from Montana [Mr. MANSFIELD], said it was our understanding that when Libby Dam is built—

> Every effort will be made to see to it that, as in the case of the Hungry Horse project, Montana will receive a proportionate share of power from that dam, to Montana for the use of the State of Montana. (CONGRESSIONAL RECORD, Mar. 16, 1961, p. 4141.)

If the Senator from Arizona will yield further, I wish to call attention to the provisions of the Hungry Horse authorizing legislation, Public Law 329, 78th Congress, which provided:

> That for the purposes of irrigation and reclamation of arid lands, for controlling floods, improving navigation, regulating the flow of the South Fork of the Flathead River, for the generation of electric energy, and for other beneficial uses primarily in the State of Montana, but also in the downstream areas, the Hungry Horse Dam was authorized.

It is my understanding, and I think it is also the understanding of the senior Senator from Montana [Mr. MANSFIELD], that that would be the general power preference for this dam under the same conditions and precedents as at Hungry Horse.

Mr. HAYDEN. Yes, there is no doubt that that is the general purpose, as stated.

Mr. MANSFIELD. And there is no question that Montana will have a prior power preference, based on that legislation?

Mr. HAYDEN. That has been the understanding all along.

Mr. METCALF. And this item is for the purpose of taking care of the planning on that, is it?

Mr. HAYDEN. Yes. It is necessary to begin the planning now, so the construction work can begin within the time specified in the treaty.

Mr. MANSFIELD. And the power preference for Montana will be included?

Mr. HAYDEN. Yes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Arizona? Without objection, it is so ordered.

Mr. DIRKSEN. Mr. President, has the right to raise a point of order been reserved?

The PRESIDING OFFICER. A point of order can be raised at any time.

Mr. DIRKSEN. I wish to be sure that the right to raise a point of order prior to the taking of final action is not waived.

Mr. HRUSKA. Mr. President, it has been stated that a point of order could be raised at any time prior to the taking of final action. Final action on what?

The PRESIDING OFFICER. On the amendments.

Mr. HRUSKA. So a point of order would have to be raised prior to the time of the taking of the vote on the amendments. Is that correct?

The PRESIDING OFFICER. Yes.

Mr. WILLIAMS of Delaware. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Delaware will state it.

Mr. WILLIAMS of Delaware. Mr. committee amendments now to be considered en bloc?

The PRESIDING OFFICER. Yes. The request was that they now be considered en bloc; and that request was agreed to.

Mr. HAYDEN. Mr. President, I understand that these amendments have now been considered and agreed to en bloc.

The PRESIDING OFFICER. It was agreed that they be considered en bloc.

Mr. HAYDEN. My request was that they also be agreed to en bloc, subject to amendment, under the ordinary procedure.

The PRESIDING OFFICER. It is requested that the committee amendments referred to—those in regard to the Commodity Credit Corporation—be adopted en bloc, subject to the right to raise a point of order.

Mr. DIRKSEN. Mr. President, with all due respect to the Chair, I think the Chair should state the proposition in another way. The request goes only to agreement to consider these amendments en bloc, not to adoption of the amendments relating to the Commodity Credit Corporation.

The PRESIDING OFFICER. That was the first understanding of the Chair; but subsequently the Chair understood the Senator from Arizona to make a further request that they be considered and also be adopted en bloc, subject to reservation of the right to raise a point of order.

Mr. HAYDEN. I also asked that it be agreed that no point of order be considered to have been waived as a result of entering into the proposed agreement.

Mr. WILLIAMS of Delaware. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Delaware will state it.

Mr. WILLIAMS of Delaware. That is also my understanding of the proposed agreement, namely, that a point of order could be made at any time prior to the final vote on these particular amendments.

The PRESIDING OFFICER. The understanding of the Chair is that a point of order can be raised at any time prior to the third reading of the bill.

Mr. WILLIAMS of Delaware. That is correct.

Mr. DIRKSEN. Mr. President, what is the exact proposition now before the Senate?

The PRESIDING OFFICER. Unanimous consent has been requested by the chairman of the Appropriations Committee, the Senator from Arizona, that the committee amendments in connection with the Commodity Credit Corporation section of the bill be considered and agreed to en bloc, but without waiving the right to raise a point of order.

Is there objection to the request of the Senator from Arizona? Without objection, it is so ordered.

Mr. BRIDGES. Mr. President, this bill as constituted, if we accept the committee amendments without further amendment, will provide to the Department of Agriculture nearly $3 billion for expenditure in the 3 months which remain in the present fiscal year.

The purpose of a supplemental appropriation bill is to provide a department or agency with the funds it requires in order to carry out an activity authorized by the Congress during the current fiscal year. A supplemental appropriation bill is not intended to provide a department or agency with funds which it cannot possibly use during the current fiscal year, but which will be available during the next fiscal year.

The total amount provided in this supplemental appropriation bill is about $4,500 million. Of this amount, nearly $3 billion has been requested for the Department of Agriculture under a procedure by which the House of Representatives was bypassed and the request was made directly to the Senate committee. As a consequence of this procedure, hearings were held; and Mr. Charles S. Murphy, Under Secretary of Agriculture, testified on last Tuesday, March 21. I quote now from page 712 of the hearings, beginning near the bottom of the page with a question by the Senator from Georgia [Mr. RUSSELL]

Senator RUSSELL. I notice that you estimate almost a half billion dollars that has not been utilized.

Mr. MURPHY. At the present time, Senator RUSSELL, I would understand that we had a larger sum than that that has not been utilized. The last projection that was made indicated that as of June 30, 1961, the amount not utilized would be about $500 million. That projection was made the first part of this year. It did not take into account a number of program changes that have been made since then and one particularly important one that I refer to in this statement is involved in the new feed grains legislation which authorizes partial payment in advance of compliance for cooperation with that program.

That might result in an additional expenditure of as much as $225 million in the fiscal year 1961 which is not taken account of in that $500 million projection.

STATUS OF BORROWING AUTHORITY

In addition to that, some of the support price increases may require additional funds that will have to be recognized in the next projection and we have the rather strong feeling, sir, that this would be too narrow a margin for safety considering the size of the programs that are involved.

It is my view that the sum of the testimony of Mr. Murphy is to the effect that the Department could not use much more than $1 billion of additional funds during the current fiscal year. To be on the safe side, in order that none of these programs shall be impaired through lack of funds, I shall offer an amendment to cut $1,017,610,000 from this item.

Therefore, Mr. President, I submit the following amendment: To strike from the bill, in title I, under the heading "Commodity Credit Corporation—Restoration of Capital Impairment," the item on page 2, from line 17 up to and including line 21.

In effect, that would strike the $1,017,610,000 from the bill. It would leave a great sufficiency in the Department's appropriation not only to take care of every payment which is to be due or which it might possibly be called upon this year for payment, but it would also strike at the habit which Congress has sometimes adopted of getting into a supplemental bill and item which should properly come in the next fiscal year's appropriation bill. The proper place for such an appropriation, naturally, would be in the 1962 budget.

Therefore, in all propriety, and in the way we have made appropriations in the past, in carrying out the purpose of the amendment, plenty of money would be available in the Department of Agriculture, in view of the admission of the Under Secretary, Mr. Murphy, that it would have $500 million on June 30 of this year unspent.

I ask that the amendment be adopted.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. SALTONSTALL. What the Senator from New Hampshire has said, in substance, is that the amount of $1,017,610,000 is placed in a supplemental bill, whereas in every year in the past, or for at least 8 or 10 years, this particular item has been a part of the regular agricultural appropriation bill. Is that correct?

Mr. BRIDGES. In answer to the Senator, I could not say that in every year past the item has gone in as a part of the regular appropriation bill, but that

is the regular procedure for it, and generally that has been done.

Mr. SALTONSTALL. And there are enough funds available, although it is getting down to a close line, to carry forward the Commodity Credit Corporation through this year. Is that correct?

Mr. BRIDGES. There would be sufficient funds. The Senator has said that it would be getting to a close line; $500,000 of unspent funds will be available, plus the $2 billion which would be left in the bill if the amendment is adopted. That will not create a situation where there would be a need for worry.

Mr. SALTONSTALL. Under the committee action, as a part of the 1961 budget, the amount proposed will go into the 1962 budget.

Mr. BRIDGES. That is correct.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. RUSSELL. We may differ as to what amounts are necessary in this item, but in the past we have not always carried these funds in the regular appropriation bill. So this is not the first time it has appeared in a supplemental bill.

Mr. BRIDGES. That is the answer of the Senator from New Hampshire to the Senator from Massachusetts. The general procedure has been to carry them to the next fiscal year.

Mr. RUSSELL. Whenever they have requested it we have put it in the supplemental bills in previous years.

Mr. BRIDGES. Mr. President, I ask for the yeas and nays on my amendment.

The yeas and nays were ordered.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. WILLIAMS of Delaware. Under the recommendations of the committee, do I understand correctly that they are taking care of not only the losses heretofore sustained by the Commodity Credit Corporation, but, to some extent, the losses they may suffer in the future?

Mr. BRIDGES. It is my understanding that what we are taking care of is the estimated impairment of capital as of June 30, 1961. My answer to the Senator from Deleware was based on the estimated impairment of capital as of June 30, 1961.

Mr. RUSSELL. Mr. President, if the Senator will yield, I understand that was as of last June 30, not next June 30.

Mr. BRIDGES. A year ago. Then I am mistaken, if the chairman of the committee says this is not on an estimated basis.

Mr. RUSSELL. The total impairment of capital stock of the Commodity Credit Corporation was about $1,600 million. We restored about $595 million last year, and this is the remainder of it up to the first of July 1960.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New Hampshire.

Mr. RUSSELL. Mr. President, the total amount involved is a large sum of money. It is almost $3 billion. But we have been dealing with very large sums in undertaking to restore the losses sustained by the Commodity Credit Corporation over the past 6 or 7 years.

I wish I could assure the Senate that this amount of money would make good all of the losses the Commodity Credit Corporation will bear, but I cannot, in good conscience, do so.

As of the first of this year, we had about $6½ billion of inventories on hand, in addition to the loans outstanding, which, as of the first of July this year, will total nearly $8 billion.

There is no need here of getting into a debate as to who is responsible for it. Personally, it is my view—and I have lived with this appropriation bill for more than a quarter of a century—it is due to the fallacious reasoning of Mr. Benson, the past Secretary of Agriculture. He undertook to make loans, as he was required to do under the law, to producers of commodities, and he was apparently unwilling to put any restrictions on the production of those commodities. So when he reduced the support rates with no restrictions on production, it was very natural for every farmer to produce more units to make up the losses in his income that were brought about by the reducing of the loan levels.

But the problem is before us. While it grows out of several separate losses, the particular item that is recommended to the Senate by the committee is as much an obligation of the United States under existing law as is the interest on the public debt. Indeed, it is as much an obligation of the taxpayers of the country as is the principal of the public debt itself. The only difference is that we cannot refund this fund from year to year, but must restore it each year.

The largest single item here grows out of the operation of our Public Law 480 program, and that is in effect a part of our foreign assistance program. The largest item in the bill is the $1,860 million to reimburse the Commodity Credit Corporation for special activities. That includes the operation of the International Wheat Agreement, $250 million for commodities disposed of for emergency famine relief, and $1,353 million for the sale of surplus agricultural commodities for foreign currencies, pursuant to title 1 of the act of July 10, 1954, that being Public Law 480, to which I referred.

Mr. LAUSCHE. The item of $1,017,610,000 is labeled as an amount which is required to restore the capital structure.

Mr. RUSSELL. Yes.

Mr. LAUSCHE. When did the impairment which the appropriation is supposed to cure occur?

Mr. RUSSELL. It occurred in the fiscal year 1960; from the first of July 1959, to the first of July 1960.

Mr. LAUSCHE. If that is the fact, then the amount could not legitimately be embodied in what we would call an appropriation of funds for the fiscal year 1962.

Mr. RUSSELL. I do not know why, because it is an obligation of the Government. It must be paid. When does the Senator think it should be paid?

Mr. LAUSCHE. I mean, if it is money to be appropriated, it should not be considered one of the current expenditures for the operation of the Government.

Mr. RUSSELL. No; indeed not. A similar request was submitted to the Congress last year by the previous administration, and we made a payment of $595 million last year. As I recall, that was the amount the Department of Agriculture sought, for this item in the regular bill.

The Department of Agriculture came before the committee and asked for $595 million last year, and we allowed it. The total amount of the impairment was much greater. It was approximately $1.6 billion or a little more for the entire year. We paid $595 million on the impairment last year. This is a request for the remainder.

The money is required to make good the capital structure of the Commodity Credit Corporation, to assure that funds will be available for the commodity loans which are required by law.

Mr. LAUSCHE. For the fiscal year 1960?

Mr. RUSSELL. Yes. The Commodity Credit Corporation, in its essential elements, is a banking institution. The money requested is money needed to make sure that the capital stock of the Corporation will be adequate to enable the Corporation to discharge its functions.

We have made good the impairment of capital stock every year for many years. I have the figures before me for the years 1952 to 1960. The amount of impairment we have been compelled to make good by appropriations is shown. I point out that for the year 1959 we were compelled to appropriate $1,760,399,886 to make good the capital impairment of the Commodity Credit Corporation.

Mr. LAUSCHE. I should like to repeat my understanding. The impairment of the capital structure of the Commodity Credit Corporation occurred in the fiscal year 1960, which ended on June 30, 1960, and the request now is to restore that amount.

Mr. RUSSELL. Exactly.

Mr. LAUSCHE. The item is not being placed in the regular appropriation bill for 1962 because it is not a legitimate part of that appropriation bill, the deficit having occurred in 1960.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. RUSSELL. The item is in the supplemental bill. It is perfectly appropriate to add the funds to the bill.

Mr. LAUSCHE. I recognize it is appropriate to do so.

Mr. RUSSELL. We have previously carried such items in supplemental bills and we have carried them in the regular appropriation bills. We have, at times, carried a part of the item in the supplemental appropriation bill and a part in the regular appropriation bill. There has been no fixed rule of procedure.

Mr. LAUSCHE. Prudence would seem to indicate that the operations for the fiscal year 1962 ought not to be charged with this amount of money,

but that instead the money should be placed in a supplemental bill, to add to the appropriations for preceding years.

Mr. RUSSELL. The Senator's logic is unassailable. This is a debt which has already been incurred. We know what it is, to the last nickel. It is a past due obligation and it should be paid now, rather than charged to future operations.

Mr. LAUSCHE. If it is not included in the supplemental appropriation bill it will become a part of the current year's appropriation bill, to be charged against operations for the year 1962, with respect to which it is not a legitimate part.

Mr. RUSSELL. The Senator is absolutely correct. Though I must say that such items have been carried on some occasions in times past in the regular appropriation bills.

Mr. BRIDGES. Mr. President, will the Senator yield to me?

Mr. RUSSELL. I yield to the Senator from New Hampshire.

Mr. BRIDGES. I should like to make a brief statement to the Senator from Ohio.

I read to the Senator from the testimony of Charles S. Murphy, Under Secretary of Agriculture of the present administration. He said:

> The supplemental request before you proposes to provide in the fiscal year 1961 the appropriations for those purposes which in the budget submitted to the Congress on January 16 were proposed for 1962.

Therefore, it had been part of the original budget proposed for 1962.

As the distinguished Senator from Georgia has indicated—although not wholeheartedly—the item has been generally carried in that appropriation bill.

Mr. RUSSELL. I am not sure the statement "generally" is correct. I think it has been done about half and half in recent years.

Mr. BRIDGES. It has been done half the time?

Mr. RUSSELL. About half the time the item has been in the supplemental appropriation bill and half the time in the regular appropriation bill. There has been no established policy. The thing which has determined whether the money was immediately made available in a supplemental appropriation bill or carried in a regular appropriation bill has been whether the Department of Agriculture requested such an amount in a supplemental appropriation bill.

When Mr. Benson requested such funds in a supplemental appropriation bill we provided every dollar he asked. I certainly do not propose to do less for the present Secretary of Agriculture, who says that he needs these funds in order to enable him to operate the Department of Agriculture in accordance with his legal responsibilities under the several acts which have been passed by the Congress of the United States.

The Secretary of Agriculture says that he needs these funds now to enable him to plan, to know that the capital will be restored, and so funds will be available for the milk program, which Congress increased last year. I was one of those who supported the program to provide milk for the schoolchildren. Part of the money requested is required for that.

The Secretary has to know that the funds will be restored, to make up losses under the International Wheat Agreement. We have had losses every year for the past 15 years under this agreement.

The Secretary has to have the funds so that the losses under the Public Law 480 program can be taken care of. We have sold vast quantities of agricultural commodities to nations all over the world for soft currencies, for currencies which are not readily exchangeable. We have sold the commodities at currency values the other countries have determined, rather than for what their currency would bring in the open money market. I never did agree with that procedure. I thought we should get from a foreign country for our production the dollar value of the currency, rather than a fictitious value, but the law provided otherwise.

All of these kinds of expenditures have been made under the mandate of the Congress of the United States in every single instance.

A new man has come in to take over the Department of Agriculture. He must solve one of the most complicated and prodigious problems which has ever faced any administrator in the Cabinet of the President of the United States. He says that he needs the funds to restore the capital structure of the Commodity Credit Corporation.

Mr. President, as I said a few moments ago, for 8 years on the committee I made the motion to provide the amount of funds which Mr. Ezra Taft Benson, as the Secretary of Agriculture, requested of the Appropriations Committee. For 8 years I have stood before the Senate and supported the payment to Mr. Benson of the funds which he requested for the Commodity Credit Corporation. I certainly shall not do less for the present Secretary of Agriculture, not only because he is a member of my party but also because he is confronted with problems which require the support of the Congress of the United States.

Mr. LAUSCHE. Mr. President, will the Senator yield further?

Mr. RUSSELL. I am glad to yield to the Senator from Ohio.

Mr. LAUSCHE. I think I understand why the dispute has arisen as to whether the funds should be provided in the regular appropriation bill or in the supplemental appropriation bill. Since the obligation must be met, in the opinion of the Senator from Georgia why has the dispute become important as to whether the funds are provided in the supplemental appropriation bill or in the regular appropriation bill?

Mr. RUSSELL. With all deference and respect to my beloved friend from New Hampshire, whom I admire very extravagantly, there could be only one reason, and that is to embarrass the administration in the 1962 fiscal year with funds which have to be expended.

This bill has to be paid. I say let us go ahead, hold our noses, and pay it today. Let us give the Secretary of the Department of Agriculture, who is grappling with these problems, the assurance that he will have funds available for use for the capital stock of the Commodity Credit Corporation, as the funds were made available to his predecessor in office.

The Secretary of Agriculture has more requirements to meet now than has heretofore been the case.

Last week the Senate passed a feed grains bill, which the President signed. It is estimated that that bill will require the expenditure of approximately $250 million more than would have been spent under the existing law, and the only source from which those funds could be obtained is the appropriation that is now being requested.

The present Secretary of Agriculture has made some small increases in the rate of commodity loans that must be made on agricultural commodities that may be made before funds under a new appropriation bill will be available to the Department of Agriculture. I am glad he proposed those increases. He did not add as much in some instances as I thought he should, but he has shown that he realizes the farmers of the country have been in a deplorable condition. They have been caught in a price squeeze whereby they have had to sell their products in a buyer's market and buy what they needed in a seller's market. It has been rough going for the farmer. I am glad that the Secretary has made some modest increases in the amounts of loans available for some of these commodities, but funds will be required in order to meet those loans, and why should we not make them available today?

Mr. HRUSKA. I believe the Senator from Georgia stated that the funds involved here or those in the appropriation requested are for the purpose of covering unexpended moneys. Does that statement apply to the entire appropriation, or is it limited to the $1,017 million which is the subject of the present amendment?

Mr. RUSSELL. The statement applies to all of the items. Every one of those items is a loss that is unrecoverable, and which the Department of Agriculture was directed to incur by law. All items were incurred before the present Secretary of Agriculture took office.

Mr. HRUSKA. If the Senator will permit, I should like an explanation of the testimony of the Assistant Secretary of Agriculture Murphy, which starts with the last sentence on page 698 of the transcript of hearings:

> Because of the uncertainty as to the timing of the receipt of the appropriations originally requested in the fiscal year 1962 and the fast-moving developments in the farm economy, it is necessary to move up to the current fiscal year the request for restoration of the capital impairment of the Commodity Credit Corporation as of June 30, 1960. Acceleration of this appropriation would assure adequate uncommitted borrowing authority to the Corporation to provide for the many contingencies which possibly could occur before the end of this fiscal year.

There are some additional words which are not pertinent here.

It seems to me that those words refer to expenditures which have not yet been

made, and which are not yet payable, and certainly as to which no basis can be formed for the necessary certification which is required of the Secretary of Agriculture under section 713(a)(1) as to the net worth of the Commodity Credit Corporation, which is the only basis upon which we can appropriate, because it is in that section that the authority to appropriate is stated.

Mr. RUSSELL. I believe the Senator has completely missed the point. Mr. Murphy was talking about when the money will be committed and expended. But the question the Senator from Ohio asked me is when this money became due to the Commodity Credit Corporation, and I stated it was all past due to the Commodity Credit Corporation.

Mr. HRUSKA. Some of the money is not expended yet.

Mr. RUSSELL. Oh, no. This relates to future expenditures, to obligations to make loans on the wheat that will be produced in the State of the Senator from Nebraska this fall, not what has transpired in the past. All of the requested money is involved in transactions that have already taken place. The money has already been lost. All the losses were incurred by virtue of statutes enacted by the Congress of the United States. It is now sought to recoup and replace these losses with new appropriations as the law requires and authorizes.

Mr. HRUSKA. The testimony of the Assistant Secretary of Agriculture was that—

> Acceleration of this appropriation would assure adequate uncommitted borrowing authority to the Corporation to provide for the many contingencies which possibly could occur before the end of this fiscal year.

some of which appear to be due. He then refers to the feed grains bill, which was not law at the time this item was inserted in the supplemental appropriation request.

Mr. RUSSELL. That statement is quite true. It was not. But the feed grains bill was an additional obligation placed upon the Department of Agriculture, and for that reason we wish to make good the losses that have already been incurred by reason of past transactions, so that the present Secretary will be armed, as was his predecessor, with adequate funds to deal with problems that arise in the future.

Mr. HRUSKA. As I understand, the restoration of capital to the Commodity Credit Corporation is pursuant to section 713(a), and that is based upon an appraisal of net worth of the Commodity Credit Corporation, which cannot be made until June 30 of this year.

Mr. RUSSELL. Oh, no. This request concerns losses incurred in 1959, not this year. We are making good losses that occurred in 1959 and 1960 for appraisals that were made in June 1960, and the proposal is to meet the losses that Mr. Benson said on the first of July 1960, had already been incurred by the Commodity Credit Corporation under his direction.

Mr. HRUSKA. To that extent, I would be in full agreement with the Senator from Georgia. Yet the fact remains that the Under Secretary of Agriculture, Mr. Murphy, has referred to expenditures to be incurred in the future, and he wants these funds as an advanced and accelerated appropriation for the purpose of being able to take care of commitments which he has not made yet but which he expects to make.

Mr. RUSSELL. What Mr. Murphy was referring to is this: The question had been raised as to why we could not carry this item in the regular bill for 1962. He said he wanted the amount accelerated in the supplemental bill because he might need some of the funds between now and the time the regular bill would take effect. That is the point to which Mr. Murphy referred. I will be perfectly frank. I do not want to deceive anyone. I made this statement in the committee, and I shall make it here. In my judgment, we would not commit all the funds between now and the time the benefits of the new bill will become available. However, the Department needs the funds for planning purposes, so that it will know how to plan with respect to every commodity and the entire program, including the feed grains bill which we passed the other day.

Incidentally, I do not believe the feed grains bill will prove to be very efficacious, but it was the only measure we had before us that showed any promise of being helpful. Therefore, I supported the bill. I did so with my fingers crossed. If the Secretary of Agriculture can make anything out of that bill in the form in which Congress sent it to him, he will be a wizard. He should have been given the bill for which he asked. The bill he desired could have been made effective.

Mr. HRUSKA. Mr. President, I ask unanimous consent that the text of title 15, section 713(a)(1), be printed in the RECORD at this point in my remarks, because I made several comments and references to it. I believe if it is set forth in this context my remarks will be more comprehensible.

There being no objection, the section was ordered to be printed in the RECORD, as follows:

§ 713a–1. Commodity Credit Corporation; annual appraisal of assets; restoration of capital impairment.

As of the 30th of June in each year and as soon as possible thereafter, beginning with June 30, 1945, an appraisal of all of the assets and liabilities of the Commodity Credit Corporation for the purpose of determining the net worth of the Commodity Credit Corporation shall be made by the Secretary of the Treasury. The value of assets shall be determined on the basis of the cost of such assets to the Commodity Credit Corporation, and a report of any such appraisal shall be submitted to the President as soon as possible after it has been made. In the event that any such appraisal shall establish that the net worth of the Commodity Credit Corporation is less than $100,000,000, the Secretary of the Treasury, on behalf of the United States, shall restore the amount of such capital impairment by a contribution to the Commodity Credit Corporation in the amount of such impairment. To enable the Secretary of the Treasury to make such payment to the Commodity Credit Corporation, there is authorized to be appropriated annually, commencing with the fiscal year 1938, out of any money in the Treasury not otherwise appropriated, an amount equal to any capital impairment found to exist by virtue of any appraisal as provided herein. Such capital impairment shall be restored with appropriated funds as provided herein rather than through the cancellation of notes. (Mar. 8, 1938, ch. 44, § 1, 52 Stat. 107; July 1, 1941, ch. 270, § 2, 55 Stat. 498; Apr. 12, 1945, ch. 54, § 4, 59 Stat. 51; Mar. 20, 1954, ch. 102, § 1(b), 68 Stat. 30.)

AMENDMENTS

1954—Act Mar. 20, 1954, struck out the words ", or insofar as practicable, the average market price of such assets during the last month of the fiscal year covered by the appraisal, whichever is lower,", which followed "Commodity Credit Corporation" in second sentence; and added sentence providing that the capital impairment referred to in the preceding sentence shall be restored with appropriated funds as provided in section rather than through the cancellation of notes.

1945—Act Apr. 12, 1945, amended section by substituting "30th of June" for "31st of March", "June 30, 1945" for "March 31, 1938" in the first sentence, and amending second sentence generally.

1941—Act July 1, 1941, affected second sentence by substituting for "on the basis of market prices at the time of appraisal" the words "on the basis of the cost . . . whichever is the lower."

EXCEPTIONS FROM TRANSFER OF FUNCTIONS

Functions of the corporations of the Department of Agriculture, the boards of directors and officers of such corporations; the Advisory Board of the Commodity Credit Corporation; and the Farm Credit Administration or any agency, officer or entity of, under, or subject to the supervision of the Administration were excepted from the function of officers, agencies and employees transferred to the Secretary of Agriculture by 1953 Reorg. Plan No. 2, § 1, eff. June 4, 1953, 18 F.R. 3219, 67 Stat. 633, set out as a note under section 511 of Title 5, Executive Departments and Government Officers and Employees.

CROSS REFERENCES

Provisions of section as applicable to federally chartered corporation, see section 714d of this title.

Mr. RUSSELL. I am glad to have that section printed in the RECORD at this point. The Senator is correct about the appraisal, but what we are making good are the deficiencies that were demonstrated by an appraisal that was made in 1960.

Mr. HRUSKA. Again I say that is understandable to me. I am in sympathy with it. I think it is very fine. But when the Secretary of Agriculture seeks to justify an acceleration of expenditures in the future, obviously they could not have been contained in the appraisal of June 30, 1960.

Mr. RUSSELL. What the Secretary was referring to was the difference between carrying it in the present bill and in the regular appropriation bill that will probably become law sometime in September.

Mr. DWORSHAK. Mr. President, will the Senator yield?

Mr. RUSSELL. I am glad to yield to the Senator from Idaho.

Mr. DWORSHAK. The Senator from Georgia is chairman of the subcommittee on appropriations which handles the budget for the Department of Agriculture, and is intimately acquainted with all the activities in the Department of a financial nature.

Mr. RUSSELL. I fear I do not deserve that compliment, but I shall not dispute the Senator's statement. The

Department is farflung, and has many activities.

Mr. DWORSHAK. The Senator has been a member of the subcommittee for 16 or 18 years, and chairman most of that time.

Mr. RUSSELL. I am afraid the period has been longer than that. For some 27 or 28 years I have been a member of the committee.

Mr. DWORSHAK. Of the subcommittee.

Mr. RUSSELL. Yes.

Mr. DWORSHAK. On page 13 of the side-slip under the heading "Explanation of Language Proposed," it is pointed out that capital impairment as of June 30, 1960, amounted to $1,612,108,771, and undoubtedly the subcommittee, of which the Senator is chairman, recommended in the bill which was approved last summer the restoration of $594 million of that amount of impairment, which appears on the second line of page 14.

Mr. RUSSELL. Yes. However, I would say to the distinguished Senator from Idaho that the total amount of the impairment for the year ending June 30, 1960, was $1,612,100,000.

Mr. DWORSHAK. I have just pointed that out.

Mr. RUSSELL. Yes. The Secretary of Agriculture requested, in the annual appropriation act, the sum of $595 million. He did not request all of the money, but we gave him all that he asked for.

Mr. DWORSHAK. Allegedly, leaving a balance of a little more than $1 billion to restore impairment of capital in the year ending June 30.

Mr. RUSSELL. Yes. That is the figure which was arrived at by the former Secretary of Agriculture, Mr. Benson.

Mr. DWORSHAK. Assuming that in the next fiscal year, which is fiscal year 1962, the Secretary of Agriculture makes no request for funds for restoration of impairment of capital, and would let that be deferred until a subsequent year, is it not probable that during the next fiscal year there would not be even a single dollar appropriated for restoring of impairment of capital?

Mr. RUSSELL. If the Senator's assumption were correct, that would be the result. Of course, the Secretary has already requested a restoration for that in the budget.

Mr. DWORSHAK. Yes; but that will be chargeable to the current fiscal year.

Mr. RUSSELL. No; amount under discussion is for the current fiscal year.

Mr. DWORSHAK. The money would be appropriated in the pending supplemental appropriation bill and chargeable to the present fiscal year.

Mr. RUSSELL. There has been no fixed rule about that as I stated in discussion with the Senator from New Hampshire [Mr. BRIDGES]. Sometimes we have carried it in a supplemental bill, and at other times we have carried it in the regular appropriation bill.

Sometimes we have carried part of it in a supplemental bill and the remainder in the regular appropriation bill.

Mr. DWORSHAK. Yes, but we are in agreement up to this point, then. What I would like to ask is this: Is it not possible for the Secretary of Agriculture to defer his requests until fiscal year 1963, so that the emphasis would be placed upon fiscal year 1961, which we are considering now in the pending bill, and actually giving preferential treatment to fiscal year 1963, so that the actual bookkeeping would not show how much capital has been impaired?

Mr. RUSSELL. No; he must establish the amount of the impairment every year, on June 30, under the law. He does not have to ask Congress for it, of course. But his findings are not secret.

Mr. DWORSHAK. Then it is possible to have the impairment restored in 1961 and 1963, but none in 1962. Is that correct?

Mr. RUSSELL. It is technically possible, yes; however, if I understand the attitude of the present Secretary of Agriculture, it is highly unlikely that there would be any failure on his part to ask for a restoration of the impairment.

Mr. DWORSHAK. But if my assumption is carried out on the basis of what the Secretary of Agriculture may do in the next 12 months, that could happen.

Mr. RUSSELL. He has already requested it in the pending bill. He is asking for an additional restoration in the regular appropriation bill for 1962.

Mr. DWORSHAK. How much is that?

Mr. RUSSELL. One billion four hundred and seventy-seven million dollars.

Mr. DWORSHAK. Is that based upon the impairment of capital for the fiscal year ending June 30, 1961?

Mr. RUSSELL. Yes; that is correct.

Mr. DWORSHAK. But there are still 3 months remaining in the present fiscal year.

Mr. RUSSELL. That is correct. This is the amount that he has requested. This money does not become available until next year.

Mr. DWORSHAK. He is speculating on what is required to restore the impairment. Is that correct?

Mr. RUSSELL. Yes. This is not the first time it has been done this way. It has been done before. I am ready to vote, Mr. President. We have to restore the capital impairment. I see no reason for delay.

Mr. METCALF. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. RUSSELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

SEVERAL SENATORS. Vote! Vote!

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New Hampshire [Mr. BRIDGES] to strike from the bill the language contained on page 2, lines 17 to 21, inclusive. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from North Dakota [Mr. BURDICK], the Senator from Virginia [Mr. BYRD], the Senator from Idaho [Mr. CHURCH], the Senator from North Carolina [Mr. ERVIN], the Senator from New Jersey [Mr. WILLIAMS], the Senator from Tennessee [Mr. GORE], the Senator from Michigan [Mr. HART], the Senator from Oklahoma [Mr. KERR], the Senator from Louisiana [Mr. LONG], the Senator from Oklahoma [Mr. MONRONEY], the Senator from West Virginia [Mr. RANDOLPH], the Senator from Florida [Mr. SMATHERS], and the Senator from Missouri [Mr. SYMINGTON] are absent on official business.

I also announce that the Senator from Minnesota [Mr. MCCARTHY] is absent because of illness.

I further announce that the Senator from Texas [Mr. BLAKLEY] is necessarily absent.

I further announce that, if present and voting, the Senator from Virginia [Mr. BYRD], the Senator from Idaho [Mr. CHURCH], the Senator from North Carolina [Mr. ERVIN], the Senator from Tennessee [Mr. GORE], the Senator from Michigan [Mr. HART], the Senator from Oklahoma [Mr. KERR], the Senator from Louisiana [Mr. LONG], the Senator from Oklahoma [Mr. MONRONEY], the Senator from West Virginia [Mr. RANDOLPH], the Senator from Florida [Mr. SMATHERS], the Senator from Missouri [Mr. SYMINGTON], the Senator from Minnesota [Mr. MCCARTHY], the Senator from Texas [Mr. BLAKLEY], and the Senator from New Jersey [Mr. WILLIAMS], would each vote "nay."

On this vote, the Senator from Indiana [Mr. CAPEHART] is paired with the Senator from North Dakota [Mr. BURDICK]. If present and voting, the Senator from Indiana would vote "yea" and the Senator from North Dakota would vote "nay."

Mr. KUCHEL. I announce that the Senator from Indiana [Mr. CAPEHART], the Senators from Kansas [Mr. CARLSON and Mr. SCHOEPPEL] and the Senator from Kentucky [Mr. MORTON] are necessarily absent. If present and voting, the Senators from Kansas [Mr. CARLSON and Mr. SCHOEPPEL] and the Senator from Kentucky [Mr. MORTON] would each vote "yea."

The Senator from Indiana [Mr. CAPEHART] is paired with the Senator from North Dakota [Mr. BURDICK]. If present and voting the Senator from Indiana [Mr. CAPEHART] would vote "yea," and the Senator from North Dakota [Mr. BURDICK] would vote "nay."

The result was announced—yeas 31, nays 50, as follows:

[No. 22]

YEAS—31

Aiken	Cotton	Miller
Allott	Curtis	Mundt
Beall	Dirksen	Prouty
Bennett	Dworshak	Saltonstall
Boggs	Fong	Scott
Bridges	Goldwater	Smith, Maine
Bush	Hickenlooper	Wiley
Butler	Hruska	Williams, Del.
Case, N.J.	Javits	Young, N. Dak.
Case, S. Dak.	Keating	
Cooper	Kuchel	

NAYS—50

Anderson	Eastland	Humphrey
Bartlett	Ellender	Jackson
Bible	Engle	Johnston
Byrd, W. Va.	Fulbright	Jordan
Cannon	Gruening	Kefauver
Carroll	Hartke	Lausche
Chavez	Hayden	Long, Mo.
Clark	Hickey	Long, Hawaii
Dodd	Hill	Magnuson
Douglas	Holland	Mansfield

McClellan	Neuberger	Sparkman
McGee	Pastore	Stennis
McNamara	Pell	Talmadge
Metcalf	Proxmire	Thurmond
Morse	Robertson	Yarborough
Moss	Russell	Young, Ohio
Muskie	Smith, Mass.	

NOT VOTING—19

Blakley	Gore	Randolph
Burdick	Hart	Schoeppel
Byrd, Va.	Kerr	Smathers
Capehart	Long, La.	Symington
Carlson	McCarthy	Williams, N.J.
Church	Monroney	
Ervin	Morton	

So Mr. BRIDGES' amendment to the committee amendment was rejected.

The PRESIDING OFFICER (Mr. BARTLETT in the chair). The next committee amendment will be stated.

The LEGISLATIVE CLERK. On page 4, it is proposed to strike out line 21——

Mr. BRIDGES. No, Mr. President; the next committee amendment is not on page 4. The Senate has acted on part of the committee amendments which begin on page 2. I have another amendment to offer to these committee amendments.

The PRESIDING OFFICER. These amendments have been agreed to; but they are subject to amendment.

Mr. BRIDGES. Mr. President, to this committee amendment I offer the following amendment: On page 3, after the semicolon in line 15, to strike out all up to and including the semicolon after the figures "1709", in line 18—in other words, strike out subparagraph (3), which reads as follows:

(3) $1,353,000,000 for the sale of surplus agricultural commodities for foreign currencies pursuant to title I of the Act of July 10, 1954, as amended (7 U.S.C. 1701–1709).

The PRESIDING OFFICER. The amendment submitted by the Senator from New Hampshire to the committee amendment will be stated.

The LEGISLATIVE CLERK. In the committee amendment on page 3, beginning in line 15, it is proposed to strike out the following:

(3) $1,353,000,000 for the sale of surplus agricultural commodities for foreign currencies pursuant to title I of the Act of July 10, 1954, as amended (7 U.S.C. 1701–1709).

Mr. BRIDGES. Mr. President, this amendment is similar to the one I previously submitted.

The entire committee amendment appears under the heading "Reimbursement to Commodity Credit Corporation for Costs of Special Activities;" and lines 7, 8, and 9, on page 3, which appear under that heading, read as follows:

To reimburse the Commodity Credit Corporation for authorized unrecovered costs through June 30, 1961 (including interest through date of recovery), as follows:

My amendment will strike out subdivision (3), in lines 15 through 18.

Let me point out that part of the money which we now are asked to appropriate will not be expended in the present fiscal year, which will end on June 30, 1961. We here are asked to appropriate sufficient to permit an estimated balance to remain. As a result of the other parts of this overall amendment, there will be ample funds for the Commodity Credit Corporation. First, there will be the $500 million, which Under Secretary Murphy says will be in the fund, under the general authority. Then there will be approximately $1,750 million more, under the part of the committee amendment to which I offered my first amendment, which was rejected, and also under several other items in this overall amendment.

So there will be the $500 million which Under Secretary Murphy said will be available, plus approximately $1,650 million which will be covered by the remainder of the overall amendment. So there is no justification for the appropriation of this particular amount in this bill.

Mr. JAVITS. Mr. President, will the Senator from New Hampshire yield?

Mr. BRIDGES. I yield.

Mr. JAVITS. I wish to make one point, although I believe I know the answer. Nevertheless, I believe it should be made clear for the record. I think all of us know the views of the Senator from New Hampshire on this foreign-policy question; but let me state that, as I understand, the amendment he now submits in no way affects who may be the legitimate purchasers of these commodities or the particular countries to which they may move. The amendment has no bearing, one way or the other, on that question, as I understand.

Mr. BRIDGES. No, it does not. It relates to the estimate for the period up to June 30; and the item to which my amendment relates would normally be included in the regular appropriation bill for the fiscal year 1962.

Mr. JAVITS. I thank the Senator from New Hampshire.

Mr. AIKEN. Mr. President, will the Senator from New Hampshire yield to me?

Mr. BRIDGES. I yield.

Mr. AIKEN. Is it the assumption of the Senator from New Hampshire that the purpose of including in this bill this item of $1,353 million is to have it charged against this fiscal year, rather than the next fiscal year?

Mr. BRIDGES. Certainly that is one of the principal objectives.

Mr. AIKEN. What other purpose would there be?

Mr. BRIDGES. None. Obviously the purpose is to charge this item against the fiscal year ending June 30, 1961, instead of to charge it against the fiscal year ending June 30, 1962.

Mr. AIKEN. In other words, the purpose is to make the last fiscal year of the Eisenhower administration look a little worse, and to make the fiscal year of the Kennedy administration look better. Does the Senator from New Hampshire assume that is the purpose?

Mr. BRIDGES. Yes.

Mr. AIKEN. Would this part of the committee amendment establish a precedent of any kind?

Mr. BRIDGES. Well, we have previously established precedents, either in whole or in part, from time to time. But the fact that from time to time exceptions have been made is no reason for taking the action now proposed by means of this committee amendment.

Mr. AIKEN. The Senator from New Hampshire will recall that 2 years ago I vigorously opposed advancing certain expenditures, in order to include them in the calendar year 1959, rather than to have them included in the calendar year 1960.

I do not believe that the taxpayer or the voter of this country cares whether he gets a bill in June or in August. The total amount does mean a lot to him. It looks now as if it is going to mean a lot more to him in the next 3 or 4 years.

In order to be consistent, I shall vote for the Senator's amendment, because I opposed a similar proposal which was an attempt at a new precedent; and I am still wondering how President Eisenhower was able to get a Democratic Congress to do it. It must have been as a result of magnificent persuasion on the part of the President.

I shall vote for the amendment so long as the Senator can assure me that it does not affect the sale of commodities to any country anywhere.

Mr. BRIDGES. It does not.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. WILLIAMS of Delaware. On the previous amendment the Senator from Georgia [Mr. RUSSELL] advanced the argument that the item was merely for the restoration of established losses. However, that argument does not stand now. Is that correct?

Mr. BRIDGES. That is correct.

Mr. WILLIAMS of Delaware. As I understand, losses have been estimated which may or may not be sustained between now and June 30. In addition, there is an estimated interest requirement on the losses which has not as yet been sustained, and so far as anyone knows, may or may not be sustained.

Mr. BRIDGES. That is correct.

Mr. WILLIAMS of Delaware. The law provides that Congress may make appropriations for the restoration of the capital impairment of the Commodity Credit Corporation. Is that correct?

Mr. BRIDGES. That is my understanding.

Mr. WILLIAMS of Delaware. Does not this proposal go beyond the requirements that exist in law in making restoration of capital impairment? How can capital impairment be corrected when the capital has not yet been impaired?

Mr. BRIDGES. I think that is a good point. I do not see how it could be done. It has been from time to time attempted.

Mr. WILLIAMS of Delaware. I recognize that. I also agree with the Senator from Vermont that it was wrong if it was done before, and it is wrong now. I do not see how we can have intelligent bookkeeping if we are going to run the department on estimates. In the first place, I am not sure we have legal authority to make an appropriation in advance of the actual impairment of the capital structure.

Mr. AIKEN. Mr. President, if the Senator will yield, we may as well concede, whether an impairment has actually taken place or not, that there is going to be a massive impairment of capital in the next 3 or 4 years. We may use it all if we do not restore any of it.

Another matter we should take notice of is that much of the foreign currencies deposited in banks in foreign countries draws no interest, but the money is loaned at high rates of interest. As I am sure the Senator from Delaware knows, they make very substantial profits on the loans. There ought to be some way for the administration to collect more interest on these huge amounts of foreign currencies that are deposited with banks in foreign countries.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. SALTONSTALL. The Senate has sustained the committee amendment providing for the $1,017,610,000. Following what the Senator from Vermont [Mr. AIKEN] and the Senator from Delaware [Mr. WILLIAMS] have said, that action gives the agency sufficient funds to carry through for the rest of the year, when it can be more accurately determined whether or not there will be a loss of $1,353 million. Is that a correct understanding?

Mr. BRIDGES. Absolutely; it is.

Mr. SALTONSTALL. If the Senate had not voted to sustain the action of the committee in providing the $1,017,610,000, this item would be more important.

Mr. BRIDGES. I ask for the yeas and nays on the amendment. The yeas and nays were ordered.

Mr. RUSSELL. Mr. President, politics being what it is in this country, I suppose we may always expect to have improper motives attributed any time there is any change made in the old order. I regret that the President has been charged with the motive, without any evidence to support it, that this is a change made to make the Eisenhower administration look bad and the Kennedy administration to look good.

I wonder if those who are making the charge are familiar with the communication from the President of the United States transmitting amendments to the budget for the fiscal year 1962 dealing with this item, dated March 20, 1961. This is the additional estimate for 1962 sent to the Congress just recently dealing with appropriations, requesting that $1,477 million be included in the bill for the year 1962 for the Commodity Credit Corporation.

The present President of the United States is trying to put the Commodity Credit Corporation on a strictly pay-as-you-go basis; that he intends to keep it sound; that he does not want great impairments of capital carried over from year to year and the vast expenditures made in the foreign aid program carried over from year to year. His purpose is to see that the full capital stock of the Commodity Credit Corporation is available to help the farmers of the United States under the farm program he has requested at the hands of Congress.

I have come to that conclusion, and regard it as more reasonable than attributing to the new administration all kinds of dubious motives, that the President is determined to see that the Commodity Credit Corporation and its capital stock and its operations are kept on a current basis, instead of letting them lag and stay in confusion.

This item deals with the foreign aid program, Public Law 480. I have not thought too highly of that program. I think within it is embraced vast grants to certain countries between the difference of the real value of the foreign currencies which we obtain and the estimated or official value in the country in which we spend them. I think we are giving vast grants to the countries that receive the benefits of the program. But what is proposed here is not the way to kill that program. If Senators desire to kill the foreign aid program and put it on a current and realistic basis, they should introduce a bill to kill the program.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. HUMPHREY. I wish to commend the Senator for his defense of this appropriation, because, frankly, it is the only way the program can operate, unless we want to nibble away at the resources without doing something to restore them.

I understand that in the Second Supplemental Appropriation Act of 1958 there was an item of $1,545 million, which is similar to the request being made. In the second supplemental appropriation bill of 1959 there was a request for $1,336 million. In this proposal, the total request for all activities, not merely the item under debate here, was $1,861 million. The whole purpose of this is foreign aid, as is evident from the report of the committee.

The $1,353 million about which we are talking is with reference to sales of surplus agricultural commodities for local currencies under title I, Public Law 480. These local currencies are a part of the general funds available to the Government for what we call foreign aid. The local currencies are not all given away, by any stretch of the imagination. Many of such amounts are repaid.

While one could do a little tinkering with the books and perhaps appropriate less, when one does that as a teller in a bank he is caught and put some place for a long vacation.

It does not seem to me that we ought to be tinkering with the books of the Commodity Credit Corporation. What the Senator from Georgia proposes is that we face up to the costs we have encountered during the present fiscal year.

Mr. RUSSELL. This is as just an obligation against the United States as is the interest on the public debt or any allocation of moneys to build a highway which is already under contract. The law says how the money should be estimated and that it should be repaid.

Mr. President, I ask unanimous consent to have printed in the RECORD as a part of my remarks section 103(a) of the Agricultural Trade Development and Assistance Act, commonly known as Public Law 480.

There being no objection, the section was ordered to be printed in the RECORD, as follows:

SEC. 103. (a) For the purpose of making payment to the Commodity Credit Corporation to the extent the Commodity Credit Corporation is not reimbursed under section 105 for commodities disposed of and costs incurred under titles I and II of this Act, there are hereby authorized to be appropriated such sums as are equal to (1) the Corporation's investment in commodities made available for export under this title and title II of this Act, including processing, packaging, transportation, and handling costs, (2) all costs incurred by the Corporation in making funds available to finance the exportation of surplus agricultural commodities pursuant to this title and, (3) all Commodity Credit Corporation funds expended for ocean freight costs authorized under title II hereof for purposes of section 416 of the Agricultural Act of 1949, as amended. Any funds or other assets available to the Commodity Credit Corporation may be used in advance of such appropriation or payments, for carrying out the purposes of this Act. (7 U.S.C. 1703(a).)

Mr. RUSSELL. Mr. President, this represents an obligation which the Congress of the United States has instructed the Department of Agriculture and the Department of State to incur. There is no man in this body who would say the obligation does not have to be paid. What is the point in delaying?

The President is requesting $1,477 million in anticipation of the restoration of the capital stock in his revised budget for the year 1962. I assume the President is undertaking to put the Commodity Credit Corporation on a current basis, and does not intend to leave this $14 billion Corporation with only a half billion dollars available for operations.

We are not going to avoid paying for these obligations by voting for any amendment. We may defer paying them, but we cannot avoid the payment. All we will do is cause confusion in the operation of the farm program and in the operation of the foreign-aid program of this country, by withholding approval of appropriations. It is, in essence, a request for a partial repudiation of an honest obligation of the Government of the United States to intimate we can avoid paying for these losses.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. HUMPHREY. I suggest that we have evidence in the report as to what the Senator is discussing. For example, the item of $1,353 million is a part of the overall item of $1,861 million. There are $194,260,000 of unrecovered 1960 costs, consisting of $177 million for sales for local currencies and $17,260,000 for the International Wheat Agreement.

My point is that we did not have a supplemental under the 1960 program, and therefore we were caught short, and $194,260,000 was taken out of the Commodity Credit Corporation. There was no replacement. We are now considering the supplemental appropriation bill a year later. If we do not provide the item this year, as we did not provide the item last year, pretty soon the Commodity Credit Corporation, with its $14 billion in capital assets——

Mr. RUSSELL. Fourteen and one-half billion dollars.

Mr. HUMPHREY. The Commodity Credit Corporation with $14½ billion in capital assets, will have no money. Most of the money is committed.

Mr. RUSSELL. The estimate is that only $500 million will be available as of the first of July, without the replacement requested.

There are many programs to be taken care of. There are many loan programs, including the feed grains program, and, praise God, a slightly increased support price on some commodities has been ordered by the Secretary of Agriculture.

Mr. HUMPHREY. We are threatening to jeopardize the operations of a $14½ billion corporation by trying to make what I would call a bookkeeping cut. It would not be an actual or a factual cut, but what is proposed is a bookkeeping cut.

Mr. RUSSELL. It would simply confuse the program. There are those who claim it would not have an effect on the foreign aid program. I repeat that I think the foreign aid program has been extravagant and wasteful of a great deal of money. However, when the Congress passes an act pertaining to such a program, we ought to try to carry it out in good faith. We cannot strike out the replacement of funds without slowing down the foreign aid program. Neither the foreign countries nor the administrators of the program will know what to expect at the hands of Congress if we appear to be repudiating a legal obligation.

Mr. WILLIAMS of Delaware. Mr. President, I have listened to the distinguished Senator from Georgia, for whom I have a great deal of respect. It is interesting, however, to read the statements by the Senator from Georgia on page 713 of the hearings before the committee, in which he raised questions as to the advisability of the item being included.

Mr. RUSSELL. I certainly did raise the question. I deem it my duty to scrutinize every request for appropriations which is made to the committee.

Mr. WILLIAMS of Delaware. The Senator from Georgia raised some serious questions at the time. He pointed out that all of the money was not needed and that by appropriating the full amount, thereby making it available in advance, it could result in an unnecessary expenditure on the part of the Government.

The Senator made a rather persuasive argument, and I think it would be well to incorporate his statement in the RECORD at this point. I ask unanimous consent that the remarks of the Senator from Georgia, appearing on page 713 of the hearings, be printed in the RECORD.

Mr. RUSSELL. Mr. President, I hope the Senator will put the entire statement in.

Mr. WILLIAMS of Delaware. I meant to have the whole statement printed.

Mr. RUSSELL. I also said I would favor making such an appropriation on a current basis. I do not think the Department can possibly spend all of the money between now and the time the new bill will take effect. I have said that before, and I will say it again.

Mr. WILLIAMS of Delaware. The Senator from Georgia will admit will he not, that in the requested appropriation there is an estimate made for a loss which as yet has not been sustained, and no man can say whether the loss will be sustained.

Mr. RUSSELL. That is not involved in the present appropriation request, because actually the losses were greater than the estimate in 1960. That was the estimate at June 30, 1960. The best figure we have is that the losses were really greater than the estimate. The loss has already been incurred, up to 1960.

The PRESIDING OFFICER (Mr. BARTLETT in the chair). Is there objection to the request of the Senator from Delaware?

There being no objection, the excerpt beginning on page 712 of the hearings, was ordered to be printed in the RECORD, as follows:

NEED FOR MORE CURRENT RESTORATIONS

Senator RUSSELL. This acceleration means that you propose to make the appropriations for the restoration of the capital impairment and to reimburse for the expenditures under Public Law 480 program available as a supplemental or a deficiency this year rather than in the regular appropriation bill for the coming fiscal year.

Mr. MURPHY. Yes, sir; that is true. We feel it is desirable and advisable to get these restorations on a more current basis and, particularly in this case, to avoid the necessity for increasing the authorized borrowing power of the Commodity Credit Corporation and to keep the Commodity Credit Corporation from running out of available funds.

Senator RUSSELL. Has the Solicitor of the Department of Agriculture approved the legality of this appropriation under existing law?

Mr. MURPHY. Yes, sir; he has.

Mr. RUSSELL. You are convinced in your own mind as an attorney, and a good one, that this can be done under existing law?

Mr. MURPHY. Yes, sir.

Senator RUSSELL. I notice that you estimate almost a half billion dollars that has not been utilized.

PROGRAM CHANGES

Mr. MURPHY. At the present time, Senator Russell, I would understand that we had a larger sum than that that has not been utilized. The last projection that was made indicated that as of June 30, 1961, the amount not utilized would be about $500 million. That projection was made the first part of this year. It did not take into account a number of program changes that have been made since then and one particularly important one that I refer to in this statement is involved in the new feed grains legislation which authorizes partial payment in advance of compliance for cooperation with that program.

That might result in an additional expenditure of as much as $225 million in the fiscal year 1961 which is not taken account of in that $500 million projection.

STATUS OF BORROWING AUTHORITY

In addition to that, some of the support price increases may require additional funds that will have to be recognized in the next projection and we have the rather strong feeling, sir, that this would be too narrow a margin for safety considering the size of the programs that are involved.

Senator RUSSELL. I am inclined to agree with that. I was just wondering if it was necessary to make this whole sum, which is approximately $3 billion, available a year in advance of the time it has ordinarily been made available.

I hope that does not encourage any extravagance on the part of the Department. If we do, we will have to go to not only anticipating but increasing the authorization.

Did you give any consideration to increasing the capital authorization to meet this emergency?

Mr. MURPHY. Yes, sir; we did, and we felt that it was more desirable to approach it this way because we hope and believe that this is a problem that is temporary and we would hope that we could conduct the activities of the Corporation in the future without increasing that borrowing power authorization above the present $14.5 billion. We would hope to be able to live within that and not have to increase it.

EFFECT OF PROPOSAL ON EXPENDITURES

I may say, Senator, that these restorations for funds to enable us to carry out what I believe we call mandatory programs do not affect the amount that is actually spent under these programs.

Senator RUSSELL. Yes, I am aware of that but that makes it all the more difficult to understand why it is necessary to have the whole $3 billion. I heard you say in your original statement that this would not increase the expenditures. I do not see how you are going to meet the $225 million under the grain bill which you estimate there as well as the increased loan rates which have been established by the Secretary and with which I agree without an increase in your expenditures. It seems you would certainly increase them above what you have estimated them to be.

ESTIMATED COST OF FEED PROGRAM

What is the total estimated cost of that new feed grains bill?

Mr. BEACH. The estimated total value of the payment-in-kind certificates would be roughly $450 million, and $225 million represents half of that.

Senator YOUNG. How much is the estimated cost?

Mr. BEACH. The value of the payment-in-kind certificates under the feed grains bill would be approximately $450 million, assuming 60-percent participation.

Senator YOUNG. This would be paid out of stocks of the Commodity Credit Corporation?

Mr. BEACH. Yes, sir. Against that payment in kind the law provides the possibility of making an advance payment of one-half, so if half goes out this year and if the sales did not take place this fiscal year there would be a net drawdown of CCC cash.

PAYMENTS IN KIND

Senator YOUNG. Do you plan to make all of the payments in kind or in cash? It would make a difference on your request for appropriations.

Mr. BEACH. The bill provides the option for the first 20-percent reduction to be made in kind. The second reduction has to be made in kind. Our present projections are on the basis of both being paid for entirely in kind.

Senator RUSSELL. In other words, it would be as broad as it is long in terms of financing the Commodity Credit Corporation whether you paid it in cash or in kind.

Mr. BEACH. In the fiscal year 1961, the net effect would be that the cash would go out and the cash would not be returned to the CCC until probably the next fiscal year.

Senator YOUNG. You would be selling the grain on the open market?

Mr. BEACH. Not necessarily in the same fiscal year.

Senator YOUNG. I hope you are not going to be dumping this grain on the market shortly after you get it. That would be in line with the section 3 provision requested by the Secretary and which the House approved.

Mr. BEACH. Our present projections do not anticipate that.

Senator RUSSELL. Have you given up getting section 3 in the bill?

Mr. BEACH. At present, this projection does not reflect extra-large sales receipts this year. In other words, this anticipates no greater sales than would ordinarily be the case.

Senator YOUNG. You say "no greater sales than would ordinarily be the case." You have a new program of payment in kind and the Department of Agriculture would be authorized to sell this grain for the farmer. Do you plan to hold all of this grain and not sell it?

Mr. BEACH. We are only speaking of the period between now and June 30, 1961.

EFFECT OF PAYMENTS ON FINANCING

Senator RUSSELL. Do you anticipate they will want cash on the first payment?

Mr. BEACH. The option would remain with the Secretary as to when he would sell grain to offset those several certificates back into the market.

Senator RUSSELL. I cannot see where it would make any difference with Commodity Credit Corporation financing whether you sell it or whether the farmer accepts it and sells it. It will get rid of grain that we now have invested $450 million in, and you would be rid of that amount, whichever way it is done.

Mr. BEACH. The immediate effect of it is that there is an immediate drawdown in CCC cash and borrowing power. That is what we are speaking of with respect to the $225 million, which would not actually be replaced until the grain is sold later.

Mr. WILLIAMS of Delaware. The statement of the Senator from Georgia may be correct in connection with the previous amendment, but I think, based on the committee report, it is not correct with respect to the amendment now before the Senate.

Mr. RUSSELL. There is a difference.

Mr. WILLIAMS of Delaware. The amendment which is now before the Senate relates not only to established losses but also to estimated losses between now and June 30, 1961, plus interest on those estimated losses. No one knows how much those will be; is that correct?

Mr. RUSSELL. The Senator is correct. The estimate to which I referred was with respect to the item on which we just had the vote.

Mr. WILLIAMS of Delaware. I understand that situation, but with reference to the particular item, the point I am making is that under the law, as I understand it, the Congress can authorize the restoration of the impairment of the capital of the Corporation. In this instance, we not only would be restoring the impairment of the capital but also would be making allowance for estimated losses in advance. If we can do that with respect to $400 million or $500 million, conceivably the Appropriations Committee could present to the Senate a request for an appropriation of $10 billion to pay for 10 years in advance.

Mr. RUSSELL. Mr. President, I merely wish to say, if Senators will indulge me, that the estimates were not made by this administration but were made by the Eisenhower administration, and were included in the original budget estimates.

This is not a new proposal. We have had Public Law 480 for several years. On three or four previous occasions the Democratic Congress has appropriated such funds on the same basis to the Department of Agriculture in that past administration.

Mr. WILLIAMS of Delaware. I say to the Senator from Georgia that I opposed any such financing then, as I do now, because I do not think we would be carrying out the intent of the law as it was written by estimating such losses. My point is that if we can do so in an amount of $400 million or $500 million, we can do so in an amount of $10 billion. There is no limit as to what we could appropriate if we were to adopt this principle.

If the Appropriations Committee wishes to request an appropriation on the basis of estimates, then the existing law should be amended.

Mr. RUSSELL. Mr. President, the Senator well knows that all of the appropriations we are asked to provide for in the entire budget are on the basis of estimates. There is an estimate for every item in all of the appropriation bills for the next year. I cannot see, for the life of me, why we ought to apply a different rule with respect to this item.

Mr. WILLIAMS of Delaware. I beg the Senator's pardon. Some other type of items are covered by estimates, but the impairment of capital of the Corporation is to be done only on a sustained-loss basis and is not supposed to be done on the basis of estimates.

Mr. HRUSKA. Mr. President, in connection with the pending amendment I should like to make a statement or two in order to keep this subject in focus. Some suggestions have been made to the effect that to sustain the amendment would be a repudiation of an honest obligation. There has also been a suggestion that a program would be jeopardized if the amendment were approved. With all due respect to those who have made such statements, I say that no such thing is involved whatsoever. All that is involved is the timeliness and the regular order of approving an appropriation for the amount involved. That is quite clear from the testimony given before the Subcommittee on Department of Agriculture Appropriations, and it is simply an acceleration of an item which originally appeared in the budget for fiscal year 1962. I quote now the testimony of Assistant Secretary Charles Murphy at page 698 of the hearings, in which he testified—

> Because of the uncertainty as to the timing of the receipt of the appropriations originally requested in the fiscal year 1962 and the fast-moving developments in the farm economy, it is necessary to move up to the current fiscal year the request for restoration of the capital impairment of the Commodity Credit Corporation as of June 30, 1960. Acceleration of this appropriation would assure adequate uncommitted borrowing authority to the Corporation to provide for the many contingencies which possibly could occur before the end of this fiscal year, some of which now appear to be developing.

The point is that the impairment of capital to the Commodity Credit Corporation is done pursuant to section 5, title 15 of the code, section 713 (a) (1). That section was already adverted to by the Senator from Delaware [Mr. WILLIAMS]. In brief, it provides that there is an estimate of the appraisal of the net worth of the Corporation. If the net worth falls below the authorized capitalization, then Congress is authorized to appropriate an amount to make up the deficiency.

Obviously, to the extent that there has been no estimate of appraisal as of June 30, 1961—and there cannot be—there will not be compliance with title 15, of section 713(a)(1). It is on that basis that I urge approval of the amendment.

Mr. WILLIAMS of Delaware. Madam President, will the Senator yield?

Mr. HRUSKA. I yield.

Mr. WILLIAMS of Delaware. The Senator is aware of the fact, is he not, that several years ago the law provided that the Commodity Credit Corporation should make its expenditures by borrowing from the Treasury and that at periodic intervals Congress would cancel those notes.

Mr. HRUSKA. Yes.

Mr. WILLIAMS of Delaware. As a result of an amendment which I sponsored and which was accepted by the Senate the practice of cancellation of notes was changed, and the funds were made available by direct appropriations. This amendment was submitted with the thought in mind that as the department asked for funds, it could supply a breakdown as to the losses sustained on the various commodities so that the Congress would know what was being expended.

In this instance we have no idea for what we would be appropriating the requested money. We are asked to appropriate $2 million to $3 million on an item listed as a prospective loss—a loss which may be sustained on wheat, corn, or any other commodity, or which may not be sustained at all. By so doing we would lose control over appropriations. We would also lose the benefit of knowledge of what the programs are costing.

It may well be that this is what the new administration has in mind.

Mr. HRUSKA. The Senator from Delaware should again be commended for having sponsored and secured approval of the section to which I referred. His amendment closed somewhat the door of backdoor financing. By now rejecting the proposed amendment we would reopen the door, if that would be the judgment of the Senate.

Mr. RUSSELL. Madam President, I ask unanimous consent to have printed at this point in the RECORD a statement I have prepared on actions taken by the new administration in the Department of Agriculture to improve farm income and utilization of reserve supplies of commodities, showing that there has been a number of increases, and these funds are therefore needed.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

ACTIONS TAKEN BY THE NEW ADMINISTRATION IN THE DEPARTMENT OF AGRICULTURE TO IMPROVE FARM INCOME AND UTILIZATION OF RESERVE SUPPLIES OF COMMODITIES

1. Feed grain bill formulated and passed, designed to reduce production of feed grains and increase income of feed grain producers.

2. One-half the storage payments for reseal of farm-stored grains for the 1960–61

season were advanced to farmers early in March to help producers meet spring planting and other costs.

3. Provision was made late in February for a broad reseal program on grains, including provisions enabling farmers to hold 1960-crop corn, wheat and grain sorghums under farm-stored price-support loans for a 2-year period following maturity dates of original loans. The objective of these provisions is to enable and encourage farmers to plan for adequate farm storage facilities, particularly in areas where more storage may be needed.

4. Announced a more adequate loan on farm storage facilities (95 percent of cost or 40 cents per bushel of capacity) to encourage farmers to build their own storage.

5. Increased support prices on a number of commodities to provide more farm income as follows:

Commodity	1960 support price	1961 support price
Corn (per bushel)	$1.06	$1.20
Grain sorghums (per bushel)	.85	1.08
Barley (per bushel)	.77	.93
Oats (per bushel)	.50	.62
Rye (per bushel)	.90	1.02
Soybeans (per bushel)	1.85	2.30
Flaxseed (per bushel)	2.38	2.80
Cottonseed (per ton)	34.00–38.00	45.00–49.00
Dairy products (per hundredweight manufacturing milk)	3.22	3.40
Peanuts (per ton)	201.02	221.00
Cotton (per pound)	.3242	.3304
Rice (per hundredweight)	4.42	4.71

6. Recommended to Congress an agricultural program designed to adjust supplies, protect the prices and incomes of farmers and protect the interests of taxpayers and consumers.

Mr. RUSSELL. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. RUSSELL. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment of the Senator from New Hampshire [Mr. BRIDGES] to strike out subdivision (3) at line 15, page 3, of the bill. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from North Dakota [Mr. BURDICK], the Senator from North Carolina [Mr. ERVIN], the Senator from Tennessee [Mr. GORE], the Senator from Michigan [Mr. HART], the Senator from Oklahoma [Mr. KERR], the Senator from Louisiana [Mr. LONG], the Senator from Oklahoma [Mr. MONRONEY], the Senator from West Virginia [Mr. RANDOLPH], the Senator from Florida [Mr. SMATHERS], the Senator from Missouri [Mr. SYMINGTON], and the Senator from New Jersey [Mr. WILLIAMS] are absent on official business.

I also announce that the Senator from Minnesota [Mr. MCCARTHY] is absent because of illness.

I further announce that the Senator from Texas [Mr. BLAKLEY] is necessarily absent.

I further announce that, if present and voting, the Senator from North Carolina [Mr. IRVIN], the Senator from Tennessee [Mr. GORE], the Senator from Michigan [Mr. HART], the Senator from Oklahoma [Mr. KERR], the Senator from Louisiana [Mr. LONG], the Senator from Oklahoma [Mr. MONRONEY], the Senator from West Virginia [Mr. RANDOLPH], the Senator from Florida [Mr. SMATHERS], the Senator from Missouri [Mr. SYMINGTON], the Senator from New Jersey [Mr. WILLIAMS], the Senator from Minnesota [Mr. MCCARTHY], and the Senator from Texas [Mr. BLAKLEY] would each vote "nay."

On this vote, the Senator from Indiana [Mr. CAPEHART] is paired with the Senator from North Dakota [Mr. BURDICK].

If present and voting, the Senator from Indiana would vote "yea" and the Senator from North Dakota would vote "nay."

Mr. KUCHEL. I announce that the Senator from Indiana [Mr. CAPEHART], the Senators from Kansas [Mr. CARLSON and Mr. SCHOEPPEL] and the Senator from Kentucky [Mr. MORTON] are necessarily absent.

The Senator from Arizona [Mr. GOLDWATER] is detained on official business.

If present and voting, the Senator from Arizona [Mr. GOLDWATER], the Senators from Kansas [Mr. CARLSON and Mr. SCHOEPPEL] and the Senator from Kentucky [Mr. MORTON] would each vote "yea."

The Senator from Indiana [Mr. CAPEHART] is paired with the Senator from North Dakota [Mr. BURDICK]. If present and voting the Senator from Indiana [Mr. CAPEHART] would vote "yea" and the Senator from North Dakota [Mr. BURDICK] would vote "nay."

The result was announced—yeas 29, nays 53, as follows:

[No. 23]

YEAS—29

Aiken	Cooper	Kuchel
Allott	Cotton	Miller
Beall	Curtis	Mundt
Bennett	Dirksen	Prouty
Boggs	Dworshak	Saltonstall
Bridges	Fong	Scott
Bush	Hickenlooper	Smith, Maine
Butler	Hruska	Wiley
Case, N.J.	Javits	Williams, Del.
Case, S. Dak.	Keating	

NAYS—53

Anderson	Hayden	Morse
Bartlett	Hickey	Moss
Bible	Hill	Muskie
Byrd, Va.	Holland	Neuberger
Byrd, W. Va.	Humphrey	Pastore
Cannon	Jackson	Pell
Carroll	Johnston	Proxmire
Chavez	Jordan	Robertson
Church	Kefauver	Russell
Clark	Lausche	Smith, Mass.
Dodd	Long, Mo.	Sparkman
Douglas	Long, Hawaii	Stennis
Eastland	Magnuson	Talmadge
Ellender	Mansfield	Thurmond
Engle	McClellan	Yarborough
Fulbright	McGee	Young, N. Dak.
Gruening	McNamara	Young, Ohio
Hartke	Metcalf	

NOT VOTING—18

Blakley	Gore	Morton
Burdick	Hart	Randolph
Capehart	Kerr	Schoeppel
Carlson	Long, La.	Smathers
Ervin	McCarthy	Symington
Goldwater	Monroney	Williams, N.J.

So Mr. BRIDGES' amendment to the committee amendment was rejected.

Mr. DWORSHAK. Madam President, I offer the following amendments: On page 3, line 10, in lieu of "$88,790,000" I propose to insert "$70,681,000"; on page 3, line 12, in lieu of "$255,685,000", insert "$140,868,000"; and on page 3, line 15, in lieu of "$1,353,000,000", insert "$1,310,500,000".

The PRESIDING OFFICER (Mrs. NEUBERGER in the chair). Will the Senator from Idaho please send his amendments to the desk?

Mr. DWORSHAK. Yes.

The PRESIDING OFFICER. The amendments will be stated.

The LEGISLATIVE CLERK. On page 3, line 10, in lieu of "$88,790,000" it is proposed to insert "$70,681,000"; on page 3, line 12, in lieu of "$255,685,000" it is proposed to insert "$140,868,000"; and on page 3, line 15, in lieu of "$1,353,000,000" insert "$1,310,500,000".

The PRESIDING OFFICER. Is there objection to the consideration of the amendments en bloc? The Chair hears none, and it is so ordered.

Mr. DWORSHAK. Madam President, the contention has been made in the debate this afternoon that the figures which are included in the bill for payments to the Commodity Credit Corporation are based upon estimates which have been submitted by the Department of Agriculture. I have before me House Document No. 112 of the 87th Congress, 1st session, dated at the White House on March 20, 1961—1 week ago today. On page 4 of the budget request submitted by the President, under the heading "Commodity Credit Corporation," are 3 estimates. The first column is the original estimate, the second column is the revised estimate, and the third column is the increase or decrease in amount.

My first amendment deals with the funds required under the International Wheat Agreement Act of 1949. The original estimate was $88,790,000, whereas the revised estimate, made 1 week ago today, is $70,681,000.

My second amendment deals with repayment to the Commodity Credit Corporation for commodities disposed of for emergency famine relief to friendly peoples. The original estimate for this program was $255,685,000, whereas the revised estimate, submitted 1 week ago today, is $140,868,000.

My third amendment deals with funds to reimburse the Commodity Credit Corporation for capital impairment for the sale of surplus agricultural commodities for foreign currencies. The original estimate was $1,353 million, whereas the revised budget, submitted just a week ago today, is $1,310,500,000

In these three instances, I can see little justification for appropriating funds to restore the impairment of capital or to repay the Commodity Credit Corporation for funds which it was anticipated would be required for these three categories.

If we are dealing with authentic responsible budget estimates—and I presume the estimates submitted by the President just a week ago today are very responsible—then I can see no justifica-

tion whatsoever, in these three instances, for appropriating funds far in excess of the amounts requested by the President and the Bureau of the Budget to carry out the objectives of the Department during the next fiscal year.

I feel certain that the chairman of the Committee on Appropriations and the chairman of the Subcommittee on Agriculture Appropriations, in view of their expressed desire to make the appropriations accord with the submitted budget requests, will agree to the revised figures in these three cases and will accept my amendment.

Has the distinguished Senator from Georgia had a chance to check these figures?

Mr. RUSSELL. No; I have just now been able to get a copy of the budget message. I have had it only about 1 minute.

I would have no objection to the amendments if the Senator would agree to go all the way through and correct the errors on the other side of the scale, as well.

Mr. DWORSHAK. They are quite insignificant. They amount to only a few dollars. However, to be consistent, I would accept those changes as a part of the amendment.

Mr. RUSSELL. Then I would not object to the amendments. I do not believe these changes are too important, because other items were also submitted, and they will all have to be considered in the regular appropriation bill. However, strictly as a matter of mathematics, the Senator from Idaho seems to be correct in his position. If he will modify his amendments to add the sum of $22,000 for grain for migratory waterfowl; the sum of $11,637,000 for the transfer of bartered materials to supplemental stockpile; $1,549,000 for advances to Agricultural Marketing Service for classing cotton and grading tobacco; and $13 million for long-term supply contracts, I will have no objection to the amendments.

Mr. DWORSHAK. I thank the Senator from Georgia. I shall be glad to accept those modifications. Then we can be in complete agreement on the point that if these appropriations are based upon authentic revised budget requests, we are acting in accordance with what the President requested just 1 week ago today.

Mr. RUSSELL. I certainly agree with the Senator from Idaho, if it develops that the Eisenhower administration overestimated those amounts.

Mr. DWORSHAK. I thank the Senator from Georgia.

Will the chairman of the Committee on Appropriations accept the amendments as modified?

The PRESIDING OFFICER. Does the Senator from Idaho so modify his amendments?

Mr. DWORSHAK. Yes; I accept the modifications.

Mr. HAYDEN. I have no objection.

Mr. RUSSELL. I have no objection. I commend the Senator from Idaho for his diligence.

Mr. DWORSHAK. I thank the Senator from Georgia.

Mr. WILLIAMS of Delaware. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. WILLIAMS of Delaware. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The modified amendments to the committee amendment will be stated.

The LEGISLATIVE CLERK. In the committee amendment on page 3, in line 10 it is proposed to strike out "$88,790,000," and insert in lieu thereof "$70,681,000"; in line 12, strike out "$255,685,000", and insert in lieu thereof "$140,868,000"; in line 15, strike out "$1,353,000,000", and insert in lieu thereof "$1,310,500,000"; in line 18, strike out "$13,000", and insert in lieu thereof "$35,000"; in line 21, strike out "$163,163,000", and insert in lieu thereof "$174,800,000"; on page 4, in line 1, after the semicolon, strike out "and"; and in the same line strike out "$1,264,000", and insert in lieu thereof "$2,813,000"; and in line 5, after the colon, and immediately preceding the proviso, insert the following: "and (7) long-term supply contracts, "$13,000,000."

The PRESIDING OFFICER. The question is on agreeing to the amendments, as modified, to the committee amendment.

The modified amendments to the committee amendment were agreed to.

The PRESIDING OFFICER. The next committee amendment will be stated.

The next amendment was, under the heading "Department of Defense, Military," on page 4, after line 20, to strike out:

GENERAL PROVISIONS

During the current fiscal year, the Secretary of Defense, should he deem it necessary, may transfer under the authority and terms of the Emergency Fund, not to exceed an additional amount of $263,900,000: *Provided*, That the additional transfer authority herein made available shall be used only for transfers to the appropriations "Military Personnel, Army", "Military Personnel, Navy", "Operation and Maintenance, Army", "Operation and Maintenance, Navy", "Operation and Maintenance, Air Force", and "Claims, Department of Defense": *Provided further*, That the transfer authority made available under the terms of the Emergency Fund is hereby broadened to meet the requirements of this paragraph: *Provided further*, That the Secretary of Defense shall notify the Committees on Appropriations of the Congress promptly of all transfers made pursuant to this authority.

The amendment was agreed to.

The next amendment was, on page 5, after line 13, to insert:

MILITARY PERSONNEL

Military personnel, Army

For an additional amount for "Military personnel, Army," $7,000,000.

Mr. PROXMIRE. Madam President, without moving that this amendment be stricken out, I should like to ask some questions in connection with it. Beginning on page 5, in line 14, appear a series of amendments which involve military personnel.

Mr. SALTONSTALL. Madam President, let me state that I favor what the committee has done.

Mr. PROXMIRE. Yes, I so understand. I also understand that the committee has included an item for an additional $263,900,000 above the amount voted by the House.

Mr. SALTONSTALL. That is correct, plus $1 million for Naval Reserve aviation fuel.

Mr. PROXMIRE. The committee has done that because it did not accept the House position, which was that, in addition to these additional appropriation items, there should be transfer authority, because in the judgment of the House it would have been possible to meet these additional obligations within the budget already appropriated, except for the additional $3 million.

Mr. SALTONSTALL. We have included these items, instead of borrowing from all the "no-year" appropriations. If we borrowed from all the "no-year" appropriations, we would have to make many new additions to the next year's budget. Unlike the previous argument on the agricultural item, it is much wiser to include this money now, since it is necessary because of the civilian pay increase, increased readiness for the forces and the single management agency to put the Army, the Navy, and the Air Force in a better defense position. So it is advisable to include these items in this year's budget, where they properly belong, as increased appropriations, rather than to use up a number of "no-year" funds, which will have to be obligated next year and which are already programed for next year. If those funds were utilized this year, we then would have to have new requests for additional sums, next year, in the various "no-year" funds.

Little money for this purpose is available in the present budget from one-year funds. Therefore, we would have to take the money from "no-year" funds, which are procurement funds; and they would have to be restored in like amount in next year's budget, in the amounts transferred within this year's budget.

I know the committee was unanimous about this matter; and I am glad that the Senator from New Mexico [Mr. CHAVEZ] has permitted me to make this statement, because I am sure that he and I are in accord, in regard to it.

Mr. CHAVEZ. Mr. President, I thank the Senator from Massachusetts for making that statement, inasmuch as I was detained by a long-distance telephone call. The Senator from Massachusetts has very kindly explained the reason why we took this action. All of us were in favor of making the transfers, if possible. But it happens that very little money can be transferred without taking it away from programed funds.

Mr. AIKEN. Madam President——

Mr. PROXMIRE. Madam President, before I proceed further, I yield to the

Senator from Vermont, if it is understood that in yielding to him, I shall not lose the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

VISIT TO THE SENATE BY HON. GEORGE NOWLAN, MINISTER OF NATIONAL REVENUE OF CANADA

Mr. AIKEN. Madam President, this afternoon I have a very rare privilege, although, fortunately, such privileges are becoming more common as members of the Canadian Government and the Canadian Cabinet visit the Senate. This afternoon we are very highly honored to have as our guest, here on the floor of the Senate, the Minister of National Revenue of Canada, the Honorable George Nowlan, of Ottawa. [Applause, Senators rising.]

The PRESIDING OFFICER. The Senate is pleased to welcome the Honorable Minister.

Mr. MANSFIELD. Madam President, I wish to join in the remarks of the distinguished senior Senator from Vermont, the chairman of the United States delegation of the United States-Canadian Interparliamentary Group.

We are delighted to have such a distinguished guest on the floor this afternoon. We know he is here on important business. It has something to do with revenues. We are very glad he has had a chance to hear us discuss revenues, even though it is on a supplemental appropriation bill.

We welcome our distinguished visitor on the Senate floor. We hope it is only the beginning of many more visits in the future.

Mr. DIRKSEN. Mr. President, I note with delight the presence of our distinguished friend from the north. First, I see a look of sympathy in his eye, and I detect from it that he knows of some of our distress in endeavoring to provide funds to energize and keep functioning our governmental activities.

Second, I think he has, at one time or another, served in a minority capacity in his own Parliament, and as such I thought I saw an almost tearful gleam in his eye [laughter]; and that made me feel particularly good.

I join the majority leader in extending the hand of fellowship and welcome to our distinguished guest.

THIRD SUPPLEMENTAL APPROPRIATION BILL, 1961

The Senate resumed the consideration of the bill (H.R. 5188) making supplemental appropriations for the fiscal year ending June 30, 1961, and for other purposes.

Mr. PROXMIRE. Madam President, the reason why I questioned these additional appropriations is that, with the enormous size of the defense budget, the action of the House would seem to have considerable merit. It is true that this $263 million is a large amount of money; but in relation to $40 billion, it is a small percentage.

It would seem Congress has held a pretty loose rein on the Defense Department. The Defense Establishment has been given very great appropriations. The course that the House has adopted would seem to me to place more pressure on the Department to economize as much as it could.

Is it not true that in the past the Department has been able to operate in this way without serious inconvenience? All it would mean is that at a later time, in a subsequent bill, the Senate would make up the amount, which I recognize has been approved and is necessary in a supplemental appropriation. In the meantime there will be pressure on the Defense Department to exercise more economy than it has in the past.

Mr. CHAVEZ. Madam President, every member of the committee would have been in favor of that procedure if there had been any money available to be transferred, but we learned from the Defense Department witnesses appearing before the Senate committee that plans in being called for utilization of the unprogramed balances in 1962. We listened to those witnesses very carefully, because the thought was that the better way was to go along with the House. We ascertained from the witnesses it was impossible to do so.

Hence, in order to accelerate the preparedness program in the manner that the President indicated, the committee was in full agreeemnt that this was the course which should be followed.

We are still not sure that the amendment will prevail. We shall have to take it to conference.

Let me read from page 5, beginning 9 lines from the bottom:

> Furthermore, the committee urges the President to release from reserve the remaining procurement and production balances added by the Congress to Department of Defense appropriations last year for modernization of ground forces equipment. The committee also urges the Department, once the funds are available, to expedite production.

We provided the Department with additional funds last year. All we can do is make such funds available. Some of these funds have been held in reserve. All we suggest is that they turn the funds loose for the purpose for which they were appropriated.

Mr. PROXMIRE. That does not mean the Senate is doing it both ways, does it? In other words, the Senate is not providing transfer authority and also making the appropriations that are necessary to meet it?

Mr. CHAVEZ. It can be done either way, but the Senate wishes to provide additional funds rather than transfer authority.

Mr. PROXMIRE. The Senate is not authorizing $263 million in transfer authority and at the same time appropriating the money, is it?

Mr. CHAVEZ. No; the Senate is only appropriating it.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. SALTONSTALL. I think the best explanation of the item appears in the letter written by Roswell Gilpatric, Deputy Secretary of Defense, to the chairman of the Senate Appropriations Committee, which appears on page 417 of the hearings.

I ask unanimous consent that the letter appear in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

> THE SECRETARY OF DEFENSE,
> *Washington, March 9, 1961.*
>
> Hon. CARL HAYDEN,
> *Chairman, Committee on Appropriations, U.S. Senate.*
>
> DEAR MR. CHAIRMAN: The Department of Defense has reviewed H.R. 5188 as passed by the House of Representatives on March 7, 1961, and I have explored the possibility of deriving necessary supplemental funds by transfer from other Defense appropriations.
>
> The present rate of obligation of 1-year funds indicates that there will be few, if any, such funds unobligated on June 30, 1961. Consequently, the only accounts from which funds could be transferred are the no-year accounts such as those available for procurement, research and development, and military construction.
>
> The estimated unprogramed funds as of June 30, 1961, in no-year accounts are shown in the President's fiscal year 1962 budget document as having been applied for financing the fiscal year 1962 program requirements. Any utilization of these planned unprogramed funds to cover this supplemental request necessarily would require action within the next 3 months by the Appropriation Committees to replace these funds as a part of the consideration of the fiscal year 1962 Defense appropriation bill.
>
> Even though no-year funds could be transferred on a temporary basis to the annual accounts set forth in the House approved bill, and such funds later restored in the fiscal year 1962 appropriation bill, action would handicap unnecessarily the Administration's capabilities to use such funds to finance the acceleration of vital programs under plans now under consideration by the President.
>
> For these reasons, I urge your favorable consideration of the appropriation of the additional amount of $263,900,000 for the programs approved by the House, rather than the requirement that these funds be obtained by transfer from other appropriations.
>
> Attached are the detailed reclama statements of the Department of Defense.
>
> Sincerely,
>
> ROSWELL GILPATRIC,
> *Deputy.*

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 5, line 14 through 17.

The amendment was agreed to.

The next amendment was, on page 5, after line 17, to insert:

MILITARY PERSONNEL, NAVY

For an additional amount for "Military personnel, Navy", $15,000,000.

The amendment was agreed to.

The next amendment was, on page 5, after line 20, to insert:

OPERATION AND MAINTENANCE

Operation and maintenance, Army

For an additional amount for "Operation and maintenance, Army", $88,500,000.

The amendment was agreed to.

The next amendment was, at the top of page 6, to insert:

OPERATION AND MAINTENANCE, NAVY

For an additional amount for "Operation and maintenance, Navy", $79,400,000.

The amendment was agreed to.

The next amendment was, on page 6, after line 3, to insert:

OPERATION AND MAINTENANCE, AIR FORCE

For an additional amount for "Operation and maintenance, Air Force", $72,000,000.

The amendment was agreed to.

The next amendment was, on page 6, after line 6, to insert:

CLAIMS, DEPARTMENT OF DEFESE

For an additional amount for "Claims, Department of Defense", $3,000,000.

The amendment was agreed to.

The next amendment was, at the top of page 7, to insert:

DEPARTMENT OF DEFENSE—CIVIL FUNCTIONS

Department of the Army

Rivers and Harbors and Flood Control

Construction, general

For an additional amount for "Construction, general", $350,000, to remain available until expended.

The amendment was agreed to.

The next amendment was, under the heading "District of Columbia", on page 7, after line 8, to insert:

DISTRICT OF COLUMBIA

Federal funds

Federal Loan to the District of Columbia

For an additional amount for loans to the District of Columbia, to be advanced upon request of the Commissioners to the general fund, $5,700,000.

The amendment was agreed to.

The next amendment was, under the subhead "Operating Expenses—Regulatory Agencies", on page 7, line 18, to strike out "$89,000" and insert "$118,000".

The amendment was agreed to.

The next amendment was, under the subhead "Department of Occupations and Professions", on page 7, line 21, after the word "Professions", to strike out "$14,000" and insert "$29,000".

The amendment was agreed to.

The next amendment was, at the top of page 8, to insert:

METROPOLITAN POLICE

For an additional amount for "Metropolitan Police", $100,000.

The amendment was agreed to.

The next amendment was, under the subhead "Department of Public Health", on page 8, line 6, after the word "Health", to strike out "$1,652,050" and insert "$1,849,500".

The amendment was agreed to.

The next amendment was, on page 8, after line 6, to insert:

DEPARTMENT OF PUBLIC WELFARE

For an additional amount for "Department of Public Welfare", $575,000.

The amendment was agreed to.

The next amendment was, on page 8, after line 9, to insert:

DEPARTMENT OF SANITARY ENGINEERING

For an additional amount for "Department of Sanitary Engineering", $1,268,000, of which $845,000 shall be payable from the highway fund.

The amendment was agreed to.

The next amendment was, on page 9, after line 14 to insert:

EXECUTIVE OFFICE OF THE PRESIDENT

President's advisory committee on labor-management policy

For necessary expenses of the President's Advisory Committee on Labor-Management Policy, established by Executive Order 10918 of February 16, 1961, including rent in the District of Columbia either for the Committee or for Federal agencies displaced in the interests of the Committee, services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55(a)), but at rates for individuals not to exceed $100 per diem, and $25 per diem in lieu of subsistence for members of the Committee while away from their homes or regular places of business, $80,000.

Mr. HOLLAND. Madam President, I think perhaps it might be well to have a brief explanation in the RECORD regarding the item for the Executive Office of the President. That item was not before the House, and it combines two items which were in the nature of supplemental requests.

The PRESIDING OFFICER. For the benefit of the Chair, will the Senator state to which amendment he refers?

Mr. HOLLAND. Page 9, lines 15 and following.

The supplemental budget request was for two separate items of $40,000 each, one for the Department of Commerce and the other for the Department of Labor, to finance the operation of the President's Advisory Committee on Labor-Management Policy, appointed in February by President Kennedy.

Instead of providing for a split of that very small item of $80,000 and making it appear that the Commerce Department was to finance half the activity, and those people who were being paid by that department were answerable to it, and that the other half would be paid by the Department of Labor and those people were therefore answerable to that Department, leaving no place whatever for the public members of the committee, the Appropriations Committee decided, on the joint request of the Senator from Alabama [Mr. HILL] and myself, to combine the two items into one and to make an appropriation of $80,000 to the President, for the balance of this year to carry forward the activity sponsored by an executive order. The whole committee felt that was a sounder way to approach the problem.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next amendment.

The LEGISLATIVE CLERK. On page 10, after line 4, to insert:

MUTUAL SECURITY

Development Loan Fund

For an additional amount for advances to the Development Loan Fund, as authorized by section 203 of the Mutual Security Act of 1954, as amended, $150,000,000, to remain available until expended.

Mr. PROXMIRE. Madam President, I should like to ask the Senator from Wyoming, who I understand is interested in this section of the appropriation bill, a question.

Is it not true that the amendment would provide $150 million above what the House provided, which is $550 million, to make a total amount for mutual security of $700 million?

Mr. McGEE. The Senator is approximately correct. Last August the $700 million figure was requested, but because of the pressure of the closing of the session and the attempt to keep the item within reason at the end of the session, we had an agreement, or at least an understanding of a general sort, with then Secretary Dillon, the purpose of which was to defer the $150 million until spring, as a banking operation. The $550 million which was granted was regarded as sufficient to keep the loan operation going without interruption. The understanding was that the Department would be expected to return to the Congress to ask for another $150 million in the spring. This has now been done.

The House of Representatives did not grant the $150 million in the appropriation bill this spring. Some of us on the Senate committee felt it was important to restore the $150 million as a part of the total loan operation.

Mr. PROXMIRE. It is my understanding this is one appropriation which does involve additional fund approval on the part of the Congress. The other appropriations with respect to the Commodity Credit Corporation, Defense funds, and so forth, were spending commitments of obligations anyway.

Mr. McGEE. Yes.

Mr. PROXMIRE. That money would have to be expended anyway. In this case, if the Senate refuses to agree to the amendment, it will mean that $150 million additional will not be loaned in the next 3 months. Is that correct?

Mr. McGEE. In the next 4 or 5 months.

Mr. PROXMIRE. This would have a substantive impact on the mutual security program.

Mr. McGEE. It would have a very substantive impact on the program, if I may explain it to my colleague, for the reason that the money which is available for loans through the Development Loan Fund is approximately $100 million. The commitments with reference to the $100 million still remaining are more than sufficient. The amount is oversubscribed on a tentative basis with respect to cases already pending. Beginning on the 1st of April, the efforts of our Government to enlist other Western European countries in a joint effort to loan funds, particularly to help India launch the third 5-year plan and Pakistan to launch the second 5-year plan, will be hampered. We know in the immediate future there will be additional opportunities for loans which will be significant in our attempt to get help from friends and allies in this program.

By withholding the $150 million we would interrupt the program, and it seems to me we would cripple the efforts of this Government at a critical moment, because we have established a loan procedure, a cooperative procedure, with

other friends and allies of our own way of life, in joining together to bear this burden. That is why it is important to provide the $150 million.

Mr. PROXMIRE. Is it not true that this specific appropriation has been denied by the Congress at least once? I believe the House committee report says it has been denied twice. Is it not therefore a situation in which the administration has proceeded to loan the full amount of the appropriations and then come to the Congress for an additional $150 million, in an effort to be bailed out? In other words, whereas the Congress intended in its initial appropriation to limit the amount of loans to $550 million, the administration, it seems to me, has decided it should allow $700 million, and has gone ahead.

Now the administration comes back to the Congress and says, "You will have to bail us out to the tune of another $150 million.

Mr. SALTONSTALL. Mr. President, will the Senator yield to me?

Mr. PROXMIRE. I yield.

Mr. SALTONSTALL. I should like to answer the Senator very briefly.

When we discussed the question last year we agreed, so far as the Senate committee was concerned, that we would be sympathetic if the administration came back to Congress for an additional amount, because we felt at the time we were tying them down too tight. We tied them down in the conference because we could not get an agreement any other way.

I support what the Senator from Wyoming has said. The sum and substance, in a word, is simply that if we do not allow the $150 million we will freeze the Development Loan Fund for at least 3 or 4 months. That freeze would come at a peculiarly unfortunate time, because of what the President has done with respect to recommendations for Latin America and recommendations for mutual security. There are enough pending substantially good possibilities for loans that it is very important we appropriate the $150 million at this time.

Mr. PROXMIRE. I say to the Senator from Massachusetts that I am very sympathetic to the President's program, and particularly his message on foreign policy. However, it seems to me that if the President is going to present Congress with a new program with a new look, the Congress has reason to stand by its position taken last year, when it provided $550 million.

One of the things which the Senator from Wisconsin would like to see, for example, is some statement with respect to the loans themselves and the countries which are to receive loans. I have always felt that if we did not have a country by country breakdown on this kind of loan we should at least have some indication as to the loans which are going to be made.

I understand perhaps India is a possible customer. Perhaps other countries are. It is very difficult for me, as a Senator, to vote for such an enormous amount of money without being in a position to evaluate the loans at all, simply having to take the whole thing on trust, not knowing which countries are going to be able to borrow and which are not.

Mr. SALTONSTALL. The last thing in the world we should do, I say most respectfully, is to say in advance which countries are going to receive loans, or to have loans firmed up. If we did that, we might disappoint countries which had possibilities for the future. We might make statements in regard to certain countries before the amount of the loan had been firmed up and before the conditions had been firmed up, and then the Department could not do any more working out of an agreement which would be a proper agreement.

We cannot give those specific details. We can say that there are proposed loans in Asia, in Latin America, and in Africa. We can say there are good loans pending, but we cannot state definitely which loans they are until they are firmed up.

Mr. PROXMIRE. I understand that the position the Senator from Massachusetts is stating is the position which has been taken traditionally by the State Department in previous administrations.

I am forced to say it is very difficult for me to justify this kind of a position when we are so very properly careful about making any kind of loan within the United States. For projects in Wisconsin or Massachusetts or Colorado or Wyoming or any other place. It seems to me we should do all that we can—I cannot really see why it should make such a difference—to explore the loans in advance to make sure they are sound, particularly with respect to a grant program. I agree this does not involve the grants, but even with respect to the grant programs we are not told where the money will go. It seems to me this is a perfectly reasonable and proper request.

Mr. McGEE. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield to the Senator from Wyoming.

Mr. McGEE. I think there would be circumstances under which too much of a record with respect to where some of the money was going would be rather unwise, in the interest of State loans, because there would be a tendency to stir up comparative petitions from rival governments, for example.

I believe Senators will find that in India this spring we shall reach a culmination in the persuasion that we have been trying to convey there. We have endeavored to explore the private as well as the public sentiment with respect to financial development, and have attempted to persuade Europeans to join us in providing some of the economic base for additional loans.

This subject comes up for discussion and negotiation in April. Funds are not available now to give us any leeway for devising a formula in which we would participate with the British, the French, the Dutch, and other nations in order to expand this opportunity.

It seems to me this occasion is an unfortunate moment to interrupt this procedure. The Senator from Wisconsin raises a very serious question as to why we should not wait for the President's economic program. Why not wait until we see what form the lines of that program ultimately takes? I think the most reasonable explanation in answer to that question is that the programs must continue to go forward with the impetus that has already been built up from investments in the past. India is a notable case in point. It becomes the simplest illustration of what is at stake. To let India be cut off from funds until September, late in August, or early October, or whenever the new program is ready, would seem to me to come at the most unfortunate psychological moment and would delay the participation of European capital with American capital in this undertaking.

Mr. PROXMIRE. Madam President, I am sympathetic with what I think was an excellent reply by the Senator from Wyoming. Nevertheless, I must say that I am not convinced that this comparative petition argument has any real bearing. I am sure that recipient countries know where the funds go when they are loaned. I cannot see why greater information and greater understanding on their part of the careful consideration on the part of Congress with respect to loans to specific countries should necessarily alienate countries; I cannot see why it would not make for a sounder rather than a less sound system.

Second, I feel that, in regard to the hobgoblin of secrecy, in every instance we have exploded it in any area, we have found that we get along very well. The public of other countries knows eventually where the money is being expended. I do not see why the Congress that spends the money should not at least know where it is being spent.

Mr. McGEE. The problem was not so much one of secrecy as one of commitments that we must assume we are in a position to make if we are going to discuss them.

In the first place, some $700 million or $800 million of loans, as I understand, have been petitioned for. There are some $350 million to $400 million worth of loans that are regarded by our own people as being in the meritorious category for serious consideration. But before they sit down and weigh the import of those loans, they wish to sit down in good faith, knowing that they have the funds behind them to back up the loan if the case is made. This is not to follow the suggestion of the Senator from Wisconsin that no careful study is made of where the loans go and what purpose they would serve. That is the reason, it seems to me, it is important that we should not tie the hands of this agency.

However, I would only modify the Senator's statements in regard to the intent of Congress in the Appropriations Committee.

When we held hearings late last summer, the understanding was not that a $550 million ceiling would be placed on the program, but only that for purposes of negotiation it would be easier to negotiate during the immediate months ahead with a clear invitation to come back with a straightforward case in the supplemental appropriation in the spring

of this session, in order to get the next amount necessary before the regular appropriation.

Mr. PROXMIRE. I am sure such was the position of the Senate conferees. But was it the position of the House conferees also? Was that their understanding?

Mr. McGEE. I cannot answer that question.

Mr. PROXMIRE. My position is that there may have been something in the minds of the Senate conferees that was not the construction of the entire Congress.

Mr. ALLOTT. Madam President, will the Senator yield?

Mr. PROXMIRE. I yield to the Senator from Colorado.

Mr. ALLOTT. There is no question in my mind that at least the great majority, if not all the members of the Senate Appropriations Committee, had the same understanding, namely, that the agency would come back for this $150 million.

I should like to refer to two subjects the Senator has mentioned, and I hope that what I have to say will be of some assistance to him.

First, he will recall, that Congress instituted the Development Loan Fund in order that we might get away from grants to other countries, and that by establishing the program upon a loan basis, we would have it on a businesslike basis with respect to other countries, so that other countries would not expect to have money doled out to them, and we would expect to have our money returned to us and paid to us.

As a result of this program, in the period of approximately 2 years that the Development Loan Fund has actually been operating, I believe, the operation has been very successful on the whole. I agree completely with the idea that it is far better to put the entire program on a loan basis than to dole money out in grants.

Mr. PROXMIRE. I am sympathetic with that viewpoint.

Mr. ALLOTT. I am sure the Senator is.

Second, the Senator has mentioned the question of secrecy and countries knowing about proposed loans. I think it might be well to point out that, so far as I recollect, information on proposed loans is not classified. Certainly, I am sure that if the Senator would call any member of the Board of the Development Loan Fund, he would find that he would be most happy to inform him of the accumulation of loans, the type, and how they were made, because this information is compiled, and it is made available to the committee.

Mr. PROXMIRE. I am sure that what the Senator from Colorado has said is true. But the point is that when we vote for loans, we have no idea whether $150 million will be loaned to India or to some other country.

Mr. ALLOTT. The Senator is correct. I point out to the Senator, however, that if the amount of loans and supporting material were placed in the report, the report would be very bulky. That is probably the reason why the procedure is not followed.

I agree with the Senator from Massachusetts [Mr. SALTONSTALL] in this respect that the biggest mistake that we could make would be to say in advance of the time that we appropriate money for the Development Loan Fund, "We are going to put the money here," or, "We are going to put the money there." There is a certain amount of feeling, of course, when money is loaned in one country and not loaned in another. But certainly all we would do if we required commitments in advance would be to build up pressures and troubles in advance with other friendly countries. So I think the proposal is the best way to carry on the program and, so far as I have been able to observe, with the exception of one or two instances, of which I have been personally critical in the committee, I feel that the agency has done good work.

Mr. PROXMIRE. Pressures from domestic legislation affecting Colorado, Wisconsin, Wyoming, and other States is bound to be much heavier than pressures to which we would be subject when we deal with loans to foreign countries. In the first place, no vote would be involved. Some groups in this country might be interested in a particular country, but that would be a relatively slight and simple pressure compared to the vigorous pressure on domestic issues directly involving millions. I believe the Congress would be far better advised to cast an informed vote on the entire program, so we will know where the money is to go, and how to evaluate the program. We should have the kind of information we need when we spend as much of the public's money as we do in the foreign aid program. Such procedure would enable us to spend the money wisely.

Mr. ALLOTT. I must disagree with the Senator because of the fact that such procedure would in effect call upon Congress to evaluate and to determine the amounts in terms of each and every loan in advance, and it would be physically impossible to do so.

Mr. PROXMIRE. If we are not competent to pass on each of these loans, I do not think we ought to make the loan. Of course as a practical matter we would have to delegate part of the responsibility to a committee or subcommittee, and they in turn must delegate a great deal of the responsibility of securing information, and so forth, to officials in the various departments. But I think we could have a summary that would give us some simple, abbreviated, precise notion of the country to which our own tax money would go.

Mr. ALLOTT. I am sure the Development Loan Fund would provide the Senator with any kind of report upon this subject that he would wish, either in the long form in which we consider the program or even country by country.

Mr. PROXMIRE. But not before we cast our votes, as we are about to do today. We cannot get this information when it will do us any good.

Mr. McGEE. I am sure that if the Senator made a request even at this moment, he would be able to obtain a breakdown in far greater detail than we are in a position to give him now. It would be made available to him for his inspection. This is not a matter of classified information, or a matter of secrecy.

I have before me the House hearings on the bill now before the Senate, and I refer particularly to page 642 of those hearings, where there is a discussion of the list of $414 million worth of projects which had reached a ready stage for consideration. There is listed the amount of $153 million for India alone on which there rides so much as to what is to take place in the conversations in April.

In Africa there are projects totaling $29 million. This includes Cameroon, Liberia, Nigeria, and Tunisia, in terms of the specific breakdown of the area.

Further, on pages 642 and 643 we find a breakdown on a country-by-country basis in terms of Latin America, and the kind of projects in each country in Latin America to which tentative commitment has been made in conversations.

Mr. PROXMIRE. There is really no breakdown at all. The hearings show a total amount of $153 million for the Development Loan Fund. Then it goes on, in Africa, with projects totaling $29 million, for Cameroon, Liberia, Nigeria, and Tunisia.

Then there is an interruption in the hearings. No idea is given as to which country gets how much. I am not asking for detailed information. I do say that if we are to cast an intelligent vote on the granting of mutual security funds, we should get the information that will make it possible for us to do so. I do not believe it would handicap the program. In fact, I believe it would inform us, to cast an intelligent vote. In the breakdown for Latin America there is a kind of generalization with respect to some of the programs that will be engaged in. All I am asking for is more specific information, so that when we spend the taxpayers' money we will know where we are spending it.

Mr. McGEE. I assure the Senator from Wisconsin that those details are always available in large book form to all members of the Committee on Appropriations. The details are supplied by the officials of DFL for anyone to examine. It is obvious that on the floor of the Senate it would lead to a rather cumbersome situation if those books were brought here, once the committee had satisfied itself that these were serious figures and that the need was serious and that it had to be met. I may say that the $150 million was on the bottom side of the estimate in this case. It was not the desire to burden the Senate as a whole with this kind of details. If the Senator wishes to make a request, I am confident that such information would be supplied to him. All he needs to do is to make a request to see the breakdown within the country, down to the last penny.

Mr. PROXMIRE. Madam President, I object to any unanimous consent approval of the amendment. I wish to be recorded as voting "no" on the amendment.

Mr. HUMPHREY. Madam President, I merely wish to say that the Senator from Wyoming has made a very cogent

argument with respect to the pending amendment. I would hesitate to have every proposed loan made the subject of subcommittee consideration and argument and debate in the Senate. In the long run that would prejudice our foreign relations, and we would have utter conflict not only among ourselves, but also with our friends and associates whom we sought to help.

When the new Director of the Development Loan Fund, Mr. Coffin, was before our committee, he supplied us with the information that had been prepared not only by the present administration, but also by the preceding administration, and he requested $150 million, which was carried over from the Eisenhower administration into the Kennedy administration, and that, very frankly, is inadequate. It is far less than is required. It is even less than was assured to the Development Loan Fund by the Senate last year.

It has been my privilege, as a member of the Committee on Foreign Relations, to see many of the project outlines. We have given very serious considerations over the years—and there has been a policy determination made on it—as to whether we should have each country listed in the Mutual Security Act or in any of the foreign-aid operations, in terms of the amount given to each country, country by country, project by project.

If that were the case I believe we would find that it would lead to a gross misinterpretation. As a matter of fact, there is a great deal of misinterpretation already about many of these items.

I wish to conclude on this note. The Development Loan Fund is operating with 155 people. It is doing a tremendous job in evaluating these projects.

I asked the Director of the Development Loan Fund a number of questions in terms of the feasibility of certain projects.

One thing that is wrong in the foreign-aid program is that we have no long-term planning in connection with these programs. That is the responsibility of Congress, because we have refused to give long-term authorizations. President Kennedy has asked for long-term authorizations, so that we could look ahead at least 3 to 5 years. I believe such authorization would save the public a great deal of money. It would lend itself to a much better foreign-aid program.

I am sure that in the light of the vote in committee, which was a very substantial majority for this item, the Senate will confirm the item, unless we wish to close up shop during this critical period in our foreign relations.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 10, beginning on line 5.

The amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next committee amendment.

The next amendment was, under the heading "Department of Health, Education, and Welfare", on page 11, after line 3, to insert:

PUBLIC HEALTH SERVICE

Communicable disease activities

For an additional amount for "Communicable disease activities", $1,000,000 which shall be available only for the purchase, demonstration, and distribution of oral poliomyelitis vaccine and shall remain available until June 30, 1962.

The amendment was agreed to.

The next amendment was, under the subhead "Grants to States For Public Assistance", on page 12, line 7, after the word "assistance", to strike out "$74,000,000" and insert "$104,000,000, of which $30,000,000 shall be available only upon enactment of H.R. 4884, 87th Congress, or similar legislation".

The amendment was agreed to.

The next amendment was, under the subhead "Salaries and Expenses, Bureau of Public Assistance", on page 12, line 12, after the word "assistance", to strike out "$300,000" and insert "$457,000".

The amendment was agreed to.

The next amendment was, under the subhead "Office of the Secretary—Salaries and Expenses, Office of Field Administration", on page 12, line 18, after the word "exceed", to strike out "$60,000" and insert "$225,000".

The amendment was agreed to.

The next amendment was, under the subhead "Salaries and Expenses, Office of the General Counsel", on page 12, line 26, after the word "Counsel", to strike out "$42,000" and insert "$58,000", and on page 13, line 1, after the word "exceed", to strike out "$38,000" and insert "$71,000".

The amendment was agreed to.

The next amendment was, under the heading "Independent Offices—Civil Aeronautics Board—Payments to Air Carriers (Liquidation of Contract Authorization", on page 13, line 17, after the word "authorization", to strike out "$15,000,000" and insert "$20,000,000".

The amendment was agreed to.

The next amendment was, under the subhead "Civil Service Commission—Investigation of United States Citizens for Employment by International Organizations", on page 13, line 25, to strike out "$57,000" and insert "$67,000".

The amendment was agreed to.

The next amendment was, under the subhead "Government Contribution, Retired Employees Health Benefits Fund", on page 14, line 6, after "(74 Stat. 850)", to strike out "$1,500,000" and insert "$1,750,000".

The amendment was agreed to.

The next amendment was, under the subhead "General Services Administration—General Supply Fund", on page 14, line 12, after "(5 U.S.C. 630g)", to strike out "$15,000,000" and insert "$25,000,000".

The amendment was agreed to.

The next amendment was, on page 14, after line 12, to insert:

EXPENSES, SUPPLY DISTRIBUTION

For an additional amount for "Expenses, supply distribution", $700,000, to be derived by transfer from the appropriation for "Strategic and critical materials", fiscal year 1961.

The amendment was agreed to.

The next amendment was, under the subhead "Housing and Home Finance Agency—Limitation on Administrative Expenses, Office of the Administrator, College Housing Loans", on page 15, line 2, to strike out "$180,000" and insert "$270,000".

The amendment was agreed to.

The next amendment was, under the subhead "Veterans' Administration—General Operating Expenses", on page 15, line 14, after the word "expenses", to strike out "$10,600,000" and insert "$11,063,000".

The amendment was agreed to.

The next amendment was, under the subhead "Inpatient Care", on page 15, line 13, after the word "care", to strike out "$41,000,000" and insert "$43,000,000".

The amendment was agreed to.

The next amendment was, under the heading "Department of the Interior," on page 15, after line 20, to insert:

BONNEVILLE POWER ADMINISTRATION

Administrative provisions

After April 1, 1961, the position of Administrator, Bonneville Power Administration, shall have the same annual rate of compensation as that provided for positions listed in section 2205(b) of title 5, United States Code, so long as held by the present incumbent.

Mr. WILLIAMS of Delaware. Which amendment is now before the Senate?

The PRESIDING OFFICER. The committee amendment under the heading "Department of the Interior," on page 15, beginning on line 21.

Mr. WILLIAMS of Delaware. Madam President, this amendment provides for a salary increase for the Administrator of the Bonneville Power Administration. In my opinion, if we are to give salary increases, it should be done in an orderly manner by introducing proposed legislation and having it referred to the appropriate committee for consideration not only on its merits but also as it would affect other situations. Therefore, I make the point of order that this is legislation on an appropriation bill. I make the point of order against this amendment on page 15, beginning in line 21, and running down to and including line 2 on page 16.

The PRESIDING OFFICER. In the opinion of the Chair, the amendment is legislation on an appropriation bill; therefore, it is in contravention of rule XVI, paragraph 4. The point of order is therefore sustained.

Mr. HAYDEN. Madam President, may I make a brief explanation of the amendment?

Mr. WILLIAMS of Delaware. Certainly.

Mr. HAYDEN. By this amendment we seek to equalize the salary of the Administrator of the Bonneville Power Administration, the very largest operation of the Government in the power field, with the salary of the Administrator of the power agency in the Eastern part of the United States, in the Carolinas and Georgia, which is a smaller operation.

It is intended that the increased salary of the Administrator of the Bonneville Power Administration shall be available

only during the service of the present incumbent. The amendment merely provides an equalization of salaries.

Actually, in my opinion, the work which is done by the Bonneville Power Administration rates equally with that of the Office of the Bureau of Reclamation in Washington. Bonneville is a highly important power development, and the Administrator at Bonneville should get a decent salary.

Mr. WILLIAMS of Delaware. I do not question that. It may be that I shall vote for that legislation when it is offered.

The statement of the Senator from Arizona merely emphasizes the importance of changing salaries in an orderly manner. For example, if I recall correctly, a change in the salary for the Administrator of the eastern region was made in a manner similar to this, and I suppose without any connection as to how it would compare with the salary of the Administrator at Bonneville or the Administrator somewhere else.

Again, if this is an important position—and I am certain it is, as the chairman has stated—then it will remain an important position long after the present incumbent has vacated the office. Therefore, the salary increase should be made permanent, not just for the duration of this one officer.

Mr. HAYDEN. It is not proposed now to make the increase permanent.

Mr. WILLIAMS of Delaware. I think the proposal to increase the salary should be made by a bill introduced in an orderly manner. If other Administrators also are affected, let the question be brought before the Senate.

Mr. HAYDEN. Madam President, I concede the point of order.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. MANSFIELD. Before we go too far on the bill, I should like to return to page 7, where, under the heading "Department of Defense—Civil Functions, Department of the Army, Rivers and Harbors and Flood Control," there is an item: "Construction, General; For an Additional Amount for 'Construction, General', $350,000, to Remain Available Until Expended."

This item, I understand, refers to the Presidential proposal for résumé planning on the Libby project in Montana.

Mr. HAYDEN. The Senator is correct.

Mr. MANSFIELD. I call the Senate's attention to the fact that today our former colleague, Senator James E. Murray, is being buried in Butte, Mont. Eleven years ago, Senator Murray was the instigator, the man responsible, for the authorization of the Libby Dam on the Kootenai, in northwestern Montana. I think this item is a fitting memorial, on this particular occasion, to a great Senator who advocated a great project, and who for 11 years, ever since he was responsible for its being authorized, worked hard and constructively to get it going. The goal which he set is now in sight, and the rest of us in Montana and the Northwest will benefit because of the foresight shown by this great man.

Mr. HOLLAND. Mr. President, will the Senator from Montana yield?

Mr. MANSFIELD. I yield.

Mr. HOLLAND. I wish to associate myself with the remarks made by the distinguished majority leader. I had the pleasure of going out to the Kootenai and to the Libby site some years ago. I came back with the conviction that here was one of the great projects which needed to be developed. I inquired as to why there was a delay. I learned that an international question was involved, and was even then pending, between the United States and Canada, a question which required some delay, and difficult negotiations. I understand that the negotiations have now been concluded.

I think it is a wonderful step which is being taken, particularly so since it comes on the very day when all of us are thinking about Senator Murray, who played such an active part in the authorization of this project.

Mr. MANSFIELD. And who is, in effect, the father of the project.

Mr. CHAVEZ. Mr. President, will the Senator from Montana yield?

Mr. MANSFIELD. I yield.

Mr. CHAVEZ. I remember vividly the time when Senator Murray initiated the program. It came before the committee of which I was a member at that time. I recall the work of Senator Murray throughout the years.

The delay was necessitated because Canada had some interest in the building of Libby Dam. Since then, a treaty has been concluded between Canada and the United States, and as a result it is possible to report this item today and to put it into effect.

Mr. MANSFIELD. The Senator from New Mexico is correct.

Mr. METCALF. Mr. President, will my colleague yield?

Mr. MANSFIELD. I yield.

Mr. METCALF. It is an unusual circumstance that Senator Murray should have been the person to father the authorization legislation, and then, tragically, not to have lived only a few days longer to see the culmination of his work.

Senator Murray was born in Canada and came to the United States to become one of the great Senators in Congress. Really, he was one of our international resources, just as Libby Dam will be an international resource, spreading across the border, but developed by the two nations involved.

Madam President, it is appropriate that today we should see the beginning of appropriations to create the development of this great resource, a project which Senator Murray fathered.

However, it should be remembered that Senator Murray was not only the father of the resource of water development in Montana or on the Columbia and Missouri Rivers, because during his career of more than a quarter of a century in this body he sponsored water resource developments all over the United States. Indeed, he is responsible for the development of most of our natural resources. Therefore, it is a fitting remembrance of him today that we are able to pass upon one of his pieces of legislation.

The PRESIDING OFFICER. The next amendment will be stated.

The next amendment was, under the subhead "Resources Management", on page 16, line 13, to strike out "$1,730,000" and insert "$1,777,000".

The amendment was agreed to.

The next amendment was, under the subhead "National Park Service—Management and Protection", on page 16, line 17, after the word "Protection", to strike out "$1,934,000" and insert "$1,984,000".

The amendment was agreed to.

The next amendment was, under the subhead "Maintenance and Rehabilitation of Physical Facilities", on page 16, line 21, after the word "facilities", to strike out "$800,000" and insert "$850,000".

The amendment was agreed to.

The next amendment was, under the subhead "Construction", on page 16, line 23, after the word "Construction", to strike out "$800,000" and insert "$850,000".

The amendment was agreed to.

The next amendment was, under the subhead "Fish and Wildlife Service—Construction", on page 17, line 12, after the word "Construction", to strike out "$200,000" and insert "$350,000".

The amendment was agreed to.

The next amendment was, on page 17, after line 13, to insert:

BUREAU OF COMMERCIAL FISHERIES

Management and investigations of resources

For an additional amount for "Management and Investigations of Resources", $1,000,000.

The amendment was agreed to.

The next amendment was, under the subhead "Office of Territories," on page 17, after line 18, to insert:

ADMINISTRATION OF TERRITORIES

For an additional amount for "Administration of Territories", $465,000.

The amendment was agreed to.

The next amendment was, under the subhead "Trust Territory of the Pacific Islands", on page 18, line 3, after the word "Islands", to strike out "$300,000" and insert "$127,333".

The amendment was agreed to.

The next amendment was, under the heading "Department of Justice—Legal Activities and General Administration", on page 18, after line 20, to insert:

SALARIES AND EXPENSES, GENERAL LEGAL ACTIVITIES

For an additional amount for "Salaries and expenses, general legal activities", $100,000.

The amendment was agreed to.

The next amendment was, on page 19, after line 7, to insert:

OFFICE OF ALIEN PROPERTY

Limitation on salaries and expenses, Office of Alien Property

The limitation under this head in the Department of Justice Appropriation Act, 1961, on the amount available for general administrative expenses of the Office of Alien Property is increased by $75,000.

The amendment was agreed to.

The next amendment was, under the heading "Department of Labor—Bureau of Employment Security—Advances to Employment Security Administration Account, Unemployment Trust Fund",

on page 19, line 21, after the word "limitation", to insert "as a repayable advance", and in the same line, after the amendment just above stated, to strike out "$250,000,000, to" and insert "$268,000,000, of which $250,000,000 shall".

The amendment was agreed to.

The next amendment was, on page 20, after line 6, to insert:

PAYMENT TO THE FEDERAL EXTENDED COMPENSATION ACCOUNT

For payment into the Federal extended compensation account of the Unemployment trust fund, as repayable advances, as authorized by section 13 of the Temporary Extended Unemployment Compensation Act of 1961, $500,000,000 to remain available only until September 30, 1962.

The amendment was agreed to.

The next amendment was, under the subhead "Limitation on Grants to States for Unemployment Compensation and Employment Service Administration (Trust Fund)", on page 20, line 17, after the word "exceed", to strike out "$340,000,000" and insert "$375,245,000".

Mr. HILL. Madam President, I have an amendment on page 20, line 17.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 20, line 17, it is proposed to strike out "$375,245,000" and insert in lieu thereof "$375,995,000".

Mr. HILL. Madam President, the amendment would provide an additional $750,000 for grants to States for unemployment compensation and employment service administration, and $250,000 additional for the Federal administrative costs under the item "Limitation on salaries and expenses—trust fund."

The Committee on Finance in reporting to the Senate the bill, H.R. 4806, the Temporary Extended Unemployment Compensation Act of 1961, recommended the inclusion in section 10, under the head "Information" to require data on the personal characteristics, family situation, employment background, and experience under the act of individuals found to be entitled to the benefits provided.

Labor Departement officials informed the Committee on Appropriations of this additional administrative requirement and testified that it would cost $750,000 additional for State administrative expenses and $250,000 additional for Federal administrative expenses. But the committee had no budget estimate for the sums and accordingly did not approve the additional sums needed.

At the time the Committee on Appropriations considered the bill, we had no word from the Bureau of the Budget as to these amendments. This morning, we received a letter from Mr. David Bell, saying that the President had authorized him to state that these additional funds will be required to carry out the Temporary Extended Unemployment Compensation Act of 1961.

In other words, this amendment is required if we are to get the information which is called for in the amendment which was offered by the Committee on Finance, which the Senate agreed to, which was agreed to in conference, and is now a part of the basic legislation.

Mr. KEATING. Mr. President, will the Senator from Alabama yield?

Mr. HILL. I yield.

Mr. KEATING. Does the Senator have reference to the amendment to add $24 million?

Mr. HILL. No; that is a different item. This is an amendment which is necessary to procure the data on the personal characteristics, family situation, employment background, and experience, under the act, of individuals found to be entitled to the benefits provided in the act.

Mr. ALLOTT. Mr. President, will the Senator from Alabama yield?

Mr. HILL. I yield.

Mr. ALLOTT. As I understand, the Senator is offering an amendment to increase the item of $375,245,000 to $375,995,000.

Mr. HILL. An increase of $750,000.

Mr. ALLOTT. That is for the sole purpose of the administration which will be necessary to acquire information about individuals who are unemployed?

Mr. HILL. That is correct; individuals who get benefits under the Temporary Unemployment Act which was passed a week ago last Thursday night.

Mr. ALLOTT. Is the letter of the Director of the Bureau of the Budget available?

Mr. HILL. I shall be glad to place the letter in the RECORD at this point. Does the Senator wish to read it?

Mr. ALLOTT. No; I should be happy to have the Senator place it in the RECORD at this point.

Mr. HILL. Madam President, I ask unanimous consent to have printed at this point in the RECORD the letter from Mr. David E. Bell, Director of the Bureau of the Budget, in regard to the matter now under consideration.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., March 27, 1961.

Hon. CARL HAYDEN,
Chairman, Appropriations Committee, U.S. Senate, Washington, D.C.

MY DEAR MR. CHAIRMAN: On March 15, 1961, the President transmitted to the Senate a request for appropriations to finance the Temporary Extended Unemployment Compensation Act of 1961 which was then being considered by the Congress. Since that request was submitted, the bill then pending was revised and enacted as revised.

The bill as finally enacted will require additional funds to administer because of a revision requiring additional information to be collected concerning the personal characteristics, family situation, employment background, and experience under the act of individuals entitled to benefits. This provision will require these additional amounts: Department of Labor, Bureau of Employment Security, limitation on salaries and expenses (trust fund), $250,000 and limitation on grants to States for unemployment compensation and employment service administration (trust fund), $750,000.

In response to the committee's inquiry, the President has authorized me to state that these additional funds will be required to carry out the Temporary Extended Unemployment Compensation Act of 1961.

Sincerely yours,

DAVID E. BELL,
Director.

Mr. ALLOTT. Madam President, if the Senator from Alabama will yield further, I should like to refer to the second part of his amendment.

Mr. HILL. It is on page 21, in line 2, to strike out "$9,120,000" and to insert in lieu thereof "$9,370,000". This amendment would add $750,000 in the first instance and $250,000 in the second instance—or an additional $1 million—in order to secure this information in the way provided by the Senate Finance Committee amendment and in the way agreed to by the Senate and in the conference, and as now carried in the basic act.

Mr. ALLOTT. Both of them are for substantially the same purpose, are they?

Mr. HILL. That is correct.

Mr. ALLOTT. I thank the Senator from Alabama.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Alabama to the committee amendment.

The amendment to the amendment was agreed to.

The committee amendment as amended was agreed to.

The PRESIDING OFFICER. The next committee amendment will be stated.

The next amendment was on page 20, in line 23, after "1961", to insert a comma and "of which $26,000,000 shall remain available until September 30, 1962".

The amendment was agreed to.

The next amendment was, under the subhead "Limitation on Salaries and Expenses (Trust Fund)", on page 21, line 2, after the word "exceed", to strike out "$7,900,000" and insert "$9,120,000".

Mr. HILL. Madam President, this is the second committee amendment to which I have addressed my remarks. To this amendment, I submit the amendment which I have at the desk.

The PRESIDING OFFICER. The amendment of the Senator from Alabama to the committee amendment will be stated.

The LEGISLATIVE CLERK. In the committee amendment on page 21, in line 2, it is proposed to strike out "$9,120,000" and to insert "$9,370,000".

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Alabama to the committee amendment.

The amendment to the amendment was agreed to.

The committee amendment as amended was agreed to.

The PRESIDING OFFICER. The next committee amendment will be stated.

The next amendment was on page 21, and in line 10, after "1944", to insert a comma and "and of which $1,100,000 shall remain available until September 30, 1962, and shall be available for reimbursement to the States for salaries and other expenses of State employees temporarily assigned or detailed to duty with the Bureau of Employment Security, and for direct payments to such employees for travel expenses, transportation of household goods, and per

diem in lieu of subsistence while away from their regular duty stations in the States, at rates authorized by law for Federal employees; and contracts with public and other nonprofit organizations for conduct of research or demonstration projects relating to the public employment security system, and rent in the District of Columbia".

The amendment was agreed to.

The next amendment was, under the subhead "Bureau of Employees' Compensation—Salaries and Expenses", on page 22, line 15, to strike out "$310,000" and insert "$357,000".

The amendment was agreed to.

The next amendment was, under the heading "Legislative Branch", on page 22, after line 19, to insert:

SENATE

For payment to Elizabeth S. Hennings, widow of Thomas C. Hennings, Junior, late a Senator from the State of Missouri, $22,500.

The amendment was agreed to.

The next amendment was, at the top of page 23, to insert:

SALARIES, OFFICERS AND EMPLOYEES

Offices of the majority and minority whips

For an additional amount for "Offices of the Majority and Minority Whips", $1,160: *Provided*, That effective April 1, 1961, the basic compensation of the clerical assistants to the majority and minority whips may be fixed at not to exceed $6,900 each.

The amendment was agreed to.

The next amendment was, on page 23, after line 7, to insert:

CONTINGENT EXPENSES OF THE SENATE

Joint Economic Committee

For an additional amount for "Joint Economic Committee", $35,000.

The amendment was agreed to.

The next amendment was, on page 23, after line 11, to insert:

FURNITURE

For an additional amount for "Furniture", $26,000.

The amendment was agreed to.

The next amendment was, on page 23, after line 13, to insert:

INQUIRIES AND INVESTIGATIONS

For an additional amount for "Inquiries and Investigations", fiscal year 1960, $105,000.

The amendment was agreed to.

The next amendment was, on page 23, after line 16, to insert:

ADMINISTRATIVE PROVISION

The ninth paragraph under the heading "Administrative Provisions" in the appropriations for the Senate in the Legislative Branch Appropriation Act, 1957 (2 U.S.C. 127), is amended to read as follows:

"The contingent fund of the Senate is hereafter made available for the payment of mileage, to be computed at 10 cents per mile by the nearest usual route, between Washington, District of Columbia, and the residence city of the Senator involved, for not to exceed four round trips originating and terminating in Washington, District of Columbia, made by employees in each Senator's office in any fiscal year, such payment to be made only upon vouchers approved by the Senator containing a certification, by such Senator, that such travel was performed in line of official duty."

The amendment was agreed to.

The next amendment was, under the subhead "House of Representatives", on page 24, after line 18, to insert:

For payment to Louise G. Reece, widow of B. Carroll Reece, late a Representative from Tennessee, $22,500.

The amendment was agreed to.

The next amendment was, at the top of page 25, to insert:

MEMBERS' CLERK HIRE

For an additional amount for "Members' clerk hire" pursuant to House Resolution 219, Eighty-seventh Congress, $600,000.

The amendment was agreed to.

The next amendment was, on page 25, after line 13, to insert:

GENERAL PROVISION

Effective as of July 12, 1960, the paragraph immediately preceding the short title in the Legislative Branch Appropriation Act, 1961, which related to expenses of travel by Senators and Representatives between the District of Columbia and their home States or districts (2 U.S.C. 43c), is repealed.

The amendment was agree to.

The next amendment was, under the headline "Department of State—Administration of Foreign Affairs—Salaries and Expenses", on page 26, line 10, to strike out "$10,340,000" and insert "$10,140,000".

The amendment was agreed to.

The next amendment was, under the subhead "Department of the Interior—Bureau of Reclamation", on page 42, line 7, after the word "expended", to insert a comma and "of which $236,364 shall be derived from the reclamation fund"; in line 9, after "$548,000", to insert a comma and "of which $483,721 shall be derived from the reclamation fund and $32,000 shall be derived from the Colorado River Dam fund", and in line 13, after "$282,000", to insert a comma and "to be derived from the reclamation fund".

The amendment was agreed to.

The next amendment was, under the subhead "Bureau of Commercial Fisheries", on page 43, line 10, after "$29,000", to insert a comma and "to be derived from Pribilof Islands fund".

The amendment was agreed to.

The next amendment was, under the heading "Legislative Branch", on page 46, after line 9, to insert:

Senate:

"Salaries, officers and employees", $1,272,855;

"Office of the Legislative Counsel of the Senate", $15,290;

Contingent expenses of the Senate:

"Legislative reorganization", $8,790;

"Senate Policy Committees", $18,580;

"Joint Economic Committee", $10,605;

"Joint Committee on Atomic Energy", $13,865;

"Joint Committee on Printing", $7,610;

"Vice President's automobile", $465;

"Automobile for the President pro tempore", $465;

"Automobile for the majority and minority leaders", $930;

"Inquiries and investigations", $228,855;

"Folding documents", $2,395;

"Miscellaneous items", $34,240;

"Joint Committee on Reduction of Nonessential Federal Expenditures", $1,880, to remain available until expended;

The amendment was agreed to.

The next amendment was, at the top of page 51, to insert a new title, as follows:

TITLE III

Claims and judgments

For payment of claims as settled and determined by departments and agencies in accord with law and judgments rendered against the United States by the United States Court of Claims and United States district courts, as set forth in Senate Document Numbered 25, Eighty-seventh Congress, $3,248,533, together with such amounts as may be necessary to pay interest (as and when specified in such judgments or provided by law) and such additional sums due to increases in rates of exchange as may be necessary to pay claims in foreign currency: *Provided*, That no judgment herein appropriated for shall be paid until it shall have become final and conclusive against the United States by failure of the parties to appeal or otherwise: *Provided further*, That, unless otherwise specifically required by law or by the judgment, payment of interest wherever appropriated for herein shall not continue for more than thirty days after the date of approval of this Act.

The amendment was agreed to.

The PRESIDING OFFICER. That completes the committee amendments.

The bill is open to further amendment.

Mr. HILL. Madam President, I offer an amendment, which is at the desk, on page 15, after line 10.

The PRESIDING OFFICER. The amendment of the Senator from Alabama will be stated.

The LEGISLATIVE CLERK. On page 15, after line 10, it is proposed to insert the following:

RAILROAD RETIREMENT BOARD

Payment to Railroad Unemployment Insurance Account

For payment to the railroad unemployment insurance account, as a repayable advance, as authorized by section 4 of the Temporary Extended Railroad Unemployment Insurance Benefits Act of 1961, $24 million, to remain available until September 30, 1962: *Provided*, That this amount shall be repaid to the general fund of the Treasury from the railroad unemployment insurance account, whether or not the total derived from the temporary increase in the contribution rate under section 5 of such act is sufficient for this purpose.

Mr. ALLOTT. Madam President, will the Senator from Alabama yield?

Mr. HILL. I yield.

Mr. ALLOTT. In connection with this particular matter, several of us raised a question at the committee meeting; and, as a result, the chairman was, I believe, to explore the possibility of borrowing this money from the Railroad Retirement Fund.

Since then I have been informed that under the provisions of section 10(d) of the Railroad Unemployment Insurance Act, if this $24 million is borrowed from the Railroad Retirement Fund, they will be required to pay 3 percent interest on it. Is that the Senator's understanding?

Mr. HILL. I find that the railroad unemployment insurance account at this time—as of February 28—has a deficit of $185,178,222. That is set forth in a letter dated March 24, addressed to me by Mr. Howard W. Habermeyer, Chairman of the Railroad Retirement

Board. So this very large deficit now exists.

I may say to the distinguished Senator from Colorado that on checking on this item, we find that the legislation the Congress recently passed—that providing for the temporary extension of railroad unemployment insurance benefits—contains the following provision: "The amounts so transferred shall be repayable advances without interest." That provision is in the basic act.

Mr. ALLOTT. Let me ask the distinguished chairman of the committee whether it is a fact, then, that under the provisions of section 10(d), even though the unemployment account is now $185 million in arrears, if they borrowed the $124 million from that account—they are not required to do so by the basic act, but they can do it—they would pay 3 percent interest on it. Is that correct?

Mr. HILL. I think the Senator from Colorado is correct.

Mr. ALLOTT. So if they were required to pay 3 percent interest on this amount—on an amount taken from a fund that the railroads themselves have to maintain—they would be placed in a situation different from that of employers under the general unemployment fund.

Mr. HILL. Yes; under the general act and under what we know as the Temporary Unemployment Insurance Act, which the Senate passed a few days before the passage of the Railroad Unemployment Insurance Act, the two groups would be in different categories.

Mr. ALLOTT. I must say that it seemed to be a feasible arrangement. For many years I have fought, as the chairman of the committee knows, to try to place the Railroad Retirement Act and the Unemployment Insurance Act of the railroads in a sound fiscal situation. The act will not be on one for several years yet, when these additional payments are made.

It seems to me that it would be unfair to treat one set of employers differently from the way the other set is treated. However, if this money is borrowed from the fund available under the Railroad Retirement Act, we would be charging them interest for it, whereas we would not be doing so in the case of general employers.

Mr. HILL. The Senator from Colorado is entirely correct.

Mr. ALLOTT. Therefore, Madam President, I have no objection to the amendment of the Senator from Alabama.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Alabama.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open for further amendment.

If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

Mr. KEATING. Madam President, I wish to ask several questions of the chairman of the committee. I would have asked these questions before now, but I was called from the Chamber to answer the telephone.

I understand that the additional money is needed in order to give full effect to the bill which we recently passed—H.R. 4806.

Mr. HILL. That bill was H.R. 5075.

Mr. KEATING. Oh, yes.

Mr. HILL. It was the Temporary Railroad Unemployment Insurance Benefit Act, whereas the other act was the General Unemployment Benefit Act.

Mr. KEATING. That is correct.

Mr. HILL. The same principle.

Mr. KEATING. In order to implement the provisions of the bill which Congress enacted in regard to the railroad workers, it is necessary to provide the funds in the bill. Is that correct?

Mr. HILL. The Senator is correct.

Mr. KEATING. Does the Senator have a record of the number of workers here involved?

Mr. HILL. The number appears in the hearings. If the Senator will look at page 740 of the hearings, he will find the number of workers involved.

Mr. KEATING. I thank the Senator.

What is the total amount in the railroad retirement insurance account now?

Mr. HILL. A little earlier I had called attention to the fact that I had received a letter from Mr. Howard W. Habermeyer, Chairman of the Railroad Retirement Board, under date of March 24, 1961, in which he stated there is a deficit of $185,178,000 as of the end of February.

Mr. KEATING. If the amount were not provided, it would add to that deficit; is that correct?

Mr. HILL. The Senator is correct.

Madam President, I ask unanimous consent to have printed in the RECORD at this point the letter from Chairman Habermeyer to which I have referred.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES OF AMERICA
RAILROAD RETIREMENT BOARD,
Chicago, Ill., March 24, 1961.

Hon. LISTER HILL,
Committee on Appropriations,
U.S. Senate, Washington, D.C.

DEAR SENATOR HILL: The bill H.R. 5075 which proposes the payment to railroad workers of temporary unemployment insurance benefits is in substantially the same terms as the bill H.R. 4806 which would provide temporary unemployment benefits to workers in industry generally. Both bills provide for repayable advances from the Treasury without interest of amounts needed to pay the temporary unemployment benefits under the respective systems. The $24 million requested on an advance repayable basis without interest to pay for temporary extended benefits for unemployed railroad workers is absolutely necessary. The railroad unemployment insurance account has been borrowing from the railroad retirement account for the payment of regular unemployment benefits under the Railroad Unemployment Insurance Act, and has a deficit, as of the end of February, of $185,178,000. The deficit will not be eliminated for several years. Unless special appropriation of the $24 million is made, the treatment of railroad employers would not be the same as for employers in industry generally which would receive the benefit of Treasury advances without interest. The advances to the railroad systen. would be repaid out of the railroad unemployment insurance account; and for this purpose section 5 of H.R. 5075 provides an increase in the rate of contribution required of employers by one-fourth percent for 2 years, beginning 1962.

The table below, prepared from records of our Office of Budget and Fiscal Operations, shows, as of February 28, 1961, the amount borrowed from the railroad retirement account for the railroad unemployment insurance account and the deficit:

Total amount borrowed	$289,715,000
Repaid to date	104,271,000
Principal owed Feb. 28	185,444,000
Interest to date on amounts borrowed	4,843,186
Paid through Feb. 28	1,369,237
Accrued, but not paid	3,473,949
Total owed including interest	188,917,949
Cash balance in RUI account Feb. 28	3,739,727
Net deficit, Feb. 28	185,178,222

Sincerely yours,
HOWARD W. HABERMEYER,
Chairman.

Mr. KEATING. I want to agree with the Senator's statement. It seems to be necessary, and I want to commend him.

Mr. HILL. I thank the Senator.

The PRESIDING OFFICER. The question is on the engrossment of the amendments and third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill (H.R. 5188) was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, shall it pass?

The bill was passed.

Mr. HAYDEN. Madam President, I move that the Senate insist on its amendments, request a conference with the House on the disagreeing votes thereon, and that the Chair appoint conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. HAYDEN, Mr. RUSSELL, Mr. CHAVEZ, Mr. ELLENDER, Mr. HILL, Mr. MCCLELLAN, Mr. MAGNUSON, Mr. BRIDGES, Mr. SALTONSTALL, Mr. YOUNG of North Dakota, and Mr. MUNDT conferees on the part of the Senate.

EXECUTIVE SESSION

Mr. MANSFIELD. Madam President, I move that the Senate go into executive session to consider nominations for U.S. attorneys for the eastern and western districts of the State of Missouri.

The motion was agreed to; and the Senate proceeded to consider executive business.

The PRESIDING OFFICER. The clerk will state the nominations.

U.S. ATTORNEYS

The legislative clerk read the nominations of D. Jeff Lance, of Missouri, to be U.S. attorney for the eastern district of Missouri and of F. Russell Millin, of Missouri, to be U.S. attorney for the western district of Missouri.

Mr. LONG of Missouri. Madam President, the President of the United

States has nominated to be U.S. attorneys for the eastern and western districts of Missouri two outstanding young Missouri attorneys. In support of their confirmation, I am making this statement on behalf of myself and the senior Senator from Missouri.

D. Jeff Lance has been nominated U.S. attorney for the eastern district of Missouri. Mr. Lance is a partner in the law firm of Cook, Murphy, Lance & English, St. Louis, Mo. He received his law degree from the University of Missouri in 1948. His experience in the law is well rounded.

He served for a time as an attorney in State government, and as a corporation attorney. In addition, for several years, he has been engaged in the general practice of law. He is a member of the Missouri bar, American Bar Association, and the Bar Association of St. Louis. In addition to having been admitted to practice before the Missouri Supreme Court, he has been admitted to practice before the U.S. Federal courts both in the eastern district and the western district of Missouri. With confidence in the ability of D. Jeff Lance, I urge Senate confirmation.

Madam President, F. Russell Millin, Jr., has been nominated to be U.S. attorney for the western district of Missouri. Mr. Millin is a lifetime resident of Missouri and received his law degree from Kansas City University in 1954. He became associated prior to graduation with the law firm of Popham, Thompson, Popham, Mandell & Trusty of Kansas City, as an investigator. Upon admission to the Missouri bar in 1954, he became an associate with the firm and in July of 1959 was made a partner. His experience with this firm has to a great extent been as a trial lawyer. He is a member of the Missouri Bar Association, Kansas City Bar Association, and the Lawyers Association of Kansas City. From 1955 to 1958, he served as an elected member of the board of education for one of our State school districts. Realizing the ability and experience of F. Russell Millin, I urge Senate confirmation of this nomination.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nominations?

The nominations were confirmed.

Mr. MANSFIELD. Madam President, I ask that the President be immediately notified of the confirmation of the nominations.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

GOVERNOR OF THE VIRGIN ISLANDS

Mr. MANSFIELD. Madam President, I move that the Senate proceed to the consideration of the nomination of Ralphael M. Paiewonsky to be Governor of the Virgin Islands.

The PRESIDING OFFICER. The nomination will be stated.

The legislative clerk read the nomination of Ralphael M. Paiewonsky to be Governor of the Virgin Islands.

OVERCHARGE FOR GRAIN SHIPMENTS BY THE U.S. GOVERNMENT

As in legislative session:

Mr. WILLIAMS of Delaware. Madam President, on March 15 the Comptroller General called to the attention of the Congress a shocking situation wherein the U.S. Government in its shipments of grain under the foreign aid program was being grossly overcharged by two shipping companies—Bloomfield Steamship Co. and the Lykes Bros. Steamship Co., Inc. The shipping charges were financed by the ICA.

The Comptroller General cited several instances in which these two carriers charged the Government far in excess of the rates which were being charged at the same time to the commercial shippers between the same points.

As a result of these overcharges, the Comptroller General estimated that the Government had paid to these two companies excess transportation charges in the amount of $305,111.

In this report, he cited several instances in which the Government was paying $10.50 per ton for the shipment of grain from the gulf to German ports, while on the same ships during the same voyages commercial interests were shipping grain from the same ports to the same destinations at $6 to $6.50 per ton.

These shipments involved the transportation mostly of wheat and barley.

The Bloomfield Steamship Co. overcharged the Government $270,380 on 19 shipments, while the Lykes Bros. Steamship Co. on three voyages overcharged the Government $34,731.

At this point I ask unanimous consent to incorporate in the RECORD a breakdown of these overcharges as furnished by the Comptroller General:

There being no objection, the table was ordered to be printed in the RECORD, as follows:

General Accounting Office summary of excess payments to ocean carriers of grain, 1958–59

BLOOMFIELD STEAMSHIP CO.

Vessel	Number of bills of lading	Voyage No.	Long tons	Government rate	Commercial rate	Excess payment
1958						
Alice Brown	1	8–S	3500	$13.50	$6.75	$23,625
Neva West	5	7–S [1]	5256	12.50	6.75	30,188
Margaret Brown	1	9–S [1]	2000	10.50	9.25	2,500
Alice Brown	3	10–S [1]	4450	10.50	6.00	20,025
Lucille Bloomfield	1	13–S	4000	10.50	6.40	16,400
Margaret Brown	1	10–S	2000	10.50	6.40	8,200
Alice Brown	5	11–S	5932.4998	10.50	6.40	24,322
Lucille Bloomfield	3	14–S [1]	4498	10.50	7.00	15,743
Bloomfield Steamship Co. total excess, 1958						141,003
1959						
Margaret Brown	2	V–11	4984	$10.50	$6.00	$22,428
Neva West	3	V–11	4718.307	10.50	6.00	21,232
Lucille Bloomfield	2	V–15 [1]	2144.827	10.50	6.00	9,652
Margaret Brown	1	V–12 [1]	2463.053	10.50	6.50	9,852
Alice Brown	1	V–13 [1]	2409.482	10.50	6.50	9,638
Neva West	1	V–14	2500	10.50	6.40	10,250
Lucille Bloomfield	1	V–18	1970.437	10.50	6.40	8,079
Neva West	1	V–15	2069.643	10.50	6.40	8,489
Margaret Brown	5	V–16	4137.6685	10.50	7.50	12,413
Neva West	9	V–16 [1]	2530.046	11.00	8.00	7,590
Margaret Brown	2	V–17	3251.231	11.00	8.00	9,754
Bloomfield Steamship Co. total excess, 1959						129,377
Total Bloomfield Steamship Co.						270,380

LYKES BROS. STEAMSHIP CO., INC.

1959						
Elizabeth Lykes	1	60	1158	$10.50	$6.25	$4,921
John Lykes	1	96	2500	10.50	6.50	10,000
Kenneth McKay	2	63	4952.465	10.50	6.50	19,810
Lykes Bros. Steamship Co. total excess, 1959						34,731
Combined total						305,111

[1] Commercial grain and Government-financed grain aboard the same vessel.

Mr. WILLIAMS of Delaware. Madam President, as if these overcharges were not enough in themselves to justify severe criticism, both against the companies involved as well as against the ICA officials who approved these exorbitant rates, it is also noted that these two shipping companies were at the time of these overcharges also beneficiaries of substantial Government subsidies. For example:

The Lykes Bros. Steamship Co., Inc., transported some of this grain in the vessel SS *John Lykes*, and on one of its voyages—No. 26—they charged the U.S. Government $10.50 per ton transportation rates whereas at the same time they were charging commercial interests only $6.50 per ton.

The record shows that originally, in 1940, this ship was built at a cost of $1,957,610 to the U.S. Government.

On January 28, 1941, the title to this vessel—the S.S. *John Lykes*—was transferred by the Government to the Lykes Bros. Steamship Co. at a net price of $978,805.

The company operated the vessel until 1958, during which time they collected from the Government through the Maritime Commission operational subsidies on this one ship of $2,448,852.

These subsidies included the operational differential subsidy and included an allowance for full depreciation of the original cost.

Then in 1958, after the company had operated the ship for 20 years, during which time they had collected nearly $2½ million in subsidies, the Government accepted the vessel on a trade-in for a new ship and allowed the Lykes Bros. Steamship Co. $900,000 or approximately the same price for which the Government had sold them the ship 20 years previously.

Now we are told by the Comptroller General that on this same heavily subsidized ship, the Lykes Bros. had the gall to charge the U.S. Government $10.50 per ton to transport grain from the Gulf of Mexico to German ports while during the same period they were transporting grain for commercial shippers between the same points at rates ranging from $6 to $7 per ton. The Comptroller General called our attention to three specific instances wherein the Lykes Bros. overcharged the U.S. Government for a total of $34,741.

The Bloomfield Steamship Co. likewise had bought several of its ships from the U.S. Government at similar discounts from the original construction costs and was also grossly overcharging the Government on the transportation of grain.

An examination of the report showed that in several instances Bloomfield was charging the U.S. Government $10.50 per ton for transporting grain from the gulf to the German ports while on occasions on the same vessels they were only charging private commercial shippers around $6 to $7 per ton transportation rates on grain. The shipments originated at the same points and were going to the same destinations, often on the same ships.

All of these overcharges have been referred to the Department of Justice for examination and possible collection of the overcharges.

I am also suggesting that the Department of Justice carefully examine these transactions to see whether or not there was any collusion between representatives of the shipping company and the officials of the ICA who on behalf of the Government agreed upon these excessive overcharges.

This is another example of unnecessary waste of the taxpayers' money under our foreign aid program, and certainly, to say the least, the Government officials responsible should be fired.

At this point I ask unanimous consent to have incorporated in the RECORD a more detailed report as furnished by the Comptroller General, in which he outlines these overcharges by the Bloomfield Steamship Co. and the Lykes Bros. Steamship Co., Inc.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

BLOOMFIELD STEAMSHIP CO. 1948 SHIPMENTS

Our review of grain shipments during calendar year 1958 revealed that the Bloomfield Steamship Co. transported grains from U.S. gulf ports to Germany for commercial shippers at rates ranging from a low of $4.50 per ton to a high of $9.25 per ton, whereas, on Government-financed shipments of grain during the same period, Bloomfield Steamship Co. rates to the Government ranged from $10.50 to $13.50 per ton. Had the Government shipments moved at the rates charged commercial shippers during this period, we estimate that transportation charges to the Government would have been reduced by $141,003.

For instance, in our examination of records covering 1958 shipments, we found that bills of lading were issued by Bloomfield for the transportation of both Government-financed and commercial wheat on the SS *Neva West*, voyage No. 7–S, sailing from Houston, Tex., and Galveston, Tex., to Germany in May 1958. The rate charged to the commercial shipper for wheat on this voyage was $6.75 per ton for 1,655 tons, while the rate paid by the Government was $12.50 per ton for 5,250 tons. The total charge to the Government for wheat aboard this vessel was $65,625. Had the Government been charged the commercial rate of $6.75 per ton, transportation charges to the Government would have been reduced by $30,188.

Our examination of other payments revealed a shipment in August 1958 of 2,000 tons of Government-financed wheat from Galveston, Tex., to Hamburg, Germany, on the Bloomfield vessel SS *Margaret Brown*, voyage No. 9–S, for which Bloomfield charged the Government at a rate of $10.50 per ton. On the same vessel between the same points, a commercial company shipped approximately 4,543 tons of barley for which Bloomfield charged at a rate of $9.25 per ton.

Other similar records disclosed a shipment in August 1958 of 4,450 tons of wheat from Houston, Tex., to Hamburg, Germany, aboard the Bloomfield vessel SS *Alice Brown*, voyage No. 10–S, at a rate of $10.50 per ton, while on the same voyage 1,500 tons of barley were shipped by a commercial company from Houston to Bremen, Germany, at a rate of $6 per ton.

On voyage No. 13–S of the Bloomfield vessel SS *Lucille Bloomfield*, in September 1958, 4,000 tons of wheat were carried from Galveston, Tex., to Bremen, Germany, at a rate to the Government of $10.50 per ton, whereas approximately 2,248 tons of barley were carried for a commercial company at a rate of $6.40 per ton.

On another voyage, No. 14–S, of the same vessel in November 1958, approximately 4,500 tons of wheat were carried at a rate to the Government of $10.50 per ton from Houston, Tex., to Hamburg, Germany, whereas, on the same voyage, 1,000 tons of barley were shipped by a commercial shipper at a rate of $7 per ton.

We found three additional Bloomfield voyages carrying Government shipments of grain during 1958 at rates in excess of those charged on commercial shipments of grain moving on different voyages during the same period.

BLOOMFIELD STEAMSHIP CO. 1959 SHIPMENTS

During 1959, we found 11 voyages of Bloomfield Steamship Co. vessels from gulf ports to Germany carrying wheat at rates to the Government of $10.50 and $11 per ton, while barley, kafir, corn, oats, and soybeans were transported for commercial shippers at rates ranging from $5.50 to $8 per ton.

Our examination revealed that on four of these voyages Government-financed and commercial grain was transported in the same vessel. On the remaining seven voyages involving Government-financed grain, we found no commercial grain shipments aboard the same vessel. However, commercial shipments of grain were moving on different vessels during the same period at the lower rates previously mentioned.

Had these Government shipments moved at the rates charged commercial shippers during 1959, we estimate that transportation charges to the Government would have been reduced by $129,377.

LYKES BROS. STEAMSHIP CO., INC.

Our review also disclosed Government-financed shipments of grain in 1959 moving on Lykes Bros. Steamship Co., Inc., vessels from gulf ports to Germany at rates of $10.50 per ton, whereas, grain was transported for commercial shippers during the same period and between the same points at rates ranging from $6 to $7 per ton. However, we found no commercial and Government shipments on the same voyages.

Had Lykes charged the Government the same rates as charged to commercial shippers on comparable dates during 1959, we estimate that transportation charges to the Government would have been reduced by $34,731.

AUTHORITY OF COMMITTEES TO FILE BILLS AND REPORTS DURING THE RECESS OF THE SENATE

As in legislative session,

Mr. MANSFIELD. Madam President, I ask unanimous consent that the committees of the Senate be permitted to file reports during the recess or adjournment of the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

BYELORUSSIAN INDEPENDENCE DAY

As in legislative session,

Mr. ALLOTT. Madam President, this past Saturday, March 25, 1961, was the 43d anniversary of the proclamation of independence of the Byelorussian Democratic Republic. The Byelorussian American Association celebrated this anniversary yesterday, March 26, at the Biltmore Hotel in New York City. The Byelorussians, one of the oldest Slavic people, were allowed only a brief 3 years of independence from the old czarist empire before they were overrun by the Soviet Red Army in 1921. Thus this 43d anniversary of their independence also marks the 40th year of living under the Communist totalitarian tyranny. We in the free world surely want these brave people to know they are not forgotten and that we are as one in the hope and prayer that they may ultimately regain the national freedom so justly theirs and which they had so short a time to enjoy.

I ask unanimous consent to include a commemorative statement at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

THE INDEPENDENCE DAY OF BYELORUSSIA

Every year we, Americans, celebrate the Fourth of July—the day of the Declaration of Independence of the United States of America. The 25th of March is the Byelorussian national holiday—the day on which 43 years ago the Byelorussian Democratic Rada (Council) solemnly proclaimed the independence of the Byelorussian Democratic Republic (BNR) in the country's capital, Minsk.

The history of these two nations was different. The young American Nation, after having become independent, could freely de-

velop all branches of national life and create the most democratic and powerful state in the world. The fate of Byelorussia was different, because of her different geopolitical location.

Byelorussia, a country on the crossroads of Europe where Western culture and freedom met with Eastern barbarian despotism, was always the battlefield of these two antagonistic worlds.

In the past Byelorussia was an independent nation and played an important part in the medieval history of Eastern Europe. In the early Middle Ages Byelorussia appeared under the name of Kryvia and later on (13th century) was known as the Grand Duchy of Lithuania; in 1795 the country was forcibly incorporated into Imperial Russia.

Continuous efforts have been made by the Byelorussians in an attempt to regain their freedom. With Napoleon's assistance in 1812, by armed uprising under the leadership of Kastus Kalinouski in 1863 and others. The revolution in Russia of 1917 offered another opportunity to shake off the chains of slavery—this time by the means of democratic self-determination. Through the coordinated effort of all Byelorussian organizations, a national representation, consisting of 1,872 delegates from all corners of the country, convened in Minsk on December 18, 1917. This all-Byelorussion Congress became in fact the constituent assembly of Byelorussia.

The Congress elected the Rada (Council) and its presidium as its executive bodies, which have assumed the responsibility for the fate of the nation.

On March 25, 1918, the Rada and its executive council solemnly proclaimed the independence of Byelorussia and published their third constitutional act containing the official text of the proclamation.

Without any help from outside the new republic could not resist for too long a time the pressure of Russian imperialism and soon fell victim of new occupation, this time by the Red Communist army.

Her place was taken by the Bolshevik-sponsored Byelorussian Soviet Socialist Republic, created on Jan. 1, 1919, in Smolensk as a Communist counterweight to the democratic republic. This "union republic" with its puppet government is still in existence within the structure of the Soviet Union.

The people of Byelorussia have never accepted the government forced upon them, and defended their rights by arms. The famous Slutsk uprising of 1920 was brutally crushed by overwhelming Communist forces, i.e., suffered the same fate as the Hungarian revolution in 1956.

During the following 41 years the population has been subjected to a violent and ruthless persecution, deportation, and extermination. As a result of Moscow's policy of genocide, Byelorussia lost 6 million people in 20 years, according to the Soviet census of 1959.

On the international forum the Communist puppet government of the B.S.S.R. continually abuses membership of Byelorussia in the United Nations.

The Byelorussian people know that thousands of their compatriots living in the free world are disseminating truth about their history, culture, and present colonial exploitation. They also know that the Byelorussian Democratic Rada leads the best forces of the nation in the fight for freedom and justice.

GOVERNOR OF THE VIRGIN ISLANDS

The Senate resumed the consideration of the nomination of Ralphael M. Paiewonsky to be Governor of the Virgin Islands.

Mr. ANDERSON. Madam President, the nomination occasioned a great deal of interest on the part of the committee members. I commend the members of the committee, on both the majority and minority sides, for their constant attention to duty in this regard.

I think this nomination will eventually be quite satisfactory for the area. I believe Mr. Paiewonsky will be a good Governor. I commend the members of the committee for the fact that they tried to make sure the Virgin Islands Corporation, which has cost the United States a great deal of money, will be used for the benefit of the people and not merely be a drain on the resources of our Government. I think that may be possible now.

Madam President, I commend the members of the committee, who tried to make sure that the new Governor would produce for the people of the island a good government and at the same time would help relieve some of the financial burdens which this country has had to bear in that area.

Mr. DWORSHAK. Madam President, the Committee on Interior and Insular Affairs held 3 days of exhaustive hearings with respect to the nomination of Mr. Paiewonsky to be Governor of the Virgin Islands.

Many witnesses testified, with only one exception indicating that they had complete confidence in Mr. Paiewonsky and in the qualifications which he has to administer the affairs of the Virgin Islands.

I think it is very timely to point out that throughout the discussions and the taking of testimony in regard to the nomination it became obvious that our Government has been expending huge sums of money, many millions of dollars in various forms—direct appropriations and grants, as well as the restoration of impaired capital due to losses of the Virgin Islands Corporation, which is operated by the Government.

It was testified by many of the witnesses that Mr. Paiewonsky has displayed exceptional ability in becoming the outstanding businessman in the islands.

I invite attention to brief comments made by Mr. William W. Bailey, who has practiced law in the islands for more than a decade. I think the record will show that at one time he was the Republican State chairman in the islands. I quote as follows from his testimony:

> I might say that in the entire time I have lived and worked in the Virgin Islands I have always found Mr. Paiewonsky's character to be of the highest, and I certainly believe that in the present instance where he is being considered for the position of Governor of the Virgin Islands, that great emphasis should be put upon the fact that in selecting a helmsman, a captain, for the small ship of state known as the Virgin Islands down in the Caribbean Sea, that he is one of the best qualified to step into that position.

Because of the intense interest displayed by the members of the Committee on Interior and Insular Affairs in regard to the financial affairs of the Virgin Islands, and because it is generally recognized that something must be done to bring about greater economy, greater order, and stability in the operations of the people of the islands, who number only some 33,000, I asked the staff of the Committee on Interior and Insular Affairs to confer with the General Accounting Office and obtain some reliable data and information concerning the cost of our Government of assisting in the affairs of the Virgin Islands during the past decade.

At this time, I invite attention to the report submitted by the General Accounting Office, which is in two parts.

The first portion is entitled "Federal Appropriations and Grants for Financing Activities of the Virgin Islands Government for Fiscal Years 1951 Through 1960."

The table shows Federal grants and appropriations for financing Virgin Islands Government activities for fiscal years 1951 through 1960 as reported in the combined statements of receipts, expenditures, and balances of the U.S. Government, U.S. Treasury Department, and the budgets of the United States, as follows:

Appropriations for central administration of the insular government	$1,951,050
Grants to municipalities (1951 through 1955)	3,179,666
Appropriation for Office of the Government Comptroller (fiscal year 1960)	180,000
Internal revenue matching fund collections (1955 through 1960)	22,892,912
Appropriations for public works projects (1951 through 1954)	5,728,570
Federal grants-in-aid	7,103,823
Total	41,036,021

The table does not include all Federal expenditures in the Virgin Islands. The records reviewed did not disclose the amounts of Federal expenditures in the Virgin Islands for activities such as those of the U.S. Coast Guard, U.S. post offices, Veterans' Administration, Soil Conservation Service, Production and Marketing Administration, Farmers Home Administration, agricultural experimental station, Fish and Wildlife Conservation, Immigration and Naturalization, U.S. attorneys and marshals, U.S. district court of the Virgin Islands, Weather Bureau, Civil Aeronautics Administration, and Federal-aid payments to individuals within the Virgin Islands.

The second portion of the report is entitled: "Funds received by the Virgin Islands Corp. from the Federal Government for financing the corporation's activities for fiscal years 1951 through 1960."

The figures are:

Revolving fund withdrawals		$5,263,000
Grants provided in Department of the Interior appropriation acts:		
For reimbursement of operating losses	$2,780,769	
For water and soil conservation	940,000	
For forestry program	185,000	
For tourist development	95,000	
Total grants		4,000,769

Borrowings from U.S. Treasury for construction of salt water distillation facilities	$33,900
Total Federal financing	9,297,669

The total of these two amounts is in excess of $50 million, which we might consider financial assistance in one form or another provided by our Government for approximately 33,000 people living in the Virgin Islands.

Madam President, I have presented these figures primarily because we have been drifting along. I recall when the late Senator Hugh Butler, of Nebraska, was chairman of the Committee on Interior and Insular Affairs. He made several trips to the Virgin Islands and sought to bring greater stability into the operations, particularly of the Virgin Islands Corporation.

I know that during the past several years Fred Seaton, when he was Secretary of Interior, made many trips to the Virgin Islands in an effort to eliminate some of the inefficient operations which were causing extreme losses to our Government. The testimony taken in behalf of the appointment of Mr. Paiewonsky as Governor of the Virgin Islands indicates that he has almost a fantastic business background and experience which should qualify him to do an outstanding job in trying to administer effectively and successfully the affairs of the people of the Virgin Islands.

Notwithstanding some doubt that crept into the minds of some members of the Committee on Interior and Insular Affairs, that was one reason why it was finally determined that Mr. Paiewonsky, if his nomination were confirmed—and, of course, confirmation was recommended by the committee—would be charged, if that be possible, with the responsibility of bringing into the administration of the office of Governor of the Virgin Islands some of the exceptional and outstanding ability which has characterized his own business success.

I express the ardent hope that as Governor of the Virgin Islands Mr. Paiewonsky will utilize these exceptional abilities and do everything he can to bring success and real progress in the utilization of the Virgin Islands.

Mr. ALLOTT. Madam President, I rise to discuss the nomination briefly. Before I begin I shall say that I do not intend to vote against confirmation of the nomination. However, there are certain points that I believe should be inserted in the RECORD, and perhaps if circumstances had been different, I might have voted against him.

I say unequivocally that if the power of appointment, rather than the power to participate in the advice and consent to the confirmation of the nomination, were involved, I personally would not appoint Mr. Paiewonsky. Unfortunately for myself, a death in my own family made it necessary for me to return to Colorado, and the hearings were concluded while I was there and before I had an opportunity to return.

The Senator from New Mexico [Mr. ANDERSON] is in the Chamber, and in this respect I wish to say that I do not attribute to him any unfairness in any way, because I discussed this subject on the telephone with him while I was in Colorado and told him that my personal situation was such that I had to remain in Colorado a while and to continue with the hearings.

With that background I should like to make a short statement about the Virgin Islands situation and the nominee. For 2 or 3 years I have been suggesting to the Committee on Interior and Insular Affairs that an investigation should be made of the Virgin Islands.

The Virgin Islands are a very small part of the world. They consist of three islands—St. Thomas, on which is located Charlotte Amalie, St. Croix to the south, and St. Johns, of which the greater part is a national park. It is a very close-knit world in which people live closely together.

The statements made by the Senator from Idaho are true. I think the conditions on the Virgin Islands as I observed them a little over 2 years ago are shocking. I found the hospitals which we furnish for them in Charlotte Amalie to be in deplorable physical condition, even though comparatively new. I found that instead of helping to bring these people to be self-supporting, we were in fact encouraging a sort of feudal tutelage there, which encouraged these people to depend more and more on direct public assistance from the United States. I make this statement despite the protestations of the nominee to the contrary.

The statements that the Senator from Idaho [Mr. DWORSHAK] has made about the cost of the Virgin Islands to the United States are true. All of the Federal income tax which is collected in the Virgin Islands stays in the Virgin Islands for their support. In addition, they have had and enjoy at the present time an inheritance tax privilege which has caused many wealthy Americans to go there, to declare themselves as residents, and, by such subterfuge, to avoid the inheritance taxes which otherwise they would have had to pay to the Federal Government in the United States.

All of this history, of course, is not the fault of Mr. Paiewonsky. However, I say there are situations with respect to Mr. Paiewonsky which make me wonder whether he should have been appointed.

I say frankly there is not enough in the record for me to vote against him in the Senate today. There are certain facts that I think are well to be remembered.

Mr. Paiewonsky has been national committeeman of the Democratic Party in the Virgin Islands for 20 or 25 years. The Democratic Party there runs a very tightly controlled political patronage system which is unsurpassed anywhere in the United States.

Among the businesses of the Paiewonsky family is a distillery which was acquired, if I recall correctly, from the Vicorp corporation, a Virgin Islands corporation that has representatives from the Department of Agriculture, the Department of the Interior, the Governor of the Virgin Islands, and I believe three others appointed at large, who run it.

There are several peculiar points about the operation. First, in 1957 or 1958, I believe, according to the testimony of Mr. Paiewonsky, the Legislature of the Virgin Islands voted a $258,000 subsidy to the distillery which Mr. Paiewonsky and his family own. I say the loan was to the distillery. It was not made to the distillery but to him alone.

I will read Mr. Paiewonsky's testimony verbatim:

> Well, there are two distilleries in the islands, and it follows the same pattern with molasses from Vicorp. We receive 70 percent and the St. Croix Industries received 30 percent.

Then he modified his statement and said:

> On the subsidy, I think it worked out 66⅔ percent to Riise and 33⅓ percent to St. Croix Sugar Cane Industries.

Occupying a position of extremely strong political leadership, and participating in almost every business there is on St. Thomas Island and also many on St. Croix, he was able to secure from the legislature two-thirds of a $258,000 subsidy in order to boost the profits of the Riise Industries in the Virgin Islands.

There are many other subjects which came up during the course of the hearing, one of which, I understand, although I have not had an opportunity to locate it in the hearings subsequently, is that he admitted that during one period he had sold rum from the Riise distilleries which was mislabeled 6-, 7- or 8-year-old rum when in fact it was rum which had just come from the tap.

There are other points which make me wonder about the plausibility or the advisability of the nomination being confirmed. For example, in addition to the subsidy and the mislabeling, it is a fact that he has himself received a very definite benefit from the Vicorp corporation time and time again.

For example, although there was much controversy about one witness, I do not believe there is any controversy about the fact that at that time, back in the middle 1950's, there were four distilleries in the islands which distilled rum out of cane molasses. While there were four distilleries, there were only two distilleries that received the subsidy at the time Paiewonsky got the subsidy.

At that time also, in the middle 1950's, he was receiving molasses and was able to purchase molasses from Vicorp at 10 cents, when the world price was 17 cents. The testimony was to the effect that the understanding was that when purchases were made offshore there would be a 2-cent transportation and handling difference, so the chances are that at the very best he was receiving at least a 5-cent-a-gallon subsidy or preference from Vicorp over what molasses would have to be sold for on the world market.

When we consider this fact in the light of the fact that only the St. Croix distilleries and the Riise distilleries had been able to purchase any molasses on the islands from Vicorp, it raises innumerable questions which would cause a reasonable man to pause and consider.

In addition to that, Mr. Paiewonsky has just sold the family-owned distillery to the Schenley Corp. He said, "My personal interest may amount to approximately 12,000 shares—between 10,000 and 12,000 shares—of a value of $26 or $27 a share."

Therefore, what he has done is to sell his shares of stock of this family-owned distillery to the Schenley Corp. and has accepted in payment of these shares the stock of the Schenley Corp. Where does that leave the Schenley Corp.? The Schenley Corp. will continue to buy molasses from Vicorp. Who is going to control the price that Vicorp pays?

While there is a fairly long term contract now, eventually the Governor, together with the other members of the board of directors of Vicorp, will determine the terms and conditions under which the molasses will be sold to the Schenley Corp., and Mr. Paiewonsky will be a stockholder in the Schenley Corp.

So, regardless of the fact that the Schenley Corp. is very large and he is a minority stockholder, he will still be in the position of effectively and actually selling and determining the price of molasses sold to himself or to a corporation in which he has an interest and in the profits of which he has a definite interest and of which he is a stockholder.

Many other things came out during the hearings some of which were substantiated and some not. I know that the items I have recited are fully substantiated by the hearings. Although I did not attend the session in which I had hoped to cross-examine Mr. Paiewonsky, I withheld my vote in committee because I did not have an opportunity to confirm or not certain items that I had in mind about this gentleman.

On the floor of the Senate I cannot shirk my responsibility for voting. I will not do so. If I had the power of appointment, I would not appoint this gentleman. I do not have such power, and I shall therefore not vote against him. I do say that when we consider the economic stranglehold which this family has upon the islands, and consider the facts that I have recited, it should give a Senator pause before voting to confirm the nomination of this man. I have considered it, but because I cannot pin it down to any actual disqualification for office, I shall vote to confirm the nomination.

I should like to make one further point. I believe it is significant that the only persons who testified for the nominee, aside from one lawyer, whom the Senator from Idaho [Mr. DWORSHAK] has quoted, were people who were very closely associated and allied with him either in his own business interests or in his political interests. I think it is particularly significant—and I would be remiss if I did not spread it on the RECORD at this time—that so far as the time when I was present at the hearings is concerned, there was not one businessman present who did not have either a political or business alliance with Mr. Paiewonsky. Not a single businessman or farmer or rancher appeared at the hearings and testified in his behalf.

Madam President, among the questions which came up, I suggested to the chairman of the committee that it was my hope that we would be able to postpone our action on this nomination until such time as the committee or a portion of the committee was able to go to the Virgin Islands and ferret out the truth in connection with some of the charges and countercharges which had been made. I still think it would have been wise to do that, because I am convinced that the great bulk of the responsible business people in the Virgin Islands would prefer to see anyone except Mr. Paiewonsky appointed Governor of the islands.

I ask unanimous consent to have printed at this point in the RECORD an article published in the Washington Post on Friday, March 10, 1961.

The PRESIDING OFFICER (Mr. SMITH of Massachusetts in the chair). Is there objection?

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FIGHT DUE OVER ISLAND GOVERNOR

(By Jack Anderson)

A bitter backstage battle over the appointment of Ralph Paiewonsky, the rum king, to be Governor of the Virgin Islands will erupt into the open today before the Senate Interior Committee.

The fireworks are expected to rival the explosion earlier this week over Charles Merwether, the Kennedy appointee to the Export-Import Bank.

It's not supposed to be known outside the Kennedy Cabinet, but the Paiewonsky appointment was shoved down the throat of Secretary of the Interior Stewart Udall. He not only recommended against it but, after he was overruled, repeated his misgivings in his confidential biweekly report to the President.

Udall based his opposition upon the confidential report of two consultants, Maurice Rosenblatt and John Nuveen, whom the Interior Department sent to the Virgin Islands in January to scout the scene.

They investigated several candidates for the Governorship, rating Paiewonsky the lowest. Yet he got the job. He has been longtime Democratic committeeman from the Virgin Islands.

Meant for Udall's eyes only, the confidential report declares:

"With Paiewonsky as Governor, the Virgin Islands would once again become a happy pirate kingdom rivaling the days of Sir Henry Morgan, Bluebeard, and Blackbeard, who made this their base of operations. At the bottom of the pile, controlled and kept in line by the Mooreheads and Hodges (Negro leaders considered pro-Paiewonsky), would remain the 30,000 Negro natives reduced to work in the hotels, run errands, and drive cabs. A few would be allowed to rise as gang bosses."

WAR WEALTH

Paiewonsky's family has long operated a drugstore in St. Thomas, has also long dabbled in politics. The memo describes Paiewonsky's rise to wealth and power during World War II.

"The Paiewonsky family seems to have done moderately well up until 1940," it says. "The first financial success came to the boys, Ralph and Isadore, during the war, reputedly from cigarettes and other scarcity items. After the war, the Paiewonskys prospered, going into the rum business, drugstores, movie theaters, gift shops, acquiring large tracts.

"Paiewonsky operates through a tight inner group, building for financial control through political alliances. Paiewonsky's ultimate objective can only be estimated. We believe that his plan is to legalize gambling on the island, build Miami Beach-type hotels, and stimulate a land boom."

Stressing the importance of this U.S. protectorate in the Caribbean, the report proclaims: "In the Virgin Islands, we are on display. America is on trial. To succeed here would be a graceful feather in our cap. To fail here would be more than another running Caribbean sore, an active irritant for the agitators to throw on the United Nation's table for exploitation.

"SITTING ON A VOLCANO

"We confess that we went with the general popular misconception. We, too, believed that this was a happy tourist resort, a sort of Caribbean Monaco, costumed by the Pirates of Penzance, with Calypso songs and 'steel bands' giving a native accompaniment to an easy blend of cultures and economics. We are now convinced that to be Governor of the Virgin Islands is to take on one of the toughest, most demanding, and most all-embracing tasks. It also means sitting on top of a volcano."

The most pressing problem, as the consultants saw it, is the need for agricultural development.

"If something is not done about agriculture fast," they report in their confidential memo, "the drift will be into a real estate development. Rapidly amortized hotels and honky-tonk resorts with gambling, vice, etc., are the next step. The social consequence will be to reduce the native, Negro population to domestics, bellboys, and taxi drivers for a white man's pleasure haven.

Udall forwarded the report to the White House, which also received a report on Paiewonsky from the FBI. In the end, President Kennedy sided against his Secretary of the Interior and with his political advisers who claimed that Paiewonsky deserved reward.

Mr. HUMPHREY. Mr. President, will the Senator from Colorado yield?

Mr. ALLOTT. I am happy to yield.

Mr. HUMPHREY. I would feel remiss if I did not take this opportunity to say a few words in behalf of Gov. John Merwin, the present Governor. I believe he has done a good job. Although he is not a member of the party to which I belong—instead, he belongs to the party to which the senior Senator from Colorado [Mr. ALLOTT] belongs—I believe Governor Merwin is entitled to an expression of thanks for doing a good job under many difficulties and limitations, as the Senator from Colorado has properly pointed out.

Mr. ALLOTT. I thank the Senator from Minnesota for the statement he has made. I became acquainted with Governor Merwin, and I have been greatly impressed with his efforts to bring these three islands into orbit, with a self-supporting economy. The problems which exist there are numerous. Of course, to a great extent they were discussed in committee. Mr. Paiewonsky is not chargeable with those problems. He is chargeable only with the things I mentioned.

I think the remarks of the Senator from Minnesota about Governor Merwin are well deserved, and I am very happy to join in them.

Mr. HUMPHREY. Mr. President, I merely wish to say a few words in behalf of Mr. Paiewonsky. It has been my privilege to visit the Virgin Islands.

I did so as a matter of personal pleasure, as well as a matter of being interested in the welfare of the islands. My colleagues may be interested in knowing why I am concerned with this matter. For 12 years, in my office, I have had one of the most able and competent and loyal members of my staff, Mr. Cyril King, working for me. He is a native of the Virgin Islands. He came to me when he wanted to go to school here in the States. He attended American University, and he graduated from American University. He has demonstrated unusual qualities of leadership and sound judgment and hard, loyal work as a member of my staff.

He interested me in the Virgin Islands, and from time to time I have met people who have come from the Virgin Islands. As a result I have learned something of the problems of that country. I have learned not only about the problems, but also the great opportunities that exist there.

It was my privilege a year ago to pay a very brief visit to St. Croix and St. Thomas. In the past month, in the middle of February, Mrs. Humphrey and I journeyed for a brief vacation to St. Thomas and St. Croix and St. John. We had an opportunity to talk to many people there and to visit with them as intensively, I believe, as any two people could. I visited the high school at Christiansted and at Fredericksted on St. Croix. We visited Charlotte Amalie, and visited many business places there. Governor Merwin, the present Governor, was very courteous and kind. I know the members of the Governor's staff. I have had an opportunity to work rather closely with them on legislative matters. In fact, the present Governor's secretary is married to a lady from St. Paul, Minn.

The Governor's assistant in St. Croix, Mr. McFarland, is a young man whom I have known for some time. I believe I have done about as much inquiring into matters in the Virgin Islands as has almost any other Senator, outside the members of the Committee on Interior and Insular Affairs. At least, my inquiry has been rewarding in this: that I love those beautiful islands. I have sincere respect and affection for their people, and I have had the privilege, now, of meeting and knowing Mr. Paiewonsky.

I read the record of Mr. Paiewonsky, and I read the reports in the press. Undoubtedly, like most people, when one is in public life, there are some people who are for him, and some who are "agin" him, as the saying goes. For some peculiar reason, those who are, to put it in the vernacular "agin you," always seem to make more copy and more news than those who are "for you."

After several days of person-to-person contact, inquiring of people in business, schoolteachers, social workers, Government people, and members of our Armed Forces who are stationed at Charlotte Amalie, for example—the Navy has a very small detachment there—I found there was a great respect for Mr. Paiewonsky. I found they thought he would perform his duties well as Governor. I found that the people of the islands felt he was dedicated to the islands. I found that they thought he would be active, alert, and progressive in trying to get for the islands a little better standard of living than they presently enjoyed.

I do not say that Mr. Paiewonsky has done everything well. I suppose that, like all of us, he has made mistakes. However, I think that what is needed in the islands is someone who really has an interest, who really has a continuing interest, in the islands. I believe that what the islands need is someone who sees the business opportunities which are in the islands; someone who will protect the legitimate economic interests of the islands; someone who will want to do something more about the harbor facilities, roads, and housing.

As an American, I am not pleased with some of the slum conditions that exist in some of the cities in the islands. I sincerely believe that the United States of America, which says that it has something to offer to the whole world, could do very well by setting a good example in some of its own territories.

On our recent trip, Mrs. Humphrey and I visited San Juan, P.R. Perhaps that was a poor way to take a little vacation, but we spent a couple days traveling from one end of Puerto Rico to another, going from farm to farm, and community to community.

We visited schools, hospitals, and community centers. We were inspired by what we saw. What the people are doing is magnificent. There is much more to be done, and it ought to be done. However, there are people there who want to get the job done. I am speaking now of Puerto Rico.

The same is true of the Virgin Islands. With a little cooperation, I think we can do much more for the islands. In the Virgin Islands, I saw a Navy pier which the Government of the United States has not even had the decency to dismantle. It has been allowed to rot in the harbor. Evidently the Navy has not been able to secure an appropriation for the repair of the pier, so it simply stands and rots in the harbor. Although it is partly in use, it is not receiving any repairs. It is a threat to life and limb in the harbor of Charlotte Amalie. I predict that one of these days the United States will have a claim filed against it by an American citizen who may visit there, go on the pier, and be injured, because the Government has not taken care of the pier at all.

What is needed more than anything else is dedicated representation in high office—in the Governor's office, in the Secretary's office—for the well-being of the islands. The Virgin Islands should have a Delegate in Congress, and some day they will have one, to watch over their interests. The Virgin Islands are a part of the United States. I think every part of the United States is entitled to a fair deal. I think every part of our Nation is entitled to decent attention.

I hope and believe that Mr. Paiewonsky will be a good voice for the Virgin Islands. As the two distinguished Senators on the other side of the aisle have stated, I believe he will be an able administrator and a good businessman.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. CARROLL. I join with the able Senator from Minnesota and commend him for his statement. As a member of the committee that questioned Mr. Paiewonsky for several days I can say that the Senators on the other side of the aisle who interrogated him were, in my opinion, very fair. Their questions were searching. They had a right to search into the qualifications of Mr. Paiewonsky, and they did so in an excellent manner.

I myself have never been to the Virgin Islands. I know nothing about the Virgin Islands except what I have read about them.

I myself questioned the nominee and my questioning was sharp and direct. I had not met Mr. Paiewonsky before. I knew nothing of his background. But I was interested in why he wanted to become Governor of the Virgin Islands. I wondered why a successful businessman who, I assume, is wealthy in his own right, wanted to become Governor of the Virgin Islands.

Mr. Paiewonsky told me that he wanted to become Governor of the Virgin Islands because he wanted to do something for his people. He said his family had lived in the islands for 60 years.

He is a successful businessman. Of course, he has had some competition. I think one of his bitterest critics was one of his strongest competitors. However, our committee took great pains to inquire of other persons, including government representatives, about some of the accusations which had been made. Mr. Paiewonsky emerged with a fine showing as a result of statements made by men who are not in politics.

I may say to the able Senator from Minnesota that what swung me toward Mr. Paiewonsky was his frank attitude. I asked him:

> What do you know about the people of the islands? Tell me about the low-income groups in your area. How many are there? What has been done for them in years past? How many are in the so-called middle class group? How many persons control the islands?

Mr. Paiewonsky told me that about 15 families control the islands. He said there was not much of a middle-class group, but that there are a great number in the low-income group.

I asked Mr. Paiewonsky:

> How do you feel about that? What will you do to relieve those conditions?

My able colleague from Colorado [Mr. ALLOTT], who was very diligent in his questioning, called to our attention in the committee some of the conditions which exist in the islands. I wanted to know what Mr. Paiewonsky intended to do about them. We all know that he is an able businessman, but we wanted to know what his philosophy was about assisting those people.

He responded to my question by saying:

Senator, those are the people who are for me.

Mr. President, those are the people who are for Mr. Paiewonsky, as the able Senator from Minnesota has so clearly described to the Senate. It is my own feeling that Mr. Paiewonsky has the proper philosophy to assist the islands. I think he will work for the people. I believe he will favor the construction of additional schools and hospitals. I talked with him about help for the children of the islands and he responded with interest. Furthermore, he is a businessman. I think he will satisfy people who are interested in the amount of money that can be saved. There is now a deficit of $600,000 in the Virgin Islands Corporation. We asked Mr. Paiewonsky why he did not do something about it. He replied that he had never had the privilege of sitting on the Board but that if he became Governor he would do his best to reduce the deficit.

So, for economic reasons, for business reasons, for social reasons, and for philosophical reasons, based on the testimony I have heard, and based on my reading of the record, it is my hope and belief that Mr. Paiewonsky will be a good Governor of the Virgin Islands.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. CARROLL. I yield.

Mr. JAVITS. We in New York have a great interest in the Virgin Islands. Many persons who live in New York came from the Virgin Islands. I have had an opportunity to learn much about the islands. Unfortunately, I did not hear the testimony. Of course, I have the greatest respect for the opinion of the distinguished Senator from Colorado and the opinions of other Senators who have spoken about the nomination.

Undoubtedly, from all I can learn now, the nomination of Mr. Paiewonsky to be Governor of the Virgin Islands will be confirmed. However, I express this view: There is a great feeling among those who know much about the Virgin Islands that, first, it is extremely desirable that the Governor be an indigenous product of the islands. That is one thing, whatever else may be concerned with respect to the nominee, that can be said in his favor. He has done business there; and he is actually an indigenous product of the islands.

The other point is that there is a considerable challenge to us to find some way in which we can bring about more and more self-determination on the part of the people there, and a responsibility for their own affairs. This is probably a corollary of the first point: That is, that it is desirable to have as Governor someone who has been reared and who has lived in the islands, and who is acquainted with their problems in a personal sense.

I express the hope that the nominee, assuming his nomination is confirmed by the Senate, might come to us with some rather affirmative recommendations as to how self-government can, in a developing way, be even more built up in the Virgin Islands than has already been accomplished, because I feel that this is very much the end and aim of the American attitude toward any area which is part of the great complex which we now call the United States.

Mr. CARROLL. I thank the able Senator from New York for his remarks.

Let me state, in conclusion, what my sole purpose is in making these remarks. I restate this because the Senator from Minnesota was otherwise engaged when I spoke previously. During the committee hearings I gave Mr. Paiewonsky some sharp questioning. I was blunt—not brutal, but blunt—because I wanted to know, and wanted it stated in no uncertain terms, what the situation was. I had read reports that a gambling mecca was to be established in the Virgin Islands.

Mr. Paiewonsky's responses were directly to the point, in connection with all the questions I put to him. He said there would be no gambling mecca; he said that his interest is in the people; and he said that his purpose is to do something for the people and for improvement of the fiscal condition of the islands.

Of course, we realize that it is easy for a witness to make such statements at a hearing. However, we shall be watching him and carefully observing his performance.

I see in the Chamber at this time the able Senator from Alaska [Mr. GRUENING]. He was present at the hearing when I asked those questions. The responses the witness made in regard to his philosophy satisfied me.

I repeat that Senators on the other side of the aisle made a searching examination. That was all to the good, and I think they should have done so. In fact, I think such procedure should be had in connection with other nominations of persons to serve as Governors. It is good to have such nominees put in a glass bowl, so we can judge what their future performance will be.

Certainly I hope Mr. Paiewonsky will do a good job.

Mr. GRUENING. Mr. President, will the Senator from Colorado yield?

Mr. CARROLL. I yield.

Mr. GRUENING. I agree fully with the comments made by the able junior Senator from Colorado.

I listened carefully throughout the hearings. I have had some familiarity with the Virgin Islands, inasmuch as nearly 30 years ago I was the first Director of the Division of Territories and Island Possessions, of the Department of the Interior, which had supervision over the Federal relationships of those outlying American areas, which included the Virgin Islands; and I have followed development there closely since that time.

It is not easy to find the right man to serve as Governor of the Virgin Islands. Paul Pearson was a dedicated Governor but life was made difficult for him. Most of the Governors there have had a good deal of trouble.

I highly approve of the principle established in recent years—namely, to have a native, a person born and brought up in the islands, serve as Governor, rather than someone who comes from another area, and who would be appointed in payment of a political debt. I think that principle is in line with our best American professions, even if we have not always practiced it.

The United States has liquidated the last vestiges of its colonial policy, which began after our war with Spain, or to a slight degree before then. We have given statehood to our two former incorporated territories, Alaska and Hawaii; we have granted Puerto Rico the political status it sought; and what remains to be done is to give the maximum of self-government to our remaining possessions—the Virgin Islands, Samoa, and Guam. Certainly the best way to start is to appoint as Governor one who lives there, not someone from the outside who would be appointed as a political reward, for some party service, real or fancied.

Let me say that I was favorably impressed by the replies Mr. Paiewonsky made. He has been a successful businessman in the Virgin Islands, and I think his ambition is to be a good Governor and to serve the public interest. I am confident that he will be that kind of a Governor. If he is not, we shall have made a mistake. But I believe he will be a good Governor, and will be responsive to the people's needs and to the requirements of their welfare.

I think the Senator from Colorado has accurately sized up the situation; and I hope the nomination will be confirmed by unanimous vote of the Senate.

Mr. CARROLL. I thank the Senator from Alaska.

Mr. President, I hope I am correct in my view about Mr. Paiewonsky. Of course I may be mistaken. But I liked the impression he made on me, and I liked what he stated for the record.

I do not like some of the things that have been going on in the Virgin Islands; and I am indebted to my colleague, who has been there, for giving me much valuable information.

The committee members on the other side of the aisle did a thorough job in their examination in connection with this nomination. I hope they continue to do so, especially in connection with the appointments in the U.S. possessions.

Mr. DWORSHAK. Mr. President, just now I have been checking on the hearings on the Paiewonsky nomination. I was under the impression that there had been included in the committee hearings or in the record of those hearings a report dated February 13, 1961, directed to the Secretary of the Interior, by Maurice Rosenblatt, who acted as a consultant in making a personal survey and study of conditions in the Virgin Islands, with particular emphasis upon the desirability of having Mr. Paiewonsky serve as the Governor.

I think that in all fairness to the members of our committee—and I shall not ask permission to have the report printed in the RECORD—it should be said there was some rather unsavory newspaper publicity, which undoubtedly was based upon the memorandum report submitted by Mr. Rosenblatt, which received widespread circulation.

I am sure that if there was some indecision or delay by the members of the committee in connection with their consideration of the nomination, it was partially, if not largely, the result of that report, a copy of which was given to each member of our committee. I shall not state any of the details; I merely point out that the report, which consists of 10 typewritten pages, was most disparaging of Mr. Paiewonsky, although I must say that the investigator made some allegations which probably were not justified, and there might have been some evidence of bias or prejudice on his part as he made the investigation and the survey in the Virgin Islands.

I am not sure that Mr. Maurice Rosenblatt is the motivating factor behind a nationally known Committee To Elect an Effective Congress, which maintains headquarters in Chicago.

I can look back, as can every Member of this body, and recall that every 2 years, at election time, this committee sends out endorsements with respect to Members of the House and Senate who are up for reelection. The voting public knows very little of the activities of the committee or its motivations. It seems to me that in this particular instance members of our committee, overwhelmingly Democratic members, were unwilling to accept the recommendations of Maurice Rosenblatt concerning the appointment of Mr. Paiewonsky to be Governor. But I presume that in 1962 and in 1964 this same man, through the Committee To Elect an Effective Congress, will be so contemptuous and so arrogant that it will proceed to endorse some Members of Congress seeking reelection, and to denounce others.

I can recall that I have been the victim of some of the abuse heaped upon Members of Congress who were up for reelection. So I desire to point out that apparently some Members of Congress are willing to place their abiding faith and confidence in this man when he does something which is in accord with their political motives; but in this particular case, when he made the survey at the request of the Secretary of the Interior, and the report happened to be full of disparaging comments, of course, the same people did not hesitate to reject the recommendations made.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. DWORSHAK. I yield.

Mr. LAUSCHE. By whom was the study and report requested?

Mr. DWORSHAK. By the Secretary of the Interior; but I think the request was probably made prior to the time that Stewart Udall became Secretary, although the announcement of his appointment had already been made in the public press.

It is not what might be considered an official document made after Stewart Udall became Secretary, but there is no doubt whatsoever that Maurice Rosenblatt undertook the survey of conditions, as directly related to Mr. Paiewonsky's nomination at the request of the Secretary of the Interior. It does not appear in the hearings. I do not object, because I do not think the investigator was justified in making many of the charges he made, because he sought motivations which are most questionable concerning the nomination of Mr. Paiewonsky to be Governor.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to this nomination?

The nomination was confirmed.

Mr. HUMPHREY. Mr. President, I ask that the President be immediately notified of the confirmation of this nomination.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. HUMPHREY. Mr. President, I move that the Senate return to legislative session.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

NAVAJO IRRIGATION AND SAN JUAN-CHAMA PROJECTS, NEW MEXICO

Mr. HUMPHREY. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 72, S. 107.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 107) to authorize the Secretary of the Interior to construct, operate, and maintain the Navajo Indian irrigation project and the initial stage of the San Juan-Chama project as participating projects of the Colorado River storage project, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Minnesota.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Interior and Insular Affairs, with amendments, on page 6, line 5, after "(70 Stat. 105)", to insert "as amended by section 9 of the Act of June 27, 1960 (74 Stat. 277)"; on page 13, after line 12, to insert a new section as follows:

SEC. 9. In the operation and maintenance of all facilities, authorized by Federal law and under the jurisdiction and supervision of the Secretary of the Interior, in the basin of the Colorado River, the Secretary of the Interior is directed to comply with the applicable provisions of the Colorado River compact, the Upper Colorado River Basin compact, the Boulder Canyon Project Act, the Boulder Canyon Project Adjustment Act, and the treaty with the United Mexican States, in the storage and release of water from reservoirs in the Colorado River Basin. In the event of the failure of the Secretary of the Interior to so comply, any State of the Colorado River Basin may maintain an action in the Supreme Court of the United States to enforce the provisions of this section, and consent is given to the joinder of the United States as a party in such suit or suits, as a defendant or otherwise.

On page 14, at the beginning of line 4, to change the section number from "9" to "10", and at the beginning of line 15, to change the section number from "10" to "11"; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of furnishing water for irrigation of irrigable and arable lands, municipal, domestic and industrial uses (and for other beneficial purposes), providing recreation and fish and wildlife benefits, controlling silt, the Congress hereby approves as participating projects of the Colorado River storage project the Navajo Indian irrigation project, New Mexico, and the initial stage of the San Juan-Chama project, Colorado-New Mexico as conditioned, modified, and limited herein. Principal engineering works of the Navajo Indian irrigation project shall be a main gravity canal, tunnels, siphons, pumps, and powerplants for project purposes, laterals, drains, distribution systems and related works. The initial stage of the San Juan-Chama project facilities shall be comprised principally of regulating and storage reservoirs, collection, diversion and conveyance systems, and associated works.

The Navajo Indian irrigation project and the initial stage of the San Juan-Chama project herein approved are substantially those described in the proposed coordinated report of the Acting Commissioner of Reclamation and the Commissioner of Indian Affairs, approved and adopted by the Secretary of the Interior on October 16, 1957, as conditioned, modified, and limited herein.

SEC. 2. Pursuant to the provisions of the Act of April 11, 1956 (70 Stat. 105), the Secretary of the Interior is authorized to construct, operate, and maintain the Navajo Indian irrigation project for the principal purpose of furnishing irrigation water to approximately one hundred and ten thousand six hundred and thirty acres of land, said project to have an average annual diversion of five hundred and eight thousand acre-feet of water, the repayment of the costs of construction thereof to be in accordance with the provisions of said Act of April 11, 1956 (70 Stat. 105), including, but not limited to, section 4(d) thereof.

SEC. 3. (a) In order to provide for the most economical development of the Navajo irrigation project, the Secretary of the Interior is hereby authorized and directed to declare by publication in the Federal Register that the United States of America holds in trust for the Navajo Tribe of Indians any legal subdivisions or unsurveyed tracts of federally owned land outside the present boundary of the Navajo Indian Reservation in New Mexico in townships 28 and 29 north, ranges 10 and 11 west, and townships 27 and 28 north, ranges 12 and 13 west, New Mexico principal meridian, susceptible to irrigation as part of the Navajo Indian irrigation project or necessary for location of any of the works or canals of such project: *Provided, however,* That no such legal subdivision or unsurveyed tract shall be so declared to be held in trust by the United States for the Navajo Tribe until the Navajo Tribe shall have paid the United States the full appraised value thereof: *And provided further,* That in making appraisals of such lands the Secretary of the Interior shall consider their values as of the date of approval of this Act, excluding therefrom the value of minerals subject to leasing under the Act of February 25, 1920, as amended (30 U.S.C. 181–286), and such leasable minerals shall not be held in trust for the Navajo Tribe and shall continue to be subject to leasing under the Act of February 25, 1920, as amended, after the lands containing them have been declared to be held in trust by the United States for the Navajo Tribe.

(b) The Navajo Tribe is hereby authorized to convey to the United States, and the Secretary of the Interior is hereby directed to accept on behalf of the United States, title to any land, or interest in land within the above-described townships, susceptible to irrigation as part of the Navajo Indian irrigation project or necessary for location of any of the works or canals of such project, acquired in fee simple by the Navajo Tribe, and after such conveyance said land or interest in land shall be held in trust by the United States for the Navajo Tribe as a part of the Navajo Indian irrigation project.

(c) The Secretary of the Interior is hereby authorized and directed to acquire by purchase, exchange, or condemnation any other land or interest in land within the townships above described susceptible to irrigation as part of the Navajo Indian irrigation project or necessary for location of any of the works or canals of such project. After such acquisition, said lands or interest in lands shall be held by the United States in trust for the Navajo Tribe of Indians and the price of such lands or interest in lands or of the land given in exchange therefor by the United States shall be charged to funds of the Navajo Tribe of Indians on deposit in the Treasury of the United States.

SEC. 4. In developing the Navajo Indian irrigation project, the Secretary is authorized to provide capacity for municipal and industrial water supplies or miscellaneous purposes over and above the diversion requirements for irrigation stated in section 2 of this Act. But such additional capacity shall not be constructed and no appropriation of funds for such construction shall be made unless, prior thereto, contracts have been executed which, in the judgment of the Secretary, provide satisfactory assurance of repayment of all costs properly allocated to the purposes aforesaid with interest as provided by law.

SEC. 5. Payment of operation and maintenance charges of the irrigation features of the Navajo Indian irrigation project shall be in accordance with the provisions of the Act of August 1, 1914 (38 Stat. 582, 583), as amended by the Act of August 7, 1946 (60 Stat. 867): *Provided*, That the Secretary of the Interior in his discretion may transfer to the Navajo Tribe of Indians the care, operation, and maintenance of all or any part of the Navajo Indian irrigation project works, subject to such rules and regulations as he may prescribe, and, in such event, the Secretary may transfer to the Navajo Tribe title to movable property necessary to the operation and maintenance of project works.

SEC. 6. Pursuant to the provisions of the Act of April 11, 1956 (70 Stat. 105), *as amended by section 9 of the Act of June 27, 1960 (74 Stat. 277)*, the Secretary of the Interior is authorized to construct, operate, and maintain the initial stage of the San Juan-Chama project, Colorado-New Mexico, for the principal purposes of furnishing water supplies to approximately thirty-nine thousand three hundred acres of land in Cerro, Taos, Llano, and Pojoaque tributary irrigation units in the Rio Grande Basin, about eighty-one thousand six hundred acres of land in the existing Middle Rio Grande Conservancy District, and municipal, domestic, and industrial uses, and providing recreation and fish and wildlife benefits. Said construction and operation of the diversion facilities of the initial stage authorized herein shall include only natural flow of the Navajo, Little Navajo, and Blanco Rivers in Colorado as set forth in the supplemental project report dated May 1957. Principal engineering works of the initial stage development involving three major elements, shall include diversion dams and conduits, storage and regulation facilities at the Heron Numbered 4 Reservoir site and enlargement of outlet works of the existing El Vado Dam, and water use facilities consisting of reservoirs, dams, canals, lateral and drainage systems, and associated works and appurtenances. The construction of recreation facilities at the Nambe Reservoir shall be contingent upon the Secretary's making appropriate arrangements with the governing body of the Nambe Pueblo for the operation and maintenance of such facilities, and the construction of recreation facilities at the Heron Numbered 4, Valdez, and Indian Camp Reservoirs and shall be contingent upon the Secretary's making appropriate arrangements with a State or local agency or organization for the operation and maintenance of those facilities: *Provided*, That—

(a) the Secretary of Interior shall so operate the initial stage of the project authorized herein that diversions to the Rio Grande Valley shall not exceed one million three hundred and fifty thousand acre-feet of water in any period of ten consecutive years, reckoned in continuing progressive series starting with the first day of October after the project shall have commenced operation;

(b) the Secretary of Interior shall operate the project so that there shall be no injury, impairment, or depletion of existing or future beneficial uses of water within the State of Colorado, the use of which is within the apportionment made to the State of Colorado by article III of the Upper Colorado River Basin compact, as provided by article IX of the Upper Colorado River Basin compact and article IX of the Rio Grande compact;

(c) all works of the project shall be constructed so as to permit compliance physically with all provisions of the Rio Grande compact, and all such works shall be operated at all times in conformity with the Rio Grande compact;

(d) the amount of water diverted in the Rio Grande Basin for uses served by the San Juan-Chama project shall be limited in any calendar year to the amount of imported water available to such uses from importation to and storage in the Rio Grande Basin in that year;

(e) details of project operation essential to the accounting of diverted San Juan and Rio Grande flows shall be cooperatively developed through the joint efforts of the Rio Grande Compact Commission, the appropriate agencies of the United States and of the States of Colorado, New Mexico, and Texas, and the various project entities. In this connection the States of Texas and New Mexico shall agree, within a reasonable time, on a system of gaging devices and measurements to secure data necessary to determine the present effects of tributary irrigation, as well as present river channel losses: *Provided*, That if the State of Texas shall require, as a precedent to such agreement, gaging devices and measurements in addition to or different from those considered by the Department of the Interior and the State of New Mexico to be necessary to this determination, the State of Texas shall pay one-half of all cost of constructing and operating such additional or different devices and making such additional or different measurements which are not borne by the United States. The results of the action required by this subsection shall be incorporated in a written report transmitted to the States of Colorado, Texas, and New Mexico for comment in the manner provided in the Flood Control Act of 1944, before any appropriation shall be made for project construction;

(f) the Secretary of the Interior shall operate the project so that for the preservation of fish and aquatic life the flow of the Navajo River and the flow of the Blanco River shall not be depleted at the project diversion points below the values set forth at page D2–7 of appendix D of the U.S. Bureau of Reclamation report entitled "San Juan-Chama Project, Colorado-New Mexico," dated November 1955;

(g) the Secretary of the Interior is hereby authorized to construct the tunnel and conduit works of the initial stage of the San Juan-Chama project with sufficient capacity for future diversion of an average of 235,000 acre-feet per annum, and to recognize the cost of providing such additional capacity as a deferred obligation to be paid at such time as the additional capacity may be required: *Provided, however*, That nothing contained in this act shall be construed as committing the Congress of the United States to future authorization of any additional stage of the San Juan-Chama project.

SEC. 7. (a) No person shall have or be entitled to have the use for any purpose, including uses under the Navajo Indian irrigation project and the San Juan-Chama project authorized by sections 2 and 6 of this Act, of water stored in Navajo Reservoir or of any other waters of the San Juan River and its tributaries originating above Navajo Reservoir to the use of which the United States is entitled under these projects except under contract satisfactory to the Secretary of the Interior and conforming to the provisions of this Act. Such contracts, which, in the case of water for Indian uses, shall be executed with the Navajo Tribe, shall make provisions, in any year in which the Secretary anticipates a shortage taking into account both prospective runoff originating above Navajo Reservoir and the available water in storage in Navajo Reservoir, for a sharing of the available water in the following manner: The prospective runoff shall be apportioned between the contractors diverting above and those diverting at or below Navajo Reservoir in the proportion that the total normal diversion requirement of each group bears to the total of all normal diversion requirements. In the case of contractors diverting above Navajo Reservoir, each such contract shall provide for a sharing of the runoff apportioned to said group in the same proportion as the normal diversion requirement under said contract bears to the total normal diversion requirements of all such contracts that have been made hereunder: *Provided*, That for any year in which the foregoing sharing procedure either would apportion to any contractor diverting above Navajo Reservoir an amount in excess of the runoff anticipated to be physically available at the point of his diversion, or would result in no water being available to one or more such contractors, the runoff apportioned to said group shall be reapportioned as near as may be among the contractors diverting above Navajo Reservoir in the proportion that the normal diversion requirements of each bears to the total normal diversion requirements of the group. In the case of contractors diverting from or below Navajo Reservoir, each such contract shall provide for a sharing of the remaining runoff together with the available storage in the same proportion as the normal diversion requirement under said contract bears to the total normal diversion requirements under all such contracts that have been made hereunder.

The Secretary shall not enter into contracts beyond a total amount of water that, in his judgment, in the event of shortage will result in a reasonable amount being available for the diversion requirements for the Navajo Indian irrigation project and the initial stage of the San Juan-Chama project as specified in sections 2 and 6 of this Act.

(b) In the event contracts are entered into for delivery from storage in Navajo Reservoir of water not covered by subsection (a) of this section, such contracts shall be subject to the same provision for sharing of

available water supply in the event of shortage as in the case of contracts required to be made pursuant to subparagraph (a) of this section.

(c) This section shall not be applicable to the water requirements of the existing Fruitland, Hogback, Cudai, and Cambridge Indian irrigation projects, nor to the water required in connection with the extension of the irrigated acreages of the Fruitland and Hogback Indian irrigation projects in a total amount of approximately eleven thousand acres.

SEC. 8. (a) None of the project works, or structures authorized by this Act shall be operated by the Secretary of the Interior so as to create, implement, or satisfy any preferential right in the United States or any Indian tribe to the waters impounded, diverted, or used by means of such project works or structures, other than contained in those rights to the uses of water granted to the States of New Mexico or Arizona pursuant to the provisions of the Upper Colorado River Basin compact.

(b) The Secretary of the Interior shall operate the projects authorized by this Act so that no waters shall be diverted or used by means of the project works, which, together with all other waters used in or diverted from the San Juan River Basin in New Mexico, will exceed the water available to the States of New Mexico and Arizona under the allocation contained in article III of the Upper Colorado River Basin compact for any water year.

SEC. 9. In the operation and maintenance of all facilities, authorized by Federal law and under the jurisdiction and supervision of the Secretary of the Interior, in the basin of the Colorado River, the Secretary of the Interior is directed to comply with the applicable provisions of the Colorado River compact, the Upper Colorado River Basin compact, the Boulder Canyon Project Act, the Boulder Canyon Project Adjustment Act, and the treaty with the United Mexican States, in the storage and release of water from reservoirs in the Colorado River Basin. In the event of the failure of the Secretary of the Interior to so comply, any State of the Colorado River Basin may maintain an action in the Supreme Court of the United States to enforce the provisions of this section, and consent is given to the joinder of the United States as a party in such suit or suits, as a defendant or otherwise.

SEC. 10. Section 12 of the Act of April 11, 1956 (70 Stat. 105), shall not apply to the works authorized by this Act. There are hereby authorized to be appropriated out of any moneys in the Treasury not otherwise appropriated, such funds as may be required to carry out the purposes of this Act, but not to exceed $221,000,000 (January 1958 prices) plus such amounts, if any, as may be required by reason of changes in construction costs as indicated by engineering cost indexes applicable to the types of construction involved therein and, in addition thereto, such sums as may be required to operate and maintain the projects.

SEC. 11. The Act of April 11, 1956 (70 Stat. 105), is hereby amended as follows: (i) In section 1, subsection (2), after "Central Utah (initial phase)" delete the colon and insert in lieu thereof a comma; (ii) in section 5, subsection (e), in the phrase "herein or hereinafter authorized" delete the word "hereinafter" and insert in lieu thereof the word "hereafter"; (iii) in section 7 in the phrase "and any contract lawfully entered unto under said compacts and Acts" delete the word "unto" and insert in lieu thereof the word "into".

ON "RECESSION STRETCHING"

Mr. KEATING. Mr. President, recessions are curious creatures. They can be and often are creatures of the mind, rather than the body.

It is clear that the mild recession of recent months is coming to an end. We should be gratified that it is. We should help it along, by stressing and discussing those positive and inherent elements in our economy which are moving forward.

But, judging by the statements made by some economic gloom-peddlers, we are still talking about low points, serious rigidities, and our poor little 500 billion dollar gross national products. I am very concerned that we will not only talk ourselves back into a slump, but that, at the rate we are talking, we will create a nice depression.

Our economy, of course, began to perk up before we passed any of the major recovery bills the President sent to the Congress.

I have the feeling there are some quarters that would like to do a little recession stretching. They want to be able to say: "See America, it didn't take us long, it's all over."

But recession stretching is not in our best interest. It is not in anybody's interest.

Let me make another point: Recession stretching is emphatically not in the interest of the unemployed, the 6.8 percent who are really feeling the "squeeze." I recognize as well as anyone that the grave human problems of jobless workers and their families are the most serious consequences of a period of economic slump.

If, instead of dragging out and talking about the present lean indicators, we emphasize those economic trends which are rising, we can help create a spirit of enthusiasm and drive which will make people more encouraged. They will buy more, stock more, hire more help and, before you know it, it will not be 6.8 percent unemployed—it will be a lot less.

There are, I fear, those who would like the recession to end officially in a month or so. They would prefer to attribute this improvement to the thrust of legislative events, rather than to the building up of positive forces inherent in our free economy, which seems to be much closer to the actual fact.

There is this factor, too: The psychology of emergency, the rush of events, may in some quarters be thought advantageous in terms of getting important economic bills through the Congress. But it is not worth it. Recession stretching is costly to everyone.

Last week the President did not talk about recovery when asked about our economy. He talked instead about questions as to whether the upturn would be big and fast enough. He said and repeated that recovery, if it develops, is still off in the future.

The actual situation, I believe, is clearer than this. The lead economic indicators are and have been moving forward. Unemployment has leveled off. It has been relatively steady for the last 3 months.

It was 6.8 percent in December; 6.6 percent in January; and 6.8 percent in February. I do not mean to say it has leveled off to an appropriate rate, but the rate has stopped going up.

Spring is in the air. This situation should improve soon.

Secretary of Commerce Hodges said recently we were moving out of the slump of recent months.

Retail sales increased in February. Inventories are down The combination of increased sales and decreased inventories may well indicate that goods are moving faster, particularly in light of the coming of the spring season.

Private housing construction starts, car loadings, and others of the so-called lead indicators have been showing for several weeks that our economy is snapping back.

I propose that we amplify and discuss these factors, rather than the present apparent recession stretching in high places.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. KEATING. I yield to my colleague.

Mr. HICKENLOOPER. I congratulate the Senator from New York for pointing out this very important phase of the discussion of the present economy in the country. I have felt for a long time that we have had much depression talk, which is unnecessary, which is discouraging, and which does not contribute to the orderly reestablishment of normal employment and normal business.

I thoroughly agree with the Senator that we could do for ourselves a very great service if we talked about the strength of America and the reestablishment of normal economic relationships rather than constantly talking about depression and saying, "If we recover," or "Will we recover?"

I think it is bad psychology to do so, and I think it can do and has done us a tremendous amount of damage. It has slowed down the normal reestablishment process.

I do not think any salesman ever sold his bill of goods by complaining about it or by attempting to point out its bad qualities. I think a salesman rather sells his bill of goods by telling of its strong points and by being enthusiastic about it.

I congratulate the Senator on his very succinct statement of very vital issues which confront America.

Mr. KEATING. Mr. President, I am very grateful to my distinguished friend from Iowa. I agree with him. Those of us who have had a little experience with salesmanship know that the way to get the country to the point where we want it economically is not by running down the economic conditions, but rather by building them up. They are responding. My thesis is: Let us keep economic conditions responding by an optimistic outlook toward the future. That is the best thing in the world for everybody, including, most of all, those who are out of work.

ORDER OF BUSINESS

Mr. ALLOTT obtained the floor.

Mr. BENNETT. Mr. President, will my friend from Colorado yield to me?

Mr. ALLOTT. Mr. President, I ask unanimous consent that I may yield to

the Senator from Utah without losing my right to the floor.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Colorado? The Chair hears none, and it is so ordered.

REPLACEMENT OF PLAQUES ON POST OFFICES

Mr. BENNETT. Mr. President, the Postmaster General seems determined to erase the record of the Eisenhower years. Now he is doing it with a chisel.

It will be recalled that last week I remarked on the fact that the Postmaster General had ordered the destruction of all copies of the February issue of the Postal Service News magazine, because that magazine contained an article summarizing the achievements of Postmaster General Summerfield.

This morning I received two letters from different parts of the country, which say in effect, "Senator, you don't know the half of it." Both of these letters reported instances of the new administration removing bronze plaques from post offices which were completed under the Eisenhower administration. The plaques, which included the names of President Eisenhower and Postmaster General Arthur Summerfield, were replaced by plaques bearing the names of President Kennedy and Postmaster General Day.

I can understand the impatience of Mr. Day to see his name cast in bronze. But it seems to me that it would be appropriate to wait a little longer, and put it only on buildings which were constructed—or at least completed—during his administration.

The post office at Taylorsville, Ky., according to my informant, was completed early in December, but the dedication was delayed because of weather and the Christmas rush. After the new administration came to power, the Eisenhower-Summerfield plaque was removed and replaced.

The other letter I received, from Bettendorf, Iowa, told a similar story. In this case, as soon as the new administration came to power a veil was placed over the Eisenhower plaque until it could be taken down.

I understand that these cases are typical of what is happening with new post offices all over the country.

Postmaster Day's obsession with wiping out the record of his predecessor surprises me. I had thought that the New Frontier was supposed to be dedicated to charting new courses, not to obliterating the record of the past. Based on what we have seen thus far, the symbol of the Day administration may well be a chisel, superimposed on a background of burning magazines.

Just how far the new administration will go in its attempt to change building inscriptions no one can say. But next time I walk by the Lincoln Memorial I intend to take a close look at the inscription merely to see whether or not it, too, may now bear the chisel marks of the New Frontier.

I thank my friend for yielding.

Mr. ALLOTT subsequently said: Mr. President, I ask unanimous consent that my remarks be printed in the RECORD immediately following the remarks made by the senior Senator from Utah [Mr. BENNETT], inasmuch as I have yielded to other Senators for other business.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Colorado? The Chair hears none, and it is so ordered.

Mr. ALLOTT. Mr. President, with respect to post offices I am not so naive as to believe that a political system does not work, yet I am a little shocked at times by the great speed with which the New Frontier is exerting its political coercion on various people.

There is a man in Colorado who is the head of the postal region, by the name of Don Brewer. He was named to that position as a career man. As a matter of fact, he has served in the Post Office Department for 28 years.

Immediately after the new administration took office, Mr. Brewer was notified that he would be moved out of his office as regional director, even though he has rendered 28 years of good service to the Department, and that he would be transferred to another post, something he could not hope to do because of a recent heart attack which he suffered.

I bring this up after being reminded of the subject by the Senator from Utah, because I particularly wish to pay respect to Mr. Brewer. He is a fine public servant in every sense of the word. He has found it necessary to retire 2 years before the time he would normally retire because of political circumstances, because of the working of a political machine which has moved him out of office. I think this should be brought to the attention of the American people.

UNANIMOUS CONSENT AGREEMENT TO LIMIT DEBATE ON S. 107, NAVAJO INDIAN AND SAN JUAN-CHAMA PROJECTS

Mr. HUMPHREY. Mr. President, will the Senator from Colorado yield to me so that I may make a unanimous-consent request?

Mr. ALLOTT. I am happy to yield to the majority whip, with the understanding that I shall not lose my right to the floor.

Mr. HUMPHREY. Mr. President, I send to the desk and ask to have stated a unanimous-consent agreement, the provisions of which have been discussed informally. I place it before the Senate so that we may have some discussion with our colleagues.

The PRESIDING OFFICER. The proposed unanimous-consent agreement will be stated for the information of the Senate.

The legislative clerk read as follows:

UNANIMOUS-CONSENT AGREEMENT

Ordered, That, effective on Tuesday, March 28, 1961, at the conclusion of routine morning business, during the further consideration of the bill (S. 107), to authorize the Secretary of the Interior to construct, operate, and maintain the Navajo Indian irrigation project and the initial stage of the San Juan-Chama project as participating projects of the Colorado River storage project, and for other purposes, debate on any amendment, motion, or appeal, except a motion to lay on the table, shall be limited to 1 hour, to be equally divided and controlled by the mover of any such amendment or motion and the majority leader: *Provided*, That in the event the majority leader is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or some Senator designated by him: *Provided further*, That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of the final passage of the said bill debate shall be limited to 2 hours, to be equally divided and controlled, respectively, by the majority and minority leaders: *Provided*, That the said leaders, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, motion, or appeal.

The PRESIDING OFFICER. Is there objection to the unanimous consent agreement?

Mr. WILLIAMS of Delaware. Mr. President, reserving the right to object, I should like to ask a question. Does the agreement call for one hour on each amendment, to be divided a half hour for each side?

Mr. HUMPHREY. The Senator is correct.

The PRESIDING OFFICER. Is there objection to the unanimous consent agreement? The Chair hears none, and the unanimous consent agreement is agreed to.

Mr. HUMPHREY. I thank the Senator from Colorado.

Mr. DIRKSEN. Mr. President, will the Senator yield to me?

Mr. ALLOTT. I am happy to yield to the Senator from Illinois, provided I do not lose my right to the floor.

Mr. DIRKSEN. In view of the unanimous consent agreement which has been approved, I presume there will be no votes tonight. Other than discussion, that will be the end of Senate business this evening?

Mr. MANSFIELD. The minority leader is correct. There will be no votes tonight.

SUGAR QUOTAS

Mr. ALLOTT. Mr. President, in a very short time—within the next few days—the Senate will be considering sugar legislation. I wish I could say the sugar bill would be before us for action within the next few hours, for it is extremely urgent that the Senate act on this vital legislation before the Easter recess.

The present Sugar Act expires at midnight on the 31st day of March, this year. That is less than 6 days away. It is unthinkable that this body would let the sugar program, which for nearly 27 years has so well served both consumers and producers of sugar, go by the board for lack of prompt and intelligent action.

Since the sugar program has been in operation, American consumers have been assured of adequate supplies of sugar at most reasonable prices. The price of sugar to the U.S. consumer is,

in fact, less than the average prices in 121 nations around the globe. I say this on the basis of a United Nations survey of the sugar situation all over the world. This same survey pointed out that in virtually every nation on earth, sugar is the subject of governmental regulation, both as to its marketing and as to its production. Only about 10 percent of all the sugar in the world enters trade between nations on the so-called free world market, and even this trade is subject to the influence of the pricing and supply mechanisms of the International Sugar Agreement.

And so the United States is not unique in having a sugar program. What is unique about the U.S. program is that it has worked so effectively for everybody concerned. Although it has kept prices reasonable to consumers, yet it has permitted an efficient domestic sugar industry to be maintained, so as to strengthen the muscle and sinew of our Nation. It has long been our Nation's policy to provide the economic climate for a competitive and efficient domestic sugar-producing industry, on this continent, for reasons of national defense.

Our sugar program has worked so well because it has achieved a workable balance of all the elements involved. Supply has been balanced with demand. Continental domestic production has been balanced with offshore domestic production. Total domestic production has been balanced with the importation of foreign sugar. The availability of domestically produced refined sugar has been balanced with the availability of sugar refined from domestic and foreign raw sugar.

These balances have been achieved through operation of the sugar program over a number of years, and some of them are extremely delicate since they involve a commodity which, marketwise, is known for its volatility and quick response to the unusual.

The other body on March 21 passed H.R. 5463, a bill which would extend the present Sugar Act, with two amendments, for 21 months—until the end of 1962. This is the bill which the Senate will consider soon—I hope before this week is out. This bill will continue the basic principles of the Sugar Act—the system of balances which I have described. The two amendments, though important, will not disturb the balance. Both apply to the distribution of foreign allocations to this market, but I want to emphasize that neither amendment either increases or diminishes the proportion of foreign sugar, in relation to domestic sugar, that may be marketed here. The bill continues the provision enacted by the Congress last July, authorizing the President of the United States to establish the size of the Cuban sugar quota, and therefore permitting him to ban the importation of sugar from Castro's Cuba. One of the amendments grants further power to the President, giving him the authority to prevent a windfall replacement of Cuban sugar from benefiting any other country with which we do not have diplomatic relations. This amendment obviously is designed to prevent a windfall from accruing to the benefit of Dictator Trujillo of the Dominican Republic, whose government has been linked to an assassination attempt on the President of Venezuela. The other amendment requires that consideration be given to countries in the Western Hemisphere and to countries that purchase agricultural commodities from us, if it is necessary to obtain additional sugar after following the formula spelled out in the law.

To both of these amendments I am sure we can all subscribe. In other respects the bill is identical to the bill passed by both houses of the Congress and signed by the President last July.

I should like to emphasize that the bill we shall soon consider is not intended to be permanent or even semipermanent sugar legislation. It is not intended to set the pattern for future legislation. It is intended merely to continue the essential beneficial features of the present sugar program while a long-range program can be carefully worked out, later in the current session of Congress. There simply has not been time to develop long-range legislation for enactment before the March 31 expiration date of the present law. The report on H.R. 5463 of the Agriculture Committee of the other body twice gives assurance that hearings on such proposed legislation will begin early in May.

It is gratifying to note that the committee, in its written report, observes that—

> The committee is well aware of the problems and aspirations of the domestic sugar-producing industry and at that time [when hearings on long-range legislation are held] spokesmen for prospective domestic producers of sugar beets and sugar cane will have the opportunity to fully present their views.

I am sure that long-range sugar legislation will take into account the changes that have occurred in the sugar world since Castro took over Cuba, and that the long-range law that Congress will pass will provide for a reasonably greater reliance on domestic sources for our sugar. But it takes time to work such things out in a manner that will not destroy the delicate balance among the various sources of supply—the balance, as I have pointed out before, that has contributed so much to the success of the sugar program.

We hear much about the possibilities of great expansion of the domestic sugar industry. My home State of Colorado is the second largest sugar beet producing State in the Nation, and I am interested in the healthy growth of the sugar beet industry as much as anyone in the Senate—growth not only in Colorado but also in other areas where growth is practical. The four beet sugar companies in Colorado process beets grown in several States—and three of the four companies now have factories in several States. As evidence of their interest in sound and practical growth in new areas, I should like to read from a newspaper account in the Plainview, Tex., Herald, in the issue of March 5, 1961.

The headline reads: "Great Western Sugar Will Experiment Here." This Texas newspaper goes on to report:

> A progressive step was taken Friday down the long road Hale County farmers intend to travel, if necessary, to obtain a right to devote part of their fertile, irrigated acres to producing some of the Nation's sugar.
>
> It was in a running conference, 2-hour discussion and film review of sugar industry, which started at a breakfast in Abernathy, continued through a tour of the southern part of the county, a luncheon, and another afternoon tour of the northern segment.
>
> Net result: Hale County growers and interested workers on the beet program have a better insight into the industrial phases, a close friendship with Frank Kemp, president of Great Western Sugar Co. of Denver, and staffmen with him, with all parties pondering their mutual interests.
>
> And, Great Western will definitely establish several locations on which plats of about an acre will be devoted to sugar culture. Varieties deemed adaptable to this area will be planted, climatic, insect, disease, and other factors noted, to determine which of Western's several varities will do best here.
>
> Fieldmen of the company will assist in establishing the plats and in observation.
>
> The group were looking at the New Mexico and northwest Texas areas where interests in beet production is shown.

I cite this as evidence that the established beet sugar industry is interested in new growers in new areas—that the men of experience who operate the present industry, as well as those who want to get into the business, are interested in greater sugar production by American farmers. The present industry is vitally interested in long-range legislation that will provide for such growth as is practical and sound.

How much growth that is, we cannot determine in the Congress between now and the 31st day of this month. But I am confident that we can do so later in this session of Congress after thorough hearings at which all facets of this complicated sugar situation will be examined.

In conclusion, I wish to reemphasize that the sugar bill that will reach this floor in the next few days is a temporary measure, but it is of the greatest urgency for the sugar beet industry of my own great State of Colorado and the sugar beet producers of Texas, New Mexico, and the nineteen other States that now produce this crop. It is of the greatest urgency for the cane growers of Louisiana, Florida, Hawaii, Puerto Rico, and the Virgin Islands. It is of the greatest urgency for the United States cane sugar refining industry of our Atlantic seaboard, the Gulf States, and California. It is of the greatest urgency for all American sugar consumers, and that includes all of us, who for more than a quarter of a century have come to rely upon our sugar program for assurance of a steady flow of sugar at reasonable prices.

And so I urge that this measure be expedited in every way possible. Time is of the essence.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. ALLOTT. I am glad to yield to the Senator from California.

Mr. KUCHEL. I congratulate the able and distinguished senior Senator from Colorado on an excellent speech with respect to the situation facing Congress and the country in connection with sugar legislation. He has marshaled his facts admirably and has demonstrated

most persuasively the problems in international relations which we face and which could be intensely multiplied if we failed to take action before the present law expires.

My friend from Colorado also, as a good American, interested in expanding American agriculture, has indicated how he and I, and also people who are in the sugar business, are interested in strengthening that portion of our agricultural economy, but that there are overriding considerations, and that what we deal with now is temporary legislation which my able friend hopes—and I join him in that hope—will be replaced by sound legislation based upon the type of hearings which he has outlined.

I again congratulate the Senator on an excellent speech.

Mr. ALLOTT. I thank my good friend from California. As he has so clearly pointed out, there is no question that it is to the interest of every segment of our country, including the cane producers, the sugar beet raisers, the refiners, and those who want new acreage, to act expeditiously on the bill. It also applies very much to our international relations.

DEVELOPMENT OF BRAZILIAN OIL SHALE

Mr. ALLOTT. Mr. President, as I stated publicly last Wednesday, I am delighted with the realistic approach which President Kennedy is taking at our multiplicity of foreign aid programs. His proposals deserve our unreserved consideration. Properly applied, they can bring our Nation a new respect while better carrying out our responsibilities of world leadership.

Certainly we all realize that one of the most important areas to us lies among the other nations of the Western Hemisphere. It is to one particular situation to which I wish to address my brief remarks today.

As my colleagues know, one of my abiding interests is development of an oil shale industry in the United States. Oil products are essential to peacetime development. They are critical in time of war. In the area where Colorado, Wyoming, and Utah join, there are mountains of oil shale which constitute a potential reserve of more than 1½ trillion barrels of oil.

Mr. President, to put this matter in proper perspective, we have discovered and used only about 80 billion barrels of oil to date in this country.

This potential reserve is double all of the known liquid petroleum reserves of the world. To do other than prepare ourselves to draw upon this vital reserve, safe within our own borders, is sheer folly.

One of our good neighbors of South America—Brazil—faces an even more critical problem. During the past 6 years, Brazil spent approximately $300 million in search of petroleum without a single commercial discovery. Competent geologists conclude Brazil must be classed at best as a second-rate petroleum prospect and probably never will be self-sufficient.

On the other hand, Brazil apparently has greater reserves of oil locked in shale than any other country with the possible exception of the United States. In one new area in the past year, geologists have blocked out an easily accessible reserve of oil shale estimated at 600 million barrels. More important, the oil shale can be recovered by strip mining. Engineering and economic studies indicate that oil from this deposit will be competitive in Brazil with imported petroleum, assuming proposed extraction methods will work on a large scale.

It is interesting to note that the technology developed by the U.S. Bureau of Mines at Rifle, Colo., and Laramie, Wyo., has been the basis for the Brazilian development. Indeed, many of the technicians as well as the consultants in the Brazilian work received their training in the Bureau of Mines program.

The next Brazilian move is construction of a prototype plant to extract oil from the shale. This, I am informed, will cost an estimated $12 to $15 million over a 3-year period. To date, the shale work in Brazil has been financed locally. Information indicates Brazil will be able to finance about half the cost of the prototype. However, the current shortage of foreign exchange—much of it occasioned by the some $250 million Brazil spends for crude oil from outside its borders every year—will make it necessary for that nation to arrange elsewhere for the other half, perhaps $7 million, primarily to purchase the machinery and equipment involved.

It is my hope that the United States, through its own resources directly or through its international banking arrangements, will consider favorably the arranging of financing for this purpose. I have so stated in a letter to the President last Friday, asking for every possible consideration.

Certainly this is an excellent opportunity to foster hemisphere relations; an excellent opportunity to strengthen one of our friendly neighbors to the south.

But it is much more than this:

If Brazil cannot quickly find the helping hand it needs here, she must, particularly because of the foreign exchange situation I mentioned a short time ago, turn elsewhere, most probably to the Soviet Union. Because of our policies—policies which I suggested a year ago should be reviewed—we have done virtually nothing officially as a nation to lend assistance to Petrobas, the Government-directed oil monopoly. On the other hand, the Soviets have had a mission in Brazil for the past year, discussing oil shale development.

The Soviets have their own operating shale industry, although it is used more for the production of gas than liquids. As a matter of fact, the city of Leningrad brings its gas supply from the great shale beds in Estonia. This technical know-how and working experience is being used by the Soviet mission as a reason to form an economic agreement with Brazil.

Were the Soviets to provide Brazil the means of obtaining the equipment it needs and the usual large number of technicians and so-called technicians which always go with such a deal, I am sure my colleagues easily can see how this might provide another convenient bridge for international communism into the Western Hemisphere.

Yet if the United States affords the financing, and American industry manufactures the equipment, we block any such move. We keep American technicians on the job in Brazil. We enable American industry to develop further know-how in the manufacture of this equipment. We place American industry in a position to compete for the more costly orders for future full-scale commercial plants which would run in the neighborhood of $100 million for the equipment alone. We create jobs for Americans. We forge another link in the chain of friendship with Brazil.

As matters now stand, no U.S. manufacturer will risk much capital on such equipment development because our own confused, lagging policy on development of our own oil shale provides no incentive.

Reliable information indicates that the prototype plant programed by Brazil is of a type and size which would yield significant information for the further development of the oil shale reserves of Colorado, Wyo., and Utah. Such data would fill one of the last significant voids in our own development.

The development of the equipment manufacturing techniques in America would also ultimately result in lower costs both for Brazil and for America.

Mr. President, if the Brazilian Government is disposed to some cooperative agreement in this matter, it could significantly strengthen the ties between our two nations. But time is short. I invite my colleagues to join in urging that the administration, particularly the Departments of State, of Defense, and of the Interior, act speedily to consider favorably this proposal.

NAVAJO IRRIGATION AND SAN JUAN-CHAMA PROJECTS, NEW MEXICO

The Senate resumed the consideration of the bill (S. 107) to authorize the Secretary of the Interior to construct, operate, and maintain the Navajo Indian irrigation project and the initial stage of the San Juan-Chama project as participating projects of the Colorado River storage project, and for other purposes.

Mr. ANDERSON. Mr. President, the bill which has been set for action tomorrow, S. 107, is substantially the same as S. 3468 of the 85th Congress and S. 72 of the 86th Congress, in that all three authorize the construction of the Navajo Indian irrigation project and the initial phase of the San Juan-Chama diversion projects in New Mexico. Hearings were held on S. 3648 on July 9 and 10, 1958. The bill was reported by Senate Report No. 2198, dated August 5, 1958, and was passed by the Senate on August 15, 1958. Hearings were held on S. 72 on March 16, 1959. The bill was reported by the Committee on Interior and Insular Affairs, by Report No. 155, on April 8, 1959, and the bill passed the Senate May 19, 1959.

I mention this merely to assure the Senate that these are substantially the same bills which have previously passed the Senate.

There is one change in the bill which I think is significant.

It is the addition of a new section 9, which replaced the previous section 9, and the remaining sections were renumbered. This section was proposed by the able senior Senator from California [Mr. KUCHEL].

When the hearings were held, the Senator from California presented a statement by Raymond Matthew, chief engineer of the Colorado River Board of California, concerning the bill. The Senator from California pointed out that Mr. Matthew had raised a great many questions with reference to the whole situation of the water supply, and he placed in the report tables which Mr. Matthews had prepared. The Senator from California then offered amendments to Senate bill 107, which had been proposed by the Colorado River Board of California.

The Committee on Interior and Insular Affairs subsequently went into executive session to consider the bill.

I desire to make this statement merely because the California amendments, which are carried in the text, did not appear in the bill.

The amendments were rejected in committee, as the Senator from California knows; but in their places there was put into the bill the new section 9 which we hope will take care of the point about which California had a doubt.

We wanted to make certain that the projects, if built, were operated in accordance with the law of the river, which takes into consideration other projects which have been built before.

I said in the hearings that the distinguished senior Senator from California [Mr. KUCHEL] capably and vigorously represents the State of California. I think it goes without saying that the Senate would never have passed the original bill had it not been for the fact that we carefully tried to work out a relationship between the upper and lower basins, and also the relationship between the other States of the upper basin, particularly the upper Colorado storage division States. I mention that because many persons wonder if there is a conflict in this proposal between the upper basin and the lower basin, since there are matters on the Colorado River system which are now in controversy. That controversy does not, I believe, apply in any way to this situation.

I am very happy that we were able in committee to accept the proposal of the able Senator from California that we put in the section 9, which was a restatement of the previous statement carried in the earlier legislation.

I also point out that the Senator from California raised a question which I think is of great importance. He raised the question of the findings of the special master in the suit between California and Arizona, in which the special master used language in his report, which I shall repeat, and which almost suggests that there has been some sort of self-limitation on the parts of the States of the upper division, those States being Wyoming, Colorado, Utah, and New Mexico. The report of the special master in the suit of California versus Arizona, or perhaps it is styled the other way around, on page 4 states:

> When all project units and participating projects named in that bill are constructed, the aggregate of all consumptive uses in the upper basin would not exceed 4.8 million acre-feet per annum. This would leave an unused apportionment of 2.7 million acre-feet of the 7½ million acre-feet apportioned to the upper basin to meet any contingencies arising out of litigation over varying interpretations of the compact. In these circumstances, the continuity of the water supply for the lower basin would be assured.

That statement appears on page 61 of the hearings on the bill this year.

The junior Senator from New Mexico joined just as vigorously as he could with the distinguished senior Senator from California in pointing out that we dispute sharply this finding of the special master—if it was a finding—because the projects covered in the original Senate bill 500, which became Public Law 485 of the 84th Congress, were not supposed to be all the projects that ever would be constructed. It was pointed out subsequently that in the authorizing legislation only a limited number of projects could be listed. For example, the great State of Colorado, which supplies 50 percent, I believe, of all the water in the Colorado River system, was not ready to construct many of its projects on the western slope, and Colorado had some question about these projects that might be regarded as transmountain diversion.

Therefore, in the bill presented to Congress, which Congress accepted, and the President signed, no attempt was made to apportion all the water that might be eventually used. So it is true that those projects listed come only to 4.8 million acre-feet of water. But that did not mean that they were not subsequently to be augmented by other projects.

I pointed out in the hearing that I was quite certain of the meaning of my language, and I knew very well what the Senator from California understood, that we were only trying to authorize a limited number of projects, and that they would be supplemented by other projects as the supply of water in the river was determined, and as the breadwinner, which is the Glen Canyon Dam, was completed and starts to generate its power and start to produce money for all its sisters.

This is an unusual situation, in which the able Senator from California came to the aid of the States in the upper basin. I thanked him in the committee, and I thank him now, because it was with his aid and assistance that these bills reached the floor of the Senate twice before, and we want to make certain that fairness is shown.

We tried in committee to treat the California projects with the respect and affection which they deserve.

The San Luis project is an example. I have visited it many times and have carefully inspected it. There is no need, in my opinion, for the States of the upper division and the States of the lower division to be contesting against one another for the use of the water of the Colorado River.

It was merely to show that all of the water was properly used in the downriver system, including the State of California. I wanted to assure in this way that this is the same bill which has been before Congress on two occasions, with sections 8(a) and 8(b), written into the bill at the request of the State of Colorado, because of worries on the part of some people in southwestern Colorado about the effect of this project upon the Animas-La Plata project in southern Colorado and northern New Mexico.

Secondly, paragraph 9, which, as I say, was placed in the bill by the able Senator from California, on his motion, to make certain that the project would be operated in accordance with the law of the river, provides for the many things which have been previously laid down as yardsticks and guides for the conduct of the project once it is completed.

I do not desire to make a long statement. I ask unanimous consent to have printed at this point in the RECORD a report on the bill in the form of a letter from the Bureau of the Budget. The report was not available at the time the bill was presented.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

EXECUTIVE OFFICE
OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., March 24, 1961,

HON. CLINTON P. ANDERSON,
Chairman, Committee on Interior and Insular Affairs, U.S. Senate, Washington, D.C.

MY DEAR MR. CHAIRMAN: This is in reply to your letter of January 17, 1961, requesting the views of the Bureau of the Budget on S. 107, a bill to authorize the Secretary of the Interior to construct, operate, and maintain the Navajo Indian irrigation project and the initial state of the San Juan-Chama project as participating projects of the Colorado River storage project, and for other purposes.

The purpose of this bill is clearly stated in its title.

The proposed report of the Secretary of the Interior on S. 107 indicates that the benefit-cost ratio for the initial stage of the San Juan-Chama project is 0.81 using direct benefits only and a 50-year period of analysis. However, information in the project report indicates that the tributary irrigation units of the project are suffering economic distress as the result of increasing population pressures, erratic water supplies, deterioration of existing irrigation works, and subdivision of ownerships among heirs. The proposed project would assist in alleviating these conditions. The anticipated beneficial effects from the proposed project in sustaining the economies of these declining agricultural communities would appear to justify an exception to current evaluation standards in this case. We would recommend, however, that a joint Federal-State program be developed to provide for the consolidation of farms in these tributary irrigation units into developments large enough to provide reasonable family incomes prior to the initiation of construction on these units.

Accordingly, the Bureau of the Budget would have no objection to the enactment of S. 107.

Sincerely yours,

PHILLIP S. HUGHES,
Assistant Director for Legislative Reference.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. ANDERSON. I am happy to yield.

Mr. LAUSCHE. Will the Senator tell us what the cost of the project will be on the basis of the 1958 estimate of cost?

Mr. ANDERSON. The Navajo irrigation project will cost approximately $134 million; the San Juan-Chama project, $86 million.

Mr. LAUSCHE. I read from the bottom of page 3 of the report:

Section 10 authorizes appropriations for the construction of the Navajo irrigation project and the San Juan-Chama diversion project of $221 million, plus such amounts, if any, as may be required by changes in construction costs.

Thus, an appropriation of $221 million is authorized plus such amounts above the $221 million cost as reflects the increased cost from the time the estimate was made in 1958.

Mr. ANDERSON. Yes. If we add $134 million-plus and $86 million-plus, the total is approximately that figure.

Mr. LAUSCHE. How many acres of food-producing land will be made available by the expenditure of at least $221 million?

Mr. ANDERSON. The only acreage that will become food producing is the acreage the Navajos will farm. The water from the San Juan-Chama project will undoubtedly be used eventually for municipal water, not to increase the food supply. The acreage in the Navajo project itself is 110,000 acres. As testified by the representative of the Navajo Tribe, in that area they will not be producing crops which are in surplus supply in the United States. As a matter of fact, in the legislation heretofore drawn in connection with most of these projects, an attempt has been made to specify that they shall not be used to produce crops which are in surplus supply over the country.

This area happens to be one where they would not be involved in producing such crops, anyway. They have no cotton-production history, and they would not produce rice, wheat, corn, oats, or barley. They produce crops which are not in surplus supply in the United States.

Furthermore, the Navajo Indians have been receiving a great deal of attention because of their present dietary habits; and it surely is the hope of the Department of the Interior that if the Navajo project is constructed, it will be farmed by the Navajos and will provide thousands of homes for the Navajos, on the reservation, and will permit them to have a wider diversity of materials in their diet.

Mr. LAUSCHE. From the Navajo Indian irrigation project, water will be provided for 110,630 acres of land, with an average annual diversion of 508,000 acre-feet of water. Is it fair or unfair to say that we shall be spending $221 million on the basis that the principal objective of this bill is to provide aid to the Navajo Indians, and that in the provision of the aid we shall make available, at a cost of $221 million, 110,630 acres of land for food production?

Mr. ANDERSON. No. There are two parts to the project. The San Juan-Chama project, which costs $86 million, does not involve the production of food for the Indians, nor does it involve a great deal of water to be used on irrigable land. There is a provision for a small amount of irrigation. Some of it is supplemental irrigation to the mid-Rio Grande Conservancy District. But my guess is, and has been, that the water which will be provided by the San Juan-Chama diversion will be used by the city of Albuquerque for supplemental water supply, and will also be used to supply Santa Fe and other cities and towns in the area, and will also be used at the Los Alamos project, where water is now being pumped at tremendous expense. The water which will be provided there will be expensive water, and will be used for municipal water purposes.

Mr. LAUSCHE. What part of the $221 million will be used for the San Juan-Chama project?

Mr. ANDERSON. Eighty-six million dollars; and the Navajo project will receive $134 million. So, to get the matter in proper perspective, that means that $134 million will be used in connection with the 110,630 acres of land.

Mr. LAUSCHE. In other words, to make available 110,630 acres of land for the cultivation of crops, we shall be spending $135 million?

Mr. ANDERSON. Approximately, yes.

Mr. LAUSCHE. I notice that the Senator from New Mexico has made special effort to point out that the crops which will be grown on this land are not now in surplus supply in the United States.

By that statement, does the Senator from New Mexico mean to imply that he recognizes that about a week ago the Senate passed a bill granting special inducements to feed grain farmers to take acreage out of production, so as to stabilize the farmers' business; but by means of this bill we seemingly shall be doing the very opposite of what we recommended only 1 week ago?

Mr. ANDERSON. No, I do not, because the crops which will be raised on this land are not among the ones which now are in surplus supply in the United States. For example, in the Nation there are many areas which are producing citrus fruits. By developing irrigation projects in Arizona, we might be able to add to the production of citrus fruits; but thus far what we have done has not had that effect, at all.

Mr. LAUSCHE. However, the Senator from New Mexico does recognize that within this proposal there are elements which seem to be exactly in conflict with what we were trying to do last week, when we took steps in an attempt to reduce farm acreage for the production of feed grains.

Mr. ANDERSON. If the land on the project were used to produce corn, wheat, oats, rye, or barley, yes.

Mr. LAUSCHE. But the Senator from New Mexico is pointing out, instead, that crops now in surplus supply in the United States will not be produced on this land?

Mr. ANDERSON. Yes. I am simply trying to find what was the testimony of the representative of the Navajo Tribal Council, Mr. J. Maurice McCabe. That testimony appears on page 39, as follows:

In the operation of our training farm we have learned what crops are most feasible and yield the highest return on soils similar to that of the proposed Navajo Indian irrigation project. We have found that 3 crop-years of alfalfa will build up the soil, and that thereafter, without missing a single crop-year, the lands can be sown to a number of grasses, and will produce superior irrigated pasture, capable of supporting 2 cows or 10 to 12 sheep per acre. Our training farm produces 6 tons per acre of alfalfa. The proposed Navajo Indian irrigation project should be just as productive.

The actual cash crop of the farmers will be the livestock they feed from their pasture crops and certain truck farm products. We do not plan to produce any crops which are currently in surplus.

I may say that not only was that his testimony, but that has also been the plan of those who have cooperated with the Navajo Indians on the project. Mr. Keesee, their engineer, has been working on that, to make sure that crops which are not at the present time in surplus supply will be produced there.

Mr. LAUSCHE. Can the Senator from New Mexico state the per acre value of the 110,000 acres of Navajo Indian land which will be made food producing? What is the present value per acre?

Mr. ANDERSON. At the present time?

Mr. LAUSCHE. Yes.

Mr. ANDERSON. It is extremely low. It is desert country which has virtually nothing on it. Some of it has produced some oil, and is very valuable from that standpoint. But I have flown across it many times; and, from the surface standpoint, I would say it has a value of $5 or $10 per acre.

Mr. LAUSCHE. Then we would be spending, on land which now has a value of $5 or $10 an acre——

Mr. ANDERSON. Over $1,000 an acre.

Mr. LAUSCHE. Over $1,000 an acre to make the land produce food products which are not now in surplus supply in the United States. Has the committee decided that such an expenditure of $1,000 an acre in aid of the national farm economy is justifiable?

Mr. ANDERSON. Yes. The committee has twice said that, because two problems are involved here: Not only the general question of the improvement of land by putting water on it; but, also, in 1868 this tribe had a treaty with the U.S. Government, and in the treaty the Government guaranteed that it would do certain things for the Navajo Indians. However, many of those things have not been done. The Navajos have been, and currently are, maintaining a suit against the Government, because of the

failure of the Government to fulfill the obligations of the treaty.

This project would help solve that problem, because it would provide homes for a great many Navajo families and for about 10,000 to 12,000 of the Navajo Indians, of which there are now about 84,000 in all. Not only is it considered that this project will make it possible for 10,000 or 12,000 of them to live on the land; but, in addition, the usual experience with the development of irrigation projects is that 4 or 5 people are able to live in the towns, for every person who is put upon the farms.

Therefore, they hope they can take care of a great many of the Navajos in the small towns that will be developed around the irrigation project. It is a somewhat different situation than that of the ordinary irrigation project.

Mr. LAUSCHE. To support the bill, one would have to conclude that the expenditure of $1,250 an acre on land that is worth $7.50—I am taking the mean of $5 and $10—is justifiable economics, and therefore the bill ought to be approved.

Mr. ANDERSON. Other persons might dispute my $5 or $10 figure. I am trying to answer very honestly and say that these are desert lands which are wastelands unless water is put upon them. I farm a few irrigated acres in the Rio Grande Valley. Without water, it becomes blowing sand, and is not very valuable. With water on it, it becomes valuable.

The Navajo Indians have a very meager livelihood. For 1938 the estimated per capita income was $467 for the Navajos, compared to a national average of $1,940 for the country as a whole.

As I have stated, we have treaty obligations with the Navajo Nation, and we have been trying to build up their average income so that they may become self-sustaining. About 16.2 percent of the individual Navajo income is derived from welfare, unemployment, and similar sources. Eighty-three percent is earned income. And yet it comes to only a little more than $400 a year.

Mr. LAUSCHE. May I assume that the principal objective of this bill is to fulfill the obligation of debt to the Navajo Indians?

Mr. ANDERSON. It is, to my mind.

Mr. LAUSCHE. Why are we spending $85 million on these other projects, if the principal objective is to correct a wrong that we perpetrated, allegedly, upon the Navajo Indians?

Mr. ANDERSON. I am not particularly saying it was a wrong perpetrated on the Navajo Indians. I do say that when the Navajos were moved from the area in which they were living to the Bosque Redundo, and then moved back to the reservation, it was done pursuant to a treaty. There are suits all over the United States based on Indian treaties. There now exists a special court to hear the Indian claims, and a special Indian Claims Commission.

The $86 million project is a separate project. It is in the bill for the reason that the State of New Mexico has a right, under the upper Colorado River compact, to allocate the water coming into the State. In its decision to allocate water, it decided certain uses would be made in the Navajo project, but it would not ignore the more populous section of the State which follows the Rio Grande River.

In order to fulfill the requirements laid down by the then Governor of the State, who is also the present Governor of the State, there was a decision to combine the two projects in a single bill. The State of New Mexico asked that if a bill was to be adopted to include the Navajos, it include the San Juan-Chama transmountain diversion, in order that remaining water of the Colorado River usable by the State of New Mexico could be used in another river valley. That is why the projects are in the same bill. They are not here by the desire of the Senator from New Mexico, but by reason of a desire on the part of the conservation board of the State of New Mexico and the Governor of the State. That is why they are tied together in one bill.

Mr. LAUSCHE. The San Juan-Chama project will require construction of canals carrying water what distance? What will be the length of the canals diverting the water from one basin into another? Will it run a distance of 100 miles or more?

Mr. ANDERSON. Yes. It depends a little on the final type of construction which is to be decided upon. This project started more than 50 years ago and progressed very slowly, because we had to have built irrigation projects of large dimensions to permit it. If the early plan is utilized, of reaching up into the State of Colorado and tapping fingers of water in southern Colorado, the canals will exceed 100 miles in length. I regret I am not able to say to the Senator what the length will be, but they will be more than 100 miles, and, I would guess, in the neighborhood of 140 miles.

If, however, the water is taken from the face of the Navajo Dam, which is now nearing completion, and is carried in large tunnels to the Continental Divide, then lifted over the Continental Divide and dropped down the other side, the tunnels will be in the neighborhood of 85 or 90 miles, although I may be making a misstatement. I hope the Senator will realize that I am guessing. It may be 90 miles, and perhaps 100 miles.

Mr. LAUSCHE. I will read from page 2 of the report, section 6:

> That the initial phase of the San Juan-Chama diversion will assure means of providing water for irrigation, for existing developments and urgently needed additional municipal and industrial supplies available for the city of Albuquerque and defense installations.

The San Juan-Chama diversions will supply water supplementing present irrigation supplies, and thus increase the production of food in the area served by the San Juan-Chama diversion.

Mr. ANDERSON. The original project called for the use of supplemental water on 81,000 acres of land in the Middle Rio Grande Conservancy District. The land in the Middle Rio Grande Conservancy District has been shrinking rather rapidly. Originally I believe I owned 1,706 acres within the Middle Rio Grande Conservancy District. Of that I do not suppose more than 400 acres is now actually being cultivated, and of that 400 acres I hope within a few years none will be cultivated. The land is being subdivided.

While the original projects embraced those acres in the Middle Rio Grande Conservancy District and there were suggestions for the use of supplemental water, the price of the supplemental water is rather high, and thus far we are pumping more cheaply than the cost of the supplemental water. Therefore, the supplemental water, when finally furnished by the Secretary of the Interior, will be used by the people of Belen, Socorro, and by the military reservations at Kirtland Base, Sandia Base, and also the White Sands Proving Grounds farther down the river.

In addition, of course, the city of Los Alamos, now composed of some 12,000 to 14,000 people, or perhaps more, was built on a little ledge of ground which was purposely utilized because it was inaccessible. The water supply consists of pumping water at a place near Bosque from the Rio Grande River and lifting the water several hundred feet to the mesa. It would be possible, if the engineering project which I last mentioned to the Senator were to be utilized, to take water from the face of the Navajo Dam and to transport it in tunnels and in closed conduits thereby diverting the water to satisfy the requirements of Los Alamos and the city of Santa Fe.

My guess is that when the project is constructed the water will be almost entirely municipal water. There will be perhaps 25,000 acre-feet which is likely to be used in an exchange water project in the northern part of New Mexico, going I think into three areas. Taos is one. Cerro is another. And Quemado is the third. These are rather small areas not now adequately served, where relief measures are constantly being utilized. By the diversion of water from the Rio Grande River, to which the areas do not now have water rights, and by substituting San Juan River water into the Rio Grande River at a point below the confluence with the Rio Grande, these areas in northern New Mexico can be taken care of. That will be irrigation water.

Again, however, we are dealing with areas which are 6,000 feet in elevation and higher. These areas do not produce the types of crops which are in surplus supply. The use of the water would be largely for small individual gardening. That is the principal use of water in these localities.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. WILLIAMS of Delaware. Is the Senator referring to the entire 81,000 acres?

Mr. ANDERSON. No. I am sorry if I stated it that way, I say to the Senator from Delaware. I meant to say, and I hope I said, that 29,000 to 31,000 acres represents water transfer in the northern part of New Mexico. The 81,000 acres refers to the Middle Rio Grande Conservancy District, which I doubt would actually purchase the water if it came to it. My guess is that

the water would be much more valuable for municipal purposes and for other purposes, including recreation.

I shall have to give the figures from memory, and I hope I do not do too badly, but not long ago there was a study made as to the value of water for various purposes. Those who studied it arrived at a figure of about $30 an acre-foot for irrigation, about $100 an acre-foot for industrial use, about $300 an acre-foot for municipal use, and something more than $1,000 an acre-foot for recreational use. It was pointed ou that the State of Colorado, if using water for its highest use so far as financial return were concerned, should use more water for recreation and less for irrigation.

Mr. LAUSCHE. Am I correct in assuming the prospects are great that most of the water in the San Juan-Chama project will be used for municipal and industrial purposes, and very little of the water will be used for farming, because of the excessive cost it would entail?

Mr. ANDERSON. The Senator is correct. The fact is the cost is higher than the cost of pumping water.

Mr. LAUSCHE. If practically none of the water is to be used for farming, upon what ground is the expenditure justified under the irrigation law, which contemplates making land available for farming?

Mr. ANDERSON. It is under the same general rule by which we approved, several years ago, the Canadian River project, which serves the cities of Amarillo, Pampa, and various north Texas towns.

It is under the same rule by which we passed, in the last session of Congress, the bill for the Cheney division of the Wichita project, which serves Wichita, Kans., and irrigates only a tiny patch of ground.

It is under the same rule by which we approved the Norman project in the State of Oklahoma, which takes care of a portion of Oklahoma; I believe Del City and various other communities.

The probable greatest value of reclamation projects in the next 25 to 50 years is likely to be the use of the collective power of the Federal Government to construct municipal waterworks which no individual community could afford to construct, thereby supplying water to areas which are greatly short of water in all of our arid States.

The Canadian River project, which involves the city of Amarillo and other Texas communities, I believe was approved by the 81st Congress. The author of the bill in the House was Eugene Worley of Amarillo, who has been a judge of the Patent Court, I am sure, for at least 10 or 12 years. Therefore, I say that the project was approved, I believe, by the 81st Congress. It has taken all the intervening years for the cities of this area of Texas to agree upon a system of charges by which they would construct the $100 million project.

This is not a new development. We had several projects presented to the last Congress for the construction of works to provide municipal water. All of such money is, of course, repayable with interest. These projects are different from the ordinary reclamation project in that respect.

On the Norman project several million dollars was charged to recreation, fish and wildlife. On the Cheney Division of the Wichita project $10 million was charged for recreation, fish and wildlife, although the most recommended by the Engineering Department of the Bureau of Reclamation was $7 million.

In respect to the present proposal, involving $86 million, three times the size of the Wichita project, only $400,000 of the $86 million is allotted to recreation.

Mr. LAUSCHE. That is not a reimbursable item?

Mr. ANDERSON. The $400,000 is not. The $85.6 million of the $86 million is reimbursable, but the $400,000 is not.

Mr. LAUSCHE. Is it the Senator's position that on the basis of the irrigation laws of our country, without any food-producing element being tied into the project, the Federal Government can provide money for the building of dams to provide water for municipalities and for industries?

Mr. ANDERSON. I think it could. A portion of this proposal relates to the water exchange with the areas in northern New Mexico, where there will be a use of water for irrigation.

In the bill is the provision that the Middle Rio Grande Conservancy District could buy such water as it might desire.

I know that there will be—and that there have been—projects which involve municipal water supplies or water supply systems which do not involve irrigation. I point to the fact that when the San Luis project in the State of California was under consideration an amendment was proposed which would have raised the level of the dam and would have permitted an overflow from the back side of the dam into the area around Stockton, which would have been solely for the benefit of domestic water and not for ordinary irrigation. It was favored by the junior Senator from New Mexico, but the provision was not included in the final project. It would have been a perfectly proper use of the money, in my opinion, because interest is paid on the money. The Federal Treasury merely acts as a banking agency for the municipality, to supply funds the municipality does not have available.

Mr. LAUSCHE. Let us get to the subject of interest. What does the bill provide concerning the rate of interest that would be paid by local agencies which would be obligated to pay a part of the cost of construction?

Mr. ANDERSON. The bill provides that such agencies would pay the average long-term rate for bonds of the United States.

Mr. LAUSCHE. Does the bill so provide, or does the bill set a specific sum of approximately 2.37, which is a figure I recall reading from the report?

Mr. ANDERSON. I hope I am not misstating the figure. I think it includes the language which the junior Senator from New Mexico added to the Norman project.

Mr. LAUSCHE. A specific figure is stated somewhere in the report.

Mr. ANDERSON. Yes.

Mr. LAUSCHE. What is the long-term interest rate that is proposed to be paid?

Mr. ANDERSON. It is approximately 2⅝ percent as a long-term obligation of the United States.

Mr. LAUSCHE. I am quite certain that the figures which I read in the report do not indicate that rate of interest. I shall not ask the Senator immediately to locate the figure, nor shall I try to do so.

Mr. ANDERSON. The original language in the Upper Colorado Storage Basin Act was changed from the language contained in the original bill, S. 500, in order to follow a recommendation of the Treasury Department at that time; namely, that the rate of interest should not be what it had been in previous irrigation projects, but the average long-term interest rate of the United States, which runs from 5 years to whatever year of maturity the obligation contains.

Mr. LAUSCHE. Referring to page 8 of the report——

Mr. ANDERSON. May I finish by saying that we then got into a position in which language was inserted in the bill so as to provide that the rate should not be the average rate but should be based on the average yield. Recently, we have been in a very strange situation, in which the average yield on long-term bonds rose to 3⅝ percent. At 3⅝ percent almost every irrigation or reclamation project would have been unfeasible. The Hoover Dam, which is a great and fine tribute to the engineering skills of this country, could only have been constructed with money at 3 to 3⅛ percent interest. It would not pay out at 3⅜, nor would the Grand Coulee Dam or any of the other large dams of the country. Therefore we tried to change the rate and we came out with a different figure. The bill carries the same provisions that all other bills carry, and that is that the interest rate shall be a long-term rate, which is approximately 2⅝ percent.

Mr. LAUSCHE. Referring to page 8 of the report, I find a statement that the costs allocated to municipal and industrial water supply, including interest during construction, would be paid over a 50-year period with interest on the unamortized balance using the interest rate of 2.632 percent.

Mr. ANDERSON. I merely suggest to the Senator that the figure he has stated is pretty close to 2⅝ percent.

Mr. LAUSCHE. The figure of 2.632 percent does not reflect the average long-term interest rate that the Federal Government must pay.

Mr. ANDERSON. I challenge that statement. I think it does. The Treasury Department so certifies. I am sure it would.

Mr. LAUSCHE. I thought the Senator stated that these projects could not be constructed on the basis of the interest yield.

Mr. ANDERSON. No, I said these projects could not be constructed if the

local groups had to try to borrow the necessary money themselves. These projects involve municipal water supply and would be handled on the basis of the average return on long-term Government bonds. That amount of interest would be charged to them, and would be paid.

Mr. LAUSCHE. We have reached an understanding on the basis of what the Senator from New Mexico has said, that the average interest rate on long-term Government bonds is now 2.632 percent.

Mr. ANDERSON. I am not trying to quibble on the point. I wish to say only that this amount is determined at the end of the year. It may not be that figure today, but it will be on June 30th and was on June 30th last.

Mr. LAUSCHE. Does the bill provide that the interest rate shall be the average rate or does the bill specifically state that the interest rate shall be 2.632 percent?

Mr. ANDERSON. The interest rate is not specifically stated. The bill states that the interest rate shall be the rate which would be applicable on the upper Colorado River storage project. It does not have to be stated in the bill. That provision was changed by an amendment to the Norman project, in order to provide that the rate should be the rate of the long-term bonds.

Mr. LAUSCHE. Coming to the financial feasibility of the project, in concluding that it was financially feasible, what life was used in making the calculation? Was it a 100-year life of the project?

Mr. ANDERSON. It is with respect to the municipal water supply.

Mr. LAUSCHE. What about dams? Let us consider first the Navajo Indian Dam project.

Mr. ANDERSON. I believe the calculation is made both ways. If a 100-year cost ratio is used, it is 1.44 to 1. If a 50-year cost ratio is used, it is 1.17 to 1.

Mr. LAUSCHE. Which formula was used, the 100-year life of the project, in order to bring it up to 1.44 to 1, or the 50-year life? Did a 50-year life make the project feasible?

Mr. ANDERSON. Yes; 50 years would be feasible.

Mr. LAUSCHE. That is, with a margin of 0.17.

Mr. ANDERSON. Yes.

Mr. LAUSCHE. That question dealt with the Navajo project.

Mr. ANDERSON. Yes.

Mr. LAUSCHE. What is the feasibility of the San Juan-Chama project?

Mr. ANDERSON. On a 100-year basis it would have a ratio of 1.26 to 1. On a 50-year basis it would have a ration of 0.81 to 1.

Mr. LAUSCHE. On a 50-year basis the benefits accrued or enjoyed would not be as great as the obligations incurred?

Mr. ANDERSON. The Senator is correct.

Mr. LAUSCHE. So on a 50-year basis the San Juan-Chama project is not financially feasible?

Mr. ANDERSON. Unless the water is used almost entirely for municipal purposes.

Mr. LAUSCHE. But on the basis of the calculation made, on a 50-year basis the San Juan-Chama project would not be advisable from a financial standpoint?

Mr. ANDERSON. The Senator is correct.

Mr. LAUSCHE. On a 100-year basis it would have a margin of 1.17 to 1?

Mr. ANDERSON. 1.26 to 1.

Mr. LAUSCHE. I suppose the 100-year feasibility calculation was used as a consequence of the law passed either a year or 2 years ago?

Mr. ANDERSON. Yes.

Mr. LAUSCHE. Considering feasibility on a 50-year basis, dealing with the Navajo project, were the direct benefits adequate to support the financial feasibility or did the financial feasibility only become actual when we consider what are supposed to be indirect benefits?

Mr. ANDERSON. No; the direct benefits made the project feasible.

Mr. LAUSCHE. Can the Senator from New Mexico read to me from the report on that subject? I am not familiar with the paper that the Senator now has.

Mr. ANDERSON. While the quotation that the Senator desires is being found, I should like to point out that the Bureau of the Budget in reporting the Navajo and San Juan-Chama project said that the proposed report of the Secretary of the Interior on S. 107 indicates that the benefit-cost ratio for the initial stage of the project is 0.81, using direct benefits only, and a 50-year period of analysis.

If we had indirect benefits that would arise because of the nature of the Defense Establishment, there is a possibility that most of it would be leased water, and we would have a somewhat different story.

Mr. LAUSCHE. What is the difference in the story? Would the ratio be brought up to 1.26?

Mr. ANDERSON. No; I have not calculated it. I merely say that if we are going to have the lowest use of water, which is for irrigation purposes, as against a higher use by municipalities, we would come out with a much different benefit ratio from municipal use than we would from using the water on a 39,000-acre-foot irrigation basis.

Mr. LAUSCHE. I assume that in making the study they based their figures on what they thought would be the actual use, and that on the basis of actual use they concluded it would not be financially feasible on a 50-year basis.

Mr. ANDERSON. They used as a figure what was considered to be the possible consumption of water in the city of Albuquerque, as that demand has been developed for many years.

I pointed out previously, when this subject was under consideration, that in 1920 the city of Albuquerque had a population of about 15,000. In 1930 it had a population of about 22,000. In 1940 it had a population of about 36,000. In 1950 it had a population of about 96,000. In 1960 it had a population of about 200,000. That growth in the past few years has made its need for municipal water much greater, and therefore, the possibility of marketing water at a higher rate was much better. It is pretty hard to go back to the Bureau of the Budget and say that the city of Albuquerque is going to abandon its wells and buy its water in this way, when no such contract has been entered into as yet.

Mr. LAUSCHE. According to the Senator's interpretation, am I to assume that, let us say, a city in mid-Indiana could, under the pending bill, if it became law, procure money to build water supply projects?

Mr. ANDERSON. Well——

Mr. LAUSCHE. To be used industrially and for the consumption of water in the homes of people living in mid-Indiana.

Mr. ANDERSON. There was for a time a restriction on the number of States which are included in the reclamation system. I would think that Indiana might not be one of those States. A city in Texas could, because it has. A city in Oklahoma could, because it has. A city in Kansas could, because it has. A city in California could, because it has. So could a city in Arizona, a city in Colorado, a city in North Dakota, a city in South Dakota, and cities in a great many other States. I am not sure as to Indiana, but I doubt it.

Mr. LAUSCHE. The Senator from New Mexico served as Secretary of Agriculture. How many acres of crop-producing land are there in the United States? Is he able to tell us?

Mr. ANDERSON. No; I am not able to do so. I believe it is around 400 million acres.

Mr. LAUSCHE. I understand it to be 500 million acres.

Mr. ANDERSON. I am only a short distance from my friend on that figure. I will take his figure. I believe he is including pastureland, although I am not sure.

Mr. LAUSCHE. It is said that if we took 8 percent of the total crop-producing acreage out of production, we would bring consumption in some reasonable relationship with the power of our people to consume and our power to sell.

Mr. ANDERSON. I assure the Senator that that is no statement than can be attributed to me, because while I was in the Department of Agriculture there was constructed, at tremendous effort on the part of a great many people, a chart which tried to measure the utilization to which it would be necessary to put the farms of this country if we were to utilize them to their highest purpose, and then tried to calculate on the opposite side of the chart how much food would be needed to give each person in the United States an adequate diet—not an expensive diet, but a diet which would yield about 3,000 calories. This was in 1945 or 1946. At that time we came out with almost a balance.

The great difficulty in our country is that we do not use the land for the production of nutritious food. If we were to produce more meat, more eggs, more butter, more milk, and do it in the finest possible way, with crops that did not destroy the soil, but knit together the

land, we would have a shortage of agriculture in the country at the present time.

Mr. LAUSCHE. The feed grains bill which we passed a week ago contemplated taking substantial acreage of feed grains out of production.

Mr. ANDERSON. I voted against it.

Mr. LAUSCHE. I had intended originally to do so, but finally I voted for it.

Mr. ANDERSON. I remained an unreconstructed rebel.

Mr. LAUSCHE. How many acres has it been suggested are necessary to take out of production so as to bring production into some relationship with consumption?

Mr. ANDERSON. I do not know. I disagree entirely with that philosophy, and therefore I have not paid much attention to it. I have the feeling that we would do much better to stress livestock farming. If the Senator will indulge me for a few moments, I would like to say that I pointed out that probably we could make good use of our land in this way. For example, if a man were to be confronted with about 30 slices of toast for breakfast, he probably would admit that he could not eat that much bread. Therefore, we probably would have a surplus of wheat in such a situation. However, if we were to put on the man's plate two eggs and two strips of bacon and one piece of toast, he could eat that breakfast without any trouble. The same amount of grain goes into the 2 eggs and the 2 strips of bacon and 1 piece of toast as goes into 30 or more slices of bread.

If we were to use more nutritious food, we would not have an oversupply of agricultural land. As a matter of fact, by the year 2000 I believe we will probably be a deficit nation with respect to the production of agricultural commodities.

Mr. LAUSCHE. I have only one more question to ask of the distinguished Senator from New Mexico. I believe the Senator will concede that the administration's program of a week or so ago was founded principally on the proposition that acreage must be taken out of production.

Mr. ANDERSON. Yes; I concede that.

Mr. LAUSCHE. If that were the administration's principal objective in the bill, does not the proposal before us run in direct conflict with it, when we recognize the fact that we would be adding 110,000 more acres to the production, with the exception that the Senator from New Mexico says it will go into production of nonsurplus goods?

Mr. ANDERSON. I do not believe it runs contrary to it. I tried to say before that the attempt was made to take out of production cornland and the attempt was made to take out of production wheatland. However, the Secretary of Agriculture, in the same breath with which he asked that this land be taken out of production, indicated that he intended to raise the support price on soybeans beyond the present level, which means that he wanted additional production of soybeans. Therefore in this particular area we would not have a conflict, because we would then have a livestock type of agriculture, and it would not result in the type of surpluses that give us the present trouble.

Mr. LAUSCHE. I believe in the bill it is specifically provided that it is possible to take acreage out of production and convert it into pastureland for the purpose of producing livestock.

I am very grateful to the Senator for his courtesy and politeness and gentility in taking this time to answer my many questions.

Mr. ANDERSON. I only wish to say to my friend that I appreciate very much his approach to this problem, and I hope the time will never come when I cannot show him courtesy.

ADJOURNMENT

Mr. ANDERSON. Mr. President, I move the Senate stand in adjournment until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 6 o'clock and 49 minutes p.m.) the Senate adjourned until tomorrow, Tuesday, March 28, 1961, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate March 27, 1961:

U.S. MARSHALS

Covell H. Meek, of Iowa, to be U.S. marshal for the northern district of Iowa for a term of 4 years, vice Clement W. Crahan.

Francis M. Wilson, of Missouri, to be U.S. marshal for the western district of Missouri for a term of 4 years, vice Burke Dennis.

George A. Bayer, of Alaska, to be U.S. marshal for the district of Alaska for a term of 4 years, vice Fred S. Williamson.

Dave Fresquez, of New Mexico, to be U.S. marshal for the district of New Mexico for a term of 4 years, vice George W. Beach.

Royal Dion, of New Hampshire, to be U.S. marshal for the district of New Hampshire for a term of 4 years, vice George A. Colbath.

Harry A. Sieben, of Minnesota, to be U.S. marshal for the district of Minnesota for a term of 4 years, vice C. Enard Erickson.

U.S. ATTORNEYS

Miles W. Lord, of Minnesota, to be U.S. attorney for the district of Minnesota for a term of 4 years, vice Fallon Kelly, resigned.

Francis G. Whelan, of California, to be U.S. attorney for the southern district of California for a term of 4 years, vice Laughlin E. Waters.

William H. Craig, Jr., of New Hampshire, to be U.S. attorney for the district of New Hampshire for a term of 4 years, vice Maurice Bois.

DIPLOMATIC AND FOREIGN SERVICE

Parker T. Hart, of Illinois, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Kingdom of Saudi Arabia.

Julius C. Holmes, of Kansas, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Iran.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 27, 1961:

GOVERNOR OF THE VIRGIN ISLANDS

Ralphael M. Paiewonsky of the Virgin Islands, to be Governor of the Virgin Islands.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Boisfeuillet Jones, of Georgia, to be special assistant on health and medical affairs to the Secretary of Health, Education, and Welfare.

DEPARTMENT OF THE TREASURY

John M. Leddy, of Virginia, to be an Assistant Secretary of the Treasury.

Robert Huntington Knight, of Connecticut, to be General Counsel for the Department of the Treasury.

RENEGOTIATION BOARD

Thomas D'Alesandro, Jr., of Maryland, to be a member of the Renegotiation Board.

U.S. ATTORNEYS

D. Jeff Lance, of Missouri, to be U.S. attorney for the eastern district of Missouri for a term of 4 years, vice William H. Webster, resigned.

F. Russell Millin, of Missouri, to be U.S. attorney for the western district of Missouri for a term of 4 years, vice Edward L. Scheufler.

HOUSE OF REPRESENTATIVES

MONDAY, MARCH 27, 1961

The House met at 12 o'clock noon.

The Reverend Don Jones, Sixth Presbyterian Church, Washington, D.C., offered the following prayer:

Almighty God, as we meet together here in a time of urgency and concern, we turn to Thee for wisdom and for guidance. We pray that Thou wilt bless us and help us to use the wisdom of our minds, the experience of our lives, and the convictions of our hearts, that they might become the instruments of Thy will that we here in this Congress and this land might be a part of Thy plan. Save us from sectional selfishness and partisan pride, that we may seek and achieve what is the best good and the most right for the most people. In so doing we pray that we might be able to do justly, to love mercy, and to walk humbly with Thee, our God. We ask it in Christ's name. Amen.

THE JOURNAL

The Journal of the proceedings of Friday, March 24, 1961, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed a joint resolution of the following title:

S.J. Res. 66. Joint resolution to amend the joint resolution providing for membership and participation by the United States in the Inter-American Children's Institute.

COMMITTEE ON RULES

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain reports.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

THE LATE WESLEY E. DISNEY

The SPEAKER. The Chair recognizes the gentleman from Oklahoma [Mr. BELCHER]..

Mr. BELCHER. Mr. Speaker, it is with deep regret that I announce to the Members of the House the sudden passing of the Honorable Wesley E. Disney, former Representative from the First District of Oklahoma.

He passed away yesterday at George Washington University Hospital. He was stricken while on an automobile drive with his wife, Anna, and Mr. and Mrs. Milton MacKaye.

Mr. Disney was a Member of the House from 1931 to 1944, and retired from the House to run for the Democratic nomination to the Senate, in which he was defeated. He served on the Ways and Means Committee; and at his retirement was a high ranking Member.

Since his retirement from Congress in 1944, Mr. Disney has been practicing law here in Washington with offices in the Warner Building, and has been representing mining and oil interests.

He was a native of Kansas and was graduated from Kansas University in 1906. He began the practice of law in Oklahoma and served as county attorney in Muskogee County from 1911 to 1915. He was a member of the Oklahoma House of Representatives from 1919 to 1924.

Mr. Disney was a very popular Congressman, both with his constituents and with his colleagues. He was a friendly man, courageous and strong in his convictions, yet always tolerant of those who differed with him.

I first became acquainted with him in 1941 while he was serving here in the House. We soon became very good friends and our friendship lasted throughout the years.

He was a man whose word was as good as his bond. He carefully studied the legislation that came before the House, and he voted his convictions, regardless of party ties.

He leaves surviving him, his wife, Anna, and two sons, Wesley V. Disney, Jr., and Dr. Ralph E. Disney, both of Tulsa, and a brother, R. L. Disney, former judge of the U.S. Tax Court, now living in Norman, Okla.

In this hour of sorrow, we offer our deepest sympathy and condolences to Mrs. Disney and the family.

Mr. Speaker, I yield to the gentleman from Oklahoma [Mr. EDMONDSON].

Mr. EDMONDSON. Mr. Speaker, thousands of Oklahomans, and many here in the Nation's Capital, have been saddened by the passing of the Honorable Wesley E. Disney, one of the pioneer statesmen of Oklahoma.

The record of Wesley Disney as a Member of this body is known and respected by many who serve here today, and the State of Oklahoma is proud of the distinguished service of the man who represented the old First Congressional District so well.

I first came to know former Congressman Disney while I was serving as county attorney in Muskogee County, Okla. It was a post which he had filled himself, from 1911 to 1915, shortly after statehood.

From oldtimers in the courthouse I learned of the outstanding record which Wesley Disney had made as a prosecutor and as a public servant, and I learned also of the high regard with which he was held by people in our hometown of Muskogee.

Later, when the State of Oklahoma was redistricted and the late William G. Stigler decided to retire from this body, I became a candidate for the new Second Congressional District. This new district included many of the counties formerly represented by Wesley Disney, and I have heard his name called often by his former constituents in these counties.

Without exception, the men and women he once represented in this body have spoken with high regard and respect for Wesley Disney. He had served them conscientiously and effectively in Washington, and the record of his reelection campaigns is a record of steadily increasing majorities from the old First District.

In my own first campaign for Congress, Wesley Disney was a source of much wise counsel and helpful advice. The friends to whom he referred me, in the counties he knew so well, without exception have proved to be good and loyal friends whose only request has been, "Be the same kind of Congressman that we knew in Wesley Disney."

After coming to Washington, I valued highly the occasional visits which Congressman Disney paid to my office, and the wise words of advice and counsel which he brought with him.

My wife and I enjoyed and cherished the friendship of both Wesley Disney and his beloved wife, who stood faithfully at his side through the years.

To Mrs. Disney, to their fine sons, and to all in this outstanding family, go our warm sympathy in this hour of bereavement.

Wesley E. Disney was a man of great ability, a man of great enthusiasms and strong convictions, and a man trusted, respected, and highly regarded by his neighbors. In his passing, Oklahoma has lost a trusted son, and the Nation has lost a valued public servant.

Mr. ALBERT. Mr. Speaker, will the gentleman yield?

Mr. BELCHER. I yield to the gentleman from Oklahoma.

Mr. ALBERT. Mr. Speaker, I join my colleague in this word of tribute to a distinguished Oklahoman and a former distinguished Member of this House. Wes Disney was universally considered one of the strongest and ablest men ever to represent our State in this body.

Wes Disney was my friend for many years. He came from a strong family of able and distinguished men of affairs. One of his brothers was a former member of the board of tax appeals.

He was a great and good man. I extend to his family and loved ones my deepest sympathy in this time of their bereavement.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. BELCHER. I yield to the distinguished majority leader.

Mr. McCORMACK. Mr. Speaker, I am very sorry to learn of the death of my dear friend, Wes Disney. I was not aware that Wes had taken the journey into the Great Beyond until my friend just announced it to the House of Representatives. Wes Disney and I served in the Committee on Ways and Means together. He was one of the outstanding Members of this body, a dedicated American—not only a great man but more than that, he was a good man. I extend to his loved ones my deepest sympathy in their great loss and sorrow.

Mr. BELCHER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the life, character, and service of the Honorable Wesley E. Disney.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. HORAN. Mr. Speaker, I too want to join with my colleagues in paying my own personal respects and those of Mrs. Horan to the memory of Wesley E. Disney. There are many in the Congress, of course, who do not remember Wes Disney, but I consider myself fortunate to have come to the Congress while he was serving. He was able, friendly, witty, and altogether a very fine product of the State of Oklahoma. I always felt as though Wes Disney lived on a hilltop from where he could survey the events occuring around him. But when he came down, as he did when I was a freshman and the House was considering the pay-as-you-go income tax, he was very effective, very honest, and very, very much a credit to those who were supporting the legislation. Had Wes elected to remain in the House of Representatives conceivably he would have had a chairmanship. But he chose to run for the Senate and, of course, retired from Congress after that. Wes Disney was an able lawyer and one of the fine friends who I enjoyed knowing during my service here in the Nation's Capital.

Mrs. Horan joins with me in expressing our sympathy to Mrs. Disney and the members of the fine Disney family.

Mr. WICKERSHAM. Mr. Speaker, I lost a friend yesterday, all of us in Congress have lost a friend, the United States lost a friend yesterday when the Most Honorable Wesley E. Disney died.

A lot of us knew him as a Congressman, and a more honest and dedicated Member of this body has not sat in these seats nor walked these halls nor worked in these committee rooms. Since he was stricken with paralysis a few years ago, all of us who knew him have marveled at the courage with which he went about his chores and the pleasure he took in moving, slowly, but very surely, despite his infirmity, around the city and here at the Capitol. How straight he stood, how firmly he walked, how perfect his grooming, how courteous his manner, how great a gentleman. The world is a little poorer today because Wes Disney died yesterday. There is a bright light in the place where he stood so gallantly. I will miss Wes Disney, my friend.

UNITED STATES AGAINST ELLIOTT SULLIVAN—UNITED STATES AGAINST PETER SEEGER

The SPEAKER. The Chair lays before the House the following communication from the Clerk of the House.

The Clerk read as follows:

MARCH 24, 1961.

The Honorable the SPEAKER,
House of Representatives.

SIR: As the Clerk of the House of the 86th Congress I received, from the U.S. District Court for the Southern District of New York, two subpenas duces tecum, one in the case of Peter Seeger (criminal No. C–152–240), and the other in the case of Elliott Sullivan (criminal No. C–152–238). Both subpenas directed me to appear before said court as a witness in these cases and to bring with me certain and sundry papers therein described in the files of the House of Representatives.

This matter was brought to the attention of the last House, as a result of which House Resolutions 476 and 477 were adopted on March 15, 1960.

Since the development of these cases has extended into the 87th Congress and it is well recognized that each House controls its own papers, this matter is presented for such action as the House, in its wisdom, may see fit to take.

Respectfully yours,

RALPH R. ROBERTS,
Clerk, U.S. House of Representatives.

The SPEAKER. The Clerk will report the subpenas.

The Clerk read as follows:

UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK; UNITED STATES OF AMERICA *v.* PETER SEEGER; No. C–152–240

To Ralph R. Roberts, Clerk of the House of Representatives, room P–42, the Capitol, Washington, D.C., Richard Arens, staff director, House Un-American Activities Committee, House Office Building, Washington, D.C.:

You are hereby commanded to appear in the U.S. District Court for the Southern District of New York at the Federal Courthouse, in the city of New York on the 21st day of March 1960 at 10:30 o'clock a.m. to testify in the case of *United States* v. *Peter Seeger* and bring with you the papers, documents, correspondence, transcripts of testimony and reports more fully described on the annexed schedule.

This subpena is issued upon application of the attorney for defendant, Wolf, Popper, Rose, Wolf & Jones, 635 Madison Avenue, New York, N.Y.

HERBERT A. CHARLSON,
Clerk.

CATHERINE D. SALAMONE,
Deputy Clerk.

MARCH 8, 1960.

SCHEDULE ATTACHED TO SUBPENA DUCES TECUM IN THE CASE OF UNITED STATES OF AMERICA AGAINST PETER SEEGER

1. House Resolution 2, 84th Congress, 1st session, January 5, 1955.

2. Rules of the House of Representatives for the 84th Congress.

3. Journal of the House of Representatives of January 13, 1955, and January 20, 1955, indicating the constitution of the Committee on Un-American Activities of the House of Representatives.

4. The minutes of a January 20, 1955, executive session of the Committee on Un-American Activities adopting a resolution empowering and authorizing the chairman to appoint subcommittees composed of three or more members, a majority of whom to constitute a quorum, for the purpose of performing any and all acts which the committee as a whole is authorized to perform.

5. The written minutes, record and report of an organizational meeting of the Committee on Un-American Activities in January 1955 at which a preliminary investigation into Communist infiltration in the field of entertaining in New York was authorized.

6. All transcripts of testimony, memoranda, written statements, reports and any other material in the custody or control of the committee, its clerk, counsel, or staff director, which refers or relates to defendant.

7. Original stenographic minutes or report of any meeting of the committee or any of its subcommittees at which the issuance of a subpena to the defendant to appear before the committee or any of its subcommittees was discussed, considered, or acted upon.

8. Original stenographic minutes of executive session or any other meeting of the committee or any of its subcommittees at which the citation of the defendant for contempt was discussed, considered, or acted upon, and particularly the minutes of an executive session of the committee on June 27, 1956.

9. The original report approved by the committee for presentation to the House of Representatives requesting the citation of defendant for contempt.

10. House Reports 2918, 2919, and 2920 relating to the appearance of this defendant before the subcommittee, and House Reports 634, 635, and 636, including to July 25, 1956, relating to the certification of these reports to the U.S. attorney.

11. All the annual reports of the committee to the House of Representatives covering its activities from and including the year 1938 to and including the year 1956.

12. Transcripts of the testimony before the committee of the following named individuals, which testimony was given on the dates set opposite their names:

Lee J. Cobb, June 2, 1953; Jerome Robbins, May 5, 1953; Carl Foreman, September 24, 1951; Larry Parks, March 21, 1951; Marc Lawrence, April 24, 1951; Sterling Hayden, April 10, 1951; Richard J. Collins, April 12, 1951; Meta Reis Rosenberg, April 13, 1951; Roy M. Brewer, May 17, 1951, and July 12, 1956; Edward Dmytryk, April 25, 1951; David Raskin, September 20, 1951; George Hall, August 17, 1955; Vincent W. Hartnett, July 12, 1956; Paul R. Milton, July 12, 13, 1956; Elizabeth Wilson, September 12, 1951; Frank Tuttle, May 24, 1951; Martin Berkeley, September 19, 1951; Harold J. Ashe, September 17, 1951; Budd Wilson Schulberg, May 23, 1951; Mildred Ashe, September 17, 1951; Leo Townsend, September 18, 1951; Bernice Polifka Fleury, September 24, 1951; George Beck, September 25, 1959; Karl Tunberg, September 25, 1951; Eugene Fleury, September 10, 1951; Eve Ettinger, September 10, 1951; Anne Ray Frank, September 10, 1951; Mendell Morton Krieger, September 11, 1951; Stanley Roberts, May 20, 1952; Isobel Lennart, May 20, 1952; Nicholas Bela, December 14, 1954; Clifford Odets, May 19, 1952; May 20, 1952; Elia Kazan, April 10, 1952; Melvin Levy, January 28, 1952; George Bassman, January 28, 1952; Roy Huggins, September 29, 1952; Allan E. Sloane, January 13, 1954; Abram S. Burrows, November 12, 1952, and March 20, 1951; and Bernard C. Schoenfeld, August 19, 1952.

13. True copies of any letters or other written communications or reports referring to Peter Seeger sent by the committee or its members, staff members, counsel, agents or representatives to Aware, Inc., Vincent Hartnett, Godfrey Schmidt, Ted Kirkpatrick, John Keenan, Counterattack (a publication), or Red Channels (a publication) during the period January 1, 1951, through December 31, 1956.

14. Letters or other written communications referring to Peter Seeger sent by any of the persons or organizations or publications named in paragraph 13 above to the committee, its members, staff members, counsel, agents, or representatives during the period January 1, 1951, through December 31, 1956.

15. True copy of letter dated on or about January 31, 1956, by Frank J. Tavenner, counsel to the committee, to Charles Collingwood, then president of American Federation of Television & Radio Artists, New York.

16. True copies of any and all letters or other written communications or reports sent by the committee, its members, staff members, counsel, agents, or representatives during the period January 1, 1951, through December 31, 1956, to any advertising agencies, radio or television broadcasting systems, sponsors of radio and television programs, theatrical agencies and producers, or their counsel, agents, or representatives, in respect to persons called or to be called for their testimony as to Communist methods or activities in entertainment, or in respect to the employment or nonemployment of persons in the field of entertainment.

17. Any and all letters or other written communications received by the Committee, its members, staff members, counsel, agents or representatives during the period January 1, 1951, through December 31, 1956, from the individuals, agencies and companies and organizations referred to in paragraph 16 above in respect to the subject matters referred to in said paragraph.

U.S. DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK—UNITED STATES OF AMERICA *v.* ELLIOTT SULLIVAN, No. C152–238

To Ralph R. Roberts, Clerk of the House of Representatives, Room P 42, The Capitol, Washington, D.C.

Richard Arens, staff director, House Un-American Activities Committee, House Office Building, Washington, D.C.

You are hereby commanded to appear in the U.S. District Court for the Southern District of New York, at the Federal Courthouse, room 318, in the city of New York on the 21st day of March 1960, and bring with you the papers, documents, correspondence, transcripts of testimony (see attached schedule).

This subpena is issued upon the application of the attorney for defendant, David Scribner, 342 Madison Avenue, New York.

MARCH 8, 1960.

HERBERT A. CHARLSON,
Clerk.

CATHERINE B. SALAMONE,
Deputy Clerk.

STATEMENT

1. Transcript of testimony of Lee J. Cobb before House Committee on Un-American Activities (hereafter referred to as HUAC) on June 2, 1953.

2. Transcript of testimony of Jerome Robbins before HUAC on May 5, 1953.

3. Transcript of testimony of Martin Berkeley before HUAC in 1951.

4. Transcript of testimony of Nicholas Bela before HUAC on December 14, 1954.

5. Transcript of testimony, or written statement, or written report of oral statement of "a former Communist" who "identified" Elliott Sullivan "in 1951" as a member of the Communist Party; the material sought be that specifically referred to in the HUAC Annual Report for 1953, House Report No. 1192, 83d Congress, 2d session, at page 51.

6. Transcript of testimony of Elliott Sullivan in executive session before HUAC on

July 29, 1955, which was later released for publication.

7. HUAC annual report for the year 1954.

8. Transcript of testimony of Larry Parks before HUAC in or about April 1951.

9. True copies of any letters or other written communications or reports referring to Elliott Sullivan sent by HUAC or its members, staff members, counsel, agents, or representatives to Aware, Inc., Vincent Hartnett, Godfrey Schmidt, Ted Kirkpatrick, John Keenan, Counterattack (a publication), or Red Channels (a publication) during the period January 1, 1951, through December 31, 1956.

10. Letters or other written communications referring to Elliott Sullivan sent by any of the persons or organizations or publications named in paragraph 9 above to the HUAC, its members, staff members, counsel, agents, or representatives during the period January 1, 1951, through December 31, 1956.

11. True copy of letter dated on or about January 31, 1956, by Frank J. Tavenner, counsel to HUAC, to Charles Collingwood, then president of American Federation of Television and Radio Artists, New York.

12. True copies of any and all letters or other written communications or reports sent by HUAC, its members, staff members, counsel, agents, or representatives during the period January 1, 1951, through December 31, 1956, to any advertising agencies, radio or television broadcasting systems, sponsors of radio and television programs, theatrical agencies and producers, or their counsel, agents, or representatives, in respect to persons called or to be called for their testimony as to Communist methods or activities in entertainment, or in respect to the employment or nonemployment of persons in the field of entertainment.

13. Any and all letters or written communications received by the HUAC, its members, staff members, counsel, agents, or representatives during the period January 1, 1951, through December 31, 1956, from the individuals, agencies and companies and organizations referred to in paragraph 12 above in respect to the subject matters referred to in said paragraph.

14. Original stenographic minutes of executive session or any other meeting of the HUAC or any of its subcommittees at which the citation of defendant for contempt was discussed, considered, or acted upon.

15. Original stenographic minutes of any meeting of the committee or of any of its subcommittees at which the issuance of a subpena to appear before the committee or any of its subcommittees was discussed, considered, or acted upon.

16. All transcripts of testimony, memoranda, written statement, reports, and any other material in the custody or under the custody of the committee, its agents other than already referred to in this subpena duces tecum, which refers or relates to the defendant.

Mr. McCORMACK. Mr. Speaker, I offer a privileged resolution and ask for its immediate consideration.

The Clerk reads as follows:

H. RES 234

Whereas in the case of the *United States of America* v. *Peter Seeger* (criminal case number C.–152–240), pending in the United States District Court for the Southern District of New York, a subpena duces tecum was issued by the said court and addressed to Ralph R. Roberts, Clerk of the House of Representatives, directing him to appear as a witness before said court on the twenty-first day of March 1960, and to bring with him certain and sundry papers in the possession and under the control of the House of Representatives: Therefore be it

Resolved, That by the privileges of this House no evidence of a documentary character under the control and in the possession of the House of Representatives can, by the mandate of process of the ordinary courts of justice, be taken from such control or possession but by its permission; be it further

Resolved, That when it appears by the order of the court or of the judge thereof, or of any legal officer charged with the administration of the orders of such court or judge, that documentary evidence in the possession and under the control of the House is needful for use in any court of justice, or before any judge or such legal officer, for the promotion of justice, this House will take such action thereon as will promote the ends of justice consistently with the privileges and rights of this House; be it further

Resolved, That Ralph R. Roberts, Clerk of the House, be authorized to appear at the place and before the court named in the subpena duces tecum before mentioned, but shall not take with him any papers or documents on file in his office or under his control or in possession or control of the House of Representatives; be it further

Resolved, That when said court determines upon the materiality and the relevancy of the papers and documents called for in the subpena duces tecum, then the said court, through any of its officers or agents, have full permisison to attend with all proper parties to the proceeding and then always at any place under the orders and control of this House and take copies of any documents or papers and the Clerk is authorized to supply certified copies of such documents or papers in possession or control of said Clerk that the court has found to be material and relevant (except that under no circumstances shall any minutes or transcripts of executive sessions of committees, or confidential papers, documents, or files of the House of Representatives, or any evidence of witnesses in respect thereto, be disclosed or copied) and which the court or other proper officer thereof shall desire, so as, however, the possession of said documents and papers by the said Clerk shall not be disturbed, or the same shall not be removed from their place of file or custody under the said Clerk; and be it further

Resolved, That as a respectful answer to the subpena a copy of these resolutions be submitted to the said court.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. McCORMACK. Mr. Speaker, I offer a privileged resolution and ask for its immediate consideration.

The Clerk read as follows:

H. RES. 235

Whereas in the case of the *United States of America* v. *Elliott Sullivan* (criminal case number C152–238), pending in the United States District Court for the Southern District of New York, a subpena duces tecum was issued by the said court and addressed to Ralph R. Roberts, Clerk of the House of Representatives, directing him to appear as a witness before said court on the sixth day of March 1961, and to bring with him certain and sundry papers in the possession and under the control of the House of Representatives: Therefore be it

Resolved, That by the privileges of this House no evidence of a documentary character under the control and in the possession of the House of Representatives can, by the mandate of process of the ordinary courts of justice, be taken from such control or possession but by its permission; be it further

Resolved, That when it appears by the order of the court or of the judge thereof, or of any legal officer charged with the administration of the orders of such court or judge, that documentary evidence in the possession and under the control of the House is needful for use in any court of justice, or before any judge or such legal officer, for the promotion of justice, this House will take such action thereon as will promote the ends of justice consistently with the privileges and rights of this House; be it further

Resolved, That Ralph R. Roberts, Clerk of the House, be authorized to appear at the place and before the court named in the subpena duces tecum before mentioned, but shall not take with him any papers or documents on file in his office or under his control or in possession of the House of Representatives; be it further

Resolved, That when said court determines upon the materiality and the relevancy of the papers and documents called for in the subpena duces tecum, then the said court, through any of its officers or agents, have full permission to attend with all proper parties to the proceeding and then always at any place under the orders and control of this House and take copies of any documents or papers and the Clerk is authorized to supply certified copies of such documents or papers in possession or control of said Clerk that the court has found to be material and relevant (except that under no circumstances shall any minutes or transcripts of executive sessions of committees, or confidential papers, documents, or files of the House of Representatives, or any evidence of witnesses in respect thereto, be disclosed or copied) and which the court or other proper officer thereof shall desire, so as, however, the possession of said documents and papers by the said Clerk shall not be disturbed, or the same shall not be removed from their place of file or custody under the said Clerk; and be it further

Resolved, That as a respectful answer to the subpena a copy of this resolution be submitted to the said court.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Michigan.

Mr. HOFFMAN of Michigan. I wish to inquire about this practice. Assuming that I have been subpenaed as a witness in some proceeding that concerns the Federal Government, may I not appear down here without the consent of the House?

Mr. McCORMACK. My understanding is that while Congress is in session a Member must obtain consent of the House.

Mr. HOFFMAN of Michigan. The gentleman means that I must get the consent of the House; that I cannot go down voluntarily?

Mr. McCORMACK. That is my understanding. That is why such resolutions are offered.

Mr. HOFFMAN of Michigan. In years gone by I have often gone down to departments, I have gone down on several occasions, just went down voluntarily. Does the gentleman mean I cannot do that without getting the consent of the House, or permission?

Mr. McCORMACK. The gentleman means while Congress was in session?

Mr. HOFFMAN of Michigan. Yes.

Mr. McCORMACK. I would say that the gentleman unwittingly did something he should not have done. He should have first obtained the permission of the House.

Mr. HOFFMAN of Michigan. I wonder if the gentleman will tell me why, when I could go down without it?

Mr. McCORMACK. There is a document known as the Constitution of the United States that has some relation to it, while the Congress is in session.

Mr. HOFFMAN of Michigan. That says you cannot be arrested.

Mr. McCORMACK. Will the gentleman accept my statement that this has to be done?

Mr. HOFFMAN of Michigan. I very reluctantly accept it because I cannot see why I cannot voluntarily walk down there, testify, and come back. I do not think I violate the rules.

If you think I am taking up too much time, unless the House takes some action, when I am subpenaed I will go down.

Mr. McCORMACK. If the gentleman is subpenaed he should get the consent of the House.

Mr. HOFFMAN of Michigan. If the U.S. attorney calls up and says, "We would like to have you come down," I will comply.

Mr. ROGERS of Colorado. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Colorado.

Mr. ROGERS of Colorado. Suppose the gentleman did go down there and he got into an argument with the judge and he threw the gentleman in jail.

Mr. HOFFMAN of Michigan. No; I am not going to get into an argument with the judge. I practiced law too long for that.

Mr. ROGERS of Colorado. If you do in court what you do around here, you would get into an argument.

Mr. HOFFMAN of Michigan. This is not a court, and you do not have any power over me except perhaps the power to punish me for contempt.

Mr. ROGERS of Colorado. Suppose the court holds you in contempt.

Mr. HOFFMAN of Michigan. I would say "I am a Congressman, you cannot do that."

Mr. ROGERS of Colorado. Suppose he put the gentleman in jail and we had a rollcall up here, where would you be? You would be in jail.

Mr. HOFFMAN of Michigan. I will answer that. I do not believe the country would be very much in danger. I might be called to account in the next election.

Mr. McCORMACK. May I make the observation that I cannot conceive of the gentleman from Michigan going into the courtroom, even voluntarily, if they had a dictatorial judge, a judicial tyrant doing things he should not do, I could not conceive of the gentleman from Michigan subjecting himself to judicial tyranny in case there was a judge who is a judicial tyrant.

Mr. GROSS. If he were a Republican judge you would not have a dictatorial judge.

The resolution was agreed to.

A motion to reconsider was laid on the table.

DISTRICT DAY

The SPEAKER. This is District Day. The Chair recognizes the gentleman from South Carolina.

DISTRICT OF COLUMBIA SALES TAX ACT AND PARKING FACILITY ACT

Mr. McMILLAN. Mr. Speaker, by direction of the House District Committee, I call up H.R. 258, to amend the District of Columbia Sales Tax Act so as to increase the rate of tax imposed on gross receipts from certain sales, and for other purposes, and ask unanimous consent that the bill be considered in the House as in the Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 125 of the District of Columbia Sales Tax Act (D.C. Code 47–2602) is amended by striking out "2 per centum" and by inserting in lieu thereof "3 per centum".

(b) Subsection (a) of section 127 of such Act (D.C. Code 47–2604(a)) is amended to read as follows:

"(a) On each sale, other than sales of food for human consumption off the premises where such food is sold, and other than sales or charges for rooms, lodgings, or accommodations furnished to transients, such amounts as may be prescribed by the Board of Commissioners of the District of Columbia to carry out the purposes of this section."

SEC. 2. Section 212 of the District of Columbia Use Tax Act (D.C. Code 47–2702) is amended by striking out "2 per centum" and inserting in lieu thereof "3 per centum".

SEC. 3. The amendments made by the first two sections of this Act shall take effect on the first day of the first month which begins more than sixty days after the date of enactment of this Act. From and after the effective date of such amendments, all references in the District of Columbia Use Tax Act to sections 125 and 127 of the District of Columbia Sales Tax Act shall be deemed to be references to such sections 125 and 127, as amended by the first section of this Act.

Amend the title so as to read: "A bill to amend the District of Columbia Sales Tax Act to increase the rate of tax imposed on certain gross receipts, to amend the District of Columbia Motor Vehicle Parking Facility Act of 1942 to transfer certain parking fees and other moneys to the highway fund, and for other purposes."

With the following committee amendments:

On page 2, after line 15, insert the following:

"SEC. 4. Section 7 of the District of Columbia Motor Vehicle Parking Facility Act of 1942 is amended to read as follows:

" 'SEC. 7. All fees and other moneys collected under this Act, including all fees collected pursuant to section 11 of the Act entitled "An Act making appropriations to the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1939, and for other purposes", approved April 4, 1938 (District of Columbia Code, sec. 40–616), and the Act entitled "An Act to authorize the Commissioners of the District of Columbia to provide for the parking of automobiles in the Municipal Center", approved June 6, 1940 (54 Stat. 241), and all moneys derived from the sale or assignment of any property, real or personal, shall be deposited in a special account within the highway fund established in the first section of the Act entitled "An Act to provide for a tax on motor-vehicle fuels sold within the District of Columbia, and for other purposes", approved April 23, 1924, as amended (District of Columbia Code, sec. 47–1901). Moneys deposited in such special account shall be available, first, to defray the expenses of enforcing laws, rules, and regulations relating to the parking of vehicles in the District of Columbia by the Metropolitan Police force of the District of Columbia; second, to defray the expenses of operating parking facilities under this Act; and, third, for the maintenance of highways within the District of Columbia, including, but not limited to, the purchase of highway equipment.'

"SEC. 5. The first sentence of section 8 of the District of Columbia Motor Vehicle Parking Facility Act of 1942 is amended to read as follows: 'The Commissioners shall include in their annual budget such amounts as may be required from the highway fund established in the first section of the Act of April 23, 1924, for the purpose of carrying out the provisions of this Act.'

"SEC. 6. The District of Columbia Motor Vehicle Parking Facility Act of 1942 is amended by renumbering section 10 thereof as section 12 and by inserting immediately following section 9 of the following new sections:

" 'SEC. 10. Notwithstanding any other provision of this Act or of any other law, no person other than an officer or member of the Metropolitan Police force of the District of Columbia, United States Park Police, White House Police, the zoo police, and the United States Capitol Police shall be authorized to enforce any law, rule, or regulation relating to the parking of vehicles in the District of Columbia.

" 'SEC. 11. Notwithstanding any provision of this Act, no real property shall be acquired under the authority of this Act for use as a parking facility on or after the date of enactment of this section, and the Commissioners and the agency are authorized to operate and maintain only those parking facilities which have been established prior to the date of enactment of this section. No such existing parking facility shall be expanded or otherwise altered except to the extent as may be necessary to permit its continued operation in the same manner as it was being operated immediately before the date of enactment of this section.'

"SEC. 7. All fees and other moneys which have been deposited in the special account of the Treasury of the United States before the date of enactment of this Act to the credit of the District of Columbia in accordance with section 7 of the District of Columbia Motor Vehicle Parking Facility Act of 1942 are hereby transferred to the special account established in the highway fund by the amendment made to section 7 of such Motor Vehicle Parking Act of 1942 by section 4 of this Act, and such funds shall be available for the purposes provided in such amendment to such section 7.

"SEC. 8. Sections 4, 5, 6, and 7 of this Act shall take effect July 1, 1961."

The committee amendment was agreed to.

Mr. McMILLAN. Mr. Speaker, I offer a committee amendment.

The Clerk read as follows:

Committee amendment offered by Mr. McMILLAN: On page 2, lines 8 through 16, strike section 3 and insert in lieu thereof the following:

"SEC. 3. The amendments made by the first two sections of this Act shall take effect on the first day of the first month which begins on or after the thirtieth day after the date of enactment of this Act. From and after the effective date of such amendments, all references in the District of Columbia Use Tax Act to sections 125 and 127 of the District of Columbia Sales Tax Act shall be

deemed to be references to such sections 125 and 127 as amended by the first section of this Act."

Mr. McMILLAN. Mr. Speaker, I move to strike out the last word.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. McMILLAN. I yield to the gentleman from Iowa.

Mr. GROSS. All I wanted was some kind of an explanation of what this bill purports to be.

Mr. McMILLAN. That is why I move to strike out the last word.

The purpose of this proposed legislation is to increase the sales tax in the District of Columbia from 2 to 3 cents. It seems that the District of Columbia is very much in need of additional revenue at this time. Our committee came to the conclusion that a 1-cent additional sales tax would be the most painless tax that our committee could place upon the people of the District of Columbia at the present time.

Mr. Speaker, I yield to the gentleman from New Jersey [Mr. AUCHINCLOSS].

Mr. AUCHINCLOSS. Mr. Speaker, this legislation was passed unanimously by the committee, I think with some reluctance, because I do not think anyone wants to increase taxes anywhere. But, it is necessary, and it was done with the approval of the Commissioners.

I do feel, however, Mr. Speaker, that a study of the operations of the District government is very much in order to see if there is not some way that we can eliminate waste and extravagance, and promote a little more efficiency. Consequently I am preparing now a resolution which I will submit in due time to the District Committee which would empower the President to appoint a commission to study the District government and make such recommendations as might be to its advantage in the hope that greater efficiency may ensue in the operations of the government—you might even call it a small Hoover Commission—to look over the situation. I hope this legislation will pass unanimously, because it is necessary.

Mr. McMILLAN. Mr. Speaker, I ask unanimous consent that the majority and minority members of the committee may extend their remarks at this point explaining the proposed legislation.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. RHODES of Arizona. Mr. Speaker, will the gentleman yield?

Mr. McMILLAN. I yield to the gentleman from Arizona.

Mr. RHODES of Arizona. I would like to ask the distinguished chairman of the committee how much revenue this tax will raise.

Mr. McMILLAN. During the last fiscal year the 2-cent sales tax derived $22.5 million. The Commissioners think that this additional 1 cent will provide $9 million additional revenues; that is, without increasing the tax on food.

Mr. RHODES of Arizona. That will be in the calendar year?

Mr. McMILLAN. Yes; that is right.

Mr. RHODES of Arizona. So for the rest of the fiscal year you would assume that something in the neighborhood of $4 million to $5 million will be raised?

Mr. McMILLAN. I think it will be a little more than that; it will be around $7 or $8 million.

Mr. RHODES of Arizona. If the gentleman will yield further, will this take care of the expenses of the District government which were projected over and above the regular budget for this fiscal year?

Mr. McMILLAN. No, it will not take care of all the Commissioners are asking for, but we hope they can get by with this amount.

Mr. RHODES of Arizona. It will not be necessary, then, in the opinion of the chairman of the committee, to raise the Federal payment to the District of Columbia for the remainder of the fiscal year?

Mr. McMILLAN. This increase is desirable to meet present and proposed expenses here.

Mr. RHODES of Arizona. Will it be necessary, to balance the budget of the District of Columbia, to raise the Federal payment?

Mr. McMILLAN. If they go ahead with all the projects they have advanced; yes, sir.

Mr. RHODES of Arizona. All of the capital improvement projects.

Mr. McMILLAN. Yes.

Mr. BROYHILL. Mr. Speaker, will the gentleman yield?

Mr. McMILLAN. I yield to the gentleman from Virginia.

Mr. BROYHILL. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. BROYHILL. Mr. Speaker, I favor the increase in the rate of the District of Columbia sales tax from 2 cents to 3 cents per dollar, as proposed in H.R. 258. This will place all items subject to the sales tax at the 3-cent level except for groceries, on which the sales tax will remain at the present rate of 1 cent per dollar.

It is estimated that this increase will result in approximately $9 million of additional revenue per year for the District, and it is my conviction that this amount of money could not be obtained by any other form of taxation which would be as fair and equitable as the sales tax increase, nor as simple and inexpensive to administer and collect.

I wish particularly, however, to address myself to section 4 of H.R. 258, which provides that all moneys collected by the District of Columbia Motor Vehicle Parking Agency for the use of public parking facilities in the District shall be deposited in a special account in the District of Columbia highway fund. This includes not only such moneys collected after the date of enactment of this act, but also all moneys now accumulated by the Agency, which presently amount to some $3,100,000.

When parking meters were first authorized for use in the District of Columbia in 1938, by act of Congress, the moneys collected from the meters were placed in the District of Columbia general fund, as a part of the District's revenues. This policy was followed until the District of Columbia Motor Vehicle Parking Facility Act was enacted in 1942, creating the District of Columbia Motor Vehicle Parking Agency.

This act authorized the District of Columbia Board of Commissioners, through this Agency, to acquire, create, and operate offstreet public parking facilities under public regulation. Further, it was stipulated that all moneys collected by this Agency for the use of public parking facilities should thenceforth be used solely for the purposes of the Motor Vehicle Parking Facility Act. Thus, these parking meter and public parking lot collections have been earmarked since 1942 to be used exclusively for the acquiring and operation of additional offstreet public parking facilities. The reasoning behind this decision at that time is apparently expressed in a statement in the preface to the act of 1942, which says that adequate offstreet parking facilities have not been provided by private enterprise.

However correct this premise may have been in 1942, I am convinced that it no longer is true, and that private enterprise is now providing completely adequate offstreet parking facilities in the District of Columbia, and will continue to do so in the future as the need for such facilities may increase.

It is a matter of record that I have consistently favored the encouragement of private enterprise as opposed to government participation in business wherever this is feasible.

Under these circumstances, there appears to me no reason why these funds, now aggregating some $3,100,000 and estimated to reach approximately $4 million by the end of fiscal year 1962, should lie idle in the account of the Motor Vehicle Parking Agency while the motoring public, who have paid out this money, are forced to tolerate inadequate street facilities such as substandard paving and an ineffective program of snow removal. It is estimated that the District needs to spend approximately $1½ million this year to provide modern, effective equipment for snow removal; and what could be a more appropriate source for this badly needed money than the parking meter collections from the automobile operators who daily use the city's streets? It seems completely appropriate to me that this very substantial financial contribution from the motoring public who utilize the District's street facilities should be applied toward the adequate maintenance of those streets.

In view of these facts, I am pleased indeed to lend my support to the passage of H.R. 258.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. McMILLAN. I yield to the gentleman from Iowa.

Mr. GROSS. I understand that there are exemptions under the present 2 percent tax; is that correct?

Mr. McMILLAN. That is correct.

Mr. GROSS. And those exemptions are retained as to food and certain other items?

Mr. McMILLAN. They will not pay additional taxes on food, or raise the excise tax on automobiles.

Mr. GROSS. Will the gentleman explain briefly the meaning of section 7 of the bill with respect to vehicle parking?

Mr. McMILLAN. In 1942 I sponsored a bill creating a Parking Fund Commission. The purpose of creating that commission was to build some public parking lots in the downtown area of the District of Columbia. At that time we had very little private parking facilities in the downtown area. During the 18 years that have elapsed we have built no public parking facilities in downtown Washington. We have created only three fringe parking lots. We now have millions and millions of dollars invested by private enterprise for parking space in the downtown area. My committee was of the opinion that we should use this fund on the streets for some other needed projects. Since private funds seem to have solved the parking problem in downtown Washington.

Mr. GROSS. This simply releases the money for use on the streets of the District of Columbia?

Mr. McMILLAN. That is correct.

Mr. GROSS. I thank the gentleman.

Mr. HAYS. Mr. Speaker, will the gentleman yield?

Mr. McMILLAN. I yield to the gentleman.

Mr. HAYS. This subject has been touched on briefly, but I would like to have a little more said about it. I keep reading in the papers that the Federal Government does not pay its fair share of the expenses of the District of Columbia. Is that factually correct?

Mr. McMILLAN. That is a matter of opinion. I have always thought the Federal Government did pretty well by the District of Columbia. There are many people here who think the Federal Government should pay half the expenses of the District of Columbia and if it were not for the fact that the Federal Government provides jobs for a multi-billion-dollar payroll in the District I would be more in favor of a $50 million Federal payment.

Mr. HAYS. Is there not some way we can determine how much property the Federal Government owns, or has taken off the tax rolls, and arrive at some equitable arrangement?

Mr. McMILLAN. We have those figures. However, in the gentleman's State and in my State the Federal Government pays no tax on Federal property and we get no Federal payment to assist the State government.

Mr. HAYS. This is the Capital of the United States. I suppose the people in my district do not want to pay taxes any more than does anybody else, but I think they would be willing for the Federal Government to pay whatever is right to have this city run in the fashion in which it should be run as the Capital of the United States.

Mr. McMILLAN. I agree with the gentleman.

Mr. HAYS. And make whatever capital improvements are necessary. And if a certain amount has been authorized, I should hope it will be appropriated.

Mr. McMILLAN. I agree with the gentleman. I think the amount authorized is $32 million and it should be appropriated. If the Congress wants to authorize more than that, action can be taken later.

Mr. JONES of Missouri. Mr. Speaker, will the gentleman yield?

Mr. McMILLAN. I yield to the gentleman from Missouri.

Mr. JONES of Missouri. I did not intend to get into this colloquy, but the gentleman from Ohio [Mr. HAYS] brought up a question that has been a touchy one with me for a long time. I expect the people of the District of Columbia pay the same proportionate share of taxes that the people do in the district in Missouri that I represent. And until they do pay that I am going to object to any increase in the Federal contribution toward the expenses of this Government.

Mr. HAYS. Mr. Speaker, will the gentleman yield?

Mr. McMILLAN. I yield to the gentleman from Ohio.

Mr. HAYS. I have no figures before me, but I am willing to make the gentleman a small wager that the real estate taxes in the District of Columbia are three times the average of the real estate taxes in the gentleman's district.

Mr. JONES of Missouri. I will accept that wager in any amount the gentleman wants to name, because I presented figures on the floor of this House showing that the district in which I live pays as much school taxes as the total of taxes in the District of Columbia.

Mr. HARSHA. Mr. Speaker, will the gentleman yield?

Mr. McMILLAN. I yield to the gentleman from Nebraska, a valuable member of the District Committee.

Mr. HARSHA. I am sorry I was not here to hear the beginning of the gentleman's statement, but as to section 7, was there any assurance given that if this money is transferred from this trust fund to the highway fund, it will be used to repair some of the streets and roads in the District?

Mr. McMILLAN. That item is earmarked specifically for street repair in the bill.

Mr. HARSHA. I know that some of them are in very bad shape. I was nearly lost in one this morning, particularly on Ordway Street.

I intend to check a little bit further to see whether or not these repairs are made.

Mr. McMILLAN. Bad streets are one of the reasons that prompted me to introduce this legislation transferring funds paid by individual motorists.

The SPEAKER. The question is on the committee amendment.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: A bill to amend the District of Columbia Sales Tax Act to increase the rate of tax imposed on certain gross receipts, to amend the District of Columbia Motor Vehicle Parking Facility Act of 1942 to transfer certain parking fees and other moneys to the highway fund, and for other purposes.

A motion to reconsider was laid on the table.

Mr. McMILLAN. Mr. Speaker, H.R. 258, which is under consideration today, is exactly the same tax bill that the House District Committee reported unanimously on June 25, 1960, and the House passed unanimously on June 27, 1960.

The bill which passed the House last year was reported by the Senate District Committee; however, it was too late in the session for the Senate to take final action on same before Congress adjourned. The House District Committee held full hearings and unanimously reported H.R. 258 to the floor of the House for consideration with an amendment to transfer the parking meter funds to the District Highway Department.

During 1942, I sponsored legislation creating the present Parking Commission here in the District of Columbia. The purpose for creating this Commission was to see that the funds collected from parking meters were used to build public parking space in the downtown area of Washington. Eighteen years have passed since we enacted this piece of legislation creating the Parking Commission and we only have three or four fringe parking lots at the present time built from parking meter funds.

When we created the Parking Commission in 1942, we only had two privately owned parking facilities in the immediate downtown area. Since that date private industry has invested millions and millions of dollars in private parking facilities and from the best information I have been able to secure, it seems that there is sufficient private parking space available in the downtown area at the present time.

We have more than $3 million in the parking fund at the present time and since the District seems to be in dire need of additional funds, the committee is of the opinion that the parking funds should be earmarked for repairing and maintaining the streets here in Washington so that the motorists, who pay into the parking meters enough dimes to create a $3 million fund, will receive some return from this money.

The present 2 cent sales tax has collected $22,500,000 during the fiscal year 1960 and it is estimated that the District will collect $9 million from the proposed 1 cent additional sales tax even with the exemption of food for home consumption.

We all realize that from first glance at the tax structure here in the District of Columbia, the average person would think that the property owners were not paying their pro rata share of taxes; however, since property is levied at a higher value for tax purposes here in the District of Columbia than in the average State, the committee feels that

the most equitable tax that we could impose on the people in the District of Columbia at the present time would be the 1 cent additional sales tax.

GREEK INDEPENDENCE DAY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, all peoples celebrate their independence day, and each nation's independence day has a special significance to that nation, for usually that day in the history of each nation is marked as its national holiday. The Greek Independence Day of this year, which occurred on March 25, means and signifies all that, but to the Greeks in Greece and everywhere else it means something more. It is of more significance because they are conscious that the Greeks were the first people who conceived and advocated the idea of independence, and then they had the misfortune to be deprived of it for more than 2,000 years. That is why the rebirth of free and independent Greece was acclaimed in all parts of the world 140 years ago. Greeks suffering under alien rulers, and their determination to work and fight for their independence during all that time, earned them the admiration and affection of so many millions in many lands that they all were rightly overjoyed in seeing the rise of modern Greece as a free and sovereign state.

Yes, the Greek people were not free for nearly 2,000 years, but their lot under the Ottoman Turks during the four centuries before their independence was worse than any they had known in their long and eventful history. The Turks never treated the Greeks as citizens, but they were regarded as mere subservient subjects to be employed and exploited. To the independent-minded, individualistic, and freedom-loving Greeks this was an unbearable stigma, something unthinkable to endure. But they endured it for nearly 400 years because all their attempts at rebellion ended in failure. They themselves alone could not free themselves from the tyranny of the sultans. Gallant and courageous as they have always been in wars, they were not able physically to cope with the massive might of the powerful Ottoman Empire. Fortunately, however, the Greek cause has always had many friends abroad; thus, people in other lands and foreign governments came to the aid of Greece and guaranteed the successful culmination of their war of independence. That was one of the finest and noblest acts that the governments of certain powers in Europe performed in that fateful year 1827. More than 6 years after the Greek people had unfurled the flag of revolt against their oppressors, Greek independence was attained and the people of Greece set free from the sultan's bondage.

Today on the celebration of the 140th Greek Independence Day we again find the Greek people on the ramparts of freedom, ready to fight for their and for the free world's independence. We salute them as faithful and loyal allies in this common struggle—on their independence day.

HAZARDS OF IONIZING RADIATION

Mr. ASHLEY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. ASHLEY. Mr. Speaker, in recent years I have become very concerned about the functioning and organization of the Nation's program for protection against the hazards of ionizing radiation, for I think the program has been seriously impaired by overlapping and confused laws, directives, and press statements, and also by poorly organized and perhaps overly weak administration.

Originally the basic functioning of the radiation control program came under the aegis of the Atomic Energy Commission. Under the Atomic Energy Act of 1946 the AEC was given a threefold responsibility: Promoting the peaceful uses of atomic energy, which meant finding new ways to employ atomic energy as well as encouraging the construction of reactors and atomic devices for medical and other uses; operation of the nuclear facilities owned by the Government, such as the Oak Ridge National Laboratory; and regulation of the basic sources of ionizing radiation, which are atomic ores or source material, special nuclear material—fissionable material used to power nuclear reactors—and by-products made in nuclear reactors.

Because the Atomic Energy Commission over the years has been subjected to a great deal of criticism and public mistrust, this original jurisdiction, which would appear to cover the entire area of radiation hazards, has been whittled down and various attempts have been made to cut it down still further. In 1959, when the Commission became a center of controversy because of the threat of strontium 90 in milk and wheat, Congress enacted a law which permitted the Commission to share some of its responsibilities with the States, and at the same time President Eisenhower issued an Executive order and a series of press statements and letters which attempted to reorganize and clarify the functioning of the various departments and agencies of Government involved in the radiation control program. The gist of these documents was that a Federal Radiation Council was established—subsequently made statutory—which was to "advise the President with respect to the development by Government agencies of criteria for the protection of humans against ionizing radiation." At the same time, the President issued press releases which gave the Atomic Energy Commission the primary responsibility for guiding and assisting the States with respect to contamination from sources not controlled by the Commission, for example, X-rays and similar medical and natural sources.

The result of this tangled web of regulation, Mr. Speaker, is that the Department of Health, Education, and Welfare and the Atomic Energy Commission are in a complete maze of interlocking and conflicting claims of jurisdiction, with the public having no idea of who is responsible for what. The confusion is so great that when legislation was introduced last session to give HEW's Public Health Service the primary responsibility for the protection of the public health from the dangers of radiation, HEW opposed the legislation on the basis that responsibility was already vested in that Department. The Atomic Energy Commission also opposed the bill because they said it would give to HEW all the AEC's authority. When the Federal Radiation Council—a part-time nontechnical body composed of several Cabinet members and a staff of only three persons—is added to this already confused hodgepodge, the situation becomes completely chaotic. For the safety of the public, some reorganization and clarification must be made.

At the present time, Mr. Speaker, my feeling is that two major changes are necessary in order to guarantee consistent and careful control over the hazards of radiation. First, the Federal Radiation Council should be strengthened and reorganized to insure its independence and full-time devotion to the problems of safe levels of radiation and experts from the scientific community should be added to its permanent staff. Secondly, the regulatory functions now performed by the Atomic Energy Commission should be placed with an agency or body which is independent of the Commission. When one agency is charged with the dual function of promoting the use of atomic energy and safeguarding the public against its dangers, some conflict is inevitable, and to the extent that the Commission may sometimes be tempted to subordinate the interests of safety to the interests of promotion, the public is endangered.

Mr. Speaker, I very much hope that hearings on this vitally important matter will be scheduled promptly so that legislation can be shaped and brought to the Congress during the present session. The health of our country for generations to come may well be at stake.

COOK COUNTY BAR ASSOCIATION HONORS CONGRESSMAN DAWSON

Mr. O'HARA of Illinois. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. O'HARA of Illinois. Mr. Speaker, in 1914, only 3 years short of half a century ago, the Cook County Bar Association was organized by Edward H. Wright and a distinguished group of Negro lawyers then practicing in the courts of Chicago, Cook County, and Illinois.

Edward B. Toles is the president for 1961 of this old and honored associa-

tion. I am happy and proud that not only President Toles but as well Vice Presidents James D. Crosson and Russell R. De Bow and four members of the board of directors are constituents of mine in the great Second District of Illinois. The directors who live in the Second District are Theodore F. Crawley, Judge Sidney A. Jones, John W. Rogers, and Frank Anglin, Jr.

At the 47th annual installation dinner the award of merit in the form of a gavel was given Congressman Dawson and Judges Mollison, Richardson, and Moore. I am extending my remarks to include biographical sketches of the four recipients of the award of merit and also excerpts from the Cook County Bar Association News on the advancement of the Negro in the judicial and other public offices. It is interesting to note, in this latter connection, that as stated in the CBA News on the authority of the Chicago Tribune of March 12, 1875, the first Negro elected to public office in the North was John Jones, who was elected Cook County commissioner in 1871.

The material referred to follows:

COOK COUNTY BAR ASSOCIATION NEWS

WILLIAM L. DAWSON, Congressman: Born Albany, Ga., April 26, 1886. Son of Levi and Rebecca (Kendrick) D.; educated, Fisk University, Nashville, Tenn. 1909 A.B. magna cum laude. Studied law Chicago Kent College of Law and Northwestern University School of Law; married Nellie W. Brown, December 20, 1922; children, William L. Jr., Barbara Ann. Admitted to Illinois bar 1920 and since practiced in Chicago. Elected alderman 2d ward Chicago 1933. Appointed vice chairman Democratic Committee. U.S. Member 78th to 87th Congress from 1st Illinois District. Chairman House Committee on Executive Expenditures since January 1949. Served as first lieutenant AEF U.S. Army 1917–19. Member American Legion, Disabled American Veterans, Alpha Phi Alpha, Masons (32d degree), Elks.

Irvin Charles Mollison, judge U.S. Customs Court: Born Vicksburg, Miss., December 24, 1898. Son of Attorney Willis Elbert and Ida (Welbourne) M.; educated at Tougaloo Academy, Oberlin, Ohio 1916–17. Ph. B. University of Chicago 1920, J.D. 1923. Phi Beta Kappa. Married August 26, 1930, Alice Longfellow Rucker of Atlanta, Ga. Admitted to Illinois bar 1923. Member board of directors Chicago Public Library 1938–44. Member Chicago Board of Education 1944–45. Appointed judge U.S. Customs Court November 3, 1945, by President Harry S. Truman. Member ABA, AJS, NBA, Federal bar; American Political Science Association, American Academy of Political and Social Science, Academy of Political Science, Legal Aid Society (New York), American Society of International Law, Chicago Bar Association, Cook County Bar Association. Served SATC University of Chicago 1918. Protestant.

Scovel Richardson, judge, U.S. Customs Court: Born Nashville, Tenn., February 4, 1912. Son of M. Scovel and Capitolo W. (Hawkins) R.; educated at University of Illinois, A.B. 1934; A.M. 1936; LL.B., Howard University, 1937. Married Inez Williston on July 3, 1937. Children, Frances Elaine, Alice Inez, and Mary Louise and Marjorie Linda (twins). Admitted to Illinois bar 1938, Missouri bar 1945, U.S. Supreme Court bar 1944. Private practice with Lawrence & Richardson, Chicago 1938–39. Associate professor of law Lincoln University, St. Louis, Mo., 1939–43. Dean and professor of law, 1944–58. Senior attorney, OPA, Washington, 1943–44. Member U.S. Parole Board, Washington, 1953–54; Chairman, 1954–57. Appointed judge, U.S. Customs Court, 1957, by President Eisenhower. Received citation Urban League, St. Louis, 1953. Member American, National, Missouri, St. Louis Bar Associations, American Law Institute, American Judicature Society, National Probation and Parole Associations, Lawyers Association, St. Louis, Kappa Alpha Psi, Republican Executive Association, chairman of national committee, August–October 1948. Knights of Pythias, past supreme chancellor. Presbyterian.

Herman Emmons Moore, retired judge, U.S. District Court, Virgin Islands: Born August 3, 1893, Jackson, Miss. Son of Edward Willis and Beatrice (Walker) M. Educated Howard University, A.B., 1914; LL.B., 1917; Boston University, 1919. Married September 5, 1923, Marie Johnson. Admitted Massachusetts bar, 1919. Practiced Boston, 1919–21. Chicago, Ill, 1921–34. Assistant commerce commissioner, Illinois Commerce Commission, 1934–39. Appointed judge, U.S. District Court, Virgin Islands District, 1939, by President Roosevelt. He was reappointed by President Truman and retired in 1957. Director, National Association for the Advancement of Colored People, 1930–34. Chicago Urban League, 1928. Democrat, member Cook County Bar Association; president, 1930–32. Alpha Phi Alpha. Methodist. Address, St. Thomas, V.I.

The House Committee on Government Operations is chaired by Congressman DAWSON, first Negro chairman of a House committee. This committee is one of the most important committees in the U.S. House of Representatives. Excerpts from an article in the January 1960 issue of the Chicago Bar Record published by the Chicago Bar Association, written by Donald H. Dalton, Esq., show the tremendous importance of this powerful committee:

"The legislative jurisdiction of this committee has a wide and broad range. It includes all matters relating to budgeting and accounting, measures other than appropriations, and all matters relating to reorganizations in the executive branch of the Government. In addition, property disposals and matters relating to Federal property and administrative services are referred to the committee."—Hon. ELIZABETH KEE, CONGRESSIONAL RECORD, volume 105, part 15, page 19985.

The committee has saved the Government huge sums of money. In its latest interim report, in the CONGRESSIONAL RECORD of October 2, 1959, one-time savings of $109,228,000 are listed, and annual savings of $105,495,500 are attributable to current activities of the committee. If the so-called annual savings are considered on a 10-year basis, the total would be well over $1 billion.

Under Congressman DAWSON, the committee has established five regular subcommittees which cover the entire range of Federal activities. The committee also has the duty of receiving and examining all reports of the Comptroller General of the United States and of submitting recommendations to the House with respect to those reports, of studying the operation of the Government agencies at all levels with a view to determine their economy and efficiency and of studying intergovernmental relations between the United States and the States and municipalities and between the United States and international organizations. The committee report shows that acting under this broad authority the committee has examined into every niche and cranny of Federal operations. As a matter of fact, a great deal of the committee's work is done on a more or less informal basis in working out problems with Federal agencies. The smaller percentage of its work is embodied in the 12 reports it issued formally in the first session of the 86th Congress and in the 14 legislative measures it reported to the House floor.

The committee's September 1959 report on the organization and management of missile programs presents for the first time in a public document a comprehensive and systematic account of the major missile programs in the United States. It examines the Department of Defense agencies and organizations for top-level direction of the missile program, the field agencies and operations of the three military departments in this area, and procurement and management methods. It gives particular attention to the background of the Air Force program and of the rule of two private advisory firms as technical managers of the programs.

The committee also issued a report on civil defense in Western Europe and in the Soviet Union in April 1959. This report, another first, brings together a systematic account of the civil defense activities of eight NATO allies (Great Britain, France, Germany, Denmark, Norway, the Netherlands, Belgium, and Italy), two neutrals (Sweden and Switzerland), and the Soviet Union. The report also discusses the strategic implications of civil defense, including questions of deterrent capabilities, survival after attack, and the considerable effect of the civil defense measures which have been undertaken in the Soviet Union.

In the field of foreign operations, the committee issued a report in June on U.S. aid operations in Laos. The report uncovered inflation and profiteering following U.S. aid and considered that the Laos aid program was inadequate in effectiveness, scope, and, in fact, a number of demonstrated instances were tainted with corruption.

NEGRO JUDGES TOTAL 54

All Negro judges in the United States number only 54 of the more than 7,000 judges in Federal and State judiciaries. U.S. Federal, 4; New York, 15; California, 6; Illinois, 4; Pennsylvania, 4; Michigan, 3; Ohio, 3; Washington, D.C., 2; Maryland, 2; Missouri, 2; Massachusetts, 2; New Jersey, 2; Washington, 1; Indiana, 1; Connecticut, 1; Florida, 1; and Iowa, 1.

In New York 15 judicial salaries total $342,500 annually. In Illinois four judicial salaries total $88,500 annually.

In New York nine judges are elected for 14 year and 10 year terms, respectively.

Supreme court: Appellate Division Judge Harold A. Stevens, $34,500, 1969.

Court of general sessions: Judge Thomas Dickens, $34,500, 1970.

City court: Judge Francis E. Rivers, $25,000, 1963. Judge Darwin W. Telesford, $25,000, 1969.

Municipal court: Judge Amos E. Bowman, $19,000, 1970. Judge Lewis S. Flagg, $19,000, 1963. Judge Oliver D. Williams, $19,000, 1966. Judge Franklin W. Morton, $19,000, 1968. Judge Harrison S. Jackson, $19,000, 1970.

Judges appointed by the mayor of the city of New York for 10-year terms are:

Domestic relations court: Judge Jane M. Bolin, $21,500, 1969. Judge Myles A. Paige, $21,500, 1968. Judge Edward R. Dudley, 1965, recently appointed borough president of Manhattan.

City magistrate courts: Judge Kenneth M. Phipps, $18,000, 1966. Judge Walter E. Gladwin, $18,000, 1967. Judge Maurice W. Gray, $18,000, 1970.

In Illinois four CCBA judges are elected for 6 years. Two superior court judges elected by Cook County at $25,500 and two municipal court judges elected by the city of Chicago at $19,000 annually. They are:

Superior court of Cook County: Judge Fred W. Slater, 1965. Judge James B. Parsons, 1963.

Municipal court of Chicago: Judge Henry C. Ferguson, 1962. Judge Sidney A. Jones, Jr., 1966.

In 1960 CCBA members elected or appointed to Federal public office are:

U.S. House of Representatives: WILLIAM L. DAWSON, Congressman, second ward committeeman.

U.S. Federal judges: Judge Irvin C. Mollison, U.S. Customs Court. Judge Herman E. Moore, retired, U.S. District Court, Virgin Islands.

House Committee on Government Operations: Elmer E. Henderson, assistant attorney.

President's Committee on Employment: Archibald J. Carey, Jr., chairman.

U.S. district assistant attorneys: James B. Parsons (resigned), James D. Montgomery (resigned).

Internal Revenue Service assistant attorneys: Charles E. Lomax, James E. Caldwell, and Michael Lowe.

National Labor Relations Board: Assistant Attorney Norbett Rayford.

Assistant to Congressman BARRATT O'HARA: Russell R. DeBow.

Seven new Negro State judges were elected and appointed in Illinois, New Jersey, California, and New York in 1960. In New Jersey Gov. Robert B. Meyner appointed Judge Roger M. Yancey as the first Negro judge in the history of New Jersey. He was recently upgraded from the superior court of Newark by Governor Meyner to serve as presiding judge of the Essex County court. In December 1960 Governor Meyner appointed assistant prosecutor for Camden County Edward A. Reid as judge of the new juvenile and domestic relations court of Camden County. Judge Reid, 58, is the second Negro judge in New Jersey history.

In California, Gov. Edmund G. Brown appointed Judge John D. Bussey to the municipal court in San Francisco, Calif. He was recently named as presiding judge of the municipal court of San Francisco. Judge Lionel J. Wilson, 45, was appointed to the municipal court bench in Oakland-Piedmont by Governor Brown. This brings the number of judges to six in California. Judges Edwin Jefferson and Bernard Jefferson, circuit court, Judges David Williams and Thomas L. Griffith, municipal court, Los Angeles, Calif.

In Pennsylvania, Judge Juanita Kidd Stoute became the first Negro woman elected a judge in U.S. history as judge of the municipal court, Philadelphia. She succeeds to the vacancy created by the death of the first Negro judge in Philadelphia, Judge Herbert Millen. Judge Raymond Pace Alexander was elected to the court of common pleas. Judge Theodore Spaulding and U.S. Judge William H. Hastie of the Third Circuit Court of Appeals brings the total number of judges in Philadelphia to 4.

Mr. O'HARA of Illinois. In New York with 15 Negro judges, Judge Samuel Pierce, who had been appointed judge of the court of special sessions, was defeated by a white sitting judge by a very narrow margin in the Democratic landslide in Harlem. Judge Harrison S. Jackson was elected to the 10th municipal court district of New York for a 10-year term, defeating Judge Herman C. Stoute. Judge Amos E. Bowman was elected to a 10-year term after a temporary appointment by Mayor Robert Wagner early last year.

In Illinois Judge James B. Parsons was elected to the superior court of Cook County to fill the vacancy created by the death of Judge Grover C. Niemeyer to become the second Negro judge on the superior court. Judge Fred Slater was elected in 1959 to become the first Negro superior court judge. Judge Sidney A. Jones, Jr., was elected to a 6-year term on the municipal court of Chicago to succeed Judge Fred Slater; Judge Henry C. Ferguson of the municipal court brings the total number of Illinois Negro judges to four, the highest number in Illinois history.

In Massachusetts Judge Elwood S. McKinney, chief secretary to Gov. Foster Furcolo, was confirmed as judge of Roxbury district court, Boston.

OPPOSITION TO THE BACK-DOOR SPENDING APPROACH OF PRESIDENT KENNEDY'S FOREIGN AID PROPOSAL

Mr. PELLY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. PELLY. Mr. Speaker, I want to speak briefly regarding the proposal of President Kennedy for a 5-year $7.3 billion new foreign aid program. As my colleagues are aware, this plan calls for direct borrowing from the Federal Treasury without any annual review or approval of the House Committee on Appropriations.

This back-door provision in the Kennedy administration request will be welcomed, of course, by opponents of foreign aid. Here is a natural situation for an organized coalition between them and those who strongly oppose expenditures which bypass the appropriations procedure.

Mr. Speaker, I have indicated to the distinguished chairman of the Committee on Foreign Affairs that many of us who constitute a nonpartisan anti-back-door spending group will vigorously fight any bill that authorizes financing of a program by public debt transaction. Indeed, Mr. Speaker, I predict the defeat of any such type of foreign aid legislation and that would be all right with me, but actually consideration of each issue on its own merits is a more responsible way to legislate.

I am confident an anti-back-door spending resolution such as recently was bottled up by the Committee on Rules would pass on its own merit if it could be brought to the floor.

Pending such determination, those of us who favor such a resolution must meet the issue as best we can. In this connection, the foreign aid authorization would make a prime target. If necessary, it will be made such a target.

However, first I intend to express my views against financing outside of the appropriations procedure to the Committee on Foreign Affairs. Afterward, and if necessary, the fight I am sure will be continued on this floor.

PROVIDENCE COLLEGE

Mr. ST. GERMAIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. ST. GERMAIN. Mr. Speaker, it is with a great deal of pride and satisfaction that I rise to pay tribute to my alma mater, Providence College, which on Saturday, March 21, 1961, won the National Invitation Basketball Tournament championship.

At a time when so much stress is being placed upon the quality of our educational system, pro and con, it is indeed encouraging to witness the marvelous work being done by one of our smallest colleges in developing both the minds and physical fitness of her young men.

Reverend Father Slavin, president of Providence College, is very highly regarded in educational circles, and has been unceasing in his efforts to establish and maintain Providence College as a leader in liberal arts education.

The emphasis is on intellectual development, but Saturday's performance by the basketball team is ample proof that good intellectual training carries over to athletics.

Anyone who saw, or read about, the tournament games could not help but be impressed by the splendid physical fitness, courage, and teamwork displayed by the Providence College aggregation.

Their performance on the basketball court is a tribute to their coach, Joe Mullaney, and their instructors, and should make us happy in the realization that those who are to follow us are being so well trained.

Their fine spirit of teamwork when the going was tough should be an inspiration to all of us.

Their heartbreaking defeat of last year provided the incentive leading to this year's great victory.

Well done, Providence College.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. ST. GERMAIN. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. I am very happy to join with my friend from Rhode Island in congratulating Providence College on the great victory that its basketball team had in winning the National Invitation Tournament.

Providence College has a student body of 2,100 students. Father Slavin, the president of Providence College is a very close and dear and valued friend of both Mrs. McCormack and myself, and he comes from my congressional district. I congratulate Father Slavin as president of Providence College and by so doing, I congratulate also the other fathers and lay members of the faculty, the student body and, particularly, the members of the basketball team which in winning this national championship brings such great credit and glory to their college. This victory shows what a small college can do when they have the spirit that they showed in the National Invitational Tournament that took place last week. I join my friend, the gentleman from Rhode Island [Mr. ST. GERMAIN] in expressing my pleasure at this time because Providence College has conferred an honorary degree upon me. I might also point out, Mr. Speaker, that the team which finished third, Holy Cross College, is also to be congratulated and I am very happy that Holy Cross

finished third because that college also has conferred upon me an honorary degree.

The SPEAKER. The time of the gentleman from Rhode Island has expired.

Mr. ST. GERMAIN. Mr. Speaker, I ask unanimous consent to proceed for 1 additional minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. BOLAND. Mr. Speaker, will the gentleman yield?

Mr. ST. GERMAIN. I yield to the gentleman from Massachusetts.

Mr. BOLAND. Mr. Speaker, I join my colleague, the gentleman from Rhode Island in complimenting the victorious Providence College team. This is a great basketball team. It comes from a small State—it is a small college but like the State itself, it has accomplished great things in the past. I am sure it will accomplish great things in the future. I join my colleague, the distinguished leader from Massachusetts, in singling out Providence College as a great educational institution, which not only excels in the sport field, but in the academic field as well.

AN URGENT PLEA FROM THE HEART OF AMERICA

Mr. RIEHLMAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the body of the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. RIEHLMAN. Mr. Speaker, I recently received from a mother in Memphis, N.Y., a letter which seemed to express so well the feelings which I know millions of Americans share, and which asked in such sincere terms the questions these people would like answered, that I requested the permission of the writer to make it available for all of my colleagues to read. She kindly consented.

In so many words, this letter asks that we stop and take stock of our direction. It asks that when we consider the vast undertakings of Government in the field of social welfare, we also consider their impact on the people in this country who support them.

The Federal Government does not create or produce the wealth to support these undertakings. The Government can only spend what it first takes in taxes from the people, or what it first borrows from the people. And this mother is only asking that the people be given some consideration.

I will speak no further about this letter. It speaks eloquently for itself. I would respectfully suggest that a moment's reflection on its meaning would be a moment well spent for all of us.

Under unanimous consent I insert the letter at this point in the RECORD:

Hon. R. WALTER RIEHLMAN,
House of Representatives,
Washington, D.C.

DEAR SIR: Please permit me the opportunity of voicing my opinion as a devoted American citizen who holds her country in the highest regard and respects the lawmakers whom we have chosen to make the final decisions for us.

Many families within our income bracket—which lies in the $6,000 to $7,000 a year category—are becoming increasingly alarmed at the degree to which the steady, hard-working family man is being overlooked and overburdened.

Where unemployment insurance is concerned, I'm sure there are many thousands who desperately want to work and are sincere about it. By the same token, there are those who are making a good thing of it. In two instances I know of, to give an example, the men work 6 months of the year and draw unemployment benefits the other 6. When they file their income tax they receive a refund for the full amount they paid in during the time they worked. Which means that they as American citizens share the same privileges as we do and it costs them little or nothing.

These things are causing much discouragement and feeling of despair among those who are diligent workers and family men striving to make a decent living and provide a comfortable home for their wives and children. In fact the slogan seems to be—"The only way to get along is to draw unemployment or retire."

While President Kennedy is endorsing billions of dollars for overseas relief, he also is forcing the American mothers out of their homes and into jobs, not for luxuries but just to meet everyday living expenses. At the same time, he states juvenile delinquency is a problem for the parents to solve, and this can only be done with love and affection and the security of a mother who's there when she's needed.

I sincerely hope this letter will be taken with the good intentions it has been written. Constant strain and financial worry is causing the morale of the "heart" of America to drop lower and lower.

As the mother of three boys I can honestly say it hurts when your son asks to go to a Saturday afternoon movie or to join Boy Scouts or the "Y" and you have to refuse because there isn't a spare dollar.

Are the union officials speaking for us? Do they voice the opinion of the men they represent or do they have their own selfish reasons? So many questions are left unanswered. Why not consult the people themselves?

The question foremost in our minds regarding the burden facing us now and in the foreseeable future is "Are we being penalized for working?"

When a conscientious, family-loving, devoted American workingman comes home at night and says, "It's getting to the point where it is a waste of time to work" it's quite an alarming situation.

Perhaps this situation is one Washington is not aware of and if so would it not be wise to give a little consideration to this situation? While we realize the numerous deductions withheld from each weekly pay check, for the most part, are necessary and for our benefit, we seem to have little to say as to the percentage of these deductions. At the present time, my husband contributes $3.60 per week to FICA and by 1963, if President Kennedy's plan is accepted, will increase to about $6.50, roughly. He averages about 10 cents per hour increase yearly which we barely realize when the cost of living, increased taxes, etc., are considered.

While we are so busy taking care of the aged, unemployed, etc., we are struggling to meet our own personal obligations.

Might we have some assurance that our efforts are not futile?

I sincerely thank you for this opportunity to speak for the forgotten ones and hope our future may be brighter because of it.

Yours truly,

——— ———.

HIGHWAY FINANCING PROPOSALS

Mr. RIEHLMAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minue and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. RIEHLMAN. Mr. Speaker, I have introduced two bills embodying what I feel is a realistic and fair solution to the problem of financing completion of the Interstate Highway System.

The major features of these bills are as follows: First, plan for completion of construction by 1975, 3 years beyond the present target date; second, continue the present 4-cents-a-gallon tax on gasoline and diesel fuel for 1 more year; third, establish the tax on gasoline and diesel fuel at 3¼ cents a gallon from July 1, 1962, through the completion date of the program; fourth, authorize the appropriation of $2.1 billion a year for interstate construction for fiscal years 1963 through 1974; fifth, waive the operation of the Byrd pay-as-you-go amendment by providing that the authorized amount be apportioned to the States each year regardless of whether highway trust fund revenues fall below or exceed that amount—in lean years the necessary funds would be advanced from the general fund and in later years, when revenues exceed expenditures, these advances would be repaid with interest; sixth, provide for a nonrepayable annual appropriation from general revenues of $52.5 million for fiscal years 1962 through 1974. This would amount to roughly $735 million over the life of the program, compared with a total cost of completion of slightly in excess of $44 billion. The total percentage of completion costs borne by general revenues would be 1.6 percent; and, seventh, repeal the scheduled 3-year diversion to the trust fund of the excise taxes on automobiles, parts, and accessories.

EXTENSION OF COMPLETION DATE

Although I believe the Interstate Highway System must be completed within a reasonable period of time, I do not recognize any pressing need to maintain this steadfast adherence to the 1972 target date. The feeling seems to be that the system must be completed on target date no matter what it costs the American people in taxes. Congress has had to make several adjustments in the program since its inception, and we have always forced the taxpayer to do the adjusting, never the program itself. I think it is time we achieved some balance between these interests.

Under the 3-year extension which I have in mind, the final apportionment would be made to the States in the second half of calendar year 1972. The States could then proceed to completion of the program as fast as their own resources would permit.

ADJUSTMENT OF TAX LEVELS

I would like to see the taxes on gasoline and diesel fuel reduced to 1956 levels, but the Department of Commerce estimates submitted to Congress in January

indicated that completion of the interstate program would require $9.74 billion in additional revenues over and above those provided by the 1956 tax structure. In view of this, I think it is unrealistic to continue working for a return to 1956 levels.

I feel that the 4-cent gasoline tax should be continued through fiscal 1962 to lessen the impact on a budget which we already know will probably be out of balance. Both the Eisenhower and the Kennedy budgets have been submitted to Congress. Extensive plans having already been made for spending 1962 revenues. I would want to keep any additional burden on those revenues at a minimum. The budgets for years after 1962 could then take the further reductions into account. As it stands now, with a 4-cent gasoline and diesel fuel tax, trust fund revenues and expenditures will just about balance out in fiscal 1962.

The 3½-cent gasoline and diesel tax for the years following 1962 represents what I feel is a reasonable tax responsibility for the highway user to carry, based on the added cost of completing the program and the desire that such completion should not be postponed for more than 3 years.

WAIVER OF BYRD AMENDMENT

The Byrd amendment requires that the program pay its own way during each year of its lifetime. This amendment has resulted in a degree of uncertainty among the States. A State does not know what to expect from the program from one year to the next, and it can never be certain that there will be money in the highway trust fund to meet the Federal Government's obligations.

The interstate apportionment has varied as much as $700 million from one year to the next, a change of some 30 percent. This sort of fluctuation does not contribute a great deal to stability of employment, construction operations, equipment requirements, or planning in general.

I would much prefer to see a level of apportionments that would remain stable throughout the duration of the program. To make this possible, it would be necessary to advance money from the general fund to the trust fund in years when trust fund revenues did not meet expenses, and to repay those advances when revenues exceeded expenditures. We would be injecting the elements of certainty, dependability, and stability into the program and at the same time insuring that costs and revenues would balance out, not necessarily in every year of the program, but over the lifetime of the program. This was the original intent of the Congress when the program was initiated, and I believe we should reevaluate our financing methods in light of a possible return to that original intent.

USING GENERAL REVENUES

The Department of Commerce in assessing the allocation of costs for the program, stated that 8 percent of the program's benefits accrue to others than those whose taxes now finance the trust fund. Although this estimate is open to some question, I think it is widely agreed that the interstate highway program is beneficial to our national defense and has an important impact on our economic health. There are other indirect benefits accruing to nonhighway users that are too numerous to mention. These benefits cannot be easily measured but they can certainly be said to justify assigning the general revenues a portion of the responsibility for financing the cost of the Interstate System.

To continually justify the interstate program on the basis of its importance to national security and economic health, as well as its contribution to convenience and safety, and at the same time to continue sparing the nonhighway users the responsibility for supporting the program, is to be a little bit inconsistent.

FISCAL POLICY OF THE NEW FRONTIER: HIGHER INTEREST RATES

Mr. CURTIS of Missouri. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CURTIS of Missouri. Mr. Speaker, I take this time to call the attention of the House to the offer of the Treasury Department last Friday to swap intermediate term Federal bonds at 3⅜ and 3⅝ percent for short-term bonds of 2¼ and 2⅝ percent. This advanced refunding is good fiscal procedure and a procedure pioneered by the Eisenhower administration last summer with success. I call attention to this matter because it is the second positive step the Kennedy administration has taken to increase interest rates. Where are the campaign promises of yesteryear?

FEDERAL AID TO EDUCATION

Mr. LINDSAY. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. TEAGUE] may extend his remarks at this point in the body of the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. TEAGUE of California. Mr. Speaker, under leave to extend my remarks, may I call attention of my colleagues in the Congress to a letter just received from my constituent, Mr. Lewis E. Kimball, Jr., headmaster of Crane Country Day School, Santa Barbara, Calif.

MARCH 23, 1961.

Hon. CHARLES M. TEAGUE,
House of Representatives,
Washington, D.C.

DEAR SIR: The matter of Federal aid to education, currently much in the local press, is now before Representative ADAM CLAYTON POWELL's committee. It may be of help to that committee to have before it the statement of position taken by the California Association of Independent Schools. This statement was drawn up in response to an earlier attempt to introduce tax support of independent schools, and I have no reason to believe that the opinion of the members has changed since that time. I am enclosing a directory so that the association may be more closely identified.

The following is the policy statement regarding tax support of independent schools adopted by the CAIS May 4, 1956:

"POLICY ON TAX SUPPORT OF INDEPENDENT SCHOOLS

"Independent school initiative and enterprise contribute vitally to the growth of American education. This contribution is made possible chiefly through the freedom of independent schools from those regulations and controls which are inherent in and essential to tax-supported institutions. If their historic role in educational development is to continue, independent schools must maintain freedom to explore new methods and to evolve new patterns.

"It is our belief that the particular contribution of the independent school would be lost if any part of its educational program were financed directly through public taxation; therefore, we are opposed to either Federal or State direct support of nonpublic schools.

"Approved May 4, 1956."

Very truly yours,

LEWIS E. KIMBALL, Jr.,
Headmaster.

A HABITUAL CRIMINAL, POTENTIAL KILLER, ROAMED THE CAPITAL'S STREETS—WHY?

The SPEAKER. Under the previous order of the House the gentleman from Michigan [Mr. HOFFMAN] is recognized for 5 minutes.

Mr. HOFFMAN of Michigan. Mr. Speaker, when I came over to the House one day last week I counted 15 policemen out in front of the Capitol. I suppose they are trying to find parking places for Members of the House and the press.

The thing that worries me, however, is the lawlessness that prevails in the District—the lack of protection on our streets. The fact that this Dallas Williams who has a police record of 100 entries on the police docket, a man who was convicted of manslaughter several years ago, is back in circulation, killed two more men the other day.

What I am trying to bring out is that it is a little difficult to understand, Mr. Speaker, the thinking of our legal experts, the judges, the lawyers, and our so-called mental experts, working together keep this fellow out. Think it over a little bit and see if we should not do something about revising our criminal code, insist on better enforcement—a little protection for the public, a little less concern about the criminal individual. As I understand the situation now, if I am mentally ill, and shoot you when I am a little peculiar mentally, it is my privilege to go to St. Elizabeths for a few months and when the doctors out there say I am sane again, let me out to kill another individual.

That is what it all boils down to. That is the way it is according to the press.

Mr. Speaker, Congress and certain groups seem greatly concerned with protecting people throughout the world from a denial of what some term civil rights. We make vigorous and persistent efforts to assure freedom to individuals wherever, if they live beyond the borders of the continental United States, they may live, to teach them

how and insist that they shall comply with our standards of living, willy-nilly, whether that is what they want or do not want.

Here at home, our so-called top intellectuals, if results alone are considered, seem determined to guarantee freedom of action to criminals. It is absurd to even suggest that such is their purpose, but such is sometimes the result of their actions.

Nor would it be fair to suggest that our legalistic experts and those who determine who is or is not sane are so dumb they do not know what they are doing, but somewhere along the line there is a flaw in the procedure which should protect the average American from lawlessness, sometimes death.

Some time ago, in one of our subcommittee hearings, questioning one of these so-called experts, in answer to my questions, he finally got around to accepting the thought that anyone who did not agree with his opinions or conclusions was a little bit off mentally—his mental health somewhat impaired.

Reading some of the more recent decisions of our courts and the testimony of our experts on mentality, it appears that individuals in the three groups, that is, judges, lawyers, and psychiatrists, now agree that those who disagree with the latter group are suffering from some mental disease, and therefore, temporarily should be incarcerated in St. Elizabeths or some similar institution, and then shortly turned loose on the public.

These thoughts, which at first glance seem absurd, are given utterance because of the story carried in the Washington Star on the 16th of March, last. Pertinent parts of that article read:

Dallas O. Williams, the notorious "Bad Man of Swampoodle," whose violence-packed police record dates back 28 years, last night shot one man to death and critically wounded another, Washington police said.

Homicide squad detectives charged Williams, 46, one of the central figures in the debate over local insanity laws, with fatally wounding Robert L. Watson, 40, a gas station attendant, and wounding Hazel Ross, 48, another attendant, in a fracas at a Northwest gas station. The three men are colored.

* * * * *

WARNING BY PSYCHIATRIST

Two years ago, when Williams was released after a protracted series of court battles and sanity hearings, a psychiatrist warned: "It should be kept in mind that he is potentially definitely dangerous to others, and once released, is likely to repeat his patterns of criminal behavior, including homicide."

* * * * *

Williams' police record, which numbers more than 100 entries, dates back to 1933 and includes a 1936 manslaughter conviction.

* * * * *

In the District, Williams' record dates back to 1940. As recently as last January, he was back in police custody on a charge of assaulting a 42-year-old man with a lead pipe. The charge was dropped on January 19 when the assault victim refused to testify against Williams.

RELEASE WAS DISPUTED

Williams' controversial 1958 release came on a U.S. court of appeals ruling which climaxed a series of five trials for the same offense—the shooting of a man during a dice game in September 1949. Williams was convicted three times and there were two mistrials.

Williams was indicted for the dice-game shooting in November 1949. His first conviction was reversed because of a prosecution error. His second and third trials were ruled to be mistrials. At the third trial, in 1953, psychiatrists testified Williams was then insane.

He was committed to St. Elizabeths Hospital in July 1953, but was discharged as cured the following September. In December of that year, however, he was tried for the fourth time on the assault charge. In January 1954, he was sentenced to 3 to 9 years in jail.

THIRD CONVICTION REVERSED

In April 1955, Williams was found to be insane after jail officials requested he be given a mental examination. The court of appeals, 16 days later, reversed the 1954 sentence and conviction because the judge had denied a request for a mental examination.

The appellate court sent the case back to District court for a new trial. Williams, however, was back in St. Elizabeths. He was released on bail in December 1955, after psychiatrists said he was cured. The fifth trial began almost immediately and Williams was convicted for the third time. He was sentenced in May 1956, to a term of 1 to 3 years in prison.

The third conviction was appealed and on November 1, 1957, the U.S. Court of Appeals again reversed the conviction, saying Williams did not get a speedy trial.

Despite the reversal, the appellate judges, apparently not wishing to see Williams freed, suggested that the Government seek to have Williams committed to a mental institution in civil proceedings. This was done and in January 1958, Chief Judge Bolitha J. Laws of District court ordered Williams committed pending a report on his condition from the Mental Health Commission.

POTENTIAL DANGER CITED

Ten days before the commitment, two Government psychiatrists had examined the ex-convict. They said he was not insane but agreed that he was a potential danger to the community.

Nevertheless, Williams walked out of the U.S. courthouse here on January 14, 1958, after his release from St. Elizabeths was ordered by Federal Judge Richmond B. Keech. Judge Keech's ruling was upheld by the court of appeals on grounds that there was no verified allegation that Williams was then insane.

Within 3 weeks of his release, he was back in police custody, on a drunkenness charge. At 2 a.m. on February 2, 1958, the "bad man" was arrested and accused of being drunk and yelling at Kenilworth and Jay Streets NE.

Williams posted $10 collateral and was released, but 2 days later was jailed when Municipal Court Judge Thomas C. Scalley issued a court attachment for his arrest. Judge Scalley's commitment of the prisoner to St. Elizabeths for mental observation triggered another lengthy round of appeals and hearings.

In July 1958 Judge Scalley found Williams not guilty because of insanity. The following February, a year after the drunk charge was placed, Williams was again freed. The Municipal Court of Appeals had ruled that he was wrongly committed in what amounted to a "sanity inquisition."

Thus, in February 1959 Judge Scalley, in accordance with the appellate ruling, accepted Williams' guilty plea in the drunkenness case and sentenced him to 30 days in jail. Williams was released because he was credited with time already spent in jail.

The legal machinery that Williams extricated himself from so often in the past is grinding slowly, carefully, today.

HOUSE RESOLUTION 211: SPECIAL COMMITTEE ON CAPTIVE NATIONS

The SPEAKER. Under the previous order of the House the gentleman from Pennsylvania [Mr. FLOOD] is recognized for 30 minutes.

Mr. FLOOD. Mr. Speaker, on March 8, 1961, I had the pleasure of introducing a resolution calling for the establishment of a Special Committee on Captive Nations. The discussion on the subject of "Russian Colonialism and the Necessity of a Special Captive Nations Committee—CONGRESSIONAL RECORD, March 8, 1961, pages 3518–3543—was the occasion for it. Over 20 Members contributed valuably to this discussion which was one of the most illuminating in my experience. However, for some reason the full text of my resolution did not appear.

The response to House Resolution 211 has been tremendously enthusiastic. To meet the growing inquiries into the textual contents of the resolution, I ask permission that the measure be printed at this point in the RECORD in full:

Whereas on the issue of colonialism the blatant hypocrisy of imperialist Moscow has not been adequately exposed by us in the United Nations and elsewhere; and

Whereas two Presidential proclamations designating Captive Nations Week summon the American people "to study the plight of the Soviet-dominated nations and to recommit themselves to the support of the just aspirations of the people of those captive nations"; and

Whereas the nationwide observances in the first anniversary of Captive Nations Week clearly demonstrated the enthusiastic response of major sections of our society to this Presidential call; and

Whereas following the passage of the Captive Nations Week resolution in 1959 by the Congress of the United States and again during the observance of Captive Nations Week in 1960, Moscow displayed to the world its profound fear of growing free world knowledge of and interest in all of the captive nations, and particularly the occupied non-Russian colonies within the Soviet Union; and

Whereas the indispensable advancement of such basic knowledge and interest alone can serve to explode current myths on Soviet unity, Soviet national economy and monolithic military prowess and openly to expose the depths of imperialist totalitarianism and economic colonialism throughout the Red Russian Empire, especially inside the so-called Union of Soviet Socialist Republics; and

Whereas for example, it was not generally recognized, and thus not advantageously made use of, that in point of geography, history, and demography, the now famous U–2 plane flew mostly over captive non-Russian territories in the Soviet Union; and

Whereas in the fundamental conviction that the central issue of our times is imperialist totalitarian slavery versus democratic national freedom, we commence to win the psychopolitical cold war by assembling and forthrightly utilizing all the truths and facts pertaining to the enslaved condition of the peoples of Poland, Hungary, Lithuania, Ukraine, Czechoslovakia, Latvia, Estonia, White Ruthenia, Rumania, East Germany, Bulgaria, mainland China, Armenia, Azerbaijan, Georgia, North Korea, Albania, Idel-Ural, Tibet, Cossackia, Turkestan, North Vietnam, and other subjugated nations; and

Whereas the enlightening forces generated by such knowledge and understanding of the

fate of these occupied and captive non-Russian nations would also give encouragement to latent liberal elements in the Russian Soviet Federative Socialist Republic—which contains Russia itself—and would help bring to the oppressed Russian people their overdue independence from centuries-long authoritarian rule and tyranny; and

Whereas these weapons of truth, fact, and ideas would counter effectively and overwhelm and defeat Moscow's worldwide propaganda campaign in Asia, Africa, the Middle East, Latin America, and specifically among the newly independent and underdeveloped nations and states; and

Whereas it is incumbent upon us as free citizens to appreciatively recognize that the captive nations in the aggregate constitute not only a primary deterrent against a hot global war and further overt aggression by Moscow's totalitarian imperialism, but also a prime positive means for the advance of world freedom in a struggle which in totalistic form is psychopolitical; and

Whereas in pursuit of a diplomacy of truth we cannot for long avoid bringing into question Moscow's legalistic pretensions of "noninterference in the internal affairs of states" and other contrivances which are acutely subject to examination under the light of morally founded legal principles and political, economic, and historical evidence; and

Whereas in the implementing spirit of our own congressional Captive Nations Week resolution and the two Presidential proclamations it is in our own strategic interest and that of the nontotalitarian free world to undertake a continuous and unremitting study of all the captive nations for the purpose of developing new approaches and fresh ideas for victory in the psychopolitical cold war: Now, therefore be it

Resolved, That there is hereby established a committee which shall be known as the Special Committee on the Captive Nations. The committee shall be composed of ten Members of the House, of whom not more than six shall be members of the same political party and of whom five shall be members of the Committee on Foreign Affairs, to be appointed by the Speaker of the House of Representatives.

SEC. 2. (a) Vacancies in the membership of the committee shall not affect the power of the remaining members to execute the functions of the committee, and shall be filled in the same manner as in the case of the original selection.

(b) The committee shall select a chairman and a vice chairman from among its members. In the absence of the chairman, the vice chairman shall act as chairman.

(c) A majority of the committee shall constitute a quorum except that a lesser number, to be fixed by the committee, shall constitute a quorum for the purpose of administering oaths and taking sworn testimony.

SEC. 3. (a) The committee shall conduct an inquiry into and a study of all the captive non-Russian nations, which includes those in the Soviet Union and Asia, and also of the Russian people, with particular reference to the moral and legal status of Red totalitarian control over them, facts concerning conditions existing in these nations, and means by which the United States can assist them by peaceful processes in their present plight and in their aspiration to regain their national and individual freedoms.

(b) The committee shall make such interim reports to the House of Representatives as it deems proper, and shall make its first comprehensive report of the results of its inquiry and study, together with its recommendations, not later than January 31, 1962.

SEC. 4. The committee, or any duly authorized subcommittee thereof, is authorized to sit and act at such places and times within or outside the United States to hold such hearings, to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, and to take such testimony as it deems advisable.

SEC. 5. The committee may employ and fix the compensation of such experts, consultants, and other employees as it deems necessary in the performance of its duties.

Mr. Speaker, I wish also to take this occasion to introduce into the RECORD one of the first statements of support for House Resolution 211. It was issued in behalf of the National Captive Nations Committee, Inc., by Dr. Lev E. Dobriansky, of Georgetown University, the chairman of this national organization. As many of us know, this committee consists of hundreds of outstanding American citizens drawn from almost every State in the Union and representing education, labor, management, religious and many other institutions of our society.

I am indeed happy that the National Captive Nations Committee, Inc., expresses its support of House Resolution 211. The contents of its statement will be of interest to all Members who took part in the House discussion of March 8. The statement offers some concrete reasons for the necessary passage of the resolution. I request that this statement be printed in full at this point in the RECORD:

NATIONAL CAPTIVE
NATIONS COMMITTEE, INC.,
Washington, D.C., March 24, 1961.

The Honorable DANIEL J. FLOOD,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN: The nationwide membership of the National Captive Nations Committee, Inc., cannot thank you enough for your vision, leadership and initiative in introducing House Resolution 211, establishing a Special Committee on the Captive Nations. We support it wholeheartedly and shall use every means to inform all sectors of our society on the necessity of the passage of this far-seeing measure.

I take this opportunity to express our deepest esteem and gratitude to all Members of Congress who joined with you in the discussion of this vital subject on March 8. To Representatives MCCORMACK, MACGREGOR, SCRANTON, PUCINSKI, ELLSWORTH, O'HARA, BRUCE, LANE, HALPERN, STRATTON, SCHWENGEL, DERWINSKI, TOLL, GOODLING, SCHNEEBELI, RODINO, RYAN, SHELLEY, CUNNINGHAM, FARBSTEIN, MOORHEAD, and FEIGHAN we offer our heartiest congratulations on their fine statements in the House that day. We also extend them to Representatives LESINSKI, COLLIER, CONTE, and MARTIN for their splendid individual statements on the captive nations. And as we support House Resolution 211, we naturally support also House Resolutions 212, 213, and 214 submitted respectively for the same purpose by Representatives PHILBIN, RODINO, and STRATTON.

With the passage of this resolution our Congress would make one of the most vital contributions to both the security of this Nation and the freedom of mankind. And the reasons for this are plain:

1. The resolution seeks the first concrete implementation of the Captive Nations Week resolution passed by Congress in 1959. We all know by sheer demonstration how fearful Khrushchev and the Moscow colonial clique is of that resolution;

2. House Resolution 211 is realistically based on the aggregative concept of the captive nations—meaning those inside the U.S.S.R. as well as outside—and emphasizes the strategic importance of all these nations both for cold and hot war purposes. Given the facts about the captive nations in the aggregate, the American people will quickly realize that colonial Moscow can least afford a hot war and is most vulnerable in the cold war. Our people will also come to realize that it will require comparatively little to defeat the cold war objectives of Moscow;

3. The studies, facts, and truths educed by a Special Committee on Captive Nations would give the constant lie to the propagandized and overblown Russian image, particularly in the underdeveloped areas of Africa, Asia, and Latin America;

4. The committee proposed by House Resolution 211 would at last fill a hazardous gap in our official and private facilities by providing systematic, objective, and continuous studies of all the captive nations, especially those in the U.S.S.R. Nowhere is there any agency, public, or private, performing this essential task; and

5. As the resolution states, the work of the committee would serve as an indispensable reservoir of new dimensions of thought, of new and fresh ideas, of solid and grounded recommendations for positive and constructive action against the traditional imperialism and colonialism of Moscow. It is pitiful that even now we are forsaking many opportunities in the U.N. and elsewhere in the cause of freedom.

It is scarcely necessary to point out that the crucial subject of the captive nations in the aggregate deserves and warrants the type of sustained study and investigation sought by your resolution. We earnestly hope that reason rather than shock treatments of further Red totalitarian conquests in Asia and elsewhere will guide us to do those things that are long overdue. In this war for the minds of men a Special Committee on Captive Nations is a necessity.

With our warmest compliments on your vision and foresight and best personal wishes, I am,

Sincerely yours,

LEV E. DOBRIANSKY,
Chairman.

CIVIL WAR CONTROVERSY

Mr. ST. GERMAIN. Mr. Speaker, I ask unanimous consent that the gentleman from New Jersey [Mr. ADDONIZIO] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. ADDONIZIO. Mr. Speaker, it is gratifying that the efforts to insure equal treatment of delegates to the fourth assembly of the Civil War Centennial Commission in Charleston next month have apparently been successful. It is most regrettable that the meeting place of the assembly had to be changed in order to provide suitable accommodations for persons assembled to commemorate the Civil War which upheld the principles of human freedom and equality. As the Washington Post stated in an editorial this morning:

> To observe this centennial by humiliating some Americans because of the color of their skin would be a hideous blasphemy.

I am grateful to the President and to those members of the National Civil War Centennial Commission who shared my concern about the principles at stake in the issue. I should like, too, to pay

tribute to the New Jersey Civil War Centennial Commission for its resolute refusal to submit to the discriminatory racial policies decreed by the executive committee, and to the States that joined in my State's protest.

A special word of commendation is due that valiant lady, Mrs. Madaline Williams, who bore the trial to which she was subjected with customary dignity and equanimity. Mrs. Williams was the subject of an interesting article in the Newark Sunday Star Ledger of March 26 which appears below.

I am sure that Mrs. Williams was heartened by the wholehearted support of her cause—the cause of the equality of mankind—by so many groups and organizations throughout the Nation. Their vigorous rejection of the exclusion of their fellow citizens on the grounds of race was the bright note in the controversy. The strong protest entered by the Essex County, N.J., chapter of the American Jewish Committee, represents the sentiments not only of its membership but of the vast majority of Americans. I am pleased to insert the committee's fine statement in full, together with the article on Mrs. Williams:

[From the Newark Star Ledger, Mar. 26, 1961]

CIVIL WAR CONTROVERSY—SOUTHERN COLD SHOULDER NOT NEW IN MRS. MADALINE WILLIAMS' CAREER

When Madaline Williams was told she could not share the southern hospitality which is to be accorded to other delegates at the Civil War Centennial celebration in Charleston, it was not a new story to her.

She had grown up in Brunswick, Ga., where her grandmother had been born into slavery. She attended segregated Negro schools and came north in 1916 to study teaching at Trenton State Teachers College and later at NYU.

She taught for 8 years in a segregated school in Trenton. Then the board of education made plans to build a new Lincoln School for Negroes. Mrs. Williams and 17 other Negro teachers were ordered to ask Negro parents to send their children to the school, despite the location of their homes.

FIRED FROM JOB

"I refused and I was fired. It was as simple as that," Mrs. Williams related.

That was the end of Mrs. Williams' teaching career. It was almost 30 years before she went to work again. After the death of her only child, Mrs. Williams took a job as a sales clerk "to help me forget."

For 23 years, Mrs. Williams and her husband, Samuel, a retired postal superintendent, nursed their invalid child. The boy was injured at birth.

"He required care 24 hours a day until he died. He had seven eye operations but none was successful. But we never gave up hope."

During this time, Mrs. Williams did volunteer work for the NAACP, the YWCA, the East Orange League of Women Voters, and the Essex County Council of Church Women. She had also belonged to the East Orange Democratic Club, but had never engaged actively in politics.

Mrs. Williams, who had never intended to pursue a political career, entered public life 3 years ago, when she was 62 years old.

"I was completely surprised when John McMahon, who was chairman of the Essex County Democratic Screening Committee, called one day and asked if I would like to run for the assembly. I didn't know him and he didn't know me. I hesitated, but he was most persuasive."

Mrs. Williams won the primary and went on to win handily in the general election.

"But before my first term was up, I was told the party would not put me up for reelection. The county was furious with me because I voted against the wishes of the other Essex assemblymen for the passage of dependent aid for children. The bill was passed by one vote * * * mine."

Nevertheless, in 1959, Mrs. Williams received the party backing and was reelected. After serving less than a year of her second term, she ran for Essex County Register of Deeds, a post that pays $13,000 a year, and won again. She resigned from the assembly to take over the job which had been held for 25 years by the GOP.

Mrs. Williams was a member of the assembly when Governor Meyner appointed her as a charter member of the New Jersey Civil War Centennial Commission.

The formation of the commisssion followed on the heels of the creation of national commission by an act of Congress.

TO MARK EVENT

"We have been meeting regularly once or twice a month, since we began almost 2 years ago. Although our delegation will not attend the national observance if it is held in Charleston as planned, we will observe this great struggle to preserve the Union and human dignity."

The commission is preparing a brochure about the Civil War which they will distribute through the public schools, Mrs. Williams said.

Mrs. Williams regrets that she has become part of a national issue, but she is not alone.

HAD TO PHONE

"Actually, we tried to avoid any embarrassment or publicity by attempting to find out in advance if there would be a color line drawn. We wrote letter after letter to national officials without reply. Then Donald Flamm, who is chairman of the State commission, instructed the executive director to call Charleston. It was then that we were informed that I could not stay with the rest of the delegation and the State commission voted to boycott the celebration."

In a last-ditch effort the State commission earlier this week requested the site of the observance be changed.

In a prepared statement, the commission said in part: "It was hoped that the occasion of Mrs. Williams as a first-class citizen in Charleston would have been a glorious way of opening the centennial and proving to all humanity that the terrible American Civil War was really not waged in vain."

The American Jewish Committee made public today a protest to the National Civil War Centennial Commission for the discriminatory treatment accorded a member of the New Jersey delegation who was unable to secure equal housing, because of racial restrictions, with other delegates at the national assembly of the commission in Charleston, S.C.

The text of the letter, which was issued by Dr. Alan H. Herman, chairman of the American Jewish Committee's Essex County Chapter, is as follows:

"The American Jewish Committee in New Jersey protests the discriminatory treatment accorded a distinguished member of the New Jersey Civil War Centennial Commission who was unable to secure, because of racial restrictions, equal housing with her fellow delegates at the assembly of the National Civil War Centennial Commission to be held in Charleston, S.C.

"In our view, this indignity to an official representative is not only an affront to the soverign State of New Jersey, but it dramatizes a moral issue for the entire world to note that despite our preachments about democracy, basic human rights, and civil liberties are denied to minority group members within our borders.

"We believe and strongly urge that all public functions under the auspices of our National Government be open to all citizens on an equal basis. We, therefore, call upon the National Civil War Centennial Commission to take immediate steps to rectify this disservice to American interests and make certain that all who attend the national assembly of the commission will be treated with the courtesy and the human dignity which such an historic occasion warrants."

The American Jewish Committee, founded in 1906, is the pioneer human relations agency in this country, combating bigotry, protecting civil rights and advancing intergroup and interreligious understanding. Its national headquarters is the new Institute of Human Relations which serves as a center of research, education, and action in the field of human relations.

IMPORTATION OF MEXICAN NATIONALS

Mr. ST. GERMAIN. Mr. Speaker, I ask unanimous consent that the gentlewoman from Oregon [Mrs. GREEN] may extend her remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mrs. GREEN of Oregon. Mr. Speaker, in a period of high unemployment and increasing economic distress, there are a great many questions which have yet to be answered in regard to the continuation of the program of importing Mexican nationals to work on American farms. Public Law 78, which was necessary and desirable when first enacted, has come to be less of a contribution and more of a detriment to the economic health of the Nation with each passing year. Of so it would seem.

The Committee on Agriculture has been holding hearings on the extension of Public Law 78. Oregon's distinguished labor commissioner, the Honorable Norman O. Nilsen, has become nationally recognized as an outstanding authority in the general field of migratory agricultural labor conditions. I believe that Commissioner Nilsen's statement to the committee, submitted for the present hearings, is an informative and valuable comment on this subject. I ask that that statement be printed at the conclusion of these remarks, in the RECORD:

STATE OF OREGON,
BUREAU OF LABOR,
March 17, 1961.

Hon. E. C. GATHINGS,
Chairman, Subcommittee on Equipment, Supplies, and Manpower, Committee on Agriculture, House of Representatives, Washington, D.C.

DEAR MR. GATHINGS: I would greatly appreciate having this statement included in the record of hearings on H.R. 2010 before your committee on extension of Public Law 78.

Having conducted extensive surveys in the State of Oregon in the past several years, the Oregon Bureau of Labor has assembled substantial information depicting the serious economic handicaps of American farmworkers. It is our well-documented view that the only solution is to stimulate better wages and conditions for migrant labor. If this is

not done, it is my opinion that it will be the growers who will in the long run suffer, because improvement is bound to come. If a steady improvement is not encouraged by all persons involved I sincerely believe there will be a drastic change by which agriculture will be hurt.

Because of my observations I must obviously be of the opinion that any governmental measures which tend to perpetuate repression and tend to defeat the normal working of the labor market in a situation of labor shortage must, for the benefit of the whole economy, be avoided. Since the availability of foreign workers cannot help but have this effect, I believe that you would not be doing a favor for agriculture if you enacted an extension of Public Law 78 without taking definite steps to bring the program to an end at a time definite in the near future. In my view the only legitimate purpose for an extension would be to reduce the extension of temporary dislocation which might result. In the meantime I urge that Public Law 78 guarantee much greater protection for our domestic workers than it has in the past. I believe that the report of the consultants to the Secretary of Labor in 1959 is the best source of intelligently considered and fair proposals to afford American farmworkers the increased protection, which they need so badly.

There are many groups and individuals, including many in agriculture in Oregon, who concur in my views. We know in Oregon that transition from foreign workers to domestic workers is possible. It has meant increased wages and improved conditions for farmworkers in Oregon and we now import only 300 or 400 Mexican nationals. The work formerly done by Mexican nationals is now done by domestic workers attracted by improved incentives offered by Oregon agriculture. Furthermore, there is no need for the 300 or 400 that we do import and improved protection for domestic workers in Public Law 78 would result in encouraging Oregon pear growers to abandon their crutch and walk quite well without the assistance they pretend to need. Their solution along with vigorous recruiting lies in providing adequate family type housing and other improved conditions.

Sincerely,

NORMAN O. NILSEN,
Oregon Commissioner of Labor.

THE JOHN BIRCH SOCIETY

Mr. ST. GERMAIN. Mr. Speaker, I ask unanimous consent that the gentlewoman from Oregon [Mrs. GREEN] may extend her remarks at this point in the RECORD and include an article.

The SPEAKER. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mrs. GREEN of Oregon. Mr. Speaker, several days ago, a distinguished and impeccably conservative Member of the other body inserted some materials in the RECORD in regard to the John Birch Society, an organization which, in the name of "anticommunism," is conducting a vicious and well-organized campaign calling, among other things, for the impeachment of Chief Justice Warren. Many outstanding Americans, of varying political persuasions, have expressed concern at the tactics, the organizational structure, and the real aims of this organization.

On March 26, there appeared, in the Washington Post, an article about the John Birch Society, setting forth some of the concerns as this group utilizes the language of "un-American" for objectives, which, to say the least, might bear closer American public scrutiny. I ask unanimous consent that this article be printed at this point in the RECORD.

(By James E. Clayton)

Three months ago, the John Birch Society had been heard of only in a few scattered areas of the country. Its desire to operate quietly and behind the scenes was generally being fulfilled.

But almost overnight, the society has become an organization of national interest. Newspapers on both coasts have denounced it. Two U.S. Senators have spoken against it on the Senate floor. Former Vice President Nixon has joined the protests. Time magazine has given the society a critical analysis.

The society has attracted this attention because of:

Its strong views on many topics. It thinks that everything from increased spending for defense to Federal aid to education is part of a Communist plot.

The attacks made by its leader, Robert Welch, on the loyalty of America's leaders. These include former President Eisenhower, Chief Justice Warren, former Secretary of State Dulles and CIA Director Allen Dulles, all of whom Welch says are Communist agents or sympathizers.

The secrecy which surrounds the society and the amount of money which it apparently has to spend.

CONSERVATIVE COMPLAINTS

Two weeks ago, the Los Angeles Times, a conservative newspaper, said editorially: "If the John Birchers follow the program of their leader, they will bring our institutions into question exactly as the Communists try to do. They will sow distrust, and aggravate disputes, and they will weaken the very strong case for conservatism."

The same day, the Reverend Dr. Eugene Carson Blake, chief executive officer of the United Presbyterian Church in the United States, told a church group in Santa Barbara that the society was waging a "campaign of falsehoods" against that church.

On March 8, on the Senate floor, Senator MILTON J. YOUNG, Republican of North Dakota, said, "It is unbelievable that any sane person would make such accusations" (as the society's leader has made against former President Eisenhower).

Other Senators have also expressed concern about the power of the society. Senator YOUNG, a conservative Republican, says he has been attacked as being a helper of the Communists. The same attack has been mounted against Senator MIKE MANSFIELD, a liberal Democrat from Montana, and Senator THOMAS C. KUCHEL, a liberal Republican from California. The attack against KUCHEL and YOUNG has been particularly vigorous, apparently because they are up for reelection in 1962.

But not a great deal is known here about the society. It has not been particularly active in the Washington area although it apparently has at least one chapter here. Senator MANSFIELD said that he had been unable to find out much about it although he tried to get information from "various committees (on Capitol Hill) or the agencies downtown."

On March 20, the United Press International reported that the Senate Internal Security Subcommittee is telling inquirers that the society "seems to be, from our records, a patriotic organization." The Los Angeles Times, however, implied that the group was subversive—from the right instead of from the left.

Last Tuesday, Representative L. MENDEL RIVERS, Democrat of South Carolina, came to the society's defense. It is a "nationwide organization of patriotic Americans," he said in a statement in the CONGRESSIONAL RECORD. The source of the charges which smear the organization, he said, is a publication of the Communist Party.

This is a report on the society and what it believes and does.

THE FOUNDING DOZEN

What is the society? How is it organized?

The John Birch Society is the creation of Robert Welch, 61, a former candy company executive who lives in Belmont, Mass. It was organized in Indianapolis in December 1958, at a meeting of 12 men who have never been publicly identified.

That meeting was a 2-day affair devoted largely to speeches by Welch. Most of what he said was later published in the blue book of the society, copyrighted by Welch.

That book says the society is to have small local chapters, usually of 10 to 20 dedicated patriots. Each chapter should have a leader appointed by Welch or one of his officers. Senator YOUNG called these groups cells but received a heated protest from the society. Cells is the term applied to similar units of the Communist Party organization.

The society is "a monolithic body" operating under "complete authoritarian control at all levels." A republican form of government or organization has advantages, the book says, under favorable circumstances. "But under less happy circumstances," it goes on, "it lends itself too readily to infiltration, distortion and disruption. And democracy, of course, in government or organization, as the Greeks and Romans both found out, and as I believe every man in this room recognizes—democracy is merely a deceptive phrase, a weapon of demagoguery and a perennial fraud."

Newspapers which have written about the society have quoted these statements to show that it is ruled by Welch and is opposed to democracy.

In a letter printed in the CONGRESSIONAL RECORD last week, Robert D. Love, a Wichita businessman and society member, said, "These statements have been pulled completely out of context and made to smear something which could help to inform people of the true dangers of communism."

"BELIEVE IN ME"

Welch also told the Indianapolis meeting that those who join the society "are going to be doing so primarily because they believe in me and what I am doing and are willing to accept my leadership. And we are going to use that loyalty, like any other resource, to the fullest possible advantage that we can * * *. Those members who cease to feel the necessary degree of loyalty can either resign or will be put out."

Welch said then that he hoped to have 30,000 members by the end of 1959. Interviewed last summer by Stanley Eames of the Boston Herald, Welch said there were chapters in 20 States, including 25 chapters near Boston.

Gene Blake of the Los Angeles Times reported early this month that Paul H. (Tex) Talbert, a Beverly Hills insurance executive and a member of the society's national council, said there were several thousand members in scores of chapters in California. Blake says there are chapters in 34 States and members in all 50 States.

As of last summer, the society had 52 employees, Eames reported. He added that Welch told him there was an effort to get several chapters in each city. In one Texas city, Welch said, there are three chapters—one for financial people, one for carpenters and one for Negroes.

Membership costs at least $24 a year for men and $12 for women. Fundraising outside of dues has apparently been successful since the society appears to spend large sums on staff and publications. Some of the members are wealthy conservatives who ap-

parently believe in the society's goals if not in all of Welch's personal ideas.

A list of members of the society's national council was put into the CONGRESSIONAL RECORD by Representative RIVERS. It contains 25 names, many, those of leading businessmen. Among them:

Cola G. Parker and William J. Grede, Wisconsin industrialists, and Ernest G. Swigert, Oregon manufacturer, all past presidents of the National Association of Manufacturers; T. Coleman Andrews, former Commissioner of Internal Revenue; Spruille Braden, former diplomat; Clarence Manion, former dean of the Notre Dame Law School; M. T. Phelps, former chief justice of the Arizona Supreme Court; F. Gano Chance, former president of the Missouri Chamber of Commerce; Louis Ruthenburg, former president of Servel, Inc., and Fred C. Koch, president of the Rock Island Oil & Refining Co.

Welch has given these men the job of showing the stature of the organization, of advising him and of selecting "a successor to myself as head * * * if and when an accident, 'suicide' or anything sufficiently fatal is arranged for me by the Communists—or I simply die in bed."

"COMMUNIST LINE"

What does the John Birch Society stand for? Its objective, Welch told the Indianapolis meeting, is simply less government and more responsibility.

This, however, is tied closely with a drive against international communism. The Communists are rapidly taking over the United States, the society thinks, and must be stopped. The Communist method of taking over, it says, is to increase government.

Thus, the things which international communism wants the United States to do are these:

Increase defense and foreign aid spending, making higher taxes, an unbalanced budget, and inflation possible.

Increase governmental controls over prices, wages, and material so that power will be centralized in Washington.

Worry about the horror of modern warfare so that the beauties of peace become attractive and lead the Nation to appeasement of the Communists.

Those who favor these ideas are either Communists or dupes of the Communists, the society says. Into these categories it puts most recent Secretaries of State and Defense. This is where Welch's personal views come into play, particularly since he is the absolute master of the society.

At the Indianapolis meeting, he attacked both President Kennedy and former Vice President Nixon. Never naming Mr. Kennedy, Welch made it clear that he thinks the President is an "amoral man" who can do "a tremendous amount of ball carrying on behalf of the Communist aims here in the United States."

Nixon, Welch said, would be a patriotic anti-Communist only if it fit his political career. Nixon pulled off "the dirtiest deal in American political history," Welch said, by upsetting the Taft bandwagon in the 1952 Republican convention. If Taft had been President, Welch said, the Communists would have been routed from government and the Nation would not be in "this mess" today.

In a book called "The Politician," circulated to only a few selected leaders of the society, Welch really lets down his views. When Jack Mabley of the Chicago Daily News came across a copy last summer, he asked a chapter leader if it was given to all society members.

Mabley says the response was that giving the book to members before they became "qualified" would be like telling a first-year medical student to go out and cure cancer.

In the book, Welch accuses former President Eisenhower, most of his chief aides and many other Government leaders of being a part of the international Communist conspiracy.

"While I, too, think that Milton Eisenhower is a Communist and has been for 30 years, this opinion is based largely on general circumstances of his conduct," it says. "But my firm belief that Dwight Eisenhower is a dedicated, conscious agent of the Communist conspiracy is based on an accumulation of detailed evidence so extensive and so palpable that it seems to me to put this conviction beyond any reasonable doubt."

When asked about this book by reporter Eames, Welch said, "Four-fifths of our members never have seen it and most of those who have don't agree with it."

When he asked Welch flatly if former President Eisenhower was a Communist, Eames reports that Welch said, "I never felt that way enough to say it in print. Now I don't know what I think. Eisenhower may be too dumb to be a Communist."

Eames notes that a January 1, 1960, footnote to "The Politician" says, "A huge majority of Eisenhower's appointments during the past year make no sense whatever except as a part of a plan to help the Communists."

Welch also runs a yearly chart in American Opinion, a magazine he edits, on how much of the world is Communist controlled. He listed the United States as 20 to 40 percent Communist controlled in 1958 and 30 to 50 percent by mid-1959.

On other topics, Welch has said:

American churches: "One-third of the ministers are not true believers in the Divine names or the Divine history and Divine teachings to which they give lip service * * *." Some, he says, preach communism from their pulpits.

The Marshall plan: "A brilliant scheme of the Communists to get the United States to do exactly what the Communists wanted us to do."

Desegregation: "The trouble in our Southern States has been formented almost entirely by the Communists for this purpose (civil war) * * *. The whole slogan of 'civil,' as used to make trouble in the South today, is an exact parallel to the slogan of 'agrarian reform' which they used in China."

The United Nations: Part of a plan to "induce the gradual surrender of American sovereignty."

His own movement: "We are not beginning any revolution, nor even a counter-revolution, in any technical sense, because we are opposing a conspiracy, yet we are not ourselves making use of conspiratorial methods. Yet our determination to overthrow an entrenched tyranny is the very stuff out of which revolutions are made."

How does the John Birch Society work? It's problem in Indianapolis was to select a leader. Welch rejected Nixon and Senator BARRY GOLDWATER, Republican of Arizona.

He said he thought GOLDWATER was totally loyal and would make a fine President. But, he added, "Does anybody in this room think there is any slightest chance of BARRY GOLDWATER supplying the dynamic overall leadership needed to save this country for anybody to be President of? If so, I think he is still not fully aware of the nature and totality of the forces at work. For GOLDWATER * * * will inevitably think and move in terms of political warfare."

Then Welch suggested himself:

"It is not because I want so frightening a responsibility and it is certainly not because I think that you gentlemen * * * recognize any such quality of leadership in me as would make me a happy choice for the role.

"It's just that I don't know where you, or all of us, are going to find anybody else to undertake the job."

With that out of the way, Welch outlined the action program for the society.

First, he said, it must set up reading rooms in as many cities and towns as possible. It now has such rooms in, at least, California and Florida.

Second, it must get the "truth about recent history and current events into as many hands and heads as possible." It should put the National Review into college libraries, the Dan Smoot Review into doctors' and dentists' offices, and Human Events and American Opinion into barbershops.

Third, it should help increase the audience of such radio programs as those of Fulton Lewis, Jr., and Clarence Manion.

Fourth, it should organize letter writing campaigns. Some Senators think they are now receiving some of this mail.

Fifth, it "should organize fronts—little fronts, big fronts, temporary fronts, permanent fronts, all kinds of fronts." He suggested a petition to impeach Earl Warren (this is now being circulated), a petition headed please, Mr. President, don't go (this was circulated just before last spring's abortive summit meeting) and a Committee To Investigate Communist Influences at Vassar College.

Sixth, other suggestions included exposing why the Communists "just had to get rid of McCarthy, and went to such extreme lengths to do so"; heckling speakers who urge programs the society disagrees with (this happened in Cincinnati recently); lining up speakers all over the country, and getting into political action.

Eric Sevareid recently wrote what all this means in a small midwestern city he visited:

"On a street in Kansas, my host stopped his car to point to a new office building. 'He owns that, and a lot else besides,' my host explained. 'He's got money and influence. He couldn't tell a Communist from Robert A. Taft, but he's trying to get his crackpots onto the school board and a lot of us are worried.'

" 'He' is the local boss of the John Birch Society * * * 'They organize in task forces,' my host went on. 'They call schoolteachers and local college professors in the middle of the night and denounce them as Communists. They recruit kids as spies to take down classroom remarks of their teachers.

" 'They plant people in public lectures to ask loaded questions. They try to get their idiotic films and maps used in high schools. Maybe it's hard these days to get a man smeared in Washington or even in Hollywood, but in a small city like this * * * it can still be done.' "

Who was John Birch? A native of Georgia, Birch was a missionary to China who joined Gen. Clare Chennault's forces there in 1942. He was killed 10 days after V-J Day by, Welch says, the Chinese Communists.

His death, Welch says, was "the first casualty in the third world war, between the Communists and the ever-shrinking free world."

FEDERAL EXCISE TAX ON AUTOMOBILES

Mr. CHAMBERLAIN. Mr. Speaker, I rise to inform this body of a very gratifying expression of support for my effort to repeal the automotive excise tax. I have just learned that the House and Senate of the Michigan Legislature have passed a concurrent resolution urging the Congress to effect public hearings on this subject.

The resolution notes the grave situation caused by a serious decline in sales within the automotive industry which has resulted in curtailment of production, unemployment, economic hardship

and increased demands on tax-supported public services and calls attention to the importance of the automobile industry to the economy of our entire Nation.

As we appropriate millions to alleviate the impact of unemployment it is equally important that we give thought to some means of preventing unemployment. May I remind my colleagues that the present auto excise tax was imposed to discourage automobile production during the Korean war, and that this tax is still continuing its depressing effects on the automotive industry and its workers today.

I commend to my colleagues for consideration the request of the Michigan State Legislature that hearings be held on legislation to repeal the automobile excise tax:

A CONCURRENT RESOLUTION RELATIVE TO THE REPEAL OF THE FEDERAL EXCISE TAX ON AUTOMOBILES

Whereas the automotive industry has experienced a serious sales depression, which has created a grave situation of consequent curtailment of production, unemployment, economic hardship, and exploding demands on tax-supported public services. It has been disruptive of Michigan's and the Nation's economy; and

Whereas repeal of the Federal excise tax on automobiles is urgently needed to reverse these trends and regain State and National prosperity: Now, therefore, be it

Resolved by the senate (the house of representatives concurring therein), That the Michigan Legislature respectfully requests the Congress of the United States to effect public hearings by the U.S. House of Representatives on the proposition of the repeal of the Federal excise tax on automobiles; and be it further

Resolved, That copies of this resolution be transmitted to the President of the United States, the President of the Senate, and the Speaker of the House of Representatives, and to each Member of the Michigan delegation to the U.S. Senate and the House of Representatives.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. HOFFMAN of Michigan to address the House for 5 minutes today and to include in his remarks certain relevant material.

Mr. FLOOD (at the request of Mr. ALBERT) for 30 minutes today, to revise and extend his remarks, and to include extraneous matter.

Mr. DENT (at the request of Mr. ST. GERMAIN) for 1 hour on tomorrow, Tuesday, March 28, to revise and extend his remarks and include extraneous matter.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. O'HARA of Illinois.

Mr. JOHNSON of Wisconsin in three instances and to include extraneous matter.

Mr. HARRIS and include an exchange of communications between Gov. LeRoy Collins and the Broadcasters Association.

Mr. ALGER.

(The following Members (at the request of Mr. ST. GERMAIN) and to include extraneous matter:)

Mr. KEOGH.

Mrs. SULLIVAN.

Mr. LIBONATI.

Mr. CONTE.

(The following Member (at the request of Mr. LINDSAY) and to include extraneous matter:)

Mr. LINDSAY.

SENATE JOINT RESOLUTION REFERRED

A joint resolution of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S.J. Res. 66. Joint resolution to amend the joint resolution providing for membership and participation by the United States in the Inter-American Children's Institute; to the Committee on Foreign Affairs.

ADJOURNMENT

Mr. ST. GERMAIN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 46 minutes p.m.), the House adjourned until tomorrow, Tuesday, March 28, 1961, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

715. A letter from the Secretary of the Army, transmitting reports of the number of officers on duty with Headquarters, Department of the Army and the Army General Staff as of December 31, 1960, pursuant to Public Law 581, 81st Congress; to the Committee on Armed Services.

716. A letter from the Administrator, General Services Administration, transmitting the report of the Archivist of the United States on records proposed for disposal under the law; to the Committee on House Administration.

717. A letter from the Chairman, Federal Communications Commission, transmitting a copy of the report on backlog of pending applications and hearing cases in the Federal Communications Commission as of January 31, 1961, pursuant to Public Law 554, 82d Congress; to the Committee on Interstate and Foreign Commerce.

718. A letter from the president, the Foundation of the Federal Bar Association, transmitting a report of the audit of the financial transactions of the Foundation of the Federal Bar Association for the fiscal year ended September 30, 1960, pursuant to Public Law 662, 83d Congress; to the Committee on the District of Columbia.

719. A letter from the assistant secretary, the National Institute of Arts and Letters, transmitting the official report of the National Institute of Arts and Letters for the year 1960, pursuant to section 4 of their charter; to the Committee on House Administration.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BOLLING: Committee on Rules. House Resolution 237. Resolution for consideration of S. 1, an act to establish an effective program to alleviate conditions of substantial and persistent unemployment and underemployment in certain economically distressed areas; without amendment (Rept. No. 201). Referred to the House Calendar.

Mr. BOLLING: Committee on Rules. House Resolution 238. Resolution for the consideration of S. 153, a bill to further amend the Reorganization Act of 1949, as amended, so that such act will apply to reorganization plans transmitted to the Congress at any time before June 1, 1963, without amendment (Rept. No. 202). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BROYHILL:

H.R. 5955. A bill to amend the act of August 12, 1955, relating to elections in the District of Columbia; to the Committee on the District of Columbia.

By Mr. DAWSON (by request):

H.R. 5956. A bill to amend section 203(j) of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 484(j)), to provide that the Department of Defense may allocate surplus property under its control for transfer under that act only to educational institutions conducting approved military training programs; to the Committee on Government Operations.

By Mr. DONOHUE:

H.R. 5957. A bill to amend the Internal Revenue Code of 1954 to provide an accelerated amortization deduction for industrial or commercial plants and facilities constructed or established in economically depressed areas; to the Committee on Ways and Means.

By Mr. DOOLEY:

H.R. 5958. A bill to provide for posting information in post offices with respect to registration and voting, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. HALPERN:

H.R. 5959. A bill to provide for the construction of a permanent museum of modern science and engineering at the New York World's Fair of 1964, and for other purposes; to the Committee on Foreign Affairs.

By Mr. RIEHLMAN:

H.R. 5960. A bill relating to the financing of the Federal highway program; to the Committee on Ways and Means.

H.R. 5961. A bill to amend certain laws relating to Federal-aid highways, to make certain adjustments in the Federal-aid highway program, and for other purposes; to the Committee on Public Works.

By Mr. ROGERS of Colorado:

H.R. 5962. A bill to amend title 28, United State Code, with respect to fees of U.S. marshals; to the Committee on the Judiciary.

By Mr. SMITH of Mississippi:

H.R. 5963. A bill to amend the General Bridge Act of 1946 with respect to the vertical clearance of bridges to be constructed across the Mississippi River; to the Committee on Public Works.

By Mr. STEED:

H.R. 5964. A bill to authorize the use of funds arising from a judgment in favor of the Potawatomi Nation of Indians, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. WALTER:

H.R. 5965. A bill to extend the period for the filing of Czechoslovakian claims; to the Committee on Foreign Affairs.

By Mr. ZELENKO:

H.R. 5966. A bill to amend the Fair Labor Standards Act, 1938, as amended, to provide for minimum wages for certain persons employed in agriculture, and for other purposes; to the Committee on Education and Labor.

By Mr. LINDSAY:

H. Res. 236. Resolution creating a select committee to conduct an investigation and study of the problems of urban areas; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States relative to beach erosion and flood damage in Ventura County; to the Committee on Appropriations.

Also, memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States relative to Federal aid to schools; to the Committee on Education and Labor.

Also, memorial of the Legislature of the State of Colorado, memorializing the President and the Congress of the United States not to enact any legislation which establishes a blanket policy of single use for Federal lands which would result in lessening State of Colorado's resource base and preclude recreation for the multitudes; to the Committee on Interior and Insular Affairs.

Also, memorial of the Legislature of the State of Missouri, memorializing the President and the Congress of the United States relative to ratification of the proposed amendment to the Constitution of the United States granting representation in the electoral college to the District of Columbia; to the Committee on the Judiciary.

Also, memorial of the Legislature of the State of North Carolina, memorializing the President and the Congress of the United States relative to requesting the U.S. Government to refrain from the use of any of the lands in Hyde County as a possible bomb range site; to the Committee on Armed Services.

Also, memorial of the Legislature of the State of South Carolina, memorializing the President and the Congress of the United States to enact remedial legislation limiting the importation of textile and plywood products; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of Utah, memorializing the President and the Congress of the United States to renew the Sugar Act and to provide for implementing long term sugar legislation with equitable distribution of foreign quotas among friendly nations; to the Committee on Agriculture.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. JAMES C. DAVIS introduced a bill (H.R. 5967) for the relief of George M. Battey III, which was referred to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

104. By the SPEAKER: Petition of E. S. Preston, secretary, Mississippi Valley Conference of State Highway Departments, Columbus, Ohio, transmitting certain resolutions adopted at the 52d annual meeting of the Mississippi Valley Conference of State Highway Departments held in Chicago, Ill., March 16 through 18, 1961; to the Committee on Ways and Means.

105. Also, petition of O. T. Borja, 13th Saipan Legislature, Saipan, Mariana Islands, petitioning consideration of their resolution with reference to requesting the U.S. Congress and the United Nations to take under serious consideration the future annexation of the Saipan District to the United States as a separate and distinct U.S. territory; to the Committee on Interior and Insular Affairs.

EXTENSIONS OF REMARKS

Forty-third Anniversary of the Proclamation of Independence of the Byelorussian Democratic Republic

EXTENSION OF REMARKS
OF
HON. ROLAND V. LIBONATI
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Monday, March 27, 1961

Mr. LIBONATI. Mr. Speaker, the Byelorussian-American Association, Inc., with national headquarters at 401 Atlantic Avenue, Brooklyn, N.Y., are celebrating the 43d anniversary of the proclamation of independence of the Byelorussian Democratic Republic on March 26, 1961, at the Biltmore Hotel, New York City.

It is an honor to note my sentiments on behalf of the recovery of the independence of the Byelorussian people now held in servitude under Soviet domination.

It is organizations, such as this one, whose patriotic support, together with a unified program of disseminating information as to the culture and historic significance of their contributions to the civilization of our times, that instill a great admiration on the part of all Americans.

A request for a telegram, as follows, is indicative of our feelings in the sad plight of the Byelorussian Republic:

MARCH 26, 1961.

Mr. CONSTANT MIERLAK,
National President,
Byelorussian-American Association,
New York City, N.Y.:

Byelorussia's struggles to regain its freedom can be aided in purpose by establishing Byelorussian broadcasts by the Voice of America.

It is for our Government to do everything possible to further the dissemination of information among the Byelorussian people who are now under the Soviet yoke. The spirit of independence is still alive among the Byelorussians, even though the Republic with its puppet government is still smothered in the covering structure of the Soviet Union leadership. It is a sad commentary that following the 41 years of Byelorussian independence, she has suffered the loss of 6 million people in 20 years. The thousands of Byelorussian people living in the free world are carrying on the fight to acquaint the world with the plight of their compatriots, in their exploitation by Russia.

These brave people must be given courage and help in order to overcome and overthrow their Communist enemies. We must never forget Byelorussia's plight and we must show the greatest vigilance toward ultimately freeing her from the captors of her people.

Congressman ROLAND V. LIBONATI.

Department of Agriculture Has Positive Attitude on Farm Credit

EXTENSION OF REMARKS
OF
HON. LESTER R. JOHNSON
OF WISCONSIN
IN THE HOUSE OF REPRESENTATIVES
Monday, March 27, 1961

Mr. JOHNSON of Wisconsin. Mr. Speaker, the current attitudes and actions in the U.S. Department of Agriculture are refreshing and encouraging not only because they are positive, but because they are rooted in optimism and determination.

In the field of farm credit, Secretary of Agriculture Orville L. Freeman recently had this comment:

To the extent that farm loan policies and available funds can prevent it, no qualified family farmer will be required to give up farming because of his inability to finance his 1961 operations.

The Secretary at that time asked the Farmers Home Administration of the Department to review its regulations and take every step within its authority to meet farm credit needs. The Secretary's request accompanied action by the President making an additional $35 million available for farm operating loans during the 1961 fiscal year.

Mr. Speaker, over the past 9 years, declining farm prices and income have caused many beginning and other farmers to exhaust their normal sources of credit. This is a poor time to throw upon the labor market families which can, through loans and guidance enabling them to achieve full utilization of earning resources, continue in a way of life they know and love.

It is the intention of the administration, working in cooperation with the Congress and the farmers of our Nation, to reverse the downward farm income trend so our efficient family farmers can earn and get a parity of income. Secretary Freeman has said:

When the new farm program becomes effective, these family-type farmers will again be good commercial credit risks. It would be unthinkable to allow many efficient farm families to give up the struggle now because they are unable to obtain credit needed to finance 1961 operations.

The Farmers Home Administration's broadened look at the credit needs of small farmers does not mean individuals

will be financed beyond ability to pay—but it does mean that problems will not be allowed to overshadow potentials. The revised loan eligibility requirements give increased consideration to young farmers who in the future will be able to obtain additional land and other resources, and to young and middle-aged farmers who may be able to obtain off-farm income in the future. The operating loans are made for purchase of livestock and equipment, or fertilizer, tractor fuel, feed, and other essential farm and home operating needs, and to refinance chattel debts. The loans are scheduled for repayment in accordance with borrowers' abilities, over periods not exceeding 7 years.

Mr. Speaker, experience has shown that Farmers Home Administration loans do not result in increased expenditures by the Federal Government, because borrowers have an outstanding repayment record.

Secretary Freeman and the Department of Agriculture deserve appreciation for their recognition of a genuine social and economic need in the field of credit, and their constructive attitude and actions in meeting it.

Where Is Ireland in the Fight for Freedom?

EXTENSION OF REMARKS
OF

HON. THOMAS J. DODD

OF CONNECTICUT

IN THE SENATE OF THE UNITED STATES

Monday, March 27, 1961

Mr. DODD. Mr. President, on March 17 I had the privilege of addressing the annual dinner of the Friendly Sons of St. Patrick in New York. This is one of the oldest fraternal organizations in the United States, dating back to Revolutionary days, and its annual dinner is one of the principal St. Patrick's Day events each year.

My remarks at the dinner dealt with the historic contribution of Irishmen to the struggle for freedom around the world and the contrast posed by the more recent record of neutralism by the Irish Republic Government in the struggle between freedom and tyranny.

I ask unanimous consent that these remarks be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

REMARKS OF SENATOR THOMAS J. DODD, OF CONNECTICUT, AT THE 177TH ANNIVERSARY DINNER OF THE SOCIETY OF THE FRIENDLY SONS OF ST. PATRICK; HOTEL ASTOR, NEW YORK, FRIDAY, MARCH 17, 1961

Only an Irishman can fully appreciate what is in our hearts on a St. Patrick's Day occasion such as this. For this annual observance brings a pleasant interruption in our lives; reminds us of the many ties that bind Irishmen together wherever they may live; inspires a remembrance of the half-forgotten events and emotions of an earlier time that lie close to the core of our lives.

In my mind, as I am sure in yours, this day recalls a whole series of pictures stretching back to early youth: St. Patrick's concerts in the church hall; the wearing of the green; the countless stories and ancedotes drawn from the measureless well of Irish humor; simple music with its power and poignancy; a whole pattern of commonly shared attitudes and loyalties and animosities growing out of the long struggle of our people for freedom and progress.

Hidden in the heart of each of us is the image of something ever green, something clean, something right, some breath of home which is a part of our heritage, which marks us apart and ties us together.

The Irish have been a poor and humble people. They had little of material wealth to give to the world. So they bequeathed those rare jewels of character which lend an eternal significance to their history.

They have fought for freedom with courage and perseverance in their own country and all around the globe.

They have clung tenaciously to the faith of St. Patrick, resisting all attacks upon it, whether of brutal suppression, of ridicule and social sanction, or of false philosophy.

They have, through all the wrongs and shames which have been heaped upon them, kept alive a cheerful optimism, a certain amiability in adversity, a good humor in bad times, a durability and staying power which brought them through centuries of cruel oppression unbroken and unspoiled.

Thus, to an age poisoned by indifference, fearfulness, doubt, and softness, little Ireland has given hosts of sons and daughters who have qualities which the free world desperately needs: a love of freedom, a courage in defending it, a steadfastness in religious faith, a hardy endurance in defeat and adversity.

For as long as many of us can remember, the condition of Ireland has been a constant object of our hopes and prayers and efforts.

Ireland in chains was admired and loved around the world, not for its military strength or material wealth, but for its spiritual strength and the power and inspiration of its ideals.

Ireland, free, was confidently expected to lead the world by its honest and forthright example; to be a national embodiment of that constancy of faith and devotion to freedom which was the inheritance of this fabled land of heroes and martyrs, of saints and scholars.

But something has gone amiss in Ireland. Perhaps I trespass when I, an American, presume to comment upon the conduct of the Irish Republic. But our interest in Ireland is too ingrained, our concern is too personal to give way to diplomatic niceties.

This is a holy day as well as a holiday. If we would truly honor St. Patrick we should sometimes speak of our people with the candor and even the severity with which St. Patrick spoke to them.

Our generation has faced the most evil and dangerous of all threats to Christian civilization, nazism, and communism. Free nations throughout the world, large and small, banded together in resisting the common enemies of decency. But in world war and cold war, Ireland officially has been among the missing.

However notable may be its achievements at home, the Irish Republic, in the brief period in which it has played a role on the world stage, has become known for four principal courses of action:

Ireland refused to join the other nations of the free world in the desperate fight against Nazi aggression.

Ireland has declined to join NATO or to bear its small share of the common defense against Communist aggression in the post-war world.

Ireland has become an advocate of neutralism in the raging conflict between Christian civilization and communism.

Ireland has lent its support to those who are today paving the way for the admission of Red China into the United Nations.

Ireland, in short, is pursuing neutrality in a struggle in which no Irishman should be neutral, a struggle in which no one devoted to the religious and philosophical tenets of Christian civilization can be neutral.

This seems to me a renunciation of the Irish heritage, of all that it has stood for, of all that Ireland should properly represent to the world.

I am saddened by this and I know that kinsmen of ours in every corner of the world are puzzled and hurt by it.

We cannot believe that the national traits of Ireland have suddenly changed, or that the clear trumpet of old is to be forever mute.

We hope that we misread the signs.

We hope that in Red China and its Communist allies, Ireland will soon see its natural enemy and the mortal enemy of all things decent and honorable, the enemy of all religion, of all personal freedom, of all national independence, of all international law and order, of all true peace.

And those of us who foresee for Ireland a higher role than that of a mere neutral can draw comfort from the spontaneous action of the Irish people during World War II.

The official policy of Ireland in that war was one of neutrality that denied to the side of freedom badly needed training areas and naval bases. This is painful to recall. But we also remember the thrill it brought to our hearts to learn that the young men of Ireland, by the thousands and tens of thousands, were enlisting under an alien flag in order to join in the struggle against Nazi tyranny.

Despite the policy of its government, the Irish people contributed to that war a larger percentage of volunteers than any other nation in the world. The divine spark was still there, and it is there today ready to be ignited into a consuming flame by a new O'Connell, another Parnell, an Emmet, or a Wolfe Tone.

We want to see in the world an Ireland that is prosperous, an Ireland that is united, but above all, an Ireland that takes its place, not among the neutralists of history's greatest conflict between good and evil, but rather its rightful place, its natural place in the front rank of those who are fighting against the gravest threat to our faith and our freedom that the world has yet seen.

I am sure that Mr. Aiken, the Irish Minister for External Affairs, who is here seated beside me, understands that my comments and observations tonight are made with regret and only because at this fateful hour in history we must face facts and tell truths and do all we can to help others to join full strength in this desperate struggle for freedom.

I say these things not in a spirit of rancor or hostility but in one of hope and affection. We Americans of Irish descent are helping our country to carry the mighty burden of defending freedom for ourselves and for all men. And we instinctively want Ireland, the other house of our family, at our side, not as a subordinate, nor yet as an estranged and distant onlooker of our struggles; but as a friend and a companion, a partner in the greatest enterprise of our history.

It will perhaps be a significant factor in history that millions of displaced Irishmen and their descendants, who but for chance circumstance would have lived out their lives in a small land, far from the storm center of world events, today are a prominent and influential force in America at a time when the actions of our country may well de-

termine the outcome of 30 centuries of recorded struggle between tyranny and freedom.

I think we may be pardoned for taking pride in the fact that a man of Irish descent today sits in the chair of the President of the United States, and in the chair of the majority leader of the U.S. Senate, and in that of the majority leader of the House of Representatives.

It is here in America that whatever is of worth in our race has been given a chance to develop and flower. It is here that the ancient Irish yearning for liberty and religious freedom was first satisfied. It is here that the hope and the fate of man is centered. And it is here that Irishmen can best justify their heritage by strengthening America in its determination to do the painful things that must be done if we are to gain and preserve for all men what we have here.

To the United States, our great Republic, "the last best hope of earth," we give our toast this day as we give our prayers in all the days ahead.

Hon. William L. Dawson

EXTENSION OF REMARKS
OF
HON. BARRATT O'HARA
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Monday, March 27, 1961

Mr. O'HARA of Illinois. Mr. Speaker, for the beloved dean of the Illinois delegation, the Honorable THOMAS J. O'BRIEN, and his colleagues from Chicago, I am extending my remarks to include the text of a telegram from President John F. Kennedy to Edward B. Toles, president of the Cook County Bar Association, on the occasion of a dinner conferring awards of merit on Congressman William L. Dawson, Judge Ervin Charles Mollison, judge of the U.S. Customs Court, Judge Scovel Richardson, also judge of the U.S. Customs Court, and the Honorable Herman Emmons Moore, retired judge of the U.S. District Court in the Virgin Islands.

It is doubtful that ever a President of the United States has paid a higher tribute to a Member of the Congress than these words of President Kennedy referring to Congressman DAWSON:

> Your giving well-deserved recognition to a man who, through selfless dedication to principle and devoted service to his profession, his community, and the Nation has achieved a position of unique distinction in the life and the political institutions of the United States.

The full text of the President's telegram follows:

THE WHITE HOUSE,
Washington, D.C., February 16, 1961.

EDWARD B. TOLES,
President, Cook County Bar Association, Chicago:

I extend greetings and felicitations to the incoming officers, members, and guests in attendance at the 47th annual installation banquet of the Cook County Bar Association. In honoring Congressman WILLIAM L. DAWSON, you are giving well-deserved recognition to a man who, through selfless dedication to principle and devoted service to his profession, his community, and the Nation, has achieved a position of unique distinction in the life and the political insttutions of the United States. On this auspicious occasion I extend my sincere congratulations and best wishes to him and to your other honorees—Judges Irvin C. Mollison and Scovel Richardson, of the U.S. Customs Court, and Judge Herman E. More, retired, of the U.S. District Court for the Virgin Islands.

JOHN F. KENNEDY.

Washington Report

EXTENSION OF REMARKS
OF
HON. BRUCE ALGER
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Monday, March 27, 1961

Mr. ALGER. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following newsletter of March 25, 1961:

WASHINGTON REPORT
(By Congressman BRUCE ALGER, Fifth District, Texas)

MARCH 25, 1961.

The New Frontier legislative program has everyone's attention. The leaders endeavor to meet an Easter deadline to get out legislation—whatever can be passed to show performance before the anticipated April upturn of business. The Ways and Means Committee has temporarily postponed the highway tax in favor of a study of social security changes and the reduction of the tourists imports of duty-free foreign purchases (from $500 to $100). Everything is urgent, whether the legislation would take effect soon or in the distant future.

The temporary unemployment compensation House-Senate conference report was passed handily. I joined debate to emphasize the inequity of the financing which most legislators, I am sure, did not intend. The employers of 40 States are forced to pay in more than they can get back, 3 States break even, and 9 States get back more than they pay in—all of this not intended but the result of the mandatory tax increase in violation of existing State law and procedures. In protesting this new forced taxation, I fail to see why Texas employers should pay for New York, New Jersey, Ohio, and other wealthy States costs of unemployment, not forgetting either that the States have vast reserves of $6.6 billion, particularly since the inequity results from local and States problems and program administration. The overriding danger is the Federal encroachment and breakdown of present State law, replaced by Federal standards. Time will show even more closely that the 31 of us opposing this bill are right.

Minimum wage legislation and debate, to increase minimum wages to $1.25 per hour and expand coverage under the Fair Labor Standards Act, dominated floor action this week. The 51-page bill, the 77-page report, the 637 pages of hearings, and the 2½ days of debate spell out one overpowering fact—minimum wage setting by the Federal law is unconstitutional. Infrequently is this mentioned. On the contrary, hours of technical and complicated amendments and differing solutions were the concern of the Members. The dilemma facing a constitutionalist is to listen, learn, and vote to bring out the least obnoxious bill—least endangering freedom of the individual and all the time realizing that every revision is unconstitutional, so that the final vote, no matter how refined the bill is "No." As to the merits of the bill—whether $1 an hour, $1.15 an hour, or $1.25 per hour is the right amount, and how much coverage and exemption should be embraced—the evaluation of each side of the argument was almost impossible—first to reach an agreement of understanding when basic disagreements are so many and then decide the least undesirable solution, was an exercise in futility. Why? Because Government cannot equitably manage private enterprise without fully controlling all facets of enterprise, including price. In other words—business is either free or Government controlled—a solution embracing and endorsing both is inequitable and self defeating. Mainly, wage setting hurts people, the wage earners, because it results in unemployment, business failure, and higher prices.

Some of the inequities and unreal features are: (1) Minimum wages go to the unskilled, poorly educated, handicapped, young person, older person and these, all too frequently, will lose their jobs—no pay is hardly a better solution. (2) Interstate Commerce as the constitutional reason for Federal minimum wage setting has been discarded for an annual dollar volume of sales of not less the $1 million. (This figure can be reduced in the future until all business is covered.) (3) The escalator of $1.15 to $1.25, the latter to be imposed 2 years hence binds a later Congress which can take action on its own. (4) Some small merchants and services are exempt. Discrimination between businesses is arbitrary. The reasons for exempting some businesses apply to many of those not exempt. The bill finally passed raised minimum wages to $1.15 per hour and retained Interstate Commerce as the grounds for the increase rather than the arbitrary dollar volume proposed by the Democrat leadership.

Once again the emotional plea of substandard housing, clothing, food, and living conditions is used to demagogically show that higher pay is deserved. The plain fact is people must be paid what their services are worth, an agreement between employer-employee, not as a result of bureaucratic decision of Federal Government.

The four pillars of our national economic health (1) Federal budget, (2) fiscal policy, (3) debt management and (4) wage productivity need to be analyzed in the light of the New Frontier's radical spending and taxing plan. Then our people must realize where this course is taking us. In this connection a realization of the dedicated beliefs of men around the President advising him and administering the law should be known. Do the people and Members of Congress know the beliefs of these men: Goldberg, Schlesinger, Galbraith, Heller, Cohen, Bowles, Udall, Williams? The President's statement of foreign aid and fiscal policy received this week should be understood by everyone.

Centennial Anniversary of the Civil War

EXTENSION OF REMARKS
OF
HON. JOHN V. LINDSAY
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Monday, March 27, 1961

Mr. LINDSAY. Mr. Speaker, in this year of the centennial anniversary of the Civil War, many admirable ceremonies, publications, and other forms of commemoration are being conducted to remind our citizens of the great tragedy of a century ago out of which our forebears

forged in blood and pain the more perfect union of which we are the beneficiaries.

One of the most notable of the centennial events is the publication of Newspaper Americana's Civil War papers. It was recently my privilege to be presented with Newspaper Americana's copy of the New York Herald headlining the inauguration of Abraham Lincoln as President of the United States.

Newspaper Americana's Civil War papers, published by Mr. Robert Miller, of New York City, are a significant set of historical documents which constitute a worthy contribution to the centennial commemoration while contributing to the knowledge and edification of all who read them.

Highways in New York

EXTENSION OF REMARKS
OF
HON. EUGENE J. KEOGH
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Monday, March 27, 1961

Mr. KEOGH. Mr. Speaker, in the hearings before the Committee on Ways and Means on the highway trust fund reference was made by a witness to a letter addressed to the President by Governor Rockefeller. In order that the exchange of correspondence might be completely available, it is my privilege to include herein the reply to that letter sent by the President. It follows:

MARCH 14, 1961.

Hon. NELSON A. ROCKEFELLER,
Governor of the State of New York,
Executive Chamber, Albany, N.Y.

DEAR GOVERNOR: I want to thank you for your letter of March 5 in response to my telegram of February 15 urging action to stimulate employment and invigorate the economy.

In my special message of February 28, I recommend to Congress a fiscally sound method of completing the 41,000-mile Federal Interstate Highway System on time by 1972 without violating the pay-as-you-go principle, with which you have often stated your agreement. To meet this completion date set by the 1956 act requires additional authorizations of $11,560 million and additional revenues to the trust fund of $9,740 million. The legislation I have recommended accomplishes this goal.

In your letter you indicate that New York is able to proceed even faster and suggest Congress "authorize individual States to draw on their Federal highway fund allocations as rapidly as they can provide matching funds." This would involve repeal of the Byrd amendment and open-ended deficit financing, or, in the alternative, greatly increasing proposed highway user taxes.

The acceleration program I have proposed will increase the Federal highway expenditures by almost $1 billion per year and reaches the full extent fiscally sound at this time. If New York wishes to go even faster, the Highway Act (23 U.S.C. 115) allows you to do so. A State may finance total projects costs currently and be reimbursed from its Federal allocation for a subsequent fiscal year. I understand that Connecticut and several other States have already accelerated their Federal highway programs under this procedure.

You also can further increase your share of Federal highway funds by complying with the Federal standards for control of outdoor advertising along the Interstate System. I hope you will urge the current session of the New York Legislature to take such action—and also join me in urging Congress to extend the billboard control provision (as U.S.C. 131) for another 4 years and increase the incentive bonus from one-half to 1 percent of a State's allotment.

In closing, may I thank you again for having expressed such an interest in our vital Federal highway program and solicit your support for the sound method of financing I have recommended which I believe is the best for the country.

Sincerely,

JOHN F. KENNEDY.

Crash Program Needed To Save Waterfowl Wetlands

EXTENSION OF REMARKS
OF
HON. LESTER R. JOHNSON
OF WISCONSIN
IN THE HOUSE OF REPRESENTATIVES
Monday, March 27, 1961

Mr. JOHNSON of Wisconsin. Mr. Speaker, if our dwindling duck population is to be saved, Congress must act soon to speed up the purchase of lands for migratory bird refuges and waterfowl nesting areas. In 1954, I exposed the diversion of the bulk of income from Federal duck stamp fees to purposes other than wetlands acquisition, for which purpose hunters had voluntarily accepted the fee in the first place. During the next 4 years, I battled for legislation to insure that all income from the stamps would go to provide more refuges for migratory waterfowl. This legislation was enacted into law in 1958.

However, even though all duck stamp money is now earmarked for the purchase of wetlands, it will take years for the program to reach the anticipated goal of 4,500,000 acres. Meanwhile, many areas marked for acquisition will have been drained or converted to other uses, and land prices will most likely have become prohibitively high. The next 10 years are the critical period. Wetlands must be acquired now, or it will be too late to save continental flights of waterfowl.

As every duck hunter knows, waterfowl hunting has grown poorer in recent years, and fewer hunters have taken to the field. As a result, duck stamp sales have lagged. During the 1960 fiscal year, only 1,628,365 Federal duck stamps were sold. This figure is 741,575 below the number sold during the peak year of 1955.

Mr. Speaker, with fewer duck stamps being sold, less money has been available for purchase of new refuges. This, in turn, has resulted in poorer hunting, fewer hunters, smaller duck stamp receipts and a further lag in the acquisition program.

In order to break this vicious circle, I have joined my colleagues, Congressmen HENRY REUSS and JOHN DINGELL, in introducing a crash program for wetlands acquisitions. The measure authorizes a loan of $150 million over the next 10 years to purchase the needed property. Starting in 1971, the money would be repaid to the U.S. Treasury from duck stamp revenues.

This buy-now, pay-later plan will enable the Nation to safeguard its valuable wetland resources during the critical decade of the 1960's. Thereafter, full repayment of the loan will be made from funds contributed by the duck hunters themselves. By creating the wetlands, we shall also be creating the means to repay the purchase-loan money.

Correlation of Federal Activities in Combating Juvenile Delinquency and Cooperation With State and Local Groups—A Constructive Suggestion From the Metropolitan Youth Commission of St. Louis and the Encouraging Response of the Department of Justice

EXTENSION OF REMARKS
OF
HON. LEONOR K. SULLIVAN
OF MISSOURI
IN THE HOUSE OF REPRESENTATIVES
Monday, March 27, 1961

Mrs. SULLIVAN. Mr. Speaker, the Congress periodically—and enthusiastically—votes for additional Federal funds to help in combating the alarming extent of juvenile delinquency in this country, although, of course, this is and must be primarily a problem for localities. But Federal assistance and cooperation and leadership, particularly in the fields of research and vocational education, encouraging the training of teachers with special skills in teaching disturbed children—such as called for in my bill H.R. 15, dealing generally with all types of exceptional children—and in other ways can be most useful.

There is a strong feeling, however, that various Federal agencies engaged in activities intended to help combat juvenile delinquency have been operating in something of a vacuum, isolated and insulated from each other, and without much regard to or knowledge of the work being done on the local level in communities which are trying to face up to this great problem and challenge.

Because of that widespread feeling, I am delighted to include in the CONGRESSIONAL RECORD some correspondence indicating that the Department of Justice under Attorney General Robert Kennedy is aware of the situation and is disposed to try to work closely with other Federal agencies and with groups such as the outstanding Metropolitan Youth Commission of St. Louis and St. Louis County. The executive director of that organization, Mr. Eugene P. Schwartz, recently made some very constructive suggestions and some provocative comments to the Attorney General bearing on this issue, and was thoughtful enough to send me a copy of his letter. It stimulated me to write also to Attorney General Kennedy.

This correspondence will, I believe, be of great interest to other Members of Congress and to all Americans who are intensely concerned over juvenile delinquency and over the extent of cooperation among Federal agencies with each other and with State and local agencies in combating it.

This correspondence, including Mr. Schwartz' letter of March 10 to Attorney General Kennedy, my followup inquiry to the Attorney General of March 14, my reply to Mr. Schwartz of the same date, the Attorney General's reply to me and his response to Mr. Schwartz, and also a letter to Mr. Schwartz from David L. Hackett, Assistant to the Attorney General, all dated March 23, 1961, follows:

METROPOLITAN YOUTH COMMISSION, OF ST. LOUIS AND ST. LOUIS COUNTY,
St. Louis, Mo., March 10, 1961.

The Honorable ROBERT F. KENNEDY,
Attorney General of the United States,
Washington, D.C.

MY DEAR MR. ATTORNEY GENERAL: It was with much interest that I read of the request by President Kennedy for an additional $1,158,000 to "battle two phases of crime: organized syndicates of hoodlums and juvenile delinquency."

There are some serious questions I would like to raise in inquiry for information about any plans, particularly as they might relate to the problems of juvenile delinquency.

The statement, as it appeared in our local newspaper, indicated that $618,000 would pay for a program aimed at wiping out juvenile delinquency. There is so much confusion already as to who is doing what in this field of delinquency that I wish there might be a top level conference on this matter before any plan goes ahead.

For example, we already have a little-supported Juvenile Delinquency Section of the U.S. Children's Bureau, a program of delinquency research through the National Institute of Mental Health and, of course, the repeated "expert" announcements from the FBI about what should be done about delinquency. The public, as well as agencies, are so confused as to who should take the lead that I hope the Juvenile Delinquency Section of the U.S. Children's Bureau will at least be consulted.

One of the great problems in our field has been the lack of coordination and interagency planning. The FBI as a law enforcement agency, certainly ought to work cooperatively with social agencies at the national level. Here in St. Louis we have an excellent example of how the law enforcement agencies, social workers and juvenile courts and Metropolitan Youth Commission work together and not against each other. There has been too much professional jealousy and criticisms of other professional disciplines from each other at the national level to keep the public informed as to what should be done.

It is my personal belief that whatever should be done at the national level, as well as at the local level, must be on a coordinated basis. On May 11 and 12 there will be a meeting of local municipal and State youth commissions, youth boards and other public agencies with the responsibility for delinquency control in their respective communities. This will also be a meeting for the formation of a National Association of Public Agencies for Delinquency Control. It is my fervent hope that you will consult with representatives of this group before any plan, either by the FBI or individual agencies, is presented and supported.

Needless to say, I am very grateful for your personal interest in this matter, and we at the local level, who have the responsibility for controlling delinquency in our communities, look for some Federal help. However, this should be on a well planned and coordinated basis. There is much to be questioned as to the role of the FBI with relation to juvenile delinquency. Their responsibilities and activities should be clearly defined in relation to the roles of other agencies working in the same field.

Could we not discuss this matter before we again get the public aroused with misinformation and unsound plans for delinquency control which has already confused our citizens who are anxious to help. There must be a great deal more teamwork by all professional disciplines, and I believe you can give us the leadership to facilitate this.

With sincere best wishes,

Respectfully yours,

EUGENE P. SCHWARTZ,
Executive Director.

MARCH 14, 1961.

Hon. ROBERT F. KENNEDY,
Attorney General United States,
Washington, D.C.

DEAR MR. KENNEDY: I have read a great deal of interest a copy I have received of a thoughtful and provocative letter written to you on March 10 by Mr. Eugene P. Schwartz, executive director of the Metropolitan Youth Commission of St. Louis and St. Louis County on the various Federal programs, funds, efforts, studies, and demonstration projects relating to juvenile delinquency and the seeming lack of coordination or meshing efforts and findings. I would be extremely interested in having your comments on Mr. Schwartz's discussion of this issue, and would appreciate receiving a copy of your reply to him and any other comments you might care to make—or legislative suggestions.

With kindest regards, I am,

Sincerely yours,

LEONOR K. (Mrs. JOHN B.) SULLIVAN.

MARCH 14, 1961.

Mr. EUGENE P. SCHWARTZ,
Executive Director, Metropolitan Youth Commission of St. Louis and St. Louis County, St. Louis, Mo.

DEAR MR. SCHWARTZ: Thank you for keying me in on your letter to the Attorney General. I am enclosing a copy of my followup letter to him, one which is intended not only to reflect my interest in what you have written but also to expedite the course of your letter "through channels" at Justice. I will certainly be interested in his comments.

Sincerely yours,

LEONOR K. (Mrs. JOHN B.) SULLIVAN.

MARCH 23, 1961.

Mr. EUGENE P. SCHWARTZ,
Executive Director, Metropolitan Youth Commission of St. Louis and St. Louis County, St. Louis, Mo.

DEAR MR. SCHWARTZ: Your letter to the Attorney General regarding juvenile delinquency has been referred to me, and I am looking forward to discussing this matter with you in person.

I find that I will be in the St. Louis area in the not too distant future, and hope that I may call your office for an appointment.

Very truly yours,

DAVID L. HACKETT,
Assistant to the Attorney General.

MARCH 23, 1961.

Mr. EUGENE P. SCHWARTZ,
Executive Director, Metropolitan Youth Commission of St. Louis and St. Louis County, St. Louis, Mo.

DEAR MR. SCHWARTZ: Many thanks for your good letter of March 10 regarding juvenile delinquency.

As you know, this administration is very interested in this problem, and for the past 2 months the Labor, Health, Education, and Welfare and Justice Departments have been working together on a program which we hope to be able to announce very shortly. In the meantime, the $618,000 requested for the Bureau of Prisons would be used in the following manner: $300,000 would be spent for demonstration release guidance centers (half-way houses); the remaining $318,000 would be spent on demonstration vocational, counseling and correctional education programs as well as training manuals and institutes for correctional personnel and a statistical program.

I have referred your letter to Mr. David Hackett of my staff who is particularly concerned with this project and have asked him to contact you when he is next in the St. Louis area.

We welcome any further views you may have on this very serious problem.

Sincerely,

———— ————,
Attorney General.

OFFICE OF THE ATTORNEY GENERAL,
Washington, D.C., March 23, 1961.

Hon. LEONOR K. SULLIVAN,
Congress of the United States,
Washington, D.C.

DEAR MRS. SULLIVAN: Thank you very much for your letter of March 14 regarding correspondence received from Mr. Eugene P. Schwartz, executive director of the Metropolitan Youth Commission of St. Louis and St. Louis County on the subject of juvenile delinquency.

As you know, this administration is trying very hard to coordinate the activities in this field and for the past 2 months the Labor, Health, Education, and Welfare and Justice Departments, have been working together on a program that we hope we will be able to announce very shortly.

The attached copies of letters to Mr. Schwartz will indicate that Mr. David L. Hackett, of my staff, is already making plans to call on Mr. Schwartz in the near future. We are most interested in his views on this problem and look forward to discussing this matter with him further.

Your interest in this serious problem is greatly appreciated.

Sincerely,

ROBERT F. KENNEDY,
Attorney General.

Broadcasters' Responsibility for Improved Programing

EXTENSION OF REMARKS
OF
HON. OREN HARRIS
OF ARKANSAS
IN THE HOUSE OF REPRESENTATIVES
Monday, March 27, 1961

Mr. HARRIS. Mr. Speaker, Gov. LeRoy Collins, the new president of the National Association of Broadcasters, has made important proposals looking to the elimination of excessive violence on television programs and the increase of outstanding drama, fine music, public information and educational programs during prime evening hours. In an effort to support Governor Collins' drive for improved programing, I have written a letter to him and I would like to use this way of informing other members of Congress and the public of the support which the Committee on Interstate and Foreign Commerce hopes to give in this connection to the National Association

of Broadcasters. The exchange of correspondence with Governor Collins is as follows:

MARCH 20, 1961.

Hon. LEROY COLLINS,
President, National Association of Broadcasters, Washington, D.C.

DEAR GOVERNOR COLLINS: In the past, whenever this committee has received complaints with regard to television or radio programs from viewers or listeners, or had referred to it by individual Members of Congress, complaints received by them from viewers or listeners, it has been the policy of this committee to transmit such complaints to the Federal Communications Commission with a request that such complaints be placed in the file of the particular station to be given attention at license renewal time.

The committee has always advised complainants and Members of Congress that the primary responsibility for programing rests with the licensees, that the Communications Act of 1934 specifically prohibits censorship by the Federal Communications Commission, and that the Commission's responsibility with regard to programing is limited (except in cases where a program violates specific criminal statutory provisions) to an overall review of programing at license renewal time in the light of promises made by licensees in their license applications.

In view of the strong stand which you as the new president of the National Association of Broadcasters have taken with regard to the responsibility of broadcasters in connection with programing, especially with regard to the need for eliminating excessive violence and for increasing "blue ribbon" programing, the committee will be glad to assist you in your efforts by furnishing you with copies of communications received by it or referred to it which deal with radio and television programing.

It has always been my conviction which I have expressed in speeches before broadcasters that the licensees and not the Government must assume the primary responsibility for improved programing, and I share your feeling that the National Association of Broadcasters can greatly assist in bringing this about—be it through the formulation of improved codes of good conduct or through other methods such as the plan which you suggested aiming at increased high level television network programs during prime evening hours.

I trust that our close cooperation with your organization in these matters will produce the results which we are seeking.

With kindest regards,
Sincerely yours,

OREN HARRIS,
Member of Congress.

NATIONAL ASSOCIATION
OF BROADCASTERS,
Washington, D.C., March 23, 1961.

Hon. OREN HARRIS,
Chairman, Committee on Interstate and Foreign Commerce, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: I want to thank you for your letter of March 20, in which you extended the offer to furnish to me copies of complaints received by your committee which deal with radio and television programing.

Your sharing the conviction that the licensees and not the Government have the primary responsibility for programing is another indication of your dedicated and informed interest in broadcasting and its service to the American people.

I gratefully accept your offer. I feel confident this information will prove helpful in administering the self-regulatory efforts of the radio and television codes. You are aware, of course, that favorable comments as well as complaints will assist in making the necessary assessments for carrying out our program. Will you also forward copies of these?

With appreciation and high regards, I am,
Sincerely,

LEROY COLLINS,
President.

MARCH 24, 1961.

Hon. LEROY COLLINS,
President, National Association of Broadcasters, Washington, D.C.

DEAR GOVERNOR COLLINS: I have your letter of March 23, 1961, replying to my letter of March 20, 1961. I am glad you feel that the transmission of comments received by the committee with regard to radio and television programs will be helpful to the broadcasting industry's self-regulatory efforts.

Of course, the committee will include any favorable comments which it might receive along with any complaints which reach the committee. As a former Governor of the great State of Florida you will appreciate, however, that constituents usually are more ready to reach for the pen to express dissatisfaction with some occurrence than they are to convey their pleasure over a job well done.

With kindest regards,
Sincerely yours,

OREN HARRIS,
Member of Congress.

Address by Senator John O. Pastore, of Rhode Island, Before the American Cotton Manufacturers Institute

EXTENSION OF REMARKS
OF
HON. B. EVERETT JORDAN
OF NORTH CAROLINA
IN THE SENATE OF THE UNITED STATES
Monday, March 27, 1961

Mr. JORDAN. Mr. President, a few days ago the distinguished Senator from Rhode Island [Mr. PASTORE] and approximately 26 other Senators took part in debate in regard to the plight of the textile industry and the effect of imports on that industry. At that time the Senator from Rhode Island did a magnificent job, as did all the other Senators who participated in that debate.

On Saturday, March 25, the Senator from Rhode Island addressed the American Cotton Manufacturers Institute, at its meeting at Miami Beach, Fla. The Senator from Rhode Island was received there extremely well, and made a magnificent speech. I ask unanimous consent to have the full text of his speech printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

ADDRESS BY THE HONORABLE JOHN O. PASTORE, U.S. SENATOR FROM RHODE ISLAND, GIVEN BEFORE THE AMERICAN COTTON MANUFACTURERS INSTITUTE, INC., AT MIAMI BEACH, FLA., MARCH 25, 1961

My good friend Seabury Stanton and fellow Americans, first of all, I should like to thank you for your cordiality and your hospitality. I am very appreciative of how pleasant you have made my stay here in Miami for the last several hours. I think I speak the appreciation also of Prof. William Miernyk, whom our committee was so fortunate to obtain, even at a very, very busy time for him, to assist and to counsel our endeavors in the investigation that we made pertaining to the decline of the textile industry in America.

Yesterday I met many of you personally. Your compliments were rather universal. Many of you said "Thank you for what you have done for me and thank you for what you have done for the textile industry."

Frankly speaking, and I would be less than honest if I did not admonish you to this, that was not my interest. I am not interested in the plight of the textile industry because an individual may be looking to his profit or to his losses. I am only interested in the textile industry because I think it is absolutely necessary to the economic stability of America. [Applause.]

My interest and my knowledge of the textile industry is not academic. I do not read many books on the subject, but I, in full modesty, will say that my interest is somewhat profound.

I have lived in an atmosphere where the textile industry flourished for many, many years. I have been closely associated with men and women who have managed mills, and I have traveled my daily chores with men and women who have worked at the loom.

Ten years ago in my own beloved State of Rhode Island there were 62,900 people employed in the textile industry. Today there are 27,900. There has been a decline in the textile industry of more than 55 percent in the last dozen years.

When I was Governor of my State between 1945 and 1950, our revenue from textiles alone was 45 percent of our gross. Today I daresay it is less than 15 percent.

Now, it is true that many of the jobs that have been lost in the textile industry have resulted from an increase in productivity, and I dare say that in the textile industry you bear favorable comparison with the acceleration of productivity in any industry in the United States of America.

It is true that we lost much of our employment because of the exodus of some of our mills to a region of our country south of the Mason-Dixon line. We did not like that too much. We do not enjoy it to any extent today, but we accept it as the facts of life; but be that as it may, we today have 27,900 of our working population engaged in the textile industry in the State of Rhode Island, and it is the interest, the concern, and I hope the devotion of the senior Senator of the State of Rhode Island to see to it that these jobs are saved, protected, and made to endure in my State of Rhode Island. [Applause.]

Now, that does not mean that I am a protectionist. I am certainly not a protectionist. Some mention was made here that the Reciprocal Trade Agreements Act will come up for renewal in 1962. I voted for the extension in 1958. We were told at that time by President Eisenhower that he needed an extension of the Reciprocal Trade Act if he was to maintain the peace of the world and the security of our people. I believed him, and I voted for it, and I say to you of the textile industry that if in 1962 Mr. John Kennedy rises before the American people and says "For the peace of the world and the security of our people I implore you to again continue the Reciprocal Trade Act" I shall do so again as an American.

But that does not mean that our problem does not cry out for solution. The one mistake that is being made all along the line, and I do not know whether this has been already mentioned to you, is the fact that on two occasions our subcommittee made this investigation, and on each occasion we were very explicit in our declaration, that we were not urging, we were not appealing for, we were not recommending a change in our traditional foreign policy.

When we instituted quotas on agricultural products in the United States of America we did not alienate the rest of the world. We did so for economic reasons. We have a surplus that was cluttering up our agricultural storage, and it would have been next to folly if we increased that surplus astronomically, and for that reason we invoked quotas. These quotas are accepted by the American people, they are accepted in good grace, I am happy to say, by the rest of the world, and this idea that the word "quota" has become so obnoxious is so surprising to me.

Now, the facts of life in the textile industry are very, very simple.

I applaud and appreciate very much what the Secretary of Commerce had to say in commendation of our subcommittee. I am so happy, and I had Bob Jackson get his speech for me. When he said, "A national administration cannot settle the textile problem in a vacuum or without regard to other matters." I say no one is pretending that we do, no one is asking that we do.

He went on, "But I think I can promise that you will get a decision * * * you will get action." That, to me, is the core of the presentation that he made yesterday.

Now, I am happy to see that upon the recommendation of our subcommittee the President of the United States has appointed a Cabinet-level committee. They have conducted investigations, they are in the process, as Mr. Hodges said yesterday, of analyzing that report, and they, in turn, will report to the President of the United States, and he in turn will report to the people of the country.

I quite agree with Bob Jackson that there is enough power in existing law, there is enough power in the Presidency of the United States to ameliorate the situation in the textile industry in the United States of America and to do so quickly. No further legislation, in my humble opinion, is required.

Two years ago we were quite disturbed over the number of imports that were coming into this country from Japan. Our committee cautioned the country and the world that this was only the beginning.

Since 1959, when our report was made, and within the past 2 years, imports generally have risen 2½ times more. Japan in 1958 exported to the United States of America, as the greatest exporter, about 60 percent of the entire imports in cotton that were coming into this country. Her quantity has gone up 8 percent in the last 2 years, but her overall share is down to 28 percent, which means that other nations have come into the field.

Now, I heard a man say on the floor of the Senate last Tuesday morning that we must not price ourselves out of the foreign market, and I say "Amen" to that, but how in the world is America ever going to price itself into the Hong Kong market. It is a fallacy that blinks its eyes to the truth and to the realism of the moment.

We of our committee feel that our recommendation of flexible, expandable quotas is a fair and reasonable compromise of a very knotty problem. We feel that the law can be administered and be administered effectively. We feel that this law will not only have a salutary effect upon our own American textile economy, but, indeed, will have a salutary effect upon our friends, who are exporting to us from abroad. For the worst thing that can ever happen to America is to lull the rest of the world into the notion that they can produce and produce and produce their textiles and sell them to the American consumer, and then one day, when the goose that has laid the golden egg dies, to wake up and find out that they must begin to close down their own mills. We will end up with more enemies in the end than friends we made in the beginning.

This matter must be discussed on an international level. Our friends must be made to understand that the American market still welcomes them, but we must convince them, as diplomatically as we can, that the American consumer is not inexhaustible. He is alive and kicking only in so long as he has a job, and what we are talking about today, my friends, involves the jobs of 2 million Americans, be it in the textile, broadwoven, manmade, wilton and carpet, and made-up apparel—2 million American jobholders are concerned with this problem.

We can absorb, as we have been able to, what has already come in. What concerns us most is the trend. If imports have gone up 2½ times in 2 years, what will they be in 5 years? What will the cure be in 10 years, and where will the textile industry be in 15 years? The one industry that is second only to steel in our national security.

I have heard so much about sacrifice. There is not an individual in this room who, this morning, would not be willing to sacrifice his plant and his fortune if he or she thought for 1 minute that the doing of it would mean to remain free and not become slave. But where did we ever get this idea that the American textile domestic industry must vanish in order to preserve the peace of the world?

You have been most helpful to our committee, but I daresay, in sounding this clarion here this morning, we have achieved no results. We have been complimented to the extent that we are dizzy with flattery, but flattery is not flexible, expandable quotas.

The job must be done, the responsibility must be met judicially and wisely.

I know it is not simple. I know that we have problems, but look at wilton and carpet—3 percent of our entire production in 1948, 10 percent of our entire production in 1956, and 26 percent of our production in 1960—how long will it take? You can take category by category and the story is all the same.

Now, we do not mind, in giving foreign aid to our friends, we do not mind in helping them to build their factories. I have fought for it. In philosophy I am an internationalists and not a protectionist.

We do not even mind the two-price cotton system, provided that when our friends make it into cloth they put it on the backs of their own people. [Applause.]

But to send it back to us in competition with us is again turning your backs to the facts of life.

Now, I know that what we have suggested is not universally popular. I know that it must be studied and studied seriously. In our first report we advocated that in the offshore procurement program a certain amount of those American dollars be expended to buy American-made products. We were flatly told that we could not interfere with the machinations of a foreign government. We could not tell it where to spend our aid because that would not be right, yet we have lived to see, in recent months, that that policy has been reversed.

If, 2 years ago, someone rose on the floor of the Senate and said, "$500 duty-free is too much to bring into America from abroad by an American tourist" they would have called him an isolationist, and within weeks we have seen that drop from $500 to $100.

All I am saying to this administration, please make textiles part of the New Frontier. [Applause.]

I say this to you, that if our cause does not receive a welcome reception at the hands of a Luther Hodges, who knows the textile industry even better than I do—if our cause is not received favorably by Mr. John Kennedy, who lived in the environment and the atmosphere of the textile industry and saw it decline in his own beloved State of Massachusetts, then I daresay, and I say this frankly and as honestly as I can, we either have no cause or our cause is destined to die on the vine.

This is the time; this is the place. These are the facts. We are saying to the administration, look at them realistically. It is not enough that you recognize how badly off we are unless you bring to us some kind of a reasonable remedy. If, in our recommendations, we have gone too far and, for the national interest we must retreat a little bit, show us where our patriotic duty lies and we will accept it, but whatever you do, please look at the textile industry, understand its plight and save it, not only for America but for the rest of the entire world. Thank you. [Applause.]

Needed: Blueprints for Freedom

EXTENSION OF REMARKS
OF
HON. ALEXANDER WILEY
OF WISCONSIN
IN THE SENATE OF THE UNITED STATES
Monday, March 27, 1961

Mr. WILEY. Mr. President, today the free world is confronted with an ever-growing threat to its survival. All around the globe the Reds are thrusting forward to gain control of more lands and people. The ultimate objective—repeated again and again from Lenin to Khrushchev—is world domination.

In Laos, for example, we are witnessing one more effort of the Communists to penetrate and stir up trouble, arm and train a rebellious force, and then attempt to take over the country.

This must be stopped.

To more effectively combat the expansionist efforts of the Reds—not only in Laos, but elsewhere in the world—however, we need a more effective counter-offensive.

Yesterday, I was privileged to make an address over radio station WIND of Chicago. In the address I made some recommendations which I feel could well help to deal with such situation.

I request unanimous consent to have the text of this address printed in the CONGRESSIONAL RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY SENATOR ALEXANDER WILEY, OF WISCONSIN

Friends, the Nation today faces greater, more complex problems to its progress, security, and survival than ever before in history. However, this is no cause for defeatism. Why? Because the world of the 1960's also offers us better, more effective tools to find solutions to these challenges.

As a nation, we have the highest standards of living in history; the greatest defense military force in the world for our security; the most advanced scientific-technological program; the most productive agricultural-industrial systems; the greatest opportunity—within a climate of freedom—to attain our goals as individuals, and as a nation.

Now, admittedly, we face serious problems: At home, we have too much unemployment—still estimated over 5½ million—and regrettable lags in industry, business, and other segments of the economy. Naturally, we must undertake strong, effective measures to cure these ills and further improve the outlook.

To keep the picture in perspective, however, we must remember that we also have a high rate of employment—estimated at about 65 million—and a gigantic gross national product of $503.5 billion.

In spite of our difficult problems, then, we must not allow—as some would encourage—"curtains of gloom" to descend over the Nation. In my judgment, falling prey to such an attitude of pessimism would cause the country far greater harm than the present economic problems.

Rather, we must go forward—confident in our ability to solve the problems; to provide for our defense; and ultimately to make—as I believe history will record we are now making—a constructive contribution to peace in the world, and a better life not only for our own people but for all mankind.

In a world shrunken by the ingenuity of man, controlling more of the forces of nature, our Nation cannot be isolated—an "island unto itself." Rather, the design of U.S. policies must consider universal as well as domestic factors in the overall picture. In this space age, events—economic, military, political, and scientific—elsewhere in the world—affect, sometimes dramatically, our domestic as well as foreign programs.

PEACE—NO. 1 CHALLENGE

Now let's take a look at some of the major trouble spots on the globe: Headlines of newspapers across the country and around the world continue to spotlight the difficulties in Africa, particularly in the Congo. In that troubled nation, the UN—supported by the United States and other countries—is attempting to create stability and a climate in which the Congolese people can emerge as an independent, self-governing nation.

Unfortunately, the Communists are opposed to such a goal. Rather, they continue to attempt (a) to meddle in the internal affairs of the Congo; (b) and to defy, denounce and, as possible obstruct the efforts of the U.N.; overall, however, the U.N. continues to be the most promising hope for blocking a Red takeover and ultimately establishing stability in that troubled land.

The Congolese people themselves, however, need to demonstrate a greater sense of responsibility. The wanton killing, rape, and other atrocities, for example, reflect unfavorably upon the capability of the Africans to act humanely in relation to their fellow man or to govern themselves and their country.

COMMUNIST EFFORTS TO DESTROY THE UNITED NATIONS

For the future, however, we can expect that the Reds will continue to attempt—not only to stir up trouble in the Congo, Laos, South America, and elsewhere, but also to influence, control, or destroy the United Nations. In attempting to cope with the growing threat to freedom in the world, there is a real need to review our policies. For too long, for example, the West has allowed Mr. Khrushchev to get away with the policy of considering the land and people behind the Iron and Bamboo Curtains as taboo to the West, or sacred property for the Reds. By contrast, the Communists consider all areas outside the Red orbit to be open hunting grounds.

With these ground rules for power-ideological-economic struggles, the West, then, finds that it can only be stalemated, or else lose ground. However, the Reds in each such contest have everything to gain and only a little to lose. The free world, I believe, needs to develop a more effective action program to counter the Red offensive. This could involve more creative and effective efforts to penetrate behind the Iron and Bamboo Curtains.

NEEDED: BLUEPRINT FOR FREEDOM

Globally, to attain their goals, the Communists design master plans that include (1) tactics for taking over a country; (2) techniques for transforming it into a Communist state; and (3) once controlled, establishing it as a subsidiary branch of the world conspiracy.

By contrast, the free world—although engaging vigorously in efforts to protect freedom—unfortunately has no master blueprint for the ultimate triumph of liberty. Why? Because liberty implies an inherent right of people to be self-determining. Consequently, we often feel a little conscience-stricken about efforts to influence them, even though we ourselves are dedicated to freedom.

In the face of a militant effort by the Communists to mobilize more people and resources to bury us, however, we need—indeed we must—design, and put into action, blueprints of freedom for the world. The efforts would include creation of plans for free self-government tailored for each country; educating a cadre of leaders within that country to carry the banner of liberty; insofar as possible, educate the people on the meaning of freedom, including the ways in which free institutions can serve them in attaining their personal and national goals; providing technical assistance, guidance, and support—along the lines now being done—to help these countries establish a firmer foundation for attaining and perpetuating a free self-governing system.

The creating of such "blueprints" should, in my judgment, provide a greater sense of direction to our national and international efforts for winning more people for the ultimate triumph of freedom and for defeating communism.

CHAOS IN LAOS

Internationally, also, the spotlight is now on Laos. As this crisis is shaping up, it threatens to be a major contest between East-West forces. The Reds are supplying arms and ammunition to local Communists. Increasingly, these threaten the stability of the country and the survival of freedom for the Laotian people. The United States has taken a firm stand against aggressive policies of the Soviet Union. The Communists will not—I hope—turn the conflict into a Korea-type situation. The crisis, however, represents one more area in which the Reds are ready and willing to threaten world peace to further their aim of world conquest.

Currently, a meeting of the Southeast Asia Treaty Organization is underway. I am hopeful that from the conference will come some realistic action to help halt the Communist tide in that area of the world.

UNITED STATES-UNION OF SOVIET SOCIALIST REPUBLICS: DEFINITIONS OF COEXISTENCE

Despite Red-created warring in Laos, however, Mr. Khrushchev deceptively still endorses a policy of so-called peaceful coexistence. In Western understanding, coexistence is an inherent right of nations to live and progress together in the world. As possible, the United States has adhered to a philosophy of not only "live and let live," but also "live and help live."

By contrast, the Communists define coexistence as a period in which the Reds attempt by nonmilitary means—political, economic, ideological—to extend the influence and control of communism over more land and people. The result: a so-called "cold war."

For the future, the battle against communism will be fought on the production line, around the conference table, through trade channels, on the ideological plateau for the minds of men—all of these conflicts under the shadow of poised, ready-to-fire, pushbutton nuclear-warhead missiles. The free world can—and must—win the cold war. What is at stake? Our survival.

NEEDED: A STRONG U.S. DEFENSE

The "missile-muscle" of the United States—now and in the foreseeable future—will continue to serve as a major deterrent to military expansion by the Communists.

For fiscal year 1962, over $47 billion are earmarked for national defense programs. This includes production of advanced aircraft, missiles, guns, bombs, and other arsenal-for-defense materials for land, sea, air, and space forces; maintenance of trained personnel; research and development for new weapons; and cooperating with other nations in common defense through the mutual security program.

As a leader of the free world, we need to maintain a strong, forward-moving economy, with full employment, for meeting the domestic needs of our citizens, as well as to retain a good, healthy lead over the Communists' challenge on the agricultural-industrial-consumer goods production line; further strengthen our jet-nuclear-missile-space defense—second to none—to guard the ramparts of freedom and to deter would-be aggressors elsewhere in the world; pace our scientific-technological programs to stay well ahead of competition; and carry forward a realistic foreign policy, designed to obstruct the expansionist efforts of Communists; accommodate, or negotiate, conflicts of interest among nations or blocs of nations; prevent a third world war; and, to promote the cause of peace.

Testimonial to William F. Casey

EXTENSION OF REMARKS
OF
HON. SILVIO O. CONTE
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES

Monday, March 27, 1961

Mr. CONTE. Mr. Speaker, I consider it an honor to place this speech, which was my privilege to deliver Saturday night, March 25, 1961, in Greenfield, Mass., in honor of a great American citizen, William "Bill" Casey, in the CONGRESSIONAL RECORD:

SPEECH BY THE HONORABLE SILVIO O. CONTE, GIVEN IN HONOR OF WILLIAM F. CASEY AT THE TESTIMONIAL BANQUET HELD IN GREENFIELD, MASS., SATURDAY NIGHT, MARCH 25, 1961

It gives me great pleasure to be here this evening. Above all, I consider my presence here a distinct honor. It is not often that praise can be aired in public, nor is it often that tribute is made until a man is gone. But this evening, we are going to honor a man who is very much alive and who is with us. We are going to say those things we have carried in our hearts—things we have known so long but kept within ourselves or shared them in the confidence of others—our sincere feelings about Bill Casey.

I know that we have often heard it said, that this person or that one, has restored our faith in humanity. I believe that our consideration should be over the key word "humanity." By having lost faith in our fellow men we are opening the doors to an attitude toward life of cynicism, suspicion, pettiness, and even hate. There are those humans who have stalked through history to bring misery and suffering to their fellow men. Yet, despite these black moments in the chronicle of man's time on earth, we find those bright lights who restore our faith in the good * * * and that the eternal things of value must have their foundations in virtue alone. Along with the Judases, Hitlers, and Stalins, who have portrayed the baseness to which humans can descend, let us never forget that we have the greater balance on the scale of humanity represented

by such men as a St. Francis, an Abraham Lincoln, and just recently in our time, a Dr. Dooley.

Of this group who spend their lives restoring man's faith in himself in his power to do good, to leave everlasting traces of the time spent on this earth displaying the values which have the eternal stamp of this group, Bill Casey certainly belongs.

If I may, I would like to review Bill's life to date. He is a native of our great Commonwealth, and came from Peabody, his birthplace, here to Greenfield in 1907. Before World War I he enlisted in the Navy and served aboard the U.S.S. *Nebraska*. Long before we ever heard of amphibious operations, Bill Casey participated in the landings at Vera Cruz, Mexico, in that famous expedition. During the Great War, he served aboard the armored cruiser U.S.S. *Seattle*, and he was in convoy with the first contingent of American troops to France.

Interestingly enough, Bill transferred to the infant submarine service and saw duty in the Atlantic on submarine hunting. After the war, he worked for the Lake Torpedo Boat Co., testing submarines for delivery to the Navy. I understand that these tests consisted of dives to test the hull strength of the craft. It was men like Bill, early pioneers in submarines, who led the way to the great fleet we have today.

After being hospitalized for war injuries, Bill returned here to Greenfield. This was the best move he ever made. I am sure that everyone in Greenfield feels the importance of that decision.

He opened an automobile electrical shop which, from 1931 to 1952, was located on Main Street. In 1952 he assumed the post of veterans agent for Greenfield. But during the years I have spanned so briefly in my biographical sketch, Bill Casey was not by any means inactive in many civic activities. He was commander of the John F. Harrington Post of the Veterans of Foreign Wars in 1926 and 1927, and he was also first county commander for that organization. Since 1933, he is president of the Greenfield Patriotic Societies, and has served Greenfield on many committees like the Fourth of July, Armistice Day, and the February anniversaries. He was a Cubmaster of the Newton School Cub Scouts from 1940 to 1944. As if these activities were not enough to wear down any man, Bill has given of himself to even more. Board of the Registrar of Voters, secretary of the Greenfield Finance Committee, Military Manpower Committee during World War II, and since 1951, director of civil defenses for Greenfield. There are so many more things he has done, and is currently undertaking, that he seems like a "one man" city of Greenfield. It would take many people to do all the things he has, and in the manner he has, over the years. I know that Bill has done all of these things, and will continue to do them, because he has faith in his fellow men and he derives that lasting merit which comes from dedication to his service.

What emerges so clearly from his biography, is not the quantity of activities, organizations, or endeavors—for they in themselves, could be unimportant and valueless—no, what has made a great impact on us, is the quality of the motivation which Bill Casey has constantly kept as his ideal.

For I know, as do all of us here, that he seeks no reward, needs no praise, nor does he want a public display of his works. For indeed, Bill Casey is one of the great examples of what men should be, of what men want to be, and of what men can do. His humility would prevent hollow praise, and his sacrifices do not demand vocal approval.

To reassure you, Bill, that we are grateful, let me say that what you have done rests deep in our hearts, spirits, and minds—there, like a seed, your deeds prompt our sincere thanks and set before us the great examples of those values which have virtue as their basis and eternity as their objective. Because of you, we have once again come to understand the immortal fact that man can be a power for good. That good in itself, is sufficient. In us, Bill, you have cast living monuments, and you have set up again within us all, the faith and hope in humanity, in man himself, which we all need.

I know that in the years ahead, we shall have the unique benefits of your virtues to continually guide us, to lead us, and to refresh our dampened spirits.

For these reasons, we speak without shame or embarrassment—and I am positive that everyone here, in their hearts and minds, join me in saying that we are profoundly grateful for not only what you have done and will do, but because you came to live among us and with us you shall remain forever.

DISA Delegates Hear About National Milk Sanitation Legislation

EXTENSION OF REMARKS
OF
HON. LESTER R. JOHNSON
OF WISCONSIN
IN THE HOUSE OF REPRESENTATIVES
Monday, March 27, 1961

Mr. JOHNSON of Wisconsin. Mr. Speaker, on March 10, I had the pleasure of meeting with the delegates to the 42d annual meeting of the Dairy Industries Supply Association and telling them of the work that is being done to enact my proposed national milk sanitation legislation and take the interstate marketing of milk out of the horse-and-buggy era.

As I observed in my speech, these dairy equipment suppliers have a large stake in this type of legislation to permit the free flow of high quality milk from State to State. At the present time, they must go to the added expense of custom-making dairy equipment to meet the varying State and local sanitation regulations. Naturally, the extra expense must be passed along to the purchasers of the equipment and eventually to the consumers of milk.

Under leave to extend my remarks, I would like to include my speech to the DISA delegates in the RECORD:

VARYING MILK REGULATIONS ADD TO COST OF DAIRY EQUIPMENT

Thank you, Mr. Chairman. I was very pleased to accept the invitation to speak to you delegates to the 42d annual meeting of the Dairy Industries Supply Association on a subject that is close to all of us, national milk sanitation legislation.

As a Representative of a dairy district in the dairy State of Wisconsin, I have a longtime and deep-seated interest in the many phases of the dairy industry. This interest has led me into a 4-year fight to correct one of the most unfair and costly milk marketing situations which confronts the dairy industry today. I am referring to the use by all too many States and municipalities of varying, arbitrary, and frequently outdated health standards as trade barriers against the free flow of high quality milk in interstate trade.

As dairy equipment suppliers, you are unhappily familiar with the confusion and unnecessary expense which results from the difference of opinion among many State and local sanitarians about construction requirements for equipment used in handling milk. Dairy equipment is manufactured for sale and installation all over the United States. In the interest of efficiency and economy, it is essential that once an effective standard for a piece of dairy equipment has been established, this standard be universally accepted.

You can well be proud that your organization was a pioneer in the effort to establish a set of sanitary standards for dairy equipment which would provide adequate protection for the public health. As early as the 1920's, the Dairy Industries Supply Association, then known as the Dairy and Ice Cream Machinery and Supplies Association, was working with city, State, and Federal sanitarians in developing what are now known as our 3–A sanitary standards for dairy equipment.

The first rough equivalent of a 3–A sanitary standard was developed in 1929, and applied to sanitary fittings used in milk plants. Throughout the 1930's the work on standards was slowly broadened. Following World War II, the sanitarians, the users, and the manufacturers of equipment began to formulate and publish the standards in the manner in which we know them today.

DISA has continued to make a vital contribution to this program through its task committees, which conduct the initial investigation on any request that a standard be developed for a certain type of equipment. That request may come from a sanitarian, the U.S. Public Health Service, representatives of users or an equipment company. As you know, a proposed standard must undergo thorough examination and considerable revision before it is signed by the chairman of the Committee on Sanitary Procedure of the International Association of Milk and Food Sanitarians, by the Chief of the Milk and Food Branch of the U.S. Public Health Service, by the chairman of the sanitary standards subcommittee of the dairy industry committee, and by the chairman of the DISA technical committee. With all of this study by all interested parties, including the watchdogs of our public health, a 3–A standard is certainly a valid standard for dairy equipment.

However, even though these 3–A standards are recognized as valid and in the public interest, they are not accepted in many areas by local sanitarians who are enforcing that area's particular and frequently peculiar set of milk regulations. As a result, equipment must be custom made to conform with varying standards, and this adds to the cost of the equipment. Naturally, the extra expense must be passed along to the purchasers of the equipment and eventually to the consumers of milk.

In discussing this problem with a Wisconsin manufacturer of bulk milk tanks, I learned his company has to manufacture a special tank for the State of Louisiana, which requires that a pipeline milk hole be added in the bridge of each tank and that a special valve be used on Louisiana installations. The States of New York and Georgia require a special type dipstick, and this means additional manufacturing steps and increased inventory for farm tank manufacturers. One county in Pennsylvania insists upon a stainless steel drip shield around the agitator shaft, even though all other areas accept a neoprene or hard rubber shield for this purpose.

In the course of my work with national milk sanitation legislation, I have made an extensive study of milk regulations in different areas, particularly those which appear to be using their health rules to create a milk monopoly for local producers. For the life of me, I cannot see what some of those regulations contribute to the production of wholesome sanitary milk.

Take, for instance, the regulation calling for longer legs than the accepted standard

length on bulk milk tanks. I can't imagine what benefits can come from an extra 2 inches of leg on a bulk tank, unless perhaps the local health officials feel the farmers need the additional exercise that is involved in lifting the pails of milk the extra 2 inches. Now I am familiar with the amount of physical labor involved in farming, and I can assure you a farmer really doesn't need any extra exercise. Matter of fact, he could do with less.

Another ridiculous regulation which is used in some areas calls for a mirrorlike finish on the exteriors of bulk milk tanks, which never come in contact with the milk at all. One sanitarian insists that he will not approve a tank unless he can see his reflection when he looks at the equipment. I would suggest that he invest in a pocket mirror for that purpose.

One of our Southern States requires the bulk-milk pickup trucks to have refrigeration capacity to cool the pump compartment as well as the milk tank. Inasmuch as the pump compartment has to be opened at each farm on the trucker's route, you can imagine how much good is derived from this extra refrigeration equipment, which adds an additional $1,700 to the cost of each truck. I might add that only one State has this requirement. All of the other States have found such a regulation to be unnecessary and useless.

Milk is one of our most basic foods. It is also the only one of our major food products which is not allowed to more freely from State to State. In this day and age of modern transportation and refrigeration methods, we are still hampered by a horse-and-buggy type of interstate milk marketing. This works to the disadvantage of you dairy equipment suppliers, the bulk of dairy producers, and last but not least, to the disadvantage of consumers, who eventually have to foot the bill for the costs of custom-made equipment and duplicate inspections of milk.

Under the provisions of my proposed National Milk Sanitation Act, the U.S. Public Health Service's proven Milk Ordinance and Code would be established as the quality yardstick for milk shipped in interstate trade. Fluid milk and fluid milk products meeting the standards of this code could not be kept out of interstate trade because of varying local health rules.

My bill is designed to avoid adding another layer of expensive milk inspections to the existing system. Under the provisions of this measure, dairy plant inspections would continue to be carried on by State and local health officials. The results of their inspections would be certified by the U.S. Public Health Service. Milk from certified plants could move freely from State to State.

Fortunately, we did not have to start from scratch to formulate a good, sound set of uniform standards for quality milk. We already have a proven set of health regulations in the U.S. milk code. Designed as a model for the industry, the code is the work of top technical experts in both the health and dairy fields. Since the first code was published in 1924, it has been revised 12 times to keep pace with the rapid improvements in milk processing, handling and shipment. The code has already been voluntarily adopted as the basis for milk sanitation regulations by 36 States and 2,000 cities and municipalities.

However, we still have the hold-outs who are not about to give up their pet theories on milk sanitation to voluntarily accept the Public Health Service's milk code. These holdouts are the ones who are causing you to custom-make dairy equipment rather than produce it all on an efficient assembly-line basis.

I might add that the U.S. Milk Code recognizes the validity of your 3–A sanitary standards. The section relating to these standards reads as follows: "Health officers should accept new dairy equipment which complies with the 3–A sanitary standards promulgated jointly by the sanitary standards subcommittee of the dairy industry committee, the committee on sanitary procedure of the International Association of Milk and Food Sanitarians, and the milk and food program, Division of Sanitary Engineering Services, Public Health Service, Department of Health, Education, and Welfare. Equipment manufactured in conformity with 3–A sanitary standards complies with the sanitary design and construction standards of this ordinance and code."

Actually, the introduction of my national milk sanitation bill, H.R. 50, on the opening day of the 87th Congress was act three in my fight for this type of legislation. I had introduced my first milk sanitation bill, H.R. 7794, during the 85th Congress, and hearings were held on the measure before the Health and Science Subcommittee of the House Interstate and Foreign Commerce Committee. The subcommittee did not report the bill to the full committee, and the measure died at the close of the 85th Congress.

However, testimony at those hearings proved very useful to me in pointing out a number of weak spots in the legislation, and I set to work with public health officials to iron out those difficulties. By the time that the 86th Congress opened in 1959, I was ready with an improved milk sanitation bill, the much discussed H.R. 3840. This measure used a new approach to the problem and satisfied the major objections raised to my first milk sanitation measure.

I might add that H.R. 50, my national milk sanitation bill now before the 87th Congress, is almost identical to H.R. 3840. Only a few minor technical changes have been made in order to clarify the wording of several provisions relating to the State milk sanitation rating agency. Therefore, any references which I make to the provisions of H.R. 3840 also apply to H.R. 50.

Objections had been raised to the tendency of my first bill to force all milk up to the standards of the U.S. milk code. Many sanitarians were also of the opinion that this bill took away their rights to control the quality of milk shipped within their state or locality.

The new version does not require any State or municipality to adopt the U.S. milk code, nor must all milk shipped in interstate commerce conform to the code. However, milk which meets the high standards of the code cannot be excluded from any interstate market on health grounds.

My bill also contains many safeguards for areas receiving milk shipped from certified plants. Local health authorities would retain the right to inspect the milk upon arrival to make sure it had not deteriorated or been mishandled in transit. From there on, the handling, processing and sale of the interstate milk would have to meet the requirements applied to milk entering the market from sources inside the State.

This concept of Federal legislation to eliminate the misuse of milk sanitation regulations was proposed and developed by a committee of the Association of State and Territorial Health Officers. Following the introduction of my original milk sanitation bill, the association set up a committee to study the matter of Federal milk sanitation legislation. A year later, the Committee issued an official report titled "Need and Recommended Principles for Federal Milk Sanitation Legislation."

My bill is in full agreement with the principles set forth by the Association of State and Territorial Health Officers. And when hearings were held on H.R. 3840 in April of last year before the Health and Safety Subcommittee of the House Interstate and Foreign Commerce Committee, the association sent Dr. Russell E. Teague, commissioner of health of Kentucky, to present a strong statement in support of the legislation.

The revised national milk sanitation measure drew much stronger and more varied support than the original bill. When I introduced the first bill, I was joined by two of my colleagues in the House of Representatives, Minnesota Congressmen FRED MARSHALL and EUGENE MCCARTHY, who is now Senator MCCARTHY. On the Senate side, the measure was sponsored by Senator HUBERT HUMPHREY, of Minnesota.

But when I introduced my revised milk sanitation bill, H.R. 3840, 19 other Congressmen introduced identical measures, and the bill had four sponsors in the Senate. To date, my current bill, H.R. 50, has been introduced by 13 Congressmen and has 4 sponsors in the Senate.

When hearings were held on H.R. 3840, so many witnesses appeared that the subcommittee was hard put to hear them all in the 3 days allotted to study of the measure. The list of supporters is an impressive one. In addition to the Association of State and Territorial Health Officers, we had favorable testimony from the National Association of Dairy Equipment Manufacturers; the U.S. Department of Health, Education, and Welfare; the International Association of Milk and Food Sanitarians; the Dairymen's League Cooperative Association of New York; the General Federation of Women's Clubs; the National Consumer's League; the Connecticut Milk Consumers Association, Inc.; the National Creameries Association; the Pure Milk Association of Chicago; the State Farmers Unions and Farm Bureau of Wisconsin and Minnesota; the Wisconsin Association of Cooperatives; the Wisconsin Council of Agricultural Cooperatives; the Governors of Wisconsin and Minnesota; the sanitary engineers from the North Carolina State Board of Health, and many other interested groups and individuals.

The bill received a favorable report from the U.S. Department of Health, Education, and Welfare, the Department of Commerce and the Bureau of the Budget. The Department of Agriculture remained uncommitted on the measure. When asked if Agriculture opposed the bill, a USDA witness replied: "No, but neither do we favor it."

However, when H.R. 50 comes up for hearings, I am hopeful that the Department of Agriculture will join the ranks of active supporters. Our new Secretary of Agriculture, former Minnesota Governor Orville Freeman, has always supported this type of legislation, and testified strongly in its behalf during the hearings on H.R. 3840.

President Kennedy endorsed the principles of national milk sanitation legislation at a midwestern farm meeting held in Des Moines, Iowa, last August. He noted that our constitutional convention was originally formed in order to promote interstate commerce and provide for its free flow. He added that he didn't believe any unnecessary or artificial standard should be used in any area in any part of American life to block the flow of commerce.

Incidentally, the 1960 Republican Party platform endorsed the National Milk Sanitation proposal, so both parties are on record in favor of the legislation.

Shortly after I introduced H.R. 50, I was pleased to learn that the American Public Health Association had gone on record in favor of the National Milk Sanitation measure. This action was taken by the association's governing council, which passed a resolution calling for enactment of legislation to permit the free flow of high quality milk from State to State. The association is the major organization of public health officials in the United States, having over 13,400 members. Significantly enough, this association seldom takes a position on pro-

posed national legislation. National milk sanitation and Federal water pollution control are two of the few exceptions made to this rule by the association.

I understand that we are going to have a question and answer session following my talk. The question I hear most frequently is: What are the chances for passage of national milk sanitation legislation during the 87th Congress? Lacking a crystal ball, I can only assess the progress which has been made in this direction since I introduced my first milk sanitation bill and note the steadily snowballing support for this type of legislation.

As I mentioned before, my original milk sanitation bill received hearings but was not reported out by the subcommittee. My revised measure, H.R. 3840, had hearings and was favorably reported by the Health and Safety Subcommittee to the House Interstate and Foreign Commerce Committee. However, the full committee took no action on the bill, so it never reached the floor of the House for a vote. This year, I am pressing for early hearings before the full Interstate and Foreign Commerce Committee, and I am optimistic about the possibility of getting them.

Eventually, Federal legislation must come in this field, and the sooner it does, the better for the general welfare of the citizens of this country. Our present system of Balkanized milk markets benefits only the small minority of milk producers who are protected by these local milk monopolies. The perverted use by some States and municipalities of sanitary regulations as trade barriers against high-quality milk from other areas, works a hardship on you as dairy equipment suppliers. It works a hardship on your customers in the dairy industry. And it works a hardship on all of us as consumers.

Sanitary regulations should be used only to protect the public health, not for the protection of local monopolies. No one can question the fact that the U.S. Public Health Service has always been and always will be a zealous watchdog of our public health. For this reason, my national milk sanitation legislation calls for the use of the Public Health Service's milk code as the quality yardstick for milk moving in interstate trade and provides that the program be administered by the Public Health Service. I strongly feel that this is good, sound legislation and should be enacted into law as soon as possible.

Thank you for asking me to take part in your meeting. It has been a pleasure for me to be here.

Woodrow Wilson and President Kennedy

EXTENSION OF REMARKS

OF

HON. THOMAS J. DODD

OF CONNECTICUT

IN THE SENATE OF THE UNITED STATES

Monday, March 27, 1961

Mr. DODD. Mr. President, on March 19, my good friend and colleague, Senator ROBERT C. BYRD, of West Virginia, made a speech before the Knox County Democratic Women's Club, in Knoxville, Tenn. Like every speech my esteemed colleague makes, this one was filled with provocative thinking—especially with regard to our foreign aid programs and our import policies. Because I think Senator BYRD's remarks deserve the widest possible circulation, I ask unanimous consent to have them printed in the CONGRESSIONAL RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

REMARKS OF U.S. SENATOR ROBERT C. BYRD, OF WEST VIRGINIA, AT KNOXVILLE, TENN., MARCH 18, 1961

One of the fringe benefits of serving in the Senate is the pleasure which comes from working with your two fine Senators from Tennessee—ESTES KEFAUVER and ALBERT GORE. No Members are more highly respected by their colleagues on both sides of the aisle, or by so many persons in all branches of the Government.

If there is one characteristic that sets Senator KEFAUVER apart, it is courage. It took courage to challenge the power of the big criminal syndicates, as he did during his first term. It took courage to question whether so-called administered prices in the steel, bread, automobile, and, now, the prescription drug industry, are good for the consumer or for our total national economy.

In all of these battles, and in others in which Senator KEFAUVER has been engaged, the people have been the victors. Turning the spotlight on hoodlums and racketeers has brought a public awareness about crime that has made our communities safer for ourselves and our children. And in going to bat against monopolistic practices and concentration in some of our major industries, Senator KEFAUVER has applied the brakes on price inflation in many areas.

Your senior Senator has been no less a man of courage in international affairs. As much as 10 years ago, he took the risk of being called a dreamy-eyed internationalist by battling for an organization of Atlantic Community nations, which would give attention to common economic and political, as well as military problems. Only now is the wisdom of this viewpoint being realized in Washington.

For all of his activities in national and international statesmanship, Senator KEFAUVER is constantly attuned to the problems and needs of his constituents in Tennessee. He gets—and answers—probably as much mail and as many telephone calls from individuals as any Senator. And his office is one of the busiest on Capitol Hill. I know you are proud of ESTES KEFAUVER, and you have every right to be.

Your junior Senator, ALBERT GORE, is now in his 22d year of service in the Congress. This period includes service both in the House and Senate.

ALBERT GORE'S record has been marked by support of progressive legislation. As you know, among his major legislative accomplishments, since coming to the Senate, is the Highway Act of 1956, of which he was coauthor. It has been largely as a result of his leadership that the Nation is now engaged in a mammoth program to bring into being adequate highways to serve the needs of an expanding economy and a growing population.

As a member of the Joint Committee on Atomic Energy, and before that, as a member of the Appropriations Committee of the House, Senator GORE has played a leading role in making nearby Oak Ridge the atomic capital of the world. The wealth of scientific resources developed at Oak Ridge constitutes an asset not only to Tennessee, but also to the Nation.

But ALBERT GORE'S activities have not been limited to his support of specific legislative proposals. His has been an influential voice in the shaping of policies of the Democratic Party. He has the perception to understand that the policies which guide the Democratic Party are grounded in the best interests of all the people, and he has the courage to speak out about the things in which he believes.

The courage of Estes Kefauver, and Albert Gore, are in the tradition of Woodrow Wilson, that great Democrat whom we remember tonight. I might add, parenthetically, that they are also in the tradition of Franklin D. Roosevelt, Harry S. Truman, and John F. Kennedy.

Courage, I might say, is synonymous with the name of Woodrow Wilson. And because he had courage, we have inherited, through his actions, a tremendous legacy of democratic tradition and national purpose.

The debt this country owes to Woodrow Wilson is immeasurable. His contributions to the strength and growth of America are too long to enumerate. But his determined fight for passage of the 19th amendment—the right to vote given to the women of the United States—will always be one of the things which assure Woodrow Wilson, throughout all time, a place among the greatest of our Presidents. Not only was his fight a recognition of the role of women through the generations—in war and peace, in prosperity and poverty, in crowded cities and in sparsely populated villages—it also was an affirmation that America needed the political participation of the homemaker for a more responsible development of the human aspects of our national life.

The strength of America today was founded in our homes yesterday, and the strength of America tomorrow is founded in our homes today. For it is in the home that each generation of Americans learns to live and work with other people—learns to understand and appreciate the precious quality of the American way of life. This is what Woodrow Wilson so keenly comprehended when he waged his fight for woman suffrage.

While Wilson was waging a fight for political emancipation of our women, he was also seeking to emancipate American political thinking from its narrow provincialism—from its concept that the broad oceans would keep us free and clear of the political ferment in other countries. He was a visionary, and he foresaw the day when great distances would be erased by scientific achievement, when economic and social upheavals in some far-off foreign country would directly affect the peace and equanimity of the United States. To protect America from the contagion of such foreign afflictions, he fathered a League of Nations—but a Republican Congress never allowed the United States to sustain his brainchild.

Today, the Wilsonian concept of American participation in a society of nations is an accepted role for our country. And we have even gone beyond the Wilsonian dream by a show of brotherhood with the free nations of the world—through a program of almost unstinting aid in the form of grants of moneys, loans for economic and industrial developments, and wholesale shipments of food.

Perhaps Woodrow Wilson would not have gone so far and so fast in the program of brotherhood with which we have indulged ourselves. Certainly, I think, he would have guided our course with more caution—the way President Kennedy is doing today with respect to aiding our sister republics to the south. Certainly, too, like President Kennedy today, Wilson would have sought to revitalize our own areas of economic sickness through a domestic aid program, while helping other nations to rehabilitate their economies.

In some instances, our reckless indulgence in international aid has cost our Nation a pathetic toll in unemployment and underemployment. Yes, in some instances, prosperous communities have suffered economic decline because of our rush to accommodate the needs of other nations. We sent the very latest and the very best kinds of machinery and equipment abroad, and kept for ourselves at home the old and wornout and antiquated machinery and equipment of yesteryears.

With cheap labor, and with the very latest and very best of manufacturing machinery and equipment, foreign producers have been able to undersell similar American produced products in our own home markets. Today, in my own State of West Virginia, there are islands of unemployment and underemployment in many cities and towns because the growing level of imports has adversely affected our previously healthy glassware, clay, and pottery industries. In New England and in the South, our textile industries are suffering because of the flood of cheaper produced textiles from abroad. Our coal mining industries are also being severely harmed by imports of foreign residual fuel oil—a waste product of foreign refining processes.

My State of West Virginia ranks second in the Nation as a glass producer. The world's largest plate glass factory is located in our capital city of Charleston. But because of the upward creeping tide of flat glass imports, this vital West Virginia industry is economically sick. In the Morgantown area alone, one of the leading glass-producing regions in my State, three glass manufacturing plants have shut down in the past several years due to the unequal competition of foreign produced glass imports.

In effect, through the years since World War II, we have hoisted ourselves by our own petard through foreign aid programs without any thought to our domestic economic needs. Even today, as we contemplate a program of aid to our own depressed areas, we hand the whole loaf of bread to our foreign friends and grudgingly reserve some crumbs for ourselves.

As late as March 1, the House Foreign Affairs Subcommittee on Appropriations advised me that the total moneys available for expenditure by the foreign aid Development Loan Fund—including unexpended, unobligated, and new funds—amounted to $1,721,296,000—more than four times the total amount being requested in the Douglas area redevelopment bill for our own economically depressed areas.

Since our country is regarded by the entire world—including Russia and Red China—as the greatest and most powerful bulwark against Communist aggression, it is imperative that we not let a single fiber of our domestic strength erode through lack of proper economic nourishment.

Fortunately, President Kennedy sees the whole picture in its proper perspective. While he has proposed to the Congress a soundly based program of aid to our Latin American friends—and we can expect a revamping of our other foreign aid programs on the same terms—he has also proposed an encompassing program for domestic recovery. His program of aid to depressed areas is not solely and wholely in the Douglas bill. It also is in his programs for urban renewal and low-cost housing at lower interest rates; it can be found in his program for better education for our children through the construction of more classrooms and through the higher pay for teachers; and it can also be found in his determination to aid our elderly citizens through a realistic medical care program.

And there will be more Kennedy programs to strengthen the fiber of America—programs for the conservation and development of our natural resources, programs for the employment of our jobless youth, and programs for industrial growth.

It is through such programs, based on the plaform of the Democratic Party, that this country will overcome the effects of foreign competition with our own industries. The ingenuity of America has never been found wanting. If we can revitalize our economy through the Area Redevelopment Act and through President Kennedy's other progressive programs, there will be but few or no competitors who will be able to outdo us in the competition for markets at home and abroad.

Every today becomes a yesterday, and every yesterday becomes a prolog for tomorrow. The yesterday of Wilson is the President Kennedy of today—a leader carrying forward the progressive principles of the Democratic Party—a shirtsleeve leader who spends most of his time working behind a desk instead of on a golf course banging a small white ball. The lights burn late in the White House now—and not for the purpose of viewing western gun sagas on television.

We have a working President now—not a detached father image. We have a President who is in touch with the people—and not just in touch with the elite of big business. We have a President who sees the long lines of the unemployed, not one who ignores them and hopefully wishes they would somehow vanish. We have a President who wants social progress to go hand in hand with economic progress—a President who wants equality of opportunity for all, and for all a more abundant and meaningful life—a President in the true tradition of the truly great Democratic Presidents such as Jefferson, Jackson, Roosevelt, Truman, and Woodrow Wilson.

SENATE

TUESDAY, MARCH 28, 1961

The Senate met at 12 o'clock meridian, and was called to order by the President pro tempore.

Rev. William H. Foster, D.D., of the Presbyterian Church in the United States, Sherman, Tex., offered the following prayer:

Almighty God, our Heavenly Father, by whose grace and wisdom we have been led to this good hour, we thank Thee for all Thy blessings to us as a nation; and by Thy providence Thou hast helped us to know Thee as the "Giver of every good and perfect gift."

In the troubles and dangers of the world in which we live, we sense the need for wisdom and strength greater than any of us can have. Thou art wise; give us Thy wisdom. Thou art strong; give us Thy strength.

We believe in Thee as the Prince of Peace who desires peace in the world. We pray earnestly for peace in our time; we pray for it in our own hearts, in our Nation, and in all the world.

In the Redeemer's name we offer our prayer. Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Monday, March 27, 1961, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 5188) making supplemental appropriations for the fiscal year ending June 30, 1961, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. THOMAS, Mr. KIRWAN, Mr. CANNON, Mr. JENSEN, and Mr. TABER were appointed managers on the part of the House at the conference.

The message also announced that the House had passed a bill (H.R. 258) to amend the District of Columbia Sales Tax Act to increase the rate of tax imposed on certain gross receipts, to amend the District of Columbia Motor Vehicle Parking Facility Act of 1942 to transfer certain parking fees and other moneys to the highway fund, and for other purposes, in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

H.R. 3980. An act to amend the transitional provisions of the act approved September 6, 1958, entitled "An act to protect the public health by amending the Federal Food, Drug, and Cosmetic Act to prohibit the use in food of additives which have not been adequately tested to establish their safety," and for other purposes; and

H.R. 4363. An act to amend Public Law 86-272 relating to State taxation of interstate commerce.

HOUSE BILL REFERRED

The bill (H.R. 258) to amend the District of Columbia Sales Tax Act to increase the rate of tax imposed on certain gross receipts, to amend the District of Columbia Motor Vehicle Parking Facility Act of 1942 to transfer certain parking fees and other moneys to the highway fund, and for other purposes, was read twice by its title and referred to the Committee on the District of Columbia.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. MANSFIELD. Mr. President, under the rule, there will be the usual morning hour for the transaction of routine business. I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of executive business, to consider various nominations on the Executive Calendar, with the exception of those for the Department of Health, Education, and Welfare and the Department of the Interior, which will be taken up later.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting several nominations, which were referred to the Committee on Foreign Relations.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. ELLENDER, from the Committee on Agriculture and Forestry:

Charles S. Murphy, of Maryland, John P. Duncan, Jr., of Georgia, Frank J. Welch, of Kentucky, James T. Ralph, of California, Horace Godfrey, of North Carolina, and Willard Cochrane, of Minnesota, to be members of the Board of Directors of the Commodity Credit Corporation; and

John C. Bagwell, of South Carolina, to be General Counsel of the Department of Agriculture.

By Mr. HILL, from the Committee on Labor and Public Welfare:

William E. Simkin, of Pennsylvania, to be Federal Mediation and Conciliation Director.

By Mr. MORSE, from the Committee on Labor and Public Welfare:

Sterling M. McMurrin, of Utah, to be Commissioner of Education.

By Mr. FULBRIGHT, from the Committee on Foreign Relations:

J. Kenneth Galbraith, of Massachusetts, to be Ambassador Extraordinary and Plenipotentiary to India;

Edward G. Stockdale, of Florida, to be Ambassador Extraordinary and Plenipotentiary to Ireland;

William McCormick Blair, Jr., of Illinois, to be Ambassador Extraordinary and Plenipotentiary to Denmark;

John S. Rice, of Pennsylvania, to be Ambassador Extraordinary and Plenipotentiary to the Kingdom of the Netherlands;

Kenneth Todd Young, of New York, to be Ambassador Extraordinary and Plenipotentiary to Thailand;

Edwin O. Reischauer, of Massachusetts, to be Ambassador Extraordinary and Plenipotentiary to Japan;

William Attwood, of Connecticut, to be Ambassador Extraordinary and Plenipotentiary to the Republic of Guinea;

Anthony J. Drexel Biddle, of Pennsylvania, to be Ambassador Extraordinary and Plenipotentiary to Spain; and

Aaron S. Brown, of New Hampshire, a Foreign Service Officer of class 1, to be Ambassador Extraordinary and Plenipotentiary to Nicaragua.

By Mr. CHAVEZ, from the Committee on Public Works:

Joseph H. McCann, of Michigan, to be Deputy Administrator of the Saint Lawrence Seaway Development Corporation; and

Martin W. Oettershagen, of Illinois, to be Administrator of the Saint Lawrence Seaway Development Corporation.

By Mr. EASTLAND, from the Committee on the Judiciary:

Edward D. Re, of New York, to be a member of the Foreign Claims Settlement Commission; and

Theodore Jaffe, of Rhode Island, to be a member of the Foreign Claims Settlement Commission.

The PRESIDENT pro tempore. If there be no further reports of committees, the nominations as specified will be stated.

U.S. ATTORNEYS

The Chief Clerk proceeded to read sundry nominations of United States attorneys.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that these nominations be considered en bloc.

The PRESIDENT pro tempore. Without objection, the nominations will be considered en bloc; and, without objection, they are confirmed.

ASSISTANT ATTORNEY GENERAL

The Chief Clerk read the nomination of Burke Marshall, of Maryland, to be an Assistant Attorney General.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

Mr. MANSFIELD. Mr. President, as I understand, the Senate has just now confirmed two nominations of United States attorneys and the nomination of an Assistant Attorney General.

The PRESIDENT pro tempore. That is correct.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of these nominations.

The PRESIDENT pro tempore. Without objection, the President will be notified forthwith.

CONSIDERATION OF CERTAIN NOMINATIONS

Mr. DIRKSEN. Mr. President, at this point will the majority leader yield?

Mr. MANSFIELD. Certainly.

Mr. DIRKSEN. This morning the Committee on Labor and Public Welfare considered two nominations. There was no objection to them; and I advised the chairman that if at any time the nominations were brought up today, there would be no objection. So I intrude only to inform the majority leader that if sometime later in the day those nominations are called up, that will be quite agreeable.

Mr. MANSFIELD. If those nominations are now at the desk, we can bring them up.

Mr. DIRKSEN. I believe it might be well to wait until a little later.

Mr. MANSFIELD. Very well. I assure the minority leader that his suggestion will be followed, and we shall try to bring up those nominations later today.

Mr. LAUSCHE. Let me ask which nominations they are.

Mr. DIRKSEN. One is for the Mediation Service, and the other is for the Department of Health, Education, and Welfare.

Mr. LAUSCHE. Very well.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. MANSFIELD, and by unanimous consent, the following committees and subcommittees were authorized to meet during the session of the Senate today:

The Public Lands Subcommittee of the Committee on Interior and Insular Affairs.

The Committee on Finance.

The Freedom of Communication Subcommittee of the Committee on Interstate and Foreign Commerce.

The Constitutional Rights Subcommittee of the Committee on the Judiciary.

ORDER FOR CALL OF THE CALENDAR TOMORROW

Mr. MANSFIELD. Mr. President, after conferring with the distinguished minority leader, I ask unanimous consent of the Senate that the calendar be called tomorrow, at the conclusion of the morning hour, and that all measures to which there is no objection be considered at that time.

The PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered.

CONSIDERATION OF EXTENSION OF THE SUGAR ACT

Mr. MANSFIELD. Mr. President, at the conclusion of the call of the calendar, the next item of business, we hope, will be the measure extending the Sugar Act.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

AUDIT REPORT ON DEVELOPMENT LOAN FUND

A letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report on the Development Loan Fund, fiscal year 1960 (with an accompanying report); to the Committee on Government Operations.

PROPOSED CONCESSION CONTRACT AT LAKE MEAD NATIONAL RECREATION AREA, NEV.

A letter from the Assistant Secretary of the Interior, transmitting, pursuant to law, a proposed concession contract at the Temple Bar site, Lake Mead National Recreation

Area, Nev. (with accompanying papers); to the Committee on Interior and Insular Affairs.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

A joint resolution of the Legislature of the State of Washington; to the Committee on Interior and Insular Affairs:

"HOUSE JOINT MEMORIAL 40

"To the Honorable John F. Kennedy, President of the United States, the President of the Senate and Speaker of the House of Representatives, and to the Senate and House of Representatives of the United States of America, in Congress Assembled:

"We, your memorialists, the House of Representatives and the Senate of the State of Washington, in legislative session assembled, represent and petition as follows:

"Whereas the Treaty of Washington of June 15, 1846, established the boundary between Canada and the United States, thus ending a long dispute between Great Britain and the United States over sovereignty in the Pacific Northwest; and

"Whereas this boundary was surveyed over 100 years ago and marked with suitable monuments; and

"Whereas the first of these boundary monuments was erected in 1861 on the 49th parallel at Point Roberts overlooking the Straits of Georgia; and

"Whereas this monument is a tourist attraction having great historical significance; and

"Whereas the Federal Government owns approximately 7½ acres of unimproved land located in the northwest corner of Government lot 2, section 33, township 41 north, range 3 west, Willamette meridian in the State of Washington, which is adjacent to this historical site and suitable for a national monument: Now, therefore, be it

"Resolved, That we, your memorialists, the 37th Legislature of the State of Washington, urge the President of the United States to encourage and the Congress of the United States to enact, legislation establishing such a national monument; and be it further

"Resolved, That copies of this memorial be transmitted by the chief clerk of the house of representatives to the President of the United States, the President of the U.S. Senate, the Speaker of the House of Representatives of the United States, and to each Senator and Representative in the Congress from the State of Washington.

"Passed the house February 18, 1961.

"JOHN L. O'BRIEN,
"Speaker of the House.

"Passed the senate February 20, 1961.

"JOHN A. CHERBERG,
"President of the Senate."

A joint resolution of the Legislature of the State of Washington; to the Committee on Interstate and Foreign Commerce:

"HOUSE JOINT MEMORIAL 21

"To the Honorable John F. Kennedy, President of the United States, and to the Senate and House of Representatives of the United States of America, in Congress Assembled:

"We, your memoralists, the House of Representatives and Senate of the State of Washington, in legislative session assembled, respectfully represent and petition as follows:

"Whereas there has been introduced into the 87th Congress H.R. 213, the purpose of which is to repeal the 6-percent construction bid differential for Pacific coast shipbuilders; and

"Whereas said differential is still essential and necessary to offset the freight differential which Pacific coast shipyards must pay in transporting steel from the east coast; and

"Whereas the Pacific coast shipyards have a wartime production record of which they are justifiably proud; and

"Whereas we cannot risk the loss of the highly skilled labor pool of shipbuilders on the west coast in case their services are again needed in time of war or national emergency: Now, therefore, be it

"Resolved, That we, the Senate and House of Representatives of the State of Washington, do hereby respectfully memorialize and petition the President of the United States, the U.S. Senate, and the U.S. House of Representatives, and each member of the State of Washington congressional delegation to do all in their power to defeat H.R. 213 and any other bills or action that would deprive the Pacific coast of this justifiable and necessary 6-percent construction bid differential on shipbuilding; and be it further

"Resolved, That copies of this memorial be transmitted immediately to the Honorable John F. Kennedy, President of the United States, the Secretary of the U.S. Senate, the Clerk of the U.S. House of Representatives, Senator WARREN G. MAGNUSON, Senator HENRY M. JACKSON, each Member of the U.S. Congress from the State of Washington, and to the Legislatures of the States of Alaska, California, and Oregon.

"Passed the house February 2, 1961.

"JOHN L. O'BRIEN,
"Speaker of the House.

"Passed the senate February 22, 1961.

"JOHN A. CHERBERG,
"President of the Senate."

Two joint resolutions of the Legislature of the State of Washington; to the Committee on Labor and Public Welfare:

"HOUSE JOINT MEMORIAL 7

To the Honorable John F. Kennedy, President of the United States and to the Senate and House of Representatives of the United States of America, in Congress Assembled:

"We, your memorialists, the House of Representatives and the Senate of the State of Washington, in legislative session assembled, respectfully represent and petition as follows:

"Whereas section 14b of the Taft-Hartley Act, as now constituted, is a detriment and great deterrent to the progress of labor; and

"Whereas the American laborer has struggled and suffered untold setbacks and hardships to attain his rightful position in the Nation's economy; and

"Whereas section 14b of the Taft-Hartley Act does not guarantee job protection and true collective bargaining; and

"Whereas the voters of the State of Washington by their defeat of two initiatives in two general elections have indicated their objection to State legislation in this field: Now, therefore, be it

"Resolved, That we the House of Representatives and the Senate of the State of Washington, do hereby respectfully memorialize and petition the President of the United States of America and the Congress of the United States of America to repeal section 14b of the Taft-Hartley Act.

"Passed the house February 2, 1961.

"JOHN L. O'BRIEN,
"Speaker of the House.

"Passed the senate February 8, 1961.

"JOHN A. CHERBERG,
"President of the Senate."

"HOUSE JOINT MEMORIAL 20

"To the Senate and House of Representatives of the United States, in Congress Assembled:

"We, your memorialists, the Senate and House of Representatives of the State of Washington, in legislative session assembled, respectfully represent and petition as follows:

"Whereas Federal employee unions are not officially recognized by law and are only given cognizance and consideration as each Federal department or agency head may choose to decide; and

"Whereas the success of our entire governmental operation depends to a major extent on the morale and efficiency of the two and one-half million civil service personnel who make up the governmental employee force and that the future efficiency of governmental operation depends on the caliber of people who can be recruited into civil service careers; and

"Whereas several bills have been introduced in the United States Congress by Members of both parties providing for the recognition of Federal employee unions; and

"Whereas this principle has been indorsed by the AFL–CIO, the National Civil Service League, the Hoover Commission, and several of the Washington State Members of Congress: Now, therefore, be it

"Resolved, That we, the Senate and the House of Representatives of the State of Washington do respectfully memorialize and petition the Congress of the United States to enact legislation calling for the recognition of Federal employee unions; and be it further

"Resolved, That copies of this memorial be transmitted by the secretary of state to the President of the United States, the President of the United States Senate, the Speaker of the House of Representatives of the United States, and to each Senator and Representative in Congress from the State of Washington.

"Passed the house March 9, 1961.

"JOHN L. O'BRIEN,
"Speaker of the House.

"Passed the senate March 9, 1961.

"JOHN A. CHERBERG,
"President of the Senate."

A joint resolution of the Legislature of the State of Washington; to the Committee on Post Office and Civil Service:

"HOUSE JOINT MEMORIAL 2

"To the Senate and House of Representatives of the United States, in Congress Assembled:

"We, your memorialists, the Senate and House of Representatives of the State of Washington, in legislative session assembled, respectfully represent and petition as follows:

"Whereas the 150th anniversary of the establishment of Fort Okanogan occurs in 1961; and

"Whereas Fort Okanogan was the first American settlement in the State of Washington; and

"Whereas the State of Washington has recently completed a museum at Fort Okanogan; and

"Whereas the dedication of such museum by the Governor last summer was attended by persons from various parts of the United States and from foreign lands as it was an occasion of international good will: Now, therefore, be it

"Resolved, That we, the Senate and House of Representatives of the State of Washington, do hereby respectfully memorialize and petition the Congress of the United States to cause a stamp to be issued commemorating the 150th anniversary of the establishment of Fort Okanogan; and be it

"Resolved, That copies of this memorial be transmitted to the President of the U.S. Senate, the Speaker of the House of Representatives of the United States, and to each Senator and Representative in Congress from the State of Washington.

"Passed the house January 26, 1961.

"JOHN L. O'BRIEN,
"Speaker of the House.

"Passed the senate February 15, 1961.

"JOHN A. CHERBERG,
"President of the Senate."

A legislative bill (N. 491) enacted by the Legislature of the State of Nebraska; to the Committee on the Judiciary:

"ENGROSSED LEGISLATIVE BILL 491

"A bill for an act to ratify an amendment to the Constitution of the United States authorizing the District of Columbia to appoint such number of electors of President and Vice President as prescribed and to provide for forwarding of certified copies as prescribed

"Be it enacted by the people of the State of Nebraska,

"SECTION 1. That the joint resolution proposing an amendment to the Constitution of the United States as adopted by the 86th Congress of the United States at its 2d session in the following words, to wit:

"'Joint resolution—

"'*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein),* That the following article is hereby proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution only if ratified by the legislatures of three-fourths of the several States within 7 years from the date of its submission by the Congress:

"'"ARTICLE —

"'"SECTION 1. The District constituting the seat of government of the United States shall appoint in such manner as the Congress may direct:

"'"A number of electors of President and Vice President equal to the whole number of Senators and Representatives in Congress to which the District would be entitled if it were a State, but in no event more than the least populous State; they shall be in addition to those appointed by the States, but they shall be considered for the purposes of the election of President and Vice President, to be electors appointed by a State; and they shall meet in the District and perform such duties as provided by the 12th article of amendment.

"'"SEC. 2. The Congress shall have power to enforce this article by appropriate legislation."' be and the same is hereby ratified.

"SEC. 2. That copies of this bill duly certified by the secretary of state with the great seal of Nebraska attached thereto shall be forwarded by the secretary of state to the Administrator of General Services, Washington, D.C., and to the President of the Senate and to the Speaker of the House of Representatives of the Congress of the United States.

"DWIGHT W. BURNEY,
"President of the Legislature.
"HUGO F. SRB,
"Clerk of the Legislature.

"Approved March 22, 1961.

"FRANK B. MORRISON,
"Governor."

Two resolutions adopted by the Dallas, Tex., Chamber of Commerce, relating to a balanced budget and foreign aid; to the Committee on Appropriations.

A resolution adopted by the annual meeting of the National Telephone Cooperative Association, Washington, D.C., relating to the use of commercial facilities in transmitting military communications; to the Committee on Interstate and Foreign Commerce.

RESOLUTION OF COMMON COUNCIL OF CITY OF MOUNT VERNON, N.Y.

Mr. JAVITS. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution adopted by the Common Council of the City of Mount Vernon, N.Y., relating to a new life insurance plan for veterans of World War II.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Whereas the House of Representatives of the United States has by bill No. 856 passed unanimously a new life insurance plan for 3 million World War II veterans, who still hold Federal term policies on their lives; and

Whereas under the new proposed enactment passed by the House, the premiums for term policies would become fixed instead of ascending as the age of a policyholder increases; and

Whereas this proposal permits a more equitable method of payment for such term insurance; Now, therefore, be it

Resolved, That this common council does petition the Senate of the United States and its representatives in the Senate to facilitate and urge the passage of such legislation in the Senate of the United States as quickly as possible.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. FULBRIGHT, from the Committee on Foreign Relations, with an amendment:

S. 644. A bill to amend the Foreign Service Act of 1946, as amended, concerning reemployment of officers or employees (Rept. No. 127).

EXTENSION OF LOAN GUARANTY AUTHORITY OF INTERSTATE COMMERCE COMMISSION—REPORT OF A COMMITTEE—SEPARATE AND INDIVIDUAL VIEWS (S. REPT. NO. 126)

Mr. SMATHERS. Mr. President, from the Committee on Interstate and Foreign Commerce, I report favorably, with amendments, House bill 1163, to amend section 510 of the Interstate Commerce Act, so as to extend for 15 months the loan guaranty authority of the Interstate Commerce Commission; and I submit a report thereon. I ask unanimous consent that the report be printed, together with the separate views of the Senator from California [Mr. ENGLE] and the Senator from Oklahoma [Mr. MONRONEY] and the individual views of the Senator from Texas [Mr. YARBOROUGH].

The PRESIDING OFFICER. (Mr. HICKEY in the chair). The report will be received and printed, and the bill will be placed on the calendar.

REPORT ENTITLED "ACTION FOR THE AGED AND AGING" (S. REPT. NO. 128)

Mr. MCNAMARA. Mr. President, the Committee on Labor and Public Welfare today approved a motion to file with the Senate the report of the Senate Subcommittee on Problems of the Aged and Aging. As chairman of the subcommittee and on behalf of the Committee on Labor and Public Welfare, I ask unanimous consent to file this report with the Senate, and that it be printed. This completes the work of the subcommittee for the year 1960, pursuant to Senate Resolution 266, 86th Congress, 2d session.

The PRESIDING OFFICER. The report will be received and printed as requested by the Senator from Michigan.

AUTHORIZATION FOR FINANCE COMMITTEE TO FILE REPORT ON THE SUGAR ACT EXTENSION BILL—INDIVIDUAL VIEWS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Finance Committee be permitted to file, up to 12 o'clock tonight, a report on the Sugar Act extension bill, H.R. 5463, and that individual views of the Senator from Illinois [Mr. DOUGLAS] and the Senator from Arkansas [Mr. FULBRIGHT] may be received and printed with the report.

The PRESIDING OFFICER. Without objection, it is so ordered.

Subsequently, from the Committee on Finance, Mr. BYRD of Virginia reported the bill (H.R. 5463) to amend and extend the Sugar Act of 1948, as amended, with amendments, and submitted a report (No. 125) thereon.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SCOTT:

S. 1451. A bill for the relief of Karbis Balta; to the Committee on the Judiciary.

By Mr. SPARKMAN (by request):

S. 1452. A bill to amend the Home Owners' Loan Act of 1933 to provide specific authority for the participation of Federal savings and loan associations in the national effort to provide adequate housing facilities for the aging;

S. 1453. A bill to amend the Home Owners' Loan Act of 1933 to broaden the investment powers of Federal savings and loan associations to include the specific power to invest in certificates of beneficial interest issued by urban renewal investment trusts; and

S. 1454. A bill to amend the Home Owners' Loan Act of 1933 to redefine the lending powers of Federal savings and loan associations to facilitate the trade-in financing of homes; to the Committee on Banking and Currency.

(See the remarks of Mr. SPARKMAN when he introduced the above bills, which appear under a separate heading.)

By Mr. MOSS:

S. 1455. A bill for the relief of Joaquinn Gil-Carrasco; to the Committee on the Judiciary.

By Mr. MAGNUSON (by request):

S. 1456. A bill to authorize an additional Assistant Secretary of Commerce; to the Committee on Interstate and Foreign Commerce.

(See the remarks of Mr. MAGNUSON when he introduced the above bill, which appear under a separate heading.)

By Mr. McNAMARA:

S. 1457. A bill to amend the Fair Labor Standards Act of 1938, as amended, to provide coverage for employees of large enterprises engaged in retail trade or service and of other employers engaged in commerce or in the production of goods for commerce, to increase the minimum wage under the act to $1.25 an hour, and for other purposes; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. McNAMARA when he introduced the above bill, which appear under a separate hearing.)

By Mr. JOHNSTON:

S. 1458. A bill to amend the act of July 8, 1940, relating to the transportation of the remains, families, and effects of Federal employees dying abroad, so as to restore the benefits of such act to employees dying in Alaska and Hawaii, and for other purposes; and

S. 1459. A bill to amend the provisions of law relating to longevity step increases for postal employees; to the Committee on Post Office and Civil Service.

(See the remarks of Mr. JOHNSTON when he introduced the above bills, which appear under separate headings.)

By Mr. MAGNUSON:

S. 1460. A bill for the relief of Andrew J. Metcalf; to the Committee on the Judiciary.

By Mr. DOUGLAS:

S. 1461. A bill for the relief of Krystyna Rataj; to the Committee on the Judiciary.

By Mr. KEATING (for himself and Mr. JAVITS):

S.J. Res. 70. Joint resolution designating July 25 of each year as "Puerto Rican Day in the United States of America"; to the Committee on the Judiciary.

(See the remarks of Mr. KEATING when he introduced the above joint resolution, which appear under a separate heading.)

PROPOSED LEGISLATION PERTAINING TO FEDERAL BUILDING AND LOAN ASSOCIATIONS

Mr. SPARKMAN. Mr. President, by request, I introduce three bills, for appropriate reference.

The PRESIDING OFFICER. The bills will be received and appropriately referred.

The bills, introduced by Mr. SPARKMAN, were received, read twice by their titles, and referred to the Committee on Banking and Currency, as follows:

S. 1452. A bill to amend the Home Owners' Loan Act of 1933 to provide specific authority for the participation of Federal savings and loan associations in the national effort to provide adequate housing facilities for the aging;

S. 1453. A bill to amend the Home Owners' Loan Act of 1933 to broaden the investment powers of Federal savings and loan associations to include the specific power to invest in certificates of beneficial interest issued by urban renewal investment trusts; and

S. 1454. A bill to amend the Home Owners' Loan Act of 1933 to redefine the lending powers of Federal savings and loan associations to facilitate the trade-in financing of homes.

Mr. SPARKMAN. Mr. President, I should like to make a brief statement in regard to the bills which I have introduced for study and consideration.

These bills would authorize Federal savings and loan associations to make limited loans for the construction and financing of homes for the elderly, for savings and loan participation in urban renewal projects, and special loans by savings and loan associations to facilitate trade-in housing. Savings and loan associations finance about 40 percent of all home purchases. These bills would enable these institutions to take a more active part in financing housing for the elderly and urban renewal programs, and would help facilitate the sale of existing houses, as well as new homes, through a special trade-in housing loan.

Recently, I notice that savings and loan leaders are calling on all savings and loan associations to help reduce interest rates on home mortgages. The same leaders are actively interested in these three bills, and also are interested in working with the Federal Home Loan Bank Board to devise changes in their rules and regulations which will further facilitate the flow of mortgage credit into the housing market. This is the type of leadership which I believe businessmen should exercise within their own industry, and I congratulate the leaders of the savings and loan business on trying to assist in solving the problems of high interest rates and financing homes for the elderly and urban renewal.

I believe these bills will afford an opportunity for study and discussion; and it may very well be that some good programs can be worked out by means of them.

ADDITIONAL ASSISTANT TO SECRETARY OF COMMERCE

Mr. MAGNUSON. Mr. President, by request of the Secretary of Commerce, I introduce, for appropriate reference, a bill to authorize an additional Assistant Secretary of Commerce. I ask unanimous consent that the letter from the Secretary of Commerce, requesting the proposed legislation, be printed in the RECORD.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the letter will be printed in the RECORD.

The bill (S. 1456) to authorize an additional Assistant Secretary of Commerce, introduced by Mr. MAGNUSON, by request, was received, read twice by its title, and referred to the Committee on Interstate and Foreign Commerce.

The letter presented by Mr. MAGNUSON is as follows:

THE SECRETARY OF COMMERCE,
Washington, D.C., March 21, 1961.

The Honorable the PRESIDENT OF THE SENATE,
U.S. Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Transmitted herewith is a draft bill "to authorize an additional Assistant Secretary of Commerce."

Enactment of this legislation is necessary to carry out a major recommendation of the Special Advisory Committee of the National Academy of Sciences and to assure that the important scientific and technical functions and responsibilities of the Department of Commerce are effectively directed by the Secretary assisted by an officer of high rank.

Today, more than ever before in our history, science and technology are playing an ever-increasing role in the industrial and business activities of our Nation. Included within the Department of Commerce, and importantly related to our basic mission of fostering and promoting industry, commerce, and transportation are such outstanding scientific agencies as the National Bureau of Standards, the Weather Bureau, and the Coast and Geodetic Survey. Also contributing to the scientific and technical needs of our expanding economy are such agencies as the Patent Office and the Office of Technical Services. In addition, the fulfillment of the responsibilities of the Bureau of Public Roads and the Maritime Administration require extensive research and development activities in a number of scientific and technical fields. These agencies and the activities they conduct are of immeasurable importance not only to our economy, but to our national defense and the general welfare of our people as well. The scientific and technical functions conducted within the Department of Commerce are important links in the overall scientific efforts being conducted by other agencies of our Government in the areas of national defense, atomic energy, space technology, oceanography, meteorology, and others. The scope and importance of these functions and the part which agencies of the Department of Commerce must assume are constantly increasing.

It is of vital importance that there be competent direction and administration of our scientific and technical programs and that they be adequately coordinated with other related activities throughout the Government to assure the maximum effectiveness of our national efforts.

It is intended that this additional Assistant Secretary of Commerce will serve as the principal adviser to the Secretary on all scientific and technological matters of concern to the Department.

The incumbent in this new position will provide vital assistance to the Secretary in:

1. The coordination and evaluation of existing programs of the Department in the fields of science and technology;

2. The expansion of such programs where deemed desirable to meet our national needs;

3. The development and implementation of new research and development programs in furtherance of the Department's objectives;

4. Representing the Department on top policy level scientific committees and groups, including the Federal Council for Science and Technology.

Authorization for the appointment of an additional Assistant Secretary of Commerce will make it possible to provide the most effective review of the expanding science activities of the Department of Commerce by a highly qualified science administrator. The increasing importance of the scientific and technological agencies of the Department of Commerce require an officer with the rank of Assistant Secretary to assure that our responsibilities and programs are adequately carried out in the interests of our economy, national defense, and public welfare.

We strongly urge prompt favorable consideration of this proposed bill by Congress.

It is estimated that enactment of this legislation will involve the expenditure of approximately $100,000 per year.

We have been advised by the Bureau of the Budget that it would interpose no objection to the submission of this proposed legislation from the standpoint of the administration's program.

Sincerely yours,

LUTHER H. HODGES,
Secretary of Commerce.

AMENDMENT OF FAIR LABOR STANDARDS ACT

Mr. McNAMARA. Mr. President, I introduce, for appropriate referral, a bill to amend the Fair Labor Standards Act.

The bill contains the basic provisions of the administration measures introduced earlier.

It would raise the minimum wage to $1.25 an hour—for presently covered workers over a 2-year period.

Approximately 4 million additional workers would be covered—beginning at $1 an hour—and rising to $1.25 after 3 years.

The newly covered workers would be given overtime protection—as originally proposed by the administration.

The bill was drafted in consultation with the administration—and has its approval.

The bill I have introduced is intended only as a means—to speed both Labor Committee and Senate action on minimum wages.

During our hearings—and House consideration of the minimum wage bill—it was apparent that some problems had to be solved before a strong minimum wage bill could be enacted.

The bills now before the Senate Labor and Public Welfare Committee—would have to be amended substantially to meet those problems.

That amending process would be time consuming—and consequently this bill has been prepared as a substitute to avoid such delays.

The attached summary details the coverage and impact of the new bill.

I ask unanimous consent that the summary, together with the bill, be printed in the RECORD.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill and summary will be printed in the RECORD.

The bill (S. 1457) to amend the Fair Labor Standards Act of 1938, as amended, to provide coverage for employees of large enterprises engaged in retail trade or service and of other employers engaged in commerce or in the production of goods for commerce, to increase the minimum wage under the act to $1.25 an hour, and for other purposes, introduced by Mr. MCNAMARA, was received, read twice by its title, referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Fair Labor Standards Amendments of 1961".

DEFINITIONS

SEC. 2. (a) Paragraph (m) of section 3 of such Act, defining the term "wage", is amended by inserting before the period at the end thereof a colon and the following: "*Provided,* That the cost of board, lodging, or other facilities shall not be included as a part of the wage paid to any employee to the extent it is excluded therefrom under the terms of a bona fide collective-bargaining agreement applicable to the particular employee: *Provided further,* That the Secretary is authorized to determine the fair value of such board, lodging, or other facilities for defined classes of employees and in defined areas, based on average cost to the employer or to groups of employers similarly situated, or average value to groups of employees, or other appropriate measures of fair value. Such evaluations, where applicable and pertinent, shall be used in lieu of actual measure of cost in determining the wage paid to any employee".

(b) Section 3 of such Act is further amended by adding at the end thereof the following new paragraphs:

"(p) 'American vessel' includes any vessel which is documented or numbered under the laws of the United States.

"(q) 'Secretary' means the Secretary of Labor.

"(r) 'Enterprise' means the related activities performed (either through unified operation or common control) by any person or persons for a common business purpose, and includes all such activities whether performed in one or more establishments or by one or more corporate or other organizational units but shall not include the related activities performed for such enterprise by an independent contractor: *Provided,* That, within the meaning of this subsection, a local retail or service establishment which is under independent ownership and control shall not be deemed to be other than a separate and distinct enterprise by reason of any arrangement, which includes, but is not limited to, an agreement (1) that it will sell, or sell only, certain goods specified by a particular manufacturer, distributor, or advertiser, or (2) that it will join with other such local establishments in the same industry for the purpose of collective purchasing, or (3) that it will have the exclusive right to sell the goods or use the brand name of a manufacturer, distributor, or advertiser within a specified area, or by reason of the fact that it occupies premises leased to it by a person who also leases premises to other retail or service establishments.

"(s) 'Enterprise engaged in commerce or in the production of goods for commerce' means any of the following in the activities of which employees are so engaged, including employees handling, selling, or otherwise working on goods that have been moved in or produced for commerce by any person, if not less than 25 per centum of the annual gross dollar volume of business (exclusive of excise taxes at the retail level which are separately stated) of such enterprise is made from sales or services which require, or depend on, shipments of goods in commerce or engagement by employees in commerce or in the production of goods for commerce:

"(1) any such enterprise which has one or more retail or service establishments if the annual gross volume of sales of such enterprise is not less than $1,000,000, exclusive of excise taxes at the retail level which are separately stated;

"(2) any such enterprise which has one or more establishments engaged in laundering, cleaning, or repairing clothing or fabrics if the annual gross volume of sales of such enterprise is not less than $1,000,000, exclusive of excise taxes at the retail level which are separately stated;

"(3) any such enterprise which is engaged in the business of operating a street, suburban or interurban electric railway, or local trolley or motorbus carrier;

"(4) any establishment of any such enterprise, except establishments and enterprises referred to in other paragraphs of this subsection, which has employees engaged in commerce or in the production of goods for commerce if the annual gross volume of sales of such enterprise is not less than $1,000,000;

"(5) any such enterprise which is engaged in the business of construction or reconstruction, or both, if the annual gross volume from the business of such enterprise is not less than $350,000;

"(6) any gasoline service establishment if the annual gross volume of sales of such establishment is not less than $250,000, exclusive of excise taxes at the retail level which are separately stated:

Provided, That an establishment shall not be considered to be an enterprise engaged in commerce or in the production of goods for commerce, or a part of an enterprise engaged in commerce or in the production of goods for commerce, and the sales of such establishment shall not be included for the purpose of determining the annual gross volume of sales of any enterprise for the purpose of this subsection, if the only employees of such establishment are the owner thereof or persons standing in the relationship of parent, spouse, or child of such owner."

INVESTIGATIONS OF EFFECTS ON EMPLOYMENT OF FOREIGN COMPETITION

SEC. 3. Section 4 of such Act is amended by adding at the end thereof the following new subsection:

"(e) Whenever the Secretary has reason to believe that in any industry under this Act the competition of foreign producers in United States markets or in markets abroad, or both, has resulted, or is likely to result, in increased unemployment in the United States, he shall undertake an investigation to gain full information with respect to the matter. If he determines such increased unemployment has in fact resulted, or is in fact likely to result, from such competition, he shall make a full and complete report of his findings and determinations to the President and to the Congress."

SPECIAL INDUSTRY COMMITTEES FOR PUERTO RICO AND THE VIRGIN ISLANDS

SEC. 4. Subsection (a) of section 5 of such Act is amended by inserting after the words "production of goods for commerce" wherever they appear, the following: "or employed in any enterprise engaged in commerce or in the production of goods for commerce".

MINIMUM WAGES

SEC. 5. (a) (1) Section 6(a) of such Act is amended by inserting after the word "who" in the portion thereof preceding paragraph (1), the words "in any workweek".

(2) Paragraph (1) of section 6(a) of such Act is amended to read as follows:

"(1) not less than $1.15 an hour during the first two years from the effective date of the Fair Labor Standards Amendments of 1961, and not less than $1.25 an hour thereafter, except as otherwise provided in this section."

(3) The first sentence of paragraph (3) of section 6(a) of such Act is amended to read as follows:

"(3) if such employee is employed in American Samoa, in lieu of the rate or rates provided by this subsection or subsection (b), not less than the applicable rate established by the Secretary of Labor in accordance with recommendations of a special industry committee or committees which he shall appoint in the same manner and pursuant to the same provisions as are applicable to the special industry committees provided for Puerto Rico and the Virgin Islands by this Act as amended from time to time."

(b) Subsection (b) of section 6 of such Act is amended to read as follows:

"(b) Every employer shall pay to each of his employees who in any workweek (i) is employed in an enterprise engaged in commerce or in the production of goods for commerce, as defined in section 3(s) (1), (2), (3), or (5) or by an establishment described in section 3(s) (4) or (6), and who, except for the enactment of the Fair Labor Standards Amendments of 1961, would not be within the purview of this section, or (ii) is brought within the purview of this section by the amendments made to section 13(a) of this Act by the Fair Labor Standards Amendments of 1961, wages at rates—

"(1) not less than $1 an hour during the first year from the effective date of such amendments; not less than $1.05 an hour during the second year from such date; not less than $1.15 an hour during the third year from such date; and not less than the rate effective under paragraph (1) of subsection (a) thereafter;

"(2) if such employee is employed as a seaman on an American vessel, wages at not less than the rate which will provide to the employee, for the period covered by the wage payment, wages equal to compensation at the hourly rate prescribed by paragraph (1) of this subsection for all hours during such period when he was actually on duty (including periods aboard ship when the employee was on watch or was, at the direction of a superior officer, performing work or standing by, but not including off-duty periods which are provided pursuant to the employment agreement)."

(c) Subsection (c) of section 6 of such Act is amended to read as follows:

"(c) The rate or rates provided by subsections (a) and (b) of this section shall be superseded in the case of any employee in Puerto Rico or the Virgin Islands only for so long as and insofar as such employee is covered by a wage order heretofore or hereafter issued by the Secretary pursuant to the recommendations of a special industry committee appointed pursuant to section 5: *Provided*, That (1) the following rates shall apply to any such employee to whom the rate or rates prescribed by subsection (a) would otherwise apply:

"(A) The rate or rates applicable under the most recent wage order issued by the Secretary prior to the effective date of the Fair Labor Standards Amendments of 1961, increased by 15 per centum, unless such rate or rates are superseded by the rate or rates prescribed in a wage order issued by the Secretary pursuant to the recommendations of a review committee appointed under paragraph (C). Such rate or rates shall become effective sixty days after the effective date of the Fair Labor Standards Amendments of 1961 or one year from the effective date of the most recent wage order applicable to such employee theretofore issued by the Secretary pursuant to the recommendations of a special industry committee appointed under section 5, whichever is later.

"(B) Beginning two years after the applicable effective date under paragraph (A), not less than the rate or rates prescribed by paragraph (A), increased by an amount equal to 10 per centum of the rate or rates applicable under the most recent wage order issued by the Secretary prior to the effective date of the Fair Labor Standards Amendments of 1961, unless such rate or rates are superseded by the rate or rates prescribed in a wage order issued by the Secretary pursuant to the recommendations of a review committee appointed under paragraph (C).

"(C) Any employer, or group of employers, employing a majority of the employees in an industry in Puerto Rico or the Virgin Islands, may apply to the Secretary in writing for the appointment of a review committee to recommend the minimum rate or rates to be paid such employees in lieu of the rate or rates provided by paragraph (A) or (B). Any such application with respect to any rate or rates provided for under paragraph (A) shall be filed within sixty days following the enactment of the Fair Labor Standards Amendments of 1961 and any such application with respect to any rate or rates provided for under paragraph (B) shall be filed not more than one hundred and twenty days and not less than sixty days prior to the effective date of the applicable rate or rates under paragraph (B). The Secretary shall promptly consider such application and may appoint a review committee if he has reasonable cause to believe, on the basis of financial and other information contained in the application, that compliance with any applicable rate or rates prescribed by paragraph (A) or (B) will substantially curtail employment in such industry. The Secretary's decision upon any such application shall be final. Any wage order issued pursuant to the recommendations of a review committee appointed under this paragraph shall take effect on the applicable effective date provided in paragraph (A) or (B).

"(D) In the event a wage order has not been issued pursuant to the recommendation of a review committee prior to the applicable effective date under paragraph (A) or (B), the applicable percentage increase provided by any such paragraph shall take effect on the effective date prescribed therein, except with respect to the employees of an employer who filed an application under paragraph (C) and who files with the Secretary an undertaking with a surety or sureties satisfactory to the Secretary for payment to his employees of an amount sufficient to compensate such employees for the difference between the wages they actually receive and the wages to which they are entitled under this subsection. The Secretary shall be empowered to enforce such undertaking and any sums recovered by him shall be held in a special deposit account and shall be paid, on order of the Secretary, directly to the employee or employees affected. Any such sum not paid to an employee because of inability to do so within a period of three years shall be covered into the Treasury of the United States as miscellaneous receipts.

"(2) In the case of any such employee to whom subsection (b) would otherwise apply, the Secretary shall within sixty days after the enactment of the Fair Labor Standards Amendments of 1961 appoint a special industry committee in accordance with section 5 to recommend the highest minimum wage rate or rates in accordance with the standards prescribed by section 8, not in excess of the applicable rate provided by subsection (b), to be applicable to such employee in lieu of the rate or rates prescribed by subsection (b). The rate or rates recommended by the special industry committee shall be effective with respect to such employee upon the effective date of the wage order issued pursuant to such recommendation but not before sixty days after the effective date of the Fair Labor Standards Amendments of 1961.

"(3) The provisions of section 5 and section 8, relating to special industry committees, shall be applicable to review committees appointed under this subsection. The appointment of a review committee shall be in addition to and not in lieu of any special industry committee required to be appointed pursuant to the provisions of subsection (a) of section 8, except that no special industry committee shall hold any hearing within one year after a minimum wage rate or rates for industry shall have been recommended to the Secretary by a review committee to be paid in lieu of the rate or rates provided for under paragraph (A) or (B). The minimum wage rate or rates prescribed by this subsection shall be in effect only for so long as and insofar as such minimum wage rate or rates have not been superseded by a wage order fixing a higher minimum wage rate or rates (but not in excess of the applicable rate prescribed in subsection (a) or subsection (b)) hereafter issued by the Secretary pursuant to the recommendation of a special industry committee."

MAXIMUM HOURS

SEC. 6. (a) Subsection (a) of section 7 of such Act is amended by designating such subsection as subsection (a) (1), by inserting after the word "who" the words "in any workweek", and by striking out the period at the end thereof and inserting a semicolon and the word "and" in lieu thereof and adding the following new paragraph (2):

"(2) No employer shall employ any of his employees who in any workweek (i) is employed in an enterprise engaged in commerce or in the production of goods for commerce, as defined in section 3(s) (1), (2), or (5), or by an establishment described in section 3(s)(4), and who, except for the enactment of the Fair Labor Standards Amendments of 1961, would not be within the purview of this subsection, or (ii) is brought within the purview of this subsection by the amendments made to section 13 of this Act by the Fair Labor Standards Amendments of 1961—

"(A) for a workweek longer than forty-four hours during the second year from the effective date of the Fair Labor Standards Amendments of 1961,

"(B) for a workweek longer than forty-two hours during the third year from such date,

"(C) for a workweek longer than forty hours after the expiration of the third year from such date,

unless such employee receives compensation for his employment in excess of the hours above specified at a rate not less than one and one-half times the regular rate at which he is employed."

(b) (1) Subsection (b) of section 7 of such Act is amended by striking out "in excess of forty hours in the workweek" in paragraph (2) and inserting in lieu thereof the following: "in excess of the maximum workweek applicable to such employee under subsection (a)".

(2) Such subsection is further amended by striking out clause (3) thereof and the portion of such subsection which follows clause (3) and inserting in lieu thereof the following:

"(3) for a period or periods of not more than fourteen workweeks in the aggregate in any calendar year in an industry found by the Secretary of Labor to be (i) of a seasonal nature, or (ii) an industry engaged in the first processing of, or in canning or packing perishable or seasonal fresh fruits or vegetables, or in the first processing, within the area of production (as defined by the Secretary), of any agricultural or horicultural commodity during seasonal operations: *Provided*, That in any industry to which both clauses (i) and (ii) apply, such period shall not exceed ten workweeks in the aggregate in any calendar year,

and if such employee receives compensation for employment in excess of twelve hours in any workday, or for employment in excess of fifty-six hours in any workweek, as the case may be, at a rate not less than one and one-half times the regular rate at which he is employed. In the case of any employee employed in an industry to which both (i) and (ii) of clause (3) apply, the provisions of subsection (a) shall not apply during a period or periods of not more than ten workweeks in the aggregate in any calendar year, which shall be in addition to the period or periods provided with respect to such employee in clause (3)."

(c) Subsection (c) of section 7 of such Act is amended to read as follows:

"(c) In the case of an employer engaged in the first processing of milk, buttermilk, whey, skimmed milk, or cream into dairy products, or in the ginning and compressing of cotton, or in the processing of cottonseed, or in the processing of sugar beets, sugarbeet molasses, sugarcane, or maple sap, into sugar (but not refined sugar) or into sirup, the provisions of subsection (a) shall not apply to his employees in any place of employment where he is so engaged; and in the case of an employer engaged in handling, slaughtering, or dressing poultry or livestock, the provisions of subsection (a), during a period or periods of not more than fourteen workweeks in the aggregate in any calendar year, shall not apply to his employees in any place of employment where he is so engaged."

(d) Paragraph (5) of subsection (d) of section 7 of such Act is amended by striking out "forty in a workweek" and inserting in lieu thereof the following: "in excess

of the maximum workweek applicable to such employee under subsection (a)".

(e) Paragraph (7) of subsection (d) of section 7 of such Act is amended by striking out "forty hours" and inserting in lieu thereof the following: "the maximum workweek applicable to such employee under subsection (a)".

(f) Subsection (e) of section 7 of such Act is amended (1) by striking out "forty hours" and inserting in lieu thereof "the maximum workweek applicable to such employee under subsection (a)", (2) by striking out "section 6(a)" and inserting in lieu thereof "subsection (a) or (b) of section 6 (whichever may be applicable)", and (3) by striking out "forty in any" and inserting in lieu thereof "such maximum".

(g) Subsection (f) of section 7 of such Act is amended by striking out "forty hours" both times it appears therein and inserting in lieu thereof the following: "the maximum workweek applicable to such employee under such subsection".

(h) Section 7 of such Act is amended by adding at the end thereof the following new subsection:

"(h) No employer shall be deemed to have violated subsection (a) by employing any employee of a retail or service establishment for a workweek in excess of the applicable workweek specified therein, if (1) the regular rate of pay of such employee is in excess of one and one-half times the minimum hourly rate applicable to him under section 6, and (2) more than half his compensation for a representative period (not less than one month) represents commissions on goods or services."

WAGE ORDERS IN PUERTO RICO AND THE VIRGIN ISLANDS

SEC. 7. Subsection (a) of section 8 of such Act is amended by inserting after the word "industries" where it appears in the first sentence the words "or enterprise"; and by inserting after the words "production of goods for commerce" where they appear in the second sentence the following: "or in any enterprise engaged in commerce or in the production of goods for commerce".

CHILD LABOR PROVISIONS

SEC. 8. Subsection (c) of section 12 of such Act is amended by striking out the period at the end thereof and inserting in lieu thereof the following: "or in any enterprise engaged in commerce or in the production of goods for commerce."

EXEMPTIONS

SEC. 9. Subsections (a) and (b) of section 13 of such Act are amended to read as follows:

"(a) The provisions of sections 6 and 7 shall not apply with respect to—

"(1) any employee employed in a bona fide executive, administrative, or professional capacity, or in the capacity of outside salesman (as such terms are defined and delimited from time to time by regulations of the Secretary, subject to the provisions of the Administrative Procedure Act, except that an employee of a retail or service establishment shall not be excluded from the definition of employee employed in a bona fide executive or administrative capacity because of the number of hours in his workweek which he devotes to activities not directly or closely related to the performance of executive or administrative activities, if less than 40 per centum of his hours worked in the workweek are devoted to such activities); or

"(2) any employee employed by any retail or service establishment, more than 50 per centum of which establishment's annual dollar volume of sales of goods or services is made within the State in which the establishment is located, if such establishment—

"(i) is not in an enterprise described in section 3(s)(1), or

"(ii) is in such an enterprise and is a hotel, motel, restaurant, motion picture theater, or an amusement or recreational establishment that operates on a seasonal basis, or

"(iii) is in such an enterprise and is a hospital, or an institution which is primarily engaged in the care of the sick, the aged, the mentally ill or defective, residing on the premises of such institution, or a school for physically or mentally handicapped or gifted children, or

"(iv) is in such an enterprise and has an annual dollar volume of sales (exclusive of excise taxes at the retail level which are separately stated) which is less than $250,000.

A 'retail or service establishment' shall mean an establishment 75 per centum of whose annual dollar volume of sales of goods or services (or of both) is not for resale and is recognized as retail sales or services in the particular industry; or

"(3) any employee employed by any establishment (except an establishment in an enterprise described in section 3(s)(2)) engaged in laundering, cleaning, or repairing clothing or fabrics, more than 50 per centum of which establishment's annual dollar volume of sales of such services is made within the State in which the establishment is located: *Provided*, That 75 per centum of such establishment's annual dollar volume of sales of such services is made to customers who are not engaged in a mining, manufacturing, transportation, commercial, or communications business: *Provided further*, That neither the exemption in this paragraph nor in paragraph (2) shall apply to any employee of a hotel, motel, or restaurant who is engaged in laundering, cleaning, or repairing clothing or fabrics where such services are not performed exclusively for such hotel, motel, or restaurant: *Provided further*, That this exemption shall not apply to any employee of any such establishment which has an annual dollar volume of sales of such services of $250,000 or more and which is engaged in substantial competition in the same metropolitan area with an establishment less than 50 per centum of whose annual dollar volume of sales of such services is made within the State in which it is located; or

"(4) any employee employed by an establishment which qualifies as an exempt retail establishment under clause (2) of this subsection and is recognized as a retail establishment in the particular industry notwithstanding that such establishment makes or processes at the retail establishment the goods that it sells: *Provided*, That more than 85 per centum of such establishment's annual dollar volume of sales of goods so made or processed is made within the State in which the establishment is located; or

"(5) any employee employed in the catching, taking, propagating, harvesting, cultivating, or farming of any kind of fish, shellfish, crustacea, sponges, seaweeds, or other aquatic forms of animal and vegetable life, or in the first processing, canning or packing such marine products at sea as an incident to, or in conjunction with, such fishing operations, including the going to and returning from work and loading and unloading when performed by any such employee; or

"(6) any employee employed in agriculture or in connection with the operation or maintenance of ditches, canals, reservoirs, or waterways, not owned or operated for profit or operated on a share-crop basis, and which are used exclusively for supply and storing of water for agricultural purposes; or

"(7) any employee to the extent that such employee is exempted by regulations or orders of the Secretary issued under section 14; or

"(8) any employee employed in connection with the publication of any weekly, semiweekly, or daily newspaper with a circulation of less than four thousand the major part of which circulation is within the county where printed and published or counties contiguous thereto; or

"(9) any employee of a retail or service establishment who is employed in connection with the preparation or offering of food or beverages for human consumption on the premises, or by such services as catering, banquet, box lunch, or curb or counter service, to the public, to employees, or to members or guests of members of clubs; or

"(10) any individual employed within the area of production (as defined by the Secretary), engaged in handling, packing, storing, ginning, compressing, pasteurizing, drying, preparing in their raw or natural state, or canning of agricultural or horticultural commodities for market, or in making cheese or butter or other dairy products; or

"(11) any switchboard operator employed by an independently owned public telephone company which has not more than seven hundred and fifty stations; or

"(12) any employee of an employer engaged in the business of operating taxicabs; or

"(13) any employee or proprietor in a retail or service establishment which qualifies as an exempt retail or service establishment under clause (2) of this subsection with respect to whom the provisions of sections 6 and 7 would not otherwise apply, engaged in handling telegraphic messages for the public under an agency or contract arrangement with a telegraph company where the telegraph message revenue of such agency does not exceed $500 a month; or

"(14) any employee employed as a seaman on a vessel other than an American vessel; or

"(15) any employee employed in planting or tending trees, cruising, surveying, or felling timber, or in preparing or transporting logs or other forestry products to the mill, processing plant, railroad, or other transportation terminal, if the number of employees employed by his employer in such forestry or lumbering operations does not exceed twelve.

"(b) The provisions of section 7 shall not apply with respect to—

"(1) any employee with respect to whom the Interstate Commerce Commission has power to establish qualifications and maximum hours of service pursuant to the provisions of section 204 of the Motor Carrier Act, 1935; or

"(2) any employee of an employer subject to the provisions of part I of the Interstate Commerce Act; or

"(3) any employee of a carrier by air subject to the provisions of title II of the Railway Labor Act; or

"(4) any employee employed in the canning, processing, marketing, freezing, curing, storing, packing for shipment, or distributing of any kind of fish, shell-fish, or other aquatic forms of animal or vegetable life, or any byproduct thereof; or

"(5) any individual employed as an outside buyer of poultry, eggs, cream, or milk, in their raw or natural state; or

"(6) any employee employed as a seaman; or

"(7) any employee of a street, suburban or interurban electric railway, or local trolley or motorbus carrier, not included in other exemptions contained in this section; or

"(8) any employee of a gasoline service station; or

"(9) any employee employed as an announcer, news editor, or chief engineer by a radio or television station the major studio of which is located in a city or town of fifty thousand population or less, according to the latest available decennial census figures as compiled by the United States Bureau of Census, except where such city or town is part of a standard metropolitan area as defined and designated by the Bureau of

Census, which has a total population in excess of fifty thousand; or

"(10) any employee of an independently owned and controlled local enterprise (including an enterprise with more than one bulk storage establishment) engaged in the wholesale or bulk distribution of petroleum products if (A) the annual gross volume of sales of such enterprise is not more than $1,000,000 exclusive of excise taxes, and (B) more than 75 per centum of such enterprise's annual dollar volume of sales is made within the State in which such enterprise is located, and (C) not more than 25 per centum of the annual dollar volume of sales of such enterprise is to customers who are engaged in the bulk distribution of such products for resale; or

"(11) any employee of a retail or service establishment primarily engaged in the business of selling automobiles, trucks, or farm implements."

EMPLOYMENT OF STUDENTS

SEC. 10. Clause (1) of section 14 of such Act is amended by striking out "and" after "apprentices," and by inserting after "messages," the following: "and of full-time students outside of their school hours in any retail or service establishment: *Provided*, That such employment is not of the type ordinarily given to a full-time employee,".

PENALTIES AND INJUNCTION PROCEEDINGS

SEC. 11. (a) Section 16(b) of such Act is amended by adding at the end thereof a new sentence as follows: "The right provided by this subsection to bring an action by or on behalf of any employee, and the right of any employee to become a party plaintiff to any such action, shall terminate upon the filing of a complaint by the Secretary of Labor in an action under section 17 in which restraint is sought of any further delay in the payment of unpaid minimum wages, or the amount of unpaid overtime compensation as the case may be, owing to such employee under section 6 or section 7 of this Act by an employer liable therefor under the provisions of this subsection."

(b) Section 17 of such Act is amended to read as follows:

"INJUNCTION PROCEEDINGS

"SEC. 17. The district courts, together with the United States District Court for the District of the Canal Zone, the District Court of the Virgin Islands, and the District Court of Guam shall have jurisdiction, for cause shown, to restrain violations of section 15, including in the case of violations of section 15(a)(2) the restraint of any withholding of payment of minimum wages or overtime compensation found by the court to be due to employees under this Act (except sums which employees are barred from recovering, at the time of the commencement of the action to restrain the violations, by virtue of the provisions of section 6 of the Portal-to-Portal Act of 1947)."

STUDY OF AGRICULTURAL HANDLING AND PROCESSING EXEMPTIONS

SEC. 12. The Secretary of Labor shall study the complicated system of exemptions now available for the handling and processing of agricultural products under such Act and particularly sections 7(c), 13(a)(10) and 7(b)(3), and shall submit to the second session of the Eighty-seventh Congress at the time of his report under section 4(d) of such Act a special report containing the results of such study and information, data and recommendations for further legislation designed to simplify and remove the inequities in the application of such exemptions.

EFFECTIVE DATE

SEC. 13. The amendments made by this Act shall take effect upon the expiration of one hundred and twenty days after the date of its enactment, except as otherwise provided in such amendments and except that the authority to promulgate necessary rules, regulations, or orders with regard to amendments made by this Act, under the Fair Labor Standards Act of 1938 and amendments thereto, including amendments made by this Act, may be exercised by the Secretary on and after the date of enactment of this Act.

The summary presented by Mr. MCNAMARA is as follows:

SUMMARY OF PROPOSED SUBSTITUTE FOR S. 895

1. For presently covered employees the minimum wage is increased to $1.15 an hour for the first 2 years after the effective date and $1.25 an hour beginning 28 months after the effective date (23,900,000 covered).

2. For newly covered employees, the minimum wage will be: $1, first year; $1.05, second year; $1.15, third year; $1.25, fourth year.

3. Overtime compensation for the newly covered will be as follows: First year, no limitation; second year, 44 hours; third year, 42 hours; fourth year, 40 hours.

4. Retail trade (2,500,000, estimated). The bill covers retail and service enterprises which have a million dollars or more in annual sales (exclusive of excise taxes) provided that at least 25 percent of their receipts are derived from goods, materials, or supplies which have been moved in commerce or produced for interstate commerce.

From this coverage in the retail trade the bill excludes the following:

(a) Hotels.
(b) Motels.
(c) Restaurants.
(d) Hospitals.
(e) Nursing homes.
(f) Schools for handicapped or gifted children.
(g) Motion picture theaters.
(h) Amusement or recreational establishments operating on a seasonal basis.
(i) Any establishment which has less than $250,000 in annual sales even if it is in an enterprise that has more than $1 million in annual sales.

In addition, the bill makes the following special provisions for particular problems in the retail and service trades:

(a) Gasoline service stations which are covered for minimum wage if they have $250,000 (exclusive of excise taxes at the retail level) or more in annual sales, are exempt from the overtime requirements.

(b) Auto dealers and farm implement dealers are exempt from the overtime requirements.

(c) Assistant managers of retail stores will be exempt even if they perform up to 40 percent nonexecutive and nonadministrative work.

(d) Commission employees will be exempt from overtime if more than half their pay is from commissions and if they earn at least time and one-half the minimum rate.

(e) Student workers may be employed in retail trades at subminimum rates under certificates granted by the Secretary in occupations not ordinarily given to full-time employees.

5. Laundries (140,000): Laundry enterprises are covered if they have a million dollars or more in annual sales (exclusive of excise taxes) for minimum wage and overtime. Further, the existing exemption for such laundries is limited so that it will not apply to any laundry which does more than 25 percent commercial work or to any laundry which has $250,000 in annual sales and is in competition in the same metropolitan area with a laundry which does more than half of its work across State lines. Finally, laundry workers in hotels and restaurants are exempt only if they work in a laundry of their own establishment.

6. Local transit companies (110,000): Covered for minimum wage but not for overtime.

7. Establishments which already have some covered employees under the act (100,000) are covered for all their employees if they are in an enterprise which has a million dollars or more in annual sales.

8. Construction (1 million): Construction companies which have at least $350,000 in annual business are also covered for minimum wage and overtime.

9. Seamen (100,000): Seamen of American-flag vessels are covered for minimum wage but not for overtime.

10. Telephone operators (30,000): The exemption for telephone operators is limited to those employed by an independently owned telephone company which has not more than 750 telephones.

Fish processing (33,000): Seafood processing employees are covered for minimum wage but not for overtime (seafood canners are treated in this way under the present law).

12. Processing and canning of agricultural commodities: The 28-week overtime exemption for such activities is reduced to 20 weeks—10 unlimited and 10 limited to 12 hours a day and 56 hours a week.

13. Puerto Rico: The minimum wage in Puerto Rico is increased by the same percentage as the mainland minimum, subject to review by industry committees in hardship cases.

14. Broadcasters: Announcers, news editors and chief engineers of broadcasting companies located in cities of 50,000 or less population are exempt from overtime.

15. Bulk petroleum dealers: Independently owned and controlled local bulk petroleum distributors are exempt from overtime if their annual sales are less than $1 million (exclusive of excise taxes).

16. Other provisions: (a) Board and lodging may be included as wages on a basis of a fair value calculation made by the Secretary. Also, such perquisites may be excluded from wages to the extent excluded under a collective bargaining agreement.

(b) The Secretary is authorized to study the employment effects of foreign competition in industries covered by the act and to report such studies to the President and to the Congress.

(c) The Secretary is required to study the complicated system of exemptions in the act for handling and processing agricultural products and to report the results and recommendations to the next session of this Congress.

Total newly covered employees, 4,013,000.

AMENDMENT OF ACT RELATING TO TRANSPORTATION OF REMAINS, FAMILIES, AND EFFECTS OF FEDERAL EMPLOYEES DYING ABROAD

Mr. JOHNSTON. Mr. President, the Comptroller General, in a letter to me dated December 16, 1960, has pointed out certain inconsistencies in existing law with regard to Federal employees serving in Alaska and Hawaii. At my direction, conferences were held by staff members and representatives of the General Accounting Office; and a bill to remove these inconsistencies has been prepared.

This measure, which I am now introducing, restores to the Federal agency involved authority to pay the transportation costs in the following cases involving Federal employees serving in Alaska and Hawaii:

First. The cost of transporting to his home or official station the remains of

an employee who dies on duty in Alaska or Hawaii.

Second. The cost of transporting to his home the remains of employees' dependents who die in Alaska or Hawaii.

Third. The cost of transporting to their home a deceased employee's dependents and his household effects.

These benefits were authorized prior to the admission of Alaska and Hawaii as States. When they became States, however, an inconsistency arose out of the language of applicable law, so that: first, the cost of transporting the remains of employees dying in Alaska or Hawaii is not authorized; second, the cost of transporting the remains of employees' dependents is authorized; and third, the cost of transporting to their homes of deceased employees' dependents and household effects is allowed, but only upon the basis of a liberal interpretation of existing law.

This bill in plain language authorizes the Government to pay the transportation costs in each of the three cases.

This measure has no effect upon existing legislation which permits the return to his home or official station of the remains of an employee who dies while in a travel status.

Mr. President, I send to the desk for appropriate reference a bill to accomplish these objectives.

Inasmuch as Alaska and Hawaii are now States, it is necessary to amend the law so as to apply the coverage to Federal employees in these two new States.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 1458) to amend the act of July 8, 1940, relating to the transportation of the remains, families, and effects of Federal employees dying abroad, so as to restore the benefits of such act to employees dying in Alaska and Hawaii, and for other purposes, introduced by Mr. JOHNSTON, was received, read twice by its title, and referred to the Committee on Post Office and Civil Service.

LONGEVITY STEP INCREASES FOR POSTAL EMPLOYEES

Mr. JOHNSTON. Mr. President, during recent years an effort has been made to treat all Federal employees alike with regard to fringe benefits and conditions of employment. To this end, inequities have been removed wherever found and whenver noted.

The bill I am about to introduce is but another step in this direction. It relates to longevity step increases for employees subject to the Postal Pay Act.

Mr. President, employees in other departments and agencies of the Government who are compensated under the Classification Act receive longevity increases after fixed intervals in an amount equal to the regular within-step increase of the position to which assigned. This is as it should be. However, that is not true in the case of postal employees.

The amount of their longevity step increases was established many years ago, and at that time it was fixed at a flat amount of $100. It has remained fixed at this amount ever since.

In other words, our postal employees are treated unjustly as the result of an antiquated law. An employee in the Postal Department receives a periodic increase each year after entering the service until he reaches the top of his grade. The amount of the increase bears a relationship to the level of his work. In level one, it is $130. In level four, it is $160—this is the level to which the bulk of postal employees are assigned. The increase is somewhat greater in the higher levels.

However, when he becomes eligible for a longevity increase, he gets only the fixed amount of $100.

Mr. President, I send to the desk for appropriate reference a bill that fixes longevity increases for postal workers at an amount equal to the within-step increase of the various grade levels. Also, the bill provides that longevity increases shall become effective at the end of 10, 13, and 16 years of service so as to more nearly correspond with the Classification Act.

I want our postal workers to know that I expect this bill to be given early attention by the committee and I am hopeful that it will be reported favorably to the Senate for action at an early date.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 1459) to amend the provisions of law relating to longevity step increases for postal employees, introduced by Mr. JOHNSTON, was received, read twice by its title, and referred to the Committee on Post Office and Civil Service.

DESIGNATION OF JULY 25 OF EACH YEAR AS PUERTO RICAN DAY

Mr. KEATING. Mr. President, on behalf of my distinguished colleague from New York [Mr. JAVITS] and myself, I introduce for appropriate reference a joint resolution designating July 25 of each year as Puerto Rican Day in the United States of America. It is fitting that we focus the attention of the Congress and the people of our Nation on the many contributions of Americans from Puerto Rico on the occasion of the Commonwealth's coming into being.

Since the early 1900's the Puerto Rican population on the mainland has grown from 500 to nearly 1 million. These citizens help to strengthen the strong ties between the mainland and the island. The United States is in a particularly unique position with respect to our island examples of democracy—the State of Hawaii and the Commonwealth of Puerto Rico. Both are, in a sense, an extension of the hand of the United States in sincere friendship to the peoples of the Orient and Latin America. In this capacity the Commonwealth and the people of Puerto Rico are making a great contribution to intra-hemisphere understanding. Puerto Rico's bonds of common language and cultural background with so much of South and Central America provide a bridge between the aspirations and achievements of the people of the Americas.

In addition to the contribution of Puerto Rico to the foreign affairs of our own Nation, we must not lose sight of the domestic impact migration from the island has had on many of our States.

Over 700,000 Puerto Ricans in New York have contributed much to the life of the city and State. With an earning power in New York City alone of $1 billion, these people have added greatly to the overall economy. The hopes and desires of the Puerto Ricans have to an extent been held back by barriers of distrust and discrimination. Puerto Ricans as well as all Americans are entitled to adequate housing, equal educational facilities, and employment commensurate with ability—not place of birth.

As these people come to master English, as their capabilities become more recognized and as their innate talents come to the forefront, their contributions in fields of national endeavor will increase. We can look for great results, but every effort must be made to speed that progress.

Mr. President, I ask unanimous consent that the joint resolution be printed in the RECORD immediately following my remarks.

The PRESIDING OFFICER. The joint resolution will be received and appropriately referred; and, without objection, the joint resolution will be printed in the RECORD.

The joint resolution (S.J. Res. 70) designating July 25 of each year as "Puerto Rican Day in the United States of America," introduced by Mr. KEATING (for himself and Mr. JAVITS), was received, read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That July 25 of each year is hereby designated as "Puerto Rican Day in the United States of America," and the President of the United States is authorized and requested to issue annually a proclamation calling upon the people of the United States to observe this day with appropriate ceremonies.

EXTENSION FOR 2 YEARS TEMPORARY PROVISIONS OF PUBLIC LAWS 815 AND 874, 81ST CONGRESS—ADDITIONAL COSPONSOR OF BILL

Mr. KUCHEL. Mr. President, I ask unanimous consent that at the next printing of the bill (S. 1109) to extend for 2 years the temporary provisions of Public Laws 815 and 874, 81st Congress, relating to Federal assistance in the construction and operation of schools in areas affected by Federal activities, the name of the distinguished Senator from Maryland [Mr. BEALL] may be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

AWARD POSTHUMOUSLY OF MEDAL TO DR. THOMAS A. DOOLEY III—ADDITIONAL COSPONSOR OF BILL

Mr. BRIDGES. Mr. President, I ask unanimous consent that the name of the senior Senator from Connecticut [Mr. BUSH] may be added as a cosponsor of the bill (S. 1377) to authorize the award posthumously of an appropriate medal to Dr. Thomas A. Dooley III, and that his name so appear on any further printings of this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

NATIONAL TURKEY MARKETING ACT—ADDITIONAL COSPONSORS OF BILL

Under authority of the order of the Senate of March 21, 1961, the names of Mr. MOSS, Mr. SYMINGTON, Mr. LONG of Missouri, and Mr. MAGNUSON were added as additional cosponsors of the bill (S. 1389) to enable producers to provide a supply of turkeys adequate to meet the needs of consumers, to maintain orderly marketing conditions and to promote and expand the consumption of turkeys and turkey products, introduced by Mr. MCCARTHY (for himself and Mr. HUMPHREY) on March 21, 1961.

NATIONAL SECURITY — MESSAGE FROM THE PRESIDENT (H. DOC. NO. 123)

Mr. MANSFIELD. Mr. President, today the President has sent to Congress the defense message, and I understand the message is being read in the House of Representatives. I ask unanimous consent that the message be referred to the appropriate committee, without reading, and that the message be printed in the RECORD.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana? The Chair hears none, and it is so ordered.

The message was referred to the Committee on Appropriations, as follows:

To the Congress of the United States:

In my role as Commander in Chief of the American Armed Forces, and with my concern over the security of this Nation now and in the future, no single question of policy has concerned me more since entering upon these responsibilities than the adequacy of our present and planned military forces to accomplish our major national security objectives.

In January, while ordering certain immediately needed changes, I instructed the Secretary of Defense to reappraise our entire defense strategy, capacity, commitments, and needs in the light of present and future dangers. The Secretary of State and others have been consulted in this reappraisal, and I have myself carefully reviewed their reports and advice.

Such a review is obviously a tremendous task and it still continues. But circumstances do not permit a postponement of all further action during the many additional months that a full reappraisal will require. Consequently we are now able to present the most urgent and obvious recommendations for inclusion in the fiscal 1962 budget.

Meaningful defense budget decisions, however, are not possible without preliminary decisions on defense policy, reflecting both current strategic assumptions and certain fundamental principles. These basic policies or principles, as stated below, will constitute the essential guidelines and standards to be followed by all civilian and military personnel who work on behalf of our Nation's security. The budget which follows, if enacted by the Congress under its own solemn duty "to provide for the common defense," is designed to implement these assumptions as we now see them, and to chart a fresh, clear course for our security in a time of rising dangers and persistent hope.

I. BASIC DEFENSE POLICIES

1. The primary purpose of our arms is peace, not war—to make certain that they will never have to be used—to deter all wars, general or limited, nuclear or conventional, large or small; to convince all potential aggressors that any attack would be futile; to provide backing for diplomatic settlement of disputes; to insure the adequacy of our bargaining power for an end to the arms race. The basic problems facing the world today are not susceptible to a military solution. Neither our strategy nor our psychology as a nation—and certainly not our economy—must become dependent upon the permanent maintenance of a large military establishment. Our military posture must be sufficiently flexible and under control to be consistent with our efforts to explore all possibilities and to take every step to lessen tensions, to obtain peaceful solutions, and to secure arms limitations. Diplomacy and defense are no longer distinct alternatives, one to be used where the other fails—both must complement each other.

Disarmament, so difficult and so urgent, has been much discussed since 1945, but progress has not been made. Recrimination in such matters is seldom useful, and we for our part are determined to try again. In so doing, we note that, in the public position of both sides in recent years, the determination to be strong has been coupled with announced willingness to negotiate. For our part, we know there can be dialectical truth in such a position, and we shall do all we can to prove it in action. This budget is wholly consistent with our earnest desire for serious conversation with the other side on disarmament. If genuine progress is made, then as tension is reduced, so will be our arms.

2. Our arms will never be used to strike the first blow in any attack. This is not a confession of weakness but a statement of strength. It is our national tradition. We must offset whatever advantage this may appear to hand an aggressor by so increasing the capability of our forces to respond swiftly and effectively to any aggressive move as to convince any would-be aggressor that such a movement would be too futile and costly to undertake. In the area of general war, this doctrine means that such capability must rest with that portion of our forces which would survive the initial attack. We are not creating forces for a first strike against any other nation. We shall never threaten, provoke, or initiate aggression—but if aggression should come, our response will be swift and effective.

3. Our arms must be adequate to meet our commitments and insure our security, without being bound by arbitrary budget ceilings. This Nation can afford to be strong—it cannot afford to be weak. We shall do what is needed to make and to keep us strong. We must, of course, take advantage of every opportunity to reduce military outlays as a result of scientific or managerial progress, new strategic concepts, a more efficient, manageable and thus more effective Defense Establishment, or international agreements for the control and limitation of arms. But we must not shrink from additional costs where they are necessary. The additional $650 million in expenditures for fiscal 1962 which I am recommending today, while relatively small, are too urgent to be governed by a budget largely decided before our defense review had been completed. Indeed, in the long run the net effect of all the changes I am recommending will be to provide a more economical budget. But I cannot promise that in later years we need not be prepared to spend still more for what is indispensable. Much depends on the course followed by other nations. As a proportion of gross national product, as a share of our total budget, and in comparison with our national effort in earlier times of war, this increase in defense expenditures is still substantially below what our citizens have been willing and are now able to support as insurance on their security—insurance we hope is never needed—but insurance we must nevertheless purchase.

4. Our arms must be subject to ultimate civilian control and command at all times, in war as well as peace. The basic decisions on our participation in any conflict and our response to any threat—including all decisions relating to the use of nuclear weapons, or the escalation of a small war into a large one—will be made by the regularly constituted civilian authorities. This requires effective and protected organization, procedures, facilities, and communication in the event of attack directed toward this objective, as well as defensive measures designed to insure thoughtful and selective decisions by the civilian authorities. This message and budget also reflect that basic principle. The Secretary of Defense and I have had the earnest counsel of our senior military advisers and many others—and in fact they support the great majority of the decisions reflected in this budget. But I have not delegated to anyone else the responsibilities for decision which are imposed upon me by the Constitution.

5. Our strategic arms and defenses must be adequate to deter any deliberate nuclear attack on the United States or our allies by making clear to any potential aggressor that sufficient retaliatory

forces will be able to survive a first strike and penetrate his defenses in order to inflict unacceptable losses upon him. As I indicated in an address to the Senate some 31 months ago, this deterrence does not depend upon a simple comparison of missiles on hand before an attack. It has been publicly acknowledged for several years that this Nation has not led the world in missile strength. Moreover, we will not strike first in any conflict. But what we have and must continue to have is the ability to survive a first blow and respond with devastating power. This deterrent power depends not only on the number of our missiles and bombers, but on their state of readiness, their ability to survive attack, and the flexibility and sureness with which we can control them to achieve our national purpose and strategic objectives.

6. The strength and deployment of our forces in combination with those of our allies should be sufficiently powerful and mobile to prevent the steady erosion of the free world through limited wars; and it is this role that should constitute the primary mission of our oversea forces. Nonnuclear wars, and sublimited or guerrilla warfare, have since 1945 constituted the most active and constant threat to free world security. Those units of our forces which are stationed overseas, or designed to fight overseas, can be most usefully oriented toward deterring or confining those conflicts which do not justify and must not lead to a general nuclear attack. In the event of a major aggression that could not be repulsed by conventional forces, we must be prepared to take whatever action with whatever weapons are appropriate. But our objective now is to increase our ability to confine our response to nonnuclear weapons, and to lessen the incentive for any limited aggression by making clear what our response will accomplish. In most areas of the world, the main burden of local defense against overt attack, subversion, and guerrilla warfare must rest on local populations and forces. But given the great likelihood and seriousness of this threat, we must be prepared to make a substantial contribution in the form of strong, highly mobile forces trained in this type of warfare, some of which must be deployed in forward areas, with a substantial airlift and sealift capacity and prestocked oversea bases.

7. Our defense posture must be both flexible and determined. Any potential aggressor contemplating an attack on any part of the free world with any kind of weapons, conventional or nuclear, must know that our response will be suitable, selective, swift, and effective. While he may be uncertain of its exact nature and location, there must be no uncertainty about our determination and capacity to take whatever steps are necessary to meet our obligations. We must be able to make deliberate choices in weapons and strategy, shift the tempo of our production and alter the direction of our forces to meet rapidly changing conditions or objectives at very short notice and under any circumstances. Our weapon systems must be usable in a manner permitting deliberation and discrimination as to timing, scope, and targets in response to civilian authority; and our defenses must be secure against prolonged reattack as well as a surprise first strike. To purchase productive capacity and to initiate development programs that may never need to be used—as this budget proposes—adopts an insurance policy of buying alternative future options.

8. Our defense posture must be designed to reduce the danger of irrational or unpremeditated general war—the danger of an unnecessary escalation of a small war into a large one, or of miscalculation or misinterpretation of an incident or enemy intention. Our diplomatic efforts to reach agreements on the prevention of surprise attack, an end to the spread of nuclear weapons—indeed all our efforts to end the arms race—are aimed at this objective. We shall strive for improved communication among all nations, to make clear our own intentions and resolution, and to prevent any nation from underestimating the response of any other, as has too often happened in the past. In addition our own military activities must be safeguarded against the possibility of inadvertent triggering incidents. But even more importantly, we must make certain that our retaliatory power does not rest on decisions made in ambiguous circumstances, or permit a catastrophic mistake.

It would not be appropriate at this time or in this message to either boast of our strength or dwell upon our needs and dangers. It is sufficient to say that the budgetary recommendations which follow, together with other policy, organizational and related changes, and studies now underway administratively, are designed to provide for an increased strength, flexibility, and control in our Defense Establishment in accordance with the above policies.

II. STRENGTHENING AND PROTECTING OUR STRATEGIC DETERRENT AND DEFENSES

A. Improving our missile deterrent: As a power which will never strike first, our hopes for anything close to an absolute deterrent must rest on weapons which come from hidden, moving, or invulnerable bases which will not be wiped out by a surprise attack. A retaliatory capacity based on adequate numbers of these weapons would deter any aggressor from launching or even threatening an attack—an attack he knew could not find or destroy enough of our force to prevent his own destruction.

1. Polaris: The ability of the nuclear-powered Polaris submarine to operate deep below the surface of the seas for long periods and to launch its ballistic, solid-fuel, nuclear-armed missiles while submerged gives this weapons system a very high degree of mobility and concealment, making it virtually immune to ballistic missile attack.

In the light of the high degree of success attained to date in its development, production, and operation, I strongly recommend that the Polaris program be greatly expanded and accelerated. I have earlier directed the Department of Defense, as stated in my state of the Union message, to increase the fiscal year 1961 program from 5 submarine starts to 10, and to accelerate the delivery of these and other Polaris submarines still under construction. This action will provide 5 more operational submarines about 9 months earlier than previously planned.

For fiscal year 1962, I recommend the construction of 10 more Polaris submarines, making a total of 29, plus 1 additional tender. These 10 submarines, together with the 10 programed for fiscal year 1961, are scheduled to be delivered at the rate of 1 a month or 12 a year, beginning in June 1963, compared with the previous rate of 5 a year. Under this schedule, a force of 29 Polaris submarines can be completed and at sea 2 months before the present program called for 19 boats, and 2 years earlier than would be possible under the old 5-a-year rate. These 29 submarines, each with a full complement of missiles, will be a formidable deterrent force. The sooner they are on station, the safer we will be. And our emphasis upon a weapon distinguished primarily for its invulnerability is another demonstration of the fact that our posture as a nation is defensive and not aggressive.

I also recommend that the development of the long-range Polaris A–3 be accelerated in order to become available a year earlier, at an eventual savings in the procurement of the A–2 system.

This longer range missile with improved penetration capability will greatly enhance the operational flexibility of the Polaris force and reduce its exposure to shore-based antisubmarine warfare measures. Finally, we must increase the allowance of Polaris missiles for practice firing to provide systematic "proving ground" data for determining and improving operational reliability.

The increases in this program, including $15 million in new obligational authority for additional crews, constitute the bulk of the budget increases—$1.34 billion in new obligational authority on a full funded basis, over a 4-year period though only $270 million in expenditures in fiscal 1962. I consider this a wise investment in our future.

2. Minuteman: Another strategic missile system which will play a major role in our deterrent force, with a high degree of survivability under ballistic missile attack, is the solid fuel Minuteman. This system is planned to be deployed in well-dispersed hardened sites and, eventually, in a mobile mode on railroad cars. On the basis of the success of tests conducted to date and the importance of this system to our overall strategy, I recommend the following steps:

1. Certain design changes to improve the reliability, guidance accuracy, range, and reentry of this missile should be incorporated earlier than previously planned, by additional funding for research and development.

2. A more generous allotment of missiles for practice firing should, as in the case of the Polaris, be provided to furnish more operational data sooner.

3. The three mobile Minuteman squadrons funded in the January budget should be deferred for the time being and replaced by three more fixed-base squadrons (thus increasing the total

number of missiles added by some two-thirds). Development work on the mobile version will continue.

4. Minuteman capacity production should be doubled to enable us to move to still higher levels of strength more swiftly should future conditions warrant doubling our production. There are great uncertainties as to the future capabilities of others; as to the ultimate outcome of struggles now going on in many of the world's trouble spots; and as to future technological breakthroughs either by us or any other nation. In view of these major uncertainties, it is essential that, here again, we adopt an insurance philosophy and hedge our risks by buying options on alternative courses of action. We can reduce lead-time by providing, now, additional standby production capacity that may never need to be used, or used only in part, and by constructing additional bases which events may prove could safely have been postponed to the next fiscal year. But that option is well worth the added cost.

Together, these recommendations for Minuteman will require the addition of $96 million in new obligational authority to the January budget estimate.

3. Skybolt: Another type of missile less likely to be completely eliminated by enemy attack is the air-to-ground missile carried by a plane that can be off the ground before an attack commences. Skybolt is a long-range (1,000-mile) air-launched, solid-fuel nuclear-warhead ballistic missile designed to be carried by the B–52 and the British V-bombers. Its successful development and production may extend the useful life of our bombers into the missile age—and its range is far superior to the present Hound Dog missiles.

I recommend that an additional $50 million in new obligational authority be added to the 1962 budget to enable this program to go forward at an orderly rate.

B. Protecting our bomber deterrent. The considerably more rapid growth projected for our ballistic missile force does not eliminate the need for manned bombers—although no funds were included in the January budget for the further procurement of B–52 heavy bombers and B–58 medium bombers, and I do not propose any. Our existing bomber forces constitute our chief hope for deterring attack during this period prior to the completion of our missile expansion. However, only those planes that would not be destroyed on the ground in the event of a surprise attack striking their base can be considered sufficiently invulnerable to deter an aggressor.

I therefore recommend the following steps to protect our bomber deterrent:

1. Airborne alert capacity: That portion of our force which is constantly in the air is clearly the least vulnerable portion. I am asking for the funds to continue the present level of indoctrination training flights, and to complete the standby capacity and materials needed to place one-eighth of our entire heavy bomber force on airborne alert at any time. I also strongly urge the reenactment of section 512(b) of the Department of Defense Appropriation Act for 1961, which authorizes the Secretary of Defense, if the President determines it is necessary, to provide for the cost of a full airborne alert as a deficiency expense approved by the Congress.

2. Increased ground alert force and bomb alarms: Strategic bombers standing by on a ground alert of 15 minutes can also have a high degree of survivability provided adequate and timely warning is available. I therefore recommend that the proportion of our B–52 and B–47 forces on ground alert should be increased until about half of our total force is on alert. In addition, bomb alarm detectors and bomb alarm signals should be installed at key warning and communication points and all SAC bases, to make certain that a dependable notification of any surprise attack cannot be eliminated. Forty-five million dollars in new obligational authority will pay for all of these measures.

C. Improving our continental defense and warning systems: Because of the speed and destructiveness of the intercontinental ballistic missile and the secrecy with which it can be launched, timely warning of any potential attack is of crucial importance not only for preserving our population but also for preserving a sufficient portion of our military forces—thus deterring such an attack before it is launched. For any attacker knows that every additional minute gained means that a larger part of our retaliatory force can be launched before it can be destroyed on the ground. We must assure ourselves, therefore, that every feasible action is being taken to provide such warning.

To supplement the ballistic missile early warning system (BMEWS), on which construction is now proceeding as fast as is practical, the satellite-borne Midas system, now under development, is designed to provide about 30 minutes of warning by detecting missiles immediately after launching. Together with BMEWS, Midas would greatly increase the assurance and reliability of timely warning. I recommend that an additional $60 million in new obligational authority be added to the 1962 budget to accelerate completion of the development phase of the Midas program, with the goal of achieving an operational system at an earlier date.

For the next several years at least, however, we shall have to continue to provide a defense against manned bomber attack. Such an attack is most likely to coincide with, or follow, a ballistic missile attack seeking to incapacitate our antibomber defense system. Measures must, therefore, be taken to enhance the ability of the air defense system to cope with a combined attack. I recommend $23 million in new obligational authority be added to the 1962 budget for this purpose.

D. Improving the command and control of our strategic deterrent: The basic policies stated at the beginning of this message lay new emphasis on improved command and control—more flexible, more selective, more deliberate, better protected and under ultimate civilian authority at all times. This requires not only the development and installation of new equipment and facilities, but, even more importantly, increased attention to all organizational and procedural arrangements for the President and others. The invulnerable and continuous command posts and communications centers provided in these recommendations (requiring an additional $16 million in new obligational authority) are only the beginning of a major but absolutely vital effort to achieve a truly unified, nationwide, indestructible system to insure high-level command communication and control and a properly authorized response under any conditions.

E. There are a number of other space and research programs related to our strategic and continental air defense forces which I find require additional support. These include missile defense and penetration aids, Dynasoar, Advent, Defender, Discoverer, and certain other programs. An additional $226 million in new obligational authority is requested to finance them.

III. STRENGTHENING OUR ABILITY TO DETER OR CONFINE LIMITED WARS

The free world's security can be endangered not only by a nuclear attack, but also by being slowly nibbled away at the periphery, regardless of our strategic power, by forces of subversion, infiltration, intimidation, indirect or nonovert aggression, internal revolution, diplomatic blackmail, guerrilla warfare, or a series of limited wars.

In this area of local wars, we must inevitably count on the cooperative efforts of other peoples and nations who share our concern. Indeed, their interests are more often directly engaged in such conflicts. The self-reliant are also those whom it is easiest to help—and for these reasons we must continue and reshape the military assistance program which I have discussed earlier in my special message on foreign aid.

But to meet our own extensive commitments and needed improvements in conventional forces, I recommend the following:

A. Strengthened capacity to meet limited and guerrilla warfare—limited military adventures and threats to the security of the free world that are not large enough to justify the label of "limited war." We need a greater ability to deal with guerrilla forces, insurrections, and subversion. Much of our effort to create guerrilla and antiguerrilla capabilities has in the past been aimed at general war. We must be ready now to deal with any size of force, including small externally supported bands of men; and we must help train local forces to be equally effective.

B. Expanded research on nonnuclear weapons: A few selected high-priority areas—strategic systems, air defense, and space—have received the overwhelming proportion of our defense research effort. Yet, technology promises great improvements in nonnuclear armaments as well; and it is important that we be in the forefront of these developments. What is needed are entirely new types of nonnuclear weapons and equipment—with increased firepower, mobility, and communications, and more

suited to the kind of tasks our limited war forces will most likely be required to perform. I include here antisubmarine warfare as well as land and air operations. I recommend, therefore, an additional $122 million in new obligational authority to speed up current limited warfare research and development programs and to provide for the initiation of entirely new programs.

C. Increased flexibility of conventional forces: Our capacity to move forces in sizable numbers on short notice and to be able to support them in one or more crisis areas could avoid the need for a much larger commitment later. Following my earlier direction, the Secretary of Defense has taken steps both to accelerate and increase the production of airlift aircraft. A total of 129 new, longer range, modern airlift aircraft will be procured thrcugh fiscal year 1962, compared with the 50 previously programed. An additional $172 million new obligational authority will be required in the 1962 budget to finance this expanded program.

These additional aircraft will help to meet our airlift requirements until the new specially designed, long-range, jet-powered C–141 transport becomes available. A contractor for this program has been selected and active development work will soon be started. Adequate funds are already included in the January budget to finance this program through the coming fiscal year.

I am also recommending in this message $40 million in new obligational authority for the construction of an additional amphibious transport of a new type, increasing both the speed and the capability of Marine Corps sealift capacity; and $84 million in new obligational authority for an increase in the Navy's ship rehabilitation and modernization program, making possible an increase in the number of ship overhauls (as well as a higher level of naval aircraft maintenance).

But additional transport is not enough for quick flexibility. I am recommending $230 million in new obligational authority for increased procurement of such items as helicopters, rifles, modern nonnuclear weapons, electronics and communications equipment, improved ammunition for artillery and infantry weapons, and torpedoes. Some important new advances in ammunition and bombs can make a sizable qualitative jump in our limited war capabilities.

D. Increased nonnuclear capacities of fighter aircraft: Manned aircraft will be needed even during the 1965–75 missile era for various limited war missions. Target recognition, destruction of all types of targets when extreme accuracy is required, and the control of airspace over enemy territory will all continue to be tasks best performed by manned aircraft.

Expected phaseout of Navy and Air Force fighters by 1965, together with reduced numbers and increasing obsolescence of the remaining aircraft, make necessary the development of an advanced tactical fighter emphasizing nonnuclear capabilities. I am requesting $45 million in new obligational authority for this purpose.

Meanwhile, I am recommending $25 million in new obligational authority for the modification of the F–105 tactical fighter to improve its capability to handle conventionally armed ordnance items, and to increase its suitability for airstrips of all types of areas.

E. Increased personnel, training, and readiness for conventional forces: I am recommending $39 million in new obligational authority for increases in Army personnel strength to expand guerrilla warfare units and round out other existing units, and an increase in the Marine Corps to bring it up closer to authorized strength levels. (In addition, personnel is being added to the Navy for Polaris crews, and to the Air Force for the ground alert expansion.) The sum of these personnel additions is 13,000 men. I am also recommending $25 million additional in new obligational authority for pay of retired personnel of the military forces.

But more personnel alone is not enough. I am recommending an additional $65 million in new obligational authority for increased readiness training of Army and Air Force units. These funds will provide for additional field training and mobility exercises for the Army and test exercises for the composite airstrike forces and MATS unit. We recognize the role of exercises and deployments in demonstrating to our friends and opponents our ability to deploy forces rapidly in a crisis.

IV. SAVINGS MADE POSSIBLE BY PROGRESS

The elimination of waste, duplication, and outmoded or unjustifiable expenditure items from the defense budget is a long and arduous undertaking, resisted by special arguments and interests from economic, military, technical, and other special groups. There are hundreds of ways, most of them with some merit, for spending billions of dollars on defense; and it is understandable that every critic of this budget will have a strong preference for economy on some expenditures other than those that affect his branch of the service, or his plant, or his community.

But hard decisions must be made. Unneeded facilities or projects must be phased out. The Defense Establishment must be lean and fit, efficient and effective, always adjusting to new opportunities and advances, and planning for the future. The national interest must be weighed against special or local interests; and it is the national interest that calls upon us to cut our losses and cut back those programs in which a very dim promise no longer justifies a very large cost.

Specifically:

1. Our decision to acquire a very substantial increase in second-generation solid-fuel missiles of increased invulnerability (Polaris and Minuteman) enables us to eliminate safely the last two squadrons of Titan originally contemplated. These would not have become operational until 1964, and at a cost of $270 million—a cost several times that of the Minuteman missiles we are purchasing for the same period and could increase with our standby facility. One hundred million dollars in the 1962 budget can be saved by this adjustment.

2. The phaseout of a number of B–47 medium bomber wings already planned will be accelerated to provide promptly the trained crews required for the expanded ground alert program. (Fiscal 1962 savings: $35 million.)

3. Additional personnel will also be made available by the immediate phaseout of the subsonic Snark airbreathing long-range missile, which is now considered obsolete and of marginal military value in view of ICBM developments, the Snark's low reliability and penetrability, the lack of positive control over its launchings, and the location of the entire wing at an unprotected site. (Fiscal 1962 savings: $7 million.)

4. The acquired missile capability programed by this message also makes unnecessary and economically unjustifiable the development of the B–70 mach 3 manned bomber as a full weapons system at this time. The B–70 would not become available in operational numbers until well beyond 1965. By that time we expect to have a large number of intercontinental ballistic missiles, fully tested and in place, as well as a substantial manned bomber force mostly equipped with air-to-ground missiles. In view of the extremely high cost of the B–70 system, its lesser survivability as a ground-based system, and its greater vulnerability in the air compared to missiles, its capabilities as a second strike system do not appear to have sufficient advantages over a much less expensive missile, or even a B–52 or successor bomber equipped with Skybolt, to justify a request in fiscal 1962 for $358 million.

We recognize, however, that there are still uncertainties with respect to the operational characteristics of our planned missile force. We also recognize that there are certain advantages inherent in a controlled force of manned bombers. To preserve the option of developing this manned bomber weapon system, if we should later determine such a system is required, I recommend that the B–70 program be carried forward essentially to explore the problems of flying at three times the speed of sound with an airframe potentially useful as a bomber, with the development of a small number of prototype aircraft and related bomb-navigation systems. We should also explore the possibility of developing a manned bomber system specifically designed to operate in an environment in which both sides have large ICBM forces.

Even on this more limited basis, the B–70 project will cost $1.3 billion before it is completed in 1967. Approximately $800 million has already been provided, $220 million is now requested for 1962—$138 million less than the amount included in the January budget—and the balance will be required in subsequent years. The total development program which I am recommending will cost $1.4 billion less than that previously planned.

5. Nearly 15 years and about $1 billion have been devoted to the attempted development of a nuclear-powered aircraft; but the possibility of achieving a

militarily useful aircraft in the foreseeable future is still very remote. The January budget already recommended a severe curtailment of this project, cutting the level of effort in half by limiting the scope to only one of the two different engines under development, although not indicating which one. We believe the time has come to reach a clean-cut decision in this matter. Transferring the entire subject matter to the Atomic Energy Commission budget where it belongs, as a nondefense research item, we propose to terminate development effort on both approaches on the nuclear powerplant, comprising reactor and engine, and on the airframe; but to carry forward scientific research and development in the fields of high temperature materials and high performance reactors, which is related to AEC's broad objectives in atomic reactor development including some work at the present plants, making use of their scientific teams. This will save an additional $35 million in the Defense budget for fiscal 1962 below the figure previously reduced in January, and will avoid a future expenditure of at least $1 billion, which would have been necessary to achieve first experimental flight.

6. The January budget did not include funds for the continued development of the Navy's "Missileer" fleet defense aircraft, but funds were included for the continued development of the Eagle missile—designed for use by the Missileer—in the hope that it could be adapted for use by some other aircraft. I am now advised that no such alternative use is in prospect; and I have directed the cancellation of that project, with a saving estimated at almost $57 million in 1961 and 1962.

7. The plan to install Polaris missiles on the cruiser *Long Beach* has been canceled. For effectiveness in a nuclear war, the money would be better spent on the far less vulnerable Polaris submarines. In a limited war, the cruiser's utility would be reduced by the presence of the missiles. (Savings in fiscal 1962: $58 million.)

8. Finally, technological progress causes obsolescence not only in military hardware but also in the facilities constructed for their deployment. We must continually review our nearly 7,000 military installations in the light of our needs now and in the event of emergency. Those bases and installations which are no longer required must be inactivated, and disposed of where feasible, and I have so directed the Secretary of Defense. He has already taken steps to have 73 domestic and foreign installations discontinued as excess to our needs now and at any time in the future; and studies are continuing now to identify additional facilities which are surplus to our requirements.

I am well aware that in many cases these actions will cause hardships to the communities and individuals involved. We cannot permit these actions to be deferred; but the Government will make every practicable effort to alleviate these hardships, and I have directed the Secretary of Defense to take every possible step to ease the difficulties for those displaced. But it is difficult, with so many defense and other budgetary demands, to justify support of military installations, with high operating and payroll costs and property values, which are no longer required for the defense of the Nation. The closing of excess installations overseas will in many cases help alleviate our balance-of-payments deficit.

No net savings are expected to be realized in 1962 from these inactivations because of the added costs involved in closing, and no reductions in the 1962 budget are proposed on that account. Substantial savings, approximately $220 million per year, will be realized, however, in subsequent years.

(I am also proposing that $320 million of the obligational authority required be provided by transfer from the current balances of working capital funds in the Defense Department.)

CONCLUSION

Our military position today is strong. But positive action must be taken now if we are to have the kind of forces we will need for our security in the future. Our preparation against danger is our hope of safety. The changes in the defense program which I have recommended will greatly enhance the security of this Nation in the perilous years which lie ahead. It is not pleasant to request additional funds at this time for national security. Our interest, as I have emphasized, lies in peaceful solutions, in reducing tension, in settling disputes at the conference table and not on the battlefield. I am hopeful that these policies will help secure these ends. I commend them to the Congress and to the Nation.

JOHN F. KENNEDY.

THE WHITE HOUSE, *March 28, 1961.*

APPOINTMENTS BY THE VICE PRESIDENT

SENATE OFFICE BUILDING COMMISSION

The PRESIDING OFFICER. The Chair announces the appointment by the Vice President of the Senator from Maine [Mr. MUSKIE] and the Senator from Ohio [Mr. YOUNG] to be members of the Senate Office Building Commission created by the act of April 28, 1904, as amended, vice former Senator Green, of Rhode Island, and former Senator JOHNSON, of Texas.

SPECIAL COMMITTEE ON AGING

The PRESIDING OFFICER. On behalf of the Vice President, the Chair announces the appointment of Senator JACOB JAVITS, of New York, to be a member of the Special Committee on Aging, in place of Senator KEATING, of New York.

NOTICE CONCERNING CERTAIN NOMINATIONS BEFORE COMMITTEE ON THE JUDICIARY

Mr. EASTLAND. Mr. President, the following nominations have been referred to and are now pending before the Committee on the Judiciary:

Francis C. Whelan, of California, to be U.S. attorney for the southern district of California, for a term of 4 years, vice Laughlin E. Waters;

Miles W. Lord, of Minnesota, to be U.S. attorney for the district of Minnesota, for a term of 4 years, vice Fallon Kelly, resigned;

William H. Craig, Jr., of New Hampshire, to be U.S. attorney for the district of New Hampshire, for a term of 4 years, vice Maurice Bois;

Harry A. Sieben, of Minnesota, to be U.S. marshal for the district of Minnesota, for a term of 4 years, vice C. Enard Erickson;

Royal Dion, of New Hampshire, to be U.S. marshal for the district of New Hampshire, for a term of 4 years, vice George A. Colbath;

Dave Fresquez, of New Mexico, to be U.S. marshal for the district of New Mexico, for a term of 4 years, vice George W. Beach

George A. Bayer, of Alaska, to be U.S. marshal for the district of Alaska, for a term of 4 years, vice Fred S. Williamson.

Francis M. Wilson, of Missouri, to be U.S. marshal for the western district of Missouri, for a term of 4 years, vice Burke Dennis; and

Covell H. Meek, of Iowa, to be U.S. marshal for the northern district of Iowa, for a term of 4 years, vice Clement W. Craham.

On behalf of the Committee of the Judiciary, notice is hereby given to all persons interested in these nominations to file with the committee, in writing, on or before Tuesday, April 4, 1961, any representations or objections they may wish to present concerning the above nominations, with a further statement whether it is their intention to appear at any hearings which may be scheduled.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD as follows:

By Mr. JORDAN:

Address entitled "The Textile Industry and National Economic Growth," delivered by the Hon. Luther H. Hodges, Secretary of Commerce, at the annual meeting of the American Cotton Manufacturers Institute, at Miami Beach, Fla., on March 24, 1961.

By Mr. HUMPHREY:

Article entitled "Civil Rights Plan Perking," written by Senator LONG, of Hawaii, and published in the Honolulu Advertiser of March 12, 1961.

THE JOHN BIRCH SOCIETY

Mr. YOUNG of North Dakota. Mr. President, until recently there has been little publicity on the John Birch Society, a comparatively new and secret organization. I have received many communications requesting information, and some even suggest an investigation by Congress. The proposals for investigations come from both those opposed to the John Birch Society and from society

members themselves, such as J. Blaine Miller, the recognized head of the John Birch Society in North Dakota.

Many newspapers have been conducting their own investigations and compiling information, which has been published in a number of articles and editorials. Because of public interest, I have inserted in the RECORD some of this material that has come to my attention. One of the best articles on the subject of the John Birch Society was written by a young journalist, Dick Dobson, associated with the Minot Daily News, published at Minot, N. Dak. The Minot Daily News is recognized as a conservative Republican newspaper. I ask unanimous consent to have his article, together with another clipping from the Minot Daily News, printed in the RECORD as part of my remarks.

Mr. President, I also ask unanimous consent to have printed in the RECORD as part of my remarks an article written by James E. Clayton, published in the March 26 issue of the Washington Post; an article by the well-known writer, Marquis Childs, appearing in the March 28 issue of the Washington Post; an article by Ralph McGill, appearing in the March 22 issue of the Evening Star; an article, appearing in the March 25 issue of the Washington Post, written by George E. Sokolsky, a recognized conservative; and an editorial written by Duane C. Indergaard, appearing in the March 23 issue of the Belfield News and Badlands Settler, published in Belfield, N. Dak.

There being no objection, the articles and the editorial were ordered to be printed in the RECORD, as follows:

[From the Minot (N. Dak.) Daily News, Mar. 25, 1961]

JOHN BIRCH SOCIETY EMERGES AS AN EXPLOSIVE ISSUE—CRITICS LASH AT VICIOUS CHARGES

(By Dick Dobson)

BISMARCK.—What is the John Birch Society? Why was it organized? What are its methods of operation?

These are questions that are being asked today by thousands, if not millions, of Americans.

Formed in late 1958, the society worked in semisecrecy for about 2 years, until rocketing to national prominence almost overnight.

The issue exploded when it was revealed that the society's founder had, in 1954, accused former President Dwight D. Eisenhower of being a Communist.

Robert Welch, a retired Belmont, Mass., businessman, and boss of the Birchians, made the allegation against Eisenhower.

He also said that ex-President Franklin D. Roosevelt and Harry S. Truman were used by the Reds for their purposes.

The upshot, in the last month, has been a flood of newspaper editorials, magazine articles, and congressional statements angrily denouncing the John Birch Society.

Senator MILTON R. YOUNG of North Dakota, replied to the vicious charges by remarking. "To label some of our most loyal and dedicated people as Communists plays right into the hands of the Communist movement."

Two North Dakota members of the society deplore the "national effort to discredit it."

They are J. Blaine Miller, Bismarck geologist, and Martin Vaaler, president of the State public service commission.

"The most vehement criticism," commented Miller, "is coming from those who are least informed."

Vaaler described the organization as a "patriotic group whose central idea is for less government interference and more individuality."

First, explains Miller, the charge that Ike is a Communist "has nothing to do whatsoever with the society."

The accusation was contained in a so-called book entitled "The Politician," which was written by Welch 4 years before he started organizing the John Birch Society.

Actually, the book is a voluminous letter sent by Welch to a few "intimate friends."

It was eventually expanded to 302 pages, but never published or distributed, according to Miller.

Members of the anti-Communist brotherhood may, at their individual discretion, accept or reject the premises of "The Politician," stated Miller.

"It is a misunderstanding," contends Miller, to confuse "The Politician" of 1954 with the John Birch Society of 1961.

"Our critics have not taken the time to learn our objectives and principles," said Miller.

Welch organized the John Birch Society on Dec. 8–9, 1958, at Indianapolis, Ind.

He called together 11 "patriotic and public-spirited" men and lectured them for 2 days on the threat of the "international Communist conspiracy."

Welch, 61, is a retired candy manufacturer. He was a member of the board of directors of the National Association, of Manufacturers for 7 years.

His biography reads, "Educated at the University of North Carolina (4 years), U.S. Naval Academy (2 years), Harvard Law School (2 years), and school of hard knocks (about 40 years)."

According to his admirers, he is a persuasive speaker and a prolific writer.

At the conclusion of the Indianapolis session, Welch suggested the formation of a society dedicated first to destroying the Communist tyranny and then driving on toward an era of less Government and more responsibility, in which we can create a better world.

Welch proposed naming the new society in honor of John Birch, an Army captain murdered by Chinese Communists on August 25, 1945.

Birch was a young Christian missionary, who voluntarily joined Gen. Claire Chennault's forces in China on July 4, 1942.

Ten days after V-J Day, he became "probably the first American casualty in that third world war, between the Communists and the ever-shrinking 'free world,' which is still being waged.

The text of Welch's address has been reproduced in the Blue Book, a document of about 20 pages which is a guide to the society's actions.

The Birchians call themselves "Americanists," a word defined as the antithesis of "Communists."

In 28 months, the John Birch Society has acquired members in every State. Its goal is to enroll a million members.

The group has organized local chapters, usually consisting of 10 to 20 members each, in 34 States and the District of Columbia.

Except for a few leaders, the number and names of members are held in strict secrecy because, said Miller, "It would serve no useful purpose to reveal them."

(Miller did say that Representative R. Fay Brown of Bismarck, Speaker of the North Dakota House of Representatives, "is not now nor has he ever been a John Birch Society member," as charged in a Jamestown Sun article.)

However, the society-sponsored publications, including the blue book, the Life of John Birch, and American Opinion magazine, are available to anyone, noted Miller.

A dozen chapters have been set up in North Dakota since last September, according to Miller.

There are four in Bismarck, three in Williston, and one each in Fargo, Braddock, Washburn, Watford City, and rural McKenzie County.

Members include businessmen, doctors, dentists, geologists, public officials, lawyers, farmers, and housewives, said Miller.

Senator YOUNG observed that the society "has among its members some of the most able and influential people in each community."

On April 13–14, Don Rueber of Milwaukee, a major coordinator for the society, will visit North Dakota in search of more memberships.

Rueber, a salaried Birch employee, will be showing a 2-hour movie of a Welch speech to select audiences in various cities.

Annual society dues are $24 for men and $12 for women. Life memberships cost $1,000.

Time magazine reported that the Birch cells (or chapters), "take orders from society headquarters and promote Communist-style front organizations that do not use the John Birch name.

"Carefully avoiding normal channels of political action, the society accepts the hard-boiled, dictatorial direction of one man."

Miller's and Vaaler's description differs with Time's.

The basic unit of organization, the chapter, meets about once a month, usually in a private home, to discuss "suggested coordinated action" proposed in bulletins mailed periodically from society headquarters, located in Belmont, Mass.

"There always are some disagreements among individual members," maintained Miller.

However, the advantage of the John Birch Society over a proliferation of other anti-Communist organizations, he said, "is that it is an action group, and not a debating club."

"That is why I joined the society," intoned Vaaler.

Other anti-Red groups, such as the Cardinal Mindszenty Foundation, the Christian Anti-Communist Crusade, and Moral Rearmament "publicize the problem, but offer no solution," claimed Miller.

"Khrushchev was not kidding when he said our children would live under socialism," commented Miller, who believes the United States may reach the "point of no return in 2 or 3 years."

Communist forces are on the march around the globe. In addition, he thinks the country is socializing itself from within.

Welch has mapped a 10-point action program for the defeat of the Communist conspiracy:

1. Dissemination of Americanist books and pamphlets, such as J. Edgar Hoover's "Masters of Deceit," as widely as possible.

2. Increasing the readership of Americanist periodicals, such as American Opinion, National Review, Human Events, and Dan Smoot Report.

3. Enlarging the audiences of Americanist commentators and newscasters, like Fulton Lewis, Jr. and Dean Clarence Manion.

4. Making some effective use of the weapon of letterwriting.

5. Organizing Americanist fronts, such as the Movement To Impeach Earl Warren and the Committee Against Summit Entanglements.

6. Waking up the American people to the seriousness of the danger of exposing, wherever possible, pro-Communist activities.

7. Making it more difficult for "dozens of slimy characters" to appear before unsuspecting audiences.

8. Making Americanist speakers available.

9. Supplying encouragement to anti-Communist refugee groups throughout the country.

10. Carrying on an educational campaign on the political front.

One of the foremost projects undertaken by the Birchians has been the demand for the impeachment of Earl Warren, Chief Justice of the U.S. Supreme Court.

(Impeachment does not constitute removal from office. It is the arraignment of a public officer for malfeasance.)

Welch charges that the Supreme Court has "become one of the most important agencies of the Communist global conquest."

Warren, he said, "is powerfully entrenched at the very heart of the establishment that has been running the Roosevelt-Truman-Eisenhower-Kennedy administrations."

Welch concedes that "dislodging Warren from Washington could be as difficult as kicking Khrushchev out of the Kremlin."

Another society project is to support a proposed amendment to the U.S. Constitution to repeal the 16th amendment (individual income tax) and to force the Federal Government to dispose of all its holdings, except as constitutionally specified.

The Birchians also back up the House Committee on Un-American Activities against Representative JAMES ROOSEVELT, Democrat, of California, and others who want to abolish it.

A fourth major project is the "continuing drive against the sale in this country of goods made by slave labor in Communist nations."

These items, mostly made in Eastern Europe, range from wooden coathangers to canned hams.

In the political sphere, the Birch "partisans have made their anonymous and unsettling presence felt in scores of U.S. communities," reported Time.

According to Welch, "In the 1960 campaign the John Birch Society, as an organization, took no part. Our official job was to supply our members more information about, and a better understanding of, both men and issues."

Each individual Birchian "then worked and voted entirely according to his own judgment and conscience," said Welch, who "personally supported Goldwater for the Republican nomination."

However, reports that Birchians were using various arm-bending tactics, such as economic coercion, came from Wichita, Kans., and elsewhere.

Senator YOUNG claimed, "They have accused me of being about every kind of a scoundrel, including a Communist or pro-Communist."

Miller emphatically denied that any underhanded methods were used by North Dakota members last fall.

He also said it was insane and absolutely not true to assume that the society considers all its opponents to be pro-Communists.

In North Dakota, society members are simply urged to play an active role, as individuals, in political affairs, he maintained.

As Welch is the self-anointed leader of the Birchians, his opinions presumably reflect the general thinking of the members, although there may exist shades or outright disagreements.

In the Blue Book, Welch left little or no room for dissent by saying, "We are not going to have factions developing on the two-sides-to-every-question theme."

Later, however, in a monthly bulletin, he wrote that it was not necessary or desirable that all members always think alike.

"One of the very things we are trying to prevent is the conversion of our civilization into a collection of standardized robots," Welch pointed out.

What does Welch believe?

Many of his current ideas are found in a booklet called "A World Gone Crazy," in which he surveys the degree of Communist influence in each of 107 countries.

From his "scoreboard," he concludes "that the Communists have now covered well over two-thirds of the total distance to their final goal of worldwide dominion."

The United States, he figured, was 40-to-60 percent Communist controlled, as of June 1, 1960, compared with 20-to-40 in 1958 and 30-to-50 in 1959.

Only five countries are "relatively safe," with 0-to-20 percent Communist control. They are Australia, Ireland, New Zealand, Portugal, and Spain.

Welch listed 29 countries "in danger" (but still less than 50 percent); 13 "teetering on the edge" (40-to-60); 28 "sliding into the abyss" (definitely over 50); and 32 "under Communist slavery."

The boxscore on some other nations are: Canada, 40-to-60; France, 30-to-50; Great Britain, 50-to-70; India, 60-to-80; Israel, 40-to-60; Sweden, 20-to-40; Thailand, 50-to-70; United Arab Republic, 80-to-100; and South Vietnam, 70-to-90.

Welch also contended that "all available evidence" indicates that U-2 pilot Gary Powers "must have purposely landed his plane in Russia" last May 1.

The "objectives of those who planned the incident," said Welch, "must have been: (1) to give the Soviet a model to duplicate; (2) to provide the American Communists with an excuse for getting reconnaissance over Russia suspended; and (3) to postpone the Summit Conference with a maximum of public disgrace to the United States."

Other Welchian statements, appearing in the Blue Book, are just as provocative. For example, Welch also believes:

1. The so-called International Communist Conspiracy now reaches "into all of the legislative halls, all of the union labor meetings, a majority of the religious gatherings, and most of the schools of the whole world."

2. Indian Prime Minister Nehru and Egyptian President Nasser are puppets of the Kremlin.

3. The United States foreign aid program was planned by Communists to weaken our economy.

4. Stalin, an amoral man, was "infinitely worse" than Hitler, an immoral man, because when they liquidated people, Hitler's conscience bothered him, while Stalin "simply wiped out his conscience."

5. President Franklin D. Roosevelt and Gen. George C. Marshall were responsible for getting the United States into World War II.

6. "Democracy is merely a deceptive phrase, a weapon of demagoguery and a perennial fraud." (Welch favors a republic form of government.)

7. Cuban Premier Fidel Castro is a Communist. (Welch wrote this a month before Castro overthrew the regime of Fulgencio Bastista.)

Anyone who expresses opinions as strongly as Welch does is certain to eventually create a storm of controversy about himself and the society he organized.

Senator YOUNG remarked, "My mail is heavy but I am pleased to note that about 95 percent of the letters are favorable" (to the stand taken by YOUNG).

Senator MIKE MANSFIELD of Montana, Democratic floor leader, said "something is wrong somewhere" when "any organization accuses a President of the United States" of being a Communist.

The Chicago Daily News termed the John Birch Society a "strange threat to democracy."

Former Vice President Richard M. Nixon warned Americans against adopting Communist tactics to fight subversives in this country.

"It may at times seem unrealistic and naive to follow the rules of the game when our opponents are so unscrupulous and completely devoid of morality," said Nixon.

"But, in the end, refusing to resort to methods that are wrong not only is right, but in the long run it is the most effective way to combat an evil doctrine like communism."

Dr. Eugene Carson Blake, chief executive officer of the United Presbyterian Church, stated the society is waging "campaigns of falsehoods" against the church.

Hans Engh of the Santa Barbara News-Press, writing in the Nation magazine, said the Birchians represent "that regressive force which, under one guise or another, seems to pop up whenever the country as a whole seems destined to move into a more progressive era."

A front-page editorial in the Los Angeles Times called the Birch group a "peril to conservatives."

"If the John Birchers follow the program of their leader," the Times said, "they will sow distrust, and aggravate disputes, and they will weaken the very strong case for conservatism."

Otis Chandler, publisher of the Times, concludes, "Subversion, whether of the left or the right, is still subversion." Senator YOUNG said he agreed with this viewpoint.

Conservative columnist George Sokolsky noted the "country is developing a large number of peculiar and subversive organizations, many of them in the guise of anti-communistic, some representing a pseudo-conservatism, some pursuing purposes which, if carried through, could damage this country."

Sokolsky suggested that a congressional investigation of "these new efforts to mobilize persons in activities designed to unsettle and disturb this country" might be warranted.

"That would be welcome," observed Miller, "because nothing could be more beneficial to the John Birch Society."

Miller also flatly rejected accusations that the society was "neofascist" and "would substitute a Fuehrer principle for our free society."

Most of the criticism of the society, Miller contended, is based on "misunderstanding" and the "distortions" in Time's article.

He pointed out that the Cardinal Mindszenty Foundation lists one of the Communist objectives for 1961 as "infiltration and smearing of anti-Communist groups by paid crackpots and hired disseminators of 'hate' literature."

Vaaler said if Senator YOUNG visited a chapter meeting, he would "never find a more dedicated and sincere group of Americans."

Richard Cardinal Cushing, archbishop of Boston, endorsed the society a year ago. In answer to an inquiry, he replied, "I do not know of any more dedicated anti-Communist in the country than Robert Welch. I unhesitatingly recommend him to you and endorse his John Birch Society."

George Todt, columnist for the Los Angeles Herald-Express, wrote he was "impressed" with the "dedication to anti-Communism and constitutional Americanism" of the Birchians.

The Arizona Republic, published in Phoenix, labeled the Birch group as "freedom's missionaries."

Most Rev. Mark K. Carroll, bishop of Wichita, decided the principles describing the philosophy of the society are nothing more than the Ten Commandments of God in modern language.

Welch presides over the 25-man national council of the John Birch Society, much as a president with his cabinet.

Council members include William J. Grede, Cola G. Parker and Ernest G. Swigert, all past presidents of the National Association of Manufacturers.

Others are Thomas J. Anderson, publisher of Farm and Ranch paper; T. Coleman Andrews, former Commissioner of Internal Revenue; Spruille Braden, former Assistant Secretary of State; Col. Laurence E. Bunker, former personal aide to Gen. Douglas MacArthur; Clarence Manion, former dean of

the Notre Dame Law School; and Lt. Gen. Charles B. Stone, III, retired Air Force officer.

Whether one joins the John Birch Society or not depends to a great extent on the individual's estimation of the seriousness and imminence of the threat from the International Communist criminal conspiracy, noted Miller.

Truman Wold, chapter leader in Fargo, remarked, "Anyone who attempts to do anything positive against communism is accused of being an under-the-bed looker."

Said Wold, "You don't have to look under the bed, just look around and they (the Communists) are all over the place."

[From the Minot (N. Dak.) Daily News, Mar. 25, 1961]

NOT BACKING BIRCH GROUP, HOOVER SAYS

FBI director J. Edgar Hoover has informed U.S. Senator MILTON R. YOUNG that he does not endorse the John Birch Society, a right-wing political action group, the North Dakota Senator disclosed today.

Hoover's letter to YOUNG read:

"I have been advised of your call to my office regarding the John Birch Society, and in response to your inquiry regarding this organization, I wish to advise that I have not endorsed this group or its activities in any fashion whatsoever.

"You also made inquiry regarding a statement which has been erroneously attributed to me to the effect that up to 80 percent of the top officials of the Department of Health, Education, and Welfare are Communists or are under Communist influence. This is, of course, a completely ridiculous assertion and when a report of this matter was brought to my attention recently it was promptly and emphatically denied as a fabrication.

"Your interest in contacting me regarding this situation is very much appreciated, and I assure you we are always happy to be of any possible service or assistance."

Young has exchanged broadsides recently with members of the society and has termed "vicious" charges of the society's founder against former President Eisenhower.

[From the Washington Post, Mar. 26, 1961]

JOHN BIRCH "ANTIS" POINT UNWELCOME SPOTLIGHT

(By James E. Clayton)

Three months ago, the John Birch Society had been heard of only in a few scattered areas of the country. Its desire to operate quietly and behind the scenes was generally being fulfilled.

But almost overnight, the society has become an organization of national interest. Newspapers on both coasts have denounced it. Two U.S. Senators have spoken against it on the Senate floor. Former Vice President Nixon has joined the protests. Time magazine has given the society a critical analysis.

The society has attracted this attention because of:

Its strong views on many topics. It thinks that everything from increased spending for defense to Federal aid to education is part of a Communist plot.

The attacks made by its leader, Robert Welch, on the loyalty of America's leaders. These include former President Eisenhower, Chief Justice Warren, former Secretary of State Dulles, and CIA Director Allen Dulles, all of whom Welch says are Communist agents or sympathizers.

The secrecy which surrounds the society and the amount of money which it apparently has to spend.

CONSERVATIVE COMPLAINTS

Two weeks ago, the Los Angeles Times, a conservative newspaper, said editorially: "If the John Birchers follow the program of their leader, they will bring our institutions into question exactly as the Communists try to do. They will sow distrust, and aggravate disputes, and they will weaken the very strong case for conservatism."

The same day, the Rev. Dr. Eugene Carson Blake, chief executive officer of the United Presbyterian Church in the United States, told a church group in Santa Barbara that the society was waging a "campaign of falsehoods" against that church.

On March 8, on the Senate floor, Senator MILTON J. YOUNG, Republican, of North Dakota, said, "It is unbelievable that any sane person would make such accusations" (as the society's leader has made against former President Eisenhower).

Other Senators have also expressed concern about the power of the society. Senator YOUNG, a conservative Republican, says he has been attacked as being a helper of the Communists. The same attack has been mounted against Senator MIKE MANSFIELD, a liberal Democrat from Montana, and Senator THOMAS C. KUCHEL, a liberal Republican from California. The attack against KUCHEL and YOUNG has been particularly vigorous, apparently because they are up for reelection in 1962.

But not a great deal is known here about the society. It has not been particularly active in the Washington area although it apparently has at least one chapter here. Senator MANSFIELD said that he had been unable to find out much about it although he tried to get information from "various committees (on Capitol Hill) or the agencies downtown."

On March 20, the United Press International reported that the Senate Internal Security Subcommittee is telling inquirers that the society "seems to be, from our records, a patriotic organization." The Los Angeles Times, however, implied that the group was subversive—from the right instead of from the left.

Last Tuesday Representative L. MENDEL RIVERS, Democrat, of South Carolina, came to the society's defense. "It is a nationwide organization of patriotic Americans," he said in a statement in the CONGRESSIONAL RECORD. "The source of the charges which smear the organization," he said, "is a publication of the Communist Party."

This is a report on the society and what it believes and does.

THE FOUNDING DOZEN

What is the society? How is it organized?

The John Birch Society is the creation of Robert Welch, 61, a former candy company executive who lives in Belmont, Mass. It was organized in Indianapolis in December, 1958, at a meeting of 12 men who have never been publicly identified.

That meeting was a 2-day affair devoted largely to speeches by Welch. Most of what he said was later published in the blue book of the society, copyrighted by Welch.

That book says the society is to have small local chapters, usually of 10 to 20 "dedicated patriots." Each chapter should have a leader appointed by Welch or one of his officers. Senator YOUNG called these groups "cells" but received a heated protest from the society. Cells is the term applied to similar units of the Communist Party organization.

The society is "a monolithic body" operating under "complete authoritarian control at all levels." A republican form of government or organization has advantages, the book says, under favorable circumstances. "But under less happy circumstances," it goes on, "it lends itself too readily to infiltration, distortion, and disruption. And democracy, of course, in government or organization, as the Greeks and Romans both found out, and as I believe every man in this room recognizes—democracy is merely a deceptive phrase, a weapon of demagoguery and a perennial fraud."

Newspapers which have written about the society have quoted these statements to show that it is ruled by Welch and is opposed to democracy.

In a letter printed in the CONGRESSIONAL RECORD last week, Robert D. Love, a Wichita businessman and society member, said, "These statements have been pulled completely out of context and made to smear something which could help to inform people of the true dangers of communism."

"BELIEVE IN ME"

Welch also told the Indianapolis meeting that those who join the society "are going to be doing so primarily because they believe in me and what I am doing and are willing to accept my leadership. And we are going to use that loyalty, like any other resource, to the fullest possible advantage that we can * * * Those members who cease to feel the necessary degree of loyalty can either resign or will be put out."

Welch said then that he hoped to have 30,000 members by the end of 1959. Interviewed last summer by Stanley Eames of the Boston Herald, Welch said there were chapters in 20 States, including 25 chapters near Boston.

Gene Blake of the Los Angeles Times reported early this month that Paul H. (Tex) Talbert, a Beverly Hills insurance executive and a member of the society's national council, said there were several thousand members in scores of chapters in California. Blake says there are chapters in 34 States and members in all 50 States.

As of last summer, the society had 52 employees, Eames reported. He added that Welch told him there was an effort to get several chapters in each city. In one Texas city, Welch said, there are three chapters—one for financial people, one for carpenters and one for Negroes.

Membership costs at least $24 a year for men and $12 for women. Fund-raising outside of dues has apparently been successful since the society appears to spend large sums on staff and publications. Some of the members are wealthy conservatives who apparently believe in the society's goals if not in all of Welch's personal ideas.

A list of members of the Society's national council was put into the CONGRESSIONAL RECORD by Representative RIVERS. It contains 25 names, many of those of leading businessmen. Among them:

Cola G. Parker and William J. Grede, Wisconsin industrialists, and Ernest G. Swigert, Oregon manufacturer, all past presidents of the National Association of Manuafcturers; T. Coleman Andrews, former Commissioner of Internal Revenue; Spruille Braden, former diplomat; Clarence Manion, former dean of the Notre Dame Law School; M. T. Phelps, former Chief Justice of the Arizona Supreme Court; F. Gano Chance, former president of the Missouri Chamber of Commerce; Louis Ruthenburg, former president of Servel, Inc., and Fred C. Koch, president of the Rock Island Oil & Refining Co.

Welch has given these men the job of showing the stature of the organization, of advising him and of selecting "a successor to myself as head * * * if and when an accident, 'suicide' or anything sufficiently fatal is arranged for me by the Communists—or I simply die in bed."

COMMUNIST LINE

What does the John Birch Society stand for? It's objective, Welch told the Indianapolis meeting, is simply "less government and more responsibility."

This, however, is tied closely with a drive against international communism. The Communists are rapidly taking over the United States, the society thinks, and must be stopped. The Communist method of taking over, it says, is to increase government.

Thus, the things which international communism wants the United States to do are these:

Increase defense and foreign aid spending, making higher taxes, an unbalanced budget and inflation possible.

Increase governmental controls over prices, wages and material so that power will be centralized in Washington.

Worry about the horror of modern warfare so that the beauties of peace become attractive and lead the Nation to appeasement of the Communists.

Those who favor these ideas are either Communists or dupes of the Communists, the society says. Into these categories it puts most recent Secretaries of State and Defense. This is where Welch's personal views come into play, particularly since he is the absolute master of the society.

At the Indianapolis meeting, he attacked both President Kennedy and former Vice President Nixon. Never naming Mr. Kennedy, Welch made it clear that he thinks the President is an "amoral man" who can do "a tremendous amount of ball carrying on the behalf of the Communist aims here in the United States."

Nixon, Welch said, would be a patriotic anti-Communist only if it fit his political career. Nixon pulled off "the dirtiest deal in American political history," Welch said, by upsetting the Taft bandwagon in the 1952 Republican convention. If Taft had been President, Welch said, the Communists would have been routed from Government and the Nation would not be in "this mess" today.

In a book called "The Politician," circulated to only a few selected leaders of the society, Welch really lets down his views. When Jack Mabley of the Chicago Daily News came across a copy last summer, he asked a chapter leader if it was given to all society members.

Mabley says the response was that giving the book to members before they became qualified would be like telling a first-year medical student to go out and cure cancer.

In the book, Welch accuses former President Eisenhower, most of his chief aides and many other Government leaders of being a part of the international Communist conspiracy.

"While I too think that Milton Eisenhower is a Communist and has been for 30 years, this opinion is based largely on general circumstances of his conduct," it says. "But my firm belief that Dwight Eisenhower is a dedicated, conscious agent of the Communist conspiracy is based on an accumulation of detailed evidence so extensive and so palpable that it seems to me to put this conviction beyond any reasonable doubt."

When asked about this book by reporter Eames, Welch said, "Four-fifths of our members never have seen it and most of those who have don't agree with it."

When he asked Welch flatly if former President Eisenhower was a Communist, Eames reports that Welch said, "I never felt that way enough to say it in print. Now I don't know what I think. Eisenhower may be too dumb to be a Communist."

Eames notes that a January 1, 1960, footnote to "The Politician" says, "A huge majority of Eisenhower's appointments during the past year make no sense whatever except as a part of a plan to help the Communists."

Welch also runs a yearly chart in "American Opinion," a magazine he edits, on how much of the world is Communist controlled. He listed the United States as 20 to 40 percent Communist controlled in 1958 and 30 to 50 percent by mid-1959.

On other topics, Welch has said:

American churches: "One-third of the ministers are not true believers in the divine names or the divine history and divine teachings to which they give lipservice * * *." Some, he says, preach communism from their pulpits.

The Marshall plan: "A brilliant scheme of the Communists to get the United States to do exactly what the Communists wanted us to do."

Desegregation: "The trouble in our Southern States has been fomented almost entirely by the Communists for this purpose (civil war) * * * The whole slogan of 'civil,' as used to make trouble in the South today, is an exact parallel to the slogan of 'agrarian reform' which they used in China."

The United Nations: Part of a plan to "induce the gradual surrender of American sovereignty."

His own movement: "We are not beginning any revolution, nor even a counterrevolution, in any technical sense, because we are opposing a conspiracy, yet we are not ourselves making use of conspiratorial methods. Yet our determination to overthrow an entrenched tyranny is the very stuff out of which revolutions are made."

How does the John Birch Society work? Its problem in Indianapolis was to select a leader. Welch rejected Nixon and Senator Barry Goldwater, Republican, of Arizona.

He said he thought GOLDWATER was totally loyal and would make a fine President. But, he added, "Does anybody in this room think there is any slightest chance of BARRY GOLDWATER supplying the dynamic overall leadership needed to save this country for anybody to be President of? If so, I think he is still not fully aware of the nature and totality of the forces at work. For GOLDWATER * * * will inevitably think and move in terms of political warfare."

Then Welch suggested himself:

"It is not because I want so frightening a responsibility and it is certainly not because I think that you gentlemen recognize any such quality of leadership in me as would make me a happy choice for the role.

"It's just that I don't know where you, or all of us, are going to find anybody else to undertake the job."

With that out of the way, Welch outlined the action program for the society.

First, he said, it must set up reading rooms in as many cities and towns as possible. It now has such rooms in, at least, California and Florida.

Second, it must get the truth about recent history and current events into as many hands and heads as possible. It should put the "National Review" into college libraries, the "Dan Smoot Review" into doctors' and dentists' offices and "Human Events" and "American Opinion" into barbershops.

Third, it should help increase the audience of such radio programs as those of Fulton Lewis, Jr., and Clarence Manion.

Fourth, it should organize letterwriting campaigns. Some Senators think they are now receiving some of this mail.

Fifth, it should organize fronts—little fronts, big fronts, temporary fronts, permanent fronts, all kinds of fronts. He suggested a petition to impeach Earl Warren (this is now being circulated), a petition headed, "Please, Mr. President, Don't Go" (this was circulated just before last spring's abortive summit meeting), and a committee to investigate Communist influences at Vassar College.

Sixth, other suggestions included exposing why the Communists just had to get rid of McCarthy, and went to such extreme lengths to do so; heckling speakers who urge programs the society disagrees with (this happened in Cincinnati recently); lining up speakers all over the country, and getting into political action.

Eric Sevareid recently wrote what all this means in a small Midwestern city he visited:

"On a street in Kansas, my host stopped his car to point to a new office building. 'He owns that, and a lot else besides,' my host explained. 'He's got money and influence. He couldn't tell a Communist from Robert A. Taft, but he's trying to get his crackpots onto the school board and a lot of us are worried.'

"He is the local boss of the John Birch Society. 'They organize in task forces,' my host went on. 'They call school teachers and local college professors in the middle of the night and denounce them as Communists. They recruit kids as spies to take down classroom remarks of their teachers.

" 'They plant people in public lectures to ask loaded questions. They try to get their idiotic films and maps used in high schools. Maybe it's hard these days to get a man smeared in Washington or even in Hollywood, but in a small city like this * * * it can still be done.' "

Who was John Birch? A native of Georgia, Birch was a missionary to China who joined Gen. Clare Chennault's forces there in 1942. He was killed 10 days after V-J Day by, Welch says, the Chinese Communists.

His death, Welch says, was "the first casualty in the third world war, between the Communists and the evershrinking free world."

[From the Washington Post, Mar. 28, 1961]

RIGHTISTS THREATEN "SILENCE OF FEAR"

(By Marquis Childs)

How dangerous to the well-being of this Nation and to America's position as leader of the free world are the radicals of the right?

This is a question being asked here seriously today as these radicals increasingly resort to the tactics of the Communists and the crypto-Communists of the 1930's. They practice character assassination without regard for the truth. They spread fear, hatred and suspicion. They advocate infiltration of nonpolitical organizations such as the Parent-Teacher Association and the taking over of those organizations.

In some respects these radicals on the extreme right more nearly resemble the fanatical subverters of Germany and Italy who brought nazism and fascism into being. They are often allied with the White Citizens Councils, identifying integration with communism. And at the extreme end of the spectrum they are openly anti-Semitic, often referring in propaganda leaflets to the "Jewish-Communist conspiracy."

A few years ago this would have been dismissed as merely another manifestation of what Theodore Roosevelt so aptly called the lunatic fringe—this time on the right rather than the left. But with the rise of the John Birch Society and its intrusion into politics that is not so easy to do. Founded by Robert Welch, a former Massachusetts candy manufacturer, the Birch Society now claims nearly a hundred thousand members with chapters in most States.

Welch's secretly circulated book, "The Politician"—now reportedly withdrawn because it alarmed some members—has been compared to "Mein Kampf" if only in the Hitlerian view that the greater the lie the more likely that simple minds will fall victim to it. He calls every President beginning with Franklin Roosevelt a Communist. Of the Eisenhower brothers he writes:

"While I, too, think that Milton Eisenhower is a Communist and has been for 30 years, this opinion is based largely on general circumstances of his conduct.

"But my firm belief that Dwight Eisenhower is a dedicated, conscious agent of the Communist conspiracy is based on an accumulation of detailed evidence so extensive and so palpable that it seems to put this conviction beyond any reasonable doubt."

Both the late John Foster Dulles and his brother Allen, head of the Central Intelligence Agency, are called Communists, with the latter ranking next to former President Eisenhower in the power of concealment. A signed editorial following a

series of articles revealing the activities of the John Birch Society in one of the most conservative newspapers in the country concluded:

"Subversion, whether of the left or the right, is still subversion."

One of the recent political targets of the organization was Senator MILTON YOUNG, Republican of North Dakota. Members of the four Birch societies in Bismarck, the state capital, were pushing in the legislature a proposal for a constitutional convention to act on an amendment abolishing the Federal income tax, liquidating 700 Government agencies and greatly restricting the Government's treaty-making power.

The House had already approved the proposal when Senator YOUNG sent a telegram urging the Senate to defeat it and pointing out that it would mean killing the Garrison dam irrigation diversion project in North Dakota. Thereupon the Birchists came down on YOUNG with their letterwriting and telephone technique seeking to put the Communist label on one whose record has on the whole been conservative.

Senator THOMAS KUCHEL, of California, a moderate Republican, has also been under fire. One of the main goals of the Birch letterwriting blitz is to bring about the impeachment of Chief Justice Earl Warren who was KUCHEL'S sponsor in politics. Asked about this at a press conference, he called it a contemptible and vicious thing to suggest the impeachment of one of the great men of our time.

Birch Society members have used their pressure techniques to force the showing of the House Un-American Activities film, "Operation Abolition." And they have denounced as Communists anyone questioning its accuracy or daring to suggest that the committee may have exceeded its rights.

For popular officeholders such as KUCHEL and YOUNG this is perhaps no more than a nuisance, even though they are both up for reelection next year. But for citizens—professors, clergymen, and others—with a conviction of their right to speak critical and unpopular views, it can mean community distrust, a small business harmed or even a job lost. The silence of fear is the alternate penalty the radicals of the right try to impose.

[From the Washington (D.C.) Evening Star, Mar. 22, 1961]

TIME FOR BELIEF IN AMERICANISM

(By Ralph McGill)

A lady in Memphis, Tenn., has been granted a divorce from her husband after she testified that, among other things, he spent $900 on cablegrams denouncing Nikita Khrushchev and Fidel Castro, but used only candles and a kerosene lamp and heater to light and heat their home for her and three children.

There perhaps is a moral in this.

There are a great many persons and a number of organizations in this country who keep up such a clamor and outcry against what they, in anger, fear or prejudice, call communism, that they dim the light and fervor of Americanism.

No less an expert than J. Edgar Hoover of the Federal Bureau of Investigation has warned against those who make reckless, unsustained charges without justification. They make his job more difficult.

HATE GROUPS

There are hate groups which label as a Communist any person who speaks out against racial injustice. A person who declares he or she accepts the Supreme Court school decision as law is certain to be harassed with attacks from some hate or fringe group which charges communism. Ministers angrily are condemned for the same position.

Is this good for Americanism?

The men on the U.S. Supreme Court, whose loyalty to their country, its Constitution and its Bill of Rights is one of the heartening things in our lives, have for years been subjected to abuse as dupes of communism.

There are still other organizations which send out literature which charges that the Jews of the world are behind a Communist conspiracy. An out-and-out Nazi organization has just been incorporated in Virginia which believes in Hitler and calls Jews Communists.

Are these things good for Americanism?

The late Senator Robert A. Taft was publicly accused, by a real estate official, of being communistic for supporting public housing legislation. Is it good Americanism to defend slums?

There are Americans who believe the Negroes in America, particularly those in the South, are happy and content with discrimination. Attempts by Negroes to bring an end to injustice are therefore condemned as Communist-inspired. That the Communists have been trying for 40 years to make inroads in Negro communities is true. That the Communists always attach, or seek to attach, themselves to every movement which might benefit them is a part of a long record. But the facts are available. Communism has made less penetration among Negroes, on a percentage basis, than among white persons. J. Edgar Hoover, in his book, "Masters of Deceit," pays tribute to the NAACP for having carried on a continuing fight to prevent Communist infiltration.

There are doctors who are sure that Communists are behind the proposed legislation to aid old people.

Even fluoridation is denounced by some as a Communist plan to poison America's water supply.

The story runs on and on. A sincerely distressed father has written in to say that his teen-aged daughter, when refused permission to go to a dance, lost her temper and shouted, "You must be a Communist."

UNAWARE OF REDS' NATURE

Most of those who make preposterous and unsustained charges do not know what communism is or how it operates. The danger of it is ever present and must be exposed. But those who, with unsupported scattergun charges, are making the Americans fear one another, are doing communism a service. A helpful book for those who want to inform themselves is "What We Must Know About Communism" by Harry and Bonaro Overstreet.

Now is a time for belief in our country and its institutions, a time to do all we can to make it strong and great. That is the surest defense against communism. We will be sick nationally if we permit Nazis, Communists, or hate groups to divide us.

[From the Washington Post, Mar. 25, 1961]

THE CONSERVATIVE GROUND SWELL

(By George E. Sokolsky)

Numerous organizations appear all over the country which have a conservative tinge. Not all of them are philosophically or politically oriented, but what is interesting is that there are so many of them; that they range from college groups to adults, and that while they do not yet show up in labor unions or women's clubs, they form their own associations which take on appreciable sizes.

Some day someone will appear who will mobilize this conservative force politically and produce a third party of great strength and large numbers. In fact, such an element is developing in the Republican Party under the leadership of Senator BARRY GOLDWATER, who will undoubtedly be a Republican candidate for the Presidency at the 1964 convention. Senator GOLDWATER represents the increasing conservative strength among intellectuals. Richard Nixon would surely have been elected had he recognized the conservative ground swell.

This trend is serious and sincere. It does not matter that some of its expressions are absurd. Again, the day is not far distant when a philosophic leader will appear among them, a 20th century Alexander Hamilton, who can state the conservative cause in terms that are understandable and pertinent and relate themselves to the course of events. This kind of thinking is developing in the National Review and in Human Events.

The focus is still on criticism rather than upon a constructive program. Criticism is not sufficient to generate enthusiasm for a cause; there must be positive thinking, and that will come, too. It will come principally out of younger people who are rejecting the frozen terminology of the New Deal and of Keynesian economics and are asking the pertinent questions relating to the greatness of the United States in 1917 and 1941 and its meekness today when the most it can beg for is neutralism. These younger people ask whether Soviet Russia is really so strong and the United States so weak.

President Kennedy seems to be missing the strength and potency of this groundswell. His second and third echelon appointments give the impression of an alliance with the ADA.

One cannot expect a Democrat to be as conservative as, say, Herbert Hoover, but it is not to be expected that, in 1961, the concepts of 1933 will be popular with the Nation. This never happens. Each generation uses its own idiom and speaks its own language and most often resents the immediate past against which it rebels. The present younger generation in this country is very critical of the failures of recent administrations. The questions they ask will have to be answered before the 1964 election.

The voters were not cognizant of the political life of the Franklin D. Roosevelt regime. Tehran, Yalta, and Potsdam, the monuments of America's diplomatic failures, are only names in books, and indistinct ones at that. They compare John Hay's "open-door policy," of which they read, with General Eisenhower's retreat before the Red Chinese in Korea and wonder what has happened to their country.

Politicians are not always mindful of the next generation; they become set in their ways. It is particularly difficult for those who believe that the New Deal was a revolutionary movement in American life to discover that their grandchildren regard them not only as old fogies but as reactionaries.

The lively, excited grandchildren think that way; others adopt a lackadaisical attitude, an attitude of the very tired, beaten, useless human being who cares nothing about what is happening or why, who does not know more about Khrushchev than Kasavubu; who whistles wearisome tunes and reads broken rhymes and works as little as his small life will tolerate. These are the beatniks, the generation that has gone to hell as a reaction to the progressivism of their elders.

[From the Belfield (N. Dak.) News and Badlands Settler, Mar. 23, 1961]

Many new and some not so new organizations purporting to be anti-Communist have come to the forefront of the news lately. I do not know how many of these organizations are actually anti-Communist or pro-Communist, but it is a fact that the international Communist conspiracy have in the past lurked behind many high sounding and patriotic names, and have succeeded in getting loyal Americans to join and participate

in these organizations which are actually controlled and operated by those who wish to destroy us as a free Nation.

Before you join any organization, the name of which you are not familiar, better take a close look, in fact best not join any of these Johnny-come-lately organizations.

Chances are, if you are a Christian you belong to a church. Most of the Christian churches are strongly anti-Communist, and your membership in the church is a thorn in the side of the atheistic Communist. Secondly, if you are a veteran, you may belong to one of the strongest and most forceful anti-Communist organizations in the world—the American Legion, VFW, or any number of other American Vets organizations.

There are countless other organizations for farmers, businessmen, and service organizations of longstanding reputation who are dedicated to preserving our freedom.

If you already belong to one or more reputable societies or organizations and want to actively join the fight against the enemy—then step up your interest and enthusiasm and attendance in these existing institutions.

We have a list at the News office of Communist or Communist-front organizations—the list is shockingly long and our readers are welcome to come in and look over the list. Some of the more recent organizations are not listed, however, so when in doubt just don't join.

Mr. McGEE. Mr. President, this is a subject about which I have received considerable correspondence from all over the United States. These are sincere inquiries from responsible American citizens about the John Birch Society, and because this society has operated for some time under a measure of secrecy, and because there has been a history in the past of the consequences of similar secret societies operating for political purposes in our ranks, I believe it important that the John Birch Society receive even more publicity than it has to date.

The Senator from North Dakota [Mr. YOUNG] has already had something to say on this subject, and has requested unanimous consent to have printed in the RECORD the Outlook section of the Washington Post on Sunday, March 26.

The Senator from North Dakota [Mr. YOUNG] has also invited the attention of Senators to a column in this morning's Washington Post by Marquis Childs entitled "Rightists Threaten 'Silence of Fear.'"

I was in the city of Phoenix, Ariz., a week ago and found there a city torn badly within because of agitations and whisperings stirred up in the name of the John Birch Society. Some of the agitation had to do with the location of a tennis court. Some of it had to do with books that were being adopted in the second and third grades in the public school system. But the burden of the charges was that there were Communists behind all these local community decisions. The weight that community was carrying was in the aura of fear that had been generated around it. I say that it is time for the searchlight of truth and the daylight of publicity to be brought to bear on the John Birch Society.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. McGEE. I yield to the Senator from Missouri.

Mr. SYMINGTON. I commend the able Senator from Wyoming for his statement. I read the column by Marquis Childs.

Whatever it is these people have on their mind, especially with respect to this book, the more the American people know about it now, the better for the country.

Mr. McGEE. I thank my colleague from Missouri. I think it is imperative that we not be afraid to know what is going on. I have confidence in the judgment of people if only we protect their right to know, and that they not be permitted to operate under the cloak of secrecy in this area.

REPORT BY SELECT COMMITTEE ON NATIONAL WATER RESOURCES

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD a very penetrating editorial from the Commercial Appeal of Memphis, Tenn., relating to the water study made by the committee headed by Oklahoma's distinguished senior Senator [Mr. KERR].

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

WATER REPORT NOTABLE

Three remarkable events occurred in Congress last week.

A special Senate committee turned in the report on the study it had been assigned without asking an extension of time. The committee reported it had spent only about $90,000 of the $325,000 the Senate had provided for the study. And the committee immediately was dissolved.

The committee was the Select Committee on National Water Resources, established in April 1959, with orders to report its findings by January 1961. Chairman of the committee was Senator ROBERT S. KERR, of Oklahoma.

The importance of the committee's work can be judged by the fact that the citizens of California last November approved a bond issue for $1.75 billion to assure the cities of the southern part of that State sufficient water resources in the years ahead. This is but one indication of how desperate the water problem already is becoming in some parts of the Nation. Water, long considered our most expendable resource, is fast becoming the most serious deterrent to expansion of our economy.

It is, of course, a major project in the National Association of Soil Conservation Districts meeting in Memphis this week.

The select committee's report on the problem and its challenges to the Nation already is being hailed by members of both parties in Congress as the most significant contribution ever made in this field. Senator ALBERT GORE, of Tennessee, has proposed making it available to other nations as a guide to water resources planning wherever water problems exist.

How was it possible for this committee to accomplish so much in such a brief time and at so little cost? Senator KERR, in presenting his 2,000-page report, explained it was simple. Instead of hiring large staffs, the committee enlisted the assistance of specialists already on the Federal Government payroll. Such assistance was obtained from every agency which has any concern whatsoever with water. When outside experts were needed, they were retained on a when-actually-employed basis.

The Library of Congress was called upon for staff leadership and it readily provided not only that but also special research work to assist the committee. Resources For the Future, Inc., a privately endowed research foundation, provided staff help and carried part of the cost of issuing the report. State agencies contributed valuable information and in some cases there even was help from private industry.

In short, the committee planned its work to be done in the most efficient manner at the lowest possible cost to the taxpayers.

There are many in Washington who talk at length about cutting the cost of Government and balancing the budget. Senator KERR's select committee has provided an excellent example of how this goal can be achieved. Other Members of Congress would do well to study the select committee's methods and follow its example.

THE DEFENSE BUDGET

Mr. MANSFIELD. Mr. President, if there is one characteristic which stands out above all others in the special message on the defense budget, it is the President's sure grasp of the position of the Defense Establishment within our society, its role in our relations with the rest of the world and in the maintenance of peace.

This problem is many sided and enormously complex. Intimately involved with it are our freedom, our well-being and, in the last analysis, our very existence. In the President's basic approach to this problem there is both vision and realism. There is the vision to see that the accumulation of military strength is not an end in itself and must at all times be subordinated to civilian purposes. There is the realism to see that a powerful military defense is a national essential in the world and because it is that, there must be no stinting on essential expenditures. Equally, because it is fantastically costly, every effort must be made to prune it of the nonessential.

This special budget, Mr. President, will call for an additional $650 million in expenditures during the next fiscal year. That is a great deal of money but I believe the President makes a most persuasive case for its authorization as interim insurance in the light of the uncertain international situation today.

I remind the Senate that the President and the Secretary of Defense have had but a very short time to delve into this problem. This message clearly indicates, however, that the President and Secretary know where they are going and in the months and years ahead will act to bring about savings through courageous and effective management of the Defense Establishment. Indeed, they have already begun this process in connection with a number of specific military undertakings. They have cut out some research and development projects and have begun to shut down surplus establishments. Given an improvement in the international situation, which the President is striving to bring about through his foreign policy, there is reason to hope that a significant portion of the enormous expenditure of resources which now goes for military purposes will become available for the immense peaceful needs of our Nation.

EXTENSION OF THE SUGAR ACT

Mr. CHURCH. Mr. President, the House has already passed and the Senate will shortly consider legislation extending the Sugar Act of 1948 for 21 months.

This short-term extension buys for us the time necessary to write satisfactory long-term sugar legislation.

Senator FRANK E. MOSS recently made an excellent speech before the Cache County Sugar Beet Growers Association at Smithfield, Utah, which outlines how extensively sugar has become embroiled in international relations, and suggests some of the problems which must be considered in drafting the new long-term bill. I ask unanimous consent that the speech be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS OF SENATOR FRANK E. MOSS AT CACHE COUNTY BEET GROWERS ASSOCIATION, SMITHFIELD STAKE HOUSE, SMITHFIELD, UTAH, MARCH 10, 1961

Mr. Chairman, ladies, and gentlemen, it is always an unusual and rich experience for me to come again to Cache Valley. If this valley were to be renamed, I would call it Peaceful Valley—for there are few places where I have the feeling of peace and repose that I find here. This is a place apart. The mountains which surround you seem to protect you from the turmoil and conflicts and ceaseless strife of the world outside. Here I find refreshing nourishment for my soul.

Yet even in this place of peace you are not shut out from the world. In the world of today, no place is truly remote. You are embroiled in the worldwide conflict of good versus evil, of democratic freedom versus communistic slavery, as surely as are those unfortunate people in the Congo. No place on earth is remote from this struggle.

The peaceful monks in the lamaseries on the high plateaus of far-off Tibet thought they were safe—remote from the conflicts of the day—until the Communist hordes of Mao invaded with fire and sword and machine gun and mortar, driving the monks from their prayers and sending thousands upon thousands of their people fleeing and seeking asylum in India.

No place is remote. No man is an island. Every man, woman, and child is embroiled in this conflict.

You who produce sugarbeets are in the thick of it. The crop that brings you together tonight with a common interest, here in this peaceful valley, yields a product that today is inextricably involved in international diplomacy and the struggle of nations—a product with complicated ramifications extending from the Caribbean and the rest of Latin America to the far-off islands of the Pacific and the collective farms of the Russian Ukraine. The Communists have made sugar a potential weapon in the cold war.

We all know what has happened in Cuba, upon which we in the United States formerly relied for about one-third of our sugar supplies. Fidel Castro came to power, and ruthlessly sold out his people to the Communists, added another 10 percent of all the world's sugar production to the already vast Communist control of this vital commodity. One-third—one-third, mind you—of all the sugar production in the entire world is now under Communist control.

The able director of the U.S. Department of Agriculture's Sugar Division, Mr. Lawrence Myers, pointed out in an address in New York earlier this year that "the Communist takeover in Cuba, added to communism's earlier subjugation of the beet exporting countries of Eastern Europe, poses a number of threatening problems to sugar producers, consumers and markets throughout the world."

"Huge quantities of sugar have been sold by Cuba to the Soviet Union and Red China at fictional prices under barter agreements," Mr. Myers said, adding that "only the Bear and the Red Dragon know" whether or how or where this sugar will be used as another weapon in the arsenal of international communism.

For more than a quarter century, consumers in the United States have had no cause to worry about either sugar supplies or sugar prices. The Sugar Act, first enacted in 1934 as the Jones-Costigan Act, has protected American consumers—assured them of adequate supplies at fair prices. At the same time, the Sugar Act has helped to stabilize your industry, and by resolutely applying good management practices, you have obtained reasonably fair returns for your sugarbeets. The prices for your sugarbeets have not risen as much as prices of some other crops—for several years, other crops were much more profitable. But neither have prices for sugarbeets followed the downward slide of farm prices. Sugarbeets have been stable. Year in and year out, you have found them a firm brickwork on which to plan and build the operation of your farms.

The Sugar Act, under which both consumers and producers have fared equitably, is due to expire at the end of this month. In the past, sugar acts have usually been renewed for terms of 4 or 5 full calendar years, and they have been extended, with appropriate amendments from time to time, usually during the year before the expiration date. But the act which would have expired on December 31, 1960, was extended at the last session of Congress for a period of only 3 months, to the end of March 1961. Why? Because sugar, then as now, was embroiled in international politics, and the Senate and the House of Representatives could not agree on the terms of an extension at least to the end of 1961. So the act was extended for only 3 months.

The Sugar Act involves raising revenue—this small processing tax which supports the entire sugar program and in addition provides a net profit to the Treasury of the United States. Because of this small tax, which you help pay, sugar legislation must originate in the House of Representatives rather than in the Senate. This is a constitutional requirement.

A good many sugar bills have been introduced in the House in the current session of Congress. The Kennedy administration has asked the House to extend the present law for a period of 21 months, with one amendment. The amendment would give the President of the United States authority to bar sugar from the Dominican Republic as replacement for sugar which, if it were not for Castro, we would be getting from Cuba.

The reasons for this one amendment are sound. The Dominican Republic, under Dictator Trujillo, is a menace to the peace of Latin America. Last year, a committee of the Council of the Organization of American States—A United Nations regional body—found after investigation that the Dominican Republic was implicated in the attempted assassination of President Betancourt of Venezuela. The Government of Venezuela has formally protested that to permit the Dominican dictator, Trujillo, to benefit from Cuban sugar windfall for the balance of this year would be in conflict with the letter and spirit of the resolution of the American States adopted at San Jose.

This is an illustration of the extent to which sugar is now involved in international affairs.

Your industry officially has decided not to take a position on the Dominican issue. Along with representatives of the other domestic sugar producing groups and the domestic cane refiners, representatives of the beet sugar industry have said that they do not feel qualified to pass judgment on international relations. I believe this is a logical position for the domestic sugar industry to take. The Dominican issue is an issue of great delicacy in our foreign relations—and sugar is merely a commodity which, along with other products, happens to be involved.

But as a United States Senator, I must take a stand on this issue as on many others involving our relations with other nations. I firmly support the administration's position and will vote to give the President of the United States the authority he has requested to decide on the amount of sugar that Dictator Trujillo may send to the United States.

The bill embodying this authority is now in the House of Representatives. When I left Washington, the administration's sugar bill was in the Agriculture Committee of the House. When I return to Washington next week, I hope it will have reached the Senate, and there I shall give it my full support.

I know that your primary interest concerning this short-term legislation is to get the bill—a bill—passed in the next few days which will extend the law beyond March 31, at least to the end of 1961, and preferably into the first part of 1962. This short-term extension buys time, provides the hours which simply have not been available before the March 31 deadline, to write satisfactory long-range sugar legislation. As soon as the short-term measure is enacted, I shall urge that work begin on provisions of a long-range sugar law.

Working out the provisions of a long-range sugar law will be difficult.

Many questions must be answered, and they must be answered wisely. I shall enumerate only a few.

1. If Castro falls in Cuba—I should say when Castro falls in Cuba—and a government friendly to the United States succeeds him, shouldn't we be in a position to aid that government by again permitting the importation of Cuban sugar? If the answer to that is "Yes," and I believe it is, how much of Cuba's former share of the U.S. market should we keep uncommitted to others, so we may give substantial assistance to a friendly Cuban government? This is a difficult question to answer because it involves both the foreign nations who are now filling substantial amounts of the gap in our sugar supplies and our domestic producers, including you sugarbeet growers of Cache County, Utah. And it raises other questions.

2. Should we ever again depend for such a large percentage of our sugar supplies on a foreign country, no matter how friendly the current government may appear? We should remember that until 1959, Cuba was a country friendly to the United States. Even for several weeks after Batista was overthrown, we thought—we expected, we hoped—that Cuba would continue to be friendly to the United States. Our ties of friendship with the Cuban people were close. The period of disillusionment has been painful for us, as I am sure it has been for the people of Cuba. Yet in this unsettled world, a world of unrest, a world in which far-reaching social and economic adjustments are taking place, governments rise and fall with astonishing speed. How can we be sure that all governments friendly to us today will adjust their internal affairs with enough speed to meet desirable social and economic change? Or will their people be misled by the false promises of communism, and by revolution suddenly supplant friendly

governments with governments antagonistic toward us?

The forces of communism work in devious and diabolical ways. We should never forget the harsh lesson of Cuba. I, for one, believe that in our own national interest we should never again rely on a single foreign nation for such a large percentage of our sugar supplies as we did in the case of Cuba.

3. Which countries then should be given sizable sugar quotas in future long-range sugar legislation? Here we enter deeply into the field of foreign relations, economic interests both foreign and domestic, production ability, and the welfare of American consumers. I am sure that when foreign quotas are being developed for long-range legislation, some of the nations that helped fill the Cuban gap in our market will ask for consideration on the basis that they sold us sugar when we needed it. Some of those requests may be entirely valid. Some foreign sugar producers went to great trouble to rush sugar to us so our supplies would hold out. On the other hand, I think it should be recognized that such efforts, tremendous though they may have been, were not activated solely by altruism. The American sugar market is an attractive market. One reason the Sugar Act worked so effectively is because the American sugar market has been maintained as an attractive market—not subject to the uncertain and wide price fluctuations of the so-called world market. Yet the price to American sugar consumers has been and is no higher than the average price to consumers in other nations around the world.

4. Perhaps one of the most pertinent questions that must be answered in drafting long-range sugar legislation, most pertinent for you tonight because it involves you directly, is how large a share of the future American sugar market should be allocated to domestic producers, and particularly to American sugarbeet producers. The present situation presents an opportunity, a challenge, and a responsibility for your industry. On this point I should like to dwell for just a few moments.

In Washington we are very much aware that certain groups are attempting to seize this situation and use it for a great and rapid expansion of the beet sugar industry. There are many emotional and some economic arguments in their favor. With the prices of many other farm crops now low, and with acreages of those crops curtailed, sugarbeets are an attractive crop because of the price stability which I mentioned. Thousands of American farmers who do not now produce sugarbeets would like to do so. They point to the outflow of gold involved in imports of foreign sugar—and that is a subject much on the minds of many people today. Greater production here, they say, would help our balance of payments, and also help many people in a distressed agriculture.

Yet your industry has, in the past, found that gradual rather than sudden growth has been preferable. You have found that production is only one of the factors in the sugar business—and that markets, transportation to markets, and competition with other sugar are also tremendously important factors. They all must be weighed in determining how far and how fast it is practical for the beet sugar industry to grow now and in the future.

At the same time, I know you recognize that the industry has certain responsibilities in serving consumers and in serving the Nation. Under past sugar acts, most of those responsibilities have been restrictive. You have been restricted in the number of acres you could plant. You have had to meet certain minimum requirements in the wages and working conditions of the people you employ on your farms—and certain restrictions in the ages of the people you employ. The beet sugar companies have had restrictions in the amount of sugar, produced from your restricted acres, they could sell.

This year your acres are not restricted by the Government. It is entirely possible that the amount of sugar the companies may sell this year will not be restricted by marketing allotments. You have been acclimated to operating under restrictions—you have become mentally adjusted to those restrictions—and now, suddenly, the restrictions have been removed.

I wonder whether your responsibilities have been given a different complexion by the disturbances which have occurred in the sugar world and by the disturbances and dangers which exist in the worldwide political picture. I merely suggest that this may be something you will wish to consider as you consider what shape future long-range sugar legislation may take.

I want to make it clear, however, that I am not attempting to dictate to you the details of that legislation. In the past, Members of the Congress have asked representatives of the sugar industry—your competitors in the cane sugar business, including the cane refiners, as well as your own representatives—to reconcile your differences among yourselves, and together with your friends in Congress and in the executive branch of Government, to develop workable legislation that is acceptable to all. This should be done again.

Your industry has able people representing it. Your good friend and mine, Art Benning, is on your industrywide negotiating committee—and so is Dick Blake, who represents the growers' point of view on the committee.

What answers you will come up with, I do not know. I do know that they will represent compromises. In the beet sugar industry, both the growers who have helped to maintain the industry through the years and the farmers who do not now produce but want to produce will have to reconcile differences.

And whatever proposals are presented will have to recognize the kind of world we live in today. They will have to recognize that with one-third of all the world's sugar in Communist hands, the long-range sugar law may require some major changes from the old pattern.

In these trying times, more than our own immediate well-being may be in the balance. Sugar legislation involves more than sugar today—as we have seen in the case of the Dominican Republic. In developing a long-range sugar law, our Nation's future is, in larger measure than ever before, deeply involved. It will require prayerful wisdom to develop the right kind of law.

Here, in this peaceful Cache Valley, we may well set the example of the attitude that is needed in these turbulent times. Here in this pleasant valley, let us lift up our eyes unto the hills—with the assurance that guidance and help will come.

ANNUAL REPORT, NATIONAL CULTURAL CENTER, 1960

Mr. SALTONSTALL. Mr. President, recently the Board of Trustees of the National Cultural Center submitted, in accordance with law, a report to the Smithsonian Institution of which it is a part. It is a report on the actions taken to date by the Board to carry out its responsibilities under the landmark legislation entitled, "An act to provide for a National Cultural Center which will be constructed, with funds raised by voluntary contributions, on a site made available to the District of Columbia."

The National Cultural Center Act of 1958 presents a most interesting challenge to the American people. In broad strokes, the act calls for the creation of a national center for the performing arts to serve as a showcase for the finest talents which can be produced and encouraged in America or which can be brought to America from other countries.

While the planning effort looking to the creation of a center has faced difficult and novel problems, it is clear that significant progress has been made. The plans for the center envision a center designed to meet the cultural needs of a growing America. These needs will continue to expand in the decades ahead during which the center will serve our people. The plans look to an era in which miracles of communication will place events occurring in the center before the eyes of hundreds of millions of TV viewers throughout the land, and an even vaster audience beyond the seas.

In addition to its intended role as a national center for the performing arts, the structure of the center itself will be a magnificent addition to the fine buildings in our Nation's Capital.

The trustees of the center desire to continue the task of creating the center. After extensive interviews with experts across the country, the trustees have concluded that such a National Cultural Center is needed as a symbol of a vigorous and effective nationwide effort to elevate the performing arts to a more meaningful level in our national life and to demonstrate to the whole world that free artistic expression is encouraged in our Nation and is a vital part of our way of life.

As one of the 30 trustees of the center, I share their view that the creation of a National Cultural Center will be a tangible symbol of America's official interest in the performing arts and that such a step will have a profound effect on improving the image of America in the eyes of the whole world.

The report of the Board of Trustees is a document which can be of interest to all Americans. I commend it to their reading and I ask unanimous consent that the report of the Board of Trustees of the National Cultural Center be printed at this point in the RECORD.

I also ask unanimous consent that a letter from President Kennedy to the Speaker of the House and the President of the Senate concerning the National Cultural Center and a statement by the Acting Chairman of the center be included at this point in the RECORD.

There being no objection, the report, statement, and letter, were ordered to be printed in the RECORD, as follows:

JANUARY 19, 1961.

Dr. LEONARD CARMICHAEL,
Secretary, Smithsonian Institution,
Washington, D.C.

DEAR DR. CARMICHAEL: It is my pleasure to submit herewith the annual report of the Board of Trustees of the National Cultural Center.

As required by law, the report includes a detailed statement of all public and private moneys received and disbursed by the Board and its officers from the beginning of the Board's existence to January 1961. The report also reviews the chief planning and developmental activities undertaken by order of the Board in the same period.

As the report will show, much solid work has been done to carry out the mission assigned to the Board in the authorizing legislation. The creation of a National Cultural Center presents both difficult and novel problems, but it also presents to the Nation a great opportunity to meet a long unified need. All those directly associated with this project have sensed the unusual character of their mission and the great opportunity this legislation offers. They have freely devoted much time and energy to its realization. We can all take great satisfaction from this demonstration of devotion to our purpose.

I am also proud to report that the Board has received wonderful cooperation from other agencies concerned with our project, including the National Capital Planning Commission, the Commission of Fine Arts, the Commissioners of the District of Columbia, the National Park Service, the U.S. Army Corps of Engineers, the Lands Division of the Department of Justice, and the Bureau of the Budget. They have helped us on our way and have given us support at critical times.

Certainly, the biggest part of our task lies ahead. But we have gone through some of the worst of the period of trial and error which might be expected to characterize the early stages of such a large and unusual project. We have made what we believe to be sound plans for the full range of functions of the National Cultural Center contemplated in the legislation and for the ultimate structure in which to house these functions. We have made plans for securing from the public the funds necessary to carry out all these purposes.

Our objective is to bring the National Cultural Center's functions and facilities into being as soon as possible. For this reason the trustees have approved a plan for creating certain basic facilities as soon as sufficient funds have been raised for such a start. These plans for the first stage are to be tested in 1961. Planning for fundraising to complete the structure in later states will continue without interruption.

On behalf of the Board of Trustees and personnel, I wish to thank you for your warm cooperation and counsel during the period of the last 2 years. We are confident that the National Cultural Center will become a major national asset and one which eventually may be appropriately associated with the other distinguished units of the Smithsonian Institution.

Sincerely yours,

ARTHUR S. FLEMMING,
Chairman.

ANNUAL REPORT BY THE BOARD OF TRUSTEES OF THE NATIONAL CULTURAL CENTER FOR THE YEAR ENDING DECEMBER 31, 1960

I. BACKGROUND

A. The National Cultural Center Act

On September 2, 1958, the President signed into law an act which created in the Smithsonian Institution a Board of Trustees of the National Cultural Center.

Unlike the District Auditorium Commission, which was responsible only for planning the development of a large cultural and civic facility, the new Cultural Center Board of Trustees must develop cultural programs, design an appropriate facility, raise the necessary funds, construct the building, and then conduct the cultural programs and operate the facility.

The National Cultural Center Act states that the trustees shall—

1. Present classical and contemporary music, opera, drama, dance, and poetry from this and other countries;

2. Present lectures and other programs;

3. Develop programs for children and youth and the elderly (and for other age groups as well) in such arts designed specifically for their participation, education, and recreation; and

4. Provide facilities for other civic activities at the Cultural Center.

The Board of Trustees is by law composed of 30 trustees, 6 of whom are certain designated officials of the Federal executive branch, 3 are Senators, 3 are Members of the House of Representatives, 1 is Librarian of Congress, and 2 are from the District of Columbia government. The remaining 15 trustees are appointed from private life by the President and serve 10-year overlapping terms.

The law also provides for the establishment of an Advisory Committee on the Arts which is to (1) advise and make recommendations to the Board on all cultural activities to be carried on in the National Cultural Center, and (2) assist the Board in its fundraising task.

The law requires that the President name the Chairman and members of the Advisory Committee, who serve at his pleasure.

In early 1959, the President completed the necessary appointments, and the first organizational meeting of the Board of Trustees was held at the White House on March 31, 1959. The center's officers and an executive committee were chosen, the Advisory Committee was convened, and planning was commenced to supply the answers to three broad questions:

1. What functions and programs should be carried on in the center?

2. What kind of a building should be developed for the variety of functions specified or contemplated in the law?

3. What would be the cost of such programs and the necessary facilities, and how could this sum be raised by voluntary public subscription?

The report below deals with the progress made by the trustees in answering these questions. They are discussed in the order in which they are raised.

1. Functions and Programs of the National Cultural Center

The structure of the National Cultural Center Act is simple. It creates a Board and directs it to find funds sufficient to build and operate a facility in which it shall then present all types of the performing arts. This much of the charge is specific, but the act goes on and directs in broad terms that the Board also "develop programs" in these arts designed for the "participation, education, and recreation" of all age groups. In equally general terms, the law states that the trustees shall "provide facilities for other civic activities at the Cultural Center."

Since the law does not contain a statement of national cultural, educational, recreational, and civic objectives to be served by the creation and operation of the National Cultural Center, the Board and its staff have spent much time and thought trying to evolve a suitable, yet practical range of activities to be conducted in the center.

Consultation with national cultural leaders

Faced with this sweeping and unprecedented responsibility, the Trustees and their staff consulted widely throughout the country with cultural and other leaders during 1960 as to how the proposed center could best serve the Nation. It would be wrong to state that a consensus was reached, yet several lines of thought emerged quite clearly from our extensive consultations—

First, the creation of a center for the performing arts in the Nation's Capital is long overdue. Such a center would become a major national cultural asset. The absence of such a facility in our capital is a disappointment to the millions who visit or serve in the Capital, it is inexplicable to foreigners who see that their lives are being influenced every day by what happens in Washington, yet both internationally and domestically Washington is rarely a dateline or a backdrop for activities in the performing arts. To many, this seems to confirm the notion that the performing arts have no official standing in the United States—and this despite the fact that the performing arts furnish one of the most immediate vehicles of communication between peoples.

Second, the National Cultural Center must be far more than a building in the Nation's Capital. It must become a real national center for the performing arts—a showcase for the finest talents that America can develop. Its activities must be conveyed into all of the States and across the oceans. It must provide services which help foster the performing arts in many of the Nation's improve the image of America both at home and abroad.

Third, the center can serve as a symbol of the interest of our Nation and our Government in the rich cultural traditions and experience of America. Also, functioning as a point of entry, the center can be used as the official place for the Nation to greet outstanding orchestras, ballet and opera companies, and singers who visit our country. If the center's program is carried out with imagination, it can do much to improve the image of America both at home and abroad.

Smith report

During 1960, the Board of Trustees employed Dr. Carleton Sprague Smith, musicologist and consultant to the New York Public Library to develop recommendations on a workable and feasible national program of activities for the National Cultural Center. Dr. Smith's recommendations, which were developed on the basis of broad consultations and study were approved in October 1960, as a general indication of the intentions of the trustees.[1] The chief recommendations are as follows:

1. The center should be a showcase for the performing arts in America. Its scope must be nationwide and its projects national in fact as well as in name. It should sponsor outstanding performing arts groups and educational programs, invite them to Washington and arrange to have them tour the country insofar as it is financially feasible.

2. The center must supply leadership; it should furnish direction and guidance and establish national goals. The center will be a catalytic agency to foster the development and appreciation of the performing arts. With proper planning it should be possible to "stir the pot" and help us better to understand ourselves and others and give individual identity in a time of mounting tensions and confusion.

3. It is not suggested that the center found a national conservatory, dramatic academy or school of the dance. There are many fine performing arts schools in the country and this is not one of our major needs. Moreover, general education and recreation, rather than technical instruction, are the prime responsibilities of the center. Again, it does not seem advisable at the present time to establish an official national theater, ballet or opera. The consensus of those consulted is that groups formed as "official companies" would have heavy responsibilities, and one or two nondescript productions could do years of damage. It is therefore recommended that the center encourage and assist the best music, theater and dance groups but refrain from setting up companies of its own. This does not mean that the center should not plan activities on a local and national scale by commissioning symphonies, plays and ballets; encouraging the formation of new companies; urging already existing organizations to present certain works; and sponsoring a variety of undertakings. It does assume the position, however, that production is not one of its primary responsibilities.

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[1] The Smith report was released to the public on Jan. 15, 1961.

The center's role as sponsor would be analogous to that of the Music Division of the Library of Congress. In other words, it should present but not produce.

4. The National Cultural Center ought to be more than a facility. It should be an institution. Its auditorium events are vital but in the last analysis the caliber of its staff and program, and the extent and depth of its influence will give it institutional status. By sponsoring quality and raising standards it can prove itself to be a worthy bureau of the Smithsonian Institution. It would not duplicate any existing facilities in Washington.

5. The education program furnishes the key to the National Cultural Center. It opens up the world of the performing arts. The Education Division is the coordinating brain uniting music, theater, lyric drama, dance, poetry, film, radio, and television. From morning to evening its activities animate the performing arts into a cohesive unit and prevents the whole complex from being merely a renting operation. The National Cultural Center cannot expect visitors simply to look at buildings during the hours when no performances are scheduled. There should be nothing static about the Center; it must be a world of stages, and, with the audiovisual techniques of our time brought into play in a new type of museum, both on- and off-stage worlds will assume new dimensions.

(a) The center will serve as a national clearinghouse for information about the arts and be active in education extension.

(b) A museum of the performing arts equipped with the most modern techniques to display materials illustrating various of the innumerable aspects of these arts would give visitors a better chance to understand their elusive and ephemeral character. It would exhibit such things as dioramas, costumes, manuscripts and scene designs, and a small collection of musical instruments would be demonstrated several times a day. Film showings, recordings, and tapes of symphonies, operas, folk songs, popular music, poetry and plays would vie for the attention of visitors. Loan exhibitions—a number perhaps assembled by the museum of the performing arts at Lincoln Center—could furnish fascinating variety. The center's own traveling exhibitions would have wide national impact.

(c) A library with a small collection of basic books, plays and scores pertaining to music, theater, poetry, and dance would be invaluable to the artists performing at the center, to staff members and to visitors curious to know more about the arts. Some Washingtonians have suggested that a performing arts branch of the District of Columbia Public Library be included in the Center. A national circulating collection of scores, scripts, recordings and films is long overdue and would have the unqualified support of performing arts organizations and libraries throughout the country.

(d) Radio and television studios are essential parts of the center. Audio and visual broadcasting would both extend its influence and attract visitors. The programs developed by both units should be made nation-wide by securing national transmission through commercial and educational networks. The Educational Radio and Television center, with headquarters in New York, is extremely anxious to cooperate with the National Cultural Center and has already made overtures in this direction. Motion pictures are in a sense the most characteristic performing art. There should be showings of films related to music, theatre and dance and an active cinema program synchronized with the activities of the center.

Title VII of the National Defense Education Act authorized the Commissioner of Education, through grants or contracts to conduct, assist, and foster research and experimentation in the use of television, radio, motion pictures and related media for educational purposes. It is herewith suggested that a request be made to the Commissioner asking that a project be drawn up to investigate the several courses which the National Cultural Center might follow. It would be important to bear in mind both the local and national scene.

(e) Workshops periodically concerned with educational extension can increase public participation by guiding and directing people to societies and experts who will advise them how to develop professional and amateur performing arts activities in local communities.

(f) A close relationship with schools and colleges and conservatories and academies throughout the country should be continuously fostered. This will answer a need which has long been felt; for the lack of a national performing arts agency has frequently been mentioned in congressional hearings by our educators.

(g) While education creates interest and supplies training in the performing arts, the pursuit of music, theatre and dance, at least for the amateur, belongs primarily to the field of recreation. Leadership and guidance regarding standards and appropriate repertory are greatly needed. The movement which Fritz Joede developed in Germany after World War I shows what an extraordinary influence a well-planned program can have. The battle for men's minds is paralleled in this country by the competition for men's leisure time. During the next few years Americans are expected to have more free hours per week than ever before. The performing arts are among the most satisfying avocations available to mankind. By guidance and emphasis on the finer aspects of the arts, the National Cultural Center can help people of all ages to a richer and fuller life.

6. The National Cultural Center should seek out and sponsor contemporary creative artists—composers, dramatists, poets and choreographers—as well as performing artists. This is a basic policy necessary to keep the center in the vanguard of our cultural life. Programs would vary from electronic music and theater in-the-round to abstract dance and progressive jazz, quality being the main criterion. Some would be given without comment, others as part of educational forums. They should preserve our rich national tradition and enable our heritage to be better known. We should make Americans aware of their regional diversity, from the ballads of the northern lumberjacks to the chanteys of Cape Cod fishermen, the songs of Pennsylvania coal miners and the laments of Texas cowboys. Country dancing and singing groups should be recognized, national and regional festivals of folk, popular, classical and contemporary art forms organized, and consideration given to nationality groups and their fast-vanishing musical and folk traditions. Finally, the music and dance of the American Indian should receive special attention.

7. One of the main purposes of the act, as explained in preliminary hearings, "is to strengthen the ties which unite the United States and other nations, and to assist in the further growth and development of friendly, sympathetic, and peaceful relations between our country and the rest of the world by demonstrating our sincere interest in the performing arts." The center should assume an international role. Washington can be an artistic port of entry to the United States where foreign performing artists may make their debuts; it can be the point of embarkation for some of our performing artists about to go overseas. In short, we can officially give the former a warm welcome and the latter a rousing sendoff.

8. The new auditoriums can have a marked influence on national taste, strengthen and augment our cultural resources by arranging educational and recreational programs of quality and distinction. Presenting music, opera, drama, dance and poetry to paying audiences is a challenging assignment requiring training and experience, imagination and taste. It is a delicate task since most Government agencies do not charge for public events. As a public service, the Center wishes to reach as many people as possible, at democratic prices. Obviously, an endowment and other sources of revenue must be sought. It is recommended that the National Cultural Center may rent the auditoriums to appropriate civic and community groups and assemblies and congresses of a noncommercial character providing that they do not interfere with the center's primary cultural function.

Acceptance of the Smith report is just a starting point. Obviously, the conduct of education and recreation functions in the performing arts on a national scale will establish both cost and space requirements which must be related to and balanced against the cost and space requirements of other functions contemplated for the center.

The trustees have directed that careful staff work be undertaken in order to develop firmer estimates of the costs and space requirements of each of the contemplated functions and activities. These estimates will be used as a guide for the trustees in deciding on the program of the center.

Participation of national organizations

Another development during 1960 deserves special mention. From the very beginning of the center project, the trustees contemplated that the leading national organizations concerned with the performing arts and their educational and recreational aspects should be closely associated with the effort to create the center and its program. As a means of bringing the resources of these organizations to bear on the center's problems and in order to assure direct participation of their representatives in the planning for the center, the trustees recommended that representatives of the following national organizations be invited by the President of the United States to serve ex officio on the Advisory Committee on the Arts.

List of participating national organizations: the Academy of American Poets, American Academy of Arts and Letters, American Educational Theater Association, American National Theater and Academy, American Symphony Orchestra League, National Federation of Music Clubs, the National Institute of Arts and Letters, National Music Council, National Recreation Association, the Poetry Society of America, Theater Library Association.

Acceptances were received from all the organizations. As members of the advisory committee, the representatives of these organizations can attend all meetings of the advisory committee, including joint sessions with the trustees. Also, they are sent all of the official policy papers, staff papers, progress reports, financial statements, and minutes of the executive committee meetings. They have been asked to comment on policy and program proposals.

During 1961, it is the intention of the trustees to develop closer collaboration with the members of the advisory committee and with these national organizations in order to assure the fullest use of their experience in formulating and perfecting the program, architectural and fund-raising plans for the center.

B. Architectural planning

The task of designing a building for all the performing arts and suitable for civic activities in the Nation's Capital was a prodigious one indeed. From the first, the trustees realized that such facilities must be of the

highest technical quality, suitable as the showcase for the finest talent of America and the world. In addition to these exacting requirements, the building had to be of the monumental type entirely fitting for the historic Capital City.

Appointment of Edward Durell Stone

Within a few weeks after the Board of Trustees was organized in 1959, Edward Durell Stone, a world famous architect, was retained as architect-adviser to the trustees. He was asked to examine the building requirements in the light of the land area assigned to the center project in the authorizing legislation. This land area consisted of a narrow, somewhat tongue-shaped plot of land, inland from the Potomac River and wedged in between and surrounded by the contemplated Inner Loop Highway, and New Hampshire Avenue on the east and north, and Rock Creek Parkway and the approaches to the planned Theodore Roosevelt Memorial Bridge on the west and south. Planning for the highway and bridge approaches was at that time incomplete. Hence, the common boundaries between these projects and the National Cultural Center were as yet undefined; and the actual acreage left over for the center was unknown.

In the fact of these limitations, Mr. Stone attempted a plan for a series of small cultural buildings grouped tightly together in the assigned land area. He quickly concluded, after consultation with members of the executive committee and officials of various governmental agencies, that such an arrangement would not produce structures adequate for the Nation's Capital. The small buildings would be relatively inefficient and unimposing, the movement of traffic in and around the buildings would be difficult, and very little land would be left over for the creation of a park setting for the area.

Mr. Stone also considered the possibility of a large multipurpose hall. Such a building would have used up most of the available land area but would have been relatively less expensive to build and operate than would be the cost of a series of special-purpose halls.

Consultations with numerous experts and others interested in the performing arts led Mr. Stone to conclude that the purposes of the National Cultural Center Act could not be best served by the creation of a multipurpose hall. Too many compromises would have to be made in the structural, acoustical, staging and other characteristics of the building if it were to serve the purposes of all the performing arts. Sentiment favored creation of specialized halls for the various performing arts in order that the finest quality performances in each of the arts might be made possible in the Nation's Capital.

The Stone concept

Mr. Stone then consulted with Mr. Conrad Wirth, Director of the National Park Service. From these discussions, an idea was developed to shift the National Cultural Center building several hundred feet south and west so that it might occupy a direct setting on the Potomac River. This shift, which would be accomplished by an exchange of lands with the National Park Service, would make it possible to design a more impressive structure and place it in a park setting. It also would make possible an easier movement of traffic in and around the center.

With the tentative approval of the executive committee, Mr. Stone developed the basic concept for the center which was approved by the Advisory Committee on the Arts and the Board of Trustees and was made public in September 1959.

In connection with this release, enthusiastic approval of the design was obtained from the Commission of Fine Arts, and the National Capital Planning Commission approved the plan for use of the land.

Presentations of the concept were also made to the President and the Cabinet, the District of Columbia Commissioners, and to many civic and private groups. In all cases, the plan evoked enthusiastic responses, both for the originality of the design and for the beauty and appropriateness of the structure in terms of its role and setting in the Nation's Capital.

Further architectural planning

During 1960, a number of consultations and exchanges of information have taken place with a view to integrating the architectural plans for the center with public works and other plans for the Foggy Bottom area of the Nation's Capital. The approximate dimensions and other characteristics of the center building have been supplied to the traffic and sanitation divisions of the District of Columbia, thus setting the basis for the coordination of the center plans with large-scale sewer and highway projects planned in the same area.

A formal application was developed and submitted to the U.S. Army Corps of Engineers for approval of the river terrace intended for the center's Potomac River entrance. This application is now being considered by the Engineers.

Arrangements are also being made to secure the necessary information concerning soil conditions underlying the National Cultural Center land. The information thus obtained will have a direct bearing on the costs and characteristics of the foundation work necessary for the center building.

At the present time, the architect-adviser is studying the various internal facilities for the center and is developing more detailed cost estimates for each facility. This information is useful for both cost planning and for guidance to persons wishing to make large memorial-type contributions to the center. Additional work is being done to develop information on the type of qualities necessary in the great hall in order that they be the finest of their kind. The architect-adviser is considering a plan in which certain basic features of the stage and behind stage facilities in the great halls will be standardized with the measurements of comparable facilities in other U.S. and world cities. Such a step would, of course, greatly facilitate the interchange of large-scale cultural events between these various cultural facilities.

Land acquisition

The adoption of the architectural plan developed by Mr. Stone necessitates the addition to the National Cultural Center site of three small parcels of land. In the main, this additional land is needed to permit the rerouting of Rock Creek and Potomac Parkway so that the center building can be located directly on the Potomac River. In order to permit construction of the center on the present parkland and parkway as well as to incorporate the small plots of additional land, a change must be made in the site boundaries described for the center in the authorizing legislation. In the spring of 1960, draft legislation was developed and cleared within the executive branch of the Government to revise the site boundaries in accordance with the building plan approved by the Commission of Fine Arts and the land use plan approved by the National Capital Planning Commission. In the press of legislative business, however, the legislation was not acted upon by the Congress.

When it became clear that boundary change legislation would not be enacted as early as hoped, the executive committee concluded that steps should be taken to develop a plan for the center which would permit its construction solely on land already owned by the Government or on land within the site for the center as described in the authorizing legislation.

In response to this need, the architect-adviser developed an interim plan which preserved the basic building plan but reduced its overall dimensions by a small amount and shifted the structure a few yards to the south. This change was accomplished by narrowing the width of the main arcades leading into the building rather than by reducing the size of the great halls. The interim plan would also require a slightly different flow of traffic around the center and its New Hampshire Avenue plaza in order to avoid the parcels of privately held land immediately to the north of the center.

The interim plan was approved by the National Capital Planning Commission in the fall of 1960, with the understanding that both the Commission and the trustees prefer and would continue to work for the original plan which provides for a park setting rather than private buildings on the center's northern perimeter.

At a joint meeting of the Board of Trustees and the Advisory Committee on the Arts in October 1960, a resolution was passed directing the executive committee to proceed with the interim plan for all fund-raising purposes. However, the officers were directed to seek once again enactment of the legislation which would enlarge the boundaries in accordance with the original plan. Unless the trustees are successful in obtaining the necessary boundary revision, the northern view of the center will be blocked by a series of commercial establishments, sheds and other miscellaneous structures.

Proceeding by direction of the trustees, the officers have moved to secure all the land necessary to construct the interim plan. This includes lands required for the relocation of Rock Creek and Potomac Parkway. Pursuant to the National Cultural Center Act, funds collected from contributions were paid over to the National Capital Planning Commission in order that it might purchase by agreement or condemnation sufficient lands from two private owners for this purpose. Condemnation proceeded in both cases but one owner settled out of court and made a voluntary conveyance of the land. The value of the other parcel will be determined by a jury. Title to both parcels of land has passed to the Government.

Legislation to revise the boundaries in accordance with the original plan has been developed and will be introduced in the first session of the 87th Congress. On January 18, 1961, President Eisenhower addressed a letter to all the congressional leaders strongly urging passage of the boundary revision.

Construction of the center by stages

Mindful of a broad sentiment for bringing into existence the facilities of the National Cultural Center at the earliest date possible, the Board of Trustees approved in October 1960, a plan for constructing the National Cultural Center in stages. The trustees concluded that building should commence as soon as funds are available to construct one of the great halls.

Accordingly, at the trustees' request, the architect-adviser developed a plan which will permit the construction of the entire outer shell of the center building, the completion of the opera house and the completion of parking facilities. All this work would commence as soon as the trustees have pledges of approximately $30 million. Selection of the opera house as the first hall to be completed rested on the fact that it would have stage and backstage capacities and acoustical qualities adequate enough to permit its temporary use for ballet, theater, and concerts, in addition to its basic opera mission. Neither the proposed symphony hall nor the theater would have the qualities to permit it to be used as flexibly for the other performing arts as could the opera hall.

The architect-adviser is now perfecting more detailed plans for the first stage construction plans. It is hoped by this advanced planning to reduce the overall lead time between the date when the necessary funds are in sight and the date when the facilities can be opened for public use. Completion of the symphony hall, theater, central rotunda, and the office and studio space above the great halls would be undertaken as additional funds became available.

Completion of the outer shell of the whole center building at one time will produce a number of advantages. Mr. Stone had considered the alternatives of finishing various parts of the center building at different times with, for example, the opera hall standing in a temporarily completed form, but with the rest of the building constructed only through the foundation level. Such a structure would have two disadvantages. In the first place, it would be an eyesore. Structural materials would be lying about, and the landscape would be torn up for many years. Also if the opera hall structure were completed by itself, the temporary outer walls and roof would be unattractive. Furthermore, when funds were raised to complete the other wings and the top of the building, the noise and upheaval incident to the type of heavy structural work necessary to complete the building and rotunda might actually impair the usefulness of the opera house for a long period of time.

If, as an alternative, the whole shell of the building were created at one time, the task of completing within the shell, the interior facilities and the rotunda could be accomplished with far less upheaval, noise, and trouble. Also, the architect-adviser believed that construction of the entire shell at the outset would probably save substantial sums of money both as a result of the economies of doing the basic structural and foundation work at one time and because of the probable continued inflation of building costs.

C. Fundraising plans

As has been noted above, the program and architectural requirements of the National Cultural Center Act were unprecedented. The problem of financing the type of facilities contemplated in the act are even more unusual. Never before has a body of Americans been given the task of raising funds for, and then operating, a national cultural center. The whole legislative history of the act clearly supported the view that the center was intended to be an institution which would serve the whole Nation rather than merely the Nation's Capital. Congress recognized that the funds to construct the center could not be raised from the contributions of only those private citizens living in the National Capital area. Fundraising was to be national in scope.

The magnitude and novelty of this task required professional counsel. The Board of Trustees first retained the firm of Tamblyn & Brown, Inc., and later George A. Brakeley & Co., Inc., as professional fundraising counsel. Considerable work has been done by the latter fundraising firm to ascertain the reactions of national leaders from all over the country, both as to the idea of the center and as to the methods of raising the necessary funds from private contributions.

The fundraising counsel concluded, on the basis of broad consultations, that the fundraising mission was feasible. It is believed that the American people will make contributions toward the construction of a national cultural center, provided the project is given strong national leadership, including the full support of the President of the United States.

The fundraising counsel recommended to the Board of Trustees that an initial effort be made to secure approximately $30 million in the first 2 years of national fundraising. This amount would finance the first-stage construction plan approved by the trustees. Later fundraising drives would be undertaken to complete the entire National Cultural Center project.

Ultimately, the overall cost of all the facilities, exclusive of land, is estimated in the vicinity of $75 million. The land area donated by the Federal Government has an asset value of approximately $8 million at 1960 prices. Part of the funds to pay for the nongovernmental land will be forthcoming from the District of Columbia government which has made three-quarters of a million dollars available toward the purchase of some of these lands. This money is loaned to the District of Columbia government by the Federal Government pursuant to the Capper-Cramton Act, but must be repaid to the Federal Government from funds collected from District of Columbia taxpayers.

In October 1960, the Board of Trustees approved the basic fundraising plan and efforts are now underway to enlist the services of a leading national figure to serve as national campaign chairman. Commencement of the national fundraising drive will take place as soon as the national campaign chairman has been chosen.

In general, the approved fundraising plan contemplates the commencement of solicitation of funds from potentially large contributors. Solicitation will begin first in the Nation's Capital and will spread quickly to the other areas in the country. The final phase of the first-stage campaign will culminate in a drive to secure contributions of both small and large amounts from all Americans. The fullest cooperation will be sought in this endeavor from the Advisory Committee on the Arts and from the chief national organizations concerned with the performing arts, which all together represent some 20 million persons.

II. CONCLUSIONS

The Board of Trustees has been deeply mindful of the great opportunity to the Nation presented in the National Cultural Center legislation. All those directly associated with the center project have sensed the unusual character of their mission and have freely devoted much time and energy to its realization.

The trustees are proud of the fine cooperation they have received from the National Capital Planning Commission, the Commission of Fine Arts, the Commissioners of the District of Columbia, the National Park Service, the U.S. Army Corps of Engineers, the Lands Division of the Department of Justice, and the Bureau of the Budget. They have helped us on our way and have given us support at critical times.

Certainly, the biggest part of our task lies ahead. We have made what we believe to be sound architectural plans for the full range of functions contemplated for the National Cultural Center. We have also made plans for securing from the public the funds necessary to carry out all of the purposes of the center. We do not minimize the fundraising task, but we believe it is a workable goal.

We could not conclude this report of our stewardship during the first years without giving special mention to the courage and firmness of purpose demonstrated by some of our colleagues and by private citizens who, without even awaiting the commencement of public fundraising, have furnished or pledged $1,280,000 to the center project.

In passing the National Cultural Center Act, no appropriations were provided to finance all of the extensive planning work that has been done. Clearly, without the contributions of these citizens, none of this important planning could have been undertaken in any serious way. The Nation, therefore, owes a special debt to these early contributors who have demonstrated their faith and given of their fortunes toward the ultimate realization of this wonderful project.

We are impatient to continue our work. The National Cultural Center is needed as a symbol of a vigorous and effective nationwide effort to elevate the performing arts to a more meaningful level in our national life and to demonstrate to the whole world that free artistic expression is encouraged in our Nation and is a vital part of our way of life.

We have all seen how the performing arts can break down barriers to understanding between human beings and between countries. The creation of a tangible symbol of America's official interest in the performing arts will have, in our opinion, a profound effect on improving the image of America in the eyes of the whole world. We are anxious to give the American people the opportunity of demonstrating by their full support of our campaign that they comprehend the timeliness of this project and grasp its essential value in shaping the future of this Nation and its way of life.

III. REPORT ON RECEIPTS AND EXPENDITURES REQUIRED PURSUANT TO LAW

Pursuant to the National Cultural Center Act, there follows a report on receipts and expenditures for the years 1950 and 1960.

Apr. 1 through Dec. 31, 1959

Receipts:	
Pledges	$108,525.90
Contributions	40,868.28
Loans from bank	90,000.00
Total	239,394.18
Expenditures	130,384.74
Balance	109,009.44
Unpaid pledges	342,324.10
Paid pledges	108,525.90
Contributions	40,868.28
Total	491,718.28

Jan. 1 through Dec. 31, 1960

Receipts:	
Pledges	$433,935.36
Contributions	85,795.03
Total	519,730.39
Expenditures	[1] 435,602.88
Balance	84,127.51
Unpaid pledges	187,514.64
Paid pledges	433,935.36
Contributions	85,795.03
Total	707,245.03

Accumulative statement, April 1959 to Dec. 31, 1960

Receipts:	
Pledges	$542,461.26
Contributions	126,663.31
Total	669,124.57
Expenditures	[1] 565,987.62
Balance	103,136.95
Unpaid pledges	529,838.74
Paid pledges	542,461.26
Contributions	126,663.31
Grand total	1,198,963.31

[1] Includes $105,000 for acquisition of land.

MEMBERSHIP OF NATIONAL CULTURAL CENTER DURING 1960

Officers: Arthur S. Flemming, Chairman; L. Corrin Strong, Executive Vice Chairman; Robert W. Dowling, Chairman, Advisory Committee on the Arts; Daniel W. Bell, treasurer; Ralph E. Becker, general coun-

sel; Jarold A. Kieffer, secretary; Paul J. Seltzer, assistant treasurer; Mrs. J. C. Cantrell, Jr., assistant secretary.

Board of Trustees: Floyd D. Akers; Winthrop W. Aldrich, Ralph E. Becker; Daniel W. Bell; Andrew H. Berding,[1] Assistant Secretary of State for Public Affairs; John Nicholas Brown; Ralph J. Bunche; Leonard Carmichael,[1] Secretary, the Smithsonian Institution; Joseph S. Clark, U.S. Senator from Pennsylvania; Lawrence G. Derthick,[1] Commissioner of U.S. Office of Education; John J. Emery; David E. Finley,[1] Chairman of Commission on Fine Arts; Arthur S. Flemming,[1] Secretary of Health, Education, and Welfare; J. W. Fulbright,[2] U.S. Senator from Arkansas; Mrs. George A. Garrett; Carroll D. Kearns,[3] U.S. Representative from Pennsylvania; Robert E. McLaughlin,[1] President, Board of Commissioners, District of Columbia; L. Quincy Mumford,[1] Librarian of Congress; Frank H. Ricketson, Jr.; Leverett Saltonstall,[2] U.S. Senator from Massachusetts; Mrs. Jouett Shouse; L. Corrin Strong; Philip M. Talbott; Frank Thompson, Jr.,[3] U.S. Representative from New Jersey; William H. Waters, Jr.,[1] Chairman, District of Columbia, Recreation Board; Conrad L. Wirth,[1] Director of National Park Service; Robert L. Wood; Jim Wright,[3] U.S. Representative from Texas; and 2 vacancies.

Advisory Committee on the Arts: Robert W. Dowling, Chairman; Reginald Allen, Marian Anderson, Mrs. Robert Low Bacon, Col. Earl Henry Blaik, John Brownlee, Paul Callaway, Albert Christ-Janer, Katharine Cornell, Donald Kirk David, Lowell Davies, Walter E. Disney, Mrs. James H. Douglas, Jr., Richard Eberhart, Rev. Edward L. R. Elson, Karl D. Ernst, Richard E. Fuller, Rabbi Norman Gerstenfeld, Leonard H. Goldenson, Martha Graham, Richard J. Gray, H. Hamilton Hackney, Daniel A. Harris, Huntington Hartford, Rev. Gilbert V. Hartke, Helen Hayes, Ima Hogg, Mary Howe, Sol Hurok, Garfield Kass, Herman D. Kenin, Warner Lawson, Howard Lindsay, Stuart F. Louchheim, Mrs. Herbert A. May, Howard Mitchell, Robert Montgomery, Earl V. Moore, George L. Murphy, Joseph Prendergast, Robert M. Richman, Richard Rodgers, Robert W. Sarnoff, Very Rev. Francis B. Sayre, Jr., David S. Smith, Frank Stanton, Fred M. Waring, Kurt Weinhold, Pierre Bedard, secretary.

Associated organizations: the Academy of American Poets, Mrs. Hugh Bullock, president; the American Academy of Arts and Letters, Douglas Moore, president; American Educational Theater Association, Norman Philbrick, president; American National Theatre and Academy, Miss Peggy Wood, president; American Symphony Orchestra League, John S. Edwards, president; National Federation of Music Clubs, Mrs. C. Arthur Bullock, president; the National Institute of Arts and Letters, Glenway Wescott, president; National Music Council, Howard Hanson, president; National Recreation Association, James H. Evans, chairman of board; the Poetry Society of America, Gustav Davidson, secretary; Theater Library Association, George Freedly, president.

THE WHITE HOUSE,
January 18, 1961.

DEAR ———: [4] The National Cultural Center Act, signed in 1958, provided for the establishment of a national center for the performing ats. Organizationally, the center is a bureau of the Smithsonian Institution. Its trustees are broadly representative of Government agencies and include appointments from the general public.

This statute set aside a parcel of land in the Foggy Bottom area in the Nation's Capital as a site for the National Cultural Center.

Over a period of many months of discussion and planning, the Board of Trustees of the center concluded that the somewhat awkwardly shaped site described in the law was not adequate for the type of facilities contemplated by the Congress in the National Cultural Center Act.

Consequently, the architect-adviser to the Board of Trustees, Mr. Edward D. Stone, in cooperation with the head of the National Park Service and other officials, developed a plan involving a small addition to the site which would establish the center in a more convenient and useful location immediately upon the Potomac River. This change in plans permitted Mr. Stone to develop the beautiful design for the structure that has received enthusiastic support from the Commission of Fine Arts, the National Capital Planning Commission, and the District of Columbia Commissioners. It has been my impression that the public's response to the plans also has been very favorable and, at my invitation, 11 of the chief national organizations concerned with the performing arts have become associated with the project.

If plans are to be carried forward for constructing the center in accordance with the approved site plan, it will be necessary to acquire three small parcels of land just outside the boundaries now described in the National Cultural Center Act. In addition to redescribing the boundaries to include these parcels, the boundaries need to be changed in order to permit construction of the center in part on park land which the Park Service is willing to substitute in order to create the new enlarged site. This exchange of land with the Park Service will make possible the establishment of the center in a beautiful river front setting, surrounded by parks and with adequate traffic approaches, as befits an important building in the Nation's Capital.

Last spring, legislation was introduced by Senators DIRKSEN and CHAVEZ, Representative JONES of Alabama, and others to enlarge the boundaries of the site in accordance with the approved plan. Executive branch clearance was given these bills, but in the press of the business in the last session no action was taken. The trustees earnestly hope, of course, that these bills will be reintroduced in the 87th Congress.

It is apparent to me that the whole national fundraising effort for the center may be jeopardized if the trustees are not given a clear title to the land necessary to accomplish the approved plan.

The National Cultural Center project, if brought to realization, would be a tremendous national asset, one which could do a great deal to strengthen the arts in America and thereby improve our cultural image at home and throughout the world.

I hope it will be possible for you to advance this undertaking by supporting the needed legislation early in the session.

Because these matters I have discussed above concern a project in which I believe all of us should have a deep interest, I am sending similar letters to other members of the Senate and House leadership on both sides of the aisle.

Sincerely,

DWIGHT D. EISENHOWER.

THE WHITE HOUSE,
March 9, 1961.

HON. SAM RAYBURN,
Speaker of the House of Representatives, Washington, D.C.

DEAR MR. SPEAKER:

DEAR MR. PRESIDENT:

Earlier this year President Eisenhower sent to the leadership of the House and the Senate a message urging the enactment of legislation to enlarge the site of the proposed National Cultural Center in Washington. Under the National Cultural Center Act, the site for the center is to be provided by the Federal Government. As the President pointed out on January 18, it is necessary that three parcels of land not now included within the description of the site be added in order to permit construction of the center in accordance with the approved architectural plan.

I want to renew this recommendation. The National Cultural Center is the most significant cultural undertaking in the history of this city and has enormous importance to the cultural life of the Nation as a whole. There is a real and promising opportunity to establish new horizons for the performing arts in this city. There have been many public-spirited citizens participating in the work and planning of the cultural center, and I believe that the Federal Government should take these small additional steps in order to provide a suitable setting and environment for the center. Moreover, this is an enterprise which has earned the support of membership of both parties in the Congress.

I urge the early enactment of this legislation so that the plans for the National Cultural Center may proceed promptly. This can be an important step in recognizing the vital role of culture in the vigorous development of our country.

Sincerely,

JOHN F. KENNEDY.

STATEMENT BY L. CORRIN STRONG, ACTING CHAIRMAN OF THE BOARD OF TRUSTEES OF THE NATIONAL CULTURAL CENTER

NATIONAL CULTURAL CENTER,
March 9, 1961.

The trustees are pleased and gratified at the full measure of President Kennedy's support for the National Cultural Center project.

We hope that with continued bipartisan support, the legislation to round out the site for the National Cultural Center will be passed by the Congress as soon as possible. This will help prepare the way for fundraising on a national scale and will insure a suitable area and proper park setting for this great national cultural institution.

MAPLE SIRUP PRODUCTION IN MARYLAND

Mr. BEALL. Mr. President, in the March 14, 1961, issue of the Washington Star, my good friend, George Kennedy, in his popular column, "The Rambler," told of his interesting visit to Garrett County, Md., to observe first hand the production of the famous Garrett County maple sap sirup. The columnist, accompanied by Tom Hoy, Washington Star staff photographer, saw the maple sap being gathered from 100-year-old trees, transported by horse-drawn tanks to an evaporating plant, and there put through the process of evaporation. Our friends were especially impressed by the fact that the final and delectable table product was arrived at by evaporating 40 gallons of sap to every 1 gallon of sap sirup.

We residents of Maryland are particularly proud of the high quality of our Garrett County maple sap sirup.

The interesting story by "The Rambler" brought to my mind nostalgic memories of my boyhood in western Maryland when one of the annual delights was visiting farms where the fine maple sirup was being prepared for

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[1] Indicate ex officio member. (A number of ex officio members have resigned public office as of January 20. Their successors are now ex officio trustees).

[2] Appointed by the President of the Senate.

[3] Appointed by the Speaker of the House.

[4] This letter was sent to the leaders of both Houses of Congress and of both parties.

market. The story prompted me to go to western Maryland and get a supply of first run sirup so that I might share the joy of this product with my colleagues in the Senate. Each of the Members of this body has been handed a container of this sirup, and I am sure that each of you, after having savored it, will share my enthusiasm for Garrett County maple sap sirup.

Mr. President, I ask unanimous consent to have printed in the RECORD, as part of these remarks, the column, "The Rambler," by George Kennedy, as it appeared in the March 14, 1961, issue of the Washington Star.

There being no objection the column was ordered to be printed in the RECORD, as follows:

THE RAMBLER FINDS THE SAP ALSO RISES

(By George Kennedy)

When it comes to maple sirup or maple sugar one thinks of Vermont.

But there is considerable production of both south of the Mason-Dixon line in Garrett, the westernmost of the Maryland counties.

Yesterday the Rambler hied himself out there with Photographer Tom Hoy. He had never seen maple sirup produced on a big scale.

We went through Cumberland and Frostburg to Grantsville where we turned to left, proceeded exactly a mile as directed and turned to the right on a dirt road.

This is hill country but not backwoods. It is mostly grazing land for beef cattle and sheep.

It is a region where it takes a good deal of ingenuity for the countryman to make a living.

Yet many of the houses seemed to be made according to the plans presented by the Ladies Home Journal in the 1920's.

We were on the right road. All about stood huge hard maples with two or three wooden pails hanging from them waist high.

At the house Mrs. Guy L. Stanton, a big friendly woman with rimmed spectacles, said:

"He's operating today. You'll find him down in the shed tending the evaporator."

We passed many more big sugar maples with many more wooden buckets. We walked. The road down the hill was very muddy.

Despite the rain and the mud and the chill in the air it was fun to hear chickens cackling over their egg production and smell the cattle manure newly spread on the wet ground and hear the baaing of sheep and see fuzzy little lambs with black ears and feet—baby lambs that had been dropped less than a month ago, skipping around the ewes.

On the way we passed many more forest giants with many more pails.

We checked some of them. The sap, or "water" as they call it in a sugar bush, was flowing all right. The warm Sunday had started it upward.

There were only old maple trees in this pastureland. Some of them with shattered tops, but flowing. They stood well apart. It was evident that years and years ago someone had removed all other trees from the forest and left only the maples standing. Most of them were about 100 years old.

On the bottom of the dale was a large shed of boards weathered black with steam issuing from every pore and cranny. It looked as though it housed a still—and what a still that would have been.

Inside we met Guy Stanton, a little man, tapping the finished maple sirup from the last tray of the big evaporator. It was heated by gas.

Here we learned why we were so disappointed in stolen maple sap when we were kids—it hardly tasted sweet.

It takes 40 gallons of sap or "water" to make 1 gallon of sirup. The 39 gallons is evaporated off as steam. When the temperature in the last tray becomes 217 degrees or 5 above the boiling point of water, he knows it's sirup.

He has made sirup there 39 years; his father 41 years before him and someone before that. No wonder the trees are old.

He uses a small tank truck to bring the "water" to the evaporator.

In a good year he produces as much as 1,100 gallons of sirup. He hopes this will be a good year—it's been good so far. Last year he got only 350 gallons. The average is between 500 and 600.

He has checked the weather carefully for almost four decades but he still doesn't know what makes a good year.

He said that 10 years ago there were 100 producers of sirup and sugar in Garrett Count . Now he thinks there are only 75.

He sells sugar by the pound and maple sirup by the gallon or half gallon by mail. His post office is Grantsville.

But most of his production is sold in bulk in big metal drums that must hold 50 gallons. They are labeled:

"Burke Mountain Maple Co., Vermont."

As everybody knows, the best maple sirup comes from the Green Mountain State.

KIWANIS: AMBASSADORS OF INTERNATIONAL GOOD WILL

Mr. WILEY. Mr. President, over the years progress in the United States has depended upon, and benefited from, enterprising, forward-looking efforts of citizens acting individually and through their organizations to attain laudable ideals and goals.

At this time, I refer to one such splendid organization, the Kiwanis Club. By adoption of constructive, creative programs designed to serve their fellowmen and their country, the Kiwanian goals have included:

Improving the domestic life of our people;

Building a stronger character in our citizens, particularly our youth;

Contributing to better government, schools, public and community services;

Encouraging greater understanding and cooperation between the people at home and abroad.

These are only a few highlights of "Kiwanis in action," making such a notable contribution to betterment of life for mankind around the globe.

Recently, a Canadian-United States international good will banquet was held at West Allis, Wis. For the occasion, representatives from our good neighbor, Canada, were invited to participate in the program.

The event was a splendid example of how people of neighboring countries—dedicated to common goals and ideals—can get together to reaffirm our mutual interests and rededicate themselves to attain such laudable objectives.

The occasion—an event preliminary to the international convention, to be held in Toronto in July 1961—splendidly reflected the way in which such organizations as Kiwanis, by reaching the hands of friendship and understanding across international boundaries, can do much to improve relations in this shrinking world.

At the banquet, a splendid address was delivered by Charles F. Wilson, consul general of Canada. The speech—a lucid analysis of positive and problematic aspects of United States-Canadian relations—deserves, I believe, the consideration of Congress.

Reflecting upon this fine occasion in which the Kiwanis have spearheaded efforts to promote good will and understanding, I ask unanimous consent to have printed in the RECORD first, an editorial from the West Allis Star; second, a message of greetings from John G. Diefenbaker, Prime Minister of Canada; third, a good will telegram from Nathan Phillips, mayor of the city of Toronto, Canada; and, fourth, the address by Charles F. Wilson, entitled "Building Bridges of International Understanding."

There being no objection, the editorial, message, telegram, and address were ordered to be printed in the RECORD, as follows:

[From the West Allis Star]

KIWANIS EVENT SUCCESS

An international atmosphere hung over city hall briefly Thursday when consul general of Canada, Charles Wilson, paid a visit to Mayor Arnold Klentz.

A guest of the Kiwanis Club, the consul general was on a tour of the area prior to appearing at the Kiwanis Club dinner meeting at the Allis-Chalmers clubhouse where he spoke on "Building Bridges of International Good Will."

While visiting informally with the mayor, he also met many West Allis city officials, and spoke briefly to newsmen.

The flag-lined entrance to the city hall and the screaming sirens of cars in the entourage gave a festive air to the occasion.

Next stop for the Canadian consul general on leaving West Allis was the county courthouse where he conferred with Gov. Gaylord Nelson and County Executive John Doyne.

The West Allis Kiwanis Club is taking part in a Canada-United States Good-Will Week observance on the part of the service group in both the United States and Canada.

"Credit is due Kiwanis International which has been stressing the friendship between Canada and the United States for many years," Wilson commented in his speech to the Kiwanis.

"While there have been differences between our countries, our two Governments have never been as closely linked. The friendly ties that developed between Ottawa and Washington during the Eisenhower administration have been continued with the Kennedy administration.

"Trade between Canada and the United States is the greatest between any two countries in the world and represents a quarter of the trade you do with all the rest of the world put together," he added.

Many messages were received by the West Allis Kiwanis Club from dignitaries expressing their appreciation of the Canadian-United States Good-Will Week and extending good wishes. Included in the messages were those from President John F. Kennedy; Senators, Alexander Wiley and William Proxmire; Congressman Clement Zablocki; the Prime Minister of Canada, John G. Diefenbaker; the mayor of Toronto; and many others.

The good-will week is a prelude to the annual convention of Kiwanis International which will be held at Toronto July 2–7. At this convention, I. R. Witthuhn, president-elect will become international president of Kiwanis.

OTTAWA, CANADA, *February 28, 1961.*

MR. WM. E. VAN TAAY,
General Chairman, Canadian-United States International Good-Will Week, Kiwanis Club of West Allis, Milwaukee, Wis.

DEAR MR. VAN TAAY: I wish to thank you for your recent letter, advising me of the forthcoming observance throughout the United States and Canada of International Good-Will Week, sponsored by the Kiwanis Clubs.

May I assure you that I join most warmly with my fellow members of Kiwanis in the spirit of this week which focuses attention on the long record of Canadian-American friendship.

I look forward to extending my greetings personally to the delegates from Kiwanis Clubs who will assemble in international convention in Toronto, next July, when I shall have the honor of addressing the "international night" gathering, and in the meantime, I would ask you to extend to one and all my warmest good wishes.

I am,

Yours sincerely,

JOHN G. DIEFENBAKER.

TORONTO, ONTARIO.

DR. WILLIAM E. VAN TAAY,
General Chairman, Milwaukee District, Kiwanis International Good Will Banquet, West Allis, Wis.:

Greetings and good wishes to United States-Canadian international good will banquet being sponsored by Milwaukee district Kiwanians. Looking forward to receiving many of you at Kiwanis Convention in Toronto next July where a very warm welcome awaits you. The freedom of the city will be yours.

NATHAN PHILLIPS,
Mayor of the City of Toronto.

BUILDING BRIDGES OF INTERNATIONAL GOOD WILL

(Address by Charles P. Wilson, consul general of Canada, to the Kiwanis Club of West Allis, Wis., Thursday, Mar. 9, 1961)

On behalf of the Government I represent, I wish to thank the Kiwanis Clubs attending this dinner and Kiwanis International for the declaration of this week as Canada-United States Good Will Week. I am also grateful to Mayor Kientz of West Allis for his proclamation in this connection. I am honored and pleased to be present on such an occasion. Your committee has suggested that I speak to you on the general theme of "Building Bridges of International Good Will." I like this subject because it suggests action in a good cause. Someone must do the building. Also, it suggests problems; otherwise there would be no need for bridges. Accordingly, during the course of my remarks tonight I shall refer to some of the groups of people who are to be counted among the builders, and to mention some of the difficulties they are working to surmount.

Before becoming too seriously involved, however, I should like to refer to the message you have received from Mayor Phillips of Toronto and to add that Canadians are hard at work preparing to welcome the largest group of Kiwanians ever gathered in one city in my country. In fact, I appear tonight as an advance agent to tell you how welcome you will be in Toronto in July and to express the hope that this meeting will be well represented in the army of 15,000 at the convention.

"You're from Milwaukee and you ought to know" something about Toronto. Beer undoubtedly made Milwaukee famous, but in Toronto it did something more—it built a $12 million theater, opened last year and as modern as you can find. It is called the O'Keefe Center, named after the oldest brew in the city. I detected a rather jealous note in a recent editorial in the Milwaukee Journal about the theater that beer had built in a place that never has been called the beer capital of the world.

You will definitely be taken to the O'Keefe Center and you are sure to see Casa Loma, the only castle in the world operated by Kiwanians. It has almost everything you associate with medieval castles and some touches of its own like golden faucets in the main bathrooms. No one, of course, will call them faucets in Toronto because in Canada we stick to the older and shorter word—taps. The castle is on the brow of a hill overlooking the city and from the top of the tower on a clear day you can look all the way across Lake Ontario to Niagara Falls.

The castle was built by Sir Henry Pellat, a Toronto millionaire who went broke before he had time to enjoy modern baronial living. Casa Loma remained empty for a time and, when the city hall proposed to tear it down and sell the land for unpaid taxes, the Kiwanians stepped in. It is now one of the favorite dance spots in Toronto and the revenue it provides has been most useful in extending the boys' work of the club. So what was once known as Pellat's folly, and which literally cost its builder a fortune, has been turned into a Toronto showplace by imaginative Kiwanians.

There is, however, something not so visible that interests American newspapers and American city governments much more than the castle does and that is Toronto's system of government. The sprawling suburbs, which are now bigger than the city itself, have been united with Toronto under a metropolitan council, which handles all common problems but leaves local affairs to each community and allows each community to retain its name.

One water system serves 1,500,000 people. Metro looks after town planning, the sewerage system, all roads, police, and transportation. Other metro functions are gradually being added. Millions of dollars have been saved by central financing. It has been found that the credit of metro is sounder than the individual credit of each community. There is a big annual saving in the marketing of bonds. There is a pronounced but harder to demonstrate saving that comes from more comprehensive planning and engineering. These skills have been very much needed, for Toronto has averaged an annual increase in population of 50,000 over the last 12 years. The claim has been made that this growth is the fastest on the continent.

The Frederick Gardiner Expressway, which speeds traffic across the city, is named for the chairman of the Metropolitan Council who has been the driving force from the outset. At times there have been objections from the suburbs to the high expenditures required for expressways and subways, but it now seems to be generally accepted that traffic improvements in the most congested areas save time for everybody. Toronto is particularly proud of its fast, clean subway and you will realize only too well that it is being extended as you repeatedly run into construction work.

I am delighted to learn that many of you who are present tonight will be going to Toronto. You are to be counted among the builders. I am sure that you have observed, as I have done, that the little frictions that arise between nations are mostly generated in the abstract; friendships and understanding grow through individual contacts. Credit is due to all of you who take the trouble to make them.

Credit is also due to Kiwanis International which has been stressing the friendship between Canada and the United States for many years. It is 35 years since the first of your international markers was dedicated in Vancouver. In those days relations between our two countries were easy and automatic. We had few common problems even if we were then getting impatient about the delay in building the seaway. Canada had no Embassy in Washington and certainly there was then no consul general in the Midwestern States to accept your invitation to speak to this club.

Now it is all very pleasant to dwell nostalgically on the notion that there was a time when Canada and the United States had almost no problems between them. Problems there were but we have happily forgotten most of the old ones.

But I would suggest that circumstances are different today from what they were in the 1920's because of the fact that the United States has taken up the heavy burden and has assumed the full responsibilities of world leadership in the defense of freedom, and in the promotion of the welfare of the peoples of the world. Canada, in its turn, has acquired the role of a middle power, and it takes a proportionate part in world affairs.

You know, of course, that we have given our full support to NATO, and that we maintain our infantry brigade group and our own air division under NATO command in Western Europe, just as you contribute to the strength of NATO in a much larger way. You know, too, that we are active supporters of the United Nations, in word, in contribution, and in deed. We have participated in the United Nations mediation efforts in Kashmir, Indonesia, and Palestine. Our troops were among the United Nations force in Korea. They have also participated in the Gaza patrol, and in the United Nations force during the Middle East crisis of 1956. Prime Minister Diefenbaker has advocated the formation of a permanent United Nations Emergency Force, and toward that end we hold in reserve an especially trained battalion transportable by air and earmarked for such service. Last summer we promptly answered the request of the United Nations for specially qualified personnel in signals, communications, air transport, and emergency food provisions, for service in the Congo. Our Canadian unit is there with the United Nations force today.

Like you, we have taken an active interest in the welfare of the underdeveloped countries. Because of our association with the Commonwealth, we have concentrated our aid through the Colombo plan on Commonwealth countries such as India, Pakistan, and Ceylon. I underline these activities on the part of Canada because they illustrate our understanding and appreciation of the much greater responsibilities you people in the United States have assumed and to indicate that within the means of our smaller population, we are trying to carry our share of the load in the common cause.

We know that the preoccupations of the American people are with the world, and in particular with the troubled spots of the world, which means that you don't have much time left over for following Canadian affairs. On the other hand, with our 18 million people alongside your 180 million, you can understand that our economy is much more directly affected by your economy than yours is by ours. That is why Canadians are diligent students of your politics, your policies, your business indices and your employment figures. Just as you are doing, we are pursuing our own domestic programs for the reduction of unemployment, and it is appropriate that I should refer to the current economic position in Canada from which some of our problems arise.

Trade between Canada and the United States is the greatest between any two countries in the world and represents a quarter of the trade you do with all the rest of the world put together. Our present deficit on current account with you is greater than our total trade with the world was when Kiwanis dedicated the Vancouver Monument in 1926. In the last 4 years this deficit has run annually between $1 billion and $1.5 billion. Your Government is concerned about your

balance of payments and an outflow of gold. If we translate our deficit figures into your population figures 10 times as great as ours and your volume of production, 14 times ours, you would then visualize that our deficit in our trade with you is the equivalent of an American deficit in international accounts of between $10 billion and $20 billion. Your actual deficit is now approximately $3 billion. Under these circumstances you can see why we are concerned when steps taken to improve your position cut into our trade with you and threaten to increase this huge deficit of ours.

I know that tossing around billions the way I have been doing is not only confusing, but boring. So instead of saying that 18 million Canadians last year bought $660 million more goods from you than 180 million Americans bought from us, let me try simpler totals. In 1960, every Canadian spent $205 for American goods, while you reciprocated by each buying $17 from Canada. The Canadian figure would have to be upped sharply if we included our $100 million deficit in the tourist flow between our countries. We have borrowed a lot of money from you and our interest payments are running close to $500 million a year. Fortunately, a good deal of this is reinvested. But our total deficit with you, counting in all the totals, is, as I said before, over a billion dollars a year.

In Canada we well understand your concern over your balance of payments with the world, because it is only 10 or 12 years ago that we had a similar experience. In the aftermath of the war we made substantial loans to other countries to assist in their rehabilitation, to the point that we became overextended and had to adjust, to live within our means. We had to depreciate our dollar and that was when you received a bonus of 10 percent when you came over to see us and changed your money into Canadian dollars.

With many adjustments and an improvement in our economy, we were able later on to free our dollar from exchange control. In recent years we have not been losing gold, as you have been losing gold, because investments made by Americans in Canada have not only offset our trade deficit, but have kept the Canadian dollar higher than the American dollar. The Canadian dollar, to the great joy of our Government and our exports, has been dropping and no one can say where it will be when you visit Canada in July. A high dollar makes it easier for you to increase your sales in Canada and harder for us to sell to you. The value of the dollar is not fixed in Canada, but in the exchanges of New York and if you find your dollar only worth 99 cents in Canada, don't blame the Canadians. And remember also that if a Canadian should try to cash a dollar in Milwaukee, he would be lucky to get par and almost certainly Canadian silver would not be accepted at any price.

While you have been trying to stop the outflow of gold, we have been doing our best to increase our exports and narrow the gap that exists in our trade with you. Incidentally, no part of the United States sells more to Canada than the Milwaukee-Chicago area which gets more than a quarter of the biggest export business the world has ever known.

We, for instance, are trying to increase our oil exports to you in the Pacific Coast area and in sections of the Midwest lying near the border. We are now providing 1 percent of your total oil consumption. If we reach our goal, our total would still be under 2 percent and would be replacing crude coming from other countries.

In the period of rapid expansion, our industrial plant has been temporarily overbuilt and there is not the same reason to encourage foreign investment to come to Canada. For this reason, our Government acted in December to remove the inducements for outsiders to invest in Canada. Foreign capital is now in exactly the same position as Canadian capital. In some areas in the United States, this action was first interpreted as an attack on American investment. This is now much better understood. Your able new Ambassador to Canada, Mr. Livingston Merchant, recently assured the Senate Foreign Relations Committee that the Canadian legislation simply meant the removal of previous incentives to attract foreign capital. Likewise, our Minister of Finance, the Honorable Donald Fleming, who spoke in Chicago just a few weeks ago, clarified this point and stressed as strongly as he could that there is no desire on Canada's part to interfere with the creative investment of American or other outside capital in Canadian industry and commerce.

For some years the Canadian-American Committee, a group of more than 40 businessmen from both countries, has been operating in the spirit of Kiwanis, to dispel some of the misconceptions which lead to bad feeling on both sides of the border. They finance research teams from both countries, who, after detailed investigation, present factual reports which are given wide distribution in pamphlet form. The last report issued under the title, "Policies and Practices of U.S. Subsidiaries in Canada," gave American companies, on the whole, a good bill of health as Canadian citizens. They found that only a few U.S. firms were bad actors in Canada. On the matter of contributions to charity and to education, they reported that subsidiary firms contributed, but they also reported that the custom of industry supporting charitable drives was more common in Canada than in the United States.

Another report, issued recently by the Canadian-American Committee, gave Canada a clean bill of health in trade dealings with Cuba. The Committee found that "the Cuban Government and the Cuban press have tried to create the impression that trade with Canada will expand greatly and to exploit frictions in Canadian-American relations. The Committee added: "This impression is false and this propaganda must be recognized for what it is."

Stories from Havana have led to a number of editorials in a good many U.S. newspapers, criticizing the Canadian position. The report noted that Canada had changed its export system to prevent the transshipment or bootlegging of United States goods through Canada to Cuba.

The final conclusion of the businessmen was: "No serious conflict of views currently exists between the Canadian and United States Governments with respect to present differences in trading relationships with Cuba. To avoid any such conflicts in the future and to minimize the danger of any serious frictions in Canadian-American relationships over Cuba, close consultation between the two Governments is necessary, and the fullest possible understanding by the people of both countries is essential."

As an eager reader of American newspapers, I am happy to note the prevailing friendliness of comment about Canada. I have found this to be particularly true of the Milwaukee Journal, and the Milwaukee Sentinel, which have done a splendid job in interpreting Canadian affairs. Once in a while a critical note appears in other places and sometimes this is based on incomplete reports of what is happening in Canada. I am thinking at the moment of comments on the Commission which is examining complaints that the whole Canadian magazine industry faces extinction because of competition from American magazines. I have seen this described as an attempt by Canadian magazines to put a tariff barrier against American publications and described as a manifestation of Canadian nationalism.

When faced with criticism of the United States at one of the hearings, the chairman of the commission, Mr. Grattan O'Leary, editor of the Ottawa Journal, interjected that Canadians should get down on their knees daily to thank God that they had the United States as a neighbor.

The Commission is dealing with methods of competition. The main complaint has been about a couple of American magazines who import their American editorial content, label the edition Canadian and then sell advertising in Canada at a rate lower than Canadian magazines can offer. This has been referred to by witnesses as dumping. There has, as yet, been no report by the investigating commission. Throughout the hearings, there has been no suggestion of Canada erecting any kind of barrier to the free flow of thought across the border.

I have been talking for some time about difficulties that have cropped up in the more complicated relations which have developed between our two countries in the years since Kiwanis on both sides of the border placed such emphasis on friendship. Most of these problems would cease to irritate if the whole story were told in understandable language.

Difficulties are always newsworthy, but a friendly handshake scarcely makes a photograph that has reproducible value. While there have been differences between our countries, our two Governments have never been as closely linked. The friendly ties that developed between Ottawa and Washington during the Eisenhower administration have been continued with the Kennedy administration. The Columbia River Treaty, which opens an international power development greater than the seaway, was the last treaty of the old administration and President Eisenhower invited Prime Minister Diefenbaker to come to Washington and sign it with him. It is indicative of the amount of business between our two countries that the first treaty signed by the Kennedy administration was signed with Canada.

Canadian and American parliamentarians have just met in Ottawa in the only Committee of the kind Congress has ever set up. There was a frank exchange of views.

Canadians from coast to coast welcomed the appointment of Livingston Merchant as your Ambassador to Ottawa. No American diplomat is more familiar with Canada and his nomination was cheered by press and government leaders alike. Before the end of March, three of your new Cabinet members will sit down with three of our cabinet to discuss economic problems. You have no similar consultation machinery with any other country.

In the midst of the pressures of his first month in office, President Kennedy invited Prime Minister Diefenbaker to come down to Washington for lunch and a chat, the first invitation extended to the head of another government. The Prime Minister had nearly 3 hours with the President and was back in Ottawa for dinner. No bands, no parade, no fuss was involved. A new and comfortable pattern was created of a business talk with only six people sitting in and no protocol considerations to waste time. This is something that can only be done by friendly neighbors.

There you have it, gentlemen. Who are the bridgebuilders? I have already suggested that Kiwanians and others who take the trouble to make individual acquaintances and friendships with their counterparts on either side of the border are in the front ranks of the builders. Many of you have been doing this for years. But when you go to Toronto in July or on any other occasion, I hope you won't be content to settle for the easiest forms of expression of international good will. Talk to your

Canadian counterparts and if you look for it you will find among Canadians a strength of loyalty to their country equaled only by the strength of your devotion to the United States. You will find they cherish their independence just as you cherish yours. Like you, they debate vigorously among themselves what is in the best interests of their country and it is only natural that their expressions of opinion are at variance among themselves from time to time, just as they may differ occasionally from yours. That is why the bridges that have already been built will continue to need maintenance and repair.

In this work a great responsibility falls upon the press for objective reporting and editorial interpretation in the field of international relations. Theirs is the task of admonishment when things go wrong and of encouragement when all goes well. It is not a light responsibility. Those who achieve it hold a unique position among the bridgebuilders.

Likewise our businessmen. Their role in trade, investment, and in their company operations abroad gives them the power to make or to destroy the image of their country. I have found businessmen as a class to be acutely conscious of their international, as distinct from their corporate, responsibilities. What better illustration could you ask than that of the Canadian-American Committee to which I have already referred. These are bridgebuilders indeed.

I have already mentioned the contacts among our political leaders. President Kennedy will soon be making his first visit to Ottawa to continue the talks with our Prime Minister that started in Washington. Today, Prime Minister Diefenbaker is in London representing Canada at a meeting of the Commonwealth Prime Ministers. There the other Prime Ministers and he will be received by our Queen. I don't believe that those of you who saw and heard her in Chicago, nor Her Majesty, would consider it lese majesty if we count her among the bridgebuilders too.

PROPOSED AMENDMENTS TO THE WILDERNESS BILL

Mr. CHURCH. Mr. President, again this year, the Senate Interior and Insular Affairs Committee has held hearings on the proposed wilderness bill. The measure now before the committee, S. 174, is a significantly modified version of legislation which has heretofore been proposed on this subject. I believe, however, that further amendments to the bill are advisable, and it is my purpose today to introduce for printing and reference to the committee three amendments which seem to me to be desirable if wilderness legislation is to deal realistically with the problems of Idaho and of other Western States, where extensive areas of public domain are proposed for inclusion in the wilderness system.

Before discussing these specific amendments, I wish to make some general comments on the basic concept of wilderness legislation. I think there is general agreement that some form of wilderness preservation legislation will be enacted—if not this year, then one year soon; if not by this Congress, then perhaps by the next. There is, however, great concern in my State about proposals to lock up in a wilderness system some three million acres of public land presently classified as primitive area. This concern is certainly understandable, when it is noted that three of our most basic industries—grazing, mining, and lumbering—depend, for their continued vitality, upon the wise use of the resources of the public domain.

Viewed from the perspective of the Western States, wilderness legislation is desirable only on the condition that it does not unwisely stifle these basic industries, upon which the prosperity and economic growth of our States and region depend.

It should be noted in this connection that under present law, primitive areas can be designated as wilderness by a purely administrative decision. The Forest Service has recently concluded a series of hearings in Idaho on a proposal to do precisely this in the Selway-Bitterroot region. One virtue of the wilderness bill is that it would require a review by the Congress of all proposals to add new lands to the wilderness system. There are ambiguities, however, in those provisions of the bill which establish these procedures for congressional review. And it is to these, in part, that the amendments I am proposing will be directed.

FIRST AMENDMENT

As presently drafted, S. 174 would incorporate into the wilderness system all of those areas within the national forests now classified as primitive areas. The bill would require an administrative review of these lands, followed, within 15 years, by a Presidential recommendation as to whether they should be permanently retained within the wilderness system. Provision is made for the Congress to disapprove any such Presidential recommendation. The bill, however, leaves such lands in the wilderness system even though a Presidential recommendation concerning them is disapproved by the Congress. Thus, as presently drawn, the provision for congressional review is little more than a mockery.

In the course of the hearings, recently concluded, I asked officials of the Forest Service to draft language which would spell out the service's understanding and intent with respect to this precise situation. In response to this request, the Forest Service has submitted amendatory language which would make it clear that the President may resubmit a recommendation within 2 years after it has been disapproved by the Congress, with appropriate modifications. The amendment further specifies that land covered by any Presidential recommendation, which is disapproved by the Congress, without a resubmission in modified form, or again disapproved by the Congress after being resubmitted in modified form, shall cease to be part of the wilderness system, and shall then revert to ordinary national forest land. It also specifies that any lands presently classified as primitive areas, although included in the wilderness system by the terms of the bill, will cease to be a part of it at the end of 15 years, if a Presidential recommendation for permanent inclusion has not been submitted to the Congress within that time.

This amendment has, I think, two distinct advantages over the present language of the bill. First, it would broaden the scope, flexibility, and discretion of congressional review over the process by which primitive areas can be accorded permanent wilderness classification, since it is to be presumed that the Congress, if it disapproves a given Presidential recommendation, will furnish guide lines to be used by the President in modifying the proposal for resubmission.

Second, this amendment would insure that no primitive area would become a permanent part of the wilderness system without prior review and approval of the Congress. Under the amendment, any land now designated as primitive area which is finally rejected by Congress, or not submitted for congressional review within the review period, would revert to ordinary national forest.

SECOND AMENDMENT

The second amendment deals with the procedure by which congressional disapproval of a Presidential recommendation for making an area a permanent part of the wilderness system may be registered. As presently drafted, S. 174 requires a concurrent resolution approved by both Houses of Congress in order to prevent a Presidential recommendation from taking effect. This represents, it seems to me, an unwarranted curtailment of congressional authority. In the usual situation, both Houses of Congress must concur in enacting legislation, which then must be signed by the President, before the status quo may be changed in any area subject to congressional jurisdiction. This means, in net effect, that either the House of Representatives or the Senate can separately veto ordinary legislative proposals. It is apparent, however, that neither House, under the terms of S. 174, could separately veto a Presidential proposal to permanently add new land to the wilderness system. This could be accomplished only by a concurrent resolution—that is, by the joint action of both Houses. Obviously, this procedure seriously dilutes the congressional power. My second amendment, therefore, would restore to each House its intended authority by providing that a Presidential recommendation would not be effective if either House of Congress, by a simple resolution, expressed its disapproval within the time allowed.

It is interesting to note that this amendment incorporates the President's own proposal for congressional review and disapproval of farm programs, as outlined in his recent message to the Congress on this subject, and was the formula contained in the first wilderness bill, introduced several years ago.

THIRD AMENDMENT

The third amendment has to do with the special problem of mineral exploration within established wilderness areas. The bill prohibits any commercial activity within the wilderness system. Much of the land now classified as "primitive," but which would be incorporated into the wilderness system, pending congressional review, has not been exposed to even the most rudimentary exploration for mineral resources. The bill provides, it is true, that the President may grant special permits whenever, in his judgment, the national interest will be

served thereby, for either mineral exploration or for actual mining activities within the wilderness system. It closes the door, however, on the kind of prospecting apt to be needed to develop information on which the President could base a sound judgment as to where ore deposits may exist within wilderness areas, to justify further exploration leading to actual mining, when the national interest so requires.

Testimony at the hearings developed a strong case for allowing geological mapping and certain kinds of mineral prospecting in wilderness areas, so that intelligent estimates could be made as to the likelihood of success, if defense requirements, or other overriding considerations, indicated the advisability of full-scale prospecting or mining.

Accordingly, I have drafted an amendment designed to permit those kinds of mineral prospecting, within the wilderness system, which would not, in fact, do violence to the wilderness concept.

The PRESIDING OFFICER. The time of the Senator from Idaho has expired.

Mr. MANSFIELD. Mr. President, I yield 2 more minutes to the Senator from Idaho.

The PRESIDING OFFICER. The Senator from Idaho is recognized for 2 minutes.

Mr. CHURCH. Mr. President, in proposing these amendments, I do not foreclose judgment on other amendments which may be offered in the committee. But I believe these three amendments would do much to adapt S. 174 to the reasonable requirements of our Western economy. I think they would extend a further measure of protection to the legitimate interests of the Western States, while leaving intact effective procedures for creating a wilderness preserve, which is the laudable objective the bill is intended to serve.

Therefore, Mr. President, I send to the desk three amendments to S. 174, and ask that they be printed and appropriately referred. I also ask unanimous consent that the text of each amendment be published in the RECORD immediately following these remarks.

The PRESIDING OFFICER. The amendments will be received, printed, appropriately referred; and, without objection, the amendments will be printed in the RECORD.

The amendments were referred to the Committee on Interior and Insular Affairs, as follows:

On page 4, line 19, insert the following: after "section.": "The President may modify any recommendation as to which the Congress has declared its opposition in accordance with subsection (f) of this section and resubmit his modified recommendation within two years after the approval of the concurrent resolution of opposition. Such modified recommendation shall become effective subject to the provisions of subsection (f) of this section. Any area covered by a recommendation of the President that has been opposed as provided in subsection (f) of this section concerning which no modified recommendation is submitted by the President within two years, or as to which a modified recommendation is opposed as provided in subsection (f) of this section, shall cease to be a part of the wilderness system and shall be administered as other national-forest lands. Any area with respect to which no recommendation for its continued inclusion within the wilderness system is submitted to the United States Senate and House of Representatives by the President within fifteen years following the enactment of this Act shall cease to be a part of the wilderness system and shall be administered as other national-forest lands."

On page 8, delete line 24 beginning with "the", delete line 25, and on page 9, line 1, delete "posed to such recommendation."

On page 8, line 24, immediately after "adjournment" insert the following: "neither the Senate nor the House of Representatives shall have approved a resolution declaring it is opposed to such recommendation."

On page 9, line 1, delete "concurrent".

On page 14, insert the following after line 15:

"(8) Nothing in this Act shall be construed to prevent, within the wilderness system, any activity for the purpose of gathering information about mineral resources which is not incompatible with the preservation of the wilderness environment."

RAMPART CANYON DAM ON THE YUKON

Mr. GRUENING. Mr. President, this morning's New York Times carries an excellent dispatch from Anchorage, Alaska, dealing with the progress of the studies for the great hydroelectric dam at Rampart on the Yukon.

This is the largest hydroelectric site on the North American Continent. Construction of the dam there will go far to advance the development of Alaska by making available tremendous quantities of low-cost hydroelectric power.

The preliminary estimate of the Corps of Engineers is that this cost will be as low as 2 mills a kilowatt-hour at the bus bar and with modern methods of transmission should be available at tidewater at about 3 mills.

As the article in the New York Times correctly states: "Alaska is power hungry." Light and power needs for home users alone have increased vastly in the last 10 years, and almost every area now is in imminent danger of power shortages. Much more will be needed for industry.

Even assuming the most rapid studies, which are bound to be extensive and should be for an undertaking of such scope, and assuming thereafter, authorization and appropriation by the Congress of a project which has had the endorsement of this administration, other lesser power projects will be needed to take care of widespread local Alaska power needs. They are all having intensive study, and appropriate action will be sought for them.

The studies for Rampart will, of course, include the basic engineering studies which are now underway, at the Rampart Canyon, the important economic studies for the carrying out of which negotiations are now in progress between the Corps of Engineers and nationally known firms of consultants, particularly experienced in power development, the wildlife and fisheries studies which will involve both the anadromous fish—the salmon—now going up the Yukon, and the enormous possibilities for the stocking of new species of fish in the 10,000-square-mile lake which will be created back of the dam.

In addition to that, there are the problems of relocation, although I think we are fortunate that with the exception of perhaps three small communities, this area is largely uninhabited and it will not face the heavy relocation costs incurred by dams and power projects in the 48 older States, where land values, because of long time settlement, have greatly increased and where railroads and highways have to be relocated. There are no railways and highways in this area of Alaska.

In addition to the great potential fisheries resource of the lake to be created are its recreational possibilities. It is an interesting fact that over 20 million people a year are thronging to the reservoirs and lakes created by the Bureau of Reclamation in the 17 Western States. They include fishermen, hunters, and water sport enthusiasts who take advantage of over 150 manmade lakes and storage reservoirs, some small and some of vast extent. The potentials of this large lake back of Rampart stagger the imagination. It has been estimated by climatologists that it will raise the winter temperatures of this subarctic region substantially, extend the growing season, and indeed vegetable raising, with long days of more than 20 hours of sunlight is a real potential.

These studies bid fair now to be adequately financed. The revised budget of the Kennedy administration, which has tripled in this one item the estimate of the Eisenhower administration—from $100,000 to $300,000, if this latter figure is approved by the Congress—now, with the $273,750 previously appropriated, will permit these studies to go ahead with all energy.

An excellent eight-person advisory board has been appointed by the Corps of Engineers. This Board will counsel Col. Christian Hanburger, the Alaska district engineer, on the development and review of economic studies for the Rampart Canyon project. Those on the Advisory Board are: Dr. William R. Wood, president of the University of Alaska; Mr. William T. Kegley, president of the First National Bank of Juneau; Mrs. Irene Ryan, mining engineer and geologist; Stanley McCutcheon, attorney and former speaker of the House of Representatives of Alaska; Frank Mapleton, mechanical engineer of Fairbanks; Dr. Edward Steve Shaw, economist, Stanford University; Mr. Samuel B. Morris, consulting engineer of Los Angeles, and Mr. Gus Norwood, executive secretary of the Northwest Public Power Association.

No one project will be more beneficial for Alaska than this and likewise it will be helpful to the entire Nation. It will equal the largest dams already constructed and others being constructed by the Soviet Government in European Russia and Siberia, which a committee of Senators, of whom I was one, had the opportunity of seeing a year and a half ago. This project when completed will deliver a body blow at the high cost of living in Alaska, which has presented, and continues to present, a serious ob-

stacle to industrial development and settlement. Abundant low-cost power is the answer.

I ask unanimous consent that the article from this morning's New York Times, to which I referred previously, be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From The New York Times, Mar. 28, 1961]

ALASKA TO WEIGH BIG DAM PROJECT—SURVEY SET ON HARNESSING YUKON RIVER TO PROVIDE MUCH-NEEDED POWER

ANCHORAGE, ALASKA.—Work is to start this year on an economic study of Rampart Canyon, the proposed site on the Yukon River for what may become North America's greatest hydroelectric power project.

An eight-man advisory board, comprising personnel from Alaska and other Western States, has been set up and a survey will be made by a company experienced in the economic analysis of both domestic and foreign markets.

Congress has appropriated $225,000 for this fiscal year for investigation of the Rampart project. Former President Dwight D. Eisenhower's budget would add $100,000 by July 1.

The study will be divided into three principal phases: the economic or market study, the study of dam structure and investigation of the reservoir.

The U.S. Fish and Wildlife Service will assist in the reservoir study.

THREE DAMS PROPOSED

Engineers say that hydoelectric power is Alaska's inexhaustible resource, and that of the Yukon. Their combined capacity is estimated at 9,700,000 kilowatts.

Three strategic spots have been investigated by Federal survey teams. And while Kaltag, Alaska, at mile 483 on the Yukon River, and Woodchopper Creek, at mile 1149, could together have a potential output of 5 million kilowatts, it is the site at Rampart Canyon that appears to offer the most immediate promise.

Rampart Canyon is at mile 756 from the Yukon's mouth. It has a drainage area of about 200,000 square miles and an average annual runoff of 85,500,000 acre-feet, or a controlled flow of some 118,000 cubic feet per second.

At the proposed site, a dam 290 feet high would block the mouth of the Yukon flats and hold back the water in a great man-made lake covering an area of 10,000 square miles.

The controlled flow from this would generate an industrial power capacity of 4,700,000 kilowatts.

DEMAND FOR POWER RISES

Alaska is power hungry. Light and power needs for home users alone have increased in ratio to the 76 percent population increase in the last 10 years. Many of Alaska's more important minerals require large amounts of electrical energy for the electrolytic processes used in preparing them for the market.

Harnessing the Yukon could develop Alaska into a low-cost power State, which would invite the expansion of industry, new seafood cannery operations, small industries, woodworking and pulp plants and exploitation of more natural resources would probably follow the availability of electrical power.

Another benefit derived from the construction of the dam itself would be the control of the annual floods along the Yukon River.

On the other hand, a solution would have to be found to the problem of the migratory salmon. Personnel of the Fish and Wildlife Service are already at work on this in collaboration with their Canadian colleagues.

EAST-WEST CULTURAL AND TECHNICAL CENTER

Mr. FONG. Mr. President, the 86th Congress of the United States appropriated funds for the establishment of the East-West Cultural and Technical Center at the University of Hawaii in the State of Hawaii. The primary objective of the East-West Center, as it is popularly known, is the increase and development of mutual understanding between the peoples of the countries of the Pacific area. The East-West Center program was inaugurated in February of this year with 100 scholars—9 Americans and 91 students from 15 Asian and Pacific nations. The University of Hawaii has just published a progress report on the East-West Center and I ask unanimous consent to have it printed in the body of the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

REPORT ON PROGRESS OF THE CENTER FOR CULTURAL AND TECHNICAL INTERCHANGE BETWEEN EAST AND WEST

INTRODUCTION

The Mutual Security Act of 1959, Public Law 86–108, in chapter 6, declared that it is the purpose of the Congress to establish in Hawaii a Center for Cultural and Technical Interchange Between East and West, and that the Secretary of State should submit a plan and program for this purpose. On December 31, 1959, the Secretary of State submitted his report. Chapter 7 of the Mutual Security Act of 1960, Public Law 86–472, which was signed into law on May 14, 1960, authorized the establishment and operation of the center, and the appropriation of funds therefor. By Public Law 86–678, dated August 31, 1960, $10 million was appropriated to enable the Secretary of State to initiate the center, the money to be expended "by grant to any appropriate agency of the State of Hawaii."

Prior to the appropriation of August 31, extensive plans for the organization and operation of the center had been prepared by the University of Hawaii and a committee appointed by the Governor of Hawaii. The sum appropriated in 1960 was designed to provide for the first year of the center's operation in accordance with these plans, and they were incorporated as a part of the grant-in-aid agreement between the University of Hawaii and the Department of State, which placed responsibility in the university to carry out the establishment and operation of the center. This agreement became effective as of October 25, 1960, and pursuant thereto, the first installment of funds was received by the university on November 8, 1960.

With the grant-in-aid agreement between the University of Hawaii and the Department of State, the Center for Cultural and Technical Interchange Between East and West became a reality as an official and integral part of the university, and the center's various institutes and divisions were placed in operation.

OBJECTIVES OF THE CENTER, AND THEIR RELATION TO THE UNIQUENESS OF HAWAII

Of all of the natural resources upon which the world depends for its survival and its sustenance, none is so important as its people. Of all of the means for making possible the fullest and wisest realization of the potentialities of this basic resource, none offers such promise as the free interchange of information and ideas which will encourage mutual understanding between peoples. Wherever men can face one another as peers and exchange their considered views on the vital issues of their lives, the constructive potentialities for cooperative peace increase dramatically. Whenever people can share knowledge and information basic to these issues, they establish sound foundations upon which such interchanges can occur most fruitfully, and at the same time provide the means for effective thought and action.

It is to accomplish these ends that the Congress has provided for the establishment of the Center for Cultural and Technical Interchange. As its primary objective, the center seeks to increase and develop mutual understanding between the peoples of the countries of the Pacific area. As a parallel objective, the center seeks the betterment of American relationships with foreign peoples, an objective consistent with and, in fact, dependent upon the first. These are to be effected primarily through two major groups: one, consisting of young people of high intellectual ability who possess leadership potentialities, and two, those mature men and women who are already making significant contributions to their communities in various fields.

Hawaii stands as a brilliant symbol of the day by day success of the democratic processes as they respond to the creative impact of varied cultural and racial groups. Our newest State provides a tangible demonstration of the cooperative accomplishments of peoples of diverse origins, working together as freemen, with mutual respect and consideration. It represents the reality of the American dream, not as a bland assimilation of differences, but as a fulfilled promise in the useful employment of diversities for mutual good. Indeed, Hawaii's people constitute a visible proof that men can live together in harmony. Against this background, and with the knowledge that contact under propitious circumstances between people of different nationalities aids in bringing about understanding, Hawaii has been designated as uniquely appropriate to the site of a center to facilitate the interchange of ideas between the countries of the Pacific area and the United States. This establishment of the center in the Hawaiian Islands, permits utilizing for the benefit of the entire Nation, the unusual resources of the University of Hawaii, the several agencies of the State, the schools, museums, private institutions, and the innumerable services of an alert, informed, and active citizenry.

The promise of the Center for Cultural and Technical Interchange Between East and West is not formed on idle speculation or casual good will, but grows naturally out of Hawaii's geographic location, its refreshing climate and beauteous vistas, its combination of an innately friendly people and an extraordinary social mixture of several nationalities. In this setting, the State University has taken advantage of challenges and opportunities provided by its living community laboratory to play an active role in the development of the democratic society which is its base and its support.

When the Mutual Security Act of 1959 directed the Secretary of State to prepare a program for a Center for Cultural and Technical Interchange Between East and West, the University was ready, on the strength of its experience and the enthusiasm of its interests, to assist in the planning of a series of proposals to achieve the purposes of the act, and subsequently to effectuate them by assuming responsibility for the State of Hawaii to carry out the establishment and operation of the center.

ORGANIZATION OF THE CENTER

The center consists of two principal units: one, an International Training Facility, and the other, an International College. Auxiliary to these, a number of other agencies assist in the carrying out of the purposes of the center.

The first major unit constitutes an on-the-job or in-service training agency, designed to expand and expedite the extensive training programs which Hawaii already has in operation in the educational facilities, industries, and governmental agencies of the State. Through the services of its International Cooperation Center, the State now offers over 100 courses especially designed for foreign participants. These include programs in agricultural extension methods, coffee production, livestock nutrition, pest control, soil conservation, home economics, land use, urban redevelopment, water resources, highway construction, telecommunications, economic planning, industrial administrative practices, business policies, tourism, personnel administration, public health nursing, sanitary engineering, vocational education, school planning and administration, traffic safety, delinquency control, and rehabilitation of the handicapped. As of March 1, 1961, the center awaited the transfer to it of the contract existing between the International Cooperation Administration and the State's International Cooperation Center. In the previous 4 years the State assisted over 3,000 foreign participants from 30 different countries; with the transfer of the ICA contract and the entering into additional arrangements for the sponsoring of participants by other agencies such as the World Health Organization, the United Nations, and the Food and Agricultural Organization, it is planned to provide for an increase in numbers of trainees to as many as 1,000 participants a year, an extension in their duration of stay, and the addition of various new programs and in-service courses.

The second division of the Center for Cultural and Technical Interchange Between East and West consists of an International College, concerned principally with affairs pertaining to higher education. This unit deals both with students and mature individuals who occupy positions of leadership in their home countries.

The International College enables the administration of scholarship grants for students from Asia and the Pacific to undertake studies in the regular courses of the university for which they are fitted. Most of these selected young people will be graduate students concentrating upon disciplines of greatest need in their own countries, but the ratio of graduate to undergraduate students will be adjusted according to such need. A much smaller, but significant number of similar fellowships are also available for American students concentrating on Asian studies. Essential to the learning experience provided by these scholarships is the opportunity of both groups to share study and living experiences in a situation where barriers to friendship and communications are minimal or easily removed. By 1966 plans provide for handling 2,000 scholarship students in residence at the center, all enrolled in regular academic programs of the university.

In addition to the normal curricula of the university available to these scholarship students, several special services and programs, with content specifically devised for their benefit, have been developed in their support. These are integral parts of the center's program and essential to its success. First is an English Language Institute to assure competent training and assistance in the use of English to facilitate the studies and the social contacts of all participating students so that language difficulties will not bar able students from learning in the areas of their interest or becoming isolated without easy means of communication. The International College also includes an American Studies Institute to bring together an already substantial amount of research and a number of courses dealing with American traditions and institutions, and to focus attention on the history and character of American life. The Asian studies program and the overseas operations program of the university, established prior to the creation of the center, have been transferred to the college, and their activities integrated with those of other center agencies. Finally, the college is assisted by the foreign student counseling, testing and guidance, health, and housing services of the university in dealing with problems of immigration, health, recreation, and personal well-being, all to insure the general welfare of the students at the university under center scholarship.

The center is not alone designed to spread knowledge among student leaders, but has been devised to capitalize on past experience in providing opportunities for mature scholars and leaders to consider together the results of their research and thought. This part of the International College's responsibility is lodged in the Institute of Advanced Projects. Under this program a number of scholars, leaders, and specialists from the Asian and Pacific countries and from the United States will be brought together at the university to participate in joint research efforts, special conferences, seminars, and discussion meetings. The university's success in sponsoring the East-West Philosophers' Conferences provides an example of the contribution to mutual understanding which will flow from the institute's activities. A translation bureau to assist in the preparation of material in scholarly journals and to open avenues for communication between the people most deeply concerned with basic issues and problems, will operate as a necessary adjunct to this institute.

The organization of the center is sufficiently flexible to accommodate other possible programs as needs arise. The Center is designed to offer an ideal organization and locale for studies and experiments in the education of Asian students which will be of value to all educational institutions.

INTEGRATION OF CENTER WITH UNIVERSITY OF HAWAII

After careful study of several alternatives, and upon consideration of the extensive resources and plans of the university, both the Department of State and the committee appointed by Governor Quinn concluded and recommended that the center be established as an integral part of the University of Hawaii. All recommendations for conduct of the center, and all actions taken to implement them, have been developed with this basic concept in mind.

The university has had long experience and serious interest in Asian affairs and in subject areas applicable to Asia. It introduced its first courses having to do wholly with Asia 40 years ago, and in the intervening years has expanded those in number beyond 80, in addition to many more which deal in part with Asia.

The university has developed a good oriental library, and has, over the years, conducted numerous institutes and conferences representing its interest in Asian affairs. Most noteworthy of these include an International Race Relations Conference held in 1954, and three successive East-West Philosophers' Conferences held at 10-year intervals during the last 20 years.

Over one-fourth of the faculty of the university is made up of men and women of Asian extraction, and the remainder includes a large number of scholars and teachers who have conducted research pertaining to Asia, plus many others who have traveled in Asia on grants and in various kinds of service to the university. The university has conducted within recent years a most successful program of technical teacher training in Thailand through a contract with ICA.

In addition to such matters as these, the university has developed a number of teaching and research programs which are of special appropriateness for Asian students, including marine biology, entomology, tropical agriculture, and various social studies. The Agricultural Extension Service and the agricultural experiment station of the university provide experience with terrain, soil, crops, climate, and other natural conditions which parallel those to be found in many parts of Asia. This is equally true of various other programs of study in the university.

Of equal importance are numerous courses and extensive research pertaining to the history, culture, traditions, government, and economics of the United States, plus significant programs in the arts and humanities and the natural and social sciences, as well as various technological training courses such as engineering. The university is about to construct a Health Research Institute, partially assisted by a grant from the National Institutes of Health, and has just received a grant from the National Science Foundation for the completion of plans for an Institute of Geophysics.

The university thus provides a competent faculty and staff of diverse abilities, a large physical plant of libraries, classrooms, laboratories, and offices, a land area for basic housing units of the center, and a useful and operable educational and administrative framework which could be duplicated only at inordinate cost. Furthermore, integration with the university assures immediate and continual interchange of information and ideas, provides necessary educational prestige, and makes possible the closest liaison between the center and its activities and the educational institutions of the United States and other Pacific countries.

While the university and the community it represents are offering their resources in the national interest for the development of the center and assistance in the furtherance of the center's programs, the center requires some new physical facilities for its operation in addition to those now available, and substantial funds for scholarships and operations. Chiefly, structural needs consist of dormitories and food services, with some space for library, classroom, research, conference, and administrative units. Planning for facilities has proceeded on the basic premise of enabling and encouraging the integration of international students with the regular student body and the community.

FINANCIAL SUPPORT OF THE CENTER

The State of Hawaii has appropriated through its legislature $803,000 for a dormitory facility, a sum of $124,000 for administrative expenditures in connection with planning the center during 1960–61, $54,000 for the Asian studies program and oversea operations program, which are integral parts of the center, plus smaller sums already employed for the operation of an interim administrative staff. It has also provided funds for studies of campus development and preliminary site plans and architectural studies for the center. The University of Hawaii is contributing its multiple physical facilities as well as the services of its library and its faculty and staff, and is providing a land area of 21 acres valued at about $2,740,000 on its main campus for the special housing and administrative facilities of the center. The university is also undertaking necessary rearrangements of its campus, as by removing faculty housing so as to permit the construction of access roads to the center site, so that an additional $195,000 in land value is being made available.

Under the Department of State Appropriation Act, 1961 (Public Law 86–678, 86th Cong.), the Federal Government has appropriated $10 million to initiate the establishment of the center and to provide for the first year of the center's operation. The

funds made available to the University of Hawaii under grant from the Department of State will be expended as follows:

1. Operational costs of the center	$449,025
2. Scholarships and grants	1,390,000
3. Capital improvements	8,160,975
Total	10,000,000

The original "Recommendations for the Organization and Operation in the Center for Cultural and Technical Interchange Between East and West in Hawaii" contemplated a full fiscal year's operations, but as provision had to be made for the time required to recruit the initial staff for the center after the agreement between the Department of State and the University of Hawaii became effective in late fall, 1960, expenditures in fiscal year 1961 for operations had to be scaled down proportionately. With the exception of the International Training Facility, on which the center was awaiting transfer of the contract between ICA and the State of Hawaii, by March 1, 1961, all agencies of the center had been activated, interim directors and staff appointed, and all programs of the center were in operation.

The statistics of financial support do not disclose the financial equivalent of the many contributions of Hawaii's citizens organized to aid in the successful conduct of the center. The Friends of the East-West Center, with a central secretariat, has established the following committees: Center needs' committee, community projects coordinating committee, membership committee, budget committee, hospitality clearinghouse committee, professional organizations interests committee, career interests committee, special activities committee, public relations assistance committee, and community education committee. The Friends' central secretariate alone has budgeted $15,000 for the balance of fiscal year 1961. Services provided to students and scholars resident of the center and to visitors concerned with the center and in Hawaii for short periods, services which will run the gamut from mere hospitality extended through greeting to extended student-foster family relationships; facilitation of observation placement in Hawaii's business, industrial, professional, and fraternal organizations; provision of funds for entertainment, an item not included in the center's appropriation, and other supplementation of appropriated moneys; and comparable activities designed to integrate center scholarship students and grantees in the unique life of Hawaii, will conservatively cost the equivalent of several hundred thousand dollars a year upon the full implementation of the center's program.

The various governmental agencies of the State already operate training programs for the International Cooperation Center under ICA contracts, and will provide expanded resources for such inservice training for the center when the International Cooperation Center is transferred. It is estimated that the Government, and the numerous private and corporate businesses and industries in the State, as well as private individuals, are now contributing over $225,000 yearly, and this will be increased when training programs are augmented under center aegis. This estimate is based upon approximately $210,000 for value of free services supplied in currently training 302 persons a year, with the balance representing the estimated value of free transportation provided in training activities, and entertainment accorded participants exclusive of the hosts' time.

SCHOLARSHIP GRANTS

Scholarships are granted to both Asian and American students to undertake courses of study within the curriculums of the University of Hawaii. Most such grants are for graduate studies, although awards are also made to well-qualified undergraduates. These scholarships provide for transportation to and from the student's home, tuition, housing, food, books, insurance, incidental fees, and small personal allowances.

Students are selected on the basis of their intellectual capacity and scholastic ability and upon their capacity or potentiality for leadership. Students from Asia are permitted to enter any of the programs of the university for which they are qualified. Students from the United States are granted scholarships to undertake studies in the Asian studies program, the overseas operations program, or any curriculum which has special reference to Asia or the Pacific, such as Asian languages, geography, history, art, comparative philosophy, and comparative government.

Scholarships are normally granted for 21 months, although some awards may be made for shorter or longer periods of time. The scholarships to Asian students for 21 months or longer include, in addition to resident studies of the university, an expense-paid study tour on the mainland of the United States, and grants to American students include an expense-paid study tour of the area of Asia or the country in Asia of particular concern in their studies. The awarding of grants is made by the University of Hawaii, and all scholarships are subject to withdrawal for reasons of health, academic failure, or misconduct.

Students must be willing to assist in various ways to provide for exchange of information about their countries through occasional lectures, class meetings, use as language informants, and in other comparable programs.

Graduate students are admitted by and to the International College as unclassified graduate students and transferred to the graduate school upon satisfactory completion of a qualifying examination admitting them to candidacy for a degree. Undergraduate students are admitted in the same fashion and transferred to one of the undergraduate academic colleges of the university after one semester and upon the showing of adequate English fluency.

At the present time, the university is assisted in preliminary screening of applications by the U.S. educational foundations and American officials abroad. Applications are delivered directly to such agents in most countries, where language tests and first evaluations are made. This cooperation by overseas officials is essential to the success of the center, although the university intends to supplement such services with its own representatives abroad as the program grows.

Applications passed by these overseas committees are forwarded to the International College at the university. The fact that an application is approved for submission to the college does not assure the award of a scholarship. Upon receipt, all applications are analyzed by the admissions staff of the college and sent to the proper instructional departments for evaluation. Each department returns the application to the dean of the International College with a report on the apparent quality of the student, an estimate of his ability to carry on studies in the department, and an indication of the capacity of the department to accommodate the student, plus a rating of the applicant in comparison with others.

Upon completion, such evaluations are presented to an all-university faculty screening committee, where final recommendations for awards are made. The dean of the International College supervises the process of screening and selection, and determines the final allocation of grants according to the objectives of the programs and the overall pattern of studies offered by the university.

Each student attending the university on an extended study grant is expected to incorporate a study trip in his program, financed by his grant. Most such trips will be for a summer, a few for a semester. The purpose is twofold: First, to provide for special studies in another university, special research in another library, or for fieldwork of importance to the individual in his studies; and second, to provide an opportunity for a study of institutions and traditions, and an acquaintance with the people and character of the country. Such travel is not mere sightseeing, and each tour is based on a substantial study program for which the student is responsible to his instructors.

While all scholarships are competitive, the university is fully cognizant of the special problems posed in countries which have developing systems of higher education, where insufficient opportunities for prerequisite education have been available. Every effort is made to include students from these areas, where competition lies between abilities rather than between levels of achievement. In some cases, this will assure the inclusion of scholarships for technical training below the advanced level customary to a university. Such training, where offered, does not of course lead to a degree of any kind.

As of March 1, 1961, 108 Asian and Pacific students had been offered scholarships commencing in February 1961, and 91 had accepted and were in residence at the center, attending classes at the University of Hawaii. The remainder had requested deferrals or for other reasons were unable to accept.

Center scholarship awards as of Mar. 1, 1961 (all February awards in residence)

	February award	September award
Australia		1
Cambodia	3	
Ceylon	2	
Fiji	3	
India	14	1
Indonesia	8	
Japan	20	1
Korea	2	
Laos	5	
Nepal	1	2
Pakistan	4	
Philippines	11	3
Singapore		1
Taiwan	12	2
Thailand	6	
Total	91	11
United States	9	3
Total	100	14

Of this total group of 100 center scholarship students in residence in the spring of 1961, 74 were men and 26 women. Division between those engaged in graduate studies and those enrolled as undergraduates was 84 and 16, respectively. For fiscal year 1962, enrollment of scholarship students (including those who started in February 1961) has been projected to increase to 375, with 300 from Asian and Pacific countries, and 75 U.S. citizens in residence under center scholarship grant, and the screening and selection procedure is well underway.

CAPITAL IMPROVEMENTS

The construction of the physical facilities is coordinated with the projected enrollment. The appropriation of $8,160,975 provides for site improvements, housing for 600 students, transient quarters and apartments, administration and food service facilities, an auditorium, and classrooms and laboratories.

Plans and specifications have been prepared for access to the site, utilities, and site improvements. Competitive bids were received on February 23, 1961, and a contract for this phase of the project has been

awarded to Hawaiian Dredging & Construction Co., Ltd. This contract will provide access to the site by June 1, 1961.

Plans and specifications for the building units are proceeding on schedule. They will be advertised for competitive bids in May, bids received, and construction contracts awarded by July 1, 1961. Not more than 12 months will be allowed for construction, so that the buildings can be completed, furnished, and ready to be occupied in August 1962 or earlier.

CONCLUSION

The Center for Cultural and Technical Interchange Between East and West has been conceived as a service to the Nation, and all plans have been prepared to encourage the use of State and National resources in fulfilling such purposes.

The following principles serve as the basis for the organization and operation of the Center:

(a) The center shall have as its primary objective the increase and development of mutual understanding between the peoples of the countries of the Pacific area. The term "interchange" in the title of the Center shall carry the greatest possible weight and be of the utmost significance in the formulation and carrying out of basic policies and operations.

(b) The center shall have as a parallel objective the betterment of American relationships with foreign peoples. This objective should be understood as consistent with and in fact dependent upon the first objective (a).

(c) The center shall encourage and solicit, indeed make paramount, the fullest mutual cooperation and participation of foreign countries and institutions as well as mainland American universities and other institutions in fulfilling its objectives.

(d) Plans for the organization and operation of the Center shall be flexible enough to be adaptable to multiple, diverse, and changing needs of the countries, students, and senior scholars and leaders involved.

(e) The Center shall actively seek, at home and abroad, foundation and private financial support for its programs and enterprises, along with assistance from existing governmental agencies and legislation. The ultimate aim shall be to reduce special governmental support and increase support from nongovernmental organizations.

(f) All awards, grants, and expenditures made through, for, or on behalf of the Center, shall be devised to acknowledge and develop the highest standards of intellectual achievement and community service in the course of human welfare.

(g) The Center shall seek to fulfill its objectives through two different kinds of people: first, young men and women who are potential leaders in their own communities; and second, men and women of established reputation and achievement.

(h) Grants to individuals shall be made to men and women of promise and ability who may be expected to make or are making a significant contribution to life in their own countries. Such people from abroad should be selected on the understanding that they will return to their own countries upon completion of studies or other assignments pertaining to the operation of the Center.

(i) Expenditures for conferences, research, and other special programs of the Center shall be planned to promote and facilitate the free passage of information and ideas, and be based on the acknowledgements of the mutual capacity and potential of participating individuals and countries.

While high academic standards are imperative, the Center has been planned to examine and utilize nontraditional or unusual, as well as traditional, educational methods and techniques in carrying out its objectives. It has been conceived in relation to and based upon the sound academic structure of the University of Hawaii, but not bound by forms inappropriate to its purposes. The Center will encourage flexibility in method and actively seek to develop new means of education and training of greatest direct benefit to people from Asia, the Pacific, and the United States, consistent with the national purpose of the Center.

ISSUES INVOLVED IN FOREIGN AID

Mr. BRIDGES. Mr. President, the President sent to Congress his message on foreign aid on March 22. He asks for a consolidation of many of the foreign aid agencies and billions of dollars in backdoor spending to carry on a foreign aid program for the next 5 years.

While I have generally supported foreign aid, I have questioned and opposed some foreign aid, particularly to nations avowedly Communist or to nations calling themselves neutral but, in reality, blackmailing us into giving them our taxpayers' hard-earned money by threatening to go Communist.

Mr. President, I believe it is time that the American people take a good, hard, long look at some of this foreign aid.

We, among the major nations, are the only one with a national debt of around $285 billion. We have operated under a surplus only a few times in the last 20 years, and I might add, those surpluses were either under a Republican administration or with a Republican Congress in control. Many of those nations we aided have surpluses in their treasuries.

It is time we ask ourselves, Can we really afford to be as generous as we might like to be?

It is also time we asked ourselves some other questions concerning the return to us for our assistance.

This question has been in the minds of others, also. In the March 22 issue of the Evening Star, of Washington, D.C., Columnist David Lawrence states:

> The time is approaching, however, for a showdown on just how far the United States should go in extending foreign aid and what it should expect in return from the countries aided.

Mr. President, Mr. Lawrence then gets to what I consider the crux of the problem. He writes:

> The biggest single factor that calls for full and thorough exposure is what may be termed "official blackmail." Government after government takes money from both sides. The moment the United States slows down its aid, there is a noticeable manifestation of interest in what the Communists may have to offer. High officials of such a government promptly arrange to visit Moscow, or threaten to do so. This is perhaps the favorite of all the tricks to impress America.

He brings out the fact, to which I agree, as to why any government would want to be neutral between communism and freedom—that there was a time when the difference between freedom and tyranny was clearly understood.

Mr. President, because of the timeliness of this subject and because it is most important to the American people, I ask unanimous consent that the article by Mr. Lawrence, entitled "Issues Involved in Foreign Aid" be placed in the body of the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Evening Star (Washington, D.C.), Mar. 22, 1961]

ISSUES INVOLVED IN FOREIGN AID—FULL EXPOSURE OF "OFFICIAL BLACKMAIL" AGAINST UNITED STATES BY AIDED NATIONS URGED

(By David Lawrence)

When are the people of the United States really going to be informed about the issues involved in spending billions of dollars for foreign aid?

President Kennedy is planning to pursue the same formula, with some minor modifications, that was used by the Republican and Democratic administrations preceding him. The idea is to grant funds and lend money on the theory that the United States has a humanitarian obligation to the poverty-stricken countries of the world. There is also an implication that, unless the United States helps these various countries, Soviet Russia will move in and take over.

The time is approaching, however, for a showdown on just how far the United States should go in extending foreign aid and what it should expect in return from the countries aided.

The biggest single factor that calls for full and thorough exposure is what may be termed "official blackmail." Government after government takes money from both sides. The moment the United States slows down its aid, there is a noticeable manifestation of interest in what the Communists may have to offer. High officials of such a government promptly arrange to visit Moscow, or threaten to do so. This is perhaps the favorite of all the tricks to impress America.

Just why any government would want to be neutral as between communism and democracy is difficult to understand, but the word "neutralist" has suddenly become a most respectable term. There was a time when the difference between freedom and tyranny was clearly understood, and no persuasive reason was offered why any country should be neutral as between the two.

The fact is, moreover, that many countries in Latin America, as well as in Asia and Africa and even in Europe, today are convinced that, if they adopt a neutral position, the United States will come through with large sums of money.

Congress has been bewildered by the growing scope of America's foreign aid program. It is recognized, of course, that some appropriations should be made to strengthen the military position of the United States and of the Western countries in the so-called uncommitted areas. In certain instances money spent to help a national economy or to build up local military forces is a good investment in security for the United States. But when the program reaches into the broader aspects of culture and education, it becomes far more controversial.

If America did not have a national debt of nearly $300 billion and were operating under a balanced budget, and if there were no recession in America with more than 5 million persons unemployed, it might sound reasonable for a part of the surplus bounty of the American people to be given away. But the question now is whether the United States can afford to be as generous in its foreign aid program as it has been in the past.

Undoubtedly the Marshall plan paid off. It gave the nations of Europe needed support in recovering after the war. But this was, in a large sense, a military proposition.

It was important for the United States to build allies in Europe. There is no such justification for the building up of neutrals, for instance, in Africa among countries who never will ally themselves with the United States or the West.

Under the circumstances, America may well be paying out funds to countries which will soon be strong enough to become important adjuncts of the Communist apparatus. This is the chance which the American people are taking. The idea now is being advanced that the Washington Government should exact some assurances as to how the money will be spent and as to whether the countries will put their military forces at the disposal of the United States in the event of serious trouble with the Communists.

Unless the taxpayers' money is being spent for the defense of the people of the United States, it is difficult to see how, in the long run, huge expenditures to countries which are playing both ends against the middle can be justified. There are countries like Egypt, for example, which permit the Communist apparatus to function inside their borders, and yet who want financial assistance from this country. The real question is whether the countries that are being assisted are truly friends of the United States or whether they are now or may later become a part of the Communist apparatus.

It is upon these fundamental issues in the foreign aid problem that Congress is being urged to require a great deal of information before embarking upon the programs being recommended to it by the Kennedy administration.

PROBLEMS OF THE TEXTILE INDUSTRY

Mr. BRIDGES. Mr. President, while reading a booklet entitled "Danger Clear and Present," published by the National Association of Wool Manufacturers, I noted an excerpt dealing with the problems of the textile and apparel industries which I think is particularly timely and revealing. This brief statement focuses the spotlight of attention on the dire need for a flexible quota system on textile imports in order to save this basic domestic industry from bankruptcy.

I ask unanimous consent that the excerpt be printed in the RECORD.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

NATIONAL ASSOCIATION OF WOOL MANUFACTURERS

The U.S. textile industry and its chief customer, the apparel industry, are big—in combination or alone. Together they employ over 2 million production workers—more than any single U.S. manufacturing industry—and have an annual payroll of about $7 billion. Textiles and clothing are basic necessities and the two industries have made Americans, civilian and military, the best clothed people in the world.

The textile industry also supplies a vast array of household products and industrial goods. It is the primary consumer of U.S. cotton, wool, and manmade fibers, and huge amounts of other materials and services.

The importance of the industries to the owners, employees and the economy is evident. But there is still another even more vital factor—national security—which in today's perilous world, means national survival. Concerning defense essentiality, the Office of Civil and Defense Mobilization said as recently as January 30, 1959: "On this point there need be no equivocation. The OCDM regards the textile industry as an essential industry and considers it an essential part of the Nation's mobilization base."

You may ask, "So what?" Just this: The essential textile industry has been seriously damaged by rapidly rising imports. Now imports of apparel are mounting, compounding the injury to textile mills and posing a serious threat to U.S. clothing producers. The two industries and their 2.2 million employees are fighting for survival and they generally believe the Government, in the national interest, must establish textile and apparel quotas for each country exporting these products to the United States, with the quotas divided into product categories to prevent concentration in any particular type of goods.

EXPORT PROMOTION — MACHINE TOOLS

Mr. JAVITS. Mr. President, I ask unananimous consent to have printed in the RECORD at the end of my remarks an article from the New York Times of March 28, demonstrating the leading role of exports to the economic well-being of one of this Nation's most vital industries, the machine tool industry.

A large share of the drop in machine tool orders during the month of February, causing the industry to operate at about 60 percent of capacity, is attributable to a lag in foreign orders. As the executive vice president of the National Machine Tool Builders Association points out, a major impetus towards the rapid revitalization of the industry can be given through an expansion of governmental export services.

Such an expansion is the purpose of S. 1379, the National Export Policy Act of 1961, introduced by Senator SPARKMAN, myself and 17 other cosponsors on March 20. Although President Kennedy has over the weekend made clear his intention to implement some of the proposals contained in the National Export Policy Act, there is no doubt in my mind that the effective implementation of an export promotion program—vital not only to our domestic economy, as demonstrated by the experience of the machine tool industry, but also of the greatest importance to our international economic position—will require early and positive action by the Congress.

Mr. President, it is significant that not only the report of the Committee on Small Business, "Small Business Exports and the World Market," presented yesterday by the distinguished chairman of the committee, but also the final staff report by the Committee on Interstate and Foreign Commerce." The United States and World Trade," emphasize the need for large scale action in the field of export promotion. These reports are a direct reflection of the increasing awareness on the part of U.S. businessmen that exports are a vital element in their profit picture. It is also a reflection of the increasing awareness by Congress and by the executive branch that U.S. trade is the primary tool of our foreign economic policy.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MACHINE TOOL ORDERS PLUMMET—INDUSTRY CALLS FOR FEDERAL ACTION TO REVIVE BUSINESS

Orders for machine tools, the machines used to make machinery, dropped sharply again last month, the National Machine Tool Builders Association reported yesterday.

The organization, through Ludlow King, its executive vice president, made public at the same time an appeal for legislative and administrative changes to arrest the downward trend and revitalize the industry.

In Springfield, Vt., known as Precision Valley because it is the home of Jones & Lamson Machine Co., Bryant Chucking Grinder Co., and Fellows Gear Shaper Co., among others, a committee of local citizens called on Congress for changes in depreciation laws to halt what it called a dangerous drift toward deterioration of the Nation's industrial equipment.

The latest figures, made public in Washington yesterday, indicated the seriousness of the situation. Cutting tools rose in net new orders from $35,750,000 to $39,300,000 from January to February, but forming tools plummeted in the same period from $20,350,000 to $6,700,000. The total dropped from $56,100,000 to $46 million, a decrease of 18 percent.

The changes in foreign net orders pointed up the trend even more sharply. Cutting tools dropped from $14,800,000 to $11,750,000 and forming tools fell from $3,650,000 to $1,150,000. The total fell by 30.1 percent from $18,450,000 to $12,900,000. This was taken to indicate that it is not only domestic orders that are dropping; it is also the foreign orders, which have given the manufacturers here the few plus signs they have had in recent years.

Mr. King, speaking for the producers, had this to say:

"Machine tool industries in practically all foreign countries are working at full capacity with order backlogs of 18 to 24 months. The U.S. industry is producing at about 60 percent capacity with a small backlog. Because of the lively demand for capital goods overseas, together with our ability to make quick delivery, our export business increased substantially in 1960 in spite of the tremendous wage differential between the United States and foreign countries.

"If the Administration and Congress, working together, can develop and put into operation effective legislation and related administrative changes to encourage immediate investment in metalworking equipment, expand credit and insurance for export business and reduce barriers to foreign sales, the U.S. machine tool industry could be rapidly revitalized, its output raised to match existing productive capabilities, with the possible development of a backlog of orders comparable to that in other countries."

The Springfield town committee—a dairy farmer, a manufacturer, a merchant, a labor union chief, a journalist and a machine tool financial executive—called attention to the fact that the machine tool output in the Springfield area, Windsor County, came to fully 10 percent of the Nation's output.

Norman T. Harris, treasurer of Jones & Lamson and a member of the committee, said that the prosperity of the Springfield companies had a profound effect on the community's welfare and that "the level of operations of capital goods throughout the country is looked on as a bellwether for the entire economy."

A TRIBUTE TO PROVIDENCE COLLEGE AND ITS VICTORIOUS BASKETBALL TEAM

Mr. PASTORE. Mr. President, "the Providence College basketball team, the conquering heroes of Madison Square Garden came home to a roaring, screaming welcome in Providence on Sunday afternoon."

I use the calm, considered sentence of the observant newsman to sum up the triumph of a team with the will to win—to win in the name of a school with the Dominican doctrine of clean sportsmanship.

Millions of Americans on their television sets the country over watched the drama as it developed through basketball's most exciting week.

No television writer of the drama would quite have dared to frame in fiction what these Providence players with desire and determination made a fantastic fact of history.

That is the word—"fantastic." The simple line, "Providence College won the National Invitation Basketball Tournament," will always be translated into what national sportswriters have called the most fantastic achievement in their memory.

I like the comment of Ray Meyer, coach of DePaul, speaking the night before Providence College won over his team in a first-round game:

> You have five men on each side, and the side that wants it most, wins it.

The Friars, as the Providence players are known, must have wanted it most. They won it.

Few basketball fans could live through the excitement of another Providence College, Holy Cross game. Tied at the end when a foul try could have won for Providence—and failed—the Friars' spirit picked the victory out of the overtime tremendous tensions.

If that Holy Cross game meant such excitement to the fans, think what it meant to the Providence College players. Wise officials said the game was a match for any ever played at the Garden. Equally wise officials said that Providence College had left its best game there that night. You could not make the gallant team of St. Louis University believe that as the Friars came from behind and clinched the final victory 62 to 59.

Who will ever forget the roar of the crowd as the 5-foot-8-inch Friar, Vin Ernst, was chosen as the most valuable player of the tournament. It is a lasting cheer to the littler men of basketball. Beyond that, Vin Ernst and Capt. John Egan were chosen for the all-tournament first team and Jim Hadnot was chosen for the second.

And every bit of praise is a tribute to the genius and gentlemanliness of the Providence coach, Joe Mullaney.

Not carelessly is the Providence College team called the Friars. It is a title of affection that belongs to the Dominican order of preachers for whom Providence College is a stirring monument of educational excellence and superlative manhood.

Their pride is in the character of the play, not in the conquest. Their pride of their school attracts to its campus ambitious youth from every direction prepared to accept the discipline and to share the destiny of this great and good school.

The graduates of Providence College adorn every avenue of life's effort with credit to themselves, service to their communities and glory to their school.

Of their graduates, as of their players, it may be said that they have the desire to win and the discipline to win with faith and fairness.

This is a proud day for Providence College and its Dominican faculty. For this is not merely a victory of the score. It is a victory of the spirit—the victory of clean sportsmanship. It is victory in the setting of man's responsibility to his fellow man and recognition of the source of all his gifts and responsibilities—his God.

THE FOREIGN AID PROGRAM

Mr. FULBRIGHT. Mr. President, lest our historians fail to note a good—but belated—example of Senate influence in the field of foreign policy, I call attention to the fact that the President's foreign aid message of last week incorporates a substantial number of recommendations submitted in 1957 by the Senate's own Special Committee To Study the Foreign Aid Program.

Members will recall that in 1956 the Senate created a special committee to make exhaustive studies of U.S. foreign assistance programs. Under the chairmanship of the late Walter George, and subsequently under the chairmanship of Senator Green, the full membership of the Committee on Foreign Relations and ranking members of the Committees on Appropriations and Armed Services examined our aid programs, and submitted a unanimous report with a series of specific recommendations. The activities of the special committee were under the immediate direction of an executive committee consisting of Senators Green, Fulbright, Russell, Bridges, Smith of New Jersey, and Knowland.

The special committee utilized the services of a number of research institutions, and asked a number of distinguished private American citizens to conduct on-the-spot surveys of the aid programs around the world.

Reports and recommendations were received from Ambassador Norman Armour, retired; Ambassador David K. E. Bruce, then retired; Ambassador Jefferson Caffery, retired; Dr. John Hannah, president of Michigan State University; William Randolph Hearst, Jr.; Clement Johnston, chairman of the board of the U.S. Chamber of Commerce; Dr. Lewis Jones, president of Rutgers University; James Minotto, former MSA Chief in Portugal; and Allan B. Kline, former president of the American Farm Bureau Federation.

On the basis of most extensive study and hearings, the special committee recommended the creation of a development fund to put economic development assistance on a repayable basis; it recommended a reduced rate of expenditures for military assistance; it recommended that military assistance be administered by the Department of Defense, subject to the foreign policy direction of the Secretary of State; it recommended unification of aid and foreign policies abroad, to provide better coordination of activities; and it called for a reexamination of the personnel policies of the foreign aid administraton. Practically all of these recommendations—now nearly 4 years old—are found in the President's foreign aid message.

In order that Members may review the unanimous recommendations of their special committee, I ask unanimous consent that the recommendations of the special committee be reprinted at this point in the CONGRESSIONAL RECORD.

There being no objection, the recommendations were ordered to be printed in the RECORD, as follows:

V. RECOMMENDATIONS ON FOREIGN AID PROGRAMS

A. CLARIFICATION OF OBJECTIVES OF POLICY

The objectives of the various foreign aid programs should be separated, refined, and restated, as necessary, by the executive branch and the Congress.

All foreign aid undertaken by the United States should serve the national interests of the United States. There are, however, diverse national interests involved in our relations with other nations and various types of foreign aid programs by which these interests may be served.

The committee recommends that the following be regarded as appropriate objectives of foreign aid, to be pursued, as necessary, by separate aid programs:

1. To increase the effectiveness of the military defense of the Nation and to lower its total cost to the people of the United States.

2. To stabilize situations in other countries to the extent that such situations involve the critical security and political interests or the humanitarian concern of the United States.

3. To promote friendly cooperation with countries seeking technical assistance in modernizing their societies.

4. To encourage the evolution of free political and economic systems in other independent nations by assisting them, on a self-liquidating basis, in their economic development.

B. MILITARY AID POLICY

Military aid should be continued and efforts consistent with national security should be made to reduce the rate of expenditures.

The committee finds that military aid is essential to the national defense and recommends that it be continued. On the basis of its inquiry, it believes immediate reductions in costs are possible and notes that in recent weeks the President has proposed a saving of $500 million in his January budget estimates. The committee urges the President to continue to examine the budgetary estimates for military aid for fiscal year 1958 with a view to additional reductions. In this connection the committee calls attention to three specific questions: (1) The suitability of the level of military aid and the types of arms being provided to less developed countries; (2) the possibility that competition for arms aid among recipients is adding unduly to the cost of the program; (3) the possibility that, in planning foreign aid programs, insufficient consideration is given to the impact of arms aid as a factor in generating increased needs for supporting aid.

The committee further recommends that the appropriate standing committees of the Senate make a broad inquiry into the present relationship of military aid to the strategic concept of the defense of the United States in order to determine the effectiveness of the interrelationship and to make recommendations on permanent policy with respect to military aid.

C. NON-MILITARY-AID POLICY

1. Supporting aid should be continued and efforts consistent with national security should be made to reduce the rate of expenditure.

The committee believes that the continuation of supporting aid, which goes in large part to peoples under critical threat of Communist aggression or subversion, is in the national interest. It also believes that reductions in the budgetary estimates for fiscal 1958 are possible, and to that end urges the President to reexamine immediately those estimates country by country. In this connection, it calls special attention to the following: (1) The question of unrealistic exchange rates as they affect the cost of supporting aid; (2) the question of the adequacy of the criteria now being employed by the executive branch in determining areas of critical importance to the United States and emergency situations; and (3) the question of separating from what is now defense support that aid which in fact should be classified as development assistance.

The committee further recommends that the Committee on Foreign Relations study in detail the operation of supporting aid in countries where it has assumed significant proportions and an apparently continuing status, with a view to recommending measures for orderly reduction of such aid and, where possible, its elimination through more intensive economic development of such countries over a definite period of time.

2. Technical assistance should be continued substantially as at present.

The committee recommends full support of this program. It recommends further that the executive branch begin now to consider additional ways in which this program, now named technical cooperation, may actually be made more cooperative in fact.

3. Economic development assistance should be put on a repayable basis through the mechanism of a development fund.

For reasons noted in its conclusions, the committee recommends discontinuance of grants for development assistance, except insofar as technical aid may contribute to this end. It urges, further, that all funds for development assistance be centralized in the proposed development fund. The concept of this fund must not be that of a new name for grants or solely that of a new source of loans on easy terms. The concept should be such as to permit the fund to supplement the lending operations of the Export-Import Bank and the International Bank, to promote the flow of private capital abroad and to encourage the development of private enterprise within recipient countries. As already noted, there are banking and financing devices in addition to loans which might well be encompassed in this concept. It is possible, for example, to envisage the revolving fund being used for joint investments with private enterprise for the acquisition of debentures in national and regional development banks of a quasi-public nature established by other countries. The fund should be so operated as to encourage expanding participation by private enterprise in international development.

D. ADMINISTRATION OF AID PROGRAMS

1. Military aid should be administered by the Department of Defense with foreign policy direction of this aid vested in the Secretary of State.

Present legislation does provide for an administrative arrangement of this kind. In practice, the Department of Defense does carry out the military aid program. As noted, however, the responsibilities of the Secretary of State for providing foreign policy direction to military aid have been delegated to the Director of the International Cooperation Administration. The committee doubts that the Director is in an influential enough position to provide the type of foreign policy direction which must be provided if military aid is to work harmoniously with other aspects of foreign aid and foreign policy. It strongly urges that the Secretary of State assume responsibility for giving foreign policy guidance to military aid.

2. Responsibility for supporting aid should rest with the Secretary of State.

Supporting aid must be responsive to continuing changes in the international situation and to events in recipient countries. Primary responsibility for registering and interpreting these changes into foreign policy rests with the Secretary of State.

The committee is aware of the reluctance of the present Secretary of State to include operating functions in the Department of State. It is also aware of the already heavy burdens of his office in making and administering policy. Operating functions connected with foreign aid will increase these burdens. The committee notes, however, that the instruments of government can hardly be designed effectively if they must be continually reshaped to meet the changing predilections of changing incumbents.

The committee does not, at this time, recommend that Congress insist upon a full merger of the International Cooperation Administration with the Department of State. The logic of such a move is in any event already compelling such mergers in many U.S. diplomatic posts abroad, notably in Europe. The committee believes these mergers are in the interest of more effective and efficient operations and it invites the attention of the executive branch to them. It suggests that the Secretary of State reexamine his position on this question with a view to continuing and speeding up the process of integration of the International Cooperation Administration into the Department.

So long as the International Cooperation Administration continues to exist, the committee urges clarification of its present ambiguous status as a semiautonomous agency within the Department of State. It recommends, in this connection, that responsibility for supporting aid rests with the Secretary of State.

3. Consideration should be given to separating the administration of technical assistance and the proposed development fund from the administration of other forms of foreign aid.

These two types of aid do not normally have immediate political or military impact. Their long-range effect on our relations with other nations, however, may be of the greatest significance. If technical assistance and development assistance continue to be administered together with supporting aid, as at present, their long-range purposes are likely to be obscured and their impact reduced by their being confused with more urgent needs of foreign policy. Furthermore, the committee sees little prospect of placing all development assistance on a repayable basis, as can and should be done, if the intermingling persists.

To make the maximum economic use of the proposed development fund, its operations must be closely coordinated with those of other sources of capital which flows abroad. The committee recommends therefore that consideration be given to vesting control of the proposed development fund in a Government corporation which would include on its board of directors representation drawn from the Export-Import Bank, from the U.S. directorate on the International Bank, from the Department of State, and from the Department of Commerce.

4. Present coordinating arrangements for interrelating foreign aid policies with other activities abroad should be reexamined by the President and the Senate and revised as necessary to insure greater effectiveness.

The committee calls attention to the fact that activities of the Department of Agriculture, the U.S. Information Agency, the Export-Import Bank, and other agencies and departments as well as those of U.S. delegations to various international organizations bear a close relationship to the administration of foreign aid. The committee believes that the need exists to study, clarify, and improve existing procedures for coordination of these various activities and urges both the appropriation authorities in the executive branch and the appropriate committees of the Senate to examine this problem in detail.

5. Personnel policies for foreign aid administration should be reexamined by the executive branch in the light of the committee's other recommendations with a view to securing satisfactory conditions of employment for essential personnel while limiting the number of this personnel by utilizing, where appropriate, private contractors and universities and skilled personnel from other Government departments in carrying out the aid programs.

To the extent that the committee's other recommendations are applied, the committee believes that a substantial contraction in the number of officials engaged in foreign aid operations can be anticipated and, with it, increased effectiveness in these operations. So long as foreign aid is continued, however, the need will exist for capable Government employees—military and civilian—of high competence in these operations. These employees should have satisfactory conditions of employment and tenure as in fact those from the Department of Defense now have and those of the International Cooperation Agency would have if this agency were fully integrated into the Department of State.

To minimize the number of aid personnel, the committee urges that maximum utilization be made of technically competent employees from other departments of the Government on a temporary basis in connection with foreign aid operations. It also urges improvement of present contracting procedures to encourage wider participation on the part of universities and private organizations and firms in these operations.

E. LEGISLATION

1. Future legislation should make clear the distinction of purpose and function as between these principal categories of aid: military aid, supporting aid, technical assistance, and economic development assistance.

The committee notes that the legislative question involved in this recommendation is not so much one of whether these various types of aid are provided for in a single piece of legislation or in two or more. The important point is that whatever form the legislation takes, the purposes of each type of aid should be clearly demarcated and expenditures of funds earmarked for each type should be directed to its specific purposes. Unless this is done, it will not be possible for the people of the United States or the Congress to understand either the distinct objectives or the magnitude of the various programs. It will not be possible to form an evaluation of their varying efficacy. It will not be possible, in short, to control these programs in a responsible fashion.

With particular reference to the proposal which has been made to place funds for military aid in the Department of Defense appropriation the committee believes that, if the President so desires, this change should be carefully considered. If the

change is made, however, the committee believes that such funds should continue to be clearly earmarked for foreign military aid and that Congress should continue to authorize such appropriations annually, pending a clear determination of the role of military aid in the total strategy of national defense.

2. An economic development fund should be established to provide assistance on a repayable basis to other independent nations for economic development purposes.

The committee does not believe that such a fund can be established on a businesslike basis unless it is treated apart from the other types of aid. The one possible exception is technical assistance, whose purposes while presently distinct, in the long run dovetail with those of economic development.

Further, the committee believes that this fund is too important to be set up in haste. Interim measures may be necessary but the fund should not be established in permanent form until its implications have been fully examined by the executive branch and the appropriate committees of the Congress. On the basis of its consideration of this question, the committee recommends that the following criteria should guide the formation of such a fund:

1. All bilateral development assistance, other than that extended by the Export-Import Bank, should be provided through the proposed revolving fund.

2. All development assistance should be extended on the basis of reasonable expectation of repayment. Such assistance must of course involve financial risks but it should not be a camouflaged form of grant aid.

3. The concept of the fund's function should be broader than the extension of soft loans as heretofore described. It should encompass the use of other financial devices for encouraging the flow of capital abroad, including joint undertakings with private enterprise and direct and indirect investments abroad out of the funds resources.

4. The policies of the revolving fund should be closely coordinated with those of the Export-Import Bank and the positions taken by the U.S. representatives in the International Bank. To that end U.S. representation from both sources should be brought into the direction of the fund.

5. The operations of the fund should help to encourage the flow of private capital abroad. Ideally, it should help to bring about the day when private enterprise can carry the responsibility for supplying capital for economic development. To that end representation from the Department of Commerce should be brought into the direction of the fund.

6. The fund should be operated with an awareness of foreign policy considerations. To that end, representation from the Department of State should be brought into the direction of the fund.

7. The fund's working capital should not be provided in a lump sum by Congress but should be built up in an orderly fashion by payments into its capital over a period of years, as the needs become clearer and as Congress has an opportunity to determine how soundly it is being operated.

VI. CONCLUDING COMMENTS

The committee recognizes that the recommendations it has proposed involve far-reaching changes in the concept and the operation of the foreign aid programs. It recognizes that these changes cannot be brought about in a moment. Nevertheless, it believes they can and should be brought about promptly if the foreign aid programs are to continue to serve the national interests.

The committee anticipates that many of its recommendations can find expression in the foreign aid legislation for the fiscal year, beginning July 1, 1957. It believes that there can be a clarification of the purposes and the types of aid programs. It believes that a beginning can be made on the administrative improvements which it has proposed. It believes that there can be an immediate and discriminating reduction in aid provided on a grant basis but it warns against the adverse consequences inherent in indiscriminate cuts to the safety and the international position of the United States.

The committee recommends, therefore, that the Senate consider the President's proposals for mutual security legislation for the fiscal year beginning July 1, 1957, in the light of these immediate expectations. It is convinced that they are reasonable expectations.

Further inquiry into certain aspects of foreign aid programs is desirable and necessary. The need still remains to examine in detail the relationship of military aid to the strategic concepts of national defense, if not those concepts themselves. The need remains to study in depth the operation of supporting aid in many countries. The need remains to study the coordination of aid programs with various oversea activities of other departments and agencies of the Government. The need remains to examine fully the financial and other economic implications of a revolving fund for development prior to its establishment in final form, the examination to include the question of the accumulation of large holdings of local currencies by the United States. The need remains to examine the question of tax incentives and other devices for encouraging the flow of private investment abroad.

The special committee has not examined these questions in detail, partly out of limitations of time and because some of them fall clearly within the competence of standing committees of the Senate. Despite these limitations, the committee is satisfied that it has substantially discharged the responsibility vested in it by the Senate to make a thorough study of the foreign aid programs. It has found that these programs do serve the interest of the United States but that they can be made to serve those interests at a lower cost, and a much higher degree of effectiveness than is now the case.

The committee wishes to make it abundantly clear that foreign aid is not an end in itself but is an instrument of national policy. The objective of our aid policy is to help create conditions in the world which will permit the termination of foreign aid programs, to the end that they will no longer constitute a burden on the American people. The final proof of able administration of the aid programs will be evidenced by the speed with which this end is achieved.

MISSOURI RIVER BASIN DEVELOPMENT

Mr. LONG of Missouri. Mr. President, for the past 17 years, people up and down the Missouri River basin have cooperated on power development, flood control, navigation, and irrigation. Today, that cooperation is threatened as the public power interests press their demand to seize the main benefits of the upstream reservoirs for the upriver States.

If the flow of impounded waters were shut off by the upriver States, it would be disastrous for Missouri, Kansas, Nebraska, and Iowa, so far as benefits from the Missouri River program are concerned.

The industrial growth of these States depends on a bountiful supply of water, providing low-cost barge transportation for the bulk commodities used by industry. If the flow of sufficient water for navigation were stopped, the lower States would be left with nothing but the benefits of flood control. These are important, but they are far less than what was promised by the Pick-Sloan plan.

Prior to the enactment of the Pick-Sloan program, the upper and lower river States fought for their special interests, but got nowhere. Later, the two conflicting groups got together and, with the help of Congress, adopted the Pick-Sloan plan. The result has been an unprecedented series of manmade dams. These reservoirs extend all the way from the South Dakota-Nebraska line to the upper reaches of northern Montana.

Ironically enough, the most impressive gains under the program have been made by the States which now are trying to seize all of the benefits. In the early 1940's when the cooperation program was first proposed, it was suggested that electrical facilities be constructed to provide 758,000 kilowatts. Today, the current capacity of the upstream dams totals 905,000 kilowatts. The estimated capacity under the present Pick-Sloan plan calls for over 2 million kilowatts.

To permit the upriver States of the Missouri River basin to seize all of the benefits of the Pick-Sloan plan would result in destruction of the very meaning of the word "cooperation," to say nothing of the destruction of the Pick-Sloan plan itself.

Mr. President, I ask unanimous consent that two editorials from the Kansas City Star, dated March 21 and March 23, be printed in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Kansas City Star, Mar. 21, 1961]

LOWER MISSOURI BASIN UNDER ATTACK

After many months of threats the public power interests of the upper Missouri basin have moved to seize the main benefit of the upstream reservoirs for the upriver States. Speaking through their Senators, they have asked the President to shut off the flow of impounded waters for use downstream in Missouri, Kansas, Nebraska, and Iowa.

The attack, specifically, is aimed at stopping the flow of water for navigation. But the scope of the assault is much broader. The Missouri River program (the Pick-Sloan plan) was set up for the development of the Missouri basin through all the benefits that come from flood control and the impounding of water behind the big dams. To the upriver States hydroelectric power is the basis for industrial development and irrigation is the means of developing agriculture.

Farther down the river, the hope for industrial growth depends on a bountiful supply of water for industries and low-cost barge transportation for the bulk commodities used by industry.

The proposal for shutting off the flow of water would deny the downriver States their share in the growth promised by the tremendous tax investment in the greatest series of reservoirs ever built by man. Of course, it would leave the downriver States with the benefits of flood control which is very important. But far more was promised by the Pick-Sloan plan.

If this move succeeds it will be a conspicuous failure to keep faith by upriver States. The dams were made possible only because the whole basin joined in a common effort.

Prior to the Pick-Sloan plan the upper and lower river States fought for their special interests and got nowhere. The dry Northern States tried to sell the Department of Interior plans for irrigation and public power with the participation of the States downstream. Their spokesman was W. G. Sloan of the Interior Department.

At the same time the downstream interests gave their support to the Corps of Engineers plan for Missouri River development. The Corps of Engineers concentrated on flood control and the stored water that could be used for navigation and industrial growth. The spearhead of this plan was Col. Lewis A. Pick (later Chief of Engineers and a lieutenant general).

At the end of World War II, the two conflicting groups faced the fact that neither could succeed alone. They joined forces and Congress put the two plans together into the one big program known as the Pick-Sloan plan.

Working together for their mutual purposes, the two groups and the two departments of Government were able to achieve an unprecedented series of manmade dams. The reservoirs now extend all the way from the South Dakota-Nebraska line to the far reaches of the river in northern Montana.

This great public works project is a monument to cooperation. It has already virtually ended the threat of big floods on the main stem of the Missouri. Several more years may be required to give the reservoirs the amount of water intended for permanent storage.

Already it has been possible to raise the commitments for hydroelectric power above the original plan. The lower-river States are beginning to feel the benefit of an assured supply of water. But the overall development expected from the Pick-Sloan plan is still in its early stages. If it continues as planned the future is almost limitless.

Now the big job is to keep the principle that made the Pick-Sloan plan possible. That principle is cooperation—cooperation for the benefit of the whole Missouri basin. If the upriver States were permitted to get by with their destructive maneuver the whole cause of American river development would suffer. No part of the country would be able to count on any commitments that might be made by an administration or Congress.

We would say this is the time for all Congressmen and Senators in this part of the country to start fighting. And the challenge should stir action among all other Members of Congress who believe in the multiple purposes of sound river development.

[From the Kansas City Star, Mar. 23, 1961]

ELECTRIC POWER FROM THE PICK-SLOAN PLAN

The effort of the upstream public power crowd to blow up the whole cooperative plan of Missouri basin development comes at a time when the production of public power at Pick-Sloan dams is expanding rapidly. This is a move to destroy the plan that is showing results for the whole Missouri basin. And the most impressive gains are being made in the States that are now trying to seize all the benefits of the Pick-Sloan program except flood control.

In the early 1940's when W. Glenn Sloan of the Interior Department proposed his river plan, he suggested construction of facilities to produce 758,000 kilowatts of electricity. Today the current capacity of four big upstream dams—Fort Peck, Garrison, Fort Randall and Gavins Point—totals 905,000 kilowatts. And much more is coming.

The ultimate capacity under the Pick-Sloan plan of cooperation calls for 2,048,000 kilowatts, nearly three times the original proposal. Next year, the first units of a new 595,000-kilowatt installation will be available with completion of the big Oahe Reservoir. Big Bend, to be completed in 1964, will provide additional capacity of 468,000. It is interesting to observe that Big Bend originally was planned as a 100,000-unit operation. But changes were made and a new site selected to provide for a far greater capacity. Thus two new dams will more than double the present power output.

Of course, water is required to run the generators. It is true that for several years precipitation in the northern areas has been less than normal. Still, the reservoirs aren't about to run dry. And it isn't a case of using separate, distinct quantities of water for each dam. The same flow runs through all generating facilities. The main additions will come from more generators, not from a huge storage of water.

People up and down the river have supported power development—together with the other essentials of basin development, flood control, navigation and irrigation—for 17 years. But if the public power interests now intend to press their demand for sole benefits from the river, they can hardly expect the continuing cooperation from people interested in the industrial growth of Missouri, Kansas, Nebraska and Iowa.

It strikes us that this is a poor time for the power group to move to wreck the very foundations of the succeeding Pick-Sloan program.

WRITINGS OF FELIX S. COHEN

Mr. HUMPHREY. Mr. President, shortly after my first election to the U.S. Senate, I had the privilege of becoming acquainted with Mr. Felix Cohen, the outstanding legal authority on American Indians. I came to value his counsel greatly, not only on Indian affairs, but also on immigration legislation and on other problems affecting underprivileged groups. I was greatly saddened by his premature death in 1953.

To make certain that his writings are kept alive, Mr. Cohen's widow, Mrs. Lucy Cohen, has over the years patiently and persistently worked on the preparation of a volume of Mr. Cohen's most important articles. The book which she produced, and which has just been published, is a reflection of Felix Cohen and his life. His devotion to the causes in which he believed, his inner drive, and the discipline with which he ordered his life, made it possible for him to crowd into the years that were allotted to him three distinct careers—that of a legal philosopher, that of the outstanding expert on American Indian law, and that of a respected citizen spokesman for liberal democratic thought. The new book serves indeed as a monument to his achievements in each of these fields. I believe my colleagues will be interested in the review of the book which appears in the New York Times Book Review. The review was written by Justice William O. Douglas; and I ask unanimous consent that it be printed at this point in the RECORD.

There being no objection, the review was ordered to be printed in the RECORD, as follows:

SOME PERTINENT REFLECTIONS ON DEMOCRATIC INSTITUTIONS

THE LEGAL CONSCIENCE: SELECTED PAPERS OF FELIX S. COHEN. EDITED BY LUCY KRAMER COHEN. FOREWORD BY FELIX FRANKFURTER. INTRODUCTION BY EUGENE V. ROSTOW.

(By William O. Douglas)

This volume is a collection of a few of the articles and reviews that Felix S. Cohen wrote in the brief years he was with us. Son of the distinguished philosopher Morris R. Cohen, the author spent most of his career (after obtaining both doctorate and law degrees before he was 25) as Assistant Solicitor of the Department of the Interior, where he was concerned with drafting legislation dealing with our natural resources, immigration and resettlement programs, and, especially, with the American Indian. After entering private practice in 1948 he became general counsel of the Association on American Indian Affairs and continued to teach and write about the law. He died in 1953 at the age of 46.

Materials from Cohen's published books are not included. Neither are the illuminating briefs he filed in the Court when he was on the Solicitor's staff of Interior or in private practice. In other words, many of the original creations of this amazing young man are missing from this volume. That is not a criticism, for the book includes articles and reviews largely unavailable to the average reader.

They are organized into three books: "Logic, Law, and Ethics"; "The Indian's Quest for Justice"; "The Philosophy of American Democracy." The first book—"Logic, Law, and Ethics"—reveals the author as a worthy companion of his eminent father. These essays emit penetrating shafts of light into troubled fields: "property is a function of inequality"; the "actual value" of the property of a public utility is "a function of the court's decision"; one may suspect that a court would not consistently hide behind "a barrage of transcendential nonsense" about due process if "the grounds of its decisions were such as could be presented without shame to the public"; the Restatement of the Law is "the last long drawn-out gasp of a dying tradition," etc.

Bentham, Langdell, Cardozo, Holmes, Veblen, Kant, Spinoza, Frank and many other jurists and philosophers are put to the test of logic, nonsense and commonsense. He sees in lawyers' and judges' talk not logic but feelings, not immutable principles but the visceral reactions of differing individuals. He is devastating in his analysis of court decisions when he uses what he calls "word magic." The stimulating first book in this volume might be summed up in one of the closing sentences, "We are all blind men reporting on an elephant."

The second book—"The Indian's Quest for Justice"—reflects the philosophy behind Cohen's monumental work "Handbook of Federal Indian Law" (1941). It is in this field that I knew the man best. No mind that ever delved into Indian affairs was keener, more discerning, more enlightened. There is wisdom, compassion and depth of understanding. The job of "Americanizing the white man" seemed to him to come ahead of "Americanizing the Indian."

There are sentences that should stop the dogmatist in his tracks: "None of us knows enough about the other fellow's way of life to have a right to wipe it out." There are illuminating analyses that end in statements such as this: "It is plain to see that Indians are not second-class citizens; they are not wards; they are not under guardianship; they are entitled to the enjoyment of all the rights of other citizens, not eventually but now." No minority ever had a more faithful advocate.

The final book—"The Philosophy of American Democracy"—is a penetrating analysis of the institutions of government and of business. The mucilage of the social order and of international relationships is examined with freshness and courage. The problems of the pluralistic society at home and across the world are put in new perspective. There is down-to-earthness in such a statement as, "Americans * * * have generally been more interested in avoiding the worst government than in achieving the best."

Colonialism is subjected to a shattering criticism. The role of the immigrant is given new dimensions. Puerto Rico is reappraised, and the dragons of overpopulation, dearth of natural resources and racism are exposed. Relations with the Communist blocs in the world are questioned and new approaches suggested, such as dropping parachutes of rice and corn over Red China. In numerous reviews near the end of the book he chases away many hobgoblins which we tend to fear, and he teaches us the high cost of prejudice.

This is a book for students of sociology, political science, philosophy, and law. It is provocative to the lawyer or official who is willing to have his favorite prejudices disrobed. It makes a mockery of judges who insist that if they were not imprisoned by the law they could do justice.

PHI DELTA KAPPA NATIONAL PROFESSIONAL FRATERNITY IN EDUCATION ENDORSES FEDERAL AID TO SCHOOLS PROGRAM

Mr. YARBOROUGH. Mr. President, I ask unanimous consent to have printed in the RECORD a statement of position by the board of directors of Phi Delta Kappa, endorsing President Kennedy's program of Federal aid to education.

As a cosponsor of S. 1021, the administration's Federal aid to schools proposal, I am highly pleased that this well-informed organization is supporting this proposed legislation.

I ask unanimous consent to have the text of the statement of position printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Phi Delta Kappa, the 90,000-member professional fraternity in education, views most favorably the President's proposals for general aid to education as presented in the Presidential message of February 20 and through the provisions of S. 1021. In all categories of Federal assistance we believe the amounts called for are modest and represent the absolute minimum at which the new program should be initiated.

We agree that the individual States should determine how grants for elementary and secondary education shall be divided between school-building construction and teachers' salaries, and we particularly applaud the equalization feature that would help those States of lesser ability to pay for better educational services. Further, we agree that grants or loans from any governmental source to nonpublic elementary and secondary schools would repudiate the long-established principle of separation of church and State and would constitute a threat to our free tax-supported public school system.

Finally, we would encourage a substantial increase in the appropriation for support of the cooperative research program of the Office of Education. The improvement of education in all phases and on all levels depends on the discovery and development of new knowledge and new techniques. This can be accomplished only through educational research. The immediate pressures on State and local school authorities for support of the existing program and the demonstrated neglect by these units of government to provide funds for educational research prove that this is an area which demands Federal attention.

Signed: Charles R. Foster, president; A. G. Clark, first vice president; Gordon I. Swanson, second vice president; Russel Merkel, recording secretary; Arthur E. Arnesen, comptroller.

Mr. MANSFIELD. Mr. President, is there further morning business?

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

NAVAJO IRRIGATION AND SAN JUAN-CHAMA PROJECTS, NEW MEXICO

Mr. MANSFIELD. Mr. President, I move that the Senate resume the consideration of Senate bill 107, Calendar No. 72.

The motion was agreed to; and the Senate resumed the consideration of the bill (S. 107) to authorize the Secretary of the Interior to construct, operate, and maintain the Navajo Indian irrigation project and the initial stage of the San Juan-Chama project as participating projects of the Colorado River storage project, and for other purposes.

Mr. MANSFIELD. I ask unanimous consent that at this time the absence of a quorum may be suggested, without having the time required for it charged to the time allotted under the agreement which was entered on yesterday.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I now suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ANDERSON. Mr. President, I ask unanimous consent that the committee amendments may be adopted en bloc.

The PRESIDING OFFICER. Is there objection?

There being no objection, the committee amendments were agreed to en bloc.

The committee amendments agreed to en bloc are as follows:

On page 6, line 5, after "(70 Stat. 105)", to insert "as amended by section 9 of the Act of June 27, 1960 (74 Stat. 277)"; on page 13, after line 12, to insert a new section as follows:

"SEC. 9. In the operation and maintenance of all facilities, authorized by Federal law and under the jurisdiction and supervision of the Secretary of the Interior, in the basin of the Colorado River, the Secretary of the Interior is directed to comply with the applicable provisions of the Colorado River compact, the Upper Colorado River Basin compact, the Boulder Canyon Project Act, the Boulder Canyon Project Adjustment Act, and the treaty with the United Mexican States, in the storage and release of water from reservoirs in the Colorado River Basin. In the event of the failure of the Secretary of the Interior to so comply, any State of the Colorado River Basin may maintain an action in the Supreme Court of the United States to enforce the provisions of this section, and consent is given to the joinder of the United States as a party in such suit or suits, as a defendant or otherwise."

On page 14, at the beginning of line 4, to change the section number from "9" to "10", and at the beginning of line 15, to change the section number from "10" to "11".

Mr. ANDERSON. Mr. President, are there any additional amendments to be offered?

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendments to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

Mr. WILLIAMS of Delaware. Mr. President, before we approach third reading, the Senator from New Mexico is in charge of the time on his side. Does he wish to speak further on the bill?

Mr. ANDERSON. No. I occupied the floor for an hour and a half last night. I would be prepared to answer questions on the bill. I understood that the Senator from Delaware desired to speak on the bill. If there are other Senators who desire to speak on it, we could allot some time to them.

Mr. WILLIAMS of Delaware. The time is controlled. What is the time situation?

The PRESIDING OFFICER. The minority leader controls the time in opposition.

Mr. KUCHEL. Mr. President, I ask unanimous consent that the Senator from Delaware be given such time as he desires to use.

Mr. WILLIAMS of Delaware. How much time is available?

The PRESIDING OFFICER. One hour is available on each side.

Mr. DIRKSEN. Mr. President, what is the parliamentary situation?

The PRESIDING OFFICER. The bill is open to amendment.

Mr. DIRKSEN. How much time has been used?

The PRESIDING OFFICER. The proponents have used 22 minutes, and the opponents have used 3 minutes.

Mr. DIRKSEN. Mr. President, I yield 20 minutes to the distinguished Senator from Delaware.

Mr. WILLIAMS of Delaware. Mr. President, yesterday the Senate passed a bill which contained appropriations of approximately $3 billion for the Department of Agriculture, practically all of which will help that Department to keep supporting various agricultural commodities of which we have an overabundance.

Several hundred million dollars of that $3 billion will be used by the Department of Agriculture to make payments under what is called the soil bank plan—payments to American farmers to take out of production some of our good agricultural productive land.

We now have a bill before us which proposes to appropriate $221 million, most of which will go to irrigate land, thereby increasing the productivity of 230,000 acres of land.

It does not make any sense on one day to pass a bill appropriating $3 billion, a substantial part of which will be paid to farmers to take out of production some of our present productive land and then today to turn around and pass another bill authorizing the payment of $220 million which will increase the production of 230,000 acres of land

at a cost to the taxpayers ranging as high as $1,000 an acre.

I know, as the Senator from New Mexico has pointed out, that part of these costs will be allocated to industrial and municipal service of water. Even so, we have very little indication that that will be repaid. In that connection, I will take the figures in the committee report. The report shows that 110,630 acres, which are allocated in the so-called Navajo tract, are represented as expected to cost about $135 million.

In the committee report, it is admitted that only $21 million is on the basis of being repayable in from 50 to 100 years. If I am in error, I hope the Senator from New Mexico will correct me.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. ANDERSON. That amount is repayable; but under the Leavitt Act, those amounts which are advanced to the Indians for irrigation projects are not reimbursable until the Indians dispose of the land, if they dispose of the land, or until the tribe disposes of the land. Then the amounts might be reimbursable. I do not believe that will happen. Therefore, I agree with the Senator from Delaware that the great bulk of the $134 million is not reimbursable.

Mr. WILLIAMS of Delaware. I thank the Senator from New Mexico; that was as I understood it. Therefore, we have a situation under which we are paying approximately $135 million to bring into production this 110,000 acres of land, or an average cost of $1,227 an acre.

In addition, I understand that this project is presented on the basis that it will provide work for about 18,000 to 20,000 Navajos and will provide an improved standard of living. But, again, if we use a figure of 20,000, this would represent a cost of $6,750 per capita. If such an expenditure is necessary why not make such an expenditure directly through the Indian service appropriations?

Then we find there are 120,900 acres which are to get water under the bill, none of which is in the Navajo Indian tract at all. Altogether there are 230,000 acres of new land being brought into production under this bill at a cost to the taxpayers of from $445 to $1,200 per acre.

Mr. ANDERSON. The Senator from Delaware knows that this has nothing to do with the Navajo tract it relates to another part of the bill.

Mr. WILLIAMS of Delaware. The Senator is correct. There are two sections to the bill.

Mr. ANDERSON. This is not a per capita charge against Navajo land alone, because the $134 million involves a canal wnich will bring water for municipal purposes down to the city of Gallup. It will be for the enlargement of a canal to bring water down to a community to be called Navajo, where the Navajos are planning to expend $7½ million for the erection of a sawmill. All the water which will be used in that community and for the sawmill, is also to be served by the canal. Nor does it involve a portion to be charged to the Arizona Power Co., which is building a large plant in the Four Corners area, from which it will carry power to the city of Phoenix. Those projects must be included in the general outline of the bill, even though they are not chargeable to the agriculture feature of the bill.

Mr. WILLIAMS of Delaware. That is true, but the Senator has spoken of only the part of the bill dealing with the Navajo Reservation.

Mr. ANDERSON. Yes; that comes to $134 million.

Mr. WILLIAMS of Delaware. Yes.

Mr. ANDERSON. I do not believe that it all should properly be charged against the 110,000 acres that will be served, because additional facilities will be served. I used last night the figure of $1,000 an acre. I will stand by that figure.

Mr. WILLIAMS of Delaware. A substantial part of that will go for irrigation costs, as explained by the committee report.

Mr. ANDERSON. Yes, but I want the Senator from Delaware to understand that all the land which the Navajos will farm, with the exception of about 7,000 acres, is now inside the Navajo Reservation. It is contemplated that those 7,000 acres will also be brought inside the reservation on an exchange basis.

Mr. WILLIAMS of Delaware. That is true; but we still cannot get away from the fact that at a minimum approximately $1,000 an acre will be spent toward irrigating this particular 110,000 acres of land.

Mr. ANDERSON. With that statement, I agree.

Mr. WILLIAMS of Delaware. We are paying $1,000 an acre in that area for this 110,630 acres to bring it into production, or to increase its productive capacity, at a time when under the bill we passed yesterday we will pay $3 billion to support agricultural commodities, or to dispose of them at a great loss, and then in addition pay farmers to take some of their productive land out of production.

It is a contradictory policy to pass on one day a bill to pay from $40 to $50 an acre per year under the soil bank plan, to have farmers take land out of production, and then turn around and advance $1,000 an acre to bring other land into production.

Mr. ANDERSON. Except that this proposal is for the purpose of producing crops which will not compete with crops in production at all.

Mr. WILLIAMS of Delaware. I disagree with the Senator from New Mexico, because even though the land proposed to be brought into production is not for the purpose of raising corn or wheat, it will produce sorghum and other types of feed grains. It will increase supplies of agriculture commodities.

By the same line of reasoning, when it was said that we could increase the acreage of sugar in this country by a million acres it would take out of production a million acres of some other crops.

Mr. DIRKSEN. Mr. President, will the Senator from Delaware yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. DIRKSEN. I should like to ask the Senator from New Mexico if it is true that out of the $136 million, only $21 million is reimbursable.

Mr. ANDERSON. I explained before the able minority leader came into the Chamber that $134 million or $135 million—I shall not quibble over the difference—under the Leavitt Act is not reimbursable. But this proposal does not apply only to this project. Any Indian irrigation project is not reimbursable until the Indian sells the land. If the Indian disposes of the land, or if the tribe disposes of the land, it then becomes reimbursable. But so long as the Indian owns the land, the amount is not reimbursable. This fact is based on a long series of actions under the Leavitt Act, which has been on the statute books for a generation.

Mr. DIRKSEN. I was interested only in this question: What is the net amount which will be taxed against the Treasury of the $135 million, if only $21 million is reimbursable as such?

Mr. ANDERSON. About $110 million will not be reimbursable and is a direct charge to the Treasury, until the Indians make some disposition of the land.

I have said repeatedly that I hope the Navajos will never dispose of this irrigation district. Therefore, I think it would be fair to say that this is a long-time charge against the Treasury of the United States.

Mr. DIRKSEN. What has been the record in other districts? Have there been comparable situations, and how much actually was recaptured?

Mr. WILLIAMS of Delaware. What the Senator from New Mexico has said is correct, but he is speaking only of the Navajo irrigation project, which is the first part of the bill. If we move over to the other part of the bill, which deals with the proposed irrigation projects on the San Juan-Chama districts to provide water for another 120,000 acres of land, not a part of the Navajo Reservation, we would get a truer picture in answer to the question of the Senator from Illinois, and a better comparison of the payments on other irrigation projects.

Mr. ANDERSON. I understood the distinguished minority leader to ask what has been the record of repayment. I was ready to admit that the record of repayment is poor. But it is not confined to one particular section of the country. It is everywhere over the whole country. Some of them have been undertaken in accordance with treaty obligations. When that happens, the United States does have a loss when it fulfills treaty requirements.

Mr. DIRKSEN. Is there a treaty involved in this instance?

Mr. ANDERSON. The Navajos have been suing the Federal Government for a long time. There has been a removal of the Navajos physically from their reservation, and then a moving back to the reservation. In that treaty, the Federal Government agreed to provide schools for every 30 Navajos. It has never done so. It is approaching that problem now. The Federal Government has never fulfilled that treaty obligation.

It has many other obligations, including the providing of homes for the Navajos. We hope that providing homes for some 10,000 or 15,000 Navajos will remove that part of the litigation from the courts and permit the Navajos to stay on the ground. We hope that will be done. I do not represent that that will be a complete offset of their claims against the Government, but that is being done through agreement in response to a long-standing treaty obligation.

Mr. DIRKSEN. Has any opinion been rendered by the Department of Agriculture with respect to this matter?

Mr. WILLIAMS of Delaware. I have failed to see any report in which the Secretary of Agriculture has approved this bill. It is my understanding—and the Senator from New Mexico can correct me if I am wrong—that an opinion of the Secretary of Agriculture was not requested by the Senator's committee. Is that correct? Has the Secretary of Agriculture made any recommendations in connection with this proposal, or has his opinion been asked in connection with the bill before us today?

Mr. ANDERSON. I would not say whether anyone in the Department of Agriculture was asked again in connection with the bill. I think not. This is a bill which twice passed the Senate and in the early stages the opinion of the Department of Agriculture was requested.

The Department of Agriculture has parties which have been out surveying the ground as to its usability.

I think I should have to answer the Senator from Delaware by saying on this particular bill, S. 107, the opinion of the Department of Agriculture was not asked.

Mr. WILLIAMS of Delaware. That is my understanding.

Mr. ANDERSON. But before the committee there was testimony by the Navajo Tribe that the crops they would grow are not now in surplus production in the United States.

Mr. WILLIAMS of Delaware. I also understand that when the Department of Agriculture was asked about the previous bills on this same project they opposed such legislation.

Mr. ANDERSON. They opposed it?

Mr. WILLIAMS of Delaware. So I understand.

Mr. ANDERSON. Oh, I do not think so.

Mr. WILLIAMS of Delaware. Is there any record to the effect that the Department ever endorsed this bill?

Mr. ANDERSON. I think so.

Mr. WILLIAMS of Delaware. I was talking this week to officials in the Department. Certainly I would not for a moment question what the Senator from New Mexico has stated. But it was my understanding from talking with officials in the Department just the other day that they are opposed to it; and I did not get the impression that previously they had endorsed it. I may be in error about what their position will be, but they strongly indicated that they had grave questions about the increased productivity of the new acreage which would be brought into production.

I think the position of the Department of Agriculture on this matter should be obtained, and we should have from the Department a report showing a breakdown of the crops expected to be produced.

We have been referring to the first part of the bill which deals with the Navajo Reservation. Of course, I recognize there is a great deal of sympathy in regard to doing something to improve the living standards of the Navajos. But section 6 of the bill and the remainder of the bill have nothing at all to do with the Navajos. This last portion of the bill provides for bringing water to 120,900 acres in New Mexico divided as follows: approximately 39,300 acres of land in one irrigation unit and approximately 81,600 acres of land in the existing Middle Rio Grande Conservancy District. This project is to cost $86 million. Of this, $29,200,000 has been allocated to municipal and industrial water supply uses; $53,400,000 is allocated for irrigation, but all of this $53,400,000 is not expected to be paid back by those who would use the water for irrigation.

The committee report very clearly sets forth that approximately $8 million of that amount is reimbursable.

I should like to have the Senator from New Mexico comment on that point if he disagrees with these figures.

Mr. DIRKSEN. Mr. President, will the Senator from Delaware yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. DIRKSEN. Why would it not be a good disposition of the bill to have it recommitted to the committee, and then obtain an opinion from the Secretary of Agriculture, and investigate the whole matter a little more thoroughly?

Mr. WILLIAMS of Delaware. I think that would be excellent, and I think all of us could vote more intelligently on the bill if we had the benefit of a report by the Department of Agriculture giving us a breakdown in regard to the crops which are expected to be produced on this 230,000 acres of land. If we are to spend Federal funds to increase the productivity on the 230,000 acres of land by bringing water to that land, we should know what crops will be produced. Why pay approximately $1,000 an acre to irrigate the 110,630 acres in the Navajo tract and why pay as much as $445 an acre to bring water to 120,000 acres in the adjacent tract—the San Juan-Chama tract—and not know what crops will be produced. By all lines of reasoning we should know what is going to be produced on that land.

Mr. DIRKSEN. Let me respectfully suggest to the Senator from Delaware that he now make his motion to recommit; and if he wishes to have a record vote taken on that question, at this time he could request the yeas and nays.

Mr. WILLIAMS of Delaware. Mr. President, I now move that the bill be recommitted; and if there are enough Members on the floor at this time, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second of the request for the yeas and nays on the question of agreeing to the motion of the Senator from Delaware that the bill be recommitted?

The yeas and nays were not ordered.

Mr. WILLIAMS of Delaware. Mr. President, later I shall renew my request for a record vote.

Mr. LAUSCHE. Mr. President, will the Senator from Delaware yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. LAUSCHE. The Senator from Delaware has just now pointed out that the cost of the San Juan-Chama project would be $86 million, and that $53 million is assigned to the cost of developing the irrigation facilities.

Mr. WILLIAMS of Delaware. That is correct.

Mr. LAUSCHE. If this bill is enacted, we shall be authorizing the expenditure of $53 million on the San Juan-Chama development, to increase the production of farm crops. May I ask the Senator from Delaware how this measure, this week—a measure which calls for the expenditure of this much money, in order to increase the production of farm crops—compares with the measure passed 2 weeks ago by the Senate, when it voted for the expenditure of funds to decrease the production of farm crops?

Mr. WILLIAMS of Delaware. I referred to that argument at the beginning of my remarks; I said the two actions cannot be reconciled, for the two programs are contradictory.

On the previous occasion, the Senate voted to authorize the payment of hundreds of millions of dollars in order to take out of production good productive soil in the United States; but in this instance it is proposed that $445 per acre be spent to increase the productivity of the 120,000 acres and over $1,000 an acre to irrigate another 110,000 acres. Nor will these costs be repayable; I read from page 9 of the committee report:

> Irrigation water users probably would repay about $8 million of the allocation to irrigation.

I do not quite understand how that figure was arrived at, but on one project we are told $53 million is to be allocated to the irrigation projects. This is set forth on the other page of the committee report—I do not quite understand how that can be reconciled with the repayment of only $8 million. Nevertheless, that is what the report states.

I am referring here specifically to that project which is not a part of the Navajo Reservation.

Mr. CHAVEZ. Mr. President, will the Senator from Delaware yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. CHAVEZ. The reason is that the bulk of the land to be irrigated belongs, or will belong, to the Indians. The land which goes to the non-Indians is the minimum land, and the cost of irrigating it can be paid. So far as the Indians are concerned, they do not have to pay one penny.

Mr. MANSFIELD. Mr. President, at this point will the Senator from Delaware yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. MANSFIELD. Mr. President, in connection with the motion to recommit, I ask for the yeas and nays.

Mr. ANDERSON. Has the Senator from Delaware moved that the bill be recommitted?

Mr. WILLIAMS of Delaware. Yes.

The PRESIDING OFFICER. Is there a sufficient second of the request for the ordering of the yeas and nays?

The yeas and nays were ordered.

Mr. WILLIAMS of Delaware. Mr. President, in reading the committee report, I find that the entire bill calls for $221 million, with $135 million of that amount allocated to cover the cost of irrigating 110,630 acres on the Navajo project. Of that amount, $21 million is said to be reimbursable over a period of 50 to 100 years.

Then it is proposed to bring water to 120,900 acres of the San Juan-Chama tract, and $53,400,000 is allocated as the cost of irrigation in this area.

But in the same committee report it is stated that the same "irrigation water users" probably "would repay about $8 million of the allocation to irrigation." I cannot reconcile those two statements; and I should like to have the Senator from New Mexico state which will be repaid—either the $8 million or the $53 million.

Mr. ANDERSON. Last night I tried to state, again and again—and I repeat now—that we think most of this water will be used for municipal purposes. Once the Department of the Interior works up a project—and this one was prepared years and years ago—it does not change the allocations as to how much will be developed for irrigation and how much will be developed for municipal water.

Last night I pointed out to the able Senator from Ohio [Mr. LAUSCHE] that in 1920 the population of Albuquerque was 15,000; in 1930, it was 22,000; in 1940, it was 36,000; in 1950, it was 96,000; and in 1960, it was 200,000. As a result of that very rapid growth, there has been a demand for municipal water; and that is the highest use that can be had, insofar as repayment capacity is concerned.

We intend that a great deal of water will be sold for municipal water, not only in Albuquerque, but at Santa Fe, Socorro, Belen, and there will be use of it not only at Los Alamos, but at Sandia, Kirtland Base, and the project known as the White Sands development area. When that municipal water is used, it is repayable at a much higher price, and every gallon so used is reimbursable. We anticipate that nearly all of the $86 million will be repaid. We expect very little of it will be used for irrigation in the Middle Rio Grande Conservancy District.

The Senator has been using the figure of 81,000 acres. I doubt whether any of that water is going to meet the irrigation demand, but the other, which deals with the 39,000 acres in northern New Mexico, will be made available, and only a small amount will be reimbursed, because there is great poverty in that area. There has been a great amount of relief payment. People are on relief. It has been declared a distressed area, and the Department of Agriculture is taking its food program there on a test basis. Therefore, the people there who will be served with water will probably pay only a very small amount and will be charged with only a small part of the $86 million.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I would like to reply to the Senator from New Mexico briefly, but I yield to the Senator.

Mr. CHAVEZ. The reason for the distress in that northern area, in order that the Senator from Delaware may understand, is that the San Juan flows west and the Chama flows southeast and then south into the Gulf of Mexico. My colleague from New Mexico talks about the water in northern New Mexico. The distress that has been brought about is due to the lack of water. The people were there before the time the Pilgrims landed in New England. There would not be this distress if the people could use the water that actually belongs to New Mexico. That is the reason for the San Juan-Chama project, plus taking care of the Navajos.

Mr. WILLIAMS of Delaware. I go back to what I said in the beginning. I think the Senator from New Mexico is slightly confused on this point. I want to get it straight because it is important. I am speaking now only of the San Juan-Chama project, not the Navajo project.

There are involved in this tract 39,300 acres and 81,600, or a total of 120,900 acres. The total cost of the San Juan-Chama project as reported by the committee is $86 million. The committee report, on page 8, has broken down the $86 million cost as follows, and I am reading from the report:

> Of the estimated project construction costs, reimbursable allocations of about $29,200,000 have been made tentatively to municipal and industrial water supply.

That is, $29,200,000 have been allocated to municipal and industrial supply. I read further from the report:

> Fifty-three million four hundred thousand dollars to irrigation and three million dollars to future uses.

Fifty-three million four hundred thousand dollars is to go to irrigation.

Reading from page 9 of the same report, beginning about the second paragraph, I read further:

> Irrigation water users probably would repay about $8 million of the allocation to irrigation.

I am asking somebody to reconcile those statements. If this report is to be accepted there will not be full repayment for the irrigation on this land. In fact, the committee report claims only $8 million to be repaid over the next 50 or 100 years.

Mr. ANDERSON. I tried to answer, and I will try to answer again. If the amount of water involved in irrigation of 81,000 acres of land was all to be applied to irrigation, the people who got that water would not be able to stand the burden, because the water that is put through the transmountain diversion is at a very high cost rate. Therefore, rather than get it all on irrigation, they have tried to reconcile, within that proposal, the provision for municipal water far beyond what the original proposal contemplated. At that time Albuquerque was a rather small city of 35,000.

Mr. WILLIAMS of Delaware. There has already been allocated $29,200,000 to municipal and industrial use. Where is it indicated in the report that any part of the $53,400,000 will be collected from municipal or industrial use?

Mr. ANDERSON. The Senator has overlooked the word "tentatively." The report reads:

> Twenty-nine million two hundred thousand dollars have been made tentatively to municipal and industrial water supply * * *.

Mr. WILLIAMS of Delaware. All of this would have to be tentative, but we have a a right to expect it to be allocated with a reasonable degree of accuracy. These are not rounded figures.

Mr. ANDERSON. It is not allocated with a reasonable degree of accuracy; it can be secured only tentatively until contracts are entered into with the municipalities. When contracts are entered into, it will no longer be tentative; there will be a firm commitment.

We expect that of the $86 million at least $50 million, and we expect as much as $70 million, will come from municipal water use. The portion which is allocated to 39,000 acres is exchange water. I agree that only a small portion of that will be repaid.

Mr. WILLIAMS of Delaware. I think this discussion only illustrates the importance of sending the bill back to committee until we can get a more complete report from the Department of Agriculture.

Mr. ANDERSON. The Senator knows that that action is not going to produce anything. He knows that when he proposes to send the bill back to committee.

Mr. WILLIAMS of Delaware. If we are going to spend $445 an acre we need all the information available. Under the second part of the bill $53,400,000 is to be allocated to irrigation; that water will be put on 120,900 acres at a cost of $445 an acre.

In the same report, on page 9, it is stated that users of this water would probably repay $8 million of the allocation to irrigation. The difference will amount to $378-an-acre subsidy, and I do not see anything provided in the bill to collect except to collect it from the taxpayer. The taxpayer would be paying $378 an acre over and above the reimbursable items to bring that land into production or to increase its productivity. I am quoting from the committee report. Certainly, if such money as that is going to be spent for water to be used on this land it is expected to increase its productivity, and if the productivity of the land is increased on the 120,000 acres, more agricultural products are going to be produced.

The Senator from New Mexico knows that.

Mr. ANDERSON. Surely, except for one thing. Over and over again, when the bill was up for debate, the same statement has been made, that the 81,000 acres included the Middle Rio Grande Conservancy District, against which has been charged $400-an-acre cost, would

not participate in the San Juan transmountain diversion, which is in there because the projects are needed there. If it has the water available in the next 5 years, it will try to sell it, as is being done in the Norman project, in the Amarillo project, in the Cheney division of the Wichita project. It is not going to be charged against them because the water is going to be taken out for municipal use. That is what is going to happen.

Mr. WILLIAMS of Delaware. I have great respect for the Senator from New Mexico. Momentarily let us withdraw the 81,600 acres from the discussion and speak of the remaining 39,000 acres. If we allocate all the cost to the 39,000 acres, as I read the bill there will be allocated $53,400,000 to irrigate that land. If we are not going to include the other acreage in the allocation of the cost there would be a cost of over $1,000 an acre. I do not think the Senator wants to say we are going to apply all the benefits of the bill to that one area.

I give the Senator the benefit of the broad breakdown, which would bring the cost down to $445 per acre.

Mr. ANDERSON. I hope the Senator from Delaware realizes that when one does not put water upon land one does not allocate charges to the land. If the 81,000 acres are to be taken out, it would be necessary to take out the share of the 81,000 acres in regard to the $53 million, and to put that share upon the municipal water.

This is not a new approach. This procedure has been followed in bill after bill after bill passed by the Congress. It is not new in this instance at all.

I say to the Senator from Delaware, I tried to explain last night to the able Senator from Ohio that in the original concept of the Middle Rio Grande Conservancy District there was a tract of land of 1,706 acres. I eventually bought that tract of land. That tract of land is not being used, in this particular instance, for a bit of the water. A great deal of the land is in a subdivision. No water is being put on it. We are pumping water to it.

In a short time my tract of land will have shrunk to less than 23 acres, on which I have my own house, my own stables, and my own property. The rest of the land is all in a subdivision, which I have owned recently.

Therefore, we would not start assessing against the irrigation benefits at $400 and some an acre. We would sell the municipal water, charge the higher price, and liquidate the entire debt. That is what will happen in this project.

Mr. WILLIAMS of Delaware. I do not question for a moment what the Senator from New Mexico says. I merely point out that if that was the intention of the committee and if it is going to happen, then why, out of the sum of $86 million, is there an allocation of only $29,200,000 to municipal and industrial water supply? Why did the committee not give us a more accurate estimate as to how the costs will be apportioned?

Mr. ANDERSON. I have tried to explain to the Senator.

Mr. WILLIAMS of Delaware. I am simply quoting from the committee report.

Mr. ANDERSON. We cannot make that allocation until we know what contracts will be made with the municipalities, any more than we can build the San Juan transmountain diversion until a contract is made.

We finished, only a short time ago, the Amarillo project. The Congress authorized the Amarillo project in the late 1940's, I think it was. It may have been 1950. I am not sure exactly what year it was. It was passed by the 81st Congress, in any event; and I believe the date was 1950.

The Amarillo project involved a cost of approximately $90 million. A great portion of the project was allotted to irrigation, but that much was not spent for irrigation. A great deal was spent for municipal water for the area. The water will not be charged off as an irrigation cost, but the cost will be reimbursable, with interest, to be paid by Amarillo and the surrounding communities.

The Senator from Delaware could have picked up a copy of the bill for that project and said, "This is terrible. You are charging hundreds of dollars an acre to the land." The project did not work out that way.

The same principle applies with respect to the Norman project, in Oklahoma. The same principle applies with respect to the Wichita project, in Kansas. This is not a bit different.

Mr. WILLIAMS of Delaware. All I point out to the Senator is that if we needed the extra production in agriculture I would say it was a wonderful thing to have this reservoir of potential productive capacity. We could then irrigate and increase our agricultural yields. I think it is great that we have such a reservoir.

The point I make is, Why should we bring such land into production now, and then put it into the soil bank so that the Government can pay men $40 or $50 an acre not to use it? Why should we pay $300 or $500 or $1,000 an acre—whatever figure the Senator wishes to use—of the taxpayers' money to make this land productive and then turn around, in another program, and permit another agency of the Government to give farmers $40 or $50 an acre to take the land out of production? It does not make sense to do so at a time when we do not need the increased production.

Mr. LAUSCHE. Mr. President, will the Senator yield to me?

Mr. WILLIAMS of Delaware. I yield.

Mr. LAUSCHE. Last night in the discussion I had with the Senator from New Mexico the opinion was expressed that the Navajo desert land had a value of between $5 and $10 an acre. If we take the median of those figures, the value would be $7.50 per acre.

Under the provisions of the bill the Government would have to spend $136 million to provide water for land which is worth $7.50 an acre. In other words, if the Government spends approximately $1,200 per acre for the provision of water, the land can be made productive. Is the Senator familiar with that fact?

Mr. WILLIAMS of Delaware. The Senator is correct. We pointed that fact out. As the Senator from New Mexico pointed out, even after we subtract from the $136 million project cost the cost of that water which is expected to be used by the municipalities or the towns in the area, we still have a cost of around $1,000 an acre which it will be necessary for the Government to spend to bring the land into production, to increase the productivity of the land.

The cost of irrigating the second area dealt with in the bill is $445 per acre.

I was not present when the Senator from Ohio pointed out the land value. The land, as the Senator says, sells today for perhaps $10 an acre. I certainly do not object to helping the Indians, but this project is not all for the Indians.

The Senator from New Mexico says that the bulk of the collection will be from industrial and municipal uses of water. I disagree with that conclusion. I am simply quoting from page 8 of the committee report, in which it is specifically pointed out that only $29.2 million has been allocated to municipal and industrial water supply.

It is true that in the same report it is pointed out that money will be collected from municipal and water users over a period of time, totaling an estimated $55,622,000. I simply point out that the figure of $55 million, which it is stated will be collected, is arrived at by amortizing the loan over a period of 50 or 100 years. Both of those year terms are mentioned in the bill. I do not know which term of years will be used. With the interest added on for 50 or 100 years the sum of money the Government may collect in that period of time may be $55 million, but that does not change the irrigation cost figures.

I simply invite attention to the fact that in the meantime the Government will be paying at least 4 percent interest on the $29 million because it is necessary for the Government to borrow the money. In addition, the interest the Government will collect will be at the rate of only 2.63 percent.

Mr. ANDERSON and Mr. LAUSCHE addressed the Chair.

Mr. WILLIAMS of Delaware. I yield first to the Senator from New Mexico, and then I will yield to the Senator from Ohio.

Mr. ANDERSON. I hope the Senator will state he recognizes that the figure of 2.63 percent, which was used by the able Senator from Ohio last night, is a figure which represents the average interest cost to the Government on its long-term debt.

Mr. WILLIAMS of Delaware. No; I do not.

Mr. ANDERSON. Just a minute, please. If the cost should go up to 4 percent, that would be the charge against the land. It is so provided in the bill. There is the same provision in regard to the upper Colorado storage project, and every participating project comes under the provision.

I was the author of Senate bill 500. I think I know what is in the bill.

The Senator from Delaware must know, when he refers to 4 percent, he is saying that the long-term interest rate paid by the United States on its seasoned bonds will be 4 percent, and that it is not 4 percent now. The figure now is 2.63 percent. The interest which would be charged against the district is 2⅝ percent, which is the rate to the nearest one-eighth percent of the average cost to the Government of the United States.

Does the Senator have anything to say to contradict my statement?

Mr. WILLIAMS of Delaware. I certainly do.

Mr. ANDERSON. What is it?

Mr. WILLIAMS of Delaware. I ask the Senator from New Mexico to show me any specific instance in the last 2 years in which the Government has been able to sell its long-term bonds at any interest rate such as he mentions.

Mr. ANDERSON. The Senator is switching his position again.

Mr. WILLIAMS of Delaware. I am not. I said the Government could not borrow this money for less than 4 percent.

Mr. ANDERSON. I said it was the average cost of the long-term debt.

Mr. WILLIAMS of Delaware. I know what the Senator said. I point out that the Senator said he referred to the average interest cost on long-term bonds, which takes into consideration that the Government has some 2½-percent bonds on the market which are selling far below par. The Government may have some 1½-percent bonds out.

Mr. ANDERSON. If the Senator will permit me to interrupt——

Mr. WILLIAMS of Delaware. Just a moment. All of those bonds, at stated rates of interest, are taken together and averaged out, and that gives the rate of 2.63 percent. The Senator from New Mexico knows very well that if the Government goes to the market to sell its bonds today—and that is what it will have to do in order to raise the money for this project—the Government cannot sell its bonds today for 3¾ percent or 4 percent interest. That is the case today, and a year ago the interest rate was higher than it is today.

The Senator from New Mexico knows as well as I that the Government cannot today sell long-term bonds at the rate of 2.63 percent, or borrow money at such a rate. We are speaking of money the Government will have to borrow.

I do not propose to amend the existing law. I know how the law was written. The Senator from New Mexico has accurately stated it.

But the Senator from New Mexico knows as well as I that the average interest rate is not the rate which the Government will have to pay for the money. I do not think the Senator would argue that point.

Mr. ANDERSON. I would argue that point.

Mr. WILLIAMS of Delaware. Does the Senator think the Government can borrow money at 2.63 percent interest?

Mr. ANDERSON. I say that the Senator from Delaware cannot tell me what the interest rate will be 10 years from now. The Senator from Delaware and I have seen the bond interest rate go up and down.

Mr. WILLIAMS of Delaware. We are talking about interest rates today. The interest rate today, if the Government goes to the market to sell bonds today, is such that the Government cannot sell long-term bonds at 2.63 percent interest, and the Senator from New Mexico knows it as well as I.

Let us not kid ourselves that the Government is going to finance this project at a rate of 2.63 percent. The Government will lose a minimum of 1 to 1½ percent interest.

Mr. ANDERSON. I simply say to the Senator from Delaware, if he can find a banker who knows that for a fact he would have no business working in an ordinary job, because all of the people in the universe cannot predict it accurately.

These long-term rates go up and down. Already we have seen a drop, and we may see some more.

Mr. WILLIAMS of Delaware. I know they go up and down. I am not talking about the future; I am talking about conditions today.

Mr. ANDERSON. The rate has gone to 4 percent, it has dropped to 1½, then to 3, and then it has dropped back to 2. The Senator from Delaware cannot predict the rate.

Mr. WILLIAMS of Delaware. I can prove the rate by one of the ablest bankers in the United States—the Senator from New Mexico [Mr. ANDERSON] himself—who knows that a long-term Government bond today cannot be sold at 2.63. We are speaking of 50-year financing here. The bill calls for a 50-year amortization, and I venture to say that the Senator from New Mexico, who is one of the ablest bankers in the Senate, would not subscribe to a single bond if the rate was even 3.62 percent.

Mr. ANDERSON. A short time ago I bought some at that rate, and the Senator from Delaware can go into the market and do likewise.

Mr. WILLIAMS of Delaware. Did the Senator from New Mexico pay par for these 50-year bonds which had low rate coupons?

Mr. ANDERSON. I call for this morning's issue of the Washington Post. We shall bring the Senator up to date.

Mr. WILLIAMS of Delaware. I shall be glad to ask that the current rates be printed in the RECORD. To save confusion, I shall have printed in the RECORD the list of long-term Government bonds and their yields, as quoted in the Wall Street Journal today. We shall not find a single long-term bond at 2.63. I do not believe we will find many issues within 1 percent of the 2.63 rate in the bill.

Mr. ANDERSON. Oh, yes, the Senator will.

Mr. WILLIAMS of Delaware. The list will show approximately 3.6. The rates are approximately 3.5 to 3.75, but the Senator will not find one at the rate of 2.63.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield to the Senator from Ohio.

Mr. LAUSCHE. As I understand, the Senator from Delaware takes the position that the statement which appears on page 5, describing the allocation of costs with regard to the San Juan-Chama project, is erroneous.

The PRESIDING OFFICER. The time of the Senator from Delaware has expired.

Mr. ANDERSON. Mr. President, I am sure that if the Senator from Illinois were present, he would yield an additional 15 minutes to the Senator from Delaware. Since the debate is on a motion, I believe the time would come from the time limitation on such motion.

The PRESIDING OFFICER. Without objection, the Senator from Delaware is recognized for an additional 15 minutes.

Mr. WILLIAMS of Delaware. I yield to the Senator from Ohio.

Mr. LAUSCHE. If my statement is correct, then the statement on page 9 is wrong. On the other hand, if the statement on page 9 is correct, then the statement on page 5 is wrong.

Has the Senator followed what I have said?

Mr. WILLIAMS of Delaware. Yes.

Mr. LAUSCHE. Both statements cannot be correct.

Mr. WILLIAMS of Delaware. I have made that point. I do not see how those two statements can be reconciled. I do not question for a moment that there may be variance, and I do not question the sincerity of the Senator from New Mexico. The point I make is that I do not think we should pass a bill in which there are conflicting statements on the one hand that we would allocate $53 million as the cost of the project and, on the other hand, that the estimated recoverable costs would probably be $8 million. I believe we should get that point straight.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. ANDERSON. When the Senator said that those two statements are in conflict, it sounded a little like the man who said he could find in the Bible the statement that there is no God. The statement in the Bible is, "The fool hath said in his heart, There is no God." The entire statement must be read.

Consideration of this section is no different. It speaks of the $8 million and provides that the cost to irrigation in excess of the irrigators' ability to pay would be repaid from New Mexico's apportionment of the Upper Colorado River Basin fund revenues as provided in the act. That is money that would come into the Treasury from the use of water supplied by a great dam and the use of the land. That is a proper return to the State of New Mexico. We have chosen to pay a portion from irrigation and a portion from other revenues. But all of that sum becomes reimbursed.

Mr. LAUSCHE. Is it possible that, realizing that the proposed authorization must have some relationship to irrigation, on page 5 irrigation was made the principal expenditure, but on page 9, after authority would be achieved, the project would be changed from irrigation into one of providing waters for municipal and industrial uses?

Mr. WILLIAMS of Delaware. The Senator is correct. Apparently they reserve the right to allocate a substantially larger proportion of expenditures to municipalities, and if the municipalities do not contract for the water, then they can then sit back and let the taxpayers provide the funds.

Earlier we had a little discussion about long-term interest rates. I should like to have printed in the RECORD at this point from page 23 of today's issue of the Wall Street Journal the list of long-term bonds along with their current yields.

This column is headed "Treasury Bonds."

There being no objection, the list was ordered to be printed in the RECORD, as follows:

	Bid	Asked	Previous bid	Yield
2½s, 1964-69, December	90.26	91.2	90.28	3.70
2½s, 1965, February	96.30	97.2	96.30	3.44
2½s, 1965-70, March	90.12	90.20	90.16	3.74
2½s, 1966-71, March	89.16	89.24	89.18	3.74
3¼s, 1966, May	101.6	101.10	101.6	3.47
3s, 1966, August	97.28	98.2	97.26	3.40
3⅜s, 1966, November	98.31	99.1	98.31	3.56
3½s, 1967, November	99.11	99.13	99.11	3.72
2½s, 1967-72, June	88.14	88.22	88.16	3.75
2½s, 1967-72 September	88.10	88.18	88.12	3.73
2½s, 1967-72 December	88.12	88.20	88.14	3.71
3⅞s, 1968, May	101.0	101.4	101.0	3.69
4s, 1969, October	101.30	102.6	102.0	3.70
3⅞s, 1974, November	100.16	100.24	100.20	3.79
4¼s, 1975-85, May	104.2	104.10	104.6	3.85
3¼s, 1978-83, June	91.24	92.0	91.26	3.78
4s, 1980, February	102.10	102.18	102.12	3.80
3½s, 1980, November	95.18	95.26	95.20	3.80
3¼s, 1985, May	91.14	91.22	91.16	3.77
3½s, 1990, February	93.18	93.26	93.22	3.86
3s, 1995, February	88.0	88.8	88.4	3.61
3½s, 1998, November	93.10	93.18	93.13	3.82

Fractions represent thirty-seconds; 101.1 means 101 1/32.

Mr. WILLIAMS of Delaware. Reading from the bottom up, the bond issue of 1998 is listed as yielding 3.82. No yields are listed anywhere near the 2.63 percent rate that the Senator from New Mexico has quoted. Short-term rates are down to 2.83, but the long-term rate—and we are speaking of long-term bonds—range from 3.40 to 3.86.

Mr. ANDERSON. I do not object to the printing of the list. If we had looked at the same table a year ago, we would have seen such bonds in the 4-percent bracket.

Mr. WILLIAMS of Delaware. I presume that the statement is true, but we are talking about today's rates.

Mr. ANDERSON. The Senator cannot predict what the rate will be. It may be 2 percent in the future.

Mr. WILLIAMS of Delaware. I am not predicting what the rate may be in future years. I am and was speaking of what it is today.

I understood the Senator from New Mexico to say that the Government had no trouble in selling bonds yielding 2.62 percent.

Mr. ANDERSON. The Senator from Delaware can search the record for hours and he will not find a statement which comes remotely close to that figure.

Mr. WILLIAMS of Delaware. If the Senator now states we will not come remotely close to being able to sell long-term Government bonds at such low rates as 2.62 percent then I believe we are in agreement.

Mr. ANDERSON. The Senator from Delaware has quoted me on this subject. I hope he will examine the record carefully.

Mr. WILLIAMS of Delaware. The Senator has quoted himself. I was pointing out that in financing the project over a period of 50 years the Government would have to pay 1 to 1½ percent more than the proposed 2.62 in order to cover the charges which are provided in the bill, and I stand on that statement.

Mr. ANDERSON. That is the statement that I object to.

Since the project will be finished in about 12 years, I do not believe that the Senator from Delaware will be able to look into a crystal ball and know what the interest rates will be 12 years from now.

Mr. WILLIAMS of Delaware. No, and neither will the Senator from New Mexico know whether the proposed $220 million expenditure will come close to covering the cost of the project.

Mr. ANDERSON. No.

Mr. WILLIAMS of Delaware. Regarding the proposed $220 million cost the Senator added, "or whatever may be necessary." So the amount is wide open. The cost is only based upon a 1958 estimate.

Mr. ANDERSON. All I can say to the Senator from Delaware is that the Glen Canyon Dam was let for bids and was built for an amount below the cost estimates. There has been some slight change. I cannot predict what the bids will be. Neither can the Senator from Delaware predict what they would be. I say only that the construction costs for the portion of the Glen Canyon Dam and the Navajo Dam projects which has been let so far were below the estimates, and we may be facing a period in which heavy construction will tend downward in cost. I should not attempt to make that prediction, but I think we can stay within the estimates.

Mr. WILLIAMS of Delaware. I do not quarrel with the estimates submitted by the committee. My whole discussion has been around that estimate and its allocation. I am not pulling figures out of the air. The average interest will be about 2.63 based upon committee report. That interest rate is stated in the Senator's report. I say that we could not sell a bond for 50 or 100 years at a rate of 2.62 percent. The Senator from New Mexico is one of the ablest Senators on this subject, and I am confident he would not buy a single one of such bonds through his banking institutions at such yields.

Mr. ANDERSON. May I return to the Department of Agriculture situation?

Mr. WILLIAMS of Delaware. Yes.

Mr. ANDERSON. There is a document—House Document No. 424—entitled "San Juan-Chama and Navajo Indian Projects."

I refer to page 448 of that document, on which appears a letter from the Department dated March 17, 1958. The letter continues to pages 448, 449, 450, 451, 452, 453, and 454. The Senator from Delaware has suggested that the bill had better be recommitted to the committee so that the Department of Agriculture may obtain the report. If the Senator wishes to find this letter, I suggest that ought to satisfy him and he should withdraw his motion to recommit.

Mr. WILLIAMS of Delaware. I should like to read the report. I have a copy of the transcript of the hearings here. To what page does the Senator refer?

Mr. ANDERSON. I said to the Senator that we did not ask the Department of Agriculture for a report on this particular project in these hearings, nor did we have one at the hearings.

Mr. WILLIAMS of Delaware. The point I make is that the Department of Agriculture representative states that since we have spent billions of dollars in the disposal of surplus agricultural commodities we cannot justify bringing more land into production at such exorbitant costs.

Does the Department of Agriculture give a breakdown of the commodities which will be raised on the 220,000 acres of land?

Mr. ANDERSON. Let me submit a question to the Senator from Delaware. A short time ago we passed the Cheney project in Kansas. That was never referred to the Department of Agriculture. Did the Senator move to recommit that bill?

Mr. WILLIAMS of Delaware. I do not remember that I did; however, I did not vote for it.

Mr. ANDERSON. Then we passed what is called the San Luis project in California, in which the distinguished minority whip, the Senator from California [Mr. KUCHEL] was interested. Did the Senator ask that that bill be recommitted?

Mr. WILLIAMS of Delaware. I made the same argument on that bill that I am making here today. I opposed the bill at that time. I do not recall the first bill the Senator has mentioned. I know I made the same argument on the last one he has mentioned.

Mr. ANDERSON. The point is that the Senator from Delaware did not ask the Department of Agriculture about it.

Mr. WILLIAMS of Delaware. Yes, I did. I had a report from the Department of Agriculture in the case of the San Luis project, sponsored by the Senator from California. I had a report showing a breakdown as to the potential crops to be produced. Senators will find that was put in the RECORD at the time. That is not the situation here today. We have no such breakdown. The point I make is that we are being asked to spend up to a thousand dollars an acre to increase the productivity of 220,000 acres of land in order to produce more crops which are already in overabundance.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. LAUSCHE. I am inviting the Senator's attention to page 4 of the committee report under the heading, "Navajo Indian Irrigation Project." I read:

> It is estimated that the repayment ability of the water users over a 50-year period would be approximately $21 million of the total construction cost. The remaining costs would be nonreimbursable.

It is my understanding from a member of the staff that the Navajo Indians will not have to pay anything for the cost of construction of the $136 million project. If they are not to pay anything, is it not a fact that the statement in this paragraph is incorrect?

Mr. WILLIAMS of Delaware. The Senator from New Mexico will correct me if I am in error, but it is my understanding that out of the $135 million estimated cost of the Navajo project, $21 million of it is classified to be repayable, but this repayment is recognized as doubtful.

Mr. LAUSCHE. By whom?

Mr. WILLIAMS of Delaware. I believe the Senator will find that the repayable record, based on past performance, on these Indian reservation projects has been very poor. As I believe the Senator from New Mexico has pointed out earlier in his statement, while this is technically repayable, not too much of $21 million is expected to be repaid.

Mr. LAUSCHE. I should like to ask on that point——

Mr. WILLIAMS of Delaware. Although technically it is proper to say that it is reimbursable, I understand payment from the Indians is not expected.

Mr. LAUSCHE. I would like to ask whether under the law any of the cost can be allocated to the use that the Navajo Indians will put it to. We could have the staff member testify on that point.

Mr. ANDERSON. The staff member does not have to testify to anything. This is not anything new. The language in the bill is the same as in every other bill dealing with an Indian irrigation project in the United States ever since the passage of the Leavitt Act. It has not been reimbursable since the passage of the act.

Mr. LAUSCHE. I ask whether under the law, as it has been written into various bills, any part of the cost can legally be charged to the Indians. If it can, I would like to know. If it cannot, I would also like to know.

Mr. ANDERSON. I have answered the Senator's question. Under the Leavitt Act, when there is an Indian irrigation project involved anywhere in the United States, as long as the Indian is a ward of the Government and owns the land, the Federal Government cannot collect money from its own ward.

Mr. LAUSCHE. That is correct.

Mr. ANDERSON. That is absolutely the situation. That has been in existence ever since the Leavitt Act was passed. It has not been changed in any Indian irrigation act, so far as I know, ever since the Leavitt Act was passed.

Mr. LAUSCHE. Therefore the sentence on page 4—that it is estimated that the repayment ability of the water users over a 50-year period would be approximately $21 million of the total construction cost—should be changed to read that none of the costs is reimbursable so long as the property remains a part of the reservation in the ownership of any ward of the Government, in trust for him. Is that correct?

Mr. ANDERSON. I believe there might be an exception to that rule, and that is why the language is somewhat indefinite. The Navajo Dam was built to greater capacity than originally contemplated by the Department of the Interior and by the original report. It was constructed to greater capacity than had been originally contemplated in passing the upper Colorado River storage pact. The Arizona Power Co.—the Utah Construction Co. originally—applied for the right to construct a power station. The canals will be larger, in order that they may serve them. Subsequently, the Navajo Indians decided to build a lumber mill. They already had one lumber mill, but they decided to build a second one at what is to be known as Navajo, N. Mex. There is no town there now, but the Navajo Indians are spending $7½ million from their tribal funds which they have received in royalties on oil, and they are building a sawmill, so that people can find employment in the sawmill. When that sawmill is completed, they will need a municipal water supply, which will be brought in by large canals to serve the community.

It is contemplated that the Department of the Interior will charge for these specialized services, which will supply the water to the municipality, to Colorado, to the new town of Navajo, to the Arizona Power Co., and I believe to the Public Service Co. of New Mexico, which contemplates building a plant there, and they will pay for that water. To the extent that the water is sold to individuals, that will be reimbursable and will come from the total appropriation of $134 million. Nobody knows how much that figure will be, and no one has the ability of knowing.

The PRESIDING OFFICER. The time of the Senator from Delaware has expired.

Mr. ANDERSON. I yield an additional 15 minutes to the Senator from Delaware. There is an hour allotted to each side. I am sure if the able majority leader were here, he would yield some time.

Mr. WILLIAMS of Delaware. I have been left in control of the time allotted to the minority leader.

Mr. ANDERSON. I am glad to yield the Senator additional time. If he runs out of time, we will allot him more time.

Mr. WILLIAMS of Delaware. I thank the Senator.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. PROXMIRE. What has been stated consistently and repeatedly during the argument on the bill is that the land which would be brought into substantial production through irrigation would not be put in surplus crops. Yesterday, in support of this stand, the distinguished Senator from New Mexico made that statement. I will read from what the Senator said in answer to a question from the Senator from Ohio, when he quoted from a statement by Maurice McCabe, executive director, Navajo Tribal Council, which appears in the hearings at page 39:

> We have found that 3 crop-years of alfalfa will build up the soil, and that thereafter, without missing a single crop-year, the lands can be sown to a number of grasses and will produce superior irrigated pasture capable of supporting 2 cows or 10 to 12 sheep per acre. Our training farm produces 6 tons per acre of alfalfa. The proposed Navajo Indian irrigation project should be just as productive.
>
> The actual crop of the farmers will be the livestock they feed from their pasture crops and certain truck farm products.

They will not be actually growing, perhaps, surplus feed grains, but they will be doing exactly the same thing, because a product exactly equivalent to feed grains will be sold through the milk pail and through the livestock—hogs, or beef, and so forth. So, as I understand from reading the testimony in the hearings, they will produce exactly the same kind of ultimate crop—livestock—which the bill we passed the other day was designed to reduce production of, to wit, feed grains. To be fed to livestock. In this case, today it will be grasses, which will be fed to the livestock. The difference is that in the case of this bill the livestock will graze on grass for which this bill would provide irrigation, under the bill which we passed 2 weeks ago, the livestock would not be fed because feed grain land would be taken out of production.

I should like to raise one more question. Although the distinguished Senator from Delaware and I believe the bill would result in producing more livestock at a time when we already have serious dairy and poultry problems. The justification given by the distinguished Senator from New Mexico for providing more than $1,000 an acre in Navajo land is as follows:

The U.S. Government, under a treaty, guaranteed that it would do certain things for the Indians. However, many of those things have not been done. The Navajos have been and are currently maintaining suits against the Federal Government because of the failure of the Federal Government to fulfill its treaty obligations.

It seems to me that this is a disorderly way for the Federal Government to comply with the treaty. There is no showing of how much the Navajos are suing for. There is no way of showing whether this proposal would be a partial compensation of the Navajos or whether the Government would be excessively compensating them.

We are told that the Federal Government owes something to the Indians, and therefore it is proposed to pay them $1,000 an acre. I think, as the Senator from Delaware has shown, the Senate might provide a more sensible way to compensate the Indian than this bill would provide. It seems to me that the

method provided in the bill is disorderly, imprecise, and almost certainly inequitable. The fact is this would be worth $6,750 per Navajo. Is this the way to compensate for $50 or $500? How much do we owe? There is no showing.

Mr. WILLIAMS of Delaware. I agree with the Senator from Wisconsin. I have great respect for our obligations to the Indians, whether they are Navajos or others. There is no difference of opinion as to what we as a nation owe them. However, I do not see how we would help them in this instance if we paid from $1,000 to $1,200 an acre to enable them to increase the productivity of land which today is valued at only $10 an acre.

According to the bill, 18,000 to 20,000 Navajos would be affected. Dividing that, the amount to be paid is $6,750 a person. There are about 85,000 Navajos all together in that particular area. On a per capita basis, $1,585 would be spent per person. I think we ought to know more about what we are doing when we move into such heavy costs.

Then there is another part of the bill which has nothing to do with the Navajo Reservation. The San Juan-Chama proposal will increase the productivity of 120,900 acres. According to the committee report it will cost $86 million. Of the $86 million total cost, $53 million is allocated to irrigation. That is according to the committee report. Dividing that, based upon 120,000 acres, gives $445 an acre which will be spent to increase the productivity of this 120,000 acres. That acreage has nothing to do with the Navajo reservation.

I quote from page 9 of the report:

> Irrigation water users probably would repay about $8 million of the allocation to irrigation.

If it is proposed to pay back $8 million, then dividing that, it means that there will be a recovery of $67 per acre, or a net taxpayers' subsidy of $378 an acre.

I shall repeat what I said earlier and then conclude my argument. It does not make sense to me to have the Senate pass a bill today to increase the productivity of 230,000 acres of land at a cost to the taxpayers ranging from $445 to $1,000 after having passed only a few days ago a bill under which the Government can pay as high as $50 an acre to keep similar acreage out of production. That does not make sense. I do not believe the taxpayers can put enough money in Washington to keep such a contradictory program operating.

We have not received any information from the Department of Agriculture which has indicated that they approve this project or that they believe it is feasible at this time in the light of the tremendous agricultural surplus. I think we ought to have such information before we act.

Mr. BUSH. Mr. President, will the Senator from Delaware yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. BUSH. Looking at the estimated cost-benefit ratio in connection with this project, I read from the report, on page 5:

> The benefit-cost ratio of the initial stage development is 1.26 to 1 for a 100-year period of analysis and 0.81 to 1 if direct benefits only are used in a 50-year period of analysis.

Mr. WILLIAMS of Delaware. That is correct.

Mr. BUSH. I should have thought, as a former member of the Committee on Public Works, that this project would be regarded as one having a very poor or unsatisfactory or unconvincing benefit-cost ratio. Would that statement apply in a case like this, in the Senator's judgment?

Mr. WILLIAMS of Delaware. It would apply. My understanding is that the reason the 100-year reimbursable period was used was to make the project halfway feasible from a mathematical standpoint. But even that does not suffice, because as the committee report points out, the reimbursement under the $135 million provision of the bill is only $21 million, and everyone recognizes that even that amount may well never be repaid.

As the Senator from Ohio pointed out in connection with the other section of the bill, the $86 million part of the bill, $53 million is allocated as an estimated irrigation cost, but of that amount the committee report states that probably only $8 million will be collected.

For these reasons, Mr. President, I think the bill should be recommitted until the Senate gets more information.

Mr. LAUSCHE. Mr. President, will the Senator from Delaware yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. LAUSCHE. To summarize, is it the position of the Senator from Delaware that under the bill the Federal Government will be spending $221 million to place approximately 230,000 acres of land into farm production?

Mr. WILLIAMS of Delaware. That is correct, except that from the $221 million, there is an allocation of $29,200,000 as a potential to be reimbursed from industrial and municipal uses. Other than that, the rest of the amount is to be allocated to irrigation. It will increase the productive capacity of land presently valued at only $10 per acre.

Mr. LAUSCHE. The taxpayers will be spending $221 million, less $29,200,000, for the purpose of putting about 230,000 acres of land into farm production.

Mr. WILLIAMS of Delaware. The Senator is correct.

Mr. LAUSCHE. That will be spent in spite of the fact that approximately 2 weeks ago we authorized the payment of about $40 an acre to farmers who agreed to take acreage out of the production of feed grains, so as to bring consumption into some relationship with production.

Mr. WILLIAMS of Delaware. That is correct. So far as any Member of the Senate knows, once water is put on the land proposed to be irrigated, at a cost to the taxpayers of $445 to $1,000 an acre, the same land may well be put back into the soil bank, and the Government would then pay the farmer from $40 to $50 an acre not to cultivate this land.

Mr. LAUSCHE. Two weeks ago we passed a bill which provided for the payment of money to take land out of production; today it is proposed to pass a bill to pay money to put land into farm production.

Mr. WILLIAMS of Delaware. That is correct.

Mr. LAUSCHE. The Senator from Delaware has used a figure of $10 as the per-acre value of the land. Does the Senator know that last night the Senator from New Mexico [Mr. ANDERSON] stated that the Navajo Indian Reservation land had a value of between $5 and $10 an acre?

Mr. WILLIAMS of Delaware. That was the basis of using the outside figure of $10.

Mr. LAUSCHE. I used the median figure of $7.50. Why does the Senator from Delaware say that the per-acre cost of the Navajo project would be $1,000 when, in fact, dividing 110,000 into $136 million results in a cost of $1,200 an acre?

Mr. WILLIAMS of Delaware. The Senator from New Mexico pointed out—and I accepted his explanation—that of the $135 million allocation of cost to that project, a portion would be allocated to the bringing of water to a couple of areas for drinking purposes. That water would not be used on the land. Therefore, I accepted that reservation.

Mr. LAUSCHE. I find no such statement in the report.

Mr. WILLIAMS of Delaware. No, neither do I; but the Senator from New Mexico is familiar with the area, and I accepted his explanation. However, even by accepting his explanation, it still leaves approximately $1,000 an acre as the cost of the irrigation. We are paying $1,000 or $1,200 an acre by either set of figures and increasing the productivity of land today, which based upon the committee report has a present valuation of $5 to $10 per acre. It does not make sense.

Mr. CHAVEZ. Mr. President, will the Senator from Delaware yield to me?

Mr. WILLIAMS of Delaware. I yield.

Mr. CHAVEZ. That is the story of the West. At the beginning of this century, land in the Central Valley, San Joaquin, and Sacramento, Calif., and in the Rio Grande and Las Cruces areas of New Mexico, and around El Paso, Tex., was not worth 30 cents an acre. Land which in the early 1900's could be bought for $3 an acre, could not be bought now for $2,000 an acre, because today there is water on the land. But some persons seem to be very exercised about the fact that we are going to put the land into production. It is true that only the other day we passed a bill because of the surpluses which now exist. But those surpluses will not always exist. I have more confidence in the United States. If those who today are out of work could afford to buy the groceries they need, the existing surpluses would no longer exist.

We want to have enough productivity in the United States. Twelve or fourteen years from now, when this project is finished, we may need that productivity.

I am sorry to impose further on the time of the Senator from Delaware; but I wish to state that we owe something to the Indians. That obligation is based on a treaty which was made between our Government and the Indians during the administration of Abraham

Lincoln. Today the Government is carrying out part of what it agreed to do then. For many years, the Government neglected to do what it should have done under that treaty; but today the Indians are going to school and are coming into their own and are demanding their rights. That is why the Indians should be treated properly.

Mr. WILLIAMS of Delaware. Mr. President——

The PRESIDING OFFICER. All time available on the motion has expired.

Mr. WILLIAMS of Delaware. Mr. President, I yield myself some of the time available on the bill.

In reply to the statement made by the Senator from New Mexico, let me say I have as much respect for the Indians and realize our responsibility to them as he does. However, I do not see that we shall accomplish much by paying $1,000 to $1,200 an acre to increase the productivity of land which today is valued at only $5 or $10 an acre.

In addition, I emphasize that only half of the land involved in these projects is in the Indian reservation—120,900 acres of the land is off the reservation and has nothing whatever to do with the Indians. But, here again, it is proposed that the Government pay $445 an acre to increase the productivity of that land, with $378 per acre charged to the American taxpayers. There would be reimbursement as stated in the report of only $67 an acre.

As the Senator from New Mexico has stated, of course this land will produce more crops if it is irrigated.

I also recognize the importance of the great West. But I remind the Senator that the great West was settled by our ancestors who moved out there and proceeded on their own; they built their own homes, and they did not expect the U.S. Government to spend $500 or $1,000 an acre to bring that land into production. If they had waited for that to happen, the West would not have been settled.

Mr. CHAVEZ. Similarly, in those days those who lived in the East did not ask the Federal Government to deepen the channel of the Delaware or the channel of the Hudson River; but today the Federal Government is doing just that. Likewise, in those days the people did not ask the Federal Government to pay the cost of constructing public roads.

Mr. WILLIAMS of Delaware. If we have more harbors than we need, it would be foolish to spend money to dredge other harbors.

What is now proposed is that the Government spend $135 million to increase the productivity of 110,630 acres of land in New Mexico in order to enable more crops to be produced from that land. Today there is a surplus of agriculture commodities so great that there are not enough warehouses to hold all of it. Furthermore, only a short time ago the Senate voted for the expenditure of large sums of money to be used to take land out of production. Yet this proposal calls for bringing more land into production.

When I was in school, my teacher once said that only a fool would attempt to develop perpetual motion. But in this case it is proposed that we try to have the Senate run in two directions at the same time.

Mr. CHAVEZ. The only trouble with that argument is that this land will not be put into production at this time. It is contemplated that it will take at least 12 years, or perhaps more, to complete the project.

I am quite sure the Senator from Delaware will want this body to vote for the expenditure of funds to control industrial pollution on the Delaware River. That request will be made in connection with a bill which soon will be before us.

That problem does not exist in the West. But the Indians in the West do have the problem to which we have been referring. Many of the pioneers who came to this great area in the West came from Utah, and settled on land which once was almost worthless. But by their hard work they developed that land in the early 1900's, and today much of that land cannot be purchased for $2,000 an acre.

We are only attempting to make possible the development of our natural resources; we are not requesting anything new from the Government. This has been done again and again.

Ten times the amount being requested for these projects is being spent on the Glen Canyon project, on the Colorado River, between Utah and Arizona. In Utah there are projects that cost more than this one will cost. Former Senator Watkins, of Utah, a Republican, knew about this project when we first began it. It was during the period of time when the Republicans had a majority of the membership of the Senate that Senator Watkins, of Utah, helped us with the initial conception of this project.

Mr. President, this project is a worthy one.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Delaware that the bill be recommitted.

Mr. ANDERSON. Mr. President, I yield 5 minutes to the Senator from California [Mr. KUCHEL].

The PRESIDING OFFICER. The Senator from California is recognized for 5 minutes.

Mr. KUCHEL. Mr. President, half a century ago, when a great American President, Theodore Roosevelt, laid down a new reclamation policy for the people of the United States, the Congress approved it. It has ever remained the law of this land.

I come from the West. The West is semiarid. The West would not have the economy which it is so proud to have today if it had not been for the assistance given to the West by the Government of the United States.

I come from California. Today, California is on the way to having a population of 20 or more million people. California could not support the economy it now enjoys if it were not for the fact that a fearless Congress approved and underwrote the repayable cost of the Central Valley project, in northern California, and the repayable cost of the Hoover Dam project, in southern California.

In those days there were obstacles which had to be overcome. Obstacles also exist today, while this session of Congress is proceeding with its work. The obstacles were overcome in the past; and the obstacles are going to be overcome now.

I object to the motion to recommit the bill. I shall vote against the motion, and I trust that the Senate will do likewise.

Mr. President, in California we have a problem which is shared equally by the people of New Mexico, the people of Colorado, the people of Arizona, the people of Nevada, the people of Wyoming, the people of Texas, the people of Utah—indeed, by all the people who inhabit that great, farflung region of the United States. That problem is insufficient water. That is why Congress in its wisdom has tried to find other ways—by investigation and scientific research—to augment our dwindling water supply.

Mr. President, many years ago the States through which the Colorado River wends its long way into the Gulf of California designated representatives to meet and to try to agree upon a basis for allocating the all-too-little Colorado River water which they know would, in the years to come, represent the difference between economic life and economic death in the States they represented. They agreed to the Colorado River compact. It is the law of the river today.

I am grateful to the chairman of the committee and to the other members of the committee for writing into the bill, proposing the great project which is before the Senate today, an amendment which I offered, and which is a part of the bill. I wish to read that amendment, because it is important to all the States in the Colorado River Basin. I read section 9 of the bill:

> SEC. 9. In the operation and maintenance of all facilities, authorized by Federal law and under the jurisdiction and supervision of the Secretary of the Interior, in the basin of the Colorado River, the Secretary of the Interior is directed to comply with the applicable provisions of the Colorado River compact, the Upper Colorado River Basin compact, the Boulder Canyon Project Act, the Boulder Canyon Project Adjustment Act, and the treaty with the United Mexican States, in the storage and release of water from reservoirs in the Colorado River Basin. In the event of the failure of the Secretary of the Interior to so comply, any State of the Colorado River Basin may maintain an action in the Supreme Court of the United States to enforce the provisions of this section, and consent is given to the joinder of the United States as a party in such suit or suits, as a defendant or otherwise.

That is the law of the river, and into the pending bill, this mandatory directive to follow it is clearly written.

I am grateful that section has been written into the bill. It was written into the bill to provide that, with respect to the upper Colorado River storage projects, the means were given to any State which might feel aggrieved to walk across the street to the Supreme Court and litigate the question of whether or

not waters were properly being allocated under the compact itself.

The people of New Mexico have a right to use every drop of water which the Colorado River compact gives them, and the people of California likewise have an equal right to use what the Colorado River compact has given to them for use—no more and no less. This is an honest attempt to provide in the bill sufficient safeguards for all States in the upper and lower basin to have the compact enforced, in the fashion in which that compact, the attendant compacts, and the Mexican Treaty provide.

I am grateful for the discussion we had in the Interior and Insular Affairs Committee the other day. A dark cloud hangs over the full development of the waters of the Colorado River in the Upper and the Lower Colorado Basin. Two sister States, two friends, two neighbors, have joined in a lawsuit.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. KUCHEL. Will the Senator yield me a little more time?

Mr. ANDERSON. I yield 5 additional minutes.

Mr. KUCHEL. Arizona and California are involved in a lawsuit to determine what allocation of water, under the Colorado River compact, should be made to each of those States.

I regret exceedingly that the special master in the Supreme Court of the United States in Arizona against California has walked away from that problem and has said, in so many words, that the contention which the government of California makes is irrelevant, because the Congress has indicated a top level of development of water projects in the Upper Colorado River Basin, and that therefore there is no hazard to the people in the lower basin, for their full rights to water under the compact.

That is not so, Mr. President, and it will be a tragic thing for the Senate and the House of Representatives, in any future Congress, to have to face the dog-eat-dog controversy when one State would oppose development in another State because it wanted to take care of its own first. We have a compact. It ought to be determined judicially how the compact divides the water. That is the only reason for the lawsuit.

The proposed legislation we have before us today has been approved by the Department of the Interior. As the Senator from New Mexico iterated a few minutes ago, it was, in the last session, approved by the Department of Agriculture. And the compact will control.

I regret with all my heart that we from the West are required, on the floor of the Senate, to justify the use of funds out of the Federal Treasury for repayable projects, for without Federal authorizations there would still be semiarid and barren deserts in the West.

Many of my colleagues from the Middle West have come to Congress asking for agricultural assistance, and the Congress has given it. Many of my colleagues from the East Coast States have come to Congress with a request for help in rivers and harbors development, and the Congress has appropriated money. Many of my colleagues from States needing help as the result of floods have made requests for help, and the Congress has appropriated money to rehabilitate that which they had lost. And I hope we do not need to feel overly burdened for our coming here and asking that we be given legislative approval of projects recommended by the executive branch of the Government to develop the scarce water supplies in western America, particularly when we guarantee to repay them—a rather unique difference, my colleagues, with respect to the use of public moneys generally for the States of the American Union.

I speak here as an American. I know what is done to help the people of New Mexico helps me. I know what is done to help the people of California helps us all. I know what we do to help the people on the eastern seaboard helps the strength of our country and helps all our citizens.

I hope the motion will be voted down, as I feel it should be.

Mr. HICKENLOOPER. Mr. President, will the Senator from California yield?

Mr. KUCHEL. Yes.

Mr. HICKENLOOPER. The Senator has said repeatedly that this project, or these projects—and I presume he is speaking of the project which is contained in the amendment—provide a guarantee of repayment. It is my understanding that there is only a very small portion of the expenditure which has any possibility of ever being repaid, and that is speculative; and that some $64 an acre may be paid, over several years, as to a part of the project, when the cost of the project is $400 an acre, that the rest of the cost will be borne by the Federal Government, and that as to other areas, there is no possibility of substantial repayment.

I wondered about the Senator's statement in connection with the guarantee of repayment. I have supported many projects in the past. I have supported self-supporting projects. I think Congress has not been negligent in the fantastic amounts of money we have spent in developing waterpower and water resources in the West; but I have tried to limit my support to those that are reasonably repayable. What is an important element with me is the fixed period of time, and the reasonable certainty, that economic developments will be repaid.

I had another reason why I question this project, but I return to my first question. Where is the guarantee of repayment of the project, amounting to some $250 million?

Mr. KUCHEL. Mr. President, my able friend from Iowa is what he says he is. He has been a friend of the West. I acknowledge his friendship.

Generally speaking, Mr. President, the history of repayment to the Federal Government by reclamation projects for reimbursable costs is a good one. My recollection is that the projects in California, now going through the process of repayment by the water users and by the powers users, have actually paid into the Treasury excess moneys which are available for such expenses of the Government as may be necessary.

Specifically, with respect to the project which is now before the Senate, I have listened a half dozen times to the specific answer to the question of the Senator. Because the able junior Senator from New Mexico has the arithmetical figure before him, I shall ask him to indicate specifically what are the provisions with respect to repayment. Generally, however, the history of repayment, I say to my friend from Iowa, has been good.

Mr. HICKENLOOPER. The history of repayment is not the question. What are the provisions in the bill which are safeguards in this respect?

Mr. ANDERSON. In the original bill we had a provision which made the Navajo project reimbursable, exactly as the other projects were reimbursable, to be paid partly by the farmers and partly by the Glen Canyon Dam and the sale of electricity.

There was an objection because the Navajos are the wards of the Government. Therefore, we changed the provision in regard to the Navajo land subsequently, to conform to the provisions in the Leavitt Act, which provides the cost in nonreimbursable until the Indian sells the land or until the tribe disposes of the land. All of this relates to the land on the Navajo Reservation. There are some 7,000 exchange acres related to the 110,000 acres on the Navajo project.

This is over and beyond the Navajo land. This portion is not reimbursable until the Navajo tribe disposes of the land, when it will become reimbursable to the Treasury. This is the same as the provision in the Leavitt Act, which provides the cost is nonreimbursable so long as the Indians own the land.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. WILLIAMS of Delaware. There are 110,630 acres on the Navajo tract, but there are 120,900 acres on tracts which have nothing to do with the Navajo provision.

Mr. ANDERSON. I am simply trying to deal with the Navajo situation. The Navajo unit is 110,000 acres. All but 7,000 acres of it is on the Navajo Reservation. This 7,000 acres of the public domain will be exchanged for Indian land and become a part of the reservation which will be in addition, which will be not reimbursable because it will come under the provision of the Leavitt Act.

The remaining acreage, as the Senator from Delaware clearly pointed out, is some 120,000 acres. Eighty-one thousand of those acres are in the Middle Rio Grande Conservancy District. I have stated repeatedly, time and time again, I believe that the water which might be used on that land as supplementary irrigation water will be sold instead to the cities and the defense establishments and will be fully reimbursable. There are no contracts now, any more than there were contracts in regard to the Amarillo project or the Canadian River project.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. ANDERSON. Mr. President, I yield myself 5 more minutes.

The contracts waited 10 full years before they were signed by the municipalities.

In addition, when the Cheney division of the Wichita project was approved, there was a provision for irrigation. The municipality of Wichita will pay most of the cost. I think the same will apply in this instance. We will find, eventually, that of the $86 million more than $60 million will be repaid by municipal water, although the present provision is only for some $20 million.

Mr. HICKENLOOPER. I should like to ask the distinguished Senator from New Mexico, who is as well qualified as, if not better qualified than, any other Senator in regard to agriculture, as a result of experience and background in the field, a question in this regard.

We are in the process now of seeing whether a so-called emergency farm program will work, and we are proposing a long-range farm program which will take land out of production, and the Government will pay for doing so.

As I understand the proposal, the cost for this proposal will be nearly $1,000 an acre, to bring land into production. Why would it not be better to pay the usual rate for keeping land out of production, by simply giving $40 or $50 an acre to the owners, rather than to spend $1,000 an acre to bring the land into production?

Mr. ANDERSON. I had intended to discuss that situation with my longtime friend, the Senator from Vermont [Mr. AIKEN], with whom I have worked on agricultural legislation.

A safeguard was written into the upper Colorado River storage project, somewhat as the basis of suggestions made by the Senator from Vermont [Mr. AIKEN] to me about this land. I shall deal with it first, and then with the construction period.

The Senator from Vermont will remember that we put a provision in the upper Colorado River storage project which applies to every participating project. It applies not alone to this project, but to all the projects in Wyoming, to all the projects in Utah, to all the projects in Colorado, and to all the projects in New Mexico.

The language is:

Provided further, That for a period of ten years from the date of enactment of this Act, no water from any participating project authorized by this Act shall be delivered to any water user for the production on newly irrigated lands of any basic agricultural commodity, as defined in the Agricultural Act of 1949, or any amendment thereof, if the total supply of such commodity for the marketing year in which the bulk of the crop would normally be marketed is in excess of normal supply as defined in section 301(b)(10) of the Agricultural Adjustment Act of 1938, as amended, unless the Secretary of Agriculture calls for an increase in production of such commodity in the interest of national security.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. ANDERSON. May I finish, please?

The Navajo Indians have stated that they do not intend to grow any crop which is now in surplus. In fact, I know enough about the project to say that the Navajo Indians certainly would not produce any cotton, because they could not. The Navajos would not produce rice or peanuts, which are basic commodities, because they could not. The Navajos would not produce corn, because corn does not grow well in the area.

There could be some production of silage, for the animals, to be sure. The Senator from Wisconsin worries about that, but I say that the per capita income of the Navajo Indian is only $467 annually, while the per capita annual income for the rest of the Nation is $1,940. Navajo Indians need the crops for their own use.

Mr. HICKENLOOPER. What will the Indians produce?

Mr. ANDERSON. The Navajos will produce truck gardens and alfalfa, which will be fed to their own stock and dairy animals, because their dietary problems are severe.

Mr. HICKENLOOPER. Is it not pretty expensive to pay $1,000 an acre to grow alfalfa?

Mr. ANDERSON. No, it is not, because the Indians can produce 6 tons of alfalfa an acre when the land gets into production.

I remind the Senator that the schedule under which the land will be developed involves some 14 years. There are 2 years for preconstruction planning and 12 years for actual construction. That is a total of 14 years.

Nobody knows what will be the agricultural situation in this country at the end of 14 years. The project will take a long time, as I mentioned, and as the Senator from Vermont will recognize.

Mr. AIKEN. Mr. President, will the Senator yield to me?

Mr. ANDERSON. I am happy to yield.

Mr. AIKEN. What is the estimated increase in the population of the United States for the next 14 years?

Mr. ANDERSON. It will be millions. I do not have the exact figure, but the population keeps increasing.

Mr. AIKEN. The population increase will be something over 40 million, in addition to the people we have at the present time.

Mr. ANDERSON. Yes.

Mr. AIKEN. These people will need food and fiber by the time the project is completed; is that correct?

Mr. ANDERSON. The Senator is correct.

Mr. AIKEN. The project will take 14 years?

Mr. ANDERSON. Yes.

Mr. AIKEN. It has been said that the land is eligible to be put in the soil bank. Does the Senator from New Mexico understand that this land could be put in the soil bank?

The PRESIDING OFFICER. The time of the Senator has again expired.

Mr. ANDERSON. Mr. President, I yield myself an additional 5 minutes.

Mr. AIKEN. Could the land of the Navajo Indians be put in the soil bank?

Mr. ANDERSON. It is not being put into a soil bank. It is grazing land. It would be eligible, I suppose, if the Indians wished to do so. The answer to the question of the Senator is "Yes." The Indians could put this land under the program. It is worth only a few dollars an acre, but they could put it in the soil bank if they wished to.

Mr. AIKEN. What soil bank?

Mr. ANDERSON. They could put it in the program.

Mr. AIKEN. There is not any soil bank for the land.

Mr. ANDERSON. The Senator is correct. It is not a soil bank.

Mr. AIKEN. There is a 1-year proposal.

Mr. ANDERSON. Yes. The Navajos have not done that, either. They have not done it, if they could have, and they would not do it if they could.

Mr. AIKEN. If the Navajo Indians put the land in the soil bank, would they be paid upon the basis of the present productive capacity of the land or upon the basis of the anticipated productive capacity of the land 14 years from now?

Mr. ANDERSON. The Navajos would be paid upon the basis of the present production of the land. That is all they could get now.

Mr. AIKEN. In enacting legislation such as this we seek to provide for a population of 225 million or 230 million, rather than 180 million.

Mr. ANDERSON. The Senator is correct.

Mr. AIKEN. We are looking ahead 14 years. This land cannot possibly go into the soil bank at the present time, because there is not any soil bank for that type of land.

Mr. ANDERSON. My longtime friend from Vermont, who knows more about agriculture, I think, than any other Senator in the Chamber, knows that when irrigated land is developed it is not put into production immediately. It is necessary to level the land first. After the land has been leveled, a healing crop or a cover crop is put on the land. That crop grows for several years, and is plowed up repeatedly, until humus is put back into the soil.

Mr. AIKEN. In all probability there will be perhaps a 50 million increase in the population of the United States before this land can be used?

Mr. ANDERSON. Surely. That is why we have not regarded this project as being competitive in any way with other crops.

Mr. President, it would be surely a tragedy to send the bill back to the committee, which has studied the proposal four times. It was studied once under the able former Senator from Colorado, Mr. Millikin, when the general project was under consideration, and it has been studied twice subsequently under the late Senator Murray of Montana, at which times the bill was reported to the Senate, passed by the Senate, and sent to the House of Representatives. It has been considered the fourth time this year by the Committee on Interior and Insular Affairs.

Certainly no additional period of study is required in order to find out what needs to be done. I am ready to vote.

Mr. ELLENDER. Mr. President, will the Senator yield for a question?

Mr. ANDERSON. I yield.

Mr. ELLENDER. I am sorry I was not present to hear all the debate. I was informed that the project would cost a little more than $1,200 an acre in order to bring water to the land. Is that statement correct?

Mr. ANDERSON. That estimate is a subject of some argument. I say the cost would be nearly $1,000 an acre. There are some additional costs involved.

We have some obligation to build homes for Navajos on the reservation. We are now transporting hundreds of Navajo children as far away as Los Angeles in order to afford them schooling.

Mr. ELLENDER. I am not arguing against the bill. I only wish to learn the cost.

Mr. ANDERSON. There is a cost estimate of $1,000 an acre.

Mr. ELLENDER. How is that money proposed to be repaid to the Government? Is it on a 40- or 50-year basis?

Mr. ANDERSON. I have already stated to the Senate, and I repeat to the Senator from Louisiana, that the land under discussion is Indian land. The one established rule under the Leavitt Act is that when improvements are made on Indian lands, they remain in the Treasury until the Indians alienate the land. When the Indians sell the land, the assessment must be paid.

Mr. ELLENDER. Otherwise, the Government pays the entire cost?

Mr. ANDERSON. As it does on every other Indian irrigation project in the United States.

Mr. WILLIAMS of Delaware. Mr. President, I shall take but 1 minute. I do not think we should permit the debate to close with the thought that all of the land covered in the bill is Indian land. As the Senator from New Mexico has ably pointed out, from the $220 million potential cost of the bill, $155 million would be allocated to the cost of bringing water to 110,000 acres on the Navajo Indian Reservation. The cost would be $1,000 to $1,200 an acre in order to bring in the water. He has properly pointed out that there is in effect no repayment expected on this tract.

Over and above that point, under section 6 of the bill it is proposed to bring water down to 120,900 acres of additional land in New Mexico at a cost of $86 million. Of that $86 million $29 million would be allocated as potentially being reimbursable cost for municipal and industrial use. That calculation would leave $53,400,000 as allocated based upon the committee report as the cost of the irrigation.

Based upon the committee report, $53,400,000 would be allocated in the New Mexico area of the San Juan-Chama project to the cost of bringing water to 120,900 acres.

Then I quote from page 7 of the report:

> Irrigation water users probably would repay about $8 million of the allocation to irrigation.

That is the statement in the committee report. That would be a reimbursement of $67 an acre. Anyway one might wish to figure it, it would leave $378 an acre, as a direct Government subsidy to bring this land into production.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield to the Senator from Ohio whatever time he wishes.

Mr. LAUSCHE. The argument has been made that the cost of these projects will be reimbursed to the taxpayers of the United States.

Examination of the law and the arguments made in the Senate Chamber yesterday and today will disclose that none of the costs of the Navajo irrigation project would be reimbursable, so long as the 110,000 acres remained in the possession of the Indian reservation. Reimbursement could come to the Federal Government only if and when the subject lands might be sold by the Navajo Indians.

With regard to the San Juan-Chama project, which would cost approximately $86 million, taking the arguments in their most favorable light, only $26 million would be repayable. Thus it is clear that in an expenditure of $221 million, $26 million would be reimbursed to the Federal Government. One hundred and ninety-five million dollars would be paid by the taxpayers for those two projects. What are they? The Navajo project consists of 110,000 acres of land which would be provided with water for irrigation purposes. The cost of the project would be $136 million. One thousand two hundred dollars an acre for water would be expended to supply land that is now worth $7.50.

I respectfully submit to the Senate that there is no economic feasibility in the proposal contained in the bill. The land is worth $7.50 an acre now. It is desert land. The taxpayers of the United States are requested to expend $1,200 an acre to provide water to produce food of which we already have an overabundance, and in the face of the fact that 2 weeks ago we passed a bill to pay farmers $50 an acre to take their acreages out of feed grain production.

The second part of the project, the San Juan-Chama district, would cost $86 million. Reimbursement would be in the amount of $26 million, leaving a cost of $60 million to be borne by the taxpayers; 120,000 acres are involved. The Senator from Delaware has pointed out that it would cost the taxpayers about $300 an acre to make the land food producing.

Finally, I ask how we can justify to the taxpayers of the United States the argument made 2 weeks ago that we must pay the farmer to stop producing, and today the argument that we must spend money to induce production. The two legislative efforts simply do not go hand in hand. Perhaps there is a magic wand with which we can change principles every 2 weeks. But even with all our erudition and ability we do not have the deep ability required to change what we declared 2 weeks ago to be green and now say that it is red.

I cannot return to the taxpayers of my State and say, "Last week I voted for a farm bill providing a payment of $50 an acre to farmers in order to take acres out of production, and this week I voted to spend $195 million to induce production." I cannot explain that course to them, and since it cannot be explained, I do not contemplate supporting the bill, although I would like to serve the Senators from New Mexico [Mr. ANDERSON and Mr. CHAVEZ]. I could not support the bill if it applied to my own State, the State of Ohio.

The PRESIDING OFFICER. The question is on agreeing to the motion to recommit.

Mr. KUCHEL. Mr. President, I am informed that no further time is desired. I am ready to yield back the remaining time.

The PRESIDING OFFICER. There is no time remaining on the motion.

Mr. ANDERSON. There is time remaining on the bill. I yield back all remaining time.

Mr. WILLIAMS of Delaware. I yield back all remaining time. If the motion to recommit fails I shall vote against the bill.

The PRESIDING OFFICER. All time has been yielded back.

Mr. KUCHEL. Mr. President, I suggest the absence of a quorum.

Mr. LAUSCHE. Mr. President, before the absence of a quorum is suggested, I make a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. LAUSCHE. If any amendment is offered, there will be available to each side the time originally prescribed in the unanimous-consent agreement. Is that correct?

The PRESIDING OFFICER. Under the unanimous-consent agreement, that is correct.

Mr. ANDERSON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KUCHEL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered. The question is on the motion to recommit the bill. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DIRKSEN (when his name was called). On this vote I have a pair with the distinguished Senator from Colorado [Mr. CARROLL]. If I were at liberty to vote, I would vote "yea." If he were present and voting, he would vote "nay." I therefore withhold my vote.

Mr. SALTONSTALL (when his name was called). On this vote I have a pair with the Senator from Arizona [Mr. GOLDWATER]. If he were present, he would vote "nay"; if I were permitted to vote, I would vote "yea." I withhold my vote.

The roll was concluded.

Mr. HUMPHREY. I announce that the Senator from North Dakota [Mr.

BURDICK], the Senator from Tennessee [Mr. GORE], the Senator from Oregon [Mrs. NEUBERGER], the Senator from West Virginia [Mr. RANDOLPH], the Senators from Georgia [Mr. RUSSELL and Mr. TALMADGE], and the Senator from New Jersey [Mr. WILLIAMS] are absent on official business.

I also announce that the Senator from Colorado [Mr. CARROLL] and the Senator from Minnesota [Mr. MCCARTHY] are absent because of illness.

I further announce that the Senator from Texas [Mr. BLAKLEY] is necessarily absent.

I further announce that, if present and voting, the Senator from Texas [Mr. BLAKLEY], the Senator from North Dakota [Mr. BURDICK], the Senator from Tennessee [Mr. GORE], the Senator from Minnesota [Mr. MCCARTHY], the Senator from Oregon [Mrs. NEUBERGER], and the Senator from West Virginia [Mr. RANDOLPH] would each vote "nay."

Mr. KUCHEL. I announce that the Senator from Maryland [Mr. BUTLER] and the Senator from Arizona [Mr. GOLDWATER] are necessarily absent.

The Senator from Maryland [Mr. BEALL] is detained on official business.

The pair of the Senator from Arizona [Mr. GOLDWATER] has been previously announced by the Senator from Massachusetts [Mr. SALTONSTALL].

The result was announced—yeas 17, nays 68, as follows:

[No. 24]

YEAS—17

Boggs	Hickenlooper	Proxmire
Bridges	Holland	Robertson
Bush	Keating	Scott
Byrd, Va.	Lausche	Thurmond
Capehart	Miller	Williams, Del.
Douglas	Prouty	

NAYS—68

Aiken	Fong	Magnuson
Allott	Fulbright	Mansfield
Anderson	Gruening	Metcalf
Bartlett	Hart	Monroney
Bennett	Hartke	Morse
Bible	Hayden	Morton
Byrd, W. Va.	Hickey	Moss
Cannon	Hill	Mundt
Carlson	Hruska	Muskie
Case, N.J.	Humphrey	Pastore
Case, S. Dak.	Jackson	Pell
Chavez	Javits	Schoeppel
Church	Johnston	Smathers
Clark	Jordan	Smith, Mass.
Cooper	Kefauver	Smith, Maine
Cotton	Kerr	Sparkman
Curtis	Kuchel	Stennis
Dodd	Long, Mo.	Symington
Dworshak	Long, Hawaii	Wiley
Eastland	Long, La.	Yarborough
Ellender	McClellan	Young, N. Dak.
Engle	McGee	Young, Ohio
Ervin	McNamara	

NOT VOTING—15

Beall	Dirksen	Randolph
Blakley	Goldwater	Russell
Burdick	Gore	Saltonstall
Butler	McCarthy	Talmadge
Carroll	Neuberger	Williams, N.J.

So the motion of Mr. WILLIAMS of Delaware to recommit the bill was rejected.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER (Mr. HICKEY in the chair). The bill having been read the third time, the question is, Shall it pass?

The bill (S. 107) was passed.

Mr. LAUSCHE. Mr. President, I should like to have the RECORD show that on the passage of the bill I voted "nay."

Mr. MANSFIELD. Mr. President, I move that the Senate reconsider the vote by which the bill was passed.

Mr. HUMPHREY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, I am about to move that the Senate proceed to the consideration of executive business, for the consideration of certain nominations on the Executive Calendar.

Mr. DIRKSEN. Mr. President, before the Senate proceeds to the consideration of executive business, I wish to ask the majority leader what the schedule is for the remainder of the day and also for tomorrow and the remainder of the week.

Mr. MANSFIELD. It is the intention to have the Senate consider various nominations during the remainder of the afternoon. It is hoped that the Senate will convene at an early hour tomorrow, to begin consideration of the measure to extend the Sugar Act, which recently was reported by the Finance Committee. If the Senate finishes its action on that measure by tomorrow night, there will be no business for the rest of the week. If the Senate does not complete its action on that measure tomorrow, it will meet on Thursday, to take final action on that measure, because in connection with it we are faced with a deadline.

Mr. DIRKSEN. I should like to ask whether there will be any more record votes this afternoon; I make this inquiry for the information of all Members.

Mr. MANSFIELD. So far as I am concerned, I know of no other record votes to be taken today, and I do not think there will be any other record votes today. However, we cannot make an ironclad promise.

Furthermore, following the response to the previous question, I would say that there is a unanimous-consent agreement for the Senate to consider tomorrow, following the morning hour, the measures on the calendar to which there is no objection.

Mr. DIRKSEN. I thank the majority leader.

ORDER FOR ADJOURNMENT TO 10 O'CLOCK A.M. TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate concludes its session today, it adjourn until tomorrow at 10 o'clock a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana [Mr. MANSFIELD] that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

MR. A. W. HUBBARD'S REPORT ON CARIBBEAN AND LATIN AMERICAN COUNTRIES

Mr. HUMPHREY. Mr. President, during the month of February, at my request, Mr. Alfred W. Hubbard, of Minneapolis, a distinguished research analyst, editor, and businessman, took careful notes during his visit in the Caribbean area. The results of these notes appear in the form of a report prepared for me, which is both illuminating and challenging.

I believe, Mr. President, that it well illustrates the point that we should be gathering information on the relationships of our Nation with other nations through making use of private citizens as well as through our regular diplomatic channels.

I am making Mr. Hubbard's report available to the Secretary of State, to the Director of the International Cooperation Administration, and to the Administrator of the food for peace program. It will be a valuable document, and I know that it will be most carefully studied.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a report prepared by Mr. A. W. Hubbard, entitled "A Report on Caribbean and Latin American Countries, January 27 to February 28, 1961."

There being no objection, the report was ordered to be printed in the RECORD, as follows:

REPORT ON CARIBBEAN AND LATIN AMERICAN COUNTRIES

(Conducted by Alfred W. Hubbard, especially for Senator HUBERT H. HUMPHREY, January 27 to February 28, 1961)

The following report and observations were to originally have covered the Leeward and Windward Islands of the Caribbean, and the South and Latin American countries of Venezuela, Colombia, Cost Rica, and Nicaragua. However, at the conclusion of the Venezuela phase the airline strike intervened causing a delay at Caracas, Venezuela, and eventually necessitating the termination of the investigation and a return to the United States.

The specifications as to the areas of information desired were delineated as follows:

1. To obtain information on the medical problems in the Caribbean and Latin American countries.
2. The doctor shortage.
3. The quality of medical care in general.
4. The number of hospital beds available.
5. The quality of hospitalization.
6. Medical research being undertaken.
7. The food shortage insofar as it applies to the common people.
8. Whether or not there has been any improvement in medical care for the average and lower classes.
9. How many public health clinics there are and how well used.
10. Adequacy of classrooms in the school program.
11. If school lunches are provided, and how.
12. Could surplus American foods be used for school lunch programs.

GENERAL OBSERVATIONS

Some general observations of our present and proposed programs of surplus food distribution brings up the matter in the choice of "Foods for Peace" as a slogan. This is probably a catchy and useful slogan in the United States where the aid is to come from; unfortunately a number of persons commented on this in a critical manner. It appears to be an unhappy choice of slogan in the Caribbean and Latin American countries, where the aid is to be distributed for consumption.

The connotation carried with the slogan "Food for Peace," seems to be allied with dollar diplomacy of buying of peace neutrality or time, in the cold war. At the point of use, a proper slogan must have a connotation which will permit a proud people to participate wholeheartedly in its distribution and consumption, for a worthy contributive purpose in a dignified manner. This is not to imply that peace is not a worthy objective, but that it does not carry the close personal feeling of what another type of slogan might accomplish.

After considerable pondering and questioning of a number of responsible persons in the area traveled, the slogan, "Food for Health," appears to be one that might more acceptably provide a better connotation. Also, that a symbol of a U.S. map outline with the words "U.S.A. Food for World Health" would probably not be subject to, or generate as much, criticism. The exception, of course, would come from cold war enemies of the United States. It is possible that these enemies may be at the bottom of these situations where certain populations refused to use powdered milk surplus provided, because the idea was injuriously implanted that the product contained a birth-control factor.

It would seem that the providing of such food surplus might better be planned on the basis of a loan to the country, which could in some way or another be liquidated in the future in actual and full repayment with interest. Or, at least, be shown to be liquidated by social, economic, industrial, and political advances so that there will be in the future an upgrading in the country and that eventually its national income will enable an equitable taxation for future reduction and/or liquidation of such food loans.

This adds to the complexity of the problem. In fact, it is not just simply a matter of making food available; the whole economy must be considered. Handouts, or charity of foodstuffs we have in surplus and do not need is repugnant. Nonetheless, foodstuffs we can charitably make available to poorer countries always run afoul of the appearance of a handout, or an attempt to try to buy their good-will alliance or neutrality. Such countries need to have help and direction to enable them to progress economically, if they are to liquidate the loans of needed food rather than to be placed in the position of accepting them as charity.

The wealth of such countries must come from its natural resources and the efforts of its people. Therefore, it behooves us to help show the way they may take to improve their position. And, of course, at the same time not contribute or aggravate further unbalance, an instability of world surplus and trade which in the end could affect not only the United States but the world, unfavorably.

In areas like Venezuela, minerals and petroleum make the problem somewhat less complicated insofar as the economic growth of the country is concerned. In this case it is the social and political climate which has aggravated the situation. This situation is entirely different in the Caribbean islands such as Anguilla, Mevis, Antigua, etc. There are no discovered mineral or petroleum bonanzas. The economies of these islands are based on an agricultural approach of sugar (already much in surplus), cotton, oil, nuts, and foodstuffs. The encouragement and establishment of processing industries for all types of products which can be grown from this soil would aid the economic progress of these countries.

One point common to both the Caribbean and Venezuela is that there is widespread malnutrition. This is especially true of the middle, low, and no income classes. It appears that about 25 percent or more of the total population is affected with subclinical and definitely clinical states of malnutrition. In the clinical states, emaciation, enteritis, gastroenteritis, and other conditions are rampant. The food deficits are most prevalent in the rural areas. In Venezuela conditions with respect to undernutrition are truly pitiful by U.S. standards. Some 50 percent of the total population are poverty stricken, with such low incomes or lack of any income as to invite hunger and malnutrition, which is truly vast.

Medical care in the Caribbean areas is from fair to poor to nonexistent, with about 2,000 to 5,000 or 6,000 persons per physician. Venezuela has a ratio for the country as a whole of about 1,500 persons per physician. Unfortunately, those physicians who are not in government service practice only in the cities, so the ratio becomes about 800 per physician in the cities and up to 5,000 per physician in the rural areas. And even in the cities there is much lack of care because the independent practicing physicians will only care for those who can afford to pay.

Another generalization concerns the timing of any program of assistance. In both the Caribbean areas, and especially so in Venezuela speed is extremely essential. Lofty words and aims are sweet to hear, but these must be implemented rapidly. The matter should be dealt with in days and weeks, not in months or years. If no real action is forthcoming at once in assisting the present government toward its worthy objective, Venezuela will become a much greater problem than now exists in Cuba. The Caribbean territories are experiencing much more favorable and stable governments but the need exists now, and the threat is ever present.

THE CARIBBEAN AREA

The territories covered in this report consist of St. Kitts, Nevis, and Anguilla administered as a single colony; St. Lucia, and Trinidad. Some observations indicate that conditions are similar in Antigua, Montserrat, and other islands in the West Indies Federation.

The population of St. Kitts-Nevis-Anguilla is about 57,472. (St. Kitts 38,624; Nevis 12,916; Anguilla 5,932). Sugarcane and cotton are the chief crops. St. Kitts, the largest of the three islands, is relatively flat, possesses a very fertile soil and is almost entirely devoted to the production of sugar. There is a large and efficient sugar factory connected with sugar estates by means of light railways. It is from the sugar industry that the main economic upkeep of the entire colony is maintained. The main crop on Nevis is cotton, but the production of sugarcane in small quantities and also vegetables and produce provide bare subsistence for what is largely a peasant community. Anguilla is agriculturally almost barren, and the inhabitants depend mainly upon the sea, fishing, and emigration for support.

For climatic and historical reasons, agriculture is the backbone of the territory's economy. Its financial returns, however, are insufficient to support a growing population and to supply the higher standards of living desirable for the majority of the community. Agriculture, therefore, needs to be supplemented by other sources of revenue. The establishment of light manufacturing industries is both necessary and desirable. The long-term problem is to secure such industrial development as will enable the territory eventually to support itself, and provide the social services and amenities it requires.

Within the past 2 years U.S. interests organized and established an edible oil factory on Nevis. This factory is to process copra and cottonseed from the territory. Unfortunately not enough such oilseeds are available, so the factory has been operating intermittently and at a financial loss. The same people have acquired a large plantation and are planting coconuts and peanuts as demonstration to other landholders on the island. This is a long term project and will probably not come into full fruition until 1968. Surplus peanuts from the United States on terms and prices to make this project economically feasible is urgently required at once. A similar experience is taking place on Montserrat, a nearby island, in the case of a factory to process tomato paste. Agricultural aid and know-how for raising tomatoes is urgently needed, otherwise the factory will be in a sorry condition financially.

Meanwhile, the need for certain minimum standards of social services is urgent and can only be fully provided with external assistance. Social services in all three islands are limited by the small economic resources of the territory. Nevertheless, it must be pointed out that during the past 15 years or so these services have been consideraly improved. This is especially so in the field of education, where there has been extensive school building programs. As is so often the case the staffing of the classrooms lags considerably behind the actual physical building program. Aid here could be in the form of assisting in educating more teachers.

For purposes of medical care, the three islands are divided into medical districts. And for each, financial provision is made for a medical officer who is a general practitioner. The main and most difficult problem is the recruitment and ability to pay specialist services. There is often difficulty in recruitment of district medical officers on a general practitioner level, but on the whole the districts are more or less adequately served. By less adequately, is meant that one district medical officer has too many persons to provide the type of care which would in some way compare to U.S. standards. There is at present, no surgeon, eye, ear, nose and throat, internist, or diagnostician. Assistance in the provision of the services of such specialists would be greatly appreciated by the people of these islands. Though less urgently required, the services of a radiologist and pathologist are also desirable.

Mental illness, as an example of the type of care provided, is typical. Since there are no psychiatrists or psychologists, there is a panel of two of the general practitioners called in when a case of mental illness is brought in. These two doctors examine and certify the case to the area mental hospital, which is in effect an insane asylum. Ambulant or outpatient care of mental illness does not appear to be practiced. Nor does the use of electro-shock or insulin-shock treatment appear to be employed. In asking about the extent of use of tranquilizers for ambulant treatment of mental disturbances, this also met with an inconclusive response indicating that this is not generally employed as a general treatment.

The status of physicians in the Caribbean areas is exactly opposite that of the States. The general practitioner receives the greatest income, the largest practices, and the greater general regard, as compared to the States where the specialists occupy the higher income positions. Medical care for the masses here is accomplished through government medical officers who are contracted for and paid out of government

funds. The income of government doctors is not attractive so the recruitment of them is difficult. Most physicians prefer independent private practice. As a result, the government services usually get the less able men. The rural areas are most deficient in decent medical care.

The only solution to this problem would be greater financial inducements for government services. Without aid in the form of grants, this is not possible until the economic situation of the territory is such that more funds could be budgeted to increased effectiveness of medical care. It might be wise for the examination of a program of scholarships to qualified students for medicine, and the specialties—nursing and technicians, in U.S. schools. This would be a long-term program, but definitely desirable.

The same type of program in the field of education might be examined. Difficulty in the recruitment of teachers is frequently mentioned.

There is some indication that there has been some improvement in the standards of nutrition. It is reported to be better among the masses than it formerly has been. Nonetheless some 25 percent of the population are substandard in nutrition. This would distribute 10 percent subclinical states of malnutrition and 15 percent definitely clinical signs of malnutrition. The reasons are several. Lack of income, ignorance of proper nutrition, and lack of proper foods. Regular school lunches are the exception. In recent years an agency of UNICEF has made some distribution of powdered milk. There is a disturbing rumor that the supply of this UNICEF milk is likely to be discontinued.

This program has met with varying degrees of success. In some areas the powdered milk was distributed to the schoolchild to take home. The parents would bring it to the stores for resale to add to their income. Poor use success was also present because of ignorance in the need and desirability of use of the milk. In some instances, the local custom of not drinking milk precluded its use. And several stories of its nonuse, because of the rumor that it contained something to prevent births, were picked up.

The diet of a schoolchild for the midday meal is a penny loaf and a sweet drink. That is, if there is money for this. Where no money is available, no lunch. A school feeding program in these islands should top the list of urgent programs. Not only should milk be made available, but also other elements of a better balance in nutritional meals.

Due to the drawbacks of powdered milk and the difficulty in educating the people for its proper use, it would be much better if a central milk reconstituting program were established and fluid milk and lunch delivered to the schools. This would assure that the child in school would receive and eat, or drink, the food under the eyes of the teaching staff. It would be preferable if the reconstituted milk were to be fortified with a 3-percent fat content in the form of copra, cottonseed, or peanut oil, and the basic amount of necessary vitamins and minerals required for proper nutrition. This could all be set up under the "U.S.A. Food for World Health," and so indicated.

As to quantity, on the islands of St. Kitts, Nevis, and Anguilla territory there are upwards of 14,000 school-age children. If the entire West Indies Federation were to be considered there would be in the area of 300,000 school-age children. If the milk reconstituting plant approach were considered, it would require at least one plant per island and several on the larger islands, such as Trinidad.

The nurse administrator of one of the hospitals requested that if there be a program of milk and lunches available, that the hospitals be included in this, especially for prenatal, obstetric, and pediatric cases.

Conditions on St. Lucia are not dissimilar to that described for St. Kitts-Nevis-Anguilla. Agriculture here provides the basis for their economy. The medical care situation is indeed more critical than it is for St. Kitts. The attached clipping provides the best indication of the urgency.

Trinidad is fortunately in a slightly better situation insofar as medical care is concerned, but in both St. Lucia and Trinidad the nutritional levels are far below accepted standards. Another newspaper clipping herewith attached, points up the problem as seen by Mr. Kenneth Sylvester, general secretary of the Trinidad and Tobago Teachers Union.

All in all there is much that a program of aid in medical care, education, and nutrition can do to alleviate distress in the West Indies. I realize Senator HUMPHREY, that you are aware that some need exists and that something should be done. But may I point out that the problem is urgent, and further, that an overall program dealing with not only the matters you specified in your letter, but a general economic approach should also be considered. If not, the aid will be in the category of a charitable handout with its eventual lag and perhaps discontinuance, with no improvement in the long-range betterment toward self-help due to more favorable economic stability in the future.

There could be some programs of financial aid to industries organized by U.S. interests, providing all equipment, materials, and supplies be purchased in the United States. Sort of an FHA program to accomplish the task of building the economy of specific islands, and based on what they can produce to be processed for internal area consumption.

VENEZUELA

At the outset the investigation here was started on the points requested, dealing with medical care, education, and nutrition. The matter soon developed into a most complex problem dealing with all phases of the economy, social and political, so that the entire situation required study.

On purely basic principles, it appears that Venezuela neither needs or deserves assistance. Here is a country of vast natural wealth. In minerals, such as iron ore, and in petroleum it is being actively exploited. The royalties are vast, so there are funds available. However, due to the political climate there is much squandering, theft, and inefficiency in handling such funds. It is reported that previous dictators decamped with hundreds of millions of dollars. Should the United States make good these deficits? The only justification for aid here is to combat the ideological warfare of the cold war for fear this country should fall within the Communist fields, and of purely human compassion for human suffering from want and deprivation. How far shall we go in asking the U.S. taxpayer to make good on the duplicity and depravity of unconscientious politicians? If we do nothing, Venezuela will surely fall within the Red orbit just as Cuba has done.

A vast complex of pressures are operating within Venezuela. Two of these of course, are inspired from outside the country. It is a seesaw of international communism and international democracy. Both of these are affected by trade and world power struggles. From within, we have the large landowners entrenched businessmen who do not want to see any changes which might challenge their domination of the business economy. Also from within we have the power hungry politicians struggling for local power, and opportunities for graft and grab of the country's resources before they too will be forced to decamp with a generous slice of the accumulated ill-gotten gains. This extends from the far left of downright communism to the near right, in all shades and degrees. Each of these are aided and abetted by the outside powers, alined both for and against each other. There are instances for both opposing outside powers aiding the same group, or trying to win over this same group.

In the large cities of Caracas, Valencia, and Maracaibo about one-half the population are housed in ranchitos or hovels. These are extremely crowded and without water or sanitation facilities. These are built on the mountainsides, and during rainstorms filth washes down from the top to the bottom. Infant mortality is very high, intestinal parasites, venereal disease, gastroenteritis, malnutrition, and other health problems are increasing rapidly.

It is reported that Communist-inspired movements are abetting the movement of the population from poverty stricken rural areas to the ranchito areas in the cities, so that they can be used to cause riots and embarrassment to the present government.

The total population of Venezuela is about 7 million. Two percent or less are the very wealthy of inherited fortunes, large landowners, and successful professional and businessmen. Ten percent are among the middle class. Thirty percent are in the lower middle class, and the remaining 50 percent are low income to poverty stricken.

Ten percent of the laborers are unemployed, 30 percent are underemployed. Over half are ill-housed. It is estimated that over 1,250,000 would be qualified for Public Law 480 aid.

Hunger and malnutrition are vast. There are large deficits in schools, water supply, clinics and hospitals, and other public facilities. With the large population increase overtaxing opportunities and facilities in the farm and rural areas, families flock to the large cities in search of work and food. This movement is aided by the Red groups in that they will be able to point to their misery and say that the government is doing nothing for them, and that they should demonstrate and riot to force the government to do something.

Only recently has Venezuela begun a land reform program. But, in this there is a woeful lack of proper planning, implementing, and execution of plans.

Dr. Arnaldo Gabaldon, Minister of Health, and a proven friend of the United States, says, "Venezuela is in the momentum of change. If our efforts toward change by evolution and using democratic principles fail, then the momentum of change will resort to revolution and the Castro Communists will step in."

After a failure of coalition with the present government, the leftwingers and dissidents withdrew. This leaves the Betancourt support limited to the rightist COPEI party and the middle-of-the-road AD party. In the last election Betancourt was supported in the outer rural areas, but only by 40 percent in Caracas. It is a very precariously situated government, with frequent uprisings occurring against his regime.

Venezuela has 293 hospitals and a reported 26,029 beds. In 39 general hospitals of 14,598 beds, there were 151,981 admissions. The average length of stay appears to be about 10 days, as compared to the United States at 5 or 6 days. Chronic long-term cases occupy many beds. Obstetric and pediatric cases take over 50 percent of all beds. There is an urgent need for a total of 32,000 beds in short-term general hospitals and 6,000 beds in long-term special hospitals. Thus it is readily evident that a large deficit exists. To compound this problem, the statistics are faulty. The university hospital is reported to have 600 beds. However, due to lack of equipment and staff, only 175 of these are now activated. The military hospital reported with 1,100 beds, has 300

activated for military personnel and 500 for social services. Some 310 are not activated because of lack of equipment and personnel. There are 5,182 physicians in Venezuela. However, most of these are in private, independent practices in the large cities, or in industrial or plantation clinics. The government has some physicians staffing the clinics.

There are a reported 6,735 nurses in the country. Upon repeated questioning, it was admitted that few of these nurses would qualify in any way for a registered nurse in the United States. Many are little better than our practical nurses and those who are considered practical nurses are more or less of the hospital orderly or maid classification. Training programs are in existence in the various hospitals, but due to lack of basic education in this population there is a great shortage of prospective students. They are now dropping requirements to 2 years of high school and in some instances less qualifications.

It should be of interest to note that while the price of drugs is controlled by government, anyone can, without a prescription, go into any parmacia (drugstore) and purchase over the counter almost any drug that is produced anywhere in the world. Having a stomach upset, the writer purchased a bottle of "sulfasuxidina" Merck, by simply asking for it. The price was under what one would pay in the States.

Since the Betancourt administration, there has been a significant program of constructing and equipping elementary and high schools, both in urban and rural areas as well as the university facilities. The great need is for the development of teaching staffs, faculties, and textbooks, etc. The previous dictator did nothing to augment education, preferring to construct hotels, monuments, parks, apartments, and such which was more productive of kickbacks and graft to decamp with.

The Institute of Nutrition maintains 467 rural stations where they provide a milk in powdered form, fortified with additional proteins, minerals, and vitamins. An example of this is being sent herewith. Dr. Eduardo Paez takes the stand that they would not distribute powdered milk unless it were so fortified. His reasoning on this is that he wants to get a complete nutritioned food in this glass of powdered milk to assure basic requirements. He also prefers animal proteins in the mixture. Incaparina, which is basically cottonseed meal fortified with yeast, etc., was rejected.

Dr. Paez estimates that mortality from malnutrition is as follows:

Rated per 100,000 population: 100,000 and over, 48.8: 50,000 to 100,000, 134.3: 15,000 to 50,000, 155: 5,000 to 15,000, 214. Thus it is apparent that malnutrition, as serious as it is in all city sizes, is five times that in the rural areas as it is in the very large cities.

There are now 85,000 children out of some 400,000 getting school lunches. Also there are 700 dispensaries providing preschoolers with 30 tons of milk food preparation, mainly in the interior of Venezuela. About 1 million need such nutritional help, and 900,000 of these are in rural areas.

The Institute of Nutrition also operates a program of popular restaurants for adults of the working class, so that they might have sufficient nutrition to work. There are about 31 of these popular restaurants. The program applies only to parents, and not to children. Dr. Paez is endeavoring to get the industries to take this over for their own workers. However, these were started with a price to the worker of $1 (Bolivar), and now the cost of living is about doubled and Government assumes the difference. The industries do not want to assume this program, but it is likely it will be legislated into existence. The oil companies and ore companies now have to provide such facilities, and also company stores at a low cost for employees. If Paez is successful to any degree, other indutries will be providing the same nutritional support.

The land reform program consists of the Government taking over large land areas and assigning small acreages, buildings, and farming equipment, along with an allotment, to persons they hope to move from the ranchitos. As stated before the left wing elements try to prevent this move because it doesn't serve their purpose.

One of the difficulties in a land reform program is that of technical assistance to the potential farmers. There are fewer than 100 agricultural extension officers. These should be expanded greatly, to assure success in the land resettlement program. The United States could aid best in this program by providing technical assistance and instituting a training program for agricultural extension officers, so that they may be taught how to get the most effective results out of the resources they have. This is preferable to large amounts of money in grants.

Any program of sending technical personnel for training purposes, is going to have to be handled very carefully. Should a number of technical men be sent to Venezuela for training agricultural extension officers, physicians, nurses, etc., it might look like an invasion of people from the United States. Therefore, it would be better if such technical instructors would be of Spanish origin if possible.

* * * * *

In any event, it is my opinion that the ICA program of the United States should be expanded with regard toward furnishing technical assistance. Any program instituted should have a real troubleshooter, who should be assigned this job for not less than 6 months, preferably a year or so to get the program underway and see that all stumbling blocks are effectively surmounted.

I do hope this report will be of help to you. Given more time I could perhaps cover the subject in greater depth, particulars, and comprehensiveness, but this was not possible. Should you chance to be in Minneapolis at any time in the near future, I would be happy to discuss the whole matter further.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of nominations on the Executive Calendar.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider executive business.

COMMISSIONER OF EDUCATION

The Chief Clerk read the nomination of Sterling M. McMurrin, of Utah, to be Commissioner of Education.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

FEDERAL MEDIATION AND CONCILIATION DIRECTOR

The Chief Clerk read the nomination of William E. Simkin, of Pennsylvania, to be Federal Mediation and Conciliation Director.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. DIRKSEN. Mr. President, at this point in the RECORD, I should like to ask the chairman of the Committee on Labor and Public Welfare to place in the RECORD the biographies of these two gentlemen, because they are interesting.

Mr. HILL. Mr. President, I ask unanimous consent that biographies of these two gentlemen may appear at this point in the RECORD.

There being no objection, the biographies were ordered to be printed in the RECORD, as follows:

BIOGRAPHICAL SKETCH OF STERLING M. MCMURRIN, COMMISSIONER OF EDUCATION-DESIGNATE, OFFICE OF EDUCATION, U.S. DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Born in Woods Cross, Utah, January 12, 1914.

Education: Undergraduate education at University of California at Los Angeles and University of Utah. BA University of Utah, 1936. Graduate education at University of Utah and University of Southern California. MA University of Utah, 1937. Ph. D, (philosophy) University of Southern California, 1946. Post doctoral education: Columbia University, 1952–53, Union Theological Seminary, 1952–53, Princeton University, 1953.

Married to Natalie Barbara Cotterel, five children.

Experience: Assistant professor of philosophy, University of Southern California, 1946–48. Professor of philosophy, University of Utah, 1948 to present. Dean of the College of Letters and Science, University of Utah, 1954–60. Academic vice president, University of Utah, 1960 to present. Membership in the following organizations: Consultant—Ford Foundations Fund for the Advancement of Education, 1958, Faculty Fellow of the Fund for the Advancement of Education, 1952–53, for postdoctoral study. Member: American Philosophical Association, Mountain Plains Philosophical Conference (past president), Utah Academy of Sciences, Arts and Letters, etc., Phi Beta Kappa, Phi Kappa Phi, etc. Past president of Utah Conference on Higher Education, past member of executive committee on Pacific Northwest Conference on Higher Education, etc. Author of numerous articles on philosophy, religion, and education, specializing in the history of philosophy, contemporary philosophy, and the philosophy of history. Coauthor of "A History of Philosophy" (2 vols.), Henry Holt & Co.; "Contemporary Philosophy," Henry Holt & Co. Sample monograph publications: "Patterns of Our Religious Faiths," University of Utah Press; "Is There Freedom of the Will?" University of Utah Press. Since 1942 author of the article "Philosophy" for the Encyclopaedia Britannica Book of the Year. Travel: Europe, Russia, Middle East, and Orient. Government Service: Adviser to the University of Tehran, Iran, under arrangement with the U.S. Department of State.

BIOGRAPHICAL SKETCH OF WILLIAM E. SIMKIN, DIRECTOR, FEDERAL MEDIATION AND CONCILIATION SERVICE

Mr. William E. Simkin was born January 13, 1907, in Merrifield, N.Y. He is married to the former Ruth Commons, of Richmond, Ind., and has two sons.

Following receipt of a B.S. degree from Earlham College, Richmond, Ind., in 1927, he became principal of Central High School, Sherwood, N.Y. He also taught science and mathematics.

In 1930, he transferred to the staff of the Brooklyn (N.Y.) Friends School in order to pursue a part-time postgraduate course in economics at Columbia University.

His teaching career and graduate studies were interrupted by 5 years' service as a field representative in West Virginia for the American Friends Service Committee, working on a project of retraining unemployed miners in furniture manufacturing.

In 1937 he resumed his postgraduate education at the University of Pennsylvania and

also was a full-time instructor in industry at the university in the Wharton School of Finance and Commerce.

His career in labor relations began on July 1, 1939, when he became associate impartial chairman in the full-fashioned hosiery industry working under Dr. George W. Taylor who was then impartial chairman.

In 1942, he left the field of arbitration temporarily to enter the service of the National War Labor Board. He served successively as special mediation representative, chairman of the Shipbuilding Commission, and cochairman of the Steel Commission. His last service to the Government during this period was as a member of the fact-finding board appointed in the Greyhound bus dispute of 1946.

Following the war, he resumed full-time work in arbitration and, in 1950, was elected president of the National Academy of Arbitrators. At various times he has served as so-called permanent arbitrator in the shipbuilding industry (Bethlehem, Sun Ship, and Cramp Ship), the rubber industry (Goodyear and Firestone), the steel industry (Crucible and National Can), the rayon industry (American Viscose), the apparel industry (Men's Clothing & Dress in Philadelphia), and in transportation (Greyhound). He has also done an extensive amount of ad hoc arbitration work in a wide variety of industries, including arbitration of new contracts.

He also authored two books: "Arbitration of Grievances" (with Van D. Kennedy) and "Acceptability as a Factor in Arbitration Under an Existing Agreement."

Mr. Simkin is affiliated with the National Academy of Arbitrators and the Industrial Relations Research Association.

DEPARTMENT OF AGRICULTURE

The Chief Clerk read the nomination of John C. Bagwell, of South Carolina, to be General Counsel of the Department of Agriculture.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. JOHNSTON. Mr. President, the nominee happens to be from my hometown, and I want to thank the Senate for confirming the nomination.

BOARD OF DIRECTORS, COMMODITY CREDIT CORPORATION

The Chief Clerk read the nominations of Charles S. Murphy, of Maryland; John P. Duncan, Jr., of Georgia; Frank J. Welch, of Kentucky; James T. Ralph, of California; Horace Godfrey, of North Carolina; and Willard Cochrane, of Minnesota, to be members of the Board of Directors of the Commodity Credit Corporation.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

DEPARTMENT OF STATE

The Chief Clerk read the nomination of J. Kenneth Galbraith, of Massachusetts, to be Ambassador Extraordinary and Plenipotentiary to India.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Edward G. Stockdale, of Florida, to be Ambassador Extraordinary and Plenipotentiary to Ireland.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of William McCormick Blair, Jr., of Illinois, to be Ambassador Extraordinary and Plenipotentiary to Denmark.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of John S. Rice, of Pennsylvania, to be Ambassador Extraordinary and Plenipotentiary to the Kingdom of the Netherlands.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Kenneth Todd Young, of New York, to be Ambassador Extraordinary and Plenipotentiary to Thailand.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Edwin O. Reischauer, of Massachusetts, to be Ambassador Extraordinary and Plenipotentiary to Japan.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of William Attwood, of Connecticut, to be Ambassador Extraordinary and Plenipotentiary to the Republic of Guinea.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Anthony J. Drexel Biddle, of Pennsylvania, to be Ambassador Extraordinary and Plenipotentiary to Spain.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Aaron S. Brown, of New Hampshire, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary to Nicaragua.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. MANSFIELD. Mr. President, I ask that the President be immediately notified of the nominations confirmed by the Senate.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

DEPARTMENT OF THE INTERIOR

The Chief Clerk read the nomination of John M. Kelly, of New Mexico, to be an Assistant Secretary of the Interior.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. DIRKSEN. Mr. President, I have made no comment on the ambassadorial nominations. I simply want the RECORD to show that, insofar as I am advised, the nominations have been voted out of the Foreign Relations Committee by unanimous vote in every case. If that is not the case, then the RECORD ought to show it.

Mr. FULBRIGHT. Mr. President, we had a meeting. No Senator called for a record vote. There was only one case in which a Senator said he would prefer to withhold his vote as to one nomination. That was the only objection of any kind.

Mr. DIRKSEN. Sometimes a question arises as to the celerity with which the nominations move through the Senate, and people are not always advised of the work that has been done in committee and the fact that quite often there has been long interrogation into the nominees' qualifications and background for the position, and that the nominations are brought to the floor of the Senate only after such consideration by the committee.

Mr. FULBRIGHT. The Senator is correct. We had 2 days of hearings on the nominations. Several of the nominees were interrogated at length. The committee went into every angle of the inquiry. The committee was satisfied as to the qualifications of the nominees. One or two of the nominees had statements made about them in the press. The questions raised were gone into fully. There was no objection.

Mr. MANSFIELD. Mr. President, what nomination is before the Senate at this time?

The PRESIDING OFFICER. No nomination is before the Senate.

Mr. MANSFIELD. What is the status of the nomination of Mr. John M. Kelly to be an Assistant Secretary of the Interior?

The PRESIDING OFFICER. That nomination has been confirmed.

Mr. MANSFIELD. Mr. President, I move that the action of the Senate in confirming the nomination of Mr. Kelly be reconsidered, and that the nomination be placed before the Senate for consideration.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana. The motion is agreed to, and the vote of the Senate in confirming the nomination is reconsidered.

The clerk will state the nomination.

The Chief Clerk read the nomination of John M. Kelly, of New Mexico, to be an Assistant Secretary of the Interior.

The PRESIDING OFFICER. The question is, Shall the Senate advise and consent to the nomination?

Mr. PROXMIRE. Mr. President, I object to this nomination with great reluctance. Mr. Kelly is a man who has had extensive experience as an oil producer. He has been in the oil industry for a long, long time, and it is a part of his qualifications. He still has, as I think I can show, very substantial oil holdings. He is still a very substantial oil producer, and in my judgment this disqualifies him to hold this office of all offices in the Federal Government. If the leaders of the oil industry sat down to decide which of all the offices they would want to occupy with their man, this would be it.

Mr. Kelly described his job very well in the second paragraph of page 2 of his testimony before the Interior and Insular Affairs Committee, when he said this:

> As you know, the field of activity that would be under my supervision will include the Bureau of Mines, Geological Survey, the Oil Import Administration, the Office of Mineral Exploration, the Office of Coal Research, the Office of Oil and Gas, the Office of Minerals Mobilization, and the Office of Geography.

I consider this nomination in the light of the background of the man and his present financial holdings. I call to the attention of the Senate the responsibilities Mr. Kelly will have in his new assignment.

BUREAU OF MINES

The Bureau of Mines was the first office to which he referred. In the U.S. Government Organization Manual for this year, on pages 243 and 244, is a description of the responsibilities and activities that this man will discharge as head of the Bureau of Mines. I call attention to the fact that one of the activities directly under this oil producer will be as follows:

Fuels Technology: Programs of fuels research and development are designed primarily to minimize waste of these essential resources, to increase efficiency, to promote the use of hitherto uneconomic fuels resources, and to promote economic stability in the fuels industries, with the objective of assuring adequate sources of energy for economic expansion and national security.

In other words, the responsibility of this man, who is now an oil producer in a big way, and who is holding onto his own ownership of oil production facilities, will include responsibility for Government research for oil and competing fuels. Is not a conflict of interest involved in this connection? He has had very extensive oil holdings, and, I think I can show, still has.

GEOLOGICAL SURVEY

The second position to which the Assistant Secretary referred and over which he will have authority is the Geological Survey. I read a short sentence from page 245 of the same manual regarding the responsibilities of that office. The Assistant Secretary would have the power to—

Enforce departmental regulations applicable to oil, gas, and other mining leases, permits, licenses, and operating contracts; and publish and disseminate data relative to the foregoing activities.

Once again, Mr. President, I suggest that Mr. Kelly would be involved in the administration of a Government program which would seem to be in conflict with his interest as an oil producer.

OIL IMPORT ADMINISTRATION

The third office over which the nominee would have top authority is the Oil Import Administration. The Oil Import Administration is described on page 240 of this Government Manual very briefly as follows:

The Oil Import Administration discharges the responsibilities imposed upon the Secretary of the Interior by Presidential Proclamation 3279 of March 10, 1959, "Adjusting Imports of Petroleum and Petroleum Products Into the United States." This proclamation, in the interests of national security, imposes restrictions upon the importation of crude oil, unfinished petroleum oils, and finished petroleum products. The Administration allocates imports of these commodities among qualified applicants and issues import licenses on the basis of such allocations.

Mr. President, I think it is to the interests of almost every domestic oil producer to see that there is a restriction upon importation of crude oil, unfinished petroleum oils, and finished petroleum products. It seems to me in this capacity the interests of oil producers directly conflict with those of oil consumers, particularly in New England, in my own State, and, indeed, in the entire section of the United States where the people are exclusively oil consumers and not producers. To put in charge of the Oil Import Administration a man who is an oil producer—to say nothing about his whole background, viewpoint, and orientation being toward the oil industry—seems to me to build a guaranteed conflict of interest directly into this administration. He would, as I say, adjust the imports of petroleum into the United States. He would have authority to impose restrictions upon the importation of crude oil, unfinished petroleum oils, and finished petroleum products. His authority and responsibility could hardly be more complete in this particular area.

OFFICE OF MINERALS EXPLORATION

The fourth position over which the oil producer would have authority is the Office of Minerals Exploration. Once again in the Government Manual I read very briefly from a fairly lengthy description of what the particular Office has to do:

Through the Office of Minerals Exploration the Government furnishes financial assistance in exploration for 32 mineral commodities. It contracts with eligible applicants to pay up to one-half of the cost of work authorized for the exploration. The Government's contribution may not exceed $250,000 in any single contract. The period for completion of contract work seldom exceeds 2 years; and in most contracts, varies from 6 months to 1 year.

The contract provides for repayment of the Government's contribution with interest by a royalty on production from the land described therein. If there is no production, there is no obligation to repay. Royalty payments of 5 percent of the gross proceeds or value are required on any production from the date of the contract until the Government notifies the operator, not later than 6 months after an acceptable final report and accounting have been furnished, either that it certifies that mineral or metal production may be possible as a result of the exploration or that it does not intend to issue a certification.

Mr. President, the Office of Minerals Exploration can furnish financial assistance in exploration and can pay up to one-half of the cost of exploration. Of course, that cost would have to be reimbursed out of royalties, if there were royalties. Nevertheless, it is perfectly clear that the Assistant Secretary who was nominated, who is an oil producer, would have a very great discretion in this regard. It seems to me that for an oil producer as Kelly is, this would be a direct conflict of interest.

OFFICE OF MINERALS MOBILIZATION

The fifth position over which the nominee would have authority is the Office of Minerals Mobilization. I read briefly from the Government Manual a partial description of that particular Office:

The Office is concerned with the adequacy of the supplies of certain metals, minerals, solid fuels, and facilities to fulfill both civilian and military requirements under partial and full mobilization, and performs the following functions:

On pages 237 and 238 the Office of Minerals Mobilization is described in some detail, and it is made clear that here, too, is a sharp and direct conflict of interest, involving a responsibility to develop not only oil but also other competing sources of fuel and sources of energy which would, it seems to me, result in very possibly prejudicing the position of the new Assistant Secretary as an oil producer, and prejudicing the position of the oil industry generally, if what I would view as the national interest were pursued.

The functions of the Office of Minerals Mobilization are given. One function, for this Office under the independent oil producer, is:

Formulates necessary foreign mineral exploration and development programs.

I ask Senators if an oil producer would have the same interest in formulating necessary foreign mineral exploration and development programs as a man who did not have these financial interests, these associations, and these connections in the past.

OFFICE OF COAL RESEARCH

The sixth office over which the Assistant Secretary would have administration and responsibility is the Office of Coal Research. Obviously, coal is a competing fuel for oil. Obviously, it would be against the interests of the oil industry or of any oil producer to see coal research developed in a way which would advance the competing fuel and therefore diminish or hurt or injure the position of the oil industry.

OFFICE OF OIL AND GAS

The seventh position over which the Assistant Secretary would have jurisdiction is the Office of Oil and Gas. On page 238 of the Government Organization Manual this is set forth quite clearly:

The Office of Oil and Gas, * * *.

1. Provides staff advice and assistance to the Assistant Secretary in the development, coordination, and management of oil and gas programs and functions which are assigned to the Department by the President or the Congress.

2. Provides leadership in obtaining coordination and unification of oil and gas policies and related administrative activities of all Federal agencies and enlists their cooperation to assure adequate development, distribution, and utilization of petroleum and gas resources and facilities to meet civilian, industrial, and military requirements in time of peace or national emergency.

3. Serves as the principal channel of communication between the Federal Government and the Interstate Oil Compact Commission, State regulatory bodies, and the petroleum and gas industries.

Mr. President, it seems to me peculiarly unwise to put in charge of the Office of Oil and Gas a man whose whole experience—certainly his primary experience—has been in the oil industry operating as a producer, a man who continues to be, in what I think I can show in a substantial way, an oil producer. If the spirit of the conflict of interest

statutes means anything, it would seem to me this man would certainly be disqualified for the Office of Oil and Gas; as, in my judgment, there would be a clear conflict of interest in regard to the other offices.

OFFICE OF GEOGRAPHY

There is only one other office mentioned, and it is the Office of Geography. With respect to the Office of Geography I think the Assistant Secretary could discharge his functions without a conflict of interest.

SUMMARY OF RESPONSIBILITIES

There are eight offices and eight responsibilities with which the Assistant Secretary is charged, and seven of them involve directly the oil industry, the petroleum industry. In seven of the eight cases it seems to me the nominee would be involved in a direct conflict of interest. This may be a bonanza for the oil industry. It is murder for the consumer.

NOMINEE'S OIL HOLDINGS

Mr. President, I should like to turn to the nominee and to his testimony before the committee. The nominee came before the committee and said:

I will sell all my stockholdings in oil and mining companies.

He went on to say:

In regard to any Federal leases, wells on Federal lands, overrides and payments, I will set up a trust and transfer all such interests to a trustee who will sell all such interests. Any such interests which the trustee has been unable to sell he will convey to the Elk Oil Co.

I will resign as president of the Elk Oil Co. and make an irrevocable gift to my minor children of all the stock that I own in this company pursuant to the Gift to Minors Act of New Mexico.

I intend to maintain my current operations on State and fee lands.

Mr. President, the nominee has disposed of some extremely valuable companies.

I ask unanimous consent that a memorandum to the Senate Committee on Interior and Insular Affairs from the Assistant Secretary-designate, John M. Kelly, be printed in the RECORD at this point.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., March 24, 1961.

To: The Senate Interior and Insular Affairs Committee.

From: Assistant Secretary-designate, John M. Kelly.

In order to comply with any real or apparent conflict of interest that I might have, I have agreed to do the following, which plan was approved by the Secretary of the Interior on February 15, 1961:

"Inasmuch as you have asked me to serve as a consultant to you prior to being appointed as an Assistant Secretary of the Interior and because of provisions in 43 CFR, part 7, I would like you to approve my entrance on duty under the following arrangements:

"1. I will sell all my stockholdings in oil and mining companies.

"2. In regard to any Federal leases, wells on Federal lands, overrides, and payments, I will set up a trust and transfer all such interests to a trustee who will sell all such interests. Any such interests which the trustee has been unable to sell he will convey to the Elk Oil Co.

"3. I will resign as president of the Elk Oil Co. and make an irrevocable gift to my minor children of all the stock that I own in this company pursuant to the Gift to Minors Act of New Mexico.

"4. I intend to maintain my current operations on State and fee lands.

"JOHN M. KELLY.

"Approved February 15, 1961.

"STEWART L. UDALL,
"Secretary of the Interior"

I therefore plan to dispose of all my interests in the following oil, gas, and mining companies as soon as possible: Ashland Oil & Refining, Aztec Oil, Conoco, National Fuel Gas, Newmont Mining, Ohio Oil Co., Pacific Gas & Electric, Socony Mobil Oil, Standard Oil (N.J.), Tennessee Gas Trans., Texas Gulf Producing, United Gas Corp., Bralorne Pioneer Mines, Cand Petrofina Preferred, Canada Southern Petroleum, Coastal Caribbean Oils, Eureka Corporation, Giant Yellowknife Mines, Hudson Bay Oil & Gas, Hugoton Production, Lake Shore Mines, Miss. River Fuel, Pan Coastal Petroleum, Potash Company of America, Rare Metals, West, Natural Gas Co., 1952 preferred, West, Natural Gas Co., 1955 preferred, West, Natural Gas Co., Wright-Hargreaves Mines, Western Development, United Canso Oil & Gas, San Antonio Gold, San Jose Petroleum, Sterling Oil of Oklahoma, Western Gas Service, Consolidated Emjay Petroleum, Elk Oil Co.

With regard to Mrs. Kelly's and my holdings in the Elk Oil Co., I will resign as president of this company and Mrs. Kelly will resign as secretary-treasurer of the company and we will make an irrevocable gift of all the stock of the Elk Oil Co. to our four minor children, pursuant to the Gifts to Minors Act of New Mexico.

I intend to retain shares in companies either listed or unlisted that do not engage in oil and mining activities. My present stockholdings in these companies follow: ABC Vending, American Rad. & Standard, Eversharp, Inc., Holly Corp., Murray Ohio Manufacturing, FIF Fund, Security National Bank, Roswell, N. Mex., Yucca Water Co.,[1] director.

I will divest myself of my producing and nonproducing Federal oil and gas leases as per the requirements of the Department of the Interior. I intend to do that by entering into a trust agreement. This trust agreement will be substantially in the form as follows:

"TRUST AGREEMENT

"Whereas John M. Kelly of Roswell, N. Mex., has been appointed Assistant Secretary of the U.S. Department of the Interior; and

"Whereas John M. Kelly and Esther L. Kelly, his wife, are prohibited by law from owning or deriving benefit from the properties described herein; and

"Whereas John M. Kelly and Esther L. Kelly now own or derive benefit from said property; and

"Whereas John M. Kelly and Esther L. Kelly are desirous of divesting themselves of said properties in order that John M. Kelly may serve his country as an executive officer in its Government without violation of law;

"Now, therefore, know all men by these presents, that John M. Kelly and Esther L. Kelly, his wife, hereinafter referred to collectively as grantors, for in and consideration of the above stated premises, do hereby grant, convey, set over and assign unto James T. Jennings of Roswell, N. Mex., all of the properties described in schedule A attached hereto and incorporated herein by reference, together with any other Federal oil and gas leases or portions thereof or interests therein which grantors now own, to have and to hold, in trust, nevertheless, for the benefit of the persons herein named to the extent herein provided, upon the following terms and conditions, to wit:

"1. The trustee shall undertake to sell, assign, transfer and convey all of the properties herein granted to him within a period of time not to exceed 120 days from the date of this instrument.

"2. Any of the properties herein granted to the trustee which are not disposed of in accordance with the provisions of the foregoing paragraph No. 1 shall be offered by the trustee to the Elk Oil Co., a New Mexico corporation.

"3. Any of the properties herein granted to the trustee which are not disposed of in accordance with the provisions of the foregoing paragraphs numbered 1 and 2 shall be conveyed by the trustee to the children of the grantors in equal undivided shares in accordance with the provisions of the New Mexico Uniform Gifts to Minors Act, naming J. T. Jennings as custodian as provided in said act.

"4. This trust shall terminate when all of the properties herein granted to the trustee have been disposed of by him and paid in full in accordance with the foregoing paragraphs numbered 1, 2, and 3.

"5. During the term of this agreement and until the trust herein created shall terminate, the trustee shall have title to and possession of all properties coming within the terms hereof, with full power and authority, except as expressly limited by this instrument, to manage, exchange, control, sell, convey, assign, transfer, and quitclaim the properties herein transferred or portions thereof or interests therein and to deal therewith in all respects and particulars as though he were the absolute owner thereof; and all limitations and duties now or hereafter imposed by statute, rule of law, rule of Court, or other administrative bodies are hereby waived and declared to be inapplicable to this trust. It is expressly intended that this provision shall relieve the trustee from the necessity of giving bond or security and the necessity of making periodic or other legal accountings. By way of illustration only, and not by way of limitation either expressed or implied, the trustee shall have and may exercise the following powers:

"(a) To retain the trust property in the form in which it is received whether the same might or might not be considered a prudent investment.

"(b) Advertise, offer, and negotiate for the sale or exchange of trust properties or any portion thereof or any interest therein upon such terms, cash, credit, or both, and under such conditions, public, private, or both, as the trustee may deem best.

"(c) Grant, convey, transfer, assign, and quitclaim, with or without warranty, any of the trust property or portions thereof or interest therein.

"(d) Exchange trust property or portions thereof or interest therein for other property of similar or dissimilar nature; provided, however, no exchange shall be made for properties which fall within the prohibition of law stated in the premises hereof unless such acquired property is disposed of in accordance with the provisions hereof.

"(e) Receive, receipt for and hold, according to the terms of this instrument, all income or proceeds from the trust property.

[1] With respect to the Yucca Co., a water pipeline company, operating by permit granted by the State Water Engineer of New Mexico, and producing water for resale under lease contracts on State lands of the State of New Mexico, I intend to resign as director of this company, but will retain my stockholdings in the company.

"(f) To obtain or hold investments of any part of the trust property in common or undivided interest with other persons, corporations, or trusts.

"(g) To demand, receive, receipt for, sue for, and collect any and all rights, money, properties or claims to which the trust may be entitled and to compromise, sell, arbitrate, or abandon any claim or demand in favor of or against the trust.

"(h) To employ agents, legal counsel, brokers, and assistants and to pay their fees and expenses, as he may deem necessary or advisable to carry out the provisions of the trust.

"6. In the event of the death, resignation, or incapacity of the trustee, James T. Jennings, Lawrence C. Harris of Roswell, N. Mex., shall be the successor trustee and as such, he shall have and may exercise all of the rights, powers, duties, and discretions conferred or imposed upon the original trustee.

"7. No one dealing with the trustee need inquire as to the validity of anything which the trustee purports to do or see to the application of any money paid or property transferred to or upon the order of such trustee.

"8. The trustee or his successor shall not be liable for any act or omission unless the same be due to his own willful default.

"9. Upon the termination of the trust as provided herein, the trustee shall deliver to the grantors all of the property which he has received in carrying out the provisions of this trust agreement less such expenses as he may have incurred.

"In witness whereof, the grantors have executed this agreement and conveyance, and to evidence his acceptance of the terms and conditions of the trust, the trustee has executed this agreement."

SCHEDULE A

I

Kelly producing Federal oil and gas leases: Burton Federal, Jack Federal, Stewart Federal, Stewart 28 Federal, Hodges Federal.

II

Kelly interest Cave Field waterflood project: Kelly owns approximately 29 percent interest in this waterflood project, which is located in the Cave Field, Eddy County, N. Mex. Continental Oil Co. is the operator of this project.

III

Nonproducing Federal leases: NM-013574, NM-A-088593, NM-062865, NM-021008, NM-047084, NM-020980, NM-0743, NM-04770, NM-07910, NM-08658, LC-069319, NM-015594, BLM-A-032326, NM-021009, BLM-A-032327, NM-05602, NM-02330A, NM-02282C, NM-02272B, NM-06034-A, NM-05827-A, NM-05827-B, NM-06027, NM-0149958, LC-070687, LC-069817, NM-046616, NM-02328-A.

These leases approximate 13,282.16 acres.

IV

Overrides and oil payments on Federal leases: LC 068345, LC 060643, LC 070687, LC 069107-A, LC 069817, NM 046616, NM 01244, NM 01244, NM 01244, NM 04539, NM 04843, Colo. 03655, Colo. 03374, NM 07910, NM 012898, NM 014510, NM 013528, NM 03258, NM 04180, NM 02383, NM 03467, Colo. 0238.

These leases approximate 19,865 acres.

With reference to my producing properties and nonproducing oil and gas leases located on State and fee lands, it is my intention to retain ownership of these properties and these properties will be operated and fully managed by my production superintendent. I do not believe that there will be a conflict of interest or a conflict with the departmental regulations in my retaining ownership of these properties.

Due to the fact that oil and gas leases and producing properties have to be sold by negotiation, I request that the trustee be given a minimum of 90 days in order to fulfill his obligation.

Mr. PROXMIRE. On page 2 of the letter 20 or 25 companies are listed, all of which are oil or gas companies. As the nominee-designate has said, obviously he has substantial holdings in all of them, and he is divesting himself of all such holdings.

In paragraph 3 of the first page of the letter the nominee stated:

I will resign as president of the Elk Oil Co. and make an irrevocable gift to my minor children of all the stock I own.

In the course of the hearings it was brought out that the gift to the children indeed is irrevocable. It was brought out further that a trustee, one of two individuals in charge of managing the trust, is the personal attorney of the nominee.

It seems to me that this conveyance of the Elk Oil Co. by the nominee to his minor children raises a particular point. The nominee was questioned as to why he divested himself of this particular holding, and in view of the fact that he is holding on to his operations on State and private lands, he said that under the regulations of the Department of the Interior he had no alternative. In order to make clear exactly what that situation is I should like to read briefly from title 43 of the Regulations of the Department of the Interior, part VII, subparagraph 7.3:

§ 7.3. Officers and employees of the Department of the Interior and their spouses prohibited from acquiring voluntarily, or retaining, an interest in any lands or resources administered by the Bureau of Land Management. Every officer and employee of the Department of the Interior and the spouse of every such person, except as provided in § 7.4, is prohibited from acquiring voluntarily, or retaining, an interest of any kind in any of the public lands or other lands or resources administered by the Bureau of Land Management. This prohibition includes the buying, selling, or locating of any warrant, scrip, lieu land selection, soldier's additional right, or any other right or claim under which an interest in the public lands may be asserted. The prohibition also extends to the voluntary acquisition by purchase or otherwise of any land, water right, or livestock, or any interest in land, water right, or livestock, which in any manner is connected with or involves the use of the grazing resources or facilities of the public land, or other lands or resources administered by the Bureau of Land Management.

In other words, there was a very narrow and precise basis in the regulations for the actions of the Assistant Secretary-designate.

NOTHING IN REGULATION PREVENTS MAJOR CONFLICT

I make this point because it is very clear that the nominee is prohibited by the regulations of the Department of the Interior from engaging in operations on Federal lands, or lands under the jurisdiction of the Office of Land Management. There is nothing in the regulations of the Interior Department which would require him to divest himself of his holdings on State lands or any private holdings that he may have. In spite of this divestiture, it is clear that it is not merely a selling. The regulations provide that neither he nor his spouse, his wife, may hold such lands. So there has been a technical acquiescence in the statute by conveying the ownership of property using Federal lands to his children.

Notwithstanding this conveyance, the fact is that the nominee-designate still has very substantial oil holdings. I refer to page 4 of the transcript of the hearings on the nomination of Mr. Kelly. In reply to a question Mr. Kelly responded as follows:

Mr. KELLY. Senator, I do not believe that I will continue to operate my properties, I do not intend to continue to operate my properties. I will hold ownership of them. But the actual operations would be carried on by other people.

A little further on he said:

I operate as a very small independent producer. I do not operate as a driller or refiner or a transporter or a marketer. I am divesting myself of probably 50 percent or better of my properties in order to place myself in the position in which I feel that I can assume the duties of my office with complete impartiality toward the decisions that I might make as Assistant Secretary. As you understand, I operate as an individual——

NOMINEE'S LARGE PRESENT OIL HOLDINGS

Those statements in the hearings of the nominee's holdings are referred to as his "great holdings," and there is no question that the holdings of this nominee were very great before his divestiture. On page 4 of the transcript of hearings he specified that he is disposing of probably 50 percent or more. It would seem to me the only logical construction would be that he is holding on to 50 percent or maybe a little less. Therefore, his operations on State lands, his operations on private holdings, not under the jurisdiction of the Office of Land Management, are obviously still substantial.

CONTROL OF PRESENT OIL HOLDINGS

It is interesting to me that the nominee said the actual operations would be carried on by other people. Of course they would. I am sure the nominee recognized he would have a full time job as Assistant Secretary of the Interior, but he would continue to own his interest. He would continue to receive benefit from it. He would continue to hold full ownership.

The nominee met this specific point when he said further on:

I am divesting myself of probably 50 percent or better of my properties in order to place myself in the position in which I feel that I can assume the duties of my office with complete impartiality toward the decisions that I might make as Assistant Secretary.

If 50 percent of a man's property is still involved in oil, if 50 percent of what this man owns is still involved in the production of oil which would be directly under the jurisdiction and authority of his office, it seems to me that there would still be a very serious question as to partiality toward decisions that he might make as Assistant Secretary.

I am sure the nominee is a man of excellent character. He has been vouched for by two of the finest Senators in the U.S. Senate, two very splendid men of very great character themselves.

However I believe that in all cases it is necessary for us, although sometimes

it is painful, to examine the background and to examine the interest and to examine the financial holdings and to consider these matters just as objectively as we can, and without regard to the personal affection which every Senator feels for both Senators from New Mexico.

NOMINEE VIEW ON TAXATION OF OIL

In this case we have before us a man who spoke out quite forthrightly and vigorously on his views on a question of public policy involving the oil interest. While I recognize that this is not completely pertinent to the inquiry, nevertheless this was disclosed at the hearings, and I believe it relates to the attitude of the nominee with respect to his questions on public policy which affect oil.

The Senator from Iowa [Mr. MILLER], at page 9 of the hearings asked the following question:

Senator MILLER. Now, in connection with your policy of trying to stimulate the development of our mineral and oil interests, of course you are familiar with the facts that there is a divergence of opinion on whether we should maintain or decrease the percentage depletion under our tax laws. Do you have any views on that?

Mr. KELLY. Again, I will not be asked on policymaking matters on taxes. But speaking as an individual, I do have views on it. I believe the depletion allowance for all minerals have been in the best interests of the citizens of the United States, in that we have been able to produce the mineral resources when needed in times of emergency. Also we have been able to produce our mineral resources in times of peace to maintain the growth curve in this country.

Senator MILLER. So if perchance you were asked, because of your position and also of your background, by the Treasury Department for a policy statement by the Department of the Interior on any proposed changes in the percentage depletion allowances, do I gather from your answer that your position would be that you recommend that it not be changed, at least downward?

Mr. KELLY. I recommend that a thorough study be made, and I believe that the results of that study would show that the depletion allowances, perhaps, have been on the low side.

On the low side, Mr. President.

Of course, Mr. Kelly is entitled to his views. Incidentally those views are shared by a number of distinguished Senators. In fact, they are shared by a majority of the Senators, because whenever we have tried to reduce the depletion allowance to some level in conformity with the depletion allowance on other minerals, we have been defeated in our attempts.

Therefore, even in areas in which the nominee would not have direct responsibility—such as on tax policy—his views are exactly what one would expect an independent oil producer to have, and exactly what one would expect a man to have who still has control over large holdings in oil and petroleum. His views are, if anything, that the depletion allowance should not be decreased, but, instead, raised.

There is no question that in administering the office of Assistant Secretary of the Interior for Mineral Resources, which has a very great responsibility over the oil industry, that the interests of the producers should be recognized and understood. There is no question that in this particular respect the nominee qualifies.

CONSUMER INTERESTS FORGOTTEN

However, it is just as important that the viewpoint of the consumer be understood. There is no question, when it comes to representation before the Assistant Secretary with respect to oil policy matters, that the viewpoint of the gas industry will be extremely well represented by the industry itself. It is one of the most obvious aspects of the American Government that when the administration enforces its laws, the industry involved sees to it that it is fairly and consistently capable, ready, and willing to go to any regulatory agency of the Government, and to go to Congress, and even to the President, if necessary, for recourse.

No one represents the consumer. Here we have the situation in which the man who is going to be in charge of the Bureau of Mines, the Geological Survey, the Oil Import Administration, the Office of Mineral Exploration, the Office of Coal Research, and the Office of Minerals Mobilization is a man who represents the oil industry viewpoint and is himself a substantial owner in oil.

It seems to me that it is particularly important in the administration of the oil import regulation laws of this country that the consumer viewpoint have some representation. But where is it? Certainly not in this nomination. Of course it may be possible when the situation becomes most intolerable for Senators to speak out. But this is a feeble, usually after-the-fact protest. The administrator has acted. The consumer has lost by that time.

So far as mineral exploration is concerned, again the viewpoint of the consumer is that we should do all we can to encourage mineral exploration, because we want to do all we can to provide a steady, stable, long-term, low-cost fuel system in America. It is to the great interest of every consumer to have that done. However, it is not to the interest of the oil producer to have that accomplished.

In the Office of Oil and Gas, again we have the same kind of conflict.

NATIONAL DEFENSE FORGOTTEN

I am sure that Mr. Kelly is not only a gentleman of character and decency and honor, but I am sure that he is also a completely patriotic American citizen. Nevertheless, the fact is that there are occasions when the national defense of the country, the interests of the national defense, may very well be in conflict with the interests of the private oil producer, because the interests of national defense may be on the side of conserving our domestic oil reserves by importing as much oil as possible, and developing as much as we can by exploration, and developing as many oil producing wells as we can. This may directly contradict the interests of the private oil producer, the man who will be making the crucial decisions.

The Office of Minerals Mobilization, as I have said, is engaged in administering foreign exploration. There, too, it is to the interest of the country from the standpoint of national defense to see to it that the administration is vigorous. It is to the interest of the oil industry to see that it is not. But the nominee as decision-maker is up to his ears in the oil industry.

TAXPAYERS FORGOTTEN

Then we also have the interests of the taxpayers. It is to the interest of the taxpayers—except those taxpayers who have oil holdings—to see to it that the oil depletion allowance is brought into line with the depletion allowance on other minerals, instead of having it remain at 27½ percent. It is to their interest to have it brought down to, perhaps, 15 percent, so that it will be possible to recapture the $400 million a year which the Internal Revenue Service loses because of this great loophole.

Finally, I oppose the nomination with great regret. It is never pleasant to do so. It is always much more pleasant to approve a nomination. That is particularly true because we are going to work with this gentleman if his nomination is confirmed. Also, because this is a man of fine character. However, I do not see that I have any alternative in this case but to oppose the nomination.

NOMINATION LIKE CONNALLY'S AGAIN SERVES OIL

The nomination ranks with the nomination of John Connally to be Secretary of the Navy, and is the nomination of a man who will be placed in a position of great power and authority in the Federal Government with respect to the oil industry. It is the nomination of a man who has an interest which will virtually guarantee that the interests of the oil industry will not only be protected, but in my judgment, will also very possibly be advanced at the expense of the public interest, at the expense of the consumer interest, and conceivably, although certainly not deliberately, at the expense of the defense of our country.

OIL LOBBY RIDES HIGH

Mr. President, there is no question that the most powerful lobby in America is the oil lobby. They have gotten their way repeatedly. They have their way with the Federal Power Commission. That is notorious. That has been documented on the floor of the Senate and elsewhere. The oil lobby has been successful in persuading the Federal Power Commission not to enforce the laws as the Supreme Court interprets them—against their interest.

Now, I regret to say, it appears that the great petroleum industry has been successful in seeing to it that the two crucial, critical positions in the Government as they affect the oil industry are both occupied by persons who have clear financial connections with the oil industry.

The fact is that John Connally, as I pointed out earlier on the floor, remains as the executor of one of the richest oil estates in America and will receive benefits from that holding as soon as he resigns as Assistant Secretary of the Navy.

The fact is that John Kelly will continue, even while he is administering the duties of his position, to receive a substantial income from the oil industry.

My reason for rising to object to this nomination is not that I expect to have success in doing so, but that I feel it is imperative that at least one Senator rise in the Senate to protest the kind of power, the kind of influence, the kind of domination which the oil industry has in the Federal Government, especially in offices which have a responsibility for administering this great industry.

I wish to make it clear, if there is any doubt about it, that I object to any unanimous approval of the nomination. I wish to make certain that on the nomination I am recorded as voting "nay."

Mr. ANDERSON. Mr. President, I have listened with great interest to the brilliant statement of the distinguished Senator from Wisconsin [Mr. PROXMIRE] about Mr. Kelly. I compliment the Senator on the temperate way in which he discussed a situation which I know is disturbing to him.

Mr. Kelly has served for a long time in my State and bears an extremely fine reputation. In the conduct of all his affairs, no matter what his position might have been, I have never heard the faintest intimation that he has not been an efficient, effective administrator and a fair and impartial person when he had decisions to make involving the sometimes divergent interests of different groups of our citizens.

I wish to comment on the section which the Senator from Wisconsin selected from the hearings, in which the nominee expressed himself on the subject of depletion allowances. I think it is a rather important statement.

The distinguished Senator from Iowa [Mr. MILLER], who propounded the question to Mr. Kelly concerning depletion, is a new member of the Committee on Interior and Insular Affairs. Despite the fact he did not come to the committee with all the background which many of us from the West have regarding the responsibilities of the committee, he is an extremely able and valuable member and has contributed greatly to our accomplishments in the brief time he has served with us.

The Senator from Iowa asked Mr. Kelly about his position on depletion allowances.

Mr. Kelly replied:

> Again, I will not be asked on policymaking matters on taxes. But speaking as an individual—

And then he gave his point of view.

After that, the Senator from Iowa [Mr. MILLER] asked this question:

> So if perchance you were asked, because of your position and also of your background, by the Treasury Department for a policy statement by the Department of the Interior on any proposed changes in the percentage depletion allowances, do I gather from your answer that your position would be that you recommend that it not be changed, at least downward?

I would say, in the beginning, that it is unlikely that the Assistant Secretary of the Interior for Minerals would be asked by the Treasury for his views on that matter. The Secretary of the Interior might be asked for his views; but I doubt that any Cabinet officer would ask a person who, I might say, belongs to the "Little Cabinet" to give his opinion. At least, I do not think that would be done.

I do not mean to infer that the Senator from Iowa asked an improper question in any way. But I believe that if an inquiry on the subject of depletion allowances went from the Treasury Department to the Department of the Interior, unquestionably it would be handled by Secretary Stewart Udall himself, who has a very clear record in regard to depletion allowances; and I may say that his record is not completely satisfactory to the oil interests of the country.

So it is unlikely that Mr. Kelly, in his new position in the Department of the Interior, will affect to any great degree, if at all, any report on depletion allowances given by the Department of the Interior to the Treasury Department.

Mr. PROXMIRE. Mr. President, will the Senator from New Mexico yield?

The PRESIDING OFFICER (Mr. PELL in the chair). Does the Senator from New Mexico yield to the Senator from Wisconsin?

Mr. ANDERSON. I shall yield in a moment.

First, let me say that, furthermore, I am a member of the Senate Finance Committee, and the question of depletion allowances comes to that committee. Our committee has on many occasions received from the Treasury Department testimony on depletion allowances; but I cannot recall a single instance when we turned to the Department of the Interior and requested guidance from that source.

Now I yield to the Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, I think the Senator will recall that when I said this matter was irrelevant to the inquiry, I referred to it only in order to point out that the nominee has a viewpoint which we might expect him to have in regard to a public policy question, inasmuch as he has been an independent oil producer. But I said that this matter did not relate to the question of his qualifications to serve in the position to which he has been nominated.

Mr. ANDERSON. Yes; and I tried to say that, too.

I also said that the Senator from Wisconsin was extremely temperate in his viewpoint.

I point this out only because I do not want anyone to worry or have any fear that Mr. Kelly will begin his service in the Department with an effort to deal with depletion allowances. Certainly that is not a matter with which he would deal; the duties of the office to which he has been nominated do not involve taxation matters at all.

Mr. Kelly is a relatively young man. Because he is Irish, I suppose he has a tendency to look on the brighter side of life, and very likely he believes that during his service in the Government he will be able to earn enough for the support of his family.

However, his service in the position to which he has been appointed will not give him any great advantages; but rather it will require him to do a great deal of hard work.

Many persons in the Department of the Interior are responsible for the activities of the Government in connection with mineral developments. Because of Mr. Kelly's background and experience, he is well qualified in that field. All of us are greatly concerned that our mineral resources be developed.

For instance, in regard to the production of lead and zinc, there are now before the Interior Committee three bills—one measure introduced by the Senator from Utah [Mr. BENNETT]; one bill introduced by the Senator from Oklahoma [Mr. KERR]; and a third sponsored by the junior Senator from New Mexico. In their approach to the problem, all three of these bills are as different as they could possibly be. We shall need to have serving in the Department of the Interior someone who will be able to coordinate these proposals, someone who has practical knowledge of the problems which we must face and try to solve.

So I believe this nomination is a most fortunate one. I am happy that the Committee on Interior and Insular Affairs was unanimous in reporting Mr. Kelly's nomination to the Senate.

I believe that Mr. Kelly will make an excellent Assistant Secretary of the Interior for Mineral Resources.

The members of the Interior Committee took a most keen interest in this appointment; I refer to both the members on the majority side and the members on the minority side. In addition, we all checked very carefully the facts and proposals set forth in the memorandum Mr. Kelly had prepared for the committee on his holdings and the disposition of them. The members asked him some very pertinent and searching questions.

I call attention to the fact that at the conclusion of the hearing the senior Senator from Colorado [Mr. ALLOTT] pointed out that if the Federal Government is to find persons who can handle the problems of oil, gas, coal, and various other minerals, we sometimes will find qualified persons who have made a success in the field of mineral resource development. We have to take that fact into consideration, and have to say, "Very well; in that connection they may have developed some opinions and some conflicts. If they get the conflicts out of the way, we have to take them with whatever established opinions they may have."

I believe that Mr. Kelly does not vary from that rule. I predict that when he finishes his tour of duty, a great many persons will be happy that a man of such broad experience has been placed in this position of great responsibility.

Again I wish to thank the Senator from Wisconsin [Mr. PROXMIRE] for the temperate way he has discussed this somewhat troublesome problem, which faces every man who comes into public life and has a previous background of business activity, with the result that he might seem to have a conflict of interest.

The Joint Committee on Atomic Energy approved unanimously the appointment to the Atomic Energy Commission of the former president of the Standard

Oil Co., Mr. Wilson. Anyone who deals with the Commission realizes the breadth of view Mr. Wilson has in regard to commercial and industrial matters. I have steadily been surprised at the contributions he makes to the discussions, because of his long background as a scientist. Of course we recognize that such a long background might have caused him to have some points of view in regard to whether certain things should be done by private industry or by the public route; and some persons might not agree at all times with his views on those matters. However, we have found that his experience of almost a lifetime has been of great benefit to us.

Similarly, I believe that the background of Mr. Kelly will be of great benefit to the Department of the Interior and therefore to our Nation.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of John M. Kelly, of New Mexico, to be an Assistant Secretary of the Interior?

The nomination was confirmed.

ST. LAWRENCE SEAWAY DEVELOPMENT CORPORATION

Mr. MANSFIELD. Mr. President, there are at the desk two nominations, from the Committee on Public Works, for membership on the St. Lawrence Seaway Development Corporation. I ask that these nominations be stated.

The PRESIDING OFFICER. The nominations will be stated.

The Chief Clerk read the nomination of Joseph H. McCann, of Michigan, to be Deputy Administrator of the St. Lawrence Seaway Development Corporation.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Martin W. Oettershagen, of Illinois, to be Administrator of the St. Lawrence Seaway Development Corporation.

Mr. DIRKSEN. Mr. President, some years ago, when the administration was seeking to find a man to do this administrative job on the St. Lawrence Seaway, I was asked to make a search to find a very competent person who I thought could do this job.

We went to the engineering firms in Chicago and to the engineering publications and to every other source which we thought could give us an unbiased judgment in regard to a proper person who had the touch and the administrative capacity to perform successfully in this difficult operation. Generally speaking, nearly all of them submitted the name of Martin Oettershagen, who, as I recall, was then director of the port authority of the city of Chicago. He has lived up to every expectation. He has requited every faith I had in him when he took that position; and today I am delighted to say a word in his behalf, as his nomination comes before the Senate.

I believe he is one of the greatest public servants who ever has entered the service of our Government; and his works and his endeavors will bear out that statement. He has truly and nobly carried on in the public interest.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to this nomination?

Without objection, the nomination is confirmed.

FOREIGN CLAIMS SETTLEMENT COMMISSION OF THE UNITED STATES

Mr. MANSFIELD. Mr. President, there are at the desk two nominations, from the Judiciary Committee, which have been unanimously reported. I ask that they be considered at this time.

The PRESIDING OFFICER. The nominations will be stated.

The Chief Clerk read the nomination of Edward D. Re, of New York, to be a member of the Foreign Claims Settlement Commission of the United States.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Theodore Jaffe, of Rhode Island, to be a member of the Foreign Claims Settlement Commission of the United States.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of all these nominations.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

TERMINATION OF SERVICE OF SCOTT McLEOD AS AMBASSADOR TO IRELAND

Mr. HICKENLOOPER. Mr. President, this week one of the younger Ambassadors of the United States is terminating his ambassadorial service and is returning to the United States. He will change his occupation from that of Ambassador to a position on the staff of the Senate. I refer to Ambassador Scott McLeod, who has completed almost 4 years as Ambassador from the United States to Ireland.

I have followed Mr. McLeod's career for many years. I first knew him many years ago when he was a young newspaper reporter in my hometown. Then he joined the FBI as a special agent. Later he became administrative assistant to the distinguished senior Senator from New Hampshire [Mr. BRIDGES].

Thereafter, Scott McLeod became Assistant Secretary of State, and was the first administrator of the Bureau of Security and Consular Affairs in the Department of State.

Mr. McLeod, in his experience as a newspaperman and as a special agent in the Federal Bureau of Investigation, became greatly concerned with subversive activities in the United States and in Government. In his capacity as Assistant Secretary of State and as administrator of the Bureau of Security and Consular Affairs, he was very zealous in attempting to purge our Government of subversive elements among the employees, especially in the State Department. For this zeal in behalf of his Government and in behalf of the sanctity and security of his Government, he incurred the enmity of a great many persons who thought it was not right that some more or less erratic individuals, from the standpoint of the security of the country, should be put upon by investigations of any kind, or by the questioning of their particular attitudes. To some persons, that seemed to be something heinous.

Mr. McLeod enjoyed considerable criticism from certain sectors in this country. Nevertheless, he was nominated by President Eisenhower 4 years ago to be Ambassador to Ireland. Some of his activities and his zeal in attempting to smoke out of the Government certain subversive elements were criticized, and a fight was made against the confirmation of his nomination. However, his nomination was confirmed, and Mr. McLeod went to Ireland.

Some dire predictions were made about him. It was said that he was a comparatively young man, not schooled in diplomacy, and that he had very few, if any, qualifications to serve as Ambassador. However, in the 4 years which have passed, he has, I am quite certain, completely dispelled any doubts along that line.

I think he became and remained one of the most popular and effective Ambassadors the United States has ever sent to the Republic of Ireland. I have been interested, because of my personal acquaintance and long-time friendship with Mr. McLeod over the years, and I have learned from many sources that he is very highly thought of, and that many comments have been made about the great success of his mission in Ireland.

Mr. McLeod's resignation was accepted by the new President. This is not surprising. In fact, the resignations of many other Ambassadors and appointive public officials have been accepted with the change of administration.

I desired to make this statement in recognition of what I believe to be outstanding service, and in behalf of a record which I think completely refutes the criticism of 4 years ago, at the time of Mr. McLeod's appointment.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD the following items: First, an article entitled "Envoy With the Human Touch, and What He Means to Ireland," written by Seamus Brady, and published in the London Daily Express.

Second, an article entitled "The Last Hurrah," published in the Evening Press of March 13, 1961.

Third, an article entitled "The End of the McLeod Saga," published in the Ballina Herald, a weekly newspaper, of February 11, 1961.

Fourth, an article entitled "Honored Envoy," published in the Irish Independent, a national newspaper, of Sunday, February 19, 1961.

Fifth, an article entitled "Clare Loses a Friend," published in the Clare Champion, of County Clare, Ireland, of November 2, 1960.

Then three different letters, one written by an alderman, and published in the Evening Press of January 26, 1961; the other two apparently written by

private citizens and published in the Evening Press of January 30, 1961, and February 2, 1961, respectively.

There being no objection, the articles and letters were ordered to be printed in the RECORD, as follows:

[From the London Daily Express]

ENVOY WITH THE HUMAN TOUCH AND WHAT HE MEANS TO IRELAND

(By Seamus Brady)

The possibility that Ambassador Scott McLeod may leave Dublin to take a job with the Senate Appropriations Committee reaches deep into the heart of many an Irishman. For, like the Norman invaders of the 12th century, he has, in many ways, become more Irish than the Irish.

Scott McLeod arrived in the liner *America* at Cobh, County Cork, nearly 4 years ago. There was a blaze of publicity. And it was unwelcome. Some of the taint of the McCarthy scandals had rubbed off on to his broad Republican shoulders.

But he was off to a good start even before he stepped ashore. There he was, confiding in newspapermen that he was more interested in beating the drums with his family in a jazz session than in following the McCarthy antics.

And from then on, he continued to do a first-class job.

President Kennedy, as a Senator 4 years ago, had strongly opposed the McLeod appointment.

He did so as a Democrat—the party which took the political view at the time that "the Irish are too nice to send them an ex-FBI man."

Forty-five-year-old Mr. McLeod, a well-built, crewcut product of the same generation and background that has produced President Kennedy, proved the Democratic Party wrong.

A REAL HOME

He transformed the cold formality of the American Embassy building in Dublin's Phoenix Park into a real home.

And in the past 4 years more ordinary people have seen the inside of the Embassy than in the previous 20.

For Scott McLeod is an American with the knack of making himself at home not only with the stuffed shirts of the diplomatic world, but with the local characters in Morrissey's pub in Lahinch, County Clare.

With his wife, Patti, and their children, Ann, 16, Van, 15, and Dan, 14, he has spent all his holidays getting to know Ireland.

Last year it was Kilkee, the County Clare seaside resort. The year before, Mountshannon, where he took over tourist boss Brendan O'Regan's hideaway cottage on the shores of Lough Derg.

American McLeod likes the Irish bacon and cabbage lunch. He drinks only Guinness and Irish whisky with water.

He likes nothing better than to slip down to Ennis, County Clare, for a drink in Derry Honan's pub in the square.

Or to drop into Paddy Burke's oyster bar in the Galway village of Clarenbridge.

[From the London Evening Press, Mar. 13, 1961]

THE LAST HURRAH

It was "the last hurrah" for Scott McLeod, his wife, and children, in the American Embassy last night, and some 500 people came along to say goodby.

It was the biggest indoor party ever, only to be compared with the famous garden party to which 1,500 people came along on the day of the sunken shoes. (It had rained, you see, and the ladies' heels were disappearing like skeletons in a bog.)

The official farewell (this was a house cooling party), ended at 7. Whereupon the party after the party began, and at this stage certain members of the 3d U.S. Air Force Band (or it could have been that certain people had dressed up to look like them), produced trombones and trumpets and prepared to play anything but the American anthem.

The party went on till * * * never mind.

Many guests brought presents to the McLeods. Many more just brought their heartfelt good wishes and it was quite understandable that there were some tears.

It may be remembered that Scott McLeod, before he came here, had a very bad press, and the agency material from New York promised us a dour and hunted man, apparently with a lot on his conscience.

UNORTHODOX

Looking back on the press preliminary to his arrival here is to remember, with some trepidation, the meaning of the cliche, "the power of the press." In some circles the man was damned before he ever got here. Worse still, he was damned with faint praise.

The 500 who came to say goodby last night represented thousands. There has never before been an American Ambassador who walked the ground of Ireland as did Scott McLeod, who rubbed shoulders with so many of the people of Ireland, and who brought with him such an irresistibly charming wife.

The McLeods were here only a few months before the legend had melted away, and we in Ireland had accepted them as just nice people. When the American Ambassador became as familiar a shape on every racecourse as the finishing post, then, perhaps unconsciously, Scott McLeod had done more to integrate his country with ours than any previous Ambassador.

He had some of the accomplishments which are unusual in an Ambassador—for instance, his ability to play the drums in a dance band. He also, we remember, was the only host who has ever invited his guests to take the spoons away—on the occasion of a grapefruit party—when the spoons had been sent to him by his citrus growing friends in Florida.

BIG HEART

Then there was the time, last summer, when the committee of the Dublin International Festival of Music and the Arts approached him, greatly daring, for the loan of his beautiful gardens for a garden party.

Scott McLeod was in Rome. A telephone call to Rome brought the immediate agreeable answer and then Scott McLeod came home and turned his garden staff loose on the beautiful lawns, repainted the lovely Embassy home, called over the band of the 3d U.S. Air Force in their special aircraft * * * all to do a good turn.

His parties in the park were frequent and irresistible, but the most prized invitation of all was to his annual family Christmas party.

Just a few days before Christmas, it was the McLeod custom to ask along most of the Cabinet Ministers and the top brass of the State Departments and the semi-State groups, to watch his children perform in a morality, written by themselves.

And, then, sitting on the floor, the grave and reverend seigneurs would sing Christmas carols, reading from typed sheets the slightly unfamiliar words of the Lutheran, Anglican, Church of England, Baptist, and what have you versions of the old familiar tunes.

Scott McLeod sails away next Wednesday, and we can say: There goes a man. Whence comes such another?

[From the Ballina Herald, Feb. 11, 1961]

THE END OF THE MCLEOD SAGA

There can have been fewer diplomatic representatives better tuned to the way of life of the country they resided in than genial American representative Scott McLeod who is shortly returning to the United States from Dublin. Mr. McLeod did more to take the starch out of diplomacy at public level than any man before him, and to reveal the human and more likable side of Ambassadors with hobbies and traits, families and problems like everybody else. A relaxed, easygoing personality, he entered immediately into the tension-free tempo of life in Ireland and proceeded to get to know the people in the quickest way possible by mixing with them socially in a bewildering number of appearances. Whether it was attending a race meeting in Killarney or fishing quietly on Lough Mask, Scott McLeod had the happy knack of making himself liked, and I suspect that few people were as well informed on current thought in Ireland as this former newspaperman who never lost his appreciation of the problems of the profession.

My favorite story about him concerns the young Dublin fashion writer who sought him out on the second day of a Kerry race meeting, and making no bones about her assignment, asked him about Mrs. McLeod's outfit on the occasion. Since the Ambassador's wife was in Dublin just then, this little avenue for copy seemed sealed off, but Mr. McLeod, informing her that Mrs. McLeod would attend the meeting the next day, reeled off a sartorial description that fulfilled the requirements.

To make a long story short when the Ambassador contacted his wife he asked her to be sure to wear the identical outfit and accessories he had described to the reporter. And she did—making at least one fashion writer very happy and adding another link to the long chain of McLeod good-will deeds.

I also remember him on an occasion at a school prize-giving ceremony in Limerick coming out with a strong statement on the advantage of the Irish educational system which he compared humorously with the American system. The story made quite a splash at the time but demonstrated again the McLeod liking for the Irish way of life.

[From the Irish Independent, Feb. 19, 1961]

HONORED ENVOY

The beautiful rose must have its thorns. Midst the rejoicing in Ireland at the election of an Irish-American, John Fitzgerald Kennedy, to be President of the United States of America, comes another change that is tinged with sorrow—the return to Washington of the U.S. Ambassador to Ireland, Mr. Scott McLeod.

His friends are legion in all parts of the country. He mixed with the people, went to their race meetings, was ever ready to honor with his presence the opening of an art exhibition, or an industrial plant. He came to know the Irish people in a way that no other Ambassador, American or otherwise, has done.

That the Irish liked him is shown by the tributes already paid to him, and planned to be paid to him before he leaves Dublin on March 15.

He has made no secret of the fact that he would have liked to stay in Ireland. But that cannot be. At Washington, however, Ireland will have in him a man ever ready to help our cause, be it politically or industrially.

Regretting his leaving, we feel that he will make his presence felt in his new and important role in Washington. For Ambassador McLeod is a man who wins both friends and success quickly.

[From the Clare Champion, Nov. 2, 1961]

CLARE LOSES A FRIEND

Clare has lost a very real friend in the retirement of U.S. Ambassador to Ireland, Mr. Scott McLeod.

Mr. McLeod was a frequent visitor to County Clare and, while he could not officially favor the county or Ennis, its capital, he did help in its industrial drive in recent years.

The Ambassador's first public function in this country was to attend the Muintir na Tire Rural Week in St. Flannan's College, in July 1957. Since then he has come to Clare regularly, to visit seaside resorts like Kilkee and Lahinch, and to tour the "O'Brien country" of North Clare with his wife and family. He was an honorary member of the Ennis Chamber of Commerce and was a witty afterdinner speaker at all their annual dinners. Due to illness, he was unable to attend the last function of the chamber some weeks ago.

A keen fisherman, Mr. McLeod and his two sons, Dan and Van, enjoyed the sport on Lough Derg. Two years ago one of his sons caught an 18-pound pike, fishing from Mountshannon. His daughter, Ann, took part in the jumping competitions at Ennis and Kildysart shows.

Speaking at a press conference, in Dublin during the week, Mr. McLeod said "We have been received with warm hospitality in the 26 counties. We can never begin to express in an adequate way the appreciation which we feel. I will miss your trout fishing, horse racing and the accessibility of a very high standard of cultural events."

Mr. McLeod leaves on March 15 to take up an appointment as minority counsel to the U.S. Senate Appropriations Committee.

[From the Evening Press, Jan. 26, 1961]

DIPLOMAT McLEOD

Our former Ambassador from the U.S., Mr. Scott McLeod, proved himself to be one of the finest diplomats yet accredited to this country.

He added very considerably to the prestige of his country, and became one of the most popular diplomats in Ireland. He has done more to enhance Irish-United States relations than anyone in recent years. Why then can we not, as a people, ask President John F. Kennedy to leave us the services of this very fine man who seems to have adopted Ireland as his second country? The new President has shown great wisdom in his choice of Cabinet members; he could show still more in reappointing Mr. McLeod as U.S. Ambassador. He will not find better.

P.O'S.

[From the Evening Press, Jan. 30, 1961]

DIPLOMAT McLEOD

Me, too. Let's all get together as P. O'S. (Ballybunion) suggests and ask President Kennedy to leave Mr. Scott McLeod with us for at least 4 more years. He is a thorough gentleman and a regular guy into the bargain; we could never match him.

PETER E. MURPHY.

[From the Evening Press, Feb. 2, 1961]

DIPLOMAT McLEOD

I would like to endorse the remarks of my friends from Ballybunion and Dublin regarding the Honorable Scott McLeod.

I had the pleasure of inviting Mr. Scott McLeod to Wexford for a race meeting in Wexford during my term as mayor, and have met him since on a few other occasions.

I, also, found him a regular guy and a proper gentleman. We should endeavor to use our influence to have him retained as long as he wishes to stay.

(Ald.) KEVIN C. MORRIS, P.C., *Wexford.*

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate return to legislative session.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

PROHIBITING COLLECTION OF FEES FOR SERVICES TO AMERICAN VESSELS AND SEAMEN

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 77, Senate bill 1358. Before the clerk reads the title of the bill, let me say it has been cleared with the minority leadership. It has been reported from the Committee on Foreign Relations unanimously and, so far as I know, is absolutely noncontroversial.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 1358) to repeal section 12 of the act of June 26, 1884, prohibiting a charge or collection of fees by consular officers for official services to American vessels and seamen, and to repeal the provision of the act of June 4, 1920, authorizing the free issuance of passports to seamen.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that excerpts from the report on the bill may appear at this point in the RECORD.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

The Committee on Foreign Relations, having had under consideration S. 1358, to repeal section 12 of the act of June 26, 1884, prohibiting a charge or collection of fees by consular officers for official services to American vessels and seamen, and to repeal the provision of the act of June 4, 1920, authorizing the free issuance of passports to seamen, reports the bill and recommends that it pass.

BACKGROUND

S. 1358 is identical to S. 2232 of the last Congress which was submitted by the Department of State on June 23, 1959. The committee held hearings on S. 2232 on July 6, 1959. The provisions of S. 2232 passed the Senate on September 9, 1959, as part of S. 2633, containing amendments to the Foreign Service Act. S. 2633 became law on September 8, 1960, but the provision relating to consular fees and passport fees which originated in S. 2232 had been dropped out in the Senate-House conference because it had not been considered in the House.

S. 1358 was submitted by the Department of State on January 19, 1961, and has been fully supported by the present administration.

Because neither the facts nor the policy on which the bill is based have changed since the earlier consideration by the committee and the Senate on the same bill in 1959, the committee did not hold new hearings. The committee considered S. 1358 in executive session on March 21 and ordered the bill favorably reported.

REASONS FOR THE BILL

Section 12 of the act of June 26, 1884, prohibited a charge or collection by consular officers for official services for American vessels and seamen. This was considered necessary in 1884 because consuls at that time were frequently merchants engaged in business overseas and they sometimes charged excessive fees. Today consular officers are part of the Foreign Service and are appointed on merit. The fees for consular services are established by the Secretary of State after appropriate notice and the collection of them is subject to strict accountability. It is estimated that the cost to the Government of providing consular services for American shipping and seamen abroad is over $400,000 a year.

An example of a consular service to an American vessel is the filing in consular offices abroad of "notes of protest" which are depositions made by a master of a ship for insurance purposes. An example of a service to individual seamen is notarial service.

The 1884 law is not only obsolete, it is inconsistent with later congressional policy (5 U.S.C. 140) which requires that each Federal agency charge a fee for services performed on behalf of the public.

During the hearings on the previous identical bill in 1959 a representative of the American Merchant Marine Institute expressed concern about the policies to be followed by the Department of State in fixing fees for consular services. That concern was removed upon the reaching of an understanding that the Department of State will establish a reasonable schedule of fees for such services, and give reasonable notice to the parties affected, but it will not make a charge for services required by law or services which are primarily in the public interest.

The act of June 4, 1920, authorized the free issuance of passports to seamen. The original idea was to thus benefit merchant shipping. The Department of State representative testified, however, that seamen rarely ask for passports because they use their seaman identification cards for the same purpose. When seamen need passports for tourist travel, they come within the congressional policy stated above and should pay the regular passport fee. No objection was registered with the committee to the repeal of the act of June 4, 1920.

CONCLUSIONS

The Committee on Foreign Relations concludes that the two laws in question are obsolete and are inconsistent with more recent legislative policy and recommends that the Senate give its approval to S. 1358.

"HARVEST OF SHAME" FILM

Mr. HOLLAND. Mr. President, I should like to read into the RECORD a dispatch from the Associated Press ticker of about an hour ago which I think may reflect some additional light on the so-called "Harvest of Shame" matter which I have discussed, I believe, three times heretofore on the floor of the Senate. The Associated Press dispatch reads as follows:

WASHINGTON.—White House Press Secretary Pierre Salinger said today he took steps to make sure the TV film "Harvest of Shame" was not interpreted by British viewers as an official U.S. Government document.

Salinger said he wanted that made clear since Edward R. Murrow was the commentator for the film about migratory farmworkers.

Murrow now is Director of the U.S. Information Agency, but was employed by Columbia Broadcasting System at the time the film was made.

Murrow himself telephoned the British Broadcasting Corp. in an unsuccessful effort to halt its recent showing of the film.

Salinger said that after BBC decided to go ahead with the showing, he telephoned Richard S. Salant, president of the CBS News Division.

Salinger said he expressed the hope that BBC would include an announcement that it was not an official U.S. Government film. He said Salant agreed that there would be such announcements in connection with the showing of the film and that he assumes this was done.

Salinger said he called Salant after the State Department had expressed concern to him lest the film be interpreted as an official Government document.

Salinger also told a news conference that at the time he called Salant there was no question of stopping the showing of the film by BBC. Salinger said Salant explained to him the arrangement CBS has with foreign TV networks under which they can buy what are known as public service films. He said Salant told him that "Harvest of Shame" would not be offered to foreign networks, but that if any asked to buy it each request would be reviewed individually.

CBS first showed the film on its own network last year. It is what is known in the industry as a documentary—an exploration of a situation or subject.

Several Members of Congress, notably Senator SPESSARD L. HOLLAND, Democrat, of Florida, have contended it did not fairly present the condition of workers who move about the country to harvest crops as they ripen.

That concludes the Associated Press dispatch, which I am advised is a rather careful résumé of a longer statement made by Mr. Salinger at his press conference this morning, which I did not have the privilege to hear.

I have inserted the dispatch into the RECORD for the reason that I thought it would tend to clarify this matter, which has become a little clouded by reason of certain statements in the press and over the radio, most of them correct but some of them very far from correct.

The first point I make is, as stated in my earlier appearance, that my telephone calls on this matter were to Governor Collins, former Governor of Florida, and now president of the National Association of Broadcasters, and to the State Department, where I spoke two or three times to Mr. Lincoln White and twice to Assistant Secretary Roger Tubby.

The next point I make is that I did not call Mr. Murrow; that Mr. Murrow called me on two occasions; and that his expressions of his very great discomfiture because this film was being shown in England, and later telling me of his effort with the British Broadcasting Corp. to stop the showing of the film, were made by Mr. Murrow, on his own initiative, to me, and not after a call by me to Mr. Murrow. I made no such call.

The third point I want to make is that Mr. Salinger called CBS not at my request, but apparently, from the press release which I have just read, at the request of the State Department, or on his own initiative, after having heard from the State Department.

He had not heard from me at the time he made his call to CBS, as reported in the press dispatch.

The next point I make relates to the assurance given by CBS, which, as stated in the press release, reads as follows:

He [Mr. Salinger] said Salant told him that "Harvest of Shame" would not be offered to foreign networks, but that if any asked to buy it each request would be reviewed individually.

That statement was apparently made by Mr. Salant, and certainly made by Mr. Salinger to my office and later directly to me, and he, Mr. Salinger is the source from which it came to me. In my earlier statement on the Senate floor I did not mention Mr. Salinger. I simply stated that my information came from a high Government official. He had not authorized me to use his name.

Mr. Salinger told my office, and I called him again yesterday to refresh my memory on it, that, in the event any other country should, on its own initiative, attempt to purchase this film from CBS, CBS would, in such a matter, not only review the situation individually, but also discuss it with Mr. Salinger before action was taken.

Mr. DIRKSEN. Mr. President, will the distinguished Senator yield?

Mr. HOLLAND. I yield.

Mr. DIRKSEN. I gathered, from the earlier stories, Mr. Murrow allegedly called BBC in London; but I think it is pretty clear, from the latest accounts, that Mr. Salinger, at the White House, also called Mr. Salant, of the British Broadcasting Co., with respect to this matter; and one would normally infer from that the protest uttered in the Senate and in the House by many Members certainly registered along the line with respect to this particular documentation.

Mr. HOLLAND. My understanding is that Mr. Salant is an official of the CBS, and not of the British Broadcasting Co. I believe the press release states Mr. Salinger states he did not call the British Broadcasting Co. At any rate, the release speaks for itself.

Mr. DIRKSEN. There was a polite kind of intervention, whether it was a direct or indirect intervention. So it makes it rather official business.

Mr. HOLLAND. Mr. President, whether direct or indirect, I think the intervention was thoroughly responsible and was thoroughly in order. If there ever was a false presentation of a subject, it was that which is contained in a large part of the film. I repeat, I have called attention to seven instances in which the film is completely false, and there has been no refutation of my statements.

What makes it worse, Mr. President, is that some of those very representations of falsity in the film have been the things seized upon by the British commentators, by the British columnists, and by the Kremlin in the reports they are making about the broadcast in Britain. So far as the Kremlin is concerned, the Senator from Florida does not have any word except what appears in the press reports. The Senator from Florida regrets that the thing he predicted would come to pass has come to pass, in that Russia has seized upon this broadcast. The British commentators and the Russian comments seize upon one feature or another of the telecast which was false and which should not have been permitted to go upon the screen, where it could be viewed by millions of our good friends as well as by an ample number of those who are not at all friendly to us.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield to the Senator from Illinois.

Mr. DIRKSEN. Does not the Senator from Florida feel now is an opportune time for another documentary, which we might call "Harvest of Embarrassment"?

Mr. HOLLAND. Mr. President, I hope the people who were responsible for the filming of the picture, for the cutting out of thousands and thousands of feet which were accurate, and for the putting together of much of the irresponsible and false material are embarrassed. I hope they are sufficiently embarrassed that they will not offend the public conscience and the national interest by doing this kind of thing again.

Mr. President, there is one more thing I wish to make very clear for the RECORD, because some of the press dispatches have, through error, carried the statement that I said Mr. Bunker—who is, I believe, an executive vice president of CBS—was the person who told me he had called to the British Broadcasting Co. or had made to me certain representations with reference to CBS's intentions in the matter. Mr. Bunker represents CBS in Washington, D.C. He is a very fine young man. I certainly would not want to leave this statement unquestioned.

Mr. President, I have never made any such statement. My statements appear rather clearly, I think, in the RECORD. Someone has made a mistake in reporting. For fear Mr. Bunker may have been occasioned some embarrassment by these misstatements of fact, I wish to make it very clear that his call to me was simply to report that he was advised by top officials in CBS that there was nothing they could do about the matter because of the lateness of the hour. His statement was most courteous, and was not accompanied by any other thing than that.

Mr. President, I hope that we are sufficiently through with this unpleasant incident that it will not appear of record again, though already there is a great file of additional statements from the British of similar substance to those I placed in the RECORD the other day—I believe six—showing an immediate misunderstanding of the situation and an immediate attribution to this country of things humiliating to us, based on untruths in the film. These followed immediately the showing of the film in Britain. I am sure the statements in the British papers were made in good faith by the columnists, by the correspondents, by the news reporters, and others who reported on the film the day after its showing in Britain, to the readers of the British papers, for whom these people were writing.

Mr. President, I hope we shall not have any further incidents such as this. The word "documentary" gives some indication the film is documented, is truthful, speaks of fact, and gives a representative and proven statement on the matters assumed to be covered.

Mr. President, when a film goes as far afield in trespassing on the truth as this one did, it certainly should not have the term "documentary" applied to it. It certainly should never have been foisted upon our own people. We should

not betray good people who are producers in this country, as well as those who are workers in this country, by bringing out inaccuracy, which untruthfully reflects upon both producers and workers in such a way as to, in effect, create shame when there should be no shame.

Mr. President, the name, "Harvest of Shame," instead of referring to a harvest of crops from the soil as being shameful, should really refer, when used, to shameful exploitation by the creators of the film, to shameful departure from the facts, and to the shameful humiliation of good people which tactics were employed in order to gain a little notoriety or to make a little money for someone.

Mr. President, I do not think we can too greatly discourage and repudiate such handling, particularly when it comes from a great and influential agency which depends for its very existence upon the good will of the people of the United States. The network does not have a single channel, either one it owns itself or one with which it has contracts to carry its program, other than through the functioning of the very generous laws enacted by the Congress for the protection of the people of the United States and for the protection of those agencies which properly use the channels, of which there are many.

I dare say that many of the individual stations which used the film are among those who most greatly regret, now that they see what has been occasioned, that which has been foisted upon them.

One more comment, Mr. President, and I hope this will be the last I shall have to say on the subject. I have noted quite a number of editorials from generally well informed papers, written by scholars and gentlemen who try to correctly state their consciences upon many subjects. Each of them has made one critical mistake in commenting upon this film and upon the unpleasant series of incidents which has occurred connected with it. That is, each has assumed the film is true.

Each has assumed the film is true, and upon that assumption has felt it was quite proper for the film to be played here and replayed in Britain. These writers have felt it was quite proper for the film to be played in the United States in the first instance. Mr. President, it is not proper for any film to be played in this country to any audience, or beyond the seas to an audience of friends or enemies, when it is full of untruths and when the false things are so fully calculated to reflect discredit upon good people and upon the Nation which we love.

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SCHENECTADY, N.Y.

Mr. KEATING. Mr. President, several days ago I received a copy of Resolution No. 7170 from the Council of the City of Schenectady, urging that cities be accorded the right to obtain Federal surplus property in the same way that schools, health, civil defense, and certain other organizations receive such property.

Mr. President, I have long urged the liberalization of our Federal domestic surplus property statutes and regulations to include other worthy organizations and instrumentalities of government. I have already introduced a bill this year in the Senate (S. 1069) to permit the distribution of surplus property to certain welfare agencies. These worthy groups certainly deserve such assistance and have time and again earned our thanks and commendation.

The resolution of the city of Schenectady is certainly of interest in connection with proposed legislation before the Congress to broaden our Federal surplus property rules and regulations. I therefore ask unanimous consent that it be printed at this point in the RECORD in order that the appropriate committee of the Congress may study the several arguments so ably presented by the City Council of Schenectady, N.Y.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION 7170

Whereas the Federal Government now possesses and will continue to acquire considerable quantities of property no longer needed for their original governmental purposes; and

Whereas much of this property, declared surplus, is stored and ultimately sold through the offices of the General Services Administration; and

Whereas certain rights and privileges to the acquisition of this surplus property are accorded to nonprofit organizations and to school jurisdictions, and the rights and privileges of cities to acquire such surplus property are severely restricted and are generally limited to purposes of civil defense; and

Whereas much surplus property is purchased by private individuals for speculative purposes, in effect, municipal jurisdictions do not have the same rights and privileges now enjoyed by school districts and by certain nonprofit groups; and

Whereas all such surplus property has been purchased with public funds and paid for by the taxpayers, and it is generally deemed equitable that city governments should enjoy the same rights and privileges, insofar as surplus property is concerned, now accorded to school districts and to nonprofit organizations; and

Whereas the rights and privileges of cities should in all justice take precedence over the rights and privileges of private speculators: Now, therefore, be it

Resolved, That the City Council of the City of Schenectady, N.Y., hereby goes on record as favoring the adoption of legislation and administrative rules and regulations which will vest in cities the same rights and privileges now vested in school districts and other nonprofit organizations, with respect to the acquisition of Federal surplus property, and that the city clerk of the city of Schenectady, N.Y., is hereby directed to forward a copy of this resolution to Senators JACOB K. JAVITS and KENNETH B. KEATING, and Representative SAMUEL S. STRATTON.

WVET–TV VIEWERS URGE ELECTORAL REFORMS

Mr. KEATING. Mr. President, Mr. Tom Decker, of station WVET–TV in Rochester, N.Y., recently conducted a survey as to the opinions of his viewers on the present method of selecting the President and Vice President of the United States.

He received a heavy and enthusiastic response from viewers throughout the Rochester area. Letters and postcards were received from 1,074 persons in Rochester and surrounding communities.

I think the response was quite amazing.

These letters have been turned over to me and I have gone through them carefully. I was very much interested in the results of this poll and in the thoughtful comments of those who responded.

Of the 1,074 who responded, 1,065 called for some type of reform of the electoral college. Almost all of those who are dissatisfied with the present system, stated that the electoral college should be abandoned altogether and that the President and Vice President should be elected by direct popular vote of all the people.

I favor the complete elimination of the electoral college. I agree that the election of the President and Vice President should be by direct popular vote. In this manner, every American will have the same voice—the same weight in the selection of the men to fill the highest offices of our land. To sum up my position in a nutshell, I favor "one American—one vote." In conjunction with this position, I am proud to be a cosponsor of a bill with the majority leader, the Senator from Montana [Mr. MANSFIELD] to eliminate the electoral college.

I am impressed by the active interest which station WVET–TV, Tom Decker, and his viewers have taken in this issue, which I believe is one of the most important facing the Congress. This is indeed an excellent illustration of public-service-oriented broadcasting at its best. It is with pleasure that I call attention today to the widespread feeling in favor of electoral reform.

I ask unanimous consent to have printed at this point in the RECORD a copy of a report which I issued on November 18 spelling out in detail my position in favor of the elimination of the electoral college.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

REPORT FROM WASHINGTON BY SENATOR KENNETH B. KEATING

Many proposals now are being made by Members of Congress, other persons, and organizations to reform the electoral college system. These proposals are made after nearly every presidential election and now, because of the closeness of the national popular vote, more attention than usual is being centered on the peculiarities of the present system.

It is clear to almost everyone that it is possible for a candidate to receive a majority of the popular vote, and still lose the election. In fact, this has happened twice in our history. The basic reason for this is that the people of our country do not vote directly for the President. Instead, they vote for presidential electors.

All of the electors in a State are bound by custom, although not by law, to vote as a bloc for the candidate who received the largest popular vote in the State. This is done regardless of how small that winning candidate's margin of votes may have been.

Here in New York State, for example, a candidate who wins by 1 vote out of the more than 7 million votes cast, gets all of New York's 45 votes. His opponent gets none. The same thing is true if the winner's margin is 1 million votes.

Then there is another reason why a candidate can win a national election with less than a majority of the popular votes. This reason is not well understood. This reason is that the number of electors in each State is not distributed in the same proportion as the number of voters in each State.

Explaining this in simple terms, the smaller States have a much larger proportion of electors compared with their population than do the larger States. This disparity is compounded in those States which discriminate against certain voters on a mass scale, as, for instance, in Mississippi. Each voting-age resident is counted in determining the number of State electors, regardless of how many such people actually do vote.

Here is an example of this: In 1956, about one and a quarter million voters in Connecticut and a quarter of one million in Mississippi were represented by eight electors. In New York State, about 7 million voters were represented by 45 electors. This means that each voter in Mississippi had the same weight in choosing a President and Vice President as five voters in New York, and four and one-half voters in Connecticut. This is disgracefully unfair and undemocratic as far as the New York State voters are concerned.

Nothing short of a complete elimination of the electoral college and a direct popular vote for President and Vice President will give each voter in our Nation the same influence in choosing our national leaders. The difficulty with this proposal is that it can only be accomplished by a constitutional amendment which, even if it could be approved by Congress by a two-thirds majority vote, still would have to be ratified by three-fourths of the 50 States. The smaller States, which now have a distinct advantage under the present electoral college system, would not be likely to vote to ratify such an amendment.

A system of allocation of State electors, in direct proportion to the popular vote, is being widely hailed as a great reform. The fact is, however, that such a system would not serve in any way to remedy the present imbalance in the voting strength of citizens in the small and large States. Nor would it prevent the election of a President by a minority vote. In fact, this proportional allocation system might elect a minority President.

Let me give you an example: In the election of 1900, William McKinley had a total popular vote of 7,219,000, or 52.8 percent. William Jennings Bryan had a popular vote of 6,358,000, or 47.2 percent. McKinley won the 1900 election with an electoral college vote of 292 to Bryan's 155. If the proportional allocation system had been used, Bryan would have had 218 electoral votes, and McKinley 214. Yet Bryan carried only 17 States in that election, 11 of them in the South, 2 border States, and 4 Western States, while McKinley carried 28 States, including all of the Eastern, Middle Western, and Pacific Coast States, 3 border States, and 2 Western States.

Our electoral college system certainly needs reform. We cannot indefinitely perpetuate a system which allows the possibility of a minority President. Nor can we be comfortable with a system which, in case of a tie or of no candidate receiving an electoral college majority, gives the more than 7 million voters in New York 1 vote, and the 90,000 voters in Nevada 1 vote each in an election of our President by the House of Representatives. Nor can we entrust our posterity to a system which places no legal control over how the electors shall cast their votes once they are selected by the people.

The present electoral college system is full of hazards and I cannot agree with those who say it should not be changed. But great care must be taken in framing and considering the precise language of the necessary constitutional amendment. Our objective must be to guarantee the election of a President by a majority of all the people, and to eliminate what has been described as the "whim or accident" which is inherent in the present process.

I am the Republican member of the three-man Senate Subcommittee on Privileges and Elections, and also a member of the Senate Committee on the Judiciary, the two committees which could consider a reform in our electoral system. I intend to do everything I can as a member of these committees to make certain that this subject is not quietly shelved when the impact of the election has dimmed. I believe that exhaustive study of this problem should be undertaken by Congress as soon as possible after we convene in January, and I intend to request such a study at a very early date.

Our aim should be: "One American, One Vote."

Mr. KEATING. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROHIBITING COLLECTION OF FEES FOR SERVICES TO AMERICAN VESSELS AND SEAMEN

The Senate resumed the consideration of the bill (S. 1358) to repeal section 12 of the act of June 26, 1884, prohibiting a charge or collection of fees by consular officers for official services to American vessels and seamen, and to repeal the provision of the act of June 4, 1920, authorizing the free issuance of passports to seamen.

Mr. MANSFIELD. Mr. President, has the bill (S. 1358) passed?

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 1358) was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (1) section 12 of the Act of June 26, 1884 (23 Stat. 56; 22 U.S.C. 1186), shall be and the same is hereby repealed, and (2) that the second proviso of section 1 of chapter 223 of the Act of June 4, 1920, as amended (41 Stat. 750; 22 U.S.C. 214), shall be and the same is hereby further amended by striking out the phrase "or to seamen,".

LEGISLATIVE PROGRAM

Mr. MANSFIELD. Mr. President, for the information of the Senate, there is one nomination on the Executive Calendar which we hope to call up tomorrow. There are a number of private bills, none of which are controversial, which we shall consider after the morning hour tomorrow. Except for those items of business the calendar will be clear, although the sugar bill, reported by the Committee on Finance, will be on the desks of Senators tomorrow and will be made the pending business at the conclusion of the consideration of the noncontroversial items on the Private Calendar.

ADJOURNMENT UNTIL 10 O'CLOCK A.M. TOMORROW

Mr. MANSFIELD. Mr. President, if there be no further business to come before the Senate at this time, I move, pursuant to the order previously entered, that the Senate adjourn until 10 o'clock a.m. tomorrow.

The motion was agreed to; and (at 4 o'clock and 34 minutes p.m.) the Senate adjourned, under the order previously entered, until tomorrow, Wednesday, March 29, 1961, at 10 o'clock a.m.

NOMINATIONS

Executive nominations received by the Senate March 28, 1961.

DIPLOMATIC AND FOREIGN SERVICE

Joseph C. Satterthwaite, of Michigan, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Union of South Africa.

UNITED NATIONS

Mrs. Jane Warner Dick, of Illinois, to be the representative of the United States of America on the Social Commission of the Economic and Social Council of the United Nations.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 28, 1961:

U.S. ATTORNEYS

Newell A. George, of Kansas, to be U.S. attorney for the district of Kansas for a term of 4 years.

Robert E. Maxwell, of West Virginia, to be U.S. attorney for the northern district of West Virginia for a term of 4 years.

DEPARTMENT OF THE INTERIOR

John M. Kelly, of New Mexico, to be an Assistant Secretary of the Interior.

ASSISTANT ATTORNEY GENERAL

Burke Marshall, of Maryland, to be an Assistant Attorney General.

DIPLOMATIC AND FOREIGN SERVICE

AMBASSADORS

William Attwood, of Connecticut, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Guinea.

Anthony J. Drexel Biddle, of Pennsylvania, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Spain.

William McCormick Blair, Jr., of Illinois, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Denmark.

Aaron S. Brown, of New Hampshire, a Foreign Service Officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Nicaragua.

J. Kenneth Galbraith, of Massachusetts, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to India.

Edwin O. Reischauer, of Massachusetts, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Japan.

John S. Rice, of Pennsylvania, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Kingdom of the Netherlands.

Edward G. Stockdale, of Florida, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Ireland.

Kenneth Todd Young, of New York, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Thailand.

COMMODITY CREDIT CORPORATION

The following-named persons to be members of the Board of Directors of the Commodity Credit Corporation:

Charles S. Murphy, of Maryland.
John P. Duncan, Jr., of Georgia.
Frank J. Welch, of Kentucky.
James T. Ralph, of California.
Horace Godfrey, of North Carolina.
Willard Cochrane, of Minnesota.

DEPARTMENT OF AGRICULTURE

John C. Bagwell, of South Carolina, to be General Counsel of the Department of Agriculture.

COMMISSIONER OF EDUCATION

Sterling M. McMurrin, of Utah, to be Commissioner of Education.

FEDERAL MEDIATION AND CONCILIATION DIRECTOR

William E. Simkin, of Pennsylvania, to be Federal Mediation and Conciliation Director.

FOREIGN CLAIMS SETTLEMENT COMMISSION

Edward D. Re, of New York, to be a member of the Foreign Claims Settlement Commission of the United States.

Theodore Jaffe, of Rhode Island, to be a member of the Foreign Claims Settlement Commission of the United States.

ST. LAWRENCE SEAWAY DEVELOPMENT CORPORATION

Joseph H. McCann, of Michigan, to be Deputy Administrator of the St. Lawrence Seaway Development Corporation.

Martin W. Oettershagen, of Illinois, to be Administrator of the St. Lawrence Seaway Development Corporation.

HOUSE OF REPRESENTATIVES

TUESDAY, MARCH 28, 1961

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

The verse of Scripture which Martin Luther spoke of as "the Gospel in miniature," John 3:16: *For God so loved the world that he gave his only begotten Son that whosoever believeth in Him should not perish but have everlasting life.*

O Thou who art the source of every noble impulse and every lofty aspiration, we beseech Thee to bestow upon us those gifts of the Holy Spirit which make for strength and beauty of character.

Grant that in these strange and troubled days, which try men's souls, we may be girded with Thy grace and power to safeguard us against all weakness and weariness, all anxiety and fear.

Lift and lead us into the glorious fellowship of those who are sensitive and responsive to Thy gracious providence which enfolds us always and everywhere with Thy loving kindness.

Bless the lonely of soul with Thy companionship and the wounded of heart with Thy healing and in every humanitarian cause may we labor together as partners and friends.

In Christ's name we bring our petition. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Ratchford, one of his secretaries, who also informed the House that on March 24, 1961, the President approved and signed a bill of the House of the following title:

H.R. 5075. An act to provide temporary extended railroad unemployment insurance benefits, and for other purposes.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment bills of the House of the following titles:

H.R. 3980. An act to amend the transitional provisions of the act approved September 6, 1958, entitled "An act to protect the public health by amending the Federal Food, Drug, and Cosmetic Act to prohibit the use in food of additives which have not been adequately tested to establish their safety", and for other purposes; and

H.R. 4363. An act to amend Public Law 86-272 relating to State taxation of interstate commerce.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 5188. An act making supplemental appropriations for the fiscal year ending June 30, 1961, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. HAYDEN, Mr. RUSSELL, Mr. CHAVEZ, Mr. ELLENDER, Mr. HILL, Mr. MCCLELLAN, Mr. MAGNUSON, Mr. BRIDGES, Mr. SALTONSTALL, Mr. YOUNG of North Dakota, and Mr. MUNDT to be the conferees on the part of the Senate.

The message also announced that the Vice President has appointed Mr. JOHNSTON and Mr. CARLSON members of the joint select committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the U.S. Government," for the disposition of executive papers referred to in the report of the Archivist of the United States No. 61-5.

SUPPLEMENTAL APPROPRIATION BILL ENDING JUNE 30, 1961

Mr. THOMAS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 5188) making supplemental appropriations for the fiscal year ending June 30, 1961, and for other purposes, with Senate amendments thereto, disagree to the amendments of the Senate, and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The SPEAKER. The Chair appoints the following conferees: Messrs. THOMAS, KIRWAN, CANNON, JENSEN, and TABER.

LAW DAY, U.S.A.

Mr. ROGERS of Colorado. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Joint Resolution 32 to designate the first day of May of each year as Law Day, U.S.A.

The Clerk read the title of the joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

The Clerk read the joint resolution, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the first day of May of each year is hereby designated as Law Day, U.S.A. It is set aside as a special day of celebration by the American people in appreciation of their liberties and the reaffirmation of their loyalty to the United States of America; of their rededication to the ideals of equality and justice under law in their relations with each other as well as with other nations; and for the cultivation of that respect for law that is so vital to the democratic way of life.

The President of the United States is authorized and requested to issue a proclamation calling upon all public officials to display the flag of the United States on all Government buildings on such day and inviting the people of the United States to observe such day with suitable ceremonies and other appropriate ways, through public bodies and private organizations as well as in schools and other suitable places.

Mr. HEMPHILL. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. CORMAN] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. CORMAN. Mr. Speaker, the resolution offered for our consideration here today, which would establish a National Law Day to be marked on each May 1, is one for which I have a particular appreciation and fondness. Last year, when I served as a member of the Los Angeles City Council, representing the seventh district of that great community, I joined in the sponsorship of a similar bill to pay tribute to our Nation's heritage of rule by law. I felt then, as I feel now, that no creation of mankind is more exalted, or more divinely touched, than that of justice and law.

Further, the date selected for this commemoration could not have been more appropriate. If adopted, this annual memorial would become America's

moral answer to another symbol that has been associated with May Day: that of man's most fearful tyranny, communism. If adopted, Law Day would counter the Communist image of deceit and tyranny with an affirmation of our own belief in truth, fairness, and justice. It would demonstrate our faith in rule by law, and our contempt for communism's rule by corrupt and willful men.

National Law Day would also pay tribute to an honored profession. It would be a fitting salute to the men and women throughout America who struggle selflessly for correction of wrongs, redress of grievances, and the equality of man. Here, in the battleground of America's courts, is found a basic truth that ultimately all men and nations must discover: that decisions reached through conflict or power are self-destructive—destroyer becomes destroyed, betrayer becomes betrayed, and aggressor ultimately falls victim to his own aggression. The power of law is not the power of arms and men; it is the incontrovertible power of logic and reason. These inexorable forces will one day rule men everywhere. These will out.

Mr. Speaker, I urge passage of this resolution.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

THE LATE HONORABLE LEROY JOHNSON

The SPEAKER. The Chair recognizes the gentleman from California [Mr. McFALL].

Mr. McFALL. Mr. Speaker, the news that former Representative Leroy Johnson, of Stockton, Calif., passed away on Sunday last is indeed a sad message to deliver to this distinguished body.

Leroy Johnson died in the State of California which he so dearly loved. He represented the 11th Congressional District during the 78th through the 84th Congress, from 1943 through 1956.

Leroy Johnson was a true friend to his colleagues on both sides of the aisle in the House of Representatives. The House of Representatives is an austere judge of the character and ability of its Members and the reputation that our late colleague held bespoke of his sincere and friendly personality and his excellent character.

He enjoyed the reputation of giving sincere and detailed attention to the legislative duties that faced him. He was fair and responsive to individual problems.

In 1943 when Leroy Johnson entered the House of Representatives he was assigned to the Military Affairs Committee. It has been recorded that in 1947 when the old Military Affairs Committee and the Naval Affairs Committee were combined into the present Armed Services Committee, the first chairman of the newly formed committee stated that he was anxious to have Leroy Johnson assigned to the Armed Services Committee, as he was desirous of having "this highly decorated and combat-tested aviator on the committee because of his background and wide experience in military affairs and legislation affecting all of the armed services." Leroy Johnson contributed untold hours to military matters which were vitally connected with the Reserve and National Guard legislative program.

Born in Wausau, Wis., Congressman Johnson was graduated from the University of Wisconsin and the University of California. He served during World War I as a pilot in the 104th Aero Squadron, participated in the St. Mihiel and Argonne drives and was awarded the Silver Star Medal.

His public service also included service as city attorney in Stockton, Calif. prior to and following his years in the Congress.

To his wife, Elizabeth Alpers Johnson, and his family, I extend deep and sincere sympathy in their loss, which is also ours.

Mr. BALDWIN. Mr. Speaker, will the gentleman yield?

Mr. McFALL. I yield to the gentleman from California.

Mr. BALDWIN. Mr Speaker, when I first came to Congress, Leroy Johnson was most helpful to me. He represented the district next to mine. Formerly he also represented a portion of the district which I now represent.

Mr. Speaker, Leroy Johnson was very helpful to all new Members of the House. He was particularly helpful to me, representing the district next to mine, for we had many similar problems. My wife and I came to know Leroy Johnson and Mrs. Johnson very well. We admired them. We admired his integrity. I join in extending my deepest sympathy to his widow.

Mr. McFALL. I thank the gentleman.

Mr. JUDD. Mr. Speaker, will the gentleman yield?

Mr. McFALL. I yield to the gentleman from Minnesota.

Mr. JUDD. Mr. Speaker, it was my privilege to enter Congress on the same day as the Honorable Leroy Johnson in January 1943, at the beginning of the 78th Congress. Of course, Members who belong to the same class, get to know each other better and develop closer personal relationships. Leroy Johnson was an outstanding Member of our class, a fine Christian gentleman, of high character and great industry. He served effectively on the Committee on Armed Services. He was active in veterans' activities. He was always faithful and diligent in performing his congressional duties.

Especially to those of us who got to know him most intimately he was a warm and treasured personal friend. We regret his passing although we know he has not been in good health these last years and perhaps welcome release.

Mr. Speaker, Leroy Johnson left a record of public service of which any man and any family can be very proud. Mrs. Judd and I join in sending to his wife and family our deep sympathy and affectionate regards.

Mr. McFALL. Mr. Speaker, I thank the gentleman. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks in the RECORD on the life and accomplishments of the late Honorable Leroy Johnson.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. AUCHINCLOSS. Mr. Speaker, I am greatly saddened to learn of the death of Leroy Johnson whose friendship I have always treasured. He came to Congress the same year that I did and he was one of the first men that I had the privilege of meeting. He was chosen the first president of the 78th Club, made up of those who were elected to the 78th Congress, and as I was active in that organization, I had many opportunities to confer and learn something about him.

He was an outstanding American who served his country in World War I with real distinction and he devoted his service in the Congress to what he conceived to be for the best interests of his country.

Leroy Johnson made many friends in Congress and commanded the respect of everyone. He was a real student of legislation and when he discussed a subject, he knew what he was talking about.

My deepest sympathy goes to his wife, who was his great companion, and his loved ones at this time of their bereavement.

Mr. GEORGE P. MILLER. Mr. Speaker, I, perhaps, knew Leroy Johnson longer than any man in the House of Representatives.

I first met him in 1919 just after World War I, when he was the local agent or representative of the Federal Board for Rehabilitation—later absorbed by the Veterans' Administration. I was a training officer working in the same area.

At that early date Leroy Johnson gave evidence of his great and abiding faith in his fellow ex-servicemen. His devotion to them and the solution of the complex problems that confronted the wounded and disabled veterans who returned to private life with only limited needs.

Leroy Johnson through the medium of the American Legion threw himself into the fight to get the medical attention, hospitalization, and just compensation. His was a great influence in this field. I worked with him and know well the value of his contribution.

Coming to Congress, Leroy Johnson joined with the Members from California who were fighting for the Central Valley project. His experience of post attorney and city attorney of Stockton, Calif., he again was in the forefront of the fight for those things that best served the vast majority of his constituents.

Leroy Johnson was always concerned with the Defense Establishment. He had the distinction of being one of the few American fliers who got into combat during the First World War—a rare man. It was natural that he should gravitate to the Military Affairs Committee. His personal combat experience was valuable to the committee during World War II.

Until he left Congress he continued to work hard and intelligently in the field of national defense.

I want to join with others in extending my sympathy to his good wife Mrs.

Betty Johnson—a helpmate who stood stanchly beside him during his political life.

Leroy Johnson, a patriot and honorable public officials, has made a lasting contribution to his loved country.

Mr. SIKES. Mr. Speaker, I have been saddened by the news that my close friend and former colleague, Leroy Johnson, has passed away.

Leroy came to the House of Representatives with the opening of the 78th Congress in 1943 and served consecutively with unusual distinction through the 84th Congress.

Born in Wausau, Wis., he moved to California and represented the 11th Congressional District of California. A graduate of the University of Wisconsin and of the University of California with a degree of doctor of jurisprudence from the latter, he was a lawyer by profession. For 11 years he served with distinction as city attorney for the city of Stockton, Calif.

A veteran of World War I, Leroy Johnson served as a pilot with the 104th Aero Squadron and saw action in the St. Mihiel and Argonne drives. He was awarded the Silver Star Medal for outstanding performance of duty during World War I.

Leroy Johnson made many friends on Capitol Hill. I came to know him well when we served together on the Armed Services Committee. It was here that I watched him give untiringly of himself to his duties as a legislator. Foremost in his mind at all times was the welfare and security of our beloved Nation. At the same time he served his district and State with distinction. I have maintained a close personal relationship with him since he left the House and feel a particular personal loss at his passing.

To his family, Mrs. Sikes and I offer our sympathy and hope that they will find peace in the assurance that he served us all well. He has gone to a well-earned rest.

Mr. HOEVEN. Mr. Speaker, I regret to learn of the passing of my good friend Leroy Johnson. He and I came to Congress together in January 1943, at the convening of the 78th Congress. He and I were instrumental in organizing the 78th Club, made up of Republican Members of the new Congress. He became the first president of the 78th Club and I became the first secretary.

I had a close association with Leroy Johnson throughout his service in the Congress. He was a good legislator and a fine Christian gentleman. He served well his day and generation.

Mrs. Hoeven joins me in extending our deepest sympathy to Mrs. Johnson and all members of the family.

Mr. HARVEY of Indiana. Mr. Speaker, I wish to express my own sympathy to the wife and family of our former colleague from California, Leroy Johnson. He was my good friend, and his counsel when I first came to Congress was of considerable assistance. As an aviator during World War I, he brought to the Congress an invaluable experience especially to the Armed Services Committee where he served with distinction. A devoted servant to his district and country, he was likewise devoted to his wife Betty and their family.

Our hopes are that the passing of time will soften the loss and bring to them a sense of satisfaction because of his great contribution to his country.

Mr. PHILBIN. Mr. Speaker, I was greatly shocked and most profoundly grieved to learn of the untimely passing of my dear, esteemed and beloved friend, former Congressman Leroy Johnson of California.

I served with Roy Johnson for many years on the House Military Affairs Committee and later on the House Armed Services Committee, and he was my devoted and valued colleague and friend.

Never in my public service, or in my lifetime, have I known a finer, more dedicated American, a more amiable, humane human being, or a more loyal friend.

Roy Johnson was a man of superb intellectual powers, possessed of a keen, penetrating, legal mind, endowed with complete awareness of the critical public problems with which he had occasion to deal.

There was a broadness and a depth to his searching mind, a comprehending sweep to his training and his interests that made him an exceptionally valuable member of our military committees and a truly outstanding Member of the House.

His lofty character, his exhalted idealism, his profound sense of humanity and justice and his unalterable fidelity to country, to duty and to every worthy, inspiring value of our national life, brought this noble son of the great State of California the respect, admiration, and affection of all those who knew him, especially of those of us who had the great privilege and honor of his friendship and of sharing with him public service in this great historic and world-renowned body.

Courageous, strong of conviction, independent minded and animated always by a rugged sense of justice and deep, abiding faith in American institutions, Roy Johnson exemplified the noblest attributes of a dedicated public servant and a noble Christian gentleman.

Great war hero, highly decorated and lauded for his loyal, magnificent service to the Nation in time of grave peril, honored in many ways and raised by his admiring fellow citizens to high public office, Roy Johnson nevertheless retained his basic sense of true values and his innate humility and simplicity of heart and manner that endeared him to all.

A great American has passed to the Great Beyond. A very dear friend has departed from this life. But his spirit, his devotion, his dedication, and the stirring example of his good life and splendid public service will long remain with us.

With a heavy heart, I join his lovely wife, his family, and many friends in mourning his loss and tender my most heartfelt sympathy to them.

May our beloved friend, Roy, find rest and peace in his eternal, heavenly home.

Mr. YOUNGER. Mr. Speaker, we are all saddened to learn of the death of former Congressman J. Leroy Johnson, of Stockton, Calif.

For 14 years he ably represented the Stockton area in the House. Because of his excellent record in the 104th Aero Squadron, American Expeditionary Force of World War I, he was assigned to the committee that later became the House Armed Services Committee. He was a strong and effective advocate of the universal military training program.

It can truly be said that Leroy Johnson devoted all of his adult life to the service of his district and the Nation, because shortly after he returned from his service in World War I he became deputy district attorney of San Joaquin County in California and later was city attorney for Stockton, Calif. He came to Congress in 1942 and served until 1956.

Mrs. Younger and I extend our deepest sympathy to Mrs. Johnson, their daughter, Mary E. Parr, and son, William, in their loss, which is a loss to the community, the State, and the Nation.

THE DEFENSE BUDGET—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 123)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Appropriations and ordered to be printed:

To the Congress of the United States:

In my role as Commander in Chief of the American Armed Forces, and with my concern over the security of this Nation now and in the future, no single question of policy has concerned me more since entering upon these responsibilities than the adequacy of our present and planned military forces to accomplish our major national security objectives.

In January, while ordering certain immediately needed changes, I instructed the Secretary of Defense to reappraise our entire defense strategy, capacity, commitments, and needs in the light of present and future dangers. The Secretary of State and others have been consulted in this reappraisal, and I have myself carefully reviewed their reports and advice.

Such a review is obviously a tremendous task and it still continues. But circumstances do not permit a postponement of all further action during the many additional months that a full reappraisal will require. Consequently we are now able to present the most urgent and obvious recommendations for inclusion in the fiscal 1962 budget.

Meaningful defense budget decisions, however, are not possible without preliminary decisions on defense policy, reflecting both current strategic assumptions and certain fundamental principles. These basic policies or principles, as stated below, will constitute the essential guidelines and standards to be followed by all civilian and military personnel who work on behalf of our Nation's security. The budget which follows, if enacted by the Congress under its own solemn duty "to provide for the common defense," is designed to implement these assumptions as we now see them, and to

chart a fresh, clear course for our security in a time of rising dangers and persistent hope.

I. BASIC DEFENSE POLICIES

1. The primary purpose of our arms is peace, not war—to make certain that they will never have to be used—to deter all wars, general or limited, nuclear or conventional, large or small—to convince all potential aggressors that any attack would be futile—to provide backing for diplomatic settlement of disputes—to insure the adequacy of our bargaining power for an end to the arms race. The basic problems facing the world today are not susceptible to a military solution. Neither our strategy nor our psychology as a nation—and certainly not our economy—must become dependent upon the permanent maintenance of a large military establishment. Our military posture must be sufficiently flexible and under control to be consistent with our efforts to explore all possibilities and to take every step to lessen tensions, to obtain peaceful solutions, and to secure arms limitations. Diplomacy and defense are no longer distinct alternatives, one to be used where the other fails—both must complement each other.

Disarmament, so difficult and so urgent, has been much discussed since 1945, but progress has not been made. Recrimination in such matters is seldom useful, and we for our part are determined to try again. In so doing, we note that, in the public position of both sides in recent years, the determination to be strong has been coupled with announced willingness to negotiate. For our part, we know there can be dialectical truth in such a position, and we shall do all we can to prove it in action. This budget is wholly consistent with our earnest desire for serious conversation with the other side on disarmament. If genuine progress is made, then as tension is reduced, so will be our arms.

2. Our arms will never be used to strike the first blow in any attack. This is not a confession of weakness but a statement of strength. It is our national tradition. We must offset whatever advantage this may appear to hand an aggressor by so increasing the capability of our forces to respond swiftly and effectively to any aggressive move as to convince any would-be aggressor that such a movement would be too futile and costly to undertake. In the area of general war, this doctrine means that such capability must rest with that portion of our forces which would survive the initial attack. We are not creating forces for a first strike against any other nation. We shall never threaten, provoke or initiate aggression—but if aggression should come, our response will be swift and effective.

3. Our arms must be adequate to meet our commitments and insure our security, without being bound by arbitrary budget ceilings. This Nation can afford to be strong—it cannot afford to be weak. We shall do what is needed to make and to keep us strong. We must, of course, take advantage of every opportunity to reduce military outlays as a result of scientific or managerial progress, new strategic concepts, a more efficient, manageable and thus more effective Defense Establishment, or international agreements for the control and limitation of arms. But we must not shrink from additional costs where they are necessary. The additional $650 million in expenditures for fiscal 1962 which I am recommending today, while relatively small, are too urgent to be governed by a budget largely decided before our defense review had been completed. Indeed, in the long run the net effect of all the changes I am recommending will be to provide a more economical budget. But I cannot promise that in later years we need not be prepared to spend still more for what is indispensable. Much depends on the course followed by other nations. As a proportion of gross national product, as a share of our total budget, and in comparison with our national effort in earlier times of war, this increase in defense expenditures is still substantially below what our citizens have been willing and are now able to support as insurance on their security—insurance we hope is never needed—but insurance we must nevertheless purchase.

4. Our arms must be subject to ultimate civilian control and command at all times, in war as well as peace. The basic decisions on our participation in any conflict and our response to any threat—including all decisions relating to the use of nuclear weapons, or the escalation of a small war into a large one—will be made by the regularly constituted civilian authorities. This requires effective and protected organization, procedures, facilities and communication in the event of attack directed toward this objective, as well as defensive measures designed to insure thoughtful and selective decisions by the civilian authorities. This message and budget also reflect that basic principle. The Secretary of Defense and I have had the earnest counsel of our senior military advisers and many others—and in fact they support the great majority of the decisions reflected in this budget. But I have not delegated to anyone else the responsibilities for decision which are imposed upon me by the Constitution.

5. Our strategic arms and defenses must be adequate to deter any deliberate nuclear attack on the United States or our allies by making clear to any potential aggressor that sufficient retaliatory forces will be able to survive a first strike and penetrate his defenses in order to inflict unacceptable losses upon him. As I indicated in an address to the Senate some 31 months ago, this deterrence does not depend upon a simple comparison of missiles on hand before an attack. It has been publicly acknowledged for several years that this Nation has not led the world in missile strength. Moreover, we will not strike first in any conflict. But what we have and must continue to have is the ability to survive a first blow and respond with devastating power. This deterrent power depends not only on the number of our missiles and bombers, but on their state of readiness, their ability to survive attack, and the flexibility and sureness with which we can control them to achieve our national purpose and strategic objectives.

6. The strength and deployment of our forces in combination with those of our allies should be sufficiently powerful and mobile to prevent the steady erosion of the free world through limited wars; and it is this role that should constitute the primary mission of our oversea forces. Nonnuclear wars, and sublimited or guerrilla warfare, have since 1945 constituted the most active and constant threat to free world security. Those units of our forces which are stationed overseas, or designed to fight overseas, can be most usefully oriented toward deterring or confining those conflicts which do not justify and must not lead to a general nuclear attack. In the event of a major aggression that could not be repulsed by conventional forces, we must be prepared to take whatever action with whatever weapons are appropriate. But our objective now is to increase our ability to confine our response to nonnuclear weapons, and to lessen the incentive for any limited aggression by making clear what our response will accomplish. In most areas of the world, the main burden of local defense against overt attack, subversion and guerrilla warfare must rest on local populations and forces. But given the great likelihood and seriousness of this threat, we must be prepared to make a substantial contribution in the form of strong, highly mobile forces trained in this type of warfare, some of which must be deployed in forward areas, with a substantial airlift and sealift capacity and prestocked oversea bases.

7. Our defense posture must be both flexible and determined. Any potential aggressor contemplating an attack on any part of the free world with any kind of weapons, conventional or nuclear, must know that our response will be suitable, selective, swift, and effective. While he may be uncertain of its exact nature and location, there must be no uncertainty about our determination and capacity to take whatever steps are necessary to met our obligations. We must be able to make deliberate choices in weapons and strategy, shift the tempo of our production and alter the direction of our forces to meet rapidly changing conditions or objectives at very short notice and under any circumstances. Our weapon systems must be usable in a manner permitting deliberation and discrimination as to timing, scope, and targets in response to civilian authority; and our defenses must be secure against prolonged reattack as well as a surprise first strike. To purchase productive capacity and to initiate development programs that may never need to be used—as this budget proposes—adopts an insurance policy of buying alternative future options.

8. Our defense posture must be designed to reduce the danger of irrational or unpremeditated general war, the danger of an unnecessary escalation of a small war into a large one, or of miscalculation or misinterpretation of an incident or enemy intention. Our diplomatic efforts to reach agreements on the

prevention of surprise attack, an end to the spread of nuclear weapons—indeed, all our efforts to end the arms race—are aimed at this objective. We shall strive for improved communication among all nations, to make clear our own intentions and resolution, and to prevent any nation from underestimating the response of any other, as has too often happened in the past. In addition, our own military activities must be safeguarded against the possibility of inadvertent triggering incidents. But even more importantly, we must make certain that our retaliatory power does not rest on decisions made in ambiguous circumstances, or permit a catastrophic mistake.

It would not be appropriate at this time or in this message to either boast of our strength or dwell upon our needs and dangers. It is sufficient to say that the budgetary recommendations which follow, together with other policy, organizational and related changes and studies now underway administratively, are designed to provide for an increased strength, flexibility and control in our Defense Establishment in accordance with the above policies.

II. STRENGTHENING AND PROTECTING OUR STRATEGIC DETERRENT AND DEFENSES

A. Improving our missile deterrent: As a power which will never strike first, our hopes for anything close to an absolute deterrent must rest on weapons which come from hidden, moving, or invulnerable bases which will not be wiped out by a surprise attack. A retaliatory capacity based on adequate numbers of these weapons would deter any aggressor from launching or even threatening an attack—an attack he knew could not find or destroy enough of our force to prevent his own destruction.

1. Polaris: The ability of the nuclear-powered Polaris submarine to operate deep below the surface of the seas for long periods and to launch its ballistic, solid fuel, nuclear-armed missiles while submerged gives this weapons system a very high degree of mobility and concealment, making it virtually immune to ballistic missile attack.

In the light of the high degree of success attained to date in its development, production, and operation, I strongly recommend that the Polaris program be greatly expanded and accelerated. I have earlier directed the Department of Defense, as stated in my state of the Union message, to increase the fiscal year 1961 program from 5 submarine starts to 10, and to accelerate the delivery of these and other Polaris submarines still under construction. This action will provide five more operational submarines about 9 months earlier than previously planned.

For fiscal year 1962, I recommend the construction of 10 more Polaris submarines, making a total of 29, plus 1 additional tender. These 10 submarines, together with the 10 programed for fiscal year 1961, are scheduled to be delivered at the rate of 1 a month or 12 a year, beginning in June 1963, compared with the previous rate of 5 a year. Under this schedule, a force of 29 Polaris submarines can be completed and at sea 2 months before the present program called for 19 boats, and 2 years earlier than would be possible under the old 5-a-year rate. These 29 submarines, each with a full complement of missiles, will be a formidable deterrent force. The sooner they are on station, the safer we will be. And our emphasis upon a weapon distinguished primarily for its invulnerability is another demonstration of the fact that our posture as a Nation is defensive and not aggressive.

I also recommended that the development of the long-range Polaris A–3 be accelerated in order to become available a year earlier, at an eventual savings in the procurement of the A–2 system.

This longer range missile with improved penetration capability will greatly enhance the operational flexibility of the Polaris force and reduce its exposure to shore-based antisubmarine warfare measures. Finally, we must increase the allowance of Polaris missiles for practice firing to provide systematic "proving ground" data for determining and improving operational reliability.

The increases in this program, including $15 million in new obligational authority for additional crews, constitute the bulk of the budget increases—$1.34 billion in new obligational authority on a full funded basis, over a 4-year period though only $270 million in expenditures in fiscal 1962. I consider this a wise investment in our future.

2. Minuteman: Another strategic missile system which will play a major role in our deterrent force, with a high degree of survivability under ballistic missile attack, is the solid fuel Minuteman. This system is planned to be deployed in well-dispersed hardened sites and, eventually, in a mobile mode on railroad cars. On the basis of the success of tests conducted to date and the importance of this system to our overall strategy, I recommend the following steps:

(1) Certain design changes to improve the reliability, guidance accuracy, range and reentry of this missile should be incorporated earlier than previously planned, by additional funding for research and development.

(2) A more generous allotment of missiles for practice firing should, as in the case of the Polaris, be provided to furnish more operational data sooner.

(3) The three mobile Minuteman squadrons funded in the January budget should be deferred for the time being and replaced by three more fixed-base squadrons (thus increasing the total number of missiles added by some two-thirds). Development work on the mobile version will continue.

(4) Minuteman capacity production should be doubled to enable us to move to still higher levels of strength more swiftly should future conditions warrant doubling our production. There are great uncertainties as to the future capabilities of others; as to the ultimate outcome of struggles now going on in many of the world's trouble spots; and as to future technological breakthroughs either by us or any other nation. In view of these major uncertainties, it is essential that, here again, we adopt an insurance philosophy and hedge our risks by buying options on alternative courses of action. We can reduce leadtime by providing, now, additional standby production capacity that may never need to be used, or used only in part, and by constructing additional bases which events may prove could safely have been postponed to the next fiscal year. But that option is well worth the added cost.

Together, these recommendations for Minuteman will require the addition of $96 million in new obligational authority to the January budget estimate.

3. Skybolt: Another type of missile less likely to be completely eliminated by enemy attack is the air-to-ground missile carried by a plane that can be off the ground before an attack commences. Skybolt is a long-range (1,000 mile) air-launched, solid-fuel, nuclear-warhead ballistic missile designed to be carried by the B–52 and the British V bombers. Its successful development and production may extend the useful life of our bombers into the missile age—and its range is far superior to the present Hound Dog missiles.

I recommend that an additional $50 million in new obligational authority be added to the 1962 budget to enable this program to go forward at an orderly rate.

B. Protecting our bomber deterrent: The considerably more rapid growth projected for our ballistic missile force does not eliminate the need for manned bombers—although no funds were included in the January budget for the further procurement of B–52 heavy bombers and B–58 medium bombers, and I do not propose any. Our existing bomber forces constitute our chief hope for deterring attack during this period prior to the completion of our missile expansion. However, only those planes that would not be destroyed on the ground in the event of a surprise attack striking their base can be considered sufficiently invulnerable to deter an aggressor.

I therefore recommend the following steps to protect our bomber deterrent:

1. Airborne alert capacity: That portion of our force which is constantly in the air is clearly the least vulnerable portion. I am asking for the funds to continue the present level of indoctrination training flights, and to complete the standby capacity and materials needed to place one-eighth of our entire heavy bomber force on airborne alert at any time. I also strongly urge the reenactment of section 512(b) of the Department of Defense Appropriation Act for 1961, which authorizes the Secretary of Defense, if the President determines it is necessary, to provide for the cost of a full airborne alert as a deficiency expense approved by the Congress.

2. Increased ground alert force and bomb alarms: Strategic bombers standing by on a ground alert of 15 minutes can also have a high degree of survivability provided adequate and timely warning is available. I therefore recommend that the proportion of our B–52 and B–47 forces on ground alert should be increased until about half of our total force is on alert. In addition, bomb

alarm detectors and bomb alarm signals should be installed at key warning and communication points and all SAC bases, to make certain that a dependable notification of any surprise attack cannot be eliminated. Forty-five million dollars in new obligational authority will pay for all of these measures.

C. Improving our continental defense and warning systems. Because of the speed and destructiveness of the intercontinental ballistic missile and the secrecy with which it can be launched, timely warning of any potential attack is of crucial importance not only for preserving our population but also for preserving a sufficient portion of our military forces—thus deterring such an attack before it is launched. For any attacker knows that every additional minute gained means that a larger part of our retaliatory force can be launched before it can be destroyed on the ground. We must assure ourselves, therefore, that every feasible action is being taken to provide such warning.

To supplement the ballistic missile early warning system (BMEWS), on which construction is now proceeding as fast as is practical, the satellite-borne Midas system, now under development, is designed to provide about 30 minutes of warning by detecting missiles immediately after launching. Together with BMEWS, Midas would greatly increase the assurance and reliability of timely warning. I recommend that an additional $60 million in new obligational authority be added to the 1962 budget to accelerate completion of the development phase of the Midas program, with the goal of achieving an operational system at an earlier date.

For the next several years at least, however, we shall have to continue to provide a defense against manned bomber attack. Such an attack is most likely to coincide with, or follow, a ballistic missile attack seeking to incapacitate our antibomber defense system. Measures must therefore be taken to enhance the ability of the air defense system to cope with a combined attack. I recommend $23 million in new obligational authority be added to the 1962 budget for this purpose.

D. Improving the command and control of our strategic deterrent. The basic policies stated at the beginning of this message lay new emphasis on improved command and control—more flexible, more selective, more deliberate, better protected and under ultimate civilian authority at all times. This requires not only the development and installation of new equipment and facilities, but, even more importantly, increased attention to all organizational and procedural arrangements for the President and others. The invulnerable and continuous command posts and communications centers provided in these recommendations (requiring an additional $16 million in new obligational authority) are only the beginning of a major but absolutely vital effort to achieve a truly unified, nationwide, indestructible system to insure high-level command, communication and control and a properly authorized response under any conditions.

E. There are a number of other space and research programs related to our strategic and continental air defense forces which I find require additional support. These include missile defense and penetration aids, Dynasoar, Advent, Defender, Discoverer and certain other programs. An additional $226 million in new obligational authority is requested to finance them.

III. STRENGTHENING OUR ABILITY TO DETER OR CONFINE LIMITED WARS

The free world's security can be endangered not only by a nuclear attack, but also by being slowly nibbled away at the periphery, regardless of our strategic power, by forces of subversion, infiltration, intimidation, indirect or nonovert aggression, internal revolution, diplomatic blackmail, guerrilla warfare or a series of limited wars.

In this area of local wars, we must inevitably count on the cooperative efforts of other peoples and nations who share our concern. Indeed, their interests are more often directly engaged in such conflicts. The self-reliant are also those whom it is easiest to help—and for these reasons we must continue and reshape the military assistance program which I have discussed earlier in my special message on foreign aid.

But to meet our own extensive commitments and needed improvements in conventional forces, I recommend the following:

A. Strengthened capacity to meet limited and guerrilla warfare, limited military adventures and threats to the security of the free world that are not large enough to justify the label of "limited war." We need a greater ability to deal with guerrilla forces, insurrections, and subversion. Much of our effort to create guerrilla and antiguerrilla capabilities has in past been aimed at general war. We must be ready now to deal with any size of force, including small externally supported bands of men; and we must help train local forces to be equally effective.

B. Expanded research on nonnuclear weapons. A few selected high priority areas—strategic systems, air defense and space—have received the overwhelming proportion of our defense research effort. Yet, technology promises great improvements in nonnuclear armaments as well; and it is important that we be in the forefront of these developments. What is needed are entirely new types of nonnuclear weapons and equipment—with increased firepower, mobility, and communications, and more suited to the kind of tasks our limited war forces will most likely be required to perform. I include here antisubmarine warfare as well as land and air operations. I recommend, therefore, an additional $122 million in new obligational authority to speed up current limited warfare research and development programs and to provide for the initiation of entirely new programs.

C. Increased flexibility of conventional forces. Our capacity to move forces in sizable numbers on short notice and to be able to support them in one or more crisis areas could avoid the need for a much larger commitment later. Following my earlier direction, the Secretary of Defense has taken steps both to accelerate and increase the production of airlift aircraft. A total of 129 new, longer range, modern airlift aircraft will be procured through fiscal year 1962, compared with the 50 previously programed. An additional $172 million new obligational authority will be required in the 1962 budget to finance this expanded program.

These additional aircraft will help to meet our airlift requirements until the new specially designed, long-range, jet-powered C–141 transport becomes available. A contractor for this program has been selected and active development work will soon be started. Adequate funds are already included in the January budget to finance this program through the coming fiscal year.

I am also recommending in this message $40 million in new obligational authority for the construction of an additional amphibious transport of a new type, increasing both the speed and the capability of Marine Corps sealift capacity; and $84 million in new obligational authority for an increase in the Navy's ship rehabilitation and modernization program, making possible an increase in the number of ship overhauls (as well as a higher level of naval aircraft maintenance.)

But additional transport is not enough for quick flexibility. I am recommending $230 million in new obligational authority for increased procurement of such items as helicopters, rifles, modern nonnuclear weapons, electronics and communications equipment, improved ammunition for artillery and infantry weapons, and torpedoes. Some important new advances in ammunition and bombs can make a sizable qualitative jump in our limited war capabilities.

D. Increased nonnuclear capacities of fighter aircraft. Manned aircraft will be needed even during the 1965–75 missile era for various limited war missions. Target recognition, destruction of all types of targets when extreme accuracy is required, and the control of airspace over enemy territory will all continue to be tasks best performed by manned aircraft.

Expected phaseout of Navy and Air Force fighters by 1965, together with reduced numbers and increasing obsolescence of the remaining aircraft, make necessary the development of an advanced tactical fighter emphasizing nonnuclear capabilities. I am requesting $45 million in new obligational authority for this purpose.

Meanwhile, I am recommending $25 million in new obligational authority for the modification of the F–105 tactical fighter to improve its capability to handle conventionally armed ordnance items, and to increase its suitability for airstrips of all types of areas.

E. Increased personnel, training, and readiness for conventional forces. I am recommending $39 million in new obligational authority for increases in Army personnel strength to expand guerrilla warfare units and round out other existing units, and an increase in the Marine Corps to bring it up closer to authorized strength levels. (In addition, personnel

is being added to the Navy for Polaris crews, and to the Air Force for the ground alert expansion.) The sum of these personnel additions is 13,000 men. I am also recommending $25 million additional in new obligational authority for pay of retired personnel of the military forces.

But more personnel alone is not enough. I am recommending an additional $65 million in new obligational authority for increased readiness training of Army and Air Force units. These funds will provide for additional field training and mobility exercises for the Army and test exercises for the composite air strike forces and MATS unit. We recognize the role of exercises and deployments in demonstrating to our friends and opponents our ability to deploy forces rapidly in a crisis.

IV. SAVINGS MADE POSSIBLE BY PROGRESS

The elimination of waste, duplication, and outmoded or unjustifiable expenditure items from the Defense budget is a long and arduous undertaking, resisted by special arguments and interests from economic, military, technical, and other special groups. There are hundreds of ways, most of them with some merit, for spending billions of dollars on defense; and it is understandable that every critic of this budget will have a strong preference for economy on some expenditures other than those that affect his branch of the service, or his plant, or his community.

But hard decisions must be made. Unneeded facilities or projects must be phased out. The Defense Establishment must be lean and fit, efficient and effective, always adjusting to new opportunities and advances, and planning for the future. The national interest must be weighed against special or local interests; and it is the national interest that calls upon us to cut our losses and cut back those programs in which a very dim promise no longer justifies a very large cost.

Specifically:

1. Our decision to acquire a very substantial increase in second-generation solid-fuel missiles of increased invulnerability (Polaris and Minuteman) enables us to eliminate safely the last two squadrons of Titan originally contemplated. These would not have become operational until 1964, and at a cost of $270 million—a cost several times that of the Minuteman missiles we are purchasing for the same period and could increase with our standby facility. $100 million in the 1962 budget can be saved by this adjustment.

2. The phaseout of a number of B–47 medium bomber wings already planned will be accelerated to provide promptly the trained crews required for the expanded ground alert program. (Fiscal 1962 savings: $35 million.)

3. Additional personnel will also be made available by the immediate phaseout of the subsonic Snark airbreathing long-range missile, which is now considered obsolete and of marginal military value in view of ICBM developments, the Snark's low reliability and penetrability, the lack of positive control over its launchings, and the location of the entire wing at an unprotected site. (Fiscal 1962 savings: $7 million.)

4. The acquired missile capability programed by this message also makes unnecessary and economically unjustifiable the development of the B–70 Mach 3 manned bomber as a full weapons system at this time. The B–70 would not become available in operational numbers until well beyond 1965. By that time we expect to have a large number of intercontinental ballistic missiles, fully tested and in place, as well as a substantial manned bomber force mostly equipped with air-to-ground missiles. In view of the extremely high cost of the B–70 system, its lesser survivability as a ground-based system and its greater vulnerability in the air compared to missiles, its capabilities as a second strike system do not appear to have sufficient advantages over a much less expensive missile, or even a B–52 or successor bomber equipped with Skybolt, to justify a request in fiscal 1962 for $358 million.

We recognize, however, that there are still uncertainties with respect to the operational characteristics of our planned missile force. We also recognize that there are certain advantages inherent in a controlled force of manned bombers. To preserve the option of developing this manned bomber weapon system, if we should later determine such a system is required, I recommend that the B–70 program be carried forward essentially to explore the problems of flying at three times the speed of sound with an airframe potentially useful as a bomber, with the development of a small number of prototype aircraft and related bomb-navigation systems. We should also explore the possibility of developing a manned bomber system specifically designed to operate in an environment in which both sides have large ICBM forces.

Even on this more limited basis, the B–70 project will cost $1.3 billion before it is completed in 1967. Approximately $800 million has already been provided, $220 million is now requested for 1962—$138 million less than the amount included in the January budget—and the balance will be required in subsequent years. The total development program which I am recommending will cost $1.4 billion less than that previously planned.

5. Nearly 15 years and about $1 billion have been devoted to the attempted development of a nuclear-powered aircraft; but the possibility of achieving a militarily useful aircraft in the foreseeable future is still very remote. The January budget already recommended a severe curtailment of this project, cutting the level of effort in half by limiting the scope to only one of the two different engines under development, although not indicating which one. We believe the time has come to reach a clean-cut decision in this matter. Transferring the entire subject matter to the Atomic Energy Commission budget where it belongs, as a nondefense research item, we propose to terminate development effort on both approaches on the nuclear powerplant, comprising reactor and engine, and on the airframe; but to carry forward scientific research and development in the fields of high temperature materials and high performance reactors, which is related to AEC's broad objectives in atomic reactor development including some work at the present plants, making use of their scientific teams. This will save an additional $35 million in the Defense budget for fiscal 1962 below the figure previously reduced in January, and will avoid a future expenditure of at least $1 billion, which would have been necessary to achieve first experimental flight.

6. The January budget did not include funds for the continued development of the Navy's "Missileer" fleet defense aircraft, but funds were included for the continued development of the Eagle missile—designed for use by the Missileer—in the hope that it could be adapted for use by some other aircraft. I am now advised that no such alternative use is in prospect; and I have directed the cancellation of that project, with a saving estimated at almost $57 million in 1961 and 1962.

7. The plan to install Polaris missiles on the cruiser *Long Beach* has been canceled. For effectiveness in a nuclear war, the money would be better spent on the far less vulnerable Polaris submarines. In a limited war, the cruiser's utility would be reduced by the presence of the missiles. (Savings in fiscal 1962: $58 million).

8. Finally, technological progress causes obsolescence not only in military hardware but also in the facilities constructed for their deployment. We must continually review our nearly 7,000 military installations in the light of our needs now and in the event of emergency. Those bases and installations which are no longer required must be inactivated, and disposed of where feasible, and I have so directed the Secretary of Defense. He has already taken steps to have 73 domestic and foreign installations discontinued as excess to our needs now and at any time in the future; and studies are continuing now to identify additional facilities which are surplus to our requirements.

I am well aware that in many cases these actions will cause hardships to the communities and individuals involved. We cannot permit these actions to be deferred; but the Government will make every practicable effort to alleviate these hardships, and I have directed the Secretary of Defense to take every possible step to ease the difficulties for those displaced. But it is difficult, with so many defense and other budgetary demands, to justify support of military installations, with high operating and payroll costs and property values, which are no longer required for the defense of the Nation. The closing of excess installations overseas will in many cases help alleviate our balance-of-payments deficit.

No net savings are expected to be realized in 1962 from these inactivations because of the added costs involved in closing, and no reductions in the 1962 budget are proposed on that account. Substantial savings, approximately $220 million per year, will be realized, however, in subsequent years.

(I am also proposing that $320 million of the obligational authority required be provided by transfer from the current balances of working capital funds in the Defense Department.)

CONCLUSION

Our military position today is strong. But positive action must be taken now if we are to have the kind of forces we will need for our security in the future. Our preparation against danger is our hope of safety. The changes in the defense program which I have recommended will greatly enhance the security of this Nation in the perilous years which lie ahead. It is not pleasant to request additional funds at this time for national security. Our interest, as I have emphasized, lies in peaceful solutions, in reducing tension, in settling disputes at the conference table and not on the battlefield. I am hopeful that these policies will help secure these ends. I commend them to the Congress and to the Nation.

JOHN F. KENNEDY.

THE WHITE HOUSE, *March 28, 1961.*

SUBCOMMITTEE ON HEALTH AND SAFETY OF COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Mr. ROBERTS. Mr. Speaker, I ask unanimous consent that the Subcommittee on Health and Safety of the Committee on Interstate and Foreign Commerce be authorized to sit during general debate this afternoon.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

TREASURY AND POST OFFICE DEPARTMENTS, AND THE TAX COURT OF THE UNITED STATES APPROPRIATION BILL, 1962

Mr. GARY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5954) making appropriations for the Treasury and Post Office Departments, and the Tax Court of the United States for the fiscal year ending June 30, 1962, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to 2 hours, one-half of the time to be controlled by the gentleman from New York [Mr. PILLION], and one-half by myself.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

CALL OF THE HOUSE

Mr. GROSS. Mr. Speaker, I make the point of order that a quorum is not present. This is a $5 billion bill.

The SPEAKER. Evidently a quorum is not present.

Mr. GARY. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 30]

Alford	Holifield	Shelley
Blitch	Kilgore	Sheppard
Brooks, La.	Lipscomb	Spence
Bruce	McDonough	Teague, Tex.
Buckley	McSween	Thompson, La.
Cahill	McVey	Walter
Celler	May	Williams
Durno	Moulder	Willis
Fino	Powell	Wilson, Calif.
Fogarty	Rabaut	Winstead
Goodell	Robison	Wright
Harrison, Va.	Roosevelt	

The SPEAKER pro tempore (Mr. BOGGS). On this rollcall, 394 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

TREASURY AND POST OFFICE DEPARTMENTS AND THE TAX COURT OF THE UNITED STATES APPROPRIATION BILL, 1962

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Virginia [Mr. GARY].

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5954) with Mr. THORNBERRY in the chair.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. GARY. Mr. Chairman, I yield myself 30 minutes.

Mr. Chairman, this is the first time during my 15 years' membership on this committee that I have appeared before the House with this bill without the assistance of my highly esteemed friend, the Honorable Gordon Canfield, former Congressman from New Jersey. We have handled this bill together for 15 years. I am, however, most grateful for Mr. Canfield's successor. The gentleman from New York [Mr. PILLION] has done a magnificent job working with the committee this year. No one could have been more cooperative, and altogether we had an excellent committee: the gentleman from Louisiana [Mr. OTTO E. PASSMAN], who is my chairman on the Subcommittee on Foreign Operations; the gentleman from Oklahoma [Mr. TOM STEED], the gentleman from North Carolina, [Mr. HUGH Q. ALEXANDER], the gentleman from Massachusetts [Mr. SILVIO O. CONTE], and the gentleman from Pennsylvania [Mr. WILLIAM H. MILLIKEN, JR.], who is the new member on our committee.

May I add that although the committee personnel has changed, there has been no change in its unity. We present to the House today a unanimous report.

Mr. Chairman, heretofore this has been the second largest appropriation bill to face the Congress, amounting to approximately $30 billion. We have, however, cut this bill this year over $16 billion; therefore we have cut ourselves out of second place. Now, I hasten to admit that that cut is not all savings to the American taxpayers. We have transferred from this bill to the HEW bill approximately $16 billion to be expended out of the social security trust funds. That money is merely paid out of the Treasury. Since the payments out of the trust funds are determined by the Department of Health, Education, and Welfare, in accordance with the law, we thought the appropriation of the funds should be transferred to that Department.

That leaves about $14 billion in the present bill. Of that amount, however, $8.6 billion is for permanent appropriations over which this committee has no control whatever; they cannot be changed because they are fixed by law. Of that amount the largest item is $8.5 billion for interest on the Federal debt. Although that is $400 million less than last year, it is still greater than the entire cost of operation of the Federal Government in 1936, which was just 25 years ago.

Let me call your attention to this startling fact: every time the second hand of your watch makes a complete circle, the Federal debt increases $17,000 for interest alone.

Interest on the Federal debt today amounts to $17,000 every minute of every day and night during the year.

Mr. GROSS. Mr. Chairman, will the gentleman yield now, or would he prefer to yield later?

Mr. GARY. Mr. Chairman, I would prefer to yield later unless the gentleman wants to ask about the interest item.

Mr. GROSS. Yes, I do.

Mr. GARY. I am glad to yield to the gentleman.

Mr. GROSS. The committee cut the appropriation for the interest payment on the Federal debt; did it not?

Mr. GARY. We did not cut it. The estimate this year is lower than it was last year. We have no control over it. Whatever the interest is we have to pay it. But the Treasury Department estimates that the interest will be $400 million less next year than it was this year because of more favorable interest rates.

Mr. GROSS. It is because of more favorable interest rates?

Mr. GARY. That is right.

Mr. GROSS. But you are looking down the muzzle now of more deficit spending; are you not? In other words, the Treasury is out now to float a borrowing of $3.6 billion or $3.8 billion. How in the world are you going to make these figures coincide? Are you coming in with a deficiency appropriation for this purpose?

Mr. GARY. No. The interest rates are so much lower that they estimate they can finance the Federal debt next year for $400 million less than it cost during the present fiscal year.

Mr. GROSS. Even in the face of the new borrowings that are just about to take place?

Mr. GARY. Yes; that is their estimate. That is an estimate we have not touched because we do not control those expenditures. They are permanent appropriations and whatever the interest amounts to the Treasury has to pay.

The appropriations that do come under the scrutiny of this committee are for the operating expenses of the departments. This committee recom-

mends for the next fiscal year $5,281,865,000 for the Treasury and Post Office Departments and the Tax Court of the United States. This is $438,731,000 over the 1961 appropriations, but it is a cut in the budget requests of $89,936,000—approximately $90 million. Of the $438,731,000 increase approximately $314,049,000 is for the pay increase and the health benefits enacted by the Congress last session. The actual increase over 1961 is $124,682,000 excluding those two items.

For the Treasury Department our committee recommends $911,615,000. That is $77,546,000 more than for the present year but $34,316,000 less than the 1962 budget request. Of this $77.5 million increase $34,700,000 is for the pay increase and health benefits. The increase for operations is $43,230,000.

Our report covers very clearly each separate division of the Treasury and Post Office Departments. I shall not touch them all because there are only several in which there are any unusual features but they are all outlined in the report which the committee has submitted to the House.

In the office of the Secretary there is an increase. The committee recommends $4 million for that office. That is an increase of $615,000 over 1961. It is a reduction of $233,000 from the estimate for 1962. Of the increase $191,000 is for the pay increase and health benefits.

The new administration, let me say, requested an increase of $478,000 for this item over the amount requested by the previous administration. The previous administration had asked for 17 additional personnel. The new administration said that they had found that the tax study staff is inadequate. Therefore, they requested 60 new personnel largely for tax studies. Our committee agreed that some increase for this purpose was justified but we felt that an increase of 60 at one time was rather large and therefore recommended about half of the increase requested, or approximately 30 additional personnel in the office of the Secretary.

In the Bureau of Accounts no additional funds other than those necessary for the pay increase were requested and none were granted.

In the Division of Disbursement we allowed an increase of $2,300,000, of which the pay increase is $638,000, but we cut the estimate $600,000. The reason for that increase is the tremendous increase in the number of checks that the Division has to disburse at the present time.

On the Bureau of the Public Debt, there has been very little change over the pay increase and health benefits, which amounted to $1,111,000. We allowed an increase over 1960 of only $1,150,000. We cut the request $200,000 and gave them just about their previous year's appropriation with the automatic pay increase.

Now we come to the Bureau of Customs. This is one of the more important bureaus of the Treasury Department. We recommend for that Bureau $62,650,000, an increase over 1961 of $6,430,000, but of that $3,766,300 is for the pay increase and health benefits. We cut the request $750,000. That allows the Bureau of Customs 200 additional personnel, which we consider very important because they are today building up a large backlog of appraisals. This is a detriment to the economy of the country because when importers bring in goods and they cannot have the custom duties immediately determined, they are handicapped in selling those goods because they do not know what to add for the customs duties.

Although we allowed 200 additional employees, and a substantial increase in the appropriation, let me say that in 1960 the customs collections amounted to $1,519,600,000, which was an increase of 16.6 percent over 1959. The estimated collections for 1961 are $1.7 billion, and the estimated collections for 1962 are $1.785 billion. We feel quite certain that these additional employees will bring in far more than their cost.

The next major item is the Internal Revenue Service. For that service our committee recommends $440 million, which is an increase of $52 million over 1961 and a cut of $16,800,000. Of the $52 million increase allowed over 1961, approximately $26.7 million is for pay increase and health benefits.

As a former State tax administrator I yield to no one in this House in my desire for a fair and impartial enforcement of our tax laws. With our high taxes today we must see that everyone pays his just share of the burden, otherwise the burden on honest taxpayers who have to carry his part and theirs too will become unbearable. Our committee believes in proper tax enforcement.

The Congress last year allowed this Service 2,000 additional employees for the current fiscal year. The previous administration asked for an increase in personnel of 3,810 for the next fiscal year. The new administration upped that to 4,575, or an increase of 765 over the original request.

We believe it is impossible for the Department to recruit and properly train that many good agents in 1 year. As you are aware our tax laws are very complicated. Consequently, auditors and field agents who check the returns of taxpayers, have to be skilled men and have to be specially trained for that task. Of course, the Service could employ 10,000 additional employees, but they would not be the caliber of men that we need in the tax enforcement service. We felt that 2,000 employees, the number that we allowed last year, was about all that they could properly recruit and train during the year. Therefore, we allowed 2,000 additional employees for the next year with this exception, the new administration proposes to coordinate the law-enforcement program so that the various law enforcement agencies will be working together in order to break up outlawry in this country. We approve of that. The Treasury Department divisions have been working together for years. Customs, the Coast Guard, and the Bureau of Narcotics are all law enforcement agencies working together very closely. But there has never been any coordination of their activities with the Department of Justice. The Department of Justice is seeking to establish cooperation with the Treasury Department enforcement divisions. We felt that was highly desirable. As a matter of fact, some of you may remember that the only way Al Capone was ever put behind the bars was on a prosecution for evading income taxes. Therefore, we did allow a request for $2,700,000 and provided for 183 additional personnel for that particular program on top of the 2,000 otherwise allowed. We believe that under this recommendation the Department can live and can do a good job.

The next item is the Bureau of Narcotics. I hope every Member of this House will read the testimony concerning the Bureau of Narcotics. I want to say to you, in my humble judgment, Dr. Anslinger, the head of that Bureau is one of the ablest administrators in the Federal Government. He is doing a magnificent job, and he is doing it with a comparatively small budget. From time to time the Congress itself has insisted that he build up his enforcement personnel. He says, "No; our duty is to supervise and to work with the local agencies and help them enforce the law." But his chief object is to keep narcotics from coming into the United States. Now let me tell you what happened. Just a few years ago, he asked us for several foreign agents. We allowed them and as a result of those additional employees, this year the Bureau made one of the largest seizures of heroin that has ever been made by the Bureau. And do you know who was bringing it in? It was the Guatemalan Ambassador to Belgium, and the Netherlands. He came into this country, arriving in New York on his way to or from his post. Our local agents were tipped off by their foreign agents abroad. They shadowed him and finally arrested him. They seized 100 kilograms of pure heroin. The value of this heroin in the wholesale market was approximately $1 million, but as it would be diluted and sold retail at $1 a shot, the heroin would be worth approximately $26 million. The Government to which this man was accredited did not attempt to defend him. He was given 15 years in the penitentiary, which he is now serving.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield.

Mr. GROSS. Is the traffic in narcotics increasing or decreasing?

Mr. GARY. The traffic is decreasing very substantially except in two States. Most of the States have adopted very severe laws, and if you will look at the statistics in the hearings you will find that in all the States except New York and California, where they have not adopted the more severe penalties, the traffic is decreasing very materially. The three spots in the United States today where the sale of narcotics is most alarming are New York City, California, and Chicago. In those areas they are not showing as much improvement as we would like, but I understand in both New York and California the authorities are studying their laws, and we hope they will enact laws with stiffer penalties.

But let me say to the gentleman that there has been a very marked decrease in the number of juvenile addicts. This has been most gratifying to our committee.

Mr. GROSS. I am glad to hear the gentleman say that, but it is disappointing that New York State is not doing what apparently it ought to do to control this traffic.

Mr. GARY. That is because New York State has not adopted a law with sufficiently severe penalties. New Jersey adopted very severe penalties and apparently the narcotics peddlers left New Jersey and went over into New York. New Jersey shows a very marked improvement. The situation in New York is not improving as it should.

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield.

Mr. CONTE. In answer to the question of the gentleman from Iowa, Mr. Chairman, the addiction prior to World War I was 1 to about 400; presently the addiction is 1 to 4,000.

Mr. GARY. The results have been very gratifying and and the Bureau is doing a magnificent service.

For the U.S. Secret Service our committee recommends $4,700,000, which is an increase of $573,000 and a cut of $200,000. Of the increase $281,000 is for pay increases and health benefits.

Let me say this, the committee, in the 15 years I have been a member of it, has never cut 1 penny that was requested for the protection of the President and his family. We feel that the Secret Service should be able adequately to protect them, and when they make a request we grant it.

There was a request for new agents. They will be used in breaking up counterfeiting, which is increasing very rapidly in this country. We have granted exactly what they requested for the President's protection and also for the White House Police force. The committee made no change in those items.

In the Bureau of the Mint there is a slight increase over 1961, but a cut of $350,000. The increase was necessary because of the demand for more coins. With the increase in sales taxes throughout the country there is a greater demand for pennies, and this increase is to provide for additional coinage that is needed at the present time.

Next is the U.S. Coast Guard. There we recommend $208 million for the operating expenses of the Coast Guard, an increase of $3 million over 1961, but a cut in the estimates of $4.5 million. The committee has recommended about one-half of the increased personnel requested.

Mr. MONAGAN. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Connecticut.

Mr. MONAGAN. Mr. Chairman, in Connecticut there has been some feeling that the maintenance of the Coast Guard facilities at the Academy have not been adequately served. Having talked to the gentleman from Virginia, I realize that he and the members of his committee have some thoughts on this subject. The American Legion and its commander, Edward Lynch, and other groups throughout the State, have been interested in a program of capital improvements. I would like to have the gentleman make a statement in reference to that.

Mr. GARY. I may say to the gentleman that the thoughts of the people of Connecticut are not without foundation. In my judgment, the Coast Guard is one of the most economically operated agencies of the Government. If the other branches of the service—and the Coast Guard is a branch of the national defense—were operated as economically as the Coast Guard we would save billions of dollars in this country. There has been a tendency to hold back some of the improvements for the Coast Guard Academy, but the gentleman will remember that 2 years ago we appropriated $2 million for a new dormitory which was greatly needed. That dormitory has been completed. Our committee visited the Academy on February 24 to see what had been done, and to appraise the needs. That dormitory has just been completed and is now in operation.

Last year, realizing there were some necessary changes that ought to be made, the committee appropriated $20,000 for a survey of these needs. A survey has been made and a long-range plan has been recommended. The committee this year has recommended $1.6 million as an initial expenditure on this long-range plan. This $1.6 million is for an enlisted men's barracks, but it will also provide additional classrooms and some enlargement of hospital facilities which are greatly needed. The Coast Guard thought these were the most desperately needed improvements. The committee is impressed with the survey and I think in the main we will approve the plan. We will follow it in future years as a guide to additional appropriations for the Coast Guard Academy.

Mr. MONAGAN. There is a long-range plan of capital improvements and this $1.6 million is a part of that plan?

Mr. GARY. That is correct.

Mr. MONAGAN. There has been mention made of the dock facilities, as the gentleman realizes. May I ask if that improvement has also been included in the long-range plan?

Mr. GARY. That is included in the long-range plan, but some additional property has to be acquired before that can be put into effect. So even if we appropriated the money today, work could not be started until after they have acquired this additional property which is owned by the city as part of a park. It will take a little time to acquire that property.

Mr. MONAGAN. This is a very intelligent approach, and I thank the gentleman and the committee for their consideration.

Mr. GEORGE P. MILLER. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from California.

Mr. GEORGE P. MILLER. As Chairman of the Board of Visitors for two terms now of the Coast Guard Academy, I want to congratulate the gentleman on the foresight of the committee in negotiating this long-range plan.

I am sure the gentleman recognizes that the $2 million was necessary to replace these barracks that were firetraps. He also remembers that the $2 million was put in on the floor some 6 years ago. The Coast Guard, unfortunately, has been sort of an orphan, and I am glad to know that besides the committee, the Committee on Merchant Marine and Fisheries will exercise control over it and that it now has the arms of the committee wrapped around it. And, I am sure that this 10-year program that will cost about $16 million is on its way, and I want to express my appreciation to the gentleman.

Mr. GARY. I will say to the gentleman that I think the Coast Guard has been treated as a redheaded stepchild rather than an orphan. We have not been as kind to them as we would have been to an orphan.

Mr. GEORGE P. MILLER. And you and I can make corrections from now on out.

Mr. GARY. I thank the gentleman.

Now, on the acquisition and construction program we have recommended $39 million, which is a $9 million increase over 1961, but a cut of $10,333,000 in the revised estimate. Let me say that the new administration did revise this item upward. We allowed $2.5 million increase over the request of the previous administration, but we feel that the appropriations for this purpose have been rather niggardly in the past, and we believe their facilities do need replacements and improvements.

On the retired pay and reserve training, we allowed substantially what was requested.

Now we come to the Post Office. In the Post Office we allowed under "Administration, regional operation, and research" $82 million, which is an increase of $8.7 million over 1961 but a cut of $6.8 million. The pay increase and health benefits amount to $5,333,000. The estimate for 1962 includes $8,767,000 for activities previously carried under "Modernization and improvements of buildings and equipment." That is just a budget structure change. But, we have cut this item $6.8 million, and I will discuss that just briefly in a few moments.

For operations we have recommended $3,434 million, which is an increase of $316.5 million over 1961 but a cut of $18 million. Of that $316.5 million increase, $273 million is for pay increase and health benefits.

It has been amazing to this committee the way the volume of the Post Office has continued to increase. During the war it went up by leaps and bounds. We thought surely after the war was over it would start to go down, but as a matter of fact, the volume has increased every year since the war. And, frankly, as the volume increases, they have to have more money for operations. We have participated in a guessing game with the Post Office Department as to volume of mail and money needs. Last year they estimated the volume increase at 5.2 percent over the previous year. Our committee estimated 3.2, and our

estimate was almost identical with the actual volume increase, so the appropriations we made were adequate. This year the Department estimated a volume increase of 3.8 percent. It is only running now 2.9 percent, and we see no reason for it to increase. We think that with the recession, if anything, it should go down below that, but we have allowed 2.9, and the cut in these operations are based upon the different volume over estimates.

The new administration requested a decrease of $12 million in the transportation appropriation. We cut it $3,600,000 more. We thought it could stand that cut.

In facilities our present appropriation is $168 million. The estimate for 1962 was $167,700,000. We recommend $152,500,000 which is a decrease of $15,500,000. The reason for that is that we feel the Post Office Department is going too fast in its rental program. They plan next year to occupy 1,762 newly constructed or remodeled leased facilities with a rent and lease program amounting to $79,106,000, an increase of $16,556,000 over 1961. We thought that was too much of an increase in these rentals and we also thought that some of the other facilities could be reduced to some extent.

Mr. AVERY. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman.

Mr. AVERY. With respect to the facilities program of the Post Office Department, for offices that have already been authorized, will this reduce the possibility of these offices being built in the next fiscal year or was this figure submitted for a projected program?

Mr. GARY. This figure was submitted for a projected program during the next year. How many of those buildings have been committed, the cost of the buildings that have already been committed, I am not prepared to say. But this was for the construction program for the next year. I daresay some of the 1,762 that they planned have been committed, but we felt that with cuts in some of the other items—this facilities appropriation covers more than the rental program, it also covers vehicles and various other items of the Post Office Department—we felt that our cut was a very reasonable one. While it will cut back some on the proposed rental program we do not believe anybody will be hurt by it.

Mr. AVERY. Mr. Chairman, will the gentleman yield further?

Mr. GARY. I yield.

Mr. AVERY. Does not the gentleman feel that would be somewhat inconsistent with the viewpoint expressed by the present administration of using the Post Office construction program as one means of alleviating the so-called recession?

Mr. GARY. We feel that in this rental program they have gone too far in a great many instances. They have built so rapidly, costs were not checked as closely as they might have been checked, and therefore it was costing the Government a great deal more than it should have cost. We are trying to bring the program within proper bounds, so that we can get an economical rental construction program.

Mr. AVERY. But the committee had no intention of this having a retroactive effect by terminating construction that has been authorized and anticipated?

Mr. GARY. No, sir.

Mr. AVERY. I thank the gentleman.

Mr. GARY. We now come to the plant and equipment account. This now includes a large part of the modernization program which started with this committee. I well remember about 12 or 15 years ago, shortly after I became a member of this committee, I was out in one of our large cities and they took me up on a platform and showed me how the people down below were standing around tables handling the mail by hand. They said that that is the way we have been doing this job for 45 years, and my reply was that if that is true then you are 25 years behind the times because anybody doing a mechanical job today the same way he did it 45 years ago is certainly behind the times. We felt that there had been so many improvements in mechanical devices that we suggested and in fact insisted at that time that they start a Department of Modernization and Research. We have been increasing the appropriation for that purpose every year very substantially. Finally, last year the Postmaster General came in and began to talk about bouncing mail off the moon. We were far more interested in having the mail transported and delivered quickly and economically here on earth than we were in bouncing it around in the stratosphere. In our judgment, that is not the function of the Post Office Department. We felt therefore that it was time to start an investigation of this modernization program and we did.

During the summer we had the staff of the Committee on Appropriations make an investigation. They reported to us at the beginning of this year on this program. The report contained criticisms of various phases of the program.

Just to give you one item, on the facsimile mail program we had spent $4,500,000 trying to transmit facsimile mail over the wires without opening the letters so that the mail could not be read by any person en route. Various commercial companies had been experimenting with this facsimile transmission for many years. The new administration feels that if we get into that program at all we are going to be in competition with private enterprise which is now in the field. Therefore, they have abandoned the program entirely, and they say we are not going into it any further. By so doing, therefore, the $4.5 million that has already been spent on that program is a total loss.

In the staff report there was very severe criticism of the so-called Turnkey project at Providence, R.I. Our committee, not willing to rely on secondhand information entirely, visited the Turnkey project at Providence on February 24. We were greatly shocked with what we found there.

To begin with, we had been told that this operation was going to be completely automatic. It is not completely automatic. We were told that it would serve the Providence area and 81 other post offices. It is serving only the one post office in Providence. We were told that it was going to be a laboratory for future experiments. There are serious limitations on it for that purpose.

We found that the machines that are being used there, the culling machines and various other machines, were made by foreign subsidiaries of the International Telephone & Telegraph Corp. These machines were manufactured in Belgium and Germany and brought into this country. Although we have spent $2,500,000 with the Burroughs Co. to produce a similar machine for use in other post offices, that machine is not used, but instead these machines were imported from Belgium and Germany.

Notwithstanding the grossly excessive cost, which I will give you in a few minutes, it requires 234 more people to operate the post office today than it did before.

Touching the costs, we have agreed to pay Intelex Systems Inc., the contracting company, a yearly rental for that post office—and mind you, this is a city of 275,000—of $1,500,000. They agree to maintain the plant and the machinery—not the operations—the operations are handled by the Post Office Department. But they agree to maintain the plant and the machinery, and we agree to reimburse them for the maintenance costs which are estimated at $900,000 a year. So that the Government is obligated to pay approximately $2,400,000 a year for that one Post Office for a total of 20 years, which will make the total cost $48 million over the period. If we are going to place a post office of that kind in every city in the United States with 275,000 inhabitants, pray tell me, Where are we going to wind up? We think the costs are wholly unreasonable. Our investigations of this project are not yet completed. We have had a second staff report submitted and we plan in time to hold hearings and to go into it very fully.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. KOWALSKI. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. KOWALSKI. Mr. Chairman, I rise to commend the gentleman from Virginia [Mr. GARY] and members of his distinguished and hard-working subcommittee for their excellent report on Coast Guard appropriations. I am particularly pleased to note that the committee supports a program to upgrade the Coast Guard Academy facilities.

We of Connecticut have become increasingly concerned in years past over the deterioration of the physical plant at New London. Reports of the Congressional Boards of Visitors at this fine institution give weight to the seriousness of the situation.

Mr. Chairman, I cannot understand how we can continue to ignore this vital service, and make it a stepchild while we appropriate large sums for the

upkeep and construction at other service academies. I do not believe this situation actually reflects the will of Congress, or the general high esteem with which the Coast Guard is held by our citizenry.

To my knowledge, the Coast Guard has never been held up and chastized by Members of Congress for wasteful use of appropriated funds. Nor in my recollection have any charges been leveled against this service for the manner in which it went about its assigned duties.

I think that rather it has been proved that this service has done its work with dedication and perseverance. They have done their work with pride and in silence. They have spent more time in devising new ways of service to the American people than in trumpeting their accomplishments. Their public relations are excellent, for the simple reason they have proved by service what others may be prone to shout from the treetops.

It is high time, Mr. Chairman, that Congress recognize the excellent service rendered to America by the Coast Guard. A tangible method of such recognition would be a general uplifting of the status of the Coast Guard Academy. By appropriating funds to accomplish the objectives of the completed study on needed improvements, with all possible haste, we perform a valuable service to America.

I repeat, I feel we have made a step in the right direction in providing funds for new Academy construction. I hope that next year we can see even greater strides made toward completion of the construction program needed there.

Mr. PILLION. Mr. Chairman, it would be most difficult for anyone to add substance to the comprehensive summation given to you by the gentleman from Virginia [Mr. GARY].

No member of the subcommittee would claim this bill to be the most economical or the most adequate appropriation bill to be presented to this House. However, it is a reasonably good bill.

There are two items in the Treasury operations that deserve the particular attention of this House.

INTEREST ON PUBLIC DEBT

As of January 1, 1961, the gross public debt was $290 billion. The budget estimates carry an item of $8.5 billion for the payment of interest on this debt. The interest for the previous year was $8.9 billion. It is gratifying to note this prospective saving of $400 million on interest payments. A brief review of the management of our public debt is warranted at this time.

Congress will soon consider a bill to, again, increase our debt limit. Before the expiration of this Congress, it will probably, again, be called upon to increase the interest rate limitation of 4½ percent on bonds having a maturity in excess of 5 years.

Permit me to give the makeup of our $290 billion public debt: $190 billion is in marketable securities; $50 billion is in special trust funds, such as social security, retirement, and unemployment funds; $50 billion is in savings bonds that are redeemable in 60 days. Of the $190 billion in marketable securities, $67 billion is due and payable this year, 1961, and $33 billion is due and payable in 1962. The combined 2-year total of debt maturity is the staggering sum of $100 billion. To this huge liability we must add the potential liability of $50 billion in savings bonds that are redeemable in 60 days.

This is a most unhealthy and dangerous condition.

We must bear in mind that our currency is the reserve and the monetary medium for practically all trade in the free world. Our dollar, like Caesar's wife, must remain above suspicion.

Due to a unique combination of circumstances, there is a market today for 20- to 30-year U.S. bonds at a most favorable interest rate of about 3.8 percent.

The committee strongly recommends that the Treasury Department accelerate its program to lengthen and to average out our public debt over a period of 20 to 30 years. The present advance refunding program of the Treasury is a step in the right direction. But, a greater effort is not only desirable but necessary. The lengthening of our public debt would stabilize interest costs, improve Federal credit, and remove our Federal borrowings from the uncertainties of the money market.

INTERNAL REVENUE SERVICE

I would like to make one more reference to the Treasury operations. The budget contains recommendations for 4,575 additional employees in the Internal Revenue Service.

The new Commissioner, Mr. Kaplan, is a most capable gentleman. It is his contention that a substantial increase in the auditing of income tax returns would result in greater voluntary compliance.

I might suggest that our taxpayers are suffering not so much from a lack of voluntary compliance as they are from an involuntary inability to pay. This bill allows 2,183 new full-time employees in addition to a substantial increase in temporary employees. It is estimated that 5 percent of all returns can be audited by the increased staff. The subcommittee unanimously agreed that the increased force is fully adequate for present needs.

POST OFFICE

I would like to call to the attention of the House that the report on this bill is somewhat misleading in respect to the overall Post Office appropriation.

It shows a $361-million increase over 1961 appropriations. It leaves out of account a pending supplemental bill of $261 million.

Most of this increase is due to the wage increase and health insurance costs.

The actual increase is about $100 million for operations. This is about a 2½-percent increase over the 1961 expenditures. It is expected to cover additional employees and other costs involved in a projected 3-percent increase in the volume of mail.

The 1962 budget estimates are based on a 3.8-percent increase in the volume of mail. This bill reduces the budget estimates by $55 million to adjust for the committee's estimate of a 3-percent volume increase.

MODERNIZATION

The modernization program of the Post Office has been for the most part a dismal failure. Everyone recognizes the need in the Post Office Department for increased productivity and better service to the public. Mechanization, automation, and modernization can produce these benefits.

However, the modernization program was ill conceived. It is overambitious. It has been incompetently managed. The modernization can be divided into two categories: First, research and development; and second, mechanization and automation of new and old post offices.

RESEARCH

Research is a popular slogan. But it has been a great disappointment to the subcommittee.

This program lacks coordination and lacks practical attainable objectives.

For example: In the past 2 months, the Post Office has scrapped a microwave contract with the I.T. & T. Corp. The $4.5 million paid out so far is a complete loss.

MECHANIZATION AND AUTOMATION

We have spent more than $100 million in the past 3 years for the mechanization and automation of our post offices.

I have not been able to find one post office where mechanization has had a favorable benefit-cost ratio.

The Providence, R.I., project known as Turnkey is a glaring example of waste in this area.

This post office was constructed by the Intelex Systems, Inc., a subsidiary of the I.T. & T. Corp., at a cost of more than $15 million.

The post office lease provides for the payment to the Intelex Corp. of $2.4 million per year for a period of 20 years—a total of $48 million.

The area served is about the same as the original Providence post office.

The number of Federal employees prior to the mechanization was 1,214. Today, there are 1,448 Federal employees—an increase of 234 serving substantially the same area.

The cost of operation in the old post office was about $8 million per year. This has been increased to about $9 million per year.

In addition, the lease cost paid to the Intelex Corp. is $2.4 million per year.

The Turnkey project is a mechanical monstrosity. It is an economic bankruptcy.

The lease is permeated with illegalities, irregularities, misrepresentation, incompetence, and gross negligence.

I strongly urge the Post Office Department to rescind this unconscionable contract.

PUBLIC SERVICE

The budget for 1962 contains an item of $61 million as payment for public postal services. This item is completely eliminated from the pending bill.

The Postmaster General is being urged to submit a public service item of about $300 million based upon the Postal Policy Act of 1958.

There are numerous methods for computing and ascertaining the cost of public services. The broad language of the

Postal Policy Act of 1958 requires implementation and clarification.

The inclusion of large sums as mere estimates of the cost of public service would be a serious mistake. Such action would give subsidized mail users a vested interest in the Government's losses.

It would legitimatize present subsidized mail rates. It would restrict the power of Congress to adequately deal with our postal deficit of about $850 million per year. We do not have formula, approved by Congress, for the ascertainment of the costs of public service.

CONCLUSION

The members of the subcommittee believe that this bill provides sufficient funds for both the Treasury and the Post Office Departments to operate without the need of supplemental requests.

The funds in this bill should produce, first, greater and better service to the public; second, a more efficient operation in both the Treasury and Post Office Departments; third, greater revenues to the Federal Government.

Mr. BATES. Mr. Chairman, will the gentleman yield?

Mr. PILLION. I yield to the gentleman from Massachusetts.

Mr. BATES. Will the gentleman advise whether the contract with I.T. & T. had any performance specifications in it that this particular machine would do a certain type of operation?

Mr. PILLION. Not exactly, but the record is replete with misrepresentations given to this committee as to what it would perform, and I am sure that the information given to us by the officers of the Post Office Department must have come by reason of negotiations with the Intelex Corp. We have no direct assurance from the Intelex Corp., but the Post Office officials, for instance, told us that it would serve an area as great as Baltimore, and representations such as that, of course, have proven not to be true.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. PILLION. I yield to the gentleman from Iowa.

Mr. GROSS. I admit that I did not get to read the hearings on this bill as closely as I would like, but it is my understanding that the Secretary of the Treasury, when he testified before your committee, held out no hope whatever for a reduction in the Federal debt at this time; is that approximately correct?

Mr. PILLION. That is absolutely correct.

Mr. GROSS. And the committee got no assurance that in the foreseeable future there would be a reduction in the enormous public debt; is that a fact?

Mr. PILLION. That is correct. The Secretary made a point that the concern should be about the ratio of our debt to the overall gross national product rather than looking upon it as an absolute debt. He related it to the income of the Nation as a whole.

Mr. GROSS. Now you did increase the appropriation to the Bureau of the Public Debt by what, a million dollars?

Mr. PILLION. For the management.

Mr. GROSS. For the management of the Bureau of the Public Debt?

Mr. PILLION. Yes.

Mr. GROSS. Which indicates that they anticipate a heavier workload. What other justification would there be for an increase in overhead of the administration of the debt?

Mr. PILLION. The gentleman makes a good point.

Mr. GROSS. Is that approximately correct?

Mr. PILLION. Well, I am hoping that they will use some of those funds for refinancing the Federal debt on a long-term basis.

Mr. GROSS. Getting it in long-term obligations?

Mr. PILLION. I hope that will be done. I cannot understand why a greater effort has not been made along this line. It certainly is an unhealthy situation fiscally. And, I thoroughly agree with the gentleman concerning our debt. I think it is something that we do not give enough attention to, and if we do reach a point in our economy where there is a restriction of credit, to attempt to pay $100 million in 2 years should be of very serious concern to everyone in this country.

Mr. GROSS. If we now go into a war, what is the situation going to be?

Mr. PILLION. Complete runaway inflation, I will say to the gentleman from Iowa.

Mr. DULSKI. Mr. Chairman, will the gentleman yield?

Mr. PILLION. I yield to the gentleman from New York.

Mr. DULSKI. I should like to commend the gentleman for a very informative statement. What was the initial capital investment in the Turnkey operation?

Mr. PILLION. The total figures? Of course, they were never audited by the Post Office inspection service as all other items as these are audited. This was never audited. The total figure, land and leases, is based upon estimates, not upon actual expenditures. It is about $15 million.

Mr. DULSKI. And the figure after 20 years will be $48 million?

Mr. PILLION. We would be paying $48 million, roughly, but the costs are getting higher and higher each year. For instance, we were assured by Mr. Barnard, of the Department, that the local taxes would only be $125,000 a year. This year we find that has jumped to $148,000 a year, all to be borne by the Government.

Mr. DULSKI. I thank the gentleman.

Mr. GARY. Mr. Chairman, I yield 5 minutes to the gentleman from Louisiana [Mr. PASSMAN].

Mr. PASSMAN. Mr. Chairman, I rise in support of the bill before the Committee.

At the outset, I should like to pay my respects to the distinguished chairman of this subcommittee, the gentleman from Virginia [Mr. GARY]. It has been my privilege to have served with and under Mr. GARY for 13 years as a member of this subcommittee. When the gentleman from Virginia [Mr. GARY] has completed hearings and the committee has reported the bill, there is very little left that other members need to say.

I should like also to associate my views with those of the distinguished chairman in paying compliments to our former colleague, Mr. Canfield. We hold him in deep affection and were sorry to lose his services, although he had richly earned his retirement. But we do have in Mr. JOHN PILLION an able and worthy successor to Mr. Canfield. I assure you, Mr. Chairman, that it is a genuine pleasure to observe the work of these two gentlemen, the gentleman from New York as the ranking minority member and the gentleman from Virginia as the chairman. When you have sat with them for a year, you have certainly learned some valuable lessons.

Mr. PILLION. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Chairman, the former President in submitting his proposed budget estimated a total expenditure availability for the fiscal year 1962 of $80.9 billion. The present President, in the bills and messages that have at this time been submitted to the Congress, would increase those figures by at least $7.5 billion and the balance of the present fiscal year would be increased at least $1 billion.

We are up against a situation where subsequent increases in the budget for the Military Establishment may raise the amount of the present President's demands upon the Congress by a very considerable amount beyond the $7.5 billion. This means that we are going to increase the public debt anywhere from $7.5 to $10 billion.

I am inserting a table which I have been given leave to have printed in the RECORD as a part of this statement and which I would like to have the membership examine. I have personally been unable to vote for any substantial increases in the respective expenditures, because they would increase the public debt and the Government's operating deficit by at least $10 billion for the fiscal year 1962 and at least unbalance the budget for this fiscal year 1961, unless increased taxes are provided for some of these costs.

The table follows:

[Millions of dollars]

	Former administration approach	Increases in Kennedy administration approach	
		Prior bills and messages	Budget and fiscal policy message (H. Doc. 120)
Distressed area redevelopment	83	394	40
Unemployment compensation extension		[1] 1,000	440
Aid to dependent children of unemployed		[1] 305	215
Peace Corps		10	
School aid program (classroom construction and teachers' salaries)	67	[2] 666	500
College housing loans	100	[2] 250	45
Academic facilities loans	20	[2] 300	
Scholarship grants		26	
Nursing homes		20	

[1] Through fiscal year 1962.
[2] $2,300,000,000 for 3-year program.
[3] Annually for 5 years.

[Millions of dollars]

	Former administration approach	Increases in Kennedy administration approach	
		Prior bills and messages	Budget and fiscal policy message (H. Doc. 120)
Medical and dental school grants		[4] 75	
Hospital research and development		20	
Medical care for aged		1,500	(5)
Increased social security benefits		1,100	(5)
Water pollution control		80	12
Highway program	900	900	(6)
Low income public housing		[7] 1,500	65
Housing for elderly		50	10
Urban renewal		[8] 625	54
Metropolitan planning	10	10	
Land reserve		100	
Miscellaneous increases recommended by Mr. Kennedy in H. Doc. 120			941
Total	1,180	9,001	2,322

[4] Annually for 10 years.
[5] Not in budget; increase in social security taxes.
[6] Not in budget; increase in highway taxes.
[7] 100,000 new units.
[8] $2,500,000,000 over 4-year period.

This table will show the increases item by item and they run to a point of a little over $7.5 billion. There are other increases that are set up in a new kind of method in House Document 120 on budget and fiscal policy. That message would propose increases of $2,322 million.

Frankly, every one of these measures that comes in costs a big block of money, money that has not heretofore been provided. The programs for the schools are going to cost a lot. This scheme that is to follow this bill, the depressed-area proposition, is going to cost from $290 million up to $300 million. The payment of additional money for unemployment insurance is going to cost a billion dollars before we get through with it.

When we get all through with it, it is going to leave an awful job for the Committee on Appropriations and the Committee on Ways and Means. How we can possibly go ahead with all these schemes, and there seems to be no limit to the different ones that are coming in day after day, I do not know. For my own part, I do not propose to vote for any of them, because I think they are not in the interest of the United States and they are not going to help the people of the United States.

I just hope that the Members of the House will take unto themselves a sense of realization of their responsibilities and be more careful in the way they approach putting more public debt onto our people. I do not think I can afford to let any opportunity go by to impress upon the public generally the importance and the necessity of getting our financial house in order and getting to the point where we can balance the budget of the U.S. Government.

Mr. PILLION. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. JOHANSEN].

Mr. JOHANSEN. Mr. Chairman, first of all I should like to thank the gentleman from New York for his courtesy in granting me this time, all the more so because I am going to differ respectfully with the gentleman on some points.

I rise to undertake a delicate and difficult task.

I respectfully ask the committee to hear me out. When I am finished I will, of course, gladly yield to any Member whose name I have mentioned.

The task I am undertaking—and I do so solely on my own initiative and responsibility as a Member of Congress and as a member of the Committee on Post Office and Civil Service—is to discuss what seems to me to be the cavalier, prejudicial, ex parte treatment of the issue of postal modernization in general and of the controversial Project Turnkey at Providence, R.I., in particular.

In offering this respectful protest, I am mindful of, and trust duly deferential toward, the jurisdiction, prerogatives, and membership of the Subcommittee on Appropriations.

I speak without rancor and I hope with complete fairness. But I speak also out of deep conviction and I will not mince words.

I question the fairness and objectivity of some of the procedures to date—and I question the fairness and objectivity of the product of those procedures.

My questioning extends to some of the statements made during the subcommittee hearings. It extends to the inaccessibility to date of the subcommittee to a major party of interest in the controversy; I refer to the contractor on Project Turnkey—the Intelex subsidiary of International Telegraph & Telephone Corp. It extends to the statements appearing on pages 12 and 13 of the committee report. And, I reluctantly add, it extends to some of the accusatory and prejudicially premature statements which have been offered on the floor of the House this afternoon.

I have not used the words "prejudicially premature" carelessly or flippantly. They go to the heart of the matter with which I wish to acquaint my colleagues in these remarks.

That is the fact that in large measure, if indeed not totally, conclusions have been reached and publicly proclaimed with respect to postal modernization in general, and Project Turnkey in particular, on an ex parte basis.

And I use the term "ex parte" in the precise sense of the dictionary definition, "made or done in the interest of, or with respect to, one side only."

It is solely to establish this deplorable fact and to plead for a reservation of judgment by the House until this situation has been fully corrected that I have taken the floor this afternoon.

I believe the subcommittee wants to be fair. I believe the House wants to be fair. I believe the American people want us to be fair and themselves wish to be fair.

I believe that up to this point there has been something very substantially less than fairness or justice.

Moreover I am certain that one member of the subcommittee shares this feeling and is deeply troubled by it. I think the voice of conscience spoke when the distinguished, able and eminently fair gentleman from Oklahoma [Mr. STEED] said in the subcommittee hearings:

> As one member of the committee who is very interested in research, development, and modernization, and in the hope we will come up with some good answers at a reasonable cost, I think all of us are objective in wanting to know if mistakes were made, where they were made, and how we can profit by this example in the future. Also I am interested due to the fact we are here confronted with what in the absence of any information to the contrary could really be rather disconcerting information.
>
> Sometimes when you get into these things detailed information may indicate some of these things are not as odd as they seem at first glance, and for the sake of the entire objective picture I think most members would like to know the true facts.

I applaud—and I think this House should applaud—the very distinguished gentleman from Oklahoma for these wise and just observations.

I regret to say that this same concern for securing the entire objective picture does not seem to be reflected in some of the prejudicially premature judgments and conclusions which have been given publicity by the Postmaster General, by some of my colleagues and, above all, by the language of the committee report on pages 12 and 13.

In passing let me offer the observation—which I feel is fully warranted—that the Postmaster General's repeated and caustic comments regarding the allegedly overpowering "desire to create publicity" on the part of the previous administration of the Post Office Department would come with better grace if the present Postmaster General exercised greater restraint on his "Operation Downgrade" publicity proclivities. I shall not begrudge legitimate public relations and publicity on the part of Mr. Day if, and when, they assume a justifiably affirmative note.

I have said that to date there have been prejudicially premature judgments and conclusions—ex parte in character. Let me illustrate:

First. On page 295 of the hearings, the able and distinguished chairman of the subcommittee, the gentleman from Virginia [Mr. GARY] catalogs his indictments against Project Turnkey. I am not going to debate those conclusions—and I feel that they very definitely are conclusions.

I do, however, with the utmost respect for my friend and colleague, assert that the conclusions are subject to honest differences of opinion.

But even that is not the point I am making.

My point is that the conclusions—and the publicity and sweeping implications which have been attached to the conclusions—represent something substantially less than a complete or fair investigative and appraising process until all parties of interest have been given an opportunity to be heard.

And that opportunity has not been afforded to date as I shall have occasion to point out further.

Second. With respect to the testimony of Postmaster General Day, it is obvious

that this gentleman was incorporating some very definite conclusions in the record—as he has done in statements to the press. This despite a profession of objectivity and reluctant criticism.

On page 296 of the hearings, the Postmaster General says:

I do not want to seem to be looking for ways to question the past administration of the Department.

Again, on page 327, Mr. Day says:

I do have the problem continually that I do not want anything that I do to try and take a new look at things to be misinterpreted as any partisan activity on my part.

Perish the thought, of course.

But this admirable reluctance and restraint vanishes a few sentences later with the very definite conclusion on his part:

I think a great deal of the top direction (in the past administration of the Post Office Department) was motivated by a desire to create publicity. I do not think that should be part of a proper running of the Post Office Department or research projects.

I do not think that the individuals who may have carried out the instructions—and I am sure you gentlemen agree—as a group, in the absence of some particular facts that may later come to our attention—should necessarily be held responsible for the fact that the thing was rushed ahead with a promotional motivation rather than a motivation of providing good service.

This is a conclusion, I should point out, which alleges not only a failure to provide good service but which also alleges very dubious motives.

If this is objective nonpartisanship, I hope we will be spared any display of biased partisanship by the present Postmaster General.

Third. I will be nonpartisan in my comments to the extent, at least at this point, of expressing my regrets over the statement made by the gentleman from Massachusetts [Mr. CONTE] found on page 332 of the hearings:

In respect to the Providence Turnkey post office, as has been brought out here, and based upon what we saw up there Friday, this definitely warrants a good looking into. In fact, I would dare say that it borders on a public scandal—the whole situation—and should be investigated. It is certainly unfortunate that so much money has already been expended, and it is going to be very difficult to recoup anything out of this, except experience.

I think there is indeed something that borders on a public scandal—the fact that these accusatory conclusions are reached and given the widest public circulation on an ex parte basis.

Let me interject, at this point, that I do not oppose a full and fair investigation and ventilation of the matters in issue.

On the contrary, that is exactly what I plead for.

What I do oppose—and oppose most earnestly—is the prejudicially premature conclusions in advance of any opportunity of hearing for those who are the subject and the object of the gravely adverse premature conclusions.

That applies alike to the contractor—a firm of international standing whose integrity, technical competence, reputation and even contract relations with the Government are beclouded—and likewise to the top leadership of the past administration whose motives, even, are the subject of ex parte conclusions.

As to the contractor, International Telegraph and Telephone Corp., I am informed that an urgent appeal for the privilege of a hearing was addressed to the chairman and members of the subcommittee on March 2, and that this request to date has not been granted.

There may well be completely valid reasons for this delay. I assume there are, of course. I am positive that it is the intention to afford such hearings. My questioning and my protest go not to the possibly unavoidable delay in affording such a hearing, but to the extent to which conclusions have been so extensively reached and publicly promulgated in advance of such hearings.

The hearing has been deferred but, unfortunately, not the premature conclusions. This unfortunate fact detracts from the promise of future public hearings.

And in connection with the statement of the gentleman from Massachusetts I offer these further observations.

I am firmly convinced, on the basis of some very extensive inquiries which I have made, on my own responsibility, that there is very substantial, relevant and persuasive evidence to be presented to the committee and to the House, and for that matter to the American people, in rebuttal of many of these premature conclusions.

Furthermore, I would think that the subcommittee itself, in view of its acknowledged parentage of the modernization program and its continuing deep interest in that program, would hesitate to proclaim too vigorously its thunderstruck amazement over what has allegedly transpired, and over the alleged shortcomings of that program. I confess to some bafflement at the shocking insights which have been gained so promptly after the 20th of January. Has there been some serious lack in the subcommittee oversight of this program in prior years?

I offer another observation. With the normal aversion of human nature to change. I am sure that it is in no sense surprising that there are those at various levels within the postal organization who do not enthusiastically seek the success of the modernization program in general, or of project Turnkey in particular.

The Postmaster General himself—and I commend his fairness in this particular—cites what appears to be an obvious example of such resistance. I quote from page 293 of the hearings:

General DAY. Mr. Chairman, when we were at Providence an employee in the post office whom I cannot even identify as to who he was made the statement to a number of us that that parcel sorter was damaging 25 percent of the parcels being handled. I do not know why he made such a statement. No one who happened to be around at the time said what the correct statistics were, but I am told the actual figure was seventeen-one hundredths of 1 percent, which is about average. This gentleman is not involved in that work, so I do not know why he undertook to make such a statement.

It strikes me that prejudicially premature conclusions either by the top levels of the Department or by this House with respect to project Turnkey, for example, may however, unintentionally, lend aid and comfort to the type of resistance which could very well doom this or any other pioneering program to serious difficulty, if not failure.

One further observation, the seemingly precipitate conclusions regarding Operation Turnkey and publicity thereof, within less than 4 months after the project's inauguration, is all the more inexplicable to me in view of the statement made by my good friend, the gentleman from New York [Mr. PILLION] in the course of the January 1960 hearings of the subcommittee.

Mr. PILLION said:

I want to compliment the Department on their attempt to bring about this modernization, this saving. I truly mean that. I think it is a step in the right direction. On the other hand, unless we do make some saving, then it becomes a different situation, and we have to look at it differently.

But I certainly want to compliment your Department upon your attempt, even if it is a failure—if it is a failure, however, I want to know it now and not 5 years from now.

I think it is obvious, and I would think the gentleman from New York would have to agree, that the determination of success or failure, or of the degree of success or failure, in an experimental program of this complex nature, would at least require a trial period of operation, an opportunity for phasing in the 81 other post offices located in the area surrounding Providence, about which the subcommittee chairman complains, and certainly something more than a 4-month shakedown period.

Fourth. I come now to what seems to me the most seriously premature and prejudicial conclusions of all.

I quote from pages 12 and 13 of the subcommittee report:

The committee is seriously concerned over the failure of the postal modernization program to produce much of anything modern except buildings. It appears that the basic objective of the program has been almost completely forgotten—namely, the development of mechanization which will provide more efficient, more effective, and more economical postal service to the users of the mails. Therein lies the real challenge to the postal service. On the other hand, the committee is not interested in gadgetry or the development of machines which do not make a real contribution to the service.

The outstanding example of the lack of real progress in postal modernization is the much-touted "Turnkey" automated post office located in Providence, R.I. The committee recently visited that project and was shocked at the extent to which it failed to measure up to its advance billing. The mechanization was merely a collection of machines of European design—nothing really new. The project has contributed nothing to the efficiency or economy of postal operations. The committee is investigating this matter further and will take such action as may be warranted.

These are sweeping and damning conclusions indeed, particularly for an investigation which—so far as the contractor is concerned—has extended only

to the point of a promise that this contractor firm someday will be given ample opportunity to present its case.

Never, in my 6 years in this House, have I questioned or opposed the oversight and investigative role and responsibility of congressional committees. Certainly, I do not oppose these activities in this instance. I have never hesitated to criticize waste or inefficiency in the Federal Government on the basis of protecting any individual or any party.

I will not hesitate to do so in this instance if in my judgment such criticism is justified once, in the admirable words of the gentleman from Oklahoma [Mr. STEED], we have been given "the entire objective picture," and provided there is fair and reasonable allowance for the problems peculiar to the acknowledged trial and error aspects of an experimental project.

This House faces no legislative action or decision today on the sweeping indictments of the postal modernization program or Project Turnkey.

But it does, in my judgment, face a moral responsibility to redress, as speedily and as fully as possible, the wrongs and damage of prejudicially premature conclusions, arrived at in ex parte proceedings.

I hope in the interests of simple justice, as well as of constructive progress, that it will, through the appropriate committee or committees, act forthwith to meet that responsibility.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. GARY. Mr. Chairman, I yield the gentleman 2 minutes, and ask if he will yield to me?

The CHAIRMAN. The gentleman from Michigan is recognized for 2 additional minutes.

Mr. JOHANSEN. I am most happy to yield to the gentleman from Virginia.

Mr. GARY. I would just like to say to the gentleman that if he has any facts on this project, our subcommittee will be delighted to have them. We have been looking for facts. They have been very hard to find. We have not concluded our investigations. If he has any facts to present to our committee we will be delighted to have them.

Mr. JOHANSEN. I appreciate the gentleman's statement, and I will be most happy to avail myself of it. I would say to the gentleman that it is characteristic of his fairness.

I do regret the fact that as far as I have been able to determine, a request of the contractor to be heard has not yet been granted.

Mr. GARY. The committee as yet has not felt that it had sufficient evidence from its staff to go into a hearing of that kind. When we do conduct a hearing we want the full facts, and we want to give our staff ample opportunity to collect such facts as they can before the hearing so that we may cover every phase of the case during the hearing. What we have done is to present to the House the facts we have been able to accumulate thus far.

Mr. JOHANSEN. May I say in friendly response to the gentleman from Virginia that I share his desire to develop all the facts. I do respectfully suggest that it might be helpful in the interest of fairness if the Postmaster General would restrain some of his public outgivings in terms of conclusions until the eminently fair process which the gentleman proposes has had time to be developed.

Mr. GARY. The Postmaster General, of course, speaks for himself. We have no control over the Postmaster General.

Mr. JOHANSEN. I was only suggesting moral suasion to the gentleman.

Mr. GARY. The Postmaster General visited the project with us, and I will say that neither the Postmaster General nor our committee were pleased with what we saw.

Mr. BARRY. Mr. Chairman, will the gentleman yield for a question?

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

Mr. PILLION. Mr. Chairman, I yield the gentleman 2 additional minutes.

The CHAIRMAN. The gentleman from Michigan is recognized for 2 additional minutes.

Mr. JOHANSEN. Mr. Chairman, I yield to the gentleman from New York.

Mr. BARRY. I would like to call the gentleman's attention to the bottom of page 12 and ask if he does not consider this double talk where it says that the basic objective of the program has been almost completely forgotten; namely, the development of mechanization.

A little further in the same paragraph it says that the committee is not interested in gadgetry being developed. I wonder if this is not only inconsistent but an injustice when viewed in the light of the development of many new machines and new processes. I would like to call attention particularly to the long and persistent efforts made by the American Machine & Foundry Co. to invent a pin-setting machine for bowling alleys. The gentleman will recall that a few years ago stock in that company was selling at $7 or $8, but today it is up to $125 a share mainly because such a machine was invented—Was that gadgetry? Some of those who now are opposed to automating the Post Office by accusing the Post Office of gadgetry appear to have abandoned the "New Frontier" if that term ever meant the experimentation of new ideas and machines to save the taxpayers money.

There are many other companies whose engineers and technical skills have consumed years in research and development to ease the heavy work load of the Post Office Department.

Here we are talking about these companies that are putting in their capital and their scientific know-how to make a better America for every one of us, and judging their work without adequate hearings. I deplore it.

Mr. JOHANSEN. I share the gentleman's view, and I thank the gentleman who yielded me time, because he may have wanted to ask a question.

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. JOHANSEN. I yield to the gentleman from Massachusetts.

Mr. CONTE. Mr. Chairman, I do not think that what the committee has said or done thus far is any reflection on a past administration. I do not think they had any other intention but to conduct a closed hearing and make an investigation. We went to the place where the new post office was constructed and we did have some witnesses from the Post Office who were carryovers from the last administration. Based upon this evidence and the evidence gathered for us by our investigators, statements were made. I am certain that hearings will be held. They will be private hearings as provided by the rules of the Appropriations Committee. But let me cite the gentleman to this: This is supposed to be a modern post office with all these modern facilities. The first place we visited was the loading platform. We ascertained there it requires during a period of time 5,131 more man-hours to operate the loading platform.

Mr. JOHANSEN. Let me comment at this point because of the limited time. It has not been my purpose, and I did not intend to go to the specifics of the allegations. My only point is there have been most unfortunate generalizations and I may say to the gentleman that in the hearings the gentleman said:

> I would dare say that it—
>
> Referring to the situation—
>
> borders on a public scandal.

I regard that as a very serious conclusion. It may be the facts will bear out that conclusion some day. I think that statement at this juncture is unfortunately premature.

Mr. PILLION. Mr. Chairman, will the gentleman yield?

Mr. JOHANSEN. I yield to the gentleman from New York.

Mr. PILLION. There was a motion picture costing $17,600 that was allowed as a part of the construction cost for this post office. There was a little booklet put out. This was all added to the cost that the Government is paying for. There was a small check for $2,500 sent to help in the entertainment of the Postmasters here in Washington. These items are all wrongfully added to the costs paid for by the Federal Government as a part of that building. Does the gentleman know that? Does the gentleman know after this supposed mechanization the productivity of these employees instead of increasing was reduced from 292 pieces per man-hour in 1960 to 261 in the same period of 1961, a further reduction in productivity per employee man-hour from 365 to 336? Did the gentleman know those things before he made his very eloquent and I think very fine sentimental talk here?

Mr. JOHANSEN. Let me say to the gentleman that there is not a particle of sentiment in the speech I made. I am simply saying that the conclusions which have been made public have been made public so far as I know in every instance without, No. 1, a detailed indictment of the type which the gentleman has mentioned and, No. 2, without the opportunity for anyone who is accused with relation to this to respond to the generalized conclusions.

Mr. PILLION. I know the gentleman has a great sense of fairness. But, let us not be confused about the principles that are applicable. We certainly can-

not, as a House here, as a group making appropriations, adopt a jury system. We cannot have a grand jury or conduct a jury trial every time we make appropriations or make a report. This House is not accountable to individuals who may incidentally be hurt or suffer some degree of criticism. This House is above that. We are looking out for the interests of the taxpayers of the Nation as a whole.

Mr. JOHANSEN. Of course, I am completely aware of the basic points that the gentleman makes. I am also aware of the fact, as I am sure the gentleman is, because I happen to be on a standing investigating committee of this House, and I certainly am making no invidious comparisons, as the gentleman, I am sure, understands. But, I know that under the rules of our committee, if gravely adverse information is developed in executive hearings, that information and the persons involved therein cannot be disclosed until that person has been given an opportunity to respond to it. Now, I am again not going to get into an argument over these detailed allegations. I simply say that I think the record of the hearings, the statements in the committee print, and some of the things that have been said on this floor—and I do not question the gentleman's complete good faith—all these generalizations have been made on a basis which nothing of record before the House and nothing of record before the American people substantiates. I have never opposed the oversight or investigative functions of the committee. All I plead for is that we get to the matter of getting the facts completely before us as rapidly as the committee can.

Mr. PILLION. I commend the gentleman, and I know his intentions are of the best.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. PILLION. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. CORBETT].

Mr. CORBETT. Mr. Chairman, as I review the hearings on the 1962 Post Office Department appropriation and read the committee report thereon, I am amazed at the refusal of the Appropriation Subcommittee to place a value on public services. I am quite disturbed when I read the justification for this action, and note the words, "and serves no useful purpose."

The 1958 Postal Policy Act from its inception regarded the Post Office Department as a public service and yet, after 3 years are still unable to follow the clear intent of the 1958 law. From the hearings on this bill one gleans the definite impression that the 1958 Postal Policy Act was something done in haste and now we must repent in leisure.

I want to set the record straight on this: The Postal Policy Act of 1958 was the result of several years' work on the part of both the House and Senate Post Office and Civil Service Committees. The first postal rate policy designed for the purpose of guiding the committees of Congress in establishing postal rates was contained in H.R. 11380, which passed the House of Representative on July 6, 1956. Gentlemen, I need not remind you that 1956 was 5 years ago. I think furthermore, that this is positive proof that the Postal Policy Act was not a last minute effort on the part of some Senate group, but rather it was the result of long years of study and deliberate effort on the part of both the House and Senate committees to establish criteria for the guidance of the Congress in establishing postal rates.

I shall not burden this body with a review of the provisions of the 1956 bill, but I will tell this body quite candidly that many of the provisions contained in the final act of 1958 were contained in the original 1956 bill passed by the House.

Let me direct your attention to the fact that on August 13, 1957, the House of Representatives again enacted a bill, H.R. 5836, adjusting postal rates and once more establishing a postal rate policy for the guidance of the Congress. This bill, of course, with modifications by the Senate, became the Postal Policy Act of 1958.

One fundamental principle carried in all of these enactments was simply that the sum of such public service items should be assumed directly by the Federal Government and paid directly out of the general fund of the Treasury and should not constitute direct charges in the form of rates and fees upon any user or class of users of such public services, or of the mails generally.

Now, gentlemen, this provision of law did not speak of the "loss of revenue" concept, rather it spoke of the sum of such public services. It is a logical consequence of these early provisions that the Congress finally adopted a provision of law, section 104(a)(1), requiring that the "total loss" resulting from the transmission of certain specific items should be set aside as public services.

Oh, the Post Office Department and the Bureau of the Budget appeared before the substantive committees many times and urged upon the Congress the "loss of revenue" concept. But the Congress, in its deliberation, declined this concept and substituted therefore "total loss." As a matter of fact, to emphasize its insistence on "total loss," the Congress repealed in the 1958 act the only statute on the books which since 1930 had permitted the Department to take credit for "loss of revenue" on certain free and preferred items—section 214(a)(1), Public Law 85–426.

The big question in our minds concerning "loss of revenue" was simply—"Who pays the bill?" Let me give you a concrete example: In 1959 the "total loss" on nonprofit second-class mail amounted to $60 million. This is the difference between revenue and allocated costs. Under the "loss of revenue" concept the figure is a little better than $3 million. I can't believe it was the intent of Congress to follow the "loss of revenue" concept and force commercial mailers to pick up a $57 million additional charge on nonprofit newspapers and magazines, many of which carry advertising in competition with these commercial publications.

The one well known national magazine enjoying a nonprofit rate pays 1½ cents a pound on its advertising irrespective of distance. Commercial publishers pay 14 cents a pound on advertising up to the eighth zone. I assume the Congress intended that the Post Office Department balance its budget—at least the law so states. Gentlemen, you cannot balance the budget by asking commercial mail users to pick up tremendous losses on free and nonprofit categories.

There are many other examples I could cite relating to free-in-county, nonprofit third-class mail and so forth, but in the interest of time, I shall not do so. I note the hearings indicate that perhaps third-class mail might be fully charged off as a public service under this law. This is not the case. The only provision made for third-class mail is in the interest of religious, fraternal, and charitable mail. The law provides that total losses on this category shall be fully set aside. The last administration attempted to raise nonprofit third-class mail rates, but quickly withdrew its request in the face of the onslaught by many Catholic, Protestant, and Hebrew religion representatives. It will be very difficult to hike the rates on charitable third-class mail.

The law provides that losses on third- and fourth-class post offices should be charged off as a public service. I supported this provision and I still do. The Department has told us that such estimates are impossible, but it never fails to tell us that when closing an uneconomic fourth-class postoffice, it saves the taxpayers $1,400 per year. If you don't think a third- or fourth-class post office is a public service, just recall all of the objections that are raised by the citizens of a community when a small post office is being closed. It doesn't take much scanning of the Post Office cost ascertainment report to reveal that some 25,000 third- and fourth-class post offices do not take in enough revenues to meet the salaries of postmasters and their clerical staff. As many of them are in the public interest, I think we should set aside at least a large percentage of their "total loss" as required by law.

In recent years certain amounts, computed on a "loss of revenue" basis have been set aside as a public service. While this was not adequate, it nevertheless, observed the principle of the law. The 1962 budget carried $62 million as a public service item which was not adequate, but now even that has been eliminated. Recently there was a published report that the new Administration sought the approval of the White House to request $269 million for public services. This report states that the Bureau of the Budget refused the request—Advertising Age, March 20, 1961. I make no criticism of our new President in this matter, as I know his time is consumed with world-shaking problems. I can only observe that he must have received some very poor advice on this subject inconsistent with the aims of the New Frontier.

There has been much talk lately concerning the realism of certain of the budget estimates. In January we were told that April 1 was an unrealistic date for the commencement of postal rate

hikes. Now, as we approach April 1, we are told that July 1 is a realistic date. I only cite these facts and let you draw your own conclusions.

Furthermore, we are told that a postal rate request in the amount of $843 million will be laid before the Congress in the near future. In my opinion, this is the most unrealistic item contained in the budget. I, for one, do not believe the Congress of the United States will permit a balancing of a postal budget which requires commercial mail users to pick up the losses on many of these free and low-cost services enumerated by law, contrary to the provisions of the law. I will insist that the House Post Office and Civil Service Committee abide by the clear intent and provisions of the 1958 Postal Policy Act at such time as a rate bill is under consideration.

I am delighted that the new Postmaster General has abandoned the word, "deficit," and refers to the loss as a "gap." At least a proper evaluation of public services will go part way in closing this gap, and I shall insist on this realistic approach.

I regret very much that my colleagues have found it necessary to nullify the 1958 law again. We had hoped for more cooperation for the purpose of realizing a sound basis upon which to establish postal rate increases. I see no recourse except to follow the provisions in an act, which is properly the law of the land.

Mr. Chairman and Members of the Committee, the remarks of the chairman of the subcommittee come as no surprise, and I hope he will be able to give his undivided attention to it.

Mr. Chairman, addressing myself to the chairman of the subcommittee, I find in the hearings which that subcommittee held that you are quoted as saying that I believe that all the cost of second, third, and fourth class post offices should be regarded as public service and that this is ridiculous. Now, that is pretty strong language from my friend. But, I think these corrections ought to be made in order: first, I never said that second-class post offices should be included; and in the second place, it is not I who said that third- and fourth-class offices should be included. This is the word of the House of Representatives and the Senate—and it was approved by the President—in the Postal Policy Act of 1958, which says that the cost of third- and fourth-class offices should be regarded as public service.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. CORBETT. Yes. I just wanted the gentleman to know that he was reported as calling the Congress, of which he is a Member, ridiculous.

Mr. GARY. I want to say to the gentleman that no remark I made was personal. I think someone else mentioned your name. If I did not say it, I intended to say that those who were advocating this large appropriation for public services held to that view, and if I said second- and third-class post offices, I was in error. I intended to say third- and fourth-class offices; it was a slip of the tongue if I said otherwise. I am not questioning the gentleman, but I certainly want to make it plain that I had no criticism whatever of my friend of long standing.

I know he is very much interested in this problem; I know he has studied it. I disagree with him, but whenever I disagree with anybody, I try to do so agreeably and I certainly intended nothing personal in any remark that I made.

Mr. CORBETT. Mr. Chairman, I deeply appreciate the gentleman's statement. I do not think I would have referred to it—I am not that thin-skinned—had it not been a good point from which to take off on a further inquiry into this subject. I do want to point out, as the membership well knows, that this has gotten to be a sort of annual bout between the Chairman and myself as to just what are proper charges to be made to the users of the mails and what are not proper charges. The gentleman said that he has disagreed with me often. That is absolutely correct. I do not need to point out to him that in this country you do have a right to be wrong.

Mr. GARY. I do not say the gentleman is wrong. I think the entire service of the Department is public service. Therefore I say that when you pick out just the third- and fourth-class post offices it is ridiculous, because it is all public service. If it is not then the Government has no business rendering the service at all.

Mr. CORBETT. I might remind the gentleman again, and his subcommittee, that after years of effort, in 1956 and 1957 and again in 1958, the Committee on Post Office and Civil Service of this House and the corresponding legislative committee of the other body agreed to definite policy statements. We did outline, specify, and write down in black and white that certain aspects of postal activities were services which the Congress had decided are public services, extended to all of the people, and therefore said that these items should not be charged to the users of the mails. Year after year your subcommittee comes back without any provision made for public service at all. You say that this is—well, it is just unimportant, it is just a bookkeeping item.

Here is our situation basically. We do not feel, we members of the legislative committee, that the Subcommittee on Appropriations has the right to tear up the work we have done, completely ignore it, and say there is no such thing as public service in the post office. We labored with this matter, had extensive hearings, revised it, and went over it and over it, but you gentlemen say that it does not exist. We think that is not right.

We have disagreements, of course, if we ever get into the matter of public service, as to what it is, whether it should be a loss of revenue only or a total loss. We have all those arguments, but they must follow the argument whether or not the legislative committees of this Congress are writing the policy or whether the Subcommittee on Appropriations is writing it.

The Post Office Department, we have on reliable information, went to the administration and asked for $269 million this year for public service items. That was turned down. They came to your committee and asked for $62,500,000, a very much reduced amount and as I understand you allowed them nothing; you just said there is not any. I would say that from here on through—and this might interest the gentleman very much, because I have talked to the users of mail and I have come to a conclusion myself—if we can ever establish and itemize just what is public service, just what is properly chargeable to the Treasury, then we ought to raise rates sufficiently to very nearly eliminate all of the true deficit.

This can be done this year if we can get a reasonable understanding from the gentleman's committee and from the Senate and the White House as to what are proper charges to make to the users of the mail and what are proper charges to make to the Treasury of the United States—that is, we can then raise the postal rate sufficiently to make up the deficit or the "gap," as the new Postmaster General chooses to refer to it.

Mr. PILLION. Mr. Chairman, will the gentleman yield?

Mr. CORBETT. I yield to the gentleman from New York.

Mr. PILLION. The gentleman realizes that the subcommittee had only one figure before it on public service, the $62 million. It had no other figure, although there was talk of $300 million. But as the gentleman knows, it is a matter of identifying what is public service.

Mr. CORBETT. Correct.

Mr. PILLION. The gentleman knows the various formulas that have been used.

Mr. CORBETT. The gentleman also knows the figure is more than zero.

Mr. PILLION. Yes; I quite realize that; and that the job of determining which formula should be used is substantially and basically within the jurisdiction of the gentleman's committee, the legislative committee.

Mr. CORBETT. And we have done that.

Mr. PILLION. Only in broad language.

Mr. CORBETT. Let us say in specific language, but let us agree that dollar marks have not been put on the specific items. In this I agree with the gentleman. In any postal rate increase this year or next year—and I understand it may be put off until next year—we ought to itemize, we ought to put a dollar value on, these things when we talk about the loss incurred in performing special services such as special delivery and the like. We ought to put the dollar mark on it. This, I think, should be done.

I am simply saying to the subcommittee that I hope when they meet with the conferees from the Senate that they do give a more openminded consideration to the thing, because if we can get along and once and for all settle this issue of public service then no user of mail is going to hide behind it again and say, "Well, we would pay except we have all these public services, and we are not going to pay for them." If we could put the dollar value in, I think at long last we could resolve a really complex

and difficult question for the interest and the welfare of the country.

Mr. WALLHAUSER. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. WALLHAUSER. Mr. Chairman, I wish to congratulate the gentleman from Pennsylvania [Mr. CORBETT] on a very able presentation of an issue that must be faced up to and, it seems to me, without delay. A previous Congress has declared it to be the intent to allow a charge for public service by the Post Office Department. This is, in my opinion, a correct allowance and it should be recognized in making appropriations. There is no doubt that the users of the mails should pay for services rendered, but should not be required to pay more than their just share. Let us recognize the realties and settle this matter once and for all, so that proposed rate increases can be correctly studied and proper conclusions reached.

Mr. GARY. Mr. Chairman, I yield 5 minutes to the gentleman from Oklahoma [Mr. STEED].

Mr. STEED. Mr. Chairman, I have asked for this time to discuss two or three points I think the House will find of interest.

In the first place, I think it is important for us to realize that the bill before us today traditionally is the first appropriation bill to come before the House each session. All of you know that we got a very late start this year, and we are here on schedule with the appropriation bill in spite of that solely due to the fact that the chairman of this subcommittee has been willing to go far beyond the call of duty in putting in an immense amount of overtime and extra work to make this possible. This subcommittee has worked hard and long in order to get this bill here back on schedule despite the very late start we got.

The importance of this I stress for this reason: In discussing today the Turnkey project I want you to know the subcommittee does intend to have hearings. It does want all the facts. But in order to get this bill here today, you can do only so much. There just has not been time to do this work and get to the other work that has yet to be done. It has not been because anyone wanted to delay it; it is just that we have not had time to go into it thoroughly yet. I think also we should remember that the bill here today, although it is usually taken more or less for granted, probably affects the lives of more people in more ways than any other bill that will come before this House. It involves about one-third of the total budget. It involves at least one-third of all the people who are employed by the Government, and it involves the receipt and handling of almost all of the total revenues received by this Government. In that connection, I think it is interesting to note some of the reasons why these two bills have to come here in larger and larger amounts of cost each year. Most of the functions of these two departments of Government are in fields beyond their control. The work load is something over which they have no control.

As the country grows, these problems also grow. These departments have no choice except to seek funds with which to carry on this work. Sometimes when the House passes a bill, it probably does not realize some of the chain reactions of cost to these two departments of Government that these actions can have. For instance, whenever we put the Government in the business of issuing 440 million checks to the American people, as we are doing this coming year, we open up a field for the theft of checks in unprecedented number. It takes more people in the Secret Service and it takes more people in the Post Office Department to get these forgers and check thieves than ever before, and we find an increasing cost year after year brought about just by this sort of chain reaction. There are many interesting things about this modernization and mechanization program in the Post Office Department. I want you to know when this program started, it did so with the full cooperation and backing of this subcommittee. This subcommittee has been one of the strongest supporters of the idea that we have to find some way, some modern mechanized way to meet this increasing problem of handling the mail, which this year is at an all-time high in total cost of the Post Office Department. The mail load is going up by leaps and bounds every year. We must find, if we can, some way to do a better and more economical job of handling this tremendous mail load. Two-thirds of the mail in the entire world is handled by the American Post Office Department. While we have gone along year after year providing millions and millions of dollars for research and development to help to find these answers, we also at the same time feel a very keen responsibility to see to it that this money is spent as wisely as possible. That is why whenever we go into a very substantial program like Turnkey and we find it coming out short of the hopes we had for it, we feel such keen disappointment. We do not want this to give the research and development program a black eye. But, we think if there is any way to bring back year after year a program that we can continue to fight this battle, we have to keep this program on as sound, solid, and sane ground as it is humanly possible to do. Therefore, sometimes we may have to go into some things that do have unpleasant implications, but I feel we have no choice.

Mr. PILLION. Mr. Chairman, I yield 7 minutes to the gentleman from Massachusetts [Mr. CONTE].

Mr. CONTE. Mr. Chairman, at the outset I want to take this opportunity to congratulate our chairman of the subcommittee, the gentleman from Virginia [Mr. GARY] and the ranking minority member on the Republican side, the gentleman from New York [Mr. PILLION]. Both of these gentlemen have worked together in exemplary harmony and coordination. They have worked long and exacting hours and have ferreted out the information and sifted the evidence by the meticulous questioning of witnesses, and they have been understanding with all those who appeared before us. I believe if anyone here would take the time to read the testimony, they would clearly see the thorough manner in which both of these men have examined the witnesses on many important matters facing the Post Office and the Treasury Departments.

Mr. Chairman, I want it completely understood that I, too, like the gentleman from Oklahoma, stand for modernization, but I do not feel that we should mechanize merely for its own sake. Last year, Mr. Chairman, I brought out in the committee hearing that I was opposed to the microwave system whereby radio waves beamed to the moon from the east coast were bounced from its surface to the west coast. At that time, Mr. Chairman, we had already spent about $3 million in experimentation. Had we stopped the program at that point we would have saved the taxpayers of the United States a million dollars, for to date we have spent $4,500,000 besides having discarded the microwave system. So, we are right back where we started, using trucks, mailsters, and bags on the backs of mailmen.

In regard to the Turnkey post office, we do not intend to cast any bad reflection whatsoever upon the past Post Office administration, but we felt that the present one is continuing the mechanization program and is embarking on a very expensive project called Gateway in Oakland, Calif. The cost of this project will make the cost of the Providence, R.I., Turnkey look anemic by comparison. Therefore before embarking on a project so costly to the taxpayers of the United States we thought we would go into this Turnkey project with a fine toothed comb. It is so-called because it was designed with the intention that the entire post office could be operated mechanically by turning a key. This was not an ex parte hearing. We had several members of the Post Office Department who were in charge of this program last year and the year before. They were asked questions and given the opportunity to answer. What disturbed us, I believe, and disturbed me more than anything else, was not the failings in the mechanized equipment—malfunctions are to be expected because, after all, this is a laboratory, a guinea pig project which is going to take some time before the kinks are ironed out. We went to Providence and saw the mail-sorting machines. They are supposed to take the large envelopes out and allow only the small envelopes to pass through. Twenty-five percent of the smaller envelopes were being ejected along with the large envelopes. Therefore manpower was required to separate the small envelopes from the larger ones by hand; hence, an added cost.

We saw the package-mail sorter, the sorter for parcel post mail. It was dropping packages about 25 feet down a chute. We discovered that a heavy breakage resulted to packages.

Then we saw the canceling machine, but here again we found a 25-percent imperfection. It was not canceling the stamps if they were positioned a little off the precise right-hand corner of the

envelope, and not at all if there was any writing in the left-hand corner. This, too, required a great deal of manpower to correct the deficiencies of the machine. I will admit, however, that a certain amount of malfunctioning is to be expected, especially in the development of new processes and new machines. Again, I point out that this is a laboratory, a guinea pig. What did disturb me most were the maintenance figures given the committee. Let me read some of them. There is a figure of $923,679 for maintenance of the Turnkey project post office for 1 year. Mr. Chairman, do you realize how many employees they have in this post office to maintain it? It is 63 men. Yet they have a maintenance cost of over $900,000. They have an item in maintenance costs of $5,000 for labor relations, mind you, labor relations with only 63 employees, despite the fact that they have no labor problems with this small group of employees. They have recurring items of payroll expenses. These are not salaries and wages, but the cost of keeping track of salaries and wages, which amounts to $20,745 per year.

They have a figure for traveling and living expenses for 63 employees in the amount of $155,986. They have fees for outside services to help these 63 men in the amount of $143,636. These are costs that will be recurring in the budget year after year. These were the disturbing things that bothered me and bothered some other members of the committee. Before we embark on another gigantic modernization program, with a lot of colored lights and gadgets, conveyor belts, and so forth, I think we should investigate this thing very closely and be certain we are on solid ground before we allow another project to go forth like Providence's "Turnkey."

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Virginia.

Mr. GARY. A statement was made here a few moments ago on the floor concerning the patriotism of the company that erected this building and put at the Government's disposal the results of its studies and achievements in this field. It was well paid for its patriotism, was it not?

Mr. CONTE. It certainly was, Mr. Chairman, and as I brought out in the hearings, with the unfavorable balance of payments that everyone is talking about, that we read so much about in the newspapers, and which we have to do something about, Intelex purchased every piece of its equipment in West Germany or Belgium—when we had the same machinery right here in the United States. If anyone should be setting an example to buy American commodities it should be our Government agencies.

Mr. JOHANSEN. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Michigan.

Mr. JOHANSEN. If I may say to the gentleman from Virginia, having in mind the old saying that patriotism is the last resort of the scoundrel, I trust his reference to my patriotism does not make me a scoundrel. The truth of the matter is the gentleman from Michigan made no reference whatever to patriotism. He spoke of integrity, technical competence, reputation, and contractual relations.

Mr. GARY. I assure the gentleman from Michigan that I had no reference to him or remarks made by him when I made that statement. I was speaking of the remarks made by the gentleman from New York who spoke of the patriotism of the company which erected the building.

Mr. CONTE. At this time I would also like to say a word in regard to the Bureau of Narcotics.

The Bureau of Narcotics, established in 1930 to enforce the Federal narcotic and marihuana laws, regulate and control legitimate trade in narcotic drugs within the United States, supervise imports of raw opium and coca leaves as well as the manufacture and distribution of narcotic substances from these drugs, has been under the very able direction of Commissioner H. J. Anslinger.

The Bureau cooperates with the Bureau of Customs and with the law enforcement authorities of many foreign governments to suppress the illicit production and international trafficking in narcotic drugs.

To curtail the illicit international traffic as it affects the United States, agents of the Bureau are stationed in several foreign countries where they assist the police authorities of such countries in investigating the illegal activities of major international traffickers attempting to arrange for the smuggling of large quantities of narcotic drugs into this country. By intercepting these shipments of narcotic drugs at their foreign sources of supply and by the seizure of clandestine laboratories where large quantities of opium are converted into heroin, the amount of narcotic drugs available to the illicit narcotic traffic in the United States is effectively reduced.

The Bureau maintains close liaison with State and local narcotic enforcement authorities, and since 1956 has conducted a narcotic training school in Washington to train State and local police officers and law enforcement agents in specialized techniques and procedures of narcotic law enforcement so that these officers can more effectively discharge their responsibilities at State and local levels thus enabling the force of some 290 Federal narcotic agents to concentrate on the apprehension of interstate and international narcotic traffickers.

The Narcotics Control Act of 1956 which provides a minimum mandatory sentence of 5 to 20 years for a first offense of unlawful sale of narcotics or marihuana and a 10- to 40-year sentence for subsequent offenses, with no probation, parole, or suspension of sentence, except for a first offense of possession, has been of inestimable value in curbing the activities of notorious gangsters, many of whom have discontinued their narcotic activities in favor of less hazardous criminal enterprises where the severe sentences now attached to narcotic law violations do not apply.

The effectiveness of the Narcotic Control Act of 1956 has been evidenced in States which have enacted similarly severe State narcotic control legislation to deter illicit trafficking and reduce addiction. Ohio and Illinois have proved the efficacy of this type of legislation, supported by strong enforcement measures. In my own State of Massachusetts where I sponsored heavy mandatory penalty legislation we have another example of the effectiveness of such legislation.

In recent months agents of the Bureau of Narcotics have successfully concluded an investigation of extensive cocaine trafficking in Bolivia in which they seized a large quantity of cocaine destined for the United States. At the request of the Governments of Mexico, Ecuador, Colombia, Peru, and other Latin American countries, agents of the Bureau of Narcotics have assisted the police of those countries in numerous investigations of narcotic trafficking. Some of these investigations were undertaken under extremely dangerous conditions and involved serious injury to police officers.

Because heroin, the drug most desired by addicts in the United States, is smuggled into this country from abroad, international cooperation is of vital importance in suppressing this traffic. More than 600 important international criminals have been arrested and several tons of illicit narcotics have been seized as a result of the work of the Bureau of Narcotics agents abroad working under cover with their counterparts in other countries.

In late 1960 Bureau agents were largely responsible for the seizure of more than 100 kilograms of heroin and the arrest of the former Guatemalan Ambassador to Belgium and the Netherlands, who acted as a courier between Corsican gangsters in France and Italian gangsters in New York City.

For many years Commissioner Anslinger has steadfastly appealed for the adoption of a program of civil commitment of narcotic addicts in drug-free institutions as the only means of successful treatment and rehabilitation of addicts. Several States and the District of Columbia have enacted legislation providing for this type of commitment. Much work is needed to persuade all States to adopt similar legislation if the excessively high incidence of addiction is ever to be reduced to a minimum in such States as New York and California, which harbor more than 60 percent of all the addicts in the Nation.

Since the enactment and vigorous enforcement of the several Federal statutes controlling production and use of narcotic drugs in this country, the incidence of addiction has been reduced from 1 in 400 of the total population before World War I to the present rate of about 1 in 4,000. But rather than becoming complacent about these gains we must realize the need for constant vigilance in all areas where narcotic trafficking and addiction constitute serious problems.

The United States traditionally has assumed world leadership, through the League of Nations and more recently through the United Nations narcotic control organs, in initiating and encouraging other countries to cooperate

in a system of effective control of production and use of narcotic drugs to prevent their diversion to illicit channels and to exert every effort to suppress drug addiction throughout the world.

This country is deeply indebted to Commissioner Anslinger and his small force of dedicated narcotic agents. These dedicated men, operating under a limited budget, have done a tremendous job in enforcing the Federal narcotic and marihuana laws.

Mr. PILLION. Mr. Chairman, I yield the balance of the time on this side to the gentleman from New York [Mr. BARRY].

Mr. BARRY. Mr. Chairman, as a member of the Committee on Post Office and Civil Service, I think of that committee as a board of directors of the largest communications system in the world, which it is. This Congress is a means of communication to all the stockholders or citizens of the United States of this largest communications system in the world. The Appropriations Subcommittee, having to do with postal affairs, is the finance committee of the largest communications system in the world.

Looking at it in that light it is difficult for me to conceive how the finance committee would force upon the board of directors, which is the final policy-determining group of the largest communications system in the world, the fact that one of its services, one of its main services, should not receive an allocation. I refer specifically to the allocation for public service and the problems you are forcing upon the Committee on Post Office and Civil Service by not allowing a proper figure for public services.

Mr. GARY. Mr. Chairman, I yield 5 minutes to the gentleman from North Carolina [Mr. ALEXANDER].

Mr. ALEXANDER. Mr. Chairman, on this very important bill I congratulate the distinguished gentleman from Virginia [Mr. GARY], our chairman, for the very fine work he has done; also, I commend the ranking minority member, the gentleman from New York [Mr. PILLION], who has also done an excellent job.

I may say to the membership of the House that on this bill in which there is more than $5 billion involved the members of this committee come to you with a unanimous report.

I realize that in the consideration of requests in the magnitude that is involved here we cannot always be right, but I will say that this committee has studied the requests, has given them all due consideration, and has done a workmanlike job.

Now, in the consideration of this matter my distinguished chairman and the other members have discussed this bill at length and in such detail that I doubt that I could add anything particularly that would be of interest, but I do want to give one or two observations in regard to the matter which we are now considering.

One of the things that this committee has been most concerned about has been the mechanization and the modernization of the Post Office and the other departments to the point where they can do a good job for less money and more economically for the American taxpayer. One of the things that has concerned us has been the fact that year after year we have been spending more and more money on mechanization and modernization, and yet at the same time the requests from the Department have continued to go up.

For example, in the modernization program in 1951 the request was for $710,000; in 1959, $47,290,000; in 1960, $120,615,000. This year the request was for $110 million and we cut it back to $97.5 million.

Now, at the same time mechanization has also continued to go up. In 1960 the mechanization program amounted to $33 million. In 1961 it was $39 million. This year the request is for $36 million, but in the bill it was cut back to $30 million.

Now, the reason I mention that is that this committee certainly is interested in mechanization and modernization, but that we want the Department to so mechanize that we can get the benefit of the mechanization and cut down on the expense in future operations.

Now, I might just bring to the attention of the committee one other thing, and that has to do with the facilities and the building occupancy. The rent and the utilities in the leased space for the last 2 years has gone up 45 percent. And, I might direct the attention of the committee to the fact that in 1953 the cost of the rent and the utilities used for the rented space was $37 million. In 1960 it was $75 million. In 1961 it was $91 million, and this year the request is for $113.5 million. The request this year was for 1,762 proposed new rental buildings. I do not want it to appear to the committee that I am opposed in any way to the renovation or to the building of new post office buildings or anything of that kind, but I think that we should stop and take a good look at what we are doing and move with caution. Now, the increase this year of 31,777,000 square feet of rental space is quite a bit of building. Each new building has increased its capacity by 50 percent.

In the 1962 budget there is a request for 20 major leased facilities, which will cost more than $5 million.

I think, Mr. Chairman, that this committee agrees with the new Postmaster General that we ought to have good management, that we ought to have motivation of all the Federal employees involved in the Post Office Department, in the Internal Revenue Service, all the Federal employees we have; that we ought to use mechanical assistance to the maximum where it can be done economically and for the welfare and the good of our country. But where it cannot, I think we ought to go slowly, take a good look and move only after due deliberation.

Mr. Chairman, I think this is a good bill and one that the membership of this House should support, even though it is almost half a billion dollars more than the cost last year.

The CHAIRMAN. The time of the gentleman from North Carolina [Mr. ALEXANDER] has expired.

All time has expired.

The Clerk will read.

The Clerk read as follows:

SALARIES AND EXPENSES, DIVISION OF DISBURSEMENT

For necessary expenses of the Division of Disbursement, $25,600,000.

Mr. GROSS. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I join with my colleagues on the Committee on Post Office and Civil Service in expressing regret that the committee took out the $62,500,000 appropriation for public service in the Post Office Department.

Mr. Chairman, a good deal has been said this afternoon about automation. I note in the hearings on page 147 that there has apparently been a good deal of automation in the Bureau of Accounts. They say, for instance, that they have the ability to turn out 750 checks per minute—that is, the punching capacity is 750 checks per minute and that, "We have hit as high as" the witness says, "of 40,000 checks an hour." Yet I read the report and find that there is an increase of $182,000 in the appropriation to the Bureau of Accounts. I wonder why, if this automation is successful, there is an increase; why should there not be a decrease in the cost of operation of the Bureau of Accounts? Can somebody from the committee enlighten me?

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield.

Mr. CONTE. I believe I brought that out some other place in the hearings in connection with several other departments. I think that in the Bureau of Accounts the gentleman will find that that increase was due to the salary increases voted last year.

Mr. GROSS. The total $182,000 is due to salary increases?

Mr. GARY. Mr. Chairman, if the gentleman will yield to me, the total is due to the pay increases and the health benefits voted by the Congress last year.

Mr. GROSS. Then automation in the Bureau of Accounts is not showing any saving at that rate, is it?

Mr. GARY. It is taking care of the increase in volume that they are handling in that office. There have been substantial savings in many of the departments as a result of using these automatic machines.

Mr. GROSS. Then there has been an increase in the volume?

Mr. GARY. Yes; there has been a definite increase in volume.

Mr. GROSS. While the gentleman is on his feet, I should like to ask this question. This bill is $438,731,000 above the spending of the previous year. Perhaps this is repetitious, but how much of this is due to the pay increase bill of last year?

Mr. PILLION. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman.

Mr. PILLION. I think the remark was made earlier that $100 million represents the increase due to volume and the balance is due to increase in pay and health benefits.

Mr. GARY. Mr. Chairman, if the gentleman will yield further, for the total bill the pay increase and health benefits amount to $314,049,000. The increase over and above the pay increase and health benefits is $124,682,000, practically all of which is taken up by the increase in volume in the Post Office and the increase in the Internal Revenue Service for better enforcement of the tax laws.

Mr. GROSS. On the subject of the Internal Revenue Service, did I not read somewhere in your hearings that some years ago it was indicated that $1 spent for increased personnel in the Internal Revenue Service would return $20, and that $1 spent for that purpose now will return $10?

Mr. GARY. Between $10 and $15 at the present time.

Mr. GROSS. Why that decrease in the ability to capture additional revenue?

Mr. GARY. The simple fact that our enforcement is becoming better and better all the time, and not so many people are escaping their taxes.

Mr. GROSS. You are going the other way. If I recall the testimony correctly, a dollar spent earlier would get you $20.

Mr. GARY. That is true, because there was more money lying around to be picked up by these agents. There were more unreported taxes then than now. People are now reporting the taxes, either because they are becoming more honest or else because they are afraid of getting caught.

Mr. GROSS. So that now the chickens have come home to roost?

Mr. GARY. The time will come when we will reach a point of diminishing returns on these increases. That is the point we are raising with reference to putting on all of these additional people.

The Clerk read as follows:

COAST GUARD

Operating expenses

For necessary expenses for the operation and maintenance of the Coast Guard, not otherwise provided for, including hire of passenger motor vehicles; services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a); purchase of not to exceed thirty-two passenger motor vehicles for replacement only; maintenance, operation, and repair of aircraft; recreation and welfare; and uniforms or allowances therefor, as authorized by the Act of September 1, 1954, as amended (5 U.S.C. 2131); $208,000,000: *Provided*, That the number of aircraft on hand at any one time shall not exceed one hundred and thirty-five exclusive of planes and parts stored to meet future attrition: *Provided further*, That amounts equal to the obligated balances against the appropriations for "Operating expenses" for the two preceding years, shall be transferred to and merged with this appropriation, and such merged appropriation shall be available as one fund, except for accounting purposes of the Coast Guard, for the payment of obligations properly incurred against such prior year appropriations and against this appropriation: *Provided further*, That except as otherwise authorized by the Act of September 30, 1950 (20 U.S.C. 236–244), this appropriation shall be available for expenses of primary and secondary schooling for dependents of Coast Guard personnel stationed outside the continental United States in amounts not exceeding an average of $250 per student, when it is determined by the Secretary that the schools, if any, available in the locality are unable to provide adequately for the education of such dependents, and the Coast Guard may provide for the transportation of said dependents between such schools and their places of residence when the schools are not accessible to such dependents by regular means of transportation.

Mrs. CHURCH. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time to ask my annual question of the chairman of the subcommittee, regarding the appropriation for the U.S. Coast Guard. I note in the report that the committee recommends an appropriation of $280 million, a decrease in the estimate of $4,500,000, although it permits an increase of $3 million above the amount appropriated for 1961. May I ask the chairman whether the decision not to appropriate the requested amount interferes, in anyway, with plans to increase safety on the Great Lakes?

Mr. GARY. None whatever.

Mrs. CHURCH. Will the Coast Guard protection on the Great Lakes, and if I may say so specifically, Lake Michigan, be greater than in 1961 or be carried on at the same level?

Mr. GARY. It will probably be carried on at the same level, unless they have planned an increase. We have not changed the plans with reference to any operation. That is left entirely to the Coast Guard. We do not feel that we can say to the Coast Guard, you must do this or you must do that, unless a specific problem arises. They determine the needs of the service and they meet those needs as they deem best. We feel we have given them ample money to meet the needs of the service. If additional service is needed on the Great Lakes, they should be able to render it under the amount they have been allowed.

Mrs. CHURCH. I thank the gentleman.

Mr. JOHNSON of Maryland. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. JOHNSON of Maryland. Mr. Chairman, I wish to take this opportunity to thank the House Committee on Appropriations for making available in this budget the sum of $420,000 for an appropriate basin and mooring for a Coast Guard lifeboat station at Ocean City, Md.

The Coast Guard has recognized for many years the need to replace the present facilities of a station at Ocean City with new structures.

I have been advised that the estimated cost for a completed project is approximately $742,000. It is gratifying to me, and I know to the constituents of my district, that the House Treasury and Post Office Subcommittee has given this project favorable consideration.

The Clerk read as follows:

OPERATIONS

For expenses necessary for postal operations, not otherwise provided for, including uniforms or allowances therefor, as authorized by the Act of September 1, 1954, as amended (5 U.S.C. 2131); for repair of vehicles owned by, or under control of units of the National Guard and departments and agencies of the Federal Government where repairs are made necessary because of utilization of such vehicles in the postal service, and for other activities conducted by the Post Office Department pursuant to law; $3,434,000,000, including expenses of delivery to postal patrons of mail matter under congressional frank, as now authorized by law: *Provided*, That not to exceed 5 per centum of any appropriation available to the Post Office Department for the current fiscal year may be transferred, with the approval of the Bureau of the Budget, to any other such appropriation or appropriations; but the appropriation "Administration, regional operation, and research", shall not be increased by more than $1,000,000 as a result of such transfers: *Provided further*, That functions financed by the appropriations available to the Post Office Department for the current fiscal year and the amounts appropriated therefor, may be transferred, in addition to the appropriation transfers otherwise authorized in this Act and with the approval of the Bureau of the Budget, between such appropriations to the extent necessary to improve administration and operations: *Provided further*, That Federal Reserve banks and branches may be reimbursed for expenditures as fiscal agents of the United States on account of Post Office Department operations.

Mr. BARRY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I was attempting some while ago to make a point that when a finance committee attempts to superimpose its views on a board of directors, it is difficult, indeed, to get good direction of the total forces of a corporation or of any department of government. Especially it is a problem this year when President Kennedy has asked for a postal increase and when we will have before the Committee on Post Office and Civil Service the various large users of the mail who will plead their individual cases saying it is not they who are costing Uncle Sam the deficits which we have been annually placing before our people to pay for in higher taxes or by increasing the debt, but it is rather the public service that is rendered by the Post Office Department in particular.

I ask if a reconsideration, especially in the conference to which this appropriation will undoubtedly go—if consideration could not be given to the fact that if President Kennedy wanted to balance his postal operations, which is the largest communications system in the world, he be given a better chance than was given President Eisenhower. I say this because I do not believe the American people realize that of the total $17 billion debt piled up during the Eisenhower administration, approximately 40 percent of that debt was in postal deficits. I think we can put the Post Office Department on a business-like basis, by making each class of service pay its own way, and the place to begin is to give a credit to the board of directors of this company, the board of directors of the largest communications system in the world, for what service

they render the public apart from postal services.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. BARRY. I yield to the gentleman from Virginia.

Mr. GARY. I thoroughly agree with the gentleman that every class of mail should pay its own way. I have been advocating that for many years. But, you do not balance the Post Office budget simply by a bookkeeping entry, charging off a part of the debt to public service. As a matter of fact, as I said a few moments ago, in my judgment the entire postal service is a public service, otherwise the Federal Government would have no right to be engaged in it at all. The Federal Government has no right to engage in private business. Just picking out one or two items and saying, we are going to charge this off as a public service will not get us anywhere at all. I think the question of rates ought to be determined, not on the basis of the deficit, but on the basis of what it costs to handle the mail, and whatever that cost is the people for whom that mail is handled ought to pay it.

Mr. BARRY. I believe the gentleman from Virginia and I are not too far apart. But it proves again that you cannot manage the board of directors of a large operation on the floor of Congress, and I believe also that the intentions of the gentleman from Virginia are the same as mine and the other members of the committee, but until your committee shows that you will credit the Post Office Department for a type of public service which is not individually bought and paid for at the counter window of the Post Office Department, that the users of the mail who do go to the counter are going to complain that part of the total cost which the Post Office claims is their proper charge should be charged instead to public services.

If we really want to put the Post Office on a paying basis we should start by giving a credit to the Post Office Department for those services which are not bought at the counter. I think if the gentleman had sat with our committee and heard the testimony of the users of the mail, he would arrive at an accurate figure for public services so that the Post Office Committee of the Congress can look to the Post Office Department to allocate the remaining cost of postal operations to the various classes of mail.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. CORBETT. Mr. Chairman, I rise in opposition to the amendment and I will be very brief.

I simply wanted to compliment the gentleman from New York on his statement and to point out to the committee and subcommittee that while in a general sense the whole Postal Establishment is a public service, that is not the point we are trying to make. We are trying to make the point that when the Congress in its judgment requires the Post Office Department to perform some services that have nothing to do with service rendered to users of the mail, those services should be paid for out of the Treasury and not charged against the users of the mail. For example, we asked the Post Office Department last year to distribute to every home a census blank. This cost the Department money, obviously, but we say that this amount should be paid out of the Treasury and not charged against the users of first-, second-, third-, and fourth-class mail.

What we are trying to do, Mr. Chairman, is to segregate those services the Post Office does which have no relation to what the users of the mail should be charged with—services which we as a Congress impose upon the Post Office Department. We are trying to point out certain services and say that they are not proper charges against the users of the mail and that the users should not be asked to pay for the services. I am hopeful we can arrive at some decision on it this year and arrive at a rate basis that will eliminate the postal deficit. I am sure that is what the gentleman wants to accomplish.

Mr. GARY. We think we ought to bring the deficit down from what it is now. The gentleman knows that the greater part of the deficit is caused from those users of the mails who are getting subsidies. Some say it is a public service; I say it is a special service that is rendered, and when people get special services from the Government they should be willing to pay for them and be made to pay for them. Ordinary users of the mail should not be called upon to pay more than the cost of the service rendered to them. But I do not think the deficit has anything to do with that. Let us get an adequate cost accounting system and determine what it is costing to handle this mail.

Mr. CORBETT. The gentleman's committee, I am afraid, is using the term "public service" a little differently than my committee is in order to determine what things are proper charges to the Treasury and what things are proper charges to the users of the mail—figures you are going to give out at the end of this year.

Mr. GARY. I hope the gentleman will not base it on the difference between first- and second-class post offices and third- and fourth-class post offices. I see no justification for that distinction, in that they all render service to the people in handling the mail.

Mr. CORBETT. We are going to try to show the gentleman that the cost figures are unclear.

When the Post Office Department closes a fourth-class office they say they do not put any figure on it because they do not know how much it should be; therefore, they made an estimate of zero instead of an estimate of $70 million, or whatever it was. They do say that everytime they close a fourth-class office there has been a saving of $1,400,000. So they have put an estimate on it.

Your third- and fourth-class offices are community centers, and they operate far beyond the scope of simply being a depository for letters. However, beyond that, here is the determination which it is the duty of the Congress and the Post Office Department to work out. This is our job. If we fail to do it then we should be held accountable, but having done it then we should join with you folks and with others in saying there should not be any special services granted to users of the mail for which they do not pay. Then we can agree on that and destroy the argument of any users of the mail hiding behind the public service factor if we implement it dollarwise.

Mr. BASS of Tennessee. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I should like to call attention to page 14 of the committee report which states:

> The committee considers that the post office construction program is being accelerated entirely too rapidly.

I think that the statement is misleading because we have not had any construction actually performed by the Federal Government that is noticeable throughout the country in post office and Federal buildings in the past 20 years.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. BASS of Tennessee. I yield to the gentleman from Virginia.

Mr. GARY. I will say to the gentleman that with reference to construction under lease, they are planning new construction next year for 1,762 new post offices. It is true they will be constructed under lease and not by the Federal Government. The way that is handled, the Federal Government acquires a piece of land, it then gets somebody to agree to erect a building on it. The Government sells the land to them, then they enter into a lease agreement for the land and the building. We feel they have been entering into these lease agreements too fast, and they have not been giving sufficient consideration to the cost of the transaction. We think it ought to be slowed down until we can get some figures.

Mr. BASS of Tennessee. I might be in position to agree with the chairman in some instances as to cost of the leased buildings, but what I would like to point out is that the program of building is not overly accelerated because there is a tremendous need for post office quarters throughout the country. As a matter of fact, in the 16 counties of the district of Tennessee that I represent there has been only one post office building constructed as a Federal building since World War II. Certainly if we are in the period now where we see a necessity for increased construction as a stimulus to the economy—and I am fully aware of the necessity for it—then I think greater consideration should be placed on building Federal buildings. If there is an acceleration that is above what it should be, it is an acceleration of buildings that are leased where Government-owned quarters would serve better, but certainly the program of construction itself in the instance of procuring adequate quarters for post office operations has not been overly accelerated. They should be changed from ordinary leased quarters to those of federally owned quarters throughout the Nation.

Mr. GARY. Our committee has no jurisdiction over that subject matter at all because all Government construction is handled by the General Services Administration. We do not handle the appropriations for the General Services Administration, so we cannot put one dollar of construction costs in our program.

Mr. BASS of Tennessee. You can slow down providing funds for leased quarters in the larger cities and towns which will necessarily make them build Federal buildings.

Mr. PILLION. Mr. Chairman, will the gentleman yield?

Mr. BASS of Tennessee. I yield to the gentleman from New York.

Mr. PILLION. Our subcommittee was in trouble on account of the tremendous jump in the costs of leased buildings and a few of the utilities. There was a feeling that perhaps we were going too far and too fast. The gentleman from North Carolina [Mr. ALEXANDER], referred to this figure in his presentation. That item of rents and utilities jumped from $75 million a year to $113 million in the space of 2 years; a 50 percent increase. So, the committee felt that there ought to be a review and a stop, look, and listen attitude so that we do not get into a situation to where we are committed to lease cost way beyond what may be absolutely necessary.

Mr. BASS of Tennessee. I agree with the gentleman.

Mr. HARRIS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am interested in this discussion, too, and I would like to pursue this just a little bit further with the distinguished chairman of this great Subcommittee on Appropriations as well as with the gentleman on the minority side who has apparently expressed agreement with what the chairman of the subcommittee has just said.

I would like to ask the chairman this: Is it not a fact that most of these lease contract agreements referred to by the Post Office Department for use of facilities have been for third-class offices?

Mr. GARY. No, they are not.

Mr. HARRIS. Well, I have several in my district, and every one of them that has been authorized and a lease permitted has been for third-class offices without exception. And I think the Post Office Department has done a pretty good job working cooperatively with the local people for this particular class of office. I think the gentleman from Virginia and the members of this committee realize from a practical standpoint we are not going to get the General Services Administration, and everyone else who would be involved with it, to approve a Federal building, a Post Office facility, for a third-class office in any community. And, I would like to impress upon the members of this committee, if you have any question about these leased facilities, that you do not cut out these third-class offices in the small communities where they cannot get facilities otherwise except by lease or rental.

Mr. BASS of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from Tennessee.

Mr. BASS of Tennessee. I am in perfect agreement with the gentleman on this matter, and I am not suggesting in any degree that we start building Federal buildings for post offices in all of these small communities. The business of providing adequate quarters by lease is adequate. But, in the building of buildings and leasing quarters for first-class offices in large metropolitan areas where Federal buildings should be provided is what I am talking about. Now, in the smaller communities that is a different problem, and I am in agreement with the gentleman.

Mr. HARRIS. But this is a broad statement in the report. It refers to all leased quarters.

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from Massachusetts.

Mr. CONTE. There is another benefit to lease-building construction. It puts that building on the tax roll in the smaller communities, where you have these third-class offices in the small towns, where they already have a heavy real estate tax burden. Instead of having a Government building which is tax exempt, you will have a leased building on which to get some revenues.

Mr. HARRIS. Yes; the gentleman makes a good point. But, the point I want to emphasize here—and I hope the committee does not go that far—is that while I agree with the committee that we should review these programs, they should give close scrutiny to them, at the same time I do not believe that the committee by its report here should be telling the Post Office Department where an acceptable contract for leased quarters can be provided for facilities in a small community that cannot get them otherwise, that it should not be permitted, and I hope that the gentleman's committee will insist that that program be followed.

Mr. GARY. Certainly there has been no attempt on the part of our committee to tell the Post Office Department that, but we have said where this cost is going up by leaps and bounds, we think it should be scrutinized very carefully.

Mr. HARRIS. I agree with the gentleman, but I think in these small communities you should not take action that would defer them or result in stopping the program to provide adequate facilities for these small communities which are entitled to them as much as the larger communities.

Mr. HOFFMAN of Michigan. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, my purpose is to learn, if possible, from whoever is in charge of this bill, just who is running the Post Office Department. Some weeks ago we were told by the press that Mr. Day, our Postmaster General, intended to run the Department as he wished notwithstanding anything Congress might do. That is all right with me, but I doubt that he ever was discourteous or intended to disregard Congress for he like other Cabinet members depends to some extent upon the Congress for appropriations. This morning a letter came in from the Sturgis Journal, a newspaper that prints a fine conservative publication. Three years ago the Journal, which gives much daily news and sound, constructive editorials, put more boxes around on a rural route, running out of Burr Oak, St. Joseph County, Mich. For 3 years there has not been any trouble, everyone was satisfied, all the people on the route, the newspaper, which owned and placed the boxes with the Department's approval. But along comes this mail carrier, Martin Maystead, the rural carrier on that route, and he now says—and that is since the change in administration—he does not like the location of those boxes and he wants them all moved. Whether he wants them all in one place and nearer the post office, I do not know. Maybe he wants to establish a New Frontier all his own.

I notice the gentle lady from New York [Mrs. ST. GEORGE], who is a member of the Committee on Post Office, is present. May I ask her, Does the carrier have that authority, or is that authority downtown or with a regional office?

Mrs. ST. GEORGE. I do not think the carrier has the authority, but he might have; there is no way of telling. Things are very fluid right now.

Mr. HOFFMAN of Michigan. Apparently he is a supporter of the New Frontier.

Mrs. ST. GEORGE. Then he probably has the right.

Mr. HOFFMAN of Michigan. Perhaps this is not a fair question, but should the boxes be moved nearer the road or back a little further?

Mrs. ST. GEORGE. Oh, definitely nearer the road.

Mr. HOFFMAN of Michigan. Nearer the road?

Mrs. ST. GEORGE. Yes.

Mr. HOFFMAN of Michigan. And closer together?

Mrs. ST. GEORGE. Possibly, yes.

Mr. HOFFMAN of Michigan. So the route will be shorter.

Mrs. ST. GEORGE. That is right; that is very important.

Mr. HOFFMAN of Michigan. I certainly thank the gentle lady from New York.

Mr. Chairman, I shall certainly pass that information along to the paper and I hope they will take it on to the carrier, because he has the idea that he is running the Post Office Department, at least in his territory.

The Clerk read as follows:

This title may be cited as the "Post Office Department Appropriation Act, 1962".

Mr. GROSS. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I want to take a minute to ask the chairman of the subcommittee about the trust funds as shown on page 17 of the report. Who authorizes payment of this money from the trust funds?

Mr. GARY. They are permanent appropriations authorized by the Congress.

Mr. GROSS. Not by the Committee on Foreign Affairs or any other legislative committee?

Mr. GARY. No. They are authorized by the Congress and are payable in accordance with direct legislation enacted by the Congress.

Mr. GROSS. I thank the gentleman.

The Clerk concluded the reading of the bill.

Mr. GARY. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with the recommendation that the bill do pass.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. THORNBERRY, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 5954) making appropriations for the Treasury and Post Office Departments, and the Tax Court of the United States for the fiscal year ending June 30, 1962, and for other purposes, had directed him to report the bill back to the House with the recommendation that the bill do pass.

Mr. GARY. Mr. Speaker, I move the previous question on the bill to final passage.

The previous question was ordered.

The SPEAKER. The question is on engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

AREA REDEVELOPMENT ACT

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 237 and ask for its immediate consideration.

The Clerk read the resolution as follows:

Resolved, That upon the adoption of this resolution, it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 1) to establish an effective program to alleviate conditions of substantial and persistent unemployment and underemployment in certain economically distressed areas. After general debate, which shall be confined to the bill and continue not to exceed three hours, to be equally divided and controlled by the chairman and the ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider, without the intervention of any point of order, the substitute amendment recommended by the Committee on Banking and Currency now in the bill, and such substitute for the purpose of amendment shall be considered under the five-minute rule as an original bill. At the conclusion of such consideration the Committee shall rise and report the bill to the House with such amendments as may have been adopted and any member may demand a separate vote in the House on any of the amendments adopted in the Committee of the Whole to the bill or committee substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

Mr. BOLLING. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio [Mr. BROWN], and pending that I yield myself such time as I may consume.

Mr. Speaker, House Resolution 237 provides for the consideration of S. 1 as amended, a bill to establish an effective program to alleviate conditions of substantial and persistent unemployment and underemployment in certain economically distressed areas. The resolution provides for an open rule, waiving points of order, with 3 hours of general debate.

S. 1 as amended would provide a coordinated attack on the basic economic problems confronting those areas with persistent and substantial unemployment. While it would rely on local initiative and the efforts of private enterprise, it would enable the Federal Government to play its proper role and meet its responsibilities in this field. Technical assistance and guidance would be made available along with financial aid, primarily in the form of loans to implement local economic programs.

The principle of Federal action to relieve unemployment in areas of persistent and substantial labor surplus has been endorsed in the platforms of both parties. It has also received wide support from labor, industry, municipal, and private citizen groups.

S. 1, as amended and reported out by the House Committee on Banking and Currency, contains a number of safeguards to insure both that the assistance will produce a real measure of relief to the areas in need and that it will do this without detriment to any other community. Naturally, wise administration is essential and it is believed this is best cared for by placing responsibility for the program in a Cabinet rank officer and at the same time establishing a high-level Government official in the Department of Commerce to perform such functions as the Secretary may assign to him in carrying out the program.

To conserve the funds for their most urgent uses the bill provides that no loan may be made unless funds are not otherwise available from other sources on reasonable terms. To make certain that the assistance given under this program will not result in dislocations in other areas, the Banking and Currency Committee amendment carries a flat prohibition against the use of any funds for the transfer of business establishments from one area to another.

The purpose of the legislation is to make a net expansion of job opportunities and not to "pirate" industries from other locations.

Mr. Speaker, I urge the adoption of House Resolution 237.

BACKGROUND AND SUMMARY OF S. 1, THE AREA REDEVELOPMENT BILL

S. 1 is designed to establish a new program to meet the problem of chronic localized unemployment. It will do this through Federal technical assistance, financial aid, and occupational retraining assistance.

Background of the bill: Proposals for area redevelopment along the lines of the present bill have been before the Congress for over a decade. On two occasions bills have passed both Houses. In 1958 an area redevelopment bill was passed but was pocket vetoed. In 1960 another bill (S. 722) was passed but also was vetoed. The Senate failed to override. In spite of this, the principle of Federal aid to chronically depressed areas has been endorsed in the platform of both parties.

The committee amendment to S. 1 represents generally the administration views. It was introduced by Chairman SPENCE of the Committee on Banking and Currency, at the request of the President and reported out of the Committee with amendments by a vote of 20 to 6.

Need for this program: Many communities suffer heavy unemployment even when the overall economy is prosperous. The general reasons are technological advances by which machines replace manpower; changes in demand which make existing plants and skills obsolete, and depletion of resources such as timber, coal, and ore. In addition, the rapid advances in farm technology, combined with historical conditions which have created many small uneconomical farms, have resulted in serious unemployment, underemployment, and poverty in many rural areas.

As a result of these conditions, 20 major labor market areas and 83 smaller areas would be eligible for the assistance provided in S. 1 under the mandatory designation provision. In addition, many other areas, particularly rural places, would be eligible under the guidelines established by the bill.

Experience has shown that local efforts by themselves, however vigorous and imaginative, cannot do the whole job of redeveloping these communities. Local resources, both public and private, become depleted under the pressure of heavy persistent unemployment, and outside credit aid is not available in adequate volume to finance redevelopment. The bill would provide this assistance along with technical aids, loans, and grants for public facilities, and occupational retraining benefits.

MAJOR PROVISIONS OF THE BILL

Responsibility for the program would be placed in the Secretary of Commerce, though he would be directed to use existing Government agencies and facilities, such as the Small Business Administration and the housing agencies, wherever possible. An Area Redevelopment Administrator would be established in the Department of Commerce to give his whole time and attention to the program, carrying out whatever duties are assigned to him by the Secretary.

A prerequisite for aid under the bill is an overall economic redevelopment program which meets the approval of the Secretary. This program will analyze the community's economic problem, determine whether or not redevelopment is feasible, and, if it is, indicate the steps that should be taken to achieve it. To enable the Secretary to provide technical assistance for these programs and for other studies aimed at preventing or

alleviating any unemployment, the bill authorizes annual appropriations of $4.5 million.

In order to carry out the recommendation of the economic plan, Federal loan funds are provided in case adequate private financing is not available. This would take the form of liberal loans for industrial expansion. These loans could be used for the acquisition and development of land, the construction of industrial or commercial buildings, and in exceptional cases for the purchase of machinery. Such loans could not exceed 65 percent of the total cost of the project with the balance to be met by the community or local redevelopment organization and by private lenders. The maximum term would be 25 years with a possible extension for another 10 years. The interest rate is based on a formula which currently produces a rate of 4⅜ percent. The bill authorizes for appropriation $100 million for each of two revolving funds—one to be used for loans in industrial areas and the other for rural areas.

These loans can be used to rehabilitate existing plants or provide for the expansion of plants either in the locality or from outside the area. However, the bill explicitly states that none of this financial aid is to be used to help any firm to relocate, totally or partially, from one area to another.

A prime need in many communities is the improvement or expansion of community facilities. Adequate sewer and waterworks and other public investment is essential to modern industry. Many communities faced with the burden of chronic heavy unemployment have found their revenue reduced while at the same time their outlays for relief have increased. As a result, they are unable to finance the necessary public works by themselves. To meet this need the bill authorizes $100 million for appropriation to be used for Federal loans to these communities. Such loans would have terms up to 40 years with a possible 10-year extension, and the interest rate would be computed on a formula based on the average cost of money to the Federal Government plus one-fourth of 1 percent for additional administrative costs. Currently this interest rate would be 3½ percent.

In some communities the need is so great that it is not feasible to finance needed local public works entirely on the basis of loans. A subsidy is necessary to finance the project and keep rates on the utility low. For this purpose the bill authorizes the appropriation of $75 million for partial grants for local public works. These grants could not exceed 65 percent of the net difference between the total cost of the project and the amount borrowed from any source. The community itself must raise the funds required for the other 35 percent of the difference.

The bill also makes it possible for designated communities to take advantage of the urban renewal program. While this program is aimed primarily at clearing residential slums, there has been growing recognition of the need to eliminate blighted business areas as well. On past occasions the Congress has made available a certain portion of the urban renewal capital grant authority for these nonresidential projects. To assure that this assistance will be available to depressed communities, S. 1 provides that up to 10 percent of any future capital grant authority made available for the urban renewal program can be used for nonresidential slum clearance projects in designated depressed areas. This will make it possible for these communities to provide industrial sites and at the same time bolster their tax bases. In addition, the bill makes the urban planning grant program available to communities designated as eligible under this bill.

While many workers in these areas are skilled, their abilities are no longer in demand. Such workers as well as untrained workers require occupational training if they are to find adequate employment. Therefore the bill authorizes annual appropriations of $4.5 million to assist the State vocational training programs. Because in many States workers undergoing training are not eligible for unemployment compensation, the bill authorizes annual appropriations of $10 million to make subsistence payments for periods up to 16 weeks.

Finally, the bill makes permanent the authority of the Small Business Administration to make loans to State and local development companies for plant construction, conversion, and expansion. Under present law this authority will expire on June 30 of this year.

Altogether this bill authorizes appropriations totaling $394 million. Of this, $300 million is for loans repayable with interest. Considered in perspective, this is a relatively small amount to do a large and vitally important job. For example, it is less than half of 1 percent of our total Federal budget. However, this bill will make a vital contribution by providing concentrated and comprehensive attention to the problems of areas which suffer chronic unemployment and, in the long run, will benefit the entire Nation.

Mr. BROWN. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, as the gentleman from Missouri has explained, this rule, which is an open rule and provides for 3 hours of general debate, makes in order the consideration of the bill S. 1, the so-called depressed areas bill.

It provides that the committee amendments shall be considered as an original bill, which, of course, will permit the offering of a substitute at the proper time and place. The rule also provides for one motion to recommit, reserved to the minority, either with or without instructions. I would like to take just a minute or two, if I may, to discuss this legislation because we had rather extensive hearings on it before the Committee on Rules.

First of all, I want to congratulate, if I may, the House Committee on Banking and Currency for bringing out what all of us on the Committee on Rules seemingly agreed is the best bill of this type that has been presented in the Congress. This bill is a much better measure than that which has been approved in another body, that is, the original bill, the amendments to S. 1, because S. 1, you will find, while it has the title of the Senate bill contains none of the provisions of the Senate original bill, which has all been rewritten and the amendment is being considered as the original bill.

One of the things I am very happy about in connection with this legislation is the fact that it does not provide for backdoor spending nor the backdoor approach to the Federal Treasury, but requires all funds to be spent under this legislation, should it be enacted into law, shall be appropriated by the Congress after due hearings before the Committee on Appropriations. It also eliminates a number of other bad provisions in that measure, and yet even as much improved as the bill is, I believe it goes too far in many instances and is certainly so distorted, if I can use that word, that the meaning of it is unclear in certain sections and certain provisions, and it confers entirely too much power on some unknown individual who is designated as the Administrator. Who he may be, no one knows. What his thinking may be on some of the matters that may come under his jurisdiction seemingly no one knew or could understand. So there will be a substitute bill offered. This committee amendment, the same as the Senate bill, provides for an expenditure of $394,500,000 over a period of time, I think, to run up to 1963, if I remember correctly, supposedly a terminal date and yet with no exact terminal date for the working up of this program, as I could understand this measure. Instead, it provides for certain new approaches to what we might call chronic unemployment that have never been thought of before. I want to call your attention, if I may, to section 5(b). No one could explain just what it meant or what could happen or what might be decided under it. We were advised by the proponents of the bill that the Secretary of Agriculture, because it deals with rural districts, did not know what section 5(b) meant or how it might be administered. The Secretary of Labor knew nothing about it.

The Secretary of Commerce said he could not explain it, did not understand it, yet under that provision we embark upon some sort of program just as thin as the air. It is some sort of program to take care of unemployment and depressed areas out in the rural sections of the country; and it was admitted that every rural area in the United States can be declared a depressed area and come in and get funds.

Another provision opens the door to all sorts of Federal contributions under this particular program for the construction of community facilities such as antipollution programs, water treatment plants, sewage disposal plants, and such things, although we have special acts and laws set up for that purpose. They could even go so far under this bill as to construct public schools under the depressed areas section of the bill, as community facilities.

Then there is no clear definition and no clear alinement. They say very frankly to us that what may be a depressed area or area of unemployment changes from day to day; and I can un-

derstand there may be some changes, of course. But I have looked this over rather carefully and I suggest that you look at page 18 of the report on this act. I understand this list has been changed very materially, so we were advised by some of the proponents of the bill.

Seemingly some of these rather abstract and peculiar provisions of this bill have been left to the Administrator to decide, whether a community can qualify for aid as a distressed area, one of unemployment, or underemployment as the case may be, whether or not this district or that district, or this State or that State, will qualify or will not qualify.

And I just want to mention this, to you, if I may, because I have been here quite a long time and have seen politics in their practical application, and from my experience I have observed that no law is better than the person who administers it. I am fearful that in this bill if it is adopted and approved, we are delegating to one man, some unknown Administrator, all the powers and authority of Congress, almost, to decide as to what are actual distressed areas or depressed areas, and the need for these plants, these industries, the retraining of workers, just whatever he may decide in his discretion whether all of the rural counties in your State shall be declared distressed and depressed areas, or none of them. Also, I think you and I can understand from the practical point of view that it may be necessary to send quite a number of experts out of Washington to check these particular areas at different times and perhaps to check them for a long time to see just what areas may qualify and what should be done. It leaves the door open, of course, for building a very, very efficient and a very, very effective political machine should the Administrator be of the type or the mind that might like to engage in just a little bit of politicking along with his other public duties.

Somehow or other, in my opinion, if this legislation is to be enacted—and, of course, there is a realization in the minds of all of us, there is a certain realization, that there are some problems in depressed areas where there has been unemployment and no employment, that have existed for a long, long time.

Somehow or other this measure has to be tightened up. It should be made a proper kind of a bill with every possible safeguard thrown about it or else it should be defeated. That will be the issue you will have confronting you when it comes time to consider a substitute that will be offered by the minority on the Committee on Banking and Currency, or when the bill comes to final passage.

This measure is an embarkation, if we can call it that, upon an entirely new theory as to the Federal Government's responsibility, an embarkation, if you please, upon an entirely new program. While they talk about terminal dates and the possible ending of the program, it will probably be like many other of these spending programs that have come to us through the years, it will be with us for many, many years to come. If we are going to do this with the Federal Government now owing more than $290 billion, with the report coming to us from downtown that the White House will soon send us a message asking the Congress to increase the national debt limit again so that at least $10 billion more may be borrowed for our children and grandchildren to pay off in the future, we should look at this measure closely. We should scrutinize it carefully. If we are going to do a thing like this we should do it in the safest, most practical, sound way that we possibly can. I hope that careful attention will be given to the debate, as the sponsors, the proponents, and opponents to this legislation, those who believe this bill should be changed so that it can be enacted into law, perhaps those who may oppose it entirely, will present their views. We should listen to those views because this is a very, very important piece of legislation upon which we are starting consideration at this time.

Mr. Speaker, I yield 5 minutes to the gentlewoman from New York [Mrs. ST. GEORGE].

Mrs. ST. GEORGE. Mr. Speaker, it has been well said that this bill, S. 1, comes before us in far better shape than the bill that was passed last year. First of all, the bill makes the clause on piracy much stronger. This is in many ways a good thing, although at the same time it gives very great and possibly dangerous powers to the Administrator. There is also no back-door spending in the House bill. It does appear in the Senate bill.

Another thing is that this matter has been put in the hands of, and under, the Department of Commerce, which was requested by President Eisenhower, I believe, in his veto message. So that it is on the whole a better bill; nevertheless, it is open to some quite serious criticism, it seems to me. It needs to be tightened up in many respects.

The amount of spending, $394 million, is to all intents and purposes quite modest. If you will turn to page 18 of the report you will find that under "major areas" there is a total of 28 such areas, under "smaller areas" there is a total of 83 areas, which makes a grand total of 103. At the questioning it came out that the witness was constantly speaking about 101 areas. In answer to my question I pointed out I could obtain only 103, not 101. I was told there had been a change since the report had been written and that at the present time there are 101 major areas. I am telling this merely to show how necessary it is to look into this bill and to tighten it up wherever possible.

There is an awfully big difference, I submit to you, between 20 major areas and 101. That is just one of the things that is typical of this legislation.

Now, it is also true that if we are to give $394 million and divide it and spread it all over these areas and all over this country, especially over the rural areas that are very ill defined in this bill—in fact, they are not defined at all—we are going to have a great many very disillusioned citizens because no one is going to get enough to satisfy them in any way.

In walking through the Speaker's lobby you can see a great many maps of just one of our States, West Virginia. And, I submit to you that $394 million will not go very far even in that one State if things are as bad as we are told. Therefore, a number of rural areas should be looked over also with great care; otherwise, as has been well said here on the floor, it might be that entire States would be turned over as depressed areas.

Now, in the minority views of the gentlewoman from New Jersey [Mrs. DWYER], she has this to say, and I think it is well said and very much to the point:

> To that end we favor discharge by Government of responsibility for those activities which the private sector cannot do or cannot so well do, such as constructive Federal-local action to aid areas of chronic high unemployment.

She then says:

> The committee bill fails to meet the test of "constructive Federal-local action" because it tries to do too much for too many areas—thus the assistance it provides would tend to be dissipated.

And, I submit, Mr. Speaker, that that is true and that that is a very serious disadvantage in this legislation.

I was also very much interested to see another thing that has been said by a gentleman who happens to be one of my constituents, Mr. Hans Christian Sonne, head of the National Planning Association. Mr. Sonne was born in Denmark and brought up in England. Both of these countries, I submit, are further along in welfare programs than the United States is today. Mr. Sonne points to the fact that we may be in very, very real danger. He says:

> An effective depressed areas program must contribute to an increase in total production and total employment, not merely to a shift of production and employment from one area to another. We are seeking a program to help depressed areas participate in national economic growth and well-being, not to distribute the distress more evenly throughout the economy.

The possibility of "distributing the distress more evenly throughout the economy" is precisely what disturbs him about the standards in S. 1 as reported.

I think it is a very valid criticism and I think it is one that we must take cognizance of. If we will do this and if we will tighten the bill up—and we have an opportunity of doing it in the substitute that is to be offered—I think we may have a sound piece of legislation. I still think the overall amount is too small, unless it is brought into a much smaller radius, to be very effective.

Mr. BROWN. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. MEADER].

Mr. MEADER. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. MEADER. Mr. Speaker, the way to get a bill passed is to give it an attractive label.

That is why we have bills like unemployment compensation, aid to children

of the unemployed, minimum wage, medical care for the aged, and now the depressed areas bill.

There should be a rule prohibiting misbranding of bills.

No one wants to oppose a bill to assist chronically depressed areas. We all are sympathetic to their plight and their problems. But, should they be exploited to promote socialism—which actually will harm instead of helping them and at the same time introduce turmoil, uncertainty, and politics into our whole business community?

This bill should be relabeled. Under rule XIX of the House Rules you cannot amend the title of a bill until the bill is passed, but this bill should be called a bill to socialize the American economy by Federal intrusion into the equity end of business enterprises; to assist in pirating the same through politics; by nationalizing the municipal bond market; and for other socialistic purposes.

This bill is an unkind fraud on the downtrodden and the charity-minded.

It will bring untold added misery to areas already miserable and impede the march of a dynamic free economy—the genius and guiding principle of the American dream.

It is a half-baked excursion into unsophiscated socialism.

The only beneficiary of this proposal will be the fly-by-night operator—the medicine man—the scalawag who has all but vanished—harried by State blue-sky laws and the Federal Securities and Exchange Commission.

The Federal Government—that is, all the people of the United States through their tax contributions—and civic-minded local citizens impressed by the backing of the Federal Government will be the victims of this marginal entrepreneur who risks little of his own—5 percent of total cost. If the business should succeed, the entrepreneur will reap the benefit. If it fails—as is most likely since available private capital shied away—the entrepreneur will milk the business as long as he can get away with it and then depart with his loot, leaving the area worse off than when he arrived.

Where will the Federal Government recruit the wizards of industry to make a marginal or submarginal enterprise flourish? Have past bureaucratic performances demonstrated that the Government can attract talent with the imagination and enterprise even to make an essentially sound business succeed? How can it expect to enlist the genius to manage a business which is basically unsound, or at the best marginal, or submarginal?

Mr. Speaker, on August 1, 1958, a similar proposal was brought before this House of Representatives, the so-called community facilities bill, another experiment in socialism. And I might say to you that I believe many of these socialistic experiments originate in the think machine of the UAW–CIO.

Mr. Speaker, the House on that day, using good judgment, defeated the rule for the consideration of the community facilities bill by a vote of 173 for the rule to 187 opposed to it. You will find the rollcall in the CONGRESSIONAL RECORD, volume 104, part 12, page 15874.

Mr. Speaker, there are two areas in Michigan listed as depressed areas located in my congressional district. This morning I received from the city of Monroe, Mich., one of the areas, a letter signed by the president of the chamber of commerce and four other gentlemen from the city of Monroe asking me to oppose this legislation. The letter is as follows:

GREATER MONROE
CHAMBER OF COMMERCE,
Monroe, Mich., March 27, 1961.

HON. GEORGE MEADER,
Representative from Michigan,
House Office Building, Washington, D.C.

DEAR CONGRESSMAN MEADER: The board of directors of the Greater Monroe Chamber of Commerce, meeting in special session on March 24, 1961, went on record as opposing S. 1 (Douglas area redevelopment bill) for the following reasons:

1. The bill would only relocate unemployment;

2. It would provide some industries with unfair, Government-created advantages over their competitors at the expense of the already overburdened American taxpayer;

3. It does not recognize the basic causes of depressed area problems, which are not a lack of plant sites, buildings, and community facilities. The real reasons we have unemployment cover a much broader area than that which can be solved by the use of Federal funds; and

4. The bill would do a grave injustice to communities which have, through their own efforts, maintained a good employment record.

We believe that the solution to the unemployment problem lies in independent local action spearheaded by local leadership.

We respectfully request, therefore, that you vote in opposition to the passage of this bill.

Very truly yours,
GREATER MONROE CHAMBER OF COMMERCE,
WALTER G. HAESSLER,
President.
WARREN W. GRUBER,
Immediate Past President.
WARREN M. PELLOT,
Treasurer.
JAMES E. RAU,
Secretary to Board of Directors.
RICHARD D. MCHENRY,
Manager.

I do not believe we ought to undertake to consider this measure. I say to those who want to get away for an Easter vacation, rather than being put under the gun for the consideration of this bill, if they want to get their vacation started a little earlier, just vote down the rule.

Mr. Speaker, under leave to extend my remarks, I also include an editorial from the Jackson Citizen Patriot, Jackson, Mich., of Sunday, March 19, 1961:

WHO'S DEPRESSED?

It's always been fun to play Robin Hood, and the new peach-fuzz and gray-flannel set in Washington seems out to do it with a vengeance.

Their version, of course, is taking from the prosperous sections of the Nation and giving to the poorer areas. They call this aid to depressed areas and duck the fact that the logic involved is at loggerheads with everything that built America.

But apparently some of the folk the young men in Washington want to help still nurse something called pride, obviously a stumbling block for the let-George-do-it-for-you lads.

Senator PAUL DOUGLAS, that intrepid economist-turned-Congressman from Illinois, is author of the bill.

In it, he described as a "depressed area" Marion County, Ill. It's not hard to wring out a few tears for the poor hapless of Marion County, waiting patiently in long drab lines for handouts of cold, thin soup.

Only trouble is that the folks in Marion apparently haven't heard about this hard luck.

The daily newspaper in Marion posts this list of indications of a nondepressed situation:

Bank deposits of personal accounts are more than a half million dollars higher than they were on January 1. Local utilities are bustling into a $6 million expansion program. A new Federal prison, costing $10 million, is going up.

Residents of the area in January purchased $215,000 in saving bonds. One of the most important industries is expanding its plant. The local hospital just got a new roof.

Another industry is building a $400,000 warehouse. The bank just doubled the size of its building, two new office buildings are being constructed, two finance companies have moved to larger quarters and the Presbyterian Church has announced plans for a new building.

Postal service has been expanded into growing suburban areas.

The amount the people spent on purchase of Federal savings bonds in a month was larger than the amount they could expect to receive in Federal aid from the Douglas bill in 3 years.

What do you do for people like this? What sort of American is it who asks not for whom the dole tolls, but instead asks for help in keeping bureaucracy off his neck?

He obviously poses big problems for the legislators with the social worker hearts.

But then, shucks, those guys in Washington are always reminding us that we're out of step with the rest of the country, we fuddyduddy midwesterners. Why can't we just shut up and let Sam do it?

If there is anyone left in America who doesn't want to plop his freedom on his head like an apple and let the Ivy League-trained archers take potshots at it with their fuzzy arrows, let him keep his peace. After all, time must march on.

Mr. BROWN. Mr. Speaker, I yield the remaining time on this side to the gentleman from New Jersey [Mr. WIDNALL], a member of the committee.

Mr. WIDNALL. Mr. Speaker, some Members of the House may think that I speciously offered a substitute bill in connection with area redevelopment. This is certainly false. May I say this about my own district? I do not think it makes any difference in votes to me whether I am for or against area redevelopment. I do believe there is a specific problem in the United States toward which we can address our attention, toward which we should make some positive progress and toward which there should be a contribution by the American people as a whole. Because of that feeling, in the last Congress I supported a bill that was sponsored by the administration; now I have introduced a bill which will be offered as a substitute bill when we are in the Committee of the Whole, that will attempt to use the best that has come out of the subcommittee and the committee, taking out those sections we feel are not right, that

did not have a healthy approach toward solving the problem.

There are 15 differences between the bill that I have offered and the bill that came out of the House committee. Incidentally, the subcommittee did a fine job in considering the bill. There was intelligent work by Members on both sides of the aisle, and an attempt to reach an agreement, but there is fundamental disagreement with respect to a number of the sections.

In the designation of industrial redevelopment areas in the bill that I have offered, the authority to designate redevelopment areas contained in the first sentence of section 5(a) of the committee bill is eliminated. Under it, in the bill as reported, the Administrator can designate a whole State as a redevelopment area. Certainly if we believe that the chronically depressed areas, the ones we have talked about both in political campaigns and outside political campaigns, are to have effective support through this legislation, they should be pinned down, and pinned down to the areas that really need the help. The truly depressed areas should not have to share the benefits intended for them on any such basis as a statewide area.

In the proposed substitute bill the term "labor market area" is used in place of "areas." The Department of Labor Statistics has unemployment benefits on the basis of labor market areas. Therefore, we are using what seems to be an intelligent connotation of the area so it can be pinned down. Areas within a State can only be designated as redevelopment areas after the chief executive of the State has requested the designation be made. This preserves the States' rights in the making of such designation.

The criteria that must exist before areas can be designated as redevelopment areas are set forth. This will tend to assure that the assistance provided in the bill will be available for the hardcore depressed areas, which are the ones in greatest need.

The loans for rural areas are eliminated in the substitute bill. Why was this done? The members of the subcommittee itself and many members of the full committee, and I am sure many members of the House Committee on Rules, were not satisfied with the loose development of this section of the committee bill, with the failure to pin down programs to definite areas and to establish what can be done in rural areas. So in the substitute bill instead of $100 million for rural development work there is $500,000 that will be used to research and develop a feasible program that can be pinned down and directed in a direction that will give substantial assistance to the underemployed areas.

Other differences between the bill I have introduced and the bill reported by the House Banking and Currency Committee:

First. Plant loan funds by the industrial redevelopment areas—section 6(b).

In my bill, a 50-percent increase is provided in the loan funds available for the hardcore industrial depressed areas since that program can proceed on a sensible basis.

Since it is the apparent intention of the committee bill that there be at least a 15-percent State and local equity participation in plant loans, section 6(b)(9)(C) is amended to close a loophole under which, in certain cases, only a 10-percent participation would be required.

Second. Loans for public facilities—section 7.

In place of establishing a new, duplicating public facility loan program on a subsidized basis, provision in my bill is made for expanding by $100 million the existing public facility loan program in the housing agency with provisions for a priority for counties, cities, and other municipalities and political subdivisions in redevelopment areas. Such a program is on a nonsubsidized lending basis.

Protection is afforded against such loan funds being utilized in a manner to induce pirating of industry from other areas to redevelopment areas.

Third. Grants for public facilities.

This WPA-type program—section 8 of the reported bill—is completely eliminated from my bill on basic policy considerations as follows:

It is a foot-in-the-door start of omnibus Federal grant-in-aid legislation.

The eligibility criteria are virtually unlimited.

It could be used to foster unsound projects in that it would apply to a project for which there would be "little probability that such project can be undertaken without the assistance of a grant under this section."

Fourth. Termination of eligibility for further assistance—section 12.

Although no change is made in this section, nevertheless for the first time it would acquire real meaning because of the deletion of the broad area designation authority contained in the first sentence of section 5(a) of the bill as reported. Eligibility of an area is terminated when it no longer meets requirements for designation as a redevelopment area.

Fifth. Urban renewal—section 13.

A provision is added in my bill protecting against plant pirating in the use of this program in redevelopment areas. Somewhat similar protection was included in the bill S. 722 which was sent to the President by the last Congress.

Sixth. Occupational training—section 15.

Since this is the only help some of the unemployed in depressed areas will get out of this bill, the amount provided for occupational training in my bill has been more than doubled—increased from $4.5 million to $10 million.

The authorized appropriation is placed on a 1-year basis to force the coordination within that time of this new program with the existing vocational training programs of the Department of Health, Education, and Welfare.

Seventh. Retraining subsistence payments—section 16.

The amount is the same as the reported bill.

The authorized appropriation is placed on a 1-year basis to afford the Ways and Means Committee an opportunity to coordinate and possibly consolidate this program with the basic unemployment compensation program.

Recapitulation follows:

	Committee bill (S. 1 with amendments)	Widnall substitute (H.R. 5943)
Industrial areas plant loans	$100,000,000	$150,000,000
Rural areas	[1] 100,000,000	[2] 500,000
Public facility loans	[3] 100,000,000	[4] 100,000,000
Public facility grants	[5] 75,000,000	
Technical assistance	4,500,000	4,500,000
Subsistence payments	10,000,000	10,000,000
Occupational training	4,500,000	10,000,000
Total cost	394,000,000	275,000,000

[1] Plant loans with no guidelines as to where or how program would apply.
[2] Study to develop a workable program for rural areas.
[3] New, duplicating program on subsidized basis (3½-percent interest rate).
[4] Added authority to existing HHFA program with a priority for redevelopment areas. Loans not on subsidized basis (4½-percent interest rate).
[5] WPA-type program—wide-open eligibility including schools.

The substitute bill should be seriously considered and adopted when offered in the Committee of the Whole.

Mr. BOLLING. Mr. Speaker, I yield such time as he may desire to the gentleman from Minnesota [Mr. MARSHALL].

Mr. MARSHALL. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. MARSHALL. Mr. Speaker, the people who live in the towns and village of the Cuyuna Range in my district are greatly interested in the legislation before us today.

This area has suffered substantial and persistent unemployment and these communities are suffering real hardship. Unemployment has reached almost 13 percent of the available working force. According to the report of the Committee on Banking and Currency, this is one of the areas that meets the criteria for mandatory designation as a redevelopment area under the bill.

In this area, iron ore mining constitutes a major source of direct employment and income and provides an important basis for secondary employment in transportation, construction, and various services. Because of the geographic concentration of the industry in counties like Aitkin and Crow Wing, any change in manpower requirements is intensified within the counties rather than absorbed in the rest of the State's economy.

The committee has implied that the success of this bill will depend in large measure upon local initiative and local cooperation. I can assure the House, Mr. Chairman, that the people of the Cuyuna Range are prepared to assume their share of the responsibility for a constructive and coordinated attack on their own economic problems. With the assistance contemplated in this bill, they should have an opportunity to undertake programs to develop diversified industries which can stabilize the local economy.

The communities concerned have themselves given a great deal of study

and thought to their own problems. A Cuyuna Range Distressed Areas Committee was formed to develop all of the pertinent facts. This committee prepared for us a comprehensive report of economic conditions on the range and the potentials for improvement. Each conclusion was carefully documented by local sources.

Mr. Speaker, under unanimous consent I insert the summary of this report in the RECORD since it states in a clear and concise manner the case for Federal cooperation in this vital area. The documentary material which supports this summary has been included in the hearings on the bill:

REPORT OF CUYUNA RANGE DISTRESSED AREA COMMITTEE

PURPOSE OF COMMITTEE

To bring the facts concerning the present and probably future economic conditions of the Cuyuna Range before the Congress of the United States so a determination may be made as to whether the area will be eligible for aid under the provisions of Federal legislation.

PERSONNEL OF COMMITTEE

Robert R. Alderman, chairman, Brainerd attorney.

Howard Smith, vice chairman, Crosby merchant.

Harold Nyberg, Crosby miner.

Harvey Manning, Crosby merchant.

Fred Ferguson, district coordinator, State unemployment.

Frank Murphy, Crosby attorney.

Verner Anderson, Brainerd Chamber of Commerce, executive secretary.

Walter Hasskamp, Crosby miner.

Einer Anderson, county auditor.

Dick Lee, Crosby banker.

John Burgstaler, Crosby bulk oil dealer.

William Graham, First Federal Savings and Loan of Brainerd.

H. V. Johnson, Crosby merchant.

Gene Foote, Crosby realtor.

ECONOMIC HISTORY OF CUYUNA RANGE

The villages and towns within the area known as the Cuyuna Range were conceived when the mining companies began removing iron ore from the ground. Their continuing existence to date is solely because ore has been mined. There are no other industries in the area. For all practical purposes, there is no farming and cannot be because the soil is inadequate. While there are some lakes in the area, they are largely unsuitable for resort purposes.

With the advent of taconite and the use of high grade foreign ores in the middle fifties, mining operations on the Cuyuna Range have steadily decreased.

FINDINGS OF THE COMMITTEE

The committee has attempted to objectively determine the present economic condition of the area and what may be expected to develop in the future. These findings are based on actual surveys, interviews with people who can best advise on specific fields of endeavor, and undisputed facts.

(a) *Present and future employment at the mines*

To set a base for what constitutes "normal" as far as mining operations are concerned, the years 1952 through 1957 were used. The postwar boom had ended and the Nation's economy was generally stable.

For the past 3 years the output of ore tonnage has been approximately 50 percent of normal and the estimate of what 1961 will be is less than 33⅓ percent. Overburden removal will be 29 percent of normal.

The result will be that less than 50 percent of the families directly dependent on employment at the mines will not be called back to work. Those called back will work 3- and 4-day weeks. The total man-hours to be worked will be less than 36 percent of normal. There are strong indications that the estimated tonnage removal will be even less than what we estimate because even as this report is being completed, Pickands Mather, one of the large Cuyuna operators, announced the closing of Michigan underground mines.

All of the companies have drastically reduced or transferred their office, engineering, and management personnel. The usual preparatory winter work such as drilling and removal of overburden is nonexistent.

Unemployment is widespread, with approximately 13 percent of the available labor force working. Because of high average age of this labor force and because unemployment in Brainerd and other nearby towns is high, other employment in other areas is extremely difficult to attain.

Records of the Minnesota Department of Employment Security reflect that unemployment claims of workers in the Ironton and Aitkin offices (which service most Cuyuna Range workers) are increasing rapidly and will go even higher. Also, there will be a large increase in exhaustion of the amount available to the workers.

Funds available to supplement unemployment compensation, which the union administers, comes from the mining companies at the rate of 3 cents per man-hour.

This fund is rapidly dwindling so that within another month little or nothing will be available. Obviously, the fund cannot be replenished until work is available. This, coupled with the fact that unemployment compensation paid by reason of the large layoffs of July and August of 1960 will be exhausted early in 1961, means that many miners will be without funds of any kind.

As a result of this, the county welfare board is girding itself for a tremendous number of new claims for direct relief particularly for maintenance. Mr. Buth, who is the executive secretary of welfare, has indicated that almost all of the increases given for direct relief in the last 3 years has gone to the Cuyuna Range and that there is a direct correlation between direct relief granted and number of man-hours worked on the Cuyuna Range; although he couldn't support this conclusion without a great deal of work.

(b) *Derivative effect on "Main Street"*

Retail sales (except for staples) are down as much as 60 percent from 1957 and it appears the bottom has not been reached.

Accounts receivable continue to mount and average length of time before payment and delinquencies soar. Young married men who can't get work at the mines because of lack of seniority have to be satisfied with part-time odd jobs which cannot pay enough to sustain their families. Everyone is affected.

Real estate is not selling. Because office, engineering, and administrative workers are leaving, many houses are available without takers. Lower values result.

Area lending agencies are extremely wary of making home loans (exhibit H) and short-term personal and business loans.

For the past several years, a very hard working committee backed by an eager Cuyuna Range populace has been raising funds for a badly needed community hospital. An effort was made to qualify for funds under the Hill-Burton Act and all of the requirements were met, including local raising of funds. The application, however, has been rejected because the mining future of the area is uncertain and the mining companies have not contributed, but have taken a "wait and see" attitude.

(c) *Taxation*

Records of the Crow Wing County auditor show that in the last 8 years the percentage of taxes levied on minerals and mining property has decreased 10.9 percent. Expenses of operating the school districts, villages, and towns has increased and so the loss of mining tax revenue has increased the levy on nonmining property. This further depresses value of nonmining property and will make nonmining tax delinquencies larger.

(d) *Miscellaneous forecast*

There is no evidence that the mining companies plan to build plants which will process Cuyuna Range ore so that it can compete with taconite and high grade foreign ore. Economically, it is presently unsound to market the existing ore in normal quantities.

Unemployment will be widespread. Benefits under the unemployment compensation plan and under the union management contract will all but disappear. Businesses dependent on sales to the mining companies will not be able to operate. Retail stores will be in desperate condition. All segments of the area, which consists of over 10,000 people, will suffer.

CONCLUSIONS OF THE COMMITTEE

(a) The Cuyuna Range, consisting of roughly the easterly one-half of Crow Wing County, Minn., is presently in a perilous economic condition.

(b) That the area is a "one industry area" and the industry does not contemplate anything close to a normal year for 1961 or beyond.

(c) That the area has a large, able labor force presently unemployed.

(d) That the area is suitable for new industry.

(e) That Federal aid is of vital necessity at this time and for the foreseeable future.

Respectfully submitted.

CUYUNA RANGE DISTRESSED AREA COMMITTEE,
ROBERT R. ALDERMAN, *Chairman.*
HOWARD SMITH, *Vice Chairman.*

Mr. BOLLING. Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to.

RESIGNATION FROM COMMITTEE

The SPEAKER laid before the House the following resignation from a committee:

MARCH 28, 1961.

Hon. SAM RAYBURN,
Speaker of the House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: I hereby submit my resignation as a member of the Committee on Interstate and Foreign Commerce.

I consider it a special privilege to have served on this committee and will always follow with interest the contribution its members make to the legislative history of this and succeeding Congresses.

Sincerely yours,

WILLIAM H. AVERY.

The SPEAKER. Without objection, the resignation will be accepted.

There was no objection.

ELECTION TO COMMITTEES

Mr. HALLECK. Mr. Speaker, I offer a privileged resolution (H. Res. 239) and ask for its immediate consideration.

The Clerk read the resolution as follows:

Resolved, That the following-named Members be, and they are hereby, elected members of the following standing committees of the House of Representatives:

Committee on Interstate and Foreign Commerce: PETER H. DOMINICK, Colorado.

Committee on Rules: WILLIAM H. AVERY, Kansas.

The resolution was agreed to.

A motion to reconsider was laid on the table.

HOUR OF MEETING ON MARCH 29

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet tomorrow at 11 o'clock.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

AREA REDEVELOPMENT ACT

Mr. PATMAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 1) to establish an effective program to alleviate conditions of substantial and persistent unemployment in certain economically distressed areas.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 1), with Mr. Boggs in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Texas [Mr. PATMAN] will be recognized for 1½ hours and the gentleman from New York [Mr. KILBURN] will be recognized for 1½ hours.

The Chair recognizes the gentleman from Texas [Mr. PATMAN].

Mr. PATMAN. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, we have before us S. 1 with a committee amendment. This bill is designed to meet the problems facing communities which have suffered heavy and chronic unemployment. It provides for technical assistance and financial aids mainly in the form of loans from the Federal Government. This bill is truly a bipartisan bill in this, that the members of Subcommittee No. 2 of the Committee on Banking and Currency, held hearings for more than 2 weeks on this bill. Every member of that committee participated actively in questioning each and every witness. All the members participated in the writing and rewriting of this bill. The members of the minority party were very helpful in suggesting constructive amendments to this particular bill, and we accepted a number of amendments that were recommended by the minority members. They were good amendments and helped the bill. I feel this bill is really a bipartisan bill because the members of the committee from both sides of the aisle helped in writing it and caused it to be labeled the best bill of its kind that has come before Congress. You heard the speeches made here under the rule, and Members who are violently opposed to this bill admit it is the best bill of its kind that has been before the Congress. They all admit that the antipiracy provisions are as near perfect as it is possible to write them, and particularly in writing these provisions of the bill, we had the constructive help, assistance and guidance of the minority members for which we are grateful.

Let me say at the outset, this bill by itself is not intended to solve all of our problems. The primary reliance is still on private enterprise and local initiative. The purpose is to create conditions in which private industry will prosper. This bill will simply enable the Federal Government to meet its responsibilities toward these places and the people there who suffer from unemployment and underemployment.

Also, this bill is not primarily an antirecession measure. It is aimed at the depression conditions which exist in certain communities in good times and in bad.

This bill, if passed and administered properly, and it is as effective as we expect it to be, will probably render unnecessary the passage later of a public works bill. If we do not do something now to stop these pockets of unemployment and underemployment we are going to have such a clamor for a general public works bill that Congress will be compelled to pass it. The step we are taking here will probably render unnecessary—we hope it will—the passage of a general public works bill.

And may I invite your attention to the fact that in this bill the localities, cities, and States having industry now are protected in that we have adequate antipiracy provisions in this bill. But if you were to have a general public works bill there would be no antipiracy provisions; it would be a question of catch as catch can.

Mr. HIESTAND. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from California.

Mr. HIESTAND. I would like to ask the distinguished chairman of the subcommittee if in the deliberations of the committee on this bill there was any discussion or study or report on the causes of the depression in these areas?

Mr. PATMAN. Yes; most of our hearings were directed to the question the gentleman raises.

Mr. HIESTAND. Can the gentleman refer me to them?

Mr. PATMAN. Yes. I think you will find them in the hearings which are printed and available now.

Mr. HIESTAND. But not in the report?

Mr. PATMAN. Not in the report, but you will find the testimony in the hearings of all the witnesses. This subject was gone into rather fully.

Mr. REUSS. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. REUSS. I would call the attention of the gentleman from California [Mr. HIESTAND] to the sections of the report on pages 9 and 10 which are entitled "Causes of Localized Chronic Unemployment," and summarize some of the specifics. I think the gentleman will find it will constitute an answer to his question.

Mr. FLOOD. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Pennsylvania.

Mr. FLOOD. I would like to say to the gentleman that under the last five Presidents there have been special commissions appointed by the President; there have been committees of Congress; there have been special committees of each of the two Houses of Congress over a period of many years. There is in Washington today a vast library of the most complete, the most analytical, the most statistical and diagrammatic information imaginable on the basic, fundamental causes of these unfortunate economic tendencies.

Mr. PATMAN. I thank the gentleman.

Assistance provided by this bill is aimed at creating a net increase in employment and production. The bill explicitly states that none of the plant loans which would be provided are to be used to transfer jobs from one place to another. The idea is to enable communities which now have basic economic problems to share in our rising standard of living and our general uptrend in production and employment. Every year between $30 and $40 billion is invested in new plant and equipment by American business firms. On the average, about $7 billion of this is for new plants in new locations and create new jobs. With the technical assistance and the modest amount of financial aid in this bill, these hard-hit areas of substantial and persistent unemployment will be able to share fully in that tremendous flow of investment.

The program embodied in S. 1 is not a novel idea. Bills of similar intent and with generally similar provisions have been before the Congress for more than a decade. In fact, area redevelopment bills have passed both Houses of Congress on two occasions. In 1958, an area redevelopment bill was sent to the President but met with a pocket veto. Just last year, another bill passed the Congress but it too was vetoed. In spite of this, it should be kept in mind that the principle of area redevelopment legislation has been endorsed by the platforms of both parties. While there have been differences on the dollar amounts involved, there is no question on either side of the aisle that this is a serious problem and one which needs and deserves Federal attention.

The bill now before us embodies the administration's views on this subject. It is substantially identical with the bill, H.R. 4659, introduced by the distinguished chairman of the Committee on Banking and Currency, the Honorable BRENT SPENCE. The bill, with some amendments adopted in the committee, was reported by an overwhelming vote of 20 to 6.

It is indeed pleasing that now at last we can expect that an area redevelopment bill will become law and the program will get underway. The delays of the past have cost us dearly both in a cold dollars and cents calculation of the cost of unemployment compensation and relief payments and in terms of the much greater cost of human suffering and the waste of our resources. Over the years, the need for this legislation has increased. Many of the areas which would benefit have suffered unemployment and underemployment for more

than a decade. We have in the past witnessed dramatic changes in our economy and those changes are still occurring today. In fact, they are a permanent feature of our economy.

I do not believe that there is any need to go into an analysis of the economic changes which give rise to this problem. They have been spelled out in thousands of pages of testimony before congressional committees and they are summarized in our own committee report. Moreover, they have been directly experienced in the home districts of many of our colleagues here in the House today. These changes include dramatic technological improvements which have greatly increased efficiency and reduced the manpower needed in many lines of employment. We have witnessed a revolution in agriculture which has enabled us to produce recordbreaking crops with only a fraction of the number of workers once used for a lower level of production. We have witnessed similar revolutions in other lines, such as coal mining. Another important cause is the shift in demand, as for example, from coal to oil and natural gas for many purposes. Just in the past decade we have seen changes in military requirements from manned aircraft to missiles which has already hit hard at a number of communities where the manufacture of aircraft had built up to high levels under the pressure of World War II and the cold war. There is also a constant migration of industry. The classic example of this is the trend that began in the 1920's in the textile industry from North to the South. A recent newspaper story quoted that between 1949 and 1957 overall employment in textiles grew by 8 percent but employment in that industry in the 14 southern States grew by 40 percent. Now we are witnessing further changes in demand, technology and location that are resulting in the closing of plants in the South.

I hope it is well understood by now that this bill will not only benefit those communities which have chronic unemployment but will help the entire Nation. Every community in our country is dependent on other communities as markets for the goods and services which they produce. Obviously, no steel-producing center or auto-manufacturing center or household-appliance center exists just to serve a local market. They exist to serve the entire Nation and they need the entire Nation to buy their products. Anything that we can do to bring these many areas of low income up to the national norm will increase overall demand and make the entire Nation more prosperous. Moreover, the goods produced by areas which now have idle manpower will help to meet the needs of other communities. If we fail to help the growing number of areas which are suffering basic economic problems it might well lead to a serious slack in demand and a rise in layoffs throughout the economy. I am sure that most of my colleagues will recall how the depression conditions in agriculture served to undercut the markets of industry and was one of the factors that lead us into the great depression of the 1930's.

The need for Federal legislation to meet these problems is perfectly clear. This is not just a local problem but truly a national problem. Federal responsibility to combat unemployment was explicitly assumed in the Full Employment Act of 1946. Moreover, as I have said, both parties endorse the principle of Federal assistance to these areas. In our Nation the Federal Government cannot stand by and ignore the problems of any important segment of the economy. While it is private enterprise which must supply the jobs and the local communities which must supply the initiative, the Federal Government's role is still an important one. It can and it should supply expert advice and technical assistance to help these areas plan their own rehabilitation. It also must provide some credit and other financial assistance. It is obviously illogical to expect a community which has suffered high unemployment, and along with it the erosion of its own tax base, to finance its own redevelopment. If these redevelopment programs are to be realized, they will often need a little push through Federal financial assistance. The funds provided in this bill are in the nature of seed money. They will help to get redevelopment programs underway.

Mr. Chairman, I would like to summarize briefly the contents of this bill. S. 1 would create a new program under the Secretary of Commerce to help designated areas which suffer substantial and persistent unemployment or which have heavy concentrations of low income families and chronic underemployment.

Under S. 1, the Secretary of Commerce will designate as redevelopment areas those places which he determines have had substantial and persistent unemployment for an extended period of time. This will include those areas in which the rate of unemployment, excluding temporary or seasonal unemployment, is 6 percent or more; has exceeded the national average by 50 percent for 3 of the 4 preceding calendar years, or 75 percent for 2 of the 3 preceding years, or 100 percent for 1 of the 2 preceding years; and has averaged 6 percent or more during each of the qualifying years. The Secretary of Commerce will also designate as redevelopment areas those areas which do not meet the above requirements but which he finds are among the highest in numbers and percentages of low-income farm families and have substantial and persistent unemployment or underemployment.

According to the latest figures, 20 major labor markets and 83 smaller ones would be included in the requirement for mandatory designation. In addition, other areas, particularly rural places, would be designated according to criteria set forth in the bill.

These latter areas, the rural places, represent a major national problem. In some of them poverty and waste of manpower has persisted for many decades. The Secretary of Agriculture, in testimony given before my subcommittee, stated that the underemployment in rural areas is equivalent to the full unemployment of 1,400,000 men. That is, if our statistics could take into account the idle time of rural workers our unemployment today instead of being 5.7 million would be 7.1 million.

Mr. Chairman, the legislation we are discussing today can have a far-reaching effect in the rural communities and small towns of this Nation.

As we all know, technological change and mechanization have had a severe impact on our farm population. In recent years, many thousands of farm families have been forced to close up their farms and move to town in search of work. Other thousands of families have come to depend almost entirely on the income earned through work off the farm in nearby factories and other enterprises. The Census Bureau informs us that there are now 3.7 million farms in the Nation, a drop of more than a million in just 5 years. Yet in 1959 nearly half of all our farmers worked part time off their farms. And 3 out of 10 worked off their farms 100 days or more. About one-third of the income of farm people is now derived from nonfarm sources, principally jobs in local industry.

The point of all these statistics is that the growth of rural industries is of crucial importance to the Nation's farming families. Without local jobs and other nonfarm opportunities, to supplement their incomes, many thousands of farm families would be forced to sell out and join the migration to our already crowded cities.

The bill requires that an overall program for the economic development of a redevelopment area must be submitted to and approved by the Secretary of Commerce before financial assistance is made available under the bill. Any project for which financial assistance is sought must be consistent with the approved program. Appropriations of $4.5 million a year are authorized by the bill to provide technical assistance to redevelopment areas to enable them to explore methods of expanding their industrial resources. The Secretary may also furnish such assistance to other areas which need it to alleviate or prevent excessive unemployment or underemployment.

This economic program is a vital feature of the bill. By itself it will enable many communities to attract industry by presenting a reasoned case for the potential value of the area. Also, if it is found that Federal assistanc is needed, it will be a guarantee that the Federal funds will be put to a good use and not dissipated.

To help these communities get their redevelopment programs underway, the bill provides for Federal loans. These loans can be used for the acquisition of land, the construction of plant facilities and, in exceptional cases, for the purchase of machinery. They can have terms up to 25 years with a possible 10-year extension. The Federal grant cannot exceed 65 percent of the total cost with the balance to come from the local government or community organization and from private lenders. The interest rate is established by a formula contained in the bill which currently works out to 4¾ percent for a 20-year loan. The bill authorizes appropriation of $200 million for these loans, $100 mil-

lion for urban areas and $100 million for rural areas.

In addition, the bill recognizes that adequate local public facilities are essential to industrial expansion. Modern industry is highly dependent on adequate sewer and water facilities and other community works. However, many depressed areas cannot afford to expand under present conditions. In fact, they are often hard pressed even to maintain existing facilities. Here they are caught in a vicious circle—adequate public facilities are needed for industrial expansion but the community cannot afford these facilities until the expansion takes place. To overcome this problem, the committee amendment provides for Federal loans and grants. The loans could be for the full cost of the work and would be repayable over a term of 40 years with a possible 10-year extension. The interest rate would be based on a formula which fully reflects the actual cost of money to the Federal Government, plus one-fourth of 1 percent to cover expenses of administration. This is the well-known "college housing" interest rate under which the Federal Government has already loaned $1.6 billion. Currently it works out to 3½ percent. The bill authorizes $100 million for appropriation for these loans. In addition, the bill authorizes Federal grants to those communities which cannot provide the local public works entirely upon a loan basis. These grants are on an approximately 2 to 1 matching basis. They can cover up to 65 percent of the net difference between the total cost of a project and the loans raised from any source to finance the project. The bill authorizes the appropriation of $75 million to make these grants.

The bill also assures that the benefits of the urban renewal program will be available to depressed industrial communities. While that program is aimed primarily at clearing residential slums, there has been a growing recognition of the need to eliminate blighted business districts as well. Therefore, on past occasions, the Congress has authorized the use of a certain proportion of the capital grant authority for this program for nonresidential slum clearance projects. The committee amendment provides that not more than 10 percent of any future capital grant authority made available to the urban renewal program may be used for nonresidential projects in designated depressed areas. By this means these communities will be able to make available industrial sites and at the same time restore local tax bases and local revenues. Also, the bill extends the program of planning grants authorized by the Housing Act of 1954 to redevelopment areas.

A highly important provision of the bill is the aid extended for occupational training of workers in redevelopment areas. This would be highly fruitful in the long run. Many workers in these places are already skilled but the skills which they have acquired are no longer in demand. They need to learn new trades in order to find employment. To meet this need the bill authorizes annual appropriations of $4.5 million to assist State vocational training programs. Also, because in 45 States workers undergoing training are not eligible for unemployment compensation, the bill authorizes annual appropriations of $10 million for subsistence payments equal to the rate of State unemployment compensation payments.

The bill also makes permanent the authority for the Small Business Administration to make loans to local development corporations to finance construction or expansion of plants. Without this provision that authority would expire on June 30 this year.

All in all, this bill authorizes appropriations of $394 million, of which $300 million is for loans to be repaid with interest. Viewed in perspective this is a relatively small amount. It would be less than one-half of 1 percent of our total Federal budget. It is less than one-tenth of 1 percent of our total gross national product even in our present recession circumstances. It is far less than Congress has voted on many occasions for comparable aid to foreign countries. It is small, but it is extremely important. With this bill we will have a comprehensive and concentrated effort to end the suffering in areas of chronic heavy unemployment and add many times that amount to our total national output. Mr. Chairman, I know that many Members on both sides of the aisle will vote for this measure. I am hopeful that it will be approved by a substantial majority.

SUMMARY OF S. 1 (AREA REDEVELOPMENT ACT), AS REPORTED TO THE HOUSE

S. 1 establishes a new program to provide new employment opportunities in areas suffering substantial and persistent unemployment for an extended period of time, and in other areas which have heavy concentrations of low-income families and substantial and persistent unemployment or underemployment.

The bill provides for an Area Redevelopment Administrator in the Department of Commerce. The Administrator will be appointed by the President, subject to Senate confirmation and will perform such duties in the execution of the act as the Secretary may assign.

The bill requires that an overall program for the economic development of a redevelopment area must be submitted to and approved by the Secretary of Commerce before financial assistance is made available under the bill. Any project for which financial assistance is sought must be consistent with the approved program. Appropriations of $4.5 million a year are authorized by the bill for providing technical assistance to designated redevelopment areas to enable them to explore methods of expanding their industrial resources. The Secretary may also furnish such assistance to other areas which need it to alleviate or prevent excessive unemployment or underemployment.

Under S. 1, the Secretary of Commerce will designate as redevelopment areas those areas which he determines have had substantial and persistent unemployment for an extended period of time. This will include those areas in which the Secretary of Labor has found that the rate of unemployment, excluding temporary or seasonal unemployment, is currently 6 percent or more; has exceeded the national average by 50 percent for 3 of the 4 preceding calendar years, or 75 percent for 2 of the 3 preceding years, or 100 percent for 1 of the 2 preceding years; and has averaged 6 percent or more during each of the qualifying years. The Secretary of Commerce will also designate as redevelopment areas those areas which do not meet the above requirements but which he finds are among the highest in numbers and percentages of low-income farm families and have substantial and persistent unemployment or underemployment.

The Secretary of Commerce may make loans to purchase or develop land and facilities for industrial or commercial usage within redevelopment areas out of two $100 million revolving funds. The loan cannot exceed 65 percent of the project cost, and there must be reasonable assurance of repayment. The maximum term of the loan will be 25 years—with a possible 10-year extension. The interest rate will be determined under a formula which would work out at 4⅜ percent currently for 20-year loans.

The bill also authorizes loans to provide needed public facilities in redevelopment areas, out of another $100 million revolving fund. These loans may have a maximum term of 40 years—with a possible 10-year extension—and an interest rate of 3½ percent currently. To help provide public facilities in redevelopment areas that are unable to undertake them without grant aid, grants are authorized, to be made out of appropriations of not more than $75 million. The grant is limited to that portion of the cost which cannot be financed through loans. Before such a Federal grant may be made, a non-Federal source must provide a matching grant, in the proportion of 35 percent non-Federal to 65 percent Federal. Such loans and grants may be made only for projects that would improve the opportunities for establishing industries in the area.

The bill waives certain of the normal requirements of the urban renewal program, so that financial assistance may be extended under this program to clear sites in these areas for industrial and commercial development.

The bill also makes planning grants under section 701 of the Housing Act of 1954 available to counties and municipalities located in redevelopment areas. These grants are for surveys, land-use studies, and other planning work—excluding plans for specific public works.

Stepped-up programs for retraining unemployed workers in these redevelopment areas will also be provided. The need for such training will be determined by surveys conducted under the supervision of the Department of Labor. The actual training will be provided in the normal case by the State vocational education agencies, with assistance from the Department of Health, Education, and Welfare. Annual appropriations of $4.5 million are authorized for this purpose.

For unemployed or underemployed workers who are receiving vocational training under the bill and who are not receiving or seeking unemployment compensation, the bill would authorize payments equal to the State unemployment compensation payments, for up to 16 weeks. Appropriations of $10 million annually would be authorized for this purpose.

The bill also makes permanent the authority—now due to expire on June 30 of this year—for the Small Business Administration to make loans to local development corporations to finance construction or expansion of plants.

The following table summarizes limits on new money authorizations in the bill:

	Million
Plant loans (sec. 5(a) areas)	$100.0
Plant loans (sec. 5(b) areas)	100.0
Public facility loans	100.0
Public facility grants	75.0
Technical assistance (annually)	4.5
Occupational training (annually)	4.5
Retraining subsistence payments annually)	10.0

QUESTIONS AND ANSWERS ON THE AREA REDEVELOPMENT BILL

Question. What is the purpose of this bill?

Answer. The bill provides Federal financial assistance and technical aids to supplement the efforts of State and local government and private enterprise to cure the economic problems which have resulted in high and chronic unemployment in good times and in bad in certain communities.

Question. About how many areas are involved?

Answer. Under the terms of the bill, 20 major labor market areas and 83 smaller ones would automatically be eligible for assistance. In addition, an undetermined number of rural areas and some additional urban areas would be designated according to the guidelines set forth in the legislation.

Question. Why is it that these places suffer from unemployment even when the national economy is prosperous?

Answer. There are a number of reasons. Broadly speaking, these reasons include technological change such as the shift of railroads from coal to oil; migration of industry such as the movement of the textile industry from the Northeast to the South; depletion of resources as in the case of some timberlands, coal and iron and other ores; widely fluctuating seasonal employment requirements as in the case of tobacco manufacturing centers; and overdependence on a single crop or on farming in general as in many rural areas, particularly in the Southeastern States.

Question. What Federal aids are provided by this bill?

Answer. The bill would provide financial assistance, primarily loans, technical assistance for local economic programs, and vocational training help. In more detail, the bill would authorize for appropriation $100 million for loans for industrial and commercial facilities in urban depressed areas; $100 million for such loans in rural areas; $100 million for loans for local public facilities; and $75 million for partial grants, if necessary, for local public facilities. In addition it would authorize annual appropriations of $4.5 million for technical assistance, $4.5 million for occupational retraining, and $10 million for subsistence payments to those receiving technical retraining.

Question. Why is Federal aid needed?

Answer. The very fact of depressed economic conditions makes it difficult or impossible for local efforts to provide the money or raise the credit needed for the rehabilitation of existing plant facilities or the construction of new ones, and outside private capital is often reluctant to go into these areas. Moreover, there is a need for coordinated efforts in developing local economic programs and to provide workers in these areas with new skills.

Question. Can we afford this program?

Answer. There is every reason to expect that this program will return a profit to the Treasury in the long run. Even apart from our moral responsibility to those suffering from unemployment—a responsibility expressly assumed by the Full Employment Act of 1946—a cold dollars and cents analysis will probably show a profit. For one thing, the bulk of the funds provided are for loans to be repaid with interest. The successful operation of this program is bound to increase the revenues of every level of government—local, State, and Federal. Offset against this is the fact that there is a heavy cost for failure to take action. There are direct outlays for unemployment compensation and relief payments to the unemployed and the hidden costs of lost production.

Question. How do we know that the money will actually accomplish something and not be wasted?

Answer. Experience under local programs, such as those in Pennsylvania where local development groups and the State have worked together, shows that if credit is available much can be done to bolster the economic bases of these depressed communities. Moreover, before any financial assistance is extended under this program, the community must work out a general economic development program for the approval of the Secretary of Commerce. This program will have to show that there is good reason to believe that the aid sought will make a meaningful contribution toward long-term economic improvement for the area. If the economic program does not convince the Secretary, he will not authorize Federal loans and grants under the bill.

Question. Will this program take the place of local efforts?

Answer. This program is designed to assist and supplement local efforts, not take the place of them. The initiative for loan and grant assistance under this program must come from the community level.

Question. Why can't, or why doesn't, private enterprise restore these areas without Government aid?

Answer. Actually the program ultimately relies on private enterprise to provide the long-run solution to chronic unemployment in these places. The benefits provided in this bill are all aimed at creating conditions in which private enterprise can flourish. This includes not only the industrial loan funds but the assistance for community facilities and the aid for retraining workers.

Question. Will this aid be used to transfer plants from one place to another?

Answer. Absolutely not. There is a flat prohibition in the bill against using these loans to assist establishments relocating from one area to another. The program rests on the fact that billions of dollars are spent for new plant facilities every year in new locations. Given a modest amount of assistance to efforts of local community and business leaders, there are many opportunities to develop new employment opportunities in these areas for the benefit of the entire country.

Question. Why should the Federal Government finance plants in these areas; can't they get credit from private sources if they are sound?

Answer. The bill requires that there must be some private investment in every project financed with Federal help under the plant loans section. The Federal loan cannot exceed 65 percent of the project cost. Experience in Pennsylvania with this sort of program indicates that in many cases private investors or the State, or both, will provide 50 percent or more of the funds needed. Federal loans are limited to the amount which cannot be obtained from other sources.

So if private credit is available, on reasonable terms, it will be used. But in these areas credit tends to be tight, especially in areas which have already strained every resource to help themselves, so they must turn to the Federal Government for the additional credit they need.

Question. Is there enough money in the bill to do the job?

Answer. The financial assistance provided in this bill should be regarded as "seed" money. It is not expected to do the whole job itself. Primary reliance will continue to be on private enterprise. The assistance in the bill is aimed at getting local economic development programs underway.

Question. Will all of the designated areas share in these aids?

Answer. Probably all of them will benefit one way or another from the technical assistance and other aids in developing local economic programs. However, not all of them will need the financial assistance. Financial assistance will be extended only if the local economic program shows its need and if application is made for a project which the State and the Secretary approve.

Question. How will this help areas not designated as eligible?

Answer. Anything that can be done to improve employment and incomes in these places will increase total demand. In our closely interrelated economy every area is dependent on other areas for markets for the goods and services produced. Helping these depressed areas will mean the sale of more cars, more appliances, and other products. By the same token, if nothing is done, the lack of buying power in these areas may undercut general business activity and result in unemployment and stagnation in other communities.

Question. Wouldn't it be better if the people moved out of these depressed communities?

Answer. Actually a substantial amount of migration is taking place from these communities, but this is not an adequate answer to the problem. For one thing, many families, particularly older workers, are unwilling or unable to cut their ties from home and friends and move to strange communities. Moreover, business firms are often unable to move their investment out of the community except at a substantial loss.

A particular problem which shows the weakness of migration as a solution is the fact that many workers who have moved to another city to find employment, often leaving their family behind, discover that they have no seniority for job security in the new place. They are among the first laid off and often have no recourse but to return home.

In a broader view, our country can ill afford the abandonment of the tremendous investment in schools, roads, homes, industry and commercial buildings, and the like, which would be entailed by wholesale abandonment of these communities.

Question. Is area redevelopment legislation a new idea?

Answer. It is not. Bills for this purpose have been before the Congress for several years and in fact two of them have passed but met with Presidential vetoes. However, the basic principles of area redevelopment legislation have bipartisan support and have been endorsed in the platforms of both parties.

Question. Why is aid for public facilities necessary?

Answer. Adequate public facilities, particularly water and sewer works, are highly important to industry expansion. However, many of these communities are unable to finance them on their own. High unemployment poses a heavy burden of relief

assistance while at the same time tax sources are eroded. Therefore, the bill provides for Federal loans and, where necessary, partial grants to finance local facilities which will improve the opportunities for business growth.

Question. Is the interest rate for these public facility loans a subsidized rate?

Answer. There is no subsidy involved. The rate is based on the average interest paid by the Treasury on the outstanding public debt plus one-quarter of 1 percent. Currently this means an interest rate of 3½ percent. It is the same rate as applies now to college housing loans.

Question. Can't these communities borrow more cheaply on their own?

Answer. Because of the Federal tax exemption on the interest on local bonds, it will be possible for some communities to borrow more cheaply on their own and where this is true, the bill directs them to do so. Federal loans may be used only where the community cannot borrow more advantageously through their own securities.

Question. What do you mean by "underemployment"?

Answer. In our industrial areas, people normally have a full-time job or none at all. But in rural areas, many farmers must have part-time jobs off the farm to earn an adequate living. In 1959, nearly a third of our farmers worked off their farms 100 days or more. There are hundreds of rural counties where these part-time jobs are not available, and farmers cannot earn adequate incomes. These are the "underemployed" who must be helped.

Question. What is the extent of underemployment in rural areas?

Answer. Secretary of Agriculture Freeman testified that "There is enough underemployment each year among workers 20 to 64 years of age who live on farms to equal a full year of unemployment for 1,400,000 workers. That is to say—if we did not have so many people underemployed in agriculture, the Nation would have roughly 1,400,000 more unemployed workers than are currently reported."

Question. How does underemployment affect farmers' incomes?

Answer. More and more farm families are found in the lowest income group—the lowest one-fifth in the Nation. In 1959, 36 percent of farm families had incomes below $2,000.

Question. How will the bill help these rural areas?

Answer. The same aids are available for these areas as for industrial areas, except, of course, for the urban renewal assistance which would not be applicable. There is a special revolving fund of $100 million for industrial and commerical projects in rural areas, and the $75 million public facility grant fund will probably be of particular benefit to our smaller towns.

Question. What would be the impact of the vocational training program in a rural area?

Answer. Many workers, particularly younger ones, want to enter trades and occupations other than farming. The vocational training provision of the bill would be an important added resource providing such individuals with opportunities to learn new skills.

Question. Why isn't the existing rural development program enough?

Answer. The rural development program through regular agricultural agencies is providing help to local business, farm, and other individuals to permit economic development. The area redevelopment bill would provide intensified assistance with additional resources and broader scope for designating rural areas. Under this bill some local development programs would have additional capital for industrial development; vocational training programs would be speeded up; and the technical assistance provisions would provide additional resources for basic economic studies and technical advice in special agricultural, industrial, and marketing development projects.

Question. What urban renewal aids are provided for?

Answer. Under the urban renewal program, the Federal government can make grants to communities to pay up to two-thirds of the net cost of clearing slum areas. While the program is aimed primarily at residential blight, a certain amount has been authorized for redeveloping blighted business areas. The bill waives certain requirements of the regular program to make sure that depressed industrial areas can take advantage of this assistance.

Question. Why is this urban renewal aid important?

Answer. First, it will make it possible for communities to provide sites for industrial development. Secondly, by clearing away rundown business districts and replacing them with new plants and offices, the community's tax base will be strengthened.

Question. How will the Department of Labor decide what type of training is needed in redevelopment areas?

Answer. The basic information will be gathered through the State employment security offices. There are now 1,800 of these offices throughout the country, operating at the grassroots level. They have had 25 years' experience, working with the Department of Labor and community groups, in gathering information about the labor force, including the information needed to determine what types of training can result in useful jobs for idle workers.

Question. Can you accomplish much with retraining?

Answer. Yes. This may prove to be one of the most constructive features of the bill, because it should provide permanent solutions to the occupational problems of many people. There are vacancies even in depressed areas which men or women with special skills can fill. This is evident from success in placing graduates from some of the technical vocational schools. Moreover, if the unemployed do get specific training, they may find it easier later on to get jobs in some other nearby communities.

Question. Who will conduct the training?

Answer. Here again, existing State and local agencies will be used, for the most part. There is a well-established Federal-State vocational education training program. This will be expanded under the bill, with increased Federal assistance to the State vocational education boards for stepped-up training in redevelopment areas. There will also be some on-the-job training. Occupational training under the bill will require cooperation among the various representative groups in the community—the school system, the employment service, management, and labor—both in appraising the skills that are needed and in helping to plan realistic training courses for those skills.

Mr. Chairman, the gentleman from New Jersey [Mr. WIDNALL], has announced that he will offer his bill (H.R. 5943) as a substitute amendment for the committee bill.

The Widnall amendment increases plant loans for industrial areas by 50 percent. At the same time, it narrows the criteria for designating these areas, and completely eliminates aid to rural areas. It also eliminates, or makes unworkable, or puts a 1-year expiration date on most of the other assistance offered by the bill, including assistance for public facilities, urban renewal, and occupational training.

The farm areas would be cut out completely, and told to settle for a $500,000 study of their problems. Their problems have been studied for years. They need action, not more study.

Also, grants for public facilities would be eliminated completely.

The rest of the damage would be done in the name of "coordinating" the new program with existing programs. In the case of public facility loans, this "coordination" results in forcing the chronically depressed areas to seek assistance under a 6-year-old program which has accomplished very little. Chronically depressed areas, as well as the less-hard-hit "areas of substantial labor surplus" have a priority today for assistance under this program. But the interest rate has been so high it has been of little value. But, for what it is worth, it is available today, for depressed areas as well as more prosperous communities. The Widnall amendment would impose a completely unworkable "antipirating" restriction on this program; a restriction that even the Eisenhower administration opposed. The result would be that there would be no more public facility loans for any community, depressed or not, if the Widnall amendment were adopted.

An even stranger result would follow for urban renewal. Under the Widnall amendment, the same "antipirating" restriction would be placed on urban renewal assistance for chronically depressed areas, but not for prosperous cities who can get assistance under the regular program today for clearing industrial slums.

Again in the name of "coordination," the Widnall amendment would terminate assistance for occupational training after June 30, 1962. The same death sentence would be imposed on subsistence payments for workers being trained.

Under unanimous consent I include in the RECORD at this point a more detailed discussion of these points.

ARGUMENTS AGAINST WIDNALL SUBSTITUTE (H.R. 5943)

First. It eliminates help for rural areas.

The Widnall amendment increases plant loans for urban areas by 50 percent—$50 million—and eliminates or makes unworkable most of the provisions which would help farm areas. It eliminates completely the committee bill's authorization of $100 million for plant loans in rural areas, and the $75 million authorization for grants of public facilities, which would be particularly helpful to smaller communities in outlying areas.

Instead, the farmer is told to be content with a study. The problems of underemployment in rural areas have been studied for years; it's time to act.

The committee bill is criticized because the criteria for designating rural areas are "loose and meaningless." And yet last year, when specific criteria were specified, they were attacked because they showed the South had the highest concentrations of low-income farm families and low-income farms. This bill has seven criteria for designating rural areas, and the Secretary of Agriculture has testified that they will work well. See appendix B, page 19 of the committee report. The data for underemployment in rural areas are not as

advanced as the data for unemployment in industrial areas, and so the criteria for designating rural areas must be more flexible. But we shouldn't penalize the farmer for defects in our statistics. The Department of Agriculture has enough data now to identify some of the worst areas. They are now studying the results of the 1960 census and will shortly have available more information to round out the picture. There is no need to wait for some indefinite time in the future to do something about this problem. The problem is here now, and we have enough information now to go ahead with a solution.

The Secretary of Commerce yesterday wrote a letter to Hon. BRENT SPENCE, chairman of the Banking and Currency Committee and author of the committee bill, urging again that the rural areas be allowed to participate in this new redevelopment program. I quote from the Secretary's letter:

> The bill which is now pending before the House contains provisions for loans in both urban and rural areas. It is my firm opinion that we should certainly deal with both the rural and urban economic problems which now confront many areas of the Nation. I see absolutely no justification to attempt to deal with one to the exclusion of the other—I see no justification, for example, for the deletion of the provision for rural assistance in order to concentrate soley on urban areas, as has recently been suggested. I recommend and urge that the basic proposals contained in S. 1 for both rural and urban assistance—as reported by your committee—be approved by the House.

The National Grange testified that from the long-range standpoint, this bill could be one of the most important pieces of agricultural legislation of the 87th Congress. The National Farmers Union and the National Rural Electric Cooperative Association also enthusiastically support it.

Second. Its antipirating provisions are unworkable and actually penalize depressed areas.

The committee bill has a general statement of policy to the effect that the bill is to be used to create new job opportunities—as opposed to transferring jobs from one place to another—and it has a specific prohibition against pirating in the plant loan section. This prohibition will work for plant loans, because when a plant loan is made, you can normally identify the business that will occupy the plant, and you can make sure that no one will be thrown out of work as a result. The Widnall amendment is identical with the committee bill in this respect.

But the Widnall amendment requires an impossible finding before urban renewal aid is given to clear a site in an industrial depressed area. No one can tell before a site is cleared who will move in to use the cleared land. And yet the Widnall amendment requires the Housing and Home Finance Administrator, before authorizing urban renewal help to clear the site, to determine whether it will assist business establishments in relocating, totally or partially, from one area to another. The Eisenhower administration opposed any such requirement, on the ground that it could not work—hearings on area redevelopment before Subcommittee No. 3 of the Banking and Currency Committee, 1959, page 443. The Widnall amendment would impose this unworkable requirement on aid to depressed areas, when no such requirement is imposed today under the regular urban renewal program on aid to prosperous cities.

The Widnall amendment also imposes the same unworkable restriction on public facility loans. But at least in this case, the amendment is consistent. It not only imposes the requirement on depressed areas, but it also imposes it on other more prosperous communities. Depressed areas as well as other communities can get assistance under the program today without being faced with this particular roadblock. The amendment makes sure that no community, depressed or not, will be able to get a loan under the public facility loan program.

Third. It would mean high interest rates on public facility loans. The Widnall amendment coordinates the public facility loan provisions of the bill with the existing public facility loan program. While the amendment does not specify the interest rate for these loans, the interest rate on this loan program has traditionally been so high that the program has been of very little value. Currently, the rate is 4⅛ percent for general obligation bonds, and 4⅜ percent for revenue bonds, with 30-year maturities. The Dow-Jones index on yields on tax-exempt municipal bonds, by comparison, has been averaging about 3½ percent in the last week, according to the Wall Street Journal of Monday, March 27, 1961. You cannot expect a loan program to give any real help to depressed areas if it is priced that far above the market. The committee bill produces a rate close to the market: 3½ percent.

It is claimed that the committee bill provides for a subsidized interest rate. And yet it is based on the average rate the Government pays on all its borrowing, plus a quarter of 1 percent to cover administrative expenses. An identical interest rate now prevails in the college housing loan program, and a lower interest rate is in effect for REA loans.

Fourth. Occupational training would be terminated June 30, 1962.

Despite the fact that even the opponents of the committee bill are conceding that occupational training would be one of the most valuable tools for helping depressed areas, and despite the fact that the Widnall amendment actually increases the authorization for appropriations for this purpose during the first fiscal year, it terminates this program on June 30, 1962, by limiting the authorized appropriations to fiscal year 1962.

The reason given for this death-sentence is that this will "force coordination within that time of this new program with the existing vocational training programs of the Department of Health, Education, and Welfare." The committee bill, of course, provides for just such coordination. It provides that these training programs will normally be set up by the Department of Health, Education, and Welfare, through the State vocational education boards. It is hard to see how improved coordination will be achieved by killing the program after 1 year.

Similarly, the Widnall amendment kills off the retraining subsistence payments after 1 year. The reason given is that this will allow the Ways and Means Committee to "coordinate and possibly consolidate this program with the basic unemployment compensation program." The fact is that these training payments are needed because under State law in 45 States unemployed workers are denied unemployment compensation while they are in training because they are not "available for work." This is a matter of State law which the Ways and Means Committee has no control over. But even if the Ways and Means Committee does have some plans to provide a better program next year, there is no reason to impose a death sentence on this program. It will be entirely feasible to enact improvements, if they are developed, without such a death sentence.

Fifth. It eliminates grants for public facilities.

The public facility grants authorized in section 8 represent but a small portion of the committee bill in terms of dollars, but they could prove the most important part of the measure to those areas which qualify for them. Grants are to be made only in situations of extreme need. There will be a few places in the United States where all the energy and resources of local people will not suffice to attract a project vitally needed to strengthen the community's economic base.

The margin between failure and success might be very small, and Federal grants could be the only lever to lift community resources to a level where new enterprises can make a beginning. If all sources of financing, together with Government loans, are fully explored and found insufficient to meet a fully demonstrated need, then we should have in reserve at least the limited authority for Federal grants provided in the committee bill.

The proposal for grants in the committee bill is modest and well protected against possible abuse or waste. Section 3(e) authorizes a total appropriation not exceeding $75 million for public facility grants, and subsection (b) establishes four safeguards. These specify that grants shall be made only after the maximum local contribution has been made and found insufficient, only where the need is urgent and could not be otherwise undertaken, only for projects that assure permanent benefits, and finally, only for projects that are consistent with the approved development program. In any case, a matching State or local grant, equal to roughly half the Federal grant, will be required as a minimum.

Mr. Chairman, I desire to answer some of the statements that will be made and I therefore reserve the remainder of my time.

Mr. KILBURN. Mr. Chairman, I think this bill will do more harm than good. I do not think it will take care of the depressed areas of our country, which, of course, is what we all want to do.

Mr. Chairman, I yield such time as he may desire to the gentleman from Connecticut [Mr. SEELY-BROWN].

Mr. SEELY-BROWN. Mr. Chairman, this bill is certainly the best bill as such that has been reported by the committee covering this particular subject. Personally I feel that the Widnall suggestion, the Widnall amendment, or the Widnall substitute is even a better approach, therefore I expect to support the Widnall amendment.

Mr. Chairman, I am for Federal assistance to help those areas of our country which want and need help to recover from chronic unemployment and underemployment. This assistance should, to be effective, provide some long-range improvements in our economy. It is not intended to be a part of a program to help relieve a recession.

The list of those communities which apparently would qualify for Federal assistance includes three areas in Connecticut, one of which is in my district, which have lost jobs and which have been striving, with some success, through local and State efforts, to bring in industries that will provide new ones.

A helping hand for these communities and others like them, from the Federal Government is in order, to put more beef behind those who already have their shoulders to the wheel, and by which there is reasonable expectation that the job-producing complex can be put back on the track.

It was to help these communities that, during my previous service in Congress, I advocated and supported legislation for the assistance of depressed areas. I am eager to help them now.

The best way to do that, I am convinced after a thorough study, is to pass the Widnall substitute for S. 1.

The Widnall bill, H.R. 5943, which my friend from New Jersey [Mr. WIDNALL] introduced on last Friday, will provide more loan assistance—50 percent more—for the construction of plants in truly depressed areas, it will provide more than double the amount of funds allocated for occupational training and retraining, and it will do all of this at a cost which will be a third less than the cost under S. 1.

Under the Widnall substitute, it is estimated that the cost will be $275 million; but the committee bill will cost the taxpayers at least $394 million.

Since the substitute which is now before us was introduced as an original bill last week by its sponsor, the gentleman from New Jersey [Mr. WIDNALL], and printed copies of the bill have been available for several days, it is unnecessary for me to go into a detailed comparison of the provisions of this bill with the committee bill.

There are some highlights about it, however, which should appeal to all Members of the House.

For loans, on a nonsubsidy basis, too, it should be pointed out, for the construction of plants in redevelopment areas, $150 million is provided in the Widnall substitute, as against $100 million in the committee bill.

For occupational training, which is the only help some of the unemployed in depressed areas will get out of area redevelopment legislation, $10 million is provided, which is more than double the $4.5 million in the committee bill. The Widnall bill provides the same amounts as the committee bill, for technical assistance to redevelopment areas and, for subsistence payments during retraining.

Not only is the overall total of loans authorized increased in the Widnall bill, as compared with the committee bill, but the truly depressed areas will not have to share benefits intended for them with areas which might include an entire State under the broad authority to designate redevelopment areas contained in the committee bill.

The Widnall substitute uses the term "labor market area" instead of "area," which appears in the committee bill, because Department of Labor statistics on unemployment are tabulated on this basis, and by using this term in the legislation before us, there will be correlation between the areas designated and the areas for which unemployment information is available.

In the Widnall substitute, a redevelopment area can be designated as such only after the chief executive of the State has requested such designation, so that the rights of the States are protected.

The loose and meaningless criteria for designation of rural development are eliminated. Under the committee bill, although it was evident from the testimony at the hearings that nobody had the faintest idea how it would work, half the counties in the country could be designated as redevelopment areas, and even Indian tribes are included.

The Widnall substitute gets down to earth on rural redevelopment, by removing the $100 million loaning capacity, and allotting $500,000 for a study by the Secretary of Agriculture so that he could come up with some kind of a workable program for rural areas for redevelopment.

The substitute bill also eliminates the duplication in authority to make loans for communtiy facilities. The Community Facilities Administration of the Housing and Home Finance Agency already has full authority to make loans for all kinds of communities. The Widnall substitute takes out of the bill before us the $175 million for public facility loans and grants, and adds the $100 million for public facility loans to the Community Facilities Administration authority, with a priority for redevelopment areas.

The Widnall substitute makes 15 changes in the committee bill.

They are changes which are constructive, and which strengthen the bill. They would provide more dollars for redevelopment than the committee bill. They would provide the framework for adding jobs in areas where they are most needed.

I hope the substitute bill will be passed by the House, in place of the committee bill.

Mr. KILBURN. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. HARVEY].

Mr. HARVEY of Michigan. Mr. Chairman, I am opposed to S. 1 as it was reported out of committee and as Mr. PATMAN has presented it today. I would like to make clear at the outset that the purpose of this legislation is commendable, and as a Member of Congress from Michigan, one of the States to be affected by this legislation, I, too, desire to lessen human suffering and to get people back to work in these economically distressed areas. Contrary to what some people might say, there should be no question of whether our Federal Government should act to alleviate this type of unemployment, but rather only a question of how the Government should act. I certainly agree that not enough praise can be said for the many fine people in these areas who have tried diligently to help themselves out of their predicament, where natural resources have been depleted or industries have left. I do not mind saying that I have come to admire my colleague from Scranton, Pa., who sits on the same side of the aisle as I, and who in my mind probably best personifies the tremendous efforts of planning on the part of these communities to help themselves.

I do not believe, however, that this bill, the Spence bill, or now referred to as S. 1, is the proper legislation to put these communities back on their feet. It is important to remember that what we are trying to do is to give industry an incentive to build new plants and thereby create new jobs in these areas. This legislation starts with the erroneous assumption that there are numerous companies ready and willing to move into one of these depressed areas just as soon as arrangements can be made to find them a site and build them a plant. In other words, it is based upon the premise that the extension of credit is the key factor in the expansion of industry. I call to your attention that we have ample plant space in Michigan already built and unoccupied at the present time, and ours is only one instance where that is true. My point is that the extension of credit to build a plant is only one of many factors that persuade an industry to expand an existing plant, or to build a new plant. There are other factors just as important. These include the type of labor, markets, materials and services, transportation, as well as the local government and an intangible factor often referred to as business climate. During the subcommittee hearings on this subject, one of our witnesses testified that not more than 350 new plants a year are created. The representative of the U.S. Chamber of Commerce stated, and this should be obvious to us all, that there are already thousands of these industrial development agencies competing for these few new plants that are constructed each year. I call to your attention that almost all of these are presently advertising 100 percent financing for new plants. Quite properly then, we should conclude that credit is only one factor in locating a new industry.

I believe that it is imporant for Congress to recognize that there are other incentives to bring about the expansion of industry and the creation of new plants that are more important than simply extending credit. I know that I am digressing from the bill before us, but let us look for a minute at our policy

with regard to depreciation of plant machinery and equipment. We only have to look to the north, to Canada, to see the tremendous growth of that economy in the next decade. Again, we need only look abroad to Europe to see the growth of these countries. It is time that we in Congress should change our thinking with regard to depreciation for tax purposes. We must begin thinking in terms of "useful life" of machinery rather than in terms of "physical life." We must think in terms of "replacement cost" and not "original cost." Inasmuch as I have introduced a bill which would make these changes in our tax laws, I was very happy to see an article recently appearing in one of the newspapers in my district quoting President Kennedy as "renewing his pledge to quickly receive tax reforms to help business update its plants." These simple changes in our tax laws I submit to you will do more toward bringing about new plants and new jobs than any depressed areas bill such as you have here.

Getting back to the Spence bill that we have before us, however, I would like to talk to you briefly about those features of the bill which I believe have merit and those features to which I object.

First. The industrial loan provision, section 6(a): There was testimony in our hearings that some of the areas who have been conducting these industrial development programs, for more than a decade, have been having difficulty raising local funds. Now I do not deny that extending credit for construction of a plant is some incentive to industry to expand. I do say, however, that the capital you are providing under this system is minor by comparison to the overall need. In other words, you are doing this the hard way. Much more capital for expansion would be provided by a realistic depreciation policy for tax purposes. The effects would be felt by industry immediately, as well.

Second. The retraining provision in section 16(a): The testimony at our hearings indicated that some States have conducted very worthwhile retraining programs. I read only last week of a very successful retraining program conducted by the Armour Co. and its union in Chicago without any help from the Federal Government whatsoever. I believe that retraining makes sense. I say so because rather than for a person to just sit idly by and receive unemployment benefits, I would much prefer to have him learn something at the same time. However, I call to your attention that no reasons have been shown why all of the States have not been conducting such retraining programs, nor if the Federal Government is to get into the act, why the retraining program should not be tied in with the legislation we just passed to extend unemployment compensation benefits for an additional period of time. We in the minority of the committee feel that although these features of the bill have some merit, they can better be accomplished by the methods which I have described to you.

The objectionable features of this bill in my judgment far outweigh any benefits rendered. One of the most objectionable features is certainly section 5(b), "rural development areas." No one knows what areas these are. Everyone agrees that complete discretion in designating these areas is invested in the Secretary. Listen to what Mr. Hodges and Mr. Freeman have to say:

> Secretary HODGES. I agree with you that it is not as clear cut as would be desirable, and when you are dealing with a rural area it is not as specific, of course, as you have in your urban area. We would have to lean very heavily on the Secretary of Agriculture and his agency for their recommendations. We would have our own people doublechecking it to be sure of it.
>
> Mr. SCRANTON. In other words, there is no limitation, as you see it, in the criteria as to number; is that correct?
>
> Secretary FREEMAN. No, sir; I think this allows discretion as to that on the administrator.

Certainly, having these statements of Secretary Freeman in mind, we cannot justify handing over to him $100 million and let him determine wherever he wants to spend it.

Another equally objectionable feature of this bill is the provision for loans and grants for the construction of public facilities. Granting that public facilities are another factor considered by industry in locating a new plant, I point out to you that there are numerous communities throughout our Nation with such public facilities already constructed and with credit readily available, but which have, so far, been unsuccessful in attracting new industry.

As far as loans for public facilities are concerned, I call to your attention that the need has not been shown and, second, that we would be duplicating existing machinery. I say no need has been shown because, as we have set forth in our minority views, most of the areas have excellent credit. They are borrowing money as well, or better, than our Federal Government. I say that there is a duplication of machinery because we are already loaning money through the HHFA, the Community Facilities Administration, to communities all over the Nation for all types of public works projects. Just listen to this letter written to one of our communities from the HHFA, practically begging this community to borrow money to build any kind of a public works project:

> Other policies which in the past restricted public facility loans to water, sewer, and gas projects have also been changed to provide financing for all types of public works, except schools, which the community is interested in placing under immediate construction.

Even a more objectionable aspect of these public facility loans, however, is the fact that this bill includes a subsidized interest formula. This is preposterous as far as I am concerned. Having just finished serving as mayor in Saginaw, Mich., a town of 100,000 persons, I say to you that I do not believe that any of our citizens, nor any in the United States, expect our Government to lend money at a lesser rate than they can borrow it. This just does not make sense. Only this last week our Federal Government converted some obligations for 3 to 5 years and paid from 3.98 percent to 4.09 percent interest. How can we then justify lending at 3½ percent? Not even Secretary Hodges asks this. Here is what he says:

> I don't think it will make too much difference, sir, what communities could borrow money for because, keep in mind, you are dealing with communities that are in tough situations where money or credit is often not available at any interest rate.

Section 8 of the proposed bill, which provides for $75 million in grants for public facilities is just as objectionable. I heard it said that this bill would forestall the need for a huge public works program. On the contrary, that is just what this section of the bill is. A public works program cannot be justified on the basis of need. What are the communities in our district going to say who have already paid for these public facilities when they see our Government building them for free next door? Keep in mind that complete discretion is vested in the Secretary to decide what sort of facility, whether it be school, highway, public building, or any other project, where it will be built, or how much will be spent within the limits of the $75 million that we give him for a starter. This is poor legislation to end a recession, for the recession will be over by the time the project gets underway. I submit to you that for the Government to engage in a vast public works program is also highly inflationary, as well. I do not believe it can be justified under any circumstances today.

In summary, let me say this; I believe there are dangerous aspects to this bill other than those individual features I have pointed out. I would rather see us give industry incentive by a realistic depreciation policy, and conduct a retraining program where it belongs, than in a bill such as this, for I feel that this bill, itself, is a vast step toward socialized industry. I know that the cry of socialism has been raised for the last 30 years, but I call to your attention that where the Government begins to finance the plants, and where the Government determines where a plant shall be located, or denies such permission, is no less than the socialized industry that has been such a failure in England during the past years.

Much has been said about the antipirating provision in the bill. Neither Secretaries Hodges, Freeman, nor Goldberg felt that pirating could be eliminated entirely. No one as yet knows how to handle the situation where the company has a plant and built a new plant in a depressed area, then for reasons of its own decides to close the plant in the older established area. I was interested to read a clipping in the Wall Street Journal just the other day where Mr. Walter Reuther, the head of one of our largest unions, advocated that industry should be required to secure a permit or get clearance from the Federal Government before it should be permitted to move a plant. I call to your attention that this is just what we are doing in this legislation, and that it is, therefore, a big step toward socialized industry, which I am not prepared to accept. It is for these reasons that I oppose the Spence bill.

Mr. PATMAN. Mr. Chairman, I yield 8 minutes to the gentleman from Wisconsin [Mr. REUSS].

Mr. REUSS. Mr. Chairman, the chairman of the subcommittee, the gentleman from Texas [Mr. PATMAN], has made his usual comprehensive and thoughtful statement in support of the bill S. 1 with the committee amendment. There is little to add to it.

But I want to address myself briefly to the bill's antipiracy clause. As the gentleman from Texas well said, this is the strongest antipiracy provision ever put into an area development bill. It was the particular task of many of us on the subcommittee and the full committee to see that the most apt language possible for this task was used. The main antipiracy provision is contained in section 6, and provides that no loan shall be made "to assist establishments relocating, totally or partially, from one area to another."

That, I submit, Mr. Chairman, effectively locks up the bill against any possibility of pirating industry from one area to another.

That the committee's intent might be even more abundantly clear, it is set forth on pages 4 to 6 of the committee report just what those words mean. Specifically, the bill itself and the committee report lay it down that if a plant is to be erected in a new locality, the locality of distress, no loan can be granted if it even appears that some time in the future this might cause a plant to be withdrawn or relocated from some other area. The Secretary of Commerce is expressly vested with the power to see to that.

Secondly, the words "totally or partially" in the amendment just read are defined so that the Secretary of Commerce is required reasonably to assure himself that the establishment of the branch is not going to cause any unemployment in the area where the original plant is located. The prohibition is absolute; it is clear. We do not believe it will inhibit the good that this bill will do, but we do want to make it clear, and we certainly have made it clear, that if action under this bill is going to cause unemployment, then the action is prohibited.

Mr. VANIK. Mr. Chairman, will the gentleman yield?

Mr. REUSS. I yield to the gentleman from Ohio.

Mr. VANIK. I want to agree with what the gentleman has said. I shared with him great concern when we began consideration of this legislation that the industrial communities where industry was now established would not suffer in any way as the result of this legislation; and I am satisfied, as he is, that the language we have adopted in committee is the strongest possible language and that it is the furthest, I think, that every community can feel assured that there will be no piracy under the provisions of this act. I might add, we hope the administrator of the act will, when loans are made, provide as part of the loan contract that there will be some penalties for bad faith or subterfuge if any should be practiced by anyone who is seeking to take advantage of the loan benefits under the terms of this legislation.

Mr. REUSS. I thank the gentleman.

Mr. WIDNALL. Mr. Chairman, will the gentleman yield?

Mr. REUSS. I am glad to yield to my colleague, the gentleman from New Jersey, a member of the committee.

Mr. WIDNALL. I know the subcommittee and the full committee were greatly concerned with antipirating. I would like to ask the gentleman this question. With that evident concern, why was it not extended to the urban renewal section and to public facilities? In the substitute I have offered, it would cover both of those sections also, and I feel the committee bill has a few holes in it. It does not have that at the present time.

Mr. REUSS. The reason we thought it impractical to put anything into those sections is as follows. The urban redevelopment section, of course, is merely a section to be taken into consideration with the existing urban renewal and redevelopment provisions of the housing bill; and, as the gentleman well knows, there is no antipiracy section there because piracy is not really an issue. For example, we are redeveloping most of the major cities of this country. At the time of redevelopment, one cannot tell what plants may relocate in that area in the days to come. If we are going to try to engraft antipiracy provisions upon that section of the bill, I think it would tend to do away with the entire urban redevelopment program..

Mr. WIDNALL. I believe in the bill which was sent to the President last year, which was vetoed, there was such a clause covering urban renewal. Why was that removed this time?

Mr. REUSS. I do not know whether it was removed or not, because I do not recall whether it existed in the bill last year, but I repeat my answer to the gentleman. I yield to no one in my desire to find the strongest possible workable antipirating clause. The urban redevelopment program is a program independent of the area redevelopment act. Nowhere in the urban redevelopment program in general is there any antipiracy clause, and to add an antipiracy clause would not only produce an unbalancing effect applying as it would to only a small part of the urban redevelopment program, but I suggest that it is really not workable. How do you know when you tear down some old slum buildings in a city that five years later a plant may move into that area? The time to stop that plant from moving into the area, if it causes unemployment in the area of origin, is when it starts to talk turkey and wants to move to the new area.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. REUSS. I yield to the gentleman from Texas.

Mr. PATMAN. The Eisenhower administration proposed this provision. In the hearings before our subcommittee in 1959 at page 443, it was stated that the Widnall amendment would impose this unworkable requirement on aid to depressed areas, when no such requirement is imposed today under the regular urban renewal program on aid to prosperous cities. So, it will not work, as the gentleman properly said. You cannot except these things. And to make a requirement that you must show that there will be no piracy is making it impossible, because you do not even know who you will deal with if you deal at all. It is just making a climate in the local community such that the industry will come there when you do not know whether industry will come or not.

Mr. REUSS. I would ask the gentleman from Texas from what the gentleman is reading.

Mr. PATMAN. The 1959 hearings, page 443. This was the Eisenhower administration talking.

Mr. REUSS. I thank the gentleman from Texas. So, if one wants to serve the Eisenhower policy, he would not insist on an antipiracy clause in the urban redevelopment or community facilities section.

Mr. SEELY-BROWN. Mr. Chairman, will the gentleman yield?

Mr. REUSS. I yield to the gentleman from Connecticut.

Mr. SEELY-BROWN. As one who appeared before the subcommittee in support of a strong antipiracy clause I am very pleased to see that you have included one in the bill as reported by the committee.

I wonder if before the gentleman's time expires he would make a few observations as to whether or not funds under this bill could be made available for such things as trade schools or schools in which trades can be taught? I would like to know whether or not there is anything in this bill which would prohibit that.

Mr. REUSS. I yield to the gentleman from Texas to answer the gentleman.

Mr. PATMAN. I do not believe it is in the bill. If it is, it is in the Widnall amendment also; but I may say that would not be permitted in either event, because that is not contemplated.

Mr. SEELY-BROWN. It is a question of a technical or training school.

Mr. PATMAN. Yes, it is possible for any retraining.

Mr. SEELY-BROWN. That is what I am getting at.

Mr. PATMAN. It would be possible there.

Mr. REUSS. Occupational retraining aid is in the bill in the amount of only $4.5 million. I would infer, therefore, that no brick-and-mortar program for school building is contemplated.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. WIDNALL. Mr. Chairman, I yield 5 minutes to the gentlewoman from New Jersey [Mrs. DWYER].

Mrs. DWYER. Mr. Chairman, I want to vote for an area redevelopment bill. In good conscience, however, I can do so only if the bill in question meets two tests: First, that the legislation is so written as to create honest prospects that it will effectively put people back to work in chronic labor-surplus areas; and second, that it will help depressed areas without hurting nondepressed areas.

The existence—indeed, the growth—over the past 7 or 8 years of well-defined

areas of the country which have not responded to the general growth and prosperity of the economy is a matter of the utmost concern. The problem of chronically depressed areas and long-term unemployment is no longer simply a local one, as both political parties have formally recognized. Its proportions are such that the Federal Government has a clear obligation to help.

In devising the means by which we propose to help put people back to work, we have a solemn responsibility to be frank. We must not lead the people of depressed areas to expect miracles. On the other hand, we must be as certain as possible that the assistance we provide will really help. The criteria in the bill by which redevelopment areas would be designated should be precise and realistic. And the channels through which aid would go to these areas should be designed for maximum effectiveness.

In both these respects, Mr. Chairman, it seems to me that the substitute proposed by my distinguished colleague from New Jersey [Mr. WIDNALL] is superior to the committee bill. It would tighten up the definition of redevelopment area and help reduce the possibility of waste through the dissipation of Federal aid in too many areas. And it would emphasize the most practicable forms of assistance by increasing plant loan funds, by expanding the existing public facility loan program, and by more than doubling funds for occupational training.

In discussing this legislation with many of our colleagues, Mr. Chairman, I have found much agreement that Federal assistance should be sent where it is needed most and where it will do the most good. I hope, therefore, that the House during this debate will make it clear that Congress intends this purpose. I suggest that three general standards would be suitable as an expression of congressional intent in this respect. The Area Redevelopment Act should be so administered as to give priority to and to concentrate the available assistance in redevelopment areas, first, where the rate of unemployment has been among the highest; second, where substantial unemployment has existed for the longest periods of time; and, third, where economic circumstances are such that the assistance can most effectively be utilized in developing employment opportunities.

These are general standards, Mr. Chairman, but I believe they would indicate to those charged with administering the legislation that Congress intends to establish priorities and to emphasize those areas where prospects are greatest that Federal assistance will result in substantial economic improvement.

Secondly, Mr. Chairman, I believe the so-called antipirating provisions in the legislation should be strengthened. I hope the House will agree to amend the bill by adding language to the declaration of purpose in section 2, specifying that assistance under the bill shall not be approved in any case where a loss of employment would result in any other area.

I would also hope that antipirating provisions would be strengthened in other relevant sections of the bill by adding language specifically prohibiting the use of assistance not only for relocating establishments but also for transferring production from plants in one area to establishments in a redevelopment area.

Most of us, Mr. Chairman, represent areas which are not yet classified as labor-surplus areas. We have an obligation to help keep these areas economically healthy. It would be futile, wasteful, and tragic if we should write legislation which encouraged, or even permitted, Federal funds to be used which would have the effect of transferring jobs rather than creating new ones.

Mr. DENTON. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. DENTON. Mr. Chairman, I am in favor of S. 1, to establish an effective program to alleviate conditions of substantial and persistent unemployment and underemployment in certain economically depressed areas. For a number of sessions, I have introduced similar legislation.

There is a condition in the district I represent, which illustrates the need for the enactment of depressed areas legislation. My hometown is the city of Evansville, Ind. It is a community of approximately 140,000. One of the largest industries in the city was Servel, Inc., which at its peak employed about 15,000 people. Three years ago it discontinued operations.

Then, year before last, Chrysler, another large industry employing approximately 6,000 men, moved to St. Louis. A number of other small businesses in Evansville discontinued operations. All told, 20,000 wage earners lost their positions.

If you lived in a community where this happened, I am sure you would know that this was a real calamity. It might happen to any community, where, like Evansville, it was no fault of the community. If some disaster such as a flood, fire, tornado or earthquake, occurred, everyone would spring into action to help the victims. I assure you that a situation such as befell Evansville is a very serious disaster.

The people of the city have made an heroic effort to alleviate the situation. A survey has been made by an expert of the conditions in the community and recommendation made as to what can be done to alleviate the situation. A million dollars has been raised by popular subscription to build plant sites and attract industry to the community, and an additional $300,000 has been raised for loans to small businesses.

Evansville's Future, Inc., has been set up to deal with every phase of this unemployment problem. Surely, the Government should give some assistance to a community which has made such diligent efforts to rescue itself from such a disaster.

The bill before us provides for loans of $300 million, and grants of $95 million. If past experience is any criterion, the money loaned will all be recovered by the Government with interest and profit, so that the only money the Government will be out is the $95 million, to relieve the entire Nation from this critical situation. I am not opposed to foreign aid if the money is properly spent, but certainly any nation which has spent billions of dollars to relieve distressed areas all over the world can afford to spend $95 million to aid the depressed areas in its own boundaries.

There is some talk to the effect that distressed areas assistance would pirate and take business from other communities. The act prohibits that, but as one who has lived in a so-called distressed area, I can assure you we have no desire to take business from any other community. We simply know the conditions in an area which has been so disastrously affected. We know it is contagious, and we want to prevent it from spreading to other communities.

Mr. Chairman, I want to go on record as approving the passage of S. 1.

Mr. PATMAN. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. FLOOD].

Mr. FLOOD. Mr. Chairman, this is the third time that this committee and the House have considered this type of legislation. The imprimatur of the Congress has twice been placed upon the principle of this bill, the Congress has decreed twice that there is Federal responsibility to meet this demand, and I am sure this Congress will do the same.

I have heard certain papers read here today, not too well in some cases. The reason why would be obvious. The recent acquaintance with documents causes difficulty in semantics, syntax, and syllables, but when you have been here a hundred years as I have been this is not unusual. Strange little birdies drop stranger specks in certain hands—but this fools no one—unless it is the reader.

This bill does not bear the signet of the Bourbons. "Apres moi le deluge" for the first time in these debates has appeared, but only once or twice comes an important phrase in this debate that would lend assistance to trying to help people like mine. But the Bourbons are not dead. Maybe that is good. The contrast is startling on both sides.

Now, Mr. Chairman—and I tell you this because I have lived with it—for 6 years there has not been politics in this bill. I have served as chairman of an unofficial committee to help the leadership with this bill for 6 years, and with the distinguished gentleman from Pennsylvania [Mr. FENTON] and the distinguished gentleman from Pennsylvania [Mr. VAN ZANDT] and a dozen other Representatives of distinction, joined this year by my neighbor and a new Member, the distinguished gentleman from Pennsylvania [Mr. SCRANTON], for years together across this aisle have we joined hands to help the people in the distressed areas. Politics. From the bottom of the barrel came that one and only from a politician.

Now, this bill is not conceived by some long-haired, flat-heeled bureaucrat, somebody left over from the vestigial remainders of the New Deal, not at all. This is no brain child of some campus wonder that often we have all seen trotted in and out of here, and I joined you

and you me to deny that paternity. This bill has been written by Republicans and Democrats of distinction and seniority after hearings by the other body, with committees in 20 States for 6 years and by this House with its committee and in 20 States for 6 years. This is the synthesis not of some 90-day wonder but of the best brains in business, in finance, in labor, in every phase of the American economy. So was this bill born. Mark that.

Let me tell you this, and I have a right to say this, because I supported those bills, and I point to the distinguished gentleman from Alabama [Mr. ANDREWS], who sits on the foreign aid Committee on Appropriations, and I sat for years upon the defense Appropriations Committee; there was $500 million for a special fund for South America last year. To do what? To do exactly what this bill prays you do for the United States. Three hundred and ninety-four million dollars of that five hundred million was earmarked in one check to a special bank to build factories, to give jobs to South Americans.

This is a point 4 program for America. This is a foreign aid bill for my people and yours. This is bad? Can there be a Member, Republican or Democrat, who ever voted for any foreign aid bill who will vote "no" on this? I challenge you—I dare you. This is money that your people will borrow from your Government, and your people will pay back in American dollars, with interest—every dime. You are giving them nothing. This is no giveaway. Socialism? Drivel. I heard that ghost trotted across this well against every piece of constructive legislation that is now part of the body of American law. We have laid that ghost. Where have you been?

But the $500 million probably will not be paid back and if it is paid back it will be paid back—in dollars? No; in soft currency. To the Treasury of the United States? No; to the revolving fund of the bank. And my friend the gentleman from Alabama [Mr. ANDREWS] on the record asked the question last year, "Will this be the end, the $500 million loan to South America?" And the answer was, "No; it will go on for more than 10 years. It will come to $3 billion." And this bill is one shot for Americans alone, with interest, $340 million, the exact amount you put on a blank check into the bank for South America. And this is bad. This will destroy America. This will eat the heart of our poor unemployed who are being prostituted by these Socialists. ANDREWS, of Alabama? There is a Socialist for you, is there not? Look at him.

Dr. FENTON, of Pennsylvania? That bad old Socialist—Doc FENTON? JIMMIE VAN ZANDT, of Pennsylvania, three times national commander of the Veterans of Foreign Wars? JIMMIE's a "Red"? A Socialist? We should laugh off the floor any Member who tries that tack in this debate.

Mr. Chairman, I do not presume to be so impertinent or presumptuous with this committee on both sides to analyze this bill for you section by section. But I can.

DEPRESSED AREAS BILL VITALLY NEEDED

Mr. Chairman, as a further extension of my remarks made during the course of today's floor debate on the depressed areas bill, I submit the following supporting documentation which I feel should be made a part of today's House proceedings so that all who are interested in this vital and necessary program to aid the depressed economic areas throughout the Nation will have these figures on unemployment in various sections of the country on hand for easy reference.

I submit first my home State's unemployment figures—Pennsylvania's areas of substantial labor surplus—second, the surplus labor markets in the Southern States; and, finally, the surplus labor markets in Western, Mountain, and Pacific States; and North Central States:

PENNSYLVANIA'S AREAS OF SUBSTANTIAL LABOR SURPLUS

(Extension of remarks of Hon. DANIEL J. FLOOD, of Pennsylvania, in the House of Representatives, Thursday, March 23, 1961)

Mr. FLOOD. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following press release of March 17, 1961, issued by the Bureau of Employment Security, Department of Labor and Industry, Commonwealth of Pennsylvania, which was sent to me by the secretary of the department, Mr. William L. Batt, Jr. The figures incorporated in this release are broken down by labor-market areas, and it is to be noted that 26 of Pennsylvania's 29 classified labor-market areas are areas of substantial labor surplus.

This report, Mr. Speaker, certainly underscores the need for the passage by the House of the area redevelopment bill, approved last week by a wide margin, 63–27, in the U.S. Senate. These depressed economic areas in Pennsylvania and elsewhere in the country are looking toward this aid for real and solid help to assist them in meeting their long-term, chronic unemployment problems.

The indicated press release follows:

"According to January ratings, and following the national trend, 4 additional labor-market areas in Pennsylvania were classified as areas of substantial labor surplus, bringing the total to 26, according to a report released today by Secretary of Labor and Industry William L. Batt, Jr.

"The classifications of the areas are made jointly by the U.S. and Pennsylvania Bureaus of Employment Security on the basis of the adequacy of labor supply as of January 15, 1961, and showed 9 major and 17 smaller areas in the substantial labor surplus category. This represented the addition of three major and one smaller area since the November ratings.

"Layoffs in durable goods industries which were expected to continue over the next few months were primarily responsible for the reclassification of the three major areas, Philadelphia, York, and Allentown-Bethlehem-Easton. In Lock Haven, the smaller area, cutbacks in aircraft manufacturing and the anticipated closing of an electrical machinery plant prompted the labor surplus rating.

"Of these 26 areas, 19 are designated as 'areas of substantial and persistent labor surplus.' This constitutes an increase of three over November, one major, Pittsburgh, and two smaller labor market areas, Indiana and Sayre-Athens-Towanda.

"Since November, classification changes in the Nation as a whole resulted in an increase in the number of major areas of substantial labor surplus from 51 to 76. The number of smaller areas meanwhile rose from 123 to 152. Of the total number of substantial labor surplus areas in the United States, 103 are classified as 'areas of substantial and persistent labor surplus.'

"In January, the U.S. rate of unemployment again remained well below the Pennsylvania rate. The national percent of labor force unemployed in January was 7.7 and the Pennsylvania percentage was 11.4. Seasonally adjusted, the national rate was 6.6.

"The areas in Pennsylvania which are presently classified appear on the list below. Data presented include the estimated total number of unemployed workers as of mid-January and their percentage of labor force unemployed. These data reflect a revised method of computing unemployment. The computations were made in accordance with a new, standardized methodology developed by the U.S. Bureau of Employment Security in cooperation with State agencies. The new method which incorporates newly available data and the results of special studies is designed to establish a uniform system in all the States for estimating the number of jobless workers.

"Labor market area	Percent of total civilian labor force unemployed Jan. 15, 1961	Percent of total civilian labor force unemployed Nov. 15, 1960	Estimated total number of workers unemployed Jan. 15, 1961	November 1960-January 1961 net change in number unemployed
Uniontown-Connellsville [1]	27.9	22.1	13,000	+2,900
Pottsville (Schuylkill County) [1]	22.1	14.8	16,900	+6,100
Kittanning-Ford City [1]	21.1	15.8	4,800	+1,300
Clearfield-Du Bois [1]	17.2	13.3	6,100	+1,400
Wilkes-Barre-Hazleton [1]	17.1	12.4	23,300	+6,600
Johnstown [1]	16.6	16.6	16,200	+200
New Castle [1]	16.2	14.1	6,500	+900
Lewistown [1]	15.9	9.6	3,500	+1,400
Meadville [1]	15.2	12.1	3,500	+700
Scranton [1]	15.1	11.7	15,200	+3,700
Sunbury-Shamokin-Mount Carmel [1]	13.9	10.2	9,100	+2,500
Erie [1]	13.8	9.3	13,400	+4,400
Altoona [1]	13.4	12.3	7,100	+600
Pittsburgh [1]	12.9	10.6	122,200	+21,500
Butler [1]	12.7	11.4	4,400	+400
Sharon-Farrell [2]	12.4	9.7	5,900	+1,200
Indiana [1]	12.0	9.9	2,600	+400
Lock Haven [2]	11.8	9.3	1,700	+300
Berwick-Bloomsburg [1]	11.5	9.0	2,800	+600
Oil City-Franklin-Titusville [2]	11.1	9.1	3,300	+600
St. Marys-Emporium [1]	11.0	9.9	2,000	+200
Sayre-Athens-Towanda [1]	10.6	8.0	2,100	+500
Allentown-Bethlehem-Easton [2]	9.9	6.4	22,100	+8,000
Williamsport [2]	9.9	7.5	4,300	+1,000
Harrisburg	8.9	5.8	13,400	+3,500
Philadelphia [2]	7.7	5.9	142,800	+32,900
York [2]	7.4	5.2	7,800	+2,300
Reading	6.9	4.6	8,600	+2,900
Lancaster	6.1	4.4	7,400	+2,100

"[1] Area of substantial and persistent labor surplus.

"[2] Area of substantial labor surplus."

FACT SHEET No. 38-G

PART II.—*Employment and unemployment in surplus labor markets in Southern States, 1960*

State and labor market	Month of report	Civilian labor force	Unemployment	Months of substantial labor surplus			Rates of unemployment,[1] 1960						1961 January
				1958	1959	1960	July	August	September	October	November	December	
VIRGINIA	December 1960	1,439,550	63,350	------	0	0	4.1	3.7	3.5	3.3	4.0	4.4	5.6
Major:													
Hampton-Newport News	November 1960	76,900	3,200	0	2	0	4.6	------	3.5	------	4.2	------	------
Norfolk-Portsmouth	December 1960	186,200	9,000	0	0	0	5.0	4.9	4.3	3.8	4.4	4.8	------
Richmond	do	201,300	5,250	0	0	0	3.5	2.6	2.5	2.2	2.4	2.6	------
Roanoke	November 1960	68,500	4,900	11	12	12	6.8	------	6.6	------	7.2	------	------
Smaller:													
Alexandria-Arlington	do	197,325	5,450	0	0	0	2.2	------	2.3	------	2.8	------	------
Big Stone Gap-Appalachia	April 1960	20,150	2,150	12	12	12	------	------	------	12.3	------	------	------
Bristol-Johnson City	December 1960	51,000	3,250	10	7	6	------	5.5	------	5.3	------	6.4	------
Danville-Reedville (N.C.)-Spray, (N.C.)	November 1960	76,100	2,925	0	0	2	6.5	------	3.2	------	3.8	------	------
Harrisonburg	December 1960	24,800	1,250	0	0	2	------	3.3	------	------	------	5.0	------
Lynchburg	November 1960	60,000	2,000	0	0	0	2.7	------	2.9	------	3.3	------	------
Petersburg	December 1960	43,850	1,900	0	2	0	------	3.8	------	3.4	------	4.3	------
Pulaski	do	17,375	950	12	3	0	------	3.4	------	------	------	5.5	------
Radford	do	26,175	1,325	12	3	0	------	3.4	------	------	------	5.1	------
Richlands-Bluefield	May 1960	33,150	2,850	8	12	12	------	------	------	------	9.5	------	------
Staunton-Waynesboro	December 1960	30,325	1,450	------	0	0	------	3.0	------	------	------	4.8	------
Winchester	October 1960	19,975	675	7	7	6	------	------	------	3.4	------	------	------
MARYLAND	November 1960	1,122,600	62,300	------	4	3	5.3	4.8	4.7	4.7	5.5	6.6	7.8
Major:													
Baltimore	do	746,400	43,000	12	4	3	5.4	5.0	5.0	4.9	5.8	6.6	7.8
Smaller:													
Cambridge	June 1960	14,325	1,700	7	12	12	------	9.0	------	------	------	------	------
Cumberland, Md.-W. Va.	August 1960	40,075	3,600	12	12	12	9.9	9.0	------	------	------	------	------
Hagerstown	April 1960	36,875	4,200	10	12	12	------	------	------	10.6	------	------	------
NORTH CAROLINA													
Major:													
Asheville	November 1960	54,100	3,500	12	5	6	5.4	------	5.4	------	6.5	------	8.7
Charlotte	do	132,140	4,625	0	0	0	4.0	------	------	------	3.5	------	4.2
Durham	do	49,775	2,215	10	8	7	6.0	------	3.3	------	4.5	------	6.0
Greensboro	do	77,795	2,980	0	0	0	3.9	------	3.2	------	4.6	------	5.0
Jamestown-High Point	do	41,365	2,500	------	------	------	------	------	5.7	------	6.0	------	8.8
Winston-Salem	do	89,000	3,200	5	0	0	4.4	------	3.0	------	3.6	------	5.3
Smaller:													
Fayetteville	September 1960	32,455	2,000	12	12	------	------	------	6.2	------	------	------	------
Hendersonville	------	------	------	------	------	------	5.5	------	------	6.1	------	------	------
Lumberton	February 1960	33,285	4,560	0	10	------	------	7.1	------	------	------	------	------
Mount Airy	June 1960	23,975	1,675	12	12	------	------	------	------	2.6	------	------	------
Raleigh	September 1960	68,645	1,945	------	4	0	------	------	2.8	------	------	------	3.1
Statesville	do	28,160	875	------	0	0	------	------	3.1	------	------	------	5.9
SOUTH CAROLINA													
Major:													
Columbia-Lexington	December 1960	91,400	4,250	0	0	0	3.6	3.6	3.3	3.3	4.9	4.6	6.2
Greenville	do	90,200	3,750	0	0	0	2.9	2.8	2.9	2.8	4.3	4.2	5.3
WEST VIRGINIA													
Major:													
Charleston	November 1960	94,350	7,300	12	12	12	7.2	------	6.5	------	7.7	------	------
Huntington-Ashland, W. Va.-Ky.-Ohio	do	91,300	11,650	12	12	12	11.7	------	9.7	------	12.8	------	------
Wheeling, W. Va.-Bridgeport	do	77,200	11,000	12	12	12	13.6	------	11.6	------	14.2	------	------
Smaller:													
Beckley	August 1960	21,540	4,950	12	12	12	------	23.0	------	------	------	------	------
Bluefield	December 1960	20,960	4,150	11	12	12	------	------	------	------	------	19.8	------
Clarksburg	October 1960	28,520	2,450	8	12	12	------	------	------	8.6	------	------	------
Fairmont	do	22,780	2,700	12	12	12	------	------	------	11.9	------	------	------
Logan	August 1960	20,610	3,550	12	12	12	------	17.2	------	------	------	------	------
Martinsburg	October 1960	21,090	1,400	8	12	------	------	------	------	6.6	------	------	------
Morgantown	do	18,390	2,250	8	12	12	------	------	------	12.2	------	------	------
New Martinsville	do	15,800	1,150	------	------	------	------	7.2	------	7.3	------	------	------
Parkersburg	December 1960	39,860	4,630	11	12	12	------	------	------	------	------	11.6	------
Point Pleasant-Gallipolis, W. Va.-Ohio	August 1960	35,130	3,650	12	12	12	------	10.4	------	------	------	------	------
Ronceverte-White Sulphur Springs	do	17,570	1,850	12	12	12	------	10.8	------	------	------	------	------
Welch	December 1960	18,490	5,350	12	12	12	------	------	------	------	------	28.9	------
ALABAMA	do	[2] 113,472	81,700	------	------	------	------	------	------	------	6.9	7.2	------
Major:													
Birmingham	do	249,000	16,700	12	8	7	6.4	6.4	6.4	6.4	7.8	7.4	8.0
Mobile	do	117,250	7,600	10	4	5	5.8	5.6	4.7	5.6	6.3	6.5	------
Smaller:													
Alexander City	October 1960	18,945	1,065	12	3	0	5.8	------	------	5.6	------	------	7.2
Andalusia	August 1960	13,700	590	------	0	------	------	4.3	------	------	------	------	------
Anniston	December 1960	34,045	2,950	12	7	8	5.8	6.4	6.0	6.1	7.2	8.7	------
Decatur	November 1960	22,705	1,395	12	7	------	------	5.5	------	------	6.1	------	------
Dothan	December 1960	20,440	960	------	0	1	------	5.3	------	4.1	------	4.7	------
Gadsden	November 1960	31,235	4,690	12	12	12	12.0	13.8	11.0	14.7	15.0	15.7	17.1
Jasper	December 1960	17,500	2,050	12	12	12	------	------	9.6	------	------	11.7	------
Montgomery	do	65,840	2,920	------	2	0	4.6	4.2	3.7	3.5	4.2	4.4	5.3
Selma	October 1960	21,335	1,180	12	7	8	8.1	------	------	5.5	------	------	9.1
Sheffield	December 1960	38,050	2,415	------	9	8	------	5.4	5.3	------	------	6.3	------
Tuscaloosa	do	34,400	1,600	------	0	0	------	------	3.5	------	------	4.6	------
MISSISSIPPI													
Major:													
Jackson	do	105,950	4,950	------	------	------	4.2	3.9	3.4	3.0	4.1	4.7	------
Smaller:													
Aberdeen	do	13,370	920	------	------	4	5.5	5.8	4.8	4.6	5.8	6.9	------
Biloxi	do	15,680	1,410	------	9	7	5.2	5.1	5.5	5.4	8.0	9.0	------
Brookhaven	do	16,870	1,440	------	9	12	8.9	8.1	7.3	7.3	8.3	8.5	------
Clarksdale	do	28,380	1,200	8	6	3	5.3	5.0	3.1	2.7	2.8	4.2	------
Cleveland	do	16,740	560	7	4	1	2.9	2.5	1.5	1.5	1.8	3.3	------
Columbia	do	14,620	980	------	12	12	9.4	8.8	8.8	6.7	------	------	------
Columbus	do	27,300	1,000	------	------	0	4.2	3.8	4.1	3.9	3.0	3.7	------
Corinth	do	26,310	2,780	------	10	12	7.5	7.0	6.2	6.9	9.5	10.6	------

See footnotes at end of table.

FACT SHEET No. 38–G—Continued

PART II.—*Employment and unemployment in surplus labor markets in Southern States, 1960*—Continued

State and labor market	Month of report	Civilian labor force	Unemployment	Months of substantial labor surplus			Rates of unemployment,[1] 1960						1961 January
				1958	1959	1960	July	August	September	October	November	December	
MISSISSIPPI—continued													
Smaller—Continued													
Greenville	December 1960	27,030	1,830	----	----	8	6.2	5.2	4.3	3.2	3.3	6.8	----
Greenwood	do	25,110	1,080	----	----	3	4.1	4.1	3.2	2.5	2.6	4.3	----
Grenada	do	26,540	1,900	----	----	5	5.4	4.9	4.8	4.3	5.3	7.2	----
Gulfport	do	21,950	1,840	----	12	12	7.8	8.1	7.5	8.2	9.5	8.4	----
Hattiesburg	do	33,450	2,290	----	----	12	6.3	6.5	6.1	6.9	6.6	6.8	----
Hazlehurst	do	19,450	1,880	----	10	12	10.6	9.3	8.1	7.3	8.1	9.7	----
Indianola	do	14,280	710	----	----	3	4.7	3.8	2.4	1.9	2.6	5.0	----
Kosciusko	do	15,550	1,640	----	9	8	5.7	5.1	5.4	5.9	7.5	10.5	----
Laurel	do	38,970	3,800	----	6	12	8.0	6.4	6.4	6.4	8.6	9.8	----
Lexington	do	10,760	1,140	----	5	5	3.1	5.1	4.2	5.6	6.9	10.6	----
Louisville	do	24,480	1,410	----	----	7	6.4	5.9	5.5	5.3	4.2	5.8	----
McComb	do	24,590	1,560	8	1	1	5.0	5.8	4.9	5.5	5.9	6.3	----
Meridian	do	34,510	2,360	----	6	7	5.1	5.1	5.1	5.1	5.9	6.8	----
Natchez	do	23,250	1,260	----	----	0	4.8	5.3	5.2	4.5	4.4	5.4	----
Newton	do	15,110	1,130	----	----	4	4.4	4.7	4.0	5.8	6.6	7.5	----
Oxford	do	41,740	1,660	----	----	3	3.6	3.4	3.1	3.1	3.1	4.0	----
Pascagoula	do	20,970	2,310	----	12	12	7.6	8.6	6.7	9.9	10.6	11.0	----
Picayune	do	7,210	540	----	10	12	8.4	8.6	7.8	6.8	7.9	7.5	----
Tupelo	do	41,410	3,190	----	5	7	5.7	5.2	5.0	6.0	6.5	7.7	----
Vicksburg	do	21,010	1,210	----	6	4	5.7	5.9	4.8	4.5	4.7	5.8	----
West Point	do	13,560	630	12	7	----	4.8	3.4	3.7	3.9	4.2	4.6	----
Yazoo City	do	17,910	1,120	----	----	1	3.7	3.6	3.1	2.8	4.2	6.3	----
KENTUCKY													
Major: Louisville	do	299,500	21,000	----	8	10	6.6	6.0	5.6	6.1	7.2	7.0	8.3
Smaller:													
Corbin	March 1960	26,550	3,050	12	12	12	----	----	----	----	----	----	----
Hazard	do	19,150	2,500	12	12	12	----	----	----	----	----	----	----
Hopkinsville	April 1960	28,350	2,350	12	12	12	----	----	----	----	----	----	----
Madisonville	March 1960	26,000	2,750	12	12	12	----	----	----	----	----	----	----
Middlesboro-Harlan	do	26,000	2,750	----	12	----	----	----	----	----	----	----	----
Morehead-Grayson	do	24,250	3,850	----	12	----	----	----	----	----	----	----	----
Owensboro	April 1960	27,700	2,050	----	----	----	----	----	----	----	----	----	----
Paducah	May 1960	43,550	3,900	----	----	----	----	----	----	----	----	----	----
Paintsville-Prestonburg	March 1960	22,950	3,450	----	12	----	----	----	----	----	----	----	----
Pikeville-Williamson	April 1960	23,100	3,850	----	12	----	----	----	----	----	----	----	----
TENNESSEE													
Major:													
Chattanooga	December 1960	[2] 119,600	8,000	12	10	11	6.8	6.3	5.6	6.0	6.0	6.7	----
Knoxville	do	----	----	----	4	7	5.3	5.4	5.1	5.6	6.2	6.5	----
Memphis	do	[2] 239,216	----	----	3	0	4.8	4.8	4.5	4.6	5.1	5.1	----
Nashville	do	[2] 170,000	7,650	----	0	0	4.1	3.5	3.5	----	4.1	4.5	----
Smaller:													
Bristol-Johnson City-Kingsport	October 1960	----	----	----	4	12	----	6.2	----	6.0	----	----	----
La Follette-Jellico-Tazewell	April 1960	59,200	16,300	12	12	----	----	----	----	13.0	----	----	----

[1] Percent of civilian labor force. [2] Estimated. Source: State employment security agencies.

PART III.—*Employment and unemployment in surplus labor markets in North Central States, 1960*

State and labor market	Month of report	Civilian labor force	Unemployment	Months of substantial labor surplus			Rates of unemployment,[1] 1960						1961 January
				1958	1959	1960	July	August	September	October	November	December	
INDIANA	December 1960	1,803,900	123,400	----	3	2	5.0	5.1	4.1	4.3	6.1	6.8	8.7
Major:													
Chicago, Ill.-Ind	do	216,700	20,200	11	----	5	6.3	6.5	5.5	6.3	8.8	9.3	9.9
Evansville	do	77,000	5,000	12	12	11	6.4	6.3	5.9	6.1	6.5	6.5	7.9
Fort Wayne	do	95,800	6,000	12	3	2	5.2	5.0	4.7	5.4	6.6	6.3	7.0
Indianapolis	do	336,100	18,000	----	2	0	4.6	4.7	4.3	4.3	4.9	5.4	6.4
South Bend	do	94,700	9,000	12	4	4	----	11.3	5.9	5.4	6.4	9.5	11.1
Terre Haute	November 1960	43,700	3,200	12	10	12	6.5	----	6.5	----	7.3	----	9.7
Smaller:													
Connersville	March 1960	65,600	22,040	12	12	----	----	----	7.0	----	----	----	----
Muncie	November 1960	42,300	2,800	12	5	10	6.8	----	----	5.8	6.6	----	9.7
Vincennes	February 1960	43,600	15,100	12	12	----	----	5.2	----	----	----	----	----
MICHIGAN	December 1960	2,892,000	240,000	----	12	11	7.6	8.7	6.2	5.8	6.7	8.3	10.8
Major:													
Battle Creek	do	56,600	4,500	12	2	7	5.4	4.9	4.4	4.8	6.8	8.0	8.6
Detroit	do	1,408,600	125,000	12	12	12	8.6	9.6	6.9	6.8	7.3	8.9	11.6
Flint	do	140,500	3,600	10	11	6	9.3	19.0	5.3	3.0	2.4	2.6	5.1
Grand Rapids	do	138,500	8,000	12	4	3	6.5	6.8	4.8	4.0	5.2	5.8	7.1
Kalamazoo	do	67,400	3,800	----	0	0	3.8	4.1	3.3	4.0	5.1	5.6	7.0
Lansing	do	111,300	4,400	11	3	0	5.4	5.3	4.0	3.3	4.0	3.9	5.7
Muskegon	do	55,900	6,500	12	6	8	9.7	10.0	9.4	9.9	10.6	11.6	11.8
Saginaw	do	67,200	3,900	10	2	1	4.9	10.4	4.0	3.9	4.8	5.8	7.9
Upper Peninsula	do	97,100	11,800	12	7	7	4.6	4.8	5.1	5.2	9.8	12.2	15.3

See footnotes at end of table.

FACT SHEET No. 38—G—Continued

PART III.—*Employment and unemployment in surplus labor markets in North Central States, 1960*—Continued

State and labor market	Month of report	Civilian labor force	Unemployment	Months of substantial labor surplus			Rates of unemployment,[1] 1960						1961 January
				1958	1959	1960	July	August	September	October	November	December	
MICHIGAN—continued													
Smaller:													
Adrian	March 1960	64,600	1,700	12	12			9.6					
Bay City	December 1960	35,100	4,000	12	12	12	11.1	13.9	8.6	8.3	9.2	11.4	14.0
Benton Harbor	do	56,600	3,700	11	3	1	3.7	3.8	2.9	3.1	3.9	6.5	10.0
Iron Mountain	June 1960	14,900	700	12	12			5.2					
Jackson	December 1960	47,100	3,600	12	5	7	7.9	7.5	5.6	5.6	6.2	7.6	9.2
Marquette	June 1960	16,400	700	12	12		4.2						
Monroe	March 1960	[2] 22,916	2,200	11	12				7.8				
Port Huron	December 1960	33,300	2,900	12	12	12	8.6	7.7	7.2	6.9	7.6	8.7	13.4
ILLINOIS	September 1960	4,264,500	208,000	12	3	0	5.3		4.9				
Major:													
Chicago	October 1960			11	4	0	5.2		4.5		5.2		6.5
Davenport	September 1960	105,200	5,300		0	0	4.4		5.0				
Peoria-Pekin	November 1960	120,900	7,700	12	1	2	5.9	5.9	5.9		6.4		8.9
Rockford	September 1960	82,000	3,500	9	0	0	4.3		4.3				
Smaller:													
Centralia	November 1960	24,300	2,500	12	12	12					9.9		
Harrisburg	September 1960	22,550	2,100	12	12	12			9.3				
Herrin-Murphysboro-West Frankfort	August 1960	68,300	9,800	12	12	12		14.3					
Litchfield	do	25,175	1,950	12			6.4						10.8
Mount Carmel-Olney	June 1960	21,200	1,475	12	12								
Mount Vernon	October 1960	24,600	2,050	12	12	12				8.3			
St. Louis	September 1960	159,700	10,600	12	6				6.6				
Springfield	December 1960	64,800	4,400		3	8	4.9						7.2
OHIO													
Major:													
Lorain-Elyria	May 1960	69,000	4,500	12	12		7.7		7.6		9.7		
Smaller:													
Ashtabula-Conneaut				12	10	12				8.9			
East Liverpool-Salem				12	12	12							
Kent-Ravenna				12	0	12		7.0		8.0		5.1	7.2
Portsmouth-Chillicothe	May 1960	63,800	4,700	12	12						9.0		
WISCONSIN													
Smaller:													
La Crosse	January 1960	30,180	3,205	12	12	12	6.8						

[1] Percent of civilian labor force. [2] Estimated. Source: State employment security agencies.

PART IV.—*Employment and unemployment in surplus labor markets in Western, Mountain, and Pacific States*

Region, State, and labor market	Month of report	Civilian labor force	Unemployment	Months of substantial labor surplus			Rates of unemployment,[1] 1960						1961 January
				1958	1959	1960	July	August	September	October	November	December	
WEST NORTH CENTRAL													
IOWA													
Smaller:													
Sioux City	December 1960	44,370	3,220		0	4	3.9	3.4	3.1	2.9	4.4	7.3	8.6
Waterloo	do	48,320	1,270		0	4	3.0	2.6	1.7	1.5	2.6	2.6	
KANSAS	August 1960	[2] 839,475	31,900			1		3.8				4.6	
Major:													
Kansas City	June 1960	[2] 96,600	5,600			12						6.4	6.7
Wichita	November 1960	[2] 145,340	6,250		0	2	4.8	4.3	4.2	4.0	4.3	4.8	6.0
Smaller:													
Coffeeville-Independence-Parsons	May 1960	28,700	1,770		12	12					8.2		
Pittsburg	November 1960	[2] 21,153	1,650		12	12	7.6		6.2		7.8		9.3
Salina	September 1960	[2] 15,625	250			2	2.3		1.6				
Topeka	December 1960	[2] 57,293	2,350		0	1	2.2				2.9	4.2	4.8
MINNESOTA	do	1,342,400	94,600		4	6	4.0	3.5	3.3	3.4	5.3	7.0	9.4
Major:													
Duluth-Superior	November 1960	64,500	5,200		12	12	6.3		6.0		8.1		12.2
St. Paul-Twin Cities	do	623,800	24,800		2	1	3.7	3.2	3.1	3.1	4.0	5.3	6.9
MISSOURI													
Major:													
Kansas City				12	4	8	5.3		6.0		6.1		
St. Louis							5.1		4.9		5.8		
Smaller:													
Flat River	June 1960	28,950	4,900	12	12	12	16.9						
Hannibal				12	12	12							
Joplin	May 1960	33,000	3,000	12	12	12					10.7		
Marshall				12	12	12							
Washington	April 1960	17,500	2,600	12	12	12				16.3			
WEST SOUTH CENTRAL													
ARKANSAS	December 1960	[2] 862,337	51,000		5	5	4.9	4.9	4.0	3.8	5.5	7.7	

See footnotes at end of table.

FACT SHEET No. 38–G—Continued

PART IV.—*Employment and unemployment in surplus labor markets in Western, Mountain, and Pacific States*—Continued

Region, State, and labor market	Month of report	Civilian labor force	Unemployment	Months of substantial labor surplus			Rates of unemployment,[1] 1960						1961 January
				1958	1959	1960	July	August	September	October	November	December	
WEST SOUTH CENTRAL—Con.													
OKLAHOMA		878,100	44,600	.....	2	2	4.6	4.5	4.2	4.2	5.1	.....	.....
Major:													
Oklahoma City	November 1960	206,300	7,100	.....	0	0	3.2	2.8	2.7	2.9	3.4	.....	.....
Tulsa	do	161,100	7,800	.....	0	0	4.0	3.8	3.9	4.1	4.8	.....	.....
Smaller:													
Ardmore	do	14,150	750	.....	4	6	5.6	5.6	5.3	5.0	5.3	.....	.....
Enid	do	18,225	550	.....	0	2	3.2	2.9	2.8	2.5	3.0	.....	.....
Kay County	do	18,975	675	.....	.....	.....	.....	.....	2.6	2.9	3.6	.....	.....
Lawton	do	19,825	975	.....	1	2	4.1	3.9	3.7	4.4	4.9	.....	.....
McAlester	do	11,300	1,200	12	12	12	7.5	7.5	9.0	10.3	10.6	.....	.....
Muskogee	do	21,750	1,775	12	12	12	7.9	7.7	6.6	6.1	8.2	.....	.....
Okmulgee-Henryetta	March 1960	16,675	1,325	12	12	12	.....	.....	6.1	.....	.....	.....	.....
TEXAS	December 1960	[2] 3,613,200	191,500	.....	0	0	4.9	4.8	4.7	4.7	5.1	5.5	6.3
Major:													
Austin	do	81,520	3,700	.....	0	0	4.0	3.6	3.5	3.6	4.2	4.5	5.3
Beaumont-Port Arthur	do	117,020	7,900	12	12	11	6.9	6.5	5.6	6.3	6.6	7.2	9.1
Corpus Christi	do	73,750	5,115	11	7	9	6.1	5.0	5.2	5.8	6.8	6.8	8.3
Dallas	do	476,110	24,200	.....	0	0	4.3	4.4	3.7	3.6	4.5	4.9	5.8
El Paso	do	102,075	4,925	.....	0	0	5.6	5.2	4.8	4.4	4.7	4.8	6.0
Fort Worth	do	231,100	12,600	.....	2	0	4.5	4.5	4.2	4.4	5.3	4.9	6.1
Houston-Baytown	do	547,890	27,300	.....	0	0	4.5	4.3	4.5	4.5	4.7	5.0	5.8
San Antonio	do	221,575	9,775	.....	0	0	5.4	4.7	3.8	3.7	4.1	4.4	4.7
Smaller:													
Abilene	do	35,265	2,000	.....	0	1	5.9	5.9	5.8	5.7	5.8	5.4	6.3
Amarillo	do	59,155	3,300	.....	0	0	3.9	3.3	3.1	3.5	4.3	5.6	7.3
Galveston-Texas City	September 1960	[2] 56,250	3,600	12	12	9	6.2	6.7	6.4	.....	.....	4.8	4.8
Laredo	March 1960	23,254	2,300	2	12	12	.....	.....	9.5	.....	.....	.....	.....
Longview	December 1960	31,485	1,550	.....	0	0	4.1	4.2	4.7	4.9	5.0	5.1	5.6
Lubbock	do	63,185	2,300	.....	0	0	3.8	4.0	3.6	3.0	3.4	3.6	4.7
Midland-Odessa	do	56,310	2,600	.....	0	0	4.7	4.6	4.4	4.2	4.3	4.6	4.6
San Angelo	do	24,080	1,275	.....	3	0	4.9	4.8	4.5	4.7	5.4	5.3	6.8
Texarkana	do	36,835	2,975	12	10	12	6.8	6.6	6.4	6.9	7.6	8.1	8.5
Waco	do	56,600	2,975	.....	1	3	4.8	4.6	4.0	4.4	4.6	5.3	6.5
Wichita Falls	do	46,755	2,650	.....	0	3	5.2	4.8	4.5	5.0	5.1	4.0	4.4
MOUNTAIN													
MONTANA													
Smaller:													
Butte		.....	.....	.....	12	12	.....	.....	.....	.....	.....	.....	.....
Kalispell		.....	.....	.....	12	12	.....	.....	.....	.....	.....	.....	.....
COLORADO	December 1960	678,000	35,230	.....	0	0	3.2	3.0	2.8	.....	4.3	5.2	.....
Major:													
Denver	do	349,550	12,850	.....	0	0	2.8	2.6	2.3	.....	3.0	3.7	.....
Smaller:													
Alamosa	do	8,850	750	.....	2	6	2.4	1.9	2.2	.....	8.5	8.5	.....
Boulder	do	16,600	800	.....	1	0	5.8	4.7	4.6	.....	4.8	4.8	.....
Canon City	do	5,590	750	.....	1	5	5.3	5.8	5.3	.....	6.4	7.7	.....
Colorado Springs	do	45,450	3,250	.....	4	5	4.8	4.4	4.7	.....	6.5	7.2	.....
Cortez	do	9,600	600	.....	0	3	2.8	2.8	2.6	.....	3.8	6.3	.....
Craig	do	3,900	200	.....	0	1	.6	1.2	1.3	.....	3.4	5.1	.....
Delta	do	7,750	400	.....	0	0	2.6	1.9	1.3	.....	3.2	5.2	.....
Durango	do	7,900	450	.....	3	3	3.0	3.6	3.7	.....	4.9	5.7	.....
Fort Collins	do	14,580	760	.....	0	0	2.0	2.6	2.4	.....	4.5	5.2	.....
Fort Lupton	do	10,100	600	.....	0	1	.6	.6	.9	.....	2.2	5.9	.....
Fort Morgan	do	14,500	450	.....	0	0	1.4	1.2	1.0	.....	2.1	3.1	.....
Glenwood Springs	do	6,600	500	.....	1	5	1.7	1.1	1.4	.....	6.8	7.6	.....
Grand Junction	do	21,800	1,600	.....	0	1	2.9	1.6	1.7	.....	5.8	7.3	.....
Greeley	do	20,795	795	.....	0	2	1.0	.9	1.4	.....	2.2	3.8	.....
Gunnison	do	2,800	175	.....	2	4	.8	.8	.9	.....	5.4	6.3	.....
La Junta	do	10,880	710	.....	0	1	4.2	2.7	3.8	.....	5.5	6.5	.....
Lamar	do	9,540	410	.....	0	0	1.7	1.6	1.9	.....	3.7	4.3	.....
Leadville	do	4,025	440	.....	8	8	9.4	12.2	18.7	.....	19.2	10.9	.....
Longmont	do	8,300	600	.....	0	4	3.4	3.0	3.0	.....	4.8	7.2	.....
Loveland	do	9,400	500	.....	0	3	3.4	3.9	4.1	.....	4.8	5.3	.....
Monte Vista	do	6,650	400	.....	0	3	2.9	1.5	.6	.....	5.3	6.0	.....
Montrose	do	8,350	450	.....	0	0	1.8	1.9	1.2	.....	3.3	5.4	.....
Pueblo	do	40,225	4,400	8	4	8	7.4	8.9	7.1	.....	11.3	10.9	.....
Rocky Ford	do	4,450	350	.....	0	4	1.1	1.2	1.0	.....	2.2	7.9	.....
Salida	do	4,095	160	.....	0	0	1.1	1.5	1.6	.....	2.4	3.9	.....
Steamboat Springs	do	3,900	250	.....	2	1	1.2	1.2	1.3	.....	3.8	6.4	.....
Sterling	do	12,625	225	.....	0	0	.9	1.1	.9	.....	1.5	1.8	.....
Trinidad	do	6,885	1,400	.....	6	8	6.8	6.5	7.0	.....	8.1	20.3	.....
Walsenburg	do	2,400	325	7	4	8	12.9	11.5	9.4	.....	9.8	13.5	.....
IDAHO	do	250,100	19,300	5	3	4	3.6	3.6	3.5	3.7	5.6	7.7	9.9
PACIFIC													
WASHINGTON	do	1,084,800	83,600	12	5	6	4.8	5.2	4.8	5.3	7.1	7.9	9.4
Major:													
Seattle	August 1960	455,900	23,100	6	2	5	5.0	5.1	.....	.....	.....	.....	.....
Spokane	do	98,800	5,500	12	6	7	5.5	5.6	5.6	.....	7.7	.....	.....
Tacoma	do	107,600	6,200	12	5	5	5.5	5.8	5.6	.....	7.9	.....	.....
Smaller:													
Aberdeen	February 1960	27,740	2,040	.....	.....	.....	.....	7.5	.....	.....	.....	.....	.....
Anacortes	August 1960	22,180	1,360	12	8	.....	4.6	6.1	.....	.....	.....	.....	.....
Bellingham	do	28,630	1,400	12	7	.....	5.7	4.9	.....	.....	.....	.....	.....
Bremerton	March 1960	27,180	1,960	12	12	.....	.....	5.6	.....	.....	.....	.....	.....
Everett	August 1960	46,540	3,570	12	6	.....	7.0	7.7	.....	.....	.....	.....	.....
Port Angeles		.....	.....	.....	.....	.....	.....	.....	7.0	.....	.....	.....	.....

See footnotes at end of table.

FACT SHEET No. 38-G—Continued

PART IV.—*Employment and unemployment in surplus labor markets in Western, Mountain, and Pacific States*—Continued

Region, State, and labor market	Month of report	Civilian labor force	Unemployment	Months of substantial labor surplus			Rates of unemployment,[1] 1960						1961 January
				1958	1959	1960	July	August	September	October	November	December	
PACIFIC—Continued													
OREGON	December 1960	700,300	52,300	------	3	5	4.0	3.9	3.6	4.4	6.2	7.5	9.4
Major:													
Portland	do	344,600	22,200	9	3	3	4.1	4.1	3.9	4.3	6.0	6.4	8.6
CALIFORNIA	November 1960	6,465,000	349,000	------	2	0	5.3	4.9	4.5	4.6	5.4	6.1	------
Major:													
Bakersfield	December 1960	114,900	8,300	------	6	6	5.5	4.2	4.3	3.7	6.6	7.2	9.5
Fresno	do	162,675	10,300	------	2	4	3.3	4.0	3.0	3.8	5.6	6.3	11.9
Los Angeles-Long Beach	do	2,969,900	178,100	------	0	2	6.1	5.8	5.5	5.4	5.8	6.0	7.1
Sacramento	do	206,250	10,350	------	0	0	3.4	2.8	2.3	2.0	3.8	6.2	6.9
San Bernardino-Ontario-Riverside	do	279,300	21,500	------	0	4	6.1	6.2	5.7	5.9	7.7	7.7	7.7
San Diego	do	341,000	24,800	0	0	7	6.5	6.4	6.9	6.6	6.7	7.3	7.9
San Francisco-Oakland	do	1,226,500	68,800	------	0	0	4.7	4.3	3.9	4.0	5.1	5.6	6.4
San Jose	do	259,800	17,800	------	3	4	4.4	3.6	2.9	4.6	5.8	6.9	7.6
Stockton	do	106,025	8,850	------	5	6	4.2	3.2	2.4	2.4	6.4	8.3	12.3
Smaller:													
Modesto-Turlock	do	66,550	7,700	------	6	8	5.9	3.0	3.0	2.7	9.1	11.6	13.5
ARIZONA	do	485,200	26,200	------	0	0	4.1	4.2	4.0	4.2	5.0	5.1	6.0
HAWAII	do	[2] 231,764	7,880	0	0	0	3.3	3.1	3.1	3.1	3.4	3.2	3.5
Oahu	do	[2] 180,333	5,410	------	------	0	2.9	2.8	2.8	2.8	3.1	2.8	3.2
Hawaii	do	[2] 23,478	1,080	------	------	3	6.2	5.5	4.1	3.9	4.0	4.3	4.7
Maui	do	[2] 13,673	670	------	------	0	3.4	3.7	4.2	4.1	4.4	4.4	4.5
Kauai	do	[2] 10,689	620	------	------	0	3.9	4.0	4.8	5.2	5.7	5.2	5.5
Lanai-Molokai	do	[2] 2,857	100	------	------	0	1.3	1.4	3.0	3.1	3.3	3.4	3.4
OUTLYING AREAS													
ALASKA													
Anchorage	February 1960	21,240	1,730	12	12	------	------	------	------	------	------	------	------
Fairbanks				12	12	------	------	------	------	------	------	------	------
Juneau				12	10	------	------	------	------	------	------	------	------
Ketchikan				12	6	------	------	------	------	------	------	------	------
Petersburg				12	6	------	------	------	------	------	------	------	------

[1] Percent of civilian labor force. [2] Estimated. Source: State employment security agencies.

Mr. FLOOD. Mr. Chairman, this is the fourth Congress in which I have introduced an area redevelopment bill. The Senate has approved such a bill on four occasions, the latest on March 15 of this year by a vote of 63 to 27. Twice previously the Congress has adopted such a vital program and on each occasion it was vetoed by the former President.

I sincerely hope this Congress will consider the bill favorably and with a sense of urgency.

Rising unemployment and inadequate economic growth have accentuated the problems of unemployment throughout the Nation. Today there are nearly 6 million in this country out of work and in my congressional district of Luzerne County, Pa., the total unemployed is currently 17.1 percent of the work force, some 23,000 looking for gainful employment. Mr. Chairman, this is a tragic and an appalling thing to realize and contemplate. Twenty-three thousand in just one congressional district. Think of it.

Moreover, Mr. Chairman, the number of distressed economic areas has increased sharply in recent months, with some 101 out of a total of 150 major industrial areas now classified as distressed areas, according to an announcement just last week by the Department of Labor.

Unemployment throughout the Nation now exceeds 6 percent, but unemployment in the distressed areas is nearly twice as high, and in many communities it exceeds depression proportions of 15 percent or more, such as the conditions found in my congressional district.

There are also hundreds of counties in predominantly rural areas where incomes are extremely low and unemployment is extremely high. These counties have an additional population of from 4 to 7 million.

The express purpose of my bill, Mr. Chairman, is to establish an effective program for reducing substantial and persistent unemployment and underemployment in the distressed areas of the Nation and to help maintain a continuing high level of economy throughout the United States.

This economically unhealthy situation as we find at the present time creates hardship to many millions of individuals and their families and impairs the national welfare by wasting human resources. My bill will assist communities, industries, enterprises, and individuals in distressed economic areas to achieve lasting local improvements by the development of new employment opportunities.

Mr. Chairman, it is now generally accepted that the Federal Government has a responsibility to help assure maximum employment. This principle is now a part of the law of the land, through the enactment of the Employment Act of 1946. The persistence of high unemployment and underemployment in many areas should be fought by the Federal Government, not only because it causes great human suffering in these areas, but also because these conditions are a threat to the general welfare of the Nation.

The bill which I offer, Mr. Chairman, recognizes this responsibility to the areas of chronic unemployment and underemployment and provides for a program which will help the people of these areas expand their economic activities. The bill also proposes a program which will stimulate these areas to help themselves.

I sincerely hope that the House will adopt the bill which I have submitted, the same as that passed on March 15 of this year by an overwhelming vote in the U.S. Senate with Senator PAUL DOUGLAS, of Illinois, spearheading the attack and guiding it through that body to successful passage. This program, Mr. Chairman, is indeed very badly needed and needed right now.

Mr. Chairman, before this session of Congress ends it is my hope and the hope of many of my colleagues that the House and the Senate will have agreed upon an adequate and effective bill to aid the many U.S. communities suffering from chronic and persistent unemployment.

The Area Redevelopment Act, sponsored as S. 1 by the Honorable PAUL DOUGLAS in the Senate, was passed on March 15, 1961, by the Senate by a 63 to 27 rollcall vote.

Mr. Chairman, I share with my colleagues and with thousands of unemployed Americans throughout our Nation the fervent hope that the House will soon have an opportunity to act upon this proposal.

One of the groups which has led the fight for area redevelopment legislation is the Area Employment Expansion Committee, of 99 University Place, New York, 3, N.Y.

Recently this organization prepared an excellent summary and legislative history of the fight for area redevelopment legislation. I should like to list the table of contents of this fine and comprehensive piece of research work:

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I. Introduction	1
II. History of Federal Action Respecting Distressed Areas	1
III. Legislative History Relating to Area Redevelopment Bills	2
IV. Legislation: Principles and Comparison of Bills	3
V. Need for Area Redevelopment Legislation	4
VI. Response to Opponents of Area Redevelopment	7
VII. Positive Features of Bill	8
VIII. Organizations Which Support the Legislation	8

Mr. Chairman, I take pleasure in the opportunity to bring this fine research to the attention of Members of Congress by joining with several of my colleagues to insert the entire text in the CONGRESSIONAL RECORD:

I. INTRODUCTION

Proposals for area redevelopment legislation have been before the U.S. Congress for more than a decade. The basic principles have been endorsed by both parties in convention and by their leaders. Differences have involved the amounts of the assistance, the need for integrating rural and urban area redevelopment, the proposals for loans and grants for public facilities, the provision for subsistence grants for the unemployed who are being retrained, and the administrative machinery for carrying out the program.

The needs of the chronic labor surplus areas are most urgent. Their problems become more intense and their solution more complicated the longer they persist. The human, social, and capital waste is high. The cost is a tremendous burden upon our communities and State and Federal Governments.

It should be emphasized that in virtually every case these local communities have exerted the maximum effort of which they are capable toward their own economic rehabilitation. Residents of the stricken communities have literally given till it hurts to raise money for industrial site preparation, plant construction, and other services necessary to attract industry. The simple truth is that, in most cases, local financial resources have been exhausted.

So long as these communities remain unassisted in their efforts at redevelopment the Nation is neglecting its commitment under the Employment Act of 1946 to achieve maximum employment, production and purchasing power.

The American people have undertaken to finance economic redevelopment of the distressed and underdeveloped areas in foreign countries. It appears appropriate that we establish a similar program for our own people confronted with comparable problems. If a point 4 program is a good program for us to carry on overseas, it is doubly worthy for us to carry on at home.

II. HISTORY OF FEDERAL ACTION RESPECTING DISTRESSED AREAS

A. Urban areas.

The initial interest in the problem of distressed areas can be traced back to the recession of 1949. There have been persistent subsequent efforts to provide some assistance to these communities, but these steps have been largely temporary and inadequate.

1. The E area program (1949–50).

The executive branch of the Government ordered that aid be given to the E labor market (very substantial labor surplus) by channeling regularly budgeted Federal activities, primarily procurement and construction, to these areas. In all, 62 areas became eligible at one time or another but only 36 shared in the modest consideration. Some observers doubt that any substantial priorities were given these areas.

2. Defense manpower policy No. 4 (February 1952).

This policy was designed for labor surplus communities adversely affected by the cessation of military contracts. In the 85 months through March 1959, contracts amounting to only $213 million were allocated to these areas by virtue of DMP No. 4.

3. Extra accelerated tax amortization (November 1953).

The program for rapid tax amortization for investments in facilities needed for the Nation's industrial mobilization base was further liberalized first for chronic and later for all substantial labor surplus areas. Through April 1959, only 71 facilities were located in 38 areas, for an investment of $318 million, providing jobs for approximately 16,625 workers. This program ceased functioning at the close of 1959.

4. Buy American Act.

American producers supplying goods substantially all of which are produced in areas of substantial unemployment may enjoy a price differential of either 12 or 20 percent depending upon the formula. No data are available on the benefits.

5. U.S. Employment Service.

Since 1949 this Service has helped a number of communities in their developmental activities by providing information on the local labor markets and labor supply but it has been limited by inadequate staff resources.

6. Office of Area Development (U.S. Department of Commerce).

This Office has provided technical pamphlets and statistical studies to all communities seeking help and information to attract new industries without regard to their employment experience.

7. Urban planning grants (HHFA).

Section 701 is designed to aid long-term planning by communities of less than 50,000 population and counties of less than 25,000 population suffering from major natural disasters or rapid urbanization following Federal installations. No special provision is made for distressed areas.

8. Urban renewal (HHFA).

This program aids communities to eliminate slums and blight in predominantly residential areas. No special provision is made for distressed areas.

9. Community facilities (HHFA).

(a) The program for public facility loans may be used by a community of less than 10,000 population for water and sewer systems if it has been denied credit by at least two lending institutions and submits evidence of an ability to repay. No special provisions are made for distressed communities.

(b) The program for interest-free advances for public works planning, which have gone primarily for sewage and water systems, is limited in amount. There is no special provision for distressed areas.

10. President Eisenhower in 1960 set up an interdepartmental committee to "coordinate Federal urban area assistance" which is staffed by the Office of Area Development of the U.S. Department of Commerce.

B. Rural areas.

A rural redevelopment program was instituted in June 1955 to increase productivity of low-income farm people; increase prospects for employment in part-time and nonfarm jobs by encouraging nonagricultural outlets in rural areas; increase opportunities for young people to secure training; and raise the social and economic standards in low-income rural areas. The primary responsibility is lodged with the U.S. Department of Agriculture.

Appropriations consisted of $2,061,645 in fiscal 1957 distributed among the Agricultural Extension Service, Soil Conservation, Agricultural Research Service, Agricultural Marketing Service, Farmers Home Administration, and some information and administrative offices.

In the fourth annual report covering the years 1958–59 the Secretary of Agriculture reported that some 200 counties in 30 States and Puerto Rico had been included in the rural development program areas.

In October 1959, the President formally constituted a committee for rural development programs, supplanting the earlier committee which had been operating informally.

Thus the need for rural redevelopment has long been recognized. The program established by S. 722, described later in this document, insures that this recognized need will be adequately met.

III. LEGISLATIVE HISTORY RELATING TO AREA REDEVELOPMENT BILLS

A. S. 281 introduced in 1949 sought to implement the Employment Act of 1946 and in title V provided specific aids to areas of serious unemployment. After certification such areas would be examined and measures for economic adjustment would be recommended for them. It provided for placement of Government contracts in these areas; RFC loans to private industry; an unemployment emergency reserve fund; retraining facilities; relocation funds; maintenance allowances for trainees.

B. In 1950 a similar measure was introduced, entitled H.R. 7444.

C. Republican candidate Eisenhower in his 1952 speech at Lawrence, Mass., promised to help hard-hit communities.

D. The March 1955 report of the Joint Committee on the Economic Report urged that loans and technical assistance be extended to distressed areas. The committee declared that "we are very concerned with distressed conditions which persist in certain industries and regions, even in an expanding economy. We believe that action is required now and that much can be done through public works to assist these communities. The Federal Government should recognize its responsibility to those areas and industries by promoting research to discover new products and new processes. Consideration should be given to the possibility of modifying the unemployment compensation programs to meet the special problems of retraining and readjusting facing these areas. Loans, technical assistance and, as the President recommends, an expanded area development program should be provided for these areas to help them to adapt to changed economic conditions." The Democratic members of the committee criticized the Economic Report of the President for identifying the problem as a local rather than as a national one. The committee itself declared that "we must recognize and deal with unemployment as a local as well as a National and State problem. The failure of the executive branch

to show sufficient vigor in its approach to this problem disturbs us. It should have occupied a high place in the Economic Report." (Statement of supplemental views of Senators Douglas, Sparkman and O'Mahoney, Representatives Patman, Bolling, Mills and Kelly.)

E. Senator PAUL DOUGLAS introduced the Depressed Areas Act (S. 2663) in July 1955 to provide assistance for distressed areas.

F. The Subcommittee on Low-Income Families of the Joint Committee on the Economic Report recommended in January 1956 that "there be established in the executive branch of the Federal Government a central group with the responsibility of preparing a coordinated comprehensive program aiding currently depressed industrial and rural areas."

G. The President's Economic Report for 1956 reversed its position of the prior year and concluded that the "fate of distressed communities is a matter of national as well as local concern," and recommended special legislation. The report further added that "although these (administrative) programs have proved helpful, experience demonstrates that bolder measures are needed. To this end, a new area assistance program is recommended for aiding a community that experienced persistent and substantial unemployment."

H. Senator Smith, of New Jersey, introduced the administration's bill (S. 2892) entitled "Area Assistance Act of 1956."

I. The Senate in the 84th Congress, 2d session, passed a revised Douglas bill. It was reported out by the House Banking and Currency Committee but it died in the House Rules Committee.

J. Both major parties in their 1956 platforms called for Federal legislation to aid economically distressed areas.

K. In the 85th Congress, Senator DOUGLAS and cosponsors introduced a slightly revised version of the bill considered in the preceding Congress (S. 1433) which was followed by another administration bill (S. 9641). Hearings were held in the first session. A clean bill (S. 3684) was reported out in the second session by the Senate Committee on Banking and Currency. This bill passed the House with some slight amendments and was finally sent to the President at the end of the session. The President pocket-vetoed the bill on September 6, 1958.

L. In the 86th Congress, Senator DOUGLAS introduced a similar bill (S. 722) which was followed by the administration bill called Area Assistance Act of 1959 (S. 1064). After some modifications, S. 722 was passed by the Senate. The House Banking and Currency Committee revised the Senate bill and asked for a rule from the House Rules Committee. The report of the House Banking and Currency Committee was filed May 14, 1959, and is House Report No. 360.

M. The Special Senate Committee on Unemployment Problems conducted a series of hearings on unemployment in many major centers at the end of 1959 and the beginning of 1960. These hearings brought to light the plight of the distressed areas. The recommendations of this special committee can be obtained by contacting the committee in Room 357 of the Senate Office Building, Washington 25, D.C.

N. The Joint Economic Committee conducted an extended series of hearings on "Employment Growth and Price Levels" during 1959. Both the staff and committee reports urged action on distressed areas.

1. The staff report declared that "Federal leadership is needed to assist the recovery of a number of chronically distressed areas. Both technical and long-term financial aid will probably be required. Assistance programs should be of sufficient scope to justify the expectation that the areas will become self-sustaining within a reasonable period. While some nonrecoverable costs may be incurred by the Federal Government in this effort, a well-planned program for reviving the chronically depressed areas should result in a net economic and social gain to the country" (staff report, p. xxix).

2. The Joint Economic Committee in its report concluded that "a program of assistance to chronically depressed areas should be started. Both technical and long-term financial aid will be required to help these areas to become self-sustaining and to help themselves. Where necessary, retraining of workers should be undertaken, particularly where the long-term outlook for an area is poor" (Senate Rept. No. 1043, p. 54).

O. The 1960 Economic Report of the President declared:

"Legislation is needed, however, to supplement and strengthen these efforts to help areas of persistent unemployment create new job opportunities. Such legislation should stimulate and complement efforts of communities to help themselves, should promote maximum participation by private financial institutions and by State and local agencies, should encourage the creation of new job opportunities rather than the mere transference of jobs from one area of the country to another, and should encompass technical aid for the economic diversification of rural low-income areas and single-industry communities."

Mr. FLOOD. Mr. Chairman, under unanimous consent, I include in the RECORD the following portion of the text of an article prepared by the Area Employment Expansion Committee on the subject of area redevelopment legislation:

IV. NEED FOR AREA REDEVELOPMENT LEGISLATION

A. Urban areas.

1. Unemployment persistently concentrated in chronically distressed areas in good and bad times.

(a) Unemployment persists in chronically distressed areas.

(1) The number of labor markets with substantial labor surpluses (6 percent or more unemployment) fluctuates with the rise and fall in business activity but distressed areas continue with substantial labor surpluses.

Areas of substantial labor surplus (unemployment of 6 percent or more of the labor force)

	January	March	May	July	September	November
1960:						
Major	31					
Smaller	107					
1959:						
Major	[1] 76	74	60	46	35	32
Smaller	183	197	177	143	124	112
1958:						
Major	[1] 45	[1] 70	[1] 86	[1] 89	[1] 89	[1] 83
Smaller	72	121	161	182	195	189
1957:						
Major	19	19	21	24	[1] 24	[1] 24
Smaller	59	59	59	61	62	62
1956:						
Major	19	19	23	23	24	20
Smaller	64	65	65	60	59	57
1955:						
Major	[1] 44	[1] 43	35	31	26	19
Smaller	100	113	106	101	94	74
1954:						
Major	[1] 20	[1] 34	[1] 44	[1] 53	[1] 51	[1] 48
Smaller	31	46	73	88	94	97
1953:						
Major	18	17	16	16	[1] 18	[1] 18
Smaller	19	18	18	23	24	24
1952:						
Major	18	21	23	21	19	18
Smaller	5	14	27	30	26	22
1951:						
Major				14	16	15
Smaller					5	5

[1] Recession months between start of decline and return to prerecession levels of industrial production.

Source: U.S. Department of Labor.

(2) The chronically distressed communities (with 6 percent or more unemployment for at least 18 months out of the last 24 months) persist. Even in periods of general prosperity they have substantial labor surpluses. Chronic unemployment is only slightly relieved even when unemployment is low in the Nation as a whole.

The number of chronically distressed labor markets has continued to rise. The recent recession created a new group of chronically distressed labor markets, because of dislocations in the automobile and aircraft industries.

Labor markets	1957, August	1958		1959		
		January	July	January	May	November
Areas with substantial labor surplus (total)	89	117	250	259	246	177
Major areas	24	45	89	76	57	31
Small and very small	65	72	161	183	189	146
Chronically distressed labor markets (total)	65	70	75	119	179	[1] 172
Major areas	12	18	21	22	32	29
Small and very small	53	52	54	97	147	143
Chronically distressed labor markets as a percentage of all of labor markets with substantial labor surplus	73	60	30	43	73	97

[1] Exclusive of Alaska labor markets.

Source: Area Employment Expansion Committee. These data include more smaller communities than are listed by U.S. Department of Labor.

(b) Unemployment unduly concentrated in chronically distressed labor markets.

The rate of unemployment continues to be unduly high in the distressed labor markets. In November 1959 the total unemployed in the 172 distressed labor markets (exclusive of the 5 in Alaska) numbered 923,000. Though these areas had 13.7 percent of the civilian labor force, they included 25.1 percent of the unemployed. The rate of unemployment in these areas was 9.8 percent as compared with a national rate of 5.3 percent.

Unemployment in the United States and in distressed areas, 1959

	January	May	November
United States:			
Civilian labor force (thousands)	67,430	69,405	69,310
Unemployment (thousands)	4,724	3,389	3,670
Percent unemployed	7.0	4.9	5.3
Distressed areas:			
Number	119	179	172
Civilian labor force (thousands)	7,552	10,079	9,465
Unemployment (thousands)	812	1,091	923
Percent unemployed	9.3	10.8	9.8
Civilian labor force as percent of United States	12.9	14.5	13.7
Unemployment as percent of United States	17.2	32.2	25.1

(c) Chronically distressed labor markets suffer from substantial labor surpluses for long periods.

The principal characteristic of unemployment in the chronically distressed communities is that the substantial labor surplus continues to fester for long periods of time. Recovery is not quick. Even the labor market which is later graduated out of the distressed condition takes many years for significant improvements to occur. In some areas the relief has come from the outmigration of people and the reinvigoration of existing rather than new enterprises. But where these alternatives are not easily available the recovery is particularly slow in coming. It has taken some communities a decade or two of the most aggressive local action to effect a measurable reduction in unemployment. The reason basically is that the community may have failed to redevelop itself properly to provide the base for a new industry.

Evidence of the length of the time of the persisting substantial labor surplus is provided by the following table, which enumerates the time of the start of the most recent period of continuous substantial labor surplus.

Date of start of last period of substantial surplus	Total	Distressed labor markets		Number with prior period of substantial labor surplus
		Major	Smaller	
1951	1	1	0	0
1952	18	6	12	0
1953	8	1	17	0
1954	10	1	9	1
1955	11	0	11	1
1956	17	1	16	5
1957	75	15	60	30
1958 (October or before)	26	7	19	8
Total	166	32	144	45

Some labor markets with more recent starting dates for their chronic distress had suffered prior periods of substantial labor surpluses. The revival was short lived and these communities fell back again into the category of chronically distressed.

(d) Few chronically distressed communities graduate out of classification.

The vague hope that many communities will be able to graduate out of the chronically distressful conditions is not justified by experience. On the contrary, the best available data appears to confirm the conclusion that ony a small group of distressed labor markets have lifted themselves to a better status.

Of the total of 116 labor markets which between July 1953 and March 1958 became chronically distressed, only 41 were not so classified in March 1958. Of the remaining 75 labor markets, 64 were continuously distressed from the time their economic difficulties began and they continued unrelieved in this condition of substantial labor surplus. The remaining 11 experienced a temporary period of economic revival.

The 41 labor markets which were not classified as chronically distressed in March 1958 included 19 which had as substantial labor surplus in January or March 1958.

Labor markets chronically distressed, July 1953–March 1958:

1. Total chronically distressed labor markets, 112.

2. Number of labor markets suffering continuous distress from time of origin, 64.

3. Markets which experienced partial revival but chronically distressed as of March 1958, 11.

(a) Chronically distressed in prior period of labor surplus, 4.

(b) Substantial labor surplus but not chronically distressed in prior period of labor surplus, 7.

4. Labor markets formerly distressed markets but not so classified in March 1958, 41.

(a) Areas with a substantial labor surplus in January or March 1958, 19.

(b) Areas not classified as having substantial labor surplus as of March 1958, 22.

(c) Structural unemployment core of unemployment problem in good times.

Deputy Assistant Secretary of Labor Charles D. Stewart declared recently that "one-third of the unemployed in periods we usually regard as one of full employment fall in this (structural unemployment) category."

2. Chronic unemployment in distressed areas is caused by longrun economic changes.

A. Types of economic changes causing chronic unemployment.

1. Industries have declined because new products or services have captured the markets.

(a) Oil has challenged both anthracite and bituminous coal and has preempted many significant markets.

(b) Diesel power has supplanted steampower on the railroads with far-reaching effects, seen in the reduction of the number of repair stations and in the amount of railroad equipment built by the railroads and other service industries.

(c) The railroads have lost out to trucks, passenger cars, and airplanes so that number of spur lines has been reduced and the volume of passenger traffic dropped. Employment has decreased.

(d) Synthetic fibers have made tremendous inroads on silk and wool. The former has been practically eliminated except for specialized restricted areas.

(e) The change in the types of refrigerators has resulted in the closing of a number of older plants.

2. Regional migration has denuded older areas of plants.

(a) The migration has been particularly marked in the soft goods industries. Where there has not been any significant migration, the relative rates of growth in various areas have differed strikingly.

In the textile industry, many mills moved South during the twenties. While the number of such shifts has since been small, the rate of attrition has been high in the North, whereas mill closings in the South have been the exception until recently.

(b) The apparel industry has been subject to violent shifts in location since the beginning of the century. The movement out of the large cities to new markets has been frequently recorded. Recently the so-called newer markets and areas have been losing plants to southern locations.

(c) The electronics parts industry, originally located in the large cities, has been standardized so that production units could be moved to outside lower wage areas. Such migration has taken place at an impressive rate during the last decade.

(d) The automobile industry has been highly decentralized as assembly and parts plants have been placed nearer the consumer markets. As growth of the industry has been halted, the older areas have witnessed many plant closings.

3. Some industrial changes result in plant closings.

(a) The amount of subcontracting by the automobile industry resulted in the shutdown of many parts plants.

4. Changing military requirements have left many communities stranded.

(a) Military installations have been closed as the size of the Armed Forces has been reduced.

(b) The substitution of missiles for armed aircraft has had many significant effects. It has resulted in a severe reduction in the aircraft industry. Some plants have been converted to electronics and become part of the missile industry. The full impact has not yet been felt as increased civilian demands for jet planes has helped fill part of the gap.

The new military defenses require less warehousing and storage facilities, resulting in the closing of depots.

5. Automation and increased mechanization and efficiency have resulted in lower labor demands.

(a) Man-hour productivity is constantly rising. This is effected through mechanization, automation, better management, better materials and standardization of processes. Almost every industry is affected.

(b) Industries in which output is not rising or is declining and yet are experiencing considerable advances in gross productivity are necessarily reducing manpower needs; as witness the textile industry.

(c) New processes may render older plants obsolete and demand a change in the location of the operation as exemplified by the meatpacking industry.

(d) Automation will reduce the needs for warehouses, branch offices and shipping facilities.

6. Import competition is accelerating the decline or forcing the shrinkage of some industries.

(a) Imports have captured the markets for some industries such as leather and knit gloves, watches and clocks, flatware, tubular brass plumbing, rope, chinaware. As a result they have caused plant closings in these industries.

(b) Raw material industries have found that lower foreign prices make them noncompetitive and some mines have been affected by this competition. These include fluorspar, lead, zinc, antimony, copper and iron ore industries.

7. Depletion of natural resources.

(a) Lumber and other raw material product industries have in some areas been affected by sheer exhaustion.

B. Scientific, technical, product, and economic changes will continue.

1. America's investment in scientific research and development is rising. In 1957 it had increased to $10 billion of which about three-quarters was done by private firms. This research is constantly stimulating new products, new industries, and new consumer demands, rendering older ones obsolete.

2. The rate of man-hour productivity is rising. The National Bureau of Economic Research has declared that "the long-term pace of advance in output per man-hour has been speeded up." The average annual output per man-hour increased, according to the U.S. Bureau of Labor Statistics, 4 percent in 1909–19 and 2.9 percent in 1939–58. The rate for 1947–58 was 3.1 percent.

3. The rate of increase in productivity in many industries is even higher than the national average: candy, 19.8 percent; cigars, 18.1 percent; copper, 10.7 percent; iron ore, 9.4 percent; flour, 7.5 percent; synthetic fabrics, 15.2 percent; bituminous coal, 6.8 percent; railroads, 6.2 percent.

4. Dr. Arthur Burns has concluded that "the life histories of industries are becoming shorter * * * [the] increased birth rate of new products means an increase in death rate of old products and a decline in the average life span of individual industries."

5. The continuance of these changes spells the obsolescence of different parts of our economy and the displacement of workers. Where one or another industry provides a substantial part of the employment, the industry when declining will cause a labor surplus. If the community is itself not immediately ready to fit into the newer industrial and economic trends, it will suffer from long-term chronic unemployment.

C. Industries primarily responsible for heavy unemployment in chronically distressed labor markets.

Area Employment Expansion Committee Fact Sheet 42–A lists the industries primarily responsible for heavy unemployment in chronically distressed labor markets and the specific areas affected.

Mr. FLOOD. Mr. Chairman, I include the following portion of the text of an article prepared by the Area Employment Expansion Committee on the subject of area redevelopment legislation:

The industries listed in this fact sheet are—mining: Anthracite, bituminous, fluorspar, iron ore, lead and zinc, copper, and antimony; quarrying: limestone; fishing and seafood processing; oil refining; tobacco; textiles; apparel; logging and lumber; shoes; leather; metal and products: fabricated, brass, clocks and watches, air conditioners, refrigerators, textile machinery, electrical equipment, other machinery and railroad equipment; automobiles; aircraft; ordnance; railroads and repair shops; stone, clay, glass, pottery; chemicals; Federal and military installations; shipbuilding; agriculture; construction; natural resources industries.

D. Cycles of major industries in difficulty.

The distressed area problem has gained particular attention because of the tendency for adversity to hit a group of communities dependent upon the same major industry at relatively similar periods. The concentrated effect tends to highlight the problem.

In recent years, the contracting cycles have been associated with important American industries.

(1) The reverses in the anthracite and coal industry beginning in the thirties.

(2) The liquidation of northern textile mills in the twenties and fifties.

(3) The closing of railroad repair shops and contraction of railroad employment beginning in the thirties.

(4) The decentralization of the automobile industry during the fifties.

(5) The substitution of the missiles for manned aircraft in the fifties.

3. Communities in distressed and chronic condition of substantial labor surplus.

(a) The communities adversely affected by these economic trends are with few exceptions centers of advanced industrial development. Otherwise they would not have attracted high concentration of population and enterprises. Being urbanized communities they have not only the core industries upon which their development was founded but all of the service and auxiliary developments with which to supply the needs of the people. They are communities in which there are vast investments of private, commercial, and industrial capital.

(b) Most of the distressed communities are dependent upon one or two industries which have suffered reverses. In some there has been a concurrent drop in a number of interrelated industries as has occurred in the communities dependent upon the automobile industry.

(c) There are among the distressed communities a large number of single industry communities.

There are many other similar communities in the United States. A study of the U.S. Census of Manufactures for 1954 indicates that of the 3,103 counties, there were 1,986 or 64 percent in which the largest two companies accounted for 50 percent or more of the manufacturing activity in these counties. The proportion in the counties with less than 1,000 manufacturing employees was 70 percent indicating the high dependence upon two employers.

(d) No community is safe from the above reverses. It is clear that the high dependence on a limited number of industries increases the chances of reverses, but complete diversification is not feasible or economically sound. It is better to deal with the problem in realistic terms of establishing provisions for handling the reverses when they come. There can be no insurance policy against adversities.

4. Migration from distressed areas is no general solution.

(a) It is often quite casually suggested that the solution for the distressed areas is the outmigration of the people to other communities. This well-meant suggestion ignores the difficulties standing in the way of this solution.

(b) Some people do move out of the distressed areas. As a matter of fact there are considerable disadvantages in such outmigration. First, it deprives the community of many younger aggressive and ambitious persons. Second, these people tend to return as they face reverses in the newer communities aggravating the lot of the distressed community at a time when it is least able to face the problem.

(c) There is a large volume of migration taking place in the United States which already taxes our national facilities and skill. There is a movement from rural to urban and from urban to suburban areas and other purely personal shifts. People move for various reasons including the desire for advancement, preferred jobs in terms of wages, benefits and prospects.

Surveys on migration already indicate that each year, 7 percent of the population changes its place of residence across county lines and 3 percent across State lines.

A study of unemployment shows that 10 percent of unemployment is accounted for by voluntary shifts, 20 percent by seasonal factors, 20 percent by new job seekers, 30 percent by structural changes and 20 percent by the mobility of people for personal reasons.

A study of population changes from 1940 to 1950 indicates that 1,051 counties lost population, 1,535 had a stable population and 430 showed a fast rate of growth in population.

(d) The people who are not readily moving are reluctant to move because of the difficulties it would entail either to them personally, their investments or both.

People don't want to move because of their strong attachments, social ties, home ownership, possible losses from the sale of houses, advanced age, fear of distant parts, dependents, fear of adjustment, and differences in ethnic backgrounds. Housing problems may be encountered. Moreover jobs in the new community are tentative and uncertain.

Businessmen and people with investments cannot move easily since their livelihood is often completely tied up with a specific locality.

(e) There are no real shortage areas in the United States. In January 1960 there were no major labor markets classified in group A. The occupational shortages relate to skilled professional and clerical jobs.

(f) The cost of migration is sufficiently high as to discourage workers.

Migration can be of help to individuals, and may assist individual communities where redevelopment will not be adequate to absorb the total displaced, but it is not the answer to the problem of chronic unemployment.

5. Local efforts for redevelopment are insufficient.

(a) Most of the recovery experienced in distressed areas has been due to expansion and revitalization of existing industry or outmigration or commutation, often at very high cost to the individual and community.

(b) The three presently available approaches to redevelopment are inadequate.

(1) "Realtor approach." This is a common one which seeks to find an employing tenant for existing vacant space.

(a) This approach is inadequate because it relies on existing space which is obsolete and attracts tenants who want low-price floor space. These may not be energetic and expanding companies.

(b) If the tenant is successful, he will want to expand and find modern space. Otherwise, he is likely to close up.

(2) "Diversification approach." This has been endorsed by the U.S. Department of Commerce and many developers. The purpose is to bring in new industries. This approach may not be economic since there may not be a justifiable base for diversification. Economic advantage may not support it. Diversification is no guarantee against chronic unemployment.

(3) "New commercial and industrial structures. This approach seeks to build a new plant and secure a tenant for it.

(a) This approach may net a tenant but there is no assurance that it will be sufficient to stop the decline in employment or that the new plant will become the nucleus for new economic growth. Many communities with new plants find that they have no multiplier effect.

(b) Local communities and State groups may exhaust their financial resources to build plants.

(c) Local programs often falter and fail. The reasons for these failings are:

(1) They may lack sufficient funds for the project as resources are drained by their local recession and as tax capacity dwindles. The longer the distress, the more limited are the resources.

(2) They become discouraged at the meagerness of the results.

(3) Local vested groups often resist expansion and the appropriation of funds to pay for it.

(4) The people may become resigned to the patterns of unemployment and underemployment.

(5) Local leadership is often lacking after the major industry leaves.

(6) Neglect of distressed urban communities conflicts with Employment Act of 1946.

(a) The act prescribes "maximum employment, production, and purchasing power." The tolerance of chronic unemployment defeats this end. Economic growth depends upon the optimum use of our resources.

(1) The neglect of distressed communities means the deterioration of manpower, entrepreneurial skills and experience; public and social capital; private commercial, personal, and industrial capital.

(2) The development of new communities demands costly investments in new facilities which duplicate existing ones. We already have a tremendous backlog resulting from the unfinished development of our suburbs. The completion of these communities should

have a high priority on our capital investment.

(3) Many new or rapidly growing communities already have difficulty in absorbing new population. The cost of facilities is very high.

(4) The conservation and renewal of existing communities through redevelopment is cheaper and wiser, since much of it involves renewal rather than clearance for redevelopment.

(b) Neglect of unemployment areas is costly.

(1) Large scale unemployment means high costs of poverty in the form of costs of relief, unemployment, high rate of dependence, slums, social evils, and other problems.

(2) Chronic distress means business bankruptcies.

(3) Disuse brings deterioration of public and private capital.

(4) Low income means deterioration of public services for raising young (low standards of education, hospitals, welfare facilities). This places a burden on the Nation as a whole.

(5) Unemployment spreads pessimism and disaffection.

(6) Unemployment depresses wage scales generally.

B. Rural areas.

1. Rural unemployment, underemployment, and low income widely known.

There is little dispute about the prevalence of rural poverty and underemployment. Studies by the Joint Committee on the Economic Report and the Department of Agriculture highlight these facts.

One of every three commercial farms in this country had in 1954 gross sales below $2,500. One quarter of the farm families had an annual income of $1,000 or less.

The greater preponderance of the counties in which unemployment is chronic and in which low standards of living prevail is in the Southern States, particularly Alabama, Arkansas, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, and West Virginia. Additional low-income counties are to be found in Florida, Illinois, Michigan, Minnesota, Missouri, and New Mexico.

2. Characteristics of rural distressed areas.

a. These are communities in which population increases have outrun local resources.

b. Population has increased faster than outmigration.

c. Nonfarm jobs tend to be limited.

d. Farms are small and underdeveloped with low capital investment.

3. Rural redevelopment program is inadequate.

The present program sponsored by the Department of Agriculture is inadequate. It rests primarily upon voluntary cooperation and little or no funds are provided the areas. In the period from 1958–59, the budget provided $15 million for the Farmers Home Administration for additional local authorizations in the pilot counties or about $150,000 per county and $2.6 million for the special services and research activities by public agricultural agencies assisting the program. No funds have been provided for industrial development.

4. Local resources are not sufficient to remove rural poverty.

The National Planning Association declared that "to place exclusive emphasis on private initiative and local initiative is unrealistic and self-defeating. If a century and a half of dependence on local initiative has failed to eliminate America's low-income rural regions, it seems futile to depend only upon such initiative to solve the same rural poverty problems still before us."

5. Rural redevelopment requires outside capital and experience.

V. ORGANIZATIONS WHICH SUPPORT THE LEGISLATION

American Federation of Labor-Congress of Industrial Organizations, Area Employment Expansion Committee, National Farmers Union, the National Grange, American Municipal Association, Southern State Municipal Leagues and Cities, Conference of Mayors, Local Development Councils, Local Councils and Legislatures, National Planning Association.

Mr. Chairman, I would like to add a list of the areas by States, congressional districts, and names of Representatives of such districts declared to be areas of substandard and persistent labor surplus, as follows:

Areas of substantial and persistent labor surplus

	Congressional district	Congressman
NEW ENGLAND		
Maine:		
Small: Biddeford-Sanford	1	Peter A. Garland, Republican.
Massachusetts:		
Medium:		
Fall River	14	Joseph W. Martin, Jr., Republican.
Lowell	5	F. Bradford Morse, Republican.
New Bedford	9	Hastings Keith, Republican.
Do	14	Joseph W. Martin, Jr., Republican.
Small: North Adams	1	Silvio O. Conte, Republican.
Rhode Island:		
Medium:		
Providence-Pawtucket	1	Fernand J. St. Germain, Democrat.
Do	2	John E. Fogarty, Democrat.
Connecticut:		
Small:		
Ansonia	3	Robert N. Giaimo, Democrat.
Bristol	1	Emilio Q. Daddario, Democrat.
Do	5	John S. Monagan, Democrat.
Danielson	2	Horace Seely-Brown, Jr., Republican.
MIDDLE ATLANTIC		
New York:		
Small:		
Amsterdam	32	Samuel S. Stratton, Democrat.
Auburn	36	John Taber, Republican.
Gloversville	32	Samuel S. Stratton, Democrat.
Jamestown-Dunkirk	43	Charles E. Goodell, Republican.
Ogdensburg-Massena-Malone.	33	Clarence E. Kilburn, Republican.
Plattsburgh	31	Carleton J. King, Republican.
New Jersey:		
Medium: Atlantic City	2	Milton W. Glenn, Republican.
Small:		
Bridgeton	2	Do.
Long Branch	3	James C. Auchincloss, Republican.
Ocean City-Wildwood-Cape May.	2	Milton W. Glenn, Republican.
Pennsylvania:		
Medium:		
Altoona	20	James E. Van Zandt, Republican.
Erie	24	Carroll D. Kearns, Republican.
Johnstown	18	J. Irving Whalley, Republican.
Do	22	John P. Saylor, Republican.
Pittsburgh	21	John H. Dent, Democrat.
Do	25	Frank M. Clark, Democrat.
Do	26	Thomas E. Morgan, Democrat.
Do	27	James G. Fulton, Republican.
Do	28	William S. Moorhead, Democrat.
Do	29	Robert J. Corbett, Republican.
Do	30	Elmer J. Holland, Democrat.
Scranton	10	William W. Scranton, Republican.
Wilkes-Barre-Hazleton	11	Daniel J. Flood, Democrat.
Small:		
Berwick-Bloomsburg	17	Herman T. Schneebeli, Republican.
Butler	25	Frank M. Clark.
Clearfield-Du Bois	20	James E. Van Zandt, Republican.
MIDDLE ATLANTIC—continued		
Pennsylvania—Continued		
Small—Continued		
Clearfield-Du Bois—Con	23	Leon R. Gavin, Republican.
Indiana	22	John P. Saylor, Republican.
Kittanning-Ford City	22	Do.
Lewiston	16	Walter M. Mumma, Republican.
Do	18	J. Irving Whalley, Republican.
Meadville	24	Carroll D. Kearns, Republican.
New Castle	23	Frank M. Clark, Democrat.
Pottsville	12	Ivor D. Fenton, Republican.
Do	15	Francis E. Walter, Democrat.
St. Marys	17	Herman T. Schneebeli, Republican.
Do	23	Leon R. Gavin, Republican.
Sayre-Athens-Towanda	17	Herman T. Schneebeli, Republican.
Sunbury-Shamokin-Mount Carmel.	12	Ivor D. Fenton, Republican.
Do	17	Herman T. Schneebeli, Republican.
Do	18	J. Irving Whalley, Republican.
Uniontown-Connellsville	26	Thomas E. Morgan, Democrat.
EAST NORTH CENTRAL		
Ohio:		
Small:		
Athens-Logan-Nelsonville	10	Walter H. Moeller, Democrat.
Batavia-Georgetown-West Union.	6	William H. Harsha, Jr., Republican.
Cambridge	15	Tom V. Moorehead, Republican.
Portsmouth-Chillicothe	6	William H. Harsha, Jr., Republican.
Do	10	Walter H. Moeller, Democrat.
Indiana:		
Medium: Evansville	8	Winfield K. Denton, Democrat.
Illinois:		
Small:		
Centralia	23	George E. Shipley, Democrat.
Harrisburg	23	Do.
Do	25	Kenneth J. Gray, Democrat.
Herrin-Murphysboro-West Frankfort.	25	Do.
Mount Vernon	23	George E. Shipley, Democrat.
Michigan:		
Medium:		
Detroit	1	Thaddeus Machrowicz, Democrat.
Do	7	James G. O'Hara, Democrat.
Do	13	Charles C. Diggs, Jr., Democrat.
Do	14	Louis C. Rabaut, Democrat.
Do	15	John D. Dingell, Democrat.
Do	16	John Lesinski, Democrat.
Do	17	Martha W. Griffiths, Democrat.
Do	18	William S. Broomfield, Republican.
Flint	6	Charles Chamberlain, Republican.
Small:		
Adrian	2	George Meader, Republican.
Bay City	10	Elford A. Cederberg, Republican.
Marquette	12	John B. Bennett, Republican.
Monroe	2	George Meader, Republican.
Port Huron	7	James G. O'Hara, Democrat.

Areas of substantial and persistent labor surplus—Continued

	Congressional district	Congressman
WEST NORTH CENTRAL		
Minnesota:		
Small:		
Brainerd-Grand Rapids	6	Fred Marshall, Democrat.
Do	8	John A. Blatnik, Democrat.
Hibbing-Virginia	8	Do.
Missouri:		
Small:		
Flat River	8	Richard Ichord, Democrat.
Washington	9	Clarence Cannon, Democrat.
Kansas:		
Small: Pittsburg	3	Walter L. McVey, Republican.
SOUTH ATLANTIC		
Maryland:		
Small:		
Cambridge	1	Thomas F. Johnson, Democrat.
Cumberland	6	Charles M. Mathias, Jr., Republican.
Hagerstown	6	Do.
Virginia:		
Small: Big Stone Gap-Appalachia.	9	W. Pat Jennings, Democrat.
West Virginia:		
Medium:		
Charleston	6	John M. Slack, Jr., Democrat.
Huntington-Ashland	4	Ken Hechler, Democrat.
Wheeling	1	Arch A. Moore, Jr., Republican.
Small:		
Beckley	6	John M. Slack, Jr., Democrat.
Bluefield	5	Elizabeth Kee, Democrat.
Clarksburg	3	Cleveland M. Bailey, Democrat.
Fairmont	1	Arch A. Moore, Jr., Republican.
Logan	6	John M. Slack, Jr., Democrat.
Do	4	Ken Hechler, Democrat.
Morgantown	2	Harley O. Staggers, Democrat.
New Martinsville	1	Arch A. Moore, Jr., Republican.
Do	4	Ken Hechler, Democrat.
Oak Hill-Montgomery	3	Cleveland M. Bailey, Democrat.
Point Pleasant-Gallipolis	4	Ken Hechler, Democrat.
Ronceverte-White Sulphur Springs.	5	Elizabeth Kee, Democrat.
Welch	5	Do.
North Carolina:		
Small: Fayetteville	7	Alton Lennon, Democrat.
EAST SOUTH CENTRAL		
Kentucky:		
Small:		
Corbin	8	Eugene Siler, Republican.
Hazard	7	Carl D. Perkins, Democrat.
Hopkinsville	1	Frank A. Stubblefield, Democrat.
EAST SOUTH CENTRAL—continued		
Kentucky—Continued		
Small—Continued		
Madisonville	2	William H. Natcher, Democrat.
Do	1	Frank A. Stubblefield, Democrat.
Middlesboro-Harlan	8	Eugene Siler, Republican.
Morehead-Grayson	7	Carl D. Perkins, Democratic.
Paducah	1	Frank A. Stubblefield, Democrat.
Paintsville-Prestonburg	7	Carl D. Perkins, Democrat.
Pikeville-Williamson	7	Do.
Tennessee:		
Small:		
La Follette-Jellico-Tazewell	1	Vacant.
Do	2	Howard H. Baker, Republican.
Alabama:		
Small:		
Florence-Sheffield	8	Robert E. Jones, Jr., Democrat.
Do	7	Carl Elliott, Democrat.
Gadsden	5	Albert Rains, Democrat.
Jasper	7	Carl Elliott, Democrat.
WEST SOUTH CENTRAL		
Oklahoma:		
Small:		
McAlester	3	Carl Albert, Democrat.
Muskogee	2	Ed Edmondson, Democrat.
Texas:		
Small: Laredo	15	Joe M. Kilgore, Democrat.
MOUNTAIN		
Montana:		
Small:		
Butte	1	Arnold Olsen, Democrat.
Kalispell	1	Do.
PACIFIC		
Washington:		
Small:		
Aberdeen	3	Julia B. Hansen, Democrat.
Anacortes	2	Jack Westland, Republican.
Port Angeles	2	Do.
Alaska:		
Small: Anchorage	1	Ralph J. Rivers, Democrat.
PUERTO RICO		
Medium:		
Mayaguez		Antonio Fernós-Isern, Democrat.
Ponce		Do.
San Juan		Do.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. FLOOD] has expired.

Mr. KILBURN. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. FENTON].

Mr. FENTON. Mr. Chairman, first of all let me assure my colleague, the gentleman from Pennsylvania [Mr. FLOOD], that I am for this bill.

Mr. Chairman and Members of the House, my district in the anthracite region of Pennsylvania is one that has been beset with problems of unemployment for a long time. In addition to the Scranton-Wilkes-Barre area—my area—Pottsville, Shamokin, Mount Carmel, Shenandoah, Mahanoy City, Tamaqua, Minersville, Girardville, and other towns are in great need.

Ever since the turn of the century, the number of jobs in the anthracite mines has been lessening, and the communities in my district have fought a valiant battle in trying to establish new industries to provide jobs for displaced miners and their families. This battle has been a monument to the principle of community self-help.

Even now people in my district do not seek charity or handouts. We are happy to continue to shoulder the main responsibility for providing new footings, a new base for our economy.

At this point Mr. Chairman, I would like to point out that I was the one who pioneered area assistance legislation when I introduced in the House on January 9, 1956, the proposals of the former Eisenhower administration 4 days after the President in his state of the Union message recommended such assistance after I had personally arranged various group conferences at the White House.

We have before us S. 1 as amended by our Banking and Currency Committee.

Another bill—H.R. 5943, the Widnall bill—will be offered as a substitute for the committee bill.

I wish to say that no one in the Congress is more keenly interested in helping our domestic distressed areas than am I.

Mr. Chairman, former President Eisenhower in his state of the Union messages, and in economic reports, announced the principle that there is a responsibility in the Federal Government to help areas of substantial and persistent labor surplus in their efforts to solve their problems. This is clear, despite the fact that the Nation as a whole has enjoyed a period of general prosperity since 1952.

Many people have spoken at length in behalf of legislation of this kind at this and previous sessions of Congress.

Secretaries of Commerce and Labor, both in the last and present administrations have spoken in favor of legislation to help areas of persistent unemployment, especially the so-called chronic areas.

Representatives of labor, and the chief executive of the State of Pennsylvania, and others have appealed for adequate legislation.

I will try to give you some idea of our economic conditions in the Schuylkill-Northumberland anthracite-producing area of Pennsylvania, and the time and efforts given by the people of my area in trying to help themselves.

We have witnessed the population of my district shrink over 80,000 from 1940 to 1960.

We have seen our major and basic anthracite industry have its annual tonnage reduced from almost 100 million tons in 1919, in World War I, to around 20 million tons at the present time.

We have also seen the number of mineworkers diminish from a peak of 179,679 in 1917 to less than 20,000 today.

Now the causes of all these decreases are well known to those of us from the hard coal fields. In fact, the Federal Government itself knows full well the condition in which our area finds itself, because, over the years, since I have been a Member of Congress, I have brought to the attention of our various administrations the economic plight of the anthracite industry and the people dependent upon it for a livelihood.

As a matter of fact, and the record will disclose this, I have been successful

in having a number of my proposals enacted into law to assist the anthracite industry and our people. For example, first, Public Law 812, 77th Congress, which established the Anthracite Research Laboratory; second, Public Law 738, 83d Congress, which authorizes the appropriation of Federal funds to the Bureau of Mines to fight mine fires and which eliminates the necessity of asking for special funds each year; the appropriations for this type of work over the past several years has saved over 350 million tons of coal from destruction at a cost of less than 1 cent a ton.

I also sponsored Public Law 162, 84th Congress, which authorizes the Federal Government to appropriate $8,500,000 to match a similar amount from the State of Pennsylvania to dewater mines for health and safety purposes, and to conserve one of the Nation's greatest natural resources—Pennsylvania's anthracite mines.

While we have been trying to stay the continued onslaught of unemployment by helping to stabilize our anthracite mining industry, our people and our communities have been doing a splendid job in organizing in various ways, and indeed, have succeeded in securing new plants in some communities and also expanding plants already there.

Our people want to work, as is evidenced by the fact that thousands of them travel over 100 miles each day in commuting back and forth to work. Others are compelled to leave their families for the week and return home on the weekends.

Our people cannot understand why a helping hand has not been extended them long ago as has been done by our Government to other segments of our economy. Neither can they understand why the Government itself permits the terrific influx of residual oil on the eastern seaboard, which displaces millions and millions of tons of coal each year.

We have recommended that this excessive importation of residual or waste oil be curtailed or be placed on a proper quota basis, and I introduced legislation to accomplish this. If this was done it would help in keeping down our unemployment.

In addition to the influx of foreign waste oil, we have been hurt by the "big and little inch" pipelines built by the Government. We had no complaint to make when these pipelines were built because of their necessity to aid in winning the war. We did not intend to have them later used by private enterprise in competition and injury to the coal industry.

We objected strenuously to their being sold to the oil and gas industries after the war because we knew it would hurt our anthracite markets. It did hurt us very severely, and the Government did assist the oil and gas industry in selling the pipelines.

I cite these several instances about the plight or our basic industry, because our pleas fell on deaf ears for many, many years.

We have in various communities in my district, attempted to help ourselves and have succeeded in securing new plants, but we have reached the limit and we now look forward to the State and Federal Governments for assistance in the form of loans.

The President is concerned about areas of chronic unemployment and is attempting to do something about it.

According to January ratings of the Pennsylvania Department of Labor and Industry, four additional labor market areas in Pennsylvania were classified as areas of substantial labor surplus, bringing the total to 26.

The classification of the areas, made jointly by the United States and Pennsylvania Bureaus of Employment Security, showed 9 major and 17 smaller areas in the substantial labor market surplus category. This represented the addition of three major and one smaller area since the November ratings.

Of the 26 areas, 19 are designated as "areas of substantial and persistent labor surplus." This constitutes an increase of three in January over the preceding November.

Since November, classification changes in the Nation as a whole resulted in an increase in the number of major areas of substantial labor surplus from 51 to 76. The number of smaller areas meanwhile rose from 123 to 152. Of the total number of substantial labor surplus areas in the United States, 103 are classified as "areas of substantial and persistent labor surplus."

In January, the U.S. rate of unemployment again remained well below the Pennsylvania rate. The national percent of labor force unemployed in January was 7.7, and the Pennsylvania percentage was 11.4. Seasonally adjusted, the national rate was 6.6.

At the present time the unemployment figures for my district in Pennsylvania is about 26,000. In Schuylkill County we have 16,900 unemployed, and in Northumberland County 9,100. In Schuylkill County alone this means that the percentage of unemployed is 22.1 percent, and in Northumberland 13.9 percent.

Many bills have been introduced for distressed areas by Members of both political parties in the 84th, 85th, 86th, and the current 87th Congress.

I urge and trust that we will pass and bring forth a bill that can be accepted by the House and Senate, and signed into law by the President.

The anthracite coal producing area of Pennsylvania is a chronically distressed area and the people of my district will be especially grateful for favorable action.

Mr. PATMAN. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. MOORHEAD].

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I am honored to follow in the well of this House my distinguished colleagues from Pennsylvania [Mr. FLOOD and Mr. FENTON] and to join with them in urging the passage of this area redevelopment bill.

Mr. Chairman, the area redevelopment bill is legislation designed to take care of human needs in a businesslike way.

The name of this bill, the area redevelopment bill, should not confuse us. We are not concerned so much with distressed areas as with distressed people who live in these areas.

The distress that comes to people from long-continued unemployment is serious whether the unemployed people live in a large city, a small town, or in a rural community. The committee bill recognizes this fact and is designed to help people wherever they may live in the United States of America. Even without considering the rural areas, people in more than one-half of the 50 States will be benefited by the legislation.

The purpose of the committee bill is to help people but the means it uses are businesslike. This is no dole, handout, or giveaway program. It is a program to help business create new job opportunities for our unemployed.

Those who oppose this legislation say that local States and communities should do the job for themselves. One of the witnesses at the hearing described what a wonderful job the city of Erie in my State of Pennsylvania was doing to attract industry. He neglected to point out that in November of 1960, unemployment of Erie was 9.4 percent and that Erie is classified as an area of substantial and persistent unemployment. The opponents of this legislation fail to recognize that, although Pennsylvania has been doing a wonderful job of trying to solve its problems, some 49 of the 67 counties in Pennsylvania are classified as distressed areas. Mr. Chairman, we in Pennsylvania have gone as far as we can go. We need a partnership with the Federal Government if we are to solve our problems.

But this is not Pennsylvania's problem alone; it is a national problem. Persistent unemployment, for any of a number of reasons, has arisen or can arise in every one of 50 States and in every one of the 437 congressional districts. It may not have arisen in your congressional district but who knows what tomorrow may bring. One technological change or invention may eliminate the economical basis of your community.

The committee bill will help people who live in cities. It will help primarily through the provisions for industrial, urban renewal, economic planning assistance, and training and retraining of workers. Sixty-three percent of the unemployed in Pennsylvania are classified as either unskilled or semiskilled. Others have skills no longer in need. Training and retraining will be their salvation.

The committee bill will help people who live in small towns. It will help by bringing new industry to towns and by assisting them in providing the public facilities which industry may need. The tax basis in some of these smaller communities may have become so eroded that they cannot even borrow money for public facilities. The committee bill recognizes this situation and provides a limited program of grants in aid.

The committee bill will help people who live in farming communities and suffer from chronic unemployment. It will help farming communities to develop agricultural production in combination with processing—what the Secretary of Agriculture referred to as "Agribusiness." "Agribusiness" may

mean a combination of farming, forestry and woodwork. In another area "agribusiness" may mean the promotion of tourists and recreation.

In short, Mr. Chairman, the area redevelopment bill is national legislation to help all the people of our Nation whether they live in city, town, or village. I urge the adoption of the committee bill.

Mr. KILBURN. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. VAN ZANDT].

Mr. VAN ZANDT. Mr. Chairman, in beginning my statement, I want to commend the House Banking and Currency Committee for the job they have done in perfecting and bringing to the House floor for consideration at this time the bill, S. 1.

My interest in area redevelopment began on June 21, 1954, when I introduced bills designed to provide programs of public facilities construction to stimulate employment in areas having substantial surplus labor and to amend the Small Business Act of 1953 to authorize loans to be made by the Small Business Administration to municipalities having a substantial labor surplus.

Since the introduction of these bills, I have joined many of my colleagues annually in sponsoring similar legislation and at the same time have stood in the well of this Chamber frequently appealing for positive action in alleviating the distress of unemployment in labor surplus areas.

In addition, I have voted for every area redevelopment bill brought to this floor since the 85th Congress and joined advocates of the legislation in an effort to override the Presidential veto of S. 722. Therefore, it is my desire to emphasize that I am prepared to support S. 1 when perfected and ready for a vote by this House.

The basis of my longtime interest in area redevelopment legislation stems from the fact that since World War II—with the exception of the Korean conflict—my congressional district in Pennsylvania comprising the counties of Blair, Centre, and Clearfield has been plagued with chronic unemployment due to depressed conditions in the coal, railroad, clay and related industries, such as brickyards, machine shops, and so forth. Believe it or not, at times as much as 18 percent of our total labor force has been unemployed.

These depressed conditions I have mentioned stem from technological changes, migration of industry, shifts in demand from one product to another, as well as foreign imports such as residual oil, which have captured our eastern seaboard coal markets.

As a classic example, I should like to point to my hometown of Altoona, Pa., which until some years ago was the largest locomotive repair center in the United States. With the advent of diesel locomotives, the pattern of skills required by locomotive repairmen shrank considerably, thus throwing many railroad mechanics and men with related skills into the ranks of the unemployed.

When you add this group to others who lost their jobs due to the decline in coal, freight, and passenger business, you will understand why employment in the Altoona, Pa., railroad shops dropped from nearly 15,000 in 1951 to 4,900 as of March 1, this year, or a loss of more than 10,000 jobs.

With respect to the coal industry, it should be pointed out that since 1948 in the central Pennsylvania area the production of bituminous coal has been on the decline with the result that production has dropped from 60 million tons to 31 million tons in 1960, or a loss in production of 48 percent. In manpower, in 1948 these mines employed 51,500 miners while in 1960 the number employed was approximately 17,500, a decrease of 66 percent. In other words, 34,000 coal miners lost their jobs.

Mr. FLOOD. Mr. Chairman, will the gentleman yield?

Mr. VAN ZANDT. I yield.

Mr. FLOOD. If the gentleman will, I would like him to tell us how many men and women in his district are receiving surplus foods?

Mr. VAN ZANDT. At the present time out of the overall population in my congressional district we have 14 percent receiving surplus commodities. As I say, it is difficult to watch these people because they are mechanics, they are boilermakers, they are upholsterers, they are carpenters, they are bricklayers, and they are all unemployed.

With the unemployment in the railroad and coal industries making up the majority of the unemployed in the two labor market areas in my congressional district, here is the picture as compiled by the U.S. Department of Labor:

	Altoona			Clearfield-DuBois		
	Labor force	Unemployment	Ratio, unemployment to labor force	Labor force	Unemployment	Ratio, unemployment to labor force
			Percent			*Percent*
July 1956	52,700	8,100	15.4	(1)	(1)	(1)
July 1957	53,800	6,300	11.7	(1)	(1)	(1)
July 1958	54,000	9,800	18.1	36,700	5,000	13.6
July 1959	53,800	4,500	8.4	35,700	4,200	11.8
July 1960	53,300	6,100	11.4	35,600	4,000	11.2
February 1961	53,000	7,100	13.4	35,200	5,100	14.5

[1] Data not available.

As these figures show, the unemployment problem in my congressional district is simply this: Out of a labor force of nearly 90,000, some 13,000 are unemployed or about 14 percent. This unemployment is not seasonal but chronic, as it has plagued us since the close of World War II with the exception of the period of the Korean conflict.

As you can imagine, both of these labor market areas have been for years classified as areas of substantial and persistent unemployment by the U.S. Department of Labor.

Having lived with all of this chronic unemployment for years, the residents of the central Pennsylvania area know the meaning of ghost towns and the misery that follows in the wake of unemployment, as we watch good American families being forced to exist on public assistance and surplus commodities.

In this connection, as of January 1, in my three-county area there are 29,386 persons eligible for surplus food or nearly 10 percent of the overall population. In fact, in Clearfield County nearly 14 percent of the population are recipients of surplus commodities and dependent upon them for necesssities of life.

Faced with the unemployment problem, my colleagues many times have asked the question: "Why is it that these areas of chronic unemployment cannot help themselves?"

The answer is that while some 1,800 communities throughout the country have active area redevelopment groups, I can only speak for my own congressional district where such groups have been active for years and have enjoyed a measure of success. As a matter of fact, every area of unemployment in my congressional district has an industrial development committee of some kind and number 25 in all.

While not all of the committees have been successful, we can point with pride to the fact that hundreds of new jobs have been created in the central Pennsylvania area through community effort.

Outstanding in the effort is the city of Altoona, Pa., where through the Altoona Enterprises, Inc., a subsidiary of the Altoona Chamber of Commerce, 14 new industries have been secured, representing employment for 4,500 persons with an increased annual payroll for the area exceeding $18 million.

The $1,595,000 contributed by Altoona residents to finance this effort represents contributions on the part of a cross section of Altoona's population. In addition, it was necessary to borrow funds from the local banks and, at this moment, the Altoona group has exhausted its borrowing capacity.

Besides praising Altoona, I should like also to commend other communities of my congressional district such as Curwensville, Coalport, Clearfield, Du Bois, Tyrone, Philipsburg, Martinsburg, and Houtzdale, all of which are also pulling themselves up by their own bootstraps.

Therefore, in my congressional district these 25 area redevelopment groups—which have been instrumental not only in attracting new industries to the area but by their activities and faith in the future have created an atmosphere of hope and confidence—are in need of the

type of Federal assistance provided for in the bill before us.

What I am saying is this: Our experience in the central Pennsylvania area has convinced us that we cannot do this job alone. If we are going to lick these areas of depression stemming from pockets of unemployment, we desperately need Federal assistance in coordinating our efforts.

Frankly, I do not find it difficult to support S. 1 because as my statement reveals, I have firsthand knowledge of the great need for this legislation. In addition the program as contained in S. 1, if written into law, will provide a coordinated attack on the basic economic problems confronting areas of substantial and persistent unemployment, such as I have in the two labor market areas in my Congressional District.

I have studied the seven major provisions of S. 1 and agree with the Committee Report when it says that such provisions will enable the Federal Government to play its proper role and meet its responsibilities in the field of area redevelopment.

The provisions follow:

First. The bill would place the responsibility for area redevelopment in the Secretary of Commerce to insure that the program will be dealt with at the Cabinet level. At the same time, an Area Redevelopment Administrator would be established in the Department to perform such functions as the Secretary may assign to him under the bill.

Second. The bill would authorize the designation of areas of chronic unemployment and underemployment. Such designation would be mandatory for some communities under criteria set forth in the amendment but the Secretary would designate other areas including rural places according to guidelines set forth.

Third. The Secretary would be authorized to make loans for industrial projects in the designated areas. Two funds of $100 million each would be established by appropriation.

Fourth. Loans would be available on liberal terms for local public facilities to encourage economic expansion. The amount of $100 million would be authorized for appropriation for these loans.

Fifth. Partial grants could be made to communities for local public facilities if these are necessary for the financing of the project. The amount of $75 million is authorized for appropriation for these grants.

Sixth. The bill contains two sections which would vest additional authority in the HHFA Administrator in order to assist redevelopment areas. Grants and loans for urban renewal could be made without regard to the predominantly residential requirement which must be met in most cases. Urban planning grants authorized by the Housing Act of 1954 would be made available to redevelopment areas without regard to the population limit otherwise applicable.

Seventh. Upon a finding by the Secretary of Labor that training is needed, the Secretary of Health, Education, and Welfare could provide information and financial assistance in connection with occupational retraining programs. The Secretary of Labor would be authorized to enter into agreements with the States to pay subsistence payments up to 16 weeks for persons receiving such occupational training.

Mr. Chairman, according to the committee report, the cost of this legislation will be $394 million. May I say I hold no brief for those who quibble and employ delaying tactics over the price tag of an area redevelopment program. Like a few here today, some provisions of the bill may not meet my approval and the cost may be a little high, but since we have billions of dollars to pour into foreign aid, we certainly have a moral obligation to care for the needs of America's unemployed.

By the facts that I have given you, my constituents without Federal aid have given their own money as well as their time and effort to combat this economic problem. Yes, some progress has been made down the long, hard road, but they need a helping hand to attain their objective.

Before concluding my statement I wish to point out that if this bill is enacted into law in its present form, the two labor market areas located in my congressional district—both of which have been classified by the U.S. Department of Labor as areas of substantial and persistent unemployment—will meet the criteria for mandatory designation as redevelopment areas.

In plain words this means that the area redevelopment groups in my three-county area will enjoy Federal assistance in a coordinated attack on the basic economic problems representing the causes of the chronic unemployment.

I think it should be understood that enactment of this bill will not cause the Government to provide jobs immediately for the unemployed through the construction of plants and assignment of Government contracts.

To the contrary, it may be months before many of these areas will solve their unemployment problem since this bill if written into law simply authorizes the Federal Government to rely on local initiative and the efforts of private enterprise by furnishing them technical assistance and guidance together with financial aid, primarily in the form of loans to implement local community redevelopment programs.

Mr. Chairman, as one who represents two chronically depressed areas in Pennsylvania with unemployment at 14 percent of the total labor force, it is my sincere desire that S. 1 be approved promptly and that a conference report on the Senate and House bills be agreed to so that the legislation may be sent to the White House at the earliest possible date.

Mr. PATMAN. Mr. Chairman, I yield 3 minutes to the gentleman from New York [Mr. GILBERT].

Mr. GILBERT. Mr. Chairman, I wish to express my strong support of the bill before us which would provide Federal aid to distressed areas. In fact, I introduced a bill covering such aid in January of this year, for I have long recognized the dire need for such assistance.

As a member of subcommittee 2 of the Committee on Banking and Currency, which held extensive hearings on the bill, I heard the many witnesses who testified before us. Members of the Cabinet, representatives of unions, municipal associations, Governors, mayors, and other city officials were among those we heard. All pleaded for passage of this legislation and proved its urgency and necessity. I wish to stress that every elected official, whether city or State, who came before us, urged passage of this legislation.

President Kennedy has stressed that our economy is in trouble. We have had 7 years of diminished economic growth, 3½ years of slack, and 7 months of recession. In these days of crises, we cannot permit further deterioration in our economy; we must take positive and effective steps to stimulate the economy and pave the way for its full capacity performance; we must aim for the highest possible rate of economic growth. Five and a half million unemployed workers live in the 103 designated distressed areas. The bill before us which provides for area redevelopment would be a big step forward in combating the unemployment problem on an intelligent basis and in helping the country generally by stimulating our economy. In New York State there are numerous areas which are in trouble and which are in desperate need of the assistance this legislation would give them.

Due to natural exhaustion of coal and other natural reserves, mechanization of facilities, automation, competition, and technological changes, industrial rehabilitation of numerous areas is necessary if those communities are to survive. Many have tried to solve their own problems; the community has worked, civic leaders have tried to attract new industries, money has been borrowed, the people have made great personal sacrifices, but the forces responsible for the condition are so strong and varied, they require comprehensive measures, and assistance by the Federal Government is imperative. No community can win the battle without Federal help. Let us also recognize the fact that the long-range view is necessary, for a community which is booming today may, because of automation or a new scientific development, find itself in the depressed areas class tomorrow. Sensible, workable plans must be laid now to eliminate and prevent economic distress to the fullest degree possible.

I like to think of the help provided by this bill as a transfusion into the life stream of the economy of those communities now suffering from the blight of economic depression and as a ray of hope into the lives of the unemployed who are now suffering hardships.

Many of my colleagues have been concerned with the question of the pirating of industry from one community to another. The committee, mindful of the

dangers which might lie in this type of program, included the strongest, possible antipirating provisions in the bill. If there is any language providing stronger protection, I am certain that we would be happy to adopt that type of amendment.

Many of my constituents are of Puerto Rican background; I am happy that the bill before us would help Puerto Rico, as it meets the bill's requirements as to depressed industrial areas. Much progress is being made in Puerto Rico, and I should like the people there to be encouraged in their efforts to improve their Commonwealth as well as their standards of living.

The chairman of our committee worked conscientiously and judiciously to bring out a good, workable bill, and every effort was made by him to do his best for all concerned. He treated all who appeared before him with fairness and interest. He is to be complimented upon the fine results he has accomplished.

I strongly urge passage of this important bill.

FEDERAL AID TO DISTRESSED AREAS—FACT SHEET 1

VII. PROMPT ACTION ON AREA DEVELOPMENT SOUGHT BY KENNEDY ADMINISTRATION

After reviewing the postelection task force study on area redevelopment, President Kennedy concluded that depressed area problems deserve the most important domestic priority.

"As President, I will direct all agencies of Government to give priority, in all regular programs, to the needs of depressed areas. This includes * * * the agencies concerned with transportation, with flood control, with urban renewal, with conservation." (Senator Kennedy, October 28, 1960.)

In his state of the Union address President Kennedy stressed that our economy is in trouble. He based this on the 7 years of diminished economic growth, 3½ years of slack, and 7 months of recession which we have been experiencing. Among the measures to be proposed to remedy the situation was to redevelop distressed areas, pointing out that large numbers of the 5½ million unemployed workers live in the 103 designated distressed areas.

A. Administration recommendations

1. Provide a workable program to alleviate distress and meet the immediate subsistence needs of the people and to stimulate sustained economic growth, so that the people who live in these distressed areas may share in our Nation's expansion, including:

(a) technical assistance to enable local communities to plan their economic growth and development intelligently;

(b) participating loans to assist when conventional lending facilities are unavailable to the area;

(c) modernized public facilities to encourage industry;

(d) facilities and opportunities for training and retraining the labor force.

2. Place the depressed areas program in the Department of Commerce, which would be responsible for coordinating aspects of the program involving other Government agencies and departments.

3. Provide flexibility in the program so as to benefit urban and rural areas alike and to function in regions of economic distress which includes parts of two or more States.

B. The need for immediate action

Problems of distressed areas are accentuated with rising unemployment and present inadequate economic growth.

Unemployment over a long period has a destructive effect on the lives of people affected and on the entire community.

The potential of our economy is constantly expanding but the failure to use our full capacity is the urgent economic problem of our day.

The performance of our economy is far below its full capacity: Labor force is rising 1.5 percent yearly; output per man-hour is rising 2 percent yearly due to better plants, equipment, modern technology, improved human skills.

This manpower and productivity alone is basis for a potential annual growth rate of 3.5 percent, but this would still fall short of the rate necessary if we are to meet our challenges at home and abroad.

The deterioration in our economy over the past 7 years makes it imperative that we take immediate steps to stimulate the economy to reverse the trend and to achieve a high rate of economic growth. Area redevelopment legislation is one of several such actions.

As of January 1961, the national unemployment rate was 7.7 percent of the labor force. Seventeen major distressed areas in the Nation have an unemployment rate three-fifths higher than the national average.

The number of distressed areas has risen since President Eisenhower vetoed the 1960 Area Redevelopment bill. In March 1961 101 of the Nation's 150 major industrial areas had 6 percent or more unemployed; 184 smaller areas also had unemployment of 6 percent or more.

C. Senate action

By a 63–27 vote on March 15, 1961, the Senate approved an amended version of S. 1, which conforms in most respects to the administration's bill, H.R. 4569. It authorizes a $394 million program of loans and grants to help rehabilitate the 103 industrial and numerous rural areas designated as chronically depressed areas.

Senate debate centered on control of the program, method of financing, and the amount of expenditures. Senator DOUGLAS, Democrat, of Illinois, sponsor of the Senate bill, originally wanted a new independent agency to administer the program, but yielded to administration wishes that it be placed in the Commerce Department.

DOUGLAS' plan to finance the program through Treasury borrowing instead of requiring annual congressional appropriations survived on a 49–45 roll call vote.

Attempts to scale down the size of the program were defeated as was DIRKSEN'S substitute bill providing only a $180 million program. Under the Senate version, the program would expire June 30, 1965, unless renewed by Congress.

D. House Banking and Currency Committee action

During 2 weeks of hearings on the administration's bill (H.R. 4569), testimony supporting the measure was presented by the Secretaries of Commerce, Labor, and Agriculture. The bill was also supported by witnesses representing the AFL–CIO, United Mine Workers, National Farmers Union, American Municipal Association, U.S. Conference of Mayors, and the National Rural Electric Cooperative Association.

Representatives of the U.S. Chamber of Commerce and the NAM appeared in opposition to the administration bill.

The committee substituted the language of the House bill for the provisions of S. 1 and reported the amended bill on March 22, 1961. (For detailed provisions see H. Rept. 186.)

E. Major provisions of S. 1 (H. Rept. 186)

1. Authorizes $394 million in Federal loans and grants for redevelopment of economically depressed industrial and rural areas.

2. Establishes 3 separate $100 million revolving loan funds, financed by regular congressional appropriations:

(a) Urban redevelopment loans, and (b) rural redevelopment loans may be used for industrial and commercial projects, including construction of new plants, rehabilitation and improvement of existing buildings, and in certain cases, for the purchase of machinery and equipment; may be made for a period of up to 25 years and cover up to 65 percent of the cost of the project; a minimum of 10 percent must be met by State funds and 5 percent must be provided by private lending facilities. The interest rate is based on the average current yield of outstanding Treasury bonds of comparable maturity, plus one-half of 1 percent to cover overhead cost.

(c) Public facility loans may be used for construction and improvement of public facilities within redevelopment area; may be made for a period up to 40 years and cover 100 percent of the total cost of the project.

3. Authorizes $75 million in Federal grants for public facility expansion in areas where it is not practical to use the loan program described in 2–c above. All loans and grants listed are contingent on approval of a local economic development program.

4. Authorizes annual appropriation of $4.5 million for subsistence payments for unemployed workers who are taking part in an authorized training program and $10 million annually for retraining subsistence payments.

5. Makes permanent the authority of the Small Business Administration to make loans to local development corporations.

6. Permits redevelopment areas to participate more fully in the urban renewal program by amending the Housing Act to permit urban planning grants to be made directly to cities and counties in redevelopment areas without time-consuming delays.

7. Authorizes annual appropriation of up to $4.5 million for technical assistance for studies as to how redevelopment programs may be best utilized.

8. Contains an "antipirating" section to forbid the use of funds to assist businesses in relocating "totally or partially" from one area to another.

Mr. PATMAN. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BOGGS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (S. 1) to establish an effective program to alleviate conditions of substantial and persistent unemployment and underemployment in certain economically distressed areas, had come to no resolution thereon.

GENERAL LEAVE TO EXTEND

Mr. PATMAN. Mr. Speaker, I ask unanimous consent that all Members speaking today in Committee may have permission to revise and extend their remarks and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

TEXTILE PROBLEMS IN THE SOUTH

The SPEAKER. Under previous order of the House, the gentleman from South

Carolina [Mr. HEMPHILL] is recognized for 60 minutes.

Mr. HEMPHILL. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. HEMPHILL. Mr. Speaker, I rise again this week as I have so many times in the past to talk about the textile problems in my area. I call attention to the fact that the import of textiles continues to rise. That being the case, Mr. Speaker, the unemployment which has threatened this country's very economy is being increased day by day and week by week.

Now, some of this unemployment is in the category of those people who lose their jobs absolutely or who lose their jobs to such an extent that their own ability to take care of the budgetary items necessary in their lives is destroyed for at least a period of 6 months to 1 year.

In addition to those who are laid off for considerable periods of time or those who lose their jobs entirely we have a category of people who now have the misfortune of being on what is known as short time. "Short time" means that the usual 46-, 44-, or 40-hour week has now been reduced because of the textile import situation and the economic situation in the textile industry which is a direct result of it, and those people are now unable to make the weekly payments for such vital things to Americans as homes they want to own, the automobile, which has become a symbol of American civilization and American prosperity, the washing machine and the other things in the household appliance field which we in America have come to expect as a part of the comfort, part of the high standard of living, and which we have been bringing in to the good ladies of America; those employed in the textile plants and whose living is dependent upon that employment.

Cotton cloth imports, which totaled 454,890,000 square yards, increased 89 percent in 1960 over the 1959 total of 240,371,000 square yeards. Cotton yarn imports now totaling 15,141,000 pounds were 997 times greater than they were in 1959 and a fantastic 1,713 times greater than in 1958. If there are imports of cotton yarns of such percentages as 1,700, when we import the yarns we export the jobs. When we export the jobs we export the prosperity of America. When we export the jobs we export a part of an industry which has been frequently declared and correctly identified as a major part of our national defense effort.

No industry in this country can survive with imports of such volume and such increasing volume.

Mr. Speaker, I am glad to say that I have here a clipping from a newspaper quoting Secretary Hodges. Here is what this article says:

> Secretary of Commerce Luther Hodges, himself a former textile executive, goes so far as to say: "Our Government is actually destroying a basic industry essential to our economy and our national defense."

We have before us at this time the problem of what to do not only about the foreign markets which we have apparently lost or given away or legislated away, but other related problems.

Mr. WHITENER. Mr. Speaker, will the gentleman yield?

Mr. HEMPHILL. I yield to the gentleman from North Carolina.

Mr. WHITENER. Mr. Speaker, I appreciate the fact that the gentleman is again bringing this very important subject to the attention of the Congress. The reference the gentleman has just made to our textile industry in its relation to the defense situation brings to my mind a recent statement that was made by former Secretary of the Army Stevens who is head of one of the larger textile concerns of the Nation, when he pointed out that it was his firm conviction after years of experience in the Government as well as in the textile industry, that today the American textile industry would not be adequate to meet the defense needs in the event we should be called upon to supply a fighting Military Establishment.

I am sure that this fact is something that we should all be concerned about. It would seem to warrant the invocation of the provisions of section 8 of the Trade Agreements Act, since our national security is unquestionably in jeopardy by reason of the deterioration of our textile situation, primarily because of excessive imports.

Mr. HEMPHILL. I want to thank the gentleman for his continuing and magnificent interest. We have been discussing among ourselves, particularly the gentleman from North Carolina [Mr. WHITENER] and I, the dual problem which we have in getting rid of our surplus cotton on the one hand and being able to export the product of our mills on the other. I have been amazed to find that in the early part of 1960, while we have been exporting thousands of bales of cotton, the imports from those bales of cotton which we have been exporting have now returned to us in increasing volume in the form of either fabric or yarn. When they do return to us, this cotton on which we paid a subsidy when it was shipped overseas returns to us in the form of yarn or finished goods based on production not only at an overhead cost far less than American industry with its concern for the American worker has experienced, but from areas where the wage scale is so low that the competition of American industry may be aptly characterized this way: They are able to put the cloth on the market here cheaper than the domestic manufacturer can sell it to the broker in New York or than it can leave the mill, leaving no room for profit for either the broker or the person who puts the fabric into the finished garment, or anyone else who ordinarily would expect from this great industry the sustenance he or she has previously received.

Mr. WHITENER. Mr. Speaker, will the gentleman yield?

Mr. HEMPHILL. I yield to the gentleman from North Carolina.

Mr. WHITENER. The gentleman has mentioned that some of our abundant cotton supply is being exported and returned to us in the form of textile products manufactured in foreign lands. That brings to my mind another phase of this problem which many of our friends from cotton-producing areas apparently are overlooking. I refer to the fact that much of this product, the yarn, the fabric, the finished apparel, which we are finding coming in from foreign countries, is not manufactured out of American cotton. Recently I was told by a reliable informant that the equivalent of 600,000 bales of cotton came back into our country during 1960 in the form of finished fabric and wearing apparel, and, as I remember it, that only one out of seven of that bale equivalent was processed from raw cotton raised in America. Some of the cotton was raised in Red China and some raised in other cotton-producing areas. So we are doing the farmer of our country a great disservice as long as we permit the almost unlimited inflow of these yarns, threads, fabrics and unfinished wearing apparel as we are doing today.

I wonder if the gentleman would agree with me that this is something which might well be considered in the form of an amendment to Public Law 480 or section 22 of the Agricultural Adjustment Act, as this Congress is concerned with this problem.

Mr. HEMPHILL. I certainly agree with the gentleman. I might say, to emphasize the correctness of what the gentleman has said, that in 1952 we exported about 700,000 bales of cotton. In 1960 we exported only in the neighborhood of 500,000 bales. While our exports of raw cotton have decreased, at the same time the imports of cotton goods in terms of bales have increased. Therefore it only stands to reason that the cotton that is coming back is cotton which comes from many other countries.

I daresay if the gentleman were to visit the Sudan and some other areas of the world he would find that cotton is being grown there using our technology and many of the methods which we have furnished, which eventually comes back to haunt us upon the import scene.

I certainly agree with the gentleman. Of course, the gentleman well knows that we have a policy in which we require a certificate of origin from certain countries stating the origin of the merchandise to make sure that we are not getting merchandise from behind the Iron or the Bamboo Curtain; yet despite the fact that we now require those certificates of origin we have a problem because the textile experts inform me that on many occasions you cannot tell the origin once the processing has either proceeded to the bleaching stage or in many instances to a stage even less technical than the bleaching stage.

Mr. WHITENER. If the gentleman will yield further, in that connection it was recently called to my attention that some of the markings on some of the less expensive fabrics which are coming in in competition with some of our textile goods, that is, the fabric and finished products such as wiping cloths and such

as that, have been marked in these foreign countries—particularly the Hong Kong production—but they have been marked with fugitive dyes so that the minute a product hits the water that dye with the marking showing that the product came from Hong Kong vanishes into the water. I believe that something should be done on the Federal level to identify these products. Unless we do so, I am afraid that what happened in the gentleman's State and what has been threatened in the general assembly and in other States might bring about more confusion in this country. I speak, of course, of an act that was enacted by the General Assembly of South Carolina requiring that a plate or a plaque or something be shown in the presence of any imported textile products in South Carolina. You remember that the State Department and other agencies of the Federal Government complained about that. Unless we do something on the Federal level, it seems to me we are going to get a great deal of chaos out of the divergent views which might be expressed through State action—and in many cases abortive State action.

Mr. HEMPHILL. One of the things that has been so significant in the trend in the textile industry is the ability of our foreign competition to zero in on a target of some segment of the industry and completely destroy that particular segment of the textile industry. My friends from New England who have talked to me about it have told me that the gingham industry has been destroyed. I am well aware of that personally because a mill in my own district, which was in business for many years, has been closed up and it will not reopen and there is no possibility of the mill reopening. These are fine American jobs that have gone out the window. The velveteen industry has suffered likewise. We found that the bicycle industry suffered so much—I believe the President raised the tariff rate from 7½ percent to 15 percent and from 15 percent to 22½ percent not too long ago. But that does not answer our problem.

Mr. WHITENER. Mr. Speaker, will the gentleman yield?

Mr. HEMPHILL. I yield to the gentleman from North Carolina.

Mr. WHITENER. I have heard it said and I know it is erroneous, that certain people in the textile industry are crying "wolf" when no wolf is at the door. Coming from, perhaps, the greatest textile manufacturing district in America, I think I know something about the industry and what it is faced with today.

In the first place, today the production per man-hour in the textile industry is 60 percent greater than it was 10 years ago. That is a tribute to the efficiency not only of management but of labor in those plants. I know from my own observation that these excessive workloads which have been heaped upon the people in our domestic textile industry have been in most cases willingly accepted by the people who earn their living at the textile machines because they are aware of the competitive situation which is breaking the back of the textile industry, and they are willing to try to do their bit. But there is a limit to the ability of a human being to continue to accept additional physical labor.

We have reached the point at which our people over the age of 50 are not able to keep up with the accelerated production. That gives great concern to many of us.

I think it cannot be controverted that perhaps the most efficient industry in America today on the basis of cold facts and statistics is the textile industry. So we have been pushed about as far as our great industry can go.

There is another phase of this which I think people not from a textile area should understand, and that is that prices of textile products today are still at the level of 10 years ago, and in some cases lower. I know of no other commodity in this country which can say that. We used to say that a certain soft drink and a nickel were the only things still worth a nickel. We can say today that a nickel's worth of textile fabrics 10 years ago is worth perhaps 4 cents today. This is a problem which I am hoping that others from areas perhaps not as directly concerned as those of the gentleman from South Carolina [Mr. HEMPHILL] and myself, will join hands with us in the interest not only of our national security but also in the interest of preserving the jobs of people. This very day we are here debating on the floor of the House of Representatives a bill to provide an artificial stimulation for additional jobs through Federal loans and Federal assistance. It seems to me we should be equally concerned about the preservation of an industry which today employs 900,000 people. One-quarter of those 900,000 people are located in the state of North Carolina, from whence I come.

I commend again my distinguished and longtime friend for his presenting this important matter to us today, and assure him that I am very much pleased that he is doing it and will be right by his side constantly as we fight for the jobs of hundreds of thousands of people in this country, jobs with a fair workload, jobs with a compensatory salary, because we know that the textile industry wage scale is lower than that of the average of other manufacturing industries.

So this is a cause which should appeal to all good Americans. I hope that as a result of the many things that are going on now here in the Congress and in our relationship with the Executive Department, things in which the gentleman from South Carolina is playing such an important role will come to fruition in the near future and our great industry known as textiles will not be wiped from the face of this continent.

Mr. HEMPHILL. I want to thank the gentleman for his constant and consistent support. In commenting on the fact that there are 900,000 people in the textile industry involved, I would also point out that there are I think 1,100,000 jobs, approximately, in the apparel industry which is the best customer of the textile industry, and that the total payroll amounts to about $7 million annually; and that is a payroll that we are reducing by these imports, and I think that is a very serious thing.

Mr. BAILEY. Mr. Speaker, will the gentleman yield?

Mr. HEMPHILL. I yield to the gentleman from West Virginia.

Mr. BAILEY. I want to commend the distinguished gentleman from South Carolina for coming to the rescue of not only one of the South's great industries but one of the Nation's great industries. The gentleman will recall that when the Japanese attacked Pearl Harbor they were kicked out of the general agreement on trades and tariffs and were kept out of that agreement until 1955 when through the unwisdom, if I may be permitted to say so, of our American policymakers they were readmitted to the tariff and trades agreements.

When they took hold of all the benefits of the favored nations clause they were able to increase their imports of white cotton cloth from 15 million square yards within 6 months' time to 270 million square yards. How the Congress and the people of America could hope for an industry like the textile industry to thrive in the face of that kind of competition is unbelievable to me. I am glad the gentleman from the time he came to the Congress to the present time has been on the side I have been fighting on for the past 14 years. I am hopeful that he and I will not leave this body until we have had an opportunity to see some drastic changes in our present trade policies. I may say his speech today is opportune because it comes at a time when we were talking about helping distressed areas.

Let me say to the gentleman that 75 percent of the trouble in the distressed areas can be laid at the door of our abominable trade policies.

I thank the gentleman for yielding to me.

Mr. HEMPHILL. I thank the gentleman from West Virginia and I say that I unqualifiedly share his ambition that before he and I leave this body—regardless of how soon or how late—we will at least have the opportunity of having seen the people of America who have been paying the taxes given some consideration. I say that because on Friday last in press release No. 157—while we of the textile industry are pleading for relief—I saw this release in which it is said that the Japanese Government has asked for an increase in quota, and the State Department of the United States with a total lack of consideration for the health and welfare and the jobs of the people in the textile industry who have been paying their salaries is favorable to the request.

Mr. HALEY. Mr. Speaker, will the gentleman yield?

Mr. HEMPHILL. I yield to the gentleman from Florida.

Mr. HALEY. I want to say to the gentleman from South Carolina and also the gentleman from North Carolina that we have just been considering a bill, the so-called Area Redevelopment Act, and we will consider it again tomorrow. I call the gentleman's attention to page 18 of this report from that committee. You will find in that report in the great State of Massachusetts that one of the major areas is Fall River, another Lowell and New Bedford. In the great State

of Rhode Island you will find Providence and Pawtucket. At one time those were great textile centers of this Nation.

The reason that these areas are now calling for assistance from this Government of ours is a very subtle matter. It has happened because under the foreign aid program the textile industry throughout the world has been equipped with the finest machinery at no cost to the people of that particular country. They have been using the tax dollars that South Carolina, North Carolina, Georgia, and other textile States have been pouring into the Treasury of the United States to put in competition people with the best know-how this Nation has been able to produce, to put these great areas, in a situation where they have unemployment, and I say to the gentleman from North Carolina and the gentleman from South Carolina until you stop giving away American dollars and placing them in the hands of the people who are cutting the throats of the textile industry of this country, you are going to suffer. You know that. We have set up plants in various parts of the world with the finest machinery possible at no cost. How can you compete, I ask you, on the world market with that kind of situation, where the manufacturers can buy cotton at less per pound delivered to their door than your textile manufacturer can buy it in South or North Carolina, or in any other textile area of the Nation? That is the thing that is destroying not only the textile industry but many other industries of this great Nation. And until the Congress wakes up and stops this huge giveaway program you are going to have this same situation develop throughout the length and breadth of this great Nation.

Mr. HEMPHILL. I thank the gentleman from Florida. He is well aware of the fact that I have voted against this giveaway consistently. I want to refer to a plant outside of Hong Kong, China. It is as modern as many of the plants I have seen in this country. The gentleman who was kind enough to take me through the plant said that in technology they had been able to purchase from various people in the United States they were able to provide the technological assistance with which to compete with us. I saw awaiting to be uncrated American-made looms of such late production as to be classified as the most modern in the world—better, in some instances, than in some of our own plants. The plant I refer to has many customers in the United States.

Then I might also say to the gentleman in connection with his pointing out the Massachusetts situation that I am old enough to remember the great unfortunate depression that we called the Hoover depression down in my part of the country, and that is what we still call it, and the only breadline I have seen since the Hoover depression was a dreadful thing to see again, because I remember so vividly the hard times we had when I was a young man coming of age; I had occasion to see a television program of a textile plant in Massachusetts, and I was so concerned that I do not think I rested. I remember I did not rest very well that night because I told the members of my family that heaven forbid that that could again happen in this country. But, it is coming to the textile industry unless we get some relief, and it is coming sooner than we think, because once we go down we cannot come up very fast.

Mr. WHITENER. Mr. Speaker, will the gentleman yield?

Mr. HEMPHILL. I yield.

Mr. WHITENER. I was quite impressed with what our friend from Florida said about the foreign aid program and its effect on this textile situation. As he talked I was reminded of a record that I heard played on some radio station a few days ago down home, as I was driving along in my car, and I remember that at one point in the record this hillbilly singer was saying something like this: "I know some folks who got it made; they just lie back living on foreign aid." Now, Mr. President, I must insist that you put South Carolina on the list. I assume the gentleman from Florida is wanting to get Florida on the list with South Carolina, and I speak for North Carolina also.

Mr. HALEY. I just want to say to my friend from North Carolina that I do not think we have a textile plant in the great State of Florida.

Mr. HEMPHILL. I thank the gentleman.

Mr. LINDSAY. Mr. Speaker, will the gentleman yield?

Mr. HEMPHILL. I yield to the gentleman from New York.

Mr. LINDSAY. I should like to ask my good friend from South Carolina this question: Traditionally the gentleman's party has supported what we commonly know as liberal reciprocal trade programs. Now, bearing in mind that the reciprocal trade program comes up for reexamination in 2 years, do I understand the gentleman to argue and to support the view that his party should retreat from this past accepted philosophy of his party?

Mr. HEMPHILL. Well, I might say to the gentleman, since we are apparently going to have a partisan discussion, that my conception of the Democratic Party is that it is not a party of retreat. I might also say insofar as the party which the gentleman represents is concerned, that we knocked at the White House door for 8 years, and the Tariff Commission made many recommendations unanimously, and the gentleman's party, the chief of the gentleman's party, turned a deaf ear to the textile industry and never did anything for them; never evidenced any interest.

Mr. LINDSAY. Mr. Speaker, will the gentleman yield further?

Mr. HEMPHILL. I will be happy to yield.

Mr. LINDSAY. I am wondering whether we are getting to a position where in the future the traditional roles of the parties seem to be in a little different context than they used to be. Maybe we can expect the gentleman's party to adopt narrow trade policies, whereas when the gentleman was referring to the policies of the last administration, that President was advocating liberal reciprocal trade programs. As I understand, the burden of the gentleman's remarks and what he is suggesting is that the United States retreat from its, in modern times, traditional polices of advocating and supporting liberal reciprocal trade programs on an international basis.

Mr. HEMPHILL. I must say the gentleman's understanding is entirely and understandably a partisan one. So far as the past administration was concerned and its liberal policies, I always had the feeling that it either did not have the courage or perhaps the intelligence to get up a program of its own, so it had to copy the program of the Democratic Party. So far as retreat is concerned I think I have answered the gentleman on that. But I would tell the gentleman that the Democratic Party as I conceive it has not only the compassion which the party of the gentleman lacks, in my opinion, but the Democratic Party has the elasticity I think to reconsider any policy it has which will affect the jobs of people, because the Democratic Party is concerned with jobs and I am happy to be a member of that party.

Mr. WHITENER. Mr. Speaker, will the gentleman yield to me?

Mr. HEMPHILL. I yield to the gentleman from North Carolina.

Mr. WHITENER. Mr. Speaker, at this point I would like to make this suggestion to my friend from New York [Mr. LINDSAY]. Apparently he is not aware of the fact that on 28 occasions during the recent and lamented Eisenhower administration there were opportunities for relief not only to textiles but to all American industry and on only two of those occasions did that administration do anything to preserve American jobs.

I know of no instance since I have been serving in this body during the former President's administration, that those of us from the textile areas who were pleading for survival were even given an indication that we could be heard at the White House.

I am happy to report that the present administration has appointed a Cabinet-level committee to study the textile problem and that just yesterday the distinguished gentleman who now occupies that position with vigor and with zeal and who is willing to work at the job entertained 14 Representatives of the textile area from this House of Representatives who discussed with him and presented to him our problem.

I might say to our distinguished friend from New York that the present President understands the problem, is interested in the problem, and is interested in preserving American jobs and not in shucking off responsibility and ignoring the plain and hard facts of life which have many thousands of people gravely concerned.

I am confident that under the leadership of this dynamic young man from Massachusetts as contrasted with the inactivity of the 8 years which preceded him that this textile industry of ours will at least know that it has received fair and proper consideration.

Mr. LINDSAY. Mr. Speaker, will my friend from South Carolina yield further to me?

Mr. HEMPHILL. First, Mr. Speaker, I want to thank the gentleman from North Carolina [Mr. WHITENER] for foreclosing the issue. I am now happy to yield to the gentleman from New York.

Mr. LINDSAY. I thank the gentleman. I do not think I was interjecting a partisan issue and had certainly no intention of doing that. I was just trying to get myself educated a little bit, and trying to understand the gentleman as to what he is advocating.

My only question was, What will be the gentleman's argument, what will be the gentleman's point of view when we are faced with the difficult job of trying to write new reciprocal trade legislation? I wonder in this connection whether the gentleman is familiar with the dilemma that the English find themselves in now because of the pressures in their own community to protect themselves internally. The Government in power now avoided participation in the European Common Market. I suppose that possibly the one foothold that the Labor Party in England has, the one case they are able to make out against the Government in England now is that they were shortsighted in adopting really restrictive policies on trade and that perhaps the long-range point of view, the part of wisdom in this area was to have joined the European Common Market.

I can assure the gentleman from South Carolina, and my friend from North Carolina, too, that there was no intention to interject a partisan question here.

My question is one based on concern and worry, and it is, Where do we go 2 years from now when we have to reconsider this whole question of reciprocal trade? Do we take the course of liberal reciprocal trade programs along the lines of the European Common Market, or do we pull in our horns and adopt a protectionist philosophy in order to make the adjustments which obviously have to be made by one means or another to protect our own workingmen? Where does the balance lie? Which direction does the gentleman suggest the country take on an overall basis?

Mr. HEMPHILL. I might suggest to the gentleman that he go back and read the record of the reciprocal trade legislation which we had I believe 3 years ago, when those of us who sought some relief or protection took the position that some changes in the peril point provisions should be made from what then existed. The majority of our own Democratic Party, together with a majority, if not a greater majority even, of the gentleman's party, voted against such a reconsideration at that time. Now we have another 2 years and we will have a total of 4 years' experience. I think in the light of that experience we can certainly have a reevaluation. If the textile industry and other industries continue to be affected, and I believe they will if we do not get relief, I think certainly the Democratic Party has the elasticity to make the reevaluation. What the outcome of that would be of course I do not know, and I assume the gentleman does not yet prophesy.

Mr. WHITENER. Mr. Speaker, will the gentleman yield?

Mr. HEMPHILL. I yield to the gentleman from North Carolina.

Mr. WHITENER. The gentleman from New York has spoken about quotas and restrictions on bringing in commodities. There is nothing new about that philosophy in the Democratic Party because for several years now we have operated under a global quota with regard to extra long staple cotton. That presents another problem to the yarn industry, of which we have such a preponderance in the district I serve, because by reason of this rigid quota the price of this extra long staple cotton is so much higher to the domestic manufacturer than it may be to one in another country who can buy this extra long staple cotton from Egypt and other producing areas without paying a premium; they can bring their commodities into our country under the present program and compete in a very unfair way with our domestic industry. There is nothing shocking about quotas. It is unfortunate that the administration preceding this one apparently had the same view that my dear friend from New York has, that nothing should be done to protect the jobs of our people. I do not think the Democratic Party has ever taken the position that American workers' jobs are not of importance and concern to our great party. I think that whatever the philosophy of the individual Democrats may be, we are all at one in agreeing that the plain everyday American is the one for whom we feel the Government should be most careful in protecting his rights and his interests and promoting his welfare.

So while I do not ever engage in partisanship in the discussion of this problem, because I recognize that my dear friend from New York who serves on the Committee on the Judiciary with me is a man of great learning and of great intellectual capacity, frankly, I would not say anything of a partisan nature which might offend his sensibilities, because I know that the great mind that he has when he learns the facts will bring him to the same conclusion which we have about the threat to this great industry and the thousands of jobs of our people.

Knowing the gentleman from New York as I do, and knowing him to be a great American, I know when the roll is called on reciprocal trade, if we are here when it comes up next year, that we can count upon reason to hold sway with him and we can count on his assistance to help us in helping those humble Americans who today are crying for assistance from this great Government of ours.

Mr. HEMPHILL. I thank the gentleman. I might say I share the gentleman's sentiments and his admiration for the distinguished gentleman from New York. I am sure if there was anything said in a partisan manner by anyone who has participated in this discussion, it was unintentional.

I might call the gentleman's attention to one thing which has concerned me, and that is the fact that while we have a voluntary quota, as is the case with Japan, and I do not intend to discuss that at this time, from other countries goods are being exported into this country, from countries where there are no quotas. It seems to me, one particular path of relief or, perhaps, potential source of relief, would be to insist that some quota be placed on any country which does not now have a quota. I think we could measure and evaluate the desirability and not only the desirability but the actual statistical figures which we would expect in such a program with reference to these other countries.

I say that because we are not only concerned with the cotton textiles, but let me just show you exactly what happens. Consider wool imports. I have no wool in my district, but when the wool imports reached a record high of about 28 million pounds in 1960, after a sharp rise from 1959, at the same time we find that there is a general, a gradual, and a decided employment or production decline. So we cannot disassociate the fact that when we have a flood of imports, we have a decline in employment. Now in a time when we in America have 5½ million people unemployed, and in a time when we are considering unemployment as the basis and foundation, apparently, for certain legislation which is being proposed, and this unemployment is a problem and it is a problem of great concern to every one of us, then I think we should study carefully the impact of imports and the impact on this problem.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. HEMPHILL. I yield to the distinguished majority leader [Mr. McCORMACK].

Mr. McCORMACK. And we should consider also the fact that the textile industry is one of the most important industries of our country and directly and indirectly provides employment, as I remember the figures, for approximately 2 million persons.

Mr. HEMPHILL. The distinguished gentleman from Massachusetts is eminently correct. As I pointed out a while ago, the payroll amounts to $7 billion, which is quite a payroll in our economy. The Office of Civilian Defense Mobilization regards the textile industry as an essential industry and we all recognize, of course, that it is an essential industry.

Mr. McCORMACK. The gentleman referred to the voluntary quota with our Japanese friends. As I remember, they were over here for months and could not even get into the last Republican State Department to sit down and have a chat about voluntary quota. Is my memory correct on that? They were here for a long while before they got in, and they had to break their way in.

Mr. HEMPHILL. I think the gentleman is correct. I think the Japanese themselves, at least, I would hope so because their trade is tied in with ours, and there is no disputing the fact that they would want to work with us—I would hope that they would.

Mr. McCORMACK. As a matter of fact, a reasonable quota is the orderly way and the proper way to try to meet this problem. In 1956, as chairman of the Democratic committee one of the criticisms of the Republican administration was for their failure to have a quota

system to protect American workers and American industry.

Mr. HEMPHILL. I thank the gentleman. I might say to the gentleman from Massachusetts, and I repeat again, one of our problems today is the fact that these people who do not have any quotas are flooding our markets, and they are not people whose trade is tied in with the United States to the degree that the Japanese people are nor are their defense characteristics similar or identical.

Mr. LINDSAY. Mr. Speaker, will the gentleman yield?

Mr. HEMPHILL. I shall be happy to yield to the gentleman from New York.

Mr. LINDSAY. I would be interested to know when the reciprocal trade bill comes up for renewal 2 years hence how the gentleman from Massachusetts, our distinguished majority leader, and the gentleman from South Carolina, vote, whether they will vote together on that subject.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. HEMPHILL. I yield.

Mr. McCORMACK. I am glad the gentleman from New York is going to watch closely how I vote. I can tell him now how I am going to vote so he will not have to worry about it for the next 2 years, but I tell the gentleman that from the inconsistent position he puts himself into by his nonpartisan-partisan injection I am going to be interested in watching how he votes.

Mr. HEMPHILL. Because my area is affected I am going to be watching how both the gentlemen vote and I hope they vote with me.

Mr. Speaker, I want to thank those who participated in the colloquy with me.

THE ONE-WAY STREET

The SPEAKER pro tempore. Under the previous order of the House the gentleman from Pennsylvania [Mr. DENT], is recognized for 1 hour.

Mr. DENT. Mr. Speaker, during these past months I have tried to awaken the people of this country to the present and growing danger to our long range welfare because of the importation of low-priced foreign-made goods.

In my recent speech I covered some of the figures on the glass industry giving the viewpoint in the main of the workers and their union representatives.

Today I want to give the equally serious and equally astonishing views and facts as presented by management.

In part, I will quote from the remarks of Robinson F. Barker, vice president, glass division, Pittsburgh Plate Glass Co.:

My name is Robinson F. Barker. I am vice president and general manager of the glass division of Pittsburgh Plate Glass Co. and have been in the glass business for over 25 years.

My company, Pittsburgh Plate Glass, manufactures glass, paints, chemicals, fiber glass, plastics, brushes, and other products. The principal glass products we manufacture include sheet glass, plate glass, laminated glass, tempered glass, structural glass, and optical glass. We believe that Pittsburgh Plate Glass produces about one-third of the sheet glass manufactured in this country. It is my understanding that sheet glass is the only product involved in this hearing.

I appreciate the opportunity to present facts concerning the serious injury our sheet glass business has suffered as a result of the foreign invasion of the U.S. sheet glass market. The injury, already severe, threatens to assume even greater proportions in the years immediately ahead.

The extent of the injury already suffered and whether the domestic industry can continue to survive the ever-increasing onslaught of foreign imports, it seems to me, are the very serious questions which are now before this Commission in the pending investigation.

Before addressing myself to these and other questions, I invite your attention to the fact that prior to the August 1960 hearings my company filed wih you a detailed memorandum in opposition to further reductions in the existing tariff rates applicable to sheet glass. That memorandum was supplemented by my appearance before you on August 17, 1960. Other representatives of the domestic industry, labor, and Members of Congress also appeared on that occasion.

Subsequently, on November 17, 1960, the Commission issued notice of this investigation under the escape clause provisions of the Tariff Act. Thereafter we were visited by members of the Commission staff and have received various requests from them for additional information, all of which we have supplied to the best of our ability. Of course, we have also answered and filed the detailed questionnaire we received from the Commission in connection with this investigation.

With your permission, I plan today to give you facts concerning the competitive problems confronting us in our sheet glass operations and also to speak candidly to certain questions which you may have in mind.

The fact that the U.S. sheet glass industry is losing the domestic market is readily apparent from the statistics your staff has developed during this investigation. As you know, the ratio of imports to total domestic shipments in 1955 was 15.4 percent. Three years later, 1958, this figure had increased to 27.2 percent and last year reached an alltime high of 32.5 percent.

During the same period U.S. exports of sheet glass declined substantially and now amount to less than 1 percent of total domestic shipments.

In my appearance before you on August 17, 1960, I discussed in some detail the reasons which have contributed to the loss of a substantial part of our domestic market to the foreigners. It is not my purpose today to repeat what I said on that occasion. However, I do believe it would serve a worthwhile purpose if I were to summarize those reasons and as to those where there have been additional developments I shall endeavor to bring you up to date.

The principal reasons which have contributed to the successful penetration of our market by the foreign producers are as follows:

1. There is equality of technology, labor skills, and productivity among foreign and domestic producers of sheet glass.

2. Ocean freight rates constitute no barrier to imports into the United States.

3. The foreigners have an overwhelming cost advantage over the domestic producers. This is true not only with respect to labor costs but also with respect to raw materials cost. In addition, replacement and repair costs and research and development expenses are appreciably lower abroad, primarily because of the lower labor costs they enjoy.

4. Our tariffs have been completely ineffectual in equalizing or offsetting the overwhelming cost advantage held by the foreign producers. The tariff on sheet glass in recent years has declined sharply—from an equivalent ad valorem of 60 percent in 1939 to an equivalent ad valorem of 14.8 percent in 1959. The cumulative effect of the series of tariff reductions made over the years necessarily has assisted the foreign producers in capturing a substantial share of our market. The latest in that series of reductions took place in 1958, the year in which the ratio of imports to total domestic shipments jumped dramatically to 27.2 percent from 17.1 percent in 1957.

5. With their tremendous cost advantage, the foreign producers can and do undersell us consistently in this market.

The summer and fall of 1960 witnessed a number of price gyrations. Although the amounts of the differentials between the prices of the foreign producers and Pittsburgh Plate Glass varied from time to time during that period, the cold, hard fact of the matter is that foreign sheet glass continues to be sold at considerable price differentials below our domestic prices. Thus, today the amounts of those differentials range from 8.1 percent to 12.2 percent in the case of the prices of Western European producers and from 13.3 percent to 18.9 percent in the case of Japanese producers. We have prepared an exhibit, which I respectfully request be made a part of the record, that sets forth in more detail the differentials within those ranges which are applicable to the various thickness of sheet glass presently sold in the United States.

We invite your attention to the fact that in comparing the prices in the United States of foreign producers with those of Pittsburgh Plate Glass we have used, in the cases of prices for single strength and double strength thicknesses, the foreign producers' prices on 18-ounce and 24-ounce sheet glass, respectively. We have done this for the reason that the foreign glass of those thicknesses is imported in the largest volume and is in direct competition in the marketplace with our 19-ounce and 26-ounce sheet glass.

The price schedules of the Western European producers and Pilkington contain prices on 19-ounce and 26-ounce sheet glass, and in each case state that an additional 3-percent discount from such prices is applicable to glass of 18-ounce and 24-ounce thicknesses.

An additional reason supporting the validity of our price comparison is the fact that the thickness tolerances for 18-ounce glass, which are contained in the specifications of the foreign producers, permit the foreigners to sell as 18-ounce glass a product which is slightly thicker than the minimum tolerances for 19-ounce glass as set forth in the specifications of the domestic producers. (Note: Pilkington 18-ounce thickness tolerances are from 2.0 to 2.2 millimeters. The 2.2 millimeters equal 0.087 inch. Pittsburgh Plate Glass' thickness tolerances for single-strength run from 0.085 to 0.095 inch.) The same situation applies in the case of the foreign producers' thickness tolerances for 24-ounce sheet glass as compared with our 26-ounce double-strength glass. (Note: Pilkington 24-ounce thickness tolerances are from 2.75 to 3.1 millimeters. The 3.1 millimeters equal 0.122 inch. Pittsburgh Plate Glass' thickness tolerances on double strength are from 0.118 to 0.130 inch.)

Although we know of no governmental statistics which disclose the relative proportions of 18- and 19-ounce for single-strength glass or 24 and 26 ounces per double-strength sheet glass imported in these categories into the United States from Europe, we believe that on the basis of all the trade information received by us that a very high percentage of the so-called single- and double-strength sheet glass imported into this country is in 18- and 24-ounce glass, respectively. For your information, single- and double-strength sheet glass

represent the largest volume items in our sheet glass line.

Pittsburgh Plate Glass has not produced those purportedly slightly thinner thicknesses because we have always produced 19-ounce glass for single strength and 26-ounce glass for double strength which for many years have been the standard thicknesses in this country.

Were further proof needed to establish this conclusion I would point to the fact that the Japanese do not even publish quotations on either 19- or 26-ounce thicknesses. For single and double strength they quote only an 18- and 24-ounce thickness, respectively. (See published quotations of Nippon Sheet Glass Co., Ltd., dated Nov. 20, 1960.)

Furthermore, although the Western European producers do publish quotations in the United States on both 19- and 26-ounce glass, during the course of the past 10 days our Brooklyn, Philadelphia, and Pittsburgh warehouses were unable to obtain a single lite of 26-ounce thickness from large importers in their respective areas. In each case, I am informed, they were told that the European producers rarely, if ever, ship 26-ounce glass to the United States.

We invite your attention to the fact that in comparing the prices in the United States of foreign producers with those of Pittsburgh Plate Glass we have shown, in the cases of prices for single-strength and double-strength thicknesses, the foreign producers' prices for both 18- and 19-ounce and for both 24- and 26-ounce sheet glass, respectively. We have done this for the reason that the foreign glass of those thicknesses is imported into the United States in the largest volume and is in direct competition in the marketplace with our 19- and 26-ounce sheet glass.

There was considerable testimony before the Commission yesterday regarding the impact of the 18- and 24-ounce products in the American market. There was also considerable discussion whether the indicated discounts at which such glass was sold below the prices for the standard 19-ounce single-strength and standard 26-ounce double-strength products were justified. From time to time Pittsburgh Plate Glass has given study to the possibility of producing glass in these thicknesses in the United States.

Our decision up to this time has been that it would not be economical for us to do so. Simply stated, our reasons are that the standard thicknesses which have prevailed in this country for many years have been the 19-ounce glass, or so-called single strength product, and 26-ounce, or the so-called double strength product. As indicated this is traceable, at least in part, to Government specifications. You have already been informed that the total market represented by sales under Government-prescribed specifications is quite small. The expression was even used, I believe, on yesterday, Why did we American manufacturers allow a so-called tail, representing this small percentage of the market based on 19-ounce and 26-ounce specifications, to wag the dog of a very much larger market which could apparently be adequately and satisfactorily filled by 18-ounce and 24-ounce products?

So far as PPG is concerned, we have felt a real obligation to continue to supply glass responding to the precise specification DD–G–451a established by our Government. Our studies have also established to our satisfaction that, consistent with this sense of obligation, if we were to attempt to undertake manufacture at the same time of 18-ounce and 24-ounce products, the possible savings in cost which have been suggested would be largely illusionary, if they exist at all. Specifically, we feel that to attempt to produce the small quantities of 19-ounce and 26-ounce single and double strength specification glass and at the same time and in our same plants and with the same equipment also attempt to produce 18-ounce and 24-ounce glass to supply the very much greater nonspecification market would involve so many additional production scheduling and inventory problems as to wholly defeat the possibility of effecting cost savings on the mix of thicknesses involved in such a program.

On the contrary, based upon our studies, it is our belief that our costs on such an undertaking would be increased for all four thicknesses. It is entirely possible that we may be driven to the abandonment of the 19-ounce and 26-ounce standard products conforming to Government specifications and to confine our production to the 18-ounce and 24-ounce products exclusively.

However, the prospect of the voluntary abandonment of any segment of our domestic market, which has already been riddled by low-cost, foreign competition is repugnant to us. Even if we should take this drastic action, the heavy losses which we have suffered as a consequence of low-cost, low-price foreign glass in our markets in recent years have afforded convincing proof that any lower level of prices we might thereby hope to establish would be wholly insufficient to meet the demonstrated ability of foreign competitors to reduce their prices to whatever extent necessary to take the business.

The essential thing which I desire to impress upon the Commission in connection with this whole situation is that foreign manufacturers—at least in the case of those competitors located in Western Europe—supply to the American market these four types of glass; namely: 18 ounce and 19 ounce in single strength category, and 24 ounce and 26 ounce in double strength category, and that the prices they quote on 18- and 24-ounce glass are even lower than the already low prices they quote on 19- and 26-ounce glass. The Japanese, on the other hand, do not even publish quotations in the United States on 19- and 26-ounce glass; they quote only 18-ounce and 26-ounce for single and double strength.

We say to you simply this: That, with the exception of the very small portion of the American market which is controlled by the Government specifications requiring 19-ounce and 26-ounce products, the Western European producers are offering and supplying throughout the United States single-strength glass in both 18-ounce and 19-ounce thicknesses, and double-strength glass in both 24-ounce and 26-ounce thicknesses. Concerning the single-strength product in 18- and 19-ounce thicknesses, the products are commercially interchangeable; the physical differences are hardly discernible, and can be determined only by precise testing; the products are bought and sold, and applied for the same uses and purposes, and are in every sense directly competitive. The same conclusions are equally applicable to the 24-ounce and 26-ounce products.

We would also invite the Commission's attention to the fact that thickness tolerances for 18-ounce glass, which are contained in the specifications of the foreign producers, permit the foreigners to sell as 18-ounce glass a product which is slightly thicker than our minimum tolerances for 19-ounce glass and the minimum tolerances set forth in the Federal specifications for single-strength thickness. The same situation applies in the case of the foreign producers' thickness tolerances for 24-ounce sheet glass as compared with our 26-ounce double-strength glass and the Federal specifications applicable to that thickness.

Turning now to questions which might be raised by those who would attempt to minimize the injury which has been sustained by us as a result of the successful foreign penetration of this market, the first question might involve the assertion that the impetus for the high volume of foreign imports was provided by the fact that in some past periods of time the domestic producers had inadequate capacity to serve the U.S. demand. It is true that during 1955 and 1956 sheet glass was often in short supply. This phenomenon, of course, was not confined to the sheet glass industry. Rather, it also occurred in many of the major industries in this country; e.g., steel, aluminum, cement, heavy chemicals, to name a few. The reason why this occurred in many American industries is explained by the fact that the economy was literally bursting at the seams in those years and also operating at its alltime highest levels.

I have purposely given a rather full and detailed report on this subject because too many of us as Members of Congress have been prone to listen to slogans and close our ears to facts.

In this regard, allow me to put another very illuminating statement by James L. Williams, vice president of American St. Gobain Corp. In one of my recent speeches, I talked about this company and its very sad plight in my home district. The article follows:

[From the News-Dispatch, Mar. 15, 1961]

GLASS EXECUTIVE TESTIFIES ON IMPORTS

An official of American St. Gobain Corp. testified in Washington that competition of low-priced foreign glass has forced the firm to close its Jeannette plant and reduce operations at the Arnold plant.

James L. Williams, Pittsburgh, vice president of the firm, is one of a group of representatives of domestic manufacturers of window glass who are asking the Tariff Commission to increase the tariff or perhaps even impose quota restrictions on imports which they say are ruining their business.

Williams testified that at the Jeannette plant, closed since February 1960, 781 men have lost their jobs; at Arnold, 644 men are working where 825 worked in 1959.

Since 1950, Williams testified today, the rates of import duty on sheet glass have been cut four times. In that same time, imports of sheet glass have increased from less than 3 percent of domestic consumption to 30 percent.

Commerce department figures admitted in evidence showed imports of window glass in 1950 were 32 million pounds; in 1960 were 410 million pounds. In the same period, exports of United States-made window glass fell from 8.5 million to 3.6 million square feet.

Williams explained his firm was formed in 1958 by merger of the American Window Glass Co., of Pittsburgh, and the Blue Ridge Glass Corp., of Kingsport, Tenn. He said the merger, and subsequent expansions of line, were made necessary by the need to compete.

PROSPECTS SEEM DIM

"But even with a full line of products in sight our prospects are considerably dimmer by reason of the current flood of imported glass."

He said majority ownership of stock in his firm is held by Compagnie De Saint-Gobian of Paris, France. "However, no limitation has been placed on my appearing before you or the statements I make."

He said his firm's sheet glass operations lost money in 1959 and 1960.

"The action of this commission may well determine whether the domestic sheet glass industry is to survive."

He said the foreign producers have the advantage of low labor costs, lower fuel costs, and lower materials costs.

Along the same line, Representative JOHN H. DENT, Democrat, of Pennsylvania, in the sixth of his series of speeches in Con-

gress in his crusade against the present reciprocal trade and aid program, told his colleagues he is presenting a brief to the Tariff Commission pleading and even begging for the return of thousands of jobs for the glassworkers of America.

Representative DENT said that through no fault of their own, these workers find themselves disposed of their opportunities to earn a living.

He warned America is "heading down the one-way street of economic disaster yet we are not strong enough to turn back or even to take a detour * * *."

Referring specifically to his hometown, DENT cited Jeannette employment figures as being typical of the entire glass industry. "The plant in Jeannette, at one time the world's largest under one roof, is now a ghost plant * * *. I predict the complete collapse of the industry unless some changes are made * * * in the thinking of the Tariff Commission * * *. The Commission should tell GATT (General Agreement on Tariffs and Trade) where to go and when to go and close its doors to the international traders who have had more to do with our gold crisis than any other group in this Nation."

MINIMUM WAGE VOTE

Mr. LINDSAY. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. WHALLEY] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. WHALLEY. Mr. Speaker, on Friday, March 24, 1961, this body voted on the minimum wage legislation. My name was not recorded among those who voted on this measure.

Mr. Speaker, I was present when the session began that day at 12 noon, and it was my intention to support an increase in the minimum wage.

However, at 2:50 p.m., I received a call from the Temple University Hospital in Philadelphia, advising that my brother, who had been dangerously ill for several days, must undergo an emergency operation in an effort to save his life, and asking that I come to Philadelphia immediately.

Mr. Speaker, I regret that circumstances prevented me from casting my vote on this vital measure, but I would say again, that if I had had the opportunity to do so, I would have supported an increase in the Federal minimum wage.

LET'S NEVER LET ANY "PARTY LINE" PHILOSOPHY CREEP INTO OUR VITAL MILITARY INTELLIGENCE SERVICES

Mr. HEMPHILL. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. STRATTON] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. STRATTON. Mr. Speaker, both as a member of the Committee on Armed Services and as a combat intelligence officer with service in World War II and the Korean war, I have been greatly disturbed by newspaper accounts that in the Pentagon there is a plan which is currently being given very serious consideration that would merge the three separate intelligence services of our three separate services into a single intelligence service.

I am profoundly disturbed by these reports, Mr. Speaker, because I know from my own experience how disastrous it would be to resort to administrative action to eliminate differences of opinion in our intelligence services and in the estimates and conclusions which they are required to furnish to our military commanders and to impose instead some official "party line" philosophy. At its best, intelligence is a most delicate operation. Nothing is ever 100 percent certain in this field. To impose some kind of administratively neat uniformity upon our intelligence operations and estimates in the mistaken view that this might thereby help to eliminate wasteful interservice rivalries could well spell military disaster. Suppressing the minority view in intelligence would be just as much a backward step as would be supressing the minority view in our National Legislature.

Mr. Speaker, to underline the difficulties and hazards involved in these projected plans, I would, therefore, urge my colleagues to read and study the following two articles from the New York Times by their distinguished military editor, Hanson W. Baldwin:

[From the New York Times, Mar. 27, 1961]

INTELLIGENCE—I: MERGER OF SEPARATE SERVICE AGENCIES IS BEING PROPOSED TO CURB RIVALRIES

(By Hanson W. Baldwin)

The merger or centralization of the separate intelligence services of the Armed Forces, now under study in the Pentagon, offers seeming advantages but at the risk of major dangers.

Today, each of the services maintains its own intelligence division or branch—the Office of Naval Intelligence; the G–2, or intelligence branch of the Army; and the air Force A–2 section. The Joint Staff of the Joint Chiefs of Staff also maintains a Joint Intelligence Group.

Maj. Gen. Graves B. Erskine (Marine Corps, retired), head of the Office of Special Operations, has long been an assistant to the Secretary of Defense in the intelligence, security, unconventional warfare, and psychological warfare field. He also monitors the National Security Agency.

The National Security Agency, an agency of the Department of Defense, staffed by military personnel and civilians, deals with communications, intelligence, codes, and ciphers.

Outside of the Department of Defense there are other important intelligence collection and evaluation agencies. The most important are the Central Intelligence Agency, headed by Allen W. Dulles, the top echelon national intelligence agency, charged with the coordination and evaluation of intelligence on the national or strategic level; the Federal Bureau of Investigation, charged particularly with counterespionage; the State Department's intelligence activities; and those of the Atomic Energy Commission.

A PYRAMIDAL SYSTEM

There are two key groups responsible for coordinating and meshing all these intelligence activities. Within the Pentagon, a Joint Intelligence Committee, composed of Army, Navy, Air Force, and Joint Intelligence Group heads, formulates joint military intelligence. At a higher level, the Intelligence Advisory Committee, chaired by Mr. Dulles and composed of heads or representatives of all the principal intelligence agencies, meets once a week to review and approve various national intelligence estimates.

It is the Pentagon part of this system that appears to be threatened with reorganization by the new regime in the Department of Defense. What form such a reorganization would take is not clear as yet; studies are still underway. But given the organizational philosophy of some of the civilians in the new Pentagon team, and suggestions that have been made in the past, it seems clear that more centralization of intelligence at Department of Defense level is being investigated.

Merger, or centralization of all of the services' intelligence activities, has some superficial attractions. There is no doubt that the services have sometimes utilized inflated estimates of enemy strengths to strengthen their budget requests to Congress. There have been marked differences of opinion between the services—based on differing intelligence estimates—about Soviet missile strength, and, some years ago, about Soivet bomber strength. Each service has a natural tendency to stress those elements of Soviet strength with which it is most concerned.

Merging of G–2, ONI, and A–2 at Department of Defense level would, presumably, force the elimination of varying service estimates in favor of one military estimate. It would downgrade the individual service viewpoint and upgrade the collective military viewpoint, thus dampening one facet of interservice differences. At the same time such a change would carry the trend of past years toward centralization of power in the Department of Defense and reduction of the service departments and the individual services much further, since intelligence is the handmaiden of policy and provides the facts upon which it must be based.

It would also, of course, strengthen the control of the Secretary of Defense, since he would preside directly over one common department intelligence agency rather than over many separate agencies, each now indirectly responsible to the Secretary through other departments or agencies. Theoretically, too, the simplification of organization appears attractive.

But these potential gains are far outweighted by the probable risks.

[From the New York Times, Mar. 28, 1961]

INTELLIGENCE—II: MAJOR DANGERS SCENTED IN MERGER OF SERVICES' INFORMATION AGENCIES

(By Hanson W. Baldwin)

The merging of service intelligence units at the Department of Defense level poses several major dangers.

In the past, intelligence has always been a function of command. It is true that the functions of command, both in Washington and in the field, have been gradually limited since World War II by the "civilianization" of the services and the usurpation of command functions in the service departments by the increasing centralization in the Department of Defense. Legally, the Chief of Naval Operations and the other chiefs now command nothing; command is exercised through the Joint Chiefs of Staff as a corporate body and the unified commanders overseas.

Nevertheless, intelligence in the field—at regimental, ship, or air group level, which the services call tactical intelligence—is and must remain a function of command. Yet the tactical intelligence officers depend for a great flow of background and strategic information such as order of battle of the enemy, technical descriptions of enemy equipment and weapons, and so on, upon their

parent service organizations in the Pentagon. In fact, without these organizations—G–2 of the Army, A–2 of the Air Force, the Office of Naval Intelligence—to collate and digest field reports and the reports of military, air, and naval attachés, and to evaluate, study, and disseminate to the field, masses of other information, the intelligence officers in the field would be military orphans, a body without a head.

OTHER DANGERS SCENTED

The proposed merger of service intelligence agencies also poses another danger: that the specialized and detailed "nuts and bolts" intelligence data of major interest to each of the three services might well be neglected or downgraded by a higher level agency. A merged, non-service-oriented intelligence agency might well concentrate on high-level or strategic intelligence and neglect some of the basic land, sea, and air data.

The most dangerous aspect of a merged intelligence service is the emphasis it would inevitably place on "agreed" or "collective" estimates. Intelligence data, by their very nature, cannot be precise, except in a few instances. There are bound to be varying estimates of the details of enemy strengths, and when these are projected into the future, as intelligence attempts to do, the uncertainties and hence the differences are even greater. The danger of a merged intelligence is the danger that differences would be suppressed, or so far downgraded that minority views would never reach the eyes of the Secretary of Defense or of the President.

Under the present system dissents from factual estimates or interpretations are indicated by the dissenting group in footnotes or in other explanatory material; the nature of the dissent and the reason for it is given.

Present dissents although sometimes sharp and definite (as, for instance about Soviet missile strength), do not impair the basic value of the estimates. What they do do is to make the task of the policymaker harder.

But, for the security of the country it is highly important that this disagreeable extra work be undertaken and that these safety factors provided by the privilege of dissent be insured. Sir Winston Churchill took a leaf from his own experience in commenting adversely upon the dangers of agreed intelligence, which he called "this form of collective wisdom." The British Joint Intelligence Committee in 1941 rejected indications that the Germans were about to attack Russia, though Sir Winston as early as March, saw raw or unevaluated intelligence reports that convinced him that invasion of Russia was impending.

THE YALTA CONFERENCE

The importance of such dissenting opinions or estimates is emphasized for the United States by the Yalta conference. The military value of Russia's participation in the Pacific war hinged in considerable part at that time on the status of Japan's famed Kwantung Army in Manchuria. If this army, Japan's finest prior to World War II, was intact and strong, Soviet aid would probably be needed, our military commanders believed, to pin it down, to defeat it, and to prevent the prolongation of the war on the mainland.

A minority group in both the Office of Naval Intelligence and in Army G–2 felt that the Kwantung Army was a hollow shell; its crack divisions, they maintained, had been shifted out of Manchuria to defend the Pacific islands and the homeland. But the "collective" and "agreed-upon" intelligence estimate furnished to the Joint Chiefs of Staff prior to Yalta said that the Kwantung Army was exceedingly strong and that without Russian assistance the war might continue until 1948. But there were no indicated dissents in the collective estimate; the minority opinions never reached the top levels of policymaking, and this erroneous estimate undoubtedly influenced the military and the political judgments at Yalta.

If so serious a mistake could have occurred with the separate service intelligence agencies of those days functioning, how much more likely is a recurrence if they should be merged into one monolithic structure.

POLICYMAKING

There is a final danger. Intelligence collection and evaluation must never be confushed with policymaking. The merging of service intelligence organizations at the Secretary of Defense level might well produce a more closely integrated and agreed upon collective military estimate than the present system does. But any such monolithic agency so close to the throne of policymaking power in the Pentagon might well be susceptible to policy influence; the facts might subconsciously be distorted to suit the policy, rather than vice versa. This is not an idle fear: Sir Winston spoke of it in the House of Commons in 1939:

"It seems to me that Ministers run the most tremendous risks if they allow the information collected by the Intelligence Department * * * to be shifted and colored and reduced in consequence and importance, and if they ever get themselves into a mood of attaching weight only to those pieces of information which accord with their earnest and honorable desire that the peace of the world should remain unbroken."

It is the trend of human nature—hard to resist—to interpret facts to accord with preconceived prejudices. It must be guarded against to the utmost in intelligence work. The proposed merger of our service intelligence sections would facilitate this error rather than reduce it. The old American principle of checks and balances is as applicable to intelligence collection and evaluation as it is to administration.

PHYSICAL FITNESS PROGRAM

Mr. HEMPHILL. Mr. Speaker, I ask unanimous consent that the gentleman from Utah [Mr. KING] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. KING of Utah. Mr. Speaker, I have read with great interest today the reports that President John F. Kennedy last week appointed the eminently successful football coach and athletic director of the University of Oklahoma, Bud Wilkinson, as his special consultant on physical fitness, and I feel compelled by this appointment to comment on the problem of fitness.

While I am pleased that the President has a genuine personal interest in physical fitness and already has shown his determination to take positive action to toughen and condition American youth physically, I must express my concern lest the program be unnecessarily limited in its scope.

I earnestly hope that the administration sees, or very soon will come to see, physical fitness is just one prong in a many-pronged attack on a very broad problem—the problem of total fitness.

Our Nation is intensely concerned today over youth fitness, and it has good cause to feel this concern. Every citizen sees juvenile delinquency as a serious problem. Moreover, most Americans today recognize that youth fitness holds the key to both national progress and national security. This realization is reflected in the quickened interest the American public has taken in the public schools and the quality of American education.

Just as man does not live by bread alone, he cannot conquer his problem by muscle alone.

I want to emphasize that I fully appreciate that physical fitness can and does make an important contribution to total fitness. Like many other qualities which characterize the healthy, stable, and useful citizen, physical fitness is earned at a certain price; and that certain price is hard work. With the individual, the very process of cultivating physical fitness helps to cultivate other valuable qualities, such as self-reliance and self-discipline.

Still, I strongly feel the administration should integrate measures to promote physical fitness into a broader program which has as its aim the total fitness of American youth—their intellectual, moral, and spiritual fitness as well as their physical fitness. While the emphasis of physical fitness can indirectly stimulate total fitness, this emphasis will not fully fortify our future citizens for the tough moral and spiritual tests which lie ahead.

Physical fitness alone will not conquer communism.

The president of the Church of Jesus Christ of Latter-day Saints, President David O. McKay, described the problem most eloquently when he observed, and I quote:

Flabbiness of character rather than flabbiness of muscle is at the root of the problems of American youth.

This church has two auxiliaries, the Young Men's Mutual Improvement Association and the Young Women's Mutual Improvement Association, which have been working intently upon youth fitness for 75 years. It has consciously pursued a broad, church-centered, family-centered approach with some very gratifying results.

The Eisenhower administration saw too late that a fitness program which concentrated upon physical fitness alone would not condition American youth for the awesome challenges which confront it. In his last term, President Eisenhower began to recognize clearly that youth fitness demanded a broad approach, which stresses parental fitness, family prayer, and family recreation, religious activity, and many other values besides physical fitness.

Elder Marion D. Hanks, a member of the First Council of the Seventy of the Church of Jesus Christ of Latter-day Saints, who was directly involved in this program, traced the transition for me in a recent letter, in which he observed:

For 4 years we have seen an evolution from this exact status in the Eisenhower administration, whose youth fitness crusade began on exactly the level President Kennedy has now initiated his. In the beginning there was much wasted effort in earnest but somewhat futile attempts to establish uniform standards for testing the physical well-being of American youth. Then additional light was cast on the scene and it became clear

to most that grown men and women who really care about young people cannot sit around and talk to each other indefinitely about muscles. One cannot unbraid an individual's muscles from the rest of him, get the muscles in shape and then pleasantly paste the whole together.

In Washington at the last meeting, it was brought again to the attention of the group that Mr. Hitler had a magnificent physical education program which had produced a race of supermen almost literally. The Russian physical fitness activities are well known for their effectiveness. Most Americans, however, are not satisfied to proceed on the basis of these people. We have something else in mind when we think of young people who are fit to live and fit to function and fit to lead and direct.

I was much impressed with President Kennedy * * * I believe if the President were fully informed about what has happened and is happening, he would not be content to leave youth fitness on a physical basis. I am not of course inveighing against physical fitness. I do not know anyone in the world more interested in that than I am. I am not alone personally interested in it, but approach it as an article of my own religious faith.

Like my distinguished constituent, Elder Hanks, I earnestly hope that the new administration will profit by the trials of the last administration and pursue a broad approach to youth fitness, rather than start at the same narrow point of emphasis at which the Eisenhower administration started 4 years ago. In fact, I take this opportunity to urge that President Kennedy begin immediately to map a program geared to the total needs of total fitness for American youth.

I also take this opportunity to present several passages of the address which Elder Hanks made to the White House Conference on Youth last year. These passages from his message of March 20, 1960, follow:

OUR FOUNDATIONS

Our ideal, though we have fallen short in practice, has always been the dignity and inherent worth of the individual. We believe that men are meant to be free and that they are eternal, brothers to all men, capable of infinite growth, and are ultimately responsible for the use they make of their capacities and opportunities.

We have put great value in the family as the cornerstone of our society, and believe that our Nation's well-being depends upon the strength and sanctity and spiritual foundations of our homes. Our judgment has been that the most rewarding and important career is to have a good family.

We have put our trust in God, education, work, freedom, and responsibility. Our standard of excellence and quality in men has been character, integrity, initiative, patriotism, self-reliance, sincere concern for others and for the future, reverence, courage. These are the ideals and values in which we have traditionally believed and which we have reflected in our highest moments.

Admittedly we have slipped far from the ideal. In everyone's experience are multiple examples of how far we have gone. But is that what America really stands for or really wants? Is it really America's choice of what is good, desirable, excellent?

Being aware of our great economic, educational and scientific strides, reading daily headlines which reflect our moral failings, in the face of possible international incineration, is it not clear that what we really need is the resurrection and reenthronement of standards and convictions which lead to the development of men and women of the highest character? Is not this the chief business of the family, community, nation—of life itself? We have enough of almost everything, think we are good enough to do almost anything, and yet stumble along on the precarious periphery of annihilation because we cannot be sure we have the moral and spiritual maturity to use our great resources to bring about the magnificent blessing to mankind that could eventuate through proper use of our capacities.

There is no doubt in my mind as to what the great majority of our young people want. Our children and youth have suffered from our lack of willingness to exemplify and communicate the ideals and values in which we really believe. Our failure lies in ourselves. We have been bemused with self-seeking and materialistic goals, and have seemed reticent to declare our faith and our spiritual witness. Perhaps we have lacked courage more than knowledge; we have been too long afraid and indifferent. We need to clear our own thinking, recognize our own failings and shortcomings, repent of them and do better.

WHAT YOUTH WANTS

We asked more than 40,000 high school and junior high school students in the State of Utah what are their problems and what are their suggested solutions. Their answers were very much like every other survey I have seen of viewpoints of the young. Their problems center in inadequate family life, lack of communication with adults, and poor parental interest and example. They said they want more chance to work; wholesome entertainment; supervised activity and recreation; discipline, guidance, direction; love and attention from their parents; family counseling, home nights, religious activity; and recreation.

They said they want less automobiles, cigarettes, and alcohol; unoccupied leisure time; movies and magazines with emphasis on sex, horror, crime; parental emphasis on material goals; and adult bad example.

They ask for better law enforcement and stiffer penalties; choice of values by parents; recreation opportunities nearby; religious instruction and example; and home life and relationship with parents.

They want lasting marriages, and children; they want help in scheduling their time and activities. They want to participate in the planning and operation of youth activities and youth centers. They want to belong to a united, interested family.

In short, their ideals and values are those which we have said are the foundation of our concepts of what is wholesome and excellent. Permitted to express themselves freely, they have given back to us, almost in the same language what we have used with them, clear statements of their problems and what must be done to solve them.

OUR JOB

If we are to meet their challenge, we need a change of attitude. Any successful effort must put emphasis on the wisdom, integrity, and strength of the individual. There must be a recovery of idealism and discipline and a willingness to acknowledge guilt and to repent. We need a new moral responsibility in advertising. We need less bearing of false witness by the so-called image industries, less distortion and interpretation of life on its lowest possible level. We need continued educational emphasis on classes and training which are concerned with the worthy ends of life, as well as with the possible extension of life into space, or its extinction. We must have leaders of character and moral fiber who will speak and act according to their convictions.

"PURPOSE" AND "SACRIFICE"

When there is mention of "purpose" and "sacrifice" these days, someone often asks, What is it we should sacrifice and for what purpose?

The answer might well be that we sacrifice some of our selfishness and sinfulness and cynicism; that we give of our time and treasure, our interest and influence and love and good example to the young. The words of Isaiah to ancient Israel help us to answer what we should give and give up, and for what purpose.

"Cease to do evil; learn to do well; * * * relieve the oppressed, judge the fatherless, plead for the widow * * * be willing and obedient * * * deal thy bread to the hungry * * * satisfy the afflicted soul * * * hide not thyself from thine own flesh."

To what effect and with what promise?

"Then shall thy light break forth as the morning, and thine health shall spring forth speedily * * * then shalt thou call, and the Lord shall answer * * * and shall guide thee continually, and * * * thou shalt raise up the foundations of many generations."

Another ancient prophet has added:

"And ye will not suffer your children that they go hungry, or naked; neither will ye suffer that they transgress the laws of God, and fight and quarrel one with another, and serve the devil * * * but ye will teach them to walk in the ways of truth and soberness: ye will teach them to love one another, and to serve one another" (Isaiah 1: 16, 17, 19; 58: 7–12; Book of Mormon—Mosiah 4: 14–15).

Our purpose is the redirection of individuals, families, the Nation, to the "old virtues" of family life, fidelity, patriotism, modesty, faith, prayer, reverence, and the whole truth.

Our purpose is to seek to motivate the young with the spark of adventure and challenge and search forever characteristic of their age and disposition. They need to know that ours is a time of unequaled demand for physical and social and intellectual readiness, and for the spiritual and ethical excellence which will give meaning and direction to their lives. They need to see themselves as purposeful participants in one of the most crucial and challenging times in history, and to feel a sense of personal responsibility for the outcome. I would pray that my own and all other children may feel the spirit of the great statement of Theodore Roosevelt:

"Aggressive fighting for the right is the noblest sport this world affords."

The young should learn that there is vital need for pioneering on the existing frontiers—of space and service and the spirit. They need to understand that they and all men have limitations which cannot be outdistanced by power or thrust, however explosive. They must recognize their need for Almighty God. They must learn to respond to the soul's upreach as well as to the mind's outreach. They need to learn the virtue of service and the holiness of prayer. They need not alone pulpit pronouncement, but adult example of the fusing of precept and personal righteousness; not diatribe but direction, not critics, but models.

Our purpose is to help them get what they need. To achieve it, we must be honest with ourselves. Thoreau once said:

"There are thousands hacking at the branches of evil to every one who is striking at the roots."

THE ROOT OF THE CHALLENGE

The root of our problem is the strange habit we have developed of thinking and speaking and writing as if the kind of people we are doesn't matter, so long as we have a program, a curriculum, a plan, a standard measuring system, a research paper, a structured approach. I do not undervalue or minimize good programs or planning, but the perplexity of our times testifies that this is not the supremely important thing. I had reason to look at the PTA creed the other

night. Its objectives are wonderful. The Children's Charter of 1930 is a choice expression of objectives and wisdom. They have been around a long time. The point is that such value as has come from them, and it is considerable, has come because of the application of the principles by people of character and courage. This is our most important need. We need the action-inducing idealism of the "stouthearted men" theme:

"Start me with 10 who are stouthearted men and I'll soon give you 10,000 more."

We need fewer of what the Scriptures call "whited sepulchres" and more "judgment, mercy and faith." We need to plan well, and to realize that the kind of people we individually are matters infinitely much.

Justice George Sutherland of the U.S. Supreme Court once wrote:

"The saddest epitaph which can be carved in memory of a vanished liberty is that it was lost because its possessors failed to stretch forth a saving hand while yet there was time."

With strong personal convictions as to the lateness of the hour and the extreme seriousness of the circumstances, I am yet convinced that there is in the great body of American youth the desire and the capacity to preserve themselves and this bounteously blessed land for the purposes for which God intended them. I am sure that there is among adult Americans the strength and leadership to give the young the direction and inspiration and example they need, and to provide for them a climate in which they can realize their great possibilities for creative, constructive, happy lives. I am grateful for the tens of thousands of American homes where there are daily family prayers and regular family nights, where religious faith and activity are centered around the parents, where loving, interested fathers and mothers are accepting the full implications of their sacred stewardship.

I am grateful also for the multitude of interested adults who have the wisdom and willingness to provide good example and excellent leadership for great numbers of fine young people in churches and organizations and community programs. I appreciate the great scouting program in the Nation and the thousands of devoted leaders who give their time and energy to this worthy adventure. In my own church several hundred thousand volunteer adult leaders of youth give freely of their resources and energy and enthusiasm in directing programs of "spiritualized recreation." On many other fronts and in many other places there is much to be seen which is encouraging and comforting.

But we have far to go. Dr. Frank Crane once wrote of having seen a teamster who had unhitched his horses and was giving them their midday oats beneath the shade of a tree. "From one of the animals I noticed the collar had been taken, and observed that his neck was sore."

I said: "Pretty hard, isn't it, to make a horse pull with a sore shoulder against the collar?"

"Yep," the man answered, "plum tough. But you know, there wouldn't be much work done in this world, mister, if only horses and folks that are plum fit had to do it."

OUR NEED

We admit we are not "plum fit." What we need is faith and courage—faith in God, in life, in ideals, and values which are worthy of us as individuals and a nation; courage to look at our own hearts and habits and lives, to survey what we know about the ideals and values of the world in which our children and youth live, and then to repentantly and resolutely get about the task. We have a supremely important incentive, the opportunity, the tools, and—we pray—the time.

In conclusion, Mr. Speaker, I respectfully urge that President Kennedy look to the image which the people have of him in shaping his approach to the program of youth fitness. True, millions admire him because he practices what he preaches about physical fitness; because his brilliant record of military service and public service reflects the physical courage which he has often mentioned as an important value.

He stands today as one of the most popular, and most exciting figures in the world. But he has not earned this fame playing touch football. When the world looks to him with hope, it sees the whole man. When parents look at him as an inspiring example which American youth should strive to emulate, they see his spiritual strength, his intellectual drive, and his moral courage, above his physical courage. This is the image which inspires the people of the free world and the youth of this Nation, and it represents the kind of fitness which the President's fitness program should strive to develop in American youth.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. LIBONATI (at the request of Mr. HEMPHILL) for 1 hour on tomorrow, March 29, to revise and extend his remarks and to include extraneous matter.

Mr. ZABLOCKI (at the request of Mr. HEMPHILL) for 1 hour on March 30, and that his special order for today may be vacated.

Mr. MULTER (at the request of Mr. HEMPHILL) for 15 minutes on March 29, and 1 hour each on April 20 and 21.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. TABER to revise and extend his remarks on H.R. 5954 and to include a table.

Mr. FLOOD (at the request of Mr. HEMPHILL) was given permission to revise and extend his remarks made in the Committee of the Whole on the bill S. 1 and include extraneous matter and tables.

Mr. BRADEMAS.

Mr. LINDSAY.

Mr. PELLY.

Mr. JOHANSEN.

(The following Members (at the request of Mr. HEMPHILL) and to include extraneous matter:)

Mr. ANFUSO in two instances.

Mr. DINGELL.

Mr. EVINS in two instances.

Mr. JONES of Alabama.

Mr. FISHER.

Mr. CLARK.

Mr. EDMONDSON.

(The following Members (at the request of Mr. LINDSAY) and to include extraneous matter:)

Mr. SCHWENGEL.

Mr. SCHERER.

Mr. OSMERS.

ENROLLED BILLS SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 3980. An act to amend the transitional provisions of the act approved September 6, 1958, entitled "An act to protect the public health by amending the Federal Food, Drug, and Cosmetic Act to prohibit the use in food of additives which have not been adequately tested to establish their safety," and for other purposes.

H.R. 4363. An act to amend Public Law 86-272 relating to State taxation of interstate commerce.

BILLS PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H.R. 3980. An act to amend the transitional provisions of the act approved September 6, 1958, entitled "An act to protect the public health by amending the Federal Food, Drug, and Cosmetic Act to prohibit the use in feed of additives which have not been adequately tested to establish their safety," and for other purposes.

H.R. 4363. An act to amend Public Law 86-272 relating to State taxation of interstate commerce.

ADJOURNMENT

Mr. HEMPHILL. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 26 minutes p.m.), under its previous order, the House adjourned until tomorrow, Wednesday, March 29, 1961, at 11 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

720. A communication from the President of the United States, transmitting amendments to the budget for the fiscal year 1962 involving an increase in the amount of $1,954 million for the military functions of the Department of Defense (H. Doc. No. 124); to the Committee on Appropriations and ordered to be printed.

721. A letter from the Comptroller General of the United States, transmitting a report on the audit of the Development Loan Fund, a wholly owned Government corporation, for the fiscal year ended June 30, 1960 (H. Doc. No. 126); to the Committee on Government Operations and ordered to be printed.

722. A letter from the Acting Director, Bureau of the Budget, Executive Office of the President, transmitting a report that the limitation on salaries and expenses, Office of Alien Property, for the fiscal year 1961, had been apportioned on a basis indicating a need for a supplemental estimate of appropriation; to the Committee on Appropriations.

723. A letter from the Assistant Secretary of the Navy (Installations and Logistics), transmitting the semiannual report by the Department of the Navy relating to those

military construction contracts awarded on other than a competitive basis to the lowest responsible bidder for the period June 30 through December 31, 1960, pursuant to Public Law 86–500; to the Committee on Armed Services.

724. A letter from the Comptroller General of the United States, transmitting a compilation of General Accounting Office findings and recommendations for improving Government operations relating for the most part, to the fiscal year 1960; to the Committee on Government Operations.

725. A letter from the Administrator, General Services Administration, transmitting a draft of a proposed bill entitled "A bill to repeal a certain provision of the Independent Offices Appropriation Act, 1961 (74 Stat. 434), regarding the disposal of surplus real property"; to the Committee on Government Operations.

726. A letter from the Assistant Secretary of the Interior, transmitting a proposed concession contract which will authorize Temple Bar, Inc., to provide facilities and services at the Temple Bar site, Lake Mead National Recreation Area, pursuant to the act of July 14, 1956 (70 Stat. 543); to the Committee on Interior and Insular Affairs.

727. A letter from the Secretary of the Air Force, transmitting a draft of a proposed bill entitled "A bill to amend title 10, United States Code, to authorize the Secretary of a military department to sell goods and services to the owner of an aircraft or his agent in an emergency, and for other purposes"; to the Committee on Armed Services.

728. A communication from the President of the United States, transmitting amendments to the budget for the fiscal year 1962 involving an increase in the amount of $30,100,000 for the Atomic Energy Commission and an increase in the amount of $125,670,000 for the National Aeronautics and Space Administration (H. Doc. No. 125); to the Committee on Appropriations and ordered to be printed.

729. A letter from the president, Girl Scouts of the United States of America, transmitting the 11th Annual Report of Girl Scouts of the United States of America for the fiscal year ending September 30, 1960, pursuant to Public Law 272, 83d Congress (H. Doc. No. 127); to the Committee on the District of Columbia and ordered to be printed with illustrations.

730. A letter from the Administrator, National Aeronautics and Space Administration, transmitting a draft of a proposed bill entitled "A bill to authorize appropriations to the National Aeronautics and Space Administration for salaries and expenses, research and development, construction of facilities, and for other purposes"; to the Committee on Science and Astronautics.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HALEY: Committee on Interior and Insular Affairs. H.R. 3572. A bill to place in trust status certain lands on the Crow Creek Indian Reservation in South Dakota; without amendment (Rept. No. 203). Referred to the Committee of the Whole House on the State of the Union.

Mr. HALEY: Committee on Interior and Insular Affairs. H.R. 567. A bill to authorize longer term leases of Indian lands on the Torres-Martinez Reservation in Riverside County, Calif.; with amendment (Rept. No. 204). Referred to the Committee of the Whole House on the State of the Union.

Mr. HALEY: Committee on Interior and Insular Affairs. H.R. 4279. A bill to authorize the payment of per diem to members of the Indian Arts and Crafts Board at the same rate that is authorized for other persons serving the Federal Government without compensation; without amendment (Rept. No. 205). Referred to the Committee of the Whole House on the State of the Union.

Mr. HALEY: Committee on Interior and Insular Affairs. H.R. 3898. A bill to authorize the use of funds arising from a judgment in favor of the Nez Perce Tribe of Indians, and for other purposes; without amendment (Rept. No. 206). Referred to the Committee of the Whole House on the State of the Union.

Mr. HALEY: Committee on Interior and Insular Affairs. H.R. 3575. A bill to amend the act of August 9, 1955, to authorize longer term leases of Indian lands on the Agua Caliente (Palm Springs) Reservation and the Seminole Reservations in Florida; with amendment (Rept. No. 207). Referred to the Committee of the Whole House on the State of the Union.

Mr. HALEY: Committee on Interior and Insular Affairs. H.R. 3562. A bill to permit the Secretary of the Interior to revoke in whole or in part the school and agency farm reserve on the Lac du Flambeau Reservation; without amendment (Rept. No. 208). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HALEY: Committee on Interior and Insular Affairs. H.R. 2195. A bill to authorize the Secretary of the Interior to convey land to the Diocese of San Diego Education and Welfare Corp.; with amendment (Rept. No. 209). Referred to the Committee of the Whole House.

Mr. HALEY: Committee on Interior and Insular Affairs. H.R. 4500. A bill to donate to the heirs of Anthony Bourbonnais approximately thirty-six one-hundredths acre of land in Pottawatomie County, Okla.; without amendment (Rept. No. 210). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ABERNETHY (by request):

H.R. 5968. A bill to amend the District of Columbia Unemployment Compensation Act, as amended; to the Committee on the District of Columbia.

By Mr. BAILEY:

H.R. 5969. A bill to provide for a program of civil works in economically distressed areas; to the Committee on Public Works.

H.R. 5970. A bill to authorize the reimbursement of owners and tenants of certain real property acquired by the Architect of the Capitol for their moving expenses; to the Committee on Public Works.

By Mr. BEERMANN:

H.R. 5971. A bill providing for the disposition of judgment funds of the Omaha Tribe of Indians; to the Committee on Interior and Insular Affairs.

By Mr. CLARK:

H.R. 5972. A bill to repeal the excise tax on amounts paid for communication services or facilities; to the Committee on Ways and Means.

H.R. 5973. A bill to provide that the proceeds of the Federal manufacturers excise taxes on automobiles, trucks, and buses, and parts and accessories shall be used to finance the Federal highway program; to the Committee on Ways and Means.

By Mr. CORBETT:

H.R. 5974. A bill to amend the Civil Service Retirement Act, as amended, with respect to the method of computing interest earnings of special Treasury issues held by the civil service retirement and disability fund, to provide for permanent indefinite appropriation to said fund, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. CURTIS of Massachusetts:

H.R. 5975. A bill to amend title II of the Social Security Act to increase the amount of outside earnings permitted each year without deductions from benefits thereunder; to the Committee on Ways and Means.

By Mr. DOMINICK:

H.R. 5976. A bill to amend title 28 of the United States Code relating to venue in certain actions involving public lands; to the Committee on the Judiciary.

By Mr. GRIFFIN:

H.R. 5977. A bill to amend the Internal Revenue Code of 1954 to permit an individual who moves to obtain employment to deduct moving and traveling expenses, and to permit him to treat as a capital loss any loss incurred on the sale of his home; to the Committee on Ways and Means.

By Mr. JARMAN:

H.R. 5978. A bill to amend section 202(c) of the Interstate Commerce Act to provide for partial exemption from the provisions of part II of such act of terminal area motor carrier operations performed by or for common carriers by water in interstate commerce subject to the Shipping Act, 1916 and the Intercoastal Shipping Act, 1933; to the Committee on Interstate and Foreign Commerce.

By Mr. KING of California:

H.R. 5979. A bill to amend the Internal Revenue Code of 1954 to repeal the 3 cents per pound processing tax on coconut oil, and for other purposes; to the Committee on Ways and Means.

By Mr. LANE:

H.R. 5980. A bill to provide for the establishment of Cape Cod National Seashore; to the Committee on Interior and Insular Affairs.

By Mr. LESINSKI:

H.R. 5981. A bill relating to increases in compensation granted to wage board employees; to the Committee on Post Office and Civil Service.

By Mr. McDOWELL:

H.R. 5982. A bill to amend the Historic Sites Act to provide that the effect on sites, buildings, and objects of historic value of projects involving the expenditure of Federal funds shall be taken into account in the planning of such projects, and to provide for the publication of a compilation of historic sites, buildings, and objects; to the Committee on Interior and Insular Affairs.

By Mr. MACDONALD:

H.R. 5983. A bill to provide for the preservation of buildings in the Nation's Capital which are of historic and cultural importance, to provide that the Commission of Fine Arts shall report to the Commissioners of the District of Columbia regarding such buildings, and for other purposes; to the Committee on the District of Columbia.

H.R. 5984. A bill to amend the Historic Sites Act of 1935 to provide for the preservation of buildings of regional or local historical or cultural significance, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 5985. A bill to amend the Public Buildings Act of 1959 to provide for the preservation of Federally owned buildings which are of historical, architectural, or cultural significance, and for other purposes; to the Committee on Public Works.

By Mr. GEORGE P. MILLER:

H.R. 5986. A bill to make available to children who are handicapped by deafness the specially trained teachers of the deaf needed to develop their abilities and to make available to individuals suffering speech and hearing impairments the specially trained speech pathologists and audiologists needed to help them overcome their handicaps; to the Committee on Education and Labor.

H.R. 5987. A bill to amend title 38, United States Code, to provide veterans' benefits for individuals who served with the Russian Railway Service Corps; to the Committee on Veterans' Affairs.

By Mr. MORRISON:

H.R. 5988. A bill to provide for the appointment of two additional judges for the juvenile court of the District of Columbia; to the Committee on the District of Columbia.

By Mr. MURRAY:

H.R. 5989. A bill to amend the Civil Service Retirement Act, as amended, with respect to the method of computing interest earnings of special Treasury issues held by civil service retirement and disability fund, to provide for permanent indefinite appropriation to said fund, to the Committee on Post Office and Civil Service.

By Mr. OLSEN:

H.R. 5990. A bill to authorize the Secretary of the Interior to construct a national aquarium in the District of Columbia; to the Committee on the District of Columbia.

By Mr. POAGE:

H.R. 5991. A bill to eliminate the category of the "wheat unfit for human consumption" for the purposes of section 22 of the Agricultural Adjustment Act of 1933, and for other purposes; to the Committee on Agriculture.

By Mr. RODINO:

H.R. 5992. A bill to amend title 38, United States Code, to establish a Court of Veterans' Appeals and to prescribe its jurisdiction and functions; to the Committee on Veterans' Affairs.

By Mr. SANTANGELO:

H.R. 5993. A bill to amend section 1552, title 10, United States Code, and section 301 of the Servicemen's Readjustment Act of 1944 to provide that the Board for the Correction of Military or Naval Records and the Boards of Review, Discharges, and Dismissals shall give consideration to satisfactory evidence relating to good character and exemplary conduct in civilian life after discharge or dismissal in determining whether or not to correct certain discharges and dismissals; to authorize the award of an Exemplary Rehabilitation Certificate; and for other purposes; to the Committee on Armed Services.

H.R. 5994. A bill to authorize the Secretary of Health, Education, and Welfare, to make grants to the States to assist in the provision of facilities and services for the day care of children; to the Committee on Education and Labor.

By Mr. SHORT:

H.R. 5995. A bill to amend the Internal Revenue Code of 1954 to authorize the amortization over a 5-year period of facilities constructed or acquired by farmers for use in the feeding of beef cattle; to the Committee on Ways and Means.

By Mr. BROYHILL:

H.R. 5996. A bill to provide that annuities paid from the District of Columbia teachers' retirement and annuity fund shall be adjusted simultaneously with general adjustments in salaries for teachers and school officers covered by the District of Columbia Salary Act of 1955 as amended; to the Committee on the District of Columbia.

H.R. 5997. A bill to increase annuities payable to certain annuitants from the District of Columbia teachers' retirement and annuity fund, in amounts equivalent to the increases provided by the District of Columbia Teachers' Salary Increase Act of 1960; to the Committee on the District of Columbia.

By Mr. CORBETT:

H.R. 5998. A bill to amend section 505 (d) of the Classification Act of 1949, as amended, with respect to certain positions in the General Accounting Office; to the Committee on Post Office and Civil Service.

By Mr. DANIELS:

H.R. 5999. A bill to amend the Public Health Service Act to provide for the establishment of a hospital in the State of New Jersey for the treatment of persons addicted to the use of habit-forming narcotic drugs; to the Committee on Interstate and Foreign Commerce.

By Mr. EVERETT:

H.R. 6000. A bill to amend section 1072 of title 10, United States Code, to provide medical care for individuals who have completed 20 years of Federal service and at least 8 years of active duty; to the Committee on Armed Services.

By Mr. FALLON:

H.R. 6001. A bill to provide for apportioning the expense of maintaining and operating the Woodrow Wilson Memorial Bridge over the Potomac River from Jones Point, Va., to Maryland; to the Committee on the District of Columbia.

By Mr. GALLAGHER:

H.R. 6002. A bill to amend the Public Health Service Act to provide for the establishment of a hospital in the State of New Jersey for the treatment of persons addicted to the use of habit-forming narcotic drugs; to the Committee on Interstate and Foreign Commerce.

By Mr. HALPERN:

H.R. 6003. A bill to amend title II of the Social Security Act to increase benefit amounts, provide disability insurance benefits without regard to age, to provide full retirement benefits for men at age 62 and women at age 60, to increase the limitation on the amount of outside earnings permitted from $1,200 to $2,500, and for other purposes; to the Committee on Ways and Means.

By Mr. LANE (by request):

H.R. 6004. A bill to amend the act entitled "An act to provide for the registration and protection of trademarks used in commerce, to carry out the provisions of certain international conventions, and for other purposes," approved July 5, 1946, as amended; to the Committee on the Judiciary.

By Mr. LINDSAY:

H.R. 6005. A bill to provide for the enforcement of civil rights, and for other purposes; to the Committee on the Judiciary.

H.R. 6006. A bill to amend the National Defense Education Act of 1958 to eliminate the requirement of an affidavit provided by subsection 1001(f)(1) thereof; to the Committee on Education and Labor.

By Mr. MURRAY:

H.R. 6007. A bill to amend section 505(d) of the Classification Act of 1949, as amended, with respect to certain positions in the General Accounting Office; to the Committee on Post Office and Civil Service.

By Mr. RANDALL:

H.R. 6008. A bill to provide for the designation of parts of U.S. Highways Nos. 61 and 71 as a part of the National System of Interstate and Defense Highways; to the Committee on Public Works.

H.R. 6009. A bill to amend title 38, United States Code, to provide for the payment of pensions to veterans of World War I; to the Committee on Veterans' Affairs.

By Mr. THOMPSON of Louisiana:

H.R. 6010. A bill to restate terms of the grant covering the Rockefeller Wildlife Refuge and Game Preserve to permit it to comply with current Louisiana law; to the Committee on Merchant Marine and Fisheries.

By Mr. KING of Utah:

H.R. 6011. A bill to establish a commission to conduct an impartial and scientific study and investigation to determine the effects on the public health of the practice of adding various chemicals to food products and beverages; to the Committee on Interstate and Foreign Commerce.

By Mr. CONTE:

H.J. Res. 346. Joint resolution authorizing and requesting the President to set aside and proclaim an appropriate month during 1961 as American Bike Month; to the Committee on the Judiciary.

By Mr. BRADEMAS:

H.J. Res. 347. Joint resolution providing for the issuance of a proclamation designating March 25 as Greek Independence Day; to the Committee on the Judiciary.

By Mr. FULTON:

H.J. Res. 348. Joint resolution to authorize and request the President to proclaim the third week of May of each year as National Art Week; to the Committee on the Judiciary.

By Mr. JARMAN:

H.J. Res. 349. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. ANFUSO:

H. Res. 240. Resolution creating a select committee to conduct studies and investigations of the problems of consumers; to the Committee on Rules.

By Mr. CURTIN:

H. Res. 241. Resolution favoring an international agreement for a suspension of nuclear weapons tests; to the Committee on Foreign Affairs.

By Mr. KEITH:

H. Res. 242. Resolution expressing the sense of the House of Representatives with respect to the expansion of oceanographic research; to the Committee on Merchant Marine and Fisheries.

By Mr. LINDSAY:

H. Res. 243. Resolution providing the erection of a tablet in the Hall of the House of Representatives (or immediately adjacent to the entrance) to record the fact that the 7th Regiment, New York State Militia, which arrived in Washington on April 25, 1861, in response to President Lincoln's call for troops to defend the Nation's Capital at the outset of the Civil War, was quartered in the Hall of the House of Representatives from April 25 to May 2, 1861; to the Committee on House Administration.

By Mr. McMILLAN:

H. Res. 244. Resolution providing salary increase for No. 1 assistant tally clerk; to the Committee on House Administration.

By Mr. MORSE:

H. Res. 245. Resolution expressing the sense of the House of Representatives with respect to the expansion of oceanographic research; to the Committee on Merchant Marine and Fisheries.

By Mr. TUPPER:

H. Res. 246. Resolution expressing the sense of the House of Representatives with respect to the expansion of oceanographic research; to the Committee on Merchant Marine and Fisheries.

By Mr. PHILBIN:

H. Res. 247. Resolution expressing the sense of the House of Representatives with respect to the expansion of oceanographic research; to the Committee on Merchant Marine and Fisheries.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By Mr. KING of Utah: Memorial of the Senate of the 1961 Legislature of the State

of Utah, memorializing the Congress of the United States to oppose National Preservation Act; to the Committee on Interior and Insular Affairs.

Also, memorial of the Senate and House of Representatives of the State of Utah, memorializing the favorable consideration by the Secretary of the Interior and the authorization by Congress of the Dixie project; to the Committee on Interior and Insular Affairs.

Also, memorial of the Senate of the 1961 Legislature of the State of Utah, memorializing the Congress of the United States to provide adequate facility for the crossing of the Colorado River in the vicinity of Hite, Utah; to the Committee on Public Works.

Also, memorial of the Senate of the 1961 legislature of the State of Utah, memorializing Congress to enact legislation regulating importing of lead and zinc; to the Committee on Ways and Means.

Also, memorial of the Senate of the 1961 Legislature of the State of Utah, memoralizing the Congress of the United States to provide legislation designed to afford adequate protection for domestic industry in the field of international trade; to the Committee on Ways and Means.

By Mr. STRATTON: Memorial of the Legislature of the State of New York, memorializing the President and Congress of the United States to provide adequate funds to the U.S. Army Corps of Engineers for necessary surveys and plans for, and to initiate the construction of a deepwater canal linking Lakes Erie and Ontario; to the Committee on Appropriations.

By the SPEAKER: Memorial of the Legislature of the State of Nebraska, memorializing the President and the Congress of the United States relative to ratification of the proposed amendment to the Constitution of the United States granting representation in the electoral college to the District of Columbia; to the Committee on the Judiciary.

Also, memorial of the Legislature of the State of Utah, memorializing the President and the Congress of the United States to renew the Sugar Act and to provide for implementing long term sugar legislation with equitable distribution of foreign quotas among friendly nations; to the Committee on Agriculture.

Also, memorial of the Legislature of the State of Washington, memorializing the President and the Congress of the United States to cause a stamp to be issued commemorating the 150th anniversary of the establishment of Fort Okanogan; to the Committee on Post Office and Civil Service.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BATES:

H.R. 6012. A bill for the relief of the estate of George S. Rumley; to the Committee on the Judiciary.

By Mr. CASEY:

H.R. 6013. A bill for the relief of the Houston Belt & Terminal Railway Co.; to the Committee on the Judiciary.

By Mr. CONTE:

H.R. 6014. A bill for the relief of Stephen A. Eskin; to the Committee on the Judiciary.

By Mr. DAVIS of Tennessee:

H.R. 6015. A bill for the relief of Chi Yan Chu; to the Committee on the Judiciary.

By Mr. DULSKI:

H.R. 6016. A bill for the relief of William Thomas Dendy; to the Committee on the Judiciary.

By Mr. FARBSTEIN:

H.R. 6017. A bill for the relief of Jackson Ti Sen Chow; to the Committee on the Judiciary.

By Mr. HÉBERT:

H.R. 6018. A bill for the relief of Mate Sumic and Branka Letica; to the Committee on the Judiciary.

By Mr. LINDSAY:

H.R. 6019. A bill for the relief of Wing Sien Fong; to the Committee on the Judiciary.

By Mr. MACHROWICZ:

H.R. 6020. A bill for the relief of Stojan Vuckovic; to the Committee on the Judiciary.

By Mr. GEORGE P. MILLER:

H.R. 6021. A bill for the relief of Lt. Don Walsh and Lt. Lawrence A. Shumaker; to the Committee on the Judiciary.

By Mr. O'BRIEN of Illinois:

H.R. 6022. A bill for the relief of Panagiotis P. Panagopoulos; to the Committee on the Judiciary.

By Mr. O'NEILL:

H.R. 6023. A bill for the relief of Hong Mon Kuo, also known as Jack Hong, and his wife, Hong Yee Mee Fong; to the Committee on the Judiciary.

By Mr. ROGERS of Florida:

H.R. 6024. A bill for the relief of Ernesto J. Sacerio; to the Committee on the Judiciary.

By Mr. SMITH of California:

H.R. 6025. A bill to confer jurisdiction on the U.S. Court of Claims to hear, determine, and render judgment on the claim of George Edward Barnhart against the United States; to the Committee on the Judiciary.

By Mr. VINSON:

H.R. 6026. A bill to provide for the conveyance to Carolina Freight Carriers Corp., a corporation of the State of North Carolina, of certain lands and any improvements thereon located in Bibb County, Ga.; to the Committee on Public Works.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

106. By Mr. HOSMER: Petition of certain residents of the 18th Congressional District of California, who request enactment by Congress of H.R. 2302, a bill to provide penalties for membership in the Communist Party, and to permit the compelling of testimony relating to such membership and the granting of immunity from prosecution in connection therewith; to the Committee on Un-American Activities.

107. By Mr. KING of Utah: Resolution adopted by the Utah Poultry & Farmers Cooperative at the 38th annual meeting, February 25, 1961; to the Committee on Agriculture.

108. Resolution of the Provo Junior Chamber of Commerce, Provo, Utah, opposing any legislation that limits the powers of Un-American Activities Committee or destroys its ability to function by deprivation of necessary appropriations to cover its costs and expenses; to the Committee on Rules.

109. By Mr. McCULLOCH: Petition of Mrs. Esther Donovan, director, Auglaize County Department of Welfare, Wapakoneta, Ohio, and others of the department, for the inclusion of Auglaize County and the State of Ohio in the experimental food stamp plan, and for the permanent substitution of the food stamp plan for the present plan of distribution of surplus commodities for poor relief; to the Committee on Agriculture.

110. By the SPEAKER: Petition of Jinko Akamine and others, Okinawa, requesting passage of legislation authorizing the Government of the Ryukyu Islands to make a disbursement for compensation payable for damage for loss of private properties and bodily harm; to the Committee on Foreign Affairs.

EXTENSIONS OF REMARKS

Financing the Balance of the Federal Highway Program

EXTENSION OF REMARKS

OF

HON. FRANK M. CLARK

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 28, 1961

Mr. CLARK. Mr. Speaker, I have today introduced legislation that I believe will provide adequate financing for the balance of the Federal highway program. This legislation uses only highway-user taxes as was intended by the Congress when the basic 1956 act became law. It, further, contemplates the completion of the system by 1972, as was also intended by the 1956 Highway Act. I believe this legislation is the best possible approach to this program. It adds no new taxes but simply, and in all equity, transfers from the general fund to the highway trust fund those user taxes which have up to now been kept out of the fund.

My bill is a fairly simple one. It provides for the transfer of the remaining 5 percent of the tax on trucks and 5 percent of the tax on parts and accessories, and five-sevenths of the tax on automobiles. This would provide for the period ending fiscal year 1972 aproximately $11.9 billion, which combined wtih the borrowing authority now existing in present law would be more than sufficient to finance the rest of the program.

In addition, the so-called Byrd amendment, or section 209(g) of the Highway Revenue Act of 1956, is repealed. I believe that if we are to finish this program on schedule we should face the situation fairly and squarely and allocate funds to the States in such a manner that they will know how to plan for future years' construction, and provide enough financing to take care of these allocations. In other words, this time we must make a decision and set up a firm financing plan to provide for the balance of the program. I believe my bill does just this and I hope it will receive the serious consideration of all the Members.

Let me conclude by saying that I am a firm believer in good highways and I believe they are essential to our national self-interest. I believe this program should be completed on schedule, and I believe that highway-user taxes should be used to finance this program.

Civil Rights Progress

EXTENSION OF REMARKS
OF
HON. HUBERT H. HUMPHREY
OF MINNESOTA
IN THE SENATE OF THE UNITED STATES
Tuesday, March 28, 1961

Mr. HUMPHREY. Mr. President, I ask unanimous consent that an article, by the distinguished Senator from Hawaii [Mr. LONG], on the subject of civil rights legislation, which appeared in the Honolulu Advertiser on March 12, be printed in the CONGRESSIONAL RECORD.

I should like to know how he obtained that much space in a daily newspaper. It was a remarkable achievement.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CIVIL RIGHTS PLAN PERKING
(By Senator OREN E. LONG)

The outlook is good for progress in the civil rights field under the Kennedy administration. The President and the majority leadership in Congress have skillfully avoided the boobytrap which has destroyed civil rights efforts so often in the past—a bitter, drag-out fight over legislative procedure.

To have pressed Congress immediately for a sweeping civil rights program, with the dramatic threat of a filibuster, would have been a spectacular gesture by the new administration.

But the President and the majority leadership in Congress were well aware that any such grandstand play would have jeopardized the administration's entire legislative program.

Instead, the administration has wisely chosen first to use the tools at hand—tools which the previous administration also had, but failed to use fully. These tools are the Executive actions which can be taken under existing law and authority.

Some of these steps are being taken quietly, with little or no publicity. Others are public actions such as the President's Executive order setting up the new Committee on Equal Employment Opportunity. This is indicative of the new administration, showing what can be done if the effort is made.

As the New York Times commented on March 8:

"For some years it has been the official policy of the Government not to discriminate against its own employees because of race, creed, color, or national origin. And the same policy has been required of companies in Government contract operations. But enforcement by the two previous committees in this field was much too sketchy—especially in the case of private contractors—largely through the lack of clearly defined powers and also personnel.

"President Kennedy's order meets both these shortcomings with an imaginative and hard-hitting program—hard hitting in its possibilities, but tempered by education and persuasion."

Although progress will be made by Executive action under the Kennedy administration, this is not to say that legislative action is not also needed. That is why I have joined with Senator HUBERT HUMPHREY of Minnesota in introducing a seven-point civil rights legislative program.

The bills are:

S. 1253—Bar racial discrimination in the use of facilities or equipment used for interstate travel. This bill would apply to terminal facilities and local transportation to and from terminals in the same degree as to the transportation equipment itself.

S. 1254—Extend to all members of Armed Forces the protection now afforded to Coast Guard personnel against bodily attack. The bill would make an attack upon any serviceman in uniform a Federal offense.

S. 1255—Strengthen criminal statutes and provide additional civil remedies to persons deprived of their civil rights. This would be accomplished by outlawing certain actions that may be prejudicial to the rights of citizens under the Constitution and by providing civil remedies against persons contravening such rights.

S. 1256—Define lynching as an assemblage which: (1) commits violence on any citizen because of race, ancestry, or religion; or (2) exercises by physical violence any corrective measure over a prisoner, suspect, or convict to prevent apprehension, trial, or punishment. So defined, lynching would be a Federal criminal offense with severe penalties.

S. 1257—Extend indefinitely the Civil Rights Commission as now established. Under the present law which expires November 8, 1961, the Commission would be eliminated as of that date.

S. 1258—Create an Equality of Opportunity in Employment Commission to administer a program of nondiscrimination in employment. The Commission would be given, subject to judicial review, broad powers of preventing discrimination and investigating employment conditions.

S. 1259—Outlaw the poll tax as a voting requirement in all elections where Federal officers are chosen.

This bill would affect only the five States which still retain a poll tax.

I am hopeful that in due course, after the other major parts of the administration's legislative program are acted upon and the threat of a filibuster is therefore weaker, Congress will give proper consideration to the bills which Senator HUMPHREY and I have proposed.

To me, the program envisioned by the bills is more than the sum of its parts. Each bill is designed to correct or ameliorate some specific evil or injustice which is now prevalent or is possible under present law. But I believe the program would represent much more.

Its enactment would be a milestone in the slow progress of humanity toward humanitarianism—a way station on the long road toward the realization of the American dream.

Emerson C. Itschner

EXTENSION OF REMARKS
OF
HON. ED EDMONDSON
OF OKLAHOMA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 28, 1961

Mr. EDMONDSON. Mr. Speaker, the Army Engineers paid well-deserved tribute yesterday to a great soldier-engineer, Lt. Gen. Emerson C. Itschner.

In a retirement review at Fort Belvoir, the pride of the Engineers passed before the retiring chief of the corps to salute him for a job well done.

General Itschner has been a sterling example of patriotic service, and the Presidential Medal which was pinned on his uniform yesterday was recognition of that service.

During the years of his leadership, the Corps of Engineers has undertaken some of the biggest jobs in its history, including the tremendous Arkansas River development program.

In the Second District of Oklahoma, General Itschner has personally inspected all of the major works in this great program, and has given tremendously of his time, energy, and great talent to speed the work of flood control and water development.

I am certain that hundreds of my distinguished colleagues in this body will join me in expressing the hope that General Itschner will enjoy a fruitful and satisfying retirement, secure in the knowledge that he has made his country stronger through his service.

Greek Independence Day

EXTENSION OF REMARKS
OF
HON. JOHN BRADEMAS
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 28, 1961

Mr. BRADEMAS. Mr. Speaker, on March 25, 1821, the Greek way of independence began when the archbishop of Patras raised the flag of freedom in the monastery of Aghia Lavra and the people of Greece dedicated themselves to the attainment of their liberty from the Ottoman Empire.

On March 25, 1961, Greece celebrated the 140th anniversary of the beginning of that struggle.

Freedom-loving civilizations can profit greatly from the lessons of the classical age of Greece. These are the lessons of excellence, education, freedom, and public service.

The survival of our political freedom may depend on how well we learn these lessons. In a world threatened by the tyranny of communism, we must strive always for excellence, for the probable consequence of mediocrity is the enslavement of the human mind.

To mark the occasion of Greek Independence Day, I have today introduced in the House of Representatives, the following resolution:

JOINT RESOLUTION PROVIDING FOR THE ISSUANCE OF A PROCLAMATION DESIGNATING MARCH 25 AS GREEK INDEPENDENCE DAY

Whereas the democratic ideals that have made the United States of America the greatest free nation in the world were born many centuries ago in Greece; and

Whereas these ideals have kindled in the hearts of the people of Greece the determination that no sacrifice is too great for the cause of freedom and democracy; and

Whereas in every country people of Greek origin celebrate March 25 as Greek Independence Day, this day marking the beginning on March 25, 1821, of a seven-year struggle of the people of Greece to win their independence from the Ottoman Empire; and

Whereas free men in every nation rejoice that the principles of democracy are again firmly established in the land of their birth: Therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President of the United States be authorized and re-

quested to issue a proclamation designating March 25 of each year as Greek Independence Day and that he invite the people of the United States to observe such day with appropriate ceremonies.

Meeting of the Pacific Regional Roads Conference of the International Road Federation, Sydney, Australia, February 27 to March 2

EXTENSION OF REMARKS
OF
HON. ROBERT E. JONES
OF ALABAMA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 28, 1961

Mr. JONES of Alabama. Mr. Speaker, it has recently been my privilege to chair a three-man delegation of the Public Works Committee that was designated to represent the Congress at the recent Pacific Regional Roads Conference of the International Road Federation. This meeting was held in Sydney, Australia, from February 27 to March 2, and was attended by more than 250 delegates from 17 countries, including Burma, China, Ceylon, Fiji Islands, Hong Kong, India, Indonesia, Japan, Malaya, New Zealand, South Africa, Philippines, Thailand, Turkey, United Kingdom, Australia, and some 30 representatives in various fields from our own country. I would like to briefly report to the Congress the results of this meeting.

May I preface these remarks by saying that I found this trip an extremely profitable one and the exchange of views that took place at this meeting, both in an official and in an unofficial capacity, beneficial to myself, to the other Members of the Congress who accompanied me and, I hope, to our country as a whole. We attended this meeting basically to consider the interrelated highway problems that crisscross our entire world, but, in addition to that, I personally, and I am certain my colleagues, obtained a deeper and fuller understanding of other problems of the peoples with whom we met, particularly with reference to the Commonwealth of Australia.

I was deeply impressed by Australia, by the Australian people and by the rapidly developing expansion of this great continent. I found these people to be very similar to ourselves, to be deeply interested in our affairs and to be bound to us both in a spirit of friendship and also in a very important military fashion. My brief visit to Australia convinced me that we have indeed in the people of that nation real friends, ones who admire and respect us and are ready to work shoulder to shoulder with us in solving the many problems that face us in this troubled world today.

I was privileged to be one of the two principal speakers at the opening session of the Pacific Regional Conference of the International Road Federation. Might I digress for a moment to explain for the benefit of the members that the International Road Federation came into being some 13 years ago as a result of the realization that high wastages were occurring through the inadequacy of road systems throughout the world.

The advance of scientific and industrial developments have resulted in the production of new and wide ranges of all types of vehicles possessing greatly enhanced efficiency potentials. These can contribute direct and substantial reductions in the cost of living if road systems which will enable the full effect of vehicle improvement to be achieved are constructed.

The truth, however, is that gains in efficiency through better management techniques, improved equipment, work developments, new inventions, and increased output per worker have not resulted in the reduction of prices which the consumer should enjoy because much of the savings is dissipated by the excessive cost of using inefficient transport systems.

The realization of this worldwide handicap, which prevents the fruit of enterprise, energy, and invention reaching those who should benefit, in 1948 brought into existence the International Road Federation whose basic purpose was and is to develop better roads throughout the world by an interchange of ideas among all nations and as a result of these interchanges, which create better roads, bring about better living for all.

I am sure you will agree this is a worthwhile purpose to which all of us who are interested in the development of highways for future use and the advancement of economic status of mankind should pay careful attention.

At this meeting among other subjects that were discussed was the need for expanded highway programs; new development in road research; the future of highways and highway transportation; highway construction and maintenance and traffic engineering, as well as that overall most important problem which is ever present, that of proper highway financing.

In keeping with our increased interest in the International Road Federation the United States sent to this particular meeting the largest delegation, some 30 members, including technical experts, a highway safety expert, one of our most efficient highway engineers, Mr. D. C. Greer of Texas, and a representative of the U.S. International Cooperation Administration.

I am certain that out of the interchange of ideas that developed at this meeting our experts in highway matters have brought back to this country further information that will enhance the development of our own road program. Further, I believe, our experts contributed to the meeting information that will be beneficial to the highway users of the other countries who were present at this meeting.

Although this was the main purpose of our visit to Australia, we also took the opportunity while in that country to visit the Australian capital of Canberra which is still in the process of being constructed.

This is a wholly planned city some 200 miles from Sydney which is being built and developed in a manner similar to that of Brasilia in Brazil, South America. We were deeply impressed by the modern progressive appearance of this capital. While in Canberra we also took the opportunity to meet with several members of the Australian House of Representatives for an exchange of ideas on problems affecting both our countries.

I would be remiss in my comments on Canberra if I did not mention briefly two most impressive memorials—one the American War Memorial built by the Australian-American Society out of private funds which commemorates the part played by our men in the victory in the Pacific in World War II. Further, we had an opportunity to visit one of the most vivid examples of spirit and pride I have ever seen in my public or private career and that is the Australian War Memorial which tells fully, in my mind, the spirit of the Australian people.

Of particular interest to us as members of the Public Works Committee was the vast Snowy Mountain project now underway in Australia. Although time did not allow for a full and sufficient examination of this tremendous project, we were able to briefly consider the main aspects of what is being attempted in the field of water resources by the Australian Government.

Knowledge of the Snowy Mountain project requires a background as to the problem of water resources in Australia.

The average annual flow of Australia's rivers, if spread evenly over the continent, would give a depth of water about 1½ inches. The United States of America on the other hand, from its 10 main rivers alone, would obtain a depth of water of almost 6 inches.

It is vital that full use be made of Australia's water resources. This is the principle on which the Snowy Mountains scheme is based.

Remnants of an ancient alpine range skirt Australia's eastern seaboard. By European, Asian, and American standards these mountains are not high. In fact, compared with the might and grandeur of the Himalayas, Australia's mountains are merely foothills, the highest peak, Kosciusko, rising to an elevation of only 7,314 feet. And yet Australia's Great Dividing Range is vital to the life of her people.

In southeastern New South Wales and the adjacent areas of Victoria, the section of this range known as the Snowy Mountains forms the central and highest area of the Australian Alps. Snow-clad for 5 or 6 months each year this area is the source of the westward flowing Murray and Murrumbidgee Rivers which cross dry but otherwise fertile plains stretching over hundreds of miles to the coast of South Australia. Irrigation farming on these plains is already a well established and prosperous industry, but further substantial expansion of production depends on augmenting the flow of these rivers.

The Snowy River rises in the same area as the Murray and Murrumbidgee Rivers. It receives a large share of the runoff

from the winter snowfields but flows in the opposite direction of the nearby southeastern coast, traversing an area of reliable and adequate rainfall where water is not required for irrigation.

Not only are the waters of the Snowy River considerable in volume but also, they flow from high altitudes. By diverting them inland through long tunnels driven under the mountain ranges they can be utilized for the double purpose of producing very large quantities of electricity for industry and of enabling 1,000 square miles of drylands on the western plains to be brought into use for flood production.

With this background proposals for the development of Snowy Mountain first came into existence in 1884 and finally, on August 1 of 1949 the Snowy Mountain Authority came into existence. Detailed investigations and construction work started immediately.

This act is now supported by a comprehensive agreement between the Commonwealth of Australia and the States of New South Wales and Victoria covering the construction and operation of the scheme, the distribution of power and water and other development matters. Basically what is intended hereunder is to use by diversion the waters of the Snowy River combined with the Murray and Murrumbidgee Rivers to create large hydroelectric power stations and, at the same time, provide ample water all year round for the vast inland areas of New South Wales, Victoria, and South Australia through which these rivers flow. It is one of the largest civil engineering projects ever undertaken in Australia and one of the largest of its type in the world. It involves the construction of 9 large dams and several smaller ones, at least 11 power stations, over 100 miles of large diameter tunnels, over 80 miles of aqueducts, shafts ranging up to 1,100 feet deep, and hundreds of miles of mountain roads in rugged alpine country.

The total cost of the whole scheme is estimated at $748 million and it will provide nearly 2 million acre-feet of water per annum enabling irrigation production to be increased in value by approximately $60 million per year. In addition, the output from the Snowy Mountain operation will provide approximately 2½ million kilowatts of power and 5,300 million kilowatt-hours per annum of energy. I have outlined very roughly what this project contemplates and attempts, but I think even this brief mention of it will point up the progressive attitude of the Australian Government and the Australian people in the field of water resources.

This trip to Australia was a difficult one involving long flights over vast stretches of water and land mass which gave little rest or comfort to the delegation en route. But our short sojourn in Australia more than rewarded us for any difficulties we experienced in reaching Sydney.

But once we reached Sydney and had an opportunity to fully participate in the road conference, to meet with the delegates from the southeast Pacific area nations and to see firsthand the spirit and vigor of these peoples, and particularly of the Australians, any discomfort we may have experienced en route quickly vanished and we found ourselves caught up in the spirit and drive of these Australian people. They are indeed true friends of the United States. They were really delighted to see us. They made us feel at home. They want more and more American recognition and interchange of ideas and I think this should be a two-way street. I trust that over the years to come there will be a continuing flow of ideas between our Nation and that of the Commonwealth of Australia and that delegations in all fields that affect the national interest of both countries will take the opportunity to visit back and forth to develop the strong bonds of friendship and mutual interest that now ties these two great nations together.

Speaking for myself and the members of our delegation, I can truly say this was a unique and stimulating experience. I am proud to have been part of this particular meeting and to have a firsthand opportunity to see even briefly one of the most important sections of our world community.

The Meaning of Courage

EXTENSION OF REMARKS

OF

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 28, 1961

Mr. EVINS. Mr. Speaker, courage is a prominent word in the philosophy and the life of President John F. Kennedy. He has been called upon to show personal courage in overcoming a physical disability. He has written a book "Profiles in Courage"—a tribute to bravery in public life—and his inaugural address called upon Americans and our free world allies to show courage in the critical hour with which we are all confronted.

The President in response to a request from Parade magazine has given a personal definition of courage which I believe should be preserved, and I ask unanimous consent that the President's definition and meaning of courage be reproduction in the CONGRESSIONAL RECORD.

Parade's succinct article on President Kennedy's definition of courage follows:

THE MEANING OF COURAGE

(By President John F. Kennedy)

"Courage takes many forms. It can mean bravery under fire, an inner struggle for self-awareness, or the willingness to risk career, reputation, and friends in steadfast adherence to principle and conviction.

"This last is the courage I have written about—the kind of courage which all of us, sooner or later, may be given the opportunity to demonstrate. For at all the levels of our national life, each man is sometimes called upon to stand for what he believes to be right against the pressures and opinions of friends, fellow workers, constituents, or the force of popular attitude.

"At such a time each individual must look within himself for the resources to pursue his own course. But all the rest of us can contribute to the vitality of our democracy by refusing to join in unreasoning attacks upon those with whom we disagree; and by respecting them for having the strength to wage such a lonely struggle."

President John F. Kennedy's personal courage has been tested many times. In his 43 years, he has faced crises like these below:

PREWAR

Kennedy—frail, gaunt, weedy—nonetheless tried out for freshman football at Harvard. Knocked off the squad by a severe back injury, he became instead a backstroker on the swimming team.

Just before the Harvard-Yale meet, he was hospitalized with grippe. Kennedy arranged for his roommate, now Representative TORBERT MACDONALD, to smuggle in steaks to keep up his strength. He did exercises in his room, and once crept off to the pool to practice. The coach clamped down, however, and a substitute replaced him in the big meet.

WARTIME

Kennedy visited Great Britain during the German blitz, wrote his first book, "Why England Slept," in an attempt to wake up America to the dangers of nazism. His trip so moved him that he came home and tried to enlist in the Army. Turned down because of his back troubles, he took special exercises for 5 months to pass the Navy's fitness test. After Pearl Harbor, he persuaded his influential father to help get him a battle assignment.

Kennedy's experiences as a PT-boat commander in the South Pacific have been much publicized, but they still have the ring of a movie thriller. A Japanese destroyer ran down his torpedo boat, slicing it in half. Kennedy was slammed to the deck, jarring his chronically ailing back.

Despite acute pain, he rescued several crewmen. Clutching the strap of one man's lifejacket in his teeth, Kennedy towed him to the nearest island. He swam for 5 hours.

After that, Kennedy built up a reputation for courage virtually to the point of recklessness. Says his old squadron commander, Al Cluster of Van Nuys, Calif.: "Jack took so many chances, it got so the crew didn't want to go out with him."

Finally Kennedy picked up malaria, to go with his back troubles. Emaciated and fever ridden, he was compelled to go home. The Navy gave him a back operation and a discharge.

POSTWAR

Kennedy's ailing back nagged him throughout his early years in politics. He ran three times for the House, waging whirlwind campaigns. He won each election. In 1952, when he ran for the Senate, every step was agony. He could not climb stairs without dragging one leg. When he was not campaigning, he was in a hot bath, trying to ease the pain.

By 1954, Kennedy was on crutches, and his malaria had flared up again. At his wedding to Jacqueline Bouvier, the pain was so bad he could scarcely kneel at the altar. He decided upon drastic action to rid himself of his problems.

His doctors told him a double fusion of the spinal discs might cure him—or cost him his life. The chances, they estimated, were about 50–50. Characteristically, Kennedy took the gamble.

For weeks he lay at the brink of death. He was given his church's last rites; only his family was allowed to see him. He progressed so slowly that doctors sent him to Florida in the hope sunshine might speed his recovery. He left Washington on a stretcher.

Shortly afterward, he was back for a second operation, to remove a plate from his spine. Again, his life was despaired of. Says his father, Joseph P. Kennedy: "God's hand is on Jack's shoulder. I have sat at his

bedside three times when everyone thought he would die before morning. Everyone but Jack, Jack knew he would come through."

(The White House physician, Dr. Janet Travell, has told Parade that today Kennedy's back is entirely well.)

The final operation was successful. Kennedy spent a few more weeks in Florida, then came back to the Senate, having been gone nearly 7 months. A wheelchair and crutches were waiting for him at the airport. Kennedy waved them away. "I threw away my crutches 2 days ago," he told reporters.

Later, a few vigilant reporters noted that he still seemed to be limping slightly as he climbed the steps of the Capitol. Kennedy saw them watching and grinned. Then he gritted his teeth and climbed on.

Up those steps lay the road to the White House.

Need for a Select Committee on Consumer Problems

EXTENSION OF REMARKS
OF
HON. VICTOR L. ANFUSO
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 28, 1961

Mr. ANFUSO. Mr. Speaker, I am today introducing a resolution to create in the House a Select Committee on Consumer Problems.

The committee, as proposed in my resolution, is to consist of nine Members of the House of Representatives, appointed by the Speaker. Its duties shall be to conduct studies and investigations of the problems of consumers, with particular reference to the following:

First. The administration of Federal laws relating to consumers, in order to determine whether the administration of these laws serve the needs of the American consumer.

Second. The extent to which Government agencies adequately serve the needs of consumers or give due consideration to consumer problems.

Third. The collection of facts and information on consumer problems which would be of public interest generally and would also aid the Congress in enacting remedial legislation.

My bill provides, however, that the select committee "shall not invade any subject matter under active consideration by any standing committee of the House." The committee is authorized to submit preliminary reports of its activities, as well as a final report on the results of its study and investigation at the close of the present Congress.

Mr. Speaker, I was particularly pleased to note several days ago that President Kennedy is setting up an Office of Consumer Counsel in the White House to represent consumer interests. It is also reported that Dr. Persia Campbell will be named to this post. If true, this will be an excellent choice. Dr. Campbell has served as consumer adviser to Gov. Averell Harriman during the years he served as Governor of New York and she has a great deal of knowledge and experience in this field.

Several years ago, when I served on the House Agriculture Committee, I was instrumental in the creation of a Consumers Study Subcommittee, of which I was the chairman. Our subcommittee made several important studies at the time on trend in food prices, food marketing costs, agricultural surpluses and farmer-consumer problems, on meat processing and distribution, food stockpiling, the food stamp program, and several other subjects. The subcommittee was very effective in giving the American consumer a voice, and also in bringing about better understanding between farmers and consumers as to their specific problems.

On several occasions we were privileged to have Dr. Campbell testify at our hearings, and she was most helpful to the subcommittee. After I left the Committee on Agriculture in January 1959, the Consumers Study Subcommittee was dissolved. As far as I know, there is no other committee or subcommittee in the House now which deals with consumer problems specifically.

During the 1960 presidential election campaign, Mr. Kennedy several times mentioned in his speeches that he would appoint someone in his administration to look after consumer interests. This promise he is now keeping.

Mr. Speaker, it is one thing to look after consumer interests such as is to be done by the President's Consumer Counsel, and another thing for Congress to have a committee which is to study and investigate consumer problems with the idea of serving the needs of consumers and giving them the necessary protection through legislation. I believe Congress has a direct responsibility here and should assume this responsibility as soon as possible. Aside from the direct interests of the consumers, there is involved here the general economic condition in the country, matters of consumer interest which come before our regulatory agencies and in such Departments as Agriculture, Labor, Commerce, Health, Education, and Welfare, and others.

Just as Congress gives a voice to farmers, to labor, to education, to science, to the armed services, to the veterans, to business and finance, and to other phases of our national activity through its committees, so it must give a voice to the consumer, the housewife, the elderly people, the family wage earner, who struggle with the problem of the high cost of living and how to cope with it. This can be accomplished through the establishment of a committee such as is proposed in my resolution.

Mr. Speaker, our economists and statisticians have figured out that in 1960 the personal consumption expenditures in the United States reached about $328 billion, which is approximately two-thirds of our gross national product. In 1961, they estimate that these expenditures will rise another $10 or $11 billion. This, in itself, is reason enough why the American consumer's voice should be represented at the highest levels in government.

Think of all the instances that have come to light in recent years involving price rigging, fraudulent advertising, low standards of purity and wholesomeness of food and other articles, misleading labeling, deceptive packaging, misrepresentations in manufacturing, and other ways to deceive the American consumer. This requires not only continual study and investigation, but also careful oversight by Congress. It is time to stop making an easy victim of the consumer and to see that he obtains his dollar's worth in the marketplaces of our Nation.

It is not enough merely to have a Consumer Counsel at the White House or even advisory committees in one department or another. This is too big and too vast a part of our economy which deserves greater recognition. A congressional committee to deal with consumer problems would be the best answer.

President Kennedy has shown deep concern and understanding of the problems of the American consumer when he stated recently:

> The housewives who shop for their families—the wage earners who pay the rent and meet the bills—all have a vital interest in the activities of government which affect the value, the quality and accessibility of the goods which they buy. And yet those interests have been virtually unrepresented before the agencies, the congressional committees and the executive departments whose work has a direct impact on the daily life and long-term standard of living of the American consumer.

Mr. Speaker, time is of the essence. I think it is of utmost importance to act on my resolution and to set up as soon as possible the Select Committee on Consumer Problems so that it can undertake its work in the near future.

Library of Congress and World Understanding

EXTENSION OF REMARKS
OF
HON. FRED SCHWENGEL
OF IOWA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 28, 1961

Mr. SCHWENGEL. Mr. Speaker, on Sunday, March 5, I was the speaker at the International Crossroads breakfast at the Central YMCA in Washington, D.C.

On this occasion, I spoke on the "Library of Congress and World Understanding." These remarks were well received and I have had several requests to make them available in the CONGRESSIONAL RECORD so that other Members and interested parties could read them.

Under leave to extend my remarks, I ask that the speech "Library of Congress and World Understanding" appear in the RECORD.

LIBRARY OF CONGRESS AND WORLD UNDERSTANDING

It has always been my conviction that an afterbreakfast speech ought to be considerably shorter than an afterdinner speech. (One reason is that your audience is apt to be more alert and more critical in the morning.) The heavier indulgence of dinner is apt to make an audience more receptive, more acquiescent, more amiable,

and less conscious. I like an audience like this because I happen to be partial to small and intimate groups. This is a sort of board of directors and I can talk to you with a certain earnestness—perhaps even persuasiveness—that permits me a kind of confidential relationship with you I would not attempt with larger groups.

For the subject I want to talk to you about is the "Library of Congress as a Force for World Peace Through Cultural Communication."

Culture may be said to be accrued education.

And education is the open road to communication. And once you have these—education and its handmaiden, communication—you have the beginnings of a major breakdown of prejudice: racial, religious, cultural.

There are certain important repositories of world culture.

In a very active and dynamic sense this institution the world over—the Young Men's Christian Association—is a great center of deposit for the cultures, the thinking, the religious outlook, the education, and the recreation of whole varieties of people in the family of mankind.

Libraries to be sure are everywhere the repositories of world culture. And they have been since the days of Alexandria of antiquity. In this sense and in our time the Library of Congress occupies a special and a very dominant place.

Now I like to think of a library not as a museum although it is that, too.

Rather I like to think of a library as a workshop and a think shop where we carry out the admonition to seek the truth.

I like to think of a library as a scintillating, interesting, exciting, strength-giving, and dynamic force for broad human understanding.

The reason the United Nations is perpetually pleading for peace, peace when there is no peace, is because the basis for human understanding does not exist among the peoples of the earth. It is one of the tragedies of mankind that misunderstanding can be quickly and easily engendered. But understanding and mutual appreciation are difficult to come by.

There is nothing I believe more strongly as a politician who must appeal to people and present himself to them for their approval, than this simple truth. That is, it is impossible to hate people you know. It is possible to hate individuals and whole peoples if you know them somewhat. It is possible to form dislikes and nurture them out of some kind of perverse satisfaction. But there is no such thing as really knowing your man, or knowing your people, or of being fully informed, and then finding in information and in knowledge a basis for dissension or disagreement. Oh, it may very well be that your problem is not that you do not know the other man; but rather that the other man does not know you. And ignorance, whether on your side of the fence, or the other side of the fence, is just as destructive.

That is why I feel it so important to disseminate as a living and vibrant force the sum of human knowledge. That is why I am so proud that the Library of Congress may be singled out as one factor in justifying America's leadership of a free mankind. The Library of Congress is not a warehouse for old and new books. It is not a massive edifice for miles upon miles of bookshelves and decks and stacks and dry-as-dust volumes about a dead past and a stagnant present and an unexplored future.

For me the Library of Congress is the cultural showcase of America; just as a library anywhere may be or should be a cultural showcase—an influence to make good men able and able men good.

It is a living testimony of our interest in all of mankind from the dim days of antiquity to the immediate moment. It is a humming, busy, cultural factory and inventory of ideas and policies and living action and progress. It is concerned not only in hewing out new paths in library science as such. It is concerned with providing for men everywhere, the free and the slave, the half-free and the half-slave, the truths about the condition of man.

A savant from Ceylon, a professor from Bonn, a scientist from Japan, a finance analyst from Wall Street or the Bank of England, a statesman from anywhere, finds a hospitable and an inviting atmosphere and a precisely tailored source of knowledge and research for a general or a particular quest here in our Library of Congress. Or it may be a delegation or delegations from the far corners of the earth. Here in this atmosphere of academic freedom, here amid these volumes, among this Library personnel, they find welcome and friendship and assistance. Here is the congenial atmosphere of a scholar among scholars. They find this atmosphere even if they come—as some do—with suspicion and perhaps a suppressed hostility. If we are successful in our Library of Congress, we shall have disabused them of their prejudice. And we shall have sent them home wondering deep down whether somewhere in their home propaganda they have not been misled. For they come here from Moscow and Prague and Belgrade and from Budapest and Albania and everywhere.

How exactly—you may ask—is all this implemented?

For one thing, and just as a single example, the Library of Congress performs a prodigious service, a function, in the international exchange of official publications. On the combat front of ideas, in the areas where policy is made and action is taken, the Library of Congress is a practically unbounded pool of limitless depth for the ascertainment of facts, opinion, commentary, truth, and apocrypha. I can give it to you in figures but they hardly tell the story:

I mentioned the exchange program. When the present Librarian, L. Quincy Mumford, accepted the post he now holds, the Library had only three exchange agreements with institutions in the Soviet Union. Today there are 300 such agreements.

I ask: Is there a more vital area of communication for the knowledge and welfare and well-being of all mankind everywhere?

In addition to this the Library has a worldwide network of about 20,000 exchange agreements with governmental agencies, universities, and other research institutions.

This brings in over half a million items a year.

Without going into the filing techniques I can tell you that in about a half decade the number of publications from the Iron Curtain countries has jumped from 32,620 publications to 64,330 ingeniously indexed so as to make them easily identifiable and available.

There is, for example, an Africana Section.

The Library has an incomparable 1,500,000-volume collection of scientific and technical materials. There is besides a massive quantity of potent and valuable and needed scientific abstracts. But the emphasis on science is no greater than the emphasis on the humanities. One is not pampered at the expense of the other. Rather they are supplemental and complementary in the total story of world culture. And this is an abiding principle in the Library under its present leadership.

When I examined the most current data on the Library I found it impossible to tell the story adequately in a breakfast talk. How can I tell you about the Library's holdings of American and international history and politics except to say it is fabulous. There are original and private documents from the Presidents. There are the instruments of our freedom and the original materials that surround these instruments. There is bibliography and library science and the publications of learned societies. Intensive use is made hourly and daily and the year around of the Library's files of American and foreign newspapers, its maps and atlases. The Library is, of course, rich in rarities ranging from the Gutenberg Bible and the rough draft of the Declaration of Independence to Abraham Lincoln's first drafts of his Gettysburg Address.

I ask you to consider what an immense contribution all this is to the betterment of human understanding. For, of course, understanding is the key to peace. Members of Congress must know quickly and accurately and fully all the facets of an issue about which they are asked to make a decision. Here the Library of Congress steps in with its invaluable Legislative Reference Service. These are scholars and savants and research people and specialists, carefully selected, of proven ability and background, who stand by to brief legislators—usually in writing—on the facts. This is the Service that—with hardly more than 200 people—answered more than 81,000 inquiries in 1960 from Members of Congress and from committees of Congress. Many of these inquiries called for highly technical reports, analyses, assessments of assembled data, and conclusions upon which legislators could predicate judgment and decision. The materials thus supplied are highly prized, not only because of accuracy and depth, but even more because of disinterestedness and objectivity.

Since we are talking about the contribution to human understanding let me throw in here another statistic. In fiscal 1960 more than 700,000 readers were supplied with books and other materials and were given other reference assistance. Of course there are other services of the Library which I cannot now pause to describe: its interlibrary loan system, for instance, reaching to libraries all over the world. From the Library of Congress through its National Union Catalog on cards you can learn the location of some 8,500,000 books printed before 1956 in more than 700 libraries in the United States and Canada. An auxiliary catalog records the location of some 550,000 works in Slavic, Hebrew, Japanese, and Chinese. I could talk to you about the Library's library for the blind, the Copyright Office, the Library's cultural activities in the field of music and literary readings. The Library is a vast storehouse of Americana from folk music to motion pictures. When I use the word "understanding" and talk about Americana I have in mind also that the Library has in one form or another the songs of many Indian tribes. It has a growing archive of Latin American poets and their poetry and it has these on tape.

What I have just told you explains why I made it a point to be here today: human understanding.

Nothing in a book, not a whole planet of libraries, can take the place of this, I hope, warm, personal, and friendly contact we are having here today at this Young Men's Christian Association which will enhance our understanding of each other. The very words "Christian association" carry a world of meaning for the mission in human understanding I am trying to perform and that the Library of Congress performs on a huge and mighty international and national stage. This meeting, personal and intimate and friendly, is basic, and the books and paraphernalia of culture are, and must always remain, supplemental. What we learn from books supports what we learn from human contact and vice versa. As we broaden our knowledge of each other we deepen it. We give it sustenance—encourage its growth. Once this knowledge is rich and full, it may not always lead to mutual love but it surely can and should lead to mutual respect. This will shorten the road to peace.

What the influence of libraries everywhere—and the Library of Congress especially—prove above all else, is the great value of variety in human tradition and culture. Let each of us, as a people, develop and cherish our own culture and tradition, our own religious and spiritual values. If we live up to the tenets of our faith I think—by and large—we shall avoid trespass.

What needs to be established is that all peoples in the variety of their cultures and traditions are asked only to respect and honor each other. What is dangerous is not learning, knowledge, friendly and scholarly criticism and judgment of each other; what is dangerous is ignorance and the resulting suspicion. What we need to remember is not that power per se is a menace, but power without a sense of morals and spiritual values is a menace. This is why in the field of communication and exchange, in the field of mutual knowledge, institutions like the Library of Congress, are a prime potential.

I am inestimably proud as an American to be told by reliable experts that the Library of Congress is the greatest of all libraries in our time and that it is perhaps the greatest in all history. I am proud, not as one is proud of a possession or a property. I am proud as one who is proud of an asset that makes for world comity, world peace, world understanding.

You have honored me both by having me and by listening so intently—I close with hope that I may have stirred your heart and mind to feel and think on these things and with a plea that when you take a book you first thyself prepare to read with zeal and mark with care—and when thou hast read what there is writ then let thy best practice to second it then twice each precept read shall be once in the book and next in thee.

And remember—that there is an admonition to go and teach and preach. Another seer has told us that it is our business to make other men wiser and better as we can make or find opportunity.

University of Cincinnati 1961 NCAA Champions

EXTENSION OF REMARKS
OF
HON. GORDON H. SCHERER
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 28, 1961

Mr. SCHERER. Mr. Speaker, too often here in Washington events both at home and abroad cause us to view with alarm. This week all Americans, especially those from the city of Cincinnati, can point with pride to the University of Cincinnati Bearcats basketball team.

On last Saturday night at Kansas City, Mo., the Cincinnati Bearcats defeated the Ohio State Buckeyes in the National Collegiate Athletic Association finals and became the 1961 national champions.

Mr. Speaker, for 3 years prior to 1961 the Cincinnati Bearcats, led by that great all-American, Oscar Robertson, had won the title of the Missouri Valley Conference, the toughest in the country. The team went to the NCAA those 3 years but did not quite bring back the big prize, although rated the top team in the Nation in 1959–60.

The 1960–61 season for the Bearcats did not look too good. All-American Oscar Robertson had graduated. Charles Mileham, the university's fine athletic director for many years, had been promoted to a University of Cincinnati vice presidency. The team's great coach, George Smith, had succeeded Mileham as athletic director. The Bearcats had a new coach, Ed Jucker, assisted by Tay Baker and John Powless. There were no all-Americans on this team around which to build.

At the beginning of the season the Bearcats were not even rated in the top 20 in the country. Most sportwriters outside Cincinnati, who had drooled over the "Big O," looked for other heroes and completely ignored Cincinnati.

For the first few weeks of the new season it looked as if they might be right. The once-powerful and feared University of Cincinnati Bearcats had only a 5-to-3 record. The coaches and team, however, quietly but with confidence and determination, supported by a small but loyal University of Cincinnati boosters club, went to work on a long, tough, and grueling schedule. They won 21 straight games from some of the toughest teams in the country.

Gradually their phenomenal wins forced skeptical sportswriters and coaches to push them into the top 20 teams, then into the select top 10. They went on to win what no one expected—the fourth straight Missouri Valley Conference title.

As the season ended, the Cincinnati team found itself rated No. 2 in the Nation, second only to Ohio State. Ohio State, with the all-American Jerry Lucas, according to many was supposed to be the greatest basketball team ever assembled.

For years big Ohio State, defending NCAA champion, had looked down its nose at the University of Cincinnati. It had refused to even consider scheduling and playing the Bearcats. The two had not faced each other on the court for 38 years.

Last Saturday night at Kansas City these two great teams were forced to meet as both won their way to the NCAA finals.

In what students of basketball called one of the finest and most thrilling contests in the game's history, the University of Cincinnati Bearcats beat the Ohio State Buckeyes 70 to 65 to become the 1961 NCAA champions—the No. 1 team in the Nation.

Mr. Speaker, this all-American team, coached by the phenomenal Ed Jucker, displayed all those qualities of sportsmanship and character so vitally needed by this Nation today; namely, skill, spirit, devotion, determination, and courage. It is comprised of the following players: Mark Altenau, Cincinnati; Carl Bouldin, Cincinnati; Jim Calhoun, Carr Creek, Ky.; Fred Dierking, Valley Stream, N.Y.; Dale Heidotting, Cincinnati; Paul Hogue, Knoxville, Tenn.; Ron Reis, Cincinnati; Larry Shingleton, Madison, Ind.; Tom Sizer, Middletown; Tom Thacker, Covington, Ky.; Frank Turner, Knoxville, Tenn.; Bob Wiesenhahn, Cincinnati; and Tony Yates, Cincinnati.

There are many other Cincinnatians who deserve much credit for the glory that this team has brought to Cincinnati. Among them are Dr. Walter Langsam, president of the University of Cincinnati; Ralph Burseik, its vice president; Dr. William Schwarberg, assistant director of athletics; Hod Blanye, sports publicity director; Jeff Hanselmann, assistant sports publicity director; Ed Coons, ticket manager; Dr. Don Jacobs, team physician; Joe Keefe, team trainer; Bill Roth, team manager; Joe "Scotty" Kolp, equipment manager; Roy Hodgins, program manager; and Don Galvin, cameraman.

Mr. Speaker, no team could enjoy the prestige that has been achieved by the 1961 University of Cincinnati aggregation without the splendid coverage and cooperation which has been given by the Cincinnati Enquirer and the Cincinnati Post and Times-Star and their outstanding and truly objective sportswriters, Dick Forbes and Walter Forste.

We in the Congress salute the 1961 University of Cincinnati Bearcats.

Financing the Highway Program

EXTENSION OF REMARKS
OF
HON. FRANK C. OSMERS, JR.
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 28, 1961

Mr. OSMERS. Mr. Speaker, there is great interest throughout the country in continuing the vital Federal-State highway program. President Kennedy has made proposals for the imposition of special taxes on the trucking industry to meet part of the rising costs of this necessary program.

It is my considered judgment that we must not repeat the mistakes made years ago in railroad taxation by imposing discriminatory and ruinous burdens on trucking at this time.

I have set forth my views on highway program taxation in a letter to Chairman MILLS of the House Ways and Means Committee and I ask unanimous consent to have the letter placed in the CONGRESSIONAL RECORD.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., March 28, 1961.

Hon. WILBUR D. MILLS,
Chairman, Ways and Means Committee,
House of Representatives,
Washington, D.C.

DEAR MR. CHAIRMAN: The Committee on Ways and Means is now considering the President's proposals for financing the Federal-State highway program. The purpose of this letter is to set forth briefly my views on the subject for the consideration of the committee.

President Kennedy proposes a 3-cent-a-gallon increase in the tax on diesel fuel, as well as steep increases in the excise taxes on trucks, truck tires, tubes, and tread rubber. With a few exceptions, as a general principle, I oppose the imposition of any excise taxes on necessities during peacetime, particularly when they bear heavily on a specific industry. That is why I have been urging Congress for several years to approve my bills which would repeal certain remaining World War II excise taxes on such items

as transportation, communications, appliances, cameras, luggage, etc. Therefore, in my opinion, the President's recommendations for sharp increases at this time in the excise taxes on trucks, truck tires, tubes, and tread rubber should not be approved.

The 75-percent increase in the diesel fuel tax proposed by the President would be borne entirely by about 15 percent of the heavy-duty trucks now operating. In my opinion, such a discriminatory increase would put a number of trucking companies out of business completely and seriously injure many others, with resulting unemployment. Thus, the anticipated revenue from diesel fuel taxes would be lower, thereby partially defeating the purpose of the increase. It seems to me, that if there is need for additional revenue to continue this highway program, as planned, it should be met by a modest increase in the present 4-cent tax on all gasoline and diesel fuel such as the half-cent proposed by President Eisenhower.

In my judgment, an economically sound trucking industry is necessary for a healthy economy just as an adequate highway system is an absolute requirement for the continued growth and development of all motor transportation including the trucking industry. Accordingly, the Federal-State highway program will continue to have my full support, as will any equitable taxation to pay for it.

Discriminatory overly burdensome taxation was a major factor in placing the Nation's railroads in the trouble they are in today. Let us not repeat the mistakes of history by taxing large segments of the trucking industry out of business. There are some who feel that harmful taxes on trucks will somehow help railroads. Two wrongs never make a right. Railroad problems must be solved affirmatively here in Congress and at the State capitals, not by crippling the trucking industry.

For the reasons set forth, I urge the Committee on Ways and Means to reject these discriminatory taxes on the trucking industry.

Sincerely yours,

FRANK C. OSMERS, Jr.

Tribute to the Seventh Regiment

EXTENSION OF REMARKS

OF

HON. JOHN V. LINDSAY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 28, 1961

Mr. LINDSAY. Mr. Speaker, today I have the honor to introduce a resolution to provide for the erection of a tablet in the Hall of the House of Representatives—or immediately adjacent to its entrance—commemorating the 100th anniversary of the quartering of the 7th Regiment, New York State Militia in this Hall. The 7th Regiment arrived in Washington on April 25, 1861, in response to President Lincoln's request for troops to defend the Nation's Capital at the outset of the Civil War. They were quartered in the Hall of the House of Representatives from April 25 to May 2, 1861.

On April 25, 1861, the 7th Regiment, New York State Militia, marched up Pennsylvania Avenue in the city of Washington and was reviewed by President Lincoln in front of the White House. The arrival of the 7th Regiment in Washington was described by Messrs. Nicolay and Hay, President Lincoln's secretaries as "an epoch in American History."

It is difficult for us to realize, a century later, the drama underlying the arrival of this one regiment of militia troops in tension-charged Washington on April 25, 1861. Its significance lay in the fact that this was the best-known regiment of militia troops of its day and its arrival in Washington in response to the President's call was the first tangible demonstration of the willingness of the people to aid the Union.

After the firing upon Fort Sumter on April 12, 1861, President Lincoln called for the militia of the several States of the Union, to the aggregate number of 75,000 to defend the Union and provide for the execution of its laws. He also arranged, through Brevet-Lt. Gen. Winfield Scott, as Chief of Staff of the Army, that certain of the militia troops thus called forth would be assigned to protect and defend the Capital.

President Lincoln knew well the importance of and the need for defending Washington against attack. At the time of his militia proclamation seven States had already seceded, including South Carolina, Georgia, Alabama, Florida, Mississippi, Louisiana, and Texas. They were joined a few days later by the State of Virginia, Washington's southern neighbor across the Potomac. North of Washington, telegraph wires and railroad transportation from the north were severed at Baltimore. The city of Washington was almost completely surrounded by those hostile to President Lincoln's determination to defend the Union.

President Lincoln and his principal advisers expected the war to begin in the city of Washington, with a drive to capture the White House and the Capital. It was said "that the White House is turned into a barracks." Two Senators, Cassius M. Clay and James H. Lane, both with military backgrounds, formed a last-ditch "palace guard," to protect the White House and the safety of the President. This feeling that Washington was the immediate target of the seceded States was shared by the press of the South. The Richmond Examiner declared:

> There is one wild shout of fierce resolve to capture Washington City at all and every human hazard.

There was reason for concern for the safety of Washington. The Regular Army, totaling about 17,000 officers and men, was stationed for the most part in the West and Southwest. The civil servants in Washington were predominantly citizens of the seceded States. After the fall of Fort Sumter, Regular Army officers from the South resigned their commissions and returned to their home States to offer their services to the Confederacy.

Any well-organized attack upon Washington would have succeeded. However the Virginia troops did not cross the Potomac. Instead the Virginia Volunteers, on April 18, 1861, the day after the secession of the Old Dominion, marched north and captured the Federal fort at Harpers Ferry and with it a tremendous supply of weapons, ammunition, and equipment. Two days later, on April 20, 1861, the commander of the U.S. Naval Yard at Norfolk, Va., fearful of the capture of the yard by Virginia troops, destroyed $30 million of naval ships, guns, equipment, and munitions.

It was in such an atmosphere of concern for the safety of the Capital and confusion as to the intentions of the forces of the seceded States, that the 7th Regiment marched up Pennsylvania Avenue in Washington to the relief of President Lincoln and the members of his Cabinet. The 7th Regiment brought a measure of security to the city of Washington, but more importantly, it was the harbinger of men and arms to come, and a symbol of the desire of a united people to fight for and defend the Union of the States.

Just as the arrival of the 7th Regiment in the city of Washington on April 25, 1861, was a symbol of the desire of the people to defend their Union, so also it served in New York City.

Prior to the departure of the 7th Regiment from New York City there was reason to believe that the North would not support a war against the seceded States. The mayor of the city of New York, Fernando Wood, had called seriously for the secession of New York City from the State and from the United States. Rumblings of discontent were heard throughout the North, but with President Lincoln's proclamation calling forth the militia, on April 25, 1861, and the response of the 7th Regiment to that call, fear for the safety of the Nation and concern over the support which might be rendered by the people to the Federal Government was assuaged.

The service of the 7th Regiment in defense of the Nation's Capital, and specifically, in defense of the Halls of Congress and the White House, was an important duty which should be recorded by the erection of a tablet in the Hall of the House of Representatives because this regiment, the first organized, fully equipped and armed regiment to respond to the President's call for volunteers, typified the spirit of unity in support of President Lincoln's determination to preserve the Union, and is a lasting tribute to the patriotism of the citizen-soldier.

Postmaster General Day's Reply

EXTENSION OF REMARKS

OF

HON. AUGUST E. JOHANSEN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 28, 1961

Mr. JOHANSEN. Mr. Speaker, on March 14, I placed in the RECORD a copy of a letter which I had that day addressed to the Honorable J. Edward Day, Postmaster General, containing a number of questions regarding personnel and other matters involving the Post Office Department on which he had acted or publicly commented.

Under permission to extend and revise my remarks, I include his reply of March 17.

On the floor of the House I today discussed the matter of Project Turnkey, in the course of debate on the Treasury-Post Office appropriation bill. Subsequently I expect to have additional comments regarding some of the other matters referred to in the exchange of letters with the Postmaster General.

While I am by no means satisfied with many phases of the Postmaster General's response to my inquiries, I appreciate the promptness of his reply.

Postmaster General Day's letter follows. I have retained in my files the names of the persons affected by the personnel actions as included in a list which accompanied the letter:

OFFICE OF THE
POSTMASTER GENERAL,
Washington, D.C., March 17, 1961.

Hon. AUGUST E. JOHANSEN,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN JOHANSEN: This is in response to your letter of March 14 and will answer the specific questions which you asked:

1. Of the 4,000 regional people, all except about 130 held career civil service status as of January 20, 1961. Two assistants to the regional directors have been replaced since my administration took office, and we contemplate replacing the remaining 13 assistants to the regional directors and many of the 15 regional directors. Actually four of the assistants to the regional director positions were vacant on January 20, 1961. One of the regional directors had already applied for disability retirement, and 11 others have either applied for retirement or have voluntarily accepted appointment to other high salary positions. Names of all of these regional directors and assistants to the regional directors are attached, along with the name of the one person whose regional job has been abolished. That one job had been created in December, 1960, specifically for the incumbent who was then assistant to the regional director. Civil service laws and regulations have been complied with in every respect. I do not feel free to deliver the civil service records of these people to you.

2. In the Washington headquarters, 21 employees with competitive status, and principally having very high grades, have been adversely affected. Five of them were in excepted positions. The positions of eight have been abolished, and the incumbents have received reduction-in-force notices. Of the remaining eight, two have resigned and six have voluntarily accepted change to lower grade positions. A list reflecting these names and their changes in position is attached. I do not feel free to deliver their civil service records to you.

3. Undistributed copies of the two issues of the Postal Service News were withdrawn from circulation because they contained inaccuracies and potentially erroneous statements regarding policies which were being considered for change, and it would have been confusing to the employees of the Postal Service to have allowed further distribution.

4. My public statements regarding Turnkey have been accurate. The statement of mine to which you refer was made February 9, 1961, in reference to the previous administration's publicity to the effect that Turnkey was a completed and completely working post office and was the world's first automated post office, which previous publicity was not accurate. The Post Office Subcommittee of the House Appropriations Committee, after its inspection of Turnkey, launched an investigation and requested the Post Office Department to withhold any further payment to Intelex Systems, Inc., until the congressional investigation is finished.

5. It would be historically inaccurate if the plaques installed on buildings dedicated after January 21, 1961, bear the names of officers from a previous administration. Plaques on buildings dedicated subsequent to that date bear the names of President Kennedy, myself, and Deputy Postmaster General Brawley.

6. A proposal has been received and is being considered by the Post Office Department that it consider changing to flat payment in cash the $100 per year uniform allowance to letter carriers in lieu of the present reimbursement basis. No decision to change from the present system has been made.

Sincerely,

J. EDWARD DAY,
Postmaster General.

Lifting of Ban on Importation of Russian Crabmeat Ignores U.S. Fishing Industry

EXTENSION OF REMARKS
OF
HON. THOMAS M. PELLY
OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 28, 1961

Mr. PELLY. Mr. Speaker, a few days ago, as a result of numerous complaints from interested constituents, my attention was attracted to an administration proposal to lift the ban on the importation of Russian crabmeat into the United States.

I immediately addressed a letter to the Secretary of State, The Honorable Dean Rusk, protesting any such action, in the strongest possible language. My objections were based on the effect the policy decision would inevitably have on the economy of the vital fishing industry in my district and State of Washington.

I deliberately avoided any reference to the obvious appeasement implication in the lifting of this ban. That letter was mailed on March 16. Four days later, on March 20, I was advised by telephone that within 30 minutes the Treasury Department would formally announce by means of a press release the lifting of the ban.

Three days later, on March 23, the State Department finally favored me with a "too little and too late" reply to my formal protest. Too late in that the announcement had already been made and too little, by way of justification of the decision—and I quote from the State Department's letter:

> The Secretary of the Treasury, pursuant to his responsibilities, under the applicable law, (sec. 307 of the United States Tariff Act), found that there is no current evidence that prison or forced labor is still being used in the production of Soviet canned crabmeat. On the basis of this judgment, he determined that the prohibition should be removed.

The fallacy of this argument is obvious. Indeed, it would be laughable were we not dealing with such a serious matter involving the foreign policy of the United States.

But I challenge either the State Department or the Treasury Department to produce documented evidence of any proper investigation to determine whether or not Soviet canned crabmeat is still packaged by slave or prison labor.

Neither the CIA or any other cloak-and-dagger agency has filed any report to substantiate this statement. Consequently, the only obvious current evidence is that furnished by the Kremlin itself.

If my judgment is wrong in this instance, then let the administration's policymakers present documented evidence to support their statement "that prison or forced labor" is not currently being used in the production of Soviet canned crabmeat.

Furthermore, the untimely haste involved in finalizing a policy decision involving, as it does, an important segment of our domestic economy, is certainly subject to critical review and censure. Why was the fishing industry never consulted or invited to express its view?

If the fishermen and the fishing industry of the Pacific Northwest are to be the expendable shock troops in this friendly gesture to the Kremlin, they should at least be told what they are dying for. Instead, and by administrative edict, to paraphrase the gladiators of ancient Rome, the fishermen of America can only stand before the State Department and say "We who are about to starve salute you."

So, Mr. Speaker, I urge that the House Committee on Foreign Affairs undertake an investigation of this policy decision, so destructive to the vital fishing industry in the Pacific Northwest. Otherwise, I predict that the housewives of America will enter the fray, wielding the most potent weapon of all, a national boycott against the purchase of Soviet crabmeat—crabmeat tainted, either directly or indirectly, with the blood of freedom-loving people from all four corners of the earth.

Reports Submitted by Department of Interior on Wilderness Preservation System

EXTENSION OF REMARKS
OF
HON. JOHN D. DINGELL
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 28, 1961

Mr. DINGELL. Mr. Speaker, pursuant to permission granted, I insert in the CONGRESSIONAL RECORD copies of the reports submitted by the Department of the Interior to the chairman of the House Committee on Interior and Insular Affairs and the chairman of the Senate Committee on Interior and Insular Affairs on my bill, H.R. 1762, and similar legislation to create a national system of wilderness preservation. The administration has endorsed such legislation.

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., March 17, 1961.

DEAR MR. ASPINALL: Your committee has requested reports on H.R. 293, H.R. 299, H.R.

496, H.R. 776, H.R. 1762, H.R. 1925, and H.R. 2008, all of which relate to the establishment of a national wilderness preservation system.

We urge the enactment of this proposed legislation for the establishment of a national wilderness preservation system. We recommend that it be amended in conformance with a similar proposal, S. 174, and our suggested amendments thereon, as set forth in our report of February 24, 1961, copies of which are enclosed.

Wilderness resources contain basic values and provide undeniable benefits to the American people. Establishment of a wilderness system is in the public interest and we believe the current proposals recognize equitably the various facets to the problem of wilderness preservation. We believe that many if not all of the objections that have been raised in the past to wilderness proposals are resolved by the current bills.

These proposals would delimit the wilderness system to well-defined areas and would prescribe an orderly method for establishment of the system. Also, these proposals prescribe sound procedures applicable to both executive and legislative branches of the Government in determining the particular areas or parts of Federal reservations to be included in the wilderness system.

The Bureau of the Budget has advised that, subject to your consideration of our recommended amendments, the enactment of this proposed legislation would be in accord with the President's program.

Sincerely yours,

JAMES K. CARR,
Acting Secretary of the Interior.

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., February 24, 1961.

DEAR SENATOR ANDERSON: Your committee has requested a report on S. 174, a bill to establish a national wildlife preservation system for the permanent good of the whole people, and for other purposes.

We urge the enactment of this proposal. We suggest hereafter certain minor amendments to the bill that we believe would be desirable.

Wilderness resources contain basic values and provide undeniable benefits to the American people. We believe this has been amply demonstrated from the previous hearings of your committee on wilderness proposals. In our opinion, the establishment of a wilderness system, along the lines outlined in this bill is in the public interest.

This proposal recognizes equitably the various facets to the problem of wilderness preservation. We believe that it resolves many, if not all, of the objections that have been raised in the past to wilderness proposals. It clearly delimits the wilderness system to well-defined areas and prescribes an orderly method for establishment of the system. It prescribes sound procedures applicable to both the executive and legislative branches of the Government in determining the particular areas or parts of Federal reservations to be included in the wilderness system.

The system to be established by this bill would be composed of federally owned lands. Portions of the National Park System, wildlife refuges, and game ranges administered by this Department, and portions of the national forests administered by the Department of Agriculture would be included in the system. It should be noted in this connection that the National Park System areas, wildlife refuges, and game ranges that we administer would not be included immediately following enactment of the proposal in the wilderness system. Portions of these areas would be selected and included in this system over a 10-year period, in accordance with prescribed procedures set forth in the bill. In the case of the national forest areas, however, there would be included in the wilderness system immediately upon enactment of the legislation those national forest areas classified by the Department of Agriculture as wilderness, wild, primitive, or canoe. The primitive group of areas, however, would be subject to subsequent review over a 15-year period in order to determine which of these areas should be retained in the system.

One of the major provisions of the bill is contained in section 3(h). This subsection provides that the addition of new wilderness areas to the system or the elimination of the areas from the system that are not specifically provided for by the bill shall be made only after specific authorization by law for such addition or elimination. We believe this requirement is desirable.

Section 2 of the bill contains a statement of policy that would express the desire of the Congress to secure for present and future generations the benefits of an enduring resource of wilderness. Sections 2 and 6 contain the general provisions that would govern the administration of wilderness areas as well as prescribe the purposes and uses of the system. Significantly, the bill provides that the system shall be administered for the use and enjoyment of the American people, in such manner as will leave the system unimpaired for future use and enjoyment as wilderness, and so as to provide for the protection of the areas, and the preservation of the wilderness character. This provision is very similar to the requirements now applicable, pursuant to the basic National Park Act of 1916 (16 U.S.C. 1–3), to the National Park System. On this point we observe that wilderness type areas constitute an important segment of the National Park System and have contributed heavily over the years to the enjoyment by the American people of wilderness values.

We believe that section 6(a) is worthy of special note. This subsection provides that nothing in the act shall be interpreted as interfering with the purposes stated in the establishment of or pertaining to, any park, monument, or other unit of the National Park System, or any national forest, wildlife refuge, game range, or other area involved, except that any agency administering any area within the wilderness system shall be responsible for preserving the wilderness character of the area and shall so administer such area for such other purposes and also to preserve its wilderness character. This provision, we believe, has the effect of preserving the status quo to the maximum extent in the management of the Federal reservations in question, subject however to the overall requirement that the administering agencies carry out the essential requirements set forth in the bill for wilderness preservation.

While the bill prohibits, consistently with wilderness preservation, as prescribed in section 6(b), commercial enterprises within the wilderness system, roads, motor vehicles, motorized equipment, et cetera, it provides in section 6(c)(4) that commercial services may be performed within the wilderness system to the extent necessary for activities which are proper for realizing the recreational or other purposes of the system.

In addition to the general provisions relating to administration of the wilderness system, there are specific provisions in the bill that are applicable to national forest areas. These provisions would permit certain uses to continue that are already well established within the forest areas in question. Also, certain additional uses may be authorized by the President upon his determination that such use or uses in the specific area will better serve the interests of the United States and the people thereof than will its denial. In the case of wildlife refuges and game ranges, the bill provides that any existing use or form of appropriation authorized or provided for in the Executive order or legislation establishing such areas and which use exists on the effective date of the act may be continued under such authorization or provision. In this connection, we note that the bill makes no provision for special uses within the National Park System. We believe this is appropriate and is consistent with long established policies and standards, established by the Congress for administration of that system.

There are other provisions that are worthy of mention. Boundary adjustments may be made in wilderness areas in accordance with certain prescribed procedures by the appropriate Secretary after public notice and hearing, subsequent recommendations to the President and transmittal of such recommendations to the Congress. The boundary adjustment may be accomplished if the Congress makes no objection thereto. We note that in the case of areas of the National Park System the bill provides for the inclusion of those areas of more than 5,000 acres where such areas exist without roads. The Secretary would be required to determine what portions of the parks would be required for roads, utilities, et cetera. The bill contains no minimum acreage limitations regarding wildlife refuges and game ranges to be included in the system.

We recommend the following amendments to this bill:

1. On page 5, line 7, strike out the word "ten" and insert in lieu thereof the word "fifteen".

This amendment is suggested in the interest of uniformity. Fifteen years are allowed in the bill for the review of certain national forest areas to determine their suitability for inclusion in the wilderness system. We believe that National Park System areas, as well as the wildlife refuges and game ranges, should be governed by the same requirement.

2. On page 6, line 16, beginning with the word "Further" strike out the language in the sentence up to and including the word "area" in line 20, and substitute in lieu thereof "The purposes of this Act are hereby declared to be within and supplemental to but not in interference with the purposes for which parks, monuments, and other units of the National Park System are administered".

This amendment is desirable in the interest of clarification. It is in harmony with a similar provision relating to national forests in section 3(b)(2).

3. On page 7, line 10, strike out the word "ten" and insert in lieu thereof the word "fifteen".

As previously explained regarding a similar amendment relating to national parks, this amendment is suggested for the purposes of uniformity. If this amendment is adopted, in the interest of promoting further clarification, the next amendment would be desirable.

4. On page 7, line 10, insert a period immediately following the word "Act" and strike out the rest of the sentence beginning with ", and" in line 10 and ending with the word "jurisdiction." in line 16.

5. On page 8, line 10, following the words "shall" insert ", if found to be justified by the Secretary,".

6. On page 9, revise line 8 to read "(g) Public notice when given by either the Secretary of the".

We consider this amendment to be desirable in the interest of clarification. Subsection (g) provides that "The public notice by either the Secretary of the Interior or the Secretary of Agriculture that any areas to be proposed under the provisions of this Act for incorporation as part of the wilderness system shall segregate such area from any or all appropriation under the public land laws to the extent deemed necessary by such Secretary." The only requirement for

the giving of public notice, however, is contained in subsection (e) concerning modification of boundaries. We believe the language of subsection (g) probably would be limited in application to boundary modifications under subsection (e). On the other hand, it appears that the intent of subsection (g) is to have the provision apply also to new areas. Our amendment is suggested in order to permit the giving of notice, and the segregation of the lands in question from the public land laws pursuant to subsection (g), in the discretion of the particular Secretary. There would be no need to give notice or use the authority under subsection (g) to segregate the lands within the National Park System from the public land laws as these areas are already segregated from such laws.

7. On page 9, line 22, following the word "any" insert the word "new".

This is a clarifying amendment.

8. On page 10, line 7, strike out the words "privately owned" and insert in lieu thereof the words "non-Federal".

This is a clarifying amendment.

(9) On page 10, line 25, and on page 11, line 1, strike out the words ", except that any", and insert in lieu thereof ". Each".

This amendment is suggested for clarification. So far as the national parks are concerned, the present language indicating that an exception is required to preserve the areas for wilderness purposes is inaccurate. These areas, as we have indicated previously are administered in keeping with wilderness standards.

The Bureau of the Budget has advised that, subject to your consideration of the foregoing amendments, enactment of S. 174 would be in acordance with the President's program.

Sincerely yours,

STEWART L. UDALL,
Secretary of the Interior.

Excessive Importation of Lamb and Mutton Must Be Curbed

EXTENSION OF REMARKS
OF
HON. O. C. FISHER
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 28, 1961

Mr. FISHER. Mr. Speaker, on last Friday I introduced H.R. 5935, which reads as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That paragraph 702 of the Tariff Act of 1930 (19 U.S.C., sec. 1001, par. 702) is amended by inserting "(a)" after "702." and by adding the following subparagraph:

"(b)(1) Sheep, lambs, mutton, and lamb, provided for in subparagraph (a), entered, or withdrawn from warehouse, for consumption, during any calendar year, in excess of the average annual quantity thereof imported during the five-year period ending December 31, 1960, shall be subject to duty at the following rates, in addition to any other duties imposed upon the importation of such articles:

"Mutton and lamb, 10 cents per pound.

"Sheep and lambs, $1.50 per head.

"(2) The quantity of the above articles entitled to enter under this subparagraph during the unexpired portion of the calendar year 1961 without payment of additional duty shall be the annual quota quantity less one-twelfth thereof for each full calendar month that has expired in such year."

SEC. 2. The amendments made by the first section of this Act shall take effect as soon as practicable, on a date to be specified by the President in a notice to the Secretary of the Treasury following such negotiations as may be necessary to effect a modification or termination of any international obligation of the United States with which the amendment might conflict, but in any event not later than sixty days after the date of enactment of this Act.

Mr. Speaker, the need for this legislation becomes apparent when we survey the vast increase in the imports of lamb and mutton, especially during the past 3 years, from countries with much lower production costs than ours. I am alarmed because dressed lamb is being landed in this country, duty and freight paid, and offered to our retail outlets at prices 10 to 15 cents per pound below our dressed market. Making the situation even more critical is the fact that lamb and mutton imports are arriving here at a time when our own live lamb market is experiencing a 15-year low in prices.

Even though Australian and New Zealand meat board officials, as well as American packers and importers, have given assurance that it is not their intention to injure the American lamb producers through the importations of lamb and mutton, there arrived in Newark, N.J., early this month the S.S. *Essex* from Australia with 220½ tons of lamb cuts and 2,016,512 pounds of boneless mutton. It arrived here right in the midst of the lowest U.S. lamb prices since the end of World War II.

In view of this record, who can say the imports are not excessive, and who can say that these excessive imports have not and are not now doing serious damage to our domestic producers? The record speaks for itself. Five years ago, before the massive upsurge in importations of lamb and mutton began, our lamb market was fairly stable and steady. The domestic demands were being met. But 5 years later, after the vast increase in imports, what do we find? We find the American lamb growers getting the lowest prices for their lambs since World War II.

The bill I have introduced would not prevent 1 pound of lamb or mutton from coming into the United States. It simply provides that whenever in any calendar year imports exceed those based on the average annual quantity imported during a 5-year period, that the tariff would be increased from present extremely low levels on the remaining quantity shipped in during the year. This would partially compensate for the increased costs of production in this country.

Lamb producers in the United States, through research, breeding programs, promotion, and through innovations in greater operating efficiency, such as fencing, reseeding, health measures, and conservation practices, are endeavoring to reduce costs of production. Progress has been made. But it is obvious that even with very peak efficiency, high operating costs in the United States would prevent our ever being able to produce lambs which could compete pricewise with those from New Zealand, Australia, and Iceland.

Let us again look at the record. Dressed lamb imports rose from 1.4 million pounds in 1955 to an alltime high of 12.4 million pounds in 1960. Last year mutton imports so overshadowed the market that prices for domestic ewes dropped to approximately $2.75 per hundredweight live. In many cases this would not even pay freight and handling charges from the ranch to the market.

While shipments of live lambs are halted at the present, at least temporarily, such imports could again become a threat as they did last year. Duties on live lambs have been reduced from $3 per head in the Tariff Act of 1930 to 75 cents per head. My bill provides for a partial restoration of this duty, or an increase to $1.50 per head whenever lamb imports in any 1 year exceed the average annual importations for a 5-year period.

Mr. Speaker, it is evident that my bill is a fair one, not only from the standpoint of our own growers but also as applied to our friends who choose to make use of the American market for disposal of their lamb and mutton. An escape clause action under section 7 of the Trade Agreements Act would permit maximum duties considerably higher than those set forth in this bill.

Ever-increasing importations of lamb and mutton furnishes a good example of how an American industry can be seriously adversely affected as a result of our foreign trade policies of the past 25 years. We must encourage foreign trade, but in the administration of our trade policies let us not lose sight of the well-being of our own people. Other countries do not hesitate to protect their own people against the adverse effect of excessive imports. Why should we not do as much for our citizens?

I know a great number of my colleagues share my concern over domestic industry and job losses occasioned by the flood of imports. It is my hope that prompt and favorable consideration can be given this bill by the Ways and Means Committee.

The Sergeant Alvin C. York Committee

EXTENSION OF REMARKS
OF
HON. JOE L. EVINS
OF TENNESSEE
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 28, 1961

Mr. EVINS. Mr. Speaker, the need of a great American hero, Sgt. Alvin C. York, now disabled and bedfast, has come to the attention of the patriotic citizens of this Nation as Speaker SAM RAYBURN last week accepted the chairmanship of the Help Sergeant York Committee and donated his personal check for $1,000 to begin the campaign to raise funds to pay off Sergeant York's income tax indebtedness to the Government. Other members of this committee are Hon. Robert F. Kennedy, the Attorney General, Hon. Silliman Evans, publisher of the Nashville Tennessean, Actor Gary Cooper, who played the part

of Sergeant York in the film of his deeds of heroism, and the Representative of the Fourth District of Tennessee, Sergeant York's Congressman, who is serving as treasurer of the committee.

The press, radio, and TV of the Nation has rallied to the cause and has helped focus attention on Sergeant York's difficulties. Among the newspapers which have given the York matter excellent coverage are the Nashville Tennessean, the New York Journal American, the Baltimore Sun and the National Tribune-the Stars and Stripes. Both Ed Sullivan and Dave Garroway of TV fame have contributed much to the fundraising campaign. We have passed the halfway mark as contributions of generous Americans continue to be received at our office for this purpose.

Mr. Speaker, under unanimous consent, I include a representative sampling of these articles from the press across the country on the Sergeant York campaign in the CONGRESSIONAL RECORD.

The articles follows:

IRS TO SETTLE YORK'S TAX DEBT FOR $25,000—SPEAKER SAM RAYBURN KICKS OFF CAMPAIGN TO GET NEEDED FUNDS

(By Lois Laycook)

WASHINGTON.—The Internal Revenue Service agreed yesterday to settle Sgt. Alvin C. York's tax debt for $25,000 and House Speaker SAM RAYBURN immediately kicked off a national drive to raise the money.

The speaker announced the formation of a "Help Sergeant York Committee" to conduct the fund-raising campaign.

Appointed to the committee to serve with Rayburn as chairman were Attorney General Robert F. Kennedy, Representative Joe L. Evins, Democrat of Tennessee, Silliman Evans, Jr., publisher of the Nashville Tennessean, and Gary Cooper, Hollywood film star.

RAYBURN called a rare Saturday afternoon press conference to announce the action.

He told reporters that the Government had agreed to lop off almost $150,000 of its claim against Sergeant York which it said the World War I hero owed in taxes, penalties and interest on royalties from a book and the 1941 film version of his life, "Sergeant York," starring Cooper.

In New York, Cooper said:

"I worked with Sergeant York when we filmed the movie and he is a great patriotic American. I am delighted and pleased to take part in a drive to raise money to pay off Sergeant York's tax debt."

IRS contended York owed $172,000, a figure which the Tennessee Medal of Honor winner vigorously disputed. In announcing the settlement and plans to conduct a campaign in York's behalf, RAYBURN said:

"This is a matter that appeals very much to my heart. Alvin York was the greatest hero of World War I. He's had a great deal of financial trouble in recent years. He's very ill now and will not be a well man during the rest of his life. He has had two severe strokes.

"I am interested for another reason. I was born about 50 miles from where Sergeant York lives."

RAYBURN was born in Roane County, Tenn.

In Nashville, Tennessean Publisher Evans said after RAYBURN'S announcement:

"I feel very honored to be associated with this project to ease the financial burdens of Sergeant York, one of the greatest heroes of the Volunteer State, home of so many illustrious warriors."

To start the fundraising drive, RAYBURN presented Representative EVINS with a personal check for $1,000. EVINS, who represents York's district in Congress, will serve as secretary-treasurer of the campaign.

"I hope this check made out to the Alvin C. York Fund will challenge others to give at least $24,000 more so we can take this debt off the mind of this great hero," RAYBURN declared. "In fact I hope the campaign will raise more than $25,000. Sergeant York has only a small pension and a little social security. That makes it pretty thin as far as making a living is concerned."

York received the Congressional Medal of Honor for killing 25 Germans and capturing 132 singlehandedly October 8, 1918, during World War I. He is still Tennessee's most famous war hero.

RAYBURN told newsmen EVINS first approached him several weeks ago after talking with the Attorney General and officials of the Internal Revenue Service on the possibility of settling York's tax troubles.

"We decided on a course if we could get a reasonable compromise," the Speaker said, "We now have a letter from Internal Revenue stating that the Government will compromise for $25,000."

EVINS had previously introduced a bill to wipe out the tax debt. However, RAYBURN said the Congressman later agreed that settling income tax difficulties was "not a proper subject for legislation."

In announcing Evans' appointment to the committee, RAYBURN said the Nashville publisher "has been interested in this matter and he has wanted to find some way to get this man out of debt."

The Speaker expressed the hope the campaign will receive wide publicity.

He said checks should be made to the Alvin C. York Fund and mailed to Representative JOE L. EVINS, House Office Building, Washington, D.C.

Representative EVINS said the checks will be deposited with the House Sergeant of Arms office in the Capitol.

He praised RAYBURN for his most generous gesture in presenting a $1,000 check to the fund.

He said various American Legion posts in Tennessee have previously raised approximately $2,000 to help pay off the debt "so we are starting off with $3,000."

York received $150,287.76 in 1942 and 1943 for the book and movie rights to his life story. The Internal Revenue Service held this income to be taxable as ordinary income rather than as capital gains.

York disagreed with this ruling and petitioned the U.S. Tax Court for a redetermination of his liability as capital gains. Complicating the case was York's earlier action in giving almost all the money he had received from the royalties to York Institute and other schools. IRS held he could not deduct these gifts as charity.

The case, although set for trial several years ago, has been continued from time to time because of York's long illness. Meanwhile, IRS estimated interest and penalties ran the tax debt up to $172,000.

York has a monthly income of $135.45 as a veteran's pension, $32 monthly from social security, and $10 monthly from the Government paid to all Congressional Medal of Honor winners.

J.F.K. JOINS DRIVE TO HELP SERGEANT YORK

(By Marianne Means)

WASHINGTON, March 22.—President Kennedy, a war hero with a deep sense of history and an admiration for courage in battle, is taking a personal interest in the troubles of a man whose name has become part of America's heroic tradition.

The President learned of the plight of Sgt. Alvin C. York, the greatest hero of World War I, through the Attorney General, Robert Kennedy.

Robert was told last week by Internal Revenue Commissioner Mortimer Caplin that Sergeant York, who wiped out 25 Germans by himself and captured 132 in one battle in 1918, was in deep income tax trouble. The IRS claims that Sergeant York owes $172,000 in unpaid back taxes.

Mr. York, now an invalid of 73, ekes out a bare existence in a rugged mountain farm in Tennessee, and simply doesn't have the money.

The near-illiterate soldier never did have any money, really. The funds from his book and movie in 1941 which the Government wants to tax all went to build a small Bible school and high school.

Robert Kennedy remembered Sergeant York's heroism, and recalled he had hoped to stop to see Mr. York while campaigning in Tennessee this fall, although he had not had time. He asked Mr. Caplin: "What can we legally do?"

Robert Kennedy told his big brother J.F.K. about Sergeant York's problem, and the President too was sympathetic. The Attorney General's legal department ruled, however, that an Executive order from the President relieving Sergeant York of his tax liabilities would be illegal.

So the President instructed the executive departments, specifically the Treasury which harbors IRS, to do whatever possible to assist Sergeant York. Representative EVINS, Democrat, of Tennessee, Mr. York's Congressman, had tried repeatedly to get tax relief through congressional action, but with no success.

REDUCE DEBT

The Attorney General, Mr. Caplin, and Mr. EVINS huddled in three long meetings. Finally it was Speaker RAYBURN, who was born less than 50 miles from Sergeant York's home in Tennessee, who suggested the solution.

He proposed a fundraising drive, and promised to donate the first $1,000. Robert Kennedy went along with the idea, and promised another $1,000. The Internal Revenue Service compromised and reduced Sergeant York's indebtedness to $25,000, the amount the fund drive set as its goal.

Robert Kennedy told the President about the way out for Mr. York which had been found. The President said he was pleased something could be done.

Speaker RAYBURN, as chairman of the Help Sergeant York Committee, launched the fund drive.

Another besides Messrs. Rayburn, Kennedy, and Evins serving on the fund drive committee is Actor Gary Cooper. Mr. Cooper played the role of Sergeant York in the movie based on his life.

The fund drive, although only 4 days old, has already pulled in $5,000, Representative EVINS, who is acting as treasurer, reports.

RAYBURN OPENS DRIVE TO AID SERGEANT YORK—GIVES $1,000 TOWARD $25,000 SETTLEMENT OF WORLD WAR I HERO'S TAX DEBT

WASHINGTON, March 18.—Speaker RAYBURN, Democrat, of Texas, personally launched a nationwide subscription campaign today to raise $25,000 to pay off the tax debt of Sgt. Alvin C. York, of Tennessee, the World War I hero.

The 73-year-old soldier is now ill and bedridden in his hillside home, probably never to be active again. For many years he had owed the Government a debt of $172,000 that had its origin in a gesture of generosity by York and a misunderstanding of the Federal tax system.

The Government, after years of discussion, will compromise with York, the holder of the Nation's most coveted medal—the Congressional Medal of Honor. It has agreed to accept $25,000 in full settlement of the claim.

YORK MIGHTY GRATEFUL

In Tennessee, York said he was "mighty grateful." The big mountaineer added:

"Those tax folks have been a-houndin' me so long and I been a-fightin' them so long I just thought it'd never end."

He chuckled over the reduction of the debt. "Seems funny," he said, "talking about reducin' something I don't owe."

RAYBURN DONATES FIRST

Speaker RAYBURN made the first donation to the fund—a check for $1,000—and as he handed it to the secretary-treasurer of the fund, Representative EVINS, Democrat, of Tennessee, York's Congressman, the Speaker said:

"I hope this initial gift will move other like-minded citizens to come forward and donate the other $24,000 so that we may ease the last days of one of the Nation's greatest war heroes."

"This is a matter very close to my heart," RAYBURN said at a special news conference today.

He said that he had accepted the chairmanship of the Sgt. Alvin C. York Fund and that other members of the committee will be the Attorney General, Robert F. Kennedy, the publisher of the Nashville Tennessean, Silliman Evans, Jr., and the actor who played the role of Sergeant York in the film about the war hero, Gary Cooper.

1918 ACT OF HEROISM

It was on a dull, chilly October day of 1918 that Sergeant York came upon a German machinegun nest deep in the Argone Forest and performed the act of heroism that won him world acclaim.

After York had killed 25 of the German machinegunners, he captured the remaining 132 men—4 officers and 128 enlisted men—and marched them back to American field headquarters.

For this exploit he was awarded the Congressional Medal of Honor, and heaped with other honors when he returned to the United States.

Cordell Hull, a fellow Tennessean, and RAYBURN, who was born in Tennessee only 50 miles from York's home—both then Members of Congress—greeted the hero when he came home from the war and took him to the Halls of Congress, where he received great welcome.

MOVIE RIGHTS SOLD

Later York wrote a book, which he sold, along with the movie rights for $150,287 in 1942 and 1943.

But, believing he would have only a modest, if any, amount of taxes to pay on the proceeds, York donated the entire sum to establish a Bible school and York Institute in Tennessee.

York regarded the contribution as a charity but the then Internal Revenue Bureau ruled it was not a tax-free gift. The Bureau ruled that his tax liability was $85,442.03.

York disputed this, and appealed to the Tax Court in the 1940's. The case has never come to trial and meantime, RAYBURN said, York has had many financial troubles.

FARMING PROHIBITED

Once a powerful, 6-foot-2-inch mountaineer, York lived on a 395-acre farm in Fentress County near Pall Mall, Tenn. But now he can no longer farm, as a result of a cerebral hemorrhage 7 years ago. He is partially paralyzed and bedridden.

He has also had lobar pneumonia, heart trouble, high blood pressure, and a hemorrhage of his right eye.

RAYBURN noted that York is not able personally to pay off his obligation to the Government and that this inability "weighs heavily on his mind as he does not want to be in debt to his Government."

The old veteran has an income of $177.45 a month—$135.45 as a veteran's pension, $32 from social security and $10 as a Medal of Honor winner.

INTEREST MOUNTS

The Internal Revenue Service stated that with accumulated interest amounting to about 102 percent York's total debt on the basis of the original claim would now amount to $172,000.

But a letter was forwarded to RAYBURN today saying that the debt would be settled on payment of $25,000.

"I hope enough people of the country will remember this great soldier and relieve him of the worry that he owes his country something," the Speaker said.

RAYBURN said that Representative EVINS will serve as secretary-treasurer and that checks should be made payable to the "Sgt. Alvin C. York Fund and sent to EVINS at the Capitol.

PRECEDENT FEARED

RAYBURN pointed out that a number of bills have been introduced in Congress to relieve York but said, "I do not think this is a proper matter for legislation." It might set a bad precedent, he said.

EVINS disclosed that the American Legion of Tennessee had raised $2,000 toward relief for York.

RAYBURN said as he handed EVINS his $1,000 check, "I hope this challenges 24 other people to give $1,000."

He recalled that York once could have cashed in his experiences for a vast fortune but rejected offers aggregating more than $1 million with the simple statement "This uniform is not for sale."

FORM COMMITTEE TO AID SERGEANT YORK—RAYBURN HEADS GROUP TO ASSIST AILING HERO; VETERANS OF WORLD WAR I PRESENT CHECK FOR $500

On Saturday, House Speaker SAM RAYBURN called for public subscription to help Sgt. Alvin C. York, of Pall Mall, Tenn., with his tax indebtness. York was the outstanding hero of World War I and won the Congressional Medal of Honor together with dozens of other military decorations from a number of allied governments.

Serving with Rayburn, who wrote a personal check for $1,000 to inaugurate the drive, were Attorney General Robert F. Kennedy, Congressman Joe L. Evins, who represents York's home district in Tennessee, Silliman Evans, Jr., publisher of the Nashville Tennesseean and Movie Actor Gary Cooper, who played the part of York in the story of York's life.

CALLS FOR CONTRIBUTIONS

RAYBURN has called upon patriotic and generous Americans throughout the country to come to the assistance of the ailing hero of World War I. York, who suffered a cerebral hemorrhage 7 years ago, is paralyzed from his waist down and confined to his mountain home at Pall Mall. In addition to this, he is under constant harassment from the Internal Revenue Service, who have charged him with owing some $172,000 in taxes upon his movie and his book depicting the story of his life.

York insists that the Revenue Service is in error in its claims for tax payment. He declared that virtually all of the proceeds from the movie went for the establishment of two schools in his Tennessee mountains. Government tax officials admit that the legal question is a most complex and involved one.

Representative EVINS has introduced legislation to alleviate York of this tax burden but his efforts have met with no success. After a conference with Speaker RAYBURN and the Commissioner of Internal Revenue the Government offered to compromise the claim if a payment of $25,000 was made. Accordingly, RAYBURN and EVINS formed the Help Sergeant York Committee and are appealing to all patriotic Americans for voluntary subscriptions.

The once powerful York, who killed 25 Germans and captured 132 more, an act which won for him the Nation's highest military award, the Congressional Medal of Honor, is now bedridden and has no assets. He relies for his existence on a non-service-connected World War I pension of $135.45 per month plus $32 monthly social security benefits and he is also awarded $10 monthly as a Congressional Medal of Honor winner. This adds up to $177.45, much too little to care for the ailing World War I hero in his present physical condition.

SERVED WITH YORK

National Commander John E. Erickson, of the Veterans of World War I, who served in the same company with York and witnessed his parade of German prisoners in 1918, visited the Tennessee mountain man in November of last year. He found York cheerful in spite of his physical disabilities but worried considerably over the tax burden which hung over him. One of the major legislative objectives of the Veterans of World War I was to sponsor legislation which would provide relief for York from his tax liabilities.

On Tuesday of this week, National Senior Vice Commander John Bashara of the Veterans of World War I, on behalf of the VWWI, presented a check to House Speaker SAM RAYBURN in the amount of $500 for the Help Sergeant York Fund. This action was taken after every member of the national board of administration had been polled over the telephone as to his position on the award to the committee. Every board of administration member voted for the donation.

It is understood that other veterans organizations have promised substantial amounts to the committee and Congressman EVINS reports that on Tuesday morning some 200 letters had been received by the committee. These returns have not as yet been tabulated so that there is no account of the moneys that have been received. EVINS said scores of small contributions had poured into his congressional office on Monday.

President Kennedy has been personally interested in seeing that York is alleviated of his tax indebtedness and is being advised on the progress of the matter through the Attorney General. The President has instructed the executive departments, specifically the Treasury, to do all that is legally possible and appropriate to assist Sergeant York in his difficulties. Contributions for York are being received at the following address: Help Sergeant York Committee, Washington, D.C.

HELP SERGEANT YORK COMMITTEE

The organization of the Help Sergeant York Committe by House Speaker SAM RAYBURN, of Texas, and Congressman JOE L. EVINS, from Sergeant York's congressional district in Tennessee, should meet with the hearty approval of every patriotic American. The Tennessee mountaineer who had to struggle with his conscience to enter military service in World War I, has suffered cruel vicissitudes in recent years.

York received approximately $150,000 in 1942 and 1943 for book and movie rights to his life story. The Internal Revenue Service held this income to be taxable as ordinary income and the approximate tax amounted to about $85,000. York questioned the Internal Revenue statistics and asked the Tax Court for a redetermination of his liability on the basis that this income was taxable at capital gains rates. York gave almost all of the receipts from the movie to establish a Bible school and the York Institute in his beloved Tennessee mountains.

Some 7 or 8 years ago Sergeant York suffered a disabling stroke and has been an invalid since that date. His only income is a

non-service-connected pension for service in World War I of $135.45, $32 monthly from social security and $10 monthly as a Congressional Medal of Honor winner, a total of $177.45 monthly. This is a meager sum to sustain York in his present physical condition and his aged wife. Added to his straightened circumstances was the harassment of a threat of a suit by the Internal Revenue Service to collect the sum allegedly due the Government.

Representative EVINS had introduced legislation asking forgiveness of the Government debt and he had been promised the support of the major veterans organizations in seeking this remedial legislation. EVINS found that there were a number of obstacles in the path of securing favorable action upon his legislative proposal so he met with House Speaker RAYBURN and together they formulated the idea of setting up a committee to raise the necessary funds to pay off York's tax debt. The Internal Revenue Bureau had indicated that it would accept a compromise offer of $25,000 to settle the indebtedness.

On last Saturday, Speaker RAYBURN announced the formation of the Help Sergeant York Committee and at the same time wrote his personal check to the committee in the amount of $1,000. Serving with the House Speaker and Congressman Evins on the committee are Attorney General Robert Kennedy, Silliman Evans, Jr., publisher of the Nashville Tennessean, and Gary Cooper, who played the part of York in the movie. Representative EVINS is serving as treasurer of the committee.

York, who is now 73 years old, lives on his mountain farm near Pall Mall, Tenn. He was once a powerful 6-foot-2, 210-pound mountain strong man. He is now partially paralyzed and bedridden as a result of the cerebral hemorrhage which struck him down 7 years ago. Since 1942 he has suffered lobar pneumonia, heart trouble, high blood pressure, a hemorrhage in his right eye, and the cerebral hemorrhage.

Upon his return to the United States at the close of World War I, York was besieged with flattering contracts and offers which would have made him a rich man. He was offered a million dollars by various promoters but he told them, "This uniform is not for sale."

York was one of the founders of the American Legion and represented the 82d Division at the organizational meeting in Paris before he returned home.

The National Tribune-The Stars and Stripes deems this effort a most commendable one and we hope that not only veterans and veterans' organizations will respond to this appeal, but every patriotic American should feel it his duty to help alleviate the distressful condition in which this ailing World War I hero now finds himself.

CAPITOL COMMENTS

(By Hon. JOE L. EVINS, Member of Congress, Fourth District of Tennessee)

SGT. ALVIN C. YORK

On January 3, 1961—the opening day of the 87th Congress—your Representative introduced a bill for the relief of Sgt. Alvin C. York of Fentress County—to relieve Tennessee's distinguished World War I hero of his tax indebtedness to the Government.

This effort has resulted in the formation of a committee to raise funds to pay off Sergeant York's tax indebtedness. Both the bill and the fundraising campaign has had the same end in mind—tax relief and peace of mind for the greatest hero of World War I, who is now disabled and bedfast.

The change from one course to the other came after many conferences and attempts to work out the most satisfactory method of relieving Sergeant York of additional tax claims arising from the filming of his life story and heroic deeds.

In an effort to get a favorable report on our bill—H.R. 1305—your Representative conferred with the new Commissioner of Internal Revenue and later with the Attorney General of the United States, Robert F. Kennedy. Both the Commissioner and the Attorney General were very sympathetic with the purpose of this bill and expressed a desire to be of assistance, but indicated that by providing a favorable report a precedent would be established for other veterans with tax cases. They indicated also that they were precluded from participating in the case as the matter is now pending in the U.S. Tax Court.

The Attorney General in one conference expressed the belief that his brother, President Kennedy, would favorably receive the idea of an Executive order to relieve Sergeant York of his tax indebtedness if this were found to be a proper course of action. However, the top legal minds of the Treasury Department, the Justice Department and Legislative Counsel of the House of Representatives expressed opposition to this course of action—no matter how bad the need.

Following the end of World War I, Congressman SAM RAYBURN and Cordell Hull were among those meeting and greeting Sergeant York on his return from Europe.

Speaker RAYBURN listened sympathetically to your Representative as he requested his assistance in securing passage of our bill. However, the Speaker proposed the forming of a special committee to raise funds to settle the tax case and agreed to serve as chairman of the committee with your Representative as treasurer. Others serving on the committee include Attorney General Robert F. Kennedy, Mr. Silliman Evans, Jr., publisher of the Nashville Tennessean, and Gary Cooper, who played the role of Sergeant York in the movie.

The response from all sections of the country has been generous and most encouraging. At this writing the campaign has reached a total of $13,700—slightly more than half the goal set to settle the long-pending case. Generous Americans all across the Nation have been sending some large and many small contributions as an expression of appreciation of the heroic service of Sergeant York in helping to preserve freedom for our Nation.

The Textile Industry and National Economic Growth

EXTENSION OF REMARKS
OF
HON. B. EVERETT JORDAN
OF NORTH CAROLINA
IN THE SENATE OF THE UNITED STATES
Tuesday, March 28, 1961

Mr. JORDAN. Mr. President, on Friday, March 24, the Secretary of Commerce, the Honorable Luther H. Hodges, delivered a very fine address at the annual meeting of the American Cotton Manufacturers Institute, at Miami Beach, Fla. I had the pleasure of introducing Secretary Hodges to that fine group.

I ask unanimous consent that his complete address be printed in the CONGRESSIONAL RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE TEXTILE INDUSTRY AND NATIONAL ECONOMIC GROWTH

(Address by Secretary of Commerce Luther H. Hodges at the annual meeting of the American Cotton Manufacturers Institute, March 24, 1961, Miami Beach, Fla.)

It is a particular pleasure for me to be here this morning. I have been away from the textile business for more than 10 years now, but I have kept up with your program and your problems. It is good to be with you and share your warmth again.

And I might add, to share the warmth of this lovely Florida sunshine, which the Commerce Department's Weather Bureau so thoughtfully arranged.

I suppose my main distinction in this new, young Kennedy administration is that I happen to be the oldest member of the Cabinet and its only tie with the 19th century. Well, I concede my age and I confess I am not quite the downfield man in touch football that some of my colleagues may be. Nevertheless, as I remarked the other day to a reporter who seemed transfixed by my antiquity at age 63, "I do drive a Thunderbird." And for your own private information, I am seriously considering installing a supercharger on it.

This administration, pledged to a new vigor in American affairs, has now had 64 working days, including Saturdays and Sundays, in which to set about the critical task of getting this economy moving forward again. Much has been accomplished in the brief time, but much remains to be done.

Many people seem to expect of us in 8 weeks what was done in the previous 8 years.

I have said on several public occasions recently that President Kennedy's legislative program, generally supported by the public, is helpful in showing to our people that their Government is trying to assist in areas where they cannot help themselves. The effect is to build a national spirit of confidence and cooperation which is essential if we are to move forward soundly toward a stronger economy and a stronger Nation.

This is not necessarily in conflict with President Kennedy's ringing declaration in his great inaugural address, "Ask not what your country can do for you—ask what you can do for your country."

I realize, and have said so publicly, that many of us are not doing our part. We are not really trying, not really selling. Many of us are asking the country to take care of us before we have done all we can.

These situations may represent a minority, but they are still serious. May I just say to you and to others, we must all do our part if we are to turn things around for your industry and for the whole economy.

The turning of the business tide—getting people back to work and reviving lagging purchasing power and markets—has been, and is, the essential first step for recovery. But full economic recovery in 1961 involves far more than the spin of the business cycle.

Confronting us, over and above the present recession, is a problem of chronic slack in the economy, a growing gap between what we can produce and what we do produce. This problem, evidenced by our disturbingly slow rate of growth in recent years as compared with other industrialized nations, is in need of urgent solution if America is to meet the demands of national well-being and security and the obligations of world leadership.

Because the problem affects your industry directly, I should like to emphasize it in some detail today.

First, let me say that while this administration is not a businessman's government, neither is it an antibusiness government. In attitude and action, it is committed to the support of the private enterprise system and a sound currency and to a relationship with business marked not by antagonism and suspicion, but by respect, understanding, and fruitful collaboration.

"We know," the President said recently to the National Industrial Conference Board, "that your success and ours are intertwined and that all elements in national economic growth are interdependent."

For its part, this Government intends to take every possible action, consistent with the public interest, which will promote the growth and prosperity of business and enable it to attain its full economic potential.

In return, we expect business to meet its obligations: to help itself and to exert to the fullest measure its powers of innovation, initiative, and hard work.

In short, we seek a true alliance with business—one in which both the public and private sectors of the country will, by fulfilling individual obligations, move forward together toward our goals of economic growth, plant modernization, and price stability.

We in the Department of Commerce bear a very special responsibility to such an alliance. Commerce is the Government's primary business development agency. Under this administration, the Department's total resources are firmly committed to the goal of strengthening the economy and allowing business to prosper. These resources are both vast and fundamental.

Within the walls of the Department is the Bureau of Foreign Commerce, which, at the direction of President Kennedy, is today mustering a vigorous campaign to expand the export side of our Nation's business.

Commerce is also the home of the Bureau of the Census, perhaps the most important of our vital information services; the Office of Business Economics, which keeps the national economic accounts that measure current activity in terms of gross national product, national and personal nicome, the balance of international payments, and the rest; the Business and Defense Services Administration, a source of invaluable information on specific industries and a main point of contact for business in its dealings with the Government; the Weather Bureau; the Coast and Geodetic Survey; the Patent Office; and the Office of Technical Services, which is charged with collecting and disseminating the flood of American and translated foreign scientific and technical articles so essential to the scientific and business community.

The Bureau of Public Roads is part of the Department of Commerce, and so is the Maritime Administration. The area redevelopment program has been centered in Commerce for many years. In addition, the Department has important national security responsibilities, particularly the planning for economic mobilization in a national emergency.

All these vital functions are today being massed and strengthened in a comprehensive effort to stimulate the American economy to realize its fullest potential. It is in the spirit of such an effort that this administration has approached the problems of the textile industry.

As you probably know, the President last month appointed an interagency committee of Cabinet rank members under my chairmanship, to examine the current economic plight of textiles and to recommend to him ways in which the Government and industry acting together might better conditions. This Committee, which includes Secretary of the Treasury Dillon, Secretary of Agriculture Freeman, Secretary of Labor Goldberg, and Under Secretary of State Ball, has now received an extensive report from an examining subcommittee, and it expects to send forward recommendations to the President in the next few weeks.

Naturally, you would like to know what the subcommittee reported and what our Cabinet Committee may recommend to the President.

As regards the subcommittee (or study committee) report, let me say that under the chairmanship of Mr. Hickman Price, Assistant Secretary of Commerce for Domestic Affairs, it did an outstanding job. I believe that Mac Cheatham, Bob Jackson and others will agree with this. They held many sessions at which representatives of industry, labor and others "spoke their piece" and made suggestions.

There was already available to the Committee a wealth of statistical data, but your association and others clarified and elaborated on this data.

The subcommittee was asked to make no specific recommendations but to specify various possible solutions.

Let me quote here our press release following the Cabinet rank meeting of last Thursday, March 16, which just that morning had received the subcommittee report.

"Secretary of Commerce Luther H. Hodges issued the following statement today after a meeting of the Interdepartmental Textile Committee:

" 'The subcommittee of the Interdepartmental Textile Committee filed its report this morning, and we have not yet had an opportunity to fully consider it.

" 'However, the report consists largely of a synopsis of the testimony received and a statement of many possible courses of action—ranging from no action at all to the imposition of quotas.

" 'I would prefer not to comment upon their report until the full Committee has had an opportunity to give it the serious and thorough consideration the gravity of the problem merits.

" 'The subcommittee did not make any recommendation, but listed possible courses of action for the Cabinet members' consideration.' "

Now as to the Cabinet group—it met for about 2 hours to review in a preliminary way the summary report of its subcommittee and agreed to meet again the first part of April. I can assure you that your problem has already had more top executive attention than it previously received.

But the solution, or the easing, of the problem is not simple, is not easy, and it presents many collateral problems as you can well imagine. Justice Holmes used to say that "the important thing is not where we are, but where we are going."

Thus I shall not burden you with a lengthy recapitulation of your problems, which you probably know better than I, anyway. It is enough to note, I think, that because of lagging growth, total textile mill production last year was only 21 percent above the average for 1947–49, compared with 64 percent for all manufacturing production. In cotton broad woven goods, output, measured in yardage, has been below the level of 1947 for the past 4 years.

Total textile-mill employment has been trending downward since 1955, industry profits have been running well below the average for all manufacturing and overcapacity has been an increasing reality. From 1947 through 1960, a total of 838 mills, which formerly employed more than 249,000 workers, were liquidated.

This deterioration has been brought on by a number of elements. First, increased competition from paper and plastics has reduced the size of several textile markets. In automobiles, for example, where interiors used to be finished with textile products, it is now customary for seat covers, headlining, side panels, and floor coverings to be made from nontextiles.

A shift in consumer expenditure patterns, resulting in a dropoff in clothing's share of the consumer dollar, has also been a factor. In addition, there have been strains and dislocations caused by the introduction of newer fibers and, more important, by the industry's intense internal competition, and its continuing difficulty in gearing its output to what the market can absorb at a profitable price.

This particular affliction has produced a long-term series of 2-year ups and downs, quite apart from the course of the general business cycle.

Finally, and of greater consequence, there has been a sharp rise in imports of textile products.

In 1960 imports of cotton cloth, which were 122 million yards 4 years ago, rose to 455 million yards, and for the first time since 1875, total cotton cloth imports exceeded exports. The inflow, mainly from Japan and Hong Kong, but also from other areas, amounted to 6 percent of the total domestic consumption of raw cotton.

In certain product lines, however, the ratio of imports to production was most substantial.

Gingham imports were more than 22 percent of domestic output, and the inflow was also high in velveteens, coarse sheetings, and in some types of apparel. Imports of blouses, for instance, amounted to more than one-third of U.S. production.

This sharp reversal of the Nation's role as textile exporter, has, understandably, caused great concern. It has alarmed both labor and management of this industry, and it has been the subject of lengthy study by the Congress under the energetic leadership of Senator PASTORE's committee.

Since January 20, it has also been one of the major preoccupations of the present national administration: first, in terms of our obligations to the domestic economy; second, in light of our commitments to the free world and to the cause of increased international trade through the reciprocal removal of unnecessary trade barriers.

Because of its adverse balance of payments, the United States today needs most urgently to maintain and improve its present favorable balance of trade. To do this, though, we must raise our exports, not our tariff and quota walls.

As the President said in his balance-of-payments message to the Congress: "A return to protectionism is not a solution. Such a course would provoke retaliation; and the balance of trade, which is now substantially in our favor, could be turned against us with disastrous effects to the dollar."

There are other effects to consider.

In the cause of freedom, human dignity, and our own national security, we stand committed to assist the developing countries of the world in their drive for a higher standard of living. These countries need to earn abroad so that they can spend and improve within. Should we turn from them and close our markets to their goods, they will turn from us and look elsewhere for allies—and I am afraid in only one direction.

As Secretary of Commerce, the agency charged by statute with fostering, promoting and developing foreign as well as domestic commerce, I have a continuing, advisory role to play in the setting of U.S. tariffs and quotas. Although the basic power to fix tariffs belongs to the Congress, the President, under the Trade Agreements Act of 1934, has certain authority to enter into agreements with foreign nations to effect

changes in tariffs which are mutually beneficial to both parties.

We at Commerce participate, along with other Federal agencies, in the negotiation of tariff changes through GATT, the General Agreement on Tariffs and Trade. But the direct responsibility for recommending tariff changes under the escape clause, which provides aid to industries in distress, lies squarely with the Tariff Commission. The Commerce Department can only suggest to the President that he accept or reject their recommendations.

There are one or more avenues which can be taken which will help you and at the same time preserve our international position but they need careful consideration. I have been particularly impressed with the workings of the voluntary quota agreement which we concluded with Japan in 1957. Under this agreement, you may recall, the Japanese voluntarily agreed to limit and diversify their cotton textile shipments to the United States for a 5-year period.

The original agreement provided for an annual overall ceiling of 235 million square yards equivalent—approximately the rate of 1955—although this was later raised to 247 million yards. Five major subgroups with separate ceilings were established: cloth; made-up goods; woven apparel; knit goods; and miscellaneous. Within these groups, specific ceilings were set for 14 sensitive items.

While there was some flexibility provided for movement from one quota group to another, quotas for items specifically enumerated could not be increased. Although this arrangement has had the defects of its virtues—that is, it has covered only one source of imports—I believe it has been most effective from our standpoint.

I think, too, that through international machinery, voluntary agreements might well be concluded on a much broader base. Expanded to cover all important sources of imports through multilateral concurrence, voluntary quotas could go far toward safeguarding the domestic industry without jeopardizing our interest in trade. The voluntary quota situation is, however, complicated today by the emergence of several nations and areas as important textile exporters.

Taking the largest new shippers, these are Hong Kong, India, Egypt, and Spain. Since 1958, U.S. imports of cotton manufactures from Hong Kong have climbed from an equivalent of 60 million square yards to 271 million yards, a gain of 352 percent. Imports from Spain, Egypt, France, and Portugal have risen from an equivalent of 5 million yards to 230 million yards, a staggering 4,500 percent, and those from Formosa, Korea, Pakistan, and India have shot up from 8 million yards to 112 million a jump of 1,300 percent.

A national administration cannot settle the textile problem in a vacuum or without regard to other matters. But I think I can promise that you will get a decision, you will get action.

That's the way President Kennedy operates, and I believe in the same thing.

Whatever action the President finally takes on imports, you, the leaders of this industry, will still have much to do. Only by your determined efforts to raise productivity, modernize equipment, improve merchandising and selling methods, and pursue research to a far greater extent can textiles achieve their full potential and escape from the slough of lagging growth.

Productivity in textiles has risen impressively in recent years and you are to be commended for what you have done. It must continue to rise, if you are to lower your prices and enlarge your markets. Capital spending for new plant and equipment, which has bumped up and down with the industry's cycles, needs consistent expansion.

Roughly one-fourth of all the textile machines now in place were installed at least 20 years ago and your competition abroad is generally in better shape. In research and development, spending has increased markedly in the last decade, but it still lags, as a percentage of profit, far behind the outlays of all manufacturing. Between 1953 and 1959, research and development expenditures by textile companies increased from $26 million to $35 million a year, a gain of about 35 percent.

However, in the same period the research and development expenditures of all manufacturing companies more than doubled from $3.3 billion to $8.6 billion. That's a gain of 161 percent. What is more, this investment of $8.6 billion by manufacturing companies equaled 53 percent of their total aftertax profits.

On the other hand the R. & D. expenditures of the textile industry equaled only 8.4 percent of its aftertax profits.

There is need for much more research, backed by the industry itself, and especially in the areas of new end uses which might recapture the industrial market.

Finally, the industry has far to go in improving its marketing techniques and its understanding of market forces if it is to escape its chronic cycle of expansion and contraction.

The ACMI has done much to bring cooperation and realism to the industry, but I need not tell you that until and unless you have more unselfishness and more long-range planning and thinking, nobody can really help you stay in business and make a profit; and this comment has no direct relationships to imports.

Now let me take off my Textile Committee "hat" and put on my Department of Commerce one.

Let me commend to you right here the excellent new economic studies now being developed by the Textiles and Clothing Division of the Department of Commerce. Three studies have already been released and the newest, a report on the role of inventories in the textile cycle, is just out. Others are to follow in a series.

Get them. Read them. They can be most helpful.

In closing let me say that I am confident, more than ever today, that this country and your great textile industry can achieve in the next decade an economic greatness and security of which we can all be deeply proud. If the past is beyond our control, and the present only tentatively within it, the future can be very much within our grasp and can be, to a great extent, what we make it.

This is the challenge and the opportunity which we as allies face. With solemn hope, I trust we shall not be found wanting.

Thank you for inviting me to be with you.

Washington Daily News Publishes Anfuso Article on U.S. Science Academy

EXTENSION OF REMARKS

OF

HON. VICTOR L. ANFUSO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 28, 1961

Mr. ANFUSO. Mr. Speaker, today's issue of the Washington Daily News carries a special 24-page section on "Science in the Nation's Capital," containing many interesting articles which show that Washington is rapidly becoming the science city of America.

Among the articles published, is one written by me and entitled "Why Not a U.S. Science Academy Here?" in which I discuss the proposal to establish a Science Academy. As my colleagues well know, I had introduced a bill H.R. 1 on the first day of the present session. It so happens that today and tomorrow the House Science and Astronautics Subcommittee, of which I am the chairman, is holding hearings on this bill. This is, therefore, very timely and for this reason I wish to insert my article into the RECORD:

WHY NOT A U.S. SCIENCE ACADEMY HERE?

(By Representative V. L. ANFUSO)

I have had bills in the previous two Congresses advocating the establishment of a Science Academy along somewhat different lines. The new bill, H.R. 1, has been completely rewritten after consultations with leading scientists, educators, and Government officials, and after hearings held in recent months by a House Science and Astronautics Subcommittee of which I am chairman.

The proposal to establish a National Science Center is intended to meet future national needs for trained manpower and new scientific knowledge, and also to help win the scientific and technical phase of the cold war. As proposed in the bill, the Science Center would be comprised of:

THE BEST

First. An educational institution of the highest caliber to be known as the National Science Academy, intended for both undergraduate and postgraduate studies in science and engineering.

Second. Research institutes in various scientific fields for the promotion of scientific knowledge and research to advance the Nation's economy, health, welfare, and progress.

Third. A scientific career service for obtaining and retaining the personnel necessary to carry out the scientific, technological and research functions of the U.S. Government. Graduates of the Science Academy and other qualified persons able to meet its standards would be eligible for placement in the Scientific Career Service.

COEDUCATIONAL

The educational institution would be open to young men and young women desiring to make a career in science, while the research institutes would invite outstanding scientists to work in their laboratories on scientific, medical, and other projects designed to benefit humanity.

The realization of my proposal would unquestionably have a beneficial impact on scientific progress and education in this country, and it would also go far in building up the image of America as a nation devoted to the utilization of science for the benefit of all mankind and for the attainment of a peaceful world. A science center of this type, dedicated to peaceful purposes, would help raise our prestige in the eyes of all nations to new and greater heights.

GRADUATE WORK

Graduate training will be provided for those who have completed undergraduate studies at accredited schools and possess special qualifications for graduate work in the sciences. A 6-year straight-line program leading to a doctor's degree is authorized for undergraduates. Also authorized are a program of college scholarships in science and engineering at other schools and a program of graduate fellowships both at the re-

search institutes of the Academy and at other colleges and universities.

Research institutes in specialized fields of science are to be established, among them an Institute of Meteorology, an Institute of Oceanography, an Institute of Astronautics, an Institute of Medicine, and others deemed necessary.

A limited number of foreign nationals from friendly countries may be admitted, provided they pass a security check, but their number shall not exceed 10 percent of the total number of science trainees attending the Academy.

The proposed Science Center would be nonmilitary in nature and would emphasize the peaceful pursuits of the United States in the sciences, which can and must be separated from military scientific research. It would compete with the so-called Freedom University in Moscow by inviting foreign students to come to the United States to study and to develop into mature scientists able to help their underdeveloped countries. Here they could pursue their studies and research in freedom, observe our way of life, and become convinced of our peaceful intentions.

"GAP"

The Science Center would fill a gap presently existing in trained scientific personnel by providing education and training for young men and young women who, under present circumstances, could not obtain such an education. Outstanding graduate students and noted scientists from all over the country would be attracted to the Academy and its research institute. Creation of a science career service would elevate the scientist's stature in the public eye as a man interested in the promotion of human welfare and peace. At the same time, the U.S. Government would be guaranteed of a sufficient supply of scientists in this fast-moving era of world competition.

The research institutes, which we would strive to make the largest in the world, would provide the most modern facilities available for research. The best scientific brains from our own country, as well as selected scientists from abroad, would be invited to work there.

There is no need to stress the importance of the basic and engineering sciences in the world today. My bill would go a long way toward meeting our most urgent national problems in science and engineering: The shortages of trained manpower (and womanpower) for private and public employment, of qualified science teachers, and of facilities and funds for scientific research. The bill would also help to overcome our lag compared with the U.S.S.R. in the annual number of graduates both in engineering and in many forms of natural science.

REDS AHEAD

In 1959, for example, the U.S.S.R. produced about three times as many graduate engineers as the United States. The figures given by our National Science Foundation show 38,000 graduating in the United States, compared with 106,000 in the U.S.S.R. More surprising still, the United States is lagging even in the total number of professional engineers: 850,000 compared with the Soviet figure of 894,000. In graduates specializing in purely scientific studies, apart from engineering, the only field in which we lead the U.S.S.R. at the present time is the physical and mathematical sciences.

The Science Academy and its research institutes would serve to stimulate the people of the underdeveloped countries in furthering their economic growth, in improving their national health, in developing their human and material resources, and in attaining a higher standard of living. In this way, we could be instrumental in creating through science a world of abundance where no people need be in want. In the years to come, this important institution would pay for itself in many ways through better education, advanced research, scientific progress, and good will.

SENATE

WEDNESDAY, MARCH 29, 1961

The Senate met at 10 o'clock a.m., and was called to order by STROM THURMOND, a Senator from the State of South Carolina.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

O Thou God of life and light, our glad hearts thrill at the risen glory of the awakening earth robed in the blooming garb of spring.

As common bushes, lately so bare, are now aflame, and the time for the singing of birds has come, may a spiritual springtime make our own hearts even as the garden of the Lord, where barren branches may be clothed with the beauty of holiness, and the flowers of humility and charity lift their fair petals above the fallow ground.

Prepare our hearts for the solemn glory of a malefactor's cross and for the splendor of an empty tomb. By the sign of that cross, on which Thy Son gave His deathless spirit to Thy keeping, strengthen us with might for the good fight we must wage against the gates of hell, knowing that joy is the fruit of sorrow; that strength comes out of weakness, and triumph out of failure; that song comes through sacrifice, gain through loss, and life through death.

In that faith may we fare forth, greeting the unknown with a cheer, sure that the third day cometh.

In His conquering name we pray. Amen.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

Mr. THURMOND. The clerk will read a letter from the President pro tempore.

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., March 29, 1961.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. STROM THURMOND, a Senator from the State of South Carolina, to perform the duties of the Chair during my absence.

CARL HAYDEN,
President pro tempore.

Mr. THURMOND thereupon took the chair as Acting President pro tempore.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, March 28, 1961, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

FIFTH SEMIANNUAL REPORT OF SECRETARY OF INTERIOR—MESSAGE FROM THE PRESIDENT

The ACTING PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, which was referred to the Committee on Interior and Insular Affairs:

To the Congress of the United States:

I transmit herewith the Fifth Semiannual Report of the Secretary of the Interior prescribed by section 5 of the act of August 21, 1958, entitled "To provide a program for the discovery of mineral reserves of the United States, its Territories and possessions by encouraging exploration for minerals, and for other purposes."

JOHN F. KENNEDY.
THE WHITE HOUSE, *March 29, 1961.*

EXECUTIVE MESSAGES REFERRED

As in executive session,

The ACTING PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed the following bill and joint resolution, in which it requested the concurrence of the Senate:

H.R. 5954. An act making appropriations for the Treasury and Post Office Departments, and the Tax Court of the United States for the fiscal year ending June 30, 1962, and for other purposes; and

H.J. Res. 32. Joint resolution to designate the first day of May of each year as Law Day, U.S.A.

HOUSE BILL REFERRED

The bill (H.R. 5954) making appropriations for the Treasury and Post Office Departments, and the Tax Court of the United States for the fiscal year ending June 30, 1962, and for other purposes, was read twice by its title, and referred to the Committee on Appropriations.

LIMITATION OF DEBATE DURING THE MORNING HOUR

Mr. MANSFIELD. Mr. President, under the rule, there will be the usual

morning hour for the transaction of routine business. I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The ACTING PRESIDENT pro tempore. Without objection it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. MANSFIELD, and by unanimous consent, the following subcommittees or committees were authorized to meet during the session of the Senate today:

The Freedom of Communications Subcommittee of the Committee on Interstate and Foreign Commerce;

The Internal Security Subcommittee of the Committee on the Judiciary;

The Foreign Relations Committee;

The Constitutional Rights Subcommittee of the Committee on the Judiciary.

EXECUTIVE COMMUNICATIONS, ETC.

The ACTING PRESIDENT pro tempore laid before the Senate the following communications and letters, which were referred as indicated:

HOUSING AND URBAN IMPROVEMENT

A communication from the President of the United States, transmitting a draft of proposed legislation to assist in the provision of housing for moderate and low income families, to promote orderly urban development, to extend and amend laws relating to housing, urban renewal, and community facilities, and for other purposes (with accompanying papers); to the Committee on Banking and Currency.

NATIONAL OCEANOGRAPHIC PROGRAM

A communication from the President of the United States, relating to a proposed national oceanographic program (with accompanying papers); to the Committee on Interstate and Foreign Commerce.

APPROPRIATIONS TO NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

A letter from the Administrator, National Aeronautics and Space Administration, Washington, D.C., transmitting a draft of proposed legislation to authorize appropriations to the National Aeronautics and Space Administration for salaries and expenses, research and development, construction of facilities, and for other purposes (with an accompanying paper); to the Committee on Aeronautical and Space Sciences.

AUTHORIZATION FOR SECRETARY OF A MILITARY DEPARTMENT TO SELL CERTAIN GOODS AND SERVICES

A letter from the Secretary of the Air Force, transmitting a draft of proposed legislation to amend title 10, United States Code, to authorize the Secretary of a military department to sell goods and services to the owner of an aircraft or his agent in an emergency, and for other purposes (with an accompanying paper); to the Committee on Armed Services.

REPORT BY DEPARTMENT OF THE NAVY ON MILITARY CONSTRUCTION CONTRACTS AWARDED WITHOUT FORMAL ADVERTISING

A letter from the Assistant Secretary of the Navy (Installations and Logistics), transmitting, pursuant to law, a report by that Department on military construction contracts awarded without formal advertising, during the 6-month period from June 30, 1960, to December 31, 1960 (with an accompanying report); to the Committee on Armed Services.

AMENDMENT OF ACT RELATING TO HEIGHT OF BUILDINGS IN THE DISTRICT OF COLUMBIA

A letter from the President, Board of Commissioners, District of Columbia, transmitting a draft of proposed legislation to amend the act entitled "An act to regulate the height of buildings in the District of Columbia," approved June 1, 1910, as amended (with an accompanying paper); to the Committee on the District of Columbia.

DISPOSAL OF CERTAIN SURPLUS REAL PROPERTY

A letter from the Administrator, General Services Administration, Washington, D.C., transmitting a draft of proposed legislation to repeal a certain provision of the Independent Offices Appropriation Act, 1960 (74 Stat. 434), regarding the disposal of surplus real property (with an accompanying paper); to the Committee on Government Operations.

AUDIT REPORT ON UNEMPLOYMENT AND SICKNESS INSURANCE PROGRAM, RAILROAD RETIREMENT BOARD

A letter from the Comptroller General of the United States, transmitting an audit report on the unemployment and sickness insurance program, Railroad Retirement Board, fiscal years 1959–60 (with an accompanying report); to the Committee on Government Operations.

REPORT OF FEDERAL MARITIME BOARD AND MARITIME ADMINISTRATION

A letter from the Secretary of Commerce, transmitting, pursuant to law, a report of the Federal Maritime Board and Maritime Administration, for the fiscal year 1960 (with an accompanying report); to the Committee on Interstate and Foreign Commerce.

REPORT OF GIRL SCOUTS OF THE UNITED STATES OF AMERICA

A letter from the president, and interim national executive secretary, Girl Scouts of the United States of America, New York, N.Y., transmitting, pursuant to law, a report of that organization, for the fiscal year ended September 30, 1960 (with an accompanying report); to the Committee on Labor and Public Welfare.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the ACTING PRESIDENT pro tempore:

Petitions signed by Kiichiro Nakama, chairman of the Kin Son Assembly, and sundry other officials and citizens of the Ryukyu Islands, praying for the enactment of legislation to provide compensation for damage to or loss of private properties used by U.S. Armed Forces and for personal death or injury suffered by Ryukyuan individuals caused by U.S. Armed Forces personnel before the effective date of the Japanese Peace Treaty, and so forth; to the Committee on Foreign Relations.

CONCURRENT RESOLUTION OF MICHIGAN LEGISLATURE

Mr. HART. Mr. President, I ask unanimous consent to have printed in the RECORD Senate Concurrent Resolution 20, adopted by the Senate and the House of Representatives of the State of Michigan, the latter action having been taken March 23, 1961. The resolution reflects, I feel, the overwhelming judgment of all segments of the Michigan community. I hope it will persuade my colleagues of the necessity for the action proposed.

There being no objection, the concurrent resolution was ordered to be printed in the RECORD, as follows:

SENATE CONCURRENT RESOLUTION 20

Concurrent resolution relative to the repeal of the Federal excise tax on automobiles

Whereas the automotive industry has experienced a serious sales depression, which has created a grave situation of consequent curtailment of production, unemployment, economic hardship and exploding demands on tax-supported public services. It has been disruptive of Michigan's and the Nation's economy; and

Whereas repeal of the Federal excise tax on automobiles is urgently needed to reverse these trends and regain State and National prosperity; Now, therefore, be it

Resolved by the senate (the house of representatives concurring), That the Michigan Legislature respectfully requests the Congress of the United States to effect public hearings by the U.S. House of Representatives on the proposition of the repeal of the Federal excise tax on automobiles; and be it further

Resolved, That copies of this resolution be transmitted to the President of the United States, the President of the Senate, and the Speaker of the House of Representatives, and to each member of the Michigan delegation to the U.S. Senate and the House of Representatives.

Adopted by the senate, March 15, 1961.

FRED I. CHASE,
Secretary of the Senate.

Adopted by the house, March 23, 1961.

NORMAN C. PHILLES,
Clerk of the House of Representatives.

RESOLUTIONS OF CENTRAL COOPERATIVES, INC., SUPERIOR, WIS.

Mr. WILEY. Mr. President, I present, for appropriate reference, a series of resolutions adopted at the 44th annual meeting of the Central Cooperatives, Inc., Superior, Wis., held March 20 and 21, 1961. I ask unanimous consent that the resolutions may be printed in the RECORD.

There being no objection, the resolutions were received, appropriately referred, and ordered to be printed in the RECORD, as follows:

To the Committee on Finance:

"RESOLUTION 1

"Resolution on withholding of income tax

"Whereas the State governments of Wisconsin and Minnesota are confronted with the problem of equitably collecting the State income tax; and

"Whereas certain groups and individuals are avoiding the payment of their full share of State income tax; and

"Whereas this assembly, representing consumers, has by its previous actions stood for equitable taxation in all its forms: Be it

"*Resolved*, That we go on record in support of the withholding method of collecting State income taxes, just as Federal income taxes are now withheld."

"RESOLUTION 5

"Resolution on sales tax

"Whereas the Legislatures of Wisconsin and Minnesota are faced with the issue of sales tax; and

"Whereas a sales tax would be a heavy burden on low income families, and would place the bulk of the tax load on those least able to pay: Be it

"*Resolved*, That this delegation go on record continuing our opposition to a sales tax."

To the Committee on the Judiciary:

"RESOLUTION 2

"Resolution on Co-op Month

"The more than 100,000 families who own and participate in the cooperatives in the States of Michigan, Minnesota, Wisconsin, North and South Dakota represented by delegates at this 44th annual meeting of Central Cooperatives, Inc., wish to express their sincere appreciation to the Governors of our Midwestern States who in 1960 proclaimed the month of October as Co-op Month.

"These proclamations were deeply appreciated as a sincere recognition of the fact that cooperatives are important and respected parts of our free enterprise system, and permit people to organize and control their own businesses.

"We hope to see this recognition of cooperatives continued and extended to all States in these United States."

"RESOLUTION 8

"Resolution on monopoly

"Whereas in keeping with the concept of abundance of production at the lowest possible cost, this annual meeting of Central Cooperatives, Inc., stands opposed to unregulated monopoly in all its forms; and

"Whereas a unit of government, for reasons of efficiency, grants monopolistic privileges in the form of franchises, or other types of exclusive or semiexclusive rights, such monopolistic practices must be closely regulated and supervised in order to prevent abuses: Therefore be it

"*Resolved*, That we stand for fair, vigorous, and impartial enforcement of the antitrust laws and other measures such as those creating the various Federal and State regulatory agencies which have the authority and power to assure the protection of the rights of consumers; and

"Furthermore, among the best ways to provide a yardstick by which efficiency of monopolistic production can be measured is to encourage the growth of all cooperatives. The existence of the cooperative type of organization in all economic fields can serve to increase productive efforts and also provide a standard against which the consumer can measure costs, prices, and service."

To the Committee on Labor and Public Welfare:

"RESOLUTION 3

"Resolution on youth program

"Whereas youth of today will lead co-ops tomorrow; and

"Whereas CCI has a scholarship program as one method of developing interest of youth in cooperatives and in higher education: Be it therefore

"*Resolved*, That this scholarship program be continued; and be it further

"*Resolved*, That additional methods of developing youth interest be earnestly sought by CCI and local co-ops; and be it further

"*Resolved*, That local co-ops be encouraged in every way to send youth delegates to CCI annual meeting and report back to the local association."

"RESOLUTION 6

"Resolution on 'The Word for Co-ops'

"Whereas the Cooperative League of the United States of America has published a booklet entitled 'The Word for Co-ops'; and

"Whereas 'The Word for Co-ops' is an informative and inspirational outline; and

"Whereas every co-op manager could benefit personally by reading this booklet; and

"Whereas the contents of this booklet can be used advantageously in creating a better image of co-ops in the minds of the public: Be it therefore

"*Resolved*, That CCI see to it that at least one copy of 'The Word for Co-ops' be provided each CCI affiliated co-op (manager), with all haste, so that he and members of his board may use it in furthering better public relations for his local cooperative and cooperatives in general."

To the Committee on Interstate and Foreign Commerce:

"RESOLUTION 4

"Resolution on true simple interest

"Whereas Central Cooperatives, Inc., has always represented the interests of consumers and has helped protect the consumer against inflation and business abuses; and

"Whereas the consumers' interest is always underrepresented in the conflict of pressure groups in legislative bodies of our National and State Governments: Be it

"*Resolved*, That this annual meeting go on record in support of legislation to force lenders to state their charges in terms of true simple interest."

To the Committee on Agriculture and Forestry:

"RESOLUTION 7

"Resolution on watered ham

"Whereas the U.S. Department of Agriculture saw fit to issue on last December 29, without prior notice, an arbitrary decree permitting all meat packers in interstate commerce to pump up to 10 percent water into smoked hams, pork shoulders, shoulder picnics and shoulder butts beginning January 1, 1961; and

"Whereas consumers were not asked their opinion via a direct public hearing, and the objections since it became known have been very lively, proven by a storm of protest in our co-op stores and supermarkets; and

"Whereas the water becomes expensive to buy inside of a ham, and is actually a form of adulteration; and

"Whereas the sale of water in hams adds nothing to hog producers' income but rather, further detracts from it; Therefore be it

"*Resolved*, That we forthrightly condemn such practice and the manner in which the ruling was carried out; and that besides sending area Congressmen copies of this resolution we urge all co-op members and patrons to write their Congressmen asking for whatever steps are needed to repeal this ruling; and we further ask for suitable legislation to also stop this practice in intrastate commerce."

Ordered to lie on the table:

"RESOLUTION 9

"Resolution on expression of appreciation

"We, the delegates of the 44th annual meeting of Central Cooperatives, Inc., appreciate the forward-looking message of Representative JOHN A. BLATNIK last evening and thank him for it.

"We express our appreciation to the management and staff of Hotel Duluth for the fine facilities, their courtesy, and accommodations.

"We also wish to extend our recognition and appreciation to the Cooperative Guilds for their service with the coffee break, to Mrs. Ingrid Bartelli for her informative luncheon speech, to our beloved Jerry Voorhis, and to our foreign guest, Olavi Solonen of O.T.K. Cooperative, Finland, for their greetings, and to the judges of the co-op scholarship contest: Sister Mary, College of St. Scholastica; Dr. Orville Manion, Wisconsin State College; Dr. Harold Hayes, UMD; Mrs. Lydia Peterson, Northland College."

RESOLUTION OF NASSAU COUNCIL OF CHURCHES, HEMPSTEAD, N.Y.

Mr. JAVITS. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution adopted by the Nassau Council of Churches, of Hempstead, N.Y., relating to the role of the Government in education.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Whereas the people of this Nation are at the present time witnessing a struggle on our national scene dealing with the role of Government in education; and

Whereas committees of our National Congress are now considering, and ultimately the Congress itself will consider the whole problem of Federal aid to education: Now, therefore, be it

Resolved, by the house of delegates of the Nassau County Council of Churches in their regular meeting of March 21, 1961, That we register our belief in public education as an important part of the foundation of our democracy and are happy when it can be strengthened.

We support proposed legislation which will grant aid to public education and we deplore the endeavor of any group to secure support for private or parochial schools, because we believe it is in opposition to our heritage of separation of church and state and divisive in character.

RESOLUTIONS OF THE TOWN OF VESTAL, N.Y.

Mr. KEATING. Mr. President, I ask unanimous consent to have printed in the RECORD two resolutions from the town of Vestal, N.Y., pointing up the need for better coordination and cooperation between Federal and local programs for sewage disposal and sewer treatment.

Many towns are facing problems similar to those outlined in these two resolutions. I sincerely hope that action can be taken on the local and Federal level to facilitate the solution of this problem and to abate rather than increase the serious problems of many communities regarding water pollution and sewage disposal.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

RESOLUTION ADOPTED MARCH 1, 1961

Whereas the town of Vestal has previously hereto undertaken the construction of a sewage treatment plant to serve sewer district No. 1 in the town of Vestal; and

Whereas the town of Vestal is currently studying the feasibility of the construction of an additional sewage treatment plant to serve sewer district No. 4 in the town of Vestal; and

Whereas the study for sewer district No. 4 includes the possibility of a single sewage treatment plant to serve sewer district No. 4 and Endwell sewer district of the town of Union; and

Whereas this board has familiarized itself with the costs of sewage treatment plants and the costs of construction and operation of sewage treatment plants to serve the needs of the citizens of the town of Vestal; and

Whereas to the knowledge of this board it appears that the costs of construction and operation of sewage treatment plants to serve the citizens of this town are such as to create a substantial additional tax burden upon its citizens; and

Whereas the pollution abatement program for the Susquehanna River is of benefit to numerous communities and municipalities in addition to the town of Vestal; and

Whereas the Federal Government has an existing program for aid to local municipalities for construction of sewage treatment plants; and

Whereas this board has given due and proper consideration to all of the relevant facts and circumstances appertaining to the construction of sewage treatment plants; and

Whereas the program of pollution abatement of streams and rivers is a desirable and commendable program and to the benefit of the citizens and industries of this town as well as other communities and municipalities; and

Whereas the State and Federal Governments have for the most part preempted the sources of revenues that are or might be available to local municipalities; and

Whereas this board considers it to be in the public interest to continue its program so as to effect complete compliance with the orders and directions of the water pollution control board and the department of health within the near and foreseeable future: Now, therefore, be it

Resolved, That the town of Vestal record by resolution in the minutes of this meeting that it recommend to Hon. Howard Robison, Member of Congress, from this congressional district, and Hon. Jacob Javits and Hon. Kenneth Keating, Senators from this State, as well as Hon. George Ingalls, State assemblyman from this State assembly district and Hon. Warren M. Anderson, State senator from this senatorial district, the early enactment of legislation at both the State and Federal levels for the participation by the State and/or Federal Governments in a program of increased aid to local municipalities for the construction of sewage treatment plants and for the payment of the operating costs thereof and for debt reduction incurred in connection therewith; and be it further

Resolved, That this board recommend to the aforesaid members of the legislative bodies hereinbefore referred to, the early enactment by the State and/or Federal Governments of a program of Federal and/or State aid which will recognize and aid two or more municipalities that combine for the construction of a single sewage treatment plant to serve their combined needs by permitting such projects that serve more than one municipality to receive a grant equal to the pro rata total of each project's allowable grant; and be it further

Resolved, That this resolution shall take effect immediately and that the town clerk shall be authorized, empowered and directed to furnish certified copies thereof to the State and Federal legislators hereinbefore named and set forth.

RESOLUTION ON VESTAL-UNION SEWAGE TREATMENT PLANT

Whereas previously hereto the town of Union on behalf of Endwell sewer district and town of Vestal on behalf of sewer district No. 4 have held joint conferences and made various studies concerning the proposition of constructing a sewage treatment plant in the town of Vestal to serve both municipalities; and

Whereas the town board has received and studied the Wegman report relating to the joint project and has received and studied a copy of the so-called Blatnik bill presently pending before the Congress; and

Whereas the town board has received assurances that the Blatnik bill will in all probability receive favorable action within the next few months and during the present session of the Congress; and

Whereas the town board has given careful study and consideration to all of the relevant facts and circumstances pertaining to this matter, including the feasibility of constructing a plant to serve only sewer district No. 4, town of Vestal: Now, therefore, be it

Resolved, That the Town Board of the Town of Vestal record in its official proceedings the following declaration of its policy with relation thereto:—

1. That based upon the Wegman report and the assumption of favorable action and passage of the Blatnik bill by the Congress within the next few months and at the current session thereof, the town of Vestal finds that it would be in the best interest to join with the town of Union for the construction of a sewage treatment plant in Vestal, N.Y., to serve both Endwell sewer district and sewer district No. 4, town of Vestal;

2. That the town of Union should construct the improvement and that the town of Vestal enter into a long-term contract for the use thereof at a rate for its proportional use not in excess of the rate paid by the town of Union for its proportional use;

3. That the town board will recommend the abatement of all real estate taxes upon the improvement to be assessed by the town of Vestal and Vestal Central School District;

4. That the town of Vestal reserve the right after August 1, 1961, if this project for the construction of a joint facility is not consummated prior to that time, or if there is a change in circumstances, to proceed with the design and construction of its own sewage treatment plant on its site in Vestal in accordance with the preliminary plans therefor already filed with the New York Department of Health for sewer district No. 4, town of Vestal; and be it further

Resolved, That the town clerk be authorized, empowered and directed to forward certified copies of this resolution to persons and agencies as directed by the supervisor; and be it further

Resolved, That this resolution shall take effect immediately.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. FULBRIGHT, from the Committee on Foreign Relations, with an amendment:

S. 1067. A bill to amend Public Law 503, 84th Congress, so as to provide annuities for the widows of certain Foreign Service officers who retired prior to the effective date of the Federal Employees Group Life Insurance Act of 1954 (Rept. No. 129).

By Mr. ANDERSON, from the Committee on Interior and Insular Affairs, without amendment:

S. 108. A bill to amend the Indian Long-Term Leasing Act (Rept. No. 133);

S. 200. A bill to amend the act entitled "An act relative to employment for certain adult Indians on or near Indian reservations," approved August 3, 1956 (Rept. No. 134); and

S. 1294. A bill to supplement and amend the act of June 30, 1948, relating to the Fort Hall Indian irrigation project, and to approve an order of the Secretary of the Interior issued under the act of June 22, 1936 (Rept. No. 135).

By Mr. CHURCH, from the Committee on Interior and Insular Affairs, without amendment:

S. 1295. A bill to authorize the use of funds arising from a judgment in favor of the Nez Perce Tribe of Indians, and for other purposes (Rept. No. 136).

By Mr. CHURCH, from the Committee on Interior and Insular Affairs, with an amendment:

S. 1299. A bill to amend the act of June 4, 1953 (67 Stat. 41), entitled "An act to authorize the Secretary of the Interior, or his authorized representative, to convey certain school properties to local school districts or public agencies" (Rept. No. 137).

REPORT ENTITLED "CONSTITUTIONAL AMENDMENTS" (S. REPT. NO. 130)

Mr. KEFAUVER. Mr. President, from the Committee on the Judiciary, I submit a report entitled "Constitutional Amendments," pursuant to Senate Resolution 239, 86th Congress, 2d session, as extended. I ask that the report be printed.

The PRESIDING OFFICER (Mr. DODD in the chair). The report will be received and printed, as requested by the Senator from Tennessee.

REPORT ENTITLED "IMMIGRATION AND NATURALIZATION" (S. REPT. NO. 131)

Mr. EASTLAND. Mr. President, from the Committee on the Judiciary, I submit a report entitled "Immigration and Naturalization," pursuant to Senate Resolution 237, 86th Congress, 2d session, as extended. I ask that the report be printed.

The PRESIDING OFFICER. The report will be received and printed, as requested by the Senator from Mississippi.

REPORT ENTITLED "TRADING WITH THE ENEMY ACT" (S. REPT. NO. 132)

Mr. EASTLAND. Mr. President, from the Committee on the Judiciary, I submit a report entitled "Trading With the Enemy Act," pursuant to Senate Resolution 236, 86th Congress, 2d session, as extended. I ask that the report be printed.

The PRESIDING OFFICER. The report will be received and printed, as requested by the Senator from Mississippi.

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. THURMOND, from the Committee on Armed Services:

Gen. Carter Bowie Magruder, Army of the United States (major general, U.S. Army), to be placed on the retired list in the grade of general;

Lt. Gen. Emerson Charles Itschner, Army of the United States (major general, U.S. Army), Lt. Gen. Robert Milchrist Cannon, Army of the United States (major general, U.S. Army), Lt. Gen. Thomas Leonard Harrold, Army of the United States (major general, U.S. Army), Lt. Gen. Gordon Byrom Rogers, Army of the United States (major general, U.S. Army), and Lt. Gen. John Albert Dabney, Army of the United States (major general, U.S. Army), to be placed on the retired list in the grade of lieutenants general;

Lt. Gen. Guy Stanley Meloy, Jr., Army of the United States (major general, U.S. Army), to be assigned to a position of importance and responsibility designated by the President, in the rank of general; and

Maj. Gen. Andrew Thomas McNamara, U.S. Army, Maj. Gen. John Knight Waters, U.S. Army, and Maj. Gen. Hugh Pate Harris, Army of the United States (brigadier general, U.S. Army), and to be assigned to positions of importance and responsibility designated by the President, in the rank of lieutenants general.

Mr. CANNON. Mr. President, from the Committee on Armed Services, I report favorably the nominations of two lieutenant generals in the Marine Corps

and one lieutenant general in the Air Force, and ask that these names be placed on the Executive Calendar.

The PRESIDING OFFICER. The nominations will be placed on the Executive Calendar.

The nominations were placed on the Executive Calendar, as follows:

Lt. Gen. Thomas A. Wornham, U.S. Marine Corps, to be placed on the retired list in the grade of lieutenant general;

Maj. Gen. Alan Shapley, U.S. Marine Corps, for commands and other duties determined by the President, in the grade of lieutenant general while so serving; and

Lt. Gen. Donald N. Yates (major general, Regular Air Force), U.S. Air Force, to be placed on the retired list in the grade of lieutenant general.

Mr. CANNON. In addition, I report favorably 412 nominations in the Army in the grade of major and below and 2,487 nominations in the Navy and Marine Corps in the grade of lieutenant commander and lieutenant and below. These names have already appeared in the CONGRESSIONAL RECORD. In order to save the expense of printing on the Executive Calendar, I ask unanimous consent that they be ordered to lie on the Vice President's desk, for the information of any Senator.

The PRESIDING OFFICER. The nominations will be received and will lie on the desk, as requested by the Senator from Nevada.

The nominations ordered to lie on the desk are as follows:

Harry W. Miller, and sundry other officers, for promotion in the Regular Army of the United States;

Vincent J. Ciccone, and sundry other persons, for appointment in the Regular Army;

James J. Lane, and sundry other persons, for appointment in the Regular Army of the United States;

R. C. Clack, and sundry other distinguished military students, for appointment in the Regular Army of the United States;

Edwin V. V. Sutherland, for appointment as professor of English, U.S. Military Academy;

William W. Watkin, for appointment as professor of earth, space, and graphic sciences, U.S. Military Academy;

Richard V. Aamodt, and sundry other Naval Reserve Officers, Training Corps candidates, for permanent appointment in the line of the Navy;

James C. Belleson, and sundry other Naval Reserve Officers, Training Corps candidates, for permanent appointment in the Supply Corps of the Navy; and

Charles E. Harbison, and sundry other officers of the Marine Corps, for temporary promotion in the Marine Corps.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. ENGLE (for himself and Mr. KUCHEL):

S. 1462. A bill to amend the act of September 2, 1960 (74 Stat. 734), in order to authorize the Secretary of Agriculture to establish minimum standards of quality for any variety of grapes and plums covered by such act, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. HART:

S. 1463. A bill for the relief of Traian Radulescu;

S. 1464. A bill for the relief of Wolfgang Stresemann; and

S. 1465. A bill for the relief of Philip Ignatius Veira; to the Committee on the Judiciary.

By Mr. KEATING:

S. 1466. A bill to amend title V of the Agricultural Act of 1949, as amended, to require terms and conditions of employment comparable to those offered Mexican workers be offered domestic agricultural workers, and for other purposes; to the Committee on Agriculture and Forestry.

(See the remarks of Mr. KEATING when he introduce the above bill, which appear under a separate heading.)

By Mr. MUSKIE:

S. 1467. A bill to amend section 314 of the Public Health Service Act of 1944; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. MUSKIE when he introduced the above bill, which appear ununder a separate heading.)

By Mr. WILLIAMS of Delaware:

S. 1468. A bill to provide deductions in computing gain from operations of life insurance companies for certain mutualization distributions made in 1960 and 1961; to the Committee on Finance.

By Mr. BURDICK:

S. 1469. A bill to amend the National School Lunch Act to provide for a more equitable distribution of the funds available under such act, and for other purposes; to the Committee on Agriculture and Forestry.

S. 1470. A bill to include the holders of star route and certain other contracts for the carrying of mail under the provisions of the Civil Service Retirement Act; to the Committee on Post Office and Civil Service.

By Mrs. SMITH of Maine:

S. 1471. A bill for the relief of Marie McPherson Eighmey; to the Committee on the Judiciary.

By Mr. KEFAUVER:

S. 1472. A bill for the relief of Norma Coupland; to the Committee on the Judiciary.

By Mr. YOUNG of Ohio:

S. 1473. A bill for the relief of Athol Alfred Layton and his wife, Leah Kett Layton, and their children, John Gordan Layton and Christopher Thomas Layton; to the Committee on the Judiciary.

By Mr. KEFAUVER:

S. 1474. A bill to curb monopolistic control of professional boxing, to establish with the Department of Justice the Office of the National Boxing Commissioner and for other purposes; to the Committee on the Judiciary.

(See the remarks of Mr. KEFAUVER when he introduced the above bill, which appear under a separate heading.)

By Mr. LONG of Louisiana:

S. 1475. A bill to amend and strengthen the Federal Water Pollution Control Act to provide for flow regulations for water pollution and quality control and other purposes; to the Committee on Public Works.

(See the remarks of Mr. LONG of Louisiana when he introduced the above bill, which appear under a separate heading.)

By Mr. LONG of Louisiana (for himself and Mr. ELLENDER):

S. 1476. A bill to restate terms of the grant covering the Rockefeller Wildlife Refuge and Game Preserve to permit it to comply with current Louisiana law; to the Committee on Interstate and Foreign Commerce.

(See the remarks of Mr. LONG of Louisiana when he introduced the above bill, which appear under a separate heading.)

By Mr. HRUSKA:

S. 1477. A bill to amend section 144 of title 28 of the United States Code; to the Committee on the Judiciary.

By Mr. SPARKMAN (by request):

S. 1478. A bill to assist in the provision of housing for moderate and low income families, to promote orderly urban development, to extend and amend laws relating to housing, urban renewal, and community facilities, and for other purposes; to the Committee on Banking and Currency.

(See the remarks of Mr. SPARKMAN when he introduced the above bill, which appear under a separate heading.)

By Mr. METCALF (for himself and Mr. MANSFIELD):

S. 1479. A bill to authorize assumption by the various States of civil or criminal jurisdiction over cases arising on Indian reservations with the consent of the tribe involved; to permit gradual transfer of such jurisdiction to the States; and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. CANNON:

S. 1480. A bill for the relief of Erkki K. Kerttula; to the Committee on the Judiciary.

By Mr. SPARKMAN (for himself and Mr. YARBOROUGH):

S. 1481. A bill to extend and to provide additional funds for the veterans' direct home loan program; to the Committee on Banking and Currency.

(See the remarks of Mr. SPARKMAN when he introduced the above bill, which appear under a separate heading.)

By Mr. CLARK (for himself and Mr. MORSE):

S. 1482. A bill to authorize loans to private nonprofit schools for the construction of elementary and secondary school facilities; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. CLARK when he introduced the above bill, which appear under a separate heading.)

By Mr. YARBOROUGH (for himself and Mr. SPARKMAN):

S. 1483. A bill to extend the veterans' guaranteed home loan program; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. YARBOROUGH when he introduced the above bill, which appear under a separate heading.)

AMENDMENT TO TITLE V OF AGRICULTURAL ACT OF 1949

Mr. KEATING. Mr. President, I introduce, for appropriate reference, a bill to require that terms and conditions of employment comparable to those offered Mexican workers be offered to domestic farmworkers under Public Law 78. I offered this amendment on August 30 of last year as an amendment to the bill extending Public Law 78. In light of the need to act on this measure before the present 6-month extension expires, I again offer the same amendment in the form of this bill in order that others will have an opportunity to study and review this proposal.

There are a number of bills now pending in the Senate which would provide new programs and rights for migrant farmworkers. I have studied these measures carefully, and am a cosponsor of a bill to provide for the registration of migrant farmworker crew leaders, under similar provisions as those which now apply in New York State.

The plight of migrant farm workers is of serious concern to a great many Americans. While I think there is much that can and should be done, I offer my

amendment as a logical and constructive first step in creating better working and living conditions for migrant farmworkers.

Under present provisions of the program for supplementation of the domestic agricultural labor force with workers from Mexico, the Secretary of Labor now has authority to require employers to offer domestic workers wages and standard hours of work comparable to those offered to foreign workers. Under the international agreement negotiated with the Republic of Mexico, however, growers must provide, at their own cost, workmen's compensation or occupational insurance coverage for the Mexican farmworkers, as well as free transportation, free housing, written contracts and work guarantees.

These provisions have resulted not only in the failure to make farm employment attractive to domestic workers, but also in the preemption of their employment opportunities by foreign workers. Many employers make only limited efforts to attract domestic workers to available farm employment. They prefer to rely upon the ready supply of foreign workers.

My bill would assist in correcting this situation by requiring that, before the Secretary of Labor can make the certification required in making foreign workers available in an area, he must find that the employers are offering domestic workers, not only wages and hours of work, but also other conditions of employment comparable to those offered the foreign workers.

This amendment does not require that precisely the same terms and conditions be offered as are extended to Mexicans. It is contemplated that there would be some recognition of the differences between the situation of the domestic workers and the foreign workers. For example, where employees have their own homes in the area of employment, it would not be reasonable to require the employer to offer free housing to domestic workers. The same thing would be true of an offer of free transportation. Under the amendment, however, an employer could be required to offer workmen's compensation or on-the-job insurance to the domestic worker, just as he offers it to the Mexican worker.

The employer could also be required by the Secretary of Labor to offer the domestic worker, as he now does the Mexican worker, a written contract and to guarantee the domestic worker employment during at least three-quarters of the time covered by the contract. He could likewise be required to offer the domestic worker subsistence on days when he could not offer work.

To sum up, my amendment would require the employer, and permit the Secretary of Labor the opportunity, to attract and recruit domestic workers under conditions at least comparable, but not identical in all respects, with the conditions offered to the foreigners. It could be used by the Secretary to insure that a true labor shortage was the basis for admitting the foreign workers and not the unwillingness of employers to make reasonable job offers to Americans.

In light of present high unemployment and in light of the unsatisfactory living and working conditions of migrant farmworkers in many areas, I think this is a reasonable and logical first step. New York State has done a great deal to provide adequate living conditions for migrant farmworkers. My bill would give to the Secretary of Labor the necessary authority to match the great strides which New York and other States have made in meeting this problem.

I ask unanimous consent that the text of the bill be printed at this point in the RECORD.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 1466) to amend title V of the Agricultural Act of 1949, as amended, to require terms and conditions of employment comparable to those offered Mexican workers be offered domestic agricultural workers, and for other purposes, introduced by Mr. KEATING, was received, read twice by its title, referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That clause (3) of section 503 of the Agricultural Act of 1949, as amended, is amended to read as follows: "(3) reasonable efforts have been made to attract domestic workers for such employment at terms and conditions of employment reasonably comparable to those offered to foreign workers."

AMENDMENT OF SECTION 314 OF PUBLIC HEALTH SERVICE ACT OF 1944

Mr. MUSKIE. Mr. President, I introduce, for appropriate reference, a bill which would simplify Federal grants-in-aid to States for public health services and provide greater flexibility in the allocation of certain categorical public health service funds in the States. Similar legislation has been introduced in the House of Representatives. I ask unanimous consent that the bill remain at the desk through Thursday, April 6, 1961, to enable additional Senators to give consideration to joining as cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MUSKIE. Mr. President, the proposed legislation was drafted as the result of the second report to the President of the Advisory Commission on Intergovernmental Relations, of which I am a member. Two weeks ago I introduced a bill—S. 1344—proposed by the Commission to remove inequities in the Federal credit for inheritance and estate taxes paid to States. This proposal was recommended in the first report of the Advisory Commission.

The proposed legislation which I have introduced today would amend the Public Health Service Act of 1944, to permit States, at the discretion of the Governor in each case, to transfer up to one-third of the Federal funds granted in any one of five health categories to one or more of the other four such categories. The following five categorical grants are involved: general health assistance, cancer control, heart disease control, tuberculosis control, and venereal disease control. The bill would not affect the remaining categories of mental health, maternal and child health, and crippled children's services.

In addition, the bill would establish a uniform allotment and matching formula for Federal grants to States in the special categories listed above. A number of different formulas now apply to these five categories.

Under the bill, funds would be allocated to the States on the basis of population, with matching requirements established according to per capita income in the individual States. Matching requirements would range from one-third State funds to two-thirds Federal funds for the lowest income States, to two-thirds State funds to one-third Federal funds for the highest income States. This formula follows the general principle established under the Hill-Burton program.

This proposed legislation, Mr. President, is designed to improve the flexibility of federally supported public health service programs administered by the States, without removing the present overall direction of these programs in accordance with the priorities set by Congress. Initially, several of these categories were established to allow the Federal Government to stimulate State activity. Today the major cost is borne by the States, with the Federal Government playing an important supporting role.

By allowing the States to transfer up to one-third of the funds in the five categories listed, we would provide sufficient flexibility for State administrators in meeting peculiar and changing local needs, without endangering the integrity of the overall program. It should be noted that the proposed allowance for transfers would not be applied to the categories of mental health, maternal and child health, and crippled children services, since functional lines of responsibility between the Federal Government and the States do not coincide in these categories.

This legislation, Mr. President, represents the considered opinion of members of the Advisory Commission on Intergovernmental Relations, State and territorial health and budget officers, and other experts in this field. It offers a sensible improvement in an important facet of intergovernmental relations. I hope a number of Senators will join me in sponsoring this legislation.

I ask unanimous consent that the text of the bill be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 1467) to amend section 314 of the Public Health Service Act of

1944, introduced by Mr. MUSKIE, was received, read twice by its title, referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 314 of the Public Health Service Act of 1944 is amended (1) by striking out of subsection (d) thereof the following: "(2) the extent of the venereal-disease problem, the extent of the tuberculosis problem, and the extent of the mental health problem and other special health problems, respectively, and (3)" and inserting in lieu thereof "and (2)"; and (2) by adding at the end thereof the following:

"(m) To enable the Surgeon General to assist, through grants, States, counties, health districts, and other political subdivisions of the State, and public and nonprofit agencies, institutions and other organizations, in establishing and maintaining organized community programs of cancer control, including grants for demonstrations and the training of personnel, there is hereby authorized to be appropriated for each fiscal year such sums as may be necessary for such purposes. The Surgeon General shall, in accordance with regulations, from time to time make allotments from sums appropriated under this subsection to the several States on the basis of (1) the population, and (2) the financial need of the respective States. Upon making such allotments the Surgeon General shall notify the Secretary of the Treasury of the amounts thereof.

"(n) Not more than one-third of the amounts allotted to any State pursuant to subsections (a), (b), (c), (e), and (m) of this section may, at the option of the State concerned, subject to matching from funds of the State and its political subdivisions pursuant to subsection (h) of this section, be transferred among such programs."

SEC. 2. Subsection (h) of section 314 is amended by striking out "and (e)" and inserting in lieu thereof "(e), and (m) (including amounts transferred to such purposes pursuant to such subsection (n)),", and by striking out "an amount determined in accordance with regulations" and inserting in lieu thereof the following: "an amount determined by the Surgeon General, on the basis of the financial ability of the respective States, of not less in the case of the State having the least financial ability, than one-third of the total amount spent from such allotments and funds of such State and its political subdivisions, and not more, in the case of the State having the greatest financial ability, than two-thirds of the total amount spent from such allotments and funds of such State and its political subdivisions".

RESTRICTION OF MONOPOLISTIC CONTROL OF PROFESSIONAL BOXING

Mr. KEFAUVER. Mr. President, I introduce for reference to the appropriate committee a bill to curb monopolistic control of professional boxing, to establish within the Department of Justice the Office of the National Boxing Commissioner, and for other purposes.

I ask unanimous consent that the bill lie on the table until the close of business on Tuesday, April 4, 1961, and I invite other Senators to join with me in the sponsorship of this most needed piece of legislation.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will lie on the desk, as requested by the Senator from Tennessee.

The bill (S. 1474) to curb monopolistic control of professional boxing, to establish within the Department of Justice the Office of the National Boxing Commissioner, and for other purposes, introduced by Mr. KEFAUVER, was received, read twice by its title, and referred to the Committee on the Judiciary.

Mr. KEFAUVER. Mr. President, I have a statement explaining the provisions of the bill, outlining the need for its adoption, and containing the text of the bill. I ask unanimous consent that the statement and the text of the bill be printed at this point in my remarks.

There being no objection, the statement and bill were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR KEFAUVER

The Washington Post of March 15, 1961, carried a UPI dispatch stating that the heavyweight boxing champion, Floyd Patterson, may defend his title against the No. 1 contender, Sonny Liston, in September of this year. If this match is held, and Liston wins, we face the ugly prospect of having the heavyweight championship revert to mob control.

There was compelling evidence presented at the December 1960 boxing hearings of the Antitrust and Monopoly Subcommittee that Liston was controlled by three powerful racketeers—Frank "Blinky" Palermo, John Vitale, and Frank Carbo—operating through a "front" manager, Joseph "Pep" Barone. There has not been the slightest evidence since the December hearings that Liston has cleaned house.

I attach to this statement an article which appeared in the Washington Post of March 15, 1961, and a column appearing in the New York Journal on March 16, 1961.

This unwholesome situation makes clear the present state of professional boxing and the urgent need for the legislation which I will introduce today.

Underworld domination of professional boxing was the subject of extensive hearings before the Antitrust and Monopoly Subcommittee in June and December of 1960. These hearings produced overwhelming evidence of the decay and degeneration of a major sport. At the root of this evil condition was a massive conspiracy between racketeers and other undesirables to suppress competition and maintain monopoly control over major boxing contests throughout the country.

At the close of the December hearings I announced my firm intention to introduce corrective legislation. Accordingly, I am now introducing a bill to establish the Office of the National Boxing Commissioner within the Department of Justice.

The primary purpose of the present bill is to aid the States in their efforts to drive the racketeers out of boxing and, thus, to end their monopolistic control of one of our most popular sports.

I am convinced that only through a nationwide licensing system can we accomplish this end.

Of course, the success of such a licensing system depends upon adequate criminal sanctions and investigative facilities. With these factors in mind, I have included, within the bill, criminal penalties for violation of the act and provisions to utilize the services of the Federal Bureau of Investigation.

The interstate nature of major boxing contests is well established in law. In *United States* v. *International Boxing Club of New York* (348 U.S. 236), decided January 31, 1955, the Supreme Court held that the promotion of championship boxing contests on a multistate basis and the sale of rights to televise, broadcast, and film such matches for interstate transmission constituted trade and commerce among the States within the meaning of the Sherman Act.

On August 25, 1959, Gov. Edmund G. Brown, of California, stated that "professional boxing smells to high heaven" and recommended a congressional "cleanup." This statement by Governor Brown confirmed my own observations, and on the following day I directed the subcommittee to conduct an investigation of the monopoly aspects of the boxing business.

The hearings before the subcommittee reduced to cold facts material which had previously been in the realm of suspicion and rumor. The subcommittee members were shocked and dismayed to learn that officials of the giant International Boxing Club, leading promoters for a decade and more, were allies of Frank Carbo, the underworld czar of the sport. The IBC is no longer in existence, and Carbo is on trial in a Federal court for extortion. The outcome of that trial, and the demise of the IBC, will be of little consequence, however, unless we stamp out the Carbos of tomorrow before they attain positions of such awesome influence and affluence.

I will now explain some of the more important provisions of the bill, and the reasons for their inclusion.

Section 4 establishes, within the Department of Justice, an office to be known as the Office of the National Boxing Commissioner, to be headed by a Commissioner with rank and compensation equal to that of an Assistant Attorney General. My advocacy of a one-man commission was greatly influenced by the success of Judge Kenesaw Landis as commissioner of professional baseball. And, it must be remembered that the situation in boxing today is somewhat analogous to the period after baseball's Black Sox scandals when Judge Landis assumed office. Since the Office of Commissioner will be vitally concerned with the criminal and antitrust aspects of professional boxing, it is logically situated within the Justice Department.

Section 6 provides the Commissioner's Office with jurisdiction over all licenses issued pursuant to the act. Professional boxers, managers, promoters, and matchmakers engaging in interstate bouts are required to obtain a license. I believe it prudent for the Commissioner's Office to restrict its licensing provisions to those persons who perform the most important functions in the boxing business. Burdening the Commissioner with an avalanche of licenses to process and supervise would defeat the purposes of the bill.

The powers of the Commissioner are defined in section 5. Under this section, the Commissioner is given broad authority to carry out the mandates of the act. I wish to call particular attention to subsections (d) and (e) of section 5. Subsection (d) authorizes the Commissioner, with the approval of the Attorney General, to utilize the services of such employees of the Department of Justice as the Commissioner may deem necessary or desirable to enable him to effectively carry out the provisions of the act. Of course, this subsection will enable the Commissioner to utilize the much needed services of the Federal Bureau of Investigation. The subcommittee's inquiry established that most State and local commissions' investigative staffs were woefully

inadequate or nonexistent. Witness the testimony before the subcommittee of Mr. Harry Falk, a distinguished member of the California commission:

"We investigate the applicants (for licenses) at some considerable length.

"I think, at least to the extent of making a thorough investigation, that very few of the States do that.

"I am hopeful that in California we are somewhat effective in keeping out the hoodlums and doing good for boxing. I believe several of the national magazines and national newspapers even have complimented California on doing an excellent job in that regard.

"However, I want to confess to the committee that, assuming that California has the proper attitude and assuming California is doing a good job, we cannot cope with the problem. We admit that we are not effective in controlling boxing or eliminating the hoodlums."

Under subsection (e) of section 5 the Commissioner is authorized to obtain from any department, agency or independent instrumentality of the United States any information he deems necessary to carry out his duties under the act. This provision should facilitate free exchange of information between the Commissioner's Office and such agencies as the Bureau of Narcotics and the Bureau of Internal Revenue.

Section 5(f) allows the Commissioner, with the approval of the Attorney General, to establish regional offices. It may prove to be highly impractical to conduct the nationwide business of the Commissioner's Office through one office situated in Washington, D.C.

Despite many suggestions to the contrary, I have decided to limit the life of the Commissioner's Office. Under section 15, the act will terminate 5 years from the date of its enactment. It is my fervent hope that at the conclusion of that period boxing will be rid of its present underworld control and that further Federal supervision will be unnecessary.

I wish to emphasize that this bill in no way preempts either the State's authority or responsibility to regulate professional boxing. By law, the Office of Commissioner has no jurisdiction over bouts of a purely intrastate nature. By the provisions of the bill, the Commissioner's Office is primarily a licensing authority and is largely excluded from the administration, supervision and conduct of boxing matches, whether they be interstate or intrastate in nature.

Section 14 reads, "Nothing contained in this Act shall be construed as prohibiting any board, commission, or other agency, created by or pursuant to the law of any State, Commonwealth, or possession of the United States, from exercising any of its powers, duties, or functions with respect to the regulation or supervision of professional boxing or professional boxing contests." This section makes it patently clear that the bill merely requires that certain participants in interstate bouts—boxers, managers, promoters, and matchmakers—must be licensed by the Office of the National Boxing Commissioner; other agencies are not precluded from supervision of such contests as may occur in their jurisdictions.

Section 3 defines the terms "professional boxer," "manager," "promoter," and "matchmaker" as used in the act. May I direct your attention to subsection (5) which includes within the definition of "promoter" any person or corporation engaged in the making or transmitting of a closed circuit telecast of an interstate boxing match. Testimony before the subcommittee disclosed that a new type of boxing promoter—the closed circuit TV magnate—has arisen in recent years. The purses of Floyd Patterson and Ingemar Johansson in their heavyweight championship bouts were mainly derived from the closed-circuit TV revenue. Corporations engaged in closed circuits TV wield immense power over the conduct of major boxing contests; yet, they are neither licensed nor regulated by the Federal Government—as are the regular TV networks. The exclusion of these companies from the jurisdiction of the Commissioner's Office would hamper and weaken the regulation and control of interstate bouts.

Section 6(b) provides standards for the issuance and renewal of licenses. By virtue of this section, the Commissioner is given latitude in determining whether an applicant is a proper licensee. Under the bill I am introducing, the Commissioner's refusal to issue or renew licenses is, of course, subject to a hearing and judicial review.

Section 8 sets forth the conditions under which a license may be suspended or revoked. Here again, provisions are made for a hearing and judicial review as prescribed in section 15.

Sections 7, 9, and 10 of the bill can be properly classified as the full disclosure sections. I am most anxious to eliminate the undercover payments and covert arrangements which now plague professional boxing. The subcommittee heard testimony that the International Boxing Club channeled over a quarter of a million dollars to the wife of gangster Frank Carbo, a notorious bookmaker named Max Courtney, and a freewheeling unlicensed promoter, Jack Kearns. No State or local commission knew of these transactions. The bill's disclosure provisions are designed to enable an alert Commissioner to detect the "secret deal" and the under-the-table payoff. Section 7 states that any contract which is entered into by a licensee of the Commissioner's Office, and which relates directly or indirectly to any professional boxing contests, shall be in writing and filed with the Office of the Commissioner. By the provisions of section 9, boxers, managers, promoters, and matchmakers must submit detailed financial reports concerning boxing contests in which they have participated, and section 10(a) requires each licensee to keep accurate and comprehensive records of all financial transactions relating to interstate matches. Subsection (b) of section 10 makes these records available to the Commissioner's Office for examination and inspection.

Section 13 provides criminal penalties for willful failure to comply with the disclosure provisions and false statements in any application or report filed with the Commissioner's Office. In each case malefactors face a maximum penalty of 5 years imprisonment and a heavy fine.

As I previously stated, there was a testimony before the subcommittee that Frank Carbo, John Vitale and Frank Palermo, a trio of undercover boxing racketeers, were arranging important matches for the No. 1 heavyweight contender, Sonny Liston, and sharing in his purses. Under subsection (a) of section 13, all three of these underworld figures could be prosecuted for acting as managers-in-fact without first procuring a license under the act. Violation of this subsection, which is primarily directed against the behind-the-scenes manipulator in professional boxing, may result in 5 years imprisonment.

Our investigation has established that the undercover elements in professional boxing constitute a veritable "Who's Who in Gangland"—Russell Bufalino, Mickey Cohen, Jimmy Doyle, and Tony Ducks, to name a few. In fact, most of the racketeers turned up in the boxing investigation had appeared before the old Senate Crime Committee or more recently before the Rackets Committee, headed by Senator McCLELLAN. It is clear that the criminal provisions of this bill provide the Attorney General with an arsenal of weapons in the drive against organized racketeering.

Cleaning out the hoodlums must be the first order of business for boxing's Commissioner. However, we should not neglect the other problems which sorely beset professional boxing. Therefore, under section 11 of the act, I have provided for a five-man Boxing Advisory Board. By subsection (e), the Board is charged with the responsibility of making recommendations to the Commissioner for the improvement of boxing and the welfare of its participants. The Board might well consider such matters as the advisability of interstate compacts, pension and insurance plans for boxers, the adoption of uniform rules and regulations by the States and the developing of young boxing talent. Board members will serve without compensation.

I do not support the many proposals to abolish professional boxing. We do not cure the cancer by killing the patient. However, the plain fact is that boxing cannot survive as a major sport unless some drastic steps are taken.

I am not asking Government to intrude in a sport which has never been regulated or controlled. According to the Ring Record book, there are 51 State and local commissions in existence throughout the country. I am asking that simultaneous jurisdiction over a restricted area of boxing regulation—the licensing of boxers, managers, promoters, and matchmakers engaged in interstate bouts—be given to a national authority as well as to State and local governments. I am doing so at the request of many State authorities who recognize that major boxing contests, because of their interstate character, are presently beyond the power of any State to regulate fully and effectively.

On February 21 of this year, at the conclusion of the second series of boxing hearings, Governor Brown stated in a letter to me: "We in the State find ourselves helpless to control boxing to the fullest extent necessary. Our State athletic commission has done a substantial job on regulating boxing within the borders of California, but the problems of the business are interstate in nature.

"The fact is that no matter how stringent are the rules, our State commission adopts, it cannot eliminate the hoodlum influences from the boxing business without Federal assistance.

"We do not ask for Federal control of boxing, but we do ask for Federal help.

"I recommend most earnestly the creation of a Federal Boxing Commission with power to license all participants in interstate boxing matches. I am pleased that my views in this matter coincide with your own.

"Only through such a nationwide licensing procedure can we successfully hope to counteract the criminal forces which have to a startling degree exerted power in the boxing business."

Governor Brown also stated:

"I believe that I speak for most of the people of California in expressing the hope that Congress will pass such needed legislation at this session."

I have been most impressed by Governor Brown's statement. California has been in the forefront of the States fighting organized crime in boxing. If the California authorities, with all their vast resources, cannot cope with the hoodlum problem without Federal assistance, how are the smaller States faring?

Evidence at the hearing indicated that not only are the individual States helpless in combating interstate racketeers but efforts to have the States band together for their common protection have been futile and unrewarding. Commissioner Alfred Klein, of Pennsylvania, representing that State and an organization known as the National Boxing Association, spoke of the fierce competition between the States for revenue-producing bouts; and Harry Falk, a member of the California commission and

former vice president of the NBA, said that there were no prospects for interstate compacts in the near future.

In introducing this bill, I am keenly aware of the contributions made by boxing to the sports tradition of our Nation. This awareness, has strengthened my resolve that boxing must not pass from the national scene.

If we are to succeed in reviving this sport we must see to it that our youthful athletes are not victimized and corrupted by unscrupulous managers and promoters; not tempted by bribe offers; not obligated to engage in sham or collusive matches; not required to pay homage to the underworld; not judged by their criminal connections rather than there abilities; and do not end their careers in poverty, broken in mind and spirit.

In no other sport today would such conditions be tolerated. We should no longer tolerate them in boxing. I therefore ask for support of this bill.

[From the Washington Post, Mar. 15, 1961]

MIAMI BEACH, FLA., March 14—Heavyweight Champion Floyd Patterson, about $800,000 richer after Monday night's knockout over Ingemar Johansson, made a declaration of independence today and confirmed that he will fight again this year for Feature Sports, Inc.

"I will pick the opponent for my title defense," said the champion with the small white brow-patch over his swollen left eye. "I expect to defend between June and September."

He said he would prefer to defend in New York City, his home bailiwick. That is a stock Patterson statement.

Nevertheless, the United Press International learned authoritatively that Patterson will make his next defense at Philadelphia against top contender Sonny Liston in September.

He said Liston of Philadelphia must clean house before he can expect to get a title shot, must sever his connections with the questionable men associated in his ownership.

"I know who those men are," he continued, "and they'll have to take a back seat."

But when asked to name them, he chuckled and replied, "I'm not lookin' to get bumped off."

SONNY LISTON'S CASE

MIAMI BEACH, FLA., March 16.—I asked Sonny Liston what he thought of Floyd Patterson.

"I think he is a great champion," he replied as if he had rehearsed this falsehood with an actor's care.

He noticed my astonishment. The laughter made his immense body tremble.

"You don't mean that?" I said.

"No," he said. "He's afraid of me. I view it this way. He's just using any excuse so that he don't have to fight me. He's worrying about who manages me. I ain't worried about who's managing him."

The mob is supposed to own Liston who has done jail-time for crimes of violence. He is considered the best heavyweight in the effete division. But Patterson will not fight him, the champion has stated, unless he is handled by people whose respectability is guaranteed.

"Is Blinky Palermo your undercover manager?" I asked.

"I have a contract with Pep Barone," he said. "That's who I signed with and that's who I get my orders from. I mean who I get the fights off."

"Have you asked Barone to sell your contract?"

"What can I do?" he asked.

PUBLIC OPINION

We were sitting at a table in the coffee shop of the Haddon Hotel on the beach. Although Liston has difficulty reading and writing, a red-tipped ballpoint pen was clipped to the pocket of his blue plaid sports shirt which bulged with a notebook.

"Patterson's got a contract with Cus D'Amato," said Liston. "Cus' name's on it. I'm quite sure he don't sit up all night and watch Cus. He don't sleep with Cus all night to see what he's doing every minute."

"Are you going to stick with Barone?" I asked.

"He's been good to me as far as it goes," Liston said. "I've found nothing wrong with him. He helped me this far."

"You have no future," I said, "as long as Barone manages you."

"I'll keep fighting," he said.

"With whom?" I asked.

"I don't know," he answered. "I think public opinion should force Patterson to fight me. They can see he is making excuses. I done time. But after a man pays his debt to society, I don't see why he should pay with the rest of his life. Anyway, I'm the one whose going to be fighting him. Just the two of us is fighting, no one else."

He glanced at the diamond ring on his left pinky which is as large as a ball park hotdog.

"He didn't have them other guys investigated," Liston said. "He should of investigated Pete Rademacher who was an amateur. An amateur fighting a professional, he could get hurt bad. Did he investigate that?"

THE ANGLES

Barone sat down at the table, a tense, graunt-faced man.

"He don't want to fight my guy," the manager said. "He's just using all them angles."

"He must be the NBA," Liston said. "They take away Archie Moore's title, they take away Ray Robinson's title. They don't fight certain guys. But him, he don't want to fight me, he does what he wants."

"Have you had any offers for Liston's contract?" I asked Barone.

"I've had people ask me if I wanted to sell," Barone said, "I had one offer—some guy named Reilly from New York. He wanted to give up $100,000 for a million-dollar proposition."

"Are you Blinky Palermo's front man?" I asked.

"I have a contract with Sonny," he said. "Sure, I done business with Blinky. I was promoting in Allentown. Blinky had all the good fighters. I had to deal with him. Who else in the boxing business didn't?"

"Would you sell the contract if you had a good offer?" I addressed the manager.

"I'm no piece of furniture," said Liston, suddenly angry. "I'm no hog or dog to auction off. You want Cus to be my manager? I feel Pep took a chance when he first got me. I was doing nothing then. Am I supposed to make him pick his friends, my manager? Am I to tell him who to talk to?"

"If Sonny's in St. Louis he'd still be in trouble," Barone said. "They were laying on him out there. He kept in trouble because the cops were picking on him. He lived in Philadelphia a year with his wife. What about the money I spent?"

"What does your wife think of this situation?" I asked.

"She says it takes time," he said.

"I read an interview in which Ingemar Johansson said he would fight you," I said.

"Sure," Liston said, "he ain't got the title now. Ain't Patterson saying he would fight me when he ain't got the title?"

FAST HANDS

The conversation drifted to the Patterson-Johansson fight.

"The mandatory eight count helped Patterson," he said. "In the first round when he got knocked down, it could of won it for him. Johansson, he run out of gas. He didn't get his second wind. Patterson, he's not as big as most heavyweights. He's little. I hear about those fast hands. They don't bother me. I just keep sticking him."

In his last important fight, Eddie Machen lasted 10 rounds with him.

"Machen run," Liston said. "But I don't think Patterson would run like him. Ain't Patterson got pride? Ain't that what they say? If he's got pride, why ain't he fighting me? How could he have pride without fighting me?"

He sat there, big and uncomfortable in the coffeeshop chair and I said he looked fat.

"Im 220," he said. "If I'm fighting, I'd weigh 211."

He has never been knocked down.

"I've never even been wabbled up," he said. "Cleveland Williams, he hit me good, right on the nose. But I don't wabble up."

He is a slow-moving pug who comes behind a left jab and uses a clubbing right.

"I'm fighting Machen and the referee keeps telling me keep the punches up," he said. "If I could of worked on his body, I'd of wore him down."

"Isn't Patterson easy to hit with a right hand?" I said.

"You know why I ain't going to hit Patterson with no right hands?" he said.

"No," I answered.

"Because he ain't going to get in there and fight me," he said.

He laughed, as if this were very funny.

S. 1474

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as "The National Boxing Commissioner Act."

DECLARATION OF POLICY

SEC. 2. The domination and monopolistic control of professional boxing contests by racketeers and other undesirable persons has become a matter of serious concern to the Congress and the Nation. These boxing contests, because of their interstate character, are presently beyond the power of any State to fully and effectively regulate. It is therefore the sense of the Congress that there is a need to establish for a period of five years within the Department of Justice the Office of the National Boxing Commissioner to license participants in professional boxing contests in or affecting interstate commerce.

DEFINITIONS

SEC. 3. As used in this Act—

(1) The term "professional boxing contest" means any boxing contest, exhibition, or match in or affecting interstate commerce between contestants who receive, or who by contract, agreement, or other arrangement are authorized to receive, monetary or other consideration for their services;

(2) The term "professional boxer" means any individual who participates in or undertakes to participate in any professional boxing contest as a contestant for monetary or other consideration;

(3) The term "manager" means any individual or corporation which (A) undertakes, offers to undertake, or has undertaken to represent in any way the interest of any professional boxer in the procurement, arrangement, or the conduct of any professional boxing contest in which such boxer is to participate as a contestant; or (B) receives or is entitled to receive 15 per centum or more of the gross purse of any professional boxer for any services relating to any professional boxing contest in which such boxer has participated or is to participate as a contestant;

(4) The term "purse" means any financial guarantee or any other compensation, or part thereof, which any professional boxer receives or is entitled to receive for participating as a contestant in any professional

boxing contest, without regard to the source of such guarantee or compensation;

(5) The term "promoter" means any individual or corporation which (A) undertakes, offers to undertake, or has undertaken to arrange for the conduct of any professional boxing contest; (B) undertakes, offers to undertake, or has undertaken to arrange for the making or transmitting of a closed circuit telecast of any professional boxing contest; or (C) receives or is entitled to receive 10 per centum or more of the gross promotion proceeds resulting from any professional boxing contest for any services relating to any such contest;

(6) The term "promotion proceeds" means any financial guarantee or any other compensation, which any promoter receives or is entitled to receive for participating as a promoter in any professional boxing contest, without regard to the source of such compensation;

(7) The term "matchmaker" means any individual who undertakes, offers to undertake or has undertaken, on behalf of any promoter, to render any services incident to the arrangement of the conduct of any professional boxing contest;

(8) The term "corporation" means any corporation, partnership, association, or other business entity existing under or authorized by the laws of the United States, any State, Commonwealth, or possession thereof, or any foreign country;

(9) The term "questionable individual" means any individual who (A) has pleaded guilty, or entered a plea of nolo contendere, or has been found guilty by a judge or jury with respect to any criminal offense punishable by imprisonment for any period exceeding six months in any jurisdiction; (B) while licensed under this Act, has violated any provision thereof or any rule or regulation promulgated pursuant thereto for which such license was suspended for a period exceeding thirty days or revoked; or (C) has by act or omission conducted himself in a manner detrimental to the best interests of professional boxing; and

(10) The term "questionable corporation" means any corporation which (A) has in its service any officer, director, or stockholder possessing the beneficial ownership of 20 per centum or more of its stock in any class who is a questionable individual; (B) while licensed under this Act, has violated any provision thereof or any rule or regulation promulgated pursuant thereto for which such license was suspended for a period exceeding 30 days or revoked; or (C) has by act or omission conducted itself in a manner detrimental to the best interests of professional boxing.

ESTABLISHMENT OF THE OFFICE OF THE NATIONAL BOXING COMMISSIONER

SEC. 4. There is hereby established in the Department of Justice an office to be known as the "Office of the National Boxing Commissioner" (hereinafter referred to as the "Office of the Commissioner"), to be headed by a Commissioner with rank and compensation equal to that of an Assistant Attorney General. The Commissioner shall be appointed by the President by and with the advice and consent of the Senate, and shall serve at the pleasure of the President during the life of the Office of the Commissioner.

POWERS AND AUTHORITY OF THE COMMISSIONER

SEC. 5. (a) The Commissioner is authorized to establish such rules and regulations; prescribe such forms of applications, reports, contracts, entries, and other papers; issue such instructions; and perform such other acts as he may deem necessary in the administration or enforcement of the provisions of this Act.

(b) The Commissioner is authorized to assist any State or local athletic commission (1) by making available such information or other data acquired by him under this Act, and (2) by providing such legal and other assistance, as may be requested by any such commission.

(c) The Commissioner is authorized, in accordance with the civil service laws and regulations and the Classification Act of 1949, to appoint such employees of the Office of the Commissioner as he deems necessary in order to carry out the provisions of this Act.

(d) The Commissioner is authorized, with the approval of the Attorney General, to utilize the services of such employees of the Department of Justice as the Commissioner may deem necessary or desirable to enable him to effectively carry out the provisions of this Act.

(e) The Commissioner is authorized to obtain from any department, agency, or independent instrumentality of the United States with the consent of the head thereof any information he deems necessary to carry out his duties under this Act; and each such department, agency, and instrumentality is authorized to furnish such information to the Commissioner upon his request.

(f) The Commissioner is authorized, with the approval of the Attorney General, to establish offices of the Office of the Commissioner whenever, in the opinion of the Commissioner, the establishment of such offices is necessary to accomplish the purposes of this Act.

(g) The Commissioner, or any officer or employee of the Office of the Commissioner designated by the Commissioner, is authorized to hold such hearings, sit and act at such times and places, administer such oaths, and take such testimony as the Commissioner or such officer or employee may deem advisable. The Commissioner shall have such powers of subpena and compulsion of attendance of witnesses and production of documents as are conferred upon the Securities and Exchange Commission by subsection (c) of section 18 of the Act of August 26, 1935 (15 U.S.C. 79r), and the provisions of subsection (d) of such section shall be applicable to all persons summoned by subpena or otherwise to attend or testify or produce such documents as are described therein before the Commissioner or his designee; except that application to any court for aid in enforcing any such subpena may be made only by the Commissioner. Subpenas may be served by any person designated by the Commissioner.

LICENSES

SEC. 6. (a) The Commissioner may issue to any individual or corporation a license to participate as a professional boxer, manager, promoter, or matchmaker in any professional boxing contest. No individual or corporation may on or after the sixtieth day following the date of the enactment of this Act participate, directly or indirectly, as a professional boxer, manager, promoter, or matchmaker in any such contest unless such individual or corporation holds an unsuspended and unrevoked license issued by the Commissioner under this Act.

(b) A license may be issued or renewed under this Act only upon the determination by the Commissioner that the issuance or renewal thereof is in the public interest and in the interest of the lawful conduct of activities in professional boxing. Each individual or corporation which makes application for the issuance or renewal of any license under this Act may be required to furnish evidence satisfactory to the Commissioner to demonstrate, in the case of an individual, that he is not a questionable individual, and in the case of a corporation, that it is not a questionable corporation.

(c) Any individual or corporation which is denied a license under this section shall, upon his or its request filed in writing with the Commissioner within ten days following any such denial, be entitled to a hearing with respect thereto. Any such hearing shall be conducted by the Commissioner in accordance with the applicable provisions of the Administrative Procedure Act.

(d) Any license issued or renewed under this Act shall expire on the 31st day of December next following the date on which it was issued or renewed.

FILING OF CONTRACTS

SEC. 7. Any contract, including any amendment, change or modification thereof, entered into on or after the sixtieth day following the date of enactment of this Act by the holder of any license issued by the Commissioner, which relates directly or indirectly to any professional boxing contest, shall be made in writing and shall be filed with the Commissioner within five days after it has been entered into.

SUSPENSION OR REVOCATION OF LICENSES

SEC. 8. (a) The Commissioner may, without hearing, suspend for any period not exceeding thirty days any license issued under this Act whenever he determines such action to be in the public interest or in the interest of the lawful conduct of activities in professional boxing.

(b) The Commissioner may suspend for any period exceeding thirty days or revoke any license issued under this Act whenever he determines after hearing that the holder of that license—

(1) is a questionable individual;

(2) is a questionable corporation;

(3) has been disciplined by any agency or authority of any State or political subdivision thereof exercising regulatory power or control over professional boxing;

(4) has violated any provisions of this Act or any rule or regulation promulgated pursuant thereto;

(5) has willfully falsified a material fact or fraudulently concealed a material fact in any application, report, statement, or other paper filed under this act, or has induced, aided, or abetted any other individual or corporation to do so;

(6) has willfully refused to permit the Commissioner, or any authorized officer or employee of the Office of the Commissioner, to examine any books, papers, or records relating directly or indirectly to any professional boxing contest, or has induced, aided, or abetted any other individual or corporation to do so; or

(7) has willfully neglected or refused to make a report or statement, or file a contract as required under this act, or has induced, aided, or abetted any other person or corporation to do so.

(c) Hearings under subsection (b) shall be conducted in accordance with the applicable provisions of the Administrative Procedure Act.

BOXERS, MANAGERS, PROMOTERS AND MATCHMAKERS TO SUBMIT FINANCIAL REPORTS CONCERNING CONTESTS

SEC. 9. Within 7 days after the close of any professional boxing contest, each professional boxer, manager, promoter, or matchmaker licensed under this Act who participated in, rendered any service with respect to, or received or is entitled to receive any share of the purse or promotion proceeds of that contest shall file with the Commissioner, in writing, a full and complete financial report with respect to such contest prepared in such manner and form, and containing such information, as the Commissioner shall prescribe by regulation. Each such report shall include a detailed account of the distribution to any individual or corporation of any part of the purse and of the promotion proceeds resulting from such contest, including the share thereof which each professional boxer who participated in such contest, and each manager, promoter, or matchmaker who ren-

dered any service in or in connection with such contest, filing such report received or is entitled to receive.

INSPECTION OF BOOKS, PAPERS, AND RECORDS

SEC. 10. (a) Each licensee under this Act shall keep and maintain such accurate and comprehensive records of all transactions relating directly or indirectly to professional boxing contests as the Office of the Commissioner may by regulation require.

(b) All books, papers, and records of any such licensee, which relate directly or indirectly to professional boxing contests, shall be made available by such licensee for examination or inspection, at any reasonable time, to the Commissioner, or to any officer or employee of the Office of the Commissioner authorized in writing by the Commissioner to examine or inspect such books, papers, and records.

BOXING ADVISORY BOARD

SEC. 11. (a) A Boxing Advisory Board is hereby established to advise and assist the Commissioner in the performance of his duties under this Act. The Board shall consist of five members appointed, by the Commissioner with the approval of the Attorney General, to serve during the existence of the Board. Members of the Board shall be selected in such manner as to provide for the greatest practicable geographical representation on the Board.

(b) Members of the Board shall serve without compensation, but shall be reimbursed for travel, subsistence, and other expenses actually and necessarily incurred by them in the performance of duties vested in the Board.

(c) Service of an individual as a member of the Board shall not be considered as service or employment bringing such individual within the provisions of sections 281, 283, 284, 434, or 1914 of title 18 of the United States Code, or section 190 of the Revised Statutes (5 U.S.C. 99).

(d) The Board shall elect a Chairman from among its members. The Board shall meet at the call of the Chairman, or at the call of a majority of the members thereof.

(e) It shall be the duty of the Board—

(1) to advise the Commissioner from time to time concerning any or all matters relating to professional boxing;

(2) to make recommendations to the Commissioner for the improvement of professional boxing in the public interest, and for the welfare of all individuals participating therein; and

(3) to issue information relating to professional boxing in the form of publications or otherwise, for the use of agencies, commissions, or associations engaged in the regulation or supervision of professional boxing.

JUDICIAL REVIEW

SEC. 12. Any individual or corporation aggrieved by any order of the Commissioner in refusing to issue or renew a license under section 6 of this Act, or any order of the Commissioner suspending or revoking a license under section 8(b) of this Act may obtain a review of any such order by filing in the court of appeals of the United States for any judicial circuit wherein such individual resides or has his principal place of business or such corporation has its principal office, or in the United States Court of Appeals for the District of Columbia, and serving upon the Commissioner, within sixty days after the entry of such order, a written petition praying that the order of the Commissioner be modified or set aside in whole or in part. Upon receipt of any such petition, the Commissioner shall file in such court a full, true, and correct copy of the transcript of the proceedings upon which the order complained of was entered. Upon the filing of such petition and receipt of such transcript, such court shall have jurisdiction to affirm, set aside, modify, or enforce such order, in whole or in part. In any such review, the findings of fact of the Commissioner shall not be set aside if supported by substantial evidence. The order of the court affirming, modifying, or setting aside, or enforcing, in whole or in part, any such order of the Commissioner shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28 of the United States Code.

CRIMINAL PENALTIES

SEC. 13. (a) Whoever participates, directly or indirectly, as a promoter, manager, or matchmaker in any professional boxing contest without first procuring a license under this Act to act in such capacity shall be fined not more than $5,000, or imprisoned not more than five years, or both.

(b) Whoever participates as a professional boxer in any professional boxing contest without first procuring a license under this Act to act in such capacity shall be fined not more than $1,000, or imprisoned not more than one year, or both.

(c) Whoever shall wilfully falsify a material fact, or fraudulently conceal a material fact in any application, report, statement, or other paper filed under any requirement of this Act shall be fined not more than $5,000, or imprisoned not more than five years, or both.

(d) Whoever, in violation of any provision of this Act, shall willfully neglect or fail to make any report or statement or file any contract with the Commissioner shall be fined not more than $5,000, or imprisoned not more than five years, or both.

STATES NOT PROHIBITED FROM ACTING

SEC. 14. Nothing contained in this Act shall be construed to prohibit any board, commission, or other agency, created by or pursuant to the law of any State, Commonwealth, or possession of the United States, from exercising any of its powers, duties, or functions with respect to the regulation or supervision of professional boxing or professional boxing contests.

TERMINATION OF ACT

SEC. 15. (a) Except as otherwise provided in subsection (b) of this section, this Act shall terminate upon the expiration of five years from the date of its enactment.

(b) The termination of this Act shall not be construed to affect any warrant of arrest, prosecution, suit, action, proceeding, or liability, civil or criminal, brought or existing on the day immediately preceding the date of such termination. Any such warrant, prosecution, suit, action, proceeding, or liability shall be heard and determined in accordance with the provisions of this Act in the same manner and to the same extent as if it had not terminated.

AMENDMENT AND STRENGTHENING OF FEDERAL WATER POLLUTION CONTROL ACT

Mr. LONG of Louisiana. Mr. President, I introduce for appropriate reference a bill to amend the Federal Water Pollution Control Act in order to provide for flow regulations for water pollution and quality control.

More than 3 years ago it became apparent to me that the pollution factor in the Red and Arkansas Rivers was something of great concern to the people who live in the vast areas surrounding those watersheds and who depend largely for their existence and well-being on those streams.

As a result of this concern, I joined with others in urging that the Congress appropriate sufficient funds to permit the Public Health Service to undertake the necessary water quality surveys as a means of determining the source of salinity and other pollution in the Red and Arkansas Rivers and to permit this agency to work closely with the Corps of Engineers, which has as its regular business the job of undertaking flood control and navigation projects for the Nation.

The Congress, realizing the importance of this work, appropriated the needed funds and the survey is now rapidly nearing completion. It is my feeling that the good work we have done in this respect should now be followed up by providing for a low-flow survey that will permit the Surgeon General to acquire the needed information and compute present and future requirements for water releases from our federally constructed reservoirs and to use this information to maintain water quality and control pollution of the navigable waters of the Nation. This work of collecting these data and making the information known to other interested agencies will involve close coordination with other agencies of the Government and the amendment I propose is necessary in order to strengthen the existing regulations for water pollution as provided for in the Federal Water Pollution Control Act.

This amendment will make it possible for the Congress and the agencies who execute the will of the Congress to have available to them at the appropriate time the information they need to see to it that future reservoirs are constructed not only to furnish relief against impending floodwaters, but also to give due consideration to the collection and proper distribution of much-needed water of good quality.

It is my feeling that the amendment which I propose will meet with the approval of the Department of Health, Education, and Welfare and others who have a strong interest in our future plans for water economy.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 1475) to amend and strengthen the Federal Water Pollution Control Act to provide for flow regulations for water pollution and quality control and other purposes, introduced by Mr. LONG of Louisiana, was received, read twice by its title, and referred to the Committee on Public Works.

RESTATEMENT OF TERMS OF GRANT COVERING THE ROCKEFELLER WILDLIFE REFUGE AND GAME PRESERVE

Mr. LONG of Louisiana. Mr. President, on behalf of myself, and my colleague, the senior Senator from Louisiana [Mr. ELLENDER], I introduce for appropriate reference, a bill to restate the terms of the grant covering the Rockefeller Wildlife Refuge and Game Preserve to permit it to comply with current Louisiana law.

On September 30, 1920, the Rockefeller Foundation donated approximately 85,000 acres of land in Cameron

and Vermilion Parishes to the State of Louisiana.

The act of donation of these lands, to be known as the Rockefeller Wildlife Refuge and Game Preserve, contained among its stipulated conditions one that provided, in the event oils or minerals were discovered upon or under the donated lands, that the revenues from such oils and minerals mined and developed should be used, first, for the purpose of paying the maintenance expenses of the refuge and game preserve. Any surplus in revenues coming from such mining development should be used by the State of Louisiana for the development and improvement of that State's public schools or public health work.

Oil and gas leases have been granted on this land and now produce royalties. Meanwhile, article IV, section 2 of the constitution of the State of Louisiana of 1942, provided for the setting aside of 10 percent of the royalties received by the State from mineral leases on State-owned lands for the construction of roads, highways, bridges, et cetera, in the parish producing the minerals. Under this provision of the State constitution, 10 percent of the royalties from the Rockefeller Wildlife Refuge should be given to the parishes of Cameron and Vermilion for construction of roads, et cetera, except for the condition in the original donation by the Rockefeller Foundation, which required any revenues other than those used for maintenance of the refuge and game preserve to be used for public schools and public health.

The bill I introduce today would authorize the State treasurer of Louisiana, who is presently unwilling to do so without the approval of the United States, to use and apply 10 percent of the Rockefeller Wildlife Refuge royalties for construction of roads and such in Cameron and Vermilion Parishes, as provided in the constitution of the State of Louisiana, and would waive any right of the United States to claim violation of the deed of donation because of such use and application of revenues.

The Rockefeller Foundation on April 6, 1944, transferred to the United States all of its rights and interest in these lands. As to the proposal to use the revenues from these lands for purposes other than originally set down in the deed of donation, the Rockefeller Foundation, in a letter of May 31, 1960, to the office of the district attorney for the parish of Cameron, stated that it would not raise on its own initiative any question about the proposed use before any court or legislative body.

Therefore, if the United States enacted this bill, waiving its rights to claim violation of the original deed of donation, then the State of Louisiana will be able to set aside 10 percent of the royalties from mineral production on Rockefeller Wildlife Refuge and Game Preserve, to be used by the parishes of Cameron and Vermilion for their own road, highway, bridge, and so forth, construction.

There can be no doubt about it, if the grant had been made subsequent to the passage of the constitutional amendment that made 10 percent of the royalties go to a road fund, the grant would have been worded to include this. The bill I have introduced merely removes the technicality that prevents the State treasurer from complying with the State constitution with respect to fund raising from this land.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 1476) to restate terms of the grant covering the Rockefeller Wildlife Refuge and Game Preserve to permit it to comply with current Louisiana law, introduced by Mr. LONG of Louisiana (for himself and Mr. ELLENDER), was received, read twice by its title, and referred to the Commiittee on Interstate and Foreign Commerce.

HOUSING ACT OF 1961

Mr. SPARKMAN. Mr. President, I introduce, by request, a bill entitled "Housing Act of 1961." As you know, on March 9, the President sent his housing message to the Congress. The bill I now introduce would implement, for the most part, the President's housing program as set forth in that message.

In general, I was impressed with the President's message because it proposed a program of action, not only in the field of housing, but also in the equally challenging field of community development. His message proposed programs which would redeem the pledge, made by the Congress in the Housing Act of 1949, of a decent home and suitable living environment for every American family.

According to the President's message, his policy for housing and community development is to be directed toward the following three basic national objectives:

First. The renewal of our cities and the assurance of sound growth in rapidly expanding metropolitan areas.

Second. The provision of decent housing for all our people.

Third. The encouragement of a prosperous and efficient construction industry as an essential component of general economic prosperity and growth.

These are not new objectives, but I was pleased to hear the President speak in support of them.

Indeed, it is refreshing to all of us, who over the years have led the fight for a better housed America, to know that we have a strong ally in the Executive.

The bill I am now introducing would implement the President's housing message and would put a new housing program in motion.

Of course, I have not had time, since the draft bill reached me, to study all of its technical aspects; and certainly, like many others, I wish to consider very carefully all of the provisions. Arrangements have been made for hearings to start next week—on April 4—on this bill. It is my hope that the Senate will have concluded its consideration of, and will have acted upon, a 1961 omnibus housing bill by the first of May. Such a schedule will naturally be a difficult one, for, besides the President's proposals, 17 other housing bills are now pending before the subcommittee, and they set forth new ideas and propose ways of amending existing law in order better to serve the housing needs of the people. Certainly we shall seek to give very careful consideration also to these pending measures.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 1478) to assist in the provision of housing for moderate and low income families, to promote orderly urban development, to extend and amend laws relating to housing, urban renewal, and community facilities, and for other purposes, introduced by Mr. SPARKMAN (by request), was received, read twice by its title, and referred to the Committee on Banking and Currency.

Mr. SPARKMAN. Mr. President, I ask unanimous consent to have printed at the end of my remarks a brief summary of the bill which I am now introducing.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. SPARKMAN. Mr. President, I wish to give notice that at 10 a.m., on Tuesday, April 4, the Subcommittee on Housing of the Banking and Currency Committee will begin hearings on this bill and other bills pending before the subcommittee—that includes both the bills I have listed as well as other bills which may be introduced between now and then—in room 5302, New Senate Office Building.

All persons who desire to appear and testify at the hearings are requested to notify, as soon as possible, Mr. Carl A. S. Coan, staff director, Subcommittee on Housing, Senate Banking and Currency Committee, Capitol 4-3121, extension 6640.

Mr. President, I ask unanimous consent to have printed in the RECORD a list of the bills, their principal sponsors, and a short description of each bill now pending before the Subcommittee on Housing.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

EXHIBIT 1

BRIEF SUMMARY OF ADMINISTRATION HOUSING BILL OF 1961

I. HOUSING FOR MODERATE INCOME FAMILIES

(a) Broadened FHA section 221 program: 40-year, no-downpayment mortgages for housing for low and moderate income and displaced families. Program for displaced families continues on permanent basis. Program for others would expire July 1, 1963. Insurance claims could be paid in cash. Program covers sales and rental housing. Mortgage ceiling $9,000 for single-family home, but up to $15,000 in high cost areas.

(b) Low-interest FHA-insured loans on rental and cooperative housing: Housing for low and moderate income and displaced families. Nonprofit organizations, cooperatives, local public agencies, and limited-dividend corporations eligible borrowers. Low-interest rates discretionary. Authority to waive insurance premium. Insurance claims could be paid in cash. FNMA special assistance for all loans.

II. HOME IMPROVEMENT AND REHABILITATION

(a) FHA insurance of a loan, up to $10,000 maximum (in addition to any mortgage on the property), for home improvement and rehabilitation. Maturities up to 25 years, interest rate up to 6 percent. Insurance

claims could be paid in cash. FNMA special assistance authorized if housing is in urban renewal areas.

III. EXPERIMENTAL HOUSING AND APARTMENT UNIT MORTGAGE INSURANCE

(a) New program of FHA-insured mortgages for testing housing using new techniques in building, design, materials, or construction, which otherwise may not qualify under normal mortgage insurance criteria. Insurance claims could be paid in cash.

(b) FHA authorized to insure mortgages on individual units in apartments (condominiums).

IV. NATIONAL HOUSING ACT AUTHORIZATIONS

(a) FHA authority: General mortgage insurance authority extended 4 years, and title I loan insurance authority extended 2 years.

(b) FNMA authority: Authority for special assistance functions increased by $750 million.

V. HOUSING FOR ELDERLY AND LOW INCOME

1. Housing for the elderly

(a) Direct loans: Authorization for appropriations increased by $50 million. Public bodies made eligible for loans in addition to private nonprofit sponsors under present law. Separate $5 million sublimitation on "related facilities" removed.

2. Public housing

(a) Additional payment for elderly: Up to $120 per year additional Federal payment for units occupied by elderly families where needed to prevent project default.

(b) Increased cost limits on units for elderly: Per room limit increased by $500 because of higher per room cost of small units.

(c) Dwelling unit authorization: Authority for approximately 100,000 additional units (up to the limit originally authorized in the Housing Act of 1949).

(d) Occupancy: Local responsibility for establishment of preferences for occupants. Authorization under special circumstances for an overincome family to remain, at an unsubsidized rent, until suitable housing is available.

(e) Demonstration programs: PHA authorized to make grants to local bodies to develop and demonstrate new or improved means for providing housing for low income families; $10 million limit on appropriations.

VI. URBAN RENEWAL AND PLANNING

(a) Urban renewal grant authorization: Increased by $2.5 billion.

(b) Federal relocation payments: Increased amounts to displaced businesses if increase over present amount is shared by locality as part of project cost.

(c) Urban renewal property for low and moderate income rental housing: Urban renewal property could be sold to a limited-dividend or nonprofit corporation, cooperative, or public body at fair value for its use in providing new or rehabilitated rental or cooperative housing for occupancy by families of low or moderate income.

(d) Rehabilitation demonstrations: Local public agency could demonstrate rehabilitation techniques by acquiring properties in urban renewal area, improving them as part of project cost, and reselling them to private owners.

(e) Nonresidential exception: Increased from 20 percent to 30 percent.

(f) Urban planning grants: Federal share increased from one-half to two-thirds, and authorization for appropriation increased by $80 million.

VII. COMMUNITY FACILITIES

Authorization for public facility loans would be increased by $50 million.

State limitation on advances for public works planning increased from 10 percent to 12½ percent. Areawide projects, the construction of which might require a number of years, made eligible for these advances.

VIII. FARM HOUSING

The farm housing provisions of the Housing Act of 1949 which are administered by the Farmers Home Administration of the Department of Agriculture would be extended for 5 years and a requirement for mortgage security would be relaxed.

IX. MISCELLANEOUS

Miscellaneous changes made in various existing laws for clarification or to eliminate administrative difficulties.

EXHIBIT 2

LIST OF BILLS BY PRINCIPAL SPONSOR AND DESCRIPTION PENDING BEFORE THE SENATE SUBCOMMITTEE ON HOUSING

S. 517, Senator JAVITS; a bill to reduce FHA mortgage insurance premium and to increase the State limitation and relocation payments under the urban renewal program.

S. 518, Senator JAVITS; a bill to increase the State limitation for Federal loans under the college housing program.

S. 582, Senator SMATHERS; a bill to establish an International Home Loan Bank for the purpose of fostering savings and loan institutions in underdeveloped countries; and to permit Federal savings and loan associations to invest a portion of their funds in the International Home Loan Bank and in savings institutions located outside the United States.

S. 605, Senator BUSH; a bill to increase the urban renewal grant authority through appropriations acts up to $3.1 billion over 6 years; to increase relocation payments; to enable local public agencies to undertake demonstration pilot projects for rehabilitation; to develop a system of priorities for grants to States which assist communities; to remove the predominantly residential requirement, and to make other changes in the basic urban renewal legislation.

S. 608, Senator CASE of New Jersey; a bill to permit the use of urban renewal funds to defray part of the additional construction cost required by a change in design of a Federal-aid highway passing through an urban renewal area.

S. 726, Senator KEFAUVER; a bill to expand the public facility loan program of the Community Facilities Administration of the Housing and Home Finance Agency.

S. 766, Senator JAVITS; a bill to create a Federal Limited Profit Mortgage Corporation to assist in the provision of housing for moderate-income families and for elderly persons.

S. 846, Senator ERVIN; a bill to permit Federal savings and loan associations to invest in or lend to business development credit corporations up to a maximum of one-half of 1 percent of outstanding loans or $250,000, whichever is the lesser.

S. 858, Senator WILLIAMS of New Jersey; a bill to authorize the HHFA to assist States and their political subdivisions in preserving open-space land in and around urban areas.

S. 1127, Senator WILLIAMS of New Jersey; a bill to amend title V of the Housing Act of 1949 to authorize the Secretary of Agriculture to insure loans and to make direct Federal loans for the provision of housing for domestic farm labor.

S. 1226, Senator BUSH; a bill to increase the college housing loan authorization through appropriations acts up to $250 million a year for each of the next 8 years, and to increase the State limitation.

S. 1245, Senator SPARKMAN; a bill to increase the college housing loan authorization by $100 million, plus $250 million a year for each of the next 5 years, and to increase the State limitation.

S. 1249, Senator HOLLAND; a bill to amend title V of the Housing Act of 1949 to authorize the Secretary of Agriculture to insure loans and to make direct Federal loans for the provision of housing for domestic farm labor.

S. 1324, Senator KEFAUVER; a bill to authorize the donation of a certain tract of land in connection with an urban renewal project undertaken in the city of Knoxville, Tenn., under title I of the Housing Act of 1949.

S. 1452, Senator SPARKMAN; a bill to provide specific authority to Federal savings and loan associations to make loans up to 5 percent of assets for the financing of accommodations for occupancy by the aging.

S. 1453, Senator SPARKMAN; a bill to provide specific authority to Federal savings and loan associations to make loans up to 5 percent of assets for the purchase of certificates of beneficial interest issued by urban renewal trusts.

S. 1454, Senator SPARKMAN; a bill to provide specific authority to Federal savings and loan associations to make nonamortized loans up to 5 percent of assets to facilitate trade-in housing.

EXTENSION OF VETERANS' ADMINISTRATION DIRECT HOME LOAN PROGRAM

Mr. SPARKMAN. Mr. President, I introduce, on behalf of myself and the senior Senator from Texas [Mr. YARBOROUGH] a bill which would extend the VA direct home loan program to July 25, 1967, and which would gradually phase this program out.

I am joining with my good friend from Texas, Senator YARBOROUGH, in introducing another bill which will likewise extend the VA-guaranteed loan program for the same period, and likewise will gradually phase that program out.

The VA direct home loan program was established in 1950 by Public Law 475, 71st Congress, after the Congress became aware that many veterans desiring to purchase or build homes in remote or outlying areas could not obtain guaranteed loans or, for that matter, any mortgage financing on reasonable terms with which to purchase or build sorely needed homes for themselves. Originally the program was scheduled to expire in approximately 1 year after enactment, but the Congress from time to time has extended the program so that the present termination date would be July 25, 1962, for World War II veterans, and January 31, 1965, for veterans of the Korean conflict.

Ever since the direct loan program was authorized in 1950 there has always been a waiting list of veterans needing a direct loan. The reason for the waiting list is due to the limited funds authorized for the program and the large number of veterans living in the rural areas where private financing is not available.

For example, on April 1, 1958, there were 13,084 veterans on the waiting list. When the funds were received under Public Law 85–364 the Veterans' Administration made the funds available to those on the list and started a new list for future loans.

The waiting list increased month by month to a point where on October 1, 1959, there were 59,000 veterans on the waiting list for a direct loan.

During the months of October and November 1959, the Veterans' Administration regional offices sent out letters

to the veterans on the waiting list, instructing them that, if they did not complete the forms enclosed and make application to the voluntary home mortgage credit program for a loan and notify the Veterans' Administration within 30 days after they had made the application to the VHMCP, their names would be removed from the Veterans' Administration direct loan waiting list. This procedure did not get loans for the veterans through the voluntary home mortgage credit program because this program has failed to provide new or additional funds for veteran home buyers. Many veterans, realizing that the voluntary home mortgage credit program had not helped get loans in the past, did not file the application as instructed by the Veterans' Administration; they were therefore taken off the direct loan waiting list. Many of the veterans removed by this procedure still want and need a direct loan.

This procedure was followed throughout the country by all regional offices and 23,238 veterans were removed from the direct loan waiting list during the 2-month period.

Even with this procedure to reduce the waiting list, the Veterans' Administration had 33,762 veterans still on the waiting list on December 1, 1959.

Many thousands of our veterans living in the rural areas, small towns, and cities need a direct loan today, as there are no private loans available. Even though many thousands are in this condition, only 29,454 have bothered to get their name on the waiting list as of March 1, 1961. Many of the 29,454 on the waiting list know they will more than likely not get a loan, for there is not enough money to go around. If there were ample funds available for the direct loan program there is no doubt the number of veterans applying would be many, many times the number on the list today.

Mr. President, I ask unanimous consent to insert at the end of my remarks a chart showing the number of veterans on the waiting list for direct loans as of March 1, 1961.

(See exhibit 1.)

Mr. SPARKMAN. Mr. President, a careful review of the Veterans' Administration guaranteed and direct loan programs as of January 1, 1961, shows that 5,751,596 home loans have been guaranteed or made under the 2 programs. These approximately 6 million loans amounted to $50.6 billion, with an exposure or liability of approximately $30 billion. Yet the programs have made money for the taxpayers and U.S. Treasury. After repayment to the U.S. Treasury for moneys used, plus interest and deducting all losses, the Veterans' Administration guaranteed and direct loan programs have a surplus, as of January 1, 1961, in excess of $59 million.

This surplus has been created on loans that have a reasonable and realistic interest rate varying from 4 percent to 5¼ percent. Losses and interest paid the U.S. Treasury have been deducted to arrive at the profit figure of over $59 million. The interest payments to the Treasury are in excess of $120 million, as of January 1, 1961.

Each time the expiration date of the direct home loan program has come near, there has always been a surge of applications for such loans, and each time the Congress has not wanted to shut off worthy veterans who wish to use the program to obtain housing for themselves and their families.

We have now moved some 20 years away from the start of World War II, and one might say that we are moving into the generation of the children of World War II veterans. It, therefore, seems logical to phase out this program gradually. By doing so, we now give notice that the program will come to an end, and all those who wish to take advantage of the program may make their plans to do so.

My bill would extend the entitlement of World War II veterans for direct loans on a formula basis. Under the formula, a World War II veteran would have 10 years from the last period of active duty during World War II, plus a period equal to 1 year for each 4 months of active duty, in which to exercise his right under the direct loan program.

The same formula would apply to veterans of the Korean conflict.

In order that sufficient funds would be available for loans under the program, the bill would provide for a loan authorization of $1.1 billion, of which $100 million would become available upon enactment in order to help care for the existing backlog of direct loan applications. The remainder of the authorization would become available in this manner: $400 million after June 30, 1961; $200 million after June 30, 1962; $150 million after June 30, 1963; $150 million after June 30, 1964; $100 million after June 30, 1965; and $100 million after June 30, 1966.

Mr. President, I believe that the extension of the entitlement for World War II veterans to obtain a direct loan is sensible, and I believe the moneys authorized over the next few years to phase out the program is the best and most comprehensive way to accomplish the aims desired.

EXHIBIT 1

Veterans on waiting list for a direct loan as of March 1, 1961

REGIONAL OFFICE	
Total	29,454
Alabama: Montgomery	652
Alaska: Juneau	15
Arizona: Phoenix	180
Arkansas: Little Rock	388
California:	
Los Angeles	117
San Francisco	142
Colorado: Denver	658
Connecticut: Hartford	(1)
Delaware: Wilmington	22
Florida: Pass-A-Grille	720
Georgia: Atlanta	1,021
Hawaii: Honolulu	(1)
Idaho: Boise	820
Illinois: Chicago	850
Indiana: Indianapolis	925
Iowa: Des Moines	337
Kansas: Wichita	180
Kentucky: Louisville	1,076
Louisiana:	
New Orleans	170
Shreveport	66
Maine: Togus	549
Maryland: Baltimore	30
Massachusetts: Boston	(1)
Michigan: Detroit	1,084
Minnesota: St. Paul	1,060
Mississippi: Jackson	983
Missouri:	
Kansas City	915
St. Louis	975
Montana: Fort Harrison	947
Nebraska: Lincoln	281
Nevada: Reno	202
New Hampshire: Manchester	(1)
New Jersey: Newark	(1)
New Mexico: Albuquerque	189
New York:	
Albany	10
Buffalo	31
New York	(1)
Syracuse	2
North Carolina: Winston-Salem	1,925
North Dakota: Fargo	555
Ohio:	
Cincinnati	1,177
Cleveland	1,562
Oklahoma: Muskogee	1,063
Oregon: Portland	319
Pennsylvania:	
Philadelphia	(1)
Pittsburgh	85
Wilkes-Barre	9
Puerto Rico: San Juan	803
Rhode Island: Providence	(1)
South Carolina: Columbia	768
South Dakota: Sioux Falls	446
Tennessee: Nashville	623
Texas:	
Dallas	51
Houston	55
Lubbock	71
San Antonio	46
Waco	43
Utah: Salt Lake City	1,159
Vermont: White River Junction	-----
Virginia: Roanoke	1,375
Washington: Seattle	1,057
West Virginia: Huntington	289
Wisconsin: Milwaukee	128
Wyoming: Cheyenne	248
VETERANS BENEFITS OFFICE	
Washington, D.C.	(1)

[1] Not a direct loan area.

Source: Veterans' Administration.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 1481) to extend and to provide additional funds for the veterans' direct home loan program, introduced by Mr. SPARKMAN (for himself and Mr. YARBOROUGH), was received, read twice by its title, and referred to the Committee on Banking and Currency.

EXTENSION OF WORLD WAR II AND KOREAN WAR HOME LOAN GUARANTEE PROGRAM

Mr. YARBOROUGH. Mr. President, for myself and on behalf of the distinguished Senator from Alabama [Mr. SPARKMAN], I introduce for appropriate reference a bill to extend the World War II and Korean war home-loan guarantee program.

The Senator from Alabama, who cosponsored the bill with me, has exercised great leadership in the Senate and in Congress not only on behalf of housing, but on behalf of veterans' rights. In fact, he was a Member of the House when the first GI bill of World War II

was enacted, and which made a notable contribution to veterans' legislation.

The proposed additional time during which veterans of World War II and the Korean war would be eligible to obtain a guaranteed loan under the bill would be determined as follows:

World War II veterans would have 10 years from date of discharge, plus an additional year for each 3 months of active duty, but in no case is a loan to be provided after July 25, 1967, and in no event will eligibility expire prior to July 25, 1962. Veterans with service-connected disabilities would be eligible without regard to length of service until July 25, 1967.

Korean conflict veterans would have 10 years from date of discharge plus an additional year for each 3 months of active duty; but in no case is a loan to be provided after January 31, 1975; and in no event will eligibility expire prior to February 1, 1965. Veterans with Korean conflict service-connected disabilities would be eligible, without regard to length of service, until January 31, 1975.

Another bill has been introduced today by the Senator from Alabama [Mr. SPARKMAN], for himself and me, for the purpose of making a similar extension of the veterans direct home-loan program. Although the guarantee extension will be before the Subcommittee on Veterans' Affairs of the Committee on Labor and Public Welfare, while the direct loan extension will be studied by Senator SPARKMAN'S Subcommittee on Housing of the Committee on Banking and Currency, I am hopeful that action of the two subcommittees can occur simultaneously, so that these bills can come before the Senate for consideration at the same time.

Mr. President, it is common knowledge in the Senate and in the country that even though the World War II home loan guarantee program has run for 15 years, many of the 9 million veterans eligible under this program have been prevented from utilizing their guarantee rights by the high interest rate situation that has existed during a major part of this period. Because of the high interest rates, GI mortgage moneys have been unavailable for extended periods of time. Since we now have real hope and promise of lower, more reasonable interest rates in the money market, it would be most wise on the part of the Congress to extend the home loan program, thereby giving many World War II veterans an opportunity to utilize this home purchase aid.

Aside from the interest rate situations, there are hundreds of thousands of other veterans who have met their financing needs through conventional or FHA loans, but who could now benefit from GI financing to acquire larger and better homes as their families increase in size or as their income levels improve.

There are, of course, other factors to which the Congress should look in evaluating the merit of extending this program.

As Senators know, we have weak spots in the economy in many areas. Housing starts for the Nation were down sharply in 1960. When the housing market is active, many segments of the economy are stimulated—lumber, masonry, steel, plumbing, electrical appliances, furniture, and a host of other related products and industries. Jobs and business expansion opportunities follow suit.

There is every reason to believe that economic stimulation will result from this extension. We recall that the economy was benefited by the extension of this program in April 1958, at a time—in a recessionary period—when the economy needed assistance toward recovery.

Mr. President, all of us know of the outstanding performance of our veterans in meeting their obligations to repay home loans. Only about 1 percent of the 5½ million home loans have resulted in claims. That is a percentage of less than one-tenth of 1 percent.

The claims paid have amounted to only 8 cents on every $100 of the original principal amount of the loans guaranteed. The loss that the Government has sustained has been infinitesimal. About 1½ million of these loans have been fully repaid.

After weighing these factors, one against the other, one is compelled to conclude that this valuable program must be extended. By extending this worthwhile benefit, our veterans will continue to receive, at an insignificant cost to the taxpayer and at great benefit to our national economy, recognition for their unstinting service.

By the same token, we furnish an important support to the homebuilding industry, thus adding to the vitality and the strength of this program.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 1483) to extend the veterans' guaranteed home loan program, introduced by Mr. YARBOROUGH (for himself and Mr. SPARKMAN), was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

INDIGENT DEFENDANTS IN CRIMINAL CASES—ADDITIONAL COSPONSOR OF BILL

Mr. KEFAUVER. Mr. President, I ask unanimous consent that the name of the senior Senator from North Carolina [Mr. ERVIN] be added as a cosponsor of S. 655 which I introduced on January 30 of this year in behalf of the senior Senator from New York [Mr. JAVITS] and myself. S. 655 was referred to the Committee on the Judiciary of which I am a member.

This bill provides for the representation of indigent defendants in criminal cases in the district courts of the United States. It was introduced at the request of the Department of Justice and was passed in the Senate during the 86th Congress.

Indigent people often lack the funds to hire professional services for pleading their cases and the burden falls on the small number of criminal attorneys volunteering their legal services. S. 655 would establish a regular Office of Public Defender to be compensated by the district courts whose duty it would be to undertake the defense of indigent defendants.

I welcome Senator ERVIN as a cosponsor of this important legislation and express the hope that the bill can be enacted without further delay.

The PRESIDING OFFICER. Without objection, it is so ordered.

PRINTING OF MINORITY VIEWS ON SENATE REPORT NO. 128

Mr. McNAMARA. Mr. President, yesterday, in filing the report of the Senate Subcommittee on Problems of the Aged and Aging, as approved by the Committee on Labor and Public Welfare, I inadvertently omitted to request unanimous consent for formal inclusion of the minority views.

Therefore, I now ask unanimous consent that the minority views of Senator DIRKSEN, a distinguished member of the Subcommittee on Problems of the Aged and Aging, be included as part of the report of the subcommittee.

The PRESIDING OFFICER. Without objection, it is so ordered.

APPOINTMENT BY THE VICE PRESIDENT—SENATE OFFICE BUILDING COMMISSION

The PRESIDING OFFICER. On behalf of the Vice President, the Chair appoints Senator THRUSTON MORTON, of Kentucky, to be a member of the Senate Office Building Commission, to fill the vacancy created by the resignation of Senator JOHN SHERMAN COOPER, of Kentucky.

NOTICE OF HEARING ON NOMINATION OF DAVID LOWELL LADD TO BE COMMISSIONER OF PATENTS

Mr. EASTLAND. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Wednesday, April 5, 1961, at 10:30 a.m., in room 2228, New Senate Office Building, on the nomination of David Lowell Ladd, of Illinois, to be Commissioner of Patents.

At the indicated time and place persons interested in the hearing may make such representations as may be pertinent.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr PASTORE:

Address entitled "Liberalism's Responsibility," delivered by Senator PELL before the National Civil Liberties Clearing House, at Washington, D.C., on March 23, 1961.

INCREASED NONDEFENSE SPENDING PROPOSALS BY PRESIDENT KENNEDY

Mr. MILLER. Mr. President, during the past few days, the general taxpaying public has been subjected to an unprecedented amount of conflicting and confusing information about the budget. Polls show that most of the voters are

favorably impressed by the President's activities, but interviews reveal that hardly anyone knows what these activities are going to cost. There is strong suspicion that the polls would show entirely different results if the inflationary or tax increase results were known by those being interviewed.

President Kennedy has attempted to shift the blame for a deficit budget on former President Eisenhower, saying his estimate of receipts was too rosy. Republicans are charging that there are unrealistically low estimates in the President's budget, and that actual costs will be far greater than the estimates. Running through these arguments is a failure to distinguish between authorizations for spending and actual appropriation askings, coupled with claims by certain Democratic spokesmen that some programs are "self-financing," although the time for the tax increases needed to sustain them is postponed.

I have attempted to bring some order out of this confusion by preparing a statement of the increased nondefense spending proposals made by President Kennedy. It shows that deficit spending of at least $608 million for the fiscal year 1961 and $2.422 billion for the fiscal year 1962 can be laid at the President's own doorstep, because of his recommendations for increased spending, without taking into account the national defense program increases. Most taxpayers, I am sure, would go along with necessary increases in the national-defense budget, even at the cost of more taxes. However, I seriously doubt that they would approve of more tax increases—or inflation—for the President's increased nondefense spending programs, all at the same time.

When we have another round of inflation and tax increases, or both, I want the people to know that the resultant sacrifice they will have to make will not be made for the sake of national defense. I want them to know precisely that their sacrifice will be made for nondefense spending at a time when we are beginning to pull out of what the chairman of the President's own Council of Economic Advisers has termed "a very mild recession."

I ask unanimous consent that this analysis be printed at this point in the RECORD.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

Increases over Eisenhower spending program for fiscal years 1961 and 1962 by President Kennedy [1]

SUMMARY

[In millions of dollars]

	1961	1962
Department of Agriculture	411	478
Department of Commerce		48
Department of Defense, civil functions	15	17
Department of Health, Education, and Welfare	28	793
Department of the Interior	10	33
Department of Justice		2
Department of Labor	564	431
Department of State		6
Department of the Treasury		25
Atomic Energy Commission		−10
Federal Aviation Agency		10
National Aeronautics and Space Administration		85
National Science Foundation		29
Railroad employees temporary unemployment compensation	24	
Tennessee Valley Authority		2
U.S. Information Agency		8
Veterans' Administration		95
The judiciary		4
Chilean reconstruction	25	50
General Services Administration	20	2
Housing and Home Finance Agency	11	214
Net additional nondefense spending per Kennedy Mar. 24 message	1,108	2,332
Social security increases not supported by current tax revenue		1,000
Total increased nondefense spending	1,108	3,332
Reduction in Eisenhower estimated revenues per President Kennedy's estimate	−500	−900
Net deficit due to nondefense spending under President Kennedy's program	608	2,422

See footnotes at end of table.

Increases over Eisenhower spending program for fiscal years 1961 and 1962 by President Kennedy [1]—Continued

SUMMARY—continued

[In millions of dollars]

	1961	1962
National Science Foundation		29
Railroad employees temporary unemployment compensation	24	
Tennessee Valley Authority		2
U.S. Information Agency		8
Veterans' Administration		95
The judiciary		4
Chilean reconstruction	25	50
General Services Administration	20	2
Housing and Home Finance Agency	11	214
Net additional nondefense spending per Kennedy Mar. 24 message	1,108	2,332
Social security increases not supported by current tax revenue		1,000
Total increased nondefense spending	1,108	3,332
Reduction in Eisenhower estimated revenues per President Kennedy's estimate	−500	−900
Net deficit due to nondefense spending under President Kennedy's program	608	2,422

DETAILED BREAKDOWN

[In millions of dollars]

Department of Agriculture:		
Surplus food distribution (domestic)	118	100
Food stamp pilot program	4	50
Commodity Credit Corporation (price supports: Cotton, peanuts, rice and milk; feed grains; food distribution abroad and other)	225	164
Farm ownership and operating loans	34	
	30	77
Farm housing loans		45
Rural Electrification Administration		15
Forest Service		21
School lunch and special milk programs		19
Other		−13
Total, Department of Agriculture	411	478
Department of Commerce:		
Area redevelopment		40
Scientific research and other programs		8
Total, Department of Commerce		48
Department of Defense, civil functions: Corps of Engineers, construction	15	17
Department of Health, Education, and Welfare:		
Elementary and secondary education		500
Aid to higher education		21
Aid to federally affected schools		−5
Medical education and research		9
Water and air pollution		12
Community health activities		9
Other Public Health Service (mainly NIH)		38
Maternal and child welfare grants		10
OASDI liberalization and medical care (budget effect) [2]		−52
Aid to dependent children of the unemployed	28	215
National defense education, vocational rehabilitation, and other		36
Total, Department of Health, Education, and Welfare	28	793
Department of the Interior:		
Indian welfare and education		14
Park Service (Mission 66 and seashore areas)		11
Other (mainly transmission lines and fisheries research)	10	8
Total, Department of the Interior	10	33
Department of Justice		2
Department of Labor:		
Temporary unemployment compensation	550	440
Advances for employment security administration, and other	14	−9
Total, Department of Labor	564	431

See footnotes at end of table.

Increases over Eisenhower spending program for fiscal years 1961 and 1962 by President Kennedy [1]—Continued

DETAILED BREAKDOWN—continued

[In millions of dollars]

	1961	1962
Department of State (mainly for Africa)		6
Department of the Treasury (mainly Internal Revenue and Coast Guard)		25
Atomic Energy Commission		−10
Federal Aviation Agency		10
National Aeronautics and Space Administration		85
National Science Foundation		29
Railroad employees temporary unemployment compensation	24	
Tennessee Valley Authority		2
U.S. Information Agency		8
Veterans' Administration:		
Veterans disability compensation rate increase		65
Direct housing loans		30
Total, Veterans' Administration		95
The judiciary (judgeship bill)		4
Chilean reconstruction	25	50
General Services Administration	20	2
Housing and Home Finance Agency:		
College housing loans	11	45
Low-cost housing		65
Urban renewal		54
Public facility loans		30
Housing for the elderly		10
Other		10
Total, Housing and Home Finance Agency [3]	11	214
Net additional nondefense spending per Kennedy Mar. 24 message	1,108	2,332
Social security increases not supported by current tax revenue		1,000
Total increased nondefense spending		3,332
Reduction in Eisenhower estimated revenues per President Kennedy's estimate	−500	−900
Net deficit due to nondefense spending under President Kennedy's program	608	2,422

[1] As of Mar. 29, 1961.

[2] Under the table of "Changes in the fiscal 1962 budget" is an item entitled "OASDI liberalization and medical care (budget effect)," showing a gain over the Eisenhower budget of $52,000,000. Note that this item is admittedly only one of budget effect. In point of fact, it covers 2 Kennedy programs, a 5-point social security liberalization which would provide an outlay of over $1,000,000,000 in the first year and the Kennedy program of medical care for the aged under the social security system, the estimated first year cost of which would be an additional $1,000,000,000. In the case of the former, there would be additional spending in the first year of about $1,000,000,000 not offset by taxes, because these would not be collected until the year 1963. Such spending, however, would be from trust fund operations requiring borrowing from the U.S. Treasury and as such, would not appear in the general expenditure budget.

[3] If President Kennedy further accelerates the activities of the Housing and Home Finance Agency, the estimate of $214,000,000 additional expenditures for fiscal 1962 will increase accordingly.

LAOS

Mr. BRIDGES. Mr. President, the situation in Laos is a very difficult one. The Senator from New Hampshire and generally the members of his party here have expressed great determination to back the President in his efforts to bring about a peaceful solution of the Laos problem, and we have urged that our country work closely with the other powers in the so-called SEATO Conference and that any move there be a cooperative move with all countries cooperating in whatever steps are taken.

I have taken increasing note of the fact that there persist rumors that the

Russians, in order to be willing to agree, after a cease-fire, on a free neutral government for Laos, are going to insist that certain members of the ruling cabinet of Laos—if we succeed in bringing about a free neutral government there—be Communists. I believe we have followed a rather tragic pattern in that respect in the past. We have observed the experience in that connection in various European countries, including Czechoslovakia, where there was a coalition government which was supposed to be completely fair. But the Communists succeeded in having Communists appointed as the Minister of Interior and as some of the other very important ministers. They then proceeded to take over the Government. We saw an attempt at a similar situation in China. The intention was to establish a neutralist government there. We have seen similar developments in other countries; these are good illustrations.

In these various situations, eventually—whether in months or in a year or two—the Communists, by boring from within, exercised their power and control, with the result that the other elements of those governments were swallowed up, and eventually the Communists took over those countries.

That is one of the fears I have in connection with the situation in Laos. I believe it concerns the Senate, the House of Representatives, and every American citizen. I very sincerely hope that the U.S. position, as it develops, will be that we will follow carefully that point and will see to it that avowed Communists are not taken into any free neutral government in Laos, if a neutralist administration is formed.

I hope the President and our administration will make that inescapably clear in their dealings in connection with this very difficult situation. I say this as one who backs up the President and our country's position in standing firm in regard to Laos. Knowing that Laos is the key to southeast Asia, I am wholeheartedly for a strong, firm stand. I only wish to caution the country at this time of the possibility of something happening there that has happened in other countries, and to forewarn our country and the American people that such a situation would end in disaster.

Mr. MANSFIELD. Mr. President, I have listened with interest to what the distinguished senior Senator from New Hampshire has just said. I think it may be well to recall for the record that, several years ago, there was a so-called coalition government in Laos, at which time Souvanna Phouma, then Premier but now in exile, took into the Government his half brother, Prince Souvanna Souphanouvong, who was and is the head of the Pathet Lao, a group closely allied with the Communists in North Vietnam, and very possibly allied with the Communists in China.

That particular coalition did not work out too well, with the result that a split occurred in time; but I think it should be stated again for the record, that the Pathet Lao, under Prince Souphanouvong, did not take over the government at that time.

I am certain that the questions raised by the distinguished senior Senator from New Hampshire, the senior Republican in this body, have been given consideration by this administration, as consideration has been given to all other facets of the peculiarly difficult, delicate, and dangerous situation which exists in Laos.

So I think I am on safe ground in assuring the Senator from New Hampshire that what he has had to say, and what others have had to say, and all the facets of this particular problem, are being considered by this administration.

Mr. BRIDGES. Mr. President, I wish to thank the distinguished majority leader for his statement. I am very happy that the administration is alerted on the problem. I raise it only as a matter of precaution and caution. I am glad to have his assurances.

Mr. MANSFIELD. I understand and appreciate what the Senator has said.

DEVELOPING THE PRESTIGE OF THE HEARING EXAMINER

Mr. HART. Mr. President, a most interesting article appears in the February issue of the American Bar Association Journal concerning the role of hearing examiners in the Federal administrative agencies.

The author, a very distinguished member of the bar, Charles S. Rhyne, has written a very interesting article on the subject. It would seem constructive to me that Members of this body should have the benefit of the article, and I ask unanimous consent that it appear in the RECORD as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DEVELOPING THE PRESTIGE OF THE HEARING EXAMINER

(By Charles S. Rhyne)

One of the matters in which the incoming national administration has expressed special interest, in advance of taking office, is effectuating improvement of the process of the Federal administrative agencies.[1]

During the past 6 years, numerous important groups, including the House Legislative Oversight Subcommittee, the Senate Subcommittee on Administrative Practice and Procedure, the President's Conference on Administrative Procedure, and the Hoover Commission, have been engaged in studies of administrative proceedings in the Federal regulatory agencies, the measures needed to eliminate abuses, and the means to make the proceedings more effective.

Out of the many problems covered in these studies, there have developed, as might be expected, differing points of view and proposals and some controversy in particular areas. Singularly, however, there has been unanimous agreement that the hearing examiner, who serves as trial judge and applies agency policy for the regulatory agency, plays a key role in the administrative process.

[1] At a press conference Nov. 10, 1960, the President-elect, Senator John F. Kennedy, announced that he had asked former dean Landis, of the Harvard Law School, for a study and report, in December, on the Federal administrative agencies with a view to maximizing the effective dispatch of their business. New York Times, Nov. 11, 1960; p. 20.

Representative OREN HARRIS, chairman of the House Legislative Oversight Subcommittee, recently stated:

"In the course of these studies and hearings it has become apparent, and practically all witnesses have agreed that the hearing examiner is of central and crucial importance to the success and integrity of agency adjudication. * * * Our studies in fact demonstrated that the role and effectiveness of the hearing examiner cut across and had an impact upon a large proportion of the basic problems affecting the regulatory agencies." [2]

Along similar lines, Judge E. Barrett Prettyman, of the U.S. Court of Appeals for the District of Columbia Circuit, in his excellent and important recent book on "Trial by Agency," noted that the Attorney General's Committee on Administrative Procedure of 1941 had "rightly expressed the view that the heart of formal administrative adjudication is the recognition of the importance of the hearing officer—that is, by the salary paid, the independence encouraged and accorded, and the importance attached to his decisions."

Judge Prettyman further stated:

"The President's Conference made a thorough examination of the hearing officer problem. As so many inquirers have concluded, this is the key to adjudication, just as the competence of the trial judge is the key to judicial performance." [3]

IMPORTANCE OF HEARING EXAMINERS

These conclusions must be obvious to anyone who is familiar with administrative proceedings in the modern Federal regulatory agencies. In those proceedings, which have a vital impact upon major industries, upon individual and property rights and upon our entire economy, the hearing examiners sit as trial judges and expounders of agency policies in cases involving complex and technical issues of fact and law, which are of a magnitude, complexity, and importance equal to that involved in the highest level of proceedings coming before the Federal district courts.

One of the urgent problems, therefore, is how to make these proceedings, which admittedly are protracted, more expeditious and more manageable. The role of the hearing examiner is central, since the important key to the solution of this problem lies in the fairness and intelligence with which the hearing is conducted and the control exerted over the size and quality of the hearing record. Here there is no substitute for the leadership, guidance, and firm control which may be provided by a fair and competent hearing examiner who, in addition, has the capacity to make good use of techniques designed to eliminate unnecessary delays and to shorten proceedings—such as the prehearing conference and proceedings in the nature of discovery.

Another major factor in making the complicated contested cases manageable is the presence of a comprehensive and helpful initial decision based objectively on the record and written by the hearing examiner who presided over the hearing and who has lived with the case from the beginning. The writing of such a decision calls for the talents expected of a good appellate judge. Any lawyer who is familiar with the work of our major regulatory agencies knows that it would be a physical impossibility for the members of the regulatory boards or commissions to make a personal study of the entire voluminous records in the cases which come before them for final decision. But their important and difficult task of making

[2] Statement submitted on June 24, 1960, to the Special Subcommittee of the House Post Office and Civil Service Committee on Supergrades in Federal Government.

[3] "Trial by Agency," pp. 45–46, 49.

decisions which are both intelligent and durable becomes far more manageable if the boards and commissions have the benefit of a clear and comprehensive initial decision by the presiding examiner. This decisional role of the hearing examiner is of particular importance to the private practitioner who has a stake in maintaining and improving the effectiveness of a system in which the final decision issued by the commission is based upon the record, including the briefs of the parties and the initial decision of the presiding examiner. The importance of this point will be readily appreciated by the bar, which fought and won, with the adoption of the Administrative Procedure Act, a long battle to get away from the institutional decision system. Under that system the hearing examiner was frequently bypassed, and the agency determination was prepared by anonymous staff subordinates who were unseen by the litigants and to whom the parties had no opportunity to address their arguments. That system obviously was not calculated to create in the parties a feeling of confidence that they had been accorded a fair hearing.

NEED FOR MORE COMPENSATION

It must be obvious to all who are interested in improving and accelerating the administrative hearing process that effective performance requires hearing examiners of topnotch caliber. The bar has a special interest in urging the establishment of conditions that will enhance the prestige of the hearing examiner and thereby assist the Federal Government to recruit, attract, and retain as hearing examiners lawyers of the highest degree of competence. Prompt legislative authorization for increasing the compensation of hearing examiners to a level commensurate with their role and responsibilities would make a major and long overdue contribution to this end. Representative OREN HARRIS has recently strongly underlined the importance of such a step, in the following statement:

"Because of the central role played by hearing examiners in the administration of the statutes within the jurisdiction of the House Committee on Interstate and Foreign Commerce, that committee has a serious and substantial interest in measures designed to create the conditions which will make it possible to attract and retain the highest possible caliber of men as hearing examiners.

It is our belief that an increase in the compensation provided for hearing examiners in the major regulatory agencies, to a level commensurate with their complex and important duties and responsibilities, will constitute a major step forward toward the objectives outlined above.[4]

Unfortunately, in spite of the good intentions of Congress when it enacted section 11 of the Administrative Procedure Act, the compensation of hearing examiners in the Federal Government has fallen behind that provided for other top agency personnel and a serious imbalance has been created. In recent years supergrade positions at levels of GS–16, GS–17, and GS–18 have been allocated to top legal and technical staff in the regulatory agencies. However, supergrades have never been allocated to hearing examiner positions. Accordingly the maximum hearing examiner grade today is GS–15, with compensation at $18,730 in the beginning step. The imbalance in the compensation level provided for hearing examiners is strikingly illustrated when it is noted that hearing commissioners of the U.S. Court of Claims, whose functions are generally comparable, currently receive a salary of $19,000 per year, by act of Congress.

[4] Statement to Subcommittee on Supergrades in the Federal Government, supra.

Because of this imbalance, the Chairman of the Civil Service Commission addressed a historic letter on February 25, 1960, to the chairmen of the Senate and House Judiciary and Civil Service Committees calling the attention of Congress to the serious problem resulting from the growing inadequacy of compensation for hearing examiners and recommending that the entire matter be reviewed by Congress. The American Bar Association, of course, has been working vigorously toward this end, commencing with the adoption of a resolution by the House of Delegates in 1957 urging the enactment of legislation to compensate hearing examiners at the GS–18 supergrade level, and during the past 3 years a number of different bills have been introduced in Congress proposing compensation for hearing examiners at this level. Unfortunately, none of these bills have yet been brought to hearing.

The most recent development in this area occurred last June, when the Subcommittee on Supergrades of the House Post Office and Civil Service Committee, under the chairmanship of Representative JAMES C. DAVIS, announced the scheduling of hearings for the latter part of that month to consider, among other problems, the matter of supergrades for hearing examiners. Due to the press of other urgent business, the Davis subcommittee was compelled to postpone the scheduled hearings and the adjournment of Congress made it necessary for further consideration of this matter to go over to the next session. However, prior to adjournment, there were filed with the committee a large number of strong statements from important sources, supporting increased compensation for hearing examiners in the major regulatory agencies. These included the statement by Representative HARRIS, already referred to, and statements by the Chairmen of the Federal Trade Commission, the Federal Power Commission, the Civil Aeronautics Board, and the National Labor Relations Board supporting supergrades for their hearing examiners.

Students of the administrative process recognize, of course, that the improvement of the quality of administrative justice cannot be brought about by any one measure. But there can be little doubt that the simple step of increasing the compensation of hearing examiners to a level commensurate with the importance of their functions would make a major contribution in this area, and this proposal is ripe for action now.

Judge E. Barrett Prettyman has stated that "* * * administrative law is important, indeed * * * it is the most important category of law current in our land."[5] Can there be any doubt that the bar has a vital interest in seeking the establishment of conditions that will insure that hearing examiners who conduct these important administrative proceedings will be of the highest possible stature? Further strengthening the status of hearing examiners and enhancing the dignity of their office is but the logical sequence of the reforms initiated by the Administrative Procedure Act. As the Supreme Court has said of that act (in *Universial Camera Corp.* v. *N.L.R.B.*, 340 U.S. 474, 494), "enhancement of the status and function of the trial examiner was one of the important purposes for administrative reform."

By enacting, in 1946, the Administrative Procedure Act, which separated the adjudicatory from the other functions of the Federal administrative boards and commissions and provided for the selection and appointments of impartial hearing examiners, Congress clearly elevated the importance of the role of the hearing examiner. A next logical, culminating step in carrying out one of the policies of the Administrative Procedure Act is to provide the hearing examiners with compensation commensurate with their responsibilities.

[5] "Trial by Agency," p. 11.

THE BLACK MAN'S IRONIC BURDEN

Mr. HART. Mr. President, John Steinbeck's article in the Saturday Review was reprinted recently in the Washington Post. It is a simple and forthright statement of everyday reactions which all too often we skip over or fail to understand.

I ask unanimous consent that it be printed in the RECORD at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Mar. 2, 1961]

THE BLACK MAN'S IRONIC BURDEN

(By John Steinbeck)

I am constantly amazed at the qualities we expect in Negroes. No race has ever offered another such high regard. We expect Negroes to be wiser than we are, more tolerant than we are, braver, more dignified than we, more self-controlled and self-disciplined. We even demand more talent from them than from ourselves.

A Negro must be 10 times as gifted as a white to receive equal recognition. We expect Negroes to have more endurance than we in athletics, more courage in defeat, more rhythm and versatility in music and dancing, more controlled emotion in theater. We expect them to obey rules of conduct we flout, to be more courteous, more gallant, more proud, more steadfast.

In a word, while maintaining that Negroes are inferior to us, by our unquestioning faith in them we prove our conviction that they are superior in many fields, even fields we are presumed to be trained and conditioned in and they are not.

Let me give a few examples.

In the Alabama bus boycott we knew there would be no Negro violence—and there wasn't. The only violence was white violence.

In the streets we expect courtesy from Negroes even when we are ugly and overbearing.

In the prize ring we know a Negro will be game and will not complain at a decision.

In Little Rock we knew that any brutality would originate among the whites.

If there is racial trouble, we are convinced that Negroes will not strike the first blow, will not attack in the night, will not set off bombs, and our belief is borne out by events.

We expect Negroes to be good-tempered and self-controlled under all circumstances.

But our greatest expectation is that they will be honest, honorable, and decent. This is the most profound compliment we can pay any man or group. And the proof of this shows in our outrage when a Negro does not live up to the picture we ordinarily have of him.

With thousands of burglaries, muggings, embezzlements reported every day, we are upset when a Negro is found doing what so many whites do regularly.

In New York, with its daily reports of public thefts, deceits, and assorted political and fiscal raids on public money and treason against public trust, one Negro who succumbs to the temptation to do what many white people do fills us with dismay and the papers are full of it. What greater compliment can we pay to a people?

Finally, let me bring it down to cases.

I have children, as many of you whites who read this have. Do you think your children would have the guts, the dignity, and the responsibility to go to school in Little Rock knowing they would be insulted, shoved, hated, sneered at, even spat upon day after day, and do it quietly without showing anger, petulance, or complaint? And even if they could take it, would they also get good grades?

Now I am a grown, fairly well-educated—I hope intelligent—white man. I know that violence can produce no good effect of any kind. And yet if my child were spat on and insulted I couldn't trust myself not to get a ball bat and knock out a few brains. But I trust Negroes not to, and they haven't.

I think so much of those schoolchildren in Little Rock—a small handful who carry the will and conscience, the hopes and futures of millions in their arms. They have not let their people down. I think, what quiet pride their grandchildren can have in them knowing they came of such stock.

And then I think of the faces of the mob that tried to keep them out, faces drooling hatred, cursing and accursed faces, brave only in numbers, spitting their venom at children. And some of those faces, masked, sneaking in the night to plant a bomb—the final weapon of a coward.

What pride can their descendants take in their ancestry? But of course they will forget, or lie, or both.

Perhaps some of the anger against Negroes stems from a profound sense of their superiority, and perhaps their superiority is rooted in having a cause and an unanswerable method composed of courage, restraint, and a sense of direction.

BROTHERHOOD WEEK, FEBRUARY 19–26, 1961; NATIONAL CONFERENCE OF CHRISTIANS AND JEWS

Mr. HART. Mr. President, last month we observed National Brotherhood Week. However, the very appropriate message of Commissioner Robert E. McLaughlin, President of the Board of Commissioners, government of the District of Columbia, was not printed in the RECORD. This forthright message to the 26,000 District government employees has special significance in light of President Kennedy's efforts to further foster this spirit of brotherhood in government.

I therefore ask unanimous consent that the message be printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

GOVERNMENT OF THE
DISTRICT OF COLUMBIA,
EXECUTIVE OFFICE,
Washington, D.C.

To: All employees of the District government.

Subject: Brotherhood Week, February 19–26, 1961, National Conference of Christians and Jews.

Brotherhood Week will be observed February 19–26, 1961. It is sponsored by the National Conference of Christians and Jews to help promote the ideal of brotherhood in our country. I am again happy to serve as honorary chairman of Brotherhood Week for the District of Columbia.

The brotherhood of man has been a basic tenet of our philosophy of government ever since the founding of the Republic. This concept is implicit in the fundamental charters of our liberties and freedoms: the Declaration of Independence; the Constitution of the United States and its Bill of Rights; the Emancipation Proclamation, and other historic documents which have charted the course of democracy. These great pronouncements have but reflected the will of the great majority of our people, whereby countless hosts of immigrants of every race, creed, and nationality have been received into the bosom of our Nation and given the priceless privilege of American citizenship.

This great amalgamation has no counterpart in history, and it has been undoubtedly the most potent force in the development of our culture, idealism, mighty achievements, and humanitarianism—in short, our national character and extraordinary civilization—which are unparalleled in human experience. This perfection could not have been achieved unless the spirit of brotherhood had appreciably pervaded our country, enabling such a diffused peoples to form one nation and to live in peace and harmony, to prosper and achieve, to open up boundless avenues of opportunity for themselves and their children, to enjoy equality, and to be secure in exercising the freedoms guaranteed by the Constitution.

Without this spirit of tolerance, wisdom, and understanding—which is the essence of brotherhood—this country could not have attained such eminence. Unfortunately, there are still some areas where prejudice, racism, and bigotry continue to thrive, and it is because of this that Brotherhood Week serves such a useful purpose; namely, to focus our attention on these defects in our national character, to evaluate our position in these respects, and to ameliorate these undesirable conditions as much as possible.

Brotherhood Week has special significance for us, as employees of the District of Columbia government. We work, live, and play in the Nation's Capital, or its environs. It is a center of world interest and the focal point of Western democracy. The District of Columbia government is the closest of all to the people who live here, and we as civil servants directly affect everyone here in exercising the functions of such government. We work with, and come in contact with, all classes of people of this city daily.

We should always endeavor to practice tolerance, understanding, and respect toward our coworkers, neighbors, fellow citizens, and visitors in town. We should endeavor at all times to dwell, associate, and work in peace and harmony with one another. We should do this, not only because it will enrich our lives and benefit our country, but because we are morally obligated to do our patriotic duty of setting a good example in civic relationships, as the eyes of the Nation and the world are upon us.

So, on behalf of the Board of Commissioners, I sincerely urge upon every employee of the District government personally, that he or she practice the creed of brotherhood, and recall the Commissioners' public policy on nondiscrimination and their efforts to improve human relations within the District government and within the community. This is something each of us should do, not only during the week set aside for the observance of Brotherhood Week, but each day throughout the year, and from year to year.

Sincerely,

ROBERT E. MCLAUGHLIN,
President, Board of Commissioners,
District of Columbia.

WILEY URGES CHEESE FOR SCHOOL LUNCHES

Mr. WILEY. Mr. President, over the years, cheese, milk, and other health-giving dairy products have been a "dietary gold mine" in the school lunch program.

Across the country, about 13½ million students, including about 265,000 in Wisconsin, are enjoying and benefiting from lunches served in the schools.

Unfortunately, cheese has now been excluded from the program. This, I believe, should be corrected.

Recently, I contacted the Secretary of Agriculture, urging the inclusion of cheese in the lunch program.

I ask unanimous consent to have a copy of my letter to Secretary Orville Freeman, a reply from the Secretary, and a petition signed by a number of dairymen in Wisconsin supporting the idea of putting cheese back in the school lunch program printed at this point in the RECORD.

There being no objection, the letters and petition were ordered to be printed in the RECORD, as follows:

DEAR MR. SECRETARY: I am writing to respectfully urge inclusion of cheese in the national school lunch program.

As I understand it, cheese has not been available for school lunches for several months.

Fortunately, the surplus stockpiles have diminished; however, I believe it would be most worth while to encourage the purchase of cheese on the market for inclusion in the program.

In my judgment, this would add an important healthful food to the diet of our 13½ million students now enjoying school lunches.

In addition, it would help to stabilize the market for dairy products, e.g., by heading off—partially, at least—a dropback of prices, during the flush milk production season ahead.

With appreciation for the consideration I know you will give this matter, and with all good wishes, I am,

Sincerely,

ALEXANDER WILEY.

DEPARTMENT OF AGRICULTURE,
Washington, D.C., March 27, 1961.

Hon. ALEXANDER WILEY,
U.S. Senate.

DEAR SENATOR WILEY: This is in reply to your letter of March 18, requesting that the Department purchase cheese on the open market for use in the national school lunch program.

As you indicated, the Department has not acquired sufficient quantities of this product under price-support operations to permit nationwide distribution to schools. For many months the market price of cheese has been very strong; consequently, very little has been offered by the industry.

We appreciate your desire to have the Department purchase cheese for the national school lunch program. You appreciate, of course, that at this period in the school year the funds made available for direct purchases of food commodities for the national school lunch program have either been expended or obligated. However, if Congress again appropriates money for next year's school lunch program, and the Department does not acquire significant amounts of cheese under price-support activities, we will give proper consideration to this food item when the purchase plans for next year's program are formulated.

Thank you for your letter and your interest in this matter.

Sincerely yours,

ORVILLE FREEMAN,
Secretary.

MARCH 20, 1961.

The undersigned members of the Waupaca County Farm Improvement Association wish to support Senator WILEY in his request of Secretary Freeman to put cheese back in the school lunch program.

Signed by Milton Hintz and 56 other citizens of the State of Wisconsin.

"HAND IN HAND"

Mr. JAVITS. Mr. President, at the Brotherhood Week dinner of the National Conference of Christians and Jews, held at the Hotel Roosevelt in New York, February 16, the motion picture, "Hand in Hand," received the National Brotherhood award for its outstanding contribution to the cause of brotherhood.

It is the prayerful hope of all men of good will that we are steering a sure course to a better world in which brotherhood and mutual understanding for our fellow man, whatever may be his race, color, or creed will prevail. A message that contributes effectively to this goal must be cherished and treasured. It is the theme of this motion picture which was made in England by its sensitive and perceptive young producer, Helen Winston.

"Hand in Hand" is a simple story about two children, a Catholic boy and a Jewish girl, schoolmates and neighbors, whose deep friendship and affection is, for a time, threatened when they are suddenly confronted by the ugly facts of bias and religious prejudice. Terrified by this threat to their happy companionship, the boy and girl nevertheless transcend every difficulty that lies in their path, and come, in the end, to know that God may be worshipped in many ways, but that there is only one God.

This simple story is truly a thing of beauty—an achievement for which producer, director, the players and all associated with the production, including Columbia Pictures, the releasing company, are to be warmly congratulated.

Through the innocent directness and complete faith of the two children, we are all called to account for our frequent failure to perceive the eternal truth that all men are equal and are brothers.

I have no illusions as to the miracles of understanding one motion picture can create, but I think that, in "Hand in Hand," the producer and her coworkers have made a highly articulate and invaluable contribution to the struggle for universal understanding in which we are all so deeply engaged.

It is a happy thing to recognize that, upon the release of "Hand in Hand," sophisticated critics were enthusiastic in their praise of this lovely film, with its simple message of love and brotherhood.

TRIBUTE TO SENATOR HARRISON A. WILLIAMS, JR.

Mr. McGEE. Mr. President, it is often difficult to decide when problems are well enough understood to call for action. Too frequently, action is taken without sufficient knowledge or thought, which, in the end, produces a myriad of unforeseen complications. On the other hand, it is even more the case that sound, practical solutions to serious problems languish for lack of action. Indeed, to know when to draw the line of action is an important measure of sound, legislative judgment.

The St. Petersburg (Fla.) Times editorial page has recently indicated its belief in the legislative judgment of my colleague, Senator HARRISON A. WILLIAMS, JR., of New Jersey, chairman of the Subcommittee on Migratory Labor, in his effort to seek equitable, workable, legislative solutions to the many and complex problems relating to migratory farmworkers and their families. The editorial, after noting the vital importance of the migrant farmworker to our everyday lives, said that "the New Jersey Senator's persistency has been admirable." I concur in that thought and, with the Times, "hope that it finally pays off."

Because of the timeliness of its plea, Mr. President, I ask unanimous consent to have this editorial from the March 4, 1961, St. Petersburg Times, appearing at page 14A, printed in the RECORD at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

ANOTHER TRY AT WORKER RELIEF

Indefatigable Senator HARRISON A. WILLIAMS, JR., Democrat, of New Jersey, is ready to try it again, but he is sure to encounter, as he has foreseen, the "same classical opposition" to his program to improve the lot of migrant farmworkers that has been argued now for decades.

It might be, however, that despite the expected, almost guaranteed, opposition, he will come closer to success this year than ever before. This is because the Kennedy administration favors his recommendations, whereas in previous administrations, and notably in the last one, there was a split in the Cabinet. Mr. Eisenhower's Labor Secretary Mitchell was for migrant labor reforms, while Agriculture Secretary Benson opposed them.

Mr. WILLIAMS would enact legislation on the simple theory that big farming should have the same responsibilities toward labor as big industry. Indeed, in his view, an employer is an employer, and there is nothing sacrosanct about a farmer who can hire 100 people, as differentiated from a manufacturer who hires the same number.

Therefore, he would establish minimum wages, provide for collective bargaining, and prohibit the employment of children under 15 years of age. This seems nothing more than reasonable, but when the big fruit and vegetable assembly-line producers get finished with it, it is going to seem as if an all-powerful government is thrashing a poor one-gallused, one-mule farmer with a cat-o'nine-tails.

The way Secretary Benson put it, no such program should be enacted because it would cost the producers money. Meanwhile, the average migrant farmworker has had an income of $710 a year, and in most cases an entire family working in the fields and orchards brought in less than $1,000 annually.

Mr. WILLIAMS' proposals would go further than make these fundamental rights available to farm as well as to factory workers. There will be some classic opposition to these, too, but, interestingly enough, the farmers, themselves, probably will be acquiescent in many instances. He would provide Federal payments to States to help pay the cost of education for migrant children, as well as for adult education, would authorize welfare grants, and would set up a construction fund for modern housing for migrants.

The truth of the matter, which seems to escape some lawmakers and their constituents involved, is that the migrant farmworker is an integral part of our national labor force. His production is a vital part of our national economy. Florida, as only one example, would be in a sad state of affairs without them.

At the same time, his problems are peculiar, and therefore need special attention. As important as he is, he still lives, as Mr. WILLIAMS put it, in one of "the islands of despair that exist in this country." The New Jersey Senator's persistency on his behalf has been admirable. Under this administration, let us hope that it finally pays off.

THE JOHN BIRCH SOCIETY

Mr. McGEE. Mr. President, I ask unanimous consent to have printed in the RECORD an article from the Washington Daily News of Wednesday, March 29, 1961, entitled "John Birch Founder Would Repeal the 20th Century."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

REDS EVERYWHERE: JOHN BIRCH FOUNDER WOULD REPEAL THE 20TH CENTURY

(By Barbara Bundschu)

(The John Birch Society is a semisecret organization with a noble aim: Fighting communism. But its methods have stirred controversy in many U.S. cities. A UPI special reporting team was assigned to assist Barbara Bundschu, New York staff correspondent, in researching and investigating the organization, its purposes, operations and opposition across the Nation.)

Residents of Santa Barbara, Calif., were in for a surprise when they stepped out into the bright and blowy morning of February 26 to pick up their Sunday newspapers. In that quiet and beautiful city of about 60,000, a respected fellow citizen had discovered what he felt was an outrage.

"The editor and publisher of the News-Press is in his 85th year," began a two-column editorial on the front page.

"His entire life has been spent in this community * * *. He lived when conditions were rugged—when West was West and men were men. He lived during periods when if a man or a group of men openly by word of mouth, or the printed word, called our President * * * and others at the head of our Government, traitors, they were made to answer. Such slanders often called for a visit from a courageous and irate group which brought with them a barrel of tar and a few feathers."

TAKING A STAND

Thomas More Storke, rancher and citrus grower, owner of a newspaper since 1900, briefly by interim appointed a U.S. Senator, regent of the University of California, was taking a stand against the John Birch Society and its founder and leader, Robert Welch, of Belmont, Mass.

Mr. Welch, 61, retired from a candy firm 4 year ago to devote his life to fighting communism. What bothered Editor Storke was the way Mr. Welch was fighting it.

In a letter written before he set up the society late in 1958 and still in limited circulation, Mr. Welch told friends that President Eisenhower, his brother, Dr. Milton Eisenhower, the late Secretary of State John Foster Dulles and his brother, Allen Dulles, then and now head of the Central Intelligence Agency, were members of the Communist underground.

"The secret Communist looks and acts just like anybody else, only more so." Mr. Welch had instructed them in the society's "Blue Book." He could be anybody you know.

CAMPAIGN

Exposure of such persons, even through "mean and dirty" techniques, Mr. Welch said, is one of the most effective means of shocking the American people awake in time to save themselves from communism. He also advises members to set up front groups, to infiltrate community organizations and to engage in directed letterwriting to promote specific campaigns of his ultra-conservative society.

"The News-Press condemns the tactics that have brought anonymous telephone calls of denunciation to Santa Barbarans in recent weeks from members of the John Birch Society or their sympathizers," Mr. Storke's editorial said.

"The News-Press condemns the pressures on wealthy residents who fear and abhor communism, to contribute money to an organization whose leader has said that 'for reasons you will understand, there can be no accounting of funds.'"

What is the real nature of this relatively new group on the American political scene? Political scientists would classify it as it is, in itself, an authoritarian society. Mr. Welch does not say the United States should have a similarly authoritarian form of government. But he is far from completely sold on the form we now have. And as for the political concept of a democracy, he regards it frankly as a "weapon of demagogery, and a perennial fraud."

The U.S. Senate on March 8 heard Senator MILTON R. YOUNG, North Dakota Republican, declare that Mr. Welch's accusations against Mr. Eisenhower and others had gone "beyond anything the late Joe McCarthy ever thought of." On the other hand a Senate Internal Affairs Subcommittee has described Mr. Welch's John Birch Society as a "patriotic organization."

At issue between the society and many who might otherwise share Mr. Welch's conservative political and economic views is his persistent reasoning that everything he personally considers wrong is a Communist plot.

At issue between the society and those who condemn it is the tendency of its activities, to suppress if not the right, at least the respectability, of dissent.

John Birch had nothing to do with the group which bears his name. He was a young Fundamentalist Baptist missionary from Georgia who served as an intelligence officer in China during World War II and was killed 10 days after V–J Day by Chinese Communists. He was 27 when he died.

Robert Welch never heard of Mr. Birch until after his death, but he has researched and written his life story. Mr. Welch has memorialized Mr. Birch as "probably the first American casualty in that third world war, between Communists and the ever-shrinking free world, which is still being waged against us." And when he came to found a Communist-fighting organization, he called it the John Birch Society.

In Mr. Birch's name, members of the society are asked to write letters to Congressmen and others, operate in front organizations and through established community groups such as PTA's and chambers of commerce to push campaigns conceived by Mr. Welch as anti-Communist. These include movements to impeach Chief Justice Earl Warren, to repeal the income tax law, to rout the social gospel from the churches, to oppose the North Atlantic Treaty Alliance, foreign aid, the United Nations and cultural, or any other, exchanges with Russia.

Mr. Welch also is a native Southerner, born in North Carolina. He was reared in what he now calls "the intellectually restricting bonds of the unusually narrow Southern Baptist Fundamentalism." He spent 4 years at the University of North Carolina, 2 at the Naval Academy and 2 at Harvard Law School before going into the candy business. He was for years vice president of the James O. Welch Co., headed by his brother, which has factories in Massachusetts and in Los Angeles.

AND GOLF

In his own words—a biographical sketch, Mr. Welch wrote in the third person for society members—he "has one wife, two sons, a Golden Retriever dog, and 14 golf clubs—none of which he understands, but all of which he loves."

He is an affable man who smiles easily and exhibits in his writings a sense of humor, love of poetry and wide knowledge of history and literature.

The John Birch Society was founded December 9, 1958, at Indianapolis, after Mr. Welch delivered a 2-day speech to 11 men he had invited to hear it. That speech is today the Blue Book of the society, the official statement of its aims and methods. It is supplemented by monthly bulletins to members and the magazine American Opinion, which Mr. Welch founded before the society and of which he is editor.

The message and aim is: "less government, more responsibility and a better world."

Mr. Welch quite literally wants to repeal the 20th Century. But unlike many who share this desire, either politically or nostalgically, he views its trend toward collectivism not simply as a mistake but as a sinister conspiracy to change the economic and political structure of the United States so that this Nation can be merged with the Soviet Union without a fight.

FOOL'S PARADISE

"You have only a few more years," he told his listeners at Indianapolis. "We are living in such a fool's paradise as the people of China lived in 20 years ago."

"The danger is almost entirely internal," Mr. Welch said, "from Communist influence right in our midst and treason right in our Government."

The idea that the Nation must mobilize its resources to combat the external danger of Soviet military might and sputnik supremacy is, in Mr. Welch's view, a part of the Communist plot. "In other words, under the guise of fighting communism, we are being stamped into the biggest jump ever towards, and perhaps the final jump right into, socialism and then the Communist camp."

The Los Angeles Times, in an editorial signed by publisher Otis Chandler on March 12, saw an implication of sedition in Mr. Welch's statements. And, like many others, it deplored the identification of conservatism with extremism.

"The Times believes implicity in the conservative philosophy," the editorial said. "It has challenged all these men and most of these institutions (which Mr. Welch attacks) on the soundness of one or more issues. But the Times does not believe that the argument for conservatism can be won—and we do believe it can be won—by smearing as enemies and traitors those with whom we sometimes disagree.

"Subversion, whether of the left or right, is still subversion."

Criticism from the press is not likely to disturb Mr. Welch. He has already told his followers that "the domination of our press, television and radio by Communist influence is now so great that you simply are not allowed to learn or be reminded of the real nature of the beasts to whom we are losing."

"When you hear Mr. Welch's charges out of context . . . their absurdity is plain enough," said the Reverend John A. Crane to his congregation at Santa Barbara's Unitarian Church one February Sunday.

GIFTS

"But when you come upon them in the publications of the society, surrounded and supported by Mr. Welch's rich, flowing language and ideas, their absurdity is well concealed.

"The man is a marvelously gifted demagogue . . .

"There is another factor apart from the magic of Robert Welch that lends power to the movement . . . Both Mr. Welch and his people are genuinely afraid."

SHAPE OF THE FUTURE—ADDRESS BY LT. GEN. ARTHUR G. TRUDEAU

Mr. CURTIS. Mr. President, I ask unanimous consent to have printed in the body of the RECORD, for the information and interest of this body, an address made on March 3, 1961, before the Nebraska State Legislature, Lincoln, Nebr., by Lt. Gen. Arthur G. Trudeau, Chief of Research and Development, Department of the Army.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

REMARKS BY LT. GEN. ARTHUR G. TRUDEAU, CHIEF OF RESEARCH AND DEVELOPMENT, DEPARTMENT OF THE ARMY, BEFORE THE NEBRASKA STATE LEGISLATURE, LINCOLN, NEBR., MARCH 3, 1961

SHAPE OF THE FUTURE

Governor Morrison, Mr. Speaker, honorable members of this legislature, distinguished guests, fellow Americans, it is a great pleasure and a privilege to come here this morning to address this very distinguished legislative body—truly representative of the heartland of our mighty America. Ever high and honorable has been the role of the stanch State of Nebraska and her many distinguished sons in the rise and progress of our country. In fair times and foul through the depth of depression and in the cauldron of war your temper and your spirit have been tested.

Today, as the Nation faces new frontiers in the most dramatic decade in our history, we can draw assurance and inspiration from the courage and the contributions made by your citizens during the fantastic century inaugurated by the great President whose name is honored and perpetuated in this fair city. Throughout the world there is no more honored name.

As a citizen, a soldier, and a public servant let me thank you for sending Nebraskans to Washington who stand in the forefront of our national leadership, and sturdy sons to our Armed Forces who man our battlements today. We need more good people and good Americans such as those you send to Congress and the Armed Forces. In these difficult days Nebraskans are doing yeoman service, not only in the interests of this sovereign State, but for the broader good of the entire Nation and the free world.

As a matter of public policy we hold that whatever helps any section of our country to avoid disaster or achieve progress helps the whole. America's industrial and agricultural achievements—the very success which has made Omaha and Lincoln and your other cities and towns what they are today and will make them better and more prosperous in the future—bring today challenging problems to the leaders of our Government. It is well said that the surest way for a nation to invite disaster is to be

affluent and complacent. Toynbee, the English philosopher, points out that 19 out of 21 great world civilizations failed from weakness within rather than from outside aggression. We must not be No. 20.

President Kennedy recognizes this salient fact and is taking steps to energize our national thinking and strengthen our diplomatic, military, and economic tools. All our people—regardless of their politics—must join ranks now in supporting our President as he leads this mighty Nation in seeking positive solutions to the serious, complex problems that beset us and will continue to beset us in the years ahead. It is absolutely essential, if we are to maintain our preeminence in the future, that we must recognize that we live in an era of great change that demands shifts in direction, in policies and procedures. When we reach the turn of the century, the picture of America today will look as obsolete as a tintype does now. The pattern of today will not meet the challenge of tomorrow.

These are the things we must think about—and act upon. They will call for sacrifice, understanding, and change. Nothing less will permit us to emerge victorious as the end of the century approaches.

There is no example in all our history when the President of this country has seen that something had to be done in the national interest and called for support—that he did not get it. Our people will respond fully to the right kind of national leadership and I can only reinforce President Kennedy's own words, when he said: "I do not believe that any of us would exchange places with any other people or any other generation. The energy, the faith, the devotion which we bring to this endeavor will light our country and all who serve it—and the glow from that fire can truly light the world." If it doesn't, we can be extinguished in the toxic darkness of world communism.

Service—its concepts and practice—is the strong fabric of both our national security and our national prosperity. How well and how wisely we serve determines the effectiveness of our Government, our foreign relations, our world trade, and our military readiness—in effect, our entire way of life.

The spiritual goals so nobly established by our Founding Fathers and so painfully advanced over nearly two centuries of time must provide the guidance and stimulate the action so direly needed if we are to avoid disastrous defeat and promote the cause of freedom, law, order, and progress in this world today.

There is a growing recognition of this fact as America stands today in a world truly torn by revolutionary upheavals and the godless ideology of communism.

One is the social revolution of rising expectations in the underdeveloped areas of the world.

The other phenomenon is the tremendous explosion in science and technology which is now taking place.

If communism were a dead issue today, the rising tide of ethnic nationalism—which burst forth from the agonizing struggles of World War II and since—would alone present us with one of the greatest challenges of all ages. This tide is creating truly significant problems in some overpopulated areas of Africa, Asia, and in some parts of South America. In these depressed areas, peoples—diseased, undernourished, illiterate, impoverished, living in a wheelbarrow or an A-frame economy call—and call loudly—for an improved standard of living.

It is in these areas that a large proportion of the world's population is concentrated. A billion and a quarter peoples living in these underdeveloped areas have an average annual income of less than $100. Their personal property is less than the clothes you have on your back and under the rules of communism this would be all they could ever hope to acquire.

The population of Latin America, for example, is expanding at one of the highest rates in the world. By the turn of the century, there will be more than 500 million Spanish- or Portuguese-speaking peoples living south of our border, outnumbering their English-speaking neighbors—the Canadians and ourselves—nearly 2 to 1.

This population explosion in the underdeveloped areas, aggravated by the flames of nationalism, has certain serious political and military implications. Overcrowded areas with uneducated, underfed populations tend to produce political instability—a condition that has a high potential for causing local conflicts with possible extension into global war. Overcrowded areas are fertile grounds for Communist political and economic penetration—where for a variety of reasons, the Communists find it to their advantage to strike while the iron is hot and to keep it hot by striking. Anarchy and chaos are the wheelhorses of communism.

I seriously question how these uncommitted peoples—peoples whose minds are now being opened—whose imaginations are being awakened—who are no longer repressed by fear but motivated by hope and often by false promises—I question how they will progress in the dramatic decades ahead—unless they find the right kind, and the right number, of educated leaders to direct their paths through peace and progress—through some semblance of law and order. The fires of racial passion threaten to burn through the thin veneer of Western civilization and temperatures are rising.

The situation is compounded by a world where radio and television can be utilized to inflame popular demand for privileges and luxuries that stir the political imagination of minds incapable of evaluating the truth or falsity of any thesis. Motion pictures have also contributed their share to the muddle and confusion aroused by the surging passions they stimulate.

There is a crying need to advance the mental level of man in these areas. The task is tremendous. There must still be at last one billion adults in this world who cannot read or write. Any truly worthwhile and lasting education program in these countries—some of ancient culture and hallowed tradition—must be based on the self-help philosophy. Our aid can only be the catalytic agent that trains the leaders and teachers—who, in turn, must lead and educate their masses.

This is a staggering task if you consider the statistics. In one nation of north Africa, for example, out of a total population of more than 4 million only 57 persons a few short years ago had achieved the equivalent of a cultural education. I know that today the number has increased but not materially in relation to the population. Elsewhere the record was even worse.

President Kennedy is right in pursuing his concept of a University of the Americas to train deserving youths from other countries in our hemisphere. For the cost of 1 month of the Korean war, we could establish and operate several such institutions around the world.

As an example, 6 years ago I advocated the establishment of universities in selected world areas. Among others I suggested a University of the Americas; a University of the Far East; a University of South Asia; and a University of the Middle East.

I particularly suggested a University of East Africa located in Ethiopia and a University of West Africa located in Liberia.

I wonder what their impact would have been?

As we consider such important problems, let us remember that the image of a bipolar world is rapidly changing. Last year in the United Nations we witnessed the growth and extension of a new world power group—the so-called neutralist nations. The influence of these nations will grow in the immediate years ahead and will certainly affect the balance of world power from now on. In less than 10 years, in 1969, the member nations of NATO—the bulwark of our free world—become free to withdraw from the alliance—should they wish to do so. We must guard lest the creation of this new group weakens rather than strengthens major realinements in the free world.

Let's turn now to that other revolutionary phenomenon which is drastically reshaping our world, bringing to today's generation and our children more changes and challenges than were faced by our forebears in any past period of history—the explosion in science and technology.

Modern science today is less than 500 years old and technology is perhaps half of that—but in the last century—2 percent of recorded time—mankind has achieved 90 percent of his technological progress. And the future is even more challenging. Of all the men who have ever been trained in science and technology throughout the world over the 5,000 years of recorded history—on both sides of the Iron Curtain—it is estimated that nine-tenths of them are alive today.

One cannot reflect upon these startling facts without considering their impact on our daily lives. In business and industry—in politics and the military—even in the most fundamental unit, the family—the daily routine has become firmly geared to scientific advances but it is a changing routine.

Not only will national security profit from this amazing age of science and technology, but so will our way of life and literally all mankind, if we have but the wisdom to employ its potential. This will not be easy.

As for what the future may hold for the military, one of the U.S. Army's most pressing problems is how to provide tomorrow's weapons and equipment—and how to do it in the face of mushrooming costs and rapid technological change. All the Armed Forces are similarly affected.

This one thing I know—science and technology can give you today just about anything you want, provided you know what you want, and are prepared to pay the cost.

Now, there was a time when our Army could develop and produce a weapon or a piece of equipment and use it until the day it wore out. Today that era is but a memory. The implications of modern technology—exploding on all fronts and revolutionizing man's concepts of war—are truly fantastic.

While the horse and the lance remained a major weapon system in the world armies for 2,000 years, it is doubtful if the tank and the manned combat airplane—as we know them today—will last a hundred.

All the Armed Forces today struggle with this problem. Last July, on Independence Day, the U.S. Army gave up its last antiaircraft gun and today not a single one is operational in the whole North American air defense system.

Less than 7 years ago, following the Korean armistice, 1,000 of those guns—90's, 120's, and sky-sweeping 75's—girded our continental defense against foreign attack.

Through two wars and a quarter century of time, they were a main reliance. Today, they are an anachronism in a missile age when NIKE missiles ring our great centers of population and industrial power; at a time when we labor unceasingly to perfect our Nike-Zeus missile to protect against the Communist threat of a nuclear hailstorm hurled through space.

A modern Army must be a quick-change artist—especially in this fabulous age of science and technology. It takes long range planning, however. We must start the effort—right now—today—to come up with

the equipment our forces will need in 1970, and later. Otherwise, the future will come upon us with breathtaking speed and find us half prepared.

Science with its related technology is today's new frontier—a frontier with limitless boundaries. Each success in research opens up new, unknown fields for exploration. Yet, as important as scientific discoveries are, they are but exercises until technology shapes and structures them into some practicable form for production and use.

Technology is the tie which threads its way from pure science to the end products measuring human progress and security.

The golden rain of scientific discovery promises to raise the world's standard of living—to give the world's hungary masses more food, better shelter, and other necessities of life. Ultimately, it must increase their purchasing power. New sources of energy are steadily feeding the growing appetite of industry for power and increasing man's productive ability and providing his comforts.

Every military man knows that the effective use of a weapons system which is not available to his enemy or is improperly used by his enemy can be decisive. The Germans failed in World War I to exploit their new chemical weapons system which might have been decisive. Only months later, the Allies failed to exploit the unique capabilities of the new tanks. Twenty-five years later, the Germans made no such mistake with their tanks while improper use of tanks by the French brought them catastrophe.

Too many people today are shortsighted and think of weapons systems in terms of men, munitions, and materiel—and fail to recognize one historical fact—that America's mightiest weapons have been moral in concept and moral in action. Today, as in the past, America possesses two mighty moral forces that are not available to the enemy.

One is our Christian foundation and dedication to individual freedom and the dignity of man. The difficult art of exploiting this great moral strength deserves the most profound study and implementation.

The second unique moral strength we possess and can share is in our incomparable stock of foodstuffs and our ability to produce annual excesses to alleviate malnutrition to a large extent throughout the world. The related problems of marketing, financing, and distribution are staggering but certainly not insurmountable. Here is one area, close to your midwestern hearts, where we have an advantage, unmatchable by the Soviet bloc for decades to come. When we see Red China, with its starving millions and tens of millions, shipping token supplies of food to foster subversion and create chaos, the potency of this moral weapon should be obvious. We must use our advantage in it for the betterment of mankind and the cause of freedom.

The world has a plant storehouse of 300,000 species but has only tested about 3,000 for food use. Of these, 300 are widely grown but only 12 provide us with 90 percent of our plant food supply. The balance should be researched. They may be more nutritional, or at least add new pleasure to our food habits.

The Army, also seeking improvement in the difficult task of feeding our troops in peculiar environments, is interested in such research and in means of preservation and economy in size and shipping weights. Freeze-drying, irradiation, encapsulation, and sonic and microwave processing will all be explored as will new methods of transportation and storage.

New machines, soon to be in production, will provide several times more mechanical and electrical energy than present models, with great reduction in size and weight. Think about some of the fantastic promises of technology glimpsed through electronics and automation. Through automation, technology promises more of the necessities, comforts, and luxuries of life but this will not be achieved without work and effort. Let's hope we can only learn to utilize and distribute our new knowledge and products in an acceptable manner.

The discoveries that we shall reap through satellites and manned space vehicles while probing the universe are truly impossible to predict. We must not lose our sense of balance, but the impact of space on our daily lives will be staggering as the end of our century approaches. Satellites with radio beacons in space operating on solar batteries will serve as navigational aids. They will also keep the world's weather under observation and greatly assist in improving worldwide communications. We must be sure they become a boon and not a threat to our security and our survival. We cannot afford to be outdone in space. The danger is too great.

Now, if technology is to continue to accelerate, greater emphasis must be placed on basic research for new scientific knowledge and on applied research and development for new hardware items. Our national ability to provide adequate defense and to expand world trade in the late 1960's and the 1970's will be determined by the research and development effort our country is presently willing to support.

For that reason, our Army research and development program is maximizing the great scientific discoveries of today—and continually pressing for more progress in all fields—seeking further scientific breakthroughs basic to maintaining a more modern Army of vastly improved power, range, and mobility as part of our Defense Establishment.

Basic research—to penetrate the ever-expanding horizons of science—never is sufficiently funded to produce the expanded dimension needed or at least desired on our technological frontier. We live with a situation in which we must drive ahead with whatever amounts can be made available.

Still, basic research is the sine qua non for new, improved, and expanding facilities and services for increasing the productivity of our industrial and agricultural society and enriching the lives of our people, and for revolutionary strides in improving the overall power and mobility of our military forces.

One of the Army's most important basic areas is materials research. We know that our engineering design prospects are intimately bound up with discovery of new materials with greatly enhanced properties—conducting, semiconducting, insulating, magnetic, and structural—and also important—with improvement of existing materials. In materials research, we are working on a variety of approaches—in plastics, ceramics, cryogenics, pyrogenics, and metallurgy.

It is important to point out that metallurgy is a field that has seen tremendous advances in the last 10 years and can be expected to surge beyond the boundaries of our imagination in the next few years. New metals with amazing characteristics are being created to exploit the great extremes of temperatures, pressures, and purities, which we are encountering or using in the space age. For example, it is estimated that within the next 10 years we shall have beryllium alloys with the strength of steel, but one-fourth the weight. Shortly thereafter will come plastics and ceramics with the same strength-weight characteristics. New steels with vastly improved characteristics are in sight.

These and other materials research sparked developments will redound to the benefit of our civilian industry and commerce as well as to the military reshaping our pattern of living in the decades that lie ahead. Missiles, vehicles, and electronic devices will all benefit from such advances along with automobiles, farm machinery and household goods and appliances.

Research efforts are also underway to bridge the gap between metallurgy and solid state physics. Rich dividends, here, will permit us to chainlink large molecules to act as electronic circuits, giving us measures of increased reliability and space accommodations in our guidance and other electronic systems almost too fantastic to imagine today.

How many of us in these days of wondrous advances remain impressed by the fact that electronic parts have been reduced in size by modular concepts so that now instead of 7,000 parts per cubic foot, we can put 350,000 parts in the same space. Now, even this figure can be increased by a factor of 10 in certain fuse applications, and using solid circuit techniques—or molecular electronics—even this is only a beginning. Just around the corner of tomorrow I predict we shall see good wristwatch radios of the size of an after-dinner mint.

To me, the implications of solid-state advances are truly fascinating. Today, if an electronic computer—using the old conventional vacuum tubes—were to be built with the memory capacity of the human brain it would require more than the space of this great State capitol and a housing which would reach 40 stories high. It would also require all the water from the Missouri and Platte Rivers to cool the operating elements. On the other hand, solid-state devices promise to give us computers—of mere cabinet or room size—that will approach the wonderfully intricate capacities of the human brain.

I expect that, by the turn of the century, electronic language translation equipment, carryable in a brief case, will be available. Then by inserting the correct language component, a person can talk to most anybody in this world using perhaps a 1,000-word vocabulary. I can think of no greater boon to mankind.

Other significant basic research in medicine, chemistry, or unusual power sources which our Army is conducting—such as the nuclear reactor, the fuel cell, the thermionic converter, or the magnetohydrodynamic process—is too numerous for me to cover in the brief time for this talk. But what I have covered should indicate that basic research is an essential ingredient of potential military power as opposed to military power in-being.

These advances illustrate, moreover, the kind of basic research effort which is necessary to feed the insatiable appetite of applied research and development, for without new knowledge—without new science—applied research and development is limited to product improvement. Product improvement, important as it is, will not put us out in front, where we belong, or keep us there in the 1970's.

Let us look now at only one specific area of military interest in our applied research and development effort—the field of continental defense.

We know that science and technology have developed nuclear weapons with explosive power literally beyond our imagination. This firepower differs not only in degree, but in kind, from anything we have known before and hostile intercontinental missiles present the most serious threat our homeland has ever faced.

Of importance to you here in Nebraska are our efforts to provide this Nation with an antimissile defense system that will not only meet the ICBM threat of today but one that possesses a growth potential to defend against the missile threats of tomorrow. The Army sees such a system in Nike-Zeus—the mighty successor to Ajax and Hercules, now guarding America's great centers of population and industry and our Strategic

Air Command against manned aircraft. Zeus is the only intercontinental ballistic missile defense system now under active development anywhere in the free world.

We are proud of the many successful component tests of the Zeus and I believe unquestionably that it is a practical, obtainable concept. An ICBM flies a ballistic trajectory—which mathematically is analagous to a car traveling down a one-way road. This trajectory, I assure you, can be radar predicted with great accuracy. The powerful Zeus radars, working in close harmony with high-speed computers are designed to detect and acquire incoming missile targets—and, in a matter of seconds, are expected to send command signals putting a maneuverable Zeus missile in high-speed flight toward interception and destruction of the target.

I want to stress right here that the 450,000-pound thrust Zeus booster engine is the most powerful single-unit, solid-propellant motor successfully fired in the free world—and that there is an urgent requirement for such a defensive weapon while we seek a meaningful peace. We in the Army are confident that Nike-Zeus can do this job in the 1960's.

Should the Soviets be first to develop an effective antimissile missile and install it as protection for crucial centers of their population, industry, and military might—they will have taken a giant step toward neutralizing the retaliatory striking power of the free world. Command of such a missile system would provide its owner with a strategic advantage of literally indescribable magnitude—a new dimension in modern war or summit meetings.

This defense problem is not only an Army problem—it is a problem for the entire Nation. There is a growing need for Americans in this land to become more security conscious. Time is fast approaching when we must take stock of our civil defense—critically reexamine its structure to see if we have taken all the measures necessary for protection of our people. A strategy for defense which only envisions offensive weapons and ignores the requirements for an active and effective antimissile defense system and an adequate civil defense program means throwing away of the two-edged sword demanded by today's challenge. The capability to fight back against aggression is worthless, unless the determination to do so is also present.

Rudyard Kipling once wrote, as a preface to one of his interesting stories, these meaningful words:

"It was not in the open fight
We threw away the sword,
But in the lonely watching
In the darkness by the ford."

Yes, it is not war, but usually long months and years of affluence and complacent peace that bring on the downfall of nations. Recorded history is replete with epitaphs of great nations that decayed from complacency. It is the weed that saps the energy at the root of all progress. The costliest crop for any community is the crop of complacency. Freedom and peace come not to cowards who cringe, but to brave men, armed and determined to protect them as precious possessions.

A strong civil defense program, based on adequate fallout shelters and warning systems, can contribute much to a strong national defense. Certainly it would significantly better the chances that this Nation could survive a surprise nuclear attack with reduced casualties. To my mind, in these troubled times of power diplomacy, a strong continental defense measurably increases our freedom of action in foreign affairs. Diplomatic dealing without powerful cards is bluff at best—and usually gets "called." Today's international game is no "penny ante."

Now, I have covered the new frontiers of science and technology broadly and described a few of our more promising results. I hope I have given you a flash insight to the future. Remember, it will only be for those with imagination—for those who dare. As Einstein rightly stated: "Imagination is more important than knowledge. For knowledge is limited, whereas imagination embraces the entire world, stimulating progress, giving birth to evolution."

And this brings us back full circle to my beginning thesis—that in this age of surging progress, all Americans—and freedom-loving peoples throughout the world—must come to the realization that our collective security and progress depends as never before upon the imagination and boldness with which we acquire and utilize new scientific discoveries and industrial techniques for the progress and defense of our civilization and for the betterment of mankind. Here, we must sense new horizons—continuously—to meet the critical challenges ahead.

When we wrestle with this problem we should always remember the incisive words of Theodore Roosevelt, great soldier and man of strong convictions, who while speaking of the strenuous life said: "Far better it is to dare mighty things, to win glorious triumphs, even though checkered by failure, than to take rank with those poor spirits who neither enjoy much or suffer much, because they live in the gray twilight that knows not victory or defeat."

In this crucial decade of the sixties and in the decades beyond, our task is clear, our challenge is terrific. The forebears of many of you here braved unknown dangers against great odds to give you this wonderful State that you guide today. We, in our days of difficulty, must also make bold decisions and press on to new frontiers. The comfortable ruts in our thinking must be eliminated like yesterday's roads and new paths must be charted. This will call for great vision and great courage but if America is to continue to be the land of the free it will only be because it is still the home of the brave. I'm sure we know where Nebraska stands.

Thank you very much.

MILITARY DISPERSAL IN HAWAII

Mr. FONG. Mr. President, on Friday, March 24, 1961, there appeared in the Hilo Tribune-Herald, one of the leading newspapers in Hawaii, an editorial entitled "Military Dispersal Remains a Major Necessity."

At the present time, practically all of the defense installations are concentrated on the island of Oahu in the State of Hawaii. The matter of dispersing some of our military installations in Hawaii from Oahu to the neighbor islands has been delayed for lack of appropriations. It is hoped that this Congress will give this matter serious consideration.

I ask unanimous consent that the editorial entitled "Military Dispersal Remains a Major Necessity" be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

MILITARY DISPERSAL REMAINS A MAJOR NECESSITY

President Kennedy's warning to the Soviet Union to stop provoking warfare in the tiny kingdom of Laos jars Americans into realizing that the line between peace and war in our day is a slender one.

There are fears that the crisis in Laos could erupt into a new Korea, only far worse in terms of American supply and tactical problems.

For residents of the 50th State it means that the arena of major crisis once more moves into our portion of the globe.

It reemphasizes the vital part this State plays in the defense of all the free world.

It reemphasizes the unpleasant fact that virtually all of the defense mechanism is centered in one small area.

Perhaps in this time of crisis Congress will review the needs for funds to provide military dispersal here in the islands.

The Army has studied the possibility of developing a permanent base for 5,000 men at Pohakuloa, but has been prevented from moving ahead by a lack of money. It has been estimated that the Pohakuloa project would cost $45 or $50 million.

Such dispersal is desirable from a practical standpoint. And it would not significantly increase the threat of direct attack on the big island.

It is the threat of possible attack on the present concentrated defense area in the islands—no matter how remote it may be—that makes dispersal so necessary.

Senators HIRAM L. FONG and OREN E. LONG and Representative DANIEL K. INOUYE may find their fellow lawmakers are now willing to consider the appropriation necessary to develop Pohakuloa to full usefulness.

The big island wants to do its part in meeting the grim obligations of the times.

CALL OF THE CALENDAR

Mr. MANSFIELD. Mr. President, is morning business concluded?

The PRESIDING OFFICER (Mr. DODD in the chair). Is there further morning business? If not, morning business is closed.

Under the order, the Senate will proceed to take up the calendar.

The clerk will state by title the first bill on the calendar.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will state the first measure on the calendar.

EDWARD W. SCOTT III

The bill (S. 126) for the relief of Edward W. Scott III was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Edward W. Scott III, who was born in the Republic of Panama on May 25, 1938, of an American citizen mother, shall be deemed to have been born in the Canal Zone.

MAN-YEH CHOW

The bill (S. 132) for the relief of Man-Yeh Chow was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the

purposes of the Immigration and Nationality Act, Man-Yeh Chow shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act. The number of refugees to whom permanent residence in the United States may be granted under the provisions of section 6 of the Refugee Relief Act of 1953, as amended, is hereby reduced by one.

CHERIE HELEN BRATTON

The bill (S. 164) for the relief of Cherie Helen Bratton was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Cherie Helen Bratton, shall be held and considered to be the natural-born alien child of Nancy Bratton, a citizen of the United States: *Provided,* That the natural parents of the said Cherie Helen Bratton shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

ALESSANDRO GELLHORN

The bill (S. 217) for the relief of Alessandro Gellhorn was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Alessandro Gellhorn shall be deemed to be within the purview of section 323 of the said Act.

DR. CHIEN CHEN CHI

The bill (S. 225) for the relief of Dr. Chien Chen Chi was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of section 9 of the Act entitled "An Act to amend the Immigration and Nationality Act, and for other purposes", approved September 11, 1957 (71 Stat. 639), Doctor Chien Chen Chi, who was physically present within the United States on July 1, 1957, shall be held and considered to be the beneficiary of an approved visa petition for immigrant status under section 203(a)(1)(A) of the Immigration and Nationality Act filed on his behalf prior to September 11, 1957.

CONSTANTINOS GEORGIOU STAVROPOULOS

The bill (S. 262) for the relief of Constantinos Georgiou Stavropoulos was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, Constantinos Georgiou Stavropoulos shall be held and considered to be the minor natural-born alien child of Mr. and Mrs. John D. Stavropoulos, citizens of the United States: *Provided,* That the natural parents of Constantinos Georgiou Stavropoulos shall not, by virtue of such parentage be accorded any right, privilege, or status under the Immigration and Nationality Act.

ALPO FRANSSILA CRANE

Th bill (S. 285) for the relief of Alpo Franssila Crane was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, Alpo Franssila Crane shall be held and considered to be the natural-born minor alien child of Mr. and Mrs. Radford Raymond Crane, citizens of the United States: *Provided,* That no natural parent of the beneficiary, by virtue of such parentage, shall be accorded any right, privilege, or status under the Immigration and Nationality Act.

MAH JEW NGEE (ALSO KNOWN AS PETER JEW MAH)

The bill (S. 292) for the relief of Mah Jew Ngee (also known as Peter Jew Mah) was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Mah Jew Ngee (also known as Peter Jew Mah) shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

EARL H. PENDELL

The bill (S. 298) for relief of Earl H. Pendell was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Earl H. Pendell, of Baltimore, Maryland, is hereby relieved of all liability to repay to the United States the sum of $4,447.98, representing the amount of overpayment of salary paid to him as a court reporter during the period from September 7, 1955, through March 7, 1959, the payment of such amount having occurred as a result of administrative error.

SEC. 2. The Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the said Earl H. Pendell, the sum of any payments received or withheld from him on account of the overpayment referred to in the first section of this Act.

HARRY N. KOUNIAKIS

The bill (S. 330) for the relief of Harry N. Kouniakis was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purpose of the Immigration and Nationality Act, Harry N. Kouniakis shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct the required numbers from the appropriate quota or quotas for the first year that such quota or quotas are available.

HARUO T. HENDRICKS

The bill (S. 417) for the relief of Haruo T. Hendricks was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Haruo T. Hendricks, shall be held and considered to be the natural-born alien child of Sergeant and Mrs. Joel C. Hendricks, citizens of the United States.

FOTIOS GIANOUTSOS (FRANK GIANNOS)

The bill (S. 423) for the relief of Fotios Gianoutsos (Frank Giannos) was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Fotios Gianoutsos (Frank Giannos) shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

MRS. MARIA GIOVANNA HOPKINS

The bill (S. 438) for the relief of Mrs. Maria Giovanna Hopkins was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purpose of the Immigration and Nationality Act, Mrs. Maria Giovanna Hopkins shall be held and considered to have been lawfully admitted to the United States for permanent residence as of July 20, 1950, and her residence in the United States since July 20, 1950, shall be held and considered to meet the residence and physical presence requirements of section 316 of that Act.

OK HI SHIN AND TAE SOO CHUNG

The bill (S. 444) for the relief of Ok Hi Shin and Tae Soo Chung was considered, ordered to be engrossed for a

third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Ok Hi Shin and Tae Soo Chung shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct the required numbers from the appropriate quota or quotas for the first year that such quota or quotas are available.

IRENA MARIA KOLLER

The bill (S. 533) for the relief of Irena Maria Koller was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Irena Maria Koller, shall be held and considered to be the natural-born alien child of Mr. and Mrs. Bruno Bruce Haber, citizens of the United States: *Provided,* That the father and stepmother of Irena Maria Koller shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

HANS CHRISTIAN GUNNAR MIKKELSEN

The bill (S. 593) for the relief of Hans Christian Gunnar Mikkelsen was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Hans Christian Gunnar Mikkelsen shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee.

ANGEL ARDAIZ MARTINEZ

The bill (S. 696) for the relief of Angel Ardaiz Martinez was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Angel Ardaiz Martinez shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

MARIA LUISA MARTINEZ

The bill (S. 697) for the relief of Maria Luisa Martinez was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That for the purposes of the Immigration and Nationality Act, Maria Luisa Martinez shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

ANASTASIA STASSINOPOULOS

The bill (S. 713) for the relief of Anastasia Stassinopolous was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Anastasia Stassinopoulos shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

CAPT. ERNEST MOUNTAIN

The bill (S. 894) for the relief of Capt. Ernest Mountain was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Captain Ernest Mountain shall be held and considered to have been lawfully admitted to the United States for permanent residence as of June 30, 1929, upon payment of the required visa fee.

ZLATA DUMLIJAN AND DJURO (GEORGE) KASNER

The bill (S. 939) for the relief of Zlata Dumlijan and Djuro (George) Kasner was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Zlata Dumlijan and Djuro (George) Kasner shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct the required numbers from the appropriate quota or quotas for the first year that such quota or quotas are available.

A. E. WATERSTRADT

The bill (S. 1097) for the relief of A. E. Waterstradt was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding any period of limitations or lapse of time, claim for credit or refund of overpayment of income taxes for the taxable years 1942 to 1945, inclusive, made by A. E. Waterstradt, of Takoma Park, Maryland, may be filed at any time within one year after the date of the enactment of this Act. The provisions of sections 322(b), 3774, and 3775 of the Internal Revenue Code of 1939 shall not apply to the refund or credit of any overpayment of tax for which credit or refund is filed under the authority of this Act within such one-year period.

MICHAEL J. COLLINS

The bill (S. 178) for the relief of Michael J. Collins was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $25,000 to Michael J. Collins, of Rego Park, Long Island, New York, a decorated combat veteran of World War II and the Korean conflict, in full settlement of all of his claims against the United States and as reimbursement to him for expenses incurred in establishing his innocence and to remove injustices resulting to him from his conviction which was based upon fraudulent evidence fabricated and produced by certain unscrupulous members of the United States Army: *Provided,* That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

HELEN IRMA IMHOOF

The Senate proceeded to consider the bill (S. 118) for the relief of Helen Irma Imhoof, which had been reported from the Committee on the Judiciary, with an amendment, to strike out all after the enacting clause and insert:

That in the administration of the Immigration and Nationality Act the periods of time Helen Irma Imhoof resided abroad in the employ of the United States Ambassador to Italy shall be held and considered to be residence and physical presence in the United States within the meaning of section 316 of the said Act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

KRSTE ANGELOFF

The Senate proceeded to consider the bill (S. 139) for the relief of Krste Angeloff, which had been reported from the Committee on the Judiciary, with an amendment, in line 6, after the word "States", to insert a colon and *"Provided,* That the natural parents of the said Krste Angeloff shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of section 101(a)(27)(A) and 205 of the Immigration and Nationality Act, Krste Angeloff shall be held and considered to be the natural-born alien minor child of Mrs. Miles Angeloff, citizen of the United States: *Provided,* That the natural parents of the said Krste Angeloff shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

HAJIME ASATO

The Senate proceeded to consider the bill (S. 274) for the relief of Hajime Asato, which had been reported from the Committee on the Judiciary, with an amendment, in line 6, after the word "date", to insert "of the enactment", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Hajime Asato shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ERICA BARTH

The Senate proceeded to consider the bill (S. 277) for the relief of Erica Barth, which had been reported from the Committee on the Judiciary, with an amendment, in line 8, after the word "residence", to insert "to such alien", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Erica Barth shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ANTE TONIC (TUNIC) AND OTHERS

The Senate proceeded to consider the bill (S. 313) for the relief of Ante Tonic (Tunic), his wife Elizabeth Tunic, and their two minor children, Ante Tunic, Jr., and Joseph Tunic, which had been reported from the Committee on the Judiciary, with an amendment, on page 2, line 2, after the word "required", to strike out "number" and insert "numbers", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Ante Tonic (Tunic), his wife, Elizabeth Tunic, and their two minor children, Ante Tunic, Junior, and Joseph Tunic, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct the required numbers from the appropriate quota or quotas for the first year that such quota or quotas are available.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

STANLEY BULSKI (ZDZISLAW REKOSZ)

The Senate proceeded to consider the bill (S. 532) for the relief of Stanley Bulski (Zdzislaw Rekosz), which had been reported from the Committee on the Judiciary, with an amendment, on page 2, line 1, after the word "available", to insert a colon and *"Provided,* That the natural parents of the said Stanley Bulski (Zdzislaw Rekosz) shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Stanley Bulski (Zdzislaw Rekosz) shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available: *Provided,* That the natural parents of the said Stanley Bulski (Zdzislaw Rekosz) shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

MRS. ELIZABETH CLIFFORD

The Senate proceeded to consider the bill (S. 545) for the relief of Mrs. Elizabeth Clifford, which had been reported from the Committee on the Judiciary, with an amendment, to strike out all after the enacting clause and insert:

That, for the purposes of the Immigration and Nationality Act, Mrs. Elizabeth Clifford shall be held and considered to have been lawfully admitted to the United States for permanent residence on September 30, 1956: *Provided,* That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the Immigration and Nationality Act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

NICOLAOS A. PAPADIMITRIOU

The Senate proceeded to consider the bill (S. 555) for the relief of Nicolaos A. Papadimitriou, which had been reported from the Committee on the Judiciary, with an amendment, in line 7, after the word "States", to insert a colon and *"Provided,* That the natural parents of the said Nicolaos A. Papadimitriou shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of section 101(a)(27)(A) and 205 of the Immigration and Nationality Act, Nicolaos A. Papadimitriou shall be held and considered to be the natural-born minor alien child of Mr. and Mrs. James N. Demmette, citizens of the United States: *Provided,* That the natural parents of the said Nicolaos A. Papadimitriou shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

MICO DELIC

The Senate proceeded to consider the bill (S. 138) for the relief of Mico Delic, which had been reported from the Committee on the Judiciary, with amendments, in line 4, after the word "Act", to insert "the minor child"; in line 6, after the word "natural-born", to strike out "minor", and in line 7, after the word "States" to strike out "Provided, That no natural parent of Mico Delic by virtue of such parentage shall be accorded any right, privilege, or status under the Immigration and Nationality Act"; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child Mico Delic shall be held and considered to be the natural-born alien child of Mr. and Mrs. Eli Delich, citizens of the United States.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

HADJI BENLEVI

The Senate proceeded to consider the bill (S. 177) for the relief of Hadji Benlevi, which had been reported from the Committee on the Judiciary, with amendments, on page 1, line 10, after the word "deduct", to strike out "the required" and insert "one"; in line 11, after the word "quota", where it appears the first time, to strike out "or quotas", and on page 2, at the beginning of line 1, to strike out "or quotas are" and insert "is"; so as to make the bill read:

Be it enacted by the Senate and House of Representtaives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Hadji Benlevi shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available: *Provided,* That the said Hadji Benlevi executes and files with the Attorney General, in such form as he shall require, a written waiver of all rights, privileges, exemptions, and immunities under any law or any Executive order which would otherwise accrue to him if he retains this occupational status as a treaty trader.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

IN FIL CHUNG AND OTHERS

The Senate proceeded to consider the bill (S. 546) for the relief of In Fil Chung, In Ae Chung, In Sook Chung, and In Ja Chung, which had been reported from the Committee on the Judiciary, with amendments, on page 1, line 6, after the word "the," to strike out "minor" and insert "natural-born," and in line 8, after the word "States," to strike out "*Provided,* That no natural parent of the beneficiary, by virtue of such parentage, shall be accorded any right, privilege, or status under the Immigration and Nationality Act," and insert "*Provided,* That the natural father of the beneficiaries, by virtue of such parentage, shall not be accorded any right, privilege, or status under the Immigration and Nationality Act"; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor children, In Fil Chung, In Ae Chung, In Sook Chung and In Ja Chung, shall be held and considered to be the natural-born alien children of Mr. and Mrs. Elmer Bussmann, citizens of the United States: *Provided,* That the natural father of the beneficiaries, by virtue of such parentage, shall not be accorded any right, privilege, or status under the Immigration and Nationality Act.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ANDREAS RAKINTZIS (RAKAJES)

The Senate proceeded to consider the bill (S. 663) for the relief of Andreas Rakintzis (Rakajes), which had been reported from the Committee on the Judiciary, with an amendment, on page 1, line 6, after "(73 Stat. 644)", to strike out "Andreas Rakintzis (Rakajes)" and insert "Andreas Rakintozis (also known as Andreas Rakintzis or Rakajes)", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of section 4 of the Act entitled "An Act to provide for the entry of certain relatives of United States citizens and lawfully resident aliens", approved September 22, 1959 (73 Stat. 644), Andreas Rakintozis, also known as Andreas Rakintzis or Rakajes) shall be held and considered to be eligible for a quota immigrant status under the provisions of section 203(a)(4) of the Immigration and Nationality Act on the basis of a petition approved by the Attorney General prior to January 1, 1959.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended, so as to read: "A bill for the relief of Andreas Rakintozis (also known as Andreas Rakintzis or Rakajes)."

EXTENSION OF SUGAR ACT OF 1948

The bill (H.R. 5463) to amend and extend the Sugar Act of 1948, as amended, was announced as next in order.

Mr. MUSKIE. Mr. President, I ask that the calendar call be ended at this point.

The PRESIDING OFFICER. Without objection, the calendar call is ended at this point.

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 113, H.R. 5463, and that it be made the pending business.

The PRESIDING OFFICER The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 5463) to amend and extend the Sugar Act of 1948, as amended.

The PRESIDING OFFICER. The question is on the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the bill (H.R. 5463), to amend and extend the Sugar Act of 1948, which had been reported from the Committee on Finance, with amendments, on page 1, at the beginning of line 7, to strike out "December 31, 1962" and insert "June 30, 1962"; on page 2, line 3, after the word "thereof", to strike out "June 30, 1963" and insert "December 31, 1962"; in line 8, after the word "thereof"; to strike out "June 30, 1963" and insert "December 31, 1962"; in line 11, after the word "thereof", to strike out "September 30, 1963" and insert "March 31, 1963"; in line 16, after the word "ending", to strike out "December 31, 1962" and insert "June 30, 1962"; in line 19, after the word "ending", to strike out "December 31, 1962" and insert "June 30, 1962", and on page 3, after line 9, to insert a new section, as follows:

SEC. 4. Subsection (b) of section 408 of the Sugar Act of 1948, as amended, is amended by striking out the period at the end of paragraph (3) and inserting in lieu thereof a semicolon, and by adding the following new paragraph:

"(4) As a condition for the importation of any quantity of nonquota purchase sugar from any foreign countries as provided in this subsection, a fee of approximately the difference between the world price and the domestic price of raw sugar, as determined by the Secretary, shall be paid to the United States by the person applying for release of such quantity of sugar."

WILLIAM ATTWOOD, AMBASSADOR TO GUINEA

Mr. DODD. Mr. President, I regret that I was not in the Chamber yesterday afternoon at the time the nomination of William Attwood as Ambassador to Guinea was confirmed.

Mr. Attwood is a resident of New Canaan, Conn., and I am privileged to know him. I regard his selection as one of the outstanding ambassadorial appointments of recent years. He has an intimate knowledge of foreign affairs arising in part from long experience as a foreign correspondent for the New York Herald Tribune and Collier's magazine and for the past 10 years as European editor and foreign editor of Look magazine.

I believe that Mr. Attwood possesses the qualities of character and competence which will make him an outstanding success in the very difficult post to which he has been named by the President.

I am pleased that he was so swiftly confirmed by the Senate and will be able to depart for his post immediately.

ROBERT H. KNIGHT, GENERAL COUNSEL FOR THE DEPARTMENT OF THE TREASURY

Mr. DODD. Mr. President, I take this opportunity to congratulate Mr. Robert H. Knight as he assumes his new post as General Counsel for the Department of the Treasury.

Mr. Knight is a resident of Connecticut, having been born in New Haven and educated at Yale University. He has held important posts in the academic and legal fields and most recently has served as Deputy Assistant Secretary of Defense on International Security Affairs.

Mr. Knight carries to his new post great competence and broad experience, and I am confident that he will fill his new post with distinction.

DIFFERENCES WITHIN THE KREMLIN HIERARCHY AND BETWEEN THE KREMLIN AND RED CHINA

Mr. DODD. Mr. President, there has been much speculation in the Western press about differences within the Kremlin hierarchy and differences between the Kremlin and Red China.

That certain differences do exist, there can be no denying. But how serious are they, and what do they portend for the West?

The consensus until now has been that these differences are very real, and it has been widely recommended that the West should adjust its policy to this reality. It has been suggested that if we make things more difficult for Khrushchev, if we shut the door on agreements that Khrushchev can claim as personal victories, his place will be taken by other more truculent, more Stalinist members of the Kremlin's hierarchy. It has also been suggested that it would be in the interest of the free world to widen the breach between the Kremlin and Red China by admitting Red China to the U.N. and according her diplomatic recognition.

Within the past few weeks, this thesis has been challenged in a series of articles by outstanding experts on communism.

In the current issue of Foreign Affairs, which appeared on March 20, Dr. Philip E. Mosely, director of studies of the council on foreign relations, has published a remarkable article, in which he charges that the Soviet envoys in the West are deliberately spreading false rumors about differences in the Soviet bloc for the purpose of extorting concessions from the West. He points out that, whenever there have been real differences, the Communists have done their utmost to conceal them and deny them.

Mr. Paul Wohl, the noted Soviet expert of the Christian Science Monitor, was even more specific in an article which appeared on February 20. He said there was strong internal evidence that the documents which were leaked to the Western press after the conference of Communist leaders in Moscow last November, were really forgeries. He suggested that the playing into Western hands of forged documents purporting to show Moscow and Peiping at loggerheads was really an instance of collaboration between Moscow and Peiping for the purpose of confusing the West.

This also is the theme of a searching report entitled "That Deceptive Sino-Soviet Split," which appears in the current issue of Air Force magazine.

I recommend all of these articles to the Senators.

Mr. President, I ask unanimous consent to insert in the RECORD at this point the following articles:

First. New York Times article of March 20, entitled "Khrushchev Tales Are Called Trap," by Harry Schwartz.

Second. Foreign Affairs article in its April issue, entitled "Soviet Myths and Realities," by Philip E. Mosely.

Third. The Christian Science Monitor article of February 13 entitled, "Red Bloc Split or Fraud?" by Paul Wohl.

Fourth. The article in the Air Force magazine, March issue, entitled "That Deceptive Sino-Soviet Split."

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the New York Times, Mar. 29, 1961]

KHRUSHCHEV TALES ARE CALLED TRAP—U.S. EXPERT TERMS RUMORS ON PREMIER'S ROLE AN EFFORT TO LURE WEST TO YIELD

(By Harry Schwartz)

An influential U.S. Government adviser on Soviet affairs charges that Soviet envoys in the West are spreading false rumors about Premier Khrushchev's position as a means of extorting important concessions from Western nations.

Writing in the current issue of Foreign Affairs, Dr. Philip E. Mosely also challenges the widely held notion that rising living standards and educational levels in the Soviet Union are in any way weakening the monolithic power of the Soviet state. Dr. Mosely, director of studies of the Council on Foreign Relations, has played an influential role in shaping U.S. policy toward the Soviet Union during the last two decades.

Dr. Mosely does not specify where the Russians are trying to win concessions by spreading rumors that Mr. Khrushchev needs Western retreats if he is to maintain his power against the challenge of Stalinists.

Dr. Mosely participated last year in a closed conference at Dartmouth that brought leading Soviet and American figures together in Hanover, N.H. It is also known that in recent months the Soviet Ambassador, Mikhail A. Menshikov, has been meeting with influential Americans whom he attempted to convince that an early Kennedy-Khrushchev meeting was essential.

POWER STRUGGLES CONCEALED

When there has been an actual Kremlin power struggle, Dr. Mosely writes, Soviet spokesmen abroad have been the last to refer to this dangerous subject.

"They have tiptoed about * * * strongly denying all signs of dissension at home," Dr. Mosely adds. He interprets the situation about which he writes in these terms:

"The recent whispering campaigns seem designed to pave the way for one-sided concessions by the West, rather than representing an unprecedented rending of the veil of Soviet secrecy. The versatility displayed in this new tactic is, I believe, a sign of stability and great self-assurance. Only a very strong and confident Soviet leader can afford to turn to his profit self-launched rumors of his political vulnerability at home."

Dr. Mosely denounces speculation in the United States last spring that Premier Khrushchev's violent behavior at the abortive Paris summit conference was in any way forced upon him by opponents in the Communist Party Presidium or by military leaders. Such views, Dr. Mosely writes, tend falsely to suggest that Mr. Khrushchev has somehow become a puppet buffeted by contending factions and to underrate his experience and his willpower, and to underestimate the power that he wields.

The result of the improved Soviet standard of living, Dr. Mosely writes, has been to raise Khrushchev's popularity to a peak Stalin never knew, and has positively enhanced Khrushchev's ability to mobilize his people's energies and loyalties behind his foreign as well as his domestic programs.

Dr. Mosely describes as wishful the views of those foreign analysts who have argued that the spread of education among the Soviet people must increase doubt and dissent.

[From Foreign Affairs, April 1961]

SOVIET MYTHS AND REALITIES

(By Philip E. Mosely)

I

It may be useful, on the 8th anniversary of Stalin's death, to review some of the misconceptions and mirages that have plagued Western efforts to interpret the changing Soviet scene under his successors. A stock-taking, even though brief and incomplete, may help Americans to understand better the international environment in which a new administration will have to cope with old and new challenges to its hopes and purposes.

One persistent theme of Western analysis has been the concept of a debilitating and perhaps fatal struggle for supremacy within the Soviet apparatus of dictatorship. One widespread view runs somewhat as follows. A totalitarian system, by its very nature, cannot be legitimate. It cannot provide for the orderly transmission of absolute power. It is bound to be caught in a dog-eat-dog struggle for supreme control. On this premise, the top Soviet leadership is inevitably driven by a continuing and desperate rivalry among competing leaders and cliques. Hence, it is assumed, Khrushchev is constantly engaged in a struggle against multiple challengers within his own apparatus, and the function of "Kremlinology" is to identify his rivals for power by reading the obscure portents of personnel changes and turgid ideological hints.

One extreme interpretation of this alleged instability was current in May and June 1960. Supposedly, Khrushchev's vehement behavior at the abortive summit conference was dictated to him by unseen forces within the top Soviet hierachy, perhaps by a ganging up of military leaders and Stalinist ideologues. Supposedly Khrushchev had initially been willing to overlook the affront of the U–2 flights, with its drastic violation of the Soviet passion for secrecy, and proceed with the summit meeting and President Eisenhower's visit to the Soviet Union, but was forced by a coalition of rivals within the party apparatus to take a stiff line. According to this view, he was actually enjoined to read to the Paris press conference a statement prepared for him in Moscow, while the Minister of Defense, Marshal Malinovsky, sat beside him to make sure that he did not deviate from the text.

Undoubtedly, a genuine struggle for the succession took place after Stalin's death. The arrest and execution of Beria was an important step in the downgrading of the power of the secret police which had been used by Stalin for many years—at least since 1934—as a personal instrument of terror against the party. And the political police had undoubtedly used its role to dominate Stalin by playing on his many fears and phobias. The demotion of Malenkov, in January 1955, and the dismissal of Malenkov, Molotov, and Kaganovich in June 1957, served to consolidate Khrushchev's control. The gestures that Marshal Zhukov made toward promoting his own political prestige and his own control over the army were followed by a swift downfall, in October 1957. Probably the decisive building up of Khrushchev's domination over the party's instruments of power took place approximately between mid-1954 and late 1957. A decisive stage in this process was marked by his famous denunciation of Stalin's arbitrary and cruel rule over the party, at the 20th Party Congress in February 1956.

Basically Khrushchev's structure of rule is very similar to Stalin's, but his style of administration differs from Stalin's in some important respects. Like Stalin, he has and uses his full power to appoint and remove the members of the party presidium, the central

drive wheel of decisionmaking, as well as the members of the Central Secretariat. It is clear, at least since late 1957, that Khrushchev's choice of this body of close collaborators is entirely his own; it is not determined by any factions or cliques operating outside his control. He has strengthened the party's, i.e., his own, control over the military establishment and the secret police. Similarly, through appointing a long roster of party secretaries in the various republics and oblasts, Khrushchev has established securely his control over the party machinery. Through the party's regional machinery he also determines the composition of the party congresses, and it is his handpicked party presidium that selects the membership of the central committee of the party. Whether he has reverted to Stalin's singlehanded manipulation of the secret police, or whether he shares control over it with the presidium, remains obscure. In any case, neither the presidium nor the secret police is likely today to offer any foothold to would-be challengers to his leadership.

If the structure of control remains basically unchanged, in what ways and why has Khrushchev changed the style or atmosphere of Soviet rule? Clearly Khrushchev allows a much freer expression of views within his entourage, and genuine discussions now take place on many issues before he hands down his decisions, as illustrated in the discussions of agriculture in the January 1961 session of the central committee. In this respect Khrushchev has apparently reverted in fact, as he claims, to a more Leninist style of work. New and important decisions, such as those on reducing the size of the armed forces, on raising the rate of investment in agriculture, on changing the requirements for admission to higher education, are often preceded by fairly open discussions and disputes in public channels, even though the basic work of decisionmaking is carried on within the party secretariat, the Council of Ministers, and the party presidium, all of which are ultimately appointed by and responsible to Khrushchev.

Does this somewhat enlarged tolerance or even encouragement of more detailed and more frank discussions of ways and means of implementing Soviet purposes and programs mean, as some analysts have stated, that Khrushchev has allowed the reins of power to slip from his hands? Or that decisions are now made by counting votes within the presidium? Or that Khrushchev can be outvoted by colleagues whom he has appointed? Or that members of the presidium are free to trade votes on various issues and to form alinements of factions for and against Khrushchev? In the absence of firm information on this highly secret sphere of Soviet inner politics, many shaky assumptions have been given wide currency. Sometimes, it is Suslov, supposed guardian of ideological purity, who is touted abroad as leader of an anti-Khrushchev, Stalinist intrigue. Sometimes other names, such as Marshal Malinovsky's, are mentioned as potential rivals even though Malinovsky is not even a member of the presidium.

As an absolute ruler Khrushchev needs frank discussions of ways and means to achieve his purpose. But as head of the Soviet Party, he certainly knows how to suppress factions just as effectively as Lenin and Stalin did. Unlike Stalin in his later years, Khrushchev has seen the need to lay down broad purposes and then to leave the details to his principal subordinates, subject to his constant threat to check on their performance. But to assume from this useful and necessary subdivision of labor and partial delegation of operating responsibilities that he has carelessly let the reins of control slip from his hands and has somehow become a puppet buffeted by contending factions is clearly to underrate his experience and his willpower, and to underestimate the power that he wields. It can also lead to underestimating the skill and determination with which he is pursuing Soviet aims abroad.

The notion that Khrushchev's power is far from absolute or secure has been zealously spread abroad by Soviet emissaries, in supposedly confidential talks. "Our leader faces strong opposition at home in his effort to bring about a relaxation of tension with America" (or Great Britain, or France, as the case may be). "He needs something concrete to prove that he is right and the Stalinists wrong." From this it is but a step to implying that the West can safely abandon some of its positions and programs—West Berlin, the plans for strengthening NATO, Formosa—in order to assure the political survival of the cooperative Mr. Khrushchev and forestall the rise to power of some unnamed and supposedly more militant rival.

In the past, whenever a genuine struggle for power has been taking place within the Kremlin hierarchy, Soviet spokesmen abroad have been the last to refer to this dangerous subject. In those uneasy circumstances they have tiptoed about, avoiding tete-a-tetes without witnesses, and strongly denying all signs of dissension at home. The recent whispering campaigns seem designed to pave the way for one-sided concessions by the West, rather than representing an unprecedented rending of the veil of Soviet secrecy. The versatility displayed in this new tactic is, I believe, a sign of stability and great self-assurance. Only a very strong and confident Soviet leader can afford to turn to his profit self-launched rumors of his political vulnerability at home.

II

One beneficial feature of Khrushchev's new style of rule has been a greatly lessened reliance on the day-to-day use of political terror. Khrushchev has gained great popularity, within the ranks of the party apparatus and among the Soviet population at large, through the greater sense of individual security and the spreading expectation of a somewhat more impartial justice. From this, however, there is a long jump, which many commentators in the West have not hesitated to take, to assuming that the system of political pressure and even of repression has simply disappeared. In this overoptimistic view, there are now no obstacles to a continuous evolution of the Soviet system toward a status of full freedom of person and opinion and, eventually, of active political liberty. Does this idyllic picture correspond to reality?

Today, factory managers, collective farm chairmen, artists and writers, party officials of many ranks no longer fear sudden disappearance, whether through imprisonment or execution or exile to labor camps or to forced residence. To a great extent the atmosphere of terror has been lifted. Some important improvements have been made in the administration of justice. To a considerable extent, the reforms of the past 2 years have separated the functions of investigation, prosecution, and trial. Instead of being investigated, arrested, tried, and sentenced by the secret police, an ordinary citizen can now expect that the evidence gathered by the police, secret or conventional, will be examined by a separate prosecutor's office, which decides whether to bring him to trial. And the trial will be conducted usually by courts which are separate in administrative line of command from the police and the prosecutor's office. Of course, all three arms of justice are controlled by the government, under the direction of the party apparatus; all three are subject to appointment and removal from above. All three are responsible to the party's demand for vigilance, whether against hoodlums, embezzlers, speculators in dachas or cars, or disseminators of Western propaganda.

Although the defendant is entitled in theory to the services of counsel, these may or may not be available in practice and defense attorneys are sometimes punished by the party for an excess of zeal in defending their clients. Outside the system of state courts, the military tribunals are still empowered to judge cases in complete secrecy. Sentences are seldom published, except as a public warning to other potential offenders. Still, with all these defects, intolerable in a true system of law, the new conditions of justice offer a vast improvement over those of Stalin's days, especially for nonpolitical offenders.

In the past, a number of well-run autocracies, without a trace of democratic ideology, have also endeavored to provide their subjects with a regular and safeguarded system of justice, for injustice is a source of serious waste to the state itself. Each person wrongly condemned constitutes a direct loss of resources to the state. And the dread of unpredictable punishment brings with it many other losses, such as fear of taking responsibility, widespread resort to deception, apathy among the people, and corruption within the government apparatus.

The new Soviet leadership has not, as many abroad prematurely assume, laid down its punishing sword. Its secret police are still active. They are still watching and writing things down. The ordinary Soviet subject, especially anyone over 35, can recall earlier periods when police pressure, but not police vigilance, has been relaxed. And he knows that seemingly innocent remarks and even imputed motives can be brought up against him at a later time, when the pendulum has swung back toward renewed vigilance.

In the past 2 years the Soviet state has unsheathed a new weapon against those whom it regards as antisocial elements. By the vote of a neighborhood or block meeting assembled and dominated by party members, any unproductive member of society can be expelled from his place of residence and ordered to live at a distance of not less than 100 kilometers. In recent months, newspaper articles and letters have been demanding the more frequent application of this form of vigilante law. Apparently, this type of exile by popular decree is designed to supplement the specific provisions of the code by holding the threat of ostracism over socially undesirable elements and dissenters. The picture of a Soviet system that has chosen, or been driven—by what forces?—to abandon its police controls and to leave the way open to all kinds of initiatives welling up from below is a most appealing one, but one that can hardly stand the light of Soviet day.

III

But, it is frequently argued, the steady if unspectacular rise in the Soviet standard of living is bound, sooner rather than later, to undermine the dictatorial character of the régime. As people become more prosperous and better fed, housed and clothed, they will raise their spiritual demands. They will exact a right to form their own opinions and eventually to tell the authorities what to do.

The rise in Soviet living standards since 1953 is an important and highly desirable development. Since Stalin's death there has been a very substantial improvement in the supply of food. The enormous waste of time through waiting in line has been reduced. Above all, the Soviet housewife is now confident that she will find in the shops the wherewithal to feed her family. Food costs remain high in relation to average earnings, and the variety and quality are poor in relation to Western standards and Soviet desires. In the major cities clothing is available in relative plenty, and prices, though still high, have been reduced almost by one-half; the quality has also been improved, in large part through importing superior goods from China, East Germany, and Czechoslovakia.

In Moscow a customer can now shop around for quality and style instead of taking whatever is offered. Mark-downs and bargain sales, once decried as examples of inferior capitalist management, have been instituted in some lines, such as TV sets, radios and shoes.

Housing, long a blight on Soviet comfort, is being built on an impressive scale, especially in some 150 principal industrial cities. At last, under the program instituted in 1957, millions of citizens are being moved from old, dilapidated housing, and from a one-room-per-family standard, to new and clean if not very elegant apartments of two, three and even four rooms. Nothing can give greater satisfaction and pride than to see and participate in these benefits.

Soviet people are enjoying their increased purchasing power to the full. The peasants receive a much larger cash income and are demanding more good things to buy. A reform instituted in 1956 has given old-age pensioners, formerly condemned to slow attrition, an adequate basic income, buttressed by nominal rents and free medical care. A parallel measure to raise the minimum wage to 300 rubles (30 new rubles of 1961) has, it is estimated, improved the purchasing power of almost one-third of the employed urban population. On the other hand, successful collective farms are still pressed to share their profits with weaker neighbors, and there have been few major reductions in prices since 1955. Still, Soviet incomes on the average are rising markedly and will continue to do so as personal income taxes are gradually eliminated—though not the much more onerous sales taxes. All this can only bring rejoicing that the Soviet people, hard pressed so long and bitterly tried in a very destructive war and its aftermath, are now enjoying a larger share of the fruits of their labor and their forced savings for investment.

For the outside world, however, one major question still remains: Will the improved standard of living build up pressure on the Kremlin to modify its general line of policy, at home or abroad? Will it cause it to abandon its international ambitions, which have been restated so eloquently in the Declaration of 81 Parties, in December 1960, and by Khrushchev in his program speech of January 6, 1961?

Soviet resources are subjected to multiple and conflicting demands, and since 1953 the Kremlin has given a bigger though modest cut of the pie to the needs of the people. Following his tour of the United States in 1959, Khrushchev promised substantial increases in the allocation of capital for the production of consumer goods; he also announced larger allocations in January 1961. These additional resources, human and material, can be found only by making adjustments in other sectors of the plan, for example in heavy industry, in military programs or perhaps in the still modest program of foreign economic aid. It must not be forgotten, however, that light industry is growing more slowly than heavy industry.

In 1960 a Soviet newspaper took the unprecedented step of printing a letter to the editor which asked if it would not be better to spend less on sputniks and more on housing. Of course, the propaganda machine denounced the unnamed author and denied that there was any conflict. Soviet citizens, having received first installments of the long-promised good life, are eager for the day when the Soviet living standard will, as Khrushchev assures them, overtake that of the United States. Indeed, they would be more than pleased to see it equal that of West Germany or even Czechoslovakia. "Prosperity" and "peace" are powerful slogans in Soviet society as elsewhere, but the effect of their popularity seems quite different there than in countries of free and representative institutions.

One obvious result of the improvement has been to raise Khrushchev's popularity to a peak Stalin never knew. His eagerness to go out among the people, his willingness to explain his policies frequently and at length, his folksy manner, are all valuable assets. A further consequence has been to increase enormously the credibility of Soviet propaganda among the people generally. Formerly, when Stalin proclaimed that the Soviet Union enjoyed one of the highest standards of living in the world, his subjects were instinctively on the alert for new sacrifices or new pressures. Aside from the steady rise of the professional and managerial groups to a distinctly superior way of life under Stalin, most of the people saw no evidence to confirm these lofty claims, and their skepticism about domestic propaganda often carried over the sphere of international politics.

In general, so public opinion analysts tell us, people are best informed about events in which they participate or which they observe at firsthand. They find it somewhat harder to form independent judgments about national affairs. And, except in countries where they have access to a continuing and abundant flow of authentic and contradictory information, they find it still harder to form reliable opinions about events and problems in the external world. The increased confidence with which ordinary Soviet people now accept the leader's word in domestic affairs seems to have a strong carryover in the enhanced faith with which they accept his picture of world events. Far from raising a stronger demand for freedom of information and opinion, the rising standard of living seems, from personal observation by many visitors, to have raised the level of popular trust in the party's propaganda. It has positively enhanced Khrushchev's ability to mobilize his people's energies and loyalties behind his foreign as well as his domestic programs.

IV

If the effect of the slow but steady spread of greater material satisfactions has been to relax one of the major sources of tension between the leaders and the led, will not the ideological grip of the party be gradually undermined by the remarkable spread of middle and higher education to more and more layers of Soviet society? Some analysts have asserted that the Soviet regime is thereby digging its own grave. The expansion of education will, they believe, not only equip its beneficiaries to serve the system better but will inevitably give rise to a spirit of questioning, independent reasoning and critical judgment that will sooner or later destroy the party's ideological control.

Certainly there have been some signs, visible even through the strictly regulated Soviet press, of some stirrings of skepticism and dissent. Apparently, many students—at least in Moscow and Leningrad—were shaken by the events of 1956 in Hungary. Some expressed doubts of the Government's explanation that the popular uprising had been provoked solely by imperialist intrigues. The much freer interpretation of Marxism within Poland has not been without some echoes within the Soviet Union. In the largest cities foreign delegates and tourists are now a commonplace sight. Officially sponsored channels of information, such as the Polish Art Exhibit and the American Exhibition of 1959, have had a wide impact, despite the official effort to discredit the Sokolniki display even before it opened.

Khrushchev's outburst of November 1958 against doubting or dissident students was surely not without cause, and he is not unmindful of the tendency, especially within a part of the younger generation which has grown up since the last period of purge and repression, to press beyond the permitted framework of official dogma. Very often students have shown their boredom with the party's ideology and their eagerness to seek information through other than official channels. Khrushchev's demand, in 1958, that all students should have a 2-year period of productive labor in a factory or on a collective farm, before proceeding to their higher education, was only one expression of his resentment and alarm at the attitudes of a part of the students. However, by the time his proposals were transformed into practice, beginning with the academic year 1959–60, the labor requirement was pretty much waived for students of engineering, pure sciences and medicine, as well as for technologists of all kinds.

The full impact of the new barrier has fallen on those seeking admission to higher training in the ideologically sensitive fields—social sciences, humanities, law, and journalism. The most important provision of the new rules is, of course, the requirement that each candidate, after working at production for 2 years, must present a political recommendation by a social organization, meaning the party or its Young Communist League. As Khrushchev exclaimed in 1958, any student who is dissatisfied with the Soviet system ought to be expelled, so as to make room for the son or daughter of a peasant or worker who will value to the full the state-conferred benefit of higher education.

A spirit of inquiry, dissatisfaction or even dissent can arise even under a totalitarian system, for the demand for individual judgment, for sincerity, lies deep in each individual. This urge may stem from many causes, including boredom, family memories, the influence of Russia's great literature, or the impact of injustices. But the problem of harnessing scientific progress with ideological conformity is not a new one for the Soviet regime. It has persisted, in varying forms, from the beginning. The party and its instruments have developed many ways of shepherding the young toward productive and orthodox careers well rewarded by the state, and away from dangerous thoughts. The controls can never work perfectly, and repression of potential dissent exacts its price today, even though that price is probably far smaller than in Stalin's time. The problem of making a uniform and nondiscussable propaganda interesting or even palatable to young people after it has lost its initial savor of scientific infallibility is a continuing one, as witnessed by the party's long and boring decree on propaganda, issued in January 1960.

By and large, foreign observers are left with the impression that any substantial spread of intellectual questioning is pretty much confined to a few major cities, and primarily to the sons and daughters of fairly well-placed and responsible Communists. It often takes the form of wanting to read everything and examine everything for themselves. It reflects a growing suspicion that the party's choice of information may not be very complete or intelligent. For some it takes the form of wishing for more variety and color in a drab way of life, or of a fascination with the far wider range of literary, artistic, and intellectual stimuli available in the West and even in such friendly states as India. For others it takes a less attractive form among the post-adolescent stiliagi, or teddy-boys, who attempt to ape the manners, dress and haircuts of their Western contemporaries of a few years ago. Naturally, Soviet propaganda tries to equate all interest in the West with the fads and fashions of the stiliagi, and then to lump the latter with "hooligans," an American word which has long since been naturalized in Russian as "khuligany."

With the extreme official and popular emphasis on conformity—extending even to local puritanic attempts to forbid bright-patterned sports shirts and women's slacks

on the otherwise fashionable promenades of Sochi—it would be strange if some high-spirited youths did not assert their differentness in various ways, some of them more intelectual than others. On the whole, however, Soviet youth seems highly conformist. For one thing, the college-level study of politically dangerous subjects, such as history, economics and law, is confined to a relatively few and carefully supervised students. The great majority of students, and often the ablest, are attracted by good stipends and promising careers into technical and scientific. For them, the study of world history or foreign literature, even in its carefully selected doses, ends at about 15. What goes by the name of social studies after that is simply party history, party theory and the current party program of do's and don't's. The widely noted apathy on the part of youth toward the cramming of party ideology into their heads by dull propaganda hacks is probably far more serious than any conscious dissent.

The system of controls and incentives through which the party promotes conformity with its views and goals is reinforced by a strong sense of national pride, even chauvinism. Soviet students are amazed when told that the Moscow subway was not the first one ever built. They assume that the sputniks have proven the superiority of the Soviet system. Most Soviet citizens accept as natural and desirable the extension of the Communist system to other countries, and they are unaware of the methods of control that have been applied or the deep-set hatreds those methods have implanted. They cannot imagine other systems, for example those that allow a genuinely free choice. While often displaying a greedy envy of Western comforts, gadgets and cars, they proclaim with full sincerity the superiority and inevitable triumph of the Soviet system. Needless to say, they are well briefed on American defects, such as economic fluctuations and unemployment, unequal access to higher education, and regional resistances to equal status for citizens of Negro descent. But they seem totally unequipped to reason critically about possible defects in the Soviet system; those that exist have either been removed by the post-Stalin regime or are bound to disappear with the spread of material plenty.

If anything, the slightly widened access to Western information and the presence in their streets of Western tourists makes ordinary Soviet people less aware than before of being cut off from contrary or thought-provoking information. Even the flow of casual foreign sightseers appears to confirm their confidence that Khrushchev is doing everything he reasonably can to reduce tensions and strengthen the prospects for peace.

Despite occasional outbursts of fear and resentment, as in the case of Pasternak's "Doctor Zhivago," the Soviet system of control seems confident of its ability to identify, contain and, if need be, repress such expressions of doubt or dissent as appear among a small minority of its youth. In handling a problem that has plagued it throughout its existence, the party is alert but not unduly alarmed by its newest manifestations. Unlike some wishful analysts abroad, it is confident that it can train a very large part of its youth to serve the state, especially in engineering and the natural sciences, without letting many of them stray from the approved paths of ideological orthodoxy, reinforced as it is today by national pride and arrogance.

V

What does all this add up to? First, that the Soviet system with which the West will be dealing in the 1960's is likely to retain a high level of political stability, based on premises and methods very different from ours. The dictatorship is not likely to be torn to pieces by internecine struggles at the top, to lose control over its people or to surrender its ideology. The party structure is better equipped today to ride through a new succession crisis than it was in 1953. No doubt, names and labels will change, but the concept of a single party, justified in its absolute rule by its monopoly over "truth" and foresight, has been strengthened.

Second, the Soviet leadership will not abandon its ultimate power of life and death over its subjects, even though it now exercises this power with new moderation. Its leaders will resort to terror again if they find that necessary to their aims, but they doubt it will be necessary. The further the Stalinist brand of terror recedes in memory, the more active the confidence and the more energetic the cooperation they can hope to elicit from their people. Any minor movements of dissent can be contained by partial relaxation of controls over intellectual life, combined with methods of repression less cruel than in the past.

Third, the shared desire of the party and the people to raise the standard of living is relaxing very old tensions between the two, is lessening the contrasts between life in Russia and in the West, and is likely to evoke ever greater individual efforts to share in the enlarged rewards offered by the regime for hard work and right-thinking loyalty. Finally, the spread of education may create some annoying worries for the ideological purity of the new generations, but it is not likely to endanger the stability of the regime or its ability to pursue the goals which its leaders set for the Soviet people at home or abroad.

It would surely be comforting if an analysis of the evolution, recent and prospective, of the Soviet system could lead us to a confident conclusion that it contains the seeds of inevitable and desirable changes, and that we have only to fold our hands, lower taxes, buy a third car and wait for this development to occur in the fullness of God's time. Unfortunately, such is not the prospect. During the decade of the 1960's we shall, under present prospects, be dealing with a Soviet system that is growing rapidly in economic, scientific and military strength and which will have fewer rather than more difficulties in preserving political stability and an adequate measure of ideological uniformity. These growing strengths, not offset by equivalent new weaknesses, will enable its leaders to devote greater rather than smaller resources and political determination to achieving the worldwide purposes that have been proclaimed in an evolving pattern of interpretation by Lenin and Stalin and now by Khrushchev.

[From the Christian Science Monitor, Feb. 14, 1961]

RED BLOC SPLIT OR FRAUD?

(By Paul Wohl)

Serious doubt exists as to the accuracy and authenticity of the documents which have recently inspired a worldwide interest in an allegedly serious rift between the Soviet Union and Communist China.

Indeed, there is much internal evidence in the documents which indicates that they may be deliberately planted frauds.

These documents allegedly show that Moscow and Peiping are locked in a long drawn-out struggle which flared up violently last year and continues unabated behind a verbal facade of monolithic unity.

At first glance the documents which have come into the possession of Western authorities seem to be almost as sensational as was the indictment of Stalin's abuses by Premier Nikita S. Khrushchev at the end of the 20th Soviet Communist Party Congress.

ACCUSATIONS QUOTED

Last November at the 81-party conference in Moscow Mr. Khrushchev allegedly referred to China's chairman Mao Tse-tung as "a megalomaniac and warmonger." In Bucharest, last June, Mr. Khrushchev is reported to have likened Mr. Mao to Stalin, accusing him of spinning theories detached from the realities of the modern world.

Chairman Mao, in turn, is quoted as having called the Soviet Premier a revisionist which in Communist terminology is akin to a traitor. At a meeting of the presidium of the World Peace Council in Rome in January 1960, Peiping's spokesman is said to have accused the Soviets of letting China down.

Mutual recriminations seem to cover every phase of Communist policy, starting with Premier Khrushchev's speech on Stalin, which, the Chinese say, should have been cleared with the fraternal parties, to a speech by the secretary-general of the Chinese central committee at the 81-party conference, in which he declared that the Soviet party was opportunistic, that its ideas on disarmament were absurd, that the Soviet view of division of labor among the countries of the Socialist camp was wrong and that China must go its own way.

INCIDENTS RECOUNTED

The Chinese are said to have condemned Soviet policy toward Poland in October, 1956, and claim to have prevented the Soviets from withdrawing their troops from Hungary in November of that year, while the Soviets complained that the Chinese were callous and ignorant and that they had tried to draw them into another world war over Formosa, etc.

These are but a few examples of the mutual accusations contained in the documents in Western hands. These documents, which are attributed to a satellite and to a West European Communist source, are more or less identical and believed to represent a deliberate leak on the part of the Soviets.

The purpose of such a leak would seem to be to convince the West that Moscow is under pressure from Peking and that Chairman Mao and his associates represent a danger to world peace. The West under such circumstances might be more inclined to pay a price for Premier Khrushchev's good services in restraining the Chinese firebrands.

FACTS COMPARED

Actually the documents seem to be a fraud. It is unlikely that Mr. Khrushchev at the Romanian Party Congress should have compared Chairman Mao to Stalin as that the secretive Chinese Communists should have chosen a meeting of the presidium of the World Peace Council to accuse the Soviets of selling them out to the United States.

Stalin, it is recalled, remains "a great Marxist-Leninist" to Communists the world over, while the World Peace Council includes several independent, nonparty pacifists of considerable standing in their respective countries.

Facts and data given in the documents, moreover, are out of line with the sequence of events. The presidium of the World Peace Council of January, 1960, met in London and not in Rome. The Chinese were not represented at that particular meeting.

DEBATES NO SECRET

According to the documents, a Soviet circular accusing the Chinese of indiscipline and deviations was sent to the major parties on June 21. This happens to have been the day on which Premier Khrushchev addressed the Romanian Communist Party Congress. On June 26, when Mr. Khrushchev supposedly launched "a violent and impromptu tirade" against Mr. Mao, the Romanian Party Congress had ended.

The Chinese Communist Party is said to have replied to the Soviet circular on Sept. 10. On Sept. 9 Chinese politburo member Chen Yi sent a message to the Bulgarian Communist Party, stating that to strengthen

our unity with the Soviet Union * * * is our fundamenal policy: herein lies our basic interest * * *." There are many other incongruencies.

That differences between Moscow and Peking exist has been admitted by both sides. Discussions among the Communists are known to be frequently rough and impassioned. But there is no indication whatsoever that these differences have reached the climax hinted at in the doucments.

The playing into Western hands of forged documents purporting to show Moscow and Peking at loggerheads may be such a case of collaboration.

[From Air Force magazine, March 1961]

THAT DECEPTIVE SINO-SOVIET SPLIT

Red is Red whether Chinese or Russian. Recent speculation about the possibility of a split between the Red Chinese and Moscow is wishful thinking. Here are four major points to bear in mind in assessing what you read and hear:

1. The Communists, Chinese or Russian or whatever, deliberately manipulate words to conceal intent and strategy.

2. Moscow and Peiping have agreed on tactics to confuse the free world. Local crises will occur more often. Coexistence maneuvers will be intensified.

3. We must plan now for the day, not far off, when the Red Chinese will have nuclear weapons.

4. The Sino-Soviet threat will continue. It makes little difference who is boss or whether they are equal partners.

Recent developments pose an urgent requirement to reassess the Sino-Soviet threat to the free world.

Is Red China attempting independently to attain a nuclear capability, having been refused Soviet weapons?

Were evident differences between the two powers patched up during the secret meeting of world Communist leaders held at Moscow late last year?

Do apparent Red desires to turn the war in Laos into a "little Korea" represent a Soviet concession to Peiping's demands?

Did the Chinese Communists approve Soviet Premier Khrushchev's inaugural greeting to President Kennedy expressing the hope that, under his Administration, United States-Soviet Union relations once more could be improved?

How does Khrushchev intend to reconcile his most recent cries for "coexistence" with his continuing support for the late Lumumba's forces in the Congo and Cuba's Castro, his efforts to weaken the U.N., and his continued attempts to intimidate our allies into withdrawing our oversea base rights?

These are but a few of the questions posed by recent events. Underlying them all is a primary question which the new administration must seek to answer: What are the main factors of the Sino-Soviet as it exists today, and how is this threat likely to evolve in the future? The interplay of moves and countermoves yet to come in the chess game of international politics nullifies the possibility of a completely definitive answer. But a brief analysis of four essential points may serve to sharpen our perspective considerably.

Wishful thinkers tend to seize upon each report of a purported Sino-Soviet rift as new evidence that eventually the two powers will fight one another and permit us to relax and enjoy life again. Unfortunately, such optimism ignores the important fact which constitutes point number one:

1. A basic reason for current misunderstandings about the functioning of the Sino-Soviet alliance is the Communists' deliberate manipulation of words to conceal actual intentions and strategy.

A voluminous exchange of polemics was published throughout most of 1960 in leading Chinese Communist and Soviet journals. On the surface, it appeared to reflect contradictory positions, but, before jumping to conclusions, it is important to recall that deceit long has been a prime requirement of Communist conflict doctrine. In addition, years of experience have led to new refinements of old techniques.

Dr. Stefan T. Possony, faculty member at Georgetown University's Graduate School and an authority on Communist techniques of semantic warfare, has formulated what serves as a succinct résumé of how the Chinese and Soviets now are using word manipulation in an attempt to deceive us. In an article published in the July 9, 1960, issue of the Saturday Evening Post, Dr. Possony observed:

"As Communist semanticists attained virtuoso skills, they discovered that, in many instances, communications could be made to serve a dual purpose—to say one thing to Communists while simultaneously conveying quite a different message to non-Communists."

The most recent Sino-Soviet polemical exchange, which began in April 1960 and continued into December, is a dramatic example of current Communist skillfulness in the use of double-meaning language to serve the dual purpose of communicating with the comrades while simultaneously confusing the enemy. A careful examination of the record reveals that the so-called debate centered around four key areas:

Which tactical tricks from the Communists' bulging bag were best suited to contemporary conflict requirements?

How should current maneuvers be timed to maximize their effectiveness?

What limits did U.S. nuclear firepower pose on Communist freedom of action to encourage the numerous revolutionary opportunities which were continuing to arise in underdeveloped areas?

How could "contradictions" stemming from the simultaneous existence of revolutionary opportunities in newly emerging states and the continuing necessity to deceive and weaken the United States best be reconciled.

Skillful manipulation of words characterized the entire exchange. Moscow emphasized the necessity for disarmament and coexistence. Peiping, by contrast, repeated in outspoken terms the importance of the roles of violence and warfare in bringing Communists to power. Red Chinese spokesmen also emphasized that the United States continued to be the principal enemy and argued the necessity for Communists to actively support all national liberation movements in underdeveloped areas.

On the surface, the differences in viewpoint seem to be considerable. But after the verbiage had been swept aside, it was clear that Moscow and Peiping were arguing the same principles. The very same bloody messages from Peiping which spoke primarily of violence and struggle also took note of the "greater possibilities, under some circumstances, for the peaceful development of the revolution" (Red Flag, April 1960). And Moscow, while pressing for peaceful coexistence, never failed to admit, simultaneously, that in states possessing strong military capabilities of armed class struggle—i.e., war—would be required to guarantee the success of any Communist attempt to seize power. Sino-Soviet spokesmen were apparently playing their own particular version of vaudeville's endman and interlocutor. More recent developments, discussed below, have confirmed this interpretation.

2. Moscow and Peiping have agreed to concentrate, for the moment, on tactics designed to break down our resistance. Local crises are to be stirred up and caused to occur with increasing frequency. Simultaneously, coexistence maneuvers designed to force us to sign hasty disarmament agreements are to be intensified.

The most recent strategy session of the leaders of the international Communist movement took place behind closed doors at the Kremlin during the weeks immediately following the annual celebration of the anniversary of the Bolshevik revolution on November 7. The Yugoslav leaders were conspicuously absent, the Chinese Communists and the Soviets very much present, and high-ranking Communists from at least 79 other nations, within the bloc and without, were on hand. A lengthy multiparty declaration was widely published early in December. Pravda carried the text on December 6. The published declaration disclosed the broad outline of the tactics Moscow and Peiping intend to emphasize for the moment. The main points set forth in the document were:

While the tactics of "peaceful coexistence" are to be further upgraded, coexistence is not a concession to non-Communists. It is an active form of class struggle, a "policy of mobilizing the masses in launching vigorous action against the enemies of peace * * *." Any and all groups and individuals that can be made to fear a nuclear war and its consequences are to become part of a greatly enlarged temporary coalition of the "peace elements." This expanded "peace front" will be manipulated to wage nuclear war psychopolitically and to join the Communists in pressurizing the West into disarming.

Concurrently, encouragement of "national liberation movements"—i.e. local struggle in underdeveloped areas—is to be intensified. The declaration states: "The breakdown of the system of colonial slavery under the impact of the national liberation movement is a development ranking second in historical importance only to the formation of the world socialist system."

Moscow retains hegemony over the international Communist movement; all strategies will continue to be formulated—or approved—by the Kremlin.

Khrushchev expanded these principles in a January 6 report to key members of the Soviet intelligentsia. In essence he spelled out why renewed attempts to disarm and weaken the West were necessary. The problem of how to unleash nuclear war without absorbing unacceptable levels of destruction in the form of retaliatory blows and fallout must somehow be solved, he said. But the tactical decisions taken at the multiparty meeting must not be interpreted to mean that the pace of the Soviet military buildup was to be slackened.

On January 21, the Chinese Communist Central Committee also issued a statement endorsing the 81-party declaration. No Sino-Soviet disagreement over fundamental principles was apparent.

The one question which neither Moscow nor Peiping has answered so far is this: How do the Communists intend now to go about trying to disarm the West unilaterally while keeping some nuclear weapons for their own later use?

Even before Khrushchev's January 6 speech, high-level Soviet military spokesmen—and Khrushchev himself—had hinted of their preoccupation with how to work out a way to wage nuclear war successfully without suffering, in the process, an unacceptable level of retaliation. History has recorded the Communists' penchant for negotiating international agreements to serve their own ends, only to break them without notice whenever such a move best serves their purposes. Our own security depends upon a suspicious scrutiny of each new "disarmament" maneuver they initiate.

Already, the Chinese leaders have stated publicly that they will not adhere to any disarmament agreement unless they have participated in the negotiating sessions. There also have been hints that soon Red China will explode a nuclear device of its own. Both of these developments, plus

elaborate maneuvers to suggest to the West that a rift between Moscow and Peiping is imminent, could be part of a plan jointly agreed upon in advance, to deceive us. If the United States could be convinced, somehow, to believe that Moscow sincerely intended to adhere to a disarmament agreement, that she was unable to control the behavior of the Red Chinese, and that the Kremlin was displeased over Chinese bellicosity, fresh avenues would thereby be opened for Moscow and Peiping to attempt to retain some nuclear weapons while depriving us of our own. Such a deceptive strategy would pose less risk to the Soviets, in the long run, than cheating on a disarmament agreement, although a combination of both tactics would run true to Communist form.

Even if the United States should agree to such a minimal move as a nuclear test ban treaty, while the Communists retained the freedom to test in China, the likelihood of their eventually winning the weapons lead-time race would be enhanced. Insofar as the Soviet leaders are concerned, this is the prime objective, one to which all other goals must be subordinated.

Further, Khrushchev's current thinking could well be along these lines. If the U.S.S.R. moves present-generation weapons and key military research and development and manufacturing centers to Red China, along with sufficient Soviet personnel to continue operations there, it might be possible to dupe the West into getting rid of its strategic strike capability while the Reds secretly retain theirs. If necessary, once its arsenal had been transferred to remote areas in China, the U.S.S.R. could permit inspection of its own territory on U.S. terms. Then the United States would pretty well have to agree to nuclear disarmament.

Risks to Russia that the Chinese would attempt to seize installations for their own use could be nullified if sufficient Soviet troops guarded them. Since the Chinese will continue to depend heavily on Soviet advanced technology for a long time to come, they cannot go too far in antagonizing the Kremlin; it is unlikely that such elaborate safeguards actually would be necessary. Moreover, the two powers seem really to be working in concert against the West rather than concentrating unduly over tactical priorities.

3. The Chinese Communists seem to be working to acquire nuclear weapons. We should plan now to meet this contingency.

Last fall, Chou En-lai granted an interview to Edgar Snow; the text was published in the January 31, 1961, issue of Look magazine. The interviewer asked: "How soon does China expect to be making nuclear weapons of its own?" Chou replied, laconically: "I can briefly state that I, myself, don't know when we will be making nuclear weapons."

However, other statements by the Chinese leaders have specifically claimed that the Chinese Peoples Republic (CPR) will have nuclear weapons eventually. Western observers agree. For example, a symposium on Chinese science and technology was held in conjunction with the annual convention of the American Association for the Advance ment of Science in New York last December. Robert T. Byer, a physicist at Brown University, estimated that the Chinese Communists could explode their first A-bomb in 5 years. Sir C. P. Snow of Great Britain, speaking at the same meeting, said: "Within, at the most, 6 years China and several other states will have a stock of nuclear bombs."

Both of these estimates were based on analysis of the progress the Chinese have made in implementing their 12-year plan for science, inaugurated late in 1955. The objective was to try to catch up with the technologically advanced nations in key fields. At first the Chinese attempted to inaugurate their plan with a minimum of Soviet help. But setbacks occurred. After talks at Moscow, an agreement was signed on January 18, 1958, which made the plan a joint Sino-Soviet venture. Neither the Chinese nor the Soviets have disclosed what priority, if any, was assigned to military applications of nuclear energy. Nor has Soviet delivery of any nuclear weapons to China been announced. But the Chinese have declared their intent to develop a modern defense industry and to transform China into a strong socialist state as a result of having undertaken the plan. It is safe to assume that they are hard at work to develop a nuclear device, either with or without Soviet assistance. Possessing even a token nuclear capability would greatly enhance the CPR's status in the alliance and in the world at large.

When the Chinese Communists announce to the world that they have successfully tested a nuclear device, we must be prepared to deal with the situation. In the ensuing excitement, the United States must take precautions not to lose sight of several important points.

The event will have great impact on the leaders of the technologically backward nations in Asia and Africa. Irrespective of the true facts, the Communists are likely to play up the test as something the Chinese have accomplished without help from Moscow. African and Asian leaders are already impressed with the phenomenal strides China has made to industrialize an agrarian economy against formidable odds. They visualize China's accomplishments, unlike Moscow's, as symbolic of something they, too, can realistically hope to achieve. Should China explode a nuclear device, these leaders will be appropriately awed.

China will seek to exploit the situation and use its token nuclear capability as a lever for extending its sphere of influence and realizing its objectives in Asia. Attempts to foment revolutions in all the underdeveloped countries of the areas will be intensified, threats may be followed by full-scale invasion attempts by China's conventional forces, and efforts to force Japan to aline herself with the Communist bloc may eventuate.

How far China will go in such maneuvers and how quickly she will move will depend, primarily, on whether or not, in the meantime, Moscow has succeeded in controlling the conduct of the integrated foreign policy of international communism. If the Soviet leaders estimate that their own attempts to attain at least some degree of unilateral Western disarmament have, meanwhile, increased their relative military strength to a point where it is time to take on the United States directly, bellicose Red moves in Asia could serve as the curtain raiser for central war. But if the United States has not backed down in the meantime, the risks Moscow would incur by initiating global war still would outweigh the gains.

Even when she possesses a token nuclear capability, China, unless joined by the U.S.S.R. will not be capable of waging war against the major Western powers. Even if she works at breakneck speed, it will take her some years to advance from a neophyte member of the nuclear club possessing a Hiroshima-type bomb to one controlling the equivalent of today's weapon systems. Military technology continues to advance rapidly. By the time China has brought her military establishment in line with today's standards, tomorrow's weapons will have been phased into the United States and Soviet arsenals.

In the final analysis, the capability of the free world to deal effectively with China's attainment of a token nuclear capability will depend upon the United States refusal, in the meantime, to succumb to the tactics of constant nuclear terrorization that the Communists now are applying against us. In fact, the Kremlin can hand the Red Chinese an obsolete nuclear weapon and help the Chinese to explode it any day the Soviets choose. We should show our courage by calling the Communists' bluff in the right way at the right moment. Meanwhile, we should refuse even to continue to adhere to a gentleman's agreement on a nuclear test ban, a development which is seriously jeopardizing our own research and development efforts. Once we are alerted to all Communist machinations designed to weaken us militarily, psychologically, and politically, we, like they, will lose our fears of nuclear firepower and evaluate Communist psycho-political use of this weapon as realistically as we must also evaluate the possibilities of their using it actually.

4. The Sino-Soviet threat will continue indefinitely, irrespective of whether Moscow retains control or whether Peiping achieves her goal to become an equal partner.

It is impossible to say with certainty whether or not the Red Chinese ever will become a nation sufficiently industrialized to challenge the Kremlin's hegemony over the international Communist movement. So far, China has shown no signs of such potential. Despite understandable differences, the two powers continue to work in concert to try to defeat the principal enemy they commonly share: the United States. Even serious agricultural setbacks in both nations have not forced any relaxation of this ruthless dedication to the main objective—wearing down our resistance and resolution by any and all available means while simultaneously continuing their own military buildup. Eventually, the alliance may evolve into an equal partnership, complicating our already difficult task of meeting the challenges and threats it poses. But relaxing our vigilance and rationalizing our behavior with idle and unrealistic dreams of the day when the Red Chinese will initate war against the Soviets—or vice versa—would be our greatest national mistake, one which there would be no opportunity to rectify.

The Communists have announced their intentions to conduct a ruthless program of diverting our attention from one local crisis to another along the pattern evident in Laos and the Congo. Simultaneously, they have served warning that they will build up pressures for nuclear disarmament by intensifying already existent western fears of nuclear war. Since they have revealed their strategy, we have no justification for cooperating with their attempts to realize their announced objectives.

In the long run, insuring a priori the complete failure of all Communist attempts to disarm us will be the only effective deterrent to our own ultimate capitulation.

ROBERT TABER AND THE FAIR PLAY FOR CUBA COMMITTEE

Mr. DODD. Mr. President, my colleagues may remember that I have made previous reference on this floor to Robert Taber of the so-called Fairplay for Cuba Committee. Taber is the man who testified under oath before the Internal Security Subcommittee that there was no Cuban money supporting that committee, and who was proved a perjurer when we later secured testimony that Taber himself had received thousands of dollars in cash from the hands of Raulito Roa of the Cuban delegation to the United Nations, and that this money was intended to be used for and was used for paying the cost of the advertisement in the New York Times which opened the Fairplay for Cuba Committee's public campaign of fundraising and propa-

ganda dissemination in behalf of Fidel Castro.

The Internal Security Subcommittee has sought without avail to get further testimony from Mr. Taber. Our subpenas have been returned, for the marshals have been unable to find him. It was reported to us that he had fled to Cuba, and I reported this to the Senate some time ago.

Now we have additional word about Robert Taber. The Miami News of Saturday, March 25, 1961, carries a picture of Mr. Taber in the garb of a Castro militiaman. He is lined up with three other individuals similarly garbed, all armed. The picture appears to have been taken against a kind of jungle background.

Under the picture is the caption " 'Militiaman' Robert Taber and Friends." I wish it were possible to insert pictures in the CONGRESSIONAL RECORD, because this picture is worth a thousand words.

Under this picture in the Miami News is a three-column headline "Ex-U.S. Newsman Joins Fidel's Militia." Then comes the story. It is fairly short, and I should like to read it for the information of the Senate:

Robert Taber, the former New York CBS newsman who defected to Fidel Castro's Communist dictatorship in Cuba, has gone all the way in his love for the Cuban revolution.

Now, apparently, Taber has joined the ranks of Castro's people's militia.

A photograph of Taber, who masterminded the Communist-lining Fairplay for Cuba Committee in this country, appeared in this month's issue of Bohemia magazine—published in Havana.

Taber is shown with three other Cubans attired in a militia uniform, a beret, and carrying a Czechoslovakian submachinegun.

The photograph caption states:

Bob Taber, the famous North American newspaperman, dressed as a militiaman and also went to fight with his "checa" what he has always fought with his pen.

The word "checa," according to Carlos Todd, Cuban newsman now publishing the Cuban Information Service in Miami, is slang for Czech weapons.

Taber also has appeared in recent photographs in the Havana press which have shown him cutting sugarcane.

For several weeks Taber also has been a contributing columnist in Castro's El Mundo and Revolucion newspapers in Havana.

He also is engaged in killing anti-Communist Cuban patriots who are today fighting a desperate battle in the Escambray hills of south-central Cuba, Todd comments in his weekly newsletter.

His comrades in the Fairplay for Cuba Committee in the United States are justly proud of him.

In addition to the testimony it took from Robert Taber the Internal Security Subcommittee also has received testimony from several others in connection with its investigation of the Fairplay for Cuba Committee, and we are continuing our investigation of the activities of this committee. We plan to release this testimony which we have already taken about the middle of next week. Further testimony with regard to the Fairplay for Cuba Committee will be taken in the very near future.

I hope every Senator will take time to read the testimony because this is a good example of a Communist-front organization which operated with some success within this country, and found support from many innocent and misled people. It was able to get on the college and university campuses of this Nation, where its work has done untold harm in poisoning the minds of young people.

The Fairplay for Cuba Committee got away with all this without any interference until a committee of the Senate looked at it and found it was a Communist-supported organization, operating right in our midst. This is a classic example of what we are up against—an organization supported by Communist funds, working for Communist purposes, taking a full page advertisement in the New York Times to lie to the American people that it is an American institution devoted to freedom, when in truth it is a Communist front devoted to slavery and tyranny.

I ask unanimous consent that the newspaper article be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

EX-U.S. NEWSMAN JOINS FIDEL'S MILITIA

Robert Taber, the former New York CBS newsman who defected to Fidel Castro's Communist dictatorship in Cuba, has gone all the way in his love for the Cuban revolution.

Now, apparently, Taber has joined the ranks of Castro's people's militia.

A photograph of Taber, who masterminded the Communist-lining Fairplay for Cuba Committee in this country, appeared in this month's issue of Bohemia magazine—published in Havana.

Taber is shown with three other Cubans attired in a militia uniform, a beret, and carrying a Czechoslovakian submachinegun.

The photograph caption states:

"Bob Taber, the famous North American newspaperman, dressed as a militiaman and also went to fight with his 'checa' what he always has fought with his pen."

The word "checa," according to Carlos Todd, Cuban newsman now publishing the Cuban Information Service in Miami, is slang for Czech weapons.

Taber also has appeared in recent photographs in the Havana press which have shown him cutting sugar cane.

For several weeks Taber also has been a contributing columnist in Castro's El Mundo and Revolution newspapers in Havana.

"He also is engaged in killing anti-Communist Cuban patriots who are today fighting a desperate battle in the Escambray hills of south-central Cuba," Todd comments in his weekly newsletter.

"His comrades in the Fair Play for Cuba Committee in the United States are justly proud of him."

REEMPLOYMENT OF FOREIGN SERVICE OFFICERS OR EMPLOYEES

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the pending business be temporarily laid aside and that the Senate proceed to the consideration of Calendar No. 115, S. 644.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 644) to amend the Foreign Service Act of 1946, as amended, concerning reemployment of officers or employees.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Foreign Relations with an amendment on page 1, line 11, after the word "serving", to strike out "or shall cause to be paid, by transfer or otherwise, to the Department of State funds necessary to cover gross salary, employer contributions, and gross lump sum leave payment relating to the employment of the reemployed officer or employee. The Department of State shall make to and on behalf of the reemployed officer or employee payments, except those made directly by the employer as authorized in the first sentence of this paragraph to which he is entitled under the provisions of paragraph (a) of this section, and shall make those withholdings and deductions authorized and required by law", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That paragraphs (b) and (c) of section 872 of the Foreign Service Act of 1946, as amended, are amended to read as follows:

"(b) When any such retired officer or employee of the Service is reemployed, the employer shall send a notice to the Department of State of such reemployment together with all pertinent information relating thereto, and shall pay directly to such officer or employee the salary of the position in which he is serving.

"(c) In the event of any overpayment under this section, such overpayment shall be recovered by withholding the amount involved from the salary payable to such reemployed officer or employee, or from any other moneys, including his annuity, payable in accordance with the provisions of this title."

Mr. MANSFIELD. Mr. President, the pending bill has been cleared by the acting minority leader and the ranking Republican member of the Committee on Foreign Relations. It was reported unanimously by the Committee on Foreign Relations. It has the approval of the Department of State and of Mr. Robert Brenkworth, the man most directly involved, who is the disbursing clerk of the Senate. I ask unanimous consent that I may insert at this point in my remarks a statement on the bill.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR MANSFIELD

I do not believe that I can be more brief or more clear in my explanation of S. 644 than by quoting from the brief report of the Committee on Foreign Relations on the bill.

"Section 872(b) of the Foreign Service Act of 1946, as amended, provides that the agency of the Federal Government reemploying a Foreign Service annuitant shall pay to the Department of State the funds necessary to cover salary, employer contribution, and leave payments, and that the Department of State shall in turn pay to the annuitant the portion of his salary that he is entitled to and the portion of his annuity that he is entitled to, making such withholdings and deductions as are authorized and required by law.

"S. 644 was designed to simplify this procedure in some cases by allowing these fiscal arrangements to be handled either entirely by the Department of State as the law now provides or to be shared between the Department of State and the agency which employs the retired officer.

"The committee received favorable reports on the bill from both the executive branch and the Senate Disbursing Office. Both reports suggested, however, that the bill would be even better if it provided that the salary of a reemployed annuitant would in all cases be paid by the new employer. There is no opposition to this change.

"The committee decided on March 21, 1961, to report the bill favorably with the amendment recommended by the executive branch and the Senate Disbursing Office.

"S. 644 also revises section 872 of the Foreign Service Act of 1946, as amended, having to do with the recovery of excess payments, to accord with the change which the bill would make in section 872.

"The Committee on Foreign Relations recommends that the Senate approve S. 644."

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

LAW DAY, U.S.A.

Mr. DIRKSEN. Mr. President, yesterday the House passed House Joint Resolution 32, designating the 1st day of May of each year as "Law Day, U.S.A." The joint resolution is at the desk. I ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER. (Mr. PASTORE in the chair) laid before the Senate the joint resolution (H.J. Res. 32), to designate the 1st day of May of each year as "Law Day, U.S.A." which was read twice by its title.

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution.

Mr. DIRKSEN. Mr. President, the American Bar Association, in cooperation with hundreds of State and local bar associations, has sponsored the observance of Law Day on May 1 of past years, the principal purposes of which are to foster respect for law and a reaffirmation of the American people of their loyalty to the United States of America and a rededication to the ideals of equality and justice under law in their relations with each other as well as other nations. Designation of this day as "Law Day" will also point up the contrast between freedom under law and governmental tryranny.

Schools, courts, civic and service clubs, and churches joined by such organizations as the American Heritage Foundation, the International Association of Chiefs of Police, the Federal Bureau of Investigation, have all cooperated to arrange programs which will bring to the public the real meaning of the observance and a true realization of the privilege we unconsciously enjoy by being Americans.

Inasmuch as May 1 is not far away and the American Bar Association is most anxious to make the necessary arrangements that this day be appropriately celebrated, I ask for immediate consideration of House Joint Resolution 32.

The PRESIDING OFFICER. The joint resolution is before the Senate and open to amendment. If there be no amendment to be proposed, the question is on the third reading of the joint resolution.

The joint resolution was ordered to a third reading, was read the third time, and passed.

THE POST OFFICE DEPARTMENT DEFICIT AND POSTAL RATES

Mr. ROBERTSON. Mr. President, last week during the hearings on the request of the Post Office Department for additional funds to keep it from going into the red, it was developed that we were facing a deficit in the Post Office Department this year of over $800 million, and a deficit even larger than that in the next fiscal year.

I asked the officials at that time what they planned to do about it. They said they understood that the Department would request Congress to increase rates to produce approximately $800 million, and that they would ask the ICC, with $100 million being lost on parcel post, to increase the parcel post rate.

I have written to the Postmaster General a letter asking him to indicate where some of the big losses were occurring. He has written me a letter, dated March 28, which I received this morning. In it he lists newspapers and magazines as costing us $256 million a year, and third-class mail, which some people irreverently refer to as junk mail, costing us $252 million a year.

Then the Postmaster General states that he has plans to recommend to Congress an increase in first-class mail of 1 cent, which will produce nearly $400 million, and an increase in the other rates, to wipe out the deficit.

Mr. President, I ask unanimous consent that the letter and the accompanying figures furnished me today by the distinguished Postmaster General be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

OFFICE OF THE POSTMASTER GENERAL,
Washington, D.C., March 28, 1961.

Hon A. WILLIS ROBERTSON,
Chairman, Subcommittee on Treasury-Post Office Departments Appropriations, U.S. Senate, Washington, D.C.

DEAR SENATOR ROBERTSON: I delayed a few days in sending you the information you asked for about postal-rate revision because I thought I might be able to include additional specific facts from the Presidents' submission to Congress.

However, I don't want to let any more time go by.

If you want more detailed development of this situation than that provided in the enclosure, please let me know.

Sincerely yours,

J. EDWARD DAY,
Postmaster General.

BACKGROUND FOR CONSIDERATION OF POSTAL-RATE REVISION

I. GENERAL

The 1962 Federal budget was prepared and submitted to the Congress before the present administration took office.

This budget presupposed enactment by Congress of additional fees and charges totaling $1.8 billion in 1962 in order to achieve a balanced budget and to operate within the permanent debt ceiling.

Of this amount, $843 million was to be provided in 1962 by postal-rate increases.

President Kennedy said in his state of the Union message that his new administration must of necessity work within the budget framework previously submitted.

The Post Office Department previously prepared a schedule of rate revisions to provide the necessary additional postal revenues. The present administration of the Post Office Department, because of the general situation described, proposes this same schedule of rate revision.

II. REVENUES AND EXPENDITURES

According to current estimates, the deficiency of income in 1962 will reach $894 million. This is an alltime high.

	Annual amounts (in millions)		
	1960 (actual)	1961 (estimate)	1962 (estimate)
Total obligations	$3,874	$4,269	$4,424
Net revenue	3,277	3,442	3,593
Postal deficiency (fund basis)	597	827	831
Payment for public service	37	49	63
Total Treasury financing	634	876	894

III. PUBLIC SERVICE ALLOWANCES

In each of its actions since enactment of the Postal Policy Act, 1958, Congress has followed the same pattern in determining public service allowances.

Similar action was assumed for 1962 by the previous administration. This would set public service alowances at $63 million.

IV. THE POSTAL DEFICIENCY

According to the Postal Policy Act, the users of the mail should pay the cost of handling the mail, except for public service allowances.

According to the Department's 1962 estimates without a general rate revision users would pay $831 million less than this cost. (This is $12 million less than the amount set forth in the original budget because of a reduction in proposed expenditures.)

V. THE POSTAL DEFICIENCY BY PRINCIPAL CLASSES OF MAIL

The most recent figures are given in the 1960 Cost Ascertainment Report as follow:

	Revenue surplus (+) or deficiency (−) (in millions)
1st-class mail	−$4
Domestic airmail	+11
2nd-class mail:	
Regular-rate publications	−256
Preferential-rate and free-in-county (after statutory public service allowance)	−90
3d-class mail	−252
4th-class mail	−113

VI. ADMINISTRATIVE RATE REVISIONS

The Post Office Department will soon file a request with the Interstate Commerce Commission for revised rates for parcel post, the service that accounts for most of the loss shown above in fourth-class mail.

The Postmaster General has authority to establish certain rates, such as for international mail, and fees for certain special services, such as postal money orders, registry, special delivery, and collect-on-delivery.

Revisions of these administrative rates are being made and will produce approximately $90 million in 1962 ($15 million additional revenues from international mail was already included in the 1962 budget estimates).

VII. LEGISLATIVE RATES

After public service allowances and after administrative-rate increases are taken into account, there remains $741 million to be obtained from legislative-rate increases.

A 1-cent increase for first-class and airmail would produce $423 million in new revenue, leaving $318 million to be obtained from second- and third-class mail and all other legislative adjustments.

It is expected that a schedule for accomplishing this objective will soon be submitted by the President to the Congress.

THE MERGER OF MANUFACTURERS TRUST AND HANOVER BANK

Mr. ROBERTSON. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a letter which I received this morning from Mr. Horace C. Flanigan, of the board of the Manufacturers Trust Co., of New York, in which he states there were some inaccuracies in the statement I made on the floor of the Senate concerning his alleged contract of compensation in connection with the merger between the Manufacturers Trust Co. and Hanover Bank.

He outlines in his letter the actual contract which he has enjoyed for the past 3 years with Manufacturers Trust Co., and which apparently will be the basis of his compensation when Hanover merges with Manufacturers.

I did not furnish a copy of the letter to the press gallery because the newspapers of the Nation did not publish what I said last Friday, and I therefore assumed that they were not interested in Mr. Flanigan's statement.

However, for the benefit of my colleagues I will say that Mr. Flanigan said I was in error in saying that the airplane would be his private airplane, but that, instead, when he was not using it other bank officials could use it. He states that the limousine with the liveried chauffeur would not be his private limousine, but that when he was not using it, it could be used by other bank officials.

Mr. Flanigan states that the insurance policy of $100,000 on his life was a part of the general pool of all bank officials, and that in view of the fact he was taken on at the age of 65 his policy has depreciated at the rate of $10,000 a year.

With respect to what I said about his being paid a $25,000 a year bonus at the end of his active employment after a period of 10 years, he said it was not a bonus, but deferred compensation; that he would get it only for the number of years that he actually was on duty; first at a salary of $125,000 a year, and later at a salary, as a part-time consultant, of $50,000 a year.

In fairness to Mr. Flanigan I ask that the letter may be printed in the RECORD at this point in my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MANUFACTURERS TRUST CO.,
New York, N.Y., March 28, 1961.

The Honorable A. WILLIS ROBERTSON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR ROBERTSON: In our telephone conversation yesterday, during which I expressed my great surprise and concern at the comments which you made on the floor of the Senate on March 24 about my employment contract with the Manufacturers Trust Co., you stated that you would welcome a full statement of the facts. I am glad to respond to that suggestion.

On September 30, 1957, the board of directors of the Manufacturers Trust Co., considered, in the words of the minutes of the meeting, "the desirability of assuring to the trust company the continuation of the services of the chairman of the board, Mr. Horace C. Flanigan, particularly after he ceases to be the chief executive officer." The board appointed a committee of four outside directors and instructed them to confer with me about the continuation of my services. After 6 weeks' study, the committee recommended and the board approved the following contract that was executed on November 18, 1957:

"This agreement made at New York, N.Y., this 18th day of November 1957, by and between Manufacturers Trust Co., a New York banking corporation, hereinafter referred to as the 'trust company,' and Horace C. Flanigan, hereinafter referred to as 'Flanigan,' witnesseth:

"Whereas Flanigan has been employed by the trust company for more than 25 years and during that period has had an important part in its management and has contributed substantially to its growth and success; and

"Whereas since 1951 Flanigan has been and is now employed by the trust company on a full-time basis as chief executive officer and now has the title of 'chairman of the board of directors'; and

"Whereas the trust company desires to make provision for the continuance of Flanigan's employment as chief executive officer and to obtain the continued benefit of Flanigan's advisory and consulting services as a part-time employee when he ceases to be chief executive officer; and

"Whereas Flanigan is willing to render the services provided for herein on the terms and conditions herein set forth: Now, therefore, in consideration of the premises and the mutual covenants and agreements herein contained the parties hereto agree as follows:

"1. So long as the board of directors of the trust company shall determine, Flanigan agrees to serve the trust company as the chief executive officer on a full-time basis at a salary at the rate of $125,000 per annum payable in approximately equal installments on the customary salary payment dates of the trust company. At any time after November 18, 1959, Flanigan may elect on 30 days' written notice to the trust company to terminate his services as chief executive officer at the expiration of such 30-day period with the same effect hereunder as if such termination were determined by the board of directors of the trust company.

"2. On the termination of Flanigan's services as chief executive officer of the trust company under paragraph 1 hereof and for a period of 5 years from that date, Flanigan agrees to continue as a part-time employee during such 5-year period and render such advisory and consulting services to the trust company as may be reasonably required by the board of directors of the trust company, and subject to their supervision and control. Flanigan shall be required to devote in the aggregate up to but not exceeding one-half of his time during regular business hours to such services. Flanigan, however, shall be required to render such services only at such times and to such extent as his health permits and does not unduly interfere with his other activities which he may be engaged in during the other half of his time not committed to the trust company. Flanigan's annual salary under this paragraph 2 shall be at a rate equal to the sum of $50,000 per annum plus the annual pension Flanigan would have been entitled to receive under the trust company's pension plan, as then in force, if he retired at the conclusion of his services under paragraph 1 hereof, and shall be payable in approximately equal installments on the customary salary payment dates of the trust company. In the event that Flanigan becomes physically or mentally incapable of performing the services provided for in this paragraph 2, the board of directors of the trust company shall have the right to terminate the period provided for as of a date to be determined by the board of directors.

"3. During the period of part-time employment provided for in paragraph 2 hereof the trust company shall provide for Flanigan a suitable office in the building occupied by its branch at Fifth Avenue and 43d Street in the city of New York, and shall also provide him with such secretarial and other services as he may reasonably require in carrying out his obligations under said paragraph 2.

"4. During the period provided for in paragraph 1 hereof as well as during the period provided for in paragraph 2 hereof, the trust company shall pay, or reimburse Flanigan for, expenses paid or incurred by Flanigan in performing his obligations under paragraphs 1 and 2 hereof of the same general nature and to the same general extent now being paid or reimbursed to Flanigan.

"5. During the periods provided for in paragraphs 1 and 2 hereof, Flanigan, in addition to the salary payments provided for in said paragraphs, shall participate in and be covered by such pension, profit sharing, insurance, and other benefit plans as are provided by the trust company for its active employees, and he shall not be treated as a retired employee until the completion of his employment under paragraph 2 hereof.

"6. As a further inducement to Flanigan to enter into this agreement, the trust company, upon the termination of his employment under paragraph 2 hereof, agrees to pay to Flanigan an aggregate amount equal to $25,000 for each full year, and proportionately for each fraction of a year, of his service under paragraphs 1 and 2 hereof, which aggregate amount shall be payable at the rate of $25,000 per annum, and such annual amount to be payable in approximately equal installments on the customary salary payment dates of the trust company. In the event of Flanigan's death prior to the payment in full of the sums provided for in this paragraph 6 hereof, and whether such death occurs before or after the completion of his period of employment under paragraphs 1 and 2 hereof, the balance shall be paid to Flanigan's legal representative promptly after the qualification of such legal representative.

"7. During the period provided for in paragraphs 2 and 6 hereof, Flanigan agrees that he will not directly or indirectly engage in any business which is competitive with the business of the trust company.

"8. The obligation of the trust company to make the payments provided for in paragraph 6 hereof shall be conditioned upon Flanigan's due performance of his obligations under paragraphs 1, 2, and 7 hereof.

"9. This agreement shall inure to the benefit of and be binding upon the trust company, its successors and assigns (including without limitation any corporation which might acquire all or substantially all of the trust company's assets and business or with

which the trust company may be consolidated or merged).

"10. This agreement shall be governed by the laws of the State of New York.

"In witness whereof the parties hereto have executed this agreement the day and year first above written.

"Attest:

"J. F. ADAMS.

"MANUFACTURERS TRUST CO.,

"By E. S. HOOPER,

"H. C. FLANIGAN."

In the light of the facts of this contract, Senator, I believe the record should be set straight to show that—

My employment contract is not one of the terms of the merger of the Manufacturers Trust Co. and the Hanover Bank, but antedated the merger agreement by more than 3 years;

This contract is not a million-dollar bonus or any kind of bonus, but is compensation—part payable currently and part deferred—for services now being rendered and to be rendered under its paragraphs 1 and 2;

No provision of the contract or possible interpretation of it could provide a basis for the statement regarding me that "with no duties to perform he will first be carried on the payroll of the merged institution at a salary of $125,000 per year."

It was my intention that, at the end of the first 2 years following 1957, I would retire as chairman of the board and chief executive officer. In September 1959, the then president of the bank, Eugene S. Hooper, informed me that he was forced to relinquish his office and responsibilities because of ill health. We were most fortunate to secure the services of Charles J. Stewart to replace him as president. Mr. Stewart had been president of the New York Trust Co. and was a general partner of Lazard Freres & Co. when he came to us. He took office in November 1959 and I was urged by members of the board to stay on another year during this transition period. In the fall of 1960, I had notified members of the board that I wanted to retire as chief executive officer at the end of that year in favor of Mr. Stewart. In December, however, active merger negotiations were undertaken by William S. Gray, chairman of the Hanover Bank, and myself. These merger negotiations were interrupted by a business trip that I had to make to California but on my return early in January they were resumed and the merger was agreed upon by the two boards. It is planned that Mr. Stewart will be chairman of the board of the merged bank, R. E. McNeill, Jr., now president of the Hanover, will be president and Gabriel Hauge, now chairman of the finance committee of Manufacturers Trust Co. will be vice chairman. It is also planned that Mr. Gray will become chairman of the finance committee and that I will become chairman of the executive committee.

So much for the contract. Now let me take up the other matters to which reference has been made. It has been said that I am provided a private airplane. The facts are that the airplane was purchased for the Manufacturers Trust Co. in 1946 by the late Harvey D. Gibson, then president of the trust company, and has been in use by the bank since that time. It is available to the bank's executives for use in furthering the bank's interests and has been so used. It is in no sense for my exclusive use.

It has also been said that the bank maintains a deluxe suite at the Waldorf-Astoria for the use of myself and my family. The fact is that I maintain a home in Purchase, N.Y., which is fully staffed all year around and where I live when I am not in New York City attending to bank business and meeting customers. This apartment is also available to other executives of the bank and for meetings incident to bank business. As for my family, occasionally my married children stay there overnight with me when the second bedroom in the apartment is not occupied. In such cases, I have remitted these occupancy costs to the bank.

A further matter relates to a car and chauffeur. It is true that a car and chauffeur are at my disposal for bank business, but when this car is not being used by me it is available for the use of other members of the bank's executive staff. At my home in Purchase, I have a chauffeur and automobiles to take care of my personal needs.

Reference has also been made to a large insurance policy being carried on my life. The policy referred to is part of the bank's group life insurance. This plan was amended in 1960 to increase benefits and make it more equitable. Among other things, it provided that anyone who was over 62, but not over 70, at that time would retain his policy at full value for 5 years. This provision applies not only to me but to many others as well. Starting in 1965, the face amount of the policy of $100,000 will decline 10 percent in each of the succeeding 5 years until it reaches $50,000.

In the light of these facts, Senator, I believe the record should be set straight to show that—

No airplane is being provided for my private use;

No apartment is being furnished for the personal use of myself and my family;

No bank car and driver are provided for my purely personal use;

No special insurance policy is involved other than my participation in the bank's regular group insurance.

These are the facts, Senator, in relation to the points raised by you on the Senate floor. I hope this letter will clarify the situation.

Yours sincerely,

H. C. FLANIGAN.

EXTENSION OF SUGAR ACT OF 1948

The Senate resumed the consideration of the bill (H.R. 5463) to amend and extend the Sugar Act of 1948, as amended.

Mr. MANSFIELD. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. MUSKIE in the chair). Without objection, it is so ordered.

Mr. BYRD of Virginia. Mr. President, the bill as reported by the Senate Finance Committee was amended so as to extend the act for 15 months, rather than 21 months, as provided by the House version of the bill. The bill as reported by the Senate Finance Committee provides for payment into the U.S. Treasury of the difference between the U.S. price and the world price on all sugar purchased under the reallocation of the Cuban quota.

The bill as passed by the House and as referred to the Senate Finance Committee provided for extending the act to December 31, 1962. The Finance Committee amendment would terminate the present extension on June 30, 1962. It would appear that, in either event, Congress would need to legislate again on sugar during the 1962 session. The 15-month extension would give to producers, both in the United States and abroad, an additional period of certainty with regard to the oncoming crops.

The reallocation of the Cuban quota to various other sources has granted sudden additional business to those abroad and to those who export and import amounts formerly handled from Cuba.

The committee adopted an amendment which provides that an import duty equivalent to the difference between the world price and the U.S. price shall be assessed on all sugar imported under the reallocation of the Cuban quota. Basic quotas would continue to be imported under the same circumstances as at the present time, without any imposition of an additional import fee. Only importations above the normal quotas would be assessed the extra fee.

Mr. LONG of Louisiana. Mr. President, will the Senator from Virginia yield?

Mr. BYRD of Virginia. I yield.

Mr. LONG of Louisiana. As one who represents a sugar-producing State, I wish to express the gratitude of those of us who have an interest in this legislation. On behalf of the people of our State and the people of other sugar-producing States, I express our gratitude that the Senator from Virginia, the distinguished chairman of the committee, moved to hold hearings on this matter, and moved as expeditiously as possible in that connection.

Unfortunately, the bill did not reach the Senate until a few days ago. But the chairman of the committee arranged to hold hearings, at the request of those who wanted hearings held; and the Senator from Virginia moved as expeditiously as possible to see that opportunity was afforded to report this measure for the consideration of the Senate at the earliest possible moment.

There is no doubt that this proposed legislation is very important. It must be passed immediately if we are to avoid a chaotic situation with regard to the sugar market, contrary to the best interests of our Nation; and the Senator is well aware of the haste that is necessary in this instance.

I regret very much that it was necessary to ask the chairman of the committee to act so expeditiously in connection with this measure; but all of us appreciate that he has done everything within his power to see to it that this matter was handled in the most expeditious fashion possible.

Mr. BYRD of Virginia. Mr. President, I appreciate very much what the Senator from Louisiana has said.

I realize the great importance of this proposed legislation; and we held all the hearings possible in connection with it.

Mr. President, I ask unanimous consent that my statement on the bill be printed at this point in the RECORD, as part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR BYRD OF VIRGINIA

Twice last year, and now again early in this year the Senate is faced with a fast

decision with regard to sugar. There seems to have developed a custom that the Senate be required to adopt or reject the bill sent to us from the House during the last hours of the life of the existing bill.

This is as regrettable to me as it is to various of my colleagues. We in the Finance Committe have given serious thought as to how it can be avoided in the future.

Whether we like it or not, we are now faced with a serious dilemma. It would be a serious matter to allow the Sugar Act to lapse. It would mean that there would be no controls on imports except for the normal tariff and excise taxes. Cuba could immediately proceed to unload sugar in this country—domestic growers of cane and sugarbeets would face disaster at the very time when preparations are being made for the 1961 crop. Prices would be affected and those who would like to see the United States in economic difficulty would have reason to rejoice.

We must have a bill before the deadline of March 31st. That is a relatively few hours away. I do hope the Senate will consider the consequences of a failure to get a bill through both Houses in time for the President to sign it.

Even though the time was very limited, the Finance Committee held some brief hearings on the bill. That hearing and the intense discussion during the executive session of the committee yesterday pointed up the fact that the whole Sugar Act and its many ramifications need longer, thorough hearings and an item by item discussion by the members of the committee in executive session. It is my profound hope that in the very near future we may be able to vote out a more permanent, longer term sugar bill that will be fair and equitable to domestic producers, consumers, refiners, and importers. We shall work toward that end.

The bill before the Senate today is the bill as passed by the House, with but two exceptions. The Finance Committee changed the termination date from December 31, 1962, to June 30, 1962. This may not have much effect on the mechanics of the legislation—for it would mean that Congress, sometime during the coming year would need to study another bill. To do it in 1963 would be too late. However, if the new bill is adopted prior to July 1962, foreign producers and our own producers of cane and sugarbeets will have longer notice of what the new legislation will be and such time would be very valuable to them. Actually, there would be little to gain by giving the Congress the 6 months between July 1, and December 31 and it is my understanding that the House Agriculture Committee will accept that change.

The other amendment adopted by the committee would permit foreign countries supplying us with sugar under their regular quotas to continue to do so and to receive the U.S. price which is more than 2 cents above the world price. It would, however, require those bringing sugar into our markets above and beyond the regular quotas of the countries of origin of the sugar in question to pay into the U.S. Treasury the difference between the U.S. price and the world price, taking into consideration of course, such things as tariffs and ocean freight.

This would mean that the world price would be paid for the sugar purchased in foreign countries to replace that which will not be purchased from Cuba.

The bill as passed by the House would relieve the President of the obligation to purchase any part of the sugar formerly supplied by Cuba from any country with which the United States does not maintain diplomatic relations. In plain language this means that the President is not required to purchase any of the Cuban deficit from the Dominican Republic. If it were not for this language in the bill the President would not be able to withhold this bonus from the Dominican Republic, even though we have severed diplomatic relations with that country. This Cuban quota will, under the bill, be allocated to other countries on the basis of present quotas, with special consideration to be given to countries of the Western Hemisphere and to those countries purchasing U.S. agricultural products.

The bill would provide that any deficit in any domestic area quota which formerly would be supplied by Cuba should now go to other domestic areas.

It would assign to any nation with a present quota of at least 3,000 and not more than 10,000 tons a sufficient additional amount to bring each to the total of 10,000 tons.

The countries affected would be Costa Rica, Haiti, Panama, the Netherlands, and Nationalist China.

It would give to the Republic of the Philippines 15 percent of the remainder.

The remaining 85 percent would be prorated to other nations on the basis of their existing quotas, although none need be purchased from any country with which the United States is not in diplomatic relations.

If additional amounts of sugar are needed, purchases may be made from any other foreign nation without regard to allocation, but special consideration must be given to countries of the Western Hemisphere and to those countries purchasing U.S. agricultural commodities.

I firmly believe that this is the best bill that could be devised in the day or two which we had to consider the matter. I hope it will be adopted.

The PRESIDING OFFICER. The question is on agreeing to the committee amendments.

Mr. DIRKSEN. First, Mr. President, I should like to inquire whether there is about to be immediate approval of the committee amendments and passage of the bill. I was given to understand that there was some controversy about some items in the bill. I would be the last one in the world to attempt to prolong this proceeding; but I wish to be sure that all Senators who wish to be heard will be protected.

I see now on the floor the distinguished Senator from Utah [Mr. BENNETT]. Let me say to him that the Chair has stated that the pending question is on agreeing to the committee amendments. I wonder whether that is agreeable to the distinguished Senator from Utah [Mr. BENNETT], the distinguished Senator from Kansas [Mr. CARLSON], and the distinguished Senator from Nebraska [Mr. CURTIS], all of whom are members of the Finance Committee.

Mr. BENNETT. As I understand, there are only two amendments. One reduces the period of time from 21 months to 15 months. I was the author of that amendment in the committee, so I certainly would agree to it here. The other amendment is the so-called Douglas amendment. I had assumed that some motions to delete that amendment would be made. But the amendment was adopted unanimously by the committee, so I am not about to move that the amendment be deleted.

Mr. LONG of Louisiana. Mr. President, could we agree at this point to all the committee amendments except the last one, which I think may be subject to some opposition; but I do not believe there will be any effort to oppose the other amendments.

Mr. BENNETT. Let me ask what the Senator means by "the last one."

Mr. LONG of Louisiana. I mean the Douglas amendment. There was no objection to it in the committee; but I understand there will be some inquiry about it, here on the floor.

Mr. CURTIS. Mr. President, I rise to a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Nebraska will state it.

Mr. CURTIS. If the committee amendments are agreed to, will a further amendment be in order? Let me say that I do not know that an additional amendment will be offered, but I wish to understand the situation. Will the entire bill then be open to amendment?

The PRESIDING OFFICER. In that event, any part of the bill not covered by the committee amendments would be open to amendment.

Mr. CURTIS. Would the entire bill, including the committee amendments, then be open to amendment?

The PRESIDING OFFICER. When an amendment is agreed to, it is not open to further amendment, unless it is reconsidered.

Mr. DOUGLAS. Mr. President, I rise to a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Illinois will state it.

Mr. DOUGLAS. For this purpose, let me ask whether the distinguished Senator from Nebraska contemplates the offering of any amendment other than those now printed in connection with the bill.

Mr. CURTIS. My present answer is that I do not. But I want all to understand what we are doing. That was primarily my reason for asking the question, because only a few Senators are now on the floor.

Mr. CARLSON. Mr. President, will the Senator from Illinois yield to me?

Mr. DIRKSEN. I yield.

Mr. CARLSON. I should like to state that in the committee I discussed a proposed amendment; and sometime today I should like very much to bring it up here on the floor. At the present time I do not intend to offer it as an amendment; but I believe it should be discussed, and I may offer it. I would not wish to be precluded from offering it.

Mr. DIRKSEN. Let me ask the Senator from Kansas whether he has any objection to all the modifications of dates set forth in the bill—which would include all the amendments except the amendment styled No. 4, which is referred to as the Douglas amendment.

Mr. BENNETT. First, Mr. President, will the Senator from Illinois yield to me?

Mr. DIRKSEN. I yield.

Mr. BENNETT. I have just now been told that the senior Senator from Louisiana [Mr. ELLENDER] is interested in this problem, and that before the Senate votes on the committee amendments en bloc, an attempt probably should be made to communicate with Senator ELLENDER, so as to ascertain whether he intends to offer an amendment.

Mr. DOUGLAS. Mr. President, will my colleague yield to me?

Mr. DIRKSEN. I yield to my colleague.

Mr. DOUGLAS. I thank the Senator.

Mr. President, the procedure which we frequently adopt with similar bills is to accept the committee amendments, but with the understanding that a motion to strike any such amendment may subsequently be made. If such a procedure is agreeable to the chairman of the committee, the senior Senator from Virginia [Mr. BYRD], I would suggest that might be the procedure adopted in this case, namely, that we adopt the committee amendments, and then we can proceed on any motion to strike or to add.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. HOLLAND. I am sure a repetition of the unanimous-consent request will advise the Senate as to just what it is that the senior Senator from Virginia has requested. As the Senator from Illinois has stated, if the request is that the committee amendments be adopted en bloc, with the understanding that the bill as amended would be regarded as an original bill and would be subject to amendment of the kind suggested by the Senator from Illinois, I think we would be under no difficulty whatsoever. But I do not know, and that is the reason why I am asking the Senator from Illinois, just what was the unanimous-consent request?

Mr. DIRKSEN. That fact is that the Chair put the question. I thought there was some controversy about some of the amendments. I wanted to be sure that every Senator who had an abiding interest in this matter would be protected. It is not for the Senator from Illinois to make the request, but if the Senator from Virginia asks that the bill as amended be considered as original text, that solves the problem. Then the bill will be amendable in any way.

Mr. HOLLAND. Mr. President, I ask the Senator from Virginia what his unanimous-consent request is.

Mr. BYRD of Virginia. Mr. President, the Senator from Louisiana [Mr. ELLENDER] has asked me a question. The question under discussion is whether the amendments should be adopted en bloc. Let me say, however, that in the consideration of the unemployment insurance bill the Senate refused to give me, as a member of the committee, the right to have the amendments adopted en bloc. Objection was made.

Mr. HOLLAND. Mr. President, may I ask the distinguished senior Senator from Virginia what his unanimous-consent request was in this particular case?

Mr. BYRD of Virginia. I have not made any. The Senator from Louisiana has a very deep interest in the bill. I would like to ask him whether he has any objection to adoption of the amendments en bloc.

Mr. ELLENDER. Not if the bill is subject to amendment.

Mr. BYRD of Virginia. Mr. President, I make a motion that all the committee amendments be considered and adopted en bloc, subject, of course, to the understanding that the bill is subject to amendment, just as an original bill.

Mr. HOLLAND. That the bill will be considered as original text.

Mr. DIRKSEN. Mr. President, will the Chair state the motion before the Senate?

The PRESIDING OFFICER. The Senator from Virginia has moved that the committee amendments be agreed to en bloc, with the understanding that the bill be subject to amendment as though it constituted an original bill.

The question is on agreeing to the motion of the Senator from Virginia.

The motion was agreed to.

Mr. DOUGLAS. Mr. President, the bill and the amendment are extremely important both from the standpoint of the finance of government and possible windfalls which might accrue to favored parties—if the so-called Douglas amendment is eliminated—and the whole foreign policy of the United States in the Latin American countries.

I should like to start off, if I may, by saying the action of the Finance Committee in accepting the amendment which I had the honor to propose is, in my judgment, to be highly commended. I pay special tribute to the distinguished Senator from Virginia [Mr. BYRD] for the cooperation which he showed in the adoption of the amendment.

The Senator from Virginia and the Senator from Illinois are frequently on opposite sides of issues, but in this case we formed an implicitly holy alliance to protect the American consumers and taxpayers. I am very happy to be on his side in this issue, and it pleases me very much.

Mr. BYRD of Virginia. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. BYRD of Virginia. The idea of an alliance is, in the opinion of the Senator from Illinois, if he agrees to the alliance, a holy one; if he disagrees to it, it is an unholy one.

Mr. DOUGLAS. Let me say to the Senator from Virginia this is a time to which I have always looked forward. I have greatly admired the Senator from Virginia, and it has been a source of personal pain to me on the occasions when we have had to disagree. But it is very pleasant now to be associated with him in a measure to save the taxpayers of the country $150 million, and possibly pave the way for even greater reforms in the future.

The amendment, which was adopted unanimously by the Finance Committee, is the first one in many years in which, in connection with the Sugar Act, the interests of the American consumers and taxpayers have been taken into account.

The effect of the amendment is to make certain that the so-called quota premium—the difference between the world price for sugar, which, as of last night, was 3.02 cents, and the domestic highly subsidized price, which was approximately 5.6 cents, that difference minus the transportation cost of approximately three-fourths of a cent——

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. DOUGLAS. May I finish the paragraph? Then I shall yield for a question.

In all, the difference, amounting to about 2.3 cents a pound, which comes to $46 a ton on the 3 million tons which were formerly imported from Cuba, or about $150 million, is to be paid, under the Douglas amendment, into the American Treasury, rather than into the pockets of producers, middlemen, speculators, or others who would otherwise receive windfall profits from the reallocation of the 3 million tons previously given to Cuba.

Now I am glad to yield to the Senator from Nebraska.

Mr. CURTIS. Mr. President, would the distinguished and learned Senator favor the Senate with a definition of the word "subsidy"?

Mr. DOUGLAS. I shall indicate the fourfold nature of the subsidies which have been paid out of the pockets of consumers, but in this present instance——

Mr. CURTIS. I am referring to the definition of the word, rather than the interpretation of the act.

Mr. DOUGLAS. I would refer the Senator to Webster's dictionary. We can find the definition in that volume. But in the present instance I would say that what we are trying to do is provide that the difference between the present American price of sugar and the present world price of sugar, instead of going into the pockets of importers, whoever they may be, go into the pockets of the Treasury, and hence to the American people.

The Senator is well acquainted with the fact that the price of sugar in the Caribbean, where the major portion of the world's sugar in international trade originates, is only slightly over 3 cents. When the sugar reaches the United States it is paid for at the rate of 5.6 cents. With a transportation cost of three-tenths of a cent per pound, this amounts to a "subsidy"—I would define it as such—of 2.3 cents a pound. On a short ton of 2,000 pounds, this represents a direct subsidy of $46 a ton.

Since the previous Cuban quota was approximately 3 million tons, which is to be reallocated, there is a total direct subsidy of about $150 million.

Mr. CURTIS. The distinguished Senator, when speaking of subsidies, refers to sums of money obtained by certain foreign suppliers of sugar?

Mr. DOUGLAS. That is a part of the subsidy. It is not all the subsidy because there are indirect subsidies as well. It is however the only part of the subsidy to which the amendment I have presented is directed. There are other elements in the total subsidy, but at the moment we are not concerned with them.

Mr. CURTIS. The Senator would not go so far as to say, in connection with any commodity or any service, that the fact that a price prevails elsewhere in the world lower than in the United States means the American consumers are subsidizing a commodity or a service in this country?

Mr. DOUGLAS. I would say that if the price in the United States exceeds the price in other countries by more than shipping costs it is indicative of the fact that the American consumer is paying

more than he would pay if he bought foreign goods.

Mr. CURTIS. We must also keep in mind that the salary of a member of the British Parliament is far less than the salary of a United States Senator.

Mr. DOUGLAS. We are not proposing to import any British M.P.'s. [Laughter.]

Mr. CURTIS. I am not suggesting that.

Mr. DOUGLAS. I would be in favor of barring the British M.P.'s from membership in our Congress.

Mr. CURTIS. I am interested in the consumers.

Mr. DOUGLAS. The comment of my friend reminds me of a line from Gilbert and Sullivan,

> The flowers that bloom in the spring,
> Tra la,
> Have nothing to do with the case.

The salaries received by British Parliamentarians and the salaries received by American Members of Congress have nothing to do with the price of sugar.

If my friend does not have further questions to ask, I shall continue my remarks.

In the interests of American consumers, American taxpayers and the proper interpretation of the basic Sugar Act, this amendment should remain in the bill. Under the basic act—the Jones-Costigan Act—the consumers interests supposedly are to be taken into account. But, in practice, this has not been the case and almost every device conceived by man has been used to increase the price to American consumers—both individual and industrial.

The American people do not realize how much the present sugar program is costing them as consumers. When the Jones-Costigan Sugar Act was passed in 1934, it was intended to protect the interests of consumers as well as producers, and in the process also put a floor of protection under the farm laborers and their families in the cane and beet sugar fields. At that time the world price of raw sugar was only about 1 cent a pound, and sugar growers everywhere were experiencing great hardship.

In 1934, however, when the Jones-Costigan Act was passed, the philosophy of the National Recovery Act was dominant under which producers were encouraged to restrict production, raise prices, and improve the condition of their employees. The Jones-Costigan Act was in this tradition and extended its protection to foreign as well as American sugar producers.

Over the 27 years which have passed since then, a whole battery of devices to benefit the producers of sugar have been put into effect. These have helped the producers with little or no attention paid to the interests of housewife and consumer. The facts of the situation are approximately these—I shall use only round numbers:

First. The people of the United States consume roughly 10 million tons of sugar a year.

Second. The average retail price of sugar in 5-pound packages is about 11.6 cents a pound. This would be $232 a ton at retail rates. Wholesale carload rates are about 9¼ cents per pound, or $185 per ton. A weighted composite of the two quotations would be roughly $200 a ton; because about two-thirds of the sugar is used industrially and only about one-third of the sugar is used by families, through direct purchase.

This would mean that the total final sales value of the sugar is approximately $2 billion; that is, $200 a ton for 10 million tons.

Third. About 55 percent or 5.6 million tons of the sugar is produced domestically, of which the Hawaiian production is about 1 million tons and that of Puerto Rico an equal amount.

These are approximate figures. In recent years, I think, in some years the production in those areas has been slightly below and in some years slightly above these figures. Of the 3.4 million tons produced on the mainland, 2.7 million tons are produced in the Beet Sugar Belt area—mostly on the Great Plains—and 0.7 million tons in the cane sugar areas, mostly in Louisiana and Florida. Of the 4.5 million tons imported, about two-thirds have come from Cuba and about 1 million tons from the Philippines.

Fourth. The price of sugar is controlled—and raised—by a combination of methods:

(a) Quotas are fixed which govern the amounts to be produced domestically and also imported from a group of sugar-producing countries.

(b) In addition, an import tariff of 0.5 cent a pound is levied on all sugar from Cuba and the Philippines, while for the relatively small amounts which were formerly imported from elsewhere, the tariff was 0.625 cent a pound. The total receipts from the tariff on sugar to the Treasury have been a little over $40 million a year or around $10 per ton.

(c) A further excise or processing tax of 0.5 cent a pound, or $10 a ton, is levied on all sugar whether produced domestically or imported. This comes, at present, to approximately $100 million a year, or $10 a ton.

(d) Direct production payments of 0.8 cent a pound—$16 a ton—are paid on the first 350 short tons, and graduated downward on further production. Additional allowances for other contingencies are also paid to domestic producers, and together these amount to about $75 million a year.

By the fixing of the quotas a quota premium is arrived at; namely, the difference between the world price and the price to the United States, which, as I have said, amounts to 2.3 cents a pound, $46 a ton for the 4½ million tons, roughly, imported annually. This comes to approximately $207 million a year.

The limitation on the total amount of sugar which can be produced within the United States and imported from abroad causes the U.S. price to be appreciably greater than the world market price. The best measure of this in the past has been the difference between the price in Cuba of sugar destined for the United States and that going to other countries. A year ago this was the difference between approximately 5.6 and 3.1 cents a pound. This came to 2½ cents a pound, or $50 a ton. Today the world price is 3.02 cents. Added to that figure is a 30-cent freight charge and 2.3 cents as a quota premium, bringing the price up to 5.6 cents. Then if the full tariff of 0.63 cent and the 0.50-cent excise tax are added, a total of 6.75 cents is arrived at, after freight, full tariff, quota premium and excise tax. The price would then come to $135 a ton.

It can therefore be seen that the housewives and consumers pay dearly for the present sugar policy. If we add (a) the difference between the price to the United States and the world price, (b) the tariff, and (c) the excise tax, we get a total price increase to the consumer of about 3.5 cents a pound, or about $70 a ton.

We remember that the total domestic consumption is 10 million tons. This comes to a total of $700 million a year.

Against this should be offset the $65 million in revenue over the cost of the production payments, or a net subsidy by the consumers of about $635 million.

I believe the lower figure of $635 million is essentially correct. This, in turn, should be somewhat further reduced by the fact that if we bought all our sugar on the free market, the free market price would probably rise. The extent of this increase would, however, not be as great as is frequently argued, since at the end of the 1958–59 crop, the world surplus was 4½ million tons in stock. The surplus increased slightly during 1959–60, and the special report on sugar issued last month by the Department of Agriculture indicates that in the current crop year (1960–61) world production will be 58 million tons and world consumption will probably be 53½ million tons, so there will be a further surplus of 4½ million tons. I think it is safe to say that at the present time there is a world surplus of approximately 10 million tons.

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mr. DOUGLAS. I am glad to yield.

Mr. LONG of Louisiana. I am not opposing what the Senator is trying to do.

Mr. DOUGLAS. I understand that.

Mr. LONG of Louisiana. I am somewhat interested in the Senator's description of a subsidy. Does he regard a commodity which is protected by a tariff as a subsidized commodity?

Mr. DOUGLAS. I would say it is indirectly subsidized, yes.

Mr. LONG of Louisiana. Many of our manufacturing industries are now protected by tariffs. I have personally made the point from time to time, that an American industry which receives the benefit of a tariff is in many instances in a situation very similar to industries which are directly subsidized.

Mr. DOUGLAS. That is correct. It is an extra cost paid by the consumer. The subsidy system is quite an octopus. I am merely trying to strike at one arm of the octopus.

Ample supplies are now available, and this fact should prevent any appreciable increase in the world price.

On the whole, it would seem safe to estimate that, when all factors are considered, the total subsidy which consumers pay is not far from $660 million

a year, or $66 a ton, and 3.3 cents a pound. The per capita consumption in this country is about 97 pounds a year, of which a third is domestic demand and two-thirds industrial demand. If this total subsidy of 3.3 cents a pound is correct—and I believe it is—it would amount to about $3.25 a year per person, or $13 a year for a family of four on sugar alone. This is a sum approximately equal to a day's wages. Each time a housewife purchases cakes, candy, or soft drinks she also pays a subsidy. Every time a teenager drinks a bottle of Coca-Cola there is a hidden subsidy to the sugar producers. Every time there is a wedding party and cakes are served, the wedding cake has within it a hidden subsidy. Every time a young man gives a box of candy to a lady there is a subsidy in that candy. Every time a teaspoonful of sugar is dropped into a cup of coffee there is a subsidy. The subsidy is ubiquitous, large, but unseen.

This practice has been going on since 1934—27 years.

Mr. LONG of Louisiana. Mr. President, will the Senator yield at that point?

Mr. DOUGLAS. I yield.

Mr. LONG of Louisiana. The practice has been going on longer than that. I once made the mistake of using that date speaking to sugar producers, and I can tell the Senator that it was going on long before that time.

Mr. DOUGLAS. I did not wish to stir up trouble, because under the former tariff system the practice went on prior to that time.

Mr. LONG of Louisiana. For many years.

Mr. DOUGLAS. Yes, indeed.

Mr. LONG of Louisiana. So long that the memory of no living man here runneth back to the point of beginning.

Mr. DOUGLAS. Yes. As a young man I read the debates in the Senate on this issue, and I can remember how the then Senators from Louisiana defended the tariff to the death, and then they began to get allies from the beet sugar States as well.

I hope I do not ruffle the feathers of the domestic producers too much, because we want them on our side in this battle. I only propose to strike at the subsidy which would be paid to some foreign producers, although I think I would be less than honest if I concealed the fact that I believe there is also a subsidy paid to domestic producers. But that is not the present battle.

Mr. BENNETT. Mr. President, will the Senator yield?

Mr. DOUGLAS. I am glad to yield to the Senator from Utah.

Mr. BENNETT. The Senator from Illinois knows that I am from a beet-producing State.

Mr. DOUGLAS. That is right.

Mr. BENNETT. And the Senator from Illinois is anxious to have me on his side.

Mr. DOUGLAS. On this issue, I certainly am.

Mr. BENNETT. I believe he would not reject my vote on any issue.

Mr. DOUGLAS. I certainly would not.

Mr. BENNETT. The Senator has been making the point that there is a world market for sugar, and that if we were free to buy all our sugar at the world market price, we would save the American sugar consumer a great deal of money.

Mr. DOUGLAS. Yes.

Mr. BENNETT. Does the Senator realize that there is much sugar in the world which is processed through to the refined stage? He has been talking about the world market for raw sugar.

Mr. DOUGLAS. That is correct.

Mr. BENNETT. We could buy whites abroad for about 4 cents a pound. When the Senator talks about subsidies, does he realize that the difference between wages paid to the refining laborer, for example, in Cuba, and the wages paid to Americans to refine Cuban and other foreign sugar, is in itself a form of subsidy? We could take care of our sugar needs by buying whites abroad.

Mr. DOUGLAS. I do not wish to be drawn into a discussion of this theoretical issue with the Senator.

Mr. BENNETT. It is not theoretical.

Mr. ELLENDER. It is real.

Mr. BENNETT. It is very real.

Mr. DOUGLAS. It is not involved in the amendment.

Mr. BENNETT. Very well. Then will the Senator agree that the discussion of his amendment is clearly outside the question of subsidies which are helpful to the beet producers?

Mr. DOUGLAS. I desired to make my point a part of the RECORD. With the permission of the Senator from Utah, however, and his confreres, I am willing to drop it now, inasmuch as it is in the CONGRESSIONAL RECORD, where people can read what I have said. Because of that I feel I have discharged my duty, and I am ready to confine our discussion simply to whether some foreign producers ought to get a subsidy of $150 million a year, or whether the people of the United States should save this amount. However, I am ready to drop this fight temporarily.

Mr. BENNETT. I am sure the Senator is, having got his side into the RECORD. Will he now yield so that I may make an observation?

Mr. DOUGLAS. Certainly.

Mr. BENNETT. The per-hour rate paid sugar refining employees is probably the highest in the United States. The evidence given in the hearing is that the direct and fringe benefits amount to $3.55 cents an hour; that they have a guaranteed annual wage for 2,000 hours; and that they are guaranteed a wage of $7,000 a year. That is what is being paid to the sugar refinery employees who refine offshore sugar.

This is in contrast with a comparable rate of $3 a day in Cuba. So that if we really wished to get the lowest possible price for the American housewife, we would buy whites abroad.

Mr. DOUGLAS. I suppose it is unwary of me to do this, because one of the first lessons in military tactics is that one should not spread himself over too wide an area. However, is it not true that we cannot import refined sugar, but only raw sugar?

Mr. BENNETT. No. There is an allowance of something like 300,000 tons now to Cuba, which of course has been suspended.

Mr. DOUGLAS. How much are our total imports? Are they about 4½ million tons? Is that, roughly, the amount?

Mr. BENNETT. Yes. The refiners, of course, refine domestic cane also.

Mr. DOUGLAS. So, in practice, about the only sugar that we can bring in is raw sugar.

Mr. BENNETT. If we decided that we wanted to go out on the world market, we could find refineries abroad which would be glad to sell us whites.

Mr. DOUGLAS. I do not doubt that some American refineries are in this business, too.

Mr. BENNETT. The point I am making is that we are in favor of a sugar program which gives some benefits to the American farmer. It also gives a very decided benefit to a segment of American labor. The subsidy applies to both, not to the companies which own the refineries. As I have said, the employees of the refineries are getting about $3.50 an hour on a guaranteed annual wage, which gives them $7,000 a year.

The Senator from Utah does not object to that. He does want the RECORD to show that when the Senator from Illinois is talking about subsidies paid to the American housewife on her sugar, the Senator must also think this spread, which we could eliminate if we went out coldbloodedly and bought sugar at the lowest possible price.

Mr. DOUGLAS. I would say to my good friend from Utah that I could go into the conditions of labor in the beet sugar fields in the Plains States, and the degree to which foreign labor is used, and the conditions of work there. However, I do not want to do it, unless the Senator presses me.

Mr. BENNETT. In other words, the Senator from Illinois is willing to confine himself to the question of the subsidy. He got his point in the RECORD, and now he is willing to let it go at that.

Mr. DOUGLAS. I am ready to go on.

Mr. BENNETT. Having made my point, I am ready to go on. I offer the Senator a truce.

Mr. DOUGLAS. I hope the truce will turn into an alliance.

Mr. BENNETT. The Senator from Illinois has said that he rejects deals. I therefore offer him a truce.

Mr. DOUGLAS. That is fine. It is a truce.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. ELLENDER. It is not my purpose to engage in a debate with the distinguished Senator from Illinois on the question of subsidy. The very suit he wears is subsidized. The tie he wears is subsidized. The shirt he wears is subsidized. In fact, I do not know of many things which are manufactured in this country which are not subsidized in some manner. But is the Senator aware that there is only one crop produced, sugar, on which an excise tax is levied, where

there is a provision which forces those who participate to agree to certain wage scales?

Mr. DOUGLAS. Yes. That was the price which Senator Costigan, of Colorado, exacted from the sugar interests in return for the original act. In my judgment, Senator Costigan was one of the finest men who ever sat in this body. That provision is unique; that is quite true.

Mr. ELLENDER. For instance, not only does the Sugar Act deal with the wage rate to be paid by producers of sugarcane and sugar beets, but there is also a provision against using child labor.

Mr. DOUGLAS. That is correct.

Mr. ELLENDER. All of that is contained in the act. It is unique.

Mr. DOUGLAS. I am not certain how well the provisions have been enforced, but they are in the law.

Mr. ELLENDER. I am familiar with a few cases in which there were violations of this anti-child-labor provision. The persons who refused to comply with the law were denied payments. I know of a few cases in my own State. However, I can say that I do not know of any violations in recent years.

Mr. DOUGLAS. That is one of the mitigating features of the system.

Mr. President, I had another paragraph which I wanted to read before I turned from this subject. I hope the Senator from Utah [Mr. BENNETT] will not regard it as a breach of the truce if I try to sum up the total amount of subsidies which I think the American consumers have paid since 1934. According to my figures, the total comes to somewhere between $10 billion and $20 billion.

Mr. BENNETT. The Senator from Utah will certainly not regard that statement as a breach of the truce, but he reserves the right, after the debate is over, and when we have this problem solved, perhaps to make some comments about the whole sugar problem.

Mr. DOUGLAS. That will be fine.

Mr. President, now I turn to the problem which has arisen from the Cuban situation. The United States formerly imported approximately 3 million tons of sugar from Cuba, upon which there was a direct quota subsidy of about 2½ cents a pound, or from $52 to $62.50 a ton. On 3 million tons, this came to from $156 million to $187 million a year.

This was a subsidy which had been in existence for a long time. It is undoubtedly true that many of the American sugar companies which owned cane fields in Cuba got a large share of the subsidy, but it is also true that a proportion of that amount trickled down to the Cuban people.

I think Mr. Castro has been extremely unfair in the attacks which he has made upon the United States on the charge that we have been exploiting Cuba. We have been paying to the Cuban sugar interests between $150 million and $200 million a year more than we would have paid had we exercised our right to purchase sugar upon the world market at the world price.

While American sugar producers and grinding mills in Cuba have benefited, the Cuban people also have benefited. I think it has been extremely unfair for Mr. Castro and his followers to condemn the United States as though we had been exploiters. On the matter of the bonus, we have been extraordinarily generous.

When the United States stopped the importation of sugar from Cuba, in response to the confiscation of all American property and the extremely unfair attacks made upon us, Cuba then got Russia to buy some sugar, and Castro praised Russia for its purchase. As I remember, the Russian purchase price was 2.6 cents a pound for the initial amount of sugar. In other words, Castro and his followers said the Russians were doing Cuba a favor by buying sugar at 2.6 cents a pound, but that the United States had exploited Cuba when we paid Cuba 5.6 cents a pound.

This, I think, is a fact which we should have played up to a much greater degree than we have done in our propaganda throughout Latin America. I think it needs to be emphasized that we have been extraordinarily generous to Cuba, even though we grant that a considerable portion of this amount accrued to the benefit of American sugar companies which owned the cane fields and the grinding mills.

Mr. ELLENDER. Mr. President, will the Senator from Illinois yield?

Mr. DOUGLAS. I yield.

Mr. ELLENDER. As I recall, several years ago the sugar industry of Cuba was more or less controlled by American capital. At one time, that control was as much as 54 percent.

Mr. DOUGLAS. I think that is true.

Mr. ELLENDER. Is the Senator aware of the fact that the American interests—that is, those who owned American mills and operated the Cuban farms—were forced by the Cuban Government to pay certain wages, and that those wage scales were not applicable to other producers of sugar in Cuba?

Mr. DOUGLAS. I have heard of that, yes.

Mr. ELLENDER. I am familiar with this situation, and I assure the Senator it is true. The same is true not only of Cuba but of practically every Central and South American country where American interests are trying to develop the natural resources of those countries.

In my judgment, the average Cuban citizen has therefore benefited greatly from the operations of American interests which produced, as I said, in the neighborhood of 54 percent, at one time, of the sugarcane grown in Cuba.

Mr. DOUGLAS. May I ask the distinguished Senator from Louisiana, who is an expert on this subject, if it is not true that the percentage of American holdings in Cuba has diminished in recent years?

Mr. ELLENDER. Oh, yes. It is now about 36 or 38 percent. Since the Hershey interests of Pennsylvania sold their holdings in Cuba about 4 or 5 years ago, American holdings have decreased, as I remember it, to about 38 percent.

Mr. DOUGLAS. But it is true that the American Sugar Refining Co. and United Fruit Co. are still in Cuba.

Mr. ELLENDER. They constitute a part of the 38 percent to which I have referred.

Mr. DOUGLAS. Yes.

Mr. President, last summer the United States stopped importing sugar from Cuba. I think this decision on the part of the Eisenhower administration was correct. There is a limit to the amount of abuse and hostile action which a nation can properly take.

The big problem we have had since then has been in regard to how the 3 million tons which we formerly purchased from Cuba are to be reallocated. In itself, the matter of getting sugar does not present any great technical problem, because world supplies now are plentiful. But the question of who shall sell this nonquota sugar under the presently heavily subsidized—and hence lucrative—American program has created considerable discussion and great pressures.

Under the House version of the bill, the former Cuban share would be prorated among the foreign sources now providing sugar to the United States, at the present heavily subsidized U.S. domestic price.

Mr. President, I ask unanimous consent that the language of the House committee report dealing with this subject be printed at this point in the RECORD.

There being no objection, the excerpt from the report was ordered to be printed in the RECORD, as follows:

Presidential authority to establish the sugar quota for Cuba through December 31, 1962, at such level as the President shall find from time to time to be in the national interest, but in no event in excess of the Cuban quota under the basic quota system of the Sugar Act. If the President sets the Cuban quota at less than its basic quota, the amount of the reductions are to be distributed as follows:

1. An amount equivalent to Cuba's share in any domestic area production deficit may be assigned exclusively to other domestic areas; and then

2. To five nations whose quotas have been between 3,000 and 10,000 tons, a sufficient quantity of sugar to bring each up to 10,000 tons. These nations are Costa Rica, Haiti, Panama, the Netherlands, and Nationalist China; and then

3. To the Republic of the Philippines 15 percent of the remainder;[1] and then

4. To other countries having quotas under the act (except those five nations mentioned in (2) above) the remaining 85 percent in amounts prorated according to the basic quotas established by the act, "except that any amounts which would be purchased from any country with which the United States is not in diplomatic relations need not be purchased"; and then

5. If additional amounts of sugar are needed, purchases may be made from any other foreign nation without regard to allocations, but with consideration given to countries of the Western Hemisphere and to those countries purchasing U.S. agricultural commodities.

Mr. DOUGLAS. Mr. President, the House committee report on page 3 also

[1] Based on the nonquota allocations for the 3-month period ending Mar. 31, 1961, the allocation for the Philippines for the next year would be 490,000 tons. On the same basis the Peruvian share would be 860,000 tons, and the Mexican share would be 764,000 tons.

sets forth, on a quarterly basis, figures on the authorized nonquota purchase allocations in 1961. In order to obtain the figures on a yearly basis, if those were continued, we have to multiply by four the figures we find at that point in the committee report.

The Philippines would be given an increased allocation of 123,000 tons, on a quarterly basis, which would be approximately 490,000 tons on an annual basis.

Let me say that the figures I am stating are to the nearest even amounts.

Peru—a mysterious factor—would be given 215,000 tons, on a quarterly basis, or 860,000 tons on an annual basis.

The Dominican Republic, if it were to have a quota, would be given 223,000 tons on a quarterly basis, or 892,000 tons on an annual basis. But that is to be eliminated. I am thankful for that.

In that connection I should point out, first, that the quota premium was paid on Dominican sugar.

Mr. ELLENDER. They had to pay the regular 2-cent tariff.

Mr. DOUGLAS. Yes.

Mr. ELLENDER. That was imposed on them.

Mr. DOUGLAS. Yes. So that money went into the Treasury of the United States, rather than to the producers.

Mr. ELLENDER. Yes.

Mr. DOUGLAS. The bill as now before the Senate gives the President the power to suspend the importation of sugar from countries with which we do not have diplomatic relations; and, as I understand, it is recognized by all that if this bill is enacted, the importation of sugar from the Dominican Republic will be discontinued. Let me say I heartily approve of that.

Mexico would have 191,000 tons on a quarterly basis, or 764,000 tons on an annual basis.

The British West Indies and British Guiana would have 10,000 tons on a quarterly basis, or 40,000 tons on an annual basis.

Brazil would have 11,000 tons on a quarterly basis, or approximately 44,000 tons on an annual basis, provided the distributions this year were made on the same basis as that made last year. Probably, however, there would be more, in view of the fact that the quota of the Dominican Republic is being eliminated.

Mr. ELLENDER. Mr. President, at this point will the Senator from Illinois yield?

Mr. DOUGLAS. I am glad to yield.

Mr. ELLENDER. Does not the Senator from Illinois feel that it might be better for us to assist by means of trade, rather than direct grants, the countries to which he has been referring? Is it not a fact that we can assist these countries by permitting them to sell their sugar in the market heretofore reserved to Cuba?

Mr. DOUGLAS. That is the argument the State Department advanced at the hearings on Monday of this week.

Mr. ELLENDER. Does not the Senator from Illinois think it is a valid argument?

Mr. DOUGLAS. I think there is very little to it. If I may do so, I should like to state now why I take that position.

Mr. ELLENDER. Very well; I should like to hear the Senator's statement.

Mr. DOUGLAS. In the first place, so far as trade is concerned, we would give trade to these countries by purchasing from them these quantities of sugar at the world price. But when we pay them more than the world price, that is aid, not trade. Furthermore, it is aid to a relatively restricted group of persons; it is not aid to the Peruvian people or to the Mexican people or to the Filipino people, primarily. Instead, it is aid to the sugar producers in those countries; and they tend to be a very limited group. It would be interesting to ascertain what groups have the sugar holdings in those countries.

Mr. ELLENDER. Will not the Senator from Illinois concede that a great deal of labor is required to produce sugar? I am sure that much of the labor supply in Peru, in Brazil, and in the other countries is used in producing the sugar.

Mr. DOUGLAS. This proposal would result in a sudden increase in the quantities of sugar bought in countries which have surpluses of labor, countries where there are large numbers of unemployed persons who seek work. But I do not think there would be any increase in the wage scale, although there would be an increase in the volume of employment. Furthermore, I believe we would find that a relatively small group of persons would receive this windfall of approximately $150 million.

Mr. ELLENDER. Mr. President, will the Senator from Illinois yield further?

Mr. DOUGLAS. Certainly.

Mr. ELLENDER. Will not the Senator from Illinois concede that in the past, before the takeover by Castro, Cuba was one of our best customers? In other words, Cuba then bought from us many automobiles and large quantities of rice, for instance. The reason for that was the purchases of sugar we made from Cuba.

By the same token, I say to my good friend the Senator from Illinois, if we can develop the program in such a way that Brazil and other Latin American countries can share in the U.S. market, we shall create a better climate for reciprocal trade.

Mr. DOUGLAS. That would sweeten relations with the millionaires, but would not help the great body of the people.

The Senator from Louisiana knows the great affection the Senator from Illinois has for him. It is interesting that the Senator from Louisiana should stand here and advocate aid to these countries.

Mr. ELLENDER. Through trade, not grants.

Mr. DOUGLAS. But I believe in aid on the basis of need, not on the basis of who produces sugar. The two do not have much to do with each other.

Mr. ELLENDER. I ask the Senator if he does not know that there is not a country in the entire world where sugar is now being produced that does not in some way protect the producers of the sugar within the country where it is manufactured.

Mr. DOUGLAS. There may be a few sweet drops coming down from the tables into the hungry mouths of the plantation workers below, but a large amount of it stays on the table and does not get down there. I ask the Senator, Who owns the sugar plantations in Peru, in Mexico, in the Philippines?

Mr. ELLENDER. I suppose the same argument could be advanced with respect to the big businesses in Chicago, Ill. Who owns them? The big businesses. But we are not going to argue that question. I point again to the fact that there is not a country in the entire world that does not, somehow, in some way, protect the sugar production of its own producers. The reason for doing so is that it is necessary. The surplus sugar produced, which amounts, as the record shows, to about 10 percent of the entire world production, is that part of the entire world production which floats around in the world and which commands the so-called world price to which the Senator has referred. It is a pittance compared to what the total amount of sugar produced in the world is.

I am sure the Senator from Illinois will concede that fact.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield for a question.

Mr CAPEHART. Is it not a fact that in this instance we are following a policy which we too often follow? We were perfectly willing for years to pay Cuba the price of her sugar without any tax. Now we take the entire quota away from Cuba and divide it among our friends in Central and South America for whom we are spending millions of dollars to help. Now we are about to say to them, "We are going to tax you"—which we have not been doing in the past—"for shipping sugar to the United States." Is not that policy in line with the way we in the Senate get off on tangents, and do more harm than good?

Mr. DOUGLAS. No. Those countries have no right to a premium price. They have not had it in the past. This is a new bonus which we are giving them. There is no right on their part to take $150 million out of the pockets of the American consumer. I know it is easy to play Santa Claus and give away money which belongs to American consumers. I know something about the sugar lobby coming from those countries. But the American consumers and taxpayers have interests, too.

What would we do if we reallocated the Cuban quotas, at the American premium price, and paid out an added subsidy of $150 million as the House bill would do? We would build up vested interests in all those countries which they would not be willing to surrender. We hope that some time Castro will be out of power, or that he will completely change his policy and become our friend. I think the chances of the latter happening are relatively small now. But we hope that sometime in the future there may be a friendly government in Cuba, and we may wish to resume our former relations with Cuba.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. DOUGLAS. In just a minute.

If we follow the policy of the House, what we will do will be to create vested interests within Latin America which will want to keep Castro in power. Because if Castro went out of power and Cuba got its 3-million-ton quota back again, those vested interests would be out of pocket. So what we would do would be to create vested interests in Latin America and help keep an anti-American government in Cuba.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. CAPEHART. It seems to me that the Senate has before it a bill to lend and give away $600 million of the American taxpayers' money to Latin America. I am not arguing against the merits of the proposal.

Mr. DOUGLAS. As a matter of fact, I support the bill.

Mr. CAPEHART. But here is a bill under which Latin America can earn $150 million by selling us sugar at the same price we formerly bought sugar for from Cuba. The Senator wants to take that $150 million away from them, and that $150 million will go to the Government in the form of tariffs. It is a tariff that will be imposed on those countries. I am not particularly opposed to it, but I wanted to bring the situation to the attention of the American people and set the record straight, so that it will show how inconsistent we can be in the Senate. On the one hand, we are going to lend Latin America $600 million. On the other hand, we are going to deny them the right to earn $150 million, and we are going to punish countries that are friendly to us, when not too many months ago we were paying Castro a big price for sugar. Now we are unwilling to pay our friends in Latin America the same amount. That is the nub of the whole issue.

Mr. DOUGLAS. Has the Senator from Indiana concluded? The Senator from Indiana confuses the countries with the sugar producers and owners. He thinks the interests of the sugar producers are identical with the interests of the countries and the people who live in them. That is not true. The sugar interests are made up of relatively small groups, a large proportion of them being American interests, who own lands there or have grinding mills there. What the Senator is really saying is, "Help these sugar producers." I am for aid to Latin America. I think the program for Latin America is an excellent one. One of the great advantages of my amendment is that it would put $150 million into the Treasury of the United States, which would therefore help the taxpayers. It would also mean that the $150 million could be used——

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. DOUGLAS. No. Let me finish the sentence.

The $150 million could be used to help meet a part of the cost of the program of aid to Latin America instead of placing the full burden on the taxpayers.

What I say is, if we give aid, let us give it on the basis of need to the countries which need it, not merely to the sugar producers in a relatively restricted number of countries. Let us not have a program of foreign aid for millionaires.

Now I am glad to yield.

Mr. CAPEHART. This is another concrete example of what happens over the years, which has made enemies for us in Latin America. We continually push prices down to the point where they cannot earn dollars. Then we tax the American people so that we may send loans to them. Why do we not let them earn money?

Mr. DOUGLAS. I am ready to let them earn at world prices on the added amounts to be purchased. Why does the Senator from Indiana say they have a right to the Cuban quota at the bonus price?

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. DOUGLAS. They have never had it before.

Mr. CAPEHART. Primarily it is because we have been perfectly willing to give it to our enemy, to Cuba, and to Mr. Castro.

Mr. DOUGLAS. We did not give it to Cuba when Cuba was known to be an enemy.

Mr. CAPEHART. We did for a long time, after Castro came to power.

Mr. DOUGLAS. That was before it became evident that Castro was an enemy.

Mr. ELLENDER. Mr. President, will the Senator yield to me?

Mr. DOUGLAS. I yield to the Senator from Louisiana.

Mr. ELLENDER. The Senator is aware of the method by which the Cuban quota is distributed under the present law. For example, the first who are served are those countries with quotas of not less than 3,000 tons and not more than 10,000 tons. Those are all to be brought up to 10,000 tons.

Mr. DOUGLAS. The Senator is correct. Am I correct in stating those are Costa Rica, Haiti, Panama, the Netherlands, and Nationalist China?

Mr. ELLENDER. There are five.

Mr. DOUGLAS. Yes.

Mr. ELLENDER. The second category is the Philippines.

Mr. DOUGLAS. They get 15 percent of the remainder.

Mr. ELLENDER. Does the Senator think it is proper to charge the Philippines the extra 2 cents?

Mr. DOUGLAS. The Philippines will still get the bonus on the quota which is already theirs. They will get a bonus on that part. They will get the benefit of an additional quantity at the world price. Who has the sugar in the Philippines?

Mr. ELLENDER. Would not that problem be difficult to solve? We have a fixed quota for the Philippines, under the law, of 974,000 tons. If the Philippines is allotted an additional 200,000 tons, those who produce the additional sugar would have to pay the 2 cents, while those who produced the normal quota would not have to pay anything, but would get the benefit.

Mr. DOUGLAS. They are often the same people. Furthermore, as I understand, there is an allocation system inside the Philippines.

Mr. ELLENDER. I do not believe it would be conducive to better relations between the United States and the Philippines to do what the Senator suggests.

Mr. DOUGLAS. Mr. President, some time back I put into the RECORD the details in regard to the proposal of the House of Representatives. Part of the material has been covered in the colloquies we have had since then.

The House proposal suffers from serious defects.

In the first place, it would build up a vested interest among those who received the additional quotas. In the future it will be almost impossible to take away these additional amounts and return them to Cuba when Cuba once again becomes, as we hope it will, a friendly government.

This is one of the incentives we can then hold out to Cuba. If Cuba will come back into the fold of American friends it can get back its quota of 3 million tons of sugar, and possibly a little bonus in addition. This is a powerful incentive to get the Cubans back on our side. If the Cuban quota is taken by Peru, Mexico, the Philippines, Nicaragua, and the Netherlands, it will be very hard to return the 3 million tons to Cuba. We will not be able to offer this incentive to the Cuban Government and to the Cuban people. Hence, the attempt to make Cuba a friend of ours will suffer. In addition, there will actually be an inducement to the other countries to be pro-Castro, because they will know that if Castro is put out of power, it will be possible, and even probable, that some of the sugar will be taken away from them. There will be an "internationale" of Latin American sugar producers to keep Castro and Castroism in power in Cuba.

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mr. DOUGLAS. I am glad to yield.

Mr. LONG of Louisiana. Is it not true that at present Castro is claiming credit all over Latin America for the $500 million program for the so-called Alliance for Progress, on the basis that until Castro came into power in Cuba the United States never cared to do anything for those countries which would cost any great amount of money? Is it not true that when those people get the benefit of the subsidized price they may say, "That is one more advantage we get from Castro's coming to power." They get a much larger sugar quota, with a price far above the world market.

Mr. DOUGLAS. They will want to keep Castro in power, so that they can continue to have the increased quota at prices of $50 a ton or more above the world market price.

The tragic Cuban situation is clearly against the best interests of the United States, and I think it is against the best interests of Cuba.

The action which the United States has taken with respect to Cuban sugar is fully justified. But I also believe that the forces friendly to the United States

should be encouraged. If the Cuban quota is redistributed among others, and they gain a vested interest in selling these highly subsidized amounts to the United States, it will be very difficult indeed to reverse this situation when the Cubans are again friendly and free.

I repeat a point I have made several times before, which perhaps cannot be emphasized too often: If we build up such vested interests we may very well create a situation in which these nations would be a great deal less concerned about bringing a change in the Cuban Government than they would otherwise be. Surely we do not want to build up economic pressures which would be satisfied with the status quo in Cuba because their interests would be harmed if Cuba again became friendly and free.

In the third place—this is perhaps the most important point of all—the price paid for the nonquota or Cuban share under the House bill would still be the highly subsidized price which offers virtually no protection or consideration to the American housewife and consumer.

I tried for several days to devise a system whereby this $150 million a year could be used to decrease the overall price of sugar in the United States by $15 a ton, or three-fourths cents a pound. The system of import subsidies, excise taxes, tariffs, production payments, and quotas is so built up that in practice, after trying for days, I came to the conclusion that it could not be done. Therefore, the amendment was directed toward what I regarded to be the next best thing; namely, to have the bonus go into the American Treasury, to have the difference between the world price and the American price on the former Cuban amount go into the Treasury so that the taxpayers would gain a benefit.

The taxpayers are also consumers, and probably, roughly, the same as consumers, although not identical.

This is a proposal to save $150 million for the American taxpayers, instead of having it go to a relatively restricted group of producers in foreign countries who would get windfall profits to which they are not entitled in law, in logic, or on the basis of past experience.

As a result, the alternative which we proposed and which was adopted in committee by a unanimous vote was an amendment which would give the United States the right to buy the sugar, first according to the quota arrangements in the House, at the world price, but which also would provide that the "quota premium" of about 2⅓ cents a pound would be paid into the Treasury of the United States instead of into the pockets of producers of the additional 3 million tons.

This would net the American Treasury, and hence the American taxpayer, about $150 million a year.

Let me point out that the proposal would provide some protection to the hard-pressed American consumer.

First, it would provide some protection to the hard-pressed American consumer—if not through lower sugar prices at least through increased revenues to the Treasury and hence lower taxes than otherwise. In this way the basic provision of the act concerning consumer protection would be carried out to this limited extent.

Second, more than adequate supplies are now available for this purpose for there is now a surplus of sugar in the world.

Third, it would avoid building up a vested interest in the highly subsidized American market by those who would receive the right to fill the nonquota or former Cuban quota.

Fourth, it would assist the United States in its balance-of-payments problem. We are worried about deficits in the country. The measure would reduce the deficit by about $150 million.

Furthermore, as I have emphasized, it would give greater reason and hope to the anti-Castro forces in Cuba to throw off their present shackles. They would then know that if their Government became friendly to the United States, the American market would be restored.

Furthermore, this proposal is exactly what the American Government did with respect to the Dominican Republic this last year. Dominican sugar was purchased at the world price, but instead of paying the additional quota premium to the Dominican producers it was paid into the American Treasury. Consequently, there is precedent for this amendment.

Some argue, as my good friend the Senator from Louisiana and the Assistant Secretary for Latin American Affairs did in the hearing, that the distribution of the Cuban quota to others is necessary as a foreign aid measure. I reject this argument. Foreign aid, under this argument, would go to countries not on the basis of demonstrated need but on the basis of their sugar-producing ability. Some non-sugar-producing countries, such as Bolivia, may well have greater needs for technical information, schools, roads, health services, and so forth, which are or can be supplied under foreign aid than do some sugar-producing countries.

I would add Ecuador to this list. This would not be the proper way to distribute foreign aid, namely, on the basis of who can produce sugar.

Furthermore, I wish to emphasize that the aid would not go primarily to the people of those countries, but would go instead to a small group of sugar producers in those countries.

Mr. JOHNSTON. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. JOHNSTON. Am I to understand from the statement of the Senator from Illinois that he is in favor of returning to Cuba its quota when Cuba returns to the people of America properties in Cuba which were taken from them? When those properties are returned, we would then be willing to give them a sugar quota. Is that not the situation?

Mr. DOUGLAS. That is exactly correct. What I am saying is that if we redistribute the Cuban sugar at a bonus to producers, it will be very hard ever to return it to the Cubans; consequently we would lose an economic weapon which we would otherwise have to reach an understanding with the Cuban people and to throw Castro out.

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mr. DOUGLAS. Yes.

Mr. LONG of Louisiana. I have often thought that the Sugar Act offered a considerable opportunity for something like an alliance for progress. It could offer some leverage to persuade foreign producers to improve conditions for workers in the fields. However, no such opportunity is offered in the short period of the present act, because, as the Senator knows, the sugar which we would be buying in the period immediately ahead is sugar that has already been produced. A large portion of the sugar is now in the hands of processors and those who own the mills, so that there is little possibility that a higher price could be reflected any time soon in benefits for the working classes. It would benefit only those who own the sugar. I doubt that we could say that in many instances governments would benefit, because the sugar is not held by the governments, but is held by private producers. Private producers produce the sugar and they now have it on hand.

Mr. DOUGLAS. The Senator from Louisiana has made one of the most significant contributions to this debate. What he has said is that the 3 million tons in question would not immediately increase production in the producing countries, but would be a bonus paid to speculators and the big interests which have the sugar in storage, produced under low cost conditions. It would amount to giving them $150 million.

Mr. LONG of Louisiana. I believe such was the testimony of the expert from the Department of Agriculture. So far as the present record is concerned, there is no way he could anticipate that if we did make the proposed payment, that it would benefit the working people in those countries. Such is the impression that I gained from his testimony. This statement is not on record, but as the Senator knows, we were advised by Mr. Meyers and others as to who would get the benefit of the increased price on the sugar that had been produced. So there is no way by which we could use any leverage here for the benefit of working people who produce the sugar.

Mr. DOUGLAS. I do not believe in dragging individual names into a debate. But I have been checking on the Peruvian situation. There is one company there which has 50 percent of Peruvian production, and therefore presumably at least 50 percent of the sugar in stock. One company has from 10 to 20 percent of the production. Those companies would receive a bonus of tens of millions of dollars unless we accept the amendment which the committee approved by unanimous vote.

Mr. LONG of Louisiana. If the Senator will yield further——

Mr. DOUGLAS. I yield.

Mr. LONG of Louisiana. Based upon the way we are doing business at the present time, we could not use this premium price as leverage upon those countries to induce them to raise living standards, because we would be in no position to assure them in the future that they would be able to obtain the

premium price. Purchases would be made on the basis of urging those countries not to rely on producing for the United States in the future because the international situation might change. So in effect what we would buy is sugar that companies now have on hand, for the most part, which has already been produced.

Mr. DOUGLAS. I believe the Senator from Louisiana is absolutely correct. He has thrown into sharp focus the issues. The basic issue is whether the bonus of about $150 million will go to the American people or whether it will go to a small group of producers who control the sugar supplies in the countries which would have their quotas increased. That is the issue.

The proposal I make is neutral on the question as to how much shall be imported and how much is to be grown at home. We are not proposing to change in any respect the price that domestic producers will receive on either cane or beet sugar.

If the domestic share of sugar production is increased, then obviously the foreign share will be diminished. The proposal which I make applies only to the foreign share of the nonquota, or balance. I have my own opinion on these other subjects, but so far as my amendment is concerned, it is neutral on the question as to how much of the sugar should be produced at home and how much should be imported. That has nothing to do with the case whatsoever. So I hope our beet sugar friends will help us on this measure. I hope our cane sugar friends will help us.

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. LONG of Louisiana. As one who represents a State which relies heavily on the production of sugar, I must say I do not think it helps us to have large windfall profits amounting to millions of dollars to be given to some international trading concern. Some of these traders, I agree, would make the profit somewhere else. That kind of procedure tends to place the act in an undesirable light.

It would be much better to face the fact that domestic producers cannot meet the cost of producing cane in some of the tropical countries, but that we can meet the cost of producing sugarbeets. There is also the necessity of having to depend upon a sugar supply this country can count on in case of an emergency.

I say frankly to the Senator that I have not been very much impressed by the State Department argument that these countries cannot understand that we would pay two different prices, because these countries which produce sugar expect to get two prices. They expect to get one price for the quota allotted by the United States, which is an unrealistic price from their point of view, as it is not related to the cost of production, and they expect to get another price on the world market.

Mr. DOUGLAS. Which is a lower price.

Mr. LONG of Louisiana. Which is a lower price, the world price, for the rest of their sugar. Also they can presume that they would get more because the world price would go up. These people did not plant that sugar and they did not harvest it with the thought or assumption that they would sell it at subsidized prices in the U.S. market.

Mr. DOUGLAS. The Senator from Louisiana is so right in what he says, and primarily with regard to his statement respecting the State Department's attitude. I hope that upon mature consideration the State Department will change its mind. I make no charges about their good faith in this matter. However, there is altogether too much of a tendency to try to buy favor for the United States by putting money into the pockets of small selfish groups in these countries, in this case primarily, I think, big American sugar interests.

President Kennedy has been emphasizing the fact that in order to have a thoroughgoing aid program in Latin America, it must be carried out for the people, and that the governments there must agree to do something for the people. There is no such obligation under the proposed act. The Senator from Louisiana has referred to the windfall of $150 million going to a relatively limited group. I would be willing to have an amendment added to the bill which would state that it was the intention of Congress that the $150 million would help finance the program of foreign aid in Latin America, so that it might be used really to help the people there.

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. LONG of Louisiana. I discussed this subject matter with a person who has a responsibility in one of these countries which is getting a major benefit. His attitude was that he was happy to see the nation where he was serving being benefited by this increase in the quota. However, he regretted that the United States got nothing in return. He would like to have seen an arrangement under which either the people would be benefited, with the United States getting some credit for it, or else an arrangement whereby the foreign nation would do something in return that would benefit the United States.

So far as he could determine, there was no advantage that the United States had achieved out of the windfall benefit that went to the producers in that country.

I am fearful that that is what we are up against here. The $146-million windfall will be paid to certain producers, without reflecting any significant benefit to the United States.

That is one thing that should be our purpose in the foreign aid program, namely, that when we spend the money for the foreign aid we should try to see to it that it is spent in such a way that it will reflect some advantage to the United States, although it does not always do so.

Mr. DOUGLAS. I thank the Senator from Louisiana, who knows a great deal about this problem. His comments are very much to the point. I would welcome an amendment which would declare it to be the intention of Congress that the amount that is collected be used to help finance the Latin American aid program, so that the benefits could go to the people who need it, and to the countries which need it, and which would allow the aid to be distributed according to demonstrated need rather than subject to the accident of sugar production or sugar storage.

In 1946 the senior Senator from Arkansas [Mr. McCLELLAN] made an investigation of the foreign sugar lobby. It might be appropriate if we had an investigation of the foreign sugar lobby now. What are the groups that will get the $150 million? Who are the groups, and who are the countries? Who are the speculators who hold this sugar in storage? Who is representing them in the United States?

I am very happy to have been joined in the supplemental views by the distinguished junior Senator from Arkansas [Mr. FULBRIGHT], the distinguished chairman of the Committee on Foreign Relations, who has studied this subject for years, and who has always had what I regard as a fine attitude on it. I should like to ask the distinguished Senator from Arkansas whether he would care to make some comments at this point.

Mr. FULBRIGHT. I intend to make a speech on this subject. I have placed my name on the list at the desk. I have asked whether I could follow the Senator from Illinois, but I understand that the Senator from Louisiana [Mr. ELLENDER] will move to strike the provision the Senator is discussing. I expect to speak in support of the amendment offered by the Senator from Illinois.

Mr. DOUGLAS. I thank the Senator.

Mr. FULBRIGHT. I wish to make some comments, too, about the letter which is being passed around. It is addressed to me by the State Department. It is a very brief letter, and does not go into the merits of the issue. I believe it was written on the basis of inadequate information and understanding of the full effect of the amendment. I am not persuaded by the letter when it states that the amendment is not in the interest of our foreign policy and the long-term interests, even, of the sugar people.

Mr. DOUGLAS. As I understand, the distinguished Senator from Arkansas, who is chairman of the Committee on Foreign Relations, says that in his judgment the amendment which was inserted by the Committee on Finance is not damaging to the foreign policy of the Nation. Is that correct?

Mr. FULBRIGHT. I certainly do. On the contrary, I believe the amendment would in the long run be beneficial. I believe it would avoid the creation of additional vested interests with now unknown countries which would be given special premiums which were hitherto given to Cuba. Those benefits were not given to Cuba for economic reasons, but for emotional reasons, connected with the Spanish-American War, and a feeling of responsibility for the welfare of the people of Cuba.

In my judgment there is no justification for transferring those benefits to other countries.

The idea that this would be aid to them is not, in my opinion, valid, because it would be aid on a hit and miss basis. I am in support of the President's program for aid to Latin America. That aid should be given on an orderly basis in accordance with need and in response to actions taken by those countries in their own welfare.

The basic principle of the President's new program in Latin America is that it is a cooperative program, that it is an alliance, and is not a unilateral program; that it is based upon cooperation among the respective countries. That is a sound way to approach the problem. The proposal before us would distribute the largess of approximately 2 cents a pound in the form of a premium to whoever might be given this quota. Furthermore, it would guarantee in these countries the expectation of a continuation, which I doubt would be in the interest of our foreign policy. I do not believe it is sound.

I can only say to the State Department that I disagree with them. I do not believe they have had an opportunity to consider all the aspects of it. It is true that they did not have much time to do so, because the subject came up only a short time ago. I have not spoken to the President about it, but I doubt that he had an opportunity to give any personal attention to this matter before the letter was written. That is only my opinion, of course.

Mr. DOUGLAS. The statement just given, Mr. President, is from the distinguished chairman of the Committee on Foreign Relations, who has devoted a lifetime of study to the whole question of foreign relations, and who is the greatest authority in the Senate on these matters, and who, incidentally, has studied the sugar issue for a good many years.

I am very happy to find myself in close agreement with him as with the senior Senator from Virginia.

Mr. FULBRIGHT. It is true that previously I have opposed the bill, but this amendment has no effect whatever upon the domestic producers of sugar. It does not touch them at all. The question of whether it is a good bill with respect to their interests is not in any way influenced by the amendment.

It also has the incidental effect, if it is kept in the bill, of returning in the neighborhood of $120 million to $150 million to the Federal Treasury. That is something which is of interest to other Members of this body who have no particular interest in sugar, but who are interested in the solvency of the Treasury.

The proposal also has an influence upon the question of the balance of payments. We have talked much about the balance of payments. The amendment would prevent, in effect, the outflow of $125 million to $150 million in gold. The amendment would have a beneficial effect upon the Treasury and our economy.

Mr. DOUGLAS. I thank the Senator from Arkansas. If we were to adopt language indicating that it was the intention of Congress that the sums thus collected by the Treasury would be used to help finance the Latin American aid program, should not that remove any possible objection on the part of the Department of State?

Mr. FULBRIGHT. I myself would not advocate that. I think the aid program stands on its own. We have made an authorization, and I think there will be an appropriation of $500 million in the first stage. I think everyone believes that this is the first stage, assuming that the program is developed properly and in accordance with the principles which have been set forth.

Mr. DOUGLAS. But this proposal would indirectly help to finance the program.

Mr. FULBRIGHT. The money will be in the Treasury, certainly. I thought the Senator was referring to earmarking the money. I do not believe there would be any advantage in earmarking $150 million. If it is in the Treasury, it will be available for this purpose. An individual judgment should be made as to the amount needed for the aid program in Latin America.

Mr. DOUGLAS. But would not the indirect effect be to aid that program?

Mr. FULBRIGHT. Oh, certainly; any amount would. I thought the Senator meant that the money should be earmarked for that program. As the Senator from Illinois has proposed it, it is a sound plan and ought to be adopted.

Mr. DOUGLAS. I thank the Senator from Arkansas. His reinforcement is mighty.

Mr. FULBRIGHT. I do not know about that, but I think the plan is sound.

Mr. DOUGLAS. I am deeply pleased.

Mr. LONG of Louisiana. Mr. President, will the Senator from Illinois yield?

Mr. DOUGLAS. I yield.

Mr. LONG of Louisiana. The Senator from Illinois knows that I withheld my vote in committee when he offered his amendment, because I was somewhat concerned about the effect it would have. I thought it might prejudice the bill. I am still somewhat concerned about the proposal. So far as the merits of the Senator's amendment are concerned, and speaking entirely as to the merits, it seems to me that the people who would be benefited by the $150 million are a very small number, who did not anticipate it.

I would feel entirely differently about the amendment if its effect would be to deny decent living wages and working conditions to the millions of people who work in the cane fields. However, it seems to me that the purpose of the amendment is entirely directed to a small number of wealthy individuals who have many millions of dollars' worth of sugar on hand.

If I might paraphrase a statement by Winston Churchill, unless we adopt the amendment, I think the bill will do the opposite of what Sir Winston said with respect to the Royal Air Force, when he said:

> Never have so many owed so much to so few.

In this case, never have so many done so much for so few.

Mr. DOUGLAS. Or: Never has so much been done for so few, at so little risk.

Mr. LONG of Louisiana. Never have so few got so much for so little. Put it that way.

Mr. MORTON. Mr. President, will the Senator from Illinois yield?

Mr. DOUGLAS. I yield.

Mr. MORTON. I, too, withheld my vote yesterday in the Committee on Finance, as the Senator well knows. I still have apprehension about the amendment. The wage scale in Cuba was tied to the price of sugar, as the Senator knows. One of the difficulties Mr. Castro is having today is that as the price of sugar has gone down, the wage scale has gone down.

I do not speak as a partisan supporter of the President. I think I have made that abundantly clear in the past months.

Mr. DOUGLAS. I believe that is true.

Mr. MORTON. I must say that I wish the President well in his efforts in Latin America, as all of us do, I am certain. I believe we should get a sounder or more thought-out judgment from the administration and from the State Department.

I do not want to see the Senate take hasty action now which will kill any good impact which the conference held at the White House the other day had. I feel certain the Senator from Illinois agrees. The results of the conference were not received with any great degree of enthusiasm, but they were received favorably by most of the governments in this hemisphere. I think that if we deny something, on the one hand, while we promise something else, on the other hand, we can, as a result, affect the effort which the administration is trying to make to solidify, in the free world, the nations and the peoples of this hemisphere.

Mr. DOUGLAS. I thank the Senator from Kentucky. I think I have given evidence of the fact that I am a strong supporter of the President.

Mr. MORTON. That I do not question.

Mr. DOUGLAS. I intend to continue in this course. I agree heartily with the President's Latin American program. I intend to support it. I believe in making available the full $500 million.

In all these programs, we have the problem of financing them and of finding the money to pay for them. I am certain there will be some Senators on the other side of the aisle and some Senators on this side of the aisle who may say that we cannot afford this Latin American program. My amendment will at least provide $150 million, which will make it possible to extend foreign aid on condition that the foreign countries do something to improve their own situation; that they revise their tax systems; that they develop a better system of land holdings; and that they improve the condition of their people.

I think $150 million would provide us with an added lever with which we could work.

As the Senator from Louisiana [Mr. LONG] has pointed out, the people who may gain from this House proposal are really not, preeminently, the common

folks of those countries; perhaps not even those who will produce sugar in the future; but they are the people who hold sugar in storage at the present time and who will receive a tremendous windfall because they will have bought sugar at world prices and will sell at market prices, or over $50 a ton more than they paid for it.

Mr. MORTON. Mr. President, will the Senator from Illinois further yield?

Mr. DOUGLAS. I yield.

Mr. MORTON. Unfortunately, the bill comes to us under a deadline. I know the Senator from Illinois and I both regret that. However, I should like to ascertain the facts about who would be the beneficiaries. Are there other countries which are involved where the wage scale is geared to the price of the product, as it was in Cuba, and as it is today in Cuba? That sort of thing gives me some concern.

Following the observations made by the chairman of the Committee on Foreign Relations, the distinguished junior Senator from Arkansas [Mr. FULBRIGHT], who has backed the so-called Douglas amendment, I imagine that the amendment will remain in the bill. However, I think it is unfortunate that we must take this action in a 48-hour period. I know the Senator from Illinois agrees with me in that statement, because he expressed in committee, as he has often expressed in committee, the view that revenue measures should not be brought up under a deadline. I am sympathetic to his position in that respect. Nevertheless, we cannot close our eyes to the fact that there is another side to the question. I simply wish we could get a more definitive statement from the Secretary of State or the White House itself on this subject.

I do not believe that we are in a position, with the facts now known to us, to legislate in this manner. It could have a very heavy influence on what this administration is trying to do in this hemisphere. I think none of us wishes, in any way, to put hurdles in the road of progress in this hemisphere.

Mr. DOUGLAS. I appreciate the attitude of the distinguished Senator from Kentucky. Certainly it is not partisan in any sense—quite to the contrary. For that, I commend him and invite him to continue in the same course.

But as legislators we have to use our judgment. We are not robots. Frankly, I think some of us are better informed and have a clearer view of this subject than do some in the lower echelons in the Department of State. I know that my friend from Kentucky served in the Department of State. I certainly do not want to join in any denigration of the personnel of the Department of State.

But there is a tendency for every occupational group to try to ingratiate itself with the people with whom it is dealing. That is natural; it is an occupational hazard.

Our diplomats deal with the diplomats of these countries and, primarily, with the well-to-do and the upper class people there. Over glasses of loganberry juice or lemonade they discuss with them the sugar issue and other matters; and it is only inevitable that they will be affected by the views of that relatively small group of wealthy men. However, personally, I am unwilling to abdicate my use of commonsense simply because an Assistant Secretary of State says these bonuses should be paid.

Frequently we find that attempts are made to give the impression that minor officials—whose views may not be very well founded—are speaking for the President of the United States. When President Truman was in office, I objected to that situation. Frequently we would be told what the President desired, but we would find that it really was not at all what the President desired, but was only what some minor official desired. As the Senator knows, I objected to that quite strenuously also during the last administration.

Certainly the Senate must not abdicate the fulfillment of its responsibilities. Senators must do their duty. Of course we should cooperate with the administration, and of course we should put the interests of the Nation first. But we should decide what are the interests of the Nation.

Unfortunately, there is much too great a tendency to pay very little attention to the interests of the taxpayers. Some persons say that the other subsidy of 3⅓ cents a pound will amount to only $12 or $13 a year for a family of four. But, Mr. President, even though $12 a year a person does not seem to be a very great amount, nevertheless, the total amount involved is a very large one; it is $150 million. It may be said that when the $150 million involved in my amendment is prorated for the entire population of our country, it amounts to only 80 cents a person. Nevertheless, the total bill will be $150 million.

Of course, one of the great difficulties in connection with representative government is the fact that the producing groups and interests tend to be concentrated, whereas the consuming groups and interests are diffused. So the public interest is diffused. In such a situation, the public interest tends to be weakened.

Recently I was reading Prescott's description of the conquest of Mexico in the early days, and also his description of the conquest of Peru. As we know, hundreds of thousands of the natives in those countries were conquered by very small groups of Spanish soldiers. The Incas and the Aztecs were conquered because they were diffused; and the result was that a rather small number of Spanish soldiers were able to overpower them.

Today, in our country, the special interests have the benefit of propaganda, ample funds, and much publicity. As a result, they have tremendous power. But the poor housewife or baker or child who pays a subsidy when they drink a soft drink does not know what the issues are, and has no way of understanding this complicated situation, and cannot make his voice heard. But we as Members of Congress should be the representatives and the defenders of all those persons.

Mr. MORTON. Mr. President, will the Senator from Illinois yield?

The PRESIDING OFFICER (Mr. BURDICK in the chair). Does the Senator from Illinois yield to the Senator from Kentucky?

Mr. DOUGLAS. I yield.

Mr. MORTON. I have no quarrel with the Senator from Illinois in connection with his discussion of Peruvian history or anything of the sort.

But I wish to ask whether the Senator from Illinois has received from the White House or from anyone in a high position in the State Department—from any noncareer appointee of this administration—any support for his proposal?

Mr. DOUGLAS. I do not know.

Mr. MORTON. If he has such support for it, I will go along with it.

Mr. DOUGLAS. I am glad to learn that the Senator from Kentucky will support recommendations which come from the White House. We shall call on him for payment of that check when we come to deal with the minimum wage.

Mr. MORTON. Mr. President, when the security of our country is involved, the administration will get my support.

As I have stated, my desire is to be sure that the Senator's proposal has received support from the White House or from a high ranking official in the State Department.

Mr. DOUGLAS. Of course I know that when the security of the country is involved the Senator from Kentucky will throw partisanship to the winds.

Mr. MORTON. On this floor I have consistently taken that position and refrain from using the floor of the Senate as a forum for my statements as chairman of my party's national committee.

Mr. DOUGLAS. Of course that is true. The Senator has done his other work on the outside, as he had every right to do.

Mr. MORTON. But I wish to be sure that the interests of the country are protected. If the administration can convince me—and I think it can, when the chips are down—that a matter involves the security and the best interests of our country, partisanship will not enter into the picture so far as I am concerned.

So far as the pending proposal is concerned, I am deeply interested in knowing whether the State Department takes a position in regard to it. Of course, if such a recommendation is made by someone serving in a low level at the State Department, I shall not go along with it, any more than the Senator from Illinois would.

I believe that in connection with this matter we should get the Secretary of State or the Under Secretary of State or someone at the White House to tell us whether in his opinion this proposal is a desirable one in the national interest. It sounds fine to me; and if it is, I will go along with it.

Mr. ELLENDER. Mr. President, will the Senator from Illinois yield?

Mr. DOUGLAS. I yield.

Mr. ELLENDER. Let me say that I have received such a statement.

Mr. MORTON. Very well; that is fine.

Mr. LONG of Louisiana. Mr. President, will the Senator from Illinois yield?

Mr. DOUGLAS. I yield.

Mr. LONG of Louisiana. At one time I had the honor of sitting in the Foreign Relations Committee alongside the present President of the United States; and I believe that situation existed there when this problem first came up. I refer to the problem of what we are to do with the Cuban sugar quota. As I recall, at that time Mr. Mann was the adviser on that issue.

Mr. DOUGLAS. Yes.

Mr. LONG of Louisiana. I believe he still is; and perhaps he is advising the President.

During the hearings Mr. Mann advised the committee about this matter.

Mr. DOUGLAS. That is correct.

Mr. LONG of Louisiana. But when he first came before the committee to discuss this issue, his position on it was entirely flexible. He recognized entirely that the purchases could be made on a world-market basis, at the world-market price—in which event there would be no large windfalls. He also recognized that the purchases could be made on a quota basis, with the various quotas reassigned and large windfalls to certain producers.

Mr. Mann did not have an opportunity to write this measure in the way he wanted. He went before the House Committee on Agriculture; but that committee then constituted itself a Foreign Relations Committee, for the purposes of this measure. Various outstanding members of that committee had visited the entire area, and had their ideas in regard to what should be done—as the Senator from Illinois will recall. For instance, they had the idea that the Dominican Republic should have a very large percentage of this increase, at the premium price. But that was contrary to the position of the then President of the United States; and I assume it is contrary to the position of the present President of the United States and is contrary to the position of Mr. Mann, who at that time was advising the committee.

Mr. DOUGLAS. And it is contrary to my position.

Mr. LONG of Louisiana. That is right.

So, in effect, what the House committee did was contrary to the attitude of the Senate and was contrary to the attitude of the administration. Nevertheless, because of the deadline, the House committee succeeded in doing it. In that situation the House sent to us a bill which would expire at a certain time. We realized that the bill would create problems; but we could not very well fail to pass the bill, for if we did not pass it, no measure dealing with this subject would have been law at that time.

I doubt that the President of the United States would take a position contrary to the one being urged by the Senator from Illinois. I must say that if the President were particularly concerned about this matter, I would have thought I would have heard more about it than I have from those who represent the executive branch of the Government, because I had to seek from the executive branch the little I know about this matter.

I should like to make one or two points in regard to what the Senator from Illinois has been saying.

There is a great deal of difference between actually aiding the people of a country and aiding only a small group in that country. For example, the Senator from Illinois has pointed out that according to the chart to which we have been referring, Peru would be allowed a quota of 176,426 tons——

Mr. DOUGLAS. On page 4, we find that it would be 215,000 tons on a quarterly basis, or 860,000 tons on an annual basis, under the provisions in effect for this last quarter; and if the premium is $50 a ton, that would amount to $43 million.

Mr. LONG of Louisiana. It is a misleading statement to speak of Peru getting $43 million if there are only a few large producers in Peru getting the money.

Mr. DOUGLAS. Two companies have from 60 to 70 percent of the Peruvian production.

Mr. LONG of Louisiana. I do not particularly know the names of those companies, and do not particularly care which companies they are, or whether they come from one particular section of the country or another. I believe one of those companies is American owned and controlled.

Mr. DOUGLAS. That is correct.

Mr. LONG of Louisiana. So, in effect, an American company would get much of that money. It is said that Peru would get it.

Mr. DOUGLAS. About 20 percent.

Mr. LONG of Louisiana. But it is not a matter of Peru getting the money; it is a matter of a few small companies getting it.

Mr. DOUGLAS. A few big companies.

Mr. LONG of Louisiana. A few big companies holding land in that country will get the money.

Mr. DOUGLAS. That is correct.

Mr. LONG of Louisiana. If we want to do something for the people of Peru, if we want to make this proposal become a part of the foreign aid program, I would suggest that the way to do it is to start out by adopting the Senator's amendment. Some people think we expect to give all this money away immediately, willy-nilly, in order to be sure that it gets there. But the fact is that the money never seems to achieve the desired results if it is given away that way. So far as I can determine, as a member of the Foreign Relations Committee and of the Finance Committee, there is no reason to think that any of the $150 million is to be used for the benefit of the people. So far as I can determine, it would go largely for the benefit of certain large producers, who will be making a large windfall profit.

Mr. DOUGLAS. And some importers might get it.

Mr. LONG of Louisiana. And also some importers who happened to hold sugar. If it is desired to make this aid a part of an alliance or a trade arrangement, the way to start it would be to buy the sugar at the world price. Then if we found that a country could use a premium price to put into effect better working conditions, or better conditions of government, or better social conditions, we could then proceed to give it the money on the basis of a cooperative arrangement, in which the government would do something for the benefit of the people.

Clearly, if the money were given away in this fashion, there is no reason to believe it would achieve the desired result of helping the people, or that they would receive any benefit as a result of our spending the $150 million.

Mr. DOUGLAS. It would be very interesting to learn how much of this money, which would go into the pockets of a relatively few, would be deposited in Swiss banks, and possibly used as a means to have a run on American gold. That is a subject which I think should be probed in the future.

Mr. LONG of Louisiana. If the Senator will yield further, it seems to me that once this particular procedure is started, it will be difficult to shut it off, and that it is better not to get it started in the first place. While it might be desirable eventually to pay this amount, it might be better to start on the basis of paying at the world price, and then see what sort of arrangements could be worked out to assure some benefits to the people of the United States as a result of their paying $150 million extra.

Mr. DOUGLAS. The Senator is correct.

Mr. President, let me conclude my remarks.

SUMMARY

In summary, this amendment would, first of all, greatly benefit the American taxpayer, whose interests have long been ignored in the administration of the Sugar Act.

Second, it would avoid building up vested interests in the nonquota or former Cuban share of the American market at premium prices.

Third, it would provide an incentive for the Cuban people and other countries to seek a change in the present Cuban Government, rather than approve the status quo in Cuba, which would be the case if the quotas were redistributed at premium prices.

Fourth, it would provide additional funds which could be used in programs for aid to Latin America on the basis of need and a well planned program, not on the accident of who grows sugar, and would enable the funds to be freely distributed, instead of concentrated in a relatively few speculators.

Fifth, this amendment would follow a precedent already set by the American Government with the Dominican Government only this last year.

Sixth, it would assist the United States in its balance of payments problems.

It would decrease the claims which foreign governments have on our gold supply by $150 million, and if, as I suspect, some of this money would be deposited in a Swiss bank, would decrease the ability of Zurich to tighten the fiscal knot around the throat of the United States Treasury.

Mr. President, I yield the floor.

Mr. ELLENDER. Mr. President, I move that section 4 of the bill be stricken. That is included on page 3, beginning with line 10, down through line 20.

Mr. CURTIS. Mr. President, will the Senator yield for a question?

Mr. ELLENDER. Yes.

Mr. CURTIS. The proposal of the Senator is to strike out the Douglas amendment. Is that correct?

Mr. ELLENDER. Yes.

Mr. President, much of what I was going to say about the Sugar Act has already been debated. As Senators know, we have had quite a bit of difficulty in the last 2 or 3 years in attempting to have sugar legislation enacted on a long-term basis. It seems that the House has adopted a program of sending the Senate a bill during the closing days of the Congress, with the results that our Finance Committee is unable to go into every aspect of the sugar problem.

I am very sympathetic with the continental producers of sugar beets as well as sugarcane. It strikes me that, if and when we are able to propose a long-range Sugar Act to the Congress, some leeway should be given to the administrator of the Sugar Act to increase production of sugar in the continental United States.

For a long time I have felt that we ought to produce at least one-third of our consumption requirements in the United States, not including Alaska, Hawaii, Puerto Rico, and the Virgin Islands.

Today under the basic act domestic growers of beets are permitted to produce 1.8 million tons, which constitutes 22½ percent of our requirements based on 8 million tons. The mainland cane sugar quota is fixed at 500,000 tons, based on a grand total of 8 million tons.

It can be readily seen that if we use the formula to which I have referred—that is, to produce at least one-third of our consumption requirements—we would still have quite a way to go. With a consumption requirement of 8 million tons of sugar, continental producers are permitted to grow only 28.7 percent of our requirement.

We are all very anxious to pass this bill and send it to the President within a few days, because if we do not, the Sugar Act will expire. The deadline is March 31 at 12 midnight. Unless Congress acts by that time it is entirely possible a lot of unwanted sugar will be dumped into the United States and will thereby affect the market very adversely.

It is my hope the Senate will agree to the amendment I am sponsoring. It is my belief that if the Senate does agree to eliminate the so-called Douglas amendment, which we have been debating almost 3½ hours, the House of Representatives will accept the other change the Senate committee has made. As we all know, the other change made by the Finance Committee reduces the time during which the current act would be effective from 21 to 15 months. In other words, instead of the act expiring on December 31, 1962, it would expire on June 30, 1962.

I have expressed the hope there will be sufficient time remaining in this session for the committees of the Congress, particularly the Committee on Agriculture of the House of Representatives, to draft a bill which would do justice to the continental producers of cane and beet sugar.

Mr. President, one of the other reasons for extending the act is that I do not believe it would be desirable for the Congress to allocate the so-called Cuban quota on a permanent basis. The law as it is now written gives to the President a wide discretion as to who shall get the Cuban quota. The terms upon which the quota is to be allocated to a particular country are not on a permanent basis. Each of the countries which is to receive more sugar than is now allotted is told that the additional quota is not to be on a permanent basis.

I voted against the present law, because I thought the bill should have had a longer life than what was finally agreed to by the Congress. As I recall, action was completed after midnight a year ago. Now that we are confronted again with a situation of either accepting the act, by way of extending it as written, or else having no sugar law whatever after midnight on March 31, I believe it is incumbent on the Senate of the United States to pass the proposed legislation as soon as possible. I feel confident that if the bill is passed as presented by the Finance Committee of the Senate, minus the Douglas amendment, which I now seek to eliminate, there will be no need for a conference, and we can get through with the proposed legislation within hours after the Senate completes its deliberations.

Mr. President, the law as it is now on the statute books provides the methods by which the administrator of the act shall distribute the so-called Cuban quota. The first countries to receive some of the quota are designated in the act under section 408. These are the foreign countries which have quotas of not less than 3,000 tons nor more than 10,000 tons. These quotas are all to be raised up to the 10,000-ton limit. As was brought out in the debate, there are only five countries in that category.

The next country is the Republic of the Philippines, which will receive 15 percent of the remainder of the so-called Cuban quota. As I pointed out previously, it strikes me it would be harmful to the relationship between the United States and the Philippines if this friendly country is permitted to ship only the regular quota to the United States under the preferential agreement and then told that any further allocation we permit would have to be sold at the world price.

Mr. President, the act further provides that the remainder of the quota, including any unfilled portion of allocations already provided, shall be purchased from foreign countries having quotas under section 202(c). These countries will receive allocations in proportion to their present quotas; except, of course, the Dominican Republic. It is not my purpose to spend any time discussing that phase of the act. I have done so in the past. I merely wish to say I think it was shameful for us not to allow to the Dominican Republic its just share of the Cuban sugar quota.

I have made several trips to the Dominican Republic over the years, and I can say that great forward strides have been taken in that country by the present Government. When the present leader of the Dominican Republic took charge back in the early 1930's the country was a shambles. Through hard work, and without financial assistance from our Government, great progress was made. Roads have been built, fine schools have been constructed, and hospitals have been erected. I daresay that there is not a country in either South or Central America in which the people as a whole are better off and have better opportunities than in the Dominican Republic. Those accomplishments were attained by utilizing more effectively the resources of that country.

As I said, I do not care to argue any further the point in respect to the Dominican Republic. I am willing to accept the bill that the House has presented to the Senate, in which there is a refusal to give a quota increase to any country that has no representation with our Government. It is my hope that sometime in the near future we shall be able to renew our friendly relationship with the Dominican Republic so that they can then come within the purview of the act.

Much has been said as to whether or not the State Department favored the committee amendment, and as to whether or not the administration was for or against it. As I understand, the executive department is against the so-called Douglas amendment. I wish to read a short statement indicating that opposition:

A provision that the premium paid foreign producers for sugar imported under reallocation of the Cuban quota should be captured by an import levy is contrary to the national interest.

1. This would be a fundamental change in longstanding policy, which would involve a number of troublesome questions, and therefore should not be acted upon hastily and without opportunity to identify and consider the problems involved.

2. This would becloud and confuse the basis of U.S. policy in transferring procurement from Cuba. It is desirable that the consideration of the U.S. Government in allocating procurement from Cuba should be widely and clearly recognized. Expressed simply it was to avoid dependence on an area which has a hostile government, and accordingly to diversify sources of supply. It would be highly undesirable if these considerations were to be clouded with an impression that the U.S. objective is to reduce the cost of imported sugar and thus to change the basic relationship between domestic and foreign suppliers to the U.S. market.

3. A large part of the sugar needed to replace Cuban supplies would be purchased in Latin America. The nonquota countries in Latin America which are in need of foreign exchange to finance their economic and social development would find it difficult to understand why they receive a price substantially inferior to the price received by the domestic industry, formerly received by Cuba, and currently received by other countries which have basic quotas under the Sugar Act. These countries would regard

such action as inconsistent with the Alliance for Progress recently proposed by the President.

I have been quoting directly from a statement that was made to me by the State Department last night. I do not wish to occupy the attention of the Senate any longer. I believe that the statement speaks for itself. It strikes me that the law that we hope to reenact is sufficient to give the President leeway to distribute this quota effectively and fairly and on a basis that will not indicate any permanancy. I am very hopeful that during the period from March 31 until the expiration of the proposed act the committees in both the House and the Senate will get together and draft a long-range bill that will be acceptable. This should be done as soon as possible. I express the hope that when that time comes, the relationship between our country and Cuba will be better than it now is, and that we shall be able to reallocate to the Cubans a fair share of the quota that has been taken from them.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. DIRKSEN. The distinguished Senator from Louisiana, whom we recognize as the capable chairman of the Committee on Agriculture and Forestry, has referred to a conversation in memorandum form that was disclosed to him last night as to the attitude of the administration on the Douglas amendment. Why is there not some official communication here from the President of the United States or the appropriate official of the State Department? The reason I raise the question is that on the night of September 1, 1960, I belabored the Senate on this very issue to secure for President Eisenhower in the national interest flexibility of action to distribute the Cuban quota where he thought it would do the most good, and I was fortified with official information over the signature of the President on that point. Why should there not be an official communication before the Senate now, if, as the Senator has said, the administration—and that means the President—believes that the amendment is inimicable to our relationships with Latin America and not in the interest of a sound U.S. policy?

Mr. ELLENDER. Mr. President, I have a short answer to that question. I believe my good friend the Senator from Illinois himself was very much surprised when his amendment was agreed to.

All this was done.

Mr. DIRKSEN. I was not surprised.

Mr. ELLENDER. The Senator was not surprised?

Mr. DIRKSEN. No. I thought the persuasiveness of my case was such that the result did not surprise me.

Mr. ELLENDER. The fact is that I did not know about this amendment until late yesterday afternoon. The moment I heard of it I consulted Members of the House. I was informed that they were not going to take it. I then consulted with the State Department and suggested to the State Department that it prepare a statement in regard to the matter, and this was immediately done. I am sure that before the debate is over someone closer to the President than I will indicate that the administration is opposed to the Douglas amendment. I believe that will be forthcoming within the next hour.

Mr. DIRKSEN. There ought to be a summary statement to clarify the situation which now prevails on the floor of the Senate. As everyone knows, here is a situation in which someone gets something by the "grapevine." There is a homely and perhaps somewhat vulgar expression, but certainly it is a very expressive term, that people get something from the "horse's mouth," whatever that means; but that sort of thing can be picked up in different quarters. I would like to be fortified and have nailed down what the official attitude of the administration is on the proposal which is embodied in the Douglas amendment.

Mr. ELLENDER. I assure the Senator from Illinois that the document from which I have read is official. It was handed to me last night by one in authority, and it expresses the views of the administration.

Mr. DIRKSEN. But where is the signature?

Mr. ELLENDER. I hope the Senator will take my word for it. I myself consulted administration representatives when I learned that the bill was to be taken up at 10 o'clock today. We had to do a little rush job. There was really no time for me to contact the President. I would probably have done that last night, but then he might have referred me to the State Department. Instead of going to him, I went directly to the State Department representatives. I knew, in fact, from previous talks with them that they desired some leeway in handling the allocation of these quotas. If the Douglas amendment prevails they will have to buy sugar from anyone they can. The original measure allows them to more or less control the purchases. It is my belief that the Douglas amendment would cause a great deal of hardship. In addition it would cause a great deal of difficulty to those who would administer the act.

It could not be explained to the people of South and Central America. They would say, "You have been giving Cuba these benefits. Why are we not entitled to them?"

The Senator from Illinois can understand that, I am sure. Before we vote on the bill, I am sure there will be forthcoming a statement from the President to verify what I have just read.

Mr. DIRKSEN. In the spirit of the New Frontier, I wish to suggest to my distinguished friend from Louisiana that if he will call up his Chief in the White House I am sure we can get one of the riding pages to get on his horse and dash down there and get the statement. It should not take more than an hour. The distinguished Senator from Ohio [Mr. LAUSCHE] has just said that he would volunteer to go there himself. That is in the spirit of the New Frontier. I would like to see this matter laid out in official fashion. I would like to see the sentiments documented, and then I would like to see the signature at the bottom of the page. There is nothing that gives such stability to a piece of paper as the right kind of signature at the bottom of it.

Mr. ELLENDER. The Senator is not inclined to say that this paper is not authentic, is he?

Mr. DIRKSEN. Oh, indeed not. My friend is the soul of all that is authoritative and authentic. He would never disclose to the Senate any sentiment imputed to someone else unless it were religiously stated as a fact, because his reputation for probity and integrity is absolute and unimpeachable.

Mr. ELLENDER. And beyond reproach, too.

Mr. DIRKSEN. Yes; but I would still like to see the signature. [Laughter.]

Mr. ELLENDER. Very well. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CARROLL. Mr. President, I support the Senate Finance Committee proposal to extend the 1948 Sugar Act through June of 1962.

This is a 15-month extension, and as such is an improvement over the 21-month extension provided in the House bill.

I would prefer to see an extension of the present act for only 9 months, through the end of this year.

However, with the time running out on us and the act about to expire on Friday night of this week, the realities of the situation force us, in this instance, to accept what is possible to get.

I think we can get a 15-month extension, and when our Senate conferees meet with the House I hope they will hold firm for 15 months, bearing in mind the problems of Colorado sugarbeet growers.

The longer the act is extended on a temporary basis the greater the potential trouble for the sugarbeet growers in my State.

What our Colorado beet farmers need is fast congressional action on a new, permanent sugar law; one that will treat the disposition of the Cuban quota in an invariable and stable manner over a long period.

In general terms, the new sugar law ought to provide for increased marketing allotments and increased growing acreage allotments for beet sugar.

These allotments ought to apply over a long enough period of time to permit the farmers and the processors to amortize the investments they will be required to make in putting new beet acreage and new beet factories into production.

The reallocation of the 3 million tons of raw sugar previously reserved for Cuba will mean a substantial change in the farm economy of 27 States and U.S. possessions and 20 foreign nations.

In terms of acreage the 3 million tons could mean in the neighborhood of an

additional 1 million acres of farmland converted to sugarbeet and cane production.

This will have a tremendous economic impact in the areas where the sugar is planted, factories expanded and new processing facilities constructed.

The uncertainty surrounding this growth in sugar production must be removed as swiftly as possible.

This is why I support a short temporary extension of the 1948 act and fast action on a new permanent act.

The unfairness in a long—that is 21 months—temporary extension of the 1948 Sugar Act is this: Our own domestic beet and cane sugar growers and our friends in sugar growing Western Hemisphere countries are going to increase production without a long-term commitment for markets for their products. They are going to hope for long-term markets, but for the next 21 months they will have no assurance.

Not only our domestic producers, but also our foreign friends, need to know over a long period what sugar tonnage they can expect to be able to market at a fair price. Twenty foreign nations, at this time, are temporarily filling the Cuban quota.

The longer we extend the 1948 act on a temporary basis the more uncertain, the more complex, we make conditions for Colorado farmers and farmers in other beet-growing States. At the same time, by extending temporarily reassigned quotas to other sugar producing nations we tend to induce them to build up their farm and processing production to the point where eventual readjustment, or cutback, in, say 1963, could cause severe economic repercussions. Such repercussions would necessarily have unfavorable foreign-policy reactions.

The wisest course for our Government to take would be to extend the 1948 Sugar Act for as brief a temporary period as is practical.

I would favor 9 months, but I will, accepting the political realities facing us, agree to 15 months.

However, I urge a prompt determination of this issue by the Congress.

The chairman of the House Agriculture Committee has stated that he will hold hearings on a new and permanent sugar program in May of this year.

Relying on this promise I will support this temporary extension.

It is my hope that we can still complete action on a new sugar law before adjournment this summer.

It is vital to our domestic growers and to stable foreign relations that we do so.

If we are to eventually reallocate 3 million tons of sugar among domestic and foreign producers this must be done promptly so that costly patterns are not developed whereby inevitable change becomes painful and destructive and foreign friends are lost or parts of our own sugar economy are economically depressed.

This issue means a lot to my State.

Colorado is the second largest sugarbeet-producing State in the United States.

Only two States in the Nation harvest more than 100,000 acres of sugarbeets a year—Colorado and California. Colorado harvested 155,100 acres in 1960; California 208,000 acres.

Colorado has the most beet-producing farms of any State in the Nation producing sugarbeets. We have 4,285 beet farms. The next State is Idaho with 4,047.

Colorado has the most number of persons eligible for payments under the Sugar Act of 1948. We have 8,810. Idaho has 6,371.

Out of 22 sugarbeet States, Colorado is second in tons of beets harvested—2,761,000 in 1960—and second in Sugar Act payments.

Colorado has more sugarbeet factories than any other State in the Union. Colorado has 14 factories. California has 10. The next nearest State has five.

All of this means that my State has a real stake in the actions taken by this Congress on sugar.

What we do here today bears heavily on the economy of my State.

Last year Colorado farmers earned $42,464,069 from sugarbeets.

At the same time another $25 million was paid out to workers in the 14 Colorado sugarbeet processing plants.

Sugar is a $70 million income producer in my State.

The Department of Agriculture told me yesterday that whereas Colorado farmers planted 157,300 acres to beets in 1960 they intended to plant 175,000 acres this year.

This is an 11-percent expansion and it represents the maximum amount our Colorado factories can handle without expending large sums for expansion.

This pattern appears to be true throughout the beet-producing States. The expected national increase is 11.3 percent from 976,800 acres to 1,087,400 acres.

Beyond this, new plants are necessary and new plants take 2 years and $12 million apiece to build.

Before we can ask our growers to step up their acreage—with the related heavy farm machinery and labor costs—and ask our processors to invest millions in new plants, we must give them a long-term commitment on markets for their product under revised quotas.

Related to the problem of long-term commitments, Mr. President, is the problem of development of new sugarbeet-growing areas.

Several regions of the United States have expanded their sugarbeet acreage at a rate better than 25 percent in the past 10 years. One region's acreage has jumped 60 percent.

In my own region—the high plains and intermountain area—growth has been about 15 percent.

Competition for new sugarbeet acreage is growing between the regions.

To the extent that such competition does not destroy certain producing areas it is a welcome economic condition.

But one area of my State is being hurt by the umbridled growth in beet acreage.

The Colorado western slope beet-growing area has insufficient acreage in beets to sustain a healthy beet-processing industry. The area is excellent beet-growing country and the farmers are anxious to expand production.

The beet processing plant has warned the growers that it must close unless production is expanded. It is feared that this plant will move to a new beet-producing region.

Loss of the western slope processing plant would bring economic havoc to the region's farmers and factory workers.

However, because of restricted marketing allotments for beet sugar our growers are not encouraged to expand their acreage to insure a profitable operation ot the sugar company's plant.

The problem has been temporarily solved in this way: The growers this year have been forced to accept contracts at much lower rates for their beets in order to induce the company to keep the plant open.

The Western Colorado Beet Growers Association has wired me "this arrangement is uneconomic and cannot continue."

What the western Colorado farmers fear is that the plant will close down permanently and the sugar company will concentrate on developing new production facilities in other regions.

Once a new permanent sugar act is passed these uncertainties will be resolved and with increased beet sugar allotments the sugar companies and the farmers can work out growing and processing arrangements economically satisfactory to both.

I cite the problems of the western Colorado beet growers as an example of the uncertainties in the whole sugar picture which must be resolved so that the beet sugar industry—growers and processors—can be assured a measure of proper growth.

Because of the great uncertainty of the beet sugar situation in my State, the second ranking beet sugar State in the Nation, I call for as brief a temporary extension as practicable of the 1948 Sugar Act.

At the same time I call for a new permanent sugar act with adjusted increased sugar quotas for our foreign friends and increased quotas for domestic beet growers so that they may improve their economic condition and stabilize it against year-to-year uncertainties.

SUPPORT FOR S. 986, THE EMERGENCY PUBLIC WORKS BILL

Mr. CLARK. Mr. President, a representative group of 60 cities, of all sizes and in all regions of the country, has given strong support to S. 986, a bill which I introduced last month to authorize a program of Federal grants to State and local governments to accelerate public works of all kinds during the current recession.

I believe almost everyone agrees that, in theory at least, public works should be used as a countercyclical device. They should be postponed during periods of full employment and inflationary pressures, and they should be speeded up during periods of recession. Thus, public expenditures can be scheduled to

offset the rise and fall of private investment and spending, and the business cycle leveled out.

The President has announced a series of measures designed to speed up Federal public works activities. But there is no program to bring about a corresponding acceleration of State and local public works. S. 986, which I introduced on February 23 with the cosponsorship of the senior Senator from West Virginia [Mr. RANDOLPH], the junior Senator from Alaska [Mr. GRUENING], and the junior Senator from Rhode Island [Mr. PELL], is designed to remedy that lack.

The program which we propose is patterned after that of the Public Works Administration of the 1930's. As in the case of the PWA, the Federal grant would be 45 percent. The grants would be given only for projects that represent a net increase in the current rate of capital expenditure of the public body concerned, and priority would be given to projects which could be started within 90 days and completed within 1 year thereafter.

The bill authorizes $500 million in grants immediately, with another $500 million made available at the President's discretion.

The first question that arises is whether State and local governments would be in a position to participate in such a program. Do they have projects "on the shelf" ready to be put under construction? And can they raise their share of the cost of the accelerated projects?

To obtain answers to these questions, the American Municipal Association has undertaken a survey of cities of all sizes asking them whether they would take advantage of S. 986, if it were passed, and how much additional public works construction they would be able to place under contract with the bill's assistance.

To date, the AMA has received replies from 60 communities. Of these, 45 said flatly that they would take advantage of the bill. Of the other 15, some were opposed to the idea in principle, and others said that they were doubtful if they could raise any additional money locally in order to participate. A few suggested that their public works programs were proceeding all right without Federal assistance.

However, the vast majority of mayors and other city officials indicated their approval of the bill, and some were enthusiastic. Mayor deLesseps S. Morrison of New Orleans, for example, wrote:

> Senator CLARK's proposal strikes me as being just about the most effective and realistic means of alleviating some of our present economic ills, as has been thus far advanced.

City Manager Wesley McClure of San Leandro, Calif., wrote:

> We feel that the bill would accomplish its objective of stimulating construction and employment.

Mayor Lester E. Collins of Springfield, Ill., said:

> The city of Springfield would be most anxious to embark on a short range program to include substantial amounts of street paving, sidewalk reconstruction, street lighting, and off-street parking lots.

Mayor Leo Berg of Akron, Ohio, wrote:

> In my judgment, such a public works program aimed at increasing the value of municipalities is an excellent approach and proper in consideration for relief of economic pressure we now find in the United States.

The responses to the American Municipal Association survey confirm the testimony received from State and local public officials by the Subcommittee on Employment and Manpower of the Committee on Labor and Public Welfare during recent hearings in Pennsylvania, New Jersey, and Rhode Island. Virtually without exception, these mayors and State officials supported S. 986.

The 45 cities, which indicated they would participate, enumerated projects totaling around $100 million which they could get underway in these cities alone. And it must be remembered that States, counties, special districts, and other public bodies, as well as cities, would be eligible.

I ask unanimous consent that a summary of the 60 replies to the American Municipal Association survey, and the individual replies, be printed at this point in the RECORD. Most of the 60 letters are addressed to Mr. Patrick Healy, Jr., executive director of the association, but a few are addressed either to me or another Member of the Senate.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

Replies to survey concerning public works acceleration bill, S. 986

Reply from—	Would take advantage of bill	Estimated additional amount to be put under contract
Mayor R. B. Searcy, Huntsville, Ala	Yes	$5,000,000.
City Manager C. A. Hostetler, Anchorage, Alaska.	Yes	$1,000,000.
City Manager Bill M. Poland, Kodiak, Alaska.	Yes	$700,000.
Mayor Samuel Mardian, Jr., Phoenix, Ariz	No	
Mayor William M. McCall, Alameda, Calif	Yes	At least $220,000.
Mayor Carroll M. Dunnum, Downey, Calif	Yes	Up to $10,852,000.
Administrative Officer Walter Hahn, Jr., Inglewood, Calif.	Yes	$300,000 to $500,000.
Mayor Arthur H. Cox, Pomona, Calif	Doubtful	
Mayor James B. McKinney, Sacramento, Calif.	Doubtful	
City Manager Wesley McClure, San Leandro, Calif.	Yes	$400,000.
City Council, Santa Ana, Calif	No	
Mayor Milo Dellmann, South Gate, Calif	Yes	$500,000.
City Manager Joe M. Lacy, Grand Junction, Colo.	Yes	
City Manager George K. Armes, St. Petersburg, Fla.	Yes	
City Manager C. C. Burnett, Albany, Ga	Yes	$5,000,000.
Mayor William B. Hartsfield, Atlanta, Ga	?	
City Manager Graham W. Watt, Alton, Ill	Yes	Up to $2 million.
Mayor Lester E. Collins, Springfield, Ill	Yes	
City Manager Carlton W. Laird, Wood River, Ill.	Yes	$1,500,000.
City Manager Gilbert D. Chavenelle, Dubuque, Iowa.	Yes	More than $1,200,000.
City Manager Gordon Bennett, Ottumwa, Iowa.	Unlikely	
Mayor Ed Jochumsen, Waterloo, Iowa	Yes	
Mayor Paul F. Mitchum, Kansas City, Kans.	Yes	Up to $8 million.
Mayor J. F. Mitchell, Leavenworth, Kans	Unlikely	
City Manager Leland M. Srack, Salina, Kans.	Yes	$1,015,000.
Mayor Charles J. Cassidy, Bogalusa, La	Yes	
Mayor DeLesseps S. Morrison, New Orleans, La.	Yes	$4,050,000.
City Manager Joseph R. Coupal, Jr., Bangor, Maine.	Yes	$3,000,000.
Mayor Boyd E. McLernon, Salisbury, Md	No	
Mayor Stanley J. Davis, Grand Rapids, Mich.	Yes	
Commissioner Glenn C. Richards, Detroit, Mich.	Yes	
City Manager Robert A. Carter, Flint, Mich	Yes	$2,777,250.
Mayor Rex H. Hill, Mankato, Minn	No	
Mayor Irving R. Keldsen, Richfield, Minn	Unlikely	
Mayor Thomas E. Mealey, St. Cloud, Minn	Yes	$1,000,000.
Mayor David C. Scott, Springfield, Mo	Yes	$1,000,000.
Mayor George E. Svoboda, Fremont, Nebr	No	
City Engineer Donald G. Hyde, Norfolk, Nebr.	Yes	$100,000.
City Manager Joe H. Latimore, Reno, Nev	Yes	$1,000,000.
Mayor James W. Kelly, Jr., East Orange, N.J.	No	
City Manager Edmund L. Engel, Albuquerque, N. Mex.	Yes	Up to $13,340,525.
Mayor Malcolm E. Ellis, Schenectady, N.Y.	Yes	
City Manager H. B. Hines, Jr., Rocky Mount, N.C.	Yes	$1,000,000.
City Auditor Tom Baker, Bismarck, N. Dak.	Yes	$200,000.
Mayor Leo Berg, Akron, Ohio	Yes	$3,500,000.
Mayor Frank P. Celeste, Lakewood, Ohio	Yes	$4,700,000.
Mayor Michael J. Danas, Toledo, Ohio	Yes	
City Manager Hugh McKinley, Eugene, Oreg.	Yes	$300,000.
Mayor Joseph L. Eyre, Chester, Pa	Yes	$829,000.
Executive Secretary Aldo Colautti, Pittsburgh, Pa.	Yes	$500,000.
Mayor S. Clyde Fair, Orangeburg, S.C	Yes	$1,450,000.
Mayor Neville Holcombe, Spartanburg, S.C	No	
Mayor R. L. Thornton, Dallas, Tex	Yes	$3,000,000.
Mayor T. A. McCann, Fort Worth, Tex	Yes	$5,000,000.
City Manager E. L. Carlsen, Ogden, Utah	Yes	Up to $9,275,000.
City Manager J. C. Biggins, Newport News, Va.	?	
City Manager, Thomas F. Maxwell, Norfolk, Va.	Yes	$6,000,000.
City Manager Elmer W. Prince, Morgantown, W.Va.	Yes	
Mayor Lawrence M. Hagen, Superior, Wis	Yes	
Mayor Willa Wales Corbitt, Riverton, Wyo	No	

CITY OF HUNTSVILLE, ALA.,
March 14, 1961.

Hon. JOHN SPARKMAN,
U.S. Senate Building,
Washington, D.C.

DEAR JOHN: It has been brought to my attention that Senator CLARK, of Pennsylvania, has introduced legislation in the Senate authorizing 45-percent public works grants by the Federal Government as an incentive to State and local governments to accelerate their capital expenditure programs. As I understand it, this grant would be based on the amount of additional public works undertaken by the local government over and above the amount it would have normally put underway in the course of the year.

Although our city has done an enormous job toward taking care of our needed public improvements, as you well know, we have

been unable to keep them abreast of our phenomenal growth. This bill appears to be part of the answer to a very difficult problem of our municipal government. Undoubtedly, if this legislation were enacted we would be in a position to take advantage of its provisions. Over the period of a year we could easily put under contracts additional public works above what we had planned in excess of $5 million.

I, personally, would appreciate any help that you can give toward the enactment of this legislation for the benefit of our city. In so doing, I feel that I am expressing the will of our entire municipal government.

With kindest personal regards, I am,

Yours truly,

R. B. (SPECK) SEARCY,
Mayor.

CITY OF ANCHORAGE, ALASKA,
February 27, 1961.

AMERICAN MUNICIPAL ASSOCIATION,
Washington, D.C.

GENTLEMEN: We have your bulletin of February 23, reference public works acceleration.

Our city would be in a position to take advantage of this legislation. We would estimate $1 million of additional construction this year, if the law were enacted in time to do the work during the 1961 construction period.

The factor of additional employment is difficult to state. We would guess that 100 people would be employed for 6 months on a direct basis, and perhaps 50 indirectly.

Very truly yours,

C. A. HOSTETLER,
City Manager.

CITY OF KODIAK, ALASKA,
February 27, 1961.

GENTLEMEN: S. 986 introduced by Senator JOSEPH S. CLARK, of Pennsylvania, has considerable merit from the viewpoint of the small Alaskan city. Since the demise of the Alaska Public Works Act, such cities have been forced to either abandon or withhold needed planned public works projects due to the high cost of construction in Alaska. With Federal aid of 45 percent of the cost, such projects could be reactivated on very short notice.

The city of Kodiak has the following projects planned for future construction which are needed today, rather than a few years hence:

Water system extension	$300,000
Sewer system extension	200,000
Street improvement	200,000

All of the above projects have had preliminary enginering studies and could have final engineering completed within a few months. Employment benefits would accrue to possibly 5 percent of our working people.

Almost 10 percent of the local population is living in homes not presently serviced by sanitary sewage systems. The cost of construction of a sewage system for this area on a special assessment basis amounts to over $800 per lot, which is almost prohibitive.

It seems criminal that our own nationals can be living under such conditions while so much Federal money is being spent on foreign aid.

The Public Works Acceleration Act, known as S. 986, would be a big step to counteract this situation.

Very truly yours,

BILL M. POLAND, *City Manager.*

CITY OF PHOENIX, ARIZ.,
March 16, 1961.

DEAR MR. HEALY: This will acknowledge receipt of your letter of March 10 referring to S. 986, introduced by Senator JOSEPH S. CLARK of Pennsylvania.

This is to advise that we are not in favor of this legislation.

Sincerely yours,

SAMUEL MARDIAN, Jr., *Mayor.*

CITY OF ALAMEDA, CALIF.,
March 16, 1961.

DEAR MR. HEALY: Thanks for your letter of March 21, 1961, regarding the merits of Senator CLARK's S. 986.

While we have no major projects for which final plans are now on file, there are several which are well past the preliminary stage and could, I think, be brought to bid within perhaps 2 months. The unfortunate aspect of having to provide this kind of information is that we do not know how much time we are talking about. Certainly if construction in fiscal 1961–62 is contemplated, as your bulletin seems to imply, we could ready additional projects, but in terms of the next few months our opportunities would be limited.

We are very nearly ready to go, for example, on two swimming pools at a cost of roughly $220,000; these would normally not be built for at least a year and probably two. With more planning time, we could undertake the construction of at least one, and perhaps as many as three fire stations, the replacement of a bridge across the Estuary, and the development of roughly 15 acres of parks. The bridge alone would run to something like $3,500,000, although I would guess that design and working plans might take too long to qualify. The other projects would aggregate in the range of $500,000. With the prospect of a Federal grant, I think we could make local funds available to the extent of nearly $2 million. Any expenditures so made would be in addition to what would normally contemplate in fiscal 1961–62, and would obviously stimulate local employment.

Sincerely,

WILLIAM M. MCCALL,
Mayor.

CITY OF DOWNEY, CALIF.,
March 23, 1961.

Senator JOSEPH S. CLARK,
Senate Office Building,
Washington, D.C.

DEAR SENATOR CLARK: The city of Downey wishes to urge support of Senate bill 986 to provide increased employment opportunities through the authorization of additional public works grants to State and local governments. The following needs are submitted for your consideration in presenting this bill. Currently, street and bridge deficiencies within the city are comprised of the following:

1. Major highways (100-foot rights-of-way) (example: Imperial Highway, Paramount Blvd., Woodruff Ave., Telegraph Rd., etc.)	$1,851,000
2. Collector streets (80-foot rights-of-way) (example: Downey Ave., Brookshire Ave., Stewart and Gray Rds., Gardendale St., Bellflower Blvd., Clark Ave., etc.)	6,581,000
3. Local streets (60-foot rights-of-way and less) (streets which do not normally qualify for gas tax funds)	2,420,000
Total	10,852,000

The above cost estimates include acquisition of needed rights-of-way by purchase as opposed to gratis dedication.

If additional funds can be allocated to the city directly or to the city through the State, we will be in a position to engineer and put these moneys into beneficial use in the construction of streets and the employment of additional people.

We congratulate you upon your enthusiastic initiation and support of this bill to accelerate employment throughout the United States.

Very truly yours,

CARROLL M. DUNNUM,
Mayor.

CITY OF INGLEWOOD, CALIF.,
March 22, 1961.

DEAR MR. HEALY: Your letter of March 10, addressed to the Honorable George C. England, mayor of Inglewood, was presented at the city council meeting on March 21.

Council instructed the administrative officer to indicate their support of Senator CLARK's bill, S. 986.

We believe our community would be able to take advantage of this bill and could increase public works expenditures between $300,000 and $500,000 over and above the amount planned for next year. We believe this would provide a minimum of 7,000 mandays of additional manpower. This amount, of course, would vary depending upon the type of public works construction undertaken.

With best regards, I am,

Sincerely,

WALTER HAHN, Jr.,
Administrative Officer.

CITY OF WOOD RIVER, ILL.,
March 23, 1961.

GENTLEMEN: The Illinois Municipal League has asked us to advise your office on Senator CLARK's bill to increase public works. I believe this is S. 986. In regard to this proposed municipal work our community would definitely be in a position to take advantage of increased public works grants. On street and storm drainage improvements we have needed improvements over and beyond the amount we are able to finance from current revenues in the neighborhood of $500,000. If this public works included improvements and replacements of existing utilities, such as a water plant, our community would spend approximately $1 million in this particular category. Engineering studies have been made and it would only require the completion of construction plans.

It is difficult to estimate the additional employment that would result from these construction contracts, however, I believe it would be safe to estimate that one-half of the construction costs would be for labor and the balance for material and equipment.

We would be very much in support of Senator CLARK's proposal. I am sure that the cost involved to the taxpayer will be considerably less than is now being spent for the cold war and will make a far greater impression and concrete demonstration of democracy in action. In relation to the rest of the world I think that there is a quotation that is appropriate and fitting to the American example to the world. It is, "What you are speaks so loudly I can not hear a word you say." It is time that we set some economic examples to the world.

Very truly yours,

CARLTON W. LAIRD,
City Manager.

POMONA, CALIF.,
March 21, 1961.

DEAR MR. HEALY: After reviewing Senator CLARK's bill, S. 986, it is my opinion that the city of Pomona would not, with one possible exception, be in a position to take advantage of the legislation if enacted. There is a remote possibility that we might be able to start construction of a new city hall by making use of the proposed 45 percent public works grants.

Although we would like to take advantage of Senator CLARK's proposal the main problem is that during periods of unemployment

our sales tax revenues tend to fall off and therefore we are less in a position to initiate large public works projects than during more prosperous times. Thus while public works projects may have a countercyclical effect, the ability to finance them appears to be tied directly to the swings of the economy.

Thank you for giving us the opportunity to comment on this proposed legislation.

Sincerely,

ARTHUR H. COX,
Mayor.

CITY OF SACRAMENTO, CALIF.,
March 23, 1961.

DEAR MR. HEALY: This will acknowledge with thanks receipt of your letter of March 10 relative to Senator CLARK's bill S. 986.

There is one condition in the bill that might reduce its value to us. Section 4(b)(1) provides:

"No grant shall be made with respect to any project unless such project results in a net increase in the current annual level of capital expenditures of the applicant."

This would mean that a city like Sacramento, which has been maintaining a high level of current capital expenditures—a level at the maximum possible to carry on within practical ad valorem taxing limits, would be unable to find other moneys to qualify. The original PWA programs did not have this "increase in current level of expenditure" requirement. Thus, in the thirties, we were able to use available funds, supplement these funds with the 45-percent grant, and thus accomplish more public works and provide more employment.

Sincerely yours,

JAMES B. MCKINNEY,
Mayor.

CITY OF SAN LEANDRO, CALIF.,
March 17, 1961.

DEAR MR. HEALY: Regarding your letter of March 10, 1961, concerning S. 986, we feel that the bill would accomplish its objective of stimulating construction and employment.

If this bill passes I would expect us to use reserve funds which, coupled with the grant, would total approximately $400,000 for sewage works improvements and new street alinements—projects on which we've done preliminary engineering, but because of money and priority problems are presently scheduled for 2 years hence.

Yours very truly,

WESLEY MCCLURE,
City Manager.

CITY OF SANTA ANA, CALIF.,
March 23, 1961.

DEAR MR. HEALY: In reply to your letter of March 10, your communication was referred to our council at our informal work session.

We are unable to take advantage of the provisions provided in Senator CLARK's bill.

Very truly yours,

A. E. HALL,
Mayor.

CITY OF SOUTH GATE, CALIF.,
March 22, 1961.

DEAR MR. HEALY: Reference your letter of March 10 on Senator CLARK's bill S. 986. I have made a study of what benefits our own city might possibly achieve and find that we have projects to the extent of possibly one-half million dollars in improvement and widening of main thoroughfares which could alleviate our traffic conditions quite considerably. Thus, we feel that Senator CLARK's bill would, in our opinion, be an excellent bill and give it our most hearty endorsement.

Cordially yours,

MILO DELLMANN,
Mayor.

CITY OF GRAND JUNCTION, COLO.,
March 2, 1961.

DEAR SENATOR CLARK: The American Municipal Association has requested that its members comment as to the bill you propose allowing for 45 percent participation of the Federal Government in local projects. This would be a great help to our community.

As I read the CONGRESSIONAL RECORD of your introduction of the Senate bill 986 I note that the type of project is not so important as is the fact that it is a part of a community development. I assume from this that communities will have a bit more leeway in selecting the projects and their scopes than they have had under Federal participation programs in the past.

I think this is very important since our present cities and urban communities are more flexible than they used to be and are requiring different types of projects of a capital nature than simple sewer, water, streets, and city hall construction. You may count on much support from our area of the Nation and from our community in particular.

Sincerely,

JOE M. LACY,
City Manager.

CITY OF ST. PETERSBURG, FLA.,
March 23, 1961.

DEAR MR. HEALY: Attached please find copy of recommendation presented to city council by City Manager George K. Armes on Tuesday, March 21.

I have been informed by Mr. Frank McDevitt of our legal department that a resolution to this effect will shortly be prepared and sent to our legislative delegation in Washington. A copy of this resolution will also be sent to your office.

Sincerely,

BURL MCCARTY,
Public Relations Director.

MARCH 21, 1961.

To: Honorable Mayor and Members of City Council.

From: City Manager.

Re: Excerpts from the CONGRESSIONAL RECORD of 87th Congress and national legislative bulletin from the American Municipal Association.

In order to accelerate public works activities, it is recommended that the proposed bill, S. 986, be promoted by council.

This bill provides a program that would greatly assist us in our storm drainage problem. Matching funds of approximately 45 percent as proposed by the bill would be a great aid to us because, as has so often been discussed, major trunklines in our storm drainage system cannot very well be assessed against individual property owners.

This bill also applies to public streets, sidewalks, highways, parkways, bridges, parking lots, airports, and other public transportation facilities, public parks, public recreational facilities, hospitals, rehabilitation health centers, public refuse and garbage disposal facilities, water, sewerage, and sanitary facilities, and other public utilities, civil defense facilities, police and fire protection facilities, public libraries, museums, etc.

It is recommended, since the above items are included in the bill, that council take favorable action to support this program through the American Municipal Association.

Respectfully submitted.

GEORGE K. ARMES.

CITY OF ALBANY, GA.,
March 14, 1961.

DEAR MR. HEALY: Mayor Kelley has referred your letter of March 10 concerning Senator CLARK's bill, S. 986, to me for reply.

In answer to the three specific questions:

1. Albany is in a position to take immediate advantage of any public works grants.

2. We could put as much as $5 million under contract very shortly by the construction of our master plan for storm drainage.

3. The construction forces necessary to perform this work would result in the employment of at least 50 workers directly and would give added employment to many more through the impetus of construction payrolls.

Yours truly,

C. C. BURNETT,
City Manager.

CITY OF ATLANTA, GA.,
March 13, 1961.

DEAR MR. HEALY: I have yours of March 10 with reference to S. 986, the public works acceleration bill.

In the first place, bear in mind that your letter and this bill come out of a gigantic pile of mail about all sorts of things, and therefore cannot have the mature consideration which the subject deserves.

I have the highest respect for Senator CLARK and his good intentions. However, I get the impression that most of these emergency bills seem to envision certain Pennsylvania towns and places like Detroit as indicative of the whole Nation.

As to Atlanta, we are growing by leaps and bounds. We are spending local bond funds and revenue certificates and expect to issue more in the near future. In addition, the Federal express highway program is moving forward in all sections of our town. To be frank about it, the whole town is torn up now with public works going on, in addition to many private buildings and facilities.

In reading the bill, with its conflicting formulas, I get the general impression that it will give chief employment to thousands of bureaucrats, clerks, stenographers, statisticians, and other gobbledygookers.

With reference to the advanced planning for all sorts of public works, we are not adversed to intelligent planning ahead—indeed, we do just that very thing. However, we notice there is a tendency of professional planners to rush in and propose planning for all sorts of impossible and impractical things, merely because Federal funds are available. In other words, we are beginning to feel there is too much planning for planning's sake, instead of confining planning to those things which are possible for present or reasonable future achievement.

Very truly yours,

W. B. HARTSFIELD,
Mayor.

CITY OF ALTON, ILL.,
March 23, 1961.

GENTLEMEN: As requested by the Illinois Municipal League, we have given preliminary review to the "plans for public works" bill introduced by Senator JOSEPH S. CLARK.

Based upon this review, it is our feeling that Alton will be in a position to take advantage of this legislation if it is enacted. We estimate that within the next 1 to 4 years Alton might be able to place $2 million of additional public works under contract, this being in excess of what is now planned. Approximately 150 to 200 man-years additional employment would result.

Very truly yours,

GRAHAM W. WATT,
City Manager.

CITY OF SPRINGFIELD, ILL.,
March 16, 1961.

DEAR MR. HEALY: Replying to your letter of March 10 concerning Senator CLARK's bill, S. 986.

The city of Springfield would be most anxious to embark on a short range program to include substantial amounts of street

paving, sidewalk reconstruction, street lighting and offstreet parking lots.

It would be very difficult to give you an actual dollar amount, but we could speed up our program for our community to accomplish within the next 5 years what we hope to accomplish on our own within the next 10 to 15 years.

With kindest regards,

LESTER E. COLLINS,
Mayor.

CITY OF DUBUQUE, IOWA,
March 7, 1961.

GENTLEMEN: We in the city of Dubuque have Senator CLARK'S bill, S. 986, which would authorize grants for stimulating State and local government public works programs, and we should like the Senator to know:

First, that our community would be in a position to take advantage of the legislation if it is enacted.

Second, if we consider only a single project in the city of Dubuque, we have available plans and specifications on the shelf for an important railroad overpass which is estimated to cost $1,200,000. This and many other projects could be accomplished.

Third, we believe that on the single overpass project, an additional 30 to 50 skilled and semiskilled laborers could be put to work.

We greatly appreciate your help in presenting our Dubuque position on the bill to Senator CLARK.

Sincerely,

GILBERT D. CHAVENELLE,
City Manager.

CITY OF OTTUMWA, IOWA,
March 15, 1961.

DEAR MR. HEALY: The Ottumwa City Council has reviewed the proposed Senate bill 986 as proposed by Senator CLARK, and I regret to advise that inasmuch as prior public works planning has obligated the city to the legal limit of our bonded indebtedness, it appears unlikely that our city could take advantage of the proposed legislation.

Sincerely,

GORDON BENNETT,
City Manager.

CITY OF WATERLOO, IOWA,
March 13, 1961.

DEAR MR. HEALY: In answer to your letter of March 10 regarding Senator CLARK'S proposal of the crash program for public works, I would like to cast our vote for this proposal because we believe that President Kennedy is on the right track in helping with unemployment problems.

The city of Waterloo is the largest industrial center in Iowa and we are faced with an additional industrial layoff in the next 2 or 3 months which would create a very serious situation in our community. We need help now, not next year and, therefore, believe there are better ways to accomplish the program than Senator CLARK'S proposal.

For 3 years, we have been working on a multitude of requirements, information, ordinances, council actions, surveys, both physical and sociological, for an urban renewal program. This program has been completely approved at the regional level and only awaits Washington's final signature. We get telegrams and letters from President Kennedy urging us to go ahead but nothing happens.

We have a sanitary sewer program which was certified by our State board of health to the Water Pollution Control Act, but was not in the first 10 projects in Iowa approved for Federal grant and, therefore, we are left out. These certified plans and specifications of this project are filed in Washington but nothing happens. The above application was filed last fall.

We have a 5-year program for public works for the city of Waterloo, including several projects. Any of these could be used in Senator CLARK'S proposal. Instead of a new program, wouldn't it be much better for Senator CLARK to put his efforts behind all the programs that have been approved and are ready to go and only lack the final Washington decision? Our unemployment problem is now.

Very truly yours,

ED JOCHUMSEN, *Mayor.*

KANSAS CITY, KANS.,
March 21, 1961.

DEAR MR. HEALY: With reference to your letter of March 10 regarding Senator CLARK'S bill S. 986, we are happy to make a few comments regarding this bill and its merits.

Under normal circumstances I believe that we would be opposed to Senator CLARK'S bill S. 986 because we firmly believe if we continue to call upon the officials in Washington to help us out with our finances that eventually we will be drifting into a socialistic trend. However, due to the fact that this bill seems to be for the purpose of helping our unemployment situation, which we have to agree is not too good in Kansas City, Kans., we would favor such a bill at this time.

We are now working on a public works project as to pollution abatement in which the taxpayers of Kansas City, Kans., have just recently voted a $15 million bond program. Within the next 3 years we intend to spend this money on a complete separation of our storm and sanitary sewers, plus the building of a treatment plant. The overall sewera pollution abatement program for Kansas City, Kans., will amount to about $40 million, but this is contemplated over about an 8-year period. I am sure if Senator CLARK'S bill was put into law, that our city could definitely take advantage and would be in a position to take advantage of the legislation if it was enacted.

At the present time it looks as though we will spend approximately $7 or $8 million dollars in the next year. If we could obtain 45 percent assistance on this matter, I am sure it would be of great help to us. I personally feel it would step up the employment situation in Kansas City, Kans.

Kindest personal regards,

Sincerely yours,

PAUL F. MITCHUM,
Mayor.

CITY OF LEAVENWORTH, KANS.,
March 22, 1961.

DEAR MR. HEALY: In reply to your March 10 letter regarding Senator CLARK'S bill S. 986 (public works) we have the following comments:

1. It does not appear that we could take advantage of this public works legislation if enacted—unless it would be possible under our new "home rule."

2. I doubt if any additional public works could be initiated, over and above the work planned for the next year.

I trust this information is not too late for your use.

Sincerely,

J. F. MITCHELL,
Mayor of Leavenworth.

CITY OF SALINA, KANS.,
March 16, 1961.

GENTLEMEN: We have reviewed Senator JOSEPH S. CLARK'S proposed bill S. 986 which would provide grants to State and local agencies to defray the cost of capital improvements.

In your letter of March 10, 1961, you asked: (1) Whether our city could take advantage of the legislation, and (2) the additional amount of public works which could be put under construction over and above the amount planned for the next year.

The city of Salina does have a backlog of capital improvements that have been studied and defined with Public Law 702 funds. Other projects have been studied with our own funds. These projects include water, sewerage, and sewage treatment. The proposed 45-percent grants are naturally a decided incentive to increased construction by our city and as such if this bill were to become a law, we would reanalyze our capital improvement program and financial obligations to determine the feasibility of increasing our planned construction program.

To give you an indication of improvements that could be rather quickly planned and put under construction if 45-percent grants-in-aid were available, we list the following:

Improvement:	*Estimated cost*
Water mains (transmission)	$180,000
Elevated storage reservoir (water)	115,000
Water treatment plant improvements	180,000
Storm sewer improvements	540,000
Total	1,015,000

I trust that this is the information that you desire.

Sincerely,

LELAND M. SRACK,
City Manager.

CITY OF BOGALUSA, LA.,
March 16, 1961.

DEAR MR. HEALY: I have your letter of March 10 with respect to Senator CLARK'S bill, S. 986 aimed at helping local governments with public works to minimize the current recessions.

You asked specifically, (1) could our community take advantage of the legislation and (2) what additional amount of public works could be put under construction over and above the amount planned for the next year.

Within recent months we have let two contracts totaling $2,060,000 for additions and improvements to our city's sewerage system. The contract provides we can add to or delete therefrom up to 25 percent of the work.

We have on hand and commitments for approximately $1,670,000. Thus you can see Senator CLARK'S legislation would enable us to accomplish all the work needed with respect to this particular improvement, provided the manner in which our contract was entered into would not bar it from eligibility. This, of course, would depend on the manner in which the bill is drawn or amended.

With the hopes that we would be able to qualify, I would say that Senator CLARK'S legislation would be helpful both to our local governments and the economy of the United States as a whole and I will greatly appreciate it if you will keep me advised.

Sincerely yours,

CHARLES J. CASSIDY, *Mayor.*

CITY OF NEW ORLEANS, LA.,
March 14, 1961.

DEAR MR. HEALY: I have carefully read with great interest your letter of March 10, 1961, as well as the accompanying material regarding S. 986 introduced by Senator JOSEPH S. CLARK, of Pennsylvania.

As I understand it, this bill seeks to assist States and their political subdivisions, through Federal grants to accelerate their capital expenditure programs and thereby give impetus to President Kennedy's program of combating the existing unemployment problem.

In your letter of March 10 you pose two questions: (1) Whether our community could take advantage of the legislation and

(2) the additional amount of public works which could be put under construction over and above the amount planned for the next year.

Replying to No. 1 our answer is definitely yes. In fact, not only would the proposed 45 percent Federal grants provide a substantial boost in our local economy, but it would enable us to advance the undertaking of many needed public works projects which have been planned for the immediate future, but deferred because of the insufficiency of our available capital funds.

Senator CLARK's proposal strikes me as being just about the most effective and realistic means of alleviating some of our present economic ills as has been thus far advanced. And not only that but it also impresses me as being part of the answer to the situation in which many communities find themselves as a result of preemption of the best tax sources by the Federal and State governments. This bill would provide a means for local communities to receive the kind of financial aid so sorely needed if they are going to catch up with expanding needs.

There simply must be some means provided for meeting these important requirements without increase in the local tax burden. And it seems to me that this bill is a step in that direction.

As a preface to our answer to question No. 2, I should first explain that since 1955 we have been administering a 5-year capital improvement program. Each year we appropriate for expenditure in the ensuing year capital funds estimated to become available during that year, and we include for the remaining 4 years of the capital program those projects which need to be undertaken, but for which funds are not foreseen during the first year.

We propose to initiate within the remainder of 1961 capital improvement projects estimated to cost approximately $9 million for which funds are available. These include police and fire stations, an incinerator, parks and playground improvements, street lighting, and street paving and subsurface drainage projects. This figure does not include projects being undertaken with Federal aid such as airport development and those receiving Hill-Burton assistance.

By simple arithmetic, Senator CLARK's bill would enable us to undertake an additional $4,050,000 of projects during this period. And these would be projects for which need has already been demonstrated and which have been included in our capital program for 1961–65. For example, in addition to the $9 million figure cited above, our city council has approved the undertaking of capital projects estimated to cost approximately $25 million during the next 5 years. This figure includes only those projects for which we could foresee the possibility of available funds during the 5-year period. By comparison, our needs for capital improvements during the same period were estimated at $52 million, but more than 50 percent had to be deferred beyond the scope of our current 5-year program simply because we could not foresee funds becoming available during the period.

I strongly endorse Senator CLARK's proposal and I am sending copies of this letter to our Members of Congress, urging their support of this realistic legislation.

In doing so, however, I hasten to add that for such legislation to have the effect for which it is intended, the administration should place an emergency identification upon it and strip any resulting program of much of the redtape which bogs down so many federally aided projects.

Thank you sincerely for bringing this subject to my attention.

Sincerely,

DELESSEPS S. MORRISON,
Mayor.

CITY OF AKRON, OHIO,
March 27, 1961.

DEAR MR. HEALY: I have reviewed the general comments by the Senator and that portion of the bill you enclosed. I find the intent and his comments most interesting and appropriate to the current unemployment and needs situation, particularly in our city. As the Senator commented, we have available on our public works shelf projects ready for commitment. For your information I will enumerate them and follow with an inset series of comments:

PLANS AVAILABLE FOR IMMEDIATE CONSTRUCTION

Two million dollars in sanitary and storm sewers: These projects are of the trunk and local nature—in specific instances, a $1,600,000 project would make available area for development wherein approximately 2,500 homes could be built and approximately 100 acres of commercial and industrial land could be used.

One million five hundred thousand dollars in highway construction: These highways are arterial in nature. This includes new local highways and/or improving, widening, resurfacing of existing highways. This is necessary to facilitate and meet the urban growth need.

One million dollars in normal highway upgrading by resurfacing and rebuilding. We could, within a 60-day period, have ready for commitment public buildings for police, health, and recreation.

The above listing is only partial for I believe you are interested in brevity and knowing that this city stands ready to assist in accomplishing those things that President Kennedy and Senator CLARK jointly proposed. In my judgment such a public works program aimed at increasing the value of municipalities is an excellent approach and proper in consideration for relief of economic pressure we now find in the United States.

Yours very truly,

LEO BERG,
Mayor.

CITY OF BANGOR, MAINE,
February 28, 1961.

DEAR MR. HEALY: With reference to your national legislative bulletin dated February 23 on public works acceleration, I have discussed briefly this morning with my staff the possible public works construction programs that the city might be in a position to undertake should this legislation be enacted.

Our planning and engineering departments indicate that we might be in a position to begin construction on about $2½ million in sewer interceptor lines and sewage treatment plants and about half a million dollars worth of incinerator and highway construction, if this legislation were enacted.

It is very difficult to estimate the additional employment which might result but I think a conservative guess might be about 100 men, assuming these projects were carried out concurrently.

I hope this is the information you desire.

Sincerely,

JOE COUPAL,
City Manager.

CITY OF SALISBURY, MD.,
March 14, 1961.

DEAR MR. HEALY: In answer to your letter of March 10, regarding Senator CLARK's bill, S. 986, the city of Salisbury would not be in a position to take advantage of this legislation.

The proposed public works program for 1962 is more than we can handle because we are only $400,000 from our maximum debt limit.

Sincerely yours,

BOYD E. MCLERNON,
Mayor.

CITY OF GRAND RAPIDS, MICH.,
March 23, 1961.

DEAR MR. HEALY: As stated in our letter to you of March 13, we are enclosing a listing of our public facilities project sheet now that it has been completed.

We hope this information will be of help to you in consideration of Senator CLARK's bill, S. 986.

Sincerely,

STANLEY J. DAVIS,
Mayor.

PUBLIC FACILITIES PROJECT SHEET

(NOTE.—Do not list facilities now under construction nor major highway or street projects. List all other public works projects planned for, contemplated, or desirable in the near future. Include cost of land where it must be purchased. Code: Please use the following code to help facilitate our processing: (A) Plans drawn, (B) in planning stage, (C) needed—but no plans for.)

Kind of project:	*Preliminary cost estimate*
Improvement to sewage treatment plant (B)	$1,955,000
Water main from Lake Michigan to city (B)	8,000,000
Flood protection walls along Grand River (C)	1,700,000
Rebuilding of existing combined sewers and relief sewers (B)	850,000
Storm water drainage sewers, existing system (C)	2,100,000
Storm water sewers in newly annexed areas (B)	7,160,000
Refuse disposal incinerator (C)	2,000,000
District maintenance garages and facilities (C)	300,000
Bridges and grade separations (C)	9,500,000
Main library extension (A)	2,000,000
Branch library construction (C)	300,000
Museum extension (A)	150,000
Civic auditorium extension (A)	2,000,000
Music hall and theater (B)	4,500,000
New fire station construction (A)	270,000
New fire station construction (B)	240,000
Public redevelopment—civic center (B)	11,000,000
Industrial redevelopment (C)	4,500,000
Industrial redevelopment (C)	2,300,000
Commercial redevelopment (C)	6,000,000
Residential rehabilitation (C)	16,000,000
Land acquisition for park area within city limits (300 acres)	600,000
Stadium (B)	5,000,000
Municipal golf course (B)	375,000
Lighted sports arena, including indoor swimming pool (A)	370,000
Park-schools (A) and (B)	1,750,000
Riverfront development (A)	250,000
Development of park areas (A) and (B)	300,000
Day camp (C)	225,000
Intown land acquisition for parks	600,000
Expressway beautification in town	1,200,000
Sign shop (C)	75,000
Armory (B)	1,000,000
Two parking ramps (B)	1,800,000
Surface parking program (B)	1,000,000
Street-marking device (B)	12,000
Signal improvements (B)	100,000

CITY OF DETROIT, MICH.,
March 20, 1961.

DEAR MR. HEALY: Detroit, like every other large city, not only is in great need of re-

building its public works in many areas but has need for new streets, alleys, sewer facilities, water facilities, etc. We are wholeheartedly in favor of the public works bill as proposed by Senator JOSEPH S. CLARK, in which the Federal Government would provide 45 percent of the funds as grants. This is similar to the old PWA program which was so successful and for which many cities made use of in providing many of their needed facilities.

We have a big backlog here in Detroit of public works projects which could be started immediately if funds were made available. I am sure that we would have a much better chance of raising 55 percent of the funds locally than we would be of raising the full cost. Enclosed is a summary of the projects that the city of Detroit is ready to move ahead on.

Very truly yours,

GLENN C. RICHARDS,
Commissioner,
Department of Public Works.

Summary, public works projects, February 1961

	Projects for immediate or near future start		Projects in long-range public works program		Projects for immediate or near future start		Projects in long-range public works program
	Estimated cost	Estimated man-hours of labor			Estimated cost	Estimated man-hours of labor	
Airport	$1,045,000	105,000		Public building	$7,904,200	956,000	$22,228,000
Civic center			$3,162,000	Public transportation system	3,100,000	310,000	
Firefighting facilities	40,000	4,000	291,000	Rapid transit	133,369,460	20,000,000	
Flood control	10,000,000	613,000		Sanitation	5,614,000	429,000	
Hospital improvements	814,000	94,000	281,000	Sewage treatment system	1,970,000	200,000	10,281,658
House of correction improvements	165,000	18,000	565,000	Sewers	15,612,000	1,664,200	60,279,000
Highway, street, and alley improvements	43,449,000	7,324,000	421,149,000	Water supply system	8,846,539	915,000	
Lighting system improvements and extension	9,940,000	1,520,000	15,023,000	Zoo	383,047	40,200	846,000
Parking facilities			4,900,000	Grand total	250,275,246	35,052,700	592,258,658
Parks and recreation	7,933,000	860,300	53,253,000				

CITY OF FLINT, MICH.,
March 17, 1961.

GENTLEMEN: The city of Flint enthusiastically endorses Senator JOSEPH CLARK'S proposed legislation for public works acceleration, titled S. 986.

At the April 3 spring biennial election, the voters of this city will be asked to approve $6,165,000 worth of bonds to finance various public improvement projects. Therefore, in answer to your specific questions concerning the Federal aid proposal:

1. We would be in a position to take advantage of the legislation immediately upon sale of the proposed bond issue. Our estimate would be early or mid-summer.

2. The listed schedule of Federal aid would add $2,777,250 to our improvement program. This is important in view of the fact that the current local program was cut from a potential $16,000,000 program to $6,165,000 through lack of sufficient local funds.

3. Flint currently is seriously hit with unemployment problems since the great bulk of its labor force is employed in the auto industry. We have a provision calling for 90 percent local labor to be employed on all our public works projects. The additional employment which could be provided through Federal grants would be of substantial assistance in carrying this community through its present unemployment troubles. We estimate between 350 to 375 additional jobs would be made available with the Federal funds alone.

We hope the American Municipal Association will join in support of Senator CLARK'S proposal.

Yours very truly,

ROBERT A. CARTER,
City Manager.

MANKATO, MINN.,
March 20, 1961.

DEAR MR. HEALY: I personally do not feel that Minnesota is in any dire or immediate need of securing Federal aid for public works, or for that matter in any of the other fields mentioned. It is possible that the area of our iron range might be an exception. Here in Mankato, 24,000, we have built a sewage disposal plant costing more than $1,800,000 without benefit of Federal aid. We purchased and paid for a fine municipal office building. We have built 30 miles of new streets and we just completed two new fire stations, cost $438,000 all without benefit of Federal aid. Therefore, the answers to the questions asked are as follows:

1. No.
2. None.

I am sorry I cannot support this bill but I feel, and have felt, for many years, that too much emphasis is placed on Federal aid.

Yours sincerely,

REX H. HILL,
Mayor.

VILLAGE OF RICHFIELD, MINN.,
March 13, 1961.

DEAR MR. HEALY: In reference to your request for information in regard to Senator JOSEPH'S S. CLARK'S bill S. 986, I would advise that this would have very little bearing on the community of Richfield.

We have already initiated a program for a $7 million water system and at the present time would not probably take on any major public improvement program, and as the essence of this bill seems to indicate it would have to be work above and beyond normal work.

Yours very truly,

I. R. KELDSEN, *Mayor.*

CITY OF ST. CLOUD, MINN.,
March 13, 1961.

DEAR SIR: After discussing the grant for public works bill with people here in St. Cloud, it is the consensus that our city would be in a position to take advantage of the legislation if enacted. Our city engineer has estimated that at least $1 million additional public works could be put under contract for the next year and that direct employment would result for at least 100 people.

Sincerely yours,

THOMAS E. MEALEY,
Mayor.

CITY OF SPRINGFIELD, MO.,
March 20, 1961.

DEAR MR. HEALY: This is in reply to your letter of March 10, requesting comment on Senate bill 986, known as the Emergency Employment Acceleration Act of 1961.

We have reviewed this bill, and with respect to your questions will advise that:

1. Springfield could take advantage of this legislation.

2. It is possible that in the neighborhood of $1 million of public works could be put under contract in the next 12-month period over and above the normal amount of construction work planned for the same period.

Sincerely,

DAVID C. SCOTT,
Mayor.

CITY OF FREMONT, NEBR.,
March 14, 1961.

DEAR SIR: I have your letter of the 10th of March, for which I thank you. We do not believe that our community at the present time would be favorable to a form of PWA legislation as proposed by Senator JOSEPH S. CLARK, Senate bill 986. Despite some press to the contrary, it is still the feeling at this time in this area that capital expenditures should be financed as much as possible at State and local level.

We further realize there is a tremendous amount of thinking that the purpose of Government is to redistribute wealth and income from one area of the country to another. We are still of the opinion that governmental financing of economically distressed areas doesn't of itself solve the economic problems of a particularly distressed area. As heartless as it may seem, nevertheless, we still feel specifically when a mining area gives out, where a product is no longer generally required, that it isn't necessarily the Government's job to first provide for such areas or people. We read in the press where other areas of the United States are seeking people to work and are unable to get them because people in depressed areas expect the Government to finance or take care of them where they are. Thank you for asking for our position. We remain,

Yours very truly,

GEORGE E. SVOBODA,
Mayor.

CITY OF NORFOLK, NEBR.,
March 13, 1961.

DEAR MR. HEALY: The city of Norfolk, Nebr., would be willing and able to take advantage of this legislation, if it were enacted. We have several projects that we have been delaying because of lack of enough funds. These projects involve improvement of major thoroughfares and include two bridges. The total expenditures would be approximately $100,000. These projects would create construction season jobs for about 30 local employees.

Sincerely,

DONALD G. HYDE,
City Engineer.

CITY OF RENO, NEV.,
March 21, 1961.

DEAR MR. HEALY: Mayor Bud Baker handed me your letter of March 10, requesting that I give you a reply. It is extremely difficult for us to come up with any accurate figures regarding this legislation on such short notice, however, the following is an extremely

rough estimate as to what the answer might be to your questions. I hope these may be of assistance to you in making your summary of this question.

1. The community of Reno would undoubtedly take advantage of this legislation if enacted. There are many public works projects that should be completed, however, due to limited financing and limited bonding powers of the city it is impossible for us to complete them at this time. If 45 percent of the cost were to be a Federal grant it would most certainly stimulate some of these very much needed projects in the particular line of bridges, sewer improvements, sewage treatment facilities, streets, and so forth.

2. It is extremely difficult to estimate the amount of such additional work, however, with the present bonding limits and availability of funds it is possible that the city of Reno could anticipate approximately $1 million additional public works per year if this bill were passed.

3. The additional employment would be approximately 500 employees during the term of such a project.

Let me again say that the estimates are extremely rough and if the legislation passes we would certainly like more time to study the legislation and the public works projects so that we might give it more detailed accurate accounting for the answers to these questions. However, in the meantime, I hope these rough estimates will be of value to you in making a determination for Senator CLARK.

Very truly yours,

JOE H. LATIMORE,
City Manager.

CITY OF EAST ORANGE, N.J.,
March 22, 1961.

DEAR MR. HEALY: In answer to your letter of March 10 relative to Senate bill 986, I regret to inform you that because of our present workload our engineering department cannot undertake any additional construction programs within the foreseeable future. I certainly wholeheartedly endorse Senator CLARK's bill S. 986 and wish it were possible for East Orange to take advantage of the 45 percent public work grants that it provides.

At the present time, we have considerable construction work in progress, and we are presently in the throes of providing engineering data and services in connection with the proposed east-west freeway known as Federal Highway Route I-280. This Federal highway will bisect the entire length of our city, and it is now proposed, and a bill is pending in our State legislature, to have this Federal highway interchange at East Orange with the present Garden State Parkway which runs north and south through our entire State. This proposed legislation, which undoubtedly will be passed in the very near future, has taxed and will continue to tax the facilities of our engineering department for the next 2 or 3 years.

Under the circumstances, I do not believe it would be advisable to participate in this public program at this time.

Very truly yours,

JAMES W. KELLY, Jr.,
Mayor.

CITY OF ALBUQUERQUE, N. MEX.,
March 23, 1961.

DEAR MR. HEALY: On March 10, 1961, you requested our reaction regarding Senate bill 986 introduced by Senator JOSEPH CLARK, which would authorize 45 percent matching Federal grants as an incentive to State and local governments to accelerate capital improvement public works programs. You asked specifically (1) whether the city of Albuquerque is in a position to take advantage of such legislation and (2) what additional amount of public works could be put under construction if S. 986 were adopted.

In answer to your first question, the city of Albuquerque would be able to take advantage of such Federal matching grants. We have a backlog of needed public works improvements which considerably exceeds the amount of funds available for construction.

In answer to your second question, I am listing below a table indicating the amount of funds the city of Albuquerque now has available for public works improvements and the amount of Federal matching funds applicable on the basis of a matching 45 percent ratio. We would be able to use the entire $6,003,236 of Federal money for needed public works improvements immediately.

Category	City of Albuquerque funds available	45-percent Federal matching grant
Arterial streets	$1,060,000	$477,000
Storm sewer	2,400,000	1,080,000
Sanitary sewer	3,082,525	1,387,136
Water facilities	5,934,000	2,670,300
Firefighting	316,000	142,200
Parks	548,000	246,600
Total	13,340,525	6,003,236

Very truly yours,

EDMUND L. ENGEL,
City Manager.

CITY OF SCHENECTADY, N.Y.,
March 16, 1961.

DEAR MR. HEALY: In reference to your letter of March 10, which brings attention to Senator CLARK's bill calling for an acceleration of public works, I am forwarding copies of your correspondence to Mr. John W. Eddy, chairman of the city planning commission and other interested department heads of the city of Schenectady.

Please be assured that the city of Schenectady is particularly interested in availing itself, if possible, of certain provisions of the proposed legislation.

I will keep you informed of our action and when a definite plan is devised, will forward it to you.

Sincerely yours,

MALCOLM E. ELLIS,
Mayor.

CITY OF ROCKY MOUNT, N.C.,
March 1, 1961.

DEAR MR. HEALY: In reply to the inquiry of your February 23d National Legislative Bulletin, I believe this city would be in a position to take advantage of the legislation to accelerate public works if such legislation is enacted. An estimate as to how much additional public works activity can be started, of course, depends upon many things. I believe this city could put up to $1 million worth of public works under contract within 1 year. This would be public works not planned for as it stands within this or the next fiscal year.

This work would be storm drainage and street improvement, as well as building construction. It would be hard to estimate the number of people who would be put to work on these proposed projects. It would seem to me that somewhere between two and four hundred could find employment.

I am afraid this information is rather sketchy. Our planning department is relatively new; therefore, we have not developed a capital program. It is far enough developed, however, that we can make effective use of such legislation.

With best wishes,

Yours sincerely,

H. B. HINES, Jr.,
City Manager.

CITY OF BISMARCK, N. DAK.,
March 14, 1961.

DEAR MR. HEALY: Thank you for your letter of March 10, 1961.

From the national economy standpoint, I sometimes question the pump priming measures taken to lift the economy. There seems to be much confusion between economists as to those measures necessary to bring about recovery or accelerate it on behalf of providing stability to the national economy.

However, from the local standpoint of our own community there are many projects that not only could be, but would be accelerated if such 45 percent grants were available such as street widening, construction of public buildings, and many other worthwhile ventures. I can assure you that this community could utilize and constructively use funds as are intended as stated in the purposes of S. 986.

This community could program an additional $200,000 of construction capital improvement projects if such Federal funds were available above the amount planned for next year.

Thank you again for your letter.

Sincerely yours,

TOM BAKER,
City Auditor.

CITY OF LAKEWOOD, OHIO,
March 24, 1961.

DEAR MR. HEALY: In response to your letter of March 10, 1961, may I state that Senator CLARK's bill, S. 986, would be of great value to Lakewood.

The availability of Federal funds at 45 percent of the total project cost could, in Lakewood, speed the building of a new sewage disposal plant presently estimated to cost $4 million. Another area of possible activity is the extension of a breakwater to provide a greater area for the dumping of unburnable refuse. This project would probably cost some $700,000 and provide a long-range improvement for our community.

These two programs are especially needed and could be put into effect in a short time and provide expanded employment in this area.

I am sure that other communities can make use of this bill similarly. The need for such a program is indeed apparent and would help solve problems other than employment. The bill should be supported and carried through with all possible speed.

Sincerely yours,

FRANK P. CELESTE,
Mayor.

CITY OF TOLEDO, OHIO,
March 17, 1961.

DEAR MR. HEALY: In reply to your letter of March 10, we plan to take advantage of the bill introduced by Senator CLARK and will do everything in our power to make use of the grants for public improvements which are so sorely needed in our community.

Sincerely yours,

MICHAEL J. DAMAS,
Mayor.

CITY OF EUGENE, OREG.,
March 3, 1961.

GENTLEMEN: This letter is in reply to your legislative bulletin dated February 23, 1961, requesting comment on Senator CLARK's bill for public works acceleration programs to combat unemployment.

Please be advised that should such a measure become law, the city of Eugene, Oreg., is in a position where it could almost immediately accelerate its public works program to the extent of the funds available for which it could qualify. An offhand estimate would indicate a possible addition of public works in the neighborhood of $300,000 could be accomplished in the fiscal year

starting July 1, 1961. This would be almost equally divided between street improvement and sewer improvement projects. This expenditure would, of course, create additional employment; however, we are in no position to predict what this amount of employment would be.

Very truly yours,

HUGH MCKINLEY,
City Manager.

CITY OF CHESTER, PA.,
March 17, 1961.

DEAR SENATOR CLARK: In accordance with your request at the public hearing in the city of Chester on March 2, we have prepared the following list of public works projects which could be started in the very near future if money is made available.

Streets and highways:	
Street paving	$75,000
Alley paving	45,000
Realinement of 2d St. (for heavy industrial traffic)—acquisition	100,000
Bridge at 6th St. (central bus district) (plus $105,000 of county funds)	105,000
Total	325,000
Sewers:	
Sanitary trunk for industrial area	250,000
Rebuilding combined sewer	100,000
23d St. sanitary	12,000
Highland Ave. sanitary	11,000
Hays St. sanitary	15,000
Total	388,000
Parks and playgrounds:	
Memorial Park:	
Culvert	18,000
Tennis courts	18,000
Chester Park—renovation of barn	30,000
William Penn Memorial Park development	30,000
Enlarge existing playgrounds, develop added playgrounds	20,000
Total	116,000
Grand total	829,000

We appreciate your deep concern with the problem of employment and local finance, and we will be pleased to cooperate with you in supporting adoption of urgently needed legislation.

Sincerely yours,

JOSEPH LARKIN EYRE,
Mayor.

CITY OF PITTSBURGH, PA.,
March 6, 1961.

DEAR MR. HEALY: In regard to your inquiries about Senator CLARK's public works bill authorizing 45-percent grants to State and local governments, Mayor Barr testified in wholehearted favor of this proposal.

In answer to your specific questions:

1. Pittsburgh would be in a position to take advantage of legislation, if enacted.

2. We would probably add about $\frac{1}{2}$ million to our annual capital expenditure program.

Obviously, we have no way of telling how much additional employment would result from this additional expenditure.

Very truly yours,

ALDO COLAUTTI,
Executive Secretary.

CITY OF ORANGEBURG, S.C.,
March 15, 1961.

DEAR MR. HEALY: I have reviewed Senator CLARK's bill, S. 986, and am heartily in favor of its passage. If this legislation is passed I feel reasonably sure that in Orangeburg we can accomplish the following additional public works construction over and above that planned for the next year:

1. Waterworks: Extend and enlarge facilities to the extent of approximately $1 million.

2. Increase sewage treatment plant capacity and extend trunklines at an estimated cost of $350,000.

3. Construct substation for fire protection at an estimated cost of $50,000.

4. Construct an airport administration building costing about $50,000.

Thus you will see that with the grants proposed by the bill an acceleration in public works facility construction of about $1\frac{1}{2}$ million might reasonably be expected in this community.

Preliminary planning for a public works program in Orangeburg indicates that the above facilities are needed. Without grant assistance it appears that such a program must be deferred. So you can readily see that we are in favor of the passage of Senator CLARK's bill and the acceleration in public works facility construction that will ensue.

Yours very truly,

S. CLYDE FAIR, *Mayor.*

CITY OF SPARTANBURG, S.C.,
March 14, 1961.

DEAR MR. HEALY: I have your letter of March 10, 1961, asking for my reaction to Senator CLARK's bill, S. 986.

I am opposed to it. Our community would not be in a position to take advantage of this legislation if enacted, we could not contract for any additional public works beyond what is already planned, and no additional employment would result. Moreover, if our officials in Washington would concern themselves more with the solvency of our country, rather than with new ways of spending money, we would all be better off.

Cordially yours,

NEVILLE HOLCOMBE,
Mayor.

CITY OF DALLAS, TEX.,
March 20, 1961.

DEAR MR. HEALY: I have your letter of March 10 re Senator CLARK's bill and beg to advise as follows:

In answer to question 1, our city has no legal prohibition against participating in such a program and we would be financially able to participate.

In answer to question 2, we are just completing a $50 million capital improvements program and will prepare a new one for the year beginning approximately January 1, 1962, and if grants-in-aid were authorized, we probably would add to the schedule approximately $3 million above our normal amount. I do not believe I would know how to estimate how much this would increase local employment, but, of course, somewhat substantially.

Hoping this serves your purpose, I am,

Very sincerely,

R. L. THORNTON,
Mayor.

CITY OF FORT WORTH, TEX.,
March 24, 1961.

DEAR MR. HEALY: In reply to your letter of March 10, which requested review of Senator CLARK's bill, S. 986, the following information is supplied.

Whether the city of Fort Worth could take advantage of the legislation: Yes, the city of Fort Worth could legally take advantage of the grants proposed in the legislation on the same basis as grants which were made available during the 1930's. It is doubtful, however, that the city of Fort Worth would take advantage of grants for purposes other than highways, sewers, public housing, and airport construction.

The additional amount of public works which could be put under construction over and above the amount planned for the next year: Given local approval of Federal participation in scheduled projects for next year, the city of Fort Worth could probably increase spending on capital improvements from $10 to $15 million, or a $5 million increase for streets, highways, freeways, storm sewers, sanitary sewers, libraries, street lighting and signalization, and water facility improvements.

I hope that this supplies you with the information you require. Please let me know if I can be of further assistance.

Very truly yours,

T. A. MCCANN,
Mayor.

CITY OF OGDEN, UTAH,
March 24, 1961.

DEAR MR. HEALY: It is my opinion that not only does Senator CLARK's bill S. 986 have merit but it is most needed. Aid to local governments has been neglected too long.

Ogden City is in need of the following public works that it is not able to finance alone.

Public safety buildings	$1,500,000
Public streets	500,000
Bridges	225,000
Parks	700,000
Water (covering reservoirs, etc.)	2,350,000
Garbage incinerator	1,250,000
Fire stations (four)	500,000
Library addition and new branch	150,000
Storm sewer	1,500,000
3 swimming pools	600,000
Total	9,275,000

The above list is by no means a complete list of our needs. Our total needs in improvements, without any extravagant expenditures for such buildings as a civic center and civic auditorium, could run $15 million.

If there is additional information needed, kindly advise.

Sincerely,

E. L. CARLSEN,
City Manager.

CITY OF NEWPORT NEWS, VA.,
March 14, 1961.

DEAR MR. HEALY: Mayor Brittingham has handed me your letter with attachment of March 10, 1961, for reply.

Senator CLARK's bill S. 986 relative to authorizing 45 percent public works grants as an incentive to State and local governments to accelerate their capital expenditure programs is somewhat similar to numerous other legislative bills designed to encourage the construction of public works.

If the bill were passed, I feel certain this city would do its utmost to take advantage of its provisions.

We do not believe, however, that the bill proposed by Senator CLARK is justified at this time, certainly within our area of Virginia in which the city of Newport News is located.

Very truly yours,

J. C. BIGGINS,
City Manager.

CITY OF NORFOLK, VA.,
February 27, 1961.

GENTLEMEN: With reference to your bulletin of February 23 concerning S. 986, my answers to the questions which you ask would depend upon the interpretation of item 1 of section 4 of the proposed legislation. Assuming that the interpretation would be liberal, the answers are as follows:

1. Yes, we would be in position to take advantage of the legislation, if enacted.

2. Approximately $6 million.

3. I am reliably informed that the type of capital improvement that we would undertake under an accelerated program would run about 60 percent labor and 40 percent material in the contractors' costs. Of course,

there must be added to this the labor involved in producing and preparing the material, so I would estimate that the total additional employment would be in the neighborhood of $4 million.

Sincerely yours,

T. F. MAXWELL,
City Manager.

MORGANTOWN, W. VA.,
February 28, 1961.

Hon. JENNINGS RANDOLPH,
U.S. Senator,
Washington, D.C.

DEAR JENNINGS: I have just completed the reading and study of Senate bill 986 introduced by Senator CLARK for himself, you, and Senator PELL. The bill is captioned the "Emergency Employment Acceleration Act of 1961." I want to commend most heartily you and your Senate colleagues for this splendid legislative measure, to assist those areas of the United States which are in dire need of help to provide employment and capital improvements which are badly required and beyond the ability of the local governments to provide. My congratulations to you and Senators CLARK and PELL for your initiative and willingness to present and urge adoption of a legislative act to assist so many unfortunate unemployed by providing methods for them to obtain employment and a livelihood for their families.

As you are aware, this area has been listed as a distress area for several years. This condition was brought about by the mechanization of the coal mines, loss of orders for coal, the closing of the Morgantown Ordnance Plant, discontinuance of small businesses, and layoffs in the industrial and commercial firms remaining in business. The unemployment in this area, as determined from very reliable sources, is in excess of 19 percent of the working population. Under conditions such as this, it is impossible for the community to provide sufficient revenue from taxes to assist in reducing the unemployment. It is also impossible for the community to maintain its present governmental standard and entirely unthinkable to consider construction of those facilities which are required for the improvement of the city.

Legislation such as Senate bill 986 will not correct entirely the existing condition. It will go a long way in preventing further unrest than is now apparent. It will assist some of those who have been unemployed for many months to obtain employment, regain their self-respect, and provide for their families.

The conditions and thoughts of individuals today are reminiscent of the early 1930's. The unemployment of that period had advanced to a high percentage. People were having their homes and personal property taken from them due to the lack of income and inability to meet mortgage or loan payments. The local governments were unable to cope with the conditions and so many of those incidents which are happening today prevailed—stealing, robberies, suicides, and so many types of unlawful acts by all age groups. The Federal Government attempted to assist in solving the problems with CWA, FERA, and other make-work programs; these programs turned out to be more like payroll programs than work programs with the result of men leaning on shovels or doing work of no consequence while discontent with unrest continued to increase.

Senate bill 986 reminds me very much of the PWA program, which with WPA did so much to start conditions to stabilize. The work programs gave local communities capital improvements, provided an impetus to industries which in turn placed orders with coal mines and other suppliers of raw materials, and eventually brought order out of a chaotic economic condition in the United States.

The city of Morgantown participated in the PWA and WPA programs to the benefit of the city and its citizens. During the PWA program the city constructed a modern 100-ton garbage incinerator plant, a city garage, and purchased new trucks for the collection and disposal of garbage and rubbish. During the WPA program the city accomplished many types of construction projects which had a direct bearing on the progressive attitude and improvement of Morgantown and the surrounding areas. Among these projects were:

1. An airport with three paved and lighted landing strips—3,600-foot, 3,100-foot, and 3,000-foot lengths—with 692,180 cubic yards of excavation and 156,855 square yards of asphaltic concrete surface on rock base.

2. Paving of the 2-mile length of Richwood and Sabraton Avenues with tremendous retaining walls which extended as much as 62 feet below the roadway level; these streets now provide the main entrance to the center of the city from Maryland by way of West Virginia 7.

3. A total of 7.01 miles of additional street paving (a) 1.84 miles of reinforced concrete: (b) 5.17 miles of asphaltic concrete on rock base.

4. A total of 18.38 miles of main sewer lines ranging in size from 8-inch to 30-inch diameter with manholes, storm inlets, and other accessories,

5. The Deckers Creek floodwall.

6. Miles of retaining walls to support the street paving.

7. Many miles of sidewalks.

8. Improvement of 134 acres of park area with recreational facilities, and

9. Numerous other construction items.

As city manager and city engineer of Morgantown at the time of the PWA and WPA programs, it was my feeling that only worthwhile and long-life projects should be undertaken by the city. It was also the thoughts of city councilmen and myself that the projects should be capital improvements for the city, and the city should participate to its maximum ability in financing the programs. At the conclusion of the city-WPA program, it was determined that the city had participated in the program to the extent of approximately 30 percent of the total costs of the various projects. The results and value of the programs are quite obvious today to all of the residents of and visitors to this area. It may be added that the city sponsored no projects where labor was not used to its utmost efficiency.

From the above information there is sufficient evidence that both the PWA and WPA programs were advantageous to the entire Nation, the city of Morgantown, and so many persons in destitute circumstances. With the critical condition of unemployment in this area, the entire State of West Virginia, western Pennsylvania, and other areas of the United States a postive position should be taken immediately by the Federal Government to assist local governmental bodies to alleviate the unemployment problem.

There is little doubt but that a local capital improvement program will go as far as any other type of program in the abatement and correction of the unemployment problem. This type of program will also go a long way to aid those governmental units to correct local conditions which have resulted from the lack of proper financial support.

The city of Morgantown will be very pleased to take part in a capital improvement program to supplement its street, sidewalk, sewer, airport, recreational, and other fundamental requirements to improve the public welfare and health of the community and to assist in the curtailment of its unemployment problems.

It is trusted you will continue to give your utmost support toward the passage of this constructive legislation.

Respectfully,

ELMER W. PRINCE, *City Manager.*

CITY OF SUPERIOR, WIS.,
March 14, 1961.

DEAR MR. HEALY: Your legislative bulletin of February 23, 1961, with respect to public works acceleration and grants for public works is undoubtedly of urgent nature. Without reservations, we can say at the outset that the economic conditions in our area are such that grants as proposed in the bill would be of valuable and lasting nature.

The city of Superior is in the need of a great number of improved public facilities such as separating the sanitary and storm sewer system, improvement of public streets (especially in the residential areas where there are no curb and gutter to say nothing of concrete or blacktop paving). Sidewalk repairs have been carried on in a modest manner, but could be doubled and tripled in the next 2 or 3 years to bring them up to a safe and suitable condition. Additional public parks could be developed, a municipal swimming pool could be established, and there is a definite need for a new city hall, centrally located, with both police and fire protection facilities combined in a structure. State legislation enacted in recent years is going to make it necessary for the city of Superior to build a new central high school to provide educational opportunities on the high school level for students residing in the rural areas of the city of Superior. Such a school with proper facilities has been estimated to require from $4½ to $6 million of financing. Insofar as the total cost for these additional public works, it would be difficult to estimate at this time, but I trust that you can see from the foregoing that it would be completely prohibitive for a city the size of Superior (34,000) to accomplish them through its own resources. If bill S. 986 should be enacted into law, the city administration of Superior would undoubtedly program work within its means to accomplish and accelerate much needed facilities.

Thanking you for bringing this to our attention, we beg to remain,

Very truly yours,

LAWRENCE M. HAGEN,
Mayor.

CITY OF RIVERTON, WYO.,
March 20, 1961.

DEAR MR. HEALY: In reply to your letter of March 10 regarding Senator CLARK's bill, S. 986, in which you request my reaction to the bill's merits and ask whether this community could take advantage of the legislation, I regret that at this time there is no demand for other public works. We have exhausted all local available funds which might be used to match either State or Federal aid.

Within the past week we have filed on water rights at Brooks Lake in the Wind River Mountains, proposing to build a dam at that location to impound approximately 10,000 acre-feet of water. This project is a precautionary measure to guard our domestic water resources and construction of the dam is not contemplated this season. Just how this project will be financed has yet to be determined.

Other than this, there is no immediate prospect of any other municipal construction of public works.

Sincerely,

WILLA WALES CORBITT,
Mayor.

Mr. GRUENING. Mr. President, will the Senator from Pennsylvania yield?

Mr. CLARK. I yield.

Mr. GRUENING. I am a cosponsor of the bill to which the Senator from Pennsylvania has referred. The proposed legislation is needed in many parts of the Union, particularly in Alaska, where there is steadily mounting unemployment, and where many public projects

are sorely needed. I hope the bill will be acted on favorably by this great body.

Mr. CLARK. I thank the Senator for his comments and welcome his support.

UNCONSTITUTIONALITY OF FEDERAL TAX AID TO PAROCHIAL SCHOOLS

Mr. ERVIN. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a statement I have prepared in respect to the proposal to extend the Federal tax aid to parochial schools. In addition, I ask unanimous consent to have printed following my statement an editorial entitled "Courage," published in the Asheville, N.C., Citizen-Times; an editorial entitled "Rome and Public Schools," published in the Asheville Citizen-Times; an editorial entitled "Religious Debate Imperils Kennedy's School Bill," published in the Charlotte, N.C., Observer of March 11, 1961; an editorial entitled "Democracy and Public Schools," published in the Charlotte Observer of March 26, 1961; an editorial entitled "Kennedy and Private Schools," published in the Greensboro, N.C., Daily News; an editorial entitled "No Aid to Parochial Schools," published in the Christian Science Monitor; and an editorial entitled "Church, State, and Schools," published in the Washington Post of March 13, 1961.

There being no objection, the statement and editorials were ordered to be printed in the RECORD, as follows:

FEDERAL TAX AID TO PAROCHIAL SCHOOLS IS BOTH UNCONSTITUTIONAL AND UNWISE

(By Senator ERVIN)

If we are to appraise aright the current demands for Federal tax aid to parochial schools, we must begin with a study of history. This is true because we can understand the institutions and laws of today only if we know the historical events out of which they arise.

MAN'S STRUGGLE FOR RELIGIOUS FREEDOM

The most heart-rending story of history is that of man's struggle against civil and ecclesiastical tyranny for the simple right to bow his own knees before his own God in his own way.

As one of America's wisest jurists of all time, the late Chief Justice Walter P. Stacy, of the Supreme Court of North Carolina, declared in the opinion he wrote in *State* v. *Beal* (199 N.C. 278):

"For some reason, too deep to fathom, men contend more furiously over the road to heaven, which they cannot see, than over their visible walks on earth," and "It would be almost unbelievable, if history did not record the tragic fact, that men have gone to war and cut each other's throats because they could not agree as to what was to become of them after their throats were cut."

The Founding Fathers who wrote the Constitution of the United States were acutely aware of these truths.

They saw with the eyes of history the cruelties of the Spanish Inquisition, the massacre of the Huguenots of France, the slaughter of the Waldensians in the Alpine Valleys of Italy, the hanging and jailing of English and Irish Catholics by Protestant England, the hunting down of the Covenantors upon the crags and moors of Scotland, the branding, hanging, and whipping of Quakers and the banishing of Baptists by Puritan Massachusetts, and the hundreds of other atrocities committed in the name of religion.

The Founding Fathers knew, moreover, that even during their own lifetimes those who did not conform to the doctrines and practices of the churches established by law in the places they lived, such as Scotch-Irish Presbyterians in Ulster, Catholics in England and Ireland, and dissenters in various American colonies, had been barred from civil and military offices because of their faiths, had been compelled to pay tithes for the propagation of religious opinions they disbelieved, and had had their marriages annulled and their children adjudged illegitimate for daring to speak their marriage vows before ministers of their own faiths, rather than before clergymen of the established churches.

THE DETERMINATION OF THE FOUNDING FATHERS TO SECURE RELIGIOUS LIBERTY BY SEPARATING CHURCH AND STATE

The Founding Fathers were determined that none of these tragic historical events should be repeated in the nation they were creating.

To this end, they inserted two provisions in the Constitution of the United States.

The first of these provisions appears in article 6, and declares that "no religious test shall ever be required as a qualification to any office or public trust in the United States."

The second appears in the first amendment, and states that "Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof."

These provisions embody in the Constitution the abiding conviction of the Founding Fathers that the complete and permanent separation of the spheres of religious activity and civil authority is best for religion and best for the state.

I cherish the constitutional principle of the separation of church and state as the most precious part of our heritage as Americans. It must be preserved if liberty of any kind is to endure. This is true because political liberty cannot exist where any church dictates to the state and religious liberty cannot exist where the state interferes with religion.

The author of the "establishment of religion" clause of the first amendment was James Madison, who had previously piloted through the Virginia Legislature Thomas Jefferson's Virginia Statute for Religious Freedom, which declared that "to compel a man to furnish contributions of money for the propagation of opinions which he disbelieves is sinful and tyrannical."

THE CONSTITUTION PROHIBITS FEDERAL TAX AID TO ANY AND ALL CHURCHES

The first amendment is designed to prevent every form and degree of official relation between religion and civil authority. To this end, it secures the right of every person to worship God according to the dictates of his own conscience and prohibits every kind of public aid or support, financial or other, for religion.

Its purpose to outlaw all use of public moneys for religious purposes is stated with unmistakable clarity by the Supreme Court of the United States in the comparatively recent case of *Everson* v. *Board of Education* (330 U.S. 1).

I quote from the opinion in that case:

"The 'establishment of religion' clause of the first amendment means at least this: Neither a State nor the Federal Government can set up a church. Neither can pass laws which aid one religion, aid all religions, or prefer one religion over another. No tax in any amount, large or small, can be levied to support any religious activities or institutions, whatever they may be called, or whatever form they may adopt to teach or practice religion. In the words of Jefferson, the clause against establishment of religion by law was intended to erect a wall of separation between church and state."

There can be no doubt of the fact that the parochial schools constitute an essential part of the Catholic church. Indeed, they are established and operated by the Catholic Church for the purpose of teaching the children of Catholic parents the tenets of the Catholic faith. This is made clear by the canon law of the Catholic Church which specifies that "Catholic children are to be educated in schools where not only nothing contrary to Catholic faith and morals is taught, but rather in schools where religious and moral training occupy the first place" and that "the religious teaching of youth in any schools is subject to the authority and inspection of the church."

Despite assertions to the contrary, the first amendment makes no distinction whatever between outright grants of Federal moneys to parochial schools and long-term loans of Federal moneys to parochial schools. It forbids both grants and loans. The decision in the Everson case makes this crystal clear by stating, in substance, that Congress cannot pass laws which "aid one religion" or "aid all religions," and that "no tax in any amount * * * can be levied to support any religious activities or institutions, whatever they may be called, or whatever form they may adopt to teach or practice religion."

THE CATHOLIC DEBT TO THE CONSTITUTION

All Americans of all faiths have the absolute legal right to send their children to the public schools of the States in which they reside. Many Catholic parents forgo the exercise of this legal right and send their children to parochial schools because they want their children to receive something which the first amendment forbids the public schools to give them; i.e., instruction in the tenets of their religion. In sending their children to parochial schools, Catholic parents are exercising a right secured to them by the same Constitution which forbids the use of tax-supported institutions for the teaching of any religion. This observation finds illustration in the decision of the Supreme Court of the United States in *Pierce* v. *Society of Sisters of Holy Names* (268 U.S. 510), where the Court decided that the parents of Catholic children have a constitutional right to send their children to parochial schools, and adjudged unconstitutional an Oregon statute which required parents of all children, including Catholic parents, residing in Oregon, to send their children to the public schools of that State.

USE OF FEDERAL TAXES FOR PAROCHIAL SCHOOLS UNWISE

Even if there were no constitutional prohibition on such action, Congress should not grant or loan Federal tax moneys to parochial schools or any other schools teaching the tenets of any religion.

The ringing declaration of Thomas Jefferson's Statute of Virginia for Religious Freedom that "to compel a man to furnish contributions of money for the propagation of opinions which he disbelieves is sinful and tyrannical" is just as true today as it was when Jefferson wrote these immortal words. It would be "sinful and tyrannical" to tax Catholics and Jews to aid the teaching of Protestantism, or to tax Catholics and Protestants to aid the teaching of Judaism. It would likewise be "sinful and tyrannical" to tax Protestants and Jews to aid the teaching of Catholicism.

A great American, the late Justice Rutledge, had this to say on this subject:

"The great condition of religious liberty is that it be maintained free from sustenance, as also from other interferences, by the State. For when it comes to rest upon that secular foundation it vanishes with the resting. Public money devoted to payment of religious costs, educational or other, brings the quest for more. It brings too the struggle of sect against sect for the larger share or for any. Here one by numbers alone will

benefit most, there another. That is precisely the history of societies which have had an established religion and dissident groups. It is the very thing Jefferson and Madison experienced and sought to guard against, whether in its blunt or in its more screened forms. The end of such strife cannot be other than to destroy the cherished liberty. The dominating group will achieve the dominant benefit; or all will embroil the state in their dissensions."

If we are to preserve religious liberty, or, indeed, any kind of liberty, we must keep the state's hands out of religion and religion's hands off the state.

[From the Asheville (N.C.) Citizen-Times]

COURAGE

Many scoffed when Candidate Kennedy insisted from time to time throughout the campaign that he was opposed to Federal aid to private and parochial schools on constitutional grounds.

But it must be quite obvious by now that the scoffers did not know the measure of the man.

President Kennedy is still opposed to these grants, despite widespread criticism of his stand by the leaders of his own church.

It is quite apparent from recent statements by the President that he is far more concerned with the possible defeat of his program to aid public schools than he is by the voices raised against him by Cardinal Spellman et al.

Mr. Kennedy is urging Congress to pass the business at hand before getting enmeshed in the private and parochial controversy because it is obvious that unless the two issues are divorced the American educational system will wind up with nothing.

John F. Kennedy is the author of a Pulitzer Prize-winning book called "Profiles in Courage."

It deals with some earlier American statesmen who battled for what they thought was right even when they knew it meant almost certain political doom.

It might be well for someone to write an epilog for the book based on the forthrightness of the author.

[From the Asheville (N.C.) Citizen-Times]

ROME AND PUBLIC SCHOOLS

While campaigning in Texas last year, Senator Kennedy met with a group of Protestant ministers who questioned him at length on his views about a possible conflict of interests in the political actions of a Roman Catholic President.

One clergyman asked the Senator if, in some hypothetical case, he would have to ask for advice and consent from the heads of his church before he could act.

Mr. Kennedy replied: "I would not ask anybody's permission to act."

His answer now has absolute confirmation in the criticism in the Roman Catholic press (with a few exceptions) of the President's stand on Federal loans to private and parochial schools.

In a well organized campaign, some half dozen papers controlled by the Catholic hierarchy question even the right or the propriety of a President's expressing an opinion on the constitutionality of a proposed law.

In America, the Jesuit weekly, an article by Father Charles M. Whelan says:

"We could and did expect a silence respectful of the problem. As President of the United States * * * he should avoid unnecessary pronouncements on delicate constitutional issues."

This is a new doctrine of Presidential rights and privileges. The President has opposed direct aid, even in loans, to any private or parochial schools.

So far one Catholic paper, the Commonweal, has supported the administration's education bill. That newspaper says: "If for any reason the bill should be defeated, the general welfare of the country would suffer."

It is of more than minor significance that the Commonweal is edited by Catholic laymen, and not by the priests and bishops of the church.

Not only is the hierarchy using press artillery in the battle, but a far-reaching lobby, by person and by letters and cards, is well underway.

These facts amply justify the statement made in the New York Times by John D. Morris in a special Washington dispatch:

"American leaders of the Roman Catholic Church have reached a decision which is testing the church's strength as a political force in this country."

It can be added that this is the first time, in recent times, that the church has publicly and determinedly put forth its power in American politics.

The Roman priesthood waged a similar political contest last year in Puerto Rico. It was defeated, largely by the votes of the Roman Catholic laymen.

The present signs are that the hierarchy will meet defeat in its extraordinary excursion into politics. For, regardless of the Constitution, direct Government aid to private and church schools would still more weaken the American public school system.

[From the Charlotte Observer, Mar. 11, 1961]

RELIGIOUS DEBATE IMPERILS KENNEDY'S SCHOOL AID BILL

Eleven months ago, while still a U.S. Senator, John F. Kennedy delivered a speech to the American Society of Newspaper Editors in Washington.

Much of that speech was given to a discussion of his religion and his presidential candidacy, and it contained this statement:

"Federal assistance to parochial schools, for example, is a very legitimate issue actually before the Congress. I am opposed to it. I believe it is clearly unconstitutional. I voted against it on the Senate floor this year."

This week, speaking as the President, Mr. Kennedy restated his agreement with the U.S. Supreme Court that grants of public funds to nonpublic schools are clearly unconstitutional. He also stated his belief that even long-term loans of public funds to such schools are probably unconstitutional.

In doing so he disagreed with the hierarchy of his church.

The cardinals, bishops, and archbishops of the Roman Catholic Church in the United States are demanding low-interest Federal loans for work on their church schools. Furthermore, they have promised to fight any school aid bill that does not help pupils in private and parochial schools, and they probably have the power to kill such legislation.

Their position is one that even a Catholic President (and a lawyer) doubts in constitutional terms. And it is one that, in our opinion, amounts to unwise public policy for the country.

We are aware that many parents are taxed for support of public schools when their own children are enrolled in private or church institutions. Some of them must feel that this is unjust, and that it is only fair that public funds be used for the support of their own schools.

We are also aware that the entire country is harmed when the quality of education in any sector—public or private—suffers from lack of support.

But it is dangerous business that the Roman hierarchy pursues.

Public funds in this country go for the support of public schools, and those schools are open to all children from all religious denominations.

There are denominations that choose to operate their own schools because they want religious instruction for the young. They are perfectly free to establish such schools, and parents are perfectly free to send their children to them.

But it is one thing to operate such schools as a matter of choice and quite another thing to expect Government to support them because they exist. Tax funds are collected from all the people, and Government should resist pressures to channel money into private areas.

The concept of a separate church and state is imbedded deeply in the American Constitution, and for the very best of historical reasons. That concept holds that all the churches will prosper, and so will the state, if they keep their affairs from becoming too mixed. The state guarantees to every church the right to operate, but it bestows no favors upon any and takes part in the operation of none. It has no pets: it grants no special privileges.

It is important that this concept not be diluted year after year, as is slowly happening. And for that reason the Catholic position must not prevail in the school aid legislation, not even where loans are concerned.

The President is consistent in his position. We hope this valuable program is not sacrificed because of the religious argument it has unfortunately attracted.

[From the Charlotte Observer, Mar. 26, 1961]

DEMOCRACY AND PUBLIC SCHOOLS

One reason why Congress should avoid public aid to nonpublic schools has very little to do with religion. It has a great deal to do, however, with education and the democracy that only education can sustain.

Public schools are one of the larger reasons why the American people, so diverse in their origins, have been able to come together into a society so united in purpose and attitude.

There is as much democracy in our schools as in any of our institutions. There the barriers can be knocked down and the differences leveled. There immigrant children have ceased to be Irish, or Greek, or Puerto Rican and have become American, and their parents in their pride have become more American too.

The public schools have been the cement that has joined peoples of different lineage, different thought—even different pigmentation—in common cause. A private school may divide for the simple reason that it is private and caters to the "select." A church school may divide because it is established to serve a particular creed, a particular need. The public school bridges. It unites.

This is not to say that private or church schools lack a place in American society. There is the full right to establish them and to attend them, and it must always be so.

But a pluralistic society must be careful in supporting such schools lest it fragmentize education and, in doing so, fragmentize society itself. This is not a matter of constitutionality; it is a matter of reason. It is just as important as law in the context of the present debate over the President's school program.

The Denver Post puts it succinctly:

"If this Nation ever reaches the stage when the children of each of the 256 separate demoninations attend 256 separate school systems financed by the Government, the danger to our national unity will be very great indeed."

True, only a few of the many religious groups now operate their own schools. But who can say what might happen if government steps in to subsidize religious schools as it supports public schools now? Would not splinted schools be encouraged then as they are, in effect, discouraged now?

Admittedly, this is only one phase of a big subject. But it is a phase that Washington cannot well ignore.

[From the Greensboro (N.C.) Daily News]

KENNEDY AND PRIVATE SCHOOLS

President Kennedy has staked himself out unequivocally on the issue of Federal aid to private or parochial schools: He is against it because the U.S. Constitution, as interpreted by the U.S. Supreme Court, prohibits it.

The President also hopes that the issue will not be stirred further by members of his own church because such stirring would only help defeat the Federal-aid-to-public-schools bill now pending before Congress.

In this respect, as a Washington wag noted, Mr. Kennedy, a Catholic, qualifies as the most satisfactory President the Baptists and the Seventh-day Adventists have ever had. These groups have been most persistent in applying the principle of separation of church and state, even to the point of refusing Government handouts for schools, hospitals, or other phases of church-supported activities.

The President, of course, is right in his interpretation of the law. The Federal Government cannot under the Constitution become a party to such appropriations. Many sincere Catholics believe this is rank discrimination. While they are entitled to their opinion, we still believe they are wrong.

The distinction between public and private schools must be maintained. Public schools, theoretically and increasingly in practice, are open to all qualified children. Those parents who choose to use private schools, for whatever reasons good or bad, are not denied the use of public schools for their children. They simply make the decision not to use them because they want something they feel is not provided in such schools.

There is no logic in arguing that the Government should therefore undertake to support private or parochial schools as such.

[From the Christian Science Monitor]

NO AID TO PAROCHIAL SCHOOLS

President Kennedy put it succinctly: "The Constitution clearly prohibits aid to parochial schools. I don't think there is any doubt of that."

Legally there should be no question. A major element of the democratic freedom which is so basic to the United States is the concept that the state—the servant of all the people—shall have no ties with any religious body.

That is the constitutional issue involved in the current dispute between the American prelates of the Roman Catholic Church and the President over his plans for Federal aid to education.

But there is far more than a matter of time-honored legal stricture at stake in this matter. Commonsense and an open-minded review of what the American dream is all about should convince citizens of all faiths and pocketbooks that the constitutional bar as applied to education is not an 18th-century intrusion but a living necessity.

The prelates say that aid to the public school system is discriminatory against children in parochial schools. But the public school system is free to these children as to all others. Its classrooms are open to them and to children in Protestant and nonsectarian private schools. Their parents have chosen an alternative, as is their right. But this free choice certainly does not mean they are being discriminated against.

The prelates indicate they would accept long-term, low-interest loans to the Roman Catholic Church for its schools, instead of the grants proposed for public school use. If one form of aid is unconstitutional, so is the other. For the only difference would be in the size of the subsidy paid to a church by the state.

We trust this issue will always be discussed calmly, not heatedly. It should be kept from becoming a source of bitter contention between Americans. And it should be kept so for the same reason that the system of universal free education represented in the public schools was itself originally created. American children of all backgrounds—of rich and poor, of city and country, of immigrant and pioneer, of devout and doubters—should have available to them the best possible education.

To support with the money of all the people schools for separate groups would be to further a fragmented class society in America.

[From the Washington Post, Mar. 13, 1961]

CHURCH, STATE, AND SCHOOLS

Are President Kennedy and the sponsors of the aid-to-education bill trying to penalize parents who think their children should be taught in church schools? This view was bound to arise as the controversy over aid to parochial schools has waxed hotter. It ought to be carefully examined in the light of the fundamental principles which determine the relations between the churches and the state in this country.

It is easy to understand this feeling that public policy acts unfairly to discriminate against the parochial schools. The Roman Catholic Church and many other churches have made enormous contributions to education in this country. Everyone acknowledges that if their efforts should be withdrawn or substantially lessened, heavy new burdens would fall upon the public schools. Taxes for education would have to be increased. Why, then, when Congress is considering a new program of Federal aid to education should the church schools be excluded from it?

The question goes to the roots of our constitutional system and political philosophy. Underlying both is the principle that all men are free and equal, and a vital part of this freedom is the right to worship in accord with the dictates of conscience without any interference on the part of government. In pursuit of this principle church schools are allowed to operate free of taxation and governmental control. Every church may decide for itself whether general education for its young adherents should be linked to religious instruction.

It became apparent many years ago, however, that religious and other private institutions could not supply the entire educational needs of the people. Public schools supported by tax funds grew in numbers and became the mighty force they are today because there was no other way of supplying modern education to all children. Today public education has become a bulwark of the American way of life. It can no more be abandoned or impaired than can our Federal system or the Bill of Rights. On the contrary, an irresistible demand has arisen for improvement and expansion of public school plants and facilities and teaching staffs.

However deeply concerned they may be about their own problems, critics of the President's program should be able to see that an extension of aid to church and public schools alike would critically undercut the latter. The major educational burden has fallen upon governmental agencies because they have the taxing power. As soon as public funds were made available to church and private groups, every religious organization would try to set up and expand schools of its own. The public schools would inevitably suffer an eclipse.

Beyond this unhappy prospect is the impossibility of separating the general public interest in education and the sectarian interest in proselyting within a church school. Many advocates of Federal funds for parochial schools point to the great advantages of what is called a "God-centered education." But each church has a different concept of God and His teachings so that it is utterly impossible for the Government to sponsor that kind of education without becoming involved in sectarian controversies. This is, of course, precisely what the first amendment's prohibition on the establishment of a state church was designed to prevent.

Congress must therefore face the hard fact that no aid can be given to church schools without putting the Government in the forbidden business of fostering the churches that operate the schools. This should be clear to critics as well as supporters of the President's program. There are many ways in which religious instruction can be given to supplement public education, and if the pressure on church schools continues to increase many of them may have to modify their operations. This would be a far more satisfactory solution, in our view, than an attempt to bend public education and the principle of separation between church and state to the interests of the parochial schools.

In any event, the Government must not, and cannot under the Constitution, intrude upon the teaching of religion. It is all very well to say that the Government would not need to interfere with the curriculums of church schools; but if the Government should finance Methodist, Episcopalian, and Catholic schools, for example, it would by reason of that fact be teaching methodism, episcopalianism, and catholicism. Surely debate on the vital question of Federal aid to education ought to begin with general recognition of the fact that this is forbidden territory.

EXTENSION OF SUGAR ACT OF 1948

Mr. KUCHEL obtained the floor.

The Senate resumed the consideration of the bill (H.R. 5463) to amend and extend the Sugar Act of 1948, as amended.

Mr. MANSFIELD. Mr. President, after consultation with the acting minority leader [Mr. KUCHEL] and interested members of the Finance Committee, I wish to make a unanimous-consent request.

I ask unanimous consent that a vote be taken at 4 o'clock on the Douglas amendment, and that the time, after the conclusion of the remarks of the distinguished Senator from California [Mr. KUCHEL] is about to make, be equally divided between the proponent of the amendment, the Senator from Illinois [Mr. DOUGLAS], and the minority leader.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that on the Anderson amendment we vote at 5 o'clock, and the time be divided between the Senator from New Mexico [Mr. ANDERSON] and the minority leader, half to each side.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

DEFENSE CONTRACTS ARE NOT SOCIAL PLANNING TOOLS

Mr. KUCHEL. Mr. President, the time seems to have come when certain misconceptions about my State of California and its role in defense production should

be refuted. Indeed, simple justice demands that they be eradicated. I also feel it is vital in this connection to remove outworn shibboleths from the lexicon of the Senate.

Periodically, complaint is registered that an undue or unfair or unwise concentration of procurement contracts placed by or for the armed services is awarded industries in the State of California. Unfortunately, there is a tendency to link this complaint with unrelated pieces of legislation and to make it a part of irrelevant discussions. I am compelled to speak out because of a regrettable disposition to suggest that one means of improving the economy of our Nation or of specific portions of it is to cut down on the placement of orders for defense hardware with concerns located or headquartered in California.

The matter of defense procurement is at the very heart of all programs and efforts to assure our national security and to provide adequate forces for deterrence of aggression and, if circumstances beyond our control should require such action, for instant and devastating retaliation.

Let me acknowledge at the outset, Mr. President, that California's industrial economy comprises a substantial number and variety of companies, both large and small, which specialize in fabricating, assembling, and developing items for our armed services. This is a fact of life of which all Californians are proud. It also seems to be a reason for envy and jealousy on the part of other areas of our country.

While I have no desire to impute to my colleagues unworthy motives, I am impelled to conclude that certain legislative proposals relating to the placement of defense procurement contracts are inspired in large part by obvious covetousness, by selfish envy, and by greater concern over local welfare than for national security.

My remarks today are prompted, Mr. President, by the submission of legislation which would add another and highly improper factor to those which are considered in the placing of orders for military hardware.

I submit, Mr. President, that when the Congress votes immense sums for the purchase of goods and services to maintain a strong American defense, the Congress does not desire to have those moneys spent for social or other purposes.

In a word, Mr. President, I firmly maintain that our national welfare can not tolerate having defense procurement made a political football. I strongly condemn the idea that the placing of contracts for missiles, for rockets, for aircraft, for electronic equipment, and for scientific research and development should be conditioned or influenced by the possibility of achieving economic reforms or by a desire to alter the economic pattern of our Nation. Our defense programs must not be operated as a 1961-style WPA.

It is shameful in my view that California and her industries should be singled out for attack on the grounds that they receive too large a slice of the defense procurement dollar without taking into account the many and potent reasons why my State has a substantial defense production industry.

Recently, my colleagues from New York, proposed in this body, for the second time in 2 years, that provisions of the United States Code relative to procurement of defense materials be amended ostensibly for the laudable purpose of assuring greater competition in the expenditure of public moneys.

At about the same time, the President of the United States announced that in the equally desirable interest of relieving unemployment, he had directed the Defense Department, among other agencies of the executive branch, to take prompt steps to improve the machinery by which Federal contracts can be channeled to firms located in labor surplus areas.

The March 3, 1961, ruling—only some 3 weeks ago—of the Comptroller General of the United States clearly demonstrates that the intent of Congress and the law of this land precludes:

> The expenditude by the Defense Establishment of appropriated funds under any contract awarded on the basis of a labor surplus area situation at a price in excess of the lowest obtainable on an unrestricted solicitation of bids or proposals.

The Comptroller General finds:

> The intent of the Congress was that the practice of negotiating contracts with labor surplus area firms which would meet the lowest price offered by any other bidder on a designated procurement might be continued, but that no such contract could be awarded at a price in excess of the lowest available.

Can any Senator, or can any citizen of this country quarrel with that accurate interpretation of the intent of Congress in enacting all of the defense appropriation statutes? I do not believe so. At any rate, that is the law. The Secretary of Defense cannot, and should not, take any steps to channel defense contracts into labor-surplus areas.

In this connection, I am delighted to report a statement on this subject made to me just a few days ago by President Kennedy.

He assured me that under present law California would receive fair and equal consideration, along with all other parts of the country, in connection with the award of defense procurement contracts. That is all I can honorably ask for the State from which I come. That is all any Senator can ask for his State.

I have no alternative but to take violent issue with the legislative proposal to alter the defense procurement procedures, which was introduced by both my colleagues from the great State of New York. New York happens to lead in population—for the present—and is the site of the internal revenue district perennially reporting the greatest individual and corporate tax collections in the Nation.

The whole concept of Senate bill 1178, introduced by the Senators from New York, and a bill identical in form was introduced by, I believe, every Member of the New York delegation in the other body—has been analyzed closely, and considered carefully, and discarded completely, once before. I recall that in 1959, a number of days of hearings by the Senate Armed Services Committees were devoted to consideration of the predecessor proposal, Senate bill 1875, of the 86th Congress.

As I have noted, Mr. President, the ostensible objective of this proposed legislation—to quote from the section headed "Declaration of Policy"—is to require the armed services to employ procurement methods which will "assure maximum competition consistent with national security, the needs of the agency, and the character of the products and services being procured." There are other declared purposes, all of them laudable. Among them are the promotion of small business, standardization in purchasing, and the maintenance of a strong economy. But they do not represent, at all, the basis of the bill.

The vicious portion of Senate bill 1178 is to be found near the end of the lengthy declaration of policy. It would require the Department of Defense, every time it wishes to order an airplane or to begin perfecting a weapons system, to use a new and decidedly unsatisfactory yardstick. That would involve—and again I quote from the bill—the placing of a fair proportion of purchases for the armed services with concerns located in areas of substantial labor surplus. Incidentally, nowhere in this proposal is there any attempt to set forth what would be a fair proportion—in itself a weakness which could result only in an administrative nightmare and be productive of disagreement and controversy.

On several occasions I have challenged the sponsors, my good friends and industrious colleagues from New York, about the reasons why they felt this new yardstick, this additional factor, should be employed in determining what bid to accept and where a contract should go. I specifically inquired whether either of my colleagues from New York alleged that California's share of defense procurement—which they persist in condemning as excessive—was due to favoritism or unethical procedures on the part of the purchasing agents of the Defense Department. They disclaim any such thought.

I wish to cite their statements on this point. The senior Senator from New York said, in reply to my question, it appears on page 3098 of the CONGRESSIONAL RECORD for March 2, 1961—that he was not making any complaint on these grounds. His precise words were:

> I have not made and do not make any such contention [of favoritism]. I can say now that there is no evidence to support any such charge, so I have not made it.

During a discussion of the purposes of the predecessor bill, on June 12, 1959, the junior Senator from New York, in a colloquy about procurement methods and procedures, said—as appears in the CONGRESSIONAL RECORD, volume 105, part 9, page 11570—

> I make no attack upon the justice or fairness of the defense procurement policy under the guidelines now laid down by legislation.

The time has come, Mr. President, in discussing this question to deal with

facts, with cold statistics, and with realities.

There is no denial that substantial sums of money are spent by the Federal Government carrying out contracts placed with companies situated in California. However, there is no question that tabulations showing this fact do not disclose the full picture or do not reveal the complete significance of the figures listed.

I desire to place before the Senate—and simultaneously before the House of Representatives, the executive branch, and the Nation—several meaningful pieces of information about the effect of this controverted defense procurement.

To my mind, of great importance is the fact that the proportion of defense spending apparently—and I use that word deliberately—going to California has declined in recent years. This is shown plainly by a report headed "Military Prime Contract Awards by States," issued by the Office of the Secretary of Defense. That document discloses that for the fiscal year 1959 California concerns received 24 percent of the total contract amounts. For the most recent fiscal year, 1960, the California share had declined to 23.7. In the same period—1959 and 1960—the share of military prime contracts increased in 17 States, with the percentage increase for that group ranging from 500 percent, Idaho, to 1 percent, Utah and Wyoming.

Further evidence that California's participation in defense spending has fallen is seen in employment figures. Official reports disclose that employment in our aircraft industry—which by 1947 had become the greatest manufacturing industry in our State—dropped from 294,000 in April 1957 to 199,000 in January of this year. That is a decline of 32 percent.

What this means to California is not widely understood nor appreciated. Put in proper perspective, California's population during the past 4 years increased nearly 16 percent and its labor force more than 13 percent. At the same time, total defense employment has shown little change. Between 1950 and 1957, employment rose rapidly, both in California's aircraft industry and in its other defense-oriented industries. But, a fact of great significance in my mind, since 1957, the employment in aircraft production has declined even more than that in missile, electronic, and space industries has risen. The overall picture shows that for combined defense-oriented industries California had a net reduction of 1,000 jobs in the past 4 years. The phasing out of certain aircraft has forced huge layoffs in Long Beach, San Diego, and other communities.

Much has been made of dollar totals which indicate huge amounts of defense expenditures flow to California. It is important, in looking at this data, to keep in mind a footnote appended by the Secretary of Defense to the report on military prime contract awards. This points out that data on prime contracts by State do not provide any direct indication as to the State in which the actual production work is done.

It further adds:

More important is the fact that the reports refer to prime contracts only and cannot in any way reflect the distribution of the very substantial amount of material and component fabrication and other subcontract work that may be done outside the State where final assembly or delivery takes place.

Those conditional notes were precisely what I had in mind when I commented earlier that I deliberately used the word "apparently" in discussing the amount of defense spending charged—or credited—to California.

The nature of defense production and the trend to develop integrated weapons systems cause seemingly large orders to go to individual firms. Furthermore, because of the methods followed in keeping abreast of technological and military advancement, there are large and necessary "follow-on" contracts. But not every dollar involved in each of these contracts winds up in California. Many of our defense contractors maintain multiple operations, with plants outside California and subcontractors scattered virtually over the Nation.

Let me give you some specific illustrations. For example, company X, a large defense contractor in the Los Angeles area, purchased and subcontracted with 43 States and the District of Columbia and placed only 38 percent of its total purchasing and subcontracting in California. For company Y, another large contractor also in the Los Angeles area, purchases were made from 47 States and the District of Columbia and operations of the prime contractor were carried on in its complex in 4 other States.

On this point, I wish to recall that, 2 years ago, I brought to the attention of the Armed Services Committee a statement by a veteran in defense production, J. H. "Dutch" Kindelberger, chairman of the board of North American Aviation. I am confident what he said then is equally true today, although the figures undoubtedly would be different in each case. Discussing the misconception that all defense dollars involved in a contract with a California concern go entirely to that State, Mr. Kindelberger wrote me as follows:

One point that seems to have been overlooked is that award of a contract to a California company by no means implies that all work on the project will be performed by that company or in that State. For example, we estimate that 70 percent of the work on the B–70 and F–108 projects will be performed by companies other than North American and we have already awarded major system contracts to companies in 11 States outside of California, including two in New York. We estimate that about 20,000 firms, both large and small, will ultimately be engaged in these two projects.

These aspects of the matter thus open to challenge the premise as well as the proposal of my colleagues from New York, who have conceded there is no favoritism involved in placing contracts with California industry, but who still maintain California receives too much in the way of defense procurement business.

There is good reason why a large amount of defense procurement involves California. It is well known that the aircraft industry, in the years before World War II, centered in southern California for a variety of reasons. There are equally strong reasons why it expanded and branched into related fields. Among these are climate, closeness to areas over ocean and desert needed for testing and development, the proximity of technical and scientific institutions and agencies which are essential handmaidens of designers and manufacturers, the dependable supply of experienced and skilled labor, the presence of inventors and engineers who chose California as their residence, and the existence of specializing firms producing integral parts, supplies, components, and equipment.

This interrelation of facilities should not be ignored in attempting to revise policies and procedures governing defense purchasing. I submit that having research and test auxiliaries in areas adjacent to fabricating plants has a direct bearing upon the performance of defense contractors. It also is a factor which should not be overlooked in getting the most for our dollars.

Would it be economical to award by arbitrary mandate and for socioeconomic reasons defense contracts to concerns in areas lacking scientific institutions which could help solve technical design or production problems? Would we get the best return for our dollars by a form of hothouse procedure to aid fabricating plants in locations remote from great expanses of space or in sections often adversely affected by inclement weather? Could we expect contractors working under such handicaps to keep up with rigid production schedules? Would not valuable time be lost and additional expense incurred if trials, tests, and experiments had to be transferred to distant places or deferred because of unfavorable meteorological and atmospheric conditions?

I submit there is much, much more to be taken into account than the existence of unemployment. I contend that the Defense Department must have full latitude to award contracts in a fashion to bring the greatest return for every penny expended. It is impracticable and, to my mind, inconceivable—to think that the armed services can encourage creation of such interrelated agencies of production in other areas on the slim chance that a manufacturer normally producing other goods might qualify to perform a defense production contract merely on the ground that certain numbers of workers are looking for jobs.

The basic problem presented by the proposal of my colleagues from New York is the way their proposed legislation would affect the Defense Department and the armed services. What do the people charged with selecting and ordering weapons, supplies, instruments of defense, and the multitude of items for the Armed Forces think about using such a yardstick as existence of labor surplus areas?

The official comment of the Department was outspoken and unequivocal on this point. The General Counsel, in a formal report to the Senate Armed Services Committee—I listened to this, Mr. President—discussed at length the

declaration of policy in the bill of my colleagues from New York. The meat of the departmental comment is the following excerpts from that lengthy document:

> The cumulative policies of the bill to place a fair proportion of defense procurement with small business and additionally to place a fair proportion of defense procurement in areas of substantial labor surplus would put undue emphasis on general social or economic considerations over the needs of national defense.
>
> The Department of Defense cannot properly discharge its responsibilities with respect to procurement of weapons and other property essential to national defense and at the same time maintain "the economy of each section of the country" by "allocating purchases to different geographic areas of the Nation." The legislation of any such policy could reduce the awarding of defense contracts to a power struggle among contending regional and economic groups with great harm to national defense and to the public interest.

These objections were spelled out in considerable detail in the General Counsel's formal report and were amplified by responsible officials who discussed procurement methods and practices at great length.

For instance, Perkins McGuire, then Assistant Secretary of Defense for Supply and Logistics, told the Armed Services Committee:

> I am afraid that legislation of this type could reduce the awarding of defense contracts to a struggle among regional or economic groups, with great harm to the national defense and to the public interest. A supplier's technical capability to produce a complex weapon must not be subordinated to his geographical location. Allocations of contracts based either on geography or "to eligible suppliers from whom relatively smaller proportions of procurement have been purchased" are, to my way of thinking, completely inconsistent with the concept that our defense contracts should be competitively awarded, to the maximum practical extent, to competent suppliers, at the least possible cost to the taxpayer.

Mr. McGuire, summing up his reactions, warned that the particular requirements in the New York bill would unquestionably increase the costs of and delay procurement.

There is an additional phase of the problem presented by the geographical yardstick, to which I previously referred. This relates to the so-called "follow-on" contracts, which often are responsible for the feeling that California's share of defense contracts is excessive. The difficulty which would be encountered in trying to distribute orders with a view to maintaining the economy of particular areas of the Nation was described by one of Assistant Secretary McGuire's staff, Comdr. J. M. Malloy. He noted that many complex defense items are supplied by one or a few producers. Then he gave this warning:

> The problem here is that once these sources have been selected for a major weapon the Government may have such an investment in facilities and the contractor in engineering and production experience that the cost, both in dollars and time, would be prohibitive to duplicate.

What about the practicality of applying the labor-surplus test in placing the contract? I have remarked about the questionable wisdom of encouraging hothouse plants or industries. I have noted the need for interrelated and auxiliary facilities. Let me quote how a procurement officer feels on that score. In his appearance before the Armed Services Committee Maj. Gen. W. T. Thurman, from the Office of the Deputy Chief of Staff for Materiel, U.S. Air Force, mentioned this phase of the problem. He said:

> Where you have a prime (contractor) who wants to get into an area where he does not already have a capability, that almost invariably involves extensive additional facilities. Those facilities have got to come either from his own resources or from the Government's resources and as figures on the extent of Government facilities will indicate they frequently must come from Government resources.

I submit, Mr. President, that this is no inconsiderable objection to the formula my New York colleagues would have the armed services follow. And I ask whether this is compatible with our universal wish to get the most for our money and to make our dollars go as far as possible.

The basic question of the desirability of imposing such a policy upon the armed services already has been answered. The Congress over a period of years has made it plain that defense requirements and considerations of security shall be uppermost in the placing of orders for defense material. We in this Congress and prior Congresses have found it in the public interest to specify, and in no loose or vague terms, that we do not want defense appropriations utilized for nondefense purposes. The current Defense Department appropriations act, as I suggested earlier, like many before it, carries a clear-cut limitation against paying premium prices for items needed by the armed services. We saw fit to write into the present law the following language incorporated in section 523 and taken verbatim from the law for the prior and for several earlier years:

> *Provided further,* That no funds herein appropriated shall be used for the payment of a price differential on contracts hereafter made for the purpose of relieving economic dislocations.

The feeling which motivated this limitation also has been reflected by the Member of Congress probably universally regarded as the most informed about and highest respected for his acquaintance with our Defense Establishment. I am sure that every Member of this body has the utmost regard for the chairman of the House Armed Services Committee, Representative CARL VINSON. His feelings about getting the maximum value for our defense dollars was made plain only a few weeks ago. When suggestions were made that armories for reserve units might be built in some locations to relieve unemployment, Chairman VINSON said firmly:

> There should never be one built to relieve unemployment or distressed conditions. They must only be built on the basis on which they are warranted strictly from a national defense standpoint.

I submit, Mr. President, that precisely the same test applies to the placement of procurement contracts.

I concur completely in the principle that defense purchasing should be done to the maximum practicable extent on a basis of competition. Whether contracts are awarded following open bidding or after negotiation, I believe that the public interest demands competition. I do not see how this objective can be reached if the Defense Department is directed to take into account such factors as unemployment and labor surpluses in different areas of the country.

California's defense industry ought not to ask any special treatment. It does not. Neither do we in the California delegation. All we ask—and what we have a right to expect—is fair play and an equal opportunity with all rivals to participate in producing the hardware and other items which our Armed Forces require to discharge their responsibility of safeguarding and protecting the people of the United States of America.

We have developed in California a resource—factories, laboratories, talent, skill, and know-how—which is indigenous to our area and should not be subjected to discrimination. The existence of a defense industry in California is a natural phenomenon similar to the concentration of automobile plants in Michigan, to the complex of steel mills and related operations in Pennsylvania and adjoining States, and to the development of machine tool production in Connecticut. Certainly Senators and Members of the House from those States expect and demand equal treatment for their industries. California is not alone in maintaining that its defense industry should not be impeded or injured by extension of privileged status to competitors in any other section of the country.

From every point of view, I contend and I maintain, Mr. President, that sound public policy and the safety of our Nation dictate that defense programs must not be conceived or carried out on any economic-geographic or any socio-economic basis to prop up depressed areas or to give one section of our country special advantage over another.

If work is to be taken from California, let it be done only because it can be performed cheaper or more speedily or because a better product can be turned out elsewhere for the defense of the American people.

I ask unanimous consent that a copy of the Comptroller General's decision be printed in the RECORD at this point in my remarks.

There being no objection, the decision was ordered to be printed in the RECORD, as follows:

COMPTROLLER GENERAL OF THE UNITED STATES,
Washington, D.C., March 3, 1961.

B-145136.

The Honorable the SECRETARY OF DEFENSE.

DEAR MR. SECRETARY: We have a letter dated February 25, 1961, from the Assistant Secretary (Installations and Logistics), asking to be advised whether our Office would object to the use of total set-asides of certain procurements for award to firms in

labor surplus areas, in the light of the prohibition contained in section 523 of the Defense Appropriation Act of 1961 against the payment of price differentials on contracts made for the purpose of relieving economic dislocations.

The letter refers to a Presidential request to you, the Secretary of Labor, and the Administrator, General Services Administration, for recommendations as to improved means for channeling contracts to areas of labor surplus. It is stated to be the consensus of all agencies concerned that to increase measurably the volume of contract awards to such firms total set-asides of appropriate procurements for award exclusively to such firms should be made. In your Department, such set-asides would be made under criteria similar to those currently applicable to small business firms.

Both the small business and labor surplus area preferences in award of Government contracts had their origin in the policies declared in the Defense Production Act of 1950, 64 Stat. 798, and amendments thereto, and in various executive orders and supplementary directives issued to implement those policies. At an early stage in the development of these programs this Office had occasion to consider certain legal questions presented as to the propriety of payment of appropriated funds under contracts awarded thereunder. The position taken was that when advertising of public contracts was required by law awards should be made only to responsible bidders whose bids, conforming to the invitations, would be most advantageous to the Government, price and other factors considered, and that awards to other than the low bidders could not properly be made solely on the basis of small business status or surplus labor area location. (See 28 Comp. Gen. 662; 31 id. 279; 31 id. 347.) However, in view of the authority to enter into contracts by negotiation during the period of a national emergency proclaimed by the President, contained in section 2(c)(1) of the Armed Services Procurement Act of 1947 (now 10 U.S.C. 2304(a)(1)), and in the corresponding section of the Federal Property and Administrative Services Act of 1949, it was stated that this Office would not object to payments under contracts negotiated pursuant to that authority with small business firms or bidders in labor surplus areas upon administrative determination that such awards were necessary in the public interest.

The small business preference was thereafter given more express legislative sanction by the enactment of the Small Business Act of 1953, 67 Stat. 232. The procedures adopted with respect to awards to labor surplus area firms, however, became the subject of controversy in Congress, which resulted in the enactment, in section 644 of the Defense Appropriations Act of 1954, 67 Stat. 357, of the limitation, identical to that appearing as section 523 of the 1961 Appropriation Act, prohibiting the expenditure of appropriated funds for the payment of price differentials on contracts made for the purpose of relieving economic dislocations.

The language of the proviso leaves little room for doubt, and examination of the legislative history confirms, that the intent of the Congress was that the practice of negotiating contracts with labor surplus area firms which would meet the lowest price offered by any other bidder on a designated procurement might be continued, but that no such contract could be awarded at a price in excess of the lowest available. The prohibition originated as a Senate committee amendment to the House bill (see S. Rept. No. 601, 83d Cong., 1st sess., p. 11), and in the form proposed by that committee was apparently intended to prohibit the payment of appropriated funds on any contract negotiated for the purpose of correcting or preventing economic dislocations. On the floor of the Senate a strenuous effort was made to eliminate the proviso, but it was adopted in the form proposed by the committee. (See CONGRESSIONAL RECORD, vol. 99, pt. 7, pp. 9809–9817.) The House rejected the Senate amendment, and in conference the proviso as finally enacted was substituted. (See H. Rept. No. 1015, 83d Cong., 1st sess.). The intent of the provision is further clarified by debate which occurred in both Houses upon adoption of the conference report. (See CONGRESSIONAL RECORD, vol. 99, pt. 8, pp. 10514–10519; 10557–10565.)

On the record we must construe the limitation in question as precluding the expenditure by the Defense Establishment of appropriated funds under any contract awarded on the basis of a labor surplus area situation at a price in excess of the lowest obtainable on an unrestricted solicitation of bids or proposals.

In the referenced letter it is suggested that if total set-asides were made only where there was a reasonable expectation that bids or proposals would be obtained from a sufficient number of responsible labor surplus area concerns to insure fair and reasonable prices, no question of a price differential would be involved.

The fallacy of that suggestion is that it would substitute fair and reasonable prices for the lowest price obtainable.

In the light of the clearly expressed intent of the Congress, which has been repeated without change in each annual appropriation act since 1954, we do not feel that we could, with proper regard for our obligations to the Congress, accept any showing or determination of a fair and reasonable price as establishing that such price was the lowest obtainable, in the absence of free and unrestricted competition.

Sincerely yours,

JOSEPH CAMPBELL,
Comptroller General of the United States.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. KUCHEL. I yield.

Mr. LAUSCHE. What percentage of defense contracts is California now getting, according to the information the Senator has?

Mr. KUCHEL. I believe the latest available figures are printed in the Congressional Quarterly for the week ending March 24. They show that for the fiscal year 1960 California secured 23.7 percent.

Mr. LAUSCHE. What does 23.7 percent represent from the standpoint of dollars in the total expenditures on defense contracts?

Mr. KUCHEL. Again using the Congressional Quarterly as the source of my information, the amount is $4,839,252,000.

Mr. LAUSCHE. What is the highest percentage of such contracts that California has had?

Mr. KUCHEL. The percentage that I stated in my address is down from 24 percent in 1959.

Mr. LAUSCHE. The Senator has stated the percentage in 1959, but that statement would not indicate whether prior to 1959 California was getting more than 24 percent.

Mr. KUCHEL. The statement speaks for itself, and indicates what the percentage was in 1959. If the Senator is interested in prior figures, I shall obtain them for him. I merely make the point that as of today the percentage of expenditures under present law, with no allegation by anybody of favoritism to the people of my State, has declined.

Mr. LAUSCHE. California, with one-twelfth of the population, and being one-fiftieth of the States, is receiving 25 percent of the defense contracts. On the basis of that statement does the percentage look peculiar or unreasonable?

Mr. KUCHEL. I want to be sure that I understand the Senator. Does the Senator stand in the U.S. Senate and contend that the defense of the American people against the continuing potential danger posed by international communism ought to be based on the manufactured defense material for such defenses being parceled out equally to every State in the Union? Is that what my able friend believes?

Mr. LAUSCHE. No; the Senator from Ohio is not arguing that point. My question is whether the fact that California is receiving practically 25 percent of the defense contracts does not on its face appear to be unreasonable, when we consider that the State has one-twelfth of the population of the Nation and is only 1 of the 50 States.

Mr. KUCHEL. I deny it. If over the years the Government of the United States placed the entire burden of manufacturing our defensive arsenal anyplace, in Delaware, for example, I would not draw from that fact any conclusion that it was unreasonable, because the one single, sole responsibility of the Defense Department in spending billions upon billions of dollars is, as it should be, to give to the people of this country the strongest possible posture of defense. No one in this Chamber has ever accused the Defense Department of favoritism. When the proposed legislation was introduced by my able friends from New York, I asked that question, and both Senators answered and said that under no circumstances did they contend that any favoritism was ever indulged in by the Defense Department in the award of contracts to provide for the defensive arsenal of the American people.

Mr. LAUSCHE. I did not mention the word "favoritism," but the Senator from California has discussed the term rather widely and repeatedly in his statement. Are there any circumstances from which one might infer that California was being given preferential treatment?

Mr. KUCHEL. There are not. My friends the Senators from New York, have taken the same position that I have on such a regrettable and erroneous charge.

What does my friend, the Senator from Ohio, mean when he uses the word "unreasonable"? How does he define the term?

Mr. LAUSCHE. My interpretation is that giving California 25 percent of the defense contracts and all other States only 75 percent is unreasonable. But the Senator from California claims that 25 percent to California is reasonable and, I regret to say, I cannot see it.

Mr. KUCHEL. If those who are responsible for our defense, making their decisions simply and solely on the basis of what they believe is necessary for the defensive armament of the American people, and in the absence of favoritism

of any kind, were to award 100 percent of the defense contract to any one area in this country, I would not be heard to criticize. Likewise I do not believe my friend should criticize.

Mr. KEATING. Mr. President, will my distinguished friend, the Senator from California, yield?

Mr. KUCHEL. I yield to one of the ablest Senators who, along with his distinguished colleague, does for his State all that the good people of the State of New York could ask for.

Mr. KEATING. I thank the Senator for those more than gracious remarks. I am also grateful to him for notifying me of this attack which he intended to make today upon the proposed legislation sponsored by the Senators from New York.

I also thank him for not indulging in anything like character assassination in connection with his remarks, because his friendship with the Senators from New York has been of long standing and we have nothing, as we have stated before, but admiration for a representative of his State such as the distinguished Senator from California, who, day after day, is looking out for the interests of his State, as he should be.

I wish to ask my dear friend from California whether it is his intention to include with his remarks the news article published in the Los Angeles Daily Times the other day which reported that the congressional delegation from California must launch an all-out attack upon the two Senators from New York, and whether this occasion has any connection with that statement? If the Senator does not have access to the article, I shall be glad to supply it for him.

Mr. KUCHEL. I have great respect for the great Los Angeles Times. It is a great newspaper.

Mr. KEATING. As do I.

Mr. KUCHEL. I am sure my friend shares that respect. I sometimes feel that my friends the Senators from New York, in introducing the proposed legislation, have created the possibility in the minds of many of the hazard of changing the present law, and there is a natural reaction from anyone who knows that the present law ought not to be changed. To answer the Senator's question, I would be happy to include the Los Angeles Times article in the RECORD at this point in my remarks.

COAST CHAMBERS FIGHT FOR DEFENSE CONTRACTS—BATTLE STRATEGY FOR CALIFORNIA LAWMAKERS AGAINST EASTERN INROADS MAPPED AT PARLEY

(By John H. Averill)

WASHINGTON.—Within the next few days California Congress members will be supplied with battle strategy to deal with the mounting and well-organized eastern campaign to pirate away west cost defense business.

Plans on how to cope with the eastern pirating maneuvers were discussed Tuesday at a closed-door meeting of west coast chamber of commerce executives and the California congressional delegation.

H. C. (Chad) McClellan, president of the Los Angeles Chamber and host at the luncheon meeting said afterward the session was called to discuss the economic impact of present and future defense procurement matters.

VOICE FEAR OF LOSSES

However, it was learned that the session went considerably beyond this and that several speakers indicated considerable apprehension that defense business might be diverted from the west coast to help economically depressed regions in the East. Also attending the meeting were chamber of commerce representatives from San Francisco and Oregon and Washington, along with observers from the California State Chamber.

To meet the eastern threat, it was learned, west coast interests are preparing statistical material which they contend will give California Congress members the ammunition to justify the State's major role as a defense producer.

Meanwhile, Senators KEATING and JAVITS, both New York Republicans, kept up their almost daily verbal drumfire against what they call an overconcentration of defense contracts in California.

KEATING, in a Senate speech, asked Secretary of the Air Force Zuckert "to keep a close watch" to assure that subcontracts under the new $1 billion contract to Lockheed for jet cargo transports "are spread over a fair geographical area and not concentrated in any one spot."

"New York has many fine firms," KEATING said, "it has excellent facilities. New Yorkers have all the know-how. What they need is a little consideration from the Department of Defense which seems to have taken quite literally Horace Greeley's remark about going west."

JAVITS, in a similar vein, said prime defense contracts to what he termed high unemployment areas in New York State dropped by 60 percent during the last quarter of 1960.

West coast interests fear that the constant attacks from New York and other States, typified by the Keating and Javits remarks Tuesday, might eventually result in the Pacific coast losing additional defense business. It is at this prospect that the current retorts are aimed.

Mr. KEATING. The diligence of the congressional delegation from California gave rise to the thought that the New York delegation should perhaps display some diligence themselves on behalf of their State.

The united efforts of the congressional delegation from California to assist their State are perfectly proper and legitimate efforts and are legendary in Washington. They have been going on for years.

The Senator has referred to the fact that the Senators from New York have in no way charged favoritism in the making of contracts which have resulted in nearly a quarter of the defense business of the entire Nation being centered in one State. We have not charged favoritism. We still do not charge favoritism. But we do say that to some degree the preponderance of contracts for California is due to the very diligent efforts of the distinguished Senator now addressing us, and to the diligent efforts of the congressional delegation in the other body. They have aroused in the minds of defense officials a constant awareness of the abilities of the State of California, which are great. Some of us from other States feel that we also have the know-how, the facilities, the trained labor force, the scientific institutions to which the Senator from California has referred, and all the other elements that go to make up a vigorous industrial complex. We too should be able to alert the Defense Department to the abilities of our own States to perform in some of the fields of defense procurement.

It will be my intention, again expressing my gratitude to my friend from California, to deal at some length with the proposed legislation to which he has been referring. At the moment, I am being importuned by those who are interested in sugar legislation to make these remarks brief. I will therefore refrain from further remarks. I assure my friend from California that when I attack his position—not him as an individual—I shall be happy to inform him of what I intend to say, and to give him every opportunity to be here on the floor, because this open debate on the merits of our respective States and their ability to do the job for national defense is all to the good.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. KUCHEL. I yield to the senior Senator from New York, and I thank my friend the junior Senator from New York.

Mr. JAVITS. I shall be very brief. However, I wish to participate in this colloquy, because I have had a great deal to do with the proposed legislation which has been referred to.

I should like to tell my friend from California that with $23 billion in procurement, and the amount increasing, according to the President's new defense requests, and with only about $3 billion of the $23 billion actually in competitive bids, it is almost inconceivable to me that any American, whether of California or of New York, or any group of Americans in either State, all of them taxpayers—and I call attention to the fact that California, after New York, pays the largest amount of Federal taxes into the Federal Treasury—would object to the idea of having more competition.

I have been among those who said that California anticipated the missile emphasis, prepared for it, and did a vast amount of research to get the benefit of it.

I want my State to do precisely what California has done. I do not want the door closed to this opportunity to benefit. That is all that is implied by the proposed legislation which has been introduced by the whole New York delegation. We want an open-door policy, not a closed-door policy, with respect to Federal procurement, including negotiated contracts.

So what we say to our own people—and we say this to both labor and management—is, "Sharpen your pencils, widen your research, and do what the people in California did, so that you will be in a better position to compete."

As my colleague from New York has said, we are not heaping abuse on California. We do not charge favoritism. We are asking our State to emulate what we consider to be a proper example of enterprise. I hope very much—and I know that the Senator from California feels this way, too, and I know he is indefatigable in his efforts on behalf of his State—that in uttering these words to the people of his State there is no reason on their part to fear when we ask the people of our own State to get on the

ball, so to speak. That is all we intend to do with our proposed legislation.

Mr. KUCHEL. I thank the distinguished Senator.

Mr. DIRKSEN. Mr. President, I yield 1 minute to the Senator from Ohio.

Mr. LAUSCHE. The Congressional Quarterly Report, March 24, 1961, shows that in 1960 the total wage paid by the Federal Government, to active duty military personnel, was $6,064,781,380. Of this total national amount the expenditure in California was $781,380,000. Dealing with Federal employees, the total expenditure of the Federal Government was $5,318 million, of which $788,659,000 was spent in California. The figure of 23 percent mentioned before applies only to procurement contracts, and not at all to other expenditures.

EXTENSION OF SUGAR ACT OF 1948

The Senate resumed the consideration of the bill (H.R. 5463) to amend and extend the Sugar Act of 1948, as amended.

Mr. DIRKSEN. Mr. President, I understand that the time from this point until 4 o'clock is controlled and equally divided for debate on the Douglas amendment; that is to say, on the Ellender proposal to strike the so-called Douglas amendment from the bill.

The PRESIDING OFFICER. The Senator is correct.

RATIFICATION OF THE 23D AMENDMENT TO THE CONSTITUTION GRANTING NATIONAL SUFFRAGE TO THE DISTRICT OF COLUMBIA

Mr. DIRKSEN. Mr. President, I yield 1 minute to the distinguished Senator from South Dakota.

Mr. CASE of South Dakota. Mr. President, I take this minute to make the statement for the RECORD that the 23d amendment to the Constitution is now the law of the land, the States of New Hampshire and Kansas having ratified the constitutional amendment which gives to the voters of the District of Columbia the right to vote for President and Vice President.

The soundness of that approach is evidenced by the speed with which the amendment was ratified, setting almost a time record for the ratification of an amendment to the Constitution. The colloquy which we have listened to on the floor of the Senate in the last few minutes, between the Senators from the States of New York and California, is evidence of the high value which we place upon representative government. For too long the District of Columbia has not had the opportunity to express itself, and now, at last, it has an opportunity to vote for electors for President and Vice President.

Mr. DIRKSEN. Mr. President, I yield 2 minutes to the distinguished Senator from Nevada.

Mr. BIBLE. Mr. President, this is a great day for democracy right here at home. It is significant that after 161 years the disenfranchised people of the District, consisting of nearly 1 million citizens, will be entitled to vote, because of the action of the States of New Hampshire and Kansas on this very day in bringing about ratification of the 23d amendment to the Constitution. In doing so, these 2 States have joined the 36 other States which preceded them in bringing about ratification of the 23d amendment.

Certainly this is a great day for democracy at home, in what many of us look upon as the world capital of democracy, Washington, D.C., U.S.A.

As the chairman of the Committee on the District of Columbia, I pledge every effort to expedite enabling legislation to permit orderly voting procedures. As a matter of fact, the District of Columbia officials at this moment are considering proposed legislation to be forwarded to Congress within the very near future. I see no reason why such proposals should not move along in an orderly, vigorous manner during the coming year.

I think it should be commented that we who believe in a full measure of citizenship for the residents of the District of Columbia do not feel that this is accomplished fully and completely; but it is a step in the right direction. There should be no confusion between the question of national suffrage and the question of local self-government, because both, in my humble opinion, are very important in a democracy such as ours.

I am especially proud of the fact that my own State of Nevada was the 12th State to join the honor roll in ratifying the amendment.

I pay particular tribute to the distinguished Senator from South Dakota [Mr. CASE] and to the distinguished Senator from New York [Mr. KEATING], one of the leaders in the Committee on the Judiciary in the effort to secure ratification of the amendment. I am very happy to join with them in this endeavor. I am glad it has been accomplished today. The Committee on the District of Columbia will within the near future implement the ratification of the amendment, within the framework of our committee.

Mr. DIRKSEN. Mr. President, I yield one minute to the distinguished Senator from New York.

Mr. KEATING. Mr. President, I am happy to join in expressing my gratification at the action taken today by the last two States to ratify the amendment which gives to the residents of the District of Columbia full citizenship, at least so far as voting for President and Vice President of the United States is concerned.

I myself favor home rule for the District of Columbia, but I recognize the fact that this is a much more controversial measure.

Mr. President, Ratification has now been completed. The next step is implementation, which will require the passage of a District of Columbia election law by the Congress. I hope immediate attention will be given to the implementing legislation while the momentum generated by the process of ratification is still upon us.

I want to pay tribute the distinguished Senator from South Dakota [Mr. CASE] and the distinguished Senator from Maryland [Mr. BEALL] for their fine efforts in which I was happy to join in pushing for the enactment of the District of Columbia vote constitutional amendment. I am also grateful to the distinguished Senator from Nevada [Mr. BIBLE] for the fine cooperation which he has demonstrated at all stages of this work.

Finally, Mr. President, I salute the people of the District of Columbia, I welcome them to the ranks of voting Americans, and I trust them to exercise their new privilege wisely and diligently. And I salute the people of our Nation for making possible this restoration of democracy to the Capital of the greatest democracy in the world.

Today is a great day for the Nation.

Mr. CASE of South Dakota. Mr. President, I express my appreciation for the kind remarks made about me. I appreciate and applaud the statement of the distinguished Senator from Nevada [Mr. BIBLE] that the Committee on the District of Columbia will now take prompt action to implement the amendment.

Mr. KEATING. I am very happy that that will be done.

VISIT TO THE SENATE BY MEMBERS OF THE CONGRESS OF BRAZIL

Mr. DIRKSEN. Mr. President, I yield to the distinguished Senator from Oregon such time as he may desire.

Mr. MORSE. Mr. President, this noon the Committee on Foreign Relations had the privilege of honoring and serving as hosts, at a luncheon, to six visiting parliamentarians from our sister republic to the south, Brazil.

We have the pleasure of having six members of the Chamber of Deputies of the Brazilian Parliament as our guests on the floor of the Senate at the present time. I have been given the honor of formally presenting them to the Senate.

I introduce, first, the chairman of the Foreign Relations Committe of the Chamber of Deputies of Brazil, the Honorable Raymundo Padilha. [Applause, Senators rising.]

I present next the Honorable Helio Machado, who also is a member of the Foreign Relations Committee of the Chamber of Deputies of Brazil. [Applause, Senators rising.]

Next I present the Honorable Ocelio de Medeiros, who also is a member of the Foreign Relations Committee of the Chamber of Deputies of Brazil. [Applause, Senators rising.]

Next I present the Honorable Menotti del Picchia, a member of the Chamber of Deputies of Brazil. [Applause, Senators rising.]

I present next the Honorable Jose Henrique Turner, a member of the Foreign Relations Committee of the Chamber of Deputies of Brazil. [Applause, Senators rising.]

Next I present the Honorable Moreira da Rocha, a member of the Chamber of Deputies of Brazil. [Applause, Senators rising.]

On behalf of the Senate of the United States, I extend to our visiting parliamentarians a very sincere, warm, hearty welcome. We want them to know that the facilities and services of the Committee on Foreign Relations and the Senate are at their disposal.

Mr. DIRKSEN. Mr. President, I yield as much time to the distinguished Senator from Vermont as he may desire.

Mr. AIKEN. Mr. President, I wish to add to the welcome extended to our friends from Brazil by the chairman of the Subcommittee on Latin American Affairs of the Committee on Foreign Relations. We are very highly honored today to have our friends from our great sister republic as our guests in the Capitol of the United States.

Brazil is the country, of the whole world, which most nearly corresponds with our form of government in the constitutional and legislative process, and in other ways.

I might also add that Brazil is the country of the world whose views on international affairs most closely coincide with those of the United States. We are seldom found on opposite sides of any question which arises in the United Nations.

I could continue at length to extol the virtues and the wonders of our great sister republic to the south, but I realize that time is limited. I shall simply say that we are indeed pleased that so many members of the Brazilian Chamber of Deputies could visit us in Washington. They will see much more of the United States, but we are particularly pleased that they can meet with us in our Capital City.

The PRESIDING OFFICER (Mr. PELL in the chair). On behalf of the Senate, the Chair welcomes our distinguished visitors.

EXTENSION OF SUGAR ACT OF 1948

The Senate resumed the consideration of the bill (H.R. 5463) to amend and extend the Sugar Act of 1948, as amended.

Mr. DIRKSEN. Mr. President, I yield 15 minutes to the distinguished Senator from Idaho.

Mr. CHURCH. Mr. President, the greatest single problem involved in developing long-range sugar legislation this year is the problem of the new grower—the question of how much and how fast domestic sugar production should be permitted to expand in both old and new producing areas during the years ahead. I say it is the greatest single problem because it touches on so many other phases of the complicated sugar program, and because it has ramifications that extend not only to all parts of our own country, but also deeply into the field of our delicate relations with the nations in Latin America and elsewhere in the world. While the question of new growers is primarily a question to be resolved in long-range sugar legislation, which we are not considering today, it has been injected into the discussion of the short-range bill now before us. And so, Mr. President, a thorough discussion of this question and its ramifications is essential to our arrival at a wise judgment on the bill we are considering.

In my own State of Idaho, the problem of the new grower and its ramifications is dramatically exemplified. In Idaho we have an old and well-established beet-sugar-producing industry, and we also have many farmers on newly developed agricultural land who do not now grow sugar beets but who are eager and anxious to do so. Within the borders of Idaho we have in microcosm the conflicts which complicate this problem on a national scale.

For nearly 60 years the growing of sugar beets has been an integral part of the agriculture of Idaho, and the successful operation of beet sugar processing plants has been an important part of the industrial pattern of my State. The first beet sugar factory in Idaho was built at Idaho Falls in 1903. Over the years, that factory has been modernized and enlarged until it is virtually a completely different factory, but it is still in operation at Idaho Falls. There are five other factories in operation in my State—at Preston, Paul, Twin Falls, Lincoln, and Nampa. The last new beet sugar factory in Idaho was built in 1942, nearly 20 years ago.

Idaho ranks third among all the 22 producing States in volume of sugar beets and beet sugar produced. Last year, 1,776,000 tons of sugar beets and 434,907,300 pounds of refined beet sugar were produced in Idaho. The sugar beet crop is among the most important field crops in my State, from an income standpoint, and annually accounts for between $20 million and $25 million of cash income for the farmers of Idaho.

By any definition, Idaho is an old-established sugar-beet-production area.

Mr. CASE of South Dakota. Mr. President, will the Senator from Idaho yield for a question?

Mr. CHURCH. I prefer to finish my speech, since I am speaking on limited time. If I have any time left when I have finished, I shall be happy to yield to the Senator from South Dakota for a question.

Yet within my State there are many farmers who would like to become new sugar beet growers. My mail daily attests to this fact.

One area, in particular, is worthy of special mention because it has a parallel in many another State. Some 70,000 acres of land have come under irrigation in recent years in the Minidoka reclamation project—known locally as the North Side project. It extends into three counties in south-central Idaho.

On this land are many war veterans, who now are striving to pay for small parcels of the land for whose freedom they so valiantly fought and bled. Most of them are young people, who are struggling to establish a future for themselves and their children. They came to this land, many of them, in trailers, and have built their small homes with their own hands, board by board, shingle by shingle, nail by nail, during the hours when they were not laboring in their fields. They came to the land when farm operating costs were high and going higher, and when general farm income was going down. Their capital is limited. They are desperately in need of a dependable cash crop—a crop around which they can build a balanced and sensible farm operation, a crop which will fit well into a rotation plan which will help build the fertility of their land, a crop which will not contribute to building up farm surpluses. The sugar beet ideally fits all their requirements. But under the present law, precious few of these veterans and other farmers on the Minidoka project are permitted to grow this one crop, which would do more than any other to give substance to their dreams of a secure future for themselves and their children.

Yet, just a few miles away, even in the same counties, they see the "old growers" produce sugar beets, year after year. Each fall, the veterans see the steam rise from the processing plants, white plumes contrasting against the deep blue Idaho sky, banners signalling the harvest of another crop of sugar beets, which they, the veterans, are denied the privilege of growing.

So, Mr. President, it is understandable why my files bulge with pleas for changes in the Sugar Act—changes which would give greater consideration to new growers. Yet the pleas of my Idaho constituents are tempered by the knowledge and understanding that the sugar program is essentially a system of balances, and that when any material changes in the system are proposed, due recognition should be given to the system as a whole and to the various parts which maintain the balance. Most of the Idaho veterans who now are asking for an opportunity to produce sugar beets have grown up in sugar-beet country. Many of them grew up on farms that had sugar-beet allotments. This has given the veterans an appreciation of the importance of maintaining the sugar program and the established industry. They would not destroy others, in order to gain a dubious advantage.

It is obvious that in order to provide for additional acres to be available for allocation to new domestic producers of sugar beets and sugar cane, it is necessary to provide a quota for marketing the sugar produced from the new acres. The quota for new producers can come from only three sources: First, existing quotas of other parts of the domestic sugar industry, including the established beet-sugar industry; second, the annual growth of the U.S. sugar market; or third, foreign quotas, including the quota which under normal circumstances would be allocated to Cuba, but which under today's circumstances rightly is forbidden to Cuba.

It would be unsound, unfair, and unjust to take away from the domestic producing industry any significant portion of its quota, in order to provide for the entry of new growers. The ones who now are producing sugar beets are the ones who have built the industry. Thousands of them have stayed by the industry through thick and thin. They have produced sugar beets and have kept the industry going when other farm crops were much more attractive and much more profitable to produce. Sugar beet prices have been relatively stable over the years. True, they have not

dropped as sharply or as fast as have the prices of some other major crops. But neither have they risen to the heights to which the prices of other farm crops have risen during some of the years in the 1940's. Yet thousands of farmers continued to produce sugar beets, when they could have made a great deal more money by shifting to the production of other crops. Advocates of expanding the beet sugar industry into new areas have expressly stated they would not want to cut back the existing industry and penalize the farmers who have built the industry—if that were the only way for new growers to get into the business.

The second alternative for getting quotas for new growers is to reserve for them some of the added acreage required to produce sugar to fill the annual increase in our market needs.

One year ago—in March of 1960—I proposed to a sugar bill then pending in the Senate—S. 3210—an amendment which would have provided in exactly that way some acreage for new producers. My amendment would have required that each year, Cuba's former share of the annual growth in our sugar market would have been allocated to domestic areas, and 40 percent of that amount would have been allocated to the domestic beet sugar area. In the allocation of increased acreage to fill that part of the quota, under my amendment, the Secretary of Agriculture would have been required to give preference to new and small growers. Thus, on a progressive basis, each year some additional acreage out of the natural growth in our sugar market would be available to help these new and small growers.

Because of the situation in regard to sugar legislation which prevailed during the last session, neither the Senate bill, S. 3120, nor any proposed amendments to that bill had an opportunity to reach the floor.

I realize that today my proposal of last year would appear modest indeed. The situation today is entirely changed. Because of the continued anti-American acts of the Castro government, Cuba has been denied her entire quota.

The mood of the Nation—and therefore of the Congress—has changed. A genuine recognition of the importance of the domestic sugar-producing industry and its need to expand into new areas is much more widespread than it was in March a year ago.

So in the present situation the only realistic alternative is to transfer some of the foreign quota to domestic areas; and the logical place to get it is from the quota that would have gone to Cuba if the Cuban Government had not embraced the Communists. Cuba's quota today, on an annual basis, would have been 3⅓ million tons, at the present level of consumption. I would not attempt to say, here and now, how much of that quota should be transferred to domestic areas. The details of a long-range sugar program cannot be written on the floor of the Congress. But the amount of the former Cuban quota that should be transferred to domestic areas ought to be substantial.

The experiences we have had with respect to Cuba during the past 2¼ years, since Castro came to power, have demonstrated that it is incontrovertibly in our national interest never again to rely on only one foreign nation for so large a portion of our sugar supplies—just as it would be in Cuba's interest not to rely on a single crop to support her economy. Similarly, in my view, we should not continue for long to rely on foreign nations generally for so large a portion of our sugar supplies as we do under the present law. There is nothing sacred about the 55–45 figure—the division of the market with 55 percent to domestic producers and 45 percent to foreign suppliers. In the interests of our national security, as well as in the interests of our Nation's farm economy, under any future long-range sugar legislation, domestic producers should be permitted to fill a larger percentage of our total sugar needs.

American sugar consumers are fortunate that the domestic areas most capable of the largest expansion are on this continent—where the flow of supplies is not endangered, in this era of world unrest and turbulence, by the ever-present threat to our sealanes. In anticipation of what is inevitably ahead, the raw cane-sugar producing industry of the South, particularly in Florida, is now building for greater production. New land is being drained for the planting of cane. No less than four new raw cane sugar mills are now under construction in Florida, and a new cane sugar refinery is underway in that State.

Tremendous scientific advancements in the production of sugar beets and in the processing of beet sugar have significantly increased the production capacity of the beet sugar industry over the past several years, and the technological advancements are still going on. Analysts of the Department of Agriculture have determined that during recent years the yield of refined sugar has increased an average of 100 pounds per acre per year. More than 2½ tons of sugar are now produced from each harvested acre of sugar beets, compared with less than two tons per acre when the Sugar Act of 1948 became effective. The developments now in the greenhouses of the plant scientists and on the drawing boards of the engineers promise that increased production, through technological advancements alone, will continue at a rapid rate in the future. Without adding 1 acre to the acreage to which the industry was restricted in 1960, and without building one new factory, there is every indication that the beet sugar industry will continue to increase its sugar production by 50,000 tons a year, every year.

What do these technological advancements mean in relation to pressure for increased beet-sugar quotas?

During the last 3 years, sharp and drastic acreage reductions in the sugar-beet States would have been necessary, in order to keep production in line with basic quotas, except for the misfortunes which occurred in our domestic offshore producing areas. A combination of adverse weather and lowering sugar content of the cane in Puerto Rico and the Virgin Islands reduced sugar production in those areas below their established quotas. A prolonged strike in the canefields of our 50th State, Hawaii, has had lasting effects on the sugar production there—so that Hawaii, also, has failed to meet its established quota.

Substantial amounts of these quota deficits have been added to the basic quota of the beet-sugar industry, and have forestalled the acreage reductions which otherwise would have been required. About 10 percent of the restricted sugar-beet acreage last year was used to fill the "deficits" in the Hawaiian, Puerto Rican, and Virgin Islands quotas. To prevent penalizing the beet-sugar industry for its own efficiency, any long-range legislation must write those deficits into the basic beet-sugar quota—for we must expect that the misfortunes which have plagued the offshore domestic areas will disappear, and that some day in the near future those areas again will produce their full allotments of sugar.

With production restricted by an acreage ceiling last year, the beet-sugar industry produced some 2,450,000 tons of sugar, an alltime record. This year, with some 100,000 additional acres being planted, beet-sugar production is expected to reach a level of between 2,600,000 tons and 2,700,000 tons. There is no question about the beet-sugar industry's great ability to produce. This ability will be increased still further, of course, by the addition of new producers and new areas.

If production ability were the only factor to be considered, Mr. President, the problem of providing elbow room for new producers would be materially simplified. But larger production raises serious marketing problems, in addition to the question of how large the beet-sugar quota should be, in a new long-range law.

Part of the complication is a matter of geography. Sugar beets are produced now in 22 States—from the Great Lakes region, on the east, through the Great Plains and the high plateaus of the Rocky Mountain States, on to the States on the Pacific coast. Most of the beet sugar produced in those States is marketed in those States. But a sizable quantity of cane sugar is also refined in some of this area. More sugar is produced and refined in these States than can currently be consumed there. So the market is pushed outward into certain fringe areas. Still, most of the beet sugar is marketed in 25 States of the West, Middle West, and Southwest. When the beet-sugar industry reaches for markets much beyond this broad areas, the cost of shipping soon eats up the profits. The hard economics of freight rates tend to keep the great bulk of beet-sugar sales in and close to this 25 State area.

That is not to say that sugar beets are the only source of the sugar sold in this area. On the contrary, only about half the sugar consumed in this area, as a whole, is cane sugar. The distribution varies among the individual States, of course. In some of the States, beet-sugar sales account for 80 to 90 percent, or more, of the total sugar

sold. In others, the percentage is much lower. The cane sugar sold in this area comes not only from the cane refineries located within it, but also from cane refineries located on the east coast and on the gulf coast.

The marketing picture is further complicated by the dispersion and decentralization of the beet-sugar industry. The beet-sugar industry is not a single entity. It is a complex that includes many thousands of individual farmers who contract to sell their sugar beets to more than a dozen separate processing companies. Each company competes vigorously in the selling of its sugar production, vieing for markets with the other beet-sugar companies, as well as with the cane-sugar refiners who sell in this area.

This highly competitive situation with respect to the beet-sugar companies is in contrast, for example, with the manner in which the 27 large plantations in Hawaii market their sugar. Most of Hawaii's million-ton production of cane sugar is marketed in refined form by a single seller, a huge refining cooperative on San Francisco Bay, which is owned entirely by the 27 large plantations—all but 1 are corporate plantations—which produce Hawaiian sugarcane.

Another large cane-sugar seller within the 25 State primary beet-sugar market is a cane-sugar refining company which has refineries on the east coast and on the gulf, and which alone sells about 2 million tons of sugar annually on the U.S. market—a volume which is about equivalent to the total marketings of the entire beet-sugar industry.

In addition to these dominant cane-sugar refiners, a number of smaller cane-sugar refiners sell in some of the same markets in which beet-sugar companies compete for the business.

Now, the present law has an interesting provision regarding the marketing of sugar. Whenever it appears to the Secretary of Agriculture that orderly marketing will be facilitated by doing so, he imposes marketing allotments on the individual beet sugar processing companies. Any company that sells a single pound of sugar more than its marketing allotment is subject to severe penalties. Such marketing allotments have been imposed in 5 of the last 6 years. In 1959, the allotments were finally lifted late in December, and in 1960 preliminary allotments were made but no final allotments were made. But no marketing allotments were imposed on any of the cane sugar refiners in any of the years.

In this year, the beet sugar industry will produce about a half million tons more sugar than it has ever marketed in a single calendar year. It remains to be seen whether, under the present marketing situation, anything like that production will be sold under conditions which can be described as orderly.

When long-range sugar legislation is written, I think the Congress should carefully consider whether the administrators of the Sugar Act have used the full power of the law with respect to the marketing of sugar. I think the Congress should discuss the language of the law with the administrators. It may be that the language should be strengthened so the Secretary of Agriculture may more easily limit the marketings of individual cane sugar refiners, as he now limits the marketing of individual beet sugar processors, or so that he may more easily channel raw sugar supplies to specific ports to provide for the most equitable distribution of available supplies.

The PRESIDING OFFICER (Mr. PELL in the chair). The time of the Senator has expired.

Mr. CURTIS. I yield 3 additional minutes to the Senator from Idaho.

Mr. CHURCH. I believe I can finish in 3 minutes.

I do not know the answers, Mr. President, but I do know that the marketing picture will be influenced markedly by the entrance of new growers in new producing areas. I mention the marketing situation and some of the marketing complexities that are involved for the same reason that I have discussed some of the other factors involved in this new grower problem. And that is to demonstrate that this is a complex problem, with many ramifications. It cannot be settled on the floor today, nor can it be settled quickly off the floor. It must be the subject of intense and extended study—with due attention paid to maintaining the equitable balances which have made the sugar program operate so well in the national interest.

Mr. President, as I have indicated earlier in this discussion, I am extremely interested in long-range sugar legislation in this session of Congress that will permit new producers to produce sugar for the American market, not only in Idaho but in other States where a benevolent nature has provided the climate and the soil, the sunshine and the water, to make production of sugar crops practical.

But I am extremely interested in long-range sugar legislation which will also preserve for our country the dependability of supply, the assurance of reasonable prices, the equity of treatment of all the diverse groups involved—which the sugar program has provided for more than a quarter of a century.

And so, Mr. President, faced as we are with the expiration of the sugar program at midnight tomorrow, I urge adoption of the 15-month bill which is now before us. That will give us the extra assurance that if the complexities of a comprehensive new sugar act cannot be solved before adjournment—although I am confident they can be—if events of the unforeseen and unforeseeable future prevent their solution before Congress adjourns this fall, we will still maintain the sugar program until the next session of Congress can complete the work on a new long-term sugar bill.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. CASE of South Dakota. Mr. President, will the Senator from Nebraska yield an additional minute?

Mr. CURTIS. I yield 1 additional minute.

Mr. CASE of South Dakota. I merely wish to identify my interest with that of the Senator from Idaho. I think he has made a splendid appraisal of the situation. We have an identity of interests since the Utah-Idaho Sugar Co. is the company which operates a sugar plant in South Dakota. It has facilities which will provide for the outlet of more sugar. It has this year been signing up additional acreage in eastern South Dakota.

As I understand, the extension of the Sugar Act will not affect one way or the other these new growers this year.

I see that the Senator is confirming my observations by nodding.

I hope the long-range solution to which the Senator has referred will be arrived at so that the new growers who are ideally situated and have the water to produce sugar beets can avail themselves of the opportunity and will have some assurance that they can continue to grow sugar beets in the future, rather than go back to corn or some other surplus production.

Mr. CHURCH. I thank the Senator.

Mr. CURTIS. Mr. President, I yield 5 minutes to the Senator from Oregon [Mr. MORSE].

Mr. MORSE. Mr. President, whenever I find myself on the other side of an issue from the Senator from Illinois [Mr. DOUGLAS], I am not sure I am right. On this occasion I wish to say there is a great deal of merit in the position taken by the Senator from Illinois, but I have concluded that the weight of the argument is against the proposal for which he has been so ably and valiantly standing in the debate.

My objections to it are as follows: First, as a member of the Foreign Relations Committee, and as chairman of the Subcommittee on Latin American Affairs, I am very much moved, and I am frank to say so, by the position taken by the State Department on this matter. I was in consultation with some of the State Department officials this morning, and they advised me that, in their opinion, the proposal of the Senator from Illinois would have detrimental effects on the United States-Latin America relations because of what they consider to be a discriminatory provision.

The provision that in reallocating Cuba's former quota on the basis that sugar would be obtained at world prices instead of the U.S. price paid for on foreign quota sugars might seriously damage our foreign relations with our Latin American neighbors.

The world price for sugar has been long recognized by the sugar trade throughout the world as a "dumping" or residual price. Since 1934 the U.S. market has been a premium market and, in fact, it was the intent of the legislation that suppliers to the U.S. market were included as beneficiaries of the legislation.

It would be unwise to take such a step at this time to reduce many of our foreign suppliers to a group of discriminatory suppliers, as would be the case where those foreign countries having basic quotas would receive full U.S. price, and then other suppliers making

up the deficit from Cuba would be reduced to second-class suppliers.

I recently introduced to the Senate a delegation from the Brazil Chamber of Deputies. There is not any doubt of the fact that a part of the allotment will go to Brazil, but it will be discriminatory against Brazil on the basis that she will be forced to sell to us at the world price, because Brazil is not the beneficiary of a quota.

We have, as we all know, a very delicate situation in trying to work out a program with Brazil in regard to helping that country develop its economic productive power.

I have heard also this morning from producers of our agricultural products which are in surplus, such as wheat, that there has been a movement for some time to seek to work out a trade arrangement with Brazil in regard to wheat exchanges for sugar. But if we adopt a program which means a reduced price for sugar to Brazil, it is going to produce that kind of complication in the economical field.

The State Department believes that such a discriminatory policy would injure our relations with South America. Over the past quarter of a century of sugar legislation, the act has worked reasonably well, primarily because the United States was considered a preferred market and in times of stress such as World War II, the Korean emergency, and the Suez crisis, the United States had no trouble obtaining sugar, even though world values were above U.S. prices. World production today is at high level. However, since Cuba has entered the Communist orbit, much of the world's surplus of sugar, which has been referred to, is under Communist control. Cuban production, at a 6-million-ton level, together with an increase in production in Communist areas, makes up a very sizable portion of the world's sugar supplies.

This is a most inopportune time to institute such an amendment, which could easily disrupt the movement of sugar to the U.S. market to supply the 10-million-ton quota for 1961. It is not an action to take hastily with no opportunity to be heard. The savings to the United States are based on an effort to obtain sugar at below cost of production, or at a "dumping" price. We are trying to do this under conditions which are sure to harm our foreign policy. This action would jeopardize an assured supply of sugar for the U.S. citizens. The action does not contemplate any change in price of sugar to consumers. In fact, I fear it is more likely to result in increased prices.

I close by saying, Mr. President, I, too, believe there is a need for a complete review of the whole sugar policy of the United States in connection with hearings on the new Sugar Act, but I do not feel we should take a course of action at this time which is bound to result in some negative reactions in Latin America.

The PRESIDING OFFICER. The time of the Senator from Oregon has expired.

Mr. MORSE. Will the Senator yield me 1 more minute?

Mr. DIRKSEN. I yield 1 more minute to the Senator from Oregon.

Mr. MORSE. I do not think we should take a course of action at this time which is bound to result in some negative reactions in Latin America, when what we are trying to do is to work out a foreign aid program with those countries.

Let us be frank. In a sense, if we maintain the price for those to whom we assign the Cuban quota, by not assigning them a quota at this time, we are participating in a form of foreign aid. I wonder if we would not get a better return from that kind of foreign aid, rather than to first arouse some irritations and antagonisms and then seek to supplement by entering into other foreign aid programs.

Because there is much merit in the Senator's argument, I reluctantly shall vote against the Douglas proposal.

The PRESIDING OFFICER. The time of the Senator from Oregon has expired.

The senior Senator from Illinois has 37 minutes remaining.

Mr. DOUGLAS. Mr. President, the facts are relatively simple. We formerly paid to Cuban producers and owners a subsidy of around 2½ cents a pound, about $60 a ton, for 3 million tons, or about $180 million a year. I think we did this in part because of the Spanish-American War, because of the fact that we had intervened twice under the Platt amendment, and were anxious to treat Cuba as well as we could.

When we were compelled to break relations with Castro and to shut off the importation of Cuban sugar, we created a problem as to who should get the big bonus which had previously been going to the producers and owners of Cuban sugar.

As we all know, the domestic producers of beet sugar would like to receive an allotment of approximately a million additional tons of high-cost sugar.

The State Department proposed to reallocate the 3 million tons to other countries, primarily to the Philippines, Mexico, the Dominican Republic, Peru, and certain other countries. Since then they have eliminated—I think wisely—the Dominican Republic.

The Senator from Louisiana [Mr. LONG] put his finger on one of the special features of this proposal this morning when he pointed out that the 3 million tons, in all probability, were already in storage from past crops which had been purchased at world prices of about 3 cents a pound, and that with passage of the House bill the owners of the sugar would get more than 5 cents a pound, an increase of two and a third cents per pound, $46 a ton for 3 million tons, or $138 million.

The permanent officials in the State Department can talk all they wish to about wanting to help the people of Latin America. The proposal which is before us is not a proposal to help the people of Latin America, it is a proposal to help the speculators in sugar and to help the large plantation interests which stand to benefit. It is foreign aid for millionaires, pure and simple.

The proposal which the Senate committee adopted unanimously and which the State Department is now trying to reverse is that the two and a third cents per pound, $46 per ton, or $138 million should go into the Treasury of the United States. It can then be used to help finance a genuine program of real foreign aid to Latin America, not for a small group of sugar speculators but for the people of Latin America, so that the aid program will really get to the people and not be confined to a wealthy few.

Furthermore, I wish to point out that the longer we continue this system the deeper the difficulties are in which we become involved.

The bill seeks to extend the act for 15 months. Do Senators expect that the big sugar producers and owners in Mexico, in the Philippines, in Peru and in other countries are going to let go when the 15 months have gone by? Those producers will try to hold on to what they have, because they will be netting $150 million or more a year so long as it is continued. They will buy sugar at the world prices and sell to us at the American prices.

Incidentally, it is going to be very difficult for us to give back to Cuba the quota of 3 million tons if and when Cuba once again becomes a democratic country friendly to the United States.

I do not pretend to be an expert on foreign policy. I can only say that the gentlemen in question in the State Department are in fact carryovers from the previous administration, permanent officials, and they have an entirely wrong idea of the way to build friendship. Their belief is that if we help the wealthy we help the people. I thought we had turned over a new leaf in that respect.

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mr. DOUGLAS. I am glad to yield.

Mr. LONG of Louisiana. The Senator knows, does he not, why the majority of the committee voted against letting all the Western States get quotas? Once those States got quotas, it would be difficult to take the quotas away from them.

Mr. DOUGLAS. The Senator is correct.

Mr. LONG of Louisiana. Let us consider the problem with respect to Mexico. Mexico has been getting a bonus of about $1 million a year as a premium price for selling sugar to the United States. Now, with the shift of the Cuban quota, Mexico will get a premium of $11 million. When we seek to take away the $11 million, in the event Cuba becomes friendly with the United States in the future, the same logic which causes us to keep the Western States out should cause us to consider the matter carefully before we assign the Cuban sugar to Mexico. If we try to take away $11 million from Mexico we are going to have a hard time taking it away.

I would be the first to say it is not the people who are getting the benefits, but certain businesses which are getting the benefit.

But other countries will have their Ambassadors here fighting for a quota, just as other countries are getting one. By the time they get through with their efforts, we will find it difficult to take the quota away from a country once we assign it to one at a premium price. They would take the attitude that we were being unfriendly and that they were entitled to the quota and everything under the sun. If we are not to give the quota to them, we had better think about it before assigning quotas.

Mr. DOUGLAS. I quite agree with the Senator from Louisiana, who has stated the point better than I. In addition, curiously enough, we would give to all countries the vested interest of maintaining Castro in power, so that Cuba would not get its quota back, and so that other countries could obtain the Cuban quota.

I am glad to yield 20 minutes to the junior Senator from Arkansas [Mr. FULBRIGHT], chairman of the Committee on Foreign Relations, who I believe knows more about Latin America than do some of the permanent officials in the State Department.

Mr. FULBRIGHT. Mr. President, I appreciate that compliment of the Senator from Illinois, though I think it is quite undeserved. But there are some facts in this case that I wish to present to the Senate.

Mr. BIBLE. Mr. President, will the Senator yield to me to suggest the absence of a quorum?

Mr. FULBRIGHT. I yield to the Senator from Nevada [Mr. BIBLE] for the purpose of a quorum call.

Mr. BIBLE. Mr. President, I suggest the absence of a quorum.

Mr. DOUGLAS. May I ask the Senator from Nevada that he request that the time required for the quorum call not be charged to either side?

Mr. BIBLE. I would be happy to do so, but the Senate is operating against a time limitation of 4 o'clock. I am making the suggestion in order to alert Senators, and I do not believe the call will require more than 30 seconds.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. FULBRIGHT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FULBRIGHT. Mr. President, I realize that the distinguished Senator from Illinois and others have presented most of the arguments, but I wish to have a few of the facts very clearly in mind.

Mr. President, when newspapers and commentators condemn agricultural subsidies and controls, they seldom mention the Sugar Act. Yet, the combination of quotas on imports, Government payments to growers, excise taxes, tariffs, and quota premiums cost the American taxpayer and consumer in the neighborhood of $600 to $700 million a year.

This huge figure is the cost to protect a domestic sugar industry which provides employment for only about 300,000 workers, a substantial number of whom are seasonally employed on the farm. Investments in the industry total $1,650 million, of which $750 million represents the farm investment utilized for sugar crops, and the remainder, investment in sugar factories and refineries. See page 7, "Special Study on Sugar," House Committee on Agriculture, February 14, 1961.

The annual cost of the sugar program, to taxpayers and consumers, is almost equal to the entire investment in sugar farming and is 36.36 percent of the total investment in the sugar industry. That is the annual cost of the subsidy.

While not precisely comparable, we can contrast this $600 to $700 million cost of the Sugar Act with the realized losses of the Commodity Credit Corporation for price support programs in fiscal 1960 for all so-called basic commodities. These realized losses in fiscal 1960 for corn, cotton—including the export differential—peanuts, rice, tobacco, and wheat, amounted to $545 million. For all price support programs, the realized losses were $795.5 million, so that sugar alone approximates all the basic crops in cost to the Treasury.

In order to emphasize the comparative treatment of sugar producers with other farmers, testimony in the hearings indicated that acreage devoted to sugar production had been allowed to increase from about 850,000 acres to 1,100,000 acres in 5 years. It would be interesting to know if any other commodity has had an increase in acreage in this period. In fact, most of them have been forced to decrease. While we spent $341 million in soil bank rental payments in calendar 1960, to retire farmlands from production, we were allowing increases in acreage to the most heavily subsidized of all commodities.

The "Special Study on Sugar," page 10, indicates the amount of the subsidy in a different way:

> If the 1959 return per unit to domestic growers were to be maintained while at the same time prices were to move toward the world level, a direct payment of about 3½ cents on each pound produced in the United State would be required in the absence of other protective devices.

The direct payment is now seven-tenths cent per pound, or about $70 million a year to domestic producers. I emphasize that that is only the direct payment.

Because of the decision to cut off imports of Cuban sugar last year, some domestic beet sugar producers and foreign countries are clamoring for an increase in their quotas. The domestic producers are anxious to strike while the iron is hot to obtain a greater share of a market which permits them to sell at prices which include about a 25-percent subsidy on sugar bought by the housewife, and about a 30- to 35-percent subsidy on sugar bought at wholesale.

Foreign producers are also anxious to fill the former Cuban quota at a quota premium which in November 1960, amounted to 2.37 cents per pound, or about 70 percent of the world market price, plus freight.

In spite of the Cuban situation, there are ample supplies of sugar on the world markets. The carryover at the end of 1958–59 was more than 4.7 million tons, and according to the "Special Study on Sugar" prepared for the House Committee on Agriculture:

> Indications are that total world stocks increased during the 1959–60 season * * *. The large 1960–61 world sugar production now forecast will result in a further accumulation of world stocks even though consumption will increase.

Also, according to the same report:

> It seems clear that from a supply viewpoint the U.S. economy could reasonably expect to fulfill its sugar requirements at significantly lower prices than have prevailed in the recent past.

In short, there is ample sugar available at prices considerably below those we need pay under the Sugar Act. There is even less necessity to buy more sugar from domestic producers at vastly higher prices.

The usual justification for the Sugar Act—if there is one—and the one that is emphasized, is that our national security requires the act; that is, there is danger of a short supply. This circumstance has occurred in wartime only in the last 50 years. There is no present danger of any short supply in the world.

For example, India, with which we have agreements providing for large quantities of agricultural commodities under Public Law 480, has a surplus of 960,000 tons of sugar. India has no preferential markets, and parts of the Russian and Chinese purchases of Cuban sugar are said to be finding their way into what would otherwise be India's market. This sugar could be provided to the United States as return cargoes in ships carrying our surplus agricultural commodities to that country. Twenty million Indians are said to be dependent on sugar production. That country is desperate for foreign exchange and her development activities are a subject of great interest to us for many reasons.

It is important to maintain, unimpaired by future commitments or the establishment of vested interests in it, the so-called Cuban quota.

When and if that unhappy country removes the shackles of Castro, it will be desperately in need of export markets. It will be to our interests, as well as to Cuba's, to resume a trade with Cuba which before Castro was an important market for the United States, particularly for its agricultural commodities.

In 1958 our exports to Cuba amounted to over half a billion dollars, and our imports from Cuba were slightly less. Cuba was dependent upon us to the extent of almost 70 percent of her exports.

Sugar, in 1958, accounted for 83 percent of Cuba's exports, virtually determining the extent of her export trade and, to a great extent, her economic well-being. In 1957, for example, exports accounted for over 30 percent of Cuba's gross national product.

In 1957, 1958, and 1959, Cuba ranked seventh or eighth in order of importance as a market for U.S. exports.

In these years, she imported from the United States between $36 and $40 million worth of rice, $7 to $10 million worth

of wheat, $6 to $9 million worth of wheat flour. In textile fibers and manufactured textiles, she imported between $40 and $50 million worth of these products. She imported from $20 to $25 million worth of lard.

She was a very important purchaser of U.S. machinery, importing in 1957, $126 million worth. In the same year, she imported $62.9 million worth of vehicles, $56.8 million worth of metals and manufactures, $53 million worth of mechanical and related products.

These are all U.S. exports to a market that is, for the most part, now lost to us.

More important, of course, in terms of our national security is the friendship of the Cuban people and their economic well-being. It is for these reasons that it is of great importance to the United States that the so-called Cuban quota remain as free as possible from the danger of domestic and foreign producers acquiring permanent interests in it.

The Finance Committee accepted an amendment introduced by the Senator from Illinois for himself and me, which gives the United States the right to buy the Cuban quota under such arrangements as the President deems proper but which would provide that the quota premium of approximately 2.3 cents per pound be paid into the Treasury of the United States instead of to the foreign producers. It is estimated that this would net the U.S. Treasury approximately $140 million a year, on the basis of imports of 3 million tons.

As I have indicated, there are ample sugar supplies on the world market.

There is precedent for this arrangement. An order issued in September 1960 for the importation of sugar from the Dominican Republic, as its share of purchases made to replace Cuban sugar, included a special provision for a fee of 2 cents a pound, the differential between the U.S. price and the world price.

The object was to insure that Dominican producers did not benefit from the higher U.S. price, but sold to the United States at the world price. This 2-cent fee is collected from the U.S. importer by the Department of Agriculture at the time the certification for the import is issued. The U.S. importer was thus rendered unable, or unwilling, to pay the Dominican exporter more than the world price.

The effect of this fee was to transfer the differential between the world price and the U.S. price from the Dominican sugar producers to the U.S. Treasury. The Dominican entitlement of purchases to replace Cuban sugar amounted to 322,000 tons. Two cents a pound times 322,000 tons equals $12,880,000.

I think the quota premium is wholly unjustified. According to the Senator from New Mexico [Mr. Anderson], who was Secretary of Agriculture at the time of the 1948 Sugar Act, the quota premium arose out of special circumstances following the war and the reasons were applicable to Cuba who supplied practically all our imports of sugar at that time. There appears to have been no good reason why the quota premium should have been extended to other countries who later began to supply some sugar to the U.S. market.

In my own opinion, in addition to our experience during the war, when Cuba supplied our needs, there is the further sentimental attachment to Cuba growing out of the Spanish-American War and a feeling of responsibility for that community, which does not apply to any of the other countries which are now clamoring for the same special treatment that we gave Cuba.

When witnesses for the Department of State were interrogated at the Finance Committee hearings on the Douglas proposal, they objected largely on the grounds that it would result in paying different prices for sugar within different countries and between different countries. This does not seem particularly convincing to me. The countries having quotas at the premium price do so for historical reasons. There is no good reason why, because of the Cuban situation, they should profit. Furthermore, it seems to me that it is not at all in accord with our hopes for the Cuban future that these countries acquire a premium interest in Castro's remaining in control of Cuba. This is the result of their continuing ability to sell sugar to the United States at premium prices. It occurs to me there will be much less concern about bringing about the change in the Cuban Government as long as this situation continues. As I have indicated, they acquire by this means a vested interest in Castro's continued control of Cuba.

It is true that one of the results of the amendment will be that some poor underdeveloped countries will receive fewer dollars than they would if the United States bought their sugar at the quota premium. It is not at all clear, however, that the quota premium goes entirely to those countries. Some of it may go to the importer, or speculator, depending upon how much he paid for the sugar. Some of it may go to third parties who have purchased the sugar at world market prices. Some of it may go to absentee landlords who own sugar plantations. From my general knowledge of the sugar industry in producing countries, I think it is highly doubtful that much of it trickles down to the sugar workers.

Since I have been a Senator I have had a reputation of favoring foreign aid. But I am not in favor of unplanned, trickle-down, give-away, foreign-aid programs, which this would be.

As the President indicated in his foreign-aid message, it is essential that foreign-aid programs be put on the basis of long-term planning and financing, the only way to make meaningful and economical commitments.

As he also said, we should give special attention to those nations most willing and able to mobilize their own resources, make necessary social and economic reforms, engage in long-range planning, and make the other efforts necessary if these are to reach the stage of self-sustaining growth.

Foreign aid in the guise of premiums for sugar production is not conducive to this result; nor relevant to the principles enunciated by the President with regard to our foreign aid program in Latin America.

One of the essential reforms, particularly necessary in South America, and probably in almost all sugar-producing countries, is land reform. If any activity inhibits this highly essential development, it is sugar production. To encourage the continuation of expansion of sugar production on its present basis would not be consistent with the long-term objectives of the President's Latin American program.

Yet, if we continue to provide premium prices for the purchase of sugar, especially at a time when it is in oversupply, we provide incentives to the maintenance of this very system.

I do not contend that the amendment solves all these problems about which I have spoken. However, it is a step in the right direction and eliminates some of the incentives and some of the dangers of vested interests in continuation of the present situation.

The whole Sugar Act needs to be reexamined afresh. The systems built into it of disguised subsidies to domestic and foreign sources, of controls and artificial incentives, ought to be torn down and replaced by a more rational system.

For example, I am not at all certain that sugar need be given such special extraordinary protection as the act provides. I should like to examine the possibility of treating domestic sugar production in the same general way as other farm commodities are treated. Certainly, I see no reason why such uneconomic production must, for the very reason that it is uneconomic, be allowed to expand while other farmers are being required to cut back.

I hope the House Agriculture Committee and the Senate Finance Committee will carefully consider all these questions and I also sincerely hope that the State Department will reexamine the effect of our sugar legislation on the economies of sugar-producing countries throughout the world.

As has been announced, the Committee on Finance voted for the amendment unanimously.

I have received a letter from the Acting Secretary of State in opposition to the amendment, which I ask unanimous consent to insert in the RECORD at this point.

I find this letter quite unimpressive in its arguments against the amendment, for reasons which I have stated previously. The arguments are directed entirely at the short-term and wholly ignore the long-term consequences of the sugar-producing countries acquiring a vested interest in the Cuban quota.

The letter states that these countries would regard such action as inconsistent with the Alliance for Progress recently proposed by the President.

On the contrary, I think that if these countries take seriously the obligations which they would be required to undertake under the Alliance for Progress, they would not find the amendment inconsistent. They would agree that their obligations to undertake internal reforms is inconsistent with subsidies and incentives to increase sugar production.

The letter also argues that the nonquota countries will find it difficult to understand why they receive a price

lower than others, including domestic producers. I believe this can be explained. There is no good reason, in my opinion, why these countries should profit by virtue of the tragic Cuban situation. And it is neither to their interests, nor ours, that this be continued any longer than necessary.

This amendment does not hurt anyone. No one is worse off because he doesn't get something he only hoped to get, and had no right to.

As to the foreign exchange which, it is claimed, the sugar-producing countries receive under the quota premium, it would be interesting really to find out how much actually goes into these countries. How much, for example, would go to the big operators and speculators who keep their profits in Swiss bank accounts or in New York banks, for that matter, where gold and dollar earnings are often held?

I greatly doubt that much of the quota premium ever reaches the country where the sugar originates. The chronic shortage of capital in the sugar-producing countries would indicate this is to be the case.

I ask unanimous consent to have printed in the RECORD at this point a copy of the letter I received from the Acting Secretary of State.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MARCH 29, 1961.

The Honorable J. W. FULBRIGHT,
U.S. Senate.

DEAR SENATOR FULBRIGHT: A legislative requirement that the United States pay the world, rather than the higher United States, price for sugar acquired under a reallocation of the Cuban quota would, in my opinion, be harmful to the national interest.

A large part of the sugar needed to replace Cuban supplies would be purchased in Latin America. I am confident that nonquota countries in Latin America which are in need of foreign exchange to finance their economic and social development would find it difficult to understand why they receive a price substantially inferior to the price received by the domestic industry, formerly received by Cuba and currently received by other countries which have basic quotas under the Sugar Act. These countries would regard such action as inconsistent with the Alliance for Progress recently proposed by the President.

I hope that this change in the long-term sugar policy will not be made at this time, but considered when the Congress takes up long-range revisions of the Sugar Act.

With my warmest regards,

Sincerely,

———,
Acting Secretary.

Mr. FULBRIGHT. Senators might ask why I take this position with regard to the State Department. I believe it can be explained briefly in this way: The amendment was voted on in committee only yesterday, although we have had the executive action last year with respect to the Dominican Republic, which did the same thing and resulted in $12 million-plus being paid into the Treasury. If the amendment is adopted, it will develop about $140 million for the Treasury. I believe the State Department did not have adequate time to consider the full implications of the amendment. We all know that not only bureaucrats but also Senators are inclined to follow the approved practice. It is easier to follow a practice which will avoid complaints from the prospective beneficiaries in connection with the distribution of the quota. In the letter, the State Department does not make any valid substantive argument against the merits of the amendment. I believe the committee had before it the arguments of the Senator from Illinois and the background of the sugar issue as it has developed from year to year. I believe this is a superficial judgment on the part of the Secretary of State on the merits of the amendment. I hope the Senate will adopt the amendment.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. MORSE. I wish to ask some questions of the Senator from Arkansas or the Senator from Illinois, because I have been greatly impressed by what they have said this afternoon, as I have also been impressed by the statement of the Senator from Idaho [Mr. CHURCH].

As I understand, the quantity of sugar involved, so far as the application of the amendment is concerned, is sugar which is already in storage and is owned, for the most part, by sugar speculators or sugar houses who have bought it up, and is not really owned by the original producers. Is that correct?

Mr. FULBRIGHT. It is estimated that there is a carryover of 4½ million tons of sugar, and that there are 10 million tons available as of this year, above normal requirements.

Mr. MORSE. So that, contemplating consideration of a new Sugar Act within 15 months, we are actually dealing now not with a quantity of sugar in futuro, but sugar now in storage. Is that correct?

Mr. FULBRIGHT. That is correct.

Mr. MORSE. Then I will engage in a luxury in which a politician is not supposed to engage, namely, the luxury of changing his mind when convincing arguments have been submitted against his position. On the basis of the argument I have heard this afternoon, I shall vote in favor of the Douglas amendment.

Mr. FULBRIGHT. I am happy indeed to have the support of the Senator from Oregon.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. CARROLL. I have been impressed with the statement by the able Senator from Arkansas. Some of us voted against the Sugar Act which we passed last year because we felt it did not give the President enough flexible authority. It is my understanding that under the act we passed last year the President has authority to determine whether or not a premium price or, a world price, will be paid to foreign countries on the reallocated Cuban quota. Furthermore it is my understanding that insofar as the Dominican Republic was concerned the President fixed the price at world price level.

Mr. FULBRIGHT. That is correct.

Mr. CARROLL. The other quotas which were allocated were based on the premium price.

Mr. FULBRIGHT. That is correct.

Mr. CARROLL. Is there anything in the bill which would prevent the present President, if he sought to do so, to use this amendment to obtain the same flexibility that he had when he fixed the price to the Dominican Republic at the world price level?

Mr. FULBRIGHT. I do not believe it imposes upon him any further restrictions, other than the amendment of the Senator from Illinois. This merely provides that he shall apply to all those taking a part of the Cuban quota the same principles which apply to the Dominican quota. In other words, it will result in about $145 million being paid into the Federal Treasury which otherwise might not have been gotten under the quota.

Mr. CARROLL. If we adopt the Douglas amendment, are we not really setting a policy which tells the President that he shall only pay the world price, not the premium price?

Mr. FULBRIGHT. To those who acquire a share of the Cuban quota; that is correct.

Mr. CARROLL. It would then be different from the bill we passed last year?

Mr. FULBRIGHT. That is correct.

Mr. President, all of us are interested in agriculture—certainly most of us who are here today. I still do not understand, in view of the way this particular industry is treated, compared with all the basic crops—wheat and corn, which interest so many persons, cotton, peanuts, and down the line—I am unable to justify the highly discriminatory action in favor of the sugar industry. I simply think we ought to ponder that question a little.

We take criticism, in connection with the basic crops, for what is called—I do not say so, but what is referred to in the urban areas as—a wasteful program. Yet the total cost of those programs is only about as much as the sugar program alone costs.

I do not understand why all of us from the agricultural-producing States do not take the trouble to inquire into this and see why sugar should not be placed on the same basis as all other crops comprised in the support program.

Mr. DOUGLAS. Mr. President, I yield 2 minutes to the distinguished Senator from Louisiana.

Mr. LONG of Louisiana. Mr. President, I regret to have a difference of opinion with my senior colleague (Mr. ELLENDER) about this matter. However, I have heard it said that if two people in business always agree, one of them is not needed. I was one of several Senators who withheld his vote on the amendment when it came to a vote in the Committee on Finance, because I was somewhat fearful that there was a possibility that the bill would be tied up in conference, and I knew there was a need to extend the Sugar Act. However, it was the unanimous view of those who voted that the amendment should be added to the act.

I believe the amendment contains merit. If it shall be agreed to, and it

goes to conference, if I were one of the conferees I would certainly feel that if the President is firmly committed to give the foreign countries the advantages which are in the act which passed the House, and if commitments had been made to those foreign countries, we would be more or less required to accede to the President's position.

On the other hand, if this is simply the judgment of a lesser functionary in the State Department—an Under Secretary of State or someone of that rank—strongly supported by some of the ablest lobbies in Washington, representing countries and producers who wish to have these large increases in quotas, and perhaps some American companies which might profit very greatly from the large increases in quotas to certain countries at premium prices, then I feel the conferees should exercise their own opinions.

This is a 15-month bill. We are talking about $150 million in premium prices to be paid to people who have $300 million worth of sugar. In other words, we are talking about buying from these countries $300 million worth of sugar for $150 million extra. Much of this sugar has already been produced and is now in the hands of private sugar operators who produce the sugar in those countries. That which has not been produced is already in the ground and will come up this year. It has been planted on the assumption that those people would get 3 cents; instead, they would get about 5 cents. It will mean that in the case of a great number of countries, the sales to this country will be increased tenfold over that which they sold in years gone by at a great profit.

Mr. President, this would not be the kind of foreign aid which would benefit most of the people in those countries. Once again it would be the kind of foreign aid about which I have complained, because it would be an unexpected windfall into the hands of a very small number of people, but would provide no great benefit to the majority of the people.

I would be willing to vote $500 million for Latin America and an additional $150 million on top of that, if that were a part of a well-organized plan; but I do not see that it would do any good in this particular fashion.

Mr. MANSFIELD. Mr. President, will the distinguished Senator from Illinois yield me time?

Mr. DOUGLAS. I yield the remaining time to the distinguished majority leader.

Mr. MANSFIELD. Mr. President, I am advised by White House representatives that the President regards as most important that there be no sudden break in the established sugar policies, as would be the case if the proposed extension were not to become law by March 31. In other words, the present Sugar Act has until midnight Friday in which to live. If it is not continued by that time, the act will expire automatically.

There is every reason to believe that the extension will not become law by that date unless this amendment is deleted in the Senate.

I realize that what we do in the Senate is our business, and that whatever the House wants to do is its business. However, I think a fact of this nature ought to be brought before the Senate for its consideration.

I do not wish to argue the merits of the amendment offered and accepted in committee by the distinguished Senator from Illinois. There may be much merit in what he suggests, and I suspect that there is, but I would hope that his proposal would be more carefully considered than it has been up to this time, when the entire policy is reviewed later in the spring.

It is my understanding that the chairman of the House Committee on Agriculture, Representative COOLEY, has made a definite commitment that hearings will be held in May on a long-range sugar program. It is my further understanding that the Committee on Finance, under the chairmanship of the distinguished Senator from Virginia [Mr. BYRD], will, as soon thereafter as the House completes its hearings, undertake to hold hearings in the Senate committee. It is my further understanding that one of the subjects to be discussed in both hearings will be the proposal made by the Senator from Illinois which was adopted in the Committee on Finance yesterday.

But I must question the timeliness and abruptness of this amendment, in view of its implications for inter-American relations, and in view of the President's desire to have no sharp break in sugar policy on March 31, a break which will be conducive to chaos and grave difficulties in our relations with many Latin American nations.

Once again, I emphasize my hope that the principle embodied in the Douglas amendment will receive every consideration in the impending general review of sugar policy and in subsequent legislation. But at this time, and in the present circumstances, I most respectfully urge that the Senate drop the amendment from the pending bill.

Not only must we keep in mind the question of the expiration of the present act; not only must we keep in mind the question of damage which may be done to our foreign policy; but we must also consider the adamant position of the House against this proposal.

The fact is that the administration wants to have the act extended at the conclusion of the present act on midnight, Friday, March 31.

We have assurances that hearings in both the House and Senate committees will be held to consider this and other pertinent subjects. Certainly, in view of the definite statement enunciated, I most strongly urge Senators to vote against the Douglas proposal and in favor of the proposal by the distinguished senior Senator from Louisiana.

Mr. PASTORE. Mr. President, will the Senator from Montana yield?

Mr. MANSFIELD. I yield.

Mr. PASTORE. The senior Senator from Rhode Island came to the Chamber determined to vote for the Douglas amendment, because he believes in its merits. But do I correctly understand categorically from the majority leader at this time that it is the desire of the President of the United States that the Douglas amendment not be enacted?

Mr. MANSFIELD. It is the desire of the administration, which I assume includes the President, that the Douglas proposal not be enacted at this time. It is the understanding—I wish to repeat—that in the hearings which will be held in May by the House Committee on Agriculture, and later by the Senate Committee on Finance, this matter and other matters related thereto will be considered.

Mr. ANDERSON. Mr. President, will the Senator from Montana yield?

Mr. MANSFIELD. I yield.

Mr. ANDERSON. Does the majority leader, in making his recommendation, realize that he is making it completely contrary to the unanimous vote of the Finance Committee?

Mr. MANSFIELD. Yes, I am aware of that fact.

Mr. ANDERSON. On what basis does the Senator do it?

Mr. MANSFIELD. But when there is talk about the unanimous vote of the Finance Committee, I should like to point out that there are 17 members of that committee; 11 were present; 2 abstained; and 9 voted in favor of the Douglas proposal.

Mr. FULBRIGHT. Mr. President, will the Senator from Montana yield to me?

Mr. MANSFIELD. I yield.

Mr. FULBRIGHT. With regard to the administration, the Senator from Rhode Island asked whether the President took the position he has mentioned. Let me say that the letter from Chester Bowles was sent to me. The amendment was adopted yesterday. The letter was not signed by the President. Of course, I cannot speak for what went on in the Department; but we know that last year similar action was taken with regard to the Dominican Republic, and resulted in having about $12 million go into the Treasury; 2 cents a pound on the quota. In that sense, this action is not a complete break with the past.

I, myself, doubt that the President has been able to give any consideration to this amendment.

Mr. ANDERSON. That is why I wondered about this proposal. The White House did the same thing that the Senator from Illinois suggests. So how does the Senator know that the White House has changed its position or that President Kennedy does not believe in doing the same thing President Eisenhower did?

This testimony by the majority leader is astonishing. President Eisenhower did exactly this in regard to the price paid to the Dominican Republic.

The PRESIDING OFFICER. The hour of 4 o'clock has arrived; and, under the order which has been entered, further debate is not in order.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that the time available for debate be extended 1 minute.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. DIRKSEN. I wish to correct the record: On the night of September 1,

at midnight, I handled the sugar bill on this side of the aisle. This question of a fee never arose, and no such provision was included in the bill. In that connection, it is only necessary to examine the RECORD, from which it will be found that we never discussed that aspect of the matter.

The only question involved at that time was the giving to the President of flexible authority, in the national interest, to bypass the Dominican Republic, to be able to dispose of the excess sugar we lopped off the Cuban quota. And that is the record.

Mr. ANDERSON. Mr. President, let us keep this record a little straight.

The PRESIDING OFFICER. The additional time available for debate has expired.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the time available for debate be extended—for the last time, I hope—for 3 additional minutes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. MANSFIELD. I yield now to the Senator from New Mexico.

Mr. ANDERSON. Let me say that the Senator from Illinois, the Senator from Louisiana, and other Senators were present when Larry Myers, the head of the sugar branch, said the Dominican Republic sugar was handled in exactly this fashion.

Does the Senator from Illinois agree?

Mr. DOUGLAS. That is correct.

Mr. ANDERSON. So the fact is that we handled the Dominican Republic sugar by cutting off this premium.

Now the Senator proposes it; but no one proposed it in the Finance Committee. It took a long time to take action to remedy what obviously is an injustice to the American people—a loss to the Treasury of $150 million, for the benefit of the sugar lobby.

Mr. MANSFIELD. Mr. President, I must interrupt. I do not like to be associated with the sugar lobby, because I am not associated with a sugar lobby. I am trying to do the best I can for what I think is the administration's point of view; and if there are sugar lobbyists or if there are sugar speculators, they should be identified, for all to see.

But let me say, in regard to my position and that of other Senators who are associated with me on this particular matter, that we are not associated with any sugar lobby or with any group of speculators; and I want that fact stated for the RECORD.

Mr. ANDERSON. Who made the money from this transaction? Did the Federal Government make it? The Senator from Illinois, the Senator from Louisiana, and all the rest of us know that it did not go to the Dominican Republic. It went into the Treasury of the United States.

Mr. HUMPHREY. Mr. President, will the Senator from Montana yield to me?

Mr. MANSFIELD. I yield.

Mr. HUMPHREY. Let us set the record straight. In the administration there was a division on this proposition. But now that division has been reconciled. I know that, because I was in on the discussions.

The White House wants this committee amendment defeated; and I wish to say that I am sympathetic with the view of the White House in that connection.

The White House wants this committee amendment defeated because we are in a critical situation with our Latin American neighbors, and the foreign policy requirements overcome the Treasury's requirements.

Certainly it is time for us to put the foreign policy requirements ahead of the requirements of the Treasury.

That is not to say that we shall not have an opportunity to review this situation. But there was no official testimony from the administration on this matter. The Department of Agriculture has one point of view, but the State Department has another point of view. However, that division has now been reconciled at the White House. Mr. Kennedy is in charge of the White House; for a change, we have someone who is running the White House. And this is the administration's point of view.

Mr. DIRKSEN. Mr. President, will the Senator from Montana yield?

Mr. MANSFIELD. I yield.

Mr. FULBRIGHT. Mr. President, I demand the regular order.

The PRESIDING OFFICER. All time available for debate has expired, and the regular order is demanded.

Mr. FULBRIGHT. Let us proceed to vote.

Mr. DOUGLAS. Mr. President, I rise to a parliamentary inquiry.

Mr. MANSFIELD. Mr. President, I believe we should request the ordering of the yeas and nays on this question.

Mr. DIRKSEN. Yes, Mr. President; and I ask for the yeas and nays.

The PRESIDING OFFICER. On this question, the yeas and nays are requested. Is there a sufficient second?

The yeas and nays were ordered.

Mr. DIRKSEN. Mr. President, will the Chair state the pending question?

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Louisiana to strike out section 4.

Mr. DIRKSEN. As I understand, the motion or the amendment at the desk has been offered by the distinguished Senator from Louisiana [Mr. ELLENDER]; and his amendment would strike the Douglas amendment from the bill.

The PRESIDING OFFICER. That is correct.

On this question the yeas and nays have been ordered; and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MONRONEY (when his name was called). On this vote I have a live pair with the Senator from New Mexico [Mr. CHAVEZ], who is unavoidably absent. If he were present and voting, he would vote "yea." If I were permitted to vote, I would vote "nay." Therefore, I withhold my vote.

Mr. KERR (when his name was called). On this vote I have a pair with the Senator from Oregon [Mrs. NEUBERGER]. If she were present, she would vote "yea." If I were permitted to vote, I would vote "nay." Therefore, I withhold my vote.

The rollcall was concluded.

Mr. HUMPHREY. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Tennessee [Mr. GORE], the Senator from Indiana [Mr. HARTKE], and the Senator from Oregon [Mrs. NEUBERGER] are absent on official business.

I also announce that the Senator from Minnesota [Mr. MCCARTHY] is absent because of illness.

I further announce that the Senator from Texas [Mr. BLAKLEY] is necessarily absent.

I further announce that, if present and voting, the Senator from Texas [Mr. BLAKLEY] would vote "nay."

Mr. KUCHEL. I announce that the Senator from Maryland [Mr. BUTLER], the Senator from New Jersey [Mr. CASE], and the Senator from Arizona [Mr. GOLDWATER] are necessarily absent.

The result was announced—yeas 55, nays 34, as follows:

[No. 25]

YEAS—55

Aiken	Gruening	Metcalf
Allott	Hart	Miller
Beall	Hayden	Morton
Bennett	Hickenlooper	Pastore
Burdick	Hickey	Pell
Bush	Hill	Prouty
Byrd, W. Va.	Holland	Randolph
Cannon	Hruska	Robertson
Capehart	Humphrey	Saltonstall
Carroll	Jackson	Smathers
Cooper	Jordan	Smith, Mass.
Dirksen	Kefauver	Smith, Maine
Dodd	Kuchel	Sparkman
Dworshak	Long, Hawaii	Stennis
Eastland	Magnuson	Wiley
Ellender	Mansfield	Williams, N.J.
Engle	McClellan	Young, N. Dak.
Ervin	McGee	
Fong	McNamara	

NAYS—34

Anderson	Douglas	Proxmire
Bartlett	Fulbright	Russell
Bible	Javits	Schoeppel
Boggs	Johnston	Scott
Bridges	Keating	Symington
Byrd, Va.	Lausche	Talmadge
Carlson	Long, Mo.	Thurmond
Case, S. Dak.	Long, La.	Williams, Del.
Church	Morse	Yarborough
Clark	Moss	Young, Ohio
Cotton	Mundt	
Curtis	Muskie	

NOT VOTING—11

Blakley	Goldwater	McCarthy
Butler	Gore	Monroney
Case, N.J.	Hartke	Neuberger
Chavez	Kerr	

So Mr. ELLENDER's motion to strike was agreed to.

Mr. ELLENDER. Mr. President, I move to reconsider the vote by which the motion to strike was agreed to.

Mr. HUMPHREY. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Minnesota to lay on the table the motion of the Senator from Louisiana.

The motion to lay on the table was agreed to.

Mr. ANDERSON. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

Mr. PASTORE. Mr. President, may we have order in the Chamber?

The PRESIDING OFFICER. The Senate will be in order. The Senator from New Mexico is recognized.

Mr. ANDERSON. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

Mr. MANSFIELD. Mr. President, will the Senator yield before he offers his amendment?

Mr. ANDERSON. I yield.

Mr. MANSFIELD. Under the unanimous-consent agreement entered into, it was thought we would finish consideration of the Ellender motion by 4 o'clock. It is now 4:25 p.m. It has been previously agreed that there will be a vote on the Anderson amendment at 5 o'clock If the Senator desires, I think we should have at least 1 hour on his amendment, the time to be divided equally.

Mr. ANDERSON. I thank the distinguished majority leader, but I shall be very happy to have the schedule of time adhered to, and to vote at 5 o'clock.

Mr. DIRKSEN. Some Senators on this side of the aisle desire time. I ask the Senator from Nebraska whether he would like some time.

Mr. CURTIS. Yes.

Mr. ALLOTT. Mr. President, I should like to have some time.

Mr. DIRKSEN. I hope the Senator will entertain a request that there be 1 hour on the amendment, with the time to be equally divided. We probably will not use all the time.

Mr. President, I ask unanimous consent that on the Anderson amendment the time be limited to 1 hour, under the usual conditions of germaneness of other amendments and so forth, with the time to be equally divided, one-half the time to be controlled by the mover of the amendment and one-half the time to be controlled by the minority leader.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Illinois? The Chair hears none, and it is so ordered.

The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. At the end of the bill it is proposed to insert the following new section:

SEC. —. (a) The proviso preceding subparagraph (1) of section 408(b)(2) of the Sugar Act of 1948, as amended, is amended to read as follows: "*Provided, however,* That such quantity shall first be allocated to domestic areas and any part of such allocation that domestic areas are unable to fill shall be apportioned in raw sugar as follows:"

(b) Section 302(b) of the Sugar Act of 1948 is amended by inserting immediately after the first sentence thereof the following: "Whenever the Secretary establishes restrictive proportionate shares for farms pursuant to this section, he shall, insofar as practicable, protect the interests of new and potential producers of sugar beets in states, counties or parts thereof that have no acreage allotments, as well as new growers in old areas, under this Act."

Mr. ANDERSON. Mr. President, the amendment was offered for myself and Senators HAYDEN, CHAVEZ, KERR, YARBOROUGH, BIBLE, BLAKLEY, and CURTIS. Other Senators who have asked to be named as cosponsors are Senators JACKSON, MAGNUSON, RANDOLPH, CANNON, BURDICK, and MONRONEY.

Mr. CASE of South Dakota. Mr. President, will the Senator yield for a question?

Mr. ANDERSON. I yield to the Senator from South Dakota for a question.

Mr. CASE of South Dakota. I raise the question so that the Senator's amendment will not be misinterpreted. The impression might be that the Senator's amendment would extend whatever protection there is for new growers to certain States, including the States of New Mexico, Arizona, and perhaps Texas.

Mr. ANDERSON. That is not a correct interpretation. I have discussed this situation many times with the able Senator from Nebraska [Mr. CURTIS]. The Senator and I discussed it in the committee the other day. It was our desire to see that some areas in some old States and in some new States might be recognized. The language is not restricted to any small group of States.

Mr. CASE of South Dakota. I thank the Senator for his comment. I think it would not be good legislation to say we would do something for only two or three States. It should be general legislation, and whatever States can qualify under the general principle should have an opportunity to do so.

Mr. ANDERSON. I thank my longtime friend from South Dakota. I say to the Senator, there was a story in the newspapers which stated or implied that the amendment I presented would apply to only five States. It would apply to every State. We specifically singled out certain States because we were talking about a sugar mill in an area which did not have a sugar mill. This amendment has been worked out with Senators who wished to make sure that the quota might be made available to all States.

Mr. President, I propose an amendment to H.R. 5463, which would, in effect, first allocate the Cuban sugar quota to domestic areas and which would provide that any part of such allocation the domestic areas are unable to fill shall be apportioned in accordance with section 408(b)(2)(i)(ii)(iii) of the present act.

The intent of the amendment is to make certain that the domestic growers in the continental United States shall be permitted to grow at least a part of the sugar which was formerly supplied by Cuba.

Section (b) of my amendment is intended to assure fair treatment to the beet sugar growers both old and new, in both the old and the new areas, should acreage restrictions be reimposed.

I realize that there are no acreage restrictions in effect now and that domestic growers may plant any amount of sugarcane or sugarbeets they desire to plant. Under these circumstances, it is difficult to legislate in regard to distribution of sugar quotas and acreage allotments among domestic growing areas should restrictions be reimposed. The proposal before us would extend the present law over two planting seasons. In view of the Cuban situation, it does not seem likely that, within the time of this extension, quotas would be restored to Cuba, nor is it likely that acreage restrictions would be reimposed on domestic growers.

If it should become necessary to reimpose acreage restrictions, section (b) of my amendment would show some congressional intent in regrd to acreage allotments. I would hope the Secretary of Agriculture would seek some guidance from Congress or in some way make sure that new growers in new and old areas are given the same treatment as old growers and old areas.

This problem received a great deal of attention in the Finance Committee. I realize that it is impossible in a temporary bill to answer all questions anyone might have. This measure was merely an attempt to say that when we reallocate the Cuban acreage, we shall take into consideration the needs of those parts of the United States which have long been seeking additional acreage.

The able Senator from North Dakota [Mr. YOUNG], whose views on agricultural policies have been before the Congress many times, and whose fidelity to the farmers of his section have never been questioned by anyone, because he stands up and fights for them unceasingly, came before the committee and pointed out that the farmers in the Red River Valley could use three times the acreage they now have.

The way the law is now operating, the Cuban sugar quota must be allocated under an allotment to certain nations first, and if there is any allotment remaining after all other areas that are not traditionally sugar producers, in large extent, are taken care of, then an acre or two might be allotted to the farmers of North Dakota. I do not think that is right.

Mr. YOUNG of North Dakota. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. YOUNG of North Dakota. I deeply appreciate the comments of the distinguished Senator from New Mexico, who formerly was Secretary of Agriculture and worked hard and effectively for the farmers of this Nation. I join in support of his amendment. It seems to me that this amendment would provide the only means producers of this Nation could receive recognition. Our producers are entitled to additional acreage. We can and do produce sugar at a reasonable price.

Mr. ANDERSON. A short time ago we were discussing the possibility of substantially increasing the sugar acreage, and some who are connected with the sugar industry pointed out that the Red River Valley, both in Minnesota and in North Dakota, was one of the most likely spots for such production.

There is an area in Kansas which could be—and likely will be very shortly—a very interesting area for the production of sugar. There is an available area in the State of Texas where there is no sugar mill. It is true that anyone can plant sugarcane or sugarbeets, but not everyone can sell sugar.

I wish to point out that the way the law is operating is not the way it was originally designed. In large degree, the Sugar Act of 1948 was not designed on

the floor of either House of Congress. It was drafted in the Office of the then Secretary of Agriculture, and those who were producing sugar were brought into that Office.

We brought in representatives from Hawaii, the Philippines, and cane and beet sugar producers. We brought representatives from Cuba. We allotted a great portion of all the sugar that would be available to the U.S. market, which then was approximately 8,300,000 tons. It was decided that there were certain fringe areas that might want only a few thousand tons of sugar. Therefore the bill named places for a quota—such as Panama, Costa Rica, and such areas.

When Cuba dropped out of the market, those areas then became the most favored nations. Whether anyone liked it or not, those nations received very large quotas of sugar. It also resulted that longtime friendly nations, such as Brazil, which had had large production of sugar and no possibility of a market, were cut off and told that they could not supply sugar at all. Brazil has about a million tons of sugar surplus. Last year it sold 100,000 of those tons to the United States.

We said to this friendly nation to the south, "Go out and find your own market somewhere outside the United States, while we receive great quantities from Mexico, Peru, and the Dominican Republic."

It is true that the report which was filed on March 14, of this year, by the chairman of the Senate Committee on Agriculture and Forestry shows clearly that the Dominican Republic should have had a quota of 130,000 tons of sugar, and it sold that quantity under its quota. But it sold 271,000 tons in addition to its quota because of freak provisions of the law.

Such was not the original intent. The original intent was that Cuba should be the great producer. Cuba had been our most substantial supplier of sugar, and when Cuba dropped from the market it so completely disorganized things that we could not apply the machinery of that law to some other plan.

Someone might say, "Why worry now? It will be only a short time before we write permanent legislation on this subject."

We have been trying to write permanent legislation for the past 4 or 5 years, and it has never been written. A joint resolution or a bill is received from the House of Representatives in the last 24 or 48 hours before expiration of the act, as this bill has been presented, and the Senate is told to take it. We are told, "You cannot possibly tinker with the quota system in 48 hours."

As one who tinkered with the quota system and established it in 1948, in large measure, I say that it is not an insurmountable problem.

All that we have tried to say in the bill is that when we get to the problem of distribution of quotas, we shall not overlook domestic areas which have the right and the desire to produce sugar and can produce sugar for the American market.

I see in the Chamber the able Senator from Nevada [Mr. BIBLE]. Nevada has not been a great sugar-producing State because, it is said, the growing areas are so far from a mill that no producer would be interested. Yet farmers in that State are saying to the Senators from Nevada [Mr. BIBLE and Mr. CANNON], "Why do you not give us some markets so that we can grow sugarbeets?" Those farmers have good soil. They have rights under the Colorado River project. They must show they have a good crop. They cannot show it at the present time because they have had no opportunity of growing 1 pound of sugarbeets.

Mr. BIBLE. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. BIBLE. I wish to associate myself with the remarks of the distinguished Senator from New Mexico, and wish to be a cosponsor of his amendment.

The history of sugarbeet production in Nevada goes back to 1912, when the Newlands project, the first reclamation project in the entire United States, was located in Churchill County, of which Fallon, the old town, is the county seat. There was a sugar industry there as early as 1912, 1913, and 1914. It ran into some problems and died out.

I am happy to say that in the last 4 years producers managed to secure a small allotment. First, they had an allotment of 500 acres, which was increased to 584 acres. The farmers are delighted with their new crop, which shows great promise in strengthening the agricultural economy of our State. An allotment of 584 acres is certainly a modest, if not a meager, one. Farmers inform me that it is insufficient as an economic unit inasmuch as they are required to ship the sugarbeet some 200 miles. I am told that the least amount that they need is an acreage in the neighborhood of 1,500 acres.

This area is the site of the first reclamation project in the United States. What the Senator from New Mexico has said about our firm allotment of water from the Colorado River is equally relevant. We have a valley which is ideally situated—soilwise, waterwise, and climatewise—to be a thriving sugarbeet-producing area.

I believe the amendment of the Senator from New Mexico is worthy and worthwhile. I heartily support it. I thank the Senator for directing attention to the need of the State of Nevada.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. HOLLAND. As I read the amendment offered by the distinguished Senator from New Mexico, it seems to provide for new growers who do not have a record of production, and wish to grow beets for sugar production. I wonder why the amendment does not apply equally to those who wish to go into the production of sugarcane? We have thousands of acres in our State whose owners are looking for an opportunity to produce sugar. As the distinguished Senator knows, large investments are now being made in the building of new mills and the like. Why are not the sugarcane producers given equal treatment along with the sugarbeet producers?

Mr. ANDERSON. I can only say to the Senator from Florida, in strict honesty, that the reason they were not included in the amendment was that the amendment was hastily drawn, and I overlooked the cane sugar that certain producers wanted to produce.

I modify my amendment in the second line from the bottom by adding the words "and sugarcane" after the word "beets."

What the Senator from Florida has said is absolutely correct. The people in Florida have an ideal place for growing sugarcane. They are fine producers of sugarcane. If I am correctly informed, right now there is a large development going on in Florida. I welcome it. As the Senator from Florida knows, when we had hearings in committee I said that people who produce sugarcane—and this is largely in Louisiana and Florida—have never used their quotas in the last few years. They have not been breaking any regulations. During wartime the people of those States patriotically surrendered their cane crops and planted crops which were considered to be necessary to further the war effort. They would do the same thing tomorrow. I have no doubt about that. They have a fine location for growing sugarcane. They ought to be allowed to grow it. They should not be put in the position where countries outside the United States take away from them a market that ought to be normally the market of the United States. I am happy that the Senator from Florida has called my attention to this inadvertence, and I am very happy to be able to correct it.

Mr. HOLLAND. I thank the Senator.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. CARROLL. The Senator knows of my interest in the sugar problem, and the interest of my State, which is the second largest sugarbeet producing State in the country. Would the Senator's amendment in any way diminish the acreage which is allotted now?

Mr. ANDERSON. No; it would not.

Mr. CARROLL. With respect to old growers, I mean.

Mr. ANDERSON. The old growers would have the same rights as they have now. The amendment would not disturb the growth factor. The amendment merely provides that if we close down on Cuban sugar and deal out Cuba, or if Cuba decides to move out of the market, the first time we start allotting this acreage on a permanent basis we should take into consideration these new areas.

Mr. CARROLL. Does the Senator know of any new areas in Colorado that would be affected?

Mr. ANDERSON. I believe that the entire southeastern corner of Colorado would be affected.

Mr. CARROLL. Would the amendment in any way prevent an enlargement of the allotments which the old growers have in some of these areas?

Mr. ANDERSON. No. I specifically pointed out that this would affect old and new growers. As a matter of fact, I will say to the Senator from Colorado that in the year 1956 there were 837,000 acres

of beet sugar in the United States. In this year of 1961, there will be 1,100,000 acres. There has been, in effect, a factor of growth. We want that factor of growth to continue. I would like to see it grow constantly. I only say that along with that there are certain new areas that may need new production.

Mr. CARROLL. Over on the western slope of Colorado our sugarbeet growers have a special problem. They need more beet acreage. They have an economic problem involving the Delta processing plant. The plant is not an economic operation because of insufficient beet production. Would the Senator's amendment strengthen the position of the western slope beet farmers?

Mr. ANDERSON. Unquestionably they would be helped, if a new allotment were made. The amendment merely says to the Secretary of Agriculture, "You do not have to go out and hunt for areas in Mexico or in Peru or in Costa Rica, or anywhere else. You can see that sugar can advantageously be produced within the United States."

I believe that to be a wise provision. In other words, when the question comes up with respect to Cuban acreage, that can be taken into consideration. Some years ago an attempt was made to cut down on the Cuban acreage. I said that Cuba had supplied us with sugar during the war years, and during that period had perhaps supplied us more than we had a right to ask it to supply us. I therefore fought against the attempt to cut down the Cuban allotment. The Senate supported my view and voted against the proposal.

I am not hostile to Cuba. However, when there is a possibility that Cuban sugar will be sold behind the Iron Curtain, or if Cuba should go out of the market, I say the next logical place to turn for the supply of sugar we need is to the farmers of the United States. That is all I want to do.

Mr. CARROLL. Mr. President, if the Senator will yield, I should like to ask unanimous consent to have printed in the RECORD at this point a telegram which I received from Mr. Kenneth Matchell, secretary of the Western Colorado Beet Growers Association, expressing the concern of western Colorado farmers over their future unless steps are taken to provide them some help.

Mr. ANDERSON. I do not object.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

GRAND JUNCTION, COLO.,
March 20, 1961.

Senator JOHN CARROLL,
Senate Office Building,
Washington, D.C.:

On matter of investigation of Holly Sugar Co. best purchasing policies at Delta factory understand you intend to evaluate matter soon. We growers accepted lower 1961 contract offered by company, with understanding that plant would close if rejected. Arrangement uneconomic, and can't continue. Growers would welcome any action that could strengthen the sugarbeet industry in western Colorado-eastern Utah. Loss of industry would be serious to entire area.

WESTERN COLORADO BEET GROWERS ASSOCIATION,
KENNETH MATCHELL, *Secretary.*

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. ELLENDER. I am trying to understand what the amendment of the Senator would do. Does it deal with the Cuban quota only?

Mr. ANDERSON. It deals with the Cuban quota only.

Mr. ELLENDER. Does it allocate quotas to new production areas on a permanent basis?

Mr. ANDERSON. No; it does not.

Mr. ELLENDER. Under the law as it now stands, producers may plant as much as they wish.

Mr. ANDERSON. They cannot have any assurance, however, of the market, because they do not know what the procedure will be. The amendment provides that and when the Cuban sugar stays out of the market, the Secretary of Agriculture will try to find ways to take care of the American producers.

Mr. ELLENDER. If we write a long-range sugar program in 4 or 5 months, how will any future quota allocation be affected if nothing is mentioned about permanency of those quotas in the Senator's amendment. The Senator has said his amendment does not provide for quotas on a permanent basis.

Mr. ANDERSON. I say to the able chairman of the Committee on Agriculture and Forestry that if the Committee on Finance of the Senate and the Committee on Agriculture and Forestry of the House write a new bill incorporating permanent legislation in 4 or 5 months, the provisions of that bill will be applicable, not the provisions of the pending amendment. The amendment merely suggests that if we do not succeed in writing a new bill, but continue to extend the old law round after round, as we have been doing, with all its inadequacies—and I am sure the Senator admits it is inadequate—we will try to take care of the domestic growers.

Mr. ELLENDER. The Senator knows that I said I was sympathetic with the situation in the beet areas, and that in the future some quotas should be allowed these areas on a permanent basis. But I still feel that this action ought to be done when a long-range law is enacted.

Mr. ANDERSON. The Senator from Louisiana is completely correct in that respect. All I say is that this is a declaration of intent which I believe should be taken into consideration. The great defect in the present Sugar Act is that it was written in one kind of world, and that kind of world has changed. If any Senator had said on the floor of the Senate in 1948 that he would vote against the sugar bill because Cuba would be our enemy, under the influence of our most pronounced enemy, he would have been laughed off the floor of the Senate. Cuba was our great friend. Therefore, when the Secretary of Agriculture proposed that Cuba be given preferential treatment, and an apportunity to produce vast crops of sugar and to sell them to the United States, no one objected.

I have tried to point out that one of the reasons why, in 1946 and 1947, I purchased Cuban sugar crops in behalf of the U.S. Government, was that the total purchases ran to about $961 million, probably the largest sugar bill in the history of the world. It was no great problem, because we were going to sell back to Cuba considerable supplies of American agricultural products.

Mr. President, we are no longer in that kind of world. That world is over. There are people in this country who would like to produce sugarbeets, to relieve some of the pressures of the surplus crops, and they feel they should have a new claim on the sugar market. The world has changed. Anyone who would have predicted that the situation we knew years ago would disappear would not have been taken seriously. It has disappeared. The world has changed, and the American producers of sugar want to move into the market. I have no criticism of the cane sugar producers of this country. I pointed out that they did their patriotic duty in reducing cane sugar acreage and planting crops that were regarded as war crops during the last war.

I have no quarrel with the beet sugar producers of this country. They have come through in magnificent fashion. We have a fine beet sugar industry in this country, and I shall do all I can to protect it. I dislike to see the Cuban quota begin to go to other countries which, in subsequent years, will say, "We now have a right to your market, because we have been growing sugar for you, year after year, and you never gave us notice that you intended to change the quotas."

My amendment will give notice that some day we will act to allot some of the beet sugar crop to the producers of the United States. That is all I intended by my amendment.

Mr. DIRKSEN. Mr. President, I yield 10 minutes to the distinguished Senator from Nebraska.

Mr. CURTIS. Mr. President, I favor the Anderson amendment, but I wish to make it abundantly clear that I believe we must extend the Sugar Act, and not let it expire. To do otherwise would be to invite chaos in many respects, and I need not elaborate on that point.

Also, Congress should soon write a long-range Sugar Act, one having a duration of 5, 6, or 10 years; one upon which businessmen, farmers, consumers, processors, and our foreign friends can rely.

I favor the Anderson amendment because it is based on the principle of a greater domestic production of our sugar needs. When we consider all the agricultural problems in our country today, we cannot defend the position of buying 45 percent of our sugar from foreign countries.

In that connection, I wish to say something about the alleged subsidy. There never was a more misunderstood topic than the alleged subsidy on sugar. The users of sugar paid the total cost. Regardless of where the product is produced, the users buy it at a fair and reasonable price. As a matter of fact, we have the testimony of Mr. Myers, of the Department of Agriculture, that by reason of the operation of the Sugar Act, the Treasury gains in general revenues about $20 million each and every year. When we think of a subsidy—and we can

write any kind of definition we wish—usually it is when the consumer does not pay the full price. For example, if an article costs $1.50, and the Government pays 50 cents while the consumer pays $1, the 50 cents is clearly a subsidy. But in this instance, the consumers pay the full cost of the program. They buy sugar at a fair price, and the Treasury gains about $20 million every year.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a colloquy which took place between the junior Senator from Nebraska and Mr. Myers, of the Department of Agriculture, which appears at pages 64 and 65 of the hearings.

There being no objection, the colloquy was ordered to be printed in the RECORD, as follows:

Senator CURTIS. Now, I do not want to drag along in something too academic, but coming back to what is a world price, I believe I understood you to say to Senator BENNETT that only about 12 percent of the sugar moved in the world price.

Mr. MYERS. That is correct.

Senator CURTIS. So, in other words, 88 percent of the sugar moves in a sugar program of some sort or another?

Mr. MYERS. Under some form of protection.

Senator CURTIS. Yes.

Now, does that follow that the consumers of the 88 percent of that sugar obtained more than they should pay?

Mr. MYERS. No; I do not personally attach morals to prices. It is two different categories.

They are paid above the world price. I do know what the world price would be if we did away with all forms of protection. We would obviously shift production about tremendously in the world.

Senator CURTIS. What is a subsidized price? First let me ask you this: In general, do the consumers of sugar and, of course, in proportion to the amount of sugar they use, pay the cost of our sugar program and the cost of the sugar, with all the related costs in connection therewith?

Mr. MYERS. I think that inevitably is so; yes.

Senator CURTIS. Now, we get into a question of definition and semantics, do we not, when we talk about a subsidized price?

Mr. MYERS. Absolutely, and there will be as many definitions as you will have people defining the term.

Senator CURTIS. Yes. If we take a definition of a subsidized price, if it really costs a dollar and a half an article, and the Treasury pays 50 cents of it and sells it to the consumer for $1, that would be very clearly a subsidized price, would it not?

Mr. MYERS. Yes; I think every dictionary would agree that would be a subsidy.

Senator CURTIS. But definitely the operation of the Sugar Act is not that kind of subsidy, is it?

Mr. MYERS. No. There is a question, of course, when you get into the Sugar Act payments whether they would be defined as a subsidy under all definitions of the terms.

Frankly, I think this whole discussion of the semantics of subsidy a rather futile one because I see no difference in one technique versus another.

Why is it any different; you have a protective tariff that gives you a half percent than to have a tax and a payment that gives you a half cent? It is both a half cent. I do not see any difference.

Senator CURTIS. I understand that. But the point I am getting at is that the General Federal Treasury is not paying any part of the sugar that the housewife buys or the sugar that the manufacturer buys; isn't that correct?

Mr. MYERS. They are not getting into the problem today whereas we did during the war, and as many foreign countries do, of buying the sugar and selling it to their consumers, either at a higher price or at a lower price; that is correct.

Senator CURTIS. Yes; and in the main, has the Sugar Act been self-sustaining so far as general revenues of the Treasury are concerned?

Mr. MYERS. It has been decidedly better than self-sustaining.

Senator CURTIS. What do you mean by that?

Mr. MYERS. The tax, the processing tax, which the Sugar Act establishes is for one-half cent per pound or 10 cents per ton on the total quantities that we consume in this country, which is roughly $90 million a year and Sugar Act payments amount to something in the neighborhood of $70 million a year, so there is a gain there in the Treasury of about $20 million a year.

Senator CURTIS. It has been through the years——

Mr. MYERS. It has been through the years from $15 million to $20 million a year.

Senator CURTIS. Yes. So laying aside what has been accomplished or has not been accomplished insofar as order within the sugar industry is concerned, the fact remains that our General Treasury is about $20 million better off by reason of the act.

Mr. MYERS. Each year.

Senator CURTIS. Each year?

Mr. MYERS. Correct.

Senator CURTIS. And there are many things that governments do which are designed to raise prices to a fair level for producers or to raise wages to a fair level for workers that are not in the category of subsidies when we use the definition of paying part of the price out of the General Treasury; isn't that true?

Mr. MYERS. There are a great many that have subsidies, that is correct; yes.

Senator CURTIS. Yes. In other words, this is an act that has the same objective of all farm legislation, is it not?

Mr. MYERS. Yes, indeed.

Senator CURTIS. To raise to a fair price, and I do not think I will take any further time on that question of subsidies because, as we say, we can go on and get as many definitions as the English language could put together. But I am pleased at your statement to make it clear because there is a great misunderstanding in the country on the question.

I think the people who buy and use sugar should be the ones who pay for the sugar, and that is what happens in this program, is it not?

Mr. MYERS. That is correct.

Mr. CURTIS. Mr. President, there are many ways in which, when we write a long-range act, we can increase the domestic production of sugar. There is a growth factor by reason of the increasing population. There is a growth factor by reason of the use of more sugar. There are also deficits from other countries.

Also, we must realize that when the Communist government of Cuba is ousted, Cuba's quota need not be restored, and should not be restored, to the highest peak, because in the years just before the Castro regime Cuba had some abnormal circumstances which added to their share of our market.

Certainly the ratio of 45 percent produced abroad and only 55 percent produced in America cannot be defended at a time when we are paying billions of dollars to support agriculture in this country. I contend that if a foreign country were faced with grave agricultural problems, and a heavy load on the Treasury, and it failed to produce all of its own needs, so far as it could, we would not respect that country. Foreign countries will not respect us if we do not go as far as practicable in providing our own sugar needs. The first prerequisite of friendship in the world is not to be Santa Claus; it is to win the respect of the nations with whom we deal.

I shall not take the time to discuss in detail the needs of my own State.

Mr. CARLSON. Mr. President, will the Senator from Nebraska yield?

Mr. CURTIS. I would prefer to yield a little later.

The State of Nebraska produces about 72,000 or 73,000 acres of sugarbeets. We would like to increase that production substantially. We realize, however, that our main objective must be reached through long-range legislation which will provide for a gradual and orderly increase, both for the protecttion of the farmers and so that the sugar can be handled by the processors.

Many problems are involved, including the problem of transportation, but they are not problems which cannot be solved.

Mr. President, I ask unanimous consent to have printed at this point in my remarks my statement before the committee as it appears on pages 13 and 14 of the hearings.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR CARL T. CURTIS ON EXTENSION OF THE SUGAR ACT

For several years we have temporized by extending the Sugar Act for short periods of time to meet expiration deadlines. In so doing, we have failed to go to the root of many problems facing the domestic sugar industry.

We are in a period of time in which offshore production is no longer paramount in furnishing sugar needed for domestic consumption. At the same time we must take note of the fact that the domestic capacity can and should be increased to meet our ever-growing consumption of sugar. We know well that increase in sugar consumption is in direct proportion to increase in population.

A year ago I made a survey in Nebraska and determined that many farmers who now produce sugarbeets would like to increase their acreage. Also, many counties which have either surface or pump irrigation can well raise sugarbeets and should be afforded acreage allotments. Some of these counties have, through appropriate channels, petitioned for an allotment of sugarbeet acreage.

It does not seem prudent to me that we should deny domestic producers opportunity to share in this ever-expanding market. We must increase production and refining capacity gradually so that farmers can benefit from this orderly development. It is my understanding that refining capacity in the beet area can now process between 10 and 15 percent more beets than were processed last year. It is my hope that, in Nebraska, we can increase sugarbeet acreage by 50 percent over the next 5 or 6 years and increase refining capacity in like manner. Again, there is no supportable reason for relying on offshore production for 50 percent of our domestic requirements. The total farm problem today requires that we make

every effort to seek solutions wherever they are afforded. Increase in the production of sugarbeets will not, of course, solve the total problem, but it will provide economic benefits for farmers and any acreage planted to sugarbeets will surely avoid the growing of any crops which are now in surplus.

Mr. Chairman, in order that your committee might have a picture of the situation as it exists in Nebraska, I want to recite some facts that I found after making a survey of my own. I contacted the most authoritative source in a few counties right around my home area in Nebraska. I give you these figures not representing the total picture for Nebraska, but rather as samples.

I live in south-central Nebraska in the county of Kearney. That county has approximately 80,000 acres of land under irrigation, 45,000 of which is pump irrigation and the balance under the tricounty district. Kearney County had only 1,100 acres of beets last year. This 1,100 acres was divided between 27 growers. My survey indicates that a great number of farmers have asked for an allocation and that the county could handle several hundred more acres of beets.

Buffalo County, which neighbors my county on the north, has 1,800 acres of beets. In this country, also, sugarbeets are a very desirable crop. Each year farmers who have never grown sugarbeets are asking for an allotment and the present growers want an increase in acreage. Buffalo County has 115,000 acres of irrigated land, most of which is pump irrigation. The need for increased sugarbeet acreage is great.

Phelps County is now growing about 810 acres of sugarbeets. Beets are well adapted to that area. I have received a report that the county could well use an allotment anywhere from 2,500 to 4,000 acres. Phelps County has 100,000 acres of irrigated land provided by the tricounty and 470 irrigation wells.

Furnas County reports to me that they have only 230 acres of sugarbeets; it is a desirable crop and they could well use an allotment of about six times that amount. They have 30,000 acres under irrigation, approximately one-half of which is pump irrigation provided by 290 deep wells.

Franklin County produces no sugarbeets at the present time. Reports indicate that it would be a desirable crop. The county has 28,000 acres under irrigation and it would like a sugarbeet allotment up to 3,000 acres at the present time.

Webster County is another county without sugarbeet acreage allotment. They have about 15,000 acres under irrigation. A great many farmers in Webster County would like to raise sugarbeets. More than 20 made application for allotments for 1960, but none was available. The area is suited to the production of sugarbeets and they would like to start with an acreage of at least 2,000 acres.

Nuckolls County has shown a great interest in a sugarbeet program. The Republican Valley is irrigated from the Bostwick district, and sugarbeet acreage is greatly needed to round out their economy. I have received a great deal of supporting material from Nuckolls County.

Last year Hamilton County only had 13 farmers with a sugarbeet acreage who grew over 700 acres of beets. Local people report to me that sugarbeets are a desirable crop for the county. The county has 123,000 acres under irrigation, all of it being pump irrigation. At least one-third of this irrigated land could be used for the production of beets. Two years ago, 18 farmers asked for sugarbeet allotments, but only 13 requests were granted.

In Thayer County there are 34,000 acres under irrigation. Farmers are becoming interested in sugarbeet production and some have asked for an allotment but there has been none. There is no sugarbeet production in that county. At this time it is estimated they could profitably use an allocation of 800 acres.

Dawson County has approximately 300,000 acres of land under irrigation. This is provided by 2,800 irrigation wells and 70 miles of main canal bringing water from the Platte. Their sugarbeet allocation for 1960 was only 2,200 acres. It was reported to me that more farmers are asking for acreage and that those who have a sugarbeet acreage are seeking an increase. Dawson County could well use a sugarbeet acreage allotment between 10,000 and 20,000 acres.

Considerable interest exists in Red Willow County for increased sugarbeet acreage. The allotment for 1960 was a little over 150 acres. Sugarbeets are regarded as a desirable crop for the area. Red Willow County has 21,000 acres under irrigation and at the conclusion of reclamation projects underway in the area they will have an additional 22,000 acres. They could use an increase in sugarbeet production up to 2,000 acres instead of the 150 acres they now have.

I have been informed that Adams County produces about 100 acres of sugarbeets. This production is carried on by two farmers. An estimate was received that indicated that Adams County could use a sugarbeet allocation of 3,000 acres. They have almost 58,000 acres under irrigation, 56,000 of which is from pump irrigation. Farmers are asking for an acreage allotment.

These facts have been gathered from a limited number of counties. There are many more counties in the State where sugarbeet acreage is needed and being requested.

At the present time the U.S. annual consumption of sugar is about 9.5 million tons. Only 55 percent of this is produced within the United States, including Hawaii, Puerto Rico, and the Virgin Islands. Many foreign countries who share in our sugar market are seeking an increase. Other foreign countries are lobbying for a sugar quota from the United States.

Nebraska should have more sugarbeet acreage. It will add to the income of our farmers and to our economy generally. It will lessen the production of crops of which we have an oversupply. It just does not make sense when we are beset with low farm income and many agricultural problems for this country not to produce a greater portion of our sugar needs. Allocations to domestic producers of sugar should be increased. The foreign allocations should not be increased either in volume or by adding new countries as suppliers.

A long-range Sugar Act providing for an increase in domestic production should be passed by this Congress.

Mr. CURTIS. Mr. President, I now yield to the distinguished Senator from Kansas.

Mr. CARLSON. Mr. President, I associate myself with the remarks of the distinguished Senator from Nebraska. I support the Anderson amendment. The Senate today has the opportunity to cast a vote which will permit domestic growers to receive the benefit of an allocation of sugar. If we pass the bill without the amendment, we shall allocate quotas to countries where full quotas are permanently authorized. Therefore, I think it is important to protect our own interests, and not to permit countries which get quotas to think they are getting permanent quotas.

Mr. CURTIS. The Senator from Kansas has touched on an important point. That is, as the foreign suppliers of sugar share in our market this year, and they continue to share next year and the year after, in spite of anything in the law, they will insist that they have a vested right in our market. That is why a disservice will be done if we are unable to pass a long-range Sugar Act at least by next year.

Twice in 1960 we had short-term bills, but the Senate did not have a chance to consider them. I wish to read a paragraph of a statement by Mr. Myers, of the Department of Agriculture, about the danger of a claimed vested interest by foreign countries in this market. I read from page 64 of the hearings:

> The fact remains, however, that when price premiums amount to as much as $150 million a year, vested interests are claimed automatically. All the arguments in the book will be put forth by producers desiring to sell at such premium prices. Regardless of the wishes of either Congress or of the administrative agencies, the vested interest arguments of new suppliers will become stronger as the period of time they supply our market increases.

Mr. President, that was a quotation from a speech which Mr. Myers made before the Sugar Club in New York. I asked him if it was correct, and he said:

> That is correct.

I asked him if he was speaking of the foreign suppliers, and he answered:

> That is correct.

Mr. President, this measure without the Anderson amendment contains no notice that there is any intent on the part of Congress to increase the domestic production of sugar. I do not know how long it will be until Congress can pass a permanent law. It may be that the Anderson amendment will become academic in a matter of a few months. I hope we can reach it then.

I hope we can write such a program. But if we cannot, at least we should provide that our domestic producers shall have a right to increase the domestic production to the extent of the former Cuban quota, now canceled, or to the extent of that deficit, if the domestic producers can do so, before additional sugar is obtained from other countries.

The language under consideration would empower the Secretary to extend to additional U.S. farmers the right to grow sugarcane and sugarbeets; but in that provision we find the words "where practicable"—because we know that problems are involved. We know the pending amendment is offered to a measure which, if enacted, will expire within a few months. Nevertheless, a most important principle is involved; namely, whether the Congress agrees that the United States should continue to import 45 percent of its sugar requirements from foreign countries, not counting our offshore possessions and islands; or whether the Congress agrees that more U.S. farmers shall be allowed to share in supplying sugar for our domestic market, under a program that has worked successfully and has brought profits to the Treasury—a program by means of which the consumers of the food pay a fair price, but no more, for it.

To fail to do this would be but to add encouragement to all the nations which

are seeking to sell sugar to us and which will sell sugar to us; it would encourage them to believe that we are giving them something of permanent value.

Mr. President, I urge adoption of the Anderson amendment.

Mr. YOUNG of North Dakota. Mr. President, will the Senator from Nebraska yield, so that I may place a statement in the RECORD?

Mr. CURTIS. I yield for that purpose.

Mr. YOUNG of North Dakota. Mr. President, I ask unanimous consent to have printed at this point in the RECORD my statement and a colloquy in connection therewith which appear on pages 5 through 13, inclusive, of the hearings.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF HON. MILTON R. YOUNG, U.S. SENATOR FROM THE STATE OF NORTH DAKOTA

Senator YOUNG. Thank you, Mr. Chairman, and members of the committee.

I appreciate appearing before this committee, and especially taking me out of order.

Mr. Chairman, in order to conserve time, I will ask that a telegram from the Red River Valley Beet Producers Association be placed in the record, as well as letters from Mr. E. N. Dornacker, president of the North Dakota Tri-County Sugar Beet Association and Mr. C. J. Campbell, secretary of the Minnesota-Dakota Sugar Beet Development Association.

(The telegram and letters referred to follow:)

GRAND FORKS, N. DAK.,
March 23, 1961.

Senator MILTON YOUNG,
New Senate Office Building,
Washington, D.C.:

Red River Valley Beet Growers Association of North Dakota and Minnesota want 21-month extension of Sugar Act passed as soon as possible. We are opposed to idea that any State or area be given special consideration of any kind. However, if any should be given, we think we are entitled to consideration as we have requests for 180,000 to 190,000 acres from farmers who have land proved to be adapted to growing sugarbeets. Please present this to Finance Committee for their consideration.

R. T. ADAMS,
H. M. TROWBRIDGE.

NORTH DAKOTA TRI-COUNTY SUGAR BEET ASSOCIATION,
Mayville, N. Dak., March 23, 1961.

SENATE FINANCE COMMITTEE,
Washington, D.C.

GENTLEMEN: In regard to the extension of the Sugar Act it is the feeling of our members that if there is to be any special allotments given to any group or area, under the short-term Sugar Act, we request that equal consideration be given our North Dakota farmers.

The Tri-County Sugar Beet Association is composed of 529 farmers, who would like to grow 58,305 acres of sugarbeets. Our farms are located in the heart of the Red River of the north on the North Dakota side. Our farmer members are farming about 400,000 acres of land. If we could get beet acres we would divert 58,000 acres to summer fallow and 58,000 acres to sugarbeets each year.

In the case of barley of which North Dakota ranks first in bushels produced, this would reduce our acreage of barley by 116,000 acres. The valley farmer in our area averages 35 to 50 bushels per acre in yield.

As you can see, should our members become beet growers, in our case it would reduce the production of barley by over 4 million bushels each year.

Sincerely yours,

E. N. DORNACKER,
President.

MINNESOTA-DAKOTA SUGAR BEET DEVELOPMENT ASSOCIATION,
March 24, 1961.

SENATE FINANCE COMMITTEE,
Care of E. W. Rising,
Washington, D.C.

GENTLEMEN: I am secretary of the Minnesota-Dakota Sugar Beet Development Association, which represents eight sugarbeet development groups, located in the Red River Valley of Minnesota and North Dakota. These eight groups have a current dues paying membership of 1,501 and have requested 130,819 acres of sugarbeets.

Speaking for and on behalf of the membership of the Minnesota-Dakota Sugar Beet Development Association, I request that if any new area is to receive special consideration regarding the growing of sugarbeets under the present extension of the Sugar Act, that this area represented by the Minnesota-Dakota Sugar Beet Development Association be given equal consideration.

Yours very truly,

C. J. CAMPBELL,
Secretary.

Senator YOUNG. Mr. Chairman and members of the committee, in this telegram our producers are asking for an additional acreage from 180,000 to 190,000 acres.

If the committee sees fit to make additional acreage available, I respectfully request that the Red River Valley of North Dakota and Minnesota receive its proportionate share of any such increase.

At the present time, over 98 percent of those farmers not having sugarbeet allotments have organized sugarbeet development associations to promote the production of sugarbeets in their respective areas.

The Red River Valley of North Dakota and Minnesota is ideally suited for sugarbeet production. It has large farms of fertile, level land, facilitating large-scale mechanized production.

It has adequate natural rainfall to provide the necessary moisture for sugarbeets.

The major crops of Red River Valley, other than sugarbeets, are primarily crops which are in surplus.

This is an area which, I daresay in the past 5 years, has produced an average wheat crop of 30 bushels to the acre. It is also the principal barley-producing area of the United States, and another crop which is in surplus.

I would like to point this out: In producing sugarbeets in this area, land must be summer fallowed, prepared a year before, so when you have a hundred acres of sugarbeets, you are actually taking 200 acres out of production of another crop.

Sugarbeet production in this area is, therefore, most desirable.

At the present time Red River Valley has approximately 1,200 growers of sugarbeets, producing 103,500 acres. From the standpoint of availability of suitable land this acreage could be tripled in the next 10 years, and farmers could increase their sugarbeet acreage as rapidly as processing facilities are made available.

Mr. Chairman, there is very little time left for reenactment of the Sugar Act before the expiration date.

I would be glad to support a committee recommendation for a simple 21-month extension.

I hope, however, that the time will not be far off when greater sugar allocations can be given to our domestic producers.

I think the Red River Valley Beet Producers Association of North Dakota, and other similar organizations in this area, as well as other areas, have made a good case for increased production.

Senator ANDERSON. Could I make a comment on what Senator YOUNG said?

Senator YOUNG. Yes.

Senator ANDERSON. Senator, you are suggesting, are you not, that the Red River area in your State has 103,000 acres now?

Senator YOUNG. Yes, 103,500 acres.

Senator ANDERSON. And you think that could be tripled?

Senator YOUNG. Yes, many times more than that.

Senator ANDERSON. Do you believe, then, we should freeze it for 21 months to put it through two new seasons so that they could not possibly increase it while it is being increased in Mexico and in Peru, the Dominican Republic? Don't you believe that farmers in North Dakota and Minnesota have some rights, too?

Senator YOUNG. Yes, Senator, I would like to see our domestic producers given a better allocation.

Senator ANDERSON. Good.

Senator YOUNG. If that is not possible, then I would support the 21-month extension. But I think we should start working in this direction.

Senator ANDERSON. I know how carefully and militantly and constantly you have supported the farmers of your State.

Senator YOUNG. Thank you.

Senator ANDERSON. Particularly on Durum wheat, where I did not always agree with you, but you have done a fine job, Senator YOUNG, and I would be the very first one to admit it.

Now, the situation of the very able Senator from Louisiana is a little different. The cane producers are not using all their acreage right now or were not the last time I noticed, so 21 months to them does not mean a thing. But it means quite a little to you and to your farmers.

Senator BENNETT. May I ask a question: Do you think between now and Thursday night, considering the rules of the Senate, we can rewrite the Sugar Act and get a bill through the House and take all these very complex problems and solve them? Don't you think we need—is not the real purpose of the extension, regardless of the number of months involved, to give us time to handle this complex problem?

Senator YOUNG. I am not nearly as familiar with the handling of the program as you and other members of this committee are. But I wanted to point out that I do believe that we should work as fast as we can toward giving domestic producers greater allocation, and if it is not possible to do that now, I hope the time would not be far off. I would therefore support an extension of the present act.

Senator ANDERSON. I would just like to remind Senator YOUNG, when we had this matter up in July of 1960, the House committee put in a conference report this language:

"As part of the understanding by the conferees, it was agreed that the conference on the part of the House would undertake to pass a sugar bill and transmit such to the Senate on the earliest possible date after the reconvening of the House in August."

That was August of 1960.

We would not have had a conference report. It was close in the Senate, and we had to wrestle with it until early in the morning. There were only three Senators from the Finance Committee present, Senator LONG of Louisiana, Senator BENNETT, and myself, and the only way we reached agreement was as the result of an absolute ironclad promise that something would be done by August of 1960.

Does the Senator recall anything being done? We get this same thing, I will say to the Senator, every time, 24 hours, 36 hours, at the most, "You have got to do it now. It is too late now to fool with it."

This is exactly what is being said here.

"Do you think you can write a whole new bill in 24 hours?" Every time it is the same story, because the House refuses to upset the situation.

The only way the Senate will ever get any good done for its people is to fool the House on it one time.

Senator CURTIS. Senator Young, you, with your longtime experience on the Committee on Agriculture, are you of the opinion that a substantial increase in domestic sugar production would be a good thing?

Senator YOUNG. Yes. I can think of nothing that would help agriculture more in this country, and it would go a long way toward solving the surplus problem.

As I pointed out in my State in order to grow 1 acre of sugarbeets, you summer fallow the land a year before, so the land is idle for a whole year. This means it takes 2 acres for 1 to produce sugarbeets.

Senator CURTIS. And you would also agree that to do that would be in the best interests of the total economy of the United States, considering our overall agricultural problems?

Senator YOUNG. Yes. I am alarmed, sometimes, at the uncertainty of our supply of sugar from foreign countries.

Supposing we had trouble with Latin American and South American countries like we had trouble with Cuba, our supply of sugar would be in a precarious situation.

Senator CURTIS. Well, entirely independent of that from the dollars and cents standpoint, when we consider the low cost of the sugar to consumer over a period of years, as compared with other prices, and when we consider the burden on the Treasury for our overall agricultural program, to have a just and fair increase of domestic production of sugar would be in the interest of the general economy, do you not believe?

Senator YOUNG. Certainly. I think one of the big problems contributing to our surplus trouble is our imports of agricultural commodities which we can easily produce in this country.

I realize that you have to import in order to export, but I do not think we should be importing commodities which for various reasons, it is better to produce in this country. I certainly think we should be producing a higher percentage of our sugar needs in this country now than we are.

Senator CURTIS. We are importing roughly 45 percent of our sugar consumption, and that is exclusive of what we get from our offshore possessions and territories; is that not true?

Senator YOUNG. Yes; that is right; and sugar is made available to the consumers of the United States at a reasonable price.

Senator CURTIS. Now, my next question does not call for an involvement in what is the best procedure, and conflict with the House, or anything of that sort. I do not want to minimize those problems, but I am not trying to discuss them at this time.

Do you feel that a long-range program of orderly and gradual increase of our domestic production should be undertaken as soon as possible before additional foreign producers feel they have a vested interest in our consumptive market here? Do you believe that?

Senator YOUNG. Yes; I do, and this is the danger: If you give a greater allocation to foreign countries, which you cannot maintain in the future, we are causing ourselves some trouble, and probably some enemies.

Senator CURTIS. Yes. If they are given something temporarily, if that temporary period is extended too long, and then it is changed at a later time, it may be regarded as an unfriendly act.

Senator YOUNG. Yes; that is right.

Senator CURTIS. Yes. I think also that the first step—I see the distinguished chairman of the Foreign Relations Committee here; I do not want to solve all his problems—but I think one of the first things necessary in dealing among nations is that you win the respect of other people, and certainly if there was any other nation in the world that had the agricultural problems that we have involving all of the billions of dollars, the billions it does annually, and that other nation happened to be importing 45 percent of a product that they could produce more of, I am afraid that we would question them a little bit, and we would not quite respect them as much as if they solved their problems a little better.

Senator YOUNG. Well, I have followed this situation quite closely for years, and I do not know of a single foreign country when they find themselves with surplus farm products that do not impose some kind of restrictions on imports, particularly from the United States, and that includes our good neighbor to the North, Canada, as good a neighbor as we have.

Senator CURTIS. Mr. Chairman, I do not wish to take further time, but I ask unanimous consent at the close of Senator Young's statement that I may insert a statement in the RECORD.

(The statement referred to will be found at the end of Senator Young's statement.)

Senator YOUNG. Thank you, Mr. Chairman.

Senator FULBRIGHT. Mr. Chairman, may I ask him a question?

The CHAIRMAN. Senator Fulbright.

Senator FULBRIGHT. The Senator from Nebraska raised the question. As the Senator from North Dakota knows, I am very new on this committee, and I know very little about this subject.

Senator YOUNG. You are far better than a green hand. If I may use the expression?

Senator FULBRIGHT. And he was asking about its effect on our overall economy, and whether this would be a good thing.

Can you tell us how much have the sugar producers received in direct subsidy since the Sugar Act has been in effect?

Senator YOUNG. Are you asking me that question?

Senator FULBRIGHT. Well, yes. You are an expert on this subject, are you not?

Senator YOUNG. I do not have the figures on hand. I suppose it has run into a sizable amount, but there would be no need for any subsidy whatever if American producers were given the same import protection that the producers of other countries are given for their farm commodities.

This is a crop which needs no subsidy whatever if we would just regulate the imports a bit.

Senator FULBRIGHT. You mean you could change the subsidy to a high tariff? If you would put a high enough tariff on it, it would enable you to sell it without a subsidy; is that what you mean?

Senator YOUNG. This is what other countries are doing. When the price of flax or rye in Canada is up, and the price is down in the United States, we can start shipping up there. After a while they impose an embargo on our grains.

Senator FULBRIGHT. Senator, I do not know enough about it to argue with you. I am trying to learn about our own situation here.

Is it a fact that we have paid a large amount of direct subsidy to the producers of beet sugar in this country?

Senator YOUNG. Well, almost every segment of our agriculture is now being subsidized in one form or another. This is so because we permit these imports.

Senator FULBRIGHT. Senator, I am only asking you about sugar. I am familiar with cotton. I know about that. I do not know about sugar because we do not grow any in my State, but do the sugar producers receive a direct subsidy?

Senator YOUNG. That is correct.

Senator FULBRIGHT. Do you know about how much?

Senator YOUNG. No; I do not have the figures.

Senator FULBRIGHT. Is it in the neighborhood of $1 billion, $1.5 billion in the last 15, 20 years?

Senator YOUNG. I have not gone into it. I am not a member of this committee that deals with the financial——

Senator FULBRIGHT. Does it run about $60 million, $75 million a year?

Senator YOUNG. That is about right.

Senator FULBRIGHT. How does it improve our overall economy, as the Senator from Nebraska says, if this is the kind of crop we have to subsidize to the tune of $60 million or $70 million a year?

Senator YOUNG. If we did not have this production here in the United States, and you ran into a world shortage, we would be paying through the nose to the tune of a much higher price, but because we have at least some production in this country, it tends to make us a little bit more independent of foreign imports.

Senator FULBRIGHT. That is not true in coffee, is it? We do not produce any coffee. Do you think on the same basis we ought to start coffee production in this country?

Senator YOUNG. It is not feasible.

Senator FULBRIGHT. Why isn't it? If you pay them enough it would be.

Senator YOUNG. No, I do not think you could, no matter what price you had.

Senator FULBRIGHT. You could grow bananas, could you not?

Senator YOUNG. No.

Senator FULBRIGHT. I do not understand the argument that this is good for the overall economy. There may be other reasons for it. If this is not an economic crop that can be produced competitively, then why is it good for the overall economy to subsidize it?

Senator YOUNG. Going back to your argument there——

Senator FULBRIGHT. I am not arguing: I am trying to find out what are the facts.

Senator YOUNG. If we only wanted cheap commodities, they can produce cotton cheaper in Mexico and in many countries in the world than we can in the United States.

We could import all of our cotton supply. We could get all of our sugar supply from other countries; we could get all of our wheat supply from other countries which have greatly expanded their production many of them with our help.

We have to maintain some semblance of a stable agriculture in this Nation. Sugar is one of the best crops to produce.

Senator FULBRIGHT. Why does not sugar have the same protection that cotton and rice and tobacco have? Why does it have a special act and come under that act and not under the act governing the same programs as other crops?

Senator YOUNG. Because sugar and wool are import crops. We import a sizable amount of our needs and, at times, they can be produced cheaper in foreign countries. I suppose both sugar and wool could be produced cheaper in other countries, and we could get all the supplies we wanted. We could just wipe out this industry entirely if we only wanted cheaper production.

Senator FULBRIGHT. You have that great a variation in prices of sugar even under this act. Didn't it go up very high during the middle forties to about 150 percent of parity?

Senator YOUNG. Whenever we have to depend on a foreign market, then the price goes up. During wartime in the past we paid a pretty high price for our sugar requirements.

Senator FULBRIGHT. We do in everything. But I mean the Sugar Act does not stabilize the price. They go up and down anyway, don't they?

Senator YOUNG. No. Sugar, the price of sugar, has been maintained at a very stable level for years.

Senator ANDERSON. Would you permit me just a minute?

He speaks of the high prices in the 1940's. That is when we were not under the Sugar Act.

Senator FULBRIGHT. There was no Sugar Act?

Senator ANDERSON. There was no Sugar Act in operation. It was written in 1948.

Senator FULBRIGHT. It was rewritten, but I thought there was an act——

Senator ANDERSON. Not in operation.

Senator FULBRIGHT. Not suspended?

Senator ANDERSON. Don't give up on the coffee, either, because we have some coffee in the Hawaiian Islands, and they are part of the United States.

Senator FULBRIGHT. If there is such a good thing here, do you think we might grow it in Arkansas if we go high enough?

Senator YOUNG. Pardon me?

Senator FULBRIGHT. Do you think we could grow sugar in Arkansas if the subsidy was high enough?

Senator YOUNG. I suppose we could, if it was high enough. But we would not want to produce it if it was in areas uneconomical.

Senator FULBRIGHT. What is your concept of being economical?

Senator YOUNG. If we produce at a reasonable price, and I think we are producing sugar at a reasonable price in the present areas of the United States where it is being produced.

Senator FULBRIGHT. You believe that?

Senator YOUNG. Yes.

Senator FULBRIGHT. What is the price of sugar now in North Dakota?

Senator YOUNG. There has been some variation, but for 10 years—I do not have the figures.

Senator FULBRIGHT. Will this add to employment, do you think, if you increase the production?

Senator YOUNG. It would greatly increase it, and not only because it requires a considerable amount of labor and expensive machinery—a beet topper and loader costs about $15,000, and they only last 2 or 3 years.

Senator FULBRIGHT. That is all.

The CHAIRMAN. Any further questions?

Senator YOUNG. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you very much, Senator Young.

Mr. BENNETT. Mr. President, will the minority leader yield 5 minutes to me?

Mr. DIRKSEN. I yield 5 minutes to the Senator from Utah.

The PRESIDING OFFICER. The Senator from Utah is recognized for 5 minutes.

Mr. BENNETT. Mr. President, I can associate myself with everything the Senator from Nebraska has said about the various problems involved in the situation now confronting us as regards the Sugar Act. However, I have arrived at a conclusion different from the one at which he has arrived, because I believe there are in this situation one or two factors which he did not mention.

I find myself in the position of being about to cast a vote exactly the opposite of the vote I cast in the committee when the Douglas amendment was acted on there. I believe that at that time none of us in the committee realized the possible foreign-relations implications of the votes we cast at that time. On that basis, and in supporting the President in connection with this problem, today I reversed my previous position, and voted on the opposite side. In the committee, I voted for the amendments the Senator from New Mexico offered there, although they were slightly different from the ones he has offered here.

Mr. President, we are now approaching the deadline for the extension of this act. I agree with the Senator from Nebraska that it is most important that the beet-sugar producers and the cane-sugar producers in the United States have a permanent program cast on a new pattern. Certainly that is most necessary.

There is a great deal of justice to the claims that the would-be growers in new sugar-producing areas make for a share in this program. But we are about to enact a measure which will have 15 months' duration. That is not a sufficiently long time to justify the erection by investors of new sugar mills.

I very much fear that if the Anderson amendment becomes a part of this bill, one of two things will happen: Either the House will reject it—in which case we shall be back here, possibly at midnight, to report to the Senate the difficulties we have had in conference; or the House might accept it.

What worries me about its possible acceptance by the House is that the House has given us trouble every time we have faced the problem of trying to recast the pattern for the domestic production of sugar.

If the House were to accept this proposal, the House then could say to us, "Do not bother us again by asking for permanent legislation. We agreed with you in connection with the bill you passed just before the Easter recess."

Mr. President, what do we find in this amendment? There are two parts. I agree with the first part, and I certainly can support it. It is to the effect that before any allocation of Cuban deficits or other deficits is made to other offshore countries, the U.S. domestic industry shall be given an opportunity to supply that need, if it can do so.

But I could not support the second part of the amendment, because I believe it holds out a shadow, not a substance. I believe this situation could be used against us if the House should accept the bill. I believe this might prevent us from obtaining a permanent correction of this situation.

We need time to study it; we need opportunity to study it. But that has been rather effectively denied us for some 2 years.

The Senator from New Mexico told us that when he was Secretary of Agriculture, the Sugar Act was rewritten.

The PRESIDING OFFICER. The time yielded to the Senator from Utah has expired.

Mr. BENNETT. I should like to have 2 more minutes, if I may.

Mr. DIRKSEN. Mr. President, I yield 2 additional minutes to the Senator from Utah.

The PRESIDING OFFICER. The Senator from Utah is recognized for 2 additional minutes.

Mr. BENNETT. I thank the minority leader.

Mr. President, as I was saying, the Senator from New Mexico told us that when he was the Secretary of Agriculture, the Sugar Act was rewritten in his office. But I am sure it took weeks and weeks of consultation and negotiation before that language was agreed to. I do not think it was done between Tuesday noon and 4 p.m. on Wednesday.

If the pending amendment were in two pieces, I could support the first part—namely, that giving our domestic area the first chance to make up the Cuban deficit.

But although I still hope that we shall develop workable, permanent legislation on such a basis that the U.S. investors will proceed to construct new sugar mills, so it will be possible for new areas in the United States to have an opportunity to share in the sugar market, I am afraid this amendment would make that impossible.

Therefore, Mr. President, although I shall do so reluctantly, I must vote against the Anderson amendment.

Mr. ALLOTT. Mr. President, will the minority leader yield to me?

Mr. DIRKSEN. Mr. President, I yield 5 minutes to the Senator from Colorado.

The PRESIDING OFFICER. The Senator from Colorado is recognized for 5 minutes.

Mr. ALLOTT. Mr. President, all of us have a great interest in this sugar legislation.

I hope that I may now have the attention of the Senator from New Mexico, because most of my remarks will be addressed to him.

Many factors must be considered when we provide either for new sugarbeet acreage in the United States or for new sugarcane acreage in the United States. I happen to be one of those who believe that the sugar producer in this Nation—whether he produces cane sugar or beet sugar—has long received less than he is entitled to, less than he should have received under the laws of the United States. In this respect, I agree completely with the Senator from New Mexico.

I also believe there are in this country areas which are not now producing any sugarbeets or any sugarcane—I speak now especially in reference to the production of sugarbeets, because my knowledge relates especially to that production—although they could produce those crops. There are also in this Nation areas now under production which could certainly increase that production greatly.

As a matter of fact, these are in our country areas in which sugarbeets are now produced where the farmers are operating on a marginal basis because they cannot produce enough sugarbeets year in and year out to make that operation really pay.

When we consider allowing new areas in our country to participate in the production of sugarbeets, we must consider also the types and kinds of sugarbeets to be raised.

I hold in my hand a clipping from a Texas newspaper. The article states that one of the western companies—The Great Western Sugar Co.—is at this time actually working with people in Texas to help them ascertain what type of sugarbeets is best for produc-

tion there. They now are working out a plan, so that when the time comes, they can actually produce those sugarbeets.

I have received a letter from Kenneth Matchett, Secretary of the Colorado Beet Growers Association, in which a desire is expressed for more beet production. I ask unanimous consent to have the letter printed in the RECORD at this point as a part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MARCH 27, 1961.

Senator GORDON ALLOTT,
Senate Office Building,
Washington, D.C.

DEAR SENATOR ALLOTT: We have recently had called to our attention certain publicity which purports to represent our position. We are forced to admit that under present economic circumstances and the existing cost-price squeeze the situation in the delta sugar factory district is far from satisfactory. This situation is not confined to this one area, as we understand farmers in many communities as well as in our new State of Hawaii and in Puerto Rico are in a depressed condition.

However, the directors of the Western Colorado Beet Growers Association are cooperating with the Holly Sugar Co. to the end that volume may be increased and the plant improved and preserved.

Ninety-nine percent of the beetgrowers of our community are dues-paying members of the organization which we represent.

We hope you will use your best efforts to see that the Senate follows the House action in extending the Sugar Act for a 21-month period.

Yours very truly,
WESTERN COLORADO BEET GROWERS ASSOCIATION,
KENNETH MATCHETT, *Secretary.*

Mr. ALLOTT. The Senator from New Mexico has said that all his proposal states is that consideration shall be given to allocation to domestic areas. Perhaps that is the Senator's intention, but the proposal in fact reads that such quantity shall first be allocated to domestic areas and that any part of such allocation which domestic areas are not able to fill shall be apportioned in raw sugar and so forth.

There are great areas with no production facilities, and where no beets have been grown before, and the proposal says this production shall be allocated to them. It says, "It shall be." The amendment could be amended to state that consideration shall first be given to allocation to domestic areas. I believe this would express more completely the idea espoused by the Senator from New Mexico when he was speaking a few moments ago.

I would point out what I think is another inconsistency in the amendment. That is in the second portion where it reads:

Whenever the Secretary establishes restrictive proportionate shares for farms pursuant to this section, he shall, insofar as practicable, protect the interests of new and potential producers of sugar beets—

And I understand the word "cane" was inserted in that language. Is that correct?

Mr. ANDERSON. That is correct. The word "cane" was added.

Mr. ALLOTT. I continue to read:

in States, counties or parts thereof that have no acreage allotments, as well as new growers in old areas, under this act.

While I may not know what this means in its entirety, I am pretty well able to determine that it means one thing, namely, that the only people who are going to get any real consideration and protection in this respect will be the new and potential producers of sugarbeets. There is no protection of the interests of those who already have a great investment in machinery devoted to the production of sugarbeets, and who could easily handle far greater amounts of beets than they do.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. ALLOTT. Mr. President, I ask for 3 additional minutes.

Mr. DIRKSEN. Mr. President, I yield 3 additional minutes to the Senator.

Mr. ALLOTT. I think the only conclusion that can be drawn is that the proposal would be a very great blow to those now growing sugarbeets.

Let me summarize my position in this way. I say to the Senator from New Mexico that if the amendment is adopted we will have a conference, and we do not know how we shall end up. Passage of the bill before the Friday deadline is of utmost importance. I am completely in sympathy with his position that there should be new sugarbeet areas in this country. I am in complete sympathy with the position that we in this country should not lose the windfall, if it may be called that, of the former allocation to Cuba, and part of it, at least, should be used in other areas of this country. It is about time for Americans to receive the benefit of that opportunity. But the proposal needs more study; and I will be standing alongside the Senator in any effort to put new areas into sugarbeet production. It seems to me, however, that the position taken by the amendment as written is one which the State Department and the country could not justify. All we would be doing, really, is chopping ourselves off from a chance to go forward.

The Senator from New Mexico has made his point. I think all of us are very much in sympathy with it, but I do not think this is the right type of amendment. It is my hope that the amendment will not be adopted, but that hearings can be held on the proposals contained in it.

Mr. ANDERSON. Mr. President, I yield 5 minutes to the Senator from Oklahoma [Mr. MONRONEY].

Mr. MONRONEY. Mr. President, I am glad to be a cosponsor, along with other Senators, of this amendment. Having observed the activities of Congress for 22 years, I have never known of any Government policy that would automatically inhibit the growing potential of American industry or agriculture. There has always been some provision for an opportunity for new growers or producers of various commodities or products when Government controls have gone into effect.

It seems to me that, if nature has been kind enough to various agricultural areas to enable them to produce an abundance of corn, wheat, or other crops, which means there have to be extreme curtailments of acreage allotments, then there must be some crack left in the door so farmers can hope to engage in some kind of production which their soil, climate, and availability of irrigation permit, and give them some hope of participation.

Certainly, we do not approve of the closed shop in agriculture; and the way the Sugar Act has operated has denied to a farmer, no matter how competent, or a farm, no matter how fertile, or with water resources, whether natural or irrigating water, the opportunity to participate.

Consequently, the act denies farmers the right of beet production. In my State we have developed a considerable amount of irrigated land. We have a climate which is suitable for sugarbeet growing. We have a cattle industry which works hand in glove with the sugar industry in the use of wastage of sugar mills and beet pulp, which is excellent cattle feed, and also for the use of sugarbeet tops, which are better than any other product for that purpose.

Certainly, this very carefully worded amendment merely asks for consideration in opening the door a little bit, so far as practicable, for the use of this very valuable crop to replace what has been denied us as a result of our relationships with Cuba.

Mr. ALLOTT. Mr. President, will the Senator yield?

Mr. MONRONEY. I yield.

Mr. ALLOTT. The Senator has used the same words that have been used before, namely, "that just consideration be given."

I loaned my copy of the amendment to someone, but the opening words of the proviso are that they shall be allocated. That is not a provision for consideration. I think that would be fine, but the opening words of the amendment are, "they shall be allocated." Is the Senator aware of that fact?

Mr. MONRONEY. I am aware of it, and I am also aware that those who have had quotas and have been in business for years are given absolute freedom against marketing quotas and ability to split up the additional production. All we are asking is an opportunity for new producers to do something about it.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. MONRONEY. I yield.

Mr. ANDERSON. There is in the sugar legislation already ample opportunity for the growth factor. We do not want to change that at all. We want that opportunity. Under the growth factor there has been an increase from 837,000 acres in 1956 to 1,100,000 acres today. That is growth enough.

Mr. MONRONEY. That is correct. The population is continuing to grow at a very rapid rate. As the population increases, consumption of sugar increases. Are we to freeze production and put a "No Admittance" sign on the

doors of this very exclusive fraternity? Or are we going to say, in strong language, that it is not an exclusive fraternity, and give other States that have a hope of growing sugar an opportunity to do so?

The Senator from Colorado is well aware that States far away from sugar refineries are not to be given quotas unless there is some assurance that the sugarbeets grown there can be processed. We have an uphill pull trying to get into the fraternity. For that reason we would like to have a hope of interesting investors in such establishments.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. DIRKSEN. Mr. President, I yield 3 minutes to the distinguished Senator from Florida [Mr. SMATHERS].

The PRESIDING OFFICER. The Senator from Florida is recognized for 3 minutes.

Mr. SMATHERS. Mr. President, I wish to associate myself with the aims, the ambitions, and the purposes of the amendment offered by the able Senator from New Mexico.

Like every other Senator who comes from a State which can produce sugar, whether it be beet sugar or cane sugar, I am of the opinion that the States should be permitted somehow to bring into being more acreage for the growing of sugar. I believe we all feel we are well qualified to do so.

Certainly the State of Florida has ample acreage and ample land available. There are many new producers who come to Florida who are most anxious to get under the umbrella, as we shall call it, and to start producing sugar.

I hope, in supporting the amendment, we do not have a sort of exercise in futility. As a practical matter, all of us recognize that we shall have to go to conference on the bill. There will be some problems with the other body.

We recognize that this is not the best way to consider such highly complicated sugar legislation. It is so complicated there is not even a full text of the Sugar Act in the Chamber anywhere.

Actually, in point of fact, we hardly know what we are doing. I hope, as a result of the discussion we are having today, we can get a commitment that there will be hearings held not only in the House of Representatives but also in the Senate.

The able Senator from New Mexico [Mr. ANDERSON] does have a copy of the law, but I do not know of any other Senator who has read it.

Mr. ELLENDER. The pertinent portion is in the report.

Mr. SMATHERS. The full text of the Sugar Act is not in the report.

The House has already agreed to hold hearings on the act in May. I hope the Finance Committee of the Senate, the members of which have been long anxious to thoroughly inquire into the problems of sugar, will hold hearings.

I can see no reason why the Senate should not hold hearings contemporaneously with the House. We can develop all aspects of this very complicated problem, so that we will know what we are doing with respect to new acreage, old acreage, foreign shore imports, refineries, and all the rest.

This is entirely too complicated a law to legislate on the floor of the Senate.

I wish to aline myself—and I am sure I speak for my colleague—with the aims, the purposes, and the hopes of the Senator from New Mexico. I think we are mostly going through a demonstration of the fact that we wish to accomplish something, even though we recognize it might not, as a practical matter, be accomplished in respect to the particular bill before us at this particular time.

The PRESIDING OFFICER. The time of the Senator from Florida has expired.

Mr. ANDERSON. Mr. President, I yield further to the Senator.

Mr. MANSFIELD. Mr. President, will the Senator yield to me?

Mr. SMATHERS. I am happy to yield to the majority leader.

Mr. MANSFIELD. There is a great deal of merit in the amendment, especially in the section (b), which reads as follows:

> Section 302(b) of the Sugar Act of 1948 is amended by inserting immediately after the first sentence thereof the following: "Whenever the Secretary establishes restrictive proportionate shares for farms pursuant to this section, he shall, insofar as practicable, protect the interests of new and potential producers of sugar beets and sugar cane in States, counties or parts thereof that have no acreage allotments, as well as new growers in old areas, under this Act."

The amendment would give some protection to those who have taken a chance on the unlimited acreage which was approved by the Department in the past year.

Mr. SMATHERS. The Senator is correct.

Mr. MANSFIELD. I agree that a great deal of study is needed on the proposed legislation. I hope, also, on the basis of representations which have been made, that there will be hearings. Representative COOLEY, the chairman of the House Committee on Agriculture, intends to start hearings in May. As soon thereafter as practicable, I hope the Senate Finance Committee will hold hearings to consider not only proposals of this kind, which are important, but also proposals such as the Douglas amendment.

The Douglas amendment was agreed to in the Committee on Finance yesterday, and considered by the Senate today. I hope proper consideration will be given to the amendment and to the most difficult legislative process, and that we shall have plenty of time to do so, instead of following a procedure, as has been done this time and was done the last time, of considering a bill at the last minute, when we do not have sufficient time to really understand and to discuss what is before the Senate.

Mr. SMATHERS. I thank the majority leader. I think we must support the particular amendment before us, because it is an expression of what all of us think ought to be done in the permanent legislation.

It is almost undignified to see the Senate operate in such a manner that it has to capitulate to the late hours and to the tactics of certain other Members of Congress, to get this type of law enacted. I believed we can start hearings. The other body has agreed to start hearings in May. We can hold hearings contemporaneously.

The committee can report an intelligent bill, a well drafted bill which will take into consideration all of the problems. I hope that can be done before the end of the session this year.

Mr. ANDERSON. Mr. President, I yield to the able Senator from South Carolina [Mr. JOHNSTON].

Mr. JOHNSTON. Mr. President, I wish to associate myself with those who are in favor of the amendment. There are many reasons why I am in favor of the amendment. One is that I do not think we ought to let the sugar allotment be tied up by other countries. We should keep it from becoming tied up by other countries, by using it at home, if possible and if the people wish to do so.

We must remember that with respect to the feed grains bill, which we passed a few days ago, we discussed the problems of the farmers who might wish to go into such an activity. We did that to help the soil bank.

I should be glad to see the farmers go into something. We might save a lot of money for the Government, also, in addition to providing some allotments which would go to growers in our country.

We must remember that when we give the quota to other countries we have to pay 2 cents a pound extra on every pound of sugar we get from those countries. We should take all those things into consideration when we try to legislate.

This proposal would tie up the quota for only a short while, until we can look into the law thoroughly.

Mr. ANDERSON. Mr. President, I yield 2 minutes to the senior Senator from Oklahoma.

Mr. KERR. Mr. President, I am happy to hear so many words of commendation for the purpose of the amendment. I hope it will be agreed to.

We shall have a conference with the House. I am of the opinion we can work something out with the House in this regard. Certainly we at least should go on record to demonstrate our purpose to achieve the objective of the amendment.

I hope the conferees will have a chance to see if they can prevail on the House conferees to accept the amendment.

Mr. YARBOROUGH. Mr. President, I ask unanimous consent that a statement I have prepared in support of the Anderson amendment may be printed in the RECORD at this point, together with supporting tables.

There being no objection, the statement and tables were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR YARBOROUGH URGING INCREASES FOR AMERICAN SUGAR GROWERS

As a matter of national safety, and for our own defense, we ought to produce more sugar at home.

The American people, and the people of Texas, are forced to buy 1 out of every 2

pounds of sugar they use from foreign sources.

Under the Sugar Act "quota system," areas within the jurisdiction of the United States are permitted to produce only 49 percent of the sugar used in the United States.

Sugarbeets form the best paying crop, not only in the high plains of Texas, but in many high plains regions of the central western part of the United States.

In my own State of Texas, the total State acreage allocations for sugarbeet production is 1,800 acres, out of a total acreage of over 1 million acres.

The thousands of American taxpaying citizens in the farm areas of wheat, cotton, and other controlled crops, who have been forced from drought to develop, at their own financial risk and cost, underground irrigation water, need and desire to produce a portion of the sugar that they and other American people consume—which, under present law and the proposed 15-month extension, must be purchased from foreign countries.

These citizens believe that this 21-month extension may very likely result in no permanent legislation that would give them the right to produce, even at the end of that period, and that we may well find ourselves in the same place on June 30, 1961, as we were in 1960, when, early in 1960, as well as following the conventions, they were promised that permanent legislation would be passed by the 1960, and again by the 1961, Congress before the deadline of March 31, 1961.

This extension of 15 months will delay, by another 2 years, new producing areas from starting the construction of refineries, the building of which will take 2 years—thus, they would be 4 years further away from production.

A permanent law needs to be enacted during this Congress. The full hearings should be held in the House. Arguments to the contrary will have the effect of postponing consideration of increasing the domestic production of sugar.

Logical reasons exist in favor of our country producing sugar. From the standpoint of independence from foreign sources, we need production, not only in the event of international conflict or war, but, as has been established by the Cuban example, in time of peace as well. Certainly, it is a good step in the right direction: it would aid in solving the unemployment situation; it would strengthen the farm economy considerably. Thus, the national economy would be helped, and the solution would help balance our crude reserve.

The State Department and the Department of Agriculture, representing the administration, both testified on March 27 that we need a permanent Sugar Act at the earliest possible moment, and that, if it could be written in a short time, they were in favor of doing so. The industry has likewise indicated the necessity of a permanent Sugar Act, as contrasted to mere extensions. It is of most importance to the new growing areas, which should have the right to participate in the production of sugar, that this be accomplished without delay.

Failure to write a domestic sugarbeet-producing section into the law now will kill the chances of the American farmer for immediate participation in this program. The domestic associations, representing 10,000 or more farmers and producers from Texas and other States, plead for action now—that is, before March 31—and they have every confidence in the ability of the Congress to produce an equitable bill for the taxpayer and farmer of the United States.

They believe that American growers should have priority rights in seeking an equitable solution.

Delays in facing up to the proposition of the American farmer producing sugar, cane and beet, complicate the consideration of all matters pertaining to the U.S. sugar law. When all foreign countries are heard, those who are favored may temporarily feel good, but we have not made friends with those whom we may deny the right to import sugar. No foreign country on the face of the globe will be critical of the United States for saying to them and to the world that this Government will, by this act, give increased sugar quotas to its own citizens who desire to produce, grow, and manufacture sugar consumed by them and their fellow Americans.

Sugarbeet production by States and regions

[1,000 tons]

State and region	1950	1951	1952	1953	1954	1955	1956	1957
Far West:								
Arizona	2	1						
California	4,006	2,659	2,648	3,712	4,319	3,372	3,610	4,451
Idaho	1,508	1,227	1,052	1,459	1,569	1,433	1,551	1,777
Nevada							3	3
Oregon	414	328	302	387	389	381	428	462
Washington	480	443	456	723	761	552	707	846
Total	6,410	4,658	4,458	6,281	7,038	5,738	6,299	7,541
Central:								
Colorado	2,183	1,906	1,942	1,956	1,654	1,621	1,893	2,399
Iowa	24	9	10	8	7	10	13	14
Kansas	82	37	50	30	62	96	106	140
Minnesota	506	608	529	670	818	771	772	840
Montana	744	537	515	586	683	724	755	891
Nebraska	811	683	904	789	786	665	848	895
New Mexico	11	8	3	3	6	4	4	8
North Dakota	231	328	241	330	418	398	397	477
South Dakota	46	42	47	39	75	64	65	63
Texas	48	16	10	20	20	31	31	42
Utah	535	403	260	435	534	437	463	470
Wyoming	454	438	468	503	475	421	472	559
Total	5,675	5,015	4,979	5,369	5,538	5,242	5,819	6,798
Eastern:								
Illinois	35	25	18	23	36	36	29	27
Indiana	8	2	2	2	1	1	1	1
Michigan	1,020	605	527	570	771	885	606	907
Ohio	277	127	131	178	247	279	199	289
Wisconsin	160	65	66	84	135	57	65	78
Total	1,500	824	744	857	1,190	1,258	989	1,301
Total beet area of the United States	13,585	10,497	10,181	12,507	13,766	12,238	13,107	15,640

Source: U.S. Department of Agriculture, Sugar Statistics, vol. II, table 18, p. 20, February 1959, Statistical Bulletin No. 244.

TABLE 18.—*Sugarbeet production 1958, by States*

[1,000 tons]

Far West:	
California	[1] 3,708
Idaho	1,902
Nevada	7
Oregon	521
Washington	813
Total	[1] 6,951
Central:	
Colorado	2,372
Iowa	12
Kansas	123
Minnesota	883
Montana	839
Nebraska	902
New Mexico	9
North Dakota	464
South Dakota	73
Texas	32
Utah	429
Wyoming	596
Total	6,734
Eastern:	
Illinois	39
Indiana	[2]
Michigan	1,112
Ohio	309
Wisconsin	117
Total	1,577
Total beet area	[1] 15,264

[1] Preliminary.

[2] Less than 500 tons.

Source: "Sugar Reports," U.S. Department of Agriculture, Commodity Stabilization Service, Sugar Division, Washington, D.C., December 1959, No. 92, p. 26.

Mr. ANDERSON. Mr. President, I yield to the Senator from Nevada [Mr. BIBLE].

Mr. BIBLE. I thank the Senator.

Mr. President, earlier I joined in the colloquy with the Senator from New Mexico concerning his amendment, of which I am a cosponsor. I ask unanimous consent that a statement I have prepared on the amendment be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR BIBLE

The 15 months' extension of the Sugar Act as amended by the Senate Finance Committee will unquestionably give ample time for permanent legislation to come before the Congress.

It was my desire that the extension period would be of shorter duration and that permanent legislation would be enacted with needed equitable changes written into the law without awaiting even the 15-month period.

For the past 4 years, farmers in the State of Nevada have sought increased sugarbeet acreage allotments. Nevada's farm economy was broadened in 1956 when 500 acres were planted to sugarbeets. Actually, this was a rebirth of the sugar industry for Nevada. Farmers in the State as early 1912 had planted fields to sugarbeets and had erected a mill in one Nevada county. Early experiments with sugarbeets were doomed to failure due to the leaf hopper disease. With the development of seed resistant to this disease, the industry was reborn in the same county where earlier experience with the beet crop had met with failure.

Sugarbeet plantings the past 4 years, while on a minor scale compared with the

other 22 beet-raising States, have proved successful.

Nevada farmers received a 1960 beet acreage allotment of only 584 acres. Needless to say, the size of this allocation when shared by some 15 growers is of such import as to make little change in our farm economy.

The Nevada sugarbeet acreage allotment is less than one-half of 1 percent of the total sugarbeet acreage planted in the 22 beet-raising States.

Regardless of the size of this small industry, farmers in Nevada have appealed to me and requested that I assist them in securing additional acreage allotments. They have found the beet crop a profitable one which can be successfully grown and one which will supplement and round out their farm economy.

This year, my State is experiencing one of the worst droughts in its history. Ranchers and farmers are indeed concerned. There is some question that water for irrigation will be available for any type of row crop plantings. Nevertheless, the agriculture industry of Nevada will survive and it will survive on the hope and the faith that the future will be better—and that sufficient rain and snow, as in past years, will again provide the precious water they need.

They do, however, look to Congress to give them some assistance: legislation which they need to improve their economy and to make possible the planting of crops which will permit them to increase their farm incomes.

Historically, Nevada has an alfalfa and small grain agriculture economy. In normal years, a surplus of hay is produced and this surplus is marketed in the neighboring State of California. I am advised the average gross on a good alfalfa hay crop is about $100 per acre. Similar or less returns can be expected from small grains.

A new sugarbeet grower in Nevada has reported to me his gross return per acre on sugarbeets in his second year of beet planting experience was slightly over $300 per acre and that he believed with an equitable acreage allotment that he could net in the neighborhood of $100 per acre.

The State allocation is now so small that it is difficult to form an economical planting unit. I am afraid unless Nevada receives a larger acreage allotment, that farmers in my State will find it extremely difficult to continue with sugar plantings. On good authority, I am advised that an economical unit is approximately 1,500 acres, considering the shipping distance to beet processing plants some 200 miles away.

It is for this reason that I am hopeful new growers will be given consideration within the States and that permanent legislation can be enacted into law which will give our farm segment of this Nation a more equitable share of our own domestic sugar market.

Mr. ANDERSON. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The Senator from Illinois has 2 minutes remaining.

Mr. DIRKSEN. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New Mexico [Mr. ANDERSON] and other Senators. [Putting the question.]

The Chair is in doubt.

On a division, the amendment was agreed to.

Mr. CARLSON. Mr. President, I offer an amendment which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 3, line 7, it is proposed to strike out the word "consideration" and to insert in lieu thereof the word "preference."

Mr. CARLSON. Mr. President, I offer this amendment because the word "preference" has been contained in the bills which were reported and before the Senate and before the House of Representatives in the last session of Congress. The word "preference" was in the original bill as introduced by the distinguished chairman of the House Committee on Agriculture this year.

I offer the amendment because it complies with the original Sugar Act. The original Sugar Act, which was approved in 1948, states, among other things, that it is "an act to promote the export trade of the United States."

I say in all fairness that this evening we are going to allocate sugar quotas to foreign countries. In my opinion, these countries should be somewhat obligated to trade, particularly on agricultural commodities, and while the language of the House bill that is before us at the present time reads:

> Except that consideration shall be given to countries of the Western Hemisphere and to those countries purchasing United States agricultural commodities;

I say that we should strengthen that language and substitute the words "give preference," because such has been the intention of the committees that have handled this proposed legislation for many years. The measure passed the Senate Finance Committee last year with the word "preference" in it, and only on the concluding night in August of last year, when the bill was before the Senate, in much confusion was the wording of this language limited.

It seems to me that there is present an opportunity to render a service to the Nation, to the Treasury, to the taxpayers, and to the farmers of this country to see that the word "preference" is substituted in the bill for the word "consideration."

When the bill was being considered by the Senate last year, I had printed in the RECORD a letter which was written to the Secretary of State on August 26 outlining the reasons why I think we have a right to expect Brazil, for example, which is in the market for hundreds of millions of bushels of wheat, and Peru, which is in the market for a substantial amount of wheat, to comply with this particular section, and urging that preference be given to countries to which quotas are allotted. I ask unanimous consent that that letter be printed in the RECORD at this point in my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

AUGUST 26, 1960.

Hon. CHRISTIAN A. HERTER,
Secretary of State,
Washington, D.C.

DEAR MR. SECRETARY: Congress is again considering changes in our Sugar Act, which would further extend the powers of the President in regard to the allocation of sugar quotas.

The proposed changes, together with the curb on imports of sugar from Cuba, offer an opportunity for the United States to shift its trade to traditionally friendly countries in South America.

During your appearance before the Senate Foreign Relations Committee last week, I stressed the importance of keeping in mind the need for export of agricultural products, and particularly wheat, to Latin American countries that are deficient in their supply of wheat.

Wheat represents one of the greater outlets for U.S. production in South America, and I believe that we, as wheat producers, are highly justified in protecting our interests by actively representing our position in the renewal of the U.S. Sugar Act.

My proposal is Brazilian-Peruvian sugar for U.S. wheat. In considering how this could be achieved there are two approaches, both of which necessitate a U.S. sugar quota.

1. Set aside a portion of the U.S. quota for exchange of sugar for U.S. wheat. The transaction to be consummated through commercial channels with sugar at the U.S. preferential price and wheat at U.S. export prices. (Discussions indicate that sugar exporters would accept world prices if a means could be found to market it without disrupting U.S. sugar marketing procedures.)

2. Set aside the U.S. quota gains from increased U.S. sugar consumption: Currently the gain is allocated to the signatory countries which in effect increases their quota. This amount if set aside would not decrease existing quotas, but would give other countries opportunity to slowly build up their exports to the United States. Again it could be stipulated that the exchange generated would be used for importation of U.S. surplus agricultural commodities. You will note I am suggesting surplus agricultural commodities, for it should have greater appeal and the primary needs in Brazil and Peru are for wheat so we would be assured of the majority of sales.

These suggestions should have considerable appeal to many, for it offers opportunity for increased wheat sales based on dollar marketing, with less dependence on Public Law 480. Although resembling a barter program, it differs in that it could be handled through commercial channels without involving governments in the financing and disposal.

If it develops that additional sugar allocations should be made to Brazil and Peru, I would make the following recommendations:

1. Relate the additional allocations to an exchange for wheat.

2. Brazil needs 150,000 tons additional sugar allocation to relate to the exchange value of 300,000 M.T. of wheat (sugar $120 per ton—wheat $60 per ton) for the immediate future, if we are to supply her wheat needs for the balance of 1960.

3. Peru can supply and is eligible under the law for an additional 50,000 tons of allocations, representing 100,000 M.T. of wheat exchange, an amount which it is doubtful we will supply otherwise.

4. It should be emphasized that such a proposal can be handled through private trade channels and support of U.S. trade should be solicited.

Your personal interest in this matter will be greatly appreciated and if I can secure additional information for you, I will be most pleased to do so.

Sincerely yours,

FRANK CARLSON.

Mr. CARLSON. I think it is only fair that this consideration be given, and I sincerely hope the amendment will be agreed to.

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. CARLSON. I yield.

Mr. CURTIS. The Senator has offered a good amendment, and I shall support it.

Mr. CARLSON. I thank the distinguished Senator from Nebraska.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. CARLSON. I yield.

Mr. AIKEN. May I add that I think it is a good amendment and I shall support it.

Mr. CARLSON. I appreciate the comment of the ranking minority member of the Committee on Agriculture. It is an amendment that should be agreed to.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Kansas.

The amendment was agreed to.

Mr. HRUSKA subsequently said: Mr. President, I have a question to ask on H.R. 5463, which the Senate approved earlier this afternoon. I should like to propound the question to the Senator from Utah [Mr. BENNETT].

In the report on H.R. 5463 of the Committee on Agriculture of the House of Representatives, there is a paragraph entitled "Transshipment of Cuban Sugar" which indicates that this country should not continue to import refined sugar made from Cuban raw sugar. The report further indicates that this determination is to be made on an overall basis, depending upon the quantity of Cuban sugar the respective country imports and refines.

Does the Senator understand that this limitation would be retroactive, or should it apply only to reallocations made after the first quarter of 1961?

Mr. BENNETT. Since we are writing a new bill, any clarification that changes the interpretation of the legislature should apply only to future reallotments, and not to reallotments for the first quarter of 1961.

I am not, of course, the chairman of the committee that handled the bill, but I discussed the question with the chairman before it was necessary for him to leave, and he assured me that that is his interpretation, as it is mine.

Mr. LONG of Hawaii. Mr. President, I hope that the conferees will agree upon a sound sugar bill and that it will be passed. I believe everyone agrees that it is absolutely imperative to pass sugar legislation this week, simply because chaos would prevail in the entire sugar industry if we do not. I speak with considerable feeling, since Hawaii has a bigger stake in the outcome than any other State. Our allotment is 1,100,000 tons.

Failure to act would threaten the well-being of a great and vital domestic industry that has served our country well and that is the foundation of the economy of my own State of Hawaii. Failure to act would nullify a major element of our foreign policy, specifically with respect to Cuba and generally with respect to the Philippine Republic and many other nations that we count among our best friends. Failure to act would jeopardize our domestic supply of sugar and would defeat all the gains we have made in 25 years of insuring a steady and adequate sugar supply for our people.

So, Mr. President, we must have a bill. I am ready to agree that, in the long run, we should have a bill which differs in some particulars from the one that has been before us today. But between now and midnight Friday is not the long run. All the testimony presented by Senators and representatives of the administration before the Finance Committee was unanimous in the view that there is simply no possibility of developing a satisfactory permanent bill now.

Not only that, but there is a serious question as to whether this can be done in less than two sessions of the Congress. As Mr. Myers, of the Department of Agriculture, stated, it took two sessions to pass the last major revision in 1955–56; and compared to the problems of today, that was child's play.

Therefore, I am persuaded that we need a significant extension of the present Sugar Act, as is contemplated by the bill before us. I would have preferred the 21-month extension as voted by the House; but it seems to me that the 15-month extension recommended by the Finance Committee is a reasonable length of time, and I can support it.

I could not support, however, major changes in the substance of the Sugar Act, nor could I support an undue shortening of the extension period. The Sugar Act has been a good act over the years, and major changes must be carefully thought out and given consideration from many domestic and foreign policy points of view.

It is essential that the next permanent Sugar Act be one that will contribute to all the objectives that the Congress finds desirable. This, I feel, we simply cannot accomplish by any amended bill now, and I doubt that we could do it in less than the 15 months provided by the Senate version of the bill.

The PRESIDING OFFICER (Mr. METCALF in the chair). The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill (H.R. 5463) was read the third time and passed.

Mr. KERR. Mr. President, I move that the vote by which the bill was passed be reconsidered.

Mr. MANSFIELD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. KERR. Mr. President, I move that the Senate insist on its amendments and request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer (Mr. METCALF in the chair) appointed Mr. BYRD of Virginia, Mr. KERR, Mr. LONG of Louisiana, Mr. SMATHERS, Mr. CARLSON, and Mr. BENNETT conferees on the part of the Senate.

TRADE WITH CUBA

Mr. KEATING. Mr. President, we have been discussing, and will continue to discuss pending legislation to maintain the bars against Cuban sugar imported into the country. It is, of course, right that we should not continue this subsidy, in the form of a price above the world market, for a country which has shown itself completely hostile to the principles of freedom and justice which we in America revere.

But it is not enough to maintain an embargo on sugar alone. Cuba under Castro has shown her true colors. She is virtually a Communist satellite. We must not, because of our sympathy for the Cuban people, give the government which is oppressing them any additional support.

I think the United States and the other member states of the Organization of American States should establish a complete embargo against Cuban goods of all sort. I think that we should waste no time in moving forward to make clear to Castro and his cohorts that the United States and other American nations do not want goods produced under conditions approximating forced, slave labor. The Communists are used to buying and using such goods, but the free world is not.

In view of the stand I have taken on this matter, I was most interested to receive a letter from the Department of State, answering a query I had put to it earlier. The Department of State, I am told, shares my concern that a hostile Cuban regime, which has confiscated American properties valued at over $1 billion without compensation to the rightful owners, continues to derive dollar earnings from exports to this country.

I can assure you—

Assistant Secretary Brooks Hays writes—

that the Department is studying the Cuban trade question with the view of determining whether there are further actions in this area which might be taken in a manner consistent with our international obligations.

It is my hope that the study will be rapidly completed and will lead to stronger U.S. measures against the Castro regime, before it is even more firmly riveted onto that unhappy land with the aid of Communist equipment and infiltrators. The State Department may be moving in the right direction, but frankly, it is moving about as fast as molasses in January. If we wait too long, it may be too late.

Mr. President, I ask unanimous consent to have printed the text of the letter from the Department of State in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF STATE,
Washington, D.C., March 23, 1961.

The Honorable KENNETH B. KEATING,
U.S. Senate.

DEAR SENATOR KEATING: Your communication of March 13, 1961, expressing concern that Cuban tobacco, fruits, and vegetables

are still imported into the United States has been received.

As you know, action has already been taken to reduce the Cuban sugar quota to zero, thereby depriving the Castro regime of over 70 percent of its dollar earnings from the U.S. market. The Department nevertheless shares your concern that a hostile Cuban regime, which has confiscated American properties valued at over $1 billion without compensation to the rightful owners, continues to derive dollar earnings from exports to this country.

We are pleased to receive your views on this matter and I can assure you that the Department is studying the Cuban trade question with the view of determining whether there are further actions in this area which might be taken in a manner consistent with our international obligations.

Please do not hesitate to call on us if we can be of any further assistance.

Sincerely yours,

BROOKS HAYS,
Assistant Secretary.

Mr. KEATING. I should also like to have printed in the RECORD a fine and perceptive column by Roscoe Drummond in which he points very clearly to the need for action, not only in Laos, but closer to home, in Cuba. He describes that state as a fully formed Cuban Soviet Socialist Republic and urges united OAS action to prevent further Communist penetration.

I ask unanimous consent to have printed in the RECORD at this point in my remarks the column to which I referred.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

LAOS AND CUBA—THE NEARER DANGER IGNORED

(By Roscoe Drummond)

I do not minimize the danger of a Communist takeover in Laos. But isn't it about time that the Government and the people of the United States—and the other American Republics—adjusted their thinking to the fact that there is already a Communist takeover in our very midst? And decide that it is as important and as possible to do something about it in Cuba as well as in southeast Asia?

Of course we must not back away from the crisis in Laos. But what I want to know is when are we—all of us in the Western Hemisphere—going to stop backing away from the crisis in Cuba?

The Communist takeover is now nearly complete in Cuba and still the United States and the whole Organization of American States are self-hypnotized into inaction by an intellectual theory—the theory of nonintervention—which has no relationship to reality.

Here on our borders is a fully formed CSSR (Cuban Soviet Socialist Republic), militarily and economically supported by the two most interventionist powers in the world—Russia and Red China—and led by a dictator, Fidel Castro, who openly proclaims his intention to intervene everywhere he can to export Castroism to the whole continent.

Have we all got to stand impotent and immobile, paralyzed by the theory of "nonintervention," until Castro has intervened so widely that it is too late?

Before we can answer that question, we have to know whether Castro has now gone nearly the whole way into the Communist camp. Is it true? What are the facts? To get them I would not want to rely on either pro-Castro or anti-Castro sources. But I would turn to the reports of a trustworthy, knowledgeable and objective newspaper correspondent, Joseph Newman of the New York Herald Tribune, who, after many trips to Cuba, has just spent another month there looking at the evidence. He says yes, it is true, and in his latest series of articles he assembles conclusive evidence to support these conclusions:

"The evidence clearly shows that Cuba is rapidly evolving into a Socialist Soviet Republic, firmly anchored in the Communist bloc of Russia and Red China.

"And it points to something even more astounding in its boldness. Having established the first Socialist-Communist state in the Western Hemisphere, Castro proposes to use it as a base for achieving a grandiose dream of a United States of Latin America. It would take the form of a Latin American Union of Socialist Soviet Republics.

"As the father and head of a united Latin America, Castro would become one of the principal rulers of a Communist world, over which he would preside as an equal with Nikita Khrushchev, director of the European division, and Mao Tse-tung, director of the Asiatic division."

Mr. Newman supports these judgments with the fullest documentation. One evidence of where Castro has arrived—not just where he is headed—is the fact that he spurned all appeals of his leading democratic supporters, like Dr. Alabau-Trelles, a former member of the Cuban Supreme Court, to create a political party out of the 26th of July movement as the base for a parliamentary government. Instead, Castro permits only the Communist Party, and it alone is allowed and encouraged to develop and gain strength.

A Communist takeover is threatened in Laos—and we are doing something about it. The Communist takeover is nearly complete in Cuba—and the Organization of American States is doing nothing about it.

One reason is that we and the OAS have made ourselves the prisoners of an inapplicable political theory and have stood transfixed as Castro has established his Cuban Soviet Socialist Republic.

I am not proposing unilateral U.S. action. I am not proposing that the OAS send a military force into Cuba. But I do suggest that the uncritical acceptance of the theory of "nonintervention" covers up the Cuban problem, keeps us from facing it clearly.

The first step is to free ourselves from this hypnotic state of mind. The second step is for the OAS to take collective defensive measures, economically and militarily.

How long does this have to go on before the United States and the OAS realize that what we most need to avert is upon us—not 7,000 miles away, but in our very midst—the spread of Soviet and Chinese Communist power in the Western Hemisphere?

Mr. SMATHERS. Mr. President, I should like to associate myself with the remarks of the junior Senator from New York with respect to purchases of Cuban sugar. I believe under no conditions should we do so. I do not think we should even go into the world market to purchase Cuban sugar at the world market price, because thereby we spend dollars which are used against us for the further expansion of communism in Central and South America.

EXTENSION OF LOAN GUARANTY AUTHORITY OF THE INTERSTATE COMMERCE COMMISSION

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 114, H.R. 1163, and that it be made the pending business.

The PRESIDING OFFICER. The clerk will state the bill by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H.R. 1163) to amend section 510 of the Interstate Commerce Act so as to extend for 15 months the loan guaranty authority of the Interstate Commerce Commission.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Interstate and Foreign Commerce, with an amendment, to strike out all after the enacting clause and insert:

That section 501 of the Interstate Commerce Act is amended to read as follows:

"SEC. 501. It is the purpose of this part to provide for assistance to common carriers by railroad and express companies subject to this Act to aid them in acquiring, constructing, or maintaining facilities and equipment for such purposes, and in such a manner, as to encourage the employment of labor and to foster the preservation and development of a national transportation system adequate to meet the needs of the commerce of the United States, of the postal service, and of the national defense."

SEC. 2. Section 503 of the Interstate Commerce Act is amended to read as follows:

"SEC. 503. In order to carry out the purpose declared in section 501, the Commission, upon terms and conditions prescribed by it and consistent with the provisions of this part, may guarantee in whole or in part any public or private financing institution, or trustee under a trust indenture or agreement for the benefit of the holders of any securities issued thereunder, by commitment to purchase, agreement to share losses, or otherwise, against loss of principal or interest on any loan, discount, or advance, or on any commitment in connection therewith, which may be made, or which have been made, for the purpose of aiding any common carrier by railroad or express company subject to this Act in the financing or refinancing (1) of additions and betterments or other capital expenditures, made after January 1, 1957, or to reimburse the carrier for expenditures, made from its own funds for such additions and betterments or other capital expenditures, (2) of expenditures for the maintenance of property, or for the purpose of aiding any State, municipality, or other agency which may be organized for the purpose, in financing or refinancing the acquisition or construction of property to be used in transportation service of such a common carrier by railroad and which if acquired by the railroad would be chargeable to its road, property, or equipment investment accounts under the Uniform System of Accounts prescribed by the Commission: *Provided*, That in no event shall the aggregate principal amount of all loans guaranteed by the Commission exceed $500,000,000."

SEC. 3. Section 504(a) of the Interstate Commerce Act is amended to read as follows:

"(1) unless the Commission finds that without such guaranty, in the amount thereof, the applicant would be unable to obtain necessary funds, on reasonable terms, for the purposes for which the loan is sought;"

"(3) if the terms of such loan permit full repayment more than twenty-five years after the date thereof; or"

"(4) unless the Commission finds that the prospective earning power of the applicant, together with the character and value of the

security pledged, if any, furnish reasonable assurance of the applicant's ability to repay the loan within the time fixed therefor and reasonable protection to the United States."

SEC. 4. Section 504(b) of the Interstate Commerce Act is amended to read as follows:

"(b) It shall be unlawful for any common carrier by railroad or express company subject to this Act to declare any dividend on its preferred or common stock while there is any principal or interest remaining unpaid on any loan to such carrier or express company made for the purpose of financing or refinancing expenditures for maintenance of property of such carrier or express company, and guaranteed under this part."

SEC. 5. Section 510 of the Interstate Commerce Act is amended to read as follows:

"SEC. 510. Except with respect to such applications as may then be pending, the authority granted by this part shall terminate at the close of March 31, 1964: *Provided*, That its provisions shall remain in effect thereafter for the purposes of guaranties made by the Commission."

Mr. MONRONEY. Mr. President, I did not object to taking up the bill, H.R. 1163, although, along with the Senator from Texas [Mr. YARBOROUGH] and the Senator from California [Mr. ENGLE], I filed minority views on the consideration of the bill.

I have been in discussion with the distinguished chairman of the Surface Transportation Subcommittee, and he reminds us that the act will expire on March 31, and would thus end the authority for the making of loans to railroads.

Since this is a very important act, and inasmuch as many loans have been made to railroads which find themselves in distressed financial condition, it is not our purpose to block the legislation as it has existed.

However, in examining the committee report, we find that by the extension of the railroad loans to the financing of loans for the REA express company we will be embarking on an entirely new lending authority. The railroads are peculiarly a part of the physical assets of the United States, and the most vital part of our transportation system. We do not like to bring in the REA express company which, in fact, will become the world's largest trucking line, and favor them with Government guaranteed loans. This would open up a new avenue and set a precedent for Government guaranteed loans to all truck lines and to the trucking industry in general.

After setting this precedent, I do not see how we could deny guarantee loans to interstate truck lines which in themselves are certified by the Interstate Commerce Commission.

For that reason, the Senator from California [Mr. ENGLE], the Senator from Texas [Mr. YARBOROUGH], and I objected most strongly and filed minority views.

I wonder if the distinguished Senator from Florida [Mr. SMATHERS], the chairman of the Subcommittee on Transportation, would agree to strike from the bill the reference to the REA express company or express companies, so that the bill would be limited to its original purpose, and not extend to the financing of the trucking industry.

Mr. SMATHERS. Mr. President, I shall be glad to do that; but first I wish to say that the subcommittee listened to the testimony on this point. It is a little disturbing, after having sat in the lonely confines of a committee room and heard the testimony about the provisions of the act being extended to the REA express company, which is an integral part of the railroad network, to be asked to disregard the views there expressed. The REA express company has no other place to which to go to borrow money. It has lost a large amount of money in the last 12 years. Obviously, it is not a good credit risk for banks. Consequently, it must go elsewhere to seek assistance. Since it is still an integral part of the railroad business, it was the feeling of the subcommittee—and I believe it was the feeling of the majority of the committee—that the provisions of the act might be extended to permit the Interstate Commerce Commission to determine whether the REA express company should be permitted to obtain these Government-guaranteed loans. We felt the Interstate Commerce Commission would act wisely and prudently, as it has done in the case of other guarantees which we have authorized the Commission to make.

Now we are faced with a time schedule because the entire act will expire on March 31. We shall have to go to a conference with the House only on the question of the extension of this particular section of the act. Therefore, there is nothing for us to do, under the circumstances, but to agree to the recommendation of the Senator from Oklahoma, in the light of the time conditions, and that is what I am willing to do, if the ranking member of the subcommittee, the distinguished Senator from Kansas, is willing to agree to the proposal.

Mr. SCHOEPPEL. Mr. President, will the Senator from Florida yield?

Mr. SMATHERS. I am happy to yield.

Mr. SCHOEPPEL. Mr. President, after we had listened to the testimony in connection with the bill, I myself felt that the REA express company was an integral part of the railroad transportation picture. I am very reluctant to strike this provision from the bill entirely, since to do so would remove it from the consideration of the conferees. However, I am well aware of the seriousness of the expiration of the act. I believe that that part of the bill which is before the Senate tonight, which includes the REA express company in the act, raises a question for the committee and Congress to consider.

I shall not stand here tonight and say to the distinguished Senator from Florida, who is chairman of the subcommittee, that I would want to have the act expire. I do not want that responsibility to rest on my shoulders.

If it is likely to be held up, and if by this action the act would expire, I am reluctantly willing to admit that we should exclude the provision at this time, with the distinct understanding that the subject will be considered later to make certain that some type of relief shall be given to the REA express company, since it is an integral part of the transportation industry and the railroad system. If to eliminate the agency completely would mean the federalization of this type of industry, then I think we would rue the day and would all be disappointed if that step had to be taken.

As was brought out in our committee, proposed legislation is ready for consideration by the Senate to have the Government take over this express company unless something is done to protect it and keep it as an integral part of the railroad system.

I have confidence that the Interstate Commerce Commission, which would have the jurisdiction of such loans, as the constituted authority over the trucking industry, will make certain that that industry is protected against undue encroachment beyond the confines of the service which is expected legitimately to be performed by the REA express company.

I hope an opportunity may be afforded later to consider this question before this session of Congress ends. That is the condition under which I would be willing to agree to the proposal. I do not want the act to expire, because I realize what dire circumstances might develop.

These are my candid views.

Mr. SMATHERS. I thank the distinguished Senator from Kansas.

Mr. President, in the light of the situation, I move to strike from the bill any reference to the REA express company.

Mr. MONRONEY. The term as expressed in the bill is "or express company." It appears not as "REA express company." The language is "or express company."

Therefore, the bill should eliminate all reference to "express company." That will confine the bill to the original purpose of the proposed legislation which we are extending, namely, to assist the operating railroads in their activities to continue their public service function.

Mr. SMATHERS. Mr. President, I move to strike from the bill the words "express company" and the "REA railway express company," wherever they may appear in the bill.

The PRESIDING OFFICER. The Chair will advise the Senator that a motion is not in order; the request will have to be in the nature of unanimous consent.

Mr. SMATHERS. Mr. President, I ask unanimous consent that the words "express company," "express companies," and "REA express company" wherever they appear in the bill, be stricken.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The question is on agreeing to the committee amendment, as amended.

The amendment, as amended, was agreed to.

The PRESIDING OFFICER The bill is open to further amendment.

If there be no further amendment to be proposed, the question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill (H.R. 1163) was read the third time and passed.

The title was amended, so as to read: "An act to amend part V of the Interstate Commerce Act so as to extend for 36 months the loan guarantee authority of the Interstate Commerce Commission, and for other purposes."

Mr. SMATHERS. Mr. President, I move that the Senate insist upon its amendments and request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer (Mr. HICKEY in the chair) appointed Mr. SMATHERS, Mr. LAUSCHE, Mr. MONRONEY, Mr. SCHOEPPEL, and Mr. BUTLER conferees on the part of the Senate.

VOTES OF SENATOR McCARTHY, OF MINNESOTA, AND SENATOR MUSKIE, OF MAINE, WITH RELATION TO H.R. 4806, TEMPORARY EXTENDED UNEMPLOYMENT COMPENSATION ACT OF 1961

Mr. MANSFIELD. Mr. President, in an article in the Tuesday, March 28, edition of the Washington Daily News, Columnist John Herling made disparaging comments about two of our distinguished colleagues and their support of President Kennedy and his administration. I think the record should be set straight on this matter.

Referring to the March 16 vote on the Byrd amendment to H.R. 4806, the Temporary Extended Unemployment Compensation Act of 1961, Mr. Herling wrote:

> But the spectacular news about this vote was the strange failure of Senators EUGENE MCCARTHY, of Minnesota and EDMUND MUSKIE, of Maine—two esteemed Democratic liberals—who came in too late to vote. They had been dining.

Mr. Herling further implied that Senator MCCARTHY and Senator MUSKIE were not interested enough to get to the floor of the Senate to support the President in this vote. Such an implication could not be further from the truth.

On Wednesday, March 22, the distinguished assistant majority leader [Mr. HUMPHREY] set forth the facts on this vote. I refer Mr. Herling to page 4532 of the CONGRESSIONAL RECORD of that date.

As the Senator from Minnesota [Mr. HUMPHREY] pointed out, because of unexpected developments on the floor, and because of circumstances beyond their control, Senators MCCARTHY and MUSKIE were not notified to return to the Senate until the vote was in progress. Within 2 minutes of having received the call, they reached the floor, only to find that voting had been halted, under the regular order, and the vote was being announced.

There are no two Members of this body who are more devoted to the support of our President than Senators MCCARTHY and MUSKIE, and I think it most unfortunate that unforeseen circumstances, beyond their control, have been twisted to imply a lack of energy in their devotion to the success of this administration.

Mr. MUSKIE. I thank the distinguished majority leader for correcting the record.

Mr. MANSFIELD. It was a pleasure. I did not know the Senator from Maine was present on the floor.

Mr. CLARK obtained the floor.

Mr. METCALF. Mr. President, will the Senator yield?

Mr. CLARK. I yield to the Senator from Montana, without losing my right to the floor.

CHARLES L. TEBBE, REGIONAL FORESTER

Mr. METCALF. Mr. President, I rise today to call attention to the retirement of Charles L. Tebbe, regional forester, region 1, U.S. Forest Service. Last year Mr. Tebbe was stricken by a heart attack. He recovered but the taxing demands of his position place a burden upon his future health. For this reason he has elected to retire and he well deserves to do so.

Charles Tebbe has won the hearts and admiration of Montana people. He has had a long, colorful, rich, and rewarding career. He can retire with pride

Charlie was born in Weed, Calif., in 1908, and was graduated from the University of California in forestry in 1930. He worked in private industry, both in the United States and the Philippines. He has served in the Forest Service since 1934, in California, Oregon, Washington, Idaho, the 14 Northeastern States, and in Washington, D.C. He has worked in research, the State and private forestry divisions, and national forest administration.

Charles Tebbe is a leader. He proved this in preparing Senate Document 9 in the 86th Congress, "Full Use and Development of Montana Timber Resources."

He is a humanitarian. He demonstrated this by his work in 1959 to alleviate the distress caused by the Madison River earthquake. The Secretary of Agriculture awarded region 1 of the Forest Service a superior service award for its effective work.

Charles Tebbe has served this Nation well and the imprint of his efforts for conservation can be found in a score or more of our States. His accomplishments are legion.

He has served the public interest—never a special interest. He has placed his Nation's welfare before any other.

I look forward in the years ahead, to having his advice and counsel on such matters as his health will permit. I appreciate the help he has given to us in Montana in our quest to advance the cause of conservation.

Charles Tebbe can retire with pride in a job well done.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. CLARK. I yield to the Senator from Montana.

Mr. MANSFIELD. Mr. President, I am in complete accord with the remarks of my colleague [Mr. METCALF] concerning the retirement of Regional Forester Charles L. Tebbe.

It is not possible to measure or to fully evaluate the many fine accomplishments of a great number of our dedicated public officials. Charles Tebbe is truly a dedicated public servant, one who has inspired in those with whom he worked the dedication to service that he possessed.

Charles Tebbe is to be commended for his service to the conservation of our natural and human resources. He has had an impact upon people and their conservation thinking of considerable influence. With tireless energy, deep and unusual understanding, keen perception of his fellow man's aspirations and needs, and a warm regard for the views of others, Charles Tebbe has forged those fine human bonds so important to enlarging the scope of mankind's accomplishments.

It is with deep personal regret that I heard that Charles Tebbe will retire. I am pleased to know that he will remain in Missoula and it is my hope he will enjoy a long and pleasant stay in the Treasure State.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed, without amendment, the bill (S. 153) to further amend the Reorganization Act of 1949, as amended, so that such act will apply to reorganization plans transmitted to the Congress at any time before June 1, 1963.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 5188) making supplemental appropriations for the fiscal year ending June 30, 1961, and for other purposes, that the House receded from its disagreement to the amendments of the Senate numbered 23, 25, 53, 60, 61, 66, 67, and 91 to the bill, and concurred therein: and that the House receded from its disagreement to the amendments of the Senate numbered 27, 36, 38, and 50 to the bill, and concurred therein severally with an amendment, in which it requested the concurrence of the Senate.

The message further announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 5463) to amend and extend the Sugar Act of 1948, as amended; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. COOLEY, Mr. THOMPSON of Texas, Mr. JONES of Mis-

souri, Mr. HOEVEN, and Mr. DAGUE were appointed managers on the part of the House at the conference.

FEDERAL LOANS TO PRIVATE SCHOOLS

Mr. CLARK. Mr. President, on behalf of the senior Senator from Oregon [Mr. MORSE] and myself I introduce, for appropriate reference, a bill to authorize loans to private nonprofit schools for the construction of elementary and secondary school facilities.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 1482) to authorize loans to private nonprofit schools for the construction of elementary and secondary school facilities, introduced by Mr. CLARK (for himself and Mr. MORSE), was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

Mr. CLARK. Mr. President, the bill would provide $350 million in loans to private schools for construction over a period of 3 years—$105 million in the coming fiscal year, $117 million for the following year, and $128 million in the third year. This is the same amount of assistance per school child in private schools as is provided in the administration's bill for each public school child.

The fundamental difference is that aid for private schools would be on a repayable loan basis, not a grant; and would be used for construction only, not teachers' salaries.

Mr. President, we are confronted with widespread disagreement on the most effective way for Congress to resolve our national education crisis.

The President has made clear his belief that the Federal aid for public elementary and secondary schools is absolutely necessary, and has recommended a splendid assistance program to that end which has my complete support.

Spokesmen for the Catholic Church in this country have made clear their view that the Nation's parochial and private schools are entitled to participate in a Federal program of assistance for primary and secondary schools which is national in scope.

There are many private schools in the United States, some of them sectarian and some of them secular in nature, which are presently bearing a substantial portion of our overall educational load. Many of these schools are in dire need for additional funds in order to enable them to properly take care of the pupils who are voluntarily attending them.

The question of whether a Federal construction loan program to assist nonpublic schools is wise or constitutional is a matter of great dispute. Moreover, there is the additional problem of whether such assistance might be used in some areas to support segregated private school systems, unless there were a strong prohibition in authorizing legislation forbidding loans to schools which in fact are operated on a segregated basis.

The bill which I have introduced today is the result of long and careful study and fruitful consultation with legal and educational experts. It represents an earnest effort to achieve a sensible, fair, and just solution to the difficulties the Congress faces in trying to enact a balanced program to cope with our national education crisis. It is submitted in the hope that it will assist the Congress to enact such a program in a calm, sensible, and nonemotional manner, in no way influenced by a controversy with respect to the separation of church and state principles which is embodied in our entire American way of life.

Mr. President, the national interest in a first-class education system for all American children must, in my view, include all American children—those in nonpublic schools, as well as those in public schools. If children are being inadequately educated in private schools, because of overcrowded classrooms, half-day sessions, and substandard facilities, and I believe that to be the case in many instances, the Nation suffers as much as if children are being educated poorly in public schools.

In my judgment, a separate bill to provide long-term, low-interest loans to nonpublic schools, acted on separately from the President's program for public school aid, has these advantages:

First. It will permit the President's program to be considered on its own merits; and a program for a nonpublic school construction loan program to be considered on its own merits. Thus it will be unnecessary to interject into the debate on the administration public school aid bill any consideration concerning the church-state controversy.

Second. It deals with the serious classroom shortage that exists today in the private school systems.

Let me say that with the cooperation of the distinguished senior Senator from Oregon [Mr. MORSE], the chairman of the Educational Subcommittee of the Committee on Labor and Public Welfare, it is anticipated that hearings on this bill will be held on April 13 and 14. I am confident that at that time the witnesses will document the serious classroom shortage which today exists in the various private school systems to which I am now referring.

Third. It provides alternate means for a prompt constitutional test of loans to sectarian schools. In a moment I shall return to that point.

Fourth. It faces up to the segregation problem by clearly prohibiting loans under this bill to schools which practice racial discrimination in their entrance policies. This point also I will explain later.

The bill provides that a private school applying for a loan under the bill must satisfy the Commissioner of Education that "the making of the loan will not violate the first amendment to the Constitution."

If the Commissioner, acting in a semi-judicial capacity, determines that the loan would not involve a violation of the first amendment, the school would receive the funds, although the bill provides for judicial review of the constitutionality of the decision to extend the loan, first, by taxpayer suits and, second, by actions of secular, private schools.

If, however, the Commissioner denied the loan, on the ground that it would violate the first amendment, the school which was refused the funds would also be entitled to court review of the decision.

In each instance, direct and speedy appeal to the Supreme Court would be provided, for a final determination of the constitutional issue.

The bill also stipulates that only private schools not practicing "discrimination in entrance requirements on the basis of race or color" will be eligible for loans under the program proposed. If Federal funds go to segregated public schools, Negroes who are excluded have a remedy in the courts, under the pertinent decisions of the U.S. Supreme Court.

But if Federal loan funds are made available to segregated private schools, members of the Negro community have no judicial means of redress, although their tax dollars are involved and the private school in question may be used to defeat integration in the public schools in the area.

I have supported Federal aid for education ever since I came to the Senate. I am more anxious than ever to see an adequate Federal-aid-to-public-schools program enacted; and that remains my primary objective.

That objective will be advanced if we can separate the church-state controversy from the President's program, by handling it in a separate measure.

Mr. President, I cannot conclude without paying a warm personal tribute to my friend, the senior Senator from Oregon [Mr. MORSE], who last year carried this fight to the floor of the Senate, and in many previous years has indicated his strong support of Federal aid for private school construction. His advice has been invaluable in the preparation of this proposed legislation. I welcome him as a cosponsor. Were it not for the fact that he will be in charge of President Kennedy's education bill when it reaches the floor of the Senate, the Senator from Oregon would be the principal sponsor of this measure, and I would be a cosponsor.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD two tabulations which have been prepared by the Office of Education. The first one shows the enrollment, by States, in full-time public and nonpublic elementary and secondary day schools. The second tabulation shows the projected enrollments in full-time public and nonpublic elementary and secondary day schools, assuming continuation of the 1955–57 birth rates.

There being no objection, the tabulations were ordered to be printed in the RECORD.

1957–58 school year: Enrollment in full-time public and nonpublic elementary and secondary regular day schools, by States

Region and State	Total enrollment, all full-time day schools	Public school enrollment				Nonpublic school enrollment			
		Total	Kindergarten and grades 1 through 8	Grades 9 through 12 and post-graduate	Public school enrollment as a percent of total enrollment in all schools	Total	Kindergarten and grades 1 through 8	Grades 9 through 12 and post-graduate	Nonpublic enrollment as a percent of total enrollment in all schools
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
United States (48 States and District of Columbia)	38,756,005	33,528,591	25,668,820	7,859,771	86.5	[1] 5,227,414	4,296,806	930,608	13.5
North Atlantic	10,135,756	7,901,198	5,943,098	1,958,100	78.0	2,234,560	1,840,211	394,349	22.0
Connecticut	529,881	436,552	336,654	99,898	82.4	93,329	70,951	22,378	17.6
Delaware	89,775	[2] 72,436	55,894	16,542	80.7	[2] 17,339	13,943	3,396	19.3
Maine	217,951	184,226	143,490	40,736	84.5	33,725	23,121	10,604	15.5
Maryland	653,626	538,790	415,789	123,001	82.4	[2] 114,836	97,758	17,078	17.6
Massachusetts	1,040,101	[2] 810,614	600,256	210,358	77.9	[2] 229,487	184,739	44,748	22.1
New Hampshire	129,035	97,478	74,046	23,432	75.5	31,557	23,155	8,402	24.5
New Jersey	1,228,079	959,479	730,707	228,682	78.1	[2] 268,600	[2] 229,800	[3] 38,800	21.9
New York	3,473,479	2,658,869	2,001,573	657,296	76.5	814,610	694,541	119,969	23.5
Pennsylvania	2,379,380	1,834,553	1,345,576	488,977	77.1	544,827	441,091	103,736	22.9
Rhode Island	171,959	125,301	95,056	30,245	72.9	[2] 46,658	33,095	13,563	27.1
Vermont	86,309	69,717	54,348	15,369	80.8	16,592	11,417	5,175	19.2
District of Columbia	136,183	113,183	89,619	23,564	83.1	[3] 23,000	[4] 16,500	[3] 6,500	16.9
Great Lakes and Plains	11,425,938	9,514,535	7,200,348	2,314,187	83.3	1,911,403	1,584,231	327,172	16.7
Illinois	2,133,541	1,654,311	1,255,583	398,728	77.5	479,230	395,494	83,736	22.5
Indiana	1,054,596	934,948	709,691	225,257	88.7	119,650	102,453	17,197	11.3
Iowa	655,058	[2] 573,152	435,437	137,715	87.5	[2] 81,906	65,518	16,388	12.5
Kansas	501,726	[2] 456,810	348,220	108,590	91.0	44,916	37,538	7,378	9.0
Michigan	1,777,696	[2] 1,495,729	1,161,769	333,960	84.1	281,967	225,637	56,330	15.9
Minnesota	780,020	637,642	467,344	170,298	81.7	142,378	121,887	20,491	18.3
Missouri	909,507	778,507	591,282	187,225	85.6	[3] 131,000	[3] 107,000	[3] 24,000	14.4
Nebraska	312,377	266,769	202,435	64,334	85.4	45,608	37,775	7,833	14.6
North Dakota	147,634	130,173	96,954	33,219	88.2	17,461	13,992	3,469	11.8
Ohio	2,100,124	1,763,837	1,352,064	411,773	84.0	336,287	276,237	60,050	16.0
South Dakota	158,801	143,801	108,588	35,213	90.6	[3] 15,000	[3] 12,700	[3] 2,300	9.4
Wisconsin	894,856	[3] 678,856	470,981	207,875	75.9	[3] 216,000	[3] 188,000	[3] 28,000	24.1
Southeast	8,890,339	8,452,116	6,619,758	1,832,358	95.1	438,223	337,483	100,740	4.9
Alabama	756,614	758,214	584,674	173,540	96.4	[3] 28,400	[3] 21,300	[3] 7,100	3.6
Arkansas	431,354	420,011	320,988	99,023	97.4	11,343	8,951	2,392	2.6
Florida	925,233	874,377	681,338	193,039	94.5	50,856	36,068	14,788	5.5
Georgia	932,331	914,431	732,946	181,485	98.1	[3] 17,900	[3] 11,500	[3] 6,400	1.9
Kentucky	684,280	609,548	477,604	131,944	89.1	74,732	58,488	16,244	10.9
Louisiana	771,184	648,854	509,273	139,581	84.1	122,330	101,701	20,629	15.9
Mississippi	553,593	536,417	433,282	103,135	96.9	17,176	13,175	4,001	3.1
North Carolina	1,072,287	1,060,187	815,177	245,010	98.9	12,100	9,600	2,500	1.1
South Carolina	596,683	584,283	466,023	118,251	97.9	12,400	[4] 10,900	[4] 1,500	2.1
Tennessee	810,189	780,933	606,648	174,285	96.4	29,256	20,142	9,114	3.6
Virginia	847,464	809,464	638,810	161,654	94.5	[3] 47,000	[3] 35,000	[3] 12,000	5.5
West Virginia	479,127	464,397	352,986	111,411	96.9	14,730	10,658	4,072	3.1
West and Southwest	8,303,970	7,660,742	5,905,616	1,755,126	92.3	643,228	534,881	108,347	7.7
Arizona	288,105	262,220	205,512	56,708	91.0	25,885	21,701	4,184	9.0
California	3,128,384	[2] 2,826,339	2,192,256	634,083	90.3	302,045	248,341	53,704	9.7
Colorado	401,518	365,518	285,448	80,070	91.0	36,000	[4] 29,500	[4] 6,500	9.0
Idaho	161,030	154,111	113,776	40,335	95.7	6,919	5,969	950	4.3
Montana	154,700	136,832	102,470	34,362	88.4	17,868	14,148	3,720	11.6
Nevada	61,220	58,218	45,841	12,377	95.1	3,002	2,406	596	4.9
New Mexico	233,343	209,739	163,568	46,171	89.9	23,604	20,347	3,257	10.1
Oklahoma	530,520	513,500	376,984	136,516	96.8	17,020	[3] 13,600	3,420	3.2
Oregon	386,487	359,987	266,774	93,213	93.1	26,500	[4] 21,100	[4] 5,400	6.9
Texas	2,042,212	1,915,612	1,496,830	418,782	93.8	[3] 126,600	[3] 109,600	[3] 17,000	6.2
Utah	219,812	214,812	161,684	53,128	97.7	[3] 5,000	[3] 4,000	[3] 1,000	2.3
Washington	618,011	569,176	437,370	131,806	92.1	48,835	40,569	8,266	7.9
Wyoming	78,628	74,678	57,103	17,575	95.0	[3] 3,950	[3] 3,600	[3] 350	5.0
Outlying parts:									
Alaska	37,672	36,017	30,923	5,094	95.6	1,655	1,374	281	4.4
American Samoa	6,070	5,012	4,510	502	82.6	1,058	971	87	17.4
Canal Zone	12,697	12,118	9,589	2,529	95.4	579	[5]	[5]	4.6
Guam	16,531	13,397	11,129	2,268	81.0	3,134	2,463	671	19.0
Hawaii	157,869	[3] 130,158	100,503	29,655	82.4	27,711	20,708	7,003	17.6
Puerto Rico	616,886	[3] 564,041	488,322	75,719	91.4	[6] 52,845	[6] 39,584	[6] 13,261	8.6
Virgin Islands	9,021	6,392	5,429	963	70.9	2,629	2,333	296	29.1

[1] Represents nonpublic enrollment in full-time regular day schools only. For enrollment in other types of nonpublic schools, see table A.
[2] Enrollment not cumulative but as of a specific date.
[3] Estimated.
[4] Distribution by grade group estimated.
[5] Distribution by grade group not available.
[6] Data for accredited schools only.

Source: Chart prepared by Office of Education.

Information received from Office of Education: All figures are based on estimates

School year	Total enrollment, all full-time day schools	Public-school enrollment and percentage of total		Non-public-school enrollment and percentage of total	
		Number	Percent	Number	Percent
1958–59 [1]	41,035,000	35,001,000	85.3	6,034,000	14.7
1959–60 [2]	42,627,000	36,170,000	84.9	6,457,000	15.1
1960–61 [3]	44,303,000	37,551,000	84.8	6,752,000	15.2

Projected enrollments in full-time public and nonpublic elementary and secondary day schools assuming continuation of 1955–57 birth rates, 50 States and District of Columbia: School years 1958–59 to 1969–70—Projections as of August 1960

[In thousands]

School year	Grades K–12			Grades K–8			Grades 9–12 including postgraduate		
	Total	Public[1]	Nonpublic	Total	Public[1]	Nonpublic	Total	Public[1]	Nonpublic
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Actual public and estimated nonpublic:									
1949–50	28,616	25,216	3,400	22,185	19,464	2,721	6,431	5,752	679
1951–52	30,510	26,678	3,832	23,938	20,770	3,168	6,572	5,908	664
1953–54	33,334	28,970	4,364	26,259	22,651	3,608	7,075	6,319	756
1955–56	36,053	31,315	4,738	28,314	24,410	3,904	7,739	6,905	834
1957–58	38,955	33,696	5,259	30,118	25,801	4,317	8,837	7,895	942
Projected:									
1958–59	41,035	35,001	6,034	31,736	26,683	5,053	9,299	8,318	981
1959–60	42,627	36,170	6,457	33,157	27,767	5,390	9,470	8,403	1,067
1960–61	44,303	37,551	6,752	34,151	28,559	5,592	10,152	8,992	1,160
1961–62	45,459	38,454	7,005	34,579	28,783	5,796	10,880	9,671	1,209
1962–63	46,964	39,580	7,384	35,376	29,313	6,063	11,588	10,267	1,321
1963–64	48,342	40,568	7,774	36,069	29,719	6,350	12,273	10,849	1,424
1964–65	49,623	41,492	8,131	36,799	30,181	6,618	12,824	11,311	1,513
1965–66	50,417	41,987	8,430	37,457	30,581	6,876	12,960	11,406	1,554
1966–67	51,338	42,573	8,765	38,084	30,948	7,136	13,254	11,625	1,629
1967–68	52,205	43,126	9,079	38,658	31,273	7,385	13,547	11,853	1,694
1968–69	53,123	43,753	9,370	39,202	31,599	7,603	13,921	12,154	1,767
1969–70	54,041	44,322	9,719	39,797	31,927	7,870	14,244	12,396	1,849

[1] Does not include residential schools for exceptional children, subcollegiate departments of institutions of higher education, and Federal schools for Indians.

METHOD: Projected enrollments are based upon Office of Education enrollment data and Bureau of Census unpublished projections of the population aged 5 to 19 by single year of age (equivalent to series II, in "Current Population Reports," p. 25, No. 187). In most cases it is assumed that present enrollment trends (1950–60) will continue.

Source: U.S. Department of Health, Education, and Welfare, Office of Education, Educational Statistics Branch, Reference, Estimates, and Projections Section.

Mr. CLARK. I also ask unanimous consent that the text of the bill be printed at this point in the RECORD, and that it be held at the desk until the conclusion of the first legislative day of next week, or, if there is no session next week, the conclusion of the Senate session tomorrow, in order that other Members who desire to do so may join in sponsoring the bill.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

SHORT TITLE

SECTION 1. This Act may be cited as the "Private School Construction Loan Act of 1961".

DEFINITIONS

SEC. 2. For the purpose of this Act—

(1) The term "Commissioner" means the United States Commissioner of Education.

(2) The term "State" includes the District of Columbia, Puerto Rico, Guam, and the Virgin Islands.

(3) The term "elementary school" means a school which provides elementary education, as determined under State law.

(4) The term "secondary school" means a school which provides secondary education, as determined under State law.

(5) The term "facilities" means classrooms and related facilities (including furniture, instructional materials other than textbooks, equipment, machinery, and utilities necessary or appropriate for school purposes) for elementary and secondary schools, and interests in land (including site, grading, and improvement) on which such facilities are constructed. Such term does not include athletic stadiums, or structures, or facilities intended primarily for events, such as athletic exhibitions, contests, or games, for which admission is to be charged to the general public. Furthermore, such term does not include classrooms or other facilities used exclusively or primarily for education beyond grade 12.

(6) The terms "constructing" and "construction" include the preparation of drawings and specifications for school facilities; erecting, building, acquiring, altering, remodeling, improving, or extending school facilities; and the inspection and supervision of the construction of school facilities.

LOAN AUTHORIZATION

SEC. 3. The Commissioner is authorized and directed to make loans, from funds provided pursuant to section 11 of this Act, to private nonprofit schools in the States for constructing elementary and secondary school facilities, upon determining that such schools meet the criteria provided in subsection (a) of section 4. The total amount of such loans which shall be allocated to such schools in each State for each year for which funds are provided pursuant to section 11 shall be an amount which bears the same ratio to the total amount provided in such year pursuant to such section 11 as the private nonprofit elementary and secondary school population in such State bears to the total such population for all the States. For the purpose of this section the Commissioner shall use populations for the most recent year for which satisfactory data are available to him. Such loans—

(1) shall be made upon application containing such information as may be deemed necessary by the Commissioner to satisfy himself that the applicant meets the criteria stated in section 4 of this Act;

(2) shall be subject to such conditions as may be necessary to protect the financial interest of the United States;

(3) may be in an amount not exceeding the total construction cost of the facilities for which made, as determined by the Commissioner, and shall bear interest at a rate determined by the Commissioner, which shall be not less than the total of one-quarter of 1 per centum per annum added to the average annual interest rate on all interest-bearing obligations of the United States then forming a part of the public debt as computed at the end of the fiscal year next preceding the date on which the contract for the loan is made and adjusted to the nearest one-eighth of 1 per centum; and

(4) shall be subject to recall upon a final court ruling that the loans in question have been made in violation of the First Amendment to the Constitution; and

(5) shall mature and be repayable on such date as may be agreed to by the Commissioner and the borrower, but such date shall not be more than forty years after the date on which such loan was made.

If any part of the total funds allocated to schools within a State under the provisions of this Act remains unused at the end of either of the first two fiscal years in which funds are made available under this Act, it shall be reallocated at the discretion of the Commissioner for loans under the provisions of this Act to schools in other States. Such reallocated sums shall be over and above the sums provided in the succeeding fiscal year under section 11 of this Act.

CRITERIA FOR LOANS

SEC. 4. (a) The Commissioner is directed to make a loan as long as funds are available as provided in section 11 of this Act, subject to the provisions of section 3, whenever he finds the following criteria are met:

(1) the school applying for the loan normally maintains, or will maintain upon completion of planned construction projects, a regular faculty and curriculum and normally has a regularly enrolled body of pupils or students in attendance where the school's educational activities are regularly carried on;

(2) the school applying for the loan is owned and operated by an organization entitled to exemption under the provisions of section 501 (a) of the Internal Revenue Code of 1954;

(3) the school applying for the loan provides elementary or secondary education as determined by State law;

(4) the school applying for the loan does not in fact practice discrimination in its entrance requirements on the basis of race or color;

(5) the loan will be used for constructing facilities as defined in section 2 of this Act;

(6) the school supplies assurances satisfactory to the Commissioner of its ability to repay the loan with interest; and

(7) the making of the loan will not violate the first amendment to the Constitution

(b) If a loan satisfies the criteria of subsection (a) of this section and there are funds available, the Commissioner is directed to make the loan in the amount applied for (subject to the provisions of section 3 of this Act), unless he finds that this amount is excessive in relation to the number of students in attendance or likely to attend the applicant school or in relation to applications by other schools in the same State.

ADMINISTRATIVE PROCEDURES

SEC. 5. The Commissioner shall not finally deny an application for a loan under this Act except after reasonable notice and opportunity for a hearing to the applicant. If

the loan is denied, the Commissioner is directed to make separate findings on each of the criteria provided in subsection (a) of section 4 of this Act, to state specifically the criterion or criteria which the loan application failed to satisfy, and, if he deems it practicable, to state the amount of the loan which he would deem proper under subsection (b) of section 4 if the criteria of subsection (a) of section 4 were satisfied.

JUDICIAL REVIEW

SEC. 6. (a) Any school whose application for a loan has been denied by the Commissioner under the provisions of subsection (a) of section 4 of this Act may bring a civil action to obtain a review of the final decision of the Commissioner.

(b) Any citizen of the United States upon whose taxable income there was imposed an income tax under section 1 of the Internal Revenue Code of 1954 for the last preceding calendar or taxable year and who has paid any part of such income tax, may bring a civil action against the Commissioner to restrain or enjoin him from taking any action under this Act which the plaintiff challenges as invalid under the first amendment to the Constitution. No additional showing of direct or indirect financial or other injury, actual or prospective, on the part of the plaintiff shall be required for the maintenance of any such action.

(c) Any school which is denied a loan or which has had the amount of the loan it receives reduced because of the lack of funds available in a particular year, may bring a civil action to obtain a review of the decisions of the Commissioner extending loans to other schools insofar as the other loans are claimed to be invalid under the first amendment to the Constitution.

(d) Any action brought under the preceding subsections of this section must be commenced within sixty days after the final decision of the Commissioner. Such action shall be brought in the district court of the United States for the District of Columbia. Upon the commencement of such action the Commissioner shall file in the court the record of the proceedings upon which the findings or decision complained of are based. The district court of the United States for the District of Columbia shall have jurisdiction to hear and determine any such action, and the court shall have power to enter, upon the pleadings and record of proceedings a judgment affirming, modifying, or reversing the decision of the Commissioner. The findings of the Commissioner as to any fact, if supported by substantial evidence, shall be conclusive, but all rulings of law, conclusions of law, and mixed conclusions of fact and law made under subsection (a) of section 4, shall be subject to unlimited judicial review. Any party to such action aggrieved by a final order entered therein by the district court relating to clause 7 of subsection (a) of section 4 shall be entitled to a review thereof by the Supreme Court through the filing in that Court, within sixty days after the entry of that order, of an appeal therefrom. Any party to such action aggrieved by a final order entered by the district court on any other ground shall be subject to review in the same manner as a judgment in other civil actions. Any such action pending before any court for hearing, determination, or review shall be heard, determined, or reviewed at the earliest practicable time, and shall be expedited in every practicable manner. Any action instituted in accordance with this Act shall survive notwithstanding any change in the person occupying the office of Commissioner or any vacancy in such office.

LABOR STANDARDS

SEC. 7. All laborers and mechanics employed by contractors or subcontractors in the performance of construction work financed in whole or in part under this Act shall be paid wages at rates not less than those prevailing on similar construction in the locality to be determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a—276c–5) for construction projects financed under this Act, and every such employee shall receive compensation at a rate not less than one and one-half times his basic rate of pay for all hours worked in excess of eight hours in any workday or forty hours in the workweek, as the case may be; but the Commissioner may waive the application of this section in cases or classes of cases where laborers or mechanics, not otherwise employed at any time in the construction of the project, voluntarily donate their services for the purpose of lowering the costs of construction and the Commissioner determines that any amounts saved thereby are fully credited to the school undertaking the construction. The Secretary of Labor shall have with respect to the labor standards specified in this provision the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 5 U.S.C. 133z–15) and section 2 of the Act of June 13, 1934, as amended (40 U.S.C. 276c).

ADMINISTRATIVE PROVISIONS

SEC. 8. (a) The Commissioner may delegate any of his functions under this Act, except the making of regulations, to any officer or employee of the Office of Education.

(b) In administering the provisions of this Act, the Commissioner is authorized to utilize the services and facilities of any agency of the Federal Government and of any other public or other nonprofit agency or institution in accordance with appropriate agreements, and to pay for such services either in advance or by way of reimbursement, as may be agreed upon.

GENERAL PROVISIONS

SEC. 9. (a) In the performance of, and with respect to, the functions, powers, and duties vested in him by this Act the Commissioner, notwithstanding the provisions of any other law, shall—

(1) prepare annually and submit a budget program as provided for wholly-owned Government corporations by the Government Corporation Control Act, as amended; and

(2) maintain an integral set of accounts which shall be audited annually by the General Accounting Office in accordance with the principles and procedures applicable to commercial transactions as provided by the Government Corporation Control Act, as amended, and no other audit shall be required: *Provided*, That such financial transactions of the Commissioner as the making of loans and vouchers approved by the Commissioner in connection with such financial transactions shall be final and conclusive upon all officers of the Government.

(b) (1) Funds made available to the Commissioner pursuant to the provisions of this Act shall be deposited in a checking account or accounts with the Treasurer of the United States. Receipts and assets obtained or held by the Commissioner in connection with the performance of his functions under this Act, and all funds available for carrying out the functions of the Commissioner under this Act (including appropriations therefor, which are hereby authorized), shall be available, in such amounts as may from year to year be authorized by the Congress, for the administrative expenses of the Commissioner in connection with the performance of such functions.

(2) The Commissioner is authorized (A) to prescribe a schedule of fees which, in his judgment, would be adequate in the aggregate to cover necessary expenses of making inspections (including audits) and providing representatives at the site of projects in connection with loans under this Act, and (B) to condition the making of such loans on agreement by the applicant to pay such fees; and, if such fees are prescribed, the Commissioner's expenses for such purposes shall be considered nonadministrative. For the purpose of providing such services, the Commissioner may, as authorized by section 8(b), utilize any agency, and such agency may accept reimbursement or payment for such services from such applicant or from the Commissioner, and shall, if a Federal agency, credit such amounts to the appropriation or fund against which expenditures by such agency for such services have been charged.

(c) In the performance of, and with respect to, the functions, powers, and duties vested in him by this Act, the Commissioner, notwithstanding the provisions of any other law, may—

(1) prescribe such rules and regulations as may be necessary to carry out the purposes of this Act;

(2) sue and be sued in any court of record of a State having general jurisdiction or in any district court of the United States, and such district courts shall have jurisdiction of civil actions arising under this Act without regard to the amount in controversy; but no attachment, injunction, garnishment, or other similar process, mesne or final, shall be issued against the Commissioner or property under his control, and nothing herein shall be construed to except litigation arising out of activities under this Act from the application of sections 507(b) and 2679 of title 28 of the United States Code and of section 367 of the Revised Statutes (5 U.S.C. 316);

(3) foreclose on any property or commence any action to protect or enforce any right conferred upon him by any law, contract, or other agreement, and bid for and purchase at any foreclosure or any other sale any property in connection with which he has made a loan pursuant to this Act; and, in the event of any such acquisition (and notwithstanding any other provisions of law relating to the acquisition, handling, or disposal of real property by the United States), complete, administer, remodel and convert, dispose of, lease, and otherwise deal with, such property: *Provided*, That any such acquisition of real property shall not deprive any State or political subdivision thereof of its civil or criminal jurisdiction in and over such property or impair the civil rights under the State or local laws of the inhabitants on such property;

(4) enter into agreements to pay annual sums in lieu of taxes to any State or local taxing authority with respect to any real property so acquired or owned;

(5) sell or exchange at public or private sale, or lease, real or personal property, and sell or exchange any securities or obligations, upon such terms as he may fix;

(6) obtain insurance against loss in connection with property and other assets held;

(7) subject to the specific limitations in this Act, consent to the modification, with respect to the rate of interest, time of payment of any installment of principal or interest, security, or any other term of any contract or agreement to which he is a party or which has been transferred to him pursuant to this section; and

(8) include in any contract or instrument made pursuant to this section such other covenants, conditions, or provisions as he may deem necessary to assure that the purposes of this Act will be achieved.

PROHIBITION AGAINST FEDERAL CONTROL

SEC. 10. Nothing contained in this Act shall be construed as authorizing a department, agency, officer, or employee of the United States to exercise any direction, supervision, or control over, or impose any requirements or condition with respect to, the personnel, curriculum, methods of instruction, or administration of any educational institution.

FINANCING

SEC. 11. (a) In order to obtain funds for loans under this Act, the Commissioner may, on or after July 1, 1961, from time to time issue notes and obligations for purchase by the Secretary of the Treasury. The maximum aggregate principal amount of such notes and obligations outstanding at any one time shall not exceed (1) the sum of $105,000,000 until June 30, 1962, inclusive; (2) the sum of $222,0000,000 from July 1, 1962, until June 30, 1963, inclusive; and (3) the sum of $351,000,000 from July 1, 1963, and thereafter.

(b) Notes or other obligations issued by the Commissioner under this Act shall be in such forms and denominations, have such maturities, and be subject to such terms and conditions as may be prescribed by the Commissioner, with the approval of the Secretary of the Treasury, and shall bear interest at a rate determined by the Secretary of the Treasury which shall be not less than the average annual interest rate on all interest-bearing obligations of the United States then forming a part of the public debt as computed at the end of the fiscal year next preceding the issuance by the Commissioner and adjusted to the nearest one-eighth of 1 per centum. The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations of the Commissioner issued under this Act and for such purpose is authorized to use as a public-debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such Act, as amended, are extended to include any purchases of such notes and other obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public-debt transactions of the United States.

(c) There are hereby authorized to be appropriated to the Commissioner such sums as may be necessary, together with loan principal and interest payments made under this Act, for payments on notes or other obligations issued by the Commissioner under this section.

SEPARABILITY

SEC. 12. If any provision of this Act is held invalid, the remainder of the Act shall not be affected thereby.

Mr. JAVITS. Mr. President——

Mr. CLARK. I yield to my friend.

Mr. JAVITS. I should like to ask several questions about this matter, both as a member of the subcommittee and as a Senator from a State which has many parochial school pupils.

First, I wish to ask a question about the procedure. Does the Senator from Pennsylvania believe there would be any objection—if the situation should work out in that way—to having his bill or a similar bill considered even before Senate consideration of the general Federal-aid-to-education bill; or does the Senator from Pennsylvania have any particular view as to whether his bill should be considered before or after that bill, bearing in mind—and of course I know the attitude of the Senator from Pennsylvania, and he knows mine—that it is undesirable to deal with this measure in connection with the text of the major Federal-aid-to-education bill.

Mr. CLARK. Does the Senator from New York have reference to consideration in the committee or on the floor?

Mr. JAVITS. To consideration on the floor, I would say.

Mr. CLARK. My present thought—which will be subject to change if the leadership feels otherwise—would be that if we could get my bill reported by the committee, it should go on the calendar; and I hope the leadership would assure the Members of the Senate that it would be promptly called up for vote after the administration's measure.

Mr. JAVITS. Would the Senator from Pennsylvania agree with me that at that point we would have an obligation, in good faith, to see to it that that happened? I gather that is the view of the Senator from Pennsylvania.

Mr. CLARK. That is my view. As to whether the leadership agrees or not, I have not had an opportunity to determine.

Mr. JAVITS. I join the Senator from Pennsylvania in believing that good faith would require that that be done.

Second, I am glad the Senator has made provision for a constitutional test. There may be a question whether we can give that authority, but it is a fact, and it has concerned me very deeply, that, jurisdictionally speaking, there would be no way for a taxpayer to test the law in this kind of situation, in order to raise the issue of constitutionality.

I gather that is the reason why the Senator has provided in the bill specifical authority which would entitle an individual to sue.

Mr. CLARK. First, while I believe the provisions for constitutional review contained in the bill are valid, the Senator is a good enough constitutional lawyer to know that, if the Supreme Court did not want to hear the case, it could probably find some reason for not doing so. I have great confidence in the present Supreme Court of the United States under the distinguished leadership of Chief Justice Warren. The Court has measured up to its constitutional responsibility in the past on even hotter issues, and I am confident in my own mind it will decide this issue.

The bill provides three methods of review. The first would be used if the Commissioner of Education determined—and, presumably, he would consult competent legal authorities—that a loan made to a private school, owned and operated by a religious group, violated the first amendment of the Constitution of the United States.

The school that had been refused the loan would then be permitted under the terms of the bill to bring a civil action in the District Court for the District of Columbia to review the Commission's decision, and, if the court's order did not grant the relief requested to appeal—not by certiorari—directly to the Supreme Court of the United States.

If the Commissioner of Education, however, were to find the loan did not result in the statute's becoming an invalid one, two alternate methods are provided to those objecting to the loan's being made on constitutional grounds: First, by a taxpayer's suit, and, second, by a civil action brought by a secular private school under carefully delimited conditions.

I am well aware of the argument that the ruling in Massachusetts against Mellon and Frothingham against Mellon, decided back in the 1920's by Justice Sutherland, is a constitutional ruling which Congress could not by legislation set aside.

Again, I say if the Supreme Court wants to decide the question, this bill provides appropriate and available procedures.

Mr. JAVITS. I do not wish to delay the Senator, but I do have a few other questions which are essential to ask in this profound issue.

The Senator from Pennsylvania used the language, "if the Commissioner of Education found a loan made to a private school violated the first amendment of the Constitution." Would the Senator wish to amend that language so it would read "if the Commissioner of Education found the application, under the statute which was then being made, to be an unconstitutional application of the statute as passed"?

Mr. CLARK. The prohibition in the first amendment is against a law respecting an establishment of religion. The bill would require the Commissioner of Education to examine each application and reach a determination as to whether the making of the loan applied for, taking into account all of the surrounding circumstances, would be an unconstitutional application of the statute.

Mr. JAVITS. It is a fact that the decided cases have not ruled that a loan to parochial schools for the purposes of classroom construction is, on its face, unconstitutional. Is that not a fact?

Mr. CLARK. That is correct.

Mr. JAVITS. So, although there are constitutional lawyers, including those of the Department of Health, Education, and Welfare, who have rendered an elaborate opinion, believe such a loan is unconstitutional, the Supreme Court has not so decided. Is that correct?

Mr. CLARK. Exactly, and I want the RECORD to show I disagree with that conclusion in that opinion.

Mr. JAVITS. Exactly. If the Commissioner is to decide the basic constitutional question as to the whole statute, then I think we face one set of circumstances. However, it is different if we say to the Commissioner, "In the event that you find in respect to an application which is made to you, the application of the law which you are asked to make will be such as to run afoul of the separation between church and state, you should so find."

To cite a striking example, suppose the Commissioner is asked to lend money to build a chapel in a seminary in which a reverend or a priest is to be ordained. He might say, "That obviously runs afoul of the Constitution."

On the other hand, suppose the Commissioner is asked to construct a classroom which does not have the remotest relationship even to time off to study religion? He might consider that that would not run afoul of the constitutional prohibition.

That is the question I put to the Senator. I wonder if the Senator, in introducing the bill, would define precisely

what he expects the Commissioner to do, thereby explaining the reason why he has written the particular provision into the bill.

Mr. CLARK. I think it is a little difficult, off the top of one's head, to insure that a colloquy of this sort will properly represent mature thought on so technical and legalistic a point.

I say to my friend from New York that in my judgment the key words are "with respect to such loan."

What the Commissioner of Education must determine is whether the statute "with respect to such loan" violates the first amendment to the Constitution, in that the law "with respect to such loan" becomes a law respecting an establishment of religion.

Mr. JAVITS. I am very glad my colleague has made that point. I agree that if we are to narrow the question and to have a justiciable controversy, this is the way to do it. I think it also gives us an opportunity, even in the subcommittee, by careful study and perhaps by some legal draftsmanship, to try to find a formula which will do what many of us hope can be done, and at the same time give us the minimal risk in terms of doing something which is unconstitutional.

I should like to ask the Senator another question.

Mr. CLARK. Before the Senator asks another question, I should like to say that the Senator from Oregon [Mr. MORSE] and I considered seven separate clauses to cover the point to which the Senator from New York now refers. After long and prayerful thought, after consulting with a number of competent lawyers in addition to the Senator from Oregon, we concluded that the simplest solution was the best.

Mr. JAVITS. I, too, am seeking advice from leading constitutional lawyers in the country, and law schools. I hope we can bring their good judgment to bear on the subject.

I have one final question to ask. I know the Senator's answer, I believe, but it is important for the record.

I do not intend—and I am sure the Senator from Pennsylvania does not intend—to shift the burden of deciding constitutionality to the Supreme Court. The Senator would agree that every Senator, lawyer and nonlawyer alike, should, when he votes, be satisfied in good conscience that he is voting for a measure which he believes to be constitutional.

Mr. CLARK. I think it is implicit in the passage of any proposed legislation by this body or by the other body that Members who vote for passage believe it to be constitutional. Otherwise they have no right to vote for it.

I also believe there are many Members of this body, including the Senator from Pennsylvania, who do not set themselves up as great constitutional authorities, who are quite willing to have their judgment checked by the body set up in the Constitution to give the final word on these subjects; namely, the Supreme Court of the United States.

Mr. JAVITS. I am very grateful to my colleague for his comments.

Mr. HART. Mr. President, will the Senator yield?

Mr. CLARK. I yield to the Senator from Michigan.

Mr. HART. Mr. President, I thank my good friend the Senator from Pennsylvania. I have listened with attention to the Senator's presentation. I am gratified that he and the distinguished senior Senator from Oregon have introduced the bill.

Along with many other Senators, I have had great concern that we should do wisely that which I think is the goal of all of us, raising the level of education in this country. We should do it as broadly as we may within constitutional limitations.

It would appear now that the wisest course for those who seek Federal aid in all possible areas within constitutional limits is to support the separate venture which, I take it, the Senator from Oregon and the Senator from Pennsylvania would agree is a way to describe the bill.

Therefore, I would welcome an opportunity to join the Senators as a cosponsor.

If I may make comment on the colloquy between the distinguished Senator from Pennsylvania and the distinguished Senator from New York, I would not, by my silence, wish to indicate that I am committed yet to the idea that every time the Senate votes a Senator must make a judgment affirmatively with respect to constitutional questions. I think clearly our obligation is to vote "nay" when we make the judgment that a measure is unconstitutional, but I am hesitant to undertake the responsibility of making a judgment of an affirmative nature on constitutionality on every bill. I think when there is a doubt, broad policy judgment then should persuade one, rather than seeking the law books on the Constitution.

Mr. CLARK. It occurs to me that the Senator must obviously be correct, because many extremely competent and able Senators are not lawyers at all. It is most difficult, if not impossible, for a man who is not a lawyer, and actually for one who is not an experienced constitutional lawyer, to have any view which is very meaningful on proposed legislation as to which there is any doubt as to constitutionality.

Mr. HART. The reason I made the comment is that I sense that the bill is directed toward an area which will remain in doubt until the day the Supreme Court gives us the answer. I am hopeful that Senators will not vote in opposition to a proposal merely because there is doubt. I hope that Senators will vote "nay" if they are certain a constitutional prohibition would be violated.

Mr. CLARK. My views are in accord with those of my friend from Michigan. I welcome his support as a cosponsor of the bill.

Mr. President, I yield the floor.

Mr. MORSE. Mr. President, I wish to add to the splendid statement made by the very able and distinguished Senator from Pennsylvania only a few complimentary remarks.

First, I compliment my distinguished friend for the excellent statement he has made on the bill which he has introduced. I also thank him for the great assistance he has been to me in his capacity as a member of the Subcommittee on Education of the Senate Committee on Labor and Public Welfare.

For a long time in the Senate the Senator from Pennsylvania has spoken, in my judgment, with great clarity and with great courage on this volatile issue of Federal aid to private schools. I am proud, as the senior Senator from Oregon, to join with the Senator in sponsoring this measure. It is my sincere hope that the proposal so ably presented by the Senator from Pennsylvania [Mr. CLARK] will be received and acted upon with a minimum of delay, because, in my judgment, we owe it to the people of the United States today, as legislators, to act upon our convictions in matters such as this in order to achieve two goals.

I confirm the announcement that the Senator from Pennsylvania [Mr. CLARK] made as to our plans to hold hearings on the bill before the Senate Subcommittee on Education. Those hearings will be held on the 13th and 14th of April. I am sure this announcement will be formalized. I have talked with a majority of the members of my subcommittee and have been authorized to make preliminary arrangements for the holding of the hearings, and to notify those who undoubtedly will wish to appear as witnesses on the bill.

It is my hope and expectation that we can complete hearings in 2 days. Testimony will be limited to the views of witnesses on the language of the bill or concerning such amendments as the subcommittee will wish to consider in modification of the bill. I make this statement because hearings on the administration Federal aid to education bill have been voluminous on the entire subject of loans to private schools. I wish to make it clear that I shall not, in the public hearing, permit a repetition of the data, evidence, and information already in the record. I shall be perfectly willing to have such material filed as supplementary to statements made, but I shall give instructions to the witnesses to confine themselves to their pro and con arguments with respect to the Clark-Morse bill or any amendments thereto.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. CLARK. Unfortunately I was unable to be present at all of the hearings on the administration bill which were conducted by my good friend from Oregon. Is my friend satisfied that there is at present a clearly documented record establishing the need for assistance to private schools in order to enable them to carry out the task of educating a substantial portion of American youth?

Mr. MORSE. There is a considerable amount of evidence and data in the record, but, of course, the witnesses in support of the Clark-Morse bill can introduce additional evidence on the need at the April 13 and 14 hearings.

My own position, as I made clear in connection with similar legislation I sponsored in the last session, is that this is constitutionally acceptable legislation. Opinions of very able constitutional lawyers may differ on this point, as happens very often, when men of good will seek to offer variant solutions to problems which arise, but based upon my own study, I would hold as a lawyer that the bill offered today by both Senator CLARK and myself meets this first test of any legislative proposal.

I associate myself with the remarks of the Senator from Pennsylvania [Mr. CLARK]. In my judgment, each Senator, in keeping with the oath to uphold the Constitution, that he takes when he comes into this body, has a clear obligation to satisfy himself before he votes in favor of proposed legislation that he believes it to be constitutional. I would not be offering as a cosponsor with the author, the Senator from Pennsylvania [Mr. CLARK], this proposed legislation if I did not honestly believe as a lawyer that our bill would meet the constitutional test. I shall have something to say on that subject in a moment.

The goals, to which I referred earlier, are these:

First, to provide for the educational needs of a substantial segment of our Nation's schoolchildren, who are educated in private and parochial schools.

I have said many times in past debate, there is no question about the public service that private schools perform. There is no doubt about the great service, in terms of many millions of dollars, that the private schools perform for all the taxpayers of the United States each year. If anyone should question that fact, he should for a moment reflect upon what would happen if we closed all the private schools in the United States tonight and if all the schoolchildren in those private schools appeared at the public school doors tomorrow morning.

Then I think the American taxpayers would have a clear understanding of the public service rendered by private schools and the public savings rendered by the private schools. They would know what our total national educational cost would then be, if it were not for the contributions that the private schools are making today to the educational process.

Mr. CLARK. Mr. President, will the Senator yield at that point?

Mr. MORSE. I yield.

Mr. CLARK. I am happy that the Senator has made the point. I thank him for his very kind remarks about me, for which I am grateful. But is it not a fact that under the laws of all 50 States, each of which has compulsory free public education through various grades—usually grade 12—every private school, in order to be able to operate and to permit a child to go there instead of going to a public school, must meet the standards of education laid down by the superintendents of instruction for the public schools in that State?

Mr. MORSE. The Senator is correct. It seems to me his comment also bears upon the fact that, in a sense, private schools can be considered as analogous to public schools in that they meet the public standards which are required in the educational process. If they did not meet those standards fully, they would not be able to operate.

Mr. CLARK. They relieve taxpayers of the States and school districts of the obligation of paying out still more money to educate children who otherwise would have to be taken into the public schools.

Mr. MORSE. There is no question about that.

The second goal to which I wish to refer is to provide, even more importantly, a procedure whereby, with far greater precision than is now afforded, a conclusive determination can be made of the extent to which the Federal Government may legitimately provide services to the private school sector of our society without violation of the first amendment.

The second point I have raised assumes an even greater importance because of the divisive controversy arising in connection with the aid-to-public-schools bill upon which hearings were recently concluded. Let us not mistake the situation. Feelings on this matter run deep and are grounded in historic situations of the past. Basic loyalties are involved and it is our duty to see that procedures are available to all parties concerned whereby they may state their convictions freely, certain in the knowledge that careful consideration is being given in the framing of legislation to those views and convictions. I believe that to avoid this issue, will but cause it to smolder, only to erupt in more heated form another day.

I wish to be very frank about this problem. It is a delicate one. Many people like to avoid it, but it cannot be avoided. In my judgment, the controversy over the religious issue in relation to public and private schools, and Federal aid in respect thereto, cannot be put behind us, in my judgment, until we finally raise it in such form that we can get a final decision from the U.S. Supreme Court on the subject matter. I make a plea tonight to all Catholics, to all Protestants, and all those of other faiths who have views on this subject, to join forces with us in trying to get this matter settled once and for all in this country. We have all the clear responsibility to strive for a decision as to how far, if at all, the Federal Government can go in giving aid to private schools, both secondary and primary as well as to higher education.

I make this plea because, in my judgment, it is not good for our body politic to have this highly controversial and emotional issue repeatedly raised in this country. It tends to split the Nation. It is not good for the Nation. All that we are really dealing with in essence, is the question whether or not it is within the constitutional power of the Federal Government to give any form of aid to private schools.

I believe it is very unfortunate that there are those in this country who would seem to avoid meeting the issue head on. In a democracy I believe in meeting issues head on. I believe that those of us who are offering the bill, who are urging its consideration and its passage, are really performing a service for our country, in that we believe the time is long overdue to have this issue finally determined as a matter of law.

On November 8, 1960, I believe a historic event occurred in this country, because we started to put to rest a highly emotional issue, controversial in nature, which has divided this country for a long time. The fear that if we elected a President who happened to be of the Catholic faith, we would not be able to protect the constitutional doctrine of separation of church and state.

Mr. MORTON. Mr. President, will the Senator yield?

Mr. MORSE. I have always repudiated that view. I have always said that it has no place in a democracy. I have always held to the point of view that any citizen, irrespective of his religious faith, once he takes the oath of office to uphold the Constitution, could be counted upon to keep that pledge.

I am very proud of the record that the brilliant President of the United States has made on this subject matter. I say that we ought to rally behind him and we ought to follow his leadership, now that he is our leader. We ought once and for all to determine the question as to how far the Federal Government can go under the first amendment to the Constitution in giving aid to private schools. I believe that this is the duty of Americans of all religious faiths—Catholics, Protestants, and Jews, and, yes, including those who may not be of any religious faith. In view of the international problems which confront us and will confront us in the next score of years we ought to see to it that we follow courses of action in this country which will keep us united and not divided. This is one way to unite this country. I am satisfied that once the Supreme Court speaks on this subject one way or another, the overwhelming majority of the American people will say, "That settles it for me."

Therefore, I am very proud to join the Senator from Pennsylvania in introducing the bill.

I am in a rather difficult position. The Senator from Pennsylvania has referred to it, when he pointed out that last year I was the author of an amendment to what was then Senate bill 8, in which an effort was made to get the matter settled. This year I have the responsibility of being chairman of the Subcommittee on Education.

I apologize to the Senator from Kentucky. The Senator from Pennsylvania has just told me that the Senator from Kentucky had asked me to yield to him. I did not hear him. Does the Senator wish me to yield on another subject matter?

Mr. MORTON. It is on the subject matter which the Senator is discussing.

Mr. MORSE. I yield to the Senator from Kentucky.

Mr. MORTON. I wish to commend the Senator by saying that in my opinion this Nation has ended the question of religious prejudice in this country, and I hope that all Americans agree, as I know the Senator from Oregon agrees.

I would like to ask the Senator from Oregon how I should vote, in his opinion, on the proposal now before us. I voted against it last year when he offered the amendment. I would like to hear his argument as to why I should vote for his proposal this year.

Mr. MORSE. I will do my very best to persuade the Senator from Kentucky to vote with me. This will be a rather long debate over the next few weeks. Tonight I only want to say that unless I can convince the Senator from Kentucky that the bill is constitutional, the Senator from Kentucky should, and I am sure will, vote against me. I do not believe any Senator should vote with me if he thinks that in fact the bill violates the first amendment to the Constitution. If I thought it violated the first amendment, I would not offer it.

But as to the other substantive reasons, as to why I believe the bill should be enacted, I hope the Senator from Kentucky will bear with me in the debates that will follow in the next few weeks. Tonight I will explain briefly the objectives of the bill and not go into the substantive arguments in support of it.

What, then, are the tests to apply to a constitutional question? Are they not:

First, does the bill violate the first amendment? Does the bill seek to establish religion in contravention of the amendment? My answer is "No," the bill seeks to empower the Commissioner of Education with authority to make interest-bearing loans under carefully worded legislative instructions for limited purposes connected with the education of boys and girls whose parents, for various reasons, prefer them to be educated in private schools.

Whether such education is compulsory or voluntary, whether there is or is not undue tax burden, whether the education provided is in the primary and secondary schools, or is accomplished at institutions of higher learning seems to me to miss the point. The question is rather: whether the proposal meets the constitutional test, in the first instance, and second, if it does, then, whether the proposal is in the public interest.

We have procedures to determine both of these matters in our system of checks and balances.

The constitutional question must be answered by each of us in this Chamber in accordance with our understanding and belief on every piece of legislation with which we are concerned.

The hearings process permits us to have access to the views and reasoning processes followed by others in arriving at our own conclusions.

The President of the United States has his obligation, under the Constitution, on every bill presented to him to exercise a similar judgment, and finally, since no one of us or group of us can claim an absolute knowledge, the procedures of the courts of this Nation are available for a check upon our reasoning and findings. This system works well. If followed, an orderly determination under the rule of law can be made as to the validity of a statute. In the process, we also arrive at our collective judgment as a people upon, not only the legality, but also the advisability of a course of action. This valued judgment, and the method by which we arrive at it, is a most precious assurance that so far as man can devise, justice can be achieved in our country.

Mr. President, as chairman of the Education Subcommittee of the Senate Committee on Labor and Public Welfare, I announce that I plan to hold fair and full hearings on this bill. I want every point of view made a part of the record.

It may be necessary to require the filing of written statements after oral presentations and after a limited time has been allowed witnesses. I wish to make it perfectly clear that I am seeking only to build up a record that can be of use to the Senate once the bill reaches the floor of the Senate, if it reaches the floor, so that we will have before us the best available evidence and data that can be brought before the Senate. The type of information that I believe will be very helpful to the Senate is contained, for example, in a letter which I received today from Prof. Mark DeW. Howe, professor of law at Harvard University.

I wish to read certain excerpts from the letter, because I very well know that this being the first time that any public discussion of the Clark-Morse bill has been held in the Senate, we probably have some duty at least to offer what I think is a prima facie case based upon this constitutional scholar's argument in regard to the constitutional point. Therefore, I wish to read from two pages of this letter. Professor Howe says:

While the first amendment, as interpreted by the Supreme Court in the Everson and McCollum cases, remains the law of the land doubts concerning the constitutionality of the suggested program of loans, as it applies to parochial schools, have obvious justification. I am myself persuaded, however, that a plan of the sort described, subject to some limitations, does not violate the first amendment.

Perhaps I can best explain my position in this matter by dealing first with the constitutionality of loans to nondenominational private schools. It seems to me quite clear that there is no constitutional barrier to Federal financing of the educational activities of private schools which are serving the public interest by providing that kind of instruction which the States prescribe for public schools.

I digress to say that that is exactly the point which the Senator from Pennsylvania [Mr. CLARK] made a few minutes ago. I now return to Professor Howe's letter:

I see no reason, in other words, why Federal grants or loans might not be made to Exeter and Andover, when the aid is directed toward the "public" aspects of their enterprise. I should suppose, however, that it would be of very questionable constitutionality, under the first amendment, for a Federal grant or loan to be made to Andover or Exeter for the construction of a chapel. Obviously a parochial school would have no better right to expend Federal money for the building of a chapel or the decoration of its classrooms with religious symbols, than would a non-denominational private school.

I realize, of course, that many men of good will, and many lawyers of extensive learning, conceding what I have so far asserted, would insist that it is impossible for responsible statesmen, asked to help the parochial schools in a time of need, to disregard the fact that most parochial schools are by the very nature of the faith that led to their establishment, compelled to make all instruction religious education. They would urge, therefore, that if I concede, as I do, the unconstitutionality of Federal aid in the construction of chapels I should acknowledge that the physics and chemistry laboratories, the slide rules and blackboards in the arithmetic classrooms, are chapels and symbols. Perhaps if I were a better or more relentless logician than I am, I should. The fact, however, is that these questions of constitutionality—like almost all others—seem to me ultimately to be questions of degree. And when I consider those questions I am satisfied that a valid line may be drawn between governmental support of activities that are predominantly of civil concern and those which are predominantly of religious significance.

From what I have said you will see that I am not willing to endorse, without qualification, the constitutionality of the suggested plan of loans for all construction programs in private schools. I believe that serious questions of constitutionality would be presented were there to be no limitations with respect to the type of program for which support might be sought. Of course I realize that the opponents of any and all programs of aid to parochial schools insist that my innocence will permit bookkeepers to circumvent the prohibitions of the first amendment. Perhaps they are right. I suspect, however, that this bookkeeping habit has become something like a constitutional tradition to which we must adjust ourselves.

May I add two more words. It seems to me that the difficulties of assuring a judicial resolution of the constitutional issues which I have discussed make it more than normally important that these problems be considered with the greatest care and deliberation in the Congress. The tendency to suggest that because the questions may be nonjusticiable the Congress need not worry, strikes me as wholly indefensible. If there are nonjusticiable problems presented the Congress owes a peculiarly nondelegable duty to resolve them. I am encouraged by your letter to believe that your committee recognizes this special responsibility. Finally I should like to add an expression of an opinion which you did not seek. I believe that it would be a mistake to make provisions at the present time for aid to private elementary and secondary schools. I express this strong opinion in order that you may realize that I have attempted to keep my political opinion and my professional judgment in different compartments of my mind.

Very sincerely yours,

MARK DEW. HOWE,
Professor of Law.

I think Professor Howe is deserving of high commendation as are his colleagues of high caliber who are furnishing constitutional opinions to the subcommittee. In my judgment he typifies the spirit of a true lawyer. He has put aside his own personal political judgment, as he says in his last paragraph. He himself, as a matter of public policy, obviously does not favor loans to private schools; but as a constitutional lawyer and a recognized scholar and authority in the field of constitutional law, he points out that, in his judgment, loans to private schools, properly safeguarded with certain criteria, are constitutional. It is on that premise that I find myself, and have always found myself, in complete agreement with the point of view expressed by Professor Howe.

Without taking the time to review my previously expressed judgment on the floor of the Senate concerning the constitutionality of an interest-bearing loan form of legislation, I ask unanimous consent that certain excerpts dealing with the overall constitutional problem, presented by me in the debate last year, be printed at this point in the RECORD.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

Mr. MORSE. Mr. President, I will now proceed to a discussion of the amendment.

PRIVATE SCHOOLS ARE PART OF EDUCATION SYSTEM

The Federal aid to education bill, S. 8, is one that I believe to be most important for our country. There can be no doubt that education in America stands in need of financial assistance from the Federal Government. There can be no doubt that the Federal Government stands in need of a sound education system in America. The measure proposed by the Senator from Michigan, Mr. MCNAMARA, would give such aid to the public schools.

However, I feel that I must express a very deep concern over the failure of the bill to consider the needs of all of American education. As presently constituted, S. 8 neglects the 15 percent of our Nation's youth who are receiving their education in nonpublic schools. That is where this 15 percent figure originated, Mr. President. We took the 15-percent figure in the first place because 15 percent of our boys and girls in the United States are going to private schools.

May I emphasize that they are receiving their education in nonpublic schools because they and their parents are exercising their rights within our democracy in choosing the kind of education they desire. This right is one that has been determined by decision of the Supreme Court.

I should like to recall to the Senate this decision, the so-called Oregon case decided in 1925, *Pierce* v. *Society of Sisters*. In it, the U.S. Supreme Court found an Oregon State law requiring compulsory public school education of children between the ages of 8 and 16 to be an invasion of the liberty guaranteed by the 14th amendment. This great decision is the charter of education freedom in America. Since that time, traditionally and juridically, every private school, attendance at which satisfies compulsory education laws of the States, is an integral part of the American educational endeavor.

Let me read a short excerpt from this great decision of the Supreme Court of the United States, which was a unanimous decision. The Justice writing for the majority was Justice McReynolds.

A 1922 Oregon statute required attendance at public schools of children between the ages of 8 and 16. The Society of Sisters, one of the groups which brought the action, was a Roman Catholic institution. The name "Pierce" in the decision is the name of a great Governor of our State at the time, later a Representative in Congress, the Honorable Walter Pierce.

The Supreme Court said:

"Under the doctrine of *Meyer* v. *Nebraska* (262 U.S. 390), we think it entirely plain that the act of 1922 unreasonably interferes with the liberty of parents and guardians to direct the upbringing and education of children under their control.

"As often heretofore pointed out, rights guaranteed by the Constitution may not be abridged by legislation which has no reasonable relation to some purpose within the competency of the State. The fundamental theory of liberty upon which all governments in this Union repose excludes any general power of the State to standardize its children by forcing them to accept instruction from public teachers only.

"The child is not the mere creature of the State; those who nurture him and direct his destiny have the right, coupled with the high duty, to recognize and prepare him for additional obligations."

Mr. President, it was that language and the other part of the decision in the famous Pierce case of 1925 which established the principle that when a State seeks to compel children to go to a public school it acts unconstitutionally, and that legislation which would so provide is in violation of the 14th amendment.

So, Mr. President, we have no single track system of education in this country; the States fortunately, have not preempted the field of education. The right of parents to send their children to schools of their choice has consistently been protected. The development of the American system of education has been in the direction of diversity, and it has been good for our Nation, exactly as diversity in our political and social life has been good for us. In 1930, the Court upheld the right of Louisiana to spend public funds for textbooks for private school children (*Cochran* v. *Louisiana State Board of Education*, 281 U.S. 370).

This tradition is one which should be preserved. We know that the public schools have serious problems, and because I recognize that fact I am a supporter of S. 8 and of the Clark amendment to expand the public school grants to include aid for teachers' salaries.

But the private schools are in serious financial straits, too, and we must not forget that fact when we deal with proposed legislation to raise and improve education standards in America.

The problems of the private schools affect the democratic rights of our citizens. For example, as the burden of taxation is increased, the ability of parents to finance the kind of education they wish for their children could be destroyed. In fact, the very existence of nonpublic schools could be destroyed.

The legislation we enact to aid education, then, should not be punitive nor should it place an intolerable burden upon any group. The legislation we enact should be designed with the needs of all of the schools in mind, public and nonpublic, if we are really to improve our education system.

The fact is that the nonpublic schools perform a remarkable service to the Nation in the share of the cost of education they bear. Today, 15 percent of all the children enrolled in elementary and secondary schools are in private schools.

I have been heard many times to draw the illustration of what we could expect if by some wave of the hand all the private elementary and secondary schools now in operation could be caused to disappear, so that all the youngsters attending them today were compelled to show up tomorrow morning at the public schools to continue their education.

More than 5 million children would appear. The figures being discussed in connection with the need of help for the public schools show that there are some 1,800,000 children enrolled in excess of the capacity of the schools to handle them. To add 5 million more would put an additional burden upon the States, school districts, and the Federal Government that is staggering to the imagination.

These private schools provide more than 170,000 classrooms. Using the average expenditure per child of $237 in the public schools and applying it to these 5 million children, the private schools and those who support them are saving the taxpayers some $1,185 million a year because that is how much more would have to come out of public funds if these children suddenly sought a public school education.

I pause a minute on that figure, Mr. President. That is a lot of money; $1,185 million is being contributed, in my judgment, to the public by the private schools today, and we are asking under this proposal for authority to lend with interest a mere $75 million, to be of assistance to these private schools in constructing the schoolrooms they need to meet their registration demands.

Is there a public interest involved? Mr. President, the whole burden of my argument in support of the amendment—and I rest my argument on this major premise—is that the taxpayers of the country will be greatly benefited by approval of my amendment. It is an economy amendment. It is an amendment which will save the taxpayers of America great sums of money. It is an amendment which will cost the taxpayers of the country not one red cent. It is an amendment which will return to the Treasury of the United States interest on the money loaned.

It provides for no grant to any private school in America. I want to get that fact firmly established in the debate, Mr. President. The Senator from Oregon, as I shall show later in the argument, does not favor grants, but he does take the position that these private schools ought to be helped because of the public service they render to the American people in the field of education, with interest-bearing loans for school construction, and school construction only, in the amendment.

TIGHT MONEY HURTING CONSTRUCTION OF BOTH PUBLIC AND PRIVATE SCHOOLS

The fact is that the rising interest rates upon funds the private schools have been borrowing to finance their construction is making borrowing more difficult all the time. It is just as difficult for the private schools to borrow in this high interest rate market as it is for the public schools. Construction is not keeping pace with enrollments.

Is it any solution to allow private school construction to be curtailed when the children who would expect to attend them are simply going to have to attend public schools and thereby increase the pressure upon the public schools?

I call attention to that point because it bears again upon my point that this amendment is an economy amendment, for the benefit of all the taxpayers of the country. If the private schools are not able to borrow money to build the classrooms to meet their enrollment demands, those youngsters will have to appear at the doors of the public schools, although their parents may desire to have them go to a private school, which the U.S. Supreme Court in the famous Pierce case of 1925, made perfectly clear was the very definite right of parents in our country.

We cannot abridge it by passing compulsory legislation requiring children to go to public schools; that would be unconstitutional, for it would be in violation of the 14th amendment. We should not try to accomplish the same end by indirection in the case of a single child or a group of children, or in the case of the many hundreds with respect to which we would be accomplishing it if we did not have lending facilities available to private schools so that they could borrow money to take any students who ask for admission to private schools.

Let me state that argument another way in order that it may be clear for the RECORD. I try to follow through on the principles of the Supreme Court decision by applying those principles to other operative facts when new circumstances arise. In the Pierce case, the Court made it very clear that if a State passed a State statute which sought to require all children between the ages of 6 and 16 to go to a public school, that would

be unconstitutional. One of the reasons it would be unconstitutional would be that in fact it would abridge a very precious natural right of a parent to determine the school to which his child should go.

If, in view of the educational crisis which faces our country, if in view of the financial problems which exist in our country, including high interest rates, private schools find themselves in a position where they cannot borrow the money in order to add to a school building the classrooms necessary to admit students who wish to enter the private school, are we not in fact indirectly following a policy which says to the parents, "You must send your children to the public school after all"?

As to those little boys and girls who are involved in that particular hypothetical situation, there is no denying the fact that they are required to go to a public school because no private school facility is open to them.

Mr. President, I think we must make sure, in this Federal-aid-to-education measure, that the private schools are able to maintain their share of the education burden. Further, I believe that the loan program set up in my amendment is the sound way to accomplish that purpose. We should not follow a legislative course of action that would justify anyone in saying that we are acting in a discriminatory fashion against the private schools, or to the disadvantage of the private schools. We owe the private schools so much for the great public contribution which they make each year to the educational system of our country. As I said a few moments ago, it would cost the public some $1,185 million a year to educate them.

CONGRESSIONAL PRECEDENTS

My next argument is that there are ample precedents in Federal legislation in support of the principle of my amendment. I wish to make my argument on that premise, although I am not one to say that merely because something has been done before it is all right to do it again.

On the contrary, we have many bad precedents, not only in the law, but in our governmental procedure, which should be overruled and discarded. But because the argument is made against me by those who have not done the necessary bookwork which, I respectfully say, ought to be done on this problem before they make this argument, that there is no precedent at all for the amendment I am proposing on the floor of the Senate this afternoon, I believe I owe it to my friends, supporters, and cosponsors to present the result of the research we have done on this particular point.

Mr. BUSH. Mr. President, will the Senator yield for a question?

Mr. MORSE. I yield.

Mr. BUSH. Did the Senator say he had no precedents?

Mr. MORSE. No. I said there were many precedents for the course of action I am proposing, but the argument has been made that there is no precedent.

Mr. BUSH. I thought the Senator said there was no precedent.

Mr. MORSE. I said that argument is made against me.

Mr. BUSH. I apologize. I am sorry. I misunderstood.

Mr. MORSE. That argument is made against the amendment, and I am about to show that there are a great many precedents in support of it.

Before going into the judicial aspects of Federal assistance, let us look at what Congress has already done in this area. For almost 15 years now we have kept in mind the needs of children in the private, nonprofit schools with reference to the school lunch program. Not only has the Department of Agriculture distributed food to them, but it has also administered a very small grant program to enable schools to construct the kitchen and cafeteria space and facilities needed to feed the children in private schools as well as public schools.

For 10 years, the college housing program has gone forward successfully, and I know something about that, because I was a member of the Senate Committee on Banking and Currency when that program was established. It applies to church colleges and universities of many denominations. I know of no instance where a question has been raised as to the constitutionality of including private—and church—colleges in the loan program for dormitories. Apparently it is all right to provide a place for them to sleep, but not a place for them to learn.

Two years ago, we applied the same principle to the National Defense Education Act. Where grants were authorized to the public schools for science facilities and minor remodeling to accommodate them, loans were authorized to private schools. Again, I know of no challenge to the constitutionality of that program, and scarcely any objection even to its advisability.

Another program related to this question is the Hill-Burton Hospital Construction Act. It will be remembered that in the 2d session of the 85th Congress, we considered and passed an amendment to the Hill-Burton Act making it possible for hospitals operated by churches to borrow funds for hospital construction, if they preferred to do that rather than accept the grants. This change was made at the request principally of the Baptist hospitals.

Before reviewing the official position taken by the Baptists, I wish to stress for the RECORD the fact that under the Hill-Burton Act we grant huge sums of money in total to denominational hospitals—Catholic and Presbyterian and of other denominations. The history of this subject is a very fascinating and interesting one.

The Baptists took the position that they could not accept grant money. Therefore, I now take the Senate through a very interesting bit of history as to what has happened in the administration of the Hill-Burton Act.

LOAN ACCEPTABLE AS SUBSTITUTE FOR GRANTS

In presenting their point of view to the House Committee on Interstate and Foreign Commerce, several Members of Congress who declared their affiliation with the Baptist Church, advocated this change on the ground that accepting grants for Baptist hospitals conflicted with their traditions, but that a loan program would not.

In addition, Dr. John H. Buchanan, who testified on behalf of the Baptist hospitals, gave the following statement on May 7, 1958:

"It so happens, as has been intimated by both Congressman HAYS and Congressman HARRIS, that during these 12 years of its existence our Baptist people have not felt free to accept a grant because of a peculiar tradition we have on the separation of church and state. We have gone ahead in constructing hospitals and financing them with great difficulty from private sources and from benevolent funds."

I digress to say that this refers to the 12 years of the existence and operation of the Hill-Burton Act.

"This amendment offered by Congressman HARRIS, H.R. 6833, if approved, would make available to the Baptists—and there are some other groups across the Nation which have taken the same position who have never accepted grants—long-term loans for the help of these groups in making their added contribution to the health of the Nation.

"It would make available to us these funds simply as loans, long-term loans, enabling us to expand our facilities and add to the total health program of the Nation.

"So I come this morning simply to bring that plea, that you give consideration to those of us who have never availed ourselves of the use of these funds, because of this principle which some of our brethren hold. But this will make it possible for us to expand our facilities, pay back to the Government what we borrow, and meet increasingly a tremendous need across our Nation."

It is interesting to note here that no question was raised as to the constitutionality of extending or accepting a grant for hospital construction on the part of a church organization.

But those groups which had their own objections to the grants, came before Congress asking for a loan program so as to remove their objetcion to accepting grants.

Let me say, Mr. President, that neither has any question of constitutionality with respect to the loan program been raised in connection with hospitals. Now let us get this premise of my argument clearly understood. There is no difference as a matter of law whether we lend money for use by hospitals or lend it for use by schools. Not a bit.

If the argument is that somehow or in some way the amendment violates the first amendment to the Constitution with respect to the separation of church and State, I will discuss those cases in a moment, but at this point I wish to say that Congress, in connection with the school lunch program, has been granting food to private schools; in connection with dormitory programs for sectarian colleges we have been lending money; and now, under the Hill-Burton Act, we have provided extended grants to sectarian hospitals—hospitals run by Catholic and other religious groups—and then, when we ran into objection by Baptist church officials, who said that practice conflicted with their tradition, we have provided that they could borrow money, although we were perfectly willing to grant it to them.

So I think that at least I have sustained my burden of proof of showing that there is ample legislative precedent for this program and that there has been no successful constitutional contest throwing out this loan program of the Hill-Burton Act or any of the other programs I have enumerated.

What Congress did in connection with the Hill-Burton program for meeting the health needs of the American people now needs to be done in regard to our education needs. That is what we are asking for in S. 8 and in my private school loan amendment.

COURT RULINGS ON SEPARATION OF CHURCH AND STATE

But beyond the fact that Congress has again and again included private and even church schools and hospitals in Federal programs of assistance to the general welfare, what have the Federal courts, and the U.S. Supreme Court in particular had to say on this subject?

There is no specific Federal judicial precedent on the exact point of Federal grant or loan programs. But there are precedents on other points. I have already mentioned the 1925 and 1930 cases, the latter upholding the expenditure of public funds by a State for textbooks for private schools.

In 1946, the Supreme Court again had occasion to pass upon a State statute extending another form of assistance to its children. This was the New Jersey law furnishing school-bus transportation, upheld by the High Court in 1946.

At that time, in *Everson* v. *Board of Education* (330 U.S. 1), the entire Court concurred in the following general interpretation of the first amendment ban upon the establishment of a religion:

"Neither a State nor the Federal Government can pass laws which aid one religion, aid all religions, or prefer one religion over another."

The dissenting judges concurred in that conclusion, drawing their difference over

what constitutes "aid." It was the decision of the majority that the granting of "aid" could not be construed so narrowly as to cut off welfare services for children attending the private schools, even if they are church-affiliated schools.

Shortly thereafter came the McCollum case, which has been cited to me as rendering my amendment unconstitutional. There are those who have called upon me during the last few days, and insisted that my amendment cannot be reconciled with the McCollum case. I told them that I completely disagreed with their interpretation of the McCollum case, and suggested that they hear me through my argument when I make it on the floor of the Senate. I do not believe that their construction of the McCollum case holds water.

In the 1948 case of *McCollum* v. *Board of Education* (333 U.S. 203), issue was made over a released time program in Champaign, Ill., where the children were released from class during the school day to receive religious instruction on school premises, provided the parents consented to the release. Other children continued their academic work.

Although the Illinois Supreme Court upheld this practice, the U.S. Supreme Court did not. Opponents of the released time program contended it was an "aid to all religions" and hence, unconstitutional. This view prevailed with the Supreme Court. Its majority declared:

"Here not only are the State's tax-supported public school buildings used for the dissemination of religious doctrines. The State also affords sectarian groups an invaluable aid in that it helps to provide pupils for their religious classes through the use of the State's compulsory public school machinery. This is not separation of church and state."

But this was not the last of the Court's statements on the subject, nor do the facts conform with the loan program under consideration in my amendment. In fact, the facts of the McCollum case have nothing whatsoever to do with any loan program.

The next released time case brought before the U.S. Supreme Court was from New York and was decided in the case of Zorach against Clauson in 1952. In this instance, the released time for religious instruction also required the consent of the parents, and occurred during the school day, but the religious instruction did not take place on school premises.

The Supreme Court found this entirely constitutional. Justice Douglas delivered the opinion of the Court, and declared:

"No one is forced to go to the religious classroom. A student need not take religious instruction. He is left to his own desires as to the manner or time of his religious devotions, if any.

"There is a suggestion that the system involves the use of coercion to get public school students into religious classrooms. The present record indeed tells us that the school authorities are neutral in this regard and do no more than release students whose parents so request."

In emphasizing the historic development of this Nation, Justice Douglas went on to say in the Zorach case of 1952:

"There cannot be the slightest doubt that the first amendment reflects the philosophy that church and state should be separated. And so far as interference with the free exercise of religion and an establishment of religion are concerned, the separation must be complete and unequivocal. The first amendment within the scope of its coverage permits no exception; the prohibition is absolute. The first amendment, however, does not say that in every and all respects there shall be a separation of church and state. Rather, it studiously defines the manner, the specific ways, in which there shall be no concert or union or dependency one on the other. That is the commonsense of the matter. Otherwise the state and religion would be aliens to each other—hostile, suspicious, and even unfriendly. Churches could not be required to pay even property taxes. Municipalities would not be permitted to render police or fire protection to religious groups. Policemen who helped parishioners into their places of worship would violate the Constitution. Prayers in our legislative halls; the appeals to the Almighty in the messages of the Chief Executive; the proclamations making Thanksgiving Day a holiday; 'so help me God' in our courtroom oaths—these and all other references to the Almighty that run through our laws, our public rituals, our ceremonies would be flouting the first amendment. A fastidious atheist or agnostic could even object to the supplication with which the Court opens each session: 'God save the United States and this Honorable Court.'

"We are a religious people whose institutions presuppose a supreme being. We guarantee the freedom to worship as one chooses. We make room for as wide a variety of beliefs and creeds as the spiritual needs of man deem necessary. We sponsor an attitude on the part of Government that shows no partiality to any one group and that lets each flourish according to the zeal of its adherents and the appeal of its dogma. When the state encourages religious instruction or cooperates with religious authorities by adjusting the schedule of public events to sectarian needs, it follows the best of our traditions. For it then respects the religious nature of our people and accommodates the public service to their spiritual needs. To hold that it may not would be to find in the Constitution a requirement that the Government show a callous indifference to religious groups. That would be preferring those who believe in no religion over those who do believe."

In declaring what Government may not do, Justice Douglas continued:

"Government may not finance religious groups nor undertake religious instruction nor blend secular and sectarian education nor use secular institutions to force one or some religion on any person. But we find no constitutional requirement which makes it necessary for Government to be hostile to religion and to throw its weight against efforts to widen the effective scope of religious influence."

This philosophy of the U.S. Supreme Court has been implemented by Congress in the Hill-Burton Hospital Construction Act, in the GI bill of rights which financed the education of our veterans even in seminaries and theological schools, in the college housing loans, and the National Defense Education Act, to mention but a few laws.

I do not doubt for a moment that the key to what may be done and what may not be done lies at the point where the difference between providing for the general welfare becomes "aiding" religion. Note should be taken here of the fact that the present Oregon textbook law is again being taken through the courts.

Assurances have been given on both sides that it will be taken up to the Supreme Court of the United States for another ruling on whether a State may expend State funds on textbooks for boys and girls in private schools, including church schools.

That is all right with me. I welcome judicial rulings on the questions of where the boundary which separates church and state in America is placed. Neither Congress nor the courts mean to discourage, curtail, or in any way hamper, in my opinion, the right of American parents to educate their children in schools of their own choosing.

I further believe that in this education bill sound public policy calls for the inclusion of an encouragement to private institutions in providing services which are aided directly by the Federal Government in their public aspects.

HISTORY OF FIRST AMENDMENT

Mr. President, when one talks about the first amendment, I think it important that he keep in mind what the first amendment provides, and that he then relate what it provides to the history of the first amendment. So I take a moment to read it:

"Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech, or of the press; or the right of the people peaceably to assemble, and to petition the Government for a redress of grievances."

Let us get this point clear: The whole question of separation of church and state stems from these words in the first amendment:

"Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof."

But we need to keep in mind the facts which existed to our country, the controversy which was waged in our country, that caused the adoption of the first amendment. That is why it is so important that we get back to the views of our Constitutional Fathers. We need to remember that at the time the Constitution was adopted there were, if my recollection is correct, nine States which had State churches.

In other words, the first amendment was really the result of a controvery which was waged in this land at the time of the birth of the Republic, when there was strong opposition to the establishment by law of a state church.

That is not surprising, because all of us know that a great religious controversy had been waged for a long time in many parts of the world, and that some of our forefathers left Great Britain because of the so-called state-church issue. They were in revolt against state religious authoritarianism.

So it is not surprising that in the colonial days there was great controversy over the issue of whether the Federal Government should sanction—as some States already had done—a national church. Therefore, the Founding Fathers wrote this provision into the Constitution. I believe it is about as clear a provision as could be written, in bearing on this controversy:

"Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof."

When I read various articles which quote Madison, Jefferson, and others of that day, I am always at a loss to understand why the articles do not include a discussion of this very controversy, which was waged over the establishment of state churches. As we read the great language of Justice Douglas in the decisions to which I have just now referred, I believe it most important that we realize that he had clearly in mind the historic basis for the first amendment.

GENERAL WELFARE AT ISSUE

To provide for the general welfare is one of the principal duties of the Federal Government. That does not mean that in promoting the general welfare of the people, we may deal only with public agencies in Federal, State, or local governments. On the contrary, as we already have done time and time and time again, we as a Congress have the obligation to deal with private agency ways, means, and methods which will promote the general welfare within the framework of our constitutional guarantees. Congress did that in the Hill-Burton Act and in many other acts which were of some assistance to the church or private agencies; and

I propose that the same principle now be extended by way of the granting of loans to private schools, to provide classrooms for the boys and girls who attend those schools.

As I have said many times, as we pass judgment on these legislative proposals, I shall never take my eyes off the boys and girls. We should constantly ask whether the purpose of the particular bill is to help the boys and girls, and whether the money proposed to be provided is to be used for the benefit of the boys and girls. On that basis we justify the science facility program, the school-lunch program, the health program, the textbook program, the school-bus program, the dormitory program, and all the other programs I have cited this afternoon as precedents in support of the principle of my amendment.

Encouragement to the private schools of the Nation in their role of educating approximately 15 percent of our young people should be a part of the general aid-to-education bill. Under my amendment, no grant or subsidy will go to them; but the "high and impregnable wall of separation between church and state," as it has been called by Justice Black, does not preclude the Government from cooperating with church-sponsored activities which are in furtherance of the general welfare.

My loan proposal stays clear of the statement by Justice Douglas in the Zorach case—namely, that "Government may not finance religious groups" nor prefer one religious group to another.

In providing for the education of our servicemen after World War II and the Korean war, the Federal Government paid their tuition, so the Nation's colleges and universities, public, private, and sectarian, could do that job. That was not a matter of supporting or financing religions; it was a matter of educating the young people.

The need for that is the same as the need dealt with in the amendment which I have offered this afternoon. It is the same as the need which in my amendment we seek to meet.

Because I recognize the existence of strong feelings on the part of some groups of Americans in regard to this matter—feelings in opposition to the conviction I personally hold in regard to it—I ask unanimous consent to have printed at this point in the RECORD, in connection with my remarks, a letter which I have received from certain members of the Unitarian Fellowship for Social Justice. I believe it would be most unfair of me to make the argument which I make here this afternoon and not make clear, for the RECORD, that this group of very sincere and dedicated people who do not share my point of view in regard to this matter is opposed to my amendment. Therefore, I ask unanimous consent that the letter and the accompanying resolution be printed at this point in the RECORD, in connection with my remarks.

There being no objection, the letter and the resolution were ordered to be printed in the RECORD, as follows:

UNITARIAN FELLOWSHIP
FOR SOCIAL JUSTICE,
Washington, D.C., February 3, 1960.

Senator WAYNE MORSE,
Senate Office Building,
Washington, D.C.

DEAR SENATOR MORSE: At the meeting of the legislative committee of the Unitarian Fellowship for Social Justice held this morning, the following resolution was passed:

"The Morse amendment to the school construction bill violates the spirit of the Constitution because it would use the Government's financial facilities to aid religous schools, at the level of compulsory school attendance. The Government has never before gone so far in the direction of aid to parochial schools, and we believe that this creates a dangerous precedent. Loans can easily lead to grants, and soon the taxpayers may be asked to pay all the expenses of sectarian schools.

"More than 90 percent of the pupils attending such schools in America are in Catholic parochial schools. Since the Catholic bishops want full public support for such schools, any move in that direction should be resisted by citizens who believe in the American tradition of church-state separation.

"We also believe that this amendment is dangerous because it may provide an opening wedge for segregationists to obtain public money for private, segregated schools in the South. If Southern States abolish their public school systems, they might secure some Federal loans for private schools through this amendment.

"Coming at this moment, this raises a divisive church-state issue and a divisive race issue. We hope that you and your associates will be persuaded to withdraw it in the name of civil rights and the separation of church and state."

We are sending copies of this letter to your fellow Senators who joined you in this amendment, and to the press.

Sincerely,

MURIEL A. DAVIES
Mrs. A. Powell Davies, *President.*
ERNEST O. SOMMERFELD
Rev. Ernest O. Sommerfeld,
Chairman, Legislative Committee.

Mr. MORSE. Mr. President, of course as we read the letter and the resolution, in light of the argument I have already made, it is clear that I do not share their opinion that loans to be repaid to the American taxpayers with interest, and with no subsidy, for the construction of private, nonprofit elementary and secondary schools do not constitute aid to religious schools which falls under the proscription of the Supreme Court of the United States. If I believed it was unconstitutional, my colleagues may be sure that I would not be offering or supporting this amendment.

TERMS OF AMENDMENT

In conclusion, I point out that the definition of school facilities for which loans may be made under my amendments is the same as the definition which is applied to the public-school grants in Senate bill 8; namely, the term "school facilities" means classrooms and related facilities, including furniture, instructional materials other than textbooks, equipment, machinery, and facilities necessary and appropriate for school purposes for education. It specifically excludes "athletic stadiums, or structures or facilities intended primarily for events such as athletic exhibitions, contests, or games, for which admission is to be charged to the general public."

In other words, the educational facilities for which private school loans are authorized are the same as the ones for which grants are provided to the public schools.

I also point out that the assurances that construction will take place under the conditions provided in the Davis-Bacon Act are required for these loans, as in the case of grants for public schools.

Mr. President, in support of the legal argument I have made this afternoon in regard to the McCollum case, I should like to call attention to an article which appeared in the University of Pittsburgh Law Review, volume XII, page 154. The article was written by my very able administrative assistant, Mr. Berg, of whom I am very proud. The article was written in 1950, at the time when Mr. Berg was professor of law at the University of Colorado Law School. The article contains a very interesting analysis of the McCollum case.

So I ask unanimous consent—without taking time to read excerpts from the article—that certain excerpts from Mr. Berg's article be printed at this point in the RECORD, as part of my remarks, because they very effectively and in very scholarly fashion buttress the legal argument I have made this afternoon.

There being no objection, the excerpts from the article were ordered to be printed in the RECORD, as follows:

"[From the University of Pittsburgh Law Review]

"BOOK REVIEW: 'RELIGION AND EDUCATION UNDER THE CONSTITUTION,' BY J. M. O'NEILL

"The Constitution of the United States does not command the separation of church and state. Nevertheless, Mr. Justice Black, speaking for a majority of the U.S. Supreme Court in the much-discussed McCollum [1] case, announced that 'the first amendment has erected a wall between church and state which must be kept high and impregnable.' [2] In the same case, Mr. Justice Frankfurter referred to a 'constitutional principle requiring separation of church and state.' [3] In his recent book, O'Neill challenges these broad pronouncements, disagrees with the reasoning of the Court in the McCollum case and substantiates his position by a thorough documentation.

"The facts of the McCollum case are relatively simple. Members of the Jewish, Protestant, and Roman Catholic faiths formed the Champaign Council on Religious Education. The council, with the consent of school authorities, conducted classes in religious education for public school children of Champaign, Ill., on released time in public school rooms. These classes were not compulsory. Attendance was permitted only upon written consent of the parents. Mrs. McCollum, a parent of a child attending one of the public elementary schools of Champaign, attacked this program in the State courts. She failed at that level, but the Supreme Court of the United States with only one dissent, found the plan unconstitutional.[4] A majority of the Court, relying upon dicta in a decision handed down 2 years earlier,[5] in effect decided that the released time plan amounted to a State law 'respecting an establishment of religion' in violation of the first amendment, the prohibitions of which the Court found applicable to the States under the 14th amendment." [6]

"The constitutional prohibition against a law respecting an establishment of religion has been construed by the Supreme Court to mean: 'Neither a State nor the Federal Government can set up a church. Neither can pass laws which aid one religion, aid all religions, or prefer one religion over another,' and that 'in the words of Jefferson, the clause was intended to erect "a wall of separation between church and state." ' [7] O'Neill demonstrates that a majority of the Supreme Court, in defining the establishment clause in such sweeping terms and in making it applicable to the facts of the McCollum case, apparently did not understand the nature of the evils that the clause sought to eliminate.

"One who studies the materials collected by O'Neill will find ample support for the proposition that the establishment clause of the first amendment was designed to make doubly certain that the Federal Government should never establish a national church. As O'Neill says: 'My thesis is that the words "establishment of religion" meant to Madison, Jefferson, the members of the First Con-

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[1] *Illinois ex rel. McCollum* v. *Board of Education* (333 U.S. 203 (1948)).
[2] Id. at 212.
[3] Ibid.
[4] Reed, J., dissenting.
[5] *Everson* v. *Board of Education* (330 U.S. 1 (1947)).
[6] *Illinois ex rel McCollum* v. *Board of Education* (333 U.S. 203, 210 (1948)).
[7] Id. at 210.211.

gress, the historians, the legal scholars, and substantially all Americans who were at all familiar with the Constitution until very recent years, a formal, legal union of a single church or religion with government, giving the one church or religion an exclusive position of power and favor over all other churches or denominations.' [8]

"Recently the U.S. Supreme Court gave a fairly good indication of the canons of construction it would follow in determining the meaning of 'an establishment of religion.' In the Everson [9] case the Court, speaking through Mr. Justice Black, observed that it has long construed that clause 'in light of its history and the evils it was designed forever to suppress.' [10] Shortly thereafter, in the Adamson case, Mr. Justice Frankfurter stated that 'an amendment to the Constitution should be read in a "sense most obvious to the common understanding at the time of its adoption." ' [11] In view of these pronouncements, Mr. Justice Black could hardly have applied a different rule of construction in interpreting a constitutional provision in the McCollum case. It is true that the Court has often construed 'expanding' concepts, such as those of interstate commerce and general welfare, in light of modern conditions. But it is highly improbable that the Court would state specifically that a stable concept, such as the constitutional prohibition against a law respecting an establishment of religion, should have a present-day meaning different from that which prevailed when the first amendment was adopted.

"O'Neill's book makes it quite evident that the Supreme Court, in spite of the rules of construction quoted above, attributed to the establishment clause a meaning vastly different from that which it was intended to have 'in light of its history and the evils it was designed forever to suppress.' After reading this book one is tempted to agree with Mr. Justice Jackson's frank suggestion that the Court decided the McCollum case upon the basis of its prepossessions.[12]

"O'Neill lists many of the evils attendant upon an establishment of religion.[13] For example, it was not uncommon to find that important civil rights, such as those of holding public office, participating in jury service, and giving testimony in court, were reserved to members in good standing in the established church. There were 9 established churches—all Protestant—in the original colonies, and not until 1833 was the last of these disestablished.[14] In view of the extent of establishment in this country at the time of the first amendment and the seriousness of its infringement of human liberties, it is obvious that the facts of history support O'Neill's conclusion that the object of the establishment clause was the prevention of this intolerable situation at the Federal level.

"The Supreme Court has relied heavily upon the writings of Jefferson and Madison in construing the establishment clause.[15] Those who insist that the Supreme Court correctly interpreted Jefferson's and Madison's points of view in this respect will find little comfort in what O'Neill has to say. In two chapters devoted to a study of the attitudes, actions and writings of these two great statesmen on the subject of religion, O'Neill finds that neither advocated complete separation of church and state as that concept was defined in the McCollum case.[16] Of course, if one wishes to single out a sentence or paragraph written by either of these men, he may claim that he has found support for the Supreme Court's broad interpretation of the establishment clause. However, any such isolated statements of Jefferson or Madison become insignificant when compared with the entirety of their works and actions.

"O'Neill shows that the much-quoted metaphor, 'a wall of separation between church and state,' found in Jefferson's letter to the Baptists of Danbury, reflected disapproval of any 'formal legal union between one religion and the government.' [17] The author also collects for us convincing evidence that neither Jefferson, the citizen, nor Jefferson, the President, was an exponent of the idea of complete separation of church and state.[18]

"The chapter on Madison brings into clear light significant public manifestations of that great American upon the subject of religion.[19] From these it is evident that Madison, too, feared and fought the establishment of a religion by government, but that in his public life he did not espouse the cause of absolute separation of church and state.

"Other useful guides for ascertaining the meaning of the establishment clause are discussed by O'Neill. For example, he mentions many acts of Congress which inferentially involve Congress' interpretation of that clause. These substantiate his theory that an 'establishment of religion' means and has always meant to Congress 'only a single, formal, monopolistic union of one religion with the Federal Government.' [20]

"Another important guide to the meaning of the establishment clause is the interpretation placed upon it by recognized constitutional law authorities. His quotations from eminent writers in this field show that the Supreme Court has deviated far from the time-honored interpretation of the establishment clause.[21]

"Chapter 10 has a discussion of the 14th amendment and its application to the facts of the McCollum case. O'Neill says that the view adopted by a minority of the Supreme Court in the Adamson case [22]—that the 14th amendment makes the Bill of Rights applicable in toto to the States—'is an essential part of any possible theory of the constitutional validity' of the McCollum decision.[23] I do not think this conclusion necessarily follows. In the McCollum case the Court merely decided that the provision of the first amendment which prohibits any law respecting an establishment of religion is applied to the States via the 14th amendment.[24]

"I agree with O'Neill's conclusion that the Supreme Court erroneously enlarged the meaning of the establishment clause so as to

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[8] P. 56.

[9] *Everson* v. *Board of Education* (330 U.S. 1 (1947)).

[10] Id. at 14.

[11] *Adamson* v. *California* (332 U.S. 46, 63 (1947)).

[12] *Illinois ex rel. McCollum* v. *Board of Education* (333 U.S. 203, 238 (1948)). It should be observed that Justice Reed, dissenting, said: "The phrase 'an establishment of religion' may have been intended by Congress to be aimed only at a state church. * * * Passing years, however, have brought about acceptance of a broader meaning." Id. at 244.

[13] Pp. 24–25, 192–194. Mr. Justice Black's opinion in the Everson case also lists many of the evils of an establishment of religion. *Everson* v. *Board of Education* (330 U.S. 1, 9 (1947)).

[14] P. 25.

[15] See *Emerson* v. *Board of Education* (330 U.S. 1, 11–13 (1947); id. at 31–41 (Rutledge, J., dissenting); *Illinois ex rel. McCollum* v. *Board of Education* (333 U.S. 203, 214 (1948)) (Frankfurter, J., concurring).

[16] Chs. 5 and 6.

[17] At the time this letter was written (1802) the Baptists were experiencing an establishment of the Congregational Church in Connecticut (p. 83).

[18] Pp. 76–86. Among other items, O'Neill brings out these important facts:

(1) Jefferson advocated the use of public funds in Virginia for a school of theology (p. 76).

(2) Jefferson recommended that a room at the University of Virginia be used for religious worship (p. 206).

(3) The four key provisions of Jefferson's bill for establishment of religious freedom in Virginia were aimed at the evils of an established state religion (pp. 275–277). These four provisions are now found in Virginia Code Ann. sec. 34 (1942).

(4) As President, Jefferson used public funds for chaplains in the Army and Navy and signed an Indian treaty requiring payment of public funds for the salary of a Catholic missionary priest (pp. 77, 116–117).

[19] Pp. 87–107, O'Neill mentions such facts as these concerning Madison's position:

(1) Madison was a member of the congressional joint committee that instituted the chaplain system in Congress (pp. 99–100).

(2) Throughout Madison's term as President public funds were used to provide chaplains for the Army and Navy (p. 102).

(3) During Madison's administration, public funds were used for religious purposes on the Indian reservations (p. 102).

(4) Madison's original draft of the portion of the proposed first amendment dealing with an establishment of religion read: "Nor shall any national religion be established" (p. 103).

(5) The Memorial and Remonstrance was a protest against making the Christian religion the established religion of Virginia (pp. 88–89).

[20] P. 109, illustrative are these:

(1) Congress has elected House and Senate chaplains as salaried officers since 1790 (pp. 110–111).

(2) Since the first Congress, provision has been made for Army and Navy chaplains (p. 111).

(3) Under the GI bill of rights, public funds are paid to religious schools and colleges (p. 120).

(4) Federal funds are paid to religious schools for the care of Indian children (p. 120).

(5) Shortly after the McCollum decision was handed down, Congress appropriated $500,000 to erect a chapel for religious worship at the United States Merchant Marine Academy (p. 120).

[21] Pp. 62–65. The author cites these works: "Story's Commentaries," secs. 1873, 1874, 1877 (5th ed. 1891); Cooley, "Constitutional Limitations," 584 (4th ed. 1878); Corwin, "The Constitution—What It Means Today," 154 (9th ed. 1947).

Not listed by O'Neill, but also important are Cooley, "Constitutional Law," 259 (4th ed. 1931); Black, "Constitutional Law," 518 (4th ed. 1927); Willoughby, "Constitutional Law," sec. 723 (2d ed. 1929).

[22] *Adamson* v. *California* (332 U.S. 46 (1947)). In this case a majority of the Court, speaking through Mr. Justice Reed, followed the view that only the provisions of the Bill of Rights that are "implicit in the concept of ordered liberty" are secure from State interference under the due process clause of the 14th amendment. A minority of the Court agreed with Justice Black. In his dissenting opinion he took the position that the 14th amendment made the Bill of Rights applicable to the States.

[23] P. 161.

[24] However, a dictum in the Court's opinion indicates that the 1st amendment is made applicable to the States by the 14th.

make its prohibition cover the facts of the McCollum case." [25]

NO SUBTERFUGE INTENDED

Mr. MORSE. Mr. President, I will turn now to my amendment to the amendment, which I want to discuss briefly. It deals with a problem that I do not think we should ignore. That is the question as to whether or not my amendment, if it should become the law, could be used as a form of subterfuge for undercutting the Supreme Court decisions in regard to nonsegregation in public schools.

Mr. President, I have a very brief argument to make in support of my amendment, but I am going to read the amendment and then send it to the desk. On page 4, line 4, after the period, I propose to insert a new sentence, as follows:

"In making loans within any State under the provisions of this section, the Commissioner shall give priority to applicants proposing to construct school facilities in areas where the public schools are in operation."

I want to make my argument on the amendment before I offer it.

Mr. DODD. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. DODD. I do not want to interrupt the Senator's very cogent and persuasive argument, but I wish to say I am very happy to join with the Senator in support of his proposal.

Mr. MORSE. I am very proud to have the Senator from Connecticut join me.

Mr. DODD. I think the Senator from Oregon is making a very important and scholarly speech on this problem. I said this earlier today concerning the Monroney-Clark substitute, and it seems important to point it out again: Neither the committee bill nor the Monroney-Clark amendment makes any provision for private schools, which are educating 15 percent of all the schoolchildren in America.

I am sure the Senator will agree with me that there is another factor we should make note of here, and that is the expense which the parents of those children carry. They not only pay their share in taxes to support the public schools, which is proper and right, but they also pay the expenses of their own children in private schools.

The third point on which I commend the Senator is his having brought up and made clear to all the fact that the private schools are not seeking any grants. They seek only interest-bearing loans. I think this amendment offers a great opportunity for an investment in education in the United States, an investment that will reap not only a return of interest and the money loaned, but, more importantly, great and continuing dividends in the talents and aptitudes of the young people who are coming along in this country, and who will continue to come along. It is really an investment in the future of our Nation.

Finally, I should like to say I am very proud to be associated with the distinguished Senator from Oregon in offering this amendment; and I express, I am sure, the attitude of a great many people when I say we have reason to be grateful to the Senator from Oregon for his scholarly exposition this afternoon and for his fairness, his courage, his sense of justice, and his ability to see the issue clearly as one of national interest.

Mr. MORSE. Mr. President, I appreciate very much the statement of the Senator from Connecticut, who is a great lawyer, with a brilliant legal record. I particularly appreciate his evaluation of the argument I have sought to make.

I am convinced that the law is clearly on my side so far as the constitutionality of my proposal is concerned, or I would not be offering it. I am satisfied that the public interest is on my side, because the boys and girls who go to private schools are entitled, it seems to me, to the kind of facilities that are necessary in order to make it possible for them to get a good education. Our amendment seeks to provide for them, on a loan basis, the same adequate facilities we seek to get for public school students on a grant basis.

The Senator from Connecticut is so right when he points out the great contribution that the parents of private school students really make to the public school interests. I have used the figure in my argument this afternoon, but it needs to be used over and over again, because it is a telling one.

They contribute, really, $1,185 million to the taxpayers of the country, because if these boys and girls were not in private schools, that amount of money would have, to be spent in public schools for them. In fact, that is the minimum amount. It might be higher than that, because of the resulting problems of congestion and administrative difficulties that would be created in the public school system if all these boys and girls all at once walked into the front doors of our public schools, including the great increase in teachers' salaries which would be required because of the additional number of teachers that would have to be hired. I think the amount would be much more than $1,185 million.

That amount of money would have to come out of the public coffers to meet the educational needs that would be created by the admission into public schools of all the students now in private schools.

May I say also I think there would be another costly result. Because of all the difficulty that would be created by the additional number in public schools unequipped to meet their educational needs, there would be a great educational loss to America. There would be many a brain that would not be developed to its maximum potential.

Mr. President, if you want to be perfectly economically selfish about this question, you and I lose, in terms of national wealth, every time the potential brainpower of an American boy or girl is not developed to its maximum extent. So, Mr. President, I do not care how you look at this problem. I do not see how you can escape the force of the argument that we have an obligation to make money available, on a loan basis, to give these boys and girls a fair opportunity for an adequate education.

MORAL ISSUE AS WELL AS EDUCATIONAL ISSUE

Nothing has been said, but I will mention it in passing, because to me it is the controlling argument, about our moral obligation. We are a great people. We talk about our dedication to moral values. Mr. President, do you know of anything more valuable than the potential of a little grade school boy or girl in America? Do you know of anything more precious or priceless?

If you just look at the question from the moral standpoint, our duty, as people who believe in moral values, is to be unselfish, willing to sacrifice, if necessary, certainly willing to make some loan money available to give boys and girls an educational opportunity that they would not enjoy to their fullest potential if we did not follow such a course of action as I propose this afternoon.

Whether met on the legal argument, on the economic argument, or on the moral argument, I am satisfied that our amendment is correct.

Mr. President, many Senators wanted me not to offer the amendment. I am offering it because I think it is in the interest of my country, and I think we ought to agree to it this afternoon.

Mr. President, I turn now to a very brief discussion of the amendment to the amendment which I am about to offer. I offer it on my own responsibility.

On page 4, line 4, after the period insert the following new sentence:

"In making loans within any State under the provisions of this section, the Commissioner shall give priority to applicants proposing to construct school facilities in areas where the public schools are in operation."

My argument for the amendment is very brief, as follows:

Some issue has been made, and it is one I have thought about a great deal before offering this amendment, of the question of Federal support of some kind going to private schools which are racially segregated.

CONGRESS HAS IGNORED SEGREGATION QUESTION

Of course, that whole matter is ignored in the pending bill. Under S. 8, funds for construction would be assigned to State public schools which continue to be segregated, in spite of Supreme Court rulings to the contrary.

The sad fact is that the Congress of the United States has not come to grips with this situation in any of its Federal programs. We have Public Laws 815 and 874 extending grants of Federal aid to racially segregated public schools; the same is true of the grants of the National Science Foundation; the college housing loan program applies to both public and private segregated schools; so does the school lunch program. The Department of Defense carries on its reserve officer training programs in racially segregated institutions, both public and private.

It is my opinion that Congress should deal with this matter in general terms. It is not enough that we let the Supreme Court hold the bag, so to speak, on racial discrimination. The Congress, too, has an equal responsibility to uphold the Constitution, and the Supreme Court has made very clear that under it segregated public facilities are not permissible.

However, the courts have also laid down a rule of reason regarding the adjustment necessary in many States. For that reason, many Members of Congress take the view that no legislative directive is called for in a program like the one authorized in S. 8.

In the case of a loan to a private school, the position of the courts is less clear. So far as I have been able to determine, there has been no ruling on any of the grant or loan programs I have mentioned as they apply to institutions which are both private and segregated.

NEED BASIS JUSTIFIES AMENDMENT

Nonetheless, the purposes of S. 8 and my amendment are to expand the educational facilities of the American school system. It makes no sense to lend money for construction of private schools when the public schools nearby stand idle and empty.

Therefore, on the basis of the need alone, I believe that in making loans under my amendment the Commissioner of Education should give priority to those applications coming from areas where the public schools are also in operation.

To say that no Federal loan for this one level of private school construction shall go to a racially segregated school is to strain at a gnat after swallowing the camel, since

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[25] "In all of the discussion in Congress apparently no one had in mind a change that would have any effect at all on any question of religion or religious education. This is not surprising when one considers that in the first century after the adoption of the Bill of Rights we find no evidence either in public discussion or legislative debate that anyone thought 'an establishment of religion' meant anything other than what it had meant to Jefferson, Madison, and the men who wrote, adopted, and ratified the first amendment" (p. 160). See also pp. 163–168, 185–186.

there is no such restriction on any other Federal loan or grant program to either private or public institutions. At the same time, the purpose of the bill we are considering is to help meet the demand for classrooms caused by our rising student population.

I believe that the purpose of this entire measure will best be served if the Commissioner of Education can take into account the fact that public schools are closed and available classrooms are unused in some areas in determining who shall be entitled to the limited loan funds under my amendment.

I wish to discuss this proposal very frankly, for the purpose of legislative history, Mr. President, in terms of two hypotheticals.

Let us suppose that my amendment becomes the law. Let us suppose that State X abolishes some of its public schools because it seeks to evade the application of the U.S. Supreme Court decisions in the school cases, and that private schools which the State seeks to adopt or which the State seeks to sponsor come before the Commissioner to ask for a loan.

Under my amendment, the Commissioner would be required to give priority to loans to private schools where the public schools continued in operation. Therefore, he would be in a position to deny a loan to a private school which was being set up as the result of State action which sought to subvert the great principle laid down by the U.S. Supreme Court, that under the 14th amendment segregation in public schools is unconstitutional.

Mr. President, I think that is a very fair and reasonable position for me to take, in view of my known dedication to the civil rights cause, a dedication in complete support of the Supreme Court decision, which caused me in 1957 to be the only northern Democrat who voted against the 1957 civil rights bill. In my judgment, when title 3 was stricken from that bill we in effect walked out on the U.S. Supreme Court by failing to include in the bill any enforcement procedure which would make it possible to give effective meaning to the Court decision.

It should be said, so that my colleagues will know, I have refused to propose an amendment which certain civil rights groups strongly—and "strongly" is a mild term—urged me to add to my amendment. Those groups wanted me to add an amendment which would provide for a complete denial of any loan to any private school in which segregation may now exist.

Mr. President, I take the point of view that we ought to pass a general civil rights bill, and that we should not try to add a little segment of civil rights to each piece of proposed legislation that comes before us, which would almost guarantee in advance that the proposed legislation would be defeated.

I took that position, Senators will remember, in 1949 when I opposed on the floor of the Senate and voted against an amendment which was offered to a public housing bill.

The amendment which was offered to the public housing bill, in my judgment, was offered by some, at least, who were motivated by a desire to "scuttle" the bill. It was a public housing bill which sought to make available to municipalities funds to be used for slum clearance and other public housing uses. I would not vote for an amendment to the bill which sought to embody in the bill a nonsegregation provision, because I felt that it was an attempt to prevent the passage of any bill at all, which would have resulted, in my judgment, had the amendment been added to the bill. I said then, as I say here on the floor of the Senate today, "count me in when you want to bring to the floor of the Senate a thoroughgoing civil rights bill which backs up the decisions of the U.S. Supreme Court in respect to the meaning of the 14th and 15th amendments."

But I am not going to destroy any chance of having my amendment passed on the floor of the Senate in the year 1960 by offering an amendment which is not contained in the public school section of Senate bill 8, which is not contained in the Hill-Burton Act, and which is not contained in a single one of the legislative precedents which I cited earlier in my argument this afternoon.

At the same time, my amendment should not be used as a subterfuge in a controversy which might develop in States X and Y in regard to a proposal to close public schools.

AMENDMENT ESTABLISHES PRIORITY

So all my amendment provides is that the Commissioner of Education must give priority to requests for loans from applicants proposing to construct school facilities in areas where the public schools are in operation.

Thus we have the kind of hypothetical to which I have referred, namely, a situation in which a State abolishes its public schools and then seeks to use the Morse amendment as a way of getting money for a segregated school which it seeks to establish in order to evade the decision of the U.S. Supreme Court. My amendment would become applicable, and the private school would not get the funds, because obviously priority would be given to others, and the requests would be so great that there would not be any funds available for a private school which was only a subterfuge.

That is my amendment. I think it is a very fair solution of what we all must admit is a very delicate problem. We all must admit that unless we rise above blind partisanship and prejudice in connection with this issue we may jeopardize all good legislation in this field. I think this is a very workable compromise. I send my amendment to the desk and ask that it be stated.

Mr. MORSE. Mr. President, again I ask that all Senators give very careful study to a most able memorandum opinion which has been submitted to our subcommittee, at our request, by the Department of Health, Education, and Welfare. Secretary Ribicoff's letter of transmittal points out that the Department has drawn upon the advice and opinion of some of the most able lawyers within the Government. I shall express some respectful dissents from certain conclusions in that memorandum opinion at a later time, but I stress that all of us are greatly indebted to Secretary Ribicoff for making what I think time will prove to be a very constructive contribution to this historic debate.

My plea is that all of us, irrespective of what our past views may have been on this subject matter, become students of this problem for the next few weeks, to the end of trying to devise in the Senate the best and soundest Federal-aid-to-education program we can.

Let us not forget that we as elders may engage in a controversy over the constitutional rights of the little boys and girls of this country; but also let us not forget that while we are engaging in that conflict and controversy, those little boys and girls are entitled to better educational assistance than they are now receiving to develop their intellectual potential.

All I want to do, so far as my part in the debate is concerned, is to try to find that ground on which a substantial majority of us can agree, so that in 1961 we can, for the first time, put on the statute books of the United States a Federal-aid-to-education bill. The Federal Government can then start to perform a part of the responsibility which I think it owes to the States in bringing to all boys and girls at least minimum standards of education. In my judgment, in many parts of the country, these standards can never be attained except through some form of assistance from the Federal Government.

I shall never lose sight of that issue. I shall never lose sight of those little boys and girls, whether they attend public schools or private schools. I shall never take the position that so far as public responsibility is concerned, children should suffer because of the religious faith of the family into which they were born.

I think that, as legislators, we have a duty to try to resolve this controvery as best we can, in the best interests of those little boys and girls.

Mr. President, I do not believe there can be any denying the fact that private schools are making a contribution to public education, in the sense that they are assuming a substantial part of the cost of educating our boys and girls.

I am not a Solomon, and I am not asking other people to be Solomons, but I should think it ought to be possible to find that line of division which will make it possible for us to legislate in the interests of the education of little boys and girls, separate and distinct from questions relating to the religious faith or the religious leanings of their parents. It is the problem of statesmanship which confronts us to do this.

I make the plea that we do our best to try to find that line of division in enacting legislation which will be of assistance to all boys and girls, irrespective of whether they attend a public or a private school. I make this plea that we do not continue to take the position summed up by the statement: "It is just too bad if the children were born into families whose parents believe in having them attend private schools."

Let us not forget also, that the States and the Federal Government have a responsibility to make certain that each boy and girl receive uniformity of treatment by having the opportunity to receive the same kind of education to which every other boy or girl is entitled.

I do not intend ever to lose sight of the relationship of the whole Federal aid-to-education issue to the security of my country. I believe that in the next 20 to 40 years, from the standpoint of the security of America, we cannot justify waste in the potential brainpower of our country. We will continue to waste it unless we enact some Federal aid to education legislation which will be of assistance to all boys and girls, irrespective of the kind of school, public or private, which they attend.

SKYLINE CRANE LOGGING EXPERIMENT

Mr. MORSE. Mr. President, the access roads program of our Federal forests has long been of deep interest to me. Accordingly, I was highly pleased to

learn of an experiment being conducted by the Forest Service at Cascade Head, Oreg., in cooperation with the Publisher's Paper Co. It has been designated as the skyline crane project.

It has long been a matter of concern to all conservationists that logging, with its requirements for skidding roads on steep hillsides, may create tremendous disturbances of the soil and to water retention capabilities.

The Forest Service has been conducting extensive experiments on techniques of timber removal which reduced the need for spur roads and their attendant soil disturbances. The details concerning the skyline crane experiment, which if successful will substantially reduce the need for construction of spur roads, are discussed in a letter, dated February 28, addressed to me by Acting Director Harris, of the Pacific Northwest Forest and Range Experiment Station, and in articles dated April 1960, and May 1960, prepared by Mr. Robert H. Ruth and Mr. David D. Wooldridge, respectively. I ask unanimous consent that these items be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. MORSE. Mr. President, I shall leave at my desk a photograph of this new skyline method of logging which is being explored. This is an exciting development. The area logged has virtually no surface disturbance, and almost every log has been picked up and transported through the air on lines to the loading point, so that it can be trucked to the mill. The logging area, instead of seeming to have been hit by a tornado, looks as though a giant mower and sweeper had been used to extract the logs, leaving the ground surface practically unscarred. The Forest Service is to be commended on its research. I hope that this work can proceed with vigor; and I suggest that the Forest Service consider, when the facts so indicate, the use of this method of logging as a requirement on appropriate timber sales.

There appears to be a good case for encouraging this sort of soil conservation. Possibly the Forest Service could provide in timber contracts that logging be carried on by this skyline method, with an allowance made in the contract price of the timber to enable subcontractors to provide this sort of log-yarding service. I believe that under the impetus of this leadership, the Forest Service could revolutionize the present logging procedures in steep mountain country, thereby producing great benefits for the cause of soil conservation.

I urge the Forest Service and the Bureau of Land Management to accept the challenge of this extremely interesting experiment, to demonstrate what can be done on this new type of logging.

EXHIBIT 1

U.S. DEPARTMENT OF AGRICULTURE,
FOREST SERVICE,
Portland, Oreg., February 28, 1961.

Hon. WAYNE MORSE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MORSE: Thank you for your inquiry of February 17 regarding the Skyline Crane project on the Cascade Head Experimental Forest.

This project is testing one of several modern forms of skyline logging which offer promise of minimizing soil erosion on steep slopes. It is designed to compare skyline and conventional high-lead yarding to determine amounts of soil disturbance, effects on regeneration, and yarding costs.

The current study was started in August 1960 in cooperation with the Publishers' Paper Co. If the equipment proves feasible it will have wide application on steep rocky slopes and areas of unstable soil. Use of this equipment will reduce the mileage of spur roads and skidroads needed, but will have no effect on the mileage of main line access roads that must be built to the logging site. These main line access roads will always be the mainstay of the forest road system and equally important for recreation, fire protection, salvage and subsequent harvesting operations, and other uses on national forests under multiple-use management.

Yarding on the first test area of Cascade Head, as shown in the enclosed photograph, will be completed within the next 30 days. Maximum yarding distance on this area was 2,700 feet. No intermediate supports were needed for the skyline. Next month the equipment will be moved to an area with a 4,000 foot yarding distance. Intermediate support will be used and both uphill and downhill yarding will be tested. We will keep you informed of progress on this project.

Attached are two publications by members of our staff covering previous tests and observations of skyline logging in the Pacific Northwest. One demonstration on the Okanogan National Forest required 1 mile of spur road to log a 1,000 acre area. In contrast, it was estimated that 10 miles of spur and skidroads would have been necessary to log the same area by any standard method. This test also showed that soil disturbance occurred on only 3 percent of the area logged with skyline equipment. On a nearby area logged with tractors soil disturbance was 16 percent. Thus, on steep ground, where skyline systems are best adapted, there is a minimum chance for damaging soil erosion.

We are planning additional studies of high-lead and skyline logging methods on the H. J. Andrews Experimental Forest, near Blue River, Oreg. The studies will be conducted on two matched watersheds averaging 240 acres. For the high-lead system a total of 1.7 miles of spur roads will be needed while the skyline system will require only 0.1 mile of spur road.

We appreciate your continued interest in the Forest Service research program and will be happy to provide any additional information you may need. We will welcome an opportunity to show you the Cascade Head operation and other research underway on our experimental forests at your convenience.

Very truly yours,

R. W. COWLIN,
Director.

IT'S TIME TO LOOK AT YARDING PROBLEMS ON STEEP SLOPES

(By Robert H. Ruth [1])

In many parts of the Pacific Northwest, logging operations are moving into rugged terrain as access roads probe deeper into the back country. Because of this trend, it's time to look more carefully at steep slopes and decide on the best possible management practices consistent with maximum protection against erosion.

Until recently the forest manager could avoid this decision. Road construction progressed up main drainages and into principal tributaries until steep slopes and difficult construction were encountered. At this point, operations were often shifted to another drainage where road costs were less and the timber was of better quality than the so-called inferior species growing at high elevations. This was done despite the fact that merchantable timber on most steep slopes has long been included in management plans and allowable-cut calculations.

Economics and the steady progress of timber harvesting have changed this situation. Most of the gentle topography has now been opened up with a road system. The lower quality timber on steep slopes and the high-elevation species are becoming more valuable every year.

How much commercial timberland is included in these problem areas? Estimates for the national forests of Oregon and Washington range from 1,500,000 to 3,800,000 acres. These are lands that should be managed with special effort to minimize soil disturbance, an objective calling for fewer roads and therefore longer yarding distances. Included are very steep slopes, together with erosive- or shallow-soil areas, and some municipal watersheds. In U.S. Forest Service management plans prepared 15 to 20 years ago, the most rugged of these areas were labeled "inoperable" and left out of allowable-cut calculations.

What problems are involved? For one thing, road costs normally increase as slope increases. More soil must be moved, back and fill slopes must be longer, creek crossings are more difficult, rock is more prevalent, and—except in rock areas—maintenance is more costly. Second, the road system occupies a greater part of the logging area. Silen and Gratkowski found that about 5.2 miles of road per square mile are needed to log with standard high-lead yarding techniques and an average maximum yarding distance of 700 feet.[2] This figure was for a typical Douglas-fir drainage. It was estimated that 6.2 percent of the total surface area was disturbed by road construction, and an additional 3.6 percent was disturbed by the construction of the areas needed for landing and loading the logs. For steeper topography, the percentage of disturbed area would be greater, perhaps averaging 11 or 12 percent.

Part of the disturbed area is taken permanently out of timber production. In the study mentioned above, this was estimated to be 2.9 percent for roads, plus 1.2 percent for landings. These amounts also would be greater on steep slopes. A total production loss figure of 5 percent, due to roads and landings, is frequently used in management planning.

European foresters were faced with problems similar to these immediately after World War II. Readily accessible timber had been exploited during the war, and still more was needed for reconstruction. Consequently, attention was turned to stands on the upper slopes, and this led to development of a new cable-yarding technique combining the principles of high-lead yarding and aerial transportation. In one continuous operation logs are yarded laterally, lifted to a suspended cable (skyline), and transported either uphill or downhill to a landing. Usually the logs are lowered down the skyline, with gravity supplying the power.

Gravity-skyline systems offer a solution to some of our problems on moderate as well as on steep slopes. Disturbance to ground surfaces and stream channels is min-

[1] Research forester at the Station's Corvallis Research Center, maintained in cooperation with the School of Forestry, Oregon State College.

[2] Silen, Roy R., and Gratkowski, H. J. An estimate of the amount of road in the staggered-setting system of clearcutting. U.S. Forest Service, Pacific Northwest. Forest and Range Experiment Station Res. Note 92, 4 pp. (processed), 1953.

imized because logs are quickly lifted off the ground. Yarding distances of a mile and more are possible, thus permitting a substantial reduction in costly road construction, and thereby reducing the capital investment needed to open up an area. Reduced road construction means reduced soil disturbance and less land taken out of production. Also, the wide road spacing would make it easier to locate the roads away from areas of unstable soil. Yet with gravity-skyline systems, road spacing would still appear adequate for protection and recreation needs.

Gravity-skyline yarding is adaptable to a variety of cutting methods. It can be used for selective logging as well as for clear cutting. There is also the possibility that, like the Europeans, we can use it for thinning and shelterwood cutting, thus bringing intensive management to steep slopes.

What action should be taken? One of the first steps should be to thoroughly investigate gravity-skyline yarding to see if it is applicable to Northwest conditions. Two test operations conducted in the State of Washington indicate some promise for the method. A Swiss skyline crane used on the Okanogan National Forest caused only a quarter of the soil disturbance resulting from a standard tractor-yarding operation on a nearby area. Road construction needed for the skyline operation was only 10 percent of that estimated necessary had the same area been yarded by tractors.[2] A recently developed modification using a radio-controlled carriage is now operating on the Mount Baker National Forest.

These and other gravity-skyline systems need further study to determine logging costs, silvicultural effects, and amounts of soil disturbance. When this information is available, problem areas can be reexamined, and improved management policies can be formulated.

[From the Journal of Forestry, May 1960]

WATERSHED DISTURBANCE FROM TRACTOR AND SKYLINE CRANE LOGGING

(By David D. Wooldridge)

As logging operations in the West continue to move farther into the mountains, an increasing volume of timber is being harvested from steep slopes. In these areas, where access is more difficult, road-building costs are greater. And on precipitous mountainsides, soil normally disturbed in logging is more susceptible to damaging slough and erosion. Because of these problems, many acres of timberland are considered inoperable with conventional logging methods.

Methods and equipment that will surmount some of these difficulties are available. Various overhead cable systems have been used in America for many years. Recently, interest has been centered in modified forms of skyline logging, prompted by the development of several European systems that combine the principles of high-lead logging and aerial transportation. One of these, which has been tested in several places in the United States and Canada, is the Swiss-developed Wyssen skyline crane.

One demonstration of the skyline crane was started October 1954 in a mixed conifer stand typical of the eastern flanks of the Cascade Range in Washington. Performance was good enough to warrant further tests, now being planned, and to encourage the adoption of modified skyline systems. For example, two recent contracts for sale of timber in rough, broken areas of the Cascades have prescribed logging methods similar to those of the skyline crane. Purpose of this requirement is to provide a means of satisfactorily harvesting a valuable resource on erosive soil types and otherwise inoperable terrain.

Relatively few studies have been made in the Northwest to determine the amount of soil disturbance caused by logging. Prior to introduction of the skyline crane, Garrison and Rummell examined forest-range conditions following logging in eastern Oregon and eastern Washington. They found that exposure of mineral soil averaged 20.9 percent of areas logged with tractors, 15.2 percent of areas logged with cables (jammer), and 11.8 percent of areas logged with horses. Fowells and Schubert found 22 percent bare ground following removal of 40 to 90 percent of a stand in the California pine zone logged by crawler tractor.

Soil disturbance caused by skyline logging in the Northwest has apparently not been measured, but an opportunity was provided by the trial operation of the skyline crane. In August 1957, after logging was completed, the study described herein was made to determine the extent and severity of soil disturbance. For purposes of comparison, similar measurements were made on a nearby area logged by a standard tractor operation.

As a secondary feature, damage to residual trees by the two logging methods was also examined.

STUDY AREAS

Both study areas are located on the Okanogan National Forest in north-central Washington, near the town of Twisp. Elevations on the area logged by the skyline crane range from 3,000 to 5,000 feet; on the area logged by tractor, from 2,000 to 3,500 feet. General topography of the tractor area is more moderate, although in both operations slopes in excess of 60 percent were logged. A slightly smaller volume of timber was available on the tractor area and the cut per acre was consequently smaller (table 1).

TABLE 1.—*Comparative data for areas logged by skyline crane and by tractor*

Item	Skyline Crane area	Tractor area
Size of area.....acres..	1,000	750
Total stand volume.....M b.m..	8,973	5,547
Ponderosa pine.....M b.m..	6,030	4,540
Douglas fir.....M b.m..	2,034	1,007
Western larch.....M b.m..	909	0
Average volume per acre (before logging).....M b.m..	9.0	7.4
Total volume cut.....percent..	81	65
Average volume cut per acre M b.m..	7.3	4.8
Average volume per acre (residual stand).....M b.m..	1.7	2.6

Keen's tree classification was used as a basis for marking ponderosa pine (Pinus ponderosa) for cutting in both logging areas. In general, all class 4 trees and all class 3 trees except those of good thrift were marked for cutting. Class 1 and class 2 trees were left unless they were defective. On the skyline crane study area, 90 percent of the Douglas-fir (Pseudotsuga menziesii var. glauca) and western larch (Larix occidentalis) was marked for cutting. On the tractor area, all Douglas-firs of poor thrift or vigor and those with 50 percent or more of the crown infected with mistletoe were marked. No western larch was present in the tractor area.

LOGGING METHODS

Skyline Crane.—The Wyssen skyline crane has been described in detail by Matson (4), and will be reviewed only briefly here. The basic unit is a single-drum yarder powered by an air-cooled, 4-cylinder diesel engine. The yarder operates from the ridgetop, lowering logs to the landing by means of a traveling carriage on a fixed, 1-inch-diameter skyline cable. A single operating cable yard logs to the skyline, where the choker locks to the carriage by a special hooking device. Then the carriage is released and travels by gravity down the skyline. The operating line and a large, air-cooled brake on the yarder control the speed of the carriage and its turn of logs as they descend to the landing.

Slightly more than 1 mile of truck road was constructed in the 1,000-acre area logged by the skyline crane. In contrast, it was estimated that 10 miles of road (including spurs) would have been needed for logging by any standard method.[1]

Tractor-arch: A nearby area selected for comparison was logged with a typical tractor-arch combination. Numerous landings were located along 4.1 miles of truck road. An additional 4.5 miles of main-haul tractor road was used for skidding logs to the landings.

STUDY METHODS

Estimates of soil disturbance in the two logged areas were based on measured samples along 3-chain transects extending from point established on a base line. Transects were spaced at 5-chain intervals and oriented by compass bearings paralleling the general contour. Along each transect, soil disturbance was classified and the lineal extent of each class measured with a tape to the nearest tenth of a foot. These measured lengths were then converted to percentage of total transect length. Transects and the 5-chain distances between them were paced.

Three classes of disturbance caused by yarding and skidding operations were defined. They were adapted from Garrison and Rummell, with slight modification:

1. Litter disturbance: Indicated by breaking down of brush or reproduction and disturbance to litter cover, but without removal of litter and soil cover.

2. Shallow soil disturbance: Indicated by renewal of ground vegetation, litter, and humus, exposing the mineral soil to a depth of less than 1 inch.

3. Deep soil disturbance: Same type of disturbance as class 2, but indicated by removal of soil to depths greater than 1 inch.

Observations for damage to residual stands were made in strips along each transect. All trees over 6 inches diameter breast height within 6.6 feet of the compass line were tallied and checked for crushing and breakage in the root systems and crowns and for scarring of the main stems.

RESULTS

Results from 131 transects indicate that both shallow and deep soil disturbance are significantly less in areas logged by skyline crane than in comparable areas logged by tractor (table 2). Differences in litter disturbance by the two methods, however, are not significant. Some soil disturbance was recorded on 91 percent of all three-chain transects in the tractor area, compared with 78 percent in the skyline crane area.

Tractor logging also caused more damage to the residual stand. A tally of the number of damaged trees showed that 21 percent were affected by tractor logging whereas only 13 percent received similar damage on the skyline crane area. Damage to the residual stand was found on 60 percent of all sample strips in the tractor area and on 30 percent of those in the skyline crane area.

DISCUSSION

The most conspicuous effect of logging in both areas is the exposure of mineral soil. This disturbance is not necessarily synonymous with damage. Still, because it represents a potential source of erosion, the comparative extent of exposed soil is the most

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[2] Wooldridge, David D. Watershed disturbance from tractor and skyline-crane logging. U.S. Forest Service Pacific Northwest. Forest and Range Experiment Station, 1959. (In process of publication by Jour. Forestry.)

[1] U.S. Forest Service. Timber Sale Report, Jack Creek Area, Okanogan National Forest (1954). (Unpublished report; copy on file at regional office, Portland, Oreg.)

significant result of the study. Add the percentages of shallow and deep soil disturbance shown in table 2, and it becomes evident that tractor logging left exposed mineral soil on 22.2 percent of the area, compared with 5.4 percent left by the skyline crane.

It is interesting to note that total area of soil is disturbed by tractor logging in this study agrees closely with values reported by Garrison and Rummell and by Fowells and Schubert. Differences in topography, soils and timber stand conditions prevent direct comparisons but, significantly, in these three independent studies soil disturbance by tractors falls within the relatively narrow range of 20.9 and 22.2 percent. If 20-percent disturbance is assumed, tractor logging leaves about 128 acres of bare soil per section compared with about 35 acres for the skyline crane. (Based on the study by Garrison and Rummell, jammer and horse logging can be expected to expose about 97 acres and 75 acres of soil, respectively.)

TABLE 2.—*Average percentage of disturbance on areas logged by tractor and by skyline crane, by class of disturbance*

Logging method	Class of disturbance [1]			Total disturbance
	Litter	Shallow soil	Deep soil	
Tractor (67 transects)	7.2	6.3	15.9	29.4
Skyline Crane (64 transects)	5.7	2.2	3.2	11.1
Difference	1.5	[2] 4.1	[2] 12.7	[2] 18.3

[1] See "Study Methods" in text for definition.
[2] Significant at 99-percent level of probability.

The extent of litter disturbance caused by tractor logging was not significantly greater than that caused by the skyline crane. In both study areas about equal volumes of timber were removed, so one might expect about 7-percent litter disturbance when 70 to 80 percent of the timber stand is harvested. Since the soil surface remains covered with litter, this type of disturbance is considered unimportant in assessing effects of logging on watershed conditions.

An important phase of logging disturbance is the manner of crossing intermittent and permanent drainages. Though no quantitative data were taken, observations were made comparing this factor in the two logging areas. Many turns of logs were transported by the skyline crane across a stream channel without causing disturbance. In general, drainage crossings in the area logged by tractor were well planned, but even with the best of precautions the crossings still constituted a source of silt and debris during periods of runoff.

It is generally recognized that construction and use of logging roads contribute a large part of stream sediment. Logging with the skyline crane required about 10 percent of the truck road system estimated to be necessary for logging the same area by standard methods.

SUMMARY

In a comparative study of logging methods, soil disturbance caused by a Wyssen skyline crane was only a quarter of that caused by a standard crawler tractor operation. Soil disturbance on the skyline crane area was found on fewer transects, less damage was evident in the residual stand, and less road construction was needed. These advantages suggest the possibility of using skyline logging systems for harvesting timber in municipal watersheds and other areas previously closed to logging because of erosive soil conditions or steep, broken terrain.

RATIFICATION OF 23D AMENDMENT TO THE CONSTITUTION

Mr. MORSE. Mr. President, as one who long has labored in the vineyard of home rule for the District of Columbia, I am very gratified that at 1:30 p.m. a measure of citizenship was awarded the hitherto voteless District residents.

To be permitted to vote for the President and Vice President of the United States is no small right. Recognition of this fact was made apparent by the speed with which the amendment moved through the constitutionally required processes of congressional adoption and State legislative ratification. Such celerity is a demonstration of the disapproval with which we, as a people, regard any denial of democratic rights. It is an earnest of the approval which, in my judgment, the citizens of the Nation would give to the adoption of municipal home rule for Washington, D.C.

A portion of the goal has been achieved. But there yet is work to be done: National representation in the Congress and devolution to the District of Columbia voters of political control of the municipal affairs of the city of Washington remain to be achieved. Both can be done by statute.

It is my hope that the public-spirited men and women who gave unstintingly of their time and efforts to press for ratification of the 23rd amendment will now devote their considerable talents and energies to the remaining job.

As a member of the Senate Committee on the District of Columbia and as the author of home-rule bills which have been passed by the Senate, I gladly invite the aid and assistance of my colleagues as well as the assistance of the now partially enfranchised District of Columbia residents, in the next phase of the struggle.

In closing, I wish to extend to my colleagues here and to the members of the House of Representatives who in the first instance voted for the amendment, my heartiest congratulations. Likewise deserving of our thanks are the members of the State legislatures who, with their ratification votes, had the high privilege of crowning our work and that of our colleagues at the other end of the Capitol. As an Oregonian, I am proud that my State was in the forefront of those which gave their approval to this long overdue reform.

Mr. McNAMARA. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. HICKEY in the chair). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate now stand in recess, subject to the call of the Chair.

The PRESIDING OFFICER. Is there objection?

There being no objection, at 7 o'clock and 8 minutes p.m., the Senate took a recess, subject to the call of the Chair.

At 7 o'clock and 31 minutes p.m., the Senate reassembled when called to order by the Presiding Officer (Mr. SMATHERS in the chair).

Mr. KERR. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

Mr. SMATHERS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXTENSION OF SUGAR ACT OF 1948—CONFERENCE REPORT

Mr. KERR. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 5463) to amend and extend the Sugar Act of 1948, as amended. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For the conference report see House proceedings of today.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. KERR. Mr. President, the House conferees receded from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 5, 6, and agreed to the same. Those numbers identify the amendments which have to do with the duration or term of the extension of the act, the term being extended to 15 months rather than 21 months.

The Senate receded from its amendment numbered 8, which was the so-called Anderson amendment. The Anderson amendment was cosponsored by the Senators from Oklahoma and many other Senators. With reference to that amendment the chairman of the House conferees, Mr. COOLEY, and the other members of the House conferees gave the Senate conferees definite assurances as follows:

First, that beginning in the early part of the month of May of this year the House committee would begin hearings on another sugar bill and would move with all their ability and make every effort of which they are capable to secure enactment of a sugar bill by the House and get it over to the Senate in time for action by the Senate this year.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. KERR. I yield.

Mr. HOLLAND. Does the Senator mean a so-called permanent sugar act, as contrasted with a temporary extension of the present act?

Mr. KERR. Those words were not used. It was our understanding that they were talking about a sugar bill which would provide for an extension of years rather than one that would deal with an emergency which had been created or permitted to develop.

Mr. BENNETT. Mr. President, will the Senator yield?

Mr. KERR. In a moment. They further requested that the Committee on Finance of the Senate began holding hearings concurrently with them in order that the matter might be fully heard by both committees of Congress this year, in order that during the current session of Congress it would be possible for Congress to act on this question for a longer period of time than that provided in the bill.

Mr. BENNETT. Mr. President, will the Senator yield?

Mr. KERR. I yield.

Mr. BENNETT. When the chairman of the House committee said he would invite representatives of areas which hoped to get new beet acreage to be the first witnesses at his hearings, the Senator from Utah gained the impression that the House committee was expected to go into all phases of the sugar bill, with the thought that it would come forth with what we would call permanent legislation.

Mr. KERR. That was the impression I obtained from the statement by the chairman of the House conferees and the chairman of the House committee. Mr. President, the Senate conferees were a little rough in their language to the chairman of the House committee. They referred to what amounted to almost a lack of appreciation of the extent to which he had made efforts heretofore to get this legislation to the Senate in time for full and appropriate action by the Senate.

The conference broke up in a spirit of good will prevailing, which was to some degree to my surprise, because the conferees had talked to each other quite frankly, and the representatives of the Senate had expressed to the House conferees the opinion that the Senate felt that there ought to be a greater effort on the part of the House committee, to make it possible for a further consideration by the Senate and a greater degree of cooperation. I was delighted not only that the response to the language used and the statements made by the Senate conferees was constructive, and one which not only had spoken words of assurance, but also that the manner of the conferees was such as to be calculated to let the Senate conferees feel the sincerity of the assurances then being given.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. KERR. I yield.

Mr. AIKEN. Pending the enactment of permanent legislation, what will be the authority of the Department of Agriculture relative to the purchase of sugar from Latin American countries, particularly Brazil, Peru, and any of the other countries?

Mr. KERR. I do not believe I understood the Senator's question.

Mr. AIKEN. What will be the authority to purchase from neighboring states to make up the deficiency caused by the reduction in the quota from Cuba and possibly other countries?

Mr. KERR. That question was not in conference. I do not believe any change was made from the law of last year.

Mr. AIKEN. It will be the same authority that has been in existence since last July. Is that correct?

Mr. KERR. Yes. An amendment had been offered by the Senator from Kansas. The language of the House bill provided that consideration would be given to countries that were purchasing agricultural commodities from this country. The House conferees would not take the word "preference" in the amendment of the Senator from Kansas. The representatives of the Department of Agriculture were present, and they said they could not administer an act with that word in it. The word "special" was agreed to, and therefore the language now reads that special consideration will be given to those countries which purchase agricultural commodities from the United States.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. KERR. I yield.

Mr. CARLSON. I wish the RECORD to show that there was considerable discussion of the need for adjustment of this situation, and that we ought to give consideration to it. In the final analysis, in connection with the commodities to be purchased from the United States, I was convinced, as the author of the amendment that there would be some difficulty with the word "preference." We were assured that special consideration would be given in dealing with this problem.

Mr. KERR. I agreed with the Senator from Kansas. I must say that I was more convinced of their objection to the word "preference" than of the difficulty of administration of the act with the word "preference" in it. However, the protests and objections were just as vehement as if they were describing accurately what they believed to be difficult.

Mr. SMATHERS. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. MONRONEY in the chair). Does the Senator from Oklahoma yield to the Senator from Florida?

Mr. KERR. I yield.

Mr. SMATHERS. I should like to make an addendum to what the Senator from Utah has said about Mr. COOLEY indicating that he would hold hearings, and that the first witnesses would be those seeking additional quotas for beet sugar production. I add also that he included those who seek additional quotas for cane sugar production.

Mr. BENNETT. The Senator from Utah was in error in singling out those growers who were seeking acreage. It was new growers who were seeking acreage; yes.

Mr. KERR. Either beet or cane.

Mr. President, I now have a copy of the language which is in the report of the managers on the part of the House of Representatives in the conference. It reads:

The Senate receded from this amendment—

That is amendment number 8, or the Anderson amendment—

with the understanding that hearings on a long-range—

That was the phrase I tried to think of in replying to the Senator from Florida. He used the word "permanent," I believe.

The Senate receded from this amendment with the understanding that hearings on a long-range sugar bill will be started by the House Committee on Agriculture early in May and that every effort will be made to report a bill and pass it through the House at this session of Congress. The House conferees also expressed the hope that the Senate Committee on Finance would undertake hearings contemporaneously with those of the House so that long-range sugar legislation might be enacted at the earliest practicable date.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. KERR. I yield.

Mr. HOLLAND. The explanation just made by the Senator from Oklahoma is very helpful. The phrase "long range" probably expresses what I had in mind better than the word "permanent." Am I correct in understanding that all conferees, of both the House and Senate, signed the conference report?

Mr. KERR. I believe they did.

Mr. HOLLAND. I congratulate the Senator from Oklahoma and the other conferees on the very happy termination of the conference.

Mr. KERR. I recommend approval of the conference report.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. KERR. I yield.

Mr. MANSFIELD. The Senator has mentioned the fact that the House would start hearings on a long-range act in May, and that it was their suggestion that the Committee on Finance of the Senate should consider the possibility of acting concurrently on the same matter. Is it the Senator's impression, as chairman of the Senate conferees, that when these committees meet they will also discuss at the same time the Douglas proposal, which was adopted by the Committee on Finance?

Mr. KERR. That is the desire and purpose of the Senator from Oklahoma, and the belief of the Senator from Oklahoma. The distinguished Senator from Virginia [Mr. BYRD], the chairman of the Committee on Finance, assured us that he would cooperate in every possible way to hold early and adequate hearings this year.

Mr. DIRKSEN. Mr. President, will the the Senator from Oklahoma yield?

Mr. KERR. I yield.

Mr. DIRKSEN. Do I correctly understand that the Senate conferees approach their responsibilities with customary candor and vigor, and that on occasions the language was ruggedly classic or classically rugged, one way or the other.

Mr. KERR. Or both.

Mr. DIRKSEN. And that the Senate conferees really upheld the full tradition of the Senate?

Mr. KERR. I thank my great friend from Illinois and say to him that I have no basis on which to disagree in the slightest extent. [Laughter.]

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

Mr. KERR. Mr. President, I move that the vote by which the conference report was agreed to be reconsidered.

Mr. CARLSON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to consider executive business.

Mr. MANSFIELD. Mr. President, sundry nominations were reported today from the Committee on Armed Services. I ask for their immediate consideration.

The PRESIDING OFFICER. The nominations will be stated.

U.S. MARINE CORPS

The Chief Clerk read the nomination of Lt. Gen. Thomas A. Wornham, U.S. Marine Corps, to be placed on the retired list in the grade of lieutenant general.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

U.S. AIR FORCE

The Chief Clerk read the nomination of Lt. Gen. Donald N. Yates, 584(A) major general, Regular Air Force, U.S. Air Force, to be placed on the retired list in the grade of lieutenant general.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

NOMINATIONS ORDERED TO LIE ON THE TABLE

The Chief Clerk proceeded to read sundry nominations which had been ordered to lie on the table.

Mr. MANSFIELD. Mr. President, I ask that the nominations be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations will be considered en bloc; and, without objection, they are confirmed.

Mr. MANSFIELD. Mr. President, I move that the President be immediately notified of the confirmation of these nominations.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith of the confirmation of the nominations.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

THIRD SUPPLEMENTAL APPROPRIATION BILL—CONFERENCE REPORT

Mr. MANSFIELD. Mr. President, on behalf of the Senator from Arizona [Mr. HAYDEN], the chairman of the committee, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill—H.R. 5188—making supplemental appropriations for the fiscal year ending June 30, 1961, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report see House proceedings of today.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

Mr. MANSFIELD. Mr. President, I did not wish to have the conference report agreed to; I simply wished to have it brought before the Senate, because the chairman of the committee, the distinguished Senator from Arizona [Mr. HAYDEN], will be present tomorrow to explain the report.

I ask unanimous consent that the action of the Senate, just taken, in agreeing to the conference report be reconsidered.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana that the action of the Senate, just taken, in agreeing to the conference report be reconsidered? The Chair hears none, and it is so ordered.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, is the conference report on the third supplemental appropriation bill now the pending business?

The PRESIDING OFFICER. It is the pending business.

TRANSACTION OF ADDITIONAL ROUTINE BUSINESS

By unanimous consent the following additional routine business was transacted:

ADDITIONAL BILL INTRODUCED

Mr. HRUSKA, by unanimous consent, on behalf of himself and Senators COTTON and KEATING, introduced a bill (S. 1484) to provide for the representation of indigent defendants in criminal cases in the district courts of the United States, which was read twice by its title and referred to the Committee on the Judiciary.

(See the remarks of Mr. HRUSKA when he introduced the above bill, which appear under a separate heading.)

REPRESENTATION OF INDIGENT DEFENDANTS IN CRIMINAL CASES IN DISTRICT COURTS

Mr. HRUSKA. Mr. President, on behalf of myself, the Senator from New Hampshire [Mr. COTTON] and the Senator from New York [Mr. KEATING], I introduce, for appropriate reference, a bill to provide for the representation of indigent defendants in criminal cases in the district courts of the United States. I ask unanimous consent that an explanatory statement of the bill, prepared by me, may be printed in the RECORD.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the statement will be printed in the RECORD.

The bill (S. 1484) to provide for the representation of indigent defendants in criminal cases in the district courts of the United States, introduced by Mr. HRUSKA (for himself and other Senators), was received, read twice by its title, and referred to the Committee on the Judiciary.

The statement presented by Mr. HRUSKA, is as follows:

STATEMENT OF SENATOR HRUSKA

The problem of representation for indigent defendants has long been the concern of our courts, the legal profession, the Department of Justice, and the Congress. There is common and widespread dissatisfaction with the present system of assigned counsel which imposes a heavy burden upon the bar; nor is it fair to destitute defendants who are often represented by counsel inexperienced in criminal matters even though they may be distinguished and even outstanding in other fields of the profession. A serious fault in the present system is that the bar is required to serve without compensation or, for that matter, even without reimbursement for expenses which are incurred in the preparation of the case.

The urgent need for a more practicable means to fulfill the requirement of the sixth amendment that in all criminal prosecutions the accused shall have the right to the assistance of counsel for his defense was recognized by the Senate Judiciary Committee in favorably reporting S. 895 in the 1st session of the 86th Congress. This bill was passed by the Senate on May 20, 1959. I was happy to give my full support to the measure both in committee and on the floor.

I am sending to the desk a bill which is a revised version of the measure passed in the last Congress. Many of the amendments which it contains are based on comments and recommendations made by members of the Federal judiciary, law school deans and professors, and members of the American Bar Association as reported in the House Judiciary Committee print of a survey on legislation related to this subject.

The bill introduced today provides for the appointment of public defenders by district courts on either a part-time or full-time basis, as dictated by the volume of work in those courts. It also leaves the district courts with the option of appointing special counsel for particular cases, if they feel this method would be more advantageous than the use of public defenders. Certain limitations are placed on remuneration paid and expenses incurred.

Before any public defender or assistant public defender is authorized in any district, there must be approval of the Judicial Council of the circuit. The bill provides for the appointment of clerks and investigators and the hiring of technical experts and other special personnel, subject to the approval of the court or the Administrative Office, whichever is appropriate in that case. It provides authorizations for the courts to use appointed special counsel when in their opinion such appointments are justified.

The bill makes it clear that counsel should be made available to indigent defendants as early as the preliminary examination and arraignment. It provides that the public defender and his assistant have at least 5 years of practice before the bar and that they be appointed for a term of 4 years.

The bill specifies that the salary of a public defender shall be in an amount determined by the Judicial Conference of the United States and that it shall be exceed that of the U.S. attorney in the district concerned.

The bill provides for payment of assigned counsel at a rate determined by the court but not to exceed $50 a day with a maximum limitation for the aggregate costs of such counsel in any district for 1 year of $10,000.

In view of the increasing importance which has been attached to legislation on this subject, it is hoped that the Senate Judiciary Committee will schedule hearings on all pending bills at an early date this year.

ADJOURNMENT

Mr. MANSFIELD. Mr. President, if there is no further business to come before the Senate, I move that the Senate adjourn until 12 o'clock noon tomorrow.

The motion was agreed to; and at 7 o'clock and 53 minutes p.m., the Senate adjourned until tomorrow, Thursday, March 30, 1961, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate March 29, 1961:

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

John M. Leddy, of Virginia, to be U.S. Executive Director of the International Bank for Reconstruction and Development for a term of 2 years.

U.S. ATTORNEYS

Floyd M. Buford, of Georgia, to be U.S. attorney for the middle district of Georgia for a term of 4 years, vice Frank O. Evans.

Edward F. Boardman, of Florida, to be U.S. attorney for the southern district of Florida for a term of 4 years, vice James L. Guilmartin, resigned.

Charles A. Muecke, of Arizona, to be U.S. attorney for the district of Arizona for a term of 4 years, vice Jack D. H. Hays, resigned.

James B. Brennan, of Wisconsin, to be U.S. attorney for the eastern district of Wisconsin for a term of 4 years, vice Edward G. Minor.

Joseph P. Hoey, of New York, to be U.S. attorney for the eastern district of New York for a term of 4 years, vice Cornelius W. Wickersham, Jr.

U.S. MARSHALS

Joseph N. Tierney, of Illinois, to be U.S. marshal for the northern district of Illinois for a term of 4 years, vice William W. Kipp, Sr.

John Terrill, of Wyoming, to be U.S. marshal for the district of Wyoming for a term of 4 years, vice Noah W. Riley.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 29, 1961:

U.S. AIR FORCE

Lt. Gen Donald N. Yates, 584A (major general, Regular Air Force), U.S. Air Force, to be placed on the retired list in the grade of lieutenant general, under the provisions of section 8962, title 10, of the United States Code.

U.S. MARINE CORPS

Lt. Gen. Thomas A. Wornham, U.S. Marine Corps, to be placed on the retired list in the grade of lieutenant general in accordance with title 10, United States Code, section 5233.

Maj. Gen. Alan Shapley, U.S. Marine Corps, to be lieutenant general while serving in commands and other duties as determined by the President to be within the contemplation of title 10, United States Code, section 5232.

U.S. ARMY

The following-named officers to be placed on the retired list, in the grades indicated, under the provisions of title 10, United States Code, section 3962:

To be general

Gen. Carter Bowie Magruder, O15155, Army of the United States (major general, U.S. Army).

To be lieutenant generals

Lt. Gen. Emercon Charles Itschner, O15516, Army of the United States (major general, U.S. Army).

Lt. Gen. Robert Milchrist Cannon, O16163, Army of the United States (major general, U.S. Army).

Lt. Gen. Thomas Leonard Harrold, O16051, Army of the United States (major general, U.S. Army).

Lt. Gen. Gordon Byrom Rogers, O15620, Army of the United States (major general, U.S. Army).

Lt. Gen. John Albert Dabney, O16602, Army of the United States (major general, U.S. Army).

The following-named officers under the provisions of title 10, United States Code, section 3066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 3066, in rank as follows:

Lt. Gen. Guy Stanley Meloy, Jr., O16892, Army of the United States (major general, U.S. Army), in the rank of general.

Maj. Gen. Andrew Thomas McNamara, O17324, U.S. Army, in the rank of lieutenant general.

Maj. Gen. John Knight Waters, O18481, U.S. Army, in the rank of lieutenant general.

Maj. Gen. Hugh Pate Harris, O18518, Army of the United States (brigadier general, U.S. Army), in the rank of lieutenant general.

The nominations beginning Harry W. Miller 2d, to be captain, and ending William W. Watkin, Jr., to be professor of earth, space and graphic sciences, U.S. Military Academy, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on March 3, 1961.

IN THE NAVY AND MARINE CORPS

The nominations beginning Richard V. Aamodt, to be an ensign in the Navy, and ending Mel J. Swanborn, to be a first lieutenant in the Marine Corps, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on March 20, 1961.

HOUSE OF REPRESENTATIVES

WEDNESDAY, MARCH 29, 1961

The House met at 11 o'clock a.m.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

John 3: 17: *God sent not His Son into the world to condemn the world; but that through Him, the world might be saved.*

Almighty God, during this Holy Week, we are commemorating events in the life of our Lord, whose spiritual significance our finite minds cannot comprehend.

We rejoice that when there was no eye to pity and no arm to save, then in the fullness of time Thou didst send Thine only begotten Son, who, on Good Friday, laid upon the altar the acceptable sacrifice of His own life.

May these days be for all of us not only a time of commemoration but of consecration when we are seeking to share in our Master's redemptive ministry.

Show us how we may release the hidden splendor of humanity, emancipating it from everything that defiles and degrades the soul of man and mars the image of God in which we have been created.

Hear us in the name of the Captain of our salvation. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Ratchford, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 107. An act to authorize the Secretary of the Interior to construct, operate, and maintain the Navajo Indian irrigation project and the initial stage of the San Juan-Chama project as participating projects of the Colorado River storage project, and for other purposes.

S. 1358. An act to repeal section 12 of the act of June 26, 1884, prohibiting a charge or collection of fees by consular officers for official services to American vessels and seamen, and to repeal the provisions of the act of June 4, 1920, authorizing the free issuance of passports to seamen.

The message also announced that the Vice President had appointed Mr. Charles William Engelhard, Jr., of New Jersey, Mr. Elmo B. Roper, Jr., of Connecticut, Mr. Douglas Wynn, of Mississippi, Mrs. Edith S. Sampson, of Illinois, Mr. Alex Warden, of Montana, Mr. Christian A. Herter, of Massachusetts, Mr. William F. Knowland, of California, Mr. Ben Regan, of Illinois, Mr. David

Rockefeller, of New York, and Dr. Francis S. Hutchins, of Kentucky, to the U.S. Citizens Commission on NATO.

THIRD SUPPLEMENTAL APPROPRIATION BILL

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the managers on the part of the House may have until midnight tonight to file a conference report on the third supplemental appropriation bill, H.R. 5188.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. GROSS. Mr. Speaker, reserving the right to object, this deficiency appropriation bill has been tremendously increased in cost since it left the House by reason of some 90 amendments put on the bill by the other body. I would hope that the House would have ample time to study this conference report before it is called up. I assume the request of the distinguished majority leader means that it could be called up tomorrow morning or tomorrow afternoon; is that correct?

Mr. McCORMACK. Well, if I might make an observation, I am simply a conduit to make the request. Now, in answer to the gentleman's question, I would say that if the conference report is not filed tonight, the only opportunity to read the report would be in the morning. I think that observation is practically correct.

Mr. GROSS. I am only pleading for time for Members of the House in view of the fact, as I understand it, that there are some 90 amendments to this bill to study and know what is in the conference report.

Mr. McCORMACK. Of course, this is the customary way to do it.

Mr. GROSS. I am well aware of that. But, I do believe that Members should have an opportunity to examine the conference report that may carry an abnormal number of amendments and changes of language.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. HALLECK. Mr. Speaker, further reserving the right to object, I knew, of course, of the addition of these very substantial amounts in the other body. To my mind, they are completely unjustified. It may be that some consider it a matter of bookkeeping, but I believe it is more than that. Now, I shall not object to this request because I am quite sure that the managers on the part of the House are not going along with those additions that were made in the other body. I certainly do not think they should. I think they ought to stand for the House position.

We passed a bill providing for supplemental appropriations that I think contained all that is needed at this time. As far as I am concerned, I am not going to object, but I express the hope that the managers on the part of the House will maintain the House position.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

EDUCATION SUBCOMMITTEE OF COMMITTEE ON EDUCATION AND LABOR

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the Subcommittee on Education of the Committee on Education and Labor be permitted to sit during general debate today.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

CALL OF THE HOUSE

Mr. KILBURN. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 31]

Alford	Harrison, Va.	Shelley
Breeding	Holifield	Short
Buckley	Jensen	Spence
Cannon	McDonough	Taber
Celler	McSween	Thompson, La.
Davis, Tenn.	Macdonald	Willis
Durno	Morrison	Wilson, Calif.
Findley	Morse	Wright
Fino	St. Germain	

The SPEAKER. On this rollcall 405 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

SUBCOMMITTEE ON UNEMPLOYMENT AND AUTOMATION

Mr. HOLLAND. Mr. Speaker, I ask unanimous consent that the Subcommittee on Unemployment and Automation of the Committee on Education and Labor be permitted to sit today during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

COMMITTEE ON WAYS AND MEANS

Mr. MILLS. Mr. Speaker, I ask unanimous consent that the Committee on Ways and Means may have until midnight Friday, April 7, to file a report on the bill H.R. 6027, including minority views and individual supplemental views.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

AREA REDEVELOPMENT ACT

Mr. PATMAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (S. 1) to establish an effective program to alleviate conditions of substantial and persistent unemployment in certain economically distressed areas.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (S. 1), with Mr. Boggs in the chair.

The clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday, the gentleman from Texas [Mr. PATMAN] had 52 minutes remaining and the gentleman from New York [Mr. KILBURN] had 58 minutes remaining.

The Chair recognizes the gentleman from Texas [Mr. PATMAN].

Mr. PATMAN. Mr. Chairman, I yield 10 minutes to the gentleman from West Virginia [Mr. BAILEY].

Mr. BAILEY. Mr. Chairman, first of all I want to express my wholehearted support of S. 1 as amended by the House Committee on Banking and Currency. I shall leave questions of technicalities and the composition of the legislation to members of the Committee on Banking and Currency.

It will be my purpose, Mr. Chairman, since my State of West Virginia has the greatest unemployment and is at the bottom of the economic totem pole to devote the time allotted me to the consideration of some situations in West Virginia.

This photograph shows a typical mine tipple in West Virginia. More than one-half of the tipples in West Virginia are now closed and they are crumbling to waste material because the mines are no longer in use. The point I want to make here is that coal is an important factor in national defense. If mine installations like this one are allowed to depreciate, what will be the situation in a basic fuel as necessary as coal in the event we had a third world war? I mention that to show its importance to our national defense. This is a typical mine tipple. You can see what is happening to it.

Here is a mine that has been closed. Here is the mine foreman. There are no men working. This is another installation that is depreciating, but it may be needed before many more years.

Here is a typical mine company store, boarded up, not in operation during the last year. Four hundred miners were employed at that installation.

This shows a typical notice on the side of the company house telling them to apply for jobs, but the window is boarded up. There are no jobs.

Mr. Chairman, I want everybody to see this one. Here is a bus used by the company to transport miners to their mines. Today it is occupied by a family of four as a home for an unemployed miner.

Here is a typical situation in a miner's home in West Virginia in which this family lived. You can see the coal burner there and the wrack and ruin inside the home of a typical miner.

I hope you all have an opportunity to observe this one. This is the unemploy-

ment situation in West Virginia areas of substantial unemployment. I call your attention to the fact that the distressed areas in West Virginia parallel largely our areas of coal production. Coal is in difficulty, and every coal area in West Virginia is in difficulty. In these red areas indicated on this map there is an excess of unemployment of 30 percent. While in the State as a whole it is not that high, these are the outstanding areas of unemployment. In these areas marked in red over 35 percent of the people are living on surplus foods.

On this map the counties marked in red have lost population in excess of 40 percent between 1950 and 1960.

Here are the public assistance payments. Notice the rise during the 10-year period, and they are still mounting.

Here is the out-migration, showing the percentage of people who have left West Virginia to try to find jobs in other areas. This would indicate that some counties have lost from 20 to 50 percent of their population, and some even more. The others are less, of course. But the people of West Virginia have honestly tried to find jobs abroad but have not been able to find them because of the fact that 101 of the 154 economic areas have the same situation, although not quite as bad as West Virginia has, but there is unemployment all over the Nation.

Here is your per capita income for West Virginia. Notice that these red areas here are $900 to $1,299 of income. In the white areas the income is from $1,300 to $1,699. In the other areas like this area here it is $1,700 to $2,099. The national average is $2,247. West Virginia's average is $1,700, over $500 below the average income of the people throughout the Nation.

I know my time is limited, but I would like to make this appeal to you. Ten years ago when we found approximately 4,000 of our school districts throughout the country impacted you rallied to my legislation and set up legislation for making payments by the Government for having impacted school districts. It was a very popular piece of legislation. I submit that the Federal Government by legislation on the statute books, overt action by the Congress itself, has impacted these distressed areas.

Seventy-five percent of the economic troubles in the State of West Virginia and the unfavorable conditions in West Virginia have been brought about by the administration as well as the maladministration of our present trade agreement policies. Do not let them tell you that our troubles in West Virginia are due to automation. We have lost 27½ million tons of our soft coal markets as a result of the importation of cheap residual oil from Venezuela. As a result of the way our present trade policies are being administered, we have had just as much of an impact as a result of the actions of the Government in these distressed areas as there was in the 4,000 school districts.

When it comes to the matter of school districts, I have been witnessing as chairman of the committee hearing Members of Congress tell about how terrific the Government impact has been on their districts, and I am a little bit surprised that there is not a little more interest shown on this economic impact as a result of the trade agreement policies that is very, very serious, indeed.

Let me tell you that testimony was brought out before my Committee on Education about a week ago showing that schoolteachers in the State of West Virginia are receiving as their basic, beginning pay as low as $1,500 a year.

The CHAIRMAN. The time of the gentleman from West Virginia has expired.

Mr. PATMAN. Mr. Chairman, I yield 2 additional minutes to the gentleman.

Mr. BAILEY. Mr. Chairman, my State of West Virginia is not asking for charity. All we want in West Virginia is jobs. At least six and possibly seven of the major industries in the State of West Virginia are suffering under the handicap of too much competition from foreign imports. If that situation were remedied, we would not be in a bad economic condition in West Virginia. I ask you to give serious consideration to the needs not only of my State of West Virginia but to the needs of all of the other States that have been impacted by Government activities and by Federal legislation.

Mr. Chairman, I want to express my appreciation for what was done by the Committee on Banking and Currency. Section 5 of the original bill stated that these grants and loans are being made to compensate distressed areas for injury suffered as a result of certain Federal laws and the reciprocal trade agreements act was named as being one of those Federal laws. I asked the committee to take that out because I would feel somewhat embarrassed to support a bill which would not solve the economic difficulties of the State of West Virginia. The passage of this bill will not solve the problems we face in my State. It will be a temporary shot in the arm, but it will not solve these economic problems. We are simply asking you to give us the same consideration that was given to large parts of this Nation.

Mr. Chairman, I appreciate this opportunity to plead the cause of my State of West Virginia before my colleagues.

Mr. KILBURN. Mr. Chairman, I yield 7 minutes to the gentleman from Pennsylvania [Mr. SCRANTON].

Mr. SCRANTON. Mr. Chairman, coming from an area which is highly interested in this legislation, as almost everybody in this Chamber knows, it would be very remiss of me at this time if I failed to thank the Republican leadership of the House for the opportunity to serve on this committee, and to thank the eminent ranking minority member of this committee [Mr. KILBURN] for giving me the opportunity to serve on the subcommittee. I am exceedingly grateful to that distinguished Member of this body, the gentleman from Kentucky [Mr. SPENCE] who heads our committee and the distinguished Member, the gentleman from Texas, the head of the subcommittee [Mr. PATMAN], for their courtesies and kindnesses shown me in the hearings and in the meetings of the committee.

There is a reason for this gratitude, and the reason goes deep: A great many people of my area have had this condition of chronic and persistent unemployment for a period of many years. This area was one of many which immediately after World War II started an effort of its own to establish a community organization, to establish more businesses and more enterprises, and to build plants. The results were amazing.

Because this was the first such approach, the first such community corporation formed, it was copied and followed by a great many others, in foreign countries as well as our own, and we have had as many as 200 delegations come to our county to learn what we have done and to follow in our path.

Many depressed areas have tried to the best of their ability to provide self-help. They have gone to the people over and over again. Some 51,000 people in Lackawanna County alone have given money in order to pick themselves up by their own bootstraps; and these people and many others in the country have established such organizations and have done the best they could to help themselves. The result is that we now have a great number of such community corporations. In addition there are many smaller communities in long-distressed areas which unfortunately are in no financial shape today, nor have they been over many years, to carry on such self-help without some outside source of financing.

Essentially, therefore, I support this bill, not to give these places of persistent and substantial unemployment certain advantages over more prosperous communities, but simply to give them an opportunity to compete or, to put it colloquially, "to catch up." They have tried on their own, they have obtained bank help, they have obtained some help from insurance companies, some State help, but, unfortunately, a great many of them have now run out of money or are in the process of running out, or are in such condition that they are unable to borrow because of legal limits on their indebtedness.

The fact is that in this Nation today financing of industrial plants has become a common practice, so common in fact, that industry just assumes it will be available. It is available almost without limit almost everywhere in the Nation except in distressed areas. So availability of financing through public or private means is assumed by industry, and that is exactly why the labor surplus areas find themselves at such a disadvantage without such financing.

Without this additional source of financing many of these areas are unable to develop public facilities, and this is a dire and extreme need in certain areas. Why? Because without industry you do not have the tax source to keep up with the rest of the Nation in the development of public facilities; and, without public facilities, industry is not interested in locating in an area. It is, in essence, a vicious spiral; one goes hand in hand with the other.

I have tried to describe a situation that maintains in a great many areas. Let us see how it occurs and why it is something

that must be attacked, why this program will work and why it will do the job. Let me give you just one example, an example from our own area, if you will, but which I think is extremely important.

Most of these communities, as you well know, have established a system of self-help. They have an organization. They have built plants. These plants have been leased or rented to industries. The result is that in the course of time by rentals, or by purchasing the plants the money comes back, and it comes back well and finally. The same thing is happening to all of our community organizations we have established; it is happening in States where they have aided in financing for this purpose, and it will happen with the Federal Government if it steps into the field.

Remember, this is not a handout, and a handout is not what we want. We want simply another source of financing, the kind of financing we have been doing in our States and the States have been helping us to do. These communities have gone to the people over and over again for money and many have reached the limit of what can be raised locally.

Likewise, we are not in the least interested in having Federal control over this system. We believe that having done it ourselves, through our own local leadership and initiative, that is the way to do it, that is the most effective way.

I am pleased to state to you, Mr. Chairman, that the Secretary of Commerce in his testimony before our subcommittee made it very clear he feels likewise; that local leadership and local initiative are the basic essentials of this program as they have been over the past 15 years.

In short, this whole program is not intended in any sense as a method of having the Federal Government get into an area where it does not belong. It is intended as a separate step of financing of exactly the same type we have been doing locally through the people, out of their own pockets, and with the help of banks and other institutions.

It is, as I say, an answer to this problem which, instead of giving out Federal money as a handout, acts as an impetus to private enterprise, so that private enterprise takes over the buildings just as we would like to have them do once they are paid for by rentals or by purchase.

Two last points. It has been pointed out before, and I reiterate, this bill is a better bill than any that has yet come before the House for consideration. Why? Because it has four features recommended by the Eisenhower administration—the direct method of appropriation, a strong antipiracy provision, criteria which was recommended by the Eisenhower administration and, last but by no means least, the administration of it is placed in the Department of Commerce.

That leads me to make my last point, which is basic, in my opinion. Certainly for a bill of this type which gives a great deal of discretion to the administrator it is very important as to how it will be administered. I recommend to every Member of this body that they read the testimony given before our subcommittee by the Secretary of Commerce, Mr. Hodges, not for any specific words but for his general approach to this problem. Here is a man who quietly and sincerely has the proper and correct approach.

He wants this legislation to be used as an impetus to private enterprise, and not as a Federal takeover. He makes it very clear that first and foremost in his mind is an effort to make this the kind of program that will fit into our private enterprise system. He wants this legislation used as it is intended for those areas that most need it so that we can revive the economic status of them and give them an opportunity to catch up.

Clearly I favor this legislation.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. SCRANTON. I yield to the gentleman from Pennsylvania.

Mr. FULTON. I would like to compliment the gentleman on an excellent statement and also on his hard work on this subject. It is encouraging to find someone like him who went into this thoroughly and knows what he is talking about.

Mr. SCRANTON. I thank the gentleman.

Mr. Chairman, as a further extension of my remarks made during the course of today's debate on the Area Redevelopment Act, I submit the following:

ANSWERING OPPOSITION ARGUMENTS

In the subcommittee hearings, testimony in opposition to this legislation has centered around four main arguments. The first of these is piracy. All who testified recognize the necessity for freedom of movement by industry and, in fact, advocated such mobility. Industry will move, and does.

In the first instance, the corporation itself makes a decision to relocate. Then, there follow innumerable factors involved in picking the site. Financing is only one of these factors; others being markets, transportation, educational and recreational facilities, housing, labor relations, and so forth.

I firmly believe that pirating by depressed areas is tremendously overemphasized and, in fact, has ben turned into something of a "red herring" or shibboleth. In my own district, for example, of 32 new industries that have come to our area through our local financing arrangement, only two have been relocations which have involved only 155 employees. I think Secretary Hodges, in his testimony, hit the nail on the head, and I quote:

> Gentleman, these areas are now not in balance. They are not competitive economically with other places in the Nation. You can do a whole lot for them and still they won't be as good as the average industrial and rural community of this country.

The subcommittee and full committee have established the strongest antipiracy provision in the history of this legislation. It states unequivocally, in section 6(a), "Such financial assistance shall not be extended for working capital, or to assist establishments relocating, totally or partially, from one area to another." In addition, there is the very strong right arm of congressional pressure in the event of an attempt to use Federal funds for relocations of industry, once this legislation is passed.

The second main argument is that this legislation is discriminatory in favor of certain areas as opposed to others. This same argument may be used for almost anything that this Congress does. Any time you appropriate for airports, or dams, or rivers, or highways, or defense installations, or harbors, and so forth, you are using tax money obtained from certain areas for the benefit of others. I think this is no argument at all.

The third major charge made against this legislation is that it is based on a handout, or, at the very least, a Federal intervention into an area where the Federal Government does not belong.

This legislation was planned to assist certain areas that have been subjected to chronic unemployment for various reasons. I submit that it will not act as a handout and, in fact, is a far better way of handling this problem for the areas concerned and the unemployed than one of continued extension of unemployment compensation by both the National and State Governments. For this legislation helps to give a permanent answer to the problem, and not merely a temporary doling of money. It has, in fact, proved just that. It acts as an impetus to the creation of more private enterprise.

Let me give you an example. The programs of self-help in northeastern Pennsylvania have resulted in many new plants being built there. These plants are built and financed by community development, nonprofit organizations. They build plants and then lease them to industrial tenants who, over a period of years, pay off the investment of the community corporation and eventually, through rental payments or outright purchase, own the buildings.

This is no different than what occurs with insurance or other institutional financing or, for that matter, corporate financing itself.

With the advent of the Pennsylvania Industrial Development Authority, communities were helped by the State taking second mortgages on the buildings. These, too, are paid through the rental or the purchase of properties by the industries themselves.

Exactly the same course would take place with the Federal loans that are provided for in the legislation before us.

Accordingly, what happens is simply this—and it has happened over and over again in our area. The industries, through their payment of rent or outright purchase, pay back to the community corporation or the State government or the banks—and now perhaps the Federal Government—the funds that are used for this industrial development, and the plants themselves are in the hands of private enterprise, as we all desire them to be.

I repeat, this is exactly what has happened in our area, and what will continue to happen under this legislation.

The last main argument used against this legislation is that it is pointless be-

cause the money will simply be wasted and will accomplish no results. Or, that it is not enough money to do the job.

If the road to industrial rehabilitation is 20 miles long and a community like those of northeastern Pennsylvania that I have described has been able to travel the first 10 miles on its own resources, it is pure nonsense to argue that Federal funds needed now, for the last 10 miles of the road, will be used for the same purpose and in the same way as the now exhausted local money was used on the first 10-mile stretch.

Incidentally, is it not ironic that the same witnesses who tell us that this legislation is bad because it will be so effective that it will lead to pirating are invariably the same witnesses who tell us that this legislation is bad because it will not help the distressed areas at all§ These arguments, frequently offered by the same witness, are not even consistent. The truth, of course, lies where it usually does, somewhere in the middle. The truth is that Federal funds, though they contain no magic to pirate industry from one area to another, are absolutely essential if the economically distressed areas are going to be able to continue the self-help programs which they have so courageously begun.

ALTERNATIVES

I have attempted to answer the main arguments against this legislation. I now raise the question of what the alternatives are to it.

The U.S. Chamber of Commerce and others recommended moving the unemployed. I completely disagree with this thesis. Clearly, there will be, in the course of time, necessity for moving people from some areas that are not economically viable. But to take hundreds of thousands of people and tell them they must go somewhere else to live is, in the first instance, callous and inhuman and, looking at it utterly realistically, it is uneconomic.

The expense of moving people and the establishment of new houses, streets, sewers, schools, and all the facilities for same is far beyond the expense of establishing industry in the areas where they already live. In addition, of course, there is tremendous waste involved in abandoning the selfsame facilities in the areas where they now live. Unemployed peoples for the most part do not have the means to make such moves and, by moving, clearly they would lose most of their present assets.

The second alternative is what we are presently doing—paying unemployment compensation and public assistance. This, too, is fantastically wasteful in comparison with efforts for putting men to work. In the State of Pennsylvania, in the year 1960, $82 million was paid in unemployment compensation and $48 million in public assistance. If the unemployment rate were reduced to 3 percent, this would mean a $90 million per year saving in that State alone.

Besides being tremendously expensive, such sums do not solve anything. They simply help people to subsist temporarily. In contrast, this legislation, through its impetus to private initiative and enterprise, fosters a permanent solution to unemployment.

ADMINISTRATION

Much of the success of this legislation will depend on its administration. Personally, I was greatly impressed by Secretary Hodges' approach to this subject. He sees this in its proper light, designed to help those areas which are truly areas of substantial and persistent unemployment, and as a method of fostering their economic comeback through giving an impetus to a free economy.

I quote from his testimony:

Mr. Chairman, and gentlemen of the committee: I think that the very passage of this bill will give heart to many of these thousands. Now, it is true that they will not all be taken care of. Nothing ever does that. But we can make a start.

I would just like to say this: I am basically a conservative. I talked with three people the other day from one of the Western European countries who were over here, people I knew very high up in business and government, and that country has imported 300,000 laborers to take care of the jobs and there are still a hundred thousand more jobs than they have people. It is a country that we in this Nation helped to build up to its present condition, where now they not only have money, they have more jobs than they can take care of. They cannot find enough people.

It seems to be a shame that in areas, whether it is eastern Kentucky, eastern Pennsylvania, or where, that we cannot do something to help take care of some of our own people even though it looks on the face of it, at times, like we are trying to give away money. Actually, we can inspire these people in the various areas to do something themselves. I don't like to see the Federal Government do everything, and I believe we can inspire these various groups to do something. There have been various questions raised about piracy. I know what they are talking about because I have had letters from other States already, saying we are against this because we don't want somebody to move out of our State; we are afraid they will move to a depressed area, and so forth.

Gentlemen, these areas are now not in balance. They are not competitive economically with other places in the Nation. You can do a whole lot for them and still they won't be as good as the average industrial and rural community of this country.

So I think we ought to see, whether it is in Kentucky, West Virginia, where your coal mines are pulled out, or wherever, what we can do. You have the basic problem, of course, of people, whatever their economic condition is, not wanting to leave home. That adds to this difficulty, so it would call for retraining, it could call for some relocation of people in isolated places, but I hope we will make a start on it because I think it is the human and proper thing to do, and it is no more than we are doing for people in other parts of the world.

Mr. Chairman, by his testimony, the Secretary of Commerce, to whose Department this legislation will be assigned for administration, has shown a sound, sensible, and reasonable approach to the problem. In my opinion, his is the proper approach, for this legislation is designed to assist the areas of substantial and persistent unemployment, and not to be used as a "boondoggle" or as an opportunity for master planning of our entire economy. The Secretary sees it in the proper light, and hopefully will see to it that the administration of this legislation will follow his philosophy.

Mr. KILBURN. Mr. Chairman, I yield 10 minutes to the gentleman from North Carolina [Mr. JONAS].

Mr. JONAS. Mr. Chairman, I would like to congratulate the last speaker on a very fine and clear-cut statement of his position. I should like to ask him one question, if I may.

Have the communities or the development corporations in Pennsylvania made any use of their borrowing authority from the revolving fund of the Small Business Administration?

Mr. SCRANTON. Yes, they have. In fact, we have in the counties, for example, that I represent, many small business loans.

Mr. JONAS. I do not mean that. I mean loans to publicly owned investment and development corporations organized within the State, and not loans to individual small business concerns.

Mr. SCRANTON. Yes, they have, sir, to a certain extent. Our great problem, as I tried to point out, is that we are using now every source of financing but we still need more.

Mr. JONAS. I thank the gentleman. I asked that question because the Washington Star for March 27 quoted Mr. John E. Horne, head of the Small Business Administration, as inviting local chambers of commerce, planning organizations, and development agencies to take the initiative in organizing development companies which can make application for loans out of the revolving fund of SBA. The story says that fewer than 100 loans have been made to State and local development companies during the 2½ years that SBA has been authorized to make such loans.

I was interested in that, because my State is one which has a well functioning business development corporation, and it has already obtained a million dollar loan out of this revolving fund and has a commitment for another million dollar loan.

Now, the report of the Small Business Administration for the 6-month period ending December 31, 1960, shows that up to that date a total of $17,405,224 had been loaned to State and local development companies to be used by them to promote the purposes of this legislation. In addition, a total of $26,022,156 has been committed for future loans. This makes a total of $43,427,380 either already lent to these State and local development corporations or committed, and the report shows $152,422,881 available balance as of December 31, 1960. Now, that is a substantial sum of money and it appears to me that the States that have business development corporations are making a mistake if they do not take advantage of the borrowing authority out of this revolving fund.

While I am on this subject, may I ask the gentleman from West Virginia, who made a very appealing statement, a question if he is in the Chamber? Or, may I ask anyone on the committee, Is it true—and I read this in the testimony of one of the witnesses before the committee—that during the last 10 years more than $2 billion in new plant investment has been made in West Virginia? Is

that correct, or does the record confirm that statement?

Mr. BAILEY. That is not true.

Mr. JONAS. I saw that statement in the testimony before the committee and it was not challenged. The statement was that during the last decade $2 billion had been invested in West Virginia in plant expansion.

Mr. BAILEY. That is not true. It is true that we brought in an installation known as the Kaiser Aluminum Co. in the last 10 years, but no figure even approximating $2 billion in investment.

Mr. JONAS. May I ask the gentleman one other question? Does West Virginia have a business development corporation?

Mr. BAILEY. Just what does the gentleman mean by that?

Mr. JONAS. A publicly owned development corporation organized to help locate industry within the State or in expanding existing industry, with authority to borrow funds from the revolving fund of the Small Business Administration and otherwise to carry out its corporate functions.

Mr. BAILEY. We have a service carried on by our State Publicity Bureau, an industrial group set up by law.

Mr. JONAS. We have a development corporation of North Carolina, and I would like to call the Committee's attention to its record during the last 5 years.

Mr. BAILEY. Mr. Chairman, will the gentleman yield to me for just a moment?

Mr. JONAS. I yield.

Mr. BAILEY. We have a lot of so-called community groups over the State trying to interest industry to come in, but there is no active organization other than that carried on through our Governor's office.

Mr. JONAS. I thank the gentleman.

Mr. BAILEY. One other thought, please. Let me say that the State will only be benefited temporarily by this type of legislation. Basically something else will have to be done.

Mr. JONAS. Well, we have a business development corporation in North Carolina. It was organized under the leadership of then Governor now Secretary of Commerce Hodges 5 years ago and has had a very successful career as I will point out shortly. Before doing that, I would like to say that if we are going to have this legislation I am gratified that the administration will be under the direction of Secretary of Commerce Hodges instead of under a separate and new bureau. Secretary Hodges has had a great deal of experience, during his 6 years as Governor of our State, in the location of industry and I am sure he will do a better job of administering this program than one who might be brought in from the outside. It is not because of the responsibility of this proposed program is placed upon the Secretary of Commerce that I question the advisability of this legislation but for entirely different reasons which I will state later.

As a matter of fact, the Department of Commerce is already active in the field encompassed by this legislation. This activity is under the Office of Area Development and this Office has described its activities as follows:

> The Office of Area Development in the Business and Defense Services Administration serves as a central point in the Federal Government where State and local organizations, public and private, can obtain information on Federal programs available to communities seeking assistance in their economic development activities. Technical advice and guidance, based on the successful experiences of other communities, is a key factor in the Office's assistance to labor-surplus areas in developing new jobs.

But now I would like to give you a report on the experiences of the Business Development Corp. of North Carolina, to show what can be accomplished in bringing new industry to a State and in expanding existing business enterprises to provide new jobs. This corporation was organized for the purpose of promoting, developing, and advancing the economic welfare of our State. The fifth annual report shows that there are 1,802 stockholders of this corporation. Capital funds were supplied to the corporation as follows: 85 commercial banks provided $2,906,000; 13 life insurance companies provided $1,105,200; 40 building, savings, and loan associations provided $1,093,000. This makes a total of $5,104,200. In addition, the corporation has borrowed $1 million from the Small Business Administration and has in hand a commitment from SBA for another $1 million.

Since the start of operations in 1956, the corporation has approved 131 loans totaling $15,915,965. Some of the loans were to finance the construction of new plants and the expansion of existing ones, for the acquisition of machinery and equipment, working capital, and for payment of existing indebtedness. The direct result of this activity was maintaining employment for at least 8,356 people and creating employment for an additional 13,540 people, or a total of 21,896 jobs.

As of December 31, 1960, all installments on loans were current. Additional applications for loans are being processed daily. The operations of this development corporation have been so successful that at the October 12, 1960, meeting of the board of directors a dividend of 10 cents per share was declared on the capital stock. This is truly an example of how a State can by aggressive and imaginative action, and through the aid of existing agencies of the Federal Government, promote its own business prosperity and economic welfare.

Mr. Chairman, may I say also that we have other Federal programs that are available for assistance without setting up a new organization which will duplicate the work that is already being done by various other Federal agencies. For example, we have a Community Facilities Administration in the Housing and Home Finance Agency. May I quote one statement from the last report of that agency?

> By the end of November 1960 local communities had been assisted in the provision of new or improved facilities through 294 net approved loans for almost $90 million. In addition, 37 loans for $10 million have been canceled after approval due to subsequent availability of private financing.

The Community Facilities Administration also makes advances to local communities for advance planning on public works projects. This program is financed from a revolving fund to which appropriations are authorized up to $48 million. Through the end of fiscal year 1960, this agency approved advances amounting to some $34.2 million. Under the program for the current year and that proposed for fiscal year 1962, net approved advances will reach $55 million with a potential construction cost of $3.3 billion.

The Department of Agriculture, through the Farmers Home Administration, is making loans to farmers, and it also has a rural development program instituted in 1955.

Mr. WIDNALL. Mr. Chairman, will the gentleman yield?

Mr. JONAS. I yield to the gentleman from New Jersey.

Mr. WIDNALL. The gentleman earlier spoke about $2 billion in new plant investment, as testified to by somebody on page 230 of the subcommittee hearings. It reads as follows:

> When we consider that in the past decade more than $2 billion in new plant investment has been made in West Virginia, yet there remain areas of chronic distress, just what might be the effect of West Virginia's share of $389.5 million fund? * * * With the need for investment of at least $15,000 to create one job, just think of the inadequacy of these funds to meet the apparent present needs for jobs.

Mr. JONAS. That was the statement I remember reading in the hearings. I should like to quote one other statement made by the same witness, which I think points out the fallacy of this approach:

> The laws of economics cannot be revoked by the Congress. Neither can the facts of geography, the absence of natural resources, the location of markets, the desires of the consumer, or the personal will of the worker be radically affected by anything you place upon the lawbooks.

It is my judgment that credit, in addition to what is already available through Government agencies and from private and commercial sources, will not be decisive in locating industry in depressed areas. There are many and more important factors, such as aggressive leadership on the State and local level, availability of markets, labor supply, transportation, government, climate, availability of water and power, individual site characteristics—and of course many others—that will determine where industry will locate or relocate.

This bill will not do what its sponsors hope. If I thought it would, I would support it. I think the result will be a cruel disappointment to those who hope for so much from it.

Mr. PATMAN. Mr. Chairman, I yield such time as he may desire to the gentleman from Washington [Mr. MAGNUSON].

Mr. MAGNUSON. Mr. Chairman, I rise in support of the area redevelopment bill, S. 1, as reported from the House Committee on Banking and Currency. The national economy has

reached a state that requires comprehensive and prompt action. As of January 1, 1961, 103 areas in 26 States and Puerto Rico were in such a state as to be considered depressed areas under the requirements of the administration bill, 3 such areas being in the State of Washington—Aberdeen, Anacortes, and Port Angeles. One community in Washington State reported as much as 37 percent of its work force idle. On January 1, 1961, 7.7 percent of the national labor force was unemployed. The nature and extent of this economic distress is such that the Government can no longer wait for it to pass.

There are two forms of unemployment. The first is the interim displacement of a worker who will shortly be rehired in the same occupational area. There is no need to retrain this worker, while the normal program of unemployment compensation—though, perhaps, inadequate—is sufficient to ameliorate his interim distress. The second is chronic or permanent displacement. This is essentially different from interim short-term unemployment. Here we refer to the worker who, though skilled, suddenly discovers that his particular skill is no longer needed by industry—in some cases the industry itself may cease to function. For this worker no amount of unemployment compensation is adequate. This worker will not be reemployed—will not be employable—unless he acquires the new skills demanded by industrial growth.

It is the relief of chronic or permanent unemployment with which the supporters of S. 1 are primarily concerned. Explicit in the bill is the recognition that this type of unemployment is an area-wide disability, not limited to the individual worker. Its causes are multiple: First, excessive reliance upon a single industry or occupation—the failure to diversify; second, technological change and systems advance; third, shifts in demand—the introduction of new products and materials; fourth, migration of industry; and fifth, the depletion of natural resources—minerals and timber.

The answer to the problem of chronic unemployment is obviously complex. Often the most grievously injured are the established workers who have plied their skills for many years, who may have families and homes. When chronic unemployment strikes, property values fall, while the worker who has placed his life savings in a home finds himself unable to retrieve his equity. Even should he relocate in another area, his seniority—his job security—is lost and he is the first to be laid off in slack times. Relocation would further entail the abandonment of heavy investment in schools, roads, public utilities, and private enterprise. To be sure, some workers, largely young workers, may be relocated, but clearly relocation is not the answer.

The proponents of the area redevelopment bill believe that at least part of the answer is to be found in the retraining of workers. The decline of certain industries, new technical processes, and the demands of the new industries of the space age for men of technical skills has created alternate scarcity and abundance which society has not proved sufficiently flexible to absorb. S. 1 would provide stepped-up programs for retraining workers in areas of chronic unemployment. Under the bill, 4.5 million would be appropriated annually for this retraining, to be conducted, in normal situations, by existing State vocational education agencies, with the assistance of the Department of Health, Education, and Welfare. In addition, a $10 million annual appropriation would be provided for retraining subsistence payments, to workers engaged in such a program and not receiving other compensation, to be paid for a period of up to 16 weeks and at a rate equal to the State unemployment compensation benefits. The significant element here is that at the end of the 16-week period, the worker might qualify for a position utilizing his newly acquired skills. Whereas, when the present system terminates, the worker is still displaced, still unprepared for productive reentry into the labor market, and compelled by necessity to rely upon the various welfare agencies.

The area redevelopment bill is geared to the presently distressed areas. Although we have every hope that it will serve its purpose, it can only be considered as an emergency measure. As reported from the Senate, the bill would lapse on June 30, 1965, unless renewed. In the interim it is incumbent upon the various areas of our economy to face squarely their responsibility. Trade unions, the traditional guardians of worker skills, must have the foresight to encourage their members to extend their capabilities, while apprenticeship programs must be directed to meet the challenge of technological advance. Private enterprise must recognize its social responsibility as a source of the commonweal, must look forward to meet market changes, and must cooperate with the trade unions in refitting and retraining to meet new requirements of our complex and growing economy.

The retraining of workers is only part of the answer. S. 1 proposed that the direction of retraining be determined by Department of Labor surveys. Extensive planning is essential at all levels to produce an efficient meeting of capability with demand. The program would be administered through an Area Redevelopment Administrator in the Department of Commerce. The local areas would survey their economic resources and with assistance from appropriate agencies, submit a program to the coordinating agency. Programs consistent with the economic needs of the area and Nation would then receive Federal matching funds in the proportion of 35 percent non-Federal and 65 percent Federal. Grants would be made available to areas where no other means of development could be found. Suitable industries would be encouraged to relocate in redevelopment areas, always on the basis of comparative advantage. Industrial diversification would be promoted. The bill extends the authority of the Small Business Administration and amends section 701 of the Housing Act of 1954, the latter to stimulate needed renewal projects both in residential housing and commercial district rehabilitation. Where a direct relationship could be shown to the total economic development, grants and loans would be made for public utility type projects—water and sewage systems, access roads, and so forth. For basic project assistance, both urban and rural, $375 million would be appropriated.

Obviously, the amount of planning necessary to conduct successfully such a program would be beyond the scope of strictly area groups—labor unions, private industries, planning bodies, and municipal and State agencies. The Area Redevelopment Administrator would, however, be expected to work in closest coordination with these area groups. The comprehensiveness of the program is its essence.

Essentially, this is a positive program. Instead of granting a mere subsistence dole, it endeavors to retrain workers and to renew their productivity. It encourages industry to relocate in areas of chronic unemployment. It encourages communities to plan for their future, and in this regard, supplies technical assistance. Mr. Chairman, it occurs to me that passage of this bill at this time is vital, not only to the depressed areas but also to the reinvigoration of our national economy.

Mr. PATMAN. Mr. Chairman, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. MORGAN.]

Mr. MORGAN. Mr. Chairman, I am in favor of Senate bill 1, and I want to commend the House Banking and Currency Committee for the fine bill presented here today. For years I have been working to alleviate and aid the plight of the unemployed in my district. For the past 5 or 6 years I have joined many of my colleagues in sponsoring similar legislation. I have appeared before the Banking and Currency Committe to testify in behalf of area redevelopment bills and have also appeared before the Senate committee considering similar legislation. I have voted for every area redevelopment bill for the past 3 years and I joined in the attempt to override the President's veto. Therefore, I have a vital interest in this bill because I believe it will be helpful in offsetting the chronic unemployment in surplus areas, not only in my district, but in other parts of the State and country.

This bill makes provisions for loans for industrial projects; it provides for loans and grants for local public facilities; it provides for technical assistance; for urban renewal and planning aid and it provides for occupational retraining and subsistence payments.

In an area such as mine where we have had chronic unemployment for a number of years, we look to this bill as the means of helping some of our unemployed to find other jobs. We look to this bill in the hope that it will change some of our ghost towns into live communities once again. We look to this bill to relieve some of the human misery that results from continued and chronic unemployment. We realize, however, that passage of this bill will not bring immediate aid. It may be months and years before many of these areas will solve their unemployment problems.

With the passage of this bill, however, my congressional district will have Federal assistance in a coordinated attack on our number one problem.

Mr. Chairman, I am not going to burden the Members of this body with a repetition of facts, which I have presented on this floor many times. I do want to stress the change in conditions which have occurred in my district since we last considered area development legislation.

I have three counties in my congressional district—Fayette, Greene, and Washington. According to January ratings, the Uniontown-Connellsville area in Fayette County had an unemployment percentage of 27.9. This is not only the highest in the State of Pennsylvania, but it is among the highest in the country. This is an increase of 5.8 percent since November 1960. In Greene County, the rate of unemployment is 15.7 percent and in Washington County it is 17.4 percent. These figures do not begin to tell the whole story, however, because many of those unemployed are working only part-time, some only a day or two a week.

Our dominant industries in Fayette County were the coal and coke industries. During the past 10 years the coal industry has steadily declined due to the depletion of coal deposits and because of technological improvements. The coke industry has been gradually supplanted through the more economical production of byproduct coke.

Our steel mills in Washington County are operating at about 50 percent capacity. Many of the people who have been unemployed have used up their unemployment compensation benefits and depend upon public assistance for sustenance.

Our local people did not sit idly by, however, and watch conditions grow worse. They formed industrial groups and have been engaged in development activities. They have had industrial promotion campaigns, fundraising campaigns, and plant building programs. They have done a good job and together with the aid they have been able to obtain from the State Industrial Authority, they have been able to attract some new industry into the area. Funds from local sources are just about exhausted, however, and Federal cooperation and support, such as provided under this bill are needed to supplant the efforts of State and local communities.

Mr. Chairman, we do not want handouts. We do want the prospect of work, of new jobs, and new industries, which in itself will bring about a more healthy community life and a fuller utilization and development of our human resources. I believe this bill goes direct to the problem and holds real promise of practical and effective assistance. It has my wholehearted support and I hope sincerely that the bill will pass.

Mr. PATMAN. Mr. Chairman, I yield myself 4 minutes.

The gentleman from North Carolina [Mr. JONAS] in talking on this bill referred to the local development corporations. The local development corporations are doing a fine job. The reason for this bill is that the local development corporations cannot do the job alone. They have done all they can on their own. Now they must turn to the Federal Government. That is particularly true as to Pennsylvania and the area described by the gentleman from Pennsylvania [Mr. SCRANTON]. He knows all about this and was very helpful to the committee in bringing out those facts.

It is true that the Small Business Administration makes loans to these local development corporations. They are very careful about these loans, but they are making them nevertheless. Up to March 17 this year $10,700,000 had been loaned by SBA to these local development corporations. In voting for this bill you will vote for a provision that permits the Small Business Administration to continue to make these loans. This provision expires June 30 of this year, and they will be unable to make the loans, after that date. But in this bill we have a provision to make this lending authority permanent.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from North Carolina.

Mr. JONAS. I would be willing to vote to extend that authority and provide additional funds, but we already have this Small Business Administration in this field. That is the reason I do not want to set up another agency.

Mr. PATMAN. You would not want to leave this to the Small Business Administration, because they cannot meet the need in the depressed areas. Their loans are rather narrowly restricted, and are made to assist small business concerns only. This is for the purpose of helping these communities that are in distress.

The gentleman referred to as testifying on page 230 of the hearings was a witness for the U.S. Chamber of Commerce. He made a suggestion which I think was a cruel suggestion coming from the U.S. Chamber of Commerce. He suggested the remedy for this was not giving the people in these areas any Federal aid, not even the small amount that is offered here, but to see that they had opportunities to move from their homes and go elsewhere and seek jobs elsewhere, and leave these distressed communities.

He recommended to our committee to get after the employment services and to get the employment service to go into every distressed community in this country and take an inventory of the available manpower in those communities. He said we should induce unemployed people in these areas to leave their community where they were born and reared. That was his remedy for helping these distressed areas. We did not agree with him. We believe this bill is the minimum. We believe it will do some good. We know it is not a cure-all. It will possibly make unnecessary a general public works bill. If we do not pass this bill, we probably will be called upon to pass one that will cost billions of dollars instead of millions of dollars. This is a good step in the right direction and I hope the committee will support the bill.

Mr. KILBURN. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. ALGER].

Mr. ALGER. Mr. Chairman, obviously I am out of step with many, both those for the substitute bill and for the committee bill. I will say what must be said as I see it.

I do not think most of the people in this country are in sympathy with this Federal regulatory effort. I am looking now at the committee bill, starting on page 44. I am not an attorney so probably I am outside of a privileged circle that understands this language. This language starting on line 18 is in both bills, and if this is not unconstitutional, then I do not know what is unconstitutional. I find it difficult to analyze how some of my colleagues can comprehend what the language actually means. This language is gobbledegook, if I ever heard it. It prescribes complete Government planning and regimentation. I just wonder if you realize, gentlemen, what some of us hear in the taxation committee? Do you realize that the lumber industry, as an example, all of which is now classified in the category of depressed areas, is coming before us saying, Do not impose on us any more Federal taxation. Do not give us any more of that kind of help. Do not bankrupt us. Yet today what are we doing in this bill? We are running up the Federal ante and it has got to come out of the hides of our people in taxes. What do you think is going to happen? I know what is going to happen. We are going to be asked now as in the past for billions of dollars. There is no limit to money expended at the Federal level. Yet the Federal Government has no money, only what it will take in future taxes. Of course, when it comes to that it means we will raise everybody's taxes and there is no limit to where that will take us, nor how much we may deficit finance as an alternative. I understand right at this very minute, while some may be willing to exercise independent judgment, the Secretary of Commerce is in the Speaker's lobby talking to some of the Members to be sure they understand how they ought to vote. I suppose that is the case—I do not know—I know he is there.

In any event, I think such pressure is wrong.

Now, let us look at the bill. I am looking at page 46 of the bill. It says the Secretary will designate the redevelopment areas. Then it goes on to give him more and larger powers as though he were the absolute dictator of American industry, the wishes of the people of the United States, if you please, notwithstanding. However, the substitute bill strikes the redevelopment area definitions. Of course, that is all to the good.

Then, another provision of the bill makes it clear that State government must first designate the areas. Then we are back in the old permissive area. Gentlemen, you understand when we pass a law that is permissive to the States we force the States to comply

or lose the return of their share of tax money they have already paid in. I say that is wrong. We are forcing them, indeed, bribing them with their own money to do as we at the Federal level prescribe.

If we would use anything like the effort to try to lighten the tax load on industry that we use to saddle them with additional tax burdens we would see a wave of prosperity sweep over the Nation the like of which has not been seen since New Deal legislators came down here to Washington to tell men how to run their business. What industry needs is tax relief, not increased Federal spending in the name of help, followed by higher taxes and/or deficit financing, and inflation.

When it comes to who gets these loans, the way it is set up must the recipient be of the right political party? Must he come to some congressional committee and declare his political connections and plead, please give me some help, I need a loan? I do not think that is right; I do not think the American people think that is right. Again, making Federal loans to some and not to others is unconstitutional.

On page 50:

The project for which financial assistance is sought must be reasonably calculated to provide more than a temporary alleviation of unemployment or underemployment within the redevelopment area wherein it is, or will be, located.

What does that mean? I feel it is impossible to tell anybody just what that means. This gobbledygook to support later bureaucratic decisions.

Page 51, starting on the bottom of page 50:

No such assistance shall be extended hereunder unless the financial assistance applied for is not otherwise available from private lenders or other Federal agencies on reasonable terms.

That means no one but poor risk cases. It says if they have suffered a turndown and are poor risks they can get attention from their Uncle Sam. Only poor risks need apply.

Page 61: There is so much talk about what information the Secretary can obtain. Under this he can get all the information he wishes. I read:

SEC. 10. The Secretary shall aid redevelopment areas and other areas by furnishing to interested individuals, communities, industries, and enterprises within such areas any assistance, technical information, market research, or other forms of assistance, information, or advice which are obtainable from the various departments, agencies, and instrumentalities of the Federal Government and which would be useful in alleviating or preventing conditions of excessive unemployment or underemployment within such areas.

So here we have a ring-around-a-rosy of Federal and local officials conspiring to promote more Federal handouts. Obviously, this is not the intent of some but this language appeals to human beings to be human beings—that is, get all they can while the getting is good.

Then we find this—

The Secretary shall furnish the procurement divisions of the various departments, agencies, and other instrumentalities of the Federal Government with a list containing the names and addresses of business firms which are located in redevelopment areas and which are desirous of obtaining Government contracts for the furnishing of supplies or services, * * *

This will leave it in the hands of the Secretary to determine what areas and what firms shall receive this aid, placing industries in a supplicating position so much so that their business may succeed or fail based on dependence on Government aid and contracts.

Do we really understand what we are doing? We are going to catalog all industry and could then help those who support the right political party. Some might even say this is a reelection bill, judging from the support such faulty legislation is receiving. For my part I will not support either the committee or substitute bill. One may be the lesser of two evils but the evil either will do our private enterprise economy is something in which I will not be a participant. I regret that politics is in this bill on both sides. The people of this Nation as citizens and as business participants—management and labor alike—deserve better than this abrogation of constitutional protection.

This Nation will suffer to the degree that this bill is implemented in our economic system. Free enterprise and the right to own property, so greatly under attack worldwide, is here being dealt a staggering blow, one from which it could possibly not recover, unless—and this is my hope—as bad legislation it will not, in practice, become reality.

Mr. KILBURN. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. SAYLOR].

Mr. SAYLOR. Mr. Chairman, I have listened with interest the last 2 days to those who spoke for this bill and to those who spoke against it. I have not been here as long as some of those who spoke either for or against it, but I have been here long enough to know that it depends entirely on which committee brings out a bill, and which part of the country gets the most out of the bill is where you get your support.

I want to tell you I am supporting this bill that came out of the committee, and I am supporting it right down the line. I introduced my first bill on this subject back in the 83d Congress and I have introduced similar legislation in every Congress since that time. My only regret is that there is not more in this for the people of this country.

Do you realize, Mr. Chairman, that since I have been a Member of this House, this Congress in its wisdom has given in foreign aid over $70 billion to countries all over the world? And most of the people who are living in the areas that will be helped by this bill, were working when the foreign aid program started. They were willing to pay their taxes and have their taxes spent where Congress determined.

These same people when working helped pay for all the farm programs that have cost the Nation untold billions of dollars in stores of grain and other agricultural products.

These people when working helped pay for all the reclamation projects in the 17 Western States.

These people when working helped pay for all the mineral subsidy bills that Congress passed to keep a healthy mining industry in this country.

These people when working helped pay for all the flood control projects throughout the length and breadth of our land, and all the other projects too numerous to mention.

Now through no fault of their own they are unemployed and live in areas of chronic unemployment. All this bill does is to say to American citizens who live in those areas, "Fellow Americans, you have helped all others when you could, now this is a little token from a grateful people for all you have done for others. It is a little encouragement to not give up hope—to carry on and help make our country a better place in which to live.

One of the current popular pastimes is to label everything you do not like as either socialistic or communistic. This is neither, but it is putting into practice what Abraham Lincoln—in my opinion the greatest of our Presidents—said was the duty of a government: "To do for its people what they could not do for themselves, or do so well for themselves."

I am very much interested to note that the minority views contain the name of the principal town in my home district. One of the reasons that they tell you not to vote for this bill is that my hometown community, Johnstown, Pa., being a depressed area and having been one ever since we set up the criteria in 1952, had enough community spirit to try to help themselves. But they are still good American citizens. They are people who love this country. They are not Communist. They are not socialist. They are red-blooded Americans who want to do some work and still are trying with all their heart to make their community a better place to live, a better place to raise their families, a better country for themselves and for all Americans and as a result they hope a better world for all. The people who lend money in this country still like to find that kind of spirit, and my community has that kind of spirit. When Johnstown wanted to borrow $5 million to complete a sewer system and sewage disposal plant to take care of and clean up the sewage out of the rivers and streams of that area, following the program that this Congress set up for all sections of the country, they presented such a picture of community spirit to the bond buyers in New York that they got themselves a better rate than they would have had if they had borrowed the money under this bill. The minority report concludes therefore because the city of Johnstown borrowed money at a pretty good rate of interest, nobody should give any money to a local community because if they borrow this money from Uncle Sam they will have to pay a higher rate of interest. That is poor logic as far as I am concerned. This is a very small amount of money. This is merely the American Congress saying to the people who find themselves in these areas, "Look, we know you are trying to help yourselves, we know you are trying to get ahead; here is just a little pat on the back and a little help

from some of those districts that are still enjoying this untold prosperity we are having in this country."

To you who benefit from the price support programs of the country, I ask you to support this distressed area bill.

To you who come from the reclamation areas and who have benefited so much from them, I ask you to support this distressed area bill.

You who have prosperity in your districts, I ask you to support this bill.

Not because of what you have enjoyed from your Government, but because as a Christian nation we have always believed in the Golden Rule. Here is a chance for each one of you to put it into action. Now let us take care of the people who live in the industrial areas in this country that are depressed. Vote for this bill, vote against any substitutes and against any amendments.

Mr. PATMAN. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. STRATTON].

Mr. STRATTON. Mr. Chairman, I take this time for two reasons, first to establish a little bit of legislative history with respect to one aspect of this bill and, secondly, to advise the membership of the House as to an amendment which I intend to offer when we reach the 5-minute rule.

Mr. Chairman, I am very much in favor of the bill S. 1; in fact, I have been, since becoming a Member of this body, a cosponsor of this legislation. I cosponsored it again this year. In fact, this year I introduced the same legislation which passed the Congress last year but which was vetoed by the White House.

Mr. Chairman, I am interested in the bill because of what it will do for the country. I am interested in it for what it will do to my home district. I have two areas in my district, Gloversville, a great glove manufacturing city, and Amsterdam, a carpet center, which qualify under the provisions of this bill as distressed areas, even under the somewhat more restricted provisions of the bill S. 1, as contrasted with the bill we adopted last year.

I am disturbed, however, because of the fact that perhaps the most important economic area in my district, the great industrial city of Schenectady, will not be helped by the bill. That city has lost 20,000 factory jobs in the course of the past 6 or 7 years, the greatest loss of any single city or community in the country. But under the present formula the great city of Schenectady cannot qualify as a redevelopment area for the reason that in determining the rate of unemployment in Schenectady, our city is considered as part of a larger metropolitan area which includes the city of Albany and the city of Troy. The city of Troy has been hit by unemployment, but Albany is the capital of the State, and it seems that no matter what the economic picture is the employees of the State government in Albany continue at the same high level.

Therefore, if unemployment is to be determined only on the basis of this overall metropolitan area, then the more critical situation in Schenectady would be counterbalanced by the more favorable situation in Albany, and the overall area would not qualify for help. I am sure that this is something which applies to other areas as well. Therefore, I would like to ask the distinguished chairman of the subcommittee, the gentleman from Texas [Mr. PATMAN], if it is not his understanding that under the provisions of the bill the Secretary shall, in fact, have the right to determine areas for consideration as redevelopment areas without regard to present boundary lines now in effect in the Department of Labor for reporting unemployment. Is that not the understanding of the chairman of the subcommittee? Let me say that it was the understanding of the other body and was so included in the report of the committee of the other body, but there is no reference to it in the report of the committee of the House.

Mr. PATMAN. I think a more correct statement would be that they would have the power to change the lines after they are once made. I think it is contemplated that they will follow the existing labor market area boundaries in the beginning. But, of course, this bill will have to be reconciled with the Senate bill, and whatever is in the public interest I feel the conferees will agree to it.

Mr. STRATTON. On this point, if I may say to the distinguished chairman, there is no difference in wording on this point between the House bill and the bill passed by the other body, but the report of the other body definitely says that these boundaries would not have to be identical with the standard labor market areas as presently defined by the Department of Labor. And, I am wondering if the chairman would agree with the interpretation which was made by the other body?

Mr. PATMAN. I would prefer not to express an opinion at this time on the particular situation to which the gentleman refers. If the gentleman had called it to my attention ahead of time, I would have been very glad to have been in a position to answer it more definitely, but I cannot, because I do not understand the situation sufficiently.

Mr. STRATTON. Perhaps this matter can be clarified before the debate is ended. It is my understanding that the Secretary does have this authority in the House version of the bill, and it seems to me that it is most important that a major city or a county like Schenectady, or other cities throughout this country, should not be penalized because there is some sort of device in effect in the Department of Labor at the present time which requires them to include other areas which are not seriously affected by unemployment when determining which areas should be called unemployment areas.

Mr. PATMAN. Personally I would not like to say, for another reason. There is more involved in this than appears on the surface, and I would like to give it more consideration.

Mr. STRATTON. I thank the chairman. The other point that I wanted to make, Mr. Chairman, was to advise Members of the House, as I have advised them by letter this morning, that I intend to offer under the 5-minute rule an amendment similar to the one offered in the other body by the distinguished Senator from Louisiana [Mr. LONG], which simply puts on the Secretary of Commerce the responsibility of examining the economic and employment impact of the closing down of military bases. In the State of New York, for instance, the Air Force has been talking about closing down a major function of the Rome Air Force Base, the air material area called Roama, with a loss of 6,200 jobs. Now, I am in favor of this bill. If the bill goes into effect and Rome should get a new industry that would bring in 200 or 300 or 400 jobs, that will be very fine. But if at the same time the Federal Government, which is trying to eliminate unemployment, closes down an operation which will take 6,200 jobs out of Rome, something seems to me to be very, very wrong. We have to coordinate the operations of our Government. We have to insist that if we are trying to combat unemployment, every agency of Government should understand the impact of unemployment before that action is taken. This is what the effect of my amendment will be. It is discussed in detail in the CONGRESSIONAL RECORD on pages 4037–4038 for March 15.

I hope that in view of the President's announcement yesterday that 73 defense bases here and abroad are going to be closed down—and the announcement I understand is going to be made in the very near future—that Members of the House on both sides of the aisle whose districts might be affected by this will listen to my amendment, and I hope that they will support my amendment.

Mr. KILBURN. Mr. Chairman, I yield 7 minutes to the gentleman from Illinois [Mr. ARENDS].

Mr. ARENDS. Mr. Chairman, on April 10, 1959, speaking on this same subject, I called the attention of the House to something that occurred in my own district, namely in Danville, Ill. At that time I had reprints of the talk made in pamphlet form which I sent to each Member of the House and Senate, and spread it about the country as much as possible, to tell the country what people can do who rely upon their own ingenuity and who through their own determination can and in this case did do. The following is what happened, and I should like to repeat for the House some of the words used at that time:

> Mr. Speaker, the Congress and the country should know the inspiring story of the city of Danville, Vermilion County, Ill., which I am privileged to represent. It is a story of how a resourceful people who, in spite of all economic adversities, built and maintained a thriving community. I speak of this with pride beyond measure.
>
> In truth, the story of the city of Danville, Ill., is the story of America and what has made our country great and strong. It is a factual account of what individual community initiative and ingenuity, self-reliance, and determination can accomplish.
>
> In the course of its history, Danville at one time was a depressed area. It suffered, as all communities do from time to time, to national economic changes, resulting from the development of new products, new manufacturing techniques, labor cost differentials, transportation facilities and costs, and a number of such economic factors.

There were occasions in the history of Danville that doubtless many thought at the time it would become a ghost town. But it did not. Its people decided to make it a thriving city with a prospect for continuing growth. They pooled their ideas. They pooled their resources. They devised plans and put those plans into effect.

Mr. Speaker, it is well that the Congress and the country know the history of the city of Danville, particularly at this time when so many communities are looking to the Federal Government to aid them in their present difficulties. The history of the city of Danville says in words much better than I can employ the true meaning of local responsibility, self-reliance, initiative, and ingenuity. It emphasizes what can be accomplished by following the true American traditions. They did not look to the Federal Government to solve their problems. They did it themselves.

I am inserting in the RECORD, as a part of my remarks, a memorandum, based on fact and not fiction, based on truth and not theory, of what one city itself accomplished on its own, without relying upon Federal aid and dictation.

This memorandum presents the story of a city that must be told over and over again—and there are doubtless other such communities who have and continue to do likewise but, unfortunately, they are becoming fewer and fewer. As we consider proposed legislation to establish a Federal agency to aid depressed areas bear in mind what Danville did for itself. If you take the proposed course of extensive Federal aid, you say to communities like Danville: Why exercise your own ingenuity, why risk your financial resources, why spend your time and effort—the Federal Government will do it for you? When that day comes, when the Federal Government attempts to do everything for us, then our American system of Government is no more.

The following story of Danville was prepared by the local chamber of commerce, a truly progressive and aggressive organization:

"THE STORY OF DANVILLE, ILL.

"'Cities do not grow and prosper by chance. They are the result of the vision, the sacrifices, and efforts, of its citizens.'

"Many cities have progressed through an economic crisis, and have been left prostrate for all time.

"Danville has experienced such a crisis, but fortunately for us survived.

"Too few of our citizens realize that had our city been left to take its natural course, their homes, their fortunes, and all they treasure in Danville could have been wiped out of existence.

"This is not a story of the Babylonian ages, nor of Colonial times, but one as modern as the last 20-odd years.

"Mr. Walter Bluecher, executive director of the American Society of Planning Officials, in reviewing our transition, said, 'This in Danville is not economic growth, this is industrial revolution.'

"This dramatic period in Danville's life is the story of our community's passage from one that grew and prospered by the exploitation of a nonreplaceable natural resource—coal.

"It is the story of how coal came to dominate our economy, and then how, in just 20 years, it declined to such an extent as to become a minor factor in our community.

"If our citizens would pause now, and look about them, and try to visualize our present coal mining operations, as our major employer of labor they would then have some idea of our possible economic paralysis and how our city, today, could be suffering economic chaos.

"This history of what is known in coal parlance as the Danville district covers an area embracing our own Vermilion County alone.

"It is the story of our major nonreplaceable natural resource, coal, dominating our community for a number of years, and then, its decline into a minor economic factor.

"Those hardy backwoodsmen of America's pioneer era, who made the hazardous trek to and from the banks of the Vermilion River, for their small, but precious supply of salt, did not realize that the troublesome earth fires that resulted from the wood fires, kindled beneath the iron kettles of boiling salt water, would some day become the force that would foster the growth of a busy metropolis on the river's banks.

"The rise of coal mining, as our major industrial employer, began in the 1850's. Then it was that coal was first mined locally, for local home use.

"The entry of the railroads into the community gave added impetus to the then simple mining activity.

"In 1866 several slope mines were opened in the Grape Creek area, followed in 1870 with the sinking of the first shaft mine in Illinois in what is now known as the Vermilion Heights area.

"This new force in our community life grew rapidly.

"It became not only the prime factor for our own growth and prosperity, but a factor also for the State of Illinois; in 1897 and again 1899, Vermilion County was the leading coal-producing county in Illinois.

"At the turn of the century, with a county population of just over 65,000 persons, there were approximately 3,000 persons engaged in the mining industry, or 1 in every 21 persons.

"In succeeding years, even with the introduction of new mining techniques and mechanization, our dependence upon mining for employment increased, and the impact of the increase, and the decrease, of mining employment, is reflected in our population figures.

"From 65,000 in 1900, our county population increased to 78,000 in 1910 and to 86,000 in 1920 but only increased about 900 persons from 1920 to 1950.

"Danville, itself, grew from 16,354 in 1900 to 27,871 in 1910, and to 33,766 in 1920; and to 36,765 in 1930, but it increased by only 154 from 1930 to 1940, and only by 945 from 1940 to 1950, or only 55 persons per year increase for 20 years.

"The causes of our small increases in population growth from 1930 to 1940 and again from 1940 to 1950 which so concerned and disappointed our citizens, is to be found in the period we are to review. People do not long remain in a community of rapidly decreasing employment.

"In the 1920's the peak of mine employment was reached.

"In 1926, out of a county population of 86,000 persons, 4,297 were employed in mining. Approximately one family in every six was dependent upon coal for existence.

"Commencing in 1927, certain economic factors entered into the economy of producing coal in the Danville district that initiated the decline in mining.

"The number of shipping mines decreased from a high of nine mines in the 1920's to one mine in 1951, and a peak of employment of 4,297 eventually dwindled in 1951 to a mere 451 miners.

	Miners employed	Shipping mines in operation
1926	4,297	9
1929	3,286	8
1934	3,097	6
1939	2,558	6
1944	1,735	5
1951	451	1

"In addition to the reduction in the number of mines and miners, the average days that the mines operated each year further decreased mine payrolls.

	Days
1920–25	183
1925–30	170
1930–35	136
1935–40	150
1945	115

"With the final closing of the Bunsenville mine in 1947, our county ceased to be a major producer of coal.

"In 1918, almost 4 million tons were mined in the country—largely hand mined.

"In 1947, we mined less than 500,000 tons even with the most advanced mechanization.

"Is it any wonder our community's population remained static?

"Had matters been left to take their course, Danville would today be just another ghost of its former self, as are a number of other cities in southern Illinois.

"Here was a community of some 40,000 people, its basic industry all but disappearing in 20 short years.

"The black gold that was the foundation of Danville's growth and prosperity declined into a minor role.

"Danville, known far and wide as 'the heart of a large coal mining area' lost the major product that was the source of its national fame, and the fortunes of its people.

"As if this, the loss of our major community support, were not enough, an additional blow was to simultaneously be struck at our economic foundation.

"Due to the abundance of coal, and the additional asset of local shale adaptable to brick manufacturing, it was only natural that brickmaking should become the second major factor in our community.

"The coming of the automobile brought the new use of bricks for pavements, and along with the demand for bricks in the building of the rapid growth of Chicago, Danville became one of the largest brick producing centers of the country.

"Five brickyards were in production in 1926 and 1,007 persons were employed; but even this substantial source of employment was to face its crisis.

"Concrete became the standard material for highway construction, and steel, concrete blocks, and reinforced concrete, supplanted many uses of brick.

"In addition, the introduction of mechanical processes in brick production further lessened the needed manpower.

"From a high employment of 1,007 persons in this field, brick production in two remaining plants in 1951 employed 220 persons; thus another set of uncontrollable economic factors wiped out another 800 opportunities for employment.

"What tragic consequences could have resulted:

	1926	*1951*
Mine employment	4,297	451
Brick employment	1,007	220
Total employment in these two major fields	5,304	671

"For our purposes, manufacturing industries are establishments that produce a product for distribution beyond our wholesale or retail area; and Danville in 1926 had 18 such industries, employing 1,938 persons.

"Yes, Danville today could have been only a ghost of its former self, but fortunately for us, it is not.

"Though its major source of employment disappeared, it had one asset that was to sustain it. Had this been lacking, as it had in so many other cities, we would not today live in a city more flourishing than its former self.

"Danville had a primary asset; and that was community leaders and a citizenry that would not admit economic defeat, who would not, as had citizens in so many other cities, give up in despair.

"It was in 1928 that the first of a series of meetings was held to discuss the growing problem. Visits were made to study other cities. Consultations were held with experts in the field of industrial development. No government was asked for aid or succor. This was our own task to solve.

"At the height of our crisis, Danville's leaders were pioneering in a new method of community development.

"After much discussion and days, yes, weeks and months, of effort devoted by loyal citizens to solving our critical situation, the solution was presented.

"At a meeting of the board of directors of the Danville Chamber of Commerce, held in October of 1929, a plan directed toward saving our community from economic chaos was adopted.

"At that chamber of commerce board meeting, the formation of the Danville plan, a new and unique method of securing new industries, was drafted.

"The action of that chamber board of directors meeting was to proceed with formation of the Danville Industrial Foundation, succeeded later by New Industries, Inc., and they set up the machinery to raise the necessary funds.

"Taking a lesson from our past history, the decision was made to secure a diversification of manufacturing establishments in order that a more healthy base for our community's future would be provided.

"In addition, it has as its premise that success, and particularly rapid success, could best be accomplished by a concentrated effort to induce small industrial establishments to locate in Danville, and our people would provide the funds to construct the buildings.

"Danville's citizens responded most heartily. Over $70,000 was subscribed to launch the new enterprise.

"The soundness of this action is given adequate testimony, not only with the revolutionary success we have had in rebuilding our tottering economy, but in the numerous visits by committees from other cities to our chamber of commerce office for advice, and in the hundreds of requests received from other communities for details of our plan, also the scores of articles written about our success that have appeared in magazines, newspapers, and national periodicals.

"What a remarkable story of transition has taken place before our very eyes.

"Our steady, consistent progress has been so constant that many of our citizens are unaware of what has transpired about them.

"From a community, largely sustained by the employment of over 5,000 persons in two basic industries that had been reduced to the employment of only 671 persons in 1951, we have risen into a modern industrial city with 48 manufacturing establishments employing close to 8,000 persons.

"And diversification we have. Jelly candy and dragline buckets, bobbypins and lift trucks, photographs, and automobile castings, dresses, jackets and fertilizers, electrical supplies, and buttermilk products, hoists and dog foods, a host of products flow to the four corners of the world.

"In 1929, at the start of our plan, Danville had 14 plants employing 1,444 persons.

"In the next 2 years, five new plants were added.

"By 1935, we had 23 plants employing 2,384 persons.

"As the years rolled on, its leaders and its citizens were to keep doggedly at their task of reconstruction, and the results exceeded their fondest expectations.

"Manufacturing industries and employment in Danville

"By 1940, 26 plants, 2,890 employees; 1945, 26 plants, 3,284 employees; 1950, 46 plants, 6,745 employees; 1951, 46 plants, 7,825 employees; 1953 (employment should find us close to the 9,000 employment figure in 48 plants).

"The source of the employment of the more than 12,000 employees of our stores, shops, and offices, and the livelihood and prosperity of the doctor, the lawyer, the wholesaler, and the retailer, in a larger measure than ever before stems from the payrolls of these plants.

"The basis of all human existence stems from farm income and manufacturing payrolls, and our growth in manufacturing payrolls is most startling.

"Payrolls, manufacturing industries

1940	$3,222,000
1945	5,837,000
1950	20,730,000
1951	25,788,000

"But it is difficult to perceive the tremendous strides we have made in industrial payrolls, due to our present inflated dollars.

"We have always taken pride in the richness of our surrounding agricultural area, and it is in comparing the increase in our total county farm income, with our industrial payrolls, that a more vivid picture is to be seen.

	Total farm income of Vermilion County	Manufacturing industry payrolls of Danville
1940	$7,849,000	$3,222,000
1945	17,983,000	5,837,000
1950	25,340,000	25,788,000

"An amazing picture. Our industrial payrolls have grown from less than 40 percent of our total county farm income until they now exceed that income.

"Success. Victory.

"Yes; a city has been saved.

"But what a debt of gratitude is due the men and women responsible for this unprecedented drama.

"And they gave not only of their time, but of their personal resources as well; for to them these funds of their fellow citizens became as a public trust.

"The moneys of the foundation stockholders were to be expended solely for the purpose to which they were dedicated, the construction of the buildings that would bring about our new economic era, and that alone.

"And other costs must and did come from their personal resources.

"Fools, some men might call them. But the results?

"Not one penny invested in buildings has been lost.

"Not one stockholder's investment has been squandered.

"By watchful guardianship of the trust, a dividend of 22 percent profit was paid to the original stockholders.

"A triumph most unusual in any joint community enterprise.

"What a glowing monument is ours to see and from which we prosper today. As a testimonial of the time, the effort, and the personal sacrifices of those men and women, we do not have the dust and rubble of a ghost city, but a virile, prosperous city, and this prosperity is our inheritance.

"Let us then pay tribute to them, in the present, and in the years to come.

"Let us not be laggard in our present, and in our future years, with our inherited prosperity, our fortunes, and our livelihoods.

"Let us, like them, by our continued community efforts and sacrifices, strive to make Danville a better city in which to work, a better city in which to play, and a better city in which to live.

"For then, we can take continued pride in our community, and contribute our share in assisting Danville on its march forward."

Yes, ofttimes the impossible is hard to do. But in this case it was done. This is a true story full of meaning and purpose. If more communities would make efforts similar to those expended by the good people of Danville there would be no need for this legislation. I certainly am opposed to this committee bill.

Mr. PATMAN. Mr. Chairman, I yield 3 minutes to the gentleman from Montana [Mr. OLSEN].

Mr. OLSEN. Mr. Chairman, as you all know, I am a newcomer to this body and do not have any of the advantages of being an authority here in this Congress, but I think that has some advantages for I have been walking with the people on the streets of my community in Montana daily over the past years and I have heard their sentiments, and I must say I share them with them.

I rise in support of the bill S. 1. I think that it could be a great deal more adequate if the figures in S. 1 compared more favorably with the figures that are in our foreign aid program. I speak the sentiments of my people in Montana when I say that they, while not being critical of foreign aid, wonder that good Americans cannot have assistance, too, assistance that would be repaid into the economy of the country, that would be repaid into the Treasury of the Government, not handouts, not a dole.

Everyone walking the streets, just ordinary, common people, can see that we pay for this depression. We pay for it whether through this bill, S. 1, or through public welfare, or the loss of public facilities by their wearing out, depreciating, or becoming obsolete. We pay for it whether it be in loss of human beings by idleness, by their depressing experience, or by their loss of will by the very lack of encouragement.

How much better, then, that we loan the money to our communities, that we assist them in reinvesting in their public facilities, that we assist them with seed capital at low interest for new job making industry and thus assist them in again enjoying the production of this free enterprise system and preserving it and making it of greater productivity and greater strength.

It is not very long ago, just last August, that I heard on the streets great complaint that the depressed areas bill of that time did not become law. At that time citizens noted a total of $300 million foreign aid had been spent on a country, Laos, which is smaller than the State of Montana, and at the same time in Montana we had some of the same kinds of troubles with depression that were encountered in the other parts of the world—depression in the way of no jobs—yet no domestic aid for Montana. Today there is the instance of a small Montana city of 30,000 people, last summer and the summer before, that right today has 4,000 people on public welfare or public assistance of some kind.

The need is most apparent to those of us who come from districts which experience cancerous pockets of continued, chronic unemployment and underemployment.

Montana's total civilian labor force on February 15, 1961, was estimated at 258,600. Of this number, 14.4 percent

were unemployed. The present state of the economy, held over from the effects of the 1957–58 downturn, is disturbing. Several thousand jobs have been eliminated, especially in mining and lumbering. Unemployment has continued to increase and Montana's job base has not grown sufficiently to absorb these experienced workers or the newcomers to the labor force.

My hometown of Butte, Mont., the center of the mining industry in my State, has been a distressed area by the definitions of S. 1 for a long, long time—more than 19 percent since middle 1957. Also in my district, and not too far distant from Butte, is the city of Kalispell, the center of the lumbering industry in my State, and it, too, has been a distressed area under the definitions of this bill for a long time—over 10 percent for more than 3 years.

I support S. 1—however, I do not think that there is sufficient aid in the bill to bring about all the desired results. Nevertheless, the program named in the bill is a step in the right direction, and the amounts of aid, the degree of aid, the number of dollars of aid in the way of loans and grants, can be improved upon after passage of S. 1.

Again, on the subject of need, my hometown of Butte has suffered depression since the copper price decline in late 1956 and early 1957. Employment of craftsmen—skilled hardrock miners of various qualifications, carpenters, blacksmith, boilermakers, and other similar tradesmen, have been suffering from unemployment and underemployment since early 1957. These are honest, honorable, hard-working people in their late forties and fifties. Their distress has gone from depression to despondency because of the lack of opportunity. These are old friends and neighbors and schoolmates of mine—I testify to the fact I have seen.

In the Kalispell area, unemployment in the lumber industry is a result of the cumulative effects of the 1957–58 economic downturn, and a general slowdown in homebuilding during the past 2 years. Here, too, honest, hard-working craftsmen are unemployed because employment opportunities have vanished.

As further support of S. 1, I have introduced a similar bill. It is urgent that we act now to stop these pockets of unemployment and underemployment before this condition worsens and spreads.

Montana, like the other States which contain these pockets of unemployment and underemployment has witnessed the danger of contagion and of infecting other areas with spread of unemployment.

Because of Montana's vast storehouse of mineral resources, we have a history of a great mining State. However, for one reason or another, foreign competition, low prices, or lack of markets, zinc, lead, gold, silver, manganese, chrome, and other mineral industries have had to close or drastically curtail their operations throughout the State.

Philipsburg, another mining town, is a depressed area like the bigger city of Butte because of depressed prices for manganese, lead, and zinc. Jobs have vanished. The coal mining of Red Lodge and Roundup industry has been especially hard hit by the advent of natural gas for domestic and industrial use and by the transition of the railroads to the diesel engine.

Deep-shaft mining in the copper industry has been replaced by the open pit and a mechanized means requiring very few miners and artisans. The power shovel and the enormous trucks and large conveyor belts have displaced men. Butte and other mining camps—Philipsburg, Red Lodge, and Roundup—could be helped very materially by the Area Redevelopment Act.

Anaconda, a metals smelting city, has experienced unemployment of more than 6 percent—metal prices and automation have eliminated jobs and put men on the street.

The lumber industry in Montana is faced with the same distressing problem as other areas—low prices, low demands, and seasonal operation because of severe winter and spring weather conditions. Here, as in the mining industry, communities suffer from their dependency on a single industry.

All of these single industry communities can have the very needed help of this bill; first, to plan a new economic life of diversified industry, and second, by assisting in the finance of new industry by the extension of low-interest credit.

Further, and probably foremost, we must have in mind that we are dealing with people—not just industry or not just an area. Thus occupational retraining is perhaps the most important because it will give these people new hope to be productive. Thereupon, we can make their dreams a reality by economic planning and by financing new industry to put the new training to work.

Montana has an additional problem in that it contains seven Indian reservations and each one has faced for many years the problems of underemployment of varying degrees. The reservation land areas, set aside for the tribes by Federal statute, are entirely inadequate to provide a livelihood for even a small portion of the Indian inhabitants. The land and resources are generally unproductive and the Indian families with strong tribal ties have had to depend on welfare and direct Federal assistance. We are convinced by the actual success of new industries which have moved on to Indian reservations in other States, that these people can prove their lot if they are given an opportunity. Here again, this bill will avail them of the technical assistance for planning, planned assistance in the actual financing of new job opportunity industries.

Montana is one of the States that is experiencing the decline of employment on the farm and the rush of these people to urban areas. We are in grave danger of a spread of these chronic unemployment and underemployment areas if there is delay in assistance to the already troubled spots.

Mr. KILBURN. Mr. Chairman, I yield 1 minute to the gentleman from Maryland [Mr. MATHIAS].

Mr. MATHIAS. Mr. Chairman, western Maryland is part of the Appalachian region of this country, that has suffered the experience of economic difficulties. In my district there are two cities, Hagerstown and Cumberland, that are listed as areas of substantial and persistent unemployment. Throughout this region we need the cooperation of every level of government and the participation of every segment of the community. I am hopeful that the administration of legislation that will be enacted today will provide leadership of the highest character, which will stimulate free enterprise throughout my district and all of the Appalachian region.

On the assumption that area redevelopment assistance will be so administered in areas demonstrated to need such assistance, and will be employed to reinforce, and not to subvert, this free enterprise system, I have decided to support the bill approved by the House Committee on Banking and Currency.

Without reviewing the whole bill, I note two significant provisions which are absent from alternative proposals. These are public facility grants and rural development funds.

As a former city attorney and State legislator, I have had personal experience in working to attract new industry to my home community. One of the major difficulties usually encountered in securing a new industrial plant is the inadequacy or absence of public facilities. It is at times possible to provide the bare necessities by makeshift arrangements, but these are not satisfactory to prospective industrial settlers nor to local authorities. I feel, therefore, that the inclusion of public facilities grants is a valuable feature of this bill, which receives my support.

The committee bill also comprehends rural redevelopment areas. The Sixth Congressional District of Maryland not only includes Cumberland and Hagerstown, which are designated as areas of substantial and persistent unemployment, but also areas which should qualify for rural development assistance. For example, farm families with net money income from all sources of under $1,000 or gross farm products sales under $5,000 are clearly low-income families.

In my opinion it would be heartless to provide assistance to urban communities without considering the plight of these rural people. Not only are they equally deserving, but in many cases need more help in confronting unique problems imposed upon them by economic conditions over which they have no control.

Finally, I believe that these areas of western Maryland are typical of many others throughout the Nation. While I agree with critics of this bill that it may not accomplish all the miracles that are promised by its advocates—yet I must ask myself, my colleagues in the Congress and the Nation: Can we deny to areas of economic distress and actual human suffering and hardship this opportunity to help themselves?

An opportunity is all that is provided by this bill. It is up to the people of America to use the tools that we can provide through this bill. If they will once again prove that the sources of our

prosperity are the cities, towns, and farms where they work, this bill will be a success; if they do not, it will prove to be a delusion.

Mr. KILBURN. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. PIRNIE].

Mr. PIRNIE. Mr. Chairman, the objective of the pending legislation is to emphasize the concern of the Nation for the plight of economically distressed areas. No one of us believes that we can legislate prosperity for these areas nor can we within the limit of any one proposal solve the basic problems involved. It is right for Congress to show its concern over these situations and to encourage these communities to take steps to restore their economy. Yet of far greater value is a determination on the part of Congress to attack when possible the causes of this distress. Some areas are victims of changing conditions either in demand for certain raw materials or through technological advances. Others have felt the impact of foreign imports. Industries, once thriving, have withered or moved. We have real problems to resolve in the adjustment of foreign trade if we are to preserve our economic strength and the American standard of living. The responsibility of our State Department to take corrective action is immediate and compelling.

The pressures of the cold war have imposed upon our Nation the great responsibility and heavy expense of providing for the security of the free world. To meet this challenge we have had to develop a whole arsenal of new weapons while at the same time maintaining adequate strength in conventional arms. This has required shifts in emphasis as new scientific developments have modified our concepts of defense. The backbone of this effort is found in our military installations scattered throughout our Nation. As they came into being, communities responded magnificently in providing public facilities, roads and schools amounting to many millions of dollars at the cost of the local taxpayers. Patterns of economy were fashioned to service these installations. Now many of these areas are faced with a liquidation of installations aggravating or precipitating disastrous levels of unemployment. It is recognized that the defense of our country should not be run as an employment bureau, but on the other hand a sound economy is the best foundation upon which our real defense can rest. If changing military needs make certain tasks unnecessary, appropriate adjustments should be expected. Yet it should be remembered by the military at all times that communities and faithful employees are more than pawns to be sacrificed at will. Every military decision should be carefully analyzed as to economic impact—every effort should be made to avoid unnecessary hardship. The President took note of this truth in his defense budget message of yesterday. Congress should respond with constructive action to indicate its awareness of the danger and its resolve that appropriate agencies of the Government comply. True, we are a vast nation but we must at all times have the right hand know what the left hand is doing.

I would like to join with my colleague, the gentleman from New York [Mr. STRATTON] in his determination that sound economic principles guide our defense decisions. It is true, I come from an area which during the coming months will be faced with a decision of this type. My people recognize the obligation of the Nation to defend itself as efficiently and as economically as it is possible to do. We do not think we should receive special favors, but we feel we are entitled to full consideration. We believe that since for the past 10 years Roama at Griffiss Air Force Base, N.Y., has been engaged in a very valuable mission for the Air Force in an activity, which is not to be phased out as being no longer necessary to our defense, but instead is growing and expanding, it should continue the job. Any dislocation of this trained corps of workers, which now approximates about 6,400, would have a terrific impact upon our area. It would destroy a going concern valuable to the Air Force. Our community has supported the Air Force mission in providing public facilities, roads, and schools. There is adequate housing. Continuation of this partnership with the military would seem to be in the national interest. Our country is seeking to eliminate distressed areas, not to create them.

Mr. KILBURN. Mr. Chairman, I yield 2 minutes to the gentleman from Michigan [Mr. HARVEY].

Mr. HARVEY of Michigan. Mr. Chairman, I set forth my views in full yesterday, but I just wanted to call attention at this time to a particular effect of this bill which nobody has talked very much about.

Section 7 provides for loans for public facilities to be constructed by municipalities. The administration bill provides for a subsidized rate of interest, 3½ percent, to go to these municipalities. I want to call to your attention that just last week our Federal Government in converting obligations from 3 to 5 years paid 3.98 percent interest and up to 4.09 percent interest. I think lending at a subsidized rate of interest is preposterous. It does not make sense to me to lend money to the others at less than it costs us to borrow it. I do not see how I can justify to the people of my State of Michigan our Federal Government lending money at a lesser rate than it has to pay when it borrows.

Mr. PATMAN. Mr. Chairman, I yield 2 minutes to the gentleman from Missouri [Mr. ICHORD].

Mr. ICHORD of Missouri. Mr. Chairman, it is a happy occasion for me to have the opportunity to arise in support of Senate bill 1, the Area Redevelopment Act, with the committee amendment thereto.

In my district, the Flat River area, which is composed of five counties, has been classified by the Department of Labor as an area of substantial and persistent labor surplus since 1958 and would thus be automatically designated as an area entitled to assistance under section 5(a) of the bill. I also anticipate that several other counties in my district will be designated as rural development counties under section 5(b).

The Flat River area or "leadbelt area" is one of the major lead producing regions in the world. As a matter of fact, it produces approximately one-third of the lead mined in the United States. But, today with 60 percent of the United States lead market being supplied by imports of lead and with lead selling at the depressed price of eleven cents per pound, the Flat River area has seen employment in the lead mines decrease 50 percent since 1952.

It is little comfort to the miners that the U.S. Tariff Commission has twice found unanimously that the lead industry was being seriously injured by lead imports as the previous administration both times failed to effectively implement those recommendations under the escape clause of the Reciprocal Trade Act. Since our Government has seen fit to undertake to finance economic development of underdeveloped areas in foreign countries, which undertakings in many cases have contributed to conditions in these so-called depressed areas, it seems that we are asking little when we request a similar program for our own people.

The people in the Flat River area want to build a new and stronger economy. They want the means of helping themselves which this act provides. They do not want charity or relief, and the Area Redevelopment Act does not provide charity or relief. With the exception of the public facilities grants and technical and retraining provisions, it is a loan program. Loans that will be repaid and with interest. As a constituent of mine from the Flat River area said in a letter to me just the other day, "I don't want relief. I just want the opportunity to work." This bill will substantially assist the so-called depressed areas to make available for that man and thousands of others like him the opportunity to earn a living.

This is the third time the House has worked on similar legislation. The third time in this case should be charmed as the legislation does have the support of the President. I strongly urge the passage of Senate bill 1.

Mr. PATMAN. Mr. Chairman, I yield 2 minutes to the gentleman from Connecticut [Mr. MONAGAN].

Mr. MONAGAN. Mr. Chairman, I take this time merely to state my position and, I hope, to help somewhat in the matter of the legislative history of this bill.

I am very much gratified, coming from Connecticut, with the statements of the gentleman from Texas [Mr. PATMAN], the gentleman from Wisconsin [Mr. REUSS], and the gentleman from Ohio [Mr. VANIK], concerning the antipirating provisions of this legislation.

I appeared before the committee during the consideration of this bill and expressed my feeling that the people of my section would be in favor of any legislation that would help depressed areas providing it did not mean that these areas were being helped at the expense of our developed sections of the country which have existing industries, which have been established there for a long period of time.

I am in the unusual position of having in my district one area which would qualify for assistance under this bill, but my area is also one which has suffered much from domestic and foreign competition which has lured away much of our business and has reduced our industrial base.

Therefore I am pleased at the statements that have been made and at the changes that have been made in section 2 and section 6(a) of the bill in pursuance of the suggestions that were offered by me and by other Members, and also the explicit provisions in the report of the committee which, it seems to me, tie down very clearly the point that Congress is against the transfer of industry from one section to another, a procedure which would be pointless and foolish and not in the national interest.

There is one other point I am happy about. We have a grave problem in our section and in many other sections of the country in connection with the competition with our industries of the increasing volume of low-cost imports which is coming into the country. I am pleased that the committee has seen fit to take the provisions concerning the Tariff Act of 1930 and the Trade Agreements Extension Act of 1951 out of this bill. The problem of trade and tariffs is too important a problem to be met by an indirect solution such as the one which was contained in H.R. 4569. We are going to have to come to a decision on this problem in the near future, but because of its gravity, it deserves to be made directly on its merits and not indirectly in a bill directed primarily at other objectives.

Mr. Chairman, I shall support S. 1 as amended.

Now I do not regard this legislation as final. We must, of course, keep our attention on it in the future to see how it works, to see that it carries out the objectives outlined therein, and to make sure that it does not injure various other sections of the country. With this in mind, I am supporting the pending legislation.

Mr. PATMAN. Mr. Chairman, I yield such time as he may desire to the gentleman from New Mexico [Mr. MONTOYA].

Mr. MONTOYA. Mr. Chairman, I would like to take a few minutes to make some remarks which should be made part of the record and which I am sure a number of my colleagues will wholeheartedly support. I have given some serious consideration and detailed study to a number of depressed-area bills not only during this session of Congress but in previous sessions. I also fully realize the benefits from the legislation in terms of dollars will go largely to the States in the eastern half of the country, and the South. However, I do favor the legislation because it is necessary and I would support it even if it did not help my State, but in fact, I support it more closely because I see that it will benefit New Mexico.

If I may, I would like to take a few minutes to present a realistic picture of New Mexico's economic situation as it exists in a number of counties. Although the overall statistics show that our State is prosperous, ignored is the economic retrogression which is taking place in half of the State's 32 counties. Sixteen counties have even lost population with the northern and northeastern sector of the State being particularly hard hit. The latest figures available show that in counties such as Sandoval, the per capita yearly income is as low as $416. Of course, it should be noted that approximately 42 percent of this county's population is Indian.

Other counties in this depressed economic condition have a surplus labor force and are underdeveloped. Some of our counties are unfortunately in the low per capita income category without any hope of extricating themselves unless the provisions of this legislation can offer a helping hand. The mining areas of New Mexico are also hard hit with many miners refusing to leave these areas, thus posing a serious problem and load on our welfare agencies.

These depressed counties also have high proportions of their population receiving State welfare benefits with large numbers of children, a few adults in their productive years, and many older people. Their complex social, cultural, and economic problems pose a serious challenge to both Federal and State Governments.

State unemployment insurance payments doubled during 1960, according to Employment Security Commission reports. They increased from $4,601,002 in 1959 to $8,950,245 last year. The Commission also noted that more people were out of work for longer periods of time, with job openings falling 14 percent and the number of jobseekers increasing by 9 percent.

I am particularly pleased to note that one underprivileged group, the American Indian, under the provisions of the committee-reported bill will be able to participate in the loan program. This door will be opened not merely to Indians in my State, but to Indians everywhere. Due to the underdeveloped areas on which many of our reservations are located, the Indian tribes in the United States are almost without exception among the rural, low income groups. I would like to point out that in New Mexico a substantial portion of the entire Indian population of the State is included in the northwest third of the State, an area which has been classified as a rural area with serious low income. This means that the area meets three criteria: namely, first, less than $1,000 average residual income to the operator and to family labor on commercial farms; second, level of living index among the lowest fifth of the Nation; and, third, having 50 percent or more of the commercial farms producing annual sales of $2,500 or less.

Turning now to another facet of our population affected by this bill, it is regrettable indeed that the American Indian, because of the trust status of his meager resources, has been unable to seek out the kind of economic opportunity which requires monetary investment. Although the American Indian is very industrious, he prefers the environment of his forefathers and that is why the pueblo type of existence needs economic uplifting through the provisions of this legislation. I understand there is some question as to the justification for making redevelopment loans to Indian tribes or to areas including Indian reservations. It has also been said that this type of legislation is intended to serve a temporary purpose whereas the rehabilitation or development of Indian areas is a longtime task. I would like to point out, however, that under the provisions of the legislation now being considered, longterm loans may be made. Actually, these loan terms run for longer terms than has been the practice of the Bureau of Indian Affairs with funds under its control. Generally, loans made by the Bureau have been for short periods, 10 years, 5 years, and even shorter. I know of no loan from the revolving fund so called, for more than 20 years. It is obvious to me that this legislation, for certain long-range purposes, would offer greater opportunities to the tribes than are currently being offered from other sources.

Administrative officials, operating with limited funds, have frequently said to Indian applicants either that Indian tribes were not eligible because they are the responsibility of the Bureau of Indian Affairs, or that the granting agency had no more money available. It is, therefore, of the utmost importance that this segment of our population be given every opportunity to avail itself of a program which can and should improve its economic standard.

In connection with an amendment which I will offer to S. 1, I would like to make a few remarks relating to the need for training unemployed and underemployed rural people. One of the significant facts in the social and economic development of the United States is the shift from a rural agricultural society to an urban industrial and service society.

Farm population has been declining for many years. In 1910 about one-third of our people lived on farms; by 1950 only one-sixth, and by 1960 only one-tenth of our people lived on farms. There has been predicted that by 1975 farm population may be around 17 million or about 7.5 percent of the total population. The number of farms has likewise decreased. There were 6 million farms in 1940; 5.3 million in 1950; and 3.7 million farms in 1960. It has been estimated that from 50 percent to as high as 90 percent of our young people in rural areas will need to look elsewhere for placement in an occupation. The rapid changes that have been taking place for many years in the mechanization of agriculture are making it possible for many boys and girls to leave the farms to work in other fields of work. For many years there has been much underemployment in agriculture. The farmer has become such an efficient producer that it is possible for a smaller number of farmers to produce the food and fiber needed by our people. A century ago one farmer produced enough food and fiber for himself and three others. Today he produces enough for himself and 24 others. Experts predict

that the farmer will soon be expected to produce food and fiber for himself and 45 others. An increased percentage of farmers are working off farm part of the time during the year. As mechanization and the adoption of educational scientific practices increase, it is expected that a larger percentage of farmers will work part time in other occupations.

It is important to utilize fully the available manpower in rural areas. It is likewise necessary to make available opportunities for youth and adults from farms to prepare for new occupations where they may find opportunities for increased service to the Nation.

There are many depressed areas in rural America where there are limited opportunities for rural people to prepare for an occupation or to obtain placement in an occupation that will offer a satisfactory standard of living. Rural people should be given the same opportunity as offered by their neighbors in urban areas. Unfortunately, many rural people have limited educational opportunities because of the thousands of small high schools. Many of these schools are too small to offer the types of vocational education courses that are needed for their children. If the Nation is to utilize fully its manpower potential then it cannot overlook the millions of young people and adults who are finding it necessary to leave rural communities or who are living in rural communities but are underemployed. If rural areas are not permitted to share in the benefits of Federal funds for providing training for depressed areas, it will be a serious loss to the people who live in these areas and who need the training. It will likewise be a great loss to the Nation because the services of these people will not be utilized to the best advantage.

In order to serve efficiently rural areas, it will be necessary to make available occupational counseling to rural people. Many of these persons are not familiar with the opportunities that exist in other areas; neither are they familiar with the training required for many of the occupations. In addition, careful studies will need to be made to determine those individuals who should be permitted to receive training for an off-farm occupation.

Appropriate courses in vocational education should be made available on an area basis so that individuals who desire may prepare for an occupation. After the training is received, adequate assistance should be given in connection with the placement of these persons in an occupation. It would be unfortunate to prepare these persons for a new occupation and then not assist them in becoming placed in this new work.

Providing vocational training, counseling, and placement, will not help solve all the problems of persons who live in depressed rural areas but these services can be of genuine assistance.

Mr. PATMAN. Mr. Chairman, I yield such time as he may desire to the gentleman from Illinois [Mr. GRAY].

Mr. GRAY. Mr. Chairman, I rise in support of the bill S. 1, as amended. I deeply appreciate the opportunity of speaking in behalf of this much needed legislation to aid economically distressed areas. I am proud to be one of those Members who has consistently introduced and supported area redevelopment legislation. I have been more than disappointed by the lack of interest the previous administration demonstrated for the welfare of our unemployed people in my district and those of other areas of high unemployment in the country.

Mr. Chairman, I have the honor of representing the 15 southernmost counties in the great State of Illinois and before settling down to the true facts concerning our economic conditions as they now exist, please let me preface my remarks by saying that due to coal and fluorspar mine closures and other factors, the economy of southern Illinois has been slipping for the past 12 years. The people of this region, through their chambers of commerce, Southern Illinois, Inc., Southern Illinois University, community development programs, and other groups have done an outstanding job in trying to promote private industry in our region to take up some of the unemployment slack. However, the decline has been greater than the progress. Southern Illinois is made up of fine people, good schools, churches, and bounded on both sides by two of the greatest navigable streams in the world, the Ohio and Mississippi Rivers, but is severely hurt economically; and if this bill is not passed, thousands of people will continue to suffer and be forced to receive public aid, or leave the area. In the past 10 years approximately 38,000 people have left the area to find employment elsewhere. Approximately 20,000 able-bodied men and women remain unemployed in my district. According to the last figures from the Illinois Public Aid Commission, there are approximately 35,000 persons receiving surplus food in the 17 lower counties of southern Illinois.

As I said in my opening remarks, we are doing everything we can to help ourselves and much progress has been made; however, if the situation is to be corrected, we must have outside help. I will give my hometown of West Frankfort, Ill., as an example of what has been happening to southern Illinois communities over the past several years. The official 1940 census listed my hometown population as 15,700. The official 1950 census showed 11,400 and a recent census gave us 9,000 people. Those wearing rose-colored glasses cannot dispute these cold facts. When a community loses almost 50 percent of its prewar population, something is drastically wrong and certainly no one can argue that this type of community is not in need of assistance. Speaking for my hometown, I can say that every effort has been made to help ourselves. Unemployed coal miners and others who could not afford it, have contributed to an industrial fund to induce private industry to locate; however, we need many things to attract industry that our local people are not able to provide. That is the real reason Congress must recognize its responsibility and aid these areas suffering from chronic unemployment. The last 12 to 15 years we have been successful in attracting and developing 12,000 to 15,000 manufacturing jobs. Coal mining jobs have declined at a much greater rate however, so many of our miners who lost jobs are 40 years of age or over. New manufacturing concerns are reluctant to employ men in that age bracket when there is a large labor surplus of younger men. When an ex-coal or fluorspar miner is unemployed and is 40 to 55 years of age, he faces a long uncertain wait until his social security benefits are available. Oftimes his skills acquired in the coal mines are not transferable to manufacturing operations. Generally, he started working in the mines at an early age and terminated his education before he developed any other special talents or skills. I have many close friends and neighbors in my district who are caught in exactly the predicament I described. I firmly believe the passage of an area redevelopment bill will in time provide badly needed facilities to attract and develop more industrial jobs.

In closing, Mr. Chairman, let me be a little political if I may. During the last campaign several Republican speakers including Vice President Nixon and a so-called Republican truth squad came into southern Illinois saying "Give us a Republican Congress, give us a Republican administration and we will give you a distressed areas bill much stronger than the Democratic bill vetoed by President Eisenhower." In fact Mr. Chairman, they named certain cities in my congressional district and told how much aid they would get under a Republican bill. Oh, what a difference between election promises and actual performance. We now find the Republican leadership in Congress either opposed to any bill or they are working for a watered down version that would be of no help to anyone at all. What a blessing it has been that the American people saw fit to elect another Democratic Congress and a Democratic President who keeps election promises. If anyone doubts the statement I am making, just wait until the rollcall is taken and you will find over 90 percent of the Republicans opposing S. 1, the committee bill.

Mr. Chairman, does this sound like the wild promises made before the election that Republicans are really for the unemployed. I will let the record speak for itself. I urge everyone who has a sincere desire to help the unfortunate to support this meritorious legislation. All you need do is to take a few minutes of your time and visit an area where young able-bodied Americans are suffering undue hardship because of no job; no means of livelihood for their families. This is an all-American bill. Please now do for Americans what you have been doing for foreign countries for years. Thank you.

Mr. PATMAN. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. DULSKI].

Mr. DULSKI. Mr. Chairman, I rise in support of the depressed areas bill before us, and urge its adoption.

There are approximately 100 communities in our Nation with more than 15 million people, where there are nearly 1 million unemployed who have little

or no hope of finding employment in their communities even when the economy recovers.

What causes these depressed areas? In analyzing the various factors, I find the principal ones to be: First, the item produced in the area has lost its demand; second, automation or a change in production has occurred; and third, the plant has shut down and moved to another locality for sundry reasons. We might describe these depressed areas as the "industrial slums" of our country.

The people who live in these areas are suffering great hardships. Their unemployment compensation benefits are exhausted. Their savings are exhausted. Many of them are existing on welfare aid or help they are receiving from relatives and friends.

The communities in these depressed areas are also suffering. They cannot provide the public service that attracts business to localities when unemployment is prolonged indefinitely. Local budgets have to be kept at a minimum, thus necessitating a curtailment of educational facilities, capital improvements, and public construction.

President Kennedy has said:

> It would be a mistake to consider the problems of chronic unemployment and underemployment solely in the context of the areas directly affected. The entire Nation suffers when there is prolonged hardship in any locality. This problem is especially critical today, for 1 out of every 10 persons in the United States lives in an area that now feels the impact of chronic unemployment or underemployment.

I believe that industrial development, in the rehabilitation of these distressed areas, should be through the expansion of existing plants and the establishment of new plants. A program that would bring industries into a depressed area from other regions would not result in any improvement in industrial activity, and only shift the problem of unemployment rather than solving it.

If the total demand for labor in our Nation as a whole could be increased more than the average growth of our labor force the industries moving into the depressed areas would then represent a net addition to the number of jobs normally provided by our economy. In this way an effective redevelopment program can be an invaluable instrument in expanding our economy and the future growth of our Nation. But we must make certain that this legislation will create new jobs rather than transfer jobs from one region to another. This is the aim of the bill before us which states as one of its purposes, "that under the provisions of this act new employment opportunities should be created by developing and expanding new and existing facilities and resources without substantially reducing employment in other areas of the United States."

In my city of Buffalo and, in fact, the entire Niagara Frontier area of New York State, has been extremely hard hit by unemployment. Factories have shut down and some of them have even moved out of the area for a number of reasons.

In February of this year it was estimated that the number of unemployed in our area was 12.1 percent of the labor force.

Under the legislation we are now considering, Buffalo could be made eligible for aid even though it just missed the eligibility criteria for redevelopment loans by three-tenths of 1 percent. The bill states that the administrator of the program "shall also designate as 'redevelopment areas' those areas in which there exists a condition of substantial and persistent unemployment or underemployment." I am certain that the administrator of this program would give Buffalo every consideration for such a designation.

Mr. PATMAN. Mr. Chairman, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. DENT].

Mr. DENT. Mr. Chairman, I rise to support the committee bill to aid distressed areas.

The once great industrial State of Pennsylvania finds itself listed as No. 2 in the Nation in its economic distress.

We are second only to West Virginia in this regard.

Both States are victims of the same destructive forces that have destroyed their normal economic well-being.

One cause of their troubles has come from the adverse economic effect of the Reciprocal Trades Agreements Acts.

This was acknowledged by the Senate version of this act before being amended by the House committee.

Section 5 of Senate No. 1 made a community injured by reciprocal trade agreements and foreign imports a first priority under the distressed area bill.

The House removed this section simply because if every single community could be called a distressed area as a result of import injury, the established metropolitan area plan now used as a criteria in determining the areas that qualify for aid under the bill would almost automatically make every industrial and mining State a depressed area.

This was just as well because this bill should not be compared with the serious problems raised by the perversion of the trade agreements in the last 8 years.

Other causes, of course, have added to the troubles of our great State, not the least of which have been the automation of industrial production, and the impact of gas and oil as a source of fuel replacing the basic coal industry.

In passing it might be helpful to consider the injury to these industrial areas by the raiding forages from Southern States with their tax concessions, free industrial facilities, appeals for migration based upon cheaper labor markets and lower real and personal taxes.

The need for this legislation is brought about by the complete exhaustion of resources in the areas that suffer from chronic and/or long-enduring unemployment.

The money loaned to these communities will not put these distressed areas ahead of other more prosperous communities but will in fact only give them a chance to catch up and be able to fight for their existence on more equal terms.

The one serious drawback with the present bill is that it will prove woefully inadequate because too few of us really know the extent of the distress in so many of our States.

One can hardly call legislation involving approximately $400 million for the aid and relief of the 50 States of this Union inflationary while we spend billions and billions yearly doing exactly the same thing for states and nations foreign to our shores.

Without denying help to friends and allies, can we honestly deny it to ourselves?

The peoples living in a distressed area are in need of Federal assistance and this Congress will be remiss in its duties if it fails to pass this legislation this session.

We have every reason to believe that this bill will receive Presidential approval from the President rather than a Presidential veto—a veto incidentally that has caused untold and uncounted additional suffering in these distressed areas because of the unwarranted postponement of the help this legislation makes possible.

Mr. PATMAN. Mr. Chairman, I ask unanimous consent that all Members may have permission to extend their remarks at this point in the RECORD on the bill now under consideration.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. MOORHEAD of Ohio. Mr. Chairman, as a member of the subcommittee of the Banking and Currency Committee which developed this bill, I rise in its support. I make this statement in the realization that it is not a perfect bill. There are portions of it which I would prefer to see deleted. Similarly, there are provisions which might be included to improve the bill. Nevertheless, I feel strongly that this legislation represents a compromise developed out of opposing philosophies by men who feel a bill of this kind is necessary. It is a far better bill, in my opinion, than the legislation passed recently by the Senate, and it is a great improvement over the measure which President Eisenhower vetoed for many valid reasons last year.

I represent here an area of southeastern Ohio that has suffered economic plight for many years. The coal and pottery and other industries that once flourished in my district have declined, leaving distress, unemployment, and attendant economic and social problems. Our population has remained stagnant, and over a period of four decades a number of the counties in the district have lost population. Young people have sought employment elsewhere because there were no opportunities or too few opportunities at home. These conditions have persisted in good times and bad if we compare our potential against the progress of other areas of the Nation.

Let me respond to those who argue that the Federal Government should not embark on legislation of this kind, that it destroys local initiative, or that it only serves those persons and groups who sit and wait for their fellow taxpayers to provide them a living. For years, in my district, the people have exercised imagination and initiative. They have worked and are working diligently to

attract new industry to utilize the resources we have to create productive jobs for a large and willing number of people seeking work. There have been some notable achievements. New plants have come in. There is a new developing diversity of industry and we have represented in our area plants of some of the largest and most respected American corporations. However, in my opinion, help is needed—not direction and dictation from Washington or a Federal handout. We need a sound program of assistance to help ourselves. That is what I hope this bill will provide, not only in southeastern Ohio but wherever difficulties of this kind persist.

The Federal Government is deeply involved in our local troubles already. The United States pursued, for more than a decade, a policy of bountiful aid to other nations. American dollars have made possible the spectacular recovery of Western Europe and Japan. Machines and technical advice have been furnished in abundance so that these nations could use their own natural skills and the advantage of low-paid labor to invade the American markets with their products. Our laws have consistently encouraged the competition of imported products with American-made goods in our domestic markets. There are many plants padlocked in southeastern Ohio and countless jobless persons who can trace their economic problems directly to the foreign trade policies enacted consistently by the Congress since World War II. Is it not fitting that the Federal Government should express some willingness to help these people help themselves?

Unemployment is, of course, an immediate and tragic problem for the person upon whom it is visited. It is also a serious problem for the community and the Nation. Congress has been quick to respond to this issue when it has arisen. Only recently we have enacted emergency unemployment compensation legislation. Several days later we provided Federal funds to assist the children of the unemployed. These emergency costs amount into the hundreds of millions of dollars. In some areas, the costs continue to mount year in and year out. I recognize that this bill is not intended to deal with the present business slump. Its purpose is to meet the problem of chronic distress in specific areas of the country which meet criteria it establishes. However, I mention them because the States and the Federal Government provide unemployment assistance and public relief to the jobless. These measures are necessary, but they are unproductive in the long run. They assist in a peripheral way, but they add little investment in the future.

It has been pointed out that in 16 areas of chronic unemployment in the State of Pennsylvania, unemployment compensation and public assistance benefits together totaled $130 million in 1960 alone. If unemployment in these 16 areas could have been brought down to 3 percent of the labor force, nearly $90 million might have been saved in 1 year in this one State. I am not inferring, as I believe some of the supporters of this bill may have done, that the legislation we are discussing today would have made this total saving possible. I do say that with this bill enacted into law there would be possibilities which are not available today. We are not discussing the simple issue of the costs of this bill alone. The question cannot be honestly isolated from other considerations. Most of the costs of this bill will be in the form of repayable loans. There is a tremendous cost attached to the failure to provide Federal assistance in this case and the costs can be totaled in savings in existing programs. The costs of losses in human energy, dignity, skills, and progress cannot be measured so easily, but they are deeply involved here, nonetheless.

In this measure, we want no pirating of industries by one community at the expense of another. Redistribution of distress is not to the Nation's advantage. Nor do we want back-door financing by the Federal Government so that we obscure further the fiscal policies of the country. This bill seeks strongly to avoid piracy and calls for necessary funds to be subject to annual review by the Appropriations Committees of the Congress. In this way, this bill would be far better than any on this subject previously submitted to the White House.

Someone has said that if this bill is passed it will result in mass frustration and disillusion, since it promises more than it would deliver. This is true only if it is not regarded in sensible perspective. The Federal Government is not in a position to create productive industrial jobs. It has great power, but jobs are created because individual producers are willing to translate ideas into salable merchandise. This involves insight, vigor, skill, and risk on the part of the producer. Let us have no illusions about how employment which genuinely adds to the Nation's productivity is created. Sleight of hand from Washington does not change this basic fact, and I hope no one in either party will be so naive or cynical as to hold out the promise of immediate benefits that solve all or even most of our economic problems. This bill will not produce miracles. It will, I believe, give needed encouragement and incentive to local people to work even harder with the proper tools to create a favorable climate for general industrial development. The big job still rests with the community.

Both political parties have long recognized the need for Federal area redevelopment legislation. It has been discussed in Washington for a decade or more. The Republican and Democratic Party platforms have both called for its enactment. How the details of the legislation should read has stalled final action. I can understand the differences of opinion which have been so ably expressed here today about this bill. They are founded on sincere interpretations of what is best for the public interest. But with equal sincerity and conviction, I urge the House to pass this bill and to insist that its provisions prevail over those embodied in the bill passed by the other body.

Mr. RYAN. Mr. Chairman, S. 1 is a sound program for Federal area redevelopment assistance designed to put an end to the pockets of chronic unemployment which have marred the American economy for some years. Many of these areas have demonstrated a crying need for assistance since 1955, and their number has been steadily increasing in the last 3 years. Twice the Democratic majorities in the Congress have passed distressed area legislation, only to have their work undone by Presidential veto. Now that we have a President in the White House who is demonstrating an immediate concern in the plight of the more than 6 million Americans living in the 108 presently designated depressed labor markets, we can at last enact a program which offers them the hope of economic recovery for their communities.

My own State of New York has 6 smaller labor surplus areas which will be eligible for Federal assistance under S. 1. These areas are Amsterdam, Auburn, Gloversville, Jamestown-Dunkirk, Ogdensburg-Messena-Malone and Plattsburgh. The latest figures show that in Amsterdam 14.1 percent of the labor force is unemployed; Auburn 9.7 percent of the labor force is unemployed; Gloversville 15.3 percent of the labor force is unemployed; Jamestown-Dunlone 14.2 percent of the labor force is unemployed; Ogdensburg-Messena-Malone 14.2 percent of the labor force is unemployed, and in Plattsburgh 8.4 percent of the labor force is unemployed.

New York State as a whole is in need of help. The State has 7.3 percent unemployment with 557,231 people out of work. Although New York City may not qualify for direct aid under this bill, the city would benefit from any reduction in unemployment in the upstate areas as industries in the city service the entire State. Needless to say, New York City with 353,100 people unemployed needs assistance.

Puerto Rico will also benefit from this bill. This important Commonwealth has been engaged in a program of self-help which should be praised by all of us. However, the recession has hit Puerto Rico, and this area deserves our support and encouragement. There are three areas of substantial and persistent labor surplus in the island: Mayaguez, Ponce, and San Juan. A brief look at the statistics will indicate the need for the type of assistance provided for in S. 1. In Mayaguez, Ponce, and San Juan, 12.3 percent, 14.4 percent, and 6.2 percent of the labor force, respectively, is unemployed. There are a total of 22,500 people out of work.

I am somewhat concerned about the adequacy of this proposal should the national economic situation not improve as rapidly as some predict it will. With only $394 million in potential loans and grants to be distributed among 108 industrial areas and an indeterminate number of rural areas, and a restriction on the amount to be made available for use before July 1, 1962—loans not to exceed $90 million before July 1, 1962—one might question whether any community will receive enough financial help to get back on its feet. I firmly support the proposals contained in S. 1, but if the state of the economy does not show a marked sign of an upturn soon,

I believe we must consider more drastic measures to alleviate the condition of chronic unemployment in the distressed areas.

Mr. CUNNINGHAM. Mr. Chairman, I am anxious to give my full support to those truly depressed areas of the country such as those in Pennsylvania and West Virginia. I am willing to support legislation for such areas even though my own State has a high degree of employment and needs no such assistance from Washington.

However, I cannot with clear conscience support the legislation now pending, as it is a scatter-gun approach. It extends hope to those who need help, but I am confident that such help will never materialize through enactment of the proposed legislation. Contrary to statements made, I am of the opinion that the bill will stimulate the pirating of industry from one city to another at the taxpayers' expense.

So far as my district is concerned, we have a healthy economy built by loyal Americans through our free enterprise system. We do not think it proper or fair that the Federal Government should discriminate against industry in my district as it would undoubtedly do if this legislation is approved in its present form.

Therefore, Mr. Chairman, I plan to support the Widnall substitute as it is a workable piece of legislation and gets to the root of the problem. It will bring about the results we all want. It will actually cure the problem and put people to work. It has a very strict provision against the pirating of business from one city to another.

I hope that the workable, effective substitute will prevail. I shall support it. If it does not prevail, then I shall vote against the committee bill because I am convinced that it is a "pie in the sky" proposal and will never do the job that needs to be done.

Mr. NIX. Mr. Chairman, I would like to speak briefly in support of S. 1, the area redevelopment bill. This bill was reported out by the Committee on Banking and Currency, after careful study and many long hours of hard work, and after taking thousands of pages of testimony on this and related measures. I hope my colleagues have paid particular attention to the excellent testimony given by Governor Lawrence of my own State of Pennsylvania. I feel that this leaves no room for doubt about the need for this legislation.

This bill provides for Federal loans to industrial firms to expand employment in areas which have long suffered from a high rate of jobless workers, and in depressed rural areas as well. It also provides loans and grants for necessary public facilities in these areas, and it provides important aids for occupational training of workers.

Mr. Chairman, I am convinced that this bill is justified because of our moral responsibility to relieve the suffering of the unemployed. The Congress clearly assumed the obligation to do whatever it can to maintain high levels of employment in the Full Employment Act of 1946. This purpose has repeatedly been reaffirmed in other acts to expand employment and to provide assistance to the unemployed.

I also support the committee bill because I am convinced that it will benefit the people of my own district and, in fact, Americans everywhere. Unemployment wherever it exists means idle resources and a waste of manpower. In the last campaign it was clearly established that one of the basic problems facing America is the recent slackening in its rate of growth. A growing economy will provide higher incomes and better standards of living for all of us. It will enable us to carry our defense burdens more easily and meet the fierce economic competition of the cold war. If this idle manpower can be put to work, the entire Nation will benefit.

By the same token, if we allow economic stagnation to go untended in the more than 100 urban areas and in the many unfortunate rural areas where it now exists, it will sap the strength of the whole economy. People who are out of work or who live in oppressive poverty cannot buy the automobiles, appliances, apparel, and the hundreds of other products of American industry and agriculture. Every unemployed worker and his family represents a lost market to the rest of the economy. It constitutes a drag on business activity which could eventually result in serious layoffs in other towns and cities seeking markets.

Moreover, such unemployment represents substantial costs through unemployment compensation and relief payments. Unfortunately no overall statistics are available, but I am confident that the fact is that depressed areas have cost hundreds of millions of dollars to the rest of the economy. In fact, in my own State it was testified that, in 1960 alone, outlays for unemployment compensation and public assistance benefits paid just in the 16 communities in the State of Pennsylvania totaled $131 million. If unemployment in these areas had been held to 3 percent of the labor force, there would have been a saving of nearly $90 million. And this is just for one State in a single year.

Mr. Chairman, we cannot afford to neglect the economic problems of these communities any longer. The cost to the rest of us runs far more than the dollar amount of this bill. More importantly, the people who live in these areas do not want charity—they want work. The provisions in this bill are very carefully calculated to create a net expansion in employment and production to provide work for these people. By raising their incomes it will also increase the markets for the output of other areas and help restore prosperity to the entire economy.

Mr. DERWINSKI. Mr. Chairman, I will briefly discuss the two major areas to which our studies should be directed in considering this so-called depressed areas bill.

First, the question of piracy. Both proponents and opponents of this bill have expressed fears concerning pirating of industry which could occur as use is made of the funds as authorized under this bill. Explanations have been offered that the strongest possible language is included to prevent this, yet obviously there are no safeguards within this bill to stop this feared situation.

In addition, may I point out that in most States and in many local communities throughout the country, industrial development has been effectively promoted, and this federally imposed program would have the effect of competing with activities of State and local governments in these same areas.

Furthermore, the vagueness which characterizes this bill, giving almost unlimited power to the administrative agencies, raises the obvious fear that complete disregard for local interests would result if this bill should be accepted.

I feel that the committee bill does not approach the real source of the problem. Merely aiding in the development of plant sites, buildings, and facilities does not guarantee the manufacturer a ready market for his products. Would we in future years be requested to stockpile production by firms in depressed areas if they are unable to operate with consistent volume of profit?

The formula and vague administrative practices set up in this proposal are such that all the funds allocated could be drawn into a few pockets of the country, leaving other areas whose hopes have been raised by the utopian nature of this program grievously disappointed. It is my frank opinion that this bill actually represents a completely false approach to areas of chronic unemployment, and the disappointment that would follow with the unworkable nature of this proposal would be greater than the economic ailments which States and local communities are themselves striving to overcome.

Despite all the statistics and vague promises we have heard, the plain fact is that the funds we are asked to appropriate will not solve the problem for which they are intended, will add further to the huge budget deficit the new administration seems determined to create. It will create new depressed areas by pirating industry from booming sections of the country and will result in developments which will be harmful to the employees, employers, and above all, the already overburdened taxpayer.

There is one other item that ought to be discussed, and that is the possible job protection that should be afforded employees whose firms are pirated from their present areas. If the committee is truly serious in its regard for the employee's rights, it will adopt provisions guaranteeing the seniority rights of employees affected by transfer of a portion of a firm's present manufacturing facility. To fail to provide this protection will cause personal suffering to employees now working in many areas of the country.

I realize that to a degree my words are falling on deaf ears since the administration is determined to jam this bill through the Congress. I point out, however, that in the coming decade, we face a serious task of gearing our industrial machine to employ a steadily expanding labor force. Complete disregard for human hardship is indefensible, and this bill will cause, in my opinion, a chaotic nationwide situation.

I wish to close by making one brief observation which I hope will not be attacked as a display of sectionalism. Illinois has communities which are tagged with the depressed area label which have helped themselves by effective local industrial development financing programs. The consensus of opinion in these Illinois areas is that the combination of State, regional and local programs is creating consistent economic gains, and with proper acknowledgment of problems, we are well on the way in Illinois to solving them. At the moment money is available for loans to prospective industries in the so-called depressed areas of Illinois, which points out the basic fact that this bill is not needed.

Mr. BARRETT. Mr. Chairman, I wholeheartedly support S. 1, the area redevelopment bill, because it is designed to meet the problems confronting all areas in the United States that are suffering from chronic unemployment. I am proud to be a member of the Banking and Currency Committee which considered this legislation. Basically, this bill represents the position of President Kennedy in this field. It is a much needed piece of legislation and one which is long overdue. Unfortunately, two similar bills which were passed in previous years by the Congress met with Presidential vetoes in the last administration. Now at last we will see this program put into action.

The area redevelopment bill will be of direct and immediate benefit to many communities throughout the country, including my own district in south Philadelphia. The Delaware Valley area has long been recognized as one of our greatest industrial areas. However, this does not mean that it does not have problems. Some industries have left the area or closed down. The result has been layoffs and unemployment.

Under the provisions of S. 1, south Philadelphia and the Delaware Valley can be rebuilt. Production and employment will be expanded and income raised.

This bill will directly benefit Philadelphians in a number of ways. It will provide for Government loans on very liberal terms. The interest rate on these loans currently would be 4¾ percent and they can be used to construct or improve industrial facilities that will put people back to work. In addition, liberal loans will be available to finance needed public works for the benefit of the entire community. The bill also provides Federal aid for our State vocational training system which will give workers an opportunity to obtain better and higher paying jobs. The bill would further provide subsistence payments to workers while they take this vocational training.

I am particularly pleased with one provision in the bill, which recognizes the hardships and the outright dollar cost imposed by cutbacks in existing defense facilities, such as the Philadelphia Naval Shipyard, the Philadelphia Quartermaster Center, the Marine Corps Quartermaster Depot, and others. If we are to do something to alleviate unemployment, we certainly cannot ignore the impact which defense cutbacks in existing activities are bound to have. Therefore, the bill requires a study and report to the Congress of this problem with a view to maintaining employment in existing Federal installations.

The dollar amounts involved in the area redevelopment bill are small indeed, but the benefits will be extremely important. Unemployment in our wealthy Nation is intolerable and I am pleased that the administration and the Congress recognizes the Federal responsibility to help our people.

Mrs. GRANAHAN. Mr. Chairman, we are a religious and moral people with generally high standards of conduct in our relationships with one another and yet, when it comes to economic issues, the American people seem to divide into two groups with one group seeming to hold to the opinion that helping one's neighbor is in some way un-American and undesirable.

If the neighbor's house were burning, to use President Roosevelt's World War II example, none of us would hesitate to use our garden hose—or any tool at hand—to help the neighbor in desperate need. And we would not say to him: "Convince me you have done everything you possibly could do to help yourself in this emergency before expecting me to give you any help."

However, in the case of our distressed areas—areas with which we in Pennsylvania are so grimly familiar and whose plight we fully recognize and understand—in the case of these distressed areas, some here today would apparently say that we dare not do anything really effective to help them until we are convinced beyond any possible doubt that they have done everything they can to help themselves.

Believe me, Mr. Chairman, this is the same as saying to the neighbor whose house is burning down: "Do not expect any help from me until I am sure you have tried everything you could do on your own, including calling all of your relatives to drive out here to help you." At what point do we finally intervene?

ENTIRE NATION'S ECONOMY AFFECTED

For the areas of substantial and persistent labor surplus—the chronically distressed and depressed areas—are in desperate difficulty. And we—all of us in this country—are involved in their distress, and suffering from it, too.

Philadelphia is currently among the areas of substantial labor surplus, along with most of the 149 other major production centers of the Nation, and along with 184 smaller labor market areas. But our depressed situation is not chronic, not persistent, as it has been for so long in 20 of the major areas now on the list and in 88 of the smaller areas on the list. We bounce back when business picks up, but the upswings have been taking longer and longer in recent years.

However, we fall into the surplus labor category periodically and stay in it longer these years, primarily because of the depressing effect upon us of employment conditions in other parts of Pennsylvania and other parts of the Nation—we are dragged down by the existence of recession and depression in other areas.

Eventually, if we do not cure this persistent problem, every part of this country which now feels that it is relatively prosperous is going to be suffering from the backwash of economic tides from the depressed areas. Even as it is, there is not a single major production center in this country which is at present experiencing any real prosperity—which does not have a labor surplus of at least moderate proportions.

PENNSYLVANIA'S GOVERNOR HAS SOUGHT EVERY POSSIBLE SOLUTION

To those Members of the House who feel it is none of their business how bad business may be in other parts of the country, or how much unemployment may persist in other parts of the country, I say, Mr. Chairman, the bell tolls for them, too—for their areas, too.

Pennsylvania has been alert to this problem and has, under Governor Lawrence and, before him, under Governor Leader, sought with all of its resources to meet our economic problems. Our Governor has not left a stone unturned. But these problems cannot be solved in Pennsylvania alone.

This spreading blight of labor surplus, of mass distress, of technological displacement and automation unemployment, of reduced output in the face of increasing population in the work force—this situation demands prompt correction and it requires national leadership and direction and funds and assistance.

We have gone through the last two Congresses arguing over this issue to no decision—because of vetoes and official disinterest in the executive department. We now have a President who deeply and urgently believes in the solution which would be possible under the bill now before us.

This measure deserves support because it can be effective. It deserves support because it is fair. It deserves support because it would demonstrate that in economic affairs, as in all other ways, this must be one Nation, one people, with common objectives for the benefit of all Americans.

This is not a jungle of 150 major production centers at war with one another. Our economy can prosper only when the 150 areas are all working, and working in harmony, and utilizing to the full the brains and energy and abilities of all of their people in the working force.

Mr. LINDSAY. Mr. Chairman, there is need for a depressed areas bill—one that will focus on areas of chronic need. In my judgment the Widnall substitute is a more effective approach than the committee bill, although I am pleased to note that the committee bill has been tightened in many respects over the legislation that was passed in the 86th Congress and vetoed by the President.

I have long maintained that the function of the Federal Government is to concentrate on areas of chronic need and not to attempt to spread Federal funds thinly over the United States to the detriment of areas in chronic need.

Second, I believe strongly in occupational training programs—programs un-

der which surplus labor is given skills and training in occupations where there is a demand.

The Widnall substitute makes the following improvements over the committee bill: First, instead of providing $100 million in loans for the construction of plants in truly depressed areas, it will provide $150 million, 50 percent more. This is a desirable addition for the hard-core industrial depressed areas. Second, the Widnall substitute will more than double the amount of funds provided for occupational training and retraining. Whereas, the committee bill provides $4,500,000 toward this end, the Widnall substitute provides $10 million.

The Widnall bill makes up most of the cost of the above by reducing the proposed grants in the committee bill to rural areas from $100 million to one-half million dollars, the latter amount to be used to study and develop a workable program for rural areas. The Widnall bill has tighter criteria for the designation of industrial redevelopment areas. Under the committee bill it is possible that a whole State could be a redevelopment area.

There are other differences between the two bills, Mr. Chairman, but the ones I have mentioned are the most important differences. For these reasons, therefore, I support the Widnall substitute, and I intend to vote for it, if necessary on a motion to recommit the committee bill with instructions to the committee to bring back the Widnall substitute.

In the event the Widnall substitute fails of passage, I intend to vote for the committee bill. As I have mentioned, it is a tighter bill than the legislation passed in the 86th Congress, which I voted against. In addition, we cannot overlook the fact that conditions of unemployment are more serious now than they were at the time the 86th Congress considered other depressed areas legislation. A Federal undertaking is necessary and although I prefer the Widnall substitute, I shall not hesitate to vote for the committee bill in the last analysis if I am faced with no other choice.

Mrs. HANSEN. Mr. Chairman, I would like to associate myself with Chairman PATMAN, of Texas, Congressman JAMES ROOSEVELT, of California, and others who have spoken on behalf of the distressed areas bill because my own district is so deeply affected by this legislation. Its passage is of great importance to western Washington.

Mr. PIRNIE. Mr. Chairman, I am glad to rise in support of the amendment proposed by my distinguished colleague, the gentleman from New York [Mr. STRATTON]. He and I have worked closely together in this matter and I want to commend him for his diligence and cooperation in pursuing this problem.

The enactment of this amendment will insure that the economic aspects of defense planning will not be overlooked. The President himself has taken notice of this factor only yesterday in his special defense budget message to the Congress. Without restricting the authority of the Secretary of Defense to make military decisions which he deems in the best interests of the United States, he will have the benefit of a careful study of the overall cost of any proposed elimination of permanent military installations or major parts thereof. This amendment seeks to create confidence in our Government, not shackle it.

Mr. Chairman, we owe this much consideration to those many communities having substantial unemployment, who face untold hardships by the removal of military functions. Millions of dollars have been invested by local taxpayers and private enterprise in providing needed facilities and services. The cities of Rome and Utica in my own area, with an unemployment index exceeding 10 percent, have been faced with the loss of over 6,200 civilian jobs, comprising the Rome Air Materiel Area. Many other congressional districts are now or will be confronted with similar problems.

Therefore, I urge approval of this amendment that will afford these communities ample opportunity to bring their economic situations to the attention of our highest defense planners.

Mr. DONOHUE. Mr. Chairman, in fulfillment of our common duty to promote the national interest, and in very particular concern for the distressed workers and industries of my congressional area, I rise to most earnestly advocate the prompt passage of S. 1, without crippling amendments or extended delay.

At this minute there are some 103 areas of chronic unemployment and economic depression in this country and unfortunately my own home city, together with several other communities in our Commonwealth, are numbered among them. The major number of more than 5½ million unemployed workers live in these areas around the country and over the past 10 years the problem has very obviously developed into one of national concern.

The fundamental question before us then, in connection with this legislative proposal, is whether we shall leave these distressed regions and their people to their further deterioration or shall the resources of the Federal Government be reasonably exercised to assist them?

I firmly believe our obligation to help them to help themselves is quite clear and we can answer the question and discharge our obligation by approving this measure now.

It is extremely difficult to understand those who apparently wish to extend and delay our action on this bill. The concept of this legislation and its overall provisions have twice been exhaustively discussed and debated in this House during the past 3 years. As a matter of fact, a bill of this type was passed in this House in 1958 and again in 1960. The majority of the Members here are thoroughly familiar with all aspects and the background of this current proposal.

It is not designed to, nor is it pretended that it will, cure all of the evils of unemployment and economic depression. It is simply and substantially an attempt to create new job opportunities in areas of high and chronic unemployment and, by such means, to stimulate production and restore purchasing power for the benefit of the national economy.

These jobs would be created through providing assistance for the development of new industrial facilities by constructing water and power projects, where possible, and by encouraging communities to initiate varied public works projects, such as sewage disposal and water pollution control which are so generally needed.

Of special interest to my area, where the textile manufacturing industry, the shoe industry and so many others are fast disappearing, is the provision of this bill to train these unemployed, but loyal and intelligent Americans, in new skills.

For those who may have sincere fears about Federal Government intrusion and control, let us realize the Government is but one factor in these proposed activities. The program embodied in this measure very wisely and practically requires the participation of private industry and of local and State governments. It is not a substitute for local action; it is intended only to inspire dormant local action into effective operation and to stimulate its creative activity.

On the human side, it is in accord with our established democratic traditions of government functioning to try to save people, to save families and to save communities who desperately need such saving assistance through no fault of their own. It is in the fullest accord with the spirit and the principle expressed by our great President, John F. Kennedy, when he stated in his inaugural address last January 20, in front of this building, and I quote:

> If a free society cannot help the many who are poor, it cannot save the few who are rich.

Mr. Chairman, the approach, outlined in this measure, to grant assistance to unemployed Americans and economically distressed areas in this country is basically the same as that contained in our foreign aid program, of long duration. On this score, it is puzzling for some of us to observe that those who appear to express the greatest fears about the worth and the wisdom of this bill are among the very ones who speak the loudest in favor of the continuation, and even the expansion, of the spending of the American taxpayers' money for foreign redevelopment. We do not question their sincerity, but to promote their consistency we must simply tell them that all we are trying to do today is to apply the same principles, in substance, within our foreign aid program to helping our own American people here at home. We say to them that we deeply believe it is time that we treated our people at home with the same concern we have demonstrated for the welfare and development of foreign countries and foreign peoples.

With the guidance of divine providence behind a determined Congress and a united people, let us, by passing this bill, show the doubtful Communist leaders that our vaunted boast of having the highest living standards and more equality of opportunity than anywhere else in the world is not an American capitalistic myth.

Mr. WALTER. Mr. Chairman, as in previous years, I rise today, to reiterate

the need of the House of Representatives to pass a workable area redevelopment bill; one that will give immediate substantial support to those residents in chronically depressed communities.

I have stressed this fact several times in the last year. Twice, Congress passed a depressed areas bill, only to have it vetoed by the previous administration.

Both national parties this past summer endorsed Federal aid for chronically depressed communities. Since those two conventions, the number of distressed communities has increased—many of them in my own State of Pennsylvania, and some of them in my own congressional district.

Today, the House of Representatives as a whole debates S. 1, a bill that I feel confident will establish an effective program to alleviate conditions of substantial and persistent unemployment and underemployment. It is substantially the identical bill that our distinguished colleague, the Honorable BRENT SPENCE introduced as chairman of the Committee on Banking and Currency.

I have never been more confident that this bill will provide new employment opportunities in distressed areas, such as we have in the once-thriving coal mining communities of Pennsylvania, West Virginia, and Kentucky.

Our entire economy will be improved as soon as the Federal Government gets substantial help into these communities. Everybody is going to benefit, not only those in the distressed areas but in every community is this great Republic.

This financial aid will supplement the efforts of States and communities, who already have been doing a tremendous job trying to alleviate chronic unemployment conditions.

These States and communities are not looking for handouts. Individually, these communities have invested large sums, including funds raised by popular subscription through community development organizations, for industrial site preparation, plant construction and other services in an effort to attract industry.

Many of these community development organizations can no longer provide help because their local financial resources have been exhausted.

These communities need help. The people in my district will be forever grateful if the House of Representatives will take prompt action today and pass this important piece of legislation—legislation that will start the machinery to get the great number of unemployed off the relief rolls and back to work as soon as possible.

Mr. MOELLER. Mr. Chairman, I join with my colleagues in support of S. 1, the administration bill passed by the Senate on March 16, as an effective Federal program of assistance to the economically depressed areas of our Nation. The national average unemployment has reached an unprecedented rate of 7.7 percent, higher than at any time since the depression of the 1930's.

This is a situation affecting every American. For instance, in my own district, the 10th of Ohio, seven of the eight counties are listed by the Department of Labor as areas of substantial and persistent unemployment. This means that these counties currently have a rate of unemployment in excess of 6 percent, and have had such a rate for the last 3 years. These seven counties and the latest unemployment statistics released by the Labor Department are as follows:

Hocking County, 10.2 percent; Athens County, 10.2 percent; Vinton County, 10.2 percent; Gallia County, 15.2 percent; Meigs County, 15.2 percent; Jackson County, 9 percent; and Lawrence County, 16 percent.

As is readily apparent, my district has a real need for Federal area redevelopment legislation. This is why I introduced an area redevelopment bill in this House last January, and it is why I have continued to support the administration's effort to secure enactment of a constructive program.

My district is predominantly rural in character and we stand to benefit greatly from the special provisions in the administration bill to assist economically depressed rural areas. I sincerely hope that the Widnall amendment to eliminate virtually all assistance to rural areas and to cut the overall redevelopment program by more than 30 percent is soundly defeated.

In sharp contrast to the Eisenhower area redevelopment veto of last year, Mr. Kennedy has recognized the critical need for effective legislation at this time and has drafted what I consider to be a well-balanced program to stimulate sustained economic growth, so that the people in these distressed areas may share in our Nation's expansion. I urge the House to pass S. 1 and provide these areas with the help they need to help themselves.

Mr. ROBISON. Mr. Chairman, I am keenly aware of the economic distress that currently exists across the Nation and in certain areas of the 37th Congressional District of New York. Humanitarian motives prompt us to do something, and while I do think the Federal Government has a positive duty to help, I cannot convince myself that the House version of S. 1 is the proper medicine.

It would not meet the test of "constructive" Federal-local action because it tries to do too much in too many areas and with far too little money—some of the bill's proponents have accurately referred to the presently authorized amounts as representing only "seed corn"—and it seeks to duplicate, in large measure, already available Federal programs, perhaps near to 50 in number, that now channel millions of dollars of Federal aid of one kind or another to areas of chronic unemployment or those areas that have been hard hit by the current recession. These other existing programs could be retailored and expanded as needed, it would seem, as a better and more logical alternative to having Congress now create what may be an administrative monstrosity that cannot help but become a source of false hope and eventual bitter disillusionment to the people of the truly depressed areas.

As for the industrial provision of S. 1 and their impact on the economic climate of our State of New York, our problem is not one of the lack of industrial capacity, nor is there really such a lack with respect to the country as a whole. We have sufficient factories and machines—obsolete though some of them may be. What we need are jobs to put our people back to work in those factories and at those machines. Such jobs have been lost for a variety of reasons—archaic depreciation laws that stifle the incentive to modernize, the difficulty of accumulating "risk" capital, and so forth, and, last but not least of course, foreign competition. S. 1 would do nothing in any of these areas unless it be to encourage the existing trend toward substituting area-redevelopment activities for the legitimate and historical methods of protecting domestic industry from import injury.

Moreover, S. 1 would serve to stimulate a wave of industrial relocation, in which the already highly industrial States like New York could only expect to experience a net loss of industry. I think the antipirating language of the House version of S. 1 is much better than that of any prior such measures, but it still leaves a great deal to be desired if we are, in fact, seeking truly to create new job opportunities and economic growth, and to discourage the raiding of already developed areas.

Incidentally, New York has just greatly expanded its own self-help program to improve our own economic climate by establishing a $100 million Job Development Authority loan fund to be used to attract new industry. In combination with the activities of our local development corporations this progressive step could be of great import, but the good that it could do will be severely curtailed by the increasing State-versus-State competition which will result from Federal subsidies, paid for, in large part, by the taxpayers of the industrial States.

Thus, under S. 1, the people that I represent will be called upon to subsidize, through taxes, the departure of some part of their own industrial base leaving them with new and difficult problems of unemployment to solve locally.

The problem of the truly depressed area has many ramifications. There is no single answer. There is no easy solution. One of the basic facets of that problem, as I see it, is to help the unemployed citizens of those areas to acquire the skills needed for gainful employment, including such other assistance as may be appropriate to enable them to relocate to other areas of prime economic activity. The vocational training and retraining features of S. 1 are good, as far as they go, but are only of secondary importance in the bill as written. I would be prepared to support a greatly expanded Federal-State program of this sort since I believe it offers the only really broad solution for providing both an immediate and a long-range cure for the unemployment problem in our depressed areas.

Mr. KILBURN. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. MEADER].

Mr. MEADER. Mr. Chairman, unless this bill involves a completely new concept and a new Federal activity such as injecting government into business and

into the risk end of business, there is no need for this legislation.

There are existing Federal instrumentalities and programs to provide financial assistance to chronically depressed areas already in existence in every one of the fields covered by this legislation. We have the Small Business Administration with authorized business lending authority of $575 million, of which nearly $100 million is uncommitted, the same sum as provded in section 6 of S. 1.

We also have the Small Business Investment Act designed to encourage and support economic undertakings in the small business category.

The Small Business Administration has a total personnel of 2,350, of whom 563 are located in the central office in Washington and 1,787 are distributed among the 56 regional and branch offices throughout the country. It is wasteful, extravagant, and confusing to set up a parallel organization in the Department of Commerce to perform functions which already can be performed by an existing agency.

The Community Facilities Administration in the Housing and Home Finance Agency has a lending authority of $150 million, of which $100 million has been available to them since 1955 and $50 million was added at the end of the last session of Congress. There is adequate authority in this Agency to provide funds for the community facilities purposes set forth in sections 7 and 8 of S. 1. Of the $150 million as of March 15, 1961, $35 million was uncommitted.

So far as retraining of unemployed individuals is concerned, we already have a vocational education program through which any necessary retraining can be handled both in the chronically depressed areas and elsewhere.

Therefore, Mr. Chairman, I say if the only purpose of this bill is to provide loans for business enterprises and community facilities on a prudent basis and grants for retraining, there is no need to create a new bureaucracy.

Even if we conceded that criteria and standards of performance were too rigid and we desired to loosen them up and make them less business-like, it would be possible by simple amendments to existing programs related specifically to chronically depressed areas to liberalize authority with respect to such areas in existing agencies.

Even though uncommitted funds presently exist which would seem to indicate that the demand has not exhausted amounts Congress has provided, it would be a simple matter to grant additional authority and appropriate additional funds to existing agencies to meet the needs of chronically depressed areas.

Mr. Chairman, the amounts provided in this bill will not provide many jobs. There is a great deal of uncertainty about the amount of invested capital required to make one job. I suggest that the $100 million provided for industrial loans, if it were all used for business undertakings in the two chronically depressed areas in my congressional district—Monroe and Adrian, Mich.—would not provide sufficient employment to absorb the 4,000 unemployment compensation claimants in Adrian and Monroe, Mich.

Mr. Chairman, I believe some idea of the effect of capital investment on adding new jobs can be gained from the 1960 annual report of the Ford Motor Co. which shows that an increase of $53 million in capital expenditures for expansion, modernization, and replacement of facilities—excluding special tools—for 1960 over 1959, was accompanied by an increase in average employment between those 2 years of only 640 positions. I made a computation that this meant an investment of approximately $83,000 per worker.

Mr. Chairman, it is obvious that this legislation is nothing but a label unless it is a foot in the door to put the Government into the equity end of business enterprises in this country. It is bad legislation and ought to be rejected.

Mr. KILBURN. Mr. Chairman, I yield the balance of our time to the gentleman from New Jersey [Mr. WIDNALL].

Mr. WIDNALL. Mr. Chairman, I have long been concerned with the plight of the people of West Virginia and the people in eastern Pennsylvania and other truly and chronically depressed areas. I have been ready and willing to support depressed area legislation that would address itself to helping those critically affected areas. I know what it is to have unemployment in a district. I know what it is to have the impact of foreign imports, as the gentleman from West Virginia [Mr. BAILEY] so ably stated in his remarks about the foreign import impact on the people of West Virginia. We have 500 zinc miners out of work in my district because of the importation of foreign zinc, and they have been out of work for several years, and there is no prospect of putting them back to work unless something is done about the imports of low-cost zinc. But, this bill is not going to cure that. This bill is not going to help the unemployed miners in my district, because they could not qualify under my substitute bill and they could not qualify under the committee bill.

Mr. Chairman, some of the provisions in this bill are fantastic. I am now talking about the rural section of the committee bill. We say in our minority report at page 23, which I call your attention to:

> This provision of the bill is fantastic. Under it, in effect, you could have a Federal grant school bill, a Federal grant highway bill, a Federal grant hospital bill, a Federal grant airport bill, a Federal grant park bill, and a host of other Federal grant bills as long as the grants related to needed public facilities within a redevelopment area.

It would really be a foot in the door to establish the principal of the omnibus Federal grant bill.

And under the broad authority granted by the first sentence of section 5(a) there can be no question but that a whole State could be declared a depressed area or redevelopment area as it is termed in the bill.

If such a thing were done, just imagine how these funds would be dissipated so that no truly critically depressed area would receive any real benefit.

If I were from West Virginia or Pennsylvania I believe certainly there would be far more help to my district in the substitute bill proposed by me in the critical area of the retraining of workers. We propose to spend $10 million instead of $4.5 million as in the committee bill. It seems to me that that is one area where an unemployed person could find something that he himself would get out of the bill.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. WIDNALL. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. I believe the gentleman when he tells the House that he is seriously concerned about the problems of industrial areas like West Virginia and Pennsylvania. But I find it difficult to understand why the gentleman can close his mind to the problems present in the rural or country areas of the Nation. The testimony before the committee with regard to conditions in some of those counties was equally grave, equally serious, and certainly presented just as critical a problem in terms of the populations in those areas and the need for a redevelopment program in those areas. If the gentleman recognizes the need for aggressive redevelopment programs in the industrial areas, and I believe he does, will he tell us why should not this House recognize the needs in rural sections of the country and attempt to do something constructive about those problems?

Mr. WIDNALL. Because I believe that if there are such critically affected areas in the rural sections, there is $500,000 for a study, in this bill, with a report to be brought back by January 3, 1962, including projects and programs and areas to be assisted. There is nothing in this bill that pins down any area. There was not one word of testimony, by the way, by Secretary Goldberg, Secretary Freeman, and Secretary Hodges, as to how the money would be used and in what areas it would be used. To me right now it looks like a big $100 million bribe and boondoggle for the rural sections, because nobody knows where it is going to be used.

Mr. EDMONDSON. Mr. Chairman, the gentleman started his remarks by saying "if" there were such counties. Can the gentleman, after reviewing the record made by this committee, which shows some counties with per capita incomes of less than $750 a year, seriously stand there and say "if" there are counties where you do have a depressed condition? I am amazed that the gentleman would put an "if" before that statement because I think this committee, if it established nothing else, established very clearly the acute need for some kind of action by the Government in the rural sections of the country.

I want to commend the committee for including in this measure provisions which would also make it possible to do something about the depressed condition in the rural areas.

Mr. WIDNALL. Mr. Chairman, I call your attention to the definition in section 5(b) of the committee bill and I

would like to have explained to me what this means and who will be affected by it.

The Secretary shall also designate as "redevelopment areas" those areas (including Indian reservations) within the United States which do not meet the requirements set forth in subsection (a) but which he determines are among the highest in numbers and percentages of low-income families, and in which there exists a condition of substantial and persistent unemployment or underemployment. In making the designations under this subsection, the Secretary shall consider, among other relevant factors, the number of low-income farm families in the various rural areas of the United States, the proportion that such low-income families are of the total farm families of each of such areas, the relationship of the income levels of the families in each such area to the general levels of income in the United States."

There has never been any explanation as to where the money would be used and what areas would be helped.

The CHAIRMAN. The time of the gentleman from New Jersey [Mr. WIDNALL] has expired.

Mr. PATMAN. Mr. Chairman, I yield such time as I may consume, to conclude the debate.

Mr. Chairman, the gentleman from New Jersey [Mr. WIDNALL] I know is very sincere in his advocacy of his substitute bill. I assume it will be offered soon after we start reading the bill which will be not very long from now.

I do not believe that the substitute bill is sufficient at all to do the job that we contemplate will be done under the provisions of the committee bill.

No. 1, the Widnall amendment discriminates against rural areas. That means that in a State where you have industrial areas that are depressed and you have rural areas that are just as much depressed, the Administrator will not be privileged to authorize credit assistance for a plant in the rural area that is just as much depressed because under the Widnall amendment it is excluded. He will be limited to the depressed city areas in that State. Suppose there is a country area depressed nearby the city, and they come to the Administrator and make a good case. The Administrator would have to say, "I am sorry, but Congress said we can help only the cities. We cannot help the country at all."

Mr. HIESTAND. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from California.

Mr. HIESTAND. I am very much interested in the gentleman's remarks. I wonder what if anything the Secretary or the Administrator can do for these distressed rural areas.

Mr. PATMAN. They can have plants of any type or character desired in that community that would be suitable and feasible. There are lots of plants that could be established in these rural areas. I would not get into a discussion of a particular type or commodity or name a product that could be produced. I would not get into that at all. But I know there could be plants established that would be helpful to the rural areas by giving them employment where they are underemployed or unemployed.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. I think the gentleman might mention to my good friend from California the possibility of frozen food processing plants, canneries, or feed mills, or various types of enterprises that would help these rural areas to make use of their manpower that is surplus at this time, to give them some supplementary income to enable them to continue to make a living on the farm. I think the gentleman would agree with me that it is a worthy and desirable thing to have prosperity in the rural areas as well as in the urban sections of our country.

Mr. HIESTAND. I am wondering where the personnel to run these plants must come from. It would have to come from outside. How then will they help the unemployment situation in the rural areas?

Mr. PATMAN. Just a few experts would come from the outside. They have workers available locally. They would need expert guidance. Only a few hundred would be needed.

Mr. WIDNALL. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from New Jersey.

Mr. WIDNALL. Given the criteria under section 5(a), these towns you have at the present time——

Mr. PATMAN. Which bill is the gentleman talking about?

Mr. WIDNALL. The gentleman's bill.

Mr. PATMAN. I thought the gentleman was going to answer me when I said that his amendment discriminates against the country areas.

Mr. WIDNALL. There is Batavia, Ohio, 1,729; Georgetown, Ohio, 2,674; and West Union, Ohio, 1,762. Are not those rural areas?

Mr. PATMAN. Those cities can be helped. The gentleman should not ask us to discriminate against rural areas. When you vote for the Widnall amendment you are voting to help only the cities. You are saying that by your vote for the Widnall amendment, that you do not want the country areas to be helped regardless of how worthy they are for help and regardless of the number of feasible projects that can be established in rural areas that would remove their unemployment problem and their underemployment problem. The Administrator could not do anything because he would say, "My hands are tied. Congress tied my hands. We have a city Congress. They want to help only the cities, they do not want to help the country." The Widnall amendment is to help the cities. Therefore, when you vote for the Widnall amendment you are voting against the country areas.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Iowa.

Mr. GROSS. I wonder where it is proposed to get those technical advisers? Will they be obtained from the United Nations or the ICA where they have had a lot of experience developing the undeveloped.

Mr. PATMAN. No; we will not have to give them that. We are furnishing them technical advisers.

Mr. GROSS. I say again, they have had a lot of experience.

Mr. PATMAN. I have had some experience so far as technical advisers are concerned. We established a steel mill in the district I have the privilege and honor to represent, and we only brought a handful of people from Pittsburgh and Birmingham and steel areas like that, and they trained just a few fellows—4,500 good steelworkers. You can do the same thing with any of these other projects.

Mr. HIESTAND. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from California.

Mr. HIESTAND. Just how many rural areas that the gentleman referred to have we in that category? How many would be affected under the present definition?

Mr. PATMAN. I am glad the gentleman mentioned that. You see the rural areas do not have the statistical information that the Labor Department has. The farmers do not have that type of service. But we know, and we have information in the hearings as to the number of counties and as to the number of people who have left the counties and of the distress in those counties. We have an abundance of information, but we do not have it in detail for a town or a city or a county like the Labor Department has for industrial areas. Therefore, the rural areas are under a disadvantage on that. But do not discriminate against them because they are weak on statistics. The actual facts speak for themselves.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. The gentleman recalls that when this was before the last Congress we had criteria which qualified approximately 660 counties across the country for participation in the rural development program. Now the criteria which are set up under this bill include the criteria which prevailed in the legislation which was last before this Congress, which this House voted and passed over to the other body in the last Congress.

Mr. HIESTAND. Will the gentleman assure us that the amount designated is sufficient to cover that?

Mr. EDMONDSON. For my own part, I would say to the gentleman, I have a question in my mind as to the sufficiency of the funds to meet the needs of this program both on the urban and the rural end. I am not prepared to say because I do not believe there is enough money in it that we are not even going to take a step forward toward meeting this problem. I am one who says—let us take a step forward and let us make some progress in this direction within the limits of our ability at this time both on the rural front and on the urban front.

Mr. PATMAN. I agree with what the gentleman from Oklahoma has just said. I know that this is not enough money. It is only about 10 percent of what we give to foreign countries for the same purpose. Are we going to deny to our own people 10 percent of what we are giving annually to foreign countries to do the same thing? That is worthy of consideration, too. But even if it is not enough money, we should not vote against the whole program and we should not discriminate against the rural areas.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield further?

Mr. PATMAN. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. The chairman of our committee represents a State which has both urban areas and rural areas which qualify under this bill, and that clearly qualified under the bill last passed by the House. So does the gentleman from Oklahoma have in his district, counties which qualify both from an urban and from a rural standpoint. But, there are some States represented on this floor that do not have any counties that would qualify as urban areas for redevelopment at this time. The only way those States can participate in any way in this program is to have the rural sections of this program go through. If we adopt the Widnall amendment, we knock out any participation by those States in this program. I think, checking back on the criteria in the bill passed by the last Congress, the State of New Jersey has several areas which qualify as urban areas but in the bill passed in the last Congress, it had no rural sections. I do not think the gentleman from New Jersey would want to see a bill passed which benefited his State and excluded other States from participating in the benefits of a good program of this kind. He has indicated he favors the spirit and the principle behind this legislation. I wish he would join with us in seeing every State in the Union that has depressed areas, whether they are rural or urban in nature, participate and go forward under this program.

Mr. WIDNALL. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. WIDNALL. I would like to call the gentleman's attention to this fact that under industrial sections, the only areas that would qualify in our State at the present time are Atlantic City, a resort area, Long Branch, a resort area, and Bridgeton, with its vegetable production, and its migrant labor. This bill does not help my State at all.

Mr. PATMAN. Let me plead with the gentleman to not discriminate against his rural areas in New Jersey. I believe when he thinks this over a little more he will not want to discriminate against his country people and in favor of the city folks and place the Members who are from States that have depressed rural areas but no depressed city areas, in the untenable position of voting for a bill that helps only the cities.

That places us in a very untenable position.

Mr. MULTER. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from New York.

Mr. MULTER. I think the answer to the question raised by the gentleman from New Jersey lies in the testimony of the Secretary of Agriculture when he appeared before the committee. There are no rural areas in my district or my city, but I am for this bill and I am for the provisions that would help the rural areas on the basis of the testimony of the Secretary of Agriculture who says in part, and I quote from the hearings:

> If I might summarize, I think we ought to go forward something like this: First of all, we ought to complete the job of summarization, of factfinding, of research and survey. I would expect that the Secretary of Commerce, when this bill becomes law, would ask the Secretary of Agriculture where rural areas are concerned to conduct the surveys, to complete those underway and to certify to him the areas that call for rural redevelopment programs.
>
> When those areas are determined, we would then develop a program for those areas and have it down specifically and in some detail. In both identifying the areas and developing the program, the resources of the area are the key and the guide and they, I think, will lead to what should be done.

I think we should take the suggestion of the Secretary of Agriculture in regard to the need of these rural areas.

Mr. THOMPSON of New Jersey. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from New Jersey.

Mr. THOMPSON of New Jersey. I agree with the gentleman from New York. The fact of the matter is that this bill would bring aid to more than 9 percent of our total work population in New Jersey, of which at the present time 225,000 are unemployed.

We also have depressed rural areas, particularly in the poultry area where they have undergone almost intolerable suffering in recent years.

I think it would be entirely unfair if these rural areas were not in the bill. I think all of us would benefit from having them in, although some of our districts are entirely urban in district complexion.

Mr. PATMAN. I hope that the gentleman from New Jersey in presenting his amendment will change it so as not to discriminate against the country or the rural areas. They are entitled to relief the same as are the city folks.

Mr. LOSER. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Tennessee.

Mr. LOSER. A number of times during the debate on this bill reference has been made to the number of counties, several hundred, that would qualify under the provisions set forth in this measure for aid. I am wondering whether or not the word "qualify" is not being used rather loosely. As a matter of fact, I think the gentleman from Oklahoma [Mr. EDMONDSON] has said that in the State of Tennessee there are 70 counties that would qualify under the provisions of this legislation. My question is: Does not the gentleman mean, or is it not the purpose of the measure, that the Secretary of Commerce shall designate certain counties in the State as rural areas as contrasted with urban areas?

Mr. PATMAN. That is my interpretation, I will say to the gentleman.

Mr. LOSER. And that no county, even though designated as a rural redevelopment area, can obtain any benefits under the provisions of this bill unless they meet the criteria set forth in section 5?

Mr. PATMAN. The gentleman has brought out a good point. Ten times as many will qualify as will receive it, for the obvious reason that the money is insufficient. That is reason No. 1. The administration will be required to pick out the most deserving and the most needy and service them. Just because they are qualified does not mean they will get assistance because the money is not sufficient.

Mr. LOSER. Mr. Chairman, I do not believe the gentleman from Texas has answered my question.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield to me to answer the question?

Mr. PATMAN. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. The only remark I have made with regard to Tennessee was that under the bill which passed the Congress in the last session 70 counties in Tennessee were identified as qualified to participate in the rural section of that bill. I believe the criteria which are in the present bill include the criteria which were present in the last Congress, plus some additional criteria.

Mr. PATMAN. I will have to ask the gentleman to bear with me. My time has almost expired, and I must mention another point. That is about the interest rate.

Under the Widnall amendment the interest rate on public facility loans would be 4⅜ percent in most cases. Under the bill we have the interest rate will be 3¼, which is the average rate for all U.S. Government securities, plus one-fourth of 1 percent. Is that not enough?

Mr. LOSER. I do not think the gentleman has answered the question.

Mr. PATMAN. I cannot do both at the same time, and I prefer to do it this way. Three and a half percent is certainly a high enough rate for tax-exempt securities. Remember that Federal Government obligations are taxable, but State and local municipal bonds are not taxable. Therefore, this 3½ percent rate is high instead of low.

Under the Widnall amendment the interest rate would be the equivalent of 8.5 percent or more for an investor in the 50 percent tax bracket. So, considering the fact these are tax-exempt securities, 3.5 percent interest rate is a high interest rate. We should not think about raising it. Certainly the Widnall amendment should be voted down.

The CHAIRMAN. All time has expired.

Mr. KILBURN. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count.

One hundred and twenty-two Members are present, a quorum.

Pursuant to the rule, the Clerk will now read the substitute committee amendment as an original bill for the purpose of amendment.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Area Redevelopment Act".

Mr. WIDNALL. Mr. Chairman, I offer an amendment.

The clerk read as follows:

Amendment offered by Mr. WIDNALL: Strike out all after the enacting clause and insert in lieu thereof the following: "That this Act may be cited as the 'Area Redevelopment Act'."

"DECLARATION OF PURPOSE

"SEC. 2. The Congress declares that the maintenance of the national economy at a high level is vital to the best interests of the United States, but that some of our communities are suffering substantial and persistent unemployment and underemployment; that such unemployment and underemployment cause hardship to many individuals and their families and detract from the national welfare by wasting vital human resources; that to overcome this problem the Federal Government, in cooperation with the States, should help areas of substantial and persistent unemployment and underemployment to take effective steps in planning and financing their economic redevelopment; that Federal assistance to communities, industries, enterprises, and individuals in areas needing redevelopment should enable such areas to achieve lasting improvement and enhance the domestic prosperity by the establishment of stable and diversified local economies and improved local living conditions; and that under the provisions of this Act new employment opportunities should be created by developing and expanding new and existing facilities and resources.

"AREA REDEVELOPMENT ADMINISTRATOR

"SEC. 3. There shall be appointed by the President, by and with the advice and consent of the Senate, an Area Redevelopment Administrator in the Department of Commerce who shall receive compensation at a rate equal to that received by Assistant Secretaries of Commerce. The Administrator shall perform such duties in the execution of this Act as the Secretary of Commerce (hereinafter referred to as the 'Secretary') may assign.

"ADVISORY POLICY BOARD

"SEC. 4. (a) To advise the Secretary in the performance of functions authorized by this Act, there is created an Area Redevelopment Advisory Policy Board (hereinafter referred to as the 'Board'), which shall consist of the following members, all ex officio: the Secretary as Chairman; the Secretaries of Agriculture; Health, Eudcation, and Welfare; Interior; Labor; and Treasury; and the Administrators of the Housing and Home Finance Agency and the Small Business Administration. The Chairman may from time to time invite the participation of officials of other agencies of the executive branch interested in the functions herein authorized. Each member of the Board may designate an officer of his agency to act for him as a member of the Board with respect to any matter there considered.

"(b) The Secretary shall appoint a National Public Advisory Committee on Area Redevelopment which shall consist of twenty-five members and shall be composed of representatives of labor, management, agriculture, State and local governments, and the public in general. From the members appointed to such Committee the Secretary shall designate a Chairman. Such Committee, or any duly established subcommittee thereof, shall from time to time make recommendations to the Secretary relative to the carrying out of his duties under this Act. Such Committee shall hold not less than two meetings during each calendar year.

"(c) The Secretary is authorized from time to time to call together and confer with any persons, including representatives of labor, management, agriculture, and government, who can assist in meeting the problems of unemployment or underemployment in the several areas designated by the Secretary as redevelopment areas.

"REDEVELOPMENT AREAS

"SEC. 5. (a) The Secretary shall designate as a 'redevelopment area' any labor market area within the United States with respect to which the chief executive of the State in which such area is located has requested such designation and the Secretary of Labor has found and certified to the Secretary—

"(1) that the rate of unemployment in such area, excluding unemployment due primarily to temporary or seasonal factors, is currently 6 per centum or more and has averaged at least 6 per centum for the qualifying time periods specified in paragraph (2); and

"(2) that the annual average rate of unemployment in such area has been at least—

"(A) 50 per centum above the national average for three of the preceding four calendar years, or

"(B) 75 per centum above the national average for two of the preceding three calendar years, or

"(C) 100 per centum above the national average for one of the preceding two calendar years.

"(b) The Secretary of Agricultural shall conduct such studies as he may deem necessary to enable him to develop and submit to the Congress, not later than January 3, 1962, a proposed workable program to provide for the participation of rural areas, rural nonfarm areas, and Indian reservations, in which there has existed substantial and persistent unemployment or underemployment for an extended period of time, in the program of financial assistance under this Act. Upon the request of the Secretary of Agriculture, the Secretary of the Interior shall conduct such special studies and compile and furnish to the Secretary of Agriculture such information as the Secretary of Agriculture may deem necessary to enable him to carry out his duties under this subsection. The Secretary of Agriculture shall reimburse the Secretary of the Interior, out of funds appropriated under this subsection, for expenses incurred by the the Secretary of the Interior under this subsection. There are authorized to be appropriated such sums, not to exceed $500,000, as may be necessary to carry out the provisions of this subsection.

"(c) The Secretary shall reimburse when appropriate, out of any funds available to the Secretary under this Act, the heads of other departments or agencies for expenses incurred by them under this section in conducting studies or furnishing information requested by the Secretary.

"(d) As used in this Act, the term 'redevelopment area' refers to any area within the United States which has been designated by the Secretary as a redevelopment area.

"LOANS AND PARTICIPATIONS

"SEC. 6. (a) The Secretary is authorized to purchase evidences of indebtedness and to make loans (which for purposes of this section shall include participations in loans) to aid in financing any project within a redevelopment area for the purchase or development of land and facilities (including, in exceptional cases, machinery and equipment) for industrial or commercial usage, including the construction of new buildings, the rehabilitation of abandoned or unoccupied buildings, and the alteration, conversion, or enlargement of existing buildings. Such financial assistance shall not be extended for working capital, or to assist establishments relocating, totally or partially, from one area to another.

"(b) Financial assistance under this section shall be on such terms and conditions as the Secretary determines, subject, however, to the following restrictions and limitations:

"(1) The total amount of loans (including purchased evidences of indebtedness) outstanding at any one time under this section with respect to projects in redevelopment areas shall not exceed $150,000,000.

"(2) Such assistance shall be extended only to applicants, both private and public, approved for such assistance by the State (or any agency or instrumentality thereof concerned with problems of economic development) in which the project to be financed is or will be located.

"(3) The project for which financial assistance is sought must be reasonably calculated to provide more than a temporary alleviation of unemployment or underemployment within the redevelopment area wherein it is or will be located.

"(4) No such assistance shall be extended hereunder unless the financial assistance applied for is not otherwise available from private lenders or other Federal agencies on reasonable terms.

"(5) The Secretary shall not make any loan without a participation unless he determines that the loan cannot be made on a participation basis.

"(6) No evidences of indebtedness shall be purchased and no loans shall be made unless it is determined that there is a reasonable assurance of repayment.

"(7) Subject to section 11(5) of this Act, no loan, including renewals or extension thereof, may be made hereunder for a period exceeding twenty-five years and no evidences of indebtedness maturing more than twenty-five years from date of purchase may be purchased hereunder: *Provided,* That the foregoing restrictions on maturities shall not apply to securities or obligations received by the Secretary as a claimant in bankruptcy or equitable reorganization or as a creditor in other proceedings attendant upon insolvency of the obligor.

"(8) Loans made and evidences of indebtedness purchased under this section shall bear interest at a rate equal to the rate of interest paid by the Secretary on funds obtained from the Secretary of the Treasury as provided in section 8(d) of this Act plus one-half of 1 per centum per annum to cover administrative expenses and to provide for losses on loans made and evidences of indebtedness purchased under this section.

"(9) Such assistance shall not exceed 65 per centum of the aggregate cost to the applicant (excluding all other Federal aid in connection with the undertaking) of acquiring or developing land and facilities (including, in exceptional cases, machinery and equipment), and of constructing, altering, converting, rehabilitating, or enlarging the building or buildings of the particular project and shall, among others, be on the condition that—

"(A) other funds are available in an amount which, together with the assistance hereunder, shall be sufficient to pay such aggregate cost;

"(B) not less than 10 per centum of such aggregate cost be supplied by the State or any agency, instrumentality, or political subdivision thereof, or by a community or area organization which is nongovernmental in character, as equity capital or as a loan repayable only after the Federal financial assistance extended under this section has been repaid in full according to the terms thereof and, if such a loan is secured, its security shall be subordinate and inferior

to the lien or liens securing such Federal financial assistance;

"(C) in extending financial assistance under this section with respect to a redevelopment area, the Secretary shall require that not less than 5 per centum of the aggregate cost of the project for which such assistance is extended shall be supplied by nongovernmental sources, in addition to any funds supplied from such sources under subparagraph (B), as equity capital or as a loan repayable only after the Federal financial assistance extended under this section has been repaid in full according to the terms thereof and, if such a loan is secured, its security shall be subordinate and inferior to the lien or liens securing such Federal financial assistance; and

"(D) to the extent the Secretary finds such action necessary to encourage financial participation in a particular project by other lenders and investors, and except as otherwise provided in subparagraphs (B) and (C), any Federal financial assistance extended under this section may be repayable only after other loans made in connection with such project have been repaid in full, and the security, if any, for such Federal financial assistance may be subordinate and inferior to the lien or liens securing other loans made in connection with the same project.

"(10) No such assistance shall be extended unless there shall be submitted to and approved by the Secretary an overall program for the economic development of the area and a finding by the State, or any agency, instrumentality, or local political subdivision thereof, that the project for which financial assistance is sought is consistent with such program: *Provided*, That nothing in this Act shall authorize financial assistance for any project prohibited by laws of the State or local political subdivision in which the project would be located.

"LOANS FOR PUBLIC FACILITIES

"SEC. 7. (a) In order to provide loans for public facilities in redevelopment areas, the first sentence of section 202(c) of title II of the Housing Amendments of 1955 is amended to read as follows:

"'(c) In the processing of applications for financial assistance under this section, the Administrator shall give equal priority to applications of—

"'(1) counties, cities, and other municipalities, and political subdivisions for financing needed public facilities in areas determined to be redevelopment areas under the Area Redevelopment Act, if the Secretary of Commerce certifies there is reasonable probability that with assistance made available under the Area Redevelopment Act and other undertakings such areas will be able to achieve lasting improvement in their economic development; and

"'(2) smaller municipalities for assistance in the construction of basic public works (including works for the storage, treatment, purification, or distribution of water; sewage, sewage treatment, and sewer facilities; and gas distribution systems) for which there is an urgent and vital public need.'

"(b) The first sentence of section 203(a) of title II of the Housing Amendments of 1955 is amended to read as follows:

"'(a) In order to finance activities under this title, the Administrator is authorized and empowered to issue to the Secretary of the Treasury, from time to time and to have outstanding at any one time in an amount not exceeding $150,000,000, notes and other obligations, which limit shall be increased by such amounts, not exceeding $100,000,000, as may be specified from time to time in appropriation Acts.'

"(c) No financial assistance shall be extended under the amendments made by this section with respect to—

"(1) any public facility situated in a redevelopment area which would compete with an existing privately owned public utility rendering a service to the public at rates or charges subject to regulation by a State regulatory body, unless the State regulatory body determines that in the area to be served by the public facility for which the financial assistance is to be extended there is a need for an increase in such service (taking into consideration reasonably foreseeable future needs) which the existing public utility is not able to meet through its existing facilities or through an expansion which it is prepared to undertake; or

"(2) any area if it will assist business establishments in relocating, totally or partially, from one area to another.

"AREA REDEVELOPMENT FUND

"SEC. 8. (a) There is hereby established in the Treasury of the United States an area redevelopment fund (hereinafter referred to as the 'fund'), which shall be available to the Secretary for the purpose of extending financial assistance under section 6 and for the payment of all obligations and expenditures arising therefrom.

"(b) When requested by the Secretary, advances shall be made to the fund from the appropriations made therefor. There is hereby authorized to be appropriated for the purpose of making advances to the fund, without fiscal year limitation, an amount not exceeding $150,000,000.

"(c) Receipts arising from the program of assistance under section 6 shall be credited to the fund. Any moneys in the fund determined by the Secretary to be in excess of current needs shall be credited to the appropriation from which advanced to be held for future advances to the fund.

"(d) There shall be paid into miscellaneous receipts of the Treasury at the close of each fiscal year interest, on advances made to the fund for use in extending financial assistance under section 6, at rates which shall be determined by the Secretary of the Treasury at the time the advances or commitments for advances are made after taking into consideration the current average market yields of outstanding marketable obligations of the United States having maturities comparable to loans made by the Secretary under section 6.

"(e) The fund shall contribute to the civil service retirement and disability fund a sum as provided by section 4(a) of the Civil Service Retirement Act (5 U.S.C. 2254(a)), except that such sum shall be determined by applying to the total basic salaries (as defined in that Act) paid to employees performing activities authorized under section 6 of this Act and covered by that Act the per centum rate determined annually by the Civil Service Commission to be the excess of the total normal cost per centum rate of the civil service retirement system over the employee deduction rate specified in such section 4(a). The fund shall also pay into the Treasury as miscellaneous receipts that portion of the cost of administration of the civil service retirement and disability fund attributable to employees performing activities authorized under section 6 of this Act, as determined by the Civil Service Commission.

"(f) In the performance of and with respect to the functions, powers, and duties vested in him by section 6 of this Act, the Secretary shall—

"(1) prepare annually and submit a budget program in accordance with the provisions of sections 102, 103, and 104 of the Government Corporation Control Act, as amended; and

"(2) determine the character of and the necessity for obligations and expenditures and the manner in which they shall be incurred, allowed, and paid, subject to provisions of law specifically applicable to Government corporations.

"INFORMATION

"SEC. 9. The Secretary shall aid redevelopment areas and other areas by furnishing to interested individuals, communities, industries, and enterprises within such areas any assistance, technical information, market research, or other forms of assistance, information, or advice which are obtainable from the various departments, agencies, and instrumentalities of the Federal Government and which would be useful in alleviating or preventing conditions of excessive unemployment or underemployment within such areas. The Secretary shall furnish the procurement divisions of the various departments, agencies, and other instrumentalities of the Federal Government with a list containing the names and addresses of business firms which are located in redevelopment areas and which are desirous of obtaining Government contracts for the furnishing of supplies or services, and designating the supplies and services such firms are engaged in providing.

"TECHNICAL ASSISTANCE

"SEC. 10. In carrying out his duties under this Act the Secretary is authorized to provide technical assistance which would be useful in alleviating or preventing conditions of excessive unemployment or underemployment (1) to areas which he has designated as redevelopment areas under this Act, and (2) to other areas which he finds have substantial need for such assistance. Such assistance shall include studies evaluating the needs of, and developing potentialities for, economic growth of such areas. Such assistance may be provided by the Secretary through members of his staff or through the employment of private individuals, partnerships, firms, corporations, or suitable institutions, under contracts entered into for such purposes. Appropriations are hereby authorized for the purposes of this section in an amount not to exceed $4,500,000 annually.

"POWERS OF SECRETARY

"SEC. 11. In performing his duties under this Act, the Secretary is authorized to—

"(1) adopt, alter, and use a seal, which shall be judicially noticed;

"(2) hold such hearings, sit and act at such times and places, and take such testimony, as he may deem advisable;

"(3) request directly from any executive department, bureau, agency, board, commission, office, independent establishment, or instrumentality information, suggestions, estimates, and statistics needed to carry out the purposes of this Act; and each department, bureau, agency, board, commission, office, establishment, or instrumentality is authorized to furnish such information, suggestions, estimates, and statistics directly to the Secretary;

"(4) under regulations prescribed by him, assign or sell at public or private sale, or otherwise dispose of for cash or credit, in his discretion and upon such terms and conditions and for such consideration as he shall determine to be reasonable, any evidence of debt, contract, claim, personal property, or security assigned to or held by him in connection with loans made or evidences of indebtedness purchased under this Act, and collect or compromise all obligations assigned to or held by him in connection with such loans or evidences of indebtedness until such time as such obligations may be referred to the Attorney General for suit or collection;

"(5) further extend the maturity of or renew any loan made or evidence of indebtedness purchased under this Act, beyond the periods stated in such loan or evidence of indebtedness or in this Act, for additional periods not to exceed ten years, if such extension or renewal will aid in the orderly liquidation of such loan or evidence of indebtedness;

"(6) deal with, complete, renovate, improve, modernize, insure, rent, or sell for cash or credit, upon such terms and conditions and for such consideration as he shall determine to be reasonable, any real or personal property conveyed to, or otherwise acquired by, him in connection with loans made or evidences of indebtedness purchased under this Act;

"(7) pursue to final collection, by way of compromise or other administrative action, prior to reference to the Attorney General, all claims against third parties assigned to him in connection with loans made or evidences of indebtedness purchased under this Act. This shall include authority to obtain deficiency judgments or otherwise in the case of mortgages assigned to the Secretary. Section 3709 of the Revised Statutes, as amended (41 U.S.C. 5), shall not apply to any contract of hazard insurance or to any purchase or contract for services or supplies on account of property obtained by the Secretary as a result of loans made or evidences of indebtedness purchased under this Act if the premium therefor or the amount thereof does not exceed $1,000. The power to convey and to execute, in the name of the Secretary, deeds of conveyance, deeds of release, assignments and satisfactions of mortgages, and any other written instrument relating to real or personal property or any interest therein acquired by the Secretary pursuant to the provisions of this Act may be exercised by the Secretary or by any officer or agent appointed by him for that purpose without the execution of any express delegation of power or power of attorney;

"(8) acquire, in any lawful manner, any property (real, personal, or mixed, tangible or intangible), whenever deemed necessary or appropriate to the conduct of the activities authorized in section 6 of this Act;

"(9) in addition to any powers, functions, privileges, and immunities otherwise vested in him, take any and all actions, including the procurement of the services of attorneys by contract, determined by him to be necessary or desirable in making, purchasing, servicing, compromising, modifying, liquidating, or otherwise administratively dealing with or realizing on loans made or evidences of indebtedness purchased under this Act;

"(10) to such an extent as he finds necessary to carry out the provisions of this Act, procure the temporary (not in excess of six months) service of experts or consultants or organizations thereof, including stenographic reporting services, by contract or appointment, and in such cases such service shall be without regard to the civil service and classification laws, and, except in the case of stenographic reporting services by organizations, without regard to section 3709 of the Revised Statutes (41 U.S.C. 5); any individual so employed may be compensated at a rate not in excess of $75 per diem, and, while such individual is away from his home or regular place of business, he may be allowed transportation and not to exceed $15 per diem in lieu of subsistence and other expenses;

"(11) sue and be sued in any court of record of a State having general jurisdiction or in any United States district court, and jurisdiction is conferred upon such district court to determine such controversies without regard to the amount in controversy; but no attachments, injunction, garnishment, or other similar process, mesne or final, shall be issued against the Secretary or his property. Nothing herein shall be construed to except the activities under this Act from the application of sections 507(b) and 2679 of title 28, United States Code, and of section 367 of the Revised Statutes (5 U.S.C. 316); and

"(12) establish such rules, regulations, and procedures as he may deem appropriate in carrying out the provisions of this Act.

"TERMINATION OF ELIGIBILITY FOR FURTHER ASSISTANCE

"SEC. 12. Whenever the Secretary shall determine that employment conditions within any area previously designated by him as a redevelopment area have changed to such an extent that such area is no longer eligible for such designation under section 5 of this Act, no further assistance shall be granted under this Act with respect to such area and, for the purposes of this Act, such areas shall not be considered a redevelopment area: *Provided*, That nothing contained herein shall (1) prevent any such area from again being designated a redevelopment area under section 5 of this Act if the Secretary determines it to be eligible under such section, or (2) affect the validity of any contracts or undertakings with respect to such area which were entered into pursuant to this Act prior to a determination by the Secretary that such area no longer qualifies as a redevelopment area. The Secretary shall keep the departments and agencies of the Federal Government, and interested State or local agencies, advised at all times of any changes made hereunder with respect to the designation of any area.

"URBAN RENEWAL

"SEC. 13. Title I of the Housing Act of 1949, as amended, is amended by adding at the end thereof the following new section:

"'REDEVELOPMENT AREAS UNDER THE AREA REDEVELOPMENT ACT

"'SEC. 113. (a) Whenever the Secretary of Commerce certifies to the Administrator (1) that any county, city, or other municipality (in this section referred to as a "municipality") is situated in an area designated under section 5 of the Area Redevelopment Act as a redevelopment area, and (2) that there is a reasonable probability that with assistance provided under such Act and other undertakings the area will be able to achieve more than temporary improvement in its economy, the Administrator is authorized to provide financial assistance to a local public agency in any such municipality under this title and the provisions of this section.

"'(b) Subject to the provisions of subsection (e) of this section, the Administrator may provide such financial assistance under this section without regard to the requirement or limitations of section 110(c) that the project area be predominantly residential in character or be redeveloped for predominantly residential uses under the urban renewal plan, and without regard to any of the limitations of that section on the undertaking of projects for predominantly nonresidential uses; but no such assistance shall be provided in any area if the Administrator determines that it will assist business establishments in relocating, totally or partially, from one area to another.

"'(c) Notwithstanding any other provision of this title, a contract for financial assistance under this section may include provisions permitting the disposition of any land in the project area designated under the urban renewal plan for industrial or commercial uses to any public agency or nonprofit organization for subsequent disposition as promptly as practicable by such public agency or corporation for the redevelopment of the land in accordance with the urban renewal plan: *Provided*, That any disposition of such land to such public agency or corporation under this section shall be made at its fair value for uses in accordance with the urban renewal plan: *And provided further*, That only the purchaser from or lessees of such public agency or corporation, and their assignees, shall be required to assume the obligations relating to the commencement of improvements imposed under section 105(b) hereof.

"'(d) Following the execution of any contract for financial assistance under this section with respect to any project, the Administrator may exercise the authority vested in him under this section for the completion of such projects, notwithstanding any determination made after the execution of such contract that the area in which the project is located is no longer a redevelopment area under the Area Redevelopment Act.

"'(e) Not more than 10 per centum of the funds authorized for capital grants under section 103 after the date of the enactment of the Area Redevelopment Act shall be used for the purpose of providing financial assistance under this section. Amounts used for such purpose shall not be taken into account for the purpose of the limitation contained in the second proviso of the fifth sentence of section 110(c).'

"URBAN PLANNING GRANTS

"SEC. 14. Paragraph (3) of section 701(a) of the Housing Act of 1954 is amended by inserting after "counties which" the following: '(A) are situated in areas designated by the Secretary of Commerce under section 5(a) of the Area Redevelopment Act as redevelopment areas or (B)'.

"OCCUPATIONAL TRAINING

"SEC. 15. (a) The Secretary of Labor is authorized, upon request and whenever he determines such studies are needed, to undertake, or to provide assistance to others for, studies of the size, characteristics, skills, adaptability, occupational potentialities, and related aspects of the labor force of any redevelopment area.

"(b) When a redevelopment area has an approved economic development program as provided in section 6(b)(10), the Secretary of Labor, in consultation with the Secretary, shall determine the occupational training or retraining needs of unemployed individuals residing in the redevelopment area. The Secretary of Labor shall notify the Secretary of Health, Education, and Welfare of the occupational training or retraining requirements of the area, and shall provide for the orderly selection and referral of those unemployed or underemployed individuals residing in the area who can reasonably be expected to obtain employment as a result of the skill they will acquire in the training which is to be made available. The Secretary of Labor shall cooperate with the Secretary of Health, Education, and Welfare and with existing State and local agencies and officials in charge of existing programs relating to vocational training and retraining for the purpose of assuring that the facilities and services of such agencies are made fully available to such individuals.

"(c) Whenever the Secretary of Labor finds that additional facilities or services are needed in the area to meet the occupational training or retraining needs of such individuals, he shall so advise the Secretary of Health, Education, and Welfare. The Secretary of Health, Education, and Welfare shall provide assistance, including financial assistance when necessary, to the appropriate State vocational educational agency in the provision of such additional facilities or services. If the Secretary of Health, Education, and Welfare finds that the State vocational educational agency is unable to provide the facilities and services needed, he may, after consultation with such agency, provide for the same by agreement or contract with public or private educational institutions.

"(d) The Secretary of Labor shall arrange to provide any necessary assistance for setting up apprenticeships, and to promote journeyman and other on-the-job training.

"(e) There are hereby authorized to be appropriated for the fiscal year beginning July 1, 1961, such sums, not in excess of $10,000,000, as may be necessary to carry out the provisions of this section.

"RETRAINING SUBSISTENCE PAYMENTS

"SEC. 16. (a) The Secretary of Labor in consultation with the Secretary may, on behalf of the United States, enter into agreements with States in which redevelopment areas are located, under which the Secretary of Labor shall make payments to such States either in advance or by way of reimbursement for the purpose of enabling such States, as agents of the United States, to make weekly retraining payments to unemployed individuals residing within such redevelopment areas who are certified by the Secretary of Labor to be undergoing occupational training or retraining under section 15 of this Act. Such payments shall be made for a period not exceeding sixteen weeks, and the amount of any such payment for any week shall not exceed the amount of the average weekly unemployment compensation payment (including allowances for dependents) payable for a week of total unemployment in the State making such payments.

"(b) No weekly retraining payment shall be made to any person otherwise eligible who, with respect to the week for which such payment would be made, has received or is seeking unemployment compensation under title XV of the Social Security Act or any other Federal or any State unemployment compensation law, but if the appropriate State or Federal agency finally determines that a person denied benefits for any week because of this subsection was not entitled to unemployment compensation under title XV of the Social Security Act or such Federal or State law with respect to such week, this subsection shall not apply with respect to such week.

"(c) Any agreement under this section may contain provisions (including, so far as may be appropriate, provisions authorized or made applicable with respect to agreements concluded by the Secretary of Labor pursuant to title XV of the Social Security Act) as will promote effective administration, protect the United States against loss, and insure the proper application of payments made to the State under such agreement. Except as may be provided in such agreements, or in the rules and regulations prescribed pursuant to subsection (d) of this section, determinations by any duly designated officer or agency as to the eligibility of individuals for weekly retraining payments under this section shall be final and conclusive for any purposes and not subject to review by any court or any other officer.

"(d) The Secretary of Labor and the Secretary shall jointly prescribe such rules and regulations as they may deem necessary to carry out the provisions of this section.

"(e) There are hereby authorized to be appropriated for the fiscal year beginning July 1, 1961, such sums, not in excess of $10,000,000, as may be necessary to carry out the provisions of this section.

"PENALTIES

"SEC. 17. (a) Whoever makes any statement knowing it to be false, or whoever willfully overvalues any security, for the purpose of obtaining for himself or for any applicant any financial assistance under section 6, or any extension thereof by renewal, deferment of action, or otherwise, or the acceptance, release, or substitution of security therefor, or for the purpose of influencing in any way the action of the Secretary, or for the purpose of obtaining money, property, or anything of value, under this Act, shall be punished by a fine of not more than $10,000 or by imprisonment for not more than five years, or both.

"(b) Whoever, being connected in any capacity with the Secretary, in the administration of this Act (1) embezzles, abstracts, purloins, or willfully misapplies any moneys, funds, securities, or other things of value, whether belonging to him or pledged or otherwise entrusted to him, or (2) with intent to defraud the Secretary or any other body politic or corporate, or any individual, or to deceive any officer, auditor, or examiner, makes any false entry in any book, report, or statement of or to the Secretary, or without being duly authorized draws any order or issues, puts forth, or assigns any note, debenture, bonds, or other obligation, or draft, bill of exchange, mortgage, judgment, or decree thereof, or (3) with intent to defraud participates or shares in or receives directly or indirectly any money, profit, property, or benefit through any transaction, loan, grant, commission, contract, or any other act of the Secretary, or (4) gives any unauthorized information concerning any future action or plan of the Secretary which might affect the value of securities, or having such knowledge invests or speculates, directly or indirectly, in the securities or property of any company or corporation receiving loans or other assistance from the Secretary, shall be punished by a fine of not more than $10,000 or by imprisonment for not more than five years, or both.

"EMPLOYMENT OF EXPEDITERS AND ADMINISTRATIVE EMPLOYEES

"SEC. 18. No financial assistance shall be extended by the Secretary under section 6 to any business enterprise unless the owners, partners, or officers of such business enterprise (1) certify to the Secretary the names of any attorneys, agents, and other persons engaged by or on behalf of such business enterprise for the purpose of expediting applications made to the Secretary for assistance of any sort, under this Act, and the fees paid or to be paid to any such person; and (2) execute an agreement binding such business enterprise, for a period of two years after such assistance is rendered by the Secretary to such business enterprise, to refrain from employing, tendering any office or employment to, or retaining for professional services, any person who, on the date such assistance or any part thereof was rendered, or within one year prior thereto, shall have served as an officer, attorney, agent, or employee, occupying a position or engaging in activities which the Secretary shall have determined involve discretion with respect to the granting of assistance under this Act.

"RECORD OF APPLICATIONS

"SEC. 19. The Secretary shall maintain as a permanent part of the records of the Department of Commerce a list of applications approved for financial assistance under section 6, which shall be kept available for public inspection during the regular business hours of the Department of Commerce. The following information shall be posted in such list as soon as each application is approved: (1) the name of the applicant and, in the case of corporate applications, the names of the officers and directors thereof, (2) the amount and duration of the loan for which application is made, (3) the purposes for which the proceeds of the loan are to be used, and (4) a general description of the security offered.

"PREVAILING RATE OF WAGE AND FORTY-HOUR WEEK

"SEC. 20. All laborers and mechanics employed by contractors or subcontractors on projects assisted by the Secretary under this Act and undertaken by public applicants shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a—276a-5), and every such employee shall receive compensation at a rate not less than one and one-half times his basic rate of pay for all hours worked in any workweek in excess of eight hours in any workday or forty hours in the workweek, as the case may be. The Secretary shall not extend any financial assistance under section 6 for such a project without first obtaining adequate assurance that these labor standards will be maintained upon the construction work. The Secretary of Labor shall have, with respect to the labor standards specified in this provision, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 64 Stat. 1267; 5 U.S.C. 133z-15), and section 2 of the Act of June 13, 1934, as amended (48 Stat. 948, as amended; 40 U.S.C. 276c).

"ANNUAL REPORT

"SEC. 21. The Secretary shall make a comprehensive and detailed annual report to the Congress of his operations under this Act for each fiscal year beginning with the fiscal year ending June 30, 1962. Such report shall be printed and shall be transmitted to the Congress not later than January 3 of the year following the fiscal year with respect to which such report is made. Such report shall show, among other things, (1) the number and size of Government contracts for the furnishing of supplies and services placed with business enterprises located in redevelopment areas, and (2) the amount and duration of employment resulting from such contracts. Upon the request of the Secretary, the various departments and agencies of the Government engaged in the procurement of supplies and services shall furnish to the Secretary such information as may be necessary for the purposes of this section.

"APPROPRIATION

"SEC. 22. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

"USE OF OTHER FACILITIES

"SEC. 23. (a) To the fullest extent practicable in carrying out the provisions of this Act the Secretary shall use the available services and facilities of other agencies and instrumentalities of the Federal Government, but only with their consent and on a reimbursable basis. The foregoing requirement shall be implemented by the Secretary in such a manner as to avoid the duplication of existing staffs and facilities in any agency or instrumentality of the Federal Government. The Secretary is authorized to delegate to the heads of other departments and agencies of the Federal Government any of the Secretary's functions, powers, and duties under this Act as he may deem appropriate, and to authorize the redelegation of such functions, powers, and duties by the heads of such departments and agencies.

"(b) Departments and agencies of the Federal Government shall exercise their powers, duties, and functions in such manner as will assist in carrying out the objectives of this Act. This Act shall be supplemental to any existing authority, and nothing herein shall be deemed to be restrictive of any existing powers, duties, and functions of any other department or agency of the Federal Government.

"(c) Funds authorized to be appropriated under this Act may be transferred, with the approval of the Director of the Bureau of the Budget, between departments and agencies of the Government, if such funds are used for the purposes for which they are specifically authorized and appropriated.

"(d) Subject to the standards and procedures prescribed by section 505 of the Classification Act of 1949, as amended, the head of any agency, for the performance of functions under this Act, including functions delegated pursuant to subsection (a), may place positions in grades 16, 17, and 18 of the General Schedule established by such Act, and such positions shall be in addition to the

number of such positions authorized by section 505 of the Classification Act of 1949, as amended, to be placed in such grades: *Provided*, That not to exceed a total of fifteen such positions may be placed in such grades under this subsection, to be apportioned among the agencies by the Secretary, with the approval of the Director of the Bureau of the Budget.

"RECORDS AND AUDIT

"SEC. 24. (a) Each recipient of assistance under section 6 of this Act shall keep such records as the Secretary shall prescribe, including records which fully disclose the amount and the disposition by such recipient of the proceeds of such assistance, the total cost of the project or undertaking in connection with which such assistance is given or used, and the amount and nature of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit.

"(b) The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purpose of audit and examination to any books, documents, papers, and records of the recipient that are pertinent to assistance received under section 6 of this Act.

"LOANS TO STATE AND LOCAL DEVELOPMENT COMPANIES

"SEC. 25. Section 502 of the Small Business Investment Act of 1958 is amended by striking out paragraph (6).

"STUDY BY SECRETARY

"SEC. 26. The Secretary shall make a study of the feasibility of establishing procedures to provide for increased use of military bases, and Government-owned plants and facilities for the manufacture or production of munitions and other supplies for the Government, which are located in areas designated under section 5 of this Act as redevelopment areas and which are not fully utilized, whenever such use is consistent with the national defense, economy in Government operation, and other Government procurement objectives. Upon the completion of such study the Secretary shall submit to the Congress a report of his findings together with such recommendations for legislative and other action as he may deem appropriate.

"APPLICATION OF ACT

"SEC. 27. As used in this Act, the terms 'State', 'States', and 'United States' include the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and American Samoa.

Mr. WIDNALL (interrupting the reading of the amendment). Mr. Chairman, I ask unanimous consent that further reading of the amendment be dispensed with and that it be printed in the RECORD at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. WIDNALL. I yield to the gentleman from Texas.

Mr. PATMAN. This is the bill, I assume, that was offered as a substitute.

Mr. WIDNALL. H.R. 5943.

Mr. PATMAN. H.R. 5943?

Mr. WIDNALL. That is correct.

Mr. Chairman, I have asked to dispense with the further reading of the amendment because this amendment is the committee bill as reported with 15 changes. I would like to underline those changes to the members of the committee so that they will fully understand what is proposed.

These changes, in my opinion, are desirable and necessary if this bill is to provide assistance for the hard-core depressed areas suffering from chronic and persistent unemployment because of loss of their industrial base.

My bill will provide 50 percent more loan assistance for the construction of plants in the truly depressed areas, it will provide more than double the amount of funds allocated for occupational training and retraining, and it will do all of this with a reduction of 30 percent in the overall cost. The cost of my bill to the taxpayer is $275 million, contrasted with the $394 million cost of the committee bill. Under my bill, the loan assistance provided would be on a nonsubsidy basis.

Rather than attempt the whole series of 15 amendments to the committee bill, I am of the opinion that it would be preferable procedure to have these changes incorporated in one new bill which I intend to offer as a substitute to the committee bill when it is before the House.

Following is a brief summary of the differences between the bill I have introduced and the bill that was reported by the House Banking and Currency Committee:

First. Designation of industrial redevelopment areas—section 5(a):

(a) The broad authority to designate redevelopment areas contained in the first sentence of section 5(a) is eliminated. Under it, in the bill as reported, a whole State could be declared a redevelopment area. The truly depressed areas should not have to share benefits intended for them on any such broad basis as that. This is a basic policy decision.

(b) The term "labor market area" is used in place of "area." Department of Labor statistics on unemployment are tabulated on the basis of "labor market areas." Thus there will be correlation between the areas designated and the areas for which unemployment information is available.

(c) Areas within a State can only be designated as redevelopment areas after the chief executive of the State has requested that the designation be made. This preserves States rights in the making of such designations.

(d) The criteria under which it is mandatory that areas be designated as redevelopment areas—upon proper request—are made the minimum conditions that must exist for any labor market area to be declared a redevelopment area. This will tend to assure that the assistance provided in the bill will be available for the hard core depressed areas which are the ones in greatest need.

Second. Rural areas—section 5(b):

(a) The loose and meaningless criteria for designation of rural development areas are eliminated. Under the committee bill, only two counties or as many as half of the counties in the United States could be declared to be redevelopment areas. In addition, the hearing makes abundantly clear no one has the faintest idea of how this program would work.

But we would like to know the nature of the assistance, where it is to go, what the areas are. And nobody has given any intelligent explanation of that up to now, including all the committee witnesses.

(b) The sensible way to proceed with this part of the program is to require the Secretary of Agriculture to come up with a study that makes sense as to what could be done in rural areas, and Indian reservations. Accordingly, provision is made for such a study with a report to Congress not later than January 3, 1962. Appropriations of up to $500,000 are authorized for such study. The Secretary of Agriculture is specifically authorized to receive assistance from the Secretary of Interior in making the study.

Third. Plant loan funds for industrial redevelopment areas—section 6(b):

(a) In my bill, a 50-percent increase is provided in the loan funds available for the hard core industrial depressed areas since that program can proceed on a sensible basis.

(b) Since it is the apparent intention of the committee bill that there be at least 15 percent State and local equity participation in plant loans, section 6(b)(9)(C) is amended to close a loophole under which, in certain cases, only a 10 percent participation would be required.

Fourth. Loans for public facilities—section 7:

(a) In place of establishing a new, duplicating public facility loan program on a subsidized basis, provision in my bill is made for expanding by $100 million the existing public facility loan program in the Housing Agency with provision for a priority for counties, cities, and other municipalities and political subdivisions in redevelopment areas. Such a program is on a nonsubsidized lending basis.

The CHAIRMAN. The time of the gentleman from New Jersey [Mr. WIDNALL] has expired.

Mr. HIESTAND. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

Mr. PATMAN. Mr. Chairman, reserving the right to object—and I shall not object—I should like to get some understanding about time on this amendment, if we can. We have only one Member who is going to answer the gentleman from New Jersey [Mr. WIDNALL]. If the gentleman wants to dispose of this in a reasonable length of time, I am willing that he be granted as much time as he desires now, with the understanding that the Member on our side will have the same amount of time, and then debate will be closed.

The CHAIRMAN. Is the gentleman proposing a time limitation?

Mr. PATMAN. I would like to know if there would be any objection to such an arrangement. If there is any objection, I shall not press it. I do not

object to the unanimous consent request that the gentleman proceed for an additional 5 minutes at this time.

The CHAIRMAN. Is there objection to the request of the gentleman from California [Mr. HIESTAND]?

There was no objection.

Mr. WIDNALL. Mr. Chairman, (b) protection is afforded against such loan funds being utilized in a manner to induce pirating of industry from other areas to redevelopment areas.

Fifth. Grants for public facilities:

(a) This PWA type program—section 8 of the reported bill—is completely eliminated from my bill on basic policy considerations as follows: First, it is a foot-in-the-door start of omnibus Federal grant-in-aid legislation; second, the eligibility criteria are virtually unlimited; and, third, it could be used to foster unsound projects in that it would apply to a project for which there would be "little probability that such project can be undertaken without the assistance of a grant under this section."

Sixth. Termination of eligibility for further assistance—section 12:

(a) Although no change is made in this section, nevertheless for the first time it would acquire real meaning because of the deletion of the broad area designation authority contained in the first sentence of section 5(a) of the bill as reported. Eligibility of an area is terminated when it no longer meets requirements for designation as a redevelopment area.

Seventh. Urban renewal—section 13:

(a) A provision is added in my bill protecting against plant-pirating in the use of this program in redevelopment areas. Somewhat similar protection was included in the bill S. 722 which was sent to the President by the last Congress.

Eighth. Occupational training—section 15:

(a) Since this is the only help some of the unemployed in depressed areas will get out of this bill, the amount provided for occupational training in my bill has been more than doubled—increased from $4.5 million to $10 million.

(b) The authorized appropriation is placed on a 1-year basis to force the coordination within that time of this new program with the existing vocational training programs of the Department of Health, Education, and Welfare.

Ninth. Retraining subsistence payments—section 16:

(a) The amount is the same as the reported bill.

(b) The authorized appropriation is placed on a 1-year basis to afford the Ways and Means Committee an opportunity to coordinate and possibly consolidate this program with the basic unemployment compensation program.

So the essential differences are these:

In plant loans there is $50 million more in my bill.

As against $100 million in the rural development section in the committee bill, there is $500,000 in my bill for a study.

The public facility loans of $100 million on a subsidized-loan basis in a new agency have been eliminated, but the same $100 million is now authorized in the existing community facility program, with priority to the redevelopment areas.

Public facility grants of $75 million in the committee bill have been eliminated.

Technical assistance and subsistence payments remain the same, at $4,500,000.

Occupational training has been increased in my bill from $4.5 million, to $10 million.

May I call to the attention of the Members that there are many, many small areas that qualify today under both bills for the industrial loan assistance.

Page 18 of the committee report lists 83 smaller areas of substantial and persistent labor surplus which qualify for assistance under this bill. These areas each contain a work force of 15,000 or more and take their names from the principal community or communities in the area. The following tabulation shows the 1960 population of the "name-communities" of several of these smaller areas:

STATE AND AREA, 1960 POPULATION, U.S. CENSUS

Alabama: Jasper, 10,799.

Kentucky: Morehead, 4,170; Grayson, 1,692; Paintsville, 4,025; Prestonburg, 3,103.

Missouri: Washington, 7,961.

New Jersey: Ocean City, 7,618; Wildwood, 4,690; Cape May, 4,477.

Ohio: Batavia, 1,729; Georgetown, 2,674; West Union, 1,762.

Pennsylvania: Kittanning, 6,793; Ford City, 5,440; St. Marys, 8,085; Sayre, 7,917; Athens, 4,515; Towanda, 4,293.

Tennessee: La Follette, 6,204; Jellico, 2,210; Tazewell, 1,264.

Virginia: Big Stone Gap, 4,688; Appalachia, 2,456.

Washington: Anacortis, 8,414.

West Virginia: Logan, 4,185; New Martinsville, 5,607; Oak Hill, 4,711; Montgomery, 3,000; Point Pleasant, 5,785; Gallipolis (under 1,000); Ronceverte, 1,882; White Sulphur Springs, 2,676; Welch, 5,313.

It is very apparent from these population figures that the Department of Labor tabulations on employment conditions already cover even very small communities. The argument that flexible area designation authority is needed so that small communities will not be excluded as depressed areas, just does not square with the facts. What should concern this Congress is that under the broad area designation authority contained in the first sentence of section 5(a), whole States could be declared depressed areas. In that first sentence the word "area" means only what the administrator might decide it means. Obviously, the pockets of chronic unemployment—the truly depressed areas—just would not have a chance as whole States moved in to take most of the assistance intended for the local areas of chronic and persistent unemployment. This is a basic policy issue which in my opinion should be resolved in favor of the truly depressed areas. To do otherwise would make this bill a fraud on the local areas of greatest need.

Mr. RAINS. Mr. Chairman, I rise in opposition to the Widnall amendment.

(By unanimous consent (at the request of Mr. PATMAN), Mr. RAINS was given permission to proceed for 5 additional minutes.)

Mr. RAINS. Mr. Chairman, I assume this is the meat of the coconut on this bill. Since it covers about every category in it, with the 15 changes in the committee bill which the gentleman from New Jersey [Mr. WIDNALL] proposes, I would assume that the main vote would come on this particular substitute.

I was pleased to hear even stout opponents of this legislation say yesterday in the debate on the rule that this was a better bill than we have had before the Congress heretofore. That is a true statement. This bill is better than any other bill that has come out of the Committee on Banking and Currency on this particular subject. It is not a perfect bill. I have been here long enough, as you have, to know that no committee can write a perfect bill. It is not a bill on which you cannot find some criticism, because you can. You can do that on any bill. But from a legislative standpoint, this is a good approach to a tough and difficult problem.

Mr. Chairman, I shall confine my remarks strictly to the Widnall amendment.

The Widnall amendment seeks to butcher the bill completely, as the committee brought it out. It seems to take away from the bill its reasons for support from all elements, or call it what you will, so that the bill will get beat. That is how plain and simple the Widnall amendment is and that is how plain and simple the principle of the Widnall amendment is. When you say you want to take away from all the counties and the small cities and towns in America represented by all these Members here and confine it only to 50 urban areas, anybody here knows that that would beat this bill, if you adopted the amendment. That is clear and that is the intent and purpose. The purpose is not to make the bill better, because it does not make it better. It takes away from it the very thing that will help us to make a step forward in rural and urban development. I want to say this before I move into some specifics. I am the last one here who believes that this will solve the problem. I know that this small amount of money is not going to solve the problem. I also know though that it will be a step forward and a step in the direction which we ought to go, based on what I think is a fair formula and on what I believe the majority of the committee felt was a fair formula. There are two divisions to the bill. The first, refers to the mandatory section. The mandatory section of the bill refers to cities which have had long unemployment. There is a list of them in the committee report. To these areas under this bill, the Secretary of Commerce must give aid and assistance. He has no difficulty in arriving at that because the Secretary of Labor keeps statistics on employment in all cities and towns in America above 15,000 in population. But for those cities and towns of 15,000 and under, we found there were no statistics in the Bureau of Labor Statistics and, therefore, we had to write criteria into the bill, if we were to include the unemployed and the underemployed in those areas in the sections of this country where we do not

have cities above 15,000 with an established record in the Bureau of Labor Statistics in the Department of Labor. People have asked me what this bill will do.

I yield to my good friend, the gentleman from Florida [Mr. SIKES].

Mr. SIKES. The distinguished gentleman is giving a very important statement, and many of us here who recognize there is definitely a need for a bill designed as the bill is designed want to be certain that this bill reaches into every area and is not confined just to the major cities. We want to be certain that it will reach the small rural areas where there is just as much depression percentagewise as there is in any major city. Now will my distinguished friend tell us definitely, so that we may know exactly what this bill does for the rural areas how a small county or a rural county may qualify under this bill?

Mr. RAINS. I will say to the gentleman, he never made a truer statement than the one he just made when he said that there is just as much depression on the farms of America as there is in anybody's city. I hope my colleagues will listen to these figures and then I will get to the details.

In 1959, 35 percent of the farm families in America made less than $2,000 a year; 35 percent of the farm families had less than that income in this country.

As the farmers have increased their production they have lost their own jobs. They are the only people in America who have done such a job that they have run themselves out of business. The result is they are unemployed or underemployed, really, by the hundreds of thousands on farms in the rural areas of America.

This is how it will help: First, the committee bill will provide Government loans on very liberal terms to create new job opportunities in areas now predominantly rural. These loans for industrial building will provide the seed capital and the enabling leadership in these areas to intensify their industrial redevelopment programs of their own local organizations. I predict that chambers of commerce which now generally oppose this bill will be the agencies through which a great many of these small industries will be located in these small towns, or else a development organization of some type will do the job.

Second, there are loans and grants for public facilities. I do not want to say to you, Mr. Chairman, that I think this is a public facilities bill, because a little later on in this session I expect to bring before this Congress a bill that I hope will carry a substantial amount for community facilities. But that is not for the towns that we are talking about now. We are talking here about towns in the rural areas that might need another $15,000 that cannot float bonds at a reasonable rate of interest to build a little water system or a little water plant or some type of community facility which they need just as much as some big city might need a $100 million community facility. To base it on any unsound or inadequate financing would be about like throwing money down a rathole. The criteria have been broadened so that the Secretary of Commerce—and, of course, he will work with the Secretary of Agriculture—can identify any rural area that has a substantial amount of unemployment or underemployment and can establish that area as eligible to receive the aid and assistance under this section of the bill.

Mr. JONES of Missouri. Mr. Chairman, will the gentleman yield?

Mr. RAINS. I yield to the gentleman from Missouri.

Mr. JONES of Missouri. What type of community would be eligible for community facilities which are not now already eligible and receiving loans for these specific purposes the gentleman has mentioned?

Mr. RAINS. I will be glad to answer the gentleman. First of all, there is not enough money in the present community facilities program to do what should be done. I can think of one program in my district, a place that needs a water system, that cannot float any kind of bonds and cannot qualify under the community facilities program at present and could not meet the payments possibly under that, but which would be helped by the provision in the pending bill which would spread the payments over a longer time and at a lower rate of interest than in the regular community facilities program.

Mr. JONES of Missouri. But is not the community facilities program working very well? I know there are cases in my own district where they have not been able to be served.

Mr. RAINS. The program has barely scratched the surface. The community facilities program should be extended, but the towns we are talking about here need special help.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. SIKES. Mr. Chairman, I ask unanimous consent that the gentleman from Alabama [Mr. RAINS] may proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. SIKES. Mr. Chairman, will the gentleman yield?

Mr. RAINS. I yield.

Mr. SIKES. Mr. Chairman, will the gentleman yield?

Mr. RAINS. I yield to the gentleman from Florida.

Mr. SIKES. The gentleman has given us some very helpful information. Would the gentleman take another minute or two and tell us how a small rural county or community, a specific county or community, can qualify under this bill?

Mr. RAINS. That is difficult because I have to imagine myself in the place of the Secretary. No legislation can spell out the exact details but the qualification is that the Administrator must find a substantial amount of unemployment or underemployment, and that it has existed for a considerable length of time. He must find it in those areas that do not have reports from the Labor Department, and those are areas under 15,000. It places in the Administrator a great deal of leeway, and necessarily so, because of lack of records as to how he can establish and find an area that would be eligible.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. RAINS. I yield to the gentleman from Texas.

Mr. PATMAN. On page 19 of the report there are listed the seven criteria that are suggested as to designation of the most critical areas. The question is answered on page 19.

Mr. SEELY-BROWN. Mr. Chairman, will the gentleman yield?

Mr RAINS. I yield to the gentleman from Connecticut.

Mr. SEELY-BROWN. How is the determination to be made? Will someone give us a specific example of what is actually anticipated to be done? That is the question I have. Once you determine that a rural area is eligible, are you going to make it a better farm area, or change it from a farm area to an industrial area? That is the question I would like to have answered.

Mr. RAINS. In a great many farm areas there are not farm jobs to be had. The people are moving to the cities. Under this bill they would retain a number of the farm workers under the vocational education program for other jobs instead of sending them to the big cities of America and let them take poor jobs or stand in the breadline because they lack any job training at all. I think that is one of the important things. What they would do is try to find other jobs and retrain them for other jobs if there were not farm jobs available.

Mr. WIDNALL. Mr. Chairman, will the gentleman yield?

Mr. RAINS. I yield to the gentleman from New Jersey.

Mr. WIDNALL. In connection with this communities facilities program, that has been in existence for some time, there is an authorization of $100,000 in my substitute bill for that purpose. The gentleman states he expects to raise some more funds in the housing bill, but that will not be considered before July or August. This would provide aid in an area where assistance is needed.

Mr. RAINS. Before the day is over I expect to introduce the administration housing bill, and I hope to be able to say we will not have to wait until July or August before we get one passed. I do not think the amount of money in the administration housing bill is sufficient for community facilities. But we are talking about a depressed area here that needs public facility loans. We expect in connection with the housing bill to take up the regular community facilities program.

Mr. FORRESTER. Mr. Chairman, will the gentleman yield?

Mr. RAINS. I yield to the gentleman from Georgia.

Mr. FORRESTER. I would like to ask the gentleman this question: Suppose there is some little town or locality that wishes to obtain a loan, they could create a bonded indebtedness and get the money they needed for the project. Would they be eligible to obtain a loan under this legislation or would they be

forced to issue bonds and obtain the money in that way?

Mr. RAINS. I do not quite understand the gentleman's question, but I can assure him there is nothing in this bill that would force a city that qualifies under this criteria to vote its own bonds in order to get a community facilities loan.

Mr. FORRESTER. Here is what I mean: Suppose there is one of these depressed communities, but they can under their constitution vote bonds for an amount which will be sufficient to obtain their facilities. Since they are able to obtain money by that avenue, would they be prohibited from borrowing money from the Government under this legislation?

Mr. RAINS. Only if they can raise the money on more reasonable terms elsewhere.

Mr. KITCHIN. Mr. Chairman, will the gentleman yield?

Mr. RAINS. I yield to the gentleman from North Carolina.

Mr. KITCHIN. Under the public facilities portion of the bill, will the gentleman tell me, is there any delineation as to what constitutes a public facility? Can they build sidewalks, or even schools?

Mr. RAINS. The bill indicates the criteria which must be met to qualify. Schoolhouses are left out.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. HIESTAND. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, just as the very eloquent gentleman from Alabama has discussed the proposed substitute, I shall take a few minutes to discuss the alternative, the bill that was originally introduced.

Mr. Chairman, I suggest that the committee bill itself is one of potentially the greatest boondoggles this House has had a chance to pass upon. Here we have only 3 hours of debate. True, there have been a lot of hearings on it, but in a limited 3 hours we are going to pass, if we do, a measure that can remain on the books anywhere from 50 to 500 years and create a public works program that can be far above anything that any of us have considered up to this time.

I suggest, Mr. Chairman, secondarily, that this bill has the weakness of a whole lot of other pieces of legislation that we have considered. It would endeavor to doctor the symptoms of the disease rather than to attack the causes and correct them. In the committee report there was a slight touch of discussion on causes but nothing toward correcting them. In the hearings I can find only a brief listing but nothing to correct them. Among these basic fundamental causes completely ignored by the committee are first, exhaustion of natural resources; second, changing markets; third, changing demand for goods; fourth, changes in transportation; fifth, labor problems; sixth, taxation problems; seventh, financing problems in particular communities; eighth, competition with imports (a major cause); ninth, automation; and, tenth, closing military bases.

Generally speaking, Mr. Chairman, chambers of commerce are noted for promoting business for their communities. Therefore, a wire from the California Chamber of Commerce might be of interest at this point. They object to this bill because, first, consumer demand, which is down, and available plant space, which is excessive in many industries, is what creates new job opportunities; second, measure treats symptoms rather than causes of unemployment; and third, it is not proper for the Federal Government, through the use of tax funds, to compel the citizens who are giving substantial private financial support to their own local community industrial development programs, to also underwrite the industrial development of competing communities in other parts of the country.

Mr. Chairman, my third point is that this bill, if enacted, simply would not work. We set in the bill some $394 million, and it is variously estimated to take $10 to $15 billion to do the job that is outlined in the bill, and the proponents freely admit the authorized funds are vastly insufficient. Now, we all know that starting a new business is a tough job; it will take several years to put it on its feet, and then it will be on the dole and it will have to be kept there. The mere establishing of a new industry in a depressed area does not of itself guarantee success to that industry or to that community. Matters of demand, supply, management, additional financing are requisites for success. Furthermore, the moving of an existing industry into a new community obviously requires it moving out of other areas, despite the antipiracy clause. Thousands of communities have literally lifted themselves out of local depressions by their own initiative. That is the American way. Bonds for community development and community facilities have always sold well and are still selling well.

Mr. Chairman, I direct the attention of the House to secton 5(b) again, which would establish a rural section in this relief bill, without definition. It is entirely in the hands of the Secretary. This could be a gigantic political boondoggle. The hearings indicated that it would be very difficult to determine who is eligible and who is not, and to apportion the money.

May I suggest, Mr. Chairman, that this is a vote-getting gadget only. Many Members in the House may have felt that they had to vote for this bill because there was some unemployment in their own territory. May I suggest that this bill does not guarantee that it will go into any one area. There are 10 times as many areas as there is money to take care of them in this bill.

This is a bad bill. It would be ineffectual except to promote a colossal political bureaucracy, further build big government. It should be defeated.

The CHAIRMAN. The time of the gentleman from California [Mr. HIESTAND] has expired.

Mr. PERKINS. Mr. Chairman, I move to strike out the requisite number of words.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. PERKINS. I yield to the gentleman from Texas.

Mr. PATMAN. Mr. Chairman, I wonder if we can come to an agreement on limiting debate on this amendment and all amendments thereto. I ask unanimous consent that all debate on this amendment and all amendments thereto close in 25 minutes, after the gentleman from Kentucky [Mr. PERKINS] has used his time.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. HOFFMAN of Michigan. Mr. Chairman, reserving the right to object, before we finish, I wonder if the gentleman could help me get 5 minutes; that is all I want.

Mr. PATMAN. The gentleman will have plenty of opportunity, I am sure. I am not in a position to answer that question just now.

Mr. HOFFMAN of Michigan. I just asked for the gentleman's help; I did not ask for a guarantee.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas that all debate on the pending amendment and all amendments thereto close in 25 minutes, after the gentleman from Kentucky [Mr. PERKINS] has concluded?

There was no objection.

Mr. PERKINS. Mr. Chairman, I rise in support of the committee amendment and against the amendment offered by the gentleman from New Jersey [Mr. WIDNALL], because I believe the amendment offered by the gentleman from New Jersey will discriminate against the areas that have had chronic unemployment for many years. I believe that areas like eastern Pennsylvania, West Virginia, eastern Kentucky, and hundreds of mining communities that need assistance the worst will be completely eliminated under the amendment offered by the gentleman from New Jersey. And I will tell you why I make that observation.

Down in the district that I am privileged to represent in eastern Kentucky we have about 120,000 nonagricultural workers, and out of this number we have about 45,000 unemployed. This means that for every three men working in the region, more than one person is unemployed. Now I have in mind one of the small coal-producing counties where we have every rail mine in the county closed down. The communities are very small. The income of three out of every four families in this county is less than $2,000. There are 2,000 families in this particular county with an income of $700. But for the welfare programs, veterans' pensions, and liberalization of our social security law, many of these communities would have less purchasing power than they had during the depression in the thirties. The amendment of the gentleman from New Jersey would delete the $100 million figure in the committee bill for rural areas. This particular county that I have reference to, in my judgment, under the Widnall substitute, would be classified as a rural

community and therefore be excluded from consideration. It would only provide assistance in the larger cities. I personally believe that his amendment is discriminatory against some of the most needy areas in the whole country.

The same would hold true for dozens of communities, mining communities in eastern Kentucky that would be classified as rural. They would be classified as rural and you would delete from the committee bill the $100 million put in there for rural purposes and the $75 million in grants. The grant provision is badly needed in these communities where we have a dilapidated tax base.

Mr. WIDNALL. Mr. Chairman, will the gentleman yield?

Mr. PERKINS. I yield.

Mr. WIDNALL. What assurance has the gentleman that these communities he is describing would receive assistance under the committee bill? We were unable to obtain any information as to who would be helped, the type of projects, how anybody would receive one job. This is the purpose of the $500,000 for the study I have in my bill.

Mr. PERKINS. Yes; the gentleman provides for another study, but he deletes all the funds for the rural counties. The committee bill defines in no uncertain terms, which the gentleman's amendment does not, the rural counties that can qualify, and it sets out the criteria. There are 40 counties in Kentucky alone that would receive no assistance and would be excluded under this amendment.

Mr. WIDNALL. The gentleman has not answered my question. What assurance does the gentleman have that these counties would qualify?

Mr. PERKINS. I have no assurance other than studying the gentleman's amendment and the committee bill, and the criteria on which the committee bill qualifies these counties.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. PERKINS. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. The gentleman certainly has two assurances about this bill. In the first place, he knows that the Secretary of Commerce has testified he is willing to do all in his power to make it work for the rural areas as well as the urban areas. In the second place, he knows with absolute assurance that there is nothing for the rural areas in the Widnall substitute. The only chance for the rural areas is under the committee bill. The gentleman from Kentucky who has been one of the most effective champions of area redevelopment in the Congress is to be commended on his fine statement today.

Mr. PERKINS. I thank the gentleman from Oklahoma.

Mr. MULTER. Mr. Chairman, will the gentleman yield?

Mr. PERKINS. I yield to the gentleman from New York.

Mr. MULTER. There is the further assurance of the Secretary of Agriculture in the testimony that they will have the help of his administration to work this out.

Mr. PERKINS. I am interested in the grant provision of the committee bill which has been knocked out of the gentleman's substitute. In eastern Kentucky and West Virginia there are dozens of mining communities that cannot even maintain their city governments today. The rail mines have collapsed, more unemployment in the coal fields than ever. We must have assistance and we must have it at the Federal level in the way of grants when they do not have the means to borrow money.

The proposal of the administration in the committee bill provides $75 million in grants to help these communities build plants and public facilities needed to service them such as water and sewer systems and roads. Where the community does not have the credit to borrow ample funds for these improvements, the Government certainly should provide grants.

I am hopeful that the committee bill will prevail and the Widnall amendment will be voted down.

The CHAIRMAN. The Chair recognizes the gentleman from Oklahoma [Mr. EDMONDSON].

Mr. EDMONDSON. Mr. Chairman, if there is anyone here who has any doubt at all in his mind about the need of the farming communities for this program and about the support of the organizations that speak for the farmers of America, I would appreciate your attention for just a minute.

In the committee hearings you will find at page 148 a strong statement by the head of the Rural Electric Cooperative Association for the country expressing the strong support of the rural electric cooperatives for this committee measure with the rural areas in it.

At page 177 you will find a strong statement by a spokesman for the National Farmers Union in which he expresses the strong support of the Farmers Union for this legislation with the rural areas in it.

At page 603 you will find another strong statement, one of the best made before the committee, by the assistant legislative counsel for the Grange, in which the Grange points out that there are approximately a million farm families in America with an annual income of less than $1,000 to subsist the entire family. The Grange is strongly in favor of this legislation with the farm areas in it.

Finally, at page 1 of the hearings you will find a letter from our Chief Executive, the President of the United States, in which he points out the need for this program and says that we need it both for rural and urban areas. He then tells the Congress of the United States:

> I believe it is essential that we enact this legislation at the earliest possible date. It will constitute a major effort to revive and redevelop communities which have too long been handicapped.

Let us adopt the committee bill.

Let us give the President the tools to do the job.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Chairman, perhaps, I can help out on the rural part of this program about which there has been so much question. If I may have the attention of the gentleman from Texas [Mr. PATMAN], I understand from reading the hearings, it is entirely possible under this bill, with respect to the rural provision, to spend money for the establishment of shooting preserves, fishing ponds, recreational facilities, and so on and so forth; am I correct?

Mr. PATMAN. You are incorrect.

Mr. GROSS. Well, now, just a minute. This is my time you are laughing on. On page 63 of the hearings, Mr. REUSS, of Wisconsin says:

> And am I on the right track in suggesting that the possibilities under the proposed act include game farms, places where city people, for a fee, could go to hunt; fishing facilities such as trout or bass ponds where city people could get some sport fishing for a fee; campsites and resorts?

And so on.

And Secretary Freeman said:

> All of that, I think, would be potentially possible.

Mr. PATMAN. Mr. Chairman, will the gentleman from Iowa yield to the gentleman from Wisconsin [Mr. REUSS] to answer the question.

Mr. GROSS. I am happy to yield to the gentleman.

Mr. REUSS. That question was asked and the answer was as you described it. However, all of these things are possibilities——

Mr. GROSS. Just a minute. You have answered the question.

Mr. REUSS. Will the gentleman let me finish?

Mr GROSS. I have only 2 minutes and I have not had a minute up to now on this bill.

Mr. REUSS. If you do not want to hear the answer, you do not have to.

Mr. GROSS. You gave the answer—it is here in the record. I wanted to be sure the authority is still in the bill. Now, I suppose, it is entirely possible to build dance pavilions for square dancing and bowling alleys for farmers or city people who want to go out and bowl in the country and other things of that nature; is that correct?

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. MULTER].

Mr. MULTER. Mr. Chairman, I repeat what was said a few moments ago by the distinguished gentleman from Alabama [Mr. RAINS]. The adoption of this amendment, the Widnall substitute, guts the bill. Those who want to meet the issue as to whether we do or do not do anything for these depressed areas ought to meet that issue forthrightly and not by gutting the bill by means of this substitute amendment. The substitute amendment will not do the job that needs to be done and which needs to be done badly. Time is running out and it is running out fast. The thing for us to do is to vote down the Widnall amendment and to adopt the bill, as it was brought to us by the committee, and then go to work and get this job done that needs doing so badly both for the depressed areas in the urban communities as well as in the rural communities. We have not put into this bill a provision for rural com-

munities in order to get the farm vote. It was put in because the Secretary of Agriculture and our colleagues, representatives from the farm areas, have come in and told us they need this kind of bill as much as the cities need it. We want this bill, Mr. Chairman, for the United States of America and not for any particular section of the country. I urge my colleagues to vote down the Widnall substitute and then approve the committee amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. DERWINSKI].

Mr. DERWINSKI. Mr. Chairman, we are debating the amendment offered by the gentleman from New Jersey. It is quite obvious, however, and I am sure the gentlemen on the majority side will agree that the skids are greased. You are convincingly going to defeat this amendment and in accordance with the dictates of the administration, you are going to jam this bill through the House. However, let me point out a few things for the benefit of those of you who are going to make this mistake. Incidentally, I sympathize with you, realizing that intense pressure from the executive branch of Government forces many to vote against their own personal convictions.

First of all, honesty dictates that you withdraw your phony charges that the Widnall amendment is gutting the bill. Please look at the facts and figures for once. Here is what the facts are. Under the Widnall amendment, we are providing an extra $50 million to industrial plant loans. Furthermore, we are adding more than 100 percent to the occupational training fund, which is really the program you need in the depressed areas.

Furthermore, I would like to make a prediction for the benefit of those of you who are sitting there whipped into line.

I would like to predict that within a year you will admit your error in having voted for this bill for this basic reason, that it is an administrative monstrosity. Your own Secretary of Agriculture, your own Secretary of Commerce, or whoever else is saddled with the responsibility of administration will find that he cannot possibly administer this program.

But what is even more important, you are destroying any confidence that the people in the depressed areas may have in this type of legislation. You are going to have so many people hanging onto the coattails of this $394 million that you will not be able to do a thing for them. It is an absolute impossibility, and your own solution a year from now will be to request billions of dollars to perpetuate this completely inconsistent bill. Mr. Chairman, Members, please accept the Widnall amendment. It has some merit. Your administration bill is a fraud perpetuated at the expense of the American taxpayers, and, as I have indicated, citizens in depressed areas who are deluded by your false statements. I would like to say one last word in conclusion. Referring specifically to the rural area section of this bill you will probably wind up by training Mexican migrant workers for use in industrial operations. There is nothing in the bill to prevent this development. The language is so vague as to make it a blank check for the executive branch of Government to run wild with this appropriation.

The CHAIRMAN. The Chair recognizes the gentleman from West Virginia [Mr. BAILEY].

Mr. BAILEY. Mr. Chairman, in the minute or two allotted to me I would like to call attention to the growing tendency to impose upon this House this legislative farce that we are witnessing here on most of the major bills that have been presented. If we continue to practice "legislative piracy" you might just as well abolish the standing committees. A committee hears witnesses, takes maybe months or weeks considering legislation, then writes a bill and brings it to the floor. Overnight there is a combination set up and we have this legislative farce that destroys the work of the standing committees. You might just as well abolish them. The Widnall substitute would kill this legislation, not improve it.

I expect it to be the business of this House to carry out the recommendations of the committee.

The CHAIRMAN. The Chair recognizes the genteman from Texas [Mr. ALGER].

Mr. ALGER. Mr. Chairman, this bill, the substitute bill, and the committee bill, are not workable for the simple reason that they are unconstitutional. But it seems we are getting used to doing things unconstitutionally. It seems to me many times what we are doing is violating not just the language of the Constitution but the wisdom of those who believed in the private enterprise system.

Read the language on page 44 of the committee and the substitute bill, if you will. There is the same specified intent starting in line 18. This spells out complete Federal planning, regimentation, and control of industry. No bill will work that seeks to do these things, not the substitute bill, and least of all the committee bill.

Furthermore, on top of page 45 we find:

> And that under the provisions of this act new development opportunities should be created by developing and expanding new and existing facilities and resources.

Here we are spending the tax dollars and providing less employment. Money must be provided to run this program. You are taking it away from taxpayers under the guise of relieving unemployment. Actually you are adding to the cost burdens of industry that will result in more unemployment. I think we should be against both bills for the harm they do to the private enterprise system. Instead of taxing the people more we should tax them less.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. ROOSEVELT].

Mr. ROOSEVELT. Mr. Chairman, I am strongly in favor of this bill. The program recognizes the need of attacking unemployment in all sections of our country. It perhaps for the first time, attacks the need for retraining many workers due to economic changes, including automation, on the farm and in the city. It should be noted that the bill is only a first step. The responsibility for good administration is large. If successful it should serve as a guidepost for revival of many hard-hit areas and provide a way to prevent such steep valleys of depression sometimes even in a period of general prosperity, as now dot our national map. The success of this program can, and we must hope will be, an example of a successful remedy of the ills of a free country within the legitimate powers of freedom, and with due regard to the immense value of each citizen.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. VAN ZANDT].

Mr. VAN ZANDT. Mr. Chairman, I rise in opposition to the substitute. First, I think the House should understand that even though we have had no support for the committee bill from this side of the aisle there are a lot of us over here who are going to vote against the substitute and for the committee bill on final passage. Secondly, since 1954 we have been considering area redevelopment legislation, and many of us have listened over and over again to compromise and substitute bills. In my opinion these compromises and substitutes have been offered not only to delay consideration but to likewise kill area redevelopment legislation.

I recall the pocket veto of a bill some few years ago and the veto of last year, and frankly I apologized to the many unemployed residents of my district for the vetoes, and especially the one of last year.

Mr. Chairman, I am in the well of this House today asking support for the committee bill, because I feel the bill is a step in the right direction toward solving the nasty economic problem of these areas of chronic unemployment.

Mr. SAYLOR. Mr. Chairman, will the gentleman yield?

Mr. VAN ZANDT. I yield to the gentleman from Pennsylvania.

Mr. SAYLOR. I would like to join the gentleman in his statement. I am getting sick and tired of compromises. Let us stand for the committee bill and see what it will do.

Mr. VAN ZANDT. May I say in conclusion that the Congress since beginning has taken good care of the problems of certain segments of our population. This is proven by the billions of dollars spent on the farmer's problem, for relief from disasters, airport needs, flood control, and so forth. Today we have areas of depressions in our midst with thousands of good Americans unemployed. And through the committee bill Congress has an opportunity to extend a helping hand in our efforts to alleviate these distressing conditions.

Mr. Chairman, as my colleague the gentleman from Pennsylvania [Mr. SAYLOR] stated a moment ago, "let us stand for the committee bill and see what it will do."

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. COOLEY].

(By unanimous consent, the time of Mr. MONTOYA was given to Mr. COOLEY.)

Mr. COOLEY. Mr. Chairman, I speak to you not as chairman of the House Committee on Agriculture. I speak to you only as a humble Member of this House, trying as best I can to represent a great congressional district.

I am intensely interested in the welfare of our farmers and I am likewise intensely interested in the welfare of all of the people of my district, State, and Nation. The pending substitute is an insult to those who live in the rural areas of our great Nation. The author of the substitute offers only a token to those who live and labor on the farms of the Nation. Under the substitute, all of the relief, aid, and assistance will go to those who live in the great cities of our country. The substitute provides only a meager half million dollars for the purpose of conducting a study in the rural areas of the Nation.

Can we be unmindful of the fact that hundreds of thousands, even millions of persons who have lived and labored on the farms of the Nation have been driven off the land and into the cities to look for jobs which are not there available to them. A lot of the unemployment in these distressed areas has resulted from the great exodus from the farms of those who could no longer survive even by laboring in the flourishing fields of our country.

The substitute provides no hope for the people who remain on the farms and who are underemployed. It is difficult for me to understand how anyone interested in the welfare and future of our citizens who live in rural America could possibly vote for the substitute now under consideration.

In the committee bill there is at least some hope for those who have faithfully tilled our soil and have produced the great abundance which has blessed our Nation. The money provided by the proposals now under consideration is only "a drop in the bucket." We are told that we are "sowing seed." I am willing to accept this suggestion and to believe that we are sowing seed from which we may hereafter reap a rich harvest. If this is true, our efforts here today will not be in vain.

I am against the substitute and I urge all of my colleagues to vote against the substitute. I shall vote for the committee bill and I urge all of my colleagues to vote for the committee bill.

This is the first opportunity I have had to publicly congratulate and to commend the great President of our great Nation for having appointed a distinguished citizen of my grand State of North Carolina to high office. The manhood, the courage, and the patriotism of this whole Nation stood ready to serve our beloved President and to cooperate with him in his efforts to bring prosperity to our Nation and peace to the world. After considering the qualifications of a multitude of men, our President exercised great wisdom and selected a very distinguished North Carolinian to serve in his Cabinet as Secretary of Commerce. Naturally, all loyal North Carolinians were delighted because the former distinguished Governor of our State was selected by the President to serve as his Secretary of Commerce. Governor Luther H. Hodges served the people of our State well and faithfully for 6 long years. His magnificent record is written on the hearts and minds of our people and he has already proven himself to be a worthy member of the President's Cabinet. He is my personal friend. I respect and trust him, and I am perfectly willing to entrust into his hands the administration of the great program contemplated by the legislation under consideration. I know that with dignity and impartiality, and with fairness to all areas concerned, he will administer the law we are about to enact. I again appeal to my colleagues to vote down the pending substitute and to vote for the committee bill.

I am very glad that the distinguished gentleman from Oklahoma [Mr. EDMONDSON], made the very splendid and brief speech we have just heard. He emphasized very effectively and very eloquently many of the reasons we should vote against this pending substitute.

I am in complete accord with the views expressed by our distinguished and beloved colleague from West Virginia [Mr. BAILEY].

The committee bill might not be perfect, my record in Congress might not be perfect, and I doubt very much if the record of any of you could in all respects be considered perfect, but this committee bill is at least a short step in the right direction. We must do something to improve the plight of our distressed citizens in the many distressed areas of America. We have provided many billions of dollars to relieve the distress of the suffering people of many of the disturbed and unhappy areas of the world, and now we are just about to provide a little relief for American citizens who are devoted to the institutions of freedom, and who will for all times to come despise all of the concepts of communism. I appeal to all of you, and especially to those of you who are interested in the welfare of rural America, to vote down the pending substitute and to vote for the committee bill on final passage.

The CHAIRMAN. The Chair recognizes the gentleman from Montana [Mr. BATTIN].

Mr. BATTIN. Mr. Chairman, I ask unanimous consent to yield my time to the gentleman from Michigan [Mr. HARVEY].

The CHAIRMAN. Is there objection to the request of the gentleman from Montana?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. HARVEY].

Mr. HARVEY of Michigan. Mr. Chairman, I speak in favor of the Widnall amendment. I would like to also answer the gentleman from Alabama and the gentleman from North Carolina. The gentleman from Alabama had this to say: He inferred that we were trying to take away the vote-getting power of this bill. I say to you if section 5(b) providing for rural development areas was the vote-getting power in this bill, maybe it illustrates why we feel it was put in this bill, for vote-getting purposes.

Now, in regard to these rural areas, we have heard a lot said about underemployment. But, I thought when we started out that this bill was to help the unemployed and that it was those in the distressed areas that we were trying to help. Now, that is what the Widnall bill would do.

Now, as to the gentleman from North Carolina, I would just like to quote Secretary Freeman when he says himself that he would like to come back in a year. On page 72 of the hearings, when he was asked by Mr. SCRANTON:

> Have you any suggestion as to what could be done to make it more pinpointed since it already apparently includes almost every low-level income area in the United States?

Mr. Freeman said:

> No, I think after a year's experience with this we would be better able to do it; we could try. At this point, really, I wouldn't feel prepared to make any public recommendations languagewise.

Now, are we going to hand over that $300 million and let him do with it just what he wants to do? That is just exactly what you are doing in the administration bill. I challenge anybody on the committee to point out where these rural development areas will be located, how many there will be, how large they will be. No one knows. Not even Mr. Freeman. Then I would like to answer the charge that there is no duplication in section 7 of this bill in regard to lending facilities. I say to you that just this morning I had my administrative assistant call the Communities Facilities Administration, and he was advised that there is now between $45 and $50 million uncommitted on hand.

I have in my hand a Thermo-Fax copy of a Housing and Home Finance Agency letter dated February 23, in which that Agency is just begging communities to borrow money. They state that it is now wide open for borrowing and will allow them to build any kind of public works program that they want:

> Other policies which in the past restricted public facility loans to water, sewer, and gas projects have also been changed to provide financing for all types of public works, except schools, which the community is interested in placing under immediate construction.

So, I submit that we already have an existing agency to lend money for public facilities. The Widnall amendment is a far superior bill and will do more both in industrial loans and retraining, the two important features, than S. 1, the administration bill.

The CHAIRMAN. The Chair recognizes the gentleman from Missouri [Mr. JONES].

Mr. JONES of Missouri. Mr. Chairman, I am opposed to the substitute. However, I am not committed to this bill. My apprehension about this legislation is the fact that we have not considered what has caused these depressed areas and the necessity for redevelopment.

As many of you perhaps did, I saw a television program some time ago de-

picting the depressed area in Cairo, Ill. It was supposed to be an example of what this bill could correct. Being a neighbor of that part of the country, I can say that the film did not present in any way the cause of the depression there, where they lost some 3,000 population in the last 10 years; where they had lost 4 large industries; where people had moved out of the community. I will say that in many communities like that the people have not lived up to their responsibilities in law enforcement to keep out the gangs, goons, and the hoodlums and people like that who create an unsavory atmosphere unpleasant for the operation of any kind of legitimate industry. And, until the various communities which are losing some of these industries act accordingly—I am not referring to the coal sections or places like that where the demand is going down, but I am referring to communities where the facilities exist, where the factory buildings are now ample, where they already have the community facilities—those communities will never make a comeback until we have a change on the part of the people in those communities which will make them accept their responsibilities.

I also want to say that the reason I am reluctant to support the committee bill and am opposed to the substitute is that we have other agencies available, the Community Facilities Agency, the Housing and Home Finance Administration, the Small Business Administration, and others, all of which have demonstrated their ability to do most of the things which are proposed to be done by this legislation, but which in my opinion will result only in the waste of millions of dollars.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. PATMAN] to close debate.

Mr. PATMAN. Mr. Chairman, we have heard criticism about other agencies being permitted to do much of this work under the present law. The committee was very careful in writing this bill, and I just want to read you the language in section 24:

Whenever possible in carrying out the provisions of this act the Secretary shall use the available services and facilities of other agencies and instrumentalities of the Federal Government, but only with their consent and on a reimbursable basis. The foregoing requirement shall be implemented by the Secretary in such a manner as to avoid the duplication of existing staffs and facilities in any agency or instrumentality of the Federal Government.

This bill has been carefully written. We believe it safeguards the taxpayers. We believe it is in the interest of the country.

Mr. Chairman, I ask for a vote.

The CHAIRMAN. The time of the gentleman from Texas [Mr. PATMAN] has expired. All time has expired.

The question is on the amendment offered by the gentleman from New Jersey [Mr. WIDNALL].

The question was taken; and the Chair announced that the "noes" appeared to have it.

Mr. WIDNALL. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. WIDNALL and Mr. PATMAN.

The Committee divided and the tellers reported that there were—ayes 139, noes 242.

So the substitute amendment was rejected.

Mr. HOFFMAN of Michigan. Mr. Chairman, I move to strike out the last word.

Mr. HOFFMAN of Michigan. Earlier the gentleman from Pennsylvania [Mr. VAN ZANDT], and there is no more able or patriotic Representative in the House—and we recall when he left this Chamber to go to the combat zone in the South Pacific and serve where there was fighting but, perhaps, he was a little excited when he suggested that the motive of those of us who sometimes voted for a substitute or to recommit was an unworthy one. (He may strike his statements from the RECORD.)

This bill does not carry a new purpose. We had a somewhat similar purpose in 1937 and again in 1945, and the purpose seems to be, as stated by this professor from Yale who said:

If we go through and establish that as a national policy, that at any time the worker who is willing and anxious to work and cannot find private employment immediately, should be given immediately the opportunity to work on some kind of public works at virtually full normal wages, then this country is unquestionably headed for a complete totalitarian economic economy with a dictator running it.

Then he added:

That is not a matter of opinion. That is a matter of history. From way back in ancient Chinese history up to the present time this idea that the government should be responsible at all times for providing normal employment for every citizen has come out. It has been tried again and again and always ends up in the same result, namely, that the government gradually takes over more and more of the economic life of the country, and finally becomes a complete totalitarian economic state with a dictator at the head of it. (From testimony of Hudson G. Hastings, professor of economics, Yale University, October 24, 1945, before House Committee on Expenditures in the Executive Departments, on Full Employment Act of 1945, 79th Cong., 1st sess., p. 670.)

To keep the record absolutely clear, permit me to state that at least in my judgment, there is not a Member of this House who is not sympathetic toward those who are unemployed provided they want to work and most of them do. No one here wants anyone to suffer, to be hungry, without proper clothing or shelter. Unfortunately, all unemployment cannot be avoided.

Nations have been trying to solve the unemployment situation. To date have not succeeded.

Later in 1945, our then Secretary of Agriculture was up before the committee.

The Secretary gave us his estimate of the then unemployment situation, which was as follows:

	Alexander Hamilton Institute	Robert R. Nathan (President's Committee on Employment Security)	National Industrial Conference Board, New York City	American Federation of Labor	Congress of Industrial Organizations
1934	13,528,000	11,469,000	11,544,000	13,382,000	12,669,000
1935	12,659,000	10,485,000	11,234,000	11,695,000	11,741,000
1936	11,454,000	9,688,000	9,434,000	10,952,000	11,620,000
1937	9,250,000	8,076,000	7,574,000	9,241,000	9,751,000
1938	11,809,000	10,265,000	10,328,000	10,926,000	11,714,000
1939	11,552,000	11,029,000	10,012,000	11,369,000	12,323,000

The Nation and the States spent billions in the effort to give everyone a job, and, from the record, are these figures:

Public expenditures for assistance and work-program earnings, 1934–39—Federal, State, and local[1]

[In thousands of dollars]

Year	Amount and source of funds			
	Total	Federal funds	State funds	Local funds
1934	1,779,313	1,348,572	176,433	254,308
1935	1,871,315	1,372,389	242,974	255,952
1936	2,505,303	1,938,550	336,239	230,514
1937	2,173,580	1,543,895	396,073	233,612
1938	2,827,300	2,060,300	495,582	271,418
1939	2,638,869	1,831,466	531,430	275,973

[1] Excludes expenditures for the Civilian Conservation Corps, the National Youth Administration, the Public Works Administration, and regular Federal construction projects.

Source: "Trends in Financing Public Aid, 1930–41," p. 251, Social Security Yearbook, 1941.

Secretary of Labor Schwellenbach, who participated in that program, said this:

Furthermore, it must be recognized that we are making efforts toward full employment. We have been for a long, long time through various pieces of legislation creating such things as the NRA, the CWA, the PWA, the WPA.

We tried it and we failed. Now, we all want to do something for the unemployed areas, but there is no use in trying to keep people like the miners in West Virginia, at artificial levels or rather in an area where there can be no economically sound industry. You remember how some tried to keep wages up by levying a tax of 40 cents a ton over a number of years on all the coal mined?

Distressed areas exist sometimes because natural resources have been exhausted. Sometimes because the cost of production has grown higher than purchasing power. Sometimes because of overproduction. Sometimes because of progress—automation. And it is far better, experience has shown, to trust readjustment to the law of supply and demand than it is to attempt artificially to create jobs.

Perhaps if we give private industry a chance by reducing the tax load and in other ways by letting them operate their

own business when and where they would as long as they do not harm all of us, instead of trying as we are today to install the Federal Government as boss and dictator or permit labor union officials to determine when and where a plant may be built and how large it shall be. If we are going to turn that over to organizations interested in just one thing, increasing wages and better working conditions, we are not going to get anywhere.

I cannot vote for this bill. It will neither lessen unemployment nor stabilize industry. It is a form of "share the wealth program." An interference with natural orderly development in our country.

Mr. PATMAN. Mr. Chairman, I ask unanimous consent that the further reading of the bill be dispensed with, that it be printed in the RECORD at this point and that it be subject to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

(The remainder of the bill reads as follows:)

DECLARATION OF PURPOSE

SEC. 2. The Congress declares that the maintenance of the national economy at a high level is vital to the best interests of the United States, but that some of our communities are suffering substantial and persistent unemployment and underemployment; that such unemployment and underemployment cause hardship to many individuals and their families and detract from the national welfare by wasting vital human resources; that to overcome this problem the Federal Government, in cooperation with the States, should help areas of substantial and persistent unemployment and underemployment to take effective steps in planning and financing their economic redevelopment; that Federal assistance to communities, industries, enterprises, and individuals in areas needing redevelopment should enable such areas to achieve lasting improvement and enhance the domestic prosperity by the establishment of stable and diversified local economies and improved local living conditions; and that under the provisions of this Act new employment opportunities should be created by developing and expanding new and existing facilities and resources.

AREA REDEVELOPMENT ADMINISTRATOR

SEC. 3. There shall be appointed by the President, by and with the advice and consent of the Senate, an Area Redevelopment Administrator in the Department of Commerce who shall receive compensation at a rate equal to that received by Assistant Secretaries of Commerce. The Administrator shall perform such duties in the execution of this Act as the Secretary of Commerce (hereinafter referred to as the "Secretary") may assign.

ADVISORY POLICY BOARD

SEC. 4. (a) To advise the Secretary in the performance of functions authorized by this Act, there is created an Area Redevelopment Advisory Policy Board (hereinafter referred to as the "Board"), which shall consist of the following members, all ex officio: the Secretary as Chairman; the Secretaries of Agriculture; Health, Education, and Welfare; Interior; Labor; and Treasury; and the Administrators of the Housing and Home Finance Agency and the Small Business Administration. The Chairman may from time to time invite the participation of officials of other agencies of the executive branch interested in the functions herein authorized. Each member of the Board may designate an officer of his agency to act for him as a member of the Board with respect to any matter there considered.

(b) The Secretary shall appoint a National Public Advisory Committee on Area Redevelopment which shall consist of twenty-five members and shall be composed of representatives of labor, management, agriculture, State and local governments, and the public in general. From the members appointed to such Committee the Secretary shall designate a Chairman. Such Committee, or any duly established subcommittee thereof, shall from time to time make recommendations to the Secretary relative to the carrying out of his duties under this Act. Such Committee shall hold not less than two meetings during each calendar year.

(c) The Secretary is authorized from time to time to call together and confer with any persons, including representatives of labor, management, agriculture, and government, who can assist in meeting the problems of unemployment or underemployment in the several areas designated by the Secretary as redevelopment areas.

REDEVELOPMENT AREAS

SEC. 5. (a) The Secretary shall designate as "redevelopment areas" those areas within the United States in which he determines, upon the basis of standards generally comparable with those set forth in paragraphs (1) and (2), that there has existed substantial and persistent unemployment for an extended period of time. There shall be included among the areas so designated any area—

(1) where the Secretary of Labor finds that the rate of unemployment, excluding unemployment due primarily to temporary or seasonal factors, is currently 6 per centum or more and has averaged at least 6 per centum for the qualifying time periods specified in paragraph (2); and

(2) where the Secretary of Labor finds that the annual average rate of unemployment has been at least—

(A) 50 per centum above the national average for three of the preceding four calendar years, or

(B) 75 per centum above the national average for two of the preceding three calendar years, or

(C) 100 per centum above the national average for one of the preceding two calendar years.

The Secretary of Labor shall find the facts and provide the data to be used by the Secretary in making the determinations required by this subsection.

(b) The Secretary shall also designate as "redevelopment areas" those areas (including Indian reservations) within the United States which do not meet the requirements set forth in subsection (a) but which he determines are among the highest in numbers and percentages of low-income families, and in which there exists a condition of substantial and persistent unemployment or underdevelopment. In making the designations under this subsection, the Secretary shall consider, among other relevant factors, the number of low-income farm families in the various rural areas of the United States, the proportion that such low-income families are of the total farm families of each of such areas, the relationship of the income levels of the families in each such area to the general levels of income in the United States, the current and prospective employment opportunities in each such area, the availability of manpower in each such area for supplemental employment, the extent of migration out of the area, and the proportion of the population of each such area which has been receiving public assistance from the Federal Government or from the State or States in which such area is located or from any municipality therein. In making these determinations the Secretary shall be guided, but not conclusively governed, by pertinent studies made, and information and data collected or compiled, by (1) departments, agencies, and instrumentalities of the Federal Government, (2) State and local governments, (3) universities and land-grant colleges, and (4) private organizations.

(c) Upon the request of the Secretary, the Secretary of Labor, the Secretary of Agriculture, the Secretary of the Interior, and such other heads of agencies as may be appropriate are authorized to conduct such special studies, obtain such information, and compile and furnish to the Secretary such data as the Secretary may deem necessary or proper to enable him to make the determinations provided for in subsection (b) of this section. The Secretary shall reimburse when appropriate, out of any funds appropriated to carry out the purposes of this Act, the foregoing officers for any expenditures incurred by them under this section.

(d) As used in this Act, the term "redevelopment area" refers to any area within the United States which has been designated by the Secretary as a redevelopment area.

LOANS AND PARTICIPATIONS

SEC. 6. (a) The Secretary is authorized to purchase evidences of indebtedness and to make loans (which for purposes of this section shall include participations in loans) to aid in financing any project within a redevelopment area for the purchase or development of land and facilities (including, in exceptional cases, machinery and equipment) for industrial or commercial usage, including the construction of new buildings, the rehabilitation of abandoned or unoccupied buildings, and the alteration, conversion, or enlargement of existing buildings. Such financial assistance shall not be extended for working capital, or to assist establishments relocating, totally or partially, from one area to another.

(b) Financial assistance under this section shall be on such terms and conditions as the Secretary determines, subject, however, to the following restrictions and limitations:

(1) The total amount of loans (including purchased evidences of indebtedness) outstanding at any one time under this section (A) with respect to projects in redevelopment areas designated under section 5(a) shall not exceed $100,000,000 and (B) with respect to projects in redevelopment areas designated under section 5(b) shall not exceed $100,000,000.

(2) Such assistance shall be extended only to applicants, both private and public (including Indian tribes), approved for such assistance by the State (or any agency or instrumentality thereof concerned with problems of economic development) in which the project to be financed is or will be located.

(3) The project for which financial assistance is sought must be reasonably calculated to provide more than a temporary alleviation of unemployment or underemployment within the redevelopment area wherein it is, or will be, located.

(4) No such assistance shall be extended hereunder unless the financial assistance applied for is not otherwise available from private lenders or other Federal agencies on reasonable terms.

(5) The Secretary shall not make any loan without a participation unless he determines that the loan cannot be made on a participation basis.

(6) No evidences of indebtedness shall be purchased and no loans shall be made unless it is determined that there is a reasonable assurance of repayment.

(7) Subject to section 12(5) of this Act, no loan, including renewals or extension thereof, may be made hereunder for a period exceeding twenty-five years and no evidences

of indebtedness maturing more than twenty-five years from date of purchase may be purchased hereunder: *Provided*, That the foregoing restrictions on maturities shall not apply to securities or obligations received by the Secretary as a claimant in bankruptcy or equitable reorganization or as a creditor in other proceedings attendant upon insolvency of the obligor.

(8) Loans made and evidences of indebtedness purchased under this section shall bear interest at a rate equal to the rate of interest paid by the Secretary on funds obtained from the Secretary of the Treasury as provided in section 9(d)(1) of this Act, plus one-half of 1 per centum per annum to cover administrative expenses and to provide for losses on loans made and evidences of indebtedness purchased under this section.

(9) Such assistance shall not exceed 65 per centum of the aggregate cost to the applicant (excluding all other Federal aid in connection with the undertaking) of acquiring or developing land and facilities (including, in exceptional cases, machinery, and equipment), and of constructing, altering, converting, rehabilitating, or enlarging the building or buildings of the particular project, and shall, among others, be on the condition that—

(A) other funds are available in an amount which, together with the assistance provided hereunder, shall be sufficient to pay such aggregate cost;

(B) not less than 10 per centum of such aggregate cost be supplied by the State or any agency, instrumentality, or political subdivision thereof, or by a community or area organization which is nongovernmental in character, as equity capital or as a loan repayable only after the Federal financial assistance extended under this section has been repaid in full according to the terms thereof and, if such a loan is secured, its security shall be subordinate and inferior to the lien or liens securing such Federal financial assistance;

(C) in extending financial assistance under this section with respect to a redevelopment area, the Secretary shall require that not less than 5 per centum of the aggregate cost of the project for which such assistance is extended shall be supplied by nongovernmental sources as equity capital or as a loan repayable only after the Federal financial assistance extended under this section has been repaid in full according to the terms thereof and, if such a loan is secured, its security shall be subordinate and inferior to the lien or liens securing such Federal financial assistance; and

(D) to the extent the Secretary finds such action necessary to encourage financial participation in a particular project by other lenders and investors, and except as otherwise provided in subparagraphs (B) and (C), any Federal financial assistance extended under this section may be repayable only after other loans made in connection with such project have been repaid in full, and the security, if any, for such Federal financial assistance may be subordinate and inferior to the lien or liens securing other loans made in connection with the same project.

(10) No such assistance shall be extended unless there shall be submitted to and approved by the Secretary an overall program for the economic development of the area and a finding by the State, or any agency, instrumentality, or local political subdivision thereof, that the project for which financial assistance is sought is consistent with such program: *Provided*, That nothing in this Act shall authorize financial assistance for any project prohibited by laws of the State or local political subdivision in which the project would be located.

LOANS FOR PUBLIC FACILITIES

SEC. 7. (a) Upon the application of any State, or political subdivision thereof, Indian tribe, or private or public nonprofit organization or association representing any redevelopment area or part thereof, the Secretary is authorized to make loans to assist in financing the purchase or development of land for public facility usage, and the construction, rehabilitation, alteration, expansion, or improvement of public facilities, within a redevelopment area, if he finds that—

(1) the project for which financial assistance is sought will tend to improve the opportunities, in the redevelopment area where such project is or will be located, for the successful establishment or expansion of industrial or commercial plants or facilities which will provide more than a temporary alleviation of unemployment or underemployment in such area;

(2) the funds requested for such project are not otherwise available on reasonable terms;

(3) the amount of the loan plus the amount of other available funds for such project are adequate to insure the completion thereof;

(4) there is a reasonable expectation of repayment; and

(5) such area has an approved economic development program as provided in section 6(b)(10) and the project for which financial assistance is sought is consistent with such program.

(b) Subject to section 12(5), the maturity date of any such loan shall be not later than forty years after the date such loan is made. Any such loan shall bear interest at a rate equal to the rate of interest paid by the Secretary on funds obtained from the Secretary of the Treasury as provided in section 9(d)(2) of this Act, plus one-quarter of 1 per centum per annum.

(c) The total amount of loans outstanding at any one time under this section shall not exceed $100,000,000.

(d) No financial assistance shall be extended under this section with respect to any public facility which would compete with an existing privately owned public utility rendering a service to the public at rates or charges subject to regulation by a State regulatory body, unless the State regulatory body determines that in the area to be served by the public facility for which the financial assistance is to be extended there is a need for an increase in such service (taking into consideration reasonably foreseeable future needs) which the existing public utility is not able to meet through its existing facilities or through an expansion which it is prepared to undertake.

GRANTS FOR PUBLIC FACILITIES

SEC. 8. (a) Upon the application of any State, or political subdivision thereof, Indian tribe, or private or public nonprofit organization or association representing any redevelopment area or part thereof, the Secretary is authorized to make grants for land acquisition or development for public facility usage, and the construction, rehabilitation, alteration, expansion, or improvement of public facilities, within a redevelopment area, if he finds that—

(1) the project for which financial assistance is sought will tend to improve the opportunities, in the redevelopment area where such project is or will be located, for the successful establishment or expansion of industrial or commercial plants or facilities which will provide more than a temporary alleviation of unemployment or underemployment in such area;

(2) the entity requesting the grant proposes to contribute to the cost of the project for which such grant is requested in proportion to its ability so to contribute;

(3) the project for which a grant is requested will fulfill a pressing need of the area, or part thereof, in which it is, or will be, located, and there is little probability that such project can be undertaken without the asistance of a grant under this section; and

(4) the area for which a project is to be undertaken has an approved economic development program as provided in section 6(b)(10), and such project is consistent with such program.

The amount of any grant under this section for any such project shall not exceed 65 per centum of the difference between the funds which can be practicably obtained from loans (including a loan under section 7 of this Act) and from other Federal sources for such project, and the amount which is necessary to insure the completion thereof.

(b) The Secretary shall by regulation provide for the supervision of projects with respect to which grants are made under this section so as to insure that Federal funds are not wasted or dissipated.

(c) No financial assistance shall be extended under this section with respect to any public facility which would compete with an existing privately owned public utility rendering a service to the public at rates or charges subject to regulation by a State regulatory body, unless the State regulatory body determines that in the area to be served by the public facility for which the financial assistance is to be extended there is a need for an increase in such service (taking into consideration reasonably foreseeable future needs) which the existing public utility is not able to meet through its existing facilities or through an expansion which it is prepared to undertake.

(d) There is hereby authorized to be appropriated not to exceed $75,000,000 for the purpose of making grants under this section.

AREA REDEVELOPMENT FUND

SEC. 9. (a) There is hereby established in the Treasury of the United States an area redevelopment fund (hereinafter referred to as the "fund"), which shall be available to the Secretary for the purpose of extending financial assistance under sections 6 and 7 and for the payment of all obligations and expenditures arising therefrom.

(b) When requested by the Secretary, advances shall be made to the fund from the appropriations made therefor. There is hereby authorized to be appropriated for the purpose of making advances to the fund, without fiscal year limitation, an amount not exceeding $300,000,000.

(c) Receipts arising from the programs of assistance under sections 6 and 7 shall be credited to the fund. Any moneys in the fund determined by the Secretary to be in excess of current needs shall be credited to the appropriation from which advanced to be held for future advances to the fund.

(d) There shall be paid into miscellaneous receipts of the Treasury at the close of each fiscal year—

(1) interest, on advances made to the fund for use in extending financial assistance under section 6, at rates which shall be determined by the Secretary of the Treasury at the time the advances or commitments for advances are made after taking into consideration the current average market yields of outstanding marketable obligations of the United States having maturities comparable to loans made by the Secretary under section 6; and

(2) interest, on advances made to the fund for use in extending financial assistance under section 7, at rates which shall be determined by the Secretary of the Treasury at the time the advances or commitments for advances are made but which shall not be more than the higher of (A) 2½ per centum per annum or (B) the average annual interest rate on all interest-bearing obligations of the United States then forming a part of the public debt as computed at the end of the fiscal year next preceding the making of such advances or commitments and adjusted to the nearest one-eighth of 1 per centum.

(e) The fund shall contribute to the civil service retirement and disability fund a sum as provided by section 4(a) of the Civil Service Retirement Act (5 U.S.C. 2254(a)), except that such sum shall be determined by applying to the total basic salaries (as defined in that Act) paid to employees performing activities authorized under sections 6 and 7 of this Act and covered by that Act the per centum rate determined annually by the Civil Service Commission to be the excess of the total normal cost per centum rate of the civil service retirement system over the employee deduction rate specified in such section 4(a). The funds shall also pay into the Treasury as miscellaneous receipts that portion of the cost of administration of the civil service retirement and disability fund attributable to employees performing activities authorized under sections 6 and 7 of this Act, as determined by the Civil Service Commission.

(f) In the performance of and with respect to the functions, powers, and duties vested in him by sections 6 and 7 of this Act, the Secretary shall—

(1) prepare annually and submit a budget program in accordance with the provisions of sections 102, 103, and 104 of the Government Corporation Control Act, as amended; and

(2) determine the character of and the necessity for obligations and expenditures and the manner in which they shall be incurred, allowed, and paid, subject to provisions of law specifically applicable to Government corporations.

INFORMATION

SEC. 10. The Secretary shall aid redevelopment areas and other areas by furnishing to interested individuals, communities, industries, and enterprises within such areas any assistance, technical information, market research, or other forms of assistance, information, or advice which are obtainable from the various departments, agencies, and instrumentalities of the Federal Government and which would be useful in alleviating or preventing conditions of excessive unemployment or underemployment within such areas. The Secretary shall furnish the procurement divisions of the various departments, agencies, and other instrumentalities of the Federal Government with a list containing the names and addresses of business firms which are located in redevelopment areas and which are desirous of obtaining Government contracts for the furnishing of supplies or services, and designating the supplies and services such firms are engaged in providing.

TECHNICAL ASSISTANCE

SEC. 11. In carrying out his duties under this Act the Secretary is authorized to provide technical assistance which would be useful in alleviating or preventing conditions of excessive unemployment or underemployment (1) to areas which he has designated as redevelopment areas under this Act, and (2) to other areas which he finds have substantial need for such assistance. Such assistance shall include studies evaluating the needs of, and developing potentialities for, economic growth of such areas. Such assistance may be provided by the Secretary through members of his staff or through the employment of private individuals, partnerships, firms, corporations, or suitable institutions, under contracts entered into for such purposes. Appropriations are hereby authorized for the purposes of this section in an amount not to exceed $4,500,000 annually.

POWERS OF SECRETARY

SEC. 12. In performing his duties under this Act, the Secretary is authorized to—

(1) adopt, alter, and use a seal, which shall be judicially noticed;

(2) hold such hearings, sit and act at such times and places, and take such testimony, as he may deem advisable;

(3) request directly from any executive department, bureau, agency, board, commission, office, independent establishment, or instrumentality information, suggestions, estimates, and statistics needed to carry out the purposes of this Act; and each department, bureau, agency, board, commission, office, establishment, or instrumentality is authorized to furnish such information, suggestions, estimates, and statistics directly to the Secretary;

(4) under regulations prescribed by him, assign or sell at public or private sale, or otherwise dispose of for cash or credit, in his discretion and upon such terms and conditions and for such consideration as he shall determine to be reasonable, any evidence of debt, contract, claim, personal property, or security assigned to or held by him in connection with loans made or evidences of indebtedness purchased under this Act, and collect or compromise all obligations assigned to or held by him in connection with such loans or evidences of indebtedness until such time as such obligations may be referred to the Attorney General for suit or collection;

(5) further extend the maturity of or renew any loan made or evidence of indebtedness purchased under this Act, beyond the periods stated in such loan or evidence of indebtedness or in this Act, for additional periods not to exceed ten years, if such extension or renewal will aid in the orderly liquidation of such loan or evidence of indebtedness;

(6) deal with, complete, renovate, improve, modernize, insure, rent, or sell for cash or credit, upon such terms and conditions and for such consideration as he shall determine to be reasonable, any real or personal property conveyed to, or otherwise acquired by, him in connection with loans made or evidences of indebtedness purchased under this Act;

(7) pursue to final collection, by way of compromise or other administrative action, prior to reference to the Attorney General, all claims against third parties assigned to him in connection with loans made or evidences of indebtedness purchased under this Act. This shall include authority to obtain deficiency judgments or otherwise in the case of mortgages assigned to the Secretary. Section 3709 of the Revised Statutes, as amended (41 U.S.C. 5), shall not apply to any contract of hazard insurance or to any purchase or contract for services or supplies on account of property obtained by the Secretary as a result of loans made or evidences of indebtedness purchased under this Act if the premium therefor or the amount thereof does not exceed $1,000. The power to convey and to execute, in the name of the Secretary deeds of conveyance, deeds of release, assignments and satisfactions of mortgages, and any other written instrument relating to real or personal property or any interest therein acquired by the Secretary pursuant to the provisions of this Act may be exercised by the Secretary or by any officer or agent appointed by him for that purpose without the execution of any express delegation of power or power of attorney;

(8) acquire, in any lawful manner, any property (real, personal, or mixed, tangible or intangible), whenever deemed necessary or appropriate to the conduct of the activities authorized in sections 6 and 7 of this Act;

(9) in addition to any powers, functions, privileges, and immunities otherwise vested in him, take any and all actions, including the procurement of the services of attorneys by contract, determined by him to be necessary or desirable in making, purchasing, servicing, compromising, modifying, liquidating, or otherwise administratively dealing with or realizing on loans made or evidences of indebtedness purchased under this Act;

(10) to such an extent as he finds necessary to carry out the provisions of this Act, procure the temporary (not in excess of six months) service of experts or consultants or organizations thereof, including stenographic reporting services, by contract or appointment, and in such cases such service shall be without regard to the civil service and classification laws, and, except in the case of stenographic reporting services by organizations, without regard to section 3709 of the Revised Statutes (41 U.S.C. 5); any individual so employed may be compensated at a rate not in excess of $75 per diem, and, while such individual is away from his home or regular place of business, he may be allowed transportation and not to exceed $15 per diem in lieu of subsistence and other expenses;

(11) sue and be sued in any court of record of a State having general jurisdiction or in any United States district court, and jurisdiction is conferred upon such district court to determine such controversies without regard to the amount in controversy; but no attachment, injunction, garnishment, or other similar process, mesne or final, shall be issued against the Secretary or his property. Nothing herein shall be construed to except the activities under this Act from the application of sections 507(b) and 2679 of title 28, United States Code, and of section 367 of the Revised Statutes (5 U.S.C. 316); and

(12) establish such rules, regulations, and procedures as he may deem appropriate in carrying out the provisions of this Act.

TERMINATION OF ELIGIBILITY FOR FURTHER ASSISTANCE

SEC. 13. Whenever the Secretary shall determine that employment conditions within any area previously designated by him as a redevelopment area have changed to such an extent that such area is no longer eligible for such designation under section 5 of this Act, no further assistance shall be granted under this Act with respect to such area and, for the purposes of this Act, such area shall not be considered a redevelopment area: *Provided*, That nothing contained herein shall (1) prevent any such area from again being designated a redevelopment area under section 5 of this Act if the Secretary determines it to be eligible under such section, or (2) affect the validity of any contracts or undertakings with respect to such area which were entered into pursuant to this Act prior to a determination by the Secretary that such area no longer qualifies as a redevelopment area. The Secretary shall keep the departments and agencies of the Federal Government, and interested State or local agencies, advised at all times of any changes made hereunder with respect to the designation of any area.

URBAN RENEWAL

SEC. 14. Title I of the Housing Act of 1949, as amended, is amended by adding at the end thereof the following new section:

"REDEVELOPMENT AREAS UNDER THE AREA REDEVELOPMENT ACT

"SEC. 113. (a) Whenever the Secretary of Commerce certifies to the Administrator (1) that any county, city, or other municipality (in this section referred to as a 'municipality') is situated in an area designated under section 5 of the Area Redevelopment Act as a redevelopment area, and (2) that there is a reasonable probability that with assistance provided under such Act and other undertakings the area will be able to achieve more than temporary improvement in its economy, the Administrator is authorized to provide financial assistance to a local public agency in any such municipality under this title and the provisions of this section.

"(b) Subject to the provisions of subsection (e) of this section, the Administrator may provide such financial assistance under this section without regard to the requirement or limitations of section 110(c) that the project area be predominantly residential

in character or be redeveloped for predominantly residential uses under the urban renewal plan, and without regard to any of the limitations of that section on the undertaking of projects for predominantly nonresidential uses.

"(c) Notwithstanding any other provision of this title, a contract for financial assistance under this section may include provisions permitting the disposition of any land in the project area designated under the urban renewal plan for industrial or commercial uses to any public agency or nonprofit corporation for subsequent disposition as promptly as practicable by such public agency or corporation for the redevelopment of the land in accordance with the urban renewal plan: *Provided*, That any disposition of such land to such public agency or corporation under this section shall be made at its fair value for uses in accordance with the urban renewal plan: *And provided further*, That only the purchaser from or lessees of such public agency or corporation, and their assignees, shall be required to assume the obligations relating to the commencement of improvements imposed under section 105(b) hereof.

"(d) Following the execution of any contract for financial assistance under this section with respect to any project, the Administrator may exercise the authority vested in him under this section for the completion of such projects, notwithstanding any determination made after the execution of such contract that the area in which the project is located is no longer a redevelopment area under the Area Redevelopment Act.

"(e) Not more than 10 per centum of the funds authorized for capital grants under section 103 after the date of the enactment of the Area Redevelopment Act shall be used for the purpose of providing financial assistance under this section. Amounts used for such purpose shall not be taken into account for the purpose of the limitation contained in the second proviso of the fifth sentence of section 110(c)."

URBAN PLANNING GRANTS

SEC. 15. Paragraph (3) of section 701(a) of the Housing Act of 1954 is amended by inserting after "counties which" the following: "(A) are situated in areas designated by the Secretary of Commerce under section 5(a) of the Area Redevelopment Act as redevelopment areas or (B)".

OCCUPATIONAL TRAINING

SEC. 16. (a) The Secretary of Labor is authorized, upon request and whenever he determines such studies are needed, to undertake, or to provide assistance to others for, studies of the size, characteristics, skills, adaptability, occupational potentialities, and related aspects of the labor force of any redevelopment area.

(b) When a redevelopment area has an approved economic development program as provided in section 6(b)(10), the Secretary of Labor, in consultation with the Secretary and the Secretary of Agriculture, shall determine the occupational training or retraining needs of unemployed and underemployed individuals residing in the redevelopment area. The Secretary of Labor shall notify the Secretary of Health, Education, and Welfare of the occupational training or retraining requirements of the area, and shall provide for the orderly selection and referral of those unemployed or underemployed individuals residing in the area who can reasonably be expected to obtain employment as a result of the skill they will acquire in the training which is to be made available. The Secretary of Labor shall cooperate with the Secretary of Health, Education, and Welfare and with existing State and local agencies and officials in charge of existing programs relating to vocational training and retraining for the purpose of assuring that the facilities and services of such agencies are made fully available to such individuals.

(c) Whenever the Secretary of Labor finds that additional facilities or services are needed in the area to meet the occupational training or retraining needs of such individuals, he shall so advise the Secretary of Health, Education, and Welfare. The Secretary of Health, Education, and Welfare shall provide assistance, including financial assistance when necessary, to the appropriate State vocational educational agency in the provision of such additional facilities or services. If the Secretary of Health, Education, and Welfare finds that the State vocational educational agency is unable to provide the facilities and services needed, he may, after consultation with such agency, provide for the same by agreement or contract with public or private educational institutions.

(d) The Secretary of Labor shall arrange to provide any necessary assistance for setting up apprenticeships, and to promote journeyman and other on-the-job training.

(e) There are hereby authorized to be appropriated such sums, not in excess of $4,500,000 annually, as may be necessary to carry out the provisions of this section.

RETRAINING SUBSISTENCE PAYMENTS

SEC. 17. (a) The Secretary of Labor in consultation with the Secretary and the Secretary of Agriculture may, on behalf of the United States, enter into agreements with States in which redevelopment areas are located, under which the Secretary of Labor shall make payments to such States either in advance or by way of reimbursement for the purpose of enabling such States, as agents of the United States, to make weekly retraining payments to unemployed or underemployed individuals residing within such redevelopment areas who are certified by the Secretary of Labor to be undergoing occupational training or retraining under section 16 of this Act. Such payments shall be made for a period not exceeding sixteen weeks, and the amount of any such payment for any week shall not exceed the amount of the average weekly unemployment compensation payment (including allowances for dependents) payable for a week of total unemployment in the State making such payments.

(b) No weekly retraining payment shall be made to any person otherwise eligible who, with respect to the week for which such payment would be made, has received or is seeking unemployment compensation under title XV of the Social Security Act or any other Federal or any State unemployment compensation law, but if the appropriate State or Federal agency finally determines that a person denied benefits for any week because of this subsection was not entitled to unemployment compensation under title XV of the Social Security Act or such Federal or State law with respect to such week, this subsection shall not apply with respect to such week.

(c) Any agreement under this section may contain provisions (including, so far as may be appropriate, provisions authorized or made applicable with respect to agreements concluded by the Secretary of Labor pursuant to title XV of the Social Security Act) as will promote effective administration, protect the United States against loss, and insure the proper application of payments made to the State under such agreement. Except as may be provided in such agreements, or in the rules and regulations prescribed pursuant to subsection (d) of this section, determinations by any duly designated officer or agency as to the eligibility of individuals for weekly retraining payments under this section shall be final and conclusive for any purposes and not subject to review by any court or any other officer.

(d) The Secretary of Labor and the Secretary shall jointly prescribe such rules and regulations as they may deem necessary to carry out the provisions of this section.

(e) There are hereby authorized to be appropriated such sums, not in excess of $10,000,000 annually, as may be necessary to carry out the provisions of this section.

PENALTIES

SEC. 18. (a) Whoever makes any statement knowing it to be false, or whoever willfully overvalues any security, for the purpose of obtaining for himself or for any applicant any financial assistance under section 6, 7, or 8, or any extension thereof by renewal, deferment of action, or otherwise, or the acceptance, release, or substitution of security therefor, or for the purpose of influencing in any way the action of the Secretary, or for the purpose of obtaining money, property, or anything of value, under this Act, shall be punished by a fine of not more than $10,000 or by imprisonment for not more than five years, or both.

(b) Whoever, being connected in any capacity with the Secretary, in the administration of this Act (1) embezzles, abstracts, purloins, or willfully misapplies any moneys, funds, securities, or other things of value, whether belonging to him or pledged or otherwise entrusted to him, or (2) with intent to defraud the Secretary or any other body politic or corporate, or any individual, or to deceive any officer, auditor, or examiner, makes any false entry in any book, report, or statement of or to the Secretary, or without being duly authorized draws any order or issues, puts forth, or assigns any note, debenture, bond, or other obligation, or draft, bill of exchange, mortgage, judgment, or decree thereof, or (3) with intent to defraud participates or shares in or receives directly or indirectly any money, profit, property, or benefit through any transaction, loan, grant, commission, contract, or any other act of the Secretary, or (4) gives any unauthorized information concerning any future action or plan of the Secretary which might affect the value of securities, or having such knowledge invests or speculates, directly or indirectly, in the securities or property of any company or corporation receiving loans, grants, or other assistance from the Secretary, shall be punished by a fine of not more than $10,000 or by imprisonment for not more than five years, or both.

EMPLOYMENT OF EXPEDITERS AND ADMINISTRATIVE EMPLOYEES

SEC. 19. No financial assistance shall be extended by the Secretary under section 6, 7, or 8 to any business enterprise unless the owners, partners, or officers of such business enterprise (1) certify to the Secretary the names of any attorneys, agents, and other persons engaged by or on behalf of such business enterprise for the purpose of expediting applications made to the Secretary for assistance of any sort, under this Act, and the fees paid or to be paid to any such person; and (2) execute an agreement binding such business enterprise, for a period of two years after such assistance is rendered by the Secretary to such business enterprise, to refrain from employing, tendering any office or employment to, or retaining for professional services, any person who, on the date such assistance or any part thereof was rendered, or within one year prior thereto, shall have served as an officer, attorney, agent, or employee, occupying a position or engaging in activities which the Secretary shall have determined involve discretion with respect to the granting of assistance under this Act.

RECORD OF APPLICATIONS

SEC. 20. The Secretary shall maintain as a permanent part of the records of the Department of Commerce a list of applications

approved for financial assistance under section 6, 7, or 8, which shall be kept available for public inspection during the regular business hours of the Department of Commerce. The following information shall be posted in such list as soon as each application is approved: (1) the name of the applicant and, in the case of corporate applications, the names of the officers and directors thereof, (2) the amount and duration of the loan or grant for which application is made, (3) the purposes for which the proceeds of the loan or grant are to be used, and (4) a general description of the security offered in the case of a loan.

PREVAILING RATE OF WAGE AND FORTY-HOUR WEEK

SEC. 21. All laborers and mechanics employed by contractors or subcontractors on projects assisted by the Secretary under this Act and undertaken by public applicants shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a—276a–5), and every such employee shall receive compensation at a rate not less than one and one-half times his basic rate of pay for all hours worked in any workweek in excess of eight hours in any workday or forty hours in the workweek, as the case may be. The Secretary shall not extend any financial assistance under section 6, 7, or 8 for such a project without first obtaining adequate assurance that these labor standards will be maintained upon the construction work. The Secretary of Labor shall have, with respect to the labor standards specified in this provision, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 64 Stat. 1267; 5 U.S.C. 133z–15), and section 2 of the Act of June 13, 1934, as amended (48 Stat. 948, as amended; 40 U.S.C. 276c).

ANNUAL REPORT

SEC. 22. The Secretary shall make a comprehensive and detailed annual report to the Congress of his operations under this Act for each fiscal year beginning with the fiscal year ending June 30, 1962. Such report shall be printed and shall be transmitted to the Congress not later than January 3 of the year following the fiscal year with respect to which such report is made. Such report shall show, among other things, (1) the number and size of Government contracts for the furnishing of supplies and services placed with business enterprises located in redevelopment areas, and (2) the amount and duration of employment resulting from such contracts. Upon the request of the Secretary, the various departments and agencies of the Government engaged in the procurement of supplies and services shall furnish to the Secretary such information as may be necessary for the purposes of this section.

APPROPRIATIONS

SEC. 23. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

USE OF OTHER FACILITIES

SEC. 24. (a) Whenever possible in carrying out the provisions of this Act the Secretary shall use the available services and facilities of other agencies and instrumentalities of the Federal Government, but only with their consent and on a reimbursable basis. The foregoing requirement shall be implemented by the Secretary in such a manner as to avoid the duplication of existing staffs and facilities in any agency or instrumentality of the Federal Government. The Secretary is authorized to delegate to the heads of other departments and agencies of the Federal Government any of the Secretary's functions, powers, and duties under this Act as he may deem appropriate, and to authorize the redelegation of such functions, powers, and duties by the heads of such departments and agencies.

(b) Departments and agencies of the Federal Government shall exercise their powers, duties, and functions in such manner as will assist in carrying out the objectives of this Act. This Act shall be supplemental to any existing authority, and nothing herein shall be deemed to be restrictive of any existing powers, duties, and functions of any other department or agency of the Federal Government.

(c) Funds authorized to be appropriated under this Act may be transferred, with the approval of the Director of the Bureau of the Budget, between departments and agencies of the Government, if such funds are used for the purposes for which they are specifically authorized and appropriated.

(d) Subject to the standards and procedures prescribed by section 505 of the Classification Act of 1949, as amended, the head of any agency, for the performance of functions under this Act, including functions delegated pursuant to subsection (a), may place positions in grades 16, 17, and 18 of the General Schedule established by such Act, and such positions shall be in addition to the number of such positions authorized by section 505 of the Classification Act of 1949, as amended, to be placed in such grades: *Provided*, That not to exceed a total of fifteen such positions may be placed in such grades under this subsection, to be apportioned among the agencies by the Secretary, with the approval of the Director of the Bureau of the Budget.

RECORDS AND AUDIT

SEC. 25. (a) Each recipient of assistance under section 6, 7, or 8 of this Act shall keep such records as the Secretary shall prescribe, including records which fully disclose the amount and the disposition by such recipient of the proceeds of such assistance, the total cost of the project or undertaking in connection with which such assistance is given or used, and the amount and nature of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit.

(b) The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purpose of audit and examination to any books, documents, papers, and records of the recipient that are pertinent to assistance received under section 6, 7, or 8 of this Act.

LOANS TO STATE AND LOCAL DEVELOPMENT COMPANIES

SEC. 26. Section 502 of the Small Business Investment Act of 1958 is amended by striking out paragraph (6).

STUDY BY SECRETARY

SEC. 27. The Secretary shall make a study of the feasibility of establishing procedures to provide for increased use of military bases, and Government-owned plants and facilities for the manufacture or production of munitions and other supplies for the Government, which are located in areas designated under section 5 of this Act as redevelopment areas and which are not fully utilized, whenever such use is consistent with the national defense, economy in Government operation, and other Government procurement objectives. Upon the completion of such study the Secretary shall submit to the Congress a report of his findings together with such recommendations for legislative and other action as he may deem appropriate.

APPLICATION OF ACT

SEC. 28. As used in this Act, the terms "State", "States", and "United States" include the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and American Samoa.

Mr. GROSS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, one of the prime reasons for this legislation, if there is a reason for it, is the flood of imports from foreign countries. Yet it is strange that in this House today and yesterday we have heard very few Members point to that fact as one of the reasons for the bill.

This bill is in the nature of providing compensatory payments to those injured by imports. The free traders and leaders of the New Frontier also call it "administrative adjustment." That is what this bill is about. In large measure it is to take up the slack caused by foreign imports and their impact upon American industry, agriculture, and labor.

I wish every Member of Congress could have seen the display in the Congressional Hotel of shoes imported into this country, made by 16-cent-an-hour labor in Hong Kong and 26-cent-an-hour labor in Japan flooding the markets of this country. The cheap labor of Italy and several other countries also makes its contribution to our troubles.

One of the Members spoke of Gloversville, N.Y. What is wrong with Gloversville, N.Y.? The markets of this country are flooded with knit gloves and mittens from Italy, Japan, and Hong Kong.

Mr. STRATTON. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield.

Mr. STRATTON. I certainly agree with the gentleman with respect to the problem of foreign imports, and this bill we have here today is the first piece of legislation which we have had presented to us in an effort to meet the problem of areas hurt by imports.

Mr. GROSS. Yes, it is a New Frontier administrative adjustment bill, compensatory payments from the Federal Treasury to relieve a situation brought about by foreign imports.

I do not like to ride the buses in the District of Columbia and be confronted with advertisements urging people to "buy Polish hams." We in Iowa have hams to sell to American working men and women.

Mr. STRATTON. Mr. Chairman, will the gentleman yield again?

Mr. GROSS. I yield to the gentleman from New York.

Mr. STRATTON. I may say to the gentleman in respect to the legislation to which he refers, that no one has supported such legislation more vigorously than I have; but I do feel that if national policies are going to hurt certain areas because of imports, then the National Government has a distinct obligation to help those areas, as this bill does.

Mr. GROSS. The gentleman from West Virginia supports this bill but says nothing or practically nothing today about the oil coming in from Venezuela, the residual oil that is displacing coal and the jobs of miners. The New Frontier Secretary of the Interior hardly got his chair warm before he increased the

residual oil coming into this country. So you come in here today loading on all the taxpayers another $400 million to take up the slack for foreign imports.

Mr. MULTER. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I wish the gentleman one day would vote against some of these imports.

Mr. MULTER. I was going to ask the gentleman if he has any alternative to the present bill.

Mr. GROSS. You bet your life I have an alternative for it.

Mr. MULTER. What is it?

Mr. GROSS. A tariff representing the differential in costs of production as between the workingmen of this country and the workingmen of foreign countries. That is your answer.

Mr. MULTER. Is that the only alternative to a bill of this kind to help Americans who need help?

Mr. GROSS. Does the gentleman know of any more effective way to help the workingmen of this Nation, industry, and the farmers than to preserve the American market for their products?

Mr. MULTER. That is what we are trying to do with this bill.

Mr. GROSS. You are not doing anything of the sort. You are raiding the taxpayers under this piece of hodge-podge legislation. Nobody knows what it will do. Question after question has been asked this afternoon and no answers given. Sure, go out and build fishponds and duck-shooting preserves. I suppose that next you will want Congress to furnish the unemployed miners of West Virginia and Pennsylvania with ammunition and shotguns so they can go out and shoot ducks.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. GROSS. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. GROSS moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

Mr. GROSS. Mr. Chairman, may I say that I did not support the substitute that was offered a moment ago. I opposed the substitute and I am opposed to this bill. The substitute was just a little less worse than the committee bill; that is all.

Mr. HIESTAND. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from California.

Mr. HIESTAND. I congratulate the gentleman from Iowa for taking the position he has toward examining the causes of this alleged unemployment in a great many places. There are eight other major causes. I have looked in vain to find what the committee has done to correct any one of those causes. They have simply adopted the symptoms of the disease rather than the causes.

Mr. GROSS. All we are dealing with today is effects, and not causes. It is the same story all over again.

Mr. WIDNALL. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from New Jersey.

Mr. WIDNALL. Did not the gentleman refer incorrectly to this bill as a hodge-podge bill? Should it not be called the Hodges-podge bill?

Mr. GROSS. Call it what you want. Let us be fair to the taxpayers, and let us be fair to ourselves. Let us deal with causes and not with effects.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Michigan.

Mr. HOFFMAN of Michigan. What is the gentleman talking about, a share-the-wealth program?

Mr. GROSS. A sharing of the taxpayer bill.

Mr. PELLY. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Washington.

Mr. PELLY. I hope that the gentleman is serious in offering this preferential motion because I shall be glad to vote for it.

The CHAIRMAN. The question is on the motion offered by the gentleman from Iowa [Mr. GROSS].

The motion was rejected.

Mr. HALPERN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HALPERN, of New York: Page 45 before the period in line 4, insert the following: "rather than by merely transferring employment opportunities from one area of the United States to another."

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. HALPERN. I yield to the gentleman from Texas.

Mr. PATMAN. Mr. Chairman, I have discussed the amendment with the Members on our side, and we are willing to accept the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. HALPERN].

The amendment was agreed to.

Mr. HALPERN. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. HALPERN. Mr. Chairman, this antipirating amendment leaves no question as to the intent of this legislation to prevent the raiding of industry from one area of the United States to another. By this amendment the intent is clearly spelled out in the bill's declaration of purpose.

As commendable as the principles of this bill may be, I feel it is necessary to further clarify it in order to safeguard the pirating of industry. I expressed my concern about this problem in my additional views in House Report No. 186 on the bill.

I am concerned that S. 1 as reported does not contain in its declaration of purpose language to effectively prevent the raiding of industries in some areas which could conceivably cause an economic setback in current thriving communities. I am not convinced that the language of the bill as reported is sufficient to protect against the migration or pirating of industries from established areas into distressed ones. I recognize that it would be exceedingly difficult to write an ironclad provision into the bill preventing such shifts in the location of industries. I feel, however, that the relevant provisions in S. 1 can be tightened, and more definite standards prescribed for its administration. This can be established once and for all by setting forth the antipirating principle in the declaration of purpose.

Nowhere in the declaration of purpose of this bill is mention made of the intent of Congress to guard against the pirating of industry or the runaway shop. That is why I offered this amendment. Under the bill as it now reads, the declaration of purpose in section 2, on page 45, lines 2 to 4, states that "and that under the provisions of this act new employment opportunities should be created by developing and expanding new and existing facilities and resources."

I believe that the words "expanding new and existing facilities and resources" do not sufficiently stress the legislative intent that this bill is not designed merely to transfer employment opportunities from one area of the United States to another.

My amendment to the preamble would add the words: "rather than by merely transferring employment opportunities from one area of the United States to another." This addition would stress in clear and forceful terms the intent of Congress.

Such clarification would provide clear and specific guidelines to the administrators of the bill; it would emphasize the creation of new opportunities and economic growth; and it would discourage the raiding of developed areas.

It is obvious that heavily productive communities could be affected under such standards and particularly large cities such as my own city of New York. Mr. Chairman, the purpose of this amendment is to make clear that this process shall not occur and that funds shall not be used under the act to lure industries from developed communities with a consequent creation of unemployment there.

Mr. MULTER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MULTER: On page 79, line 10, strike out "Whenever possible" and insert "To the fullest extent practicable".

Mr. MULTER. Mr. Chairman, this amendment is suggested by the Secretary of Commerce. I have discussed it with the chairman of the committee and the ranking minority member, and I understand it is acceptable to the committee.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield to the gentleman from Texas.

Mr. PATMAN. We are willing to accept it on this side.

Mr. WIDNALL. That was in my substitute bill, and we accept it.

Mr. MULTER. In support of the amendment, permit me to read the letter dated March 24, 1961, to the distinguished chairman of the House Banking and Currency Committee from the Honorable Robert E. Giles, General Counsel for the Department of Commerce, as follows:

THE GENERAL COUNSEL OF COMMERCE,
Washington, D.C., March 24, 1961.

HON. BRENT SPENCE,
Chairman, Committee on Banking and Currency, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: In reporting out S. 1 to provide a Federal program to assist areas of substantial and persistent unemployment, the Committee on Banking and Currency changed the first sentence of section 24 relating to use by the Secretary of Commerce of existing facilities of other Federal agencies to read as follows:

"Whenever possible in carrying out the provisions of this act the Secretary shall use the available services and facilities of other agencies and instrumentalities of the Federal Government, but only with their consent and on a reimbursable basis. The foregoing requirement shall be implemented by the Secretary in such a manner as to avoid the duplication of existing staffs and facilities in any agency or instrumentality of the Federal Government."

This change caused us concern because the phrase "whenever possible," when read comparatively with the phrase "to the extent practicable" in the sentence which was replaced, created a legislative history which might be interpreted as compelling a delegation when in fact such an action would be impracticable or unwise.

In discussing with Representative A. J. MULTER of the committee this change in S. 1 as reported, he suggested substitution of the phrase "to the fullest extent practicable" for the phrase "whenever possible" as not having the undesirable compelling implication which might be found in the committee provision. The Department of Commerce concurs in this suggestion of Representative MULTER, and urges that the phrase "to the fullest extent practicable" be inserted in lieu of the phrase "whenever possible."

As the record shows, Secretary Hodges testified before the committees of both Houses as to his purpose of using existing organizations engaged in activities closely related to the proposed program and thus avoid duplication and unwarranted expense entailed in setting up new staffs when they are not needed.

Sincerely yours,

ROBERT E. GILES,
General Counsel.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. MULTER].

The amendment was agreed to.

Mr. STRATTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. STRATTON: On pages 81 and 82 strike out section 27 and insert in lieu thereof the following:

"STUDY BY SECRETARY

"SEC. 27. Whenever the Department of Defense announces plans to deactivate or is in the process of deactivating any permanent military installation or mjor unit thereof and such installation is situated in an area in which the rate of unemployment is 6 per centum or more, the Secretary shall, upon the request of the Governor or Governors of the State or States in which the area is located, institute a study to determine the economic effects of the action which has been or is to be taken. In determining the economic effects of such action, the Secretary shall, among other relevant matters, consider and make findings with respect to the approximate amount of money which has been, or may reasonably be expected to be, saved by any department or agency of the Government as a result of such action, compared with—

"'(1) the approximate costs or losses which have been, or may reasonably be expected to be, incurred by other departments or agencies of the Government, or by State and local governmental units, as a result of such action;

"'(2) the approximate losses which have been, or may reasonably be expected to be, incurred by private interests as a result of such action in connection with any facilities which they have provided to serve the needs of any such installation and which would otherwise have to be provided in whole or in part by the Government;

"'(3) the approximate cost to the Government of relocating any such installation in the event that such installation has been or will be relocated; and

"'(4) the approximate cost to the Government of reactivating, in a national emergency or other contingency, any such installation with respect to which any such action is proposed to be taken.

Any such study shall be conducted as expeditiously as practicable, and the findings resulting therefrom shall be transmitted by the Secretary to the Secretary of Defense and to the Congress.'"

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. STRATTON. I yield to the gentleman from Texas.

Mr. PATMAN. Mr. Chairman, the committee bill has a similar provision. I have discussed this question with the chairman of the Committee on Armed Services, the gentleman from Georgia [Mr. VINSON], and after these discussions I am prepared to accept the gentleman's amendment in lieu of the similar provision in the committee bill.

Mr. STRATTON. Mr. Chairman, I am grateful for the support which the distinguished gentleman from Texas [Mr. PATMAN], chairman of the subcommittee, has given to my amendment and also for the support of the distinguished chairman of my own Committee on Armed Services, the distinguished gentleman from Georgia [Mr. VINSON].

This is the amendment to which I referred in general debate a moment ago. It is an amendment designed to insure that on the basic issue of unemployment the right hand of our Government will know what the left hand is doing, and attempt to coordinate with it.

S. 1 is legislation designed to deal with the problem of unemployment. I am sure that the overwhelming majority of the Members of this House feel that there is an urgent need for us to do something to alleviate the suffering being caused around the Nation by unemployment, particularly in areas which are critically and chronically affected. In fact, action to relieve unemployment has been one of the central objectives of this administration, and it has also been one of the central objectives of this Congress, as is amply demonstrated by the No. 1 given to this legislation in the other body.

But Mr. Chairman, as was made abundantly clear only yesterday in the President's special message on the Defense Department budget, action has been taken or will soon be taken in many areas of our country by one important agency of this Government which will seriously aggravate the whole problem of unemployment we are trying to alleviate in this bill. Whether we like it or not, the Department of Defense is one of the major employers in the Nation, employing not only men and women in uniform but also vast numbers of civilian men and women as well. Any major reduction in defense operations is bound to have important consequences on local and national unemployment, particularly where these installations represent a major part of the overall employment in the area. Any serious reduction or disestablishment of a major defense installation in an area of serious unemployment, in other words, can turn this area into an unemployment disaster area or into a redevelopment area as defined by this bill virtually overnight. We ought to try not to let this happen.

On yesterday the President's message announced the fact that in the near future, perhaps within the next 24 hours, would come an announcement of the deactivation of some 73 military installations here and abroad. I have no way of knowing which installations are included on this list, of course, but I am sure that every Member of this House who represents a district in which some military installation is located recognizes what the drastic reduction or the complete closedown of the installation of his district could mean in terms of added unemployment in his area.

Does it make sense for us to pass a bill today authorizing the appropriation of hundreds of millions of dollars to aid unemployment, and at the same time say or do nothing about actions being taken by some other agency of Government which could seriously aggravate the unemployment problem?

There has been talk in the Air Force, for example, in my home State of New York, of closing down the Air Materiel Area at the Griffiss Air Force Base in Rome, commonly referred to as Roama, with a consequent loss of 6,200 jobs. Fortunately, in response to pleas of members of the New York State congressional delegation on both sides of the aisle, the Air Force has now agreed to defer any final decision on this projected closedown, as my distinguished colleague and friend, the gentleman from New York [Mr. PIRNIE], has already mentioned in the general debate, for at least 6 months. But it is already clear what the devastating economic impact of this decision, if it should eventually be taken by the Air Force, would be. The Utica-Rome area is already an area of major unemployment. The loss of 6,200 jobs, a very substantial percentage of the total employment of the whole area, would turn this community, which has been struggling for years to combat unemployment, overnight into a major disaster area.

Surely there is something which can and should be done to try to prevent this sort of a development. Surely the

decisions of the Defense Department cannot be considered completely in a vacuum, without any regard for their impact on the civilian economy of the Nation we are addressing ourselves to here. Surely it is not asking too much to ask that the actions of one agency of Government should be considered in the light of policies and programs being followed by other agencies. Surely there must be some overall coordination even in a Government as huge and as unwieldy as our own.

Of course, Mr. Chairman, it would not be in order under the rules, in the case of a bill which deals with unemployment areas and places certain obligations and responsibilities upon the Secretary of Commerce, to offer an amendment which would direct certain actions on the part of the Department of Defense or the Secretary of Defense. Such an amendment would not be germane to the bill, although perhaps the most direct way to deal with this serious problem would be with legislation of that kind. But the amendment which I am offering is directed only to the Secretary of Commerce and to the subject with which this legislation specifically deals. It is, as a matter of fact, very similar to an amendment offered in the other body the other day by the distinguished junior Senator from Louisiana, Mr. LONG, and which failed of adoption there, according to my information, by only a very narrow margin, and after it had been perfected and improved in its form as a result of rather general discussion in the other body over a period of 2 days.

Mr. Chairman, the present wording of section 27 of S. 1 is in my judgment not really adequate to meet the situation to which I have been referring. In particular, it deals to facilities or bases which have already been phased out or which are not now being fully utilized, whereas the big problem which will be facing most of our districts is the problem of preventing the increased impact on unemployment that will be caused by the closing of the 73 bases to which the President has referred, as well as other closings which may well be coming along in the future. For this reason, I am offering my amendment as a substitute to section 27.

Briefly, my amendment would call on the Secretary of Commerce, whenever the Defense Department announces plans to deactivate a military installation or whenever it is in the process of deactivating a military installation in an area which is suffering from serious unemployment, defined as 6-percent unemployment or more, to look into the overall economic consequences of this action. Under my amendment this study would not be made frivolously or even automatically, but only upon application by the Governor or Governors of the State or States directly affected by the closedown. The Secretary of Commerce would be authorized to look specifically into all of the costs to the Government involved in these deactivations, whether a full base or a major part of a base, as in the case of the Air Materiel Area at Rome, N.Y. The Secretary would examine, for example, what additional costs might be incurred by other branches of the Federal Government and by local governments, costs such as the relocation of families, defaulting on FHA mortgages, increased outflow of unemployment compensation, costs of moving equipment and families, and costs of retraining new workers. This study, with all of these economic facts set forth and with a full description of the impact on the local economy, and with appropriate recommendations, would then be made available to the Congress and also to the Secretary of Defense.

My amendment cannot properly go beyond that in this legislation, because in this bill we cannot of course direct the Secretary of Defense to do anything. But the economic information developed by the Secretary of Commerce under my amendment would, I am sure, have tremendous impact on the final decision reached in the Defense Department. Surely it would be difficult for the Department to proceed if the facts of a closedown motivated by economy proved to involve greater overall expenses, or if the impact on unemployment was tremendously severe. The spotlight of publicity in this case, in other words, would serve as a great moral if not a legal persuader.

Mr. Chairman, I believe my amendment represents the very least that we in this House can do to insure that whatever actions may be taken by the Defense Department in the next few months will, insofar as humanly possible, not be taken in such a way as to aggravate the total unemployment problem to which this very important legislation is addressed. Unless the jobs which we are attempting to create in this legislation through the front door are effectively prevented from slipping rapidly away out the back door, we will not have accomplished what we hope to accomplish in passing the committee bill.

Mr Chairman, I urge the adoption of my amendment.

Mr. RYAN. Mr. Chairman, I urge the Members of this House to support this amendment to S. 1.

This amendment is a sound approach to a very serious problem. When the armed services builds a military installation in an area, many people from the area and from outside the area depend upon the continuance of the installation for their livelihood. Private industry invests large sums of money in business which services the installation. Therefore, the decision to deactivate a military installation is one which has far-reaching consequences to the community where the installation is established.

A case in point is the Air Force base in Rome, N.Y. This base employs over 6,500 civilians. In addition, there are at least an additional 3,500 people who work for private concerns which directly service the base. Private business has invested substantial sums in the area. If this base is deactivated at least 10,000 persons may be out of work. This does not include the businesses and services in the community which are dependent upon the consumer spending of the base's personnel.

The effect of this additional unemployment in the area can be readily seen by looking at recent statistics.

The latest figures show that 9.5 percent of the labor force in the Rome-Utica labor market area are unemployed. This figure represents 12,500 people out of work. The Rome-Utica area just misses being one of the substantial and persistant labor surplus areas under S. 1.

In 1958 this area had 9.7 percent unemployment. Fifty percent above the national average was 10.2. In 1959 there was 8.2 percent of the labor force out of work. Fifty percent above the national average for that year was 8.3. In 1960 this area had 8.2 percent of the labor force out of work, with 50 percent above the national average being 8.4. It is apparent that, if 10,000 more people are unemployed, this area will probably be listed as a substantial and persistent labor surplus area under the formula in S. 1.

This amendment calls for a study of the economic consequences to the area and of the overall economic impact to the country which will result when a military installation is closed.

A report by the Secretary of Commerce to the Secretary of Defense will insure that the Government takes a broader view of the consequences.

The amendment deserves our support.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. STRATTON].

The amendment was agreed to.

Mr. JAMES C. DAVIS. Mr. Chairman, I offer an amendment.

The clerk read as follows:

Amendment offered by Mr. JAMES C. DAVIS: On page 80, line 21, strike out the word "fifteen" and insert in lieu thereof the word "five".

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. JAMES C. DAVIS. I yield to the gentleman from Texas.

Mr. PATMAN. Mr. Chairman, we have been negotiating on this question and we have decided we are willing to accept the amendment offered by the gentleman from Georgia [Mr. JAMES C. DAVIS].

Mr. WIDNALL. Mr. Chairman, will the gentleman explain the amendment?

Mr. PATMAN. Mr. Chairman, it reduces the number of supergrades to be used in the administration of the act from 15 to 5.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia [Mr. JAMES C. DAVIS].

The amendment was agreed to.

Mr. MONTOYA. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MONTOYA: On page 72, after line 14, insert the following new subsection:

"(f) In providing assistance under this section with respect to unemployed and underemployed individuals residing in redevelopment areas, the Secretary of Labor and the Secretary of Health, Education, and Welfare shall give consideration to the special needs of individuals who are agricultural workers or are engaged in other seasonal occupations and who require occupational training in order to qualify them to engage

in supplementary employment during the off season and during other periods of reduced activity in the field of their regular or primary occupations."

Mr. PATMAN. Mr. Chairman, the Committee on our side is willing to accept the amendment.

Mr. WIDNALL. Mr. Chairman, will the gentleman give us a word of explanation?

Mr. MONTOYA. Mr. Chairman, the purpose of the amendment is to place clearly within the provisions of the act a provision which will enable the Secretary to initiate vocational training programs wherever they are feasible for agricultural workers who out of season find themselves unemployed.

Mr. Chairman, I propose an amendment which in my opinion will greatly benefit a segment of our population which I am sure we all agree needs help. I am speaking of the agricultural worker and the individuals engaged in seasonal occupations. In this connection, I offer the following amendment to S. 1:

On page 72, after line 14, insert the following new subsection:

"(f) In providing assistance under this section with respect to unemployed and underemployed individuals residing in redevelopment areas, the Secretary of Labor and the Secretary of Health, Education, and Welfare shall give consideration to the special needs of individuals who are agricultural workers or are engaged in other seasonal occupations and who require occupational training in order to qualify them to engage in supplementary employment during the off season and during other periods of reduced activity in the field of their regular or primary occupations."

Permit me now to make a number of observations which I believe substantiate the need for an adequate program of vocational retraining to help agricultural and seasonal workers. A massive retraining program for these two groups will enable them to acquire new skills which are needed to enter new fields of endeavor.

I do not have to remind any of my colleagues that agricultural employees are in dire need of help. In most of our discussions of how to solve the problem of high unemployment in distressed areas, too much emphasis has been placed on long-range solutions and ignoring the agricultural unemployment. Secretary Freeman in his testimony before the House Banking and Currency Committee on February 27, 1961, indicated that over 1,400,000 are unemployed and underemployed out of a total agricultural labor force of 4,700,000. It is difficult to comprehend an expanding economy with such a large segment of our population in a basic industry underemployed. He said:

There is enough underemployment each year among workers 20 to 64 years of age who live on farms to equal a full year of unemployment for 1,400,000 workers. That is to say—if we did not have so many people underemployed in agriculture, the Nation would have roughly 1,400,000 more unemployed workers than are currently reported.

It is clear that unemployment and underemployment are basically the same condition.

Since World War II, the Nation's economy has not grown enough to put to work and keep fully employed all of our people who want to work.

Already farm families get a third of their net income from nonfarm sources. Of every 100 farm operators, 45 did some work off their farms in 1959, and nearly a third of the operators worked off their farms 100 days or more.

However, representatives of 95 percent of the rural electric systems of the Nation report that there is need for additional work off the farms in the areas they serve. With the labor supply increasing and with technology making an hour of work more productive, we have permitted a situation to develop where demand has been outrun.

President Kennedy in his state of the Union message indicated that farm income in the past 10 years has decreased over 25 percent. The restoration of the purchasing power of the farmer could solve many of our problems in the other industrial areas. It seems to me that there are urgent human problems on the farm which need immediate attention. We cannot solve these problems through expanding surplus commodity distribution or extending legislation. We must seek a speedier solution which will give jobs to the agricultural unemployed. Underemployment in agriculture has become an increasingly serious problem since the end of the war. An increasing number and an increasing percentage of farm families are found in the lowest income group of the Nation—the lowest one-fifth. In the 1944–47 period, 40 percent of the farm operator families were in that group, but in the 1955–57 period more than 50 percent were in it. Another way to see this problem is to look at actual income figures. In 1959, only about 13 percent of the families in the Nation had incomes less than $2,000, but about 36 percent of the farm families had incomes under $2,000. The people want to work. Underemployment in agricultural is due to the national shortage of jobs rather than to inherent characteristics of regions or people. Department of Agriculture and State college research people studying the problems of specific areas find differences, it is true. The history of an area and the origins and history of a group of people are reflected to some extent in the opportunities available and the way the people react to them; but the differences among areas pale into insignificance when you consider this unifying similarity.

The American people wherever they are, whatever their origins and history, want to work. They aspire to better things for themselves and their children. They take jobs when and where they find jobs for which they are qualified. They are ingenious in putting their resources to work to make and sell useful goods and in selling needed services. This is true of the people in the areas that are short of resources and buying power, as it is in other areas, contrary to what some of us have assumed too easily in the past.

I am firmly convinced that the answer lies in a massive program of vocational retraining, fully utilizing the existing facilities of our high schools and other State institutions and creating additional regional vocational schools in areas affected. There is no single panacea to the distressed agricultural areas and unfortunately, most of the solutions offered by factfinding committees and legislators are of a pump-priming nature. Conditions are so critical in some areas that it is time for a new type of program to be effected. These agricultural unemployed must be made vocationally mobile so that they can properly seek employment in areas where job opportunities are available.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Mexico [Mr. MONTOYA].

The amendment was agreed to.

Mr. MONTOYA. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MONTOYA of New Mexico: On page 82, after line 9, insert the following new section:

"RESEARCH

"SEC. 28. To assist in the long-range accomplishment of the purposes of this Act, the Secretary shall establish and conduct a continuing program of study and research designed to assist in determining the causes of unemployment, underemployment, underdevelopment, and chronic depression in the various areas of the Nation and in the Nation as a whole and in the formulation and implementation of National, State, and local programs which will raise income levels and otherwise produce solutions of the problems resulting from these conditions. The Secretary shall include in his annual report under section 22 a detailed statement concerning the study and research conducted under this section together with his findings resulting therefrom and his recommendations for legislative and other action."

And renumber the succeeding section accordingly.

Mr. MONTOYA. Mr. Chairman, I offer this amendment as I firmly believe that this legislation needs a long-term program of research to determine causes of underdevelopment and of chronic depression. I feel that the provisions of this bill will help correct the immediate problem facing the Nation in the depressed areas. However, I strongly urge that a long-range program be instituted. This could be accomplished after sufficient study and research has been made to determine the basic causes and alternative solutions that may be available to these areas.

Mr. PATMAN. Mr. Chairman, we are familiar with the gentleman's amendment and we are willing to accept it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Mexico [Mr. MONTOYA].

The amendment was agreed to.

Mr. KEITH. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, under the provisions of this bill many communities can qualify for assistance. Some of these cities are obviously more deserving of our attention than others. The question is, Is there in this bill any directive or instruction to the administrator of the program to give priority to those communities which have had substantial unemployment for extended periods of time?

Mr. PATMAN. Mr. Chairman, if the gentleman will yield, the bill provides

that areas such as the gentleman describes will be designated for assistance, and New Bedford is given a priority in the sense that it is one of 20 major areas which meet the test in the bill for mandatory designation. New Bedford will certainly be high on the priority list.

Mr. KEITH. I thank the gentleman very much for those words of reassurance.

In this city we have a flood control project which has been authorized by this or by an earlier Congress. The city is hard pressed to meet its financial commitments. Is it the intent of the provision pertaining to the grants for public facilities to take care of problems like that facing New Bedford in this instance?

Mr. PATMAN. It is intended to take care of cities like New Bedford provided there is no other way of financing the project on reasonable terms and it needs public facilities to solve its problems.

Mr. KEITH. I thank the gentleman very much.

Mr. HARRIS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time to ask a question of my distinguished colleague, whose district adjoins mine in the Arkansas-Texas area.

On page 4 of the committee report it is stated:

> Such planning should take into account all the potentials of the area. They may be in recreation or tourism, not heavy industry; they may lie in the promotion of parks and the restoration of forests, with the construction of necessary access roads.

First, may I ask in just what way under the provisions of this bill an area could qualify for assistance in promoting parks?

Mr. PATMAN. This is a rural area?

Mr. HARRIS. Yes, I assume it is; I do not know.

Mr. PATMAN. It would be within the discretion of the Administrator, if it conforms with the overall economic development program presented by the local community. I would not know unless I could see the plan. I would not know what to say, and then I would not have the power because it is entirely up to the Administrator.

Mr. HARRIS. In other words, any feasible plan that would be acceptable to the Administrator would be possible under this bill?

Mr. PATMAN. It would be possible under this act.

Mr. HARRIS. Now may I ask this further question with reference to access roads. The gentleman may or may not be familiar with Rich Mountain, in the northern part of my district and over in Oklahoma. It is substantially in the national forest. On top of this mountain is a State park. An effort has been made for some time to obtain funds locally, State or otherwise, for the development of a road across the top of this mountain into Oklahoma, and so forth. The question is, would a plan, if it were to be developed and acceptable to the Secretary, be eligible under this program?

Mr. PATMAN. It would not be ruled out. I see no reason why it should not be eligible.

Mr. HARRIS. In other words, if the criteria otherwise stated in the report earlier could be met, then such a program could possibly be worked out for a project of this nature?

Mr. PATMAN. It would be possible under this act.

Mr. HARRIS. I thank the gentleman.

Mr. MULTER. Mr. Chairman, I ask unanimous consent that each of the Members who offered amendments that have been adopted be permitted to revise and extend his remarks at the point in the RECORD immediately prior to the vote on the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. HEMPHILL. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I take this time to ask certain questions, the first of which is, Is the effect of this legislation directed toward putting up plants with Government money in competition with plants already in existence?

Mr. PATMAN. No.

Mr. HEMPHILL. The committee is right here in saying that that is not proper and that the administration should be directed not in that direction but in other directions?

Mr. PATMAN. That is not the purpose.

Mr. HEMPHILL. Is the legislation directed toward stopping development in any one section of the country?

Mr. PATMAN. The answer is no.

Mr. HEMPHILL. I have in mind the language on page 9 of the report which seems to single out certain parts of the country, I thought unfairly. Would this stop the movement of industry from one part of the country to another where the industry had not previously been established?

Mr. PATMAN. It would not affect it unless there were an effort made to move a plant from one section to another. In that event public funds could not be used for that purpose. Under this act, they are prohibited.

Mr. HEMPHILL. Would you prohibit a plant relocating that wanted to relocate? Would you give the community assistance or not?

Mr. PATMAN. The Administrator would not have anything to do with that unless they asked for assistance. In that event, public money would be involved and could not be used for that purpose.

Mr. HEMPHILL. I thank the gentleman.

Mr. WIDNALL. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time to ask one question of the gentleman from Texas [Mr. PATMAN]. Is there anything in the rural section of this bill that gives priority to the unemployed of a chronically distressed area over the underemployed?

Mr. PATMAN. I do not think that distinction is drawn. I think the underemployed and the unemployed are treated in a very similar way. The object is to help them whether they are underemployed or unemployed.

Mr. WIDNALL. Actually, it is not going to be a bill primarily to help those in the chronically distressed areas who are unemployed?

Mr. PATMAN. There is no distinction between underemployed and unemployed.

Mr. HOFFMAN of Michigan. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, permit a question to the gentleman from New Mexico who offered the amendment to assist the migrant or seasonal workers.

Mr. PATMAN. There is nothing in the bill that affects migrant workers.

Mr. HOFFMAN of Michigan. Is the gentleman from New Mexico over there?

Mr. PATMAN. There is nothing in this bill that affects migrant workers.

Mr. HOFFMAN of Michigan. Did we not have an amendment a little while ago about migrant or seasonal workers?

Mr. PATMAN. No, there was something about Indian reservations.

Mr. HOFFMAN of Michigan. Was there not an amendment offered by the gentleman from New Mexico?

Mr. PATMAN. That was about Indian reservations.

Mr. HOFFMAN of Michigan. About seasonal workers.

Mr. PATMAN. Oh, seasonal workers.

Mr. HOFFMAN of Michigan. Yes, what is the difference between seasonal and migrant workers except perhaps that seasonal workers are through with a job earlier? Now I am not asking the gentleman from Texas but—my question is this. Under that amendment, a seasonal worker who might be a migrant worker comes to Michigan to help harvest crops which are produced by stoop labor, as we call it. Under that amendment, do they receive help after the crops are harvested, if they are unemployed?

Mr. PATMAN. That would be unemployment benefits, I think. I do not know of anything in this act that would permit the payment of unemployment benefits.

Mr. HOFFMAN of Michigan. If the gentleman will just wait, quit stalling, some of these people come up and harvest crops and then go back, and they do not work any more except down in Mexico. Can they receive a benefit under this bill as amended?

Mr. PATMAN. They go back to their own country under the treaty that is in force.

Mr. HOFFMAN of Michigan. Yes, and what I am asking you, under that amendment, are they to receive aid?

Mr. PATMAN. Not after they have finished their jobs, I am sure. But, in training—in training'——

Mr. HOFFMAN of Michigan. If they stay here—for instance, at Benton Harbor, Mich., as some do, the rest of the year, are they to receive aid for the rest of the year, or a benefit under this bill?

Mr. PATMAN. Not under this act, and I do not see where they could receive aid under this act.

Mr. HOFFMAN of Michigan. Under the amendment.

Mr. PATMAN. Not under the act.

Mr. HOFFMAN of Michigan. Under the amendment.

Mr. PATMAN. Under the employment act of your State, I do not know.

Mr. HOFFMAN of Michigan. I did not ask you about unemployment. Under the amendment in this act, I am asking you: Can they receive a benefit?

Mr. PATMAN. No, sir; my construction is no.

Mr. HOFFMAN of Michigan. With that answer I cannot agree.

The CHAIRMAN. The question is on the committee amendment, as amended.

The committee amendment, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BOGGS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (S. 1) to establish an effective program to alleviate conditions of substantial and persistent unemployment and underemployment in certain economically distressed areas, pursuant to House Resolution 237, he reported the bill back to the House with an amendment adopted in Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on agreeing to the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the third reading of the Senate bill.

The bill was ordered to be read a third time, and was read the third time.

Mr. WIDNALL. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. WIDNALL. I am opposed to the bill.

The SPEAKER. The gentleman qualifies.

The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. WIDNALL moves to recommit the bill to the Committee with instructions to report the same back to the House with the following amendment: Strike out all after the enacting clause and insert in lieu thereof the following: "That this Act may be cited as the 'Area Redevelopment Act'.

"DECLARATION OF PURPOSE

"SEC. 2. The Congress declares that the maintenance of the national economy at a high level is vital to the best interests of the United States, but that some of our communities are suffering substantial and persistent unemployment and underemployment; that such unemployment and underemployment cause hardship to many individuals and their families and detract from the national welfare by wasting vital human resources; that to overcome this problem the Federal Government, in cooperation with the States, should help areas of substantial and persistent unemployment and underemployment to take effective steps in planning and financing their economic redevelopment; that Federal assistance to communities, industries, enterprises, and individuals in areas needing redevelopment should enable such areas to achieve lasting improvement and enhance the domestic prosperity by the establishment of stable and diversified local economies and improved local living conditions; and that under the provisions of this Act new employment opportunities should be created by developing and expanding new and existing facilities and resources.

"AREA REDEVELOPMENT ADMINISTRATOR

"SEC. 3. There shall be appointed by the President, by and with the advice and consent of the Senate, an Area Redevelopment Administrator in the Department of Commerce who shall receive compensation at a rate equal to that received by Assistant Secretaries of Commerce. The Administrator shall perform such duties in the execution of this Act as the Secretary of Commerce (hereinafter referred to as the 'Secretary') may assign.

"ADVISORY POLICY BOARD

"SEC. 4. (a) To advise the Secretary in the performance of functions authorized by this Act, there is created an Area Redevelopment Advisory Policy Board (hereinafter referred to as the 'Board'), which shall consist of the following members, all ex officio: the Secretary as Chairman; the Secretaries of Agriculture; Health, Education, and Welfare; Interior; Labor; and Treasury; and the Administrators of the Housing and Home Finance Agency and the Small Business Administration. The Chairman may from time to time invite the participation of officials of other agencies of the executive branch interested in the functions herein authorized. Each member of the Board may designate an officer of his agency to act for him as a member of the Board with respect to any matter there considered.

"(b) The Secretary shall appoint a National Public Advisory Committee on Area Redevelopment which shall consist of twenty-five members and shall be composed of representatives of labor, management, agriculture, State and local governments, and the public in general. From the members appointed to such Committee the Secretary shall designate a Chairman. Such Committee, or any duly established subcommittee thereof, shall from time to time make recommendations to the Secretary relative to the carrying out of his duties under this Act. Such Committee shall hold not less than two meetings during each calendar year.

"(c) The Secretary is authorized from time to time to call together and confer with any persons, including representatives of labor, management, agriculture, and government, who can assist in meeting the problems of unemployment or underemployment in the several areas designated by the Secretary as redevelopment areas.

"REDEVELOPMENT AREAS

"SEC. 5. (a) The Secretary shall designate as a 'redevelopment area' any labor market area within the United States with respect to which the chief executive of the State in which such area is located has requested such designation and the Secretary of Labor has found and certified to the Secretary—

"(1) that the rate of unemployment in such area, excluding unemployment due primarily to temporary or seasonal factors, is currently 6 per centum or more and has averaged at least 6 per centum for the qualifying time periods specified in paragraph (2); and

"(2) that the annual average rate of unemployment in such area has been at least—

"(A) 50 per centum above the national average for three of the preceding four calendar years, or

"(B) 75 per centum above the national average for two of the preceding three calendar years, or

"(C) 100 per centum above the national average for one of the preceding two calendar years.

"(b) The Secretary of Agriculture shall conduct such studies as he may deem necessary to enable him to develop and submit to the Congress, not later than January 3, 1962, a proposed workable program to provide for the participation of rural areas, rural nonfarm areas, and Indian reservations, in which there has existed substantial and persistent unemployment or underemployment for an extended period of time, in the program of financial assistance under this Act. Upon the request of the Secretary of Agriculture, the Secretary of the Interior shall conduct such special studies and compile and furnish to the Secretary of Agriculture such information as the Secretary of Agriculture may deem necessary to enable him to carry out his duties under this subsection. The Secretary of Agriculture shall reimburse the Secretary of the Interior, out of funds appropriated under this subsection, for expenses incurred by the Secretary of the Interior under this subsection. There are authorized to be appropriated such sums, not to exceed $500,000, as may be necessary to carry out the provisions of this subsection.

"(c) The Secretary shall reimburse when appropriate, out of any funds available to the Secretary under this Act, the heads of other departments or agencies for expenses incurred by them under this section in conducting studies or furnishing information requested by the Secretary.

"(d) As used in this Act, the term 'redevelopment area' refers to any area within the United States which has been designated by the Secretary as a redevelopment area.

"LOANS AND PARTICIPATIONS

"SEC. 6. (a) The Secretary is authorized to purchase evidences of indebtedness and to make loans (which for purposes of this section shall include participations in loans) to aid in financing any project within a redevelopment area for the purchase or development of land and facilities (including, in exceptional cases, machinery and equipment) for industrial or commercial usage, including the construction of new buildings, the rehabilitation of abandoned or unoccupied buildings, and the alteration, conversion, or enlargement of existing buildings. Such financial assistance shall not be extended for working capital, or to assist establishments relocating, totally or partially, from one area to another.

"(b) Financial assistance under this section shall be on such terms and conditions as the Secretary determines, subject, however, to the following restrictions and limitations:

"(1) The total amount of loans (including purchased evidences of indebtedness) outstanding at any one time under this section with respect to projects in redevelopment areas shall not exceed $150,000,000.

"(2) Such assistance shall be extended only to applicants, both private and public, approved for such assistance by the State (or any agency or instrumentality thereof concerned with problems of economic development) in which the project to be financed is or will be located.

"(3) The project for which financial assistance is sought must be reasonably calculated to provide more than a temporary alleviation of unemployment or underemployment within the redevelopment area wherein it is, or will be, located.

"(4) No such assistance shall be extended hereunder unless the financial assistance applied for is not otherwise available from private lenders or other Federal agencies on reasonable terms.

"(5) The Secretary shall not make any loan without a participation unless he determines that the loan cannot be made on a participation basis.

"(6) No evidences of indebtedness shall be purchased and no loans shall be made unless it is determined that there is a reasonable assurance of repayment.

"(7) Subject to section 11(5) of this Act, no loan, including renewals or extension

thereof, may be made hereunder for a period exceeding twenty-five years and no evidences of indebtedness maturing more than twenty-five years from date of purchase may be purchased hereunder: *Provided*, That the foregoing restrictions on maturities shall not apply to securities or obligations received by the Secretary as a claimant in bankruptcy or equitable reorganization or as a creditor in other proceedings attendant upon insolvency of the obligor.

"(8) Loans made and evidences of indebtedness purchased under this section shall bear interest at a rate equal to the rate of interest paid by the Secretary on funds obtained from the Secretary of the Treasury as provided in section 8(d) of this Act plus one-half of 1 per centum per annum to cover administrative expenses and to provide for losses on loans made and evidences of indebtedness purchased under this section.

"(9) Such assistance shall not exceed 65 per centum of the aggregate cost to the applicant (excluding all other Federal aid in connection with the undertaking) of acquiring or developing land and facilities (including, in exceptional cases, machinery and equipment), and of constructing, altering, converting, rehabilitating, or enlarging the building or buildings of the particular project, and shall, among others, be on the condition that—

"(A) other funds are available in an amount which, together with the assistance provided hereunder, shall be sufficient to pay such aggregate cost;

"(B) not less than 10 per centum of such aggregate cost be supplied by the State or any agency, instrumentality, or political subdivision thereof, or by a community or area organization which is nongovernmental in character, as equity capital or as a loan repayable only after the Federal financial assistance extended under this section has been repaid in full according to the terms thereof and, if such a loan is secured, its security shall be subordinate and inferior to the lien or liens securing such Federal financial assistance;

"(C) in extending financial assistance under this section with respect to a redevelopment area, the Secretary shall require that not less than 5 per centum of the aggregate cost of the project for which such assistance is extended shall be supplied by nongovernmental sources, in addition to any funds supplied from such sources under subparagraph (B), as equity capital or as a loan repayable only after the Federal financial assistance extended under this section has been repaid in full according to the terms thereof and, if such a loan is secured, its security shall be subordinate and inferior to the lien or liens securing such Federal finanical assistance; and

"(D) to the extent the Secretary finds such action necessary to encourage financial participation in a particular project by other lenders and investors, and except as otherwise provided in subparagraphs (B) and (C), any Federal financial assistance extended under this section may be repayable only after other loans made in connection with such project have been repaid in full, and the security, if any, for such Federal financial assistance may be subordinate and inferior to the lien or liens securing other loans made in connection with the same project.

"(10) No such assistance shall be extended unless there shall be submitted to and approved by the Secretary an overall program for the economic development of the area and a finding by the State, or any agency, instrumentality, or local political subdivision thereof, that the project for which financial assistance is sought is consistent with such program: *Provided*, That nothing in this Act shall authorize financial assistance for any project prohibited by laws of the State or local political subdivision in which the project would be located.

"LOANS FOR PUBLIC FACILITIES

"SEC. 7. (a) In order to provide loans for public facilities in redevelopment areas, the first sentence of section 202(c) of title II of the Housing Amendments of 1955 is amended to read as follows:

"'(c) In the processing of applications for financial assistance under this section, the Administrator shall give equal priority to applications of—

"'(1) counties, cities, and other municipalities and political subdivisions for financing needed public facilities in areas determined to be redevelopment areas under the Area Redevelopment Act, if the Secretary of Commerce certifies there is reasonable probability that with assistance made available under the Area Redevelopment Act and other undertakings such areas will be able to achieve lasting improvement in their economic development; and

"'(2) smaller municipalities for assistance in the construction of basic public works (including works for the storage, treatment, purification, or distribution of water; sewage, sewage treatment, and sewer facilities; and gas distribution systems) for which there is an urgent and vital public need.'

"(b) The first sentence of section 203(a) of title II of the Housing Amendments of 1955 is amended to read as follows:

"'(a) In order to finance activities under this title, the Administrator is authorized and empowered to issue to the Secretary of the Treasury, from time to time and to have outstanding at any one time in an amount not exceeding $150,000,000, notes and other obligations, which limit shall be increased by such amounts, not exceeding $100,000,000, as may be specified from time to time in appropriation Acts.'

"(c) No financial assistance shall be extended under the amendments made by this section with respect to—

"(1) any public facility situated in a redevelopment area which would compete with an existing privately owned public utility rendering a service to the public at rates or charges subject to regulation by a State regulatory body, unless the State regulatory body determines that in the area to be served by the public facility for which the financial assistance is to be extended there is a need for an increase in such service (taking into consideration reasonably foreseeable future needs) which the existing public utility is not able to meet through its existing facilities or through an expansion which it is prepared to undertake; or

"(2) any area if it will assist business establishments in relocating, totally or partially, from one area to another.

"AREA REDEVELOPMENT FUND

"SEC. 8. (a) There is hereby established in the Treasury of the United States an area redevelopment fund (hereinafter referred to as the 'fund'), which shall be available to the Secretary for the purpose of extending financial assistance under section 6 and for the payment of all obligations and expenditures arising therefrom.

"(b) When requested by the Secretary, advances shall be made to the fund from the appropriations made therefor. There is hereby authorized to be appropriated for the purpose of making advances to the fund without fiscal year limitation, an amount not exceeding $150,000,000.

"(c) Receipts arising from the program of assistance under section 6 shall be credited to the fund. Any moneys in the fund determined by the Secretary to be in excess of current needs shall be credited to the appropriation from which advanced to be held for future advances to the fund.

"(d) There shall be paid into miscellaneous receipts of the Treasury at the close of each fiscal year interest, on advances made to the fund for use in extending financial assistance under section 6, at rates which shall be determined by the Secretary of the Treasury at the time the advances or commitments for advances are made after taking into consideration the current average market yields of outstanding marketable obligations of the United States having maturities comparable to loans made by the Secretary under section 6.

"(e) The fund shall contribute to the civil service retirement and disability fund a sum as provided by section 4(a) of the Civil Service Retirement Act (5 U.S.C. 2254(a)), except that such sum shall be determined by applying to the total basic salaries (as defined in that Act) paid to employees performing activities authorized under section 6 of this Act and covered by that Act the per centum rate determined annually by the Civil Service Commission to be the excess of the total normal cost per centum rate of the civil service retirement system over the employee deduction rate specified in such section 4(a). The fund shall also pay into the Treasury as miscellaneous receipts that portion of the cost of administration of the civil service retirement and disability fund attributable to employees performing activities authorized under section 6 of this Act, as determined by the Civil Service Commission.

"(f) In the performance of and with respect to the functions, powers, and duties vested in him by section 6 of this Act, the Secretary shall—

"(1) prepare annualy and submit a budget program in accordance with the provisions of sections 102, 103, and 104 of the Government Corporation Control Act, as amended; and

"(2) determine the character of and the necessity for obligations and expenditures and the manner in which they shall be incurred, allowed, and paid, subject to provisions of law specifically applicable to Government corporations.

"INFORMATION

"SEC. 9. The Secretary shall aid redevelopment areas and other areas by furnishing to interested individuals, communities, industries, and enterprises within such areas any assistance, technical information, market research, or other forms of assistance, information, or advice which are obtainable from the various departments, agencies, and instrumentalities of the Federal Government and which would be useful in alleviating or preventing conditions of excessive unemployment or underemployment within such areas. The Secretary shall furnish the procurement divisions of the various departments, agencies, and other instrumentalities of the Federal Government with a list containing the names and addresses of business firms which are located in redevelopment areas and which are desirous of obtaining Government contracts for the furnishing of supplies or services, and designating the supplies and services such firms are engaged in providing.

"TECHNICAL ASSISTANCE

"SEC. 10. In carrying out his duties under this Act the Secretary is authorized to provide technical assistance which would be useful in alleviating or preventing conditions of excessive unemployment or underemployment (1) to areas which he has designated as redevelopment areas under this Act, and (2) to other areas which he finds have substantial need for such assistance. Such assistance shall include studies evaluating the needs of, and developing potentialities for, economic growth of such areas. Such assistance may be provided by the Secretary through members of his staff or through the employment of private individuals, partnerships, firms, corporations, or suitable institutions, under contracts entered into for such purposes. Appropriations are hereby authorized for the purposes of this section in an amount not to exceed $4,500,000 annually.

"POWERS OF SECRETARY

"SEC. 11. In performing his duties under this Act, the Secretary is authorized to—

"(1) adopt, alter, and use a seal, which shall be judicially noticed;

"(2) hold such hearings, sit and act at such times and places, and take such testimony, as he may deem advisable;

"(3) request directly from any executive department, bureau, agency, board, commission, office, independent establishment, or instrumentality information, suggestions, estimates, and statistics needed to carry out the purposes of this Act; and each department, bureau, agency, board, commission, office, establishment, or instrumentality is authorized to furnish such information, suggestions, estimates, and statistics directly to the Secretary;

"(4) under regulations prescribed by him, assign or sell at public or private sale, or otherwise dispose of for cash or credit, in his discretion and upon such terms and conditions and for such consideration as he shall determine to be reasonable, any evidence of debt, contract, claim, personal property, or security assigned to or held by him in connection with loans made or evidences of indebtedness purchased under this Act, and collect or compromise all obligations assigned to or held by him in connection with such loans or evidences of indebtedness until such time as such obligations may be referred to the Attorney General for suit or collection;

"(5) further extend the maturity of or renew any loan made or evidence of indebtedness purchased under this Act, beyond the periods stated in such loan or evidence of indebtedness or in this Act, for additional periods not to exceed ten years, if such extension or renewal will aid in the orderly liquidation of such loan or evidence of indebtedness;

"(6) deal with, complete, renovate, improve, modernize, insure, rent, or sell for cash or credit, upon such terms and conditions and for such consideration as he shall determine to be reasonable, any real or personal property conveyed to, or otherwise acquired by, him in connection with loans made or evidence of indebtedness purchased under this Act;

"(7) pursue to final collection, by way of compromise or other administrative action, prior to reference to the Attorney General, all claims against third parties assigned to him in connection with loans made or evidences of indebtedness purchased under this Act. This shall include authority to obtain deficiency judgments or otherwise in the case of mortgages assigned to the Secretary. Section 3709 of the Revised Statutes, as amended (41 U.S.C. 5), shall not apply to any contract of hazard insurance or to any purchase or contract for services or supplies on account of property obtained by the Secretary as a result of loans made or evidences of indebtedness purchased under this Act if the premium therefor or the amount thereof does not exceed $1,000. The power to convey and to execute, in the name of the Secretary, deeds of conveyance, deeds of release, assignments and satisfactions of mortgages, and any other written instrument relating to real or personal property or any interest therein acquired by the Secretary pursuant to the provisions of this Act may be exercised by the Secretary or by any officer or agent appointed by him for that purpose without the execution of any express delegation of power or power of attorney;

"(8) acquire, in any lawful manner, any property (real, personal, or mixed, tangible or intangible), whenever deemed necessary or appropriate to the conduct of the activities authorized in section 6 of this Act;

"(9) in addition to any powers, functions, privileges, and immunities otherwise vested in him, take any and all actions, including the procurement of the services of attorneys by contract, determined by him to be necessary or desirable in making, purchasing, servicing, compromising, modifying, liquidating, or otherwise administratively dealing with or realizing on loans made or evidences of indebtedness purchased under this Act;

"(10) to such an extent as he find necessary to carry out the provisions of this Act, procure the temporary (not in excess of six months) service of experts or consultants or organizations thereof, including stenographic reporting services, by contract or appointment, and in such cases such service shall be without regard to the civil service and classification laws, and, except in the case of stenographic reporting services by organizations, without regard to section 3709 of the Revised Statutes (41 U.S.C. 5); any individual so employed may be compensated at a rate not in excess of $75 per diem, and, while such individual is away from his home or regular place of business, he may be allowed transportation and not to exceed $15 per diem in lieu of subsistence and other expenses;

"(11) sue and be sued in any court of record of a State having general jurisdiction or in any United States district court, and jurisdiction is conferred upon such district court to determine such controversies without regard to the amount in controversy; but no attachment, injunction, garnishment, or other similar process, mesne or final, shall be issued against the Secretary or his property. Nothing herein shall be construed to except the activities under this Act from the application of sections 507(b) and 2679 of title 28, United States Code, and of section 367 of the Revised Statutes (5 U.S.C. 316); and

"(12) establish such rules, regulations, and procedures as he may deem appropriate in carrying out the provisions of this Act.

"TERMINATION OF ELIGIBILITY FOR FURTHER ASSISTANCE

"SEC. 12. Whenever the Secretary shall determine that employment conditions within any area previously designated by him as a redevelopment area have changed to such an extent that such area is no longer eligible for such designation under section 5 of this Act, no further assistance shall be granted under this Act with respect to such area and, for the purposes of this Act, such area shall not be considered a redevelopment area: *Provided*, That nothing contained herein shall (1) prevent any such area from again being designated a redevelopment area under section 5 of this Act if the Secretary determines it to be eligible under such section, or (2) affect the validity of any contracts or undertakings with respect to such area which were entered into pursuant to this Act prior to a determination by the Secretary that such area no longer qualifies as a redevelopment area. The Secretary shall keep the departments and agencies of the Federal Government, and interested State or local agencies, advised at all times of any changes made hereunder with respect to the designation of any area.

"URBAN RENEWAL

"SEC. 13. Title I of the Housing Act of 1949, as amended, is amended by adding at the end thereof the following new section:

"'REDEVELOPMENT AREAS UNDER THE AREA REDEVELOPMENT ACT

"'SEC. 113. (a) Whenever the Secretary of Commerce certifies to the Administrator (1) that any county, city, or other municipality (in this section referred to as a "municipality") is situated in an area designated under section 5 of the Area Redevelopment Act as a redevelopment area, and (2) that there is a reasonable probability that with assistance provided under such Act and other undertakings the area will be able to achieve more than temporary improvement in its economy, the Administrator is authorized to provide financial assistance to a local public agency in any such municipality under this title and the provisions of this section.

"'(b) Subject to the provisions of subsection (e) of this section, the Administrator may provide such financial assistance under this section without regard to the requirement or limitations of section 110(c) that the project area be predominantly residential in character or be redeveloped for predominantly residential uses under the urban renewal plan, and without regard to any of the limitations of that section on the undertaking of projects for predominantly nonresidential uses; but no such assistance shall be provided in any area if the Administrator determines that it will assist business establishments in relocating, totally or partially, from one area to another.

"'(c) Notwithstanding any other provision of this title, a contract for financial assistance under this section may include provisions permitting the disposition of any land in the project area designated under the urban renewal plan for industrial or commercial uses to any public agency or nonprofit corporation for subsequent disposition as promptly as practicable by such public agency or corporation for the redevelopment of the land in accordance with the urban renewal plan: *Provided*, That any disposition of such land to such public agency or corporation under this section shall be made at its fair value for uses in accordance with the urban renewal plan: *And provided further*, That only the purchaser from or lessees of such public agency or corporation, and their assignees, shall be required to assume the obligations relating to the commencement of improvements imposed under section 105(b) hereof.

"'(d) Following the execution of any contract for financial assistance under this section with respect to any project, the Administrator may exercise the authority vested in him under this section for the completion of such projects, notwithstanding any determination made after the execution of such contract that the area in which the project is located is no longer a redevelopment area under the Area Redevelopment Act.

"'(e) Not more than 10 per centum of the funds authorized for capital grants under section 103 after the date of the enactment of the Area Redevelopment Act shall be used for the purpose of providing financial assistance under this section. Amounts used for such purpose shall not be taken into account for the purpose of the limitation contained in the second proviso of the fifth sentence of section 110(c).'

"URBAN PLANNING GRANTS

"SEC. 14. Paragraph (3) of section 701(a) of the Housing Act of 1954 is amended by inserting after 'counties which' the following: '(A) are situated in areas designated by the Secretary of Commerce under section 5 (a) of the Area Redevelopment Act as redevelopment areas or (B)'.

"OCCUPATIONAL TRAINING

"SEC. 15. (a) The Secretary of Labor is authorized, upon request and whenever he determines such studies are needed, to undertake, or to provide assistance to others for, studies of the size, characteristics, skills, adaptability, occupational potentialities, and related aspects of the labor force of any redevelopment area.

"(b) When a redevelopment area has an approved economic development program as provided in section 6(b)(10), the Secretary of Labor, in consultation with the Secretary, shall determine the occupational training or retraining needs of unemployed individuals residing in the redevelopment area. The Secretary of Labor shall notify the Secretary of Health, Education, and Welfare of the

occupational training or retraining requirements of the area, and shall provide for the orderly selection and referral of those unemployed or underemployed individuals residing in the area who can reasonably be expected to obtain employment as a result of the skill they will acquire in the training which is to be made available. The Secretary of Labor shall cooperate with the Secretary of Health, Education, and Welfare and with existing State and local agencies and officials in charge of existing programs relating to vocational training and retraining for the purpose of assuring that the facilities and services of such agencies are made fully available to such individuals.

"(c) Whenever the Secretary of Labor finds that additional facilities or services are needed in the area to meet the occupational training or retraining needs of such individuals, he shall so advise the Secretary of Health, Education, and Welfare. The Secretary of Health, Education, and Welfare shall provide assistance, including financial assistance when necessary, to the appropriate State vocational educational agency in the provision of such additional facilities or services. If the Secretary of Health, Education, and Welfare finds that the State vocational educational agency is unable to provide the facilities and services needed, he may, after consultation with such agency, provide for the same by agreement or contract with public or private educational institutions.

"(d) The Secretary of Labor shall arrange to provide any necessary assistance for setting up apprenticeships, and to promote journeyman and other on-the-job training.

"(e) There are hereby authorized to be appropriated for the fiscal year beginning July 1, 1961, such sums, not in excess of $10,000,000, as may be necessary to carry out the provisions of this section.

"RETRAINING SUBSISTENCE PAYMENTS

"SEC. 16. (a) The Secretary of Labor in consultation with the Secretary may, on behalf of the United States, enter into agreements with States in which redevelopment areas are located, under which the Secretary of Labor shall make payments to such States either in advance or by way of reimbursement for the purpose of enabling such States, as agents of the United States, to make weekly retraining payments to unemployed individuals residing within such redevelopment areas who are certified by the Secretary of Labor to be undergoing occupational training or retraining under section 15 of this Act. Such payments shall be made for a period not exceeding sixteen weeks, and the amount of any such payment for any week shall not exceed the amount of the average weekly unemployment compensation payment (including allowances for dependents) payable for a week of total unemployment in the State making such payments.

"(b) No weekly retraining payment shall be made to any person otherwise eligible who, with respect to the week for which such payment would be made, has received or is seeking unemployment compensation under title XV of the Social Security Act or any other Federal or any State unemployment compensation law, but if the appropriate State or Federal agency finally determines that a person denied benefits for any week because of this subsection was not entitled to unemployment compensation under title XV of the Social Security Act or such Federal or State law with respect to such week, this subsection shall not apply with respect to such week.

"(c) Any agreement under this section may contain provisions (including, so far as may be appropriate, provisions authorized or made applicable with respect to agreements concluded by the Secretary of Labor pursuant to title XV of the Social Security Act) as will promote effective administration, protect the United States against loss, and insure the proper application of payments made to the State under such agreement. Except as may be provided in such agreements, or in the rules and regulations prescribed pursuant to subsection (d) of this section, determinations by any duly designated officer or agency as to the eligibility of individuals for weekly retraining payments under this section shall be final and conclusive for any purposes and not subject to review by any court or any other officer.

"(d) The Secretary of Labor and the Secretary shall jointly prescribe such rules and regulations as they may deem necessary to carry out the provisions of this section.

"(e) There are hereby authorized to be appropriated for the fiscal year beginning July 1, 1961, such sums, not in excess of $10,000,000, as may be necessary to carry out the provisions of this section.

"PENALTIES

"SEC. 17. (a) Whoever makes any statement knowing it to be false, or whoever willfully overvalues any security, for the purpose of obtaining for himself or for any applicant any financial assistance under section 6, or any extension thereof by renewal, deferment of action, or otherwise, or the acceptance, release, or substitution of security therefor, or for the purpose of influencing in any way the action of the Secretary, or for the purpose of obtaining money, property, or anything of value, under this Act, shall be punished by a fine of not more than $10,000 or by imprisonment for not more than five years, or both.

"(b) Whoever, being connected in any capacity with the Secretary, in the administration of this Act (1) embezzles, abstracts, purloins, or willfully misapplies any moneys, funds, securities, or other things of value, whether belonging to him or pledged or otherwise entrusted to him, or (2) with intent to defraud the Secretary or any other body politic or corporate, or any individual, or to deceive any officer, auditor, or examiner, makes any false entry in any book, report, or statement of or to the Secretary, or without being duly authorized draws any order or issues, puts forth, or assigns any note, debenture, bonds, or other obligation, or draft, bill of exchange, mortgage, judgment, or decree thereof, or (3) with intent to defraud participates or shares in or receives directly or indirectly any money, profit, property, or benefit through any transaction, loan, grant, commission, contract, or any other act of the Secretary, or (4) gives any unathorized information concerning any future action or plan of the Secretary which might affect the value of securities, or having such knowledge invests or speculates, directly or indirectly, in the securities or property of any company or corporation receiving loans or other assistance from the Secretary, shall be punished by a fine of not more than $10,000 or by imprisonment for not more than five years, or both.

"EMPLOYMENT OF EXPEDITERS AND ADMINISTRATIVE EMPLOYEES

"SEC. 18. No financial assistance shall be extended by the Secretary under section 6 to any business enterprise unless the owners, partners, or officers of such business enterprise (1) certify to the Secretary the names of any attorneys, agents, and other persons engaged by or on behalf of such business enterprise for the purpose of expediting applications made to the Secretary for assistance of any sort, under this Act, and the fees paid or to be paid to any such person; and (2) execute an agreement binding such business enterprise, for a period of two years after such assistance is rendered by the Secretary to such business enterprise, to refrain from employing, tendering any office or employment to, or retaining for professional services, any person who, on the date such assistance or any part thereof was rendered, or within one year prior thereto, shall have served as an officer, attorney, agent, or employee, occupying a position or engaging in activities which the Secretary shall have determined involve discretion with respect to the granting of assistance under this Act.

"RECORD OF APPLICATIONS

"SEC. 19. The Secretary shall maintain as a permanent part of the records of the Department of Commerce a list of applications approved for financial assistance under section 6, which shall be kept available for public inspection during the regular business hours of the Department of Commerce. The following information shall be posted in such list as soon as each application is approved: (1) the name of the applicant and, in the case of corporate applications, the names of the officers and directors thereof, (2) the amount and duration of the loan for which application is made, (3) the purposes for which the proceeds of the loan are to be used, and (4) a general description of the security offered.

"PREVAILING RATE OF WAGE AND FORTY-HOUR WEEK

"SEC. 20. All laborers and mechanics employed by contractors or subcontractors on projects assisted by the Secretary under this Act and undertaken by public applicants shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a—276a–5), and every such employee shall receive compensation at a rate not less than one and one-half times his basic rate of pay for all hours worked in any workweek in excess of eight hours in any workday or forty hours in the workweek, as the case may be. The Secretary shall not extend any financial assistance under section 6 for such a project without first obtaining adequate assurance that these labor standards will be maintained upon the construction work. The Secretary of Labor shall have, with respect to the labor standards specified in this provision, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 64 Stat. 1267; 5 U.S.C. 133z–15), and section 2 of the Act of June 13, 1934, as amended (48 Stat. 948, as amended; 40 U.S.C. 276c).

"ANNUAL REPORT

"SEC. 21. The Secretary shall make a comprehensive and detailed annual report to the Congress of his operations under this Act for each fiscal year beginning with the fiscal year ending June 30, 1962. Such report shall be printed and shall be transmitted to the Congress not later than January 3 of the year following the fiscal year with respect to which such report is made. Such report shall show, among other things, (1) the number and size of Government contracts for the furnishing of supplies and services placed with business enterprises located in redevelopment areas, and (2) the amount and duration of employment resulting from such contracts. Upon the request of the Secretary, the various departments and agencies of the Government engaged in the procurement of supplies and services shall furnish to the Secretary such information as may be necessary for the purposes of this section.

"APPROPRIATION

"SEC. 22. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

"USE OF OTHER FACILITIES

"SEC. 23. (a) To the fullest extent practicable in carrying out the provisions of this Act the Secretary shall use the available services and facilities of other agencies and

instrumentalities of the Federal Government, but only with their consent and on a reimbursable basis. The foregoing requirement shall be implemented by the Secretary in such a manner as to avoid the duplication of existing staffs and facilities in any agency or instrumentality of the Federal Government. The Secretary is authorized to delegate to the heads of other departments and agencies of the Federal Government any of the Secretary's functions, powers, and duties under this Act as he may deem appropriate, and to authorize the redelegation of such functions, powers, and duties by the heads of such departments and agencies.

"(b) Departments and agencies of the Federal Government shall exercise their powers, duties, and functions in such manner as will assist in carrying out the objectives of this Act. This Act shall be supplemental to any existing authority, and nothing herein shall be deemed to be restrictive of any existing powers, duties, and functions of any other department or agency of the Federal Government.

"(c) Funds authorized to be appropriated under this Act may be transferred, with the approval of the Director of the Bureau of the Budget, between departments and agencies of the Government, if such funds are used for the purposes for which they are specifically authorized and appropriated.

"(d) Subject to the standards and procedures prescribed by section 505 of the Classification Act of 1949, as amended, the head of any agency, for the performance of functions under this Act, including functions delegated pursuant to subsection (a), may place positions in grades 16, 17, and 18 of the General Schedule established by such Act, and such positions shall be in addition to the number of such positions authorized by section 505 of the Classification Act of 1949, as amended, to be placed in such grades: *Provided*, That not to exceed a total of fifteen such positions may be placed in such grades under this subsection, to be apportioned among the agencies by the Secretary, with the approval of the Director of the Bureau of the Budget.

"RECORDS AND AUDIT

"SEC. 24. (a) Each recipient of assistance under section 6 of this Act shall keep such records as the Secretary shall prescribe, including records which fully disclose the amount and the disposition by such recipient of the proceeds of such assistance, the total cost of the project or undertaking in connection with which such assistance is given or used, and the amount and nature of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit.

"(b) The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purpose of audit and examination to any books, documents, papers, and records of the recipient that are pertinent to assistance received under section 6 of this Act.

"LOANS TO STATE AND LOCAL DEVELOPMENT COMPANIES

"SEC. 25. Section 502 of the Small Business Investment Act of 1958 is amended by striking out paragraph (6).

"STUDY BY SECRETARY

"SEC. 26. The Secretary shall make a study of the feasibility of establishing procedures to provide for increased use of military bases, and Government-owned plants and facilities for the manufacture or production of munitions and other supplies for the Government, which are located in areas designated under section 5 of this Act as redevelopment areas and which are not fully utilized, whenever such use is consistent with the national defense, economy in Government operation, and other Government procurement objectives. Upon the completion of such study the Secretary shall submit to the Congress a report of his findings together with such recommendations for legislative and other action as he may deem appropriate.

"APPLICATION OF ACT

"SEC. 27. As used in this Act, the terms 'State', 'States', and 'United States' include the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and American Samoa."

Mr. WIDNALL (interrupting the reading). Mr. Speaker, I ask unanimous consent that further reading of the bill be dispensed with.

Mr. PATMAN. Mr. Speaker, reserving the right to object, is this the same as the substitute that was offered in the committee?

Mr. WIDNALL. It is the same as the substitute bill.

Mr. PATMAN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentlemen from New Jersey?

There was no objection.

The SPEAKER. The question is on the motion to recommit.

Mr. WIDNALL. Mr. Speaker, on this vote I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken and there were—yeas 127, nays 291, not voting 13, as follows:

[Roll No. 32]

YEAS—127

Adair	Derounian	May
Alger	Derwinski	Meader
Andersen, Minn.	Devine	Miller, N.Y.
Anderson, Ill.	Dole	Minshall
Arends	Dominick	Morse
Ashbrook	Dooley	Mosher
Auchincloss	Dwyer	Nelsen
Avery	Ellsworth	Norblad
Ayers	Findley	Nygaard
Baldwin	Ford	Osmers
Barry	Frelinghuysen	Ostertag
Bass, N.H.	Garland	Pelly
Bates	Glenn	Pillion
Battin	Goodell	Quie
Becker	Goodling	Ray
Beermann	Griffin	Reifel
Belcher	Gubser	Rhodes, Ariz.
Bell	Hall	Riehlman
Berry	Halleck	Robison
Betts	Harrison, Wyo.	Roudebush
Bolton	Harvey, Ind.	Rousselot
Bow	Harvey, Mich.	St. George
Bromwell	Hiestand	Schadeberg
Broomfield	Hoeven	Schenck
Brown	Hoffman, Ill.	Scherer
Broyhill	Hosmer	Schwengel
Bruce	Jensen	Seely-Brown
Byrnes, Wis.	Jonas	Shriver
Cahill	Judd	Sibal
Cederberg	Kilburn	Springer
Chamberlain	King, N.Y.	Stafford
Chenoweth	Knox	Taber
Chiperfield	Laird	Thomson, Wis.
Church	Langen	Van Pelt
Clancy	Latta	Wallhauser
Collier	Lindsay	Weis
Conte	Lipscomb	Westland
Cramer	McCulloch	Wharton
Cunningham	McMillan	Widnall
Curtis, Mass.	MacGregor	Wilson, Calif.
Curtis, Mo.	Mailliard	Wilson, Ind.
Dague	Martin, Mass.	Younger
	Mason	

NAYS—291

Abbitt	Ashmore	Blatnik
Abernethy	Aspinall	Blitch
Addabbo	Bailey	Boggs
Addonizio	Baker	Boland
Albert	Baring	Boiling
Alexander	Barrett	Bonner
Alford	Bass, Tenn.	Boykin
Andrews	Beckworth	Brademas
Anfuso	Bennett, Fla.	Bray
Ashley	Bennett, Mich.	Breeding
Brewster	Hoffman, Mich.	O'Neill
Brooks, La.	Holifield	Passman
Brooks, Tex.	Holland	Patman
Burke, Ky.	Holtzman	Perkins
Burke, Mass.	Horan	Peterson
Burleson	Huddleston	Pfost
Byrne, Pa.	Hull	Philbin
Cannon	Ichord	Pike
Carey	Ikard	Pilcher
Casey	Inouye	Pirnie
Celler	Jarman	Poage
Chelf	Jennings	Poff
Clark	Joelson	Powell
Coad	Johansen	Price
Cohelan	Johnson, Calif.	Pucinski
Colmer	Johnson, Md.	Rabaut
Cook	Johnson, Wis.	Rains
Cooley	Jones, Ala.	Randall
Corbett	Jones, Mo.	Reuss
Corman	Karsten	Rhodes, Pa.
Curtin	Karth	Riley
Daddario	Kastenmeier	Rivers, Alaska
Daniels	Kearns	Rivers, S.C.
Davis, James C.	Kee	Roberts
	Keith	Rodino
Davis, John W.	Kelly	Rogers, Colo.
Davis, Tenn.	Keogh	Rogers, Fla.
Dawson	Kilday	Rogers, Tex.
Delaney	Kilgore	Rooney
Dent	King, Calif.	Roosevelt
Denton	King, Utah	Rostenkowski
Diggs	Kirwan	Rutherford
Dingell	Kitchin	Ryan
Donohue	Kluczynski	St. Germain
Dorn	Kornegay	Santangelo
Dowdy	Kowalski	Saund
Downing	Kyl	Saylor
Doyle	Landrum	Schneebeli
Dulski	Lane	Schweiker
Edmondson	Lankford	Scranton
Elliott	Lennon	Selden
Everett	Lesinski	Shelley
Evins	Libonati	Sheppard
Fallon	Loser	Shipley
Farbstein	McCormack	Short
Fascell	McDowell	Sikes
Feighan	McFall	Sller
Fenton	McIntire	Sisk
Finnegan	McVey	Slack
Fisher	Macdonald	Smith, Calif.
Flood	Machrowicz	Smith, Iowa
Flynt	Mack	Smith, Miss
Fogarty	Madden	Smith, Va.
Forrester	Magnuson	Staggers
Fountain	Mahon	Steed
Frazier	Marshall	Stephens
Friedel	Martin, Nebr.	Stratton
Fulton	Mathias	Stubblefield
Gallagher	Matthews	Sullivan
Garmatz	Merrow	Taylor
Gary	Michel	Teague, Calif.
Gathings	Miller, Clem	Teague, Tex.
Gavin	Miller, George P.	Thomas
Giaimo		Thompson, La.
Gilbert	Milliken	Thompson, N.J.
Granahan	Mills	Thompson, Tex.
Grant	Moeller	Thornberry
Gray	Monagan	Toll
Green, Oreg	Montoya	Tollefson
Green, Pa.	Moore	Trimble
Griffiths	Moorehead, Ohio	Tuck
Gross		Tupper
Hagan, Ga.	Moorhead, Pa.	Ullman
Hagen, Calif.	Morgan	Utt
Haley	Morris	Vanik
Halpern	Morrison	Van Zandt
Hansen	Moss	Vinson
Harding	Multer	Walter
Hardy	Murphy	Watts
Harris	Murray	Whalley
Harsha	Natcher	Whitener
Hays	Nix	Whitten
Healey	O'Brien, Ill.	Wickersham
Hébert	O'Brien, N.Y.	Winstead
Hechler	O'Hara, Ill.	Yates
Hemphill	O'Hara, Mich.	Young
Henderson	O'Konski	Zablocki
Herlong	Olsen	Zelenko

NOT VOTING—13

Buckley	McSween	Williams
Durno	Moulder	Willis
Fino	Scott	Wright
Harrison, Va.	Spence	
McDonough	Weaver	

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. McDonough for, with Mr. Buckley against.

Mr. Weaver for, with Mr. Moulder against.
Mr. Durno for, with Mr. Willis against.

Until further notice:

Mr. Harrison of Virginia with Mr. Fino.
Mr. McSween with Mr. Derwinski.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

Mr. KILBURN. On that, Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered; and there were—yeas 251, nays 167, not voting 13, as follows:

[Roll No. 33]

YEAS—251

Abernethy	Grant	Morrison
Addabbo	Gray	Morse
Addonizio	Green, Oreg	Mosher
Albert	Green, Pa.	Moss
Alexander	Griffiths	Multer
Andrews	Hagan, Ga.	Murphy
Anfuso	Hagen, Calif.	Natcher
Ashley	Halpern	Nix
Aspinall	Hansen	Norblad
Bailey	Harding	O'Brien, Ill.
Baker	Hardy	O'Brien, N.Y.
Baring	Harris	O'Hara, Ill.
Barrett	Harsha	O'Hara, Mich.
Bass, Tenn.	Hays	O'Konski
Beckworth	Healey	Olsen
Bennett, Fla.	Hechler	O'Neill
Bennett, Mich.	Hemphill	Passman
Blatnik	Henderson	Patman
Boggs	Holifield	Perkins
Boland	Holland	Peterson
Bolling	Holtzman	Pfost
Bonner	Horan	Philbin
Boykin	Huddleston	Pike
Brademas	Ichord	Pilcher
Bray	Inouye	Pirnie
Breeding	Jarman	Powell
Brewster	Jennings	Price
Brooks, Tex.	Joelson	Pucinski
Burke, Ky.	Johnson, Calif.	Rabaut
Burke, Mass.	Johnson, Md.	Rains
Byrne, Pa.	Johnson, Wis.	Randall
Cahill	Jones, Ala.	Reuss
Carey	Karsten	Rhodes, Pa.
Celler	Karth	Rivers, Alaska
Chamberlain	Kastenmeier	Roberts
Chelf	Kearns	Rodino
Chenoweth	Kee	Rogers, Colo.
Clark	Keith	Rogers, Fla.
Coad	Kelly	Rooney
Cohelan	Keogh	Roosevelt
Cook	Kilday	Rostenkowski
Cooley	King, Calif.	Ryan
Corbett	King, Utah	St. Germain
Corman	Kirwan	Santangelo
Curtin	Kluczynski	Saund
Daddario	Kornegay	Saylor
Daniels	Kowalski	Schneebeli
Dawson	Landrum	Schweiker
Delaney	Lane	Scranton
Dent	Lankford	Seely-Brown
Denton	Lesinski	Selden
Diggs	Libonati	Shelley
Dingell	Lindsay	Sheppard
Donohue	McCormack	Shipley
Downing	McDowell	Sikes
Doyle	McFall	Siler
Dulski	McVey	Sisk
Dwyer	Macdonald	Slack
Edmondson	MacGregor	Smith, Iowa
Elliott	Machrowicz	Smith, Miss
Everett	Mack	Staggers
Evins	Madden	Steed
Fallon	Magnuson	Stratton
Farbstein	Marshall	Stubblefield
Fascell	Martin, Mass.	Sullivan
Feighan	Mathias	Taylor
Fenton	Matthews	Thomas
Finnegan	Merrow	Thompson, La.
Flood	Miller, Clem	Thompson, N.J.
Flynt	Miller, George P.	Thompson, Tex.
Fogarty	Milliken	Thornberry
Fountain	Mills	Toll
Frazier	Moeller	Tollefson
Friedel	Monagan	Trimble
Fulton	Montoya	Tupper
Gallagher	Moore	Ullman
Garmatz	Moorehead, Ohio	Vanik
Gavin	Morgan	Van Zandt
Giaimo	Morris	Vinson
Gilbert	Morrison	Wallhauser
Glenn	Morse	Walter
Granahan	Mosher	Watts
Whalley	Yates	Zelenko
Whitener	Young	
Wickersham	Zablocki	

NAYS—167

Abbitt	Dooley	Meader
Adair	Dorn	Michel
Alford	Dowdy	Miller, N.Y.
Alger	Ellsworth	Minshall
Andersen, Minn.	Findley	Murray
	Fisher	Nelsen
Anderson, Ill.	Ford	Nygaard
Arends	Forrester	Osmers
Ashbrook	Frelinghuysen	Ostertag
Ashmore	Garland	Pelly
Auchincloss	Gary	Pillion
Avery	Gathings	Poage
Ayres	Goodell	Poff
Baldwin	Goodling	Quie
Barry	Griffin	Ray
Bass, N.H.	Gross	Reifel
Bates	Gubser	Rhodes, Ariz.
Battin	Haley	Riehlman
Becker	Hall	Riley
Beermann	Halleck	Rivers, S.C.
Belcher	Harrison, Wyo.	Robison
Bell	Harvey, Ind.	Rogers, Tex.
Berry	Harvey, Mich.	Roudebush
Betts	Hébert	Rousselot
Blitch	Herlong	Rutherford
Bolton	Hiestand	St. George
Bow	Hoeven	Schadeberg
Bromwell	Hoffman, Ill.	Schenck
Brooks, La.	Hoffman, Mich.	Scherer
Broomfield	Hosmer	Schwengel
Brown	Hull	Short
Broyhill	Ikard	Shriver
Bruce	Jensen	Sibal
Burleson	Johansen	Smith, Calif.
Byrnes, Wis.	Jonas	Smith, Va.
Casey	Jones, Mo.	Springer
Cederberg	Judd	Stafford
Chiperfield	Kilburn	Stephens
Church	Kilgore	Taber
Clancy	King, N.Y.	Teague, Calif.
Collier	Kitchin	Teague, Tex.
Colmer	Knox	Thomson, Wis.
Conte	Kyl	Tuck
Cramer	Laird	Utt
Cunningham	Langen	Van Pelt
Curtis, Mass.	Latta	Weis
Curtis, Mo.	Lennon	Westland
Dague	Lipscomb	Wharton
Davis, James C.	Loser	Whitten
	McCulloch	Widnall
Davis, John W.	McIntire	Williams
Davis, Tenn.	McMillan	Wilson, Calif.
Derounian	Mahon	Wilson, Ind.
Derwinski	Mailliard	Winstead
Devine	Martin, Nebr.	Younger
Dole	Mason	
Dominick	May	

NOT VOTING—13

Buckley	McDonough	Weaver
Cannon	McSween	Willis
Durno	Moulder	Wright
Fino	Scott	
Harrison, Va.	Spence	

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Buckley for, with Mr. McDonough against.
Mr. Fino for, with Mr. Weaver against.
Mr. Willis for, with Mr. Durno against.
Mr. Spence for, with Mr. Scott against.
Mr. Moulder for, with Mr. Harrison against.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. PATMAN. Mr. Speaker, I ask unanimous consent that all Members may be privileged to revise and extend their remarks and to include extraneous matter at the points of the consideration of the various amendments.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

FIFTH SEMIANNUAL REPORT OF THE SECRETARY OF THE INTERIOR—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Interior and Insular Affairs:

To the Congress of the United States:

I transmit herewith the Fifth Semiannual Report of the Secretary of the Interior prescribed by section 5 of the act of August 21, 1958, entitled "To provide a program for the discovery of the mineral reserves of the United States, its territories and possessions by encouraging exploration for minerals, and for other purposes."

JOHN F. KENNEDY.

THE WHITE HOUSE, *March 29, 1961.*

AMENDING THE REORGANIZATION ACT OF 1949

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 238 and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 153) to further amend the Reorganization Act of 1949, as amended, so that such Act will apply to reorganization plans transmitted to the Congress at any time before June 1, 1963, and all points of order against said bill are hereby waived. After general debate, which shall be confined to the bill and continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Government Operations, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as order on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. BOLLING. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio [Mr. BROWN]; and pending that I yield myself such time as I may consume.

Mr. Speaker, the resolution just read makes clear its purpose. It is to make in order, under an open rule and with 1 hour of general debate, consideration of S. 153 which would reinstate the so-called Reorganization Act. I know of no opposition to the rule and only very limited opposition to the bill itself.

Mr. Speaker, I therefore reserve the balance of my time.

Mr. BROWN. Mr. Speaker, as the gentleman from Missouri [Mr. BOLLING] has well said, this resolution was adopted by the Committee on Rules by a unanimous vote making in order the consideration of the bill S. 153, a bill to continue or reestablish the Reorganization Act. The bill as passed by the other body is exactly identical with the

bill H.R. 5742, which was approved by the House Committee on Government Operations with but one dissenting vote, if I remember correctly.

The bill itself would extend the right of the President to set up reorganization plans between now, or the time of the adoption of this bill, and June 1, 1963, which could be rejected at any time by adoption of a resolution of rejection either by the House or by the Senate within 60 days by a simple majority vote. It is very similar to the law which was in effect during the Eisenhower administration.

Mr. Speaker, I have no requests for time and I yield back the balance of my time.

Mr. BOLLING. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

Mr. FASCELL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 153) to further amend the Reorganization Act of 1949, as amended, so that such act will apply to reorganization plans transmitted to the Congress at any time before June 1, 1963.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill S. 153, with Mr. IKARD of Texas in the chair.

The Clerk read the title of the bill.

By unanimous consent the first reading of the bill was dispensed with.

Mr. FASCELL. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the pending legislation simply revised the Reorganization Act until June 1, 1963. The act has not been in effect. Although this body voted on it last year, it was not acted upon by the Senate.

As you know, under this bill the President has the authority to submit reorganization plans for the executive branch of the Government to the Congress. Those plans would become effective unless a resolution of disapproval were passed by either House within 60 days from the date of transmittal of the plan. Under the existing law this requires a simple majority.

This matter has been before the Committee on Government Operations many times and has been approved by them, and in this last case was approved with but one dissenting vote. We have extended this legislation for many years and it has proved to be effective and useful to the Chief Executive in carrying out the mandates of the Congress in the law for the purpose of reorganization, transferring of functions, consolidations, and the elimination of duplications and overlapping. This legislation comes about as the result of the report of the Hoover Commission, on which the distinguished gentleman from Ohio on the minority side [Mr. BROWN] served.

Technically speaking, the bill before us, adopted by the other body, simply strikes out the date of June 1, 1959, and inserts in lieu thereof June 1, 1963. In all other aspects the law remains the same for the purposes of the act.

Similar authority is not new. It has been with us going back over many years. It has been used, as was said in the discussion on the rule, by both Democratic and Republican administrations. Some 58 reorganization plans have been sent down to Congress, and 44 have been acted on favorably. The others were turned down by the Congress of the United States. The President, through the Bureau of the Budget, has indicated the necessity and the desirability of continuing this authority so that he may undertake in this administration such reorganization plans as he may deem advisable within his judgment.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. FASCELL. I yield to the gentleman from Iowa.

Mr. GROSS. Do I correctly understand that this authority expired on June 1, 1959?

Mr. FASCELL. As I explained in my remarks, the House acted on this in the last session of the Congress but it was not acted upon by the other body, so the law lapsed. This will extend it for 2 years.

Mr. GROSS. There has been no difficulty in connection with the working of the law?

Mr. FASCELL. No difficulty, and no reorganization plans, either.

The purpose of the legislation is to give the President the same power as other Chief Executives to send down a reorganization plan. I would point out, too, while I am answering the question, that of course any reorganization plan would have the close scrutiny of the Committee on Government Operations. We have not always gone along with the Executive. As I have said, we turned down quite a few of them. So while there may be a difference of opinion from a legal or a political standpoint in some cases, we believe there is justification and sound reason for the passage of this legislation.

Mr. BROWN. Mr. Chairman, will the gentleman yield?

Mr. FASCELL. I yield to the gentleman from Ohio.

Mr. BROWN. Any Member can introduce a resolution rejecting the plan?

Mr. FASCELL. The gentleman is absolutely correct. If any Member decides that the reorganization plan does not suit him or that it is inimical to any principles he might hold, he is at liberty under the law to introduce a resolution of disapproval within the required time. There is the further protection in the bill, as I recall it, that the committee must act within 10 days or the committee is discharged from the consideration of the resolution.

Mr. BROWN. The 60 days does not count until after the plan has been transmitted?

Mr. FASCELL. That is a further protection.

Mrs. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. FASCELL. I yield to the gentlewoman from Illinois.

Mrs. CHURCH. May I ask the gentleman if it is correct that there is no change in the original bill except the date?

Mr. FASCELL. That is correct. It requires a simple majority of either House. The pending bill simply extends the date.

Mrs. CHURCH. I thank the gentleman.

Mr. MEADER. Mr. Chairman, will the gentleman yield?

Mr. FASCELL. I yield to the gentleman from Michigan.

Mr. MEADER. I commend the gentleman from Florida, a member of the subcommittee which handled this legislation, for his efforts in maintaining the ordinary method of acting on resolutions by the House of Representatives and the other body rather than reverting to the original constitutional majority. I think the legislation is far better when we can work our will in the ordinary way in passing upon legislation.

Mr. FASCELL. I thank the gentleman from Michigan. That points out the fact that in the request from the Bureau of the Budget a request was made for an indeterminate time—no fixed period of time—for the legislation to expire and they also requested a constitutional majority. In the first study by the subcommittee, we went along with the idea of a 4-year extension and a constitutional majority. On further reflection and consideration, we went back and decided we would go along simply with a 2-year extension and maintain the simple majority that is in the bill for the very reason that the gentleman from Michigan points out.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. FASCELL. I yield to the gentleman from Iowa.

Mr. GROSS. With the gentleman's explanation, I want to commend the gentleman too, for the bill that has been brought here.

Mr. FASCELL. I thank the gentleman from Iowa.

Mr. BROWN. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. HOFFMAN], the ranking member of the Committee on Government Operations.

Mr. HOFFMAN of Michigan. Mr. Chairman, the first 15 words in the Constitution state that the legislative power is vested in the Congress of the United States. Then when we came here at the beginning of this session, each raised his right hand and swore that he would support the Constitution. Under this bill, we are delegating the constitutional power to legislate to the President and whatever he sends down here becomes the law of the land unless we, within 60 days, veto his proposal. We filed a report which will be read and, as in other years, it will express opposition to this method. If any Member chooses to let the President legislate for us reserving only to ourselves the veto—if anyone wants to transfer that legislative power to the President, subject to our disapproval, that is his business not mine. That is all I have to say about this bill.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield to the gentleman from Iowa.

Mr. GROSS. This reorganization plan does not go to the committee?

Mr. HOFFMAN of Michigan. All plans go to the committee, but the plan becomes law if the committee bottles it up or the House fails to act.

Mr. GROSS. The committee is free to amend the plan that is sent down to the White House; is it not?

Mr. HOFFMAN of Michigan. They used to say it was not, but the committee or the House can amend a plan. Somebody said a long time ago that you had to keep your eye on things because unless you did the first thing you knew everything you cherished might be lost.

Mr. GROSS. That is right.

Mr. HOFFMAN of Michigan. Does the gentleman from Iowa think he can shuck off his duty under the Constitution to pass on legislation?

Mr. GROSS. Not at all.

Mr. HOFFMAN of Michigan. Can the Congress shirk its duty to legislate by attempting to give itself a veto power? We know very well that a President always has sent down bills containing the administration's views—bills which went to the regular legislative committees and then to the Rules Committee, and then to the House.

My view on this bill as expressed in the report reads:

Ever since the Congress, in the Economy Act of 1932,[1] gave President Hoover power to submit reorganization plans, the delegation of authority to submit reorganization plans has, in each instance, been a partial surrender of the legislative power of Congress to the President.

The Constitution plainly states: [2]

"All legislative powers herein granted shall be vested in a Congress of the United States, which shall consist of a Senate and House of Representatives," and makes clear that [3] "every bill which shall have passed the House of Representatives and the Senate, shall, before it becomes a law, be presented to the President of the United States."

The same section gives the President the veto power. It does not, nor does any other section of the Constitution, authorize the reverse of this procedure which would have the President, through the executive agencies which he controls, propose legislation to the Congress for its approval or rejection.

This bill, if it becomes law, authorizes the President to enact legislation without action of either House—a clear violation of the Constitution.

The Constitution directs the President to [4] "from time to time give to the Congress information of the state of the Union, and recommend to their consideration such measures as he shall judge necessary and expedient."

The President also may have, and frequently has actually had, drafts of legislation introduced by request. No more authority is required for him in order to initiate legislation. To go further is to violate the very section of the Constitution which vests the legislative power in the Congress. There is no reason to authorize the President to legislate—give him legislative power—unless we want and need a dictator.

[1] 47 Stat. 413.
[2] Art. I, sec. 1.
[3] Art. I, sec. 7.
[4] Art. II, sec. 3.

All the reorganization acts that Congress has passed have carried an unconstitutional delegation to the President of the legislative authority granted Congress.

Because the President and the executive department have always been free to send to Congress legislative proposals, my position has always been to oppose this unconstitutional delegation of congressional power. Nor has the Congress authority to surrender the power granted by the Constitution, transfer it to a President.

My opposition to what is considered an unconstitutional delegation of congressional authority has been repeatedly stated on the floor [5] and in reports.[6]

In passing, it might further be observed that, as the years have gone by, the opposition to this delegation of authority has steadily increased, as from time to time additional Members, including the present chairman or our committee which reported out this bill, have expressed their opposition.

This change of viewpoint has also been indicated by the lessening of the opposition required to veto plans suggested.[7]

This changing view has also been reflected through the years in debate on the House floor, in hearings and reports of the Committee on Government Operations. (See app. A, compiled by the sole minority (Republican) counsel, J. Philip Carlson.)

The reason for my opposition to the present bill could not be more clearly and cogently expressed than by the statement, and I quote:

"I desire to register my recognition of the fundamental objects to and defects in the Reorganization Act. In principle it is a part of the creeping encroachment on a power vested by the Constitution in the Congress; in practice it is a part of the arrogance associated with the claim of Executive privilege.

* * * * *

"From time to time as extensions of the act have come before the House, the proponents of the bills have shown a tendency to avoid the quicksands of an untenable constitutional argument and to seek a firmer ground for extension in the amenities which they say should be accorded the President to whatever party he may belong.

"After 6 years such courtesy, like that accorded a guest who overstays his welcome, becomes tenuous and unsubstantial. For me it no longer is a ground for extending the operation of the act.

"It remains constitutionally indefensible. I would let it die."

Because the foregoing statement is but a quotation from the views expressed by the very competent, aggressive, entertaining, instructive, and ever-on-the-job gentleman from California, Mr. Moss, chairman of the subcommittee on which with advantage I have served for some years, permit me most humbly to suggest that Members of Congress interested in constitutional government read again his statement (Additional Views, H. Rept. 367, May 18, 1959, on H.R. 5140, 86th Cong., 1st sess., pp. 10, 11).

The desire which he so eloquently and persuasively expressed came to pass June 1, 1959. The country has survived.

With a young and vigorous President, so frequently sending messages to Congress, calling for the creation of a utopia, and a humble, obedient party majority accepting his and his advisers' views so quickly and without what some might consider adequate discussion, there would seem to be no reason why we should publicly acknowledge that we are but rubberstamps.

Mr. BROWN. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, I regret very much that I am unable to say I am a graduate of either the University of Michigan or Northwestern Law School. I went to a little country school in Virginia called Washington and Lee where I studied law.

I want to say two or three things, if I may, quickly, to correct, if you have the wrong impression, what this legislation will do.

In the first place, this legislation would in no way interfere with the right of Congress to legislate on any matter. The Congress can legislate as the Constitution provides, to create departments, put agencies of Government together, or whatever it might want to do, regardless of whether this legislation is in effect or not.

All this does is to confer upon the President of the United States, as has been conferred upon a number of former Presidents, the power, for a limited time, to submit to Congress, plans for the consolidation or the reorganization of agencies within the executive branch of Government. He can go even further than that; he can recommend to the Congress that certain new agencies be combined; that is, as now constituted they can be given another name, and perhaps even a Cabinet rank. Then, when that particular reorganization plan is submitted to Congress, it is referred to the House Committee on Government Operations, and to the Senate Committee on Government Operations.

Those committees, either one or both of them, hold hearings. Within 60 days any Member of Congress can file a resolution of rejection or a resolution to the effect that he disagrees with this suggested program of reorganization or the reorganization plan itself. A vote is taken in the branch, whichever it may be, House or Senate, and if by a simple majority either branch of the Congress rejects or adopts a resolution rejecting the plan, it is dead. If the Congress does not see fit, or any branch of the Congress does not see fit to do this, it becomes effective within 60 days.

The only controversy we have had over these bills for reorganization plans to be submitted over a number of years has been the type of vote and/or the number of votes that would be required in the Congress to reject the plan.

Originally it required a constitutional majority of both branches of Congress. That was pretty difficult to get. Then

[5] CONGRESSIONAL RECORD, vol. 95, pt. 1, pp. 524–525, 891–892; vol. 99, pt. 1, pp. 777–781; vol. 101, pt. 1, pp. 780–786; vol. 103, pt. 8, p. 11269.

[6] Additional Views, H. Res. 534 (H. Rept. 2585), 84th Cong., 2d sess., filed July 3, 1956; H.R. 541 (H. Rept. 2599), 84th Cong., 2d sess., filed July 3, 1956; H.R. 8364 (H. Rept. 657), 85th Cong., 1st sess., filed June 27, 1957; H.R. 5140 (H. Rept. 367), 86th Cong., 1st sess., filed May 18, 1959.

[7] Reorganization Act of 1939 (53 Stat. 561) required concurrent resolution.

Reorganization Act of 1945 (59 Stat. 613) required concurrent resolution.

Reorganization Act of 1949 (63 Stat. 203) required a majority of the authorized membership of either House as did amendments of 1953 (67 Stat. 4) and 1955 (69 Stat. 14).

Act of Sept. 4, 1957 (71 Stat. 611), amending the Reorganization Act of 1949, required simple majority of those present and voting in either House.

later it was a constitutional majority required in one branch. We fought that out. I opposed it. I said that you are going to do this in reverse of the usual procedure of enacting a bill. If the bill fails to get a majority of those present in the House to vote in favor of it, it fails of passage. Therefore, we should have the same right to reject. We had a battle over that on a number of bills in the past.

When the bill S. 153 was messaged over to our committee and taken up, providing for a simple majority, the committee or some members of the committee suggested that the bill be amended so as to require a constitutional majority, which would mean that if there are only 220 Members voting in the House you would have to get 219 of them to vote to reject that particular plan instead of 111. There is a lot of difference there. As the ranking member of that subcommittee I stated I would fight that kind of an arrangement, that I would oppose it. Other members of the committee took the same position. As a result an agreement was reached in the subcommittee first, then in the full committee, with the exception of my friend and my leader here, the gentleman from Michigan [Mr. HOFFMAN] who is the ranking member of the full committee, that we would accept this sort of an arrangement.

Out of fairness to the gentleman from Michigan [Mr. HOFFMAN] and to you, I think we should give him credit. Throughout the years he has stood against and has opposed with all the vigor at his command, and he has that vigor, any reorganization act of this kind or any other kind. He just does not believe in that system, and I recognize his right to feel that way, and I respect him for his views. He has expressed them very ably today.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. BROWN. I yield to the gentleman from Michigan.

Mr. HOFFMAN of Michigan. I want to ask the gentleman one question. Is it not true if the President sends down a reorganization plan it becomes the law of the land unless the Senate or the House takes affirmative action?

Mr. BROWN. That is right. It is equally untrue, as was stated a while ago, that this takes away from the Congress the right to legislate, because it does not.

Mr. HOFFMAN of Michigan. Nobody said it did, but you transfer the right to initiate a bill and it becomes law unless we do something about it. Why should we have to veto it?

Mr. BROWN. We delegate to the President the right to consolidate or to reorganize the agencies in his own department. Unless we find some reason why such reorganization or such a realinement of agencies should be rejected by the Congress, it is approved. That is the right that is given any executive in any corporation in America.

Mr. FASCELL. Mr. Chairman, I yield 5 minutes to the gentleman from Arkansas [Mr. HARRIS].

Mr. HARRIS. Mr. Chairman, I want to thank the gentleman from Florida and the gentleman from Ohio for their explanation of the bill and the position that has been stated with reference to this bill extending the Reorganization Act of 1949 as amended. I want to, however, raise some questions with both gentlemen with reference to the independent regulatory agencies of the Government.

Mr. BROWN. I think I know what your questions will be.

Mr. HARRIS. Well, I have two or three I want to raise for the RECORD.

First I want to compliment the committee for having reported this bill which requires a simple majority, as the gentleman from Ohio just explained, as well as the gentleman from Florida, and the understanding which the Members are giving to the committee and to the Congress at this time. I think most of you know that I have been, in our committee, concerned with the problems of the independent regulatory agencies now for some time. We have given a great deal of time and a great deal of thought and a great deal of study in an effort to improve administrative procedures, to find out if there were inadequacies in the law, and to see that those agencies remained independent agencies of the Government, as was intended when they were created by this Congress.

First let me say that I am sure most of you are somewhat familiar with the so-called Landis report to the President of the United States late in December. If you have not read that report, I would like to suggest to you, because of the importance of it and the importance of this subject, that you become familiar with it.

Very frankly, I was quite concerned about several of the recommendations. I am still concerned about several of them, because I think that some of the recommendations have tended toward interfering with the independence of the agencies and toward making them more subservient to the executive, that is, the executive branch of the Government and the White House. That I do not believe would be in the best interest of the administrative agencies of this Government and the American people. I suggest you read the statement which I put in the RECORD on March 14 explaining my position as to the responsibility of the Congress and the responsibility of the Executive in connection with these agencies. These agencies are an arm of the Congress. They are set up as instruments of the Congress, to legislate primarily on behalf of the Congress, because the Congress is not so constituted to do a lot of the things that must be done. The Congress itself has delegated the powers to these agencies.

So, consequently, I am watching and I am going to watch and our committee is going to watch very carefully and keep a constant check. I say to the distinguished members of the Committee on Government Operations, to the distinguished chairman of the committee and other members, that we are going to be watching very carefully and we are going to be closely scrutinizing any reorganization plans that come up here that intend to carry out some of the provisions at least of the so-called Dean Landis report.

Now, with that statement I would like to ask the gentleman this question: When a reorganization plan is submitted, under the rule it automatically goes to the Committee on Government Operations; is that not true?

Mr. FASCELL. I do not know whether it is under the rule or not, but it goes to the committee.

Mr. BROWN. Mr. Chairman, will the gentleman yield? I think I can answer that question.

Mr. HARRIS. Yes, I yield to the gentleman from Ohio.

Mr. BROWN. In the first place, if the gentleman will study the Reorganization Act of 1949, the basic act which we are amending here, he will see this.

The CHAIRMAN. The time of the gentleman from Arkansas [Mr. HARRIS] has expired.

Mr. FASCELL. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. BROWN. Mr. Chairman, if the gentleman will study the Reorganization Act carefully—I do not have it in front of me, so I cannot read it—the original act, in 1949, which we are amending by this bill, he will see that the authority of the President to submit reorganization plans deals only with those agencies within the control of the executive branch of the Government that are a part of the executive branch. The regulatory agencies are not. As the gentleman so well explained, these are independent agencies established as arms of the Congress.

Mr. HARRIS. Does the gentleman contend that the President does not have authority to submit reorganization proposals affecting these major regulatory agencies of the Government?

Mr. BROWN. I contend that he does not have the power to submit a reorganization plan affecting those agencies under the Reorganization Act.

Mr. HARRIS. That affect the regulatory agencies?

Mr. BROWN. That affect any agency primarily responsible to Congress, which includes the regulatory agencies.

The President has the power only, with respect to the regulatory agencies, to name members. He cannot even, as was suggested the other day by a statement from the White House—under the law and the Constitution, if it means anything—he cannot issue a directive ordering a regulatory agency to make a report to him. Those reports come to the Congress of the United States.

Mr. HARRIS. We have discussed that and the record is replete with it. But I believe there is some misunderstanding here. Certainly since authority has been given to the Executive to submit reorganization plans, plan after plan has been submitted to the Congress and acted upon, agreed to or not, by the Congress, affecting these regulatory agencies. In 1940, I believe it was, under the authority of the President to submit reorganization plans, there was a reorganization plan submitted by President Roosevelt amending the Federal Power

Act which gives the President authority to designate the Chairman. Under present law that was not drawn correctly, and we have an ambiguity in the act which has prevailed until this day. I introduced a bill the other day to clear up that ambiguity, because a situation has arisen which needs clarification.

As much as I respect the views of the gentleman from Ohio I believe he is incorrect when he says that the President does not have authority to submit reorganization plans affecting these regulatory agencies.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman.

Mr. HOLIFIELD. Mr. Chairman, I think my friend, the gentleman from Ohio [Mr. BROWN], is wrong in his interpretation of the act. Section 7 of the Reorganization Act, which you will find on page 8, gives the right to the President to send up reorganization plans on any agency—and it goes through a whole list of departments of the Government, but does not include the Comptroller General of the United States, the General Accounting Office.

Mr. HARRIS. I believe the gentleman is correct on that. I want to pursue this matter further, Mr. Chairman.

When a reorganization plan is submitted, under the rule, it goes to the Committee on Government Operations for its consideration. Now I ask the gentleman, is there any opportunity for public hearings after one of these plans goes to the committee?

Mr. FASCELL. Always, I will answer the gentleman, and furthermore, there is nothing to prevent any Member of of the House from filing a disapproving resolution.

Mr. HARRIS. I have heard that, but 10 days pass mighty fast, and 60 days pass awfully fast when it comes to holding hearings and taking action on a bill that is referred to a committee.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman.

Mr. HOLIFIELD. The House has control of that, because any Member may file a disapproving resolution.

Mr. HARRIS. I know that; I am familiar with that.

Mr. HOLIFIELD. And then the committee is required to hold hearings on it and has always held hearings any time a disapproving resolution was offered.

Mr. HARRIS. It may be that the gentleman considers that adequate hearings have been held in the past, but from my information and observation I think some of them have been inadequate.

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

Mr. HARRIS. Will the gentleman from Florida yield me 3 additional minutes?

Mr. FASCELL. I yield the gentleman 3 additional minutes, but why does he not lay off our committee?

Mr. HARRIS. I am talking about the gentleman's committee, but I want an understanding. I want to say to the gentleman and his committee that if some of these far-reaching plans affecting these agencies come up here I am putting you on notice that our committee intends to hold some hearings on them with a view of trying to be in a position to make recommendations to you.

Mr. FASCELL. I respect the considerations of the distinguished chairman of that committee. Certainly we on the Committee on Government Operations could not begin to tell you what to do. I am not chairman of the full committee, but I can assure the gentleman that our committee will hold proper hearings on any matter that is before us.

Mr. HARRIS. I thank the gentleman for that assurance.

Mr. BROWN. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from Ohio.

Mr. BROWN. I have checked the records about the reorganization plans that have been sent up here, and the only one that might possibly be designated as relating to a regulatory agency had to do with the Civil Aviation Board.

Mr. HARRIS. The old Civil Aeronautics Authority was changed because of a reorganization by the President. There are a number of these agencies where the status of the chairman has been changed because of reorganization plans of the President. In the so-called Landis report there was a recommendation as to submitting reorganization plans that apparently would grant extensive power and authority to the chairmen of these agencies with reference to the administration of those laws within the agencies themselves.

Mr. FASCELL. I could make the very simple suggestion that there are two avenues open, it appears to me. One is the disapproval resolution on the existing plan sent down, and the other is to submit affirmative legislation within the jurisdiction of the gentleman's committee so that committee could hold whatever hearings it wanted.

Mr. HARRIS. I understand the gentleman's recommendation, but a reorganization plan comes up here, and the gentleman says within 10 days we have to act.

Mr. DAWSON. Sixty days.

Mr. HARRIS. The gentleman advised me that if within 10 days the committee did not act it was subject to be discharged from further consideration.

Mr. FASCELL. That is only on a disapproval resolution. That is not on the plan itself.

Mr. HARRIS. I am talking about the action of the gentleman's committee.

Mr. FASCELL. Our committee can only act on the disapproval resolution. The law provides that if we do not act within 10 days a motion to discharge is in order.

Mr. HARRIS. That is the point.

Mr. FASCELL. That is on the disapproval resolution, not on the plan.

Mr. HARRIS. The gentleman knows how legislation works here, that you do not have much time to announce and get ready for hearings and have adequate hearings in 10 days.

Mr. BROWN. Mr. Chairman, will the gentleman yield further?

Mr. HARRIS. I yield to the gentleman from Ohio.

Mr. BROWN. The gentleman from Michigan [Mr. MEADER] and I have been checking the record, and I do find that in the past there have been reorganization plans submitted respecting some of the regulatory agencies. I was incorrect in that assumption, but I still believe I am right constitutionally as far as that is concerned as a matter of law. But inasmuch as the President does not have any direct authority over regulatory agencies, the plan itself would be subject to a point of order if someone wanted to bring it up, as a matter of fact. But we have had reorganization plans a number of years ago dealing with regulatory agencies; several of them, in fact.

Mr. HARRIS. I do not want the gentleman to think I am taking this time to express opposition to this bill. I am not at all. There is no reflection on the committee whatsoever. However, it is important to me that these independent agencies are so important as an arm of the Congress that I think all of the Members of Congress should be put on notice as to what might come up with reference to a reorganization plan. I think adequate consideration should be given to these plans.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from California.

Mr. HOLIFIELD. I just want to point out that when the reorganization plan comes up, it is referred to our committee and it lies before our committee for 60 days unless a disapproving resolution is dropped in the box. If the disapproving resolution is dropped in the box on the first day, when it is first sent up, or on the second day, our committee must then, within 10 days, hold hearings. That is the mandatory part—the 10 days. If there is no disapproving resolution—if there is no Member of the body who has enough interest in the subject matter to put in a disapproving resolution, then the law automatically becomes effective unless some member of our committee—and we have in many instances put in disapproving resolutions on plans which have come up and held hearings in our committee and brought disapproving resolutions to the floor and disapproved reorganization plans on the floor.

Mr. HARRIS. I know that is true.

Mr. HOLIFIELD. So the gentleman has adequate coverage because there is public notice—the reorganization plan is assigned to our committee. It appears in the CONGRESSIONAL RECORD and the gentleman to insure immediate attention can have his own committee hold hearings on a regular bill containing the contents of the reorganization plan. He could immediately call hearings of his own committee. This is not a matter of conflict of jurisdiction, in my opinion.

Mr. HARRIS. I recognize that.

Mr. HOLIFIELD. The jurisdictional area is completely protected.

Mr. HARRIS. I would not agree wholeheartedly with that because you

do not develop legislation in these committees on legislative bills ordinarily within 60 days and report it.

Mr. HOLIFIELD. I would say that the President's powers to send up a reorganization plan is sharply limited and those limitations are set forth in the act itself. He can only transfer from area to area. He can change the name, but he cannot extend the function—he cannot put in new functions. It is a matter of reorganization within existing statutes.

Mr. HARRIS. He cannot offer resolutions that would change the basic law or the substance.

Mr. HOLIFIELD. Or abolish an agency or any function of the agency.

Mr. HARRIS. The Civil Aeronautics Authority was practically abolished and it went into a new agency. We know what the experience has been on some of these things. But, the point is, I do want the committee to know, and I think all of us should be interested in these problems and in case some of them come up, which is very likely, and if these recommendations are carried out, they should be given very, very close scrutiny and careful consideration.

Mr. BROWN. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. MEADER].

Mr. MEADER. Mr. Chairman, I am glad the gentleman from Arkansas [Mr. HARRIS] raised this question because it points up one of the important aspects of this very unusual method of legislation.

I am inclined to agree with my friend, the gentleman from Michigan [Mr. HOFFMAN], that this bill vests legislative authority in the Executive and that probably it is not a good way to determine policy for our Government.

But, I am willing to go along with granting this 2-year authority to President Kennedy on the ground that that issue, whether constitutional, or a matter of legislative policy, is a matter that was determined long ago. President Hoover had such authority. President Roosevelt had such authority. President Truman had such authority. And President Eisenhower had such authority.

President Kennedy in bringing in a new organization with new ideas and a new program ought at least to have the right in the initial years of his administration to organize the executive branch of the Government according to his view of what he needs to carry out his responsibilities.

The point of the discussion with the gentleman from Arkansas is that under rule XI 8(b) of the House, as to the jurisdiction of the Committee on Government Operations, all reorganizations in the executive branch of the Government are referred to the Committee on Government Operations.

But these reorganizations may affect agencies concerning which the legislative jurisdiction is in other committees. Just as the gentleman from Arkansas, chairman of the great Committee on Interstate and Foreign Commerce, has pointed out, the Interstate Commerce Committee has jurisdiction over many of the regulatory bodies.

There have been at least a half dozen, if not a dozen, plans sent up reorganizing the independent regulatory bodies.

One of them recently has been the subject of bitter complaint before our Antitrust Subcommittee of the Committee on the Judiciary.

Reorganization Plan No. 21 of 1950 reorganized the Federal Maritime Commission. The name was changed to the Federal Maritime Board and the officials of the regulatory board both administered the ship subsidy program and also regulated the shipping industry. It resulted in a great many complaints. That was a bad reorganization plan.

I believe the gentleman is correct that we have very limited time to scrutinize these plans. They are usually well worked out, but sometimes they involve the transfer of great authority, and 10 days within which the committee may consider a resolution of disapproval is altogether too short a time.

But I think this is a case where committees having concurrent jurisdiction have to get along with each other. There should be cooperation between the Government Operations Committee, for example, and the legislative committee having jurisdiction of the subject matter of the reorganization so that the legislative committee can call the attention of the Committee on Government Operations to any dangers that might exist, or suggest whatever they think should be done about it.

There is another aspect of reorganization plans that is unusual as a practical matter. Since it is a Presidential law with a congressional right of veto it is very likely that such a reorganization plan is more permanent than the ordinary law which is originated and passed by Congress and approved by the President. It would take a two-thirds vote of the House to override the veto of an Executive who thought his plan was good and ought not to be changed by a new law. It is likely he would continue to think his plan was good or he would not have sent it up in the first place.

That proposition, it seems to me, is often overlooked when we consider and approve reorganization plans.

I think we have to go along with this 2-year extension of Presidential reorganization power and intend to vote for the bill.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. MEADER. I yield to the gentleman from Minnesota.

Mr. JUDD. Mr. Chairman, as one who served on this great committee in the years when this was being adopted, I would like to add just a word. It has been said that this is creeping encroachment on the legislative authority of the Congress; as a matter of fact, the creeping has been in the other direction.

The original reorganization or Executive Reorganization Act authorized the President to send down these plans and they went into effect after 60 days unless disapproved by both Houses with a constitutional majority in each House. The gentleman from Michigan was here when we had the fight to strike out the constitutional majority, to make it possible to disapprove the Executive plan by a simple majority in both Houses. Some of us contended that was wrong, because a law does not go into effect unless both Houses approve and the President approves. This would allow one House, if it did not pass a disapproving resolution and the President to put something into effect. This was modified in 1957 so a plan can be disapproved now by a simple majority vote in one House. Little by little the encroachment has been back toward greater authority in the Congress instead of the other way.

Mr. MEADER. Let me say to the gentleman we gave away too much authority and now we are trying to take something back.

Mr. JUDD. We gave too much in the beginning, but now we are talking it back.

Mr. BROWN. Mr. Chairman, I must yield myself 3 minutes, because I had my attention called to the fact that we had had some reorganization plans before us dealing with regulatory agencies. I still feel that my original position was correct, and is correct, as far as the law is concerned, and I would like to direct attention, if I may, to section 3 of the Reorganization Act of 1949.

It reads as follows:

> When used in this act, the term "agency" means any executive department, commission, council, independent establishment, Government corporation, board, bureau, division, service, office, officer, authority, administration, or other establishment—

I want to emphasize this language—

> in the executive branch of the Government.

I contend that inasmuch as these regulatory agencies are not in the executive branch of the Government we had no business in the first place considering any of these reorganization plans that were sent up here to reorganize the regulatory agencies of the Government. If there is any law left and any courts left in this land, I believe that interpretation should be placed on it and I hope the gentleman from Arkansas will agree with me. He is a pretty good lawyer.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. BROWN. I yield to the gentleman from Arkansas.

Mr. HARRIS. I do respect the gentleman's views. Having served on the Committee on Interstate and Foreign Commerce with him for several years I know something about his ability to interpret language and to deal with legislation. I am of the opinion, however, in view of the fact that Congress has given the President appointive powers and in some instances removal power and under the law authority with reference to budgetary control, that for this purpose I am fearful those agencies would come within this provision of the law—that is, the meaning of it.

Mr. BROWN. I hope my distinguished friend will not place himself in a position where he will be saying that his belief and conviction is that the regulatory agencies come under the domination, dictation, and control of the Chief Executive. I hope he will always stand

and fight for the thought, the idea, and the proposition that these regulatory agencies are arms of the Congress and come under the jurisdiction of the Congress rather than the jurisdiction of the President.

Mr. FASCELL. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. SMITH].

Mr. SMITH of Iowa. Mr. Chairman, in closing the debate, may I say that this matter has been thoroughly discussed. As one who certainly believes in reorganization and at the same time believes there is merit in some of the arguments, this bill should be adopted. I did have the experience 2 years ago of introducing a resolution of disapproval. I found that there are quite a lot of safeguards that do not appear at first blush. Another thing we should keep in mind is that each new administration has a certain fresh desire to reorganize and to make the executive department more efficient. We should give this administration a chance to forward reorganization plans up here for our consideration.

Mr. ANDERSON of Illinois. Mr. Chairman, I support the adoption of S. 153 to further amend the Reorganization Act of 1949 as amended. This law, when adopted, will continue the same reorganization powers that were enjoyed by former President Eisenhower. As a member of the Committee on Government Operations and further as a member of the Subcommittee on Executive and Legislative Reorganization, I have made some study of the history of this legislation since its original adoption. The power to submit reorganization plans has been vested in every President since former President Hoover was given this authority in 1932. I am happy that S. 153 retains the provision that a simple majority of either House may disapprove a Presidential reorganizational plan. I think that any step beyond that point would represent an undesirable accretion of legislative authority in the President. Indeed there are those who would say that we have gone too far in even permitting the President to submit reorganization plans subject only to legislative disapproval by a simple majority of either House within 60 days. However, it seems to me that in view of the swollen and sprawling Federal bureaucracy that we have today that steps are urgently needed to streamline, simplify, and reduce the many overlapping agencies, departments, and bureaus of the Federal Government. I was pleased to note the other day in the press that the President had by Executive order abolished a number of moribund interdepartmental and interagency committees. I sincerely hope that this is a harbinger of the type of action that the Chief Executive will take under the powers given him by this extension of the Reorganization Act. However, there has been likewise some talk in the press that the President may exercise his authority under this act to superimpose new agencies or new departments, even some of Cabinet level upon the unwieldy structure that we already have.

As a member of the subcommittee of the Government Operations Committee that will have an opportunity to examine the reorganization plans submitted by the President I want to take this opportunity to express the hope that the President will concentrate his efforts on the elimination of agencies within the executive branch and not use this power to create new and unnecessary Federal bureaucracies. I would also hope, particularly in view of the comment that has been made on the floor of this House during the last few days, that the President would not attempt to use his authority under this act to in any way interfere with the independent operation of the various regulatory agencies. I agree that the wording of the act is quite clear; that Presidential authority is limited to those agencies which are located within the executive branch of the Federal Government. This clearly does not encompass the independent regulatory agencies which have traditionally been regarded as an arm of the Congress.

In conclusion, as one who is a new Member of this body and new to the Washington scene, I have been particularly appalled at the constant proliferation of new Government agencies and bodies of all kinds. We had an example of that today in the House when yet another new position, that of Area Redevelopment Administrator was created. Unless this trend is halted the day will soon come when there will be more chiefs than Indians in this country. The powers granted the President under S. 153 present him with an opportunity to reduce the size and cost of the Federal Government in order that we can give some much needed tax relief to the already overburdened taxpayers of this country. I sincerely hope that he will use this act for the purposes that I have indicated.

The CHAIRMAN. If there are no further requests for time, the Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (b) of section 5 of the Reorganization Act of 1949 (63 Stat. 205; 5 U.S.C. 133z–3), as last amended by the Act of September 4, 1957 (71 Stat. 611), is hereby further amended by striking out "June 1, 1959" and inserting in lieu thereof "June 1, 1963".

Mr. HOFFMAN of Michigan. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HOFFMAN of Michigan: After line 7 insert the following:

"SEC. 2. (a) Section 6(a) of the Reorganization Act of 1949 is amended by striking 'there has not been passed by either of the two Houses a resolution stating in substance that that House does not favor the Reorganization plan', and inserting in lieu thereof the following: 'there has been passed by both of the two Houses a resolution stating in substance that that House favors the reorganization plan'.

"(b) Section 202 of such Act is amended by striking out 'does not favor' and inserting in lieu thereof 'favors'."

Mr. HOFFMAN of Michigan. Mr. Chairman, all that amendment seeks to do is to retain in the Congress the constitutional power to legislate. This bill as written lets the President write legislation unless either the Senate or House interposes a veto. The reverse of the constitutional procedure.

Mr. FASCELL. Mr. Chairman, I rise in opposition to the amendment.

Of course, all the amendment does is to kill the Reorganization Act. To do what the gentleman desires to do is to introduce legislation in the affirmative on the subject he is interested in.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. HOFFMAN].

The amendment was rejected.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. IKARD of Texas, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (S. 153) to further amend the Reorganization Act of 1949, as amended, so that such act will apply to reorganization plans transmitted to the Congress at any time before June 1, 1963, pursuant to House Resolution 238, he reported the bill back to the House.

The SPEAKER. Under the rule, the previous question is ordered. The question is on the third reading of the bill.

The bill was read a third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

A similar House bill (H.R. 5742) was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. FASCELL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

SUPPLEMENTAL APPROPRIATION BILL FOR THE FISCAL YEAR ENDING JUNE 30, 1961

Mr. THOMAS submitted the following conference report and statement on the bill (H.R. 5188) making supplemental appropriations for the fiscal year ending June 30, 1961, and for other purposes:

CONFERENCE REPORT (REPT. NO. 211)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 5188) making supplemental appropriations for the fiscal year ending June 30, 1961, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 1, 2, 3, 4, 16, 42, 43, 44, 48, 55, 57, 69, 71, 72, 73, and 74.

That the House recede from its disagreement to the amendments of the Senate numbered 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 17, 18, 19, 20, 21, 22, 41, 45, 46, 47, 51, 52, 59, 62, 63, 64, 65, 68, 70, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, and agree to the same.

Amendment numbered 24: That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment as follows: In lieu of the matter proposed by said amendment insert:

"MUTUAL SECURITY

"Development Loan Fund

"For an additional amount for advances to the Development Loan Fund, as authorized by section 203 of the Mutual Security Act of 1954, as amended, $50,000,000 to remain available until expended."

And the Senate agree to the same.

Amendment numbered 26: That the House recede from its disagreement to the amendment of the Senate numbered 26, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$94,000,000"; and the Senate agree to the same.

Amendment numbered 28: That the House recede from its disagreement to the amendment of the Senate numbered 28, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$378,500"; and the Senate agree to the same.

Amendment numbered 29: That the House recede from its disagreement to the amendment of the Senate numbered 29, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$220,000"; and the Senate agree to the same.

Amendment numbered 30: That the House recede from its disagreement to the amendment of the Senate numbered 30, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$50,000"; and the Senate agree to the same.

Amendment numbered 31: That the House recede from its disagreement to the amendment of the Senate numbered 31, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$65,000"; and the Senate agree to the same.

Amendment numbered 32: That the House recede from its disagreement to the amendment of the Senate numbered 32, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$17,500,000"; and the Senate agree to the same.

Amendment numbered 33: That the House recede from its disagreement to the amendment of the Senate numbered 33, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$62,000"; and the Senate agree to the same.

Amendment numbered 34: That the House recede from its disagreement to the amendment of the Senate numbered 34, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,625,000"; and the Senate agree to the same.

Amendment numbered 35: That the House recede from its disagreement to the amendment of the Senate numbered 35, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$20,000,000"; and the Senate agree to the same.

Amendment numbered 37: That the House recede from its disagreement to the amendment of the Senate numbered 37, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$250,000"; and the Senate agree to the same.

Amendment numbered 39: That the House recede from its disagreement to the amendment of the Senate numbered 39, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$10,850,000"; and the Senate agree to the same.

Amendment numbered 40: That the House recede from its disagreement to the amendment of the Senate numbered 40, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$42,000,000"; and the Senate agree to the same.

Amendment numbered 49: That the House recede from its disagreement to the amendment of the Senate numbered 49, and agree to the same with an amendment, as follows: In lieu of the sum named in said amendment insert: "$90,000"; and the Senate agree to the same.

Amendment numbered 54: That the House recede from its disagreement to the amendment of the Senate numbered 54, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$360,000,000"; and the Senate agree to the same.

Amendment numbered 56: That the House recede from its disagreement to the amendment of the Senate numbered 56, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$9,000,000"; and the Senate agree to the same.

Amendment numbered 58: That the House recede from its disagreement to the amendment of the Senate numbered 58, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$333,500"; and the Senate agree to the same.

Amendment numbered 90: That the House recede from its disagreement to the amendment of the Senate numbered 90, and agree to the same with an amendment, as follows: In lieu of the matter proposed by said amendment insert: "'Joint Committee on Reduction of Nonessential Federal Expenditures', $1,880"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 23, 25, 27, 36, 38, 50, 53, 60, 61, 66, 67 and 91.

ALBERT THOMAS,
MICHAEL J. KIRWAN,
CLARENCE CANNON,
BEN F. JENSEN,
JOHN TABER,
Managers on the Part of the House.

CARL HAYDEN,
RICHARD B. RUSSELL
(though unable to attend the conference, I approve this report except as to Senate action in receding on amendments 1, 2, 3, and 4. I think Senate conferees should have insisted on these four),
DENNIS CHAVEZ,
LISTER HILL,
JOHN L. MCCLELLAN,
WARREN G. MAGNUSON,
STYLES BRIDGES,
LEVERETT SALTONSTALL,
MILTON R. YOUNG
(except I do not agree with position of conferees on amendments 1, 2, 3, and 4),
KARL E. MUNDT,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 5168) making supplemental appropriations for the fiscal year ending June 30, 1961, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

TITLE I

Department of Agriculture

Amendments Nos. 1 through 4—Commodity Credit Corporation: Delete items proposed by the Senate for reimbursements to the Corporation.

Department of Defense—Military

Amendment No. 5—General provisions: Deletes language proposed by the House for $263,900,000 transfer authority as proposed by the Senate.

Amendment No. 6: Inserts center heading.

Amendment No. 7—Military personnel, Army: Appropriates $7,000,000 as proposed by the Senate.

Amendment No. 8—Military personnel, Navy: Appropriates $15,000,000 as proposed by the Senate.

Amendment No. 9: Inserts center heading.

Amendment No. 10—Operation and maintenance, Army: Appropriates $88,500,000 as proposed by the Senate.

Amendment No. 11—Operation and maintenance, Navy: Appropriates $79,400,000 as proposed by the Senate.

Amendment No. 12—Operation and maintenance, Air Force: Appropriates $72,000,000 as proposed by the Senate.

Amendment No. 13—Claims, Department of Defense: Appropriates $3,000,000 as proposed by the Senate.

Amendment No. 14: Inserts center heading.

Department of Defense—Civil functions

Amendment No. 15—Department of the Army, rivers and harbors and flood control: Appropriates $350,000 for construction, general, to resume planning on the Libby Dam in Montana as proposed by the Senate.

District of Columbia

Amendment No. 16—Federal loan to the District of Columbia: Deletes Senate proposal to make a loan of $5,700,000.

Amendment No. 17—Regulatory agencies: Appropriates $118,000 as proposed by the Senate instead of $89,000 as proposed by the House.

Amendment No. 18—Department of Occupations and Professions: Appropriates $29,000 as proposed by the Senate instead of $14,000 as proposed by the House.

Amendment No. 19—Metropolitan Police: Appropriates $100,000 as proposed by the Senate.

Amendment No. 20—Department of Public Health: Appropriates $1,849,500 as proposed by the Senate instead of $1,652,050 as proposed by the House.

Amendment No. 21—Department of Public Welfare: Appropriates $575,000 as proposed by the Senate.

Amendment No. 22—Department of Sanitary Engineering: Appropriates $1,268,000 as proposed by the Senate.

Executive Office of the President

Amendment No. 23—President's Advisory Committee on Labor-Management Policy: Reported in disagreement.

Funds appropriated to the President

Amendment No. 24—Mutual Security, Development Loan Fund: Appropriates $50,000,000 instead of $150,000,000 as proposed by the Senate, and such funds are earmarked specifically for loans in the Western Hemisphere.

Department of Health, Education, and Welfare

Amendment No. 25—Public Health Service: Reported in disagreement.

Amendment No. 26—Social Security Administration, grants to States for public assistance: Appropriates $94,000,000 instead of $74,000,000 as proposed by the House and $104,000,000 as proposed by the Senate.

Amendment No. 27—Social Security Administration, grants to States for public assistance: Reported in disagreement.

Amendment No. 28—Social Security Administration, Bureau of Public Assistance: Appropriates $378,500 instead of $300,000 as proposed by the House and $457,000 as proposed by the Senate.

Amendment No. 29—Office of the Secretary, salaries and expenses, Office of Field Administration: Appropriates $220,000 instead of $60,000 as proposed by the House and $225,000 as proposed by the Senate.

Amendments Nos. 30 and 31—Salaries and expenses, Office of the General Counsel: Appropriates $50,000 instead of $42,000 as proposed by the House and $58,000 as proposed by the Senate together with $65,000 to be derived by transfer instead of $38,000 as proposed by the House and $71,000 as proposed by the Senate.

Independent offices

Amendment No. 32—Civil Aeronautics Board, payments to air carriers: Appropriates $17,500,000 instead of $15,000,000 as proposed by the House and $20,000,000 as proposed by the Senate.

Amendment No. 33—Civil Service Commission, investigation of United States citizens for employment by international organizations: Appropriates $62,000 instead of $57,000 as proposed by the House and $67,000 as proposed by the Senate.

Amendment No. 34—Civil Service Commission, Government contribution, Retired Employees Health Benefits Fund: Appropriates $1,625,000 instead of $1,500,000 as proposed by the House and $1,750,000 as proposed by the Senate.

Amendment No. 35—General Services Administration, General Supply Fund: Appropriates $20,000,000 instead of $15,000,000 as proposed by the House and $25,000,000 as proposed by the Senate.

Amendment No. 36—General Services Administration, expenses, supply distribution: Reported in disagreement.

Amendment No. 37—Housing and Home Finance Agency, limitation on administrative expenses, Office of the Administrator, college housing loans: Provides limitation of $250,000 instead of $180,000 as proposed by the House and $270,000 as proposed by the Senate.

Amendment No. 38—Railroad Retirement Board: Reported in disagreement.

Amendment No. 39—Veterans' Administration, general operating expenses: Appropriates $10,850,000 instead of $10,600,000 as proposed by the House and $11,063,000 as proposed by the Senate.

Amendment No. 40—Veterans' Administration, inpatient care: Appropriates $42,000,000 instead of $41,000,000 as proposed by the House and $43,000,000 as proposed by the Senate.

Department of the Interior

Amendment No. 41—Bureau of Indian Affairs, resources management: Appropriates $1,777,000 as proposed by the Senate instead of $1,730,000 as proposed by the House.

Amendment No. 42—National Park Service, management and protection: Appropriates $1,934,000 as proposed by the House instead of $1,984,000 as proposed by the Senate. The conferees have approved $13,000 for archeological investigations in the Walter F. George Reservoir area as proposed by the Senate within the total provided.

Amendment No. 43—National Park Service, maintenance and rehabilitation of physical facilities: Appropriates $800,000 as proposed by the House instead of $850,000 as proposed by the Senate.

Amendment No. 44—National Park Service, construction: Appropriates $300,000 as proposed by the House instead of $467,000 as proposed by the Senate.

Amendment No. 45—Fish and Wildlife Service, Bureau of Sport Fisheries and Wildlife: Appropriates $350,000 for construction as proposed by the Senate instead of $200,000 as proposed by the House.

Amendment No. 46—Fish and Wildlife Service, Bureau of Commercial Fisheries: Appropriates $1,000,000 as proposed by the Senate.

Amendment No. 47—Office of Territories, administration of territories: Appropriates $465,000 as proposed by the Senate.

Amendment No. 48—Office of Territories, Trust Territory of the Pacific Islands: Appropriates $300,000 as proposed by the House instead of $127,333 as proposed by the Senate.

Bureau of Reclamation, construction and rehabilitation: The conferees have approved the use of $100,000 of available funds for advanced planning on the Cheney division of the Wichita project and $100,000 of available funds for advanced planning on the Red Bluff unit of the Central Valley project. None of these funds shall be used for construction.

Department of Justice

Amendment No. 49—Legal activities and general administration: Appropriates $90,000 instead of $100,000 as proposed by the Senate.

Amendment No. 50—Office of Alien Property: Reported in disagreement.

Department of Labor

Amendments Nos. 51 and 52—Bureau of Employment Security, advances to Employment Security Administration account, Unemployment Trust Fund: Appropriate $268,000,000 as a repayable advance of which $250,000,000 shall be derived by transfer as proposed by the Senate instead of an appropriation of $250,000,000 derived by transfer as proposed by the House.

Amendment No. 53—Bureau of Employment Security, payment to the Federal extended compensation account: Reported in disagreement.

Amendments Nos. 54 and 55—Bureau of Employment Security, limitation on grants to States for unemployment compensation and employment service administration (trust fund): Provides $360,000,000 instead of $340,000,000 as proposed by the House and $375,995,000 as proposed by the Senate, and deletes provision of Senate extending availability of funds.

Amendments Nos. 56 and 57—Bureau of Employment Security, limitation on salaries and expenses (trust fund): Provides $9,000,000 instead of $7,900,000 as proposed by the House and $9,370,000 as proposed by the Senate, and deletes provision of the Senate extending availability of funds.

Amendment No. 58—Bureau of Employees' Compensation: Appropriates $333,500 instead of $310,000 as proposed by the House and $357,000 as proposed by the Senate.

Legislative branch

Amendment No. 59: Inserts title as proposed by the Senate.

Amendments Nos. 60 and 61: Reported in disagreement.

Amendment No. 62: Inserts title as proposed by the Senate.

Amendment No. 63: Joint Economic Committee: Appropriates $35,000 as proposed by the Senate.

Amendment No. 64: Furniture: Appropriates $26,000 as proposed by the Senate.

Amendment No. 65: Inquiries and investigations: Appropriates $105,000 as proposed by the Senate.

Amendment No. 66: Administrative provision: Reported in disagreement.

Amendment No. 67: House of Representatives: Reported in disagreement.

Amendment No. 68: Members' clerk hire: Appropriates $600,000 as proposed by the Senate.

Amendment No. 69: General provision: Deletes provision inserted by the Senate.

Department of State

Amendment No. 70: Administration of foreign affairs: Appropriates $10,140,000 as proposed by the Senate instead of $10,340,000 as proposed by the House.

TITLE II—INCREASED PAY COSTS

Department of the Interior

Amendment No. 71: Bureau of Reclamation, general investigations: Deletes proposal of the Senate that $236,364 shall be derived from the reclamation fund.

Amendment No. 72: Bureau of Reclamation, operation and maintenance: Deletes proposal of the Senate that $483,721 shall be derived from the reclamation fund and $32,000 shall be derived from the Colorado River Dam fund.

Amendment No. 73: Bureau of Reclamation, general administrative expenses: Deletes proposal of the Senate that the appropriation be derived from the reclamation fund.

Amendment No. 74—Bureau of Commercial Fisheries: Deletes Senate language proposing to transfer funds.

Legislative branch

Amendments Nos. 75–90—Senate: Appropriate for miscellaneous activities of the Senate as proposed by the Senate.

TITLE III

Amendment No. 91—Claims and judgments: Reported in disagreement.

ALBERT THOMAS,
MICHAEL J. KIRWAN,
CLARENCE CANNON,
BEN F. JENSEN,
JOHN TABER,
Managers on the Part of the House.

Mr. THOMAS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the conference report on the bill (H.R. 5188) making supplemental appropriations for the fiscal year ending June 30, 1961, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. GROSS. Mr. Speaker, reserving the right to object, I, as much as anyone else, want to dispose of this legislation tonight, but this is an unusual procedure. Here we have a greatly increased conference report in terms of money, and the report has never been printed.

Mr. THOMAS. The gentleman's remarks are certainly appropriate, and I believe if you will let me explain it, you will withhold your objection.

Mr. GROSS. If I have the assurance of the gentleman that he will take ample time before the vote on the adoption of the conference report to thoroughly explain the report, I will not object.

Mr. THOMAS. You will be satisfied.

Mr. GROSS. I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. THOMAS. Mr. Speaker, I ask unanimous consent that the statement be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the statement.

Mr. THOMAS (interrupting the reading of the conference report). Mr. Speaker, I ask unanimous consent that further reading of the conference report be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. THOMAS. Mr. Speaker, the membership will recall that when this bill left the House it carried, in round figures, about $800 million. There were 91 amendments in disagreement. We bring back 12 that are technically in disagreement, but not one of those 12 is, in truth and in fact, in disagreement.

Dollarwise, the other body added $3.8 billion to this bill which, together with the House figure of $803 million in round figures, meant that when we went into conference the bill carried about $4.6 billion.

In conference this amount was reduced by $2.9 billion, in round figures. So what we are bringing back to the House now—and bear in mind there was a reduction from the other body's figures of about $2.9 billion—we are bringing back to the House now these items which total about $1.7 billion or, to put it another way, just about double the figure when it left the House.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. THOMAS. I yield to the gentleman from Iowa.

Mr. GROSS. Where did the increases occur?

Mr. THOMAS. Let me state roughly what the items are. There were four or five items in here for the Commodity Credit Corporation which in truth and in fact the committee did not quarrel with so far as the items were concerned—the amount of them, or anything else. The other body was nice enough to back away from their position. Those total $2.9 billion. That is out, because in truth and in fact, they were not deficiency items.

Here is another item they added. The other body added, and this is one of the big items, an item of $150 million under the Development Loan Fund. We finally worked out an agreement to reduce the amount by $100 million and specifically earmarked the $50 million that is in there now for our hemisphere, namely Central and South America. Those are the items, the bulk of them. There were some 12 or 15 or 20 items where the increases ran from $5 to $15,000. We disposed of those pretty quickly. But those are the two big items.

There is another item that involved $263 million. When you cover that, you have covered 95 percent of it.

Mr. Speaker, you recall that there were defense items, Army, Navy, and Air Force items in here, some 15 of them, involving $263 million. They were truly defense items. When the bill left the House we worked out some language, and the language was good, giving them authority to spend that $263 million, but they had to recoup it from prior year appropriations, unobligated funds. The other body insisted on supplying the cash rather than using funds of last year or the year before. It put the House in a very untenable position, in view of the fact that the Commander in Chief sent his budget message up here the other day asking for, in round figures, $1.9 billion additional.

So, if they are going to have to use $1.9 billion additional funds there was no point in the House insisting on using prior year's funds because it would complicate the bookkeeping. Those are 96 percent of the items.

Mr. GROSS. Mr. Speaker, will the gentleman yield further?

Mr. THOMAS. I yield.

Mr. GROSS. Only a few minutes ago the House voted a so-called depressed areas bill providing $394 million. Of course, that is the foot in the door. Yet we find in this bill $50 million for the Development Loan Fund which simply means soft and uncollectible loans to South American countries to build more industries to ship more products to this country to cause more distressed areas. I do not like that, I will tell the gentleman.

Mr. THOMAS. I do not, either, but that is what it is going to be. But it is our understanding that the emphasis in these bills is going to be placed on health and education and general improvement of living conditions. We are not advised that it is going to be for factories, and so forth. I am not saying that some of it is not going to be, but it is generally on health, education, and matters of that nature.

Mr. GROSS. The gentleman certainly would not stake his tenure in Congress on the fact that there would not be plenty of this money spent for the building of plants to increase production, and so forth?

Mr. THOMAS. The gentleman is right.

Mr. GROSS. To build up their productive capacity?

Mr. THOMAS. I think that is much that will be the result, yes.

Mr. GROSS. I just do not like it, and I cannot support the conference report with this $50 million in it.

Mr. THOMAS. May I say to my friend, and I do not want to be in a position of arguing with him because he is too valuable a Member and we all respect him, that this in my humble judgment, and I think I speak the sentiments of the committee, is a vast improvement over what we have been going through in the last 15 years. To say the least, this is going to be in the hands of what I call a bankers group. It is a loan, it is not a gift, and certainly we will get something back even in the form of their own soft currencies, or maybe 10, 15, or 20 percent in our own money. But any improvement is better than a gift; the gentleman will admit that.

Mr. GROSS. We will get something back, all right, no question about that, and it will not be good.

Mr. MARSHALL. Mr Speaker, will the gentleman yield?

Mr. THOMAS. I yield to the gentleman from Minnesota.

Mr. MARSHALL. Is it not true that the $2 billion the gentleman referred to in connection with restoring the money for the Commodity Credit Corporation is money that has already been spent by the previous administration?

Mr. THOMAS. There is some information to that effect. It has been money spent, yes.

Mr. MARSHALL. That is the way we handle those appropriations, is it not? We authorize the borrowing of money from the Commodity Credit Corporation and then we restore the capital stock or money already spent, so that actually as far as that sum is concerned the money has been spent by the previous administration in their attempt to support farm prices.

Mr. BOW. Mr. Speaker, will the gentleman yield?

Mr. THOMAS. I yield to the gentleman from Ohio.

Mr. BOW. Do I correctly understand from my distinguished chairman that when the bill passed the House the item for the military was allowed by the House as a transfer for that amount?

Mr. THOMAS. That is correct.

Mr. BOW. I understand that as you bring that back from conference it is new, hard money?

Mr. THOMAS. That is correct, $263 million.

Mr. BOW. In other words, there is an increase here of $263 million over and above the amount as it left the House?

Mr. THOMAS. Yes.

Mr. OLSEN. Mr. Speaker, will the gentleman yield?

Mr. THOMAS. I yield to the gentleman from Montana.

Mr. OLSEN. Mr. Speaker, I rise in support of the conference report and I commend the conference committee on an exceedingly fine job. They and the House Appropriations Committee have worked diligently and have come up with a splendid supplemental appropriations bill. I am particularly delighted that the appropriation for Libby Dam in Montana is included in the bill, and that we shall now go forward with this very important project of multipurpose development for water storage, flood control, recreation, cheap public power and irrigation.

I want to make it part of the record of that portion of this bill, the understanding that when Libby Dam is built every effort will be made to see to it that, as in the case of the Hungry Horse project, Montana will receive a proportionate share of power from Libby Dam for the use and benefit of the citizens within the State of Montana.

I wish to call attention to the provisions of the Hungry Horse authorizing legislation, Public Law 329, 78th Congress, which provided:

> That for the purposes of irrigation and reclamation of arid lands, for controlling floods, improving navigation, regulating the flow of the South Fork of the Flathead River, for the generation of electric energy, and for other beneficial uses primarily in the State of Montana, but also in the downstream areas, the Hungry Horse Dam was authorized.

It is my understanding that what I have said would be the general power preference for Libby Dam for Montanans, under the same conditions and precedents as at Hungry Horse.

Mr. THOMAS. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 23: Page 9, line 5, insert the following:

"EXECUTIVE OFFICE OF THE PRESIDENT

"President's Advisory Committee on Labor-Management Policy

"For necessary expenses of the President's Advisory Committee on Labor-Management Policy, established by Executive Order 10918 of February 16, 1961, including rent in the District of Columbia either for the Committee or for Federal agencies displaced in the interests of the Committee, services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55(a)), but at rates for individuals not to exceed $100 per diem, and $25 per diem in lieu of subsistence for members of the Committee while away from their homes or regular places of business, $80,000."

Mr. THOMAS. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. THOMAS moves that the House recede from its disagreement to the amendment of the Senate numbered 23 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 25: Page 11, line 4, insert the following:

"PUBLIC HEALTH SERVICE

"Communicable disease activities

"For an additional amount for 'Communicable disease activities', $1,000,000 which shall be available only for the purchase, demonstration, and distribution of oral poliomyelitis vaccine and shall remain available until June 30, 1962."

Mr. THOMAS. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. THOMAS moves that the House recede from its disagreement to the amendment of the Senate numbered 25 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate Amendment No. 27: Page 12, line 7, insert the following: "of which $30,000,000 shall be available only upon enactment of H.R. 4884, Eighty-seventh Congress, or similar legislation."

Mr. THOMAS. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. THOMAS moves that the House recede from its disagreement to the amendment of the Senate numbered 27 and concur therein with an amendment, as follows: "In lieu of the sum named in said amendment, insert: '$20,000,000'."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate Amendment No. 36: Page 14, line 21, insert:

"EXPENSES, SUPPLY DISTRIBUTION

"For an additional amount for 'Expenses, supply distribution', $700,000, to be derived by transfer from the appropriation for "Strategic and critical materials', fiscal year 1961."

Mr. THOMAS. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. THOMAS moves that the House recede from its disagreement to the amendment of the Senate numbered 36 and concur therein with an amendment, as follows: In lieu of the sum named in said amendment, insert "$600,000".

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 38: On page 15, line 19, insert:

"RAILROAD RETIREMENT BOARD

"Payment to railroad unemployment insurance account

"For payment to the railroad unemployment insurance account, as a repayable advance, as authorized by section 4 of the Temporary Extended Railroad Unemployment Insurance Benefits Act of 1961, $24,000,000, to remain available until September 30, 1962: *Provided*, That this amount shall be repaid to the general fund of the Treasury from the railroad unemployment insurance account, whether or not the total derived from the temporary increase in the contribution rate under section 5 of such Act is sufficient for this purpose."

Mr. THOMAS. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. THOMAS moves that the House recede from its disagreement to the amendment of the Senate numbered 38 and concur therein with an amendment, as follows: In lieu of the sum named in said amendment, insert "$20,000,000".

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 50: Page 20, line 1, insert:

"OFFICE OF ALIEN PROPERTY

"Limitation on salaries and expenses, Office of Alien Property

"The limitation under this head in the Department of Justice Appropriation Act, 1961, on the amount available for general administrative expenses of the Office of Alien Property is increased by $75,000."

Mr. THOMAS. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. THOMAS moves that the House recede from its disagreement to the amendment of the Senate numbered 50 and concur therein with an amendment, as follows: In lieu of the sum named in said amendment, insert "$65,000".

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 53: Page 21, line 1, insert:

"PAYMENT TO THE FEDERAL EXTENDED COMPENSATION ACCOUNT

"For payment into the Federal extended compensation account of the unemployment trust fund, as repayable advances, as authorized by section 13 of the Temporary Extended Unemployment Compensation Act of 1961, $500,000,000, to remain available only until September 30, 1962."

Mr. THOMAS. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. THOMAS moves that the House recede from its disagreement to the amendment of the Senate numbered 53 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 60: Page 23, line 15, insert:

"For payment to Elizabeth S. Hennings, widow of Thomas C. Hennings, Junior, late a Senator from the State of Missouri, $22,500."

Mr. THOMAS. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. THOMAS moves that the House recede from its disagreement to the amendment of the Senate numbered 60 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate Amendment No. 61: Page 23, line 18, insert:

"SALARIES, OFFICERS AND EMPLOYEES

"Offices of the Majority and Minority Whips

"For an additional amount for 'Offices of the Majority and Minority Whips', $1,160: *Provided*, That effective April 1, 1961, the basic compensation of the clerical assistants to the majority and minority whips may be fixed at not to exceed $6,900 each."

Mr. THOMAS. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. THOMAS moves that the House recede from its disagreement to the amendment of the Senate numbered 61 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate Amendment No. 66: Page 24, line 12, insert:

"ADMINISTRATIVE PROVISION

"The ninth paragraph under the heading 'Administrative Provisions' in the appropriations for the Senate in the Legislative Branch Appropriation Act, 1957 (2 U.S.C. 127), is amended to read as follows:

" 'The contingent fund of the Senate is hereafter made available for the payment of mileage, to be computed at 10 cents per mile by the nearest usual route, between Washington, District of Columbia, and the residence city of the Senator involved, for not to exceed four round trips originating and terminating in Washington, District of Columbia, made by employees in each Senator's office in any fiscal year, such payment to be made only upon vouchers approved by the Senator containing a certification, by such Senator, that such travel was performed in line of official duty.' "

Mr. THOMAS. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. THOMAS moves that the House recede from its disagreement to the amendment of the Senate numbered 66 and concur therein with an amendment, as follows: In addition to the matter proposed by said amendment, add, at the end thereof, the following:

"HOUSE OF REPRESENTATIVES

"Contingent Fund

"The contingent fund of the House is hereafter made available for the payment of mileage, to be computed at ten cents per mile by the nearest usual route, between Washington, D.C. and the residence city of each Member of the House and the Resident Commissioner from Puerto Rico, for not to exceed two round trips for each such Member and Resident Commissioner originating and terminating in Washington, D.C., each session, in addition to mileage otherwise provided by law."

Mr. GROSS. Mr. Speaker, I make a point of order against the amendment on the ground that the amendment is in violation of rule XVI, clause 7, of the rules of the House. The amendment is not germane because it deals with an entirely different class of people.

Mr. Speaker, I call attention to page 202 of Cannon's Procedures in the House of Representatives as follows:

One individual proposition may not be amended by another individual proposition even though the two may belong to the same class.

Mr. Speaker, I quote further from page 202 of Cannon's Procedures the following examples of the nongermaneness of this amendment.

With regard to the text of the bill for relief of one individual, an amendment which provides for similar relief to another is held not to be germane.

With regard to the text of a bill providing a clerk for a committee, an amendment providing a clerk for another committee is not germane.

Mr. Speaker, I call attention to another instance wherein the text of a bill providing for an additional judge in one territory, an amendment providing additional judges in other territories is not germane.

Mr. Speaker, I submit that this amendment is not germane.

Mr. THOMAS. Mr. Speaker, may I be heard on the point of order?

The SPEAKER. The Chair will hear the gentleman.

Mr. THOMAS. Mr. Speaker, with due regard to our distinguished friend, we submit that it is germane. This deals with travel by Members of the two bodies and is directly affected by the same general subject matter.

The SPEAKER. Senate amendment No. 66 deals entirely with employees of the Senate. The amendment offered by the gentleman from Texas brings in Members of the House. Therefore the Chair must hold that the point of order is well taken.

The Chair sustains the point of order.

Mr. THOMAS. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. THOMAS moves that the House recede from its disagreement to the amendment of the Senate numbered 66, and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 67: Page 25, line 13, insert:

"For payment to Louise G. Reece, widow of B. Carroll Reece, late a Representative from the State of Tennessee, $22,500."

Mr. THOMAS. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. THOMAS moves that the House recede from its disagreement to the amendment of the Senate numbered 67 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 91: Page 51, line 17 insert:

"TITLE III

"Claims and judgments

"For payment of claims as settled and determined by departments and agencies in accord with law and judgments rendered against the United States by the United States Court of Claims and United States district courts, as set forth in Senate Document Numbered 25, Eighty-seventh Congress, $3,248,533, together with such amounts as may be necessary to pay interest (as and when specified in such judgments or provided by law) and such additional sums due to increases in rates of exchange as may be necessary to pay claims in foreign currency: *Provided*, That no judgment herein appropriated for shall be paid until it shall have become final and conclusive against the United States by failure of the parties to appeal or otherwise: *Provided further*, That, unless otherwise specifically required by law or by the judgment, payment of interest wherever appropriated for herein shall not continue for more than thirty days after the date of approval of this Act."

Mr. THOMAS. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. THOMAS moves that the House recede from its disagreement to the amendment of the Senate numbered 91 and concur therein.

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

SMALL BUSINESS AND GOVERNMENT PROCUREMENT

The SPEAKER. Under the previous order of the House the gentleman from New York [Mr. MULTER] is recognized for 15 minutes.

Mr. MULTER. Mr. Speaker, I would like to take this opportunity to familiarize our colleagues of the House with some of the recent work and findings of Subcommittee No. 2, Small Business and Government Procurement, of the House Select Committee on Small Business, of which subcommittee I have the honor to be the chairman. Its members, beside myself, include the Honorable SIDNEY R. YATES, the Honorable TOM STEED, the Honorable H. ALLEN SMITH, and the Honorable HOWARD W. ROBISON.

ACTIVITIES OF THE SUBCOMMITTEE ON SMALL BUSINESS AND GOVERNMENT PROCUREMENT

Congress has on numerous occasions indicated that small business should receive an equitable opportunity to compete for Government procurement. The subcommittee, therefore, determined that it would direct its studies and inquiries to learn whether congressional intent was being followed by the executive agencies charged with the administration of Government procurement.

The subcommittee undertook a comprehensive study to appraise the numerous programs in Government procurement to determine first, whether small business had an equal opportunity to participate in Government procurement, and second, whether the small-business potential was being fully utilized in Government procurement.

In the study of Government procurement by the subcommittee both prime and subcontracting areas were examined. The difficulties of small business to compete in the prime contract field because of the complexity of the items purchased by the Government, required inquiry into the vast subcontracting field.

DECLINE OF AWARDS TO SMALL BUSINESS

In the subcommittee's study it was revealed that the percentage of prime contracts from the Department of Defense to small business, is continuing to decline and during the last 8 years, no constructive effort by the executive agencies, including the Department of Defense had been made to stop this decline. An analysis of the Department of Defense statistics for fiscal year 1960 on military prime contract awards to small business confirmed this decline. The percentage of contracts going to small business in fiscal year 1960 was only 16.1 percent. This pathetically small percentage of awards to small business is emphasized in a study of the available statistics from fiscal year 1954 to date. It declined from a high of 25.3 percent in 1954, to a dangerous low of 16.1 percent in 1960. No activity on the part of the Department of Defense established a fitting dike to prevent the flood of Government procurement from going to big business.

I want to make it clear that my remarks are directed against the conduct of those who were in charge of the executive departments and independent agencies of our Government during the 8 years prior to January 20, 1961. I fervently hope and pray for better from their successors, appointed by President Kennedy.

During the last Congress the subcommittee continued to receive numerous complaints from small-business concerns regarding all phases of Government procurements. Many areas of difficulties were explored by the subcommittee staff with officials of the Department of Defense and the civilian agencies handling Government procurement. In some individual cases the staff of the subcommittee, under the direction of its chairman was able to rectify some of the inequities. However, despite the contention of the Department of Defense that everything possible was being done to guarantee an equitable opportunity to small business to compete in Government procurement, and despite concen-

trated efforts of the committee and Members of Congress, the opportunity for small business to compete in Government procurement continued to decline. It became apparent to this committee that the Department of Defense and too many of the other executive agencies of the Government in this field were not following the wishes of Congress. Despite the lofty, high-sounding directives issued by the Department of Defense, despite the glowing statements made to the subcommittee at public hearings, the programs were not being implemented by either the contracting or procurement officers in the field. The subcommittee is firmly convinced that unless we have a dynamic change in the approach by the procurement agencies in this area, small business will never receive an equal or even a fair opportunity to compete.

In order to improve the situation, there must be a more concerted effort for joint determination and set-asides for small business. More small-business concerns must be placed on the qualified bidders list. More small-business concerns must be considered in the planned procurements. More small-business concerns must be utilized in the mobilization type of procurements.

Despite the insistence by this committee and Members of Congress to utilize the advertised competitive method of procurement, we find that the greatest portion of procurement is done by negotiation. An analysis of available statistics establishes that under the negotiated method of purchase, so widely used by the Department of Defense, small business has had less opportunity to compete and has received a smaller percentage of Government contracts.

Over the years the Congress of the United States has declared as its basic procurement policy that, as a general rule, all purchases and contracts for supplies and services should be made by advertised competitive bids. It should be the exception rather than the rule that purchases be made by negotiation. The opposite prevailed too often.

A study conducted by the staff of the subcommittee indicated that the qualified bidders list, planned procurements, and mobilization type of procurement used by the Department of Defense appear to exclude small business. This in effect has denied small business an equitable opportunity to compete for Government business. The system of qualifying bidders prior to bid invitations has circumvented congressional intent to aid and assist small business.

We are convinced that one of the principal reasons for this is that the small business specialists in the various departments must "knuckle under" to their superiors who are not in sympathy with small business. Those specialists should be transferred to and made a part of the Small Business Administration.

The efforts of the subcommittee to alert the Congress and the public to the plight of small business in procurement is not a new one. In our final report during the 86th Congress we predicted as follows concerning the ultimate effects of the subcontracting program as then practiced:

> Under such system of procurement, the small business segment of our industry will become the unwanted stepchild of big business and become completely subservient to major companies.

CERTIFICATES OF COMPETENCY

Under the Small Business Act, the Small Business Administration was granted the authority to issue certificates of competency which, upon issuance, are conclusive upon the Government procurement agencies as the competency and financial responsibility of a small-business concern. However, if obstacles are placed in the path of small-business concerns to participate in bidding on Government procurement, the usefulness of the certificates of competency is destroyed. Unless a small-business concern has an opportunity to bid, it cannot petition for a review by the Small Business Administration for a certificate of competency. It is only when it is the low bidder that a small-business concern can petition for a certificate of competency in order to avoid rejection by the procurement agency on the grounds of lack of capacity or credit.

Through the years this subcommittee has aided small business in obtaining awards to which they were legally entitled. A typical case brought to our attention involved a small business which had been the low bidder and the recipient of a certificate of competency issued by the Small Business Administration. Despite these facts, the particular agency concerned, in response to an inquiry of the subcommittee, advised that the final determination as to the award would be made by its own contracting officer to a big business, higher bidder, notwithstanding the issuance of the certificate of competency. After the subcommittee interceded in this matter, the Comptroller General rendered an opinion which confirmed the views of the subcommittee that certificates of competency issued by the SBA respecting the capacity and ability of a small-business firm to perform a specific contract are conclusive and binding on the agencies. The contracting officer's decision was reversed and the small business low bidder received the award and since has fulfilled the contract completely, satisfactorily and on time, with a substantial saving to the Government.

In its 1959 final report the subcommittee pointed out that one of the shortcomings of the procurement program was the shortage of persons assigned to assist small business in receiving its equitable share of Government purchases. It was noted that the Department of Defense had approximately 380 small-business specialists assigned to its small-business programs, although in many cases these employees had other assigned duties. The Small Business Administration, on the other hand, which is assigned the primary responsibility of assisting small business obtain its fair share of Government purchases, had only 88 positions in its entire Procurement and Technical Assistance Division. As we have indicated heretofore, it is in the field offices that most procurement takes place and where the small businessmen must receive proper recognition.

Obviously, sympathetic administration of the program with a view to implementing instead of frustrating the congressional intent will go far toward improving the situation.

The difference in approach is best exemplified by the fact that during January and February 1961, the U.S. Government saved more than $2.6 million by the issuance of certificates of competency to 33 low-bidding small firms on contracts valued at more than $23.6 million.

NEGOTIATED VERSUS ADVERTISED PROCUREMENT

The procurement agencies have continued to prefer the negotiated method of procurement rather than the advertised competitive approach. Through the efforts of the subcommittee, bidding procedures were improved to guarantee that small business would receive full bid sets, including specifications and drawings in ample time to permit them to compile and submit responsible bids. Through the efforts of the subcommittee, the Department of the Navy saved $750,000 in a single purchase of a radar system. Also, through the intercession of the subcommittee, a new policy was established by the Department of the Navy which guarantees all small-business concerns who desire to bid equal opportunity to receive invitations and bids. This activity by the subcommittee has shown the procurement agencies how to increase the efficiency of their procurement system at great financial savings to the Government.

Another example of a savings effected by the subcommittee was in the procurement of radiac sets—electronic detection device for radiation—by the U.S. Navy. At the request of the subcommittee's chairman, the Comptroller General reviewed a specific procurement in this area. This review was requested because the subcommittee staff's study indicated that good contract administration was not being followed by the Department of the Navy in a negotiated procurement from a sole source of this item. The investigation by the Comptroller General established that despite the requirement of a small critical component, the Department of the Navy did not have sufficient quantity of this item in stock and refused under general policy to furnish this small component part to competitive bidders who were unable to purchase the component part needed to manufacture the radiac set. This failure by the Department of the Navy to protect the Government's interest necessitated a purchase of this radiac set at a higher price. It was established that the availability of this small component part would have saved the Government approximately $158,000 on a single purchase of the sets.

The committee has had a continuing interest in the problem of negotiated versus advertised procurement.

In 1957 the subcommittee held hearings to determine the merit of complaints it had received that procurement by the Quartermaster Corps of the Department of the Army in the field of fresh fruits and vegetables in the New

York area had been discriminatory against small business.

The Quartermaster Corps in its testimony reported that they were making purchases under negotiated bidding pursuant to section 2(c) (9) of the Armed Services Procurement Act of 1947, as amended. This section provides that "all purchases and contracts for supplies and services shall be made by advertising, except that such purchases and contracts may be negotiated by the agency head without advertising" if they were for "perishable subsistence supplies."

It should be noted that this section is only an exception to the general rule which Congress laid down in this act.

The preponderance of evidence received by the committee from recognized, reputable leaders in the market clearly and unequivocally established that the advertised, sealed-bid method of procurement is both feasible and practicable and that the Government could and would receive the best merchandise at the lowest possible prices by that method.

Subsequent to the hearings, the committee was notified that the Quartermaster Corps had in some instances begun to purchase fresh fruits and vegetables in the area under a program characterised as "notice of intention to purchase." Analysis of this method indicated that it is a mere sham and a screen to cover up negotiated purchases which were proven by the hearings to be unfair to the Government and to the small businessman.

The committee urged then, and continues to urge today, that the exception set forth in section 2(c) (9) of the Armed Services Procurement Act of 1947, as amended, be utilized only under exceptional circumstances.

In the 85th Congress the subcommittee issued a special report entitled "A Case Study of an Atomic Energy Commission Procurement"—House Report No. 1277. The subcommittee had received numerous complaints from small businesses advising that they had not received equitable opportunity for Government procurement. These were directed against all the procurement agencies.

A particular case involving an Atomic Energy Commission procurement was selected as a pilot case for investigation and study. The basic problems involved in this case were those continually confronting small business in its effort to share equitably in Government procurement: First, advertising versus negotiation; second, set-asides for small business; and third, the method of handling negotiations between prospective bidders.

The committee, upon the conclusion of its evaluation of all available material, concluded that—

1. The item could have been handled satisfactorily by advertised, sealed bid;

2. The method and procedure developed by the agency failed to take the proper precautions and safeguards necessary to assure the Government of quality and service and a minimum price; and

3. The item was of such a nature that it could have been set aside for small business.

Prior to the issuance of the report by the committee—House Report No. 1277, 85th Congress, 1st session—all of the evidence adduced by the investigation was submitted to the agency for comment and for review and audit by the Comptroller General. When the report was subsequently published as a House report, it contained therein the report and recommendations of the subcommittee, the comments of the agency, and the review and audit by the General Accounting Office.

The committee decided that the complaints of the small-business concern were well founded. The General Accounting Office, in its report, which confirmed the position taken by the committee, stated that the same degree of flexibility inherent in formally advertised award procedures would have guaranteed the contracting agency the right to determine the performance capabilities prior to awarding the contract and that the contracting agency also had the right to review all bids and to readvertise if necessary if, in their opinion, the bid prices submitted were unreasonable.

The action taken by the committee respecting this case brought good results. Subsequent procurements of the item were set aside for small business and were purchased by the advertised, sealed-bid method of procurement.

SET-ASIDE PROGRAM

The subcommittee carefully examined the activities of the Government procurement agencies under the joint determination and set-aside program to determine if sufficient emphasis had been placed upon this program to guarantee maximum effort to utilize the full small business potential under this program.

During the 1959 fiscal year the military services and the Small Business Administration, under the joint set-aside program, allocated $1,057,284,000 for exclusive awards to small business. However, we find that this figure had dropped in fiscal year 1960 to $974,428,000, a decline of 7.8 percent of set-asides to small business. It is apparent that unless greater effort, greater emphasis, and more activity is exerted by the responsible agencies in the executive branch of the Government, small business will not receive its due share of Government procurement.

Here, too, sympathetic administration by personnel committed to furthering, rather than impeding, congressional intent can accomplish much.

During February 1961, the Small Business Administration increased its set-asides to small firms tremendously; 22.2 contracts valued at $80,264,000 were so awarded for an increase of 72 percent in value and 41 percent in number of contracts over February 1960.

PROPRIETARY RIGHTS AND DATA

The protection of proprietary rights and data of the small business concerns who developed items at their own expense was studied by this subcommittee and hearings held during the 86th Congress. The committee received numerous complaints that small business was being discriminated against in this area. During public hearings held March 29, 30, and 31, 1960, in Washington, D.C., witnesses from small and large business and Government testified. There had been recurring complaints to the subcommittee which indicated that small business concerns under subcontract to a prime contractor, or under direct procurement with the Department of Defense, were required to submit, either to the prime contractor or to the Department of Defense, complete proprietary data on products or techniques which they had designed and developed with their own know-how and resources. Representative small business concerns testified at the hearings that without compensation they are required, either directly or through prime contractors, to supply information to the Government which subsequently discloses invaluable privately-owned technical data as well as trade secrets. They also testified that the military services periodically required the delivery of many types of technical data, particularly manufacturing drawings, under Government contracts without compensation, and that subsequently this data was made available to other bidders and contractors.

This is an extremely complicated and technical matter. The subcommittee prepared a separate report—"Proprietary Rights and Data," House Report No. 2230, December 20, 1960—which discusses this whole problem in detail. This report and its recommendations were approved unanimously by members of the subcommittee and by the full committee.

CONTRACT RENEGOTIATION

In the 84th Congress—1955–56—through recommendations of members of this committee, the Renegotiation Act of 1951 was amended, which resulted in the increase of the minimum amount subject to renegotiation. The amount was increased from $500,000 to $1 million. Actually, the amendments of the Renegotiation Act in the 84th Congress were of small benefit to the smaller manufacturer.

It is the opinion of the committee that one of the reasons why small business concerns engaged in defense work find it increasingly difficult to continue profitable operations is because of handicaps which have become embedded in our procurement system. Among some of the handicaps encountered by small business are the free plants and equipment available to large prime contractors. This is encountered in military cancellations or stretchout programs were the large prime contractors have a habit of not only cancelling every possible subcontract but engage directly in competition with their former subcontractors. Apparently this is done by the prime contractors on the theory that for every dollar's worth of work that can be done in their own plant, they are afforded an opportunity for more favorable profits in the renegotiation allowances. This practice has happened in many instances in the past and is not restricted to periods of stretchouts or cancellations but has occurred when the large prime contractors are lacking in defense work. This shortsighted policy of the large prime contractors aided by the

opportunities under the Renegotiation Act are responsible for hundreds of small manufacturing concerns either curtailing operations or going out of business entirely.

Because opportunities of small business in our defense effort are increasingly being narrowed down to subcontracting, it becomes even more important that the impediments of the Renegotiation Act be eliminated or so modified as to encourage subcontracting. The failure to do this will cause more and more independent business firms to disappear from the defense production picture.

It has been stated that an examination of the records of the Renegotiation Board would reflect that only the most meager portion of dollars recaptured come from other than the top hundred defense contracting firms. It is for this reason that we are of the opinion that the Renegotiation Act and the regulations applicable thereto should be amended or modified so as to encourage small business to compete for its share of Government contracts.

MOVEMENT OF HOUSEHOLD GOODS OF MILITARY PERSONNEL

During the summer of 1959 a situation demonstrating the lack of equitable opportunity for small business to compete for Government procurement was brought to the attention of the subcommittee by the Honorable WRIGHT PATMAN, chairman of the full committee. The situation in question related to a new directive about to be issued by the Department of Defense abolishing equitable distribution of the movement of household goods of military and civilian personnel. This proposed new directive, it appeared, was aimed squarely at the hundreds of small independent moving van companies for it seemed to be clear that the directive, if implemented, would reduce substantially the volume of such business that the smaller companies could expect thereafter to obtain.

Upon learning about this situation, the subcommittee moved promptly and vigorously to forestall any action by the Department of Defense that might jeopardize the ability of small business to participate in these procurements. In spite of these efforts, the discriminatory directive was not suspended. However, through the subcommittee's efforts, the effective date of the directive was postponed until July 1, 1960. At that time a new directive was issued, which was to become effective December 1, 1960. Based on the opinion of the Comptroller General that this directive might cause hardship to small business, I requested the Secretary of Defense to postpone the directive.

Despite this request, I was notified by the Department of Defense that it did not feel it of sufficient importance to postpone the implementation of the directive. Accordingly, directive 4500.27 became effective as of December 1, 1960.

We urge the new administration to immediately suspend that directive. We feel certain that a restudy of this problem by minds attuned to helping not hurting small business will require a new directive.

RESEARCH AND DEVELOPMENT AWARDS TO SMALL BUSINESS

Basic research is the quest for new knowledge. It involves slow and laborious methods of observation, hypothesis, deduction, and experimental verification. New truths obtained from such investigation will be the basis of any major technological advance. While it is admitted that there are certain research projects which only particular firms with special equipment can handle, it is nevertheless an acknowledged fact that over the years small business firms have made invaluable contributions in the research and development field and their ingenuity has many times broken bottlenecks and solved critical problems on vital occasions. In fact, in World War II small firms accounted for a very large part of the total war-winning production.

Due to the great and startling progress of Soviet Russia in the fields of astronautics, rocketry, and missiles, the majority in the Congress fully realize the tremendous importance of research and development in connection with national defense. Increasing emphasis, therefore, is being constantly placed on accelerating the tempo and the amounts to be spent on this aspect of total military outlays.

In addition, the Congress is mindful of the fact that expenditures for research and development are major factors in the growth and progress of industry and the national economy. Awards for experimental, developmental, test, and research work—EDTR—by the Department of Defense with U.S. business firms totaled $5,234 million in fiscal year 1960. This was 26.6 percent of the total value of all prime contracts placed by the Department of Defense with U.S. business firms, compared to 21.5 percent in fiscal year 1959, and 17.1 percent in fiscal year 1958.

It is generally agreed that the survival of this country will depend to a considerable extent upon the effectiveness and speed with which its defense research and development program is carried out. This means that all available capabilities must be utilized as fully as possible, and that the best brains and technical facilities must be brought into the program.

In recognition of the invaluable contribution of small business to science and technology and in order to better utilize its potential, Congress in enacting the Defense Production Act of 1950, clearly stated:

> It is the sense of the Congress that small business enterprises be encouraged to make the greatest possible contribution toward advancing the objectives of this act (50 U.S.C. App. 2151(a)).

Although it is the declared policy of the Congress that the Government should assist and protect, insofar as possible, the interests of small business in order to preserve free competitive enterprise and to insure that a fair proportion of contracts for property and services for the Government be placed with small business concerns, the percentage of contracts, especially in the research and development field, going to small business continues to drop alarmingly. The official Department of Defense figures clearly reflect the fact that as expenditures for research and development increased, the percentage going to small business decreased.

On July 18, 1958, Public Law 85–536 became effective making the Small Business Administration a permanent agency of the Federal Government. This legislation gives recognition by the Congress that small business is a distinct and vital element of the Nation's economy. One of the salient features of this law is contained in section 9, which emphasizes that it shall be the duty of the Small Business Administration—

> (1) to assist small business to obtain Government contracts for research and development.

Statistics furnished by the Department of Defense respecting the net value of its procurement activities with business firms for experimental, developmental, and research work, show the Department spends more than 85 percent of all Federal funds which are expended for research. The figures also indicate an attempt to thwart the declared policy of the Congress of the United States and the statutory mandate of the Small Business Act.

The largest amount spent in any one month by the Department of Defense for research and development during the period from October 1957 through June 1960 was $1,041,875,000, which was in June 1959. Of this sum small business firms received only 3.5 percent or $36,726,000.

During the same period the high point for small firms receiving contracts for research and development was in April 1958, when it reached 8.5 percent. In this connection it should be noted that the amendments to the Small Business Act became effective July 18, 1958, and at that time the direct mandate of the Congress was that the Small Business Administration should assist small business concerns to obtain more Government contracts for research and development. One would naturally expect that the percentage of contracts going to small business then would increase. The record, however, shows that the exact opposite result was achieved.

This development speaks ill for the future of small business. If the trend of the last 4 years continues, the future of small business in the major areas of complex procurements is bleak indeed. This is a situation that has been ignored by too many for too long. But ignoring this problem will not make it go away. It requires the thoughtful attention of everyone who believes that small business can and should continue to make a valuable contribution to the future growth of our economy.

ASSISTANCE TO MEMBERS OF CONGRESS

Over the past several years many Members of Congress have been in communication with the subcommittee seeking information and advice concerning problems confronting small business with respect to the Government procurement program. We are happy that we have been able to help our colleagues

and their constituents. We will continue to attempt to be of assistance to them in the future.

PRESIDENT KENNEDY'S DIRECTIVE TO MILITARY DEPARTMENTS

The top 100 defense contractors received, in 1960, 73.4 percent of the total awards that year. In 1959 it was 73.8 percent and in 1958 it was 74.2 percent. This is based on an aggregate of $15,410.4 million of awards made to the 100 top military prime contractors and their 118 subsidiaries excluding contracts of less than $10,000 each. If those were included, the figures would make a much worse showing.

President Kennedy stated at his March 15, 1961, press conference that he had directed the Secretaries of the military departments to take steps to procure an increased percentage of their requirements from small business. Noting that in 1960 only 16 percent of the Defense Department's awards went to small business, President Kennedy said:

> We are going to try to increase that by at least 10 percent.

In its final report in 1960, the subcommittee concluded by saying:

> The subcommittee is convinced that unless there is a change in both the attitude and approach of the Government procurement agencies in dealing with small business, small business will not receive its fair share of Government procurement.

President Kennedy's directive indicates that the new administration is taking positive action to bring about the long overdue needed changes in attitude and approach.

More along this same line could be accomplished if the small business specialists now employed in the Defense Department were transferred, with their budgetary appropriation, to the Small Business Administration.

We urge that such transfer be accomplished at the earliest practicable date.

PEACE CORPS

The SPEAKER. Under the previous order of the House the gentleman from Illinois [Mr. LIBONATI] is recognized for 1 hour.

Mr. LIBONATI. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. LIBONATI. Mr. Speaker, as soon as President Kennedy's new Peace Corps program was launched the new Peace Corps headquarters in Washington was swamped with mail. There were 6,000 letters received before he gave his official sanction and some 10,000 letters arrived immediately after his pronouncement. Our college youths on every campus responded for information, volunteer forms, and pertinent literature. The pioneer spirit of American youth seeks new frontiers to live with and work with others for the development of the backward nations of the world.

They are prepared to lend their talents to the advancement of the poor economies of these poverty-stricken peoples, and by so doing are making a real contribution to the peace of the world. The Peace Corps pioneers will in promoting this economic growth also succeed in teaching and inculcating a sense of understanding as to our American ideologies.

It is important that the selective processing of candidates for the Peace Corps be accurate in determining the qualifications as well as the social aptitudes of each candidate. The success of this new venture in international relations will depend largely upon those having the essential high qualities of basic sincerity, emotional stability, social affability, and intellectual knowledge of the history, culture, habits, and language of the people to be served.

The people of the many countries will be inquisitive for the reason for their being there and in many situations they will be suspect as to their presence.

The majority will be assigned to rural areas among primitive people. Human characteristics that favor the fostering of good will and natural ways of making friends are very important. The individual must be able to adapt himself or herself to the ways of the people even as to personal habits of diet, dress, and recreational activities. The individual must have a high sense of spiritual and religious values.

The type of leadership, in control of the Corps itself, must be perfect in supervisory acumen. The most intelligent worker must be stimulated, cajoled, and guided to insure a good job done.

The Peace Corps member must be able to direct others so that the natives will feel that they are accomplishing the results. Experience in this field has taught that caution and slow deliberate action reaps the best results.

It is the experience in other fields that mistakes ever so small appear glaringly to reflect upon any program's ultimate failure.

There will be of necessity recalls in the personnel, but nevertheless, great success was experienced in the international youth farm exchange program of the National 4–H Foundation and the American Friends Service Committee activities in a scope of work projects similar to those to be undertaken eventually by the Peace Corps.

The International Voluntary Service, on which the new Peace Corps is modeled, operates in nine countries—Egypt, Jordan, Nepal, Iraq, Laos, Cambodia, Vietnam, Ghana, and Liberia. It was organized as a people-to-people program as contrasted to a government-to-government approach of the International Cooperation Administration.

All three of these organizations have found it advisable to rule out the teenager. The minimum age is 20 in 4–H projects, 21 for American Friends, and 22 for International Voluntary Service. All agree that the term of service be a 2-year minimum.

The Peace Corps is in good hands with Sargent Shriver, the former president of the Board of Education, City of Chicago, as its Director. The following men, representing various segments of society, labor, industry, the Government, and education, have agreed to serve as the original members of this committee: Ralph Lazarus, the president of the Federated Department Stores in Cincinnati, Ohio, a nationwide chain; Joseph Beirne, the vice president of the AFL–CIO, and head of the community services and president of Communications Workers of America; Roger Jones, Under Secretary of State for Administration and former Chairman of the Civil Service Commission; and Dr. Benjamin C. Willis, general superintendent of schools in Chicago and president of the American Association of School Administrators. These outstanding Americans can certainly be relied upon to establish the Peace Corps as an honest, functioning agency of Government.

The Peace Corps task force is also a compliment to any active program. Among its members are Ed Bayley, formerly with the Milwaukee Journal as a political reporter there and most recently administrative aid to Gov. Gaylord Nelson of Wisconsin.

Also Warren Wiggins, a career civil service employee with the ICA, one of their top men, Deputy Chief of the Far Eastern Division of the ICA.

Gordon Boyce, President of the Experiment in International Living. The Experiment in International Living has existed for about 30 years and on an annual basis sends to the European countries, and, I should add, to South America and even Asiatic countries, in the neighborhood of 3,500 young Americans per annum, and we receive back approximately that same number from other countries. It is one of the largest organizations in the country for transferring students back and forth across national boundaries.

Louis Martin, the editor of the Chicago Defender, a newspaperman-journalist. Louis spent the last year in Nigeria and Africa and has brought a lot of political know-how and knowledge of the Continent of Africa to the Peace Corps.

Morris Abram, an attorney from Atlanta, Ga., a very distinguished citizen of that community, a member of the board of trustees of the Field Foundation, the board of trustees of the 20th Century Fund, who was a Rhodes scholar, summa cum laude, and all those other fine things.

Dr. Arthur Adams, the very distinguished president of the American Council on Education who has served here in Washington for a number of years. Dr. Adams, during World War II, organized the training program for the Navy. At one time he had a million men in training in various universities and colleges in the United States. I think there were 117 such locations. Dr. Adams has graciously undertaken to supervise the training of all the people who enlist in the Peace Corps.

Working with Dr. Adams will be Dr. Larry Dennis, vice president of academic

affairs at Penn State College, who arrived in Washington to give full time to the job of planning the training program for Peace Corps volunteers.

Another is Al Sims, vice president of the Institute of International Education in charge of their entire operations which involves over 300 colleges and universities in this country and abroad. The institute brings hundreds, if not thousands, of students to this country each year, and the experience he has developed has been put to work to use in developing our proposals, our training programs for universities in this country.

Also Tom Quimby, from Michigan. Tom has had a great deal of experience in educational work in training programs for the Navy and for the Defense Department. More recently he has been a leader of the Democratic Party as an outstanding national committeeman from Michigan.

In addition to these there have been a number of governmental bureaus which were very generous to the Peace Corps in the planning stages. The Development Loan Fund loaned the services of Les Gordon. The National Aeronautics and Space Administration gave the services of one of their chief administrative officers, Jack Young. And other departments of the Government have been most helpful and generous in the time and help they have given to this embryo agency.

The tentative program for Peace Corps training of appointees is to be initiated at a dozen American colleges this summer from June to September. The core curriculum will be as follows: Basic courses which will be the same in every location: Courses, for example, in American institutions and philosophy and democratic government, that type of thing; economics, the culture and customs of the country to which these people are being sent, and languages.

The close identification of several universities with foreign powers, as for example, University of Nebraska, experienced in matters concerning Turkey with direct contacts maintained through the years, is a valuable asset to Peace Corps activities, if the Corps were invited to participate there.

The scholars in foreign countries would be invited to study with the volunteers and thus give valuable advice to them before they ever go abroad.

The contemplated period of enlistment in the Corps would be from 1 to 3 years of actual service.

The living allowance to each Corps member would be determined by the cost of living in that country, for example, a schoolteacher would be given the same allowance of a resident teacher.

The Peace Corps in size should meet the needs of its activities. The volunteers in a limited sense can select the country of their choice.

The Peace Corps is being considered by the President as a functioning domestic unit in the United States, for instance, in depressed and metropolitan areas.

The limitation for volunteers is tentatively set at 18—no maximum age limit has been set. The skilled resources of the individuals enlisted, together with living conditions, will determine the employability of the older group.

The Peace Corps seeks to serve Asia, Africa, and Latin America, if invited.

QUESTIONS ASKED OF MR. SHRIVER AND ANSWERS GIVEN BY MR. SHRIVER

Question. How tough are you going to be on your language requirements in some areas of the so-called exotic languages?

Answer. Well, we are going to be as tough as we can on the language requirements.

Question. When President Kennedy first proposed the Peace Corps, he tied it in as a substitute for the draft. Has this notion been abandoned altogether?

Answer. Well, I don't think we ever abandon the notions of the President, and certainly not that one. However, I have discussed the draft question with General Hershey and he has authorized me to say that it is his opinion and considered judgment that, short of a general mobilization, a young man who serves 2 years in the Peace Corps will be eligible for further deferment from military service upon his return to this country.

Question. This method of payment of these Peace Corps volunteers overseas is not entirely clear. Do you mean to say that when these expenses are going to be paid that the volunteers would be entirely subsidized then?

Answer. Practically speaking, yes, at the level of the country where they live.

Question. Well, don't you necessarily run the risk, then, if you are not able to pay them wages—aren't you necessarily running the risk of limiting the volunteers in the Peace Corps to those who feel that they could live without a certain wage, those people are accustomed to a certain standard of living, before they ever get into the Peace Corps?

Answer. No, I don't think so, because the people who go in the Peace Corps as volunteers will be living according to the standard of living of the country where they are. So that doesn't require any wealth on anybody's part to do that, because we will be covering that standard of living.

Now, in addition to that, we are going to accumulate a bonus payment for a member of the Peace Corps, so when he or she returns to this country, a nest egg, if you will, will have been built up for that person. This doesn't restrict it at all, so far as I can see, to people who have private sources of income. As a matter of fact, there is going to be one modest, minor problem, probably, namely to try to keep the Peace Corps people overseas from receiving extra stipends from solicitous parents. But we will have to work, probably on the honor system, as far as that is concerned.

Question. Are you planning anything to protect these people who join the Peace Corps, for instance, something along the lines of national life insurance?

Answer. That is under study. We do not have any definite decision on that yet.

Question. Mr. Shriver, do you have any indication of the size of the bonus? I mean, what would you——

Answer. Well, that is under study too. But it will be a modest one. It will depend on the number of months a person serves, and probably will be in the neighborhood of $50 to $75 a month. The actual size has not yet been resolved.

Question. I didn't understand what you were saying about further deferment. It sounds as though it might amount to an exemption from military service.

Answer. No. It does not amount to any exemption. General Hershey said that it was his considered opinion and his judgment that such a person returning from 2 years of Peace Corps volunteer work overseas would not, at that time, be called upon for military service, period.

Question. Could you reenlist in the Peace Corps?

Answer. Well, that is a problem we haven't really come to grips with hard yet. Because it is further away than some of the things that are pressing us now. But I wouldn't eliminate its possibility.

Question. Can you give any sort of a hoped-for timetable on getting started?

Answer. Right now we are working very hard in getting up the application form, or the volunteer form, which we will distribute to people who wish to volunteer. That is a task in itself. That is coming under the direction of Tom Quimby, for example. Second, Al Sims is working with various universities, which have already, even before the Peace Corps was officially announced, proposed various ways in which they could become part of the Peace Corps operation.

Question. Mr. Shriver, you have mentioned, and it has been mentioned that teaching English particularly abroad would be of great value to the Peace Corps. Won't this further drain the domestic pool of teachers?

Answer. It is not our intention to drain the domestic supply of teachers in this country. A graduate of an accredited American institution of higher education would have no difficulty in teaching English as a second language.

Question. Can they be married and enter the program?

Answer. Well, there are a large number of jobs, we believe, where married couples could probably serve as well or better. Both the husband and the wife would have to qualify for Peace Corps work.

Question. Can you tell us your estimate currently on a per head basis?

Answer. Well, on a per head basis, it's very difficult at this stage to make any definite guesses. But what we are estimating on is somewhere around $10,000 or $12,000 a person.

Question. Mr. Shriver, without prejudging the program, there has been some criticism. Is this going to be a program without discipline?

Answer. No. Everybody who is here working in our task force is of the opinion that this will probably be as difficult and as hard work as it is possible for anybody to volunteer for.

First, we hope to work through private volunteer agencies or any international agencies.

Second, we hope to work with universities and colleges.

Third, we hope to work with other Government agencies, such as the ICA.

Fourth, we hope to offer the services of Peace Corps people to the United Nations specialized agencies abroad, and to other international organizations.

And, fifth, we hope to work with direct government-to-government relationships, and in direct government-to-government programs. So we are trying to work in those five different ways to start with. Each way will be an experiment, and within each way there will be experiments.

Question. Mr. Shriver, what about the obligation of these people to continue to serve? Will they be simply under an employment contract? Will they be able to resign after 6 months if they don't like it? Or would it be more like a military operation, to stay the full time?

Answer. This is voluntary all the way through. And if somebody wants to quit, they can quit. There are going to be some

cases of failure. Where it doesn't work out, people will have to be separated from the service.

Question. Doesn't this opinion of Hershey's raise the draft-dodging criticism again?

Answer. Nobody can dodge military service.

Question. They come back. Do they have to go into some useful or essential occupation to get this draft deferment?

Answer. That is what we have a Career Planning Board established to do, to consult with them, and advise them about their career employment opportunities.

Question. What sort of physical training program are you going to have?

Answer. Well, that is what we are going to turn over to Forrest Evashevski.

Now, Forrest Evashevski has become the athletic director of Iowa. He has volunteered to help us as much as we wish in the training program, both here and in giving us ideas about training programs overseas.

I might mention that Forrest has worked with the U.S. Army and Air Force in establishing training programs, not only in this country, but overseas, in Japan and Korea.

Rafer Johnson has also indicated interest in participating in this program on a voluntary basis, and he will probably be assisting in that area, as well as in others.

Question. What is the earliest date you expect to get the first people overseas?

Answer. Well, it will probably be sometime in October or November.

Question. Will you use Public Health for screening?

Answer. The Public Health Service has graciously consented to accept responsibility for the health and for the care of Peace Corps volunteers in this country and while they are overseas. The Surgeon General has indicated that to Mr. Boisfeuillet Jones, the Assistant Secretary of HEW for Health Affairs.

Question. Will you be able to send this pilot group if you do not get an appropriation by Congress this year?

Answer. Yes. One of the reasons that the President established this working group by Executive order was to make it possible for us to have some pilot programs or experimental programs in this calendar year. The whole idea of the Peace Corps was faced in a sense by a deadline; namely, the time when the students are graduating from colleges and graduate schools in the spring and early summer.

Moreover, the President was acting in keeping, we all believe, with the expressed intention of the Congress, as indicated by the congressional appropriation of money for research, study on the idea of a Peace Corps, which was carried forward by Colorado State University.

Question. Are you going around to the colleges to recruit volunteers?

Answer. I have had in my own office over 2 dozen requests already, in the last 2 days, to give speeches at various colleges.

Question. Where would you get the funds if the appropriation were held up? Would it come from agencies?

Answer. Well, the funds that have already been established for the Peace Corps have been given to it by Executive order, out of special assistance funds. Yes?

Question. Are you going to ask American business to contribute financially to the program?

Answer. It has been suggested that the Peace Corps be established in such a way that it could receive contributions from individuals and corporations and foundations. But that has not been resolved. That question has not been resolved.

Mr. Speaker, there are today many claimants to the origin of the idea, but no one can deny that some credit should go to Mr. Louis P. Farina, former president of the Young Democrats of the State of Illinois, who wrote to President Eisenhower, as early as December 4, 1959, regarding a possible exchange of young political leaders with South American countries as a forerunner to the Peace Corps for cementing understanding and friendliness between other nations and the United States. The growth of the relationship would have established a common ground of understanding in all facets of government, including fundamental ideas and new programs to contribute to the strength of the economy for the building of a strong nation.

Mr. Farina is a very active individual in civic affairs in Chicago and as a leader has alerted himself to the problems of our time. He is sincere and able and truly represents the new generation, both in thought and action. The Democratic Congressmen from Illinois are very proud of his many accomplishments and are happy to call to the attention of the Nation and the President his great and persistent effort to promote the peace program of the United States throughout the world.

MARCH 6, 1961.

HON. ROLAND V. LIBONATI,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN: Pursuant to my telephone conversation with your secretary, I am writing this letter to bring you up to date on my 10-point program, "Operation Friendship," which was submitted to President Eisenhower and the State Department in November of 1959.

I have given a total of 108 talks throughout the State of Illinois on the necessity of inaugurating such a program. I arrived at this conclusion immediately after my return from Europe as part of a team of 10 Young Democrats and 10 Young Republicans which visited the NATO countries. I was told by the State Department that this plan had considerable merit and they would make future studies of it. Congressman PUCINSKI and Adlai Stevenson joined with you in commending this 10-point program.

As you know, President Kennedy has now inaugurated the Peace Corps plan which, in essence, is very similar to my plan. Inasmuch as I have had experience and first-hand knowledge of establishing such a plan, I would deem it an honor to serve in an administrative capacity to put the President's plan into successful operation. I certainly do not wish to infringe on the President in taking full credit for this plan, and I certainly do not wish to state that I am the only one who has thought of putting this plan into effect, but I will state that I am the first one to present this to the President of the United States (then President Eisenhower) and the State Department whose correspondence dates back to 1959.

I have recently corresponded with President Kennedy and Sargent Shriver but, as of yet, have not received an answer. If there is anything you can do to bring this to the attention of the respective interested parties, I would appreciate your intervention.

Enclosed, herewith, are copies of letters which I received in connection with my plan, previous to President Kennedy's announcement of the Peace Corps plan.

Thanking you in advance and may God bless you in your future endeavors.

Sincerely yours,

LOUIS P. FARINA,
Past President, Young Democrats of Illinois.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., June 15, 1960.

MR. LOUIS P. FARINA,
President, Young Democrats, State of Illinois, Chicago, Ill.

DEAR LOU: Enclosed you will find a carbon copy of a letter which I received from the State Department regarding your recent suggestion for an exchange of young political leaders with Latin American countries.

As you can gather from this letter yourself, apparently the State Department believes there is considerable merit to your suggestion. You may be assured that I will continue prodding the State Department to formally adopt the idea.

I, myself, think it is an excellent suggestion and think it would go a long way in trying to bring about a better understanding with our South American neighbors.

May I take this opportunity to congratulate you on this outstanding proposal.

Sincerely yours,

ROMAN C. PUCINSKI,
Member of Congress.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C.

JAMES A. DONOVAN, JR.,
Assistant Chief, Leaders and Specialists Division, International Educational Exchange Service, Department of State, Washington, D.C.

DEAR MR. DONOVAN: My attention has been called to the proposal made to your agency by Mr. Louis P. Farina, of Chicago, for the exchange of young political leaders with Latin American countries. I believe Mr. Farina's suggestion has a great deal of merit and I am most pleased to learn that you are now seeking further information about this project from American Embassies in the South American Republics.

I do hope that this program can be given serious consideration by the Department of State, particularly at this time when we are experiencing ever-increasing tensions with many of our South American neighbors.

I will be most grateful to you if you will keep me advised on any further developments regarding this proposal.

Sincerely yours,

ROMAN C. PUCINSKI,
Member of Congress.

DEPARTMENT OF STATE,
Washington, April 12, 1960.

MR. LOUIS P. FARINA,
President, Young Democrats of Illinois, Chicago, Ill.

DEAR MR. FARINA: I regret the delay in providing a further answer to your letter of December 4, 1959, to President Eisenhower regarding the possible exchange of young political leaders. Your suggestions have been carefully considered and appear to have considerable merit. Realizing, however, that the phenomenon of "young political leaders" in the sense that it occurs in the NATO countries and the United States is not present to the same degree in all the nations of Latin America, the Department of State is asking its missions in all the American Republics to comment upon your suggestion in the light of the situation in their particular areas.

I believe their replies will be helpful in assessing the applicability of such a program to that area, and will write you again when this survey is complete.

Sincerely yours,

JAMES A. DONOVAN, JR.,
Assistant Chief, Leaders and Specialist Division, International Educational Exchange Service

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., May 14, 1960.

LOUIS P. FARINA,
President, Young Democrats, State of Illinois, Chicago, Ill.

DEAR LOU: Enclosed you will find a carbon copy of a letter I sent to the State Department today regarding your suggestion for an exchange of young political leaders from South American countries. I think your suggestion is excellent, and hope the State Department will treat it seriously.

Needless to say, I am sure we can implement this suggestion much more successfully if we have our own President in the White House after November 8.

Congratulations on a very excellent suggestion.

Sincerely yours,

ROMAN C. PUCINSKI,
Member of Congress.

DEPARTMENT OF STATE,
Washington, D.C.

Hon. ROMAN C. PUCINSKI,
House of Representatives.

DEAR MR. PUCINSKI: Thank you for your letter of May 14, 1960, to Mr. James A. Donovan, Jr., referring to Mr. Louis P. Farina's suggestion for the exchange of young political leaders with Latin American countries.

As you have been informed, we have asked the views of our missions in all the American Republics as to the feasibility of such a project. From the preliminary replies received to date, it appears that the suggestion may be more appropriate in the larger nations, since smaller countries vary so much in the degree of development of young political leadership.

When the replies are complete and have been analyzed, I shall be pleased to let you know the results. Meanwhile, I wish to express our appreciation for your interest in the Department of State's cultural exchange program.

Sincerely yours,

WILLIAM B. MACOMBER, Jr.,
Assistant Secretary.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., May 17, 1961.

Mr. LOUIS P. FARINA,
President, Young Democrats, State of Illinois, Chicago, Ill.

DEAR LOU: Thank you very much for the copy of the letter that you received from the Department of State relative to the exchange of young political leaders between our country and the Latin American countries.

It is evident that your suggestions received close attention and I am sure that they will be given every serious consideration. May I compliment you on your fine idea and it has to be a good one to have the Republican administration consider a suggestion by the president of the Young Democrats of Illinois.

I feel confident that you will gain some positive results from this action. Would you please keep me informed on the progress that is made in this matter?

With kind regards.

Sincerely yours,

DAN ROSTENKOWSKI,
Member of Congress.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., May 9, 1960.

Mr. LOUIS P. FARINA,
President, Young Democrats, State of Illinois, Chicago, Ill.

DEAR LOUIS: I have received your note, relative to the exchange of young political leaders between our country and the Latin American countries. It is certainly not only a novel idea, but will, no doubt, establish a media for the friendly exchange and honest debate, and perhaps the solution to fundamental problems that, in the past, created fissures in our relationship with Latin America.

Your idea, put into operation, will certainly help the developing of a complete analysis of the workings of government and the principles and philosophy affecting governmental institutions. Only good can come out of this, because the tomorrow of each nation lies in the hands of the young leaders of today. You will note that, in every country where oppression rules, it is the student leaders in the colleges who create the movement to again hand back to the people their freedom.

If you will be so kind as to send me a copy of your letter to the State Department, I will be proud to present it, with comments, to the Congress, on this valuable contribution made by you and your group, to bring about a common basis of understanding between the young, active leadership of all countries in the Western Hemisphere.

I am certain that the State Department welcomes, and will approve, this valuable suggestion that you have presented to them.

Sincerely,

ROLAND V. LIBONATI,
Member of Congress.

COMMEMORATION OF THE 100TH ANNIVERSARY OF THE UNIFICATION OF ITALY

The SPEAKER. Under the previous order of the House the gentleman from Illinois [Mr. LIBONATI] is recognized for 15 minutes.

Mr. LIBONATI. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. LIBONATI. Mr. Speaker, the celebration of the 100th anniversary of the unification of Italy focuses attention upon Italy's international role among nations and the steady internal progress of the Italian economy.

In the former, a great transition has taken place since the thirties, wherein Italy, stirred by turbulent leadership for world domination, contributed much to the unrest and disturbance at the international level, yet, after World War II, has been one of the most stabilizing factors in international affairs.

Although Italy still faces tremendous problems and has suffered from serious mistakes, yet she has voluntarily made trade concessions, which have contributed much to the relaxation of the monetary pressures on the U.S. dollar crisis. In this critical situation, Italy canceled import restrictions against competitive American goods. As a result, the American trade balance changed from 20 million in 1959, in a 9-month period, to 181 million in 1960, for the same period.

The recent visit to Rome by our Ambassador, W. Averill Harriman, accentuated the question of greater Italian aid to the depressed areas in Italy and elsewhere, thus relieving America of certain financial pressures. It was pointed out that Italy has expended $320 million for that purpose, a tremendous sum compared to Italy's financial stature among nations. Italy itself as an underdeveloped nation, with 40 percent of its popular vote cast by Communist and Socialist groups of the electorate, could ill afford to finance depressed areas in other parts of the world, thus courting an increase in communism at home by abandoning needed reforms in Italy itself.

It is difficult for the Italians, or any nation, to consider the United States as really in financially embarrassed circumstances, when their needs are compared to the problems and needs of their own economy.

Yet, Italy is one of the few nations that has shown anxiety for the United States and, with understanding, has acknowledged the terrific financial burden that we have shouldered for the past decade and one-half, in financing the rest of the world. She has shown a deep gratitude for our contributions to the peace and strength of our Western Allies. She has not indulged in criticizing our lack of diplomatic acumen in the past, nor indulged in ungraciously pointing out our shortcomings in the international field of finance, as have others.

Italy emerged from World War II with a wholesome attitude of desiring to rebuild the nation. The gratitude during the war was best displayed to our troops in the Italian field of operations during hostilities and occupation. Italians, as a civilized society, never abandoned the basic truths of the dignity of man. The hundreds of thousands of troops of different creeds, races, and color, with whom they came in contact, were treated with friendliness and kindness. During Il Duce's most popular days—oppressed people in Italy were protected and sheltered by peasants and royalty alike. It was this type of decent thinking that contributed so much to the underground movement in Italy. Their invaluable service to the Allies' cause is now a historical reality. The great majority of Italians proved that they preferred to live like civilized human beings, even though subject to a long Facist indoctrination.

The distinguished Italian Ambassador to the United States, Manlio Brosio, whom everyone in Washington loves, is a true example of the courageous and heroic men who served as leaders in the underground movement.

Thus, Italy needed no prodding nor propagandized program to immediately join the cause of America in its beneficent program, the Marshall plan, to start to reconstruct, immediately, an impoverished and bankrupt nation.

So that the Italian celebration of its first centennial is indeed a glorious occasion. It is recording itself at a time when the Italian nation stands out among leading nations on many fronts, on the international scene. Its economy is one of the strongest in Europe. In a competitive sense, she occupies a high place in commerce, industry, and trade among nations.

Her postwar advancement and achievements, in spite of the Communist burden of 40 percent of the electorate, has been stupendous. Her natural resources nil, overpopulation and extreme poverty, a bankrupt economy,

tremendous loss of the flower of her manhood, devastation of war, were a few of the factors that she faced, yet her progress toward financial stability and internal readjustment of all facilities in every phase of Italian life is a reality. The return to democracy proved to result in the instantaneous release of Italian talents. The development of the movie and fashion industries soon captured the eyes of the world. The bold adventure in these fields was rewarded. The Italian mind developed an analytical sense of artistic beauty; its contributions received worldly acceptance.

The cinematic contributions were realistic, true to life—a clear and veritable study of human conditions.

The acute minds of the industrialists prepared Italy for a reawakening in industry. Raw recruits were trained in schools maintained by industry to prepare the employee for skilled employments.

Thousands of men and women throughout Italy entered these schools—at bare living expense salaries during the periods of training—thus the Italian industrial empire was launched and trained to enter the competitive markets of the world. The industrial production figures showed terrific increases; from 1953 to 1960 the output was almost doubled. Italy was first among the nations of the world in increased output of production. It took hard work and back-bending patience and effort to accomplish this.

In 1960 the gross national product rose by 8 percent, while Italy's gross industrial production increased by 14 percent.

Italian farming is far from recovery, as compared to other divisible factors in the economy. The poverty-riddled agricultural provinces of southern Italy must be subject to many readjustments and modernized methods in farming, before an appreciable advance can be made. When compared to the industrial growth, it naturally falls far behind, totaling one-fifth of the national income. Italy, through its industrial geniuses, has edified the world.

Italy is one of the foremost nations in its desire to solidify and unify the nations of Western Europe into an economic and diplomatic unit of operation.

Italy takes a generous view of the operations of a common market among nations, and uses her good offices to bring about closer ties with other groups of nations in the same venture.

Italy, on the international scene, fully cooperated with the Allies in releasing her colonial empire and, as trustee for 10 years over Somaliland, expended large sums of money to aid the natives and prepare them for the eventuality of the subsequent release.

The Austrian question over South Tyrol, which Italy claims as Italian and desires the administration and control—Italy seeks to submit the question to the International Court of Justice. Yet Austria has not agreed. The fairness of this proposal discloses the Italian sense of fairness.

Italy has been unwavering in her adherence to the democratic way of life, despite many unfortunate difficulties. She is one of America's closest friends in Europe. Every tourist feels and knows of this complete acceptance of the American and the gratitude of a grateful people.

Some Italians complain of the methods used in carrying out the various programs to aid the Italian economy, but the people of Italy have done much to advance the cause of the Western Powers.

Italy has its share of malcontents, crying and pitying their lot—but the majority of Italians went right to work repairing their roads, rebuilding factories, restoring farmlands, and rundown dilapidated farm structures. The aroused populace began to see the effects of the resurgence of ambition in the blood of the national life. More goods appeared in the stores, and beggars and urchins, products of the poverty brought on by the war, began to disappear from the cities. Work, work, work, was the cry of the day. Also all over Western European nations came the tense desire of activity that brought remarkable regeneration of their war-ridden economies.

Mr. Speaker, on Thursday, March 16, 1961, the centennial celebration of the unification of Italy was celebrated, at a ceremony held under the patronage of the President of the United States of America and the President of the Republic of Italy.

This centennial was commemorated through a proclamation issued by the President of the United States and the Secretary of State, as follows:

Whereas the centennial of the unification of Italy, which occurs in 1961, commemorates a great event in the history of nations; and

Whereas, in the observance of the centennial, there will be many celebrations in Italy, in the United States, and in many other countries as events of a century ago are relived; and

Whereas we in America are confident that the people of Italy, in the celebrations reenacting the events and experiences of a century ago, will find renewed strength to further their vital contributions to the cause of freedom; and

Whereas it is the sense of the Congress, expressed by House Concurrent Resolution 225, agreed to July 2, 1960, that the President extend official greetings from the United States to the people of Italy on the occasion of the centennial of unification of Italy: Now, therefore

I, John F. Kennedy, President of the United States of America, do hereby extend greetings and felicitations from the people of the United States to the people of Italy on the occasion of the centennial of the unification of Italy, in recognition of the progress and achievements of the Italian people during the past century and the bonds of friendship between our two nations.

In witness whereof, I have hereunto set my hand and caused the seal of the United Statets of America to be affixed.

Done at the city of Washington this 8th day of March in the year of our Lord 1961, and of the independence of the United States of America the 158th.

By the President:

JOHN F. KENNEDY.
DEAN RUSK,
Secretary of State.

The resolution was duly passed by the Congress and signed by the President, John F. Kennedy, and the Secretary of State, Dean Rusk.

A message by the Honorable Giovanni Gronchi, President of the Republic of Italy, was received and read by the distinguished Congressman from New York, the Honorable VICTOR ANFUSO, general chairman of the American Honorary Committee for the Italian Centennial, as follows:

Mr. Chairman: I am happy to address, through your courtesy, the good wishes and greetings of the Italian people, as well as my own, to the American Committee for the Italian Centennial and to all those—Americans and Italians—who have participated with such spontaneous enthusiasm in the celebration on American soil of this day which has such lofty significance for the history of my country.

I address my gratitude particularly to the President of the United States, who has consented to attend these ceremonies, as well as to the Members of Congress, the Governors, the mayors, the educational and cultural institutions, the public and private officials, to the numerous committees from all over America who joined in commemorating our anniversary.

The great American Nation, which has such a high sense of liberty, recognized in the events that 100 years ago led to the unity of the Italian people the selfsame yearning for independence which led to the birth of the United States.

Thus, the tribute being paid in America to our Risorgimento, whose anniversary is being celebrated throughout Italy with great solemnity, is a new expression of the spirit which increasingly binds the peoples of our two countries in their determination to enhance, both now and in the future, the values of a free civilization. At the same time, these observances which unite Americans and Italians underscore those sentiments of confident friendship which opened the doors many years ago to the constructive contributions of Italians to life in the United States.

Please accept, Mr. Chairman, the gratitude of the Italian people and of myself and kindly convey it to all those who in response to the committee's appeal are today celebrating this joyful anniversary of our national unity.

GRONCHI.

A further message was received from the Honorable Amintore Fanfani, President of the Council of Ministers of the Republic of Italy, the distinguished Italian Patriot, whose every idea conforms to the American philosophy that every man should have an opportunity to own land and property and further his financial stability to provide for his children new advantages and new opportunities for their betterment and welfare. His message follows:

Mr. Chairman, we, in Italy, are deeply moved by the thought that on March 16 the centennial of the unification of Italy will be observed in the city of Washington for the first time in a foreign country.

It is highly significant that the United States, whose own history is based upon the respect of freedom and a sense of independence, so promptly realized the import of that long and hard struggle which led to Italian unity 100 years ago, through strife and suffering, through the deep beliefs of our people, the sacrifice and martyrdom of the brave, the able and patient efforts of our leaders.

I believe the reason for this understanding lies in the similarity of historic events, in

the common struggle for the same goals and in the active participation of Americans and Italians in the development of both countries. All this stirred in the hearts of the people of the United States the memory of the years when the new Italy was born and a friendship was started, which never died.

The warm American participation in the observance of our centennial adds to the many ties already existing between our two countries a new bond which strengthens their determination to persist in the defense of the common ideals of the two nations.

I am therefore extremely happy to convey the greetings and the appreciation of the Italian Government, as well as my personal thanks, to you, Mr. Chairman, to the American Committee for the Italian Centennial and to all those—Americans and Italians—who joined in the observance of this solemn anniversary in your country.

I wish particularly to extend my grateful respects to the President of the United States, who graciously consented to honor the ceremony with his presence, to the diplomatic corps, the Members of the Congress, the Governors, the mayors, the various institutions, committees and personalities that in Washington and all over America are celebrating our centennial.

I am happy to express my heartfelt thanks and those of the Italian Government to them all."

A. FANFANI.

The program of the ceremony was conducted with dignity and finesse. The arrival of the President of the United States was impressive and he was enthusiastically received. The U.S. Marine Band orchestra, directed by Lt. Col. Albert T. Schoepper, U.S. Marine Corps, played several musical selections appropriate to the occasion. The invocation was given by His Excellency the Most Reverend Patrick O'Boyle, archbishop of Washington. The opening remarks by the Honorable VICTOR ANFUSO, Member of Congress, were as follows:

It is a great honor for me to have been singled out by my colleagues on the American Honorary Committee to be the chairman of this historic event. It is my pleasure to welcome you.

It is of particular significance for me, since I came to this country as an immigrant from Italy at the tender age of 9. Little did I dream then that some day this immigrant boy would preside at a celebration of this sort in Washingon, where the President and other great leaders of this Nation would gather to pay tribute to my ancestral homeland on the centennial anniversary of its unification as a single strong nation.

I am deeply grateful this morning, as never before, to this wonderful country of ours for the unlimited opportunities which I and millions of other Americans of Italian extraction have received. This is a feeling which only immigrants and the children of immigrants can fully appreciate.

The President of the United States has played a significant role in these celebrations. I have had the honor and the privilege to know the President ever since I first came to Congress in January 1951, when I served with him in the House of Representatives. I remember the kindly guidance he gave me then—and I shall never forget his encouraging assistance on several projects which I proposed to the Congress in those days.

This association continued also after he had moved over to the U.S. Senate, and it is best exemplified by the fact that after I had introduced the resolution on the centennial observance of Italian unification and brought it to the attention of Mr. Kennedy, he immediately introduced it in the Senate. May I quote just a brief remark by Mr. Kennedy at the time he introduced the resolution on July 13, 1959, when he said:

"The concurrent resolution expresses our pleasure in receiving the invitation (to participate in the observance) and testifies to our admiration for the contributions this great nation has made to our common ideals of freedom and independence. It is fitting and proper that we recognize in this fashion the progress and achievements of the people of Italy during the past century."

During this entire decade that I have been privileged to know Mr. Kennedy, I have always found him to be an admirer of Italy and of its achievements in the annals of culture and civilization. Likewise, he has a keen appreciation of the contributions of Americans of Italian descent toward the upbuilding of America and its way of life.

It is to a certain extent an irony of history that, as Italy was reborn as a united nation, the United States was on the threshold of facing its greatest test for survival. As the guns were stilled in Italy, and Garibaldi was going back to his beloved island of Caprera with a bag of bean seeds on his shoulder, the guns of Fort Sumter on this side of the Atlantic were rumbling Italy's Risorgimento, which means rebirth as a nation, was being accomplished.

And speaking of Garibaldi, I take particular pleasure in greeting here this morning the grandson of that great patriot, Gen. Ezio Garibaldi, and also his granddaughter, Mrs. Giuseppina Ziluca. May I ask them to take a bow.

Today there exist strong bonds of friendship between the United States and Italy. The bonds joining our two nations are in my estimation, stronger and deeper than those resulting from a military pact or an economic program. They are the bonds of faith and confidence in one another, of mutual respect and understanding between two great peoples, of genuine friendship and reciprocal contributions.

The bridge of understanding between the people of the United States and the people of Italy was not constructed overnight. It is a process which is at least as old as the United States, and in fact goes back to our earliest days when small but significant numbers of Italians joined the waves of early explorers and settlers who came to these shores. They and succeeding generations of Italian immigrants, who settled in this land, have made lasting contributions to our American heritage over the long centuries. The imprint of their contributions on American life and civilization is visible all around us.

We live in a crucial time in the annals of human affairs which requires utmost unity in the ranks of the free nations. The future survival of democratic America and of the whole free world depends, in large measure, on reinforcing our bonds of cooperation with nations like Italy, and on the creation of working partnerships with such nations in every endeavor which could serve the best interests of mankind.

It is not for me to spell out in detail how this partnership between our two nations is to be created, nor is this the time and the place to do so. Suffice it merely to indicate that we have the beginnings of it in several ways: the fact that Italy has been willing to give as much as she receives; the fact that Italy has made available to us areas for the establishment of military bases; Italy's significant role in NATO; Italy's strategic position in the Mediterranean in relation to Europe, Africa, and the Middle East; and Italy's ancestral ties in Latin America.

Our partnership can be extended and deepened in other ways through many new ideas and bold action. Instead of working alone in certain areas, where our help has been misunderstood, let us invite the participation of partnership—nations like Italy—if such participation will bring about better understanding and more fruitful results. The possibilities are unlimited. This, too, may in time prove to be a New Frontier in our international relations.

It is, therefore, only fitting and proper that we choose this occasion to rededicate ourselves to the same ideals which triumphed over a hundred years ago. In this era of the New Frontier, let us, in the words of our beloved President, pray that the future years will prove to be the years when the tide came in—when America, together with a strong and united Italy and a free world, moved forward again.

Representative ANFUSO's remarks were followed by a special message delivered by H. E. Manlio Brosio, Ambassador of Italy to the United States, and a superb address was given by the Honorable Professor Gaetano Martino, Member of the Italian Parliament and head of the Italian delegation to the U.N. General Assembly.

The address by President Kennedy covered several interesting and important points, such as:

President Kennedy called for a "new reawakening of man's aspirations for freedom and progress" in the manner exemplified by the American and Italian struggles for unity and independence.

The President hailed Italy's age-old contributions to world history and said that country's achievements since 1945 had been "surely the most inspiring experience of the postwar era."

He spoke at a ceremony marking the 100th anniversary of the unification of Italy. The centennial ceremony, sponsored by a committee of leading Italian-Americans, was held at the State Department auditorium here.

Mr. Kennedy told about 1,000 invited guests at the centennial ceremony that many of those present were not Italian by blood or birth but "all of us in a large sense are beneficiaries of the Italian experience."

"So much of what we are and so much of what we believe had its origin in this rather small spear of land stretching into the Mediterranean," Mr. Kennedy said, "that it is an honor as President of the United States to participate in this important occasion in the life of a friendly country, Italy."

The President paid tribute to the millions of citizens of Italian descent who have added to the strengthening of life in this country.

"The ancient ties between Italy and the United States have never been stronger," he said, "than they are at the present."

Among the distinguished guests in attendance at the ceremonies were Mrs. Kennedy, Vice President Lyndon B. Johnson, Justice Felix Frankfurter, the members of the President's Cabinet, and many Members of the House and Senate, including our revered Speaker, Mr. Rayburn, as well as Senators Kefauver and Cooper.

The American Honorary Committee for the Italian Centennial were: Honorary chairman, Senator JOHN O. PASTORE, Rhode Island; general chairman, Representative VICTOR L. ANFUSO, New York; secretary, Representative PAUL A. FINO, New York.

Members: Gov. John A. Volpe, Massachusetts; Gov. John A. Notte, Rhode Island; Gov. Michael V. DiSalle, Ohio; Gov. Albert D. Rosellini, Washington; Representative Peter W. Rodino, New Jersey; Representative George P. Miller,

California; Representative Hugh J. Addonizio, New Jersey; Representative Dante B. Fascell, Florida; Representative John H. Dent, Pennsylvania; Representative Roland V. Libonati, Illinois; Representative Alfred E. Santangelo, New York; Representative Silvio O. Conte, Massachusetts; Representative Emilio Q. Daddario, Connecticut; Representative Dominick V. Daniels, New Jersey; Representative Robert N. Giaimo, Connecticut; Representative Joseph P. Addabbo, New York.

The executive committee: Mr. William Amoroso, chairman of the Washington Chapter of the Order Sons of Italy; Mr. Joseph Lapiana, chairman of the Lido Club, Washington, D.C.; Mr. Luigi Iacono, chairman of the Italian Society of Washington, D.C.

RECESS

The SPEAKER. The House will stand in recess subject to the call of the Chair, 15 minutes' notice to be given.

Accordingly (at 5 o'clock and 22 minutes p.m.) the House stood in recess subject to the call of the Chair.

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 6 o'clock and 8 minutes p.m.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 5463. An act to amend and extend the Sugar Act of 1948, as amended.

The message also announced that the Senate insists on its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. BYRD of Virginia, Mr. KERR, Mr. LONG of Louisiana, Mr. SMATHERS, Mr. CARLSON, and Mr. BENNETT to be the conferees on the part of the Senate.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 1163. An act to ament section 510 of the Interstate Commerce Act so as to extend for fifteen months the loan guaranty authority of the Interstate Commerce Commission.

The message also announced that the Senate insists on its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. SMATHERS, Mr. LAUSCHE, Mr. MONRONEY, Mr. SCHOEPPEL, and Mr. BUTLER to be the conferees on the part of the Senate.

EXTEND AND AMEND THE SUGAR ACT

Mr. COOLEY. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill—H.R. 5463—to amend and extend the Sugar Act of 1948, as amended, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

Mrs. MAY. Mr. Speaker, reserving the right to object, may I propound a parliamentary inquiry?

The SPEAKER. The gentlewoman will state it.

Mrs. MAY. Mr. Speaker, may I offer a preferential motion?

The SPEAKER. There is nothing before the House except the unanimous-consent request of the gentleman from North Carolina [Mr. COOLEY].

Is there objection to the request of the gentleman from North Carolina?

Mr. ROGERS of Texas. Mr. Speaker, reserving the right to object, I should like to make a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. ROGERS of Texas. If an objection is made, does the bill go back to the committee having jurisdiction?

The SPEAKER. It does not; and the Committee on Rules, I am sure, would be called together immediately and asked to report a rule to send the bill to conference.

Mr. ROGERS of Texas. Mr. Speaker, a further parliamentary inquiry: If that were done, then would the preferential motion of the gentlewoman from Washington be in order?

The SPEAKER. Probably not.

Mr. HALLECK. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. HALLECK. When the conference report comes back, would a motion to recommit be in order at that time?

The SPEAKER. If the House acts first.

Mr. HALLECK. In other words, if the House acts first, when the conference report comes back, then a motion to recommit would be in order?

The SPEAKER. If the House acts first, a motion to recommit a conference report would be in order.

Is there objection to the request of the gentleman from North Carolina? The Chair hears none, and appoints the following conferees: Messrs. COOLEY, THOMPSON of Texas, JONES of Missouri, HOEVEN, and DAGUE.

The SPEAKER. The House will stand in recess subject to the call of the Chair.

Accordingly (at 6 o'clock and 10 minutes p.m.), the House stood in recess subject to the call of the Chair.

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 8 o'clock and 4 minutes p.m.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment a joint resolution of the House of the following title:

H.J. Res. 32. Joint resolution to designate the first day of May of each year as "Law Day, U.S.A."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 5463) entitled "An act to amend and extend the Sugar Act of 1948, as amended."

EXTEND AND AMEND THE SUGAR ACT

Mr. COOLEY submitted the following conference report and statement on the bill (H.R. 5463) to amend and extend the Sugar Act of 1948, as amended:

CONFERENCE REPORT (REPT. NO. 212)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 5463) to amend and extend the Sugar Act of 1948, as amended, having met after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 8.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 5, and 6, and agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "special consideration" and the Senate agree to the same.

HAROLD D. COOLEY,
CLARK W. THOMPSON,
PAUL C. JONES,
CHARLES B. HOEVEN,
PAUL B. DAGUE,
Managers on the Part of the House.
HARRY F. BYRD,
ROBT. S. KERR,
RUSSELL B. LONG,
GEO. A. SMATHERS,
FRANK CARLSON,
WALLACE F. BENNETT,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill H.R. 5463 to amend and extend the Sugar Act of 1948, as amended, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report.

As agreed to by the conferees, the bill reported back herewith is different from the bill as adopted by the House in only two respects: (1) The termination date and (2) the provision giving special consideration to countries of the Western Hemisphere and countries purchasing United States agricultural commodities in the allotment of ex-quota purchases of sugar.

Termination date: The House conferees have agreed to an extension of 15 months (to June 30, 1962) instead of the 21 months (to December 31, 1962) provided in the House bill.

Ex-quota purchases: The House bill provided that consideration should be given in ex-quota purchases to countries of the Western Hemisphere and to those countries

purchasing United States agricultural commodities. The Senate adopted an amendment changing the word "consideration" to "preference." The conferees have agreed on the words "special consideration" in lieu of the Senate amendment.

Provision for new growers: The Senate adopted an amendment giving domestic areas absolute priority on any quota withdrawn from Cuba and giving new and potential producers of sugarbeets and sugarcane certain consideration in the event restrictive proportionate shares are reimposed on domestic beet or cane production.

The Senate receded from this amendment with the understanding that hearings on a long-range sugar bill will be started by the House Committee on Agriculture early in May and that every effort will be made to report a bill and pass it through the House at this session of Congress. The House conferees also expressed the hope that the Senate Committee on Finance would undertake hearings contemporaneously with those of the House so that long-range sugar legislation might be enacted at the earliest practicable date.

HAROLD D. COOLEY,
CLARK W. THOMPSON,
PAUL C. JONES,
CHARLES B. HOEVEN,
PAUL B. DAGUE,
Managers on the Part of the House.

Mr. COOLEY. Mr. Speaker, I ask unanimous consent for the immediate consideration of the conference report on the bill (H.R. 5463) to amend and extend the Sugar Act of 1948, as amended.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. COOLEY. Mr. Speaker, I ask unanimous consent that the statement be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The Clerk read the statement.

Mr. COOLEY. Mr. Speaker, I yield to my colleague the gentlewoman from Washington [Mrs. MAY].

Mrs. MAY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentlewoman from Washington?

There was no objection.

Mrs. MAY. Mr. Speaker, I should like to clarify for the record the intent of my effort to offer a preferential motion at the time the conferees were appointed on H.R. 5463, extending the Sugar Act of 1948. I offered this motion in an attempt to make the motion that the House agree to concur with H.R. 5463 as amended by the Senate. When this motion was ruled out of order, the minority leader at my request made parliamentary inquiry if a motion to recommit the bill would be in order. It was stated by the Speaker that the motion to recommit would be in order if the House acted first upon the conference report. It was my intention to offer this motion to recommit if the conference report was presented first to the House for action. I wanted to do this in an attempt to keep the Senate amendment providing special consideration to new growers in domestic sugar areas for allocation of quota because of my oft-stated request that these new areas must get this action from Congress if we are to attract processing mills into their regions. Since the conference committee refused to accept the Senate amendment on this new grower provision, then my motion to recommit would have been for the purpose of having the amendment restored to the bill. However, the House did not have the opportunity to act first, and the Senate accepted the conference report, consequently it was impossible for me to offer my recommittal motion.

Mr. COOLEY. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

ADJOURNMENT FROM THURSDAY, MARCH 30, 1961, TO MONDAY, APRIL 10, 1961

Mr. McCORMACK. Mr. Speaker, I offer a concurrent resolution and ask for its immediate consideration.

The Clerk read as follows:

H. CON. RES. 211

Resolved by the House of Representatives (the Senate concurring), That when the House adjourns on Thursday, March 30, 1961, it stand adjourned until 12 o'clock meridian on Monday, April 10, 1961.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

AUTHORIZATION TO RECEIVE MESSAGES AND SIGN BILLS DURING ADJOURNMENT OF THE HOUSE

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that notwithstanding the adjournment of the House until April 10, 1961, the Clerk be authorized to receive messages from the Senate and that the Speaker be authorized to sign any enrolled bills and joint resolutions duly passed by the two Houses and found truly enrolled.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

AUTHORIZATION FOR THE SPEAKER TO ENTERTAIN MOTIONS TO SUSPEND THE RULES, ETC.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that on Tuesday, April 11, 1961, it shall be in order for the speaker to entertain motions to suspend the rules notwithstanding the provisions of clause 1, rule XXVII, that it shall be in order to consider business under clause 4, rule XIII, the Consent Calendar rule, and that on the same date the Private Calendar may be called.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. HALLECK. Mr. Speaker, reserving the right to object—and I shall not object, on the condition that since this is not a regular day for suspensions, no bills will be called for suspension unless they have been cleared with the minority leadership.

Mr. McCORMACK. That is absolutely correct. I might say that any committees or members of committees handling bills who desire to submit them to the Speaker for suspension on April 11 should also send a letter to the minority leader so that he can be advised. I can assure the gentleman that as far as the Speaker and I are concerned, the gentleman will be consulted in accordance with the agreement that has just been made by me.

Mr. HALLECK. If I may add further, as I understand it, probably at the moment there could be no definite statement as to what bills might be called, but this provision is made simply to meet some emergency that might arise.

Mr. McCORMACK. I rather agree with the first part of the gentleman's statement that we have no knowledge as to what bills might be called, but no bill will be put on the suspension calendar without consultation with the minority leader. I might also say for the information of the House that I have no knowledge of any business for Monday, April 10.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Iowa.

Mr. GROSS. May I ask the gentleman from Massachusetts if there is any business scheduled for tomorrow?

Mr. McCORMACK. No.

Mr. GROSS. I thank the gentleman.

Mr. HARRIS. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Arkansas.

Mr. HARRIS. I am sorry I have not had an opportunity to discuss this with the gentleman from Massachusetts, but I have just been advised, only a very few minutes ago, that the other body passed the bill to extend the guarantee loan provision for the railroad industry with an amendment or two. I am endeavoring to stress the importance of the fact that the bill expires on the 31st of the month, and that I wish to ask for a conference and get an agreement by noon tomorrow to take up the conference report, because there is relatively unanimous agreement. I should like to reserve this right as best I could. I have not had an opportunity to discuss it with anyone because I was called about it from the other side within the last 10 minutes.

Mr. McCORMACK. I can understand that fact.

Mr. HARRIS. The expiration date of the act is March 31. We do think it is quite important, if we can, to get it through. I would think it would certainly be noncontroversial, as far as I know.

Mr. HALLECK. Might that matter not be brought up right now?

Mr. HARRIS. No, I cannot do it because I have to agree to a conference. The other body has asked for a conference. That makes it necessary for the House to agree to the conference. Naturally it will take a little time to get the conference report back.

Mr. HALLECK. May I say that as far as I can find out on this side there will be no controversy about it. It can be disposed of tomorrow. As I understand it, we are to be in session tomorrow. I understood the majority leader's solicitude for the Members, but as far as I am concerned I would hope that we could dispose of the matter tomorrow.

Mr. McCORMACK. Of course, we are faced with a situation where we have to act. With the permission of the minority leader and the Members of the House, I should like to correct the statement I made to the gentleman from Iowa and say that in view of the information given to the leadership of the House by the distinguished gentleman from Arkansas that conference report will be brought up tomorrow. I never break an agreement, so I ask the Members of the House to permit me to correct this statement I made heretofore.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

EXTENDING LOAN GUARANTEE AUTHORITY OF INTERSTATE COMMERCE COMMISSION

Mr. HARRIS. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 1163) to amend section 510 of the Interstate Commerce Act so as to extend for 15 months the loan guarantee authority of the Interstate Commerce Commission, with amendments of the Senate thereto, disagree to the amendments of the Senate and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas? (After a pause.) The Chair hears none, and appoints the following conferees: Messrs. HARRIS, WILLIAMS, and SPRINGER.

BILL TO ENCOURAGE PRACTICAL NURSE TRAINING

Mr. LINDSAY. Mr. Speaker, I ask unanimous consent that the gentleman from Missouri [Mr. CURTIS] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York.

There was no objection.

Mr. CURTIS of Missouri. Mr. Speaker, I take great pleasure in joining other Members of this House in introducing legislation to encourage the training of practical nurses by continued Federal participation in the financial support of these vocational training programs. The question of health care in our society and the cost of this care must always be a matter of concern to the Congress and I believe that this is truly a constructive step toward improving health care for our people and providing it at a lower cost by action of the Federal Government.

The practical nurse occupies an important position in the health care team—the doctor, the registered nurse, therapists, hospital administrators, and others round it out. Hospitals, nursing homes, and other health facilities have need for the skills which a practical nurse can offer. In many cases, the practical nurse can replace a registered nurse in certain functions, leaving the registered nurse free for the accomplishment of higher skilled jobs. The concept of our health care team, the combined skills of many individuals using the techniques and facilities available which have given America the best health care of any society at any time, is one which has an important place for the practical nurse.

And this has an effect on the cost of medical care. Those services which the practical nurse performs, rather than having them left to the registered nurse, can be performed more cheaply. Thus, the freeing of the registered nurse to cover more patients gives better care for our people and the utilization of practical nurses wherever possible lowers the cost of care.

The extension and improvement of the training of practical nurses, with the resultant benefits of it, form one part of a program for the improvement of health care services and the lowering of their costs. In the last Congress, I sponsored an amendment to the National Housing Act which made FHA loans available for the construction of nursing homes. The response to this new feature of the FHA program has been heartening and hundreds of those who need nursing home care will be accommodated in homes built under this program. And, because the financing costs of the home will be lower, the cost to the patient will likewise be less.

There are further areas into which the Federal Government might go to make truly constructive advances in our program of health care. One of these areas is that of home care and the visiting nurse program. Just as nursing homes can care for many of the patients who might otherwise be sent to hospitals, many persons can be treated at home, and often best treated in the surroundings of their family. Costs of this care is less than that of the nursing home or the hospital. Adequate care, based upon the work of the visiting nurses and the training which she can give to the family in caring for the patient, given in the home is a part of the health care services of our society and should be encouraged and supported by the Government.

It is my hope that the Congress will extend the Federal participation in the practical nurse training program and will look into the other forms of health care which can be used to improve this country's system of health services.

AMENDMENT TO EQUALIZE TAXATION FOR THE REDEMPTION OF PREFERRED STOCK

Mr. LINDSAY. Mr. Speaker, I ask unanimous consent that the gentleman from Missouri [Mr. CURTIS] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CURTIS of Missouri. Mr. Speaker, I have today introduced an amendment to section 302(b) of the Internal Revenue Code of 1954 dealing with the income tax treatment of funds received in redemption of paid-for preferred stock.

Preferred stock is, in reality, a cross between common stock with its characteristics of ownership and bonds. Under the law, in certain cases redemption of preferred stock is treated for tax purposes as the return of capital, in others this redemption of the same stock is treated as dividends and taxed accordingly. Those preferred stockholders who either own no common stock or whose common and preferred stock are held in widely varying proportions fall into the first category. On the other hand, those stockholders who own the common and preferred stock of a corporation in what is called "substantially" proportionate ratios fall into the second category. This denies the idea that one man may have two distinct relationships with a corporate entity. For example, this same reasoning is not applied to an individual who holds both the common stock and the bonds of a corporation and whose bonds are paid off, so long as the bonds represent true indebtedness and the equity capital is sufficient for the needs of the corporation.

My amendment to the Internal Revenue Code would end this capricious distinction between the treatment of the proceeds of the redemption of preferred stock in the differing situations cited and would permit this stock, insofar as it represents capital invested in money or goods, to be treated as a return of capital.

The present taxation of the income derived from the redemption of preferred stock as dividend income turns some corporations, especially closely held family corporations, to debt financing rather than equity financing when further investment is needed. A change in the system of taxation of the redemption proceeds of paid-for preferred stock would have the beneficial effect of making equity financing more attractive to the corporation and would, in the long run, produce greater tax revenues.

The taxation of capital return, as distinguished from interest or dividends paid on that capital, is contrary to our Constitution. This amendment would assure proper tax treatment for the redemption of all preferred stock.

PROPOSAL FOR THE DEVELOPMENT OF THE CURRENT AND ELEVEN POINT RIVER AREA OF MISSOURI

Mr. LINDSAY. Mr. Speaker, I ask unanimous consent that the gentleman from Missouri [Mr. CURTIS] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CURTIS of Missouri. Mr. Speaker, I have today introduced a bill which would establish the Ozark Scenic Riverways, an area of natural beauty and recreation in the Ozark River area of

Missouri. This Scenic Riverway would be administered by the U.S. Forest Service as a part of the Clark National Forest in southern Missouri. I believe that action should be taken to preserve the natural beauty of this region and to develop it for the recreational use of all Americans.

In the last Congress, I introduced legislation for this area similar in purpose but with the National Park Service rather than the Forest Service playing the guiding role. In this Congress my colleague from Missouri [Mr. ICHORD] has introduced this proposal as H.R. 5712. It would establish an Ozark Rivers National Monument as part of the national park system and is designed to accomplish the same ends as the Scenic Riverways proposal.

I believe that it is only proper that the Interior and Insular Affairs Committee of this House have the opportunity to look into the alternative proposals for the development and preservation of this region and, for this reason, I wish to bring this second approach to its attention. I offer this bill in the belief that it is only by weighing the different approaches that the best final solution can be achieved. The important thing is that the Congress find a workable program by which the purposes outlined in both approaches can be achieved. I will be happy to support any workable program that the committee can draft, for it is the result and not which of the alternative methods of achieving it is used that is the important thing.

Along with a plea that the Congress give sympathetic hearing to this general proposal, I would like to highlight one of its features which opens a new approach to the very important job of administering recreational areas for the people of this country who are looking for healthy, enjoyable activity to round out their ever increasing leisure hours. This feature deals with the acquisition and management of strip property—such as riverfront property—as part of a coordinated recreational area program.

My bill would provide for the acquisition of easements, rather than fee title, on land bordering streams and rivers that are part of the Ozark Scenic Riverways. These easements would establish cooperative development areas, areas in which the purposes of the individual owner and the recreational management would be jointly developed. Use of the land not inconsistent with the purposes of the recreational area would be left open to the owners of it; they would be paid for the limitation on the full free use of the land but in the long run it would be less costly than acquisition of the land by the Government. This would be similar to the setback laws which are common features in municipal ordinances. The property owner must abide by the regulation that his house cannot be built closer to the street than, say, 20 feet. A man's front yard is still his own, and he can use it as his own except that he cannot build his house closer to the street than a set distance. The setback idea leaves ownership in the individual and provides only minimal restrictions on his land usage.

Together with this feature, my bill, and also the bill embodying the Park Service approach, provide for an advisory commission made up of interested individuals on the local, State and National level to advise the managing authority on matters pertaining to the area. Both also make provision for multiple use, including hunting and fishing. Payment in lieu of taxes for the land taken is also covered by the two bills.

The Ozark Rivers area of Missouri can be a wonderful recreation area as well as a region of great natural beauty. To make these two elements of the Ozark Rivers available to everyone and to protect and develop them, some program must be put into effect. I urge the Congress to study this matter thoroughly and present a program behind which those interested can join in this most worthy purpose.

DEPRESSED AREA BILL

Mr. LINDSAY. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. WHALLEY] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. WHALLEY. Mr. Speaker, I intend to support the Depressed Area bill, S. 1, which certainly is necessary to the State of Pennsylvania, due to the fact that Pennsylvania has more depressed areas than any other State.

Unemployment in Pennsylvania has increased from 300,000 in 1954 to more than 500,000 at the present time. Moreover, Pennsylvania paid almost $300 million for unemployment benefits in 1960, and approximately $200 million for public assistance.

Pennsylvania has already tried to help itself with its unemployment problem. As a member of the Pennsylvania State Senate, I cosponsored the Pennsylvania Industrial Development Act—PIDA—in 1955. Since that time, Pennsylvania has made 145 loans—total $17½ million—to local communities for new factory buildings; 26,000 new jobs have been created with a $100 million annual payroll. Now it is time for Federal aid.

The Federal Depressed Area bill will supply facilities and factory shell buildings. It will also contain a very strong antipirating section, which will prevent industries from being moved from one part of the country to another.

My principal concern is: Where will we get the industries and the jobs to put our unemployed back to work, even though S. 1 makes facilities and factory buildings possible?

The administration has just announced a $2 billion increase in defense spending, primarily for missiles. The administration has said that the Nation's depressed areas are one of its major problems.

Here is an opportunity for the administration to kill two birds with one stone by placing a major part of the $2 billion additional defense spending in the depressed areas. Industry and jobs will be supplied to put most of the unemployed back to work. The results will be phenomenal.

DEPRESSED AREA BILL

Mr. LINDSAY. Mr. Speaker, I ask unanimous consent that the gentleman from Indiana [Mr. HARVEY] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. HARVEY of Indiana. Mr. Speaker, in recent months there has been increased attention focused on our unemployment situation. While I am not unaware of the unemployment figures, I am prompted to question the administration's approach to the solution of this problem. Federal aid to depressed areas, if adopted, would only be a forerunner of a tremendous expansion in Federal expenditures for future generations of taxpayers. Enactment of this proposal would create a "pie in the sky" atmosphere for the people of many of our communities now suffering from underdevelopment or adverse unemployment. The false security promised by passage of this proposal would only add to the feelings of frustration which exist among the 5 million unemployed. We must not destroy their faith in what the future holds for them, no matter how much emphasis the politicians have placed on passage of this proposal. Legislation of this type is destined to place the Federal Government in a position of discriminating between certain areas, by using tax resources from one area to promote economic growth in another. Legislation of this type cannot solve a community's unfavorable labor climate, which is one of the determining factors in redevelopment. Federal aid to depressed areas will not be able to determine the nearness of a market for a certain product nor will building a factory necessarily create a market. It is my feeling that the Federal Government should be more concerned with removing itself from the problems of business rather than interceding in an already complex dilemma.

CALLING FOR REPEAL OF DISCLAIMER AFFIDAVIT REQUIREMENT IN NATIONAL DEFENSE EDUCATION ACT

Mr. LINDSAY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. LINDSAY. Mr. Speaker, I have reintroduced in the House of Representatives a bill calling for the repeal of the disclaimer affidavit requirement in the National Defense Education Act. I pressed for this amendment in the 86th Congress and I regret it did not pass. The disclaimer affidavit is offensive. I rebel against this kind of requirement. It is a form of test oath which does

violence to the principles for which our forefathers fought. This so-called safeguard alienates the good will of our loyal citizens without gaining any corresponding advantage in protecting the public against the actions or intentions of the disloyal. In short, it is not only offensive—it does not work.

Under existing law a student applying for a Federal education loan is required to submit with his application a sworn affidavit attesting that he does not believe in violent overturn of the Government. An oath of allegiance to the United States is also required. The controversy is not so much with respect to the oath of allegiance, but with the negative disclaimer affidavit. The affidavit can hardly be understood by young people who are asked to sign it and it represents a lack of confidence in our youth as well as in the educational process itself.

Mr. Speaker, at the end of last year over 70 universities had either refused to participate in the defense education program or had registered protests because of the disclaimer provision. Their protests are justified. The act should be amended to repeal the requirement.

PROPOSED NATIONAL BOXING COMMISSIONER WITHIN DEPARTMENT OF JUSTICE

Mr. RYAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. RYAN. Mr. Speaker, I have introduced a companion bill to one introduced today in the Senate by Senator KEFAUVER, chairman of the Senate Antitrust and Monopoly Subcommittee. This bill would establish within the Department of Justice a National Boxing Commissioner empowered to license professional boxers, managers, promoters, and matchmakers engaged in interstate commerce.

Evidence adduced before the Senate subcommittee established that this once glorious sport has been infiltrated by racketeers and underworld elements. If professional boxing is to be salvaged—and I believe it can be—and, if young athletes are going to be protected from corrupting influences—and they must be—then the Federal Government should regulate the interstate aspects of the sport. Undercover managers and behind-the-scenes promoters must be eliminated.

The bill sponsored by Senator KEFAUVER and myself provides criminal penalties for violations and for thorough supervision of professional boxing. This will assist the States in their frustrated efforts to control the situation.

Governor Brown, of California, has pointed out the inability of his State to control the situation and has expressed his hope that Congress will enact this legislation.

I commend this legislation to my colleagues and hope that they will support this effort to root out underworld influence.

CRISIS IN LAOS

The SPEAKER. Under previous order of the House, the gentleman from Massachusetts [Mr. CONTE] is recognized for 15 minutes.

Mr. CONTE. Mr. Speaker, I rise today to address my thoughts to the crisis in Laos and President Kennedy's reaction to this latest Russian threat to the security of the entire peace-loving world. The Russians have designated tiny Laos, a nation in which they have everything to gain and practically nothing to lose, as the testing ground for the character of the new administration's foreign policy, hoping to reveal American determination to their tyrannical ambitions less determined than it was under President Eisenhower. It is reassuring to me that the President has repulsed this latest brazen Communist effort to disrupt the balance of international relations and to insult the integrity of the free world. He has done so with the same conviction and effectiveness which characterized the Eisenhower foreign policy.

President Kennedy's statement last week unequivocally informed Russia and the Communist world of the position which we, as spokesmen for the free peoples of the world, intend to maintain in Laos and southeast Asia, and all Americans, regardless of party, should endorse this commitment to freedom.

The prolonged series of Russian-inspired Communist encroachments in southeast Asia and these latest acts of intervention in the Lao crisis have forced our hand in the situation and have dictated our action. I know that our action in Laos and assistance to the Royal Lao Government has always been designed, and Russia willing, it will remain designed entirely and exclusively at achieving and insuring a genuine Lao neutrality.

Our foreign policy throughout the entire world is premised upon the principle of self-determination for all the free and independent nations. Any military support or action in any of these nations will only be undertaken if the internal security or governmental integrity of these nations is imperiled by exterior forces inspired or supported by Communist factions.

Unlike Africa or Cuba, but like Formosa, in Laos, the United States has a clear unquestionable commitment to assist in time of trial. The Southeast Asian Defense Agreement of 1954 establishing the SEATO clearly enunciates our legalistic position in support based on our support of any SEATO nations whose territory or integrity is threatened or affected by any situation which might endanger the peace of the area. There is no question that natural geography and realistic diplomacy have acted hand-in-hand to involve the United States in the defense of this tiny and seemingly insignificant country.

We have acted, firmly and without equivocation, to halt the Communist advance in Laos. We have, after repeatedly ignored attempts to talk softly with conviction, brandished the "big stick" which we have carried throughout southeast Asia these past 6 years. Bluff has given way to bargain, and the language of bargain necessarily must be accented with force. Perhaps, and I pray it must, negotiation will secure an equitable and expeditious cessation of the Lao hostilities considerably short of the dreaded open conflict between East and West which so prominently thwarts and threatens world hopes for tranquility. There is no doubt that the Soviets are guilty of unwarranted and unprincipled intervention in Laos, their guilt for which is attested to by their willingness to consider negotiation, thereby acknowledging their guilt as interlopers. Using North Vietnam as a staging base and North Vietnamese technical advisers supplied with airlifted Russian goods and ammunition, the Pathet Lao have consolidated the northern provinces and, as we all know, are daily driving to divide the country in two.

However, in our haste to prevent all-out conflict, let us not think that mere negotiation is a panacea. We should be certain not to lose sight of our true objective in Laos—neutrality and the guarantee that Lao and not outsiders will govern the kingdom as Lao themselves so determine. We must remember that Russia has little to lose from a negotiated truce in Laos and everything to gain. If we must negotiate for neutrality, and Russian actions leave us little choice in the matter, we should be ever wary that our desire to secure tranquility may betray our determination and mislead us to accept acquiescence to another Russian land grab, and a mere recognition of Communist acquisition of all northern Laos in return for an immediate and transitory agreement to cease fire. We must strive mightily for our ultimate goal in Laos—self-determination—while shunning political-diplomatic pragmatism and the acceptance of a settlement based on neutrality which is, in fact, confirmation of Communist control of northern Laos and an invitation to further encroachment in southeast Asia.

Mr. Speaker, I am sure that all the Members of this great body share my concern for the cause of freedom and democracy in Asia generally and in Laos specifically. During my trip to that area in 1959 with the Appropriations Committee, I detected a strong and ominous undercurrent of potential turmoil destined to continually erupt into conflict whenever the ideologies of East and West were to meet on diplomatic battlefields. My concern for the maintenance of the principles of self-determination and democracy is accentuated by these latest acts of Communist sociological and political aggression in an area desirous yet not fully capable of repelling such overt subversion of the Lao autonomy. Mr. Speaker, scholars acknowledge that in southeast Asia, there is, in recent years, a gradual and more open acceptance of authoritarian practices with fewer misgivings as to their benevolence. This is obviously a pragmatic and seem-

ingly unavoidable response to the recent and multiple crises which have exacted extreme courage on the part of the freedom loving peoples of the southeastern hinterlands.

Mr. Speaker, my travels and experiences in Laos and the southeastern Asiatic countries leads me to prudent and pessimistic observation about these forms of government. Based as they are on the western concept of political parties, it appears to me that they are not likely to be established or reestablished with any great degree of security without outside assistance, unless the present authoritarian regimes succeed in consolidating and stabilizing their respective countries. Without our continued assistance and conviction to our commitments, these nations, in the wake of the inevitable chaos and despair, will fall easy prey to Communist mastery and subjugation.

These nations need time and assistance to prepare themselves for contemporary democracy and even unencumbered by intervention from without have a herculean task set before them in their efforts to take their places amongst the mighty nations of the 20th century. It is our task to assist them in this goal, being ready at all times to take issue with those who would foist their own society upon these struggling nations always being certain to make known our own intent that the primary purpose of all assistance to Laos and the nations of southeast Asia is designed to afford these young nations ample time to find their way in this complex and unfamiliar world where even nations of maturity find it difficult to preserve the balance of democracy and to live harmoniously in a shrinking world side by side. We are in a unique position among the great powers in that we are associated in the minds of southeast Asia with the dual achievement of a position toward which they so dearly aspire, but do not know how to secure, a society with freedom.

THE FEED GRAIN PROGRAM

The SPEAKER. Under the previous order of the House the gentleman from Iowa [Mr. SCHWENGEL] is recognized for 10 minutes.

Mr. SCHWENGEL. Mr. Speaker, when the feed grains bill was before this body, I voted against it, principally because I felt that it is unwise to put the power to control prices in the hands of the Secretary of Agriculture. This program has been signed into law and the Department of Agriculture is rushing pell mell to get it into operation.

There are many of us who feel that this is no voluntary program, or if it is voluntary, it is so in name only. When the Secretary of Agriculture holds a club over the farmer's head on the prices he can get, there is compulsion of the direst sort. I say the program is compulsory.

My reservations about this bill and what it can do to the farm economy are borne out by an item I noted in the Wall Street Journal for today, Wednesday, March 29.

The article comments on the weakness of cash corn on the Chicago market. This is due, the article says, to the stepped-up selling of corn from Federal bins and the threat of further Government selling.

This article goes on to say that Willard W. Cochrane, economic adviser to Secretary Freeman, intimates that the Government plans to sell corn most of this year to keep the price of corn about $1 per bushel on the farm.

Anyone with any commonsense can see what this will do. One dollar corn will bring about an increase in the feeding of livestock and poultry and these prices will go down, too.

They tell us that this program was designed to give the farmer better prices and raise his income. It will never do it this way. We may have compliance with the program because the Secretary can force farmers into it, but the cheap grain will put more emphasis upon the feeding of livestock and poultry so those prices will go down as the market is flooded.

And how about the farmer who has some 1960 corn on his farm which he wants to sell? Until the Government started dumping CCC stocks on the market, he could expect a reasonable price for it. These prices are being driven down and these farmers will now be forced to put this corn under loan in order to protect themselves. This does not give them much volition about the course they should take, does it? They take another beating on farm prices. They are given another squeeze.

The district I represent is one of the most productive hog raising sections in the world. For the past 18 months, we have had relatively stable hog prices. The market has been pretty good. But what will happen 12 months from now?

The Department is going to try to keep the market price of corn around $1. More hogs will be raised; more poultry will be raised, and what will happen to livestock and poultry prices? There's only one way they can go under a situation of this kind. They will be lower and the income of the farmers in the Midwest will suffer some more.

It was the will of Congress to put this club in Secretary Freeman's hands. Present indications are that he will delight in using it to make his program look good and to try to pin the blame for any failure on past programs. What happens to farm income appears to be secondary.

It is my hope that the Secretary and his advisers will take a hard look at this feed grains program and operate in the interest of the farmer whose income they are pledged to raise. The way it looks now, we will spend a lot more of the taxpayer's money and the farmer will not be any better off.

ELECTIONS DETERMINED BY FRAUDULENT VOTING

The SPEAKER. Under the previous order of the House the gentleman from Michigan [Mr. HOFFMAN] is recognized for 15 minutes.

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent to revise and extend my remarks, and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN of Michigan. Mr. Speaker, in the CONGRESSIONAL RECORD—March 21, pages 4439–4440—attention was called to fraudulent voting in our national elections to which the Chicago Tribune—ever on the alert—has given consideration.

There you will find a story by Chesly Manly which gives some of the facts. Other facts—and Manly is a painstaking, accurate reporter—are disclosed in the Tribune of March 20 and 21, and they read as follows:

Because of the recount suit of Benjamin S. Adamowski, former State's attorney, contesting the election to that office last November 8 of Daniel P. Ward, the chief justice of criminal court appointed a special investigator to investigate complaints of vote frauds in Cook County.

Informed sources say this investigation is proceeding quietly but diligently and may produce surprises for the Democrats.

The chief justice admonished the special investigator, Attorney Morris Wexler, that merely because there is a body found, of necessity a murder has not been committed. Logically, of course, the judge is right, but during the Capone gang era when hundreds of bullet-riddled bodies were found in Chicago there was a strong presumption that death was not caused by suicide or heart disease.

THOUSANDS OF MISTAKES

Similarly when many thousands of mistakes are made in counting paper ballots and false totals are reported from voting machine precincts, invariably to the advantage of the Democrats, there is a strong presumption of intent to accomplish that result.

The only way to determine whether totals recorded on voting machines are accurate is to compare them with the number of applications for permission to vote. Poll watchers were not permitted to count ballot applications and boxes containing some of them were later reported lost.

There is an impression in some quarters that voting machines prevent fraud. Three University of Chicago professors, in their manifesto of February 8, declared that "a recheck of the voting machines in Chicago resulted in a net gain of 312 votes for Nixon out of a total of 1,780,000 votes cast—an amazingly accurate reporting of the vote."

CHECKED BY DEMOCRATS

In the first place the recheck was made by Democratic election officials and further investigations of the voting machine totals are in progress. More significant is the fact that voting machine totals can be inflated with the greatest of ease, as was proved in a first ward election fraud case arising from the December 31, 1957, special congressional election in which ROLAND V. LIBONATI defeated his Republican opponent by 32,105 to 4,341 votes.

In a contempt case before County Judge (now Governor) Otto Kerner, Mrs. Mary Evans, 1827 Roosevelt Road, one of the judges in the 1st ward's 44th precinct polling place, testified that Morris (Red) Glickman, the Democratic precinct captain, came in with four strangers from the election board. She said Glickman repeatedly opened the voting machine booth and permitted the four strangers to vote.

Albert Epstein, the Republican precinct captain, was present during the fraudulent voting and said nothing. Applications for ballots were torn from the pad by Glickman, carried away, and returned later, with names

written on them. Mrs. Evans said she believed there were enough applications to correspond with the voting machine totals—455 for LIBONATI and 13 for the Republican candidate—but learned later that only 32 were found when the sealed file was opened by election board officials.

TELL OF FORGERIES

Handwriting experts testified that signatures on 17 of the 32 applications were found to be forged, 9 of them by Mrs. Nellie M. Wheat, 1912 Washburne Avenue, one of the judges. Asked how many persons actually voted, Mrs. Evans testified: "Very few. Maybe between 25 and 30."

Mrs. Evans pleaded guilty and Judge Kerner convicted four precinct officials. Judge Kerner charged that Glickman, a vote fraud artist with a previous conviction, "engineered the entire fraud" in the 44th precinct. Glickman was arrested in February 1958, convicted [with three others] in April 1959, sentenced to a year in jail and fined $2,000, but in November 1960, the Illinois appellate court granted a new trial.

In 1952, when it was discovered that Glickman had city and State jobs simultaneously, he lost both of them. Later he was fired as personal bailiff to Municipal Judge Joseph H. McGarry when the Tribune disclosed his first election fraud conviction.

TWO ARE INDICTED

On December 29 the Federal grand jury indicted two park district employees on charges of bribery and conspiracy in the November 8 election. Bernard J. Crown, Jr., 3741 Sunnyside Avenue, Democratic captain of the 18th precinct of the 29th ward, and Leonard Gibbs, Jr., 716 South Indianapolis Avenue, a Democratic Party worker in the same precinct, are accused of paying $2 each to three persons, and $1 each to two persons, and promising money or other bribes to others for their votes.

U.S. Attorney Robert Tieken said these were the first Federal indictments, but would not be the last, though further action will depend upon the attitude of Tieken's successor and the Justice Department, now headed by President Kennedy's brother, Robert.

The three University of Chicago professors noted with satisfaction that not a single indictment was returned by the January Federal grand jury, but Albert F. Manion, first assistant U.S. attorney, denied that the Federal investigation had been dropped. It was suspended, he said, to prevent interference with Adamowski's recount suit.

Federal law on election frauds is much more restrictive than State law. Except in cases of bribery, it is necessary to prove that voters have been deprived of their civil rights through fraudulent practices. In the last 10 years only two Federal cases have been successfully prosecuted in Chicago.

Five persons were convicted in 1955. One pleaded guilty and 3 were acquitted of charges that they permitted 71 fraudulent votes to be cast in the 7th precinct of the 1st ward in the 1954 election.

DEMOCRAT GETS 5 YEARS

Lewis W. Nathan, Democratic captain of the precinct and proprietor of the notorious 606 Club at 606 S. Wabash Avenue, was sentenced to 5 years in prison and fined $4,000. Gaetano Alviti, manager of the dive and one of the polling place officials, was sentenced to 4 years in prison and fined $2,500.

On September 12, 1958, 6 persons pleaded nolo contendere [no defense] in Federal court and were fined or put on probation for fraud in the 23d precinct of the 11th ward in the 1954 election.

This is Mayor Daley's ward and the polling place of the 23d precinct is at 3718 Wallace Street, 2 blocks from the mayor's house. The Government prosecutor declared that about 75 forged ballot applications and some forged registration cards were found.

DEMOCRAT CAPTAIN FREED

Joseph C. Kennefick Jr., 3817 Lowe Avenue, the Democratic precinct captain, was indicted in the 11th ward case, but the charges against him were dismissed. John E. O'Hara, 4151 Halsted Street, a Democratic precinct worker; Mrs. Mary A. Johnston, 3751 Lowe Avenue, a Democratic election judge; Mrs. Anna Macis, 3841 Lowe Avenue, a Republican election judge; Charles F. Kelly, 3707 Lowe Avenue, a Democratic clerk; Mrs. Anne V. Miller, 3812 Lowe Avenue, a Republican clerk, and Mrs. Anna Runavich, 3833 Lowe Avenue, a Republican judge, all were found guilty on pleas of nolo contendere.

O'Hara and Mrs. Johnston got suspended sentences of a year and a day each, put on probation for 5 years, and fined $600 and $500, respectively, by Federal Judge Joseph Sam Perry. The others got probation.

The 11th ward case was a typical example of Republican collusion in Democratic fraud.

"The fact is," remarked U.S. Attorney Robert Tieken, "that hundreds of election officials who voted Democratic in a previous election have turned up as Republican judges in the next election."

MANY COMPLAINTS MADE

Complaints to Federal and State officials, submitted after the November 8 election by the Committee for Honest Elections, the Joint Civic Committee, the Minute Men, and the Midwest Volunteers for Nixon and Lodge, involve all the practices disclosed in court cases growing out of previous elections and others, too.

Ghost voting, in the name of registrants who no longer live in a precinct or never did live there, is the most common practice and the theft of 25,000 to 50,000 votes by this method is not unusual in a Chicago election.

Besides padding the registration lists with the names of ghosts, vote thieves also eliminate the names of qualified voters, who receive no challenge notice and are surprised when told on election day that they cannot vote.

"TEN THOUSAND VOTES LOST"

Mrs. Marie L. Suthers, lone Republican member of Chicago's board of election commissioners, estimated that 10,000 qualified voters were disfranchised without challenge notices before the November 8 election.

Chain voting is another common abuse. When floaters and bums are given a dollar or a pint of wine for their vote, precinct workers take no chance on their voting right. Before going in to vote they are given a marked ballot, which they drop in the box and then come out with an unmarked ballot to be prepared for the next bum. William H. Fetridge, chairman of the Nixon-Lodge Volunteers, estimated that "25,000 persons in the skid row area voted that way in exchange for whisky and money."

Still another variety of theft is ballot box stuffing or alteration of the ballots after the polls are closed. The law provides that ballot boxes in paper ballot precincts must be sealed with wax and tied with rope. On more than 60 percent of the 863 boxes from Chicago's paper ballot precincts there was no rope or the seal was broken when they were brought in for the recount.

"WORST IN 25 YEARS"

Frank Durham, chairman of the Committee for Honest Elections, asserted that fraud in the November 8 election was the worst he had seen in 25 years of poll watching.

Immediately after the election, the Republicans demanded a recount and presented evidence of fraud in 92 precincts. The election board, controlled by the Daley machine, agreed to a hearing, but summoned all 460 judges from the 92 precincts to appear in the same room at the same time.

In spite of this planned chaos, Mrs. Suthers found that 84 votes were cast [78 for Kennedy, 3 for Nixon] in the 50th precinct of the 2d ward, where only 22 voters lived on election day.

LAW IS EXPLICIT

Though most of the voters had been displaced by a slum clearance project, the law is explicit that voters must live in the precinct where they vote.

When the Republicans paid for a "discovery" canvass of the paper ballots in 863 precincts—a necessary prerequisite to a recount suit—the election board ruled that only its members could count ballots, not its employees or others under its supervision. Under this procedure it would have required 2 years to complete the recount, but public indignation, aroused by the press, was so great that Thaddeus Adesko, the new county judge, overruled the election board and the recheck was expedited.

When Benjamin S. Adamowski, narrowly defeated for reelection as State's attorney, filed his suit asking a recount in all 906 paper ballot precincts in the county, a recheck of returns from about 1,000 voting machine precincts, and the elimination of all votes cast by unqualified voters, the Democrats prepared an excuse. Sidney Holzman, chairman of the election board, conceded in a Lions Club talk on February 14 that "many errors" were made.

"I don't say that we were without sin," Holzman declared, "No doubt there were some violations of the law. No doubt there were errors and evil. But if there were, they were condoned by representatives of both parties."

POLIO VACCINES

The SPEAKER. Under previous order of the House, the gentleman from New York [Mr. FARBSTEIN] is recognized for 15 minutes.

Mr. FARBSTEIN. Mr. Speaker, there is a great deal of discussion these days on the question of polio vaccines. A subcommittee headed by the gentleman from Alabama, Representative KENNETH A. ROBERTS, is looking into the question of why the oral vaccine developed by Dr. Albert S. Sabin will not be available to fight polio this year.

In connection with this, I would like to bring to your attention an article in the April issue of Redbook magazine entitled "What's Delaying the New Polio Vaccine." It has a subtitle of "And What Should You Do To Protect Your Family This Year."

I believe the authors, Ruth and Edward Brecher, two distinguished reporters, have done a commendable factfinding job.

In essence, this Redbook article found that the Division of Biologics Standards of the U.S. Public Health Service deliberately imposed strict licensing requirements.

If the DBS erred, the article said, "It erred in the direction of greater safety for the millions of people who will take the new vaccine." The agency did not want to risk a recurrence of what happened in 1955 when it licensed the Salk vaccine in a hurry and several bad batches managed to slip through, resulting in 61 children coming down with paralytic polio, including several deaths.

Redbook said that under the "strict" regulations for manufacturing the Sabin vaccine, it probably will not become available for general use until late 1961

or 1962—too late for fighting polio this year. But as a result, "We can be confident that when the first oral vaccine is finally licensed, it will be as safe as scientific precautions can possibly make it."

"Meanwhile, polio will be with us again this summer and fall. The best way for you and your family to get protection this year is by completing your series of four Salk shots now."

[From Redbook, April 1961]

WHAT'S DELAYING THE NEW POLIO VACCINE?—AND WHAT SHOULD YOU DO TO PROTECT YOUR FAMILY THIS YEAR?

(By Ruth and Edward Brecher)

In Cincinnati last spring 180,000 children swallowed a few drops apiece of the new Sabin "oral" polio vaccine. Throughout the rest of the year only one case of paralytic polio was reported in the city. That one case occurred in an unvaccinated man who had recently returned to Cincinnati from New York City and was probably infected before his return. In Hungary, too, according to Dr. Albert S. Sabin, of the University of Cincinnati College of Medicine, who developed the Sabin vaccine, not a single case of paralytic polio was reported throughout that country during the July-August-September 1960 polio season following a nationwide oral-vaccine campaign. Similar dramatic results have been reported with two other new oral polio vaccines—one developed by Dr. Hilary Koprowski, of the Wistar Institute in Philadelphia, and the other by Dr. Herald Cox, of Lederle Laboratories. Yet none of these vaccines is available now for general use in the United States—nor will they be available in time to prevent paralysis during the coming polio season. Why the delay? Equally important, what should young adults do right now, while waiting for an oral vaccine, to protect themselves and their children from paralytic polio this year? When Redbook sent us to find out we encountered several ugly accusations. The Russian newspaper Izvestia, for example, alleges that American vaccine manufacturers are delaying the new oral vaccines because they are making so much money on the Salk polio vaccine. Dr. Koprowski charges that his vaccine is being discriminated against. Dr. Sabin insists that polio could have been wiped out in the United States altogether this year if the U.S. Government, the National Foundation (March of Dimes), and vaccine manufacturers had pushed ahead at top speed with his vaccine last winter. In contrast to such accusations, here are the blunt facts as we have rounded them up from both official and well-informed unofficial sources. Here too is a sober, scientific evaluation of how the new oral polio vaccines are likely to affect you and your family. The familiar Salk vaccine is composed of polio viruses which have been killed by formaldehyde. It is one of the safest and most effective vaccines ever produced against any disease. It erects a barrier of antibodies in your bloodstream so that even though polio viruses subsequently enter your intestinal tract and multiply there, they cannot get past the antibody barrier to reach your nervous system and cause paralysis.

The new oral vaccines contain living viruses which have been weakened or tamed. These tamed viruses infect your intestinal tract after you swallow them and multiply there, creating an immunity not only to paralytic polio but also to further intestinal infections caused by polio viruses. If enough people achieve this intestinal type of immunity, it is expected polio viruses will no longer be passed back and forth from person to person within a vaccinated community. The disease may thus be eradicated altogether.

Who is responsible for holding back the new live vaccines?

First, strike off the National Foundation from the list of suspected culprits. It has been continuously supporting Dr. Sabin's oral vaccine research since 1953 with more than $1 million in March of Dimes grants; and it has been financing research on the Sabin vaccine in other laboratories as well. This support is continuing.

Next, don't blame the vaccine manufacturers. At least four companies are planning to manufacture the Sabin vaccine, and because of the competitive advantage of being first on the market, all of them have an incentive to move quickly. Two of the four are currently manufacturing the Salk vaccine, and may therefore have some slight incentive to go slow. But the other two companies have no Salk vaccine to sell. The company likely to be first with the Sabin vaccine (Lederle Laboratories) reports that it has already spent $11 million on oral vaccine research and an additional $2 million for a new oral vaccine plant and equipment. Since this investment will not begin to pay off until the Sabin vaccine is actually marketed, Lederle obviously will lose rather than profit by delay.

This leaves the U.S. Government at the head of the suspect list.

The Government agency responsible for deciding whether or not to license any new vaccine is the Division of Biologics Standards (DBS) of the National Institutes of Health, a unit of the U.S. Public Health Service. If a vaccine proves unsafe after licensing, the DBS gets the blame—and rightly so. It is your sentinel, posted by law to safeguard you and your children from unsafe vaccines and from overinflated vaccine claims.

The DBS has learned the hard way how important it is to be extra cautious. Back in 1955 it licensed the Salk vaccine in a hurry, at the urging of the National Foundation and others; polio was then on the rampage and no other preventive was available. The results were in general excellent, with many thousands of men, women and children saved from crippling or death. But a price was paid for haste; several bad batches of vaccine managed to slip through an unnoticed loophole in the DBS regulations governing safety. As a result, 61 children who received vaccine from those batches came down with paralytic polio; others caught polio from them; several died.

The DBS regulations were immediately tightened up, and the Salk vaccine has been completely safe ever since. But DBS officials resolved to avoid a similar situation with oral polio vaccine if it was humanly possible.

Live-virus vaccines by their very nature require special safety precautions. If the Salk killed-virus vaccine were to be accidentally contaminated by some other viruses during manufacture, the formaldehyde which kills the tough polio viruses would no doubt kill the other viruses as well. A live-virus vaccine has no such built-in safeguard. Contaminating viruses may travel with the tame polio viruses into your body and produce disease. Such an incident actually occurred during World War II; serum hepatitis viruses got into a yellow fever vaccine and thousands of cases of serious, sometimes fatal, hepatitis followed among American soldiers and others all over the world.

Against this background of possible hazards, and knowing that an effective polio vaccine (the Salk vaccine) was already available throughout the United States, DBS officials and scientific advisers decided to proceed with what Dr. Roderick Murray, head of DBS, describes as "all deliberate speed." This policy turned out to be warranted. During field trials of the Cox and Sabin oral polio vaccines in 1960, something happened which emphasized again the need for caution—and which, in fact, resulted in putting the Cox vaccine out of the running.

In Dade County (Miami), Fla., 412,000 men, women, and children swallowed the Cox oral vaccine last spring. The vaccine proved effective, on the whole, but three young men, a young woman, and a 2-year-old child came down with paralytic polio within 9 to 14 days after swallowing it; this is the length of time it takes polio viruses to produce illness. In West Berlin also a number of cases of paralysis were reported among 300,000 residents who took the Cox vaccine.

There is no proof that these cases were caused by the Cox vaccine. Some of them, or conceivably all of them, may have been due to polio viruses already present. But enough doubt was raised to eliminate the Cox vaccine as a candidate for immediate licensing.

No such doubts have been raised about the Sabin vaccine. Large-scale field trials have now been run in Cincinnati, Ohio, and Rochester, N.Y., and smaller trials in New York City, New Haven, Cleveland, Nashville, Houston, and New Orleans. The results have been excellent. The Polio Surveillance Unit of the U.S. Public Health Service reports not a single case of paralytic polio traceable to the vaccine. In other countries too the Sabin vaccine has been used on a large scale with success; Dr. Sabin estimates that by the end of 1960, 77 million people had taken his vaccine in the U.S.S.R. and an additional 23 million elsewhere.

Convinced by this vast and rapidly accumulating body of evidence, the DBS has now announced regulations under which companies planning to manufacture the Sabin vaccine will be licensed. These licensing requirements are very strict. Each batch of vaccine, for example, must be tested separately in living rabbits, guinea pigs, adult mice, baby mice and human kidney cells grown in test tubes. Samples of each batch must also be injected directly into the muscles, spinal cords and brains of a number of monkeys. No manufacturer will be permitted to sell his first batch until he has proved by tests on five successive batches that he is able to turn out a safe vaccine consistently.

Since meeting all these requirements will take time, the Sabin vaccine probably will not become available for general use until late 1961 or early 1962. As a result, we can be confident that when the first oral vaccine is finally licensed, it will be as safe as scientific precautions can possibly make it.

Dr. Sabin is not happy with the time schedule. He believes that the safety of his vaccine was proved more than a year ago and that it should have been licensed for general use last winter.

Dr. Koprowski is not happy either. He believes that his vaccine is as safe and effective as Dr. Sabin's and should be eligible for licensing along with it. He challenges the evidence which caused the DBS to conclude that the Sabin vaccine is safer than his.

Perhaps the DBS did err in one or both of these respects. If so, it erred in the direction of greater safety for the millions of people who will take the new vaccine.

How much good will the Sabin vaccine accomplish for you and your family when it does become available? Here are the answers given Redbook by Public Health officials who have no personal stake in either the Salk or the oral vaccines:

CERTAINTY OF PROTECTION

When Dr. Salk manufactured his own vaccine in his own laboratory, it successfully immunized an overwhelming majority of the people who received it. Later, when placed in large-scale commercial production, it was somewhat less effective. Dr. Sabin's vaccine is at present almost 100 percent effective in his own hands, and the

experience to date suggests that it will prove to be highly effective protection when it is being commercially produced and distributed.

DURABILITY OF PROTECTION

A few years ago, widespread publicity claims were made that an oral vaccine would provide lifelong protection without a booster, instead of the merely temporary protection which the Salk vaccine was supposed to provide. As a matter of fact, the protection provided by the Salk vaccine—to the surprise of almost everybody except Dr. Jonas Salk himself—is proving remarkably durable. Children vaccinated during the 1954 National Foundation field trials, for example, still show a very low polio rate after 6 years. But no one can foretell whether this protection will continue through the years or will begin to taper off. Nor is there any way of telling now for how many years the Sabin vaccine's protection will last.

SPREAD OF PROTECTION

It used to be claimed that the "tamed" viruses in the oral vaccines would spread rapidly from vaccinated individuals to others. Thus by vaccinating part of a community you might immunize the rest willy-nilly. This claim has proved to be exaggerated. The tamed viruses often spread from a child to his brothers and sisters; they may even spread to his parents, friends, and neighbors. But you can't rely on this spread, and there is no practical way of knowing whether or not one child or adult has caught immunity from another. Even limited spread, however, is a point in favor of the Sabin vaccine.

ONE-DOSE PROTECTION

It used to be said that you would be able to swallow just one dose of an oral vaccine and forget all about polio forever. This claim is still occasionally made. But the Sabin vaccine is generally given in three separate doses spaced 4 to 6 weeks apart, and a fourth dose may prove advisable. One-dose protection is a possibility but not yet a reality.

Will an oral vaccine replace the Salk vaccine, or merely take its place as an alternative polio preventive? It is too early to tell. Some experts point out that the Salk vaccine can be combined with diphtheria, tetanus, and whooping cough vaccines in a single series of shots; when this is done, recent research indicates, both the Salk vaccine and the diphtheria vaccine produce a higher level of immunity than either does when given alone. It is quite possible, accordingly, that many physicians will continue to use the polio-diphtheria-tetanus-whooping cough combination shots for infants and young children even after the Sabin vaccine is on the market.

Despite the availability and high effectiveness of Salk vaccine, millions of people have failed to get their shots—because of the discomfort or the bother or simply because they do not fully appreciate the importance of protecting themselves and their children. For this reason severe polio epidemics continue to occur among the unvaccinated, as they did during 1960 in Providence, in Baltimore, and in perhaps a dozen other American communities.

Public Health officials hope that even before the Sabin oral vaccine is available, many of the unvaccinated will respond to the anti-polio campaign and get their Salk injections. But because oral vaccine is so painless to take and easy to administer to large groups of people, they expect it to reach many millions who have not had their Salk shots. The Sabin vaccine provides protection more promptly than the Salk vaccine—fast enough so that it can be given to an entire community whenever one case occurs. By preventing intestinal polio infections, it will slow the spread of the polio virus from person to person and may thus stamp out polio altogether—as smallpox has been stamped out—within a reasonable period of time.

Meanwhile, polio will be with us again this summer and fall. The best way for you and your family to get protection this year is by completing your series of four Salk shots now.

What about next year? The two vaccines are completely compatible. After completing your Salk shots this year you can take the Sabin vaccine by mouth next year. The Salk shots will protect you from paralytic polio; the Sabin oral vaccine may raise the level of that protection and will, in addition, prevent you from being a polio "carrier" capable of infecting others.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to Mr. VINSON for March 29 and 30 on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. CONTE (at the request of Mr. LINDSAY), for 15 minutes today.

Mr. SCHWENGEL (at the request of Mr. LINDSAY), for 10 minutes today.

Mr. HOFFMAN of Michigan for 15 minutes today and to revise and extend his remarks and include newspaper articles.

Mr. HARDING (at the request of Mr. HAGEN of California) for 10 minutes on tomorrow, March 30, 1961.

Mr. FARBSTEIN (at the request of Mr. HAGEN of California) for 15 minutes today, to revise and extend his remarks and include therein extraneous matter.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. MULTER (at the request of Mr. HAGEN of California) to revise and extend the remarks he made in his special order today and include extraneous matter.

Mr. MCCORMACK (at the request of Mr. HAGEN of California) and to include extraneous matter and tables.

Mr. DOYLE.

(The following Members (at the request of Mr. LINDSAY) and to include extraneous matter:)

Mr. AVERY.

Mr. PELLY in two instances.

Mr. BECKER.

Mr. BOW.

Mr. PILLION.

(The following Members (at the request of Mr. HAGAN of Georgia) and to include extraneous matter:)

Mr. HÉBERT.

Mr. JOELSON in two instances.

Mr. DENT.

Mr. ANFUSO.

Mr. RIVERS of Alaska in three instances.

Mr. RYAN in three instances.

Mr. DULSKI.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 107. An act to authorize the Secretary of the Interior to construct, operate, and maintain the Navajo Indian irrigation project and the initial stage of the San Juan-Chama project as participating projects of the Colorado River storage project, and for other purposes; to the Committee on Interior and Insular Affairs.

S. 1358. An act to repeal section 12 of the act of June 26, 1884, prohibiting a charge or collection of fees by consular officers for official services to American vessels and seamen, and to repeal the provisions of the act of June 4, 1920, authorizing the free issuance of passports to seamen; to the Committee on Foreign Affairs.

ADJOURNMENT

Mr. HAGAN of Georgia. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 8 o'clock and 26 minutes p.m.), the House adjourned until tomorrow, Thursday, March 30, 1961, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

731. A communication from the President of the United States, transmitting amendments to the budget for the fiscal year 1962 involving an increase in the amount of $23,492,000 for the Department of Commerce (H. Doc. No. 128); to the Committee on Appropriations and ordered to be printed.

732. A communication from the President of the United States, transmitting amendments to the budget for the fiscal year 1962 involving a net increase in the amount of $71,046,000 for various agencies in the executive branch (H. Doc. No. 129); to the Committee on Appropriations and ordered to be printed.

733. A communication from the President of the United States, transmitting a draft of a proposed bill entitled "A bill to assist in the provision of housing for moderate and low income families, to promote orderly urban development, to extend and amend laws relating to housing, urban renewal, and community facilities, and for other purposes"; to the Committee on Banking and Currency.

734. A communication from the President of the United States, relative to the development of the oceanography and resources of the seas; to the Committee on Merchant Marine and Fisheries.

735. A letter from the President of the Board of Commissioners of the District of Columbia, transmitting a draft of a proposed bill entitled "A bill to amend the act entitled 'An act to regulate the height of buildings in the District of Columbia,' approved June 1, 1910, as amended"; to the Committee on the District of Columbia.

736. A letter from the Comptroller General of the United States, transmitting a report on the audit of the unemployment and sickness insurance program of the Railroad Retirement Board for fiscal years 1959–60; to the Committee on Government Operations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. THOMAS: Committee of conference. H.R. 5188. A bill making supplemental appropriations for the fiscal year ending June 30, 1961, and for other purposes (Rept. No. 211). Ordered to be printed.

Mr. COOLEY: Committee of conference. H.R. 5463. A bill to amend and extend the Sugar Act of 1948, as amended (Rept. No. 212). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. MILLS:

H.R. 6027. A bill to improve benefits under the old-age, survivors, and disability insurance program by increasing the minimum benefits and aged widow's benefits and by making additional persons eligible for benefits under the program, and for other purposes; to the Committee on Ways and Means.

By Mr. RAINS:

H.R. 6028. A bill to assist in the provision of housing for moderate and low income families, to promote orderly urban development, to extend and amend laws relating to housing, urban renewal, and community facilities, and for other purposes; to the Committee on Banking and Currency.

By Mr. BROOKS of Louisiana:

H.R. 6029. A bill to authorize appropriations to the National Aeronautics and Space Administration for salaries and expenses, research and development, construction of facilities, and for other purposes; to the Committee on Science and Astronautics.

H.R. 6030. A bill to amend the National Aeronautics and Space Act of 1958, and for other purposes; to the Committee on Science and Astronautics.

By Mr. BROOMFIELD:

H.R. 6031. A bill to amend the Internal Revenue Code of 1954 to provide that a taxpayer may continue taking a personal exemption for a child over the age of 18 if such child is unemployable by reason of disability; to the Committee on Ways and Means.

By Mr. COAD:

H.R. 6032. A bill to amend title V of the Agricultural Act of 1949, as amended, to provide, in connection with the employment of workers from Mexico, protection for the employment opportunities of agricultural workers in the United States, and for other purposes; to the Committee on Agriculture.

By Mr. CUNNINGHAM:

H.R. 6033. A bill to provide that civilian officers and employees of the United States shall not be required to occupy Government quarters unless the head of the agency concerned makes certain determinations; to the Committee on Post Office and Civil Service.

By Mr. CURTIS of Missouri:

H.R. 6034. A bill to establish the Ozark Scenic Riverways in the Clark National Forest in the State of Missouri, and for other purposes; to the Committee on Agriculture.

H.R. 6035. A bill to amend title II of the Vocational Education Act of 1946, relating to practical nurse training, and for other purposes; to the Committee on Education and Labor.

H.R. 6036. A bill relating to the treatment for income tax purposes of certain redemptions of paid-for preferred stocks; to the Committee on Ways and Means.

By Mr. JAMES C. DAVIS:

H.R. 6037. A bill to amend the act of March 3, 1901, relating to divorce, legal separation, and annulment of marriage in the District of Columbia; to the Committee on the District of Columbia.

By Mr. DIGGS:

H.R. 6038. A bill to promote the foreign policy of the United States and help to build essential world conditions of peace, by the more effective use of U.S. agricultural commodities for the relief of human hunger, and for promoting economic and social development in less developed countries; to the Committee on Agriculture.

H.R. 6039. A bill to authorize the establishment of a Youth Conservation Corps to provide healthful outdoor training and employment for young men and to advance the conservation, development, and management of national resources of timber, soil, and range, and for recreational areas; to the Committee on Education and Labor.

H.R. 6040. A bill to authorize a 3-year program of Federal financial assistance for public elementary and secondary schools, to amend Public Law 815 and Public Law 874, 81st Congress, and for other purposes; to the Committee on Education and Labor.

H.R. 6041. A bill to prohibit discrimination in employment because of race, religion, color, national origin, or ancestry; to the Committee on Education and Labor.

H.R. 6042. A bill to authorize a contribution to the government of the Ryukyu Islands for the purpose of providing compensation for use of private property and damage to persons and property arising from acts of the U.S. forces before the entry into force of the Japanese Treaty; to the Committee on Foreign Affairs.

H.R. 6043. A bill to create a National Peace Agency and to prescribe its functions; to the Committee on Foreign Affairs.

H.R. 6044. A bill outlawing the poll tax as a condition for voting in any primary or other election for national officers; to the Committee on House Administration.

H.R. 6045. A bill to declare certain rights of all persons within the jurisdiction of the United States, and for the protection of such persons from lynching, and for other purposes; to the Committee on the Judiciary.

H.R. 6046. A bill to prevent discrimination in any public or semipublic place or by any public or semipublic transportation against members of the Armed Forces because of race, color, or creed; to the Committee on the Judiciary.

H.R. 6047. A bill to effectuate and enforce the constitutional right to the equal protection of the laws, and for other purposes; to the Committee on the Judiciary.

H.R. 6048. A bill to amend and revise the laws relating to immigration, naturalization, nationality, and citizenship, and for other purposes; to the Committee on the Judiciary.

By Mr. FARBSTEIN:

H.R. 6049. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits under such title; to the Committee on Ways and Means.

By Mr. FINDLEY:

H.R. 6050. A bill to amend Public Law 480, 83d Congress, as amended, to authorize the sale of foreign currencies to American tourists; to the Committee on Agriculture.

By Mr. FOGARTY:

H.R. 6051. A bill to amend the Federal Property and Administrative Services Act of 1949 to permit donations of surplus property to volunteer firefighting organizations, and for other purposes; to the Committee on Government Operations.

By Mr. HALPERN:

H.R. 6052. A bill to amend section 8(b)(4) of the National Labor Relations Act, as amended; to the Committee on Education and Labor.

H.R. 6053. A bill to amend title 38, United States Code, so as to revise the rates of disability and death pension authorized by the Veterans' Pension Act of 1959, and for other purposes; to the Committee on Veterans' Affairs.

H.R. 6054. A bill to amend chapter 15 of title 38, United States Code, to liberalize the basis on which pension is payable by providing that public or private retirement payments shall not be counted as income and that the income of the spouse shall be disregarded in the determination of annual income of a veteran; to eliminate the "net worth" eligibility test; and to repeal the requirement of reduction of pension during hospitalization for veterans with dependents; to the Committee on Veterans' Affairs.

H.R. 6055. A bill to amend the Internal Revenue Code of 1954 to provide that the cost of all medicine and drugs for the taxpayer and his spouse, rather than only the excess over 1 percent of adjusted gross income as otherwise provided, may be included in computing the medical expense deduction where such taxpayer or spouse is 65 or over; to the Committee on Ways and Means.

By Mr. HERLONG:

H.R. 6056. A bill to amend section 4216 of the Internal Revenue Code with respect to the exclusion of certain local advertising charges from sales price for the purpose of computing manufacturers' excise tax; to the Committee on Ways and Means.

H.R. 6057. A bill to eliminate claims of immunity from State and local taxes based on contracts with the United States or its agencies or instrumentalities; to the Committee on Ways and Means.

By Mr. KING of Utah:

H.R. 6058. A bill to amend the Clayton Act, as amended, by requiring prior notification of corporate mergers and acquisitions, and for other purposes; to the Committee on the Judiciary.

H.R. 6059. A bill to amend the Sherman Act to provide additional public relief from repetitive criminal violations of the antitrust laws, and for other purposes; to the Committee on the Judiciary.

By Mr. MATHIAS:

H.R. 6060. A bill to amend the District of Columbia Teachers' Salary Act of 1955, as amended; to the Committee on the District of Columbia.

By Mr. MERROW:

H.R. 6061. A bill to amend the Internal Revenue Code of 1954 to permit a taxpayer to deduct tuition expenses paid by him for the education of himself or any of his dependents at an institution of higher learning; to the Committee on Ways and Means.

By Mr. GEORGE P. MILLER:

H.R. 6062. A bill to amend section 202(c) of the Interstate Commerce Act to provide for partial exemption from the provisions of part II of such act of terminal area motor carrier operations performed by or for common carriers by water in interstate commerce subject to the Shipping Act, 1916, and the Intercoastal Shipping Act, 1933; to the Committee on Interstate and Foreign Commerce.

By Mrs. PFOST:

H.R. 6063. A bill to extend the provisions of the National Wool Act of 1954, as amended, until March 31, 1965; to the Committee on Agriculture.

By Mr. RILEY:

H.R. 6064. A bill to amend the act entitled "An act to recognize the high public service rendered by Maj. Walter Reed and those associated with him in the discovery of the cause and means of transmission of yellow fever," approved February 26, 1929, by providing for payment of the widows of the individuals entitled to benefits thereunder; to the Committee on Armed Services.

By Mr. RYAN:

H.R. 6065. A bill to establish a Department of Urban Affairs and prescribe its functions; to the Committee on Government Operations.

By Mr. STAFFORD:

H.R. 6066. A bill granting the consent and approval of Congress to the northeastern water and related land resources compact; to the Committee on Public Works.

By Mr. TAYLOR:

H.R. 6067. A bill to provide for an appropriation of a sum not to exceed $35,000 with which to make a survey of a proposed national parkway from the Blue Ridge Parkway at Tennessee Ball or Beech Gap Southwest and running into the State of Georgia; to the Committee on Interior and Insular Affairs.

By Mr. TEAGUE of Texas (by request):

H.R. 6068. A bill to provide that the Secretary of Defense shall furnish assistance in connection with the 1962 world aviation championships of the Federation Aeronautique Internationale, and for other purposes; to the Committee on Armed Services.

By Mr. LANGEN:

H.R. 6069. A bill to repeal the excise tax on amounts paid for communication services or facilities; to the Committee on Ways and Means.

By Mr. RYAN:

H.R. 6070. A bill to establish within the Department of Justice the Office of the National Boxing Commissioner for the purpose of curbing monopolistic control of professional boxing; to the Committee on the Judiciary.

By Mr. VAN PELT:

H.R. 6071. A bill to amend section 202(c) of the Interstate Commerce Act to provide for partial exemption from the provisions of part II of such act of terminal area motor carrier operations performed by or for common carriers by water in interstate commerce subject to the Shipping Act, 1916, and the Intercoastal Shipping Act, 1933; to the Committee on Interstate and Foreign Commerce.

By Mr. BOW:

H.R. 6072. A bill to amend chapter 55 of title 10, United States Code, to provide that the charges for continued necessary hospital care for dependents of members of the uniformed services in receipt of such care when the member is discharged shall not increase for the first 60 days of such care; to the Committee on Armed Services.

By Mr. MILLS:

H.R. 6073. A bill to provide certain survivor annuities from the civil service retirement and disability fund; to the Committee on Post Office and Civil Service.

By Mr. PELLY:

H.R. 6074. A bill to provide direct aid to the States for educational purposes only; to the Committee on Education and Labor.

By Mr. DIGGS:

H.J. Res. 350. Joint resolution proposing an amendment to the Constitution of the United States relating to the right of citizens of the United States 18 years of age or older to vote; to the Committee on the Judiciary.

H.J. Res. 351. Joint resolution to amend the pledge of allegiance to the flag of the United States of America; to the Committee on the Judiciary.

By Mr. FRELINGHUYSEN:

H.J. Res. 352. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. MERROW:

H.J. Res. 353. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. DULSKI:

H.J. Res. 354. Joint resolution designating the first Sunday of October in every year as National Choir Recognition Day; to the Committee on the Judiciary.

By Mr. FASCELL:

H. Con. Res. 209. Concurrent resolution requesting the President to exercise his authority to operate a program, to be known as "University Free Cuba," to provide assistance to certain Cuban refugee students, and for other purposes; to the Committee on Foreign Affairs.

By Mr. RYAN:

H. Con. Res. 210. Concurrent resolution authorizing the printing as a House document of a Spanish edition of "Infant Care"; to the Committee on House Administration.

By Mr. CHELF:

H. Res. 248. Resolution providing for the consideration of H.R. 3725, a bill to provide that the House of Representatives shall be composed of 469 Members, and for other purposes; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By Mr. KOWALSKI: Memorial of the House of Representatives of the State of Connecticut, memorializing the President and the Congress of the United States relative to flasher memorial, dedicated to the heroes of the U.S. Submarine Force during World War II; to the Committee on Armed Services.

By the SPEAKER: Memorial of the Legislature of the State of Michigan, memorializing the President and the Congress of the United States relative to the repeal of the Federal excise tax on automobiles; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ALGER:

H.R. 6075. A bill for the relief of Capt. H. A. Rowe; to the Committee on the Judiciary.

By Mr. FRELINGHUYSEN:

H.R. 6076. A bill for the relief of Anna Maria Geyer; to the Committee on the Judiciary.

By Mr. GUBSER:

H.R. 6077. A bill for the relief of Ed Muegge, Jr.; to the Committee on the Judiciary.

H.R. 6078. A bill for the relief of Tze Vee Huang; to the Committee on the Judiciary.

By Mr. HALPERN:

H.R. 6079. A bill for the relief of Estera Hochman; to the Committee on the Judiciary.

By Mr. KILDAY:

H.R. 6080. A bill for the relief of Eileen L. Broe; to the Committee on the Judiciary.

By Mr. MOORE:

H.R. 6081. A bill for the relief of Carl Gilbert Long; to the Committee on the Judiciary.

By Mr. O'BRIEN of New York:

H.R. 6082. A bill for the relief of Mrs. Vartanus Uzar; to the Committee on the Judiciary.

By Mr. ROSTENKOWSKI:

H.R. 6083. A bill for the relief of Aldo Giuntini; to the Committee on the Judiciary.

By Mr. SIBAL:

H.R. 6084. A bill for the relief of Mrs. Basiliki Koletsos; to the Committee on the Judiciary.

By Mr. WRIGHT:

H.R. 6085. A bill for the relief of Capt. Lorenzo P. Johnson; to the Committee on the Judiciary.

By Mr. BATES:

H. Res. 249. Resolution providing for sending the bill H.R. 6012 and accompanying papers to the Court of Claims; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

111. Mr. McCULLOCH presented a petition of Verne O. Woolf, secretary, and others of Local 105, UAW, Wapakoneta, Ohio, for the inclusion of the State of Ohio in the experimental food stamp plan, and for the permanent substitution of the food stamp plan for the present plan of distribution of surplus commodities for poor relief, which was referred to the Committee on Agriculture.

EXTENSIONS OF REMARKS

Byelorussian Independence Day

EXTENSION OF REMARKS

OF

HON. WILLIAM FITTS RYAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 29, 1961

Mr. RYAN. Mr. Speaker, March 25, 1961, marked the 43d anniversary of the proclamation of independence of the Byelorussian Democratic Republic.

The Byelorussians form one of the many Slavic peoples who have lived under Russian domination for centuries. However, they have tenaciously clung to their distinct national traits and have kept their national traditions alive. These sturdy and stouthearted people, numbering close to 10 million today, have lived in their historic homeland in the frigid north country between eastern Poland and Moscow throughout their recorded history, long before the rise of modern Russia. Early in modern times the country was conquered by Russian czars. Since then, except for a brief period after the First World War, these people have suffered under Russia's czarist autocracy, and today they are suffering under Soviet totalitarian tyranny.

Toward the end of the First World War when Russian autocracy was overthrown, peoples oppressed under that decrepit regime were freed, and they all proclaimed their independence. The Byelorussians were among the first to do this. On March 25, 1918, they proclaimed their national independence and founded the Byelorussian Democratic Republic. That historic event ushered in a new era. It was the rebirth of a free and independent Byelorussia, the most important landmark in Byelorussian history.

During the next 3 difficult years the new and weak state fought valiantly for its very existence, but in the end it was overwhelmed. Early in 1921 the country was overrun, and then made part of the Soviet Union. Thus ended independent and free Byelorussia. For 40 years these people have been living under the unrelenting tyranny of communism. Hard pressed, miserable, and constantly harassed, they still breathe the spirit of freedom and independence, and long for their deliverance from the Kremlin's tyranny.

Mr. Speaker, we commend them for their courage.

SS "Hope"

EXTENSION OF REMARKS
OF
HON. FRANK T. BOW
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 29, 1961

Mr. BOW. Mr. Speaker, the SS *Hope* is proving to be one of the most successful humanitarian ventures ever undertaken by the people of the United States. Reports of achievements come to us from the *Hope*'s every port of call.

I think it is proper to call attention to the fact that one of the principal contributors to the *Hope* project has been the American President Lines which not only assisted in the acquisition and conversion of the ship, a period of nearly a year before it sailed, but also agreed to operate the vessel on a nonprofit nonremunerative basis.

When Mr. George Killion, president of American President Lines, was first apprized of this project, he immediately offered his company's services. He was convinced that the SS *Hope* would offer tangible evidence that the people of the United States do care about the condition of less fortunate people throughout the world, and are eager to extend firsthand personal aid as proof of their concern.

To speed the project on its way, Mr. Killion directed that various departments of his company begin work immediately to determine the overall requirements for operating the ship. After a comprehensive study of the ship's design, the company participated in the arrangements required for the conversion of the ship to conform with U.S. Coast Guard standards of merchant marine operation, and to provide adequate medical facilities. Subsequently, the Navy awarded a conversion contract to the Puget Sound Drydock & Shipbuilding Co.

The effort by American President Lines had only started. Two men were assigned from its engineering department to represent the company in Seattle, and a former ship's captain was named project officer to prepare the ship for its mission of mercy.

Almost every department in American President Lines assisted. The steward's department spent weeks compiling commissary lists for the first voyage. The legal department reviewed the many complex contractual arrangements required to establish the program. The finance department set up a cost-accounting system and developed financial data to permit People-to-People Health Foundation to plan the financing of the project. The industrial relations department worked out the involved bargaining contracts with the seamen. The insurance department developed an insurance program for the project. The service and supply department handled the inventory, the purchasing, and the organization of the storing program. The operating department had the responsibility of consolidating all data pertinent to getting this "city" of 200 officers, crew, and medical staff ready for a voyage to foreign ports thousands of miles distant. And the public relations department assisted in planning the publicity needed to gain support for the project, and in the raising of funds to finance it.

Not least in the contributions made by American President Lines was the assignment of Capt. J. M. Windas as master of the SS *Hope*. A 43-year-old graduate of the Merchant Marine Academy, with 22 years' experience with American President Lines, Captain Windas had been serving on American President Lines' SS *President Polk* when he undertook his new assignment.

In the words of Mr. Killion:

> American President Lines is proud to have been a part in organizing and carrying forth this humanitarian project, and to be linked with the many others whose contributions have made its success possible.

Byelorussian Independence Day

EXTENSION OF REMARKS
OF
HON. CHARLES S. JOELSON
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 29, 1961

Mr. JOELSON. Mr. Speaker, Byelorussia is the country extending from the western borders of Poland to the approaches of Moscow. It is a cold but fertile land, and its inhabitants are—for the most part—rugged peasants. These people numbering some 10 million have been living in that country from time immemorial. There they led a simple life and were content with their lot until they were brought under Russian czars early in modern times. Then began the unhappy period of their history. The Russians proved very oppressive, and they tried to absorb the Byelorussians by attempting to suppress all Byelorussian national traits. But the Byelorussians clung to these and struggled against the czarist regime to maintain their national identity, and to regain their freedom. In 1918 when that regime was no more they asserted their freedom and independence.

Byelorussian leaders seized upon this chance, proclaimed their independence on March 25 and established the Byelorussian National Republic. Then it seemed all joy and gaiety for these oppressed people. They were enjoying their freedom and working hard to guard their well-earned freedom. But they were faced with numerous powerful foes, and among these Communist Russia proved formidable. Early in 1921 the Red Army attacked Byelorussia, overran it and soon the country became part of the Soviet Union. Since that fateful year, the Byelorussians have been suffering under Communist totalitarian tyranny in their historic homeland. But they still cling to their ideals, and still pray for their deliverance from Communist tyranny. On the 43d anniversary of their independence day we echo their genuine patriotic sentiments and wish them more power in their struggle for freedom.

A New School Aid Bill With No Strings

EXTENSION OF REMARKS
OF
HON. THOMAS M. PELLY
OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 29, 1961

Mr. PELLY. Mr. Speaker, I wish to announce to the House that I have introduced a new school bill. It is H.R. 6074 and would provide direct aid to the States for educational purposes only.

In previous Congresses, I was the sponsor of the so-called Pelly bill which would have returned 2 percent of all Federal income taxes collected in the various States to them to be expended by each State in accordance with its own budget. Based on Federal income tax collections, this bill would have refunded $1.1 billion without any Federal controls. No cost of Federal administration would have been involved. The only procedure would have been 50 checks from the Treasurer to 50 State treasurers.

There was one flaw in this proposal; namely, the fact that corporation taxes are paid in one State but the profits which are taxed are often earned in several States. States such as Alaska or my own State of Washington would have suffered because many big corporations have their headquarters in cities like New York, Chicago, Boston, or San Francisco. As a result, income tax returns paid in some States reflect profits earned in other States.

To make a long story short, I admitted that weakness in the bill and since the 86th Congress have sought to come up with a new and more equitable basis of tax refund.

My new bill, H.R. 6074, removes the inequity. It would limit the refund to a percent of personal or individual taxes. In other words, my new proposal is to turn back 5 percent of the taxes on income paid by individuals. It excludes refunding of payroll taxes under social security and likewise does not include any part of the income taxes on corporation profits.

Based on a breakdown of such taxes furnished me by the Library of Congress, I have estimated the annual return of taxes for education under my bill as follows:

	Amount
Alabama	$13,705,000
Alaska	2,080,000
Arizona	8,615,000
Arkansas	5,890,000
California	207,285,000
Colorado	35,255,000
Connecticut	38,095,000
Delaware	12,735,000
District of Columbia	14,588,000
Florida	34,400,000
Georgia	22,265,000
Hawaii	5,695,000
Idaho	4,070,000
Illinois	160,855,000
Indiana	47,475,000
Iowa	17,635,000
Kansas	15,220,000
Kentucky	14,385,000
Louisiana	17,915,000
Maine	5,305,000
Maryland	43,215,000
Massachusetts	64,700,000
Michigan	106,765,000
Minnesota	32,420,000
Mississippi	5,350,000
Missouri	48,015,000
Montana	4,065,000
Nebraska	13,270,000
Nevada	3,910,000
New Hampshire	4,755,000
New Jersey	63,980,000
New Mexico	5,865,000
New York	335,435,000
North Carolina	20,990,000
North Dakota	2,775,000
Ohio	131,885,000
Oklahoma	16,775,000
Oregon	16,770,000
Pennsylvania	138,960,000
Rhode Island	9,255,000
South Carolina	7,590,000
South Dakota	2,985,000
Tennessee	18,375,000
Texas	72,695,000
Utah	6,325,000
Vermont	2,165,000
Virginia	23,685,000
Washington	27,755,000
West Virginia	8,095,000
Wisconsin	36,100,000
Wyoming	2,420,000
Total	1,961,180,000

Postal Note

EXTENSION OF REMARKS

OF

HON. WILLIAM H. AVERY

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 29, 1961

Mr. AVERY. Mr. Speaker, I am in complete accord with the philosophy that party workers should be rewarded for their effort if their candidate is successful in his campaign for any public office. The civil service system has removed many Government jobs from the conventional patronage role, but generally speaking the policy-making positions are subject to political appointment, as they should be. Under unanimous consent, I include an excerpt from a recent column in the Washington Evening Star that is an example of an appropriate recognition for campaign services rendered:

POSTAL NOTE

Tyler Abell, 28, has been appointed assistant to the executive assistant to Postmaster General Day. Mr. Abell, who is the stepson of Columnist Drew Pearson, will get a salary of $13,730 a year.

Hospitalization for Alaskan and Hawaiian Veterans

EXTENSION OF REMARKS

OF

HON. RALPH J. RIVERS

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 29, 1961

Mr. RIVERS of Alaska. Mr. Speaker, it is my privilege to speak of much needed veterans' legislation now pending in this body, which is couched in general terms, but which would have specific application to America's veterans living in Alaska and Hawaii. Since these veterans have come from all our States and fought for all of us, I seek the consideration and support of my colleagues for my bill, H.R. 2923.

This legislation, with regard to which I have already testified before the Subcommittee on Hospitals of the House Committee on Veterans' Affairs, would allow the Veterans' Administrator to make contracts with private hospitals for the treatment of veterans with non-service-connected disabilities, if said veterans reside in States not having a Veterans' Administration hospital or in States not having such facilities within 500 miles of their borders. In practical effect, this bill, if enacted, would apply only to the States of Alaska and Hawaii.

It is the purpose of this legislation to effectuate a simple and inexpensive solution to a defect in the Veterans' Administration program, having to do with Veterans' Administration facilities in Alaska and Hawaii.

Let us start with the fact that there is no Veterans' Administration hospital in Alaska and none in Hawaii, and there never has been. During the years when Alaska and Hawaii were territories, this situation was no problem because existing law—section 601(4) of title 38, United States Code—then authorized and still authorizes the Veterans' Administrator, among his other functions, to contract with private hospitals for the care of veterans with non-service-connected disabilities or ailments in a territory, commonwealth, or possession. Now that Alaska and Hawaii are States of the Union, however, the Veterans' Administration has lost its general authority to provide contract hospital care in Alaska and Hawaii in such cases.

Admittedly this authority so exercised by the Veterans' Administrator in a territory, commonwealth, or possession, and which he previously exercised in Alaska and Hawaii, is an exception to the general rule allowing hospital care for non-service-connected disorders only in Veterans' Administration or other Federal hospitals on a beds-available basis. The reason for the exception is stated in the Administrator's report on the legislation now before you, as follows:

Historically, the exception to permit hospital care in private facilities for war veterans with non-service-connected conditions in a territory or possession was based upon special considerations. These apparently included the factors of great distances from the mainland, difficulty in transferring patients to the States, and the relatively small volume of patient demand in the territories and possessions.

These words are well spoken and they apply to Alaska and Hawaii today as much as they did during the days of territoriality. Alaska and Hawaii are just as far away from the other States as they were then, transportation difficulties still persist, and the patient demand is too small to justify the great expense of constructing and operating a VA hospital in Alaska and one in Hawaii. Since neither Alaska nor Hawaii have sought VA hospitals, and are not about to become that kind of a burden on the General Treasury, I am offering and urging the simple, equitable, and comparatively inexpensive solution contained in my bill, H.R. 2923. I also point out that the savings in transportation which would be effected by my bill would constitute a substantial offset to the cost of hospital care in private local hospitals.

May I now speak of that portion of the Administrator's report which says:

We have beds allocated for VA beneficiaries in hospitals of the Department of Defense and the Department of Health, Education, and Welfare. In Hawaii beds are allocated for our use by the Defense Department in Tripler General Hospital. We believe that the needs in both Alaska and Hawaii are being met to a reasonable and proper extent by the use of these Government facilities.

This statement sounds good on its face, but does not work out in practice in Alaska. To be sure, there is a military hospital at Elmendorf Air Force Base near Anchorage and one at Fort Wainwright near Fairbanks, which meet the needs of the veterans in the rail belt.

The Health, Education, and Welfare Hospital at Anchorage plays little part in this picture because it duplicates the care available at the Elmendorf Air Force Base Hospital in the cases with which we are presently concerned. Since the rail belt is about midway between Ketchikan near the southeastern extremity of Alaska and the most westerly part, the problem still remains as to the greater part of the great area of Alaska. Veterans in Ketchikan and Juneau and other communities in southeastern Alaska are an average of about 1,000 miles from Anchorage at the southerly end of the rail belt and a like distance from Fairbanks at the northerly end. In other words, they are as far away from the hospitals on the rail belt as they are from the VA hospital at Portland, Oreg. Veterans at Nome are 500 miles from the rail belt and those of Bethel, Dillingham, and other places farther west a comparable distance, but with less frequent plane service. Right at hand in the communities I have named are good local hospitals where the lives of our veterans can

be safeguarded instead of jeopardized by waiting for the next airplane departure, and then suffering the rigors of getting to the plane, aboard the plane, and disembarking therefrom in all kinds of weather.

Some of the private hospitals with which the Veterans' Administration made contract arrangements during the days when Alaska was a territory are at such widely scattered locations as Ketchikan, Juneau, Sitka, Wrangell, Petersburg, Cordova, Glenallen, Anchorage, Seward, Kodiak, Palmer, Nome, and Fairbanks.

Because of the vastness of Alaska and its great distance from the nearest State, it is apparent to me that for the welfare of the veterans involved these cases arising in communities distant from the rail belt should be cared for locally in private local facilities. I also suggest that because of these great distances and transportation difficulties, Alaska can readily be distinguished as a State apart from the usual situation in the southerly 48 States, and that the Administrator may forget the fear he has expressed that this legislation, if enacted, might become a precedent for extending the idea to all the States. I sincerely urge that this legislation be considered on its merits.

To strengthen the statement which I made to the subcommittee, I submitted for the record of the hearings supporting documents which I recommend to your attention. These documents consist of a strong statement of Alaska's Governor, William A. Egan, an urgent joint resolution of the Alaska Legislature, detailed facts and figures provided by Ernest E. Lincoln, manager of the VA regional office at Juneau, and statements and telegrams from veterans' organizations throughout Alaska.

I trust, Mr. Speaker, that Alaska's veterans, numbering approximately 15,000, who are so far away from VA hospital facilities but who did so much for America in times of national peril, will be granted the benefits which would be authorized by my bill.

Donations of Surplus Personal Property for Purposes of Education, Health, and Civil Defense

EXTENSION OF REMARKS

OF

HON. JOHN W. McCORMACK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 29, 1961

Mr. McCORMACK. Mr. Speaker, under leave to revise and extend my remarks, I insert in the CONGRESSIONAL RECORD herewith a report from the Department of Health, Education, and Welfare which shows that eligible educational, health, and civil defense units received surplus personal property with acquisition cost of $25,310,206 in the month of February 1961. This brings the total for the fiscal year to $206,304,524.

The report follows:

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

OFFICE OF FIELD ADMINISTRATION

Surplus personal property report for the month of February 1961

Regions and States	Property located in the State and frozen on Forms HEW 136	Property allocated to other States or regions from locations within the State	Total property allocated to the State	Total property received by the State	Adjusted allocation
REGION I					
Connecticut	$108,773	$7,593	$194,607	$753,344	$95,041
Maine	190,224	3,780	235,816	182,786	218,803
Massachusetts	248,582	33,128	247,428	644,337	222,900
New Hampshire	48,528	4,447	103,335	53,604	92,985
Rhode Island	140,735	88,008	93,852	69,505	87,428
Vermont	221		47,018	47,931	34,873
Total	737,063	136,956	922,146	1,750,507	752,030
REGION II					
Delaware	24,532		100,479	49,938	93,660
New Jersey	551,874	103,009	1,079,017	629,406	349,641
New York	1,709,679	490,869	1,377,153	1,542,245	982,600
Pennsylvania	1,333,153	122,891	1,232,183	882,183	1,067,131
Total	3,619,258	716,769	3,788,832	3,103,772	2,493,032
REGION III					
District of Columbia	183,776	124,508	141,398	121,475	141,398
Kentucky	378,029	97,766	382,406	453,524	347,727
Maryland	360,141	55,957	458,600	416,046	444,503
North Carolina	270,528	38,597	535,361	675,253	419,683
Virginia	1,489,566	407,502	1,172,725	665,198	953,971
West Virginia	1,290,356	974,346	404,040	263,010	404,040
Puerto Rico	252,951		252,951	141,475	252,951
Virgin Islands					
Total	4,225,347	1,697,776	3,347,481	2,735,981	2,964,273
REGION IV					
Alabama	673,217	237,977	773,406	706,846	745,020
Florida	1,287,606	187,472	1,256,123	1,013,577	797,221
Georgia	1,283,272	724,490	606,134	288,026	573,114
Mississippi	375,368	139,693	522,995	620,199	460,325
South Carolina	149,223	34,198	140,043	325,729	123,243
Tennessee	361,999	56,131	728,397	699,997	580,263
Total	4,130,775	1,379,964	4,027,098	3,654,374	3,279,186
REGION V					
Illinois	268,511	25,466	539,644	682,717	485,985
Indiana	908,830	37,917	1,019,517	286,260	987,480
Michigan	226,218	15,015	633,387	1,050,833	551,362
Ohio	2,132,572	633,767	1,557,692	1,321,392	1,170,105
Wisconsin	304,443	3,432	500,730	922,994	405,766
Total	3,870,574	715,597	4,250,970	4,264,196	3,600,698

Regions and States	Property located in the State and frozen on Forms HEW 136	Property allocated to other States or regions from locations within the State	Total property allocated to the State	Total property received by the State	Adjusted allocation
REGION VI					
Iowa	$27,946	$141	$56,396	$88,222	$80,306
Kansas	107,677	36,690	176,774	392,223	176,774
Minnesota	80,748	5,071	311,054	288,312	297,161
Missouri	360,247	199,652	172,522	249,179	170,602
Nebraska	100,302	6,000	81,829	287,482	81,829
North Dakota	39,792		63,261	102,791	63,261
South Dakota	95,540	11,394	92,760	57,128	92,760
Total	812,252	258,948	954,596	1,665,347	938,783
REGION VII					
Arkansas	154,309	917	693,971	227,919	692,968
Louisiana	262,853	27,908	334,634	590,015	334,159
New Mexico	380,523	621	308,511	229,454	308,511
Oklahoma	267,932	7,837	623,058	413,361	602,157
Texas	1,789,565	94,655	1,306,536	724,285	1,200,433
Total	2,855,182	131,938	3,266,710	2,185,034	3,138,228
REGION VIII					
Colorado	255,350	22,384	297,765	182,382	291,979
Idaho	58,693	1,061	56,533	158,581	56,533
Montana	14,379		80,139	93,469	79,165
Utah	2,137,112	183,398	218,695	350,533	160,390
Wyoming	12,843	30	39,541	41,037	39,204
Total	2,478,377	206,873	692,674	826,032	627,271
REGION IX					
Alaska	184,889	22,617	159,574	60,276	151,468
Arizona	183,469	42,102	110,138	280,301	110,138
California	4,495,994	585,673	2,562,950	3,744,661	1,874,788
Hawaii	295,847	14,050	290,414	233,322	79,537
Nevada	28,532	28,822	44,316	109,250	42,491
Oregon	65,131	3,500	501,004	369,030	470,717
Washington	572,533	20,303	655,377	328,123	489,703
Total	5,826,394	717,067	4,333,781	5,124,963	3,218,842
Grand total	28,555,222	5,961,888	25,584,288	25,310,206	21,012,343

Kennedy Housing Bill To Cost in Excess of $7 Billion

EXTENSION OF REMARKS
OF
HON. THOMAS M. PELLY
OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 29, 1961

Mr. PELLY. Mr. Speaker, on March 13, I presented to the House an itemized cost of President Kennedy's housing program based on his message submitted to the Congress on March 9.

At that time I noted that the total financial impact of the President's housing message involved an ultimate expenditure of $6.813 billion.

However, without touching on the merits of the specific proposals in the President's message I noted that only $50 million, or less than 1 percent of the $6.8 billion, would be subject to the Appropriations Committee.

I would like to submit for the attention of the Members a revised statement of the administration's housing program based upon the legislation introduced in the House on March 29 as H.R. 6028.

The itemized cost is as follows:

Financial impact of S. 1478 (H.R. 6028), the Housing Act of 1961

[In millions]

Program	Grants	Loans
Urban renewal capital grants	[1] $2,500	
Planning grants	[2] 80	
Permanent open land acquisition	[1] [2] 100	
Open land for future development		[3] [4] $100
FNMA special assistance		[4] 750
Direct loans for elderly housing		[2] 50
Public housing	[1] [5] 1,943	
Additional subsidies for elderly tenants	[1] [6] 240	
Demonstration grants for public housing	[3] 10	
Community facilities		[4] 50
College housing		[4] [7] 1,350
Total	4,873	2,300
Total loans and grants	7,173	

[1] Authorizes contracts pledging faith of U.S. Government. Congress is legally bound to appropriate money in future years.
[2] Appropriation by Congress necessary before contractual obligation effective.
[3] Included in Kennedy housing message, but not in housing bill because of pendency of Williams bill, S. 858. HHFA will endorse Williams bill on this subject as part of housing bill.
[4] Not appropriated; Treasury withdrawals are noted as "public debt transactions."
[5] Based on HHFA estimates of subsidies to be actually disbursed with credit given for reducing contract subsidies through excess receipts at fiscal 1958 rate of 17½ percent ($3.16 billion would be maximum permissible authorization available under present statutory contract authority—$79 million per year for 40 years).
[6] Based on ⅓ of new public housing authorizations for elderly persons (Kennedy message).
[7] College housing loans have always been part of omnibus housing bills. It was requested in a separate message, although HHFA will still administer program.

I note that we may now refer to the administration's housing program as a $7.17 billion program. This represents the total loans and grants, or the total moneys withdrawn from the Treasury should the bill be enacted. I note that of this $7.17 billion only $140 million, or less than 2 percent, would be subject to the Appropriations Committee. The other 98 percent would either involve loans from the Treasury or contractual obligations which will make it necessary in future years to appropriate the money, with no room for discretion or judgment by the Appropriations Committee.

Mr. Speaker, I was most disappointed to read in the press that this bill has a price tag of approximately $3 billion. The reason is that the press accepts the Agency handout at face value. Yet, an inquisitive reporter, and I like to think that all reporters are inquisitive, would note that the administration was asking for an additional 100,000 units of public housing. Yet, the cost breakdown supplied by the administration contained no estimated dollar figure for the cost to the taxpayers of these 100,000 public housing units.

If any Member of the House believes that public housing costs nothing, let him look on page 323 of the Budget of the United States for the fiscal year ending June 30, 1962, and he will note a request for an appropriation of $169,300,000. This money will be paid during the fiscal year 1962 to service the debt on existing public housing. This is an outright subsidy because the rental income from public housing units pays only the operating costs. Now, when the Independent Offices Appropriations Subcommittee goes into session to ponder this request for $169,300,000, it will find that it has absolutely no discretion in eliminating the item or even reducing it. The United States is legally bound to appropriate and disburse this money on the basis of contracts which the Congress authorized in 1949 to be executed in the name of the United States.

This is a glaring example of the lack of control of the public purse, control which the Congress has relinquished to agencies of the executive branch.

It is therefore utterly fantastic for anyone to label this bill as a $3 billion or $4 billion measure by not including an estimate of cost for public housing.

It is to correct this glaring defect in pinning down the actual cost, current and ultimate, to the taxpayers of these programs that I introduced House Resolution 115 which would require that all legislation involving the expenditure of public money be subject to the Appropriations Committee. I regret that the House Rules Committee has refused to let the House work its will on House Resolution 115.

Soon the House will have an opportunity to work its will on this $7.173 billion measure. I hope that at that time we can raise a standard for fiscal responsibility to which all men might repair.

Byelorussian Independence Day

EXTENSION OF REMARKS
OF
HON. FRANK J. BECKER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 29, 1961

Mr. BECKER. Mr. Speaker, Byelorussians are one of the score of larger racial groups who have been suffering under the Soviet regime. As a matter of fact throughout their modern history they have been enslaved under Russian regimes, both czarist and Communist. Except for the very brief period of 3 years their history is one of subjection to Russian autocracy and tyranny.

In 1918, however, when the czarist regime in Russia was no more, they asserted their freedom and proclaimed their independence on March 25. That was 43 years ago, and the event constituted a veritable landmark in Byelorussian modern history. Then the Byelorussian National Republic was set up and the people of Byelorussia, some 10 million of them in their historic homeland, worked hard to strengthen their country against its foes. Unfortunately they were faced with powerful and deadly enemies, who could be fatal to their independence. Early in 1921 the Red army attacked and overran the country, thus putting an end to independent Byelorussia. Then the country was incorporated into the Soviet Union and its people became submerged in the vast Soviet empire. Fortunately, however, in this submerged and enslaved state Byelorussians are not lost. They still retain their love for freedom and cherish their national independence. On March 25, their independence day, our good wishes go to her and let us hope they will once attain their goal of freedom.

Petition by Anti-Communist Action Committee of Western New York

EXTENSION OF REMARKS
OF
HON. JOHN R. PILLION
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 29, 1961

Mr. PILLION. Mr. Speaker, it was a distinct honor today to present a petition signed by 10,000 residents of western New York State to Representative FRANCIS E. WALTER, chairman, and Representative GORDON H. SCHERER, of the House Un-American Activities Committee. It is also being presented to the Senate Internal Security Subcommittee.

The petition praises and supports the patriotic efforts of the House and Senate subcommittees. The language of the petition is:

We, the undersigned, recognize the serious nature of the Communist conspiracy, which aims to overthrow our constitutional government and establish Communist dictatorship. We praise the House Committee on Un-American Activities and the Senate Internal Security Subcommittee for their diligent and patriotic efforts to expose, analyze, and publicize the true nature of the Communist conspiracy, and to recommend legislation to protect us against communism. We reaffirm our support of these committees in their valuable and necessary work of exposing Communist treason and subversion, and proposing remedial legislation.

The petition submitted today is being compiled by the United Anti-Communist Action Committee of Western New York. It is only a portion of the number of

citizens who are expressing their support of these congressional committees.

The committee's executives are: Francis M. Kindel, chairman; Albert J. Weinert, the committee's speakers' bureau director; Walter V. Chopyk, secretary of the Erie County Planning Board; Almond E. Fisher, contact officer of the Veterans' Administration in Buffalo; Joseph P. McNamara, an attorney, and formerly the Americanism chairman of the Erie County American Legion; and Andrew Diakun, an attorney. This committee and its executives are performing a distinct public service in alerting our citizens to the menace of communism.

The petitions are being compiled in coordination with the showing of the film "Operation Abolition." This film is being presented to audiences consisting of school pupils and citizens in all walks of life.

The American people must be kept realistically aware of the continuing dangers of communism. We must never forget for a moment the evils of the communistic antigod philosophy, it is criminal tactics, it is socialist economy, it is totalitarian government, it is immorality, and it is contempt for the individual citizen.

The United Anti-Communist Committee of Western New York and the individual citizens who signed this petition are to be commended for their patriotism and their sincere interest in the welfare and safety of this Nation and the free world.

Federal Aid to Education

EXTENSION OF REMARKS
OF
HON. RALPH J. RIVERS
OF ALASKA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 29, 1961

Mr. RIVERS of Alaska. Mr. Speaker, in my testimony today before the Subcommittee on General Education of the House Committee on Education and Labor, I pointed out that Alaska, among other impacted districts, would lose instead of gain under provisions of H.R. 4970 as presently written, which is the administration bill for Federal aid to education. Since my testimony also referred to the other States, I am prompted to make known to all my colleagues the substance thereof. In general, I speak in support of this legislation, which represents an effort on the part of the Federal Government to improve and equalize minimum standards of education throughout our country, and I find from discussing this subject with many of my fellow Alaskans that my State may be recorded as strongly in support of the principle of Federal aid to education. This enthusiasm, however, has been postulated upon the understanding that appropriate legislation designed to carry out this urgent national purpose would increase financial implementation of Alaska's school program as well as the school programs in the other States. Imagine then my consternation, and like feelings on the part of my fellow Alaskans, when analysis of H.R. 4970 disclosed that Alaska, which is a recipient of Federal school impact funds, would get $68,800 less per year under said bill than if it had never been introduced. This figure is based upon an estimate for 1962 shown by the following figures from tables prepared by the Department of Health, Education, and Welfare.

STATE OF ALASKA ASSISTANCE TO IMPACTED SCHOOL DISTRICTS

Under Public Law 874:	
If retained as is	$8,090,300
If amended by title II of H.R. 4970	7,577,800
Loss, this phase	512,500
Under Public Law 815:	
If retained as is	2,447,300
If amended by title III of H.R. 4970	2,336,000
Loss, this phase	111,300
Total loss under titles II and III	623,800
Offset by $15 per pupil payment	555,000
Net loss under H.R. 4970 if enacted with titles II and III retained	68,800

As you may know, several of our colleagues have advised that similar losses would result to their impacted districts if H.R. 4970 is enacted as written. I expect that H.R. 4970 was drafted in haste, and that HEW knew this committee might in the course of its studies discover inequities and take appropriate amendatory action to remedy the miscarriage of this program as it would apply to Alaska and a few other districts.

From developments thus far I am able to pinpoint several alternative remedies.

May I first mention the idea of extending Public Law 815 and Public Law 874 in full force and effect. In H.R. 3677, the gentleman from Michigan [Mr. O'HARA] proposes a 2-year extension, the gentleman from New York [Mr. PIKE] through the medium of H.R. 3566, proposes a 4-year extension, and Senator ENGLE has introduced in the Senate S. 1078 to make permanent the existing provisions of Public Law 815 and Public Law 874. The purpose of any of these proposals can, of course, be accomplished by striking all of the titles II and III from H.R. 4970 and substituting simple extension provisions. This I recommend and would fully support.

Passage of H.R. 4970 after being so amended would produce for Alaska the estimated sum of $555,000 the first year, $645,000 the second year, and $750,000 the third year over and above entitlements under Public Law 815 and Public Law 874. Because of the many financial demands upon Alaska incident to these first years of statehood, there is an acute need for such aid to help meet the educational demands of Alaska's rapidly increasing school population and for improving its already excellent public school system, with regard to which high standards are maintained in spite of handicaps. Because of the high cost of construction and high operating costs, Alaska disburses approximately 50 percent of its total tax revenues, both State and local, in behalf of education, including support of the University of Alaska.

A related factor to consider is that Federal aid to education in Alaska looks more impressive dollarwise than in practical results. According to statistics prepared by the Office of Education of the U.S. Department of Health, Education, and Welfare, the per pupil cost in Alaska of a minimum school facility under Public Law 815 came to $2,300 in 1958 and $2,630 in 1959. In New York, for the same period, the 1958 cost of $1,810 shrank to $1,750 in 1959. Ranking the States in this regard from highest to lowest, the median is found in Maine with a 1959 per pupil construction cost of $1,150 which is less than half of such cost in Alaska. This, I believe, graphically demonstrates one of the handicaps with which Alaskans are confronted in maintaining their school system.

Reverting now to another idea, I would like to have you consider a defect in title I discovered by Dr. George Rogers, in analyzing the administrative procedure involved. Dr. Rogers, a highly competent economist presently on the faculty of the University of Alaska, has pointed out that in computing the total earnings of individuals within each State and in the Nation as a whole, the statisticians at the Department of Health, Education, and Welfare have included the pay of military personnel within each State and the Nation as a whole. As you know, the total of individual earnings within each State is divided by the number of pupils therein to determine the income per public school pupil for each State. We also know that the pay of military personnel is exempt from State taxation and would not, therefore, reflect upon the ability of a State to maintain its public school system. Accordingly, the pay of military personnel should not be included. Although this factor increases total individual earnings within all the States on an average of only 3½ percent, it hits Alaska very hard. Tax-free military payrolls constitute 26 percent of total individual earnings within Alaska. Accordingly, an entirely false impression is created as to total earnings of individuals in Alaska subject to State taxation, with the consequence that Alaska is erroneously rated in this regard as one of the richest States and placed in the category of States slated to get only $15 per pupil as contrasted with more than twice that much for certain other States. This military pay factor, unless corrected, will also adversely affect other States within which are located substantial military establishments. Thus, individual earnings throughout the program should be computed without including the pay of military personnel. This point, which was brought to light by Dr. Rogers, has already been submitted to the Senate Subcommittee on Education by Senator GRUENING of Alaska as part of an amendment which he has proposed to S. 1021, the Senate counterpart of H.R. 4970. Senator GRUENING's amendment would also take

into account comparative costs of construction in the several States. The remaining feature of his amendment, which is postulated upon retention of titles II and III, would add $84 million to the $666 million already specified for fiscal year 1962 to accomplish the purpose of offsetting losses to the impacted school districts which would result from the cutbacks under Public Law 815 and Public Law 874.

Another alternative which would resolve the problem as to Alaska has been suggested to the Senate Subcommittee on Education by Senator BARTLETT of Alaska. Senator BARTLETT suggests, if titles II and III are to be retained, that there be created a discretionary fund to be administered by the Secretary of Health, Education, and Welfare for supplemental grants to remotely located school systems suffering unusual transportation and climatic problems and where estimated construction costs exceed the national median by a factor of two or more.

Mr. Speaker, I feel that all of us recognize the desirability of preventing the inequities which would flow from H.R. 4970 if it were enacted in its present form. Therefore, I wish to be counted among those who strongly support appropriate amendatory action. My choice of the proposals which I have mentioned would be an extension of Public Law 815 and Public Law 874 in full force and effect, together with a provision requiring exclusion of the pay of military personnel in computing total individual earnings.

Greek Independence Day

EXTENSION OF REMARKS
OF
HON. WILLIAM FITTS RYAN
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 29, 1961

Mr. RYAN. Mr. Speaker, the Greek war of independence, which began 140 years ago and culminated in the birth of modern Greece, was one of the major political events in 19th century Europe. That successful revolt also proved that regardless of the physical weakness of an oppressed people, and also regardless of the number of centuries they are held down by their overlords, stouthearted and gallant people will always try to free themselves from oppressive tyranny.

Greeks had enjoyed freedom and practiced it in their homeland centuries before any other people. In this as in many other social and political experiments they were pioneers, the real creators of our Western civilization. But even before the beginning of our era, the glory of Greece was gone, and the Greeks had lost their freedom. Thus for nearly 2,000 years they lived under alien regimes, first under the Romans, then under Frankish kings, and finally, from mid-15th century down to the time of their independence under the Ottoman Turks. During their long suffering they revolted more than once, but each time their attempt ended in failure because physically they could not cope with the powerful Ottoman forces. Their daring revolt in 1821 was successful because the awakened consciences of Europe and America were in wholehearted sympathy with their righteous cause, and the governments of Europe could help the Greeks in time to save them from almost total extermination. That is what certain European governments did in the fall of 1827. When gallant Greeks were almost down and out, public opinion in Europe practically forced Britain and France to action. In October of 1827 the navies of these two countries and that of Russia took part in the Greek war of independence and annihilated the Ottoman fleet, thus assuring the victory of the Greek cause.

March 25 was the 140th anniversary of Greek independence. We salute the gallant Greek people for their loyalty to our common ideals, freedom, and independence.

"City Council of Maywood, Los Angeles County, in the Great 23d Congressional District, California, Unanimously Adopts Resolution Supporting House Un-American Activities Committee"

EXTENSION OF REMARKS
OF
HON. CLYDE DOYLE
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 29, 1961

Mr. DOYLE. Mr. Speaker, by reason of unanimous consent heretofore granted me so to do, I present to the attention of this great legislative body the text of a resolution adopted by the city council of the city of Maywood, Calif., which is in my great 23d Congressional District, in support of the work of the Un-American Activities Committee of which I am a member. I also call your attention to the letter accompanying same and my reply thereto.

CITY OF MAYWOOD, CALIF.,
March 13, 1961.

Congressman CLYDE DOYLE,
New House Office Building,
Washington, D.C.

DEAR CONGRESSMAN CLYDE DOYLE: At the last regular meeting of the Maywood City Council February 28, 1961, the enclosed resolution was adopted.

The city council instructed that you be mailed a copy which is self explanatory.

Yours very truly,
ISABEL L. DEDMORE,
City Clerk.

RESOLUTION 1784

(A resolution of the City Council of the City of Maywood urging that the House Un-American Activities Committee be preserved by Congress as an effective deterrent against the enemies of internal security and the American way of life as developed under the Constitution of the United States)

Whereas it is fundamental that self-preservation is the first law of nature; and

Whereas it is the inherent right of the Government of the United States to preserve itself from destruction by enemies from within as well as from without; and

Whereas it is generally well established that Communist subversives working secretly within the United States have delivered important military and atomic secrets to foreign powers to the detriment of the United States; and

Whereas the Communist conspiracy is, among other things, the overthrowing of the American system of government by force and violence; and

Whereas constant vigilance is required to observe and expose the enemies of the United States; and

Whereas the House Un-American Activities Committee has in the past been most successful in exposing to public light the enemies of the internal security of the United States and this committee should be preserved for the self-defense of this Nation so that those persons intent upon destroying the Smith Act, the Internal Security Act, and the Communist Control Act can be revealed for what they represent: Now, therefore, be it

Resolved, That the House Un-American Activities Committee be preserved by Congress as an effective deterrent against the enemies of internal security and the American way of life as developed under the Constitution of the United States.

Passed, approved, and adopted this 28th day of February 1961.

GEORGE G. GLENN,
Mayor.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., March 27, 1961.

Hon. MAYOR AND CITY COUNCIL,
City Hall, Maywood, Calif.

MY DEAR FRIENDS: I acknowledge receipt of your letter of recent date with your very worthy resolution 1784 enclosed, said resolution being entitled as follows: "A resolution of the city council of the city of Maywood urging that the House Un-American Activities Committee be preserved by Congress as an effective deterrent against the enemies of internal security and the American way of life as developed under the Constitution of the United States."

I thank you for sending me this after having taken the time and trouble to adopt the same by unanimous vote.

Because of the very important city of Maywood which you gentlemen have the privilege of representing by due election of the citizens thereof being in the great 23d Congressional District which I represent in this, my 15th year in the U.S. Congress, and, furthermore, because I have already been a member of the House Un-American Activities Committee for about 14 years and am now a member thereof; and also, Mr. Mayor and councilmen, because this resolution is unusually timely and pertinent in view of the unfounded and unwarranted attacks upon the committee, I—with great appreciation to you—say that I shall promptly ask unanimous consent to insert same, and your letter to me conveying same, into the next issue of the daily CONGRESSIONAL RECORD. I am sure that no Member of the great Congress of the National House of Representatives will make any objection to the inclusion thereof.

If you have not already learned the fact which I now relate, I wish to say that when the effort was made by Congressman ROOSEVELT, of California, to have the budget of the House Un-American Activities Committee reduced a short time ago on a rollcall vote, the House membership voted for and in support of the committee's budget as asked for by an aye vote of 412 and a nay vote of 6. I, of course, voted "aye." I herewith enclose a copy of my short speech in the House of Representatives on the 1st day of March 1961, in support of the House Un-

American Activities Committee and against the Roosevelt resolution.

Our beloved Nation deserves the best of whatever we are.

Cordially, your Congressman,

CLYDE DOYLE.

Just Whose Tax Money?

EXTENSION OF REMARKS

OF

HON. F. EDWARD HÉBERT

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 29, 1961

Mr. HÉBERT. Mr. Speaker, I do not think it necessary to make any comment on this exchange of correspondence. It speaks for itself.

How ridiculous can some people get? The correspondence follows:

MARCH 13, 1961.

Mr. JOHN E. HORNE,
Administrator, Small Business Administration, Washington, D.C.

DEAR MR. HORNE: I would like to know the reasoning, if indeed there be any, for the ruling of the Small Business Administration that precludes loans to small businessmen who derive half or more of their receipts from the sale of alcoholic beverages.

I consider this regulation arbitrary and highly discriminatory.

Worse, it is aimed at the hand that feeds, for one of the largest contributors of taxes to the public coffers at all levels—municipal, State and Federal—is the alcoholic beverages industry.

I am informed, for example, that in the year 1959 public revenues from alcoholic beverages totaled $4,298,465,834. Of this figure, the Federal Government received a slice coming to $3,154,556,000. Yet the small businessman dealing in alcoholic beverages is not permitted by administrative ruling to receive an SBA loan, even though his taxes are used in the broad sense for SBA loans and for the administration of the SBA itself.

As to the importance of the alcoholic beverage industry to the tax structure of the United States, it may interest the Small Business Administration to know that these particular tax receipts would almost support the entire Veterans' Administration; the same applies to the labor and welfare program; these tax receipts would support commerce, housing, and space and still have nearly $1 billion left over. Further, these taxes could support the entire operation of the General Government—including the Small Business Administration—and still have nearly $2 billion left over.

I protest most emphatically the discriminatory regulation of the SBA, and invite your comments.

Sincerely yours,

F. EDW. HÉBERT.

SMALL BUSINESS ADMINISTRATION,
OFFICE OF THE ADMINISTRATOR,
Washington, D.C., March 24, 1961.

Hon. F. EDWARD HÉBERT,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN HÉBERT: Thank you for your letter of March 13, 1961, concerning our policy which prohibits the granting of financial assistance if a substantial portion of the gross income of the applicant is derived from the sale of alcoholic beverages.

The policy in question has been in effect since the beginning of the agency's lending functions in 1953. It is part of the loan policy statement promulgated by the Loan Policy Board and most recently published at page 8325 of the Federal Register dated October 14, 1959 (24 F.R. 8325).

The loan policy statement is the implementation of section 4(d) of the Small Business Act, as amended, which provides for a Loan Policy Board to establish general policies, particularly with reference to the public interest involved in the granting and denial of applications for financial assistance by the Small Business Administration. While it is true that it is the purpose of the Small Business Act, as expressed in the law itself by the Congress, that the Government should aid, counsel, assist, and protect insofar as possible the interests of small business concerns, it is also clear that Congress intended there should be some limitation. Otherwise, the provision establishing the Board would have little meaning.

In the discharge of its responsibility under the Small Business Act, the Board has repeatedly given consideration to the question of whether or not it is in the public interest to use taxpayers' funds to promote the sale of alcoholic beverages, and although many arguments have been presented, the Board has been unable to reach a conclusion favorable to the industry. I should like to make it clear that the Board has never taken the position that the alcoholic beverage business is not in the public interest. The Board's position relates only to the use of Government funds. The Board is of the opinion that the subject of alcoholic beverages presents a controversial issue with very strong differences of opinion, and even in those States where the sale of alcoholic beverages has been legalized there remains opposition thereto on the part of many taxpayers. This is evidenced by the fact that the industry is extensively regulated by Government, both State and Federal.

Since neither the Small Business Act, nor its legislative history, defines what is meant by "public interest," its determination must be the result of the judgment of the Board. However, it is significant to note that a similar Board, created for the same purpose in previous legislation, reached the same conclusion.

In addition, the policy in question was certainly not intended to cast any stigma on the alcoholic beverage industry, and there is no inference in the Board's decision that this industry has been singled out for discrimination. You will find that the loan policy statement includes other businesses which are not eligible for loans, for example, newspapers, magazines, radio and television broadcasting companies, and similar enterprises. Also prohibited are loans to enterprises primarily engaged in the business of lending or investments and this would include banks, insurance companies, finance companies, and similar businesses.

The Board has on several occasions, reconsidered this policy which concerns business loans to applicants engaged in the sale of alcoholic beverages, and decided to make no change in that policy.

Sincerely yours,

JOHN E. HORNE,
Administrator.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., March 29, 1961.

Mr. JOHN E. HORNE,
Administrator, Small Business Administration, Washington, D.C.

DEAR MR. HORNE: I want to thank you for your remarkable reply of March 24 concerning the policy of the Small Business Administration in refusing to make loans to those small businesses dealing in alcoholic beverages.

I say your reply is remarkable for these patent reasons:

You state, for example, that the Loan Policy Board "has repeatedly given consideration to the question of whether or not it is in the public interest to use taxpayers' funds to promote the sale of alcoholic beverages, and although many arguments have been presented, the Board has been unable to reach a conclusion favorable to the industry."

I am reassured to learn that I am not the first to request reconsideration of this policy. And I am further reassured to learn that many arguments have been advanced. I detect the possibility of understatement here.

If the Board applies the yardstick of whether such loans are in the public interest, and then decides not to make such loans, the logical deduction is that the Board decided it was not in the public interest. I trust the Board, though unable to reach a favorable conclusion, is able to follow the above reasoning.

I am touched by the Board's concern for the use of Government funds. As I pointed out in my initial letter, a good portion of these sacrosanct funds is provided by the alcoholic beverages industry. If the Government considers these funds to be sullied, then don't take them.

I acknowledge that the sale of alcohol was once controversial. I thought that had been ironed out in 1933, that the people had spoken when the 18th amendment was repealed. I thought the people themselves decided then what was in the public interest. Of course what your Board has done here is to elevate its opinion over that of the American electorate.

Inasmuch as you understandably elect to ignore the contributions made by the alcoholic beverages industry to the Federal Government, it might interest you to know that in 1959 my State alone contributed $28,332,000, a figure more than five times what was appropriated for the salaries and expenses of the Small Business Administration, and well better than half what was appropriated for your revolving fund. And that from just one State.

I wonder whether your Board is aware of that. Doubtlessly not because it appears the Board is under the impression we are still attempting to function under the Volstead Act. Please tell them it was repealed nearly 28 years ago.

Sincerely yours,

F. EDW. HÉBERT.

Professional Engineering-Scientific Classification Act

EXTENSION OF REMARKS

OF

HON. VICTOR L. ANFUSO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 29, 1961

Mr. ANFUSO. Mr. Speaker, on March 14, 1961, I introduced a bill, H.R. 5563, to establish a classification and compensation system for professional engineering, physical science, and related positions in the Federal Government. This bill has aroused a good deal of interest among engineers and scientists.

I have had many requests for information about the bill. Consequently, I have prepared a section-by-section

analysis which explains the measure. It is as follows:

SECTION-BY-SECTION ANALYSIS OF H.R. 5563

To establish a system for the classification and compensation of professional engineering, physical science, and related positions in the Federal Government, and for other purposes.

It is a generally recognized fact, based on numerous studies and reports prepared under the direction of both the executive and legislative branches of the Government, as well as by nongovernmental organizations concerned with the problem, that the Federal Government has been experiencing considerable difficulty within recent years in attracting and retaining high-quality engineering and scientific personnel in sufficient number for the continued implementation of necessary programs requiring such talent and capabilities. Federal agencies and departments have not only been unable to recruit the number and quality of engineering and physical science graduates due to the generally unfavorable position of the Government with respect to starting salaries, but perhaps more importantly, the increasing rate of attrition due to resignations among higher level engineers and scientists is a matter which has caused considerable concern.

Basically, the Government's problem is twofold: (1) A salary system which, in general, does not compare competitively with current rates for similar personnel in private areas of employment; and (2) the present lack of an effective program which will recognize and encourage the professional status and development of engineers and scientists.

As for the first, this problem area was succinctly pinpointed when the Eisenhower administration arrived late last year at a number of conclusions resulting from the Bureau of Labor Statistics "National Survey of Professional, Administrative, Technical, and Clerical Pay: Winter 1959–60." One of these conclusions was that, "Unless future salary action is in the direction indicated by the survey; namely, less emphasis on lower level pay and more competitive salaries at the higher levels—the Federal Government will be forced to rely at best on mediocre management and professional talent, particularly in the scientific and engineering fields."

The second is a more complex problem which involves several aspects and which requires a number of approaches toward a proper solution. One approach which is strongly supported by the engineering and scientific community is to establish a separate classification system for these key personnel. Such a system would serve to acknowledge their professional status and would provide that degree of identification which is necessary for their continued professional growth. Further, it would show that the Federal Government appreciates the unique contributions of these people and, by so doing, serve to improve the desirability of Federal employment.

This bill seeks a positive solution to these two problem areas through the establishment of competitive salary rates and by affording engineering and physical science personnel the professional status and recognition that is so imperative in these critical times.

SECTION 1—PURPOSE

This section explains the purpose of the bill which is primarily to improve the Government's competitive position in the recruitment and retention of engineering and scientific personnel through a system which assures adequate salaries and professional prestige.

SECTION 2—PROFESSIONAL ENGINEERING-SCIENTIFIC SCHEDULE; CONVERSION

This section establishes a compensation and classification system for professional engineering, physical science, and mathematics positions. The professional engineering-scientific schedule is divided into 10 grades which are designed PES–1 through PES–10. The salary levels assigned to each of the grades are comparable to current rates for similar classes of employees in non-Government employment. The Bureau of Labor Statistics survey, referred to above, served as the basic guide for the salary levels for each grade. There are seven ingrade salary steps in each of the first nine grades generally following the present arrangement under the Classification Act of 1949, as amended. For purposes of uniformity, each step increment amounts to $200. For grades PES–1 through PES–5, there is a $400 increase between the top step of the grade and the minimum rate of the next higher grade. For grades PES–6 through PES–9, there is a $200 increase between the top step of the grade and the minimum rate of the next higher grade.

The professional engineering-scientific schedule does not provide for longevity pay.

Initial conversion from the present general schedule for those positions placed in the new professional engineering-scientific schedule would be as shown in the bill. Engineers, physical scientists, and mathematicians currently at the GS–5 grade level, as well as those at the GS–7 level, would be converted to PES–1 on the new schedule. This reflects the professional nature of these positions and would permit individuals in these fields, who are recent college graduates, to be hired at salary rate which is competitive with what they could expect in nongovernmental employment.

During initial conversion, the salary of each employee on the general schedule who is transferred to the new schedule would be adjusted to a comparable rate on the new schedule which does not result in a decrease.

SECTION 3—COVERAGE

This section authorizes and directs the Civil Service Commisison to place in the new schedule all positions in the engineering, physical sciences, and mathematics occupational groups which require professional qualifications. This would include all such positions for which rates of compensation are fixed by the Classification Act of 1949, as well as the so-called Public Law 313 positions.

In order to guide the Commission in making the necessary detreminations, the bill contains definitions of "engineering," "physical sciences," and "mathematics" groups in terms of the type of work performed and the qualifications required.

Provision is made for the Commission to periodically review all positions placed in the professional engineering-scientific schedule and to make any studies which may be necessary to determine whether and to what extent additional positions should be placed in the new schedule. Additionally, the head of each department or agency may recommend to the Commission the addition or removal of positions under his jurisdiction.

SECTION 4—STEP INCREASES

The professional engineering-scientific schedule provides for a uniform within-grade increment of $200. These increments may be earned by employees performing satisfactory service after each 52 weeks of service if in grades PES–1 through 4; after each 78 weeks if in grades PES–5 through 8; and after each 104 weeks if in grade PES–9. The term "satisfactory" as used in this bill has the same meaning as when used in existing efficiency rating systems.

SECTION 5—PROMOTIONS, APPOINTMENTS, TRANSFERS

Unless otherwise authorized by law, new appointees to the professional engineering, scientific schedule will, after initial conversion has been completed, start at the minimum rate of the appropriate grade. The Civil Service Commission is authorized to issue appropriate regulations governing the rate of basic compensation for persons transferred to the new schedule from a position to which the bill does not apply, when there is a transfer from one position to another position in the new schedule, when a person is demoted to a lower grade in the schedule, when his type of appointment is changed, when his employment status is changed, or when the position in which he is employed is changed from one grade to another grade in the schedule.

This section further provides that no person can be promoted or transferred to a position in a higher grade in the new schedule unless he has completed at least 12 months in the next lower grade if the position from which promoted or transferred is in grades PES–1 through 3; 18 months if promoted or transferred from grades PES–4 through 6; and 24 months if promoted or transferred from grades PES–7 through 9.

SECTION 6—OVERTIME

Under this section, employees in grades PES–1 through 5 can earn either overtime pay or compensatory time off for authorized work in excess of 40 hours in any administrative workweek. Overtime pay is computed at 1½ times the actual hourly rate for employees whose basic compensation does not exceed the minimum scheduled rate for grade PES–2, and 1½ times the hourly rate of the minimum of PES–2 if the employee's basic compensation exceeds the minimum rate of PES–2. This conforms to current procedures under the Classification Act of 1949, as amended.

However, the bill authorized the head of any department or agency to grant employees in grades PES–1 through 5 compensatory time off in lieu of overtime payment, for an equal amount of time spent in overtime work or holiday work.

Employees in grades PES–6 through 10 will not be entitled to either overtime pay for compensatory time off for any work performed in excess of 40 hours in any administrative workweek. This reflects the philosophy that employees in these grades exercise considerable independent judgment and discretion in performing their duties and that a certain degree of flexibility may be required in the time spent to complete assignments or projects. Such an arrangement is in accord with accepted practices involving engineering and scientific personnel in higher level positions in private areas of employment.

SECTION 7—GENERAL PROVISIONS

This section explains the general coverage of the bill among Federal departments and agencies and lists three specific exemptions.

This section also provides that after 2 years from the effective date of the act, no person may be appointed, promoted, or transferred to the new schedule unless he is a holder of a bachelor's degree signifying graduation from an accredited engineering, physical science, or mathematics curriculum, or is licensed or certified as an engineer-in-training or professional engineer under the engineering registration law of any State, territory, or the District of Columbia. This will serve to raise the standards for the new schedule and assure continued professional qualifications among individual engineers, physical scientists, and mathematicians placed in the professional engineering-scientific schedule.

SECTION 8—APPEALS

This section grants appeal rights to any employee for Civil Service Commission review of any action placing or refusing to place him in the new schedule, or the assignment of his position to a grade or per annum salary rate, in order to determine whether

such action has been taken in accordance with the act.

SECTION 9—SAVINGS CLAUSE

This section provides that all statutes, regulations, orders, standards, and procedures applicable generally to Federal employees will apply in like manner to employees placed in the professional engineering-scientific schedule unless they are either expressly, or by necessary implication, made inapplicable to such positions.

SECTION 10—EFFECTIVE DATE

This section provides for an effective date as of the first day of the first month after the month in which the act is approved.

National Choir Recognition Day

EXTENSION OF REMARKS
OF
HON. THADDEUS J. DULSKI
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 29, 1961

Mr. DULSKI. Mr. Speaker, I am today introducing a resolution which would designate the first Sunday of October in every year as National Choir Recognition Day.

Singing in the choir always has been in our country a recognized and highly approved form of musical self-expression. Until recent times, it has been almost the only one. Mass instrumental musical culture has begun to approach the ubiquity of choral music only within the past few decades. It is impossible to estimate the number of choirs with which this country is blessed—certainly one would guess that there is at least one in each village large enough to have a church or a synagogue, and the urban centers have hundreds, ranging in size and skill from the most meager to the most awesome. Schools such as the Westminster Choir College in Princeton, N.J., and many others, are completely devoted to the training of choir leaders. There must be tens of thousands of choirs in the United States—perhaps they might be numbered in six figures.

At first in church and synagogue, everybody sang. Except for the chanting of the cantor, music was congregational. Then, as a means of supporting and leading the congregation, instruments were introduced for accompaniment—as the Old Testament tells us—and some of the better singers of those particularly interested in music began to have extra practice sessions and to sit together in the place of meeting. Thus choirs came into existence and this, in essence, is the early history of the development of choirs in our country.

When the Pilgrim Fathers arrived on our shores in 1620, many of them were skilled in singing music, and when the Puritans landed in Massachusetts Bay some years later, the singing of psalms was one of the ordinances of their faith. Indeed, the first book printed on the soil of what is now the United States was one intended as a singing book, the so-called "Bay Psalm Book"—from the Massachusetts Bay Colony where it was intended to be used—of 1640. Although it contained no musical notation, there were included specific directions to the colonists who used it as to tunes they were to sing to the psalms, tunes which must have been familiar and beloved of the founders.

But as life was hard in the wilderness, there was little time for singing, and the skills of the fathers were lost by the songs. By the end of the 17th century, the ability to read music from the printed page had virtually disappeared, and the remembrance of the old tunes, passed down from generation to generation, had become dim. In fact, congregational singing had become so poor that the clergy, who had to listen to it weekly were impelled to do something about it. By the second decade of the 18th century, a reform based on teaching people to read music so that they could sing together in an orderly fashion was well underway.

The instrument in this reform was the singing school, a social institution which flourished in this country for considerably more than a century. From the singing schools, the first choirs—that is, organized groups of skilled singers sitting in a specified place—developed some decades before the Declaration of Independence. Although there was a certain amount of opposition to the development of choirs on the part of those who felt that the prerogatives of the congregation in praising the name of the Lord in song were being usurped, by the end of the 18th century choir singing was firmly established as a normal American musical pursuit, and choirs and singing schools began to proliferate rapidly.

The choir is and always has been peculiarly the musical home of the amateur, and because American singing schools—one of the earliest manifestations of the democratic philosophy in action on this side of the Atlantic—imparted vocal and choral skills to vast numbers of ordinary citizens, the early American musical tradition is basically a choral tradition. In our country it is a great tradition. Beginning with the establishment at Boston in 1815 of the Handel and Haydn Society, large choral organizations fully equivalent in quality to those developing in Europe began to appear, among them such representative groups as the New York Sacred Music Society, established in 1824; the Apollo Club of Chicago, established in 1872; the Oratorio Society of New York, established in 1873; the Bethlehem Bach Choir, established in 1900. There were countless others.

These groups represented the flower of the art of performance of choral music in America—they could not have been possible had there not been in existence a countless number of humble church choirs scattered throughout the length and breadth of our land. These we take too much for granted—they inculcated in our people a deep love for and understanding of choral music, and they provided the basic knowledge, skill, and enthusiasm without which the performances of the towering masterpieces by the great choral societies would have been impossible.

The choir and its singing members, in education for peace, in energizing for work, in liberating man's spirit from the immediate into the infinite, and in uniting worshipers into a spiritual brotherhood, has an endless mission. Petty triviality has no more place in music sung by the choir than does ostentatious virtuosity. Sincerity and directness are its essentials.

All these benefits and many more have accrued to us through the instrumentality of the choir, an institution with a long and honorable history in this country. Surely it is fitting that we as a Nation formally recognize the progressive role it has played in the development of our musical heritage.

To that end, I urge my colleagues to support this resolution which designates a National Choir Recognition Day and authorizes the President to issue annually a proclamation inviting the people of the United States to observe such day in churches and other suitable places with appropriate ceremonies and activities.

Liberalism's Responsibility

EXTENSION OF REMARKS
OF
HON. JOHN O. PASTORE
OF RHODE ISLAND
IN THE SENATE OF THE UNITED STATES
Wednesday, March 29, 1961

Mr. PASTORE. Mr. President, on Thursday, March 23, 1961, my colleague from Rhode Island addressed the National Civil Liberties Clearing House in Washington, D.C. The subject of his remarks was "Liberalism's Responsibility" and I ask unanimous consent that my colleague's remarks be printed in the CONGRESSIONAL RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

LIBERALISM'S RESPONSIBILITY

(Speech by Hon. CLAIBORNE PELL, of Rhode Island, before the National Civil Liberties Clearing House, March 23, 1961, Washington, D.C.)

Ladies and gentlemen and those interested in civil liberties—and I don't believe that these are mutually exclusive terms—I am indeed glad and honored to be here with you this evening. First, as a brandnew Senator, ranking 100th out of 100, I would like to briefly assure you of being a bona fide liberal. I have been arrested three times by Communist officials and three times by Fascist officials; a nice liberal balance.

The theme I would like to go over with you today is to show how illiberal we liberals can sometimes become. The maxim I want to underline this evening is a very old-fashioned one indeed: "What is sauce for the goose is sauce for the gander."

By this I mean we must be dedicated to our liberal traditions, even when such dedication would appear to go against our short-term interests, or, at first glance, produce results that go against our liberal grain.

At this point, we should examine the definition of a liberal. To my way of thinking, the best definition of a liberal is a person with an open mind—that is why there can be liberal Republicans as well as liberal Democrats. The success of the open mind,

which permits constitutional change without revolution was best shown in the past century by the triumph of the liberal tradition in Britain, which produced the great reform bills in that country.

The liberal tradition means that we must protect the rights of those who urge causes which we may abominate. The statement attributed to Voltaire, "I disapprove of what you say, but will defend to the death your right to say it," might well be our guide.

The long experience of mankind indicates that the restless groping thinker is as necessary to the growth of ideas, as is the honeybee to the pollination of flowers. Of course, every democratic society has its crackpots, its lunatic fringe, its subversives, most of whom make no impact whatsoever upon a civilization. The reason is that just as a better version of the truth will supersede the previously accepted, so the nonsensical will be discarded.

Truth crushed to earth will rise again; a lie or a false theory, though raised to the skies, will fall, in the end, of its own lack of susbtance.

Mr. Justice Holmes called the exchange of men's thoughts "the free market of ideas." It is the consecrated purpose of the first 10 amendments to preserve and protect the rules of fair trading in that market of fairplay. And in that course, not delude ourselves into believing that we are self-righteously dispensing the boon of a society so strong that can dispense small favors. A new world is upon us, with new frontiers which expand at the speed of electricity and spaceships. We shall have to stretch our minds, our senses, our spirits, and our hearts to encompass the new world forming. Our old concepts will need considerable review, and we will not further our effectiveness by precluding full consideration of every thesis, no matter how novel or painful. The absolute necessity for entertaining painful criticism has been recognized by even the most stable of institutions. St. Benedict, in discussing the methods of conducting a monastery, once declared, "If a pilgrim monk come and should reasonably, modestly, and charitably censure or remark upon any defect, let the abbot consider the matter precedently, lest perchance the Lord have sent him for this very end."

But, just as you can get upset with those you love—your parents, your spouse, or your children—so, too, I find myself disturbed when I find friends, calling themselves liberals, who show as closed a mind as those they criticize.

I believe that the very essence of the liberal way is to provide for its own continuous self-criticism. The liberal way reaches its peak, not as a recital of the status quo, but as a means of making conditions better. It means that we cannot benefit by our mistakes, unless they are identified and frankly discussed. Let us look at the truth, however painful it may be.

For instance, we liberals must and do oppose a man being denied any position of honor or trust on account of race, color, or creed. Neither, however, should a man be given preference for a particular office because of race, color, or creed. Public office of any kind should not be assigned on a de facto proportional representation based on race, color, or creed. I am not blind to the fact that such de facto political arrangements exist, but I believe that liberals, given their strong desire to see minority groups afforded equal opportunities, should not fall into the trap of urging that a person be given preference for a position because of his creed, color, or country of ancestral origin. We politicians are sometimes guilty in this respect when we put together, or even seek office on the theory of the "ethnic balanced ticket."

We have pointed, and justly, to the shocking abuses of segregation by law in Southern States. But can anyone doubt that economic segregation in effect at least as cruel exists in the Northern States? And how many liberals sign restrictive covenants when they buy a house?

The United States to a Negro, or even to a Jew, does not yet have the fullness of opportunity that it should. Just the other day, I noticed that our new Secretary of State, Dean Rusk, bought a house in Washington, and, in buying it, he refused to sign a covenant committing him when he sold it not to sell it to any non-Caucasian, i.e. a Jew, a Negro, or an oriental. Because our Secretary of State refused to sign this covenant, and was merely putting into his personal life our supposed beliefs, it made headline news around the country. What is even more significant is that the Supreme Court has ruled that these covenants are illegal and unconstitutional.

Actually, when Dean Rusk and I were working together in the Department of State some 15 years ago, I can recall that the only place where we could eat with our colleague, Dr. Ralph Bunche, was in the Union Station cafeteria. Even the official State Department cafeteria was segregated at that time.

So, while the United States seems full of opportunity to many of us, and to our children, it really does not seem to offer the same full open doors to all our citizens.

The very word "liberal" has become a bit tarnished. I know in my own campaign I sometimes found myself even leery of the word "liberal." In fact, I characterized myself as a forward-thinking Democrat. The reason for the lack of popularity of the term "liberal," an adjective that 20 or 30 years ago carried with it the highest connotation of fine, good thinking, is partly the acquisition of rigidity and the performance of illiberal acts by many of us liberals.

Some of the finest words in the English language are to be found in the definition of the word "liberal"—"large and noble way, generous, bounteous, openhanded, ample, free from restraint, not narrow or contracted in mind, broadminded."

In a discussion on philosophy, by its very nature, it must be personal. One's own experiences and environment mold and frame the individual. Therefore, I ask your indulgence tonight in talking from a very personal point of view.

I mentioned a moment ago my belief that no man should be given preference for public office by virtue of race, creed, or ancestral origin. Actually, I have vested interest against proportional representation on any such basis. I was a member of a minority in my State primary campaign, and many people thought because of this my chances of election were not too good. Yet this factor was scarcely mentioned, and the people of Rhode Island were kind enough to make me the first unendorsed candidate for a statewide office to win a primary in the history of our State. And, in the November general elections, they gave me the largest plurality in the history of our State. Why? It seems even stranger when you realize that earlier in the primary, my party leadership voted against me 30 to 1, the labor unions twice supported my opponent, and even highly respected polls portrayed me as being defeated in the primary by a margin of 4 to 1.

The answer, to my mind, lies in a bit of history and in our liberal tradition. The first settlement in my State of Rhode Island—Providence—was founded by Roger Williams in 1636 in the spirit of real religious tolerance. One of the first actions of the settlers of Providence was to provide for religious liberty and complete separation of church and state. In his most celebrated work, "The Bloody Tenent of Persecution," published in 1644, Roger Williams asserted that "God requirith not an uniformity of religion," and held that pagans, Catholics, and Jews had a natural right to religious liberty. During Roger Williams' presidency of the colony, Jews and Quakers were welcomed to Rhode Island. Rhode Islanders are proud to have the oldest Jewish synagogue in America located in my own home city of Newport.

But even the tolerance established in early Rhode Island on occasion was found lacking. Even then there was room for improvement, as it was not until February of 1783 that Roman Catholics were given political privileges, and Ann Hutchinson, having fled from Boston, was unable to stay on in Rhode Island and departed for Connecticut. Then, she continued to live and practice her tolerance until scalped by a local Siwanoy Indian sachem, called Wampage. And here, parenthetically, I must add that my own eldest daughter is called Wampage, for this very Wampage was my own direct forbear. And so, I guess I, too, am guilty and should hang my head in shame since this forbear of mine literally scalped the liberal tradition.

In any event, as I worked and fought in my political campaign, I came to realize how deeply ingrained was the liberal tradition in my State, real liberalism, not skindeep liberalism. All our children had been taught and had absorbed this liberalism in their schools, public or parochial. If my State had not been liberal-minded, or open-minded, I, as a member of a minority, as an inhabitant of that portion of the State which has not been represented on the ticket for many years, who was regarded by many political leaders as being as impossible, improbable, and implausible a candidate as came down the pike in many a year, would never have been elected. So, I guess, my own appreciation of and gratitude to the liberal tradition is more ingrained than that of most people. In this connection, during my own few months in the Senate, I find myself constantly examining my own liberal conscience.

There is the question of limiting debate in the United States Senate. At the moment, because of the urgent necessity of strong civil rights legislation, liberals are pushing for a majority cloture rule, whereby a bare majority of those present and voting can cut off debate.

From the long-term viewpoint, let us not lose sight of the fact that we liberals have used the filibuster a number of times to prevent hasty consideration of what they consider to be damaging legislation.

There was the case of the Vreeland-Aldrich currency law, 1908: It was hoped by the framers of this legislation that it would provide a more elastic currency and stabilize the values of many securities. Conservatives had been alarmed by the number of bankruptcies and other financial difficulties which had been experienced in 1907 and felt that measures must be taken to preserve business. The opponents of the plan considered it just another device by which the privileged few could tighten their control upon the country's capital and credit.

That towering liberal, Senator Robert M. La Follette, Sr., of Wisconsin, led a filibuster against the bill during which, on one occasion, he spoke continuously for more than 18 hours.

There was the resolution to admit New Mexico into the Union in 1911. Proposals had been made to admit both Arizona and New Mexico, but Arizona had been eliminated because of provisions in her proposed Constitution for popular initiative, referendum and recall; provisions which were opposed by many conservative Senators. Senator Robert L. Owen, of Oklahoma, who favored admission of both New Mexico and Arizona, filibustered against the New Mexico resolution for the purpose of persuading the majority to agree to include Arizona. His filibuster resulted in only partial victory.

It succeeded in killing all statehood legislation for the session.

There was the tidelands oil debate in 1953. After the Supreme Court had decided that certain submerged lands lying offshore belonged to the United States rather than the abutting States, proposals were made to confirm title to these lands in the States. Senator WAYNE MORSE, of Oregon, was one of the most tireless opponents of such proposals. Between April 1 and May 5, while the Senate debated the tidelands measures, Senator MORSE spoke often and long for a good cause, with one of his speeches setting a new record of 22 hours and 26 minutes. The measures were defeated.

I do not believe that any minority should have the right to indefinitely prevent the Senate from reaching a vote. However, it seems to me that there is danger also in terms of making sure that the minority has a right to be heard, if we permit a simple majority in the Senate to cut off debate, unless ample provision is made to not only permit full debate, but allow ample time for the alerting and marshaling of public opinion. Actually, I believe that the three-fifths compromise that will probably emerge is a pretty fair one.

The essence of fairplay is that the rules must work both ways. For that reason, I believe the time has come when we liberals and progressives must take counsel with ourselves. Frankly, to the extent we do not practice what we preach, we shall be deemed hypocrites; and to the extent that we seek laws to enforce upon others what we do not observe ourselves, we shall be deemed seekers, not of the rights for all, but of special privileges for ourselves.

For example, it is our position that financial institutions, as custodians of the Nation's savings, are to be held as fiduciaries of highest trust, and subject to regular report, inspection, and regulation by the Government. Can we possibly argue that such duty is lessened if the depository happens to be the funds of a labor union?

We have often deplored the voicelessness of the stockholder in the large corporations and the vested interest of management in its own perpetuation. But is it not true that in some unions the individual worker is nigh as voiceless as the stockholder in a large corporation?

Liberals, as persons dedicated to man's inalienable right to seek the truth, find political requirements abhorrent in the field of the performing arts. We condemned, and rightly so, attempts to prevent Paul Robeson from giving concerts.

However, liberals would do well not to forget the furor caused over the award of the Bollingen prize for poetry in 1948 to Ezra Pound. At that time, the liberals called for a congressional investigation of the Fellows of the Library of Congress in American Letters, who made the award. The "Fellows" included such people as Conrad Aiken, Archibald MacLeish, Robert Penn Warren, and William Carlos Williams. The award was also bitterly attacked by one of our leading liberal magazines, which, on the other hand, has consistently opposed the House Un-American Activities Committee.

Let us also not forget that in early 1949, representatives of the Nation's leading liberal veterans' organization, the American Veterans' Committee of which I am proud to be a member, picketed Carnegie Hall in New York against the proposed appearance of the brilliant German pianist Walter Gieseking.

I know all too well, my fellow liberals, that we are human. We are bound to make mistakes.

I am also aware that in my talk tonight I have only pointed out where liberals have failed. I cite these instances because I believe that liberals, as peoples who strive for open minds, must set the most rigorous standards for their conduct. What I am saying is that what is sauce for the goose is sauce for the gander.

Jesus Christ gave us something to think about when he said "Be ye doers of the word and not hearers only. For if any be a hearer of the word, and not a doer, he is like unto a man beholding his natural face in a glass. For he beholdeth himself, and goeth his way, and straightway forget what manner of man he was."

Plight of the Truckers—Alaska

EXTENSION OF REMARKS
OF
HON. RALPH J. RIVERS
OF ALASKA
IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 29, 1961

Mr. RIVERS of Alaska. Mr. Speaker, I believe my colleagues will be interested in the anomoly which exists with regard to Alaska in relation to the Federal Interstate Highway System. Although Alaska participates in the regular A–B–C system of primary, secondary and rural roads, it is not yet ready to build any extensive amount of four-lane highways so is not included in the Federal interstate highway construction program. Nevertheless, the people of Alaska are subjected to the tax on motor fuel and tires from which the revenue is derived to carry out said program. Thus, on its face, this situation indicates that Alaska should be exempted from that portion of the Federal tax on motor fuel and tires which is applied to the interstate highway construction program. A second look, however, makes clear that since all the proceeds of such tax flow into the highway trust fund from which both the regular A–B–C Federal aid program and the Interstate System are funded, there is no exact portion of the tax collected specifically for the Interstate System which can be translated into an ascertainable exemption for Alaskans. Furthermore, the trust fund first meets the needs of the A–B–C program and the Interstate System gets only what is left. Thus it appears that the constitutional requirement of uniformity in tax laws binds Alaskans to pay the full Federal tax on motor fuel and tires even though Alaska is not included in the interstate highway construction program. It is on this basis that I contend Alaska is building up an equity in a future equalization road program to enhance the equity it already possesses by virtue of its non-inclusion under the Federal aid highway program during all its years as an incorporated Territory up to 1956, which fact has resulted in many of its towns not being interconnected by means of roads.

May I now speak in behalf of the trucking industry in Alaska in regard to the President's proposal which calls for retaining the present Federal gas tax of 4 cents a gallon and greatly increasing the tax on diesel fuel, trucks over 26,000 pounds, and highway tires, inner tubes, and tread rubber.

Notwithstanding the fact that the Alaska Carriers Association, Inc., is made up of member firms operating in a State without interstate expressways and without prospects of getting same, this association, in an official release which I received recently, expresses a broad national view in the following language:

> This association, representing those trucking firms and associate members (shown on its membership list) is completely in favor of the earliest possible completion of the Interstate Highway System and thinks that it should be accomplished with all practical speed.

However, complete opposition is expressed by the association to the proposed increase on diesel fuel, large trucks and tires, in the following language:

> Every member of this association is utterly and completely opposed to any further increases in taxes leveled solely at the trucking industry. The industry is not financially able to bear such a burden at this time and feels strongly that it would definitely not be in the best interest of the Nation to impose such a staggering burden on an industry that operates on such a marginal profit level but which nevertheless provides direct employment to millions of people. To impose this burden, at least at this time, would have disastrous results on the economy of the individual trucking companies and would very seriously endanger their ability to continue operations.
>
> To cease their operations to any extent would decrease employment in direct ratio. To decrease employment would eliminate or decrease the trucking industry's ability to provide the transportation service that is an absolute necessity to our way of life, our national defense, and which is the one thing that ties our Nation together and makes it strong. The trucking industry must prosper and grow stronger if the best interests of the Nation are best served. This cannot be done if the Federal Government takes from it more than a reasonable amount of its lifeblood.
>
> The industry has never been lacking in its support of our Government and the functions and performance of necessary services to our Government. It does hold with the common feeling, however, that equitable treatment should be accorded all of the people—including the trucking industry. Therefore, it is our feeling that any further increases in taxes that are necessary to support the interstate highway construction program should be equitably spread across the broadest base possible. Let every user of the highways pay the small amount, according to amount of usage, necessary to obtain the needed funds.
>
> The President has indicated that an additional one-half cent per gallon, assessed against all users, would provide the increased amount needed. It is suggested that this or some other equitable and fair method be used.
>
> The trucking industry in Alaska is even more hard pressed because of the Federal Government-owned Alaska Railroad competition. It operates on a so-called out-of-revenues basis, but its expenses do not include the payment of taxes on the items discussed herein, or on its properties or revenues to either the Federal Government or State government. This is wrong. It is not even regulated as to ratemaking by the Federal Government or State. This is wrong also, and lessens the ability of the Alaska trucking industry to pay even the present heavy taxes.
>
> All, to whom this letter is addressed, are respectfully urged to exert their every effort to insure that the proposed new taxes not be enacted and, instead, find a more fair and

just method of obtaining and/or allocating the funds necessary to move ahead with the interstate highway program properly.

Mr. Speaker, in addition to the handicap entailed in competing with the Alaska Railroad, which, under operation of the Department of the Interior, is not, as are the truckers, under the ratemaking and regulatory power of the ICC, the truckers must traverse rugged terrain on narrow roads in weather which in the winter is severe and very hard on equipment, entailing high costs in regard to maintenance and replacement of equipment. Thus, the need for a small margin of profit and indeed survival is a constant struggle. Accordingly, I believe that the proposed high tax on truck fuel, large trucks and tires would hit the members of the Alaska Carriers Association, Inc., in Alaska with greater impact than anywhere under the American flag, and I plead their cause, as most effectively stated in their own words.

Galindez Will Be Vindicated

EXTENSION OF REMARKS

OF

HON. WILLIAM FITTS RYAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 29, 1961

Mr. RYAN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address which I delivered on Saturday evening, March 18, at the Columbia University Club in New York City at a dinner commemorating the fifth anniversary of the disappearance of Columbia University Scholar Jesus de Galindez. The dinner was sponsored by the Inter-American Association for Democracy and Freedom.

My address follows:

GALINDEZ WILL BE VINDICATED

Five years ago last Sunday Jesus de Galindez vanished from the heart of New York City. Some of you knew him, perhaps as a young man in Vasconia, or later here in the New World where he continued to fight for the principles of freedom and human dignity.

I did not have the pleasure of knowing Dr. Galindez. But as a graduate of Columbia Law School and as Democratic leader of the seventh assembly district, which encompasses Columbia University where Dr. Galindez studied and taught, I have had a deep interest in the matter since the first chapters of this horrid international crime began to unfold.

THE TRAIL LED TO TRUJILLO

I profoundly regret that I was not a Member of Congress 5 years ago. Galindez deserved the most ardent pursuit of his murderers by all legitimate means. A mountain of evidence indicated Dominican complicity in the disappearance of Galindez. The Department of Justice followed the trail straight to Trujillo's door.

Trujillo frustrated U.S. legal procedures by refusing to drop the mantle of diplomatic immunity from General Espaillat, the Dominican consul-general in New York, who was seen at the airport when the abduction plane was rented. But alternate procedures were available. Congress, through its investigative powers, should have brought to public attention the evil nature of the Caribbean dictatorship that dared to carry out its terroristic activities within the United States. Furthermore, the U.S. Government could have carried its charges against Trujillo to the Organization of American States.

I am aware that the Inter-American Association for Democracy and Freedom has done much to combat Trujillo's sinister machinations in the hemisphere. Your constant efforts to throw the spotlight of truth on the Caribbean situation have helped considerably to neutralize Trujillo's venal propaganda. You can take much satisfaction in the fact that the millions of dollars Trujillo spent for whitewash have been largely ineffective.

GALINDEZ IS NOT FORGOTTEN

This gathering tonight is proof that Galindez is not forgotten, and that there are those who will not rest until the perpetrators of his dastardly kidnaping and murder are brought to the bar of public condemnation.

This year, the fifth anniversary of Galindez's disappearance, there are hopeful signs that his unwavering courage and devotion to justice were not in vain. As Dr. Galindez repeatedly urged, the United States has abandoned its disastrous and farcical policy of regarding Trujillo as a reliable and honorable ally in the defense of Western civilization. Gone, too, is the old excuse that denouncing Trujillo's outrages would constitute "intervention." The United States has realized at last that sweeping Trujillo's brutal behavior under the rug weakens the moral foundations of hemispheric unity and emboldens the dictator to commit more repugnant crimes.

How pleased Dr. Galindez would have been to hear Douglas Dillon, when Under Secretary of State, tell the House Agriculture Committee that the generalissimo is "a tyrant, a torturer, and a murderer."

FLAGRANT VIOLATIONS

The change in policy is clearly reflected in the inter-American community. In May 1960 the Inter-American Peace Committee—headed by the U.S. Ambassador to the Organization of American States—made an unprecedented investigation of the violation of human rights in the Dominican Republic. The Peace Committee delivered a severe condemnation of the Dominican Government for its "flagrant violation of human rights." The verdict came as no surprise to those familiar with brutal conditions in Trujillo's fiefdom. But, coming as it did from an unimpeachable international organization, Trujillo's powerful apologists were dealt a heavy blow.

The Peace Committee went further. Just as Galindez had argued previously, the committee declared that Dominican violations of human rights aggravated tensions in the Caribbean area.

A PLOT THAT BACKFIRED

Trujillo fought back with his usual terroristic methods. Holding President Betancourt responsible for the stiffening inter-American attitude toward his regime, Trujillo plotted with and aided enemies of the democratically-elected Venezuelan Government. He personally supervised a mission sent to Caracas to assassinate President Betancourt. The plot, as diabolic as the Galindez kidnaping backfired. As you know, Betancourt miraculously lived through the explosion that turned his car into an inferno.

Again the Organization of American States moved. For the first time in history, the inter-American organization invoked collective sanctions against a member state. The Foreign Minister, meeting at San José last August, agreed to break relations with the Dominican Republic, embargo all armaments shipments to the country, and to consider the suspension of trade in other articles. Subsequently, the OAS extended the embargo to include petroleum, petroleum products, trucks, and truck parts.

Trujillo's mask of respectability finally had been ripped off. No longer can he masquerade as a stanch Catholic, an ardent anti-Communist, a great humanitarian. He stands naked in the public eye: "a tyrant, a torturer, and a murderer."

THE "BENEFACTOR"

Take, for instance, Trujillo's pose as a good Catholic. The pages of the CONGRESSIONAL RECORD are full of praise for Trujillo, the Catholic benefactor. As a religious man, observers could be expected to ask, how could Trujillo be guilty of the savage excesses of which he is accused? Trujillo apologists are going to have a hard time peddling that line in the future.

Ever since the roundup and sadistic treatment of scores of Dominicans from good families suspected of plotting against the generalissimo, the church has spoken out. The first step was a pastoral letter of January 1960, in which all six Dominican bishops called clearly for "freedom of conscience, press and assembly," for a climate of liberty, and for an end to "anonymous denunciations." Since then, Trujillo has made war on the church.

INSULTS BY RADIO

Trujillo's Radio Caribe launches a daily, virulent assault, calling priests "psychotics, perverts, parasites." The Papal Nuncio, Archbishop Lino Zanini, has had his life threatened, and the Minister of Justice and Worship called him "an international provocateur."

One month ago Bishop Reilly of San Juan de la Maguana was cut off the air during a sermon when he said that reports in the government-controlled press and radio of the country are untrustworthy. Trujillo's agents constantly intimidate Boston-born Bishop Reilly.

The Bureau of Investigation of the National Catholic Welfare Conference reports that Trujillo's stepped-up antichurch activities include the expulsion of 150 Sisters in charge of government hospitals and charitable institutions, and about 50 priests; the closing of 3 Catholic schools which have had government subsidies; the promulgation of a law to eliminate all religious instruction for Catholic children in primary and secondary schools.

Meanwhile, Trujillo, the supreme cynic, presses his long campaign to have the church accord him the title of "Benefactor of the Church."

A SUDDEN SWITCH

Trujillo's pose as a firm friend of the United States in the cold war also has crumbled. In the time it takes to snap a light switch, Trujillo reversed his position a full 180 degrees.

First, he put through his docile Congress a constitutional amendment legalizing the Communist Party. Then his news media began to take a new tack. Radio Caribe, the dictator's powerful Caribbean mouthpiece, blasts a constant diatribe against the United States.

Some samples: "Sowing disunity is the policy being pursued by the North American imperialists against the countries of Latin America"; "General Eisenhower is waging a war against Latin America on behalf of the monopolistic interests"; "the most inveterate enemies of Dominicanism—the priests, those traitors and vagabonds, and the Yankee imperialists."

PRAISE FOR CASTRO

We know, too, that last August the Generalissimo sent emissaries to Europe for a series of secret meetings with Iron Curtain country leaders. Trujillo also switched gears on his opposition to Castro. It is reported that Johnny Abbes, a former secret police chief who is violently anti-American, and

General Espaillat, who figures so prominently in arranging the kidnaping of Galindez—attended a secret meeting in Cuba. There they concocted a nonaggression pact between the two Caribbean dictators. Since then, Trujillo's news media have only praise for Castro.

While the figurehead President of the Dominican Republic occasionally makes sounds along Trujillo's old line of strong ties with the Western democracies, the real power rests with the gang of hotbloods, including Abbes, Espaillat and Ramfis Trujillo, who passionately hate the United States. And let no one doubt, it is the generalissimo himself who has given them the go-ahead.

TRUJILLO EXPOSED

Under these circumstances, anyone who continues to extol Trujillo as "our great and good friend and ally" and as "a bulwark against communism" is ludicrous.

Trujillo at last has been publicly exposed as the menace Galindez knew him to be. Like a leper, he is quarantined in the hemisphere. But like the calculating caudillo he has been for over three decades, he still sits at the seat of power.

The OAS boycott has been largely ineffectual in bringing Trujillo to his knees. He can buy oil from the Near East, trucks and spare parts from branch plants in Europe.

The embargo has intensified a recession already underway because of falling commodity prices and large expenditures for arms. The economy is at a standstill. The Treasury is out of foreign exchange. Public works expenditures have been cut to the bone, throwing thousands out of work. Fearful of political upheaval, private investment has ground to a halt.

TRUJILLO TAKES THE MONEY

Trujillo, however, simply cinches in his people's belt while looting the Treasury to make deposits to his personal accounts in Canada and Europe.

Meanwhile, Trujillo's principal income earners, sugar and coffee, are unaffected by the sanctions. Some people contend that cutting off purchases of sugar from the Dominican Republic will hasten the demise of the dictatorship. Perhaps. But it is doubtful that even this slap at Trujillo, who owns 65 percent of Dominican sugar production, can push him from his throne. He can still sell on the world market.

I do believe, however, that the United States should not make it any easier for Trujillo by cutting him in on the extra quotas which results from the cutoff of Cuban sugar from the U.S. market.

Last year Secretary of State Herter pleaded in vain with Congress for authority to bypass the Dominican Republic in purchasing the extra sugar needed to fulfill Cubas share of the U.S. market. The Eisenhower administration wisely canceled a special, 2-cents a pound premium—the only authority the administration had to reduce some of the windfall benefit showered upon the Dominican Republic, since Congress had not acted.

TIME FOR CONGRESS TO ACT

Last month President Kennedy likewise asked Congress for discretionary power to purchase the amount of the Dominican Republics windfall sugar from other suppliers. I am hopeful that Congress will act this time, and I suggest that all of you express your views on this matter to your Congressmen.

Meanwhile, mere punitive action is not enough. Revulsion against Trujillo's criminal despotism must not blind us to the problem of what comes after his fall. Will Ramfis and his henchmen, schooled in the generalissimo's savage and totalitarian methods, seize control? Will Communists move in to steal power from sincere patriots whose inexperience in representative government makes them easy prey for trained agents?

Trujillo, Jr., or any of his ilk, spell a continuation of the brutality and oppression which have infected the area during the generalissimo's reign. A Communist takeover would exchange a home-grown tyrant for one manipulated by Moscow and Peking.

ENEMIES ON THE LEFT AND RIGHT

The problem extends beyond the borders of the Dominican Republic. The dedicated men throughout the hemisphere who are struggling to make representative democracy a reality in their countries have much to fear from either of these possibilities. We have seen how Trujillo's interventionist tactics can threaten the security of a neighboring country. We are learning, now, to what extent Communist agents will go in the hemisphere to impede or wreck reforms initiated by democratic regimes.

The best defense of freedom in the Western Hemisphere, in my view, is the uniting of the democratic forces against their common enemies of the right and of the left. As Professor Galindez himself wrote in his "Era of Trujillo":

"The only truly effective way to confront communism is through a positive policy which can solve social problems with justice and freedom, with that freedom which both the Communist regimes and the Latin American dictatorships lack equally."

Jesus de Galindez did not sacrifice his life in vain. His voice and his pen were brutally silenced, but today his ideas permeate our hemisphere. Earlier this week, 5 years almost to the day since Galindez disappeared, the President of the United States delivered a stirring speech which mirrors Galindez' credo.

Said President Kennedy last Monday: "Our unfilled task is to demonstrate to the entire world that man's unsatisfied aspiration for economic progress and social justice can best be achieved by freemen working within a framework of democratic institutions. Our alliance for progress is an alliance of free governments—and it must work to eliminate tyranny from a hemisphere in which it has no rightful place. Therefore let us express our special friendship to the people of Cuba and the Dominican Republic—and hope that they will soon rejoin the society of freemen, uniting with us in our common effort."

President Kennedy goes on to pledge U.S. help in the battle against poverty, ignorance, hunger, and disease. His message is a masterful blueprint for inter-American cooperation. It now remains for the American republics to take concrete action along the path outlined by the President.

The United States alone can accomplish little in Latin America. It is the Latin Americans themselves who must remove the obstacles in their social and economic systems which hinder development.

UNITE THE REFORM LEADERS

There is one major thing the United States can do. We can act as a catalyst. We can unite those liberal reform leaders in the hemisphere who have demonstrated a willingness to proceed in orderly fashion with the difficult task of reconstructing obsolete societies. We should build a democratic fraternity, united in its determination to resist tyranny and united in its resolve to raise the living conditions of the mass of people.

Those leaders clearly devoted to freedom and reform should be shamelessly favored. They should have easy access to our highest officials and speedy action on their requests for assistance.

AN END TO DICTATORSHIP

The social ferment in Latin America today cannot be stifled. Its energies can, indeed must, be channeled into constructive purposes. The fraternity of builders will be able to inspire the spark of hope for a better future around which the restless youth of the continent can rally.

This meeting tonight is a reminder that there are many who yearn for an end to totalitarianism. Multiply our numbers by those in cities, towns and villages throughout the hemisphere and you will find a considerable force. We must each, in our own way, continue to struggle against the forces of tyranny. In paying our respects to Dr. Jesus Galindez, a gallant fighter for the rights of man, let us renew our own determination to work for the realization of Galindez' goal: a free and prosperous America.

An Address by Hon. Elmer J. Holland, of Pennsylvania, Before the Graduating Class of the McKees Rocks High School on June 7, 1955

EXTENSION OF REMARKS
OF
HON. JOHN H. DENT
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 29, 1961

Mr. DENT. Mr. Speaker, as a member of the Labor and Education Committee, I have been privileged to hear our colleague, the Honorable ELMER J. HOLLAND, of Pennsylvania, as the presiding chairman on a subcommittee studying automation.

Back in June 1955, when the Congressman was still serving in the State senate of our great State he addressed a graduating class in McKees Rocks, Pa.

His prophetic words and grasp of our present problems of education, automation, unemployment, and economic decline shows that even at that early date he sensed the coming crisis in our body politic.

All too often we place too little attention to what is said and too much on the person saying it.

I served many years with our colleague, Congressman HOLLAND, in both the House and the Senate of Pennsylvania. I am privileged to serve with him here in Congress.

Congressman HOLLAND's many years of experience as a legislator, industrial leader, business executive, and a union representative qualifies him to head the serious and timely study of automation and its impact upon unemployment.

The American Nation today is in the same position as a tourist driving on a strange road without a map right after a tornado.

He is on his way, he can drive a car, he knows where he wants to go, but needs a guide.

In this day of our history we need a guide to direct our great and limitless production facilities, our fruitful farms and our abundant manpower on a route that will lead to ever-increasing human benefits and a safe arrival to our eventual destination, a better way of life.

Men like ELMER HOLLAND, who devote their time and talents to charter a safe and sane course, pointing out the rocks and shoals, give all of us added incentive and encouragement as we pilot and crew the ship of state.

Mr. Speaker, I believe the following address given years ago by Congressman HOLLAND is as timely and apropos today as it was then:

ADDRESS GIVEN BY HON. ELMER J. HOLLAND, 38TH DISTRICT, PENNSYLVANIA, BEFORE THE GRADUATING CLASS OF THE McKEES ROCKS HIGH SCHOOL, JUNE 7, 1955

I remember the speaker at my high school graduation saying these words: "You are no longer girls and boys, but ladies and gentlemen. You have responsibilities. How you assume these responsibilities will decide—not only your future—but the future of the world."

This is truer today than then, as the world has grown smaller in judging distances due to advanced aircraft.

Do you realize that in your short 4 years of high school you have seen distance fade away? The jetplane has brought far distant parts of the world, that took weeks to reach, only hours to reach. And, with the coming of the atomic planes, who knows what speed of travel will be attained? Today we can eat breakfast in London or Paris and lunch in New York City.

Your generation shall write a chapter of history never equaled by any other chapter of history since the beginning of the world.

This chapter can be known as the great advancement of man in social and economic progress, or it can be known as the enslavement of man. Two hundred years ago our Western World experienced the beginnings of a movement that changed the lives of all mankind. It took men off the fields and out of small shops, it put them—for the first time—into factory life. It gave us mass production, and, through mass production, it gave us the first civilization in the history of the world in which luxury was not confined to just a few; it gave us, as well, a sense of hurry, of time, which is still unknown in countries that are "preindustrial"; it changed agricultural societies into mighty industrial nations; it altered the face of our own country, and it produced wealth, the like of which the world had never seen before.

We were taught in school, as you probably were, to call this movement the "industrial revolution." But today we find that name being changed. Today, we call it the first industrial revolution. For, suddenly, we find that our whole Nation is aware of a new movement—a new force—which holds promise of great social changes and increased economic benefits for all of us.

We are told that a new industrial revolution is in the making; in fact, it has already begun.

This second industrial revolution is called by the name "automation." This new word has cropped up in a changing America. It has been developed so recently that even the word is in few dictionaries. It is unfamiliar to many opinion makers. It is a mystery to the man in the street, unless it has cost him his job. I think that there is a good deal more confusion surrounding the word than some of us would like to admit. Perhaps the confusion begins in another word—in the much overused word—"revolution."

There seems to be a political revolution somewhere in the world at least once a year. And—every time a manufacturer puts a new girdle on the market, he calls it revolutionary. I even saw a sign in a New York bakery recently that read "Revolutionary New Old-Fashioned Doughnuts." But when we use the word "revolution" to describe the new movement of automation—we, of course, do not mean it in the sense of a political upheaval or of something that is merely new, gadgety or startling.

We mean it in the broadest sense of the word—in the sense in which we speak of the industrial revolution.

When we look back on that great upheaval 220 years ago—what was it that gave to it the name industrial revolution? Was it just the wonderful machines that lightened man's toil?

No; I think it was much more than this. I do not think it was used because of the riots that accompanied the introduction of some of the machines used at that time. Nor do I think it was used to describe the speed with which these changes took place. I believe it was used because the industrial revolution was revolutionary in the broadest sense of the word. It created a whole new environment for mankind.

The industrial revolution gave history more than just the steam engine, the cotton gin, the railway, and the power loom. It gave society—civilization—a whole new tempo; a whole new way of life.

As for the word "automation" I find it very difficult to define. Just what is "automation"? To some automation means nothing more than mechanization. It is a label that is applied to anything automatic—or even semiautomatic. To others it conveys a sense of robots, of machines that think and will eventually take over all of man's functions, to still others it means the answer for all our troubles by securing the 7-day weekend.

The Wall Street Journal has defined automation as: "Doing a job by machine with the minimum of human assistance. It implies also the use of electronic controls to automatically schedule and guide the production process".

It is, in simple terms, the highest stage of development in a completely automatic factory—where machines, untouched by human hands, can turn out a product untouched by human hands. This, then, is the beginning of an era when machines—not men—run other machines. This is the beginning of the second industrial revolution. The first one replaced man's muscles with machines. The second one is replacing man's judgment with machines.

Specifically, we are entering an age when a machine can dig a hole, measure it, decide the hole is wrong and correct its own mistake.

Output during the machine age increased productivity.

This came about as the machine took over jobs that man was doing or helped to do them faster—the conveyor belt, or a fork lift truck moved merchandise that a man used to push or carry—a pneumatic drill replaced the pick.

Through the years we have lost track of the men who were displaced by machines. They were absorbed by the expanding economy and shared heavily in the increased purchasing power as well as with shorter working hours.

This does not mean that all displaced workers shared well as there were many cases of bitter hardships when the conversions took place.

Today, we are entering a new era. One that dwarfs the past rate of increased productivity.

In the long run we will be bound to enjoy shorter hours and higher living standards, but in this changing period of automation, there will be many displacements which we hope will be temporary but which will cause much suffering.

Just to give you some examples of automation as it now operates—as of today: In a radio plant in Chicago, 2 men assemble 1,000 radios a day. It took 200 men to do this before automation. In an electrical equipment company, 90,000 light bulbs per hour are produced with 230 employees. Before automation they used 75,000 workers.

Utility and insurance company officials have stated that electronic brains, now available, will replace over 200 clerks with just 1 clerk on their bookkeeping staffs.

The Admiral Corp., with equipment it calls robot 1, can now assemble half a TV receiver chassis in a matter of seconds.

It is estimated that over 900,000 men in coal and steel have been displaced by automation. This is the dark side of automation. The benefits from the changes will be enormous eventually.

We can look forward to a day of astonishing living standards achieved by nominal working hours. But the penalties in the short run threaten to be mass displacement, as man gives way to automation.

What are these robots that can do the work of a man's mind? Basically, they are electronic brains that run on the principle of "feedback" or self-regulation. After they are set, or taped, they can regulate a producing machine.

The familiar household thermostat gives some idea of how they work. Once it is set to a certain temperature, it measures the temperature in the surrounding room and regulates the furnace so that the desired degree of heat can be achieved.

Today's machines are the peacetime results of the basic research and development that came about during the war as part of the atomic and guided missiles program.

We must remember that revolutions, such as we are now going through, never go backward.

Progress, and man's inventive genius, must be encouraged, but in this great process of automation man's dignity must not be lowered to that of a robot.

If all these improvements can be made for the betterment of man—and I believe they can—they will be a blessing. But if greed of money is to be made a standard, then they can be a curse.

It would, of course, be foolish to contend that automation is not without growing pains.

For any of us to minimize the widespread social and economic effects, that automation is sure to bring, would be to close our eyes to a fact that is already part of everyday life.

But I would like to emphasize that no one, today, is in a position to do more than speculate on the nature and extent of these social and economic effects—for no one has yet made the detailed analysis that is necessary for their true understanding.

While it is obvious that, in the long run, automation will be of tremendous benefit to all of us—it is the short run that worries most of us.

We should begin our planning and preparation immediately.

All parties—unions, management and Government—recognize they have a common interest in the successful integration of automation into our society. No one wants to see increased unemployment. All stand to gain by automation as long as we stand together.

Education is our primary need. We must learn that automation is something good and we must learn to use it—not fear it. Men, whose jobs may someday be replaced by machines, should be encouraged to begin their training in the newer skills which automation creates.

You younger people—with all of this before you—should further your education along the lines that will prepare you to take your rightful places in the development of this new discovery. You can be on the ground floor—so to speak—and grow with the industry.

Automatic factories will not be workless factories. There will be the need for more and more technicians and highly skilled maintenance men. We are already woefully short of personnel in this regard. The statisticians say that we need some 25,000 more engineers and 70,000 more technicians each year than we are now training.

Automation holds no threat to our economy. By giving us increased productivity—it promises to invigorate our economy.

I think it fair to say that automation offers as great a challenge—and reward—as any which we have ever known.

For the first time in history, technological progress—unleashed by the dynamic incentive system—is beginning to give people what they want.

All over the world, people are restlessly, grimly searching for a way of life that will give them what they want—and more and more of what they want.

Even we favored and fortunate Americans want more—more security, more independence, more leisure, more freedom from drudgery, more and better homes and schools and communities. There's just no limit to our appetite for more.

By a happy combination of circumstances, we Americans have in our hands a magic key of priceless value. We Americans—the keepers of the key—must learn to know and appreciate the value of the thing we have. We must use it to help open up—for all mankind—ever greater areas of progress and hope.

You who are starting out have a great responsibility as well as a great opportunity. You are in a social dynamic changing world. You must find out what makes the world tick.

The great productivity, achieved by automation, must be balanced by a great consumers' buying power.

Keeping a "status quo" in a country—and not sharing the gains with the workers of the country—will cause injustices, poverty and hunger. We all know that the road to communism is traveled through the wrinkles of an empty stomach.

Are these machines good or bad? Are they to be geared to unlimited production for the unlimited needs—of all the people? Or, are they to be geared for the benefits of a few selfish people, whose greed of profit shall dig our economic grave?

You are the ones who must answer these questions because it is your world, and you shall be running that world. Your generation shall decide whether or not we shall have peace, freedom, and social security or poverty, hunger, and desperation.

You are well prepared—coming from the community in which you live—where you are acquainted with the social and economic ills that your fathers lived through in the years gone by.

You now have your chance to build a better America.

Communism can be answered in only one way: that answer is that America can solve the problem of proving that—without taking away freedom, without taking away our liberty, and permitting the worker to share in the profits of his company—America can prosper and can prove to the world that we can produce for the joy of living.

I know that everyone of you are prepared and determined that your generation can accomplish this as a fact.

May God give you the wisdom and the courage to carry on.

The Choice We Face

EXTENSION OF REMARKS
OF

HON. CHARLES S. JOELSON

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 29, 1961

Mr. JOELSON. Mr. Speaker, a storm of controversy is fiercely raging in Washington and throughout our land between those who hurl the label "liberal" or "conservative" as an epithet against their ideological opponents. It would be well, therefore, for us to reexamine these terms to learn what, if anything, they mean and to determine whether the so-called liberal or conservative course will best serve our national interest.

The question is not merely which path will lead us to prosperity. The stakes are greater than prosperity. The stakes are survival itself. The collegiate debate as to whether we can best be prosperous via Franklin D. Roosevelt or Calvin Coolidge is so limited as to be outmoded within the frame of reference of the 1960's. The question is which path will enable us to win the battle of democracy against communism for the minds of men. For unless we win that conflict, our survival as a free Nation is impossible.

Traditionally, the liberal has been regarded as the person who would, by experimentation and innovation, change basic patterns and structures. The conservative, on the other hand, has been looked upon as the one who would preserve and maintain these patterns and structures. It may well be, however, that if the conservative were to be successful in 1961, our way of life would become radically changed by 1970. Conversely, it may be the liberal who will ultimately be responsible for the conservation and continuation of much of our fabric of Government as we now know it.

In the struggle for the minds and the loyalties of mankind both at home and throughout the world, only that doctrine which can reasonably bring the hope and expectation of improvement in the economic and social status of the vast number of the have-nots can prevail. Improvement, of course, means change. Thus, the conservative may unwittingly be the radical because by his desire to change little, he may forfeit much by a loss of the competition for the fealty and commitment of the uncommitted peoples of the world. The liberal may truly be the one who "conserves" because by his desire to change much, he may forfeit less.

Let us first consider whether the liberal or conservative approach to our domestic problems will best serve to stave off the onslaught of the Communists, not only at home where they are presently weak, but also abroad where they strongly stalk. In the field of domestic civil rights, it is not an exaggeration to state that no single factor is greater in turning the people of Africa and Asia against us than our unfortunate refusal to act to insure social justice for our Negro citizens in the United States.

I happen to regard the guarantee of civil rights to all Americans to be a moral obligation of all Americans. However, even if we are to disregard the moral issue involved, do we dare to overlook the political impact of the civil rights issue on the world stage? Can we expect to gain the friendship of the millions of nonwhites who make up the majority of the world's population so long as the opponents of civil rights for all Americans refuse to relinquish their prejudice in the national interest?

We sparked a revolution on our shores in 1776 by the electric declaration that taxation without representation is tyranny. Yet two centuries later, a sizable segment of American political thought would tax our Negro citizens while at the same time denying them the right to vote. Indeed these "conservators" would even ask, and have asked, American Negroes to fight our country's wars and shed their blood to protect a political system in which they are refused a voice. We delude ourselves if we believe that the rest of the world is blind to this cruel inconsistency, and that the Communists are not making political hay out of it.

In the field of social legislation generally, the liberal approach is and has proven to be the best answer to and protection against communism. The Communist movement was never stronger in the United States than in the early 1930's when we were floundering in a heartless depression during which the unemployed, the homeless, the ill, and the aged felt that their Government simply did not care. It was not until Franklin D. Roosevelt began to remember "the forgotten man" with broad social programs such as the WPA, unemployment compensation, social security, fair labor standards, and housing that the rising tide of homegrown communism in America was stemmed.

Yet in spite of this lesson of recent history, a strong body of conservative opinion in our country continues to revile Franklin D. Roosevelt, and to oppose the initiation of new social programs and the expansion of existing social programs championed by John F. Kennedy as the path for the 1960's. Although it is almost axiomatic that the Communist virus thrives on despair and want, the conservative spokesmen oppose programs designed to alleviate these twin menaces. These political physicians to the body politic eschew the preventive medicine which would eliminate the germ of communism by positive programs, preferring to snipe only at the symptoms.

We hear it argued, however, that if we adopt and expand these broad social programs, the result is not to conserve our basic way of life, but to install a system alien to our fundamental concept of America. Such an argument cannot sustain analysis. The thing that is really fundamental about democracy is freedom. Freedom is essentially what democracy is all about. It is guaranteed by the Bill of Rights of our Constitution.

Who would argue that the vast social programs enacted since 1932 have deprived us of the really basic freedoms safeguarded by the Bill of Rights? Freedom of religion in America is unabridged. Freedom of speech, freedom of the press, and freedom of assemblage are all happily a part of our daily existence. They are not threatened. They would indeed be threatened and snuffed out under the very communistic movement which has been rendered weak and impotent in the United States by the

social legislation opposed by the conservatives. Furthermore, if the rest of the world can be made to see that the people in our country are decently housed, are decently treated socially, and are generally "cared about" by their Government, we shall have made a giant step in the contest for the minds of the uncommitted millions on our planet.

There are those Americans who say that these great social programs are too costly financially. However, if it is true that these programs have rendered communism weak at home, and may through propaganda combat the appeal of communism abroad, they are worth their cost a thousandfold. One never hears the argument that we should abandon the search for more explosive bombs or more far-probing missiles because we cannot "afford" them. There are some things we must afford. First among them is our democratic free system of government.

Turning to the problem as to the approach to follow on the international level, we have only to consider communistic propaganda techniques in order to arrive at our best course. The Communists have not changed their propaganda tune since Karl Marx wrote his Manifesto in 1848. Exhorting the workers of the world to arise, he told them they had nothing to lose but their chains. To the starving and tattered of Asia and Africa today, this exhortation can be as effective as it was to the Russian masses in 1917 unless the free nations of the world come up with something more positive of their own.

The bewildered and hungry peasant of Asia and Africa can be wooed and perhaps won by the blandishments of the siren songs from Moscow and Peiping promising him his acre of land. Without possessions and bereft of human dignity itself, he has, in fact, nothing to lose. And what have we offered him for the future? Which of his local leaders have we supported to lead him toward tomorrow?

Although sending him aid for the present, we have recommended to him the status quo of conservatism for the future. While the Communists hold out to him the hope of the acre of land, we tell him of the blessings of democracy, forgetting that a man must first be fed and clothed and housed before the aspiration for freedom can be strong within him.

We have also by our essentially conservative approach given over by default to the Communists those surging movements of protest and revolt which will not be denied, and which have caught the imagination and support of many of the people of the world. Unmindful that the United States itself burst forth through revolution in the 18th century, we have tended to assume that revolution is always the product of the Communists in the 20th century.

Our Nation, which still remembers with gratitude the help given the struggling American Revolution by Kosciusko and Pulaski from Poland and by Lafayette from France, has discouraged any such aid or comfort to foreign vehicles of protest by Americans in our modern day. Yet there is real doubt whether all these movements of protest and rebellion which have shaken the last several decades were Communist-inspired in their origins. There is no doubt, however, that through the indifference and with the hostility of the free world to these eruptions, these movements have turned out to be Communist-dominated in their conclusions.

The conservative approach of the status quo has led us to a total lack of communication with those voices of protest which now lead, or which ultimately will lead, to their people. Into this vacuum moved the Communists who, like nature, abhor a vacuum.

It is not unusual for Congressmen to receive mail from constituents protesting against liberal programs as not being faithful to the America we grew up in. The question we face, however, does not require us to decide whether the unwitting twenties were wise, or whether the gay nineties were really gay. Those eras have passed from the American scene forever. There may be those among us who grow nostalgic for them, but the fact is that they simply will not come back again.

Times have changed, and changed times present changed problems which require changed solutions. The first question which destiny poses is whether now, in the 1960's, we can refuse to follow the course of social progress at home and to support it abroad. The ultimate question is whether, if we fail to follow such a course, we can remain free.

This is the choice we face.

SENATE

THURSDAY, MARCH 30, 1961

The Senate met at 12 o'clock meridian and was called to order by the President pro tempore.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

O Thou God and Father of us all, amid all the global concerns which drain our strength and devour our hours, somehow, sometime, somewhere, this week of the passion, may we take time for commerce and communion with the unseen and eternal, where, in an oasis of quietness, there may be restored the inner resources of our pressured lives.

So, may the obtrusive secularism which blocks the door of our hearts be pushed back, and let the way be cleared, that the highest and best may enter and meet no obstacle.

Thus may we celebrate the singing Easter of the soul.

We ask it in the name of the Holy One who despised the shame and endured the cross for the joy that was set before Him. Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, March 29, 1961, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on March 29, 1961, the President had approved and signed the following acts:

S. 307. An act to authorize certain beach erosion control of the shore in San Diego County, Calif.;

S. 449. An act to extend the time in which the Outdoor Recreation Resources Review Commission shall submit its final report;

S. 1028. An act to amend the transitional provisions of the act approved August 7, 1959, entitled "Nematocide, Plant Regulator, Defoliant, and Desiccant Amendment of 1959"; and

S. 1116. An act to authorize the sale, without regard to the 6-month waiting period prescribed, of certain calcines and matte proposed to be disposed of pursuant to the Strategic and Critical Materials Stock Piling Act.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed the bill (S. 1) to establish an effective program to alleviate conditions of substantial and persistent unemployment and underemployment in certain economically distressed areas, with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 1163) to amend section 510 of the Interstate Commerce Act so as to extend for 15 months the loan guarantee authority of the Interstate Commerce Commission; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. HARRIS, Mr. WILLIAMS of Mississippi, and Mr. SPRINGER were appointed managers on the part of the House at the conference.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 5463) to amend and extend the Sugar Act of 1948, as amended.

The message also announced that the House had agreed to a concurrent resolution (H. Con. Res. 211) that when the House adjourns on Thursday, March 30, 1961, it stand adjourned until 12 o'clock

meridian on Monday, April 10, 1961, in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

S. 153. An act to further amend the Reorganization Act of 1949, as amended, so that such act will apply to reorganization plans transmitted to the Congress at any time before June 1, 1963; and

H.R. 5463. An act to amend and extend the Sugar Act of 1948, as amended.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. MANSFIELD. Mr. President, under the rule, there will be the usual morning hour for the transaction of routine business. I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

SUBCOMMITTEE MEETING DURING SENATE SESSION

On request of Mr. KUCHEL, and by unanimous consent, the Subcommittee on Freedom of Communications of the Committee on Interstate and Foreign Commerce was authorized to meet during the session of the Senate today.

PERSONAL STATEMENT BY SENATOR MANSFIELD AND LEGISLATIVE PROGRAM

Mr. MANSFIELD. Mr. President, President Kennedy has been in office for somewhat more than 2 months, and the 87th Congress has been organized for a few days longer. It has been a difficult period, for the President and for the Congress. Transitions from the old to the new, from one administration to another, from one Congress to the next, are never easy. The present transition is no exception. New people, new policies, new approaches have to be integrated into new working relationships. While this shakedown is in process, the essential and pressing business of the Nation must, nevertheless, go forward.

It is for that reason, Mr. President, that I desire to take a few moments now, on the threshold of Easter, to express my gratitude to my colleagues for their wonderful cooperation during the past few weeks. These have not been easy times for me. Without this cooperation, it might well have been impossible for me to make the personal transition involved in adding to my responsibilities as a Senator from Montana, with a deep interest in the Nation's foreign relations, those of majority leader. I wish to thank, particularly, President Kennedy for his patience and understanding. I wish to thank the distinguished Vice President, whose wise counsel has always been generously available on request, despite his great new responsibilities.

I wish to thank the distinguished minority leader, the Senator from Illinois [Mr. DIRKSEN], and his able assistant, the minority whip, the Senator from California [Mr. KUCHEL], for their gracious understanding and cooperation in carrying on the work of the Senate. They have always been men to place the national interest above party factionalism; and at this time I wish to give renewed expression to my great respect and affection for both of them.

I desire to thank, too, the majority whip, the Senator from Minnesota [Mr. HUMPHREY], and the majority secretary, the Senator from Florida [Mr. SMATHERS], for their indispensable assistance and support in carrying on the functions of the leadership.

I express, finally, my gratitude to all the Members of the Senate, on both sides of the aisle. We have differed on many issues, to be sure, as Senators always have, and probably always will. But we have differed without obstruction and without personal bitterness. That is a basic source of vitality of this body, as it is of the Nation; and so long as it is preserved, the Nation, and the Senate as a part of it, will never lose its essential strength.

Because the Senate has functioned in accord with this principle, during the past two difficult months of transition, we have been able to dispose of a respectable amount of the work of this session. At the outset of the session, I noted that the yardstick of performance, as I see it, is quality, not quantity, of legislation. For that reason, I shall not set forth a numerical count of our activities. I trust that the Senate will also understand that, as majority leader, I tend to equate quality of performance largely with the Senate's actions on the President's program. In this connection, I note that we have disposed of Federal unemployment insurance extension; the feed grains program; the O.E.C.D. treaty; the Reorganization Act extension; the Federal judgeship bill; the bill to establish an International Travel Service; and the depressed areas bill. To these measures, I add, Mr. President, the ratification of the Columbia River Basin Treaty, which is of particular significance to my part of the country; and the Sugar Quota Act, which was extended last night by action of the Congress.

In addition, Mr. President, I announce that it is the hope of the leadership that the minimum wage bill will be considered on the floor of the Senate on April 12 or 13. I am grateful for the assurances, which I have received from the distinguished minority leader, that he will cooperate with me to that end. I hope further, Mr. President, that during the latter part of April we shall be able to proceed to the legislation on aid to education; and that during the first week of May we shall be able to proceed to the President's housing legislation, which has just been delivered to the Senate.

It is the further intention of the leadership to have the Senate adjourn from the close of business today until Monday of next week; and, on that day, to have the Senate take a recess until the following Thursday. It is not anticipated that there will be votes—certainly no controversial votes—on either Monday or Thursday.

In closing, I would suggest to the Senate that the most difficult period of this session lies ahead of us. It is my hope and expectation that in the next few days, during which there will be little activity on the floor, the committees will intensify their efforts to clear accumulating legislation and move it to the calendar, for disposal by the Senate. If the committees will so act and if the Senate will continue to proceed, as I am sure it will, on the basis of differences without obstructionism and without personal rancor, I have every confidence that we shall be able to give full consideration in a most responsible and adequate fashion to the President's program and other necessary matters. Moreover, I have every expectation that we shall do so while getting our work done most nights at a rational hour, as has so far been the case, and within a session whose length, in accord with the spirit of the Reorganization Act, will not run too long into the long, long Washington summer.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

REPORTS OF GENERAL SALES MANAGER, COMMODITY CREDIT CORPORATION

A letter from the Secretary of Agriculture, transmitting, pursuant to law, reports of the General Sales Manager concerning the policies, activities, and developments, including all sales and disposals, with regard to each commodity which the Commodity Credit Corporation owns or which it is directed to support, for the months of November and December 1960 (with accompanying reports); to the Committee on Agriculture and Forestry.

REPORT ON REVIEW OF PROGRAM FOR ECONOMIC ASSISTANCE TO KOREA, PAKISTAN, AND VIETNAM

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the review of mutual security program presentation to the Congress for fiscal year 1961, for economic assistance to Korea, Pakistan, and Vietnam, Department of State, dated March 1961 (with an accompanying report); to the Committee on Government Operations.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

Two joint resolutions of the Legislature of the State of New Mexico; to the Committee on Interior and Insular Affairs:

"HOUSE JOINT MEMORIAL 41

"Joint memorial memorializing the Congress of the United States to enact legislation to increase the revolving fund for economic development of Indian reservations

"Whereas the revolving loan fund available for Indian tribes has been restricted and additional funds are needed and necessary in

order that economic development on Indian reservations may be encouraged: Now, therefore, be it

"Resolved by the Legislature of the State of New Mexico, That the Congress of the United States be respectfully requested and urged to pass legislation to increase the revolving loan fund by a sufficient amount to enable the Indian tribes to carry out economic development on their reservations; and be it further

"Resolved, That a copy of this memorial be transmitted to the President and Vice President of the United States, to each member of the New Mexico delegation to the National Congress, to the Secretary of Interior, and to the Commissioner of Indian Affairs.

"JACK M. CAMPBELL,
"Speaker of the House of Representatives.
"ALBERT ROMERO,
"Chief Clerk of the House of Representatives.
"TOM BOLACK,
"President of the Senate.
"M. E. MORGAN,
"Chief Clerk of the Senate."

"HOUSE JOINT MEMORIAL 42

"Joint memorial memorializing Congress to assist Indians in solving their economic problems

"Whereas the 25th Legislature of the State of New Mexico, now in session, recognizes the importance of assisting the Indian people in solving their economic problems and the necessity of bringing about a higher standard of living through greater utilization of their human and natural resources for industry, through directing the attention of the traveling public to their rich culture and way of life, and through developing recreational facilities in reservation areas: Now, therefore, be it

"Resolved by the Legislature of the State of New Mexico, That the Congress of the United States be memorialized to provide such assistance through new legislation to bring about a realization of these goals so that by aiding the improvement of the Indian people, the entire population of this State will benefit; and be it further

"Resolved, That a copy of this memorial shall be sent to the President and the Vice President of the United States, each member of the New Mexico delegation in the National Congress, the Secretary of Commerce, the Secretary of the Interior, and the Commissioner of Indian Affairs.

"JACK M. CAMPBELL,
"Speaker of the House of Representatives.
"ALBERT ROMERO,
"Chief Clerk of the House of Representatives.
"TOM BOLACK,
"President of the Senate.
"M. E. MORGAN,
"Chief Clerk of the Senate."

A joint resolution of the Legislature of the State of New Mexico; to the Committee on the Judiciary:

"HOUSE JOINT MEMORIAL 43

"Joint memorial memorializing the Congress of the United States to enact enabling legislation to set aside a day to be known as American Indian Day

"Whereas the American Indian is the original American and has resided on this continent since time immemorial; and

"Whereas the American Indian has made outstanding contributions to our American way of life and has given us many products which have today become multibillion-dollar American industries; and

"Whereas the State of New Mexico has recognized this contribution by establishing a State Indian Day during the annual New Mexico State Fair in tribute to the role that the New Mexico Indian has played in our State and National life: Now, therefore, be it

"Resolved by the Legislature of the State of New Mexico, That the Congress of the United States be respectfully petitioned to enact enabling legislation to set aside a day to be designated as American Indian Day; and be it further

"Resolved, That a copy of this memorial be transmitted to the President and Vice President of the United States, to the Speaker of the House of Representatives of the Congress of the United States, and to each member of the New Mexico delegation to the National Congress.

"JACK M. CAMPBELL,
"Speaker of the House of Representatives.
"ALBERT ROMERO,
"Chief Clerk of the House of Representatives.
"TOM BOLACK,
"President of the Senate.
"M. E. MORGAN,
"Chief Clerk of the Senate."

Two joint resolutions of the Legislature of the State of New Mexico; to the Committee on Labor and Public Welfare:

"HOUSE JOINT MEMORIAL 44

"Joint memorial memorializing the Congress of the United States to provide a minimum program activities budget for the Division of Indian Health 1962 fiscal year operations

"Whereas the New Mexico State Legislature is cognizant of the great progress in Indian health programs since the transfer of Indian health responsibility from the Bureau of Indian Affairs to the U.S. Public Health Service; and

"Whereas, the Indians of New Mexico, as well as other Indians, are aware of the dire need which exists for safe and adequate domestic water supplies and sewerage facilities in the Indian communities so that sickness and death may be prevented on Indian reservations utilizing modern sanitation and health practices; and

"Whereas the Indians are desirous of obtaining such sanitation facilities in order that they may improve their health standards and personal hygiene: Now, therefore, be it

"Resolved by the Legislature of the State of New Mexico, That it hereby declares its support of the program being pursued under the act of July 3, 1959 (Public Law 86-121, 73 Stat. 267), to provide improved sanitation and water facilities for Indian lands and communities, and that the Congress of the United States is respectfully urged to provide a minimum program activities budget for the Division of Indian Health 1962 fiscal year operations for Indian homes, communities and lands as authorized under the Sanitation Facilities Act (Public Law 86-121); and be it further

"Resolved, That a copy of this memorial be transmitted to the President and Vice President of the United States, to each member of the New Mexico delegation, to the National Congress, to the Secretary of the Department of Health, Education, and Welfare, to the Surgeon General of the Public Health Service, and to the Commissioner of Indian Affairs.

"JACK M. CAMPBELL,
"Speaker of the House of Representatives.
"ALBERT ROMERO,
"Chief Clerk of the House of Representatives.
"TOM BOLACK,
"President of the Senate.
"M. E. MORGAN,
"Chief Clerk of the Senate."

"HOUSE JOINT MEMORIAL 45

"Joint memorial memoralizing the Congress of the United States to expand and improve the vocational training program for Indians and to increase the appropriations accordingly

"Whereas Congress has appropriated funds for vocational training for Indians; and

"Whereas there exists a large potential number of applicants for such training which cannot be provided for because of limited funds; and

"Whereas the need for such training exists for Indians notwithstanding their residency; and

"Whereas the results of this program has significantly brought about a realistic approach to the problems of the young adult Indians: Now, therefore, be it

"Resolved by the Legislature of the State of New Mexico, That the Congress of the United States be respectfully urged to expand and improve the vocational training program for Indians and that appropriations be increased accordingly. It is also urged that there shall not be permitted to exist any condition or priority to the receiving of such benefits which are based upon the residency of any otherwise eligible Indians; and be it further

"Resolved, That a copy of this memorial be transmitted to the President and Vice President of the United States, the Secretary of the Interior, the Commissioner of Indian Affairs and to each member of the delegation representing New Mexico in the National Congress.

"JACK M. CAMPBELL,
"Speaker of the House of Representatives.
"ALBERT ROMERO,
"Chief Clerk of the House of Representatives.
"TOM BOLACK,
"President of the Senate.
"M. E. MORGAN,
"Chief Clerk of the Senate."

A resolution adopted by the Dallas, Tex., chapter of the American Association of Retired Persons, favoring the enactment of legislation to prohibit discrimination in employment because of age, and the arbitrary retirement of any employee before the age of 72 except for mental or physical disability; to the Committee on Labor and Public Welfare.

PRESIDENT KENNEDY SUPPORTS FRYINGPAN PROJECT — JOINT RESOLUTION OF COLORADO LEGISLATURE

Mr. CARROLL. Mr. President, several days ago I was privileged to confer with the President of the United States. In the course of our conference President Kennedy reaffirmed to me his support of the Fryingpan-Arkansas water diversion project in the State of Colorado.

As we discussed the urgent need for the project by the farmers and municipalities of southeastern Colorado the President indicated his warm and deep concern right then and there by telephoning the Director of the Bureau of the Budget, Mr. David Bell, and asking for prompt notification as soon as the Interior Department legislative report reached the Bureau of the Budget.

As of this moment all department comments on Fryingpan have been assembled. The Secretary of Interior is in the process of preparing the report for the Bureau of the Budget. I am hopeful that preparation will be completed and the report forwarded shortly after the Easter holidays.

In the budget messages for both fiscal 1961 and 1962, President Eisenhower called for authorization of the Fryingpan project and I am happy to tell the farmers and other water users of the Arkansas Valley in Colorado that Presi-

dent Kennedy is equally enthusiastic for this project and supports its enactment.

Mr. President, the official position of the State of Colorado on the Fryingpan project is stated tersely and eloquently in a joint memorial passed by both houses of the Colorado Legislature. This memorial expresses the will of the people of Colorado. They want the Fryingpan constructed. I ask unanimous consent that the Colorado Legislature's memorial be printed, along with my remarks, in the RECORD, and appropriately referred.

There being no objection, the joint resolution was referred to the Committee on Appropriations, and, under the rule, ordered to be printed in the RECORD, as follows:

HOUSE JOINT MEMORIAL 2

Joint resolution memorializing the Congress of the United States to approve the Fryingpan-Arkansas project in Colorado and to appropriate funds for initiation of the construction of the project at the earliest possible time

Whereas the Fryingpan-Arkansas project is a multiple-purpose development designed as a major step in the maximum utilization of water and resources in the Arkansas and Colorado River Basins in Colorado; and

Whereas the completion of this project will mean a substantially increased domestic and irrigation water supply, reservoirs of power for industrial development, flood and sediment control, antipollution, fish and wildlife conservation, and recreation in both the Arkansas and Colorado River Basins; and

Whereas the people of Colorado have already spent more than $500,000 in preparing the necessary plans and agreements to make this project become a reality, and the Federal Government has spent more than $1 million for the same purposes; and

Whereas, the project is designed as an independent, self-sustaining unit; and

Whereas the construction of the Fryingpan-Arkansas project is of vital benefit to the entire economy of the State: Now, therefore, be it

Resolved by the House of Representatives of the 43d General Assembly of the State of Colorado (the Senate concurring herein), That this general assembly, as a matter of official policy, urges and recommends the approval of the Fryingpan-Arkansas project, and memorializes the Congress of the United States to appropriate funds for the initiation of construction thereon at the earliest possible time; and be it further

Resolved, That copies of this memorial be transmitted to the President and Vice President of the United States, the Speaker of the House of Representatives of the United States, Members of Congress from the State of Colorado, and the Secretary of Interior of the United States.

ALBERT J. TOMSIC,
Speaker of the House of Representatives.
ROBERT L. KNOUS,
President of the Senate.
GENE MANZANARES,
Chief Clerk of the House of Representatives.
LUCILLE L. SHUSTER,
Secretary of the Senate.

RESOLUTION OF MINNESOTA LEGISLATURE

Mr. HUMPHREY. Mr. President, I have the honor to submit Resolution 21 of the 1961 Legislature of the State of Minnesota, memorializing the President and the Congress of the United States to provide for safe standards of automobile vehicle design and safety devices and the enforcement of such standards in the automotive industry. I request unanimous consent that the resolution be referred to the appropriate committee and that it be printed at this point in the RECORD.

There being no objection, the resolution was referred to the Committee on Interstate and Foreign Commerce, and, under the rule, ordered to be printed in the RECORD, as follows:

RESOLUTION 21

Resolution memorializing the President and the Congress of the United States to provide for safe standards of automobile vehicle design and safety devices and the enforcement of such standards in the automotive industry

Whereas 1½ million Americans are killed or injured in motor vehicle crashes annually; and

Whereas various research projects have proven that a major part of these deaths and injuries could have been prevented by proper vehicle design standards and safety devices for automobiles; and

Whereas the motor vehicle is the subject of and the instrument of interstate commerce and therefore the proper subject of Federal regulation: Now, therefore, be it

Resolved by the Legislature of the State of Minnesota, That the President of the United States and the Congress of the United States be requested to enact such legislation as may be necessary to provide for safety standards for automotive vehicle design and safety devices and for the enforcement of such standards in the automotive industry; be it further

Resolved, That the secretary of state of the State of Minnesota be instructed to transmit copies of this resolution to the President of the United States and to each Member of Congress from the State of Minnesota.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. FULBRIGHT, from the Committee on Foreign Relations, with an amendment:

S. Con. Res. 8. Concurrent resolution expressing sense of Congress on Project Hope; (Rept. No. 138).

By Mr. CHURCH, from the Committee on Interior and Insular Affairs, without amendment:

S. 54. A bill to grant 81 acres of public domain to the Cocopah Indians in Arizona (Rept. No. 139);

S. 1297. A bill to authorize the payment of per diem to members of the Indian Arts and Crafts Board at the same rate that is authorized for other persons serving the Federal Government without compensation (Rept. No. 140); and

S. 1298. A bill to permit the Secretary of the Interior to revoke in whole or in part the school and agency farm reserve on the Lac du Flambeau Reservation (Rept. No. 141).

REPORT ENTITLED "COORDINATION OF FEDERAL AGENCIES' PROGRAMS IN BIOCHEMICAL RESEARCH AND IN OTHER SCIENTIFIC AREAS" (S. REPT. 142)

Mr. HUMPHREY. Mr. President, on behalf of the Committee on Government Operations, I submit a report on studies which have been conducted by the Subcommittee on Reorganization and International Organizations.

The studies were made pursuant to Senate Resolution 347, 85th Congress, as extended by Senate Resolution 42, 86th Congress, and Senate Resolution 255, sections 1–4, 86th Congress. The subject of the studies has been interagency coordination in medical and other scientific programs.

Part I of the report is a 316-page publication which commences with a statement of committee policy on the need for improved Federal budgeting and for strengthening interagency coordination in health and other programs. It is followed by a series of staff findings on budgeting and accounting in the health area.

I point out that these findings are staff findings, and are not binding on the members of the subcommittee.

The body of the volume consists of a detailed fiscal and personnel analysis, prepared, under my direction, by the staff of the Subcommittee on Reorganization.

The analysis shows agency-by-agency expenditures, totaling $4.1 billion for medical and health-related activities.

It includes, as well, an analysis with regard to the estimated $649 million in Federal expenditures devoted to biomedical research.

By means of this comprehensive information, Congress will now have available a "big picture" of total Federal investment in health activities—in my mind, a sound investment.

The report will therefore be, I believe, an invaluable reference work for many years to come. It brings together certain information which has never before been available to the Congress. In other instances, it assembles facts which have heretofore been scattered in many executive branch volumes, and have not even been identified as being of a "health" nature within the 1,000-page annual Federal Budget volume.

As my colleagues know, other committees of the Congress are responsible for review of the work of individual departments and agencies such as the Department of Health, Education, and Welfare, and for review of substantive legislation in health and other scientific fields. Therefore, our own committee has sought to provide a background compendium of staff analysis on the health work of the Federal Government as a whole.

It is to be noted that this is a considerable amount of activity and one that has produced very constructive and desirable results for the American people and, indeed, for the health of humanity throughout the world.

I send to the desk the report as compiled and ask that it be printed.

The PRESIDING OFFICER (Mr. HICKEY in the chair). The report will be received and printed, as requested by the Senator from Minnesota.

REPORT ON DISPOSITION OF EXECUTIVE PAPERS

Mr. JOHNSTON, from the Joint Select Committee on the Disposition of Papers in the Executive Departments, to which

was referred for examination and recommendation a list of records transmitted to the Senate by the Administrator of General Services, dated March 24, 1961, that appeared to have no permanent value or historical interest, submitted a report thereon, pursuant to law.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. HILL, from the Committee on Labor and Public Welfare:

Dr. Hugh Hudson Hussey, Jr., of the District of Columbia, Dr. Robert Morgan Stecher, of Ohio, and Dr. William Lowell Valk, of Kansas, to be members of the Board of Regents of the National Library of Medicine, Public Health Service.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. DWORSHAK:

S. 1485. A bill to authorize the Secretary of the Interior to sell certain public lands in Idaho; to the Committee on Interior and Insular Affairs.

By Mr. YARBOROUGH:

S. 1486. A bill to authorize the Comptroller of the Currency to establish reasonable maximum service charges which may be levied on dormant accounts by national banks; to the Committee on Banking and Currency.

(See the remarks of Mr. YARBOROUGH when he introduced the above bill, which appear under a separate heading.)

By Mr. YARBOROUGH (by request):

S. 1487. A bill to extend the classified (competitive) civil service to certain employees of the Department of Defense, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. EASTLAND:

S. 1488. A bill to amend section 508 of title 28, United States Code, relating to attorneys' salaries; to the Committee on the Judiciary.

By Mr. BIBLE (by request):

S. 1489. A bill to revise the boundaries of the Fort Raleigh National Historic Site in North Carolina, and for other purposes;

S. 1490. A bill to authorize the purchase and exchange of land and interests therein on the Blue Ridge and Natchez Trace Parkways;

S. 1491. A bill to transfer a section of Blue Ridge Parkway to the Shenandoah National Park, in the State of Virginia, and for other purposes;

S. 1492. A bill to amend the act of March 24, 1948, which establishes special requirements governing the selection of superintendents of national cemeteries; and

S. 1493. A bill to provide for the restriction of certain areas in the Outer Continental Shelf for defense purposes, and for other purposes (Matagorda Water Range); to the Committee on Interior and Insular Affairs.

By Mr. LONG of Missouri:

S. 1494. A bill for the relief of Philomene Farhout; to the Committee on the Judiciary.

By Mr. DODD:

S. 1495. A bill to prohibit wiretapping by persons other than duly authorized law enforcement officers engaged in the investigation or prevention of specified categories of criminal offenses, and for other purposes; to the Committee on the Judiciary.

(See the remarks of Mr. DODD when he introduced the above bill, which appear under a separate heading.)

By Mr. CARLSON:

S. 1496. A bill for the relief of John C. Cadwell; to the Committee on the Judiciary.

By Mr. KUCHEL:

S. 1497. A bill to authorize the reconveyance to the former owner thereof of certain property at Cheli Air Force Depot, Los Angeles County, Calif., when such property is declared surplus to the needs of the United States, and for other purposes; to the Committee on Government Operations.

(See the remarks of Mr. KUCHEL when he introduced the above bill, which appear under a separate heading.)

By Mr. HART:

S. 1498. A bill for the relief of Dr. Constantine Cerkez; and

S. 1499. A bill for the relief of William John Campbell McCaughey; to the Committee on the Judiciary.

S. 1500. A bill to authorize a reduction of postage rates on parcels containing only food, clothing, medicines, or drugs sent by mail for relief purposes; to the Committee on Post Office and Civil Service.

(See the remarks of Mr. HART when he introduced the last above-mentioned bill, which appear under a separate hearing.)

SERVICE CHARGES ON DORMANT ACCOUNTS

Mr. YARBOROUGH. Mr. President, I introduce, for appropriate reference, a bill authorizing national banks to levy a service charge on dormant accounts under regulations to be prescribed by the Comptroller of the Currency in the Treasury Department. The Comptroller of the Currency presently charters and inspects the national banks of the country but has no authority to regulate in any way the service charges normally charged by national banks on the accounts of depositors.

A subcommittee of the revenue and taxation committee of the Texas House of Representatives has recently reported:

> Some of these national bank service charges run from 50 to 100 percent of the entire dormant accounts each year. Through this method these banks are escheating this type of property to their own institutions and showing complete disregard for both the depositors and the State.

In Texas, banks chartered by the State are now prohibited from making such service charges that eat up dormant accounts by the regulations of the Texas State banking commissioner. This is an enlightened policy which it would be well for the Federal Government to emulate in the regulation of the national banks under its jurisdiction.

But today the Comptroller of the Currency has absolutely no power or jurisdiction to limit the service charge of banks on these dormant accounts, and some banks put the charges high enough to eat up the account. If the bank finds a dormant account, they take the account; whereas, if there were no heirs, the amount of money in the account would properly escheat to the State.

The bill I introduce today would give authority to the Comptroller of the Currency, in his knowledge of all of the facts, to derive an adequate definition for dormant accounts and to determine what would be a reasonable service charge to that account by the national bank.

I point out that if there is a dormant account of $100 in a bank, the bank uses the money in that account, and might earn 6 percent a year. Some banks make a service charge of $6 a year. Figures have been compiled of accounts which show that in the course of approximately 6 years, such service charges can reduce such an account to $64. The bank has earned about $50 in having the account. They have taken $36 in service charges, and so they have made over $70 in the space of 6 years and have eaten up a third of the account.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 1486) to authorize the Comptroller of the Currency to establish reasonable maximum service charges which may be levied on dormant accounts by national banks, introduced by Mr. YARBOROUGH, was received, read twice by its title, and referred to the Committee on Banking and Currency.

RECONVEYANCE TO FORMER OWNER OF CERTAIN LAND IN STATE OF CALIFORNIA

Mr. KUCHEL. Mr. President, I introduce for appropriate reference a bill to authorize the reconveyance to the former owner thereof of certain property of Cheli Airport Depot, Los Angeles County, Calif., when such property is declared surplus to the needs of the United States, and for other purposes.

In connection with the introduction of the bill, I ask unanimous consent to have printed at this point in the RECORD a letter dated March 28, 1961, signed by me, and addressed to the Honorable John L. Moore, Administrator of the General Services Administration; a statement about the bill I am introducing, together with sundry correspondence relative to the bill; also the text of the resolution of the City Council of the City of Bell; a resolution of the Chamber of Commerce of the City of Bell; a resolution of the City Council of the City of Maywood; a resolution of the Maywood Chamber of Commerce of the City of Maywood; a resolution of the Industrial Council of the City of Commerce; a resolution of the City Council of the City of Huntington Park; a resolution of the Huntington Park Chamber of Commerce.

In addition, I desire the RECORD to show that I understand that the City Council of Montebello also has adopted unanimously a resolution approving the proposed legislation, provided a priority be written into the bill with respect to the needs of Montebello Unified School District, which, I am glad to say, represents one of the sections of my bill.

Mr. President, I ask unanimous consent also that the text of the bill be set forth at this point in the RECORD; and I further ask unanimous consent that the bill lie at the desk for cosponsors until Monday, April 10, 1961.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill and other matters referred to will be printed in the RECORD, and the bill will

lie on the desk, as requested by the Senator from California.

The bill (S. 1497) to authorize the reconveyance to the former owner thereof of certain property at Cheli Air Force Depot, Los Angeles County, Calif., when such property is declared surplus to the needs of the United States, and for other purposes, introduced by Mr. KUCHEL, was received, read twice by its title, referred to the Committee on Government Operations, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) in order to provide for a revestment in the Chanslor-Western Oil and Development Company (successor of Chanslor-Canfield Midway Oil Company) of the land situated in Los Angeles County, California, which was donated by the Chanslor-Canfield Midway Oil Company to the United States, and which is now occupied by the Cheli Air Force Depot, the Administrator of General Services is authorized and directed, notwithstanding any other provision of law, to reconvey by quitclaim deed to the Chanslor-Western Oil and Development Company all right, title, and interest of the United States in and to such land, together with all buildings or other improvements thereon, whenever (1) the Administrator shall determine, in accordance with the provisions of the Federal Property and Administrative Services Act of 1949, that such land is surplus to the needs of the United States; and (2) he has received application for such reconveyance, subject to the provisions of section 2 of this Act.

SEC. 2. (a) Upon his determination that such land is surplus to the needs of the United States, the Administrator shall give notice of such determination to the Chanslor-Western Oil and Development Company. Within a period of sixty days after receipt of such notice, such company may file with the Administrator an application for such reconveyance in a form to be prescribed by the Administrator.

(b) Any reconveyance of land made pursuant to this Act shall be conditioned upon the payment by such company to the Administrator as consideration for such reconveyance of an amount determined by the Administrator to be equal to the current fair market value of any buildings and other improvements situated on such land with respect to which an application for reconveyance is filed as provided in subsection (a) of this section.

(c) If, after a determination by the Administrator that the land referred to in the first section of this Act is surplus to the needs of the United States—

(1) no application is made for reconveyance thereof within the period prescribed by subsection (a); or

(2) no arrangements satisfactory to the Administrator have been made by such company, within ninety days after receipt by it of notice as to the availability of such land for reconveyance, for the payment of the amount determined by the Administrator as the consideration for such reconveyance as prescribed in subsection (b),

the Administrator may dispose of such land in accordance with the applicable provisions of the Federal Property and Administrative Services Act of 1949.

(d) Any sum received by the Administrator as consideration for any reconveyance made pursuant to this Act shall be deposited in the Treasury as miscellaneous receipts.

SEC. 3. (a) Notwithstanding the foregoing provisions of this Act, the Administrator shall withhold from the land authorized to be conveyed by the first section of this Act an area of land (designated by him) not to exceed 10 acres for use by the city of Commerce, California, for library, recreation, or other public purposes, and (2) an area of land (designated by him) not to exceed 78 acres for use by the Montebello Unified School District for the establishment of a junior college or for other educational purposes. The Administrator is authorized and directed to convey such areas of land to the city of Commerce, California, and to Montebello Unified School District, respectively, if applications for the conveyance of such areas are filed with the Administrator within 45 days after the date of enactment of this Act. The conveyance of such areas of land shall be subject to the payment to the United States on such terms and conditions as the Administrator shall deem appropriate.

(b) In the event the city of Commerce, California, or the Montebello Unified School District fails to make timely application for the conveyance of the areas of land authorized to be conveyed to it by subsection (a) of this section, the Administrator is authorized and directed to convey such area to the Chanslor-Western Oil and Development Company in accordance with the provisions of section 2 of this Act.

The matters presented by Mr. KUCHEL are as follows:

MARCH 28, 1961.

Hon. JOHN L. MOORE,
Administrator, General Services Administration, Washington, D.C.

DEAR MR. MOORE: During the Second World War, in November 1942, the commanding general of the Army Air Corps determined that the construction of a major supply depot in the vicinity of Los Angeles, Calif., was essential to the prosecution of our war effort. While preliminary surveys were being made the Santa Fe Railway, through its subsidiary, Chanslor-Canfield Midway Oil Co., offered to donate to the Government lands which it owned within 7 miles of downtown Los Angeles. Early in 1943, the Santa Fe offer was accepted and 211 acres were conveyed to the U.S. Government for the consideration of $1. An additional 177 acres of adjoining land were deeded to the Government on July 10, 1944, in order to meet the urgent need to expand the depot. Again the consideration was $1.

These lands, known as Cheli Air Force Depot, total approximately 388 acres. A year ago, in April 1960, they were declared excess to the needs of the Department of Defense and they have now been turned over to the General Services Administration for disposal.

At the time of the original conveyance, the company expressed its interest in regaining the property when the Government was through with it. A specific provision providing for reconveyance was deleted from the original transaction at the request of the War Department because at that time there was no statutory authority by which the Government could relinquish title to the land acquired by such a donation. Statutory authority was also lacking for the disposal of any improvements which the Government might make on the property. Congress, in passing the Surplus Property Act of 1944, recognized the equity of permitting the donor to reacquire property when it was no longer needed by the Government.

Unfortunately, this law expired on December 31, 1949. Until that time there were no indications that the Government would declare the depot as surplus and unneeded for defense purposes.

I have received numerous resolutions from public and civic bodies in the surrounding area endorsing the right of the Santa Fe Railway, through its subsidiary, now known as the Chanslor-Western Oil & Development Co., to reacquire this property. The Montebello Unified School District asked that a portion of these lands in the amount of 77.385 acres be set aside to provide for a junior college. The city of Commerce has now requested an additional parcel of approximately 10 acres to establish library and other civic facilities, which would serve the junior college which the Montebello School District plans to establish on the property as well as the business and industries in the general area. Both of these requests by two public bodies are not opposed by the Santa Fe Railway or its subsidiary.

I believe that this reconveyance of the land to the Chanslor-Western Oil & Development Co. is in the public interest since it would be used as a site for additional industrial development and, thus, provide needed employment opportunities estimated at between 7,500 and 10,000 new jobs for the residents of the surrounding area. In addition, there would be great added tax benefits to the local taxing districts in whose jurisdiction the property lies as well as the city of Bell. Above all, I believe that it is completely equitable, once the educational and civic needs have been taken care of, to permit the original donor to reacquire the property, which as a patriotic gesture was granted to the Government for a total sum of $2, at the current fair market value of any buildings and other improvements situated on such land as determined by the Administrator of the General Services Administration.

I desire to introduce legislation which would provide for the reconveyance to the donor, excluding those parcels needed by the school district and the city of Commerce. Meanwhile, I understand that your agency contemplates undertaking to dispose of these properties by public auction. Because of the facts set forth herein, and because of the legislation I propose, I desire respectfully to request that such undertakings be deferred pending congressional consideration of my legislation.

With kind regards,

Sincerely yours,

THOMAS H. KUCHEL,
U.S. Senator.

HISTORY AND STATEMENT IN SUPPORT OF BILL AUTHORIZING THE RECONVEYANCE OF SURPLUS PROPERTY AT CHELI AIR FORCE DEPOT, LOS ANGELES, CALIF., TO ITS FORMER OWNER

The bill would authorize the Administrator of General Services to reconvey to Chanslor-Western Oil & Development Co., a subsidiary of the Atchison, Topeka & Santa Fe Railway Co., certain lands at Cheli Air Force Depot, Los Angeles County, Calif., which were donated to the Government by the company.

I. BACKGROUND

In November 1942, the commanding general of the Army Air Corps determined that military requirements necessitated construction of a major Air Corps supply depot in the vicinity of Los Angeles, Calif. Preliminary surveys and appraisals were made of several sites in an effort to determine which could most economically and effectively be developed for the depot. In the midst of these preliminary surveys, the Santa Fe Railway, through its subsidiary, offered to donate to the Government certain lands it owned 7 miles from downtown Los Angeles in a location where all utilities were available, including service by the Los Angeles Junction Railway (which had direct connections, at through rates, with all trunkline carriers serving southern California). The Santa Fe offer was accepted and 211 acres were conveyed to the Government early in 1943. The total consideration paid by the Government for the property was $1. On July 10, 1944, an additional 177 acres of adjoining land were deeded to the Government also for $1 to meet the urgent need for expansion of the depot.

These lands, totaling approximately 388 acres, known as the Cheli Air Force Depot, lying in the heart of the central manufacturing district complex, were only recently declared excess to the needs of the Department of Defense in April 1960, and have now

been turned over to the General Services Administration for disposal.

The Santa Fe was persuaded by the War Department to delete from its original conveyances any provision which would have given the company a right to reacquire the land when it was no longer needed by the Government. This deletion was agreed to by the company because at that time there was no statutory authority by which the Government could relinquish title to land acquired by such a donation, nor was there any authority for the disposal of the improvements which the Government planned to construct on the property. In addition, there was every indication when the land was donated that the depot would be a permanent installation.

However, the company did make clear at the time its interest in regaining the property when the Government was through with it. In the following letters transmitting the deeds to the Government, the company formally expressed the view that it would seem only equitable and fair for it to reacquire the property whenever the Government relinquished it.

The equity of permitting the donor to reacquire property when it was no longer needed by the Government was recognized by the Congress in the Surplus Property Act of 1944. The Act gave preferential rights to former owners who desired to regain surplus real property acquired by the Government after December 31, 1939. At no time prior to the expiration of the law giving former owners preference on December 31, 1949, were there any indications that the Government would not retain the depot property as an active, permanent installation. In fact, the company was assured of this as late as September 15, 1949, when it asked if it would have a chance to reacquire the Cheli property under the terms of the 1944 law. Even in 1952 the Government refused to release even a very small segment of land at one edge of the Depot without the conveyance to it in exchange an equivalent acreage.

Since the decision of the Department of the Air Force to abandon the depot was not reached until late in 1957, the Santa Fe had no opportunity to exercise the right to reacquire the property it had donated to the Government.

II. THE PROPOSED BILL

The legislation proposed would permit the Santa Fe to reacquire the property on terms similar to those which were in effect from 1944 to 1949, and which terms were applicable to all property acquired by the Government after December 31, 1939, including the specific property herein involved. The bill would require the company to pay the current fair market value, as determined by the Administrator of General Services, for all buildings and other improvements on the property. The bill was drafted in the light of GSA recommendations on other similar legislation so as to be consistent with existing laws, policies and procedures.

III. PRECEDENTS FOR THE BILL

1. The Surplus Property Act of 1944 gave all former owners preferential rights in reacquiring surplus real property. It is inequitable to now deny persons that right solely because the property was retained by the Government for a longer period of time.

The 1944 act applied to all former owners, irrespective of whether they donated the property or sold it to the Government at fair market value. When the Cheli Air Force Depot property was donated to the Government, an appraisal made by the Government at the time put a value of $778,420 on the land (see H. Rept. 865, 79th Cong.).

2. In recent years a number of bills to allow former owners to reacquire their properties have become law: H.R. 10045 became Public Law 85-825; H.R. 13209 became Public Law 85-646. In other cases involving properties located at Point Lookout, Mich.; High Point, N.C.; Corpus Christi, Tex.; Sherman, Tex.; Houma, La.; Hitchcock, Tex.; Port Lavaca, Tex.; and Fishers Island, N.Y.; former owners were allowed through legislation to reacquire land they formerly owned.

IV. RECONVEYANCE TO THE SANTA FE IS IN THE PUBLIC INTEREST

The Cheli Air Force Depot is located within a larger tract, the Central Manufacturing District of Los Angeles, acquired and successfully developed by the Santa Fe for industrial sites.

The development of the Cheli Air Force Depot property by Santa Fe will produce substantial benefits to the surrounding residential communities by reason of the many jobs, estimated at from 7,500 to 10,000, which the industries located in this area would employ and the added tax benefits which it would bring to the local taxing districts, such as school, water, sanitation, flood control, and to the city of Bell.

The kind of development which Santa Fe has demonstrated its ability to create and the dynamic character of such development is well illustrated by viewing its development of the adjoining property, formerly known as Vail Field, during the period between 1951 and 1960. In the following pages are pictures showing the Vail Field area at the inception of Santa Fe's development program and the results of that development 9 years later. Also depicted in graph form, are the dramatic results of this development translated into number of jobs, estimated payroll, and assessed valuation during the same period.

It is respectfully submitted that the return to Chanslor-Western Oil & Development Co. of the property which it donated to the Government in 1943 and 1944 in connection with the war effort is not only dictated by elementary considerations of fairness and equity but finds added support and justification in the broad public benefits which are certain to result from the action.

CHANSLOR-CANFIELD MIDWAY OIL CO.,
March 17, 1943.

800-94.
WAR DEPARTMENT,
Office of Division Engineer,
Los Angeles, Calif.
(Attention of Mr. A. V. Montin).

DEAR SIRS: Regarding Air Service Command Depot project, Atlantic Avenue site, and the documents pertaining to the property location, which were left at this office by Mr. Montin on March 6, 1943.

I am pleased to present herewith the following documents executed as requested, which place the property in fee title in the United States of America and its assigns.

1. Seven copies fully executed of CR Form No. 6, Option for Purchase of Land, dated February 25, 1943.

2. Original fully executed Form 1034, Public Voucher for Purchases and Services other than Personal, dated February 25, 1943.

3. Grant deed, dated February 27, 1943, fully executed, covering the transfer of fee of the property covered by option form CR-6.

4. Signed certification, dated 16th day of March 1943, by C. W. Jones, assistant secretary of Chanslor-Canfield Midway Oil Co., covering resolutions of approval for the execution of the above-named documents.

Option for purchase of land CR Form No. 6, dated February 25, 1943, paragraphs Nos. 1 and 4, refer to "general warranty deed." Standard California grant deed form has been substituted by your office in lieu of general warranty deed and has been executed as the aforementioned grant deed dated February 27, 1943.

Referring to paragraph (4) Option for Purchase of Land:

(a) For your information, payment is being tendered today to the Los Angeles County collector, covering the second half of taxes levied on the property for the fiscal year ending June 30, 1943.

(b) Please note, however, that while the grant deed is dated February 27, 1943, due to unavoidable delays it will not be recorded until after the first Monday in March 1943 (permit given for occupation by the Government, February 5, 1943). Therefore, we believe notification should be given the county by your office of the ownership change as Chanslor-Canfield Midway Oil Co. is no longer in possession, and therefore will not assume nor pay any tax levy for the fiscal year beginning July 1, 1943.

After the above grant deed, dated February 27, 1943, has been recorded we will greatly appreciate having the recording reference, at which time we will arrange for the preparation of a certificate by the Laguna-Maywood Mutual Water Co. No. 1 covering the shares of stock of the latter named company properly allocable and appurtenant to the acreage covered by grant deed dated February 27, 1943.

While the Chanslor-Canfield Midway Oil Co. is wholeheartedly desirous of cooperating with the Government in the location of these facilities, it would be unbusinesslike on our part if title to the land should at a later date part from the Government to outside and possibly competitive hands. Therefore, if the Government should decide at any future date to relinquish title to other than a Government-owned corporation, it would seem only equitable and fair that the Government should deed the property back to the Chanslor-Canfield Midway Oil Co. at the same consideration of $1, as the total value of the land only. In no event, however, shall this paragraph be considered as a condition subsequent to the taking by the Government of the land at this time.

Your acknowledgment on the duplicate hereof of the receipt of this letter and papers transmitted herewith will be appreciated.

Yours truly,

C. J. DOHERTY,
Vice President.

CHANSLOR-CANFIELD MIDWAY OIL CO.,
Los Angeles, Calif., July 14, 1944.

800-94.
WAR DEPARTMENT,
Office of Division Engineer,
Pacific Division,
Real Estate Division,
Los Angeles, Calif.
(Attention of Mr. A. V. Montin).

DEAR SIRS: Regarding Los Angeles ACS Depot, intertransit depot 15, tract 3, extension involving acquisition by the Government of 177.1389 acres of land.

In view of Mr. Montin's advice during the afternoon of July 13, 1944, this letter is written to countermand and supersede the provision contained in my letter of July 10, 1944, that your department will institute procedure for the enactment of appropriate legislation by Congress for the prompt reconveyance to Chanslor-Canfield Midway Oil Co. of the minerals underlying the 211.36-acre parcel of land deeded to the Government under date of February 27, 1943. If such procedure is necessary it is understood that the burden of instituting appropriate legislation will be placed on Chanslor-Canfield Midway Oil Co.

The grant deed, dated May 8, 1944, conveying 177.1389 acres of land may, therefore, be placed of public record immediately to avoid further delay in the establishment of Government acquisition and the imposition of local county taxes, etc.

After the above grant deed, dated May 8, 1944, has been recorded we will greatly appreciate having the recording reference, at

which time we will arrange for the preparation of a certificate to be issued by the Laguna-Maywood Mutual Water Co., No. 1, covering the shares of stock of the latter company properly allocable and appurtenant to the acreage covered by the deed.

In providing a location for facilities to serve the depot now established, we are restating our position (see letter of transmission of March 17, 1943, with reference to the deed dated February 27, 1943, transferring ownership to the Government of 211.36 acres of land) that it would be unbusinesslike on our part if title to the additional 177.1389 acres of land should at a later date part from the Government to outside and possibly competitive hands. Therefore, if the Government should decide at any future date to relinquish title to other than a government-owned corporation, it would seem only equitable and fair that the Government should deed the property back to the Chanslor-Canfield Midway Oil Co. at the same consideration of $1 as the total value of the land only. In no event, however, shall this paragraph be considered as a condition subsequent to the taking by the Government of the land at this time.

Your acknowledgment on the duplicate hereof of the receipt of this letter will be appreciated.

Yours truly,

C. J. DOHERTY,
Vice President.

RESOLUTION 1741

The City Council of the City of Bell, Calif., does hereby resolve as follows:

Whereas the City Council of the City of Bell favors the development of the Cheli Air Force Depot by private enterprise in keeping with the neighboring industries and businesses, and believes that said objective and the earliest development will be facilitated by a single developer; and

Whereas the Planning Commission of the City of Bell has recommended that the Cheli Air Force Base Depot area be zoned for industrial use; and

Whereas it appears that Chanslor-Western Oil & Development Co., an affiliate of the Atchison, Topeka & Santa Fe Railway Co. donated said property to the United States at the commencement of World War II and is seeking the enactment of legislation making possible the return of said property to it on the principles set forth in the Surplus Property Act of 1944 which expired in 1949; and

Whereas the members of the city council are familiar with the character of the industrial development by the Santa Fe in the area of the central manufacturing district, principally the area formerly known as Vail Field, adjacent to the Cheli Air Force Depot; and believe that a similar development of the Cheli Air Force Depot property would be of great benefit to the people residing in the southeast area of Los Angeles County, including the community of the city of Bell, because this would provide many additional jobs for the people in this area as well as additional assessed valuation for local tax purposes: Now, therefore, be it

Resolved by the City Council of the City of Bell, That it favors the enactment by the Congress of legislation making it possible to return the Cheli Air Force Depot property to Chanslor-Western Oil & Development Co., a subsidiary of the Atchison, Topeka & Santa Fe Railway Co., on such fair and equitable terms as are consistent with the principles of the Surplus Property Act of 1944; be it further

Resolved, That the city clerk is hereby directed to transmit a copy of this resolution to Senator THOMAS H. KUCHEL, Senator CLAIR ENGLE, and to Congressmen for the southeast area of Los Angeles County and to the appropriate congressional committee or committees to which such legislation may be referred for consideration.

A RESOLUTION OF THE CHAMBER OF COMMERCE OF THE CITY OF BELL

The chamber of commerce does hereby resolve the following:

Whereas it is the program of the Chamber of Commerce of the City of Bell to actively promote the best interests of the city of Bell; and

Whereas it is for the best interests of the people of the city of Bell to provide an attractive business atmosphere through favorable tax rates and maximum job opportunities for the people of the community; and

Whereas the Chamber of Commerce of the City of Bell favors the development of the Cheli Airbase to provide the maximum number of jobs for the people of the city of Bell as well as the southeast area of Los Angeles; and

Whereas the Chanslor-Western Oil & Development Co., an affiliate of the Atchison, Topeka & Santa Fe Railroad Co., donated the property now comprising said Cheli Airbase to the U.S. Government as part of the war effort in 1943–44 and is now seeking legislation to make possible the return of said property to it on the principles of the Surplus Property Act of 1944, which expired in 1949; and

Whereas the Chamber of Commerce of the City of Bell feels that the Santa Fe Railroad has proven its ability in the development of industrial lands for the best interests of both industry and the community by its development of the surrounding area; and

Whereas a similar development of the Cheli Airbase would be of the optimum benefit to the people by providing thousands of additional jobs as well as increased assessed valuation to the city of Bell: Now, therefore, be it

Resolved by the Chamber of Commerce of the City of Bell, That it favors the enactment by the Congress of the United States of appropriate legislation to return the property presently comprising the Cheli Airbase to the Chanslor-Western Oil & Development Co., a subsidiary of the Atchison, Topeka & Sante Fe Railroad Co., on fair and equitable terms within the principles of the Surplus Property Act of 1944; be it further

Resolved, That the secretary of the Chamber of Commerce of the City of Bell shall transmit copies of this resolution to the U.S. Senators representing California and to the Members of Congress representing the southeast area of Los Angeles County.

RESOLUTION 1788

The City Council of the City of Maywood, Calif., does hereby resolve as follows:

Whereas the City Council of the City of Maywood favors the development of the Cheli Airbase, formerly known as the Maywood Air Force Depot, for industrial purposes as a means of creating additional employment and related benefits to the surrounding communities; and

Whereas it appears that Chanslor-Western Oil & Development Co., an affiliate of the Atchison, Topeka & Santa Fe Railway Co., donated said property to the United States at the commencement of World War II and is seeking the enactment of legislation making possible the return of said property to it on the principles set forth in the Surplus Property Act of 1944, which expired in 1949; and

Whereas following the expiration of the war, the Council of the City of Maywood urged the Government to retain said airbase on account of the employment it afforded to residents of the adjacent communities, but now favors the return of said airbase to private ownership; and

Whereas the members of the city council are acquainted with the industrial development by Santa Fe of the Vail Field area and believe a similar development of the Cheli Air Depot property would be of great benefit to the people residing in the southeast area of Los Angeles County, including those living in the city of Maywood, because of the many additional jobs which that would provide for the people in this area and the related benefits to the existing small business enterprises in the city of Maywood: Now, therefore, be it

Resolved by the City Council of the City of Maywood, That it favors the enactment by the Congress of legislation to return the Cheli Airbase property to Chanslor-Western Oil & Development Co., a subsidiary of the Atchison, Topeka & Santa Fe Railway Co., on fair and equitable terms consistent with the principles of the Surplus Property Act of 1944; be it further

Resolved, That the city clerk shall transmit this resolution to Senator THOMAS N. KUCHEL, Senator CLAIR ENGEL, and Congressmen for the southeast area of Los Angeles County.

A RESOLUTION OF THE MAYWOOD CHAMBER OF COMMERCE OF THE CITY OF MAYWOOD RELATIVE TO THE CHELI AIRBASE

The Chamber of Commerce of the City of Maywood, Calif., does hereby resolve as follows:

Whereas the Maywood Chamber of Commerce of the City of Maywood favors the development of the Cheli Air Force Depot by private enterprise in keeping with the neighboring industries and businesses and believes that said objective and the earliest development will be facilitated by a single developer; and

Whereas the Planning Commission of the City of Bell has recommended that the Cheli Air Force Depot area be zoned for industrial use; and

Whereas it appears that Chanslor-Western Oil & Development Co., an affiliate of the Atchison, Topeka & Santa Fe Railway Co., donated said property to the United States at the commencement of World War II and is seeking the enactment of legislation making possible the return of said property to it on the principles set forth in the Surplus Property Act of 1944 which expired in 1949; and

Whereas the board of directors of the Maywood Chamber of Commerce are familiar with the character of the industrial development by the Santa Fe Railway Co. in the area of the central manufacturing district, principally the area formerly known as Vail Field adjacent to the Cheli Air Force Depot property would be of great benefit to the people residing in the southeast area of Los Angeles County, because this would provide many additional jobs for the people in this area as well as additional assessed valuation for local tax purposes: Now, therefore, be it

Resolved by the Maywood Chamber of Commerce of the City of Maywood, That it favors the enactment by the Congress of legislation making it possible to return the Cheli Air Force Depot property to Chanslor-Western Oil & Development Co., a subsidiary of the Atchison, Topeka & Santa Fe Railway Co., on such fair and equitable terms as are consistent with the principles of the Surplus Property Act of 1944; be it further

Resolved, That the secretary of the Maywood Chamber of Commerce is hereby directed to transmit a copy of this resolution to Senator THOMAS H. KUCHEL, Senator CLAIR ENGLE, and Congressman CLYDE DOYLE, and to the appropriate congressional committee or committees to which such legislation may be referred for consideration.

A RESOLUTION OF THE INDUSTRIAL COUNCIL OF THE CITY OF COMMERCE RELATIVE TO THE CHELI AIRBASE, ADOPTED FEBRUARY 28, 1961

Whereas the Industrial Council of the City of Commerce favors the Cheli Airbase development for industrial purposes because of the additional employment and related benefits it would bring to the surrounding communities; and

Whereas it appears that Chanslor-Western Oil & Development Co., an affiliate of the Atchison, Topeka & Santa Fe Railway Co., donated said property to the Government at the commencement of World War II and is now seeking legislation to return said property to it on the principles set forth in the Surplus Property Act of 1944, which expired in 1949; and

Whereas the members of the industrial council believe that a development of the Cheli Airbase property by Santa Fe would be of benefit to the residents of the southeast area of Los Angeles County, including those living in the city of Commerce, because of the many additional jobs which that would provide as well as the additional assessed valuation it would bring to the Montebello Unified School District: Now, therefore, be it

Resolved by the Industrial Council of the City of Commerce, That it supports legislation by Congress to return to Chanslor-Western Oil & Development Co., a subsidiary of the Atchison, Topeka & Santa Fe Railway Co., the Cheli Airbase property on fair and equitable terms consistent with the principles of the Surplus Property Act of 1944; be it further

Resolved, That the secretary shall transmit this resolution to Senator THOMAS N. KUCHEL, Senator CLAIR ENGLE, and Congressmen for the southeast area of Los Angeles County.

RESOLUTION 4543

The City Council of the City of Huntington Park, Calif., does resolve as follows:

Whereas the City Council of the City of Huntington Park favors the development of the Cheli Air Force Depot by private enterprise in keeping with the neighboring industries and businesses, and believes that said objective and the earliest development will be facilitated by a single developer; and

Whereas the Planning Commission of the City of Bell has recommended that the Cheli Air Force Base Depot area be zoned for industrial use; and

Whereas it appears that Chanslor-Western Oil & Development Co., an affiliate of the Atchison, Topeka & Santa Fe Railway Co. donated said property to the United States at the commencement of World War II and is seeking the enactment of legislation making possible the return of said property to it on the principles set forth in the Surplus Property Act of 1944 which expired in 1949; and

Whereas the members of the city council are familiar with the character of the industrial development by the Santa Fe in the area of the central manufacturing district, principally the area formerly known as Vail Field, adjacent to the Cheli Air Force Depot, and believes that a similar development of the Cheli Air Force Depot property would be of great benefit to the people residing in the southeast area of Los Angeles County, including the community of the city of Huntington Park, because this would provide many additional jobs for the people in this area as well as additional assessed valuation for local tax purposes: Now, therefore, be it

Resolved by the City Council of the City of Huntington Park, That it favors the enactment by the Congress of legislation making it possible to return the Cheli Air Force Depot property to Chanslor-Western Oil & Development Co., a subsidiary of the Atchison, Topeka & Santa Fe Railway Co., on such fair and equitable terms as are consistent with the principles of the Surplus Property Act of 1944; be it further

Resolved, that the city clerk is hereby directed to transmit a copy of this resolution to Senator THOMAS H. KUCHEL, Senator CLAIR ENGLE, and to Congressmen for the southeast area of Los Angeles County and to the appropriate congressional committee or committees to which such legislation may be referred for consideration.

A RESOLUTION OF THE HUNTINGTON PARK CHAMBER OF COMMERCE, HUNTINGTON PARK, CALIF.

Whereas the program of the Chamber of Commerce of the City of Huntington Park is interested in development and welfare of the general area; and

Whereas it is for the best interest of the area to provide a favorable business climate through a tax structure and increased job opportunities for the people of the area; and

Whereas the Chamber of Commerce of the City of Huntington Park encourages the development of Cheli Airbase to maintain and increase job opportunities in the southesat area; and

Whereas the Chanslor-Western Oil & Development Co., an affiliate of the Atchison, Topeka & Santa Fe Railroad Co., donated the property now comprising said Cheli Airbase as part of the war effort in 1943–44 to the U.S. Government and is now seeking legislation for the return of said property on the principles of the Surplus Property Act of 1944, which expired in 1949; and

Whereas the Huntington Park Chamber of Commerce feels that the Santa Fe Railroad has proven its ability in industral land development; and

Whereas the industrial development of Cheli Airbase would provide additional employment and broaden the tax base by increasing the assessed valuation: Now, therefore, be it

Resolved by the Huntington Park Chamber of Commerce of the City of Huntington Park, That it favors the enactment of legislation by the Congress of the United States to return the property presently comprising the Cheli Airbase to the Chanslor-Western Oil & Development Co., a subsidiary of the Atchison, Topeka & Santa Fe Railroad Co., on fair and equitable terms under the principles of the Surplus Property Act of 1944; be it further

Resolved, That the manager of the Huntington Park Chamber of Commerce transmit copies of this resolution to the U.S. Senators representing California and to the Members of Congress representing the southeast area of Los Angeles County.

REDUCTION OF POSTAGE RATES ON CERTAIN PARCELS FOR RELIEF PURPOSES

Mr. HART. Mr. President, from time to time I have received inquiries from private groups interested in sending relief supplies to individuals and organizations overseas. Almost without exception the individuals and groups that have contacted me have indicated that the postal rates make it extremely difficult to send relief packages to deserving individuals and groups overseas. Today I am introducing a bill proposing that whenever the President determines that a disaster has occurred in the United States or overseas, he may authorize a reduction in postage rates of relief packages being mailed to organizations or individuals in the disaster area. It is my belief that areas affected by military acts or natural disasters, such as the earthquakes which recently occurred in Chile or the severe winter of 1956 in Italy, would be examples of the kind of natural disaster where standby authority such as authorized in this bill would be the most humanitarian method of enlisting the fullest assistance of the people of the United States in alleviating the suffering of those affected.

I ask unanimous consent that the text of this bill be printed in the RECORD.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 1500) to authorize a reduction of postage rates on parcels containing only food, clothing, medicines, or drugs sent by mail for relief purposes, introduced by Mr. HART, was received, read twice by its title, referred to the Committee on Post Office and Civil Service, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Chapter 67 of title 39 of the United States Code is amended by adding at the end thereof a new section as follows:

"§ 4556. Postage rates on relief packages

"(a) Whenever the President determines that a disaster has occurred in any area in the United States, including the territories and possessions thereof, or in any foreign country the effects of which may be alleviated by relief packages from organizations and individuals in the United States, he is authorized to reduce the rates of postage on relief packages mailed in the United States for delivery to organizations or individuals in such area or foreign country. Such reduced rates shall remain in effect for such period of time as the President may specify.

"(b) The Postmaster General shall, at the close of each fiscal year, notify the President of the loss in postal receipts to the Post Office Department caused by transmitting during such year relief packages at reduced rates provided for by subsection (a). The President shall reimburse the Post Office Department for such loss in postal receipts out of funds appropriated therefor pursuant to the authorization contained in subsection (d).

"(c) As used in this section, the term 'relief packages' means any packages containing only food, clothing, medicines, or drugs, intended as a gift for relief purposes, and not for resale.

"(d) There are hereby authorized to be appropriated to the President such sums as may be necessary to carry out the purposes of this section."

TO PRINT AS A SENATE DOCUMENT THE REPORT OF THE MEETING OF THE CANADA-UNITED STATES INTERPARLIAMENTARY GROUP—(S. DOC. NO. 27)

Mr. AIKEN. Mr. President, I submit to the Senate a report on the meeting of the Canada-United States Interparliamentary Group, held from February 22 to 26, 1961. I ask unanimous consent that the report be printed as a Senate document.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Vermont. The Chair hears none, and it is so ordered.

BENEFITS FOR TEACHERS IN PRIVATE NONPROFIT SCHOOLS UNDER NATIONAL DEFENSE EDUCATION ACT—ADDITIONAL COSPONSOR OF BILL

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the name of the junior Senator from Wyoming [Mr. HICKEY] be added as a cosponsor of the bill (S. 1271) to authorize certain benefits under the provisions of titles II, V, and VI of the National Defense Education Act of 1958 for teachers in private nonprofit schools, which I introduced on March 9, 1961.

The PRESIDING OFFICER. Without objection, it is so ordered.

NOTICE CONCERNING CERTAIN NOMINATIONS BEFORE COMMITTEE ON THE JUDICIARY

Mr. EASTLAND. Mr. President, the following nominations have been referred to and are now pending before the Committee on the Judiciary:

Floyd M. Buford, of Georgia, to be U.S. attorney for the middle district of Georgia, for a term of 4 years, vice Frank O. Evans;

Edward F. Boardman, of Florida, to be U.S. attorney for the southern district of Florida, for a term of 4 years, vice James L. Guilmartin, resigned;

Charles A. Muecke, of Arizona, to be U.S. attorney for the district of Arizona, for a term of 4 years, vice Jack D. H. Hays, resigned;

Joseph P. Hoey, of New York, to be U.S. attorney for the eastern district of New York, for a term of 4 years, vice Cornelius W. Wickersham, Jr.;

Joseph N. Tierney, of Illinois, to be U.S. marshal for the northern district of Illinois, for a term of 4 years, vice William W. Kipp, Sr.; and

John Terrill, of Wyoming, to be U.S. marshal for the district of Wyoming, for a term of 4 years, vice Noah W. Riley.

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in these nominations to file with the committee, in writing, on or before Thursday, April 6, 1961, any representations or objections they may wish to present concerning the above nominations, with a further statement whether it is their intention to appear at any hearings which may be scheduled.

NOTICE OF CHANGE OF DATE OF HEARING ON NOMINATION OF REYNALDO G. GARZA TO BE U.S. DISTRICT JUDGE FOR SOUTHERN DISTRICT OF TEXAS

Mr. EASTLAND. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that the hearing on the nomination of Reynaldo G. Garza, of Texas, to be U.S. district judge for the southern district of Texas, vice James V. Allred, deceased, originally scheduled for Thursday, April 6, 1961, has been rescheduled for Friday, April 7, 1961, at 10:30 a.m., in room 2228 New Senate Office Building.

At the indicated time and place persons interested in the hearing may make such representations as may be pertinent.

NOTICE OF HEARING ON NOMINATION OF LA VERNE R. DILWEG, OF WISCONSIN, TO BE A MEMBER OF THE FOREIGN CLAIMS SETTLEMENT COMMISSION

Mr. EASTLAND. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Thursday, April 6, 1961, at 10:30 a.m., in room 2228 New Senate Office Building, on the nomination of La Verne R. Dilweg, of Wisconsin, to be a member of the Foreign Claims Settlement Commission.

At the indicated time and place persons interested in the hearing may make such representations as may be pertinent.

The subcommittee consists of the Senator from South Carolina [Mr. JOHNSTON], the Senator from Nebraska [Mr. HRUSKA], and myself, as chairman.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. RANDOLPH:

Excerpts from address by Secretary of the Interior Stewart L. Udall at National Coal Policy Conference dinner meeting, Washington, D.C., March 29, 1961.

AREA REDEVELOPMENT ACT

Mr. ROBERTSON. Mr. President, if the distinguished majority leader will yield to me, I wish to state that the Senate has just now received a message that the House has passed the area redevelopment bill, S. 1. I ask that the President pro tempore lay that message before the Senate.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 1) to establish an effective program to alleviate conditions of substantial and persistent unemployment and underemployment in certain economically distressed areas, which was, to strike out all after the enacting clause and insert:

That this Act may be cited as the "Area Redevelopment Act".

DECLARATION OF PURPOSE

SEC. 2. The Congress declares that the maintenance of the national economy at a high level is vital to the best interests of the United States, but that some of our communities are suffering substantial and persistent unemployment and underemployment; that such unemployment and underemployment cause hardship to many individuals and their families and detract from the national welfare by wasting vital human resources; that to overcome this problem the Federal Government, in cooperation with the States, should help areas of substantial and persistent unemployment and underemployment to take effective steps in planning and financing their economic redevelopment; that Federal assistance to communities, industries, enterprises, and individuals in areas needing redevelopment should enable such areas to achieve lasting improvement and enhance the domestic prosperity by the establishment of stable and diversified local economies and improved local living conditions; and that under the provisions of this Act new employment opportunities should be created by developing and expanding new and existing facilities and resources rather than by merely transferring employment opportunities from one area of the United States to another.

AREA REDEVELOPMENT ADMINISTRATOR

SEC. 3. There shall be appointed by the President, by and with the advice and consent of the Senate, an Area Redevelopment Administrator in the Department of Commerce who shall receive compensation at a rate equal to that received by Assistant Secretaries of Commerce. The Administrator shall perform such duties in the execution of this Act as the Secretary of Commerce (hereinafter referred to as the "Secretary") may assign.

ADVISORY POLICY BOARD

SEC. 4. (a) To advise the Secretary in the performance of functions authorized by this Act, there is created an Area Redevelopment Advisory Policy Board (hereinafter referred to as the "Board"), which shall consist of the following members, all ex officio: the Secretary as Chairman; the Secretaries of Agriculture; Health, Education, and Welfare; Interior; Labor; and Treasury; and the Administrators of the Housing and Home Finance Agency and the Small Business Administration. The Chairman may from time to time invite the participation of officials of other agencies of the executive branch interested in the functions herein authorized. Each member of the Board may designate an officer of his agency to act for him as a member of the Board with respect to any matter there considered.

(b) The Secretary shall appoint a National Public Advisory Committee on Area Redevelopment which shall consist of twenty-five members and shall be composed of representatives of labor, management, agriculture, State and local governments, and the public in general. From the members appointed to such Committee the Secretary shall designate a Chairman. Such Committee, or any duly established subcommittee thereof, shall from time to time make recommendations to the Secretary relative to the carrying out of his duties under this Act. Such Committee shall hold not less than two meetings during each calendar year.

(c) The Secretary is authorized from time to time to call together and confer with any persons, including representatives of labor, management, agriculture, and government, who can assist in meeting the problems of unemployment or underemployment in the several areas designated by the Secretary as redevelopment areas.

REDEVELOPMENT AREAS

SEC. 5. (a) The Secretary shall designate as "redevelopment areas" those areas within the United States in which he determines, upon the basis of standards generally comparable with those set forth in paragraphs (1) and (2), that there has existed substantial and persistent unemployment for an extended period of time. There shall be included among the areas so designated any area—

(1) where the Secretary of Labor finds that the rate of unemployment, excluding unemployment due primarily to temporary or

seasonal factors, is currently 6 per centum or more and has averaged at least 6 per centum for the qualifying time periods specified in paragraph (2); and

(2) where the Secretary of Labor finds that the annual average rate of unemployment has been at least—

(A) 50 per centum above the national average for three of the preceding four calendar years, or

(B) 75 per centum above the national average for two of the preceding three calendar years, or

(C) 100 per centum above the national average for one of the preceding two calendar years.

The Secretary of Labor shall find the facts and provide the data to be used by the Secretary in making the determinations required by this subsection.

(b) The Secretary shall also designate as "redevelopment areas" those areas (including Indian reservations) within the United States which do not meet the requirements set forth in subsection (a) but which he determines are among the highest in numbers and percentages of low-income families, and in which there exists a condition of substantial and persistent unemployment or underemployment. In making the designations under this subsection, the Secretary shall consider, among other relevant factors, the number of low-income farm families in the various rural areas of the United States, the proportion that such low-income families are of the total farm families of each of such areas, the relationship of the income levels of the families in each such area to the general levels of income in the United States, the current and prospective employment opportunities in each such area, the availability of manpower in each such area for supplemental employment, the extent of migration out of the area, and the proportion of the population of each such area which has been receiving public assistance from the Federal Government or from the State or States in which such area is located or from any municipality therein. In making these determinations the Secretary shall be guided, but not conclusively governed, by pertinent studies made, and information and data collected or compiled, by (1) departments, agencies, and instrumentalities of the Federal Government, (2) State and local governments, (3) universities and land-grant colleges, and (4) private organizations.

(c) Upon the request of the Secretary, the Secretary of Labor, the Secretary of Agriculture, the Secretary of the Interior, and such other heads of agencies as may be appropriate are authorized to conduct such special studies, obtain such information, and compile and furnish to the Secretary such data as the Secretary may deem necessary or proper to enable him to make the determinations provided for in subsection (b) of this section. The Secretary shall reimburse when appropriate, out of any funds appropriated to carry out the purposes of this Act, the foregoing officers for any expenditures incurred by them under this section.

(d) As used in this Act, the term "redevelopment area" refers to any area within the United States which has been designated by the Secretary as a redevelopment area.

LOANS AND PARTICIPATIONS

SEC. 6. (a) The Secretary is authorized to purchase evidences of indebtedness and to make loans (which for purposes of this section shall include participations in loans) to aid in financing any project within a redevelopment area for the purchase or development of land and facilities (including, in exceptional cases, machinery and equipment) for industrial or commercial usage, including the construction of new buildings, the rehabilitation of abandoned or unoccupied buildings, and the alteration, conversion, or enlargement of existing buildings. Such financial assistance shall not be extended for working capital, or to assist establishments relocating, totally or partially, from one area to another.

(b) Financial assistance under this section shall be on such terms and conditions as the Secretary determines, subject, however, to the following restrictions and limitations:

(1) The total amount of loans (including purchased evidences of indebtedness) outstanding at any one time under this section (A) with respect to projects in redevelopment areas designated under section 5(a) shall not exceed $100,000,000 and (B) with respect to projects in redevelopment areas designated under section 5(b) shall not exceed $100,000,000.

(2) Such assistance shall be extended only to applicants, both private and public (including Indian tribes), approved for such assistance by the State (or any agency or instrumentality thereof concerned with problems of economic development) in which the project to be financed is or will be located.

(3) The project for which financial assistance is sought must be reasonably calculated to provide more than a temporary alleviation of unemployment or underemployment within the redevelopment area wherein it is, or will be, located.

(4) No such assistance shall be extended hereunder unless the financial assistance applied for is not otherwise available from private lenders or other Federal agencies on reasonable terms.

(5) The Secretary shall not make any loan without a participation unless he determines that the loan cannot be made on a participation basis.

(6) No evidences of indebtedness shall be purchased and no loans shall be made unless it is determined that there is a reasonable assurance of repayment.

(7) Subject of section 12(5) of this Act, no loan, including renewals or extension thereof, may be made hereunder for a period exceeding twenty-five years and no evidences of indebtedness maturing more than twenty-five years from date of purchase may be purchased hereunder: *Provided*, That the foregoing restrictions on maturities shall not apply to securities or obligations received by the Secretary as a claimant in bankruptcy or equitable reorganization or as a creditor in other proceedings attendant upon insolvency of the obligor.

(8) Loans made and evidences of indebtedness purchased under this section shall bear interest at a rate equal to the rate of interest paid by the Secretary on funds obtained from the Secretary of the Treasury as provided in section 9(d)(1) of this Act, plus one-half of 1 per centum per annum to cover administrative expenses and to provide for losses on loans made and evidences of indebtedness purchased under this section.

(9) Such assistance shall not exceed 65 per centum of the aggregate cost to the applicant (excluding all other Federal aid in connection with the undertaking) of acquiring or developing land and facilities (including, in exceptional cases, machinery and equipment), and of constructing, altering, converting, rehabilitating, or enlarging the building or buildings of the particular project, and shall, among others, be on the condition that—

(A) other funds are available in an amount which, together with the assistance provided hereunder, shall be sufficient to pay such aggregate cost;

(B) not less than 10 per centum of such aggregate cost be supplied by the State or any agency, instrumentality, or political subdivision thereof, or by a community or area organization which is nongovernmental in character, as equity capital or as a loan repayable only after the Federal financial assistance extended under this section has been repaid in full according to the terms thereof and, if such a loan is secured, its security shall be subordinate and inferior to the lien or liens securing such Federal financial assistance;

(C) in extending financial assistance under this section with respect to a redevelopment area, the Secretary shall require that not less than 5 per centum of the aggregate cost of the project for which such assistance is extended shall be supplied by nongovernmental sources as equity capital or as a loan repayable only after the Federal financial assistance extended under this section has been repaid in full according to the terms thereof and, if such a loan is secured, its security shall be subordinate and inferior to the lien or liens securing such Federal financial assistance; and

(D) to the extent the Secretary finds such action necessary to encourage financial participation in a particular project by other lenders and investors, and except as otherwise provided in subparagraphs (B) and (C), any Federal financial assistance extended under this section may be repayable only after other loans made in connection with such project have been repaid in full, and the security, if any, for such Federal financial assistance may be subordinate and inferior to the lien or liens securing other loans made in connection with the same project.

(10) No such assistance shall be extended unless there shall be submitted to and approved by the Secretary an overall program for the economic development of the area and a finding by the State, or any agency, instrumentality, or local political subdivision thereof, that the project for which financial assistance is sought is consistent with such program: *Provided*, That nothing in this Act shall authorize financial assistance for any project prohibited by laws of the State or local political subdivision in which the project would be located.

LOANS FOR PUBLIC FACILITIES

SEC. 7. (a) Upon the application of any State, or political subdivision thereof, Indian tribe, or private or public nonprofit organization or association representing any redevelopment area or part thereof, the Secretary is authorized to make loans to assist in financing the purchase or development of land for public facility usage, and the construction, rehabilitation, alteration, expansion, or improvement of public facilities, within a redevelopment area, if he finds that—

(1) the project for which financial assistance is sought will tend to improve the opportunities, in the redevelopment area where such project is or will be located, for the successful establishment or expansion of industrial or commercial plants or facilities which will provide more than a temporary alleviation of unemployment or underemployment in such area;

(2) the funds requested for such project are not otherwise available on reasonable terms;

(3) the amount of the loan plus the amount of other available funds for such project are adequate to insure the completion thereof;

(4) there is a reasonable expectation of repayment; and

(5) such area has an approved economic development program as provided in section 6(b)(10) and the project for which financial assistance is sought is consistent with such program.

(b) Subject to section 12(5), the maturity date of any such loan shall be not later than forty years after the date such loan is

made. Any such loan shall bear interest at a rate equal to the rate of interest paid by the Secretary on funds obtained from the Secretary of the Treasury as provided in section 9(d)(2) of this Act, plus one-quarter of 1 per centum per annum.

(c) The total amount of loans outstanding at any one time under this section shall not exceed $100,000,000.

(d) No financial assistance shall be extended under this section with respect to any public facility which would compete with an existing privately owned public utility rendering a service to the public at rates or charges subject to regulation by a State regulatory body, unless the State regulatory body determines that in the area to be served by the public facility for which the financial assistance is to be extended there is a need for an increase in such service (taking into consideration reasonably foreseeable future needs) which the existing public utility is not able to meet through its existing facilities or through an expansion which it is prepared to undertake.

GRANTS FOR PUBLIC FACILITIES

SEC. 8. (a) Upon the application of any State, or political subdivision thereof, Indian tribe, or private or public nonprofit organization or association representing any redevelopment area or part thereof, the Secretary is authorized to make grants for land acquisition or development for public facility usage, and the construction, rehabilitation, alteration, expansion, or improvement of public facilities, within a redevelopment area, if he finds that—

(1) the project for which financial assistance is sought will tend to improve the opportunities, in the redevelopment area where such project is or will be located, for the successful establishment or expansion of industrial or commercial plants or facilities which will provide more than a temporary alleviation of unemployment or underemployment in such area;

(2) the entity requesting the grant proposes to contribute to the cost of the project for which such grant is requested in proportion to its ability so to contribute;

(3) the project for which a grant is requested will fulfill a pressing need of the area, or part thereof, in which it is, or will be, located, and there is little probability that such project can be undertaken without the assistance of a grant under this section; and

(4) the area for which a project is to be undertaken has an approved economic development program as provided in section 6(b)(10), and such project is consistent with such program.

The amount of any grant under this section for any such project shall not exceed 65 per centum of the difference between the funds which can be practicably obtained from loans (including a loan under section 7 of this Act) and from other Federal sources for such project, and the amount which is necessary to insure the completion thereof.

(b) The Secretary shall by regulation provide for the supervision of projects with respect to which grants are made under this section so as to insure that Federal funds are not wasted or dissipated.

(c) No financial assistance shall be extended under this section with respect to any public facility which would compete with an existing privately owned public utility rendering a service to the public at rates or charges subject to regulation by a State regulatory body, unless the State regulatory body determines that in the area to be served by the public facility for which the financial assistance is to be extended there is a need for an increase in such service (taking into consideration reasonably forseeable future needs) which the existing public utility is not able to meet through its existing facilities or through an expansion which it is prepared to undertake.

(d) There is hereby authorized to be appropriated not to exceed $75,000,000 for the purpose of making grants under this section.

AREA REDEVELOPMENT FUND

SEC. 9. (a) There is hereby established in the Treasury of the United States an area redevelopment fund (hereinafter referred to as the "fund"), which shall be available to the Secretary for the purpose of extending financial assistance under sections 6 and 7 and for the payment of all obligations and expenditures arising therefrom.

(b) When requested by the Secretary, advances shall be made to the fund from the appropriations made therefor. There is hereby authorized to be appropriated for the purpose of making advances to the fund, without fiscal year limitation, an amount not exceeding $300,000,000.

(c) Receipts arising from the programs of assistance under sections 6 and 7 shall be credited to the fund. Any moneys in the fund determined by the Secretary to be in excess of current needs shall be credited to the appropriation from which advanced to be held for future advances to the fund.

(d) There shall be paid into miscellaneous receipts of the Treasury at the close of each fiscal year—

(1) interest, on advances made to the fund for use in extending financial assistance under section 6, at rates which shall be determined by the Secretary of the Treasury at the time the advances or commitments for advances are made after taking into consideration the current average market yields of outstanding marketable obligations of the United States having maturities comparable to loans made by the Secretary under section 6; and

(2) interest, on advances made to the fund for use in extending financial assistance under section 7, at rates which shall be determined by the Secretary of the Treasury at the time the advances or commitments for advances are made but which shall not be more than the higher of (A) 2½ per centum per annum or (B) the average annual interest rate on all interest-bearing obligations of the United States then forming a part of the public debt as computed at the end of the fiscal year next preceding the making of such advances or commitments and adjusted to the nearest one-eighth of 1 per centum.

(e) The fund shall contribute to the civil service retirement and disability fund a sum as provided by section 4(a) of the Civil Service Retirement Act (5 U.S.C. 2254(a)), except that such sum shall be determined by applying to the total basic salaries (as defined in that Act) paid to employees performing activities authorized under sections 6 and 7 of this Act and covered by that Act the per centum rate determined annually by the Civil Service Commission to be the excess of the total normal cost per centum rate of the civil service retirement system over the employee deduction rate specified in such section 4(a). The fund shall also pay into the Treasury as miscellaneous receipts that portion of the cost of administration of the civil service retirement and disability fund attributable to employees performing activities authorized under sections 6 and 7 of this Act, as determined by the Civil Service Commission.

(f) In the performance of and with respect to the functions, powers, and duties vested in him by sections 6 and 7 of this Act, the Secretary shall—

(1) prepare annually and submit a budget program in accordance with the provisions of sections 102, 103, and 104 of the Government Corporation Control Act, as amended; and

(2) determine the character of and the necessity for obligations and expenditures and the manner in which they shall be incurred, allowed, and paid, subject to provisions of law specifically applicable to Government corporations.

INFORMATION

SEC. 10. The Secretary shall aid redevelopment areas and other areas by furnishing to interested individuals, communities, industries, and enterprises within such areas any assistance, technical information, market research, or other forms of assistance, information, or advice which are obtainable from the various departments, agencies, and instrumentalities of the Federal Government and which would be useful in alleviating or preventing conditions of excessive unemployment or underemployment within such areas. The Secretary shall furnish the procurement divisions of the various departments, agencies, and other instrumentalities of the Federal Government with a list containing the names and addresses of business firms which are located in redevelopment areas and which are desirous of obtaining Government contracts for the furnishing of supplies or services, and designating the supplies and services such firms are engaged in providing.

TECHNICAL ASSISTANCE

SEC. 11. In carrying out his duties under this act the Secretary is authorized to provide technical assistance which would be useful in alleviating or preventing conditions of excessive unemployment or underemployment (1) to areas which he has designated as redevelopment areas under this Act, and (2) to other areas which he finds have substantial need for such assistance. Such assistance shall include studies evaluating the needs of, and developing potentialities for, economic growth of such areas. Such assistance may be provided by the Secretary through members of his staff or through the employment of private individuals, partnerships, firms, corporations, or suitable institutions, under contracts entered into for such purposes. Appropriations are hereby authorized for the purposes of this section in an amount not to exceed $4,500,000 annually.

POWERS OF SECRETARY

SEC. 12. In performing his duties under this Act, the Secretary is authorized to—

(1) adopt, alter, and use a seal, which shall be judicially noticed;

(2) hold such hearings, sit and act at such times and places, and take such testimony, as he may deem advisable;

(3) request directly from any executive department, bureau, agency, board, commission, office, independent establishment, or instrumentality information, suggestions, estimates, and statistics needed to carry out the purposes of this Act; and each department, bureau, agency, board, commission, office, establishment, or instrumentality is authorized to furnish such information, suggestions, estimates, and statistics directly to the Secretary;

(4) under regulations prescribed by him, assign or sell at public or private sale, or otherwise dispose of for cash or credit, in his discretion and upon such terms and conditions and for such consideration as he shall determine to be reasonable, any evidence of debt, contract, claim, personal property, or security assigned to or held by him in connection with loans made or evidences of indebtedness purchased under this Act, and collect or compromise all obligations assigned to or held by him in connection with such loans or evidences of indebtedness until such time as such obligations may be referred to the Attorney General for suit or collection;

(5) further extend the maturity of or renew any loan made or evidence of indebtedness purchased under this Act, beyond the periods stated in such loan or evidence of indebtedness or in this Act, for additional periods not to exceed ten years, if such extension or renewal will aid in the orderly liquidation of such loan or evidence of indebtedness;

(6) deal with, complete, renovate, improve, modernize, insure, rent, or sell for cash or credit, upon such terms and conditions and for such consideration as he shall determine to be reasonable, any real or personal property conveyed to, or otherwise acquired by, him in connection with loans made or evidences of indebtedness purchased under this Act;

(7) pursue to final collection, by way of compromise or other administrative action, prior to reference to the Attorney General, all claims against third parties assigned to him in connection with loans made or evidences of indebtedness purchased under this Act. This shall include authority to obtain deficiency judgments or otherwise in the case of mortgages assigned to the Secretary. Section 3709 of the Revised Statutes, as amended (41 U.S.C. 5), shall not apply to any contract of hazard insurance or to any purchase or contract for services or supplies on account of property obtained by the Secretary as a result of loans made or evidences of indebtedness purchased under this Act if the premium therefor or the amount thereof does not exceed $1,000. The power to convey and to execute in the name of the Secretary, deeds of conveyance, deeds of release, assignments and satisfactions of mortgages, and any other written instrument relating to real or personal property or any interest therein acquired by the Secretary pursuant to the provisions of this Act may be exercised by the Secretary or by any officer or agent appointed by him for that purpose without the execution of any express delegation of power or power of attorney;

(8) acquire, in any lawful manner, any property (real, personal, or mixed, tangible or intangible), whenever deemed necessary or appropriate to the conduct of the activities authorized in sections 6 and 7 of this Act;

(9) in addition to any powers, functions, privileges, and immunities otherwise vested in him, take any and all actions, including the procurement of the services of attorneys by contract, determined by him to be necessary or desirable in making, purchasing, servicing, compromising, modifying, liquidating, or otherwise administratively dealing with or realizing on loans made or evidences of indebtedness purchased under this Act;

(10) to such an extent as he finds necessary to carry out the provisions of this Act, procure the temporary (not in excess of six months) service of experts or consultants or organizations thereof, including stenographic reporting services, by contract or appointment, and in such cases such service shall be without regard to the civil service and classification laws, and, except in the case of stenographic reporting services by organizations, without regard to section 3709 of the Revised Statutes (41 U.S.C. 5); any individual so employed may be compensated at a rate not in excess of $75 per diem, and, while such individual is away from his home or regular place of business, he may be allowed transportation and not to exceed $15 per diem in lieu of subsistence and other expenses;

(11) sue and be sued in any court of record of a State having general jurisdiction or in any United States district court, and jurisdiction is conferred upon such district court to determine such controversies without regard to the amount in controversy; but no attachment, injunction, garnishment, or other similar process, mesne or final, shall be issued against the Secretary or his property. Nothing herein shall be construed to except the activities under this Act from the application of sections 507(b) and 2679 of title 28, United States Code, and of section 367 of the Revised Statutes (5 U.S.C. 316); and

(12) establish such rules, regulations, and procedures as he may deem appropriate in carrying out the provisions of this Act.

TERMINATION OF ELIGIBILITY FOR FURTHER ASSISTANCE

SEC. 13. Whenever the Secretary shall determine that employment conditions within any area previously designated by him as a redevelopment area have changed to such an extent that such area is no longer eligible for such designation under section 5 of this Act, no further assistance shall be granted under this Act with respect to such area and, for the purposes of this Act, such area shall not be considered a redevelopment area: *Provided*, That nothing contained herein shall (1) prevent any such area from again being designated a redevelopment area under section 5 of this Act if the Secretary determines it to be eligible under such section, or (2) affect the validity of any contracts or undertakings with respect to such area which were entered into pursuant to this Act prior to a determination by the Secretary that such area no longer qualifies as a redevelopment area. The Secretary shall keep the departments and agencies of the Federal Government, and interested State or local agencies, advised at all times of any changes made hereunder with respect to the designation of any area.

URBAN RENEWAL

SEC. 14. Title I of the Housing Act of 1949, as amended, is amended by adding at the end thereof the following new section:

"REDEVELOPMENT AREAS UNDER THE AREA REDEVELOPMENT ACT

"SEC. 113. (a) Whenever the Secretary of Commerce certifies to the Administrator (1) that any county, city, or other municipality (in this section referred to as a 'municipality') is situated in an area designated under section 5 of the Area Redevelopment Act as a redevelopment area, and (2) that there is a reasonable probability that with assistance provided under such Act and other undertakings the area will be able to achieve more than temporary improvement in its economy, the Administrator is authorized to provide financial assistance to a local public agency in any such municipality under this title and the provisions of this section.

"(b) Subject to the provisions of subsection (e) of this section, the Administrator may provide such financial assistance under this section without regard to the requirement or limitations of section 110(c) that the project area be predominantly residential in character or be redeveloped for predominantly residential uses under the urban renewal plan, and without regard to any of the limitations of that section on the undertaking of projects for predominantly nonresidential uses.

"(c) Notwithstanding any other provision of this title, a contract for financial assistance under this section may include provisions permitting the disposition of any land in the project area designated under the urban renewal plan for industrial or commercial uses to any public agency or nonprofit corporation for subsequent disposition as promptly as practicable by such public agency or corporation for the redevelopment of the land in accordance with the urban renewal plan: *Provided*, That any disposition of such land to such public agency or corporation under this section shall be made at its fair value for uses in accordance with the urban renewal plan: *And provided further*, That only the purchaser from or lessees of such public agency or corporation, and their assignees, shall be required to assume the obligations relating to the commencement of improvements imposed under section 105(b) hereof.

"(d) Following the execution of any contract for financial assistance under this section with respect to any project, the Administrator may exercise the authority vested in him under this section for the completion of such projects, notwithstanding any determination made after the execution of such contract that the area in which the project is located is no longer a redevelopment area under the Area Redevelopment Act.

"(e) Not more than 10 per centum of the funds authorized for capital grants under section 103 after the date of the enactment of the Area Redevelopment Act shall be used for the purpose of providing financial assistance under this section. Amounts used for such purpose shall not be taken into account for the purpose of the limitation contained in the second proviso of the fifth sentence of section 110(c)."

URBAN PLANNING GRANTS

SEC. 15. Paragraph (3) of section 701(a) of the Housing Act of 1954 is amended by inserting after "counties which" the following: "(A) are situated in areas designated by the Secretary of Commerce under section 5(a) of the Area Redevelopment Act as redevelopment areas or (B)".

OCCUPATIONAL TRAINING

SEC. 16. (a) The Secretary of Labor is authorized, upon request and whenever he determines such studies are needed, to undertake, or to provide assistance to others for, studies of the size, characteristics, skills, adaptability, occupational potentialities, and related aspects of the labor force of any redevelopment area.

(b) When a redevelopment area has an approved economic development program as provided in section 6(b)(10), the Secretary of Labor, in consultation with the Secretary and the Secretary of Agriculture, shall determine the occupational training or retraining needs of unemployed and underemployed individuals residing in the redevelopment area. The Secretary of Labor shall notify the Secretary of Health, Education, and Welfare of the occupational training or retraining requirements of the area, and shall provide for the orderly selection and referral of those unemployed or underemployed individuals residing in the area who can reasonably be expected to obtain employment as a result of the skill they will acquire in the training which is to be made available. The Secretary of Labor shall cooperate with the Secretary of Health, Education, and Welfare and with existing State and local agencies and officials in charge of existing programs relating to vocational training and retraining for the purpose of assuring that the facilities and services of such agencies are made fully available to such individuals.

(c) Whenever the Secretary of Labor finds that additional facilities or services are needed in the area to meet the occupational training or retraining needs of such individuals, he shall so advise the Secretary of Health, Education, and Welfare. The Secretary of Health, Education, and Welfare shall provide assistance, including financial assistance when necessary, to the appropriate State vocational educational agency in the provision of such additional facilities or services. If the Secretary of Health, Education, and Welfare finds that the State vocational educational agency is unable to provide the facilities and services needed, he may, after consultation with such agency, provide for the same by agreement or contract with public or private educational institutions.

(d) The Secretary of Labor shall arrange to provide any necessary assistance for setting up apprenticeships, and to promote journeyman and other on-the-job training.

(e) There are hereby authorized to be appropriated such sums, not in excess of $4,500,000 annually, as may be necessary to carry out the provisions of this section.

(f) In providing assistance under this section with respect to unemployed and underemployed individuals residing in redevelopment areas, the Secretary of Labor and the Secretary of Health, Education, and Welfare shall give consideration to the special needs of individuals who are agricultural workers or are engaged in other seasonal occupations and who require occupational training in order to qualify them to engage in supplementary employment during the off season and during other periods of reduced activity in the field of their regular or primary occupations.

RETRAINING SUBSISTENCE PAYMENTS

SEC. 17. (a) The Secretary of Labor in consultation with the Secretary and the Secretary of Agriculture may, on behalf of the United States, enter into agreements with States in which redevelopment areas are located, under which the Secretary of Labor shall make payments to such States either in advance or by way of reimbursement for the purpose of enabling such States, as agents of the United States, to make weekly retraining payments to unemployed or underemployed individuals residing within such redevelopment areas who are certified by the Secretary of Labor to be undergoing occupational training or retraining under section 16 of this Act. Such payments shall be made for a period not exceeding sixteen weeks, and the amount of any such payment for any week shall not exceed the amount of the average weekly unemployment compensation payment (including allowances for dependents) payable for a week of total unemployment in the State making such payments.

(b) No weekly retraining payment shall be made to any person otherwise eligible who, with respect to the week for which such payment would be made, has received or is seeking unemployment compensation under title XV of the Social Security Act or any other Federal or any State unemployment compensation law, but if the appropriate State or Federal agency finally determines that a person denied benefits for any week because of this subsection was not entitled to unemployment compensation under title XV of the Social Security Act or such Federal or State law with respect to such week, this subsection shall not apply with respect to such week.

(c) Any agreement under this section may contain provisions (including, so far as may be appropriate, provisions authorized or made applicable with respect to agreements concluded by the Secretary of Labor pursuant to title XV of the Social Security Act) as will promote effective administration, protect the United States against loss, and insure the proper application of payments made to the State under such agreement. Except as may be provided in such agreements, or in the rules and regulations prescribed pursuant to subsection (d) of this section, determinations by any duly designated officer or agency as to the eligibility of individuals for weekly retraining payments under this section shall be final and conclusive for any purposes and not subject to review by any court or any other officer.

(d) The Secretary of Labor and the Secretary shall jointly prescribe such rules and regulations as they may deem necessary to carry out the provisions of this section.

(e) There are hereby authorized to be appropriated such sums, not in excess of $10,000,000 annually, as may be necessary to carry out the provisions of this section.

PENALTIES

SEC. 18. (a) Whoever makes any statement knowing it to be false, or whoever willfully overvalues any security, for the purpose of obtaining for himself or for any applicant any financial assistance under section 6, 7, or 8, or any extension thereof by renewal, deferment of action, or otherwise, or the acceptance, release, or substitution of security therefor, or for the purpose of influencing in any way the action of the Secretary, or for the purpose of obtaining money, property, or anything of value, under this Act, shall be punished by a fine of not more than $10,000 or by imprisonment for not more than five years, or both.

(b) Whoever, being connected in any capacity with the Secretary, in the administration of this Act (1) embezzles, abstracts, purloins, or willfully misapplies any moneys, funds, securities, or other things of value, whether belonging to him or pledged or otherwise entrusted to him, or (2) with intent to defraud the Secretary or any other body politic or corporate, or any individual, or to deceive any officer, auditor, or examiner, makes any false entry in any book, report, or statement of or to the Secretary, or without being duly authorized draws any order or issues, puts forth, or assigns any note, debenture, bond, or other obligation, or draft, bill of exchange, mortgage, judgment, or decree thereof, or (3) with intent to defraud participates or shares in or receives directly or indirectly any money, profit, property, or benefit through any transaction, loan, grant, commission, contract, or any other act of the Secretary, or (4) gives any unauthorized information concerning any future action or plan of the Secretary which might affect the value of securities, or having such knowledge invests or speculates, directly or indirectly, in the securities or property of any company or corporation receiving loans, grants, or other assistance from the Secretary, shall be punished by a fine of not more than $10,000 or by imprisonment for not more than five years, or both.

EMPLOYMENT OF EXPEDITERS AND ADMINISTRATIVE EMPLOYEES

SEC. 19. No financial assistance shall be extended by the Secretary under sections 6, 7, or 8 to any business enterprise unless the owners, partners, or officers of such business enterprise (1) certify to the Secretary the names of any attorneys, agents, and other persons engaged by or on behalf of such business enterprise for the purpose of expediting applications made to the Secretary for assistance of any sort, under this Act, and the fees paid or to be paid to any such person; and (2) execute an agreement binding such business enterprise, for a period of two years after such assistance is rendered by the Secretary to such business enterprise, to refrain from employing, tendering any office or employment to, or retaining for professional services, any person who, on the date such assistance or any part thereof was rendered, or within one year prior thereto shall have served as an officer, attorney, agent, or employee, occupying a position or engaging in activities which the Secretary shall have determined involve discretion with respect to the granting of assistance under this Act.

RECORD OF APPLICATIONS

SEC. 20. The Secretary shall maintain as a permanent part of the records of the Department of Commerce a list of applications approved for financial assistance under section 6, 7, or 8, which shall be kept available for public inspection during the regular business hours of the Department of Commerce. The following information shall be posted in such list as soon as each application is approved: (1) the name of the applicant and, in the case of corporate applications, the names of the officers and directors thereof (2) the amount and duration of the loan or grant for which application is made, (3) the purposes for which the proceeds of the loan or grant are to be used, and (4) a general description of the security offered in the case of a loan.

PREVAILING RATE OF WAGE AND FORTY-HOUR WEEK

SEC. 21. All laborers and mechanics employed by contractors or subcontractors on projects assisted by the Secretary under this Act and undertaken by public applicants shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a—276a-5), and every such employee shall receive compensation at a rate not less than one and one-half times his basic rate of pay for all hours worked in any workweek in excess of eight hours in any workday or forty hours in the workweek, as the case may be. The Secretary shall not extend any financial assistance under section 6, 7, or 8 for such a project without first obtaining adequate assurance that these labor standards will be maintained upon the construction work. The Secretary of Labor shall have, with respect to the labor standards specified in this provision, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 64 Stat. 1267; 5 U.S.C. 133z-15), and section 2 of the Act of June 13, 1934, as amended (48 Stat. 948, as amended; 40 U.S.C. 276c).

ANNUAL REPORT

SEC. 22. The Secretary shall make a comprehensive and detailed annual report to the Congress of his operations under this Act for each fiscal year beginning with the fiscal year ending June 30, 1962. Such report shall be printed and shall be transmitted to the Congress not later than January 3 of the year following the fiscal year with respect to which such report is made. Such report shall show, among other things, (1) the number and size of Government contracts for the furnishing of supplies and services placed with business enterprises located in redevelopment areas, and (2) the amount and duration of employment resulting from such contracts. Upon the request of the Secretary, the various departments and agencies of the Government engaged in the procurement of supplies and services shall furnish to the Secretary such information as may be necessary for the purposes of this section.

APPROPRIATION

SEC. 23. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

USE OF OTHER FACILITIES

SEC. 24. (a) To the fullest extent practicable in carrying out the provisions of this Act the Secretary shall use the available services and facilities of other agencies and instrumentalities of the Federal Government, but only with their consent and on a reimbursable basis. The foregoing requirement shall be implemented by the Secretary in such a manner as to avoid the duplication of existing staffs and facilities in any agency or instrumentality of the Federal Government. The Secretary is authorized to delegate to the heads of other departments and agencies of the Federal Government any of the Secretary's functions, powers, and duties under this Act as he may deem appropriate, and to authorize the redelegation of such functions, powers, and duties by the heads of such departments and agencies.

(b) Departments and agencies of the Federal Government shall exercise their powers,

duties, and functions in such manner as will assist in carrying out the objectives of this Act. This Act shall be supplemental to any existing authority, and nothing herein shall be deemed to be restrictive of any existing powers, duties, and functions of any other department or agency of the Federal Government.

(c) Funds authorized to be appropriated under this Act may be transferred, with the approval of the Director of the Bureau of the Budget, between departments and agencies of the Government, if such funds are used for the purposes for which they are specifically authorized and appropriated.

(d) Subject to the standards and procedures prescribed by section 505 of the Classification Act of 1949, as amended, the head of any agency, for the performance of functions under this Act, including functions delegated pursuant to subsection (a), may place positions in grades 16, 17, and 18 of the General Schedule established by such Act, and such positions shall be in addition to the number of such positions authorized by section 505 of the Classification Act of 1949, as amended, to be placed in such grades: *Provided*, That not to exceed a total of five such positions may be placed in such grades under this subsection, to be apportioned among the agencies by the Secretary, with the approval of the Director of the Bureau of the Budget.

RECORDS AND AUDIT

SEC. 25. (a) Each recipient of assistance under section 6, 7, or 8 of this Act shall keep such records as the Secretary shall prescribe, including records which fully disclose the amount and the disposition by such recipient of the proceeds of such assistance, the total cost of the project or undertaking in connection with which such assistance is given or used, and the amount and nature of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit.

(b) The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purpose of audit and examination to any books, documents, papers, and records of the recipient that are pertinent to assistance received under section 6, 7, or 8 of this Act.

LOANS TO STATE AND LOCAL DEVELOPMENT COMPANIES

SEC. 26. Section 502 of the Small Business Investment Act of 1958 is amended by striking out paragraph (6).

STUDY BY SECRETARY

SEC. 27. Whenever the Department of Defense announces plans to deactivate or is in the process of deactivating any permanent military installation or major unit thereof and such installation is situated in an area in which the rate of unemployment is 6 per centum or more, the Secretary shall, upon the request of the Governor or Governors of the state or states in which the area is located, institute a study to determine the economic effects of the action which has been or is to be taken. In determining the economic effects of such action, the Secretary shall, among other relevant matters, consider and make findings with respect to the approximate amount of money which has been, or may reasonably be expected to be, saved by any department or agency of the Government as a result of such action, compared with—

(1) the approximate costs or losses which have been, or may reasonably be expected to be, incurred by other departments or agencies of the Government, or by State and local governmental units, as a result of such action;

(2) the approximate losses which have been, or may reasonably be expected to be, incurred by private interests as a result of such action in connection with any facilities which they have provided to serve the needs of any such installation and which would otherwise have to be provided in whole or in part by the Government;

(3) the approximate cost to the Government of relocating any such installation in the event that such installation has been, or will be, relocated; and

(4) the approximate cost to the Government of reactivating, in a national emergency or other contingency, any such installation with respect to which any such action is proposed to be taken.

Any such study shall be conducted as expeditiously as practicable, and the findings resulting therefrom shall be transmitted by the Secretary to the Secretary of Defense and to the Congress.

RESEARCH

SEC. 28. To assist in the long-range accomplishment of the purposes of this Act, the Secretary shall establish and conduct a continuing program of study and research designed to assist in determining the causes of unemployment, underemployment, underdevelopment, and chronic depression in the various areas of the Nation and in the Nation as a whole and in the formulation and implementation of national, State, and local programs which will raise income levels and otherwise produce solutions of the problems resulting from these conditions. The Secretary shall include in his annual report under section 22 a detailed statement concerning the study and research conducted under this section together with his findings resulting therefrom and his recommendations for legislative and other action.

APPLICATION OF ACT

SEC. 29. As used in this Act, the terms "State", "States", and "United States" include the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and American Samoa.

Mr. ROBERTSON. Mr. President, I move that the Senate disagree to the amendment of the House, request a conference thereon with the House, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the President pro tempore appointed Mr. DOUGLAS, Mr. CLARK, Mr. PROXMIRE, Mr. WILLIAMS of New Jersey, Mr. MUSKIE, Mr. CAPEHART, Mr. BENNETT, and Mr. BUSH the conferees on the part of the Senate.

CLOSING OF THE SNARK MISSILE BASE AT PRESQUE ISLE, MAINE

Mrs. SMITH of Maine. Mr. President, this morning, at 9 o'clock, I received from the Department of the Air Force notification that it had been decided to close the Snark missile base at Presque Isle, Maine.

Upon receiving that notification, I made a public statement on the matter; and at this time I wish to repeat the statement, here in the Senate.

I regret that in the rapidly changing character of the security and defense of our country—and specifically in the development of the missile program—the long anticipated inactivation and termination of the now outmoded Snark program and the resulting scheduled closing of the Presque Isle Air Force Base have now become realities, as a result of the decision by President Kennedy.

The far easier course for me to pursue politically would be to vigorously protest this action and, as a Republican Senator, to point out that the decision was one made by a Democratic President, and to make a political attack on the decision of President Kennedy.

The far easier course for me to pursue politically would be to demand that the now outmoded Snark program be continued, so that the Presque Isle Air Force Base be kept operating, to aid the economy of the area and to avoid the impact and dislocation that its closing is bound to have on the economy of this area.

But in all good conscience I cannot do this, for this would simply be playing politics with our national security, our national defense, and our taxpayer's dollar. It would be submitting to the economic philosophy that our National Defense Establishment and our national security program must be operated primarily for the local economy.

I shall do what I can to help the Presque Isle area absorb the economic impact of this unpleasant decision made by President Kennedy; and while I can understand and appreciate the concern of the people of the area, I am confident that the great majority of the people of the area are not only fair-minded about this long anticipated development, but also are of such admirable self-reliance that they will meet the impact well and successfully.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mrs. SMITH of Maine. I am glad to yield.

Mr. MANSFIELD. I commend the distinguished senior Senator from Maine for the statement she has just made. To the best of my knowledge, she has never, in her many years in the Congress—and we have served together in the House as well as in the Senate—played politics with national defense or any other matter. I think her statement today is just another indication of the great work the distinguished Senator from Maine has done, and exemplifies the philosophy which has marked her through her entire political career.

Mrs. SMITH of Maine. I thank the distinguished majority leader for his usual thoughtfulness and his fair and understanding statement. I much appreciate his generous expressions.

Mr. MORSE. Mr. President, I wish to join in the remarks of the majority leader with regard to the services of the distinguished Senator from Maine [Mrs. SMITH]. I have always considered it a matter of great pride that I have been able to associate myself on so many occasions with the Senator from Maine on so many issues during our service in the Senate of the United States.

Mr. KUCHEL. Mr. President, I am happy to aline myself with the comments which the distinguished majority leader has made with respect to our colleague, the distinguished and very able senior Senator from Maine [Mrs. SMITH]. Once again, with courage, she speaks with high statesmanship. This is not the first time I have had the opportunity, on this floor, to salute our colleague.

Senator SMITH is a great American, not only in the efficient and productive labors which she has performed in the Senate Armed Services Committee, in which, it is conceded, she is an acknowledged expert, but in every one of the many productive labors which she performs as a Member of the Senate she has added luster not only to her own great reputation, but also to the reputation of the Senate of the United States.

It was not too many months ago that Senators on both sides of the aisle were happy to congratulate her on the longest continuous record of answering roll calls in the entire history of this parliamentary body. I am glad again, on this occasion, as the distinguished majority leader speaks as an American, to stand up and speak also as an American and to express my pride in being one of her colleagues.

I am sure neither the distinguished majority leader nor the distinguished Senator from Maine will take any umbrage whatsoever if I also say I am proud, as a Republican, to acknowledge her as a leader on this side of the aisle for progressive government in the United States.

MESSAGE OF ROMULO BETANCOURT, PRESIDENT OF REPUBLIC OF VENEZUELA, TO PRESIDENT KENNEDY

Mr. MORSE. Mr. President, I speak now as chairman of the Subcommittee on Latin American Affairs of the Senate Committee on Foreign Relations. In my judgment, Congress has a very important moral obligation, and also I think a legal obligation, to pass at a very early date the appropriation of $500 million to which I think the Congress committed itself last year when we authorized $500 million for an aid program, in the field of social progress, to Latin America.

A United States delegation went to the Bogotá Conference last fall based primarily, may I say, so far as its commitments at the Bogotá Conference are concerned, on that authorization. The record of that conference shows that the then Under Secretary Douglas Dillon and two congressional delegates from this body, the Senator from Iowa [Mr. HICKENLOOPER] and the senior Senator from Oregon, made clear this authorization of $500 million had been passed by the Congress and that it undoubtedly would be followed in this session of Congress with an appropriation.

The Congress should know that there are arising in Latin America some serious doubts and some pertinent questions as to whether or not Congress is going to fulfill its obligations.

My plea today is for early consideration, in both branches of Congress of passage of the appropriation of $500 million, on the basis of which the Bogotá Act was adopted at the conference in Bogotá, Colombia, last September.

In many countries in Latin America there are very serious situations developing, and some persons have said Venezuela is one of the key Latin American countries in the great contest between freedom and totalitarianism in Latin America.

There has been sent to me, in my capacity as chairman of the Subcommittee on Latin American Affairs, a message which the President of Venezuela, President Betancourt, has sent to the President of the United States. This is not a confidential memorandum, but is a memorandum of full public knowledge in Venezuela, and also of knowledge in various parts of the United States. In it, the President of Venezuela, very frankly and objectively, has called to the attention of the President and of the American people, some of the problems that confront Venezuela. I ask unanimous consent that the memorandum be printed in the RECORD at this point as a part of my remarks.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

TEXT OF THE MESSAGE OF RÓMULO BETANCOURT, PRESIDENT OF THE REPUBLIC OF VENEZUELA, TO HIS EXCELLENCY JOHN F. KENNEDY, PRESIDENT OF THE UNITED STATES OF AMERICA, TRANSMITTED BY CABLE TO THE EMBASSY OF VENEZUELA IN THE UNITED STATES OF AMERICA

MIRAFLORES, CARACAS,
March 23, 1961.

His Excellency JOHN F. KENNEDY,
President of the United States of America,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT AND FRIEND: I have had an opportunity to read your address of March 13, 1961, delivered at the White House to the representatives of the Latin American governments. This affirmative message, which clears the way toward better inter-American comprehension and understanding, was delivered just 2 days after I had fulfilled my constitutional obligation to present an annual message to the Congress of the Republic of Venezuela. In that document I said clearly and sincerely that your first steps as Chief of State of the United State were an indication of a change of direction in U.S. conduct toward Latin America. I wish to transcribe for you the statements I made to the Venezuelan Parliament and nation, because they show how democratic government officials in this hemisphere are disposed to adopt a receptive, responsible attitude of optimism when the White House begins to speak a language that has not been heard since the days of Franklin Delano Roosevelt.

After referring to the message your Secretary of State sent to the Congress of the United States, urging it to make a legislative pronouncement regarding Dominican sugar that would be in accord with the concrete resolutions of the sixth meeting of Consultation of Ministers of Foreign Affairs, I continued:

"This attitude of President Kennedy is one more indication that the present President of the United States and his group of assistants are on the way toward correcting the repeated mistakes made by previous American administrations. In his inaugural address President Kennedy called on the peoples of America to join an 'Alliance for Progress' and said explicitly that his country desired 'to convert good words into good deeds * * * and to assist free governments in casting off the chains of poverty.' The peoples of Latin America aspire to nothing more and to nothing less. * * * The contacts I have already had with personal representatives of the present President of the United States lead me to believe that his administration will be receptive to the views which I have stated with clarifying frankness. And I can assure you that the task force chosen by the President of that country to coordinate its Latin American policy comprises men with whom I have ties of friendship and whom I know to be sincere in their desire for positive cooperation with our nations."

Some of the questions stated in my speech, which were a synthesis of anxieties noted not only in Venezuela but in other Latin American nations among whose people I have lived, are answered in your message of March 13, in which you outline 10 very concrete points to provide a basis of acts rather than promises for your "Alliance for Progress" program. The fulfillment of that plan will make it possible for this decade—unlike the last decade, which was one of frustration of Latin American hopes and deterioration of relations between the United States and the other Americas—to be a period of accelerated economic, social and cultural progress in the vast underdeveloped portion of the hemisphere, and of real understanding and friendship among the peoples and governments.

Your idea and that of your associates, that foreign contribution to the development of our economies and the improvement of our standards of living and of culture should be matched by our own sustained and firm efforts to help ourselves, is also widespread in Latin America. The time when it was possible for loans or financing to be solicited abroad for the sole benefit of governmental authorities lacking administrative ethics and of privileged minorities is coming to an end.

Honesty in the management of public funds is already a rule of conduct of many governmental authorities, and the idea is growing daily in Latin America that there should be a revolution, accomplished through agrarian reform and the extension of the economic, social, and cultural advantages of civilization to the millions of people who are today deprived of everything that makes life worth living. Such a revolution would be entirely within the bounds of law. It can be accomplished by evolutionary methods, without breaking the ties and commitments of the regional system we have established in the Organization of American States.

The stabilization of prices of our raw materials, the long-term reimbursable loans for economic development plans, and other measures mentioned in your message are requisites essential to a future solution of the problems of underdevelopment, a technical term which for easier understanding we might define as problems of poverty and misery that plague millions of Latin Americans. Together with the planning and the long-term credit, bold and speedy measures to meet economic, fiscal and social problems whose solution must be delayed and to which priority must be assigned, are imperative.

These immediate problems are found in all the countries of the hemisphere. In some of them, convalescing from prolonged tyrannies, it is necessary, for the very stability of the democratic regime faced with its obstinate enemies, to prove to the people that systems based on law, which respect human liberties, are more appropriate not only for promoting human dignity but also for seeking a solution of their crushing common problems.

I also wish especially to mention that part of your message in which you refer so explicitly to the need for all the American nations to have systems of government guaranteeing the freedoms of the people.

If the Charter of the Organization of American States, of which I had the honor

to be one of the drafters at the Ninth Inter-American Conference, held in Bogotá, is correctly interpreted, only representative governments that result from free elections, respect human rights, and guarantee human freedoms can belong to our juridical regional community. To give this rule greater force, the Government of Venezuela plans to present at the forthcoming Quito Conference a draft of an additional accord specifying and requiring that only such governments may belong to the regional community.

Accept, Mr. President, the renewed assurances of my esteem and friendship.

THE JOHN BIRCH SOCIETY

Mr. DODD. Mr. President, it is unfortunate for our society that opinions about communism frequently tend to polarize to extreme positions.

On the one hand, there have always been naive or softheaded people, ultraliberals who refuse to believe that communism can be all evil; who insist that the Communists are like ourselves and that, if we are prepared to be reasonable, coexistence with them is possible; who close their eyes to all the massive evidence that communism is an international conspiracy committed to the destruction of freedom and religion; who cry "witch hunt" or McCarthyism at every effort to investigate Communist front operations and Communist infiltration of government positions; who are not pro-Communist, but react with far greater emotion against every manifestation of anticommunism than they ever seem capable of displaying against communism.

At the other extreme, there are those who are sincerely anti-Communist but who believe that everyone who disagrees with them is either a Communist or a dupe of the Communists, that every political figure who has been guilty of an error in judgment or a policy that failed, is ipso facto, a member of the Communist conspiracy.

These extreme positions beget and encourage each other. The ultraliberal extremist becomes more extreme every time he is presented with evidence that someone has been the target of unjust or exaggerated accusations.

The ultraconservative extremist becomes more extreme, more set in his views, with every new manifestation of ultraliberal tolerance toward Communist and Communist-front operations.

For these reasons, Mr. President, I believe that the distinguished senior Senator from North Dakota performed a real service when he brought certain facts about the John Birch Society to the attention of this body on March 8.

Here is an organization which many thousands of sincere, dedicated citizens have joined because they are concerned over the Communist successes in recent years and would like to know more and to do something about it.

The evidence, however, suggests that many of those who joined the John Birch Society did so in ignorance of the real views of the leadership of the organization.

Mr. Robert Welch, the head of the John Birch Society, is certainly opposed to communism. But how does he oppose communism? Approximately 4 years ago he brought out a book entitled "The Politician," which was given limited circulation. In this book, Mr. Welch assailed Presidents Roosevelt, Truman, and Eisenhower, the late Secretary of State John Foster Dulles, Mr. Allen Dulles, head of the Central Intelligence Agency, Chief Justice Warren, Dr. Milton Eisenhower, and many others, as Communists or Communist agents.

To accuse people like President Eisenhower and John Foster Dulles and the others of being Communist agents is an affront to both decency and intelligence. It brings our leaders and our institutions into disrepute, it sows division, it makes it easier for the Communists and the ultraliberals to equate opposition to communism with political lunacy.

I believe, Mr. President, that the extreme views of Mr. Welch are not shared by the great majority of the sincere Americans who have joined the John Birch Society because of their genuine concern over communism. But these views cannot be dismissed out of hand as the individual views of one man. Mr. Welch happens to be the head of the organization. The views in question moreover are recent views, which Mr. Welch has never repudiated.

Quite inevitably, Mr. Welch's extremism has infected some of his more impressionable followers. It has come to my attention, for example, that the senior Senator from North Dakota and the senior Senator from California have been the targets of vicious, organized campaigns of letterwriting. The gist of these letters, some of them addressed directly to the Senators, some of them sent to local newspapers, is that the Senators in question are soft on communism or are dupes of the Communists. Sometimes these charges are made openly; sometimes they are made by innuendo and implication. The people who write these letters do not identify themselves as members of the John Birch Society, but no knowledgeable person has any doubts about the origins of this despicable campaign of harassment.

But I want to tell the people of America and, in particular, I want to tell the members of the John Birch Society, that there are no more stanch anti-Communists in our country than the senior Senator from North Dakota and the senior Senator from California. I consider the attacks on them to be beneath contempt.

I agree with the opinion expressed by the conservative Los Angeles Times in its editorial of March 12:

> If the John Birchers follow the program of their leader, they will bring our institutions into question exactly as the Communists try to do. They will sow distrust, and aggravate disputes, and they will weaken the very strong case for conservatism.

I believe that it weakens the anti-Communist cause and it plays into the hands of the Communists, when anti-communism can be associated with this kind of sweeping, irresponsible, and repugnant charges made against so many distinguished Americans.

Few men have held high public office without committing their quotas of blunders and miscalculations. For my own part, I believe that the free world has been guilty of many grave blunders in the postwar period—blunders committed because we failed to understand the true nature of communism. But it is the worst kind of madness to charge that all of these blunders were perpetrated under the direction of the Communist conspiracy by men who hold or have held the highest offices our country has to offer.

I want to commend the American press for bringing this situation to light. I welcome this evidence of vigor and initiative on the part of the press.

The press has a tremendous weapon for public good in the power of exposure. It has used it effectively in the case of the John Birch Society. But for some reason which I cannot understand it has not used this weapon anywhere near as effectively against the Fair Play for Cuba Committee, the various offshoots of the Communist peace offensive, and the other Communist-front operations in this country.

There is a job of political balancing to be done. For my own part, I would be more than satisfied if our press devoted as much column space in coming months to exposing the subterranean operations of the Communist Party in this country as they have in recent weeks to exposing the excesses of the John Birch Society.

Mr. KUCHEL. Mr. President, I am more grateful than I can say for the comments made by the distinguished Senator from Connecticut [Mr. DODD].

Mr. President, international communism has been and will continue to be an evil, dangerous worldwide conspiracy. Its intent continues to be to destroy freedom. It is the very antithesis of freedom. Everything which Americans hold dear is directly, completely opposite to international communism.

This country, under Democratic administrations and under Republican administrations, has demonstrated a courage and a zeal to maintain freedom, to deter Communist aggression, and, if necessary, to combat it.

We have in this country, regrettably, some few people who are guilty of treason. I suppose that is always the case in any society. There are some who would pull down the pillars and try to destroy the very freedom under which they are able to engage in their kind of ugly and reprehensible activity.

But there is an equal danger in this country from those who take shocking and unbelievable positions, who continue an extreme philosophy of objecting to every kind of progress, who point the finger at those who disagree with them, and say, "There walks a Communist."

It is a fantastic and incredible libel upon one of the world's great exponents of freedom when the head of this society accuses Dwight Eisenhower of being "a card-carrying Communist." Should the American people and the American Government let that kind of vile spleen be poured upon one who has given his whole life to dedicated service to America, through participation in the world's greatest war, as the top com-

mander, in which his armies emerged victorious, and through 8 years of unselfishly serving the American people as their Chief Executive?

Mr. President, I denounce anyone who makes that kind of false and contemptible charge.

Across the street sits the Chief Justice of the United States, another great American. People in this society besmirch his character.

Many of us in Government have been denounced and our names have been reviled by some members of this organization.

There are many good but mistaken people who belong to the John Birch Society, but there are some others who are neither good nor mistaken, and they are its leaders. Speaking for myself, I suggest to the Senate that a proper function of the Senate Government Operations Committee would be to call before it Mr. Welch of Massachusetts and ask him the basis upon which he makes these fantastic charges. Since he will be unable to document them, he should be made to apologize in public not alone to Eisenhower, not alone to Warren, but also to the people of the country.

Mr. YOUNG of North Dakota. Mr. President, I deeply appreciate the kind comments concerning me made by the distinguished Senator from Connecticut with respect to the John Birch Society and charges which have been leveled against me by its members.

I have been the subject of a barrage of letters written to every newspaper in my State which will carry them, which insinuate, at times, that I may be opposed to any movement which would contain communism and which charge me with all manner of things.

I believe that in my State the great majority of the members of the society are very good people, but they have been unaware of the type of person they have as a leader and the accusations he has been making. No one knows for sure exactly who are the members of the society; that is one of the difficult things in dealing with the organization. I do not know of more than a half dozen people in my State who will admit they belong to the organization.

Those who are members of the organization, for the most part, are very fine people. I believe they are honestly and sincerely trying to combat communism, and that one day they will repudiate the charges made by their leader, Robert Welch, against President Eisenhower and other fine patriotic citizens and leaders of our Nation.

HURRICANE MESA

Mr. BENNETT. Mr. President, in the special message on the defense budget which President Kennedy submitted to the Congress Tuesday, the President announced that he had directed the Secretary of Defense to take steps to inactivate and discontinue 21 oversea bases and 52 military installations in the United States, thought by the new administration to be excess to the defense needs of our country. Although not on the official list, one of the facilities to be closed by the Kennedy administration is the Hurricane Supersonic Research Site, located at Hurricane, Utah. This is an Air Force installation operated under contract by the Coleman Engineering Co., Inc., of Torrance, Calif. At this site, high speed rocket sled tests and aircraft crew escape systems are tested under the direction of the Air Force Flight Test Center, Air Research Development Command, Edwards Air Force Base, Calif.

The Hurricane test track is a comparatively new installation, first activated in 1954 and formerly referred to by the Air Force as Project Smart. The track is unique in many ways. It is located on a high plateau in southwestern Utah near Zion National Park and approximately 75 miles north of Grand Canyon National Park. HSRS provides the only known facility in the world on which a test item can be guided at supersonic speed over a 12,000-foot track, launched from a precipice 1,500 feet above the surrounding terrain, and then closely observed through a relatively horizontal free-flight path. The Air Force has two other test tracks, one at Edwards Air Force Base, Calif., and one at Holloman Air Force Base, N. Mex., and the Navy operates a track at the U.S. Naval Ordnance Test Station, Inyokern, Calif. All three of these installations have flat tracks, whereas the facility at Hurricane has the only elevated launch track.

The concept of an elevated launch facility was originated by the Wright Air Development Division as a means to provide an extended period of free-flight testing for aircraft escape systems. A comparable period of free flight before ground impact is not available to test items launched upward from moving vehicles on flat tracks. Flight characteristics can be more fully studied at the Hurricane track, because the free-flight feature provides designers and engineers time to study and evaluate stabilization and parachute recovery systems under conditions similar to those experienced in actual flight.

The Hurricane track was designed and originally constructed at a cost of $2.4 million. The present value of facilities and equipment at HSRS is $5.6 million. Approximately 3,508 acres have been utilized for this test facility. Of this total 2,851 acres were obtained under permit from the Department of Interior, 643 acres were leased from the State of Utah and 14 acres were leased from private individuals.

Mr. President, the Air Force has stated its reason for discontinuance of the Hurricane track, as follows:

> The Hurricane Supersonic Research Site (HSRS) was constructed primarily to test aircraft crew escape systems. At the present time the major use of this facility is divided between tests of conventional aircraft escape systems and aircraft capsule escape systems. With the decline of emphasis on new manned aircraft, the requirement for escape systems tests has accordingly been diminishing. We have recently completed a study of our requirements for future sled track operations, and have considered in this study a request by the Atomic Energy Commission to conduct certain tests on Air Force tracks. We have concluded that Air Force and AEC testing can be accomplished on two tracks instead of three. Accordingly, we plan to discontinue operations at Hurricane Mesa at the expiration of the present contract on June 30, 1961.

I cannot quarrel with the principle of economy and the need for elimination of duplication wherever it may exist in our Defense Departments or other governmental agencies. However, I do question whether the correct decision has been made as to which track should be discontinued and which kept in operation. It is significant that the Hurricane track has unique features not available at any of the other tracks and that future testing of aircraft escape systems will be seriously hampered by the closing of HSRS. In this regard, I ask unanimous consent to place in the RECORD at the end of my speech, five communications testifying as to the continuing need for the Hurricane facility and showing that this track has particular advantages over the flat tracks which will be kept in operation. These communications are as follows: Lockheed Aircraft Corp., Vought Aeronautics, Grumman Aircraft Engineering Corp., Convair, Department of Navy Airborne Division.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Utah? The Chair hears none, and it is so ordered.

(See exhibit 1.)

Mr. BENNETT. Mr. President, another significant fact which I think should be taken into account is that the Hurricane track is the only one of the four now in operation which is operated by a private company under an Air Force contract. The decision to close this track is another body blow at private industry and runs contrary to the recommendations of the Hoover Commission of getting the Government out of all business-type activities. In this regard, this project is of particular importance to Washington County, Utah, because it constitutes the only industrial type activity in this area of the State. At present there are 65 permanently employed technicians at the site and the annual payroll is approximately half a million dollars. Although this may appear to be an insignificant amount, it is of major importance to this remote area of Utah, and its closing will create a real hardship, because there is no other industry to provide jobs or take up the slack when the testing track is closed.

Mr. President, I have sent a letter to the chairman of the Senate Armed Services Committee, asking that the Preparedness Subcommittee make a thorough study of the four existing tracks to determine whether, in the best interest of our Nation's defenses, the Hurricane track should be kept on operational status.

I ask unanimous consent that the letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JANUARY 16, 1961.

Hon. RICHARD B. RUSSELL,
Chairman, Armed Services Committee,
U.S. Senate,
Washington, D.C.

DEAR DICK: I am writing to request that the Senate Armed Services Committee make an investigation into the administration and operation of the four existing supersonic research track sites presently being operated by the Defense Establishment. Of the four, three are so-called flat tracks, the first at the Air Force Flight Test Center, Edwards Air Force Base, Calif.; the second at the Air Force Missile Development Center, Holloman Air Force Base, N. Mex.; and the third at the U.S. Naval Ordnance Test Station, Inyokern, Calif. The fourth is the Hurricane Supersonic Research Facility at Hurricane, Utah.

The investigation should look toward a recommendation leading to the more economic and equitable use of all four of the facilities. Although the Hurricane Mesa facility has many unique features of present and future value to the Defense Establishment, the Air Force has announced that it plans to cease activities at this facility on June 30, 1961. The Hurricane facility is the only elevated launch, high speed rocket test track facility in the United States. It has a precisely alined 12,000-foot track, ending at a 1,500-foot precipice. Beyond the precipice, a surveyed and instrumented range, 8 miles in length, now exists, and an extension of up to 75 miles south is practicable.

I understand that the Defense Establishment will be carrying out experimental activities well beyond next June 30, which the unique Hurricane facilities could carry out, and for which a flat track is technically and economically unsound.

Currently testing continues at Hurricane on the USAF B–58 and B–70 escape capsule programs. Continuance of these programs well into fiscal year 1962, beyond the projected closing of the Hurricane facility, is most likely. Considerable repetitive qualification testing to insure acceptable reliability is absolutely necessary to insure capsule occupant safety. The flat tracks would not insure such safety.

It is also my understanding that live subject tests with the B–58 capsule carrying chimpanzee subjects and later a human occupant are planned by the Air Force. If the Hurricane track is not available, the ejection tests with the capsule must be made from an actual B–58 aircraft or some other aircraft modified to accept the capsule. If any failure of the ejection system or other parts of the capsule occurs, the release of the capsule into the airstream can constitute a major hazard to the safety of the entire aircraft and crew. Prior to the inception of the Hurricane research activity, an aircraft and crew were lost at El Centro, NAAS, California, in such a program of inflight ejection of escape systems.

Many successful live subject tests have already been conducted at Hurricane for the Aeromedical Laboratory, Wright Air Development Division. Utilization of the Hurricane facility for live subject qualification tests for the B–58 and B–70 has been technically and economically proved during these previous test programs. Again I wish to emphasize that flat tracks are technically and economically unsound as well as unsafe for such testing.

In addition, the U.S. Navy plans to convert many of its current aircraft to the rocket seat escape system. Considerable testing during fiscal year 1962 is expected from the U.S. Navy and its civilian contractors if the Hurricane facility were available for use. If Hurricane is not used, these Navy programs will be run at the naval ordnance test station flat track, with the very real possibility of economic disadvantage.

In addition, the Hurricane facility has economic advantages in carrying out research on the Chance Vought nose capsule, aerospace vehicle development, testing of aircraft escape systems including missile launching from sleds, warhead testing, and parachute testing.

I am attaching a copy of a detailed statement listing the many economic advantages which the Hurricane facility has over all other test tracks.

I feel, too, that the proposed investigation should consider the possibility of combining all defense research tracks under the Defense Department, removing them from the jurisdiction of the individual services. This would insure against what to me is the apparent lack of coordination in the operation of these facilities. Furthermore, an effort should be made to coordinate the activities of the Atomic Energy Commission track testing with those of the Defense Establishment.

I sincerely hope that the Armed Services Committee will take favorable action on my proposal.

With kindest personal regards.

Sincerely,

WALLACE F. BENNETT.

Mr. BENNETT. Mr. President, I have received assurances from both the Senator from Georgia [Mr. RUSSELL], chairman of the Armed Services Committee, and from the Senator from Mississippi [Mr. STENNIS], chairman of the Subcommittee on Preparedness Investigating, that a complete investigation will be made into the operation of the various supersonic tracks and that a report on this matter will be made in the near future. Last week I arranged for the staff director of the Preparedness Subcommittee to meet with Mr. T. C. Coleman, president of the Coleman Engineering Co. and to discuss informally the operations of HSRS, and his views regarding the plans to close this defense facility. It is my hope that the subcommittee will develop evidence showing the need for the continuation of this facility and will be able to convince the Defense Department and the Air Force of the wisdom of canceling the closing order.

EXHIBIT 1

LOCKHEED AIRCRAFT CORP.,
Burbank, Calif., January 31, 1961.

FT/61–376
Subject: Cessation of operations at HSRS.
COLEMAN ENGINEERING CO.,
Torrance, Calif.
(Attention of project administrator, Hurricane Supersonic Research Site.)

GENTLEMEN: It has been brought to my attention through newspaper reports that operation of the Hurricane Supersonic Research Site will soon be terminated. If these reports are correct, I feel impelled to point out why I believe that such a step would be scientifically unwise and economically unsound.

Lockheed engineers have conducted test programs on missiles, aircraft, escape systems, etc. at every track available to the industry. First-hand knowledge, therefore, enables us to evaluate the relative capabilities and merits of these tracks. We know from experience that the variety of test programs, present and future, calls for a variety of facilities.

The Hurricane Supersonic Research Site was constructed for the specific purpose of providing "altitude" at the termination of a sled run. This "altitude," achieved by the long drop off the rim of Hurricane Mesa, serves two purposes. This extended free fall permits observation and data gathering from ejected packages far longer than on conventional tracks. From the economic standpoint, large sums can be saved when test objects are recovered by parachute rather than being dashed to pieces at trackside. Nowhere else is this unique and valuable capability available. Since the facilities offered by HSRS are so useful and yet are duplicated nowhere else in the United States, they certainly should not be abandoned. Research and development programs calling specifically for the special feature found only at HSRS can be conducted elsewhere only at extra cost in time, money, and degradation of the quality of results.

We are constantly being reminded of the vital importance of maintaining the high rate and quality of American advancement in aeronautics and space. At the same time, we are being impressed with the necessity for watching the dollars and practicing economy. It is our considered opinion that closing HSRS will be contrary to both of these high objectives, and we urge most strongly against such a step.

Very truly yours,

R. L. THOREN,
Chief Development Engineer.

VOUGHT AERONAUTICS,
February 7, 1961.

COLEMAN ENGINEERING CO.,
Torrance, Calif.
(Attention of Mr. A. H. Schlueter.)
Subject: Availability of test facilities at Hurricane Supersonic Research Site.

GENTLEMEN: This is to inquire as to whether Chance Vought should continue to consider the Hurricane Supersonic Research Site as an available test facility. To date, Chance Vought has used the facility on 17 high-speed sled tests and have evaluated many other test and development programs on the assumption that it would be available. Costs for these programs have been predicated on the high data recovery rate which is unique to this track because of the 1,500-foot cliff.

Chance Vought is now proposing that a certain amount of high-speed sled testing be done at HSRS to qualify the use of a rocket catapult on the Martin-Baker pilot escape system in the F8U airplane. The work is planned for later this year and will be similar to the tests Chance Vought has conducted in the past. However, there is some concern about the availability of the facility since Chance Vought has observed what appears to be an effort to curtail the amount of work done there. Some of the propulsion sleds have been moved to other tracks as well as some of the test work which was originally started at HSRS.

Of course, no one track user is likely to be cognizant of all aspects of the situation, but Chance Vought's experience may be of interest to the persons responsible for administering these important facilities. Since October 1957, this company has conducted 17 tests of pilot escape systems at HSRS. The close camera coverage during the long descent time afforded the ejected mass by the 1,500-foot escarpment, which is peculiar to HSRS, has proven invaluable. In nine of the tests, the parachute was expected to be open before the dummies returned to track level, but this was actually accomplished in only one. At least three major deficiencies in the escape systems would not have been detected if the tests had been conducted at a "flat" track where the ejected items are extensively damaged on impact with the ground. This damage greatly complicates the effort of discerning whether damage is caused by wind blast during

ejection or by premature impact with the ground. Aside from obtaining more complete and accurate data, there is a monetary saving which accrues from preventing damage to the equipment. Of the five instrumented dummies which were procured at a cost of $16,500 each for these tests, four are still serviceable.

If further high-speed testing of escape systems must be done at a flat track, Chance Vought would consider it necessary to fund for 50 percent more than the minimum number of tests, in order to take care of the contingencies associated with premature impact of ejected items with the ground.

Very truly yours,

S. LOVE,
Chief Engineer.

GRUMMAN AIRCRAFT ENGINEERING CORP.,
Bethpage, N.Y., January 13, 1961.

PROJECT MANAGER,
Hurricane Supersonic Research Site,
Torrance, Calif.
(Attention: Mr. Harry Schleuter.)

GENTLEMEN: We wish to express concern over the planned closing of the Hurricane Supersonic Research Site.

It is our opinion that the Hurricane Mesa track is the best available facility for aircraft escape system evaluation tests. While our particular experience with your facility has been only in the field of escape systems, we also feel certain that this track is superior for testing of many other components and systems.

Because of the planned closing of the Hurricane site, it has been necessary for us to conduct our most recent ejection seat tests at a flat track facility. The ejection capability demonstrated during the last run of this test series was estimated, from film data, to be minus 30 feet. Most of the test equipment was destroyed during this run. At HSRS, all of this equipment would have been saved. Furthermore, the values of parachute sink rate, system stability and overall system capability could have been measured rather than estimated.

The earlier program conducted for Grumman at HSRS was entirely successful. We found the track characteristics excellent, and we consider that the manner in which our tests were conducted by the track operators was superior. The test results were, in turn, highly satisfactory.

We are currently planning a series of sled tests for the escape system of an aircraft now in development. We would like to have HSRS available as a potential site for this test and we, therefore, are particularly interested in having every consideration given to retaining HSRS as an active facility.

Respectfully,

JOHN KARANIK,
Chief, Systems Design.

FORT WORTH, TEX.
Subject: Curtailment of activities at HSRS.
HURRICANE SUPERSONIC RESEARCH SITE,
Hurricane, Utah.
(Attention: Project manager.)

Convair has been advised that serious consideration is being given to closing the test facilities at HSRS approximately June 30, 1961. We have been informed that the level of activity between now and June 30 will be curtailed to the equivalent of three sled tests per month.

Convair and Stanley Aviation have been conducting B–58 escape capsule tests at HSRS for several months. The HSRS test site was specifically chosen for these tests because no other known track test site had the capability to conduct tests that would demonstrate the performance requirements of the B–58 escape capsule.

A minimum of 14 sled tests for the B–58 escape capsule are contemplated after January 1961. These tests will extend beyond June 30, 1961. It should be noted that these 14 tests include only 2 reruns for unforeseen difficulties. No tests for developing and demonstrating improvements to the escape system have been included. In addition, the frequency of testing contemplated for the B–58 escape capsule would demand almost complete usage of the test facility if the level of activity is curtailed as noted above.

Convair would appreciate any action you can take to prevent curtailment of activity or closure of the HSRS test facility prior to completion of the sled test programs for the B–58 escape capsule.

E. V. GISH.

DEPARTMENT OF THE NAVY,
BUREAU OF NAVAL WEAPONS,
Washington, D.C., January 24, 1961.
COLEMAN ENGINEERING CO.,
Torrance, Calif.

GENTLEMEN: In a recent telcon Mr. T. C. Coleman requested BuWeps comments regarding Navy experience in connection with rocket sled tests at the Hurricane Supersonic Research Site and any future plans for utilization of the test facilities.

During the last several years the Bureau of Naval Weapons through its airframe contractors has obtained much valuable information on escape system performance during high-speed sled tests at HSRS. The over-the-cliff ejection capability is of great importance in obtaining full trajectory information particularly in systems such as capsules where separation of the test item might be desirable after the test vehicle leaves the end of the mesa.

The Bureau of Naval Weapons has plans for an evaluation of flight capsule systems within the next year. In order to assist the U.S. Air Force in planning for future use of the track information on the BuWeps planned program has been forwarded to the USAF under separate correspondence.

By direction of the Chief of Bureau:

R. C. STARKEY,
Captain, U.S.N.,
Director, Airborne Equipment.

RATIFICATION OF THE 23D AMENDMENT PROVIDES ELOQUENT TESTIMONY THAT AMERICAN DEMOCRACY IS NOT A FINISHED PRODUCT: DISTRICT OF COLUMBIA CITIZENS GIVEN RIGHT TO VOTE

Mr. RANDOLPH. Mr. President, yesterday the State of Kansas provided the final act of assistance in moving this Republic forward another step toward the ideal of universal suffrage.

It is my conviction that the newspapers of Washington, D.C., deserve our commendation for their consistent and cooperative efforts toward the fulfillment of this dream—a dream now become dynamic.

By the ratification of the 23d amendment to the Constitution, there is assured the right of citizens of the District of Columbia to vote in the election of our President and Vice President. And in the enactment of this amendment we shall remove one of the major anachronisms from the voting laws of our Nation.

The citizens of the District of Columbia have been denied by congressional statute any form of suffrage since 1874. The gratifying action of the legislature and the legislatures of the other 37 States, including West Virginia, which have ratified this amendment, corrects an injustice of 87 years standing. This action finally removes the absurd paradox of the national disfranchisement of the citizens in the Capital of the world's greatest democracy.

But more important the ratification of the 23d amendment provides eloquent testimony to our own citizens and to the people of the world that American democracy is not a finished product. It is a moving process, in which this most recent achievement serves as a symbol of our steady march toward new frontiers.

ARNON M. GULICK, CONGRESSIONAL AID

Mr. SCOTT. Mr. President, within the past few days there retired a distinguished gentleman by the name of Arnon M. Gulick, who for the past 18 of his 40 years of service was my assistant in the House of Representatives and in the Senate. Mr. Gulick served under 10 Presidents, and at the time of his retirement was, so far as I am aware, the senior Federal employee in either House of the Congress.

He came here originally in 1905, and there is not today a single Member of either the House or the Senate who was serving when he came as a young assistant to the then Representative Irving P. Wanger, of Bucks County, Pa. He recalls among many anecdotes the fact that a Member of Congress from Minnesota introduced to him a young boy as his son Charles Augustus. That was Charles Augustus Lindbergh, the famous "Lone Eagle."

Mr. Gulick's service is full of memory, of anecdote, and of service. He had a great deal to do with securing the Naval Hospital located at Philadelphia, and all of his friends wish him well, long life, and happiness in his retirement. I ask unanimous consent to have printed in the RECORD at this point in my remarks an article from the Philadelphia Evening Bulletin of March 28, 1961.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CONGRESSMEN'S AID RETIRES AFTER 50 YEARS—SAYS HE'S NEVER KNOWN A DULL DAY

One spring day shortly before this Nation entered World War I a Congressman from Minnesota greeted an old friend in the lobby of the Congressional Apartments, almost in the shadow of the Capitol dome and on the site of the present Supreme Court Building.

"Arnon," he said, "I want you to meet my son. He's named after me—Charles Augustus."

Arnon M. Gulick, the Philadelphian then serving as secretary to Congressman George P. Darrow, of the Germantown-Chestnut Hill district, took the boy's hand in that courtly, friendly way which was rapidly becoming his hallmark.

LINDBERGH'S SON

Then to the beaming Minnesotan:

"He's a fine-looking boy, Mr. Lindbergh."

This memory of his introduction to the boy who won worldwide fame as America's "Lone Eagle" came back to Gulick today. It was one of a flood of pleasant memories which engulfed him as he reminisced about his half century of service as a key aid to three lawmakers from this city.

Gulick, who will be 75 this summer, officially retired March 1 as executive assistant to Senator HUGH D. SCOTT, JR., Republican of Pennsylvania, whom he began serving back in 1911 when SCOTT was a young Congressman.

So far as SCOTT and Gulick could determine, at the time of his retirement the executive secretary had set a record of service in his posts.

FIFTY YEARS IN CAPITAL

Actually, Gulick arrived in Washington in 1905. However, he spent several years in private employment between Capitol assignments, which dropped his total of years served to 50.

Congressman Irving P. Wanger, of the Bucks-Montgomery district, first asked him how he'd like to be his combined office boy-stenographer-secretary at $75 a month.

Wanger had already checked with Gulick's father, Christopher, for many years registrar of wills for Bucks County, and his father had said yes. The son was enthusiastic; a few weeks later he was in Washington.

"Government activity was so small then, it's hard to imagine it today," Gulick recalled. "There were no offices for Congressmen except committee chairmen."

HE GETS MARRIED

In 1908 he married Gertrude Grosser, of Shamokin. His pay jumped to $85 a month. They eventually bought the home they still occupy at 2320 W. Cheltenham Avenue.

After 8 years with Wanger, he served 24 with Congressman Darrow (1915–37, then 1939–41) and a final 18 with SCOTT (1941–45 and 1947–59 in the House and 1959–61 in the Senate).

Today his home contains many treasured items—the desk at which he worked so many years; an autographed photograph of President Eisenhower, and an authographed copy of the American's Creed from its author, William Tyler Page, Clerk of the House of Representatives, presented to him when it was approved by Congress and President Wilson in World War I.

"Yes," he said today, "I think I've had a full life. I've never known a dull day. And I never will.

"The years behind me have been fun. But the years ahead are going to be even better."

DISTRICT OF COLUMBIA VOTE LAW SHOULD BE MODEL FOR NATION

Mr. KEATING. Mr. President, following the good news yesterday of the ratification of the 23d amendment to the Constitution, we are now advised that our next responsibility is to implement the provisions of the 23d amendment by appropriate legislation. This presents an opportunity to Congress to devise a voting law for the District of Columbia which can serve as a model for the entire Nation.

In the last election, over 19 million citizens of voting age were unable to vote. A small proportion of this number was denied ballots for legitimate reasons. For example—because they were in prisons or were illiterate. But the overwhelming proportion of the 19 million Americans who were disenfranchised were prevented from voting only by unreasonable restrictions on the right of the ballot under many State laws.

Five million Americans were kept from the polls by illness; 8 million Americans were unable to vote because they could not meet State, county, or precinct residence requirements; 2,600,000 Americans were unable to vote because they were traveling for business, health, vacation, or other reasons and were unable to obtain absentee ballots. Conservative estimates based on the report of the Civil Rights Commission indicated that 1,750,000 Americans were kept from the polls by rigged literacy tests, poll taxes, and various forms of improper pressure.

Let us make certain that none of these disabilities are allowed to infect the electoral processes of the Nation's Capital. Our residence laws, our provisions for absentee voting, our safeguards against discrimination, should be designed to permit every qualified citizen who wants to vote on election day 1964, to do so. We cannot, and should not, compel any American to vote, but there is no justification for a single, unfair impediment to the exercise of the franchise by citizens who want to vote.

We should study carefully the election law which the District of Columbia Commissioners are expected to submit to the Congress in the very near future. As a member of the Subcommittee on Privileges and Elections of the Senate Committee on Rules and Administration, I have had a special interest in voting problems, and I have proposed a broad study of the situation which now exists, by the subcommittee, at an early date. A sound and progressive District of Columbia voting law could readily become a standard for all the States of the Union interested in bringing their own statutes and practices up to date.

THE HOT DOG AND HIGH FINANCE

Mr. KEATING. Mr. President, one final word on a subject dear to my heart, the New York World's Fair. The fair is moving ahead. I have from time to time taken it upon myself to apprise the Senate of the progress that has been made.

I am happy to point out today that 33 nations are now signed up to exhibit at the fair. Many other international organizations, companies and private groups also plan to exhibit.

But, the big news this week is that the fair has let contracts for the construction of some 29 refreshment stands at the Flushing Meadow Park fairgrounds. In a release by the New York World's Fair Corp., of which I am one of the directors, it was stated that "the plebeian hot dog and hamburger entered the realm of high finance today."

Mr. President, I am happy to pass along this information, which indeed is just one more encouraging sign as to the scope and grandeur of the forthcoming 1964–65 New York World's Fair.

EASTER ADJOURNMENT OF THE HOUSE

Mr. MANSFIELD. Mr. President, after consultation with the minority leadership, I send a concurrent resolution to the desk and ask for its immediate consideration.

The PRESIDING OFFICER laid before the Senate House Concurrent Resolution 211, which was read, as follows:

Resolved by the House of Representatives (the Senate concurring), That when the House adjourns on Thursday, March 30, 1961, it stand adjourned until 12 o'clock meridian on Monday, April 10, 1961.

The PRESIDING OFFICER. Is there objection to the present consideration of the concurrent resolution?

There being no objection, the concurrent resolution (H. Con. Res. 211) was considered and agreed to.

THIRD SUPPLEMENTAL APPROPRIATION BILL—CONFERENCE REPORT

Mr. HAYDEN. Mr. President, I ask unanimous consent that the Senate resume the consideration of the conference report on the supplemental appropriation bill.

There being no objection, the Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 5188) making supplemental appropriations for the fiscal year ending June 30, 1961, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

Mr. WILLIAMS of Delaware. Mr. President, would the Senator explain what the amendments would do?

Mr. HAYDEN. Mr. President, the first four amendments in the bill related to the Commodity Credit Corporation and consisted of $2,820 million included in the bill by the Senate. These amendments had not been considered when the bill was in the House.

The Senate conferees exerted every effort to impress upon the conference committee the necessity for these funds. However, the House managers were adamant and the only way we could get a conference report on this bill was for the Senate to recede.

The House managers were strongly opposed to any additional appropriation for the Development Loan Fund. However, we were able in the end to secure $50 million, which the conference committee agreed should be earmarked for development loan programs in the Western Hemisphere.

In amendment No. 69, the Senate sought to repeal a language prohibition against Senators being reimbursed for official committee trips to their home States. The Senate will recall that in the Legislative Branch Appropriation Act, 1961, a prohibition in this regard was included on the floor of the House as an amendment to the Williams amendment, which provided for reporting in detail on expenditures for foreign travel.

The managers on the part of the House took the position that the rule of comity was violated by the Senate when the Senate made the Williams amendment applicable to the House, and after the Senate had done this, they were

within their rights in prohibiting reimbursement for official committee trips of Senators to their home States.

I predicted that this would be the effect of the adoption of the amendment offered by the Senator from Delaware, [Mr. WILLIAMS] when it was under consideration in the Senate on June 20, 1960, when I said:

Mr. President, a very similar proposal was before the Senate last month, on an amendment offered by the Senator from Delaware [Mr. WILLIAMS]. We adopted it, and took it to conference. The House very properly, in my judgment, said, "We do not allow the Senate of the United States to tell us what our Members shall do." I feel that the House has that right: namely, to regulate the conduct of its own members; and the Senate has no right to attempt to do otherwise.

On the other hand, if we set a pattern for ourselves, and if the House then wishes to include its own Members, or if it wishes to adopt its own rules, it may do so.

I am sure that all Senators would resent an effort by the House to dictate how the Members of this body should conduct themselves while traveling abroad; and of course that rule works both way, as applied to this measure.

For the RECORD, I shall quote from Senate precedents which support what I have said:

On May 25, 1896 (54th Cong., 1st sess., RECORD, p. 5661), during the consideration of a deficiency appropriation bill in the Senate in connection with certain Senate amendments to the bill, Mr. Eugene Hale, of Maine, said:

"The rule is always observed between the two Houses that the examination in reference to items touching the employment of the force of the two Houses and as to elections and contests and all that is attended to by each House, neither interfering with the other."

On March 18, 1914, during the consideration of a deficiency appropriation bill by the Senate, in connection with an amendment to pay a year's salary to the father of a deceased Representative, Mr. Thomas S. Martin, of Virginia, chairman of the Committee on Appropriations said:

"The Senator from Iowa, Mr. Kenyon, knows very well that it has been a long established rule here, a rule of comity between the two Houses, that each House fix the expenditures for its own body. The Senator knows that whenever that rule is departed from it results in friction and causes trouble."

Mr. Martin further said that the only time the Senate put in matters relating to the House was when it was requested by the House Appropriations Committee to do so.

On June 14, 1946, Mr. Tydings, of Maryland, chairman of the Legislative Appropriation Subcommittee, made the following statement with reference to the policy of the two Houses in dealing with appropriations for its own employees:

"There is no law on the subject, but we have a definite understanding that the Senate will not interfere with any appropriation the House makes for its own body, and the House will not interfere with any appropriation the Senate makes for its own body."

I ask unanimous consent to have printed at this point in the RECORD excerpts from the CONGRESSIONAL RECORD which have been prepared for me by the Parliamentarian.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

POLICY OF THE APPROPRIATIONS COMMITTEES OF THE TWO HOUSES WITH REFERENCE TO ITEMS CONCERNING EMPLOYEES AND ELECTIONS IN THE RESPECTIVE HOUSES IS NOT TO INTERFERE WITH EACH OTHER

On May 25, 1896 (fn: 54th Cong., 1st session, RECORD, p. 5661), during the consideration, as in Committee of the Whole, of the bill (H.R. 8293) making appropriations to supply deficiencies in the appropriations for the fiscal year ending June 30, 1896, and for prior years, and for other purposes, Mr. Francis M. Cockrell, of Missouri, said:

"There are a number of Senate amendments relating to matters concerning the other House as to which I should like to have the Senator from Maine in charge of the bill make some explanation as to why the committee reported to place them in the bill."

Mr. Eugene Hale, of Maine, replied:

"I was just ready to say that the rule is always observed between the two Houses that the examination in reference to items touching the employment of the force of the two Houses and as to elections and contests and all that is attended to by each House, neither interfering with the other. In some cases it happens after a bill has passed the House of Representatives, and there has been no opportunity to examine certain matters, there are items which need to be put in the appropriation bills here touching House matters. The Senate committee on Appropriations has always observed this rule, that it does not take jurisdiction or cognizance of such subjects, unless the proper committee deal with them in the House and request the Senate to insert the items; and there are items of that kind in this bill. In no other case have we interfered with the appropriations for the other House."

EACH HOUSE, UNDER THE ESTABLISHED PRACTICE OF THE TWO HOUSES, FIXES THE EXPENDITURES FOR ITS OWN BODY

The Committee on Appropriations of the Senate, under this practice, will not report in an appropriation bill an item relating exclusively to the House of Representatives unless requested to do so by the House Committee on Appropriations.

On March 18, 1914 (fn: 63d Cong., 2d sess., RECORD, pp. 5042, 5043), during the consideration of H.R. 13612, an urgent deficiency appropriation bill, Mr. William S. Kenyon, of Iowa, proposed an amendment to pay to John Pepper, father of Rufus F. Pepper, late a Representative from the State of Iowa, $7,500.

Mr. Kenyon stated that Mr. Pepper was a Representative from the Second Iowa district, was unmarried, and that this amendment was to pay to his father the customary amount that had been paid to widows of Members of Congress who died in office. Mr. Kenyon stated further that the amendment had been considered by the House and omitted from the bill because there was no precedent for paying a year's salary to the father of a deceased Representative.

Mr. Thomas S. Martin, of Virginia, chairman of the Committee on Appropriations, said:

"The Senator from Iowa knows very well that it has been a long established rule here, a rule of comity between the two Houses, that each House fix the expenditures for its own body. The Senator knows that whenever that rule is departed from it results in friction and causes trouble."

Mr. Kenyon then called attention to an item in the bill inserted by the Senate making an appropriation of $1,000 for stationery for the use of the committees and officers of the House.

Mr. Martin then said:

"I will state that we had a letter from the chairman of the House committee asking us to insert that item. It is not a departure from the rule; it is a compliance with the rule. The item was omitted inadvertently in the House; and, I repeat, the chairman of the House committee asked us to put it in, and we did so. That has been the rule ever since I have been a Member of the Senate. If the House had said that they wanted the Pepper item inserted, we would have inserted it; we did telephone over there; we got in touch with Mr. Fitzgerald and would have been glad to have added the item if the chairman of the House committee or the House itself had said that it would be agreeable to them to have us do so, but Mr. Fitzgerald was out of the city, and we were told by the person who came to the telephone, representing him, that Mr. Fitzgerald would not send a letter or ask us to insert the item."

Mr. MARTIN subsequently consented to the adoption of the amendment so far as he was concerned, but the amendment, on recommendation of the conferees, was omitted from the bill as finally passed.

IT IS THE POLICY OF THE TWO HOUSES FOR ONE HOUSE NOT TO INTERFERE WITH APPROPRIATIONS MADE BY THE OTHER HOUSE FOR ITS OWN EMPLOYEES

On June 14, 1946, during the consideration of H.R. 6001, the third deficiency appropriation bill, an amendment was offered providing payment for the pages of the Senate until January 3, 1947. During discussion of the matter, Mr. Tydings, chairman of the subcommittee of the appropriations having charge of the legislative appropriation bill, made the following statement with reference to the policy of the two Houses in dealing with appropriations for its own employees:

"There is no law on the subject, but we have a definite understanding that the Senate will not interfere with any appropriation the House makes for its own body, and the House will not interfere with any appropriation the Senate makes for its own body.

"It is often the case that one officer of the House is paid at one rate and a similar officer in the Senate at another. There is a tendency in time for both to seek the higher level, never the lower level. We have had a rule that neither the Senate nor the House will interfere with measures which have to do with either body only."

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. WILLIAMS of Delaware. Will the Senator from Arizona sum up in simple language what the amendment does? Does it change in any way the amendment adopted last year which requires an accounting by Members of Congress?

Mr. HAYDEN. The conference did not change it in any way. The House said:

The Senate told us what to do last year, and now they ask us to agree to a change in that situation and we will not agree to it.

They would not agree. That is all there is to it. So the amendment the Senate added to this bill is out.

Mr. WILLIAMS of Delaware. In other words, it leaves the law as it was passed last year. Is that correct?

Mr. HAYDEN. We did not change the law. The Senate amendment sought to relieve certain Senators from a burden which they had unwittingly assumed.

Mr. WILLIAMS of Delaware. The amendment is stricken out of the appropriation bill, and we now go back to the original text of the bill. Is that correct?

Mr. HAYDEN. There is no change made of any kind.

Mr. WILLIAMS of Delaware. That is good.

Mr. DWORSHAK. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. DWORSHAK. Apparently in the conference between the House and the Senate, the Senate receded on amendments Nos. 1, 2, 3, and 4. During the debate the other day it was indicated that the Commodity Credit Corporation could not carry on its business during the remaining 3 months of this fiscal year unless it received almost $3 billion in appropriations to restore impaired capital and to meet the cost of many programs. Can the distinguished chairman of the Committee on Appropriations assure the Senate that we are not in any way jeopardizing the programs of the Commodity Credit Corporation by the elimination of these funds?

Mr. HAYDEN. That was not the representation made to the Senate. The representation made to the Senate was that for a long time we have failed to provide funds currently to reimburse the Commodity Credit Corporation for advances it has made, and that it would be well to bring it all up to date—to wipe the slate clean and start again with no backlog. That is what the Senate attempted to do. The House would not agree to it.

Mr. DWORSHAK. Mr. President, will the Senator further yield?

Mr. HAYDEN. I yield.

Mr. DWORSHAK. It was pointed out in the discussion in the Appropriations Committee, as the chairman will recall, and also in the debate on the floor of the Senate on the appropriation bill, that, having authorized the expenditures in the feed grains bill, it would be inevitable that the CCC would require some funds with which to implement and carry out the instructions contained in the feed grains bill.

Without giving the Commodity Credit Corporation any funds, and assuming they may require $300 million or $400 million for that program, what will the results be in the face of this report?

Mr. HAYDEN. The situation is that there is a disagreement between the Senate and the House as to the amount of funds remaining unobligated at the present time. The House insists there is enough to worry along until the 30th of next June, or until Congress passes another bill. The main problem is to find money to pay for the grain bill. The main problem, we say, is to get this out of the way, and restore the Commodity Credit Corporation to good financial condition, so that we will not have to be taking care of deficits.

Mr. DWORSHAK. Then it is likely that in the regular Department of Agriculture appropriation bill for 1962, consideration will be given to the various programs involving surplus commodities, and that there will be ample time to provide essential funds to carry out these objectives?

Mr. HAYDEN. If the House is correct about the amount of money available, yes. That is the sole question.

Mr. DWORSHAK. How does the chairman of the Committee on Appropriations feel about it?

Mr. HAYDEN. It may be a narrow squeak; but if enough funds are not available, we may have to pass another supplemental appropriation between now and the end of the fiscal year.

Mr. DWORSHAK. I thank the Senator from Arizona.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. CHAVEZ. Do I correctly understand that the Senate version of the item for the Department of Defense was left intact in conference?

Mr. HAYDEN. That is correct.

Mr. CHAVEZ. It is included in the conference report?

Mr. HAYDEN. It is included in the conference report. The House accepted what the Senate recommended with respect to national defense.

Mr. CHAVEZ. I thank the Senator.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. HOLLAND. Did the conferees retain the $500 million which was placed in the bill in the Senate to finance the operation of the emergency unemployment compensation payments?

Mr. HAYDEN. Yes.

Mr. HOLLAND. That amount remains in the bill, undiminished?

Mr. HAYDEN. That is correct.

Mr. HOLLAND. Second, did the conferees retain in the bill the $80,000 which was placed in the bill in the Senate at the request of the President for the operation of the labor-management committee which he had created by Executive order?

Mr. HAYDEN. That amount was included.

Mr. HOLLAND. I thank the distinguished chairman.

Mr. WILLIAMS of Delaware. Mr. President, in recent months the Department of Justice has said much about the evils of the leaders of industry conspiring to rig prices. I commend the Department of Justice for trying to break up this practice.

However, I call their attention to the fact that today the U.S. Government, through one of its agencies, is deliberately rigging a market with the taxpayers' money. I refer to the manner in which they are rigging the feed grain market, or the price of corn on the exchange, under the recent authority which the Department of Agriculture was given under the Kennedy administration's feed grain bill. In the Wall Street Journal of March 29 and March 30, we find Mr. Willard W. Cochrane, economic adviser to Secretary of Agriculture Freeman, boasting of the fact that the Department plans to drive the cash corn price down to $1 a bushel in order, as he points out, to encourage—I think "force" would be a better word—the American farmers who are producing corn to come under the umbrella of the Government's new farm program.

I quote briefly from some of the articles published in the trade newspapers. First, I read from the Wall Street Journal of March 29, 1961:

> Selling of feed grains was again attributed to weakness in the cash market. Corn was the weakest. The 2-day drop for corn futures at Chicago amounted to almost 5 cents a bushel. Stepped-up Government selling of corn from Federal bins and the threat of further Government selling caused general selling of feed grain futures. No. 2 Yellow corn in the Chicago cash market, a key grade, sold at $1.09 a bushel, the lowest level since last December.

Continuing with the article:

> According to Willard W. Cochrane, economic adviser to Secretary of Agriculture Freeman, the Government plans to sell corn most of this year to keep the price about $1 a bushel on the farm. The Government intends to sell corn also to get more farmers to comply with the new feed grain law.

In today's Wall Street Journal, we find a similar comment. I quote again:

> Cash corn prices at Chicago fell more than 3 cents a bushel to the lowest level since December 20. The price for No. 2 yellow corn, a key grade, is around $1.05 a bushel, almost 15 cents below a recent high.

Further on, the article continues:

> Government officials said they thought if the price for corn is reduced to $1 a bushel, farmers would comply with the new feed grain legislation and reduce new production.

About 4.4 billion bushels of corn were produced in the 1960 crop. Of that crop it is estimated that 65 percent will be used as feed on farms, and about 45 percent will move in the normal channels of trade. Based on the Department of Agriculture figures it is estimated that as of January 1, 1961, 2,856 million bushels of this corn remained on hand, of which it is estimated that about 1 billion bushels will be sold in what is called the free market. This is corn which will be moved from the farms into the normal channels of trade—corn which will not be locked in under the Government's support program. It is corn produced by farmers without the benefit of the Government support program. It will be sold in the so-called free corn movement.

Based upon the information in the trade newspapers and upon the quotation of Mr. Cochrane and other unidentified department spokesmen, it can be seen that this is a deliberate, planned attempt to break the corn market down to a dollar a bushel on the farm. It is now down to about $1.05. Mathematically, it means that the farmers in the market who have corn which they were planning to sell this spring have already had the price driven down by Government manipulation about 15 cents a bushel. Thus, $150 million has been taken off the value of the 1 billion bushels of corn which the farmers of

America had planned to sell in the spring months.

Based upon Government reports, the Department of Agriculture is planning to break this market further by forcing the price down another nickel a bushel before they reach their objective of $1 corn on the farm. The plan of these New Frontier bureaucrats is to force farmers either into bankruptcy or under the Government umbrella.

The Department apparently intends to use the taxpayers' dollars to drive the price down another nickel and thereby take another $50 million of purchasing power from the farmers who have been trying to operate without Government subsidies.

At the time we passed the feed grain bill it was admitted by Department of Agriculture officials—and they were very honest in their statements—that with the authority they were seeking and the authority which they got as a result of the reinstatement of a part of section 3 in the conference report, they would manipulate the grain market and force prices down to the point where farmers would be confronted with the situation of either going bankrupt or signing up under the Government program as recently enacted.

At a time when the Department of Justice is saying so much about the evils of private industry's manipulating prices it would be well for the Government itself to examine the damage it is doing in the manipulation of the feed grain market.

I point out one further danger in this policy of manipulating markets which is not shown in the newspaper articles but which exists—that is that the Department is creating a speculator's paradise as they manipulate this market. There is no clique of bureaucrats who can get behind closed doors of any bureaucracy and use the millions of dollars which are at the Government's command to manipulate the market without some speculator getting advance information and cashing in on it.

I hope that before they proceed further in bankrupting an element of the farm industry which is trying to operate independently, the Secretary of Agriculture and his economic adviser will talk the situation over with some of these farmers who have produced their crops without government aid or with some businessmen who have met a payroll. I respect these professors, but I most respectfully say that they need to take a postgraduate course in economics by at least trying to meet a payroll. They just do not realize the sensitivity of a market.

This deliberate action on the part of the Department of Agriculture to force down the price of grain will provide cheaper feed for the poultry and dairy industry in our immediate area. We are large consumers of corn and it could be said our area will benefit from this manipulation. But no group of farmers benefits in the long run as a result of a program designed to bankrupt another group of farmers. I strongly protest this action of the Department's manipulation of the grain markets.

It seems ironic that the new administration, which has boasted so loudly of its desire to prevent price rigging and its desire to help the American farmers, should now be caught deliberately rigging a market and rigging that market in such a manner as to take $150,000,000 from that group of farmers which has been operating without government subsidies.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 5188, which was read as follows:

IN THE HOUSE OF REPRESENTATIVES, U.S.,
March 29, 1961.

Resolved, That the House recede from its disagreement to the amendments of the Senate numbered 23, 25, 53, 60, 61, 66, 67, and 91 to the bill (H.R. 5188) entitled "An Act making supplemental appropriations for the fiscal year ending June 30, 1961, and for other purposes", and concur therein.

That the House recede from its disagreement to the amendment of the Senate numbered 27, and concur therein with an amendment, as follows: In lieu of the sum named in said amendment, insert "$20,000,000".

That the House recede from its disagreement to the amendment of the Senate numbered 36, and concur therein with an amendment as follows: In lieu of the sum named in said amendment, insert "$600,000".

That the House recede from its disagreement to the amendment of the Senate numbered 38, and concur therein with an amendment, as follows: In lieu of the sum named in said amendment, insert "$20,000,000".

That the House recede from its disagreement to the amendment of the Senate numbered 50, and concur therein with an amendment, as follows: In lieu of the sum named in said amendment, insert "$65,000".

Mr. HAYDEN. I move that the Senate concur in the amendments of the House to the amendments of the Senate numbered 27, 36, 38 and 50.

The motion was agreed to.

Mr. HAYDEN. I ask unanimous consent to have printed at this point in the RECORD a table which shows, by appropriation item, the amounts in the budget estimates, the amounts included in the bill as passed by the House, the amounts included in the bill as passed by the Senate, and the final amount agreed to for each item in the conference.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

The third supplemental appropriation bill, 1961 (H.R. 5188)

	Budget estimate [1]	House bill	Senate bill	Conference action
Department of Agriculture:				
Title I:				
Forest Service:				
Forest protection and utilization:				
Forest land management	$35,580,000	$35,580,000	$35,580,000	$35,580,000
Forest research	946,000	946,000	946,000	946,000
State and private forestry cooperation	74,000	74,000	74,000	74,000
Acquisition of lands, Klamath Indians	68,717,000	68,717,000	68,717,000	68,717,000
Commodity Credit Corporation:				
Restoration of capital impairment (S. Doc. 19)	1,017,610,000		1,017,610,000	
Reimbursement to Commodity Credit Corporation for costs of special milk program (S. Doc. 19)	90,000,000		90,000,000	
Reimbursement to Commodity Credit Corporation for costs of special activities (S. Doc. 19):				
International Wheat Agreement	88,790,000		70,681,000	
Emergency famine relief	255,685,000		140,868,000	
Sales for local currencies (Public Law 480)	1,353,000,000		1,310,500,000	
Migratory waterfowl feed	13,000		35,000	
Bartered material for stockpile	163,163,000		174,800,000	
Grading and classing activities	1,264,000		2,813,000	
Long-term supply contract losses			13,000,000	
Total, title I, Department of Agriculture	3,074,842,000	105,317,000	2,925,624,000	105,317,000
Title II—Increased pay costs:				
Agricultural Research Service, salaries and expenses:				
Research	4,097,000	4,097,000	4,097,000	4,097,000
Plant and animal disease and pest control	1,734,000	1,734,000	1,734,000	1,734,000
Meat inspection	1,564,000	1,564,000	1,564,000	1,564,000
Extension Service, cooperative extension work, payments, and expenses:				
Federal Extension Service:				
Appropriation	41,000			
Transfer authority	(96,000)	(137,000)	(137,000)	(137,000)
Farmer Cooperative Service: Salaries and expenses	37,000	37,000	37,000	37,000
Soil Conservation Service:				
Conservation operations	5,472,000	5,472,000	5,472,000	5,472,000
Great Plains conservation program	168,000	168,000	168,000	168,000

See footnotes at end of table.

The third supplemental appropriation bill, 1961 (H.R. 5188)—Continued

	Budget estimate [1]	House bill	Senate bill	Conference action
Department of Agriculture—Continued				
Title II—Continued				
Agricultural Marketing Service: marketing research and service:				
Marketing research and agricultural estimates	$1,011,000	$1,011,000	$1,011,000	$1,011,000
Marketing services	1,765,000	1,765,000	1,765,000	1,765,000
Foreign Agricultural Service: Salaries and expenses	232,000	232,000	232,000	232,000
Commodity Exchange Authority: Salaries and expenses	50,000	50,000	50,000	50,000
Commodity Stabilization Service: Acreage allotments and marketing quotas	3,463,000	3,463,000	3,463,000	3,463,000
Federal Crop Insurance Corporation: Operating and administrative expenses	185,000	185,000	185,000	185,000
Rural Electrification Administration: Salaries and expenses	392,000	392,000	392,000	392,000
Farmers Home Administration: Salaries and expenses	1,967,000	1,967,000	1,967,000	1,967,000
Office of the General Counsel: Salaries and expenses	192,000	192,000	192,000	192,000
Office of the Secretary: Salaries and expenses	181,000	181,000	181,000	181,000
Office of Information: Salaries and expenses	60,000	60,000	60,000	60,000
Library: Salaries and expenses	56,000	56,000	56,000	56,000
Total, title II, Department of Agriculture	22,667,000	22,626,000	22,626,000	22,626,000
Total, Department of Agriculture	3,097,509,000	127,943,000	2,948,250,000	127,943,000
Department of Commerce:				
Title I:				
General administration: Salaries and expenses (S. Doc. 19)	40,000			
Bureau of Foreign Commerce: Export control	385,000	225,000	225,000	225,000
Total, title I, Department of Commerce	425,000	225,000	225,000	225,000
Title II—Increased pay costs:				
General Administration:				
Salaries and expenses	170,000	170,000	170,000	170,000
Office of Field Services: Salaries and expenses	184,000	184,000	184,000	184,000
Bureau of the Census:				
Salaries and expenses	523,000	523,000	523,000	523,000
18th Decennial Census	1,194,000	1,194,000	1,194,000	1,194,000
1962 Census of Governments	6,000	6,000	6,000	6,000
1958 censuses of business, manufactures, and mineral industries	121,000	121,000	121,000	121,000
Coast and Geodetic Survey: Salaries and expenses	607,000	607,000	607,000	607,000
Business and Defense Services Administration: Salaries and expenses	284,000	284,000	284,000	284,000
Bureau of Foreign Commerce: Salaries and expenses	203,000	203,000	203,000	203,000
Office of Business Economics: Salaries and expenses	102,000	102,000	102,000	102,000
Maritime activities:				
Salaries and expenses	648,000	648,000	648,000	648,000
Limitation increases:				
Administrative expenses	(558,000)	(558,000)	(558,000)	(558,000)
Maintenance of shipyard facilities and operation of warehouses	(31,000)	(31,000)	(31,000)	(31,000)
Reserve fleet expenses	(59,000)	(59,000)	(59,000)	(59,000)
Maritime training	21,000	21,000	21,000	21,000
Patent Office: Salaries and expenses	1,315,000	1,315,000	1,315,000	1,315,000
Bureau of Public Roads: Limitation on general and administrative expenses	(1,843,500)	(1,843,500)	(1,843,500)	(1,843,500)
National Bureau of Standards: Research and technical services	953,000	953,000	953,000	953,000
Weather Bureau:				
Salaries and expenses	2,573,000	2,573,000	2,573,000	2,573,000
Research and development	184,000	184,000	184,000	184,000
Total, title II, Department of Commerce	9,088,000	9,088,000	9,088,000	9,088,000
Total, Department of Commerce	9,513,000	9,313,000	9,313,000	9,313,000
Department of Defense—Military:				
Title I:				
Military personnel:				
Military personnel, Army	7,000,000	[2]	7,000,000	7,000,000
Military personnel, Navy	15,000,000	[2]	15,000,000	15,000,000
Operation and maintenance:				
Operation and maintenance, Army	88,500,000	[2]	88,500,000	88,500,000
Operation and maintenance, Navy	78,400,000	[2]	79,400,000	79,400,000
Operation and maintenance, Air Force	72,000,000	[2]	72,000,000	72,000,000
Claims, Department of Defense	6,000,000	[2]	3,000,000	3,000,000
General provisions:				
Transfer from emergency fund		(263,900,000)		
Motor vehicle hire limitation	(1,250,000)	(1,250,000)	(1,250,000)	(1,250,000)
Travel expense limitation	(63,000,000)	(55,000,000)	(55,000,000)	(55,000,000)
Earmarking for sea travel		(2,500,000)	(2,500,000)	(2,500,000)
Total, title I, Department of Defense, military	266,900,000	[2]	264,900,000	264,900,000
Title II—Increased pay costs:				
Operation and maintenance:				
Operation and maintenance, Marine Corps	$2,039,000	$2,039,000	$2,039,000	$2,039,000
Operation and maintenance, Army National Guard	4,315,000	4,315,000	4,315,000	4,315,000
Operation and maintenance, Air National Guard	2,190,000	2,190,000	2,190,000	2,190,000
Operation and maintenance, Alaska communication system	230,000	230,000	230,000	230,000
Salaries and expenses, Secretary of Defense	875,000	875,000	875,000	875,000
Research, development, test, and evaluation: Research, development, test, and evaluation, Army	12,000,000	12,000,000	12,000,000	12,000,000
Total, title II, Department of Defense, military	21,649,000	21,649,000	21,649,000	21,649,000
Total, Department of Defense, military	288,549,000	21,649,000	286,549,000	286,549,000
Department of Defense—Civil:				
Title I:				
Department of the Army:				
Rivers and harbors and flood control: Construction, general (S. Doc. 19):				
Libby reservoir project	350,000		350,000	350,000
Title II—Increased pay costs:				
Department of the Army:				
Rivers and harbors and flood control:				
Operation and maintenance, general	3,800,000	3,800,000	3,800,000	3,800,000
General expenses	780,000	780,000	780,000	780,000
U.S. Soldiers' Home: Limitation on operation and maintenance and capital outlay	(235,000)	(235,000)	(235,000)	(235,000)
Ryukyu Islands, administration	89,000	89,000	89,000	89,000
Total, title II, Department of Defense, civil	4,669,000	4,669,000	4,669,000	4,669,000
Total, Department of Defense, civil	5,019,000	4,669,000	5,019,000	5,019,000

See footnotes at end of table.

The third supplemental appropriation bill, 1961 (H.R. 5188)—Continued

	Budget estimate [1]	House bill	Senate bill	Conference action
District of Columbia:				
Title I:				
Federal funds:				
Federal payment to the District of Columbia	$6,000,000			
Federal loan to the District of Columbia			($5,700,000)	
District of Columbia funds:				
Operating expenses:				
Regulatory agencies	(118,000)	($89,000)	(118,000)	($118,000)
Department of Occupations and Professions	(29,000)	(14,000)	(29,000)	(29,000)
Metropolitan Police (S. Doc. 18)	(100,000)		(100,000)	(100,000)
Department of Public Health	(2,037,000)	(1,652,050)	(1,849,500)	(1,849,500)
Department of Public Welfare (S. Doc. 18)	(730,000)		(575,000)	(575,000)
Department of Sanitary Engineering (S. Doc. 18)	(1,268,000)		(1,268,000)	(1,268,000)
Miscellaneous:				
Settlement of claims and suits	(28,330)	(28,330)	(28,330)	(28,330)
Audited claims	(1,789)	(1,789)	(1,789)	(1,789)
Total, title I, District of Columbia	(4,312,119)	(1,785,169)	(3,969,619)	(3,969,619)
Title II—Increased pay costs:				
District of Columbia funds:				
Operating expenses:				
Executive office	(27,000)	(27,000)	(27,000)	(27,000)
Department of General Administration	(322,000)	(322,000)	(322,000)	(322,000)
Office of Corporation Counsel	(50,000)	(50,000)	(50,000)	(50,000)
Public schools	(2,420,000)	(2,420,000)	(2,420,000)	(2,420,000)
Public library	(114,000)	(114,000)	(114,000)	(114,000)
Recreation Department	(111,000)	(111,000)	(111,000)	(111,000)
Metropolitan Police	(1,089,000)	(1,089,000)	(1,089,000)	(1,089,000)
Fire Department	(732,000)	(732,000)	(732,000)	(732,000)
Department of Veterans' Affairs	(7,000)	(7,000)	(7,000)	(7,000)
Department of Vocational Rehabilitation	(21,000)	(21,000)	(21,000)	(21,000)
Courts	(233,000)	(233,000)	(233,000)	(233,000)
Department of Corrections	(289,000)	(289,000)	(289,000)	(289,000)
Department of Public Welfare	(544,000)	(544,000)	(544,000)	(544,000)
Department of Buildings and Grounds	(64,000)	(64,000)	(64,000)	(64,000)
Department of Licenses and Inspections	(128,000)	(128,000)	(128,000)	(128,000)
Department of Highways and Traffic	(100,000)	(100,000)	(100,000)	(100,000)
Department of Motor Vehicles	(71,000)	(71,000)	(71,000)	(71,000)
Motor Vehicle Parking Agency	(6,000)	(6,000)	(6,000)	(6,000)
Department of Sanitary Engineering	(302,000)	(302,000)	(302,000)	(302,000)
Washington acqueduct	(50,000)	(50,000)	(50,000)	(50,000)
National Guard	(9,000)	(9,000)	(9,000)	(9,000)
National Capital Parks	(126,000)	(126,000)	(126,000)	(126,000)
National Zoological Park	(36,000)	(36,000)	(36,000)	(36,000)
Total, title II, District of Columbia	(6,851,000)	(6,851,000)	(6,851,000)	(6,851,000)
Total, District of Columbia (out of District of Columbia funds)	(11,163,119)	(8,636,169)	(10,820,619)	(10,820,619)
Executive Office of the President:				
Title I:				
President's Advisory Committee on Labor-Management Policy			80,000	80,000
Title II—Increased pay costs:				
The White House Office: Salaries and expenses (by transfer)	(100,000)	(100,000)	(100,000)	(100,000)
Bureau of the Budget: Salaries and expenses	286,000	286,000	286,000	286,000
Council of Economic Advisers: Salaries and expenses	21,000	21,000	21,000	21,000
National Security Council: Salaries and expenses	38,000	38,000	38,000	38,000
Office of Civil and Defense Mobilization:				
Salaries and expenses	646,000	646,000	646,000	646,000
Civil defense and mobilization functions of Federal agencies	317,000	317,000	317,000	317,000
Total, title II, Executive Office of the President	1,308,000	1,308,000	1,308,000	1,308,000
Total, Executive Office of the President	1,308,000	1,308,000	1,388,000	1,388,000
Funds appropriated to the President:				
Title I:				
Mutual security:				
Development Loan Fund	150,000,000		150,000,000	50,000,000
President's special international program	1,942,000	1,732,000	1,732,000	1,732,000
Total, title I, funds appropriated to the President	151,942,000	1,732,000	151,732,000	51,732,000
Title II—Increased pay costs:				
Mutual security: Office of the Inspector General and Comptroller (limitation increase)	(56,000)	(56,000)	(56,000)	(56,000)
Total, funds appropriated to the President	151,942,000	1,732,000	151,732,000	51,732,000
Department of Health, Education, and Welfare:				
Title I:				
Office of Education:				
Grants for library services, 1960	1,369,000	1,300,000	1,300,000	1,300,000
Payments to school districts		29,990,000	29,990,000	29,990,000
Public Health Service: Communicable disease activities (S. Doc. 18)	1,000,000		1,000,000	1,000,000
St. Elizabeths Hospital: Salaries and expenses	477,000	477,000	477,000	477,000
Social Security Administration:				
Limitation on salaries and expenses, Bureau of Old-Age and Survivors Insurance (H. Doc. 91)	(34,460,000)	(29,000,000)	(29,000,000)	(29,000,000)
Limitation on construction, Bureau of Old-Age and Survivors Insurance	(320,000)			
Grants to States for public assistance (H. Doc. 58 and S. Doc. 22)	107,000,000	74,000,000	104,000,000	94,000,000
Salaries and expenses, Bureau of Public Assistance	457,000	300,000	457,000	378,500
Office of the Secretary:				
Salaries and expenses, office of field administration	182,000	180,000	180,000	180,000
By transfer	(227,000)	(62,000)	(227,000)	(222,000)
Salaries and expenses, office of the general counsel	58,000	42,000	58,000	50,000
By transfer	(73,000)	(40,000)	(73,000)	(67,000)
Total, title I, Department of Health, Education, and Welfare	110,543,000	106,289,000	137,462,000	127,375,500

See footnotes at end of table.

The third supplemental appropriation bill, 1961 (H.R. 5188)—Continued

	Budget estimate [1]	House bill	Senate bill	Conference action
Department of Health, Education, and Welfare—Continued				
Title II—Increased pay costs:				
Food and Drug Administration: Salaries and expenses	$796,000	$796,000	$796,000	$796,000
Freedmen's Hospital: Salaries and expenses	203,000	203,000	203,000	203,000
Office of Education: Salaries and expenses	475,000	475,000	475,000	475,000
Office of Vocational Rehabilitation: Salaries and expenses	88,000	88,000	88,000	88,000
Public Health Service:				
Assistance to States, general	157,000	157,000	157,000	157,000
Control of tuberculosis	63,000	63,000	63,000	63,000
Communicable disease activities	277,000	277,000	277,000	277,000
Environmental health activities	128,000	128,000	128,000	128,000
Salaries and expenses, hospital construction services	61,000	61,000	61,000	61,000
Hospitals and medical care	610,000	610,000	610,000	610,000
Foreign quarantine activities	179,000	179,000	179,000	179,000
Indian health activities	1,995,000	1,995,000	1,995,000	1,995,000
Operations, National Library of Medicine	76,000	76,000	76,000	76,000
Salaries and expenses	326,000	326,000	326,000	326,000
Social Security Administration:				
Salaries and expenses, Children's Bureau	133,000	133,000	133,000	133,000
Salaries and expenses, Office of the Commissioner	22,000	22,000	22,000	22,000
By transfer	(18,000)	(18,000)	(18,000)	(18,000)
Office of the Secretary:				
Salaries and expenses	132,000	132,000	132,000	132,000
By transfer	(21,000)	(21,000)	(21,000)	(21,000)
Surplus property utilization	35,000	35,000	35,000	35,000
White House Conference on Aging	25,000	25,000	25,000	25,000
Total, title II, Department of Health, Education, and Welfare	5,781,000	5,781,000	5,781,000	5,781,000
Total, Department of Health, Education, and Welfare	116,324,000	112,070,000	143,243,000	133,156,500
Independent offices:				
Title I:				
Alaska International Rail and Highway Commission: Salaries and expenses	8,000	7,650	7,650	7,650
Civil Aeronautics Board: Payments to air carriers (liquidation of contract authorization)	21,944,000	15,000,000	20,000,000	17,500,000
Civil Service Commission:				
Investigation of U.S. citizens for employment by international organizations	67,000	57,000	67,000	62,000
Government contribution, retired employees health benefits fund	1,750,000	1,500,000	1,750,000	1,625,000
General Services Administration:				
General supply fund	25,000,000	15,000,000	25,000,000	20,000,000
Expenses, supply distribution (S. Doc. 18) (by transfer)	(700,000)		(700,000)	(600,000)
Refunds under Renegotiation Act	1,600,000	1,600,000	1,600,000	1,600,000
Housing and Home Finance Agency: Office of the Administrator: Limitation on administrative expenses, Office of the Administrator, college housing loans	(270,000)	(180,000)	(270,000)	(250,000)
National Aeronautics and Space Administration:				
Salaries and expenses, travel limitation	(1,000,000)	(500,000)	(500,000)	(500,000)
Research and development	49,606,000	49,000,000	49,000,000	49,000,000
Railroad Retirement Board: Payment to railroad unemployment insurance account (S. Doc. 22)	24,000,000		24,000,000	20,000,000
Veterans' Administration:				
General operating expenses	10,563,000	10,100,000	10,563,000	10,350,000
By transfer	(500,000)	(500,000)	(500,000)	(500,000)
Inpatient care	43,000,000	41,000,000	43,000,000	42,000,000
Total, title I, Independent Offices	177,538,000	133,264,650	174,987,650	162,144,650
Title II—Increased pay costs:				
Civil Aeronautics Board: Salaries and expenses	460,000	460,000	460,000	460,000
Civil Service Commission:				
Salaries and expenses	1,256,000	1,256,000	1,256,000	1,256,000
Limitation on administrative expenses, employees life insurance fund	(10,000)	(10,000)	(10,000)	(10,000)
Commission on Civil Rights: Salaries and expenses	38,000	38,000	38,000	38,000
Export-Import Bank: Limitation on administrative expenses	(22,000)	(22,000)	(22,000)	(22,000)
Farm Credit Administration: Limitation on administrative expenses	(109,000)	(109,000)	(109,000)	(109,000)
Federal Aviation Agency:				
Expenses	15,100,000	15,100,000	15,100,000	15,100,000
Establishment of air navigation facilities	1,350,000	1,350,000	1,350,000	1,350,000
Research and development	480,000	480,000	480,000	480,000
Operation and maintenance, Washington National Airport (by transfer)	(69,000)	(69,000)	(69,000)	(69,000)
Federal Communications Commission: Salaries and expenses	704,000	704,000	704,000	704,000
Federal Home Loan Bank Board:				
Limitation on administrative expenses	(128,000)	(128,000)	(128,000)	(128,000)
Limitation on examination expenses	(478,000)	(478,000)	(478,000)	(478,000)
Limitation on administrative expenses, Federal Savings and Loan Insurance Corporation	(57,000)	(57,000)	(57,000)	(57,000)
Federal Mediation and Conciliation Service: Salaries and expenses	261,000	261,000	261,000	261,000
Federal Power Commission: Salaries and expenses	500,000	500,000	500,000	500,000
Federal Trade Commission: Salaries and expenses	502,000	502,000	502,000	502,000
Foreign Claims Settlement Commission: Salaries and expenses	21,000	21,000	21,000	21,000
General Accounting Office: Salaries and expenses	1,029,000	1,029,000	1,029,000	1,029,000
General Services Administration:				
Operating expenses, Public Buildings Service (by transfer)	(4,917,000)	(4,917,000)	(4,917,000)	(4,917,000)
Operating expenses, Federal Supply Service (by transfer)	(444,000)	(444,000)	(444,000)	(444,000)
Expenses, supply distribution (by transfer)	(875,000)	(875,000)	(875,000)	(875,000)
Operating expenses, National Archives and Records Service (by transfer)	(759,000)	(759,000)	(759,000)	(759,000)
Operating expenses, Transportation and Public Utilities Service (by transfer)	(161,000)	(161,000)	(161,000)	(161,000)
Salaries and expenses, Office of the Administrator (by transfer)	(7,000)	(7,000)	(7,000)	(7,000)
Reconstruction Finance Corporation liquidation fund: Limitation on administrative expenses	(3,000)	(3,000)	(3,000)	(3,000)
Administrative operations fund, limitation	(832,000)	(832,000)	(823,000)	(823,000)
Housing and Home Finance Agency:				
Office of the Administrator:				
Salaries and expenses	688,000	688,000	688,000	688,000
Limitation on administrative expenses, Office of the Administrator, public facility loans	(34,000)	(34,000)	(34,000)	(34,000)
Limitation on administrative expenses, Office of the Administrator, revolving fund	(9,000)	(9,000)	(9,000)	(9,000)
Federal National Mortgage Association: Limitation on administrative expenses	(350,000)	(350,000)	(350,000)	(350,000)
Federal Housing Administration:				
Limitation on administrative expenses	(461,000)	(461,000)	(461,000)	(461,000)
Limitation on nonadministrative expenses	(2,988,000)	(2,988,000)	(2,988,000)	(2,988,000)
Public Housing Administration:				
Administrative expenses	818,000	818,000	818,000	818,000
Limitation on administrative and nonadministrative expenses	(818,000)	(818,000)	(818,000)	(818,000)

See footnotes at end of table.

The third supplemental appropriation bill, 1961 (H.R. 5188)—Continued

	Budget estimate [1]	House bill	Senate bill	Conference action
Indian claims Commission: Salaries and expenses	$10,000	$10,000	$10,000	$10,000
Interstate Commerce Commission: Salaries and expenses	1,313,000	1,313,000	1,313,000	1,313,000
National Capital Planning Commission: Salaries and expenses	27,000	27,000	27,000	27,000
National Labor Relations Board: Salaries and expenses	913,000	913,000	913,000	913,000
National Mediation Board: Salaries and expenses	49,000	49,000	49,000	49,000
Railroad Retirement Board: Limitation on administrative expenses	(300,000)	(300,000)	(300,000)	(300,000)
Renegotiation Board: Salaries and expenses	145,000	145,000	145,000	145,000
Securities and Exchange Commission: Salaries and expenses	605,000	605,000	605,000	605,000
Selective Service System: Salaries and expenses	341,000	341,000	341,000	341,000
Small Business Administration: Salaries and expenses	346,000	346,000	346,000	346,000
Smithsonian Institution:				
Salaries and expenses	346,000	346,000	346,000	346,000
Salaries and expenses, National Gallery of Art	72,000	72,000	72,000	72,000
Tariff Commission: Salaries and expenses	156,000	156,000	156,000	156,000
Tax Court of the United States: Salaries and expenses	65,000	65,000	65,000	65,000
U.S. Information Agency: Salaries and expenses	2,773,000	2,773,000	2,773,000	2,773,000
U.S. Study Commission—Texas: Salaries and expenses	75,000	75,000	75,000	75,000
Veterans' Administration:				
Medical administration and miscellaneous operating expenses	665,000	665,000	665,000	665,000
Outpatient care	3,553,000	3,553,000	3,553,000	3,553,000
Maintenance and operation of supply depots	143,000	143,000	143,000	143,000
Total, title II, independent offices	34,804,000	34,804,000	34,804,000	34,804,000
Total, independent offices	212,342,000	168,068,650	209,791,650	196,948,650
Department of the Interior:				
Title I:				
Bureau of Land Management: Management of lands and resources	4,696,000	4,696,000	4,696,000	4,696,000
Bureau of Indian Affairs:				
Education and welfare services	2,772,000	2,772,000	2,772,000	2,772,000
Resources management	1,730,000	1,730,000	1,777,000	1,777,000
Bureau of Mines: Development and operation of helium properties	12,000,000			
National Park Service:				
Management and protection	1,971,000	1,934,000	1,984,000	1,934,000
Maintenance and rehabilitation of physical facilities	888,000	800,000	850,000	800,000
Construction	467,000	300,000	467,000	300,000
Fish and Wildlife Service:				
Bureau of Sport Fisheries and Wildlife:				
Management and investigation of resources	663,000	663,000	663,000	663,000
Construction	214,000	200,000	350,000	350,000
Bureau of Commercial Fisheries: Management and investigation of resources (S. Doc. 18)	1,000,000		1,000,000	1,000,000
Office of Territories:				
Administration of territories (S. Doc. 18)	465,000		465,000	465,000
Trust Territory of the Pacific Islands	306,000	300,000	127,333	300,000
Total, title I, Department of the Interior	27,172,000	13,395,000	15,151,333	15,057,000
Title II—Increased pay costs:				
Departmental Offices:				
Office of Oil and Gas: Salaries and expenses	32,000	32,000	32,000	32,000
Office of the Solicitor: Salaries and expenses	227,000	227,000	227,000	227,000
Bonneville Power Administration: Operation and maintenance	487,000	487,000	487,000	487,000
Southwestern Power Administration: Operation and maintenance	19,000	19,000	19,000	19,000
Bureau of Indian Affairs:				
General administrative expenses	228,000	228,000	228,000	228,000
Liquidation of Klamath and Menominee Agencies	2,000	2,000	2,000	2,000
Bureau of Reclamation:				
General investigations	255,000	255,000	255,000	255,000
Operation and maintenance	548,000	548,000	548,000	548,000
General administrative expenses	282,000	282,000	282,000	282,000
Geological Survey: Surveys, investigations, and research	2,006,000	2,006,000	2,006,000	2,006,000
Bureau of Mines:				
Conservation and development of mineral resources	1,002,000	1,002,000	1,002,000	1,002,000
Health and safety	325,000	325,000	325,000	325,000
General administrative expenses	83,000	83,000	83,000	83,000
National Park Service: General administrative expenses	96,000	96,000	96,000	96,000
Fish and Wildlife Service:				
Office of the Commissioner of Fish and Wildlife: Salaries and expenses	22,000	22,000	22,000	22,000
Bureau of Sports Fisheries and Wildlife: General administrative expenses	66,000	66,000	66,000	66,000
Bureau of Commercial Fisheries:				
Management and investigations of resources	235,000	235,000	235,000	235,000
General administrative expenses	24,000	24,000	24,000	24,000
Administration of Pribilof Islands	29,000	29,000	29,000	29,000
Office of Territories: Administration of territories	46,000	46,000	46,000	46,000
Office of the Secretary: Salaries and expenses	175,000	175,000	175,000	175,000
Total, title II, Department of the Interior	6,189,000	6,189,000	6,189,000	6,189,000
Total, Department of the Interior	33,361,000	19,584,000	21,340,333	21,246,000
The Judiciary:				
Title I:				
Courts of appeal, district courts, and other judicial services:				
Fees of jurors and commissioners	Language	Language	Language	Language
Travel and miscellaneous expenses	452,000	50,000	50,000	50,000
Expenses of referees	504,000	351,200	351,200	351,200
Total, title I, the judiciary	956,000	401,200	401,200	401,200
Title II—Increased pay costs:				
Supreme Court of the United States:				
Salaries	78,000	70,000	70,000	70,000
Automobile for the Chief Justice	223	223	223	223
Court of Customs and Patent Appeals: Salaries and expenses	14,300	14,300	14,300	14,300
Customs Court: Salaries and expenses	41,240	41,240	41,240	41,240
Court of Claims: Salaries and expenses	28,600	28,600	28,600	28,600
Courts of appeals, district courts, and other judicial services:				
Salaries of supporting personnel	1,666,000	1,666,000	1,666,000	1,666,000
Administrative Office of the U.S. Courts	74,860	74,860	74,860	74,860
Total, title II, the judiciary	1,903,223	1,895,223	1,895,223	1,895,223
Total, the judiciary	2,859,223	2,296,423	2,296,423	2,296,423

See footnotes at end of table.

The third supplemental appropriation bill, 1961 (H.R. 5188)—Continued

	Budget estimate [1]	House bill	Senate bill	Conference action
Department of Justice:				
Title I:				
Legal activities and general administration:				
Salaries and expenses, general legal activities (S. Doc. 18)	$135,000		$100,000	$90,000
Fees and expenses of witnesses	225,000	$185,000	185,000	185,000
Federal prison system:				
Salaries and expenses, Bureau of Prisons	2,184,000	2,150,000	2,150,000	2,150,000
Support of U.S. prisoners	200,000	200,000	200,000	200,000
Office of Alien Property: Limitation on salaries and expenses (S. Doc. 18)	(75,000)		(75,000)	(65,000)
Total, title I, Department of Justice	2,744,000	2,535,000	2,635,000	2,625,000
Title II—Increased pay costs:				
Legal activities and general administration:				
Salaries and expenses, general administration	231,000	231,000	231,000	231,000
Salaries and expenses, general legal activities	800,000	800,000	800,000	800,000
Salaries and expenses, Antitrust Division	314,000	314,000	314,000	314,000
Salaries and expenses, U.S. attorneys and marshals	873,000	873,000	873,000	873,000
Federal Bureau of Investigation: Salaries and expenses	7,550,000	7,550,000	7,550,000	7,550,000
Immigration and Naturalization Service: Salaries and expenses	3,487,000	3,487,000	3,487,000	3,487,000
Federal prison system:				
Federal Prison Industries, Inc.:				
Limitation on administrative expenses	(34,000)	(34,000)	(34,000)	(34,000)
Limitation on vocational training expenses	(64,000)	(64,000)	(64,000)	(64,000)
Office of Alien Property: Limitation on salaries and expenses	(40,000)	(40,000)	(40,000)	(40,000)
Total, title II, Department of Justice	13,255,000	13,255,000	13,255,000	13,255,000
Total, Department of Justice	15,999,000	15,790,000	15,890,000	15,880,000
Department of Labor:				
Title I:				
Bureau of Employment Security:				
Advances to employment security administration account, unemployment trust fund (by transfer)	(250,000,000)	(250,000,000)	(250,000,000)	(250,000,000)
Advances to employment security administration account, unemployment trust fund (S. Doc. 19)	18,000,000		18,000,000	18,000,000
Payment to the Federal extended compensation account (S. Doc. 19)	990,000,000		500,000,000	500,000,000
Limitation on grants to States for unemployment compensation and employment service administration (trust fund) (H. Doc. 58 and S. Doc. 19)	(375,245,000)	(340,000,000)	(375,995,000)	(360,000,000)
Limitation on salaries and expenses (trust fund) (H. Doc. 58 and S. Doc. 19)	(9,156,000)	(7,900,000)	(9,370,000)	(9,000,000)
Unemployment compensation for Federal employees and ex-servicemen (H. Doc. 58 and 91)	70,000,000	5,648,000	5,648,000	5,648,000
(By transfer)		(64,352,000)	(64,352,000)	(64,352,000)
Bureau of Employees' Compensation:				
Salaries and expenses	357,000	310,000	357,000	333,500
Employees' compensation claims and expenses	2,000,000	800,000	800,000	800,000
Office of the Secretary: Salaries and expenses (S. Doc. 19)	40,000			
Total, title I, Department of Labor	1,080,397,000	6,758,000	524,805,000	524,781,500
Title II—Increased pay costs:				
Office of the Secretary: Salaries and expenses	111,000	111,000	111,000	111,000
Labor-management reporting and disclosure activities: Salaries and expenses	300,000	300,000	300,000	300,000
Office of the Solicitor: Salaries and expenses	172,000	172,000	172,000	172,000
Bureau of Labor Standards: Salaries and expenses	146,000	146,000	146,000	146,000
Bureau of Veterans' Reemployment Rights: Salaries and expenses	38,000	38,000	38,000	38,000
Bureau of Apprenticeship and Training: Salaries and expenses	268,000	268,000	268,000	268,000
Bureau of Employment Security:				
Salaries and expenses, Mexican farm labor program (by transfer)	(92,000)	(92,000)	(92,000)	(92,000)
Compliance activities, Mexican farm labor program	63,000	63,000	63,000	63,000
Bureau of Labor Statistics:				
Salaries and expenses	599,000	599,000	599,000	599,000
Consumer Price Index	72,000	72,000	72,000	72,000
Women's Bureau: Salaries and expenses	33,000	33,000	33,000	33,000
Wage and Hour Division: Salaries and expenses	732,000	732,000	732,000	732,000
Total, title II, Department of Labor	2,534,000	2,534,000	2,534,000	2,534,000
Total, Department of Labor	1,082,931,000	9,292,000	527,339,000	527,315,500
Legislative branch:				
Title I:				
Senate:				
Payment to the widow of the late Senator Hennings			22,500	22,500
Office of the majority and minority whips			1,160	1,160
Contingent expenses of the Senate:				
Joint Economic Committee			35,000	35,000
Furniture			26,000	26,000
Inquiries and investigations, 1960	105,000		105,000	105,000
House of Representatives:				
Payment to beneficiaries of deceased Members		67,500	90,000	90,000
Appropriations Committee		50,000	50,000	50,000
Members' clerk hire			600,000	600,000
Architect of the Capitol:				
Extension of the Capitol		Language	Language	Language
Library of Congress:				
Distribution of catalog cards: Salaries and expenses	169,000	160,000	160,000	160,000
Total, title I, legislative branch	274,000	277,500	1,089,660	1,089,660
Title II—Increased pay costs:				
Senate:				
Salaries, officers and employees	1,272,855	1,272,855	1,272,855	1,272,855
Office of the Legislative Counsel of the Senate	15,290	15,290	15,290	15,290
Contingent expenses of the Senate:				
Legislative reorganization	8,790	8,790	8,790	8,790
Senate policy committees	18,580	18,580	18,580	18,580
Joint Economic Committee	10,605	10,605	10,605	10,605
Joint Committee on Atomic Energy	13,865	13,865	13,865	13,865
Joint Committee on Printing	7,610	7,610	7,610	7,610
Vice President's automobile	465	465	465	465
Automobile for the President pro tempore	465	465	465	465
Automobile for the majority and minority leaders	930	930	930	930
Inquiries and investigations	228,855	228,855	228,855	228,855
Folding documents	2,395	2,395	2,395	2,395
Miscellaneous items	34,240	34,240	34,240	34,240
Joint Committee on Reduction of Nonessential Federal Expenditures	1,880	1,880	1,880	1,880

See footnotes at end of table.

The third supplemental appropriation bill, 1961 (H.R. 5188)—Continued

	Budget estimate [1]	House bill	Senate bill	Conference action
Legislative branch—Continued				
Title II—Continued				
House of Representatives:				
Salaries, officers and employees	$540,605	$540,605	$540,605	$540,605
Members' clerk hire	1,222,500	1,222,500	1,222,500	1,222,500
Contingent expenses of the House:				
Furniture	10,750	10,750	10,750	10,750
Miscellaneous items	100,000	100,000	100,000	100,000
Special and select committees	183,750	183,750	183,750	183,750
Joint Committee on Internal Revenue Taxation	22,500	22,500	22,500	22,500
Office of the Coordinator of Information	7,555	7,555	7,555	7,555
Revision of laws	1,365	1,365	1,365	1,365
Speaker's automobile	500	500	500	500
Majority leader's automobile	500	500	500	500
Minority leader's automobile	500	500	500	500
Capitol Police:				
Capitol Police Board	7,000	7,000	7,000	7,000
Senate and House pages:				
Education of Senate and House pages	3,794	3,794	3,794	3,794
Architect of the Capitol:				
Office of the Architect of the Capitol: Salaries	15,000	15,000	15,000	15,000
Capitol buildings and grounds:				
Capitol buildings	12,000	12,000	12,000	12,000
Senate office buildings	25,000	25,000	25,000	25,000
House office buildings	20,000	20,000	20,000	20,000
Library of Congress:				
Salaries and expenses	455,000	455,000	455,000	455,000
Copyright Office: Salaries and expenses	102,000	102,000	102,000	102,000
Legislative Reference Service: Salaries and expenses	120,000	120,000	120,000	120,000
Books for the blind: Salaries and expenses	12,500	12,500	12,500	12,500
Organizing and microfilming the papers of the Presidents: Salaries and expenses	6,000	6,000	6,000	6,000
Preservation of early American motion pictures	600	600	600	600
Government Printing Office:				
Office of Superintendent of Documents: Salaries and expenses	195,127	195,127	195,127	195,127
Total, title II, legislative branch	4,681,371	3,064,546	4,681,371	4,681,371
Total, legislative branch	4,955,371	3,342,046	5,771,031	5,771,031
Post Office Department (out of postal fund):				
Title I:				
Transportation (H. Doc. 58 and 91)	18,900,000	18,900,000	18,900,000	18,900,000
Title II—Increased pay costs:				
Administration, regional operation, and research	4,620,000	4,620,000	4,620,000	4,620,000
Operations	237,041,000	237,041,000	237,041,000	237,041,000
Facilities	578,000	578,000	578,000	578,000
Total, title II, Post Office Department	242,239,000	242,239,000	242,239,000	242,239,000
Total, Post Office Department	261,139,000	261,139,000	261,139,000	261,139,000
Department of State:				
Title I:				
Administration of foreign affairs:				
Salaries and expenses	11,160,000	10,340,000	10,140,000	10,140,000
Representation allowances	26,000	22,000	22,000	22,000
Emergencies in the diplomatic and consular service	1,300,000	1,300,000	1,300,000	1,300,000
International organizations and conferences: International conferences and contingencies	150,000	100,000	100,000	100,000
Total, title I, Department of State	12,636,000	11,762,000	11,562,000	11,562,000
Title II—Increased pay costs:				
International organizations and conferences: Missions to international organizations	85,000	85,000	85,000	85,000
International commissions, International Boundary and Water Commission, United States and Mexico:				
Salaries and expenses	38,000	38,000	38,000	38,000
Operation and maintenance	39,000	39,000	39,000	39,000
American sections, international commissions	17,000	17,000	17,000	17,000
International fisheries commissions	21,000	21,000	21,000	21,000
Educational exchange: International educational exchange activities	311,000	311,000	311,000	311,000
Total, title II, Department of State	511,000	511,000	511,000	511,000
Total, Department of State	13,147,000	12,273,000	12,073,000	12,073,000
Treasury Department:				
Title I:				
Bureau of Accounts: Salaries and expenses, Division of Disbursement	912,000	766,000	766,000	766,000
Bureau of Customs: Salaries and expenses (S. Doc. 18)	205,000			
U.S. Secret Service: Salaries and expenses	373,000	370,000	370,000	370,000
Bureau of the Mint: Salaries and expenses	453,000	425,000	425,000	425,000
Total, title I, Treasury Department	1,943,000	1,561,000	1,561,000	1,561,000
Title II—Increased pay costs:				
Office of the Secretary: Salaries and expenses	191,000	191,000	191,000	191,000
Bureau of Accounts: Salaries and expenses	118,000	118,000	118,000	118,000
Bureau of the Public Debt: Administering the public debt	1,093,000	1,093,000	1,093,000	1,093,000
Office of the Treasurer: Salaries and expenses	260,000	260,000	260,000	260,000
Bureau of Customs: Salaries and expenses	3,595,000	3,595,000	3,595,000	3,595,000
Internal Revenue Service: Salaries and expenses	25,900,000	25,900,000	25,900,000	25,900,000
Bureau of Narcotics: Salaries and expenses	220,000	220,000	220,000	220,000
U.S. Secret Service:				
Salaries and expenses, White House Police	76,000	76,000	76,000	76,000
Salaries and expenses, guard force	23,000	23,000	23,000	23,000
Total, title II, Treasury Department	31,476,000	31,476,000	31,476,000	31,476,000
Total Treasury Department	33,419,000	33,037,000	33,037,000	33,037,000
General provisions	Language	Language	Language	Language

See footnotes at end of table.

The third supplemental appropriation bill, 1961 (H.R. 5188)—Continued

	Budget estimate [1]	House bill	Senate bill	Conference action
Treasury Department—Continued				
Title III:				
Claims and judgments (S. Doc. 25)	$3,248,533		$3,248,533	$3,248,533
Total, title I	4,933,562,000	$402,417,350	4,231,465,843	1,288,101,510
Total, title II	402,754,594	401,088,769	402,705,594	402,705,594
Total, title III	3,248,533		3,248,533	3,248,533
Grand total	5,339,565,127	803,506,119	4,637,419,970	1,694,055,637

[1] H. Doc. 58 unless otherwise indicated.
[2] Language authorizing total transfers of not to exceed $263,900,000 from previously appropriated funds.

A REALISTIC APPROACH TO A BALANCED BUDGET

Mr. McGEE. Mr. President, I call the attention of the Senate to an article, written by Walter Lippmann, which was published this morning in the press. The burden of the article is the difficulty of playing with the phrase "a balanced budget," and at the same time being realistic.

Because of the very rational way in which Mr. Lippmann has dealt with this subject, and because of his learned treatment of the problem itself, I ask unanimous consent that the article be printed at this point in the RECORD, in order that all Members of the Senate and others who read the CONGRESSIONAL RECORD may profit from Mr. Lippmann's views.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Mar. 30, 1961]

ON THE FIRST PHASE

(By Walter Lippmann)

As I am writing a final article before leaving for a few weeks in Europe, it is tempting to look back and do a bit of generalizing about the first 2 months of the Kennedy administration.

The general character of this first phase has been, I would say, preliminary and preparatory. Unlike 1933, there was no emergency when Mr. Kennedy took office, and the grave problems which he is committed to deal with do not call for crash solutions but for careful planning and perseverance over the years. This is true of the problem which is central to almost all the others: the problem of overcoming the sluggishness which has characterized the American economy since the end of the Korean war.

As yet, the administration has made no frontal attack on this problem. It has not done so because of a deliberate decision that the country is not yet ready for it. Despite the unemployment and the unused capacity, the feeling that we are in bad times is spotty and local, not general and national. Because of the likelihood that a kind of recovery, probably a shallow recovery is just around the corner, the President has felt that for the present he must follow the Eisenhower economic ideology which was the fiscal orthodoxy of the age before the great depression. Yet his principal advisers are, so far as I know, unanimous in the belief that a very considerable departure from the Eisenhower ideology is necessary if the American economy is to meet the needs of the sixties: international, national, and local. But despite these opinions the administration is operating within the Eisenhower slogans and stereotypes about the budget. This is not because the Kennedy men believe in them but because there are large majorities in both parties who do believe in them.

As between the Kennedy doctrine, which is being held back, and the Eisenhower doctrine, which holds it back, the crucial and central issue is not whether the Federal budget should be balanced. The Kennedy doctrine, which is stated but not heavily emphasized in last week's budget message, is that Federal revenues and expenditures should be in balance "over the years of the business cycle"—about 4 or 5 years. The Eisenhower doctrine is that, regardless of the business cycle, the budget should be in balance every year. If the budget is not in balance annually, even as now in a year of recession, the Eisenhower ideology demands that politicians and editors should regard this as deplorable, and that the President should apologize for it.

The true and emerging Kennedy doctrine is that in a year of recession there ought to be a deficit and that in years of boom there ought to be a surplus. When, as has been the case since the early 1950's there is a chronic sluggishness in the economy, it is an unsound fiscal policy to try to achieve a budget surplus.

To many this sounds like the grossest heresy. It shocks them to hear it said that when there is so much unemployment and when the economy is running 10 percent below its normal capacity, there ought to be a deficit. But that is exactly what the great majority of modern economists are saying, particularly those on whom the Kennedy administration depends.

But the President has not yet braced himself to the effort of explaining to the public the difference between balancing the budget annually and balancing it over the business cycle. Yet most of what he has promised to do, most of what for the long pull urgently needs to be done, depends on explaining this theoretical issue to the people.

To explain it seems at times like trying to explain to a man that the earth is not flat, as it seems to him, but that it is in fact round. "It is flat," he can be heard to say, "wherever I have been." So with budget balancing. Say to a man that the Federal budget should be out of balance when the economy is in recession, he is likely to reply that he and all other decent and honorable men live within their income and why should the Government be disreputable?

It is a complicated thing to explain why the earth is round. It is a complicated thing to explain that the Federal budget is not only an accounting of revenues and expenditures. It is also a great fiscal engine which as a matter of national policy has to be managed in such a way as to promote a stabilized growth of the economy. It is a makeweight which has to be swung from deficit to surplus and from surplus to deficit to compensate for the ups and downs of the business cycle. There is nothing sinister or mysterious in this idea. But it is a new idea, new at least to a great many people.

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

PRESIDENT KENNEDY MOVES TO DISTRIBUTE ON MORE EQUITABLE BASIS FEDERAL CONTRACTS FOR DEFENSE PROCUREMENT IN LABOR SURPLUS AREAS

Mr. RANDOLPH. Mr. President, the subject of defense spending is an appropriate one, in the light of the commendably forthright and thoroughly understandable message President Kennedy sent on Tuesday to the Congress.

I believe it is also timely to discuss briefly a recent development related to the issue of revitalization of areas and communities suffering the economic consequences of substantial and persistent unemployment.

As is well known to the Members of this body, President Kennedy, in his "Program for Economic Recovery and Growth," delivered to the Congress on February 2, 1961, stated his intention "to improve the machinery by which Federal contracts can be channeled to firms located in labor surplus areas."

I commend the President's statement of purpose, and I am appreciative of the complexities of the problems he and his administration face in seeking its fulfillment. For example, in an effort to implement his policy pronouncement, the Department of Defense developed a plan to set aside certain military procurement to be bid upon by, or negotiated with, firms located in areas of recorded substantial labor surplus, in order to help improve the economy of those areas. But, on March 3, the Comptroller General ruled against the Defense Department's plan and he did so on the ground that it would not, "In the absence of free and unrestricted competition, assure the lowest obtainable price."

The ruling by the Comptroller General was greeted as "great news" by the esteemed minority whip, the energetic senior Senator from California [Mr. KUCHEL]—that is, according to an article in the March 18 issue of the Washington Daily News, in which was added the unfortunate comment—attributed to my dear friend, the Senator from California—that "it is unthinkable for the President to try to turn the defense program into a vast WPA project."

In cognizance of this reported statement, I offer the observation that in the President's message on February 2 there was not a word or phrase that would support the unwarranted construction placed upon it by the Senator from California.

I am not insensitive to the concern of the Senator from California for the defense contracts which have helped to make his State the great industrial center it has become. In this connection, I note in the Congressional Quarterly's Weekly Report for the week ending March 24, 1961, a table which lists the military personnel, pay, and procurement by State, for the fiscal year which ended June 30, 1960. I observe that California leads all other States very substantially in every category. Especially do I note that the value of listed military procurement actions for California was in excess of $4.8 billion, representing 23.7 percent of all procurement which could be listed as being distributable on a State-by-State basis. I should add that I have no way of knowing how much of an item of $2.05 billion "not distributed by State" represents additional military procurement actions for California not included in the precentage cited. Only one other State—New York—is shown in the table as having benefited by more than 10 percent—less than half of the figure for California. The military procurement actions for New York in the fiscal year 1960 amounted to $2.37 billion, or 11.7 percent of total.

Mr. President, it is not my desire to fan the coals of sectional antagonism; but I point out that 23.7 percent of military procurement actions accruing to firms in an individual State in a single fiscal year is inordinately high. Eight States, including West Virginia, participated at a level of one-tenth of 1 percent or lower. West Virginia ranked 47th on the military procurement actions list.

In active duty military payrolls and civilian employees payrolls, California far out-paced the other States, too. On the military payroll list, West Virginia ranked 49th.

We have seen the steady growth in the number of areas classified as having substantial labor surplus—meaning, of course, a high rate of unemployment. It is an extremely abstract and unrealistic view of our national economy which would maintain that the effects of this increase are not felt tragically by the whole economy.

Therefore, it is difficult to understand how any Member of this body can find occasion for rejoicing—as the senior Senator from California seems to have done, according to the newspaper article—about any difficulty the President experiences in aiding these labor surplus areas. Perhaps the Comptroller General's ruling was "good news" for California, but not for numerous other States which need to share more equitably in the distribution of the defense dollar.

Unemployment is a national problem, and its solution must be framed in national terms, using every available instrument at the disposal of the Federal Government.

Are we a union of States only when confronted by an external threat? I say we must be a union of States when faced with the problems indigenous to our own population, too.

The defense expenditures of some $43 billion or more are a vital stimulant to our national economy. With the "multiplier effect" they comprise a large segment of our gross national product. It is therefore in the interest not only of equity but of our national economic well-being that these funds be as widely allocated throughout our economy as is practicable. A serious imbalance of defense dollar distribution has been permitted to develop and exist during the past decade, and I have no doubt that it has contributed to the problem of labor surplus in many areas. It is a situation that will be most difficult to right, especially in the light of factors pointed up by the Comptroller General's ruling relating to the stringent provisions of the Defense Production Act and appropriations acts.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. RANDOLPH. I yield.

Mr. KEATING. I wish to commend the distinguished Senator from West Virginia for the very forceful statement he is making in the Senate today. As the Senator knows, this entire problem is a matter of great concern to the Senators from New York. We had some discussion of it yesterday. The scholarly and careful analysis which the Senator from West Virginia is making here today adds greatly to the efforts which many of us from other States are making in this same field.

I am very grateful to the Senator from West Virginia for his statement.

Mr. RANDOLPH. I am appreciative that the Senator from New York would explain, not only as he is doing today, but as he has explained it before, his intense interest in the equity involved in the matter of the allocation of defense contracts; and I compliment him. Of course, I compliment all Senators who are keenly aware of the disparity which now exists in the distribution of our procurement program. West Virginia is but one of several States, Mr. President, confronted with the problem of labor surplus areas with its debilitating effects. Of course, we know of the degree of enlargement of the number of these areas as a consequence of the recent report of the Department of Labor, which revealed that, as of February 1961 there were 101 major areas of substantial labor surplus. In these areas alone the work force totals 29 million persons.

In the instance of West Virginia, we know that our problem stems largely from a long period of dependence on coal mining as our major industry and the mainstay of our economy. But even though we are proud of the many years when West Virginia coal fueled the factories, furnaces, and railroads of America, we know that West Virginians did not create the carboniferous period when the coal was formed—any more than Californians today create the wonderful climate which has made the southern part of their State a natural center of the aircraft industry, for example.

I cite these facts of geology and climatology, over which we as individuals have no control, and I insist they are relevant to our national economy. And there are other equally relevant historical and technological facts over which no individual, or group of individuals, or State has had control. But as a nation—as a union of States—we have the capability for planned and intelligent action which we do not have as a mere aggregate of separate States.

Therefore, though I do not doubt the authority of the Comptroller General, and though I do not question the legal position on which his ruling was based, I hope the President will not be permanently blocked in his praiseworthy efforts to have distributed on a more equitable basis the Federal contracts for military procurement, so that labor surplus areas will not increase either in degree of persistency or in numbers.

The continued development and utilization of our human resources and industrial facilities play as vital a role in our total national security as does our Defense Establishment. It is my opinion that it is entirely appropriate to seek to use defense expenditures, wherever feasible and practicable, to maintain a viable economy.

This does not imply turning the defense program into a vast WPA project, as the minority whip mistakenly interpreted the President's proposed program. Nor does it signify the President's proposed program. Nor does it signify the President's intent to circumvent procurement regulations in order to "solve social problems"—as the senior Senator from California is further quoted by the Washington Daily News as having said was another purpose of the President's program and the Defense Department's plan.

However, the recent White House directive and the Defense Department's program for implementation do, in my judgment, presume a recognition of the intricate web of human, economic, technological, and military factors which comprise our total national defensive strength. I say that, within this context of thinking, and although the Defense Department's proposed plan of action is hedged in by legalistic restrictions which were imposed by law at a time when the economy was in better health, it is a thoroughly legitimate and commendable effort on the part of the administration to use some of the immense military expenditures to help revitalize our sagging economy in areas where such help is most needed.

So that there may be a better understanding of the problem about which I have been speaking, and so that the comments attributed to the senior Senator from California, to which I have voiced exception, may be noted in the form in which they were published, I ask unanimous consent, Mr. President, to have printed in the RECORD the news article from the March 18, 1961, Washington Daily News and the text of the Comptroller General's ruling in the form of a letter dated March 3, 1961, to the Secretary of Defense.

There being no objection, the article and letter were ordered to be printed in the RECORD, as follows:

[From the Washington Daily News, Mar. 18, 1961]

CAMPBELL REJECTS DEFENSE CONTRACTS PLAN—DEPRESSED AREA AID RUNS INTO GAO SNAG

(By Jack Steele)

Comptroller General Joseph Campbell has put a major crimp in President Kennedy's

proposal to channel more defense contracts into depressed areas.

Mr. Campbell, in an unannounced ruling nearly 2 weeks ago, rejected a plan developed by the Defense Department—in response to a Kennedy directive to do this.

Under the defense plan, 100 percent of some military orders would have been diverted to firms in so-called labor-surplus areas.

RIDERS

But the Comptroller General ruled that, under a rider attached by Congress to the defense appropriation bill, it is illegal to pay price differentials to divert defense contracts to companies in depressed areas.

Mr. Campbell held that, under the defense plan to shift all of the procurement of some military supplies to firms in these areas, there would be no way to assure the Government was obtaining the lowest possible price.

Mr. Campbell's ruling was cheered today as "great news" by Senator THOMAS H. KUCHEL of California, Senate Republican whip.

When the President announced his proposal and directive to the Defense Department in his economic message to Congress on February 2, Senator KUCHEL charged it was "regrettable, unfortunate and illegal."

"It is unthinkable for the President to try to turn the defense program into a vast WPA project," Senator KUCHEL said today.

"The law which prohibits this is plain. If he wants to solve social problems, he will have to send separate legislation to Congress to do it."

The Defense Department has notified the White House of Mr. Campbell's stand, thus returning the problem to the President.

His apparent alternatives are:

1. To abandon the effort to shunt enough defense contracts to depressed areas to help relieve their plight.

2. To ask Congress to amend the law so price differentials can be paid on such contracts.

The latter move would stir up strong opposition in Congress from Members who do not want their States to lose defense orders.

SOME DIVERSION

Under the present law, the Defense Department can divert a percentage of each military order to firms in depressed areas.

It does this by ordering a "set-aside" of a portion of the procurement for such firms, provided they match the low bid submitted by companies which sought the contract in competitive bidding.

The Defense Department contended that, with many areas of the Nation now classed as labor-surplus areas, it could be reasonably sure it would pay no price differentials if it restricted bidding on some contracts to firms in these areas.

Mr. Campbell rejected this thesis, holding that the Government could not be sure it got the lowest price—as required by law—unless each contract was open to unrestricted bidding.

COMPTROLLER GENERAL
OF THE UNITED STATES,
Washington, D.C., March 3, 1961.

To the Honorable the SECRETARY OF DEFENSE.

DEAR MR. SECRETARY: We have a letter dated February 25, 1961, from the Assistant Secretary (Installations and Logistics), asking to be advised whether our office would object to the use of total set-asides of certain procurements for award to firms in labor surplus areas, in the light of the prohibition contained in section 523 of the Defense Appropriation Act of 1961 against the payment of price differentials on contracts made for the purpose of relieving economic dislocations.

The letter refers to a Presidential request to you, the Secretary of Labor, and the Administrator, General Services Administration, for recommendations as to improved means for channeling contracts to areas of labor surplus. It is stated to be the consensus of all agencies concerned that to increase measurably the volume of contract awards to such firms total set-asides of appropriate procurements for award exclusively to such firms should be made. In your department, such set-asides would be made under criteria similar to those currently applicable to small business firms.

Both the small business and labor surplus area preferences in award of Government contracts had their origin in the policies declared in the Defense Production Act of 1950, 64 Stat. 798, and amendments thereto, and in various Executive orders and supplementary directives issued to implement those policies. At an early stage in the development of these programs this office had occasion to consider certain legal questions presented as to the propriety of payment of appropriated funds under contracts awarded thereunder. The position taken was that when advertising of public contracts was required by law awards should be made only to responsible bidders whose bids, conforming to the invitations, would be most advantageous to the Government, price and other factors considered, and that awards to other than the low bidders could not properly be made solely on the basis of small business status or surplus labor area location. (See 28 Comp. Gen. 662; 31 id. 279; 31 id. 347.) However, in view of the authority to enter into contracts by negotiation during the period of a national emergency proclaimed by the President, contained in section 2(c)(1) of the Armed Services Procurement Act of 1947 (now 10 U.S.C. 2304(a)(1)), and in the corresponding section of the Federal Property and Administrative Services Act of 1949, it was stated that this office would not object to payments under contracts negotiated pursuant to that authority with small business firms or bidders in labor surplus areas upon administrative determination that such awards were necessary in the public interest.

The small business preference was thereafter given more express legislative sanction by the enactment of the Small Business Act of 1953 (67 Stat. 232). The procedures adopted with respect to awards to labor surplus area firms, however, became the subject of controversy in Congress, which resulted in the enactment, in section 644 of the Defense Appropriations Act of 1954 (67 Stat. 357), of the limitation, identical to that appearing as section 523 of the 1961 Appropriation Act, prohibiting the expenditure of appropriated funds for the payment of price differentials on contracts made for the purpose of relieving economic dislocations.

The language of the proviso leaves little room for doubt, and examination of the legislative history confirms, that the intent of the Congress was that the practice of negotiating contracts with labor surplus area firms which would meet the lowest price offered by any other bidder on a designated procurement might be continued, but that no such contract could be awarded at a price in excess of the lowest available. The prohibition originated as a Senate committee amendment to the House bill (see S. Rept. No. 601, 83d Cong., 1st sess., p. 11), and in the form proposed by that committee was apparently intended to prohibit the payment of appropriated funds on any contract negotiated for the purpose of correcting or preventing economic dislocations. On the floor of the Senate a strenuous effort was made to eliminate the proviso, but it was adopted in the form proposed by the committee. (See CONGRESSIONAL RECORD, vol. 99, pt. 7, pp. 9500–9508.) The House rejected the Senate amendment, and in conference the proviso as finally enacted was substituted. (See H. Rept. No. 1015, 83d Cong., 1st sess.) The intent of the provision is further clarified by debate which occurred in both Houses upon adoption of the conference report. (See CONGRESSIONAL RECORD, vol. 99, pt. 8, pp. 10252–10258, 10339–10349.)

On the record we must construe the limitation in question as precluding the expenditure by the defense establishment of appropriated funds under any contract awarded on the basis of a labor surplus area situation at a price in excess of the lowest obtainable on an unrestricted solicitation of bids or proposals.

In the referenced letter it is suggested that if total set-asides were made only where there was a reasonable expectation that bids or proposals would be obtained from a sufficient number of responsible labor surplus area concerns to insure fair and reasonable prices, no question of a price differential would be involved.

The fallacy of that suggestion is that it would substitute fair and reasonable prices for the lowest price obtainable.

In the light of the clearly expressed intent of the Congress, which has been repeated without change in each annual appropriation act since 1954, we do not feel that we could, with proper regard for our obligations to the Congress, accept any showing or determination of a fair and reasonable price as establishing that such price was the lowest obtainable, in the absence of free and unrestricted competition.

Sincerely yours,

JOSEPH CAMPBELL.

Mr. KUCHEL. Mr. President, I wish to make a very short reply to the comments which have been uttered by my friend the able senior Senator from West Virginia.

A number of weeks ago the President of the United States announced he had directed the Department of Defense, among other agencies of the executive branch—I think I quote his words correctly—

To take prompt steps to improve the machinery by which Federal contracts—

Meaning in this instance, Federal defense contracts—

can be channeled to firms located in labor surplus areas.

At the time the President made that statement public I objected to it. I said it was regrettable, unfortunate, and illegal. I pointed out a section of the Defense Department Appropriation Act which is now the law, and which provides:

Provided further, That no funds herein appropriated shall be used for the payment of a price differential on contracts hereafter made for the purpose of relieving economic dislocations.

The Comptroller General of the United States, as my able friend from West Virginia has indicated, issued a ruling earlier this month. In a word, he determined that defense moneys under the Defense Appropriation Act could not be used to channel defense contracts into labor surplus areas.

Yesterday I put a copy of the ruling of the Comptroller General into the RECORD. I simply refer to it today.

I think it is fair for me to say, therefore, that the Comptroller General agrees with the position which I took originally, that the suggestion of the President was illegal.

I also said at the time—and I was quoted correctly by my friend from West Virginia—

> It is unthinkable for the President to try to turn the defense program into a vast WPA project.

I said it then. I meant it. I repeat it today. I mean it now.

Yesterday I tried as best I could to point out, as a Senator of the United States that I believe the money which the Congress of the United States appropriates for use by the Department of Defense ought to be used by the Department of Defense for one single, sole, solitary purpose, and that is to determine how best and how most efficiently defense appropriation money should be expended to give the people of the United States and to the Government of the United States the strongest posture of defense necessary to maintain our freedom, to deter aggression, and, if necessary, to combat it.

Mr. President, I am glad to say that the spokesmen for the Department of Defense, testifying before the Senate Committee on Armed Services a year ago, said precisely the same thing. The Department of Defense officials then took the position—I believe they would take the same position today—that the Department of Defense should not be saddled with an additional responsibility to relieve unemployment in this country.

My friend is correct, and I agree with him, when he says that unemployment is a problem of national concern. I recall to my friend from West Virginia that only the other day in this Chamber, we considered proposed legislation to provide for additional unemployment compensation. The question arose as to whether each State should care for its own. The distinguished Senator from Virginia [Mr. BYRD] offered an amendment to provide that each State should take care of its own and that no one State in the American Union should receive any assistance in ameliorating unemployment in the State from any other State in the Union.

The Senator from California objected to the amendment offered by the distinguished Senator from Virginia. I recall to my friend from West Virginia that I voted with him in opposition to what seemed to me to be an amendment based on the theory that each State should look after its own interests alone. America is a Union, in emergency and out of it. Unemployment is a national problem and should have the urgent and continuing attention of the Federal Government. My friend from West Virginia and I voted alike in this instance, and we were on the prevailing side.

My only point, Mr. President, is to say, most simply, that in my judgment the Department of Defense has a prodigious enough task in determining how best our defense should be provided and how best it should be maintained. There are other agencies of the Federal Government which have and should continue to have the responsibility of determining how best the Federal Government might be of assistance in ameliorating unemployment in our country.

Perhaps it is a good thing that we have these discussions spread upon the RECORD, because if the issue in this debate is simply whether defense moneys ought to be used for social purposes, however laudable they may be, then let the issue be joined. I have very, very little doubt as to the outcome.

The Congress of the United States over the years has written clearly into defense appropriation statutes a prohibition against using defense moneys for the relief of labor surplus areas. That was a decision not lightly made. It was a decision not made a short time ago. It has been the policy of the Congress over the years. It has been the policy of the Government over the years. I think it is a wise policy. I think it is a policy which ought to be continued.

Speaking for myself, Mr. President, I believe Congress will continue the policy.

CONGRATULATIONS TO A GREAT DOMESTIC INDUSTRY

Mr. KUCHEL. Mr. President, during the two centuries since the fertility and the marvelous productivity of its soil first was recognized, California agriculture has undergone a series of economic and technical revolutions which have brought it to the position of national leadership in value of all crops.

Throughout this long period, one type of agricultural activity has been prominently identified with California and one product has achieved great significance in the statistics covering returns from cultivation of foods and fibers.

The growing and processing of grapes has been carried on in California since the arrival of the earliest Spanish priests and the building of the long chain of missions. Large quantities of table grapes and almost all of the supply of domestic raisins are the product of California farms and vineyards.

The past century has seen scientific grape culture undertaken and extended on a scale which the world never before witnessed and in a fashion unmatched in any other part of the globe. As a consequence, California occupies first rank as a producer of wine, and today 85 percent of all the domestic wine consumed in the United States comes from California. The economic importance of this activity is indicated by the fact that California vineyards and wineries employ, including seasonal workers, approximately 111,000 persons.

The centennial of modern California viticulture occurs this week. On April 1, 1861, thanks to the vision of pioneers in agriculture who foresaw great possibilities in broad-scale grapegrowing and winemaking, the first planned and organized steps were taken to put these operations on a truly scientific basis. Subsequently, during the century ending on Saturday, California both transplanted cuttings and practices of the Old World to America's Pacific frontier and embarked on operations and procedures which brought vast improvement in cultivation of vineyards and processing of their juice-laden crop.

The California agriculturalists who today gather nearly 3 million tons of this luscious fruit owe an incalculable debt to those ancestors who a century ago laid the stable foundation for what has become truly a major and a distinctive California industry. I believe this 100th anniversary is worthy of national notice, as has been taken in the legislature of my native State. Accordingly, I ask leave to have printed as part of my remarks a joint resolution of the California Legislature honoring those responsible for the establishment of this colorful, enterprising, and wealth-creating form of agriculture.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

SENATE JOINT RESOLUTION 30

Joint resolution relating to the centennial of modern California viticulture

Whereas the Legislature of California on April 1, 1861, enacted a joint resolution requesting the then Gov. John G. Downey to appoint a commission to consider ways and means best adapted to promote the improvement and culture of the grapevine in California; and

Whereas this farsighted action resulted in the appointment of Col. Agoston Haraszthy to the commission and his subsequent voyage to Europe, a mission from which he returned with more than 100,000 cuttings of about 300 varieties of grapes, all choice wine types; and

Whereas the foresight and initiative exhibited by Colonel Haraszthy was typical of the man, who also was among the first to advocate a State college of agriculture and who developed, at his Buena Vista ranch at Sonoma, one of the world's finest wineries which still is in existence; and

Whereas the grape cuttings he supplied led to an increase in vineyard acreage in California from an estimated 7,000 acres in 1860 to more than 450,000 acres at present, to the end that Colonel Haraszthy was recognized as the father of modern California viticulture and this State is now the wine land of America; and

Where as grapes and winemaking constitute the State's leading fruit industry, with vineyards and winery property worth over $650 million, an annual return to farmers of $140 million, an annual grape crop of two and three-quarter million tons and an annual gross wine production of 160 million gallons; and

Whereas the quality of the wine produced from descendants of the vines brought to California 100 years ago has become so widely and favorably known that this State now grows 85 percent of all wine produced and consumed in America; and

Whereas Saturday, April 1, 1961, will mark the centennial of the legislative act which was instrumental in bringing about this result: Now, therefore, be it

Resolved by the Senate and Assembly of the State of California (jointly), That the Legislature of the State of California does hereby urge the State's residents to join in honoring the memory of the pioneer California lawmakers responsible for this fruitful contribution to the State's economy and the welfare of its citizens, and to join in honoring the memory of Col. Agoston Haraszthy as the father of modern California viticulture; and be it further

Resolved, That Saturday, April 1, 1961, be observed with appropriate ceremony as the centennial of modern California viticulture; and be it further

Resolved, That the Congress of the United States is hereby respectfully requested to join the State of California in recognition of this historic event; and be it further

Resolved, That the secretary of the senate is hereby directed to transmit copies of this resolution to the President and the Vice

President of the United States, the Speaker of the House of Representatives, to each Senator and Representative from California in the Congress of the United States, and to the Governor of the State of California; two suitably prepared copies to the Wine Institute; and a suitably prepared copy to the owner of Buena Vista Vineyards, Sonoma, Calif.

COVERAGE OF ANTICOMMUNIST NEWS

Mr. DODD. Mr. President, I have had occasion before now to remark upon the inadequate news coverage given, in certain instances, to anti-Communist news. I do not know how this comes about; and I am neither criticizing particular papers or particular reporters, nor attempting to second-guess editors on what news should be played and where. The fact remains that often news of very considerable importance to the free world is buried or ignored.

The Washington Daily News of March 14 carried a three-paragraph news item with a one-column head, "Fidel Hits Aid Plan." The lead on the story reported that Premier Castro had assailed President Kennedy's proposed hemispheric Alliance for Progress as "an attempt to buy the conscience of Latin America."

The second paragraph expanded on what Castro had said in this regard. Then, in the third paragraph, this news story reported that:

> Earlier, Ambassador to Moscow Faure Chaumont had formally proclaimed the Castro regime's "loyalty to communism" to the same audience, while Castro looked on, beaming.

This paragraph impressed me, Mr. President, as having terrific significance. How many people there are in this country, or in the free world, who still do not know that the Castro regime is a Communist regime, I cannot say. But I do know that there are in this country some who still argue that the Castro regime is not Communist, not Communist infiltrated, not Communist controlled. So long as there are any who hold that view—so long, indeed, as there is even any propaganda being disseminated from Cuban sources to deny the Communist character of the Castro regime—I think it is of the greatest importance for the people of this country, and the people of the free world, to know that Fidel Castro sat on the platform at the University of Havana with a smile on his face, and President Dorticos of Cuba sat there at the same time, listening without protest to a speech by a Cuban diplomat, affirming and reaffirming the Communist character of the Castro government.

I am sorry to say that I have not been able to obtain a copy of the full text of Ambassador Chaumont's speech. I do have a summary of what Ambassador Chaumont said, and I propose to place this in the RECORD at the end of my remarks.

I have also checked up on the item published in the Washington Daily News, and find that it represented the first three paragraphs of a nine-paragraph filing which was carried on the UPI ticker at 9:19 a.m. on March 14. I have learned that this story was filed in Havana by Henry Raymond, and I think Mr. Raymont and UPI are to be congratulated for making mention of Ambassador Chaumont's speech, and for giving some recognition to the importance of this item by placing it in paragraph 3 of the story which moved on the UPI wire. I do not know what other wire services, if any, carried the story of Mr. Chaumont's speech, and I do not know what other newspapers made reference to it in their columns. I only know that I did not see it anywhere except in the Washington Daily News.

In considering the importance of the fact that Ambassador Chaumont's speech brought no protests or denials from either Fidel Castro or President Dorticos, it is important to know that the speech was made at the University of Havana, at a meeting of the students of that university commemorating one of the honored anniversaries of the Castro revolution. In his speech, Ambassador Chaumont not only affirmed and reaffirmed the Communist character of the Castro revolution; he also stated clearly its purpose to "consolidate all revolutions in Latin America." He declared:

> We, the Communists, will continue to advance together with our truth. We, the Communists, will continue to honor the martyrs of the fatherland, the Cuban martyrs, whether Catholics or atheists, Socialists or Nationalists.
>
> The students of today and tomorrow will be greatly interested in learning how an entire people calls itself Communist, how even children deceived by religious schools have become Communists.
>
> We shall see very soon that all people of Latin America will become Communists.

I ask that the full text of this summary of the speech by Faure Chaumont, Cuban Ambassador to Moscow, at the Havana University students' meeting on March 13, 1961, may be printed in full in the RECORD at this point as a part of my remarks.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

SPEECH BY FAURE CHAUMONT, CUBAN AMBASSADOR TO MOSCOW, AT HAVANA UNIVERSITY STUDENTS' MEETING COMMEMORATING MARCH 13 ANNIVERSARY IN PRESENCE OF DORTICOS AND FIDEL CASTRO

(Summary)

We are here to recall our obligation to our comrades who fell in 1957. Another year of revolution has passed. On this day the best words uttered are those condemning the traitors who try to misuse the name of Jose Antoine Echeverria, those who served the tyranny and those who sacrificed Christ—the conspirators in cassocks.

The people are united under Fidel. There are the traitors, the ambitious, and those subservient to foreign exploitation. The revolution has been sufficiently strong to crush them. The revolution is invincible. Jose Antoine Echeverria can rest in peace, because his enemies have not been able to use his name against the revolution.

We are the revolutionary party. We shall consolidate all revolutions in Latin America. At the Mexico City conference attended by delegations from all sister nations of Latin America, Cuba was recognized as example of all Latin America whereby each country can win its independence:

"We are united by truth—the truth which is opening the way in the world and in space and the truth which has earned us the label of Communists by the servants and worms of imperialism. We, the Communists, will continue to advance together with our truth. We, the Communists, will continue to honor the martyrs of the fatherland, the Cuban martyrs, whether Catholics or atheists, Socialists or Nationalists. We will honor them with the truth, which has earned us the name of Communist.

"The students of today and tomorrow will be greatly interested in learning how an entire people calls itself Communist, how even children deceived by religious schools have been Communists. Since this must continue—this truth uniting the Cuban people—we shall see very soon that all people of Latin America will become Communists. We will demonstrate that we Communists really pay homage to comrades who fell on March 13 and to our comrade Jose Antoine Echeverria about whose Catholic militancy the enemies of the revolution talk too much. The Cuban people will pay homage to Jose Antoine and carry forward their revolution, proud of it and their leader, comrade Fidel Castro. Long live the revolution."

WIRETAPPING

Mr. DODD. Mr. President, I introduce, for appropriate reference, a bill which will outlaw all private wiretapping; prohibit most police wiretapping, and subject all authorized wiretapping to rigid standards of procedure and reporting.

I approach this issue fully aware that it involves fundamental questions of public policy. Most of the vital internal problems facing free government require an intricate balancing of the rights and responsibilities of individuals as against the legitimate needs and interest of the public good. The keeping of this balance is at the heart of the continuing struggle to promote a government which is effective while preserving a society which is free.

Few questions which attempt to balance the rights of individuals against the needs of government cut closer to the bone than the matter of wiretapping. The stakes here are high. An answer which goes too far toward the protection of individual rights could cripple law enforcement and endanger national security. An answer which goes too far toward meeting the needs of law enforcement could gravely impair basic individual rights.

These considerations doubtless account for the long failure by the Federal Government to act decisively in this field. But its failure to act has encouraged the unrestricted growth of wiretapping in its most vicious and offensive forms.

Each day in every major city of the Nation private telephone conversations are being listened to and recorded by unknown and unsuspected persons. The hidden participant in the most personal of telephone discussions may be a private detective eavesdropping to get evidence for a divorce case. He may be the employee of some business executive trying to gain secret intelligence about his competitors. He may be a criminal wiretapping for extortion purposes or for other criminal motives. Or he may be a police officer seeking some informa-

tion that will make easier the enforcement of the law.

The full extent of telephone wiretapping cannot be known. It is in the nature of things impossible to obtain reliable statistics about clandestine wiretapping. But we do know from fragmentary information that this practice is shockingly widespread and that it is growing from year to year. One responsible observer of the problem in New York City places the number of illegal police wiretaps in a recent year as high as 30,000. There is one case on record in which a private lawyer, with the help of a few associates, was able to tap at will almost 100,000 telephones. And each new technical advance in electronic devices enables the wiretappers to extend the scope of their operations.

We may fairly summarize this situation by saying that virtually no one in America is safe from having his most private telephone conversations overheard and recorded on tape. If someone seriously wants to tap your phone, the overwhelming probability is that he can do it and get away with it.

We know instinctively that this situation is repugnant and unacceptable. We cherish among our basic rights the inviolability of the home, the right of privacy; and our telephone conversations are an important part of this privacy.

Are we to continue to allow private sneaks or even public guardians to intercept the most intimate conversations between a man and his wife, a mother and her daughter, a patient and his doctor, a clergyman and his parishioner, a client and his lawyer, businessman and his colleague, a friend and his neighbor?

My answer is that the Federal Government, which alone has the power and the responsibility to act effectively in this field, should outlaw all wiretapping except that which is clearly essential to national security and the most critical requirements of law enforcement. Before we remedy the situation, we must discover how it is that a condition so inimical to individual rights and so foreign to the Constitution has come about in this land of civil liberty and constitutional government.

Wiretapping is running wild today because the one Federal law dealing with it, Section 605 of the Federal Communications Act, which outlaws all wiretapping and public disclosure of information gained thereby, is ambiguous and inadequate. A series of court decisions have served only to point up these uncertainties.

The wiretapping picture is chaotic. It is confused because Federal law leaves in doubt whether the prohibited offense is wiretapping alone or whether there must be public disclosure before the law is broken; confused because law enforcement agencies are themselves often knee-deep in wiretapping of such shaky legality that the police are generally reluctant to bring private wiretappers into court; confused because State law enforcement officers are clearly violating section 605, since they both wiretap and publicly disclose in court the information thus obtained; confused because under various Supreme Court decisions, wiretap evidence obtained by Federal or State officers is inadmissible in a Federal court, but the same evidence obtained by the same State officers is admissible in a State court.

The private wiretapper proceeds full speed ahead, confident in the knowledge that the police are reluctant to move against him because their own hands are not clean; the police wiretapper proceeds in a twilight zone, a legal no man's land, unaided by clear authority to wiretap in cases where wiretapping is patently justified, and unhindered by any clear prohibition against wiretapping respecting trivial offenses or no offenses at all.

This anarchy has paralyzed the vigorous legal action against private wiretappers that alone can drive them out of business; and it has fostered indiscriminate wiretapping by police officials who, in the absence of clear law, are following the path of least resistance.

I believe that the answer to this chaos lies in the legislation which I introduce today which would clearly outlaw most wiretapping and legitimize necessary wiretapping while subjecting it to rigid controls and procedures.

I know there are many who would go much further and abolish all wiretapping. It would perhaps be exhilarating to mount the hobbyhorse of unrestricted individual rights and demand an end to all wiretrapping on the ground that the right of privacy is so sacred as to be inviolate; or upon the ground that the power to tap wires is so dangerous to freedom that it cannot be entrusted to anyone.

But before we go too far in pressing the claims of inalienable rights, we must remember that many of what we popularly call individual rights are not inherent rights at all, not natural rights that man possesses as a human being but instead are limited rights, derived from society itself, rights which are products and growths of society, which have meaning only within a social context.

The right to use a telephone in absolute secrecy is certainly not an inherent right of man. The telephone is a product of a highly developed, cooperative, social existence. Therefore, man's rights with respect to the telephone may be properly limited by the needs of the society which developed it, which has a stake in its use and which suffers grievously from its abuse by criminals.

As to the second objection, that the power to authorize wiretapping is too dangerous to be entrusted to any man, I say this: Almost every action of our lives involves the placing of trust in someone. If we are not to be paralyzed completely as a people, we must repose somewhere the authority to act and we must assume that the highest officials in the land can be safely entrusted with that authority.

In the case of the proposed legislation, authority of grave import is vested in State judges, Federal judges, and the Attorney General, authority which is subject to strict standards of procedure and reporting. This is about as far as we can sensibly go in protecting against abuses.

I am certain that the common sense of the American people would not permit the passing of a statute which denied to our Federal agents the right to wiretap in cases involving the national security of the United States or a statute that would cripple the attempts of police officials to cope with murderers, kidnapers, extortionists, narcotics pushers, and syndicated crime.

The choice before us, then, is not whether there shall be wiretapping or no wiretapping but whether there shall be controlled wiretapping as I propose, or indiscriminate, universal wiretapping as exists today.

My bill contains the following provisions:

First, subject to clearly defined exceptions, it would outlaw both wiretapping and disclosure of wiretap information by Federal, State, and local police officials, making each a Federal crime.

Second, it outlaws all private wiretapping.

Third, Federal law enforcement officials, acting upon the order of a Federal court, may wiretap in connection with the crimes of murder, extortion, bribery, gambling, racketeering and violations of narcotics laws.

Fourth, Federal officials are permitted to wiretap, acting upon the order of a Federal court or upon the express permission of the Attorney General of the United States, who may not delegate his authority, with respect to the crimes of espionage, treason, sabotage, sedition and kidnaping.

Fifth, State and local law enforcement officials, acting upon the order of a State court, may wiretap in connection with the crimes of murder, extortion, bribery, felonious gambling and narcotics violations; but only where existing State law already permits wiretapping in these fields.

Sixth, all applications by law enforcement officials for permission to wiretap, whether made to the Attorney General of the United States, to a Federal court or to a State court must meet the following standards: (a) One of the delineated serious crimes has been or is about to be committed; (b) the interception will furnish evidence essential to a conviction for, or to the prevention of, the crime; (c) there are no other means readily available for obtaining the evidence.

Seventh, Federal and State courts will be required to report to the Administrative Office of the United States Courts all applications for authorized wiretapping, all denials and all orders granting authorization, and the administrative office will in turn be required to furnish Congress with an annual report which transforms this information into statistical material in order that the Congress may intelligently review the operations of this bill.

Eighth, a wiretapping violation shall be a felony punishable by up to 2 years in prison, a $10,000 fine, or both. (Violation of the present Federal wiretapping law is only a misdemeanor.)

How will this bill end the present confusion and move effectively against illegitimate wiretapping?

By clearly resolving the status of legal wiretapping, it frees law enforcement officials of their present reluctance to move vigorously against all private wiretapping.

By providing that unauthorized wiretapping, irrespective of disclosure, is a crime, it removes the uncertainties which have inhibited prosecution.

By definitely stating when law enforcement officials may or may not wiretap, it will eliminate most wiretapping by law enforcement officials.

By requiring rigid standards of procedure and statistical reporting for all authorized wiretapping, it assures that police officials will act with restraint and in good faith.

By permitting the admissibility in Federal and State courts of evidence obtained through authorized wiretapping and by outlawing any use in State or Federal courts of wiretap evidence obtained in violation of this bill, it will prevent those patent abuses that are now tolerated, and resolve those inconsistencies in court procedures which offend our sense of the logic of legal processes.

What would this bill do to State laws? The bill imposes four limitations on State laws: First, that wiretapping is permissible concerning serious crimes only; second, within this area only a State court may authorize the wiretapping; third, that the State court must use the bill's standards in reviewing applications and orders; and fourth, that the State courts must report on applications and orders to the Administrative Office of the United States Courts. Otherwise, State law controls State officers; it may be more relaxed or more stringent than that applying to Federal officers.

I suspect that the principal controversy that will arise over this bill will revolve around the exceptions that have been made to the general prohibition against wiretapping by police officials. The most difficult problem which faced me in the drafting of this bill was determining which offenses were so serious, or so peculiarly related to the telephone as to be excluded from the general ban.

Crimes involving treason and espionage offer little problem. Surely our Federal agents must be equipped with every reasonable weapon in their effort to protect America against those vast hidden forces which ceaselessly seek the destruction of our country.

Nor should there be much controversy over the exclusion of kidnaping, a capital offense which requires instantaneous action by the police if the life of the victim is to be saved, and which generally involves the use of the telephone for criminal purposes.

The authority to permit wiretapping is lodged in the Attorney General in cases involving either espionage or kidnaping since the time element may be of such critical importance so as not to permit going to court and since an application to a court in espionage matters might require the disclosure of highly confidential information that should not be disclosed.

By requiring the Attorney General to rule personally on applications in these areas, I feel we have placed an effective obstacle in the path of frivolous or needless wiretapping while at the same time giving our Federal agents the tools they need to protect national security and public safety.

I think most people would agree that the overriding necessity of preventing and exposing murder, the ultimate crime, justifies the use of wiretapping.

Extortion and bribery of public officials are serious crimes which again peculiarly involve the use of the telephone. And while here the case for wiretapping is less conclusive, I have, after careful thought, included these crimes among the exemptions, and respectfully await opinions of experts in this field.

On the Federal level, racketeering is a specifically defined offense, but the various statutes of 50 States and the possible interpretations of those statutes by State judges could open up legal wiretapping to a far greater extent than that anticipated in this bill. Therefore, no exclusion with respect to the term "racketeering" is made for State officials. I believe that by permitting wiretapping concerning such offenses as felonious gambling and extortion we adequately meet the needs of State officials while avoiding the potential for widespread abuse inherent in the use of so indistinct a term as is racketeering in some State statutes.

If it were possible to permit the use of wiretapping against nationally organized, syndicated gangsters, while prohibiting it in the case of the corner bookie, I would gladly do so. But I do not think it is possible either in terms of legal draftsmanship or the practical realities involved. The small-time racketeer, preying upon the gambling instinct, is the foundation of organized crime. He is the magnet around whom criminals of every type gather and no onslaught upon organized crime can be effective which does not move against him with every legal weapon.

I believe that this bill is basically sound both in what it prohibits and in what it permits. It is my hope that as it proceeds on its way through the legislative process, it will stimulate the interest of the Congress and of the Executive Branch in a long neglected subject; bring out the best in thought, pro and con, from our legal fraternity; cause the Nation to become more aware of this major problem, and prompt the Federal Government to decide in this year of 1961 that whether through this bill or through another, wiretapping must be brought under effective control.

Mr. President, I ask unanimous consent that the bill and a résumé describing this legislation be printed at this point in the RECORD.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill and résumé will be printed in the RECORD.

The bill (S. 1495) to prohibit wiretapping by persons other than duly authorized law enforcement officers engaged in the investigation or prevention of specified categories of criminal offenses, and for other purposes, introduced by Mr. DODD, was received, read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Wire Interception Act."

DEFINITIONS

SEC. 2. As used in this Act—

(1) The term "wire communication" means any communication made through the use of telephone or telegraph facilities furnished by any person engaged, as a common carrier for hire, in providing such facilities for the transmission of interstate or foreign communications;

(2) The term "interstate communication" means any communication transmitted (A) from any State to any other State, or (B) within the District of Columbia or any possession of the United States;

(3) The term "foreign communication" means any communication transmitted between any State or any possession of the United States and any foreign country;

(4) The term "intercept" means the acquisition by any person, through the use of any intercepting device, of the contents of any wire communication made by any other person;

(5) The term "intercepting device" means any mechanical, electrical, or electronic device or apparatus other than a telephone or telegraph instrument, an extension telephone instrument, a switchboard, a wire communications line, cable, or system, or other part of the facilities used for the transmission of a wire communication from the sender to the person intended by the sender to be the recipient thereof;

(6) The term "contents", when used with respect to any wire communication, means any information concerning the existence, contents, substance, purport, or meaning of that communication;

(7) The term "person" means any individual, including any individual serving as an investigative or law enforcement officer of the United States, any Federal agency, or any State, and any partnership, association, joint-stock company, trust, or corporation;

(8) The term "Federal agency" means any department, agency, or armed force of the United States;

(9) The term "State" means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and any possession of the United States; and

(10) The term "judge of competent jurisdiction", when used with respect to any application for leave or any order granting leave to intercept any wire communication, means—

(A) a judge of a district court of the United States or a court of appeals of the United States, as to any application made or order entered to obtain evidence of, or to prevent, the commission of any offense in violation of any statute of the United States; and

(B) a judge of any court of a State who is authorized by a statute of that State to enter orders granting such leave, as to any application made or order entered to obtain evidence of, or to prevent, the commission of any offense in violation of the law of that State.

INTERCEPTION AND DIVULGENCE OF WIRE COMMUNICATIONS PROHIBITED

SEC. 3. (a) Except as otherwise specifically provided by this Act, it shall be unlawful for any person to—

(1) intercept, attempt to intercept, procure any other person to intercept or attempt to intercept, or conspire with any

other person to intercept or attempt to intercept, any wire communication; or

(2) divulge or disclose to any other person the contents of any wire commuication if the person divulging or disclosing that information knows that such information was obtained through the interception of a wire communication by any person.

(b) It shall not be unlawful under this section for any person to intercept any wire communication if that person is—

(1) the sender of that communication;

(2) the person intended by the sender to be the recipient thereof;

(3) a person authorized by the sender or by the intended recipient thereof to intercept that communication;

(4) an officer, agent, or employee of any common carrier for hire whose facilities are used in the transmission of that communication who intercepts that communication in the normal course of his employment while engaged in any activity which is a necessary incident of the rendition of service by that common carrier; or

(5) an investigative or law enforcement officer acting pursuant to and in compliance with authorization duly given under section 4 of this Act.

(c) It shall not be unlawful under this section for any person to divulge or disclose to any other person the contents of any wire communication if—

(1) the person making such divulgence or disclosure is the sender of that communication, the person intended by the sender to be the recipient thereof, or a person authorized by the sender or by the intended recipient thereof to intercept that communication;

(2) such information has been divulged or disclosed previously by any person described in paragraph (1) of this subsection to any other person, or by any individual while giving testimony in compliance with the provisions of section 5 (b) of this Act in any action or proceeding described in that section; or

(3) such divulgence or disclosure is authorized by and made in compliance with the provisions of section 5(a) or section 5(b) of this Act.

(d) Violations of this section shall be punished as provided by section 1362, title 18, United States Code.

AUTHORIZATION FOR CERTAIN INTERCEPTIONS OF WIRE COMMUNICATIONS

SEC. 4. (a) Upon application made by any investigative or law enforcement officer of the United States or any Federal agency, the Attorney General may authorize such officer to intercept any wire communication if the Attorney General determines that there is reasonable ground for belief that:

(1) a criminal offense punishable by death or by imprisonment for more than one year under chapter 37, 55, 105, or 115 of title 18 of the United States Code, or as an attempt or conspiracy to commit any such offense, has been committed or is about to be committed;

(2) evidence essential to the conviction of any person for, or to the prevention of, that offense will be obtained through such interception of the described wire communications; and

(3) no other means are readily available for obtaining such evidence.

(b) The Attorney General, or any officer of the Department of Justice or any United States Attorney specially designated by the Attorney General, may authorize any investigative or law enforcement officer of the United States or any Federal agency to apply to a judge of competent jurisdiction for leave to intercept wire communications when such action is required to obtain evidence of, or to prevent, the commission of any criminal offense punishable by death or by imprisonment for more than one year (1) under chapter 37, 55, 105, or 115 of title 18 of the United States Code, (2) as an offense under any other statute of the United States which involves murder, extortion, bribery, gambling, racketeering, or the possession, use, or furnishing of narcotic drugs, or (3) as an attempt or conspiracy to commit any offense in violation of any such statutory provision.

(c) Any investigative or law enforcement officer of any State or any political subdivision thereof who is authorized by or pursuant to a statute of that State to make application to a judge of competent jurisdiction for leave to intercept any wire communication may apply, in conformity with the procedures prescribed by the law of that State, for leave to intercept wire communications within that State when such action is required to obtain evidence of, or to prevent, the commission of any criminal offense which is punishable under the law of that State by death or by imprisonment for more than one year as an offense defined by the law of that State which involves murder, kidnaping, extortion, bribery, gambling, or the possession, use, or furnishing of narcotic drugs, or as an attempt or conspiracy to commit any such offense.

(d) Upon application made to a judge of competent jurisdiction by any investigative or law enforcement officer authorized by or pursuant to subsection (b) or subsection (c) to make such application, the judge may enter an ex parte order granting leave to intercept the wire communications designated therein, at any place within the territorial jurisdiction of the court of which the judge is a member, if the judge determines that there is reasonable ground for belief that:

(1) a criminal offense of any category described in subsection (b) or subsection (c) has been committed or is about to be committed;

(2) evidence essential to the conviction of any person for, or to the prevention of, that offense will be obtained through such interception of the described wire communications; and

(3) no other means are readily available for obtaining such evidence.

(e) Each application under subsection (b) or subsection (c) shall be made in writing upon oath or affirmation of the applicant, and shall contain a full and complete statement of the facts and circumstances relied upon by the applicant. The application shall (1) include a statement of the authorization under which the application is made, (2) include a statement of the purpose for which the application is made, (3) specify the nature and location of the communications facilities involved, (4) describe with particularity all previous applications made under this section to any judge by the applicant, or by any other person on behalf of the investigative or law enforcement office or agency of which the applicant is a member, for leave to intercept wire communications involving the same communications facilities for the same or any similar purpose, and (5) state the action taken by the judge upon each such previous application. The judge to whom any such application is made, before entering any order thereon, may require the applicant to furnish in support of the application additional documentary evidence or additional oral testimony.

(f) Each order granting leave under subsection (d) to intercept any wire communication shall specify—

(1) the nature and location of the communications facilities as to which leave to intercept is granted;

(2) each offense to be prevented or as to which evidence is to be sought;

(3) the identity of the officers authorized to intercept those communications; and

(4) the period of time during which such officers are authorized to intercept those communications.

(g) No order entered under subsection (d) may grant leave to intercept any wire communication for any period exceeding sixty days. The effective period of any such order may be extended for not more than thirty days upon application made to the judge who entered that order and a showing of reasonable ground for belief that such extension is necessary to obtain evidence of, or to prevent, the commission of an offense described in the order for which extension is sought.

AUTHORIZATION FOR CERTAIN DISCLOSURES OF INTERCEPTED WIRE COMMUNICATIONS

SEC. 5. (a) Whenever any investigative or law enforcement officer intercepts any wire communication pursuant to and in compliance with the terms of any authorization duly given under section 4 for the purpose of obtaiinng evidence as to the actual or probable commission of any offense, and that communication provides, or may lead to the discovery of, evidence as to the actual or probable commission of that offense, such officer may divulge or disclose the contents of that communication to any officer or employee of the United States, any Federal agency, or any State if such divulgence or disclosure is required for the proper performance of the official duties of the officer making the divulgence or disclosure.

(b) Any individual who has received, by any means authorized by section 4 or section 5(a) of this Act, any information concerning a wire communication intercepted in compliance with authorization duly given under section 4 may divulge or disclose the contents of that communication, to the extent that it provides evidence as to the commission of any offense specified in the order authorizing the interception of that communication, when required to do so while giving testimony under oath in any criminal action pending in any court of the United States or any State, or in any proceeding of a duly authorized committee or subcommittee of the Congress or either House thereof, or of the legislature of any State or any house thereof.

(c) Whenever any wire communication has been intercepted by any person, no part of the contents of that communication obtained through that interception may be received in evidence in any proceeding in or before any court, grand jury, department, officer, agency, or regulatory body or authority of the United States or any State from any witness if the disclosure or divulgence of that information by that witness (by any means other than the giving of testimony in that proceeding) would be in violation of section 3 of this Act.

PENALTY FOR UNAUTHORIZED INTERCEPTION OR DISCLOSURE OF WIRE COMMUNICATIONS

SEC. 6. Section 1362 of title 18, United States Code, is amended by—

(1) redesignating the text thereof as subsection (a) thereof; and

(2) inserting at the end thereof the following new subsection:

"(b) Whoever—

"(1) willfully intercepts, attempts to intercept, or procures any other person to intercept or attempt to intercept, or conspires with any other person to intercept or attempt to intercept any wire communication in violation of section 3 of the Federal Wire Interception Act, or

"(2) willfully divulges or discloses to any other person, in violation of section 3 of the Federal Wire Interception Act, any part of the contents of any wire communication with knowledge that such information has been obtained through the interception of a wire communication by any person, shall be fined not more than $10,000, or imprisoned not more than two years, or both. As used in this subsection, each term defined by section 2 of the Federal Wire Interception Act shall have the meaning given thereto by that section."

REPORTS CONCERNING INTERCEPTED WIRE COMMUNICATIONS

SEC. 7. (a) Within 30 days after the expiration of any order (including any extension thereof) entered by any judge under section 4(d) of this Act, the judge shall transmit to the Administrative Office of the United States courts a true and correct copy of (1) that order and any order for the extension thereof, (2) the application made therefor, and (3) any application made for the extension of that order. Within 30 days after the denial by any judge of any application made to him for the entry of any order, or for the extension of any order previously entered by him, under that section, the judge shall transmit to the Administrative Office of the United States Courts a true and correct copy of that application.

(b) In March of each year the Director of the Administrative Office of the United States Courts shall transmit to the Congress a full and complete report concerning (1) all applications made under section 4(b) or 4(c) of this Act which were denied during the preceding calendar year, and (2) all orders entered under section 4(d) which expired during the preceding calendar year and the applications made therefor. Each such report shall state with respect to such applications and orders the following information:

(1) the number of applications made by, and the number of orders granting leave which were entered upon applications made by, each Federal agency and each investigative or law enforcement authority of any State or any political subdivision thereof;

(2) the number of orders granting leave entered, and the number of applications denied, by judges of competent jurisdiction of each court;

(3) the number of applications made, and the number of orders granting leave entered, with respect to each classification of criminal offenses as to which such applications were made;

(4) the number of applications made, and the number of orders granting leave entered, for the interception of wire communications within each State, indicating separately (A) the number of applications made, and the number of orders granting leave entered, for the interception of communications within each municipality or other political subdivision of each State, and (B) with respect to each classification of criminal offenses as to which information is furnished under paragraph (3), the number of applications made, and the number of orders granting leave entered, within each State, and within each municipality or other political subdivision thereof; and

(5) such other information as may be requested in writing from time to time by the Chairman of the Committee on the Judiciary of the Senate or of the House of Representatives, or by the Chairman of the Committee on Interstate and Foreign Commerce of the Senate or of the House of Representatives.

COMMUNICATIONS ACT AMENDMENT

SEC. 8. The proviso contained in section 605 of the Communications Act of 1934 (48 Stat. 1103; 47 U.S.C. 605) is amended to read as follows: "*Provided*, That this section shall not apply to (a) the interception, receiving, divulging, publishing, or utilizing the contents of any radio communication broadcast, or transmitted by amateurs or others for the use of the general public, or relating to ships in distress, or (b) the interception of any wire communication, or the divulgence or disclosure of the existence, contents, substance, purport, or meaning thereof, if such interception, divulgence, or disclosure is declared by section 3 of the Federal Wire Interception Act not to be in violation of that Act."

The résumé presented by Mr. DODD is as follows:

RÉSUMÉ OF PROPOSED FEDERAL WIRE INTERCEPTION ACT

Sentor DODD's bill, entitled the Federal Wire Interception Act, is a comprehensive proposal for dealing with the wiretapping of telephone and telegraph communications by devices not ordinarily a part of the communications facilities. The bill does not deal with eavesdropping generally, nor with eavesdropping by devices which are a part of communications facilities (such as extension telephones and switchboards).

Except as provided, the bill makes unlawful either a wire interception or a disclosure of the contents of that interception with the knowledge that it is a prohibited interception. The penalty for violation is imprisonment for not more than 2 years or a fine of not more than $10,000 or both—that is, violation is punishable as a felony.

The bill declares that it shall not be unlawful for the sender, the intended recipient, or a person authorized by either to intercept or disclose; and that it shall not be unlawful for a communications company employee to intercept when acting in the necessary course of his employment. In addition, further disclosure is not prohibited once the contents of an interception have been disclosed by the sender, the intended recipient, or a person authorized by either to intercept or disclose, or have been disclosed in court proceedings.

In the case of certain designated crimes, the bill permits Federal law enforcement officers, upon authorization by the Attorney General or his delegee, to apply to a U.S. judge for an order permitting wire interception. The designated crimes are those of espionage, treason, sabotage, and sedition set forth in title 18 of the United States Code, those of murder, kidnaping, extortion, bribery, gambling, and racketeering, and violations of the narcotics laws, provided the criminal act is punishable as a felony. State officers may apply to a State judge for a similar order for the felonies under State law of murder, kidnaping, extortion, bribery, and gambling and for felonious violations of State narcotics laws, but only to the extent that wire interception is permitted by State law and only if the application accords with the procedures of State law.

The bill prescribes the minimum contents of an application for a court order for wire interception, the standards that are to govern judges in reviewing an application, and the minimum contents of an order granting leave to intercept. The standards that are to govern judges in reviewing applications are: that one of the delineated serious crimes has been or is about to be committed; that the interception will furnish evidence essential to a conviction for, or to the prevention of, the crime; and that there are no other means readily available for obtaining the evidence. The bill also prescribes that no order shall be effective for more than 60 days, subject to renewal for 30 days.

For crimes of espionage, treason, sabotage, sedition, and kidnaping, set forth in title 18 of the United States Code, the Attorney General may directly authorize wire interception. This power is nondelegable and is required to be exercised under the same standards that govern judges in reviewing applications for wire interception orders. The Attorney General will be required to issue the general rules and regulations under which he will exercise this power.

As to disclosures, the bill permits the contents of an authorized wire interception to be disclosed by a law enforcement officer where required for the proper performance of his duties. (The bill is intended to permit disclosures in this category between Federal and State officers.) The bill also authorizes disclosure in both Federal and State criminal proceedings and before committees of Congress and of State legislatures. The bill prohibits the admissibility in evidence in any proceeding of the contents of any unauthorized interception or disclosure.

By way of reporting requirements, Federal and State judges are required to report to the Administrative Office of the U.S. Courts all applications for authorized wiretapping, all denials, and all orders granting authorization. The Administrative Office of the U.S. Courts is in turn required to furnish Congress with an annual report which transforms what is transmitted to it into statistical material of value to the Congress in reviewing the operation of the act.

Finally, section 605 of the Communications Act of 1934 is amended to remove any prohibition therein against the interception or disclosure of a wire communication to the extent that interception or disclosure is not in violation of the Federal Wire Interception Act.

THE 38TH STATE TO RATIFY THE 23D AMENDMENT TO THE CONSTITUTION

Mr. CARLSON. Mr. President, I have in my hand a dispatch taken from the news ticker, datelined Concord, N.H. It reads as follows:

CONCORD, N.H.—The New Hampshire House elbowed Kansas out of the way today and became the 38th State to ratify the 23d amendment—giving District of Columbia residents the vote in presidential elections.

Kansas thought it had sewed up the honor of being the crucial 38th State. Two-thirds of the States must ratify to put an amendment on the books.

But today the New Hampshire House voted to reconsider its vote of yesterday. The vote today was equally favorable, though only a voice vote was taken.

Thus New Hampshire technically voted after Kansas. The Kansas ratification yesterday had followed New Hampshire's earlier vote by about half an hour—a device interpreted here as a bid to clinch the 38th spot.

Lawmakers here now claim that Kansas, ignorant of the parliamentary device up New Hampshire's sleeve, now becomes the 37th State to ratify.

In a telegram to Gov. John Anderson, of Kansas, Gov. Wesley Powell, of New Hampshire, said:

"This is to officially advise you that New Hampshire has this day become the 38th State to ratify the 23d amendment. This is in keeping with the tradition set by our sovereign State in breathing life into the Constitution of our country as the ninth State to ratify the same.

"We congratulate your legislature upon being the 37th State to vote for ratification of the 23d amendment. May your sunflowers be brighter than ever this year."

Mr. President, yesterday was a great day for the citizens of the District of Columbia, in that they were given the right to vote for President and Vice President of the United States. As I read this message to the Governor of our State, it states that—

This is in keeping with the tradition set by our sovereign State in breathing life into the Constitution of our country as the ninth State to ratify the same.

I merely wish to say that it was fortunate for our Nation that this off-again-on-again-Finnigan attitude which evidently prevails in the administration of

New Hampshire was not in effect at the time of the adoption of the Constitution. I sincerely trust that nothing will happen or that has happened today which will in any way endanger the rights of the citizens of the District of Columbia to vote.

Kansas yesterday was proud to have ratified the 23d amendment. We were proud that we might have been classed as the 38th State to ratify the amendment, and for a very definite reason. That reason is that this year is our Centennial Year. It was 100 years ago that Congress ratified and recognized us as one of the States of the Union—as the 34th State, as a matter of fact. Our State motto is "Ad Astra per Aspera," which means "to the stars through difficulty." That certainly was true of the early history of Kansas. Perhaps the people of the District of Columbia, as they look back on the travail and tribulations and trials which they went through in securing the vote might say that that motto of Kansas would apply to the District of Columbia in securing the right to vote.

I was going to place in the RECORD some of the editorials and fine comments on the part of the press in the District of Columbia on the action on the part of Kansas. I shall not do so at this time.

However, I wish the RECORD to show that we were sincerely interested in the welfare and the voting rights of the citizens of the District of Columbia. Whether we are the 38th State or the 37th State, we still stand very much committed and rejoice with the people of the District that they have been given this voting privilege.

RECOGNITION OF ABILENE, KANS., IN THE ALL AMERICA CITIES CONTEST

Mr. CARLSON. Mr. President, last week I called the Senate's attention to the fine recognition given Abilene, Kans., in the All America Cities contest sponsored by the National Municipal League and Look magazine.

In my statement I mentioned the fact that Abilene was the hometown of our past President, Dwight D. Eisenhower. This morning I received a letter from President Eisenhower stating that he had noticed in the CONGRESSIONAL RECORD that I had called this honor to the attention of the Senate.

I was pleased to receive the letter and note that the President is following the proceedings of the Senate by reading the CONGRESSIONAL RECORD. No matter what positions President Eisenhower has held during his lifetime, he has not forgotten his associations with Abilene and his many friends there.

The letter reads as follows:

PALM DESERT, CALIF., *March 26, 1961.*
The Honorable FRANK CARLSON,
U.S. Senate,
Washington, D.C.

DEAR FRANK: As I looked through the CONGRESSIONAL RECORD the other day I was delighted to come upon your remarks on Abilene. I certainly agree that it is a great honor that the National Municipal League and Look magazine has bestowed on the citizens of my old hometown. Please extend to my good friends in Abilene my hearty congratulations on receiving this well-deserved recognition.

With warm regard.

Sincerely,

D.E.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 1163) to amend section 510 of the Interstate Commerce Act so as to extend for 15 months the loan guarantee authority of the Interstate Commerce Commission.

CALIFORNIA WATER DEVELOPMENT—ADDRESS BY SENATOR KUCHEL

Mr. KUCHEL. Mr. President, on March 8 I had the pleasure of speaking in San Francisco to the California Municipal Utilities Association. I ask unanimous consent that my comments at that time be printed at this point in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY U.S. SENATOR THOMAS H. KUCHEL, BEFORE THE 29TH ANNUAL CONFERENCE, CALIFORNIA MUNICIPAL UTILITIES ASSOCIATION, SAN FRANCISCO, CALIF., MARCH 8, 1961

Members of the California Municipal Utilities Association, friends and fellow Californians, surely no one in this gathering of California water men needs to be told how glad I am to be home here in my native State with you and to be discussing water development in California. Water, and laws pertaining to it, is a subject to which I have devoted much of my years of public service, both in California and now as your Senator in Washington.

As California water men, we are meeting at a momentous and propitious time for our State. We are on the threshold of a great new era in water resources development in California, which I firmly believe will see further progress in the great physical developments for bringing into being new sources of water and other projects for the better conservation and more efficient use of existing sources which our State already has planned and made provision for.

But equally important, we are at the beginning of an era, I hope and believe, of genuine cooperation, both legally and physically, between the Federal Government and our State and local governments for the maximum development and use of our water resources in accordance with State and local needs and customs, and the desires of the people of California. At the same time, the Federal function and responsibility will be carried forward far more effectively. Hopefully, in some ways this era will constitute something of a departure from what I have fought in Washington as the "Federalistic" approach, under which the Department of Justice has claimed the U.S. Government owns all water rights in our State and that it is the repository of all wisdom as to what should be done with those water rights. This new approach will be, I hope and believe, one of greater recognition and greater respect by the Federal Government for the historic principle of local autonomy and self-government under which our Nation has grown great. At the same time, the State will recognize the responsibilities of the Federal Government under our constitutional system and have due respect for and appreciation of its role in water resources development.

Such an approach by both the Federal Government and the State government—for lack of understanding of the Federal and the State roles and functions has not been the fault of Washington exclusively—will free the creative energies of California for the planning and execution of the water conservation and developments so necessary if we are to meet successfully the present and future needs of the Golden State. Up to now, to a great extent, the initiative has been carried by local subdivisions within the State and by the Federal Government. Now our State and our people are assuming greater responsibilities.

The physical development to which I referred is grounded first on the approval last November by our fellow Californians of the $1,750 million water development plan; and, secondly, on a continuation of strong Federal programs, such as the proposal for the $73 million plus items for construction by the Federal Bureau of Reclamation in California and another $40 million for construction by the Corps of Engineers recommended in the Federal budget for fiscal 1962 submitted by President Eisenhower on January 16 of this year. These figures are for construction only, and do not include moneys for investigations and surveys.

This makes a total of $113 million in Federal expenditures this next fiscal year for water construction alone in California.

I have every hope the new administration will at the very least adopt these approved proposals, and that it will see fit to concur in additional recommendations which those of us who represent California in Washington are planning to make.

To this probable minimum of $113 million in Federal expenditures next year, it is fair to add the $35 million in the 1962 State budget for the Feather River project, including completion of relocation work and diversion tunnels at Oroville Dam, work on the South Bay Aqueduct, and land acquisition. So we can reasonably expect authorizations for at least $150 million for water resource construction in California during this next year.

The political aspect of our coming new era has as its base not only the mandate of our California voters in approving the State water plant, but also the findings and recommendations of the Select Committee on National Water Resources of the Senate. This committee was composed of 17 Senators from each section of our country—West, Midwest, South, and East. It was headed by Senator ROBERT S. KERR, of Oklahoma, as chairman. I was honored to serve as vice chairman. A truly expert staff was assembled, most of whom were specialists drawn from private research and scientific organizations, and from agencies of the Federal Government. Hearings were held over the entire country, from Missoula, Mont., to Jacksonville, Fla., and from Augusta, Maine, to Los Angeles. Over 800 witnesses presented almost 4,000 pages of testimony. In addition, qualified private and Federal agencies made special studies for the Committee, and the official views of the States, including those of California, were solicited and fully considered.

I would like here to pay deserved tribute to my friend, Harvey Banks, who drafted California's comprehensive and constructive position statement. It is my firm conviction that this report of the Select Committee on National Water Resources, and the creative contributions made to it by many individuals such as Mr. Banks, will be a sound guide for the planning and development of new Federal policies with respect to our water resources. Our committee had 92 studies made ranging from such broad

areas as "National Water Resources and Problems" to such technical subjects as "River Forecasting and Hydrometeorological Analysis."

Using 1954 as a base year for supply-demand studies, because it was the last year for which statistics on water use had been completed, the committee found that water withdrawals in the United States total some 300 billion gallons a day. By 1980, demands on the Nation's water resources will almost double, or reach a total of nearly 600 million gallons daily, and they will triple by the year 2000.

Now the year 1980, by which time our present uses are expected to double, is a mere 20 years away. Statistically, most of us in this room have a reasonable life expectancy of being around that long. Therefore, the problem is not something that we can let our children worry about. It is a problem for us here today. We must also remember that these projections exclude Alaska and Hawaii. Our needs in California are, of course, much, much greater.

Harvey Banks' presentation estimated that the future population of California will be about 28 million persons by 1980, nearly double our present figure. Thus, our municipal uses for the ever-growing urban and suburban areas at maximum development will be about 6 million acre-feet annually, or over 7 billion gallons a day. Agricultural demands for our State will reach 37 million acre-feet annually.

In all, the California position statement sets forth that "under conditions of full development of the State's land and other resources, the water requirement will increase to an amount in the order of 55 million acre-feet annually."

Still another need for increased water resources is in the generation of power. Ever since the days of President Theodore Roosevelt, the production of electricity from falling water has been recognized as a reasonable public purpose. On this accepted principle, great Federal and local multipurpose projects have been constructed, enriching the lives of millions upon millions of our citizens.

I do not think that this is either the time or the place to debate the public versus private power issue. I firmly respect the right of the people to decide for themselves, under law, whether they wish to have public or private power development.

You, who have responsibility for the districts and cities of California that produce and distribute electricity to the consumers of our State, must rejoice with me that the platforms of both our great political parties pledge themselves to honor the preference clause in the marketing of Federal electric energy, thus assuring that the benefits of public expenditures will benefit the greatest number of people.

Happily, use of water for production of power is, by and large, a nonconsuming use. As to the increased use of water for production of power, authorities such as the Federal Power Commission and the Edison Electric Institute differ in their estimates.

However, as the select committee report states, "Regardless of amount, there is no question but that the costs of hydroelectric power generation facilities can and should be borne by the users of that power."

It seems clear to me that, with increasing development of our water resources by construction of storage facilities, there will be abundant opportunities for hydroelectric power development. Advantage should be taken of opportunities for hydroelectric power installations wherever possible, so that the economies inherent in large-scale installations can be passed on to electric power users.

Happily, the problem of adequate water supplies is not at all insoluble, either for the Nation as a whole or for California. The Senate report states:

"With its abundant supply of good water, and its advanced technology and skills, the United States need never suffer for lack of water. Water shortages can be alleviated. The lack of water need not limit our economic destiny. But positive action must be substituted for complacency."

First, and most important, step toward getting the job done, is the development of increased public awareness and understanding of the Nation's water resources problems; of their effects on the Nation's water resources problems; of their effects on the Nation's economy; and of the possible ways of solving them.

As to California in particular, Harvey Banks' report stated:

"It has been demonstrated that the future demands for water can be met by conventional methods. The California Water Plan, published in 1957, provides a general long-range guide for accomplishing the massive alteration of nature's scheme of supplying water. A State water project construction program is called for to supplement local and Federal efforts. The job is beyond the scope of any one of these agencies.

"There are legal, financial, and political considerations that pose problems in launching a State water project construction program. They can be overcome by the coordinated efforts of all concerned."

I think it significant to stress the fact that both the Senate select committee report and California's report find as a fact that the Nation's water problem in general and California's in particular can be met in the foreseeable future through known methods, the so-called conventional methods, if you wish, of conservation and development of known existing water supplies. This includes construction of surface and underground reservoirs, long-distance and in some cases interstate transmission of water, far more effective pollution control as our industrialization grows, reuse, evaporation reduction and seepage control, vegetation management, and extensive watershed development.

In other words, neither the Federal nor the State report finds that we necessarily will be dependent by 1980 or even the year 2000 upon two new sources of increased water supplies that now appear to offer great promise, namely, saline and brackish water conversion, and weather modification and control. Substantial progress has been made in both of these promising fields. There is now before Congress legislation which would greatly step up our scientific and economic investigation in both areas. I have coauthored a bill which would authorize a demonstration program of desalinization. I pledge my support to both approaches.

It has been estimated that cloud seeding in California could give us another inch of precipitation, or 8½ million acre-feet annually. This would result in an increase of nearly 3½ million acre-feet in our runoff.

As to desalinization, scientists are now talking in terms of a cost of 25 cents per thousand gallons at the plant. My bill would specifically promote the use of atomic power for desalinization, and in the event of a breakthrough, even this cost might well be much lower.

Up to this point, I have been talking principally about the physical aspects of the solution to our water problems. These physical aspects involve, of course, many weighty economic, geographic, scientific, and policy considerations. I realize I have touched upon only a few of those considerations and then all too briefly. But, mainly, we must remember that, while it will take a lot of hard work, the water supply problems of both our State and our Nation can be solved within the framework of existing methods.

Now, I would like to turn to the even more complex and delicate problems of Federal-State relationships in water resource development in California. All Californians must recognize that the Federal Government has had and must continue to have a most important and crucial role in this development. By way of background, I would like to mention two outstanding precedents—Hoover Dam and the Central Valley project—where California has led in Federal-State cooperation in this vital area.

Mention of Hoover Dam in such a context to a California audience would not be complete without tribute to that great American and great Californian who as much as any other man deserves the title of "Father of Hoover Dam."

I refer, of course, to our late, great Senator Hiram W. Johnson. In the long and often trying legislative history of the authorization for Hoover Dam, there should be linked with Hiram Johnson another wonderful Californian and fine statesman, former Congressman Phil Swing who happily is still with us. But for these two farseeing men, we might well not have the development and foundation for prosperity in the Imperial Valley and in the cities of Los Angeles and San Diego that we enjoy today.

As far back as 1907, the Federal Government, under the leadership of President Theodore Roosevelt, recognized the need for Federal action if human habitation and agricultural development in the Imperial Valley were to be made safe and permanent.

In July 1919, the Department of the Interior, after careful investigation, recommended the construction of an all-American canal, but public hearings showed the need for a more comprehensive and far-reaching project. The Kinkaid Act of May 1920, directed the Secretary to conduct a broad investigation of the problems of the lower Colorado. The Secretary of the Interior submitted his formal report on February 28, 1922. This report recommended not only the canal, but also construction of the high dam on the Colorado at, or near, Boulder Canyon.

Shortly thereafter, Senator Johnson introduced the first of a long series of bills for what was then referred to as the Boulder Canyon. For 8 long years, Senator Johnson led the fight in Congress for Hoover Dam. And finally, the Swing-Johnson (Boulder Canyon) bill was signed by President Coolidge on December 21, 1928. As Senator Johnson noted, "This date will ever be memorable to the people of the Imperial Valley as marking the end of the long legislative struggle."

Regrettably, the signing of the Swing-Johnson bill creating Hoover Dam did not end the titanic struggle. But we are making progress even there, too.

Perhaps the outstanding example of Federal-State cooperation in water resource development is our own Central Valley project. I am honored to have had a part in this tremendous development, having authored and piloted through the Interior Committee and the Senate, the bill S. 44, in the 86th Congress for the largest single unit in the project, the San Luis. This climaxed a 4-year-long fight. The members of the association will recall that my measure, which was signed into law by President Eisenhower on June 3, 1960 (P.L. 488 of the 86th Cong.), authorizes appropriations of more than $290 million in Federal funds for construction, with the State of California, of joint use facilities at San Luis, and another $192 million for construction of distribution systems and drains, if the local water districts do not construct them.

On May 19, 1960, I stated just prior to final legislative action on my San Luis bill:

"The legislation before us envisages a great storage reservoir to be constructed and used

jointly by the Government of the United States and the government of California. It will serve a Federal reclamation project on the one hand, subject to Federal reclamation law, and it will also serve a State project, the Feather River project, on the other hand, under State law. An expanded area of the Central Valley project, a Federal reclamation project, will receive supplemental water in accordance with Federal statutes, and the lower San Joaquin Valley and the parched areas of southern California will receive an additional water supply under State statutes."

The San Luis bill was described by the Secretary of the Interior, who recommended approval of my measure to the President, as "a trailblazing step in Federal-State relations which will greatly assist in solving California's future water-supply problem."

Of course, there is far more to the Central Valley project and to the Federal-State cooperation and collaboration inherent in it, than the San Luis unit. As far back as 1873, the 43d Congress passed an act to authorize the President—who was then Ulysses S. Grant—to assign two Army engineer officers and what was then a coast survey officer to form a board, with the chief of the Geological Survey of California and another civilian to survey and report on a system of irrigation for the San Joaquin, Tulare, and Sacramento Valleys. This Federal law was the basis for the Alexander report of 1874, which provided a first root for our Central Valley project.

Up to the end of the current fiscal year, the Federal contribution to the Central Valley project will have amounted to over $650 million. We Californians must not overlook this fact in our insistence that California law should apply.

As to this problem of Federal-State law, the members of this association may recall that almost a year ago I described in the Senate a grave danger to the mutual cooperation which is so necessary if our Nation and our States are to reach their fullest potential in water resource development. This danger is best illustrated by what I call the federalistic philosophy set forth in the United States position in the so-called Fresno case. There, the Department of Justice claimed outright ownership by the Federal Government, in fee simple absolute, of all lands and all rights to all unappropriated waters in California and the rest of the area ceded by the Treaty of Guadalupe Hidalgo. My remarks must have have hit home, for I have been criticized sharply for some of my statements by the former Solicitor General of the United States.

At that time, I said that the Government's position in the Fresno case, and the special master's report in *Arizona* v. *California*, "brought to the fore the pressing necessity for recognition by the Congress of the crisis, and for action by the Congress to deal with it."

I am happy to say that at least part of my call has been heeded. In the select committee report agreed to by Senators from every region of the United States, cognizance is taken in some detail of the Federal-State conflict with respect to water resource development. The report states:

"Precedents for Federal-State relationships in water resource development have been set in section 8 of the Reclamation Act of 1902 (32 Stat. 388, 399) and in the Flood Control Act of 1944 (58 Stat. 887). These farsighted Federal laws have stood the test of time and experience. Patently, however, they are not the final answer.

"The U.S. Department of Justice clearly recognized the problem when in 1956 it cited, with appproval, the following statement:

" 'It follows that the preservation of the integrity of State water laws cannot be accomplished if efforts for that purpose are confined to the insertion in various acts of Congress of a provision requiring that Federal agencies constructing and operating Federal projects shall observe the State laws respecting appropriation, use, and distribution of water. It is evident that the solution lies largely in the integration of the operation of physical facilities and the coordination in an appropriate manner of jurisdictions in a dual form of Government.'

"The problem of Federal-State water rights is one that calls for broad objective inquiry, and for statesmanship of the highest caliber on the part of both the Congress and the State in its solution. A solution must be worked out, and worked out promptly, for the preservation of the historic pattern under which our people have grown great."

To the end of working out a solution such as that envisioned in the select committee's report, I have had several conferences with the chairman of the Interior Committee, Senator CLINTON P. ANDERSON of New Mexico. He has now assured me and others that the Interior Committee will conduct this year a broad study of Federal-State relationships in the water rights field. As a senior member of the Interior Committee, I will see to it that California's experiences and problems will continue to be considered.

In closing, I reiterate my conviction that the facts I have touched upon here give rise to the hope that we are on the threshold of a new era in Federal-State relationships for the development of our water resources, in California and in the Nation as a whole.

It is not too much to say that California is leading the way. But much work remains to be done. I am confident that, given the start we have, we will do the job.

I am aware that the cost will be great. Our State water plan, carried to maximum fruition, totals some $11 billion. The select committee report estimates that for the Nation as a whole reservoir storage capacity will require capital investment of $12 billion by 1980 and an additional $6 billion, for a total of $18 billion, by the year 2000. Municipal and industrial sewage collection and treatment works under the program, which calls for water of relatively high quality in all of our streams, would require new investments estimated at $42.2 billion by 1980, and an additional $39.4 billion between 1980 and the year 2000 for a total of $81.6 billion.

These are tremendous sums, and frankly I do worry about them, and so should you. But huge as they are, both with respect to California and the Nation, they are modest when related to the expected growth of the gross national product which, at the medium growth rate assumed for the select committee's studies, would increase at a rate of about 3¾ percent annually, reaching $1,060 billion at constant 1959 price levels in 1980, and $2 trillion in year 2000. The growth of the national economy may very well increase at a faster rate, in which case larger amounts of water will undoubtedly be needed, requiring even larger investments. It seems clear that as the Nation grows, larger and larger amounts can be made available for construction of water facilities without detriment to the economy.

So, too, with California. If we continue to forge ahead in water resource development, it will be an investment in tomorrow, the cost of which will be repaid by those who benefit from it. More important, we will leave a better California and better United States.

The Old Testament prophet warned many centuries ago in the Book of Proverbs, chapter 29, the 18th verse: "Where there is no vision, the people perish." But California, like the Nation, has a vision. And we do not propose to perish.

DISTRICT OF COLUMBIA NATIONAL SUFFRAGE AMENDMENT

Mr. KEATING. Mr. President, first I wish to assure the distinguished Senator from Kansas that I am delighted to know he is glad that the District of Columbia National Suffrage Amendment has been ratified. I assure him that New York, which was one of the early States to ratify the amendment, will not attempt to reconsider its action so as to try to "beat out" Kansas or any other State of the Union. We are very proud to have been in the vanguard of the movement to grant the people of the District of Columbia the right to vote for President and Vice President of the United States.

I know of the great interest of the distinguished Senator from Kansas in this movement. He has been one of the stalwarts in the effort. I simply wanted to give him this assurance from the sovereign State of New York.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. KEATING. I yield.

Mr. CARLSON. I express my appreciation to the distinguished Senator from New York. Evidently Kansas was in some fashion maneuvered out of the position we thought we were in for 24 hours, and possibly during a very short time, the District of Columbia National Suffrage Amendment was not ratified, and, therefore, the citizens of this good District did not have the right to vote.

Mr. KEATING. I am glad the situation has now been clarified. I congratulate the State of Kansas on its efforts in this regard, regardless of whether history denotes it as the 38th or the 39th State to ratify the amendment.

Mr. President, does the majority leader wish me to yield to him?

Mr. MANSFIELD. No; only when the Senator has finished.

Mr. KEATING. I shall not speak at length.

Mr. MANSFIELD. I like to hear the Senator so much that I hope he will speak all afternoon.

Mr. KEATING. I assure the Senator from Montana that the Senator from New York will not speak all afternoon. He sees his friend from Minnesota champing at the bit. What I have to say will take only a few moments, and I shall be happy then to yield to the next speaker.

Mr. HUMPHREY. That will be a pleasant surprise. [Laughter.]

NOW IS THE TIME FOR A DEPARTMENT OF URBAN AFFAIRS

Mr. KEATING. Mr. President, yesterday, the House enacted and sent to the President the bill enabling him to create new agencies and departments of the executive branch. This bill has already passed the Senate, and should be signed into law within the next few days.

The most important single step which, I hope, will result from the enactment of this measure is the establishment of the Department of Urban Affairs. I have long felt that such a department is urgently needed in order to coordinate and place emphasis upon the programs designed to assist and modernize our Nation's cities. I have introduced bills to accomplish this purpose both in the 86th and 87th Congress.

Two-thirds of our Nation's citizens today live in cities. Urban and suburban areas are expanding at a terrific rate. The problems of cities are unique and far-reaching, and become more pressing every day.

In the same way that the Federal Government treats the problems of agriculture, labor, and commerce, we must think in terms of a single, coherent approach to the tremendous challenges that face our cities.

The Federal Government already has a large role to play in urban renewal, slum clearance, public housing, air pollution control, rapid transportation, the construction of community facilities, the insuring of home mortgages, and the development of comprehensive urban planning concepts. These and many other activities of the Federal Government must be continually revitalized and must also be tackled at the highest level of Government. In a day and age when to simply park a car is often as grueling as climbing Mount Matterhorn, we cannot afford to accord a second-class status to the problems of urban life.

The present arrangement of a group of disjointed lower level Federal agencies with overlapping functions affecting urban life and urban development is sadly deficient. The HHFA is a hybrid without any real authority, except perhaps for the Administrator himself, and without any clear function to perform.

Although this arrangement is presently inadequate, it can, and should, form the basic framework for a new Department of Urban Affairs.

The HHFA itself would, I presume, go out of existence, and the several agencies subsidiary to it would become bureaus or divisions headed by Assistant Secretaries. The Department would also pull in some, but not all, of the relevant agencies in other departments which have functions inherently and directly relating to urban affairs.

This would be more than a needed organizational restructuring. It would also give important recognition to the priority and urgency of activities of the Federal Government which assist and contribute to the administering of our Nation's great metropolises and cities of all sizes, ages, and shapes.

Another development, Mr. President, which highlights the need for a Department of Urban Affairs was the transmission to Congress on yesterday, by the President, of proposed housing legislation. This legislation will, of course, require careful and complete scrutiny by the Congress. I am hopeful that out of such consideration will arise new and more vigorous programs and concepts to invigorate and redevelop our Nation's urban areas.

To sum up, the time is clearly propitious for the creation of a Department of Urban Affairs. The enabling legislation has been passed. The President's new housing proposals are in the air. Great interest is now focused on the needs of our metropolitan areas. To my mind, Mr. President, nothing could be more fitting to highlight these needs than the creation of a full-fledged Cabinet-level Department of Urban Affairs.

I hope the President will act forthwith; and in expressing this hope I realize that the President himself has also expressed great interest in the possible creation of such a department.

ORDER FOR ADJOURNMENT TO MONDAY

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate concludes its business today, it adjourn until Monday next at 12 o'clock noon.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZATION FOR PRESIDENT OF THE SENATE OR PRESIDENT PRO TEMPORE TO SIGN ENROLLED BILLS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President of the Senate or the President pro tempore be authorized to sign enrolled bills during the adjournment of the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXTENSION OF RAILROAD LOAN GUARANTEE AUTHORITY—CONFERENCE REPORT

Mr. MANSFIELD. Mr. President, on behalf of the Senator from Florida [Mr. SMATHERS], I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 1163) to amend section 510 of the Interstate Commerce Act so as to extend for 15 months the loan guarantee authority of the Interstate Commerce Commission. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read, for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of today.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. MANSFIELD. Mr. President, as agreed to, this measure extends the loan guaranty authority of the ICC to June 30, 1963. Otherwise, it would expire on March 31 of this year.

The Senate receded on all its amendments; the House conferees felt that, without further study, those amendments would unduly broaden the scope of this legislation.

It is my understanding that the report is a unanimous one. I request its adoption.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

ANNUITIES FOR WIDOWS OF CERTAIN FOREIGN SERVICE OFFICERS

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 116, Senate bill 1067.

The motion was agreed to; and the Senate proceeded to consider the bill (S. 1067) to amend Public Law 503, 84th Congress, so as to provide annuities for the widows of certain Foreign Service officers who retired prior to the effective date of the Federal Employees Group Life Insurance Act of 1954, which had been reported from the Committee on Foreign Relations, with an amendment, on page 1, line 5, after the word "after", to strike out "the word 'died' the words 'or retired'" and insert "'1954,' the following: 'or retired before such date and has heretofore died or hereafter dies,'; and by inserting after the word 'widow' where it first appears the phrase 'who was married to the participant at the time of his retirement,'", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 5 of the Act approved May 1, 1956 (70 Stat. 125; 22 U.S.C. 1079d), as amended, is amended by inserting after "1954," the following: "or retired before such date and has heretofore died or hereafter dies,"; and by inserting after the word "widow" where it first appears the phrase "who was married to the participant at the time of his retirement,".

SEC. 2. Any annuity provided by the amendment made by this Act shall commence on the first day of the month following the date of death of the participant or the date of enactment of this Act, whichever is later.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed at this point in the RECORD an excerpt from the committee report.

There being no objection, the excerpt from the report (No. 129) was ordered to be printed in the RECORD, as follows:

BACKGROUND AND REASONS

In 1956 Congress enacted section 5 of Public Law 503, 84th Congress, to make special provision for certain widows of retired Foreign Service officers. The provision reads as follows:

"In any case where a participant under the Foreign Service retirement and disability system died, leaving a widow who is not entitled to receive an annuity under the system, the Secretary of State is authorized and directed to grant such widow an annuity of not to exceed $1,200 per annum, if he finds that such widow (whether remarried or not) is in actual need and without other adequate means of support."

The foregoing provision pertained to only several persons. It was enacted for three reasons: First, because provisions of the Foreign Service Act relating to survivorship annuity made it expensive for Foreign Service

officers to provide survivorship benefits; second, because Foreign Service wives share the rigors of their husbands' jobs to an extent not true of civil service wives; and third, because the group affected by section 5 was small.

In 1960 Congress increased and adjusted the financial benefits to these widows. Section 5 of Public Law 503, 84th Congress, was amended to read as follows:

"In any case where a participant under the Foreign Service retirement and disability system died before August 29, 1954, leaving a widow who is not entitled to receive an annuity under the system and who is not receiving benefits under the Federal Employees Compensation Act, the Secretary of State is authorized and directed to grant such widow an annuity of not to exceed $2,400 per annum."

The 1960 amendment was explained by the report of the Committee on Foreign Relations as follows:

"The committee agreed that this amount is too low and recommends that it be increased to $2,400 per year. The committee eliminated the "need test" because it is inconsistent with the annuity principle. On the other hand the committee felt that it would be improper for a widow of a Foreign Service officer to receive an annuity payable from the Foreign Service retirement fund if she were receiving benefits under the Federal Employee Compensation Act, and accordingly the committee bill prohibits such dual benefits."

The date, August 29, 1954, was selected in the 1960 amendment because it was the effective date of the Government Employees Life Insurance Act. Any Foreign Service officer who retired after that date would have some Government life insurance which would benefit his widow in the event of his death. On that reasoning the 1960 amendment was not well drafted. It covered widows whose Foreign Service husbands died before August 29, 1954, but not widows of officers who retired before that date. The purpose of S. 1067 is to correct this error.

Only 20 persons are eligible or potentially eligible under the bill. The average annual cost of providing annuities for these 20 additional widows is estimated to be approximately $13,480, or a total cost of approximately $579,800 projected on an actuarial basis for the total life expectancy of these widows.

COMMITTEE ACTION

The committee considered S. 1067 on March 21, 1961. It had before it the position of the Department of State favoring the bill. The Department's letter suggested an amendment because "the language in the bill is apparently broad enough to include widows who did not marry the officer until after his retirement. In view of the basis upon which the widows of retired officers are granted annuities, it is not believed that this is the intent of the proposal."

The committee decided to adopt the amendment recommended by the Department of State and another amendment which merely clarified the language of the bill.

CONCLUSION

The committee believes these changes in section 5 of Public Law 503, 84th Congress, as amended, will more effectively carry out its intent. The committee recommends that the Senate approve S. 1067 with an amendment.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

AMENDMENT OF INDIAN LONG-TERM LEASING ACT

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 117, Senate bill 108, to amend the Indian Long-term Leasing Act.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. MANSFIELD. I ask unanimous consent to have printed at this point in the RECORD excerpts from the report by the Committee on Interior and Insular Affairs.

There being no objection, the excerpts from the report (No. 133) were ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

The purpose of S. 108 is to amend section 1 of the 1955 Indian Leasing Act (69 Stat. 539) relating to leases of individual and tribal lands for public, religious, educational, recreational, residential, business, and some farming purposes.

The Senate report on S. 34, a bill that became Public Law 255, 84th Congress, the Long-Term Leasing Act, explained the need for such legislation in the following terms:

"The bill, as reported, would permit the Indian owners of restricted Indian lands in the United States to lease their lands for a period of 25 years with the approval of the Secretary, for public, religious, educational, recreational, residential, or business purposes, including the development or utilization of natural resources in connection with operations under such leases. In addition, these lands could be leased for farming purposes which require the making of substantial investment in the improvement of the land for the production of specialized crops. The bill in section 2 would also authorize leasing of restricted lands of deceased Indians for the benefit of their heirs or devisees.

"In general, the laws now governing the leasing of restricted Indian lands preclude leasing for periods of longer than 5 years. The absence of authority for long-term leases discriminates against Indians who own restricted lands that are suitable for the location of business establishments, residential subdivisions, summer homes, airports, or for other purposes that require a substantial outlay of capital by the prospective lessee. It also penalizes Indian owners of raw but potentially valuable farmlands on which the cost of subjugation is too great for the Indian himself to finance. In such cases, prospective lessees are willing to undertake these expensive improvements only if guaranteed tenure by a long-term lease.

"Because of existing limitations upon the duration of leases, many Indian lands which could be profitably utilized under long-term leases are idle, and the Indians are deprived of much-needed income. Other lands that are leased for shorter periods would bring much higher rentals to the Indians if the lands could be leased on a long-term basis. Enactment of S. 34 will remove these unfair restrictions."

NEED

In the interim since enactment of Public Law 255, there have arisen several instances where the 50-year maximum leasing period was inadequate for the proper development of resources. To meet the needs of the Palm Springs Indians, and the Navajo Tribe, Congress enacted Public Laws 86-326 and 86-505, amending the 1955 statute to permit up to 99-year leases on these two reservations.

In the report on S. 2456, 86th Congress, which became Public Law 86-505, the committee described the need for longer leases on the Navajo reservation as follows:

"LONG-TERM LEASING

"Section 2 of S. 2456 would amend the Indian Long-Term Leasing Act of 1955, as amended by the act of September 21, 1959 (73 Stat. 597), to permit 99-year leasing on the Navajo Reservation. The need for extended leasing authority arises from the difficulty in financing improvements through bank and insurance company loans on the basis of the present 50-year limitation on Indian leases. Normally, a 50-year lease has less than 50 years to run at the time it is negotiated by the lessee. This prevents the lessee from getting a loan from a national bank or a federally insured loan because the applicable statutes preclude loans secured by the mortgage of a leasehold estate unless the lease has not less than 50 years to run (12 U.S.C. 371, 1707, 1713). Some of reasons: First, because provisions of the For-Reservation will depend upon the ability of interested business firms to secure sufficiently long leases to justfy the construction of substantial buildings and improvements, and to permit borrowing for this purpose. For example, the Navajo Tribe is constructing a $7 million sawmill near Fort Defiance, Ariz. Byproducts industries have expressed an interest in locating in this same area, but will not do so unless long-term leases are available. Similarly, tribal members who will be employed at the sawmill will desire to purchase housing for their families. Unless 99-year leasing is authorized, these individuals will not be able to obtain FHA financing for home construction. The tribe wishes to attract industry to the reservation area to create jobs for its population. By granting authority for leases it will be possible to induce industries such as the Arizona Public Service Co., which contemplates building a $150 million powerplant on the reservation to locate on tribal lands, thereby providing employment for the Indians and lessening their dependence on the Federal Government.

"The extension of 99-year leasing to the Navajo Tribe does not mean that all leases will be for the maximum term authorized by the bill. The committee understands that the Department of the Interior will not approve leases for terms that are longer than needed to get the best return for the Indian owner and to permit the financing of maximum economic development."

The committee understands that the Seminole Indians in Florida, the Torres-Martenez group in California, and the Papago, Fort Mojave, and Colorado River Tribes in Arizona have all requested leasing authority beyond the present 50-year maximum.

In view of the several requests from tribes to have longer leasing privileges, the committee believes general legislation on the subject should be enacted.

This bill is designed to permit a lease with a term that is long enough to enable a lessee to obtain financing for the type of development that is contemplated. Some development depends upon the ability of the lessee to obtain large loans, which take time to negotiate. A lessee may obtain a 50-year lease from the tribe or individual Indian, but before he can complete his financing, the lease has less than 50 years to run. As pointed out in the Department's report on S. 108, the National Housing Act, the Federal Reserve Act, and some lenders require leases running not less than 50 years from the date of the loan. Generally, insurance companies require leases extending well beyond the date for amortizing the loan; and in some cases they require 99-year leases.

S. 108 is drafted in such a way as to provide for lease periods up to 99 years.

However, the Secretary of the Interior may not approve any lease with a term longer than is necessary to obtain maximum economic benefits for the Indian owners.

The 10-year limitation on grazing leases, and the 25-year limitation on farming leases that require substantial investments in improvements, that are contained in the present law, are retained in the bill. Farming leases that do not require substantial investments in improvements are included in the bill in order that all nonmineral leasing authority may be included in one act.

The language of the present law about options to renew is not retained in the bill, and it is not needed because the increase in the permissible term from 25 to 99 years will adequately meet the problem.

The language of the present law to the effect that business leases may include the "development or utilization of natural resources in connection with operations under such leases" is omitted because it is ambiguous. The present law is not intended to include mineral leases. The quoted language, however, has raised a question of construction, and its omission will be a clarification.

The favorable reports from the Department of the Interior, and the Bureau of the Budget, recommending enactment of the bill follow:

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., January 18, 1961.

Hon. CLINTON P. ANDERSON,
Chairman, Committee on Interior and Insular Affairs, U.S. Senate, Washington, D.C.

DEAR SENATOR ANDERSON: This is a report on S. 108, a bill to amend the Indian Long-Term Leasing Act.

We recommend that the bill be enacted.

The act of August 9, 1955 (69 Stat. 539), authorized leases of Indian lands to be made for specified purposes for terms not to exceed 25 years, with an option to renew for one additional term of not to exceed 25 years. Grazing leases are limited to 10-year terms without an option to renew, and farming leases that involve the making of substantial improvements to the land are limited to 25-year terms without an option to renew.

The 1955 act was amended by the act of September 21, 1959 (73 Stat. 597), and the act of June 11, 1960 (74 Stat. 199), to permit leases on the Palm Springs and Navajo Reservations (excluding grazing leases) to be for terms not to exceed 99 years. No change was made in the renewal provision. Similar legislation has been requested by the Torres-Martenez, Papago, Seminole, and Colorado River Indians.

This bill would make the 99-year lease authority already enacted for the Palm Springs and Navajo Indians applicable to all Indian lands. We believe that general legislation of this kind is preferable to special legislation for selected tribes. There is no reason why the authority should be granted to one tribe and denied to another. All tribes should have the authority available for use when it is needed.

The bill is needed in order to permit a lease with a term that is long enough to enable the lessee to obtain financing for the type of development that is contemplated. As we explained when the Palm Springs and Navajo bills were before the Congress, some developments contemplated by a lessee depend upon the ability of the lessee to obtain large loans for the construction of substantial buildings and improvements. Other developments require the subdivision of an area and provision for separate improvements, all of which take time.

A difficult problem arises from the fact that after a lessee obtains from the Indian or Indian tribe what is the equivalent of a 50-year lease under the present law, some time must elapse before he can complete his financing arrangements, and the lapse of even a few days means that he has a lease with something less than 50 years to run. Under the National Housing Act, mortgage insurance is available for residential housing loans based on a leasehold interest only if the lease had not less than 50 years to run from the date the mortgage was executed (12 U.S.C. 1707). The same limitation applies under the rental housing insurance program (12 U.S.C. 1713). Under the Federal Reserve Act, a national bank may make a loan secured by a real estate lease only if the lease has not less than 50 years to run from the date the loan is made (12 U.S.C. 371). We understand that the insurance companies follow restrictive policies that vary, but that in general they require the lease to extend well beyond the date for amortizing the loan; and in some cases they require 99-year leases.

If a long-term lease is to be used effectively in the interest of the Indian owner, it must be for a term that is long enough to permit the financing of maximum economic development. This does not mean, of course, that all leases will be for the maximum term allowed by law. As a matter of policy, the Department will not approve leases for terms that are longer than needed to get the best return for the Indian owner, and this direction is written into the bill.

The 10-year limitation on grazing leases, and the 25-year limitation on farming leases that require substantial investments in improvements, that are contained in the present law, are retained in the bill. Farming leases that do not require substantial investments in improvements are included in the bill in order that the bill may include in one place all nonmineral leasing authority.

The language of the present law about options to renew is not retained in the bill, and it is not needed because the increase in the permissible term from 25 to 99 years will adequately meet the problem.

The language of the present law to the effect that business leases may include the "development or utilization of natural resources in connection with operations under such leases" is omitted because it is ambiguous. The present law is not intended to include mineral leases, and is so construed by this Department. The quoted language, however, has raised a question of construction, and its omission will be a clarification.

The Bureau of the Budget on December 30, 1960, advised us that there is no objection to the submission of this report.

Sincerely yours,

GEORGE W. ABBOTT,
Assistant Secretary of the Interior.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., March 20, 1961.

Hon. CLINTON P. ANDERSON,
Chairman, Committee on Interior and Insular Affairs, U.S. Senate, New Senate Office Building, Washington, D.C.

MY DEAR MR. CHAIRMAN: This is in response to your request for the views of the Bureau of the Budget on S. 108, a bill to amend the Indian Long-Term Leasing Act.

The purpose of the bill is to authorize nonagricultural leases of Indian-owned land for periods up to 99 years. Existing law generally limits such leases to 25 years with an option to renew for an additional 25 years.

There is no objection to the enactment of S. 108 from the standpoint of the administration's program.

Sincerely yours,

PHILLIP S. HUGHES,
Assistant Director for Legislative Reference.

On March 3, 1961, the Secretary of the Interior wrote the chairman as follows:

"This will supplement our letter of February 14, 1961, regarding a review of the legislative materials that were submitted to Congress by this Department before January 20, 1961.

"We have completed our review, and we concur in the comments and recommendations made by the prior administration with respect to the following proposed bills and introduced bills:

" 'INDIANS

* * * * * *

" '12. Report on S. 108, a bill to amend the Indian Long-Term Leasing Act.'

"The Bureau of the Budget has advised us that there is no objection to the presentation of this report from the standpoint of the administration's program.

"Sincerely yours,

"STEWART L. UDALL,
"Secretary of the Interior."

Mr. CASE of South Dakota. Mr. President, will the Senator from Montana please state the principal changes made by this measure in the existing law?

Mr. MANSFIELD. I understand that in the case of a lease on less than a 50-year basis, there is extreme difficulty in obtaining the proper kind of financing. According to the committee report, which I understand is a unanimous one, and was approved by the Department of the Interior:

NEED

In the interim since enactment of Public Law 255, there have arisen several instances where the 50-year maximum leasing period was inadequate for the proper development of resources. To meet the needs of the Palm Springs Indians, and the Navajo Tribe, Congress enacted Public Law 86–826 and 86–505, amending the 1955 statute to permit up to 99-year leases on these two reservations.

In the report on S. 2456, 86th Congress, which became Public Law 86–505, the committee described the need for longer leases on the Navajo Reservation as follows:

This measure has been recommended by both the Eisenhower administration and the Kennedy administration; and, so far as I know, there is no objection to it.

I now read further from the report:

LONG-TERM LEASING

Section 2 of S. 2456 would amend the Indian Long-Term Leasing Act of 1955, as amended by the act of September 21, 1959 (73 Stat. 597), to permit 99-year leasing on the Navajo Reservation.

Mr. CASE of South Dakota. Is the bill, as amended, limited in application to the Palm Springs and the Navajo Reservations?

Mr. MANSFIELD. No, the bill goes beyond them. But the previous bills were applicable to the Palm Springs Indians and the Navajos.

Mr. CASE of South Dakota. I wonder whether the Senator from Montana will withhold requesting the passage of the bill until I have an opportunity to look a little further into this matter.

Mr. MANSFIELD. I shall be delighted to do so.

Mr. CASE of South Dakota. I thank the Senator from Montana.

Mr. MANSFIELD. Mr. President, I move that Senate bill 108 be temporarily laid aside.

The motion was agreed to.

The PRESIDING OFFICER subsequently said: Does the Senator from Montana wish to have the Senate return to Calendar No. 117, Senate bill 108?

Mr. MANSFIELD. Not unless the Senator from South Dakota is agreeable to that course.

Mr. CASE of South Dakota. Mr. President, I have examined the report on the bill, and I note a paragraph which I think satisfies the question which was in my mind.

Part of the paragraph reads as follows:

The 10-year limitation on grazing leases, and the 25-year limitation on farming leases that require substantial investments in improvements, that are contained in the present law, are retained in the bill.

So there would be a 10-year limitation on grazing leases and a 25-year limitation on farming leases that require substantial investments in improvements.

Therefore, I have no objection to the bill.

Mr. MANSFIELD. I thank the Senator from South Dakota; and I appreciate his interest.

The PRESIDING OFFICER. The bill is open to amendment.

If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1 of the Act of August 9, 1955 (69 Stat. 539), as amended is hereby amended to read as follows: "Any restricted Indian lands, whether tribally or individually owned, may be leased by the Indian owners, with the approval of the Secretary of the Interior, for public, religious, educational, recreational, residential, business, farming, or grazing purposes. The term of a grazing lease or a farming lease that does not require the making of a substantial investment in the improvement of the land shall not exceed ten years. The term of a farming lease that requires the making of a substantial investment in the improvement of the land shall not exceed twenyt-five years. The term of any other lease shall not exceed ninety-nine years. The Secretary of the Interior shall not approve any lease with a term that is longer than is necessary in his judgment to obtain maximum economic benefits for the Indian owners."

EMPLOYMENT OF CERTAIN ADULT INDIANS

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 118, Senate bill 200.

The motion was agreed to; and the Senate proceeded to consider the bill (S. 200) to amend the act entitled "An act relative to employment for certain adult Indians on or near Indian reservations," approved August 3, 1956.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed at this point in the RECORD pertinent excerpts from the report on this measure by the Committee on Interior and Insular Affairs.

There being no objection, the excerpts from the report (No. 134) were ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

The purpose of S. 200 is to amend the act of August 3, 1956 (70 Stat. 986), entitled "An act relative to employment for certain adult Indians on or near Indian reservations."

The 1956 act (Public Law 959, 84th Cong.) authorized a vocational training program for American Indians residing on or near Indian reservations.

The bill repeals the $3,500,000 annual authorization to carry out the training program and makes the amount of the annual appropriation subject to the normal budgetary process.

BACKGROUND OF THE LEGISLATION

Although the Indian vocational training program has been in operation less than 5 years, it has become a most effective tool for equipping American Indians between the ages of 18 and 35 with available work skills. In its report on S. 3416, 84th Congress, the bill that became Public Law 959, the Committee on Interior and Insular Affairs made the following observations in connection with the need for Indian vocational education.

"The American Indian's standard of living today is below that of the general population. S. 3416 is an attempt to do something constructive about this problem. With the Indian's average income below that of his non-Indian neighbors, there is a consequent drop in living standards. One of the major problems faced by Indians is that reservation resources are inadequate to support the increasing population at a reasonable standard of living. Additional land might solve this problem for a short while, but it would not be the permanent solution, for with the increasing birth rate, the present situation would develop again in the future. Because of the lower standard of living on the reservation, the Indian is turning more and more to wage work off the reservation. Being unskilled in any trade, the Indian usually works as a laborer at lower wages. Low wages, in turn, create problems of poor health, housing, clothing, food, and sanitation.

Laborers are fast disappearing from the labor scene, while semiskilled and skilled workers are in demand. The Indian represents a valuable source from which to fill that need. This increasing demand for skilled workers has been recognized by Federal and State Governments with appropriations for vocational training, rising from $3,039,061.15 in 1918 to $164,761,217.75 in 1955. S. 3416 would extend this training to Indians who cannot take advantage of vocational programs because of the remote location of most reservations.

"For many years people have been prone to consider the Indian as an agriculturist, but actually there has been a changing pattern in effect brought about by the inadequate resources on the reservations to support the population, and the desire of many Indians to follow some other kind of work. A study of the work experience of 301 Indians from 1946 through June 30, 1952, indicates that 220 were engaged in agricultural occupations and 23 in construction work in 1946. The year 1952 found 34 in agricultural occupations and 128 engaged in construction work of some kind.

"The training program contemplated by this bill will have two purposes. First, it should be of great value in preparing and orienting participants in the Indian relocation program, and second, it should stimulate industries to locate near Indian reservations. Although the relocation program is of recent creation, it appears obvious that since the marginal reservations cannot support their growing populations, it is imperative that some of the tribal members be equipped with vocational skills which will encourage them to seek employment elsewhere.

"The program envisioned in S. 3416 would be of direct benefit, not only to the individual Indian, but to the Nation. The Indian trained under this program would command a higher salary and be able to adequately support his family at a decent standard of living. In turn, individual Indians would cost the Federal Government less in special services and begin paying higher income tax, thereby beginning a circle. As the individuals began supporting themselves, and paying taxes, the Federal Government would be training others. Another point to be considered is that for every individual Indian trained and earning a good living, the Government will not have to support his children, whereas if he remains on the reservation as at present, the Government would be required to give him, and later his children, special services."

COMMITTEE COMMENT

The response of Indians to the opportunities afforded them in vocational courses and on-the-job training has been most favorable. In fiscal year 1961, there were 1,700 students enrolled in various vocational programs throughout the United States. The average cost per single trainee has been $2,216 and the average cost per family trainee has been $4,248, including program direction costs and administrative expense. The Bureau of Indian Affairs reports that as of May 1, 1960, 743 Indians had completed training. Of this total 459 (61 percent) were employed in their field of training. Forty-nine trainees (7 percent) were employed in related fields. Forty-seven (7 percent) were employed in unrelated fields, and 33 (4 percent) were unemployed. The whereabouts of 155 graduate trainees (21 percent) is uncertain but it is known that they have not returned to their reservations.

Vocational training courses extend from 4 months to 2 years. Because presently available funds are all committed, approximately 3,000 Indians are unable to begin training. The Committee on Interior and Insular Affairs has gone into the vocational training program in some detail. It is the opinion of the membership that the program should be expanded in order that substantial numbers of qualified Indians may be trained and placed in suitable jobs. As population pressures increase on already overtaxed reservation resources, the need for additional vocational training opportunities becomes more apparent. Departmental witnesses testified that the percentage of dropouts in this program approximated 30 percent, but that many of these trainees found suitable employment prior to completing their course of instruction.

By repealing the $3,500,000 authorization in the 1956 act, and adopting in lieu thereof the language in S. 200, the Department of the Interior and the Bureau of Indian Affairs will be able to present to Congress in the annual budget a request for adequate funds to provide training for all of the Indians applying for vocational benefits. Every eligible Indian should then be afforded the schooling he desires at the earliest possible time.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill (S. 200) was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2 of the Act entitled "An Act relative to employment for certain adult Indians on or near Indian reservations", approved August 3, 1956 (70 Stat. 986), is amended to read as follows:

"SEC. 2. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act."

Mr. CASE of South Dakota subsequently said: Mr. President, I should

like to make a brief statement on Calendar No. 118, Senate bill 200, which offers more potential benefit for the development of individual self-sufficiency by the members of the various Indian tribes than any bill the Senate has had on the floor in this session. S. 200 proposes to remove the dollar limitation on the annual authorization for the carrying on of adult education and on-the-job training. It would make existing law in this respect available, for the purposes of appropriation, according to the actual needs as might be determined by the Bureau of Indian Affairs and the Bureau of the Budget in any 1 year.

During the past few months there has been established on one Sioux reservation, the Pine Ridge Reservation, an on-the-job training program in connection with the location there of an industry for the manufacture of fishing tackle and other sporting goods. During the brief time this program has been in operation, it has provided employment for 125 Indians who were not previously employed.

Within the brief time it has been in operation, the skills exhibited by the Indians, developed as a result of the on-the-job training program, have been such that the company has been so encouraged it wants to double the number of employees. The company already has the equipment and material necessary to increase the employment to 170. It is believed that in time the number will exceed 200 employees. The training provides opportunity for employment of a permanent type, which will relieve the demands on the Federal Treasury of individual Indian relief, and is all to the good.

On another reservation in South Dakota, the Standing Rock Reservation, another industry is about to get under way which offers similar promise.

All those activities would have been impossible, and would not have been started, without the on-the-job training program to develop the initial skills necessary to make the Indians self-sufficient.

This is good legislation, and in the interest of the Indians. It is also in the interest of the Treasury of the United States itself, because many of the Indians who have been unemployable are finding employment through the program which the measure helps initiate and sustain.

FORT HALL INDIAN IRRIGATION PROJECT

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 119, Senate bill 1294.

The motion was agreed to; and the Senate proceeded to consider the bill (S. 1294) to supplement and amend the act of June 30, 1948, relative to the Fort Hall Indian irrigation project and to approve an order of the Secretary of the Interior issued under the act of June 22, 1936.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed at this point in the RECORD excerpts from the report by the Committee on Interior and Insular Affairs.

There being no objection, the excerpts from the report (No. 135) were ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

The purpose of S. 1294, introduced by Senator CHURCH, is (1) to approve an order of the Secretary of the Interior eliminating certain lands from the Fort Hall Indian irrigation project; (2) to change the size of the project as defined in the act of June 30, 1948 (62 Stat. 1167), from 47,044.63 acres to 47,064.63 acres and authorize the Secretary to redesignate the irrigable acreage from time to time within the limits of the total figure; and (3) to increase the duty of water to be furnished project lands by 0.5 acre-foot per acre per year.

The bill was introduced at the request of the Department of the Interior as the result of an executive communication dated January 12, 1961.

NEED

The act of June 30, 1948, establishes the net irrigable lands on the Fort Hall project at 47,044.63 acres.

In 1958, the Department of the Interior conducted a redesignation survey on the Fort Hall project. The survey disclosed that approximately 468 acres of agricultural land should be eliminated from the project because it is being used for residential, commercial, and road purposes. The Fort Hall project is the only Indian irrigation project for which the Secretary of the Interior does not have authority to redesignate irrigable acreage.

The Secretary has submitted an order eliminating the 597.57 acres from the project when the owners sign a consent to the elimination and pay delinquent assessments. Such order becomes effective when approved by Congress. Penalty charges ($2,085.40) are canceled by the order on the ground that the elimination of the acreage involved and the transfer of the water to other lands will benefit the project and, therefore, attempts to collect penalty charges would be resisted and probably cost more than the amount involved. The consent requirement does not apply to the owners of 129.37 acres who never signed original water contracts because the 1948 act requires that acreage to be eliminated. The committee understands that all of the owners have signed consent agreements.

The Secretary's order requires the collection of delinquent assessments which total $356.72 for construction and $8,435.84 for operation and maintenance.

When the 597.57 acres have been eliminated as proposed, the water formerly available for that acreage, should be made available to other lands. The secretarial order provides for the inclusion of additional acreage in the project and for the transfer of the water to it. The additional acreage is 617.57 acres, which require a slight increase (20 acres) in the total size of the project.

Amendatory language has been included in the 1948 act to increase the duty of water prescribed in the act from 3 acre-feet to 3.5 acre-feet per acre per year. Additional water is required because of more efficient farm equipment and the use of modern fertilizers. The committee was informed that sufficient water is available on the project to permit this increase.

On June 28, 1960, the Senate passed S. 3650, a bill identical with S. 1294.

Mr. MANSFIELD. Let me say, Mr. President, that all the measures we are considering today have been taken up with the minority leadership; and, so far as we have been able to ascertain, there is no controversy in connection with any of them.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill (S. 1294) was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the order of the Secretary of the Interior dated May 12, 1960, which provides for the elimination from the Fort Hall Indian irrigation project of four hundred sixty-eight and twenty one-hundredths acres and one hundred twenty-nine and thirty-seven one-hundredths acres of land, and which provides for the cancellation of penalty charges against the eliminated land, which order was made pursuant to the Act of June 22, 1936 (49 Stat. 1803), is hereby approved, and the lands when eliminated shall not thereafter be entitled to water from the project.

SEC. 2. Section 4 of of the Act of June 30, 1948 (62 Stat. 1167), is hereby amended to read as follows:

"SEC. 4. The net irrigable area of the Fort Hall Indian irrigation project is hereby established at forty-seven thousand sixty-four and sixty-three one-hundredths acres, more or less, and the Secretary of the Interior is authorized to redesignate the project within the limit of the acreage authorized by this Act. The noninclusion of the Fort Hall townsite within the net irrigable area of the project shall not prevent the obtaining of water rights therefor in accordance with the Act of March 1, 1907 (34 Stat. 1015, 1025), as amended or supplemented."

SEC. 3. Section 2 of the Act of June 30, 1948 (62 Stat. 1167), is amended to read as follows:

"SEC. 2. The duty of water on the Fort Hall Indian irrigation project until modified by the Secretary of the Interior shall be three and five-tenths acre-feet per acre per annum if available, and available excess water may be furnished for use on project lands on terms, conditions, and rates prescribed by the Secretary."

NEZ PERCE TRIBE OF INDIANS

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 120, Senate bill 1295.

The motion was agreed to; and the Senate proceeded to consider the bill (S. 1295) to authorize the use of funds arising from a judgment in favor of the Nez Perce Tribe of Indians, and for other purposes.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed at this point in the RECORD certain excerpts from the report by the Committee on Interior and Insular Affairs.

There being no objection, the excerpts from the report (No. 136) were ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

The purpose of S. 1295, introduced by Senator CHURCH, is to authorize the distribution of a $4,177,605.06 judgment recovered by the tribe against the United States in Indian Claims Commission docket No. 175–A. The net judgment now on deposit in the Treasury is subject to payment of expense of litigation and attorney fees.

The bill provides for a division of the funds between the Nez Perce Tribe of Idaho and the Confederated Tribes of the Colville Reservation, Wash. In addition, it provides for the same division—86.6 percent to the

Nez Perce and 13.4 percent to the Colvilles—in connection with any other judgment awarded to either group. This will preclude the need for further legislation. Also, provision is made for any Nez Perce Indians who have joined other tribes to rejoin the Nez Perce Tribe of Idaho if they wish to. Some Nez Perce Indians were adopted by the Umatilla Tribe. No divsion of the funds covered by this act will become effective until the Nez Perce and Colville Tribes, by resolution satisfactory to the Secretary of the Interior, agree to the percentage figures specified in the bill. The committee understands such an agreement has already been reached.

S. 1295 authorizes the use of the judgment funds for such purposes as are authorized by the respective tribal governing bodies and approved by the Secretary of the Interior. If a per capita payment is made to tribal members, no part of the funds distributed shall be subject to Federal or State income tax.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill (S. 1295) was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assmbled, That the funds on deposit in the Treasury of the United States to the credit of the Nez Perce Tribe that were appropriated to pay a judgment by the Indian Claims Commission in docket 175–A, and the funds that may be deposited in the Treasury of the United States to the credit of the Nez Perce Tribe to pay any judgments arising out of proceedings presently pending before the Indian Claims Commission in dockets 175 and 180–A, and the interest thereon, after payment of attorney fees and expenses shall be divided by crediting 86.5854 per centum of such funds to the account of the Nez Perce Tribe of Idaho and 13.4146 per centum to the account of the Confederated Tribes of the Colville Reservation. These funds may thereafter be advanced or expended for any purpose that is authorized by the respective tribal governing bodies and approved by the Secretary of the Interior. Any part of such funds that may be distributed per capita to the members of the tribes shall not be subject to Federal or State income tax.

SEC. 2. The credit to the account of the Confederated Tribes of the Colville Reservation authorized by this Act, insofar as the judgment in docket 175–A is concerned, shall not be made until the Confederated Tribes of the Colville Reservation submit to the Secretary of the Interior assurances satisfactory to him that the Confederated Tribes have agreed that any judgment against the United States that has been or may be recovered by one or more of the constituent groups thereof, including the judgment in docket 181, will be deposited to the credit of the Confederated Tribes. The credit to the account of the Nez Perce Tribe of Idaho authorized by this Act, insofar as the judgment in docket 175–A is concerned, shall not be made until the Nez Perce Tribe of Idaho submits to the Secretary of the Interior assurances satisfactory to him that Indians who have resigned from the Nez Perce Tribe of Idaho and have joined another tribe under conditions that do not permit them to share in the benefits of any claims judgment recovered by that tribe shall be given the opportunity to rejoin the Nez Perce Tribe of Idaho if they wish to do so. The credits to the accounts of the Confederated Tribes of the Colville Reservation and the Nez Perce Tribe of Idaho that are authorized by this Act, insofar as any judgment in docket 175 or 180–A is concerned, shall not be made until the tribal governing body of the Confederated Tribes of the Colville Reservation and the tribal governing body of the Nez Perce Tribe of Idaho have submitted to the Secretary of the Interior resolutions satisfactory to him which agree to a division of the judgment in accordance with the percentage figures specified in section 1 of this Act.

CONVEYANCE OF CERTAIN SCHOOL PROPERTIES

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 121, Senate bill 1299.

The motion was agreed to; and the Senate proceeded to consider the bill (S. 1299) to amend the act of June 4, 1953 (67 Stat. 41), entitled "An act to authorize the Secretary of the Interior, or his authorized representative to convey certain school properties to local school district or public agencies", which had been reported from the Committee on Interior and Insular Affairs, with an amendment, to strike out all after the enacting clause and insert:

That the second proviso in the Act of June 4, 1953 (67 Stat. 41), as amended, is amended to read: *"Provided further,* that no more than fifty acres of land shall be transferred under the terms of this Act in connection with any single school property conveyed to State or local governmental agencies or to local school authorities."

The amendment was agreed to.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a statement from the report of the Committee on Interior and Insular Affairs on S. 1299.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

EXPLANATION OF THE BILL

The purpose of S. 1299, introduced by Senator CHURCH at the request of the Department of the Interior, is to amend the act of June 4, 1953 (67 Stat. 41), as amended, authorizing the Secretary of the Interior to convey certain Indian school properties to local school districts or public agencies.

The 1953 act authorizes the Secretary to convey to a public agency for a public purpose any lands or improvements that were formerly used for Indian school purposes that are no longer needed for that purpose. Under present law such conveyances are subject to the following conditions: If the lands are in trust status the Indian owners must consent, mineral interests in the lands must be reserved, the grantee must agree to make the property available to Indians on a nondiscriminatory basis, and there must be a reversion of the title in the event the land ceases to be used for a public purpose. The final condition is that not more than 20 acres may be conveyed.

As introduced, S. 1299 would have eliminated the 20-acre limitation. In several instances the present limitation has prevented conveyances of surplus Indian school properties that should be made. Representatives of the Indian Bureau testified that the original 20-acre limitation has seemingly served no useful purpose and that in fact, where surplus school facilities are no longer used, their retention because of existing acreage restrictions results in unjustified administrative and maintenance costs.

In view of testimony from departmental witnesses that the only known school properties not transferable under existing law did not exceed 40-odd acres, the committee was of the opinion that an increase from the present 20 to 50 acres would be advisable. Any conveyances exceeding 50 acres should be the subject of further legislation.

The PRESIDING OFFICER. The bill is open to amendment.

If there be no amendment to be offered, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

STATUS OF CALENDARS

Mr. MANSFIELD. Mr. President, for the information of the Senate, may I say that action clears the calendar. Under "General Orders" there is no legislative business pending before the Senate; and the only nomination on the Executive Calendar is one which is being held up at the request of a Member of this body.

U.S. INDUSTRY IN LATIN AMERICA

Mr. HART. Mr. President, the sobering dimensions of the worldwide responsibility of the United States in these times demand new ideas and new approaches. The standard brand foreign aid program of former years is not adequate to the job and it is not even economical.

The Peace Corps proposal has been received with enthusiasm by our young people—and, indeed, by many not so young in years but eager to have a part in our country's effort to help others help themselves.

The response to the Peace Corps proposal is concrete evidence that this country has not gone soft, that its people have not become complacent, that they have not ceased to care what happens to others. Is it unreasonable to assume that this same reservoir of vitality and affirmation is available in the circles of enlightened American industry, if it is but called forth? President Kennedy has indicated on several occasions since he took office that he looks to industry not as an alien but as an indispensable source of strength. So do I.

In this spirit I invite the attention of my colleagues and the administration to a most challenging speech given recently by Peter R. Nehemkis, Jr., Washington Counsel for the Whirlpool Corp. of St. Joseph, Mich. Mr. Nehemkis points out the critical importance of prompt and substantial action in Latin America, and he outlines a program in which the Government and industry would cooperate to do what neither one could do as well alone. This speech, in my opinion, offers some very important ideas for stepping up and improving our efforts in Latin America, with the cooperation of American industry. I commend it to all those who are trying to evolve the programs that we are being called upon to undertake, and ask unanimous consent that it be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ALIANZA PARA PROGRESO

(Address by Peter R. Nehemkis, Jr., Washington counsel, Whirlpool Corp., at the 24th Chicago World Trade Conference, March 6, 1961.)

Latin America's restless millions know that the 20th century exists; they are passionately

determined to partake of its benefits. The governing and ruling classes of Latin America, who for centuries have shown only a cruel indifference to the wants and needs of their people, now have the choice of either sharing their power or being swept aside by Castro-like revolutions.

President Kennedy's offer to the other American Republics of an Alliance for Progress has raised great hopes and high expectations in every capital of Latin America that at long last this country's indifference to and neglect of Latin America has drawn to a close.

These hopes and expectations are freighted with both opportunity and danger.

If they should now be frustrated because once again we are too late with too little, the consequences are not too difficult to predict; in plain English, we will have plunged Latin America into an historic disaster in which the continent will run red—with blood and communism; the non-Communist intellectual leaders, the university students, and the people will sink into a cynical and bitter despair from which there is no return; our democratic friends, such as Alberto Lleras Camargo, Romulo Betancourt and Jose Figueres, will be unable to hold back the tides of Fidelismo; if these stanch fighters for democracy are forced to go under, they will carry with them into the vortex of reaction everything which is good and worthwhile in Latin America.

For the United States the hands of the clock stand at 3 minutes to midnight: either we shall seize this historic opportunity—probably the last such opportunity in our lifetime—to assist the people of Latin America to move into the 20th century under a democratically inspired social revolution; or by default there will be lost to us—and to the entire West—a civilization whose cultural traditions, whose friendship, whose markets, whose raw materials, whose people are vital to our well-being and to our prosperity. For it should never be forgotten that, if Latin America is lost to the non-Communist world, there is not much chance of holding the loyalty of the newly emergent lands on the other continents. With Latin America and Canada at our side, the United States has a spiritual and material base from which it can continue to lend support to the other free nations of the world.

Prompt and decisive action is called for on a broad economic and political front.

1. The time is at hand when the U.S. Government must exercise the political courage required to make the most important political decision since the promulgation of the Monroe Doctrine: a declaration of our willingness to join with the other industrial nations in price stabilization agreements for Latin America's primary export commodities on which her economic progress and prosperity depends. This is the key to Latin America's economic stability; it is the archstone around which everything else must be built.

2. We must convey to the other American Republics our desire to see steps taken to convert Latin America's mammoth military establishment into engineer, sanitation and highway construction corps, along the lines of Peru's newly formed work battalions. There is no military logic which can justify economically impoverished countries spending over a billion dollars annually for obsolete military forces when this money is so desperately needed for socially and economically useful programs.

3. Here in the United States—mainly in Washington—we need a keener realization that Latin America's social revolution cannot be underwritten by bankable loans; a new kind of capital is needed—social capital—the kind of capital which directly reaches the people.

4. That the Kennedy administration contemplates placing greater emphasis upon a regional approach to foreign aid is both gratifying and heartening. For Latin America, I have elsewhere proposed that we give consideration to utilizing a managerial device which has a proven record of success in the United States and in Europe—the public authority. Establishment of a number of regional authorities in Central and South America would, I am persuaded, do for this hemisphere what the European Coal and Steel Authority did for Europe—accelerate regional economic integration; provide more compact markets for locally manufactured consumer goods; and, conceivably, lead to an eventual political unification of the continent's fragmented sovereignties. Being decentralized, the authorities would operate directly in the problem areas. As international bodies they would draw on the technical personnel of virtually the entire world. With the power to issue their own securities, guaranteed by all of the capital-exporting countries of the world, the authorities would provide an ideal medium for buying up unused or underused land from powerfully entrenched local landowners, without having to resort to expropriation. Jose Figueres has advanced the imaginative suggestion that we might name these authorities after the Great Emancipator and the Great Liberator—the "Lincoln-Bolivar authorities."

(5) In consultation with the other American Republics, we need—promptly and decisively—to establish the minimum, but highest priority, programs where the concentration of our joint technical resources will lead to a quick saturation of effective results—for instance: land and agrarian reform; health improvement; vocational and technical training; a frontal attack upon illiteracy; and housing for the mass of people who live in rural slums and urban shanty towns under subhuman conditions—conditions which form the ideal breeding ground for Castroism and communism; or the Ligas Camponesas, the Peasant Leagues which are flourishing in the hunger-ridden northeast of Brazil.

These are the long overdue social reforms which will constitute democratic Latin America's best—and most effective—answer to the revolutionary impulses generated by Moscow, Peiping, and Havana.

Now these are all essentially programs and policies in which governmental initiative and action is paramount. I suggest to you that the time has come when the American business community must assume some new responsibilities, take on some additional burdens, and accept some revolutionary challenges—if the private economy is to be of any real help to Latin America—and if we are to preserve the system of capitalism in the Western Hemisphere and elsewhere.

Will you indulge me if I endeavor to set the stage for your consideration of the problem?

If over the past 12 years our worldwide governmental loans-and-grants and technical-aid programs have not been notably successful in meeting the challenge of the revolution of rising expectations, neither can it be said that the private economy is eligible for any blue ribbons for its contribution.

In the assessment for blame, however, there is greater justification for the private economy's limited role as a significant developmental force in the underdeveloped countries.

Government can deploy the public investment funds solely on the basis of strategic considerations. The private economy, on the other hand, can only deploy its investment funds on the basis of anticipated profits. Thus, private capital tends to flow to an already established industrial complex such as exists at Sao Paulo, for example, rather than to the northeast of Brazil where the infrastructure is not yet in place. Hence the private economy unwittingly exacerbates social tensions in an underdeveloped land by concentrating its investments in the few, isolated oases of (industrial) prosperity while detouring the vast desert of indigenous poverty. Because its stockholder relationship and profit motivation leaves it with no other investment choice, the private economy unfortunately develops the reputation of being insensitive to the aspirations of the people of the poor lands.

This is not to suggest that the global mining and oil companies, or an occasional pioneer from the ranks of light industry, or the adventurous pharmaceutical industry will not continue to probe for investment opportunities outside of the promising industrial complexes in the underdeveloped lands. But the bulk of the manufacturing industry with its dependency upon advanced technology, engineering, and sophisticated consumer markets will continue to shun the world's high-risk areas.

It should be apparent, therefore, that there is no coincidence between the considerations of the private economy in promoting the interests of the stockholder and the strategic considerations of government in protecting the security of the nation. It is a profound disservice to the people of the underdeveloped lands to lead them to believe that private investment provides a panacea for their countries.

Because the people of Latin America—as, indeed, the people of most of the planet—have learned in this first half of the 20th century that poverty is not their preordained lot, their political leaders will find it increasingly difficult to justify an economic growth which is dependent for the kind, the size, the location, and the timing of private investments upon the vagaries of the decisions of corporate boards of directors in London, in Paris, in Brussels, in Bonn, in New York, in Chicago, in San Francisco, in Toronto, in Tokyo.

Neither will the Latin American countries—least of all the democratically oriented countries—encourage or permit American investment capital to become so prominent and pervasive as to duplicate the private economy's pre-expropriation position in Cuba. In a revolutionary world, economic colonialism is as dead as political colonialism.

This means, therefore, that unless the private economy has something new and better to offer to the underdeveloped lands, their political elite will be forced to place an increasing emphasis upon government-owned plants and industries—with growth and development centrally planned instead of being left to the investment opportunism of the private economy.

As Professor Rostow reminds us, this is in reality the central problem for the underdeveloped lands: If economic progress is not moving as rapidly as the popular aspirations dictate, will they continue to rely on the traditional methods for modernization, or will they opt for the centralized, dictatorial techniques of communism? The choice appears to be leaning heavily in the direction of economic centralization.

These are very real threats—threats which affect the foundations of the private economy.

But on the wings of the world stage—and from its beachhead in Cuba—stands the greatest competitive threat of all: The ability of the Soviet bloc to mobilize all of its resources into an integrated development program for strategic deployment upon any geographical area of the world which it seeks to assist or to subvert. The Soviet bloc can lay down the infrastructure; supply the steel mill (as a status symbol); furnish the communications network (complete with transport planes for the airlift of troops, if need be; and with radio broadcasting facilities ready to pour out propaganda for the new dispensation); supply through export or by local manufacture cars, trucks, and a fairly complete line of consumer goods; take the

country's entire output of sugar, bananas, coffee, rice or whatever, thereby putting an end to balance-of-payments problems; assign first-rate technicians, engineers and plant managers (who can adapt to local conditions better and less expensively than their U.S. counterparts).

This capability of furnishing low-cost, integrated developmental programs is a formidable striking weapon because of its powerful impact upon the people of the poor lands. The private U.S. economy acting through individual companies engaged in the normal pursuit of investment profits cannot duplicate this competitive advantage. Under our system of political organization—short of war—neither can the Government of the United States.

Does it follow that the private economy can do little or nothing to assist in the development of the poor lands as many in Government and in the business community believe? In my view, the private economy has a tremendous potential for the fulfillment of this objective, but its true role has not been properly assessed; nor has the Government heretofore supplied the requisite leadership in mobilizing the unique resources of the private economy as a collective instrumentality for attacking the economic and social problems of the poor lands.

There is a practical solution to the problem: it lies, on the one hand, in a much closer union between the private economy and the Government in the planning for and in the undertaking of developmental programs; and, on the other hand, in associating numerous companies under central management to undertake the balanced and integrated economic and social development of vast areas of an underdeveloped country—from infrastructure to the ultimate distribution of consumer goods—through programed phases which might extend as long as 20 or more years.

How would the idea work in practice?

First. It would require the U.S. Government to establish the areas and programs of strategic priority for which the private economy will be asked to deploy its concentrated resources.

Second. Where none now exist (and there are many in the Government files), feasibility studies would have to be underwritten by the Government—studies proposed either under its own initiative or by the private economy. Such studies should not be academic exercises but rather the work of companies who are most apt to be concerned with the project at the later operational phase.

Third. Once the strategic goals have been set and the feasibility studies completed and accepted by the governmental authorities, a company would be selected to serve as project manager for an entire program. The project manager would have the responsibility of selecting the other companies whose skills and experience would be involved in the various phases of operations. It would also be the function of the project manager to corral the requisite capital from either private or Government sources, or both.

The project manager might select, for instance, one or more engineering firms for the building of a power supply, dams for an irrigation system and roads to connect newly opened lands or new farms with markets; an agricultural chemical company to develop a source of supply for fertilizers, fungicides, herbicides, and pesticides; one of the foundations to assist in the establishment of marketing and credit mechanisms to enable small farmers to purchase fertilizer, modern agricultural equipment and to build homes; a food processing company for meat and agricultural products; a canning and packing company to provide fish for the people in the interior; a successful Midwest farmer to manage and supervise the development of new grain crops, hog and dairy herds; a pharmaceutical company to provide basic drugs for human and animal use; an agricultural equipment company to develop a simple tractor which could be used by barefoot caboclos, say, in the northeast of Brazil; an export company to promote the oversea sale of local regional products.

These are but illustrative of the manifold activities which could be undertaken—from infrastructure to light industry, to creating products for export.

What happens in the case where the project manager cannot assure any profitable return to a participating company because a cash market does not exist and will take too long to bring into being to support the initial investment on a project? In these circumstances, participating companies whose profitability in such projects is doubtful in the early years would, under appropriate safeguards, be insulated against loss. By the same token, where U.S. costs cannot meet the competitive proposal for a Soviet bloc utility or industrial facility in an underdeveloped country, the U.S. Government—if it is deemed strategic to meet such competition—should be prepared to support a comparable project from the private economy.

The point is this: Neither high risks, inadequate markets, insufficient capital, nor competitive cost disadvantages with the Soviet bloc should be permitted to prevent the fulfillment of the strategic objective of providing developmental assistance to the country which needs it—and wants it.

By this kind of collective action on the part of a congeries of business organizations both large and small, by combining a multitude of technological, engineering, and managerial resources over large areas of a country or over whole regions, it becomes possible to achieve a balanced and integrated development with proper emphasis upon economic growth, but without neglecting the immediate social needs of the people.

The cardinal advantage of this kind of arrangement is that it provides a machinery whereby the resources of the private economy can undertake collectively what no single company can accomplish individually. It makes available in concentrated form the unique features of the private economy—its self-imposed discipline; its experimental methods; its capacity for avoiding sentimental judgments; its use of trained technical and managerial manpower who are accustomed to working under organizational restraints; and it affords the free play of individual initiative and ingenuity which gets jobs done.

Through the financial participation of government—many governments, not only the U.S. Government—the element of risk (so frequently the decisive barrier to investment by the private economy) is minimized.

The proposed approach to developmental progress is a flexible arrangement which allows joint public and private planning, operation and financing. It can separate the private and public phases of activity, or it can consolidate them. It presents opportunities for the employment of the larger units as well as the smaller enterprises. The criterion is what combination of facilities, organizations, and financial support can best do the particular job for an underdeveloped country or region.

The idea of an association of companies to undertake large-scale projects is not new: It is being used in Africa for the development of an aluminum industry; in Argentina, for the development of a petrochemical industry; in Iran, for the construction of dams and irrigation systems. In the United States for years we have utilized in our military procurement a system analogous to the proposed association of companies: a prime contractor who has working under his direction a satellite system of subcontractors—sometimes running into the hundreds. In substance, therefore, all the proposal amounts to is pouring new wine into old bottles.

This "mother hen" concept has in recent weeks been under serious discussion by a number of my colleagues in the international business community. I have borrowed liberally from our dialog.

What is required in order to begin an experiment in this type of private-public international association? First, a more sophisticated attitude by the business community toward Government. Companies that are allergic to Government—let alone participating with Government in planning, operations and financing—are obviously not mentally ready for this kind of joint venture. Second, it would require a more sophisticated attitude on the part of Government—less suspicion of the motives of the private economy; a willingness to lift the historic restraints which might prevent the pooling of industrial resources in the manner herein proposed. It commits the Government to a policy of joint financial participation with the U.S. private economy, or in mixed ventures of United States, European, Canadian, Japanese and Latin American private interests. It involves new legislation to provide a guarantee against Cuban-style expropriation which would go beyond what the ICA and other governmental agencies now provide.

This program, if it is to be consummated successfully, will also necessitate a new kind of economic diplomacy to supplement the traditional political diplomacy. We may as well face the hard fact that, in most of our oversea Embassies, the commercial attachés and commercial officers would be utterly incapable of promoting, coordinating and assisting with this concept of utilizing the resources of the private economy. Regretfully, it must also be said in the interest of candor that many of the conventionally trained and conventionally minded Ambassadors would be lost—totally lost—in this arena. The new "development diplomat," as Mr. Eugene Black (one of the leading practitioners of the new economic diplomacy) describes him, "must fill the gap between the conventional diplomat and the trader and the investor."

Is it realistic to expect that any sizable number of companies would express interest in this kind of approach to investment in the underdeveloped lands?

I would not expect that American corporate management in droves would begin hammering on the doors of Washington for the opportunity to join in a new crusade to develop the poor lands of the world.

As a matter of fact, any such response (even were it to come to pass) would automatically doom the whole project. To be successful, the response needs to be selective—highly selective.

There are, however, boards of directors and managements in this country who would gladly respond to a call to action from the President of the United States because they are fully aware that, in a revolutionary epoch where the entire world is undergoing a transformation, neither government-as-usual nor business-as-usual will be able to survive the dynamic, ruthless, and effective competition of an adversary who makes no bones of his intention to bury us.

These same directorates and managements are also fully aware that to meet the challenge of the revolution of rising expectations in Latin America—and elsewhere among the emergent lands—the conventional and orthodox methods of investment—whether public or private—are inadequate.

There is ample awareness among these sectors of the business community that when man is without hope and lacks opportunity—when whole societies are mired in economic stagnation—when the educated and intellectual elite seethe with political and social tensions—there can be no real security for the United States.

There are those—the skeptics—who will say that this idea for harnessing the resources of the private economy is all well and good, but that it can only be consummated under conditions of war—and we are not at war.

Well, the plain truth of the matter is that we are at war—a war against poverty, disease, ignorance, and social injustice; and unless the industrialized North wins this war, it cannot hope to have as its partners and friends the 1.7 billion hungry and poor people of the underdeveloped South.

President Kennedy has put the problem neatly and eloquently when he said in his inaugural message: "If a free society cannot help the many who are poor, it cannot save the few who are rich."

Is it realistic to expect that the Government would respond favorably to this proposal for a more effective utilization of the resources of the private economy?

I believe the answer is "yes." Again, President Kennedy provides the clue to his administration's attitude when, speaking before the National Industrial Conference Board in Washington on February 13, he said to the American business community: "Whatever past differences may have existed, we seek more than an attitude of truce, more than a treaty—we seek the spirit of a full-fledged alliance."

What are we waiting for?

TAX INCENTIVES

Mr. HART. Mr. President, some time ago I became concerned about the possibility that a very desirable tax-incentive program of the President might take a form which would jeopardize existing plant locations and might result in some measure of pirating.

I recently wrote to Secretary of the Treasury Dillon and received a reply from Stanley S. Surrey, Assistant Secretary-designate, on this subject. It is encouraging to note that the Department of the Treasury is considering in its study of the President's investment-incentive program ways to "reduce the risk that the plan might favor one geographical area over another."

While I believe that this investment-incentive program can be of benefit to many widespread industrial areas of our Nation, the economic impact of such a program must be carefully analyzed so as not to provide undue incentive to relocate but rather place an emphasis on incentive to modernize and expand existing plant and equipment in their present locations. I certainly intend to follow developments of this program with the greatest interest and care.

Mr. President, I ask unanimous consent to have the letters printed in the RECORD at this point.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

MARCH 6, 1961.

The Honorable Secretary of the Treasury
DOUGLAS C. DILLON,
U.S. Treasury,
Washington, D.C.

DEAR MR. SECRETARY: It is my understanding that the Department is presently working on specific provisions to carry out the President's recommendations for tax incentives that would encourage corporations to modernize plant and equipment. In considering these provisions, I would hope that the Department can devise a workable provision which would assure that in taking advantage of such tax incentive manufacturing establishments would not find an easy excuse for geographically moving their plants from areas of persistent labor surplus.

Certainly the Federal Government, with its emphasis on rebuilding the economy of our depressed areas, would not through its tax policies wish to encourage the movement of industry from these areas of high unemployment where much of our older plant capacity is now located.

While I do not have a precise suggestion as to how there could be built into this program encouragement for firms to remain in their present locality and modernize existing equipment, I believe some assurance might be required before advantage could be taken of this proposed tax incentive.

As you develop your studies, I hope you will give all possible consideration to the problems which cause me to write this letter of concern.

Sincerely,

PHILIP A. HART.

MARCH 14, 1961.

Hon. PHILIP A. HART,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HART: For Secretary Dillon, I want to thank you for your letter of March 6, suggesting the possible need for provisions to check plant relocation away from depressed areas under President Kennedy's recommendation for tax incentives to encourage plant modernization and expansion.

The Secretary and I are glad to have your thoughts on this matter. They will have full consideration in our further work on the President's investment incentive program.

As you know, in the development and consideration of the Douglas bill, S. 1, for aid to depressed areas, careful attention was given to the formulation of so-called anti-pirating provisions to prevent giving financial assistance to establishments for merely relocating from one area to another. The major concern here apparently was with relocation into the depressed area at the expense of other parts of the economy. The reverse type of problem, with which your thoughtful comments are concerned, will also be explored in the work on the President's investment-incentive measure.

While the general application of a broadly based type of incentive allowance which would be available on additional eligible domestic investment anywhere in this country would tend to reduce the risk that the plan might favor one geographical location over another, this possibility and safeguards against it will need to be considered. Certainly it would be contrary to the intent of such a plan to encourage mere relocation at the expense of these areas which particularly need revitalization and growth, without actually contributing to the economic growth of the Nation as a whole.

Again, thank you for sending the Secretary your suggestions on this important aspect of economic policy for growth. Your comments will be most helpful as the Treasury continues its work on specific features of the tax incentive program.

Sincerely yours,

STANLEY S. SURREY.

PROJECT HOPE

Mr. HUMPHREY. Mr. President, one of the most gratifying developments in recent months relates to the overseas activities of the American people, to the technical assistance programs which are made available through the cooperation of the citizenry of this country. It is Project Hope. Project Hope is a ship, with of course technical personnel and supplies, dedicated to relieving human suffering caused by disease and hunger.

Project Hope is an expression of American compassion, through the use of our technology and our professional competence in the fields of medicine, science, and agriculture.

Project Hope, as the ship SS *Hope*, has been serving off Indonesia, in the southeast Asian area. The ship has been docked at Djakarta, the capital of Indonesia, and has been cruising along the shoreline, making stops wherever there was a need for or a call to supplement the health activities of the Indonesian medical profession or of the Indonesian Government.

After the Easter recess I shall give a report to the Senate on the activities of this remarkable endeavor on the part of our people.

I have visited with Dr. Walsh, who is the chief medical officer and the moving spirit behind this excellent program.

I noticed recently in the New York Times a brief story under the byline of McCandlish Phillips entitled "Captain Reports on Medical Ship," with a subheadline, "Skipper of the *Hope* Is Here After 6 Months on Asia Good Will Tour."

The skipper, Jack M. Windas, said in part:

There never has been a ship quite like her before. She's essentially a floating medical training institute trying to upgrade medical and nursing practice wherever she goes.

Then the story describes the ship:

The *Hope*, a World War II Navy hospital ship, was refitted at Seattle early last year. Her service is a good-will project whose costs are paid by public subscription.

The captain of the ship tells a remarkable story in the brief news report. He said:

I would say the mission had its greatest success at the extremely primitive island of Sumbawa, where there is 1 doctor for 180,000 people and communication and transportation are about nonexistent. Sumbawa has a very tropical aspect. We anchored offshore because there was no dock for a ship our size.

We set up a clinic on the beach in an old wooden customs shed with no lights and no running water. People came from all over and stood under a piece of canvas waiting to be treated. Launches took the most serious cases out to the ship.

There is one final quotation I should like to give from the article, which relates to something I am sure every Member of Congress and every American citizen is extremely conscious of. We have been told many times, in the propaganda stories we read from the Communists, of the saying "Yankee, go home." Wherever one goes overseas, there is always a Communist parade with people carrying placards telling us to go home.

Dr. Walsh, the director of this People-to-People Health Foundation sponsoring the venture of Project Hope, said at a press conference that the ship had so altered the image of the United States in Indonesia that Soviet medical teams are "following us around."

Dr. Walsh continued:

Whenever one of us goes ashore in a Jeep on the outer islands, kids dart out of the jungle and yell "Hopie, Hopie." They certainly don't say "Hopie, go home."

I think our fellow Americans ought to be greatly excited about this particular program.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. HUMPHREY. I am happy to yield to the Senator from Kansas.

Mr. CARLSON. I wish to associate myself with the remarks of the distinguished acting majority leader in regard to Project Hope. It has been my privilege to follow this project with a great deal of interest. I concur in the comments made by the distinguished Senator from Minnesota regarding the work being done.

This gives to us and to the people in the countries mentioned a picture of the true sympathy and feeling of the people of this Nation for the problems and difficulties of the people of other nations. We need more of this type of program, in my opinion.

I sincerely hope the distinguished Senator from Minnesota will, after Easter, devote more time to this subject. I should like to cooperate with the Senator at that time and to urge our people to take a very personal interest in this type of program, which is strictly humanitarian. In my opinion, it is a labor of love.

Mr. HUMPHREY. The Senator has been most helpful and generous in his comments. I know the People-to-People Foundation which sponsors Project Hope will be very grateful for his comments.

Mr. President, I speak today because this program needs the help of the American people. The American people need to recognize that the greatest thing we can do is not to use our Government alone, but also to use great voluntary organizations which really represent the strength and the spirit of this Nation. Project Hope needs the help of the American people. It needs the financial help of the American people. It needs the understanding and sympathetic cooperation of the American people.

The doctors of the American Medical Association are contributing their time free of charge to make this great hospital ship literally a floating modern medical laboratory and hospital of 230 beds. There is a tremendous modern outpatient clinic.

The pharmaceutical industry of the United States has given the ship a million dollars' worth of modern drugs, and keeps the ship constantly replenished with the modern drugs necessary to treat the sick.

The nursing profession of America has placed nurses upon this ship free of charge, as volunteers.

The automobile industry has made available Jeeps and other vehicles so that the outpatient clinics can be taken inland.

Right now in Indonesia this ship is training doctors and nurses to equip a huge hospital. The Government of the United States is not doing this; the people of the United States are doing it.

It is about time we recognized that the best kind of foreign aid is not merely Government foreign aid, but a cooperative endeavor between the Government of this Nation, which belongs to the people, and the people themselves.

Dr. Walsh is going to visit with the President of the United States, I am happy to tell my colleagues, because I wish to see not one Project Hope—not merely one ship literally performing miracles in terms of healing and in terms of the message of American democracy and good will—but several.

Other Senators have joined with me in sponsoring what we call the White Fleet resolution. This program was described at some length a year ago this month in Life magazine. Thousands of letters came to Members of Congress about the proposed White Fleet. A resolution on the White Fleet is pending in one of the Senate committees. A resolution was favorably reported from the Committee on Foreign Relations day before yesterday, commending the Project Hope on what it has accomplished and what its purpose is and will continue to be.

I should like to see a ship like this one for Latin America—not one, but perhaps two or three. I want to see one or more ships like this for Africa. I want to see one for south Asia and the Middle East. I desire that people of the world see American ships that are something besides warships. And let me tell my colleagues that because our merchant marine has dwindled in size, all too often no American flag is to be found in many ports of the world. The flags of the merchant marines of other nations are to be found, but not the American flag. The only time an American flag appears in many ports of the world is when it is flown from a warship, and this fact has been commented upon throughout the world.

I visited today with a very prominent and well known American, Dr. Albert Burke, the professor and TV commentator who was described in Newsweek magazine as one of the truly great sensations in modern television documentaries and commentaries. He is doing great things. This gentleman has traveled in many parts of the world. He has told us on one of his TV programs, which are dedicated to better public understanding of the great issues of our times, that all too frequently, when the American flag is seen around the world, it is regrettably seen only with the Armed Forces.

Do not misunderstand me. We need the Armed Forces. We are proud of our Navy. We are proud of our Defense Establishment. But every member of the Armed Forces knows that he is in the service primarily because of his love for an America that is dedicated to peace and justice.

What we need is a great mercy fleet that would carry the message of American education, American technology, medicine—not only American medicine, but medical knowledge generally—medical discovery and medical science to the sick, the hungry, and the illiterate.

When we do so, we shall be living in the spirit of this great holy season that is now with us from Palm Sunday to Good Friday and to Easter Sunday with its message of peace, justice, and forgiveness.

I ask unanimous consent that an article entitled "Captain Reports on Medical Ship," published in the New York Times on Sunday, March 5, be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD.

CAPTAIN REPORTS ON MEDICAL SHIP—SKIPPER OF THE "HOPE" IS HERE AFTER 6 MONTHS ON ASIA GOOD-WILL TOUR

(By McCandlish Phillips)

After 6 months of coastal steaming and stopping at tropical ports in the Java Sea, the 44-year-old first master of the navigable medical center called *Hope* is back in New York.

"There never has been a ship quite like her before," Capt. Jack M. Windas said the other day. "She's essentially a floating medical training institute trying to upgrade medical and nursing practice wherever she goes."

The *Hope*, a World War II Navy hospital ship, was refitted at Seattle early last year. Her service is a good-will project whose costs are paid by public subscription.

Captain Windas supervised the ship's sea trials last summer before steaming off for Indonesia. His stops were at Djakarta for 2 weeks, then at Surabaja, Bali, Sumbawa, and Makassar for a month each.

He quickly learned to call the islands in the archipelago by their Indonesian rather than their Dutch names—Ambon for Amboina, Sulawesi for Celebes. "I wasn't there long before I learned that 'Celebes' was a dirty word," he said.

NO DOCK BIG ENOUGH

"I would say the mission had its greatest success at the extremely primitive island of Sumbawa, where there is 1 doctor for 180,000 people and communication and transportation are about nonexistent," he said. "Sumbawa has a very tropical aspect. We anchored offshore because there was no dock for a ship our size.

"We set up a clinic on the beach in an old wooden customs shed with no lights and no running water. People came from all over and stood under a piece of canvas waiting to be treated. Launches took the most serious cases out to the ship."

The faces on the *Hope's* volunteer American medical staff change several times a year, but there are nearly always a dozen general practitioners, an ophthalmologist, dermatologist, anesthesiologist, internist, 2 dentists, 20 nurses and 30 medical technicians aboard, in addition to a crew of 125 men.

"When they see this great shining ship anchored out on the water, the local people are a bit suspicious at first," Captain Windas said. "They wonder what it is about. But when they learn that this is being given to them by the American people, not by the Government, they are very, very much impressed."

Though its mission is to teach, the people tend to regard the ship as a free clinic and, after their initial hesitation, they usually send out word and the sick begin to be brought to the ship from deep inland.

Captain Windas lives at 241 Sixth Avenue near Houston Street. He regularly sails the *President Polk* on 4-month around-the-world runs for the American President Lines, which serves as operating agent for the *Hope*. His term of duty aboard the ship is now over, and another of the line's captains has gone to take his place.

Dr. William D. Walsh, director of the People-to-People Health Foundation, which sponsors the venture, announced yesterday in San Francisco that the foundation would like "to put another such ship in Africa and another in South America."

Dr. Walsh said at a press conference that the ship had so altered the image of the

United States in Indonesia that Soviet medical teams are "following us around."

"Whenever one of us goes ashore in a Jeep on the outer islands," he said, "kids dart out of the jungle and yell 'Hopie. Hopie.' They certainly don't say 'Hopie, go home.'" he said.

The *Hope* is 520 feet long and has 6 decks, 3 decks enclosed in the hull and 3 open decks above the hull. As a Navy ship, she had 830 beds. Now there are only 230 beds, but there are 3 operating rooms with closed-circuit television that carries closeups of surgery into classrooms. The cost of running the ship is figured at about $3,500,000 a year.

It is expected that the *Hope* will move to Saigon, South Vietnam, June 1 for 3 months.

Mr. HUMPHREY. In line with that comment, I have refrained from taking the time of the Senate on some other subjects when pressing legislation has been before the Senate, because I wanted to see the legislative calendar completed. But I have become concerned of late lest we lose our sense of direction and our sense of purpose and objective.

The President of the United States, Mr. Kennedy, appointed George McGovern as Director of the food-for-peace program. Mr. McGovern is performing an admirable job. He and the able Secretary of Agriculture, Orville Freeman, are telling the American people that food is a great resource at any time, whether it be in peace or in war, or whether it be in a period of tranquillity or a time of cold war.

Others have made that statement. The distinguished Senator from Kansas [Mr. CARLSON], who commented a moment ago on the Project Hope, has been one of the foremost advocates of this very concept of the use of our food and fiber as a great asset in building a better world. My comment is merely that we should project a new agricultural program. The President has sent a message to Congress on this subject. Members of Congress have their own points of view. There are many bills before us on agricultural policy. Ultimately, there will be some reexamination of these policies and differing points of views, and we shall have an agricultural program somewhat different from that which we have today.

Mr. DWORSHAK. Mr. President, will the Senator yield?

Mr. HUMPHREY. In a moment.

Whatever the program may be, I hope that we as Senators and as public officials will keep in mind the importance of having a food and fiber budget or a food and fiber policy that goes far beyond our immediate domestic needs. I hope that we will eliminate from our thinking the negative word "surplus," in a world that is filled with hungry people, and in a world in which there is a crying need for food and fiber.

I trust that as we come to design a new agricultural policy, whatever may be its details, we shall recognize that we need to consider in the food and fiber program a sizable amount of food and fiber for international purposes—humanitarian purposes—and that we shall not let the extent of surplus production guide our policies, but, rather, that we shall design a policy and call upon our people to produce food and fiber to fulfill those policies and those goals.

Let me give an example of what I mean. Not long ago—within a month—the Government of the United States, through the Secretary of Agriculture, and through the Food-for-Peace Director, said that we wanted to make available to needy people a substantial amount of vegetable oil. Though I have forgotten the exact amount, I believe it was approximately 100 million pounds or more. The figure is insignificant. It is not important. What is important is that after the directive had been given for the vegetable oil, we awoke and found there was none. We had been led to believe that, in view of the many surpluses of agricultural commodities, all we would need to do would be to say, "You wanted something," and there it was.

So the Government of the United States had to go into the open market and bid against private enterprise for available supplies of vegetable oils, when in fact we ought to have had supplies of peanut oil, soybean oil, cottonseed oil, linseed oil, and supplies of lard in substantial quantities, because it so happens that there is a great deficit of vegetable oils and fats and oils in the world market. These fats and oils will be more vital to the overall strength of the United States than many of our weapons. They will be needed in Latin America. Food is desperately needed in certain parts of Latin America—in Bolivia, for example, and in Chile. Food will be needed in Africa, where people have been facing mass famine in the Congo and other areas. This is one area in which the United States has undisputed leadership. The Soviets can talk to us about their sputniks and they can talk to us about their achievements in outer space, but they have never been able to equal us in the accomplishments of the fruits of the soil—the production of agricultural commodities.

Mr. President, ever since I have been in the Senate I have been trying to tell the greatest success story in America, the greatest success story in the world, a success story which apparently some people are unwilling to publicize and unwilling to write about. It is the success story of agriculture, the success story of American agricultural production. No other agriculture can even touch it. Collective agriculture is a colossal failure. Free enterprise, family farm agriculture in America is the most amazing story of success in the world.

Yet some people prefer to cry over their troubles rather than to ring out the story of our achievements.

I wish to say that our Government and our people and, yes, our journalists and our commentators should be willing to adjust their sights, in order to see the true picture, and that we have a story to tell in terms of food and fiber, of social values, of the care of the soil, of conservation, and of family living, in the agricultural areas of America that is the miracle story of the 20th century. There is nothing like it.

The Soviet Union has been able to produce the atom bomb, but not one family farm. The Soviet Union has been able to produce fabulous machine tools and vast fighter planes and bombers and tremendous military power. It has been able to produce every conceivable kind of industrial equipment. However, it has not been able to produce corn; nor has it been able to produce an adequate food supply even for its own people, despite the vast areas that it has put under the plow, and despite the assistance of seed from other parts of the world, including the United States. Nevertheless, Mr. President, its agriculture is a failure.

I wish the "Voice of America" would get a little in tune with what is going on, and tell the story, that the Soviet Union, with all its planned economy, with all its alleged power, with all its alleged genius, and with all its Marxism and all its communism has not earned to satisfy human want.

Mr. DWORSHAK. Mr. President, will the Senator yield?

Mr. HUMPHREY. Mr. President, we have in this country learned not only how to satisfy it, but also to provide an abundance. I now yield to the Senator from Idaho.

Mr. DWORSHAK. Mr. President, I compliment and commend the Senator from Minnesota for paying this tribute to American agriculture, particularly to the record of Secretary Benson during the 8 years when agriculture made this outstanding record of production in serving the needs of the world. Would the Senator yield for a question?

Mr. HUMPHREY. I am always glad to yield to the Senator for a legitimate purpose.

Mr. DWORSHAK. It is always legitimate.

Mr. HUMPHREY. I know.

Mr. DWORSHAK. The Senator from Minnesota has always been an ardent supporter of agriculture. I should like to commend him now for the generous distribution of our surplus agricultural commodities. I wonder if the Senator is not somewhat disturbed by the conference report which was adopted earlier today, wherein the Senate receded from its amendments 1, 2, 3, and 4, which referred to almost $3 billion which the Senate made available to the Commodity Credit Corporation to restore impaired capital and for accelerating the distribution of food throughout the world. I understand that every dollar that was added by the Senate for that particular program for CCC now will be unavailable.

Is not the Senator from Minnesota fearful that the programs of CCC will be curtailed to such an extent that we shall not be able to distribute these surplus foods in the next 3 months which remain in the present fiscal year?

Mr. HUMPHREY. I shall be very frank with the Senator in saying that I am not at all happy by the receding of the Senate conferees on this item. However, I do not believe it will mean that production will be curtailed. It will mean, however, that in the coming fiscal year outlays have to be made to take care of the needs that might have been provided for by the bill.

Mr. DWORSHAK. The Senator will recall that in the discussions in the subcommittee, of which he and I are mem-

bers, the emphasis was placed upon the need of replenishing the capital now.

Mr. HUMPHREY. Yes.

Mr. DWORSHAK. The Senate was responsive, but the other body refused to provide any of these appropriations. Does the Senator feel that we can get along without them?

Mr. HUMPHREY. It is regrettable. I trust we will be able to do so, and I hope that we shall be able to get along. If not, we shall have to perform our duty and provide funds. The Senator from Minnesota was one of the Senators who voted to provide the funds required. I regret that the conference committee did not keep faith with what we hoped would be a public policy.

Mr. DWORSHAK. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield. First I should like to say that my good friend makes me happy with any kind words that he wishes to say about Mr. Benson at this late period in his career. I am always pleased to hear a kindly word about one who has suffered undue pain and anguish. It is always welcome to hear such words. I wish him well. I am much more friendly toward him now, since he has returned home, than when he was here.

Mr. DWORSHAK. The Senator from Minnesota was generous in his praise of the Secretary.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. COOPER. I am glad the Senator from Minnesota has made the point that I believe is not made often enough in this country or abroad, and that is that the Soviet Union and Communist China and other totalitarian countries have not been able to meet the most basic needs of mankind of food and clothing, which our country has been able to do without any difficulty at all. I would hope that in the future our country would continue its surplus food distribution program. I would hope that it would do something else, too, namely, that it would help the countries which need food and show them how to produce it themselves, to make them self-sustaining. I believe that if some of the developing countries could show to their people that they could thus provide food and clothes for their people, it would be a long step along the road toward maintaining democratic institutions.

Mr. HUMPHREY. I thank the Senator from Kentucky. The Senator from Kentucky and the Senator from Kansas have demonstrated not only their sincerity in all of these programs relating to our food production and the use of that food, but they have also been leaders in this effort. I wish to commend them for it. There should be no partisanship or pride of authorship in this matter. It is something on which we as Americans ought to work together.

It is a part of our overall national policy and national objectives. I thoroughly agree with the Senator from Kentucky that one of the needs is to help other countries improve their basic agricultural production and their methods of production and their methods of distribution, and also to improve their soil.

It may be that we have become too mechanized and too industrialized, and because of that we perhaps tend to forget that about 80 percent of the population of the rest of the world lives on farms, on the land.

While it is wonderful to have tractors and combines, and all the rest of the technical machinery of modern American machinery, these are completely out of place in vast areas of the world. What is needed in most places is the steel point on the wooden plow. What may be needed is the simple irrigation ditch, or a pump to bring fresh water on the land. What may be needed is the knowledge of how to tend the land, to conserve its fertility and replenish its fertility.

My point is that as we design agricultural policies, we should not forget that we ought to have as an objective the production of food and fiber. The Senator from Kansas [Mr. CARLSON] comes from one of the great wheat producing States of the country. I do not come from a State which produces a great deal of wheat. At one time we did, but not now. We produce great quantities of corn and soybeans and small grains and dairy products.

I have heard Senator after Senator and commentator after commentator and reporter after reporter talk about the staggering wheat surplus. I say in all reverence, thank God for wheat.

Thank God that we have wheat in our bins, so that we can fulfill to the great free country of India a 5-year commitment for the shipment of wheat, so that for once the people of India and the Government of India can look to the future without fear of famine.

When we design a wheat program we will, of course, want one which will give the American farm producer a fair price. He has no responsibility to subsidize the world out of cheap production at less than cost to himself. But, above all, let us not curtail wheat production to the point that when wheat is needed for a friendly neighbor in Latin America or Africa or Asia, we will not have it. A bushel of wheat cannot be produced by talking about it or hoping about it. It is necessary to have it in storage. We have developed in this country a phobia over what I call storage and surpluses, when in fact what we ought to be talking about is the great story of Joseph, in which we are taught that in the fat years and the good years we should store up for the lean years.

While the cost of the storage of grain is expensive, let me tell the American consumer that without it the food costs of this country would skyrocket. The costs of storage are a small part of the total cost of the food budget. The day this country gets on a supply-and-demand basis, which is classic economics in agriculture, the price of wheat in the market will be beyond the reach of thousands of American families. Fortunately, we are not in that position today.

I repeat what I have said in this Chamber for 12 years. Food is the best buy in America. No other country has food of such high quality or at such reasonable prices. No country and no person in America need worry lest there not be food for the morrow. Even charitable organizations will provide food for those who are in need.

No other nation in the world, with few exceptions—possibly some of our Western European allies—can say that it is certain that tomorrow or in the coming week there will be no danger of a shortage of food.

Mr. President, it seems to me that once in awhile a voice needs to be heard in this Chamber about some of the great positive assets we have. I read only yesterday that there is now concern that Communist China will get the atom bomb. She will have the atom bomb long before she has a good crop. So long as Communist China is without adequate food that she can supply herself, her aggression possibilities are limited. The day when Communist China has the atom bomb and enough food for her armies will be the day we will need to worry about. America today stands ready with the atom bomb and enough food to feed half the world. We can honor that portion of the Lord's Prayer which says:

Give us this day our daily bread.

We can do it. Instead of having the great information mechanism of this great free Republic telling the world that we can do it, we act as if we are ashamed; that it is a mistake. We go around the world asking, "How did we ever get into this mess?" We have enough to eat. Yet the whole world has been wondering how we have been able to do it. We say it was all by accident; we are sorry; we should not have done it. I do not understand how people can get so mixed up in their values.

This Nation needs to make up its mind that food is a great asset in our national policy and diplomacy, just as the gold in our reserves, the products of our industry, the skill of our labor, or the technology of our scientists. When we understand that, our agricultural policy will be put in perspective.

I compliment those who are speaking out in our Government—Mr. McGovern, Mr. Freeman, and others—on the whole subject matter of the positive use of our food for peace. I want our President to speak out again, as he has done. I want the Secretary of State to speak out on this subject. The Secretary of State speaks for the Nation in international affairs. The voice of the Secretary of State added to this understanding of the value of food and fiber as an instrument or as a meaning of national policy, accomplishment, or achievement will mean much. This is not simply a matter for the consideration of the Secretary of Agriculture or the Director of Food for Peace; it is a matter for consideration by those who conduct our foreign policy.

Mr. President, an article entitled "Food for Peace Plan May Be Reorganized," written by Charles W. Bailey, a staff correspondent, was published in the Minneapolis Tribune of March 18, 1961. I ask unanimous consent that the article be printed at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FOOD FOR PEACE PLAN MAY BE REORGANIZED

(By Charles W. Bailey)

WASHINGTON.—The future of the food-for-peace program launched 2 months ago by President Kennedy with resounding fanfare, has been clouded by a proposed reorganization plan now under study at the White House.

The central issue is whether the oversea food distribution operation, which the Chief Executive only this week said could be "a significant instrument of foreign policy," will retain its status as an arm of the White House or will be made a subordinate part of the State Department.

As things stand now, George McGovern, Food-for-Peace Director, reports directly to the President. His offices are in the White House Office Building; the agency still in skeleton form, is independent.

Under the reorganization plan proposed by Under Secretary of State George Ball for a series of agencies involved in what can be categorized as foreign assistance programs, McGovern's shop would be put under the supervision of Ball's office.

The same reorganization plan would also move the Peace Corps, the Development Loan Fund and the Export-Import Bank under State Department control. Operations of the International Cooperation Agency (ICA), the major foreign-aid agency, would be similarly supervised.

The reorganization program is still under debate in the White House, where it must be worked out by the middle of next week in time for inclusion in the administration's foreign aid message to Congress.

There has been considerable argument about the Ball plan. Three of the agency directors involved—McGovern, R. Sargent Shriver of the Peace Corps, and Frank Coffin, head of the Development Loan Fund (DLF)—have entered strong dissents to the takeover plan.

There are reports that some modifications have been proposed to meet their objections. But the prospect remained strong Friday that some kind of consolidation would be ordered.

On one side of the argument is the desire for some kind of working coordination of these varied oversea activities—a desire that has frequently been voiced in Congress and by the series of special committees set up to study U.S. foreign operations.

But while few would quibble with this desire—particularly as it might result in better coordination in the field abroad—questions are being raised about the wisdom of putting the food-for-peace program into the vast administrative and policy labyrinth of the State Department.

As conceived in Congress several years ago, and as discussed both during the campaign and since by the President, the food-for-peace operation was depicted as an attempt to set up a single authority to mediate and decide the inevitable differences involved in the concurrent—and sometimes conflicting—operations of the Agriculture and State Departments.

Agriculture has the food, and Agriculture has the job of getting it to the places where it can be used. On the other hand, State has the responsibility for working out foreign policy—and U.S. food can affect the conduct of foreign policy in many ways.

A major factor in setting up McGovern's agency in the White House itself was the hope that he would thus have both the independence and the prestige to mediate—and settle—these inevitable interdepartment rows.

Some backers of the food-for-peace program fear that placing it in the State Department might well weaken congressional support for the concept. Similarly, they fear that tying it to the much less popular foreign aid programs might rob it of important backing in Washington.

Mr. HUMPHREY. Mr. President, the article expresses considerable concern over what may happen to the food-for-peace program in the reorganization which was suggested for our foreign aid operations. I wish to go on record now as saying that I think the food-for-peace program should be attached to the highest office in the land, namely, the White House. The food-for-peace program should be under separate direction, as it is today, where it can serve as an instrument of both the Department of Agriculture and the Department of State. If it falls under the immediate supervision of either of the major departments alone, it will lose some of its effectiveness.

I hope that as we study the reorganization plans, we will give careful consideration to the role which food-for-peace ought to have in our national policy.

SELF-HELP FOR INDIANS AND ESKIMOS THROUGH VOCATIONAL TRAINING

Mr. GRUENING. Mr. President, I am pleased that the Senate has passed S. 200, a bill to remove the statutory limitation on the amount that may be appropriated for adult Indian vocational training, which I was glad to support both in the Subcommittee on Indian Affairs, and also in the full Committee on Interior and Insular Affairs.

In my opinion, the bill is one of the more important measures which we will have before us this session. This is in fact an educational measure which can be practically and promptly translated into self-support and economic opportunity.

Under this program, Indians and Eskimos are helped to help themselves. They are aided—on a voluntary basis—to establish their economic self-sufficiency and to make a new life for themselves as integral parts of the community. A small start has been made under the present statutory ceiling of $3.5 million. More, much more remains to be done. I shall continue to work for this end.

I hope, Mr. President that S. 200 will be speedily passed by the other body. But I also hope that the administration will shortly thereafter present to Congress a request for a budget increase for this program that will realistically approach the actual needs of the program.

EXECUTIVE SESSION

Mr. HUMPHREY. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to consider executive business.

Mr. HUMPHREY. Mr. President, I ask that certain nominations which are at the desk be called up for consideration.

BOARD OF REGENTS OF THE NATIONAL LIBRARY OF MEDICINE, PUBLIC HEALTH SERVICE

The PRESIDING OFFICER. The nominations will be stated.

The legislative clerk read the nomination of Dr. Hugh Hudson Hussey, Jr., of the District of Columbia, to be a member of the Board of Regents of the National Library of Medicine, Public Health Service.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Dr. Robert Morgan Stecher, of Ohio, to be a member of the Board of Regents of the National Library of Medicine, Public Health Service.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Dr. William Lowell Valk, of Kansas, to be a member of the Board of Regents of the National Library of Medicine, Public Health Service.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. HUMPHREY. Mr. President, I ask that the President be immediately notified of the confirmation of these nominations.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith of the confirmation of the nominations.

Mr. HUMPHREY. Mr. President, I may say to the acting minority leader, the distinguished Senator from Kansas [Mr. CARLSON], that these nominations represent the true bipartisan spirit. They represent a blending of the old and the new, because the nominations originally were submitted by President Eisenhower and then were resubmitted by President Kennedy. So I extend a hand across the aisle in this bipartisan spirit of happiness and joy over their confirmation.

Mr. CARLSON. Mr. President, in view of this happy ending—I notice no other Senators seek recognition at this time—I join with the distinguished Senator from Minnesota. I am pleased that this administration is now beginning to cooperate and bring forth programs which were recommended both by President Eisenhower and President Kennedy. I assure the acting minority leader that it will be easier for some of us to cooperate more often.

LEGISLATIVE SESSION

Mr. HUMPHREY. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

THE EASTER SUNDAY

Mr. CARLSON. Mr. President, as we conclude this session and adjourn over the Passion Week weekend, I pray that we may let our thoughts go back to that period of time—the darkest period of the world's history.

May we think of the crucifixion and death of the Saviour in the dark days that followed, and of the wonderful inspiration and encouragement the world received on Easter morning. That period and that event have brought hope and faith to all mankind. They have made the world a better place in which to live, and they give hope for the future.

The Senate is privileged to have as its Chaplain the honored and revered Frederick Brown Harris, who daily leads us in devotions. Oftentimes, however, because some of us are not present at the opening of the Senate sessions, we fail to receive the full benefit of his outstanding prayers for divine mercy and guidance.

At this Easter season, I think it appropriate that we look back on some of the prayers delivered by our Chaplain during past Easter seasons. I have selected extracts from some of his prayers as a prayer at the closing of this session:

Our Father, God, in this holy week of the Passion, by a crude cross lifted up on the earth, that blossomed into victory, help us to realize anew, from that invincible symbol, that Thy purposes are beyond defeat. In the light of that cross, may we see that Thy purposes of redemption are as wide as mankind.

* * * * *

Make us persons of brotherly love in an unbrotherly world. To others' faults, make us forgiving, as we would be forgiven. As our lives touch the lives of others, teach us to be gentle in our thoughts, just in our dealing, and generous in our judgments.

May the beauty of the Master of these days of the Passion be seen in us, casting out all envy and uncleanness. Lead our minds in the quest of truth—even the truth of eternal life in the midst of our fleeting days.

* * * * *

May these days of the week of weeks, which for Him, in the anguish of loneliness, was reddened with blood, bring us face to face with the truth He dared to follow, the words He dared to utter, the hypocrisy He dared to flay, and the steadfast purpose from which He would not shrink, even when the road He took grew bleak and black before Him.

For these days of the Passion, hear this, our prayer—"O God, to us may grace be given to follow in His train." Amen.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, March 30, 1961, he presented to the President of the United States the enrolled bill (S. 153) to further amend the Reorganization Act of 1949, as amended, so that such act will apply to reorganization plans transmitted to the Congress at any time before June 1, 1963.

ADJOURNMENT TO MONDAY

Mr. CARLSON. Mr. President, if there is nothing further to come before the Senate at this time, I move that the Senate adjourn, in accordance with the order previously entered.

The motion was agreed to; and (at 3 o'clock and 2 minutes p.m.) the Senate adjourned, under the previous order, until Monday, April 3, 1961, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate March 30, 1961:

U.S. MARSHALS

Anton T. Skoro, of Idaho, to be U.S. marshal for the District of Idaho for a term of 4 years, vice Saul H. Clark.

Jack D. Obbink, of Nebraska, to be U.S. marshal for the District of Nebraska for the term of 4 years, vice William Raab.

FOREIGN CLAIMS SETTLEMENT COMMISSION

LaVerne R. Dilweg, of Wisconsin, to be a member of the Foreign Claims Settlement Commission of the United States.

IN THE ARMY

The following-named officers for temporary appointment in the Army of the United States to the grades indicated under the provisions of title 10, United States Code, sections 3442 and 3447:

To be major generals

Brig. Gen. Harrison Alan Gerhardt, O18697, Army of the United States (colonel, U.S. Army).

Brig. Gen. Clinton Stone Lyter, O18291, Medical Corps, U.S. Army.

Brig. Gen. Charles Wythe Gleaves Rich, O19910, Army of the United States (colonel, U.S. Army).

Brig. Gen. Reuben Henry Tucker, 3d, O19894, Army of the United States (colonel, U.S. Army).

Brig. Gen. John Tabb Snodgrass, O29670, Army of the United States (colonel, U.S. Army).

Brig. Gen. George Wilson Power, O18691, Army of the United States (colonel, U.S. Army).

Brig. Gen. James Dyce Alger, O19848, Army of the United States (colonel, U.S. Army).

Brig. Gen. Charles John Timmes, O29777, Army of the United States (colonel, U.S. Army).

To be brigadier generals

Col. William Nels Redling, O31516, Army of the United States (lieutenant colonel, U.S. Army).

Col. John Martin Cone, O20658, Army of the United States (lieutenant colonel, U.S. Army).

Col. John Gordon O'Brien, O42171, Judge Advocate General's Corps, U.S. Army.

Col. Douglass Phillip Quandt, O20605, Army of the United States (lieutenant colonel, U.S. Army).

Col. Chester Lee Johnson, O20681, Army of the United States (lieutenant colonel, U.S. Army).

Col. Douglas Blair Kendrick, Jr., O20511, Medical Corps, U.S. Army.

Col. Kenneth Francis Dawalt, O20226, Army of the United States (lieutenant colonel, U.S. Army).

Col. Edward Leon Rowny, O23744, Army of the United States (major, U.S. Army).

Col. Robert Henry Schellman, O22002, Army of the United States (lieutenant colonel, U.S. Army).

Col. Roy Lassetter, Jr., O51714, U.S. Army.

Col. Frederic William Boye, Jr., O21891, Army of the United States (lieutenant colonel, U.S. Army).

Col. Donald Clinton Clayman, O20866, Army of the United States (lieutenant colonel, U.S. Army).

CONFIRMATIONS

Executive nominations confirmed by the Senate March 30, 1961:

NATIONAL LIBRARY OF MEDICINE

To be members of the Board of Regents of the National Library of Medicine, Public Health Service, for terms expiring August 3, 1964 (appointed during the last recess of the Senate):

Dr. Hugh Hudson Hussey, Jr., of the District of Columbia.

Dr. Robert Morgan Stecher, of Ohio.

Dr. William Lowell Valk, of Kansas.

HOUSE OF REPRESENTATIVES

THURSDAY, MARCH 30, 1961

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

I Timothy 1: 15: *This is a faithful saying and worthy of all acceptation, that Christ Jesus came into the world to save sinners.*

Almighty God, whose amazing love we cannot fathom in this Holy Week, with its days of solemn and sacred memory, may we be filled with a humble spirit and a contrite heart as we meditate upon the sufferings and sacrifice of our Lord and Saviour.

Grant that on Easter Sunday we may share His glorious resurrection by rising with Him into newness of life and rededicating ourselves to the task of building that blessed highway where men and nations shall walk and work together in His spirit.

Inspire us with the joyous conviction that we are living and laboring for that which our Master proclaimed to be our noblest quest when we seek first the kingdom of God and His righteousness and which can only be established through the power of sacrificial love.

May Thy name be glorified. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 118. An act for the relief of Helen Irma Imhoof;

S. 126. An act for the relief of Edward W. Scott III;

S. 132. An act for the relief of Man-Yeh Chow;

S. 138. An act for the relief of Mico Delic;

S. 139. An act for the relief of Krste Angeloff;

S. 164. An act for the relief of Cherie Helen Bratton;

S. 177. An act for the relief of Hadji Benlevi;

S. 178. An act for the relief of Michael J. Collins;

S. 217. An act for the relief of Alessandro Gellhorn;

S. 225. An act for the relief of Dr. Chien Chen Chi;

S. 262. An act for the relief of Constantinos Georgiou Stavropoulos;

S. 274. An act for the relief of Hajime Asato;

S. 277. An act for the relief of Erica Barth;

S. 285. An act for the relief of Alpo Fransilla Crane;

S. 292. An act for the relief of Mah Jew Ngee (also known as Peter Jew Mah);

S. 298. An act for the relief of Earl H. Pendell;

S. 313. An act for the relief of Ante Tonic (Tunic), his wife, Elizabeth Tunic, and their two minor children, Ante Tunic, Jr., and Joseph Tunic;

S. 330. An act for the relief of Harry N. Kouniakis;

S. 417. An act for the relief of Haruo T. Hendricks;

S. 423. An act for the relief of Fotios Gianoutsos (Frank Giannos);

S. 438. An act for the relief of Mrs. Maria Giovanna Hopkins;

S. 444. An act for the relief of Ok Hi Shin and Tae Soo Chung;

S. 532. An act for the relief of Stanley Bulski (Zdzislaw Rekosz);

S. 533. An act for the relief of Irena Maria Koller;

S. 545. An act for the relief of Mrs. Elizabeth Clifford;

S. 546. An act for the relief of In Fil Chung, In Ae Chung, In Sook Chung and In Ja Chung;

S. 555. An act for the relief of Nicolaos A. Papadimitriou;

S. 593. An act for the relief of Hans Christian Gunnar Mikkelsen;

S. 644. An act to amend the Foreign Service Act of 1946, as amended, concerning reemployment of officers or employees;

S. 663. An act for the relief of Andreas Rakintozis (also known as Andreas Rakintzis or Rakajes);

S. 696. An act for the relief of Angel Ardaiz Martinez;

S. 697. An act for the relief of Maria Luisa Martinez;

S. 713. An act for the relief of Anastasia Stassinopoulos;

S. 894. An act for the relief of Captain Ernest Mountain;

S. 939. An act for the relief of Zlata Dumlijan and Djuro (George) Kasner; and

S. 1097. An act for the relief of A. E. Waterstradt.

INACTIVATION OF MILITARY BASES AND INSTALLATIONS

Mr. PELLY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. PELLY. Mr. Speaker, the President of the United States has directed that the Defense Department dispose of or inactivate certain bases and installations which are surplus to the present and future needs of the military. Mr. Speaker, I know it takes political courage to eliminate these installations that are often unnecessary and I commend the President for taking this action. I do not know, of course, the merit of each one that is listed, but I do say that this is a step in the right direction and I am very glad to support the President in this regard.

OPPOSITION TO FEDERAL AID TO EDUCATION

Mr. YOUNGER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. YOUNGER. Mr. Speaker, Mr. E. Maxwell Benton, a California Tax Schools consultant, has issued the following statement in opposition to Federal aid to education:

U.S. SCHOOL CONTROL BID OPPOSED

"The current Federal aid to education bill proposed by the President is designed to soak the so-called 'rich' States, such as California, and force them to help foot the school bill in other States," E. Maxwell Benton, Cal-Tax Schools consultant, told the recent annual meeting of the Santa Barbara County Taxpayers' Association.

The administration plan envisages programs of allowances to all States on the basis of average daily attendance. Since California has a larger public school enrollment than any other State, it would stand to receive many millions of dollars in Federal support under this program.

However, California taxpayers should not be fooled by this obvious attempt to garner support for a measure calculated to cost them far more than would be returned in Federal allotments. The basic issue in this perennial Federal school aid battle is whether the National Government should introduce a program of general Federal subsidies for elementary and secondary schools. California Taxpayers' Association continues its strong opposition to any such legislation.

Benton said that under the President's plan, no State would get less than $15 per pupil. Some States would get considerably more under the "equalization" formula. The $2.3 billion proposed in the plan would be allotted over a 3-year period and could be used for teacher salaries or school construction as determined by the States.

In the first year, it is estimated that the average per pupil allowance to all States would amount to $19.75. The U.S. Office of Education reports that California would get something less than $17 per pupil while the allowance to some States may reach a high of about $30 per pupil.

California Taxpayers' Association strongly opposes any such legislation because:

1. California pays more into the Federal Treasury than is returned to California in Federal aid. Estimated tax payments from California to support this legislation would far exceed the amount which we would receive in allocations under terms of the bill. The plain fact of the matter is that Californians would be helping other States support their public school systems. We have yet to see any demonstration that other States, making the same effort as does California, are unable to support their schools adequately. We do our job at the State and local level and oppose subsidizing other States' educational programs.

2. The Federal Government has been operating in the red for many years and is in no position to assume an unnecessary added burden for the support of public schools. Expanded Federal support would increase the probability of continued and increased Federal deficit financing. It would tend to postpone indefinitely reductions in Federal taxes. Higher Federal taxes would leave less money for the support of State and local governments.

3. Federal aid leads to Federal control of education and the loss of local autonomy. "He who pays the piper calls the tune." When a superior government allocates funds to a local unit, it not only has the right but the responsibility to see that the funds are expended according to regulations laid down in the legislation. Even though the proposed legislation for general aid may provide no specific controls, controls are inevitable and follow the increasing Federal share of the cost of education. Special education programs, currently supported by Federal grants, almost without exception contain very definite controls.

The proposed education subsidy in the administration bill is a relatively small amount of the total annual expenditures for public education. But, it is a "foot" in the door and will be followed by pressures for added billions in years to come. Here is where the real danger lies. Those who decide spending policies ought to be faced with the responsibility for raising the taxes. Massive Federal aid to education strikes a real blow against responsible and independent local government.

We urge that you will write your Senators and Congressmen and tell them that California neither needs nor wants this educational subsidy. See the Tax Digest, first quarter 1961, for their names and addresses. This issue will reach you soon.

THE BUDGET AND INFLATION

Mr. CURTIS of Missouri. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CURTIS of Missouri. Mr. Speaker, I take this time just before the Easter recess to call attention to the budget that the President has submitted. The Joint Economic Committee had the Director of the Bureau of the Budget before it on Monday but, significantly enough, he appeared before the second, and major, part of the budget was presented, which was on Tuesday.

In light of the deficits predicted I, for the life of me, cannot see how we are going to avoid the pressures of inflation. I am happy to say one thing, though; the Council of Economic Advisers to the President will appear before the Joint Economic Committee on Monday right after the recess, and at that time one series of questions I intend to direct will deal with inflation. I fear that we have it before us. We must remember that as we vote these expenditures, as we did yesterday, we have to pay for them in some way.

RETIREMENT OF WILLIAM L. FENSTERMACHER, OFFICIAL REPORTER OF DEBATES

Mr. AVERY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. AVERY. Mr. Speaker, in 1930 Herbert Hoover was President of the United States and the Honorable Nicholas Longworth, of Ohio, was Speaker of this House. On March 1, 1930, Speaker Longworth appointed William Fenstermacher Official Reporter of Debates in the House of Representatives. Tomorrow, on March 31, 1961, after 31 years of faithful service and devotion to this body William Fenstermacher will retire and no longer serve as Official Reporter.

It may come as a surprise and perhaps be of interest to some Members to learn that Lew Deschler, our highly respected Parliamentarian was appointed to his

position just 2 years previous to that, in 1928, also by Speaker Longworth.

During these 31 years of service, Bill Fenstermacher has served under Speaker John Nance Garner, of Texas; Speaker Henry T. Rainey, of Illinois; Speaker Joseph W. Byrns, of Tennessee; Speaker William B. Bankhead, of Alabama; of course Speaker Joe Martin, of Massachusetts, as well as our present beloved Speaker, Sam Rayburn, of Texas.

Mr. Speaker, Bill Fenstermacher has recorded famous debates by such persons as John Rankin, "Ham" Fish, Fiorello La Guardia, Dewey Short, former Vice President Nixon, the present Vice President Lyndon Johnson and, of course, the President of the United States, John F. Kennedy.

I am taking the floor this afternoon to pay tribute to a long and faithful servant of this House. Bill Fenstermacher was born in Chapman, Kans., in 1883. He graduated from the Dickinson County High School in Chapman and then taught school for 1 year. For approximately 25 years following his experience as a schoolteacher, he was an official reporter for several railroads and as a general reporter in private practice previous to his appointment by Speaker Longworth in 1930.

It has long been a source of amazement to me that despite his 77 years of age he can stand here in the well of this House and without ever looking around to see who is speaking recognize the voice of the speaker, if that particular Member has been here for at least 1 year. I believe he is entitled to a fine tribute as one who has served so long.

So, William Fenstermacher, I speak for all Members of the House now serving and many Members who are no longer with us, to wish you a very happy retirement and we only admonish you to return and visit us as often as you can.

Mr. Speaker, if there is some curiosity as to why I should be making this presentation today, I should like to be permitted to say that Chapman, Kans., is only 18 miles from my hometown of Wakefield.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. AVERY. I would be honored to yield to the distinguished majority leader.

Mr. McCORMACK. It is a pleasure to me to join with my friend and I know I speak the sentiments of my colleagues in wishing Mr. Fenstermacher in the years that lie ahead of him every happiness and success. We of the House are very proud of those who are part of the organization of the House. We deeply respect them. They enjoy our confidence. This particularly applies to our official reporters, whose arduous duties are well known by all of the Members of the House. Each and every one of our official reporters are men who are dedicated to the service of the House and dedicated to the service of each Member of the House. They love their duty, and they perform it in a manner that reflects credit upon the House of Representatives and also upon themselves. Our distinguished friend who is about to retire has faithfully lived up to the high ideals of our official reporters of the past years in a manner which, as I said, reflects credit upon the House and themselves. Again, I extend to Mr. Fenstermacher my every good wish, and with my expression I know go the sentiments of every Member of the House and without regard to party.

Mr. AVERY. I would certainly wish to thank the gentleman from Massachusetts, our distinguished majority leader, because I know in the years to come Bill Fenstermacher will look back with a great amount of pride at the tribute paid him by our leader.

Mr. McCULLOCH. Mr. Speaker, will the gentleman yield?

Mr. AVERY. I yield to the gentleman from Ohio.

Mr. McCULLOCH. Mr. Speaker, I should like to say that I never heard a Member say that he was misquoted. I join in this tribute to Mr. Fenstermacher.

Mr. AVERY. Mr. Speaker, I ask unanimous consent that all Members may be permitted to extend their remarks following this tribute, and I further ask unanimous consent that the Speaker may be permitted to extend his remarks and include a letter of his own composition.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. RAYBURN. Mr. Speaker, I wish to join with others in their complimentary remarks about Mr. Fenstermacher. Mr. Fenstermacher submitted his resignation to me which I accepted, and I wrote him the following letter:

THE SPEAKER'S ROOMS,
U.S. HOUSE OF REPRESENTATIVES,
Washington, D.C., March 27, 1961.

Mr. W. L. FENSTERMACHER,
Official Reporters of Debate,
House of Representatives,
Washington, D.C.

DEAR FENSTERMACHER: I have your letter of resignation as Head Official Reporter for the House of Representatives, and I regret that circumstances force you to retire.

I want you to know, however, that it has been a pleasure to work with you because throughout the years you have been fine and kind and have been one of the most efficient men in your work that I have ever been associated with.

It is my sincere hope that you will have the many happy days of retirement you so richly deserve.

With all good wishes to you, I am,
Sincerely yours,

SAM RAYBURN.

Mr. MARTIN of Massachusetts. Mr. Speaker, I am sorry to learn of the coming retirement of our senior Official Reporter of Debates, William L. Fenstermacher. There has never been a more faithful or more devoted servant of the House. He has been an accurate and a conscientious reporter, whose fine work has stemmed from a deep affection and respect for the work of the Congress. In my terms as Speaker there was no one more dedicated than William L. Fenstermacher. He has earned respite and rest from the exacting duties the pressure of reporting imposes upon our reporters. His youthful vigor belies his years. He is still young in spirit and I am sure all of our colleagues join with me in wishing him good health and happiness in his well earned retirement. We who have served with him so long will miss a good friend and a splendid public servant.

COMMITTEE ON THE JUDICIARY

Mr. McCULLOCH. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary may have until midnight tonight to file a report.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

PROVIDENCE COLLEGE, N.I.T. CHAMPS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the gentleman from Rhode Island [Mr. FOGARTY] may extend his remarks at this point in the RECORD on the great victory of last Saturday by the Providence College basketball team when they won the National Invitational Tournament championship.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. FOGARTY. Mr. Speaker, it was a thrilling moment last Saturday when Providence College, down by seven points with 10 minutes to go, swept to a 62 to 59 victory in the National Invitational Basketball Tournament. On the way to their victory they had defeated De Paul, Niagara, Holy Cross—in overtime—and the St. Louis Billikens in the final. Vincent Ernst was, very appropriately, I thought, named the most valuable player in the tourney. He and John Egan constitute one of the greatest backcourt combinations in basketball. This is a fit reward for this gallent team, and their fine coach, Joe Mullaney, who were edged out by Bradley in the finals of the tournament last year.

Providence College, whose faculty is largely composed of professors who are members of the Order of Friars Preacher, popularly known as the Dominican Order, insists upon high academic standards for their students and athletes. Thus it combines the two qualities—a sound body in a sound mind—which are so necessary for all Americans. Providence College deserves our heartiest congratulations for its fine demonstration of skill and heart last Saturday.

In a recent report on youth fitness, Dr. A. L. Capman, Chief of the Division of Special Health Services of the Public Health Service, put this challenge to all of us:

Youth fitness—

He said—

must involve fitness of the spirit, mind, and body—total fitness * * *. Each can be identified separately and described, yet they are really inseparable.

I know that fitness of spirit, mind, and body is a goal at Providence College for all of its students. It is, therefore, especially pleasing to me to know that they were so appropriately represented by their basketball team in a nationwide television broadcast which all the Nation watched.

AMERICA'S POSITION WITH RESPECT TO COMMUNIST CHINA

The SPEAKER. Under previous order of the House, the gentleman from Wisconsin [Mr. ZABLOCKI] is recognized for 60 minutes.

Mr. ZABLOCKI. Mr. Speaker, I am taking the floor at this time to discuss our country's position with respect to Communist China, particularly as it affects the admission of Red China to the United Nations and the recognition of that regime by the United States. I think it is imperative, as we discuss this issue, that we remember the Soviet Union still has an effective voice in the policies of Red China, that there is no breach between these two countries, and that both countries are determined to communize the world.

On this very subject, and on at least 2 occasions in recent years, and on 16 occasions since 1948, the House of Representatives has formally expressed its views. The Congress has overwhelmingly opposed the admission of the Communist regime on the mainland of China to the United Nations and its specialized agencies.

In 1956, a resolution opposing the admission of Red China to the United Nations was approved by a vote of 391 to 0 in the House and by a vote of 86 to 0 in the Senate.

In 1959, House Concurrent Resolution 369, a measure which I sponsored, and similar to the 1956 resolution, was approved in the House by an overwhelming vote of 368 to 2.

More recently, and in a somewhat less formal manner, 338 Members of the Congress, 55 Senators and 283 Members of the House of Representatives, signed a declaration circulated by the Committee of One Million which reads as follows:

> We continue to oppose the seating of Communist China in the United Nations, thus upholding international morality and keeping faith with the thousands of American youths who gave their lives fighting Communist aggression in Korea. To seat a Communist China which defies, by word and deed, the principles of the U.N. Charter would be to betray the letter, violate the spirit, and subvert the purposes of that charter.
>
> We further continue to oppose U.S. diplomatic recognition or any other steps which would build the power and prestige of the Chinese Communist Regime to the detriment of our friends and allies in Asia and of our national security. Any such action would break faith with our dead and the unfortunate Americans still wrongfully imprisoned by Communist China and would dishearten our friends and allies in Asia whose continued will to resist Communist China's pressures and blandishments is so vital to our own security interests in that part of the world.

Mr. Speaker, I ask unanimous consent to include in the RECORD at this point the names of the 338 Members of Congress who signed the above declaration.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

(The list of Members referred to follows:)

Representative WATKINS M. ABBITT, Democrat, Virginia.

Representative THOMAS G. ABERNETHY, Democrat, Mississippi.

Representative E. ROSS ADAIR, Republican, Indiana.

Representative JOSEPH P. ADDABBO, Democrat, New York.

Representative HUGH J. ADDONIZIO, Democrat, New Jersey.

Representative CARL ALBERT, Democrat, Oklahoma.

Representative HUGH Q. ALEXANDER, Democrat, North Carolina.

Representative DALE ALFORD, Democrat, Arkansas.

Representative BRUCE ALGER, Republican, Texas.

Senator GORDON ALLOTT, Republican, Colorado.

Representative H. CARL ANDERSEN, Republican, Minnesota.

Senator CLINTON P. ANDERSON, Democrat, New Mexico.

Representative JOHN B. ANDERSON, Republican, Illinois.

Representative VICTOR L. ANFUSO, Democrat, New York.

Representative LESLIE C. ARENDS, Republican, Illinois.

Representative JOHN M. ASHBROOK, Republican, Ohio.

Representative ROBERT T. ASHMORE, Democrat, South Carolina.

Representative JAMES C. AUCHINCLOSS, Republican, New Jersey.

Representative WILLIAM H. AVERY, Republican, Kansas.

Representative CLEVELAND M. BAILEY, Democrat, West Virginia.

Representative HOWARD H. BAKER, Republican, Tennessee.

Representative JOHN F. BALDWIN, JR., Republican, California.

Representative WALTER S. BARING, Democrat, Nevada.

Representative WILLIAM A. BARRETT, Democrat, Pennsylvania.

Representative ROBERT R. BARRY, Republican, New York.

Representative WILLIAM H. BATES, Republican, Massachusetts.

Representative JAMES F. BATTIN, Republican, Montana.

Senator J. GLENN BEALL, Republican, Maryland.

Representative FRANK J. BECKER, Republican, New York.

Representative RALPH P. BEERMANN, Republican, Nebraska.

Representative PAGE BELCHER, Republican, Oklahoma.

Representative ALPHONZO E. BELL, JR., Republican, California.

Representative CHARLES E. BENNETT, Democrat, Florida.

Senator WALLACE F. BENNETT, Republican, Utah.

Representative E. Y. BERRY, Republican, South Dakota.

Representative JACKSON E. BETTS, Republican, Ohio.

Senator ALAN BIBLE, Democrat, Nevada.

Representative IRIS FAIRCLOTH BLITCH, Democrat, Georgia.

Senator J. CALEB BOGGS, Republican, Delaware.

Representative HALE BOGGS, Democrat, Louisiana.

Representative FRANCES P. BOLTON, Republican, Ohio.

Representative FRANK T. BOW, Republican, Ohio.

Representative FRANK W. BOYKIN, Democrat, Alabama.

Representative WILLIAM G. BRAY, Republican, Indiana.

Representative J. FLOYD BREEDING, Democrat, Kansas.

Senator STYLES BRIDGES, Republican, New Hampshire.

Representative JAMES E. BROMWELL, Republican, Iowa.

Representative OVERTON BROOKS, Democrat, Louisiana.

Representative WILLIAM S. BROOMFIELD, Republican, Michigan.

Representative JOEL T. BROYHILL, Republican, Virginia.

Representative DONALD C. BRUCE, Republican, Indiana.

Representative CHARLES A. BUCKLEY, Democrat, New York.

Representative JAMES A. BURKE, Democrat, Massachusetts.

Senator PRESCOTT BUSH, Republican, Connecticut.

Senator JOHN MARSHALL BUTLER, Republican, Maryland.

Senator ROBERT C. BYRD, Democrat, West Virginia.

Representative JAMES A. BYRNE, Democrat, Pennsylvania.

Representative WILLIAM T. CAHILL, Republican, New Jersey.

Senator HOMER E. CAPEHART, Republican, Indiana.

Representative HUGH L. CAREY, Democrat, New York.

Senator FRANK CARLSON, Republican, Kansas.

Senator JOHN A. CARROLL, Democrat, Colorado.

Senator CLIFFORD P. CASE, Republican, New Jersey.

Senator FRANCIS CASE, Republican, South Dakota.

Representative BOB CASEY, Democrat, Texas.

Representative ELFORD A. CEDERBERG, Republican, Michigan.

Representative CHARLES E. CHAMBERLAIN, Republican, Michigan.

Representative George O. Chambers, Republican, Indiana.

Representative FRANK CHELF, Democrat, Kentucky.

Representative J. EDGAR CHENOWETH, Republican, Colorado.

Representative ROBERT B. CHIPERFIELD, Republican, Illinois.

Representative MARGUERITE STITT CHURCH, Republican, Illinois.

Representative FRANK M. CLARK, Democrat, Pennsylvania.

Representative MERWIN COAD, Democrat, Iowa.

Representative HAROLD R. COLLIER, Republican, Illinois.

Representative WILLIAM M. COLMER, Democrat, Mississippi.

Representative SILVIO O. CONTE, Republican, Massachusetts.

Representative ROBERT J. CORBETT, Republican, Pennsylvania.

Senator NORRIS COTTON, Republican, New Hampshire.

Republican WILLIAM C. CRAMER, Republican, Florida.

Representative GLENN CUNNINGHAM, Republican, Nebraska.

Representative WILLARD S. CURTIN, Republican, Pennsylvania.

Senator CARL T. CURTIS, Republican, Nebraska.

Representative THOMAS B. CURTIS, Republican, Missouri.

Representative PAUL B. DAGUE, Republican, Pennsylvania.

Representative DOMINICK V. DANIELS, Democrat, New Jersey.

Representative CLIFFORD DAVIS, Democrat, Tennessee.

Representative JAMES J. DELANEY, Democrat, New York.

Representative JOHN H. DENT, Democrat, Pennsylvania.

Representative STEVEN B. DEROUNIAN, Republican, New York.

Representative EDWARD J. DERWINSKI, Republican, Illinois.

Representative SAMUEL L. DEVINE, Republican, Ohio.

Representative CHARLES C. DIGGS, JR., Democrat, Michigan.

Representative JOHN D. DINGELL, Democrat, Michigan.
Senator EVERETT MCKINLEY DIRKSEN, Republican, Illinois.
Senator THOMAS J. DODD, Democrat, Connecticut.
Representative ROBERT DOLE, Republican, Kansas.
Representative PETER H. DOMINICK, Republican, Colorado.
Representative HAROLD D. DONOHUE, Democrat, Massachusetts.
Representative W. J. BRYAN DORN, Democrat, South Carolina.
Senator PAUL H. DOUGLAS, Democrat, Illinois.
Representative JOHN DOWDY, Democrat, Texas.
Representative THOMAS N. DOWNING, Democrat, Virginia.
Representative CLYDE DOYLE, Democrat, California.
Representative EDWIN R. DURNO, Republican, Oregon.
Representative FLORENCE P. DWYER, Republican, New Jersey.
Senator JAMES O. EASTLAND, Democrat, Mississippi.
Senator ALLEN J. ELLENDER, Democrat, Louisiana.
Representative CARL ELLIOTT, Democrat, Alabama.
Senator SAM J. ERVIN, JR., Democrat, North Carolina.
Representative ROBERT A. EVERETT, Democrat, Tennessee.
Representative JOE L. EVINS, Democrat, Tennessee.
Representative DANTE B. FASCELL, Democrat, Florida.
Representative MICHAEL A. FEIGHAN, Democrat, Ohio.
Representative IVOR D. FENTON, Republican, Pennsylvania.
Representative PAUL FINDLEY, Republican, Illinois.
Representative PAUL A. FINO, Republican, New York.
Representative O. C. FISHER, Democrat, Texas.
Representative DANIEL J. FLOOD, Democrat, Pennsylvania.
Senator HIRAM L. FONG, Republican, Hawaii.
Representative GERALD R. FORD, JR., Republican, Michigan.
Representative E. L. FORRESTER, Democrat, of Georgia.
Representative L. H. FOUNTAIN, Democrat, North Carolina.
Representative JAMES B. FRAZIER, JR., Democrat, Tennessee.
Representative PETER FRELINGHUYSEN, JR., Republican, New Jersey.
Representative SAMUEL N. FRIEDEL, Democrat, Maryland.
Representative JAMES G. FULTON, Republican, Pennsylvania.
Representative PETER A. GARLAND, Republican, Maine.
Representative J. VAUGHAN GARY, Democrat, Virginia.
Representative E. C. GATHINGS, Democrat, Arkansas.
Representative LEON H. GAVIN, Republican, Pennsylvania.
Representative MILTON W. GLENN, Republican, New Jersey.
Senator BARRY GOLDWATER, Republican, Arizona.
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Representative GEORGE A. GOODLING, Republican, Pennsylvania.
Representative KATHRYN E. GRANAHAN, Democrat, Pennsylvania.
Representative KENNETH J. GRAY, Democrat, Illinois.
Representative WILLIAM J. GREEN, JR., Democrat, Pennsylvania.
Representative ROBERT P. GRIFFIN, Republican, Michigan.

Representative MARTHA W. GRIFFITHS, Democrat, Michigan.
Representative H. R. GROSS, Republican, Iowa.
Representative CHARLES S. GUBSER, Republican, California.
Representative HARLAN HAGEN, Democrat, California.
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Representative DURWARD G. HALL, Republican, Missouri.
Representative SEYMOUR HALPERN, Republican, New York.
Representative RALPH R. HARDING, Democrat, Idaho.
Representative PORTER HARDY, JR., Democrat, Virginia.
Representative OREN HARRIS, Democrat, Arkansas.
Representative BURR P. HARRISON, Democrat, Virginia.
Representative WILLIAM HENRY HARRISON, Republican, Wyoming.
Representative WILLIAM H. HARSHA, JR., Republican, Ohio.
Representative JAMES HARVEY, Republican, Michigan.
Representative RALPH HARVEY, Republican, Indiana.
Representative WAYNE L. HAYS, Democrat, Ohio.
Representative JAMES C. HEALEY, Democrat, New York.
Representative F. EDWARD HÉBERT, Democrat, Louisiana.
Representative KEN HECHLER, Democrat, West Virginia.
Representative A. S. HERLONG, JR., Democrat, Florida.
Senator BOURKE B. HICKENLOOPER, Republican, Iowa.
Representative EDGAR W. HIESTAND, Republican, California.
Representative CHARLES B. HOEVEN, Republican, Iowa.
Representative ELMER J. HOFFMAN, Republican, Illinois.
Representative ELMER J. HOLLAND, Democrat, Pennsylvania.
Senator SPESSARD L. HOLLAND, Democrat, Florida.
Representative WALT HORAN, Republican, Washington.
Representative CRAIG HOSMER, Republican, California.
Senator ROMAN L. HRUSKA, Republican, Nebraska.
Representative GEORGE HUDDLESTON, JR., Democrat, Alabama.
Representative W. R. HULL, JR., Democrat Missouri.
Senator HUBERT H. HUMPHREY, Democrat, Minnesota.
Representative JOHN JARMAN, Democrat, Oklahoma.
Senator JACOB K. JAVITS, Republican, New York.
Representative W. PAT JENNINGS, Democrat, Virginia.
Representative BEN F. JENSEN, Republican, Iowa.
Representative AUGUST E. JOHANSEN, Republican, Michigan.
Representative CHARLES RAPER JONAS, Republican, North Carolina.
Representative PAUL C. JONES, Democrat, Missouri.
Representative WALTER H. JUDD, Republican, Minnesota.
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Representative HASTINGS KEITH, Republican, Massachusetts.
Representative EDNA F. KELLY, Democrat, New York.
Representative EUGENE J. KEOGH, Democrat, New York.
Representative CLARENCE E. KILBURN, Republican, New York.

Representative CARLETON J. KING, Republican, New York.
Representative DAVID S. KING, Democrat, Utah.
Representative A. PAUL KITCHIN, Democrat, North Carolina.
Representative HORACE R. KORNEGAY, Democrat, North Carolina.
Senator THOMAS H. KUCHEL, Republican, California.
Representative MELVIN R. LAIRD, Republican, Wisconsin.
Representative PHIL M. LANDRUM, Democrat, Georgia.
Representative THOMAS J. LANE, Democrat, Massachusetts.
Representative ODIN LANGEN, Republican, Minnesota.
Senator FRANK J. LAUSCHE, Democrat, Ohio.
Representative ALTON LENNON, Democrat, North Carolina.
Representative JOHN LESINSKI, Democrat, Michigan.
Representative J. CARLTON LOSER, Democrat, Tennessee.
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Representative WILLIAM M. MCCULLOCH, Republican, Ohio.
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Representative HARRIS B. MCDOWELL, JR., Democrat, Delaware.
Representative CLIFFORD G. MCINTIRE, Republican, Maine.
Representative JOHN L. MCMILLAN, Democrat, South Carolina.
Representative HAROLD B. MCSWEEN, Democrat, Louisiana.
Representative WALTER L. MCVEY, Republican, Kansas.
Representative TORBERT H. MACDONALD, Democrat, Massachusetts.
Representative CLARK MACGREGOR, Republican, Minnesota.
Representative THADDEUS M. MACHROWICZ, Democrat, Michigan.
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Representative RAY J. MADDEN, Democrat, Indiana.
Representative GEORGE H. MAHON, Democrat, Texas.
Representative WILLIAM S. MAILLIARD, Republican, California.
Senator MIKE MANSFIELD, Democrat, Montana.
Representative FRED MARSHALL, Democrat, Minnesota.
Representative JOSEPH W. MARTIN, Jr., Republican, Massachusetts.
Representative NOAH M. MASON, Republican, Illinois.
Representative D. R. MATTHEWS, Democrat, Florida.
Representative CATHERINE MAY, Republican, Washington.
Representative CHESTER E. MERROW, Republican, New Hampshire.
Representative ROBERT H. MICHEL, Republican, Illinois.
Representative GEORGE P. MILLER, Democrat, California.
Senator JACK R. MILLER, Republican, Iowa.
Representative WILLIAM E. MILLER, Republican, New York.
Representative WALTER H. MOELLER, Democrat, Ohio.
Representative JOHN S. MONAGAN, Democrat, Connecticut.
Senator A. S. MIKE MONRONEY, Democrat, Oklahoma.
Representative JOSEPH M. MONTOYA, Democrat, New Mexico.
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Representative JAMES H. MORRISON, Democrat, Louisiana.

Senator THRUSTON B. MORTON, Republican, Kentucky.
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Representative ABRAHAM J. MULTER, Democrat, New York.
Representative WALTER M. MUMMA, Republican, Pennsylvania.
Senator KARL E. MUNDT, Republican, South Dakota.
Representative WILLIAM T. MURPHY, Democrat, Illinois.
Representative TOM MURRAY, Democrat, Tennessee.
Representative ANCHER NELSEN, Republican, Minnesota.
Representative ROBERT N. C. NIX, Democrat, Pennsylvania.
Representative WALTER NORBLAD, Republican, Oregon.
Representative W. F. Norrell, Democrat, Arkansas.
Representative HJALMAR C. NYGAARD, Republican, North Dakota.
Representative LEO W. O'BRIEN, Democrat, New York.
Representative THOMAS J. O'BRIEN, Democrat, Illinois.
Representative ALVIN E. O'KONSKI, Republican, Wisconsin.
Representative ARNOLD OLSEN, Democrat, Montana.
Representative THOMAS P. O'NEILL, JR., Democrat, Massachusetts.
Representative FRANK C. OSMERS, JR., Republican, New Jersey.
Representative HAROLD C. OSTERTAG, Republican, New York.
Senator JOHN O. PASTORE, Democrat, Rhode Island.
Representative THOMAS M. PELLY, Republican, Washington.
Representative M. BLAINE PETERSON, Democrat, Utah.
Representative GRACIE PFOST, Democrat, Idaho.
Representative PHILIP J. PHILBIN, Democrat, Massachusetts.
Representative ALEXANDER PIRNIE, Republican, New York.
Representative W. R. POAGE, Democrat, Texas.
Representative RICHARD H. POFF, Republican, Virginia.
Representative MELVIN PRICE, Democrat, Illinois.
Senator WINSTON L. PROUTY, Republican, Vermont.
Senator WILLIAM PROXMIRE, Democrat, Wisconsin.
Representative ROMAN C. PUCINSKI, Democrat, Illinois.
Representative ALBERT H. QUIE, Republican, Minnesota.
Representative LOUIS C. RABAUT, Democrat, Michigan.
Senator JENNINGS RANDOLPH, Democrat, West Virginia.
Representative JOHN H. RAY, Republican, New York.
Representative BEN REIFEL, Republican, South Dakota.
Representative JOHN J. RHODES, Republican, Arizona.
Representative R. WALTER RIEHLMAN, Republican, New York.
Representative JOHN J. RILEY, Democrat, South Carolina.
Senator A. WILLIS ROBERTSON, Democrat, Virginia.
Representative HOWARD W. ROBISON, Republican, New York.
Representative PETER W. RODINO, JR., Democrat, New Jersey.
Representative BYRON G. ROGERS, Democrat, Colorado.
Representative PAUL G. ROGERS, Democrat, Florida.
Representative JOHN J. ROONEY, Democrat, New York.
Representative DAN ROSTENKOWSKI, Democrat, Illinois.
Representative RICHARD L. ROUDEBUSH, Republican, Indiana.
Representative JOHN H. ROUSSELOT, Republican, California.
Representative KATHARINE ST. GEORGE, Republican, New York.
Representative FERNAND J. ST. GERMAIN, Democrat, Rhode Island.
Senator LEVERETT SALTONSTALL, Republican, Massachusetts.
Representative JOHN P. SAYLOR, Republican, Pennsylvania.
Representative HENRY C. SCHADEBERG, Republican, Wisconsin.
Representative PAUL F. SCHENCK, Republican, Ohio.
Representative GORDON H. SCHERER, Republican, Ohio.
Representative HERMAN T. SCHNEEBELI, Republican, Pennsylvania.
Senator ANDREW F. SCHOEPPEL, Republican, Kansas.
Senator HUGH SCOTT, Republican, Pennsylvania.
Representative RALPH J. SCOTT, Democrat, North Carolina.
Representative WILLIAM W. SCRANTON, Republican, Pennsylvania.
Representative HORACE SEELY-BROWN, JR., Republican, Connecticut.
Representative JOHN F. SHELLEY, Democrat, California.
Representative GEORGE E. SHIPLEY, Democrat, Illinois.
Representative DON L. SHORT, Republican, North Dakota.
Representative ABNER W. SIBAL, Republican, Connecticut.
Representative ROBERT L. F. SIKES, Democrat, Florida.
Senator GEORGE A. SMATHERS, Democrat, Florida.
Senator BENJAMIN A. SMITH II, Democrat, Massachusetts.
Representative H. ALLEN SMITH, Republican, California.
Representative FRANK E. SMITH, Democrat, Mississippi.
Representative HOWARD W. SMITH, Democrat, Virginia.
Senator MARGARET CHASE SMITH, Republican, Maine.
Representative WILLIAM L. SPRINGER, Republican, Illinois.
Representative ROBERT T. STAFFORD, Republican, Vermont.
Representative SAMUEL S. STRATTON, Democrat, New York.
Senator STUART SYMINGTON, Democrat, Misssouri.
Representative JOHN TABER, Republican, New York.
Representative CHARLES M. TEAGUE, Republican, California.
Representative VERNON W. THOMSON, Republican, Wisconsin.
Senator STROM THURMOND, Democrat, South Carolina.
Representative HERMAN TOLL, Democrat, Pennsylvania.
Representative THOR C. TOLLEFSON, Republican, Washington.
Representative JAMES W. TRIMBLE, Democrat, Arkansas.
Representative WILLIAM M. TUCK, Democrat, Virginia.
Representative JAMES B. UTT, Republican, California.
Representative WILLIAM K. VAN PELT, Republican, Wisconsin.
Representative GEORGE M. WALLHAUSER, Republican, New Jersey.
Representative FRANCIS E. WALTER, Democrat, Pennsylvania.
Representative PHIL WEAVER, Republican, Nebraska.
Representative JESSICA McC. WEIS, Republican, New York.
Representative JACK WESTLAND, Republican, Washington.
Representative J. IRVING WHALLEY, Republican, Pennsylvania.
Representative J. ERNEST WHARTON, Republican, New York.
Representative BASIL L. WHITENER, Democrat, North Carolina.
Representative WILLIAM B. WIDNALL, Republican, New Jersey.
Senator ALEXANDER WILEY, Republican, Wisconsin.
Representative JOHN BELL WILLIAMS, Democrat, Mississippi.
Representative EDWIN E. WILLIS, Democrat, Louisiana.
Representative BOB WILSON, Republican, California.
Representative EARL WILSON, Republican, Indiana.
Representative ARTHUR WINSTEAD, Democrat, Mississippi.
Representative JIM WRIGHT, Democrat, Texas.
Senator RALPH YARBOROUGH, Democrat, Texas.
Senator MILTON R. YOUNG, Republican, North Dakota.
Representative J. ARTHUR YOUNGER, Republican, California.
Representative CLEMENT J. ZABLOCKI, Democrat, Wisconsin.

Mr. TOLL. Mr. Speaker, will the gentleman yield for a question?

Mr. ZABLOCKI. I am delighted to yield.

Mr. TOLL. Can the gentleman inform me whether the position taken would preclude any opportunity of discussing, say, a possible disarmament project with a nation which is not a member of the United Nations?

Mr. ZABLOCKI. We are at the present time holding negotiations with Communist China in Warsaw, and in the past we have had negotiations with Communist China in Geneva. Yes, we can negotiate with them even though we do not recognize them and even though they are not admitted to membership in the United Nations.

Mr. TOLL. And the gentleman believes, then, there is no reason why we cannot include them in the discussion or that Soviet Russia can control Communist China on the disarmament issue?

Mr. ZABLOCKI. Yes. I thank the gentleman.

Mr. JUDD. Mr. Speaker, will the gentleman yield?

Mr. ZABLOCKI. I am delighted to yield.

Mr. JUDD. The contention is frequently brought up that we must have Communist China in the United Nations in order to get an agreement on disarmament, and an agreement cannot be effective unless Communist China participates in the agreement. But we should not cross that bridge until we get to it. Until there is some evidence of reasonable prospects for agreement with the Soviet Union, which is the main Communist power with atomic weapons, there is no use bringing into the club the subordinate, which Red China definitely is. If and when the day comes, and I hope and pray it does, that the Soviet Union will agree to realistic and effective disarmament proposals, at that time there will be some point in approaching Communist China for its participation. After all, we cannot negotiate atomic disarmament with 99 countries. We have got to negotiate with the three other nations

which now have such weapons. Whenever we get agreement, if we can, is the time to consider extending those negotiations to get others to agree to it.

Mr. ZABLOCKI. I agree wholeheartedly with my colleague and want to express by sincere appreciation for his contribution.

To continue my statement:

The position of the overwhelming majority of Members of Congress who have expressed themselves on the issue of the admission of Red China to the United Nations is based on reality. It is based on solid facts of history.

It may be useful to recall and review some of these facts.

They show, by every standard of national and international conduct, the Communist regime on the mainland of China is an outlaw and an aggressor.

That regime has perpetrated mass murder upon its own people. It has thrown foreign citizens into prison without cause and without trial, submitting many of them to inhuman tortures and death. It has confiscated without compensation the property of foreign nationals running into millions upon millions of dollars.

In one decade, it has provoked at least six civil or foreign wars—in Korea, in Tibet, in Indochina, in the Philippines, Malaya and Laos. It has fought and defied the United Nations. It has been branded an aggressor by the United Nations. And to this very day, it continues to defy the United Nations aims to reunify Korea, and it continues to violate the international armistice agreements involving Korea and Indochina.

These are hard facts which should shatter the futile hopes or wishful thinking of those who maintain that Red China should be admitted to the United Nations. And these facts spell one thing: Red China does not meet the principles and the specific requirements of the United Nations Charter for admission to membership in the United Nations organization.

The U.N. Charter is very clear on the question of membership. Article 4 of the charter states that membership in the United Nations is open "to all other peace-loving states which accept the obligations contained in the present charter and, in the judgment of the organization, are able and willing to carry out these obligations."

There is nothing in the conduct of the Communist regime on the China mainland to suggest, even remotely, that it is peace-loving.

There is not one shred of evidence in the pronouncements of Red China leaders, or in their actions, that they are willing to carry out the obligations placed upon all member states by the U.N. Charter.

But there is ample evidence, as I have already shown, to the contrary.

Further, Mr. Speaker, there is another—and vitally important—issue involved in this entire question of the admission of Red China to the United Nations.

Under the charter, China is one of the five permanent members of the Security Council, and possesses the veto power. The question of who will sit in the Security Council, and exercise that veto power, is the one that we have to face in any discussion of the issue at hand.

There is ample evidence that Red China will not be satisfied with simple admission to the United Nations. The Communist regime expects and will demand the unseating of the Republic of China. It will demand a seat on the Security Council, and it will demand veto power.

We must keep these consequences in mind.

Mr. PUCINSKI. Mr. Speaker, will the gentleman yield?

Mr. ZABLOCKI. I yield to the gentleman from Illinois.

Mr. PUCINSKI. The gentleman from Wisconsin is to be commended for preparing such an excellent indictment and bill of particulars as to why Red China should not be admitted to the United Nations at this time. As a distinguished member of the Committee on Foreign Affairs the gentleman certainly has provided a great deal of stimulus in calling the attention of the free world as to why Red China should not be admitted. I think the gentleman's remarks are particularly timely at this time in view of the fact that throughout the world today, even among some of our most noble allies, an effort is being made to soften the attitude of the free world so that Red China may be considered for admission to the United Nations. Until they have shown some signs of conducting themselves as a civilized nation they should be denied this admission. I was wondering whether the gentleman in his remarks intends to include figures as to how many Americans are still being detained and imprisoned illegally by Red China?

Mr. ZABLOCKI. According to the latest figures I have there are approximately 450 Americans that have not been accounted for by Red China.

I want to thank the gentleman for his kind remarks and contribution.

Mr. JUDD. Mr. Speaker, will the gentleman yield?

Mr. ZABLOCKI. I yield to the gentleman from Minnesota.

Mr. JUDD. These are 450 persons who we know at one time were in their hands?

Mr. ZABLOCKI. That is correct.

Mr. JUDD. We know because some of them sent post cards in their own handwriting home to their folks. Some of them were allowed by the Chinese to broadcast over their radio from Peiping and their relatives heard their voices. So, we know they had them. Maybe they are all dead now. But why do the Reds not at least account for them? This is not the behavior of a government that qualifies for admisison to the United Nations, with any reason to believe it will behave itself in the way that civilized nations must behave in carrying on relations with other nations.

Mr. ZABLOCKI. First of all, let me say I have little hope that of the 450 any of them are still alive. I am sure one reason that the Communist Chinese are not accounting for them is because they could not truthfully tell us how they died. They are ashamed of the fact that they have mistreated our American soldiers.

Furthermore, we have known from the past, and it is history, that whenever it was to the Communist Chinese advantage they would let out one or two or let it be known where one or two were in the hope that we would soften up further if some of our friends and allies began to worry about what our future policy will be. And if they are showing a little bit of softness, I truthfully cannot blame them; if they see that some of our leaders who are beginning to speak of coexistence are willing to accept the theory that admission of Red China would somehow solve the Communist problem of the world. How can you expect these people that are at the very border of the Soviet regime to resist. If they see that we are a paper tiger, then how can we expect them to stand up against communism and to fight communism as we hope they will so that communism could be contained? We must tell our friends and allies that we are behind them and we will demonstrate by force, if necessary, that we will not permit communism to spread, to permit communism to enforce its way of thinking on nations just because they are small nations that are helpless.

Mr. PUCINSKI. Mr. Speaker, if the gentleman will yield further, I am in complete agreement with the gentleman and I wish to associate myself with his philosophy. The point I was trying to make, I am very much disturbed when I see, for example, indications coming from one of our greatest allies, England, that there is a strong movement of serious consideration of admitting Red China to the United Nations. Then, in our own hemisphere, when we see indications from a nation like Brazil that Brazil would join in the consideration of permitting Red China to enter the United Nations. These are not people on the border of the Soviet Union. These are among our stanchest allies, and it disturbs me that apparently there is a softening attitude.

Mr. Speaker, I congratulate the gentleman again for taking this time today, for sounding the alarm that this sort of reasoning is irrational. We cannot do business with the Communists. We have had a whole series of broken promises, we know that today. Most of Europe is in Communist bondage by reason of this softening attitude. And, it disturbs me very much to hear responsible leaders saying that perhaps the time has come to give serious consideration, when the Red Chinese have not indicated one iota of evidence that they are worthy of serious consideration for admission to the United Nations.

Mr. ZABLOCKI. I hope that we can learn a lesson from history. The gentleman mentioned Great Britain, which is not on the border of the Soviets, and was willing to recognize Communist Red China. But, what advantages has Great Britain obtained from the recognition? We should learn a lesson from the treatment that has been accorded to the representatives of Great Britain by Red China. Further, Great Britain is in a very precarious position in Hong Kong, and if Red China should want Hong

Kong, they could take that area at the snap of a finger.

I again repeat, we must learn from history. We can only hope to cope with communism if we first remain strong, help our friends and allies become strong, and then deal with this menace from a position of strength.

Mr. DERWINSKI. Mr. Speaker, will the gentleman yield?

Mr. ZABLOCKI. I yield to the gentleman from Illinois.

Mr. DERWINSKI. I think the gentleman's discussion of this subject is timely, for this reason, that in addition to the allied nations who have indicated a softer attitude toward Red China and the Communists in general, we have influential citizens in the United States voicing the opinion that recognition of Red China is inevitable, contrary to the view of some Members of Congress against the admission of Red China. I certainly wish to commend the gentleman for bringing this matter to our attention again.

I would suggest that should he feel it necessary to offer a resolution in the House, he would receive the overwhelming support of the Members of Congress.

Mr. Speaker, I commend the gentleman for the timely nature of the speech he is making.

Mr. ZABLOCKI. I thank the gentleman. I think I ought to make one thing clear, since repeatedly even I have stated that some of our leaders are beginning to say that we ought to seriously consider the admission of Red China to the United Nations, or that we should recognize Red China; I am very happy that the President is very resolute in his position and I think will not weaken in it. That is the purpose of my taking this time on the floor, so that our President will know that we are behind him, and that we are behind him even if he is moved by necessity to use force, that we are united solidly behind our President in dealing with communism from a position of strength.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. ZABLOCKI. I yield to the gentleman from Iowa.

Mr. GROSS. Mr. Speaker, I want to join in commending the gentleman for bringing this issue to the House floor. It is timely. Only a few days ago or comparatively a few days ago, there was a vote in a meeting of the World Health Organization in New Delhi, India. That vote was comparatively close. But the startling thing was that many nations abstained from voting on the issue, many more than would have given a majority necessary to admit Red China into the World Health Organization; in other words, getting a foot in the door.

It is timely again, because the British Prime Minister is on his way to this country, if he is not already here, as I understand. To me it was one of the most inexplicable things in connection with the Korean war that the British, who were supposed to be fighting in that war, never severed diplomatic relations with Red China. Now they want to admit this nation into the United Nations. While I have not too much use for the United Nations, I am certainly opposed to any such admission.

Mr. ZABLOCKI. Yes, they continued their relations with Red China.

Mr. GROSS. They continued to do business while they were supposed to have combat troops fighting in Korea, in the Korean war, shipping strategic materials into China during that war.

Mr. ZABLOCKI. I agree with the gentleman, and I cannot fathom the thinking of the British on that score. I want to assure the gentleman that my taking this time today is not entirely accidental.

Mr. BRUCE. Mr. Speaker, will the gentleman yield?

Mr. ZABLOCKI. I yield to the gentleman.

Mr. BRUCE. Mr. Speaker, I, too, would like to commend the gentleman for taking the position he has and bringing to the forefront the majority opinion of the American people in opposition to any compromise or any deal with the gangster element that is in control of the Chinese Communist people. I think it is particularly vital at this time when there appear to be many moves to bring about what cannot be done through the front door, through a back-door approach; little deals here and there even with the Chinese Communists through certain accommodations, and so forth. I think it is imperative that the United States and the non-Communist world recognize that these are not just opportunists in China, that Mao Tse-tung and Chou En-lai are hard-line, dyed-in-the-wool, well-trained, dedicated Communist leaders; that Mao Tse-tung is the author of the Soviet Strategic Handbook of two steps forward and one step backward, the compromise and the dialectic in action.

It is imperative that we recognize, as the gentleman has so well recognized, that it is part of the softening up process, that with the admission of Red China into the United Nations obviously it would close off the island of Taiwan. As a symbol of resistance, a psychological symbol, if nothing more, in this one island they have produced to where the leader of the Chinese Nationalists was able to offer as a master stroke surplus food from the island of Formosa to the Red dictator of China for the starving people of China. Certainly it is wise not to look at the surface manipulations and the deals here and there by those who practically within our system have adopted the theory that it is better to crawl on your belly to Moscow than to stand up. This is a time when principle again has to be reestablished. Certainly we have learned by the mistakes in our dealings with the other half of the Moscow-Peiping axis the fallacy of trying to appease, to compromise. We dare not confuse our policy regardless of what some of the so-called enlightened neutrals may tell us or the pressure they put on. The course of liberty in the generations to come rests on our realizing the dialectical realism, the cold scientific formula being used by this Moscow-Peiping axis to soften us up, to get us to agree with what on the surface seems logical in terms of their dialectic as part of the overall conflict in the world. Their goal is clear, the conquest of the world. As I have stated in the well of the House, they will use every dodge and trick, including failure to tell the truth. As long as communism exists we cannot live in peace. In the end the funeral dirge will be sung for one or the other. It is for us to dodge and maneuver.

I congratulate the gentleman for taking this occasion to draw this into the limelight, that there are forces moving throughout the world seeking to get an accommodation with evil and totalitarianism, that will only end in a greater victory for those who would destroy us.

Mr. ZABLOCKI. I thank the gentleman for his observation.

To return to my statement:

There remains a second, and separate issue of the recognition of the Communist regime on the mainland of China by our Government.

I believe that the facts which I have cited earlier about Red China's conduct and attitudes apply with equal vigor to the issue of recognition.

There is nothing that our country can gain by establishing diplomatic relations with Red China. Certainly the experience of those countries which recognized the Communist regime should prove that. Our recognition, per se, will not change Red China's behavior or objectives. It will provide no assurance that, after U.S. recognition, Red China will be willing to negotiate, to reach agreements, to honor agreements and international law.

Anyone who maintains that, by recognizing Red China we will cause her to respect the accepted rules of international conduct and to honor international commitments, is simply indulging in wishful thinking. There is absolutely nothing on record to support such assumptions.

I commend the gentleman for his very clear analysis. I am very happy that he brought out just what the political situation is and what violence there exists on the mainland of China.

There are some who criticize and say that we are unwilling to assist the poor starving Chinese. I am sure that we would be very happy to share our blessings, but when we see that the Communist regime in China is sending wheat out for military purposes, should we then support that regime by making up their shortages with our wheat? We would want to help the Chinese people, but we have no assurance that our aid would get to them. The critics say that our Government is waiting until the Chinese stretch out their hands. This is not true. We are ever willing to help the Chinese people, but we will never aid the Mao Tse-tung government.

Mr. DORN. Mr. Speaker, will the gentleman yield?

Mr. ZABLOCKI. I yield to the gentleman from South Carolina.

Mr. DORN. I wish to commend and compliment the gentleman and associate myself with the timely remarks he has made here today, and also to say that the surest way to lose this cold war is to recognize and put our stamp of approval on the gangster tactics of Red China.

Mr. HIESTAND. Mr. Speaker, will the gentleman yield?

Mr. ZABLOCKI. I yield to the gentleman from California.

Mr. HIESTAND. I congratulate the gentleman from Wisconsin for taking this time to place before the House all of the circumstances for and against this proposed recognition of Red China. I congratulate him further for securing the views of the gentleman from Minnesota [Mr. JUDD] whose very eloquent address is a classic.

I have a question for the gentleman from Wisconsin, a distinguished member of the Committee on Foreign Affairs. Is it not a fact that when we recognize another nation we are in effect only recognizing the government of that nation?

Mr. ZABLOCKI. That is true.

Mr. HIESTAND. Can we not therefore further make this clear, as the gentleman has so ably stated, by invariably referring to the Government of Red China rather than Red China? We are going to recognize China, the great nation, some day or other, although the gentleman and I may not live to see it. Certainly it should never be the present Government of Red China, that bunch of unscrupulous conspirators, that have so enslaved that great people.

Mr. ZABLOCKI. We should not extend recognition to the Communist regime on the China mainland because by doing so we would be tacitly agreeing with their abuse of the Chinese nation. Very often it is stated, What will happen in the United Nations if the United States finds itself in the minority? We will not be able to prevent the admission of Red China to the U.N. In reply, I say what is wrong about being in the minority if we are correct and morally right in our position?

I would like to read a passage on this subject from the report of the 14th session of the General Assembly of the United Nations, at which I was privileged to be a delegate. This is House Report No. 1385, 86th Congress, 2d session. The two Congressmen who served as members of the United States delegation had this to say:

> We are also concerned about what seems to be a suicidal tendency in some quarters of the United Nations to be more concerned with war prevention at any price than with the demands of justice and with the principles of the charter. Our own Government has not been above resorting to expediency with respect to some other issues considered by the United Nations. We are deeply concerned lest, in the resort to expediency, a race may be set off in the United Nations to settle issues on the basis of strength and of a number of votes, not on the basis of right or wrong. We must determine to face issues squarely. We must also actively discourage the apparent willingness of some nations to allow a wrong to be swept under the rug. Unless we do this, the latter attitude can spread with disastrous consequences for the future of the United Nations. On our part, we believe that, under certain circumstances, the U.S. representation in the United Nations must have the courage to fail for principle—or else we may ultimately fail because of lack of principles.

I hope that even if we should be in a minority, that the United States will still vote against the admission of Red China to the United Nations. And I hope that we will have the courage to vote, instead of merely abstaining from voting.

Mr. HIESTAND. Mr. Speaker, will the gentleman again yield?

Mr. ZABLOCKI. I yield to the gentleman from California.

Mr. HIESTAND. I thank the gentleman for his very complete answer to my question. May I again reemphasize the issue. The gentleman has talked about these great issues and his position is a correct one. This issue is not the recognition of the Chinese people, and the issue is not talking about recognizing the people of China, but the issue is the question of the recognition of the Communist government. If we, in our communications and in our attitude keep that issue clear, I think we can be much more effective.

Mr. JUDD. Mr. Speaker, will the gentleman yield?

Mr. ZABLOCKI. I yield to the gentleman from Minnesota.

Mr. JUDD. Let me give some precedents on just this point. The Soviet Union seized Lithuania, Latvia, and Estonia in 1940. We have never recognized that conquest. The free Government of Latvia has a legation with a chargé d'affaires right here in Washington today, 20 years later. I try to go to its reception each year on the national holiday of Latvia to celebrate their equivalent of our Fourth of July. The fact that their country, no matter how tiny, has been crushed and absorbed by a giant does not make it right or permanent. They are a distinct people with an ancient heritage and honorable history of self-government. Our official recognition goes to their independent government.

Another illustration. During the last war Hitler overran Norway and set up what claimed to be the Norwegian Government under a Norwegian named Quisling. The rightful Government of Norway was driven out. It did not hold one island or one foot of Norwegian soil. It was in exile in Great Britain. But we never extended diplomatic recognition to the Quisling government. It was there, it was in power. Some might have claimed it was there to stay; so we should face reality and recognize it as the Government of Norway. But, very properly, we did not do that. We continued our recognition of the legitimate Government of Norway in exile until the Norwegians could regain their freedom. That is the course we should follow with the Red Chinese regime—until it is weakened and overthrown, or becomes a law-abiding, peace-loving government and ceases its operations against and within other nations, not only those on its borders but in Africa and Latin America as well. Such a change of behavior, of course, would by definition mean it would have to abandon communism, for communism requires it to engage in international lawlessness, deception, subversion, and violence. Communists will not abandon communism until they are compelled, by clear demonstration of strength in the free world, to recognize that they cannot succeed. The great need now is for steadfast firmness and strength in support of freedom and justice. This is the way to real peace.

The SPEAKER. The time of the gentleman from Wisconsin has expired.

GENERAL LEAVE TO EXTEND

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to extend their remarks at this point in the RECORD.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

BURNS CREEK PROJECT

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Idaho [Mr. HARDING] is recognized for 10 minutes.

Mr. HARDING. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Idaho?

There was no objection.

Mr. HARDING. Mr. Speaker, I understand that on April 17 and 18 the Irrigation and Reclamation Subcommittee of the House Committee on Interior and Insular Affairs will hold hearings on the Burns Creek project in eastern Idaho. The gentlewoman from Idaho, my colleague, Mrs. PFOST, and I have introduced bills authorizing the construction of this vital upstream reclamation project.

The Burns Creek project is an investment in the future of America. It is a project that has had the support of the Eisenhower administration and now the Kennedy administration. It has been backed by Idaho's entire congressional delegations during the past 5 years—Democrats and Republicans alike.

Authorization of the Burns Creek project has been urged by the following joint memorial which passed the Idaho State House of Representatives and Senate without a dissenting vote. Leaders of both political parties in Idaho see the great need for the Burns Creek project.

HOUSE JOINT MEMORIAL 2

To the Honorable Senate and House of Representatives of the United States in Congress Assembled:

We, your memorialists, the Legislature of the State of Idaho, respectfully represent that:

Whereas the multiple-purpose use of the water resources of the Snake River has become the backbone of the economy of Idaho during the past more than 50 years, the Palisades Reservoir and powerplant, which is located on the upper Snake River near the eastern boundary of Idaho, being the most recent addition to this multiple-purpose use; and

Whereas, at the time of and ever since the planning of the Palisades project it was and has generally been recognized by the Federal Power Commission and other Government departments, as well as by many persons and groups interested in the development of the resources of this State, that the maximum benefits to the Nation and to the State of Idaho in terms of power production and water storage for irrigation purposes will be attainable from the Palisades project only through the construction of a reregulating dam downstream to link irrigation storage releases with the power

plant of the Palisades project, and the Burns Creek project was designed for integration operationally and financially with the Palisades project in order to attain the maximum of complementary benefits from both projects; and

Whereas, there is urgent need in the State of Idaho for greater power production and increased reservoir capacity for the storage of water for irrigation puposes; and

Whereas, the Burns Creek project was determined to be feasible by the Secretary of the Interior in his report, dated February 26, 1957, and both the Department of the Interior and the Bureau of the Budget reported favorably on legislation to authorize this project by letters directed to the chairman of the Senate Committee on Interior and Insular Affairs of the 85th Congress, which committee reported favorably on the bill (S. 2757) in the 85th Congress which would have authorized the construction of the Burns Creek project, and recommended that it do pass: Now, therefore, be it

Resolved, by the 37th session of the Legislature of the State of Idaho, now in session (the senate and house of representatives concurring), That we most respectfully urge the Congress of the United States of America, to proceed with all due speed to enact legislation similar to Senate bill 2757 of the 85th Congress authorizing the construction, operation and maintenance of a reregulating reservoir and other works at the Burns Creek site in the upper Snake River Valley, Idaho, and to implement such authorization with necessary appropriations; and be it further

Resolved, That the secretary of state of the State of Idaho be, and he hereby is, authorized and directed to forward certified copies of this memorial to the President and Vice President of the United States, the Speaker of the House of Representatives of the Congress, and to the Senators and Representatives representing this State in the Congress of the United States.

Mr. Speaker, the Burns Creek project has the endorsement of farmers, labor unions, small businessmen, municipalities, rural electrification associations, chambers of commerce, and wildlife groups. Never in the history of the State of Idaho has a project had more unanimous endorsement and support than the Burns Creek project.

It is being opposed only by selfish special interests in Idaho along with other opposition they are now attempting to enlist throughout the United States.

The Burns Creek project is an excellent multipurpose project. The wide support it has is evidence of this. It would store 100,000 acres of vital irrigation water. In addition it would act as a reregulating reservoir allowing the Palisades power plants to be used at full capacity to meet peak loads. Furthermore, it would contain a power plant of its own with a capacity of 90,000 kilowatts. In addition the Burns Creek Dam would provide a beautiful mountain reservoir that would enhance the fishing and recreational activities of a fast-growing population.

The Burns Creek project would cost roughly $48 million. However, 99.9 percent of this money would be repaid to the Federal Government and 97 percent of the repayment would be with interest.

We are asking our fellow Americans to have the faith in our region and our region's economy necessary to build this much needed project which will enable us to fully utilize our natural resources.

At this point I would like to insert in the RECORD today an excellent editorial from the Idaho Falls Post-Register on the Burns Creek project.

[From the Post-Register, Mar. 19, 1961]

THE EDITOR'S NOTEBOOK—BURNS CREEK WEDDING

If the Burns Creek Dam were approved in the original Palisades Dam package as originally intended, there would have been no need for this week's divisive hearings in Washington, D.C.

The private power utilities in Idaho and Utah raised no objection to Palisades Dam. They are vigorously opposing the downstream appendage to Palisades Dam and they have drawn several key Congressmen along with them.

What opponents of Burns Creek Dam have failed to realize is that Burns Creek Dam is really part and parcel of Palisades Dam. The original draft for Palisades Dam included the reregulating dam downstream at Burns Creek. But it was taken out of the first proposal because it was felt by water leaders in Idaho anxious to obtain additional irrigation storage that it would be too large a project for Congress to digest in one swallowing. It is nevertheless a natural adjunct to Palisades Dam, and has always been considered so by water leaders.

The fact that Burns Creek Dam almost allows a doubling of power when operated in conjunction with Palisades Dam for nearly half the cost of Palisades is not the only cogent reason for approving the Burns Creek site. There is a little matter of 100,000 acre-feet of supplemental irrigation storage that can be of inestimable value in a dry year—the "make or break" margin possibly.

The most important phrase to come out of the hearings this week on behalf of Burns Creek was this one "• • • the full potential use of the Snake River in that stretch of the river." This means power, irrigation, recreation, and wildlife development. And we should not forget that power is to be utilized for irrigation pumping as well as servicing Idaho Falls and REA's which have been traditional public power users.

Yes, Burns Creek Dam is primarily a power installation and, yes, it is more expensive than Palisades Dam, but what succeeding project on the Snake isn't? We have used up our first choice sites. But is the Snake River and its economy to be denied the full potential of the Snake? The ratio of benefit to cost, considered with Palisades, is still 1.65 to 1 and that's the way it should be considered.

Representative JOHN P. SAYLOR of Pennsylvania said Thursday that he "had heard there may be a couple of sites for development on the stream with twice as much water" as he tried some almost ludicrous heavyfooting on the Burns Creek project. If there is, it goes without saying that the Bureau of Reclamation that has investigated the upper Snake River from stem to stern, would like to know about them. Congressman SAYLOR must have been thinking of something downstream on the Snake. What he and a lot of other nonreclamation State congressmen have never given any thought is that water should be saved in the upstream reaches for full benefit.

Despite the hearsay approach of Congressman SAYLOR and the erroneous pamphleteering of the Utah Power & Light Co., Burns Creek may still survive. One of the forays by the power company—the charge that Palisades has bypassed water for irrigation to make power for preference customers—has been neatly nailed down as a bald misstatement by Watermaster Henry Eagle of Idaho Falls. The power company apparently forgot that the water users keep records on the river, too. And their records clearly show the need and the benefit to be derived from the Burns Creek Dam.

I sincerely hope that when this project comes before the Congress that you, my fellow Congressmen, will have the faith in Idaho to authorize us to build this much needed and much sought after reclamation project.

Mr. HOSMER. Mr. Speaker, will the gentleman yield?

Mr. HARDING. I yield.

Mr. HOSMER. I say it is a project that has been concocted to generate power. The irrigation features of it are so minor as to be almost not apparent to the naked eye. As a consequence, I asked the gentleman to yield that I might have on the record my thoughts and feelings in order that the Congress might know that the merits of the Burns Creek project are not undisputed.

Mr. HALEY. Mr. Speaker, will the gentleman yield?

Mr. HARDING. I would like to answer the gentleman from California first; then I will yield to the gentleman from Florida.

During a recent hearing before the Senate Committee on Irrigation and Reclamation Lynn Crandall who for 29 years was the watermaster of the Snake River in Idaho and knows more about the Snake River than any other person in Idaho, was asked if this was not a power project, and he stated that the project was for the irrigators of Idaho but that the REA's and municipalities merely jumped on the bandwagon. The fact that 97 percent of this project is allocated to power is good, because it enables us to repay this money to the Federal Government with interest.

It is also interesting to note that there are some 9 million acre-feet of water stored at the Hoover Dam that is being used for irrigation, for municipalities, and for industrial water users, yet not 1 cent of the cost of the Hoover Dam was charged back to irrigation; it was all charged to electric power.

Mr. Speaker, I now yield to the gentleman from Florida [Mr. HALEY].

Mr. HALEY. I just want to say to my distinguished friend that before he goes too far overboard on these things I think he ought to have probably some of the real history of this project. The gentleman has just said that the people who oppose this project were not enlightened. Maybe I am not enlightened and probably will not be insofar as this project is concerned, but I would like to call the gentleman's attention to the fact that power in the Burns Creek project is 98.7 percent. Admittedly it is purely and simply a power project, with only 1.3 percent for irrigation and reclamation.

The gentleman talks about the huge reservoir he might create there, but he could do that same thing by simply building a reregulating dam at a cost of about $5 million. The warning I want to give to my distinguished friend is this: In the 17 Western States where you have irrigation and reclamation you are in a very favored position. Now, do not misunderstand me. I think there have been tremendous improvements in that re-

spect but, on the other hand, I want the gentleman to recognize the fact that the Congress in its wisdom has put the 17 western reclamation States in a very favored position at great cost to the other taxpayers of the United States. There is going to come a time when if you abuse this privilege, which I think you are doing in this particular project, you are going to lose that preferential status that you in the Western States have enjoyed, all of the reclamation States that come under this preferential law. You had better look to what you are doing because if this Congress or the Members of the Congress who in fact vote time and time again to subsidize power in your Western States, help you build up your economic situation by the erection of irrigation and reclamation projects, if you abuse that, my young friend, there will come a time when the Congress will clamp down. After all, this takes money, and it comes from all of the taxpayers of the United States. Do not forget that you are receiving huge subsidies in every respect, and if you abuse that privilege you are going to lose your favored position, which I hope will not come about. But you will bring it on yourselves by presenting to the Congress projects that are not justified under the irrigation and reclamation laws of this Nation. I thank the gentleman for yielding.

Mr. HARDING. I am delighted to hear the remarks of the gentleman from Florida. May I say at this point that nowhere in my statement have I said that people who oppose this project are unenlightened. I have said before this is a good project. I only wish I had more time to discuss it here today. I see also my good friend from Pennsylvania in the Chamber, and I wish we had 10 hours instead of 10 minutes to discuss it. But in concluding the discussion of this vital multiple-purpose project, I can only say that I wish all projects were as good. Ninety-nine and nine-tenths percent of the cost of this project will be repaid to the Treasury, 97 percent of this with interest. Then after completely paying for itself it will return about 4 percent of its cost to the Treasury annually. This is what I call a good project.

The SPEAKER. The time of the gentleman from Idaho has expired.

BURNS CREEK PROJECT

Mr. SAYLOR. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes, to revise and extend my remarks, and that they appear following the remarks of the gentleman from Idaho [Mr. HARDING] in the body of the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. SAYLOR. Mr. Speaker, our colleague, the gentleman from Idaho [Mr. HARDING], inferred in his comments on the Burns Creek project that anyone who opposed the Burns Creek project is unenlightened and anyone who approved of the Burns Creek project is enlightened. I do not know where our colleague got his information that he gave here on the floor of the House, but he said that this was a self-liquidating project.

Now, I think my colleagues of the House should know that the Department of the Interior has been submitting reports on this project for quite a number of years, and every report that the Department has submitted has indicated that it is not only not a self-liquidating project but they further state that this project is so poor that the sale of the power at the prevailing rate in the area will not even pay the interest on the bonds which it will be necessary to float in order to secure money to build this project, let alone ever pay out the principal of it.

Now, those who live in that area of the country have decided they would like to have the Burns Creek project developed as a public power project under the guise of reclamation. As our colleague, the gentleman from Florida [Mr. HALEY], has just commented, approximately 98-and-a-fraction percent of this project is public power and three-tenths of 1 percent, according to the figures submitted by the Bureau of Reclamation, is for reclamation purposes, and a fraction of 1 percent is allocated to fish and wildlife.

Now, the only way that this project can ever be financed is to saddle a good reclamation project in the State of Idaho, namely, the Palisades project, with the full cost of this power site and this power dam that is proposed to be built. Now, long before our colleague came to the Congress from Idaho and under two prior administrations, Democrat and Republican, the Department of the Interior has been endeavoring to get this project through.

Mr. HALEY. Mr. Speaker, will the gentleman yield?

Mr. SAYLOR. I will be happy to yield to the gentleman from Florida.

Mr. HALEY. I just want to say to my distinguished friend from Pennsylvania that I think he is probably as well informed and probably as sympathetic as any man in the Congress when it comes to irrigation and reclamation projects. I sat on the committee with him for 8 years, and I know that he is and has been and probably will continue to be interested in real irrigation and reclamation projects. In defense of our young friend who has just left the floor, I think that probably he needs a little of the background that the gentleman from Pennsylvania and the gentleman from Florida and the gentleman from California have on this project.

The gentleman from Pennsylvania [Mr. SAYLOR] well knows that had the Burns Creek project been attached to the Palisades project at the time that project was presented to the Congress, it is doubtful that the Congress would have authorized that project.

Mr. SAYLOR. That is correct. Even the advocates of the Palisades project now admit that.

Mr. HALEY. Mr. Speaker, will the gentleman yield further?

Mr. SAYLOR. I am happy to.

Mr. HALEY. Of course, the gentleman knows that if this project were authorized and built, it would supply electric energy at probably the highest cost of any project ever attempted to be built by the Federal Government. What I was warning my young friend about just a short while ago was that he should not mislead, because if the Burns Creek project had to stand on its own, without the assistance of the Palisades project it never could have been built under any law.

Furthermore, what I was trying to warn the Members of Congress from these reclamation States about was this: If you abuse this power that exists in the reclamation laws, they are going to be faced with a situation where, in my opinion, one of these days Congress will rebel against that particular section of the Nation.

Mr. Speaker, I know that the gentleman from Pennsylvania [Mr. SAYLOR], for a long period of time has been favorably inclined toward real irrigation and reclamation projects and has helped to put many of them through the committee. I say to the gentleman, let us not penalize anyone here, because he knows, as practically every member of the committee does, that if we are to authorize this project, it would not be justified; the cost ratio is entirely out of line. And as the gentleman has well said, standing alone this project would not even pay the interest on the money and further, it would take away several millions of dollars, in order to keep it in operation, from the Palisades project, which money could be used in a few years to expand other projects in irrigation and reclamation.

I thank the gentleman for his courtesy in yielding to me.

Mr. SAYLOR. Mr. Speaker, I thank my colleague for his kind remarks and his contribution.

Mr. Speaker, we who come from nonreclamation States are delighted to assist those people who come from States that have projects which are genuine reclamation projects. I am proud of the record that I have made and that this Congress has made since I have been a Member of it, in approving good reclamation projects. We have approved projects in almost all of the 17 Western States. It was my good fortune to be a member of the House Committee on Interior and Insular Affairs when the original bill for the Palisades project was introduced by our colleague from Idaho, John Sanborn. That project was approved. It is a good project. It puts water on the land to produce crops for the benefit of all. It has some power connected with it, and the power is produced at a low rate and is being sold to the people in that area at a low rate. But it will pay out.

If those who support the Burns Creek project persist in trying to put over projects like this, if we approved it we would not be abiding by the reclamation law. Because under every standard that has been set up in the law from

1902, when the original Reclamation Act was passed, until the revision of 1939, this project cannot be built.

I shall have more to say on Burns Creek when the House reconvenes after Easter.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment a concurrent resolution of the House of the following title:

H. Con. Res. 211. Concurrent resolution that when the House adjourns on Thursday, March 30, 1961, it stand adjourned until 12 o'clock meridian on Monday, April 10, 1961.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 5188) entitled "An act making supplemental appropriations for the fiscal year ending June 30, 1961, and for other purposes."

The message also announced that the Senate agrees to the amendments of the House to the Senate amendments Nos. 27, 36, 38, and 50 to the above-entitled bill.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 1) entitled "An act to establish an effective program to alleviate conditions of substantial and persistent unemployment and underemployment in certain economically distressed areas," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. DOUGLAS, Mr. CLARK, Mr. PROXMIRE, Mr. WILLIAMS of New Jersey, Mr. MUSKIE, Mr. CAPEHART, Mr. BENNETT, and Mr. BUSH, to be the conferees on the part of the Senate.

LOAN GUARANTEE AUTHORITY OF THE INTERSTATE COMMERCE COMMISSION

Mr. HARRIS submitted the following conference report and statement on the bill (H.R. 1163) to amend section 510 of the Interstate Commerce Act so as to extend for 15 months the loan guarantee authority of the Interstate Commerce Commission.

CONFERENCE REPORT (H. REPT. No. 214)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 1163) to amend section 510 of the Interstate Commerce Act so as to extend for fifteen months the loan guaranty authority of the Interstate Commerce Commission, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the bill and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "That section 510 of the Interstate Commerce Act (49 U.S.C. 1240) is amended by striking out 'March 31, 1961' and inserting in lieu thereof 'June 30, 1963'."

Amend the title to read as follows: "An Act to amend section 510 of the Interstate Commerce Act so as to extend for twenty-seven months the loan guaranty authority of the Interstate Commerce Commission."

And the Senate agree to the same.

OREN HARRIS,
JOHN BELL WILLIAMS,
WILLIAM L. SPRINGER,
Managers on the Part of the House.

GEORGE A. SMATHERS,
FRANK J. LAUSCHE,
A. S. MIKE MONRONEY,
ANDREW F. SCHOEPPEL,
JOHN MARSHALL BUTLER,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 1163) to amend section 510 of the Interstate Commerce Act so as to extend for 15 months the loan guaranty authority of the Interstate Commerce Commission, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The bill as it passed the House proposed to amend title V of the Interstate Commerce Act, which contains the loan guaranty authority of the Interstate Commerce Commission with respect to common carriers by railroad, by extending such authority for 15 months, or until June 30, 1962.

The Senate struck out all of the bill after the enacting clause and inserted a substitute extending the loan guaranty authority for 36 months, or until March 31, 1964. The conference agreement provides for extending this authority for 27 months, or until June 30, 1963.

The Senate amendment also proposed other changes in title V of the Interstate Commerce Act. However, since the conference agreement does not include any of these proposed changes, it is unnecessary to discuss them.

The conference agreement also makes a necessary conforming change in the title of the bill.

OREN HARRIS,
JOHN BELL WILLIAMS,
WILLIAM L. SPRINGER,
Managers on the Part of the House.

Mr. HARRIS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the conference report on the bill (H.R. 1163) to amend section 510 of the Interstate Commerce Act so as to extend for 15 months the loan guarantee authority of the Interstate Commerce Commission.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. HARRIS. Mr. Speaker, I ask unanimous consent that the statement be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The Clerk read the statement.

Mr. HARRIS. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

FEDERAL AID TO CHURCH-RELATED SCHOOLS

The SPEAKER. Under previous order of the House, the gentleman from Illinois [Mr. PUCINSKI] is recognized for 15 minutes.

Mr. PUCINSKI. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. PUCINSKI. Mr. Speaker, perhaps one of the most widely discussed and debated subjects in America today is the question of Federal aid to education, and in particular Federal aid to church related schools.

The other day the Department of Health, Education, and Welfare prepared an analysis of the legal aspects of this question regarding Federal aid to church-related schools. The Department has also prepared an analysis of the constitutional authority of the Congress to enact legislation providing Federal funds to the public school system of America. I am including these reports in toto at the conclusion of my remarks, because I believe it is extremely important that the American people have an opportunity to study the vast complexities of this entire problem. I think the report prepared by the Department of Health, Education, and Welfare is an excellent analysis of existing law and Supreme Court decisions, and while I may not agree entirely with some of the conclusions drawn by the Department, I believe making this report available to all who want to participate in this discussion will certainly help clarify the issue. Secretary of Health, Education, and Welfare Abraham Ribicoff is to be commended for making such a thorough contribution toward a better understanding of this entire problem.

Mr. Speaker, as I read the Department's report, the Department maintains and supports the contention, by reason of Supreme Court decisions in the Everson, McCollum, and Zorach cases, that it would be unconstitutional for the Congress to enact legislation which would give across the board grants or loans to church-related elementary and secondary schools. This is the position of the President of the United States, Mr. Kennedy, and this report sustains the President's position. There may be, I believe, merit in this conclusion.

One of the arguments that has frequently been raised is that it is unconstitutional to ask a citizen of one religious belief to contribute tax funds to the Federal Treasury and then use these same funds to help another religious group perpetuate, preach, or teach its religious beliefs.

What do we mean by "across the board" loans or grants? Across the board loans or grants represent funds that the Federal Government would make available to a religious group for constructing or rehabilitating a school building, the facilities of which are used,

in part at least, for the teaching of a particular religion along with other academic subjects. It is on this very point that the question of constitutionality arises. Opponents of any across-the-board loans or grants to parochial schools argue that such loans or grants make possible the teaching of a specific religion and therefore violate the fundamental principle of separation between church and state.

The Department's analysis appears to sustain unequivocally this argument. I think there may be merit to the Department's position that if an across-the-board grant or loan is made to a church-related elementary or secondary school and any part of that money then is used for the teaching of religion, it may clearly be in conflict with the first amendment to the Constitution.

This report also concludes that it would be unconstitutional for the Federal Government to provide tuition payments to individual students which could in turn be used to support parochial schools.

The report states in part:

> Tuition payments for all church school pupils are invalid since they accomplish by indirection what grants do directly. The form of governmental assistance is not controlling. Since tuition payments, whether made to the school or to the parent or student, would constitute support of church schools, they are prohibited by the first amendment. State courts have followed the statements of the Everson case to invalidate tuition proposals, since such a practice compels taxpayers to contribute money for the propagation of religious opinions which they may not believe.

Perhaps, again, there may be merit in this position, but the one interesting aspect of this report which I think all Members of Congress will want to familiarize themselves with is that this report does sustain the position that Federal funds may be used in parochial schools for special purposes affecting the national interest.

In this area, of course, we have precedent now under the National Defense Education Act. We today make loans available to church-operated high schools for the specific purpose of installing science laboratories, language laboratories, and mathematics courses simply because there is a shortage of graduates in all three of these fields. Congress in its wisdom believed in 1958 when it enacted the National Defense Education Act that these private schools, even though they are church related, should be permitted to make their contribution toward filling the need of America in these three critical fields.

Therefore, in summarizing this entire document prepared by the Department it seems to me that we may draw this conclusion:

The Department feels that loans across the board, grants across the board, or tuition payments to individual students for support of parochial elementary and secondary schools would be clearly unconstitutional, and they cite the Everson, McCollum, and Zorach cases to sustain that position.

But this memorandum does open the door for a valid discussion as to whether or not Federal funds can be used in parochial schools for a special purpose totally unrelated to religious instruction. If Congress decides that there is an educational crisis in America and that local communities cannot meet this crisis and therefore the Federal Government must come with some form of assistance to help solve this problem through grants to public elementary and secondary schools, the Congress may then quite properly want to ask further whether or not this same crisis does not confront the Nation's elementary and secondary private schools, church related though they may be, and provide them with Federal assistance for special purposes affecting national interest.

There are 6 million youngsters in this country today attending church-related elementary and secondary schools. These youngsters go on to college; these youngsters make their contribution to science, the professions, to medicine and teaching, and various other fields of our social endeavor and national interest. And, therefore, in view of this report prepared by the Department of Health, Education, and Welfare in which they clearly state that Federal funds may be used in church-related schools where such funds are used for a specific purpose totally unrelated to religious teaching, Congress quite properly may want to give consideration to including in any Federal legislation some form of assistance to these private schools.

It would appear the key here is that such Federal assistance must not be used for any form of religious teaching per se but it can be used for specific facilities within a parochial school where these special facilities are not used for teaching religion but rather are used for teaching academic subjects which are important to the national purpose and to national survival.

I earnestly hope everyone interested in this very complicated subject will take the time to read this entire report so that this distinction can be brought into proper perspective.

I am also including in my remarks today a report on Federal programs under which institutions with religious affiliations today receive Federal funds through grants or loans.

In the current discussion regarding assistance to church-affiliated schools, a great deal is said about the doctrine of separation of church and state. I doubt very much if there is any Member in the Congress of the United States, including myself, who would ever want to enact legislation which would in any way disturb the traditional doctrine of separation of church and state in America. I hope the day will never come when this doctrine is violated. It is my firm belief the very fact that we have stubbornly defended this doctrine since the very inception of our country has distinguished us as free Americans from all other social orders. Certainly, while the Federal Government must never be hostile to religion, because we are a Nation under God with every American given the privilege to worship in the church of his choice, I am confident that all Americans want to preserve the wall of separation between church and state. But this does not mean that the Federal Government or the State government must be completely oblivious to the fact that religious institutions are very closely interwoven into the fabric of our Nation. It is for this purpose that I am introducing at the conclusion of my remarks this report prepared by the Department of Health, Education, and Welfare, which shows how the Federal Government and State governments today participate in church-affiliated activities, the line always being drawn at this critical point: Are these facilities and this assistance being used to help an individual or a project which does not benefit a particular religion or influence the teaching of any particular religion?

I should like to call attention to the vast amount of direct and indirect help the Federal Government renders church-related institutions of higher education of all denominations. This help has been held constitutional. Should this assistance ever be denied, it is safe to assume more than 1,300 church-related universities in America would have to close their doors for lack of funds.

In the report on Federal aid to parochial schools prepared by the Department, there is an interesting case which I should like to cite briefly:

> Payments to sectarian institutions have also been justified where the funds were used exclusively for public purposes and the institution merely operated as a conduit for those purposes. In Opinion of the Justices (99 N.H. 519, 113 A. 2d 114 (1955)), there was involved a proposed New Hampshire law which would have provided annual grants-in-aid to hospitals in the State offering nurses' training. This aid would have gone only to charitable hospitals, including sectarian ones which did not discriminate on the basis of the religion of either students or patients. Holding that the grant program would not violate either the first amendment or its New Hampshire equivalent, the court stated:
>
> "The purpose of the grant * * * is neither to aid any particular sect or denomination nor all denominations, but to further the teaching of the science of nursing * * *. The aid is available to all hospitals offering training in nursing without regard to the auspices under which they are conducted or to the religious beliefs of their managements, so long as the aid is used for nurses' training and for no other instruction or purpose * * *. If some denomination incidentally derives a benefit through the release of other funds for other uses, this result is immaterial * * *. A hospital operated under the auspices of a religious denomination which receives funds under the provisions of this bill acts merely as a conduit for the expenditure of public funds for training which serves exclusively the public purpose of public health and is completely devoid of sectarian doctrine and purposes.
>
> "The fundamental proposition that public moneys shall be used for a public purpose only has not prevented the use of private institutions as a conduit to accomplish the public objectives."

The report states further:

> Milk, school lunch, medical inspection and services, and such like do not raise substantial problems because they do not closely tie in with the religious function served. The Supreme Court has put transportation in the same category. True, all such programs make the sectarian school more attractive educationally than it would otherwise be.

But the Constitution does not require the State to handicap religious institutions or force parents to prejudice their children's health in exercising their constitutionally protected right to a sectarian education.

The same principle may, perhaps, be extended to textbooks for the use of individual students where the books in question are common to the secular and sectarian educational systems. It might also be extended to some equipment, or possibly to facilities, designed for special purposes totally unconnected with the religious function of the schools.

At another point, the report states:

At the present time, the National Defense Education Act permits the U.S. Commissioner of Education to make loans to private schools to acquire science, mathematics, or foreign language equipment. We believe such loans are constitutional because the connection between loans for such purposes and the religious functions of a sectarian school seems to be nonexistent or minimal. Furthermore, the money is loaned at one-fourth of 1 percent above the current average yield on all outstanding marketable obligations of the United States, thus avoiding characterization as more than a grant of credit.

I believe that within the framework of this concept and with the precedents before us, the Congress may decide whether or not, if we are going to deal with the problem of public education at the secondary and high school level, we can ignore the problem of private education, which in effect does serve as a conduit for general education. The fact that a youngster attending a church-related school must study religion, if he is of the school's particular faith, is incidental to the fact that that same youngster must also carry on a course of studies and a curriculum of instruction set by the State and meeting the tests of the State.

It would appear, Mr. Speaker, that if we accept the Department's view that overall or across the board, Federal help cannot be given church-related schools because in effect they are an extension of the church, then parents who pay tuition to such schools should be permitted to deduct this tuition from their income tax as they would any other contribution to a not-for-profit religious institution. This tax deduction would then be treated in the same manner as any other church contribution.

In conclusion, Mr. Speaker, I would like to add one final comment by calling attention to the third report which I am including at the end of my remarks. This is an excellent brief analysis of the constitutional authority of the Congress of the United States to deal with the entire subject of Federal aid to education. The precedents for such aid are many. I am hoping that with the aid of these three documents, the American people will have an opportunity to study all of the complexities of this problem. I hope this problem will be resolved without the emotionalism that we have seen heretofore in many areas. The Department itself points out there are no clear cut decisions. We are in a field that is extremely complicated. I think that reasonable men proceeding on a reasonable basis will, indeed, be able to find a solution to help meet the educational crisis in America at both the public school level and the private school level without in any way disturbing the fundamentals of our Constitution and the basic doctrine of separation between church and state.

Mr. Speaker, the three reports I mentioned earlier follow:

MEMORANDUM ON THE IMPACT OF THE FIRST AMENDMENT TO THE CONSTITUTION UPON FEDERAL AID TO EDUCATION

SUMMARY OF CONCLUSIONS WITH RESPECT TO ELEMENTARY AND SECONDARY SCHOOLS

This summary sets out briefly the conclusions reached in the attached memorandum with respect to the application of the first amendment to Federal aid to elementary and secondary schools with religious affiliations. The field of higher education, which presents different factual, historical, and constitutional considerations, is discussed in the body of the memorandum. The memorandum also discusses the problem of obtaining judicial review.

I

The Supreme Court has ruled that the first amendment to the Constitution forbids the use of public funds to "support religious institutions" or "finance religious groups." Legislation which renders support to church schools is unconstitutional in some circumstances. But laws designed to further the education and welfare of youth may not be unconstitutional if they afford only incidental benefits to church schools. For example, public funds may unquestionably be used to provide fire and police protection to church schools.

The line between direct support and incidental benefits is not always easy to determine. Decisions of the Supreme Court and relevant State cases cited and discussed in the accompanying memorandum make it clear that it is easier to determine what the first amendment forbids than what it allows.

II

A. Several unconstitutional proposals can be readily identified

1. Across-the-board grants to church schools may not be made. The Supreme Court has declared: "No tax in any amount, large or small, can be levied to support religious activities or institutions, whatever they may be called, or whatever form they may adopt to teach or practice religion" (*Everson* v. *Board of Education*, 330 U.S. 1). Plainly an across-the-board grant is the type of support which the Court has ruled is prohibited. Since no effort is made to earmark the funds for specific purposes, such a broad grant would inevitably facilitate the performance of the religious function of the school. This the first amendment forbids.

2. Across-the-board loans to church schools are equally invalid. A loan represents a grant of credit. When made at a rate of interest below what is normally available to the borrower, it also constitutes a grant of the interest payments which are saved. These benefits plainly have the purpose of providing financial advantage or convenience to the recipient. And like the broad grant, the across-the-board loan would inevitably facilitate religious instruction.

The Supreme Court has ruled that the first amendment forbids the lending of a public classroom for religious instruction during released time (*McCollum* v. *Board of Education*, 333 U.S. 203). The lending of public property and the lending of public credit are constitutionally equivalent forms of Government assistance. In *Zorach* v. *Clauson*, 342 U.S. 306, the Supreme Court stated, "Government may not finance religious groups."

3. Tuition payments for all church school pupils are invalid since they accomplish by indirection what grants do directly. The form of governmental assistance is not controlling. Since tuition payments, whether made to the school or to the parent or student, would constitute support of church schools, they are prohibited by the first amendment. State courts have followed the statements of the Everson case to invalidate tuition proposals, since such a practice "compels taxpayers to contribute money for the propagation of religious opinions which they may not believe" (*Almond* v. *Day*, 197 Va. 419, 89 S.E. 2d 851; *Swart* v. *South Burlington Town School Districts*, 167 A. 2d 514).

B. Areas of uncertain constitutionality

The permissible area of legislation which renders incidental benefits to church schools is not clear. The Everson case illustrates the closeness of the question. In upholding bus transportation, a form of assistance in no way connected with the religious function of a church school, the Court divided by 5 to 4. The majority opinion suggested that the statute in question "approaches the verge" of impermissible action under the first amendment (330 U.S. 16). Nonetheless, bus transportation has been ruled valid, and other collateral benefits like provision of milk and lunches appear equally constitutional, since the benefit is plainly to the health of the child and not to the school itself.

It is also likely that where funds are made available to a church school on a loan basis for special purposes not closely related to religious instruction, constitutional objections may be avoided. An example is title III of the National Defense Education Act which enables church schools to borrow funds for equipment to assist in teaching science, mathematics, and languages. Such programs advance specific national purposes, and their relationship to the religious function of a church school is remote. Moreover, the requirement that such funds be repaid makes it unlikely that a church school will be enabled to free its own funds for religious purposes.

In what other directions this principle of special purpose loans may be extended is difficult to ascertain. Typically secular and sectarian education is so interwoven in church schools as to thwart most possibilities.

MEMORANDUM ON THE IMPACT OF THE FIRST AMENDMENT TO THE CONSTITUTION UPON FEDERAL AID TO EDUCATION

The extent to which government, whether Federal, State, or local, may, consistently with the United States Constitution, aid religious schools is a problem which, surprisingly enough, is a relatively new one.

Prior to 1947 Federal judicial concern with this field was limited. The only case presented to the Supreme Court involving the expenditure of federally controlled funds to religious schools was *Quick Bear* v. *Leupp*, 210 U.S. 50 (1908), which held merely that provisions in certain Indian appropriation acts prohibiting the use of public funds for the education of Indians in sectarian schools did not prevent trust funds belonging to the Indians and administered by the Federal Government from being used for such schools at their request and such action did not involve the prohibitions of the first amendment.

It was only recently that State action in this field was held subject to first amendment limitations.[1] The first amendment provides

[1] For this reason the limited number of earlier cases touching upon State action affecting religious schools came up in the context of the question whether property rights were impaired without due process of law in violation of the 14th amendment. See *Pierce* v. *Society of Sisters*, 268 U.S. 510 (1925), upholding as a constitutional right

that "Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof. * * *" By itself this language is not a limitation on State action, though similar provisions exist in many State constitutions. In 1934, however, freedom of religion as guaranteed by the first amendment was construed to be among the liberties protected by the due process clause of the 14th amendment limiting State action (*Hamilton* v. *Regents of the University of California*, 293 U.S. 245 (1934)). Later, in 1947, the now leading case of *Everson* v. *Board of Education*, 330 U.S. 1, made it clear that the due process clause forbade State action which would effectuate "an establishment of religion" prohibited by the first amendment. The impact of that case is that State and Federal action affecting religion must now satisfy the standards of the amendment. Under those standards, what is forbidden to a State is also forbidden to the Federal Government, and what is forbidden to the Federal Government is also forbidden to a State. It is possible, however, that what the Federal Government and the States may properly do without offending the first amendment may nevertheless be prohibited to a particular State because of its own constitutional prohibitions.

In Everson, the Supreme Court in a 5–4 decision, held that where a local school district, as authorized by State law, reimbursed parents for the bus fare paid by them for public transportation of their children to parochial, as well as public schools, such aid did not violate the establishment of religion clause of the first amendment. It was followed in 1948 by *McCollum* v. *Board of Education*, 333 U.S. 203. With only Mr. Justice Reed dissenting, the Court there held that the first amendment (as made applicable by the 14th amendment to the State) forbade a public school program of "released time" under which religious teachers provided by various denominations were permitted by the board of education to hold classes in public school buildings for students who had volunteered for religious instruction. The children not desiring such instruction continued their regular studies in other rooms. In 1952, *Zorach* v. *Clauson*, 343 U.S. 306, was decided. By a 6 to 3 vote, a voluntary "released time" program, basically differing from that involved in the McCollum case only in that the religious instruction was provided off the school premises, was held constitutional. These three cases constitute the most important judicial precedents in the field. The paucity of Supreme Court precedent is due to two factors: First, it was only in 1934 that the Court read the 14th amendment as embodying the pertinent provisions of the first amendment; second, despite the existence of a number of Federal educational programs in recent years, judicial review in Federal courts at the instance of a taxpayer of the lawfulness of Federal expenditures has not been available since *Massachusetts* v. *Mellon*, 262 U.S. 447, decided in 1923.[2] It should therefore be emphasized that the questions discussed in this memorandum are probably not open for judicial determination, unless adequate special statutory provisions are enacted to authorize judicial review.

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the maintenance of private, including parochial, schools; *Cochran* v. *Board of Education*, 281 U.S. 370 (1930), holding that the use of State money to provide textbooks for school children, including those attending private schools, whether sectarian or nonsectarian, is not a taking of property for private purposes.

[2] In *Doremus* v. *Board of Education*, 342 U.S. 429 (1952), the Supreme Court dismissed an appeal for want of jurisdiction in a suit filed by a State and local taxpayer who had not, on the facts alleged, shown a requisite financial interest.

The difficulties of obtaining a court test of legislation in this area impose a solemn responsibility upon both Congress and the Executive to be especially conscientious in studying the Constitution and relevant Supreme Court decisions so that any enactment will scrupulously observe constitutional limitations.

I

The constitutional principles

At the outset it is evident that resolution of the constitutional problems of present concern requires us to deal with the interrelation of three constitutional limitations. Two are contained in the provisions of the first amendment: Neither Congress nor the States may pass any law "respecting an establishment of religion"; neither may they pass any law "prohibiting the free exercise thereof." The third constitutional limitation is found with respect to the Federal Government in the due process clause of the fifth amendment and for the States, in the due process and equal protection clauses of the 14th amendment. These limitations prohibit the Federal Government or a State from unreasonable discrimination in governmental programs (see *Bolling* v. *Sharpe*, 347 U.S. 497 (1954); *Brown* v. *Board of Education*, 347 U.S. 483 (1954)).

In many instances these three constitutional limitations overlap in one regard or another to prohibit Federal or State action. For example, a Government program of compulsory education exclusively at State-operated schools which taught religion would violate all three. In other factual circumstances, however, a program which satisfied one or more of the limitations might violate another. For example, a program of educational grants to returning war veterans for their readjustment into civilian life perhaps could not have constitutionally excluded from its benefits applicants who wished to attend sectarian institutions. This would probably be regarded as a classification so unrelated to the expressed public purpose as to offend due process requirements.

There is agreement that education serves a fundamental public purpose (see *Brown* v. *Board of Education*, *supra*, at 493) and accordingly that the Federal Government or a State may use public funds for that purpose. In addition, to that end States with respect to education under their control may also compel children, within reasonable limits of age and maturity, to attend schools. Moreover, they may set reasonable standards for education. At the same time, there seems little doubt that Government may not use its authority in the field of education in order to instruct children in religion generally or in any specific religion. This would violate the establishment of religion clause of the first amendment. Nor may Government, without interfering with the religious freedom guaranteed by the first amendment and the due process clause, reserve educational functions to public schools and forbids education by private institutions meeting the standards prescribed by law for the public school (see *Pierce* v. *Society of Sisters*, supra). And in any educational program in which public funds are expended there must be equal treatment for all children; that is, a State may not classify children on the basis of their religion, race, or similar irrelevant considerations without violating equal protection and due process requirements.

It is also evident that these constitutional limitations must be interpreted in the light of specific factual situations. It is the difficulty of attempting to interpret and apply them under contemporary conditions that brings about a potential conflict among them. The most significant of these conditions is that to a substantial extent education at the lower levels, which a State requires and compels, is being carried out by schools which teach according to particular religious tenets, although at the same time satisfying secular educational standards established by the State. This is a form of education which the State cannot constitutionally prohibit. It is settled that individuals have a constitutional right to a religious education. At the same time, sectarian schools are ones which the State cannot constitutionally require a student to attend. There is a constitutional right to freedom of religion or no religion.

The difficult problem is posed by the dual constitutional mandate: That the State must recognize these schools as part of its educational system for purposes of compulsory attendance laws, but that it cannot support them in ways that would constitute an "establishment of religion."

The problem is accentuated by the fact that American society is one in which religion touches much of everyday life, both in the home and in the school. It is a society in which customs, practices, morals, and ceremonies have been importantly influenced by religion. Fundamental as are the principles contained in the first amendment, it is clear that they cannot always be absolutes. The problem is to draw a line between what is permitted and what is prohibited in accordance with applicable constitutional principles. Since this must be done in the society in which we actually live—a society in which aspects of religion are inextricably entwined with knowledge and culture—history and experience may be sounder guides to locating Jefferson's "wall of separation between church and state" than abstract logic.

Even the general agreement that the State cannot constitutionally permit teaching of religion in public schools illustrates some of the difficulties. Examples of efforts to draw the line between constitutionally permissible and impermissible State action have extended to such matters as readings from the Bible, prayers, and celebrations of religious holidays. Pushing the separation doctrine to its logical extreme would make education virtually impossible. History is replete with religious ideas, principles, and experience. Furthermore, it is readily apparent that what one person would classify as simply secular knowledge another would regard as religious instruction. The content of religious belief is largely the prerogative of religious groups to define, though they differ among themselves as to what is included. The content of education is for public authorities to define. Where definitions overlap difficulties arise.

It would be footless to deny that drawing the line between the permissible and impermissible is a hard task. In the Everson case itself, although the Court was unanimously of the view that the establishment of religion clause forbade a State from using public funds for sectarian education, it nevertheless divided by the closest margin (5–4) on whether State reimbursement of parents for fares paid for public transportation to a sectarian school constituted a prohibited use. But, however difficult it may be to find the line in marginal situations, this difficulty cannot properly be used to avoid constitutional proscriptions. There are clear cases as well as difficult ones.

To summarize, the broad principles are clear enough in the light of recent decisions. The first amendment does not require government to be hostile to religion, nor does it permit governmental discrimination against religious activities. The objective is neutrality, however difficult it may be to be neutral or to determine what neutrality requires in relation to particular factual situations. Zorach reaffirms that the State may not actively support a religious organization. On the other hand, it may, and perhaps under some circumstances must, temper

its secular requirements if religious observances conflict with them.[3] There is the consistent emphasis in the cases that public funds may not be used to finance religion and that public property may not be used to assist it. Yet, the decisions warn that a person may not be denied general public benefits on religious grounds without violating the first amendment and the due process and equal protection clauses of the 5th and 14th.

II

The judicial precedents

As earlier noted, prior to the decision in Everson, the Supreme Court had little occasion to consider the problem of governmental aid to religious schools. The right to attend such schools was clearly established in the 1920's (see *Pierce* v. *Society of Sisters*, supra; see also *Meyer* v. *Nebraska*, 262 U.S. 390 (1923); *Farrington* v. *Tokushige*, 273 U.S. 284 (1927)). The Quick Bear case, supra, had dealt with the unique problem of the use of Indian trust funds. The Cochran case, supra, had been decided before it had been determined that the establishment of religion clause of the 1st amendment operated upon the States by virtue of the due process clause of the 14th amendment.[4]

As indicated above, the controversy in the Everson case concerned a local school board resolution adopted pursuant to a New Jersey statute. This resolution authorized reimbursement to parents of expenditures for transportation of their children to public and Catholic schools on regular buses operated by the public transportation system. A taxpayer filed suit challenging this action of the school board. The court unanimously agreed that the due process clause of the 14th amendment embodied the "establishment of religion" prohibition contained in the 1st amendment. Five justices found that the statute involved did not constitute a "law respecting an establishment of religion." It should be emphasized, however, that all nine justices agreed that the clause prohibited governmental aid to religion; the disagreement turned, rather, upon whether the benefit was conferred upon the children or upon the parochial schools.

The most extensive discussion appears in the dissenting opinion of Mr. Justice Rutledge. On the basis of his evaluation of the historical materials and his view of the objectives of Madison and Jefferson, leading proponents of the amendment, he stated that—

"The amendment's purpose was not to strike merely at the official establishment of a single sect, creed, or religion, outlawing only a formal relation such as had prevailed in England and some of the colonies. Necessarily it was to uproot all such relationships. But the object was broader than separating church and state in this narrow sense. It was to create a complete and permanent separation of the spheres of religious activity and civil authority by comprehensively forbidding every form of public aid or support for religion. In proof the amendment's wording and history unite with this Court's consistent utterances whenever attention has been fixed directly upon the question" (330 U.S. 31–32).

He concluded, therefore, that the taxing power may not be used to give support to religious training or belief and that "transportation, where it is needed, is as essential to education as any other element"; and that it "is impossible to select so indispensable an item from the composite of the total costs, and characterize it as not aiding, contributing to, promoting or sustaining the propagation of beliefs which it is the very end of all to bring about" (330 U.S. 47, 48).

Justice Black, writing for the majority, adopted a similar view of the purpose of the first amendment. He stated:

"The establishment of religion clause of the first amendment means at least this: Neither a State nor the Federal Government can set up a church. Neither can pass laws which aid one religion, aid all religions, or prefer one religion over another. Neither can force nor influence a person to go to or to remain away from church against his will or force him to profess a belief or disbelief in any religion. No person can be punished for entertaining or professing religious beliefs or disbeliefs, for church attendance or nonattendance. No tax in any amount, large or small, can be levied to support any religious activities or institutions, whatever they may be called, or whatever form they may adopt to teach or practice religion. Neither a State nor the Federal Government, can, openly or secretly, participate in the affairs of any religious organizations or groups and vice versa. In the words of Jefferson, the clause against establishment of religion by law was intended to erect 'a wall of separation between church and state'" (330 U.S. 15–16).

He concluded, however, that the State cannot deny any of its citizens the benefits of public welfare legislation because of their religion. He emphasized that much of such legislation (for example, that providing fire and police protection, etc.) incidentally benefits religious institutions, and that such benefits do not constitute proscribed support of the institutions. In this light he viewed the New Jersey statute merely as providing a program to get children, "regardless of their religion, safely and expeditiously to and from accredited schools." He therefore interpreted the purpose of the statute as a general, nondiscriminating one, designed to protect the health and safety of all schoolchildren. On this basis he was led to the conclusion that, while the New Jersey statute "approaches the verge" of impermissible action under the first amendment, it did not actually breach the "wall of separation between church and state."

The specific holding in the Everson case permitted the use of public funds to confer a limited benefit upon children attending religious schools.[5] Nevertheless, the language and reasoning of both the majority and minority gives scant comfort to those who feel that, as a matter of fairness, State support ought to be provided to those schools. Proponents of this view point out that religious schools meet the educational standards imposed by the States and relieve the States of the burden of educating large numbers of children. The parents of children attending religious schools are taxed to support the public schools, yet receive no reciprocal benefits from the States.

The majority opinion states that "no tax in any amount, large or small, can be levied to support any religious activities or institutions, whatever they may be called, or whatever form they may adopt to teach or practice religion." If one assumes that a principal reason for the existence of a religious school is to provide religious teaching and the practice of religion (not available in public schools), and that religious considerations are intertwined in the entire fabric of sectarian education, moneys raised by taxation cannot be used to support such education. Obviously then, direct grants to sectarian schools are prohibited. The only question remaining open is whether the use of funds for general welfare purposes in a manner which benefits religious schools also constitutes prohibited support.

Because the clear import of the Everson opinion was that neither the Federal Government nor the States can directly support religious schools, a concentrated attack was made upon its rationale. The focus of this attack was on the Court's reading of history; that, in fact, the purpose of the first amendment was merely to strike at the official establishment of a single sect, creed, or a religion, as exists in England, and that the amendment was not intended to prohibit nonpreferential aid to all religions.[6] This view has been vigorously argued by some scholars. For present purposes it is sufficient to note that it was presented to and considered by the Supreme Court in *McCollum* v. *Board of Education*, supra. While it might be argued that Justice Reed adopted this view in his dissent, it is plain that the eight other members of the Court rejected it. The question is not open today.

The McCollum case involved the constitutionality of the system of "released time" adopted in Champaign, Ill. Under an arrangement made with various religious faiths, representatives of those faiths were permitted to offer classes in religious instruction in the public schools. The classes were held once a week for 30 minutes in the lower grades and 45 in the higher grades. The teachers were not paid by the public school authorities, and the classes were attended only by students whose parents had requested it. Students who did not choose the program continued their secular studies in other classrooms. Justice Black, writing the opinion of the Court, stated that the arrangement was clearly prohibited by the holding in Everson:

"The foregoing facts, without reference to others that appear in the record, show the use of tax-supported property for religious instruction and the close cooperation between the school authorities and the religious council in promoting religious education. The operation of the State's compulsory education system thus assists and is integrated with the program of religious instruction carried on by separate religious sects. Pupils compelled by law to go to school for secular education are released in part from their legal duty upon the condition that they attend the religious classes. This is beyond all question a utilization of the tax-established and tax-supported public school system to aid religious groups to spread their faith. And it falls squarely under the ban of the 1st amendment (made applicable to the States by the 14th) as we interperted it in *Everson* v. *Board of Education*, * * *" (333 U.S., at 209–210).

He went on to state:

"Recognizing that the Illinois program is barred by the 1st and 14th amendments if we adhere to the views expressed both by the

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[3] See, for example, the flag salute case, *Board of Education* v. *Barnette*, 319 U.S. 624 (1943).

[4] For this reason the Cochran case is dubious authority for the proposition that textbooks may be provided by a State to parochial school students. The crucial question of whether the establishment clause of the first amendment prohibits the expenditure of public funds for textbooks to be used by church school pupils was not presented to the Court in this case, and the Court therefore had no occasion to rule upon the question.

[5] Earlier this year the Supreme Court dismissed an appeal for want of a substantial Federal question in *Snyder* v. *Town of Newton*, — U.S. — 5, L. Ed. 2d 688 (1961), a case in which the Connecticut Supreme Court of Errors, on the authority of Everson, upheld the constitutionality of providing bus transportation to parochial school students. Justice Douglas, who had voted with the majority in Everson, and Justice Frankfurter, who had voted with the minority, both specially noted their votes to have the Supreme Court review the Connecticut decision.

[6] See J. M. O'Neill, "Religion and Education Under the Constitution" (1949). The use of the O'Neill thesis by counsel in the McCollum case is referred to in Pfeffer, "Church and State: Something Less Than Separation," 19 U. of Chi. L. Rev. 1, 2 (1951).

majority and the minority in the Everson case, counsel for the respondents challenge those views as dicta and urge that we reconsider and repudiate them. They argue that historically the 1st amendment was intended to forbid only Government preference of one religion over another, not an impartial governmental assistance of all religions. In addition they ask that we distinguish or overrule our holding in the Everson case that the 14th amendment made the 'establishment of religion' clause of the 1st amendment applicable as a prohibition against the States. After giving full consideration to the arguments presented we are unable to accept either of these contentions" (id., at 211).[7]

Zorach v. *Clauson*, supra, is the last case in which the Supreme Court has considered the "establishment of religion" prohibition. It also involved "released time." There the plan permitted students actually to be released from the public schools at their parents' request in order to obtain religious instruction elsewhere. The churches participating reported to the schools the names of children released from school who did not appear for religious instruction. In a 6-to-3 decision, the Court concluded that there was no element of coercion in the plan and that the only issue involved was whether public schools may excuse those who wish to worship or obtain religious instruction. The principles of the earlier cases were, however, carefully preserved. The Court stated:

"Government may not finance religious groups nor undertake religious instruction nor blend secular and sectarian education nor use secular institutions to force one or some religion on any person. But we find no constitutional requirement which makes it necessary for government to be hostile to religion and to throw its weight against efforts to widen the effective scope of religious influence. The Government must be neutral when it comes to competition between sects. It may not thrust any sect on any person. It may not make a religious observance compulsory. It may not coerce anyone to attend church, to observe a religious holiday, or to take religious instruction. But it can close its doors or suspend its operations as to those who want to repair to their religious sanctuary for worship or instruction. No more than that is undertaken here" (343 U.S. 314).

In separate dissents, Justices Black, Frankfurter, and Jackson said that since in effect the machinery of the State was being used to provide pupils to religious groups, the plan was constitutionally indistinguishable from that held invalid in McCollum.

The majority opinion, while emphasizing that ours is a religious Nation, with profound religious traditions affecting and intermingling with secular activities (id., at 313–314), does not abandon the basic view of the first amendment adopted in Everson and McCollum. The most that can be said is that the opinion evidenced a somewhat more flexible attitude toward problems of separation.

The State court cases which have been decided since Everson have interpreted that case and McCollum and Zorach as precluding use of public funds to pay tuition at sectarian schools. *Almond* v. *Day*, 197 Va. 419, 89 S.E. 2d 851 (1955), held that State payments to sectarian elementary and secondary schools for the education of war orphans violated the first amendment because such payments utilize—

"Public funds to support religious institutions contrary to the principles laid down in Everson. * * * It affords sectarian groups an invaluable aid in that it helps to provide pupils for their religious classes through use of the State's compulsory public school machinery. * * * It compels taxpayers to contribute money for the propagation of religious opinions which they may not believe" (89 S.E. 2d, at 858).

Swart v. *South Burlington Town School District*, 167 A. 2d 514 (Vt., (1961)), involved a school district which did not maintain a high school. Pursuant to statute the parents were permitted to choose schools, and the district paid the tuition. Under this plan it made tuition payments to Catholic high schools. The court read the Everson, McCollum, and Zorach cases as raising the following question, which it answered affirmatively:

"Does the payment of tuition to a religious denominational school by a public entity finance religious instruction, to work a fusion of secular and sectarian education?" (167 A. 2d, at 520).

The court, although noting that the district did not maintain a public high school, that the Catholic schools involved had been approved by the State board of education, and that non-Catholic students were not required to attend religious instruction, concluded, nevertheless, that the first amendment had been violated.

The foregoing two cases are the only State court decisions since Everson that have dealt with the payment of tuition to sectarian schools. Both hold such payments unconstitutional on the basis of that authority. Other State cases, however, have sustained payments to other types of sectarian institutions in specialized circumstances. Thus, payments for the support and maintenance of neglected and dependent children in denominational homes and institutions were upheld because they were considered as reimbursement rather than a use of appropriated funds prohibited by the State constitution (*Schade* v. *Allegheny County Institution District*, 386 Pa. 507, 126 A. 2d 911 (1956)). Payments to sectarian institutions have also been justified where the funds were used exclusively for public purposes and the institution merely operated as a conduit for those purposes. In Opinion of the Justices, 99 N.H. 519, 113 A. 2d 114 (1955), there was involved a proposed New Hampshire law which would have provided annual grants-in-aid to hospitals in the State offering nurses' training. This aid would have gone only to charitable hospitals, including sectarian ones which did not discriminate on the basis of the religion of either students or patients. Holding that the grant program would not violate either the first amendment or its New Hampshire equivalent, the court stated:

"The purpose of the grant * * * is neither to aid any particular sect or denomination nor all denominations, but to further the teaching of the science of nursing. * * * The aid is available to all hospitals offering training in nursing without regard to the auspices under which they are conducted or to the religious beliefs of their managements, so long as the aid is used for nurses' training 'and for no other instruction or purpose'. * * * If some denomination incidentally derives a benefit through the release of other funds for other uses, this result is immaterial. * * * A hospital operated under the auspices of a religious denomination which receives funds under the provisions of this bill acts merely as a conduit for the expenditure of public funds for training which serves exclusively the public purpose of public health and is completely devoid of sectarian doctrine and purposes.

"The fundamental proposition that public moneys shall be used for a public purpose only has not prevented the use of private institutions as a conduit to accomplish the public objectives" (113 A. 2d, at 116).[8]

The Everson, McCollum, and Zorach cases have also inspired a large body of scholarly comment. Appendix A is a representative bibliography of such comment. In appendix B we shall briefly describe some of the representative views contained in such comment.

III

The relevant criteria

The foregoing review suggests the relevancy of several considerations in determining the constitutional reach of the first amendment. The Supreme Court has made it absolutely clear that public funds and public property may not be used for the purpose of assisting any or all religions. In the Everson and McCollum cases, it has unequivocally rejected the historical argument, whatever its merits, that the establishment clause merely forbids State favoritism among religions.

The initial inquiry, therefore, must be whether a given legislative proposal is honestly designed to serve an otherwise legitimate public purpose and is not a mere subterfuge for religious support. Application of the test is not always easy. In the Everson case the majority characterized the New Jersey law as related to the health and safety of children—a legitimate public concern. It was likened to police and fire protection services, concededly legitimate benefits to religious institutions, incidental to the larger public interest (330 U.S., at 16–18). The dissenters viewed the statute differently. They pointed out that, contrary to the Court's interpretation, it discriminated against other private schools. And all four dissenting Justices characterized the statute as having the purpose of getting the child to school—an indispensable part of his education—rather than protecting his health and safety. Indeed, the characterization largely decided the case for both majority and minority. Justice Black for the majority suggested that once the characterization is made in his fashion, it might well be a violation of the 14th amendment and the free exercise clause of the first to discriminate on religious grounds.

This analysis is confirmed by McCollum where the Court forbade the use of public school facilities for religious instruction during "released time." Here there could be no possible public purpose except to assist and support religious education—a purpose the Court found proscribed by the first amendment.[9]

The existence of a bona fide legislative purpose does not, however, validate a measure irrespective of any collateral benefit that might be rendered to a religious institution. Assume a legitimate public purpose not explicitly or implicitly related to religious support, as in the concededly constitutional

[7] In his concurring opinion, Justice Frankfurter also made it clear that "the 1st and 14th amendments have a secular reach far more penetrating in the conduct of Government than merely to forbid an 'established church'" (id., at 213). Justice Jackson who, in a separate concurrence expressed doubts as to the standing of the complainant and the scope of the relief granted, concurred in this opinion.

[8] A similar early holding by the Supreme Court is *Bradfield* v. *Roberts*, 175 U.S. 291 (1899). There the Court held that the first amendment did not preclude the Commissioners of the District of Columbia from entering into a contract with an eleemosynary corporation organized by Catholic sisters for the construction of buildings to be operated as part of the hospital.

[9] In the McCollum case, the Court stated: "Here not only are the State's tax-supported public school buildings used for the dissemination of religious doctrines. The State also affords sectarian groups an invaluable aid in that it helps to provide pupils for their religious classes through use of the State's compulsory public school machinery. This is not separation of church and state" (333 U.S., at 212).

examples cited in Everson—police, fire, sewage, and (on Everson's assumptions) transportation. Could it properly be contended, for example, that since improving educational standards generally is a legitimate public purpose, any program which has that for an objective is constitutional irrespective of the establishment clause of the first amendment? If the objective is legitimate, are the benefits bestowed on religious schools always and necessarily "incidental"? We think not. The end cannot always justify the means. And where the means employed result in fact in support of religious institutions, the constitutional judgment cannot be avoided.

The problem area, then, is with regard to legislation which has a constitutionally legitimate public purpose but which at the same time has the additional side effect of benefiting a religious institution. This was the problem raised by Everson, and the difficulty of its resolution is evidenced both by the 5–4 division of the Court itself and the widespread comment it engendered. How is the line to be drawn between what is proscribed and what is permissible? Once a benefit to a religious institution is conceded, what are the relevant criteria for determining that it is merely "incidental"? What factors are to be taken into account and evaluated?

As Justice Douglas acknowledged in Zorach, we live in a culture and society in which religion has played and continues to play a vital role. It is not possible to separate religion completely from other aspects of life, and the Constitution does not require the impossible. There may be no wholly logical distinction between tax exemption of religious property and governmental grants to construct religious edifices. Yet the whole history of church and state and the constitutional policy embodied in the first amendment put tax exemption and grants at opposite poles.[10] Neither the majority nor dissenters in Everson could suggest an easy, workable rule of thumb against which to measure all governmental aid. But history, the language of the Constitution, the judicial decisions, and past practices do furnish an understanding of the criteria that are relevant to a judgment.

1. How closely is the benefit related to the religious aspects of the institution aided?

We are here concerned, as previously, with the underlying problem of distinguishing aid to the public generally, or general classes thereof, from aid to religion in particular. As the fire, police, and sewage examples indicate, churches and other religious institutions may receive benefits in their capacities as members of the general public and as property owners. The Constitution does not require that they be discriminated against or be excluded from a general class conceptually and factually unconnected with religion, i.e., property owners.[11] So, too, a church or church school may receive tax exemption when classified with others as nonprofit organizations. Again it meets the group criteria, and there is no constitutional obligation to exclude it from benefits common to the class. Similarly, it may be said validly that children, as such, constitute a class which is a proper object of general welfare legislation. The State has a legitimate concern with their health, their safety, and, indeed, their education. It may extend financial assistance in various ways to achieve these ends. But where this assistance is also assistance to a religious institution, the means become crucial. One horn of the constitutional dilemma is that the State may aid a child to achieve a sound body and a sound mind; the other is that: the State may not aid the religious instruction of a child.

To adopt without qualification the theory that whatever benefits the child is ipso facto constitutional is to ignore the obverse prohibition. It either proves too much or proves nothing at all. The crucial question then becomes separating the permissible from the prohibited, the educational function from the religious one.

The clearest case is across the board aid, which necessarily includes items of aid that are closely related to the religious function. No separation is even attempted, and therefore general State grants to sectarian education would seem to be plainly prohibited. Public schools have already been constitutionally prohibited from providing classrooms for religious instruction during released time at no measurable cost to the public purse. A fortiori the Government is prohibited from granting funds to sectarian schools which would, directly or indirectly, serve the same prohibited use.

Milk, school lunch, medical inspection and services, and such like do not raise substantial problems because they do not closely tie in with the religious function served.[12] The Supreme Court has put transportation in the same category. True, all such programs make the sectarian school more attractive educationally than it would otherwise be. But the Constitution does not require the State to handicap religious institutions or force parents to prejudice their children's health in exercising their constitutionally protected right to a sectarian education.

The same principle may, perhaps, be extended to textbooks for the use of individual students where the books in question are common to the secular and sectarian educational systems.[13] It might also be extended to some equipment, or possibly to facilities, designed for special purposes totally unconnected with the religious function of the schools.

How far this type of assistance, unquestionably of benefit to the sectarian school, can go cannot be conclusively stated. Unavoidably we are dealing here with matters of degree. State court cases indicate that it may be possible to make a tenable distinction between aid to sectarian hospitals and aid to sectarian schools.[14] The Supreme Court put transportation at the outer limits of the constitutionally permissible. Those who see no distinction between transportation and any other form of assistance whatsoever should keep in mind that, apparently, the Court did.

2. Of what economic significance is the benefit?

The spectrum of monetary benefits begins with an outright grant and moves through various loan arrangements to the most limited form of assistance, the contract for specified services.

The benefits of a grant are clear. Significant support is provided to the recipient. Moreover, the absence of any required repayment enables the recipient to free its own funds for any purposes, including those which directly support religious aspects of the institution.

A loan confers economic benefit of less degree but not of a different quality than a grant. A loan represents a grant of credit. When made at a rate of interest below what is normally available to the borrower, it also constitutes a grant of the interest payments which are saved. Whatever the interest rate, the lending of credit can be analogized to the lending of a classroom proscribed in the McCollum case. While the Everson case did talk about the expenditure of tax moneys as constituting the proscribed conduct, McCollum did not involve any expenditure, and, therefore, is closer to the loan situation. The lending of public property and the lending of public credit seem indistinguishable as forms of governmental assistance. And in the Zorach case, Justice Douglas, speaking for the majority, expressly stated: "Government may not finance religious groups. * * *" (343 U.S. 314). It is our view that the statement, admittedly dictum, was not confined to grant assistance.

It is also important to recognize that the measurement of economic value is not necessarily the same from the standpoint of the governmental donor and the private recipient. While a loan at slightly above the prevailing rate of Government borrowing might involve no economic loss from the standpoint of taxpayers, it might, nonetheless, be of measurable economic assistance to a private institution unable to secure reasonable credit from non-Government sources.

Also relevant is whether the assistance provided enables a private institution to free its own funds for unrestricted purposes. To the extent that this occurs, the economic benefit becomes the type of across-the-board assistance which inevitably assists religious purposes. Unless a grant is earmarked for a specific purpose which would not otherwise be undertaken by the recipient, a grant program is more likely than a loan program to have the effect of releasing funds for constitutionally impermissible purposes.

When the Government makes contracts for initiation of particular studies or grants for undertaking particular research, any benefit to a religious institution seems too remote to be constitutionally proscribed. Unlike an across-the-board grant for education or an unrestricted grant for classroom construction and teacher salaries, such programs are primarily to serve a special governmental interest, and the size of the fee or grant is closely related to the cost of the program. In such cases the religious benefits seem remote and incidental. Alternatives would require a preference to secular institutions which in many instances might be less well equipped to carry out the required research.

3. To what extent is the selection of the institutions receiving benefits determined by Government?

There is an important difference between governmental programs that aid institutions as such (including sectarian institutions) or aid them on behalf of all their students and, on the other hand, programs that aid a small number of selected students whose choice of institution alone results in benefit to a sectarian school. In the former case the aid to sectarian institutions is an automatic consequence of Government action; in the latter, it is a matter of chance so far as Government is concerned.

Under the original GI bill, each individual selected the institution he wished to attend, although the Government made the tuition payment directly to the institution. If the Government had selected the institution, however, it would obviously have presented a very different situation, and the mode of selection would have been more relevant than the identity of the payee of the Government check.

A program of financial aid to qualified students attending institutions of their choice to carry out a public policy of assisting unusually able students to develop their full potentialities, or to encourage study in

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[10] See Paulsen, "Preferment of Religious Institution in Tax and Labor Legislation," 14 Law and Contemp. Prob. 144, 147–152 (1949); Van Alstyne, "Tax Exemption of Church Property," 20 Ohio St. L.J. 461 (1959); note, 49 Colum. L. Rev. 968 (1948).

[11] The same could be said of according the benefits of State incorporation laws to churches.

[12] See Pfeffer, Church, State and Freedom (1953), at 474–475.

[13] See footnote 4, supra.

[14] See, for example, Opinion of the Justices, supra; cf. *Schade* v. *Allegheny Country Institution District, supra.*

subjects where there is a shortage of adequately trained persons to serve national needs, does not seem to raise a serious question. The support which a particular religious institution might receive would depend upon the student's choice and would seem, therefore, both indirect and incidental. From the governmental viewpoint it would depend upon chance, not governmental decision. There would seem to be no constitutional significance to the fact that, like other problems of probability, some statistical prediction might be possible of how much aid particular religious institutions might receive. Only if selective standards of eligibility of recipients were to be virtually abandoned so that all college students were eligible would the program appear a disguised method of assisting all colleges, including sectarian ones. Under such a system there would be no fundamental difference between the award of scholarships and direct payments to colleges on a per capita basis. A program so equivalent to direct subsidy would transcend, we believe, the constitutional prohibition.

Everson put some emphasis on who received the assistance, student or institution. From this it has been argued that while assistance to the institution itself is prohibited, assistance to the student is more likely permissible, even though, functionally viewed, a similar purpose is served. This view overstates the significance of form alone. We believe that who receives the benefit is important only where form serves a substantive end. The examples above illustrate that it is not simply the identity of the payee which is the determinant of constitutionality.

4. What alternative means are available to accomplish the legislative objective without resulting in the religious benefits ordinarily proscribed? Could these benefits be avoided or minimized without defeating the legislative purpose or without running afoul of other constitutional objections?

Within this category, where the constitutional significance of incidental religious assistance is discounted in part by necessity, one could include many of the traditional "benefits" received by church organizations; for example, police protection, fire protection, and sewage disposal, although these could also be justified by other criteria suggested above. The point is that protection of health and safety within the community cannot reasonably be accomplished without including religious institutions within the class of beneficiaries. Furthermore, to exclude religious institutions from the class benefited would probably be violative of the first amendment as tending to prohibit freedom of worship and of the due process clause as an unreasonable classification.

Another illustration of the criterion here applied lies in the employment of chaplains and the construction of churches and places of worship by the Armed Forces. The purpose of employing chaplains is related to the morale and discipline of the forces, and it is difficult to see how an army could effectively perform its military functions without making provisions for the moral welfare of the troops. In the context of military operations, this purpose can be effectuated only by active assistance on the part of the Government.

Conversely, to refuse to facilitate religious activities would be to throw the power of the Government against religion, not to maintain neutrality. To make it legally or factually impossible for a soldier to worship freely and to fail to adjust military necessity to religious freedom, within reasonable limitations, would itself be unconstitutional. Here, it seems, history and constitutional theory require cooperation of church and state not to breach, but rather to preserve, the "wall of separation." Soldiers may not be coerced into church attendance, but making church attendance possible cannot, under the facts of military organization, be constitutionally proscribed. And the difference between using public facilities within the armed services and permitting the use of public facilities in the released time school cases is found in the different demands of military life and the life of school children in a typical American community.

The Everson case itself provides an example, for once it has been determined that the legislative purpose relates to the safety and health of children, it is difficult to see how it could be accomplished without including all children.

One final example where the practicalities are relevant is the GI bill. The purpose of the bill was readjustment of veterans to civilian life by making it possible for them to continue their education. To have conditioned their benefits on attendance at a secular institution would have been impractical in view of the number of veterans and the limited educational resources available. In view of the short-range duration and urgency of the program, the construction of adequate additional facilities would have been impractical if not impossible.[15] Thus, the legitimate legislative purpose could not have been achieved by other reasonable means.

One cannot blink the difficulties of applying this criterion, nor do we suggest it is by any means conclusive. In some instances the support of religious institutions incident to a legitimate public policy may well be so direct and substantial that the policy itself may be legislatively unattainable despite the absence of practical alternatives.

One final argument made by proponents of governmental aid to nonprofit private schools should be mentioned. It has been suggested that the only criterion is whether or not the religious institution benefits qua religious institution or as a member of a more general class. This argument seems to be directly contrary to Everson and meets none of the criteria which we believe are determinative of constitutionality. This argument seeks to avoid the Constitution rather than to apply its terms as judicially interpreted. Benefits of some kinds may be conferred upon general classes, as earlier suggested—property owners, corporations, and nonprofit organizations—but we do not believe that the prohibition of tax-raised "support" of religious institutions can be circumvented merely by giving like support to other institutions, however numerous.

IV

Legislative programs and proposals

Against the authority and criteria already discussed, this section considers legislative proposals which have been introduced or which may possibly be seriously urged. These are (a) general educational grants to private nonprofit elementary and secondary schools; (b) general educational loans to private nonprofit elementary and secondary schools; (c) special purpose programs.

(a) General educational grants to private nonprofit elementary and secondary schools.

Federal grants to sectarian schools for general educational purposes would run squarely into the prohibitions of the first amendment as interpreted in the Everson, McCollum, and Zorach cases. Grants for assistance in the construction of general school facilities and for increasing teachers' salaries, to be administered by governmental agencies and made available directly to sectarian schools, are the clear case of what is proscribed by the Constitution. They meet none of the criteria suggested in the foregoing section. Indeed, if such grants would not violate the establishment provision of the first amendment as judicially interpreted, it is difficult to think of a form of Government aid which would. Aid by way of grants to sectarian schools could only be justified by a reversal of the Supreme Court's interpretation of the establishment clause and a new interpretation which would regard it as merely prohibiting discrimination among religions. Whatever its historical justification, this latter interpretation of the clause has been urged upon the Court in the cases cited and rejected by nine Justices in Everson and by eight in McCollum. While the tone of the Zorach opinion may imply a slight modification of the rigid separation doctrine espoused in McCollum, it is clear that it did not modify the Court's earlier interpretation of the establishment provision in any substantial way. Rather, the opinion reiterates the principle that Government may not finance religious institutions.

Since the Supreme Court has spoken, the only serious argument put forward against this conclusion rests more on considerations of fairness than of law. The argument is that, because sectarian schools meet all prescribed standards of education and because they contribute significantly to the education of American children, they should be entitled to governmental assistance. This argument is bolstered by stating that, in effect, the refusal to grant assistance to children attending such schools constitutes a discrimination against them incompatible with the spirit of the fifth amendment, and, viewed realisticaly, violates the mandate of the first amendment against prohibiting the free exercise of religion.

The difficulty with this viewpoint, apart from the fact that it has been consistently rejected by the courts,[16] lies in the fact that students attending such schools do so as a matter of free choice. If the choice is not "free" it is because of the religious beliefs of the individuals making the choice, not because of governmental edict. Since the public schools are open to all children without exception, it cannot be argued that constitutionally proscribed discrimination exists.

The prohibition embodied in the free exercise provision of the first amendment is only a prohibition against Government action which interferes with religious freedom. The Constitution does not require the Government to create conditions which make the free exercise of religion less burdensome financially.

(b) General educational loans to private nonprofit elementary and secondary schools.

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[15] To have excluded from its benefits those veterans who, by conscience or preference, wished to attend sectarian institutions might conceivably have violated due process.

[16] In *Swart* v. *South Burlington Town School District*, 167 A. 2d 514, *supra*, the Supreme Court of Vermont forbade the payment of tuition by the school district for students attending a parochial school. In meeting the argument stated above, the court said (at pp. 520–521): "Considerations of equity and fairness have exerted a strong appeal to temper the severity of this mandate. The price it demands frequently imposes heavy burdens on the faithful parent. He shares the expense of maintaining the public school system, yet in loyalty to his child and his belief seeks religious training for the child elsewhere. But the same fundamental law which protects the liberty of a parent to reject the public system in the interests of his child's spiritual welfare, enjoins the State from participating in the religious education he has selected. See *Pierce* v. *Society of the Sisters*, 268 U.S. 510, 45 S. Ct. 571, 69 L. Ed. 1070, 39 A.L.R. 468.

"Equitable considerations, however compelling, cannot override existing constitutional barriers. Legislatures and courts alike cannot deviate from the fundamental law."

It has been suggested that even if grants to sectarian elementary and secondary schools are unconstitutional, long-term low-interest loans would not be. While we believe that loans constitute a less substantial assistance to religion than outright grants, we are persuaded by the decisions of the Supreme Court that this proposal is no less a form of support than grants and is equally prohibited by the Constitution. Loans are prohibited by the rationale of the Everson decision, and this conclusion is reinforced by McCollum, where the Supreme Court declared unconstitutional the provision of classrooms in a public school for religious instruction during "released time."[17] No measurable cost to the Government was involved in the use of such facilities, yet the Court held that the use nonetheless constituted assistance to religion by a governmental entity in violation of the establishment provision.

Low-interest across-the-board construction loans do provide measurable economic benefit to religious institutions. Moreover, there is a total failure in this proposal to distinguish between those aspects of a school which are involved with religious teaching and those which may not be. This combination of factors when applied to elementary and secondary schools places the proposal beyond the limits of permissible assistance.

(c) Special purpose programs.

The Federal Government at present engages in a wide variety of statutory programs that have some impact on sectarian educational institutions. It is significant that the great bulk of Government-supported programs is in fields of higher education. Examples are aids for specialized training; or research connected with national defense, public health, or improving educational methods; or loans for college housing facilities or to permit needy students to attend college. In all such programs no direct connection with religion is present,[18] and the funds in each case appear adequately separated from any religious function to stay within constitutional bounds.

Existing Federal programs at the elementary and secondary level are less extensive in number and size. Typically, such programs either bear a clear-cut relationship to children's health or promote a special purpose with a clear national defense implication. These programs are devoid of any substantial aid to the religious function, and such aid as might possibly occur is both remote and unavoidable.

To what extent a special purpose provides constitutional legitimacy to assistance to elementary or secondary schools depends on the extent to which the specific objectives being advanced are unrelated to the religious aspects of sectarian education. The problem is complicated because assistance for one purpose may free funds which would otherwise be devoted to it for use to support the religious function and thus, in effect, indirectly yet substantially support religion in violation of the establishment clause. At the present time, the National Defense Education Act permits the U.S. Commissioner of Education to make loans to private schools to acquire science, mathematics, or foreign language equipment. We believe such loans are constitutional because the connection between loans for such purposes and the religious functions of a sectarian school seems to be nonexistent or minimal. Furthermore, the money is loaned at one-fourth of 1 percent above the current average yield on all outstanding marketable obligations of the United States, thus avoiding characterization as more than a grant of credit.

There may be some other special purposes for which loans would be equally defensible, but any specific proposal would have to be evaluated against the criteria discussed above.

In considering whether an existing governmental program or a given proposal for new governmental action exceeds constitutional limits of assistance to a religious institution, no single criterion is necessarily decisive. And none of the criteria we have discussed affords precise units of measurement susceptible of easy application. Nevertheless, each criterion is an aid to judgment. What is least likely to be constitutional can readily be distinguished from what is most likely to be constitutional. In forming a judgment as to legislative proposals in the middle ground, all relevant criteria must be accorded due consideration. Ultimately a judgment is required—not a doctrinaire conclusion as to what should be done or should not be done, but a reasoned consideration of how an imprecise statement of fundamental constitutional principles is likely to be applied to each particular factual situation.

V

Higher education

This memorandum has discussed first amendment principles, relevant judicial decisions, and criteria for determining the constitutionality of specific legislative proposals all in the context of elementary and secondary education. Since proposals are currently being advanced in the field of higher education, it is appropriate to give consideration to the significantly different context in which any constitutional problem concerning these proposals might arise.

The constitutional principles involved are obviously the same whether the subject is elementary and secondary school education or higher education, but the factual circumstances surrounding the application of the principles are dramatically different. The reasons are largely historical.

The history of education in the United States at the grammar and high school level is largely one of free public schools. While private institutions exist and cannot be constitutionally prohibited, the fact of the matter is that some 85 percent of children in the United States are educated in public schools. The reason for this historically lies both in the public policy perceived in educating children and in the implementation of that policy by making education at the lower levels compulsory. In order to compel the education of children, States were obliged to provide a system of education which was open to all. In addition, it was prohibited to the States to teach religion or to give a religious education in such schools. Whatever other courses might have, in theory or even in fact, been possible, the States chose to implement their policy by a system of free public schools.

The history of college and university education is almost precisely the opposite. While from a relatively early date the Federal and some State governments subsidized State universities and colleges, the bulk of advanced education has until recently been carried on by private institutions, the majority of which have a religious origin.

Primary schooling has long been accepted as essential for every American child, and secondary education is rapidly becoming recognized as almost equally a necessity. Attendance at a university or college, on the other hand, has always been a matter of individual decision, dictated or influenced by the circumstances and preferences of the individual child and his family. Even today fewer than half of the high school graduates enter college on a full-time basis, and of these 41 percent are students in nonpublic institutions.[19]

Reflecting these differences in history and practice, State laws everywhere require school attendance of all children for a substantial period of years, whereas, needless to say, there is no corresponding requirement at the college level. Those children whose parents so elect may satisfy the compulsory attendance laws by attendance at private schools, but they are still subject to compulsion once that election has been made. The election can be reversed if the parents wish to do so—if not immediately, then at the start of the next school term or year—but while the election stands, the child is not absolved from enforced attendance at classes, secular or sectarian as the case may be.

The position of the college student is very different. His attendance is wholly voluntary, not merely a choice between alternative commands of the State. He is mature enough, moreover, to have made the decision to attend college and to select the institution best suited to his career objectives, or at least to have participated intelligently in those decisions. Furthermore, he can better understand the significance of sectarian as compared to secular teaching. At some sectarian institutions he is not required to study religion, but if he chooses to do so, or chooses an institution where religious instruction is mandatory, he is merely asserting his constitutional right to the free exercise thereof.

There are thus important differences between school and college, not only in terms of history and tradition but also in terms of the compulsory nature of attendance. There are differences, too, from the standpoint of the national interest involved. At the college and graduate levels the public institutions alone could not begin to cope with the number of young men and women already in pursuit of higher education, and expansion of these institutions or the creation of new ones sufficient to meet the expected increase of enrollment is out of the question. The effort which it is agreed must now be made in the field of higher education would, if confined to public institutions, force an ever more intensive selection of

[17] Although use of the pressures of the compulsory attendance laws was a factor in the decision, Zorach indicates that use of the school facilities tipped the balance.

[18] One seeming exception, more apparent than real, has been the aid given over a 5-year period by the National Institute of Mental Health under 42 U.S.C. 242a to three divinity schools to develop curricula for training clergymen in the recognition and understanding of mental illness. For the purpose of such aid, clergymen along with teachers and lawyers are looked upon as groups which frequently deal with individuals in personal difficulty. The development of training for such groups presents an opportunity to advance the practical utilization of psychiatric knowledge. Such aid would seem to fall, therefore, within the special purpose doctrine.

A more difficult case is the program for the disposal of surplus Government property which includes sectarian institutions. Certainly, measured by the criteria set out in this memorandum, this program has in some instances approached and, it can be argued, has even transgressed constitutional boundaries. In most such cases, however, the property disposed of did not directly benefit the religious programs and training in sectarian schools. In any event the general language, the long history in similar preceding programs, and the legislative acquiescence in such disposal make quite clear the intention of Congress that sectarian institutions not be excluded altogether from the benefits of the program.

[19] The U.S. Department of Health, Education, and Welfare, Office of Education, estimates that of those who graduate from high school 43 percent enter college on a full-time basis and 10 percent on a part-time basis. Of those who do enter, approximately 60 percent eventually graduate.

students and ever more concentrated effort to guide them into fields of study deemed important to the national defense and welfare. It would likely induce these institutions to overemphasize particular fields of study to the detriment of a balanced curriculum. Such warping of our educational policies is not to be contemplated lightly, and, to the extent that Congress finds it appropriate to encourage expansion of our university and college facilities, Congress must be free to build upon what we have, the private as well as the public institutions.

All these considerations indicate that aid to higher education is less likely to encounter constitutional difficulty than aid to primary and secondary schools. The same considerations apply even more forcefully to graduate and specialized education.

The administration bill to assist higher education authorizes loans to institutions, without distinguishing between public and private ones or between those under secular and sectarian sponsorship. It also provides for college scholarships awarded on a competitive basis. These scholarships may be used at any accredited college which the recipient selects. In addition, the bill provides for the payment to the college of a cost-of-education allowance to supplement the scholarship.

Governmental assistance directly to colleges for the construction and expansion of academic facilities perhaps raises, in the case of sectarian institutions, a closer constitutional question than scholarships. Fundamentally the distinction between assistance to sectarian colleges and assistance to sectarian elementary and high schools rests upon differences between the educational system which exists in the United States at the college and graduate school level and the predominantly free public educational system at the elementary and secondary school level. These differences create importantly different factual circumstances against which the criteria previously discussed must be considered to determine the constitutional question.

We are not, at the college level, dealing with a system of universal, free, compulsory education available to all students. The process is more selective, the education more specialized, and the role of private institutions vastly more important. There are obvious limitations upon what the Government can hope to accomplish by way of expanding public or other secular educational facilities. If the public purpose is to be achieved at all, it can only be achieved by a general expansion of private as well as public colleges, of sectarian as well as secular ones.

Loans for construction of facilities may be less constitutionally vulnerable than grants for the same purposes. But this distinction is not here the only one or perhaps even the crucial one. More important are the distinctive factors present in American higher education: the fact that the connection between religion and education is less apparent and that religious indoctrination is less pervasive in a sectarian college curriculum; the fact that free public education is not available to all qualified college students; the desirability of maintaining the widest possible choice of colleges in terms of the student's educational needs in a situation no longer limited by the necessity of attending schools located close to home; the extent to which particular skills can be imparted only by a relatively few institutions; the disastrous national consequences in terms of improving educational standards which could result from exclusion of, or discrimination against, certain private institutions on grounds of religious connection; and the fact that, unlike schools, the collegiate enrollment does not have the power of State compulsion supporting it.

All of the foregoing factors related to higher education are, of course, relevant to the scholarship grants. In addition, the decision as to which college is attended is entirely controlled by the student.

The additional cost-of-education grant paid to the institution is also, in effect, closer to a scholarship than a grant to support the institution chosen. Tuitions vary among colleges owing both to cost differentials and the size of endowment and annual private or public subsidy, but invariably the cost of education exceeds the tuition charged. It is to take account of this fact that the scholarship grant is supplemented by a cost-of-education allowance. In essence, it too is subject to the student's, not the Government's, educational choice.

The payment to the institution is in reality merely a supplement to the scholarship, no less valid constitutionally than the scholarship itself. To regard such payments as unconstitutional would make the question of who receives the payment the one decisive criterion and sacrifice substance to form.

Weighing all these factors, we conclude that the administration's proposals for higher education are within constitutional limits.[20]

VI

Judicial review

The constitutionality of existing Federal legislation which confers some incidental benefits upon sectarian educational institutions has never been tested in the courts. Federal spending legislation ordinarily carries no provisions for judicial review. In the absence of such provisions, the only challenges to spending legislation usually come in the form of suits by individual taxpayers. These litigants lack standing sufficient to sue in a court of the United States, and, where a party to a lawsuit lacks sufficient standing, there is no "case or controversy" which the Federal courts may decide. This requirement of a "case or controversy" is imposed upon the Federal courts by article III of the Constitution, and there appears to be no way in which legislation can dilute this requirement.

The Federal rule with regard to standing to sue on the part of a taxpayer was established in 1923 in the case of *Massachusetts* v. *Mellon*, 262 U.S. 447, and is significantly different from the position of a taxpayer in a municipality. In that case, Mr. Justice Sutherland distinguished the two positions as follows:

"But the relation of a taxpayer of the United States to the Federal Government is very different. His interest in the moneys of the Treasury—partly realized from taxation and partly from other sources—is shared with millions of others; is comparatively minute and indeterminable; and the effect upon future taxation, of any payment out of the funds, so remote, fluctuating and uncertain, that no basis is afforded for an appeal to the preventive powers of a court of equity" (262 U.S. 487).

The Federal courts are similarly barred from considering an appeal from a State court where a taxpayer's interest is not substantial (*Doremus* v. *Board of Education*, 342 U.S. 429 (1952)).

Because of the rule in *Massachusetts* v. *Mellon*, existing Federal aids to education have presumably been immune to attack in the courts on the ground that they violate the Constitution. There is, therefore, no significance to be attributed to the fact that the existing programs have not been litigated. We can regard them as precedents only for what the Congress and the President, not the Supreme Court, regard as within the first amendment.

If Congress wishes to make possible a constitutional test of Federal aid to sectarian schools, it might authorize judicial review in the context of an actual case or controversy between the Federal Government and an institution seeking some form of assistance.

For example, Congress could direct the Commissioner of Education to make some benefit available to private schools with a requirement that such benefit shall not contribute to an establishment of religion or prohibit the free exercise thereof. The same legislation would also provide for a hearing on a written record of any application rejected and a statement of findings by the Commissioner. The Commissioner's decision rejecting any application for a benefit would be made subject to judicial review. If the Commissioner were to reject the application of a sectarian school on the ground that extending the benefit would violate the statutory provision embodying the prohibition of the first amendment, the applicant could then in effect litigate the constitutional question in court.

In the absence of some such statutory provisions, there appears to be no realistic likelihood that Federal legislation raising the constitutional issues discussed in this memorandum will be resolved by judicial decision.

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APPENDIX A

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[20] It should be pointed out that decisions of the Supreme Court discussing other problems in the field of education have emphasized that different considerations apply to higher education as against elementary and secondary education. Contrast *Hamilton* v. *Regents*, 293 U.S. 245 (1934) (higher education) with *Bolling* v. *Sharpe*, 347 U.S. 297 (1954); *Brown* v. *Board of Education*, 347 U.S. 483 (1954); *Board of Education* v. *Barnette*, 319 U.S. 624 (1943) (elementary and secondary education).

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Appendix B

Description of some representative comments on the Everson, M'Collum, and Zorach cases

The views of the scolars who have commented on the Everson, McCollum, and Zorach cases fall roughly into three categories: (1) The view that an inflexible doctrine of separation has the effect of restraining religious freedom in violation of the first amendment and that the holding in Everson was correct as far as it went and logically should be extended to permit governmental aid to children attending sectarian schools; (2) the view that the separation must be absolute and that Everson was therefore incorrectly decided; and (3) the view that there is room for cooperation between church and state so that governmental aid for education is not invalid because sectarian schools receive incidental benefits, provided that the aid is aimed at achieving a broad public purpose.

1. The view that extensive Federal aid is constitutionally permissible: At present there are about 6,752,000 elementary and secondary school pupils in nonpublic schools.[1] Of these more than 80 percent are in Roman Catholic schools.[2] Confronted by rising costs in the economy generally and in education specifically, Catholic parents contend that in effect they are subject to double taxation. Although some Catholic spokesmen disclaim any attempts to obtain general public support of religious schools because they believe it may endanger religious liberty and hence would be satisfied with long-term, low-interest loans,[3] there are others who would like to see far more pervasive Federal aid to sectarian schools and the child-benefit theory extended to include aid either to the sectarian institution itself or to the parent.

For example, Professor Weclew is of the opinion that as from the standpoint of public welfare no distinction can be drawn in Federal aid to education between the university and elementary school levels.[4] He said: [5]

"Health, emotional stability, and literacy come more and more to be recognized as community assets in which government has a vital concern. These assets should be developed and not simply ignored as far as private schools are concerned because parents exercise their constitutional right to send their children to religious schools. Programs promoting these matters of vital concern when set up in religious schools leave the State and children as beneficiaries, and the religious schools only benefit incidentally."

After enumerating various programs under different acts of Congress which have provided assistance both to sectarian institutions and to the individuals utilizing sectarian institutions, Weclew concludes: [6]

"We can only conclude that the wall of separation is permeable, lacks definite boundaries, and is of uncertain height. Time, place, circumstances, and subject matter determine what degree of separation there shall be. There are areas where none will deny that the maximum degree of separation is best for all. There are areas where separation is unnecessary, undesirable, or impossible."

The opinion frequently expressed by the supporters of all-out aid to parochial schools is that the existing restrictive system actually operates to abridge the first amendment's guarantee of freedom of religion. They say that where the Catholic parent has no real choice under existing laws but to violate his conscience because compelled by economic pressures to send his children to a public school, then the law has fallen short of protecting religious liberty for all—poor and rich alike.

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[1] U.S. Department of Health, Education, and Welfare, Office of Education: "Projected Enrollments in Full-Time Public and Nonpublic Elementary and Secondary Day Schools." The figure for nonpublic schools is 15.2 percent of the estimated total of schoolchildren, kindergarten through grade 12, there being approximately 37,551,000 children in public schools. The total estimated enrollment, public and nonpublic, is 44,303,000.

[2] Based on data from "Summary of Catholic Education 1959," National Catholic Conference, Department of Education, Washington, D.C., which states that the October 1959 enrollment in Catholic elementary and secondary schools was 5,087,197. When projected this indicates 1960–61 enrollments in the neighborhood of 5,240,000.

[3] Rev. Neil G. McCluskey, S.J., editor of the Catholic monthly, "America" quoted in the New York Times, Mar. 12, 1961, p. E9.

[4] Weclew, "Church and State: How Much Separation," 10 De Paul L. J. 1, 19–21 (1960).

[5] Id., 21.

[6] Id., 26.

This view, vigorously espoused by Professor Henle,[7] is as follows:

"We cannot, as Americans, simply say that this religious scruple is their own affair; that they may come to the public schools if they want aid, but, if they choose not to do so, that's their own affair. This religious conscience is one of the factors in the case and must be taken into account by the Government. Religious liberty and the prohibition of religious qualifications are meaningless unless they relate to the precise peculiarities of each type of conscience. Hence, our courts have shown a punctilious and precise concern to protect the consciences even of minorities commonly regarded as extremists" (p. 245).

"It might be said that the economic pressure is no concern of the State. Yet, it is our concern as Americans not to render lip service to an abstract religious liberty, but to work it out and safeguard it 'n the concrete. As a matter of fact, in the area of labor law, the courts have recognized 'economic pressure' as destroying any real choice when it is actually present. If, in the factual situation, there is no real choice, under the law, except to violate one's conscience, then the law is not safeguarding religious liberty. And this is the worst form of religious discrimination, because it allows true religious liberty only to those who can afford it. American ideals demand an arrangement which will allow religious liberty for each man's conscience, for Catholic, Protestant, Jew, and unbeliever, for rich and poor alike" (p. 248).

Under Henle's theory, State aid should be made available to parents whose children go to sectarian schools in the same way as it is to those parents whose children go to public schools.

He says:

"We are thus faced with this practical situation: American ideals and principles demand that the educational aid, intended to be made available to all through the public school, should actually be made available to all American children whether they attend a public school or, for reasons of conscience, a religious school. The Lutheran parent or child, the Catholic parent or child, the Seventh Day Adventist parent or child, and so forth, who need and want this aid, are entitled to an equivalent share of public aid from the funds to which they also contribute under the law" (p. 248).

Under Henle's views, a precedent is the program of veteran's educational benefits, except that he would permit the choice of school to be made by the parent rather than by the student:

"In a similar manner we could work out a plan envisioning the child or parent as the beneficiary of all funds collected for educational purposes; if the parent selected the public school the funds can be made available through the public school; if, for conscience reasons, the parent selected a religious school, the fees (to a fair amount) could be paid in the name of the child or parent and in view of the education, not of the religious functions of the institution" (p. 251).

Cast in somewhat different language, the argument for "proportionate aid" to sectarian schools is that the general welfare clause of the Constitution (art. 1, sec. 8), which is the basis for Federal aid to education, should not be construed as requiring religious considerations as a standard for inclusion or exclusion of beneficiaries. In this connection, Professor Costanzo says: [8]

"Federal aid to education which excludes religious schools from its beneficiaries precisely because of their religious profession and affiliation may place Congress in the incongruous role of promulgating a law prejudicial to the 'free exercise thereof' clause; of establishing a preferential status for a secularized education as more worthy of its benefits then religious education, and find itself in the unenviable position of constructively setting a religious test as a norm for inclusion amongst the beneficiaries in the exercise of its general welfare powers, and, lastly, allow, if not actually intend, that exercise of religious liberty in education becomes a liability before the law in the disbursement of the benefits of the law. This would convert the 'no establishment' clause into an affirmative official action in favor of nonreligious education."

2. The view that absolute separation is constitutionally required: A leading exponent of the absolute separation doctrine is Leo Pfeffer whose book, "Church, State and Freedom" (1953), is widely known and cited. Pfeffer draws heavily on the dissents of Justices Jackson and Rutledge in the Everson case in challenging the conclusion reached by the majority of the Court that by furnishing bus transportation to pupils attending sectarian schools, the State is doing no more than it does when it provides police protection for children crossing the street or when it supplies fire protection:

"It is submitted that both these assumptions rest on fictions. As both dissenting opinions, by Justices Jackson and Rutledge, point out, the New Jersey statute and the Ewing resolution do not provide transportation for children on the streets; they provide transportation only for children going to school, either to a public school or to a Catholic parochial school. A child going to visit a neighbor or to a motion picture theater is just as much subject to the hazards of the road as a child going to school. Yet New Jersey did not make any provision for the transportation of children going to any destination other than school—public or parochial. If New Jersey had so provided, none would dispute that the purpose of the legislation was to provide welfare benefits—indisputably within the State's police power. Since it was restricted to school transportation, it would seem clear that the purpose of the legislation was to provide an educational service.

"It would therefore seem fallacious to equate—as Justice Black did—bus transportation and police or fire protection. The purpose of supplying traffic police is to protect children from accidents; all children are protected, Catholics and Protestants, believers and nonbelievers. The purpose of supplying fire protection is to preserve society's economic assets, whether in the form of church buildings or burlesque theaters. But the purpose of supplying bus transportation is to get children to school, not (at least, primarily) to protect them from traffic hazards." [9]

So too, Pfeffer finds strong support in Justice Jackson's dissent in Everson in his (Pfeffer's) opposition to the argument that Catholic parochial schools provide the secular education which the State is empowered to provide. In the same vein, Pfeffer says: [10]

"These authoritative church writings leave little doubt that the education received in Catholic parochial schools is not the secular education which a State may constitutionally provide or pay for."

In Pfeffer's view, if reimbursement for bus transportation may be justified under the State's police power to provide for the welfare of children, so may other expenditures of a similar character: fireproofing sectarian schools; repair of unsafe walls and ceilings, their replacement, and the like.[11]

Despite his strong views respecting various aspects of parochial education, Pfeffer, as well as others in the "absolute separation" school, is able to distinguish the assistance discussed above from the aid rendered by a State in providing free medical and dental services or free hot lunches to children in parochial schools:

"These are not educational services but true welfare benefits. A child needs medical and dental care and hot lunches, whether he goes to a public school, to a parochial school, or to no school at all. But he does not need transportation to a school unless he receives instruction at that school; and only in that case is his safety and health protected if the school building is fireproof and the rooms warm and ventilated." [12]

Professor Konvitz of Cornell University may be considered as another advocate of absolute separation. He has tried to answer the arguments of Father Wilfred Parsons [13] that parochial schools, insofar as they satisfy Government standards for the teaching of secular subjects, should receive financial support to pay the costs of those teaching these subjects. The thrust of Konvitz's argument is that under official Catholic doctrine all the teaching and the whole organization of the school, including teachers and books, are under the supervision of the church; that religion is the foundation of the student's training not only in the elementary school but in the intermediate and higher institutions of learning as well.[14] It is from education in the parochial school that there springs Catholic growth, cohesion, discipline and loyalty. Konvitz says:

"When this official philosophy of Catholic education is considered, it becomes clear why any form of public aid to parochial schools is a violation of the Constitution, a breakdown of the separation of church and state.." [15]

Konvitz concedes, as Father Parsons suggests, that Americans may not be logical when they refuse public aid to parochial schools yet recognize them as fulfilling the requirements of compulsory education. But Konvitz asserts "the departure from a narrow logic has been in the interests of a broad liberty. * * * Just as 'complete separation between the state and religion is best for the state and best for religion', so, too, the liberty of religious groups to maintain their own schools is 'best for the state and best for religion.'" [16]

In accord with some of the views advocating "absolute separation" are various articles prepared by the editorial staffs of the law reviews. One in the University of Pennsylvania Law Review says: [17]

"The strictest limitation upon governmental aid to religious institutions is required by the language, the historical content and the present validity of American constitutional provisions. The principle is clear and undisputed that formal interrelation of church and state institutions is prohibited by the letter and spirit of these provisions. Once established, the principle should be preserved intact against indirect as well as direct abridgement. To support the doctrine of separation is not to advocate irreligion but to maintain institutionally a separation of functions the fusion of which

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[7] Henle, "American Principles and Religious Schools," 3 St. Louis U.L.J. 237 (1955).

[8] Costanzo, "Federal Aid to Education and Religious Liberty," 36 U. Det. L.J. 1, 42 (1958).

[9] Id., 474–475.

[10] Id., 475.

[11] Id., 476.

[12] Id., 477.

[13] Parsons, "The First Freedom: Considerations on Church and State in the United States" (1948).

[14] Konvitz, "Separation of Church and State: The First Freedom," 14 Law and Contemp. Prob. 44, 58–59 (1949).

[15] Id., 59.

[16] Id., 59. This is similar to Justice Jackson's view in Everson. See 330 U.S. 27.

[17] Note, "Public Aid to Establishments of Religion", 96 U. Pa. L. Rev. 230, 240–241 (1947).

has invariably destroyed the usefulness of both institutions according to democratic standards.

"The Everson case indicates that a court appraising auxiliary services like transportation to sectarian schools in terms of a present danger of substantial inter-control of church and state may circumvent the restriction. Logically, however, if such services are public functions justifying state support, then the public welfare feature of sectarian education itself provides an even stronger claim to state support; but there is no judicial dissent from the view that such direct support is proscribed by both Federal and State constitutions.

"The use of governmental authority, financial or persuasive, to aid or hinder religious institutions directly or indirectly should be prohibited under the establishment clause of the first amendment."

Another article emphasizes that it is not easy to seal the wall between church and state once it has been pierced in the name of the public welfare: [18]

Teaching of nonreligious courses in religious schools, and the standard of such instruction, is certainly for the public interest—cannot the State then pay to that extent the salaries of religious teachers? * * * Physical fitness of American youth is a matter of public concern—can the State not, under the Everson case, build gymnasiums and furnish nurses to parochial schools? * * * The majority opinion in the Everson case suggests no line which would be drawn. It serves but one purpose—to enunciate a doctrine which amounts to a tool for the circumvention of the absolute prohibition against establishment of religion in the first amendment."

3. The "intermediate" position: In contrast to the two positions discussed above, there is considerable sentiment among legal scholars for a more moderate position which it is claimed would strike a fair balance between competing interests.

Professor Katz of the University of Chicago Law School originally suggested that, in order to protect the freedom of parents in their choice of schools, a tax deduction of some kind for tuition paid to such schools would be permissible but that affirmative aid to religion should be avoided.[19] He would now go further in the use of tax funds for religious schools upon the theory that the use thereof is not really aid to religion but rather chiefly aid to education, so long as the State's standards for education are satisfied by the religious schools. He says:

"If one assumes that the religious schools meet the State's standards for education in secular subjects, it is not aid to religion to apply tax funds toward the cost of such education in public and private schools without discrimination. Like the dissenters in the busfare case, I am not now able to distinguish between the minor payments there involved and payments for educational costs. I believe, therefore, that none of such nondiscriminatory uses of tax funds are forbidden by the first amendment."

He admits, however, that his position would be a most unpopular one generally and be subject to attack upon various grounds: [20]

"The widespread rejection of the position just defended may be explained in a number of ways. It may reflect a general bias in favor of Government operation for any activity which is to be supported with tax funds. It may reflect a specific bias in favor of public education with only grudging concession of freedom for private schools. It may reflect skepticism as to the quality of education in religious schools and as to the feasibility of enforcing standards. It may reflect distrust of the position of the Roman church as to religious liberty. It may reflect a conviction that the problem is too explosive to be left to ordinary political processes and that the usual principle of State neutrality must, at this point, yield to a principle of absolute and hostile separation."

Prof. Robert F. Cushman believes that since the Everson decision the problem of aid to sectarian schools is cast in a different light: [21]

"It becomes clear that the crucial issue is not aid to the child against aid to the school; it is not even the question of whether religion is being aided; the real question is, as it has always been, How do you distinguish aid to the public in general from aid to religion in particular? Religion does and should, as part of the public, share in the benefits extended to the public in general. To hold otherwise is to adopt a position which would permit the State to make of religion an outlaw having no rights which the law is bound to protect. The question then is, Under what circumstances and in what way do religious institutions become part of the public in general?

"The difference between providing police protection and providing teachers does not lie in the identity of the beneficiary but in the way in which the aid is extended. Aid is not normally extended to individuals or institutions by name, but rather to groups or classes of individuals or institutions. Any individual or institution falling under the restrictions of the law, or falling heir to its benefits, does so only as a member of such a group. An individual may be a pupil, a pedestrian, a property owner, and a parent. A church is at once a corporation, a piece of property, a building, a meeting place, a religious institution, and a nonprofit institution. Furthermore, a church may receive police protection when classed as property, tax exemption when classed as a nonprofit institution, sewage connections when classed as a building, and yet be denied financial aid when classed as a religious institution, since such a class may not validly be given public aid. Since the aid goes to groups rather than the individual components of any one group, the eligibility of an institution to receive public aid would seem to depend on which group it is classed in, rather than on its individual characteristics" (p. 348).

"The Constitution, according to the Court, does not forbid all aid to religious institutions. They may receive fire and police protection. What the Constitution forbids is aid to the religious function, and the Court in the Everson case divided over the question whether this function was in fact being aided. This being the case, if a State wished sincerely to protect the safety of its children, it could set up children's buses on which any child could ride, whether going to a parochial school or to the movies. To insure the health of its children it could provide free lunches, dental, and medical care for all children. To improve their minds and morals it could provide free books, museums, and libraries. These aids would be available to all children regardless of the school they attended, or whether or not they attended school. The aid would truly be to children (a group which the State may validly aid) irrespective of the religious activity of the individual concerned" (pp. 348–349).

Under Professor Cushman's view, constitutional questions would be avoided through legislation which would provide aid for all children of the State, without earmarking it as assistance to children enrolled in schools, both public and religious:

"When, however, the State undertakes to aid just pupils and schools it is no longer aiding all children and all buildings. It is aiding only those identified with the function of institutionalized education, since pupils and schools are groups set up for the sole purpose of identifying certain children and institutions with the function of education. Aid to these groups, then, becomes aid directly to the function for which they are set up. Where schoolbuses are extended to schools, or pupils, they are in aid to the function of education. Where this includes parochial schools and pupils this becomes aid to the function of religious education" (p. 349).

"As the majority in the Everson case pointed out, a State cannot aid religion, but it cannot be denied the right to aid all its children even though some of them attend religious schools. A State statute so drawn as to provide aid to all children as a group, regardless of what that aid might be, would be exceedingly difficult to attack on constitutional grounds as an aid to religion. Thus, a State which provided medical service and books to all the children in the State would be virtually assured of the validity of its action. Where, however, a State limits its aid to children enrolled in schools, and this includes both public and religious schools, it lays itself open to the charge that it is aiding two kinds of education, secular and religious, and religious education is something which the States are forbidden to aid" (p. 349).

Still another approach has been advanced by Judge Fahy. After citing various precedents, both judicial and legislative, he said: [22]

"Consistent with these views on the place of religion in our national life is the established rule that public funds may be used to pay for services rendered, notwithstanding the fact that the payment is to a religious organization. It is immaterial that tax-raised funds are paid to these individuals or organizations by way of reimbursement for money spent by them in furtherance of a public program. Illustrations of existing or possible arrangements of this type include payments by local governments to denominational hospitals, conducted by religious orders or otherwise, for medical services rendered to those entitled to receive such service at public expense; and expenditures by the Federal Government toward the construction of or additions to denominational hospitals, under the Hospital Construction Act.

"The same concept has been applied in the field of education. Federal Government payments to a denomination college for teaching or training draftees or veterans, even including training for the clergy, is authorized by the GI bill of rights."

A Student Note in the Yale Law Journal suggests other standards for achieving a fair and valid result in borderline cases. It was said: [23]

"One method of qualifying the Everson absolute throughout would be to balance the public benefit in each instance against the aid to religion. Inculcation of moral principles, for instance, may well be found to outweigh the sectarian nature of New York 'released time' or religious exercises, even though insufficient to qualify as a full-fledged 'public purpose' of the Everson variety."

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[18] Comment, 21 So. Cal. L. Rev. 61, 75 (1947).

[19] Katz, Freedom of Religion and State Neutrality, 20 U. Chi. L. Rev. 426, 440 (1953).

[20] Id., 440.

[21] Robert F. Cushman, "Public Support of Religious Education in American Constitutional Law," 45 Nw. U.L. Rev. 333, 347, 348 (1950).

[22] Fahy, Religion, Education and the Supreme Court, 14 Law and Contemp. Prob. 72, 82 (1949).

[23] Note, "Tracing the 'Wall': Religion in the Public School System," 57 Yale L.J. 1114, 1121 (1948).

Based upon the dissent of Justice Reed in *McCollum* v. *Board of Education*, supra, at 248–249, that the Everson decision did not intend to preclude religious bodies from receiving incidental advantages which other groups similarly situated obtain as a by-product of organized society, the Yale Law Review Note continues: [24]

"Even more far-reaching is the method suggested in Mr. Justice Reed's dissent, which would remove the need for any propitiating justification where the 'aid' was merely a 'byproduct of organized society' and not 'purposeful assistance directly to the church itself or to some religious group performing ecclesiastical functions.' Such a modification would transcend piecemeal exceptions by shifting the entire wall to a position where practices involving no direct expense to the State, such as 'released time' and the use of public buildings for sectarian meetings, could easily be sustained. And direct expenditures, which theoretically are barred by the precept that no tax whatever can be constitutionally 'levied to support religious activities,' could be validated by a parallel definition of the word 'support.' While this approach was not specifically negated by the majority or concurring opinions, the 8–1 decision over Mr. Justice Reed's dissent indicates that the Court would be reluctant to relax its Everson prohibition to such an extent. The essence of this concept, however, might well be accepted in diluted form by construing State 'neutrality' towards religion, which technically seems to save only those benefits in which all share, broadly enough to uphold desirable types of insignificant aid which could not be logically sustained on less drastic grounds."

FEDERAL PRORGAMS UNDER WHICH INSTITUTIONS WITH RELIGIOUS AFFILIATION RECEIVE FEDERAL FUNDS THROUGH GRANTS OR LOANS

Attached is a description of Federal programs under which educational institutions with religious affiliation receive Federal funds through grants or loans. The following should be kept in mind in using this material:

1. Payments to institutions for which the United States receives a quid pro quo in a proprietary sense are outside the scope of the attached listing. However, Federal programs are so diverse that a clear line in this respect is not always possible, and many programs, not listed here because the Federal Government receives such a quid pro quo, are frequently of benefit to institutions.[1]

2. Programs to pay institutions for training Government civilian or military personnel are not included here. See, for example, 5 U.S.C. 2301 for a Government-wide employees' training program.

3. Except as noted under item 3 of the description of programs of the State Department, and in the case of payments for the education of Indian children, institutions with religious affiliation participate in all of the programs listed.[2]

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[24] Id., 1121.

[1] 42 U.S.C. 1891–1893 provides that authority to contract for basic scientific research at nonprofit insitutions of higher education shall be deemed authority to make grants for that purpose. Furthermore, authority to make grants or contracts for basic or applied research at such institutions provides authority to vest in the institution title to equipment purchased with grant or contract funds, without further obligation to the Government.

[2] No statute has been found where authority to deal with nonpublic institutions excludes dealing with those with religious affiliation, except 25 U.S.C. 278, 279. That law declares "the settled policy of the Government to make no appropriation whatever out of the Treasury of the United States for education of Indian children in any sectarian school." Subsistence and clothing are provided for some children in such schools.

25 U.S.C. 280 authorized the Secretary of the Interior to issue a patent to religious organizations for lands used by them prior to Sept. 21, 1922, for mission or school purposes.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Office of Education

A. National Defense Education Act programs.

1. National defense student loan program (NDEA (Public Law 85–864), sec. 201 et seq.; 20 U.S.C. 421 et seq.): Funds are made available by the Commissioner of Education under title II of the National Defense Education Act to enable public and private, nonprofit institutions of higher education to make low-interest loans to needy students.

The Federal Government advances up to 90 percent of the capital needed for a loan fund at an institution.[3] In any fiscal year, the Federal capital contribution at any institution may not exceed $250,000. The loan to an individual student may not exceed $1,000 for a fiscal year and no student may borrow more than $5,000 for all years. Special consideration must be given in providing loans to students with superior academic backgrounds who express a desire to teach in elementary or secondary schools (not necessarily those which are public) and students with strong academic backgrounds in science, mathematics, engineering, or a modern foreign language, but other students may also receive loans. Each note must provide that up to 10 percent of the loan (plus interest) will be canceled for each year of service as a full-time teacher in a public elementary or secondary school, but not more than 50 percent of a loan can be canceled in this manner.

2. National defense fellowships (NDEA (Public Law 85–864), sec. 404; 20 U.S.C. 464): Graduate programs in institutions of higher education are given quotas by the Commissioner of Education for the award of graduate fellowships. The Commissioner awards 1,500 fellowships per year for periods of study in such programs, not in excess of 3 academic years. The individual receiving the fellowship receives $2,000 to $2,400 per year, depending on the year of study, plus an allowance for dependents. In addition, the institution which the individual attends receives the portion of the cost attributable to such individual's study not to exceed $2,500 per fellowship holder per academic year.

3. Loans to nonprofit private schools (NDEA (Public Law 85–864), sec. 305; 20 U.S.C. 445): Title III of NDEA is designed to strengthen science, mathematics, and modern foreign language instruction in elementary and secondary schools. The title contains provisions for grants to strengthen State supervisory services for public elementary and secondary schools and for grants to enable public elementary and secondary schools to acquire science, mathematics, and modern foreign language equipment (and to remodel space used for such equipment).

Twelve percent of each appropriation for the acquisition of science, mathematics, or foreign language equipment (or minor remodeling of space for such equipment) is required to be allotted by the Commissioner of Education for loans to private, nonprofit, elementary and secondary schools. Affiliation or nonaffiliation with a religious organization is immaterial. The loans are authorized to enable the borrowing school to acquire equipment of the types referred to above (and do minor remodeling) and must bear interest at one-fourth of 1 percent above the current average yield on all outstanding marketable obligations of the United States, adjusted to the nearest one-eighth of 1 percent. Such loans must mature within 10 years.

4. Testing students in secondary schools (NDEA (Public Law 85–864), sec. 504(b); 20 U.S.C. 484(b)): Under title V of the National Defense Education Act, grants to State educational agencies may be used, among other things, for testing students in secondary schools, public or private. The Federal participation through the State grant is one-half the cost of such testing. The section cited above provides that in any State with an approved State plan which is not authorized by law to pay for the cost of testing students in one or more secondary schools, the Commissioner of Education shall arrange for the testing of such students and pay one-half the cost thereof (for the first fiscal year of the program the payment for testing was the full cost). In carrying out this provision during the 1960–61 school year, the Commissioner arranged for testing students in private secondary schools of 40 States. (For purposes of the act the Virgin Islands, Puerto Rico, the District of Columbia, and Guam are treated as States).

The provision for the Commissioner to arrange testing was inserted in the law because of the knowledge that in some States the State educational agency would not have authority to make payments toward the testing of students in nonpublic schools, particularly those with religious affiliation.

5. Institutes for training secondary school counselors and institutes for training modern foreign language teachers (NDEA (Public Law 85–864), secs. 511, 611; 20 U.S.C. 491, 521): The Commissioner of Education is authorized to contract with institutions of higher education for summer and regular academic year training programs to improve the qualifications of counselors in secondary schools and modern foreign language teachers. The teachers from public, sectarian or any other types of private schools receive the opportunity for training without tuition costs. However, the act authorizes the Commissioner to pay a stipend for subsistence only to those who are to teach in public schools.

Although the instruction is conducted under a contractual arrangement pursuant to statute, it is included in this listing because the effect is very similar to that of a grant. The contract finances educational services by which the participating institutions serve a segment of people whom it would be their normal function to train.

6. Language and area centers (NDEA (Public Law 85–864), sec. 601(a); 20 U.S.C. 511 (a)): The Commissioner of Education is authorized to arrange through contracts with institutions of higher education for the establishment and operation by them of centers for the teaching of certain modern foreign languages and studies related to the cultures in which such languages are used. The languages are confined to those for which trained individuals are needed in business, government, or education. While the statute authorizes only contracts for payment of one-half the cost, the program has all the earmarks of a grant situation.

7. Language fellowships (NDEA (Public Law 85–864), sec. 601(b); 20 U.S.C. 511(b)): The Commissioner of Education is authorized to pay stipends to individuals undergoing advanced training in any modern

[3] The Commissioner may make loans to institutions to help them finance their required 10 percent advance to the loan fund, where such funds cannot be secured from non-Federal sources upon terms and conditions deemed reasonable by the Commissioner. The term is up to 15 years with interest at such rate as the Commissioner determines will cover all costs to the Government, including probable losses.

foreign language with respect to which he determines there is a special need in business, government, or education. No payment is made to the institutions of higher education, although the stipend is so computed as to include an amount which will enable the individual to meet his tuition and subsistence needs.

8. Foreign language research (NDEA (Public Law 85–864), sec. 602; 20 U.S.C. 512): The Commissioner of Education is authorized to contract for studies and surveys relating to the need for improved instruction in modern foreign languages and research in effective methods of improving such instruction. While the statute provides for a contractual arrangement, the program has many of the attributes of a grant situation.

9. Research and experimentation in more effective utilization of television, radio, motion pictures, and related media (NDEA (Public Law 85–864), sec. 702; 20 U.S.C. 542): In carrying out his authorization to make grants or contracts for research, experimentation, and dissemination of information in the development of methods for utilizing new media of communication for educational purposes, the Commissioner of Education has frequently paid for research, experimentation, and dissemination activities of institutions of higher education without regard to religious affiliation.

B. Grants for teaching in the education of mentally retarded children (Public Law 85–926, sec. 1, as amended by Public Law 86–158, 73 Stat. 346; 20 U.S.C. 611): The Commissioner of Education makes grants to public or other nonprofit institutions of higher education to assist them in providing training of teachers in fields related to the education of mentally retarded children. These grants may be used both in connection with the costs of instruction and for establishing and maintaining fellowships. This is a new program under which grants have been made to only 19 institutions. One of these is known to have religious affiliation.

C. Cooperative research on problems in education (Public Law 531, 83d Cong., sec. 1; 20 U.S.C. 331): The Commissioner of Education is authorized to contract or make other jointly financed cooperative arrangements with institutions of higher education for studies and research on problems in education. In practice all arrangements have been made through contract. The program is listed here, however, because it has many of the attributes of a grant situation.

Public Health Service

A. Health research project grants (PHS Act, sec. 301(d); 42 U.S.C. 241(d) Public Law 660–84th Cong.; 33 U.S.C. 466, et seq. Public Law 159–84th Cong.; 42 U.S.C. 1857 et seq.): Grants are authorized to defray the cost of research projects relating to the causes, prevention, treatment or control of the physical and mental diseases and impairments of man, and also relating to the cause, control and prevention of air and water pollution.[4]

B. Construction of hospitals and other medical facilities (PHS Act, title VI; 42 U.S.C. 291 et seq.): Grants are authorized to meet from one-third to two-thirds the cost of construction of general hospitals and other medical facilities. Such other facilities include hospital-related housing for nurses and nursing homes.

C. Construction of health research facilities (PHS Act, title VII; 42 U.S.C. 292 et seq.): Grants are authorized to meet up to 50 percent of the cost of construction, remodeling or equipping of facilities for the conduct of research in the sciences related to health.

D. Categorical training grants and traineeships (PHS Act, secs. 403, 412, 422, 433(a) and 303; 42 U.S.C. 283, 287a, 288a, 289c, and 242a): Grants may be made to training institutions to meet the costs of providing specialized, technical, or advanced training with respect to particular diseases of public health significance (cancer, heart disease, mental health, etc.) or with respect to air or water pollution (42 U.S.C. 1857; 33 U.S.C. 466). One example of such grants were those by the National Institute of Mental Health to schools of divinity of the three major faiths to develop on a 5-year pilot basis improved instruction in mental health. Authority is also provided for awarding traineeships to individuals, selected either by the training school or by the Public Health Service, to provide them subsistence support and expenses during their period of categorical training (42 C.F.R., pts. 63 and 64).

E. Research fellowship grants and awards (PHS Act, secs. 301(c), 433(a); 42 U.S.C. 241(c), 289c): Authority is provided to award fellowships to individuals selected by the Service, or to make grants to institutions to permit them to award fellowships, for the purpose of providing subsistence support and expenses to an individual in his conduct of research or in his acquisition of research training (42 C.F.R., pt. 61).

F. Traineeships for professional public health personnel (PHS Act, sec. 306; 42 U.S.C. 242d): Authority is provided for awards either directly to individuals or by means of grants to the training institution to cover the cost of the individual's tuition, fees and subsistence during his graduate or specialized training in public health for physicians, engineers, nurses and other professional health personnel.

G. Advanced training of professional nurses (PHS Act, sec. 307; 42 U.S.C. 242e): Authority is provided for the award of traineeships by grants to training institutions to cover the cost of tuition, fees, stipends and allowances of professional nurses being trained to teach or to serve in an administrative or supervisory capacity.

H. Projects grants for graduate training in public health (PHS Act, sec. 309; 42 U.S.C. 242g): Project grants are authorized to be awarded to schools of public health, nursing or engineering to meet the costs of graduate or specialized training in public health for nurses or engineers and for the purpose of strengthening or expanding graduate public health training in such schools.

I. Indian health: Aid in construction of community hospitals (Public Law 85–151; 42 U.S.C. 2005): Grants are authorized to aid in the construction of community hospitals based on the proportion of construction costs attributable to the health needs of the Indians in the community.

J. Cancer control grants (Public Law 86–703): Under authority of the current Department of Health, Education, and Welfare Appropriation Act (Public Law 86–703), grants are made to hospitals, universities or other such institutions, for the conduct of cancer prevention, control, and eradication programs.

Office of Vocational Rehabilitation

A. Grants for research, demonstration, and training projects related to vocational rehabilitation (Vocational Rehabilitation Act (Public Law 565, 83d Cong.), sec. 4(a); 29 U.S.C. 34(a)): The Secretary of Health, Education, and Welfare is authorized to make grants to public and other nonprofit organizations for paying a part of the cost of projects for research and demonstrations in the field of vocational rehabilitation and training of individuals in professional fields which provide services to physically handicapped individuals. Many of the grants for research and demonstration are made to institutions of higher education, and most of the grants for training are made to such institutions. The training grants include an amount to enable the institutions to pay stipends to persons in training.

B. Vocational rehabilitation fellowships (Vocational Rehabilitation Act (Public Law 565, 83d Cong.), sec. 7(a)(3); 29 U.S.C. 37(a)(3)): The Secretary of Health, Education, and Welfare is authorized to provide training in technical matters relating to vocational rehabilitation services, including the establishment and maintenance of research fellowships with stipends and allowances. Pursuant to this a limited number of research fellowships are awarded for study and research at various institutions of higher education.

Social Security Administration

A. Cooperative research or demonstration projects (sec. 1110 of the Social Security Act, as added by sec. 331 of Public Law 880, 84th Cong.; 42 U.S.C. 1310): The Secretary of Health, Education, and Welfare is authorized to make grants to or contracts with public and other nonprofit organizations for paying part of the cost of research or demonstration projects relating to public welfare and social security matters. While the enabling legislation was effective for fiscal year 1957, appropriations were first available to carry out this program during the 1961 fiscal year. Three hundred and fifty thousand dollars has been made available for this purpose, and it is anticipated that one-third to one-half of that amount will be for financing projects at institutions of higher education. In the approval of such projects no distinction is made because of religious affiliation of an institution.

B. Children's Bureau: Special projects relating to crippled children and maternal and child health services (secs. 502(b) and 512(b) of the Social Security Act, as amended by secs. 707(b)(1)(A) and 707(b)(2)(A) of Public Law 86–778; 42 U.S.C. 702(b) and 712(b)): The Secretary of Health, Education, and Welfare is authorized to make grants to State health agencies and nonprofit institutions of higher education for special projects in the field of services for crippled children and maternal and child health. Up to now such projects have been financed by State agencies as the result of receiving grants from the Federal Government. In the future, however, grants will be made directly from the Federal Government, and no distinction is planned with respect to sectarian institutions.

Office of Field Administration

Surplus property utilization program (Federal Property and Administrative Services Act of 1949 (Public Law 152, 81st Cong.), as amended, secs. 203(j) and 203(k); 40 U.S.C. 484 (j) and (k)): Under these provisions the Secretary of Health, Education, and Welfare is authorized to allocate surplus personal property for transfer by the Administrator of General Services to State agencies for distribution to educational, health and civil defense organizations. Surplus real estate assigned by the General Services Administrator is transferred by the Secretary of Health, Education, and Welfare for educational and public health purposes at a public benefit discount which can be as much as 100 percent of the appraised fair value. The institutions which receive real and personal property include public and private nonprofit elementary and secondary schools and institutions of higher education.

ATOMIC ENERGY COMMISSION

Aid for nuclear equipment and loan of nuclear materials to colleges (Atomic Energy Act of 1946 (Public Law 585, 79th Cong.), as

[4] A recent amendment (Public Law 86–798) has also authorized the use of up to 15 percent of the amounts appropriated for health research projects for grants to nonprofit universities or other institutions for the general support of their health research and research training programs. While no such grants have yet been made, present plans are to make awards without regard to the religious affiliation of the grantees.

amended, secs. 3(a), 5(c)(2); 41 U.S.C. 2051, 2111): The Atomic Energy Commission operates a variety of programs under which support is given for activities in institutions of higher education. For purposes of this listing these programs are grouped as follows:

1. Special fellowships for study at institutions of higher education under which payments are made to individuals to cover tuition and subsistence costs for students in nuclear science and engineering and for graduate work in the atomic energy aspects of the life sciences.

2. Grants to institutions to enable them to acquire (a) nuclear laboratory equipment, (b) research reactors, and (c) teaching aids and laboratory equipment for radioisotope technology.

3. Loans of materials for instruction in nuclear fields and for research reactors.

4. Support of research in institutions of higher education through grants or contracts in various fields involving atomic energy.

5. Summer institutes in institutions of higher education to train teachers in various fields relating to atomic energy. Instructional costs are defrayed by the Atomic Energy Commission; stipends to teachers, who may be from schools with religious affiliation are paid by the National Science Foundation. (cf. NDEA counseling and foreign language institutes (supra) where, because of statute, stipends are paid only to public school teachers.)

VETERANS' ADMINISTRATION

A. Vocational rehabilitation (veterans' benefits (Public Law 85–857), ch. 31, secs. 1503, 1504; 38 U.S.C. 1503, 1504): Training is purchased from educational institutions of all types, including those with sectarian affiliation, for the rehabilitation of war veterans with service-connected disabilities. In addition, a subsistence allowance is paid the veteran.

B. Educational benefits for World II and Korean veterans (veterans' benefits (Public Law 85–857), ch. 33, sec. 1601 et seq.; 38 U.S.C. 1601 et seq.): Educational benefits for veterans of World War II were included in Public Law 346, 78th Congress. Under the original arrangement, a tuition payment was made directly to the school which the veteran attended, and this could include a theological school. In addition, a subsistence payment was made to the veteran. The arrangement for payment of tuition directly to the school was changed by Public Law 550, 82d Congress, which authorized a payment to the veteran and left it to him to take care of any tuition charges. The program for World War II veterans ended in July 1956, except for a small number of persons who were entitled to training benefits beyond that date. The present program authorized by Public Law 85–857 provides for an education and training allowance directly to the veteran. Small allowances are paid to each educational institution to reimburse it for the cost of making required reports to the Veterans' Administration regarding the veterans in attendance (38 U.S.C. 1645).

C. War orphans educational assistance (veterans' benefits (Public Law 85–857), ch. 35, secs. 1701 et seq.: 38 U.S.C. 1701 et seq.): This program provides educational opportunities for children of wartime veterans who died from a service-incurred disease or injury. The student must be pursuing an approved program of education in an institution of higher education or in a vocational school below the college level. Payments are made directly to the student to meet in part the expense of his tuition and subsistence. The Veterans Administrator is required to pay each educational institution $1 per month for each eligible person enrolled to assist in defraying the cost of preparing and submitting reports (38 U.S.C. 1765).

NATIONAL SCIENCE FOUNDATION

(National Science Foundation Act of 1950 (Public Law 507, 81st Cong.), secs. 3(a) (2), (3), (4) and (b), 11(c) and 14, as amended by Public Law 85–510, sec. 2 and, Public Law 86–232, sec. 1; 42 U.S.C. 1862(a), (2), (3), (4) and (b), 1870(c) and 1872a(b))

Pursuant to broad statutory authorizations to foster research and education in scientific fields, the National Science Foundation provides the following support for activities in institutions of higher education:

1. Fellowships for various types of graduate studies include allowance for tuition and subsistence and permit study at any accredited nonprofit institution of higher education in the United States or abroad.

2. Summer academic year, and inservice institutes are financed at institutions of higher education through stipend and tuition payments to improve the qualifications of high school and college teachers in science and mathematics. Stipends are paid without regard to the fact that the teacher is from a school with religious affiliation. (Cf. NDEA counseling and foreign language institutes, supra, where, because of statute, stipends are paid only to public school teachers.)

3. Special projects in science education are financed to provide the experimental testing and development of promising new ideas for the improvement of science instruction.

4. Programs are financed to improve course content and supplementary teaching aids in science.

5. Grants are made for basic research in the sciences, including funds for the use of graduate students as research assistants.

STATE DEPARTMENT

The State Department supports educational activities to a considerable extent by a variety of programs for international exchange, improvement of cultural relationships and rendering of technical assistance to foreign countries. Basically, under the programs students from this country are permitted to attend educational institutions abroad and students from foreign countries are permitted to attend educational institutions in this country. In either case payments are made to cover the cost of instruction and subsistence. For the education of foreign students in this country, the State Department makes contractual arrangements with the Institute of International Education, a private nonprofit organization in New York City, which in turn sponsors and makes specific arrangements for educating the foreign students. Training for a profession in religion is not financed but schools with religious affiliation are used. In performing this service IEE gives financial aid to the students to cover tuition and other related student costs.

The State Department has also made direct financial arrangements with universities and charitable organizations in this country to provide student leader seminars, high school training for teenagers, and English language classes for foreign students. In addition, the State Department has a variety of exchange and other educational programs by which foreign individuals are able to study in this country with the assistance of other Government agencies and private educational organizations. Examples of programs are: (1) U.S. information and educational exchange programs (22 U.S.C. 1991, et seq.); (2) technical cooperation with foreign countries (22 U.S.C. 1891 et seq.).

Under 22 U.S.C. 1448, a program has been implemented for technical cooperation in the form of assistance to schools abroad founded or sponsored by citizens of the United States and serving as demonstration centers for methods and practices employed in the United States in certain areas of training. A specific limitation of this program established by the State Department is that no funds may be channeled to a school operated under religious auspices.

DEPARTMENT OF DEFENSE

The Department of Defense has a number of training and research programs which finance activities at institutions of higher education. Research contracts fall under the procurement authority of each of the three branches of the Armed Forces. Thus, research is supported because of benefits to be received by the Defense Department and training is paid for because it improves the qualifications of military and civilian personnel. Such arrangements have also been made on a grant basis to institutions pursuant to 42 U.S.C. 1891–93, which specifies that the authority to contract for certain scientific research at nonprofit institutions of higher education shall be deemed to be authority to make grants.

SMALL BUSINESS ADMINISTRATION

Business management research (Small Business Investment Act of 1958 (Public Law 85–699, sec. 602(c); 15 U.S.C. 636(d)): The Small Business Administration is authorized to make grants to various organizations including colleges, universities and schools of business for research in the field of business management and finance. Grants have been made in prior years including those to institutions with religious affiliation. No funds are available to conduct this activity for the 1961 fiscal year.

DEPARTMENT OF AGRICULTURE

A. National school lunch program (National School Lunch Act (Public Law 396, 79th Cong., as amended; 42 U.S.C. 1751 et seq.): The purpose of this program is to improve the health and well-being of the Nation's children by providing funds and foods to States and territories for use in serving nutritious midday meals to children attending schools of high school grade and less. The Federal assistance is through payments to the educational agency of each State which then channels the aid to participating schools. However, 42 U.S.C. 1759 provides that in any State where the State educational agency is not permitted by law to disburse the funds to nonprofit schools they shall be disbursed directly to such schools for program purposes. In more than half of the States the educational agency has considered that it could not make the funds available to nonprofit private schools and as a result in those States the Secretary of Agriculture makes funds available directly to such nonprofit schools, including those with religious affiliation.

B. Special milk program (Agricultural Act of 1954 (Public Law 690, 83d Cong., sec. 204(b); 7 U.S.C. 1446(c)): Under this program funds of the Commodity Credit Corporation are used to increase the consumption of fluid milk by children in nonprofit schools of high school grade and under, in nonprofit nursery schools, child care centers, etc., devoted to the care and training of children.

C. Forestry research (Public Law 466, 70th Cong., sec. 1; 16 U.S.C. 581): The Secretary of Agriculture is authorized to conduct research relating to reforestation and forest products through arrangements with outside organizations. A part of this program is conducted through cooperative arrangements with colleges and universities, and at least one such arrangement has been made with a university with religious affiliation.

D. Use of national forests (30 Stat. 36; 55th Cong.; 16 U.S.C. 479): The act of June 4, 1897, cited above, authorizes a group of persons residing in the vicinity of national forests to occupy not exceeding two acres of forest land for the erection of a school and not exceeding one acre for the erection of a church. One hundred and sixty-three schools were on forest land on June 30, 1959.

Information is not available as to possible religious affiliation, but it is believed that few, if any, of such schools have religious affiliation. There is, however, no rule to prevent erection of a school because of such affiliation.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

University research program (National Aeronautics and Space Act of 1958 (Public Law 85–568), sec. 203(b)(5); 42 U.S.C. 2473 (b)(5)): Research is conducted through contract with institutions of higher education in matters within the scope of interest of the National Aeronautics and Space Administration. The agency has also made grants to institutions with religious affiliation pursuant to the provision of 42 U.S.C. 1891–93, which provides that authority to contract with institutions of higher education for certain types of research shall also include the authority to make grants.

DEPARTMENT OF INTERIOR

Education of Indian children: Title 25, section 278, United States Code, declares it "to be the settled policy of the Government to make no appropriation whatever out of the Treasury of the United States for education of Indian children in any sectarian school." (See *Quick Bear* v. *Leupp* (1908), 210 U.S. 50, holding that a similar prohibition did not apply to an appropriation from funds held by the United States in trust for a tribe.) Title 25, section 279, United States Code, authorizes the Secretary to provide Indian children in missions with the rations and clothing to which they would be entitled under treaty stipulations if living with their parents.

The Bureau of Indian Affairs arranges for the placement of Indian children in schools with religious affiliation only because of special circumstances. In such cases they make no payment toward instructional costs but do use welfare funds to pay the institution for other needs of the children.

HOUSING AND HOME FINANCE AGENCY

College housing loan program (Housing Act of 1950 (Public Law 475, 81st Cong.), sec. 401 et seq.; 12 U.S.C. 1749): The Housing and Home Finance Administrator is authorized to make construction loans to assist public and private nonprofit institutions offering at least a 2-year program of higher education and public and private nonprofit hospitals operating student nurse or internship programs so that they may provide new or improved housing and other related facilities (such as dining rooms, student centers, and infirmaries) for students and faculties. Under this program, loans are made only where the institution is unable to secure funds for such purposes from other sources upon equally favorable terms and conditions. The loans can cover up to the full cost of construction and have a maturity of up to 50 years, with interest one-fourth of 1 percent above the average interest rate on all outstanding Federal obligations.

MEMORANDUM ON THE CONSTITUTIONAL AUTHORITY OF THE CONGRESS TO ENACT S. 1021

The power of the Congress to enact S. 1021 rests on its constitutional authority to appropriate funds to provide for the general welfare of the United States. The scope of that congressional power has been so broadly defined by decision of the Supreme Court, and the expenditures contemplated by S. 1021 fall so clearly within the power, that there is no need to review the controversy which for a century and a half surround the Federal power of expenditure, or to refer to the innumerable Federal expenditures that have been made throughout our history for purposes of the general welfare. It is not amiss to point out, however, that the first Federal grants to the States for the purpose of education antedated the Constitution, and that grants for this purpose have been made from time to time ever since.

The existence of the power of expediture as a separate power independent of the other enumerated powers of Congress, which had so long been in dispute, was finally affirmed by the Supreme Court in *United States* v. *Butler*, 297 U.S. 1 (1936); the contrary view, that expenditures could be made only in support of the other congressional powers, was expressly rejected. The Court did not find it necessary in that case to indicate further the scope of the general welfare clause, but clarification was not long delayed. Challenge to the unemployment compensation and old-age insurance provisions of the Social Security Act brought further decisions affirming in the broadest terms the discretion of Congress in determining what expenditures are for the general welfare of the United States.

In *Steward Machine Company* v. *Davis*, 301 U.S. 548 (1937), the Court said of expenditures for the relief of the unemployed (pp. 586–587):

"The problem had become national in area and dimensions. There was need of help from the Nation if the people were not to starve. It is too late today for the argument to be heard with tolerance that in a crisis so extreme the use of the moneys of the Nation to relieve the unemployed and their dependents is a use for any purpose narrower than the promotion of the general welfare."

In *Helvering* v. *Davis*, 301 U.S. 619 (1937), the validity of the old-age insurance system was upheld. The Court expounded more fully the meaning of the general welfare clause (pp. 640–641):

"Congress may spend money in aid of the 'general welfare' (Constitution, art. I, sec. 8; *United States* v. *Butler*, 297 U.S. 1, 65; *Steward Machine Co.* v. *Davis*, *supra*). There have been great statesmen in our history who have stood for other views. We will not resurrect the contest. It is now settled by decision (*United States* v. *Butler*, *supra*). The conception of the spending power advocated by Hamilton and strongly reinforced by Story has prevailed over that of Madison, which has not been lacking in adherents. Yet difficulties are left when the power is conceded. The line must still be drawn between one welfare and another, between particular and general. Where this shall be placed cannot be known through a formula in advance of the event. There is a middle ground or certainly a penumbra in which discretion is at large. The discretion, however, is not confided to the courts. The discretion belongs to Congress, unless the choice is clearly wrong, a display of arbitrary power, not an exercise of judgment. This is now familiar law. 'When such a contention comes here we naturally require a showing that by no reasonable possibility can the challenged legislation fall within the wide range of discretion permitted to the Congress' (*United States* v. *Butler*, *supra*, p. 67); Cf. *Cincinnati Soap Co.* v. *United States*, *ante*, p. 308; *United States* v. *Realty Co.*, 163 U.S. 427, 440; *Head Money Cases*, 112 U.S. 580, 595). Nor is the concept of the general welfare static. Needs that were narrow or parochial a century ago may be interwoven in our day with the well-being of the Nation. What is critical or urgent changes with the times."

The Supreme Court has subsequently sustained, as valid exercises of the power to spend for the general welfare, Federal construction of public housing and Federal projects for reclamation and irrigation (*Cleveland* v. *United States*, 323 U.S. 329 (1945); *United States* v. *Gerlach Live Stock Company*, 339 U.S. 725 (1950)). In both of these decisions the Court, on the authority of the social security cases, treated the congressional determination as decisive of the propriety of the expenditures.

The President in his message to Congress on this subject, and the Secretary of Health, Education, and Welfare in his testimony on S. 1021, have presented to Congress convincing reasons for exercise of the national power of expenditure, in the manner provided in the bill, in support of public primary and secondary school education throughout the Nation. There is no need to repeat or summarize those reasons here. If the Congress concurs in the judgment which the President and the Secretary have expressed, it cannot be doubted that the Supreme Court would accept that judgment as conclusive.

Since Congress would be exercising a power expressly conferred upon it by the Constitution, no question under the 10th amendment would arise. "The 10th amendment states but a truism that all is retained which has not been surrendered." (*United States* v. *Darby*, 312 U.S. 100, 124 (1941)).

The Supreme Court held many years ago that Federal grants-in-aid to the States, though conditioned upon various actions by the States, raise no justiciable issue at suit of a State or of a taxpayer (*Massachusetts* v. *Mellon*, 262 U.S. 447 (1923)). The Court observed (p. 480):

"Probably, it would be sufficient to point out that the powers of the State are not invaded, since the statute imposes no obligation but simply extends an option which the State is free to accept or reject."

To the same effect is *Oklahoma* v. *Civil Service Commission*, 330 U.S. 127 (1947).

United States v. *Butler*, *supra*, has occasionally been cited as though it construed the 10th amendment as a limitation upon powers otherwise granted to Congress. It did not do so. The Court held that the regulatory effect of the expenditures there under consideration, in matters not falling within the powers of Congress, rendered the statute invalid as exceeding the scope of congressional authority. The 10th amendment, said the Court, serves to "forestall any suggestion" that Congress may exercise powers not granted, expressly or by reasonable implication.

Any argument that the Butler case construed the 10th amendment as restricting the granted powers was put to rest in the following year, by *Helvering* v. *Davis*, *supra*. The lower court had held the old-age insurance system unconstitutional, on the ground that assistance to the aged was a matter reserved to the States at the time the Constitution was adopted, and thus reserved to them by the 10th amendment (*Davis* v. *Edison Electric Illuminating Co.*, 89 F. 2d 393 (C.C.A., 1st Circ., 1937)). The court likened care of the aged, in this respect, to education.[1]

In reversing the judgment the Supreme Court said (301 U.S., at pp. 644–645):

"Counsel for respondent has recalled to us the virtues of self-reliance and frugality. There is a possibility, he says, that aid from a paternal government may sap those sturdy virtues and breed a race of weaklings. If Massachusetts so believes and shapes her laws in that conviction, must her breed of sons be changed, he asks, because some other philosophy of government finds favor in the Halls of Congress? But the answer is not doubtful. One might ask with equal reason whether the system of protective tariffs is to be set aside at will in one State or another whenever local policy prefers the rule of laissez faire. The issue is a closed one. It was fought out long ago. When

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[1] It may be noted that, if practice in 1789 were controlling, it would confirm the propriety of Federal grants for educational purposes.

money is spent to promote the general welfare, the concept of welfare or the opposite is shaped by Congress, not the States. So the concept be not arbitrary, the locality must yield (Constitution, art. VI, par. 2)."[2]

That the 10th amendment does not limit the granted powers has been consistently held by the Court in subsequent cases (*United States* v. *Darby, supra; Oklahoma* v. *Civil Service Commission, supra*).

It is thus beyond dispute that S. 1021, if enacted by Congress, will be a valid exercise of congressional authority, and that no issue will arise by reason of the 10th amendment.

ALANSON W. WILLCOX,
General Counsel, Department of Health, Education, and Welfare.

IMPORTATION OF MEXICAN WORKERS FOR EMPLOYMENT ON U.S. FARMS

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Iowa [Mr. COAD] is recognized for 30 minutes.

Mr. COAD. Mr. Speaker, legislation dealing with the extension of Public Law 78, a wartime emergency program, which provides for the legal importation of Mexican workers for employment on U.S. farms will be brought to the floor of the House from the Committee on Agriculture almost immediately following the Easter recess. But, Mr. Speaker, a simple extension of Public Law 78 raises serious moral, social, and economic issues, as well as principles of public policy.

By means of this program, approximately 316,000 Mexican braceros were imported for work on U.S. farms during 1960. Unless Congress acts to extend the program again, it will terminate at the end of this calendar year.

The administration is unalterably opposed to any extension of Public Law 78 unless the law is amended in a manner which will prevent the already intolerable economic condition of domestic farmworkers from deteriorating any further because of the adverse effect caused by the employment of Mexican labor.

This is a program which feeds on poverty and unemployment in Mexico and increases poverty and unemployment at home. As it is presently operating, it has been denounced by religious leaders of all faiths and repudiated by responsible citizens from all walks of life. In its present form, it is a black mark against the domestic policy of the United States—a black mark which should be erased as quickly as possible.

Originally initiated to meet Korean war needs, the Mexican farm labor import program has been extended repeatedly since that time. The Department of Labor, during its 10-year administration of the program, has accumulated a vast amount of evidence which proves conclusively that despite an allout effort by the Department to administer the law equitably, the mass importation of Mexican labor has had a detrimental effect on the wages, working conditions, and employment opportunities of domestic agricultural workers.

This fact is particularly alarming because American farmworkers are the most underprivileged group in the Nation's labor force. Underemployment of rural people is estimated as the equivalent of 1,400,000 fully unemployed workers. The average earnings of agricultural workers is barely over $1,000 a year. Farmworkers are excluded from minimum wage, unemployment insurance, and most workmen's compensation legislation. In addition, they are excluded from legislation which protects the right of workers to organize into unions and bargain with their employers.

Each year, approximately 400,000 American farmworkers are forced to migrate in order to avoid either unemployment or low wages at home. While on the road, their lives are very often characterized by underemployment, low wages, poor housing, lack of education, lack of health and welfare services, and in some cases, unsafe vehicles for transportation.

For 9 months in 1959, four prominent Americans studied the effects of Public Law 78 on domestic farmworkers at the request of former Secretary of Labor James P. Mitchell. These men conducted their investigations not only in Washington, D.C., but also in all of the areas where Mexican nationals are employed. They conferred with growers, domestic migrants, braceros, State and Federal Government officials, and others close to or directly concerned with the Mexican farm labor program.

The four men who reported to the Secretary of Labor were: Ex-Senator Edward J. Thye, of Minnesota, one of the men who helped write Public Law 78; Rufus B. von Kleinsmid, chancellor of the University of Southern California and ex-president of the University of Arizona; Glenn E. Garrett, executive director of the Good Neighbor Commission and chairman of the Texas Council on Migratory Labor; and Msgr. George G. Higgins, social action director of the National Catholic Welfare Conference.

These distinguished Americans, whose views concerning Public Law 78 were often conflicting when they began their investigations, arrived at the unanimous conclusion that the Mexican farm labor program was undermining the wages, working conditions, and employment opportunities of American farm workers.

Since that time, other groups have stepped forward and, for entirely different reasons, have expressed concern about the effects of Public Law 78.

This program is of benefit to only 2 percent of the growers in the United States. This 2 percent is made up of large commercial growers, small or medium sized growers who belong to labor contracting associations and/or distributing and marketing cooperatives, and growers whose crops are sold on a contract basis to corporations who are engaged in the processing, distribution, and marketing of farm products. In most cases, the legal employers of Mexican nationals are labor contracting associations. It is the task of these associations to supply labor to their members whether they be growers or distributing and processing cooperatives or corporations. Often the grower does not even pay for the Mexican labor he is supplied with. The Great American Sugar Co., the Northern Ohio Sugar Co., and the National Pickle Growers Association, to give a few examples, bear the entire cost of the Mexican labor supplied to growers with whom they hold contracts.

Spokesmen for several farm organizations have taken a dim view of this system. The Farmers Union, for example, has questioned the effect of foreign contract labor on the competitive position of family operated farms; the National Grange has taken the position that continued extensions of Public Law 78 are not in the best interests of a majority, or, in the long run, of even a minority of American farmers.

Assistant Secretary of Labor Jerry R. Holleman, testifying on behalf of the administration before the Subcommittee on Equipment, Supplies, and Manpower, has recommended specific amendments to the law. Contingent upon the adoption of these amendments, the administration recommends a 2-year extension of Public Law 78.

H.R. 6032 contains the administration's recommendations. It would provide the following:

First. Eligibility to employ Mexican workers should be conditioned upon the employers attempting to recruit U.S. workers by offering them wages at least equivalent to average farm wages in the State. Employers would in no case be required to raise their wage offers by more than 10 cents per hour in any 1 year or to raise their wage offers to more than the average farm wage for the Nation as a whole—97 cents per hour in 1960. Where the wage offer thus determined is less than the wage already prevailing, the prevailing wage must, of course, be offered and paid.

Second. Eligibility to employ Mexican workers should be restricted to employers who make reasonable efforts to attract domestic workers by offering—and actually providing—terms and conditions of employment reasonably comparable to those offered to foreign workers.

Third. Employment of Mexican workers should be confined to employment in seasonal and temporary jobs—less than year-around—and to employment not involving the operation of or work on machinery, except in specific cases where found necessary by the Secretary of Labor to avoid hardship.

Fourth. The Secretary of Labor should be authorized to limit the number of foreign workers who may be employed by any employer to the extent necessary to assure active competition among farmers for the services of U.S. farmworkers.

Fifth. If amended in the respects proposed above, the law should be extended for 2 years, terminating December 31, 1963.

Among the organizations joining with the administration in support of this bill are: The National Council of Churches of Christ in the U.S.A., the National Catholic Welfare Conference, the Unitarian Fellowship for Social

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[2] It may be noted that of the six Justices who concurred in the Butler opinion, four (Hughes, C. J., and Roberts, Sutherland, and Van Devanter, J. J.) concurred with Cardozo, Stone, and Brandeis, J. J., in *Helvering* v. *Davis*.

Justice, the National Catholic Rural Life Conference, the Board of National Missions of the Evangelical and Reformed Church, the Bishops Committee on Migratory Labor, the Young Christian Workers, the Bishops Committee on the Spanish Speaking, the National Consumers League, the AFL-CIO, the American G.I. Forum, the Joint United States-Mexico Trade Union Committee, Amalgamated Meatcutters and Butcher Workers, AFL-CIO, the National Advisory Committee on Farm Labor, the National Sharecroppers Fund, the National Education Association, the National Council on Agricultural Life and Labor, and the National Child Labor Committee.

These organizations as well as the administration believe that the time has come when we should make it public policy to accomplish in agriculture what we have already accomplished in other sectors of our economy; namely, the restoration of respect and dignity, based upon good wages, good working conditions and steady employment, to the men and women who labor for hire on American farms.

The passage of H.R. 6032, would constitute a definite step toward the accomplishment of this goal.

OUR FIRST GRAVE CONSTITUTIONAL CRISIS—1861

Mr. ALFORD. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. ALFORD. Mr. Speaker, 100 years ago, a general convention of the Commonwealth of Virginia, elected pursuant to an act of its General Assembly passed January 14, 1861, was in session in the old hall of the House of Delegates of the capitol in Richmond.

Convened for its first session on February 13, 1861, with James H. Cox of Chesterfield County as temporary president, the convention included among its members some of the most distinguished men of the Old Dominion.

At that time, seven States had already adopted acts of secession from the United States and formed the Confederate States: South Carolina, Mississippi, Florida, Alabama, Georgia, Louisiana, and Texas. But Virginia, fully alert to the crucial significance of whatever action it might take, was delaying decision with the hope of peace and conciliation. The attempt of the United States to reinforce Fort Sumter was yet to be made.

It was under these circumstances that the convention, on the first day, elected for its permanent president one of Virginia's ablest lawyers and statesmen, John Janney—1798–1872—of Leesburg.

A recognized leader who had missed becoming President of the United States by only one vote, Janney was a constitutional unionist. As such he was associated with other Virginians heroically striving to prevent secession and thus to avoid the great tragedy that was clearly foreseen.

Escorted to his seat by a committee composed of George W. Summers of Kanawha and Thomas S. Flournoy of Halifax, President Janney opened his administration of the convention with a moving address aimed at saving the Union. Its appeal bore fruit on April 4, when the convention voted 89 to 45 not to secede.

Unfortunately, 8 days later, on April 12, 1861, and under circumstances too complicated for recital here, the first shot in the War Between the States was fired at Fort Sumter, aggravating an already critical situation.

Unable to secure a status of neutrality for Virginia, the convention, faced with the cruel choice of supplying troops to invade other States in an unauthorized war or of resisting an unconstitutional invasion of its own territory, reversed its previous stand. On April 17, 1861, it adopted by a vote of 88 to 55 an ordinance for repeal of Virginia's "ratification of the Constitution of the United States" and for resumption of "all the rights and powers granted under said Constitution," President Janney voting in the negative.

It was following this decision that Col. Robert E. Lee, on April 20, after having been offered supreme command of the forces that were to be used for the coercion of other States, resigned his commission in the U.S. Army.

Promptly appointed major general and commander in chief of the armed forces of Virginia, he was acclaimed on April 23, 1861, by the convention in a memorable ceremony attended by such southern notables as Alexander H. Stephens, Vice President of the Confederate States, and Matthew Fontaine Maury.

For a second time, Mr. Janney, a lifelong friend of General Lee, moved the convention in the same old House of Delegates Hall by his eloquent tribute to the commander in chief. General Lee's response, brief and modest, is today inscribed on his monument on the spot in the hall where he stood at the time.

After guiding the convention through its most difficult period incident to the collapse of one Federal Government and the setting up of a new one, Mr. Janney, worn out by his efforts, on November 6, 1861, resigned from the presidency of the convention for reasons of health. He was succeeded by Robert L. Montague of Matthews and Middlesex.

After Mr Janney's resignation, the convention on December 6, 1861, passed a resolution thanking him for the "impartial, efficient, and dignified performance of his duties, whilst presiding over their deliberations." In response, Mr. Janney made a third stirring address.

Mr. Speaker, these three addresses by John Janney, as well as anything I have ever read, epitomize the supreme catastrophe of our history. As such, they should be read by every thoughtful American today, especially the young on whose shoulders will fall the task of maintaining constitutional liberty.

I can think of no more effective manner in which the start of the War Between the States and the great tragedy that it generated can be commemorated than by quoting the three indicated addresses of Mr. Janney and General Lee's response:

PRESIDENT JANNEY'S OPENING ADDRESS,[1] FEBRUARY 13, 1861

The President: Gentlemen of the convention, I tender you my sincere and cordial thanks, for the honor you have conferred upon me, by calling me to preside over the deliberations of the most important convention that has been assembled in this State since the year 1776.

I am without experience in the performance of the duties to which you have assigned me, with but little knowledge of parliamentary law and the rules which are to govern our proceedings, and I have nothing to promise you but fidelity and impartiality. Errors I know I shall commit, but these will be excused by your kindness, and promptly corrected by your wisdom.

Gentlemen, it is now almost 73 years since a convention of the people of Virginia was assembled in this hall to ratify the Constitution of the United States, one of the chief objects of which was to consolidate, not the Government, but the Union of the States. Causes which have passed, and are daily passing, into history, which will set its seal upon them, but which I do not mean to review, have brought the Constitution and the Union into imminent peril, and Virginia has come to the rescue. It is what the whole country expected of her. Her pride as well as her patriotism—her interest as well as her honor, called upon her with an emphasis which she could not disregard, to save the monuments of her own glory. Her honored son who sleeps at Mt. Vernon, the political mecca of all future ages, presided over the body which framed the Constitution; and another of her honored sons, whose brow was adorned with a civic wreath which will never fade, and who now reposes in Orange County, was its principal architect, and one of its ablest expounders—and, in the administration of the Goverment, five of her citizens have been elected to the chief magistracy of the Republic. It cannot be that a government thus founded and administered can fail, without the hazard of bringing reproach, either upon the wisdom of our fathers, or upon the intelligence, patriotism, and virtue of their descendants.

It is not my purpose to indicate the course which this body will probably pursue, or the measures it may be proper to adopt. The opinions of today may all be changed tomorrow. Events are thronging upon us, and we must deal with them as they present themselves.

Gentlemen, there is a flag which for nearly a century has been borne in triumph through the battle and the breeze, and which now floats over this capitol, on which there is a star representing this ancient Commonwealth, and my earnest prayer, in which I know every member of this body will cordially unite, is that it may remain there forever, provided always that its luster is untarnished. We demand for our citizens perfect equality of rights with those of the empire States of New York, Pennsylvania, and Ohio, but we ask for nothing that we will not cheerfully concede to those of Delaware and Rhode Island.

The amount of responsibility which rests upon this body cannot be exaggerated. When my constituents asked me if I would consent to serve them here if elected, I answered in the affirmative, but I did so with fear and trembling. The people of Virginia have, it is true, reserved to themselves, in a certain contingency, the right to review our action, but still the measures

[1] Journal of the Acts and Proceedings of a General Convention of the State of Virginia, assembled at Richmond on Feb. 13, 1861. Richmond: Wyatt M. Elliot, printer, 1861, pp. 8–10.

which we adopt may be fraught with good or evil to the whole country.

Is it too much to hope that we, and others who are engaged in the work of peace and conciliation, may so solve the problems which now perplex us, as to win back our sisters of the South, who, for what they deem sufficient cause, have wandered from their old orbits? May we not expect that our old sister, Massachusetts, will retrace her steps? Will she not follow the noble example of Rhode Island, the little State with a heart large enough for a whole continent? Will she not, when she remembers who it was who first drew his sword from the scabbard on her own soil at Cambridge, and never finally returned it, until her liberty and independence were achieved, and whence he came, repeal her obnoxious laws, which many of her own wisest and best citizens regard as a stain upon her legislative records?

Gentlemen, this is no party convention. It is our duty on an occasion like this to elevate ourselves into an atmosphere, in which party passion and prejudice cannot exist—to conduct all our deliberations with calmness and wisdom, and to maintain, with inflexible firmness, whatever position we may find it necessary to assume.

CONFIRMATION OF GEN. ROBERT E. LEE AS COMMANDER IN CHIEF AND THE GENERAL'S RESPONSE[2] APRIL 23, 1861

The President: Major General Lee, in the name of the people of your native State, here represented, I bid you a cordial and heartfelt welcome to this hall, in which we may almost yet hear the echo of the voices of the statesmen, the soldiers and sages of bygone days, who have borne your name and whose blood now flows in your veins.

We met in the month of February last, charged with the solemn duty of protecting the rights, the honor and the interests of the people of this Commonwealth. We differed for a time as to the best means of accomplishing that object; but there never was, at any moment, a shade of difference amongst us as to the great object itself; and now, Virginia having taken her position, as far as the power of this convention extends, we stand animated by one impulse, governed by one desire and one determination, and that is that she shall be defended; and that no spot of her soil shall be polluted by the foot of an invader.

When the necessity became apparent of having a leader for our forces, all hearts and all eyes, by the impulse of an instinct which is a surer guide than reason itself, turned to the old county of Westmoreland. We knew how prolific she had been in other days, of heroes and statesmen. We knew she had given birth to the Father of his Country; to Richard Henry Lee, to Monroe, and last, though not least, to your own gallant father, and we knew well, by your own deeds, that her productive power was not yet exhausted.

Sir, we watched with the most profound and intense interest the triumphal march of the army led by General Scott, to which you were attached, from Vera Cruz to the capital of Mexico; we read of the sanguinary conflicts and the bloodstained fields, in all of which victory perched upon our own banners; we knew of the unfading luster that was shed upon the American arms by that campaign; and we knew, also, what your modesty has always disclaimed, that no small share of the glory of those achievements was due to your valor and your military genius.

Sir, one of the proudest recollections of my life will be the honor that I yesterday had of submitting to this body the confirmation of the nomination made by the Governor of this State, of you as commander in chief of the military and naval forces of this Commonwealth. I rose to put the question, and when I asked if this body would advise and consent to that appointment, there rushed from the hearts to the tongues of all the members, an affirmative response that told, with an emphasis that could leave no doubt of the feeling whence it emanated. I put the negative of the question for form's sake, but there was an unbroken silence.

Sir, we have, by this unanimous vote, expressed our convictions that you are, at this day, among the living citizens of Virginia, "first in war." We pray to God most fervently that you may so conduct the operations committed to your charge, that it will soon be said of you, that you are "first in peace," and when that time comes you will have earned the still prouder distinction of being "first in the hearts of your countrymen."

I will close with one more remark.

When the Father of his Country made his last will and testament, he gave his swords to his favorite nephews with an injunction that they should never be drawn from their scabbards, except in self-defense or in defense of the rights and liberties of their country, and, that if drawn for the latter purpose, they should fall with them in their hands, rather than relinquish them.

Yesterday, your mother, Virginia, placed her sword in your hand upon the implied condition that we know you will keep to the letter and in spirit, that you will draw it only in her defense, and that you will fall with it in your hand rather than the object for which it was placed there, shall fail.

Major General Lee responded as follows:

Mr. President and gentlemen of the convention: Profoundly impressed with the solemnity of the occasion, for which I must say I was not prepared, I accept the position assigned me by your partiality. I would have much preferred had your choice fallen on an abler man. Trusting in Almighty God, an approving conscience, and the aid of my fellow citizens, I devote myself to the service of my native State, in whose behalf alone, will I ever again draw my sword.

FAREWELL ADDRESS,[3] DECEMBER 6, 1861

Mr. President and gentlemen of the convention: When you called me, in the month of February last, to preside over your deliberations, I was wholly without experience, and had nothing to promise you but fidelity and impartiality in the discharge of my duty. Errors I know I must have committed; but the promise that I made you has been faithfully performed. For the approbation which you have been pleased to express, I am more indebted to your kindness than to any merit of my own, but I ought not and do not thank you the less on that account. We have been engaged in the discussion of subjects of the most intense interest, calculated to arouse into action the highest energies of the human intellect and the stormiest passions; but I can state, with truth, that during my administration of the duties of the chair, not a word was spoken by any member that violated the order and decorum of debate. To have presided over such a body of gentlemen is a distinction of which any man might well be proud. I shall cherish the recollection of it to the latest hour of my life. Gentlemen, the clouds are lowering, the tempest is brewing all around us; the forked lightning is seen, and the muttering thunder is heard in the distance. By the blessing of Providence upon the arms of our brave defenders, the storm may yet be averted; but, if not, and it shall burst with fury upon us, don't turn your backs to it—turn your faces. Don't give up the ship, and never despair of the Republic; all will yet be well, if each one of you will adopt for his motto, with the change of a single word, the last signal of England's greatest naval hero: "The South expects every man to do his duty."

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[2] Ibid, pp. 186–188.

[3] Ibid., pp. 455–456.

CUTBACK IN AIRCRAFT NUCLEAR PROPULSION PROJECT (ANP)

Mr. PRICE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. PRICE. Mr. Speaker, I have read the President's statement concerning the cutback in the Aircraft Nuclear Propulsion ANP project, and am glad that he has made a forthright decision on the program. It is a decision I regret and question. This means indefinite delay for the flight test program. It is true that AEC will continue with ANP research, but at a much reduced rate.

In view of the large expenditures to date, and the further expenditures required to achieve nuclear flight, I can understand the President's decision in relation to other competing demands for funds.

I hope, however, that the President's message will not set a precedent for other atomic energy projects. The message adopted the criterion used by the Defense Department in past years of the necessity of achieving a militarily useful aircraft in the foreseeable future. It has been my position and that of many members of the Joint Committee on Atomic Energy that we cannot foresee the military uses of an atomic powered engine until we get an experimental engine in operation. When something has been demonstrated our military people see a great many uses. For example, I note the message cites our greatest need for expansion in the Polaris nuclear submarine system. This combines the nuclear submarine with a solid fueled missile and a lightweight nuclear warhead. If the United States had waited until it foresaw a militarily useful purpose for each of these components we would have no Polaris system today.

I note also that the defense message sees a military purpose in the Skybolt system which utilizes a conventional aircraft with only a limited range to provide a mobile launching platform for intermediate range missiles. This is the same system originally recommended for nuclear powered aircraft of virtually unlimited range, known as the Camal system.

The amount recommended for appropriation to AEC will unfortunately not provide for the research and development of any experimental nuclear powerplant for a nuclear aircraft. It will only provide for some laboratory work in high temperature materials.

I have pointed out many times that we could have had nuclear aircraft in flight today if it had not been for the on-again, off-again system of mismanagement by the Defense Department and its scientific advisers.

I can see the same approach creeping into the management of other defense projects and the Rover nuclear rocket program. I expect to have more to say on these problems at a later date.

In conclusion, I can understand the President's decision on ANP from a fiscal standpoint. I cannot agree with his scientific and defense advisers as to the approach being taken toward developmental projects.

WHO WILL WIN IN AFRICA?

Mr. LINDSAY. Mr. Speaker, I ask unanimous consent that the gentleman from Illinois [Mr. MICHEL] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MICHEL. Mr. Speaker, the present mixed state of affairs in Africa and arguments as to how best to dispose of problems in that dark and little-known continent seem to me to be symbolized in a story now going the rounds:

The lion, king of the beasts, summoned the denizens of his realm recently and said to them, "I called you together because—well, frankly, if things get worse, men are going to turn Africa into a jungle."

Perhaps this story epitomizes the situation about as well as it can be stated. This seems to be true in spite of the tidbits of optimistic news trickling into the daily press and which certainly are welcomed by a weary world that probably does not understand Africa at all.

What I learned in school about Africa contrasts sharply with what is occurring there today. As I recall it, in my schooldays there were only about three independent nations—Liberia, Ethiopia, and South Africa. Now all this is changed and by 1962 I feel that about 30 African Nations will have delegates sitting in the United Nations. Whereas few cared or even knew much about Africa in my schooldays, the entire world today is locked in a struggle to gain independence for, or to enslave, that Dark Continent.

Thus, in spite of the signs of progress made as a result of the recent meeting of Congo leaders, which the Christian Science Monitor of March 14, 1961, says has left a "remarkable impression of achievement," I take this opportunity to cite some facts which we must take into account in considering the entire African problem.

As U.S. News & World Report of March 6 declared:

> The real battle for Africa has just begun. * * * Black Africa is slipping deeper into turmoil. * * * Out of it all a single question is arising: Who is going to emerge as the winner of the struggle for a continent?

Before we can even hazard a guess as to who the victor may be, it might be well to examine several phases of the problem.

First of all, the treasures at stake are high for whoever wins Africa. The Dark Continent's treasures tempt all the industrial powers of the world with its vast stores of raw materials that are vital to a jet age.

This continent now supplies most of the world's cobalt, columbite, tantalite, and diamonds; 20 percent of the world's copper stocks, 25 percent of the manganese, 15 percent of the chrome ore and tin, 10 percent of all graphite and lead, as well as large quantities of iron ore, coal, zinc, asbestos, bauxite, tungsten, gold, antimony, vanadium, and gypsum.

From her vast land area come most of the world's supplies of cocoa, cloves, palm oil, sisal, peanuts, coffee, bananas, rubber, tobacco, and tea.

Her great waters promise 40 percent of the world's usable water power, just waiting to be harnessed. Her vast rivers offer unparalleled opportunities for water transportation.

RACISM AND TRIBALISM

Against this background of needed supplies and undeveloped resources play the emotions of men in a grim battle. The best laid plans of these men go awry because two issues—racism and tribalism—cut across frontiers and wreck the best intentions and the best programs for developing Africa. A third factor is the so-called cold war, which occasionally gets warm, and which has brought Red Russia into the picture as a formidable contestant for the rich prizes that Africa offers, and adds further to the already muddled situation. On this subject, U.S. News & World Report says:

> Racism in Africa cuts two ways: In the West African countries where blacks now rule * * * there is discrimination against whites. In the East African and South African countries, where whites rule * * * there is discrimination against blacks.
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> * * * * *
>
> Inexperienced native leaders are caught up in world struggles beyond the comprehension of tribal peoples. * * * All the new countries need aid, guidance.

The top issue for Africans is race, not cold war, this publication then explains:

> National boundaries mean little to Africa. What counts is the color of the skin, the tribal membership. * * * Through much of this continent men consider only your color, then, if it's black, as your tribe.

Ultimate anarchy seems to be the answer; for racism, as rampant as it is, is not so much a threat as tribalism in some areas. The publication adds, explaining:

> In the Congo last summer, for example, Congolese blacks celebrating their independence turned to an orgy of antiwhite violence, then turned to tribal warfare until the Premier of the Congo called in the United Nations.

Tribalism was the downfall of Patrice Lumumba and led to his slaying. It gave Khrushchev his chance to try for power in the Congo:

> The cold war has been added on top of the tribal and racial barriers to peaceful development in Africa. * * * All over Africa * * * the rise of African nationalism is cutting across conflicts of race, tribe, and cold war. There will be trouble in Africa for years to come and the winner of the struggle for the continent is not now in sight.

I have cited the foregoing background material for a number of reasons, which I would like to discuss now in some detail. As to problems of the individual hotspots in Africa, let us consider them.

THE CONGO

Although the Congo problem, in my opinion, has served to keep the cold war at the United Nations from defrosting, native tribes now no longer under Belgian rule are reviving their ancient terrors, thus bearing out my statement above, that tribalism is the all-consuming issue in Africa. Here we have the Congo, a nation whose days of freedom have been marked by bloody strife, whose independence has been a travesty since King Baudoin elaborately handed over sovereignty last July. Surely, this is a sad state of affairs. As the Sunday Star of Washington said on March 26: Here is a "nation without nationality;" a country with political "leaders who lead factions, not people," and whose troubles the Sunday Star attributes partly to "European entrepreneurs whose vested interests in a colonial Congo were totally disrespectful of political freedoms."

As in the Congo, Africans everywhere have come to face the fact that merely getting the white man out will not solve their problems. They are discovering there is no such thing as instant freedom. They have learned that premature withdrawal of white authorities can mean chaos when their own people lack political education, lack knowledge of the ins and outs of modern types of governments, and are in ignorance of modern technical methods and the myriads of catacombs of protocol and ways of accomplishing political objectives. How are we to deal with this Congo problem when we seem to have no starting point, no sense of artifice, no education, and no apparent desire to seek solutions to problems other than those that exist in their own tribal groups?

THE RHODESIAS

Between the Congo and South Africa lies a vast multiracial union, the middle ground between white and black extremities. It is known as the Federation of Rhodesia and Nyasaland, and it has recently seen violence between its 292,000 whites and its 7.6 million blacks. Some whites demanded more stringent measures to suppress this violence, but many more seem to have seen the light and are seeking some way in which they and the blacks can arrive at a cooperative working arrangement.

As if this situation is not muddled enough, in Nyasaland, the smallest nation in this federation, little Nationalist Leader Dr. Hastings K. Banda, a powerful and respected person in his own country, is paying homage to British Colonial Secretary Iain Macleod, saying he trusts Macleod implicitly and that independence for his nation is not a matter of 10, 20, or even 50 years. Said he: "We are not thinking in terms of years at all."

Meanwhile, in Northern Rhodesia, by far the wealthiest of the three federation members, freedom until recently would have seemed absurd. But British-appointed Governor General Sir Evelyn Hone has pushed through the legislature a measure that bans all racial discrimination in all Northern Rhodesia's eating and other public places. The blacks cheered, the whites booed, but the whites obeyed and finally the conviction has been growing that what had been granted to Nyasaland hardly could be refused their own vast black majorities.

Southern Rhodesia, however, has faced its problem differently. Self-governed, it cannot be pressured into desegregation. The trend there is toward giving Africans a more important role in government affairs. Perhaps the African can realize the dream of the founder of Rhodesia, Sir Cecil Rhodes, who asserted that there should be equal rights for all civilized men.

KENYA

In this country, the whites have resisted the opening of the formerly restricted White Highlands to competent blacks. They have been bitterly critical of the British Government's threat to ultimately release Jomo Kenyatta, the burning spear of the Mau-Mau blood bath. Yet Kenyatta seems even now to hold the key to Kenya's political future. He may become the personification of the country—"Mr. Kenya"—and prove to be, according to some whites and most of the blacks, the only savior available. Meantime, many British hope he will have shed his bitterness by the time he is freed and accept the need for the blacks and whites to live together in harmony, as partners, rather than having the blacks ruling the whites; and they even feel he may someday rule the nation.

Begging to differ with this optimistic viewpoint is the March 22 issue of the Wall Street Journal, whose staff reporter, Joseph E. Evans, quotes one authority on Kenya's affairs as asserting:

> The old Kenyatta never changed.

According to this same issue of the Journal, a British-Kenya politico concurs:

> Kenyatta was and is a fanatic and a Communist.

This same issue of the Wall Street Journal begs to differ with the opinions stated above concerning Kenyatta when it says:

> It is one thing to release Kenyatta and quite another to let him assume political power. For that to happen, the British themselves would have to make it possible—and that is hardly likely.

The Journal continues by reporting that many African leaders do not really want Kenyatta released, but quotes the Minister of Labor, Ronald Ngala, of the present caretaker government that rules until September, as declaring:

> We want him released so we can find out where he stands.

Creation for Kenyatta of the post of chief minister is, according to this article in the Wall Street Journal, theoretically the next step on Kenya's road to independence.

So here, for Kenya, we have apparently contradictory interpretations of what is going on there and what is likely to happen.

TANGANYIKA

Because of the prevalence of the dread tsetse fly, this country has been largely shunned by whites, of which there are now about 20,000. Asians number 80,000. Blacks total 8 million. Even with this racial imbalance, things seem to be moving toward a happy solution. In September, British East Africa's first predominantly black government is almost certain to be elected. Its first African prime minister is all but certain to be the beloved, 38-year-old Catholic-mission-school-educated Julius Nyerere, a graduate of Edinburgh University. Adored by the blacks, he also is greatly respected by the whites. Says he:

> All of our tribes * * * will be participating in our new government. The newer tribes—Asians and Europeans—will be just as welcome as the Africans.

Tanganyika, then, seems to be no problem, but I cite it as an example of what can be done in this welter of mixed races, tribal customs, and widespread lack of preparation for self-government.

And now for the questions I have in mind. As for the solution, I can only suggest that none can be found until some order is made out of the chaotic and contradictory word-picture I have painted.

First. There is what to me has been the ineptitude of the New Frontier's efforts to deal with the African problem. In this connection, I call attention to the March 14 story in the Washington Post and Times Herald which reported as unsatisfactory to them the efforts of the new Assistant Secretary of State for African Affairs, Mr. G. Mennen "Soapy" Williams. I hope the appointment of Mr. Williams, whose antics and rudeness while he was in Africa has been widely reported in the daily press, is not indicative of what the conduct and perhaps ineptness of other New Frontier "salesmen" of the United States may be in the future. Here alone is a problem which seems to be crying for attention.

Second. What are the aims of the United States for Africa? In reaching into this Darkest Continent, has the long arm of the New Frontier faltered? Has it caused irreparable damage to our prestige in handling foreign affairs? In addition to what the Africans have been quoted as saying, to the effect that "Soapy" Williams' efforts are unsatisfactory, there is added the apparently long-range policy of the Kennedy administration, which, according to Ray Cromley, writing in the Washington Daily News of March 14, is practically one of despair, inasmuch as the New Frontiersmen are quoted as having little hope of any satisfactory solution for 10 to 20 years. Says Mr. Cromley:

> The most the Kennedy men expect is that they can keep the Red takeover as small as possible during this period.

Have we got 10 to 20 years to spare in our efforts to solve the African riddle? The answer, most assuredly, is an emphatic "No." This, to my mind, is practically a philosophy of despair and one which we must abandon in favor of a program of cooperation that will at least keep step with moves of the Soviets and Red Chinese. Better yet would be a plan that would keep ahead of the modern barbarians' efforts to conquer this rich land. How this may be accomplished, is, I feel, a problem which we should study so that we may cooperate with the efforts of the United Nations.

Third, there is the criticism of the United Nations. It comes from the Communists. As the Washington Daily News editorial of March 8 points out:

> It also comes from * * * each of the political factions in the Congo, and most of the nations which supply the men for the U.N. force. * * * Too often overlooked in such criticism are the handicaps under which the U.N. functions in the Congo. * * * The United Nations probably can protect itself from its declared enemies, the Soviet Communist bloc. But the U.N. desperately needs help if it is to be saved from some of its friends.

Here there seems to be an opportunity for the United States to offer its good offices in a most worthy cause. Perhaps some of this help will be forthcoming from discussions of Africa in the Congress of the United States, but perhaps only after the American people have been better informed concerning the issues involved.

THE TREASURY'S UNLOCKED "BACK DOOR"

Mr. LINDSAY. Mr. Speaker, I ask unanimous consent that the gentleman from Washington [Mr. TOLLEFSON] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. TOLLEFSON. Mr. Speaker, the leader of efforts in the House of Representatives to stop back-door spending is my colleague, the distinguished gentleman from Washington [Mr. PELLY]. An article describing this method of uncontrolled Government spending appeared in a recent issue of Spotlight, a publication devoted to national issues.

Congressman PELLY maintains that hundreds of millions of dollars can be saved to the taxpayers of our Nation if Congress will only close the door on back-door spending. I urge the Members of the House to read his article which follows herewith:

THE TREASURY'S UNLOCKED "BACK DOOR"

(By Congressman THOMAS M. PELLY, of Washington)

Under the rules of the House of Representatives, exclusive jurisdiction over legislation involving spending rests with its Committee on Appropriations. That has been the rule since 1920, when one committee was given this responsibility so as to obtain better control of expenditures. Prior to 1920 there was no one committee to provide for overall review of all the requests or to weigh relative urgencies under existing conditions and available revenues each year.

The House saw the desirability of a check on pressure groups or special interests controlling any one legislative committee. The new arrangement, it was found, did indeed provide a better system of fiscal control and responsibility.

About 1932, with the creation of the Reconstruction Finance Corporation, a new language device was drawn to supply this Corporation with funds. Rather than using the regular appropriation process, the Corporation was authorized to go direct to the Federal Treasury and borrow money for its operations.

Over the ensuing years Congress has provided similar borrowing authority to a number of Federal corporations and for a number of noncorporate Government programs, such as housing, CCC, REA, FHA, some types of

farm loans, defense minerals procurement, the British loan in 1946, the International Monetary Fund contribution, and so on.

This method of authorization to expend from public debt receipt—which circumvents normal appropriation and budgetary control procedures—has come to be known as back-door spending. It has become a popular legislative instrument for initiating programs involving large-scale and long-range spending.

Back-door spending devices not only include this type of public debt transactions but also a note cancellation technique whereby a Government agency's notes to the Treasury are canceled, and then without mention of an appropriation, the agency borrows again under the original authorization. This, of course, bypasses the normal established annual appropriation process, including budget review.

A third method of back-door spending is the financing of continuing operations with agency receipts derived from such operations without the regular annual review and action by the Congress.

A fourth device used in several programs involves language in a bill authorizing an agency to make obligations in advance of appropriations to carry out programs. This does not do away with the appropriations process but it reduces the function of the Committee on Appropriations to one of honoring a commitment already made. No matter what the fiscal situation, the Government's contracted liabilities must be honored. Annual discretion and control of the budget thereby is impaired.

The Constitution of the United States, article 1, section 9, paragraph 7, states: "No money shall be drawn from the Treasury, but in consequence of appropriations made by law."

This provision was placed there by the framers to assure that expenditures from the public treasury to carry out congressional policies would be carefully weighed in terms of necessity, revenue availability and the fiscal solvency of the Nation.

Congress regularly has two steps, in that first it must authorize or establish a policy. Then it must take a second step to provide for the expenditure of public funds to carry out that policy. In the House of Representatives that procedure places all appropriations under the jurisdiction of one committee having jurisdiction and intended to provide overall control.

Unfortunately, under the Boggs decision of 1949, in construing clause 4 of rule XXI of the House rules, language in bills to expend from debt receipts was declared not to come under the definition of "appropriations." As a consequence, legislative scrutiny and control of billions of dollars annually expended by the Congress was eliminated.

In the meanwhile, the principal financial officer of the Congress, the Comptroller General of the United States, has criticized the public debt transaction technique for authorizing expenditures. Significantly, too, Secretary of the Treasury Robert B. Anderson in August 1958 stated his opinion that a legislative enactment permitting money to be drawn from the Treasury is an appropriation. President Eisenhower, in his final budget message to the Congress, reiterated his opposition to financing outside the appropriations process.

Abortive efforts without success have been made in recent years to amend individual bills to provide against back-door provisions and change the method of financing to the normal appropriations procedure. On such occasions one legislative leader has revealed his opposition to any such attempts to eliminate the process of bypassing the House Committee on Appropriations by saying that otherwise much progressive legislation would have never been passed.

The amount of expenditures involved is huge. In 1 year 16 bills authorizing $9 billion to be financed outside of the appropriations process were considered by the House. Under back-door methods of past years, the present administration's housing program, including college housing, would exceed $6,800 million, of which only $50 million or less than 1 percent would be by direct appropriation.

With the organization of the 87th Congress, there has been a new attack on back-door spending. One hundred and twenty-three Members of the House joined in a bipartisan drive in support of a resolution to change the House rules to overcome the Boggs decision and place full jurisdiction of all kinds of Federal spending under the House Committee on Appropriations.

After a hearing in the newly enlarged Committee on Rules, this resolution was rejected 8 to 6.

Other resolutions or means of ending back-door spending are contemplated and even the possible use of a discharge petition is being considered.

As it is, by bottling up this resolution, the majority will of the House is being thwarted.

Public opinion, however, is needed to break the bottleneck. Of course, there is the hope that if not in this session of Congress, there will be successful action in the future. Meanwhile, however, citizens who oppose back-door spending and desire to see a change in congressional procedure should write their views to Members of the House of Representatives.

There have been many measures introduced with the hope of effecting economy and cutting down on waste and duplication. However, the first and fundamental step in the direction of fiscal responsibility is to lock the back-door of the Treasury.

Changing the rules of the House, furthermore, is not a complicated matter. The views of the White House are not involved, nor does this require the consent of the Senate.

If public opinion can be enlisted in curbing back-door spending and it results in the switch of only one vote—if all Members of the Committee on Rules are in attendance—Congress might well restore to itself the power and ability to control the public purse. What a challenge to those Americans who have been fighting against inflation and for a stable economy. National solvency is at stake, as is public confidence in our economy both here and abroad.

Every citizen is invited to participate in the anti-back-door spending drive. Such persons should write their views to Members of the House of Representatives—and especially to members of the House Committee on Rules.

EISENHOWER GETS JAPANESE APOLOGY

Mr. LINDSAY. Mr. Speaker, I ask unanimous consent that the gentleman from Washington [Mr. TOLLEFSON] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. TOLLEFSON. Mr. Speaker, the entire world was shocked at the Tokyo student riots which protested the proposed visit to that city by President Eisenhower. The newspapers of the world carried front page stories about the incident. The same newspapers, unfortunately, failed to accord similar attention to an extremely important aftermath of those riots, namely, the recent meeting between participating student rioters and General Eisenhower at his winter home in California where the students apologized for the riots. It seems to me that this action on the part of the Japanese students was most significant and should have received greater publicity. The New York Times of March 30, 1961, carried a story which I herewith insert in the CONGRESSIONAL RECORD.

EISENHOWER GETS JAPANESE APOLOGY

PALM DESERT, CALIF., March 29.—Members of the Japanese national student federation, known as Zengakuren, apologized today to former President Eisenhower and the American people for the part they played in last year's student riots.

Koichi Morita, chairman of the student federation, spoke on behalf of 40 students present to General Eisenhower in front of his winter home at the El Dorado Country Club here.

Mr. Morita explained that the June 16, 1960, riots in which James C. Hagerty, then the White House press secretary, was mobbed and President Eisenhower was stopped from visiting Japan had caused many Japanese students to reanalyze their own beliefs and in doing so many became firm advocates of moral rearmament.

"If this was a development of these riots," General Eisenhower said, "they turned out to be a success instead of a failure."

"I'm for you 100 percent," he added, "I want to come to Japan this fall to assure the people that we [Americans] don't want to dominate any country either economically or militarily. We don't want any territories. We just want to keep the world free."

Approximately 75 members of the world-wide moral rearmament movement met with General Eisenhower.

AN EASTER MESSAGE FOR THE WHOLE WORLD

Mr. LINDSAY. Mr. Speaker, I ask unanimous consent that the gentleman from Washington [Mr. TOLLEFSON] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. TOLLEFSON. Mr. Speaker, one of the outstanding figures in the world, and one who has done as much as anyone else in our time to bring about better understanding and better relationships among many nations, is Dr. Frank N. D. Buchman, the initiator of Moral Re-Armament. The great work of this world force is well known to many people throughout the world and to Members of Congress. The latter will be much interested, I am sure, to read his "Easter Message for the Whole World" which I am inserting in the CONGRESSIONAL RECORD.

AN EASTER MESSAGE FOR THE WHOLE WORLD—ALL THE MORAL FENCES ARE DOWN

(By Dr. Frank N. D. Buchman)

In Oxford a few months ago, my old friend, Sir Richard Livingstone, once vice chancellor of the university and a leading educator of the world, said, "When you and I were young, there were moral fences on the road of life. We did not always keep to them. But we always knew when we crossed them. But today all the moral fences are down, and look at the world. Your job is to build these fences anew."

In country after country it holds true. In one country people shamelessly admit their leaders have their mistresses and are just not honest. They say men in the Cabinet have their price. That country is very close to Communist takeover. Today whenever the moral fences are down, communism walks in.

Leaders of Japan came to see me. They said the moral fences were down in their country. They admitted they were down in their own lives. Corruption, mistresses, dishonesty in politics had become a way of life. These men and women decided to build the moral fences again in their lives and in their nation. Then came the rioting in Japan at the time of the American-Japanese Mutual Security Pact. The Government felt it was a critical moment for Japan and the world. Prime Minister Kishi sent word a short time ago, "At the crucial hour men trained in Moral Re-Armament in labor, youth, and politics stood up and refused to compromise with evil."

THE TIGER

Then we met the leaders of the Zengakuren student organization which had created the riots of 300,000 before the Diet buildings. They had mobbed the car of James Hagerty, press secretary to President Eisenhower, and kept the President from visiting the country. The chairman of the Foreign Relations Committee of the Diet at that time, speaking recently in Washington said, "That moment was another Pearl Harbor in the relationships between my country and America." These youth leaders changed. They saw how communism through their moral weaknesses had used them in an effort to take over their country. They have put their experiences in a play. They call it "The Tiger." It clearly shows how men without moral standards become the tools of men with an ideology and how so-called private sins become a public menace and how through Moral Re-Armament they found a new direction for themselves and for their nation.

The statesmen who understand the real nature of the ideological battle immediately called these young men and women with their play to their aid. They came to Germany. They played in all the major cities and to units of the Armed Forces.

In France the leadership concerned with rebuilding the moral fences of the nation invited "The Tiger" to Paris. Among them were Robert Schuman; the president of the Senate Monnerville, General Bethouart and Gabriel Marcel. It was national news. A film producer said he had never seen a Paris audience so gripped.

It was Robert Schuman who said to me at the Japanese Peace Treaty Conference in San Francisco, "You made peace with Japan 2 years before we signed it."

As the moral fences are repaired the answer is being brought to the antifeelings about other nations which are so prevalent today. It was in Paris at Mont Valerien, the World War II shrine to the French resistance, that Madame Anthonioz, the niece of President de Gaulle, and Madame Ely, welcomed for the first time since the war representatives of the German nation. They were a group of mineworkers who through Moral Re-Armament had found the answer to the ideological infiltration of their nation. They said at that time, "We do not ask you to forget. We do ask you to forgive and unite with us to remake the world."

RESTORED TO THE CHURCH

In sharp contrast with the form of pressure being exerted on their neighbors by nations which have deliberately rejected moral standards is the work of another Frenchman. For 45 years he was a Marxist, a seaman, Victor Laure, one of the favorite pupils of Marcel Cachin. He and his wife, Irene Laure, who was secretary general of the 3 million Socialist women of France, decided to change and rebuild the moral fences in their family life and in France's relationships with Germany and North Africa. Chancellor Adenauer was one of the first to write a letter of condolence to Madame Laure just a few weeks ago on the death of her husband.

German and French leaders say of Victor and Irene Laure, "These two have done more than any other living couple to bring about understanding between our two countries." These two had found the element of unity at Caux. They were restored to the church and married there. Said their son who pioneered this work in Brazil, "It is unusual for an adult son to be present at his parents' wedding."

It was Victor Laure and Madame Laure whom Mohammed Masmoudi, Minister of Information for Tunisia, first met when he came to Caux. He said at that time, "I was as full of hate as a bomb is full of explosion. I had a letter from my mother saying, 'God bless you, my son, and God curse the French.' But after meeting the Laures I replied, 'God bless me. I need it. But do not curse the French. I have met French people with whom we can work to build a solid bridge between North Africa and Europe.'"

This way of restoring broken fences has been forgotten. Victor Laure is an example of what God intends men to be and to do for their nations. Victor also made friends with the first Prime Minister of independent Morocco who found a new approach to the French-Moroccan division. He wrote me, "I am determined to make absolute moral standards the basis of our government," and his late King, Mohammed the Fifth, sent me this word: "You will find Morocco is ready soil for Moral Re-Armament. We need this ideology to maintain the freedom we have won."

The Japanese leaders with their play "The Tiger" are now in America. They have received standing ovations from packed-out houses in the Carnegie Hall in New York, in Washington, and in the Henry and Edsel Ford Auditorium in Detroit. In New York they met Mr. Hagerty whom they had mobbed at the Tokyo Airport. He saw their play. He was moved. He came to the stage afterwards. He said, "This is more than an apology." He recognized one young Japanese as one of the men who had been threatening him through the window of his car. The news of this astonishing sequel to the story of last year's riots has swept across America by television. It has been seen by the millions in the Philippines in the same medium and in Japan.

Police chiefs throughout the world are welcoming this message. In Washington the police arranged a special showing for their men including the White House Police. Deputy Commissioner James J. O'Brien, of New York, who welcomed the Japanese at Carnegie Hall, was also responsible for showing an MRA film and giving the news of the advance of MRA to police chiefs of the world meeting at their annual convention in New York. They admitted this was the one thing which had the fundamental answer for the acute problems they face.

The military men of the world too are responding. One of the senior generals in America received these young Japanese. He said to them, "Both President Eisenhower and I were puzzled why after we had done so much economically for Japan there was such resistance to America and to the visit of the President. Now I understand. You men have a spirit money cannot buy. It must be built into every nation."

ONE HUNDRED PERCENT FOR YOU

General Eisenhower when he received the Japanese Zengakuren student leaders in Palm Springs last week said, "I am for you 100 percent. I cannot tell you how happy I am to have you come and tell me of the changes that have taken place in your lives. This is the last act in the June riots and it has a happy ending. I hope to go back to Japan in the fall, but I don't expect to see you there. I expect to see you in South America and other places taking this message there. We have got to have an absolute conviction and be ready to sacrifice. Mankind is not going to live in peace until they have a higher moral plane on which to conduct their affairs."

Now these young men are planning to take their message into South America. They know that communism gallops across lands where the moral fences have been destroyed. It edges forward through the soft spots in men's characters. They know that a man who can be bought with women, men, drink, position, power, will be used by communism in its bid for control. Moral breakdown is the problem. Moral Re-Armament is the answer.

OUTMATCHING COMMUNISM

The leaders of Hollywood welcomed these Japanese to America. In a message to their opening in Carnegie Hall, they said, "The ideology of Moral Re-Armament must become the policy of our nations. You are equipping the nations of the world with the ideology to outmatch communism and answer its causes." Think of the miracle of Hollywood beginning to build moral fences for the millions. Through movies and television, Hollywood producers, actors, and technicians are preparing films on Moral Re-Armament for the world.

Stars like Muriel Smith, called the greatest voice on film today, and Ann Buckles of Broadway fame, are devoting all their lives and energy and talent to restore to the nations the moral standards which in the past so much of the product of Hollywood has been tearing down.

It was Muriel Smith's song, "The World Walked Into My Heart," which she sings in "The Crowning Experience," now filling theaters with record audiences on every continent, that won the heart of one of Japan's great political personalities, Saburo Chiba. He recently visited me in Europe. He said, "Moral Re-Armament taught my granddaughter to recognize right and wrong. It has given me the courage to live and speak the full truth before all men." It is his conviction that the leaders of the nations must unite to restore the moral fences around the world.

He was received by Chancellor Adenauer in Germany, by leaders in France and Rome. Everywhere the response was the same. Having seen the power of the play in his own Japanese, he understood the work of St. Francis, for St. Francis built the moral fences in the church when he produced a play before the door of the Cathedral in Florence that healed the rift between the mayor and the church.

ALTERNATIVE TO PEKING AND MOSCOW

From Rome Mr. Chiba went to Rangoon. There on the front page of The Nation was headlined his conviction: "Moral Re-Armament, the Answer to Communism." He told of the determination of himself and his colleagues to build an Asian Center for Moral Re-Armament in Japan, an alternative to Peking and Moscow, for the leaders of these nations. Prime Minister Kishi and Mr. Chiba are building the fences again in Japan with some success.

One of Mr. Chiba's colleagues in Burma is U Narada, secretary of the Presiding Abbots Association, who has distributed the Moral Re-Armament pictorials with the aid of his 80,000 monks through the length and breadth of the land. More recently they had "The Crowning Experience" shown officially at the fifth all-Burma Assembly of the Presiding Abbots Association in Mandalay. He said, "Our work is to make Moral Re-Armament the policy of our nation."

U Narada had just returned from meeting with leaders of Kerala in South India. These men are now taking the answer they have worked out in Kerala to Bengal which threatens to become the Yenan of India. As a result of their change, the Kerala Janatha reported recently that of 612 members in six branches within an area covered by one Communist-controlled village council, there are now only 74 left on the rolls. The former secretary of the Kallara branch of the Communist Party describes the party as "struggling for breath" and is quoted as saying, "MRA has shattered the Communist Party's centers of exploitation." This man had been a full-time Communist worker for 13 years. Through MRA he says, "At last I have begun to understand the meaning of right and wrong. God is telling me to put right what is wrong in my past in order to see things clearly in the future." These men are determined to restore moral fences in India for they know when moral fences come down enemies of freedom come in.

BULWARK IN THE CONGO

Take the Congo. For nearly a year the force of MRA has been building up fences in that strife-torn land. Among them are former Mau Mau leaders from Kenya, working with white settlers; black and white South Africans; three young Americans, who gave up Hollywood contracts to use their genius in song to bring an answer to nations. Through months of violence and chaos they sang their songs in Swahili, Chiluba, Lingala, and French on the national radio. Twice a day at the most popular morning and evening hour of broadcasting, their message went out to millions. They met with thousands of Congolese and U.N. forces in the Congo, and records of their songs are popular everywhere.

With their friends they gave training in MRA night after night to troops and their officers. The American Ambassador introducing these Colwell brothers to a diplomat visiting the Congo, told him, "These men have been a bulwark in the frontline of the battle here. They stuck in there with their radio broadcasts even after the Communists had taken over."

The MRA force was invited by the head Sisters, St. Augustine order, Leopoldville, to the cathedral ceremony where new Congolese nuns were to take their vows. Dr. Close, formerly surgical resident at Roosevelt Hospital in New York, had been the only white surgeon to remain on duty when the crisis was at its height and was responsible for a hospital of 1,200 beds. He earned the gratitude of the nation by his services. When he and his MRA friends arrived at the cathedral, they were met and escorted to seats of honor among the parents of the new nuns. They were the only white people there except for the clergy and European nuns among a congregation of 2,000.

The MRA force was invited to Katanga. There the Mwami Mwata-Tamvo, grand chief of the Lunda and greatest tribal ruler in Katanga, received them. The king's drummers sounded a beat heard for 15 kilometers around to summon the elders and people to the palace. The king, wearing his beaded robes, was carried in his ceremonial chair to the assembly of the people. Seated with the king were elders, also in beaded headdresses, and the royal princesses.

Traditional spearmen and modern soldiers stood on guard. The king said, "I am grateful for what you have brought us. You have taught us many new things. Stay with us a long time."

The MRA force went to President Tshombe with the conviction, "A President who sets a new standard of discipline and a new pattern of living will build an incorruptible nation." The Colwells sang him a song written in his own language. President Tshombe told them, "Everywhere you go people will accept this ideology. We will all be brothers." When told of the reception given by Grand Chief Mwami Mwata-Tamvo, his face lit up. He said, "He is my father-in-law. I was born there." Leaders of Katanga said, "When some people come to us, we fire off guns and make a lot of noise. But they leave nothing behind. Your coming has created a peaceful revolution."

An official in the Swiss Red Cross unit in the Congo said on his return to his country, "Moral Re-Armament are doing the only thing that is really effective in the Congo."

ALLTIME RECORD

In Lucerne, in the Catholic heart of Switzerland, showings of "The Crowning Experience" have broken all records. The Hollywood Reporter carried the headline, "Half Population Attends MRA Film." The story says, "In Lucerne, Switzerland, this city has 70,000 inhabitants, and during a period of low cinema business due to continually fine weather, the MRA feature 'The Crowning Experience,' starring Muriel Smith and Ann Buckles, has chalked up its 35,000th customer with a 32-day run. This is an all-time attendance record for a film of non-Swiss origin."

News of the response in Catholic Switzerland has been translated into Latin American tongues. Translated into Spanish and printed on miniature sized pages, it was dropped from the air on Cuba by the largest Cuban newspaper now published in Miami.

Japanese students are planning to take their play ""he Tiger," with its answer to subversion and communism, to the South American Republics. There is need for an intelligent and unified thrust forward in these countries where economic aid is necessary but cannot succeed unless it is backed with a moral ideology that changes men. Miami, is the throttle which affects the speed of the movement between the South American Republics and the rest of the world today. At Miami from April 14 to April 24 will be held an assembly for the Americas.

In the invitation they say, "We need political and economic measures, but above all we must create the new type of man."

The dockers of Brazil wrote and produced a film describing how they had ended gang warfare, pilfering and interunion rivalry, to make their port once again prosperous and peaceful. When Mr. Kishi, as Prime Minister of Japan, arrived at the port of Rio, he was met by waterfront workers changed through MRA. One of them, who had worked for 30 years as a militant dockers' leader, took off his trade union pin and gave it to Mr. Kishi in thanks for help given by the Japanese dockers whom they met at MRA assemblies. Mr. Kishi proudly wore that trade union pin when he returned to Japan.

A VERITABLE REVOLUTION

A French Ambassador to Brazil says, "I have met these men. Every word is true. When I arrived in Brazil gang warfare was rife in the docks. Black and white were settling their differences with knives. Police did not dare enter some sections of the dockers' quarters. One day I heard that a veritable revolution was under way among the dockers and was changing the spirit of the port. This story is not fiction. It is a human tapestry woven in the lives of men who have found a new wisdom. They are convinced their experience has a message for all nations."

These films of MRA are going from Catholic center to Catholic center in Latin America at the invitation of Catholic priests. They are welcomed for the new life they bring and the radiant hope that things can be different.

Adm. Sir Edward Cochrane will be at the Miami assembly. He was one of the great commodores of convoys in World War II, and was decorated for his courage. He knows the leaders of South America and has been traveling for years in those countries. His ancestor, Adm. Lord Cochrane, known as Cochrane the Liberator, is a household word throughout Latin America.

Men will be coming to Miami from Peru, Argentina, Uruguay, Paraguay, Chile, Brazil. Brazilian dockers' leaders will be in Miami. Former Communist leaders who through MRA have changed and are giving an answer to their countries—political, industrial, and labor leaders from America will be there. Rajmohan Gandhi, grandson of the Mahatma, will be coming, and Peter Howard, journalist and playwright from Europe.

These men with delegates from many parts of the world are going to study and train in Miami.

An American admiral, who went three times to similar assemblies for training in MRA and whose wife went for a fourth time, was asked by his strategy board in Washington to tell them what was going on at these assemblies. He replied, "I learned what an ideology means—to start doing what we should have been doing all along and to do it all day every day for the rest of our lives."

FREE COMPETITIVE ENTERPRISE AND THE AMERICAN TELEPHONE & TELEGRAPH CO.

Mr. PUCINSKI. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. HOLIFIELD] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. HOLIFIELD. Mr. Speaker, America has grown to greatness under the free competitive enterprise system.

It is this economic system which we offer as the free world's alternative to state control and monopolies of the Communist and Fascist states of the world.

Yet we permit the American Telephone & Telegraph Co. and the Bell System companies to operate as monopolies under state control. Monopolies are allowed in the publicly regulated areas of our economy to best serve the public interest. However, in the operation of such monopolies many times the public interest is not protected let alone best served.

The American Telephone & Telegraph Co. and the Bell System companies are the major operators of telephonic communications in the United States. All oversea voice communications are provided by the American Telephone & Telegraph Co. At present it is seeking worldwide monopoly in using communications satellites to provide commercial telephone, television, data, and global communications.

The American Telephone & Telegraph Co. now is pushing vigorously for this preferred position. The company knows that by obtaining the aid of the Federal Space Agency and the consent of the Federal Communications Commission in orbiting a communications satellite, it could exclude all potential competitors from being able to operate. Furthermore, if successful in this venture it would add fuel to the fire that the U.S. worldwide communication satellite program is devised to enrich the

private communications interests rather than to benefit the people of the world.

I believe it is time to take stock of what is going on. The Congress should decide whether there will be competition in satellite communication systems which will affect the entire world or shall the American Telephone & Telegraph Co. be granted also this monopoly allegedly under Government regulation or control. In any event, it is necessary that the public interest be best served. At present it is becoming more obvious that the public interest has not been protected and that the American Telephone & Telegraph Co. has been able to lull the responsible supervisory governmental agencies to a point so the American Telephone & Telegraph Co., in most instances, may do what it pleases.

INTRODUCTION

Without going to trial, the Department of Justice entered into a consent decree judgment with American Telephone & Telegraph Co. on January 24, 1956. This occurred approximately a half century after the first complaints were received and some 20 years after the first congressional steps were taken to force action, and 17 years—the life of a patent—after the publication of the report of the Federal Communications Commission to the Congress in 1939.

This consent decree accomplishes little, if anything, in the public interest. The heart of the complaint was that American Telephone & Telegraph and Western Electric Co. were conspiring to monopolize the manufacture, distribution, and sale of telephones, telephone apparatus, equipment, materials, and supplies and did have a monopoly in these areas. The remedy sought was the separation of Western Electric from American Telephone & Telegraph and the division of Western Electric into three separate entities. None of these goals was achieved.

What was hailed, as of January 24, 1956, as an achievement by the Department of Justice were the provisions in the consent decree affecting some 8,600 Bell System patents. Yet these statements were obviously made without the realization of the dire consequences due to the pitfalls of the patent grant back provision.

BACKGROUND

In the 1920's and early 1930's many complaints were registered with the Congress concerning the operation and regulation of American Telephone & Telegraph Co.—hereinafter called A.T. & T.

With the advent of Franklin Delano Roosevelt and the Democratic Congress, the Administration and Congress moved into action. This led to the passage of the Communications Act of 1934 under which the Federal Communications Commission—FCC—was established to extend communications regulations to telephone and telegraph services and to centralize all such regulations in one Government body.

Shortly thereafter in 1935, the FCC proceeded with an investigation of A.T. & T. and the Bell System companies. This investigation was authorized by House Resolution 8, 74th Congress. It culminated in 1939 in an FCC report—House Document No. 340, 76th Congress—to Congress that found extensive antitrust violations and recommended urgent action.

World War II intervened before action could be taken.

Finally, in 1949 the Department of Justice filed an antitrust complaint against A.T. & T., Bell Laboratories, and Western Electric, basing its action on the facts brought out in the original FCC report.

THE COMPLAINT

The complaint filed January 14, 1949, charged that A.T. & T. and its wholly owned subsidiary, the Western Electric Co. were conspiring to monopolize the manufacture, distribution, and sale of telephones, telephone apparatus, equipment, materials and supplies.

A.T. & T. was charged with refusing to purchase from manufacturers other than Western Electric, even though the equipment manufactured by such manufacturers was superior in operating economy, service, and initial cost.

The complaint charged that A.T. & T. owns and operates more than 98 percent of the facilities used in the rendition of long-distance telephone service in the United States. It owned and controlled operating companies furnishing approximately 85 percent of all local telephone service in the United States; and required these operating companies and the Long Lines Department to buy substantially all of their telephone equipment from Western Electric. In turn, Western Electric manufactures and sells more than 90 percent of all telephones, telephone apparatus and equipment sold in the United States. It alleged that the absence of effective competition resulted in higher prices for telephone equipment, and higher subscriber rates. It noted that the two concerns control both plant investments and operating expenses.

The complaint further charged, as part of the conspiracy to monopolize the telephone industry, that A.T. & T. and Western Electric bought up or eliminated competitive manufacturers of telephones, telephone apparatus, and equipment and that A.T. & T. gives Western Electric the exclusive right to purchase and sell all surplus and scrap equipment of A.T. & T. and the Bell System companies.

REMEDIES SOUGHT

The complaint sought the separation of Western Electric from its parent by directing A.T. & T. to dispose of its stock ownership in Western Electric. It sought to dissolve Western Electric into three competing manufacturing companies, and to require Western Electric to dispose of their 50-percent stock ownership in Bell Telephone Laboratories to A.T. & T., fostering conditions under which A.T. & T. and its operating subsidiaries would thereby buy telephone equipment only under competitive bidding. In addition, the complaint sought to compel the two defendant companies to license their patents to all applicants on a nondiscriminatory and reasonable royalty basis together with technical assistance and know-how to use such patents.

THE HEART OF THE COMPLAINT

The core of the complaint was that A.T. & T. and Western Electric had destroyed competition in the manufacture and produciton of telephones, telephone equipment, and apparatus; that Western Electric is an illegal monopoly. It pointed out that the operations of A.T. & T. manufacturing subsidiary, Western Electric, are not subject to public utility regulations and hence should be in the sphere of our free competitive enterprise system. On the other hand, the operations of A.T. & T. and its operating companies, are subject to public utility regulation. The purpose of this complaint was to do away with Western Electric's operation of a prima facie illegal monopoly under the protection of the natural monopoly enjoyed by A.T. & T. and its operating companies as a public utility.

STATUS OF CHARGES MADE IN THE COMPLAINT IMMEDIATELY PRIOR TO THE CONSENT DECREE

Former Assistant Attorney General Barnes, in charge of the Antitrust Division at the time of the consent decree, testified on March 29, 1956, before Subcommittee No. 5 of the House Select Committee on Small Business, chaired by Mr. ROOSEVELT, that the charges referred in the complaint were still true as of the date of negotiating the consent decree except as to the exclusive dealing allegation between Western Electric and A.T. & T. The allegations admitted to be true by Judge Barnes suffice to prove prima facie that Western Electric is a monopoly of formidable proportions and as such is illegal under the antitrust laws of the United States.

THE CONSENT DECREE JUDGMENT ABANDONMENT OF PURPOSE

However, Judge Barnes stated before the House subcommittee that the original purpose to separate Western Electric from A.T. & T. had to be abandoned for the belief that the court would not go along. No further explanation was possible according to Judge Barnes—why? No further explanation was preesented to the Monopoly Subcommittee of the House Judiciary Committee, chaired by Representative CELLER, even though it was sought.

Yet in the Pullman Co. decree citation, the court did order the separation of Pullman's unregulated monopoly in the manufacture and sale of sleeping cars from the Pullman Co.'s governmental agency regulated sleeping car operational service. That, as here, an unregulated monopoly hid behind the protection of a Government regulated monopoly but came far short of controlling 90 percent of the market.

THE CONSENT DECREE VERSUS THE COMPLAINT'S PRAYER FOR RELIEF

As a result of the provisions of the consent decree, Western Electric is still a wholly owned subsidiary of A.T. & T. Its manufacturing monopoly is unbroken. It still has a 50-percent stock ownership in Bell Telephone Laboratories.

Nothing in the decree requires A.T. & T. and its operating subsidiaries to buy telephone equipment under competitive bidding. It can refuse to purchase from any manufacturers other than Western Electric, even though equipment manufactured by such manufacturers is superior in operating economy, service, and initial cost. However, Western Electric is required by the decree to manufacture for A.T. & T. and the operating companies.

The decree allows A.T. & T. and Western Electric to buy up or otherwise legally eliminate competing manufacturers of telephones, telephone apparatus, and supplies. Western Electric is specifically given the exclusive right to purchase and sell all surplus and scrap equipment of the Bell System companies—a formidable monopoly in itself.

Nor has the economic position of A.T. & T. been altered. It still owns and operates more than 98 percent of the facilities used in the rendition of long-distance telephone service in the United States. It owns and controls operating companies furnishing about 85 percent of all local telephone service in the United States. It may require their operating companies and their long lines department to buy substantially all of their telephones from Western Electric which manufactures and sells 90 percent of all telephones, telephone apparatus, and equipment sold in the United States. This operation is certainly not free, competitive enterprise.

What then does the consent decree do to restore competition in the manufacture, distribution, and sale of telephones, telephone apparatus, equipment, materials, and supplies and break up the monopoly charged in the original complaint filed in 1949?

POSITIVE STEPS UNDER THE DECREE

A.T. & T. and the operating companies are enjoined from engaging in any business other than the furnishing of common carrier communications services. Western Electric is required to manufacture and is limited to manufacturing for A.T. & T. and the operating companies. It was compelled to sell Westrex, a minor subsidiary, which makes sound recording equipment for the movie industry. However, it may engage in any business or function when acting for the U.S. Government or any agency thereof.

The net effect of these provisions of the consent decree is to remove Western Electric, and Bell Telephone Laboratories with their research and manufacturing capacity from that area of the commercial market place, for example, electrical equipment, where they did not have a monopoly and where they were either a potential competitor or an actual competitor. This made General Electric, Westinghouse, and RCA—Radio Corporation of America—more secure in their commercial markets.

Although Western Electric is confined to the manufacturing activities it engages in for A.T. & T. and the operating companies which are restricted to common carrier communications services, there is left both remarkable variety and scope to its operations. Digital computers, teletypewriters, recording devices, telephone answering devices, radio transmission and receiving, dataphone—inventory data—photowire service, wiring cable, electronic components, transistors, tubes, batteries, telephones, and electrical equipment are all within their bailiwick. Digital computers and recording devices, since they may be attached to the telephone system and the service rendered, rightly fall within the term "common carrier communications services." Furthermore, Western Electric may engage in any business as a prime contractor, subcontractor, or consultant if for a governmental instrumentality.

DEPARTMENT OF JUSTICE'S ATTEMPTS TO JUSTIFY THE CONSENT DECREE REGULATION BY THE FEDERAL COMMUNICATIONS COMMISSION

One of the major points made by the Department of Justice in attempting to justify this consent decree is that A.T. & T. is now confined to regulated areas, thus enabling more effective regulation.

Monopolies are allowed in the publicly regulated areas of our economy in order that the public interest may be best served. The regulatory agency has the duty of maintaining closed supervision over the utility to protect the public interest. A.T. & T. and the Bell System operating companies are carriers providing communications and their interstate operations are subject to regulation by the Federal Communication Commission under the Communications Act of 1934.

When the Department of Justice stated that A.T. & T. is now confined to regulated areas, thus enabling effective regulation, it may well mean effective regulations by A.T. & T. for the benefit of A.T. & T., the Bell System companies, and Western Electric. However, it is certain that any such action does not promote free competitive enterprise. As to how the public interest is or is not being served and how close supervision is or is not being maintained over the utility to protect the public interest, I plan to discuss at a later point in this paper.

THE DEPARTMENT OF JUSTICE'S ATTEMPT TO JUSTIFY THE CONSENT DECREE ON THE EFFECT OF THE LANGUAGE OF SECTION IX OF THE JUDGMENT

The 1939 Report of the Federal Communications Commission to Congress on Investgiation of the Telephone Industry—pursuant to Public Resolution 8, 74th Congress—pointed out Western Electric's lack of a basic cost accounting system and that it was impossible to secure "significant competitive prices upon equipment included in the rate basis underlying 90 percent of the telephone business in the United States."

The Department of Justice claims that the effect of the language of section IX of the judgment will develop an effective basic cost accounting method of determining the reasonableness of the costs and prices of telephone apparatus, equipment, and supplies, where the manufacturer or supplier and the operating company are under common ownership. The language is:

Western is ordered and directed to maintain cost accounting methods that conform with such accounting principles as may be generally accepted and that afford a valid basis, taking into account the magnitude and complexity of the manufacturing operations involved, for determining the cost to Western of equipment sold to A.T. & T. and Bell operating companies for use in common carrier communications services.

The language is broad, vague, ambiguous, and meaningless and is doubtful if a court would hold Western Electric in contempt for an alleged violation of this section.

No basic cost accounting method is set out that could be effective in determining the cost of the equipment manufactured by Western Electric. Furthermore, Western Electric's cost accounting methods have not provided an authentic basis for determining the reasonableness of charged prices and it is still impossible to secure a competitive price as to Western Electric manufactured equipment for Western Electric has 90 percent of the market while other telephone manufacturers divide up the remaining 10 percent. When queried by the House subcommittee as to what changes this language would make in Western Electric's accounting methods, Judge Barnes stated "We do not necessarily know that it will make any." Thus, it is not seen how this language creates any significant change from the conclusion reached in the 1939 Federal Communications Commission's Telephone Report.

Furthermore, the absence of effective control on any particular area of an overall operation can tend to defeat regulatory efforts in another area. For example, A.T. & T. could order their manufacturing subsidiary, Western Electric, to adopt policies and prices which would make their alleged reasonable service rates actually unreasonable. Therefore it is absolutely essential that the Federal Communications Commission determine, in all instances, whether service rates are actually reasonable—which the agency has not done.

DEPARTMENT OF JUSTICE'S ATTEMPT TO JUSTIFY THE CONSENT DECREE BASED ON THE PATENT SECTIONS OF THE JUDGMENT

PATENTS—THE HEART OF THE COMPLAINT?

Assistant Attorney General, Judge Stanley Barnes, stated after the decree was entered into, "finally, at the heart of the complaint was the charge that the Bell System's strong patent system had been used to protect Bell from competition by alternative methods of communication, and to divide markets with concerns engaged in telephone, as well as noncommunication fields." The Department of Justice press release dated January 14, 1949, announcing the filing of the A.T. & T. complaint, makes no reference to this as being the heart of the complaint, and it is not evident from the actual filed complaint. Furthermore, it appears from the 1939 Federal Communications Commission Report and T.N.E.C. Monograph No. 31, that Judge Barnes' statement was correct prior to 1907 but not thereafter. The following quote is from Monograph No. 31:

In 1907 the Bell System fell under the dominance of the investment bankers. A change in strategy attended the coming to power of the Houses of Banker and Morgan. Capital passed in the strategic place form-

erly occupied by technology and the arts and wiles of high finance were called in play. In instances it was cheaper to buy out the independents that to fight them; in others, it was more feasible to deny access to funds than to press the infringement suit. Finance suggested an easier, less expensive, far surer way to abate a nuisance. The blow was delivered from under cover and was not subject to judicial review.

There is nothing in the referred to materials to disclose a return to the prior-to-1907 strategy as indicated by Judge Barnes.

Judge Barnes has further asserted "and, via extraordinary patent relief the decree seeks to promote competition in the nonregulated areas, as well as in the production of telephone components in the regulated sector". This suit brought to restore competition in the manufacture and sale of telephonic equipment. Yet, all the conceivable patent relief cannot restore competition as long as Western Electric is left with 90 percent of market control and as long as A.T. & T. and the Bell System companies will purchase its equipment only from Western Electric.

PATENT RELIEF IN THE ELECTRONIC FIELD

The Antitrust Division of the Department of Justice has also attempted to justify the decree by stating that a measure of patent relief has been granted in the electronic field.

PATENT RELIEF, ILLUSORY OR IMAGINARY

Prior to the filing of the complaint in 1949, A.T. & T. published a patent licensing policy which would license anyone for any purpose at a reasonable royalty rate. This patent license included the furnishing of know-how and technical information that went with the patent. Dr. Vannevar Bush, a director of A.T. & T., has stated that A.T. & T.'s transistors patents were licensed at a reasonable royalty rate, based as a reasonable fee for know-how and a proportional development cost of the invention.

The consent decree requires royalty-free licensing to all applicants on the then 8,600 existing patents of A.T. & T. and Western Electric. However, this license does not provide the licensee with technical information and know-how. If a royalty-free patent licensee desires know-how and technical information the decree requires him to pay Western Electric a reasonable amount for the know-how and technical information. Under the decree, the reasonable amount permitted shall reimburse A.T. & T. for the cost of gathering and reproducing the technical information, a reasonable allocable proportion of the development expense of the class of equipment for which information is being furnished, and related development and engineering expense accounts of Western Electric.

The Department of Justice has admitted that the charge for know-how and technical information allowed under the consent decree could be as much as the former royalty. It is conceivable that the reasonable amount charged for know-how and technical information under the decree even exceeds the former reasonable patent royalty charge which included this assistance.

Furthermore, a substantial number of the 8,600 royalty-free patents involved in the consent decree have expired. Patents issued subsequent to the date the consent decree judgments are to be licensed at reasonable royalty rates.

The decree accomplishes very little in requiring the licensing of the patents involved, as it only makes the previous Western Electric—Bell System companies—patent-licensing policies mandatory.

For this negligible concession what do A.T. & T. and Western Electric receive in return?

PATENT RELIEF FOR A.T. & T., WESTERN ELECTRIC AND BELL LABORATORIES

A.T. & T. and Western Electric are required under the terms of this consent decree to grant a patent license to all applicants but only if the applicants or their associated companies shall grant a license subject to reasonable royalty to A.T. & T. and Western Electric under any or all of the applicants' existing or future patents. Therefore, if one takes a license under the provisions of this consent decree he has to open up his own research and development on new and improved products and processes which become patented to A.T. & T. and Western Electric. This grant back allows the giant colossus—A.T. & T.—if it so desires to rape any patent licensee of their research and development efforts for A.T. & T. and Western Electric certainly have the facilities and the necessary legal monopolies to execute the marketing of any new or improved product or process in the marketplace, even to the exclusion of the inventor. This is especially true in the common carrier communications equipment market and the markets secured by the award of enormous Government contracts.

Despite the provision in the consent decree providing for one license for all the Government departments and agencies the Civil Division of the Department of Justice, acting for all the various governmental agencies, negotiated a patent licensing agreement with Western Electric outside the provisions of the consent decree to avoid the pitfalls of the grant back provision.

The consent decree could not abolish the American patent system. However, it does attempt to destroy the intent and purpose of the antitrust laws, the patent laws and system by the patent licensing provisions of this consent decree. For when an inventor or a corporation takes a patent license from Western Electric with the resultant grant back license, the effect as between the licensee and Western Electric is to destroy the protection the patent law provides in the marketplace.

The effect of this grant back provision raises the important query whether the management of the companies, having taken a patent license under the provisions of this consent decree, can afford to authorize expenditures of millions of dollars in the development of new products and processes that will be appropriated the moment they are placed on the market. The American patent law, by its grant to the inventor to exclude others from using the invention, attempts to provide an incentive to invent by assurance of possible economic return through the marketing of the invention. The only measure of an invention's financial worth is what can be obtained from marketing the invention. With A.T. & T.'s and Western Electric means to control the market and their access to the inventions of patent licensees under this decree, the financial worth to the patent licensee of his own inventions becomes highly speculative. The resultant effect of the patent licensing provisions under this consent decree could create loss of economic incentive to invent, produce, and market new and improved products or processes through research and development, for a captive technology offers little or no chance to invent except to those already in control, or to others on such terms as those in control dictate.

POSSIBLE DESTRUCTION OF A COMPETITIVE FACTOR

The patent monopoly—exclusive right for 17 years to exclude others from using the invention—is one of the very few possible protections that the small inventor, small, middle, and even large businesses have in the market areas where they attempt to compete with A.T. & T. and Western Electric.

The inventor and the corporation, in competition with Western Electric, need every possible advantage, for no one can rival A.T. & T. and Western Electric in having or obtaining capital, credit, manufacturing facilities, research and development laboratories, regulated monopoly operations, monopoly protected operations, ability of being favored as Government contractor, guaranteed income returns without a determination of the reasonableness of the rates, and the added market protection granted to A.T. & T. by the Federal Communications Commission and public utility commissions by tariff regulation. Other devices used by A.T. & T. are the application of sanctions against competitors who seek to add attaching devices to the common carrier system, agreements with giant potential competitors not to infringe each other's market area, volume production through mass manufacturing means with a volume guaranteed market creates an item price sufficient to drive competitors out of the remaining market, ability of investment banking houses interested in A.T. & T. to choke off capital or credit to competitors, package tie-in tariffs, unfair trade practices such as poor service to competitors with allowable attachment devices and many others.

The Bell System companies do not need the patent monopoly to aid them in obtaining market control and they have long held the view "if the American patent system were abolished the next day, it would not make one iota of difference to the Bell System."[1] This would remove an essential marketplace asset and protection of the smaller competitor and leave the competitor even more at the mercy of A.T. & T. and Western Electric.

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[1] Statement of Dr. Frank Jewett, head of Bell Laboratories before T.N.E.C.

THE EFFECT OF A CONSENT DECREE

"Though consent judgments bind both parties and estop future de novo proceedings involving matters covered, their provisions ofttimes receive only cursory judicial scrutiny."

To quote Judge Barnes:

A consent decree once entered embodies the force of a litigated judgment. * * * To effectuate * * * the basic purpose of the original consent decree—courts may approve modifications after entry. But if the party opposing modification can show "actual disadvantage" or "the persistence of an inequality" stemming from change, the terms of the original decree must stand intact.

Thus the terms of a consent decree does bind the Government and remains intact as to the matters covered unless the other parties to the decree agree to the modification. In allegedly attempting to protect the free competitive enterprise system, the Justice Department, acting for the Government, has legalized Western as a monopoly by this consent decree judgment. The result reached in the consent decree is certainly contrary to the intent and purpose of the antitrust and patent statutes.

Again I ask what has happened to our free competitive enterprise? Do our corporations and Government actually believe in this system or do they merely, with tongue-in-cheek, shout they believe in this ideal to further fool the public?

OPERATION UNDER REGULATION

The Federal Communications Commission must sanction all the tariffs prepared and filed by the operating companies. The tariff then becomes a regulation.

Among such tariff regulations on file with the Federal Communications Commission are those affecting interstate and foreign message toll telephones and rates. They contain clauses barring the use of all devices not specifically authorized in the tariffs. They contain clauses referred to as the "foreign attachment" provisions and have been incorporated in the tariff schedules of telephone service since 1913.

In effect, they protect A.T. & T.—Bell System companies—from competition by alternative methods of common carrier communications since the companies have a monopoly in their area of operation and the tariff regulations "bar the use of all devices, in connection with service, unless the devices are furnished by, or specifically authorized in the tariffs of the telephone company."

As a result, customers may be required to own, maintain, and install some of the facilities at locations where the telephone company's facilities are not available. However, if the telephone company finally decides to provide facilities, the customer is required to use the facilities of the telephone company and not his own. In such instances, there is an obvious hardship on the customer in the form of loss in investment and a much costlier rate. This is certainly not free competitive enterprise but monopoly operation in a manner freely within the operating telephone company's discretion.

Where the tariff permits customer owned equipment, it is required that the equipment be connected to the telephone circuit by the telephone company and by means of apparatus furnished and installed by the telephone company.

Upon successful Federal Communications Commission hearings and appeals by other manufacturers to incorporate their manufactured equipment, such as recording devices, telephone answering devices as allowable under the tariff, the telephone company then provided competing equipment. The average period of time necessary successfully to achieve inclusions through the Federal Communications Commission's procedures within such a tariff is approximately 8 years. This period plus that prior to the bringing of action accounts for the greater portion of the life of a patented invention.

Usually service rates are determined by the local tariffs which are rubberstamped by the local public utility agencies. Thus, as a result, service and service rates are provided and determined by the telephone company practically at its discretion. When installing equipment manufactured by companies other than Western Electric, the telephone operating company may, by its operating discretion, have unfair competitive advantages.

Furthermore, the telephone companies have consistently contended that the Federal Communications Commission does not have jurisdiction to allow attachments on telephone equipment. Where a customer makes use of a device not authorized in the tariff, he is informed by the Bell System companies that he will have his service discontinued. The telephone companies contend the application of sanctions is a matter resting solely with them. The Federal Communications Commission allows them this discretion.

By the operation of the tariff regulations, A.T. & T.—Bell System companies—may secure its own position and that of its manufacturing subsidiary, Western Electric, by using only devices furnished by the manufacturing company and specifically authorized in telephone operating company's tariff. The operational result is that it is almost impossible for an independent, nonaffiliated manufacturing company, either to invent or to provide any device for the common carrier system, let alone major components.

OTHER EXAMPLES OF REGULATION

The Federal Communications Commission has yet to determine the reasonableness of the service rates charged by A.T. & T. for carrying television programs, monochrome—black and white—and color. This service is presently a $50 million a year business and increasing each year. This service has been provided for over the past 24 years without a determination of whether the tariff rates are reasonable.

The Federal Communications Commission also has never determined the reasonableness of tariff rates for oversea telephone service, presently over $25 million a year business, and increasing with each year.

Our integrated defense warning control system—SAGE semiautomatic ground environment—is a multichannel telephone, voice, and telegraph wire service. The Government owns some of the equipment but private lines make up about 75 percent of the system. The Government has contracted for long terms—10 years—to pay the telephone operating companies the published utility rate based on 10-year amortization basis for operating the system. The Government also pays a service fee for the use of those lines. Yet the Federal Communications Commission had never determined if the tariff rates charged the Government for use of the private line services are reasonable. Finally, the General Services Administration, on February 7, 1958, intervened on behalf of the executive agencies of the Government in the docket relating to special construction tariffs—multichannel telephone and telegraph service—and petitioned the Federal Communications Commission to place an immediate rate reduction of 25 percent into effect on the basis the rate was unreasonable. A.T. & T. opposed this petition. General Services Administration filed another petition for expeditious handling on April 30, 1958, which A.T. & T. also opposed. The Federal Communications Commission had its staff examine the submitted and automatically adopted tariffs. Its determination was that the service rate charged the Government was unreasonable and it ordered a reduction of 15 percent into effect.

Through the tariff regulations the telephone operating companies may set their own rates and operating regulations without hardly being subject to review by the regulatory agency.

Monopolies are allowed in the publicly regulated areas of our economy so the public interest may be best served. The Federal Communications Commission has the duty of maintaining close supervision over A.T. & T. to protect the public interest. The Federal Communications Commission should carry out this mandatory duty and should determine whether the submitted tariffs are reasonable. This is essential to the protection of the public interest and the new administration should see to it that the public's interest is protected.

For its relatively successful action in appearing before regulatory agencies where the Government's interest as a consumer is substantial, in accordance with its statutory mandate the General Services Administration has been under constant attack by A.T. & T., the chamber of commerce, and others for saving the Government and other consumers hundreds of millions of dollars.

In summary then, I believe that the following points can be made:

First. The American Telephone & Telegraph Co., the Bell System, and the Western Electric Co. have established monopoly operations in their fields of business.

Second. The U.S. Department of Justice has failed in its antitrust prosecutions to effectively control, prohibit, or substantially modify the monopolistic procedures of this triumvirate.

Third. The U.S. Department of Justice has, through the provisions outlined in its consent decree declarations, ac-

tually legalized certain monopolistic practices of the Western Electric Co.

Fourth. The Federal Communications Commission has failed miserably to protect the public interest during the many years in which this monopolistic combine has been developing.

Fifth. This great and important segment of our business and industrial economy is no longer subject to real competition nor is it effectively controlled by the governmental supervisory and regulatory board charged with the protection of the public interest.

Sixth. Efforts are underway to further expand their monopolistic advantages by excluding competition in the upcoming area of space communication. A.T. & T. has made proposals to the Federal Communications Commission and the National Space and Aeronautics Agency which, if approved, would give them a worldwide monopoly in voice communication through the use of space satellites. The Federal Communications Commission has never established the reasonableness of the service rates for oversea voice communications, but apparently accepted a schedule of rates as suggested by A.T. & T. As the Federal Government would undoubtedly be the best customer in this field, it would seem that the General Services Administration, acting under its statutory powers, should have been a party to the establishment of any schedule of rates in this new medium. The General Services Administration has saved hundreds of millions of dollars in acting for Government agencies in utility rate negotiation. They have, in many instances, forced the Federal Communications Commission to determine the reasonableness of utility rates on service offered to Federal agency consumers.

This particular critical speech deals only with one segment of our business economy. It is only one example of our retreat from the principle of competition in our so-called free enterprise system. Other great segments of business have, for all practical purposes, deserted the principle of real competition.

We can point to similar situations in steel, rubber, chemicals, petroleum products, finance, and labor.

We have been told throughout the complete development of our economy that our progress has been based on the incentives of reward under competitive effort in a free enterprise system. But throughout the length and breadth of our land, we can see a pattern of monopoly, managed prices, regional distribution agreements, collusive agreements between great labor unions and their employers, and rigged collusive bidding gradually taking the place of competitive practices and procedures.

Profits no longer are based primarily on efficiency of production and distribution between real competitors. Profits depend too often upon the elimination of competition through various devices which I have described. I am deeply concerned with the erosion of the competitive principles.

If our system of competitive free enterprise is a valid one, and if it is to succeed in the world struggle against the Communist system of production, it must be allowed to function without crippling distortion. We will not be able to successfully compete with the Soviet system through operating a system that denies the transmission of its benefits to the consumer.

I say we cannot deny to our people the advantages and improvements in the productive and distributive processes of a free society which operates under the competitive principle and which is inevitably stifled when monopoly takes over.

We are in a desperate cold war struggle with the Soviets, not only for the minds, but for the markets of free and neutral nations. If we are to be crippled with the deadweight of monopoly, managed prices, limited production, and unjustified profits we cannot win. We are doomed to failure.

It would be wise to return to the traditional principles of competition before it is too late.

I hope to consider this overall problem from time to time and offer constructive measures to alleviate some of the evils I have described.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. PUCINSKI, for 15 minutes, today.

Mr. COAD, for 30 minutes, today.

Mr. VAN ZANDT, for 2 hours, on April 13, 1961.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. COHELAN and to include extraneous matter, notwithstanding the fact it exceeds two pages of the RECORD and is estimated by the Public Printer to cost $216.

Mr. ALFORD.

Mr. BALDWIN and to include extraneous matter.

(The following Members (at the request of Mr. LINDSAY) and to include extraneous matter:)

Mr. HALPERN.

Mr. SAYLOR.

(The following Member (at the request of Mr. PUCINSKI) and to include extraneous matter:)

Mr. GIAIMO.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 118. An act for the relief of Helen Irma Imhoof; to the Committee on the Judiciary.

S. 126. An act for the relief of Edward W. Scott III; to the Committee on the Judiciary.

S. 132. An act for the relief of Man-Yeh Chow; to the Committee on the Judiciary.

S. 138. An act for the relief of Mico Delic; to the Committee on the Judiciary.

S. 139. An act for the relief of Krste Angeloff; to the Committee on the Judiciary.

S. 164. An act for the relief of Cherie Helen Bratton; to the Committee on the Judiciary.

S. 177. An act for the relief of Hadji Benlevi; to the Committee on the Judiciary.

S. 217. An act for the relief of Alessandro Gellhorn; to the Committee on the Judiciary.

S. 225. An act for the relief of Dr. Chien Chen Chi; to the Committee on the Judiciary.

S. 262. An act for the relief of Constantinos Georgiou Stavropoulos; to the Committee on the Judiciary.

S. 274. An act for the relief of Hajime Asato; to the Committee on the Judiciary.

S. 277. An act for the relief of Frica Barth; to the Committee on the Judiciary.

S. 285. An act for the relief of Alpo Fransilla Crane; to the Committee on the Judiciary.

S. 292. An act for the relief of Mah Jew Ngee (also known as Peter Jew Mah); to the Committee on the Judiciary.

S. 313. An act for the relief of Ante Tonic (Tunic), his wife, Elizabeth Tunic, and their two minor children, Ante Tunic, Jr., and Joseph Tunic; to the Committee on the Judiciary.

S. 330. An act for the relief of Harry N. Kouniakis; to the Committee on the Judiciary.

S. 417. An act for the relief of Haruo T. Hendricks; to the Committee on the Judiciary.

S. 423. An act for the relief of Fotios Gianoutsos (Frank Giannos); to the Committee on the Judiciary.

S. 438. An act for the relief of Mrs. Maria Giovanna Hopkins; to the Committee on the Judiciary.

S. 444. An act for the relief of Ok Hi Shin and Tae Soo Chung; to the Committee on the Judiciary.

S. 532. An act for the relief of Stanley Bulski (Zdzislaw Rekosz); to the Committee on the Judiciary.

S. 533. An act for the relief of Irena Maria Koller; to the Committee on the Judiciary.

S. 545. An act for the relief of Mrs. Elizabeth Clifford; to the Committee on the Judiciary.

S. 546. An act for the relief of In Fil Chung, In Ae Chung, In Sook Chung, and In Ja Chung; to the Committee on the Judiciary.

S. 555. An act for the relief of Nicolaos A. Papadimitriou; to the Committee on the Judiciary.

S. 593. An act for the relief of Hans Christian Gunnar Mikkelsen; to the Committee on the Judiciary.

S. 644. An act to amend the Foreign Service Act of 1946, as amended, concerning reemployment of officers or employees; to the Committee on Foreign Affairs.

S. 663. An act for the relief of Andreas Rakintozis (also known as Andreas Rakintzis or Rakajes); to the Committee on the Judiciary.

S. 696. An act for the relief of Angel Ardaiz Martinez; to the Committee on the Judiciary.

S. 697. An act for the relief of Maria Luisa Martinez; to the Committee on the Judiciary.

S. 713. An act for the relief of Anastasia Stassinopoulos; to the Committee on the Judiciary.

S. 894. An act for the relief of Capt. Ernest Mountain; to the Committee on the Judiciary.

S. 939. An act for the relief of Zlata Dumlijan and Djuro (George) Kasner; to the Committee on the Judiciary.

S. 1097. An act for the relief of A. E. Waterstradt; to the Committee on the Judiciary.

ENROLLED BILLS SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that

that committee had examined and found truly enrolled bills and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 1163. An act to amend section 510 of the Interstate Commerce Act so as to extend for 27 months the loan guarantee authority of the Interstate Commerce Commission;

H.R. 5188. An act making supplemental appropriations for the fiscal year ending June 30, 1961, and for other purposes;

H.R. 5463. An act to amend and extend the Sugar Act of 1948, as amended; and

H.J. Res. 32. Joint resolution to designate the first day of May of each year as Law Day, U.S.A.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 153. An act to further amend the Reorganization Act of 1949, as amended, so that such act will apply to reorganization plans transmitted to the Congress at any time before June 1, 1963.

BILLS PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills and a joint resolution of the House of the following titles:

H.R. 1163. An act to amend section 510 of the Interstate Commerce Act so as to extend for 27 months the loan guarantee authority of the Interstate Commerce Commission;

H.R. 5188. An act making supplemental appropriations for the fiscal year ending June 30, 1961, and for other purposes;

H.R. 5463. An act to amend and extend the Sugar Act of 1948, as amended; and

H.J. Res. 32. Joint resolution to designate the first day of May of each year as Law Day, U.S.A.

ADJOURNMENT

Mr. PUCINSKI. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to.

The SPEAKER. In accordance with House Concurrent Resolution 211, the Chair declares the House adjourned until 12 o'clock noon on Monday, April 10, 1961.

Thereupon (at 2 o'clock and 12 minutes p.m.), pursuant to House Concurrent Resolution 211, the House adjourned until Monday, April 10, 1961, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

737. A letter from the Secretary of Agriculture, transmitting the reports of the general sales manager for the months of November and December of 1960, concerning the policies, activities, and developments, with regard to each commodity the Commodity Credit Corporation owns or which it is directed to support; to the Committee on Appropriations.

738. A letter from the Comptroller General of the United States, transmitting a report on a review of the mutual security program presentation to the Congress for fiscal year 1961, which contains the requests for authorization and appropriation of funds for economic assistance to foreign countries proposed under the 1961 mutual security program; to the Committee on Government Operations.

739. A letter from the Secretary of Labor, transmitting a report of claims paid by this Department during the year ending December 31, 1960, pursuant to title 28, section 2673, United States Code; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. THOMPSON of New Jersey: Joint Committee on the Disposition of Executive Papers. House Report No. 213. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

Mr. HARRIS: Committee of conference. H.R. 1163. A bill to amend section 510 of the Interstate Commerce Act so as to extend for 1 year the loan guarantee authority of the Interstate Commerce Commission (Rept. No. 214). Ordered to be printed.

Mr. CELLER: Committee on the Judiciary. S. 912. An act to provide for the appointment of additional circuit and district judges, and for other purposes; with amendment (Rept. No. 215). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ELLSWORTH:

H.R. 6086. A bill to amend section 202(c) of the Interstate Commerce Act to provide for partial exemption from the provisions of part II of such act of terminal area motor carrier operations performed by or for common carriers by water in interstate commerce subject to the Shipping Act, 1916 and the Intercoastal Shipping Act, 1933; to the Committee on Interstate and Foreign Commerce.

By Mr. FRAZIER:

H.R. 6087. A bill to amend the Internal Revenue Code of 1954 so as to provide for scheduled personal and corporate income tax reductions, and for other purposes; to the Committee on Ways and Means.

By Mr. GUBSER:

H.R. 6088. A bill to extend the benefits of the Panama Canal Construction Service Annuity Act of May 29, 1944, to certain individuals; to the Committee on Merchant Marine and Fisheries.

By Mr. HAGEN of California:

H.R. 6089. A bill to direct the Secretary of the Interior to establish a research program in order to determine means of improving the conservation of game and food fish in dam reservoirs; to the Committee on Merchant Marine and Fisheries.

H.R. 6090. A bill to encourage the establishment of voluntary pension plans by self-employed individuals; to the Committee on Ways and Means.

By Mr. HALPERN:

H.R. 6091: A bill to authorize the Secretary of Health, Education, and Welfare to make grants to the States to assist in the provision of facilities and services for the day care of children; to the Committee on Education and Labor.

By Mr. MORRISON:

H.R. 6092. A bill to amend the provisions of law relating to longevity step increases for postal employees; to the Committee on Post Office and Civil Service.

By Mr. QUIE:

H.R. 6093. A bill to amend the Federal Seed Act, as amended, with respect to screenings of seed; to the Committee on Agriculture.

By Mr. REUSS:

H.R. 6094. A bill to amend section 4 of the Employment Act of 1946; to the Committee on Government Operations.

By Mr. RHODES of Arizona:

H.R. 6095. A bill to amend section 206 of the Labor-Management Relations Act of 1947; to the Committee on Education and Labor.

By Mr. RHODES of Pennsylvania:

H.R. 6096. A bill to establish the Federal Agency for Handicapped, to define its duties, and for other purposes; to the Committee on Education and Labor.

By Mr. SIKES:

H.R. 6097. A bill to amend the Tariff Act of 1930 to increase the rate of the duty imposed on the importation of plywood; to the Committee on Ways and Means.

By Mr. TOLLEFSON:

H.R. 6098. A bill to provide that employees whose basic compensation is fixed and adjusted from time to time in accordance with prevailing rates by wage boards or similar administrative authority serving the same purpose, shall be paid on a weekly basis; to the Committee on Post Office and Civil Service.

H.R. 6099. A bill to prohibit discrimination because of age in hiring and employment of persons by Government contractors; to the Committee on the Judiciary.

By Mr. BONNER:

H.R. 6100. A bill to amend title VI of the Merchant Marine Act, 1936, to authorize off-season cruises by American-flag passenger vessels; to the Committee on Merchant Marine and Fisheries.

By Mr. BROOKS of Louisiana:

H.R. 6101. A bill to amend the Internal Revenue Code of 1954 so as to provide that lawful expenditures for legislative purposes shall be allowed as deductions from gross income; to the Committee on Ways and Means.

By Mr. HALEY:

H.R. 6102. A bill to authorize the Secretary of the Interior to sell reserved phosphate interests of the United States in lands located in the State of Florida to the record owners of the surface thereof; to the Committee on Interior and Insular Affairs.

By Mr. HALL:

H.R. 6103. A bill for the relief of the Stella Reorganized Schools R–I, Missouri; to the Committee on the Judiciary.

By Mr. HALPERN:

H.R. 6104. A bill to amend title I of the National Housing Act, as amended, to extend the maturity of home improvement loans to section 213 cooperatives; to the Committee on Banking and Currency.

By Mr. KEARNS:

H.R. 6105. A bill to extend the classified (competitive) civil service to certain employees of the Department of Defense, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. KOWALSKI:

H.R. 6106. A bill to amend title V of the Housing Act of 1949 to assist in the provision of housing for domestic farm labor; to the Committee on Banking and Currency.

H.R. 6107. A bill to amend the act of June 6, 1933, as amended, to authorize the Secretary of Labor to provide improved programs of recruitment, transportation, and distribution of agricultural workers in the United States, and for other purposes; to the Committee on Education and Labor.

H.R. 6108. A bill to amend section 13(c) of the Fair Labor Standards Act of 1938 with respect to the exemption of agricultural employees from the child labor provisions of such act; to the Committee on Education and Labor.

H.R. 6109. A bill to provide for the establishment of a council to be known as the National Citizens Council on Migratory Labor; to the Committee on Education and Labor.

H.R. 6110. A bill to amend the Fair Labor Standards Act, 1938, as amended, to provide for minimum wages for certain persons employed in agriculture, and for other purposes; to the Committee on Education and Labor.

H.R. 6111. A bill to provide for the registration of contractors of migrant agricultural workers and for other purposes; to the Committee on Education and Labor.

H.R. 6112. A bill to provide certain payments to assist in providing improved educational opportunities for children of migrant agricultural employees; to the Committee on Education and Labor.

H.R. 6113. A bill to provide grants for adult education for migrant agricultural employees; to the Committee on Education and Labor.

H.R. 6114. A bill to amend title III of the Public Health Service Act to authorize grants for improving domestic agricultural migratory workers' health services and conditions; to the Committee on Interstate and Foreign Commerce.

H.R. 6115. A bill to amend title V of the Social Security Act to further assist States in establishing and operating day-care facilities for the children of migrant agricultural workers; to the Committee on Ways and Means.

By Mr. LANE:

H.R. 6116. A bill to extend the provisions of the Civil Service Retirement Act of May 29, 1930, as amended, and the Federal Employees' Group Life Insurance Act of 1954 to members of the Capitol guide force; to the Committee on Post Office and Civil Service.

By Mr. OLSEN:

H.R. 6117. A bill relating to certain inspections and investigations in metallic and nonmetallic mines and quarries (excluding coal and lignite mines) for the purpose of obtaining information relating to health and safety conditions, accidents, and occupational diseases therein, and for other purposes; to the Committee on Education and Labor.

By Mr. PERKINS:

H.R. 6118. A bill to amend the Classification Act of 1949 to place in grade 18 of the general schedule the position of hearing examiners of the Social Security Administration in the Department of Health, Education, and Welfare; to the Committee on Post Office and Civil Service.

By Mr. SAUND:

H.R. 6119. A bill to amend the Internal Revenue Code of 1954 to permit the deduction of irrigation and other water district assessments; to the Committee on Ways and Means.

By Mr. BENNETT of Michigan:

H.J. Res. 355. Joint resolution to temporarily suspend the authority of the Interstate Commerce Commission to approve consolidations, unifications, or acquisitions of control of railroad properties; to the Committee on Interstate and Foreign Commerce.

By Mr. HAGEN of California:

H.J. Res. 356. Joint resolution to encourage the discovery, development, and production of domestic gold; to the Committee on Interior and Insular Affairs.

By Mr. MERROW:

H. Con. Res. 212. Concurrent resolution expressing the sense of Congress that all of our U.S. naval shipyards and facilities be maintained on a fully manned operational basis performing essential Navy or other Department of Defense work in the interest of our national defense, and that the President of the United States be urged to instruct the Secretary of Defense to take all necessary steps to insure this end, including the immediate cancellation and withdrawal of any and all instructions or orders issued or contemplated by the Department of the Navy incompatible with this purpose; to the Committee on Armed Services.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of New Mexico, memorializing the President and the Congress of the United States to enact enabling legislation to set aside a day to be known as American Indian Day; to the Committee on the Judiciary.

Also, memorial of the Legislature of the State of Oklahoma, memorializing the President and the Congress of the United States relative to ratification of a proposed amendment to the Constitution of the United States granting representation in the electoral college to the District of Columbia; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. MARTIN of Massachusetts:

H.R. 6120. A bill for the relief of Francis Ainsworth; to the Committee on the Judiciary.

By Mr. ROUSSELOT:

H.R. 6121. A bill for the relief of Albert Ai-Chun Fung; to the Committee on the Judiciary.

By Mr. WALTER:

H.R. 6122. A bill for the relief of Maria Luisa Reis (nee) Loys; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

112. By Mr. SHRIVER: Resolution by the 180 members of the Kansas Retail Jewelers Association requesting and urging the Congress to take immediate action toward transferring the 10-percent Federal excise tax on jewelry at the retail level to a 10-percent Federal excise tax at the manufacturer's level; to the Committee on Ways and Means.

113. By the SPEAKER: Petition of Herman C. Massey, president, Coffee County Teachers Association, Manchester, Tenn., petitioning consideration of their resolution relative to recommending enactment of the proposed school assistance act without any crippling amendment; to the Committee on Education and Labor.

EXTENSIONS OF REMARKS

Byelorussian Independence Day

EXTENSION OF REMARKS

OF

HON. SEYMOUR HALPERN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 30, 1961

Mr. HALPERN. Mr. Speaker, today about 10 million Byelorussians live in their historic homeland under the Soviet totalitarian regime, but the Soviet Government has always acted as though there is no such distinct ethnic group, and has tried to obliterate all Byelorussian national traits. For that reason we in the West hear little of these people, and know very little of their history. Nonetheless, there they are, and they have persistently resisted all Soviet attempts to Russianize them.

These people lived under their own government in their historic land, between eastern Poland and western Russia, long before the formation of the modern Russian state, but in 16th century Russian czars overran and conquered the country, and since then, except for a period of 3 years, they have been living under czarist autocracy and under Communist Soviet tyranny.

The 3-year brief but unforgettably happy interlude between 1918 and 1921 was the only time these people were free in modern times. In 1918, on March 25, they had proclaimed their independence and had established the Byelorussian National Republic. Then until early 1921 the new state struggled against formidable odds for its very existence. In the end it was defeated, the country overrun by the Red Army in 1921, and then made part of the Soviet Union. Since then the fate of the Byelorussian people has been no different from that of other peoples suffering under the Kremlin's unbearable yoke. Fortunately these people have not lost their hope for freedom, and they still cling to their national ideals, their national independence. On the 43d anniversary of their Independence Day let us hope they will someday be restored to freedom and independence.

Confederate Flag Day

EXTENSION OF REMARKS

OF

HON. DALE ALFORD

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 30, 1961

Mr. ALFORD. Mr. Speaker, the General Assembly of the State of Arkansas, in its session in 1957, adopted, and the Governor signed, act No. 124, designating the Saturday before Easter of each year as Confederate Flag Day.

I have heartily commended this action in the past, and I now call national attention to the fact that this observance

falls upon Saturday of this week. On that occasion, members of the United Daughters of the Confederacy in all parts of the State of Arkansas will not only make patriotic display of the glorious Stars and Bars of the Confederacy, but also plan to distribute miniature copies of the flag to the citizenry in general.

This exemplary action by a dedicated group of southern patriots is entitled to the applause of all those who cherish the memory and the ideals of the Confederacy. I am proud and happy to join in this salute.

Forty-third Anniversary of the Byelorussian Declaration of Independence

EXTENSION OF REMARKS
OF
HON. ROBERT N. GIAIMO
OF CONNECTICUT
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 30, 1961

Mr. GIAIMO. Mr. Speaker, March 25 marked the 43d anniversary of the Byelorussian Democratic Republic's declaration of independence. It is fitting that we should pause at this moment in history to remember this day and to pay tribute to the brave people who must celebrate their anniversary of freedom in silence and amidst the cruelty of Soviet domination. For the record of the Byelorussian people dramatically gives lie to the Soviet pretentions of serving the cause of the world's oppressed.

Byelorussia is a culturally and historically independent nation. Situated at the crossroads of West and East, Byelorussia as an independent country held an important place in the medieval history of Eastern Europe. Late in the 18th century the country was forcefully absorbed into the Tzarist Empire. Since that day, the people of Byelorussia have continuously sought to regain their freedom and independence. The 19th century was marked by several courageous revolts against Russia domination.

The national aspirations of the Byelorussian people were finally realized on March 25, 1918. On that day the elected representatives of the people seized upon the opportunity created by the Russian Revolution and declared the independence of Byelorussia. The promise of freedom was realized only to be frustrated again by military force. Against overwhelming odds, Byelorussia could not long resist the pressure of Soviet imperialism, and the young nation fell victim to the Red Army.

Since that tragic day the people of Byelorussia have been constantly subject to the most ruthless of persecutions. Millions of these brave people have been deported and millions of others exterminated. The Kremlin's efforts have been heartless and they have been thorough, but they have not been successful. Despite decades of cruel oppression the spirit of freedom and the desire for independence continues to live in the hearts and minds of the Byelorussian people.

As we commemorate the anniversary of Byelorussian independence, let us hope that our sympathy for and our deep admiration of these courageous people will be of some comfort to them. We who are more fortunate pray and hope that the time will not be long before the Byelorussian's long nourished aspirations will be once again fulfilled and the people of this unfortunate nation can openly and joyously celebrate the anniversary of their independence as we in free nations celebrate ours.

Results of Questionnaire Mailed by Hon. John F. Baldwin of California, to Residents of the California Sixth District

EXTENSION OF REMARKS
OF
HON. JOHN F. BALDWIN, JR.
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 30, 1961

Mr. BALDWIN. Mr. Speaker, 6 weeks ago I mailed a questionnaire to every family of registered voters in the California Sixth Congressional District. The response to this questionnaire was so large that my office was swamped for weeks with returned completed questionnaires and accompanying correspondence. Many constituents not only answered the questionnaire, but wrote detailed comments on the back of the questionnaire, or attached supplementary letters. I have spent many hours personally reading all these comments, and they have been most helpful. I am firmly convinced that a Congressman can better represent his constituents if he knows the views of all of those constituents on important issues pending before Congress, than if he does not know them.

The tabulation of the questionnaire is summarized below:

1. A constitutional amendment has been introduced in Congress to eliminate the electoral college procedure for electing the President, and to provide for the election of the President and Vice President by direct popular vote. Would you favor or oppose this amendment? Favor, 82 percent; oppose, 13 percent; undecided, 5 percent.

2. If Premier Castro of Cuba demands that we give up our Naval Base at Guantanamo Bay, Cuba, do you believe that we should give it up, or that we should stand fast and defend the Base if necessary? Give it up, 6 percent; stand fast, 87 percent; undecided, 7 percent.

3. In view of present world conditions, do you believe that our defense expenditures should (a) be increased 56 percent; (b) remain the same 34 percent; or (c) be decreased 10 percent?

4. If Russia and the United States cannot agree within, say, 6 months, on a written agreement for the permanent cessation of nuclear tests, do you feel that the United States should resume underground testing of nuclear weapons? Yes, 80 percent; no, 9 percent; undecided, 11 percent.

5. Do you believe that the House Un-American Activities Committee should be continued or abolished? Continued, 70 percent; abolished, 18 percent; undecided, 12 percent.

6. In the past our major U.S. Embassies at London, Paris, Rome, etc., could only be filled by Ambassadors who were personally wealthy because Congress had never appropriated an adequate sum to operate these Embassies. Would you be in favor of having Congress increase the appropriations for operating these Embassies so that career diplomatic personnel could be assigned to them without personal financial sacrifice? Yes, 80 percent; No, 12 percent; undecided, 8 percent.

7. A proposal has been made that the United States should establish a "Foreign Service Academy" to train personnel properly for service in overseas posts, including foreign language training. Would you favor or oppose this proposal? (a) Favor, 85 percent; oppose, 9 percent; undecided, 6 percent.

8. The United States has been experiencing a serious outflow of gold to other countries. In view of this fact, would you favor a limitation on the expenditures of U.S. tourists in foreign countries? Yes, 73 percent; no, 19 percent; undecided, 8 percent.

9. Do you believe the President should, by legislation, be given the right to require compulsory arbitration of a strike where he determines that the safety or welfare of the Nation is adversely affected by the strike? Yes, 86 percent; no, 9 percent; undecided, 5 percent. Answers from union members: Yes, 87 percent; no, 10 percent; undecided, 3 percent. Answers from non-union members: Yes, 87 percent; no, 9 percent; undecided, 4 percent.

10. The Aid to Needy Children Program has been criticized because it requires one spouse to leave the home before a family can qualify for "Aid to Needy Children" payments. Would you favor a modification in the Law so that a family whose wage earner is unemployed or underemployed could qualify for "Aid to Needy Children" payments without one spouse being physically required to be absent from the home? Yes, 57 percent; no, 25 percent; undecided, 18 percent.

11. We have a serious postal deficit, which this year will exceed $800 million. Would you favor increasing postal rates so that each class of mail pays its own way? Yes, 74 percent; no, 18 percent; undecided, 8 percent.

12. It has been proposed that the Federal Internal Revenue Laws be tightened up so that deductions for business entertainment expenses would be materially restricted in scope. Would you favor this proposed change? Yes, 80 percent; no, 13 percent; undecided, 7 percent.

Secretary of the Interior Stewart Udall Announces Administration Support for Legislation Proposing National Fuels Study During Significant Address

EXTENSION OF REMARKS
OF
HON. JENNINGS RANDOLPH
OF WEST VIRGINIA
IN THE SENATE OF THE UNITED STATES
Thursday, March 30, 1961

Mr. RANDOLPH. Mr. President, it was my privilege, along with a substantial number of colleagues in the Congress and other citizens who attended the annual dinner meeting of the National Coal Policy Conference at the

Statler-Hilton Hotel in Washington last night, to have heard the distinguished Secretary of the Interior, the Honorable Stewart Udall, deliver a significant address.

Secretary Udall spoke of reasons why the new administration and the producers of fuels can no longer allow our energy production "to grow like Topsy," pointing out that "the primary concern of the Department of the Interior—under explicit instructions from the President—is with the conservation and development of our natural resources."

The Secretary further stated that "under the Kennedy administration, the Interior Department will always favor long-range resource planning—and the wisest possible use of the God-given bounties of nature," following which he declared support, in the following words, for pending legislation which would set up a study in the Congress of the Nation's fuels and energy resources:

I can state to you this evening the position of the President of this administration with regard to a national fuels study. The administration wants what is good for the Nation. The administration wants a type of long-range study, a balanced study, that will look into this subject very thoroughly and will use the yardstick and the only test that I think your industry wants, and that is what is good in the long run for the country. This is what the President wants. This is what the Department of the Interior wants. We cannot, in something as important as fuels and energy, let policy be set by drift or by default, because we need a policy which will take into account considerations—paramount considerations—of national security and of the health of our economy. And, therefore, we shall support before the Congress the legislation which is pending for a national fuels study because this is in the interest of all of us, in the interest of the national defense, in the interest of our national security, and in the interest of the growth of our economy.

Mr. President, there is pending in the Senate Committee on Interior and Insular Affairs a resolution (S. Res. 105) which I introduced for myself and 62 colleagues, "to create a Senate Special Committee on a National Fuels Study." A modified version of this resolution is pending in the House of Representatives.

It is most gratifying to have the forthright assurance of the esteemed Secretary of the Interior that the administration, appropriately responsive to the prior position statements by President Kennedy, supports this legislation for a national fuels study. I know I bespeak the sentiment of the 62 Senators cosponsoring the resolution which I introduced when I express the hope that this measure will have expeditious attention by appropriate committees, and that it will be adopted by the Senate at an early date in order that the important and necessary study of the Nation's fuels and energy resources may be undertaken soon and completed during the life of this Congress.

I ask unanimous consent, Mr. President, that the following excerpts from the text of Secretary Udall's forthright speech be printed in the RECORD.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

EXCERPTS FROM ADDRESS BY SECRETARY OF THE INTERIOR STEWART L. UDALL AT NATIONAL COAL POLICY CONFERENCE DINNER MEETING, WASHINGTON, D.C., MARCH 29, 1961

Thank you very much, George Love, John L. Lewis, my former colleagues in the Congress, and friends. Let me say that my training in Washington is on the 5-minute speech and not the Senate variety, so I won't detain you too long.

It is a real honor for me to represent President John F. Kennedy here this evening. As you know, about a year ago, this time, the President got out in the coal country, got some of the coal dust in his system, and his interest in the problems of the coal industry and the people affected by the coal industry has been very deeply and sincerely felt since that time. I am going myself next week to the coalfields of West Virigina. The two Senators from West Virginia have invited me to go and to get out and get my shoes and hands a bit dirty and find out some of the things I don't know about the coal industry.

I believe all Americans admire the underdog. They admire a fighter, and I know more about this from what I have seen in the past 2 months. I have come to admire those of you who formed this conference and other of your spokesmen because there are fighters among them. Not so long ago everyone was ready to count coal out, but as Mark Twain put it, your death, or the reports of your death would seem this evening, George and John, to be grossly exaggerated; the corpse has a lot of kick, as they say. But, of course, there has always been a lot of fight in the coal industry. It has always been a turbulent industry.

But we admire, all of us, the statemanship that has brought you all together. The fact is refreshing that you who were formerly antagonists sit here this evening as partners and allies in an attempt to revive and keep going and strengthen one of the great industries of this country. I have learned much in the last 60 days about a lot of things, about coal and about oil, and I know you gentlemen in these industries are stern teachers. I have taken my lumps but, of course, I take this physical fitness business seriously. I move in fast company and when I haven't been wrestling with oil or coal, I go out and take on professional football players, so you see I'm really staying in good shape.

One fact already has made a deep impression on me as far as your industry is concerned. I do not think you have done a complete job of selling the public on it, namely, that coal is a modern industry. Mr. Lewis mentioned it, Mr. Love mentioned it, and that is that coal is not an outmoded, dirty industry but today one of the most modern industries. In fact, you should take a leaf from one of the statements, again I am sorry, Mr. Lewis, but you seem to be adding spice to my speech, another of the famous statements of John L. Lewis in the thirties at the time when he was speaking up loudly and, some say, vociferously for the men he represented. At one time he was upbraided by someone for speaking too long and too loudly in behalf of his people, but, indulging in a Biblical paraphrase, said that "he who tooted not his own horn, the same shall not be tooted for him." And so toot your horn a little louder. I think you have a story to tell.

I was surprised after assuming my office when I learned of the coal industry's remarkable achievement in production effort. The increase in productivity is in itself a fine tribute to your industry. Today a coal miner produces 13 tons of coal each working day—more than double the individual production of 1947 and about 10 times the output per worker in Western Europe and Great Britain.

I am even more impressed by the fact that, in these years of inflation, the mine price of commercial coal has been reduced 15 percent in the past 12 years.

In fact, you people, in terms of stability and resisting the inroads of inflation, probably deserve one of the biggest medals which could be rewarded.

This remarkable achievement is a tribute to all segments of your industry—to Mr. John L. Lewis and the United Mine Workers, who were clearheaded enough to see that the efficiencies of automation were absolutely essential if coal was to survive; it is a tribute also to the mine operators, to the railroads, and to the utility people who invested millions in plant improvements in a time of adversity; and to the manufacturers of mining equipment, whose fantastic automatic machines have wrought a revolution in mining technology.

Your aggressive determination to expand existing markets and create new ones deserves our commendation. It is no happenstance that the use of coal by electric utilities has increased in almost direct proportion to the reduction in the amount of coal required to produce 1 kilowatt hour of electricity.

Your efforts to regain a part of the home heating market through electric home heating; through the transmission of high voltage over long-distance lines; the use of pipelines for moving coal—all of these strike me as signs of an alert and vigorous industry.

My remarks would be wide of the mark this evening if I did not discuss with you the vital subject of America's future energy potential—the question of a sound fuels policy for our country.

When we speak of natural fuels it is the end product, the energy, in which we ultimately are interested. It is this energy, be it heat or light, which is of ultimate significance to an expanding society in a turbulent world.

I know President Kennedy shares with me the conviction that our energy capacity is the index of our national strength and growth potential. It tells far more than carloadings, housing starts, or bank deposits. It is the one authentic utterance of how big a punch we pack, of our vitality, our maneuverability, of our ability to sustain a rate of growth that will vouchsafe our national strength in the years ahead.

During this decade of the sixties we must consciously plan our energy production and use requirements so that we will have a stable and sensible fuels picture in the troubled decades ahead.

There are three obvious reasons why the new administration—and the producers of fuels—can no longer allow our energy production to grow like Topsy:

First, and obviously, there is the exploding population. By 1967, it is estimated that the population of the United States will be 235 million. And these Americans will be using more energy in daily living, doing more traveling, consuming more than we do today.

In the second place, the gross national product will increase to $1 trillion—doubling the figure for 1960. This means at least twice as much energy will be consumed industrially.

And, thirdly, we are in an across-the-board competition with the Communist world. We must be in a position to meet our energy needs at all times.

Our energy supply is like a bank balance. Every check drawn against that balance is good, except the last one which overdraws the account. We will undoubtedly have to cash some big checks against our energy balance in the years ahead—and we cannot afford to have any of them bounce.

This is probably as good a point as any for me to refresh your memories with the fact that I am not, as Secretary of the Interior, a czar of prices, or franchises, or economic intricacies. The primary concern of the Department of the Interior—under explicit instructions from the President—is with the conservation and development of our natural resources. We are concerned with their intelligent use today, and their exploration and development for tomorrow.

Under the Kennedy administration this Department will always favor long-range resource planning—and the wisest possible use of the God-given bounties of nature.

And I can state to you this evening the position of the President, of this administration, with regard to a national fuels study. The administration wants what is good for the Nation. The administration wants a type of long-range study, a balanced study, that will look into this subject very thoroughly and will use the only yardstick and the only test that I think your industry wants, and that is what is good in the long run for the country. This is what the President wants. This is what the Department of the Interior wants. We cannot, in something as important as fuels and energy, let policy be set by drift, or by default, because we need a policy which will take into account considerations, paramount considerations, of national security and of the health of our economy. And, therefore, we shall support before the Congress the legislation which is pending for a national fuels study because this is in the national interests (applause); it is in the interests of all of us, in the interest of our national defense, in the interest of our national security, and in the interest of the growth of our economy.

I assure you that we in the administration will go just as far as we can in helping the coal industry to achieve its proper goals. Over the past 2 months I have been tremendously pleased at the cooperation and advice I have received from the leaders of the coal industry.

Of course, we've looked each other in the eye a time or two and disagreed, but that is part of the game, too. And in the process we've learned understanding as well.

I sat within the past month with many of you in the room. You were spokesmen for all segments of the coal industry, and I threw a challenge at you. I said I wanted for the Office of Coal Research a Director who would be one of the top men in the country in this field, and I am happy to say, although I am not quite in a position yet to announce his name, that he is an outstanding figure and one who will serve in this Office not simply to direct the research program but as one of my advisers on fuels policy, on natural resources, and as my special adviser on all coal matters. So we look forward to his services with us, and we know he is going to strengthen our Department and the administration in this important field.

We are also fortunate in the outstanding members of the Resources Advisory Council we have whose advice and guidance we seek on broad policy matters on coal and fuels.

And now a final word about how the Kennedy administration hopes the Office of Coal Research will function: The industry itself—you who hear my voice here—will bear a heavy responsibility for the success or failure of your Government's attempt to help the industry help itself. You know where work needs to be done to strengthen coal in the marketplace. You know better than anyone else where extra effort will produce results.

In our research work we want to explore new ideas. We want to broaden the scale of the research now underway and we want research that will encompass the entire industry—utilization, transportation and the technology of mining itself. The laboratory will be industry itself. We are not talking about abstract research in laboratories. We are talking, in the main, about research that will be conducted in the industry itself. For our part I can promise you we will move energetically to implement the projects approved.

I am already on notice from the President himself that he is deeply interested in this program, and I know he will give it the support and muscle we need to do a strong job in this field.

We must boldly face the tremendous demands that our Nation will make on the suppliers of basic fuels in the years immediately ahead. You must bear a heavy part of the load in this task. There is work for all of us to do, in the words of President Kennedy, "Let us begin."

Federal Aid to Education

EXTENSION OF REMARKS

OF

HON. JOHN P. SAYLOR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 30, 1961

Mr. SAYLOR. Mr. Speaker, in the current controversy over whether private and parochial schools should be included as recipients of Federal largess in the proposed aid-to-education program, the basic issue is being shoved into the background. The question of whether Federal aid to education is necessary or desirable is being sidetracked.

It is time to get back into focus, for we must not let our citizenry lose sight of the fact that the big billion-dollar lollypop for the Nation's schools would be manufactured with taxpayers' contributions and then wrapped for distribution only after the Washington bureaucracy had taken a substantial bite out of it. With the passing of years, the share for the several States and local schools would become progressively slimmer, for big government has an insatiable appetite.

For the State of Pennsylvania, the stick of candy handed to us by the patronizing bureaucrats would from the start be much smaller than what we put into it. The Federal aid to education bills are nothing less than an insult to the intelligence of the people of our State, inasmuch as those bills brashly set forth a set of calculations which would require us to put millions of dollars more into the school kitty than we would get back for our own educational needs.

Pennsylvania, plagued with critical unemployment in scores of communities, would experience only additional hardship if the proposed legislation were to be enacted. Of course, some of our friends who have cooked up this expensive scheme are attempting to cover up the deficit that would be incurred by our State by indicating that the whole program can be carried merely by undertaking to put the Federal Government further into debt. Our people have had enough of these delusory promises. Our citizens recognize only too well that increases in the Federal debt are the direct cause of inflation, which cruelly reduces the buying power of wage earners, pensioners, and all others who look to savings and social security payments to see them through their twilight years.

Back in 1956 some Members of Congress began making headlines with the idea of setting up a $400 million fund annually for a total of 4 years to provide for construction of schoolhouses. At that time we were assured that $400 million was the maximum figure that proponents wanted, that 4 years would be the limit of the program, and that construction alone was the objective. Since then this balloon has been inflated out of all proportion, teachers' salaries have been thrown into the recipe as an added sweetener, and where it will all end is too vague for conjecture. What will come in the next go-round would tax the most precocious imagination, but the history of the program could very well lead one to believe that the local school board member will be offered a sugar plum in hopes of promoting additional support for the Federal aid project.

Mr. Speaker, I suggest that Congress can better promote the general welfare and national defense by getting the Federal aid to education bills out of the way and moving on to the business that we have been sent to Washington to handle. I do not deny that many local school districts could find their burden much lighter and be able to provide well-deserved increases in teachers' salaries through congressional action. I stand ready to help in this worthy objective by any of a number of sound legislative possibilities.

For a number of years I have proposed a larger deduction in income tax rates for all individuals—men, women, and children. I know of no more convenient way to make more funds available for educational needs and for other local purposes. If our constituents prefer that some portion of Federal taxes now being channeled into Washington be earmarked specifically for school funds, then there is a variety of ways in which this mission can be accomplished.

Perhaps the simplest method is for us to pass a law ordering the Director of Internal Revenue to remit to each State a check for an amount equal to an agreed-upon percentage of the personal and corporate Federal income taxes collected for any 1 quarter, or any 1 year, with said sums to be used by each State for educational purposes only. Such a plan would enable the States, on a fair basis, to help themselves to solve their educational problems—whether they pertain to schools, equipment, or teachers—in their own way without any Federal control, intervention, supervision, regulation, or interference.

The matter should be settled promptly. I have read recently of isolated cases in which communities have rejected bond issues designed to provide the wherewithal to build new schools. Unless the Federal aid problem is disposed of once and for all, there is a serious danger that promises made in Washington will prompt more and more communities to hesitate in planning for new schoolhouses. If the Federal free-spenders are

going to make funds available for obligations that have heretofore been our own responsibility, why should the local citizens bother to put up the money? Thus the promises being made by proponents of Federal aid to education become a detriment to local initiative and industry.

There is also the case of the failure of St. Louis voters to accept a bond issue to build new schools and modernize some of the old ones. As reported in the Johnstown Tribune-Democrat on March 24 by a staff writer for the Associated Press:

Apathy, ignorance, and resistance to taxes were major factors, but in St. Louis it was something more.

It was distrust of the St. Louis School Board, rocked by scandal and hint of scandal.

I have excerpted the crux of the article, Mr. Speaker. There were other reasons cited by the writer, but I believe that what I have quoted should give Congress reason to ponder.

If the citizens of a city are so distrustful of their own school board as to hesitate to approve a bond issue for new schools, can the Federal Government in conscience turn over Treasury funds to such groups? Does Congress have no more pride in its own stewardship? Furthermore, Federal grants would tend to destroy whatever interest a community has in cleaning up unsavory conditions, for when local funds are not involved the incentive for keeping a close watch on responsible parties would be lacking. I also point out that, according to proponents of Federal aid to education, the Federal Government could do nothing regardless of how dishonest a local school board happened to be, for no control from Washington is one of the assurances that perennially goes with the proposal.

I regret that interest in the basic premise—whether it is good or bad for the Federal Government to get involved in local school problems—is being diluted by the important but only collateral issue regarding private and parochial schools.

When we get back on track, let us hope that the bills will be defeated on principle—a principle laid down by our Founding Fathers and respected until the whole concept of government by the people became distorted through attempts to advance a people-for-the-government philosophy.

Mr. Speaker, under unanimous consent heretofore granted, I include the following article from the Johnstown Tribune-Democrat of March 24, 1961:

BOND ISSUE REJECTION ADDS TO ST. LOUIS WOE

(By G. K. Hodenfield)

(EDITOR'S NOTE.—"Somehow we have to get our messages across," says the superintendent of schools in St. Louis. The message: More money needed. But the city's voters turned thumbs down all last year. This is the last of three articles on school financing problems.)

ST. LOUIS, MO.—St. Louis has found an enormous rathole and is busy shoveling dollars into it.

In March, in May, and again in November last year, the voters turned down a $24.3-million bond issue to build new schools and modernize some of the old ones. They also rejected, three times, a $5.2-million bond issue for school fire protection.

Because the bonds weren't passed, and the schools can't be built, the school system this year is chartering 70 buses to transport 3,600 pupils from their home neighborhoods to schools up to 9 miles away.

BUSES COST $195,000

The buses are costing the city $195,000 this school year, plus $40,000 in overtime pay for teachers who supervise the bus rides. This is $233,000 for the 1960–61 school year.

No one seriously argues here that the new schools aren't needed: Six elementary schools are at double their normal capacity; 2,000 elementary school pupils are attending classes in high school buildings; 525 elementary pupils are being taught in rented church quarters; some classrooms have as many as 60 pupils.

Then why did the bond issues fail?

Apathy, ignorance, and resistance to taxes were major factors. But in St. Louis it was something more.

BOARD DISTRUSTED

It was distrust of the St. Louis School Board, rocked by scandal and hint of scandal. A racial problem apparently was involved also.

Perhaps most of all, it was a State law requiring that school bond issues must be approved by a two-thirds majority. "We can get 60 percent," one leading citizen declared, "but that last 6 percent comes mighty hard."

A school building commissioner, appointed by the school board, was removed from office by a circuit court on charges of gross misconduct in office. Several board members have resigned amidst charges they used school board labor and materials on their own homes.

The voters are well aware of this state of affairs. One board member himself said that, under the circumstances, the people of St. Louis would be justified in turning down the bond issues.

Said one homeowner: "Of course I voted against the school bonds. Why should I vote money into the hands of those people?"

POPULATION DOWN 100,000

St. Louis has a population of about 750,000, a drop of more than 100,000 since the 1950 census.

Much of the loss can be attributed to the flight to the suburbs, which many American cities are experiencing.

But in that same 1950–60 decade, the average daily attendance in the St. Louis public schools rose from 80,626 to 90,581. Much of this increase has been in Negro pupils, who now make up about 45 percent of the school population.

Many of St. Louis' problems can be traced directly to the slum clearance project in Mill Creek, a section in the near-downtown area. Negroes from Mill Creek moved en masse to North St. Louis, which had been a predominately white neighborhood. There weren't enough schools to handle the influx of pupils, and it is these children who now are being taken by buses to other parts of the city.

RACIAL FEELING

"It's up North where they need the schools," said a housewife in conservative South St. Louis. "We don't need them down here. And if those colored folks think we're going to carry them on our backs, they've got another think coming."

In all three St. Louis elections the school bond issues carried by what, in suburban Parma, Ohio, would have been a comfortable majority. In February the vote was 62,236 for and 35,772 against (63.5 percent approval); in May it was 35,826 for and 21,453 against (62.5 percent approval); in November it was 95,565 for and 64,755 against (59.6 percent approval).

But in St. Louis, where it takes 66.6 percent approval, these are recorded as just three consecutive defeats for the school bonds.

But apathy played a big part, too.

In March, the "No" votes of 11.1 percent of the registered voters were enough to defeat the bonds.

In May, it took only 6.7 percent of the registered voters to block the passage.

In November, the "No" votes of 18.6 of the registered voters were decisive.

NO ORGANIZED OPPOSITION

As in Parma, there was no organized opposition to the school bonds. Both metropolitan newspapers urged their passage, although both papers had serious reservations about the school board. Catholic and Lutheran church officials supported the bond issues wholeheartedly. Parent-Teachers' Association groups worked hard for them.

It was stressed that the bond issues would not be expensive. The average cost to homeowners: About $5 to $6 a year in increased property taxes.

"I voted against them," a white-collar worker said. "I'll vote against them every time they come up. It means an increase in our taxes, and I can't afford it.

TAX BILLS COMPARED

"Look, here are my tax bills. In 1949 my property tax was $43.52, now it's $106.12. That's more than a 100 percent increase. How much do they want, anyway"?

A housewife said, "Our property tax is high enough right now. Those people at city hall are just trying to stuff something down our throats. I don't trust them."

On April 4, St. Louis will hold a school board election. Shortly after that, the school bonds will almost certainly be put up to the voters again.

MUST KEEP TRYING

"We have to keep trying," said Philip J. Hickey, superintendent of instruction for the St. Louis schools. "We just have to. Things are going to get worse as we go along.

"Our transportation costs will be much higher next year. We expect at least 2,000 new pupils, perhaps more, next fall. We can't keep those elementary pupils in high school buildings, the high schools themselves need the room.

"Nearly half our schools are more than 50 years old. Some of them go back almost to Civil War days. Some of them are fire traps.

"We'll just have to try again. Somehow, someway, we've got to get our message across."

Migrant Farm Labor: A Serious National Problem

EXTENSION OF REMARKS

OF

HON. JEFFERY COHELAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 30, 1961

Mr. COHELAN. Mr. Speaker, one of the truly significant domestic problems which we as a Nation face today is the plight of the migrant farm laborer.

On March 9, 1961, CBS Television presented a memorable debate entitled "The Migrant Farm Worker—Is Federal Legislation Necessary?" Arguing against Federal legislation was Charles Shuman, president of the American Farm Bureau Federation. Presenting the affirmative,

and basing his discussion on his experience as chairman of the Senate Subcommittee on Migratory Labor, was Senator HARRISON WILLIAMS, of New Jersey.

Senator WILLIAMS and Mr. Shuman sharply defined many aspects of this serious problem and, under unanimous consent, I include the text of their debate in the RECORD.

While arguments are raised against enacting Federal legislation which would insure minimum standards of protection for these interstate workers and their families, I am acutely aware of the discouraging conditions under which our migrant farmers live. These conditions constitute a serious problem for all Americans, for they include homelessness, poverty, ignorance, hunger, and disease.

Senator WILLIAMS' arguments are forceful and to the point, and I believe that it is time for Federal action in this field of human need:

Mr. SMITH. Good evening.

Last November CBS Reports televised "The Harvest of Shame," a 1-hour examination of the conditions of the men and women who move from State to State harvesting our bounty of fruits and vegetables. "Harvest of Shame" was highly praised and criticized in editorials throughout the Nation, and praised and criticized on the floors of the Senate and the House here in Washington.

The program helped to bring national attention to the condition of the migrant farmworkers, about which subject 11 bills were introduced in the Senate just last week.

Tonight, for 30 minutes, two distinguished authorities on the issue will debate the question: "The Migrant Farmworker—Is Federal Legislation Necessary?"

For the affirmative, Senator HARRISON WILLIAMS, Democrat, New Jersey, chairman of the Senate Subcommittee on Migratory Labor, and author of the bills on the subject; opposed to Federal legislation, and representing most of the growers of the Nation, Mr. Charles Shuman, the president of the American Farm Bureau Federation.

Mr. Shuman feels that migrant workers should have the right to join unions and to strike, but not during harvest season.

First to speak, for Federal legislation, Senator WILLIAMS.

Senator WILLIAMS. Thank you, Mr. Smith—Mr. Shuman.

First let me say that I am very grateful for this opportunity to discuss one of the hardest problems we have yet before us in this country. As a citizen, I have been interested for many years in the problems of our migratory farmworkers. Recently, as chairman of the subcommittee, for 18 months I have been intimately associated with these problems.

When we started our work 18 months ago, we believed that we then knew certain problems of the migratory farmworker, we knew that there were up to 2 million Americans traveling this country, bringing in the harvest, leaving Florida, traveling up the east coast through the various States to New Jersey, New York, on into New England; leaving Texas, and traveling up through the interior to the northern States of Minnesota and Wisconsin; and on the west coast, leaving southern California and traveling on to Oregon and Wisconsin—Oregon and Washington.

And we knew, too, that the children of the migratory farmworker did not share in educational opportunities enjoyed by all other American children.

And we knew that the average income was a pathetic $900 a year.

We knew at that time, when we began our work, the sad facts of high infant deaths, of tragic highway accidents in vehicles that were dangerous.

We knew, too, that children spent all day in the fields with their parents, or perhaps even more tragically, were left back at the camp to shift for themselves while their parents were out planting or picking the crops.

These were cold statistics that we analyzed when we started our work, but that was not enough. We wanted to understand and feel these problems, and following our creation as a subcommittee, in order to understand the wretchedness that had been described, the deprivation that had been described, we took our committee all over this country, and there we saw the statistics come to life.

We saw families crowded into one-room shacks. We saw the men and women working in the fields 12-hour days. We were there at the middle of the day at high noon, in hundred-degree temperatures, and we were there at the end of the day, when they got $6 for their day's work. We saw them at the end of the day, back in the camp, when literally there was nothing—nothing to do, no plans to make, no hopes to nourish.

Mr. SMITH. Senator, we are almost at the end of your time.

Senator WILLIAMS. I will say that we have seen these barren lives, we have seen youngsters whose only playground was a battered old car littered with glass, and there they played barefoot.

It seems to me that in this country where we have done so much for ourselves, where we have brought health care to all of our poor people, welfare to all of our poor people, we have excluded it from this group of people who are rootless and homeless, who have no State and no residence. We have protected ourselves in so many ways with minimum wages, child labor prohibition, short workweek of 40 hours, all the new deal has been excluded from the lives of our migrant farm families in this country.

I think the answer is yes, the time has come when our Nation must recognize that these people are entitled to the same protections that all other Americans enjoy.

Mr. SMITH. Senator, you will be able to come back to that.

Can we have the opening statement now from Mr. Shuman?

Mr. SHUMAN. Thank you, Mr. Smith, and Senator WILLIAMS.

I appreciate very much the opportunity to come here and first to compliment Senator WILLIAMS and his Subcommittee on Migrant Labor for the conscientious job that they did in examining the conditions, inquiring into it, and giving many people a chance to make statements as to what the conditions were in agriculture and in migrant work.

Now, we, representing farmers, frankly admit that we have problems. As far as migratory workers are concerned, these problems are more social than they are employer-employee relations problems. These problems are serious but they are not as serious, Senator, as you have described. They are not as serious as were described in "The Harvest of Shame," of November 25.

This was a very obvious propaganda piece. It was slanted, distorted, untruthful. For instance, "The Harvest of Shame" indicated, and I notice the Senator indicated, that 2 to 3 million migrants, "The Harvest of Shame" tried to make it appear that there was a dollar a day wages; you said six. At least we are $6—six times as well off as we were.

"The Harvest of Shame" tried to make it appear that these children had little or no schooling, said there's no record of a college graduate among the migrants. It pointed out that transportation was like cattle.

Now these are serious charges. It said that the housing was miserable, that these people had no chance to get out of the migrant stream.

What are the facts? I think that is the thing that the American people want to know, and I realize that I come here somewhat as an underdog. Farmers are one-tenth of the population, we are the lowest major segment on the totem pole, economically, our prices and our income are down. We have been regulated by the Federal Government and subsidized to the place where we are almost broke and much of our trouble is due to too much Government.

Now we come here with this distorted propagandized type of approach to justify Federal legislation.

What are the true facts?

Instead of 2 million to 3 million migrants, it's 400,000.

Instead of a dollar a day or $6 a day, many of these migrants make $15 to $20 to $35. The average pay is over a dollar an hour and not a dollar a day. They are transported under Federal interstate commerce regulations. If anybody transports them any size, any great distance in cattle trucks, they should be prosecuted.

The housing is not all the best that we would like, but it's improving a great deal.

And, Senator, I notice that in the hearing record that the folks who know about the migrant program and the problems best were the ones who were not enthusiastic for Federal regulation. For instance, a friend of mine, Martin P. Castlewood, Commissioner of New York State Department of Labor said "My own personal opinion is that any Federal legislation in the area of migratory farm labor should be on a basis which permits the States which are willing to accept the responsibility for reasonable standards, to continue to have the responsibility for the enactment and administration of such standards."

Then from your own State, Senator WILLIAMS, a friend of mine, Phil Lamphey, Secretary of the Department of Agriculture, he said "We have made tremendous progress over the past three decades in establishing suitable and adequate migratory labor camps."

Mr. SMITH. Excuse me, Mr. Shuman. I have allowed you 2 minutes beyond your time.

May I open up the discussion, but before I do, I wouldn't want my silence on your criticism of the program that we produced, the "Harvest of Shame," to be considered an agreement with what you said.

Since you did criticize the program, I would like to say to you that though I said there was praise and criticism, in fact there was much more praise than criticism and we received the remark from the executive secretary of the President's Committee on Migratory Labor to this effect "CBS Reports is receiving the same treatment everyone receives who dares to question labor practices in agriculture. If your program had not been attacked by the growers, it would have been a meaningless one."

However, that's about that program.

I hope we can now go back to the subject, and you can debate, not me, but Senator WILLIAMS.

Senator, the floor is yours, now.

Senator WILLIAMS. Thank you again, Mr. SMITH.

I don't want to take all of my time here in rebuttal to general statements of Mr. Shuman. I gather when he was talking about the propaganda piece he was talking about the CBS program "Harvest of Shame." CBS certainly does not need me in its defense and I don't believe you meant to imply that any of the work that we were doing receives the Farm Bureau charge that we are propagandizing or using——

Mr. SHUMAN. No, no.

Senator WILLIAMS. Any unhappy devices.

I would say in answer to, first of all, an observation—I got the impression that you're feeling a bit sorry for yourself, Mr. Shuman, that the farmer is the underdog, he is only 10 percent of the population. We are dealing here with the problem of farmworkers and these farmworkers are excluded from every piece of social and economic legislation in our Nation, with the exception of social security. And, believe me, I've been through many States and I have yet to see social security withholding on the average migrant farmworker. So here, too, in fact as a practical matter he is excluded. So, as underdogs, and if you are opposed to legislation you have certainly had your way but I would like to deal first of all with some of the legislation that we propose and I think we should get your view on it.

One of the hardest problems we have seen is the failure of communities to—to make possible education for the youngster who is there for a few weeks or maybe a month or two. We know that the young people of migrant farmers are falling every year farther and farther behind their age groups.

We have a report from Time magazine that, in August, out of 8,000 youngsters only 600 had gotten an education while they were in Colorado.

In response to this, a real, real problem, we have legislation that would provide Federal assistance to communities that try to welcome these youngsters into their school systems while they are there—a 75-percent grant of the operating costs, that scales down to 50 percent.

We also, and perhaps even more importantly, provide grant money to communities who will—who will start summer schools for these youngsters. They are there, as I describe, they are either in the fields or they're shifting for themselves. The schoolhouses are empty. The teachers could be found at very modest cost. We provide $250,000 a year, only that for summer schools for the youngsters when they are traveling north in the areas where schools are not in session.

Now it seems to me that the Farm Bureau could be proud of itself if it would recognize this as a problem and support this. I know that they know, and that you do support better educational opportunities for migrant farm youngsters and I just can't understand the opposition to this measure.

Mr. SHUMAN. Well, Senator, we are not opposed to regulation, per se. We are not opposed to the idea of improvement. In fact we recognize that there has been a tremendous improvement in the way in which the migratory workers are treated, their living conditions, their educational opportunities and all the rest and I think the hearings of your subcommittee——

Senator WILLIAMS. Well, now——

Mr. SHUMAN. Recognizes this and I think that you, sir, certainly do after hearing the testimony of the folks who know best.

Senator WILLIAMS. Here and there there is a blue patch in a very dark sky, I will grant that, and I always recognize it and applaud those people who are showing improvement—but, across the country they are being left out of education, the youngsters. Can't we have a view here, of—an understanding of the problem, at least?

Mr. SHUMAN. Now, let's get it straight.

The proposed legislation is a subsidy from the Federal Government to the States for the education of the migrant workers.

Now, the point that I want to make is that educational subsidies from the Federal Government will not necessarily improve the educational opportunities of these people. They are subject to the same compulsory school attendance requirements that any other children are and——

Senator WILLIAMS. And they are not getting the education, because the school communities can't stand the operating cost burden that this would impose.

(Simultaneous voices.)

Mr. SHUMAN. I don't think——

Senator WILLIAMS. It seems to me——

Mr. SHUMAN. I don't think this is true, Senator, because there is absolutely no evidence, either in the hearing record or anywhere else, that we cannot afford a good educational system with the resources we have at State and local levels. The Federal Government is far more—far less able to take care of the additional needs of the people, based on the relationship of the Federal debt to the resources and the tax load, than is the local and State school system.

Senator WILLIAMS. That is a conclusion, of course, not shared in by a majority of the people in the country, and the President has asked us to give him a program of support to public education for permanent residents.

But let us move on to one other aspect of the legislative program that we propose.

You and I know that the average adult who travels as a migrant farm worker, he, too, has been left out in his early years of the fundamentals of education to the point where he or she doesn't even comprehend the rudiments of simple living, using the flush toilet or the shower or the running water.

Wherever we go the growers first complaint is: When I put a shower in, the nozzle is taken off, the facilities are abused. If I put screens on, they are kicked out.

Now, we have a bill that again provides a modest amount of money, again it's $250,000 annually for adult education in just the rudiments of simple, sanitary, decent living. If your folks, when they tell us that this is a problem that they feel concerned about, they, I would think, would see here an opportunity to do something about our adults, too.

Mr. SHUMAN. Senator, the folks on the farms, a million, 600,000 families in our organization, a pretty good chunk of them——

Senator WILLIAMS. They are (words lost).

Mr. SHUMAN. Are just as much concerned, were just as much concerned about the education and good treatment of these folks as any Member of Congress or anyone else, and we are the ones that are doing something about it.

Now, will this progress, this is the question, will this progress that we've been making, and you admit that there is considerable progress that has been made in the last several years——

Senator WILLIAMS. I can't use the adjective "considerable."

Mr. SHUMAN. All right, I can. But——

Senator WILLIAMS. Measured, very halting progress by a few enlightened people.

Mr. SHUMAN. All right.

Will this progress, then, be speeded up by Federal legislation? And we say no, simply because whenever you pass legislation to subsidize education, to subsidize anything else, when you pass legislation to assume the regulation and the regulatory responsibilities, immediately then local communities and States transfer this responsibility to the Federal Government. And that has been going on in the field of housing and many other areas where the Federal Government has stepped in. We think that the best place to solve the migratory problems, the social, educational, and other problems of migratory workers, is right back in the local communities where people know what the need is, where they can do something about it with the resources which they have. And this is where the economic benefit comes to us, back in the local community, and that is where the burden of the cost of the program should be——

Senator WILLIAMS. Well, I will say that not all of your colleagues who are growers, or associated with growers, agree with you.

Mr. Abney Cox(?), who is a grower of Princeton, Fla., perhaps you know him, and other growers, have supported our legislation.

But I wish you would perhaps talk to the farm bureau of my State. They came in last week, or a couple of weeks ago, to talk to me, they were negative on my program for migratory workers, this I knew before they came, and they—certainly testified again when they were here, and at the end of our discussion they told me about the problem they were having with blackbirds. Blackbirds are spoiling their fruit crops, their corn crops, and they asked us at the end of the breakfast, at the end of our meeting, if the Federal Congress wouldn't appropriate $250,000 to do something about the blackbirds that are plaguing the crops and the farms of this country.

Now, I just cite this——

Mr. SHUMAN. Well, don't misunderstand——

Senator WILLIAMS. It seems to me that the farmers, where the program goes to their economic betterment, very, very easily see the advantage of a national program, a Federal program; where it will come to the benefit of others, perhaps they are slower.

But let me please try to make one point: If we improve the housing, the education, the working conditions, the general lives of these folks who are desperately wretched, and I know you have conclusions that progress is being made, but I have seen the misery and it's—it's not the exception, it's the rule——

Mr. SHUMAN. Senator,——

Senator WILLIAMS. The exception is not misery. And you will have better workers.

Mr. SHUMAN. Senator, there is misery in the slums of Newark and Jersey City.

Senator WILLIAMS. And Federal legislation to deal with it.

(Mixed voices.)

Mr. SMITH. Let Mr. Shuman make his point.

Mr. SHUMAN. Federal legislation will not cure the slums of Jersey City or Newark any more than it will cure the slums in the migrant labor camps. It's got to be done by local initiative and local effort. And this is the trouble of the subsidy route, or the regulation route of the Federal Government.

Senator WILLIAMS. Well, of course, I must disagree. I know there are problems with some of our metropolitan programs, but we are persisting in them and they are cleaning slums and they are providing decent housing and they are doing a job in our cities, and a lot more must be done. But we have a problem in Congress on that score. We can get hundreds of thousands of dollars for metropolitan problems, while you and I know we spend billions of dollars on farm problems.

Mr. SHUMAN. Let me get this straight, though. Now the farmers in the United States, most of them, the majority of them that are in our organization, and for some 15 years we have been urging that the Congress turn around and reduce the—price fixing subsidy control programs in the United States for agriculture. We are consistent, we are saying that we don't want these programs, they have hurt us more than they've helped us.

Senator WILLIAMS. You are here speaking for one group of farmers.

Mr. SHUMAN. The biggest group.

Senator WILLIAMS. The Farm Bureau.

Mr. SHUMAN. Over 50 percent of the organized farmers.

Senator WILLIAMS. Other farmers disagree with you on that.

Mr. SHUMAN. They do.

Senator WILLIAMS. I might advise you and you know that other farmers disagree with you on the comprehensive program that we had for migratory farmworkers and their families. The Farmers Union supports most

of the 11 point legislative program that I have introduced into the Congress——

Mr. SHUMAN. That's right.

Senator WILLIAMS. And with that support we are very grateful.

Let me deal with——

Mr. SMITH. Mr. Shuman, I don't think has had his full share of the time.

If there are some points you would like to make, Mr. Shuman——

Mr. SHUMAN. Yes, I would. I would like to make a very definite point that when you get Federal legislation, regulation, then you have to have administration; and in a country as large as the United States a federally administered program cannot take account of the extreme variation that there is from community to community and State to State. Furthermore you have the kind of thing, Senator, that we experienced with the former Secretary of Labor Mitchell who strained the interpretation I think of the legislation and certainly used rather dictatorial authorities to move into the farm labor field. I don't think that any of us believe that with increased Federal legislation we will have any more—any less of this approach to the solution to problems than we had with Secretary Mitchell.

We are going to have more of it because we'll have more administrators, more folks watching every community in the United States, huge cost to the Federal Government and slowing down progress to the rate of the slowest. That's what happens under Federal regulation, the minimum becomes the maximum. You transfer responsibilities from local people and local communities to the Federal Government and that's not a good direction to go.

Senator WILLIAMS. Is this what happened when almost 30 years ago we enacted a minimum wage, unemployment compensation, workmen's compensation——

Mr. SHUMAN. In my opinion——

Senator WILLIAMS. And limited workweek?

Mr. SHUMAN. It's my opinion that the laborers of the United States have been hurt more by the increased unemployment generated by the increase in minimum wages than they have been helped. I think the competitive way is the way to improve conditions for not only labor but agriculture and all the rest.

Senator WILLIAMS. Well, I would think that most of the people in this country recognize that with those built-in security measures that we have enjoyed for 20 to 30 years, has come the new opportunity for the average American to enjoy some of the good things of life.

But we're not asking anything extravagant for the farm worker, all we are asking for is education for—for his youngsters, an opportunity to have——

Mr. SMITH. Gentlemen——

Senator WILLIAMS. Health care and welfare care——

Mr. SMITH. I'm sorry to interrupt but we have to have the summaries now.

Can Mr. Shuman give his summary statement—2 minutes.

Mr. SHUMAN. Actually I think that we have seen the essential elements of the disagreement here. We on the farms of the United States are just as interested and just as—going to work just as hard to improve the conditions of these poor folks as anyone else. We have crops that still must be harvested by hand unfortunately, and we are—we're conscious of the fact that the way to solve the migrant labor problem is to do away with the kind of work that makes it possible. Federal legislation may in effect continue the migrant worker many, many years longer than he would be continued if we continue the way we have with research and emphasis on ways to eliminate the problem by eliminating the work.

Now, our basic belief is that the centralization of power in the central Government or Federal Government, power and authority, and encouragement of lack of responsibility by individual citizens is one of the greatest perils that we have to the future of our Republic and to our competitive enterprise system.

It has not been demonstrated that increased Federal responsibility improves the conditions for these people and this Federal legislation is an entering wedge to be broadened out, it's really a part of the campaign on the part of the monopoly powers in labor to organize and control the food industries just as they are commencing to control the transportation industry.

Mr. SMITH. Excuse me, Mr. Shuman, I'm sorry your time is up.

Could we have Senator WILLIAMS' concluding statement?

Senator WILLIAMS. Well I want to first of all give Mr. Shuman every credit for good will and a good heart, but the fact is, notwithstanding the good will expressed here, the average American migratory farmworker right now makes less than $900 a year. His youngsters are falling further and further behind in education. He does not receive any of the public health and welfare services that all other poor Americans receive. He has not had the opportunity to benefit from a floor for wages, there is no minimum wage that applies.

His youngsters are not protected, they are excluded from the provisions of the child labor law except for during school hours. Wherever you look for those legislative efforts to make the beginning of a better life, the American migrant farmer and his family have been left out. They are truly outcasts. Our legislative program deals with every, almost every item, those that we understand at least, the wages, economic conditions, the situation of the children, and opportunity to join in labor unions, yes, I thought we had grown up in this country to know that labor unions are a part of our way of life and that a working man or woman should have an opportunity to express himself and bargain collectively. And this we provide for, as well as looking into the future and providing for an advisory council to advise the President and the Congress on the continuing and the persistent problems of almost 2 million Americans who are desperately left out of the affluent society most of us enjoy.

Mr. SMITH. Gentlemen, I have done nothing but interrupt both of you and I apologize to you.

The time has been simply too brief for such a serious topic.

Thank you very much for coming here to debate this question.

SENATE

MONDAY, APRIL 3, 1961

The Senate met at 12 o'clock meridian, and was called to order by GEORGE D. AIKEN, a Senator from the State of Vermont.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

Our Father, God, in the afterglow of earth's gladdest day we come girding ourselves with its deathless message, as in the sense of the Eternal we take up our daily tasks again in these fields of time.

We rejoice, this hour, that all that the world celebrated yesterday with jubilant awe is not just a promise, but is a possession. Today we may be risen with the One who stepped out of a spoiled and beaten grave. Already we have passed from death to life.

May we know in truth that life in the here and now takes on a new sheen, a new value, a new dimension.

Above all the clamor of these agitated days may we hear Thy call to that which is excellent, generous, and true—rising in newness of life above that which is coarse, selfish, and false.

May the Risen Life make us persons of brotherly love in an unbrotherly world; to others' faults make us forgiving, as we would be forgiven. As our risen lives touch the lives of others, teach us to be gentle in our attitudes, just in our dealings, fair in our judgments, and steadfast in our purpose, though pressed by every foe.

We ask it in the Risen Redeemer's name. Amen.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED DURING ADJOURNMENT

Under authority of the order of the Senate of March 30, 1961, the President pro tempore, on March 30, signed the following enrolled bills and joint resolution which had previously been signed by the Speaker of the House of Representatives:

H.R. 1163. An act to amend section 510 of the Interstate Commerce Act so as to extend for 27 months the loan guaranty authority of the Interstate Commerce Commission;

H.R. 5188. An act making supplemental appropriations for the fiscal year ending June 30, 1961, and for other purposes; and

H.J. Res. 32. Joint resolution to designate the first day of May of each year as Law Day, U.S.A.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., April 3, 1961.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. GEORGE D. AIKEN, a Senator from the State of Vermont, to perform the duties of the Chair during my absence.

CARL HAYDEN,
President pro tempore.

Mr. AIKEN thereupon took the chair as Acting President pro tempore.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, March 30, 1961, was dispensed with.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States submitting

a nomination was communicated to the Senate by Mr. Miller, one of his secretaries.

EXECUTIVE MESSAGE REFERRED

As in executive session,

The ACTING PRESIDENT pro tempore laid before the Senate a message from the President of the United States submitting the nomination of Thomas C. Mann, of Texas, to be Ambassador Extraordinary and Plenipotentiary to Mexico, which was referred to the Committee on Foreign Relations.

CALL OF THE CALENDAR DISPENSED WITH

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the call of the consent calendar be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. MANSFIELD. Mr. President, under the rule, there will be the usual morning hour for the transaction of routine business. I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE COMMUNICATIONS, ETC.

The ACTING PRESIDENT pro tempore laid before the Senate the following communication and letter, which were referred as indicated:

AMENDMENT OF SECTION 4 OF EMPLOYMENT ACT OF 1946

A communication from the President of the United States, transmitting a draft of proposed legislation to amend section 4 of the Employment Act of 1946 (with an accompanying paper); to the Committee on Banking and Currency.

RELIEF OF CERTAIN MEMBERS OF THE UNIFORMED SERVICES

A letter from the Secretary of the Navy, transmitting a draft of proposed legislation for the relief of certain members of the uniformed services erroneously in receipt of family separation allowances (with an accompanying paper); to the Committee on the Judiciary.

ALLOCATION OF MISSOURI BASIN WATER RESOURCES—RESOLUTION

Mr. SYMINGTON. Mr. President, the allocation of water in the upstream reservoirs on the Missouri River and the proper interpretation of the Flood Control Act of 1944 have received much attention over the past few weeks.

The City Council of Kansas City recently went on record as opposing changes in the present policy of operation of the reservoirs along the Missouri River.

Mr. President, I ask unanimous consent that the resolution of the Council of Kansas City, Mo., dated March 24, 1961, be inserted at this point in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

A resolution protesting proposed change of policy relative to the Flood Control Act for the upper Missouri River

Be it resolved by the Council of Kansas City, That Kansas City, Mo., strongly opposes change in the present policy of operation of the multiple-purpose reservoirs constructed under the authority given in the Flood Control Act of 1944 on the upper Missouri River, which would make the production of the maximum amount of firm hydroelectric power the primary consideration in the release of water. This change would not only be a departure from the objectives of the reservoir construction agreed upon and established when the reservoirs were authorized but would be a breach of faith with all downstream interests which supported the proposal for their construction. Operation primarily, instead of incidentally, for hydroelectric power production is wholly incompatible with flood control, navigation on the lower river, as well as irrigation in the upstream areas. We believe the true objectives are adequately expressed in existing legislation and have been followed in the operating program of the Army Engineers and in the resolutions of the Coordinating Committee of the Missouri River Basin Interagency Committee. Kansas City condemns as unfair and not in the public interest any change which would militate against the multiple-purpose concept of reservoir operation and use originally agreed upon and now in effect; and be it further

Resolved, That copies of this resolution be forwarded to the Governors of Missouri and Kansas and to all Members of Congress from those States.

JOHN P. RYAN,
Acting City Manager.
JOHN COSGROVE,
Acting City Counselor.
TOM GAVIN,
Councilman.

REPORT ENTITLED "PATENTS, TRADEMARKS, AND COPYRIGHTS"—REPORT OF A COMMITTEE—INDIVIDUAL VIEWS (S. REPT. NO. 143)

Mr. McCLELLAN. Mr. President, from the Committee on the Judiciary I ask unanimous consent to submit a report entitled "Patents, Trademarks, and Copyrights," pursuant to Senate Resolution 240, 86th Congress, 2d session, as extended.

I ask unanimous consent that the report, together with the individual views of the Senator from Wisconsin [Mr. WILEY] and the Senator from Nebraska [Mr. HRUSKA], be printed.

The ACTING PRESIDENT pro tempore. The report will be received and printed, as requested by the Senator from Arkansas.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. MANSFIELD (for himself and Mr. METCALF):

S. 1501. A bill to authorize the Secretary of the Interior to contract for the sale, operation, maintenance, repair, or relocation of Government-owned electric and telephone lines and other utility facilities used for the administration of the Bureau of Indian Affairs; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. MANSFIELD when he introduced the above bill, which appear under a separate heading.)

By Mr. BUTLER:

S. 1502. A bill to amend the Merchant Marine Act, 1936, in order to provide that for certain purposes cargo containers constructed for use with a vessel shall be considered as part of such vessel; to the Committee on Interstate and Foreign Commerce.

By Mr. BEALL:

S. 1503. A bill for the relief of Mario Simoes Da Fonseca; and

S. 1504. A bill for the relief of Kejen Pi Corsa; to the Committee on the Judiciary.

By Mr. MORSE:

S. 1505. A bill to repeal the tax on general telephone service and the tax on transportation of persons; to the Committee on Finance.

(See the remarks of Mr. MORSE when he introduced the above bill, which appear under a separate heading.)

By Mr. RANDOLPH (for himself and Mr. BYRD of West Virginia):

S.J. Res. 71. Joint resolution proposing an amendment to the Constitution of the United States, extending the right to vote to citizens 18 years of age or older; to the Committee on the Judiciary.

(See the remarks of Mr. RANDOLPH when he introduced the above joint resolution, which appear under a separate heading.)

RESOLUTION — RECOGNITION OF APRIL 15 OF EACH YEAR AS AFRICA FREEDOM DAY

Mr. HUMPHREY submitted a resolution (S. Res. 118) favoring the recognition of April 15 of each year as Africa Freedom Day, which was referred to the Committee on the Judiciary.

(See the above resolution printed in full when submitted by Mr. HUMPHREY, which appears under a separate heading.)

AUTHORITY TO SELL GOVERNMENT-OWNED BUREAU OF INDIAN AFFAIRS ELECTRIC AND TELEPHONE LINES

Mr. MANSFIELD. Mr. President, as my colleagues in the Senate know, various agenices of the Federal Government operate their own electric and telephone systems in isolated areas. During the past year, I have discovered that the Federal agencies are not authorized to expand this service to accommodate the general public.

This matter was brought to the attention of my colleague [Mr. METCALF] and myself when the Range Telephone Co-op, Inc., at Forsyth, Mont., made an application to purchase the telephone system of the Bureau of Indian Affairs, at Lame Deer, Mont., on the Northern Cheyenne Reservation. The local community was not receiving telephone service, and the agency switchboard was not being used to capacity, because its services were limited to the local Bureau offices and facilities.

When there are existing utilities and when there is a demand for the service, I think it is perfectly reasonable to permit the utility which is serving the immediate area to negotiate for the purchase of the existing system, so that

new telephone or electric service can be privided to the area. The provisions of the bill which I now introduce, on behalf of my colleague and myself, will permit the sale of the Federal facilities now operated by the Bureau of Indian Affairs.

It is my general impression that the Department of the Interior is sympathetic in regard to the situation that exists on the Northern Cheyenne Reservation, and I hope the Department will be able to expedite its report on this bill. Favorable consideration of this measure will permit the extension of new services in areas that now are isolated.

Mr. President, I ask unanimous consent to have printed at the conclusion of my remarks in the CONGRESSIONAL RECORD the language of the bill and three pieces of correspondence which are of direct concern in this matter.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill and letters will be printed in the RECORD.

The bill (S. 1501) to authorize the Secretary of the Interior to contract for the sale, operation, maintenance, repair, or relocation of Government-owned electric and telephone lines and other utility facilities used for the administration of the Bureau of Indian Affairs, introduced by Mr. MANSFIELD (for himself and Mr. METCALF), was received, read twice by its title, referred to the Committee on Interior and Insular Affairs, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, Except for electric utility systems constructed and operated as a part of an irrigation system, the Secretary of the Interior is authorized to contract under such terms and conditions as he considers to be in the best interest of the Federal Government for the sale, operation, maintenance, repairs, or relocation of Government-owned utilities and utility systems used in the administration of the Bureau of Indian Affairs.

The letters presented by Mr. MANSFIELD are as follows:

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
August 17, 1960.

Hon. ROGER ERNST,
Assistant Secretary of the Interior, Department of the Interior, Washington, D.C.

DEAR MR. ERNST: We are informed that an application has been submitted by the Range Telephone Co-op, Inc., Forsyth, Mont., to purchase the Bureau of Indian Affairs' telephone system which operates at Lame Deer, Mont., on the Northern Cheyenne Reservation.

As you know, there is no commercial telephone service in Lame Deer and the only telephone system is operated by the Bureau for its own use. Until such time as some other company or agency is prepared to supply this service to the Bureau there is no alternative. We now understand that the Range Telephone Co-op, Inc., is investigating the possibility of extending their lines to serve this area if there is an adequate number of interested consumers. Surveys show that service to the agency offices is vital in any plan which would bring commercial telephone service to Lame Deer.

Officers of the Range Telephone Co-op, Inc., visited our offices last week and stated that they were interested in buying the Bureau's exchange and integrating it into their system in the area. The application has been submitted authorizing this purchase and is now pending before the Director of Property and Management in the Department of the Interior. According to our information no objections have been made in the field or here in Washington. Such a purchase appears to be in the best interests of the general public and would promote the extension of telephone service to more isolated areas.

We would appreciate your checking into the status of this application and your assistance in expediting final action would be most appreciated. Telephone service is widespread in the rural areas of Montana but this area within the Northern Cheyenne Reservation still remains unserved and the local inhabitants are very anxious to have telephone service made available to them.

Thanking you and with best personal wishes, we remain,

Sincerely yours,

JAMES E. MURRAY,
U.S. Senator.
MIKE MANSFIELD,
U.S. Senator.
LEE METCALF,
Member of Congress.

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., September 13, 1960.

Hon. MIKE MANSFIELD,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MANSFIELD: This is in response to letter dated August 17, 1960, signed by you, Senator MURRAY, and Congressman METCALF, which concerns the desire of the Range Telephone Co-op, Inc., Forsyth, Mont., to purchase the Bureau of Indian Affairs' telephone system at Lame Deer, Mont., on the Northern Cheyenne Reservation.

It is true there is no commercial telephone service in Lame Deer and such service is needed. It is also true that the only telephone system there is operated by the Bureau for its own use; and it is not authorized to spend Government funds for the purpose of expanding this service to accommodate the general public. The logical move, therefore, seems to be for a commercial telephone company to supply the service needs of the Bureau and the needs of the general public.

The difficulty we face is the fact that there is no authority to dispose of a serviceable utility system when there is a continuing need for the service by the Federal agency. Authority exists only to dispose of property no longer required.

We do believe that in such cases, and this is not the only Bureau utility with these circumstances, we should have authority to negotiate sales when there would be a resultant benefit to the Government and to the general public. To that end we are planning to seek legislation in the next session of Congress which will authorize such disposals. Until we obtain such authority we feel there is no way this transaction can be consummated. It is regretted that our reply must be unfavorable.

An identical reply is going to Senator MURRAY and Congressman METCALF.

Sincerely yours,

ELMER F. BENNETT,
Under Secretary of the Interior.

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., March 28, 1961.

Hon. MIKE MANSFIELD,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MANSFIELD: In answer to your letter of January 31, you are advised that the telephone system at Lame Deer, Mont., is not excess to the needs of the Bureau of Indian Affairs, and therefore cannot be disposed of without special legislation.

We are pleased to be able to inform you that the Bureau now has an excess line running from Ashland, Mont., to Lame Deer, Mont. This line will be disposed of by the Bureau's area office in Billings, Mont., in accordance with existing regulations. By acquisition of this line, the Range Telephone Cooperative, Inc., will be able to provide dial service to the residents of Lame Deer immediately. It is hoped that disposal of the line from Ashland to Lame Deer by the Bureau of Indian Affairs will result in phone service being made available to the residents of Lame Deer without delay.

In accordance with your request there is enclosed a draft of a proposed bill which would provide authority for the disposition of the system at Lame Deer. We have drafted this bill broad enough to cover all other similar utility systems operated by the Bureau. At the present time the Bureau has perhaps six or eight systems that are similar to the circumstances surrounding Lame Deer. As cooperatives and utility companies move closer to reservations, others will develop and the Bureau should have the authority to act when these commercial companies are in a position to provide a utility service to the general public around an Indian reservation and disposition of the system is in the interest of the Government.

The draft has been prepared as a drafting service, and I am sure you understand that because it has not been cleared through the Bureau of the Budget it is submitted without commitment from the Department.

The enclosures with your letter are being returned and a copy of this letter is being sent to Senator METCALF.

Sincerely yours,

JOHN A. CARVER, JR.,
Assistant Secretary of the Interior.

PROPOSED REPEAL OF EXCISE TAX ON PASSENGER TRAVEL AND LOCAL TELEPHONE SERVICE

Mr. MORSE. Mr. President, I introduce, for appropriate reference, a bill to repeal the tax on general telephone service and the tax on transportation of persons.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 1505) to repeal the tax on general telephone service and the tax on transportation of persons, introduced by Mr. MORSE, was received, read twice by its title, and referred to the Committee on Finance.

Mr. MORSE. Mr. President, this measure will repeal, effective the first month after enactment, the 10 percent excise tax on passenger travel, and the 10 percent tax on local telephone service.

Both taxes were imposed during time of war not simply for money-raising purposes, but primarily to discourage wartime use of limited transportation and communication facilities.

The latter purpose is no longer applicable, and there are ample ways of raising the revenue from more equitable sources. These excise taxes are unfair to those who must pay them, and are a very heavy burden upon the industries they affect.

Both should be dropped in their entirety.

VOTING RESPONSIBILITY SHOULD BE EXTENDED TO 18-YEAR-OLD CITIZENS; CONSTITUTION SHOULD BE AMENDED

Mr. RANDOLPH. Mr. President, when a Member of the House of Representatives I introduced a resolution more than 18 years ago to amend the Constitution and extend voting rights to 18-year-olds. My interest in this matter has not abated during the almost two decades which have intervened. On March 29, 1960, I presented Senate Joint Resolution 179 for this purpose. Senator BYRD of West Virginia joined me in introduction of the measure to amend the Constitution to provide for such voting.

It is gratifying, therefore, to observe that this concern is shared by other Members of this body, and particularly by our able colleagues, the senior Senator from Tennessee [Mr. KEFAUVER], the junior Senator from New York [Mr. KEATING] and the leader of the minority, the eloquent junior Senator from Illinois [Mr. DIRKSEN]—each of whom has independently submitted such a resolution during this session of Congress.

I shall not presume upon the time of the Senate in order to relate the arguments which are well known to all of us. However, I believe it would be of more than passing interest and value to summarize the actions of the individual States in this field, and to note the present status of age requirements that prevail in the various States.

ALASKA AND HAWAII ACT

It is, perhaps, not mere coincidence or an accident of history that the two States most recently admitted to the Union, and hence the two which have achieved statehood under distinctively modern conditions of education and communication, are among the few with voting limitations of less than 21 years. The State of Alaska entered the Union under a constitution approved by a 2-to-1 majority which established the voting age at 19 years or above. During the same year our friends in Hawaii were admitted to the Union under a constitution which provided for voting at the age of 20 or above.

However, the first State to take positive action in this field was the State of Georgia, which lowered the voting age to 18 by referendum in 1943. The State of Kentucky, after several inconclusive efforts in the legislature during the forties and early fifties, finally succeeded in having the issue put to a referendum test, and in 1955 the citizens of Kentucky voted to lower the voting age to 18.

This is the roster of the States, Mr. President, where a voting age of less than 21 prevails. But it is not an accurate index of the actions taken by the other individual States, nor is it an adequate gage of the interest and sentiment among the American people in favor of lowering the voting age.

Since October 21, 1942, when I first submitted my resolution (H.J. Res. 354) in the other body—a time which I use as a benchmark simply because it relates to my own actions in this field—all but three of the States have taken some legislative action to lower the voting age, many of them having made repeated efforts. And in no less than 14 States—according to a study performed by the Library of Congress—measures to lower the voting age to 18 have passed in at least one house of the legislature. In three States—Indiana, Pennsylvania, and Tennessee—such measures have passed both houses, but have failed for lack of meeting other requirements of the amendment procedure.

The PRESIDING OFFICER (Mr. HUMPHREY in the chair). The time of the Senator has expired.

Mr. RANDOLPH. Mr. President, may I ask unanimous consent to have 1 additional minute, since there are few Senators who wish to make speeches?

The PRESIDING OFFICER. Without objection, the Senator is granted 2 additional minutes.

TWENTY-THIRD AMENDMENT IS RATIFIED

Mr. RANDOLPH. These actions have been taken, Mr. President, without benefit of the added momentum which would accrue if there were a national movement to amend the Federal Constitution. We have recently seen how effective such an effort can be in the record time in which the 23d amendment was ratified by the States.

Gratifying though it is to see the enfranchisement of the citizens of the District of Columbia, their plight was no less real or urgent than that of the millions of 18 to 21 year olds who bear so many of the responsibilities of citizenship without this most essential prerogative. It is, therefore, in the hope of correcting this inequity that I submit this resolution to amend the Constitution and extend the right to vote to citizens 18 years of age or older.

I ask that the joint resolution be appropriately referred and printed in the RECORD at the conclusion of these remarks.

The PRESIDING OFFICER. The joint resolution will be received, appropriately referred, and, without objection, printed in the RECORD.

The joint resolution (S.J. Res. 71) proposing an amendment to the Constitution of the United States, extending the right to vote to citizens 18 years of age or older, introduced by Mr. RANDOLPH (for himself, and Mr. BYRD of West Virginia), was received, read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is hereby proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States:

"ARTICLE —

"SECTION 1. The right of citizens of the United States, who are eighteen years of age or older, to vote shall not be denied or abridged by the United States or by any State on account of age. The Congress shall have power to enforce this article by appropriate legislation.

"SEC. 2. This article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by the legislatures of three-fourths of the several States within seven years from the date of its submission to the States by the Congress."

CIVIL RIGHTS ACT OF 1961—ADDITIONAL COSPONSOR OF BILL

Under authority of the order of the Senate of March 24, 1961, the name of Mr. PASTORE was added as an additional cosponsor of the bill (S. 1434) to effectuate and enforce the constitutional right to the equal protection of the laws, and for other purposes, introduced by Mr. DOUGLAS (for himself and other Senators) on March 24, 1961.

SELECT COMMITTEE ON CONSUMER INTERESTS — ADDITIONAL COSPONSORS OF RESOLUTION

Under authority of the order of the Senate of March 24, 1961, the names of Senators LONG of Missouri, PASTORE, YOUNG of Ohio, METCALF, MORSE, HART, DOUGLAS, PROXMIRE, GRUENING, MCGEE, RANDOLPH, COOPER, PELL, and BARTLETT were added as additional cosponsors of the resolution (S. Res. 115) to create the Select Committee on Consumer Interests, submitted by Mrs. NEUBERGER, on March 24, 1961.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. SCHOEPPEL:

Address entitled "Medical Care for the Aged," delivered by Senator BENNETT before the Harvard Medical School, at Boston, Mass., on January 27, 1961;

TRIBUTE TO THE LATE SENATOR JAMES E. MURRAY

Mr. MANSFIELD. Mr. President, I ask that there be printed in the RECORD a tribute to my late colleague, Senator James E. Murray, prepared by Mr. Walter W. Heller.

There being no objection, the tribute was ordered to be printed in the RECORD, as follows:

STATEMENT OF TRIBUTE BY WALTER W. HELLER

It is with great sadness that I learned of the death of former Senator James E. Murray of Montana. Senator Murray's record of devoted service to his country, which he served for more than a quarter of a century as an eloquent, energetic, wise, and dedicated Member of the Senate, is an inspiring one. His passionate concern with the elimination of social injustice was responsible for the series of legislative proposals, with which his name is inseparably linked.

High among these is the Employment Act of 1946. He, more than any other single person, was the builder of this act. He sponsored it. He was responsible for the basic policy decisions which engendered it. His conviction and energy were crucial in transforming the idea behind the act into a specific legislative proposal, and his courage and unwavering faith were instrumental in shepherding the act into law.

It is now my privilege to serve as Chairman of the Council of Economic Advisers, which was created by this act. I know that I am joined by my colleagues on the Council, past and present, in expressing our real sense of personal loss at the passing of this courageous and dedicated legislator.

RONALD W. MAY

Mr. MANSFIELD. Mr. President, it has come to my attention that one of the outstanding newspapermen stationed in the Capitol, Mr. Ronald May, of the Madison Capital Times, Madison, Wis., and other newspapers, passed away suddenly this morning.

Mr. May had the reputation of being a good reporter. When he got onto a story, he followed it through to its logical conclusion. In doing so, he stepped on people's toes; but he always seemed to be able to achieve his objective.

It is with regret that I announce that this fine journalist and outstanding reporter passed away this morning, at the age of 38.

I wish to extend my deepest sympathy and condolences to the family of Mr. May.

ALASKA'S NEWLY PROJECTED MARINE HIGHWAYS

Mr. GRUENING. Mr. President, at the general election in Alaska, last November, the people of Alaska approved four bond issues.

One was for a gymnasium and powerplant for our excellent University of Alaska, a land-grant college a few miles west of Fairbanks.

Another bond issue was for a vocational boarding school north of the Yukon.

A third was for the development of airports throughout Alaska.

The fourth, in the amount of $23 million, was for two ferry systems and highways.

It is of the last that I wish to say a few words. The State legislature, which now is concluding its third annual session, implemented this bond issue vote by appropriate legislative action. Eighteen million dollars will go toward the two ferry systems. Five million dollars will go for roads. Actually, it would be correct to say that the entire amount will be expended on highways, for the two ferry systems have been aptly referred to as marine highways, which is, indeed, what they are.

Alaska coast is a fragmented one. It consists of both rugged mainland shorelines and thousands of islands. Indeed, southeastern Alaska, the narrow 300-mile so-called panhandle, which extends northwesterly along the upper end of the famous Inside Passage, is, in addition to a narrow strip of precipitous mainland indented by deep, canyon-like fiords, also an archipelago. It consists of hundreds of islands, some of very substantial size. It is virtually impossible to construct a north-south land highway over this rugged terrain. But through the islands thread magnificent waterways—the famed Inside Passage, with its ramifications—passing through some of the most beautiful scenery on earth. Large car ferries are the answer to this problem.

A similar situation exists farther west, where the island of Kodiak—about the size of Puerto Rico—is separated by the deep waters of Shelikof Straits from the mainland. The fishing town of Seldovia, at the southwestern end of the Kenai Peninsula, although on the mainland, is, like so many other Alaskan communities, not accessible by highway. A ferry from Anchorage, connecting these points, and perhaps others, will supply the transportation that is now lacking except for air service.

Kodiak Island is entitled to, and needs, more than air transportation. Except for an occasional freighter, it has no maritime service. It houses the headquarters of the 17th Naval District, and of the Alaska Sea Frontier. It contains the oldest community in Alaska, at least in historic times—one which dates from the closing days of the 18th century, when it was settled by the Russians. It is the center of the important and recently developed king crab industry. These crustaceans are giant in size, the larger specimens measure over 5 feet across, and their meat has found ready acceptance as a delicacy throughout our Nation.

Kodiak is also famed for its great brown bear, the largest carnivore on earth, and for years an attraction to big-game hunters. Kodiak is developing a beef cattle industry, for which its mild winter climate, caused by the warm Japan current, is particularly propitious.

The new ferry systems will greatly increase the accessibility of all parts of Alaska. Today, virtually the only ingress or egress is by air. Passenger service on the only U.S. steamship line from Seattle to Alaska was suspended in 1954. Several excellent cruise ships come up the Inside Passage during the summer months; likewise, once a week a Canadian Pacific vessel makes the trip.

But experience has shown clearly in recent years that many Americans would like to travel by automobile from their homes in the 48 lower States to Alaska. The southeastern ferry will enable them to go directly by highway to Prince Rupert, British Columbia, passing on their way through our scenic Northwest and the Canadian Rockies. The southeastern Alaska ferry system will begin at Prince Rupert, and will take the cars and passengers aboard. It will stop, northbound, at Ketchikan, Wrangell, Petersburg, Sitka, Juneau, Haines, and Skagway. Each of these southeastern Alaska coastal towns contains much to attract visitors. They can take their cars off in each, see the sights, and await the next ferry; or they can travel on through to Haines or Skagway, both superb in their scenery. At Haines, near the north end of the terminal fiord of the Inside Passage, known as Lynn Canal, the Haines cutoff will permit them to drive their cars to the Alaska Highway, and over it into western Alaska.

Reentering Alaska over the Alaska Highway, they can proceed northwestward to Fairbanks. They can take an alluring side trip over the Taylor Highway to Eagle, on the shore of the mighty Yukon; or they can swing southward over the Tok cutoff, skirting the giant Wrangell Mountains, and into the scenic Glenn Highway, with alternative routes to Valdez, on the Pacific, or to Alaska's metropolis, Anchorage. Or they can continue up the Alaska Highway to Big Delta, and strike southward on the Richardson Highway to the Denali Highway, which leads them directly into Mount McKinley National Park, where 90 more miles of highway within the park lead them to spectacular views of the monarch of the North American Continent, 20,300-foot Mount McKinley.

Or, after proceeding along the Glenn Highway to Anchorage, they may pass through it to Seward, on Resurrection Bay, or diverge along the Taylor Highway into the Kenai Peninsula. Or they may, from Anchorage, take their cars on the ferry to Kodiak.

Everywhere these visitors will see scenic beauty beyond compare, the unspoiled wonders of the last frontier.

The new projected ferry systems—the marine highways—will make all this possible, and will permit the visitors to return to their homes by a different route—the Alaska Highway, which will take them back home through Canada. Or they can reverse the process—driving up over the Alaska Highway, and returning after their vacations in Alaska by way of Haines and the southeastern Alaska ferry to Prince Rupert.

This projected ferry system will make the most beautiful scenery on the North American Continent and the unique wildlife resources of Alaska readily available to those who wish to drive to Alaska and savor of the friendly hospitality of the last frontier. For those who have not visited the 49th State, it will be an unforgettable experience.

LATIN AMERICA REPORTS BY SENATOR AIKEN AND SENATOR MORSE

Mr. MANSFIELD. Mr. President, in the March 1961 issue of the Foreign Service Journal appears an article entitled "A Footnote to Recent History." The article was written by L. D. Mallory; and in it references are made to the reports prepared by the Senator from Vermont [Mr. AIKEN], who at this time is the Acting President pro tempore of the Senate, and the Senator from Oregon [Mr. MORSE], as a result of their trips to South America. In the article much is said concerning the reports prepared by those two Senators; and reference is made to the fact that both of them will be benchmarks in our relationships with Latin America.

Because of the pertinence and timeliness of the article, I ask unanimous consent that it be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Foreign Service Journal, March 1961]

A FOOTNOTE TO RECENT HISTORY

(By L. D. Mallory)

The "dismal science" of economics is on the verge of yet another retouching, re-

shaping, and remodeling. It is scarcely 9 years since a book entitled "The Big Change" gained wide currency by calling attention to a revolution that had taken place in basic concepts of American business, industry, and finance. It seems safe, nevertheless, to predict that we are now seeing the beginning of a new shift in emphasis and approach to America's concepts of economic productivity. Until recently, what was termed "social infrastructure" was not eligible for financing as part of economic development. Now, more and more, it is becoming respectable to consider financing some programs of social development as necessary for a healthy economy.

Soon there will be dissertations on the origins of the new trend and fine-spun arguments of rationale. Factors now included in the somewhat esoteric catchall term of "social infrastructure" will be worked over as important components of economics. One is impelled to throw out a few hints to future analysts: to point out to them influence they might otherwise overlook when they shuffle through contemporary headlines and commentaries on the chain of events we have witnessed in recent years.

In this mood, the opinion is ventured that, at least as far as the Government of the United States is concerned, two reports prepared by Senators AIKEN and MORSE after separate trips to Latin America in 1959 furnished the initial impulses for changes in official-level thinking and policies that set in motion the trend mentioned above.[1] Before those reports were issued, agencies in international finance had held that development comes only in terms of increased output or productivity and that, therefore, loans should not be concluded for other purposes. Our foreign aid program was administered in this spirit. Emphasis was placed on direct results from increase in production of goods and rise in gross national product, although exceptions were made, as in expenditures for technical assistance in the fields of education, health, and sanitation. Loans in such fields as housing were vetoed as not consistent with accepted theory concerning the bases for development. Now, economic pundits seem to have reviewed their thinking. They are beginning to define housing as being productive because workers who are inadequately housed cannot give a full measure of effort. Signs are already at hand that, by extension, a similar view will soon be taken toward health, educational, and other social factors. I believe it is fair to trace this evolution of thinking in the executive branch to questions asked of the lending agencies by Members of Congress. If I remember correctly, it was not until thereafter that the agencies began to entertain requests for foreign loans on housing.

Taking the senatorial reports as a point of departure, the sequence of events has been nothing short of dramatic. Early in 1960, a partial awakening to the shaky social substructure of many governments in Latin America took place in the United States. Reasoning on the subject covered a wide range of attitudes. There were those who saw, yet did not believe; those who did not see at all; and those who did see and believed that wide disparities in the social fabric of many countries in the hemisphere threatened the institutions of the Americas.

The force of this third group's convictions was largely responsible for the new departure taken by the executive branch of our Government when, on July 11, President Eisenhower announced from Newport, R.I., a "social development plan" addressed to Latin America in which it was provided that financial aid to cope with certain social problems could be extended to countries willing to participate. Congress opened the way for implementing this plan when, on August 31, 1960, it passed authorizing legislation for a $500 million social development fund. In September, at the hemispherewide meeting on economic questions held in Bogotá, Colombia, the U.S. delegation advanced the President's plan. It was enthusiastically received and, following some negotiation and drafting changes, adopted as the Act of Bogotá. The act is signally important. To put it mildly, new ground was broken by our Government's willingness to extend aid abroad for social infrastructure, and by hemispheric acceptance of the need to act on social reforms.

The act has four main sections: The first related to measures for social improvement, the second to the creation of a special fund for social development, the third to measures for economic development, and the fourth to multilateral cooperation for social and economic progress.

Implicit in this agreement is the engagement of the several countries to undertake steps to make the program workable. This may prove to be the crux of the matter. It does no good to plan on improved land use, for example, when land titles are not clear or even unavailable. In the same field of land use, the incidence of the tax burden may be determinant, and require adjustment in basic legislation.

Latin America's new-found willingness to undertake long-needed reforms and to bring about social changes stems from recognition of the same facts that prompted the United States to propose a social development program for Latin America. The first, the simple unvarnished fact is that, like it or not, change will come; that, if it does not come by planned orderly evolution, it will be imposed by violent revolution. The second is that, as they are now constituted, the governments of Latin America cannot, from their own resources, hope to promote evolution at a pace capable of satisfying the fast-mounting aspirations of their peoples.

At Bogotá other countries inquired anxiously whether the program was a one-shot affair. The chief U.S. delegate, Under Secretary of State Dillon, indicated that additional assistance would be forthcoming in the future. Therefore, passage by our Congress of appropriating legislation to enable the Act of Bogotá to get underway is awaited by the other countries of the hemisphere with a marked sense of urgency.

At Bogotá, decision was also made to have a separate entity, the new Inter-American Development Bank, administer as a trustee the major portion of the funds to become available. This unusual feature in international arrangements appears to have been signally fortunate. A regional organ that will administer funds along agreed lines should, by removing the United States and Latin American governments from the immediate scene of negotiations, reduce the frictions sure to arise recurrently over the question of whether a given country is doing its part. It must be evident that unless real, visible, and effective efforts are made by all, our Congress cannot be expected to continue making appropriations for the program. Also, achievement of the purposes of the Act of Bogotá program will, for some time, remain as urgent and essential as the day the act was adopted. The considerable history of cooperation by the hemisphere countries in the Organization of American States gives reason for optimism about the functioning of the new Bank. A regional international organization of its type was probably a prerequisite to acceptance and administration of the social program. Without the history of hemispheric cooperation, the Act of Bogotá probably would not have been adopted unanimously by those joining; that is, by all countries except Cuba and the Dominican Republic.

The free countries of the Americas thus enter the spring of 1961 armed with a brave new concept. The United States is sincere in its desire to make it work. Forward-looking statesmen in Latin America are almost desperately anxious for it to work, and to work quickly. The Inter-American Development Bank staff will do its polynational best. Doubts admittedly exist in some minds as to whether traditional inertia in several countries can be overcome by these new hopes and plans. Privileges have seldom been abandoned except under pressure of strong measures. Perhaps argument and persuasion will now succeed better than in the past because they will acquire cogency from consciousness of the forces now rampant in the world.

To return now to my hint to future analysts, to the "footnote to history," I would add a few comments about those responsible for this profound policy change. Even a brief exposure to Washington bureaucracy teaches that hardly ever is one man, and seldom are only few persons, responsible for a given event or chain of events. Therefore, I do not intend to oversimplify, and so mislead future historians. Many in the Foreign Service and the Department appreciated the urgency of problems of social development in most countries of Latin America and longed for a chance to move to resolve them. However, in the system as it has operated, their several judgments were not synthesized into positions or policy. For all intents and purposes, they remained mute. Credit, therefore, for taking the lead in stating the problems and for making the issues clear and public, belongs to the legislative branch. The Aiken and Morse reports were benchmarks. Wide appreciation is due the knowledge and understanding shown by Senator MANSFIELD. Respectful note should be taken of the concrete proposals of Senator SMATHERS. The list of credits due to Members of Congress does not, of course, close with these names.

There was, and is, one person to be especially singled out for this whole new departure in international relations; and he was not in the Government. Insights and appreciations gained from his first trip through South America in 1953 and subsequent travel into 1960 gave Dr. Milton Eisenhower the information which he talked over from time to time with his brother, the Chief Executive. This dramatic departure in diplomacy, economics, foreign aid policy, or whatever we may call it, that bears the imprint of President Eisenhower, was pointed out to him primarily by Dr. Eisenhower. It is now being based upon a deep consciousness of foreign affairs by the Congress. One paragraph of the statement made at Bogotá by the chairman of the Latin American Affairs Committee of the U.S. Senate, Senator WAYNE MORSE, should be repeated:

"Of all of these elements, as well as others which I shall not take the time to touch on, I think the one which loomed biggest in the congressional view was the emphasis upon self-help. This, in turn, was based upon the concept, for which history provides ample support, that the basic, the most important, factor in development is people who really want development and who want it badly enough not only to work for it but make their own substantial economic contributions as well as give up certain traditional customs in order to get it. Unless this basic urge is present, no amount of outside assistance will be effective."

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[1] Report of Senator GEORGE D. AIKEN on a study mission, Feb. 2, 1960.

Report of Senator WAYNE MORSE on a study mission, Feb. 20, 1960.

STATEMENT BY EDWARD R. MURROW ON WORK OF THE U.S. INFORMATION AGENCY

Mr. SYMINGTON. Mr. President, last month, at the time his nomination as Director of the U.S. Information

Agency was submitted, Edward R. Murrow made a short statement.

Mr. Murrow set out his views on the role of the USIA in presenting the story of our country to peoples in other nations. He emphasized that truth and faith in freedom are our strongest weapons, and gave his appraisal of the tasks facing this country, referring to them as the "pivot upon which the history of our time will turn."

I commend this fine statement to the attention of Senators, and ask unanimous consent that it be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF EDWARD R. MURROW, NOMINEE TO BE DIRECTOR, U.S. INFORMATION AGENCY

Mr. MURROW. My name is Edward R. Murrow. I was christened Egbert but abandoned that name at the age of 16 while working in logging camps in western Washington.

Most of my adult life has been spent in the periphery of the academic world and in the field of radio and television. These activities have involved considerable travel, at home and abroad, and some acquaintance with statesmen, educators, and newsmen in many countries.

WORK OF USIA ABROAD

As a foreign correspondent, I am more familiar with the work of the U.S. Information Agency abroad than here in Washington.

At the conclusion of a trip around the world several months ago, I gave it as my opinion that the work of USIA abroad had improved very considerably under the direction of Ambassador George Allen, and am pleased to have the opportunity to repeat that opinion here.

ROLE OF USIA

If I am confirmed in the office to which the President has nominated me, I shall attempt to discharge the duties and responsibilities of that office to the best of my ability.

The Agency will attempt to make U.S. policy, as designed by the President, everywhere intelligent and, wherever possible, palatable.

We shall endeavor to reflect with fidelity to our allies, to the uncommitted nations, and to those who are hostile to us, not only our policy but our ideals.

We shall operate on the basis of truth. Being convinced that we are engaged in hot and implacable competition with Communist forces around the world, we will not be content to counter their lies and distortions. We shall constantly reiterate our faith in freedom.

To the emerging nations we shall say, "We share your dreams." There is a dynamism in freedom which permits and encourages progress without binding the individual to the wheel of the state. We shall try to make it clear that we as a Nation are not allergic to change and have no desire to sanctify the status quo. This Nation not only has a birth certificate, it holds the patent rights on change and revolution by consent.

EXAMPLE OF THIS NATION

The Agency will try to speak on behalf of all the American people with restraint and reason. All of us in the Agency recognise that in spite of electronic developments, the best form of communications is still face to face. To that end, any men and women we recruit and train must be able and eager to serve the cause of freedom which we regard as being indivisible.

The voice of this country should at all times be steady—firm but not bellicose—carrying the convictions that we will not flinch or falter in the face of threats or provocations.

In the end of the day it may well be that the example of this Nation will be more important than its dollars or its words. If we, in this generous and capacious land, can demonstrate increasing equality of opportunity, social justice, a reasoned concern for the education, health, and the equality under law of all our citizens, we will powerfully affect, and probably determine, the destiny of the free world and that freedom may be contagious, may incite those who have lost that most precious of all possessions to strive to do likewise.

CONTEST BETWEEN FORCES OF FREEDOM AND DICTATORSHIP

No man can set either a time or dollar limit upon this contest between the forces of freedom and those who would demean and brutalize mankind. The contest will be prolonged and it will cost much treasure. There is no guarantee that we will win it. If we should lose, it will be by default, and history will take its revenge. We cannot imitate the tactics or the techniques of the dictatorships that now ride the backs of most of this planet's people. We cannot threaten, we must persuade. Freedom cannot be imposed, it must be sought for, and frequently fought for.

We live in a world we didn't make. We are honored by an awesome responsibility of leadership we did not seek. We must defend and expand the leadership in company with our allies and other likeminded peoples because that is what our history and our heritage demand of us. We are the pivot upon which the history of our time will turn. Our task is formidable and difficult, but difficulty is one excuse history has never accepted.

We must, I think, approach the task with patience and fortitude and with an abiding belief that not only our own ancestors who bought our freedom for us but all those who have suffered and struggled and died in the pursuit of freedom throughout all time are watching to see whether we be worthy of our heritage.

If I am confirmed in the office to which the President has appointed me, I will, together with my colleagues in the Agency, attempt to be worthy of the trust.

THERE'S MORE TO SEE IN WASHINGTON, D.C.

Mr. MORSE. Mr. President, as a member of the Senate Committee on the District of Columbia, I ask unanimous consent to have printed in the RECORD an article written by Larston D. Farrar and published in Variety, 55th anniversary edition, entitled "There's More To See in Washington, D.C."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THERE'S MORE TO SEE IN WASHINGTON, D.C.

(By Larston D. Farrar)

WASHINGTON, D.C.—Washington, D.C., as contrasted to Washington, Va., or Washington, Pa., or Washington, Ohio, or wherever, is a strange town. For instance, it is the only town in the United States with my name in the telephone book, and, although there are thousands of writers in Washington, I am the only one listed as a "writer."

The others are listed as columnists, reporters, journalists, public relations men, administrative assistants, liaison officers, commentators, information specialists, communications counselors, or whatever. There's just one big difference between them and me—they eat steak. It's natural that they should take titles other than writers, in Washington. Here, a janitor is not a janitor but an assistant to the administrative director of maintenance operations.

Because I am listed as a writer, people are always asking me for advice about writing. I give them all the advice I know, in a few well-chosen words, and sum it up with one admonition: "If you persist in trying to make a living in this crazy game, remember my advice: Get out."

The Washington telephone book is quite revealing. It shows that Washington has terrific unused talent for both show business and the literary field. You can find Dora Schary's name there, and Gerry Wald's, and even Lilly Wilder's. Also, Louella Kilgallen, Frank Hemingway, and Joe Faulkner. I understand that Clark Gabriel is the most popular guy up around U Street, being pursued by all the gals. Real talent, that fellow. And if you want to see a well-built doll, just look up Janet Mansfield. Wow! Seriously, Thomas Wolfe is a reporter on the Post and they are going to put a plaque where John Charles Daly used to stand when he was a bus dispatcher for the old Capital Transit Co. Washington is a city filled with brains, although I admit it is difficult to find much wisdom there.

In Washington, you can hear politicians all talking about overall figures, but not a single one of them has a pair of overalls. In fact, my wife says that few of them have figures.

Washington is filled with insurance men who will sell you blanket coverage—if you will just sell your blankets and pay them cash.

DITTO IN DISTRICT OF COLUMBIA

In New York, a lot of rubes have purchased the Brooklyn Bridge—paid for it in cash, I understand. But in Washington, all the rubes have bought everything they see. Unfortunately, the tourists can no more move the various monuments and marbled buildings, which they "own," than can the people who purchased the Brooklyn Bridge. In fact, if a taxpayer even loiters around one of his own public buildings in Washington, past visiting hours, he's liable to be arrested by one of his own policemen. The White House, in which the peepul have some $20 million invested, is not even fully open to the public. The average man can see only a part of it by Executive order—the part the President seldom uses, or even sees. And every Executive gives the same orders, believe me.

ONLY IN WASHINGTON

Only in Washington, as Harry Golden would say, could you pick up a newspaper and see a headline like this: "Devoted father slays wife, three children." That's the way devoted fathers act these days in Washington, and maybe in other places in the country.

Or you pick up a newspaper on another day, in case you can read, and someone leaves it on the seat beside you. Another headline catches your eye: "Ideal bank teller arrested as thief." The story tells how this teller was voted the ideal bank employee for 3 years, and now, in the fourth year, was arrested for embezzling.

You don't blink your eyes—in Washington—at such things. It's perfectly normal for a devoted father to kill his wife and children, or for an ideal bank teller to be caught stealing. That's just the way things are.

You go into a bar—you must go into a bar, if you expect to retain your sanity, or to see any other people—and even before you take a drink, you hear a conversation like this:

"Are you a Secretary or an Under Secretary?"

"I'm the Secretary of my Division, but don't confuse me with the Under Secretary, who is over me. In our agency, there is an Under Secretary who has several Secretaries under him, and he has a Secretary. Each Secretary also has a battery of secretaries.

That's why I worked so hard to get this job of Secretary and why I'm angling for the post of Under Secretary."

It made sense to me, for I took a course in government in college.

In Washington, the winning candidate is the man who has stood up to be counted—on both sides.

It's not farfetched—to those who will stand off (without being standoffish) and view the Nation's Capital figuratively from a distance—to understand why I say that Washington is the most beautiful stage in existence today. For one thing, it undoubtedly is the most costly. A cool estimate is that the people have billions invested in Capitol Hill alone, and this does not include all the monuments and marbled buildings within just a few miles of the Capitol.

In Washington, everybody is trying to cut down the other fellow, while smiling at his opponent in public. Or, as Confucius say: "Cannibal who persists in decapitating victim only trying to get a head."

People in Washington have various goals. A lot of people who look like tourists line up to get into the Department of Justice every day. Others, who look like tourists, are trying to get away from the Department of Justice.

Many of both groups look like candidates for the 10 most unwanted persons in the country, and most of them, wanted or not, have a hard time getting a glimpse of J. Edgar You-Know-Whom. There's a sign at the Internal Revenue Service which offers "free guides." It turns out that they are special agents who will lead you on a tour that ends up in a special examination room, where, among other things, they get your fingerprints and demand to see a carbon of your 1960 income tax return. Or, if you don't like to fool around there, you can get directions as to how to go on a wild goose chase at the Fish and Wildlife Service. This is in the Department of the Interior, which, of course, superintends the exterior—the great outdoors.

Nothing is what it seems to be in Washington. The Senate Subcommittee on Internal Security is not the place to go to find out whether or not you have ulcers, believe me. And if you are looking for something different, why not visit the office of the South Dakota Congressman who advertises that his State is the land of infinite variety.

One man is trying to get off the FBI's 10 most wanted list. But another fellow I know is striving to become the most wanted by the FBI girls.

By all odds, Washington has the best paid stars and extras of any production company on earth. If the politicos drawing all this money weren't smiling—when the television cameramen focus in their direction—the people would have real cause to wonder. The Federal payroll now runs more than $1 billion a month.

There are more curious people—with curiosity, too—in Washington than anywhere else in the world. They come around asking me questions like this: "How do you get to be Washington editor for so many magazines?"

I tell of my first effort to become Washington editor for a business journal. I heard that the editor was looking for a man, and checking myself to be sure I was a man, I called the editor in Chicago (on the telephone, for I had laryngitis that week) and asked:

"May I be your Washington editor?"

"What are your qualifications?" he came back.

"I'm as crazy as anyone else I know here," I replied.

I was hired.

As recently as the other day, a New York editor called me on the telephone. He was in a Washington hotel, here to visit with his Washington editor.

"Why didn't you appoint me your Washington editor for your new magazine?" I asked. I'm always circumspect like that, beating around the bush, you know.

"Have you any money?" he answered me with a question.

"What's that?" I shot back.

When he explained about money, I said: "Oh, yes; I understand now. No, right at this moment, I don't have any. But my wife has money. The only trouble is that by the time she gets back from the grocery store, neither of us will have any."

"Just as I thought," he said. "The man I appointed to be my Washington editor also had to be an investor in this new magazine. Naturally, if a man has a million-dollar trust fund, he makes a wonderful Washington editor."

"Of course," I replied, urbanely, but my heart was beating fast. This low-living heel had the nerve to mention literary material, great writing, and all that, in the same breath as he talked about money. How crass can things get? Next thing you know, diskjockeys will be taking payola and Congressmen will be putting kinfolks on their payroll. Mercy, mercy. The avarice of bounds may know no man.

ODD JOBS GALORE

All my life, I have heard people talk about the odd jobs in Hollywood. But there are more odd jobs in Washington than in any other city on earth. For example, there's a man in charge of keeping Japanese beetles off airplanes. He has been getting publicity, but has little hope that the beetles will read it. He is trying to get members of the public to recognize a Japanese beetle when they see one. But there are so many problems. Most people think that any beetle is a Japanese beetle. You would think by now that people would look at the eyes and, if they weren't slanted, they would know that the beetle was a good old beetle of the type that doesn't do too much harm. But no; they persist in reporting every beetle as a Japanese beetle. It just proves again that people are so very unobservant.

One of the oldest ways of getting a job—in Washington—is to apply to be a radio or TV news commentator. They are not interested in what you know, if anything. They want to know three things—(1) how good looking you are; (2) how deep your voice is, and (3) whether or not you can pronounce words correctly. For—alas!—a news commentator no more has to know news, or history, or government, than a quiz show winner had to know the answers, spontaneously.

Yes, even after I have told you this little bit, you can take it from me that there's more to see in Washington, D.C., and I'm not talking about me.

CONCLUSION OF MORNING BUSINESS—ENFORCEMENT OF 3-MINUTE LIMITATION

Mr. MANSFIELD. Mr. President, is morning business concluded?

The PRESIDING OFFICER. Is there further morning business? If not, morning business is concluded.

Mr. MANSFIELD. Mr. President, before I ask the Chair to lay before the Senate a bill for consideration, I wish to say that the extension under the 3-minute rule, during the morning hour which has just been concluded, is not to be taken as a precedent. It is the exception which proves the rule.

The PRESIDING OFFICER. The Presiding Officer clearly understands that there were extenuating circumstances.

PROJECT HOPE

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 122, Senate Concurrent Resolution 8.

The PRESIDING OFFICER. The concurrent resolution will be stated by title.

The LEGISLATIVE CLERK. A concurrent resolution (S. Con. Res. 8) expressing the sense of Congress on Project Hope.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the concurrent resolution, which had been reported from the Committee on Foreign Relations with an amendment to the preamble, so as to make the concurrent resolution read:

Whereas the need for ever-increasing peaceful, humanitarian cooperation between the people of the United States and the peoples of other nations of the world is apparent; and

Whereas under the authorization of the President of the United States the United States Navy has furnished a mothballed hospital ship to the People-to-People Health Foundation, Incorporated, under private charter; and

Whereas the People-to-People Health Foundation, Incorporated, has engaged and staffed and equipped the hospital ship *Consolation*—now known as the steamship *Hope I*—as a floating medical training-teaching center currently serving in southeast Asia; and

Whereas the chief purpose of this undertaking, called Project Hope, is to bring to the medical professions of these developing nations the latest skills and techniques developed by the American medical and dental professions; and

Whereas the medical ship is staffed with medical personnel selected from among the top men and women of our medical, dental, and health professions; and

Whereas the $3,500,000 needed to staff and operate this hospital ship for a year is being raised from private sources throughout the country; and

Whereas Project Hope has received the enthusiastic support of Government, industry, business, labor, the medical, pharmaceutical, and dental professions and private citizens throughout the country: Therefore be it

Resolved by the Senate (the House of Representatives concurring), That Project Hope be commended as another step forward in increasing good will throughout the world and in bringing the peoples of all nations together in a bond of mutual trust, friendship, and cooperation.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a portion of the report which came from the Committee on Foreign Relations on Senate Concurrent Resolution 8.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

Senate Concurrent Resolution 8 was introduced by Senator HUMPHREY on January 23, 1961. A series of "whereas" clauses describes in general terms the steps taken by the U.S. Government and various private groups to equip a hospital ship to serve as a floating medical training-teaching center for the purpose of bringing the latest medical skills to developing nations.

The operating portion of the resolution simply commends this project—Project

Hope—as another step toward increased good will throughout the world and bringing the peoples of all nations together in a bond of mutual trust, friendship, and cooperation.

The Department of State, in response to a request by the chairman of the Committee on Foreign Relations, on March 8 welcomed and supported the proposed congressional commendation of Project Hope. The letter from the Department of State is as follows:

DEPARTMENT OF STATE,
Washington, D.C., March 8, 1961.

DEAR SENATOR FULBRIGHT: In your letter of January 24, you asked for the Department's comments on Senate Concurrent Resolution 8, introduced on January 23 by Senator HUMPHREY, expressing the sense of Congress on Project Hope.

The Department welcomes and supports this proposed congressional commendation of this project. Dr. William Walsh and his associates in the People-to-People Health Foundation, Inc., deserve such commendation for their successful work in this worthwhile cause. The nationwide fund-raising campaign on behalf of Project Hope, and the generous response of thousands of our fellow citizens, reflect the best traditions of American life—and contribute significantly to this Nation's efforts to enhance and expand people-to-people contacts between our country and the less-developed countries of the free world.

As you are aware, the U.S. Government in cooperation with the Project Hope sponsors, has provided substantial assistance to the project. The U.S. Navy hospital ship *Consolation* was made available to the foundation, and the ship was "demothballed" and prepared for sea duty at U.S. Government expense. The sum of $2.7 million has been provided from mutual security program funds to place the ship in operating condition, and an additional $500,000 of mutual security program funds was recently provided as an interest-free loan.

The Department has been impressed by the cordial reception accorded in Indonesia to *Hope I* and its fine medical and dental staff. We fully expect that the response in future ports of call will be equally favorable. We trust that these accomplishments and the efforts of the project sponsors will continue to elicit the required financial support of America's people.

In the light of the fine record of Project Hope to date, the Department fully endorses the views regarding the project set forth in Senate Concurrent Resolution 8.

The Bureau of the Budget advises that from the standpoint of the administration's program there is no objection to the presentation of this report for the consideration of the committee.

Yours truly,

BROOKS HAYS,
Assistant Secretary,
(For the Secretary of State.)

The PRESIDING OFFICER. The question is on agreeing to the concurrent resolution.

The concurrent resolution was agreed to.

Mr. MANSFIELD. Mr. President, there is an amendment to the preamble.

The PRESIDING OFFICER. The question is on agreeing to the amendment to the preamble.

The amendment to the preamble was agreed to.

The preamble, as amended, was agreed to.

Mr. MANSFIELD. Mr. President, before I turn to the next order of business, I wish to say that the present Presiding Officer, the distinguished Democratic whip, the senior Senator from Minnesota [Mr. HUMPHREY], is to be commended for the part he personally played in pushing the resolution and seeing that it was adopted on the floor of the Senate this afternoon.

COCOPAH INDIANS IN ARIZONA

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 123, Senate bill 54.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 54) to grant 81 acres of public domain to the Cocopah Indians in Arizona.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to insert at this point in the RECORD a portion of the report on Senate bill 54 from the Committee on Interior and Insular Affairs.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

The purpose of S. 54, introduced by Senator GOLDWATER, is to place in trust 81 acres of land in Arizona for the Cocopah Indians.

The Cocopah Tribe occupies land on the east side of the Colorado River, near the Yuma reclamation project, that was set aside for them by Executive order in 1917. During the intervening years they have lived upon the land to be set aside by S. 54 in the belief it was included within the original reservation. A recent opinion of the Solicitor, Department of the Interior, concludes that said lands were not part of the reservation.

Since the Cocopahs have used the land, are living on it at the present time, and no claim has been filed on any of the lands, the committee believes the 81 acres should be made a part of the existing reservation.

Legislation identical with S. 54 passed the Senate on March 28, 1960.

The favorable reports of the Department of the Interior and Bureau of the Budget on S. 54 follow:

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., March 20, 1961.

Hon. CLINTON P. ANDERSON,
Chairman, Committee on Interior and Insular Affairs, U.S. Senate, Washington, D.C.

MY DEAR MR. CHAIRMAN: This is in response to your request for the views of the Bureau of the Budget on S. 54, a bill to grant 81 acres of public domain to the Cocopah Indians in Arizona.

The purpose of the bill is to donate in trust to the Cocopah Indians 81 acres of public domain which have been occupied by the Cocopah Tribe since 1917 and which was thought until recently to be a part of the reservation.

There is no objection to the enactment of S. 54 from the standpoint of the administration's program.

Sincerely yours,

PHILLIP S. HUGHES,
Assistant Director for Legislative Reference.

On March 3, 1961, the Secretary of the Interior wrote the chairman of the committee in part as follows:

"This will supplement our letter of February 14, 1961, regarding a review of the legislative materials that were submitted to Congress by this Department before January 20, 1961.

"We have completed our review, and we concur in the comments and recommendations made by the prior administration with respect to the following proposed bills and introduced bills:

"INDIANS

* * * * *

"11. Report on S. 54, a bill 'To grant 81 acres of public domain to the Cocopah Indians in Arizona.'

"The Bureau of the Budget has advised us that there is no objection to the presentation of this report from the standpoint of the administration's program.

Sincerely yours,

STEWART L. UDALL,
Secretary of the Interior.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be offered, the question is on the engrossment and third reading of the bill.

The bill (S. 54) was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That all of the right, title, and interest in the following described public domain are hereby declared to be held by the United States in trust for the Cocopah Indians in Arizona, subject to any valid existing rights heretofore initiated under the public land laws: lots 14 and 15, section 30, township 9 south, range 24 west; and lots 3, 4, and 5, section 25, township 9 south, range 25 west, Gila and Salt River meridian, Arizona, containing 81.64 acres.

PAYMENT OF PER DIEM TO MEMBERS OF THE INDIAN ARTS AND CRAFTS BOARD

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 124, Senate bill 1297.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 1297) to authorize the payment of per diem to members of the Indian Arts and Crafts Board at the same rate that is authorized for other persons serving the Federal Government without compensation.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a portion of the report on Senate bill 1297 from the Committee on Interior and Insular Affairs.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

The Committee on Interior and Insular Affairs, to whom was referred the bill (S. 1297) to authorize the payment of per diem to members of the Indian Arts and Crafts Board at the same rate that is authorized for other persons serving the Federal Government without compensation, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

PURPOSE

The purpose of S. 1297, introduced by Senator CHURCH as the result of an executive communication from the Secretary of the Interior, is to authorize the members of the Indian Arts and Crafts Board to receive per diem payments at the same rate that is paid to other persons serving the Federal Government without regular compensation.

Presently the five members of the Arts and Crafts Board may receive only $10 per diem under the Interior Department Appropriation Act of 1940. Since 1940 the per diem of other Government employees has been adjusted to meet rising costs, and is now $12 for regularly employed persons and $15 for persons serving without compensation. Enactment of S. 1297 will provide the same per diem rate to the members of the Board as applies to others serving without compensation.

The legislation was requested by the Department of the Interior.

The PRESIDING OFFICER. The bill is open to amendment.

If there be no amendment to be offered, the question is on the engrossment and third reading of the bill.

The bill (S. 1297) was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1 of the Act of August 27, 1935 (49 Stat. 891), is amended by changing the proviso in the last sentence to read as follows: *"Provided,* That each Commissioner shall be paid per diem in lieu of subsistence and other expenses at a rate that does not exceed the rate authorized by the Act of August 2, 1946 (60 Stat. 808), as heretofore or hereafter amended (5 U.S.C. 73b–2), to be paid to persons serving without compensation."

SEC. 2. The limitation on the payment of per diem in lieu of subsistence to members of the Indian Arts and Crafts Board that is contained in the Interior Department Appropriation Act, 1940 (53 Stat. 685, 699), is repealed.

REVOCATION OF SCHOOL AND AGENCY FARM RESERVE ON THE LAC DU FLAMBEAU RESERVATION

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 125, Senate bill 1298.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 1298) to permit the Secretary of the Interior to revoke in whole and part the school and agency farm reserve on the Lac du Flambeau Reservation.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that a portion of the report on Senate bill 1298 from the Committee on Interior and Insular Affairs be printed in the RECORD at this point.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

The purpose of S. 1298, introduced by Senator CHURCH as the result of an executive communication from the Secretary of the Interior, is to permit the Secretary to revoke in part or in entirety the school and agency farm reserve on the Lac du Flambeau Reservation in Wisconsin.

This legislation is necessary because the act of May 19, 1924 (43 Stat. 132), reserved approximately 700 acres of land in certain designated sections of the Lac du Flambeau Reservation for a school and agency farm.

Portions of this reserve have already been conveyed by act of Congress to the diocese of Superior for church purposes and to the town of Flambeau for cemetery purposes. While the Bureau of Indian Affairs still needs for administrative purposes about 15 acres of the remainder, the balance is no longer needed and can, under the bill, be restored to its prior status of tribal land. It will then be subject to regulations that are applicable to such land. The bill is so drawn that if the 15 acres, or any part of them, become surplus, they can also be removed from reserve status.

The committee understands there are no Government-owned improvements on that portion of the reserve which is currently excess to the needs of the Bureau of Indian Affairs.

DEPARTMENTAL REPORT

The communication from the Department of the Interior, dated January 5, 1961, requesting enactment of this legislation follows:

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., January 5, 1961.

Hon. RICHARD M. NIXON,
President of the Senate, Washington, D.C.

DEAR MR. PRESIDENT: Enclosed herewith is a draft of a proposed bill, to permit the Secretary of the Interior to revoke in whole or in part the school and agency farm reserve on the Lac du Flambeau Reservation.

We recommend that the proposed bill be referred to the appropriate committee for consideration, and we recommend that it be enacted.

Section 3 of the act of May 19, 1924 (43 Stat. 132), reserves from allotment or other disposition, "for the school and agency farm," the unappropriated land in designated sections of the Lac du Flambeau Reservation.

A part of this school and agency farm reserve has been conveyed to the diocese of Superior for church purposes pursuant to the act of May 9, 1958 (72 Stat. 106). Another part of the reserve has been conveyed to the town of Flambeau for cemetery purposes pursuant to the same act. Both conveyances provided for a reversion to the United States in trust for the band when the land is no longer used for the specified purposes.

The Bureau of Indian Affairs presently needs for administrative purposes three tracts with a total acreage of 15.22 acres. The balance of the reserve is no longer needed for administrative purposes, but the unneeded portion cannot be removed from the reserve by administrative action because the reserve was established by statute.

The enactment of the enclosed draft of a bill will permit the Secretary of the Interior to revoke the reserve with respect to the lands that are no longer needed for administrative purposes. The lands will revert to their prior status of tribal land and be subject to the usual laws and regulations that are applicable to other tribal lands.

Under the act of August 6, 1956 (70 Stat. 1057), the Secretary of the Interior is authorized to convey to the band any improvements on the reserved land of the band that are no longer needed by the Secretary for the administration of Indian affairs.

If the proposed legislation is enacted, the Department plans to revoke the part of the reserve that is no longer needed for administrative purposes. The band is now leasing to the Simpson Electric Co. a portion of this land together with the buildings located thereon. That company has an on-the-job training contract with the Department, and since 1957 a total of 60 Indians have entered training there. Of that total, 39 have completed training, 11 are still in training, and 10 have discontinued training.

The Lac du Flambeau Band consists of about 1,105 persons and the reservation contains about 18,272 acres of allotted land in a trust status and 25,420 acres of tribal land. The Bureau of Indian Affairs maintains no agency there but does keep there a few employees for local forestry administration.

The Bureau of the Budget on December 30, 1950, advised us that there is no objection to the submission of this proposed legislation.

Sincerely yours,

GEORGE W. ABBOTT,
Assistant Secretary of the Interior.

On March 3, 1961, the Secretary of the Interior wrote the chairman of the committee as follows:

"DEAR SENATOR ANDERSON: This will supplement our letter of February 14, 1961, regarding a review of the legislative materials that were submitted to Congress by this Department before January 20, 1961.

"We have completed our review, and we concur in the comments and recommendations made by the prior administration with respect to the following proposed bills and introduced bills:

"INDIANS

* * * * *

"5. Proposed bill, to permit the Secretary of the Interior to revoke in whole or in part the school and agency farm reserve on the Lac du Flambeau Reservation.

* * * * *

"The Bureau of the Budget has advised us that there is no objection to the presentation of this report from the standpoint of the administration's program.

"Sincerely yours,

"STEWART L. UDALL,
"Secretary of the Interior."

Mr. MANSFIELD. Mr. President, before this measure is passed, may I say that S. 54, S. 1297, and S. 1298 have the approval of both the preceding Republican administration and the present Democratic administration. All these bills have been cleared by the minority, and they approve taking them up at this time.

The PRESIDING OFFICER. The question is on the engrossment and third reading of S. 1298.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3 of the Act of May 19, 1924 (43 Stat. 132), is amended by adding at the end thereof the following: "The reserve established by this section for school and agency farm purposes may be revoked in whole or in part by the Secretary of the Interior when the land is no longer needed for such purposes, and the lands so removed from reserved status shall be subject to the laws and regulations applicable to other lands of the band."

JOHN BIRCH SOCIETY: FASCIST GROUP

Mr. YOUNG of Ohio. Mr. President, I commend three of my distinguished colleagues for bringing to the attention of the Senate, and the public, ugly facts concerning the fake patriots controlling the John Birch Society.

In my opinion, the senior Senator from North Dakota [Mr. YOUNG], the senior Senator from California [Mr. KUCHEL], and the junior Senator from Connecticut [Mr. DODD] have performed an important public service by exposing the true character of the society.

I join them in their contempt for leaders of this vicious organization.

I assert the John Birch Society is a Fascist group. It is well larded with rightwing crackpots. It is an ideological abomination, and the self-appointed vigilantes who are its leaders deserve the disdain and scorn of every American who values his democratic heritage.

Unfortunately, these radicals of the right in the so-called Birch Society in many communities have been practicing character assassination without regard for the truth, threatening merchants with boycotts, threatening college professors and school principals with dismissal. They spread fear, hatred and suspicion. They are even proposing infiltration in such fine, worthwhile civic organizations as the Parent-Teachers' Association.

The little Hitler who commands the John Birch Society already has written his own version of "Mein Kampf." From all reports, it is a psychotic collection of hate, slander and demagoguery.

This "fuehrer," Robert H. Welch, Jr., of Massachusetts, flatly states, "Democracy is a perennial fraud."

He has impugned many of our most respected leaders, among them our great Chief Justice of the United States Earl Warren, who has been accused by Welch of not supporting the Constitution—of giving aid and comfort to enemies of the American way of life. Welch has demanded his impeachment. A leader of the society even suggested that the Kremlin should award the Order of Lenin to Chief Justice Warren for serving the cause of communism. Followers who have been duped by this demagog, Welch, have written their Senators urging impeachment of the Chief Justice.

That anyone should propose impeachment of this great American or imply in any way that he is disloyal, is ridiculous and outrageous.

Yet, I have received mail—clearly inspired by the John Birch Society—demanding that we Senators institute impeachment proceedings against Chief Justice Warren.

One letter warned:

> You will never get another vote of mine or anyone I know if you approve of Earl Warren's record.

Frankly, I would never want that crackpot's vote. Another charged Earl Warren is guilty of treason, and still another urged immediate impeachment "before he has the opportunity to sell us all out."

Mr. President, I am ashamed to read letters like this from fellow Americans. I am ashamed because these people, who unfortunately have been deceived by unscrupulous leaders, would destroy our rich heritage under the guise of protecting it.

An answer typical of those I am making to constituents demanding the impeachment of Chief Justice Earl Warren is:

> Some crackpot has given you false information or you are the recipient of utterly false information from some organization guilty of distributing false propaganda for mercenary motives.
>
> That anyone should propose impeachment of Chief Justice of the United States Earl Warren is ridiculous and outrageous.
>
> Some years ago Earl Warren was a candidate for the Republican presidential nomination and that party's nominee for Vice President of the United States. During recent years the Supreme Court of the United States, over which he presides, has won universal acclaim by its integration and other decisions.
>
> It is unfortunate you read such trash regarding an outstanding American and that you have been deceived.

Using the convenient cover of patriotism, members of the John Birch Society would crucify democracy itself, and crush the precious rights and liberties we cherish.

I assert, Mr. President, that smashing democracy is an illogical way to fight internal communism, and I charge that the leaders of the John Birch Society are dangerously Fascist-minded or viciously demogogic or stupid, in presenting their program as one designed to save America. There is more to being an American than simply denouncing so-called Communists in America. The Communist Party in this country is such a minute splinter group, it numbers fewer than 1,000—probably less than 500—in Ohio.

In my judgment, the Fascist John Birch Society, and others like it, are as serious a threat to our security and way of life as internal communism.

We live in a grim period of international anarchy. This Nation is in a war economy. Communist Russia and Red China threaten the peace of the world. It is amazing to me that in the face of the grave Communist menace from overseas, some of our good citizens shrug that off and imagine they see Communists under beds here in our country. Their hullabaloo about a Communist apparatus in Washington or Cleveland or San Francisco or Chicago, seeking to overthrow our Government by force and violence, reminds me of the couplet:

> Last night I saw upon the stair
> A little man who wasn't there.
> He wasn't there again today;
> Oh, how I wish he'd go away.

Many Americans have always been reluctant to admit the existence of a disturbingly large group of Fascist-minded people in our own country. We regard as grotesque the Know Nothing political movement of a century ago.

As the Presiding Officer [Mr. HUMPHREY], who is a student of history, will recall, the leaders of the Know Nothing movement in the United States opposed immigration and immigrants, particularly Irish immigrants, and even claimed that the Pope was coming here to America to establish a Vatican somewhere along the Mississippi. Political agitators of 1854, who had not been nominated by either of the leading political parties, were elected to high office. This Know Nothing movement elected members of Congress and influenced others. It had as its presidential candidate in 1856 a former President of the United States, Millard Fillmore.

Then, in the 1930's in the form of the Nazi bund and the lunatic fringe who clustered around Gerald L. K. Smith and other American Fascists, there was a resurgence of this un-American activity.

Now here we are again, and today's spokesmen of fascism in America are leaders of the John Birch Society.

They are the know-nothings of the 20th century, prophets of hatred who spread lies and foment suspicion and who would undermine the very foundations of our democracy.

Mr. President, there may be a tendency among many Americans to scoff at this Fascist group and to view it as a temporary phenomenon. This might be foolish—in fact, dangerous—for the John Birch Society is well-financed and should not be ignored.

The "fuehrer," Robert H. Welch, is a millionaire and apparently he is adding to his personal wealth by the promotion of the John Birch Society.

The society numbers in its leadership ranks many industrialists, retired high military officers, and former presidents and board members of the National Association of Manufacturers.

Robert H. Welch, head of the John Birch Society, failed when he sought to be the Republican nominee for Lieutenant Governor of Massachusetts in 1950. He is succeeding handsomely in selling life memberships in his society for $1,000 each and raking in thousands of dollars every month in members' dues—$24 a year for men and $12 a year for women. Very specifically, he stated that he, as leader, would not give an accounting to the members or to anyone else.

They believe that by identifying themselves as "anti-Communists" they can expand their membership.

Mr. President, I wish to point out that the Director of the Federal Bureau of Investigation, J. Edgar Hoover, only last week warned against vigilante action in the fight against communism. He said:

> The job of curtailing and containing communism is one for legally constituted authorities with the steadfast cooperation of every loyal citizen.

Without a doubt, it is legal for a man to be a Fascist—if he wishes to be that stupid—and to express opinions no matter how distorted, fantastic, and extreme they may be. Robert Welch, who founded this John Birch Society and conceived the idea of having small cells in various places, made the demagogic and false utterance that General Eisenhower at the time he was President of the United States was a dedicated, conscious agent of the Communist conspiracy.

Think of that, Mr. President.

The most amazing thing is that an educated man would say this and it is equally fantastic that there are some deluded followers who believe it. Nevertheless, we concede that any mercenary demagog has a right to express his opinions though distorted, unfounded, and false.

Mr. President, I am less concerned about the existence of possibly 500 or

1,000 Communists in my own State of Ohio—and certainly no more than 30,000 in the United States—than I am about the ugy boil of fascism which leaders of the John Birch Society represent.

In my State of Ohio, it is estimated that there are fewer than 1,000 Communists—more nearly 500. In the Nation, Communists at the most form one-twentieth of 1 percent of our entire population, according to Professor Chaffee, in the Bulletin of the American Association of University Professors.

The bulletin was issued some years ago. In this era of prosperity and hope, there are no doubt fewer.

The odds are 1,999 to 1 in favor of free institutions. Suppose at the Cleveland Indian opening game later this month the Cleveland Municipal Stadium is filled with 40,000 people. The chances are that 20 of them might be Communists, and 39,980 would not. Do we need the John Birch Society to help protect us, who outnumber them 2,000 to 1—who have also the Cleveland and State police, the FBI, the Army, the Air Force, and the Navy, never forgetting the Marines?

We can hope, Mr. President, that as more becomes known of this shadowy band, its activities and philosophy will have the exact opposite effect than that for which its leaders strive. Indeed, I predict that in time these Fascists will discredit themselves and the cause they stand for and in that way make a contribution to the principles of democracy which they oppose.

In a minority opinion by Justice Hugo Black, concurred in by Chief Justice Warren, is this important sentence which we should all remember:

> Liberty, to be secure for any, must be secure for all—even the most miserable merchants of hatred and unpopular ideas.

Robert H. W. Welch and other Fascist-minded leaders of the John Birch Society are seeking to rescind and repeal the 20th century.

Their Mussolini—their chief promoter—il duce or fueher, Robert H. W. Welch, is a fake patriot—a slick demagog proposing dangerous nonsense. His society, like the Know Nothing party of 105 years ago, may live a little while and then be gone with the wind, and, like the Know Nothing party, will pass away unwept, unhonored, and unsung. At the moment it is an irritation in our American way of life.

As busy as we are in the Senate and as busy as are Members of the other body, I know of no valid reason for any congressional investigation of this Fascist group.

THE B–70 PROGRAM

Mr. GOLDWATER. Mr. President, mistaken judgment is a costly exercise when it applies to our defensive or offensive posture. For example, when the decision was made in Casa Blanca in World War II that we would fight to an unconditional surrender, we set up a situation that prolonged that costly war. When Hitler, in the early part of that same war, decided to slow down the production of fighter planes and concentrate on bombers, so that he could have the satisfaction of personal vengeance on England, he undoubtedly created a situation that proved to be one of the major reasons for Germany's defeat.

I do not question the sincerity or the patriotism of those who advise that the B–70 program be cut back, but this decision has been made, and I am hopeful, that the President, in his judgment, will restore these cuts and failing in that, I suggest that it would be the responsibility of the Congress to see that this action is taken.

This weapon contains all of the advantages of the Polaris submarine, plus speed, maneuverability, and, as of now, and of the date of its completion, no known enemy capability to shoot it down. Wars are going to be fought by men—not by black boxes—so it is imperative that America have this most modern of all weapons, and have it completed and quickly.

Our President has indicated a desire that is shared by all, I am sure, that we develop a transport aircraft in this country capable of speed above the sonic barrier. As of today, we have nothing in the factories, and nothing on the drawing boards, for a transport that will travel at speeds exceeding Mach 1.

I suggest that if the President wishes this kind of transport, instead of allocating, as I understand, $10 million for research on such project, that he push the B–70 program, because we have the air frame, and the aeronautical breakthrough that will give us Mach 3 flight, or three times the speed of sound, which can be applied not only to this aircraft as a weapon, but in peaceful uses for a transport. I hope that a decision, by either the President himself, or by this body, will be made quickly to restore these cuts, because in the judgment of this particular Senator, this cutback is a very costly mistake to be made at this time when we cannot afford to make mistakes in the cold war, or in any hot war that we have coming.

RECOGNITION OF APRIL 15 OF EACH YEAR AS AFRICA FREEDOM DAY

Mr. HUMPHREY. Mr. President, I send to the desk a resolution and ask that it be appropriately referred.

The PRESIDING OFFICER (Mr. YOUNG of Ohio in the chair). The resolution will be received and appropriately referred.

The resolution (S. Res. 118) favoring the recognition of April 15 of each year as Africa Freedom Day, submitted by Mr. HUMPHREY, was referred to the Committee on the Judiciary, as follows:

> Whereas the emergence of Africa into the forum of world affairs is one of the most significant developments of this period of history; and
>
> Whereas on the African Continent new and independent countries are being born with great rapidity; and
>
> Whereas at the first Conference of African Independent States convened in Ghana in April of 1958, the then eight free nations of the continent called for the observation on April 15 of Africa Freedom Day until all Africa is free; and
>
> Whereas this call to the world was reiterated by the All African People's Conference held in Ghana in December 1958; and
>
> Whereas the peoples of Africa are sympathetic to the ideals of democracy espoused by the free world, and look for friendship and assistance from the United States; and
>
> Whereas our American tradition of freedom and independence makes us sympathetic to the desire of all people for self-determination: Now, therefore, be it
>
> *Resolved*, That it is the sense of the Senate that April 15 of each year should be recognized as Africa Freedom Day; and that we urge the President on that date each year to send a special message of good will to the independent countries of Africa.

Mr. HUMPHREY. Mr. President, the resolution relates to African Freedom Day. Perhaps the most remarkable event in the political history of the last decade and a half, particularly in the last 5 years, has been the increasingly rapid transformation of a majority of Europe's African dependencies into new independent states.

In fact, today the Vice President of the United States is the official representative of this Government at the independence celebration of the new African nation and State of Senegal. Vice President JOHNSON represents our Nation at this very important event and occasion. I know that he will do so with distinction, great honor, and credit both to himself and to our country.

The division of Africa among foreign powers that began with European mercantile expansion in the 16th century and reached its zenith in the period between the unification of Germany and the Second World War has now come to the end. Indeed, by the beginning of this year the areas still under European control had diminished until they represented less than half of Africa in number and population.

Since World War II Morocco, Tunisia, Guinea, the Cameroun Republic, Togo, the Central African Republic, Chad, the Republic of Congo—Brazzaville—Dahomey, Gabon, the Ivory Coast, Malagasy, Mali, Niger, Senegal, and Upper Volta have all gained their independence from France. During this same period, Britain relinquished its colonial rule in Ghana—including the British Togo Trust Territory—Nigeria, and the Sudan, which it had administered under a condominium with Egypt; in addition, Sierra Leone, will become an independent member of the Commonwealth on the 27th of this month, April; the British North and South Cameroons Trust Territories have just completed a referendum on their future as parts of other independent countries, and independence for the British Trust Territory of Tanganyika is scheduled for December 28 of this year. Libya and Somalia, former Italian colonies, have also gained their independence after limited periods of U.N. trusteeship, and the former British colony of Somaliland has been united with Somalia. Lastly, Belgium acceded to the demand for independence for its Congo colony last summer although unfortunately the events which followed in the wake of independence have created difficulties which have yet to be resolved.

I would add that I am confident of their resolution, however. There appears to be an improvement in the situation in the Congo, primarily due, may

I say, to the close cooperation of the freedom-loving nations in the United Nations, with particular reference to the cooperation between the United States and India. I believe that these two countries have done a great deal to restore a degree of order, and the possibility of a firm resolution of the problems that beset the economy.

By 1958 it became evident to the first few independent African countries that their continent soon would be freed from foreign control. To support independence movements in territories still subject to the European powers and to develop common policies on many issues, the then free states, Egypt, Ethiopia, Ghana, Liberia, Libya, Morocco, the Sudan, and Tunisia, convened a Conference of Independent African States in Accra, Ghana, in April of that year. The Conference designated April 15 of every year as African Freedom Day until the entire continent should be free. Later in the same year the All-African People's Conference, which brought together representatives of African political parties, unions, and sympathizers from all territories, enthusiastically supported the concept of Africa Freedom Day.

In response to the aspirations of members of both Conferences, as well as the U.S. historical support of freedom and democracy throughout the world, I introduced a resolution in the 1st session of the 86th Congress, resolving that it was the sense of the Senate that "April 15 of each year be recognized as Africa Freedom Day" and that "the President on that date each year send a special message of good will to the independent countries of Africa."

The events of the last 2 years, since this resolution was first introduced, have, indeed, been amazing. More than twice the number of independent states that first called for an Africa Freedom Day have appeared in this period. Recently the United States has demonstrated by its votes in the United Nations and by the statements of its officials that it will effectively back anticolonialism despite any hurt feelings of its allies. Under these circumstances, it seems particularly appropriate that the U.S. Senate should support a resolution marking the celebration of Africa Freedom Day.

I believe one of the great days in American foreign policy came in the recent session of the United Nations, when our Government broke with the past and joined with those who seek the freedom of every single colony; and in the instance of the vote on Angola, difficult as that vote was in the light of our close relationship with Portugal as an ally in NATO, when the representative of the United States in the Security Council and in the United Nations, Mr. Adlai Stevenson, cast the vote of this country to permit the United Nations to examine into the situation in Angola. I believe this was the turning point in American foreign policy relating to the African, Asian, and Latin American areas, proving, once again, that we mean everything we have said in behalf of self-determination, freedom, and independence. This was a very difficult decision in the light of our allies and our commitments to them, but it was the right decision. In matters of American foreign policy, it appears to me that virtue, right, and moral position were very important.

The significance of the original designation of African Freedom Day by the first Conference of African Independent States in 1958 is still alive today. Though most of the vast continent of Africa is free, there still are sizable areas which are not free and which have no immediate prospects for independence.

Because these areas still exist, particularly where the colonial rulers do not yet feel the winds of change or are preparing to struggle against them, the liberty of all of us is a little less secure—our stature somewhat diminished—our dignity somewhat tarnished. It is in the best interests of the United States, both politically and morally, to support the independence of the peoples of Africa. And we can make no better, more symbolic, start than to pass this resolution which I offer again today calling for our recognition of April 15 of each year as Africa Freedom Day.

I know that frequently we are told by those who claim to be very prudent, wise, and sagacious that those resolutions are but window dressing and do very little, if any, good. In fact, there are always those who exercise the prerogatives of caution—and I think sometimes of being very overcautious—in the development of what we call foreign policy. I suggest that the best thing for this country to do is to interpret its spirit to the world in tangible evidence such as resolutions and in concurring in what we know to be the desire of the American people; namely, freedom for people. The duty of representative government is to represent the true will of the people, not the will of merely a handful who feel that they are interpreting the will of the people. There is not a single residue of colonialism in the United States. There is no interest on the part of the American people in it. In fact, the American people find colonialism to be repugnant.

I suggest that the best thing our Government can do is what it is now doing; namely, to take the timely steps which are required to place this Government on record in support of freedom, independence, and self-determination. This is exactly what we mean by protecting human dignity.

I compliment the President of the United States, the Secretary of State, and Mr. Stevenson, our representative in the United Nations, for the courageous and timely action which has been taken in recent weeks in the United Nations and in reference to the official statement of our Government.

It is indeed highly significant that the Vice President of the United States should be on this day visiting Africa to give witness, again, to the American desire for close cooperation with the peoples of Africa, and our profound respect for their freedom and their independence. I know the Vice President will be well received and that he will convey the greetings and the true feelings of the people of the United States.

While I mention the Vice President, let me say that despite all the editorial criticism and some of the commentary in the press relating to the Assistant Secretary of State for African Affairs, Mr. Williams, on his trip to Africa, he performed outstanding service for this country. He did so in the sense that he represented the genuine spirit of the American people to the nations and the peoples whom he visited. Yes; he may have made an inappropriate remark in terms of what some persons think is appropriate; but I suggest that Mr. Williams spoke the heart of the American people when he went to the peoples of Africa and said that we were with them, and that we wanted them to build their own destiny. The peoples of Africa, as Mr. Williams pointed out, are not merely the Negro people or the Africans themselves, but also other settlers who wish to live there in peace, security, and independence. Mr. Williams was speaking for them, as well. However, I suggest that it may be simply one of the favorite political games of this country to attack a man of the stature and of the background of the Assistant Secretary of State for African Affairs; but it does not help our foreign policy. Mr. Williams was speaking well and was carrying the message of the Government of the United States. I think he is to be commended.

Mr. President, I desire now to turn to another subject.

The PRESIDING OFFICER. The Senator from Minnesota has the floor.

COMMITTEE ON APPROPRIATIONS

Mr. HUMPHREY. Mr. President, I desire to make a few observations relating to an action which took place in the Senate last week which was very disturbing to me, namely, the action of the committee of conference on the third supplemental appropriation bill for 1961. I am a junior member of the Committee on Appropriations. I lay no claim to any special knowledge as to the work of that committee or to any prerogatives over and above those of any one Senator. However, I was very much concerned over the final conference report. I am afraid that that final conference report may very well leave the administrative or executive branch of the Government with inadequate resources to do the work which Congress in previous action has directed the executive branch to perform.

As reported from the conference, the third supplemental appropriations bill for 1961, H.R. 5188, provided total appropriations of $1,694,055,637. The budget estimate which was presented to Congress was $5,339,565,127. This was the considered judgment of the Bureau of the Budget concerning the financial needs of the Government under existing legislation passed by previous Congresses and commitments made by the Government of the United States through their elected representatives up until June 30 of fiscal 1961.

Of the budget estimate figure $5,339,565,127, the House allowed $803,506,119. One of the reasons for that was, of course, that certain figures were not available for the House at the time of their early hearings.

The Senate allowed $4,637,419,970. That was the action of the Senate Committee on Appropriations and the U.S. Senate itself on the third supplemental appropriations bill.

The principal difference between the administration's request and the action of Congress, as well as between the actions of the House and Senate, was in funds for the Commodity Credit Corporation. The administration had requested the restoration of the impaired capital of the Commodity Credit Corporation, as well as the reimbursement for current costs of the special milk program, the International Wheat Agreement, emergency famine relief, the Public Law 480 program, the migratory waterfowl feed program, bartered material for stockpiles, grading and classing activities, and long-term supply contract losses. Every one of those items has been legislated by Congress. We had directed by legislative enactment the fulfillment of the Government's responsibility under those laws.

The estimate of $2,969,525,000 for these items had not been considered in the House. The Senate approved $2,820,307,000, but the House conferees refused to agree even to a compromise amount, and the entire amount was deleted.

We are not permitted under the rules of this body to make any unkind or unfavorable remarks relating to the respective Chambers of the legislative branch, and I shall abide by the rules. I simply say that the failure of the committee of conference to bring back a compromise figure has left the executive branch in a very difficult situation in terms of the administration of some of these programs. This is particularly true with respect to the special milk program for our children and in terms of the famine relief program or the area of the program for food for the distressed areas of the Nation.

I suppose that by taking moneys away from programs which may be less urgent, it might be possible to fulfill some of the emergency obligations. But this is a poor way to run a government, and particularly a poor way to operate programs which are not the special prerogatives of the executive branch but rather are the required programs of the legislative branch.

Of the remainder of the budget request, a total of $2,370,040,127, Congress approved $1,694,055,637. Of the $675,984,490 difference between these two figures, $555,615,500 represented a cut in the $1,080,397,000 requested for the Department of Labor. The major portion of this was in the requested payment to the Federal extended compensation account, where the estimate was reduced by $490 million.

Simply put, Mr. President, that was the reduction in the funds for temporary unemployment compensation. After all, the temporary unemployment compensation account relates to unemployment which has taken place in the past year or the preceding years; and it ought to be paid within this fiscal year, instead of playing games with the bookkeeping of the Government.

Of the $150 million requested for the Development Loan Fund, which the House had disapproved entirely, and the Senate had voted to restore, $50 million was approved in conference. The conference directed, however, that these funds were to be earmarked specifically for loans in the Western Hemisphere.

Of course, Congress can do whatever it wishes; and it has done so. But there was adequate testimony before the Senate Appropriations Committee, and, indeed, there was argument here in the Senate itself, in regard to the need for the $150 million for the Development Loan Fund. At the very time when Soviet Russia is exerting pressure all over the world, at the very time when we are facing the greatest threat to our security that we have ever known, we have decided to cut back the Development Loan Fund—the fund for the making of loans which are repayable with interest—despite the testimony which indicated that these funds are required and, in fact, were committed in August of last year. In fact, last August the Development Loan Fund Administrator was asked to return to the Congress, after January, to obtain the funds which might be required. Assurance was given that such funds would be made available. The Senate did vote to make them available. I simply say that I have a feeling that between now and June 30 we shall encounter trouble with this program; and if we do, I want the record clear as to why the trouble besets us. These programs cannot be operated without the required resources. The $150 million was the Eisenhower request, and it was the Kennedy request. It was the basic minimum. Even that was less than one-third of the amount required for the loans which already were in process. It was barely enough for the general authority under minimum standards. I am afraid we may very well encounter serious difficulties because of this particular action.

The estimate of $6 million for Federal payment to the District of Columbia, which had been entirely disallowed by the House, and had been restored by the Senate in the form of a $5,700,000 Federal loan to the District, was deleted in conference. Let me say that that action by the Senate was taken at the suggestion of the able and dedicated Senator from West Virginia [Mr. BYRD], the chairman of the Subcommittee on District of Columbia Appropriations. I thought the Senator from West Virginia made a very practical suggestion. He is a frugal and prudent man. He is not a spender. He has had years of experience in Congress with appropriations matters. However, in the conference that loan authority was deleted, and no funds at all were provided.

At the present time the Nation's Capital has pressing needs for new school buildings and for a host of public works projects. However, today the Capital of our country finds itself without funds with which to carry on those projects, and it is unable to commit moneys to those programs. It is said there will be a sales tax, and that it will provide the necessary revenues. But that tax will take effect in the future; the enactment of a sales tax is not exactly an example of rapid action by Congress. Instead, it is what I would call delayed action. In the meantime, funds which were supposed to be made available for a limited amount of constructive programing in the field of public works are not available. I suggest that the delay will cost the taxpayers much more, because building costs are rising; equipment which should be put to work is lying idle; and unemployment exists in this city, as well as in other cities. Such a situation does not make much sense to me. In fact, I think we would be much better off by having people at work, rather than to pay them unemployment compensation. I believe it makes much more sense to have a sensible public works program for the doing of things which need to be done, rather than to pay people for doing nothing, even though they have earned, under the law, the right to be paid unemployment compensation.

As I have stated, the conference committee deleted the entire item. However, the conference committee did accept the Senate's allowance for the District of Columbia, from the regular district of Columbia funds; and that was twice the amount which had been allowed by the House. The final figure was $10,820,619, as compared to the estimate of $11,163,119. The House had approved $8,636,169.

The conference committee approved more funds for the Department of Health, Education, and Welfare than had been requested. The estimate called for $110,543,000. $127,375,500 was appropriated. The difference resulted from the House action—in which the Senate had concurred—in adding $29,990,000 for Federal aid to schools in impacted areas. That was a very worthy action by the House, and I think it was fully justified, and was well concurred in by our conferees.

Considerable restoration was made in the funds for independent offices. I ask unanimous consent that the figures relating to the budget estimate, the House action, the Senate action, and the conference committee action be printed at this point in the RECORD.

There being no objection, the tabulation was ordered to be printed in the RECORD, as follows:

Estimate	$177,538,000
House	133,264,650
Senate	174,987,650
Conference	162,144,650

Mr. HUMPHREY. The funds for the Department of the Interior were cut considerably below the requests, largely by House and Senate disallowance of $12 million for the development and operation of helium properties. I ask unanimous consent that the figures in that connection be printed at this point in the RECORD.

There being no objection, the tabulation was ordered to be printed in the RECORD, as follows:

Estimate	$27,172,000
House	13,395,000
Senate	15,151,333
Conference	15,057,000

Mr. HUMPHREY. Mr. President, one significant reduction—on which the Senate gave in to the House—was in the funds for new construction in the national parks. The estimate was $467,000. The House voted $300,000. The Senate approved the entire amount of the estimate. However, the conference agreed on the figure voted by the House, which was a reduction of $167,000. That will not cripple the program, but it will slow down the construction program for our national parks.

Mr. President, I do not know how many Members of the Senate visit the national parks; but I have stated here in the Senate that, practically every year, one of the joys of the Humphrey family is to get in the car and travel to the national parks, and see how people live, instead of just remaining in Washington and seeing how people live here. I imagine that when the Senate takes a limited recess, such as it is taking now, very few of our colleagues visit the national parks. Instead, they visit their constituents, or they go to other places, where they can gain some rest and refreshment of their bodies and spirits. But let me say that the national parks are the people's playground, and our national parks need more development and modernization of their facilities. They are inadequately staffed. In addition, they have inadequate facilities with which to care for the growing population of our country. Sometimes I feel that if we gave a little less attention to country clubs and even to some of the elaborate and expensive types of recreation, and if we gave more attention to public parks, our country would be more beautiful.

I am suggesting that, when we come to matters like the National Park Service, we remember this is something that belongs to the people; and a little sum like $467,000 for our national parks is surely not asking too much, particularly at a time when there is a real need to put money to work on constructive and gainful employment.

It should be noted the Senate secured conference agreement on appropriations of $350,000 for construction by the Fish and Wildlife Service. This was in contrast to an estimate of $214,000, and a House figure of $200,000.

The Department of State fared fairly well. The budget estimate was $12,636,000. The conference gave $11,562,000.

Mr. President, I ask unanimous consent, also, that the figures for the Department of State be included at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Estimate	$12,636,000
House	11,762,000
Senate	11,562,000
Conference	11,562,000

Mr. HUMPHREY. Mr. President, it will be noted the Senate allowed less than the House, and the lower figure was accepted in conference.

The Department of Defense did quite well, as usual. The Department of the Army received all it had requested for civil functions, and military functions were cut only $2 million.

The estimate was $288,549,000, and the conference gave $286,549,000.

I ask unanimous consent that the figures on the Defense Department be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

(Military functions only)

Estimate	$288,549,000
House	285,549,000
Senate	286,549,000
Conference	286,549,000

Mr. HUMPHREY. So the Department of Defense, particularly the Army, was well taken care of in terms of the budget estimates. For this we can be grateful. But as long as I am expressing a note of gratitude for what we did for the Army, may I suggest it would not be a bad idea to do something for the school milk program. I cannot, for the life of me, see what has happened to values in this country. On the one hand, we respond, generally, to requests of the civil functions of the Army, which are the Army Engineers functions. It does a splendid job. I am not critical; I want to be laudatory. The Department of the Army does a good job in its civil functions. But when it comes to taking care of our national parks, food for distressed areas, special milk programs for our own children, somehow or other, we say this we cannot afford.

It does not add up, and I want the RECORD quite clear that I was not happy with the conference report. Despite the efforts of our Senate conferees to hold the line, the bill as finally enacted is inadequate to take care of the many pressing needs facing our people. I want to express my appreciation for the work of my colleagues on the Appropriations Committee who served on the conference committee, especially our beloved chairman, the Senator from Arizona [Mr. HAYDEN]. I know they did the best they could under the circumstances, and that some of them share my disappointment over the results.

I have expressed my views today because it will be my intention, when the regular appropriations come by for the fiscal year 1962, to do what I can to restore these funds, at least where there is a demonstrable need, so that the departments of our Government can operate effectively and can fulfill the requirements of legislation.

Mr. DWORSHAK. Mr. President, in view of the fact that there are no other Members of the majority present than the distinguished Senator from Minnesota [Mr. HUMPHREY] and the occupant of the Chair, the Senator from Ohio [Mr. YOUNG], I feel it incumbent upon me, as a member of the Appropriations Committee, to give assurances to the freshman member of the Appropriations Committee, who has admitted his lack of familiarity with the procedure and the techniques used by the Senate and House Committees on Appropriations and the conference committees.

I recall that on Thursday afternoon I engaged in a colloquy, very briefly, with the Senator from Minnesota, and called to his attention the action taken by the conference committee on the third supplemental appropriation bill.

I deplore very much that, while the Senator from Minnesota makes an emotional appeal that we are ignoring these very deserving programs and depriving the children in our schools of the milk which they need for their lunches, he is greatly distorting the record. I do think that, even though he has been on the Appropriations Committee a very brief time, and that therefore we should be tolerant of these misstatements, the fact remains that we were dealing with a supplemental appropriation bill on a budget request, revised by this administration, which requested funds, not for this fiscal year, but for the next fiscal year.

The Appropriations Committee and the various subcommittees have not yet started hearings, on the Senate side, on the regular budgets for 1962; and knowing that the Senator from Minnesota is a very adroit and canny politician, as he demonstrated during the past few years in his quest for the presidential nomination of his party, obviously he knows that last week, on this floor, there was a play made to transfer funds which legitimately will be expended in the next fiscal year. This would show them as part of the fiscal year ending June 30th, and thereby charge to the outgoing Eisenhower administration much of the deficit which ordinarily would be charged to the next fiscal year.

Mr. President, we will have ample time to provide funds for all of these activities. I want to remind the Senator from Minnesota that, in the recent debate on the appropriation bill, the Senator from Idaho presented a budget document, which went to the House under date of March 20, which was precisely 1 week prior to the consideration of the bill in this body—submitting revised estimates for many of these programs. The Senator will recall, I am sure, that when I called attention to this House document and offered a series of amendments, I reduced the appropriation by exactly $149,218,000. There was no roll call, because the chairman of the committee, the Senator from Arizona [Mr. HAYDEN], and the chairman of the subcommittee on the agricultural budget, the Senator from Georgia [Mr. RUSSELL], accepted the amendments because they were based upon a budget request submitted by this administration.

Mr. President, I do not want to belabor this subject, but I do think it is most unfortunate, when this administration and the majority party control this body with a membership of approximately two to one, and likewise control the Appropriations Committee of the Senate by a ratio of 17 majority members to 10 minority members—it certainly becomes apparent that the responsibility rests fully upon the majority Members of this body—that the distinguished Senator from Minnesota undertakes to lecture the Members of this body and to denounce considerations on the part of the House in handling this appropriation bill. I submit, Mr. President, that he is then denouncing vigorously the members of his own party and leadership in the White House, and the leadership of which he

is a part in the Senate of the United States.

Appeals are frequently made for unanimity and cooperation in handling the public business.

Certainly it would be in order for the distinguished majority whip to come forward with clean hands to commend the action taken by this body and by the conferees representing the House, and to point out that not only is it desirable at times to spend more Federal money but also that we should constantly be alert to the need for greater economy and efficiency in the operations of the Federal Government so that we can curtail our appropriations and expenditures and retard inflationary influences which are devastating to the security and to the welfare of our country.

WEATHER—TAKE IT OR MAKE IT

Mr. CASE of South Dakota. Mr. President, last week there was held in the city of Washington, D.C., a National Water Symposium. This symposium was called by the National Association of Soil Conservation Districts and by the National Reclamation Association. The sessions lasted 3 days. They brought together people who, in an official or in a private capacity, have been concerned with water problems, ranging from those which affect the farmer on the land to those which affect the person living in a large city.

If anything were needed to emphasize the conclusion of the Senate Select Committee on National Water Resources that water today is a national problem, the papers presented at the water symposium supplied the emphasis. I hope at a later date to present for inclusion in the RECORD some of the significant papers which were presented.

Among the speakers was the Commissioner of the Bureau of Reclamation, Mr. Floyd Dominy. A paper was presented in behalf of General Itschner, the Chief of Army Engineers, by Major General Cassidy. Papers were presented by heads of departments of various universities throughout the country and by people who are connected with the research institutions, both private and public.

The first session was devoted to assessing the need. The sessions of the second day were devoted to measuring the need and to consideration of what is being done in nonirrigated agriculture. The sessions of the third day were devoted to problems related to irrigated agriculture.

At the concluding session on Friday, it was my privilege to be one of the speakers. I discussed the methods of measuring the allocation of water for various needs under the concept of multiple use.

Members of the Congress were given the honor of opening certain sessions. The first session was opened by a talk by Mr. Ted Schad, who is not a Member of Congress but who was the director of the Senate Select Committee on Water Resources.

The second session was opened by an address by the Senator from Oklahoma [Mr. KERR], the chairman of the Senate Select Committee on Water Resources.

Mr. WAYNE ASPINALL, a Representative in Congress from the State of Colorado, the chairman of the House Committee on Interior and Insular Affairs, presented the opening paper at the morning session of the second day.

At the afternoon session, a paper was presented by the Honorable JAMIE WHITTEN of Mississippi, the chairman of the subcommittee dealing with agriculture of the House Committee on Appropriations.

In my paper I sought to deal somewhat with the need for allocating water. I pointed out that we live in a very dynamic country. An estimate of the needs of today will not necessarily measure accurately what will be the need 10 years from now. Nevertheless, I presented the current estimate to show the likely change in water requirements.

The estimate of the Select Committee on Water Resources is very revealing in this respect. It indicates that whereas the need for running water in streamflow for the production of hydroelectric power will almost triple between 1960 and the year 2000, the need for flowing water for navigational purposes will decrease somewhat in that same period of time. The need for water as a means to help control pollution will increase; and the need for flowing water, and water resources generally, for recreation and as a habitat for sport fishes will also increase during the next 40 years.

Because of the need we have to consider the various ways to increase the water supply. I devoted a part of my remarks to reviewing the progress which is being made in regard to desalinization of water, both ocean water and inland brackish waters.

I also spoke of the need for stepping up research in cloud modification. In particular I called attention to the possibilities in the interior parts of the country of using rockets to provide a mechanism by which the nucleating agent might be put into the clouds. I pointed out the difference between pertinent problems on the West coast and those in the Great Plains. On the West coast there are moisture-laden clouds coming in from the ocean which strike the mountains, creating an updraft, so that the vapor released from ground generators can be carried into the clouds. The situation in the Midwest and in the Great Plains is that the cold winds come from the northwest and strike the moisture-laden warmer winds from the south, passing under the warmer winds. In fact, I think that has been the reason why the attempt to use ground generators for carrying nucleating agents into the clouds has not been successful in the Great Plains area. The warm air rises, and the crosscurrents between the ground and the moisture-laden clouds do not permit the vapor generated from ground generators to reach the clouds.

On the other hand, there have been dramatic results in the Great Plains when aircraft were used and the nucleating agent, whether silver iodide or dry ice, was dumped directly into the cloud.

Mr. President, the Advisory Committee on Weather Control made its final report to the President on December 31, 1957. This two-volume report is still the most authentic and complete report on weather modification in existence. The committee was not authorized to do research but to evaluate the work being conducted by both private and public agencies, studying all the available literature on the subject, and then to make recommendations to the President as to what should be done to strengthen the program.

The committee found that more basic information was needed about the atmosphere and its behavior. They recommended, among other things, that basic and applied research was of prime necessity and should be enlarged without delay. They recommended that the research program be sponsored by the Government primarily through work with Federal agencies, universities, and colleges, industries, and other organizations.

Following the issuing of that report, I introduced a bill proposing such an expanded program. It was concluded to be advisable, after hearings, to place the program in the hands of the National Science Foundation.

The Senate Committee on Interstate and Foreign Commerce conducted hearings on the bill. It was subsequently passed by the Senate, approved by the House, and signed by President Eisenhower. The law gave the National Science Foundation the responsibility for developing a further research program. With the limited funds available for this purpose, the foundation has done a creditable job, but the possibilities in this field warrant a more vigorous program.

In 1959, the total Federal Government expenditure for support of scientific research and development was approximately $7.4 billion. There was appropriated by the Congress to all agencies of the Government some $36 million for meteorological research.

I daresay, Mr. President, that when the long span of history takes a look at what we do today, it will say the $36 million for meteorological research had much greater significance for the welfare of mankind than the $7.4 billion devoted generally to research and development. Research in the fields of weather and of water improvement and expansion of water resources offers more potential benefit for the welfare of mankind than does a great deal of the money being spent to develop methods for the destruction of mankind.

Mr. President, if we are to meet our own needs and to maintain our lead in meteorology among countries of the world, a greatly accelerated meteorological program must be instituted.

A very outstanding address was given in January by Adm. Luis de Florez, retired, U.S. Navy Reserve, at the 29th annual meeting of the Institute of the Aerospace Sciences that covers the need for research and the need for encouraging young men to enter the field of meteorology. His discussion under the title "Weather—Take It or Make It," should be of interest to everyone.

I request unanimous consent that the address by Admiral Florez be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

WEATHER—TAKE IT OR MAKE IT

(By Adm. Luis de Florez)

It is strange, indeed, that the American people—who live on the assumption that any problem can be solved if you have the intelligence to define it and the will to keep working at it—display the same fatalism and resignation about the weather that our remote ancestors did thousands of years ago. It is a fact, nevertheless, for when it comes to weather, we accept whatever comes passively, patiently, as an act of the Gods. We do not seem to realize that the problem of weather control, gigantic as it is, can be subjected to the same sort of attack which brought about our great discoveries in the fields of flight, nuclear power, chemistry, medicine, and others. In any case, we have not tackled the control of weather with the same determination and audacity that we have shown in harnessing nature in other ways.

It is my growing conviction that the only real obstacle in the way of controlling the weather is our attitude of mind which appears to be a combination of three things:

1. A lack of sense of proportion concerning what is important to our existence.

2. A form of mental block bequested us by countless generations of peoples awed and cowed by the elements and powerless to anything other than protect themselves against them.

3. Incomplete realization of the tremendous advances and power of science and technology of our time.

At this period in our history when we are bending every effort to conquer space and solve the great problems of space travel, we seem to have bypassed any serious thought of reshaping our own atmospheric conditions which vitally affect our existence in our own home grounds.

SINGLE GREATEST FACTOR

I do not imply that we should curtail our space programs in any way, but I do mean that our atmospheric conditions constitute the greatest single factor controlling the existence of life on earth, and that reshaping the conditions of inner space to our own advantage should accompany the attempts to master outer space.

Man—and countless other forms of life—breathes the atmosphere, feeds on the products that grow in it, and conforms to the climate it produces.

The incredibly complex movements of the atmosphere, caused by the absorption of solar energy and rotation of our globe, determine, in the main, our weather and our climates. In turn, our climates and weather detemines the living conditions which affect life itself, the evolution of species, and the characteristics of peoples.

Only man, out of all species of life, has learned to adapt himself artificially to all kinds of weather. He has discovered fire, invented clothing, habitations, refrigeration, and pressurization—in short—everything he has needed to exist anywhere on the earth, and possibly beyond it. This physically weak and hairless creature has survived and populated the earth, harnessed nature's energy, and rules the animal kingdom, while many more powerful and formidable species have become extinct. Man's brilliant accomplishments, his dedication to exploration and his earnest energy, courage, and determination are often dimmed by his understandable shortcomings in accustoming himself to his newly acquired power. Let us not underrate this remarkable adolescent of our world's species of life because he sometimes makes his mistakes in wielding his growing powers. He will become part of the weather when he seeks this goal with all his might.

It was Charles Dudley Warner, not Mark Twain, who said that everyone complained about the weather but nobody did anything about it. No doubt this quip was meant to be humorous, but it isn't so funny when a hurricane comes barreling up our east coast leaving billions of dollars of destruction in its wake, to say nothing of casualties.

When protracted droughts abort crops, decimate cattle, and wreak great losses upon our agriculture, or when prolonged rains swell our rivers and wash away homes, towns, and the soil vital for our future existence, it is a tragedy.

In 1935 the Midwest was subjected to the longest period of hot, dry summer weather in the memory of man. It saw the dust storms, the Black Blizzards—the Dust Bowl. Later, associated with this, Nebraska suffered devastating floods on the Republican River.

DROUGHT, SNOW, AND FLOODS

Again in 1936 the Midwest suffered disastrous summer drought, and in the following January and February came the longest period of sub-zero weather and the greatest snowfall ever experienced east of the Rockies. The March thaw of that year caused disastrous floods in the East and in April tornadoes raked the Southeast causing great destruction.

Dr. Gayle Pickwell, who records these facts in his book "Weather," published in 1938, comments, "One cannot experience or read about such weather without asking himself why?" That was 25 years ago and still no answer.

The question is: Can we do something about the weather besides complain about it? The answer is "Yes." This is not the isolated opinion of an old flyer and a long-time engineer but also the opinion of many scientists, professional meteorologists far more expert than I.

In 1958 the editor of Science Newsletter (Nov. 22, 1958) made a survey of professional meteorologists concerning the feasibility of weather control. Forty-two percent believed that within 10 years it will be possible to prevent hail and lightning and to increase or decrease precipitation. Forty-six percent believed that within a span of 50 years man will learn how to control tornadoes, hurricanes and squall lines. Thirty percent believed that large-scale weather patterns will be brought under control within the next 5 decades.

In 1956 Dr. John von Neumann, one of the greatest scientific minds of our time, said:

"Our knowledge of the dynamics and the controlling processes in the atmosphere is rapidly approaching a level that will make possible, in a few decades, intervention in atmospheric and climatic matters. It will probably unfold on a scale difficult to imagine at present. There is little doubt one could intervene on any desired scale, and ultimately achieve rather fantastic effects."

With intensive work all these time periods can be shortened.

Certainly we know that climates have changed and for that matter are changing. We suspect that atmospheric circulation could be changed by altering the absorption and radiation of parts of the earth's surface and we know that in so doing climate and weather would be changed. We know that we can induce precipitation by seeding clouds with dry ice, silver iodide or carbon black, and that in so doing great quantities of energy from the condensation of water vapor can be liberated. There is reason to believe that we may find triggering mechanisms which could make or dissipate atmospheric disturbances.

Some 15 years ago Irving Langmuir of the G.E. made a series of experiments in New Mexico in which he seeded the atmosphere with silver iodide generators at periodic intervals. He claimed that as a result of such seeding the weather on the east coast was observably affected. Others claimed that it was not. The controversy which arose was never settled, in spite of the far-reaching implications of such an experiment, nor was there any attempt made to repeat the experiment in order to shed light on the subject.

IS IT POSSIBLE?

The question is not who was right or who was wrong, but rather is it possible to produce long-range weather effects in this manner or, for that matter, any other way? A subject of such vital importance should never have been allowed to rest on uncertainty or on opinion.

The influence of weather control or modification on every phase of human activities beggars the imagination. Only slight improvements in precipitation or temperatures could result in making vast territories available for agriculture and normal living.

Small changes in atmospheric circulation could bring about more favorable temperatures to make additional areas suitable for human habitation. It is conceivable that hurricanes could be diverted or their force dissipated by breaking them into small disturbances before the system could gather all its destructive energy into one great storm. The yearly toll of disaster and enormous economic losses could be avoided or at least reduced by the capability of controlling or modifying the weather.

From a military standpoint the implications are even greater. With control of the weather the operations and economy of an enemy could be disrupted and by the same token we could be made to suffer enormous losses in our own economy and our military efforts crippled.

In a cold war the ability to control or modify weather would provide a powerful and subtle weapon to injure agricultural production, hinder commerce and slow down industries.

How then do we go about harnessing the weather? The answer is first to learn more about our atmosphere and its mechanisms. This calls for research and experiment, not on the present penny ante style, but on a scale commensurate with the immense benefits to be gained. This in turn calls for major expenditures to provide for scientific personnel, equipment, and the necessary educational program to create a source of competent workers for this field.

In addition, it requires support for a group of specialists whose primary objective is to apply current knowledge to the control or modification of weather as a point of departure. In spite of the meager support of meteorological research in the past, a good deal of basic work has been done by a relatively few competent and dedicated scientists. This work could begin to show tangible results if expanded and supported by experiment.

The development of mathematical weather models by means of computers and the simulation of circulation by means of water tank analogy has already provided modern tools for weather study. With more aircraft, rockets, balloons, and so forth, and personnel for observation we could arrive more rapidly at the point of full-scale experiment. We have recently launched a weather satellite which, along with others, will provide much needed information. I suspect, however, that this forunate development was dictated more by our desire to expand our space technology than for the benefit of meteorology.

We could do some things immediately: for instance, eliminate or greatly reduce air pollution around our cities which dims sun-

light, causes poor visibility, promotes fog and increases the collision hazard at our great air terminals. Those of us who fly in and out of New York have seen the pall of smoke which blankets the area for miles on relatively calm southwesterly days. The smog of Los Angeles is largely manmade.

As an investment, the reduction in smoke and vapors would save our airlines millions a year by reducing delays, reducing hazards which we cannot price, and certainly by improving everyone's health. It has been estimated that air pollution costs our country over a billion dollars a year.

Some of our cities such as St. Louis and Pittsburgh have already made major improvements. Why not a national effort in this line?

APPROPRIATIONS INADEQUATE

The present scale of appropriations for meteorological research is pitifully inadequate for the task confronting us, and it falls far short of that needed for current operations for the collection of available new data.

We have not enough aircraft for observation, not enough personnel for the collection and analysis of data, and virtually no support for experiment.

The records show that in 1959 the total amount appropriated for meteorological research by all departments and agencies was some $36 million. A good part of this was spent on equipment. Only about a million was directed specifically to the field of weather control or modification, despite its importance.

Contrast this sum of $36 million with $45 billion for a defense budget; some $17 billion for military aviation, $4 billion for military R. & D., $2,500 million for the gross revenue of our commercial airlines. When even minor modification of weather could turn out to be a superweapon to enhance military strength, affect major savings to airlines, and reduce hazards and casualties to all—$36 million is just plain peanuts.

The following table 8–A shows the budget of the various departments and agencies which support meteorological research and the amount of their support in dollars and as a percentage of their respective budgets.

I think you will agree that this is paltry support for a field of such immense opportunities.

TABLE 8–A.

Agency	Total budget	Meteorological research support, 1959	Percent of budget
	Millions	*Millions*	
Department of Agriculture	$5,926	$0.9	0.15
Atomic Energy Commission	2,723	1.3	.7
Department of Commerce	471	1.6	.34
Weather Bureau	452	1.8	.40
Department of Defense	45,517		.028
Army		2.9	.007
Navy		3.0	.007
Air Force		6.8	.17
Total, Department of Defense		12.7	
Department of Health, Education, and Welfare	3,255	.9	.27
Department of the Interior	791	.1	.013
National Aeronautics and Space Administration	305	8.6	2.8
National Science Foundation	136	8.1	6.0
Total		36.0	

It should be borne in mind that any increase in knowledge of our atmosphere and its existing movements will permit better forecasting which is badly needed. It should also be borne in mind that a great deal needs to be done to make current weather information and short term forecast available to those concerned. This means more and better personnel for the Weather Bureau and better communications. There could be no better national investment.

It has been said that it would not be wise to provide more funds at this time since the number of technically qualified people in the filed of meteorology is very limited.

STUDENTS NOT ATTRACTED

The answer is that so little money has been available for research in this field that young technical students seeking a career are not attracted to it in spite of the challenge it presents. Table 9–B shows the number of students graduating in various technical fields as compared to those graduating in meteorology for the year 1959. All told there were some 77,000 graduated in engineering and other technical courses and only 173 B.S.'s and 13 Ph. D.'s in meteorology. We cannot expect to improve enrollment unless we show our interest and the vital need of study in this field by providing more funds for research and experiment and prime the educational pump with educational incentives.

The question inevitably comes to mind as to what some of our less friendly contemporaries, such as the Soviets are doing in this field. Actually, we don't really know but we do know that they have capable scientists, that they have the power to direct their research efforts where their hierarchy sees fit and that they have great advantages of terrain for experiment.

TABLE 9–B.

Course	Degree		
	B.S.	M.S.	Ph. D.
Physical sciences	15,460	3,179	1,812
Mathematics	9,019	496	28
Engineering	38,134	6,753	714
Biology	15,149	2,002	1,045
Total	77,742	12,430	3,599
Meteorology	173	88	13

They have the vast reaches of the Siberian Continent for experiment and can observe results on possible changes of surface and the effects of seeding clouds and other experiment without hindrance. We know they are working on cloud physics, fog dispersal, and other meteorological projects but for the last 4 or 5 years there has been virtually no publication of experiments or results. Is it because of the lack of work in this field? It is more likely because this work has been classified and they are keeping the results to themselves.

There are those who contend that we are ahead of the Soviets in this field. They could be right, though I doubt it. But, so what? It would be a relief for once to lead the field in this vast enterprise to control weather, as we did in the nuclear field, and to use our own initiative and good sense to better our existence and protect ourselves, without requiring the goad of Russian competition.

WORLD PROBLEMS INVOLVED

We must realize that weather control or modification, like nuclear energy, involves world problems. If we change the weather in some parts of the world it will undoubtedly affect the weather in other regions. How? Research and experiment will give us the answer which we hope would produce benefits to all mankind. Nevertheless, the control of global climate and weather must eventually be tackled even though it be fraught with danger, both physical and political, in view of the pressure generated by growing population and perhaps, most of all, because man will never stop harnessing the forces of nature to his use.

Perhaps it is a matter for the United Nations to consider. Such consideration at an early stage might conceivably avoid bitter conflicts or even war later on.

In the foregoing I have tried to bring out the importance of meteorological research in comparison with other scientific fields and the disparity in the interest and the research effort it receives. It seems time to establish a sense of proportion between the value of even limited weather control and better forecasting and the funds allocated to bring about these results. Certainly the end results deserve the same consideration as that which we gave nuclear development and should be treated as such. We have led the world in nuclear power, why not lead the world in meteorology and its application?

To confound Charles Dudley Warner and/or Mark Twain I suggest the following specific objectives as a starting point:

1. Increase the financial support of basic meteorological research from $36 million in 1959 to $100 million a year starting now and being prepared to increase this as circumstances permit.

2. Increase the output of Ph. D.'s in meteorological research tenfold during the next 2 years.

This could be facilitated by evincing greater interests in meteorological research and offering educational incentives.

3. Expand research in weather control from a rather restricted field of cloud physics and cloud seeding to include investigation of the dynamics of the atmosphere on a planetary scale from the standpoint of triggering mechanisms.

Scientific means to reach this objective are now at hand in simulation of the atmosphere on electronic computers and hydrodynamical models. Furthermore, much greater consideration must be given to the interaction between the atmosphere and the sea which covers nearly three-quarters of the surface of the earth. Authority for such work already exists under Public Law 85–510.

4. Accelerate exploitation of the enormous power of meteorological satellites to bring global weather systems under surveillance.

This should not be limited merely to taking photographs of clouds, but should include the use of sophisticated sensing devices for the reconstruction of three-dimensional fields of pressure and temperature on a worldwide basis.

5. Initiate studies to assess the legal, economic, and social implications of large scale weather modifications.

6. Start now.

In conclusion, then, may I urge that the American people make control of the weather equal in scope to the Manhattan district project which produced the first A-bomb.

Mr. CASE of South Dakota. Mr. President, I also ask unanimous consent to have printed in the RECORD the report to the people of my State which I made of my remarks at the National Weather Symposium.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

SENATOR FRANCIS CASE REPORTS—USING EVERY DROP OF WATER

WASHINGTON, April 3.—Last week the most important long-range news in Washington may not have been on Capitol Hill or even at the White House. It could have been the results to flow from a National Water Research Symposium sponsored jointly by the National Association of Soil Conservation Districts and the National Reclamation Association.

With water becoming increasingly recognized as the No. 1 natural resource and the coming No. 1 problem for all parts of the country, these organizations teamed up to bring together chiefs of such agencies as Soil Conservation Service, Reclamation, Army Engineers, Agricultural Research and specialists in water supply and use from all parts of the country.

The program was divided under the general heads of "Water Supply and Management," "Use of Water in Nonirrigated Agriculture," "Use of Water in Irrigated Agriculture," and "Multiple Use of Water Resources and Equitable Allocation."

Sample of topics: Here were some of the topics by various speakers: "Surface and Ground Water Supplies," "Increase Through Weather Modification," "Saline Water Conversion," "Increase From Alpine Snowfields," "Efficient Use in Semiarid Areas," "Effect of Headwater Development," "Design of Storage and Conveyance," "Reducing Losses From Evaporation," "Municipal and Industrial Use," "Flood Control and Navigational Requirements," "Water for Recreational Use," and "Water Control on the Farm."

Following each group of topics, speakers discussed findings of recent research.

Some of the speakers: The partial list suggests the background of the speakers: D. A. Williams, administrator, Soil Conservation Service; Floyd Dominy, Commissioner of Reclamation; Dwight B. Kline, U.S. Weather Bureau; Joseph Strobe, Office of Saline Water; L. B. Nelson, TVA Chemical Development; Glenn H. Beck, dean of agriculture, Kansas; Omer J. Kelley, chief of Soil and Water Management, Colorado; Robert J. Hardman, Water Supply and Control, New Jersey; Grant W. Sharpe, Forestry, Michigan; W. L. Broadhurst, High Plains Hydrologist, Texas; and Dean D. F. Peterson, Research in Water Supply, Utah.

Sessions opened with remarks by four Members of Congress. These were: Senator ROBERT S. KERR, of Oklahoma, chairman of Senate Select Committee on Water; Representative WAYNE ASPINALL, of Colorado, chairman, House Interior Committee; Representative JAMIE WHITTEN, of Mississippi, chairman Appropriations for Agriculture; and Senator FRANCIS CASE, of South Dakota, ranking minority member Public Works Committee.

Printed proceedings: The various speeches and discussions are to be printed. We will endeavor to get copies to supply requests, or at least a résumé of the talks made. If interested let us know.

I think you will be interested in this table which I presented to show the shifting stream flow requirements as forecast in the final report of the Senate Select Committee on National Water Resources:

[In billions of gallons daily]

Streamflow uses	1954	1980	2000
Hydroelectric power	374.0	616.0	635.5
Navigation	281.0	238.4	221.4
Sport fish habitat	78.0	171.0	241.4
Dilution of pollution abatement	-------	332.2	446.5

Notice the shifting requirement as between navigation and power.

"In a dynamic economy such as ours, expanding and changing not only in population and industry, but also in irrigation, power use and recreation, decisions on water use will need to be made, revised and revised again," I pointed out, "and this cannot be done once and forever by fixed formulae. Laws and formulae must respond to human needs."

On demineralizing water: In my remarks, I also called attention to the new methods and devices being developed for taking the mineral salts out of water.

In addition to the demonstrated usability of electrodialysis for reducing hard and alkali waters to good quality for domestic use, I mentioned the fresh water processes that are being developed through freezing and distillation.

In particular, I think that some of the distillation processes, which vaporize thin films of water and draw off this "low-heat steam" and condense it offer practical possibilities for small town and even individual farms and ranches.

Must reach the clouds: We learned the hard way in South Dakota that ground generators tossing off silver iodide mist particles were of little practical value in modifying clouds in the northern Great Plains. We failed to heed the implications of the report by the Advisory Committee on Weather Control when it pointed to the orographic (uplift effect) created by the mountains on the west coast when the moisture-laden winds struck them.

I mention this, also, in my remarks, and pointed out that the dramatic effects of cloud seeding in the plains country came only when airplanes were used to get the nucleating agent directly into the cloud. This, whether silver iodide or dry ice was used, here, or water itself in Japan, or dust in Australia.

The droplets of moisture which are carried in the atmosphere are as small as one twenty-five-hundredths of an inch. They have to grow to one one-hundred-twenty-fifths of an inch in diameter to become heavy enough to fall as rain. In nature, they grow (1) by bumping together (like fog on your windshield); or (2) by cooling to the dew point (as on the outside of your iced tea glass); or (3) by freezing into a frost crystal and picking up more moisture until they fall as snow or hail—or rain, if they fall through a warm zone.

Any seeding operation is an attempt to provide a nucleus on which the moisture particle will grow or which will produce a temperature change enough to start the warm air to rise into an atmosphere cold enough to start the formation of frost crystals, that in turn will grow and fall.

Bentonite and rockets: Recently a professor in London has found that kaolin (a form of bentonite) which has been dehydrated has a special affinity for moisture. His findings reported in Scientific American and Time have suggested to me that we should try the well-known "thirsty" quality of our western bentonite as a nucleating agent.

The suggestion I advanced to the water symposium was that we experiment by using rockets to send small bombs of bentonite to spray or shower powdered bentonite into a cloud. Forest firefighters have found that slurry of bentonite is much more effective than plain water in dousing out treetop fires. It clings. Dams are grouted and dam leaks are sealed by the expansion of water-absorbing bentonite.

So, I suspect that "thirsty" bentonite sprayed into a cloud would gather to itself enough moisture particles to start the drop-growing process and "milk the cloud." Only a small fraction of the moisture that makes a cloud thick enough to become dark and look like rain would need to be obtained to make the difference between a crop and a failure, or drought and grass.

Such a project would be less fantastic than splitting the atom—and might do much more good for mankind. I am trying to promote a trial of the idea.

Mr. CASE of South Dakota. Mr. President, I invite attention to the fact that I made two new proposals. One related to the concentrated use of rockets as a mechanism for getting the nuclei into the clouds for the purpose of cloud modification. The second proposal related to the use of finely powdered bentonite as one of the nuclei, to be tried along with silver iodide, dry ice, and other materials.

Bentonite is a peculiar type of clay with a great affinity for water. It is called hygroscopic. I call it simply thirsty—because it has a faculty for drawing to itself small particles of moisture until it increases in size anywhere from 5 to 13 times.

Utilized in cloud modification, bentonite, by thus increasing in size, would make the small particles of moisture in a cloud grow until they were heavy enough to fall by gravity. This is in effect what happens when rain actually falls. The particles of moisture either run together or coalesce until they are heavy enough to fall. Or, frost crystals form if the cloud is high enough and the atmosphere is cold enough to produce frost crystals. The frost crystals grow in size until the moisture falls as hail, as frost crystals, or as snow.

I submit these observations and the statements in the hope that they will commend themselves to many Members of Congress.

I conclude by saying that the possibilities for good from meteorological research offer much encouragement to those of us who believe that the prime purpose of government is to better the welfare of the people and not to destroy them. In that spirit, I commend these remarks to the readers of the CONGRESSIONAL RECORD.

SUPPLEMENTAL APPROPRIATIONS

Mr. HUMPHREY. Mr. President, I feel that I would be doing an injustice to the Senate if I did not make some rejoinder to what I can only term "an attack" which was leveled a moment ago by the Senator from Idaho [Mr. DWORSHAK].

Mr. CASE of South Dakota. Mr. President, would the Senator agree to a quorum call?

Mr. HUMPHREY. Yes. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. YOUNG of Ohio in the chair). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HUMPHREY. Mr. President, I ask that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, I merely wanted the RECORD in reference to the supplemental appropriation to include the fact that the items which relate to the Commodity Credit Corporation, to which I directed most of my remarks, were items that were not given consideration by the House, simply because it did not have those items before it. They were acted upon by the Senate, and the Senate, by an overwhelming vote, approved their inclusion.

This was honorable bookkeeping. The simple fact of the matter is that in a fiscal year we ought to take care of the costs of that fiscal year. The fiscal year 1961 is exactly what the third supplemental appropriation refers to. It does not refer to any other fiscal year than fiscal 1961. The third supplemental of

fiscal year 1961 was the appropriation that was acted upon in the Senate last week. In that budget the new administration, on examination of the accounts of the Commodity Credit Corporation, found that there was an impairment of capital due to programs which had been authorized by the Congress and carried out by the executive branch. That impairment of capital was to be restored. Under the rules of the House, since the committee held no hearings relating to this capital impairment, it was the view of the House conferees that they could not vote for it in conference.

I merely point out that the impairment of capital still exists. A corporation, whether public or private, should not operate by draining its resources, its capital stock. The capital stock of the Commodity Credit Corporation has been impaired to the tune of more than $3 billion. That has not been reimbursed. It will have to be reimbursed next year. In fact, right now the Commodity Credit Corporation is within $500 million of the full utilization of its capital; and if between now and June 30 additional commodities come into the possession of the Commodity Credit Corporation, the capital will be impaired to the full value of the capital assets of the Commodity Credit Corporation.

I am not being partisan on this issue. I must say that one's objectivity should be greater than his partisanship. I do not believe that angry words are a substitute for fiscal understanding. We must pay these bills. The only question is when. It seems to me that the time to pay the bills is when they are due. I wish to say for the RECORD, and to the country, that fiscal year 1962 will have imposed upon it additional billions of dollars of unpaid bills from fiscal year 1961.

The majority party concurred in this supplemental appropriation. I am not one to refrain from criticizing my own party when I think it is wrong. I am first a citizen of America, an American, and second a partisan; and I will always keep it that way, too.

If the majority party is willing to saddle upon the first budget for which it has full responsibility, namely, fiscal year 1962, an additional $3 billion for Commodity Credit Corporation assets that have been used in fiscal 1961, if we are willing to take that additional responsibility, we have exceeded the bounds of what I call even prudent generosity. This we have done, and this will add to the deficit of 1962, because we cannot operate the Commodity Credit Corporation on faith, hope, and charity. Perhaps we could do a little better with charity. The other two would not help much. The Commodity Credit Corporation must be operated on the basis of sound cost accounting, in which the inventory is related to the assets that are available to pay for inventory plus storage charges.

All we did in connection with the third supplemental appropriation was to postpone the day of reckoning for the District of Columbia, for the Commodity Credit Corporation, and for certain other items. All those bills were due by January 30, 1961. That was the due date. But apparently we are so hopeful and joyful these days that we thought we would have the due date extended.

That will simply mean that fiscal year 1962 will have to have a larger appropriation in order to take care of the financial integrity of the world's largest corporation, the Commodity Credit Corporation. Today it stands within $500 million of having utilized all of its assets, with heavy demands upon it for the coming months, the crop years 1961 and 1962, and the fiscal year 1962.

I do not believe that the denunciation of one Senator is the answer to a serious fiscal problem. I feel that the duty of a Senator is to reason with his colleagues and not to engage in an exercise of vitriolic comment. We need to face up to our financial responsibilities. I have always found that in private business, relating to one's own finances, and in public finances it is better to have an honest set of books. Whether one can always pay his bills or not may depend upon resources available, but we had better have an honest set of books. We would be deluding ourselves if we thought we could ignore what has happened to over $3 billion worth of assets in this Government—in the Department of Agriculture, and the Commodity Credit Corporation.

Of course, we shall have to replace those funds because the entire agricultural price support stabilization structure depends upon it, unless we replace those funds next year, we shall put in jeopardy the solvency of the entire Commodity Credit Corporation.

So what will we do? We will replace those funds.

By the way, we have replaced the funds before, just as we have done this year. It was brought out in the RECORD that there were two other supplemental appropriations relating to Commodity Credit expenditures, I believe the years were 1956 and 1958. The RECORD can stand corrected if those are not the two appropriate years. There were two other times when substantial sums of money were appropriated by way of supplemental appropriation by a Congress that had relatively the same obligation politically and elsewhere. One of the times was only a very few months ago, when appropriations were made, and we restored the capital of the Commodity Credit Corporation.

I speak not as a Democrat but as a citizen and as a U.S. Senator. My party will be held accountable. One of the first things to do to be a good party member is to hold one's party accountable. I am going to hope, and I am going to work for the realization of party responsibility and fiscal integrity in this Government. The only way I know to have fiscal integrity is to face up to the counting of the costs of operating the Government, and when we do so, the American people will have reason to have confidence in the fiscal stability and the monetary policies of the Government of the United States.

ADJOURNMENT UNTIL THURSDAY

Mr. HUMPHREY. Mr. President, if there is no further business to come before the Senate, I move that the Senate adjourn until 12 o'clock noon on Thursday.

The motion was agreed to; and (at 1 o'clock and 49 minutes p.m.) the Senate adjourned until Thursday, April 6, 1961, at 12 o'clock meridian.

NOMINATION

Executive nomination received by the Senate April 3, 1961:

DIPLOMATIC AND FOREIGN SERVICE

Thomas C. Mann, of Texas, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Mexico.

EXTENSIONS OF REMARKS

Medical Care for the Aged

EXTENSION OF REMARKS
OF
HON. ANDREW F. SCHOEPPEL
OF KANSAS
IN THE SENATE OF THE UNITED STATES
Monday, April 3, 1961

Mr. SCHOEPPEL. Mr. President, on January 27, the distinguished Senator from Utah [Mr. BENNETT] delivered before the Harvard Medical Society, at Boston, Mass., a speech entitled "Medical Care for the Aged." Because of the importance of the speech and its interesting content, I ask unanimous consent that it be printed in the CONGRESSIONAL RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

MEDICAL CARE FOR THE AGED

(Speech by Senator BENNETT on January 27, 1961, Harvard Medical School, Boston, Mass.)

It is good to be with you today to discuss some of the problems pertaining to medical care for the aged. It is rather an unusual situation in 1961 for someone to be coming from Washington to Harvard. The trend in recent weeks has certainly been quite the reverse. However, I appreciate the invitation which was extended to me by Dr. Peterson to meet with you and give you some of my views on this important problem.

The problem of medical care for the aged has been with us for many years. However, the problem has only come to the forefront as a political issue during the past two Congresses. The length of the working life and the number of years an individual spends in retirement have increased tremendously since 1900. The average number of years an American male could expect to spend in the labor force increased by over 11 years between 1900 and 1961. At the same time, the number of years a male at age 20 could expect to spend in retirement increased by

3.6 years. In the year 1900 life expectancy in the United States was only 47.3 years, whereas today it is 69.7. Thus, we can see why this problem has grown to the extent where today we have almost 16 million persons over the age of 65.

Congress has not been unmindful of this problem as is evidenced by the enactment in 1936 of social security legislation which has been changed and added to by almost every Congress since that date. Last year, Congress passed a law setting up a program to supply medical and institutional care to meet the needs of people over 65 years of age. This legislation is referred to as the Mills-Kerr bill and is now Public Law 86–778. This law calls for cooperation between the Federal Government and the States and provides for Federal grants on the basis of local needs and efforts to meet the problems of the aged who are in need of medical attention. Several States have already passed legislation to implement the medical care bill passed by the last Congress and it is expected that most States will have this new program in operation before the end of this year.

Yet, even before this new law can become operative we are being asked to reconsider the problem and accept a different solution—a solution which was considered and rejected less than 6 months ago. At least seven bills have been introduced in the House and two in the Senate, all patterned after the Forand-McNamara-Kennedy bills of the last Congress which would institute a compulsory system of medical care for the aged under the social security system.

Why is there so much pressure being exercised for this new legislation? The answer is simple. There has been no change in the need for a law of this type, but there has been a change in the political administration in Washington. Last year, as a candidate, our new President supported the social security approach and used all the power he could exercise to get Congress to adopt such a plan. He failed. Now, with the greatly increased power he has as President, he is going to try again. Unfortunately, this time he may quite likely succeed.

ANALYSIS OF TWO APPROACHES OF MEDICAL CARE FOR THE AGED

Let's look at the situation, first as it existed last year, and secondly, as it exists now, and explore the two different approaches in trying to solve this problem.

1. Has there been, or is there now, any spontaneous public demand for any such program? The answer is no. During the months in which this legislation has been pending before Congress, I have received from my constituents only a handful of what I would consider personally written letters urging the adoption of a medical care program tied to social security. It is true, I have received several hundred identical form letters inspired by labor unions and other pressure groups urging approval of the social security formula for solving this problem. Generally, however, I have not received mail in sufficient volume to indicate that there is any great ground swell demanding enactment of a compulsory medical care program, such as that advocated by President Kennedy and his legislative leaders in the House and Senate. In fact, most of the mail received in my office has indicated just the opposite—that there is no emergency which would require a crash program in this area. Consequently, I am convinced that whatever pressure exists for this legislation has been politically generated. Last year medical care for the aged was a good campaign issue. Now it is a campaign promise to be kept.

2. Next we turn to the question of need—national and personal.

At the present time, the population of the United States is slightly in excess of 182 million people.

Of this number, approximately 16 million are 65 or over.

Only 4 million of the 16 million are not under social security.

Of the 16 million only half a million can be classified as suffering from chronic illness.

According to the Health Insurance Association of America, 49 percent of persons 65 or over are covered by health and medical insurance, and at the present rate of growth, this coverage is expected to reach 75 percent by 1965 and 90 percent by 1970.

According to a recent national study published last August by Dr. James W. Wiggins and Helmut Schoeck of Emory University, the medical needs of our aged have been greatly overexaggerated. Their survey indicated that:

Nine of every ten older persons report they have no unfilled medical needs.

Ninety percent of those 65 or over reported they enjoy good or fair health.

Sixty-eight percent said they could pay for a medical emergency out of their own means.

Half of the persons queried reported income in excess of $2,000 per year; 1 out of 20 had income in excess of $10,000.

Most of the aged reported net worth in excess of $10,000.

Sixty percent did not think a new Federal program could do anything for them personally.

Majority indicated life was much easier for them than for their aged parents.

Ninety percent could think of no medical needs that were not being taken care of.

Sixty percent are now covered by private voluntary health insurance.

Eighty percent are members of a church. If special care was needed from outside the family, twice as many elderly Americans would prefer to get such assistance from their church rather than from the Government.

Wiggins said much of what has been reported in the past about the health and welfare of older persons is based upon inaccurate data derived from the experiences of a generation ago or from the studies of the hospitalized or chronically dependent.

The Wiggins report indicates that the great majority of Americans over 65 are capably financing their own health care and prefer to do it without Federal Government intervention.

3. Based on the facts and statistics before us, Congress had to decide whether this record justified a Federal program—even in the face of the lack of public demand. But politics in a presidential election year creates its own demands and they were great enough to produce action. In the final debates in the House Ways and Means Committee and the Senate Finance Committee, and again on the floor of the House and Senate, the Forand and McNamara bills were soundly defeated. Likewise, the Kennedy-Anderson amendment, which preserved the social security approach, but which was more restricted as to benefits, was defeated 51 to 44. As I previously indicated, bills patterned after the Forand and McNamara approach have been reintroduced in this session.

4. Regardless of the details of any program selected to solve the medical care problem, we in the Congress are wrestling with a philosophical decision represented by three essentially different points of view. Briefly described they are the following:

1. Should the Federal Government recognize the value of the growing volume of private health insurance, and help to expand this protection by contributing part, or all, of the cost of premiums to those who could not provide these funds themselves?

2. Should these benefits be available to particular people as a matter of special right regardless of need, under a program added to the Social Security System?

3. Should we make actual need the basis of the distribution of benefits and thus reduce the cost by taking advantage of private funds available in each case? Under this approach, the States would share in the cost and administer the program, including the criteria for the determination of need.

The first-named program, introduced by Senator JAVITS, of New York, with the support of Vice President Nixon, was never really seriously considered. It got 28 votes on the Senate floor, and passed out of the controversy.

The social security approach, represented by the Forand bill in the House, and McNamara and Gore bills in the Senate had the support of AFL–CIO, as well as Candidate Kennedy, but was rejected by both Houses, even in such modified form as the Anderson amendment.

The "needs" approach had the approval and support of the AMA. It was worked out by the Ways and Means Committee of the House and adopted there. When it came to the Senate, the Finance Committee modified it further, but did not change its essential features, and it was passed on August 23 and became Public Law 86–778 on September 13, 1960.

RIGHTS AND NEEDS

The contest between the "rights" and the "needs" approach was bitterly fought, and is not settled yet. Each point of view has its strengths and its weaknesses, and these are worth cataloging.

A. Those who advocate medical care for the aged tied to the social security system, hope to benefit from the general public acceptance of that system. But as an opponent to this approach, I would like to point out the following weaknesses:

1. A medical care plan placed under social security would change the basic pattern of payments from one of cash benefits based on earnings to service benefits without regard to contributions.

2. Its added cost would overburden the Social Security System. Social security taxes, now at 6 percent, divided between employee and employer, are due to go to 9 percent by 1969. If medical care benefits are added this tax could conceivably rise to 20 percent in the not too distant future.

B. Cost estimates for the various medical care plans:

1. Forand-McNamara bills: Most conservative estimates place the initial cost between $3 and $4 billion with sharp increases expected as additional benefits and persons are added to the plan. In fact, if the same extensions are made to the medical care plan as has been our experience with other social security benefits, we could expect the cost of this program to soon be in excess of $8 billion per year.

2. Anderson amendment: Proponents of this bill estimated it would cost $700 million the first year and $1 billion each year thereafter. However, actuaries for the Health Insurance Association in reviewing this measure said the cost would be almost double the first year ($1,331 million) and would be in excess of $2 billion per year thereafter.

3. The Senate Finance Committee bill, which is now Public Law 86–778, is estimated to cost the Federal Government approximately $190 million per year.

Government security welfare programs incubate an overwhelming political demand for more welfare. Our own programs indicate this. But Sweden is much more of a welfare state. There, pensioners have become politically powerful, demanding even more from the rest of the people. During the past year, Sweden was forced to slap an additional 4 percent sales tax on top of all other taxes to help pay the ever-mounting

costs of their cradle-to-the-grave welfare programs.

It is important to point out that all of these plans are now in their infancy and would undoubtedly grow in the future. Originally, the cost of social security when it was enacted in 1936 was to be 2 percent on the first $3,000 of each worker's income. The cost is now more than 450 percent higher. We are now paying 6 percent on the first $4,800 of income each year and the program is still underfinanced. Deductions will go up to 9 percent by 1969.

Six major changes (four in the last 6 years) have been made in the social security program since its birth. Retirement benefits have been increased 17 percent more than the increase in the cost of living. Coverage has been vastly extended. Survivor benefits have been enlarged. The age for eligibility for women has been lowered to 62 and bills are now pending which would grant earlier retirement to men.

4. Malingering would be rampant if care as a matter of right were extended to all. This system which would substitute entitlement by right in place of actual need would encourage widespread overuse and abuse of medical facilities.

I have always remembered a personal experience I had 25 or 30 years ago. A small company with which I was connected instituted a system to provide sick benefits for employees and entitled each worker to a limited number of days of sick leave each year. One employee near the end of the year suddenly became sick almost every other day. When the visiting committee went to call on him unexpectedly, they found him in bed with his clothes on, including his shoes. They chided him for it and asked him why. His answer has been ringing through my mind ever since. He said, "I means to have my share." I am certain there are many persons who will attempt to have their share on the basis of entitlement rather than need.

5. Under the Forand-McNamara approach, service will be supplied as a matter of right to many who don't need it and will be denied to some who do. For instance, there are more than 4 million persons over 65 who are not covered by social security who would not be entitled to any benefits. Likewise, retired railroad employees and also Federal employees would not be covered under the plan even though their medical needs are certainly as great. On the other hand, many veterans would be eligible for double entitlement and could pick and choose wherever they thought they could obtain more benefits.

6. It would put an unfair burden on the presently employed people contributing to social security. Nine million would get benefits for which they have made no contribution.

7. It concentrates on a narrow tax base—$4,800.

8. It has been called pay-as-you-go but social security is pay now, you get benefits later—maybe. (There is no relationship between payments and benefits.)

9. Contributions would be compulsory, just as is England's health scheme but this was carefully played down, and the idea of "rights" was stressed.

10. To the doctor it represents an unhappy intrusion of the state into his relationship with his patient. While under the Anderson bill, he could get no money from the program for his services, the money to pay the other bills would come directly from the Social Security System to the vendor—the person would not pay his own bills. This would involve a proliferation of local social security office and eventually a new health care agency—duplicating existing State and local ones.

ADVANTAGES OF THE VOLUNTARY APPROACH

We who supported the Mills-Kerr approach, based on need, made the following arguments:

1. Under the present old-age assistance program, we have an existing system professionally staffed to care for the needs of our elderly—including to a limited extent health needs. The Mills-Kerr approach will add responsibilities but will be no wrench to the system, and would not adopt any new method of handling payments.

2. The costs can be kept at a minimum.

a. State participation will help control it.

b. Costs would vary only with need—might actually be near their peak now. The proportion of the aged in our population is now 8.6 and it is expected to level off at 9 percent.

c. Less susceptible to political measures.

d. Full needed services available—no foot-in-the-door limitations.

3. Cost would be spread over broadest possible tax base—all Federal and State taxpayers. It is a true pay-as-you-go basis.

4. No compulsory contributions—no double burden for present wage earners.

5. Services of doctors included—no change in present patient relationship.

The chief argument against the Mills-Kerr bill was a bold falsehood—that the bill required a pauper's oath. No such thing is required. The basis for determining need is left to each State. If this is degrading then all service involving decisions by trained social service workers is degrading.

WHAT TO EXPECT

The Kerr-Mills bill is now Public Law 86-778. I sincerely doubt it will be repealed. Instead, some version of the original Forand bill will probably be superimposed on top of it, and require two parallel organizations. Eventually, under Gresham's law, the rights approach will drive the needs approach out, and we may end up with compulsory Federal health insurance, covering all needs for all people. At first, we can expect medical care just for the aged, but eventually the age limit will be gradually reduced, and finally eliminated. Simultaneously, the definition of "right" will become fuzzy and disappear. This will be the end of the present social security, and we will have federalized medicine, dentistry, hospitals, nursing homes, medical education, and drug production for all our population.

Can it be stopped? We won the battle last August, but it will be much harder this time, with the power of the Presidency behind it. I think it's worth the fight.

SENATE

THURSDAY, APRIL 6, 1961

The Senate met at 12 o'clock meridian, and was called to order by the President pro tempore.

Rev. John D. Mears, rector, Church of the Good Shepherd, Buffalo, N.Y., offered the following prayer:

O God, whose upright hand and mighty arm didst free Thy children from their bonds, to pass over dryshod amidst dangers both of sea and armed might, and who led them from a wilderness of fears to a land of hope for the brave, lead us, with Thine arms upheld upon the crossbar of sacrifice, from the wilderness of men and nations' tortured plans, to a society of the free and the brave. Thus may the signal fruits of Thy love, of ordered peace and godly quietness, be shared by free men everywhere.

And give to these, Thy servants, now seated in authority, the continual guidance of Thy holy spirit, that over all their deliberations and decisions the grandeur of Thy vision shall be seen, and Thy straightway followed. We ask these things in the name of Him who is both Spotless Lamb and Risen King, Jesus Christ, our Lord. Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Monday, April 3, 1961, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. MANSFIELD. Mr. President, under the rule, there will be the usual morning hour for the transaction of routine business. I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

REPORT ON AGREEMENTS CONCLUDED UNDER AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

A letter from the Administrator, Foreign Agricultural Service, Department of Agriculture, transmitting, pursuant to law, a report on agreements concluded during the month of February 1961, under title I of the Agricultural Trade Development and Assistance Act of 1954 (with accompanying papers); to the Committee on Agriculture and Forestry.

REPORT ON REAPPORTIONMENT OF AN APPROPRIATION

A letter from the Acting Director, Bureau of the Budget, Executive Office of the President, reporting, pursuant to law, that the "Limitation on salaries and expenses, Office of Alien Property," for the fiscal year 1961, had been apportioned on a basis indicating a need for a supplemental estimate of appropriation; to the Committee on Appropriations.

BENEFITS FOR CERTAIN MEMBERS OF PHILIPPINE SCOUTS

A letter from the Assistant Secretary of State, transmitting, for the consideration of the Senate, a copy of a letter from the Ambassador of the Philippines, expressing his views on the desirability of amending House bill 1133, to include the members and survivors of members of the Insular Force of the U.S. Navy among those entitled to receive the benefits provided for (with an accompanying paper); to the Committee on Armed Services.

CONSTRUCTION OF CERTAIN AIR NATIONAL GUARD FACILITIES

A letter from the Assistant Secretary of Defense, Installations and Logistics, reporting, pursuant to law, on the construction of certain Air National Guard facilities at Thomas C. Imeson Airport, Jacksonville, Fla., and Foss Field, Sioux Falls, S. Dak.; to the Committee on Armed Services.

NOTICE OF PROPOSED DISPOSITION OF CERTAIN WATERFOWL FEATHERS AND DOWN

A letter from the Administrator, General Services Administration, Washington, D.C., transmitting, pursuant to law, a copy of a notice to be published in the Federal Register of a proposed disposition of approximately 2 million pounds of waterfowl feathers and down now held in the national stockpile (with an accompanying paper); to the Committee on Armed Services.

EXTENSION OF BENEFITS FOR CERTAIN VETERANS

A letter from the Administrator of Veterans' Affairs, Veterans' Administration, Washington, D.C., transmitting a draft of proposed legislation to extend the provisions for benefits based on limited periods immediately following discharge from active duty after December 31, 1956, to veterans discharged before that date (with an accompanying paper); to the Committee on Finance.

AMENDMENT OF ARTICLES OF AGREEMENT OF THE INTERNATIONAL FINANCE CORPORATION

A letter from the Secretary of the Treasury, transmitting a draft of proposed legislation to authorize acceptance of an amendment to the articles of agreement of the International Finance Corporation permitting investment in capital stock (with an accompanying paper); to the Committee on Foreign Relations:

REPORT ON REVIEW OF CERTAIN PRACTICES RELATING TO HOSPITAL AND MEDICAL CARE PROGRAMS, DISTRICT OF COLUMBIA GOVERNMENT

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the review of admission and collection practices relating to the hospital and medical care programs, Department of Public Health, District of Columbia Government, January 1960 (with an accompanying report); to the Committee on Government Operations.

REPORT ON REVIEW OF SELECTED CONTRACTS, INTERNATIONAL COOPERATION ADMINISTRATION

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the review of negotiation and administration of selected construction and technical service contracts, International Cooperation Administration, Department of State, fiscal years 1958–60 (with an accompanying report); to the Committee on Government Operations.

REPORT ON REVIEW OF SELECTED OPERATIONS OF COMPENSATION AND PENSION PROGRAM, VETERANS' ADMINISTRATION

A letter from the Assistant Comptroller General of the United States, transmitting, pursuant to law, a report on the review of selected operations of the compensation and pension program, Veterans' Administration; June 1960 (with an accompanying report); to the Committee on Government Operations.

DRAINAGE CONSTRUCTION PROGRAM ON ROZA DIVISION OF YAKIMA PROJECT, WASHINGTON

A letter from the Assistant Secretary of the Interior, transmitting, pursuant to law, a draft of contract covering drainage work and minor construction required for completion of the drainage construction program on the Roza division of the Yakima project, Washington (with accompanying papers); to the Committee on Interior and Insular Affairs.

AMENDMENT OF COMMUNICATIONS ACT OF 1934, RELATING TO ISSUANCE OF RADIO OPERATOR LICENSES TO NATIONALS OF THE UNITED STATES

A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to amend the Communications Act of 1934 to authorize the issuance of radio operator licenses to nationals of the United States (with an accompanying paper); to the Committee on Interstate and Foreign Commerce.

REPORT OF TORT CLAIMS PAID BY DEPARTMENT OF LABOR

A letter from the Secretary of Labor, transmitting, pursuant to law, a report on tort claims paid by that Department, for the year ended December 31, 1960 (with an accompanying report); to the Committee on the Judiciary.

REPORT ON TORT CLAIMS PAID BY GOVERNMENT PRINTING OFFICE

A letter from the Public Printer, U.S. Government Printing Office, Washington, D.C., transmitting, pursuant to law, a report on tort claims paid by that Office, during the fiscal year 1960 (with an accompanying report); to the Committee on the Judiciary.

REPORT OF ADMINISTRATIVE OFFICE OF THE UNITED STATES COURTS ON BANKRUPTCY STATISTICS

A letter from the Director, Administrative Office of the United States Courts, Washington, D.C., transmitting, pursuant to law, a report on business transacted by the bankruptcy courts, during the fiscal year ended June 30, 1960 (with an accompanying report); to the Committee on the Judiciary.

REPORT OF THE AMERICAN ACADEMY OF ARTS AND LETTERS

A letter from the Assistant to the President, the American Academy of Arts and Letters, New York, N.Y., transmitting, pursuant to law, a report of that Academy, for the year 1960 (with an accompanying report); to the Committee on the Judiciary.

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

Two letters from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders suspending deportation of certain aliens, together with a statement of the facts and pertinent provisions of law pertaining to each alien, and the reasons for ordering such suspension (with accompanying papers); to the Committee on the Judiciary.

ADMISSION INTO THE UNITED STATES OF CERTAIN DEFECTOR ALIENS

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders entered granting admission into the United States of certain defector aliens (with accompanying papers); to the Committee on the Judiciary.

STATUS OF PERMANENT RESIDENCE OF A CERTAIN ALIEN

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, a copy of the order granting the application for permanent residence filed by Edward Zurek, together with a statement of the facts and pertinent provisions of law as to such alien, and the reasons for granting such application (with accompanying papers); to the Committee on the Judiciary.

RECOMMENDATIONS ADOPTED BY INTERNATIONAL LABOR ORGANIZATION

A letter from the Assistant Secretary of State, transmitting, pursuant to law, recommendations adopted by the International Labor Conference, at Geneva, June 1960 (with accompanying papers); to the Committee on Labor and Public Welfare.

PRESENTMENT ENTITLED "IN THE MATTER OF THE INVESTIGATION OF THE ACTIVITIES OF THE FEDERAL FOOD AND DRUG ADMINISTRATION AS THEY PERTAIN TO THE PROBLEM OF COUNTERFEIT DRUGS IN NEW JERSEY"

A letter from the clerk to the grand jury of Hudson County, Trenton, N.J., transmitting, pursuant to the order of Hon. Peter P. Artaserse, assignment judge of the superior court in Hudson County, N.J., a copy of a presentment entitled "In the Matter of the Investigation of the Activities of the Federal Food and Drug Administration as They Pertain to the Problem of Counterfeit Drugs in New Jersey" (with an accompanying paper); to the Committee on Labor and Public Welfare.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

A joint resolution of the Legislature of the State of Connecticut; to the Committee on the Judiciary:

"SENATE JOINT RESOLUTION 8

"Joint resolution ratifying the proposed amendment to the Constitution of the United States relating to the granting of representation in the electoral college to the District of Columbia

"Whereas, the 86th Congress of the United States of America at its 2d session, in both Houses, by a constitutional majority of two-thirds thereof, has made the following proposition to amend the Constitution of the United States, in the following words, to wit:

"'JOINT RESOLUTION —

"'*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein)*, That the following article is hereby proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution only if ratified by the legislatures of three-fourths of the several States within seven years from the date of its submission by the Congress:

"' 'ARTICLE —

"' 'SECTION 1. The District constituting the seat of government of the United States shall appoint in such manner as the Congress may direct:

"' 'A number of electors of President and Vice President equal to the whole number of Senators and Representatives in Congress to which the District would be entitled if it were a State, but in no event more than the least populous State; they shall be in addition to those appointed by the States, but they shall be considered for the purposes of the election of President and Vice President, to be electors appointed by a State; and they shall meet in the District and perform such

duties as provided by the twelfth article of amendment.

"'"SEC. 2. The Congress shall have power to enforce this article by appropriate legislation." '; be it

"Resolved by the General Assembly of the State of Connecticut, That the said proposed amendment to the Constitution of the United States of America be and the same is hereby ratified; and be it further

"Resolved, That certified copies of this resolution shall be forwarded by the Governor of the State of Connecticut to the President of the United States, the Secretary of State of the United States, the President of the Senate, and the Speaker of the House of Respresentatives of the United States."

A joint resolution of the General Assembly of the State of Ohio; to the Committee on the Judiciary:

"JOINT RESOLUTION 22

"Joint resolution providing for ratification of the proposed amendment of the Constitution of the United States, relating to the granting of representation in the electoral college to the District of Columbia

"Whereas, both Houses of the 86th Congress of the United States of America, at the 2d session of such Congress, by a constitutional majority of two-thirds of each House thereof, made a proposition to amend the Constitution of the United States in the following words, to wit:

"'JOINT RESOLUTION —

"'*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein),* That the following article is hereby proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution only if ratified by the legislatures of three-fourths of the several States within 7 years from the date of its submission by the Congress:

"'"ARTICLE —

"'"SECTION 1. The District constituting the seat of government of the United States shall appoint in such manner as the Congress may direct:

"'"A number of electors of President and Vice President equal to the whole number of Senators and Representatives in Congress to which the District would be entitled if it were a State, but in no event more than the least populous State; they shall be in addition to those appointed by the States, but they shall be considered, for the purposes of the election of President and Vice President, to be electors appointed by a State; and they shall meet in the District and perform such duties as provided by the twelfth article of amendment.

"'"SEC. 2. The Congress shall have power to enforce this article by appropriate legislation"'; be it

"Resolved by the General Assembly of the State of Ohio, That the said proposed amendment to the Constitution of the United States of America be, and the same is hereby ratified; and be it further

"Resolved, That the secretary of state of the State of Ohio be, and he is hereby directed, to deliver to the Governor a certified copy of this resolution and such certified copy shall be forwarded at once by the Governor to the Administrator of General Services, Washington, D.C., to the President of the Senate, and to the Speaker of the House of Representatives of the Congress of the United States.

"ROGER CLOUD,
"Speaker of the House of Representatives.
"JOHN W. DONAHEY,
"President of the Senate.
"TED W. BROWN,
"Secretary of State."

A concurrent resolution of the Legislature of the State of Michigan; to the Committee on Finance:

"SENATE CONCURRENT RESOLUTION 20

"Concurrent resolution relative to the repeal of the Federal excise tax on automobiles

"Whereas the automotive industry has experienced a serious sales depression, which has created a grave situation of consequent curtailment of production, unemployment, economic hardship and exploding demands on tax-supported public services. It has been disruptive of Michigan's and the Nation's economy; and

"Whereas repeal of the Federal excise tax on automobiles is urgently needed to reverse these trends and regain State and National prosperity: Now, therefore, be it

"Resolved by the senate (the house of representatives concurring), That the Michigan Legislature respectfully requests the Congress of the United States to effect public hearings by the U.S. House of Representatives on the proposition of the repeal of the Federal excise tax on automobiles; and be it further

"Resolved, That copies of this resolution be transmitted to the President of the United States, the President of the Senate, and the Speaker of the House of Representatives, and to each Member of the Michigan delegation to the U.S. Senate and the House of Representatives.

"Adopted by the senate, March 15, 1961.

"FRED I. CHASE,
"Secretary of the Senate.

"Adopted by the house, March 23, 1961.

"NORMAN E. PHILLEO,
"Clerk of the House of Representatives."

A resolution of the House of Representatives of the State of Michigan; to the Committee on Finance:

"HOUSE RESOLUTION 25

"Resolution memorializing the Congress of the United States to enact legislation which will convert from loans to grants the moneys advanced to the several States for payment of temporary unemployment compensation

"Whereas severe unemployment in Michigan over the past several years has resulted from a general weakness in the national economy which is beyond the control of Michigan or any other State to deal with effectively; and

"Whereas such severe unemployment in the recession of 1958 resulted in benefit expenditures of $323 million, an amount greater than had ever been experienced before and which threatens to exhaust the fund; and

"Whereas this required an advance of $113 million, which advance is repayable to the Federal Government, either from the moneys in the Michigan Unemployment Compensation Fund or by a reduction in the offset granted to employers against their liabilities under the Federal Unemployment Tax Act; and

"Whereas such reduction in the Federal tax offset will become effective January 1963 on 1962 payrolls if the advance obtained in 1958 is not fully repaid; and

"Whereas the Congress of the United States, by Public Law 441 of the 85th Congress, authorized the advance of Federal funds to the several States for the purpose of paying temporary unemployment compensation to covered workers who had exhausted their entitlement under State laws; and

"Whereas the Michigan Employment Security Commission, and 17 other States, entered into an agreement with the Federal Government for the purpose of paying temporary unemployment compensation; and

"Whereas pursuant to such agreement Michigan paid in excess of $76 million in TUC to more than 200,000 unemployed workers from June 1958 through July 1959, which funds are repayable to the Federal Government starting January 1964 on 1963 taxable payrolls; and

"Whereas contribution rates of Michigan employers currently average in excess of 3 percent of taxable payroll (and is expected to go higher in the next few years) and are as high as 4.5 percent of taxable payroll, much higher than the maximum payable in most other States; and

"Whereas as a result of the operation of the repayment provisions governing both the advance obtained in 1958 and the moneys received to pay temporary unemployment compensation will result in a maximum tax rate in excess of 6 percent on some Michigan employers by January 1967; and

"Whereas such contribution rates put Michigan employers in a disadvantageous position wih respect to employers in other States and discourage necessary expansion of industry within the State; and

"Whereas the January 31, 1961, balance of the Michigan unemployment compensation fund was approximately $200 million and the obligations to the Federal Government total approximately $190 million, consisting of $113 million loan and the $76 million TUC advance; and

"Whereas the current rate of expenditures is in excess of the current rate of income to the Michigan unemployment compensation fund (even with a tax rate in excess of 3 percent), thereby making it impossible to repay the Federal obligation from the fund and maintain funds with which to pay benefits: Now, therefore, be it

"Resolved by the house of representatives, That the members of the Michigan Legislature respectfully request the Congress of the United States to enact legislation which will convert the moneys advanced to the several States for payment of temporary unemployment compensation from loans to grants; and be it further

"Resolved, That a copy of this resolution be transmitted to the President of the United States, the President of the Senate and the Speaker of the House of Representatives of the Congress of the United States, and to each member of the Michigan delegation in the U.S. Senate and House of Representatives.

"Adopted by the House March 16, 1961.

"NORMAN C. PHILLES,
"Clerk of the House of Representatives."

A resolution of the General Assembly of the State of Rhode Island; to the Committee on the Judiciary:

"RESOLUTION A

"Resolution ratifying the proposed amendment to the Constitution of the United States relating to granting representation in the electoral college to the District of Columbia

"Whereas the House of Representatives of the United States and the U.S. Senate, by the constitutional vote of two-thirds of each House concurring therein, did enact at the 2d session of the 86th Congress of the United States of America in 1960, a proposed amendment of the Constitution of the United States; and

"Whereas said proposed amendment was submitted to the States for ratification upon June 21, 1960, and said proposed amendment to the Constitution of the United States of America is in the following words, to wit:

"'ARTICLE —

"'SECTION 1. The District constituting the seat of government of the United States shall

appoint in such manner as the Congress may direct:

"'A number of electors of President and Vice President equal to the whole number of Senators and Representatives in Congress to which the District would be entitled if it were a State, but in no event more than the least populous State; they shall be in addition to those appointed by the States, but they shall be considered, for the purposes of the election of President and Vice President, to be electors appointed by a State; and they shall meet in the District and perform such duties as provided by the 12th article of amendment.

"'SEC. 2. The Congress shall have power to enforce this article by appropriate legislation': Now, therefore, be it

"Resolved, That the General Assembly of the State of Rhode Island and Providence Plantations does hereby ratify the above proposed amendment to the Constitution of the United States of America; and be it further

"Resolved, That certified copies of this resolution be immediately transferred by the secretary of state of the State of Rhode Island and Providence Plantations to the President of the United States, the President of the Senate of the United States, the Speaker of the House of Representatives of the United States, and the Administrator of General Services of the United States."

A concurrent resolution of the Legislature of the State of Hawaii; to the Committee on Labor and Public Welfare:

"CONCURRENT RESOLUTION 25

"Whereas millions of veterans of World War II and of the Korean conflict have been trained and educated under the provisions of the veterans educational program established by the Federal Government; and

"Whereas the education of said veterans has contributed to an increase in the educational level of this Nation and has produced a major national asset which has contributed much to the economy and strength of this Nation; and

"Whereas reliable statistics have proved that increased income to veterans arising out of their higher educational level will more than reimburse the Treasury of the entire cost of the GI training program by 1970; and

"Whereas the President of the United States, by Executive order on January 31, 1955, stopped the educational benefits for persons serving in the Armed Forces of the United States, after February 1, 1955; and

"Whereas such Executive order has deprived millions of Americans, including 13,000 citizens of Hawaii serving in the Armed Forces, of the educational benefits previously extended to veterans; and

"Whereas it is believed that as long as the draft is continued that all persons serving in the Armed Forces should be extended the educational opportunities enjoyed by veterans serving prior to February 1, 1955: Now, therefore, be it

"Resolved by the Senate of the First Legislature of the State of Hawaii, general session of 1961 (the house of representatives concurring), That the Congress of the United States be and is hereby requested to extend GI educational benefits to all veterans who entered, or who enter, military services from and after February 1, 1955, and that such educational benefits be extended so long as the provisions of the draft law exists; and be it further

"Resolved, That authenticated copies of this concurrent resolution be forwarded to the President of the Senate and the Speaker of the House of Representatives of the Congress of the United States, and to each Member of the Congress from the State of Hawaii."

Two joint resolutions of the Legislature of the State of California; to the Committee on Banking and Currency:

"SENATE JOINT RESOLUTION 8

"Joint resolution relative to the price of gold

"Whereas the State of California is cognizant of the current national crisis in the amount of gold reserves; and

"Whereas an increase in our national gold reserve would alleviate this situation and provide sound stability to our economy; and

"Whereas the State of California, since the gold rush days of 1849, has been highly interested in the gold mining industry; and

"Whereas practically all gold mines in this Nation have been closed due to increased costs of operation and the low price of gold; and

"Whereas the gold mining industry has been so severely depressed in this and other States with heavy losses being sustained by persons in the industry that it has almost been suppressed; and

"Whereas the State of California contains extensive land areas from which gold could profitably be extracted in the event of a gold price increase: Now, therefore, be it

"Resolved by the Senate and Assembly of the State of California (jointly), That it is the sense of the legislature that the following program should be adopted by the United States:

"1. A Treasury grant should be provided in the sum of $45 per ounce of newly mined domestic gold. This should be in addition to the present price of $35, thereby making a total price of $80.

"2. The Treasury grant price of $45 should apply for a minimum term of 14 years with right of extension for special development.

"3. To aid in early maximum production of gold without hindrance during the current gold crisis, all restrictions on mining on all Government lands should be removed, including the restrictions in connection with power and military withdrawals (excepting those lands in withdrawn areas actually in use) and the general mining law of 1872 should again become applicable.

"4. To further aid in an early resumption of gold mining, an examining board should be set up by Congress to assess the amount of damage and order payment to those mines that were closed by War Production Board Limiting Order No. L–208.

"5. A short term of 7 years should be allowed for amortization during this crisis period.

"6. An additional depletion allowance should be provided for deep mines to compensate for increased cost of operation. The amount should be 5 percent for mines requiring hoisting or pumping 200–300 feet deep, 10 percent for mines 1,000 feet deep, and 15 percent for deeper mines.

"7. The gold so produced should be only newly mined domestic gold with supporting affidavits to verify. Violation should carry heavy penalties; and be it further

"Resolved, That the Legislature of the State of California respectfully urges Congress to enact the above program into law; and be it further

"Resolved, That the Secretary of the senate is hereby directed to transmit a copy of this resolution to the Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

"ASSEMBLY JOINT RESOLUTION 20

"Joint resolution relative to the enactment of Federal laws regarding gold

"Whereas the existing reserves of gold of this Nation are not adequate to meet our obligations to other nations of the world; and

"Whereas the present Federal laws regarding gold have made it economically impossible for the gold mines of this country to continue to operate; and

"Whereas immediate action by the Federal Government is necessary to solve the crisis in gold: Now, therefore, be it

"Resolved by the Assembly and Senate of the State of California, jointly, That the Legislature of the State of California respectfully memorializes the President and the Congress of the United States to enact the following legislation:

"1. A law to require that gold be treated as a commodity;

"2. A law to require the Secretary of the Treasury to purchase newly mined domestic gold at a rate of $105 per fine ounce and to require that such gold be stocked by the U.S. Treasury as backing for domestic currency;

"3. A law prohibiting withdrawals of gold from the U.S. Treasury for foreign aid, the international bank, or foreign commercial use until such time as gold sufficient to back deficit U.S. commitments has been accumulated by the Treasury;

"4. A law permitting citizens of the United States to own gold and renewing the Federal coinage of gold; and be it further

"Resolved, That the chief clerk of the assembly is directed to prepare and transmit copies of this resolution to the President and Vice President of the United States, the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

A joint resolution of the Legislature of the State of California; to the Committee on Foreign Relations:

"ASSEMBLY JOINT RESOLUTION 14

"Joint resolution relative to international traffic in narcotics

"Whereas it has been reliably estimated that over 70 percent of the heroin that reaches our State is derived from opium poppy fields in Mexico; and

"Whereas it has been reliably estimated that over 90 percent of the marihuana found in this State is illegally smuggled across the border from Mexico; and

"Whereas the enforcement problem at the border is aggravated by the large amount of traffic that crosses the border, the annual traffic across the United States-Mexico border having been as high as in excess of 6 million vehicles and nearly 18 million passengers and in excess of 5 million pedestrians; and

"Whereas the control of the smuggling of narcotics and the negotiating of cooperative agreements with friendly nations to eliminate the source of narcotics is a Federal responsibility; and

"Whereas one of the acknowledged requirements for the solution of narcotics problems is drying up the source of narcotics; and

"Whereas measures which would require closer surveillance of traffic across the border would also aid enforcement of the narcotics laws, and such measures can effectively be taken only by the Government of the United States: Now, therefore, be it

"Resolved by the Assembly and Senate of the State of California (jointly), That the Legislature of the State of California respectfully memorializes the President of the United States and the Congress of the United States to consider the negotiation and adoption of treaties with the purpose of controlling more effectively the import, export, manufacture, and use of heroin and marihuana, as between Mexico and the United States, with particular reference to California, and to consider the enactment of legislation, including, but not limited to, legislation requiring visas or identification and

legislation improving the surveillance of border traffic, in order that law enforcement authorities can better cope with the narcotics problem, and to consider the appropriation of greater sums of money for patrol of the border; and be it further

"Resolved, That the chief clerk of the assembly be hereby directed to transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

A joint resolution of the Legislature of the State of California; to the Committee on the Judiciary:

"SENATE JOINT RESOLUTION 30

"Joint resolution relating to the centennial of modern California viticulture

"Whereas the Legislature of California on April 1, 1861, enacted a joint resolution requesting the then Gov. John G. Downey to appoint a commission to consider ways and means best adapted to promote the improvement and culture of the grapevine in California; and

"Whereas this farsighted action resulted in the appointment of Col. Agoston Haraszthy to the commission and his subsequent voyage to Europe, a mission from which he returned with more than 100,000 cuttings of about 300 varieties of grapes, all choice wine types; and

"Whereas the foresight and initiative exhibited by Colonel Haraszthy was typical of the man, who also was among the first to advocate a State college of agriculture and who developed, at his Buena Vista ranch at Sonoma, one of the world's finest wineries which still is in existence; and

"Whereas the grape cuttings he supplied led to an increase in vineyard acreage in California from an estimated 7,000 acres in 1860 to more than 450,000 acres at present, to the end that Colonel Haraszthy was recognized as the father of modern California viticulture and this State is now the wine land of America; and

"Whereas, grapes and winegrowing constitute the State's leading fruit industry, with vineyards and winery property worth over $650 million, an annual return to farmers of $140 million, an annual grape crop of 2¾ million tons and an annual gross wine production of 160 million gallons; and

"Whereas the quality of the wine produced from descendants of the vines brought to California 100 years ago has become so widely and favorably known that this State now grows 85 percent of all wine produced and consumed in America; and

"Whereas Saturday, April 1, 1961, will mark the centennial of the legislative act which was instrumental in bringing about this result: Now, therefore, be it

"Resolved by the Senate and Assembly of the State of California (jointly), That the Legislature of the State of California does hereby urge the State's residents to join in honoring the memory of the pioneer California lawmakers responsible for this fruitful contribution to the State's economy and the welfare of its citizens, and to join in honoring the memory of Col. Agoston Haraszthy as the father of modern California viticulture; and be it further

"Resolved, That Saturday, April 1, 1961, be observed with appropriate ceremony as the centennial of modern California viticulture; and be it further

"Resolved, That the Congress of the United States is hereby respectfully requested to join the State of California in recognition of this historic event; and be it further

"Resolved, That the secretary of the senate is hereby directed to transmit copies of this resolution to the President and the Vice President of the United States, the Speaker of the House of Representatives, to each Senator and Representative from California in the Congress of the United States, and to the Governor of the State of California; two suitably prepared copies to the Wine Institute; and a suitably prepared copy to the owner of Buena Vista Vineyards, Sonoma, Calif."

A resolution of the Senate of the State of Alaska; to the Committee on Interior and Insular Affairs:

"SENATE RESOLUTION 23

"Resolution relating to the act of Congress of January 21, 1929, granting 100,000 acres of land for the support and maintenance of the University of Alaska

"Whereas the Congress of the United States by act of January 21, 1929 (48 USCA 354a) did grant to the Territory of Alaska 100,000 acres of land for the support and maintenance of the Alaska Agricultural College and School of Mines and did confirm said grant to the State of Alaska by the Alaska Statehood Act of July 3, 1958; and

"Whereas the Legislature of the Territory of Alaska by chapter 34, S.L.A. 1929, did accept the grant of lands and designate the board of trustees of the Alaska Agricultural College and School of Mines to select the lands granted and to sell or lease the same and cover the proceeds into the territorial treasury, which said designation was confirmed to the board of regents of the University of Alaska as successor to the board of trustees of the Alaska Agricultural College by chapter 49, S.L.A. 1935; and

"Whereas the restrictions contained in the original grant by the United States to the territory are still in full force and effect and severe in nature, providing that proceeds of sale or lease of lands must be placed in a special fund in the State treasury and invested by the State and further providing that only the income and not the principal from the invested funds shall be made available for the support and maintenance of the University of Alaska, and further providing that said income shall not be applied directly or indirectly under any pretense whatever to the purchase, erection, preservation or repair of any building or buildings; and

"Whereas the board of regents of the university is the proper agency of the State government to determine the investment or use of the proceeds from the sale or lease of the lands granted by the act of January 21, 1929, for the benefit of the university; be it

"Resolved by the senate in second legislature, first session assembled, That the U.S. Congress is respectfully urged to amend the act of January 21, 1929, 48 USCA 354(a), to provide that the proceeds from the sale or lease of lands granted thereunder be invested or used by the board of regents of the University of Alaska in whatever manner it deems to be for the best interests of the university; and be it further

"Resolved, That copies of this resolution be sent to the Honorable John F. Kennedy, President of the United States; the Honorable Lyndon B. Johnson, President of the Senate; the Honorable Sam Rayburn, Speaker of the House of Representatives; the chairman of the Interior and Insular Affairs Committee of the House of Representatives; the Honorable E. L. Bartlett and the Honorable Ernest Gruening, Senators from Alaska; and to the Honorable Ralph J. Rivers, Representative from Alaska, urging all said persons to support legislation carrying out the intent of this resolution.

"Passed by the senate March 14, 1961.

"_____,
"President of the Senate.

"Attest:

"EVELYN K. STEVENSON,
"Secretary of the Senate."

A resolution of the House of Representatives of the State of Alaska; to the Committee on Interior and Insular Affairs:

"HOUSE RESOLUTION 28

"Resolution relating to the act of Congress of January 21, 1929, granting 100,000 acres of land for the support and maintenance of the University of Alaska

"Whereas the Congress of the United States by act of January 21, 1929 (48 USCA 354(a)) did grant to the Territory of Alaska 100,000 acres of land for the support and maintenance of the Alaska Agricultural College and School of Mines and did confirm said grant to the State of Alaska by the Alaska Statehood Act of July 3, 1958; and

"Whereas the Legislature of the Territory of Alaska by chapter 34, S.L.A. 1929, did accept the grant of lands and designate the board of trustees of the Alaska Agricultural College and School of Mines to select the lands granted and to sell or lease the same and cover the proceeds into the territorial treasury, which said designation was confirmed to the board of regents of the University of Alaska as successor to the board of trustees of the Alaska Agricultural College by chapter 49, S.L.A. 1935; and

"Whereas the restrictions contained in the original grant by the United States to the territory are still in full force and effect and severe in nature, providing that proceeds of sale or lease of lands must be placed in a special fund in the State treasury and invested by the State and further providing that only the income and not the principal from the invested funds shall be made available for the support and maintenance of the University of Alaska, and further providing that said income shall not be applied directly or indirectly under any pretense whatever to the purchase, erection, preservation, or repair of any building or buildings; and

"Whereas the board of regents of the university is the proper agency of the State government to determine the investment or use of the proceeds from the sale or lease of the lands granted by the act of January 21, 1929, for the benefit of the university; and be it further

"Resolved by the house of representatives in second legislature, first session assembled, That the U.S. Congress is respectfully urged to amend the act of January 21, 1929, 48 USCA 354(a), to provide that the proceeds from the sale or lease of lands granted thereunder be invested or used by the board of regents of the University of Alaska in whatever manner it deems to be for the best interests of the university; and be it further

"Resolved, That copies of this resolution be sent to the Honorable John F. Kennedy, President of the United States; the Honorable Lyndon B. Johnson, President of the Senate; the Honorable Sam Rayburn, Speaker of the House of Representatives; the chairman of the Interior and Insular Affairs Committee of the House of Representatives; the Honorable E. L. Bartlett and the Honorable Ernest Gruening, Senators from Alaska; and to the Honorable Ralph J. Rivers, Representative from Alaska, urging all said persons to support legislation carrying out the intent of this resolution.

"Passed by the house March 16, 1961.

"WARREN A. TAYLOR,
"Speaker of the House.

"Attest:

"ESTHER REED,
"Chief Clerk of the House."

A resolution adopted by the Minnesota chapter of the Retired Officers Association, favoring the enactment of legislation relating to retired pay of military personnel; to the Committee on Armed Services.

A resolution adopted by the Oregon State Board of Forestry, Salem, Oreg., protesting against the enactment of Senate bill 174, the National Wilderness Preservation System,

until a report of the Outdoor Recreation Review Commission; to the Committee on Interior and Insular Affairs.

By Mr. JAVITS:

A concurrent resolution of the Legislature of the State of New York:

"RESOLUTION 31

"Concurrent resolution of the Legislature of the State of New York memorializing the President and Congress of the United States, to provide adequate funds to the U.S. Army Corps of Engineers for necessary surveys and plans for, and to initiate the construction of, a deepwater canal linking Lakes Erie and Ontario

"Whereas the United States has assumed an obligation with its good neighbor, the Government of Canada, to contribute its full share toward the successful operation of the St. Lawrence Seaway-Great Lakes shipping route; and

"Whereas the only existing navigable facility connecting Lakes Erie and Ontario is the Welland Canal which has been sorely pressed to meet the increasing demands of shipping; and

"Whereas the construction of an alternate ship canal would make a major contribution to the security of the United States as well as Canada, because:

"1. In the event of breakdown or destruction of the existing Welland Canal, the commerce of the entire Great Lakes area of the United States and Canada west of Lake Ontario would be denied access by water transportation to the St. Lawrence Seaway and international shipping lanes;

"2. It would provide a more secure inland route for the movement of iron ore in the event of war;

"3. It would ease the strain on congested rail facilities and east coast ports in the time of emergency; and

"4. It would allow the construction and repair of oceangoing vessels in the more secure areas of the Great Lakes; and

"Whereas the construction of the canal would contribute greatly to the prosperity of commerce, industry, and agriculture, not only in those States bordering the Great Lakes, but throughout the entire Nation; and

"Whereas the commerce of the lake ports of New York State—Buffalo, Rochester, Oswego, and Ogdensburg—would be increased by the benefits accruing to the St. Lawrence Seaway-Great Lakes shipping route; and

"Whereas the construction of the canal would stabilize employment, provide job security and expand job opportunities: Now, therefore, be it

"*Resolved* (*if the assembly concur*), That the Legislature of the State of New York hereby respectfully memorializes the President and Congress of the United States immediately to provide adequate funds to the U.S. Army Corps of Engineers for the necessary surveys and plans for, and to initiate the construction of, the canal, as aforesaid; and be it further

"*Resolved* (*if the assembly concurs*), That copies of this resolution be transmitted to the President of the United States, to the President of the Senate and the Speaker of the House of Representatives of the U.S. Congress and to each Member thereof from the State of New York, to the Governor of the State of New York, to the commissioner of commerce of the State of New York, to the chairmen of the port authorities of Buffalo, Rochester, Oswego, and Ogdensburg, and to the Governors and State legislative leaders of the States of Pennsylvania, Ohio, Michigan, Indiana, Illinois, Wisconsin, and Minnesota.

"By order of the senate:

"WILLIAM S. KING,
"*Acting Secretary.*

"By order of the assembly:

"ANSLEY B. BORKOWSKI,
"*Clerk.*"

TRIBUTE TO LATE SENATOR RICHARD NEUBERGER, OF OREGON—CONCURRENT RESOLUTION OF OREGON LEGISLATURE

Mr. MORSE. Mr. President, on a recent date the Oregon Legislature passed Senate Concurrent Resolution 11. It is a very moving tribute to my late colleague in the Senate, Senator Richard Neuberger.

I have been honored by being asked, on the part of the legislature, to insert this tribute to the late Senator Neuberger in the CONGRESSIONAL RECORD. It is a great privilege for me to do so, and I ask unanimous consent that the memorial resolution to the late Senator Neuberger be printed at this point in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

SENATE CONCURRENT RESOLUTION 11

Whereas Senator Richard Neuberger, an illustrious former member of the Oregon House of Representatives and Oregon Senate, died March 9, 1960, after a brilliant journalistic and political career; and

Whereas Senator Neuberger, after his service in the Oregon Legislature, was elected U.S. Senator from Oregon, and served with great honor and distinction in that honored body; and

Whereas Senator Neuberger, in addition to being an inspiring leader and builder within the ranks of his own party, was a respected representative to the U.S. Senate of all the people of his State, regardless of political belief; and

Whereas Senator Neuberger was a recognized authority and legislative leader in such diverse fields as conservation, natural resources, water power, election laws, social legislation, and civil rights; and

Whereas Senator Neuberger brought great honor and attention to his community and the whole Northwest by his articles extolling the virtues of his native State: Now, therefore, be it

Resolved by the Senate of the State of Oregon (*the House of Representatives concurring*):

(1) The 51st legislative assembly by this resolution does express great shock and grief at the passing of Senator Richard Neuberger; and

(2) Directs that this expression of regret and sympathy be sent by the clerk of the senate to his widow, now U.S. Senator, MAURINE NEUBERGER; to his parents, Mr. and Mrs. Isaac Neuberger; to his sister, Mrs. James Goodsell; to the President of the U.S. Senate; and to all members of the Oregon delegation, with a request that it be entered in the CONGRESSIONAL RECORD as a tribute to him.

The PRESIDENT pro tempore laid before the Senate a concurrent resolution of the Legislature of the State of Oregon, identical with the foregoing, which was ordered to lie on the table.

CONCURRENT RESOLUTION OF KANSAS LEGISLATURE

Mr. CARLSON. Mr. President, the Kansas Legislature adopted a concurrent resolution memorializing the U.S. Congress to give immediate attention to granting a substantial increase in sugarbeet acreage allotments.

Kansas has a history of growing and refining sugarbeets for more than 50 years. Its soil and climatic conditions and abundant supply of irrigation water make our State an ideal place for growing sugarbeets.

Last week those of us interested in securing sugarbeet acreage for the Middle West failed to secure the adoption of the Anderson amendment, which would have given us additional acreage.

In the adoption of the conference report between the House and Senate, extending the Sugar Act for 1951 for 15 months, there is an understanding that the House and Senate will hold early hearings on a new sugar act, and I am hopeful that the Congress will in the next bill give our State and other Midwestern States additional sugar acreage.

I ask unanimous consent that Concurrent Resolution 14 be printed in the RECORD.

There being no objection, the concurrent resolution was ordered to be printed in the RECORD, as follows:

SENATE CONCURRENT RESOLUTION 14

Concurrent resolution memorializing the U.S. Congress to give immediate attention to granting a substantial increase in sugarbeet acreage allotments

Whereas the U.S. Congress will this year be considering revision of the 1948 Sugar Act; and

Whereas greater domestic supplies of sugar are needed in the interest of the national defense of the United States; and

Whereas the State of Kansas has a history of growing and refining sugarbeets for more than 50 years; and

Whereas an increase in sugarbeet acreage allotments will be of great benefit to the people and economy of the United States and the State of Kansas: Now, therefore, be it

Resolved by the Senate of the State of Kansas (*the House of Representatives concurring therein*): That the Kansas Legislature respectfully urges the Congress of the United States to give immediate attention to the matter of granting a substantial permanen increase in national sugarbeet acreage allotments, and that the State of Kansas should receive a fair and equitable share of such increase; and be it further

Resolved, That the secretary of state is directed to transmit enrolled copies of this resolution to the President of the U.S. Senate, and the Speaker of the U.S. House of Representatives, the chairmen and members of the U.S. Senate and House Agriculture Committees, and to each of the Members of the Kansas congressional delegation.

Mr. SCHOEPPEL submitted a concurrent resolution of the Legislature of the State of Kansas, identical with the foregoing, which was referred to the Committee on Finance.

The PRESIDENT pro tempore also laid before the Senate a concurrent resolution of the Legislature of the State of Kansas, identical with the foregoing, which was referred to the Committee on Finance.

RESOLUTION OF TOWN BOARD OF UNION, N.Y.

Mr. JAVITS. Mr. President. I ask unanimous consent to have printed in the RECORD a resolution adopted by the Town Board of Union, N.Y., relating to the construction of a sewer system.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Whereas the town of Union has heretofore established the following sewer districts, to wit:

(1) The Endwell Sewer District,

(2) The West Corners Sewer District, and

(3) The Nortn Endicott Sewer District and

Whereas it is proposed to construct a sewage disposal plant to serve said Endwell Sewer District, the location of said sewage disposal site to be in the town of Vestal, Broome County, N. Y., and to be constructed and operated in such a manner as to serve not only the Endwell Sewer District of the town of Union, but also sewer district No. 4 of the town of Vestal, on a contractual basis, each to contribute its proportionate share of the cost of construction and maintenance; and

Whereas it is proposed to construct sewer lines in the said West Corners and North Endicott Sewer Districts and connect the same with the village of Endicott sewer system and share the cost thereof on a contractual basis with said village of Endicott; and

Whereas the costs of said sewer systems are excessive and will constitute an undue burden on the taxpayers in the respective sewer districts above mentioned; and

Whereas the President of the United States has stated in a message to Congress in February 1961, that the matter of pollution of the public waters are of great concern to the Federal Government and has requested the Congress to appropriate sufficient funds to assist the local governments to defray the expenses of constructing sewage disposal plants to preserve the water resources of the country; and

Whereas Representative BLATNIK has introduced H.R. 4036 and Senator HUMPHREY (for himself and Mr. MCCARTHY, Mr. MOSS, Mrs. NEUBERGER, Mr. CLARK, Mr. LONG, Mr. MORSE, Mr. WILLIAMS, and Mr. PELL) has introduced S. 861, to provide for increasing the Federal grants to municipalities from a limit of $250,000 to a limit of $600,000, and to further provide that "in the case of a project which will serve more than one municipality (A) the Commissioner shall, on such basis as he determines to be reasonable and equitable, allocate to each municipality to be served by such project its share of the estimated reasonable cost of such project, shall then apply the foregoing limitations in this clause to each such share as if it were a separate project to determine the maximum amount of any grant which may be made under this section with respect to such project and (B) for the purposes of the limitation in the last sentence of subsection (d), the share of each municipality so determined shall be regarded as a grant for the construction of treatment works." and

Whereas it is the opinion of this town board that the passage of the foregoing legislation is of vital importance to the taxpayers of said Endwell, West Corners and North Endicott Sewer Districts: Therefore be it

Resolved, That this town board request Senators JAVITS and KEATING and Representative ROBINSON, to support the foregoing legislation, to the end that the taxpayers of said sewer districts in the town of Union, may be assisted in bearing the excessive costs of constructing and furnishing sewage disposal for said areas of the said town of Union; and be it further

Resolved, That the town clerk be and he hereby is directed to forward duly certified copies of this resolution to Senators JAVITS and KEATING, to Representative ROBINSON, and to Senators HUMPHREY, MCCARTHY, MOSS, NEUBERGER, CLARK, LONG, MORSE, WILLIAMS and PELL and Congressman BLATNIK; also to the Department of Public Works of the State of New York and to the Water Pollution Control Board of the State of New York.

RESOLUTION OF TOWN BOARD OF VESTAL, N.Y.

Mr. JAVITS. Mr. President, I ask unanimous consent to have printed in the RECORD two resolutions adopted by the Town Board of Vestal, N.Y., relative to the construction of a sewage treatment plant.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

Whereas the town of Vestal has previously hereto undertaken the construction of a sewage treatment plant to serve sewer district No. 1 in the town of Vestal; and

Whereas the town of Vestal is currently studying the feasibility of the construction of an additional sewage treatment plant to serve sewer district No. 4 in the town of Vestal; and

Whereas the study for sewer district No. 4 includes the possibility of a single sewage treatment plant to serve sewer district No. 4 and Endwell Sewer District of the town of Union; and

Whereas this board has familiarized itself with the costs of sewage treatment plants and the costs of construction and operation of sewage treatment plants to serve the needs of the citizens of the town of Vestal; and

Whereas to the knowledge of this board it appears that the costs of construction and operation of sewage treatment plants to serve the citizens of this town are such as to create a substantial additional tax burden upon its citizens; and

Whereas the pollution abatement program for the Susquehanna River is of benefit to numerous communities and municipalities in addition to the town of Vestal; and

Whereas the Federal Government has an existing program for aid to local municipalities for construction of sewage treatment plants; and

Whereas this board has given due and proper consideration to all of the relevant facts and circumstances appertaining to the construction of sewage treatment plants; and

Whereas this program of pollution abatement of streams and rivers is a desirable and commendable program and to the benefit of the citizens and industries of this town as well as other communities and municipalities; and

Whereas the State and Federal Governments have for the most part preempted the sources of revenues that are or might be available to local municipalities; and

Whereas this board considers it to be in the public interest to continue its program so as to effect complete compliance with the orders and directions of the water pollution control board and the department of health within the near and foreseeable future: Now, therefore, upon motion of William W. Castle, justice of the peace, seconded by D. Bernard Pierson, councilman, be it

Resolved, That the town of Vestal record by resolution in the minutes of this meeting that it recommend to Hon. Howard Robison, Member of Congress, from this congressional district, and Hon. Jacob Javits and Hon. Kenneth Keating, Senators from this State, as well as Hon. George Ingalls, State assemblyman from this State assembly district and Hon. Warren M. Anderson, State senator from this senatorial district, the early enactment of legislation at both the State and Federal levels for the participation by the State and/or Federal Governments in a program of increased aid to local municipalities for the construction of sewage treatment plants and for the payment of the operating costs thereof and for debt reduction incurred in connection therewith; and be it further

Resolved, That this board recommend to the aforesaid members of the legislative bodies hereinbefore referred to, the early enactment by the State and/or Federal Governments of a program of Federal and/or State aid which will recognize and aid two or more municipalities that combine for the construction of a single sewage treatment plant to serve their combined needs by permitting such projects that serve more than one municipality to receive a grant equal to the pro rata total of each project's allowable grant; and be it further

Resolved, That this resolution shall take effect immediately and that the town clerk shall be authorized, empowered and directed to furnish certified copies thereof to the State and Federal legislators hereinbefore named and set forth.

VESTAL-UNION SEWAGE TREATMENT PLANT

Whereas previously hereto the town of Union on behalf of Endwell Sewer District and town of Vestal on behalf of sewer district No. 4 have held joint conferences and made various studies concerning the proposition of constructing a sewage treatment plant in the town of Vestal to serve both municipalities; and

Whereas the town board has received and studied the Wegman report relating to the joint project and has received and studied a copy of the so-called Blatnik bill presently pending before the Congress; and

Whereas the town board has received assurances that the Blatnik bill will in all probability receive favorable action within the next few months and during the present session of the Congress; and

Whereas, the town board has given careful study and consideration to all of the relevant facts and circumstances pertaining to this matter, including the feasibility of constructing a plant to serve only sewer district No. 4, town of Vestal: Now, therefore, be it

Resolved, That the Town Board of the Town of Vestal record in its official proceedings the following declaration of its policy with relation thereto:

(1) That based upon the Wegman report and the assumption of favorable action and passage of the Blatnik bill by the Congress within the next few months and at the current session thereof, the town of Vestal finds that it would be in the best interest to join with the town of Union for the construction of a sewage treatment plant in Vestal, N.Y., to serve both Endwell Sewer District and sewer district No. 4, town of Vestal;

(2) That the town of Union should construct the improvement and that the town of Vestal enter into a long-term contract for the use thereof at a rate for its proportional use not in excess of the rate paid by the town of Union for its proportional use;

(3) That the town board will recommend the abatement of all real estate taxes upon the improvement to be assessed by the town of Vestal and Vestal Central School District;

(4) That the town of Vestal reserves the right after August 1, 1961, if this project for the construction of a joint facility is not consummated prior to that time, or if there is a change in circumstances, to proceed with the design and construction of its own sewage treatment plant on its site in Vestal in accordance with the preliminary plans therefor already filed with the New York Department of Health for sewer district No. 4, town of Vestal; and be it further

Resolved, That the town clerk be authorized, empowered, and directed to forward certified copies of this resolution to persons and agencies as directed by the supervisor; and be it further

Resolved, That this resolution shall take effect immediately.

RESOLUTION OF KANSAS RETAIL JEWELERS ASSOCIATION

Mr. CARLSON. Mr. President, the Kansas Retail Jewelers Association at its annual meeting in Wichita, Kans., on March 18 and 19 adopted a resolution in regard to the Federal excise tax now imposed on jewelry.

There is no doubt but what this is a burdensome tax and I am hopeful that when the extension of excise taxes is before the Senate for consideration, that this is one excise tax that will receive most thorough consideration.

I ask unanimous consent that the resolution be printed in the RECORD, and referred to the Senate Finance Committee.

There being no objection, the resolution was referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

To the Honorable U.S. Congress, Washington, D.C.:

Whereas the 180 members of the Kansas Retail Jewelers Association request that the Federal excise tax on jewelry be transferred from the retail to the manufacturer's level in order that they may eliminate the unfair competition and discrimination against the products they must sell to sustain a livelihood.

Whereas there is a definite relationship between those taxed products which the jeweler sells, competing with other items sold as gifts in substantial quantities which are untaxed, and taxed at the manufacturer's level. These items, therefore, discriminate against the jeweler. This tax acts as a deterrent to sales. The effect of the increase of the cost of the taxed article to the consumer, acts as a brake on sales. This was, in fact, the original purpose of the tax. That is, it was intended to cut down the sales of certain items in a wartime economy. The need to curtail sales has long passed—the present need is for more production and consumption to fit the needs and to expand our economy. This tax acts in exactly the opposite way.

This tax is difficult and costly to administer. Not only is a hardship placed upon the small retail jeweler who ordinarily does not have a complete accounting department to calculate, collect, and remit this tax on behalf of the Government; but it is extremely costly for the Government to administer this tax since there are so many outlets from which this tax must be collected. Manufacturers ordinarily have complete bookkeeping departments to calculate, collect, and remit. Therefore, transferring this tax to the manufacturer's level would not only grant relief to the small jeweler, but would also simplify collection on the Government's behalf because of the relatively small number of retailers and so-called wholesale retailers from which this tax is collected. Therefore, this would not only reduce the costs substantially, by saving the Government money administering the tax, but would plug many loopholes on the literally thousands of items where the tax status is doubtful, and the collection of the tax often has led to arbitrary practices. This would also increase revenues by plugging the loopholes in tax collection by taxing the articles at its source—the manufacturer's level—thereby eliminating many items sold through certain outlets, etc., on which the tax is overlooked: Now, therefore, be it

Resolved, That the Kansas Retail Jewelers Association and its 180 members respectfully request and urge the honorable Congress of the United States of America to take immediate action toward transferring this 10 percent Federal excise tax on jewelry at the retail level to a 10 percent Federal excise tax at the manufacturer's level thereby—

1. Eliminating unfair and discriminatory competition.

2. Removing sales deterrents placed in wartime for the duration and 6 months, to discourage sales of jewelry; thus fulfilling a need for more production by encouraging consumption, providing a much-needed expansion and employment in our economy.

3. Lowering administrative costs to the Government giving needed savings of tax dollars.

4. Removing loopholes to increase revenues by taxing the article at its source.

5. Relieving the hardships placed on the small businessman by removing from him the responsibility of calculating, collecting, and remitting this burdensome tax.

Respectfully submitted.

CHARLES ELLIOTT,
Secretary.

RESOLUTIONS OF COFFEY COUNTY FARMERS UNION, BURLINGTON, KANS.

Mr. CARLSON. Mr. President, I have copies of resolutions adopted by the Coffey County Farmers Union at its regular meeting in Burlington, Kans., on March 22, 1961.

These resolutions are in regard to the proposed program of health care for the aged and Federal aid to our schools.

I ask unanimous consent that the resolutions be printed in the RECORD, and referred to the appropriate committees.

There being no objection, the resolutions were received, appropriately referred, and ordered to be printed in the RECORD, as follows:

To the Committee on Finance:

"HEALTH CARE TO THE AGED

"Whereas according to Government statistics, 60 percent, or over 10 million of our citizens over 65 years of age, have less than $1,000 annual income; and

"Whereas 77 percent have chronic ailments; and

"Whereas those over 65 years of age require twice as much hospitalization as all others: Therefore be it

"*Resolved,* That we, the Coffey County Farmers Union, in session this 22d day of March 1961, at Burlington, Kans., favor health costs to the aged be financed through social security, as proposed by our present administration; be it further

"*Resolved,* That one copy of these resolutions be sent to each of our Senators, ANDREW SCHOEPPEL and FRANK CARLSON, a copy to Representative GARNER E. SHRIVER, one copy to State Farmers Union, and a copy spread on the minutes of this meeting; also a copy sent to each of the local papers for publication."

To the Committee on Labor and Public Welfare:

"FEDERAL SCHOOL AID

"Whereas over 50 percent of the property, or ad valorem tax paid by farmers is for the support of our public schools; and

"Whereas the farmer pays a large percent of the businessman's taxes when he buys their products; and

"Whereas the farmer cannot pass this tax on to the consumer, as the manufacturer, processor, and distributor can and do; and

"Whereas the Federal Government collects most of its taxes from corporate and individual incomes; and

"Whereas liberal Federal aid to education would give the farmer much needed tax relief: Therefore, be it

"*Resolved,* We, the Coffey County Farmers Union, in session this 22d day of March 1961, at Burlington, Kans., do favor liberal Federal aid to education even more than the present administration favors; especially for primary and secondary schools; be it further

"*Resolved,* That a copy of these resolutions be sent to Senators ANDREW SCHOEPPEL and FRANK CARLSON, a copy to Congressman GARNER E. SHRIVER, one copy to Kansas Farmers Union, copies to local papers for publication, and a copy be spread on the minutes of this meeting."

JUVENILE DELINQUENCY ACT OF 1961—REPORT OF A COMMITTEE—SUPPLEMENTAL VIEWS

Mr. HILL. Mr. President, from the Committee on Labor and Public Welfare, I report favorably, with amendments, the bill (S. 279) to provide Federal assistance for projects which will demonstrate or develop techniques and practices leading to a solution of the Nation's juvenile delinquency control problems, and I submit a report (No. 144) thereon. I ask unanimous consent that the report be printed, together with the supplemental views of the Senator from New York [Mr. JAVITS].

The PRESIDENT pro tempore. The report will be received and printed, as requested by the Senator from Alabama.

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. FULBRIGHT, from the Committee on Foreign Relations:

G. Frederick Reinhardt, of California, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary to Italy;

Joseph C. Satterthwaite, of Michigan, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary to the Union of South Africa;

Parker T. Hart, of Illinois, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary to the Kingdom of Saudi Arabia;

Raymond Telles, of Texas, to be Ambassador Extraordinary and Plenipotentiary to Costa Rica;

Mrs. Jane Warner Dick, of Illinois, to be the representative of the United States of America on the Social Commission of the Economic and Social Council of the United Nations; and

John M. Leddy, of Virginia, to be U.S. Executive Director of the International Bank for Reconstruction and Development.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. FULBRIGHT (by request):

S. 1506. A bill to authorize the appropriation of $1,500,000 as an ex gratia payment to the city of New York to assist in defraying the extraordinary and unprecedented expenses incurred during the 15th General Assembly of the United Nations; and

S. 1507. A bill to amend the Foreign Service Buildings Act, 1926, to authorize additional appropriations, and for other reasons; to the Committee on Foreign Relations.

(See the remarks of Mr. FULBRIGHT when he introduced the above bills, which appear under separate headings.)

By Mr. DIRKSEN (for himself and Mr. BENNETT):

S. 1508. A bill to amend the Subversive Activities Control Act of 1950 so as to require the registration of certain additional persons disseminating political propaganda within the United States as agents of a foreign principal, and for other purposes; to the Committee on the Judiciary.

(See the remarks of Mr. DIRKSEN when he introduced the above bill, which appear under a separate heading.)

By Mrs. NEUBERGER:

S. 1509. A bill to provide that the Legislative Reference Service of the Library of Congress shall conduct additional studies of foreign trade interests within the United States; to the Committee on Rules and Administration.

By Mrs. NEUBERGER (for herself, Mr. ENGLE, and Mr. LONG of Hawaii:

S. 1510. A bill to accord certain naturalization privileges to veterans of the Korean hostilities; to the Committee on the Judiciary.

(See the remarks of Mrs. NEUBERGER when she introduced the above bill, which appear under a separate heading.)

By Mr. HUMPHREY (for himself and Mr. MORSE):

S. 1511. A bill to amend the public assistance provisions of the Social Security Act to eliminate certain inequities and restrictions and permit a more effective distribution of Federal funds; to the Committee on Finance.

S. 1512. A bill to provide for assistance to and cooperation with States in strengthening and improving State and local programs for the diminution, control, and treatment of juvenile delinquency; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. HUMPHREY when he introduced the above bills, which appear under separate headings.)

By Mr. HICKEY (for himself and Mr. MCGEE):

S. 1513. A bill to amend title 23 of the United States Code to extend to July 1, 1963, the period within which certain agreements relating to outdoor advertisements may be entered into by the Secretary of Commerce and the States; to the Committee on Public Works.

(See the remarks of Mr. HICKEY when he introduced the above bill, which appear under a separate heading.)

By Mr. WILLIAMS of Delaware:

S. 1514. A bill to require the use of competitive bidding to the greatest practicable extent in the procurement of property and services by the Armed Forces through the establishment by the Secretary of Defense of specific standards governing the use of negotiated contracts for such procurement, and for other purposes; to the Committee on Armed Services.

(See the remarks of Mr. WILLIAMS of Delaware when he introduced the above bill, which appear under a separate heading.)

By Mr. WILEY:

S. 1515. A bill to provide additional funds for carrying out the National School Lunch Act in the fiscal year 1961; to the Committee on Agriculture and Forestry.

S. 1516. A bill to provide for continuity and support of study, research, and development of programs for peaceful uses in science, commerce, and other activities related to Antarctica, which shall include, but shall not be limited to, gathering, evaluating, correlating, and dispersing of information and knowledge obtained from exploration, research, and other mediums relating to weather, communications, travel, and other areas of information; also to coordinate Antarctic activities among those agencies of the United States Government and private institutions interested in or concerned directly with the promotion, advancement, increase, and diffusion of knowledge of the Antarctic and to direct and administer U.S. Antarctic programs in the national interest; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. WILEY when he introduced the above bills, which appear under separate headings.)

By Mr. GOLDWATER:

S. 1517. A bill to amend section 2319 of the Revised Statutes to allow the purchase of locatable mineral deposits on certain patented lands, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. CURTIS:

S. 1518. A bill providing for the disposition of judgment funds of the Omaha Tribe of Indians; to the Committee on Interior and Insular Affairs.

By Mr. JOHNSTON:

S. 1519. A bill to amend the Internal Revenue Code of 1954 to allow an additional exemption of $600 for a dependent child of the taxpayer who is a full-time student above the secondary level; to the Committee on Finance.

(See the remarks of Mr. JOHNSTON when he introduced the above bill, which appear under a separate heading.)

By Mr. CASE of New Jersey:

S. 1520. A bill for the relief of Mary Elizabeth Sidor Polkowska; and

S. 1521. A bill for the relief of Georgeann K. Smith, Philip Nell Smith and Donna June Smith; to the Committee on the Judiciary.

By Mr. DWORSHAK:

S. 1522. A bill to provide a new basis for determining the amount of money made available to a State for schools and roads by the Secretary of Agriculture in the case of sales of certain forest products from national forests located within such State, and for other purposes; to the Committee on Agriculture and Forestry.

By Mr. HARTKE:

S. 1523. A bill for the relief of Mari Rose A. M. Dinha; and

S. 1524. A bill for the relief of Salvatore Spatafora; to the Committee on the Judiciary.

By Mr. CAPEHART:

S. 1525. A bill for the relief of Fang Ken Yung; and

S. 1526. A bill for the relief of Joey Kim Purdy; to the Committee on the Judiciary.

By Mr. MANSFIELD (for Mr. EASTLAND):

S. 1527. A bill for the relief of James D. Jalili; to the Committee on the Judiciary.

By Mr. BIBLE (by request):

S. 1528. A bill to make the Policemen and Firemen's Retirement and Disability Act Amendments of 1957 applicable to retired former members of the Metropolitan Police force, the Fire Department of the District of Columbia, the U.S. Park Police force, the White House Police force, and the U.S. Secret Service; and to their widows, widowers, and children; and

S. 1529. A bill to amend the act entitled "An act to regulate the height of buildings in the District of Columbia," approved June 1, 1910, as amended; to the Committee on the District of Columbia.

By Mr. JAVITS (for himself and Mr. KEATING):

S. 1530. A bill to provide for the publication of the Official Register of the United States by the U.S. Civil Service Commission; to the Committee on Post Office and Civil Service.

(See the remarks of Mr. JAVITS when he introduced the above bill, which appear under a separate heading.)

By Mr. MUSKIE:

S. 1531. A bill for the relief of Istvan Hegyi and Paula Hegyi; to the Committee on the Judiciary.

By Mr. HRUSKA:

S. 1532. A bill for the relief of Ljubica Dajcinovic; to the Committee on the Judiciary.

By Mr. JOHNSTON:

S.J. Res. 72. Joint resolution to establish a Commission To Study the Problem of Alcoholism in the United States and to make recommendations for the more adequate provision of facilities for the treatment, rehabilitation, and cure of alcoholics, and for the prevention of alcoholism; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. JOHNSTON when he introduced the above joint resolution, which appear under a separate heading.)

RESOLUTION

SELECT COMMITTEE ON CONSUMERS

Mr. JAVITS (for himself, Mr. COOPER, Mr. KEATING, Mr. PROUTY, and Mr. SCOTT) submitted a resolution (S. Res. 119) to establish the Select Committee on Consumers, which was referred to the Committee on Banking and Currency.

(See the above resolution printed in full when submitted by Mr. JAVITS, which appears under a separate heading.)

EX GRATIA PAYMENT TO THE CITY OF NEW YORK

Mr. FULBRIGHT. Mr. President, by request, I introduce for appropriate reference a bill to authorize the appropriation of $1,500,000 as an ex gratia payment to the city of New York to assist in defraying the extraordinary and unprecedented expenses incurred during the 15th General Assembly of the United Nations.

The proposed legislation has been requested by the Secretary of State, and I am introducing it in order that there may be a specific bill to which Members of the Senate and the public may direct their attention and comments.

I reserve my right to support or oppose this bill, as well as any suggested amendments to it, when the matter is considered by the Committee on Foreign Relations.

I ask unanimous consent that the bill may be printed in the RECORD at this point, together with the letter from the Secretary of State, dated January 12, 1961, to the Vice President in regard to it.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill and letter will be printed in the RECORD.

The bill (S. 1506) to authorize the appropriation of $1,500,000 as an ex gratia payment to the city of New York to assist in defraying the extraordinary and unprecedented expenses incurred during the 15th General Assembly of the United Nations, introduced by Mr. FULBRIGHT, by request, was received, read twice by its title, referred to the Committee on Foreign Relations, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That there is hereby authorized to be appropriated, out of moneys in the Treasury not otherwise appropriated, the sum of $1,500,000 for payment to the city of New York. The said appropriation shall be considered an ex

gratia payment to assist the city of New York to defray the extraordinary and unprecedented expenses which the city incurred in affording protection to visiting chiefs of state and heads of government during the Fifteenth General Assembly of the United Nations.

The letter presented by Mr. FULBRIGHT is as follows:

JANUARY 12, 1961.

The Honorable RICHARD M. NIXON,
President of the Senate.

DEAR MR. VICE PRESIDENT: There is transmitted herewith for the consideration of the Congress proposed legislation to authorize the appropriation of $1,500,000 as an ex gratia payment to the city of New York to assist in defraying the extraordinary and unprecedented expenses incurred by the New York City Police Department during the 15th General Assembly of the United Nations.

The presence in New York City during the early weeks of the 15th General Assembly of the United Nations of a large number of chiefs of state and heads of government was unforeseen and unprecedented. The burden placed upon the New York City Police Department to provide protection for members of General Assembly delegations and to meet the additional traffic control problems was unusual and extraordinary. It is believed, therefore, that the circumstances which existed during the early weeks of the Assembly session would make it inappropriate to expect the city of New York to bear this additional expense in its entirety. However, since there is no way of knowing to what extent the commercial institutions of the city profited from the great influx of travelers from all over the world because of the General Assembly session, it would seem that the city of New York should be prepared to assume responsibility for paying part of the overtime work performed by police department personnel.

Customarily, New York City police officers performing overtime duty are recompensed with time off. However, to resort to this method in a case involving a substantial portion of the city's police force would leave the city of New York partially unprotected for a substantial period of time. Consequently, the only alternative is to reimburse the men concerned in cash. According to estimates prepared by the New York City Police Department, the cost of reimbursing the overtime work performed, on the basis of the regular salary rate, would be approximately $2,936,000. The amount requested to be authorized in the proposed legislation represents approximately 50 percent of this cost. Funds in the amount that would be authorized by this proposal have been included in the President's budget for 1962 under the allowance for contingencies. It is contemplated that a supplemental estimate for the appropriation of such funds would be recommended if this measure is enacted by the Congress.

A similar communication is being sent to the Speaker of the House of Representatives.

The Department was informed by the Bureau of the Budget in a letter dated January 4, 1961, that there is no objection to the submission of this proposal to the Congress for its consideration.

Most sincerely,

CHRISTIAN A. HERTER.

FOREIGN SERVICE BUILDINGS ACT AMENDMENTS

Mr. FULBRIGHT. Mr. President, by request, I introduce, for appropriate reference, a bill to amend the Foreign Service Buildings Act, 1926, to authorize additional appropriations, and for other reasons.

The proposed legislation has been requested by the Secretary of State, and I am introducing it in order that there may be a specific bill to which Members of the Senate and the public may direct their attention and comments.

I reserve my right to support or oppose the bill, as well as any suggested amendments to it, when the matter is considered by the Committee on Foreign Relations.

I ask unanimous consent that the bill may be printed in the RECORD at this point, together with the letter from the Secretary of State, dated March 22, 1961, to the Vice President in regard to it and an enclosure thereto.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill and letter will be printed in the RECORD.

The bill (S. 1507) to amend the Foreign Service Buildings Act, 1926, to authorize additional appropriations, and for other reasons, introduced by Mr. FULBRIGHT, by request, was received, read twice by its title, referred to the Committee on Foreign Relations, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 4 of the Foreign Service Buildings Act, 1926, as amended (22 U.S.C. 295), is amended by adding at the end thereof the following new subsection:

"(d) For the purpose of carrying into effect the provisions of this Act there is hereby authorized to be appropriated, in addition to amounts previously authorized, an amount not to exceed $110,000,000 which shall remain available until expended."

SEC. 2. (a) Section 2 of the Foreign Service Buildings Act, 1926 (22 U.S.C. 293), is repealed.

(b) The first section of such Act (22 U.S.C. 292) is amended—

(1) by striking out ", subject to the direction of the commission hereinafter established,";

(2) by striking out "under such terms and conditions as in the judgment of the commission may best protect the interests of the United States,";

(3) by striking out ", to the extent deemed advisable by the commission,"; and

(4) by striking out ", which buildings shall be appropriately designed by the commission, and the space in which shall be allotted by the Secretary of State under the direction of the commission among the several agencies of the United States Government" and inserting a period and the following: "The space in such buildings shall be allotted by the Secretary of State among the several agencies of the United States Government."

(c) Section 3 of such Act (22 U.S.C. 294) is amended by striking out ", subject to the direction of the commission," and "in the judgment of the commission,".

(d) Section 4 of such Act (22 U.S.C. 295) is amended by striking out ", subject to the direction of the commission,".

(e) Section 9 of such Act (22 U.S.C. 300) is amended—

(1) by striking out "with the concurrence of the Foreign Service Buildings Commission"; and

(2) by striking out ", as in the judgment of the Commission may best serve the Government's interest."

(f) Section 1(e) of Reorganization Plan Numbered II of May 9, 1939 (53 Stat. 1432), is repealed.

(g) All references to the Foreign Service Buildings Commission, originally established by the Foreign Service Buildings Act, 1926, in all laws of the United States are hereby repealed.

The letter presented by Mr. FULBRIGHT is as follows:

Hon. LYNDON B. JOHNSON,
President of the Senate.

DEAR MR. VICE PRESIDENT: The Department encloses, and recommends for your consideration, proposed legislation to amend the Foreign Service Buildings Act, 1926 (22 U.S.C. 292–300) to permit continuation of the program for the acquisition, maintenance, and operation of real property required abroad by diplomatic, consular, and other activities of the United States operating in foreign countries.

Authorizations of appropriations to implement the provisions of the Foreign Service Buildings Act from 1926 to the present total $241,625,000, of which $225 million has been authorized in the last 15 years. After the current year's appropriation there remains only the $10 million subsequently authorized by Public Law 86–723, approved September 8, 1960, to provide operating and maintenance costs for the coming fiscal year. The appropriation request for the buildings program for the fiscal year ending June 30, 1962, aggregates $20 million, the remaining additional $10 million being dependent upon favorable consideration by the Congress of the proposed legislation.

Thus far the Department of State has acquired under its Foreign Service buildings program office buildings, residences, and staff housing which are valued far in excess of their cost of approximately $175 million. Even so, many of the personnel at oversea posts are working and living in accommodations far below the standards considered minimum in the United States of America. This is particularly true at certain posts in Asia and Africa. As a result of a post-by-post survey, the Department has developed a 4-year program to meet its most urgent needs which contemplates an expenditure of an estimated $110 million in the period from July 1, 1961, through June 30, 1965.

Acquisition of real properties under the Foreign Service Buildings Act has been financed largely through the use of foreign currencies and credits. However, many of the Department's most urgent and compelling buildings needs are in countries where credits or local currencies are not held by the United States in excess of current disbursing requirements. Further, appropriations for the buildings program fund the maintenance and operating costs of buildings located in areas where no local currency credits exist, and U.S. dollars must be expended to provide necessary maintenance and service in these areas.

In view of the unpredictability of future local currency holdings of the U.S. Treasury, the high concentration of holdings in a relatively few countries, and the recurring need for resources in areas in which local currency holdings do not exist, the proposed legislation does not contemplate specification of a definite amount to be used solely to acquire local currencies or credits from U.S. Treasury holdings. However, under regulations of the U.S. Treasury, now in effect for a number of years, the Foreign Service buildings program, as well as all other programs of U.S. agencies operating abroad, is required to utilize foreign credits and currencies owed to or owned by the United States before it can acquire needed foreign exchange from any other source.

During the course of the hearings relating to the Foreign Service Buildings Act Amendments, 1960, before the Subcommittee on State Department Organization and Foreign Operations of the Committee on Foreign Affairs, House of Representatives, it was pro-

posed to delete all references to the Foreign Service Buildings Commission as established by the original Foreign Service Buildings Act of 1926. The Department has agreed to this proposed deletion and has included appropriate provisions in the draft legislation to carry out the proposal.

The abolition of the Foreign Service Buildings Commission will not affect the basic authority of the Secretary of State under the Foreign Service Buildings Act, 1926, as amended with respect to the carrying out of the foreign buildings program.

The Department of State has been informed by the Bureau of the Budget that there is no objection, from the standpoint of the administration's program, to the presentation of the draft bill for the consideration of the Congress.

A letter similar to this is being sent to the Speaker of the House.

Sincerely yours,

DEAN RUSK.

Authorizations and appropriations for the foreign buildings program since the Foreign Service Buildings Act, 1926

Public Law	Authorizations		Appropriation		
	Minimum use of U.S. Treasury foreign exchange	U.S. dollars	Fiscal year	For purchase of U.S. Treasury foreign exchange	U.S. dollars
186, 69th Cong., May 7, 1926		$10,000,000			
			1926		$435,000
			1927		700,000
			1928		1,300,000
			1929		2,700,000
			1930		1,700,000
			1931		2,000,000
			1934		1,165,000
145, 74th Cong., June 15, 1935		300,000			
260, 74th Cong., Aug. 12, 1935		1,325,000			
			1935		1,625,000
543, 75th Cong., May 25, 1938		5,000,000			
			1940		750,000
			1941		300,000
			1942		450,000
			1943		275,000
			1944		144,000
			1945		220,000
			1946		1,000,000
			1947		1,000,000
547, 79th Cong., July 25, 1946	$110,000,000	15,000,000			
			1948	$50,000,000	1,500,000
			1949	35,000,000	
			1950	13,000,000	
			1951	2,950,000	
			1952	7,500,000	
399, 82d Cong., June 19, 1952	90,000,000				
			1953	6,500,000	
			1954	[1] 3,316,000	
			1955	[2] 3,000,000	1,000,000
			1956	7,500,000	1,000,000
			1957	14,000,000	5,000,000
			1958	15,000,000	3,500,000
			1959	15,000,000	3,000,000
			1960	16,739,000	633,000
			1961	10,495,000	228,000
86-723, Sept. 8, 1960		10,000,000			
			1962	[3] 19,000,000	[3] 1,000,000
Total	200,000,000	41,625,000		[4] 219,000,000	32,625,000

[1] Transferred from "Government in occupied areas" pursuant to Public Law 83-207.
[2] Of this amount, $1,000,000 was transferred from "Government in occupied areas" pursuant to Public Law 83-663.
[3] Of the $20,000,000 requested for 1962, the amount of $10,000,000 is authorized to be appropriated. Legislative authorization to permit appropriation of the remaining $10,000,000 has been requested.
[4] Appropriations for purchase of U.S. Treasury foreign exchange may exceed the amount specified as a minimum in the authorization, provided the combined foreign exchange and dollar appropriations do not exceed the total amount authorized to be appropriated.

FOREIGN COMMUNIST PROPAGANDA

Mr. DIRKSEN. Mr. President, on behalf of myself and the senior Senator from Utah [Mr. BENNETT], I introduce for appropriate reference a bill to amend the Subversive Activities Control Act of 1950 so as to require the registration of certain additional persons disseminating political propaganda within the United States as agents of a foreign principal.

The Foreign Agents Registration Act of 1938, as amended, now requires the registration with the Attorney General of those agents of a foreign power who disseminate political propaganda in the United States. Such propaganda must be marked or accompanied by a statement setting forth that the person sending same is registered with the Department of Justice as an agent of a foreign government.

An ever-increasing flood of Communist propaganda is pouring into the United States, and the Communists are taking advantage of existing discrepancies in the present act and are continually devising new techniques for evading its provisions and nullifying its effective enforcement. In order to escape the impact of the law upon a "foreign principal," the Communists have created various forms of organizations which they control under subterfuges, and have likewise created legal fictions as to the agency relationship between such organizations and a foreign power. The control of Communist and other foreign propaganda is weakened by being vested in several Government agencies.

The purpose of this proposal is to strengthen the present law by requiring the registration of certain additional persons who disseminate political propaganda within the United States as agents of a foreign principal, and to render the enforcement of the Foreign Agents Registration Act more effective by centralizing the responsibility for the control of foreign propaganda.

This measure would add to the Subversive Activities Control Act of 1950, provisions which would amend the Foreign Agents Registration Act so as first, to bring within the coverage of the definition of "foreign principal" a domestic organization which is supervised, directed, or controlled by a foreign government or foreign political party, regardless of whether such organization is financed or subsidized by a foreign government; second, to limit the exemption from the registration requirements of the act so that persons who now claim the exemption granted to certain commercial activities, but who abuse said exemption and disseminate political propaganda, will have to register under the new provisions; third, to require the registration of any political propaganda imported into the United States, regardless of whether it meets the cumbersome criteria contained in the present act, and to make unlawful the importation of such propaganda or the transmission of same in commerce without the required registration; fourth, to require the registration of a person not within the United States, who uses United States facilities of commerce to disseminate political propaganda as an agent of a foreign principal unless his activities are confined to the transmittal of such propaganda to a person registered under the act; and fifth, to establish in the Bureau of Customs of the Department of the Treasury, an Office of the Comptroller of Foreign Propaganda with a fixed responsibility for the control of foreign political propaganda and for a close liaison with the Congress.

Investigations at various ports of entry, and public hearings conducted by the Internal Security Subcommittee of the Senate Judiciary Committee at Chicago, New Orleans, New York, and San Francisco, over the past 4 years, indicate an increase in the flood of propaganda rolling into this country and the need for plugging the present loopholes in the Foreign Agents Registration Act.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 1508) to amend the Subversive Activities Control Act of 1950 so as to require the registration of certain additional persons disseminating political propaganda within the United States as agents of a foreign principal, and for other purposes, introduced by Mr. DIRKSEN (for himself and Mr. BENNETT), was received, read twice by its title, and referred to the Committee on the Judiciary.

EQUAL NATURALIZATION BENEFITS FOR KOREAN WAR VETERANS

Mrs. NEUBERGER. Mr. President, I introduce, for appropriate reference, a bill to accord Korean war veterans equal naturalization privileges such as granted veterans of the First World War and World War II. This bill I am introducing for myself, the distinguished junior

Senator from California [Mr. ENGLE], and the distinguished junior Senator from Hawaii [Mr. LONG].

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 1510) to accord certain naturalization privileges to veterans of the Korean hostilities, introduced by Mrs. NEUBERGER (for herself, Mr. ENGLE, and Mr. LONG of Hawaii), was received, read twice by its title, and referred to the Committee on the Judiciary.

Mrs. NEUBERGER. Mr. President, section 329 of the Immigration and Nationality Act provides that veterans who served honorably in the Armed Forces during the First and Second World Wars are entitled to naturalization, but no similar provisions were made for Korean war veterans. Our bill would correct this oversight.

This bill has an interesting legislative history. It was first sponsored by my husband in the 85th Congress and passed the Senate on August 18, 1958. Then Representative ENGLE, now the junior Senator from California, sponsored an identical bill in the 85th Congress. In the 86th Congress my husband and the Senator from California [Mr. ENGLE] reintroduced the bill, and a companion bill was sponsored by Representative SHELLEY of San Francisco. Representative SHELLEY's bill, H.R. 7209, passed the House of Representatives June 24, 1960, but unfortunately was not acted upon by the Senate. Thus this bill has passed both the House and the Senate, but in different sessions.

It is indeed a pleasure to report that both the American Legion and the Veterans of Foreign Wars have endorsed my proposal to grant equal naturalization privileges to veterans of the Korean war. Mr. President, I ask unanimous consent to have printed in the RECORD correspondence I have received from Francis W. Stover, director, national legislative service, Veterans of Foreign Wars, and Miles D. Kennedy, director, legislative commission, the American Legion.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

VETERANS OF FOREIGN WARS
OF THE UNITED STATES,
Kansas City, Mo., March 28, 1961.

Hon. MAURINE B. NEUBERGER,
U.S. Senate,
Washington, D.C.

DEAR SENATOR NEUBERGER: This is to express the support of the Veterans of Foreign Wars for legislation which would grant equal naturalization privileges for Korean war veterans as was proposed in S. 1196, 86th Congress, and S. 2009, 85th Congress.

The record will indicate that these two bills received the vigorous endorsement of the Veterans of Foreign Wars and we were keenly disappointed when both failed to win the approval of the two previous Congresses. Accordingly, the VFW would be deeply appreciative for the reintroduction of legislation which will grant Korean war veterans the same citizenship privileges as veterans of previous wars. Rest assured such legislation will have the full cooperation and support of the VFW to advance the bill through the 87th Congress.

Thanking you for your interest and cooperation respecting the problems of veterans and their families and wishing you continued success as a most valued Member of the Senate, I am

Respectfully yours,
FRANCIS W. STOVER,
Director, National Legislative Service.

THE AMERICAN LEGION,
Washington, D.C., March 27, 1961.

Mr. WALTER DODD,
Care of Hon. MAURINE NEUBERGER,
Senate Office Building, Washington, D.C.

DEAR MR. DODD: In keeping with your recent telephone conversation with the assistant director, Clarence H. Olson, of this office I enclose two copies of Resolution 16 adopted at the April 1958 meeting of the national executive committee of the American Legion.

We would be very happy indeed if Senator NEUBERGER could see her way clear to introduce a new bill along the lines of S. 3009 which was introduced by her late husband on January 16, 1958.

Our people are interested in an amendment to section 329(a) of the Immigration and Nationality Act.

I also want to extend to Senator NEUBERGER our appreciation of her interest in this proposed legislation. We also thank you for your cooperation.

Sincerely,
MILES D. KENNEDY,
Director.

NATIONAL EXECUTIVE COMMITTEE MEETING, THE AMERICAN LEGION, HELD APRIL 30–MAY 2, 1958

RESOLUTION NO. 16

Committee: National Americanism Commission.

Subject: Amend section 329(a) of the Immigration and Nationality Act.

Whereas under section 329(a) of the Immigration and Nationality Act, any person who, while an alien or a noncitizen national of the United States, has served honorably in an active-duty status in the Armed Forces of the United States during either World War I or World War II, and who, if separated from such service, was separated under honorable conditions, may be naturalized; and

Whereas any person who has served honorably in the Armed Forces of the United States during the Korean war is not accorded the same rights and privileges of naturalization as given to the veterans of World War I and World War II, and

Whereas simple justice requires that Korean war veterans be treated alike for they fought and died in the same manner as the veterans of World War I or World War II, in the service of their country, in its hour of need, and

Whereas the Veterans' Administration treats all veterans alike in passing on their service-incurred disabilities: Now, therefore, be it

Resolved, That the American Legion in national executive committee assembled in Indianapolis, Ind., April 30–May 2, 1958, exert its wholehearted efforts to amend section 329(a) of the Immigration and Nationality Act to read as follows:

"Any person who, while an alien or a noncitizen national of the United States, has served honorably in an active-duty status in the military, air or naval forces of the United States during either World War I or during a period beginning September 1, 1939, and ending December 31, 1946, or during a period beginning June 25, 1950, and ending July 1, 1955, and who, if separated from such service, was separated under honorable conditions, may be naturalized as provided in this section."

Mrs. NEUBERGER. Mr. President, the need for this proposed legislation was first called to my husband's attention when he spoke in San Francisco before the Cathay Post, No. 384, of the American Legion. The post has been most helpful in furnishing information, and I should like to commend Mr. Joseph G. Jue, a young San Francisco attorney, who has made several trips to Washington in behalf of this proposed legislation. Mr. President, I ask unanimous consent to place at this point in my remarks a recent letter from Mr. Jue, which gives some indication of the number of veterans of our Nation's Armed Forces who will benefit from this proposal.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

TARBOX & JUE,
San Francisco, March 10, 1961.

Mr. WALTER H. DODD,
Assistant to Senator Maurine Neuberger,
U.S. Senate, Washington, D.C.

DEAR WALTER: Kindly excuse my long delay in answering your letter of above. Since receiving your much appreciated letter I have made an extensive inquiry into the question of how many veterans would benefit from passage of the Korean war veterans bill.

I have discussed the problem with my own Cathay Post No. 384, American Legion, Chinatown Post No. 4618, Veterans of Foreign Wars, and the leaders of the Chinese Chamber of Commerce, the Chinese Six Companies, the Chinese American Citizens Alliance, the major family associations, and the local Chinese American Democratic Club. My findings based upon an extreme conservative view of the number of potential recipients are as follows:

"In Cathay Post over 100 members of our American Legion post would benefit. There would be an additional 400 recipients in the greater bay area and the belief is that over 1,000 Korean war veterans in this State would benefit."

These submitted figures are based upon information gathered from the oriental community. Naturally, there would be recipients of other ethnic groups of which I cannot speak for, but do exist.

Obtaining these figures has been extremely difficult because the beneficiaries under this bill presently do not have the protection as World War II veterans under our immigration and naturalization laws, and consequently the fear of possible deportation and loss of citizen and our residence status.

I trust that I have been able to answer your letter and that a companion bill will forthwith be introduced in the Senate. I thank you for all your past efforts and rest assured that you will continue to so do in securing passage of this bill.

Very respectfully,
JOSEPH G. JUE.

Mrs. NEUBERGER. Mr. President, it is my hope that this bill will be promptly enacted into law. It has no opposition, and it will correct an injustice to our Nation's war veterans and thus make them eligible for citizenship.

HUMANITARIAN AND OLD AGE RIGHTS

Mr. HUMPHREY. Mr. President, I introduce, for appropriate reference, my Humanitarian and Old Age Rights Act to correct certain inequities and restrictions of the Federal public assistance program, to provide for more effective distribution of Federal funds, and to extend to children of needy unemployed parents eligibility for aid to dependent children benefits.

The purpose of my proposal is summarized in the introductory policy statement which states:

It is the purpose of this act to provide more effectively for the protection, care and assistance of the people of the United States who are in need thereof, and to promote the welfare and happiness of the people of the United States by providing public assistance to its needy and distressed * * * administered promptly and humanely, with due regard for the preservation of family life * * * to encourage self-respect, self-reliance, and the desire to be a good citizen.

We have a great moral obligation to the needy aged, the blind, the physically handicapped, and the dependent children. In a society as rich as ours there is no justification for such people being denied their human dignity.

Yet the fact of the matter is that in all too many States our public assistance programs are administered in such a manner as to strip from these recipients their rights as an American citizen to be treated with respect and dignity and to deny assistance often when wisdom and compassion indicate that needs should be met with public aid.

AID TO DEPENDENT CHILDREN

I am particularly concerned about the welfare of children whose families are struck by unemployment. Under the present aid to dependent children program, needy children are eligible for assistance if their fathers are deceased, disabled, or family deserters.

As President Kennedy declared in recommending action by Congress to include children of the needy unemployed in the ADC program:

In logic and humanity, a child should also be eligible for assistance if his father is a needy unemployed worker—for example, a person who has exhausted unemployment benefits and is not receiving adequate local assistance.

In a similar vein, the Advisory Council on Public Assistance last year put it this way:

On the premise that a hungry, ill-clothed child is as hungry and ill-clothed if he lives in an unbroken home as if he were orphaned or illegitimate, the program for aid to dependent children should be expanded to include any financially needy children living with any relative or relatives.

The present restrictions of the ADC program too often result in real or pretended desertion by fathers who are unable to support their families and hope to qualify their children for public assistance. Many other fathers disqualify their needy children from ADC eligibility simply by remaining with their children to preserve genuine family life in spite of desperate need brought about by continued involuntary unemployment.

To correct this unfortunate situation, to help preserve and promote healthy family life, my proposal would enlarge the definition of dependent child for purposes of ADC eligibility to include children of the needy unemployed.

I am pleased that the House of Representatives has passed such a measure in accord with President Kennedy's request. And I feel confident that the Senate will approve this worthy measure without delay.

AGE REQUIREMENT FOR OLD-AGE ASSISTANCE

My proposal would also make the age requirement for old-age assistance recipients the same as that established for old-age beneficiaries under title II of the Social Security Act.

The need for this is obvious when we consider the low minimum benefits now paid under the OASI program. Many beneficiaries who fall into the low category cannot exist on a benefit payment of $50 to $60 per month and must therefore apply for public assistance to supplement this inadequate income.

Therefore, when we lowered the age for women OASI beneficiaries to 62 as we did in 1956, and did not make a corresponding change in the public assistance program, our original purpose was to a large extent defeated.

EARNINGS ALLOWANCE

My bill would allow the aged and handicapped on public assistance to earn up to $50 per month; the parents of needy children up to $30 per month, and the needy children themselves, up to $30 per month to supplement their assistance checks. The blind are already permitted to earn $50, without penalty of reduction in aid.

Such action helps public assistance recipients to develop self-reliance and eventually to become self-supporting. We should encourage such efforts instead of penalizing them.

This privilege was extended to the aged by the Senate in 1956, but unfortunately, it was knocked out of the social security amendments by the conference committee.

HOMEOWNERSHIP

This bill would allow public assistance recipients to own a home of an assessed value, less all encumbrances, up to $5,000 free from the imposition of a lien. The practice of forcing an old person to sign over his little home that he has spent most of his life acquiring as a condition of receiving aid in time of need is abominable.

My bill would exempt household furnishings and other personal effects plus an insurance policy or burial arrangements up to $500 in value when considering need and would also establish a floor of $1,200 under the amount of personal property which a single recipient is allowed to have.

I see no earthly reason why we should require people to be absolute paupers before we consider them in need of help to get the day-to-day necessities of life. To force them to use up every last resource before they are given aid is to strip them of any feeling of security should they become ill, or should their checks be held up in tangle of redtape or for other reasons. If they have been thrifty enough to purchase a burial policy so that their last remains can be covered with a semblance of dignity, are we to force them to cash this in, thereby finally sentencing them to potter's field?

It is wrong to grind them right down into the dust of absolute poverty before they can expect any help.

STOP HARASSMENT OF RELATIVES

My bill would further prohibit the practice of some States whereby the public assistance laws are used to enforce the general support laws of the State. This is the so-called responsible relatives law where children of pensioners are often subjected to continual harassment by State and county administrators even though they are in no way financially capable of supporting their aged parents.

While I firmly subscribe to the theory that it is the moral responsibility of children to care for their parents if they can reasonably afford to do so, I feel that this should be a matter for State support laws, and not be used merely as a harassment in the public assistance program.

To show the hardship this so often works on our oldsters, in some States the mere existence of a relative deemed capable of supporting the old person is reason enough—according to State law—for denying that old person aid. Whether or not the relative is actually supporting the needy person is not taken into consideration. The fact that the relative exists is enough.

OUTLAW "SHAME" LIST

As another consideration, this bill provides that the public assistance program is to be administered by each State so as to insure uniform treatment of the needy in all its political subdivisions.

It would further reinstate the original policy adopted by Congress that the names of recipients be held confidential.

That is, it would outlaw the "shame list," which is used by all too many States to ridicule recipients of aid. This law reminds me of the old practice of putting town drunks or wifebeaters in stocks in the public square to shame them in front of fellow townsmen. We hardly think that such a theory has any place in the 20th century.

RESIDENCE REQUIREMENT

We come now to the question of the residence requirement imposed by a majority of our States. The Public Assistance Act says that a State shall not impose a residence requirement exceeding 5 years out of the 9 years preceding application. And many States impose this maximum.

Even on the surface, this whole idea of a residence requirement seems ridiculous and even downright un-American to me. Though I come from the great State of Minnesota, I am also an American citizen. I am not restricted to living in Minnesota. When I come to Washington, it is not necessary that I take out a visa to remain or that I obtain a passport to travel to California if I choose to do so. I am just as much an American citizen in California or Nebraska as I am in Minnesota.

To help alleviate this problem, my bill reduces the State-imposed residence requirements now allowed by the Federal Government from 5 years to 1 year and provides that should an otherwise qualified person to fail to meet State residence requirements, the Federal Government will pay its share direct to the person until they have met the State residence requirement.

Finally, this bill provides that no person receiving such public aid shall be deemed a pauper and no warrant drawn

in payment shall contain any reference to indigency or pauperism, and that the value of any U.S. surplus food made available to a public assistance recipient shall not be deducted from the recipient's public assistance benefits.

Mr. President, I ask unanimous consent that this bill lie at the desk for 1 week for Senators who may wish to join as cosponsors, and I ask that the text of my proposal be printed at this point in the CONGRESSIONAL RECORD.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD, and will lie on the desk, as requested by the Senator from Minnesota.

The bill (S. 1511) to amend the public assistance provisions of the Social Security Act to eliminate certain inequities and restrictions and permit a more effective distribution of Federal funds, introduced by Mr. HUMPHREY, was received, read twice by its title, referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Humanitarian and Old-Age Rights Act."

STATEMENT OF PURPOSE AND POLICY

SEC. 2. It is the purpose of this Act to provide more effectively for the protection, care, and assistance of the people of the United States who are in need thereof, and to promote the welfare and happiness of the people of the United States by providing public assistance to its needy and distressed. It is the policy of the Congress that assistance under titles I, IV X, and XIV of the Social Security Act, as amended by this Act, shall be administered promptly and humanely, with due regard for the preservation of family life and without discrimination on account of race, religion, or political affiliation, and that such asistance shall be so administered as to encourage self-respect, self-reliance, and the desire to be a good citizen, useful to society. Titles I, IV, X, and XIV of the Social Security Act shall be liberally construed in order to carry out this purpose and policy.

OLD-AGE ASSISTANCE

SEC. 3. (a)(1)(A) Section 2(a)(1) of the Social Security Act is amended to read as follows:

"(1) provide that it shall be in effect in all political subdivisions of the State;".

(B) Section 2(a)(3) of such Act is amended to read as follows:

"(3) provide for the establishment or designation of a single State agency to administer the plan;".

(2) Section 2(a)(10)(A) of such Act is amended to read as follows:

"(A) provide that the State agency shall, in determining need, take into consideration any other income and resources of an individual claiming old-age assistance; except that in making such determination, the State agency shall disregard (i) the first $50 per month of earned income, (ii) the ownership by such individual (alone or with his or her spouse) of a home having an assessed value, less all encumbrances of record thereon, of less than $5,000 (except to the extent that he is receiving rental income therefrom), (iii) the ability of such individual's family and relatives to provide for his support, (iv) any donations of surplus food which may have been made to such individual from stocks of the Commodity Credit Corporation, and (v) the first $1,200 in value (over and above all encumbrances of record) of personal property owned by such individual;".

(3) Section 2(a) of such Act is further amended by striking out the period at the end of paragraph (11) and inserting in lieu thereof a semicolon and by adding at the end of such section 2(a) the following new paragraph:

"(12) provide that there will be no discrimination based on sex in determining the needs of individuals receiving assistance under the plan."

(4) Section 2(a) of such Act is further amended by adding after paragraph (12) the following new sentence: "For purposes of paragraph (10)(A)(v), no life insurance policy shall be valued at more than its present surrender value to the individual, and the term 'personal property' shall not include (i) the individual's clothing, furniture, household equipment, foodstuffs, fuel, personal jewelry, or other personal effects, or (ii) interment plots, money placed in trust or insurance for funeral, interment, or similar expenses, or any contract rights connected therewith, if such money, insurance, or contract rights do not exceed $500 in value."

(5) Section 2(b)(1) of such Act is amended to read as follows:

"(1) an age requirement at any given time of more than the age which at such time constitutes retirement age for purposes of title II of this Act; or".

(6) Section 2(b)(2)(A) of such Act is amended to read as follows: "(A) which excludes any resident of the State who has resided therein continuously for one year immediately preceding the application; and".

(b) The second sentence of section 1 of sucn Act is amended by inserting before the period at the end thereof a semicolon and the following: "but no payment shall be made under this title to any State which has not also submitted, and had approved by the Secretary, State plans for assistance under titles IV, X, and XIV".

(c) Section 4 of such Act is amended by striking out "or" at the end of paragraph (1), by adding "or" at the end of paragraph (2), and by inserting after paragraph (2) the following new paragraph:

"(3) that in the administration of the plan there is imposed, as a condition of old-age assistance to any individual, a requirement that such individual subject his home to a lien of any kind or transfer to the State agency any interest in his home;".

(d) Title I of such Act is amended by adding at the end thereof the following new sections:

"DIRECT PAYMENTS TO INDIVIDUALS NOT SATISFYING RESIDENCE REQUIREMENTS

"SEC. 7. If an individual, after making application for old-age assistance, is denied such assistance by the State agency solely because he does not satisfy the residence requirements imposed under the State plan, and if such individual is not entitled to old-age assistance by reason of prior residence in another State, the State agency shall promptly notify the Secretary of the fact that such individual has made such application and would be eligible for old-age assistance if he satisfied such requirements. The Secretary shall thereupon pay directly to such individual for each month, beginning with the first month (after the month of such individual's application) in which such individual would have been eligible for old-age assistance if he satisfied such residence requirements and ending with the month preceding the first month in which he satisfies such requirements, an amount (as determined under regulations prescribed by the Secretary) equal to the Federal Government's proportionate share of the old-age assistance which such individual would receive for such month if he then satisfied such requirements.

"ASSISTANCE FOR NEEDS OF RECIPIENT ONLY

"SEC. 8. Assistance paid to any individual under this title is to assist him in meeting his individual needs and is not for the benefit of any other person; and such assistance shall not be regarded as income of any person other than such individual."

AID TO DEPENDENT CHILDREN

SEC. 4. (a)(1)(A) Section 402(a)(1) of the Social Security Act is amended to read as follows: "(1) provide that it shall be in effect in all political subdivisions of the State;".

(B) Section 402(a)(3) of such Act is amended to read as follows: "(3) provide for the establishment or designation of a single State agency to administer the plan;".

(2) Section 402(a)(7) of such Act is amended to read as follows: "(7) provide that the State agency shall, in determining need, take into consideration any other income and resources of any child claiming aid to dependent children; except that in making such determination the State agency shall disregard (A) the first $15 per month of income earned by such child and the first $30 per month of income earned by his parent or guardian, (B) the ownership by such child (or by his parent or guardian) of a home having an assessed value, less all encumbrances of record thereon, of less than $5,000 (except to the extent that he is receiving rental income therefrom), and (C) any donations of surplus food which may have been made to or for such child from stocks of the Commodity Credit Corporation;".

(3) Section 402(a) of such Act is further amended by striking out the final period and inserting in lieu thereof a semicolon and the word "and", and by adding at the end of the subsection the following new clause: "(13) provide that there will be no discrimination based on sex in determining the needs of individuals receiving assistance under the plan."

(b) The second sentence of section 401 of such Act is amended by inserting before the period at the end thereof a semicolon and the following: "but no payment shall be made under this title to any State which has not also submitted, and had approved by the Secretary, State plans for assistance under titles I, X, and XIV".

(c) Section 404 of such Act is amended by striking out "or" at the end of paragraph (1), by adding "or" at the end of paragraph (2), and by inserting after paragraph (2) the following new paragraph:

"(3) that in the administration of the plan there is imposed, as a condition of aid to any dependent child, a requirement that such child (or his parent or guardian) subject to his (or their) home to a lien of any kind or transfer to the State agency any interest in such home;".

(d) Title IV of such act is amended by adding at the end thereof the following new section:

"DIRECT PAYMENTS TO DEPENDENT CHILDREN NOT SATISFYING RESIDENCE REQUIREMENTS

"SEC. 407. If a dependent child, after making application for aid to dependent children, is denied such aid by the State agency solely because he does not satisfy the residence requirements imposed under the State plan, and if such child is not entitled to aid to dependent children by reason of prior residence in another State, the State agency shall promptly notify the Secretary of the fact that such child has made such application and would be eligible for such aid if he satisfied such requirements. The Secretary shall thereupon pay directly to such child for each month, beginning with the first month (after the month of such child's

application) in which such child would have been eligible for aid to dependent children if he satisfied such residence requirements and ending with the month preceding the first month in which he satisfies such requirements, an amount (as determined under regulations prescribed by the Secretary) equal to the Federal Government's proportionate share of the aid to dependent children which such child would receive for such month if he then satisfied such requirements."

(e) Section 406(a) of such act is amended to read as follows:

"(a) The term 'dependent child' means a needy child under the age of 18, who has been deprived of parental support or care for any reason (including, but not limited to, the following reasons: the death, continued absence from home, physical or mental incapacity, or unemployment, of a parent), and who is living with his father, mother, grandfather, grandmother, brother, sister, stepfather, stepmother, stepbrother, stepsister, uncle, aunt, first cousin, nephew, or niece, in a place of residence maintained by one or more of such relatives as his or their own home;".

AID TO THE BLIND

SEC. 5. (a)(1)(A) Section 1002(a)(1) of the Social Security Act is amended to read as follows: "(1) provide that it shall be in effect in all political subdivisions of the State;".

(B) Section 1002(a)(3) of such Act is amended to read as follows: "(3) provide for the establishment or designation of a single State agency to administer the plan;".

(2) Section 1002(a)(8) of such Act is amended to read as follows: "(8) provide that the State agency shall, in determining need, take into consideration any other income and resources of an individual claiming aid to the blind; except that, in making such determination, the State agency shall disregard (A) the first $50 per month of earned income, (B) the ownership by such individual (alone or with his or her spouse) of a home having an assessed value, less all encumbrances of record thereon, of less than $5,000 (except to the extent that he is receiving rental income therefrom), (C) the ability of such individual's family and relatives to provide for his support, (D) any donations of surplus food which may have been made to such individual from stocks of the Commodity Credit Corporation, and (E) the first $1,200 in value (over and above all encumbrances of record) of personal property owned by such individual;".

(3) Section 1002(a) of such Act is further amended by striking out the final period and inserting in lieu thereof a semicolon and the following: "and (14) provide that there will be no discrimination based on sex in determining the needs of individuals receiving assistance under the plan."

(4) Section 1002(a) of such Act is further amended by adding after clause (14) the following new sentence: "For purposes of clause (8)(E), no life insurance policy shall be valued at more than its present surrender value to the individual, and the term 'personal property' shall not include (i) the individual's clothing, furniture, household equipment, foodstuffs, fuel, personal jewelry, or other personal effects, or (ii) interment plots, money placed in trust or insurance for funeral, interment, or similar expenses, or any contract rights connected therewith, if such money, insurance, or contract rights do not exceed $500 in value."

(5) Section 1002(b)(1) of such Act is amended to read as follows:

"(1) Any residence requirement which excludes any resident of the State who has resided therein continuously for one year immediately preceding the application; or".

(b) The second sentence of section 1001 of such Act is amended by inserting before the period at the end thereof a semicolon and the following: "but no payment shall be made under this title to any State which has not also submitted, and had approved by the Secretary, State plans for assistance under titles I, IV, and XIV".

(c) Section 1004 of such Act is amended by striking out "or" at the end of paragraph (1), by adding "or" at the end of paragraph (2), and by inserting after paragraph (2) the following new paragraph:

"(3) that in the administration of the plan there is imposed, as a condition of aid to any individual, a requirement that such individual subject his home to a lien of any kind or transfer to the State agency any interest in his home;".

(d) Title X of such Act is amended by adding at the end thereof the following new sections:

"DIRECT PAYMENTS TO INDIVIDUALS NOT SATISFYING RESIDENCE REQUIREMENTS

"SEC. 1007. If an individual, after making application for aid to the blind, is denied such aid by the State agency solely because he does not satisfy the residence requirements imposed under the State plan, and if such individual is not entitled to aid to the blind by reason of prior residence in another State, the State agency shall promptly notify the Secretary of the fact that such individual has made such application and would be eligible for such aid if he satisfied such requirements. The Secretary shall thereupon pay directly to such individual for each month, beginning with the first month (after the month of such individual's application) in which such individual would have been eligible for aid to the blind if he satisfied such residence requirements and ending with the month preceding the first month in which he satisfies such requirements, an amount (as determined under regulations prescribed by the Secretary) equal to the Federal Government's proportionate share of the aid to the blind which such individual would receive for such month if he then satisfied such requirements.

"ASSISTANCE FOR NEEDS OF RECIPIENT ONLY

"SEC. 1008. Assistance paid to any individual under this title is to assist him in meeting his individual needs and is not for the benefit of any other person; and such assistance shall not be regarded as income of any person other than such individual."

AID TO THE PERMANENTLY AND TOTALLY DISABLED

SEC. 6. (a)(1)(A) Section 1402(a)(1) of the Social Security Act is amended to read as follows: "(1) provide that it shall be in effect in all political subdivisions of the State;".

(B) Section 1402(a)(3) of such Act is amended to read as follows: "(3) provide for the establishment or designation of a single State agency to administer the plan;".

(2) Section 1402(a)(8) of such Act is amended to read as follows: "(8) provide that the State agency shall, in determining need, take into consideration any other income and resources of an individual claiming aid to the permanently and totally disabled; except that, in making such determination, the State agency shall disregard (A) the first $50 per month of earned income, (B) the ownership by such individual (alone or with his or her spouse) of a home having an assessed value, less all encumbrances of record thereon, of less than $5,000 (except to the extent that he is receiving rental income therefrom), (C) the ability of such individual's family and relatives to provide for his support, (D) any donations of surplus food which may have been made to such individual from stocks of the Commodity Credit Corporation, and (E) the first $1,200 in value (over and above all encumbrances of record) of personal property owned by such individual;".

(3) Section 1402(a) of such Act is further amended by striking out the final period and inserting in lieu thereof a semicolon and the following: "and (13) provide that there will be no discrimination based on sex in determining the needs of individuals receiving assistance under the plan."

(4) Section 1402(a) of such Act is further amended by adding after clause (13) the following new sentence: "For purposes of clause (8)(E), no life insurance policy shall be valued at more than its present surrender value to the individual, and the term 'personal property' shall not include (i) the individual's clothing, furniture, household equipment, foodstuffs, fuel, personal jewelry, or other personal effects, or (ii) interment plots, money placed in trust or insurance for funeral, interment, or similar expenses, or any contract rights connected therewith, if such money, insurance, or contract rights do not exceed $500 in value."

(5) Section 1402(b)(1) of such Act is amended to read as follows:

"(1) Any residence requirement which excludes any resident of the State who has resided therein continuously for one year immediately preceding the application; or"

(b) The second sentence of section 1401 of such Act is amended by inserting before the period at the end thereof a semicolon and the following: "but no payment shall be made under this title to any State which has not also submitted, and had approved by the Secretary, State plans for assistance under titles I, IV, and X".

(c) Section 1404 of such Act is amended by striking out "or" at the end of paragraph (1), by adding "or" at the end of paragraph (2), and by inserting after paragraph (2) the following new paragraph:

"(3) that in the administration of the plan there is imposed, as a condition of aid to any individual, a requirement that such individual subject his home to a lien of any kind or transfer to the State agency any interest in his home;".

(d) Title XIV of such Act is amended by adding at the end thereof the following new sections:

"DIRECT PAYMENTS TO INDIVIDUALS NOT SATISFYING RESIDENCE REQUIREMENTS

"SEC. 1406. If an individual, after making application for aid to the permanently and totally disabled, is denied such aid by the State agency solely because he does not satisfy the residence requirements imposed under the State plan, and if such individual is not entitled to aid to the permanently and totally disabled by reason of prior residence in another State, the State agency shall promptly notify the Secretary of the fact that such individual has made such application and would be eligible for such aid if he satisfied such requirements. The Secretary shall thereupon pay directly to such individual for each month, begining with the first month (after the month of such individual's application) in which such individual would have been eligible for aid to the permanently and totally disabled if he satisfied such residence requirements and ending with the month preceding the first month in which he satisfies such requirements, an amount (as determined under regulations prescribed by the Secretary) equal to the Federal Government's proportionate share of the aid to the permanently and totally disabled which such individual would receive for such month if he then satisfied such requirements.

"ASSISTANCE FOR NEEDS OF RECIPIENT ONLY

"SEC. 1407. Assistance paid to any individual under this title is to assist him in meeting his individual needs and is not for the benefit of any other person; and such assistance shall not be regarded as income of any person other than such individual."

MISCELLANEOUS PROVISIONS

SEC. 7. (a) As used in the provisions of the Social Security Act amended by this Act, the term "Secretary", except when the context otherwise requires, means the Secretary of Health, Education, and Welfare.

(b) Section 618 of the Revenue Act of 1951 (relating to public access to State public assistance records) is repealed.

(c) No check or warrant drawn in payment of assistance to any individual under title I, IV, X (or XIV of the Social Security Act, and no envelope or other outer covering therefor, shall bear any printing or marking which indicates or implies that such individual is indigent or a pauper.

(d) The amendments made by sections 3 (d), 4 (d), 5 (d), and 6 (d) shall apply with respect to months beginning after the date of the enactment of this Act. Section 7 (b) shall apply with respect to payments to which the States (including the agencies and political subdivisions thereof) become entitled after the date of the enactment of this Act. Sections 7 (a) and 7 (c) shall take effect on the date of the enactment of this Act. The remaining amendments made by this Act shall take effect on July 1, 1962.

JUVENILE DELINQUENCY CONTROL

Mr. HUMPHREY. Mr. President, during the past 10 years there has been an alarming increase in juvenile delinquency, and we face a dangerous acceleration of this trend unless we soon launch a broad national effort to control juvenile delinquency.

Juvenile crime is still rising at a fast rate—faster than our population growth, and much faster than adult crime is increasing.

The recent FBI report on crime in 1960 shows that arrests of adults in 1960 were up 2 percent over 1959.

But arrests of youngsters under 18 years of age were up 6 percent over the 1959 total. More than 400,000 juvenile lawbreakers were in trouble with police in 1960.

Since 1949, there has been a steady increase in national delinquency statistics—a rise that far exceeds the growth of our child population. Statistics from the Children's Bureau indicate juvenile delinquency cases increased more than 200 percent between 1948 and 1956, while the child population increased during the same period by only 19 percent.

From 1952 to 1957, arrests of young people under 18 years of age increased 2½ times as fast as the population in the 10- to 17-year-old age bracket.

Juvenile delinquency is not confined to urban areas. It is not confined to one region. A study of 520,000 juvenile court cases in 1956, showed that 24 percent of these cases were in semiurban areas and 11 percent were in rural areas.

Clearly, juvenile delinquency is a national problem. It requires Federal action as well as action by our States and local communities. We need improved methods to deal with juvenile delinquency and we need a great increase in the number of trained, qualified, experienced personnel to help our young people.

I am proud to note that the University of Minnesota launched a training project in delinquency control in 1953. Prof. John R. Ellingston, of the University of Minnesota, in testimony before the Juvenile Delinquency Subcommittee, stressed the need for trained personnel. He said:

> People are all-important in rehabilitation. Consequently, the selection and training of all personnel who deal with delinquent children becomes indispensable to rehabilitation and prevention. To stimulate and facilitate the teaching of this group seems to me to offer the greatest opportunity in this area to Congress. The biggest returns from any investment by Congress in the delinquency control field will come from aid to training personnel.

The Department of Health, Education, and Welfare has estimated the shortage of trained social workers at more than 15,000. There is also a shortage of trained juvenile probation officers—only 1 out of 10 has professional training.

Only one-half of middle-sized communities and one-fourth of communities with less than 10,000 population have specialized units for handling children's cases with specially trained police officers, although most bigger cities have better facilities and better trained juvenile police officers.

In the 86th Congress, legislation was introduced to stimulate a national effort to help control juvenile delinquency. The senior Senator from Pennsylvania [Mr. CLARK] very ably conducted hearings on this subject in 1959, and we approved juvenile delinquency control legislation early last year, but I regret to say that this bill did not receive any action in the House of Representatives.

I wish to pay tribute to the fine leadership of the chairman of the Senate Committee on Labor and Public Welfare [Mr. HILL] and the senior Senator from Pennsylvania [Mr. CLARK], and I pledge my full cooperation in their efforts to enact constructive legislation in this field.

Mr. President, I am proposing legislation to provide for Federal assistance and cooperation with States to strengthen and to improve State and local programs for control of juvenile delinquency. This proposal makes the broadest possible allowances for local direction, local autonomy, and local decision.

A Federal Advisory Council on Juvenile Delinquency would be created in the Department of Health, Education, and Welfare to advise the Secretary and to present programs for decreasing the delinquency problem and for its control and treatment.

Under my proposal, Federal funds authorized for State and local delinquency control programs would be $5 million the first year, $7,500,000 the second, $10 million the third year, and for the following 4 years, such amounts as Congress may decide.

Allotments to each State would be based on the ratio of its child population to the total child population of all the States, but there would be a minimum allotment of $50,000 per State.

My proposal authorizes $5 million a year for 7 years to help States and nonprofit institutions of higher learning to support personnel training for control and treatment of juvenile delinquency.

It also authorizes $1 million a year for 7 years for research, demonstration, and development projects—projects which may eventually pave the way toward great improvements in our attack on juvenile delinquency.

The total cost of my proposal would not exceed $16 million a year. This is an essential investment in the welfare of our young people, and I am confident that it will pay great dividends.

Many authorities on juvenile problems agree that the career of one juvenile delinquent can cost the taxpayers $25,000 in police, court, confinement, and parole expenses. Every time we save a youngster from delinquency, we are saving the taxpayers an average of $25,000—and this is quite apart from the contribution that delinquency prevention and control can make to the moral and spiritual welfare of our Nation.

Certainly we must rely on the home, the church and the school to help combat juvenile delinquency, but let us give national support to stimulate cooperative efforts by our States, our local communities, and our local agencies which are working on this serious problem.

Mr. President, I introduce for appropriate reference my bill entitled "The Delinquent Children's Act of 1961."

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 1512) to provide for assistance to and cooperation with States in strengthening and improving State and local programs for the dimunition, control, and treatment of juvenile delinquency, introduced by Mr. HUMPHREY (for himself and Mr. MORSE), was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

Mr. MORSE. Mr. President, I consider it an honor and a privilege to join with the distinguished Senator from Minnesota in cosponsoring the bills which he has introduced.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the name of the distinguished senior Senator from Oregon [Mr. MORSE] be added as a cosponsor of my bills on humanitarian and old-age rights and on juvenile delinquency control.

The PRESIDENT pro tempore. Without objection, it is so ordered.

EXTENSION OF TIME WITHIN WHICH CERTAIN AGREEMENTS RELATING TO ADVERTISEMENTS MAY BE ENTERED INTO

Mr. HICKEY. Mr. President, I introduce for appropriate reference, for my colleague the senior Senator from Wyoming [Mr. MCGEE] and myself, a bill to amend title 23 of the United States Code to extend to July 1, 1963, the period within which certain agreements relating to outdoor advertisements may be entered into by the Secretary of Commerce and the States.

It is the thought of the Wyoming State Highway Commission that the enactment of the amendment would give the State additional time to better utilize facilities the State has set in motion to promote the Interstate Highway System as it relates to Wyoming.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 1513) to amend title 23 of the United States Code to extend to July 1, 1963, the period within which certain agreements relating to outdoor advertisements may be entered into by the Secretary of Commerce and the States, introduced by Mr. HICKEY (for himself and Mr. MCGEE), was received, read twice by its title, and referred to the Committee on Public Works.

DEFENSE CONTRACTS FOR LABOR-DISTRESSED AREAS

Mr. WILLIAMS of Delaware. Mr. President, I am very much concerned over recent statements that have been released by the new administration to the effect that defense contracts and other types of Government procurement contracts are to be directed to labor-distressed areas apparently without regard to the possibility that contractors in those areas may not always be the lowest bidder.

In this connection, President Kennedy in a recent message to the Congress stated:

> And I have today sent a directive to the Secretary of Defense, the Secretary of Labor, and the General Services Administration requesting prompt steps to improve the machinery by which Federal contracts can be channeled to firms located in labor-surplus areas.

Lately there has been appearing in the press statements that the Defense Department and the General Services Administration would speed up their purchases and that they would try to channel their procurements into areas of substantial unemployment.

The General Services Administrator frankly stated that the aim was to help ease the Nation's economic plight.

Under this order, it is assumed that contracts on which competitive bids would normally be in order will now be negotiated with factories in these labor-surplus areas, and the administration will then direct procurements to those areas even though the cost to the Government under these negotiated contracts may be higher than the lowest available bids from other areas.

Apparently President Kennedy in issuing this directive overlooked an amendment which was incorporated in last year's Defense appropriation bill—Public Law 601 of the 86th Congress.

This amendment, as approved July 7, 1960, specifically prohibits any of the Defense Department appropriations for fiscal year 1961 being used for the purpose of directing contracts to areas to relieve economic dislocations.

I quote the language of this amendment as adopted:

> *Provided further,* That no funds herein appropriated shall be used for the payment of a price differential on contracts hereafter made for the purpose of relieving economic dislocations: *Provided, however,* That none of the funds appropriated in this Act shall be used except that, so far as practicable, all contracts shall be awarded on a competitive basis to the lowest responsible bidder.

This provision specifically prohibits any of the appropriations contained in the Defense Appropriation Act of fiscal year 1961 from being used for the payment of any contract which is negotiated and awarded to any manufacturer at prices higher than the lowest responsible bidder, and it prohibits any of the funds under that appropriation from being used for the payment of any price differentials on any contracts made for the purpose of relieving economic conditions.

Neither the Defense Department nor the General Services Administration is operating a relief agency. Their job is to buy the supplies of the Government at the lowest possible prices, and under the law this must be done at least as far as expenditures of the 1961 Defense appropriations are involved.

Furthermore, if this new policy were adopted as a standard procurement policy for the U.S. Government, it would mean the establishment of the greatest era of influence peddling this Capital has ever known.

To adopt this procedure as standard buying practice would be an open invitation to contractors in surplus labor areas not to figure their prices down to levels where they would be the lowest bidders in order to obtain Government business, but rather to establish their prices for all that the traffic would bear and then depend upon political influence at the congressional or State levels to bring pressure upon the procurement offices of the Defense Department and the General Services Administration to award the contracts to their States or congressional districts.

It has always been my contention that if a factory is operating below capacity and is located in a labor surplus area, there is no reason why it cannot bid on Government procurement at prices as low as its competitors unless there is inefficiency in its management or unless it is depending on its ability to cash in on political influence.

For several years, I have introduced legislation the purpose of which was to require that all procurement agencies of the U.S. Government be required to request competitive bids and to award contracts to the lowest responsible bidder—except only in those cases wherein the solicitation of competitive bids would not be feasible from a defense standpoint, such as in cases of the building of the first nuclear submarine, missiles, and so forth.

I am today again introducing this legislation which would establish this requirement as general law, and expressing the hope that this time the appropriate committee will see fit to approve this greatly needed legislation.

In the meantime, I am calling to the attention of the executive branch the law which is already in effect as far as any expenditures under the 1961 Defense appropriations are involved.

I am today writing both the Secretary of Defense and the Administrator of the General Services Administration, calling their attention to this provision of Public Law 601 of the 86th Congress which specifically prohibits the awarding of contracts in labor surplus areas at prices higher than those available under responsible competitive bids.

At the same time, I am writing the Comptroller General of the United States, asking that his Department give particular attention to see that this law as it affects the 1961 Defense appropriations is complied with.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 1514) to require the use of competitive bidding to the greatest practicable extent in the procurement of property and services, by the Armed Forces through the establishment by the Secretary of Defense of specific standards governing the use of negotiated contracts for such procurement, and for other purposes, introduced by Mr. WILLIAMS of Delaware, was received, read twice by its title, and referred to the Committee on Armed Services.

SUPPLEMENTAL FUNDS FOR SCHOOL LUNCH PROGRAM

Mr. WILEY. Mr. President, I introduce for appropriate reference a bill to provide supplemental funds amounting to $10 million for the fiscal year 1961.

Over the years, the national school lunch program—benefiting more than 13½ million students—has been first, an important factor in maintaining the health of our youth; and, second, a significant outlet for surplus commodities. About 265,000 students in Wisconsin are enjoying and benefiting from lunches served in the schools.

Unfortunately, the program is running out of money.

Recently, for example, Gordon Gunderson, director of the school lunch program for Wisconsin, informed the participating schools that it would be necessary, on May 1, 1961, to cut back Federal reimbursement for lunches from 5 to 1½ cents per lunch. This threatens serious curtailment of this important program—not only in Wisconsin but other States throughout the Nation.

Based upon national school lunch program expenditures for reimbursement of lunches served July 1960 through January 1961, and upon projections for the remainder of the year, it appears that about half the States will run out of money before the end of the year. They will either have to reduce reimbursement rates for lunches served or not pay all claims submitted in the latter months of the school year.

The history of the school lunch system, I believe, well justifies Federal support at the current level of reimbursement. To help accomplish this objective, I am introducing a bill to provide an additional $10 million supplemental appropriation for the current year.

Moreover, I believe Congress should take early and favorable action on such legislation.

At this time, I request unanimous consent to have the following materials printed at this point in the RECORD:

First, a list of the States which are expected to run out of money prior to

the end of the school year; and, second, a series of messages from directors of the school lunch program throughout the country stressing the need for supplemental funds for the school lunch program.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the matters referred to will be printed in the RECORD.

The bill (S. 1515) to provide additional funds for carrying out the National School Lunch Act in the fiscal year 1961, introduced by Mr. WILEY, was received, read twice by its title, and referred to the Committee on Agriculture and Forestry.

The matters presented by Mr. WILEY are as follows:

LIST OF STATES

Arkansas, Colorado, Georgia, Illinois, Indiana, Iowa, Kansas, Kentucky, Massachusetts, Michigan, Mississippi, Missouri, New Hampshire, New Mexico, New York, North Dakota, Oklahoma, Puerto Rico, South Carolina, South Dakota, Tennessee, Washington, Wisconsin, Wyoming.

ASHLAND PUBLIC SCHOOLS,
Ashland, Wis., March 30, 1961.

Hon. ALEXANDER WILEY,
U.S. Senate, Washington, D.C.

DEAR SIR: This morning I was shocked when I received a letter from the department of public instruction, Madison, Wis., division of school lunch program, in which we were informed that the school lunch program reimbursement rates will be reduced effective May 1, 1961. I am writing immediately because of the grave concern I have as administrator of a large school area in Ashland County, namely the joint school district, city of Ashland, as to the effect this will have on our very vital school lunch program.

I am quite sure you are aware of the implication and the financial repercussions of this change in policy and the effect on an area such as Ashland. Furthermore, I am well aware of your real concern and your fight throughout your period in office for the use of dairy and agricultural products, which are the backbone of the State of Wisconsin. Your stand has always been admirable in the defense of Wisconsin's basic economy.

We have been informed that as of May 1, 1961, the reimbursement on type A lunches, with milk served, will be reduced to 1½ cents per lunch. I am sure you realize that this, if not altered, will place not only Ashland schools, but many schools in the State of Wisconsin, in a position of grave financial condition and possibly the discontinuance of such type A lunches. We have been informed that because of the greater participation in the lunch program this aid money has not been sufficient to continue our original grant of 5 cents per lunch. I know that this has happened before and that emergency grants have been made to continue the program until the end of the school year. We have also been informed that there is such legislation in committee but, that in plain English, "the committee is sitting on the recommendation." This, to me, certainly indicates a very poor attitude and a disastrous approach to the solution of this problem. I urge you, not only in behalf of the boys and girls in my school system, but thousands of others, that something be done immediately to remedy this situation.

In order that you might have a little specific background as to how it might affect Ashland, I should like to explain our situation. You are well aware that Ashland and three other counties in this area are in a distressed area zone, as determined by survey. We are in no position to be spending, or even securing additional tax funds to make up for this reduction. We have been feeding, in our school system, approximately 700 to 800 children. We are a consolidated district of 400 square miles. Many of the students come from remote areas and need this lunch. We have, for the past number of years, found it necessary, in spite of all aids, to subsidize our lunch program out of local tax moneys to the extent of $9,000 to $10,000 per year. Within the past year we have increased the cost of student payment to the State average which is 25 cents. With a reorganization of buying, efficient management, and the increased student payment, we still will be operating, in all probability, with a deficit of $1,000 to $2,000. This must be made up from local school funds. We need this aid desperately. It does not make sense to me to have the aid on a type A lunch, which is a complete, well-balanced plate lunch, with half pint of milk included, to be reduced from 5 to 1½ cents in aids and still continue a 4-cent aid on each half pint of milk that the child drinks during the day, which is not connected with the actual meal. In other words, if this reduction goes through, we might as well forget about the A lunch and just operate the milk program and collect its aid. This, I will admit, would defeat the intent of the full lunch program.

I hope I have explained our specific situation. Last fall, because of economic conditions, my budget for the schools was reduced by the city council in the amount of $42,000. Someplace we will have to make up that money and we are not in a position to absorb any other unanticipated expenditures. Aside from the financial condition, it seems to me that an area such as we have in the northern part is vitally concerned with the health of children. We had better be concerned with the continuing of lunch aids at the original figure. I sincerely hope you will give this your immediate attention and see if this temporary Federal appropriation cannot be ferreted out of the committee for immediate action.

Thank you again for your efforts and your consideration for the boys and girls of Ashland and the Nation.

Yours very truly,
ROGER B. HOLTZ,
Superintendent of Schools.

STANLEY PUBLIC SCHOOLS,
Stanley, Wis., April 4, 1961.

Hon. ALEXANDER WILEY,
U.S. Senate, Washington, D.C.

DEAR SENATOR: We have been informed of a cut in our school lunch refund from 5 cents to 1½ cents for the months of May and June. Our school budget, like others, has been set up on a 5-cent basis. This drastic cut will mean in our area, as in the State, a definite added burden to our taxpayer. It could even mean, in some instances, a discontinuance of the school lunch program, a program that has become a very vital and necessary part of our educational system. Unquestionably, many students get their only real balanced meal at the school lunch. I am certain that you realize that we are reaching the saturation point in property tax for school purposes, and additional taxes will certainly create hardships. This is especially so in our present economic situation.

I sincerely hope and urge that you will use your influence to see that the original aid is provided for our school lunch program, and that it may continue as it is at present. May I assure you that your assistance will be appreciated by school people and parents in this State?

Very truly yours,
LINCOLN H. HALVERSON,
Superintendent.

SHEBOYGAN FALLS, WIS.,
March 29, 1961.

Hon. ALEXANDER WILEY,
U.S. Senate, Washington, D.C.

DEAR SENATOR WILEY: The department of public instruction has notified us that effective May 1, 1961, the reimbursement rate for school lunches will be 1½ cents per lunch. We have been currently receiving 5 cents.

This is a tremendous reduction in the Federal aid program, and I am wondering why this has taken place before the end of the school year. Our budgets were set last July. The State informs us that Federal funds have not been increased to meet the increase in participation this year.

Can we expect more Federal reimbursement next year? Will you do everything you can to make Federal funds available for this particular program, so that Wisconsin boys and girls and the public schools can continue to receive the same Federal aid allotment for lunches that they have been receiving in the past years?

Sincerely,
HENRY M. TALL,
Superintendent.

ONDOSSAGON PUBLIC SCHOOLS,
Ashland, Wis., March 29, 1961.

Hon. ALEXANDER WILEY,
U.S. Senator, Senate Office Building, Washington, D.C.

DEAR MR. WILEY: We have just received notice that the reimbursement rate applicable to all type A lunches with milk served on and after May 1, 1961, will be reduced from 5 to 1½ cents per lunch because of the lack of availability of Federal funds.

This reduction will work a tremendous hardship on most school districts as the operating budgets for the program were based on the 5-cent rate of reimbursement.

We hope that you will realize and understand the hardships that will be created by this cut in reimbursement and will introduce and support necessary legislation to raise the necessary funds to restore the original rate of reimbursement.

Thank you for your careful consideration of this important matter.

Yours very truly,
RONALD R. STUBER,
District Superintendent.

DES MOINES, IOWA, *April 5, 1961.*

Senator ALEXANDER WILEY,
Senate Office Building, Washington, D.C.:

At present 4-cent rate of reimbursement, fund will be exhausted with payment of 50 percent of March school lunch claims. Need additional $550,000 to pay all claims in full for year.

PAUL S. JOHNSTON,
Superintendent, Department of Public Instructions.

DENVER, COLO., *April 5, 1961.*

Senator ALEXANDER WILEY,
U.S. Senate,
Washington, D.C.:

You have the support of all of us who are engaged in school feeding programs in your effort to obtain additional funds for the national school lunch program. Schools have tried desperately hard to keep the charge for lunches at a minimum. If they are forced to raise the charge the last couple of months because of not getting Federal assistance many children will be forced to drop out of the program. Many schools now are unable to meet their obligation to furnish free meals to needy children.

CHARLES W. LILLEY,
Chairman, Legislative Committee, American School Food Service Association.

CHARLESTON, W. VA., *April 5, 1961.*
Senator ALEXANDER WILEY,
U.S. Senate,
Washington, D.C.:

Funds available under the national school lunch program in West Virginia will provide Federal reimbursement this year at the rate of only 5 to 6 cents per lunch. Nineteen percent of total lunches served public-school children during month of February 1961 were free or at reduced price.

FAITH CHALMERS,
School Lunch Program,
State Department of Education.

DENVER, COLO., *April 5, 1961.*
Senator ALEXANDER WILEY,
Senator Office Building,
Washington, D.C.:

Colorado will not be able to pay March school lunch claims in full in spite only paying 3½ cents reimbursement with most protein commodities used up and heavy demand for free meals in some areas will make it difficult for schools to carry on unless additional Federal funds appropriated. We had a 25 percent increase in participation in December.

BYRON W. HANSFORD,
Colorado Commissioner of Education.

BALTIMORE, MD., *April 5, 1961.*
Senator ALEXANDER WILEY,
Senator from the State of Wisconsin,
Senate Office Building, Washington, D.C.:

Insufficient funds necessitated reduction of reimbursement rate for type A school lunches served to children in public schools of Maryland from 4 cents to 2½ cents effective April 1, 1961.

GEORGE A. MYERS,
Assistant State Supervisor,
School Lunch Program.

COLUMBIA, S.C., *April 5, 1961.*
Hon. ALEXANDER WILEY,
U.S. Senator,
Senate Office Building, Washington, D.C.:

Appreciate effort in securing supplemental school lunch appropriation. Present Federal funds 5 cents reimbursement for school lunches in South Carolina will be exhausted end April.

KATHLEEN E. GASTON,
State Supervisor, School Lunch Program, State Department of Education, School Lunch.

LANSING, MICH., *April 5, 1961.*
Hon. ALEXANDER WILEY,
Senate Office Building,
Washington, D.C.:

Re supplemental school lunch appropriation May and June claims in Michigan reduced to 1.8 cents per lunch. Total amount needed for 100 percent reimbursement, $280,000.

JAMES L. BOROUGH,
Chief, School Lunch Division,
Department of Public Instruction.

SPRINGFIELD, ILL., *April 5, 1961.*
Hon. ALEXANDER WILEY,
Senate Office Building,
Washington, D.C.:

Happy to hear that you are introducing bill Thursday for supplemental school lunch appropriation. Illinois will be out of funds by June 1, 1961. We will pay no June claims. In other words, we will be out of funds completely by June 1, 1961, and cannot pay much more than 50 percent of May claims. This will reduce our reimbursement to a very small figure of approximately 4 cents per plate lunch. Help here is urgently needed.

JOHN C. DELAURENTI,
Director, School Lunch Division.

PROVIDENCE, R.I., *April 5, 1961.*
Senator ALEXANDER WILEY,
Senate Office Building,
Washington, D.C.:

Expect school lunch funds to be exhausted with payment of May claim for reimbursement in Rhode Island.

ELIZABETH F. ANGELL,
Chief, School Lunch Services.

TALLAHASSEE, FLA., *April 5, 1961.*
Senator ALEXANDER WILEY,
U.S. Senate,
Washington, D.C.:

Florida needs $150,000 supplemental school lunch apportionment to meet essential needs remainder this school year.

THELMA G. FLANGAN,
Supervisor, School Lunch Program.

SALEM, OREG., *April 5, 1961.*
Hon. ALEXANDER WILEY,
U.S. Senate,
Washington, D.C.:

Supplemental school lunch appropriation urgently needed. Current reimbursement rate of 3.2 cents all time low with 10 percent increase in number of programs and 9 percent increase in number of meals being served this year.

LAURA P. WELLS,
Director, Oregon School Lunch Program.

BOISE, IDAHO, *April 5, 1961.*
Senator ALEXANDER R. WILEY,
Senate Office Building,
Washington, D.C.:

Pleased that you will introduce supplemental school lunch appropriations bill tomorrow. Our present uniform rate of 4 cents per lunch will be reduced to 3 cents on May 1. If increase in participation continues it will be lower. Hope this information will assist you.

Good luck.

CECIL F. OLSON,
Idaho School Lunch Director.

HARTFORD, CONN., *April 5, 1961.*
Senator ALEXANDER WILEY,
Senate Office Building,
Washington, D.C.:

Connecticut allotment school lunch funds for 1961 fiscal $779,527. About $2,165,000 needed to pay full reimbursement at 9 cents for 10 months; payment of .036 per meal for April and May will liquidate present allotment; deficiency appropriation of $430,686 will enable 9 cents reimbursement through June.

Mrs. EDITH M. BLAKELEY,
Director, Connecticut State
School Lunch Program.

ST. PAUL MINN., *April 5, 1961.*
Senator ALEXANDER WILEY,
U.S. Senate,
Washington, D.C.:

Because of existing deplorable economic conditions in our eight northeastern counties, particularly our less than 3-cent per lunch reimbursement rate from Federal funds and remote possibility any help from additional surplus Federal commodities balance this school year Minnesota is definitely interested in your school lunch deficiency bill.

A. R. TAYLOR,
Director, Community School Lunch Section, State Department of Education.

ATLANTA, GA., *April 5, 1961.*
Senator ALEXANDER WILEY,
U.S. Senate,
Washington, D.C.:

Georgia school lunch funds will be exhausted after April. Need funds to pay May school lunch reimbursement. Average rate now is 3.7 cent need for free lunches continues to increase.

ELEANOR PRYOR,
State Supervisor,
School Lunch Program.

LITTLE ROCK, ARK., *April 5, 1961.*
Senator ALEXANDER WILEY,
Senate Office Building,
Washington, D.C.:

Supplemental school lunch appropriation is seriously needed in Arkansas; unable to pay May claims in full. Two programs closed March 30 due to low reimbursement rate. Three-meal load increasing daily because of unemployment.

RUTH POWELL,
Director, School Lunch Program,
State Department of Education.

FRANKFORT, KY., *April 5, 1961.*
Senator ALEXANDER WILEY,
U.S. Senate,
Washington, D.C.:

Kentucky lunch funds will be exhausted April 13, 1961. Estimate $230,000 needed to complete fiscal year.

C. E. BEVINS,
Director, Division of School Lunch,
Bureau of Instruction, Kentucky
State Department of Education.

MADISON, WIS., *April 5, 1961.*
Hon. ALEXANDER WILEY,
U.S. Senate,
Washington, D.C.:

Am grateful for your action introducing bill for additional school lunch funds. Wisconsin will need $150,000 to pay 5 cents per lunch for the remainder of this school year.

GORDON W. GUNDERSON.

MONTGOMERY, ALA., *April 5, 1961.*
Hon. ALEXANDER WILEY,
Senator, State of Wisconsin,
Senate Office Building,
Washington, D.C.:

Will need approximately $500,000 to pay 5 cents per lunch in Alabama schools for the year 1960–61. This estimate based on 7.8 percent increase as indicated by program comparison through November 1959 and 1960. Payment for 1959–60 averaged 4.8 cents per lunch.

ROY T. ALVERSON,
State Supervisor,
School Lunch Programs for Alabama.

CONCORD, N.H., *April 5, 1961.*
Senator ALEXANDER WILEY,
Senate Office Building,
Washington, D.C.:

Legislative chairman of American School Food Service Association requests we submit you our evidence for supplemental school lunch appropriation.

New Hampshire will reimburse 5 cents per meal on school lunch program through April. All May claims will be prorated—estimated reimbursement will be 2 cents. No reimbursement for June.

RUTH M. CUTTER,
New Hampshire State Director,
School Lunch Program.

LINCOLN, NEBR., *April 5, 1961.*
Senator ALEXANDER WILEY,
Senate Office Building,
Washington, D.C.:

Encourage supplemental school lunch appropriation. Nebraska reduced rate 2 cents this year resulting in hardship most schools.

ALLEN A. ELLIOTT,
Director, School Lunch Program.

SANTA FE, N. MEX., *April 5, 1961.*
Senator ALEXANDER WILEY,
U.S. Senate,
Washington, D.C.:

New Mexico cut school lunch reimbursements drastically at beginning of fiscal year.

This was necessary due to decrease in appropriation as result of per capita income rise in New Mexico. There has been a 15-percent increase in participation this year. Schools have been notified that beginning April 1, reimbursements will again be reduced. This is a hardship on all programs and it means that a number of schools are discontinuing their programs for the balance of this year. Additional reimbursement at this time would be of great help.

TOM WILEY,
Superintendent of Public Instruction.

BISMARCK, N. DAK., *April 5, 1961.*
Senator ALEXANDER WILEY,
Senate Office Building,
Washington, D.C.:

Reimbursement rate type A lunch in North Dakota was 4 cents for meal with milk and 2 cents for meal without milk first 5 months of school year. Rate reduced to 3 cents and 1 cent for remainder of school year. Expect to pay reimbursement at reduced rate for remainder of school year. Present reimbursement rate so low as to be almost meaningless. Would urge supplemental appropriation.

ETHEL HEISING,
Director, State School Lunch Program,
Department of Public Instruction.

SALT LAKE CITY, UTAH, *April 5, 1961.*
Senator ALEXANDER WILEY,
U.S. Senate,
Washington, D.C.:

Utah share of Federal school lunch funds now 3.2 cents per meal. Percent funds at 6 cents would have been exhausted on January 31, 1961.

RODNEY A. ASHBY,
State Director,
Utah School Lunch Program.

DOVER, DEL., *April 5, 1961.*
Senator ALEXANDER WILEY,
U.S. Senate Building,
Washington, D.C.:

A supplemental school lunch appropriation is imperative for the good operation of a lunch program in Delaware since our reimbursement rate now is 3 cents for a type A lunch while we get 4 cents for half pint milk. Anything you can do will be greatly appreciated.

MARTHA BONARD,
State Director, School Lunch.

OLYMPIA, WASH., *April 5, 1961.*
Senator ALEXANDER WILEY,
Senate Office Building,
Washington, D.C.:

April rate of reimbursement reduced 50 percent additional reductions for May and June unless supplemental funds received.

LOUIS BRUNO,
State Superintendent of
Public Instruction.

JEFFERSON CITY, MO., *April 5, 1961.*
Hon. ALEXANDER WILEY,
Senate Office Building,
Washington, D.C.:

Greatly encouraged your action on supplemental funds for school lunch program. Missouri received allocation $116,000 less than last year. Participation by children increased 7 percent. Reimbursement reduced to 4 cents all year. Funds will become exhausted with payment approximately 90 percent March claims. Free lunch requests on increase many areas because of unemployment. Would need additional $500,000 to continue present reduced rate throughout remainder this school year. Senator SYMINGTON informed on Missouri situation.

Best wishes.

EARL M. LANGKOP,
Director, School Lunch Section,
State Department of Education.

PIERRE, S. DAK., *April 6, 1961.*
Hon. ALEXANDER WILEY,
U.S. Senator, Wisconsin,
Senate Office Building,
Washington, D.C.:

Federal allocation for South Dakota school lunch was reduced $41,924 present school year. With increased participation this forced 2-cent reimbursement reduction January 1, 1961. Would have required about $95,000 above this year's allocation to hold last year's rate.

PAUL M. MASCHALK,
Director, School Lunch Division,
Department of Public Instructions.

GALE-ETTRICK SCHOOL DISTRICT,
Galesville, Wis., April 4, 1961.
The Honorable ALEXANDER WILEY,
U.S. Senate,
Washington, D.C.

DEAR SIR: I have been notified by Gordon W. Gunderson, director of school lunch programs for the Department of Public Instruction of the State of Wisconsin, that effective May 1, 1961, the reimbursement rate for type A lunches will be reduced from 5 to 1½ cents per meal.

I am sure you realize the hardships that this reduction will have on many school districts throughout the Nation. Our school budgets are established during the month of July and are closely related to expenditures and receipts which are anticipated. A sudden reduction of hot lunch receipts will force many schools either to discontinue their hot lunch programs or raise the cost to the students. In the latter case, many students of families unemployed will be faced with additional hardships.

I am requesting that you do all in your power to get additional aids for the current year.

Sincerely,

VERMONT JOHNSON,
Superintendent of Schools.

AUGUSTA COMMON SCHOOLS, DISTRICT NO. 1, JOINT, EAU CLAIRE COUNTY, WIS.,
Augusta, Wis., April 4, 1961.
The Honorable ALEXANDER WILEY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR WILEY: I am in receipt of a letter dated March 28 from the department of public instruction, school lunch division, Madison, Wis., stating that the reimbursement rate applicable to all type A lunches with milk served after May 1, 1961, will be reimbursed at the rate of 1½ cents per meal. This is a drop of 3½ cents per meal for the rate of reimbursement.

To say the least, this was not a pleasant surprise. The reason given in this letter for this drastic cut in reimbursement rates is that the rate of increase in participation this year over previous years has doubled and that Federal funds made available for the program for this period have not increased. I will accept the two reasons given without question. I will not, however, accept the short notice given as to such a decrease in the amount of reimbursement we will be receiving.

It would seem to me that an organization such as our Federal Government, considering the number of employees they see fit to hire, should have realized before this date that a cut in the rate of reimbursement would be forthcoming, and that those of us on the local level in charge of this activity could have been notified somewhat earlier. We at least then would have been able to do a little future planning with regard to the financing of our lunch programs.

I would also like to seriously recommend that you investigate every possibility with regard to finding available funds so that this drastic cut in reimbursement rates would not be necessary. I could understand cutting it a cent or 1½ cents, but I think you will have to agree that 3½ cents per meal in an operation such as this, which is certainly not of a profitmaking type, is going to cause hardships at the local level. If one would know this were to take place a year ahead so that we could make adjustments in our budget, it would not be nearly as hard to substantiate to boards of education and local communities.

It would seem to me that care should be taken in the future in the methods used for determining the rate at which funds are being expended so that something of this type does not happen again. Thank you.

Sincerely yours,

NEAL J. FELLRATH,
Superintendent.

JOINT SCHOOL DISTRICT NO. 1,
Black Earth, Wis., April 4, 1961.
Senator ALEXANDER WILEY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR WILEY: As the administrator of one of Wisconsin's many small school districts, I appeal to you for help. Ever since I received notice of the reduced income from Federal funds for the operation of our hot lunch program during May and June I have been in a quandary.

The loss of reimbursement from 5 cents per meal to 1½ cents will mean quite a loss to the district this year. It is just natural that it upsets the whole budget that we have set up where tax funds have been collected and already allocated.

I know that you are aware of the slight recession in employment. This factor also carries over to this lunch program where the school district pays for reduced and free lunches for underprivileged children.

I again appeal to you to do everything in your power to help get an additional appropriation of funds for the remainder of the school year.

Sincerely,

KENNETH E. RIPPLE,
Supervising Principal.

MANITOWOC, WIS., *April 4, 1961.*
Hon. ALEXANDER WILEY,
U.S. Senator,
Washington, D.C.

DEAR SENATOR WILEY: This letter is written to you regarding a notice which we have just received indicating that the funds for the school lunch program in Wisconsin are about to be exhausted and that it will be necessary for us to increase the rates which we charge our pupils for their lunches for the remainder of the school term.

This is a most disturbing situation because, as you can imagine, there will be a considerable amount of readjustment and at the present time, with many families having a struggle after having been unemployed for some time, I fear that the girls and boys will not be able to avail themselves of the hot lunches which they have had previously. It is unfair for us to assume that the board of education will take up the slack, and for us to raise the price of the lunches at this time of year would undoubtedly cause some of our cooks to be thrown out of work as well as the children being deprived of their hot lunch program. No doubt when the appropriation was set, it was thought that it would be sufficient to carry the program through the school term.

I wish to urge emergency legislation which will permit us to continue with our hot lunch program.

Sincerely yours,

ANGUS B. ROTHWELL,
Superintendent, Manitowoc, Wis., Public Schools.

GREEN BAY, WIS., *April 4, 1961.*

Hon. ALEXANDER WILEY,
Senate Office Building,
Washington, D.C.

DEAR SENATOR WILEY: We have just received notice that because of the exhaustion of the school lunch funds, there will be a decrease in the reimbursement to us for lunches served during May and June. This will mean an unanticipated expense to us of approximately $1,000, which must eventually go directly on the tax roll here.

At this time, when economic conditions make the continuance of the lunch program important for many individuals, I hope that you will use your efforts to attempt to get supplementary appropriations to cover this amount for the balance of the year.

Sincerely,

JOHN F. DAVID,
Supervising Principal, Preble-Humboldt-Bellevue School District No. 1.

CENTRAL HIGH SCHOOL,
JOINT DISTRICT No. 1,
KENOSHA COUNTY,
Salem, Wis., April 4, 1961.

Senator ALEXANDER WILEY,
New Senate Office Building,
Washington, D.C.

DEAR SENATOR WILEY: Speaking in behalf of our board of education, we were quite shocked to be informed of the drastic reduction in Federal aids for our hot lunch program. Permit us to say that this approximates a 65-percent reduction which will be felt severely and directly by the school children and parents. Likewise, the shortage for the month of May will be felt severely and directly by the students and parents in our district.

May we ask that you take immediate steps to seek additional funds to cover the month of May? It is further hoped that Federal funds will be provided for the hot lunch program by September 1.

Like many other schools, we object to this drastic and sudden reduction.

Sincerely yours,

A. H. ERICKSON,
Principal.

PUBLIC SCHOOLS OF THE
DISTRICT OF COLUMBIA,
Washington, D.C., April 5, 1961.

Hon. ALEXANDER WILEY,
Old Senate Office Building,
Washington, D.C.

MY DEAR MR. WILEY: Reference is made to the supplemental school lunch appropriation bill. The department of food services, the State agency for administering the program in the District of Columbia will need at least $20,000 additional school lunch funds to carry our program for the same periods as last year. This is the minimum we feel we will need.

Thank you for your help.

Very truly yours,

ALETA E. SWINGLE,
Director, Department of Food Services.

ESTABLISHMENT OF A RICHARD E. BYRD ANTARCTIC COMMISSION

Mr. WILEY. Mr. President, I introduce for appropriate reference a bill to establish a Richard E. Byrd Antarctic Commission.

The Great White Continent offers great unexplored opportunities to serve humanity.

This would include programs in science, commerce, communications, weather reporting, and other fields.

In 1960, the United States signed and ratified a 12-nation treaty. The objective is to attempt to first guard against exploitation of the continent for military purposes and second to encourage greater cooperation among the member nations in utilization of the potentials of the polar region—equal in size to Europe and the United States of America.

In this scientific, technological age—more closely meshing the interests of all nations—the United States has a vital interest in the development of Antarctica.

Unfortunately, U.S. activities until now, have been scattered, suffered from lack of coordination, and generally lack a centrally responsible body to create and execute policies. For example, approximately 14 agencies have participated in or expressed interest in research programs.

I am proposing the establishment of an Antarctic Commission to fill this vacuum. If established, the responsibilities of the Commission would include the following:

The design and execution of effective programs to serve U.S. interests.

Correlation of scattered activities.

Maintaining a depository of information relating to Antarctica.

Conduct of field and laboratory studies to further knowledge in science, commerce, weather reporting, communications, and other areas of potential significance.

Publish scientific, technical, historical, or other information relating to progress in our exploratory program.

Approve plans for and provide guidance for Antarctic expeditions conducted or supported by other agencies, and other purposes.

The establishment of this agency—proposed as the Richard E. Byrd Antarctic Commission—would serve, first, to create more effective policies relating to Antarctica; second, protect U.S. interests; and third, design more effective programs for utilization of the potentials of the area to serve the interests of the United States and humanity.

Until now, the Great White Continent has been wrapped in a veil of mystery. For the most part, Antarctica has been a little-known frozen ice cap in a far-distant polar region.

Scientific exploration, however, provides new evidence that the continent offers a real potential for serving the world in science, commerce, communication, weather reporting, and other fields.

During the latter part of 1960, Laurence C. Eklund, Washington correspondent for the Milwaukee Journal, wrote an outstanding series of articles on Antarctica. Joining the expeditionary forces at the South Pole, he created—in my judgment—one of the most interesting, informative, and valuable series of articles yet produced on a heretofore little-known topic. Accomplished under the most adverse conditions, these articles, I believe, deserve the consideration of Congress. As well, they merit high recognition as one of the outstanding reporting jobs of 1960.

Presenting a realistic picture of the Great White Continent—as well as the human side of our endeavors to conquer the frozen region, I request unanimous consent to have the bill, followed by a number of the articles by Mr. Eklund, printed at this point in the RECORD, and that the bill lie on the table for 1 week so that fellow Senators who wish to do so may join in sponsoring this legislation.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill and articles will be printed in the RECORD, and the bill will lie on the desk, as requested by the Senator from Wisconsin.

The bill (S. 1516) to provide for continuity and support of study, research, and development of programs for peaceful uses in science, commerce, and other activities related to Antarctica, which shall include, but shall not be limited to, gathering, evaluating, correlating, and dispersing of information and knowledge obtained from exploration, research, and other mediums relating to weather, communications, travel, and other areas of information; also to coordinate Antarctic activities among those agencies of the U.S. Government and private institutions interested in or concerned directly with the promotion, advancement, increase, and diffusion of knowledge of the Antarctic; and to direct and administer U.S. Antarctic programs in the national interest, introduced by Mr. WILEY, was received, read twice by its title, referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Richard E. Byrd Antarctic Commission Act of 1959".

DEFINITIONS

SEC. 2. When used in this Act:

(1) "Commission" means the Richard E. Byrd Antarctic Commission.

(2) "Director" means the Director of the Commission.

(3) "Board" means the Board of Governors.

(4) "Commissioned officer" means a commissioned officer of the Armed Forces of the United States.

THE COMMISSION

SEC. 3. There is established in the executive branch of the Government, the Richard E. Byrd Antarctic Commission. The Commission shall consist of a Director, two Deputy Directors, and a Board of Governors.

FUNCTIONS OF THE COMMISSION

SEC. 4. The Commission shall—

(1) maintain a depository of information relating to the Antarctic including: (A) all records of the Commission, (B) originals or copies of records within the executive branch relating to the Antarctic, (C) books, pamphlets, periodicals, and articles dealing with the Antarctic, and (D) such other information as the Commission considers desirable;

(2) conduct such field and laboratory studies and evaluations as it considers advisable to further the knowledge of the Antarctic in science, commerce, and related activities, which shall include, but shall not be limited to gathering, evaluating, and dispersing of information and knowledge obtained from exploration, research and other mediums, relating to weather, communications, travel, and other areas of information;

(3) publish or arrange for the publication of scientific, technical, historical, and general information so as to further the dissemination of information about the Antarctic, when the dissemination is consistent with the interests of national security and

the public interest (publication may be made without regard to section 87 of the Act of January 12, 1895 (ch. 23, 28 Stat. 622), and section 11 of the Act of March 1, 1919 (ch. 86, 40 Stat. 1270; 44 U.S.C. 111));

(4) with the concurrence and approval of the Board, perform, at the request of the head of any executive agency, specific research, investigation, or experimentation in connection with matters relating to the national defense and/or the interests of the United States;

(5) approve the plans for and supervise Antarctic operations or expeditions conducted by, or supported by, other agencies of the United States except for operations or expeditions or parts thereof which are military in character;

(6) assist private Antarctic expeditions or research programs when such assistance is in the best interests of the United States;

(7) accept and utilize the services of voluntary and uncompensated, personnel and provide transportation and subsistence as authorized by section 5 of the Act of August 2, 1946 (ch. 744, 60 Stat. 808), as amended (5 U.S.C. 73b-2), for persons serving without compensation; and

(8) acquire by purchase, lease, loan, or gift, and hold or dispose of by sale, lease, or loan, real or personal property necessary for, or resulting from, the exercise of authority under this Act;

(9) receive and use funds donated to the Commission if such funds are donated without restriction other than that they be used to carry out the general purposes of this Act;

(10) report to the President before September 16 of each year, summarizing the activities of the Commission and making such recommendations as it considers appropriate. The report shall include the recommendation of the Board.

THE DIRECTOR OF THE COMMISSION

SEC. 5. (a) The Director shall be appointed by the President, by and with the advice and consent of the Senate, for a period of six years and shall be paid at the rate prescribed in section 107(a) of the Federal Executive Pay Act, 1956 (70 Stat.). He may be a person appointed from civilian life or a commissioned officer in an active or retired status.

(b) The Director shall—

(1) manage the affairs of the Commission;

(2) issue such regulations as he considers necessary to carry out this Act;

(3) appoint and fix the compensation of such personnel as may be necessary to carry out this Act; and

(4) be a member of the Board of Governors ex officio.

(c) The appointments made and the compensation fixed shall be in accordance with the Classification Act of 1949 and the regulations of the Civil Service Commission. However, the Director may employ such technical and professional personnel, and fix their compensation, as he considers necessary, without regard to the Classification Act of 1949 or the regulations of the Civil Service Commission. The Director may terminate the employment of any officers or employees, except the Deputy Directors, whenever he considers that termination to be in the best interests of the United States, except that no person in the classified service may be removed of suspended without pay unless it is accomplished under the Act of August 24, 1912 (ch. 389, 37 Stat. 555), as amended (5 U.S.C. 652).

DEPUTY DIRECTORS

SEC. 6. (a) The Deputy Directors shall be appointed by the President, by and with the advice and consent of the Senate, and shall perform such duties as he may prescribe.

(b) The Deputy Directors may be appointed from civilian life or may be commissioned officers in an active or retired status. However, if the Director is appointed from civilian life, only one Deputy Director may be a commissioned officer. If the Director is a commissioned officer, both Deputy Directors shall be appointed from civilian life.

(3) The Deputy Directors shall be paid $ a year.

MILITARY STATUS OF DIRECTOR AND DEPUTY DIRECTORS

SEC. 7. (a) When a commissioned officer is appointed as Director or Deputy Director, he is not subject to military authority and may not exercise command over any members of the Armed Forces of the United States except as the President may prescribe.

(b) The appointment of a commissioned officer as Director or Deputy Director does not affect his status or rank or the pay and allowances incident to his status or rank. He is entitled to receive the pay and allowances payable to an officer of his rank and length of service, for which the appropriate department shall be reimbursed from any funds available to defray the expenses of the Commission. He is also entitled to be paid by the Commission the amount by which the compensation provided for the Director or Deputy Director exceeds his annual military pay and allowances.

BOARD OF GOVERNORS

SEC. 8. (a) The Board—consisting of eleven members—shall be appointed by the President, by and with the advice and consent of the Senate. The Board shall consist of the President of the National Academy of Sciences; Director of the National Science Foundation; Secretary of Defense; Secretary of State; Secretary of Interior; Secretary of Commerce, or their designees, plus four selected from civil life who are eminently qualified in their professions so as to provide, in addition to Federal administration, a broad field of knowledge and experience which will properly relate the activities of the Commission to the national welfare.

(b) The members of the Board, in addition to the President of the National Academy of Sciences; Director of the National Science Foundation; Secretary of Defense; Secretary of State; Secretary of Interior; Secretary of Commerce, or their designees, shall be appointed for a period of six years, except that, (1) any member appointed to fill a vacancy occurring before the expiration of the term of his predecessor shall be appointed for the remainder of the term; (2) the term of office of the members first taking office after the date of enactment of this Act shall expire, as designated by the President at the time of appointment, one at the end of two years, one at the end of four years, and two at the end of six years, and (3) a member may be reappointed to the Board for not more than one additional term; and (4) the members of the Board who are Cabinet members shall be members of that Board during the tenure of office as Cabinet members.

(c) Members of the Board shall be paid at the rate of $50 per day—for each day—except members of the President's Cabinet during their services as members of the Board, and shall be allowed travel expenses as authorized by section 5 of the Act of August 2, 1946 (ch. 744, 60 Stat. 808), as amended (5 U.S.C. 73b-2).

(d) The Board shall—

(1) meet annually on the first Monday in November and at such other times as the Chairman determines;

(2) elect a Chairman and Vice Chairman, at the regular annual meeting, to serve for the following year;

(3) review and assess the research and exploration activities relating to the Antarctic; and

(4) make such recommendations to the Commission as they consider appropriate for the advancement and dissemination of knowledge of the Antarctic.

RESEARCH CENTERS

SEC. 9. (a) Under the provisions of this Act there shall be established a minimum of five, and not more than eight, research centers at academic and/or research institutions having special competences or interests in scientific aspects of polar research.

The Commission shall determine that each such center shall meet criteria prescribed by the Commission under the policy guidance provided by the Board of Governors, and the Commission shall be responsible for the overall development and coordination of programs of research which may be approved for development within the research centers in, and related to the Antarctic region. Such programs of research as may be initiated at the research centers with the approval of the Commission shall be supported by Federal or private funds.

(b) Due to the unique requirements of polar research, a designated number of fellowships shall be provided to permit qualified students to conduct studies at the research centers and also in Antarctica. The Commission shall be authorized to grant funds in support of fellowships specifically associated with polar research, recommended by the Director of the Commission and approved by the Board of Governors.

SERVICES AND FUNDS OF OTHER AGENCIES

SEC. 10. (a) The Commission may, with the consent of the agency concerned, accept and utilize on a reimbursable basis the officers, employees, services, facilities, and information of any agency of the United States. However, such services and facilities may be furnished only if it does not interfere with the performance of the primary mission of the agency concerned. An agency having custody of data relating to the matters within the jurisdiction of the Commission shall, upon request of the Director, make that data available to the Commission without reimbursement.

(b) Funds available to any agency of the United States for scientific or technical research, educational, or other public service are available for transfer, with the approval of the head of the agency concerned, to the Commission for such use as is consistent with the purposes for which those funds were provided. Funds so transferred shall be spent by the Commission for the purposes for which the transfer was made or for general administrative expenses until such time as an appropriation is made available to the Commission.

ACTS AMENDED

SEC. 11. Subsection 107(a) of the Federal Executive Pay Act of 1956 is amended by adding the following after clause (22):

"(23) Director of the Antarctic Commission."

SEC. 12. Section 505 of the Classification Act of 1949, as amended (70 Stat. 762; 5 U.S.C. 1105), is amended by adding the following subsection:

"(f) The Director of the Antarctic Commission is authorized, without regard to any other provision of this section, to place a total of seven positions in the Antarctic Commission in grades 16, 17, and 18 of the General Schedule. Such positions shall be in addition to the number of positions authorized to be placed in such grades by subsection (b)."

The articles presented by Mr. WILEY are as follows:

[From the Milwaukee Journal, Oct. 12, 1960]

NEW OPERATIONS NEAR FOR UNITED STATES IN ANTARCTIC—TASK FORCE TO LEAVE FOR 1961 EXPEDITION; AGENCY IS SOUGHT FOR COORDINATION

(By Laurence C. Eklund)

WASHINGTON, D.C.—For the sixth straight year, Navy Task Force 43, composed of all

branches of the Armed Forces, is poised for an ambitious assault on the frozen continent of Antarctica.

Using 3,000 men, 9 ships and more than 30 aircraft, the Navy will again transport United States scientists to stations set up in the 1957–58 international geophysical year.

The vanguard of this elite corps of scientists is winging its way south.

The whole of Operation Deep Freeze 1961, as this venture is called, will cost about $20 million.

This year's expedition has assumed a special significance in view of the historic action of the U.S. Senate on August 10 in ratifying the antarctic treaty.

PEACEFUL FUTURE VOWED

Through this treaty, the United States, the Soviet Union and 10 other nations, including all 7 that have territorial claims to Antarctica, have agreed that the "white continent" shall be used exclusively for peaceful purposes.

All 12 signers of the treaty have agreed that nuclear explosions and radioactive waste disposal shall be banned in Antarctica. No territorial claims or rights shall either be recognized or affected.

The United States, at the cost of more than $200 million in Government funds and 17 lives, has done more exploring in Antarctica than any other country, but has never claimed any territory.

But now the antarctic treaty gives us access to the entire continent, whether we claim it or not.

MILESTONE FOR INSPECTION

And despite the cold war rantings of Soviet Premier Khrushchev at the United Nations, the fact remains that the new treaty sets a vitally important milestone for international inspection to prevent atomic explosions. That is something the Russians have never before accepted.

President Eisenhower reminded the U.N. General Assembly that the 12 nations had united in declaring Antarctica off limits for military preparations.

"We could extend this principle to an even more important sphere," Mr. Eisenhower told the delegates.

"National vested interests have not yet been developed in space or in celestial bodies. Barriers to agreement are now lower than they will ever be again."

SCIENTISTS TO COOPERATE

This year, as in the last 4 years, United States and Russian scientists will cooperate in projects ranging from bird banding to making seismic soundings to determine the thickness of the Antarctic icecap.

Russia's Sveneld Evteev will accompany the University of Wisconsin traverse from McMurdo Sound to the South Pole. Gilbert Dewart of Cloverdale, Calif., who is presently at the Soviet Miarny Station, will accompany a Russian traverse next season before returning home.

Now that the treaty decision has been made, a number of Congressmen are pushing for a showdown in the next Congress on a proposal to coordinate our antarctic activities in a new commission.

LAWMAKERS OFFER BILLS

Representative ZABLOCKI, Democrat, of Wisconsin, and Senator WILEY, Republican, of Wisconsin, are authors of companion bills to create the Richard E. Byrd Antarctic Commission.

The measure didn't get anywhere in this Congress because of President Eisenhower's opposition, but the House Interior and Insular Affairs Committee has ordered an interim study looking to action next year.

ZABLOCKI protested that we were handling our antarctic activities in a piecemeal fashion among 14 Government agencies.

WILEY said the United States faced not only physical but organizational challenges in Antarctica.

Records from previous Antarctic expeditions are scattered all over the country for want of a central agency to take care of them, WILEY pointed out, and he insisted that this shortcoming must be remedied.

PERMANENCY IS HINTED

One gets the impression, listening to Government experts on Antarctica, that we are there to stay. In fact, there is serious talk of supplanting our temporary bases in that most inhospitable of the world's climates with permanent colonies of Americans, with men taking their wives with them.

Paul A. Siple, a veteran of 32 years of polar exploration who began as a Boy Scout, deplored the fact that we did not have a long-range program for the exploration of Antarctica. He suggested colonization. He is scientific adviser to the director of the Army research office.

"Operational as well as scientific pursuits should provide a means of career opportunity for those willing to dedicate their lives to such efforts," said Siple, who has left his family to spend periods of more than a year in the Antarctic.

ENTIRE FAMILIES

"Our current procedures do not encourage this type of exploration of Antarctica. We must look forward eventually to the establishment of permanent communities occupied by entire families to handle collection of required routine scientific data and to activate industrial exploitation of antarctic resources," he said.

Our most populous settlement in Antarctica is the naval air facility at McMurdo Sound, which is home to 130 Americans during the 5-month-long winter night.

In the summer months now approaching, the population will swell to more than 500 as it serves its role as a staging base.

There are 19 Americans at Amundsen-Scott Station at the South Pole, 21 at the inland Byrd Station, 17 in Hallett, operated jointly with New Zealand, 4 at Wilkes, now operated by Australia, and 1 each at Ellsworth, now operated by Argentina, and Mirny, one of the Russian stations.

THIRTY-EIGHT ARE SCIENTISTS

The makes a total of 193 Americans, including 38 scientists and 155 military men, who have spent the last winter season on this continent of almost 6 million square miles.

Siple predicted that Antarctica would become increasingly important as the rest of the world grew overpopulated and short of land space.

Other testimony pointing to the importance of Antarctica in our future comes from Lloyd V. Berkner, the eminent organizer of international scientific activity, and Senator HENRY M. JACKSON, Democrat, of Washington.

"Antarctica offers many physical and strategic advantages and promises to become an important connecting link in transportation between east and west," said Berkner, a native of Milwaukee.

Calling Antarctica "truly the world's last frontier," Senator JACKSON said that despite our investment of money and lives, we still knew less about the Antarctic today than did the pilgrims about America when they landed at Plymouth Rock.

[From the Milwaukee Journal, Oct. 12, 1960]

EKLUND, JOURNAL MAN, IS ON HIS WAY TO COVER DEVELOPMENTS IN POLAR VENTURE

Laurence C. Eklund of the Washington bureau of the Milwaukee Journal is on his way to Antarctica and, if the breaks are with him, to the South Pole. He is carrying a Wisconsin flag, presented by Governor Nelson, to plant in the eternal ice at the bottom of the earth. It is as certain as flight can be that Eklund will reach the American base at McMurdo Sound (about 8,000 miles from here), on the ice shield, the end of this week. Whether the Navy subsequently will fly him on to the pole, a thousand miles beyond McMurdo, will depend on the weather.

The Journal has assigned Eklund to report on polar activities, with particular attention to Wisconsin men and projects there. Watch for his stories in the weeks ahead.

As the Journal reported in a Washington bureau story August 29, the University of Wisconsin will become a polar and geophysical research center under a grant from the National Science Foundation.

GETS $634,000 IN GRANTS

The university's growing importance as the leading center of antarctic research was emphasized by a total of $634,000 in Foundation grants to it for antarctic research in the year beginning this month.

Eklund is in the first party of five for reporters scheduled to visit Antarctica for about about 3 weeks each. His Navy plane left Washington Monday with stops scheduled for San Francisco, Honolulu, the Fiji Islands and Christchurch, New Zealand, "where the Navy issues cold weather clothing and where we might switch to a C–124 Globemaster cargo plane," Eklund wrote in telling of his plans.

"We should try to have some stories on the general, overall picture in Antarctica as well as the strictly local Wisconsin angles," Eklund said.

STATE REFLECTED IN NAMES

In doing research on Antarctica, I have been struck with the fact that a number of features down there have been named after Wisconsin people—Kohler Range, Horlick Mountains, and so forth—and some current ones not yet decided by the Board on Geographic Names.

"I think we should have something, too, on the new atomic reactor—the first of a series of three—which will be installed at McMurdo and for which preparations will be underway while I am there.

"Then, of course, I want to have a separate roundup on what the University of Wisconsin scientists are doing down there, since they will have a key role. There ought to be something on the Navy's new under-the-ice camp at the Byrd station. Also, I want to see how the modern polar explorer lives.

GRADUATE OF UW

"And if I should get to the pole with Wisconsin's flag—well, that ought to be worth something in the Journal."

Eklund, 55, is a University of Wisconsin graduate and a native of Tomahawk. He was a political writer for the Journal before transferring to the Journal's Washington bureau in 1947. His interest in cold regions runs in the family. In fact, a group of islands in the King George VI Sound bears his family name.

Eklund Islands were named for his younger brother Carl, a polar explorer of international stature, in tribute to his contribution toward the world's knowledge of Antarctica.

Carl was scientific leader of the Wilkes Station, one of the U.S. bases set up in Antarctica in the International Geophysical Year (1959). He got that assignment on the basis of his accomplishments in Admiral Byrd's 1939–41 antarctic expedition. He is now Chief of the Polar Branch of the Army Research Office.

MADE DISCOVERIES

While with Byrd, Carl Eklund and Finn Donne made one of the major antarctic treks. They discovered Donne entrance, Eklund Islands, and the fact that Alexander I Land was an island, linked to the mainland only

by floating ice in a trough more than three times the length of Long Island Sound.

In one incident in the trek, Capt. (now admiral) Richard B. Black headed a search party when Ronne and Eklund were feared lost. He saw a dark object on a ridge ahead. It seemed to move, but he thought little of it, but * * *.

"From long habit I put up my binoculars and the object was moving and was plainly outlined as a dogteam and two men," Captain Black wrote later of that dramatic moment.

"FEELING OF JOY"

"I have rarely experienced such feeling of joy. Our search with all the uncertainty, the possibility of passing without contact, was ended. I shouted to the rest and there was a spontaneous cheer at what they saw, now clearly visible on the crest of the rise and less than a mile away. We headed at full speed for them, even the dogs catching the spirit of the happy occasion, and we were soon pumping hands and giving loud congratulations.

"Both Ronne and Eklund looked badly burned and very tired, but they certainly did not look to be in need of rescue. Eighty-four days and 1,200 miles of walking had made them as hard and tough as wolves."

[From the Milwaukee Journal, Oct. 16, 1960]

ANTARCTIC HAS FASCINATED WISCONSIN PEOPLE—MANY GEOGRAPHICAL FEATURES IN THE FROZEN LAND HAVE BEEN NAMED FOR THOSE FROM STATE; INCLUDED ARE EXPLORERS AND SCHOLARS

(By Laurence C. Eklund)

MCMURDO SOUND, ANTARCTICA.—This vast continent which until recent times has been unknown to man, has had a peculiar fascination for Wisconsin people.

It was no accident this year when the National Science Foundation announced its financial support of a polar and geophysical research center at the University of Wisconsin that will be the focal point of antarctic research for the entire country.

Much remains to be learned of the geography of this land mass, but already a score of features have been named for persons with a Wisconsin background, and several more have been proposed.

Some of the features were named for Wisconsin explorer-scientists who actually discovered them.

The U.S. Board on Geographic Names only within the last few weeks has approved naming several antarctic mountain peaks for University of Wisconsin scientists, so the names don't even appear on the maps yet.

Others whose names appear on the map are scholars and financial supporters who have never been in Antarctica but who have thrilled vicariously as the secrets of the continent have been revealed by new explorations.

RANGE NAMED FOR MANUFACTURER

The Kohler Range, for instance, was named by Rear Adm. Richard E. Byrd for Walter J. Kohler, Sr., former Governor of Wisconsin.

This is an extensive mountain range about 15,000 feet high, standing south of the base of the Martin Peninsula and estimated to extend as far as 80 miles in an east-west direction on the Walgreen coast.

The Kohler Range was discovered from a distance on February 24, 1940, by Byrd and other members of the U.S. Antarctic Service Expedition in a flight from the ship *Barkentine Bear*.

Kohler was one of the financial supporters of the Byrd Antarctic Expedition of 1933–35, and he helped furnish the seaplane from which the Kohler Range was discovered.

Another Wisconsinite who helped support that expedition was William Horlick, Racine malted milk manufacturer. The Horlick Mountains, named for him, were discovered in 1934 by the Byrd Expedition.

The Horlick Range lies southeast of the head of the Ross ice shelf and is tentatively interpreted as a continuation of the Watson Escarpment.

OBSERVATIONS MADE IN 1934

It was located on the basis of two observations, by Kennett L. Rawson on a flight on November 22, 1934, and by Quin A. Blackburn in December 1934 from a position looking up to two tributaries of the Robert Scott Glacier.

Mount Sidley, a 12,000-foot peak and the most imposing summit in the Executive Committee Range in Marie Byrd land, was named by Byrd for Horlick's daughter, Mrs. Mabelle Sidley. It was discovered by Byrd on November 18, 1934.

Belated recognition was accorded in 1957 to Malcolm P. Hanson, formerly of Madison, for his pioneering work in developing radio communication apparatus in polar regions with the Byrd Expedition of 1928–30.

The 1,500 foot Mount Hanson in the Harold Byrd Mountains was named for him. It was discovered by a geology party of that early expedition.

The Martin Peninsula was named for the late Prof. Lawrence Martin, who taught geology and geography at the University of Wisconsin from 1906–17 and who was an authority on the history of antarctic exploration.

This peninsula is about 20 miles wide and projects about 70 miles into the Amundsen Sea from its mountainous base on the Walgreen coast.

PICTURES TAKEN FROM AIR

It was photographed from the air in February 1940 by the U.S. Antarctic Service Expedition and later dilineated from aerial photographs taken by the U.S. Navy's Operation Highjump in December 1946.

Martin was honored at the suggestion of the U.S. advisory committee on antarctic names.

Martin was best known in Wisconsin for his report for the State geological survey, completed in 1915, on the physical geography of Wisconsin.

His work in this field was accomplished before automobiles were common, and on many of his trips to little known parts of the State he was accompanied by his fellow professor, Fredrick T. Thwaites, who supplied a car. The Thwaites ice tongue, an extensive ice formation about 30 miles wide, was named for Thwaites by the advisory committee on antarctic names.

FAMED AS GLACIAL GEOLOGIST

At UW, Thwaites gained fame as a glacial geologist and geomorphologist, meaning that he was an expert on the form of the earth's surface.

Another noted University of Wisconsin glaciologist and geomorphologist was Thomas C. Chamberlin, after whom the Chamberlin Glacier was named by the British Falkland Islands dependencies survey, which charted the glacier in 1947.

The glacier flows northeast into Whirlwind Inlet on the east coast of the Palmer Peninsula.

The Chamberlin Glacier was discovered by Sir Hubert Wilkins, an Australian, on a flight of December 20, 1928. It was photographed from the air in 1940.

In the same area are the Engel Peaks, a series of aligned peaks, named for Bud Engel, president of the Albert Richard Division of the Osterman Co. of Milwaukee.

These peaks extend for about 4 miles near Cape Rymill on the east coast of the Palmer Peninsula. They were photographed from the air in 1928 by Sir Hubert Wilkins and again in 1940 by members of the United States Antarctic Service Expedition.

GARMENTS CONTRIBUTED

They were sighted again by the Ronne Antarctic Research Expedition of 1947–48, whose leader, Capt. Finn Ronne, named them for Engel, who contributed garments suitable for winter use to the expedition.

Ronne entrance and Eklund Island were discovered in December 1940, by Ronne and Carl R. Eklund, a native of Tomahawk, Wis., when they were on a dog sledging trip.

An island about 5 miles long, with an elevation of 1,300 feet, was named by Ronne for Eklund, ornithologist and assistant biologist for the U.S. antarctic service expedition.

Nine years later Sir Vivian E. Fuchs, who in 1958 was to gain international fame for his dash across the Antarctic Continent, was able to determine that because of a recession of the ice in George VI Sound, the island is the largest of a group.

NAME GIVEN ENTIRE GROUP

On the basis of original discovery, the advisory committee on antarctic names applied the name "Eklund" to the entire group.

Musselman Cape was named for Lytton C. Musselman of Highland Flats, in Lincoln County near Tomahawk. This is a black rock promontory forming the south side of the entrance to Palmer Inlet on the east coast of the Palmer Peninsula. It was discovered in 1940.

Musselman was a member of the east base party that sledged across Dyer Plateau to the Eternity Mountains.

PIEDMONT NAME PROPOSED

The British Antarctic Place Names Committee proposed the naming the Bertrand ice piedmont for a Green Bay man, Prof. Kenneth J. Bertrand, geomorphologist, geographer, antarctic historian and member of the U.S. Advisory Committee on Antarctic Names.

This piedmont lies on the west coast of the Palmer Penisula between Rymill and Mikkelsen Bays. It was first surveyed in 1936.

Bertrand, whose mother, Mrs. Carrie Bertrand, still lives in Green Bay, is now an associate professor of geography at Catholic University in Washington, D.C.

For 10 years he was a student and teacher at the University of Wisconsin, where he got his Ph. D in 1940. He taught geography for 2 years at university extension centers at Wausau, Rhinelander, Merrill, Wisconsin Rapids, and Antigo.

The Conger Glacier flowing from the continental ice to the Knox coast was named for WO Richard R. Conger, a veteran of several expeditions who has taken some of the finest photographs ever to come out of Antarctica. The glacier was photographed in 1946.

SHELF'S SIZE FOUND BIGGER

Conger, the son of Richard O. Conger, 4215 W. Martin Drive, Milwaukee, has frequently visited his father there and plans to retire to Milwaukee after his Navy service.

As a chief photographer's mate with Operation Windmill in 1947–48, Conger assisted in establishing astronomical control stations along the Knox coast.

Conger was recommended for the Distinguished Flying Cross for his part in the rescue of six crewmen of a downed plane.

A significant discovery of the Ellsworth Base traverse in the 1957–58 International Geophysical Year (IGY) was that the Filchner Ice Shelf is much bigger than previously supposed.

Preliminary calculations by the traverse party of five led by Edward C. Thiel, a native of Wausau and a University of Wisconsin geophysicist, indicate its area to be about 160,000 square miles. A member of the party was John C. Behrendt, a native of Stevens Point who is also a geophysicist.

In this ice shelf is an island about 150 miles long, first sighted by the U.S.

IGY expedition, that has just been named Berkner Island on Thiel's recommendation, in honor of Lloyd V. Berkner, a native of Milwaukee.

Berkner's parents lived in North Dakota, but he was born in Milwaukee when his mother was visiting her parents, Mr. and Mrs. W. F. Viel, at 652 Fifth Street (old number). He grew up in Sleepy Eye, Minn., spending summers with his grandparents in Milwaukee.

ACCOMPANIED BYRD GROUP

In 1928–30 Berkner spent 2 years in the antarctic with the first Byrd expedition.

An inlet in Berkner Island has been named for Lt. (now Lt. Comdr.) Charles J. McCarthy, from New Richmond, who had charge of flying at Ellsworth Station.

A proposal by Thiel to name Wisconsin Peak in recognition of the contribution of Wisconsin scientists is certain to be approved. It will be in the Dufek massif, sighted by the Ellsworth traverse.

Pending before the board on geographic names are recommendations by Ronne that a mountain peak in the same area be named for Senator ALEXANDER WILEY, Republican, of Wisconsin and that an inlest be named for Representative ALVIN E. O'KONSKI, Republican, of Mercer.

Bradford Rock, in the Windmill Islands off the Budd coast, has been named for Donald Bradford, the Navy's radio operator at the Wilkes IGY station in 1957–58. Mrs. Bradfords' parents, Mr. and Mr. Ernest G. Farris, live at 234 North 72d Street, Milwaukee.

Bradford Island was named by Carl Eklund, scientific leader of the Wilkes Base, in recognition of Bradford's outstanding work as a radio operator and for his contribution to the Wilkes scientific effort. Bradford now is a naval radio operator in French Morocco.

Three mountain peaks sighted by the Byrd Station traverse in IGY were named for Wisconsin scientists by Charles R. Bentley of the University of Wisconsin, who led the traverse.

PEAK IS 13,100 FEET

They are Mount Bentley, standing 13,100 feet high in the main ridge of the Sentinel Mountains; Mount Ostenso, a summit 12,900 feet high in the same ridge, and Mount Woollard, which is 8,726 feet high.

Ned A. Ostenso, a native of Chippewa Falls, was a member of the party, and G. P. Woollard of the University of Wisconsin geology department helped plan this and other traverses.

Helfert nunatak, standing 6,900 feet high near the Sentinel Mountains, was named for Norbert F. Helfert, a native of Sheboygan who was a member of the wintering over party at Byrd Station as a weather observer.

It was used as a southern control station for a survey of the mountains. A nunatak is a hill or mountain surrounded by glacial ice.

[From the Milwaukee Journal, Oct. 17, 1960]

UNITED STATES PREPARING SITE FOR ATOMIC REACTOR IN ANTARCTIC—COUNTRY IS FIRST TO APPLY NUCLEAR ENERGY PROGRAM TO FROZEN AREA; STATIONS ARE SLATED AT MCMURDO SOUND, TWO OTHER LOCATIONS

(By Laurence C. Eklund)

MCMURDO SOUND, ANTARCTICA.—Due to congressional persistence, the United States has become the first Nation to apply the atoms for peace program to Antarctica.

Engineers are on the scene here preparing the site for the first of several atomic reactors at this and two other antarctic stations that will save lives and millions of dollars. This represents a triumph over bureaucratic lethargy.

Test pits are being blasted by Navy Seabees under the direction of Philip P. Brown, soil expert of the Navy's Bureau of Yards and Docks, and Arthur E. Ritch, geophysics engineer for the Martin Co., which has contracted to deliver the reactor here by November 1, 1961.

If it is confirmed that this site has a hard basalt rock base, a hole 30 feet deep will be blasted out of the rock for a foundation of steel and timbers arriving here by ship about Christmas Day.

The short season of shipping through the antarctic ice makes it difficult to get materials here, but the pressure is on to have the new plant installed 60 days after delivery and brought to full power 15 days after that.

After the 1,500 kilowatt reactor has been put into operation at McMurdo Sound, a 1,000 kilowatt plant will be installed at the inland Byrd station, one producing 800 kilowatts at the South Pole station and then two more 1,500 kilowatt reactors at McMurdo.

The program contemplates that at the end of four building seasons the three stations will be rehabilitated and completely electrified. The work can be done only in the antarctic summer.

SAVING OF $80 MILLION SEEN

It is estimated that in 20 years the atomic plants will pay for themselves and save an additional $80 million, but it took nagging and table pounding by members of the Joint Congressional Committee on Atomic Energy to get the project going this year.

The trouble was caused principally by the reluctance of the Budget Bureau to approve the project.

Senator HENRY M. JACKSON, Democrat, of Washington, a member of the Joint Committee, recommended the reactors after visiting Antarctica and learning of the high cost, in money and lives, of transporting oil for heating for diesel generators.

Subsequent hearings before the committee brought out that due to extremely difficult and hazardous transportation conditions, the delivered cost of fuel oil is from $1 to $3 a gallon at McMurdo and between $7 and $10 a gallon at the South Pole and Byrd stations.

To deliver 1,000 gallons of fuel oil from McMurdo to our South Pole and Byrd stations, each about 800 miles away by air, requires 4,500 gallons of airplane fuel, it was brought out.

More than 70 percent of available cargo space of ships providing logistical support for our antarctic stations is taken up by fuel.

Since the start of the first Operation Deep Freeze, 17 lives have been lost. This includes those lost in aircraft crashes and other logistical operations, such as with tractors, Weasels and Snowmobiles.

Seventeen aircraft have been lost, including 15 Navy aircraft costing $5,373,000 and two Air Force Globemasters costing $5 million. Globemasters have been used to drop 50 gallon drums of fuel by parachute to the inland stations.

ADMIRAL CITES DRUM COST

Rear Adm. David M. Tyree, commander of the operation, advised the joint committee that each drum cost $7.10 and each parachute $56.25, that "another important factor on which no dollar value can be placed is the hazard to human life in these aircraft operations."

Acting on such testimony, the joint committee recommended, and Congress authorized, a study to get information on the economic potentials of nuclear power in Antarctica.

The study indicated that there would be major economic advantages, and the committee, accordingly, added $13 million to the Atomic Energy Commission's authorization bill to build atomic reactors in Antarctica.

But despite the compelling testimony in favor of the proposal, the Budget Bureau failed to include the project in its request to Congress for authorization or appropriations. And the administration took no positive action.

Then, despite congressional authorization of the project and the results of the comprehensive study asked by the committee, the Budget Bureau on May 17 asked the Defense Department to review the advantages of nuclear reactors in Antarctica. That would have delayed the project a full year.

The Joint Committee hit the ceiling. Its chairman, Senator CLINTON P. ANDERSON, Democrat, of New Mexico, JACKSON, and Representative CHET HOLIFIELD, Democrat, of California, fired off a hot letter to Budget Director Maurice H. Stans, saying:

"It is incomprehensible to us that the executive branch has still not formulated definite plans for the project and has not taken any positive action to start work on the plants.

"We are very much concerned with the lack of initiative and responsibility shown by the Budget Bureau in regard to the project and with the consequences of the loss of a whole year if responsible action is not taken immediately."

LETTER PROTESTS DELAYS

In a letter to the Atomic Energy Commission, the three Congressmen protested that the history of the project was a "classic example" of how delays were developed in getting started on an important project. It had not been sought in the Navy's budget because of the Navy's more pressing defense needs.

The needling Congressmen served notice on Stans that Senate members of the committee were taking steps with the Senate Appropriations Committee to transfer AEC funds for the project to the Defense Department.

Bureaucratic redtape was cut and the Martin Co., which had bid on the project even before funds were available, contracted to build the first McMurdo reactor for $3,950,678. The contract was signed August 10, the day the U.S. Senate ratified the treaty dedicating Antarctica to peaceful use.

Now being built by the company's nuclear division at Baltimore, it is big enough to supply the average electrical needs of about 3,000 Americans.

A fuel core about the size of a single 55 gallon drum will power the plant for 3 years or more because it will not be operating continuously at peak power. It will be doing the job of millions of gallons of fuel oil.

The engineers on the job here complain that they are faced with an impossible, ridiculous schedule, but all hands concerned are feeling the pressure from Washington, which doesn't want any excuses, and it is assumed that the deadlines will be met, despite the difficulties.

One of the reasons for the pressure, it is believed, is a suspicion that the Russians might be planning some surprise at one of their bases here. To quote Senator JACKSON, our international prestige is at stake in this situation.

[From the Milwaukee Journal]

ANTARCTICA'S WATER: PLENTIFUL BUT SOLID—MAINTAINING SUPPLIES FOR DRINKING, COOKING, LAUNDRY IS BIG JOB—SNOW IS "MINED" FROM HILLSIDE NEAR BASE AND MELTED—BATHS LIMITED TO ONE A WEEK

(By Laurence C. Eklund)

MCMURDO SOUND, ANTARCTICA.—If all the ice on Antarctica melted, the level of the oceans would be raised 200 feet, but fresh water is hard to come by at all of our U.S. stations here.

The visitor to Antarctica is warned to go easy on the water and not to take more than

one bath a week. Most of the men here do not shave.

The water is here all right, but in solid form, and it costs plenty to manufacture it.

To get water for drinking, cooking, washing, and laundry it is necessary to haul snow from a nearby hillside "mine" to snow melters where it is turned into water.

Big traxcavators equipped with buckets holding about a ton of snow are busier than usual now, since the population of the base here is up to 400 from the 135 who wintered over and is moving toward a summer peak of 700.

Hauling the snow is a mighty cold job and when the wind starts blowing, the tractor drivers have to put on facemasks in addition to their regular heavy clothing.

The big cost is for fuel to drive the tractors and to fire the heater under the hopper where the snow is dumped.

Fuel costs up to $3 a gallon delivered by ship to McMurdo and from $7 to $10 a gallon airdropped at the inland Byrd and South Pole stations, where water must be produced in the same manner.

PURIFIED FOR DRINKING

Water used in the laundry and photo laboratory is filtered and purified further if used for drinking and in the washrooms.

Delbert Means, Seabee from Charleston, W. Va., who has charge of the melter, estimates that 4,000 gallons of water are produced each day.

Since these are to be permanent U.S. stations, something will have to be done eventually about improving the water supply.

Lt. Ralph Fortenberry, Jackson, Miss., who is leaving soon after wintering here as the camp doctor, believes a flush toilet system can be provided by pumping sea water from under the ice of McMurdo Sound.

Fortenberry, who has asked that sanitary engineers make a survey of the situation, indicated that a modern scientific station would have an atomic reactor costing $3,900,000 should not have 17th century sanitary conditions.

The cold weather is the only thing standing between this camp and serious outbreaks of illness, he said.

While this is a comfortable camp for such a remote outpost, it is a fact that "golden glacier," formed from liquid human wastes dumped from latrine outlets, is an odoriferous eyesore.

PROBLEM SOLVED IN GREENLAND

The Army has solved the water and sanitation problem at its newly constructed Camp Century under the Greenland icecap. This camp, equipped with an atomic reactor, will have the first hot showers ever installed in a glacier.

The Army's engineer research and development laboratory designed a steam drill that melted a 4-foot shaft 165 feet down into the Greenland icecap.

At that level the bit melted a pool of pure water 36 feet deep and 44 feet across. The water is kept from freezing since the bit stays in that position.

Joseph Kumbar, an expert on sanitation who is a civilian employee of the Army, estimates that the well would provide 10,000 gallons of water a day for the residents of Camp Century.

Water from the well will be used for showers, flush toilets and the messhall. Heated wooden pipes will carry Camp Century's garbage and sewage to the surface several hundred yards from the nearest underice tunnel. There it will be dumped, to sink into the glacier.

McMurdo has a different problem, since it is built on volcanic ash, but the Byrd and South Pole stations, scheduled for reconstruction and atomic reactors, rest on thick ice similar to the Greenland icecap.

[From the Milwaukee Journal, Nov. 6, 1960]

BELOIT MAN PREPARES FOR ANTARCTIC MAPPING—PHOTOGRAPHER'S MISSIONS HAVE COVERED 500,000 SQUARE MILES; HE IS SPENDING HIS FIFTH SEASON IN POLAR CONTINENT AND HAS SUCCUMBED TO ITS CHARM

(By Laurence C. Eklund)

MCMURDO SOUND, ANTARCTICA.—John D. Reimer of Beloit, Wis., has personally photographed, for mapping purposes, 500,000 square miles of Antarctica. That could be a record.

It is possible that, due to the nature of his work, this 31-year-old veteran of 12 years in the Navy has seen more of this continent than any other person.

Reimer, who was recently promoted to chief photographer's mate, joined the Navy immediately after graduation from Beloit High School, and he learned all his photography in the Navy. This is his fifth season in the Antarctic.

He has just arrived to prepare for a mapping mission out of the inland Byrd station that will involve photographing 17,000 miles of flight lines in addition to mileage to the flight lines and back.

NEPTUNE FLIGHTS SLATED

His photographs will be taken from Navy P2V–7 Neptunes equipped with skis. Included in the areas to be photographed are the Thurston Peninsula, the Kohler Mountains, the Walgreen coast and the Hal Flood Range.

Last year Reimer photographed the Horlick and Sentinel Mountains and the Executive Committee Range. His mission discovered an extension of the Sentinel Mountains no one had ever seen before, and the job of photographing that extension will be completed this year.

The Neptune has a crew of nine while on its high altitude mapping missions. It flies at 20,000 feet above sea level. Reimer, as photo technician, operates an electronic computer that tells how often exposures should be made.

SERVED ON FIGHTERS

For 5 years Reimer was a photographer and radar operator on night fighters on carrier cruises to the Mediterranean, the North Atlantic, and elsewhere. He was stationed for 18 months at Glenview, Ill., where it was easy to make frequent trips to visit his many relatives in Beloit, and he was not pleased when assigned to Operation Deep Freeze II in September 1956.

Reimer left for the Weddell Sea in the icebreaker *Staten Island* to take part in the work of the Ellsworth station in the International Geophysical Year. The *Staten Island* and the vessel it was escorting, the *Wyandotte*, were stuck in the ice for 11 days.

When the Ellsworth station was finally set up, Reimer flew photographic missions over the Filchner ice shelf and the large, newly discovered island since named for Lloyd V. Berkner, the Milwaukee-born scientific researcher.

VOLUNTEERED EVERY YEAR

It didn't take long for Reimer to succumb to the majestic grandeur of Antarctica, and after that first year he volunteered every year for service here.

"There is no other place in the world where you can see the things you see here," said the enthusiastic Badger. "Down here I feel like an explorer, because every day I am going out to see things no one has ever seen before. I must confess I get a satisfaction photographing these rugged mountains that have never before been photographed.

"Certainly this is the last frontier, and I consider it a privilege to be here doing something I think is important, especially when I realize that my pictures of last year are used for this year's maps."

Reimer's father, John K. Reimer, a Beloit railroad man, recently retired with his wife to Clearwater, Fla. Young Reimer's grandmother, Mrs. J. W. Brunton; three uncles, Irving, James and Roderick Brunton; and aunt, Mrs. William Becker, and scores of cousins live in Beloit.

[From the Milwaukee Journal, Nov. 7, 1960]

UNITED STATES IS TRESPASSING AT ANTARCTIC BASES—NEW ZEALAND CLAIMS LARGE AREA; KEEPS A LOCAL MAGISTRATE AND POSTMASTER

(By Laurence C. Eklund)

SCOTT BASE, ROSS SEA DEPENDENCY, ANTARCTICA.—Lt. Comdr. James Lenox-King, commander of this snug New Zealand scientific station, hospitably offered a cup of tea when the American reporter paid a social call.

The 2-mile trip over here from McMurdo was by vessel, but the return trip was made trudging over the snow with two other reporters.

Like the U.S. stations at McMurdo, Hallett, and Little America, Scott Base is located in the big pie shaped wedge of Antarctica claimed by New Zealand as the Ross Sea Dependency.

New Zealand claimed the area on the basis of British exploration, and although the New Zealand administrator was long invested with powers of magistrate and justice of the peace in this domain, it was only recently that he had ever set foot in the area.

POSTMASTERS—NO MAIL

For many of the years that New Zealand claimed it, the Ross Sea Dependency was inhabited only by penguins and seals. The United States has never recognized the claim, and while New Zealand is a signer of the Antarctic Treaty freezing all claims, it has not relinquished its claim.

For years the dependency had postmasters with no mail to handle and magistrates with no cases to try, an absurd situation remedied somewhat by the establishment of this station, with American help, in the 1957–58 International Geophysical Year.

As a device to support New Zealand's claim to the dependency, Lenox-King, handsome in a full beard, has been duly installed as postmaster and magistrate.

Through his post office and under his canceling stamp flows mail, highly prized by philatelists, bearing the full set of special Ross Dependency stamps costing 40 cents, or 2 shillings 11 pence.

What really delights the stamp collector is to get a letter also bearing American stamps that have also been canceled in the U.S. post office at McMurdo. Such a letter now ranks as a collector's item along with one enclosing a small American flag that has been flown over the South Pole.

CALL FOR SHERIFF?

Complete amity exists between Americans and New Zealanders in this area, although Mack Vincent, the gnomish old pixy who is covering Operation Deep Freeze for the Auckland (New Zealand) Star, waggishly threatened to summon a sheriff from Wellington to evict his American colleagues from "New Zealand territory."

This station was set up on Pram Point, a windy spot 10° colder than McMurdo, on a site chosen after a reconnaissance in a helicopter provided by Rear Adm. George Dufek, then commander of Operation Deep Freeze. Americans helped transport the materials here.

Throughout this dependency as well as in other parts of Antarctica claimed by Australia, France, Norway, Great Britain, Chile, and Argentina, the flags, claims sheets, and other emblems dropped from the planes of various nations lie congealed in Antarctic ice.

Rear Adm. Richard E. Byrd for many years insisted that American interest in Antarctica

be kept alive, and since 1939 official U.S. expeditions had been ordered to raise the flag and deposit special form letters at key places.

One of the objections to our ratification of the Antarctic Treaty raised by the 21 Senators who voted against it was that the Johnny-come-lately Russians would be placed on an equal footing here with countries that have explored this continent for decades.

SENATOR URGES CLAIMS

Contending that we should assert claims to 80 percent of Antarctica, Senator ERNEST GRUENING, Democrat, of Alaska, protested that as other nations moved in "our great period of discovery, exploration, and occupation in Antarctica will fade into the past and the Russians will be there alleging retroactively that they were there all the time."

Members of the House Territorial Subcommittee pricked up their ears last June when Carl R. Eklund, Chief of the Army Polar Research Branch, testified that the Russians had claimed discovery of territory previously discovered by Americans.

He said that when he was the Wilkes station scientific leader in December of 1957, a rescue group from his station, searching for a lost trail party, found a cairn set up by the Russians.

BOTTLED MESSAGE

In an empty vodka bottle was a message which, translated, claimed that the archipelago in the Windmill Islands had been discovered October 10, 1956, by the Russian antarctic expedition "whose members are discussing the beginning of this further occupation."

Eklund and Lt. Donald R. Burnell, military commander at Wilkes, left a message in the vodka bottle for the Russians stating that the same group of islands had been discovered 10 years earlier by our Navy's Operation High Jump.

Despite our earlier discovery, the Russians had done a much better job of mapping the area, said Eklund in testifying for the Zablocki bill creating an Antarctic Commission that would take responsibility for such matters.

Representative CLEMENT J. ZABLOCKI, Democrat, Milwaukee, author of the legislation, expressed concern that through the treaty we were relinquishing some of our rights in Antarctica. He argued that the Commission "would fill a vacuum which has serious implications for our Nation's interests and efforts in the Antarctic."

In recommending ratification of the Antarctic Treaty over the objections raised, the Senate Foreign Relations Committee reported:

"While the risks of entering into agreements with Communist countries are not discounted, the committee subscribes to the belief that a breakdown in communications between the Communist bloc and the free world is an immeasurably greater risk."

[From the Milwaukee Journal, Nov. 27, 1960]

LIVING IN ANTARCTIC RUGGED, BUT HEALTHY—MEN ASSIGNED POLAR DUTIES ARE STRONG BREED WHO NEED LITTLE DOCTORING

(By Laurence C. Eklund)

MCMURDO SOUND, ANTARCTICA.—(Delayed)—Despite the rugged living and the constant danger inherent in antarctic exploration, this is a surprisingly healthy place.

To begin with, persons who volunteer for service in Antarctica are given a thorough physical and psychiatric examination. Even a visiting newspaper reporter has to get a statement from his physician that he can withstand the rigorous antarctic climate.

The scientists and Navy men finally selected to man U.S. stations in the antarctic are a rugged breed who don't need much doctoring.

If they show the slightest sign of not being able to get along with other men—sulkiness, discontent, shyness, or "inappropriate" laughter—they are turned down.

SORE THROATS COMMON

The medical men of Operation Deep Freeze proceed on the theory that "no psychiatric case ever got better in the cold."

They consider an applicant's chief psychiatric asset to be "high motivation—the urge to new adventure, to see the other side of the mountain, to conquer nature in her most rugged aspect and to be willing to cheerfully endure hardships to accomplish those ends."

Lt. Ralph Fortenberry of Jackson, Miss., the McMurdo medical officer, reported that there wasn't a single cold among the 137 men who wintered here, but that the new personnel and summer "tourists" would probably import disease germs that would produce colds.

The most common ailment, he said, is sore throat, accompanied by coughing, caused not by the cold weather but by dryness, since there is practically no humidity in the heated buildings.

WATER IS SCARCE

Outside air at from zero to 110° below zero has a relative humidity of 80 percent, but when warmed to 70 degrees it has only a fraction of 1 percent relative humidity.

Water is scarce here and expensive to produce, and there is not enough of it to bring the relative humidity up to the 25 to 30 percent necessary to prevent sore throat and much coughing.

Dr. Fortenberry treats these cases with liquid cough medicine, throat lozenges and he prescribes gargle tablets. The discomfort lasts about 3 weeks, after which the men become acclimated.

Dr. Fortenberry and the Navy doctors at our other antarctic stations have a few frostbite cases and an occasional broken leg. Two medical corpsmen help Dr. Fortenberry in the five bed hospital here that is equipped with an operating room, X-ray and pharmacy.

The beds are used mostly by men exhausted from long, hard hours of work in the cold. The doctor keeps them in the hospital until they are fully rested.

Lt. John S. Lindsay, Dannemora, N.Y., has his dental office in the same building. He is the only U.S. dentist in Antarctica, and before coming here he gave the medical men at the three other stations a 1-week course in dentistry. He also gave them a dental manual.

Dr. Clarence Du Mais, the medical man at the South Pole station, benefited from Dr. Lindsay's instruction in pulling one of his own wisdom teeth. He also extracted a tooth for one of the scientists at the pole.

INSTRUCTIONS RADIOED

Dr. Lindsay has X-rays of the teeth of all the men at inland stations and is prepared to give advice and consultation over the short wave radio.

He radioed instructions 2,100 miles away to Christchurch, New Zealand, for treatment for a Navy pilot who had trouble with his dentures.

Frankly, there isn't much a medical doctor can do, without equipment, about tooth trouble at a remote station.

It has been suggested that men selected for antarctic service should have teeth on which a dentist would wager $1,000 that there would be no trouble within an 18 to 24 month period.

[From the Milwaukee Journal, Nov. 10, 1960]

ADVENTURE, CURIOSITY ARE ANTARCTIC LURES—WISCONSIN MAN SAYS AREA'S PECULIARITIES PROVIDE CHANCE TO LEARN NEW THINGS

(By Laurence C. Eklund)

MCMURDO SOUND, ANTARCTICA.—Some who volunteer for wintering over service here are motivated by a quest for adventure.

Most of the scientists are working for academic degrees but among the Navy personnel willing to leave their families for a year are men of all ranks who figure that they, too, can learn something down here.

Listed in that category would have to be Donald R. Drumm, radioman chief petty officer, from Edgar, Wis., who has just arrived for a year of service in the McMurdo communications center.

Asked why he volunteered for a job that meant leaving his wife and two daughters for so long, he said:

"My curiosity was aroused by Antarctica and what I had heard about it. In communications down here you can learn things you couldn't learn elsewhere because of the ionospheric and magnetic disturbances."

Drumm, the son of Mrs. William H. Drumm of Edgar, never finished high school in Edgar but completed his high school education in the Navy, where he has served a total of 10 years.

WORKED ON EDGAR FARM

After serving in World War II he was out of the Navy for 6½ years. He worked on his father's farm at Edgar and did railroad work in Wausau. He was working for the railroad when he met his wife, the former Alvina Wiegert of Fond du Lac, whose mother, Mrs. Hazel Bogie, now lives at Plymouth.

After rejoining the Navy in 1953, Drumm went to the radio school at Bainbridge, Md. He served on a destroyer and patrol craft and was assigned for 2 years to the Naval Academy at Annapolis.

Drumm's wife and daughters, Denise, 12, and Carol, 11, who were born at Fond du Lac and Wausau, respectively, are now at Kingston, R.I., where the girls are the center of special attention at school because their father is in Antarctica.

Many persons besides Drumm have sought to learn about the ionosphere since three-quarters of a century ago, when the Scottish physicist and meteorologist Balfour Stewart, puzzled over the fact that the earth's magnetic field fluctuated from day to day.

Stewart proposed what seemed at the time an unlikely idea. He suggested that somewhere in the upper atmosphere there might be a layer of air that conducted electricity.

The motion of this air in the earth's magnetic field, reasoned Stewart, would generate electric currents, which in turn would produce small magnetic fields accounting for the daily variations in magnetic measurements.

Since the upper atmosphere was a wilderness unplumbed by any instrument man had yet invented, the significance of Stewart's brilliant suggestion was not widely appreciated at the time.

But the upper atmosphere took on a new interest in 1901 when Guglielmo Marconi sent wireless signals across the Atlantic Ocean around the curvature of the earth.

HAD DIFFERENT VIEW

Up to that time physicists had supposed that radio waves traveling beyond the horizon would continue through the atmosphere in a straight line and disappear into space.

Seeking to explain Marconi's around-the-world transmission, Arthur E. Kennelly in the United States and Oliver Heaviside in England revived the idea that an electrically conducting region high in the atmosphere would reflect radio waves back to the ground.

What is now known as the ionosphere is a thick mantle of ionized air consisting of at least four different layers occupying the region of the atmosphere from 45 to 200 miles above the ground.

A $59,740 National Science Foundation grant for research in ionospheric physics here has sought to determine the geomagnetic latitude control of very low frequency and extra low frequency phenomena along the line of 20 degrees of latitude.

AIR LIFTED SURVEY

A four-man party from Stanford University conducted an air-lifted survey along a series of sites in Marie Byrd Land, the Ross Ice Shelf and Victoria Land.

The party was transported from site to site by a ski-equipped DC-3 aircraft and spent 3 days in a tent camp at each location. Observations were made at each and were coordinated with the routine observations at Byrd station and with space probes and satellite experiments.

New Science Foundation grants to Stanford, totaling $130,019, call for a continuation of these studies.

[From the Milwaukee Journal, Dec. 4, 1960]

UW MEN IN ANTARCTIC TO GET HELP FROM CHILE—WAUWATOSA EXPERT WILL STUDY RELATION OF ANDEAN, POLAR MOUNTAIN RANGES

(By Laurence C. Eklund)

WASHINGTON, D.C.—A cooperative antarctic research program supported by the United States and Chile, in which University of Wisconsin scientists will play the key role, was announced Saturday by the National Science Foundation.

UW geologist David A. Link, 6301 Washington Circle, Wauwatosa, and Martin Halpern, Madison, will leave Monday for Antarctica from Valparaiso, Chile, with three other U.S. scientists.

TRAINING PROVIDED

Dr. Alan T. Waterman, Director of the Science Foundation, said that by providing field assistance to U.S. scientists, Chile was making possible work by our geologists and entomologists in an area where our scientists had not worked in recent years.

The United States will help Chile establish a geomagnetic program at its Presidente Gabriel Gonzales Videla station on the Palmer Peninsula by providing equipment. A scientist from our Coast and Geodetic Survey has spent the last 2 months in Santiago training a Chilean to use the equipment.

Chile, in return, will provide transport and helicopter support throughout the current antarctic summer for our research expedition on the Palmer Peninsula.

Presidente Gabriel Gonzales Videla station fills a gap between existing geomagnetic observatories in Antarctica and on subantarctic islands now operated by Argentina and the United Kingdom.

FAMILY OF GEOLOGISTS

The new Chilean observatory will supplement the work of these stations and others maintained in western Antarctica by the United States and New Zealand. They provide data on the annual changes in the earth's magnetic field.

Link, who got his bachelor's degree in geology from the UW last June, is a member of a famed family of geologists. His father, Walter K. Link, is a geologist in Rio de Janeiro. His mother, Mrs. Marshal L. Wilcox, was one of the first women geologists graduated from UW.

His brother, Peter, who has a master's degree in geology, is now in Tripoli, Lybia, and his sister, Mrs. Marion Coles of Salt Lake City, Utah, has a Ph. D. degree in geology.

Young Link and Halpern will conduct geological research with the aid of a $16,523 Science Foundation grant to Prof. Robert H. Dott, Jr., of the UW geology department, director of the project.

STUDY GEOLOGIC HISTORY

They are especially interested in the relationship of the Andean Mountains in South America, their extension into the Palmer Peninsula and the mountains of the Ellsworth Highland in Antarctica, where the team hopes to work in future years.

The Dott group may determine the broad areas within this long and continuous mountainous belt that have a similar geologic history.

Link, Halpern, and two American entomologists will be picked up at the Chilean station next March by the *Glacier*, an American icebreaker, and will continue their work in the Amundsen Sea and the islands off the Palmer Peninsula.

Meanwhile, across the Antarctic at McMurdo Sound, another team of UW scientists this week will begin a $41,639 study of patterned ground, found on most ice-free areas of the continent.

The team, working under the direction of Prof. Robert F. Black, consists of Thomas Berg of Onalaska, Wis., who is working for a Ph. D., and James Sullivan of Ahoskie, N.C., who is completing his work at UW for a master's degree.

Patterned ground usually appears as polygons (figures having many sides) associated with sand and ice wedges.

Berg and Sullivan hope to find out what causes them, how they develop and whether they may serve to aid in dating geological events in the region.

In about a week, Forrest Dowling of Boscobel, Wis., UW exploration geophysicist, will leave Byrd station on a hazardous trek from McMurdo Sound to the pole. His principal mission is the delivery of three 37-ton tractors.

America's scientific effort in Antarctica this year is costing upward of $5 million and it is costing the Navy $15 million to support this effort.

QUESTION OF COST

It is natural to raise the question of whether we are getting our money's worth, but regardless of the high cost it is apparent that we are in Antarctica to stay, especially since Russia seems to be there to stay.

The value of the work was cited in this comment by Chairman OREN HARRIS, Democrat, of Arkansas, of the House Interstate and Foreign Commerce Committee, after an on-the-spot visit there:

"We are convinced that it is one of the most important undertakings and could have the most far-reaching implications of any scientific work we have anywhere. The American people should not get any other idea because some of the things that are being found out about the behavior of the earth as it reacts to some of the happenings of the solar system will have great bearing on the future course of human existence."

QUICK DECISIONS NEEDED

The United States had to make some quick decisions after the adoption of the Antarctic Treaty, and the cost of logistical support probably could have been held down, had there been an opportunity for long-range planning.

Congress at its next session may have to decide whether to create the Richard E. Byrd Antarctic Commission, as proposed by Senator ALEXANDER WILEY, Republican of Wisconsin, and Representative CLEMENT ZABLOCKI, Democrat of Milwaukee. WILEY and ZABLOCKI insist that there can be no long-range planning of an antarctic program without an overall agency in control as in all other countries operating in the Antarctic.

FOURTEEN AGENCIES INVOLVED

The Navy now runs the logistics end of the program and the National Science Foundation the science end. A total of 14 Government agencies are involved in what ZABLOCKI complains is a piecemeal operation.

And eventually Congress will have to decide whether to put up the money for a permanent airport in Antarctica to replace the temporary landing field on the frozen surface of the Ross Sea, at McMurdo Sound, which can be operated for only about 50 days a year.

Rear Adm. David M. Tyree, commander of Operation Deep Freeze, indulging in what he called a bit of crystal ball gazing, said there was no doubt the day was coming when an international airstrip would be needed in Antarctica to cut flying distances.

The only trouble, the admiral said, is that such an airport would cost several hundred million dollars.

The strip would make possible commercial flights over Antarctica to link Africa, South America, New Zealand, and Australia.

Members of the House Interstate and Foreign Commerce Committee reported after a visit to Antarctica that the potential tourist and commercial travel as the result of a great circle antarctic route staggers the imagination.

ADDITIONAL TAX EXEMPTION FOR CERTAIN SCHOOLCHILDREN

Mr. JOHNSTON. Mr. President, I introduce, for appropriate reference, a bill to amend the Internal Revenue Code of 1954 so as to allow an additional exemption of $600 for a dependent child of the taxpayer who is a full-time student above the secondary level.

This amendment is primarily designed to give tax relief to help parents whose dependent children are attending college. Anyone who has sent children to college knows of the terrible financial strain such an undertaking puts upon the average family budget. In most instances parents must borrow money, mortgage their homes, take on extra work, and engage in other financial jugglings in order to put children through college. The least we can do is to give them a boost with a little tax relief, which this amendment does.

We have programs underway to lend students money, grant them scholarships, and otherwise assist them in gaining a higher education. There are innumerable taxpayers who, when given tax relief such as my amendment does, could send their child to college without looking to these other assistances from the Federal Government.

Another objective of my amendment is to induce college enrollment among young people. There are many young people who would do well in college if they were assured the opportunity to attend, but who, unfortunately, are discouraged from attending because of financial hardships at home. Given the incentive of an additional $600 exemption, many parents would feel inclined to strive to put their children through school.

It has been pointed out many times in the United States that we are in a life and death struggle with an ideology alien to our free land. We must have well trained and properly educated minds if we are going to maintain a strong will to resist communism. My amendment will help accomplish this objective.

I would point out here that there are no loopholes in this proposed legislation. Only parents of dependent children attending school on a college level will be entitled to the additional $600 exemptions per student. Children with private incomes will not be considered and neither will adults who may be attending school. I ask that this amendment be referred to the appropriate committee for consideration with the first proper legislation coming before us for action.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 1519) to amend the Internal Revenue Code of 1954 to allow an additional exemption of $600 for a dependent child of the taxpayer who is a full-time student above the secondary level, introduced by Mr. JOHNSTON, was received, read twice by its title, and referred to the Committee on Finance.

ANNUAL PUBLICATION OF OFFICIAL REGISTER OF THE UNITED STATES

Mr. JAVITS. Mr. President, on behalf of myself and my colleague [Mr. KEATING], I introduce, for appropriate reference, a bill which directs the Civil Service Commission to resume annual publication of the Official Register of the United States, which was discontinued last year after 144 years. Many members of the Washington press corps have expressed concern that the discontinuance of this publication represented an incursion into the traditional freedom of information to which the public is entitled with respect to Federal officials.

The Official Register has been an invaluable reference work since the days of President Madison not only to the various media of information but to the general public. The Register contained the most comprehensive list of Federal officials and was the only practical source from which could be determined their salaries, job titles, departments, and State and congressional district of appointment.

Nothing is more sacred than the public's right to information about its Government officials. Depriving the public of a convenient means for implementing this is hardly justified in the name of economy, especially when the publication cost is relatively so small. Moreover, the change in administration, with the resulting vast turnover in personnel, makes it even more essential that such information be accessible to the public. I earnestly hope Congress will rectify its action of last year and restore this historic and valuable document.

The discontinuance of the Official Register was accomplished by a rider to the 1961 Independent Offices Appropriations Act. The amendment specifically denied $30,000 for printing the Register and also repealed the basic authority for its publication.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 1530) to provide for the publication of the Official Register of the United States by the U.S. Civil Service Commission, introduced by Mr. JAVITS (for himself and Mr. KEATING), was received, read twice by its title, and referred to the Committee on Post Office and Civil Service.

COMMISSION TO STUDY THE PROBLEM OF ALCOHOLISM

Mr. JOHNSTON. Mr. President, I introduce a joint resolution to establish a commission to study the problem of alcoholism in the United States, and to make recommendations for the more adequate provision of facilities for the treatment, rehabilitation, and cure of alcoholics, and for the prevention of alcoholism.

I ask that this resolution be referred to the appropriate committee and that I be allowed to accompany my introductory remarks with a prepared statement on the problem of alcoholism.

The matter of alcoholism has been of tremendous concern to me, and increasingly so during recent years. I made an intense personal study into the problems which alcoholism entails. I made contact with doctors, industries, State governments, hospitals, and many organizations such as Alcoholics Anonymous which are working on this disease.

It has been estimated there are 5 million alcoholics in America, and there is no telling what it is costing America in broken homes, broken lives, and dollars and cents. Alcoholism is a cancer on our spirit.

Mr. President, I ask unanimous consent to have printed along with my remarks the statement in support of my resolution on alcoholism.

The PRESIDENT pro tempore. The joint resolution will be received and appropriately referred; and, without objection, the statement will be printed in the RECORD.

The joint resolution (S.J. Res. 72) to establish a Commission to study the problem of alcoholism in the United States and to make recommendations for the more adequate provision of facilities for the treatment, rehabilitation, and cure of alcoholics, and for the prevention of alcoholism, introduced by Mr. JOHNSTON, was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

The statement presented by Mr. JOHNSTON is as follows:

STATEMENT BY SENATOR JOHNSTON

One of the major problems confronting modern society is alcoholism.

This addictive disease accounts for an almost countless number of woes: it makes life a living hell for more than 5 million Americans and their families. It is a disease which brings pain, mental, financial, and physical suffering to victims, causes personality breakdowns, broken homes, high divorce rates, delinquency, adult and juvenile crimes of various sorts, an appalling toll of accidents, industrial and traffic, serious financial loss to business and industry. Not the least ill-desired byproduct of alcoholism is the corrosion of morale it brings to substantial segments of the population and the yet undetermined physical damage to human minds and bodies. Alcoholism, in short, is a problem of great national concern.

Alcoholism is not a new problem to man. It has been with civilization for centuries. For a long, long time it has been a serious problem. But only in recent years has it been recognized as a disease. We know now the alcoholic should not be treated with social shame, but as one who is ill with a disease. In the opinion of many experts in the field of alcoholism, the changed public attitude toward the alcoholic is one of the major gains of the past several decades.

Compassion rather than condemnation must be the keynote in dealing with alcoholics. It is with this view that I address myself to the challenging problem of alcoholism. It was with the thought that we can further the good work already being done by the several States and others in this vital field by developing national interest and providing leadership and auxiliary help that I undertook a comprehensive survey and study of this whole problem.

The results indicate to me and others that a challenging task confronts us in the extension of activity to deal with alcoholism. In the areas of education, prevention, treatment, and rehabilitation, much remains to be done despite the excellent efforts of the several States in their respective programs.

Before proceeding with the presentation of the material recruited in my study of alcoholism, I am pleased to acknowledge the very splendid cooperation of the Governors of the several States as well as the respective directors of the various State commissions on alcoholism. I have had a most hearty and prompt response from those officials in my request for information on what their States are doing for the treatment and prevention of alcoholism. I also want to record my thanks to the many private and public organizations that have given their wholehearted and valuable cooperation.

An impressive volume of achievement has been realized over the country in programs on alcoholism. It is readily apparent from the encouraging results through the Nation that the attitude of the public, the medical fraternity, and Government has taken a tremendous change for the better.

Most encouraging is the realization that something worthwhile in the way of a cure can be effected, that individuals can be reclaimed from the rubble heap and brought back to sound health, self-respect, and useful places in society. The work of Alcoholics Anonymous has been most effective in this field—the activities of this group is a saga of understanding, tolerance, helpful support, and practical therapy. It is most heartening to read the accomplishments of Alcoholics Anonymous and it is all the more noteworthy because the work was started originally by two men who had been addicted to drinking. From this humble, spontaneous operation Alcoholics Anonymous has spread to a nationwide organization which commands the voluntary, inspired services of thousands of men and women who have been fellow sufferers.

Giving credit to all the pioneers in the field of alcoholism, public officials, lay men and women, and members of the medical profession, social workers, and others, I am of the opinion, based on my studies, that despite the vast amount of good that has been accomplished, the surface really has been only scratched. Present programs in many States are the beginnings of what hold the promise of real achievement. In State after State, the start has been made and the course has been charted. But facilities, personnel, and funds are at a bare minimum. The foundation is here upon which we can build the pillars of solid achievement to universally overcome alcoholism.

A significant aspect of the reclamation work being done on alcoholics in the several States is the genuine enthusiasm with which the work has been undertaken. As I remarked earlier, we have come a far way in our thinking on alcoholism in the past 20 years. And this is one of the most promising things about the whole problem, for the alcoholic is a supersensitive person, quick to detect hostility, just as he responds to kindness that respects him as a person and attributes to him the dignity which he has largely forfeited. As Dr. Selden D. Bacon, Ph. D., an expert in the field, states: "The greatest number of clients (alcoholics) are lost at the diagnostic interview."

It has been well said that "alcoholics are not drinkers—they are compulsive consumers of alcohol." This is the considered opinion of Dr. Bacon. Actually,

in the consideration of the subject of alcoholism we must realize that for millions of Americans social drinking is no problem. Dr. Bacon points this out in the following words: "It should be noted that the use of alcohol is not alcoholic for more than 60 million of the 65 million drinkers of this country." We do well to keep this fact in mind as we proceed with our consideration of this problem. Otherwise, we are going to build walls of resentment that will militate against an overall effective program on rehabilitation of alcoholics. Public understanding, public cooperation are essential to spur the rehabilitation activities now underway in the Nation to the goal of impressive accomplishment.

My purpose is not to present something that will gobble up the various State programs on alcoholism. To the contrary, I propose by a centralized review, a fair appraisal, the suggestion of fairly uniform standards and the providing of assistance in research and leadership to strengthen and give encouragement to those who are already valiantly progressing this good work. It is my hope that in this way we can lend moral support, guidance, and supplement the work of the several States which see the greater need but are not able to go all the way because of their limited resources. National attention for the several programs would be most helpful, additional research, as I have said, the amplification of the literature of the subject and a wider educational program—all of these would aid the cause.

It is an interesting fact that since the first State study of alcoholism was set up in Oregon in 1943 all but 6 of the 48 States have given recognition in some kind of legislation that alcoholism is a public health problem. Of further interest is the fact that 33 States and the District of Columbia have enacted enabling legislation providing for State-sponsored treatment, research and/or educational programs. In three States, action has been taken to admit alcoholics to certain State institutions. At the end of 1956, two additional States, Illinois and Iowa, had appointed study commissions to review the problem with a view toward recommending suitable legislation.

According to the American Medical Association, which is giving increased attention to the problem of alcoholism, one quarter of all the hospitals in the country treat alcoholics routinely. An encouraging growth of recognition of the disease nature of alcoholism is that the Blue Cross and Blue Shield insurance plans as well as a number of other commercial insurance companies are accepting alcoholics as beneficiaries.

The statistics on alcoholics and alcoholism are rather appalling and I propose to submit a number of them in certain essential categories for information. At the same time I hasten with the reminder that the extent and scope of the problem must not blind us to the possibilities and the accomplishments in rehabilitation.

Dr. Marvin A. Block, chairman of the committee on alcoholism of the council on mental health, American Medical Association, is authority for the statement that the annual cost of accidents due to alcoholism is $125 million, while the annual cost of alcoholics in mental hospitals is $30 million, and the annual cost of alcoholics in penal institutions is $25 million. Dr. Block also presents the further impressive figures that the sum of $40 million is spent annually by public and private agencies for the care of families of alcoholics, $20 million by the public agencies and another $20 million by the private agencies.

In the opinion of Raymond G. McCarthy and Edgar M. Douglass in an informed article in the Journal of Studies in Alcohol, Inc., entitled "Alcohol and Social Responsibilities," the information is furnished that "alcoholism costs society more than $1 billion ($1,168,354,750) according to an estimate for the single year 1946." Later figures, I am certain, will revise even this large cost upward.

On the economic front we further find, according to Harrison M. Trice, of the New York State School of Industrial Labor Relations, of Cornell University, that "on the average, 3 percent of the work force are problem drinkers." In "Problem Drinking," by Henderson and Bacon, dealing with the findings of the Yale Plan for Business and Industry, it is set forth that "the alcoholic loses an average of 22 working days each year from alcoholism alone." The same source also claims that "alcoholics lose a total of over 36 million working days each year." It is likewise claimed by their authorities that "the alcoholic's lifespan is 12 years less than that of the nonalcoholic."

The annual loss in wages alone because of excessive drinking is $432 million, according to Benson Y. Landis, in Public Affairs Committee Pamphlet No. 118, published in 1946.

It is an interesting fact that the public has the image of an alcoholic as a visible Skid Row type. As a matter of an educated estimate by Robert Straus, Ph. D., professor of medical sociology, Medical Center, University of Kentucky, "the remaining 85 to 90 percent (alcoholics) are to be found in homes, offices, places of business, in every walk of life, apparently trying to lead normal lives."

The scope of this problem is realized in the statement that: "Seven million adult Americans are 'heavy, addictive drinkers'; and the number is increasing at the rate of 250,000 a year. One in nine Americans is destined to become an alcoholic * * * the great difficulty now is that the young people are not being told the complete and scientific facts of this problem." This is the opinion of Dr. Andrew C. Ivy, chairman of the Institute of Scientific Studies for Prevention of Alcoholism, Loma Linde, Calif. I am sure the religious and school and social leaders of any American community can confirm this fact.

Consider these dismally impressive statistics from the National Safety Council in the category of alcoholism and fatal driving accidents:

Twenty-two out of every 100 had been drinking; over the Christmas holidays, the percentage jumped to 55 percent; over the Labor Day holiday, the total was 48 percent.

In like manner, the percentage was high in the number of pedestrians who had figured in fatal automobile accidents. Out of every 100 persons so involved, 22 had been drinking.

These statistics are all the most discouraging in view of the intensive educational and warning campaign put on by the American Automobile Association on the eve of the holidays.

The National Council of Alcoholism in a special report to the National Institute of Mental Health states that Dr. Leo Bartemeier reported that a recent Gallup poll showed 14 percent of families interviewed were found to have some problem regarding drinking.

This finding shows the corrosive penetration of alcoholism into the American home, into our contemporary civilization.

Each alcoholic is an individual with individual problems. One responds to one set of stimuli, one to another. Dr. Bacon states: "Rehabilitation may start in the jail, in the home, in a hospital, even on the street corner. It is important to remember, however, that wherever it starts it must continue in and be oriented to the individual's ordinary life situation."

What is the goal of rehabilitation? Again, according to Dr. Bacon, "the Connecticut Commission on Alcoholism (which I might add parenthetically is among the leaders in the field) has stated its goal in rehabilitation to be the return of the individual—more acceptable to himself, increasingly independent, and not using alcohol—to the community in which he should be an accepted member. The commission believes that there are varying degrees of success in rehabilitation and that cases should be followed at least 3 years."

Let us not delude ourselves that the disease of alcoholism is a simple one. It is not just the problem of overconsumption of alcohol. Just what strange motivations prompt a man, a woman, or a teenager to blot out consciousness in a drunken stupor is something to puzzle the experts. Dr. Sidney Vogel, engaged in the private practice of psychiatry and a member of the National Council of Alcoholism makes this pertinent contribution:

"Treatment of the alcoholic is not the sole province of the psychiatrist, internist, endocrinologist, sociologist, minister, or any one scientific or lay discipline. Recognition of this is fundamental. A total 'push' and mobilization of all methods and facilities is necessary to improve results and make help available to more alcoholics.

"We must not follow in the footsteps of the six blind sages of Hindustan who on touching an elephant described him variously as a fan, a rope, a snake, a tree, a spear, and a wall. Rather we must coordinate and synthesize psychiatric, biological, and sociological research and knowledge to understand and master the problem of alcoholism. Only with this new-found knowledge will further inroads be made on this widespread and devastating disease."

In like vein, Corwin states: "Best informed modern opinion calls for the appliance to the problem of alcoholism of all such available research techniques as have been used in the study of other serious individual afflictions. This can best be done in medical institutions such as hospitals and clinics where all the resources of modern medicine and psychiatry can be utilized to contribute toward the understanding of the causes of uncontrolled drinking and the nature of its developmental process. Only in such well-equipped surroundings can adequate therapeutic and rehabilitative techniques be devised and methods for the prevention of the disorder developed."

The involuntary commitment of alcoholics to suitable places of treatment and cure has some supporters among those who have made a study of alcoholism. One such is Dr. Melvin L. Selzer, psychiatrist at the University of Michigan's department of mental hygiene. Dr. Selzer is convinced the alcoholic will not admit to his drinking or invoke voluntary treatment, hence something has to be done about compelling treatment. He states:

"State laws regarding commitment for uncomplicated alcoholism are inadequate or nonexistent. Many States still require evidence of psychosis before committing alcoholics, a rather archaic approach since it implies that only far advanced cases will be considered for treatment * * * courts tend to commit only persons who are called to their attention by obnoxious behavior. Without enforced commitment and treatment, it is safe to say that the bulk of the alcoholic population will remain alcoholic most or all of their shortened lives."

Dr. Selzer insists that psychiatrists and public officials gradually are acknowledging the futility of the efforts to rehabilitate alcoholics without some method of enforcing an initial period of abstinence and therapy.

Dr. Selzer adds the additional point that "alcoholism is malignant." He states that about 65 percent of the unobtrusive alcoholics die between the ages of 35 and 39. He adds that enforced treatment pioneered in North Carolina and Michigan hospitals indicates a sufficiently high percentage of re-

habilitation—up to 40 percent or better—to make the procedure worthwhile.

"The alcoholics received very little specific treatment other than supportive psychotherapy, reassurance, medical treatment if they are ill, an opportunity to keep occupied and a period of time to discover that sobriety was not a threat to their existence. A period of sobriety is essential for these individuals to learn that they can handle their anxieties without alcohol—an important fact that they may never discover if a bottle can be readily obtained, or if they can desert the hospital at will."

It is an interesting aspect of this whole problem that 9 out of 10 alcoholics cannot be detected as such other than by their families or close friends and intimate associates. The alcoholic in many instances possesses real talent for secret drinking, for covering up. Many an individual the public respected as an outstanding person has been addicted to secret, heavy drinking. This frequently happens with women who are given to lone drinking in the home. Only about 10 percent of alcoholics are of the identifiable "skid row" type.

"The ability of the alcohol addict to conceal his excessive drinking is well documented," Dr. Selzer states. "They learn to drink quickly and silently with a minimum of activity afterward so as not to betray themselves by clumsy motions or slurred speech. Driving is usually avoided since this may readily call their attention to their inebriety."

In an excellent article on alcoholism in the Washington Sunday Star of May 11, 1958, Phil Yeager and John Stark, in discussing Dr. Selzer's views and findings, quoted Dr. Selzer's apt example of the quiet drinker covering up in the following language:

"Dr. Selzer quotes this passage from Betty Smith's 'A Tree Grows in Brooklyn' as a penetrating observation of the camouflage employed by the majority of alcoholics today:

" 'Francie got to know when (her father) was drinking more than usual. He walked straight coming home. He walked carefully and slightly sidewise. When he was drunk, he was a quiet man. He didn't brawl, he didn't sing, he didn't grow sentimental. He grew thoughtful. People who didn't know him thought he was drunk when he was sober because he was full of song and excitement. When he was drunk, strangers looked on him as a quiet, thoughtful man who minded his own business.' "

This is a masterly treatment of the addictive drinker—the character portrayed so ably has many thousands of counterparts throughout the country today.

All of us know the part alcoholism plays in that scourge of society—the broken home. Let us look then to the views of an expert in juvenile delinquency, Dr. John Otto Reinemann, director of probation for the municipal court in Philadelphia. Dr. Reinemann states that broken homes are the leading cause of juvenile delinquency. "Sociologists and psychologists agree that such a broken home is one of the most significant factors contributing to juvenile misbehavior and delinquency. Girls seem to be even more affected than boys by the lack of normal family life, as evidenced by the fact that only 29 percent of all delinquent girls live in their own family home with both natural parents."

The parents, who through overindulgence in alcohol, cause a home to be broken sets in motion a chain reaction of antisocial activities that frequently roll up to a costly toll of violence.

In connection with this aspect of the problem of alcoholism, it is worthy of note that the latest figures from the Federal Bureau of Investigation reveal that juvenile arrests in 1,220 cities throughout the United States increased by the high figure of 9.8 percent. Consider the fact that the FBI concluded that youths under 18 years of age accounted for 12.3 percent of the overall arrest increase of 4.3 percent. The statistics show the juveniles committing the startling total of 67.6 percent of auto thefts, 54.8 percent of burglaries and 51.3 percent of larcenies. Also juveniles committed 9 percent of aggravated assaults and 6 percent of the murders. Major crimes committed during the year amounted to 2,796,400, an increase of 9.1 percent over 1956 and 23.9 percent over the average for the last 5 years. City crimes rose 9 percent and rural offenses 11 percent.

Holding this mirror up to the face of society does not produce a very pleasing reflection. It is not my intent or purpose to endeavor to tax alcoholics with this total of crime, but there is a very definite and substantial relationship, as we have shown, between alcoholism and broken homes and juvenile delinquency and crime. The newspapers these days only too frequently carry distressing stories of the latter-day offender, the direct perpetrator of crime, the juvenile, under the influence of alcohol, who strikes out in violence, usually upon any innocent person who has the misfortune to cross his path at the moment he wants to wreak his revenge upon society.

This raises the obvious question: Is alcoholism inherited? In the booklet, "Facts and Fancies About Alcoholism," by Helena H. Shea, of the Rhode Island State Division of Alcoholism, there is this interesting answer to this question: "As yet there is not much reason to believe that the tendency toward compulsive drinking is inherited from the parents, but alcoholic parents tend to have more alcoholic children than nondrinking parents do. Also, children tend to imitate their elders, and in a family upset by alcoholism there will be more instability, more maladjustment, and more drinking than in a normal family group. However, since science has not ruled out the physical causes, it is possible that a constitutional factor may be responsible, at least to some extent, for a psychological craving for drink."

What one of us does not cringe when we see the wrecks in human form barely able to beg for a pittance so they can buy something more with alcohol in it to blot out reality? These are the living without hope; these are the truly dead, they who trod the streets of forgotten men; they are the wound stripes of our civilization.

We have seen men in their animal cravings drink "smoke," the diabolical concoction of the "jungle." We have seen addicts resort to the desperate expedient of consuming radiator alcohol. We have seen them embrace slow suicide in liquid mixtures that four-legged animals would repulse.

Who knows what dark motivations cause men, born in the image and likeness of God, to do such degrading harm to themselves? What gushing springs of self-pity are at work drowning the self-respect of individuals when they literally sink in a sea of alcohol. What real or fancied wrongs have caused them to indulge in such spiritual and physical lacerations? Where along the line has the damage been done to their healthy ego-strengths? What was the first step that caused this headlong plunge down the ladder of self-debasement? What hidden guilts goad the alcoholic into despair?

What a vista of enriching exploration beckons in this troubled and challenging disease of alcoholism. What an opportunity presents itself to our society to go forward in research, armed with charity, equipped with compassion and tolerance, with kindness and a sense of fellowship as members of the human race, to get the answers that will light the way of hope for curing this dread disease.

From the viewpoint of the public's interest in the problem of alcoholism, the case is simply and well put in the following words by Dr. Anthony Zappia, Director of the Alcoholic Rehabilitation Program Clinic in the Department of Public Health, District of Columbia:

"The community loses in many ways when it has disabled persons among its residents. An alcoholic is handicapped because of his behavior, which is often unacceptable to the community. His illness makes him nonproductive during many of his working hours. In the long run a community will gain by working to prevent alcoholism before the excessive drinker has reached an advanced stage of the illness and, where alcoholism exists, by bringing the alcoholic back to productivity and usefulness."

In this vein there is an excellent statement of the problem in the 1957 edition of the booklet published by the Licensed Beverage Industries, Inc., entitled: "Programs on Alcoholism Research, Treatment and Rehabilitation in the United States and Canada." In its introduction, the organization states: "A public health problem may be defined as any problem affecting the health and well-being, directly or indirectly, of people, the solution of which is attainable through organized community efforts. Within this framework alcoholism is a public health problem. During the past two decades, by this definition, it has proved to be amenable to solution through group effort." It further states: "The recognition in recent years that alcoholism was a disease amenable to treatment in public understanding and action concerning this problem marked the beginning of a new era. Public action in the form of State medical care, research, and treatment programs were an inevitable and predictable consequence."

From the studies of the Licensed Beverages Industries, Inc., we learned that the sum of $4 million was allocated by the States for programs on alcoholism in 1956. These moneys were divided on the following basis: 14 percent for research; 9 percent for education; 13 percent for administration; 3 percent for other purposes; and 61 percent for treatment. In 1956, a total of 22,906 were treated in State operated or supported treatment facilities, hospitals, or clinics.

Thus we can see that already a fine start has been made in this troubled field. Of course, as I stated before, many of the State programs are marginal, are the beginnings, represent, in fact, what may be properly termed pilot programs. But from them considerable has been learned, valuable experience has been reaped, standards are being established, and the road for future progress well marked with directional signs.

Alcoholics Anonymous has a total of 6,859 groups, so-called. Of these, 4,755 are in the United States and 706 in Canada. In other parts of the world, excluding the United States and Canada, there are an additional 790 groups. They have 287 groups affiliated with hospitals and 321 groups serving with correctional institutions. Then there is a classification known as "loners." These represent several hundred men and women living in isolated areas throughout the world (or in areas where it has not been possible to form a local group), are registered at general service headquarters as lone members. They correspond with headquarters and with their counterparts in other sections of the world. It is stated of them by the national organization: "In a number of cases, notably in U.S. military installations overseas, loners have been responsible for establishing local groups."

Another interesting development of the A.A. idea is the group of international seamen. This includes about 150 persons, including a handful of women, in naval service or the merchant marine. They correspond with each other and have been responsible for standing and encouraging local A.A. groups in many foreign ports.

The recognition of alcoholism as a medical responsibility is gaining new adherents each passing year. There is a significant increase in the number of hospitals that are admitting alcoholics, including the out-patient departments. The American Medical Association's Council on Mental Health reports on the aspect of alcoholism as a medical problem as follows:

"1. Alcoholic symptomatology and complications which occur in many personality disorders come within the scope of medical practice.

"2. Acute alcoholic intoxication can be and often is a medical emergency. As with any other acute case, the merits of each individual case should be considered at the time of the emergency.

"3. The type of alcoholic patient admitted to a general hospital should be judged on his individual merits, consideration being given to the attending physician's opinion, cooperation of the patient, and his behavior at the time of admission. The admitting doctors should then examine the patient and determine from the history and his actions whether he should be admitted or refused.

"4. In order to offer house officers well-rounded training in the general hospital, there should be adequate facilities available as part of the hospital program for care of alcoholics. Since the house officer in a hospital will eventually come in contact with this type of patient in practice, his training in treating this illness should come while he is a resident officer. Hospital staffs should be urged to accept patients for treatment and cooperate in this program.

"5. With improved means of treatment available and the changed viewpoint which places the alcoholic in the category of a sick individual, most of the problems formerly encountered in the treatment of an alcoholic in a general hospital have been greatly reduced. In any event, the individual patient should be evaluated rather than have general objection on the grounds of alcoholism.

"It is recognized that no general policy can be made for all hospitals. Administrators are urged to give careful consideration to the possibility of accepting such patients in the light of the newer available measures and the need for providing facilities for treating these patients. In order to render a service to the community, provision should be made for such patients who cooperate and who wish such care.

"In order to accomplish any degree of success with the problem of alcoholism, it is necessary that educational programs be enlarged, methods of case finding and follow-up be ascertained, research encouraged, and general education toward acceptance of these sick people be emphasized. The hospital and its administration occupy a unique position in the community which allows them great opportunities to contribute to the accomplishment of this purpose. It is urged that general hospitals and their administrators and their staffs give thought to meeting this responsibility."

This is impressive evidence of the increased medical and hospital interest in alcoholism, a most heartening development of the past several years.

Thus we can see progress being made on many fronts in the battle against alcoholism.

For a clue to an understanding of how deep seated are the impulses which move the alcoholic, I would urge a reading of "Motivation of the Alcoholic for Recovery" by Dr. Lorant Forizs, from the March 1958, "Quarterly Journal of Studies on Alcohol."

I know of no better way to bring this whole matter into proper focus than to quote, in part, from the foreword of the annals from which I have selected several of these expert articles. The section of the foreword I have chosen, you almost say as a text, reads as follows:

"Because alcoholism is an emergent condition stemming from chemical, physiological, psychological, and sociologic preconditions, because responses to alcoholism cut across every segment and institution of our society, and because the painful and destructive impact of the condition is not only extensive but is experienced and for generations has been experienced in almost every sector of our society, there is practically no subject relevant to American life which is not relevant to alcoholism."

No segment of American life is wholly free from the problem, directly or indirectly; somewhere it cuts across all our paths and so it has become a common responsibility and a challenge to all.

Let us not turn our backs on the fact that alcoholism has been a national scourge of such proportions in some countries that it has brought on a condition of decadence, followed by national decline. America, let it be noted, holds no monopoly on the problem. Alcoholism is no respecter of national boundaries—its realm is the world-at-large—it plys its damaging work in Africa and south of the Sahara as well as in our own rural areas and effete cafe society. Hollywood may get the headlines because of the antics of its celebrated addictive drinkers but lesser known victims around the globe are struggling with "the demon of the bottle" 'round the clock. The problem is not unknown to the United Nations. Human nature in its universality is the target of alcoholism.

It is with a keen sense of my limitations before this limitless subject, but propelled by the unremitting necessity to endeavor to do something constructive about it, that I have drawn up a resolution which, I fervently hope, will mark the beginning of an effort on a national scale to deal adequately with the problem of alcoholism.

The resolution was the logical outcome of my studies on this engrossing subject. I am encouraged to suggest this course of action because of the very splendid work the several States are doing in this field, as well as the outstanding programs of private organizations and agencies.

As I have remarked before, pioneers have broken the trail in this prior social jungle, the way has been marked, much has been accomplished—so much in fact that the Nation would be letting down the movement's pioneers if something were not done at the national level.

The resolution I have the privilege to present calls for the establishment of a commission, comprising members from the executive branch of the Government and the Congress and qualified professional people to make a complete and exhaustive study of alcoholism in all its forms and manifestations with a view to reporting back to the Congress its findings for appropriate action.

As I have indicated, the several States in their programs on alcoholism have pointed the way for future accomplishments. There is need, as I have shown, for education of the public of the true nature of alcoholism, for extended research, for facilities in which rehabilitation may be carried on.

I am satisfied that when such a commission is created and its findings have been brought in and the results made known, this body will be convinced that in authorizing this comprehensive study of alcoholism it will have done one of the most truly constructive and meritorious works in its distinguished history. It is my great hope that a concerted effort to bring the resources of our mighty country to grips with the problems of alcoholism will evolve and finally strike down this terrible cancer of the spirit.

SELECT COMMITTEE ON CONSUMERS

Mr. JAVITS. Mr. President, on behalf of myself and Senators COOPER, KEATING, PROUTY, and SCOTT, I submit a resolution to establish a Senate Select Committee on Consumers; and I request the appropriate reference of the resolution.

I point out that I have now submitted the resolution during two sessions; and I am happy to note that the junior Senator from Oregon has submitted a similar resolution in the present session.

The PRESIDENT pro tempore. The resolution will be received and appropriately referred.

The resolution (S. Res. 119) was referred to the Committee on Banking and Currency, as follows:

Resolved, That (a) there is hereby established a select committee of the Senate to be known as the Select Committee on Consumers (referred to hereinafter as the "committee") consisting of seventeen Members of the Senate, of whom eleven shall be members of the majority party and six shall be members of the minority party. Members and the chairman thereof shall be selected as soon as may be practicable after the date of adoption of this resolution, and at the beginning of each Congress commencing thereafter, in the same manner as members and chairmen of standing committees of the Senate are selected. Vacancies in the membership of the committee shall not affect the authority of the remaining members to execute the functions of the committee, and shall be filled in the same manner as original appointments thereto are made.

(b) The committee shall adopt rules of procedure not inconsistent with the rules of the Senate governing standing committees of the Senate, and from time to time may establish such subcommittees thereof as it may determine to be required for the performance of its duties. A majority of the members of the committee, or any subcommittee thereof, shall constitute a quorum thereof for the transaction of business, except that such committee or subcommittee may fix a lesser number thereof as a quorum for the purpose of taking sworn testimony.

(c) No legislative measure shall be referred to the committee, and it shall have no authority to report any such measure to the Senate.

SEC. 2. (a) It shall be the duty of the committee to conduct a continuing comprehensive study and investigation with respect to—

(1) the nature and extent of economic problems of consumers within the United States;

(2) the extent to which authority heretofore conferred by law upon executive, administrative, and regulatory agencies of the United States provides effective means for the solution of consumers' problems; and

(3) the nature of any additional legislative or other measures necessary or desirable for the solution of such problems.

(b) The committee shall report to the Senate from time to time the results of its studies and investigations, together with its recommendations for any additional legislative or other measures which it may determine to be necessary or desirable for the solution of economic problems of consumers.

SEC. 3. (a) The committee, or any duly authorized subcommittee thereof, is authorized to (1) hold such hearings; (2) sit and act at such times and places during the sessions, recesses, and adjournment periods of the Senate; (3) require, by subpena or

otherwise, the attendance of such witnesses and the production of such correspondence, books, papers, and documents; (4) administer such oaths; (5) take such testimony either orally or by deposition; and (6) employ and fix the compensation of such technical, clerical, and other assistants and consultants as it deems advisable, except that the compensation so fixed shall not exceed the compensation prescribed under the Classification Act of 1949, as amended, for comparable duties.

(b) With the prior consent of the executive department or agency concerned and the Committee on Rules and Administration, the committee, or any duly authorized subcommittee thereof, may utilize the services, information, and facilities of any such department or agency, and may employ on a reimbursable basis the services of such personnel of any such department or agency, as it deems advisable. With the consent of any other committee of the Senate, or any subcommittee thereof, the committee may utilize the facilities and the services of the staff of such other committee or subcommittee whenever the chairman of the committee determines that such action is necessary and appropriate.

SEC. 4. Until an appropriation is made for the payment of the expenses of the committee, such expenses, in an amount not to exceed $, may be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

EXTENSION OF TIME FOR JUDICIARY COMMITTEE TO FILE REPORTS

Mr. HUMPHREY. Mr. President, on behalf of the Committee on the Judiciary, I ask unanimous consent that the time for the filing of reports pursuant to Senate Resolution 226, and Senate Resolutions 231 through 234, and Senate Resolutions 238 and 241, of the 86th Congress, be extended to April 30, 1961. This request concerns annual reports of certain subcommittees of the Committee on the Judiciary.

The PRESIDENT pro tempore. Without objection, it is so ordered.

AMENDMENT OF SECTION 314 OF PUBLIC HEALTH SERVICE ACTS OF 1944—ADDITIONAL COSPONSORS OF BILL

Under authority of the order of the Senate of March 29, 1961, the names of Senators MOSS, HICKEY, MCCARTHY, RANDOLPH, MCGEE, BARTLETT, CHAVEZ, and YOUNG of Ohio were added as additional cosponsors of the bill (S. 1467) to amend section 314 of the Public Health Service Act of 1944, introduced by Mr. MUSKIE on March 29, 1961.

NOTICE OF CHANGE OF DATE OF HEARING ON NOMINATION OF REYNALDO G. GARZA TO BE U.S. DISTRICT JUDGE FOR SOUTHERN DISTRICT OF TEXAS

Mr. MANSFIELD (for Mr. EASTLAND). Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that the hearing on the nomination of Reynaldo G. Garza, of Texas, to be U.S. district judge for the southern district of Texas, vice James V. Allred, deceased, has been rescheduled for Wednesday, April 12, 1961, at 10:30 a.m., in room 2228, New Senate Office Building.

At the indicated time and place persons interested in the hearing may make such representations as may be pertinent.

NOTICE CONCERNING CERTAIN NOMINATIONS BEFORE COMMITTEE ON THE JUDICIARY

Mr. MANSFIELD (for Mr. EASTLAND). Mr. President, the following nominations have been referred to and are now pending before the Committee on the Judiciary: Robert M. Morgenthau, of New York, to be U.S. attorney, southern district of New York, for a term of 4 years, vice S. Hazard Gillespie, Jr., resigned; and David C. Acheson, of the District of Columbia, to be U.S. attorney for the District of Columbia, for a term of 4 years, vice Oliver Gasch.

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in these nominations to file with the committee on or before Thursday, April 13, 1961, any representations or objections they may wish to present concerning the above nominations, with a further statement whether it is their intention to appear at any hearings which may be scheduled.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. WILEY:

List of officers and trustees of the Friday Morning Music Club Foundation, Inc., together with a list of honorary members and past scholarship awards.

BARRY GOLDWATER: RADICAL OF THE RIGHT

Mr. MANSFIELD. Mr. President, there appeared in a recent issue of the Progressive magazine an article, by Karl E. Meyer, entitled "BARRY GOLDWATER: Radical of the Right." The alliterated title obscures what otherwise is an excellent study of the character and views of our distinguished colleague from Arizona. It is also a perceptive treatment of the highly significant role of Senator GOLDWATER in the Republican Party and in the current political life of the Nation. Those of us who know the Senator, regardless of our political views, will agree on at least one of the observations made in the article: that the Senator from Arizona is a gentleman, with a high sense of decency and fairplay, who states with great clarity and conviction the philosophy of the Republican Party.

The able Senator from Arizona is a vigorous exponent of his views—with many of which, I may say, I disagree. Nevertheless, there has never been anything personal in these disagreements. The Senator is not given to personal pique or vindictiveness; so it is possible to disagree with him and at the same time to have the highest respect for his integrity and his straightforwardness.

In this respect, the Senator from Arizona reminds me very much of the former Senator from California, Mr. Knowland. With that gentleman, I also found myself in disagreement from time to time, on various issues. Nevertheless, I had a high regard for him personally and a deep appreciation of the fact that one always knew where he stood. That is the same regard in which I hold the Senator from Arizona; and I ask unanimous consent that the article previously referred to be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BARRY GOLDWATER: RADICAL OF THE RIGHT

(By Karl E. Meyer)

The leading radical in Washington today is a 52-year-old businessman and licensed jet pilot who looks more like a handsome television commentator than a U.S. Senator. With the bounce and bravado of a Hotspur in battle, he is urging the drastic revision of practically every liberal measure enacted since 1932, and possibly since 1896.

BARRY MORRIS GOLDWATER, the Republican Senator from Arizona, misleadingly calls himself a conservative. He is really nothing of the sort. The late Senator Robert A. Taft might have been called a conservative, but measured by GOLDWATER's standards, the Ohio Republican was tilted way over to port.

It is an odd phenomenon. While liberalism is the mood of the hour in the White House, the most arresting personality on Capitol Hill is this unreconstructed Old Frontiersman. His book, "Conscience of a Conservative," was a surprise best-seller (150,000 copies in hard-cover; 500,000 in paperback). He is the most sought-after speaker in his party, and on the college campus he is in close competition with bed-pushing as the fad of the moment. As many as 500 letters pour into his office every day, and when he debated an errant liberal (Senator EUGENE MCCARTHY) on television, some 1,500 persons took the trouble to write him a note.

Although his aids prudently discount it, there is also talk about a Goldwater presidential boom. The Senator seems half-serious about the idea. He has come up with a new slogan, "The Forgotten American," and news stories reflect a new concern with his image—a sure symptom of the presidential virus. According to the New York Times, his will be a popular conservative image. (The Senator shows no sign of being disheartened by the spoofing stickers on some Washington cars—"Goldwater in 1864.")

In some respects, it is not strange that GOLDWATER has caught the public fancy. Flamingly irrelevant as his ideas may seem, Senator GOLDWATER exhibits more dash and zeal in behalf of his convictions than do most of his counterparts on the liberal side of the aisle. In a housebroken and relatively tame Congress, the earnest Arizonian stands out as a relentless rebel—yes, as a radical.

Dare I suggest in the pages of the Progressive that possibly this is a good thing?

Let me try to make clear that I am not succumbing to sentimentalism in giving BARRY GOLDWATER the credit to which I think he is due. Outside of Washington, the Senator's intellectual limitations are painfully

evident; what does not come through as clearly is the stoutness and general decency of his character.

"He really believes all that stuff." The remark was made by a veteran Capitol reporter who has frequently written about the Senator. It is this quality of sincerity that sets the Senator apart from other conservatives in Congress. There is no shortage of politicians who express a glib public agreement, in varying degrees, with what GOLDWATER says. But the typical congressional conservative is more like CHARLES A. HALLECK of Indiana, the Republican minority leader of the House, a careerist cynic or there are many members like Virginia's HOWARD W. SMITH, the clever and courtly chairman of the House Rules Committee. Judge SMITH is a conservative all right, but does not like to submit his convictions to the test of reasoned debate. Instead, he wears his conservatism like a frock coat, and if you don't like it, he will smilingly invite you to look the other way.

With BARRY GOLDWATER it is different. Like a college seminarian, he is fully prepared to set forth his views in the most explicit and clearly formulated way. He is so wedded to the logic of his position that he paints himself into quixotic corners in the name of consistency. He cares about principles, and if his principles seem silly to such sophisticated folk as you and I, at least there is something to wrestle with besides the usual basket of eels that passes for conservative (and—too often—liberal) discourse.

Secondly, Senator GOLDWATER fights cleanly and has usually shown a scrupulous regard for the rules of the game. I say usually, because he transgressed in the case of his bete noire, Walter Reuther, whom he has variously called a liar, and more dangerous than the sputniks or anything Russia can do to us. But characteristically, GOLDWATER has made known his regrets for these extravagances. Unlike Senator Joseph R. McCarthy, for whom GOLDWATER expressed qualified praise, the Arizonian does not enjoy spattering mud through the CONGRESSIONAL RECORD, and he does not employ the calculated lie to ruin a reputation.

Thirdly, the Senator is known for his personal courtesy. When you ask people on Capitol Hill what they think of BARRY GOLDWATER, the first words invariably are, "He's a nice fellow," followed by expressions of wonderment at his ideas. Typical of GOLDWATER's personal consideration was an incident in 1954, when he was angered by an article that a Washington newspaperman had written about the FBI. Before he attacked the journalist on the floor of the Senate, his office called up the offender to advise him that he was about to be upbraided by GOLDWATER and would he care to be present and to comment? Senators more often reserve such courtesies solely for each other.

Lastly, the Senator has a sense of humor. He can laugh when HUBERT HUMPHREY twits him about signing a Hollywood contract—with 18th Century Fox. He enjoys telling the story of a visit to a snooty country club that barred Jewish members. The Senator asked if he could play nine holes of golf, since he was only half Jewish. It is difficult, I say, to dislike the man.

As to BARRY GOLDWATER's convictions, the usual phrase is that they are either pre-Silurian or somewhere to the right of Charlemagne. This is not quite fair. GOLDWATER's beliefs date back only to the 19th century. In economics he is, if he will excuse the term, a liberal of the classic variety: he simply does not believe that the Government should tinker in any way with the market economy. Thus the Senator sees the Constitution as a series of inhibitions against Government rather than as an instrument of national power. Essentially, he concurs with the four doughty justices of the Supreme Court who, in the 1930's, felt that nearly every New Deal measure was unconstitutional.

To enter the world of BARRY GOLDWATER in the year 1961 is to move into a realm as strange and as exotically colored as the landscapes of his beloved Arizona which hang on his office walls. Questions which most Americans thought were settled a generation or more ago remain burning issues to the Senator. Take Federal programs to assist agriculture. To GOLDWATER, they are repugnant to the Constitution; he writes in "Conscience of a Conservative": "No power over agriculture was given to any branch of the National Government." And that settles that. Or consider Federal aid to education: "* * * Any Federal aid program, however desirable it might appear, must be regarded as illegal until such time as the Constitution is amended."

The graduated Federal income tax raises a special problem because a constitutional amendment specifically permits this diabolic innovation. So the Senator shifts his ground—it is contrary to natural right and therefore immoral.

In the area of basic rights, the Senator, however, has it b th ways. Although he believes that it is both wise and just for Negro children to attend the same schools as whites, he finds that no powers regarding education were given the Federal Government. But when the Senator turns to the question of the rights of union members, he sees no philosophical or constitutional objection to using the full force of Federal power to help assure the liberty of workers within unions. But, it might be objected, if the Federal Government has no power over agriculture, where does the power come to regulate trade unions?

Concerning foreign affairs, the Senator is no less marvelously dogmatic. This is GOLDWATER's view of foreign economic assistance programs: "* * * Except as it can be shown to promote America's national interest, the foreign aid program is unconstitutional." Paradoxically, although GOLDWATER wants to curb the powers of the Federal Government, he also wants to adopt a tough line toward the Soviet Union. His language comes close to advocacy of preventive war. Negotiations with the Communists, he asserts, are useless; what is needed is the will to win once and for all. In addition to parrying Russian blows, "We must strike our own. In addition to guarding our frontiers we must try to puncture his." And all this on a balanced budget.

In reality, it would be impossible to operate a government like ours on the principles that Senator GOLDWATER espouses. Even Senator Taft favored Federal housing and aid to education legislation, though neither program is specifically authorized by the Constitution. To some extent, GOLDWATER has backed away from the logical abyss of his analysis and is offering what he asserts are constitutional programs for meeting national needs. His proposals, especially his complex plan for indirect Federal help to schools, are ingenious, interesting, and wholly unrealistic. Like his brethren on the far left, GOLDWATER is finding that extreme principles are better suited to sonorous speechmaking than to legislation. But if the Senator continues his search for constructive counterproposals, he may wind up by being as sensible, moderate, and dull as everybody else.

This seems unlikely. There is a streak of wild dogmatism in BARRY GOLDWATER which seems to propel him to the end of every available limb. Last November, he showed up as a speaker at the National Interfraternity Council. As a loyal Sigma Chi, he hailed fraternities as a "bastion of American strength," and added that "where fraternities are not allowed, communism flourishes." The Senator went on to cite Harvard as an example of a university where, in the absence of fraternities, Communist and Socialist philosophies are allowed to flourish.

But even when he is talking through his sombrero, BARRY GOLDWATER brings some welcome gusts from the old frontier. He grew up in Arizona, where the cowboy days are still a living memory; his family album suggests an episode from Gunsmoke. Grandfather Michael Goldwater came to California in 1852 on the traces of the gold rush. When a new gold strike developed on the Gila River in what was later Arizona, Michael drove a wagon across the desert to do business in the mining camps. Soon, Michael, and his brother, Joseph, started a chain of stores in the territory, beginning with an adobe store in Ehrenberg in 1862 which served as city hall, post office, and jail as well as the supplier of gunpowder and gingham. There were more than the usual risks for an entrepreneur—at one point, in Skull Valley, the brothers were seriously wounded in a skirmish with Apaches. Two of Mike's sons, Morris and Baron (father of the Senator), helped to extend the business from Prescott to Phoenix, Tombstone, and Bisbee. The store in Bisbee was the scene of a celebrated massacre in which five passers-by were shot, five bandits subsequently hung, and one culprit strung up by citizens who were dissatisfied with the courtroom verdict.

GOLDWATER's family traditions and his love for Arizona explain a good deal of his political style. He grew up with a passion for the strenuous life, and threw himself into every activity—family business, sports, exploring, photography, cookery, Indian studies, and aviation—with the same peppery enthusiasm. During the war he served with distinction in the Air Force and he has kept in trim as a Reserve pilot.

He sailed into State politics with the same breezy determination. The obstacles he faced were considerable. Arizona is normally a Democratic State, and his opponent in 1952 was Ernest McFarland, then Democratic majority leader of the Senate. GOLDWATER's previous experience consisted of two terms on the Phoenix City Council and his service as campaign manager in 1950 for the successful Republican gubernatorial candidate. But between his indefatigable campaigning and a ride on the Eisenhower coattails, GOLDWATER won by a narrow 1-percent margin. He was overwhelmingly reelected in 1958, when he was virtually the only leading rightwing Republican Senator to survive the Democratic tide.

Part of his appeal has been explained by Secretary of Interior Stewart Udall, who served two terms as a Democratic Representative from Arizona. Udall has remarked that many Arizonians who voted for him also voted for GOLDWATER in 1958. "They may not have agreed with BARRY," he said, "but they darn well knew where he stood."

The rest of the country, if it was in any doubt, also found out where BARRY stood at the Republican convention in 1960. The square jaw, the muscular frame, the pugnacious oratory came over well on television and established firmly and clearly the Goldwater image. There was no doubt of the fact that the scepter once held by Robert A. Taft had passed to GOLDWATER—he was now the enthroned leader of the regular Republicans, the party stalwarts who look back to Herbert Hoover with nostalgia and speak of Dwight D. Eisenhower as if he were a Fabian Socialist.

Since the convention, GOLDWATER has considerably broadened the base of his influence. Arizona is a small State, with not many more than a million residents; its traditions are as special and as locally flavored as the Grand Canyon and the Painted Desert. But

the junior Senator from this State has somehow struck a responsive chord with thousands of conservative Republicans who live in small towns and medium-sized cities across the country—and who perhaps find in GOLDWATER the embodiment of their romantic political fantasies. He is a personable link with the old frontier which, in the minds of many Republicans, is still as real as Abilene was to President Eisenhower.

There are some who can argue plausibly that it is basically unhealthy for the Republican Party to fall into irresponsible opposition by flirting with the GOLDWATER line. As a pragmatic political matter, it would be more sensible for the Republicans to imitate their Tory brethren in Great Britain by unreservedly accepting the welfare state. And unquestionably Senator GOLDWATER'S intransigence in foreign policy does not recommend itself as a model in the days ahead.

But there is another aspect to the problem. Whether we who regard ourselves as liberals like it or not, an appreciable sector of the population feels frustrated and cheated by liberal political success since 1932. In an almost paranoid way, some ultrarightists feel that a conspiracy of union leaders, big city bosses, eastern financiers, Harvard professors, and the National Association for the Advancement of Colored People has captured the country. This view is more prevalent than a liberal might suppose; it extends from suburban dowagers and small businessmen to uprooted poor whites in city slums.

In addition to this cranky element, there is a larger group which simply feels—and the view is not wholly irrational—that what the Government can do for you it can do to you. There is a restive distrust of Washington, and a feeling that centralization can mean the loss of certain vital local functions. Behind this distrust is a slight touch of anarchism, of suspicion of the state per se—again, an attitude that has some basis in reality.

These groups have a legitimate right to their views in a democratic society; even the cranks have their place in the political spectrum. The great danger is that demagogs can exploit this emotional electorate for malignant ends—to turn, as the late Senator Joseph McCarthy did, a legitimate impulse to illegitimate purposes. The danger is especially acute during a period of liberal ascendancy in the White House when, on the surface at least, the left seems to have a corner on power and publicity.

What I am saying is that we who disagree with Senator GOLDWATER may soon be glad that he is around. No one could seriously maintain that GOLDWATER is a seditionist or a malevolent demagog. On the contrary, he is a decent, upright, and thoroughly attractive politician. The groups he speaks for deserve a spokesman, and a good one. They could do far worse than BARRY MORRIS GOLDWATER.

ANNIVERSARY OF CROATIAN INDEPENDENCE

Mr. DIRKSEN. Mr. President, the Croatian people of Yugoslavia declared their independence on October 29, 1918; but it was short lived, for the Croatians and other peoples of Yugoslavia, such as the Serbians, the Slovenians, the Dalmatians, and the Montenegrins, fell under the yoke of Tito Communists, under which they live today. In the past few months, Members of Congress have been raising their voices to give hope to the peoples of Eastern Europe and sectors of the Balkans who have fallen under the brutality and subjugation of the Communists' power.

The Croatians are a proud people, and were true friends and protectors of the American World War II airmen who were shot down over Croatia. They not only aided the American airmen, but also helped them escape and return to the free world.

Mr. President, the United States has always believed in the basic principle of the right of self-determination for all peoples; and it is hoped that continuing efforts will be made by the United Nations to impress upon the Communists the need to permit all of the proud nations who have fallen behind the Iron Curtain to have an opportunity for free elections, so the people may determine the form of government under which they desire to live. During this Easter week, when peace on earth and good will toward men are in the hearts and the souls of most people, it is appropriate that all freedom-loving nations should renew their requests that these people behind the Iron Curtain be given an opportunity for self-government.

LAOS

Mr. DIRKSEN. Mr. President, this morning there appeared in the Washington Post a very interesting and incisive editorial, under the caption "Where Is the Victory?" I know that as one talks from time to time about Laos and the Laotian situation, some might believe that was being done to exploit some partisan advantage. However, I am sure no such charge can be made against the Washington Post—and certainly not as to the exploitation of any partisan advantage for the party of which I am proud to be a member.

There are some rather significant statements in the editorial; and I believe I should emphasize one of them, in particular, as follows:

But let no one delude himself that this will be any victory for Britain, for the United States, or for the non-Communist countries generally. It may be the best solution that can be obtained without enlarged war and at a price that the allies are able or find it prudent to pay. Actually, however, it will confirm a substantial setback.

Mr. President, I presume that if I had said that on my own responsibility, I might have been sharply criticized. But I believe it will serve a useful purpose to have this editorial, from the Post, published in the RECORD as part of my remarks; and I ask unanimous consent for that purpose.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

WHERE IS THE VICTORY?

Let us hope that a cease-fire will prove possible in Laos along the lines envisaged by Britain. Soviet conversations with the British Ambassador point to agreement on a cease-fire with simultaneous reactivation of the International Control Commission composed of representatives of India, Poland, and Canada to verify the truce. A 14-nation conference would then be called to meet shortly, presumably in Phnom Penh, Cambodia.

We shall soon know whether Soviet acceptance of such conditions involves any hidden hooks. If a relatively satisfactory procedure is worked out, it will be quite a feat for the combination of British diplomacy and the quiet firmness displayed by President Kennedy.

But let no one delude himself that this will be any victory for Britain, for the United States, or for the non-Communist countries generally. It may be the best solution that can be obtained without enlarged war and at a price that the allies are able or find it prudent to pay. Actually, however, it will confirm a substantial setback. And the dangers which it is bound to entail not only for Laos but also for her neighbors ought to warn against any rosy or facile assumption that peace suddenly will have arrived.

There is cause for grave misgiving, for example, about the effectiveness of truce supervision. The International Control Commission did not work well in Laos before; such delayed investigations as it was able to conduct were largely futile. Much will depend upon the attitude of the Indian member in responding promptly to complaints of violation. In addition, there will be the manifest difficulties of negotiating with the militant Communist states of China and North Vietnam in a peace conference.

If, as now widely assumed, the settlement requires a coalition government in a neutral and unalined Laos, the chances will be very "iffy" indeed. Perhaps such a coalition would not lead inevitably to Communist absorption if Communists were kept out of key ministries such as defense, foreign affairs, and interior. It might be possible to have a government that would include the King, former Prime Minister Souvanna Phouma, and such other leaders as Gen. Phoumi Nosavan and former Prime Minister Phoui Sananikone. But such an arrangement to match Communist skill would presuppose a degree of national unity and determination that does not now exist.

In short, what is likely to emerge will be at best a new chapter and a more worrisome challenge. Whether any real stabilization results will depend upon far more effective methods of helping Laos economically, as well as upon more attention to the problems of Cambodia, Vietnam, and Thailand, which will be understandably skittish. This is a very large order. It can be approached more realistically if we understand the dimensions of what has happened and resist any notion of exultation about a nonexistent triumph.

THE FOREIGN STUDENT SERVICE COUNCIL OF WASHINGTON

Mr. FULBRIGHT. Mr. President, the issuance of the first formal annual report of the Foreign Student Service Council of Washington offers me a welcome occasion to say a few words about this outstanding group. The report, which has been put together with taste and imagination, describes the activities of an organization which began in 1956, as an experiment in supplemental education and hospitality for foreign students, and now is a successful reality. The council's success rests on the fact that its more than 600 personnel are volunteers, who therefore regard their activities with special enthusiasm and interest. A number of them are professionals in the field of international exchange, and all of them are interested and talented citizens.

In 1960 the Foreign Student Service Council, often in cooperation with other community groups and agencies serving foreign visitors, rendered services to some 3,900 people from abroad. Although many of these students and visitors are engaged in nonpolitical fields,

nearly all will return—and are aware that they will return—to positions of leadership in their countries. The opportunity to bring together these important young people from abroad and the multitude of talents to be found in Washington provides the Foreign Student Service Council with a unique atmosphere in which to work.

In order to insure the fullest use of the students' time, the activities of the Foreign Student Service Council include a series of seminars on contemporary America, and an educational events program designed to encourage discussion of recent history with some of the individuals who were in close touch with it. Last year, I had the honor to participate in the latter program; and I found myself in the distinguished and representative company of former Secretary of State Dean Acheson, Mr. Edward P. Morgan, and Dr. Howard Mitchell, to name only a few. These and other activities, such as tours of the National Institutes of Health, the World Bank headquarters, and other places of specialized interest, provide the students with face-to-face contacts with Americans in responsible positions. The informal and frank meetings with Foreign Student Service Council volunteers also give the students and ourselves valuable insights into the nature of present world realities.

The very success of the Foreign Student Service Council in helping foreign students, through a variety of services, underscores the urgency of a vital problem we confront. All too often the student from abroad is turned loose amidst our frequently bewildering college life, with little or no further orientation, guidance, or hospitality. All too often there is consequent embitterment, which tends to destroy the positive values of the students' experience here.

Our universities are struggling manfully with this problem; but they are waging a losing fight, because of increasing competitive financial drains on their resources. In this connection, the mutual educational and cultural exchange bill, S. 1154, which I introduced on March 2, provides a means of assisting with this immensely important effort. I am very hopeful that the bill will receive the approval of Congress at this session, and thus will at an early date bring reinforcements to bear.

Although the activities of the Foreign Student Service Council implicitly stress the need for exchange program improvements, the generosity of the Foreign Student Service Council volunteers with their time and their imagination provides a convincing demonstration of the worth and the mutual excitement of international student exchange programs. The Foreign Student Service Council report is subtitled "Washington Welcomes the Foreign Student." I submit, Mr. President, that Washington equally welcomes the Foreign Student Service Council.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, with the distinguished chairman of the Foreign Relations Committee on the floor, the Senator from Arkansas [Mr. FULBRIGHT], and after consultation with the minority leader, the Senator from Illinois [Mr. DIRKSEN], I ask unanimous consent that the Senate now proceed to the consideration of executive business, to consider a number of nominations which on yesterday were approved by the Foreign Relations Committee and were reported from it.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the Senate proceeded to the consideration of executive business.

The PRESIDENT pro tempore. Without objection, the nominations will be stated.

AMBASSADORS

The Chief Clerk read the nomination of G. Frederick Reinhardt, of California, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Italy.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Joseph C. Satterthwaite, of Michigan, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Union of South Africa.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Parker T. Hart, of Illinois, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Saudi Arabia.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Raymond Telles, of Texas, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Costa Rica.

Mr. MANSFIELD. Mr. President, all these nominations are excellent, and deserve the approval of the Senate; and I wish to say a few words, in particular, about the nomination of the mayor of El Paso, Tex., the Honorable Raymond Telles, who is to be our next Ambassador to Costa Rica.

I believe this appointment marks a milestone in the affairs of the people of Mexican-Spanish descent. Mr. Telles has served for three terms as mayor of El Paso; and he was a candidate for a fourth term, until he was asked by President Kennedy to consider accepting this particular position. Mr. Telles has an outstanding record of civic responsibility, and he served his country in both the Second World War and the Korean conflict. I am delighted—as I know all my colleagues on the committee, all my colleagues in the Senate, and the people of the United States are—with the appointment of this gentleman of Mexican-American descent to be our Ambassador to Costa Rica.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. FULBRIGHT. I should like to associate myself with the remarks of the distinguished majority leader. While Mr. Telles is a noncareer appointee, he has many accomplishments directly related to his responsibilities in this post, and I think it is an excellent appointment.

I do not want this occasion to pass without congratulating the administration on the high quality of its appointments, most of whom are career personnel of the highest quality. It has been very pleasing, indeed, to have persons of fine experience and accomplishments in every respect appointed to positions of great responsibility. I think the administration is to be commended for the discrimination in its appointments.

Mr. MANSFIELD. Mr. President, I wish to associate myself with what the distinguished chairman of the Committee on Foreign Relations has just said, because this is an excellent list of appointees; and we know they will serve our country with distinction in the posts to which they have been appointed.

The PRESIDENT pro tempore. The question is, Will the Senate advise and consent to the nomination of Raymond Telles, of Texas to be U.S. Ambassador to Costa Rica.

The nomination was confirmed.

Mr. DIRKSEN. Mr. President, I do have some familiarity, and a rather intimate one, with three of the nominees whose names appear on the list.

I note that Frederick Reinhardt will be our new Ambassador to Italy. I last encountered him, I think, in the Orient, in South Vietnam, when I was there. He has given splendid indications of his qualifications for this post.

As much could be said of Joseph C. Satterthwaite, who has been nominated to be U.S. Ambassador to the Union of South Africa.

Mrs. Jane Warner Dick, of Illinois, who has been named to be the U.S. representative to the United Nations Social Commission of the Economic and Social Council, has been extremely prominent in civic and public affairs of our State, and bears a high reputation, and her appointment is well and favorably received. I know she will discharge her responsibilities with high credit to herself and her country.

UNITED NATIONS SOCIAL COMMISSION OF THE ECONOMIC AND SOCIAL COUNCIL

The PRESIDENT pro tempore. The next nomination will be stated.

The Chief Clerk read the nomination of Mrs. Jane Warner Dick, of Illinois, to be the representative of the United States of America on the Social Commission of the Economic and Social Council of the United Nations.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

The Chief Clerk read the nomination of John M. Leddy, of Virginia, to be U.S. Executive Director of the International Bank for Reconstruction and Development for a term of 2 years.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be immediately notified of the nominations today confirmed.

The PRESIDENT pro tempore. Without objection, the President will be so notified.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate return to legislative session.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

NATIONAL BARBERSHOP HARMONY WEEK

Mrs. SMITH of Maine. Mr. President, National Barbershop Harmony Week will be observed throughout the United States and Canada April 8 to 15.

The State of Maine has again demonstrated the validity of the adage, "As Maine goes, so goes the Nation." Gov. John H. Reed on March 24 proclaimed the week of April 8–15 as Barbershop Harmony Week in Maine, and immediately thereafter harmonized with the Downeasters, Portland barbershop quartet. Historic precedents were shattered as the Downeasters sang before both houses of the legislature a song written especially for the occasion by Marie R. Hoyt, of Richmond, Maine. This song commemorates the 100th anniversary of the Maine Legislature.

"Keep America Singing," theme song of the Society for the Preservation and Encouragement of Barber Shop Quartet Singing in America, Inc., which has chapters in Portland, Calais, and Presque Isle, dating back for as many as 12 years, also was sung for the Senate by the Downeasters. This quartet is led by Richard H. Place, of Waterboro. His singing mates are Theodore Sawyer, of Portland, Richard Wheeler, of Falmouth, and James Gilchrest, of Bar Mills.

The Nation's Capital will celebrate Barbershop Harmony Week by having an hour's concert on Sunday, April 9, at 3 p.m., on the Capitol's east steps, by the Chorus of the Potomac, 400 voices at full strength. The public is invited to hear this magnificent chorus comprising singers from the District of Columbia, Alexandria, Arlington, Fairfax, Manassas, and Montgomery County chapters of the 28,000-member society.

Arrangements for the Washington Harmony Week celebration are in charge of Edward R. Place and Dee Paris of SPEBSQSA international public relations committee.

Three years before the barbershop quartet society was founded in Tulsa, Okla., Edward and Richard Place, brothers, sang in 1935 in the State of Maine quartet with Senator Harold Schnurle and Judge Samuel Pinanski, further evidence that Maine is a harmonious place to live and was in the forefront of the revival of the traditionally American art of four-part male harmony singing.

Barbershop Harmony Week will be ushered in April 8 at Portland City Hall by the 11th annual Parade of Quartets, sponsored by Portland chapter, and presenting talent from the local area and throughout New England. In the other 49 States, as well as the Provinces of Canada, voices will be raised in harmonizing the good old songs as a reminder to all of the blessings of music in our national life.

GRASSROOTS DIPLOMACY

Mr. MORSE. Mr. President, we have a great Ambassador in our ambassadorial ranks in the Honorable John M. Cabot, our Ambassador to Brazil, who recently wrote in the Foreign Service Journal an article entitled "Grassroots Diplomacy."

On my last trip to Brazil I had an opportunity to observe the operation of the program that Ambassador Cabot describes in this article, and I came away from Brazil more enthusiastic about the work of Ambassador Cabot than I was before I went to Brazil, and at that time I had a very high regard for our Ambassador to Brazil.

I ask unanimous consent that the article be printed in the RECORD at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

GRASSROOTS DIPLOMACY

(By John M. Cabot)

There are undeniably many real controversies between free nations. These controversies are the subject matter of classical diplomacy—the diplomacy which seeks to eliminate even the most aggravated sources of dispute between nations acting in good faith. There are many occasions when rulers and people do not really want to eliminate controversies, and then diplomacy is helpless. But when there is a will to peace on both sides a way to peace can generally be found. Contrary to popular belief, diplomats almost invariably work overtime for peace.

Many controversies exist, however, largely or wholly in the minds of opinion molders and people; the controversy itself could be solved by normal diplomatic means if public opinion on one or both sides had not been needlessly inflamed. How often have we thought of suitable solutions if only public opinion would permit. The problem is to get people to understand what the score is.

More and more in democratic nations the major decisions of diplomacy are made, not by the government or an elite of diplomats who determine the course to be followed from an intimate knowledge of the factors involved, but by a public which may be very badly misinformed. In a democracy it is clear that basic policy must be decided by the people. But that is all the greater reason why the people must be well informed. It is, incidentally, a reason why diplomats should know what people are thinking, not just what a noisy minority is saying.

How many misconceptions and misunderstandings arise simply because people have never really listened to the other side of the dispute. Some international controversies have arisen from nothing more substantial; most have been greatly exacerbated by it. Given the control of policy by the people, it is clear that it is not enough for the diplomat to have a good solution for the problem; he must also condition public opinion in the countries involved in the dispute to accept his solution. I frankly fear that that involves techniques with which the professional diplomat is all too often not familiar, and with which he should be in these changing times.

The diplomat is indeed becoming increasingly familiar with the speech, the press release, and the press conference. These techniques can accomplish a good deal. But to be effective, they must be noted, and that by people whose inclination it is to be critical. Too often those who pay any attention to them do so because they already agree with them. Even when a critic notices them, it is generally more in a mood of picking holes in them than of seeking enlightenment.

It was with these thoughts in mind that I sought when Minister to Finland to find some technique which would permit us to get our message across to a sector where criticism of us was particularly disturbing—the Finnish labor movement. Labor is powerful in Finland, as it is in all the northern countries. Though a great majority in all the labor movements in that area is probably anti-Russian and a smaller majority pro-United States, criticism of some aspects of American life is very widespread. So often these criticisms seemed so grotesque that I would feel "If I could talk to them." And then one day I thought: "Why not?"

Let no one think I did not recognize the dangers of such a departure. There was the danger that I would make a fool of myself, or that hostile listeners would make a fool of me. There was the danger of nasty incidents. There was the danger that I would find myself hopelessly caught between the Scylla of saying nothing with all reservations and the Charybdis of saying something all too indiscreetly quotable. And yet the possible gains attracted me and persuaded me the risks were worth running. Although it was obviously a departure from classic diplomatic techniques, I did not think that should discourage me. In today's unusual battle we need a little imagination.

My technique has been simply to sit down with a group and let them ask me whatever they will. My usual meetings in Finland and later in Sweden had 35 to 75 labor leaders at them. Since the labor movement is highly organized in both countries, it was fairly simple to arrange meetings through it. I early discovered it was helpful to serve light refreshments (such as coffee and a sandwich) at the meetings; it helped the atmosphere and I doubt I have ever used representation funds to better advantage. In Finland I made several trips, each with a series of meetings; in Sweden, I systematically covered the country to visit practically every industrial town with over 10,000 people. In Colombia and Brazil I have used almost the same technique with student groups, and my only regret is that I have not been able to do more of it. I think it is suitable for almost any intelligent group critical of us. And I may add I have gotten extra mileage rather than trouble by admitting the press to my meetings, provided this was agreeable to the group. I have been misquoted, but my thoughts have reached many people not at the meetings. We do not accomplish anything worthwhile by refusing to take risks.

Naturally, my techniques evolved with experience, but my original thoughts have in the main stood all tests. The meetings should be as informal as possible. I should not tell those present (as in a speech) what

they should think; except for a few preliminary remarks to explain what the meeting was all about, my comments should be directed only to questions asked me. My remarks would generally be pitched in a low key, and I quickly discovered that candor in admitting faults made my listeners more receptive of my other points. I had to be careful never to lose my temper and never to rant or bluster; sweet reasonableness awoke a clearly echoing sentiment. By questions and answers one feels much closer to one's audience than in a speech; it is a curious bit of psychology that people listen more attentively and are more inclined to be swayed.

In Sweden people thought I would never get labor leaders to start asking questions; Swedes have a horror of making themselves conspicuous. But I had already evolved in Finland a solution to that problem; the organizers of the meeting were strictly enjoined to have two people prepared to ask questions—any questions so long as they were asked. Once the ice was broken, the problem always was to break the meeting up at a reasonable hour.

People have often asked me how I could be prepared to answer all the questions that might be asked me. My answer is that they have always followed an extraordinarily consistent pattern—it was rare to get something which hadn't been asked before. And when a question is asked many times, one naturally tends to improve one's answer to it. I always had my labor attaché with me to answer technical questions, but it was not wise to have too many people on my team—generally the only other man on it was a translator. People have also been surprised to learn that there were Communists at many meetings. Personally, I always welcomed having them; they made the meetings livelier. When the questions were blunt, one could make a blunt answer. But the best of it was that the Communists were so frequently the victims of their own propaganda. They would smugly ask some question to which the answer was perfectly easy—for example, "Why is the United States opposed to the control of the atomic bomb?" And when I described the early efforts of the United States to establish controls (to be blocked by the Russians—something which those present had half, but only half, forgotten), one could almost hear the snickers of the Social Democrats present at the discomfiture of the Communists. Communist questions were also so much in a groove that it was easy to be prepared for them.

I have never had any real incidents in the course of over a hundred meetings. I have, of course, had many hostile questions—sometimes harangues masquerading as questions. But the more extreme the question, the more likely it was to prove self-defeating. I always let the haranguers rant on as long as they would; the longer they went on, the more people they turned against them and the easier they made it to puncture their more violent sallies while remaining discreetly silent about their better points. There is also a certain restraint which arises from the host-guest relationship.

The meetings have more than justified themselves from the information which I have derived from them. It is impossible to be at one without getting a pretty good idea of what people are thinking—from the questions asked, from the way they are phrased, from the reaction to them and to my answers.

Needless to say, the meetings gave rise to numerous amusing incidents. I recall one in a town in north Sweden at which the Communist who headed the labor organization insisted on presiding. Since there were many Communists at the meeting we expected the worst and, indeed, we had a lively evening. At the end, the Communist rose to say that when he had heard I was coming he had been sure I would just spout propaganda—but (as our mouths opened wider and wider) he went on to say that it had been a most informative evening, and he wished to compliment me for coming. Or the time in another town when one man got up to say he couldn't understand why he, the president of the local Swedish-American Society, couldn't get an American visa. The fact that he was also head of the local Communist organization was surely not pertinent.

I do not wish to exaggerate the impact of this technique. Obviously it is limited. Few people are going to change their opinions radically no matter how cogently I answer questions. And yet I do believe it has an impact. It makes people think, it exposes Soviet mendacities, it reminds people of things they had forgotten in the deafening roar of Communist propaganda. I am not one of those who subscribe to the doctrine that propaganda is no better than the policy behind it. Soviet propaganda is much more effective than the policy behind it should permit—and we should never forget it. We must devise techniques to get our message across in the sectors where it will count. I shall be very pleased if I have made a modest contribution to this.

LAOS AID PROGRAM

Mr. MORSE. Mr. President, there appeared in this morning's Washington Post an article by Drew Pearson entitled "United States Bungled Laos Aid Program."

I ask unanimous consent that the article be printed in the RECORD at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Apr. 6, 1961]

UNITED STATES BUNGLED LAOS AID PROGRAM

(By Drew Pearson)

Now that the Kennedy administration has taken the courageous though perhaps injudicious task of picking up the intricate broken pieces of the problem of Laos, it has an obligation to the American people to do three things:

Focus full light on the past corruption, inefficiencies, and errors which led to the present tragedy of Laos.

Punish, not reward, those responsible for the tragedy.

Concentrate on finding good men to undertake the administration of foreign aid, not only in Laos but in other parts of the world, so the tragedy of Laos will not be repeated.

Instead, the Kennedy administration recently rewarded the former U.S. Ambassador in Laos, J. Graham Parsons, who had also served as Assistant Secretary of State under President Eisenhower. Parsons was made Ambassador to Sweden. True the Ambassador is a career diplomat. True also, the career boys like to protect each other just as West Pointers and Annapolis grads belong to the Career Protective Association. But that does not mean that President Kennedy needs to accept their recommendations for self-promotion.

In the initial stages of foreign aid it was administered with care by dedicated public servants. Of late it has tended to become a giant boondoggle administered in some cases by footloose Americans who either can't get or don't want jobs at home.

The administration of foreign aid in Laos helped negate its own main objective—the prevention of communism.

TABULATION OF ERRORS

Here is how American aid was administered in the tiny Kingdom of Laos, which, belatedly, we are trying to save from both communism and our own errors.

Listless Laotian Army: Though the Joint Chiefs of Staff recommended vigorously against it, the State Department, under the guidance of J. Graham Parsons, decided to organize an army of 25,000 men to fight communism. U.S. military advisers said it would be impossible to organize an army of more than 12,000 to 15,000 men and make it effective. This proved to be correct.

The present Lao Army just doesn't fight. It's the highest paid army in the world, and its pay raises in 1955 and 1959 added $3.8 million every year to the tab of the American taxpayers. If the pay check didn't come from Uncle Sam, the Lao officers and men would go home the next day. Furthermore, a lot of the arms sent by the United States even turned up on the pro-Communist side.

U.S. Corruption: Edward T. McNamara, public works and industry officer of the U.S. Operations Mission, has been charged by the House Government Operations Committee with "accepting bribes totaling at least $13,000 from Willis H. Bird and Gerald A. Peabody of the Universal Construction Co., in return for helping them secure lucrative contracts and overlooking deficiencies in their performance."

William E. Kirby, U.S. transportation adviser, was instrumental in securing a contract for the supply of ferry barges to the Hong Kong Transportation Co., and, according to the Government Operations Committee, "was recipient of $500 from the Hong Kong Transportation Co., while the contract was being negotiated." Later he went to work for one of Hong Kong's affiliates.

Brig. Gen. Lacey Murrow, retired, head of Transportation Consultants, was under retainer to Vinnell Co., at the same time he was employed by the International Cooperation Administration in Laos for the purpose of advising on construction projects. During this period Vinnell Co. was seeking to obtain contracts with ICA in Laos.

Upon leaving Laos, Carter de Paul, former U.S. Operations Mission director, sold his 1947 Cadillac to the head of the Universal Construction Co. at an inflated price, despite the fact that it couldn't run, according to the official report of Representative PORTER HARDY, Democrat of Virginia. It stood rusting in front of Universal's main office, the laughing stock of local Lao, then was cut up into pieces and dropped into a well.

Punishing the alert: When Haynes Miller, an auditor for the General Accounting Office in Washington, came to Laos to check on expenditures, he reported the above improprieties and problems both to Washington and to local U.S. officials in Laos.

Instead of being heeded, Miller was railroaded back to Washington on the ground that he was unable to adjust. Ambassador Parsons, according to official findings, abetted this removal and lent it color with his name and office.

This is the Ambassador who has now been promoted to be envoy to Sweden. And this is just a small part of our tragedy of errors in the little kingdom in defense of which the United States has now put its national prestige on the line.

Mr. MORSE. Mr. President, the article is highly critical of our new Ambassador to Sweden. I have had a good many reservations in regard to our new

Ambassador to Sweden. I did not raise any questions about his appointment, for two reasons. First, I do not want to give the impression that I am constantly opposing nominations of the Executive. Second, I well know, from experiences I have already had, it is hopeless, in this stage of the administration's political honeymoon, to succeed in opposing any nomination, no matter how bad it may be. But I do wish to say that the Kennedy administration owes it to the American people to see to it that the Pearson article is answered, if it can be answered. I think the American people ought to know what many of us who serve on the Foreign Relations Committee do know, that for the past several years American policy in Laos has not been well handled. I think there is no question that there has been both inefficiency and corruption in connection with American foreign aid in Laos.

We have just about reached the point that, if one is a career officer, no questions are going to be raised as to whether or not he should be promoted up the ladder of Foreign Service. I happen to be one Senator serving on the Foreign Relations Committee, Mr. President, who knows that the fact that someone is in the career service does not necessarily qualify him for an ambassadorial appointment.

It is very important that we have a check, within the administration of American foreign policy, by seeing to it that a number of our Ambassadors are not career service officers. Woe be it unto us if we ever reach the time when all of the appointments of our Ambassadors are from the ranks of career service employees. It would create an ambassadorial monopoly which would make a union closed shop look like a democracy.

I have grave doubts in regard to the desirability of developing a monopolistic career service for Ambassadors in our Foreign Service. Much has been said, by way of an example, pointing to the British career service. I am one Senator who hopes that we will never adopt the British career service as an example of what the American career service should be.

I am very much disturbed by developments in Laos, because I think we must see to it that the Communist advance does not continue in Laos. But, at the same time, I think we ought to inform the American people about our own mistaken policies of the past in regard to Laos. We have much to answer for in regard to the developments in Laos.

Mr. MORSE subsequently said: Mr. President, I wish to supplement the comments I made a few minutes ago relative to the Foreign Service. One reason why I would not be agreeable to pattern our Foreign Service on the British Foreign Service is that I do not believe in foreign policy by secrecy. There is a great deal of it in the administration of foreign policy in the British Empire as compared with the administration of foreign policy in the United States. Let us never forget that foreign policy in the United States belongs to the American people, not to the President, not to the Secretary of State, not to our Foreign Service.

The President and the Secretary of State and the Foreign Service are but the administrators of our foreign policy belonging to all of the American people. It is of great importance that the American people be kept informed about their foreign policy, and that we bring to an end secret diplomacy in the administration of American foreign policy. I have great hopes that under the new administration that trend will develop.

I wish to say to the Senate that under the advise-and-consent clause of the Constitution, the Senate cannot escape its responsibilities and obligations in respect to the administration of American foreign policy. I intend to continue to raise my voice in calling attention to the shortcomings of American foreign policy, as I have been doing for 16 years in the Senate. I hope that this year, when the whole matter of the foreign aid program comes before the Senate, it will receive a scrutiny the like of which it has not received for many a year.

Mr. President, I see on the floor of the Senate the Senator from Louisiana [Mr. ELLENDER], who time and time again has raised questions in respect to the administration of our foreign aid in some parts of the world, where the American people have been "bled white."

We have reached the point where the national debt of the United States is greater than the national debts of all our allies, combined. One reason, of course, why it is greater than all of our allies combined is that the American taxpayers have paid off so much of the national debts of our allies.

Furthermore, I believe that the American people need to be told, and to have the facts presented to them—and I intend to do that again this year, as I have in the past—that a great deal of our foreign aid is really a subsidization of American industry. In fact, Mr. President, American businessmen, when it comes to receiving a subsidy, make the subsidy to the American farmers look like economic peanuts.

I raise this point today because it will not be many weeks, in my judgment, before we will be confronted in the Senate with the whole subject and the necessity for a careful scrutiny of our foreign aid program.

I am in favor of a foreign aid program which is based on a loan program. I believe the time has come for us to bring to a halt our giveaway programs in the field of foreign aid. One need look only at the contributions we are making for military purposes to some of the nations in the world. In my opinion, if we should get into a war, many of these nations, such as Laos, would not be any asset to us in that war because they do not have the will to fight. There is no will to fight in Laos. That has been demonstrated over and over again. I think much of the money we have spent in so-called military aid to Laos is money which has been completely wasted.

CHURCHES BACK HEALTH CARE THROUGH SOCIAL SECURITY SYSTEM

Mrs. NEUBERGER. Mr. President, the National Council of Churches, the Nation's largest church federation, has endorsed the principle of providing health care for the aged through the social security system.

The Council's 250-member governing board, representing 34 Protestant and Orthodox denominations with 38 million adherents, gave unanimous approval to the social security approach at its February 22 meeting at Syracuse, N.Y. The governing general board authorizes representatives of the National Council to testify at public hearings along the lines of its resolution.

Mr. President, I considered it a privilege to join with 16 other distinguished Senators in sponsoring the Kennedy administration's health coverage bill, S. 909, which would provide health care under the social security system. It is my earnest hope that this needed legislation will promptly be enacted into law by the Congress so that the benefits of adequate health care will be available to our retired citizens. As a member of the recently created special Senate Committee on Aging, I am particularly concerned regarding the many problems in this field, but the single most pressing problem is that of adequate health coverage.

The medical care resolution of the general board of the National Council of Churches pointed out that most persons over 65 cannot afford the high cost of adequate private health insurance.

While it is to be preferred that health needs be met without resort to governmental action, the general board declared, where needs of people can be met only by united, socially planned action, the Christian will choose such action rather than the neglect of basic human needs. Therefore the National Council of Churches supports in principle legislation which will extend the benefits of old age, survivors' and disability insurance to include health care for retired aged persons.

Rejecting the means tests qualifications for health benefits under a Government program, the general board declared:

> In planning and developing any government insurance program to help older people meet the cost of their medical care, there is a Christian obligation to include provisions for its administration that will adequately safeguard freedom, dignity, and self-respect.

The general board also urged the Nation's doctors to support such a program, declaring:

> The values to be realized from an improved level of health for America's older citizens are so great that we are confident that cooperation will be forthcoming from all who in our day are custodians of the almost miraculous capacity to maintain the health and cure the diseases of their fellow human beings.

Mr. President, the resolution of the National Council of Churches dated February 22, 1961, states in the clearest

terms I have seen the need for health care under the social security system. I ask unanimous consent that part of the resolution be printed in the RECORD at this point in my remarks so that a wide audience might have available to it the Council's valuable contribution in this field. Following the printing of the resolution I request unanimous consent that there be printed a list of the member churches of the National Council and the officers of this organization.

There being no objection, the excerpt and list were ordered to be printed in the RECORD, as follows:

We should seek to bring the blessings of modern medical care within reach of all by nongovernmental action to the extent that such methods can accomplish this. But we should not fail to support governmental action in circumstances where other methods are clearly inadequate or impossible.

On the average, American families spend nearly $300 a year for health purposes. Most of this money is spent to secure hospital and physician services, medicines and prosthetic and other appliances after illness has already become serious. Comparatively little of it is spent for the maintenance of optimum health. This contributes substantially to demands on hospital facilities and to a lower level of general health and well-being than could be had by a wiser and more orderly expenditure of the same amount of money for preventive care. The rapidly rising cost of modern medical care puts it beyond the ability of most retired persons and low-income families to purchase such care on an emergency fee-for-service basis.

A very wise variety of nongovernmental efforts have been and are being made to meet this problem of medical economics. They range from indemnity health insurance provided by commercial insurance companies to prepayment, group practice health plans providing comprehensive, including preventive, care for nearly all the health needs of their subscribers through teams of physicians which include specialists and general practitioners.

The voluntary sharing among groups of people of the risks and hazards of illness, and the voluntary pooling of some of their funds to meet the cost of care for any in their group who may need it is indeed a Christian approach to this problem, whether this method is utilized by churches, labor unions, industrial managements, fraternal organizations, cooperatives, community groups, or by subscribers for health insurance. The National Council of Churches commends it and urges its widest possible application.

It is noteworthy, however, that the cost of health care and consequently of health insurance is rising so rapidly as to make it difficult for the average family to afford adequate coverage for its comprehensive health needs. While some 73 percent of the American people have some form of health insurance, nonetheless, only 25 percent of the total private medical expenditures are paid from such insurance.

About 4 million Americans who are today obtaining comprehensive medical care from group practice or other direct service health care prepayment plans pay for it by monthly subscription premiums amounting to less per year than the average $300 per family annual expenditure. It appears that one method of making the best of modern medical care available to more and more people lies in a rapid growth and expansion of voluntary health plans of this character.

There are, however, certain groups in the population for whom even their ordinary medical needs cannot be met by voluntary prepayment plans, namely, low-income families and most people 65 years of age or older. Eighty percent of persons with family income of $5,000 or more have some form of health insurance, but only 33 percent of those with family income under $3,000. Only 35 percent of persons 65 or more years of age have any health insurance.

Voluntary health plans are unable to offer coverage for even a fraction of health care needs at charges either of these groups can possibly afford. Eighty percent of people 65 years of age or older have annual incomes of less than $2,000; about 60 percent incomes less than $1,000. At least 7.6 million older people have liquid assets of less than $500. Yet 77 percent of people 65 years of age and older have chronic ailments, and the percentage increases to 83 percent for those 75 and older. The group 65 and older now require, for less than optimum health care, more than twice as much hospitalization per person as is needed by the rest of the population, and they spend on the average twice as much for health care as does the population as a whole.

Full advantage should be taken of recent amendment to title I of the Social Security Act which offers Federal funds to improve State medical care programs for aged persons on public assistance rolls and also provides matching funds for States desiring to aid medically needy older people not now on relief rolls but able to pass a means test as a condition of eligibility. The program offers the States opportunity to provide help for older persons at the bottom of the economic scale. However, it does not offer aged persons of moderate means and many of low income any solution to their problem.

About three out of every four policyholders in voluntary group prepayment plans are completely excluded from coverage upon retirement, and studies indicate that less than 5 percent can convert to individual policies without reduction in benefits. The voluntary prepayment plans, necessarily based upon experience rating, discriminate against high-risk groups and are not geared to the problems of chronic illness characteristic of old age. Policies commercially written for older people are not only beyond the means of most, but they are not based upon a philosophy of preventive medicine and optimum health, nor do they include provisions for diagnosis, followup, and restorative medicine.

As previous noted, the general board has stated, "If voluntary prepayment plans cannot accomplish the desired ends, government should protect the health of people by making possible the prepayment of health services." This is precisely what the social security system would be able to provide efficiently through the mechanism of old-age, survivors, and disability insurance. Therefore, the National Council of Churches supports in principle legislation which will extend the benefits of old-age, survivors, and disability insurance to include adequate health care for retired, aged persons.

There are human values that are inseparable from the economics of medical care. Two call for special consideration:

1. Quality of care: While high quality medical care has been achieved under a number of different methods of payment, it is unrealistic to think that quality is ever completely separable from the economics of medical care. The National Council urges that in the development of prepayment and insurance plans—under both private and public auspices—careful attention be given to arrangements which give maximum encouragement to the highest quality of care and the enhancement of the best relationship between physician and patient.

2. Individual dignity and freedom: Government participation in any welfare program does not necessarily involve loss of individual freedom or affront to personal dignity. In some circumstances, indeed, individual freedom is enhanced by the utilization of government to achieve a social goal, though it is obvious that such enhancement does not come about automatically. As the instrument of government is employed by a free people, they must be ever vigilant to guard their freedoms. In planning and developing any government insurance program to help older people meet the cost of their medical care, there is a Christian obligation to include provisions for its administration that will adequately safeguard freedom, dignity, and self-respect.

The counsel, cooperation, and active participation of the medical profession and other health workers in both planning and execution of a government health program are essential. The values to be realized from an improved level of health for America's older citizens are so great that we are confident that cooperation will be forthcoming from all who in our day are custodians of the almost miraculous capacity to maintain the health and cure the diseases of their fellow human beings.

In the light of the above concerns the general board authorizes representatives of the National Council to testify at public hearings along the lines herein indicated.

MEMBER CHURCHES OF THE NATIONAL COUNCIL

African Methodist Episcopal Church.
African Methodist Episcopal Zion Church.
American Baptist Convention.
American Evangelical Lutheran Church.
Armenian Church of North America, Diocese.
Augustana Evangelical Lutheran Church.
Christian Churches (Disciples of Christ) International Convention.
Christian Methodist Episcopal Church.
Church of the Brethren.
Evangelical United Brethren Church.
Evangelical Unity of Czech Moravian Brethren in North America.
Five Years Meeting of Friends.
Greek Archdiocese of North and South America.
Hungarian Reformed Church in America.
The Methodist Church.
Moravian Church in America.
National Baptist Convention, U.S.A., Inc.
National Baptist Convention of America.
Philadelphia Yearly Meeting of the Religious Society of Friends.
Polish National Catholic Church of America.
Presbyterian Church in the United States.
Protestant Episcopal Church.
Reformed Church in America.
Romanian Orthodox Episcopate of America.
Russian Orthodox Greek Catholic Church of America.
Serbian Eastern Orthodox Church.
Seventh Day Baptist General Conference.
Syrian Antiochian Orthodox Church.
Ukrainian Orthodox Church of America.
United Church of Christ: Evangelical and Reformed Church; General Conference of Congregational Christian Churches.
United Lutheran Church in America.
United Presbyterian Church in the United States.

OFFICERS OF THE NATIONAL COUNCIL OF CHURCHES

President: Rev. Edwin T. Dahlberg (American Baptist Convention).

Vice Presidents at large: Bishop of Elaia Athenagoras (Greek Archdiocese of North and South America; Mrs. Guy A. Benchoff (United Church of Christ, Evangelical & Reformed); Arthur Gardiner Coons (United Presbyterian Church in the United States); Francis S. Harmon (American Baptist Convention) Charles C. Parlin (The Methodist

Church); Bishop B. Julian Smith (Christian Methodist Episcopal Church); Charles P. Taft (Protestant Episcopal Church); Mrs. Theodore O. Wedel (Protestant Episcopal Church).

Vice Presidents for divisions: Bishop Reuben H. Mueller (Evangelical United Brethren), Christian Education; Bishop G. Bromley Oxnam (The Methodist Church), Christian Life & Work; Rev. Virgil A. Sly (Christian Churches), Foreign Missions; Rev. Willard M. Wickizer (Christian Churches), Home Missions; Treasurer, Charles E. Wilson (American Baptist Convention); Associate Treasurer, John H. Platt (United Presbyterian Church in the United States); Recording Secretary, Rev. Norman J. Baugher (Church of of the Brethren); General Secretary, Rev. Roy G. Ross; Associate General Secretaries, R. H. Edwin Espy, James W. Wine.

CONSUMER PROTECTION

Mrs. NEUBERGER. Mr. President, there are signs of awakening in the enforcement of those protections the Federal Government currently provides for the consumer. I speak particularly of the recent announcements by the Department of Justice, the Federal Trade Commission, and the Department of Agriculture.

The Department of Justice has announced that it is looking into the problems of administered prices in the processed meat industry. One of the most important extant consumer protections is the vigorous enforcement of the antitrust laws. I am confident that Judge Loevinger will be energetic in protecting the consumer by careful investigation of price fixing and monopolistic agreements.

The Justice Department has impaneled a grand jury in the southern district of New York to look into this question. While I do not know what evidence the Department will present to the grand jury, it is probably safe to assume that there will be some discussion of the restrictive practices of processed meat suppliers and a delicatessen owners' association. One of such practices is an apparent agreement not to service a new kosher delicatessen that opens within a five-block radius of any delicatessen association member. This type of restrictive practice is certainly not in the best interest of the consumer.

The Federal Trade Commission has recently undertaken an investigation into deceptive and misleading practices in advertising certain brands of aspirin and other proprietary drugs. The FTC complaints are based on the claims of the producers of Anacin, Bufferin, St. Joseph's aspirin, Bayer aspirin and Exedrin. The advertisers of these products represent that they have properties of speed in relieving pain or particular qualities in reducing tension or depression when in fact such is not the case. Any help that the public can receive in making a reasoned choice among these competing products is certainly welcome.

In some remarks I made in the Senate on March 24, I indicated that one of the major problems faced by the consumer was the confusion caused by false and misleading advertising. The Federal Trade Commission has recently published two orders dealing with this problem.

In one case, a retail furniture dealer was quoting a price for wall-to-wall carpeting at "$2.50 per yard, regularly $7.95." In fact, the dealer had no regular retail prices for this carpeting, but would sell the articles for whatever the traffic would bear.

In a second case, manufacturers of sleeping bags ticketed their products with fictitious and misleading prices representing them falsely as the usual retail prices. The manufactures further misrepresented the size of the bags by setting out on attached labels such phrases as "cut size" or "full size." Almost invariably, these sizes were larger than the actual sizes of the finished product. In both of these cases, the FTC has filed cease-and-desist orders.

Secretary of Agriculture Freeman has indicated his concern for the consumer, and that of his Department, by his recent decision to reopen the question of watered hams. Secretary Freeman has directed the Agricultural Research Service to conduct public hearings to gather additional information on the allowable water content in smoked hams and other pork products.

In announcing these hearings, the Secretary specifically stated that he wishes:

> To emphasize that this administration is strongly concerned with the needs and problems of the consumer, and that this Department shall constantly seek to serve the best interest of the public. In doing this, we are serving the best interests of the Nation's farmers.
>
> We shall seek the counsel of the housewife as avidly as we seek the opinion of the food processing industry. The content of the market basket is of vital importance to both, just as it is to the farmer.

Finally, Mr. President, I am delighted to report that 14 Senators have joined with me as cosponsors of Senate Resolution 115, to create a Select Committee of the Senate on Consumers Interests. It is encouraging to see the widespread support this measure has received from my colleagues, and, indeed, from the public.

Mr. President, the Senator from Michigan [Mr. HART], the Senator from Illinois [Mr. DOUGLAS], the Senators from Rhode Island [Mr. PASTORE and Mr. PELL], the Senator from Montana [Mr. METCALF], my colleague from Oregon [Mr. MORSE], the Senator from Missouri [Mr. LONG], the Senator from Ohio [Mr. YOUNG], the Senator from Wisconsin [Mr. PROXMIRE], the Senators from Alaska [Mr. GRUENING and Mr. BARTLETT], the Senator from Wyoming [Mr. MCGEE], the Senator from West Virginia [Mr. RANDOLPH], and the Senator from Kentucky [Mr. COOPER], are the cosponsors of this resolution. I know that they share my interest in the early consideration of this measure.

FEDERAL AID TO EDUCATION

Mr. CURTIS. Mr. President, for the past 90 years a variety of forceful arguments have been employed to stimulate congressional action for underwriting a Federal supplement to the cost of public education. So, we have not given birth to a new concept in recent years.

Let me quote from the speech of an earlier proponent:

> This bill involves a congressional commitment only for a set, limited period. It is entitled a bill for temporary aid. It has no purpose—so far as I know there is no purpose on the part of anyone interested in the enactment of the bill into law that the aid shall be permanent. I myself am one of those who would be very reluctant indeed to see the school system of the United States become permanently dependent upon aid from the General Government.

These were the words of Senator Henry W. Blair, of New Hampshire, spoken in the 1880's during debate on a Federal aid bill. It has a familiar ring, it illustrates the characteristic public concern over Federal invasion of our public school systems. After the War Between the States the standard cliche among Federal aid proponents was the need for education to repair and uplift a nation ravaged by war.

Succeeding excursions into Federal aid proposals were debated in volume and with ardor during some period of each of the past four decades. Each recognized an existing emergency from one cause or another and each proposed, in solemn and unquestioned honor, that any program enacted need only be temporary.

Despite the failure of all the earlier proposals, our ever-expanding and constantly broadening system of public education has flourished—it has grown faster than any other public activity. Note that school expenditures have multiplied 100 times since 1890—enrollment has multiplied $2\frac{7}{10}$ times. No economic formula for relating this growth to a constant dollar can deny a tremendous acceleration over other public programs.

Other nostrums dear to the proponents of Federal aid are the alleged historical bases for proposed action. Favorite among them are citation of the Northwest Ordinance of 1785, the land-grant colleges, vocational training under the Smith-Hughes Act, and the school lunch program.

Despite repeated use of the first example, it does seem historically accurate that grants for schools under the Northwest Ordinance were made to encourage settlers to inhabit the virgin lands west of the Appalachian Mountains. At that time the Federal Government owned no lands and seven States owning the land west of the mountains ceded it to the Government. From it grants were made in a variety of ways, including use for schools, to move people west. If this grant for schools ordained a continuing Federal obligation, is there a like obligation, for example, to grantees who built railroads, opened mining and timber claims, homesteads, et cetera? Compare the grant of vast and almost valueless land with a money grant in a year of Federal deficit today—with a $9 billion annual outlay to service the national debt.

Land-grant colleges were conceived, also, by a solvent Federal Government. They were established to provide training in the agricultural and mechanical

arts at a time when it was felt the emphasis on higher education ran to the liberal arts and to nonagricultural and nonmechanical pursuits.

If anyone doubts that teaching under the Smith-Hughes Act is not standardized and directed from Washington, I invite him to study its operation.

It is my hope to help stimulate, in a few short speeches, a depth of understanding, a degree of soul-searching about the issue of Federal aid to education which rarely attends our deliberations. I submit that this is perhaps the most profound issue upon which any of us will cast a vote in the Congress. It must be given deep and undiluted attention. We must ask ourselves—Is it necessary? Is it prudent? Is there a desirable alternative?

Not one of us wants to deny public education its needs, but is the Federal agency the only agency? Increased support for education from any level of government will ultimately be paid by the same taxpayer. An honest appraisal of this simple fact should avoid our merely being expedient.

Not yet have I heard any proponent of Federal aid say "We need this program so we must abandon or curtail X Federal program and Y Federal program." Never have I heard any proponent suggest that perhaps there is an area of current Federal taxation which might be relinquished to the several States to enhance income for public education. If we enact Federal aid, will we feel ennobled to rush back home and say "Look, we have given you something—more deficit and debt" and forget to add "But you will have to pay for it sometime."

The PRESIDING OFFICER (Mr. HICKEY in the chair). The time of the Senator from Nebraska has expired.

NINETEENTH ANNIVERSARY OF THE FALL OF BATAAN

Mr. RANDOLPH. Mr. President, this coming Sunday, April 9, will be the 19th anniversary of the fall of Bataan. Though one of the darkest moments in American military history, this event cast a glow which illuminated a brilliant chapter in the story of man's quest for liberty.

The Philippine and American soldiers fighting side by side at Bataan and Corregidor gave eloquent testimony of the feelings of mutual trust and respect which have characterized the relations of our two peoples since that time.

This lesson should not be lost to us or to the world today, when so many former colonial countries are undergoing the birthpangs of national independence, for it showed that the old and outmoded relationship of colonial power and subject peoples can be replaced by one of greater equality, mutual understanding, and social justice. It proved also that underlying the diversity of the cultures of East and West, the Philippine and American peoples were united then, and remain united today, in their determination to uphold the ideal of human freedom.

Mr. HARTKE. Mr. President, natives throughout Africa and Asia are aflame with the spirit of nationalism. Once independent nations in Europe groan under the yoke of modern imperialism.

In the midst of this, we in the Capital of this great Nation will be privileged Sunday to dedicate two streets to our concept of self-government and liberty. On Sunday, two streets near the Philippine Chancery will be named, respectively, "Bataan" and "Corregidor." The day has been selected because it is the 19th anniversary of the fall of Bataan.

But these two words symbolize not only the fighting alliance of Filipino and American people both in the darkest hours of 1942 and in today's brighter, if also troubled, times. They symbolize the brotherhood of our two nations which was cemented in the Philippines.

More important, they symbolize that this brotherhood and today's mutual esteem and affection of our two countries follows a period during which the Philippines were an American colony. Independence was granted freely, willingly, without violence and without "strings." Yet, the bonds of esteem, love of justice and freedom bind us together far more strongly than any legal strings might have.

Today the relationship of the Philippines and the United States proves that it is not we who are imperialists. The naming of the streets next Sunday is added demonstration.

THE GREAT GAIN IN PER CAPITA PURCHASING POWER OVER THE PAST 30 YEARS

Mr. SYMINGTON. Mr. President, many statements have been made deploring the passing of the good old days when the dollar was worth 100 cents."

Tears have been shed about how inflation has devastated the "savings of poor widows and orphans."

There have been some painful experiences. But the facts do not bear out all the tragic stories we hear so often.

Let us take a brief look at the extent of inflation in the past 40 years.

For 1920, the consumer price index was 85.7.

Forty years later, in 1960, the same index was 126.5; an average rise in consumer prices of 40.8 points—or one point a year.

It is true that a dollar of income in, say, 1930, would buy more than a dollar will buy today.

But the point so often overlooked is the number of additional dollars the average individual now has.

Today his quantity of dollar income is so much greater that he has far more net purchasing power than before, even though his dollar is worth less.

The statistics on this latter point are interesting. Let us look at the per capita income at various dates in the past and the per capita income in 1960; and then translate those incomes into uniform dollars.

I ask unanimous consent that a table showing per capita disposable personal income or income after taxes for various years—in the current dollar value for each year, and also in 1960 dollars—be printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Year	*Current dollars*	*1960 dollars*
1930	604	1131
1935	458	1039
1940	576	1274
1945	1075	1669
1950	1369	1676
1955	1660	1822
1960	1969	1969

Mr. SYMINGTON. The table shows that, on the average, every man, woman and child in the United States had 74 percent more purchasing power in 1960 than the average individual had in 1930.

Although in the last 8 years of the past 30, the rate of increase was but 1½ percent, the average annual per capita purchasing power increase for those 30 years was 2½ percent.

This analysis is based upon statistical data contained in the 1961 Economic Report of the President. That report was released January 18, 1961.

THE WORK OF THE SENATE COMMITTEE ON ARMED SERVICES

Mr. RUSSELL. Mr. President, I have been in public life much too long ever to be surprised by a misquotation in the press. I have also learned from experience over many years that it is impossible ever to catch up with any story after it is printed, and have it corrected. But there is such a terrible distortion in the story dealing with the work of the Senate Committee on Armed Services appearing on page 5 of today's issue of the Washington Post, that I feel I must at least undertake to correct it. I read the following quotation from the article:

> Chairman RICHARD B. RUSSELL, Democrat, of Georgia, predicted yesterday that the Senate Armed Services Committee would overrule President Kennedy and vote extra funds for the B–70 superbomber and the Nike-Zeus antimissile missile.

Further in the article, I read:

> RUSSELL made clear, however, that he and other congressional defense experts would fight to restore funds cut from the B–70 and Nike-Zeus programs by Mr. Kennedy.

Skipping some more, I read:

> RUSSELL forecast that his committee would authorize more spending for these weapons and that the Senate Appropriations Committee would vote to provide the actual money.
>
> He made no prediction of what would happen on the Senate floor or in the House.

Having so completely misquoted me, I do not understand why the writer did not go the whole way and quote me as buttoning it all up as to what would happen in the House and with respect to overriding a Presidential veto.

I made no such statement. On emerging from the committee room I was asked by some representatives of the press as to what was going on in the committee room. I told them we were discussing these programs. In the course of our conversation I said that the controversial items in the President's

message would be the items dealing with the B–70 and the Nike-Zeus programs.

I was asked for my own belief about them. I said I was disposed to support the President on the Nike-Zeus program. That is directly contrary to the statement attributed to me by the newspaperman who wrote the article. I said that I would make some further investigation into the B–70 program.

I made that statement because I have held to the specific policy since my days in the General Assembly of the State of Georgia of never predicting what a committee will do with any item that is under consideration by it.

I wish to have the RECORD show that the statements I have read from the articles published in the newspaper are complete fabrications, and evidently the result of someone's very vivid imagination.

I ask unanimous consent that the entire article be printed at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

UNIT TO VOTE B–70 MONEY, RUSSELL SAYS

(By Hale Montgomery)

Chairman RICHARD B. RUSSELL, Democrat, of Georgia, predicted yesterday that the Senate Armed Services Committee would overrule President Kennedy and vote extra funds for the B–70 superbomber and the Nike-Zeus antimissile missile.

RUSSELL said Mr. Kennedy's proposed cutbacks in the programs would touch off the biggest congressional fight over the Kennedy administration's defense plans. Despite cutting the B–70 and Nike-Zeus, Mr. Kennedy has proposed a $2.3 billion rise in former President Dwight D. Eisenhower's defense spending proposals.

RUSSELL made the statement to reporters as his committee questioned Defense Secretary Robert S. McNamara and Gen. Lyman L. Lemnitzer, Chairman of the Joint Chiefs of Staff.

RUSSELL praised McNamara's review of the proposed defense spending increase for the 12 months starting July 1.

He said the committee had been given a better idea than ever before about the Defense Department's plans for the forseeable future.

He applauded Mr. Kennedy's plans to modernize and strengthen nonnuclear forces so that the Nation will be better prepared to fight any "brushfire" wars.

While expressing a wish for even bigger spending for limited war forces, RUSSELL said he was willing to go along with the President's blueprint.

"They have gone perhaps as far as they can go this year," he said.

RUSSELL made clear, however, that he and other congressional defense experts would fight to restore funds cut from the B–70 and Nike-Zeus programs by Mr. Kennedy.

Mr. Kennedy recommended that work on the 2,000-mile-an-hour bomber be reduced drastically and be carried on primarily as a research project. He proposed that research continue on the Nike-Zeus missile killer—but without the production the Army wants.

McNamara told the committee Tuesday there was doubt whether the Nike-Zeus ever would be deployed.

RUSSELL forecast that his committee would authorize more spending for these weapons and that the Senate Appropriations Committee would vote to provide actual money.

He made no prediction of what would happen on the Senate floor or in the House.

QUESTIONABLE VALUE OF RAILROAD MERGERS

Mr. MANSFIELD. Mr. President, there has long been a trend toward railroad merger and consolidation in the Nation. In recent years it has reached enormous proportions. I wish to register my vehement objection to this trend. It has not resulted in improved service to the public. It has ignored the human element of displaced railroad workers and their families and the thousands of businesses which depend on them. So far as I can see, it has not provided any real solution to the basic financial plight of the railroad companies themselves. It is time for the railroads to think in larger terms rather than in terms of shrinking still further their services to the public, as the Great Northern and the Northern Pacific are attempting to do at the present time between the Twin Cities and the west coast. It is my hope that the Government will help them in this process. It is time to call a halt to the merger and consolidation process and to take a careful look at where it will eventually lead.

At this moment, there is also a proposal to discontinue the passenger traffic service on the Milwaukee line between Minneapolis-St. Paul and the west coast which would work a serious hardship on the traveling public, the railroad workers and their families, and the businesses which depend upon them. This is an example of the kind of shortsighted action which should be halted.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD an extremely well-written article on the subject, which was published in the Wall Street Journal of today, April 6, 1961.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MERGER BARRIERS: UNIONS, STATES STEP UP EFFORTS TO CURB TREND TO RAIL CONSOLIDATIONS—LABOR BATTLES WITH POSTERS, $2 BILLS; MONTANA ALLOTS FUNDS TO FIGHT A MERGER—PUBLIC'S STAKE IS SIZABLE

(By James R. Macdonald)

In Missoula, Mont., site of a car repair shop and freightyard for the Northern Pacific Railroad, now involved in merger talks with three other lines, this message is posted on telephone poles and on walls of buildings around the town:

"If only 100 railroad employees lose their jobs or move away after the merger, Missoula will lose $70,000 in annual grocery sales, 112 households, 107 passenger cars, and $30,000 in food-drink business."

The signs in Missoula are signs of the times in the railroad industry. As a mounting number of railroads chug along toward merger opposition is increasing on a number of fronts. Most vociferous of the merger foes are the Nation's 23 railroad unions, which, collectively, have adopted a policy of opposition to all mergers. The unions fear mergers will result in large layoffs.

By no means are the unions the only obstacles along the track toward consolidation, however. More and more Congressmen and State officials have announced they will intervene before the Interstate Commerce Commission, which must approve railroad mergers, to try to block such moves. The Justice Department has disclosed it is looking more closely at rail mergers with antitrust action in mind. Even railroads are stepping in to fight the mergers of other railroads, fearing the sharper competition sure to stem from combined operations.

DELAYS PROBABLE

All this is somewhat frustrating for many of the Nation's rail executives, who look on mergers as the best cure for the industry's ills. These officials believe that if the mergers now in the works or being negotiated are not derailed by the forces fighting them, the consolidations will at least be delayed, postponing the savings the carriers might make through elimination of duplicate facilities. Delayed in turn, of course, would be any beneficial effects of these savings on the railroad's earnings. Class I railroads—those with annual revenues of more than $3 million—had total earnings of $445 million last year, down 23 percent from 1959, and the lowest for any year since 1949.

No small number of carriers stand to lose. The ICC has before it applications from 14 railroads to form half as many larger systems. Better than a dozen more of the Nation's 106 class I railroads are now in various stages of negotiating consolidations and almost every road of any size at all is toying with the notion.

The public is bound to be affected by mergers or, for that matter, by the failure of mergers to come off. Through mergers, the railroads contend they would be able to operate more efficiently, providing better service and possibly even offering lower freight rates. Prices consumers pay for everything from apples to autos reflect these shipping fees. The merger movement also is important to truckers and bargeline operators. A more efficient rail system naturally would mean stiffer competition for them.

Union resistance to mergers probably is nowhere better illustrated than between St. Paul and the Pacific Northwest, where the Northern Pacific, along with the Chicago, Burlington & Quincy Railroad and the Great Northern Railway, plan to merge, giving the region a giant rail system. Under the merger proposal, the combined company also would operate under a lease arrangement, the Spokane, Portland & Seattle Railway, which is wholly owned by the Great Northern and Northern Pacific.

MOST TRACKAGE

If approved, this consolidation would create the biggest single U.S. railroad in terms of miles of track. The combined roads would use what is now Great Northern's transcontinental main line, which goes through North Dakota, Montana, and Washington. Most of Northern Pacific's present main line, which parallels Great Northern but some 100 to 300 miles to the south, would be used for intermediate and local freight service.

All along the Great Northern and Northern Pacific routes, unionmen are attaching stickers on automobiles. The stickers have even shown up on cars belonging to rail executives, much to these officials' annoyance. Most of the union effort is concentrated in Missoula and other towns along the Northern Pacific route since it is this route that is scheduled to lose its main-line status. Since the middle of February, when the roads officially petitioned the ICC for permission to merge, the unions have flooded these towns with circulars and pamphlets detailing how the unions believe each town will suffer from the merger.

In Billings, Mont., many railroad employees are paying their bills with silver dollars on which are affixed stickers conveying this warning: "This is a railroad dollar. After the merger it will disappear."

Prodded by reports that following merger the railroads would furlough workers in Jamestown, N. Dak., the unions devised a plan to impress residents there with the importance of the railworkers' payroll. The unions arranged with local bankers to have all union workers paid in $2 bills, a denomination rarely seen in that part of the country. Thus, the bills served as a reminder to Jamestown merchants where the money originated.

In all towns along the Northern Pacific's track, the union stamps this message on each bill it pays: "Railroad-earned union dollars paid this bill."

The railroads contend the unions are distorting the facts. Declares Northern Pacific's president, Robert S. Macfarlane: "Most of this union propaganda is pure nonsense. In the first place, we never have said that certain employees stationed along the track will definitely be laid off after the merger. There will be some reduction in the work force, of course. But it will be gradual, over a 5-year period following the effective date of the merger. In the second place, we have offered, even begged, the union to come and negotiate the work force problem with us. They flatly refuse to even talk to us."

Adds Great Northern President John Budd: "The unions claim they're worried about employment. Don't they realize we're concerned, too? Sure, railroad employment has declined in recent years. But you'd think the brotherhoods would realize that what we're trying to do is build a stronger railroad through mergers that will allow us to better compete with truckers and provide a more stable employment picture. I just can't understand why they are fighting us."

Mr. Budd and Mr. Macfarlane also say that most union workers who would be laid off after merger are guaranteed up to 5 years of severance pay both by Federal law and by contract agreement between the carriers and the unions.

LETTER FROM KENNEDY

Some union leaders believe they may be making progress in fighting rail mergers on another front, the Federal Government. Some months ago, Kenneth Tuggle, chief of the ICC's finance division, which processes merger petitions, declared that Federal agency was "ready, willing, able—and I might add anxious" to give sympathetic consideration to well-conceived mergers. But now the political climate has shifted, rail union leaders insist. They point to a recent letter from President Kennedy in which the Chief Executive agreed the problem of rail mergers is "a serious one and warrants investigation and consideration of possible corrective measures."

How have the railroads reacted to the President's words? The head of one Western carrier puts it this way: "I wouldn't say the Kennedy Administration will be openly hostile to railroad mergers, but I'd sleep a lot easier if the Republicans were in."

Merger-minded railroads also can count on opposition from Congressmen, Governors and State legislatures from areas they serve.

In Washington State, the Governor, both houses of the State legislature, and the Washington State Public Utilities Commission have all declared their opposition to the Northern Pacific-Great Northern-Burlington merger. In Montana, the public service commission has declared it is against the consolidation and the State legislature has authorized the commission to spend as much as $7,500 to present its arguments against the merger to the ICC.

The Governor of Minnesota has directed the State's railroad and warehouse commission to intervene at ICC hearings to protect the interests of the State. The commission elected to intervene in opposition to the merger. The mayor of St. Paul, where both Northern Pacific and Great Northern are based, has announced his opposition, too.

TOWNS OPPOSE MERGER

J. S. Turrell, general chairman of the Order of Railway Conductors and Brakemen on the Northern Pacific, brandishes a yard-long list of towns along the carrier's track that have lined up to oppose the merger. The railroads say they have been trying to get their side of the story across. "But," concedes one Northern Pacific official, "from the looks of things we haven't been trying very hard."

In the East, an official of the Seaboard Air Line Railroad reports that carrier is "having some difficulty convincing towns along the track that the merger (with the Atlantic Coast Line Railroad) is really in their best interests."

The Maryland Port Authority has elected to intervene in the proposed merger of Chesapeake & Ohio Railroad with Baltimore & Ohio Railroad. The authority says it won't decide whether to oppose the consolidation until a thorough study of the effects of consolidation on freight moving through the port of Baltimore has been completed.

Perhaps of even greater significance is the stand being taken by key congressional leaders. Senate Majority Leader MIKE MANSFIELD, Democrat of Montana, has said he is opposed to the proposed merger in the Northwest, and lining up with him are Senators WARREN G. MAGNUSON, chairman of the Senate Committee on Interstate and Foreign Commerce, and HENRY JACKSON, former Democratic national chairman. Both Senator MAGNUSON and Senator JACKSON are from Washington State. Another merger foe is Minnesota Senator HUBERT HUMPHREY, the Senate majority whip.

In the face of all this opposition, the railroads currently are stepping up their "public information" campaign aimed at "getting the facts straight."

OPPOSITION FROM RAILROADS

In some cases, however, the railroads are getting in their own way. Almost every carrier petitioning the ICC for permission to merge will bump into some competing line's efforts to block it. These conflicting railroad claims are certain to drag out ICC hearings and add to the delays already expected due to other opposition and due also to the sheer volume of merger proposals before the commission.

A prominent example of conflict within the industry centers around the fight for control of the Western Pacific Railroad, a small line that operates between San Francisco and Salt Lake City. The two main contestants are the Southern Pacific Co. and the Atchison, Topeka and Santa Fe Railway Co. However, the fight now involves a total of eight carriers. Great Northern and Western Pacific itself have sided with Santa Fe, while Union Pacific Railroad and the Chicago, Rock Island and Pacific Railroad have come to the support of Southern Pacific.

"These control and merger battles do the cause of mergers no good at all," says the president of one line. "Not only will the ICC get all bogged down, but the fights may cause the Commission to think twice before approving any consolidation."

One of the prime incentives for rail mergers may be yanked from under the carriers when the U.S. Supreme Court rules any day now on a union suit to force one recently merged line—the Erie-Lackawanna Railroad—to freeze all of the jobs existing before the consolidation. If the Court should decide for the union, it would in effect be going far beyond past interpretation of the present laws and agreements.

The Washington Job Protection Agreement of 1936 between the railroads and the unions provides that employees furloughed because of a merger are eligible for up to 5 years of severance pay. The Federal Transportation Act of 1940 requires that for a period of 4 years after a merger no employee can be placed in a worsened financial condition.

Thus, until now, a carrier has been required after a merger to keep employees on the payroll at the same wage scale or give him up to 5 years of severance pay if it can't find the employee another job. But it hasn't been required to insure the continuation of the job itself.

A common practice has been for a merged road to keep on most of its employees, but to reduce its work force gradually to the desired level simply by not replacing many of those workers who retire or go on to other jobs. This reduction in the number of employees results in a significant part of the savings that are usually expected from a merger and if roads were prevented from cutting their work forces there probably wouldn't be such a rush to merge.

"I can tell you right now," says one rail executive, "that if the Supreme Court decision goes against the carriers, it will kill the whole merger movement in an instant."

VICE PRESIDENT JOHNSON ACCLAIMED ON VISIT TO SENEGAL

Mr. HUMPHREY. Mr. President, on April 3, the small country of Senegal celebrated its first year of independence. No more illustrious or capable person could have been chosen by President Kennedy to represent the United States at the 2-day ceremony than Vice President LYNDON B. JOHNSON. This statement is more than justified in light of the enthusiastic welcome given to the Vice President by the Senegalese people. However, such acclaim is not surprising, for we all know of the unqualified diplomatic abilities of the Vice President.

I wish to commend Vice President JOHNSON for a job well done—we are all proud of him.

Mr. President, I ask unanimous consent that the following articles on the Vice President's visit to Senegal be printed at this point in the RECORD: "Senegalese Cheer JOHNSON," Christian Science Monitor, April 4, 1961; "Senegalese Acclaim JOHNSON as Soviet's Malik Cools His Heels," Washington Post, April 4, 1961; and "JOHNSON To Help Senegal Celebrate and Stop at Geneva, Paris, Madrid," Washington Post, April 5, 1961.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Christian Science Monitor, Apr. 4, 1961]

SENEGALESE CHEER JOHNSON

DAKAR, SENEGAL.—U.S. Vice President LYNDON B. JOHNSON conferred at length Monday night with Soviet Deputy Foreign Minister Jacob Malik.

The two men, who talk with the help of interpreters and aides, refused later to say anything about what had been discussed. They talked at a reception given by Premier Mamadou Dia at the Justice Ministry.

Mr. JOHNSON and Mr. Malik are in Dakar as official representatives to Senegal's first independence day anniversary.

It was not known which of the two had asked for the talk or if it was an impromptu conference arising out of a casual meeting at the party.

PRAISE FOR DE GAULLE

Senegalese President Senghor praised French President de Gaulle Tuesday and warned the new nations of Africa not to fall into the error of attacking their former rulers.

"Remember that the colonizers of yesterday are the friends of tomorrow," Mr. Senghor told a vast crowd and nearly 100 foreign delegations assembled for the first anniversary of the west African nation's independence from France.

Mr. Senghor saluted General de Gaulle as a statesman who foresaw the end of colonialism and eased the road of independence for much of Africa. He said Senegal's relations with her former rulers were based on friendship which would help the future consolidation of peace.

"We hope that the process of decolonization will finally bring a settlement of the Algerian question, a problem so painful to our African hearts," he added.

COLD WAR CONDEMNED

The President also condemned the cold war and the "campaign of vituperation which has been unleashed between East and West."

"We refuse to take any part in this campaign," he declared.

As Senegalese troops marched past the reviewing stand looking out over Dakar harbor, planes and helicopters of the Senegalese Air Force passed overhead.

Mr. JOHNSON continued to make a big hit with the crowd, drawing loud cheers when he drove up to the reviewing stand. He was almost mobbed Monday by thousands shouting "long live the United States, champion of independence" as they broke through police lines to surround his car.

CROWD SWARMS OVER AUTO

Mr. JOHNSON presented President Senghor, President Kennedy's personal gift, a crystal cup engraved with the arms of the United States and a token dedication by Mr. Kennedy. Mr. Johnson received from Mr. Senghor the token gifts bestowed upon all official delegates.

As Mr. JOHNSON was leaving the presidential palace after a reception Monday a crowd of several thousand broke through police lines and swarmed over his car.

Mr. JOHNSON, who was riding with Ambassador Henry Villard and New Hampshire businessman Romeo Champagne, rolled down the car window and shook hands with those who managed to squeeze close enough to reach his outstretched arm.

"The enthusiasm was genuine and real and I witnessed how happy they were to see a representative of the United States among them," Mr. JOHNSON said later.

VISIT TO VILLAGE

Mr. JOHNSON and the Aga Khan Monday afternoon attended a handicraft exhibit in a village 3 miles outside Dakar. Mr. JOHNSON was given a rousing welcome by an impromptu string quartet and cheering women.

Mrs. Johnson, who accompanied her husband on the trip to the village, was greeted by one of the local dignitaries, Chief Camara Amadou, who insisted on sheltering her and her husband under his multicolored umbrella.

Unfortunately, the umbrella snapped shut on Mrs. Johnson's head. She laughed while they worked to open it again.

The Vice President turned to a small child and handed him a ballpoint pen saying, "Son, you write me when you are a big man."

Upon his return to Dakar, Mr. JOHNSON was host at a reception for the American colony at Ambassador Villard's villa overlooking the Atlantic, then was guest at a state reception.

[From the Washington Post, April 4, 1961]

SENEGALESE ACCLAIM JOHNSON AS SOVIET'S MALIK COOLS HIS HEELS

(By Andrew Nash)

DAKAR, SENEGAL, April 3.—Senegalese celebrating their first year of independence gave U.S. Vice President LYNDON B. JOHNSON a roaring welcome today but chilly treatment to Soviet Deputy Foreign Minister Jacob A. Malik.

JOHNSON also got a warm reception from President Leopold Senghor at the presidential palace while Malik cooled his heels outside with scores of others. JOHNSON and Malik are representing their countries at 2 days of independence celebrations in this West African nation, formerly French.

Malik finally was received by the President near the end of the long list of delegates.

As JOHNSON emerged, many broke out of the crowd of thousands through police lines and swarmed over his car, shouting: "Long live the United States, champion of independence."

JOHNSON rolled down a window and shook hands with all who could get close enough to grasp his hand.

"The enthusiasm was real and I witnessed how happy they were to see a representative of the United States among them," he said later.

At a later ceremony, in a small nearby village, an umbrella snapped shut on Mrs. Johnson's head, but she emerged laughing.

With hundreds of guests jammed into the French-built palace, Senghor distributed decorations to both Europeans and Africans who had steered his West African country through its first year of independence.

Along the streets a strong breeze whipped the flags of 82 nations recognizing Senegal's independence. The presidential palace was guarded by towering Senegalese "red guards," the tough soldiers with red fezzes who once were among the most respected of French colonial troops.

The guests included heads of eight other former French African possessions which have won their independence in the past year and a half.

[From the Washington Post, Apr. 5, 1961]

JOHNSON TO HELP SENEGAL CELEBRATE AND STOP AT GENEVA, PARIS, MADRID

Vice President LYNDON B. JOHNSON left yesterday on his first oversea mission for President Kennedy. The weeklong trip will take him to Africa, Geneva, Paris, and Spain.

Addition of the European stops was announced only a few hours before JOHNSON and his wife started their journey. Their Air Force jetplane took off from nearby Andrews Air Force Base at 1:50 p.m.

Among those aboard the plane with the Vice President were Senator THOMAS KUCHEL, Republican, of California and Representative JOHN ROONEY, Democrat, of New York, and their wives.

JOHNSON told reporters just before entering the plane that he was taking the two Congress Members along at the suggestion of the President because of their broad knowledge of and interest in international affairs.

JOHNSON's first assignment is to represent the United States Monday at the independence celebration of Senegal, a former French colony on Africa's Atlantic coast.

TO MEET WITH DEAN

This was the official purpose of the trip, but an aid said that Mr. Kennedy also has requested JOHNSON to go to Geneva to meet with Arthur Dean, the U.S. representative at nuclear test ban negotiations now underway there.

The President also has asked JOHNSON to go to Paris to confer with the new U.S. Ambassador to France, Gen. James M. Gavin, and with Gen. Lauris Norstad, commander of the North Atlantic Treaty forces.

In addition, George Reedy, JOHNSON's press secretary said, Secretary of Defense Robert S. McNamara has requested the Vice President to inspect defense installations in Spain.

JOHNSON will undertake all these assignments after attending the independence ceremonies in Senegal Monday. The details of the schedule have not been completed, but Reedy said he assumed JOHNSON would go to Geneva from Africa and then to Paris and then to Spain.

Reedy said that JOHNSON expects to return here by the end of this week.

STOP IN PUERTO RICO

JOHNSON will make an overnight stop in Puerto Rico tonight on his way to Africa.

Veteran politicians were keeping a sharp eye out for any repercussions on the American political scene from JOHNSON's oversea tour.

The Texan's predecessor as Vice President, Richard M. Nixon, captured headlines with his foreign jaunts for President Eisenhower. Among highlights were Nixon's "kitchen debate" with Soviet Premier Nikita S. Khrushchev in Moscow and his stoning at the hands of a mob in South America.

During last year's election campaign, Nixon cited his oversea experience as one reason why the voters should send him to the White House.

JOHNSON, 53, a Democratic presidential aspirant himself until Mr. Kennedy won the nomination, was expected to get further oversea assignments from Mr. Kennedy later.

Last November, as Vice President-elect, JOHNSON attended a NATO parliamentarians' meeting in Paris, and also conferred in London with Prime Minister Harold Macmillan. The present oversea trip is his first as an official representative of the U.S. Government.

Mr. HUMPHREY. Mr. President, the people of this new republic cheered not only the Vice President but also cheered the United States of America. They cheered and acclaimed the fact that the United States was the protector of independence and freedom. Surely it should have been good news to the American people to learn of such a heart warming response to the visit by our Vice President and of such great appreciation for the part played by the Government of the United States and its people to insure independence and freedom for all nations, not merely the fine nation of Senegal but all nations everywhere in the world.

YUL BRYNNER, SPECIAL CONSULTANT OF UNITED NATIONS TO HIGH COMMISSIONER FOR REFUGEES

Mr. MORSE. Mr. President, I call the Senate's attention to the activities of one of Hollywood's most famous film stars, one who has most notably served the United Nations as Special Consultant to the High Commissioner for Refugees.

I speak of Yul Brynner, who for the past 2 years has visited many of the refugee camps in Europe and the Middle East. He did this unselfishly to see what

he could do to help alleviate a crucial situation abroad for millions of stateless and homeless men, women, and children.

He has done much. He wrote a book, based on these trips, entitled "Bring Forth the Children," which is dramatically illustrated with photographs taken by Mr. Brynner and Inge Morath. Proceeds from the sale of the book have been donated to the Refugee Fund.

The new High Commissioner for Refugees in the United Nations, Mr. Felix Schnyder, has written Mr. Brynner praising him for his film entitled "Rescue," which appeared earlier this year on a national network. The letter said in part:

> This film does certainly help to make the public opinion aware of the tragic refugees' problems and the necessity to meet them with concerted efforts. In a particularly fortunate way it shows the misery of millions of refugees of our time and strikes at the same time a strong and encouraging note of hope.

At the request of Mr. Schnyder, Mr. Brynner has generously agreed to continue his work as special consultant and has also been appointed to a similar post with the U.S. Department of State in relation to refugee affairs.

Mr. Brynner's work is but another example of a side of the Hollywood motion picture industry which does not receive the attention it so richly deserves. I can think of no other industry that has so generously given its time and its talent to so many humanitarian causes.

PROPOSED AMENDMENT OF MINIMUM WAGE LAW—STATEMENT BY SENATOR ROBERTSON

Mr. STENNIS. Mr. President, announcement has already been made on the floor that next week a major bill will come before the Senate, doubtless for extensive debate. The bill is S. 895, to amend the minimum wage law.

The distinguished Senator from Virginia [Mr. ROBERTSON], who is an able constitutional lawyer, has prepared a speech on the bill and had intended to deliver it on the floor of the Senate today. However, due to an illness, which is not serious, and from which the Senator from Virginia has improved already, although he will not be able to come to the floor for a few days, he is unable to be present today and has asked me to place his speech in the body of the RECORD. I have read the speech, with its clear logic and its forceful, sound reasons, and I commend its reading to every Member of the Senate. The Senator from Virginia is an outstanding authority on the Constitution of the United States and makes a very strong argument on the constitutional aspect of the bill. He is also well versed on the practical economics of our Nation and has discussed that aspect of this major bill. The Members of Congress, and the people of the Nation will find this speech illuminating and helpful.

Mr. President, I ask unanimous consent that the statement prepared by the Senator from Virginia [Mr. ROBERTSON] be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR ROBERTSON

During the period in which I have had the great honor of serving Virginia in this distinguished body, two fields of interest—by their very importance—have demanded and received a major share of my attention. These areas are constitutional government and fiscal integrity. Both will be seriously damaged if S. 895 becomes law.

CONSTITUTIONAL ASPECTS

A Virginian naturally has a strong interest in constitutional government and its corollary in America, the principle of a central government's having limited powers. Our forefathers played an active part in developing these principles. Patrick Henry and Thomas Jefferson, who championed the cause of freedom from a tyrannous king, made every effort to insure that this freedom would not fall into the hands of another autocratic authority. George Washington refused the suggestion that he become king in a limited monarchy because he understood the full consequences of such a step. James Madison, one of our Constitution's leading architects, advocated limited powers for a central government because he knew that no man or group of men should be given absolute authority in governing other men. Lord Acton has well said: "Power tends to corrrupt; absolute power corrupts absolutely."

Recalling the wisdom of our forefathers and the experience of history, I am appalled to see slipping from us the liberties for the preservation of which our Founding Fathers pledged their lives, their fortunes, and their sacred honors. Perhaps the cause of our carelessness is the fact that we were born citizens of a constitutional government and—like the son who squanders what his father's labor has earned—have failed to give restraints placed upon Federal power by the Constitution the attention and respect which that foundation of our personal freedom so richly merits.

Mindful of the dangers of an all-powerful central government, the Virginia Convention that ratified the Philadelphia Constitution insisted upon clarifying amendments to protect more fully the rights of individuals and of the sovereign States that were to form a more perfect union. Twelve of those amendments were offered in the First Congress by James Madison, 10 of which were ratified. Lest we forget the emphasis placed by the Founding Fathers upon the creation of a Federal union of delegated powers, let me quote the 10th amendment:

"The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people."

The framers of the Constitution and of the first 10 amendments thereto had just come to grips with one form of tyranny, and they were not eager to supplant it with another. Why should we not heed the advice of those to whom experience itself had issued a clear warning?

Under the Constitution, the Federal Government is given the right to control interstate commerce. If that interstate commerce clause is expanded by the Congress to include intrastate commerce, the 10th amendment is violated, and all commerce becomes a pawn on the Federal chess board.

Last year the Senate considered and passed H.R. 12677, "An act to amend the Fair Labor Standards Act of 1938, as amended, to provide coverage for employees of large enterprises engaged in retail trade or service and of other employers engaged in activities affecting commerce, to increase the minimum wage under the act to $1.25 an hour, and for other purposes."

Fortunately, this bill never became law. One of the most objectionable features of the bill dealt with the expansion of coverage to include certain enterprises whose activities affected commerce that is, interstate commerce. According to section 3(s) of the bill an "activity affecting commerce" was to include "any activity, business, or industry in commerce or necessary to commerce, or to the production of goods for, or the distribution of goods in commerce."

It takes no Blackstone to see that since enterprises engaged in intrastate commerce affect, even though in a minute degree, interstate commerce, the Fair Labor Standards Act would soon envelop enterprises now considered to be performing a basically intrastate business. The foundations would have been laid for bringing virtually all business under the jurisdiction of the Federal Government.

Nor has this objection been met by S. 895, which is at present before this body.

Admittedly we see no language which would specifically include under the bill's coverage certain enterprises whose activities affect interstate commerce. Nevertheless, S. 895 would do by indirection what last year's bill would have done by direction. In other words, the intention to bring eventually all business activities under this act is the same as when actually spelled out in the bill last year.

I would like to refer to section 2(s) which reads in part:

" 'Enterprise engaged in commerce or in the production of goods for commerce' means any of the following in the activities of which one or more employees are so engaged, including employees handling, selling, or otherwise working on goods that have been moved in or produced for commerce by any person:"

A comprehensive list follows, indicating the types of establishments to which this vastly expanded coverage will apply.

"Person," according to the present act, means "an individual, partnership, association, corporation, business trust, legal representative, or any organized group of persons."

I submit that section 2(s) not only brings certain presently exempted categories under the Fair Labor Standards Act but also—and much worse from a constitutional point of view—broadens the definition of what is to be considered interstate commerce.

As I read the suggested definition, if one employee of certain enterprises handles, sells, or works on goods which have been moved in or produced for commerce by another enterprise, the former enterprise is covered by the Fair Labor Standards Act no less than the latter. This, to me, results in a very substantial, and I might add, unconstitutional extension of coverage. At present the applicability of the act depends primarily upon whether an enterprise is in interstate commerce, such as a railroad, or producing goods for interstate commerce, such as a large-scale manufacturer. If these qualifications are to be extended to include certain enterprises in which some employees merely handle, sell, or work on goods moved in or produced for interstate commerce by someone else, there will be few enterprises indeed that will not be covered. How many enterprises with an annual gross volume of sales above $250,000 do not have some employees who either handle, sell, or work on goods which have come from out of State? Very few.

Let us suppose that a Virginia consumer buys a pair of shoes from a Lexington, Va., retailer whose annual gross volume of sales exceeds $1 million. Let us further assume that this retailer has purchased his supply

of shoes from a wholesaler in Richmond, Va., who, in turn, has bought them from out of State.

Under the interstate commerce clause the wholesaler is within the jurisdiction of the Federal Government. He is directly in the stream of interstate commerce.

But let us look at the retailer. What of him? Under present law he is already potentially subject to the provisions of the National Labor Relations Act, the Taft-Hartley Act, and the Labor-Management Reporting and Disclosure Act, for his activities affect interstate commerce. The Supreme Court, I might add, has been very liberal in its interpretation of affecting interstate commerce.

Fortunately for this retailer, however, he, thus far, has not been subjected to the coverage of the Fair Labor Standards Act. Not only is he specifically exempted from the provisions of the act, but also he is neither "engaged in [interstate] commerce" nor—if his sales are local—is he "in the production of goods for [interstate] commerce."

If, however, S. 895 becomes law, the retailer will lose his freedom on both counts: He will be denied the exemption, and he will, furthermore, be swallowed by the act's broadening of the definition of an "enterprise engaged in commerce or in the production of goods for commerce" to include, among others, enterprises whose employees handle goods which have been produced by someone else for interstate commerce. Coverage would be extended to the Virginia retailer even though he had purchased his goods from a Virginia wholesaler and later sold every shoe for local consumption.

And what of the consumer? Why, perhaps eventually he, too, can look forward to the dubious privilege of having the Federal Government determine when, where, and how much he walks. After all, when he wears out shoes, he must buy more, and does this not affect commerce?

In all seriousness, although this last extension of my analogy may seem facetious, I submit that it is no more extreme than the Supreme Court's present interpretation of the interstate commerce clause would have been considered 30 years ago.

In *Kidd* v. *Pearson* (128 U.S. 1), the Court has this to say:

"If it be held that the term [commerce with foreign nations and among the several States] includes the regulation of all such manufactures as are intended to be the subject of commercial transactions in the future, it is impossible to deny that it would also include all productive industries that contemplate the same thing. The result would be that Congress would be invested, to the exclusion of the States, with the power to regulate, not only manufactures, but also agriculture, horticulture, stock raising, domestic fisheries, mining—in short, every branch of human industry."

The early, and I think correct, state of the law insofar as it related to the Interstate Commerce clause found full approval in *U.S.* v. *E. C. Knight Co.* (156 U.S. 1); *Schechter Poultry Corp.* v. *U.S.* (295 U.S. 495); and *Carter* v. *Carter Coal Co.* (298 U.S. 238).

In the Knight case, Chief Justice Fuller, with remarkable foresight, had this to say in delivering the Court's opinion:

"Doubtless the power to control the manufacture of a given thing involves in a certain sense the control of its disposition, but this is a secondary and not the primary sense; and although the exercise of that power may result in bringing the operation of commerce into play, it does not control it, and affects it only incidentally and indirectly. Commerce succeeds to manufacture, and is not a part of it * * *. It is vital that the independence of the commercial power and of the police power, and the delimitation between them, however sometimes perplexing, should always be recognized and observed, for while the one furnishes the strongest bond of union, the other is essential to the preservation of the autonomy of the States as required by our dual form of government; and acknowledged evils, however grave and urgent they may appear to be had better be borne, than the risk be run, in the effort to suppress them, of more serious consequences by resort to expedients of even doubtful constitutionality."

Unfortunately, however, this balanced approach to interstate commerce has in recent years lost favor with the courts. In writing the dissenting opinion of the Supreme Court in the *National Labor Relations Board* v. *Jones and Laughlin Steel Corporation* (301 U.S. 1), Mr. Justice M. Reynolds had the following to say regarding the majority's decision to expand the coverage of the interstate commerce clause beyond its previously accepted bounds:

"Manifestly that view of congressional power would extend it (that is, Federal control) into almost every field of human industry.

* * * * *

"The Constitution still recognizes the existence of States with indestructible powers; the 10th amendment was supposed to put them beyond controversy.

"We are told that Congress may protect the 'stream of commerce' and that one who buys raw material without the State, manufactures it therein, and ships the output to another State is in that stream. Therefore it is said he may be prevented from doing anything which may interfere with its flow.

"This, too, goes beyond the constitutional limitations heretofore enforced. If a man raises cattle and regularly delivers them to a carrier for interstate shipment, may Congress prescribe the conditions under which he may employ or discharge helpers on the ranch? The products of a mine pass daily into interstate commerce; many things are brought to it from other States. Are the owners and the miners within the power of Congress in respect of the miners' tenure and discharge? May a mill owner be prohibited from closing his factory or discontinuing his business because so to do would stop the flow of products to and from his plant in interstate commerce? May employees in a factory be restrained from quitting work in a body because this will close the factory and thereby stop the flow of commerce? May arson of a factory be made a Federal offense whenever this would interfere with such flow? If the business cannot continue with the existing wage scale, may Congress command a reduction? If the ruling of the court just announced is adhered to, these questions suggest some of the problems certain to arise."

Events have proved Justice McReynolds a prophet. Many of the extensions of the Federal arm which this Justice feared have now come to pass. For example, in the passage which I just quoted he asks the rhetorical question, "If the business cannot continue with the existing wage scale, may Congress command a reduction?"

In but a year Congress commanded a rise in the existing wage scale by passing the original Fair Labor Standards Act. We are now asked to imperil the very identity of the States by widening the base and extending the coverage of this act. Are "interstate" and "intrastate" to become synonymous?

The great Chief Justice John Marshall in delivering a judgment of the court in *McCulloch* v. *Maryland* (4 Wheat. 316), had this to say, "No political dreamer was ever wild enough to think of breaking down the lines which separate the States and of compounding the American people into one common mass." Unfortunately for our Nation there are those who would do just that.

I urgently implore the Senate to refrain from further impairing the balance of power between the States and the Federal Government. This distressing trend toward centralization will eventually lead to the individual's total loss of liberty.

ECONOMIC ASPECTS

Nor is the constitutionality of this proposed legislation my only objection to it. The bill may well have serious shortcomings on economic grounds. It raises some basic questions that need to be answered before the Congress acts.

S. 895, in my opinion, represents another unwarranted extension of Federal control into the domain of private enterprise. By extending coverage beyond the present 23.9 million workers to an additional 4,333,000 employees, the proposed minimum wage legislation would be one step farther toward dictating a minimum hourly wage for all workers. And then what? Will this precedent lead toward a Federal guarantee of a minimum yearly wage? In the labor group, there are those who have advocated such a plan. From there, will we move toward Federal guarantees of minimum output, prices, and profits for each industry?

The Fair Labor Standards Act of 1938, as amended, provides that congressional policy toward minimum wages shall be effected "without substantially curtailing employment * * *." In my opinion, the proponents of S. 895 have still to prove that employment will not be curtailed at a time when unemployment is at the highest level in two decades.

If the Congress, by enacting minimum wage legislation, could automatically guarantee higher employment and higher wages without inflating production costs and prices, we may well ask the proponents of S. 895 why they failed to provide for an even higher minimum wage and a much shorter standard workweek. If the Congress could legislate higher employment, wages, and output without higher prices perhaps the advocates of this bill might want to reconsider their proposals. They might even want to double the minimum wage and cut the 40-hour week to 30 hours in order to assure a better world for all.

The absurdity of this proposition seems obvious. There is no legislative fiat that can automatically produce prosperity. Nor can the Congress guarantee that any particular action—such as raising the minimum wage—will prove to be beneficial to the general economy. Let us analyze what this bill proposes and see what the consequences may be if it were enacted.

By raising minimum wages and expanding coverage, S. 895 would eventually bring about an increase of at least $1.7 billion in the annual wage bill for an estimated 4,686,000 workers. The number of workers whose incomes would be directly increased over a period of several years would be more than twice the number affected by the latest change in minimum wages to $1 an hour from 75 cents, effective March 1956. The increase in the amount of wages paid to these workers would be more than three times larger than before.

The Department of Labor has estimated that, if S. 895 were enacted, it would result in raising the minimum hourly wages of a total of 3,021,000 nonsupervisory workers in private industry who earn less than $1.25 an hour and who are now covered by minimum wage legislation. Over a 2-year period, their wage bill would rise by a total of $836 million.

Of the 4,333,000 workers for whom minimum wage coverage would be newly provided by the bill, 1,665,000, or more than

half, now receive less than $1.25 hourly. After 3 years, it is estimated that these workers, if still employed, would receive annually $860 million more than they are now being paid.

S. 895, when fully operative, would thus directly bring about an increase in the wage bill of an estimated 4.7 million workers. This number would be far greater than the 2 million workers whose wages were directly affected when previous legislation became effective in 1956, and the 1.3 million workers so affected in 1950.

The impact of the proposed legislation would be greatest upon retail trade. About two-thirds of the 4,333,000 workers who would be brought under the coverage of the Fair Labor Standards Act for the first time are employed in retail trade enterprises. Of these newly covered workers in retail trade, an estimated 1,347,000, or nearly one-half, now earn less than $1.25 an hour. To increase their wages to the proposed minimum would require their employers to increase their wage costs by 7½ percent. Measured in these terms, the impact of the $1.25 rate upon wage costs in retail trade will be over nine times as large as was the impact of the $1 minimum in manufacturing in 1956, when wage costs increased only 0.8 percent.

The proponents of S. 895 have said that if the bill were enacted, it would have little adverse effect upon unemployment and upon prices. It would, however, increase wages and thus push up hourly labor costs.

But no precise estimate has been offered of the ultimate effects of the proposed legislation upon employment or unemployment. Nor has a comprehensive estimate been made of the total impact upon wage costs which would reflect so-called outward, upward, and overtime factors.

If past experience is any guide, wage increases required under this bill would tend to spread outward to include noncovered workers. They would likewise spread upward over a period of time because wages of higher paid workers would also be raised in order to preserve wage differentials at least in part. When you jack up a house, you don't just lift the first floor. In addition, wage costs would be increased through overtime payments made for work performed in excess of the standard 40-hour week. This overtime provision would apply to all 4,330,000 newly covered workers, regardless of their present level of hourly wages. For these reasons, it seems likely that the proposed increase in minimum wages will be compounded through outward, upward, and overtime effects. Yet none of the estimates so far submitted by the proponents of this bill indicates what the full effect would be.

Previous studies have shown the diverse impacts upon costs, prices, output, productivity, employment, and unemployment by the adoption of earlier minimum wage legislation at various stages of the business cycle. Different firms within the same industry may even experience different results. The ultimate consequences of increasing minimum wages are particularly difficult to trace, because increases may be phased out over a number of years.

Since these complex factors may have a significant influence upon our general economy, it seems all the more important for the advocates of this proposed legislation to furnish additional information about what we may expect. Fortunately, we can learn something by looking to the record of experience to find out what happened the last time the minimum wage was increased and on that basis speculate more intelligently about the future. As the Secretary of Labor pointed out in a report, dated January 1961, submitted to the Congress in accordance with the requirements of section 4(d) of the Fair Labor Standards Act, "the only basis for predicting the effect on employment of changes in the minimum rate is previous experience."

What was this previous experience? According to a similar report submitted by the Secretary of Labor a year earlier:

"The Wage and Hour Division's studies of the economic effects of the $1 minimum wage show that, during the period of adjustment to the higher minimum, there were significant declines in employment in most of the low-wage industry segments studied. In many instances employers were successful in adjusting to the minimum-wage increase through increased productivity, but did not increase output, resulting in a reduction of employment. In these situations, production per hour of labor was increased, so that labor costs per unit of output did not go up even though costs per hour of labor were higher. This was accomplished in a variety of ways, including installation of more efficient machinery or equipment, improvement of plant layout, changing product lines, raising production quotas, and replacing the less efficient workers.

"Some employers reported that prices for their products increased. Higher prices might in time have resulted in lesser demand and consequently in cutbacks of production and curtailment of employment. No information was obtained on the extent to which cutbacks in production in the low-wage industries were offset by increased production and employment in competing industries which paid higher wages and were not substantially affected by the minimum wage.

"It was not possible to obtain information on the subsequent work experience of employees who lost jobs as a result of the minimum wage. It is not known to what extent they obtained jobs in other establishments at wages lower than, or perhaps even higher than, the minimum wage. However, if alternative employment is not available, workers in low-wage communities may remain unemployed rather than obtain higher wages as a result of the minimum wage. The situation in such communities is not alleviated by offsetting increases in employment in other areas.

"It may be expected that the economic climate in which the higher minimum becomes effective will be an important determinant of the extent of employment effects. The increase in the minimum wage to $1 an hour took place at a time of expanding economic activity, and this facilitated adjustment to the minimum wage increase. Had the minimum wage increase become effective during a period of recession, its adverse effects on employment might have been much greater."

Note that the report states that "had the minimum wage increase become effective during a period of recession, its adverse effects on employment might have been much greater." We are now at a time when unemployment is unusually high. In February, 5.7 million persons were reported to be unemployed, the largest number in two decades. In March 1956, the effective date of the last increase in minimum wage, 2.8 million persons were unemployed, or less than half the current total. In view of the unemployment situation, can the proponents of this legislation really assure us that it will not bring even greater significant declines in employment? Remember that over a period of years the bill will directly bring about an increase in the wages of more than twice as many workers as before.

Besides the numbers of workers who may be given dismissal notices rather than higher wages as proposed by this bill, I hope my colleagues will also consider what types of workers will most likely be penalized rather than helped by S. 895.

Undoubtedly, among the first workers to be laid off with an increase in the minimum wage will be employees whose abilities are marginal and whose skills are limited. These are the very persons least able to care for themselves and their families during periods of high unemployment. These are the very persons least capable of finding new jobs in order to become self-supporting again. This suggests that benefits that accrue to workers who remain employed and receive taxable wage boosts of varied amounts may be gained at the expense of the less fortunate who lose their jobs and suffer a 100-percent reduction in wages.

Minimum-wage legislation is often advocated in the name of liberalism. For workers whose wages are increased under such legislation, benefits may be real and direct if they are not offset by higher prices. But little attention is given by the same liberals to the plight of workers who—because higher minimum wages are imposed—are thrown out of work at a time when new jobs are harder than ever to find.

Then there is the question of the effect of this proposed legislation on production costs and prices. According to surveys made by the Bureau of Labor Statistics in 1960, the impact of S. 895 on wage costs would vary greatly among industries. By raising the minimum hourly wage to $1.25, the bill would directly increase the wages of more than a fifth of all nonsupervisory employees in private wholesale trade who even now are covered by the Fair Labor Standards Act. In private manufacturing industries, it would increase the wages of one-eighth of all such nonsupervisory workers. In all other private industries, the ratio would be one-ninth.

The impact of the proposed legislation would also vary greatly from region to region. Here again, a Bureau of Labor Statistics survey made in the fall of last year indicated that in nonmetropolitan areas of the South, a $1.25 minimum wage would require raising the wages of 56 percent of all nonsupervisory employees in wholesale trade in order to meet the minimum. In manufacturing, the wages of 38 percent of all employees would have to be raised in order to comply with the Federal requirement. These ratios for the nonmetropolitan areas of the South are much higher than those for similar areas in the north-central region or in the entire United States.

The effect of S. 895 upon wage costs as contrasted to hours will also be different in various industries, even if there were little or no change in employment. The Bureau of Labor Statistics reported late last year that within nonmetropolitan areas in the South, wage costs within wholesale trade would have to be increased nearly 8 percent in order to bring up to the minimum those workers earning less than $1.25. For manufacturing industries within the same area, wages would have to be increased by only 4 percent.

None of these estimates apparently takes into account outward, upward, or overtime effects. In this respect, the estimates may considerably underestimate the consequences of raising the minimum wage further. To the degree that increased wage costs were reflected in higher prices, inflationary trends would be stimulated. The increased prices would have an adverse effect not only upon families with fixed incomes, such as the elderly. They would also complicate fiscal policy. A rise of only 1 percent in what the Federal Government pays for goods and services will cause an additional budget deficit of $800 million.

If there is an increase in minimum wages at this time, the resultant rise in wage costs could force some marginal firms out of business or into failure. Already, failures of industrial and commercial business are at the highest level in more than two decades. Last year, the rate of failures per 10,000 industrial and commercial business concerns was 57, the largest since 1940. To the degree that business failures or discontinuances increase through the action of this bill, there will be fewer—not greater—employment opportunities.

The present circumstances are quite different from those prevailing when the National Industrial Recovery Act of 1933 and the Fair Labor Standards Act of 1938 were enacted. Then the general aim of minimum wage legislation was a 40-hour week to spread employment. The 25-cent minimum wage was a minor factor. Now we are in a situation where the emphasis is on wages which, if raised without regard to increased productivity, could have an inflationary effect.

The report of the Secretary of Labor, dated January 19, 1961, to which I referred earlier, indicated that the last increase in minimum wages had little net adverse effect upon the ability of American business to compete in foreign markets. The report stated that "an analysis of the available data does not support the view that a moderate increase in the minimum wage will have a significant adverse effect on the ability of American producers to compete with foreign producers in either the domestic or foreign markets. Most U.S. firms which compete with foreign producers would not be directly affected by an increase in the minimum wage, since they pay wages far in excess of the minimum rate. This analysis disclosed that more than four-fifths of imported and exported commodities are produced in the United States by industries which would not be significantly affected by a moderate increase in the minimum wage."

The report went on to say that "the position of low-wage firms competitive with foreign producers may tend to be adversely affected if a minimum wage change were to result in higher prices. However, as is noted above, the Department of Labor's studies of the effects of minimum wage increases indicate that they did not result in any general pattern of increases in the prices of products of low-wage industries."

But what guarantees can the proponents of S. 895 now give us on this subject. Can they assure us that the estimated increase of at least $1,700 million annually in the wages of workers eventually affected by S. 895 will not impair our competitive position? And what of the additional effects of outward, upward, and overtime factors? These questions demand serious consideration.

Our economy is already faced with a series of widespread wage increases this year even if S. 895 is not enacted. As pointed out in U.S. News & World Report for March 27, wage increases are scheduled in 1961 under the terms of 2,311 outstanding wage agreements. More than 2.9 million workers will receive pay raises under 1,905 long-term contracts signed in 1960 or earlier years. In March, for example, operating employees of railroads received raises of about 5 cents an hour. On October 1, steelworkers are scheduled to receive wage boosts of about 9 cents an hour.

So far this year, wage increases have averaged 8½ cents an hour under the terms of 406 new settlements made through mid-March. These agreements, of course, exclude possible wage increases which may be granted later this year. In the case of automobile workers, present contracts expire August 31 at Chrysler, General Motors, and Ford plants.

The total of 2,311 agreements which call for wage boosts this year will take effect despite the timely recent warning of the President's Council of Economic Advisers that "continuing efforts should be made to enlist the cooperation of labor and management in a voluntary program of price and wage restraint." These outstanding agreements will undoubtedly be cited by unions as precedents for additional wage increases under any new contracts to be negotiated whenever current agreements expire.

Besides the scheduled wage increases which will occur this year regardless of whether or not S. 895 is enacted, pressures are also being brought to bear to reduce the standard 40-hour workweek required by the Fair Labor Standards Act. The National Maritime Union, for example, has proposed that the 40-hour standard workweek be cut to 30 hours, at least for its members. To make up for any hours worked in excess of the 30-hour schedule, sailors would be given extra time off in the form of vacations. Overtime rates would begin at 40 hours, according to the union's proposal.

These recent developments, coupled with the complex and complicated ramifications of the proposed minimum wage legislation, argue for more detailed estimates of the impact of S. 895 before the Congress makes an irrevocable decision that might be damaging to the economy. A decision to enact S. 895 will make the $1.25 minimum wage a condition of employment, whatever the ultimate impact on production, prices, and unemployment. It will penalize every worker who fails to keep or secure a job if he cannot find an employer who will pay at least the minimum wage.

By adopting S. 895 and superimposing these Federal minimum wage standards upon our States, the Government would set a legal floor on wages generally much higher than the several States now require. Eleven States, in fact, have no minimum wage law. At the other extreme, Alaska has the highest—$1.50 per hour. Next highest are 11 States, with $1 per hour in most industries. Other States have lower minimums.

The original Fair Labors Standards Act provided for a minimum rate of 25 cents an hour, effective October 1938, 30 cents effective October 1939, and 40 cents effective October 1945. In January 1950, the minimum rate became 75 cents, and in March 1956, it became $1. As a result, the minimum rate is now four times what it was when the act first became effective. The proposed increase to $1.25 would mean that the rate would then be five times what it was in 1938. Before considering this further step, the Congress is entitled to additional information from the proponents which would tell us more completely how the entire economy will be affected.

In conclusion, I object to this bill on both constitutional and economic grounds. Enactment of S. 895 would mock the Interstate Commerce clause and the 10th amendment of the Constitution and would, in my opinion, be detrimental to the best interests of the United States. If this bill becomes law, it might well aggravate both our domestic and international economic difficulties by adversely affecting employment, costs, prices, and the deficits both in our Federal budget and in our balance of payments.

I urge that we reject S. 895.

TRIBUTE TO LT. GEN. E. C. ITSCHNER, FORMER CHIEF OF ARMY ENGINEERS

Mr. STENNIS. Mr. President, the U.S. Army Corps of Engineers fulfills a vital mission in a difficult field of activity. Its responsibilities are many, and it discharges them with efficiency and wisdom.

Leadership in the great work done by that group of professional engineers rests on the shoulders of the Chief of Army Engineers.

Many men have held that office in the long history of the corps, but none other has ever been more able and dedicated to the task than Lt. Gen. E. C. Itschner who occupied that high office for 6 years before retiring March 31.

The value of General Itschner's labors are everywhere evident in the great flood-control projects, river and harbor development programs and related activities throughout Mississippi and the Nation.

I ask unanimous consent to insert the following editorial which appeared in the Memphis, Tenn., Commercial Appeal on April 5, 1961, into the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

HAS BEEN ONE OF THE BEST

Any officer who attains the coveted post of Chief of Engineers in the U.S. Army has to be especially talented. He must constantly utilize his engineering knowledge for the public good; he must be an effective commander of the many thousands of engineer soldiers in his branch and he must be an able administrator responsible for the expenditure of many billions of dollars every fiscal year.

The normal tenure of a Chief of Engineers is 4 years. Lt. Gen. E. C. Itschner made such a fine record that then President Eisenhower extended his tour for 2 years. It was a rare compliment but one he had earned. He has been one of the best of a long line which stretches back to the building of the Bunker Hill fortifications.

Because of the vast flood control, navigation, and water resources development projects to which this valley's economy is geared and the relation of the Chief of Engineers to it, any change in that post is of major importance to it.

General Itschner has been extremely sympathetic toward the lower valley's water resources needs and kept himself thoroughly conversant at all times with its complex flood control and navigation problems. He never permitted the worldwide scope of his responsibilities to cause him to forget those of a domestic character having bearing on the lives and well-being of the millions of Americans to whose service his 37 Army years had been dedicated.

He proved himself to be a sincere friend of Memphis and the Midsouth and this section's good wishes go with him as he takes up his new post as chief technical adviser on Pakistan's vast Indus River development project.

VISIT TO UNITED STATES BY PRIME MINISTER ERLANDER

Mr. HUMPHREY. Mr. President, I wish to take this opportunity to express my pleasure over the visit to the United States of the Prime Minister of Sweden and Mrs. Erlander.

We in the United States have strong ties with Sweden. From the earliest days of our history, the men and ideas coming from Sweden have contributed appreciably to the development of the American system. Swedish colonists first settled on our eastern shores in 1638, and I do

not have to emphasize the influence of Swedish settlers in my own State or its neighbors in the Midwest. In this centennial year of the Civil War, we particularly remember John Erikson whose engineering genius created the *Monitor*. We cannot forget the many contributions of Sweden's writers, artists, philosophers, and scholars, particularly the monumental studies of Dr. Myrdal, which have had a profound influence in this country.

Americans admire Sweden's dedication to humanitarian causes around the globe. We are especially grateful for the services of Dag Hammarskjold in the United Nations. His unstinting labors in the cause of peace have engraved his name in the hearts of men the world over who cherish liberty. We are also aware of the willingness of the Swedish people and their Government to defend the principles of the United Nations Charter. We have not forgotten that Swedish officers and men served in Lebanon in the summer of 1958, kept order in the Gaza Strip, assisted in Korea, and that they continue to contribute to security, through service in the Congo.

I remind my colleagues that only yesterday Swedish troops, along with Irish troops, maintained order in Elisabethville, in the Congo. These are perilous and expensive undertakings, but they speak eloquently of Sweden's desire and determination to bear its share of international responsibility.

The Nordic Council, in which Sweden is a leader, is a model of international cooperation for the world to see. Sweden's participation in the European Free Trade Area—EFTA—in the Organization for European Economic Cooperation—OEEC—and its successor, the Organization for Economic Cooperation and Development—OECD—demonstrates continued interest in the orderly regulation of trade and commerce for the common good.

Mr. President, recently I read a report which showed the many millions of dollars' worth of imports that Sweden receives from the United States. Sweden is one of our best customers. Surely the visit of the Prime Minister is a further aid to the cementing of the wonderful relationships between our two countries.

The Social Democratic Party, which Prime Minister Erlander heads, is Sweden's largest party, and has been dominant in the Government since 1932. The Social Democratic Party today enjoys greater support than it has previously received at any time since Mr. Erlander became Prime Minister in 1946. Since the war the Swedish economy has grown at a rapid rate, and supports full employment. Sweden's traditional policy of nonalliance in time of peace and neutrality in time of war enjoys the full support of all political parties.

We are delighted to welcome Prime Minister Erlander to the United States and, in particular, to Minnesota. We hope that he and his charming wife, whose first trip to our country this is, will take back to Sweden increased appreciation of the depth and the extent of Swedish-American friendship.

Mr. President, I make this brief comment today because I have had the privilege of knowing the Prime Minister and his wife as friends, as well as the privilege of knowing them as public officials and outstanding personalities; and I desire to use this occasion to express to Sweden and to the Government of Sweden, and particularly to the Prime Minister, our everlasting gratitude for their wonderful cooperation in the cause of justice and freedom.

At this time, Prime Minister of Sweden is visiting Minnesota. Today, he is in Duluth. Tomorrow, he will be in Minneapolis. We consider it a high honor to have this distinguished statesman with us.

THE 170TH ANNIVERSARY OF THE POLISH CONSTITUTION

Mr. CARROLL. Mr. President, on May 3 the people of Polish heritage in this country will commemorate a day of great glory to them and to freemen everywhere: the 170th anniversary of the Polish Constitution.

Mr. Edward Zalewski, president of the Polish Club of Denver, has written to me a letter describing the significance of this occasion in so incisive and memorable terms that I wish to share it with my fellow Members of the Congress through the CONGRESSIONAL RECORD.

I ask unanimous consent that Mr. Zalewski's letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

POLISH CLUB OF DENVER,
March 31, 1961.

Hon. JOHN A. CARROLL,
U.S. Senator,
Senate Office Building,
Washington, D.C.

DEAR SENATOR: On May 3, 1961, the Polish people everywhere will commemorate the 170th anniversary of the Polish Constitution, one of the world's greatest documents of freedom.

The Polish Constitution, written on May 3, 1791, resembles closely the principles of the Constitution of the United States of America.

Never before has this eventful day in the lives of the Polish people been more important than it is today, since Poland during this year is also celebrating the thousandth year of becoming a Christian nation, and ironically finds herself under the yoke of godless communism.

The Polish nation's freedom and Christian faith are going through the most crucial test in the history of mankind. The people of Poland are looking to the West for a word of encouragement in their struggle for freedom and liberty they so dearly cherish.

The Polish people in Denver and in Colorado realizing the importance of this occasion would greatly appreciate it if on the 3d day of May, you will be willing to recognize this fact on the Senate floor.

On Saturday, October 7, 1961, we will commemorate the death of Gen. Casimir Pulaski, the hero of two continents, and also will celebrate the thousandth year of Polish Christianity at the Lincoln Room of the Shirley Savoy Hotel. The members of the Polish Club of Denver sincerely hope that you, dear Senator, will be able to attend. An official invitation will follow at a later date.

Thank you very much and best wishes to you and your family.

Respectfully yours,

EDWARD J. ZALEWSKI,
President, Polish Club of Denver.

CHRONIC UNEMPLOYMENT—A HARD CORE PROBLEM—AGE DISCRIMINATION

Mr. JAVITS. Mr. President, the recent report of the National Planning Association on the problem of chronic unemployment emphasizes the prevalence of job discrimination because of age and makes special reference to the waste of skill, talent, and ability resulting from the fact that the most acute and widespread unemployment problem is in the 45 to 64 age group. Nearly 28 million Americans in our Nation's labor force are 45 years of age or older, and legislation such as I have proposed (S. 350, S. 351, and S. 352) is essential to protect them from discrimination.

Federal leadership must prevent and eliminate this injustice if our resources of skilled manpower are to prove adequate to the demands of an expanding economy. It would make it possible for many of the mature citizens now on the public assistance rolls to regain their dignity as productive working members of society. Artificial and arbitrary age limitations severely limit job opportunities and lead to premature retirement of valuable workers.

Job discrimination because of age has already been recognized as a primary economic problem in nine States, New York, Pennsylvania, Massachusetts, Connecticut, Rhode Island, Delaware, Oregon, Wisconsin, and Alaska. Their laws ban age discrimination in private industry as well as in union and employment agencies. Under the legislation I have proposed, the Federal Government would supplement existing State law against employment discrimination by giving the State agency authority to prohibit such practices by local firms engaged in interstate commerce.

I ask unanimous consent to include with my remarks in the RECORD the column by Roscoe Drummond entitled "U.S. Faces Real Problem of Chronic Unemployment," and the report by Joel Seldin entitled "Unemployment Figure Likely to Stay Virtually Unchanged for 10 Years," both of which appeared in the New York Herald Tribune, April 3; and the editorial entitled "Focus on Chronic Joblessness" in the New York Times, April 3.

There being no objection, the articles and report were ordered to be printed in the RECORD, as follows:

[From the New York Herald Tribune, Apr. 3, 1961]

IN GOOD TIMES AND BAD: UNITED STATES FACES REAL PROBLEM OF CHRONIC UNEMPLOYMENT

(By Roscoe Drummond)

WASHINGTON, April 2.—The Kennedy administration may not be giving us all the

right answers, but the President is raising the right questions about the distressing and increasing unemployment in the United States.

It is getting worse, not better. Great harm can come from ignoring it. The anomaly is that unemployment and employment have been rising simultaneously.

Nothing could be more hurtful than to lose sight of the problem by focusing the debate on the "prosperity records" of past administrations, Republican or Democratic.

Many Republicans feel that the Eisenhower years have been the greatest ever. Many Democrats contend that the recessions were frequent, the recovery too little and the rate of economic growth too slow.

The need now is to get away from the blurred cliches of "campaign oratory" so that we can look at the problem frankly and realistically.

PERSISTENT UNEMPLOYMENT

Throughout the last decade, despite remarkable prosperity for many, despite high average wages and high consumer purchasing power, persistent unemployment has been steadily mounting.

The most revealing fact of all—and this seems to me to cut through the distracting argument over how good or bad things have been during the last 8 years—is that persistent unemployment has been increasing even when prosperity has been highest.

Chronic unemployment, according to the latest report of the National Planning Association, went from about 500,000 in the third quarter of 1953, to about 2 million in the first quarter of 1960. This is not the total unemployment which is now about 7 million. It is the mounting hard core of unemployment which has persisted and grown through both the least prosperous and most prosperous years of the 1950's decade.

A WARNING

This is why the National Planning Association, a nonpolitical organization made up of leaders in business, labor, agriculture, and the professions, warns that such unemployment will rise further unless countermeasures are forthcoming.

To reduce unemployment and underemployment within a year to 4 percent of the labor force would require some 7 million new job opportunities—a gigantic challenge.

The NPA describes chronic or structural unemployment as not caused primarily by the ups and downs of the business cycle. There are more deep-seated factors, such as inadequate growth, more automation, economic changes abroad, movement of industry to new locations, and "discrimination against age and racial groups practiced by some employers and in some cases by unions."

THE AGE PROBLEM

Those most affected by chronic unemployment are men 65 and older. The tendency for widespread, persistent unemployment in the 45-to-64 age group is also very acute. In February 1961, the proportion of unemployed who had been looking for work more than 15 weeks in this age group was as high as 32 percent.

Since workers in this middle-age bracket have usually assumed substantial family responsibilities, the NPA strongly urges action to end age discrimination. This is critical, since during the next few years 40 percent of the labor force will be 45 years or older.

REMEDIES SUGGESTED

To combat both age discrimination and racial discrimination in employment, the NPA urges public education stressing the need to use these workers, increased vocational training, and retraining, and wider use of the U.S. Employment Service, as well as other means.

However much the partisans may disagree over the prosperity of the Nation in recent years, chronic unemployment has been growing in good and bad times alike. It now confronts industry, labor, and Government with a problem too persistent to be ignored.

[From the New York Herald Tribune, Apr. 3, 1961]

UNEMPLOYMENT FIGURE LIKELY TO STAY VIRTUALLY UNCHANGED FOR 10 YEARS

(By Joel Seldin)

In the years to 1970, if the economy develops as expected and there is no depression, the number of unemployed will remain about what it has been in the last few months. If things go particularly well and President Kennedy's goal of 4 percent unemployed is achieved, the number of jobless will remain about what it was in 1960.

The difference between those two possibilities is the difference between 3,400,000, or 4 percent of the expected labor force in 1970, and 5,100,000, or 6 percent of the same labor force. Economists argue about what the minimum rate of unemployment should be, but few of them suggest anything greater than 6 percent.

CHANCES FOR 1965

In any intervening year before 1970, because the labor force will not have grown so large, the actual number of unemployed corresponding to 4 percent or 6 percent will be lower. In 1965, for instance, the range would be from 3,100,000 to 4,600,000.

A rough guess at how 6 percent unemployment in 1970 would feel for both employed and unemployed, can be estimated by comparing the prediction of 5,100,000 jobless with the actual situation last January, when 5,400,000 were out of work.

The estimate is rough because unemployment varies from month to month, and it is not quite accurate to compare a monthly rate with an average annual rate. At a yearly rate of 6 percent, January 1970 would probably have higher unemployment than January 1961, though the unadjusted rate was 7.7 percent in the first month of this year. Still, the average situation over the course of 1970 would be something like the state of things at the start of this year. At a rate of 4 percent, the situation would be much better.

Within the scope of that estimate, trends in the composition of the labor force during the 1950's, projected into the 1960's, indicate the kind of people apt to be among the jobless in the next 10 years.

PROSPECTS FOR YOUNG WORKERS

If a worker is under 25 or over 45, he or she is more likely to become unemployed than those between 25 and 44. The under-25 group is expected to increase by 46 percent in 1970 over the 1960 figure, and the increase for those over 45 is predicted at 20 percent. Both groups, but especially the younger, have higher rates of unemployment than those between 25 and 44.

It is expected that 20,200,000 workers, almost a fourth of the entire labor force in 1970, will be under 25. The unemployment rate in that age range in recent years has been from 2 to 3 times higher than for older workers. This difference is expected to intensify in coming years.

It is also expected, however, that those in the younger group will continue to experience relatively short-term unemployment, while the older workers who become unemployed will continue so for a protracted period, or have more than one spell in the year without a job.

A study of the characteristics of unemployment in 1957 showed that short-term unemployment ranged from 49.2 percent for those under 17 to 9.9 percent for those 65 and over. In unemployment of 15 weeks or more, those under 17 were 23.3 percent and those over 65 were 51.4 percent.

Men will still outnumber women in the work force by 1970, but the proportion of women will be higher. While the actual number of male workers increases 15 percent from 50 million now to 57.4 million in 1970, the number of women will increase by 25 percent from 23.6 million to 29.6 million.

Though the overall increase in the labor force will be largest in the group under 25, the increase among workingwomen will be largest among those over 35. Since women tend to take jobs with high rates of unemployment, there is a good chance that an unemployed worker in 1970 will be an older woman.

The unemployed woman, like the younger man, will be less subject to periods of protracted unemployment. Of the short-term unemployed in 1957, 60.5 percent were men and 39.5 percent were among. Among those with long-term unemployment, 72.4 percent were men and 27.6 percent were women.

The most significant single factor in unemployment will be education. The need for workers in professional, technical and managerial jobs will grow fastest. Though the labor force will have grown 18 percent by 1970, from 73,600,000 to 87,100,000, it is expected that the number of unskilled workers will remain unchanged and the number of farmworkers will drop sharply. Employment will grow faster in the service industries than in production.

THE 1959 STUDY CITED

A special study of unemployment as of March 1959 showed that the number of workers who did not complete high school was only slightly higher than the number of those who did. Among those unemployed for 15 weeks or more, however, 72.3 percent had not completed high school.

High school graduates made up only 33.2 percent of those unemployed less than 15 weeks. Of those working part time because they could not find full-time jobs, 25.2 percent had completed high school.

The importance of education was more critical for men than for women. Among men unemployed over 15 weeks, those without high school diplomas accounted for 75 percent, while the rate for women was 65.4 percent.

It has also been found that men with less schooling retire earlier, probably because they have been engaged in work requiring physical strength. Between 1952 and 1959, the percentage of men still working after 65 who had less than grade school education dropped from 40 to 30 percent. The rate for college graduates dropped from 58 to 53 percent.

OTHER FACTORS

It is expected that during the late 1960's, 3 million new young workers will enter the labor force each year, compared with 2 million a year now. Of the total of 26 million new young workers in the decade, 30 percent will lack a completed high school education. In the same period, high school enrollments will increase from 9 million to 13 million, and college enrollments from 3,500,000 to 7 million. Those without high school diplomas will be less able to compete for jobs in 1970 than they are now.

The trends described above are predictable with fair accuracy and will affect the rate of unemployment with an impact relative to the state of the economy. There are other factors, however, which are equally important but less predictable because their impact depends on what the country chooses to do about the problems from which they stem.

One such factor is the problem of depressed areas, where large numbers of workers have been unemployed or partially employed for years. In testimony before Congress last month, Ewan Clague, Commissioner of Labor Statistics, said BLS studies indicate that half the unemployed in chronically depressed areas have been without jobs even when the economy is in good shape.

The administration has proposed legislation to aid depressed areas. If the measure is passed by Congress and if it is effective enough in practice to bring depressed areas unemployment to national averages, Mr. Clague said, the 500,000 jobless in those areas would be cut by half, with two-thirds of the reduction among long-term unemployed. The national proportion of long-term unemployed would become 15 percent of total unemployment, or 500,000.

BIAS PROBLEM

Part of the problem of dealing with this hard core of long-term jobless is the problem of employment discrimination against Negroes. In both long- and short-term unemployment, the pattern for Negroes will depend on developments over the years in the total national pattern of discrimination.

In 1957, a full-employment year with a national unemployment rate of 4.3 percent, the unemployment rate for nonwhites was double the rate for white workers. Among the long-term unemployed, the rate was 21.4 percent for nonwhites and 18.6 percent for whites.

Unlike the national pattern, in which the unemployment rate is higher for women than for men, the situation is worse for Negro men than for Negro women. The unemployment rate in 1957 for white men was 3.7 percent and for white women 4.3 percent. For nonwhite men, the rate was 8.4 percent, compared with 7.4 percent for nonwhite women.

One possibly hopeful sign in the pattern of Negro employment stems from a peculiarity in the age distribution for the labor force over the next 10 years. The age group between 35 and 45 will actually decrease, and the age group between 25 and 34 will increase less than the national average.

If Negroes can break through the pattern of discrimination in education, especially in technical education, and can acquire the skills required by the expanding needs in industry for technicians, managers and craftsmen, their opportunities for steady, well paid employment will rise. Employers, faced with a labor shortage in these categories will have no recourse but to hire Negroes if they are qualified.

Louis F. Buckley, New York regional director of BLS, commenting on this idea last month in a speech at Notre Dame University, said: "There will not be enough white workers in the prime age group to meet the needs of industry. This will bring to light the high price we have paid for moral neglect in terms of waste of talent and skill, which we cannot afford to continue."

In summary, the decade of the 1960's will find many more young workers in the labor force of whom a higher percentage than now will have high school and college educations. Those who do not have this education will account for a large number of the short-term unemployed.

The rate of unemployment among older workers will not be higher than in other age groups, but there will be a considerably higher number of older workers among the long-term unemployed.

In addition to more young workers, there will be an increase in the proportion of adult women in the labor force. The two groups will produce an increase in the proportion of workers seeking part-time employment, mostly in services, finance and trade.

[From the New York Times, Apr. 3, 1961]

FOCUS ON CHRONIC JOBLESSNESS

There could hardly be a better time than now to focus public attention on chronic unemployment. When some signs of recovery appear, it is all too easy to assume that, as general business conditions improve, the number of those out of work will decrease. The National Planning Association's "Joint Statement on the Rise of Chronic Unemployment" shows that, on the contrary, the number of those actually deprived of their jobs has increased even at the peak of business prosperity in the past—and is likely to do so in the future. The statement makes a strong plea to distinguish this particular kind of unemployment and to adopt separate measures to combat it—in addition to policies designed to promote the overall growth of the economy.

The NPA document includes some provocative measurements and estimates of chronic unemployment now and in the future—due to major geographical shifts of industries and firms and to the growing capacity of industry to produce more and more with fewer employees through increased automation. For example, the NPA says that today's output can be turned out next year with 1.8 million fewer workers than now. By March 1962 the economy will have to provide jobs, not only for them but for at least another 5 million to achieve "reasonably full employment.

The statement suggests a series of a dozen or so specific Government policies to reduce the chronic unemployment with which we are now faced. It does not, however, give as much consideration as it might to measures that could be taken by industry on its own initiative or under collective bargaining agreements. Its signers recognize full well all such measures can be fully successful only if additional job opportunities are created by an adequate rate of growth in the economy as a whole.

The roster of those who signed the statement adds both weight and interest to the substance of the document. There are 66 of them, representing outstanding leadership in business, labor, agriculture, education, and social welfare. Their views deserve wide attention and discussion.

TRAVEL U.S.A.

Mr. JAVITS. Mr. President, while the United States has been slow to recognize the important service that an international travel office such as Senator MAGNUSON and I have proposed could provide, private travel carriers and travel organizations are demonstrating in a modest way what can be done in response to the growing tourist travel market. The need for brochures, pamphlets, posters, and other promotional materials to persuade foreign travelers in their native language to include the United States in their tours can only be met in sufficient quality and quantity by the Federal Government. The United States, however, is the only world power that does not maintain a tourist information service.

I ask unanimous consent to have printed in the RECORD a survey of some of the needs which exist overseas by Irwin Robinson, entitled "Signposts for 'Travel U.S.A.'" which appeared in Travel Weekly, March 14.

There being no objection, the survey was ordered to be printed in the RECORD, as follows:

[From Travel Weekly, Mar. 14, 1961]

SIGNPOSTS FOR "TRAVEL U.S.A."

(By Irwin Robinson)

A group of earnest U.S. domestic travel promoters set out a few weeks ago to explore the possibilities of inducing European travel agents to send more clients to America.

They discovered before long that in addition to handing out information about attractions and rates and facilities, they were gathering in just as much information about the European market and its potential for the "Travel U.S.A." movement.

The facts and impressions they brought back with them can play a very important role in future efforts to develop westbound traffic. Whether or not the trip serves this useful purpose depends on how much attention the rest of the trade pays to the lessons learned by the SAS-sponsored team, and how realistically those who guide the destiny of the new U.S. Travel Office approach their jobs.

It is well to note here that people who exercise initiative always run a greater risk of making mistakes than those who sit back and watch. This applied to the SAS mission. And, while that airline as well as the domestic carriers, hotels, sightseeing companies and tour operators who participated should benefit greatly from their experiences in Europe, so will the other transatlantic carriers, the other domestic airlines (which did not take part but sent observers), and the other hotels, sightseeing companies and wholesalers.

The recent tour seemed to indicate that:

1. In travel, as in any other merchandising, new markets must be studied in terms of sales potentials, purchasing power and established buying habits. A great deal of additional information is needed along these lines if European markets are to be cultivated systematically.

2. Travel "merchandise" offered to European vacationers should be tailored to their interests and their needs. Merely offering domestic tours and packages because they are handy is not enough to make inroads on the new market.

3. The physical presentation of information intended to interest and excite European travel agents should be designed specifically for this audience. Material prepared for domestic audiences does not always hit the mark. While it can be assumed that the European agents who come to hear a U.S. presentation in English are familiar with the language, there is still a barrier.

QUESTION "RECEPTION"

4. European agents remain unconvinced that the reception, transfer and guide services they feel their clients require are sufficiently well organized in the United States to permit them to recommend such travel on a large scale. Either these services must be improved and expanded or European agents must be convinced they are adequate.

These are samples of the negative side of the picture. On the positive side, European agents recognize the deep-rooted desire among most of their countrymen to satisfy their curiosity about the U.S.A. They are frank to admit also that the income potential of the long haul to America and the relatively long stay is attractive enough to warrant their interest.

The question now is how to tap the potential most effectively in the shortest possible space of time. The points mentioned above deserve consideration by both domestic and international travel interests. They should be noted especially by the govern-

ment officials and the experts they retain to help them make two-way travel a reality.

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

ALLIANCE FOR PROGRESS FOR LATIN AMERICA

Mr. JAVITS. Mr. President, today I wish to discuss briefly what I consider to be the appropriate first major task which could be undertaken by the Organization for Economic Cooperation and Development, which the Senate recently ratified.

I believe it especially timely to discuss this now, for two reasons: First, it will give a very practical turn to the Organization, and thus I hope will provide an additional reason why there should be prompt ratification, in a parliamentary sense, by the other nations which will be members of the Organization; and, second, because I believe we are more and more concentrating our attention on where our foreign policy can do the most good in a constructive sense, long before we get into major difficulties. I see such signs written very clearly on the wall, in terms of Latin America; and, thus, I believe that not only is President Kennedy correct—as was President Eisenhower—in calling our attention to the need for a specific program there, but also we are under the responsibility of seeking a massive effort by all the countries of the world that are able to provide foreign aid, at the time when it will do the most good, to an area which at present is ready to receive it.

President Kennedy has called on the people of the United States and Latin America to join in a new "Alliance for Progress"—a vast 10-year cooperative program for the social and economic development of this hemisphere. The major Latin American governments have given support to this proposal, which is in accord with the Act of Bogotá, drawn up at the initiative of the Eisenhower administration. As a first step to implement the program, Congress has been asked to appropriate $500 million for the Inter-American Fund for Social Progress, and $100 million for the reconstruction of earthquake-battered areas of Chile.

I ask unanimous consent to have printed at this point in the RECORD an editorial entitled "America's Responsibility," which was published in the New York Times of March 31, 1961.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE AMERICAS RESPOND

The response to President Kennedy's "Alliance for Progress" plan for Latin America from some of the leading statesmen of the hemisphere and a number of the most responsible newspapers has been gratifying. This is important because the success of the Kennedy program depends in large measure on the cooperation of the Latin-American governing classes.

Friendly and enthusiastic messages have reached the White House from the Presidents of Venezuela, Colombia, Chile, Argentina, Peru, Mexico, and some smaller countries.

The letter from President Betancourt of Venezuela, the text of which has just been made available here, was exceptionally interesting. Señor Betancourt feels that there has been "a change of direction in United States conduct toward Latin America" and "the White House begins to speak a language that has not been heard since the days of Franklin Delano Roosevelt." Since President Betancourt, like other liberal democratic leaders of Latin America, has been critical of the Eisenhower administration policies, this is intended as a high compliment to the new administration in Washington.

The President's letter is most interesting in his assertion that there has to be "a revolution" in Latin America, especially with agrarian reform, but that it can be done "by evolutionary methods."

This is what the Betancourt government is trying to do in Venezuela and it is what the United States, in its new policies, wants to see done. It is the answer—the only possible effective answer—to the revolutionary drive of the combined forces of Fidelismo and communism in Latin America.

The obstacles to winning full and effective cooperation in Latin America from the ruling classes are far greater than generally realized in the United States. This is why the favorable reception President Kennedy's plan has received from democratic statesmen in Latin America is so encouraging.

Mr. JAVITS. Mr. President, today I am proposing that the United States take the lead in broadening the base of this effort, by enlisting the participation of the other 19 prospective members of the Organization for Economic Cooperation and Development—OECD—in the "Alliance for Progress."

Without assigning any relative priorities, Latin America represents an area of great opportunity for effective and constructive action in the field of economic development by all the industrial nations of the free world, organized in the OECD and in its Development Assistance Committee.

There can be created a program of self-help and mutual cooperation, having the full and active participation of the Latin American governments concerned in every phase of the undertaking, and calling for the best efforts of the new Inter-American Development Bank and other regional and international economic and financial agencies active in the area. The vast experience of the Western European countries in the self-help aspects of the Marshall plan which they undertook through their cooperation in the Organization for European Economic Cooperation, which preceded the OECD, can furnish vital elements for the success of this program.

In that respect, I call attention, with great approval, to the expressions contained in President Kennedy's message to the Congress, in which he made it very clear that he would expect that in connection with this "Alliance for Progress," each recipient nation would live up to the principles of self-help and domestic reform which are outlined in the message; and the President stated that he hopes funds will not be allocated until the operating agency receives assurances that the country to be aided will take the necessary measures to insure that the particular project will result in the maximum amount of social progress.

This is the very kind of experience the European countries can bring to a cooperative effort with us in the tremendous joint undertaking for Latin America which I propose.

Latin America will take pride in its participation and in meeting the standards of self-help referred to so specifically by the President in his message. Administration of such a program can take place through the existing regional agencies and organizations, which have nearly all of the American Republics as members, and which are already slated to carry out the declarations of the Act of Bogotá. Leading among these organizations is the Inter-American Development Bank, with $450 million from the United States, and an aggregate of $1 billion, and to which most of the sister American Republics now adhere.

A most vital aspect of this proposal includes also the cooperation of the private economic systems of the Western European countries in the OECD—the United States, Canada, and Japan, which was here represented through its membership in the Development Assistance Committee.

Private investment has been, and will continue to be, an integral and essential element of Latin American development, and the technical assistance resources of these private economic systems—when added to the technical assistance resources of their governments—can tremendously enhance the chances for success of the "Alliance for Progress."

In short, I suggest that the governments of the prospective members of the OECD, in cooperation with the private economic systems concerned, undertake an initiative comparable in importance to the initiative undertaken through the Marshall plan for Western Europe—this time for the development of Latin America.

I address myself to this subject because I have a rather special interest in regard to the cooperative positions of our European friends and allies.

It will be my purpose to submit this proposal to the next meeting of the NATO Parliamentarians' Economic Committee, of which I have the honor to be the Chairman, for their consideration in enlisting the prospective members of the OECD to undertake this effort. Let us remember that three-fourths of the nations of the new OECD are members of NATO.

I consider this committee especially qualified to take such initiative, since it has proven to be one of the primary centers of activity leading to the establishment of the OECD and of the new concept in cooperative development assistance for the benefit of the less-developed areas of the free world.

The program which I shall place before the committee cannot be undertaken by NATO itself, because NATO is not an operating organization in the field of development assistance. But planning to

meet the urgent economic development problems in Latin America cannot await the time when the OECD becomes fully operational, and therefore, cooperative action should be discussed now, within existing organization structures. When the OECD is ready to become active, its facilities for cooperative action should give top priority to Latin American development.

A pivotal role in this plan could be played by Puerto Rico, which is itself located in Latin America. The economic success and prestige of Puerto Rico in Latin America could be integrated and be utilized fully in such a cooperative effort.

All Americans hail with great pleasure the fact that the citizens of Puerto Rico are represented by an Assistant Secretary in our State Department and in the new Ambassador to Venezuela.

There are two final points I should like to discuss in this respect.

The requirements for Latin American economic development break down into two categories: First, the need for public loans and grants; and second, the need to provide an expanding market for Latin-American exports, which is at least equally important.

PUBLIC LOANS AND GRANTS

The present foreign public loan and grant inflow to Latin America totals about $600 million annually. Latest estimates indicate that for the next 10 years, the foreign public loan and grant needs of Latin America will average between $1.5 billion and $2.5 billion annually—at least three times greater than the present inflow. It is hoped that about $600 million annually, or one-third of this amount, could be made available in soft loans—loans not repayable in hard currencies—and that the Western European countries would be especially helpful in this sector.

It should be emphasized that these estimates deal with public loans and grants only. Between 1950 and 1958, net private capital investment, including reinvested profits, averaged $488 million annually, of which $413 million, or 83 percent, came from the United States. However, about half of this U.S. investment in Latin America went into the Venezuelan petroleum industry, and by the end of 1959, out of the $8.2 billion total U.S. private capital investment in Latin America, $4.2 billion—more than half—was in the extractive industries. The fluctuations in private investment, varying from $200 million in 1954 to $1.2 billion in 1957, also require attention.

It is obvious that the $500 million U.S. program for Latin America—plus $100 million for disaster relief in Chile—asked for in 1960 by President Eisenhower, and now by President Kennedy, is not adequate to what should be the free world's objectives. Both administrations spoke of this program as a first step, and put no time limit upon the expenditure of the money. The $1 billion total lending authority of the newly operational Inter-American Development Bank also cannot hope to meet adequately the estimated annual need of $1.5 to $2.5 billion in public loans and grants.

The $500 million now requested are really only an initial social-economic capital investment. It must be accompanied by public and private capital investments in the more orthodox sense. The $500 million initial investment is a first step in establishing those tangible and intangible bases for economic growth which already existed in Europe, even after the devastation of World War II: the knowledge of channels of trade, the traditions of financial institutions—in other words, the infrastructure of economic life. It should be emphasized that there is a great potential for action to enlist the technical know-how of the private economic system in the creation of this social-economic infrastructure. Much also needs to be done in meeting the basic needs in education, compiling of statistics, land reform, health facilities and tax reform.

In all these ways, Western Europe and Japan can be of help in working with us in meeting the needs of Latin America.

The export part of the situation is too little emphasized in what we have been considering for the development of Latin America. Latin America will live or die by its exports. It will live or die by the capital which is invested there. In order to live, it must develop.

LATIN AMERICAN EXPORTS

Western Europe and its associated territories take more than $3 billion or 35 percent of Latin American exports. This is only slightly less than the 44 percent share taken by the United States. Many of these exports are absolutely essential to the industrial operations of the Western World. Among such exports are tin, copper, lead, zinc, iron ore, and petroleum. However, Latin America, with practically no preferences established in the European Economic Community, must face the danger of having an increasing share of its exports of coffee, cocoa, bananas, and other products which are in competition with the exports of the EEC oversea territories diverted from the European market and losing the most favored nation treatment position. In addition, some of the Latin American products—notably coffee—face high excise taxes which restrict consumption in Europe, and hence are another impediment to Latin American development, which Europe could help undo.

While there has been an unprecedented increase in world trade during the past decade, the value of annual Latin American exports increased by only $1.4 billion, reaching $8.2 billion in 1959. Thus, Latin America's share of world exports actually dropped, from 11.1 percent in 1950 to 7.1 percent in 1959. Unless Latin America's exports rise at a rapid rate, there will be a $5 billion annual gap between Latin American exports and import needs by 1975. Thus, it will be necessary for Western Europe to increase its imports from Latin America, rather than decrease them, as now seems to be the danger.

Clearly, in terms of policy, in terms of the purpose of the OECD, in terms of the money needed, and in terms of the trade interest which obtains in Western Europe so far as Latin America is concerned, there is a great need for cooperation between the OECD countries and the United States along the broad outlines of the Marshall plan, in aid in the development of Latin America. Just as the burden of economic development of the present and former oversea territories of the European nations, through investment and trade, has not been and is not the sole concern of the Europeans but has been greatly shared by the United States, so must the European nations now share the U.S. responsibility in Latin America. This cooperation and sharing is inherent in the new concept of development aid which is leading to the establishment of the OECD. Latin America cannot wait and needs the cooperative action of the industrialized free world nations as soon as possible.

We cannot carry that responsibility alone. Munificent as is the program which has been authored for us by former Secretary Herter and President Eisenhower, now by Secretary Rusk and President Kennedy, it is still not adequate to the occasion and to the time in which we have to move. This, it seems to me, Mr. President, represents a splendid opportunity for a first initiative on the part of the Organization for Economic Cooperation and Development. I therefore urge it and suggest it for that reason.

Mr. President, in closing I state what I said when I began: I feel a responsibility to speak not because I have been involved so intimately in the affairs of Latin America but because I have been involved most intimately in the affairs of Western Europe, through my work in the NATO Parliamentarians' Conference and, before that time, when I was a Member of the House of Representatives, as chairman of the Subcommittee on Foreign Economic Policy.

I feel, from what I know of the situation, that the time is ripe. I feel that the Committee of which I have the honor to be Chairman, because the Senate sent me to the NATO Parliamentarians as a delegate, has an unusual opportunity to carry the initiative forward. I suggest it now so that it may be an additional inducement to the early ratification of and the early operation of the Organization for Economic Cooperation and Development by all the countries which have adhered to it.

CREATION OF NEW JOBS IN IDAHO

Mr. DWORSHAK. Mr. President, State legislators in my home State think Idaho's climate must be a vital concern of each citizen.

Climate to Democrats and Republicans of the recently completed 36th session meant more than rainfall or days of sunshine. They studied a special kind of climate—the business climate. It

drew serious bipartisan attention. Our legislators concluded that attitudes and decisions which build an unfavorable business climate could deter job-creating businesses from expanding or coming to the Gem State.

Faced with these challenges, Democrats and Republicans, much to their credit and farsightedness, recognized that Idaho competes with other States for product markets. In their deliberations they did not turn, as is now the vogue, to the Federal Government for preferential treatment or subsidy. Instead they adopted unanimously a resolution which promises, among other things, fair legislative treatment for business, equitable tax policies and fair decisions for all in labor-management relations.

I am proud of the State legislators of my State for this action. This sort of an awareness of the factors which encourage or discourage business and industry will be beneficial to Idaho.

Only when there is recognition of what high taxes and punitive laws and regulations can do to retard development can the forces of progress make real headway. The actions and intentions of the Idaho legislators should have a good effect upon improvement of the business climate of our State. The growing legion of paternalistic planners who are ever increasing their control over every facet of our American life would do well to read and to heed this resolution of the Idaho State Legislature.

Mr. President, I ask unanimous consent to have the resolution printed in the RECORD at this point.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION RELATING TO THE CREATION OF NEW JOBS IN IDAHO

(Senate Concurrent Resolution 9, p. 15, Senate Journal, Feb. 14, 1961)

Whereas good business climate is hereby defined as follows:

1. Fair and equitable treatment in general legislation and administrative regulation for all segments of Idaho's economy.

2. A framework of government the support of which adds no greater cost to doing business than the cost of government imposed by other States of similar industrialization and favorable climate.

3. Equitable tax policies and restriction of the cost of government to reasonable levels.

4. Fair treatment for all in legislation and administration of labor-management relations affairs.

5. Fostering, in the public interest, an economic atmosphere which will enable Idaho agriculture, forestry, mining and industry to compete for out-of-State markets, remembering that wide marketing of Idaho products brings wealth into the State, thereby raising the standard of living of all our people; and

Whereas during the last 10 years, under its generally favorable business climate, Idaho has attracted some 450 new manufacturing plants and expansions with a capital investment of close to $220 million; and

Whereas for reasons hereinafter set forth, it will be critically important for Idaho to continue to maintain and improve its business climate; and

Whereas Idaho's population is increasing at the rate of about 8,000 persons annually and is expected to reach 720,000 by 1965, when population forecasts indicate Idaho will begin to reach higher growth potentials; and

Whereas the capital investment necessary to provide jobs for the expected 2,500 new workers each year will be in excess of $35 million annually; and

Whereas basic industry broadens the tax base, thereby providing much needed revenues for community facilities and government services for all our people; and

Whereas in this era of rapid industrial expansion and relocation throughout the United States, industries, selecting locations, are vitally concerned about the relative business climate among the States; and

Whereas a favorable business climate attracts needed industrial payrolls; attitudes which build an unfavorable business climate could tend to deter the coming to Idaho of manufacturing plants which, in the relocation process, are free to seek the most favorable locations to themselves elsewhere in the West for serving Western markets; and

Whereas preservation of our good business climate is in the public interest and can be continued without discriminating against any other interest in Idaho: Now, therefore, be it

Resolved, by the Assembly of the State of Idaho (the senate thereof concurring), That this legislature henceforth shall examine all proposed legislation relating to business, industry, and agriculture in terms of its effect upon the business climate of the State, and shall determine whether such legislation may have any future discriminating or deterring effect upon the investment of capital and the creation of needed payrolls in Idaho; and be it further

Resolved, That the members of this legislature hereby request the Governor, the director of the budget, the director of finance, the treasurer, and the director of each department in the State government to examine their own discretionary actions and orders in any way relating to business, industry, mining, forestry, and agriculture in terms of the effect of such governmental action upon the business climate in Idaho; and be it further

Resolved, That the chief clerk of the assembly is hereby directed to transmit suitable copies of this resolution to the Governor, the secretary of state, the director of the budget, the treasurer, and to each director or head of every department in the government of the State of Idaho.

PROGRESS REPORT ON NEW DISTRICT OF COLUMBIA STADIUM AND APPOINTMENT OF MR. JAMES FRANCIS REILLY TO DISTRICT OF COLUMBIA ARMORY BOARD

Mr. BIBLE. Mr. President, on October 1, 1961, the country's newest and most modern stadium will be opened in Washington, D.C., to serve not only for sports contests but also as a site for civic, political, religious and other events, both local and national in scope.

Over the past 38 years many Members of Congress, some of whom still serve with distinction in the Senate, and many of Washington's outstanding civic leaders, have worked long and hard to build a stadium befitting the Nation's Capital City. Today, as chairman of the Senate Committee on the District of Columbia, I wish to make a report on this project in which Congress has played such a key role.

On Wednesday, March 29, the Honorable James Francis Reilly, a prominent Washington, D.C., attorney and civic leader, was appointed to the District of Columbia Armory Board by the Honorable JOHN MCMILLAN, chairman of the House Committee on the District of Columbia, and myself. In accordance with custom, Mr. Reilly is expected to become Chairman of that Board, which administers both the armory and the new $20 million stadium. Other members are the President of the District of Columbia Board of Commissioners, Walter Tobriner; and Maj. Gen. Harry Abendroth, commanding general of the District of Columbia National Guard.

I ask unanimous consent to have printed in the RECORD a statement issued by Representative MCMILLAN and myself at swearing-in ceremonies for Mr. Reilly in the Old Supreme Court Chambers of the Capitol on March 29; a summary of facts and figures about the new 50,000-seat stadium, showing background information and facilities it will offer to everyone; an editorial from the Washington Evening Star of March 31.

There being no objection, the statement, summary, and editorial were ordered to be printed in the RECORD, as follows:

JOINT STATEMENT BY SENATOR ALAN BIBLE, DEMOCRAT, OF NEVADA, AND REPRESENTATIVE JOHN L. MCMILLAN, DEMOCRAT, OF SOUTH CAROLINA, CHAIRMEN OF THE SENATE AND HOUSE COMMITTEES ON THE DISTRICT OF COLUMBIA, OLD SUPREME COURT CHAMBERS, U.S. CAPITOL, MARCH 29, 1961

This forum has a dual purpose this morning. First, the chairmen of the Senate and House Committees on the District of Columbia desire to make a joint announcement of their selection of the Honorable James Francis Reilly, prominent Washington, D.C., attorney, as a member of the District of Columbia Armory Board.

Secondly, many of Mr. Reilly's friends, District of Columbia officials, such as President Walter Tobriner of the Board of Commissioners, and his colleagues on the Armory Board, have come to do him honor by witnessing his swearing-in ceremonies.

Mr. Reilly will succeed Mr. Floyd D. Akers, who resigned recently from the Armory Board, after a 10-month term and after 17 years of civic activity in helping the planning and construction phases of the new 50,000-seat stadium, which is to be opened this fall for Washington and the country.

Jim Reilly is not a newcomer to Washington, coming here originally in 1928 as a law student and remaining to raise a fine family and practice law. He was an assistant corporation counsel for the District and served with distinction as executive assistant to the Chairman of the Civil Aeronautics Board. He won appointment by President Franklin D. Roosevelt as a member of the District of Columbia Public Utilities Commission in 1944, returning thereafter to the private practice of the law.

Over the years, he has given of his time and talent in civic, political, educational, and charitable activities to this city, its people, its local government, and to the Federal Government as well. Less than 2 months ago, he was general chairman of the first annual St. John's scholastic indoor track and field games at the National Guard

Armory, helping 750 youngsters from 50 area schools to become better athletes today and better citizens tomorrow.

It is a real pleasure for both chairmen of the Senate and House Committees of the District of Columbia to make this appointment and to express the hope that Mr. Reilly becomes Board Chairman in accordance with custom.

It will be the task of Mr. Reilly to assist his fellow Board members in overseeing the final construction phases and initial operation activities of this great stadium, the country's newest and most modern. This structure will be a real asset in many ways to the life of this great Capital City and will mark another step in making Washington, D.C., the showplace of democratic government in the free world.

WASHINGTON, D.C., PRESENTS ITS NEW $19,800,000 STADIUM

Stadium site: Located adjacent to the District of Columbia National Guard Armory at 2001 East Capitol Street, Washington 3, D.C. Telephone Lincoln 7-9077.

Parking: Parking area of 92.2 acres with facilities for 12,500 cars, 300 buses and 200 taxis.

Dimensions: The stadium covers a total of 10 acres, of which the playing field constitutes 3½ acres. The structure itself occupies the remaining 6½ acres. Playing field surface measures 340 feet to left and to right field foul poles, 425 feet to center field.

Seating capacity: 50,000 for football; 43,500 for baseball. Every seat will provide an unobstructed view of the entire field. Design of the stadium provides an original seating arrangement to furnish maximum utilization for multipurpose use. This is accomplished through the ability of a section of the lower stands to be rotated, thus making 80 percent of the total seats adjacent to the foul lines for baseball and 50 percent of the total seats along the sidelines for football. All seats will be theater type and will average 20 inches in width for complete comfort; 60 percent of the seats will be under cover.

Cost: $19,800,000—construction financed through bonds issued under the authority of the act of Congress known as the District of Columbia Stadium Act of 1957, as amended. The bonds are guaranteed both as to principal and interest by the U.S. Government.

Management: The District of Columbia Armory Board, a three-member, policymaking body, was authorized by Congress to build, operate and maintain the stadium. The Armory Board Manager, Arthur J. "Dutch" Bergman, handles all details of the stadium operation and is responsible to the Board.

Scoreboard: The most modern and complete scoreboard for both baseball and football. Board includes a novel "Magic-Message" center which is controlled electronically. Scoreboard to be 369 feet long and 40 feet high. Two auxiliary boards will also be used for football and baseball.

Lighting: Batteries of floodlights to deliver 200 foot-candles of light to the infield, and a uniform 150 foot-candles of light to the outfield and for football.

Concessions: A total of 26 concession stands, conveniently located throughout the stadium, will be capable of handling capacity crowds.

Public restrooms: 45 restrooms, for men and women, conveniently located throughout the stadium, on all levels.

Gates and ticket booths: 48 turnstiles, 7 gates, 14 pairs of ramps, 3 passenger elevators and 1 freight elevator. Full capacity of the stadium can be cleared out in 15 minutes. Twenty-four ticket booths, all serviced by pneumatic tube carrier service.

Dressing rooms: Modern dressing rooms will provide every convenience for athletes and performers.

Press facilities: For baseball: a 155-foot press box and a 150-foot photographers' platform located behind the home plate area.

For football: a 125-foot press box and an 80-foot photographers' platform located adjacent to the 50-yard line area.

In addition, broadcast booths are provided for both baseball and football. All accommodations to be enclosed in glass and to provide facilities for press, radio, newsreel and television personnel and their equipment.

Ideal location—

By helicopter—special landing pad in stadium area.

By boat—via Anacostia River to stadium docks, being planned for future development.

By car—just minutes from practically anywhere in the Washington area.

Minutes from Union Station and airport.

This new, ultramodern stadium will be the home of the Washington Senators, the Washington Redskins and George Washington University Colonials. It will provide needed facilities for all major athletic events including football, baseball, boxing, wrestling, as well as for circuses, music and folk festivals, civic and national affairs, religious functions and all other large-scale events.

[From the Washington Evening Star, Mar. 31, 1961]

ARMORY BOARD SHIFT

The selection of James F. Reilly to succeed Floyd D. Akers on the District Armory Board assures a continuity of competent management for two important enterprises of special interest to sports fans as well as to the general public, namely, the armory and the new $20 million stadium nearby. The chairmen of the Senate and House District Committees deserve commendation for their choice of the only appointed member of the Board.

Mr. Akers wisely withdrew from the Board because of a conflict of interests that would result from his financial stake in the Washington Baseball Club, which is negotiating for use of the stadium next season. He leaves behind a record of substantial achievement in behalf of the stadium, of which he was one of the pioneer advocates.

Mr. Reilly, an attorney well known in local trade, civic, and sports circles as well as in the legal profession, will serve with two ex-officio members, District Commissioner Tobriner and Major General Abendroth, Commander of the District National Guard. The trio will have much work to do in the immediate future, for it will be the Board's responsibility to complete the stadium and negotiate contracts for its use. Mr. Reilly's legal experience should be of considerable value in these undertakings.

FALL OF BATAAN

Mr. HUMPHREY. Mr. President, this coming Sunday will be the 19th anniversary of the fall of Bataan. To commemorate it, the Board of Commissioners of the District of Columbia is naming two streets near the Philippine chancery, "Bataan" and "Corregidor."

Man's brotherhood to man was never more clearly demonstrated than on that little peninsula and that little rock where the American and Filipino people fought side by side in a common cause—the cause of freedom.

Bataan and Corregidor—how strange those names seemed to us in those dark days in 1942. They became, however, the bloody corridors to freedom and showed the world the great adherence to the ideals of democracy and freedom of the Filipino people.

The military defeat of Bataan was overshadowed by the symbolic spiritual victory of that battle.

After the war in the Pacific came to an end, the United States redeemed its pledge of freedom and independence for the people of the Philippine Islands. This was the beginning of the march to freedom of formerly subject peoples in Asia and Africa in the postwar period.

Bataan and Corregidor will always remain as a symbol of brotherhood, freedom, and the dignity of man.

Mr. HILL. Mr. President, Sunday, April 9, will be the 19th anniversary of the fall of Bataan. Commemorating Bataan Day this year, the Board of Commissioners of the District of Columbia will name two streets near the Philippine Chancery "Bataan" and "Corregidor." This action will memorialize our common history and will symbolize the spiritual brotherhood of Filipinos and Americans. For this and more we are grateful.

The people of the Philippines and the United States have stood steadfastly together in war and in peace; dedicated to liberty and freedom; loyal to the ideals of democracy. Together, we bear a sacred obligation to those who suffered and died at Bataan. To their memory, we must face the future unafraid. We must labor resolutely and courageously, as they did, and ever be true to the cause of liberty whenever it is threatened.

We shall not soon forget the struggle of those brave men at Bataan and Corregidor. The days were dark in war. Japanese invaders bombed Luzon in December, and less than a month later Manila and Cavite fell. In the face of overwhelming might Maj. Gen. Jonathan M. Wainwright commanded and entrenched his few thousand troops for an heroic holding action along narrow Bataan Peninsula which overlooks Manila Bay.

After 4 tortuous months, our men were reduced to less than one-fourth rations. Their ammunition was exhausted and they had hardly any artillery. A large number were barefooted and clad only in rags. Wounds, disease, and sheer fatigue plagued them until less than half were capable of walking any distance. Only then did the weary men of Bataan, in the words of their commander, surrender to the superior force of the enemy—superior only in numbers and equipment but not in courage or in morals or in devotion to the cause they were defending.

Bataan Day is a time of deep significance—a national memorial. We are proud and honored to share in its observance with the people of the Philippines. Yesterday perhaps the people of the Philippines depended more on us. But tables turn. Today grave problems in Asia and Africa challenge our utmost wisdom, courage, imagination, and vision. Our common devotion to liberty and freedom is still at stake. Fortu-

nately, our friends of the Philippines are with us to the task.

In honor of Bataan Day, 1961, I commend to the attention of the people of both nations a splendid, inspiring article of a great statesman and stanch friend of the United States, Gen. Carlos P. Romulo, Philippine Ambassador to the United States. Few, if any, could write of Bataan with deeper feeling; for General Romulo was General MacArthur's aide-de-camp in Bataan, Corregidor, and Australia. He returned to the Philippines with the U.S. forces that landed in Leyte. But in his article "The Victory of Bataan," General Romulo writes not to the past; his call is to the future. I strongly commend to the American people the words of the brave and the valiant, the gallant Carlos P. Romulo.

Mr. President, I ask unanimous consent that General Romulo's article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE VICTORY OF BATAAN

(By Gen. Carlos P. Romulo, Philippine Ambassador to the United States)

Sunday, April 9, is the 19th anniversary of the fall of Bataan. To commemorate the event, the Board of Commissioners of the District of Columbia decided to name two streets near the Philippine chancery "Bataan" and "Corregidor." At the official naming ceremony which will take place at 3:30 in the afternoon, Secretary of State Dean Rusk will deliver the main address.

That Bataan and Corregidor should thus be remembered in the Capital City of the United States recalls the inner meaning of the blood brotherhood between the American people and the Filipino people that was sealed on that little peninsula and on that little rock whose names are enshrined in the histories of both our countries.

Bataan fell but its fall was really a victory. It was the victory of the human spirit. It was such a victory because it was a strange and wonderful symbol of what the 20th century could mean to the human race. Ever since those terrible days of 1942 we have been aware of this symbolism. It does no harm to repeat it now—because, like all great verities, it seems to acquire new truth each time it is repeated.

We recall the victory of Bataan: The demonstration to the whole world that people of different races, different origins, different backgrounds, have a common cause in liberty. That the old and despicable balance of mastery and slavery, of colonial power and subject nation, can be wiped out in a spirit of mutual trust and respect. That the man of the West and the men of the East can face a common foe in absolute and unquestioned equality.

That was the victory of Bataan. It sealed the bond of friendship between Filipinos and Americans—a bond already established through the long years that led up, before the great war came, to the guarantee of national independence. As the long shadows of military defeat fell over those Filipino and American warriors in the tropical night in Bataan, the victory of the free spirit hovered overhead. It foretold the irreversible march of nationalism in Asia and Africa, the massive and exciting roster of nations that would quickly win their freedom in the years to follow—India, Pakistan, Burma, Ceylon, Indonesia, and all the others.

The victory of Bataan showed the way. It was important in time of war. It is even more important now. For we can now place the troubled problems of relationships between nations against the background of the lesson we taught ourselves on Bataan. Today we are faced with a new menace.

We are really still fighting the battle that we fought on Bataan. It is a new threat, this menace of imperialistic Communism. We see it in Laos, in South Vietnam, in Berlin, in the Congo, even in the august halls of the United Nations. And under the leadership of President Carlos P. Garcia, we are meeting it in the Philippines with the same determination and the same courage that we showed in Bataan 19 years ago.

Asia and Africa are afire with nationalism. This powerful force, which in a different incarnation gave Europe its bloodiest centuries and its most magnificent civilizations, can now do the same, one or the other, in the rich and vast continents peopled by human beings in the millions. American survival and that of freedom itself depends on the capacity of the people of the United States to recognize what is happening in the world; and, having recognized the nature of the upheaval, on the ability of American leadership to act with wisdom and imagination.

To us in the Philippines and to you here, Bataan is a symbol of the bond between us. Bataan is of the past; but the bond lives, and must never be shaken. And today we look to America for more than maintenance of that bond. It may be a natural human impulse to pay closest attention to those who waver than to those who are trusted; to give greater help to the uncertain, the uncommitted, than to the committed, to take stanch allies for granted. But it may be good to remember that this impulse, however human, does not always coincide with the realities of world affairs. Bataan should always stand as a reminder of the continuing mutuality of Philippine-American friendship.

So today, in 1961, we Filipinos and Americans recall the symbolism of Bataan—the spiritual victory that makes the military defeat look puny—and in the remembrance of that great moment in our common history we have the right to stand side by side through all the years to come, certain of the rightness of our cause and the timelessness of our friendship.

(EDITOR'S NOTE.—General Romulo was General MacArthur's aide-de-camp in Bataan, Corregidor, and Australia and returned to the Philippines with the U.S. forces that landed in Leyte.)

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. HILL. I yield.

Mr. HUMPHREY. I am delighted that the Senator from Alabama has commented as he has upon General Romulo. I have never known a man more dynamic and enlightened in his expression and in his interpretation of the affairs of the world than Carlos Romulo. He is a great friend of the American people, and he is a great leader of his own country. He is a giant for freedom. He has a magnetic and magnificent personality. The Senator from Alabama has appropriately commended him. I did not want this occasion to pass without joining in that commendation.

Mr. HILL. I thank the Senator for his very kind and generous words. As the Senator said, General Romulo is a great champion of and fighter for freedom as he was a great fighter at Bataan and Corregidor, and in Australia. He came back with the American forces to Leyte. When I think of General Romulo—and I have told him this—I am reminded that Napoleon Bonaparte said that when he saw Marshal Ney, he felt braver. When I see Carlos Romulo, I feel braver.

NUCLEAR TEST NEGOTIATIONS

Mr. HUMPHREY. Mr. President, I wish to address myself to the subject of the Geneva nuclear test negotiations which are underway at Geneva, Switzerland. I do so in my capacity as chairman of the Subcommittee on Disarmament of the Senate Committee on Foreign Relations, and as one Senator who has long been interested in this important, yet complex, and at times very stressing, series of negotiations.

On March 21, 1961, the United States resumed negotiations with the United Kingdom and the Soviet Union for the discontinuance of nuclear weapons testing. These negotiations, which began in October 1958, have covered some 280 meetings, three technical working groups, and scores of informal sessions.

In 1958 it was my privilege to attend some of the meetings in Geneva. I noticed in today's press that Vice President JOHNSON is in Geneva with the Senator from Tennessee [Mr. GORE] and others, who are visiting in Geneva and working with our negotiator, Mr. Arthur Dean, in the effort of our country to arrive at a satisfactory agreement. Before many weeks have passed we shall know whether a treaty with the Soviets is at all possible. We shall know whether nuclear weapons testing shall cease for the duration of that treaty. We shall know whether a first step toward the reduction and control of armaments shall have been taken.

The United States negotiating team is well prepared and is determined to conduct serious negotiations.

I commend the President on his selection of Mr. Arthur Dean, one of the outstanding legal minds of our Nation, as our chief negotiator. Prior to Mr. Dean's departure for Geneva, I had the privilege of discussing with him our negotiating program or our articles of negotiation. I believe that we are better prepared at this time for serious negotiations than at any time in recent years.

The position of the United States on all unresolved questions before the conference is being communicated promptly to the Soviet Union and, of course, to our ally, Great Britain. In fact, our proposals and our position on these unresolved questions of the past year have been arrived at in close consultation with Great Britain. If the Soviet Union wants a treaty and is prepared to accept a control and inspection system, the Soviet representative at the test ban talks will find the United States and Great Britain receptive. We are sincere in wanting to get down to business, and we want to complete the drafting of an acceptable treaty.

If, however, the Soviet Union elects to follow a tactic of stalling—and, regrettably, this now appears to be the case—of refusing to agree on a system of inspection and control, and of shifting its

position, as it has, by proposing a tripartite administration with built-in veto, then we shall know that once again a first step toward disarmament has been snatched from our grasp. If the Soviet Union follows this tactic, nuclear testing may well be resumed. Nuclear testing may be resumed not only by the Soviet Union, the United States and the United Kingdom. It will be continued by France. It may be begun by Communist China, and perhaps a half dozen or so other powers which are able to achieve a nuclear weapons capability.

I do not believe that any person ought to dismiss the possibility that within the very near future Communist China will have the technical capacity and know-how to develop a nuclear weapon. The day that Communist China has its own nuclear weapon factories will be the day that the peace of the world will definitely be threatened, if not destroyed. Therefore, the problem of trying to arrive at an agreement to stop further nuclear weapons tests is not merely a problem of convenience as between ourselves and the Soviet Union, but it relates directly to the survival of mankind.

I shudder to think what would happen in this world if the leaders of Communist China and some of the leaders in the Middle East who brandish their weapons rather readily were in the possession of nuclear weapons. I shudder to think what would happen if Mr. Castro had nuclear weapons. These weapons are dangerous in the hands of any nation. They become unbelievably dangerous in the hands of capricious dictators.

The whole world ought to be shocked at the position now taken by the U.S.S.R. on the Administrator for the test ban control organization. The Soviets had last year agreed with the United States and the United Kingdom that "the Administrator shall be the chief executive officer of the system and head of the staff of the control organization."

That was an agreed-upon provision in the draft of the treaty.

The Soviets propose an administrative council composed of three administrators; one representing the United States, the United Kingdom and its allies, one representing the Soviet Union and its satallites, and one representing neutral states. According to the new Soviet view, the three administrators would have to be in unanimous agreement before decisions could be made and carried out.

This is the veto in new clothing. It is completely unacceptable. I cannot imagine the Senate approving a treaty with such a provision contained in it. What is more, I cannot imagine our negotiators ever agreeing to such a provision. As one who has been keenly concerned with and interested in this subject of nuclear test suspension and who has advocated it under proper safeguards of inspection and control, I wish to make my position quite clear that any draft treaty with an administrative organization such as proposed by the Soviet Union in recent days is totally unacceptable. It would be a fraud, and it would indeed endanger the very safety of the United States and the free world.

If this is the position the Soviet Union plans to maintain in the test ban and all other disarmament negotiations, then the Soviet Union is saying, in effect, it is really not interested in any type of disarmament or even in steps leading to disarmament.

I might add that this is about the same position the Soviets are taking with respect to the United Nations itself and the office of its Secretary General. They are seeking to abolish the single officer, namely, the Secretary General, and to set up, instead, a committee of three to take on the administrative and executive responsibilities of the office of the Secretary General.

The Soviet Union knows that this is a completely unacceptable proposal in the United Nations and in the disarmament control mechanism. I brand them with plain stalling and using tactics to delay and to confuse. I hope their representatives will give some careful reconsideration to this type of activity in which they are now engaged.

Let the world know that if these test ban talks fail because of the Soviet Union's intransigence, and because of the Soviet tactics, then the responsibility for the arms race and its continuance will rest squarely upon the leadership of the Soviet Union, and, all of their peace talk to the contrary, the arms race and the threat to the peace of the world is the responsibility of the Soviet Union and due to the impatience of their leaders.

Mr. President, many of us have worked hard for several years trying to persuade the nuclear powers to take a first step toward curbing the arms race. We must have continued patience. We shall continue to seek progress toward reducing and controlling the world's arms.

But patience does not include sitting indefinitely at the negotiating table under conditions of an unmonitored and uncontrolled moritorium on all nuclear tests, including even tests for research on detection and for peaceful purposes. If the United States is forced to renew nuclear testing, the fault will lie squarely at the doors of the Kremlin. The recent Soviet conference table filibuster on nuclear test cessation proposals is irresponsible and dangerous. Let the world know that fact.

I trust that the recent Soviet tactics of retrogression and of filibustering are a temporary aberration. Perhaps the Moscow winter has been unduly severe. Perhaps the crisis in Soviet agriculture has gotten the better of Mr. Khrushchev. Perhaps the Soviet hierarchy once again has found itself unable to allow even a little opening up of its territory which the modest control and inspection system for an agreement would entail. It is difficult for me to think the present Soviet position, against concluding an early test ban agreement and thus forcing the resumption of tests, is one that would command the support of the Soviet people.

There is no hope for any kind of disarmament unless we can at least take the first step of an inspected nuclear test cession treaty. If we cannot take that step, then the talk of disarmament is an exercise in futility.

My hope—and I believe the hope of my fellow citizens—is that the Soviet Union, the United Kingdom, and the United States will succeed in drafting a treaty to end nuclear weapons testing. Such a treaty, if carried out in good faith according to its letter and its spirit, would demonstrate that it is possible to combine steps involving the reduction of arms with steps involving effective control and inspection.

Let us make no mistake about it, Mr. President, there can be no disarmament, there can be no reduction of armaments without inspection and control because the element of trust has been destroyed by the activities of the Soviet Union and its leaders. We must build a system that is the alternative to trust; namely, a system of inspection and control. We must substitute a mechanism for that quality which makes treaties likely of their fulfillment—trust and confidence.

The world has been stymied on this point since the end of World War II—almost 16 years. To achieve success on this difficult and delicate task would inspire us to seek other arms reductions and control measures.

The United States has entered the present negotiations prepared to reach agreement. I know of what I speak, because it was my privilege to be briefed and to be fully informed as to the position of the United States at the conference in Geneva.

I repeat that we went to the conference prepared to negotiate every single item in the draft treaty. For the first time, every unresolved point had a position taken upon it by the U.S. delegation. Every position that was in controversy in preceding negotiations was reviewed, and a new U.S. position on it was established. We have unfolded our position to the Soviet Union. We have kept nothing back. We have attempted to put on the conference table every unresolved point. We are seeking accommodation with the Soviet Union on these points. The United States has entered these negotiations in order to reach agreement, but the United States will not, must not, and cannot seek agreement that would have such loopholes as to invite cheating with impunity. Any agreement—and the Soviet Premier knows this—in fact, I had an opportunity of telling him so 2½ years ago, and it has been stated repeatedly by responsible officials of our Government—must receive the support of two-thirds of the U.S. Senate. Such support will only come if the treaty contains effective safeguards.

The control system now being sought by the United States does contain safeguards. I wish the RECORD to show the safeguards for study by the American people and Members of Congress.

First. One is that there would be placed in the Soviet Union several con-

trol posts, equipped with sensitive instruments, to record phenomena which might be nuclear explosions. Control posts would also be located eventually in all parts of the world. These control posts would also be able to record events in the Soviet Union.

Of course, such control points would also be located in the United States and in other parts of the world.

Second. A second safeguard is that there would be allowed several on-site inspections per year in the Soviet Union, in the United States and in the United Kingdom, to check a suspicious event, to determine whether it was or was not a nuclear explosion. Any inspection system which does not provide on-site inspection cannot possibly be effective.

Third. A third safeguard is that the majority of the technical personnel at the control posts, at the headquarters of the control system, and on the inspection teams will not be nationals of the country being inspected and controlled. In other words, there would not be self-inspection.

Fourth. A fourth safeguard is that the personnel of the control system would not be hampered in the pursuit of their duties. If they were hampered, this would be grounds for abrogation of the treaty. The personnel are to have rights of movement similar to all diplomatic agents. They are not to be prevented from going immediately to the site of a possible nuclear test, if the instruments of the control posts indicate such an event may have taken place.

Fifth. A fifth safeguard is that the control organization will not be hampered by a veto. Decisions of the control commission will be made by simple majority vote, except in a few cases, to be stated in the treaty, where the United States, and the United Kingdom, and the Soviet Union have agreed either on unanimity or to a two-thirds majority. The United States, I know, will not budge from this position. We shall not condone the use of a veto in the day-by-day operations of the control system.

Sixth. A sixth safeguard is that the control organization will provide for a research program for the improvement of techniques in the detection and identification of nuclear explosions and natural phenomena. Furthermore, the treaty will provide that the results of research can be incorporated into the control system.

Seventh. A seventh safeguard is that if countries such as France and Communist China do not sign the treaty and abide by its obligations, the United States would be freed thereby of its obligations to refrain from nuclear weapons testing.

In listing these safeguards I would not want Senators to think that it is possible to have a 100-percent foolproof or cheat-proof system to monitor the cessation of nuclear weapons tests. We must face the fact that no such perfect system is presently possible, given the present state of technology in detection and the fanaticism of the Soviets towards secrecy and their fear of an open society. On both these counts, however, a test ban treaty could improve the situation. A treaty offer opportunity for increasing our knowledge of detection. A test ban treaty could also contribute to breaking down the wall of secrecy and suspicion which surrounds so much of Soviet thinking and action.

Yes, I agree, a test ban treaty would contain some risks. There is the possibility that the Soviet Union might conduct a nuclear test and not be detected. Still, what neither the U.S.S.R. nor the United States knows is whether such a test might be detected by the control system or by methods of conventional intelligence. The risks of cheating occur for both sides; our side in not catching the violator, the Soviet side in getting caught.

We must also make judgments about how much our own security would be weakened if the Soviets tested one, two, or a few nuclear devices without getting caught. One sneak test would not necessarily alter the military balance of power, but the expansion of nuclear weapons to other nations surely would alter the balance of power. The expansion of nuclear weapons to other nations, such as Communist China, the United Arab Republic, Cuba, and indeed to all other nations, certainly would alter the balance of power.

The Test Ban Conference is an opportunity for the major powers to demonstrate they have a mutual interest in limiting their weapons, of slowing down the arms race, of being willing to accept international controls. For my part, I am satisfied that the position to be followed by the United States is sound and is reasonable.

Mr. President, I have made this statement after a very careful analysis of our proposals. In fact, I had intended to make a statement on this subject on the 21st of March. I have checked my information carefully with the responsible officials of this Government. I want to see a workable treaty, having safeguards. I feel that it is the only possible way to alter or to check the spread of nuclear technology for weapons purposes.

I have the feeling that we are actually at high noon at Geneva in the nuclear test cessation conference. The Soviet Union has again applied the kind of brinksmanship, as characterized by Mr. Harriman the other day, which really threatens the peace and security of all mankind. It is about time that the United States of America spoke openly, fearlessly, and frankly about these matters. We have gone to the conference prepared to negotiate—indeed, to compromise. We are finding that the conference is being used as a part of a total diplomatic maneuver on the part of the Soviet Union—including Berlin, Laos, the Congo, Geneva—all over the world. The Soviet Union understands straight talk. That is all it understands. The straight talk needs to come not only from the executive branch of our Government, as it is coming, but also from Congress. It should not be talk which is belligerent in nature, because this Senator seeks reconciliation, seeks an agreement with proper safeguards and controls. I do not seek to have a proliferation of these weapons or an expansion of them. I seek to halt the arms race before it consumes us.

But I must say that this result cannot be achieved by us alone. It requires that the peace-loving peoples of the world bring whatever pressure they can upon the great powers to come to an agreement. The peace organizations of America must speak up fearlessly, not only to our own Government, as they do so repeatedly, but also to other governments, particularly to the Soviet Union. The Soviet Union is today bargaining with the future of mankind, and it is bargaining recklessly. I wish the people who believe in the cause of peace to understand what is taking place. I am hopeful that in the weeks ahead, after a careful reexamination of the American proposals and the British proposals, the Soviet delegates at Geneva will receive instructions from their home office at the Kremlin, as they always do, to bargain in good faith. If they do that, then much of the talk about easing world tensions will at least have its first possible chance of success.

COMPETITIVE TRANSPORTATION RATEMAKING

Mr. HARTKE. Mr. President, I have cosponsored Senate bill 1197, to amend the Interstate Commerce Act with respect to the rule of ratemaking where competition between carriers of different modes of transportation is involved.

I believe the interest of all segments of American transportation is best served when the letter and the spirit of the national transportation policy is vigorously pursued. S. 1197 would implement the Interstate Commerce Act to provide strict adherence to that policy. It is pronational transportation policy. It is not "anti" any mode of transportation. Substandard rates do not create advantages for any carrier. They deny to carriers the revenues to which they are entitled for the services they provide. They deny to competitors revenues because of destructive competition. I support S. 1197 because it aims to restore economic and competitive balance to our transportation industry.

I support S. 1197 because it will:

First. Clarify section 15(a)3 of the Interstate Commerce Act to state more concisely the philosophy of competitive ratemaking which was the will of Congress when passing the National Transportation Act of 1958.

Second. Require the ICC to consider the "value of services" in determining rates, as the Commission had traditionally done.

Third. End any destructive rate policies of various modes of transportation which have arisen since the 1958 Act was passed.

Fourth. Provide more just compensation to all forms of transportation by setting rates to consider value of services they perform.

There is evidence that the bill has been misinterpreted, either innocently or intentionally, by some people who believe it would force the ICC to discriminate unjustly against one or another mode of transportation when establishing competitive rates. The bill is intended to supplement the national transportation policy and restore this policy as the guiding standard by which all decisions relative to competitive practices in transportation are judged. In other words, the intent of the bill is to be fair and impartial.

The national transportation policy provides that a national transportation system by water, highway, and rail, adequate to meet the needs of the commerce of the United States and its national defense, be "developed, coordinated and preserved." It provides for fair and impartial regulation of all modes of transportation, administered so as to recognize and preserve the inherent advantages of each; for the promotion of "safe, adequate, and economical and efficient service"; for the fostering of "sound economic conditions in transportation and among the several carriers."

When the Interstate and Foreign Commerce Committee considered the National Transportation Act of 1958, many suggestions for changes were made.

Outstanding among the proposed revisions in the rate standards were the so-called three shall-nots. These suggested that the Interstate Commerce Commission in passing upon the reasonableness of rates "shall not consider the effect of such rates on the traffic of any other mode of transportation; shall not consider the relation of such rates to the rates of any other mode of transportation; or shall not consider whether such rates are lower than necessary to meet the competition of any other mode of transportation." The Committee on Interstate and Foreign Commerce unanimously rejected this proposal and emphasized a statement of the Subcommittee on Surface Transportation in support of their action.

The subcommittee held that—

> The national transportation policy is clear * * * that such ratemaking (if competitive forms of transportation) should be regulated by the Commission to prevent destructive practices on the part of a carrier or group of carriers.

In competitive transportation ratemaking, there is a policy and a pattern established from years of experience and periods of trial and error. When carriers have been allowed to deviate from historical concepts in making rates, the gains have been short term and short lived. Rate structures which do not adhere to the historical pattern seem more vulnerable to evasion and abortion than those which follow the time tested standards. Many times they fail of their own weight and inadequacies.

A practice which has grown up since the passage of the National Transportation Act of 1958 is the use of an "all-freight" rate for shipment of goods by the several forms of transportation. Since items of freight which would travel at a relatively high rate are mixed by a carrier with those that travel relatively cheaply, a median rate has always seemed acceptable.

When a carrier sets an all-freight rate that is unreasonably low, it is open to abuse which is damaging to the carrier who moves the freight at a less satisfactory compensatory rate. It also is damaging to other competing modes of transportation.

It is a matter of record, for example, that a carrier has set all-freight rates for movement of mixed loads which are so low that the only freight moving more cheaply is bulk waste products. These mixed loads might easily include commodities or goods which are of an extremely high classification.

A good example was when ICC Hearing Examiner G. A. Dahan in his report of docket No. 32533 condemned the practice of a railroad which had established an all-freight rate for class 3 and class 4 "piggyback" service that was so low that the only products which would be moved in full carload shipments at similar or lower rates were 10 of the 12,000 classified commodities such as lime sludge; lead or zinc mine refuse; sand, slag or gravel NOIBN—"not otherwise indexed by name"—tailings of iron ore with no value for further metal extraction; and various other low-grade stone and gravel commodities, all shipped in bulk with high weight minimums.

Indeed the railroad services are minimal. They furnish only route and power, but when shippers can move high-grade articles that are rated class 100 or better in boxcar service at ratings lower than those assigned to low-grade bulk commodities, I believe the railroads are losing revenue that should be theirs. And they are not losing it to competitors; they are losing it to substandard rates.

Destructive competitive practices are dangerous to all forms of transportation—those using the low rates to attract business and competing forms which suffer loss of traffic because of the competitive rates. S. 1197 is necessary to restore the competitive balance which is essential to the preservation and encouragement of our national transportation system and is necessary to insure rates to carriers which are consistent with the traditional "value of services" rate standard. It is urgent that we move to restore the competitive and economic stability to our transportation industry.

EXECUTIVE SESSION

Mr. HUMPHREY. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

The PRESIDING OFFICER (Mr. HICKEY in the chair). The nomination on the calendar will be stated.

The Chief Clerk read the nomination of Wilbur J. Cohen, of Michigan, to be an Assistant Secretary of Health, Education, and Welfare.

Mr. HUMPHREY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, on behalf of the leadership on this side and in the committee, I wish to make a statement concerning the nomination of Dr. Wilbur J. Cohen. The nomination was considered very thoroughly by the Senate Finance Committee, and was reported favorably by it, with—as I understand—only one opposing vote in the committee.

Dr. Cohen was connected with the Federal Government for some 21 years. He served with the Social Security Administration and with the predecessor agencies of the Department of Health, Education, and Welfare. In 1956, he left the employ of the Federal Government, of his own volition, and became professor of public welfare administration at the University of Michigan, where he served until his appointment by President Kennedy. In Michigan, he was a member, by appointment of the Governor, of the State board of health and other health advisory committees. He was appointed by President-elect Kennedy to be the chairman of his Task Force on Health and Social Security. Since the latter part of January, he has been serving on a per diem basis in the Department of Health, Education, and Welfare.

I wish to read to the Senate an excerpt from a letter which the Secretary of Health, Education, and Welfare, the Honorable Abraham Ribicoff, wrote to the chairman of the Committee on Finance, in commenting on Dr. Cohen's ability and exceptional qualifications for this position:

> During the first busy month of this administration, Mr. Cohen has been outstanding. His knowledge, ability, and dedication are of the highest. I have discussed him personally with Members of Congress and of the Cabinet who have known him for many years. All of them vouch for his ability, integrity, and sincerity. While there may be sincere differences among Members of Congress and the public concerning Mr. Cohen's philosophy, yet in the final analysis it will be I who will make the policy decisions of this Department, subject of course to the policies established by the President and the laws passed by the Congress of the United States. Mr. Cohen fully understands that within this framework, he will carry out the decisions.

Mr. President, I hope the nomination will be readily confirmed.

I understand that the distinguished Senator from Nebraska [Mr. CURTIS] has comments to make in regard to this nomination.

Mr. CURTIS. Madam President——

The PRESIDING OFFICER (Mrs. NEUBERGER in the chair). The Senator from Nebraska is recognized.

Mr. CURTIS. Madam President, it is true that the nomination of Mr. Cohen received a majority vote in the Finance Committee. However, no yea-and-nay vote was taken in the committee on the nomination. Therefore, I do not believe it quite fair to the members of the committee to have the RECORD show that in the committee there was only one vote against making a favorable report on the nomination. In the committee it was apparent that there was sufficient support of the nomination to report it favorably to the Senate; but there was no yea-and-nay or rollcall vote there. Until such time as the other members wish to speak for themselves, I believe that correction should be made.

Madam President, I have opposed confirmation of the nomination of Wilbur J. Cohen, who has been nominated to be an Assistant Secretary of the Department of Health, Education, and Welfare, because I believe his social security program goes too far, is too extensive, and would be too costly.

First, let me make it abundantly clear that I want our present social security program to work. I believe it should be supported in full faith. I believe that every implied promise concerning a benefit for our people should be kept. I believe there are times and instances when the benefits, or some of them, should be raised. I do not favor extending social security into new fields, such as the proposed medical care for the aged under social security or any form of compulsory health insurance.

Perhaps it would be advisable if we make it clear at the outset how our present system works. It is not a system wherein each person pays for his own benefits and his payments accumulate over a period of years and are kept for him. Rather, it is a system wherein the people who earn are taxed currently to pay a social benefit to other groups, such as our retired aged and widows and orphans. I wish to call attention to the testimony of Mr. Cohen himself, which supports what I have just said. This testimony is found on pages 100 and 101 of the hearings.

Senator CURTIS. Well, now, Mr. Cohen, about what is the social security reserve now?

Mr. COHEN. About $21 billion to $22 billion.

Senator CURTIS. If we closed out the system, which I am not in favor of doing—I want to make a success out of it—would that $21 billion pay out the pensions of the people already on the rolls?

Mr. COHEN. Of the people already, just the people already, on the rolls?

Senator CURTIS. Yes.

Mr. COHEN. I have not looked at that recently, but I do not think it would.

Senator CURTIS. I am sure it would not; and there is nothing in there for the people who are eligible who have not gone on the rolls, is there?

Mr. COHEN. That is correct.

Senator CURTIS. So regardless of high-sounding words and the use of semantics, we have a tax program here that we are taxing the producers currently to pay benefits to another group? Isn't that correct?

Mr. COHEN. That is correct.

A great deal of misunderstanding also exists as to the function of the social security reserve. I do not criticize the investment of the reserve in U.S. Government bonds. If we permitted this reserve to be invested in private securities, the Social Security Administrator might someday control great portions of our business concerns. I wish to point out that my real criticism is that there is no way we can have an adequate reserve. If our reserve is in Government bonds, those bonds must be turned to cash in order to pay benefits. Here again I wish to call attention to the testimony of Mr. Cohen. In a colloquy with the Senator from Illinois [Mr. DOUGLAS] the contention had been made that the interest accumulations of the social security reserve would lower the cost of the program. I wish to call attention to Mr. Cohen's testimony beginning at the bottom of page 128 and extending to page 129:

Senator CURTIS. One question. Mr. Cohen, this trust fund interest income, where will that come from?

Mr. COHEN. Well, the interest has to come, of course, from appropriations for payment of interest on the national debt, made by Congress out of general revenues from the general taxpayer.

Senator CURTIS. Yes; now, do you propose that we pay benefits in bonds or in cash?

Mr. COHEN. Cash.

Senator CURTIS. We have so many bonds in the trust fund. The recipients want cash. To get them cash, you either have to tax the people to get cash to pay off those bonds, do you not, or sell some more bonds?

Mr. COHEN. Right.

Senator CURTIS. Or inflate the money?

Mr. COHEN. I hope not the latter.

Senator CURTIS. So when you go to pay these benefits, would it make any difference whether you have this size reserve fund, or one that measures much bigger? You are going to have to pay it in dollars. The only honest way you get dollars is to tax the people then or to sell more bonds. That is true, is it not?

Mr. COHEN. Yes.

Madam President, the social security taxes are scheduled to go up automatically. There will be a great increase in the social security burdens if we do not add any new programs. I inquired of Mr. Cohen about this, and I wish to quote from his testimony on page 98:

Senator CURTIS. Now, the social security taxes at the presently scheduled rate for 1969 are 4½ percent for employees, and 6¾ percent for the self-employed; is that not true?

Mr. COHEN. At the present time?

Senator CURTIS. No, by 1969.

Mr. COHEN. By 1969, yes sir; that is correct.

We should keep in mind that people of lower income pay social security taxes. The social security tax applies from the first dollar of earnings. There are no personal exemptions. A mother with one child who has an income not to exceed $1,325 pays no Federal income tax. A married couple with two children whose net income does not exceed $2,675 pays no Federal income tax. A family of six pays no Federal income tax if they do not have a net income of $4,000. I approve of this. I wish the exemptions could be higher. But these people will be paying a heavy social security tax. Again I quote Mr. Cohen on pages 98 and 99, as follows:

Senator CURTIS. * * * Now, the employee's tax will range from around $60 for a family with $1,325 in earnings, to $180 for a family with $4,000 earnings, will it not?

Mr. COHEN. I think the mathematics are correct; yes, sir.

Senator CURTIS. Yes. In other words, this group that we are not collecting any Federal income taxes from because their income is too low, some of them will be paying up to $180 social security taxes, and the self-employed tax will be 50 percent more, will it not?

Mr. COHEN. Yes, sir.

Senator CURTIS. Which means that self-employed people, which includes farmers in my State, and the cobbler who runs a one-man shop, will be paying from $90 to $270 in social security taxes, will he not?

Mr. COHEN. Yes, sir.

Senator CURTIS. Even though he is not liable for Federal, any Federal income taxes.

Mr. COHEN. Yes.

The figures just given relate to our present program when we consider the automatic raises that will come about in the tax. Mr. Cohen further testified, on page 99, as follows:

Senator CURTIS. A still higher tax on these family earnings would be required, would it not, to finance the proposed more generous social security and also the addition of medical care of the aged; would it not?

Mr. COHEN. Yes, sir.

I made it a point in the committee hearings to inquire of Mr. Cohen concerning his proposals for increasing present social security benefits and adding new benefits and new programs. Mr. Cohen naturally supports the proposed medical care for the aged under social security. I asked him about the cost. This testimony is found on pages 105 and 106.

Senator CURTIS. All right. What would the level premium be then?

Mr. COHEN. For the President's program? Six-tenths of 1 percent of payroll.

Senator CURTIS. The level premium?

Mr. COHEN. The level premium is six-tenths of 1 percent of payroll.

Senator CURTIS. I noticed in your task force report carried in the January 12, 1961, CONGRESSIONAL RECORD that the level premium cost of providing medical care for all OASI beneficiaries would be estimated at 0.96 percent of payroll.

Mr. COHEN. That is the figure for including beneficiaries of all ages. A figure of 0.91 percent represented the level premium cost for the Anderson-Kennedy amendment, modified to bring down eligibility to age 65 for men and 62 for women, and eliminating the $75 deductible that was in that bill, and using a $4,800 tax base. In my report, Senator, I gave——

Senator CURTIS. It would be something over nine-tenths of a point instead of six-tenths of a point?

Mr. COHEN. For that particular set of specifications; yes, sir.

We should keep in mind that the tendency is to increase a program and add to its cost as time goes on. On page 105, we find this interesting testimony by Mr. Cohen with respect to pressures for an increase.

Senator CURTIS. At the present time, do the administration health amendments have an entrance-fee requirement and other cost-saving restrictions?

Mr. COHEN. It has no entrance-fee requirement, but it does have some cost restrictions in the nature of deductibles.

Senator CURTIS. And if social security legislation moves in the direction that it has moved since it was enacted, some of those cost-saving restricions would, in a mater of time, be removed, would they not?

Mr. COHEN. Yes. I think there would be substantial pressures for their removal, particularly from the hospitals. The hospital groups are the ones which, interestingly enough, are the most interested in eliminating the deductibles because they feel they might otherwise have to bear the cost of the deductible.

Senator CURTIS. The pressure is already on?

Mr. COHEN. Yes.

Senator CURTIS. So this suggested tax, starting out low, is already commencing to waiver.

Mr. COHEN. There are always pressures, Senator, you and I know that.

The administration's proposal calls for hospital benefits only for those eligible for social security benefits who are over 65. We should remember that the Wagner-Murray-Dingell bill before Congress in 1946 called for compulsory health insurance for all people, those under 65 as well as over 65. This would amount to a payroll cost of perhaps 5 percent or more.

It is not my purpose to discuss the administration's proposal for adding medical care for the aged to social security, but I will point out one thing about it which illustrates its unfairness and unsoundness. This is from page 102 of the hearings and from page 124.

Senator CURTIS. Now, a person, if he is entitled to social security but not drawing it, he could be a man perhaps 65, independently wealthy, carrying on his business, drawing a salary of $100,000 a year, and he would be eligible for hospital benefits, would he not?

Mr. COHEN. Yes, sir.

Senator CURTIS. Now, does H.R. 4222 call for three funds in the Treasury for social security, three accounts?

Mr. COHEN. Yes, it does, sir. There would be three accounts in the social insurance trust fund: OASI, disability insurance, and health benefits.

Senator CURTIS. Now, the health fund—all of the retired beneficiaries of OASI would be eligible to draw from that, would they not?

Mr. COHEN. Yes, sir.

Senator CURTIS. In case they applied.

Mr. COHEN. Yes, in case they had applied. Yes.

Senator CURTIS. None of them would have or will contribute to that account, will they?

Mr. COHEN. That is correct.

Mr. Cohen advocates that the wage base upon which social security taxes are assessed be increased from its present $4,800 to $9,000 a year. He advocates that it be done in steps. Quoting from pages 108 and 109 of the testimony, Mr. Cohen states as follows:

Senator CURTIS. Now, Mr. Cohen, I would like to have your views with respect to the expansion of the social security wage base. Some of the University of Michigan press releases quote you as recommending an immediate increase and in the next few years getting it up to $9,000 per year; is that correct reporting?

Mr. COHEN. I believe it is, Senator.

Senator CURTIS. Now, the present benefit formula provides a $59 primary benefit for a person with $100 a month for the average wage; $24 ore for the second $100, $22 more for the third $100, and $22 more for the next $100, making $127 as the present maximum; isn't that correct?

Mr. COHEN. I think that is correct, sir.

Senator CURTIS. That is based on $4,800?

Mr. COHEN. That is correct.

Senator CURTIS. Now, with your expanded wage base to $9,000, maximum average wages would increase by $350 per month, would they not?

Mr. COHEN. Yes; that is right. I am just doing that mentally; I may be wrong, but I think that is correct.

Senator CURTIS. I think that if the wage base were raised from $4,800 to $9,000, the increase would be $350 a month.

Mr. COHEN. Yes, sir.

Senator CURTIS. Would you propose to increase the maximum primary benefit at the $22 per $100 rate to the maximum of $204?

Mr. COHEN. I would say this: Yes, or somewhat about that figure.

Later on page 109 he testified as follows:

Senator CURTIS. Now, if this went up to $9,000 this would increase maximum benefits around 60 percent, would it not?

Mr. COHEN. I have not figured it out—that sounds correct. From $127 to $204, I guess was the correct figure, was it not?

Senator CURTIS. Yes. But it would increase maximum taxes to over 87 percent?

Mr. COHEN. Yes. The taxes would increase somewhat higher percentagewise than the benefits would; that is correct.

Senator CURTIS. Now, that is, to raise the base to $9,000 would do that?

Mr. COHEN. Yes. I am not proposing $9,000 today, Senator.

Senator CURTIS. Oh, no; I realize that. You have advocated that it be done in steps.

Mr. COHEN. That is correct, sir.

Congress has always related the size of the social security benefit to the average covered wage. This means that the individuals earning $9,000 or nearly so will get a substantial increase in benefits but the people whose pay is very low will not benefit by this particular proposal. We should keep in mind that the social security program should first take into account those citizens who find it most difficult to provide for their own retirement. This means the people who must live on a very low income.

In addition to added programs for our social security system Mr. Cohen favors an increase in the general level of social security benefits during the next 10 years. The following testimony is from the bottom of page 116:

Senator CURTIS. As a matter of fact, you repeatedly are recommending a 50 percent increase in the level of social security benefits in the next 10 years, are you not?

Mr. COHEN. Yes, by the end of the 10-year period.

Another increase in social security benefits that Mr. Cohen advocates relates to the widows benefit. Here I wish to quote from his testimony on page 118.

Senator CURTIS. A widow's social security benefit is three-fourths of her husband's primary amount?

Mr. COHEN. Yes, sir.

Senator CURTIS. In other words, her benefit is half what her husband and she would receive together or have been receiving as a retired couple?

Mr. COHEN. Yes, sir.

Senator CURTIS. Do you feel that this proportion should be continued or changed, and if so, in what manner?

Mr. COHEN. I think it should be increased.

Senator CURTIS. To what?

Mr. COHEN. I think it should be changed immediately to 85 percent.

Senator CURTIS. And eventually to what?

Mr. COHEN. I would hope eventually, if funds permitted, to 100 percent.

Senator CURTIS. How soon?

Mr. COHEN. I would hope within this 10-year period that we are talking about.

Senator CURTIS. In other words, you believe a widow should get as much in social security benefits as would a retired woman worker, whose benefits are based on her own record of covered earnings?

Mr. COHEN. I did not say the same benefit in dollars, but the same proportion. That is, that a single person, whether a single woman or a single man or a widow living alone, should be treated as one unit and get 100 percent of the primary benefit.

Senator CURTIS. Now, you have always argued for a wage-related benefit?

Mr. COHEN. Yes, sir. This would still be wage related.

Senator CURTIS. Men's wages are higher than women's wages, generally, are they not?

Mr. COHEN. Generally so.

Senator CURTIS. The widow within this 10-year period would get a benefit equal to 100 percent of her husband's?

Mr. COHEN. Right.

Senator CURTIS. She suffered no wage loss. A woman who was working and retires would get 100 percent of her own wage record, would she not?

Mr. COHEN. She would probably get a lot higher in dollar benefits, because——

Senator CURTIS. No, she would get lower.

Mr. COHEN. It would depend on what her wages would be; it would be generally lower, yes, sir. In some cases, it would be higher but I would say generally, it would be lower, yes, sir.

I point out that what this procedure amounts to is that the working women of America, because they receive a lower wage, will receive a lower social-security benefit in dollars than will widows of working men, because the men have received a higher average wage. Yet the working women have worked all through the years and have consistently paid into the fund.

Another change advocated by Mr. Cohen relates to the children's benefit. Here I wish to quote from page 120 of the hearings:

Senator CURTIS. Now, do you believe the present age of 18 should be the top age limit when children's benefits are discontinued?

Mr. COHEN. Well, as I said in one of my articles, I would hope that ultimately it would be increased to 21.

Senator CURTIS. Did you change your mind?

Mr. COHEN. No, sir.

Mr. Cohen favors an increase in the maximum family benefit. I call attention to his testimony on page 122:

Senator CURTIS. * * * you do recommend a family maximum benefit should be raised from $250 to maybe $350?

Mr. COHEN. Something like that; yes, sir.

I believe that this Congress should make a success of our present social-security program and that we should seek the soundest possible financing to the end that promises are not broken and the program does not become greater than our economy can bear. I do not believe in a cradle-to-the-grave program wherein millions of our middle class people might be paying more in social-security taxes than they will be paying for all other purposes of government, including carrying the mail, running the courts, developing our resources, carrying and paying the national debt and providing for the national defense. The program advocated by Mr. Cohen points in that direction. His own words prove it. I wish to call attention to the following testimony found on page 125 of the hearings.

Senator CURTIS. * * * According to the information given to the committee today changes in the present social-security program which you, Mr. Cohen, think we should achieve by the end of this decade would mean that with the wage base of $9,000, the combined tax rate would amount to 14 percent—that is, 7 percent on employees and 7 percent on employers. If medical care was extended to all those under 65 the tax rate would be an additional 5 or 6 percent, would it not?

Mr. COHEN. I do not know what you added in there. But you say 5 to 6 percent of payroll?

Senator CURTIS. Yes.

Mr. COHEN. On a $9,000 wage base?

Senator CURTIS. Yes. If you apply the administration's proposal to everybody, like the Wagner-Murray-Dingell——

Mr. COHEN. Oh, under 65?

Senator CURTIS. Yes.

Mr. COHEN. Yes; I think that is correct—which I am not proposing.

Senator CURTIS. But you did in 1946?

Mr. COHEN. Yes.

Senator CURTIS. This means that by the end of this decade social security will be costing about 14 or 15 percent of payroll if the health insurance benefits are limited to those over 65. If compulsory health insurance was extended to everybody, the total payroll tax would be up to 19 or 20 percent. If it was a 20-percent rate, the self-employed rate would be 15 percent. This would be a maximum tax on an employer of $900 per year and a like amount on an employee, and the maximum tax on a self-employed person making $9,000 would be $1,350 if we do what you advocated today plus what you advocated in 1946.

Under the present income tax laws, a man making $9,000 and self-employed, if he is married, pays $1,438 in Federal income taxes. If he has two children, he will pay $1,174. Yet, in the hypothetical case I have made, that man, married, with two children, with income taxes of $1,174, would have social security taxes of $1,350.

Do you feel that as much of that man's earnings of $9,000 as a Federal tax source should be devoted to this one single program of social security as is available to help finance all other activities—the functions of the Government, the paying of the national debt, and defense of our country?

Mr. COHEN. Yes; I do, Senator.

In fairness I want to say that Mr. Cohen defends his position and explains, and that can be found in the testimony that follows the above quotation.

Madam President, my position in regard to Mr. Cohen is based on the program he advocates. I do not believe his proposals are fair to the young and middle-aged workers, nor to our present aged who are not eligible for social security benefits and those whose benefits are small. An expensive, far-reaching social security program, coupled with the concept of big government in all fields, is not in the interests of the people we serve, both young and old, or to the unborn.

Madam President, I oppose the nomination, and I ask for an immediate vote.

The PRESIDING OFFICER. The question is, Shall the Senate advise and consent to the nomination of Wilbur J. Cohen as Assistant Secretary of Health, Education, and Welfare?

Mr. HUMPHREY. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HUMPHREY. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is, Will the Senate advise and consent to the nomination of Wilbur J. Cohen to be an Assistant Secretary of Health, Education, and Welfare?

Mr. WILLIAMS of Delaware. Madam President, on this vote, I ask for a division.

On a division, the nomination was confirmed.

Mr. HUMPHREY. Madam President, I ask that the President be immediately notified of the confirmation of the nomination.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith of the confirmation of the nomination.

Mr. CURTIS. Madam President, I shall not insist that the President be notified that the nomination of Mr. Cohen was confirmed by a margin of one vote. However, I think the RECORD should be clear on that point, because today the Senate has confirmed the appointment of a man who will be the chief architect of social security; and if he carries out the program which he advocates today, and which he has advocated in times past, the person who today earns $9,000 a year and below will, 10 years from now, be paying more social security than he is paying in Federal income taxes for all purposes of government, including the defense of our country.

Mr. MANSFIELD. Madam President, I think it is very unfair to state that the nomination of Mr. Cohen was confirmed by one vote. I believe the Senator from Nebraska will recall that the consideration of Mr. Cohen's nomination had been held up for 2 weeks, possibly 3 weeks, at the specific request of one Senator. The nomination of Mr. Cohen would not have been taken up today had not the leadership been informed by that particular Senator that he was prepared to have the Senate consider the nomination because he had at his disposal all the information he wished to lay before the Senate at that time.

The Senator knows, of course, that because of the schedule of the Senate this week, many Senators are out of town, while a substantial number are attending committee meetings this afternoon. The Committee on Armed Services and the Committee on Banking and Currency are two committees which I can think of offhand which are holding meetings. Also, the Senator from Nebraska knows that approximately 15 Senators have been in attendance at a luncheon given by the chairman of the Committee on Foreign Relations [Mr. FULBRIGHT] for the Honorable Harold Macmillan, the Prime Minister of Great Britain.

I think the RECORD ought to be made very clear that the consideration of the nomination of Mr. Cohen was held up by one Senator; that his wishes were given every consideration; and that the nomination was brought up on the floor of the Senate today when that Senator informed the leadership on both sides that he was ready to have it considered.

Mr. CURTIS. Madam President, will the distinguished majority leader yield?

Mr. MANSFIELD. I yield.

Mr. CURTIS. What the distinguished majority leader says is correct. The Committee on Finance considered the nomination on March 22 or 23; I do not know which date it was. That matter was followed by the consideration of other proposed legislation. The junior Senator from Nebraska asked for a delay in the consideration of the nomination. The majority leader, with his usual courtesy, was very cooperative. He did not crowd me. I advised him that I had gathered my information from the record, and that I was ready to vote.

I do not criticize any Senator for being absent. I realize that many functions are taking place. Nevertheless, the fact remains that on a division vote of the Senators who were present, the statement I made was correct.

Mr. MANSFIELD. Madam President, will the Senator yield?

Mr. CURTIS. I yield.

Mr. MANSFIELD. The statement just made by the Senator from Nebraska is correct. I think it clears away the implication of his previous statement. I know that the Senator from Nebraska, had he so desired, could have asked for the presence of a quorum. Had he insisted, we could have had many more Senators present. However, to the best of my knowledge—and I have discussed this subject with the minority leadership during the past several weeks—the opposition to the nomination of Mr. Cohen at the very most consisted of three Senators. It was my further understanding that of the three whom I can think now, one indicated he did not wish to be present for the consideration of the nomination and did not desire to vote on it.

Mr. CURTIS. Madam President, will the distinguished majority leader further yield?

Mr. MANSFIELD. I yield.

Mr. CURTIS. I am delighted to have the Senator's statement. The distinguished Senator from Minnesota [Mr. HUMPHREY] presented the nomination with the statement that there was only one vote against it in the committee. The distinguished majority leader has corrected me. There was no rollcall vote in the committee, just as there was none today.

I freely concede that the Senate is operating during a holiday time, when the leadership has entered into an agreement that there will be no yea-and-nay votes. However, I believe the junior Senator from Nebraska is as much within his right in stating that there is substantial opposition to the far-reaching program advocated by Mr. Cohen as it is for the leadership on the other side of the aisle to imply that in the committee the junior Senator from Nebraska was the only Senator who was not satisfied with Mr. Cohen's presentation.

Mr. MANSFIELD. Madam President, I did not make any statement to that effect, as the distinguished Senator from Nebraska has pointed out, but it was my understanding that there was only one vote against the nominee in the committee. I am glad the correction has been made.

I am certain there is no question in the mind of the Senator from Nebraska that had the full Senate been present, and had a yea-and-nay vote been taken, the nomination of Mr. Cohen would have been confirmed by at least 90 percent of the Senators in attendance. I think that is the kind of statement which ought to appear in the RECORD, rather than a statement to the effect that the nomination was confirmed, on a division, by a margin of one vote.

Mr. CURTIS. The test of whether he has the support of 90 percent of the membership will come when the Senate votes on the proposals made in connection with his program.

I have made no case against Mr. Cohen in regard to anything other than the social security program he advocates. I do not believe he can get any part of it through Congress by 90 percent of the votes.

Mr. MANSFIELD. I thank the Senator from Nebraska.

Mr. HUMPHREY. Madam President, the nomination of Mr. Cohen has now been confirmed, has it not?

The PRESIDING OFFICER. That is correct.

Mr. HUMPHREY. And an order to give immediate notification of that action to the President has been entered, has it not?

The PRESIDING OFFICER. That is correct.

Mr. HUMPHREY. Madam President, I wish the RECORD to show clearly that I would not attempt to deceive my colleagues in connection with any vote. The statement I presented to the Senate, on behalf of the committee and on behalf of the leadership, was a prepared statement which indicated that in the committee only one vote against the nomination was registered. That was the fact as I had it.

So I feel that what has developed here is most unusual and most unfortunate, because every Senator knows that in connection with nomination after nomination, a Member of the leadership or the chairman of the committee has stood at the leadership desk and has requested confirmation of the nomination, at a time when only one or two Senators were present; and the nomination has been confirmed with supposedly a unanimous vote, simply because no protest or opposition was registered.

So I do not think it proper to have it appear that a different situation existed in the Senate in regard to its action on the nomination of Mr. Cohen.

By the way, Madam President, Mr. Cohen will not put his program before the Congress. The program which will be before the Congress, insofar as social security or health, education, and welfare are concerned, will be President Kennedy's program and Secretary Ribicoff's program; and Mr. Cohen will be the faithful and loyal servant of the President and of the Secretary of Health, Education, and Welfare, or else Mr. Cohen will no longer be in the employ of the Government. So Senators should not discuss Mr. Cohen's program, because he did not run for election to any position.

Instead, Madam President, we are discussing President Kennedy's program and Secretary Ribicoff's program.

I wish it clearly understood—because I had the responsibility of standing at the majority leader's desk when the Senate proceeded to consider the nomination of Mr. Cohen—that the nomination received a favorable report from the Senate Finance Committee. I want it equally clear that, insofar as I knew, only one Senator was to speak here in opposition to confirmation of the nomination.

I want it equally clear that if we had pressed for completion of the quorum call, the nomination of Mr. Cohen would have received resounding support by a majority of the Members of the Senate; and I want it equally clear that, on the division, instead of a difference of only one, there was a difference of two, because in that connection I include the Presiding Officer of the Senate.

In fact, Madam President, when it is found that one has been 50 percent wrong in regard to so small a number, it is obvious that he could be very greatly wrong in terms of the call of the roll of the entire membership of the Senate.

Mr. CURTIS. Madam President, again I must object to my dear friend's juggling of the figures. He has made a point of the fact that only one speech was made in the Senate against confirmation of the nomination of Mr. Cohen. However, it is also true that only one speech was made in the Senate in favor of confirmation of the nomination of Mr. Cohen—although perhaps the one speech in favor of confirmation was more convincing than was the one speech on the other side.

Mr. HUMPHREY. Or shorter.

Mr. CURTIS. Yes; shorter. [Laughter.]

Mr. MORSE. Madam President, I was not involved in the debate on the question of confirmation of the nomination of Mr. Cohen. But because I have known Mr. Cohen for many years, I wish to say that I believe his nomination is one of the finest made to date by this administration. Mr. Cohen personifies a rule to which I like to refer; namely, that in the public service there is no substitute for brains.

Mr. Cohen is an exceedingly brilliant man; and that fact and his unquestioned integrity and his dedication to the public service qualify him especially, I believe, to serve in the position to which he has been nominated, and in which he will serve, now that his nomination has been confirmed.

I wish to say that as chairman of the Subcommittee on Education, I have had the privilege in recent weeks of working very closely with Mr. Cohen. I also know him to be one of the best informed persons with whom I am acquainted in his field.

THE SITUATION IN CUBA

Mr. MORSE. Madam President, I rise now to discuss briefly two items.

As chairman of the Subcommittee on Latin American affairs, I am very much concerned about what I consider to be a worsening of conditions in Cuba. I believe it very important that our Government make use of all possible procedures which might prove to be helpful in at least alleviating some of the conditions in Cuba that affect United States nationals and the nationals of other countries who are now in Cuba.

I am very much concerned about the reports, which I am satisfied are sufficiently reliable not only to justify, but also, I believe, to make imperative, the use by our Government of all available procedures in order to seek to bring some relief to United States nationals and the nationals of other countries who are languishing in Cuban jails.

I am sure the State Department and the White House are receiving very large quantities of mail similar to the considerable quantity of mail I am receiving, these days, in my capacity as a member of the Subcommittee on Latin-American Affairs. The volume of such mail which I am receiving is sufficient to warrant my stating, without any fear of successful rebuttal here in the Senate, that throughout our country there is growing concern in regard to our country's policies toward Cuba. Our people are disturbed as regards the lives of U.S. citizens who now are imprisoned in Cuba.

It is one thing to suffer great economic losses because of various forms of confiscation that Dr. Castro has been guilty of, during his ill-fated regime in Cuba. It is an entirely different matter when the rules of morality and of humanitarian treatment of prisoners who are citizens of sovereign powers are violated.

I stress that we seek a peaceful solution of our difficulties with Cuba. But,

Madam President, if the reports we are receiving are accurate—and I believe that a prima facie case in support of their accuracy has been made—then I believe our Government should proceed forthwith, in view of the fact that the General Assembly of the United Nations is now in session, to call upon the United Nations, under the procedures of the General Assembly, to conduct an investigation, in Cuba, in regard to the treatment of persons, now languishing in Cuban jails, who are citizens of foreign nations.

As a former delegate to the United Nations, I am familiar with some of the problems which will be involved in connection with putting that procedure into operation. But I believe we should at least begin to make a record in that connection. In my opinion, it is possible that the making of the request for a United Nations Study Commission will result in a favorable response from Cuba. It will at least give the Cuban regime an opportunity to prove its claims—if it can prove them—that humane treatment is being extended to the U.S. nationals who today are in Cuban jails.

Madam President, if it continues to be true—and the evidence of it appears to prove it—that U.S. citizens now in Cuban jails are being treated contrary to international law then my proposal is a sound one. It should be remembered that there are definite principles, recognized by civilized nations, which are applicable to the treatment of citizens of another sovereign power who are held prisoner in a foreign country. If it is true that a vindictive, inhumane, and cruel policy is being pursued by the Castro regime in respect to Americans in Cuban jails, if it is true that they are being denied bodily necessities and medical attention to which they are entitled under the existing principles of international law, then I respectfully say this Government has an obligation to use all the peaceful procedures available to it to seek to bring justice and humane treatment to those jailed Americans.

The American people have a right to expect it. The American people do expect it. And in my judgment, if this situation continues to worsen, the American people are going to demand the release of these prisoners.

We have available to us, it seems to me, the procedures of the United Nations. At least we should make the attempt in the United Nations first to see to it that justice is brought to the Americans in Cuban prisons.

There was a time in our history when the world knew that the United States would not permit the practice of inhumanity upon American citizens anywhere in the world. I sincerely hope that my Government will proceed, without any further delay, to raise this matter within the United Nations, if the Swiss continue to report to us—and the Swiss are representing us in Cuba—that they do not have any success at all with the Cuban administration in seeking to bring even Red Cross assistance to Americans in Cuban jails.

Madam President, I have checked a bit in regard to what is recognized as international convention in respect to the International Red Cross. I say on the floor of the Senate today that, if it is true—and the Swiss can certainly give us reliable information as to whether or not it is true; and I make my statements on the basis of press reports quoting the Swiss—that in Cuba today the International Red Cross is not even allowed to check into the conditions of Americans in Cuban jails, then the United Nations should be asked to act. I understand the imprisonments are not limited entirely to American nationals. I think we have a clear case for requesting official intervention on the part of the United Nations. We have a duty at least to ask the United Nations to call upon the Cuban delegation in New York to show cause as to why the findings of the Swiss as reported to us should not be investigated by the United Nations.

I mention this matter on the floor of the Senate because I think it is my clear duty, in my capacity as chairman of the Subcommittee on Latin American Affairs, to call the attention of this administration and to call the attention of the American people to what I think is a shocking example of inhumanity to man being practiced against our fellow Americans now incarcerated in Cuban jails.

I turn now to another subject.

Mr. SMATHERS. Madam President, will the Senator yield for just a moment?

Mr. MORSE. Yes, I yield.

Mr. SMATHERS. I congratulate the able Senator from Oregon on the statement which he has made. I think it is most important that this Government look into the reports and take some fitting action along the line recommended. I think the Senator is performing a great service, not only for those who are incarcerated and who may be treated inhumanely, but, more than that, I think he is performing a service in making it clear to the world what type of government today is governing Cuba, so that the people of the free world may pretty soon make up their minds that they must begin to correlate their thoughts and their actions as to some means of getting rid of the government of Fidel Castro.

I wish to commend the Senator from Oregon for calling the matter to the attention of the Congress and the administration, and I am sure only good can result from it.

Mr. MORSE. I thank the Senator from Florida for his gracious comments. As he knows, this is no new position for the Senator from Oregon. I have taken this position on the floor of the Senate for some years now, with respect to Red China. I have taken the position that an attempt ought to be made—again through the United Nations, because, in my judgment, it is a problem of the United Nations, and not of the United States primarily—to seek to negotiate some commitment out of Red China in regard to the treatment of American nationals who are languishing in Chinese jails. Red China also has imprisoned some nationals from other countries.

I have always said, and say again, I think the United Nations has a clear duty to use its procedures, to the extent that they can be put to use, in determining whether or not the nationals of foreign sovereign powers have been convicted by the application of principles of civilized law. To that extent, at least, the United Nations has jurisdiction in carrying out what I think is its clear obligations under the charter. The United Nations should at least seek conversations with the Red Chinese in respect to the treatment of foreign prisoners. Likewise the United Nations should call upon Cuba to give proof that foreign prisoners are not being denied civilized treatment in Cuban jails.

Misunderstood as I have been time and time again in respect to my position on Red China, I repeat it. I do not favor, and I have never favored, the diplomatic recognition on the part of the United States of Red China until it is possible, prior to such recognition, to negotiate, so far as diplomatic negotiations are concerned, commitments out of Red China in regard to bilateral problems that exist between the United States and Red China.

Likewise, with respect to the recognition of Red China by seating her in the United Nations, I have taken the position, and take it again today, that Red China should not be seated in the United Nations until the United Nations, as a condition precedent, succeeds in negotiating commitments with Red China that give assurance to the world that we have a right, at least, to expect Red China to comply with the jurisdiction of the United Nations.

I have said before that those commitments should involve Formosa; they should involve the prisoner problem; they should involve obedience to the resolution of the United Nations on Korea which Red China has continued to violate until now; they should involve the whole list of problems, really, that exist between Red China and the United Nations. There should be such commitments before Red China is ever seated in the United Nations.

I have been roundly criticized because I have said—as I repeat today—that in my judgment it is only a matter of time before a majority of the members of the United Nations General Assembly will vote at least to take up the Red China issue for debate in the General Assembly, and that might well be next September. Probably it is only a matter of time before a majority of the members of the General Assembly will vote to seat Red China as a delegation in the United Nations.

I think we have a duty to continue to press upon the United Nations its clear obligation to use the existing procedure, which the United Nations has not used, in an endeavor to get some commitments from Red China prior to taking up the question as to whether Red China is eligible for a seat in the United Nations. That is up to her. She can make herself

eligible by the commitments she might be willing to enter into with the United Nations.

I must say two things in criticism of U.S. policy. Many Americans do not like to hear them, but they are unanswerable because they are factual.

We have used our great power in the United Nations to prevent the issue from going on the agenda of the United Nations for debate purposes. We should have been using these many years the great influence we have in the United Nations to get the United Nations to take the first step which I think is essential, namely, the step of starting negotiations with Red China for commitments in the interest of peace before the issue of recognizing Red China as a delegation to the United Nations is put on the agenda for debate.

Many people miss that simple procedural step, which the senior Senator from Oregon has emphasized for many years. I say we have made a mistake in using our influence to prevent the issue from being put on the schedule for debate, when we should have been using our influence to get negotiations for commitments started.

I think we have also made the mistake of using our great influence in the United Nations upon other countries which have been more or less reliant upon us for foreign aid. The result is that the impression has been created among many of the so-called noncommitted nations that in order to demonstrate their independence from the United States they must make clear to us they are not going to vote with us on the Red China issue. After I served 3 months on the U.S. delegation last fall, I came away with the impression freedom from U.S. pressure is a much more important factor with some of the delegations than we like to admit.

Again I stress that we ought to try to get the United Nations to start negotiations with Red China for commitments prior to even consideration of whether the issue of Red China being seated in the United Nations shall go on the agenda.

The prisoner matter is involved in the Red China issue. I say again, as I have said on many platforms in this country, I would not vote either for diplomatic recognition on a bilateral basis or for a recognition of Red China in the United Nations until this issue, among others, is first settled. I think the evidence is perfectly clear that, in respect to many of the Americans now in Red Chinese jails, there was no justification for their commitment. I do not see how we could possibly agree to vote in favor of a nation which has committed the type of cruelties we know have been committed upon Americans in Red Chinese Communist jails. We know of the sad case we now read about in the newspapers, of an American who has suffered in a Red Chinese jail some 10 years, and who is now coming out to live for what I understand will be a very brief period of time because apparently there is no hope for his long survival. He is suffering from a serious cancerous condition.

The American people, with their wonderful sensitivity about human values, know we cannot justify proceeding to look with approval in any diplomatic capacity upon a nation which is as guilty as Red China is guilty of inhumanity which has been practiced upon Americans languishing in Chinese jails.

Madam President, I now turn to the other matter I wished to discuss.

The PRESIDING OFFICER. The Senator from Oregon has the floor.

ECONOMIC DISCRIMINATION AGAINST OREGON

Mr. MORSE. Madam President, I spoke before the Senate about 3 weeks ago in regard to a very serious economic problem which exists in my State. I said at that time that so long as economic discrimination by the Federal Government against Oregon continued I would continue to speak on the floor of the Senate in protest against it with increasing frequency.

Madam President, for 8 years under the Eisenhower administration I from time to time took the floor and protested the discrimination being practiced by that administration against my State from an economic standpoint. In the early years of that administration I fought against one proposal after another to give away the great electric power potential of my State to private utilities. It was a giveaway concealed in a very plausible package known as partnership in connection with multiple-purpose dams. The partnership, of course, was one in which the American people paid for all the nonreimbursable costs of those dams, including flood control and irrigation and navigation costs, and the private utilities were brought in as partners in order to take the profits, at very low cost to themselves, of the electric power generated in the so-called partnership dams.

I shall always be proud to point to the record, because the record is irrefutable. I led the fight against the so-called partnership giveaway proposal for Green Peter Dam, and we beat the proposal. Time and time again the administration offered it, and used various devices to gain its ends. It was audacious enough, as the record will show, to suggest, "Go ahead with appropriations including construction," if a partnership plan were approved, but in the absence of approval of a partnership plan the administration would continue to fail to recommend the necessary funds for even completion of the planning on Green Peter Dam.

Madam President, even though my stubborn resistance to that proposal resulted in a certain amount of criticism in my State from those who were willing to take their bowl of pottage, I knew that the partnerships scheme for Green Peter Dam would be in the longtime best interests of my State. We held out against the partnership giveaway which was proposed for Green Peter Dam, and waited until we could build that multiple-purpose dam for the benefit of all the taxpayers of the United States rather than for the selfish interests of private utilities.

The record will show that even during the Eisenhower administration, I succeeded on several occasions in getting an appropriation from the Congress above the amount recommended by the President. In fact, one year he did not recommend a single red cent, but we did get an appropriation to continue the planning of the Green Peter Dam. Finally, over the opposition of the Eisenhower administration, we got the planning completed, and we got the first appropriation for construction. Now Green Peter Dam is being erected. It is a great monument, I think, to a very important principle, namely, that the Congress should never forget that it is the people of all the United States who own the rivers of this country. All the people of the United States are entitled to the benefits from a multiple-purpose dam. The profits from electric power generated at a multiple-purpose dam should flow into the coffers of the Treasury of the United States to pay for the dam, which can be done in the case of every multiple-purpose dam and as has been done in the case of those that were built years ago and have now been paid for.

As the present Presiding Officer of the Senate [Mrs. NEUBERGER] well knows, we had the same fight over the Cougar Dam. In that historic battle I was ably assisted by her brilliant and able late husband when he was a Senator from Oregon, as we insisted that Cougar Dam be saved for the taxpayers of all the United States.

From Holly Creek down the line, in connection with the issues involved in the construction of dams in my State, we held out against the partnership program, and succeeded in preventing the Eisenhower administration from giving away the benefit of this great national resource of electric power development flowing from the waters of the people's streams.

But we were not so successful during that administration in regard to obtaining for the State of Oregon the necessary appropriations in order to prevent what I protested time and again was an unfair discrimination against the economic life of my State when compared with other States on the Pacific coast, specifically, the States of Washington and California. We had a Republican President and we were at a great disadvantage under a Republican President because he was able, with the use of his great office, to exercise great influence in Congress. It was possible to form various political coalitions in the Congress. The result was that Oregon suffered economic discrimination throughout the life of the Eisenhower administration.

We had a change of administrations last fall. I shall always be proud of that fact, and I shall always be proud of the part that I played—in a small way, but to the extent of my time and my abilities—in helping to elect the Kennedy administration.

As I said the other day on the floor of the Senate, I made 54 speeches under

the direction of the national committee of my party in support of the Democratic ticket, 22 of them in my own State. But with that change of administration, as the senior Senator from Oregon, I think I not only have the right but also I have a duty to make clear to this administration that the economic discrimination against my State should end.

There has recently been reported by the Congressional Quarterly an analysis of the expenditure of Federal money on defense contracts. If the President needs any more proof than the proof I have been submitting to him, then I would respectfully suggest that he take a look at this proof. The studies show that while California has been receiving 23.7 percent of the total expenditures for defense contracts and that the State of Washington has been receiving 3.5 percent of the total expenditures for defense contracts, the State of Oregon has been receiving 0.1 percent—one-tenth of 1 percent.

I wish to say respectfully to the administration of my party that such a situation is not resulting in a great deal of Democratic enthusiasm in the State of Oregon. But from a political standpoint it is resulting in Republican jubilation, although the Republicans in my State fail to tell the people of my State that the economic discrimination developed under the Eisenhower administration. It is not right; it is not fair, just or equitable that it should continue under this administration. I say most respectfully to the President of the United States that he ought to make these conditions clear to the various departments of his administration, because the people of my State are entitled to have this economic discrimination end.

Recently, the Republicans in Oregon have been having field days in pointing to another subject, as revealed by statistics on naval installations. Oregon is bordered by the Pacific Ocean. I sometimes wonder if the Navy Department is aware of that fact. The statistics indicate that California has 20 naval installations; the State of Washington has 8, Oregon had one—a very tiny naval installation at Tongue Point, Oreg., which this administration has just closed. I am sure that this administration is politically sagacious enough to understand that a continuation of this kind of discrimination in the location of naval installations will not result in enthusiastic approval by the people of my State—Republicans, Democrats, and Independents alike—nor should it. As the senior Senator from Oregon, I want once more to make clear to this administration that I intend to continue to call to the attention of the administration and to the people of my State and to the Nation what I consider to be an inexcusable discrimination against the State of Oregon in respect to the expenditure of Federal dollars.

I also serve notice on the administration today that I shall scrutinize with great care any proposal in any budget item that may come to the floor of the Senate for a new naval installation anywhere, or, for that matter, for any Federal installation anywhere, until I am satisfied that the administration has met its burden of proof; namely, justification for the building of a new Federal installation anywhere in the country if the Tongue Point Naval Base, with reasonable, moderate remodeling, can be used for the purpose for which any recommended new project is designed.

I have already made this clear to the President, but I shall continue to repeat it until my State has justice done to it.

There are many uses to which the Tongue Point naval installation could be put. I want to say, however, that if the administration is satisfied that from the standpoint of defense needs of my country the Tongue Point Naval Base is no longer needed, then I will support it in closing the installation, as I would support closing a naval base anywhere else in the country. Let the record be perfectly clear—and I have made it clear to the people of my State—that I have never and I shall never ask to continue an uneconomic or unneeded project in my State. If every Senator would take that position, there would be a great saving for the taxpayers of this country, amounting to billions of dollars over the years. What I do object to is, first, the discrimination against my State in the original location of installations and, second, the deactivation of any installation without putting it to good use for some other Federal purpose. Until closed stations are put to some other use then the administration cannot justify proposing new appropriations for a new project to be located somewhere else.

The Tongue Point Naval Base is a very valuable piece of Federal property. I know it well. It is an installation in excellent physical condition. It is a set of buildings which can be used as a training installation for a variety of Federal uses, as I have suggested to the President, and as I repeat for the RECORD today. There are such possible potential uses as a headquarters for a project on oceanography. If we are going to go through with the President's proposal on an oceanographic research program, it will need a headquarters. It will employ a considerable number of personnel. Here is an installation that is really being washed by the waters of the Pacific. That is one possibility.

Then there is much that is being said about the Peace Corps. I assume the Peace Corps will function in the Pacific area. A peace corps will need a headquarters, although not necessarily a very large one. I wish respectfully to recommend to the President and his associates that they had better take a look at the Tongue Point installation, which is being deactivated, as a possible headquarters for a Pacific area Peace Corps headquarters.

Then we have heard a great deal about a training program in connection with an enlarged submarine program. I want cause to be shown, before I vote for appropriations for building a project somewhere else, why Tongue Point cannot be used for that purpose.

I believe I have made my point with regard to Tongue Point, although I shall repeat it from time to time if it becomes necessary to do so. When I say this about Tongue Point, let me say that I am speaking in behalf of people living in the economic environment of some 50 other naval installations, most of them small, I understand, which are being deactivated elsewhere. They have the same sort of interest that the people of my State have—they and their deactivated installations and the people of my State in respect to Tongue Point.

What I want demonstrated by the administration is that it does not come to Congress and ask for an installation starting from scratch, until it first makes its case with regard to the use for other purposes of naval installations which have been ordered deactivated by the recent order which every Senator received across his desk.

Madam President, I know of no one who is more familiar with the controversy that is involved in another Pacific Northwest issue, namely, the moving of the regional post office from Portland, Oreg., to Seattle.

I wish to stress the fact that this decision was first made by a Republican Postmaster General. At a later time I shall document my charges, if it becomes necessary, but I have made very clear in communications with the Post Office Department and in communications with the President that the original order was a political maneuver. It was obviously one which the Republican administration thought might be helpful in the 1960 campaign.

With the assistance of the very able Senator from South Carolina, the chairman of the Committee on Post Office and Civil Service [Mr. JOHNSTON], a stop order was agreed to until the Senate committee could conduct an investigation of the proposal.

However, immediately after the election, and before the Senator from South Carolina could implement a study of the recommendation of the Postmaster General, Mr. Summerfield, another order went out to go ahead with the move. The move has started, and I believe about 30 percent of the regional office has been moved from Portland to Seattle.

Madam President, I recognize the delicacy of a problem such as this. I can well recognize that the delegation from the State of Washington would hail with enthusiasm such a move because of the economic benefits to Seattle. However, I wish respectfully to say that controversies such as this do not in the long run work to the benefit of either State. I do not believe in economic piracy in American politics. I am satisfied on the merits, I am satisfied on the economic facts, and I am satisfied on grounds of efficiency that the move of the regional office from Portland to Seattle cannot be justified. In my judgment it is a great mistake when there develops within the Senate or between representatives of certain States and the administration a conflict over the location of regional offices. If a move of a regional office is justified in the public interest then that

is another matter but this proposed move cannot be justified.

If it could be justified then, Madam President, I would be the first to admit that the move should be made. However, I have made a very thorough study of the regional post office issue. As the Presiding Officer knows, the Oregon delegation was instrumental in asking the Postmaster General to bring back to Washington, for conference and interview, the director of the regional post office, Mr. Schwartz, because we knew that from the very beginning of this controversy Mr. Schwartz had made it clear that efficiency and economy dictated that the office should remain in Portland. That has been his recommendation from the very beginning, and he made that recommendation to former Postmaster General Summerfield. Mr. Schwartz came to Washington, and at my request he met with members of the Oregon delegation or their representatives. He verified again the economic facts and the facts in regard to the efficient operation of the regional post office located in Portland. Mr. Schwartz further confirmed our opinion that the regional post office should remain in Portland.

I say to the President and to the Postmaster General that it may be—I hope it is not true—that political considerations or political pull or political influence may result in proceeding with former Postmaster General Summerfield's political deal, but that will not make it right. Such action will not be forgotten in the State of Oregon. I hope the administration will take note of that warning, because I seek only the welfare and the best interests of this administration. But as the senior Senator from Oregon, let me serve notice again that I intend to fight for and protect the interests of the people of my State, even if it means that I have to take on my own administration.

Madam President, I never have and never will let party considerations at any time cause me to sacrifice what I believe to be a matter of right or to sacrifice what I consider to be the rightful due of the people of my State.

I say to Postmaster General Day: "You are wrong if you make any decision which changes the status quo in regard to this regional post office headquarters because of any course of action your predecessor started."

It is too bad, but this action may result in differences of opinion being expressed by Senators from the Pacific Northwest. Let those differences come, so far as I am concerned, and so long as I am convinced that the merits of the issue are on the side of the people of Oregon.

It has been said that the regional post office was once in Seattle. That does not happen to be the case. The record shows that when the regional post office program was first blueprinted, Seattle was originally designated as the site for the Pacific Northwest regional post office. Before there was any implementation of the original blueprint, there was a review. The decision was then made, as Mr. Schwartz has made clear in his statement, that efficiency and economy called for a change in the original blueprint, and the regional post office in the first instance was established in Portland, not in Seattle, as is alleged by some persons.

I respectfully call the attention of the President of the United States to one of the political realities of this situation. If under a Democratic administration evidence continues to accumulate that the people of Oregon are to suffer unfair discrimination in respect to the expenditure of Federal dollars, this administration cannot expect resolutions of commendation to be passed in the secret voting places of Oregon in 1962 and 1964.

Madam President, I turn to another phase of the problem. My State is one of the hardest hit States in the entire Union in respect to unemployment. To date, not a single one of the special emergency programs of this administration has been applied to Oregon. Oregon has been the recipient of some of the general program that has been applied throughout the Nation and will be a recipient of some of the program in regard to the improvement of the unemployment insurance program. But Oregon has not been a recipient of any of the food stamp program, although many of the areas that were the recipients—and I thank God they got the assistance—could not demonstrate, from the standpoint of need, a need greater than that of certain areas in my own State.

I call the administration's attention to the fact that newspaper after newspaper and local group after local group in my State are asking the question: When will this administration take cognizance of the exceedingly distressed situation that exists in the State of Oregon? Men need to be put to work. In Oregon there are men in the skilled trades who are now unemployed, who had not been out of a job for 12 to 15 years, as they write to me. There are those I have heard in Washington who seek to pass this situation off with the rationalization, "Well, is it not pretty much seasonal, and will not conditions improve with the return of good weather?"

The weather does not have anything to do with the problem in my State. The fact is, as we all know, that there has been a great letdown in the construction industry across the country. The result is that the lumber mills in Oregon have shut down in large numbers, far beyond the seasonal unemployment in the lumber industry. There is always a certain amount of seasonal unemployment. Unemployment in the lumber industry this year has far exceeded any seasonal unemployment of the past. The cause-to-effect relation is perfectly clear and is being brought out by editor after editor. The reason is that construction is down.

The Government can be of assistance in a construction program. In 1946, the RECORD will show, I spoke for and fought for on the floor of the Senate a great piece of legislation offered by the late Senator from Montana, Mr. Murray. It is known as the full-employment law of 1946. But, sad to say, it is chiefly characterized by a failure to use it. That law is on the statute books; and I felt that during the recessions in the Eisenhower administration, the Government had the duty to put the 1946 unemployment law to work. But not once did the President of the United States ever resort to its use.

I respectfully call the attention of the new President of the United States, who was an ardent supporter of the principle of that law, to the fact that one way to put it to work is to proceed with a public-works program in the areas of the country in which people should be put to work.

One of the great needs of our economy is to expand it. It is very interesting to note what happens when a stimulation of the economy is started by means of—and I emphasize these words—needed, reimbursable, wealth-creating projects. I am not talking about a pork-barrel program; I am not asking for pork for my State. I am asking for wealth-creating projects that will put men back to work—so that I shall no longer receive letters from electricians, plumbers, carpenters, and plasterers who, for the first time in 12 or 15 years, find themselves out of work. These wealth-creating projects will pay for themselves. In fact, they will do far more than that; they will create wealth from which will come new tax dollars, which will result in further expansion of the Nation's economy.

I hope the President will take a long look at, and will give close attention to, the needs for an expanded public-works program in connection with the development of the natural resources in various parts of the country, including my own.

I know that, on principle, no one in the Government is a more enthusiastic believer in the importance of conserving and developing the natural resources of the Nation than is the President of the United States. Time and time again, he has spoken most eloquently on that subject matter. But action is needed; and this program offers an opportunity to end the kind of economic discrimination from which my State has been suffering.

The development of the electric power potential of the Nation is one of its great defense needs. And, of course, as the electric potential of the Nation is developed, the security of the country and also the economy of the country are developed.

Every once in a while someone asks me, "If more electric energy is developed, will there be a need for it?"

Madam President, the fact is that a great increase in the use of electric power can well be made in all parts of the country, not only in the Pacific Northwest.

I have said before, and I now repeat, that I will support the development anywhere in the Nation, of any engineeringly sound dam that can be justified on the basis of its cost-to-benefit ratio, because when I vote to develop the electric power potential of the Nation, I am striking a more effective blow against communism than I do when I vote for the production of more missiles. I have al-

ways voted for the missile programs, and I will continue to vote for them until the dawn of the day when Russia will fully understand that she has everything to lose and nothing to gain by a nuclear war.

But, Madam President, in the long run we shall defeat communism in the world by demonstrating the superiority of our economic system—the superiority of economic freedom. When I vote for the development of the electric power potential of the United States, I am also voting in favor of strengthening the economic freedom of our Nation, because by that vote I shall be helping to make possible a greater expansion of the Nation's economy. I shall be voting for a resulting increase in the job opportunities and a resulting increase in the private ownership of homes, and in supplying an adequate education to the children of the American families, and also in bringing to every family in the Nation a greater degree of the enjoyment of economic freedom.

Madam President, in the course of your service in this body, you are doing a magnificent job, in my opinion, in calling the attention of the country to the needs and the rights of the consumers of the United States. I feel that I buttress your work—as you cooperate with me, too—in my battles for the development of the electric power potential of the streams of our country.

So today I most respectfully ask the President of the United States to look at the rivers of the Pacific Northwest and to recall some of the eloquent and sound speeches he made in Oregon in regard to the development of the economic power of the streams in our part of the country, and in the entire Nation. I do not know how there could possibly be greater justification for immediate action than there is now, in view of the economic plight which confronts my State.

Madam President, I have talked longer than I intended; but I wish to make perfectly clear to the President that I speak in dead earnest. I have taken sufficient time at least to give him the benefit of a few broad brushstrokes in regard to some of the opportunities to assist the economic plight of my State. I shall speak again.

This weekend I shall go home for a personal inspection of the situation in Oregon, from the standpoint of its economic needs. I assure the President that upon my return I shall speak again and again and again, until finally we get through to the administrators of his administration the justification for the increasing demand on the part of the leaders of my State that this administration proceed to take cognizance of what the documented facts show to be an economic discrimination against Oregon during the 8 years of the Eisenhower administration and thus far during this administration.

But, in fairness to the President, let me make very clear that I am not critical of the fact that, during his busy days since he was sworn in to be the President of the United States, he has not given to this problem the attention that I am confident he will give to it, once he becomes fully aware of it.

One of the purposes of this Senate forum is educational. I look upon my job as also carrying with it the responsibility of political education and economic education with respect to the needs of my State. I assure the President that I make my speech today in that spirit; but I also assure him that I intend to use my obligations in this office, my trust in my duty in this office, to do what I can to protect the economic rights of my State. And I ask for no more. I ask for no favoritism. I do not ask to be put in a preferred position. But I do ask that the President take the steps necessary to end the unfair and uncalled-for economic discrimination the State of Oregon has suffered for the last 8 years.

THE AMERICAS MUST COME FIRST

Mr. SMATHERS. Madam President, one of the ablest and wisest and most perceptive men in the Western Hemisphere is Pedro G. Beltran, a former newspaperman who, because of his beliefs and his fervent advocacy of democracy, finally had to spend many years in jail, and was freed only when a change was brought about in his government. Today he is the Prime Minister of Peru.

I do not know of anyone who has a greater understanding of the problems of the Western Hemisphere than does Pedro Beltran.

On March 22 he made a speech at the University of California at Los Angeles entitled "The Americas Must Come First."

I should like to quote a few paragraphs from his speech, as follows:

Has there not been evidence of a political vacuum in the Western Hemisphere? The tragedy of Cuba, its repercussions in other countries, the doubts, the cynicism, the talk of neutralism, all clearly warn us that our hemispheric solidarity is threatened.

The leadership which will fill this vacuum is one which must recognize the mutual interdependence of the United States and the other Republics of this hemisphere—a realization that we constitute a family of nations living, so to speak, in houses on the same block. Such leadership recognizes that a fire in any house in our block is an immediate threat to every other house and to every member of the family.

Let me be clear on one thing. This is not an argument for grants, and aid. We are not suggesting that the North American people make a philanthropic gesture. This is not the question.

The problem is far more serious than one of mere help. It is a matter of survival, of salvation for all of us. Let us be clear on this at the start: communism is gaining ground here in our own hemisphere, before our very eyes. If the United States does not step forward now with dynamic leadership to meet the unceasing conspiracy, on our own shores, of the Soviet Union and Red China, Latin America is lost. And if Latin America, with all its 200 million people, is lost, so also is the United States.

So the burdens which are laid upon you are immeasurable. You cannot find a no man's land in the conflict which has divided the world. There can be no truce, no respite in the endeavor to show that liberty and dignity are better and more fruitful than totalitarian servitude. The United States must be equal and surpass Russia in the conquest of space. To preserve peace and guarantee the security of the free peoples, it cannot stint on defense. The banner of the Western World must never be furled in Berlin. The Iron Curtain must not be allowed to fall on the remote kingdom of Laos, nor Red imperialism to establish, among the Congo tribes, a beachhead for domination of the African Continent.

But would it not be tragic if, the United States won the Congo, secured Berlin, triumphed in Laos, Ghana, and the islands of Quemoy and Matsu, while in the end a victorious Communist thrust for power took place in the heart of its own hemisphere? You could have won, thousands of miles away, and been beaten by the Kremlin in your own block. Now, this hypothetical case, which you here suppose to be impossible is, unfortunately, not impossible south of the Rio Grande, in your sister Republics of Latin America.

I myself have always stressed that we live on the same continent, and any loss, in any part of it is of necessity a loss for all of us. Must we not say, with Donne, that "any man's death diminishes me." No ground should be lost, anywhere. But the loss of any Latin American country is infinitely more serious than the loss of the Congo, or even the loss of Western Berlin. And this can be said even from a strictly military point of view.

First things should come first. Therefore the Western Hemisphere must come first in Washington, for the risk of victory abroad and defeat at home will exist just so long as the Western Hemisphere family of nations does not occupy first place on Washington's overloaded schedule.

Madam President, I ask unanimous consent to have printed in the RECORD at this point the entire speech of Dr. Beltran. I should like to say at this point that this is a most perceptive and thought-provoking speech. I completely agree with the conclusions which have been reached by Dr. Beltran. It is my fervent hope that attention will be given to this matter, just as attention is being given today to the very tragic situation which exists in Cuba, and the attention which is given to Laos and Berlin and Congo and to the other trouble spots of the world. I cannot help feeling, as Dr. Beltran has so well stated, that it would certainly be the height of irony if we should win victory in these faraway places in stopping communism but at the same time permitted it to gain a permanent foothold in our own Western Hemisphere or, so to speak, in our own block, in our own neighborhood.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE AMERICAS MUST COME FIRST

(Address by Pedro G. Beltran, Prime Minister and Minister of Finance, Republic of Peru, University of California at Los Angeles, Charter Day, March 22, 1961)

Mr. President, Mr. Chancellor, members of the board of regents, distinguished faculty, alumni, and friends of the University of California at Los Angeles, I think we can all agree that today's problems are so serious and the need to solve them is so pressing that on occasions such as this each moment and each word should be used for the purpose of defining the tasks to be performed, by men of good will, in the world in which we live. If the problems are not clearly defined, it is hard to find a solution.

Throughout the ages those nations which have led the world have had heavy burdens laid upon them. This was never more true than today. Indeed, never have the destinies of so many people depended in such grave measure upon the wisdom and fortitude of one nation.

It is an irony of history that the very burdens under which the leading nations struggle tend to subject them to implacable criticism and the bitterest recriminations.

This is worth mentioning now, because the United States is being subjected to just such recriminations in a form which is becoming quite familiar to all of you. I refer to the anti-American sentiment which the United States encounters, sometimes with astonishment, in many parts of the world. It is found not only in countries openly antagonistic, but even in those which are your friends, or at least should be expected to be friends.

But you should not be astonished. Rightly or wrongly, the strongest nations have always been the target of such hostility. It is not greatly different from the anti-British feeling which existed before the two World Wars, or the anti-French feeling in the days of Louis XIV or of Napoleon, or the resentment against the Spain of Philip II and Charles V, or even the anti-Roman feeling in the time of the Caesars. Such things are the price of power and greatness, along with sacrifices and perils, and constant vigilance. History lays its moral obligations upon nations, and only the mediocre fail to live up to them. In the words of Arnold Toynbee, the death of civilization is the result of their failure to respond adequately to the challenges which put them on trial.

On the occasion of this university gathering I shall speak not from the viewpoint of a member of a government, nor even of an inhabitant of the Americas. I speak as a son of Western culture who realizes, as do all of you, the magnitude of the perils which are threatening the civilization into which we have been born and which we hope to pass on to our children.

It is not a question of a simple clash of ideologies, of a struggle for the balance of power as the 19th century politicans understood it, nor of the interplay of influence, nor of territorial controversies. It is not even a question of endeavoring to preserve the comfort and material advantages characteristic of the American way of life, and much less of returning to the "splendid isolation" which came to an end for the United States in the terrible bloodshed of two World Wars.

What is happening now, in 1961, here and throughout the whole world, is that the very principles on which we have been nurtured are in jeopardy. Our worship of God, our concept of the dignity of the individual, our inborn habit of exercising man's inherent liberties; the freedom of the ballot box and of economic choice, and the right of labor to organize and to strike, are threatened. True scholarship and freedom of thought and inquiry, as carried on in our great free universities; honor and decency; property and family; our sense of the true value of life itself—all these things are hanging in an awful balance.

We who have studied your history and who know you cannot help but be convinced that you will defend this Western Christian heritage. We believe that you will accept this world responsibility with the same epic spirit of your first settlers and your Founding Fathers, and of the wonderful rank and file of American farmers, soldiers, statesmen, workers, industrialists, educators, who have forged the greatness of your country. We have grown to understand your courageous, creative—I would say, heroic spirit, and we rejoice to see vigorous signs of it in President Kennedy's recent speeches.

Your magnificent revolution, and the high principles enunciated in your Declaration of Independence and your Constitution ignited the revolutionary flame which created our Republics. The example of your Founding Fathers inspired our revolutionary leaders and our people to throw off the yoke of colonialism. Destiny today summons you to an even higher responsibility. Leadership is the key, for where leadership falters a political vacuum is created.

Has there not been evidence of a political vacuum in the Western Hemisphere? The tragedy of Cuba, its repercussions in other countries, the doubts, the cynicism, the talk of neutralism, all clearly warn us that our hemispheric solidarity is threatened.

The leadership which will fill this vacuum is one which must recognize the mutual interdependence of the United States and the other Republics of this hemisphere—a realization that we constitute a family of nations living, so to speak, in houses on the same block. Such leadership recognizes that a fire in any house in our block is an immediate threat to every other house and to every member of the family.

Let me be clear on one thing. This is not an argument for grants, and aid. We are not suggesting that the North American people make a philanthropic gesture. This is not the question.

The problem is far more serious than one of mere help. It is a matter of survival, of salvation for all of us. Let us be clear on this at the start: communism is gaining ground here in our own hemisphere, before our very eyes. If the United States does not step forward now with dynamic leadership to meet the unceasing conspiracy, on our own shores, of the Soviet Union and Red China, Latin America is lost. And if Latin America, with all its 200 million people, is lost, so also is the United States.

So the burdens which are laid upon you are immeasurable. You cannot find a no man's land in the conflict which has divided the world. There can be no truce, no respite in the endeavor to show that liberty and dignity are better and more fruitful than totalitarian servitude. The United States must equal and surpass Russia in the conquest of space. To preserve peace and guarantee the security of the free peoples, it cannot stint on defense. The banner of the Western World must never be furled in Berlin. The Iron Curtain must not be allowed to fall on the remote kingdom of Laos, nor Red imperialism to establish, among the Congo tribes, a beachhead for dominion of the African Continent.

But would it not be tragic if the United States won the Congo, secured Berlin, triumphed in Laos, Ghana, and the islands of Quemoy and Matsu, while in the end a victorious Communist thrust for power took place in the heart of its own hemisphere? You could have won, thousands of miles away, and been beaten by the Kremlin in your own block. Now, this hypothetical case, which you here suppose to be impossible is, unfortunately, not impossible south of the Rio Grande, in your sister Republics of Latin America.

I myself have always stressed that we live on the same continent and any loss in any part of it is of necessity a loss for all of us. Must we not say, with Donne, that any man's death diminishes me. No ground should be lost, anywhere. But the loss of any Latin American country is infinitely more serious than the loss of the Congo, or even the loss of Western Berlin. And this can be said even from a strictly military point of view.

First things should come first. Therefore the Western Hemisphere must come first in Washington, for the risk of victory abroad and defeat at home will exist just so long as the Western Hemisphere family of nations does not occupy first place on Washington's overloaded schedule.

The principle of priority for the common destiny of the Americas as a cardinal point of foreign policy of the United States and the other American Republics has intrinsic validity, and historical sanction.

The people of the United States—all segments of your national life—will grasp the clear and compelling logic of this policy, and will sympathize with whatever necessary measures of a political or economic nature the United States must take in order to give it life and vigor. It is a demonstrated virtue of your citizenry that when the wisdom and logic of a course is made clear to them they invariably respond with all the sacrifices necessary to make it succeed.

While the policy I am proposing is, I believe, clear and logical, and will clarify the position of the Americas before the world, it is not necessarily a panacea. For it deals, after all, with 20 Latin Republics. I should tell you that Latin America, with homogenous traits which identify it as a group, is nevertheless divided and complex to a degree undreamed of by the superficial observer. South of the Rio Grande there are not only 20 republics, but each Latin American—as each Spaniard, according to Angel Ganivet—is himself a self-willed, autonomous republic. We are fired by an individualistic propensity in contrast with the mature self-discipline which today characterizes Anglo-Saxon communities. Your institutions are deep rooted, and I dare say indestructible. In Latin countries, the individual is still the supreme institution, to a remarkable degree.

This calls for human understanding, wisdom in leadership, and capable diplomacy. It calls for a broad and universal outlook. The United States would not deserve to hold the leadership of the free world if its statesmen, politicians, intellectuals, and those who mold public opinion, were not imbued with a universal outlook.

We must admit with the Spanish philosopher, Ortega y Gasset, and the German philosopher, Karl Jaspers, that provincialism, the mistaken sense of values which attaches more importance to the immediate and the insignificant than to the enduring and the transcendent, constitutes the greatest internal threat to Western civilization. To undertake a universal mission, a universal mentality is an irreplaceable requirement.

The hour is ripe for such thoughts as I have dared suggest to you. In the United States a new administration is starting. The President's pronouncements fill us with optimism. He speaks as a citizen of the Americas, aware of the problems we are facing and of the solidarity that should bind us together to find solutions worthy of our history and of our destiny. At one point in his speech he says:

"The genius of our scientists has given us the tools to bring abundance to our land, strength to our industry, and knowledge to our young. For the first time we have the capacity to strike off the remaining bonds of poverty and ignorance—to free our people for the spiritual and intellectual fulfillment which has always been the goal of our civilization."

And he adds:

"Yet at this very moment of maximum opportunity we confront the same forces which have imperiled America throughout its history—the alien forces which once again seek to impose the despotisms of the Old World on the people of the New."

This brings us again to the case of Cuba which, while so far isolated, is nevertheless frighteningly symptomatic. Some newspapermen who have already reported this to you have gone so far as to say that the Latin American revolution is inevitable.

Since it is more convenient for the United States to be on the winning side, they argue, it should place itself on the side of the revolution and not against it.

This is true—but what revolution? The Soviet revolution is not the same as the French Revolution, nor the American Revolution. In the name of revolution more crimes can be committed in Latin America than were committed in France in the name of liberty, as Madame Rolland sadly noted at the foot of the guillotine. If revolution means loss of liberty, muzzling of the press, confiscations, suppressions of the right to unionize and to strike, terror and tyranny, domestic spying and firing squads, if revolution means Communist revolution, then the United States would commit a crime and a monumental act of irresponsibility in letting us fall into the hands of Moscow.

But let us not play with words: A revolution can mean something quite different. It can mean the assumption of greater responsibility by our Latin American governments. It can mean the creation of a more democratic climate within our countries which would inspire youth and reward ambition. It can mean abolition of privileges, and more equality. It can mean a set of broader social attitudes on the part of landowners, employers, and union leaders. It can mean broader education and greater opportunity for the young. It can mean wider civil liberties and courageous economic development, sounder fiscal administration and advances in housing, land tenure, roads and industries, science and health. It can mean higher standards of living. Such developments could well be called revolutionary in many areas of the hemisphere.

So that while we unconditionally repudiate the Communist revolution, we earnestly desire a revolution inspired by and dedicated to the principles of Washington, Jefferson, and Lincoln, on your part, and Bolivar, Sarmieto, and Marti on ours, and by no means a revolution after the manner of Karl Marx and Nicolai Lenin, or Fidel Castro and Che Guevara.

I close with thanks to the great university which has done me the honor to invite me to its charter day convocation. In all of the tense and perilous political subjects on which I have felt obliged to dwell today it goes without saying that the great hope for all of us is in an educated youth in both the United States and Latin America, dedicated to the great common destiny of our hemisphere. You at the University of California at Los Angeles are doing wonderful work. When the clouds of political tension and economic stress are cleared, it may well be that the cultural accomplishments of the free universities of the Western Hemisphere will have achieved more for the common good than all the politicians and propagandists.

Thank you, and keep up your magnificent work.

ADJOURNMENT TO NEXT MONDAY

Mr. MORSE. Madam President, as in legislative session, I move that the Senate stand in adjournment until Monday at 12 o'clock noon.

The motion was agreed to; and (at 4 o'clock and 10 minutes p.m.) the Senate adjourned until Monday, April 10, 1961, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate April 6, 1961:

U.S. ATTORNEYS

David C. Acheson, of the District of Columbia, to be U.S. attorney for the District of Columbia for a term of 4 years, vice Oliver Gasch.

Robert M. Morganthau, of New York, to be U.S. attorney for the southern district of New York for the term of 4 years, vice S. Hazard Gillespie, Jr., resigned.

U.S. COAST GUARD RESERVE

Ernest R. Feidler for promotion to the permanent rank of rear admiral in the U.S. Coast Guard Reserve.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 6, 1961:

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Wilbur J. Cohen, of Michigan, to be an Assistant Secretary of Health, Education, and Welfare.

DIPLOMATIC AND FOREIGN SERVICE

AMBASSADORS

G. Frederick Reinhardt, of California, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Italy.

Joseph C. Satterthwaite, of Michigan, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Union of South Africa.

Parker T. Hart, of Illinois, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Kingdom of Saudi Arabia.

Raymond Telles, of Texas, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Costa Rica.

UNITED NATIONS

Mrs. Jane Warner Dick, of Illinois, to be the representative of the United States of America on the Social Commission of the Economic and Social Council of the United Nations.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

John M. Leddy, of Virginia, to be U.S. Executive Director of the International Bank for Reconstruction and Development for a term of 2 years.

EXTENSIONS OF REMARKS

National Scholarship Auditions of Friday Morning Music Club Foundation, Inc.

EXTENSION OF REMARKS

OF

HON. ALEXANDER WILEY

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Thursday, April 6, 1961

Mr. WILEY. Mr. President, most of us are aware that when George Washington directed Maj. Pierre L'Enfant to plan a Federal city 170 years ago, he specified that it should be planned as a cultural and civic center for the new United States. The father of our country recognized, even at that early date, that our Capital City would be a showpiece of our way of life—a window through which much of the world would view our new Republic and its people. And, in his great wisdom, he recognized, too, that the fine arts and education would continue to reflect the true status of our Nation—the values which, in the words of President Eisenhower, "make our civilization endure and flourish."

We in America have every right to be proud of the diversified cultural life of our country and of the continued efforts by our citizens to encourage and expand appreciation of the creative output of our poets, playwrights, composers, and visionaries of the past and present. We, here in the Congress, have demonstrated our recognition of the significance of the national level of our cultural heritage through enactment of Senate bill 3335 during the 85th Congress—which bill I was happy to cosponsor, and which resulted in Public Law 874 for the establishment of a National Cultural Center here in the Nation's Capital. Many of my colleagues will recall the long and sometimes discouraging battle fought by many dedicated Members in both Houses of the Congress in order to secure legislative approval for such an international cultural beacon, which will be commensurate with our leadership in world affairs. Many public-spirited citizens maintained the courage of their convictions that here was a project which would enrich countless numbers of lives through expansion of cultural horizons. They realized that this was an absolute necessity in order for our Capital City to fufill its role of importance as a tourist center from which local and foreign visitors derive their knowledge and lasting impressions of the United States. And, a splendid example of how Members from both sides of the aisle can work together in harmony for the cultural advancement and mutual benefit of our great country was shown in the commendable bipartisan spirit which marked enactment of this legislation.

Since that time great progress has been made by many prominent individuals who are contributing their time, efforts, and funds toward eventual realization of this center which will belong to every citizen of the United States. Such a national cultural establishment will develop a greater knowledge, understanding, and appreciation of the fine arts by providing a suitable building for the presentation of music, opera, drama, dance, and poetry.

Mr. President, I wish to call attention at this time to an outstanding example of our Nation's cultural maturity to be found right here in our Capital City—the Friday Morning Music Club, Inc. Founded in 1885, this pioneer organization is well qualified to assume its place

in the forefront of our expanded cultural horizons; for the objectives of the Friday Morning Music Club are dedicated generally to the ennoblement of the spirit and specifically toward the promotion of musical culture among its members and in the community. One of the largest and most active musical organizations in the Capital, the club has a membership of 600 women musicians—active, associate, honorary, and student—who periodically sponsor concerts of local and world renowned artists.

In 1949, through the untiring efforts of one of its distinguished members—Mrs. Florence Howard, the club expanded its objectives to the younger generation by forming the Friday Morning Music Club Foundation. Incorporated in 1948, the foundation—of which Mrs. Howard is the capable director—establishes a legal means for the club to receive and administer bequests and gifts in order to promote and provide musical education for the especially gifted student; and particularly for those who need help to launch their careers or to provide further training.

As a result of this fine program, national scholarship auditions are held every 18 months for young musicians who compete for awards of $1,500, $1,000, and $300. After 3 days of elimination competitions, in which selected members of the music club choose six finalists, the winners are chosen by judges of outstanding reputation in the music field.

On Friday night, April 7, the foundation will hold the finals in its national scholarship auditions at the John Wesley Powell Auditorium, here in Washington. The auditions this year are for singers between the ages of 18 and 26 and applications for the contest came from 165 young singers from all our 50 States, including Hawaii. Applications were carefully screened by members of the foundation and 40 were accepted to compete in the auditions. The finalists on Friday night will be judged by a panel of distinguished musicians including Boris Goldowski ("Mr. Opera"), Julius Rudell, director of the New York City Opera Co., and Rose Bampton, former leading soprano of the Metropolitan Opera Co. Previous winners of the national auditions have included violinists, pianists, singers, and a cellist; all of whom are now actively pursuing their careers and some of whom have already made such names for themselves as to give promise of becoming stars in future years.

The top award this year has been named by the Friday Morning Music Club "The Florence Howard Award," in honor of the founder and director of the foundation; who, through her untiring efforts, has fulfilled so completely the club's purpose of "promoting musical culture among its members and in the community."

Mr. President, in these times when the United States is faced with the challenge of providing the alternative to the path toward communism, I believe that we need more such constructive efforts which prove to the world that the citizens of our great country are not materialistic—that our own unique approach to private action, endowment, and support of the arts produces the finest artists; and that we are truly worthy of being the leader among nations—culturally and spiritually, as well as economically and defensewise.

I ask unanimous consent that there be printed in the CONGRESSIONAL RECORD a listing of the officers and trustees of the Friday Morning Music Club Foundation, Inc.; along with a listing of honorary membership in the foundation and past scholarship awards.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

THE FRIDAY MORNING MUSIC CLUB FOUNDATION, INC.

OFFICERS

Director of the foundation, Florence Howard; chairman of auditions, Kathryn Hill Rawls; secretary, Constance Russell McKay; treasurer, Katherine Riggs Burchard; assistant to the director, Jane Lea; assistant to the chairman of auditions, Lenore Bryan; president of the Friday Morning Music Club, Dorothy Raynor.

TRUSTEES

Nabiha Gazda, Helen Grimes, Neva Garner Greenwood, Evelyn Swarthout Hayes, Alma Mitchell, Alice Nagle, Miriam Taylor, Margaret Tolson, Olive McD. Witters.

HONORARY MEMBERSHIP IN THE FOUNDATION

National Judges

Miss Alice Eversman, Dr. Rudolph Ganz, Mr. Walter Golde, Mr. Julian de Gray, Mr. John Gutman, Mr. Mieczyslav Horszowski, Mary Howe, Mr. Alexander Kipnis, Mr. Boris Kroyt, Mr. Marks Levine, Mr. Eugene List, Miss Mildred Miller, Mr. Mischa Mischakoff, Dr. Howard Mitchell, Mr. Homer Mowe, Miss Elena de Sayn, Mr. Mischa Schneider, Mr. Leonard Shure, Mr. Martial Singher, Dr. Reginald Stewart, Mr. Roman Totenberg.

SCHOLARSHIP AWARDS

September 8, 1950: The Friday Morning Music Club Foundation and Patrick Hayes $1,000 award. Winner, Diana Steiner, violinist, Philadelphia, Pa.

April 16, 1952: The Friday Morning Music Club Foundation Award for Singers. Winner, first award, $700—Madelaine Chambers, White Plains, N.Y.; winner, second award, $300—Bettye Brown, Nashville, Tenn.

September 11, 1953: The Bonita Crowe $1,000 Piano Scholarship. Winner, Naomi Weiss, New York, N.Y.

April 13, 1955: The Friday Morning Music Club Foundation $1,000 Scholarship for Strings. Winner, Elaine Skorodin, Chicago, Ill.

September 12, 1956: The Friday Morning Music Club Scholarships for Singers. Winner, first award, $1,000—Robert Kerns, Detroit, Mich.; winner, second award, $300—Gilderoy Scott Memorial—Robert Moulson, Atlanta, Ga.

April 11, 1958: The Friday Morning Music Club Scholarships for Pianists. Winner, first award, $1,000—Virginia Hutchings, Atlanta, Ga.; winner, second award, $300—Jerome Rose, San Francisco, Calif.; winner, third award, $100—Emily Zachary Bayly Memorial—Anton Baker, New York, N.Y.

September 11, 1959: The Friday Morning Music Club Scholarships for Strings. Winner, first award, $1,000—Toby Saks, cellist, New York, N.Y.; winner, second award, $300—Charles Castleman, violinist, Braintree, Mass.; winner, third award, $100—Frances Steiner, cellist, Philadelphia, Pa.

April 5–7, 1961: The Friday Morning Music Club Scholarships for Singers. The Florence Howard Award, $1,500 (honoring the founder and director of the foundation); the second award, $1,000, the Church-Lyons-Scott Memorials Award, $300.